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

To our stockholders,

We invite you to approve the separate financial statements for the year ended December 31, 2007 and, in view of the fact that the legal reserve is equal to one-fifth of capital stock, we propose the appropriation of the profit for the year of € 123,397,998 as follows:

To the ordinary shares, dividends of € 0.1, for a maximum	€ 103,861,271.70	
To the savings shares, dividends of € 0.1207, for a maximum	€ 4,512,130.52	
Proposed dividends are payable to the shares that will be outstanding, thus excluding the shares held directly by IFIL S.p.A. at the ex dividend date, for a total maximum		€ 108,373,402.22
To the extraordinary reserve, the remaining amount, for a minimum		€ 15,024,595.78
Profit for the year 2007		**€ 123,397,998.00**

Turin, March 28, 2008

For the Board of Directors
The Chairman
Gianluigi Gabetti

Istituto Finanziario Industriale

IFI GROUP
ANNUAL REPORT 2003

Istituto Finanziario Industriale

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

ANNUAL REPORT 2003

Table of contents

DIRECTORS' REPORT ON OPERATIONS

IFI GROUP – CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2003

IFI S.p.A. – STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2003

This is an English translation of the Italian original document "Relazioni e Bilanci 2003" approved by the IFI Board of Directors on March 30, 2004, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian "Relazioni e Bilanci 2003" containing the Directors' Report on operations and the Consolidated and Statutory financial statements also available on the corporate website: http://www.gruppoifi.com.

Istituto Finanziario Industriale

The Chairman of the Company, Mr. Umberto Agnelli, deceased on May 27, 2004. We wish to recall his extraordinary human and professional gifts as well as the great enthusiasm that distinguished him and his sense of responsibility shown in the Relaunch process of the Group. His death has left a void in all the persons who have known and highly esteemed him.

Board of Directors

Chairman	Gianluigi Gabetti
Deputy Chairman	Pio Teodorani-Fabbri
Directors	Annibale Avogadro di Collobiano
	John Philip Elkann
	Luca Ferrero Ventimiglia (co-opted on June 11, 2004)
	Gabriele Galateri di Genola
Secretary to the Board	Franzo Grande Stevens
	Andrea Nasi
	Lupo Rattazzi

General Manager	Virgilio Marrone

Board of Statutory Auditors

Chairman	Cesare Ferrero
Standing Auditors	Giorgio Giorgi
	Lionello Jona Celesia
Alternate Auditors	Giorgio Ferrino
	Paolo Piccatti

Independent Auditors	Deloitte & Touche S.p.A.

Expiry of term of office

The three-year terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on May 29, 2003, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2005.

The Independent Auditors are appointed for the three-year period 2003-2005.

Corporate Governance

The Chairman, according to the by-laws (art. 21), may represent the Company, also before a court of law, and has signature powers.

Specific operating powers have been conferred to the Deputy Chairman and the General Manager.

IFI GROUP PROFILE

THE INVESTMENT PORTFOLIO

IFI – Istituto Finanziario Industriale S.p.A. – is the controlling financial holding company of the Group led by Giovanni Agnelli e C. S.a.p.az. The Company's assets are represented by investments in IFIL - Finanziaria di Partecipazioni S.p.A. (62.03% of ordinary capital stock) and in Exor Group (29.3% of capital stock).

IFIL is the operating holding company of the Group commanding two distinctive areas of operations: the active management of the controlling investment in Fiat and the dynamic management of the other holdings.

Fiat, controlled with a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat Auto, Ferrari and Maserati), commercial vehicles (Iveco), agricultural and construction equipment (CNH Global), automotive components for these vehicles (Magneti Marelli) and the supply of related services, as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Worms & Cie (53.07% holding in capital stock) is a French-listed holding company with a portfolio comprising the following major investments:

- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper (Carbonless Europe was absorbed by ArjoWiggins as from January 1, 2004);
- Antalis (100% holding), the leading group in Europe in the distribution of paper products for printing and writing;
- Permal Group (100% holding), one of the leaders in the management of investment funds;
- SGS (23.8% holding in capital stock), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality.

La Rinascente (jointly controlled with the Auchan Group, through Eurofind, which holds more than 99% of the ordinary capital stock) is one of the largest Italian retailers operating throughout Italy with roughly 1,850 points of sale (direct, affiliates and associates) and over 31,000 employees.

SANPAOLO IMI (4.86% holding in ordinary capital stock) is a leading national banking group with over 3,000 branches throughout Italy.

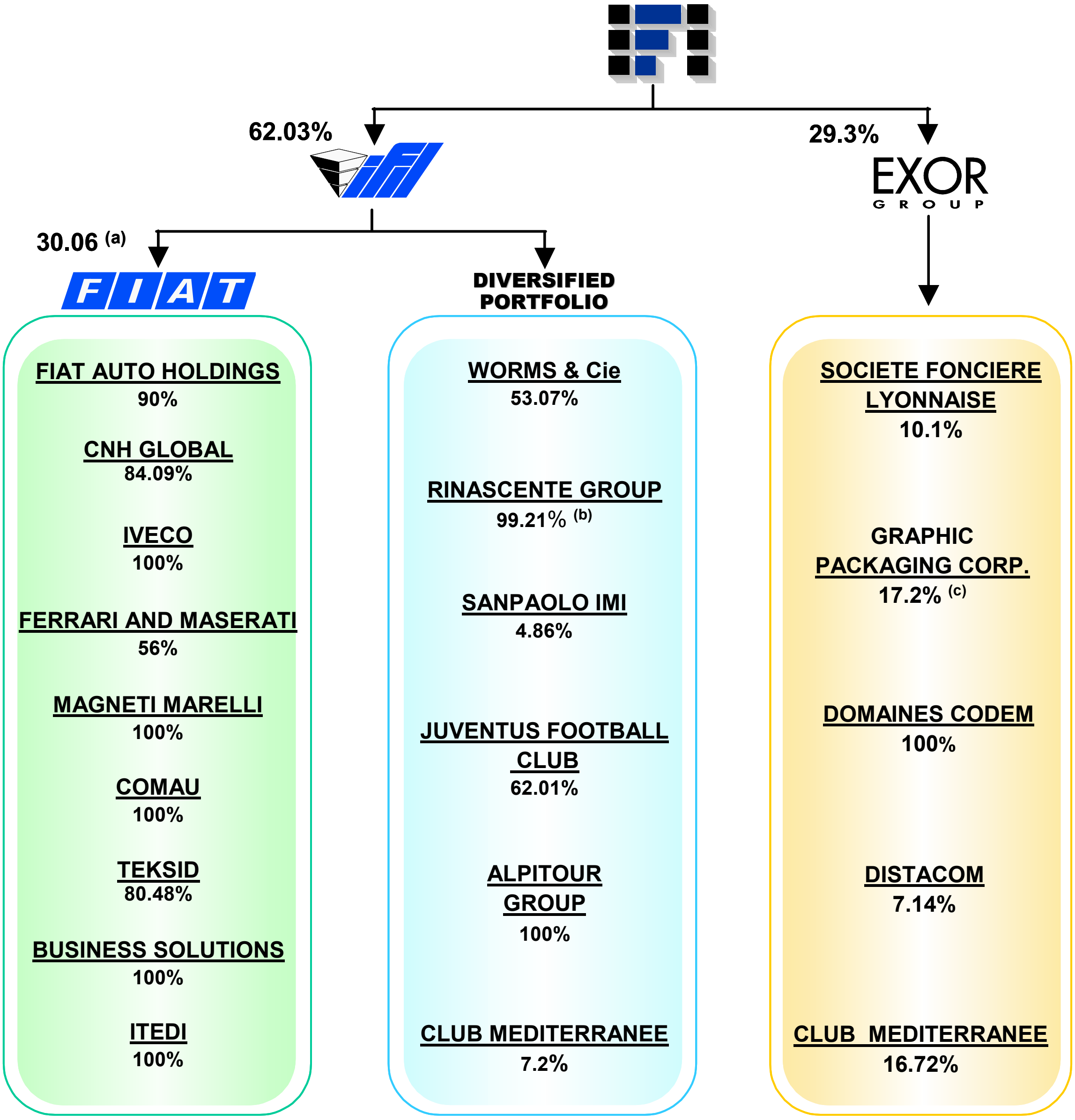
Alpitour (100% holding through NHT New Holding for Tourism) is a leading company in Italian tourism.

Club Méditerranée (7.2% holding in capital stock) is a company in which the Agnelli Group also holds an equity interest through Exor Group (16.72% holding in capital stock).

Juventus Football Club (62.01% holding in capital stock) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events.

Exor Group is a Luxembourg holding company; its principal investments are the 16.7% stake in Club Méditerranée, the 17.2% interest in Graphic Packaging Corporation (a U.S.A. company in the packaging sector that emerged in 2003 from the merger of Riverwood and Graphic Packaging, listed on the New York stock exchange), the 10.1% holding in Société Foncière Lyonnaise (one of the most important real estate companies listed on the Paris stock exchange), the 100% holding in Domaines Codem (a French wine company) and the 7.1% stake in Distacom (a company headquartered in Hong Kong operating in the telecommunications sector).

The following chart is updated to the end of February 2004 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFIL also holds 30.09% of preferred capital stock.
(b) Control is exercised jointly by the Auchan Group through Eurofind (50% by FIL and 50% by Auchan).
(c) Company emerging from the merger of Riverwood and Graphic Packaging.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

At December 31, 2003, IFI's capital stock, fully subscribed to and paid-in, amounted to € 163,251,460 and was composed of 86,450,000 ordinary shares and 76,801,460 preferred shares all with a par value of € 1 each.
The directors have the right, for a period of five years from the resolution passed on April 22, 2003, to increase, at one or more times, also in divisible form, the capital stock up to a maximum of € 561,750,000.

The ordinary shares are 100% held by the parent company Giovanni Agnelli e C. S.a.p.az. The preferred shares are listed on the Mercato Telematico Azionario (Electronic Trading Market) of Borsa Italiana S.p.A.
In accordance with art. 10 of the by-laws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.
Pursuant to art. 26 of the by-laws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Treasury stock

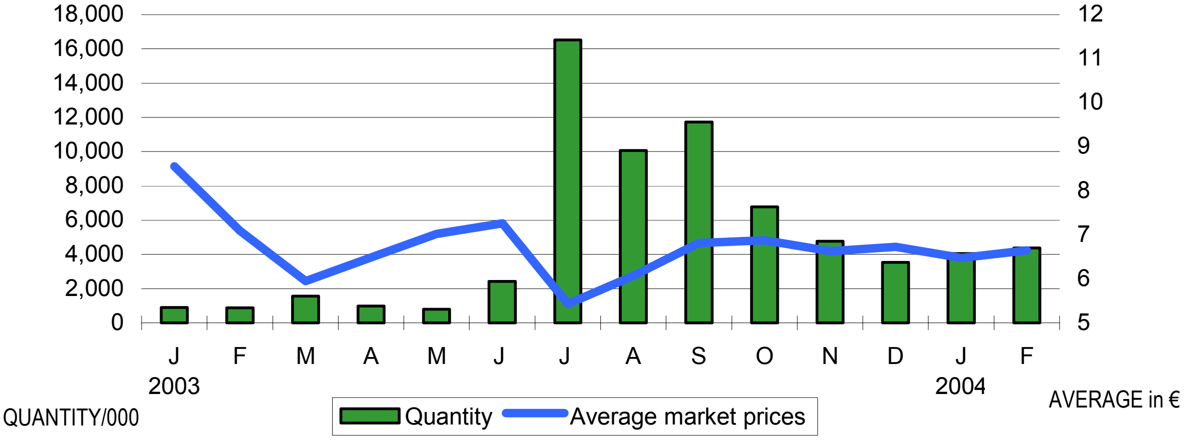
At the end of February 2004, IFI holds 5,360,300 preferred treasury stock (6.98% of the class of stock).
On March 30, 2004 the Board of Directors voted to present a motion to the Ordinary Stockholders' Meeting for renewal of the resolution for the authorization of the buyback of treasury stock for a maximum of 16 million IFI ordinary shares and/or preferred shares, setting aside a total of € 120 million.

Information and charts depicting IFI preferred share performance are presented in the following tables.

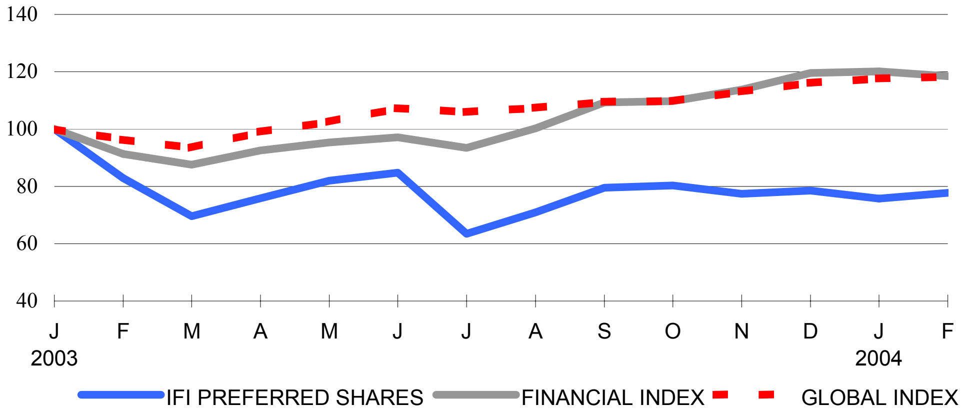
	2004 (January/February)	**2003**	2002	2001
Market price per preferred share (€)				
. year-end	**-**	**6.708**	7.951	20.283
. high	**7.030**	**9.466**	21.451	33.113
. low	**6.235**	**5.003**	7.762	18.631
Quantities traded during the year				
. preferred shares (millions of shares)	**8.4**	**60.9**	14.9	20
Equivalent annual volumes traded on stock market (€ in millions)				
. preferred shares (€ in millions)	**55.6**	**383.8**	269	610

The market prices have been adjusted on the basis of the capital stock increase in July 2003.

IFI PREFERRED SHARES - AVERAGE MARKET PRICES IN € - QUANTITIES TRADED



PERFORMANCE OF IFI PREFERRED SHARES COMPARED TO COMIT MARKET INDEXES



KEY OPERATING AND FINANCIAL DATA

The key results of the Group and IFI S.p.A. are presented as follows:

IFI GROUP

€ in millions	**2003**	2002	2001	2000	1999
Net revenues	**52,434**	61,015	63,614	63,263	54,208
Operating income (loss)	**(395)**	(620)	296	1,117	1,253
Operating income (loss) to net revenues (ROS)	***-0.75%***	*-1.02%*	*0.47%*	*1.77%*	*2.31%*
Net income (loss) - Group and minority interest	**(1,647)**	(4,032)	(111)	1,011	954
Consolidated net income (loss) - Group	**(130)**	(803)	164	218	213
Stockholders' equity - Group and minority interest	**10,292**	11,257	16,645	18,047	18,652
Consolidated stockholders' equity - Group	**2,221**	2,026	3,164	3,088	2,776
Net financial position	**(4,525)**	(5,783)	(7,512)	(8,734)	(5,016)
Earnings per share (€)					
Consolidated net income (loss) (a)	**(1.21)**	(14.17)	2.83	3.66	3.51
Consolidated stockholders' equity (b)	**13.61**	32.81	51.23	50.00	44.96

IFI S.p.A.

€ in millions	**2003**	2002	2001	2000	1999
Net income (loss) - IFI S.p.A.	**15**	(227)	117	77	266
Stockholders' equity - IFI S.p.A.	**1,567**	1,095	1,356	1,082	1,071
Financial fixed assets	**1,857**	1,525	1,617	1,827	1,522
Net financial position	**(295)**	(427)	(239)	(695)	(345)
Earnings per share (€)					
Net income (loss) - IFI S.p.A. (a)	**0.14**	(4.00)	2.02	1.30	4.39
Stockholders' equity - IFI S.p.A. (b)	**9.60**	17.73	21.96	17.53	17.34
Total dividends paid out	**-**	-	34	35	66
Dividends paid out per share (€)					
Per ordinary share	**-**	-	0.5783	0.5783	1.0883
Per preferred share	**-**	-	0.63	0.63	1.14

(a) Calculated using the average number of shares outstanding.
(b) Calculated using the number of shares issued at the end of the year.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

- IFI's corporate website (http://www.gruppoifi.com) presents a descriptive profile of the Group, outlines the activities and strategies of the Company and also contains accounting and financial information as well as press releases and other corporate reports.
- More than 1,000 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website.
- Intensive contacts have been established through individual meetings with financial analysts and institutional investors.
- Far-reaching, comprehensive information has been circulated through the Italian and foreign economic and financial press.

Information for Stockholders, Investors and the Press

Stocks and Bonds Service
Tel. +39011 – 5090326
Fax +39011 – 5090321
servizio.titoli@gruppoifi.com

Institutional Investors and
Financial Analysts Relations
Tel. +39011 – 5090246
Fax +39011 – 535600
relazioni.investitori@gruppoifi.com

External Relations
Tel. +39011 – 5090374
Fax +39011 – 5090386
relazioni.esterne@gruppoifi.com

CHAIRMAN'S LETTER

To our Stockholders,

In 2003, after a lengthy period of stagnation, the world economy showed signs of recovery, though with a different intensity in various parts of the world. In fact, starting in the spring, industrial production in the United States and Asia picked up decisively, whereas in the euro zone, and in Italy, in particular, signs of development and growth were much weaker, also due to the strong euro. In 2004, the favourable direction of the economic cycle should begin to gather speed, although the differences among the various areas will remain evident.

The United States has continued to be the driving force behind development. The increase in consumption and investments has been sustained by extremely expansive monetary and fiscal policies: in particular, interest rates remained at record lows. However, two serious dangers are threatening the future of the American economy, which risk jeopardising the soundness of the recovery: the distinct worsening of public debt and the enormous foreign trade deficit. Balancing public debt, combined with a probable inversion in the monetary policy trend could slow down domestic demand.

The other protagonist of world recovery is the Asiatic area: Japan is finally showing concrete signs of improvement, while the rest of the area has resumed a very fast pace of growth following the slowdown caused by SARS.

Notwithstanding the favourable impetus stemming from outside, the euro zone is finding it difficult to jump onto the recovery stage of the economic cycle. Domestic demand has remained weak while the strong appreciation of the euro has penalized exports. In 2003, inflation in the euro zone remained under control, although it was slightly higher than the benchmark ceiling fixed by the European Central Bank. The sluggish recovery, while the euro is strong and prices are restrained, could induce the European Monetary Authority to reduce interest rates, which have remained stationary since June 2003
The performance of the European economy mainly reflected the recession in Germany and the weakness of France. According to the latest data released by ISTAT (National Statistical Institute), the growth of economic activity in Italy was also quite weak during 2003 (+0.3%). Consumption made a positive contribution to growth, while investments and net exports slowed development: in particular, the foreign channel reduced GDP growth by almost one percentage point. Historical structural problems still frustrated the Italian economy, which was manifested by the negative trend of productivity and an extreme vulnerability to competition from emerging countries in the sectors Italy is traditionally skilled in. The disappointing performance of productivity keeps inflation in Italy above the European average, causing a further loss in competitiveness for Italian companies on the international markets.

***

In 2003, two important and extraordinary operations were carried out with the aim of strengthening the equity position of the companies Group:

- the IFI/IFIL Reorganization, which took place in Q2 2003, involved the contribution to IFIL, against a reserved capital increase, of the investments held in Fiat, Juventus, SANPAOLO IMI and Soiem, in order to rationalize the Group's structure and concentrate the dynamic management of the investment portfolio in the operating holding company;
- the fully-subscribed capital increase of € 457.4 million, which made it possible to reduce net indebtedness to € 295.4 million and, through subsequent capital increases by IFIL and Fiat, to supply the latter with the financial resources needed to the sustain the relaunch plan.

***

2003 marked the return to a profit position for IFI, with a net income of € 14.7 million, after a 2002 that had posted a loss of € 226.9 million, due to the write-down of the principal listed investments.
At a consolidated level, the still unfavourable economic climate, and the difficulties of the Fiat Group, affected the consolidated result, with a loss of € 130 million, of which € 110.8 million related to IFI's share of the first-quarter loss of the Fiat Group.
In view of these results, the IFI Board of Directors decided not to propose a motion to the Stockholders' Meeting for the distribution of dividends.

As regards IFI's investment holdings, in 2003, the IFIL activities were directed at the active management of its investment portfolio, besides its support of Fiat's relaunch plan (of which it has recently been possible to appreciate positive signs such as an improvement in the operating result and the increase in the market share of the Auto sector). This was marked by the divisionalization process at the Rinascente Group, the reorganization of the Alpitour Group, the distribution of extraordinary dividends by Rinascente and Worms & Cie and, lastly, the sale of the stake held in Sifalberghi.
Although the consolidated net result of the IFIL Group is still a loss, amounting to € 45 million, IFIL S.p.A. closed 2003 with a net income of € 72.7 million, laying the foundations for a resumption of the distribution of dividends. Another positive sign was the reduction in net financial indebtedness, halved to € 234.7 million.
For 2004, IFIL anticipates further opportunities of optimising and developing its holdings, including also a new cycle of investments. This situation is supported by the setting up of an operating branch office in the United States, which will enable IFIL to take advantage of investment opportunities on the major world market

In 2003, Exor Group's consolidated financial statements closed with a net income of € 17.1 million, an increase versus that of € 15.4 million reported in 2002.
2003 also saw the sale of the investments in Château Margaux and the Espirito Santo Financial Group, as well as a part of the shares held in Société Foncière Lyonnaise, with a corresponding increase in net cash. Part of these resources were utilised to buy back treasury stock, subsequently cancelled by resolution of the Stockholders' Meeting, so that IFI and the parent company Giovanni Agnelli e C. currently hold almost the total capital stock of Exor Group.

***

Finally, together with the Board of Directors, I would like to thank the Stockholders for the trust accorded, the Statutory Auditors and the Independent Auditors for the care in the execution of their task, the Executives and Staff of the Company and its subsidiaries for the productive work carried out in an extremely difficult economic framework.

Umberto Agnelli

MAJOR EVENTS IN 2003

The Reorganization of the Group

Following the resolution passed by IFIL's Extraordinary Stockholders' Meeting held on April 23, 2003, IFI and IFIL gave effect to the Group Reorganization Plan proposed by the respective Boards of Directors on March 3, 2003.

IFI thus contributed the following investments and warrants to the subsidiary IFIL:

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

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,052 million.
The contribution, however, was recorded for € 794.5 million in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic value, with a gain of € 22.6 million.

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

In April and May 2003, IFI also purchased on the market 1,807,150 IFIL ordinary shares and 114,009 IFIL savings shares for a total investment of € 4.4 million.

In May 2003, IFI then exercised the right to voluntarily convert all the 119,750,000 IFIL savings shares held for 101,787,500 IFIL ordinary shares, without payment of any cash differential.

IFI S.p.A. capital stock increase against payment

On June 27, 2003, by the power vested in it pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Stockholders' Meeting held on April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and in divisible form, for a maximum amount of par value € 101,501,460, through the issue of:

- 55,575,000 IFI ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, at the price of € 4.5 each, in a ratio of 9 new ordinary shares for every 5 ordinary shares held;
- maximum 45,926,460 IFI preferred shares of par value € 1 each, with normal dividend rights, with option rights offered to the preferred stockholders at the price of € 4.5 each, in a ratio of 9 new preferred shares for every 5 preferred shares held.

At the end of the rights offering period, 45,412,722 new preferred shares were subscribed to equal to 98.88% of the preferred shares offered. Moreover, Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, subscribed to the 55,575,000 IFI ordinary shares in the rights offering, with an investment of € 250 million.

Following the subsequent offering of the 285,410 unexercised rights on the market (which generated proceeds of € 0.7 million for IFI, recorded as an increase to stockholders' equity), the remaining new 513,738 IFI preferred shares were subscribed to in August.

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457.4 million (of which € 0.7 million deriving from the sale of unexercised rights).

At December 31, 2003, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounted to € 163,251,460 and was composed of 86,450,000 ordinary shares and 76,801,460 preferred shares, all with a par value of € 1 each.

Subscription to IFIL S.p.A. capital stock increase against payment

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

The capital stock increase was concluded in August, without the intervention of the Underwriting Syndicate, with the subscription of all 386,321,490 ordinary shares in the rights offering for total proceeds of € 504 million for IFIL S.p.A.

After purchasing 810,126 rights, IFI subscribed to 233,861,025 IFIL ordinary shares in the rights offering with a total investment of € 304.2 million.

In August 2003, IFI also purchased on the market 450,000 IFIL ordinary shares for € 0.9 million.

At December 31, 2003, IFI held 643,783,399 IFIL ordinary shares, equal to 62.03% of IFIL ordinary capital stock (62.8% of ordinary capital stock outstanding).

ANALYSIS OF IFI GROUP CONDENSED CONSOLIDATED RESULTS

In order to assist in the analysis of the financial position and results of operations of the IFI Group, a **condensed consolidated Balance Sheet** and a **condensed consolidated Statement of Operations** have been prepared wherein the investments in IFIL (60.55% of capital stock outstanding) and in Exor Group (29.3% of capital stock outstanding) have been accounted for using the equity method.

As regards the principles used in preparing the condensed consolidated financial statements, the following should be noted:

- subsequent to the Reorganization of the Group (please refer to the previous section "Major events in 2003"), the investment in Soiem was deconsolidated by IFI beginning April 1, 2003 and, from the same date, was consolidated line-by-line by IFIL. Effective the same date, the investments in Fiat and in Juventus Football Club were accounted for by IFIL using the equity method;

- accordingly, the condensed consolidated statement of operations of the IFI Group for the year 2003 shows, for the above holdings, only the share of the earnings (losses) for the first quarter of 2003; for the other three quarters of 2003, the results of these holdings, instead, were indirectly recorded through IFI's share of the consolidated result of the IFIL Group;

- the economic impact of the contribution of the investments in Fiat, Juventus Football Club, SANPAOLO IMI and Soiem (gains and losses compared to the carrying value of these holdings at March 31, 2003) have been completely eliminated, being a transaction with a subsidiary.

Consolidated net loss for the year and condensed consolidated statement of operations
The first half of 2003 shows a consolidated net loss for the IFI Group of € 130 million (consolidated net loss of € 803 million in 2002) due substantially to the share of the first-quarter 2003 loss of the Fiat Group of € 110.8 million.

The **condensed consolidated statement of operations** can be summarized as below.

€ in millions	**2003**	2002	Change
Group's share of earnings (losses) of companies accounted for using the equity method	**(117.7)**	(755.2)	637.5
Dividends from other holdings and tax credits	**0.2**	14.7	(14.5)
Losses, net	**0.0**	(60.3)	60.3
Amortization of differences on consolidation	**0.0**	(7.4)	7.4
Investment expenses, net	**(117.5)**	(808.2)	690.7
Financial expenses, net	**(15.0)**	(17.5)	2.5
General expenses, net	**(6.1)**	(9.2)	3.1
Other income (expenses), net	**1.0**	(4.5)	5.5
Loss before taxes	**(137.6)**	(839.4)	701.8
Current income taxes, net	**0.0**	21.8	(21.8)
Deferred taxes	**7.6**	14.6	(7.0)
Net Loss - Group	**(130.0)**	(803.0)	673.0

Group’s share of earnings (losses) of companies accounted for using the equity method

	Earnings (losses)			IFI's share		
€ in millions	**2003**		2002	**2003**	2002	Change
IFIL Group	**(45.0)**		(367.0)	**(27.2)**	(118.6)	91.4
Exor Group S.A.	**17.1**		15.4	**5.0**	3.9	1.1
Fiat Group	**(681.0)**	(a)	(3,948.0)	**(110.8)**	(642.2)	531.4
Juventus Football Club S.p.A.	**(7.2)**	(a)	(35.3)	**(4.5)**	(22.0)	17.5
				(137.5)	(778.9)	641.4
Consolidation adjustments				**19.8**	23.7	(3.9)
Group's share of earnings (losses) of companies accounted for using the equity method				**(117.7)**	(755.2)	637.5

(a) Results in the first quarter of 2003.

Comments on the operating performance of the IFIL Group and Exor Group are presented later in the report.

Dividends from other holdings and tax credits

These amounted to € 0.2 million and relate to dividends received from Emittenti Titoli in 2003. The amount in 2002 (€ 14.7 million) had included the dividends received from SANPAOLO IMI (€ 9.3 million) and the related tax credit (€ 5.2 million).

General expenses, net

These amounted to € 6.1 million, a decrease of 9.2 million compared to the year 2002 due to the headcount reduction in employees and the deconsolidation of the subsidiary Soiem.

Other income (expenses), net

These amounted to € 1 million of other income, net, and included the credit to the statement of operations for the release of excess income taxes recorded in the prior year (+€ 4.1 million), expenses for the Reorganization of the Group (- € 1.5 million), expenses for the “Solidarity Fund for the support of earnings” (- € 0.9 million), nonrecurring financial expenses (- € 0.2 million) and other nonrecurring expenses (- € 0.5 million).

Condensed consolidated balance sheet

€ in millions	**12/31/2003**	12/31/2002		Change
Financial fixed assets:				
- investments	**2,436.0**	2,366.9		69.1
- treasury stock	**70.5**	70.5		0.0
- other receivables	**6.7**	6.7		0.0
	2,513.2	2,444.1		69.1
Cash and banks, financial receivables and other assets	**0.1**	1.8		(1.7)
Other assets	**18.6**	29.7		(11.1)
Total assets	**2,531.9**	2,475.6		56.3
Stockholders' equity:				
- Group	**2,221.3**	2,026.2		195.1
- Minority interest	**0.0**	10.4	(a)	(10.4)
	2,221.3	2,036.6		184.7
Financial payables:				
- banks, short-term	**66.3**	211.7		(145.4)
- banks, medium-term	**212.7**	170.0		42.7
- parent company, short-term	**15.2**	39.3		(24.1)
- subsidiaries, short-term	**0.0**	0.5		(0.5)
	294.2	421.5		(127.3)
Other liabilities and reserves	**16.4**	17.5		(1.1)
Total liabilities and stockholders' equity	**2,531.9**	2,475.6		56.3

(a) Corresponds to the equity interest in Soiem (49.9%) previously held by IFIL.

Financial fixed assets – Investments

€ in millions	Number of shares held	% holding of class of stock	% holding of capital stock	Carrying value per share (€)	Carrying value total
Investments accounted for using the equity method					
IFIL - ordinary shares	643,783,399	62.03	59.88	3.504	**2,255.9**
Exor Group SA	3,418,242	29.30	29.30	52.415	**179.2**
Investments valued at cost					
Deutsche Morgan Grenfell Capital Italy SA					
- ordinary shares	1,058	1.13	0.36	513.893	**0.5**
- preferred shares	2,000	1.30	0.69	2.582	**0.0**
Emittenti Titoli S.p.A.	720,000	8.78	8.78	0.516	**0.4**
Total investments					**2,436.0**

The increase in the carrying value of investments (+€ 69.1 million), compared to the end of 2002, is due to the investments in IFIL (+€ 309.5 million), to the Group's share of the earnings (losses) of companies accounted for using the equity method (-€ 117.7 million), the share of the translation adjustments shown by the same companies (-€ 165.5 million) and other net changes (+€ 42.8 million).

Financial fixed assets – Treasury stock

Treasury stock includes 5,360,300 IFI preferred shares, equal to 6.98% of the class of stock and 3.28% of capital stock, carried for a total of € 70.5 million (€ 13.148 per share). The per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003 is € 13.61.

Stockholders' equity - Group

€ in millions		
Stockholders' equity - Group at December 31, 2002	**2,026.2**	
IFI S.p.A. capital stock increase against payment	457.4	(a)
Share of the translation adjustments shown by the investment holdings IFIL and Exor Group (-€ 165.5 million) and other net changes (+€ 33.0 million)	(132.5)	
Increase in the consolidation reserve deriving from the valuation, using the equity method, of IFIL shares purchased by IFI	2.2	
Use of the consolidation reserve for the difference on consolidation arising from the purchases of Exor Group shares by Exor Group	(2.0)	
Consolidated net loss - Group	(130.0)	
Net change during the year	**195.1**	
Stockholders' equity - Group at December 31, 2003	**2,221.3**	

(a) Includes the proceeds on the sale of unexercised rights for € 0.7 million.

Net financial position of IFI S.p.A.

	12/31/2003			12/31/2002 (a)		
€ in millions	**Short-term**	**Medium/ long-term**	**Total**	Short-term	Medium/ long-term	Total
Cash and banks, financial receivables and other assets	**0.1**	**0.0**	**0.1**	1.8	0.0	1.8
Borrowings from banks	**(66.3)**	**(212.7)**	**(279.0)**	(211.7)	(170.0)	(381.7)
Payables to parent company	**(15.2)**	**0.0**	**(15.2)**	(39.3)	0.0	(39.3)
Financial accrued expenses and deferred income	**(1.3)**	**0.0**	**(1.3)**	(1.6)	0.0	(1.6)
Payables to subsidiaries	**0.0**	**0.0**	**0.0**	(0.5)	0.0	(0.5)
Total financial payables	**(82.8)**	**(212.7)**	**(295.5)**	(253.1)	(170.0)	(423.1)
Net financial position of IFI S.p.A.	**(82.7)**	**(212.7)**	**(295.4)**	(251.3)	(170.0)	(421.3)

(a) This figure included cash of Soiem, equal to € 5.2 million.

Change in net financial position of IFI S.p.A.

€ in millions		
Net financial position of IFI S.p.A. and Soiem S.p.A. at December 31, 2002	**(421.3)**	
Deconsolidation of Soiem S.p.A. cash	(5.2)	
IFI S.p.A. capital stock increase against payment	457.4	(a)
Subscription to IFIL capital stock increase against payment (€ 304.2 million) and purchase of IFIL shares (€ 5.3 million)	(309.5)	(b)
Financial expenses, net	(15.0)	
General expenses, net	(6.1)	
Dividends received from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.1 million)	4.5	
Sale of receivables from the tax authorities to Group companies (+€ 2.6 million) and other net changes (-€ 2.8 million)	(0.2)	
Net change during the year	**125.9**	
Net financial position of IFI S.p.A. at December 31, 2003	**(295.4)**	

(a) Of which € 0.7 million for the sale of unexercised rights.
(b) Of which € 0.2 million for the purchase of rights.

ANALYSIS OF IFI GROUP CONSOLIDATED RESULTS

The summarized consolidated Statement of Operations and the summarized consolidated Balance Sheet drawn up in accordance with Legislative Decree 127/91 (line-by-line consolidation), as well as the composition of the consolidated net financial position (line-by-line consolidation) are shown below:

Summarized consolidated statement of operations (line-by-line consolidation)

€ in millions	**2003**	2002	Change
Value of production	**55,553**	63,503	(7,950)
Costs of production	**(55,948)**	(64,123)	8,175
Difference between the value and costs of production	**(395)**	(620)	225
Financial expenses, net	**(1,001)**	(689)	(312)
Adjustments to financial assets	**(78)**	(899)	821
Extraordinary income (expenses), net	**533**	(2,239)	2,772
Loss before taxes	**(941)**	(4,447)	3,506
Income taxes	**(706)**	415	(1,121)
Net loss before minority interest	**(1,647)**	(4,032)	2,385
Minority interest	**1,517**	3,229	(1,712)
Net loss - Group	**(130)**	(803)	673

Summarized consolidated balance sheet (line-by-line consolidation)

	12/31/2003		12/31/2002		
€ in millions	**Amount**	**%**	Amount	%	Change
Fixed assets:					
- intangible fixed assets	**4,711**	**7**	6,223	7	(1,512)
- property, plant and equipment	**10,811**	**15**	13,264	13	(2,453)
- financial fixed assets	**8,334**	**12**	19,199	19	(10,865)
	23,856	**34**	38,686	39	(14,830)
Current assets:					
- inventories	**15,938**	**23**	15,880	16	58
- receivables	**10,775**	**15**	14,021	14	(3,246)
- financial assets	**15,161**	**22**	26,348	26	(11,187)
- cash	**3,461**	**5**	3,733	4	(272)
	45,335	**65**	59,982	60	(14,647)
Other assets	**849**	**1**	1,281	1	(432)
Total assets	**70,040**	**100**	99,949	100	(29,909)
Stockholders' equity:					
- Group	**2,221**	**3**	2,026	2	195
- Minority interest	**8,071**	**12**	9,231	9	(1,160)
	10,292	**15**	11,257	11	(965)
Reserves for risks and charges and employee severance indemnities	**7,405**	**11**	25,879	26	(18,474)
Financial payables	**24,639**	**35**	31,878	32	(7,239)
Other liabilities and reserves	**27,704**	**40**	30,935	31	(3,231)
Total liabilities and stockholders' equity	**70,040**	**100**	99,949	100	(29,909)

Consolidated net financial position (line-by-line consolidation)

The consolidated net financial position of the IFI Group at December 31, 2003 showed a net indebtedness position of € 4,525 million (€ 5,783 million at December 31, 2002).

At December 31, 2003, the consolidated net financial position (line-by-line consolidation) was composed as follows:

€ in millions	**12/31/2003**	12/31/2002	Change
Cash	**3,461**	3,733	(272)
Marketable securities and other short-term investments	**4,269**	1,828	2,441
Financial receivables, finance lease contracts receivable and other financial fixed assets	**12,959**	21,801	(8,842)
Financial accrued income and prepaid expenses	**387**	662	(275)
Total financial assets	**21,076**	28,024	(6,948)
Financial payables due within one year	**(8,355)**	(10,480)	2,125
Financial payables due beyond one year	**(16,284)**	(21,398)	5,114
Financial accrued expenses and deferred income	**(962)**	(1,929)	967
Total financial payables	**(25,601)**	(33,807)	8,206
Consolidated net financial position (line-by-line consolidation)	**(4,525)**	(5,783)	1,258

The contribution by the consolidated companies to the consolidated net financial position (line-by-line consolidation) was the following:

€ in millions	**2003**	2002	Change
IFI S.p.A.	**(295)**	(421) (a)	126
IFIL "Holdings System"	**(235)**	(484)	249
Adjustment to eliminate the net financial position of the holdings consolidated proportionally (b)	**(6)**	(52)	46
Fiat Group	**(3,028)**	(3,780)	752
Worms & Cie Group	**(887)**	(999)	112
NHT Group	**(74)**	(47)	(27)
Consolidated net financial position (line-by-line consolidation)	**(4,525)**	(5,783)	1,258

(a) This figure included the line-by-line consolidation of Soiem.

(b) Balances not included in the consolidated financial statements (line-by-line consolidation) of the IFIL Group since they refer to companies accounted for using the equity method (consolidated, instead proportionally, in the “Holdings System”).

Research and development costs

In 2003, research and development costs expensed directly to income during the year totalled € 1,763 million, including € 1,747 million relative to the Fiat Group (€ 1,748 million in 2002) and € 16 million relative to the Worms & Cie Group (€ 14 million in 2002).

ANALYSIS OF IFI S.p.A. STATUTORY RESULTS

Net income for the year and summarized statement of operations of IFI S.p.A.
The net income of IFI S.p.A. for 2003 was € 14.7 million, compared to the net loss of € 226.9 million reported in 2002 due to the writedowns of the accounting carrying values of Fiat preferred shares, IFIL ordinary shares and IFI preferred treasury stock.

The summarized statement of operations of IFI S.p.A. is presented below:

€ in millions	**2003**	2002	Change
Dividends	**4.5**	79.9	(75.4)
Dividend and related tax credits	**0.1**	36.2	(36.1)
Writedowns	**0.0**	(304.8)	304.8
Gains	**22.6**	1.0	21.6
Income/(expenses), net, from investments and other financial fixed assets	**27.2**	(187.7)	214.9
Financial expenses, net	**(15.0)**	(17.6)	2.6
General expenses, net	**(6.1)**	(9.4)	3.3
Other expenses, net	**1.0**	(4.5)	5.5
Income (loss) before taxes	**7.1**	(219.2)	226.3
Income taxes	**7.6**	(7.7)	15.3
Net income (loss)	**14.7**	(226.9)	241.6

Dividends
Dividends in 2003 were received from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.1 million); Fiat and IFIL did not pay out dividends whereas the SANPAOLO IMI shares were contributed to IFIL before payment of dividends.
The figure for the year 2002 (€ 79.9 million) had included the dividends received from Fiat for € 30.3 million, from IFIL for € 24.9 million, from Exor Group for € 14.4 million, from SANPAOLO IMI for € 9.3 million, from Juventus Football Club for € 0.9 million and from Emittenti Titoli for € 0.1 million.

Gains totalling € 22.6 million were realized on the contribution of the SANPAOLO IMI ordinary shares (€ 19 million) and warrants 2007 on Fiat ordinary shares (€ 3.6 million) to IFIL.

General expenses, net, amounted to € 6.1 million and decreased by € 3.3 million compared to the year 2002 (€ 9.4 million) mainly due to a headcount reduction and consequent lower related costs.

Other income (expenses), net, amounted to € 1 million of other income, net, and included the credit to the statement of operations for the release of excess income taxes recorded in the prior year (+€ 4.1 million), expenses for the Reorganization of the Group (- € 1.5 million), expenses for the “Solidarity Fund for the support of earnings” (- € 0.9 million), nonrecurring financial expenses (- € 0.2 million) and other nonrecurring expenses (- € 0.5 million).

No income taxes were charged in 2003 as the taxable base for the year was a loss (taking into account the writedowns of financial fixed assets made at the end of 2002 which became deductible). Since there is no reasonable certainty of future recovery, no deferred tax assets have been booked on the fiscal 2003 tax losses and on the portions of investment writedowns posted in 2002 that, as allowed by existing tax legislation, will be deductible in future years.

Summarized balance sheet of IFI S.p.A.

€ in millions	12/31/2003 Amount	%	12/31/2002 Amount	%	Change
Financial fixed assets	**1,856.8**	**99.0**	1,524.7	98.8	332.1
Other assets	**18.7**	**1.0**	18.1	1.2	0.6
Total assets	**1,875.5**	**100.0**	1,542.8	100.0	332.7
Stockholders' equity	**1,567.0**	**83.6**	1,094.9	71.0	472.1
Financial payables:					
- banks, short-term	**66.3**	**3.5**	211.7	13.7	(145.4)
- banks, medium-term	**212.7**	**11.3**	170.0	11.0	42.7
- parent company	**15.2**	**0.8**	39.3	2.6	(24.1)
- subsidiaries	**0.4**	**0.0**	4.7	0.3	(4.3)
	294.6	**15.6**	425.7	27.6	(131.1)
Other liabilities and reserves	**13.9**	**0.8**	22.2	1.4	(8.3)
Total liabilities and stockholders' equity	**1,875.5**	**100.0**	1,542.8	100.0	332.7

The principal equity and financial captions are analyzed in the following tables.

Financial fixed assets

€ in millions	12/31/2003		12/31/2002	Change
Investments				
IFIL S.p.A.	**1,676.2**	(a)	572.2	1,104.0
Exor Group S.A.	**102.5**		102.5	0.0
Deutsche Morgan Grenfell Capital Italy S.A.	**0.5**		0.5	0.0
Emittenti Titoli S.p.A.	**0.4**		0.4	0.0
Fiat S.p.A	**0.0**		662.1	(662.1)
SANPAOLO IMI S.p.A.	**0.0**		88.6	(88.6)
Juventus Football Club S.p.A.	**0.0**		11.7	(11.7)
Soiem S.p.A.	**0.0**		9.5	(9.5)
	1,779.6		1,447.5	332.1
Treasury stock - IFI S.p.A. preferred shares	**70.5**	(b)	70.5	0.0
Receivables - TL com I	**6.7**		6.7	0.0
Total financial fixed assets	**1,856.8**		1,524.7	332.1

(a) Net of writedowns of € 73.5 million made in 2002.
(b) Net of writedowns of € 58.9 million made in 2002.

The net increase in financial fixed assets of € 332.1 million compared to the end of 2002 (€ 1,524.7 million) was the result of the following movements:

€ in millions	
Financial fixed assets at December 31, 2002	**1,524.7**
Contribution to IFIL S.p.A.:	
- Fiat, 77,944,334 ordinary shares (17.99% of the class of stock) and 11,216,334 warrants 2007 on ordinary shares	(561.0)
- Fiat, 19,582,500 preferred shares (18.96% of the class of stock)	(101.1)
- SANPAOLO IMI, 16,300,000 ordinary shares (1.13% of the class of stock)	(88.6)
- Juventus Football Club, 74,992,103 shares (62.01% of capital stock)	(11.7)
- Soiem, 18,286,500 shares (50.1% of capital stock)	(9.5)
	(771.9)
IFIL capital stock increase reserved for IFI in exchange for contribution:	
- 167,450,949 ordinary shares (€ 3.122 per share)	522.7
- 119,635,991 savings shares (€ 2.272 per share) (a)	271.8
	794.5
Subscription to IFIL S.p.A. capital stock increase against payment (233,861,025 ordinary shares at € 1.3 per share)	**304.2** (b)
Other investments:	
- IFIL, 2,257,150 ordinary shares (€ 2.255 per share)	5.1
- IFIL, 114,009 savings shares (€ 1.773 per share) (a)	0.2
	5.3
Net change during the year	**332.1**
Financial fixed assets at December 31, 2003	**1,856.8**

(a) Converted in May 2003 to 101,787,500 IFIL ordinary shares (in a ratio of 17 ordinary shares for every 20 savings shares) without payment of any cash differential.
(b) Including the purchase of 810,126 rights for € 0.2 million.

Comparison of carrying values and market prices of listed financial fixed assets

		% holding			Average market prices			
	Number of	of class	Carrying value		II Half 2003		December 2003	
	shares	of stock	Unit (€)	Total (€ ml)	Unit (€)	Total (€ ml)	Unit (€)	Total (€ ml)
IFIL ordinary shares	643,783,399	62.03	2.604	1,676.2	2.325	1,496.8	2.603	1,675.8
IFI preferred treasury stock	5,360,300	6.98	13.148	70.5	6.414	34.4	6.723	36.0
Total				**1,746.7**		**1,531.2**		**1,711.8**

The carrying value of IFI preferred treasury stock held is lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003, equal to € 13.61 per share.

Stockholders’ equity of IFI S.p.A.

Stockholders’ equity at December 31, 2003 amounted to € 1,567 million (€ 1,094.9 million at December 31, 2002). The positive change of € 472.1 million was due to the following changes:

€ in millions		
Stockholders' equity at December 31, 2002	**1,094.9**	
IFI capital stock increase against payment	457.4	(a)
Net income for 2003	14.7	
Net change during the year	**472.1**	
Stockholders' equity at December 31, 2003	**1,567.0**	

(a) Including the sale of unexercised rights for € 0.7 million.

Net financial position of IFI S.p.A.

The net financial position of IFI S.p.A. at December 31, 2003 showed a net indebtedness position of € 295.4 million (€ 426.5 million at the end of 2002), which is composed as follows:

€ in millions	**12/31/2003**	12/31/2002	Change
Borrowings from banks	**(279.0)**	(381.7)	102.7
Payables to parent company	**(15.2)**	(39.3)	24.1
Payables to subsidiaries	**0.0**	(4.1)	4.1
Financial accrued expenses	**(1.3)**	(1.6)	0.3
Cash	**0.1**	0.2	(0.1)
Net financial position of IFI S.p.A.	**(295.4)**	(426.5)	131.1

The negative change of € 131.1 million in 2003 resulted from the following cash flows:

€ in millions		
Net financial position at December 31, 2002	**(426.5)**	
IFI capital stock increase against payment	457.4	(a)
Subscription to IFIL capital stock increase against payment	(304.2)	(b)
Purchase of 2,257,150 ordinary shares and 114,009 savings shares of IFIL	(5.3)	
Financial expenses, net	(15.0)	
General expenses, net	(6.1)	
Dividends received from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.1 million)	4.5	
Sale of receivables from the tax authorities to Group companies (+€ 2.6 million) and other net changes (-€ 2.8 million)	(0.2)	
Net change during the year	**131.1**	
Net financial position at December 31, 2003	**(295.4)**	

(a) Including the proceeds on the sale of unexercised rights for € 0.7 million.
(b) Including the purchase of rights for € 0.2 million.

OTHER INFORMATION

Transition to International Financial Reporting Standards

Following the coming into force of the European Union Regulation No. 1606, dated July 19, 2002, beginning from 2005 those EU companies whose securities are traded on an EU regulated market must prepare their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS/IAS).

In order to prepare for a proper transition, a working group was created to identify the differences between the national and Group accounting principles currently in place and the IFRS/IAS, to ascertain the adequacy of the accounting systems and procedures compared to the new requirements.
IFI has taken note of the transition processes in progress at the IFIL Group, agreeing the timetables to obtain the 2003 and 2004 data, in compliance with IFRS, which will be necessary for the preparation of the opening consolidated balance sheet as at January 1, 2004, as well as the 2004 interim quarterly and semi-annual consolidated financial statements of the IFI Group, prepared in accordance with IFRS (to be shown for comparative purposes with the equivalent data for 2005).

With regard to IFI S.p.A., the first indications from the work performed to date are that the adoption of the new IFRS will principally impact the following items:

Financial fixed assets:	the LIFO method (last in-first out) can no longer be used.
Treasury stock:	the carrying value of treasury stock should be recorded as a reduction of stockholders' equity; any gains/losses deriving from disposals should be recorded in stockholders' equity.
Employee severance indemnities and employee benefits:	should be recalculated for each employee in accordance with the provisions of IAS19; to that end, the Company will use an independent actuary.

Transactions among Group companies and with related parties

Transactions among IFI S.p.A., the parent company, the subsidiaries and the companies in which a significant influence is exercised are entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

In addition to the comments in respect of the Reorganization of the Group, the most important transactions can be summarized as follows:

- suretyships granted in the past in favor of Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti (F.I.G.C. - L.N.P.) on behalf of Juventus Football Club for a residual amount of € 32 million, expiring in 2004 and 2005, remunerated at market conditions;

- sale of receivables from the tax authorities to Group companies (€ 2.6 million);

- loans secured at floating monthly market rates from the parent company Giovanni Agnelli e C. and from the subsidiaries Juventus Football Club and Soiem;

- services rendered to and costs recovered from subsidiaries and associated companies.

The effects on the balance sheet and statement of operations of the transactions among IFI S.p.A., the Group companies and the other related parties can be summarized as follows:

	12/31/2003			Year 2003	
€ in thousands	Accounts receivable	Accounts payable	Suretyships and Commitments	Income	Expenses
La Rinascente S.p.A.		2			2
Antalis S.p.A.					2
Orione - Consorzio per la sicurezza e la vigilanza		24			273
Exor Group S.A.	54			92	
Welcome Travel Group S.p.A.	22			20	
Fiat Auto S.p.A.		11			26
Fiat S.p.A.				19	
Fiat Sava S.p.A.	620	2		620	4
Fiat Sepin S.p.A.		4			19
Giovanni Agnelli e C. S.a.p.az.		15,176			656
Human Resources Services S.p.A.		3			9
IFIL S.p.A.	201			201	
Juventus Football Club S.p.A.	159		32,003	223	43
Publikompass S.p.A.		1			31
SANPAOLO IMI S.p.A.				109	99
Savarent S.p.A.		14			122
Soiem S.p.A.	11	313		10	1,143
Worknet S.p.A.					26
Commitments to beneficiaries of stock purchase plans on IFIL shares			424		
Total	**1,067**	**15,550**	**-**	**1,294**	**2,455**

The IFI Group, through the companies which make up the Group, has maintained and maintains relations with "related" parties as defined by Consob, which, even when considered from the standpoint of potential conflicts of interest, are nonetheless governed by market terms. In this sense, particular mention should be made of:

- option rights on IFIL ordinary shares granted to Directors and Managers of IFIL, IFI, and the subsidiary Soiem;
- option rights on Alpitour shares granted by Alpitour to the Directors of IFIL under a stock option plan for the Directors, Managers and Cadres of Alpitour and its direct and indirect subsidiaries;
- professional services rendered by the Director Franzo Grande Stevens to companies in the Fiat Group for consideration of € 875 thousand.

In February 2003, all the Directors and Managers of the Group, who had the right, sold their Atlanet shares to Ifil Investissements (from which they had previously bought the Atlanet shares) at prices slightly lower than the investments made.

With a view to optimizing the management of the Group's financial resources, loan transactions were entered into among companies of the Group during the year.

Additional information and details (including commitments for purchases and sales of investments, dividends received, purchases and sales of investments, as well as subscriptions to capital stock increases) are disclosed in the section "Major events in 2003" and in the "Notes to the statutory financial statements of IFI S.p.A." and to the consolidated financial statements.

On the basis of information received from the companies of the Group, there are no exceptional or unusual transactions to report.

Equity investments held by Directors, Statutory Auditors and General Manager

(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2002	Increase	Decrease	Held at 12/31/2003
Directors					
Agnelli Giovanni	IFI preferred shares (a)	630,000		630,000 (b)	0
	Juventus (a)	53,235		53,235 (b)	0
Agnelli Umberto	Juventus (a)	26,595			26,595
	Worms & Cie (a)	2		1	1
	Permal Group (a)	1			1
Gabetti Gianluigi	IFIL ordinary shares (a)	0	120,000		120,000
	Worms & Cie (a)	0	1		1
Avogadro di Collobiano Annibale	IFIL ordinary shares (a)	0	93,500		93,500
	IFIL savings shares (a)	40,000 (c)	30,000	70,000 (d)	0
	IFI preferred shares (e)	27,522 (c)	49,536		77,058
Elkann John Philip	Fiat ordinary shares (a)	300 (c)		300	0
Galateri di Genola Gabriele	IFI preferred shares (a)	1			1
	IFI preferred shares (e)	125			125
	Fiat ordinary shares (e)	2,750	578		3,328
	Fiat preferred shares (e)	440			440
	IFIL ordinary shares (e)	1,000	4,250		5,250
	Worms & Cie (a)	1			1
Camerana Carlo	Fiat ordinary shares (a)	1		1 (f)	0
Fresco Paolo (g)	Fiat ordinary shares	211,452	5,650		217,102
Teodorani-Fabbri Pio	IFI preferred shares (e)	152,819	275,076		427,895
	Fiat ordinary shares (e)	1,969	4,614		6,583
	Fiat warrants on ordinary shares (e)	825			825
	Fiat savings shares (e)	5,720			5,720
	IFIL ordinary shares (a)	0	200,000		200,000
	IFIL ordinary shares (e)	0	500,000		500,000
Statutory Auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Giorgi Giorgio	Fiat savings shares (e)	1,500			1,500
Jona Celesia Lionello	IFIL ordinary shares (e)	500	285		785
General Manager					
Marrone Virgilio	IFIL savings shares (a)	70,000		70,000 (h)	0
	IFIL ordinary shares (a)	0	93,415		93,415

(a) Direct holding.
(b) The shares were transferred to the heirs.
(c) Held at the date he took office (March 3, 2003).
(d) Converted to 42,500 IFIL ordinary shares.
(e) Indirect holding through spouse.
(f) The shares were transferred to the heirs.
(g) No longer in office.
(h) Converted into 59,500 IFIL ordinary shares.

SIGNIFICANT SUBSEQUENT EVENTS

Investment in Tlcom I
In February, IFI invested € 1.5 million in TLcom I Capital Partners Limited, a venture capital fund geared to companies operating in the telecommunications and information technology sector in Europe and in other markets.

Net financial position of IFI S.p.A.
At the end of February 2004, the net indebtedness position amounted to € 299.8 million. The negative change (€ 4.4 million) was due to financial and operating expenses (€ 2.4 million), to the investment in TLcom I (€ 1.5 million) and other net changes (€ 0.5 million).

Programming document on security
The Company has prepared the programming document on security (Dps) for the year 2003 according to the laws then in force and is currently proceeding to update this document pursuant to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures.

BUSINESS OUTLOOK

Taking into account the motions for the distribution of dividends from the 2003 profits formulated by the Boards of Directors of IFIL and Exor Group, it is believed that the result for 2004 of IFI S.p.A. will be a profit.

The consolidated result of the IFI Group for 2004 will be closely linked to the performance of IFIL S.p.A. and its main holdings. The forecasts formulated by the holdings themselves are indicated in the following paragraphs.

Fiat Group
The forecast for 2004 calls for the global economy to grow, driven by expansion in the United States and Southeast Asia. However, the growth rates projected for Italy and the rest of Europe are significantly lower. Consequently, the Fiat Group will be faced with market demand that will expand slightly in the United States but hold relatively steady in most other countries, and with aggressive competition from other carmakers.

In this environment, all of the Group's Sectors will strive to achieve significant gains in profitability. They will pursue this goal by following the guidelines set out in the Relaunch Plan, by restructuring and by streamlining their manufacturing operations. At the same time, they will be making major investments in renewing their product range and improving their distribution networks.

In 2004, the Fiat Group will continue to strengthen its management organization by pursuing a strategy of bringing in top professionals from the outside and leveraging the competencies available inside.

While taking into account the current business outlook, management's goal will continue to be to achieve the objectives of the Relaunch Plan: an operating breakeven for the Group, a further reduction of Fiat Auto's losses and better operating results than in 2003 from all other Sectors.

Worms & Cie Group
In 2003, although operating in a difficult economic context, the companies of the Worms & Cie Group raised or maintained their market share and took structural actions that will make it possible to consolidate or improve their operating results in 2004.

The first two months of 2004 confirm this forecast with a strong level of activities for the subsidiaries SGS and Permal Group and make it possible to anticipate a gradual turnaround in the paper sector where manufacturing costs are being subjected to a rigorous control policy.

Rinascente Group
In the first two months of 2004, the Rinascente Group reported sales of € 1,023.9 million, with an increase of 7.9% compared to the corresponding period of the prior year.

In an economic context with growth forecasts uncertain, the Rinascente Group will support every commercial initiative necessary to pursue the objectives of efficiency and process effectiveness in order to preserve and, if possible, improve the operating result.

NHT Group
In view of the actions undertaken to reduce operating costs and the performance during the first few months, the NHT Group is forecasting a further improvement in its results for the year 2003/2004. However, the impacts deriving from a worsening of international political tension, partly as a result of recent terrorist attacks in Spain, could make reaching the anticipated results more difficult.

Juventus Football Club
Juventus, in light of the economic and balance sheet performance for the first six months of the year and information available to date, should register a negative net result for the year that will end on June 30, 2004. Such result could nevertheless be significantly affected by any extraordinary transactions regarding its assets.

SANPAOLO IMI
SANPAOLO IMI recently announced the distribution of dividends per share of € 0.39 which will bring IFIL receipts of € 27.4 million.

OPERATING PERFORMANCE OF IFIL AND EXOR GROUP HOLDINGS

IFIL

(62.03% of ordinary capital stock)

The following consolidated data of the IFIL Group at December 31, 2003 has been taken from the condensed consolidated balance sheet and condensed consolidated statement of operations. Such data has been prepared by consolidating the financial holding companies and Soiem (which make up the so-called “Holdings System”) line-by-line and proportionally and accounting for the subsidiaries and associated companies, including the operating holding companies, using the equity method.

€ in millions	**12/31/2003**	12/31/2002	Change
Consolidated net loss - Group	**(45.0)**	(367.0)	322.0
Consolidated stockholders' equity - Group	**3,953.9**	2,708.1	1,245.8
Consolidated net financial position of the "Holdings System"	**(234.7)**	(484.4)	249.7
Financial fixed assets	**4,223.1**	3,207.2	1,015.9

The year 2003 ended with a consolidated loss of € 45 million for the IFIL Group. Presented below are the condensed consolidated statement of operations and comments on the main captions.

€ in millions	**Year 2003**	Year 2002	Change
Group's share of earnings (losses) of companies accounted for using the equity method	**(49.7)**	(301.6)	251.9
Dividends from other holdings	**21.2**	30.6	(9.4)
Dividend tax credits	**11.9**	8.2	3.7
Gains (losses), net	**25.0**	(51.8)	76.8
Amortization of differences on consolidation	**(13.7)**	(6.8)	(6.9)
Investment expenses, net	**(5.3)**	(321.4)	316.1
Financial expenses, net	**(23.6)**	(20.6)	(3.0)
General expenses, net	**(13.0)**	(13.4)	0.4
Other expenses, net	**(6.1)**	(12.2)	6.1
Loss before taxes	**(48.0)**	(367.6)	319.6
Current income taxes, net	**0.1**	4.6	(4.5)
Deferred taxes	**2.9**	(4.0)	6.9
Net loss - Group	**(45.0)**	(367.0)	322.0

Group's share of earnings (losses) of companies accounted for using the equity method amounted to losses of € 49.7 million (losses of € 301.6 million in 2002). The positive change of € 251.9 million was due to the share of lower losses reported by the Fiat Group (+€ 229.3 million) and the NHT Group (+€ 8.8 million), the share of higher earnings by the Rinascente Group (+€ 65.2 million), the share of lower earnings by the Worms & Cie Group (€ 45.8 million) and the losses reported by Juventus (-€ 5.5 million), and other net changes (-€ 0.1 million).
The abovementioned changes include consolidation adjustments.

Dividends from other holdings amounted to € 21.2 million, of which € 21.1 million was received from SANPAOLO IMI.
At December 31, 2002, dividends received by SANPAOLO IMI had totaled € 30.6 million.

Gains (losses), net were due to the sale of 25% of Sifalberghi capital stock (€ 25.1 million) and losses, net, stemming from various transactions (- € 0.1 million). In 2002, the losses, net (-€ 51.8 million) had also included writedowns of the investment in Club Méditerranée (-€ 33.7 million) and IFIL treasury stock (-€ 15.4 million).

Amortization of differences on consolidation amounted to € 13.7 million (€ 6.8 million in 2002).
The increase of € 6.9 million compared to December 31, 2002 was due to the increases in the investments in Juventus Football Club and in La Rinascente.

Financial expenses, net, totaled € 23.6 million (€ 20.6 million in 2002) and increased by € 3 million due to higher average net indebtedness during the year.

Other expenses, net, amounted to € 6.1 million (€ 12.2 million in 2002) and included the amortization of the expenses related to the IFIL S.p.A. capital stock increase (€ 2.2 million), nondeductible VAT associated with such costs (€ 1 million), legal consulting fees regarding pending litigation (€ 1.5 million), provisions for extraordinary expenses (to be paid over several years) in connection with recourse to the "Solidarity Fund for the support of earnings" in reference to some employees of IFIL and Soiem (€ 0.8 million) and lastly, other expenses, net, (€ 0.6 million).

Stockholders' equity - Group amounted to € 3,953.9 million at December 31, 2003. The increase of 1,245.8 million compared to December 31, 2002 (€ 2,708.1 million) originated from the contribution of investments by IFI (+€ 1,052 million), the IFIL S.p.A. capital stock increase against payment (+€ 504 million), the share of the translation adjustments (-€ 272.9 million) and other net changes (+€ 7.7 million) shown by companies accounted for using the equity method and, lastly, the consolidated loss of the Group (-€ 45 million).

The consolidated net financial position of the "Holdings System" showed a net indebtedness position at December 31, 2003 of € 234.7 million; the positive change of € 249.7 million (more than 51%) compared to the balance at December 31, 2002 (- € 484.4 million) was due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2002		**(484.4)**
Dividends received from:		
- La Rinascente	258.9	
- Worms & Cie	83.9	
- SANPAOLO IMI	21.1	
- Sifalberghi	0.6	
- Other	0.1	
Dividends received		**364.6**
Financial expenses, net		**(23.6)**
General expenses, net		**(13.0)**
Investments:		
- Fiat, subscription to the capital stock increase (and purchase of rights for € 5 million)	(549.6)	
- La Rinascente, 2.16% of capital stock	(38.6)	
- Worms & Cie, 1.37% of capital stock	(23.7)	
Investments		**(611.9)**
Sales:		
- Sifalberghi, 25% of capital stock (to Accor Group)	32.0	
- Eurofind, 0.85% of capital stock (to Mediobanca)	15.2	
- Other	2.2	
Sales		**49.4**
Other changes:		
- IFIL S.p.A. capital stock increase against payment	504.0 (a)	
- IFIL S.p.A. capital stock increase expenses	(11.2)	
- Change in the scope of consolidation	5.2 (b)	
- Other, net	(13.8)	
Other changes		**484.2**
Net change during the year		**249.7**
Consolidated net financial position of the "Holdings System" at December 31, 2003		**(234.7)**

(a) Including proceeds on the sale of unexercised rights for € 1,8 million.
(b) Cash of the subsidiary Soiem, consolidated line-by-line beginning 2003.

As from the end of June 2003, Standard & Poor's Rating Services has assigned an "A-" rating to IFIL's long-term debt and an "A2" rating to its short-term debt, with a negative outlook.

The parent company, IFIL S.p.A., closed 2003 with a net income of € 72.7 million. In 2002, IFIL S.p.A. had reported a net loss of € 516.4 million due to writedowns of the accounting carrying values in the investments held, directly and indirectly, in Fiat, Club Méditerranée and Soiem, and also in IFIL treasury stock.

In addition to the comments in respect of the Reorganization of the Group and the capital increase effected in July 2003, the following paragraphs describe the major events of the IFIL Group in 2003 and in the early months of 2004.

Transactions regarding La Rinascente and Eurofind

In January 2003, Eurofind, the subsidiary jointly controlled by Ifil Investissements and the Auchan Group, launched a tender offer for the residual ordinary and preferred shares of La Rinascente and a voluntary tender offer for the purchase of La Rinascente savings shares for the purpose of obtaining all La Rinascente shares not yet held by Eurofind.

By the end of the offer period (February 28, 2003), the total shares tendered comprised 10,768,383 ordinary shares, equal to 3.6% of ordinary capital stock, 491,006 preferred shares, equal to 15.61% of preferred capital stock, and 2,596,139 savings shares, equal to 2.52% of savings capital stock.

The transaction involved a total payment of € 60.9 million (€ 4.45 per ordinary and preferred share and € 4.15 per savings share) and the delisting of all classes of La Rinascente stock.

In the following months, Eurofind purchased off-market 7,380,130 ordinary shares (2.47% of ordinary stock), 45,215 preferred shares (1.44% of preferred stock) and 308,225 savings shares (0.30% of savings capital stock) for a total amount of € 34.4 million.

At the end of December 2003, Eurofind holds 401,223,236 La Rinascente shares (equal to 99.09% of capital stock) and, in particular, 296,556,269 ordinary shares (99.21% of ordinary capital stock), 2,797,086 preferred shares (88.92% of preferred capital stock) and 101,869,881 savings shares (99.06% of savings capital stock).

Again in December 2003, La Rinascente paid extraordinary dividends for € 600 million which gave rise to receipts of € 240.6 million for the IFIL Group (€ 594,5 million for Eurofind).

IFIL bonds

In February 2003, the IFIL bonds issued in December 2002 were increased from € 145 million to € 200 million. These are three-year bonds placed with primary institutional investors.
In December 2003, IFIL floated a second bond issue for € 100 million. These are also three-year bonds subscribed to by primary institutional investors.

Both bonds are listed on the Luxembourg stock exchange.

Transactions relating to Worms & Cie

Ifil Investissements purchased 1,438,059 Worms & Cie shares (equal to 1.37% of capital stock) for a total equivalent amount of € 23.7 million.
After this transaction, Ifil Investissements holds 55,922,623 Worms & Cie shares, equal to 53.07% of capital stock.

In May 2003, Worms & Cie paid dividends of € 1.5 per share (including extraordinary dividends for € 0.9) which gave rise to receipts of € 83.9 million for Ifil Investissements.

Sale of 25% of Sifalberghi capital stock

In August 2003, IFIL sold 25% of the capital stock of Sifalberghi to the Accor Group for the price of € 32 million, realizing a gain of € 25.1 million on consolidation, with a 12.5% IRR.

Purchase of 9.53% of Eurofind capital stock

As stated earlier, in January 2004, Ifil Investissements purchased 3,029,651 Eurofind shares (equal to 9.53% of capital stock) from Mediobanca for an investment of € 116.1 million.
Eurofind's capital stock is currently held equally by the IFIL Group (50%) and the Auchan Group (50%).

Purchase of 10% of NHT New Holding for Tourism capital stock

In January 2004, Ifil Investissements purchased 3,298 NHT New Holding for Tourism shares (equal to 10% of capital stock) from the TUI Group for an outlay of € 46.3 million. As part of this transaction, NHT also purchased the remaining 50% of the capital stock of Neos S.p.A. from the TUI Group for an investment of € 2.7 million.
IFIL currently holds, through the subsidiaries Ifil Investissements and Ifil Finance, complete control of NHT.

IFIL's new organization in the United States of America

For the purpose of contributing to the search for new investment opportunities, IFIL set up an organization in the United States with offices in New York. Thanks to its positioning in one of the most interesting international financial centers and with its highly-qualified professional management staff, the organization – which will operate in close coordination with IFIL's offices in Turin – could significantly boost the opportunities of creating economic value for the Company.

Possible Fiat S.p.A. capital increase in execution of the Convertible Mandatory Facility agreements dated July 26, 2002

In 2003, the major rating agencies downgraded Fiat's debt to below investment grade level and, accordingly, should this condition exist at July 2004, the lending Banks could bring forward the conversion of the debt to capital stock for an amount up to € 2 billion.

In this eventuality, should IFIL decide not to exercise, in whole or in part, the option rights to which it is entitled or should it not be in a condition to exercise, in whole or in part, such rights, the investment held by IFIL in Fiat could be diluted to below 30% of the capital stock with voting rights.

EXOR GROUP

(29.3% of ordinary capital stock)

Exor Group reported a consolidated net income in 2003 of € 17.1 million (€ 15.4 million in 2002) after booking a provision of € 40 million to the Reserve for investment fluctuations to take into account the market price reductions in listed investments and, with reference to the United States companies, the appreciation of the euro against the U.S. dollar.

In 2003, Exor Group sold the investments in Châteaux Margaux and Espirito Santo Financial Group, and a 7.6% stake in SFL – Société Foncière Lyonnaise. These transactions gave rise to a total net gain of € 52.3 million, after income taxes.
Exor Group still has an investment in SFL totaling 10.1% of capital stock.

Dividends totalled € 9.1 million, whereas general expenses and other operating expenses, net, decreased by 31.7%, from € 12 million in 2002 to € 8.2 million in 2003.

The stockholders' equity of the Group amounted to € 611.5 million at December 31, 2003. The reduction from the balance last year (€ 720.3 million) was mainly due to the buy-back of treasury stock and subsequent cancellation during the year by resolution of the Extraordinary Stockholders' Meeting for a total amount of € 110 million. After this transaction, following the sale of the investment in Château Margaux to the Mentzelopoulos Group, IFI and the parent company Giovanni Agnelli e C. hold almost all the capital stock of Exor Group.

The net cash of Exor Group amounts to approximately € 250 million at December 31, 2003.

As far as the main investment holdings are concerned, Club Méditerranée closed the year 2003 with a net loss of € 94 million (net loss of € 62 million in the prior year), with revenues down by 7.7% to € 1.6 billion and a net operating loss of € 6 million (€ 3 million in 2002). The Group's results were still impacted by the difficulties in the tourism sector (and that of the airplane carrier sector) as a result of the war in Iraq, the persisting threat of world terrorism and the SARS syndrome. The relaunch plan begun in prior years continued through actions aimed at reducing structure costs and bringing the hotel capacity into line with the changed conditions of the market. The divestiture of non-profitable businesses generated net financial flows of € 42 million. For the current year, the company expects a gradual improvement in the economic climate, which, for the last three years, has negatively affected its results.

In August 2003, the merger was concluded between the United States associated company Riverwood (in which Exor Group held a 29.7% stake) and Graphic Packaging, a company engaged in the packaging of consumer products. Exor Group currently holds 17.2% of the company that emerged from the merger, which took the name of Graphic Packaging Corporation and which is listed on the New York stock exchange.
The company ended 2003 with total revenues of US$ 2.3 billion, with the aim of becoming the leader in its sector in the United States market.
Important synergies and cost reductions as a result of the merger are anticipated for the current year.

In 2003, Société Foncière Lyonnaise showed a sharp increase in net income, equal to € 54.9 million (+59.6% compared to 2002) and cash flows, totaling € 79.3 million (+26.3%). Rental income has also registered a slight increase, reaching € 146.4 million (+2%).

MOTION FOR APPROVAL OF THE FINANCIAL STATEMENTS, INCREASE OF THE LEGAL RESERVE TO ONE-FIFTH OF CAPITAL STOCK AND APPROPRIATION OF NET INCOME FOR THE YEAR

To our Stockholders,

We ask you to approve the financial statements for the year ended December 31, 2003 and increase the legal reserve to one-fifth of capital stock, equal to € 163,251,460, by drawing € 17,861,380 from the extraordinary reserve. Furthermore, since the Board of Directors waived the right to its portion of profits under art. 26 of the by-laws by passing a specific resolution, we propose to appropriate the net income of € 14,666,264 to the extraordinary reserve.

The extraordinary reserve therefore amounts to € 732,885,985.

Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

Group

CONSOLIDATED BALANCE SHEET - ASSETS € in millions		**12/31/2003**	12/31/2002	Change
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED		**0**	1	(1)
FIXED ASSETS				
Intangible fixed assets	(note 1)			
Start-up and expansion costs		**155**	81	74
Research, development and advertising expenses		**22**	18	4
Industrial patents and intellectual property rights		**406**	416	(10)
Concessions, licenses, trademarks and similar rights		**383**	493	(110)
Goodwill		**159**	236	(77)
Intangible assets in progress and advances		**255**	281	(26)
Other intangible assets		**167**	367	(200)
Differences on consolidation		**3,164**	4,331	(1,167)
Total intangible fixed assets		**4,711**	6,223	(1,512)
Property, plant and equipment	(note 2)			
Land and buildings		**3,115**	4,180	(1,065)
Plant and machinery		**3,401**	3,728	(327)
Industrial and commercial equipment		**2,104**	2,182	(78)
Other assets		**1,363**	2,151	(788)
Construction in progress and advances		**828**	1,023	(195)
Total property, plant and equipment		**10,811**	13,264	(2,453)
Financial fixed assets	(note 3)			
Investments in				
. unconsolidated subsidiaries		**488**	627	(139)
. associated companies		**4,465**	4,154	311
. other companies		**926**	1,440	(514)
Total investments		**5,879**	6,221	(342)
Receivables from				
associated companies		**1**	1	0
others		**188**	208	(20)
Total receivables		**189**	209	(20)
Other securities		**84**	2,463	(2,379)
Treasury stock		**70**	70	0
Finance lease contracts receivable		**1,797**	2,947	(1,150)
Investments where the investment risk is borne by policyholders and those related to pension plan management		**0**	6,930	(6,930)
Other financial fixed assets		**315**	359	(44)
Total financial fixed assets		**8,334**	19,199	(10,865)
TOTAL FIXED ASSETS		**23,856**	38,686	(14,830)
CURRENT ASSETS				
Inventories	(note 4)			
Raw materials and supplies		**1,259**	1,399	(140)
Work in progress and semifinished products		**983**	1,122	(139)
Contract work in progress		**4,077**	5,293	(1,216)
Finished goods and merchandise		**4,431**	4,242	189
Advances to suppliers		**5,188**	3,824	1,364
Total inventories		**15,938**	15,880	58

€ in millions		**12/31/2003**	12/31/2002	Change
CURRENT ASSETS (continued)				
Receivables	(note 5)			
Trade receivables		**4,679**	6,294	(1,615)
Receivables from unconsolidated subsidiaries		**79**	55	24
Receivables from associated companies		**768**	477	291
Other receivables		**5,249**	7,195	(1,946)
Total receivables		**10,775**	14,021	(3,246)
Financial assets not held as fixed assets	(note 6)			
Investments		**32**	810	(778)
Other securities		**4,359**	7,112	(2,753)
Financial receivables from unconsolidated subsidiaries		**521**	519	2
Financial receivables from associated companies		**644**	1,313	(669)
Financial receivables from others		**9,605**	16,594	(6,989)
Total financial assets not held as fixed assets		**15,161**	26,348	(11,187)
Cash				
Banks and post office accounts		**3,443**	3,697	(254)
Cash on hand		**9**	25	(16)
Checks		**9**	11	(2)
Total cash		**3,461**	3,733	(272)
TOTAL CURRENT ASSETS		**45,335**	59,982	(14,647)
ACCRUED INCOME AND PREPAID EXPENSES	(note 7)	**849**	1,280	(431)
TOTAL ASSETS		**70,040**	99,949	(29,909)

CONSOLIDATED BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY

€ in millions		**12/31/2003**	12/31/2002	Change
STOCKHOLDERS' EQUITY	(note 8)			
Stockholders' equity of the Group				
Capital stock		**163**	62	101
Additional paid-in capital		**387**	66	321
Revaluation reserves		**81**	81	0
Legal reserve		**15**	15	0
Treasury stock valuation reserve		**70**	70	0
Retained earnings and other reserves		**1,919**	2,823	(904)
Cumulative translation adjustments		**(284)**	(288)	4
Net loss		**(130)**	(803)	673
Total stockholders' equity of the Group		**2,221**	2,026	195
Minority interest - capital and reserves		**9,588**	12,460	(2,872)
Minority interest - net loss		**(1,517)**	(3,229)	1,712
TOTAL STOCKHOLDERS' EQUITY		**10,292**	11,257	(965)
RESERVES FOR RISKS AND CHARGES	(nota 9)			
Reserve for pensions and similar obligations		**1,571**	1,527	44
Income tax reserves		**429**	1,587	(1,158)
Other reserves		**3,984**	4,533	(549)
Insurance policy liabilities and accruals		**89**	9,605	(9,516)
Other insurance policy liabilities and accruals		**0**	7,000	(7,000)
TOTAL RESERVES FOR RISKS AND CHARGES		**6,073**	24,252	(18,179)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	(note 10)	**1,332**	1,627	(295)
PAYABLES	(note 11)			
Bonds		**9,910**	11,018	(1,108)
Convertible bonds		**1,765**	2,125	(360)
Borrowings from banks		**10,494**	14,578	(4,084)
Other financial payables		**1,405**	1,634	(229)
Advances		**9,166**	9,326	(160)
Trade payables		**12,597**	13,015	(418)
Notes payable		**955**	2,438	(1,483)
Payables to unconsolidated subsidiaries		**69**	68	1
Payables to associated companies		**854**	1,117	(263)
Payables to parent companies		**15**	39	(24)
Taxes payable		**943**	1,390	(447)
Social security payable		**329**	354	(25)
Other payables		**1,505**	2,225	(720)
TOTAL PAYABLES		**50,007**	59,327	(9,320)
ACCRUED EXPENSES AND DEFERRED INCOME	(note 12)	**2,336**	3,486	(1,150)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**70,040**	99,949	(29,909)

GUARANTEES GRANTED, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS (note 13)

€ in millions	**12/31/2003**	12/31/2002	Change
GUARANTEES GRANTED			
Unsecured guarantees			
Suretyships			
on behalf of unconsolidated subsidiaries	**32**	98	(66)
on behalf of associated companies	**10**	21	(11)
on behalf of others	**3,162**	1,678	1,484
Total suretyships	**3,204**	1,797	1,407
Guarantees of notes on behalf of others	**261**	316	(55)
Other unsecured guarantees			
on behalf of unconsolidated subsidiaries	**1**	0	1
on behalf of associated companies	**295**	351	(56)
on behalf of others	**2,813**	3,050	(237)
Total other unsecured guarantees	**3,109**	3,401	(292)
Total unsecured guarantees	**6,574**	5,514	1,060
Secured guarantees on behalf of others	**47**	501	(454)
TOTAL GUARANTEES GRANTED	**6,621**	6,015	606
COMMITMENTS			
Commitments related to derivative financial instruments	**22,507**	39,926	(17,419)
Commitments to purchase property, plant and equipment	**330**	499	(169)
Other commitments	**10,690**	10,216	474
TOTAL COMMITMENTS	**33,527**	50,641	(17,114)
THIRD-PARTY ASSETS HELD BY THE GROUP	**2,017**	2,071	(54)
GROUP ASSETS HELD BY THIRD PARTIES	**4,706**	20,846	(16,140)
OTHER MEMORANDUM ACCOUNTS	**380**	267	113

CONSOLIDATED STATEMENT OF OPERATIONS

€ in millions		**2003**	2002	Change
VALUE OF PRODUCTION	(note 14)			
Revenues from sales and services		**53,509**	60,793	(7,284)
Change in work in progress, semifinished and finished products inventories		**694**	(809)	1,503
Change in contract work in progress		**(1,075)**	222	(1,297)
Additions to internally produced fixed assets		**688**	1,107	(419)
Other income and revenues:				
revenue grants		**53**	47	6
other		**1,684**	2,143	(459)
Total other income and revenues		**1,737**	2,190	(453)
TOTAL VALUE OF PRODUCTION		**55,553**	63,503	(7,950)
COSTS OF PRODUCTION	(note 15)			
Raw materials, supplies and merchandise		**(30,917)**	(32,965)	2,048
Services		**(9,855)**	(11,339)	1,484
Leases and rentals		**(434)**	(531)	97
Personnel:				
salaries and wages		**(5,341)**	(6,039)	698
social security contributions		**(1,409)**	(1,520)	111
employee severance indemnities		**(248)**	(259)	11
employee pensions and similar obligations		**(188)**	(105)	(83)
other costs		**(340)**	(398)	58
Total personnel costs		**(7,526)**	(8,321)	795
Amortization, depreciation and writedowns:				
amortization of intangible fixed assets		**(604)**	(689)	85
depreciation of property, plant and equipment		**(1,868)**	(2,146)	278
writedown of fixed assets		**(35)**	(2)	(33)
writedown of receivables among current assets and cash		**(281)**	(379)	98
Total amortization, depreciation and writedowns		**(2,788)**	(3,216)	428
Change in raw materials, supplies and merchandise inventories		**(86)**	(12)	(74)
Provisions for risks		**(1,164)**	(1,138)	(26)
Other provisions		**(29)**	(37)	8
Other operating costs		**(1,114)**	(1,404)	290
Expenses of financial services companies		**(668)**	(1,115)	447
Insurance claims and other insurance costs		**(1,367)**	(4,045)	2,678
TOTAL COSTS OF PRODUCTION		**(55,948)**	(64,123)	8,175
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION		**(395)**	(620)	225
FINANCIAL INCOME AND EXPENSES	(note 16)			
Investment income from:				
unconsolidated subsidiaries		**0**	3	(3)
associated companies		**1**	1	0
other companies		**59**	214	(155)
Total investment income		**60**	218	(158)
Other financial income from:				
receivables held as fixed assets from others		**5**	8	(3)
securities held as fixed assets other than equity investments		**0**	156	(156)
securities held as current assets other than equity investments		**127**	160	(33)
Other income from:				
. unconsolidated subsidiaries		**8**	26	(18)
. associated companies		**7**	23	(16)
. others		**1,416**	1,925	(509)
Total other income		**1,431**	1,974	(543)
Total other financial income		**1,563**	2,298	(735)
Interest and other financial expenses from:				
unconsolidated subsidiaries		**(3)**	(3)	0
associated companies		**(6)**	(3)	(3)
parent companies		**(1)**	(1)	0
others		**(2,614)**	(3,198)	584
Total interest and other financial expenses		**(2,624)**	(3,205)	581
TOTAL FINANCIAL INCOME AND EXPENSES		**(1,001)**	(689)	(312)

€ in millions		2003	2002	Change
ADJUSTMENTS TO FINANCIAL ASSETS	(note 17)			
Revaluations of:				
equity investments		**229**	112	117
financial fixed assets other than equity investments		**0**	1	(1)
securities held in current assets other than equity investments		**15**	7	8
Total revaluations		**244**	120	124
Writedowns of:				
equity investments		**(306)**	(895)	589
financial fixed assets other than equity investments		**(1)**	(59)	58
securities held in current assets other than equity investments		**(9)**	(45)	36
financial receivables		**(6)**	(20)	14
Total writedowns		**(322)**	(1,019)	697
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS		**(78)**	(899)	821
EXTRAORDINARY INCOME AND EXPENSES	(note 18)			
Income:				
gains on disposals		**2,080**	1,378	702
other income		**197**	166	31
Total income		**2,277**	1,544	733
Expenses:				
losses on disposals		**(56)**	(1,241)	1,185
taxes relating to prior years		**(27)**	(80)	53
other expenses		**(1,661)**	(2,462)	801
Total expenses		**(1,744)**	(3,783)	2,039
TOTAL EXTRAORDINARY INCOME AND EXPENSES		**533**	(2,239)	2,772
LOSS BEFORE TAXES		**(941)**	(4,447)	3,506
INCOME TAXES	(note 19)	**(706)**	415	(1,121)
LOSS BEFORE MINORITY INTEREST		**(1,647)**	(4,032)	2,385
Minority interest		**1,517**	3,229	(1,712)
NET LOSS		**(130)**	(803)	673

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

THE REORGANIZATION OF IFI GROUP

Following the resolution passed by IFIL's Extraordinary Stockholders' Meeting held on April 23, 2003, IFI contributed the following investments and warrants to the subsidiary IFIL:

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

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,052 million.
The contribution, however, was recorded for € 794.5 million in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic value, with a gain of € 22.6 million.

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

In April and May 2003, IFI also purchased on the market 1,807,150 IFIL ordinary shares and 114,009 IFIL savings shares for a total investment of € 4.4 million.

In May 2003, IFI then exercised the right to voluntarily convert all the 119,750,000 IFIL savings shares held for 101,787,500 IFIL ordinary shares, without payment of any cash differential.

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

- the economic impact of the contribution of the investments in Fiat, Juventus Football Club, SANPAOLO IMI and Soiem (gains and losses compared to the carrying value of these holdings at March 31, 2003) have been completely eliminated, being a transaction with a subsidiary;
- until March 31, 2003, the results of the investments in Fiat, Juventus Football Club and Soiem were accounted for by IFI on the basis of the share of the equity interest which it had held prior to the contribution; starting

April 1, 2003, the results of these companies are accounted for on the basis of the new equity interests, through IFIL.

In its consolidated financial statements at December 31, 2003, IFIL has consolidated the investments in Fiat and Soiem line-by-line and accounted for the interest in Juventus Football Club using the equity method, consistently with the methods adopted by IFI in the past. In IFI's consolidated financial statements at December 31, 2003, therefore, there is no change in the scope of consolidation as a result of the Reorganization of the Group.

SCOPE OF CONSOLIDATION

Criteria used in determining the scope of consolidation

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

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

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

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

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

Changes in the scope of consolidation

Changes in the scope of consolidation are described below.

Fiat Group

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

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

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

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

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

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

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

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

NHT Group

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

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

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

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

PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

ACCOUNTING PRINCIPLES

Intangible fixed assets

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

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

Goodwill is recorded as an asset when acquired for consideration.

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

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

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

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

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

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

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

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

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

Investments in other companies are valued at cost of acquisition or contribution value (including accessory charges which increase the investment value). If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition or the contribution value, as defined above, it is written down to the lower value.
Should the reasons for the writedown no longer apply, the value of the investment will be reinstated up to the limit of the cost of acquisition.

Financial receivables are recorded at estimated realizable value.

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

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

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

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

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

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

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

Investments, treasury stock and securities recorded in current assets
These are stated at the lower of the cost of acquisition, including accessory charges, determined using the “Last-In First-Out” (LIFO) method and realizable value. If realizable value can be determined from the market trend, it is defined on the basis of the market prices at the end of the year.

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

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

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

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

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

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

The estimated cost of pensions, calculated periodically by independent experts, is charged to the statement of operations over the average residual service life of the interested employees.
Contributions paid in to the pension funds in excess of the actuarial cost are recorded in other receivables in the assets.
The actuarial valuation of the assets managed by the funds is compared to the benefits provided to employees in service and retired employees. The excess is amortized over the average residual service life of the employees.

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

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

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

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

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

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

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

Details of the accounting treatment adopted are as follows.

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

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

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

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

Revenue recognition

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

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

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

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

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

Costs

Costs are recognized on an accrual basis.

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

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

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

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

Investment income

Dividends distributed by companies valued at cost are recorded in the year in which they are declared. The related tax credit is recorded at the time the dividends are received.
On consolidation, tax credits on dividends received by companies consolidated line-by-line or accounted for using the equity method are shown as a reduction of current income taxes.

Financial income and expenses

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

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

Income taxes

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

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

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

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

COMPOSITION, PRINCIPAL CHANGES AND OTHER INFORMATION

1) Intangible fixed assets

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

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

€ in millions	Balance at 12/31/2002	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and Other changes	**Balance at 12/31/2003**
Fiat Group								
Start-up and expansion costs	77	107	(37)	3	3	(4)	(5)	**144**
Research, development and advertising expenses	18	16	(8)	1	(2)	0	(3)	**22**
Industrial patents and intellectual property rights	416	44	(106)	(11)	100	(44)	7	**406**
Concessions, licenses, trademarks and similar rights	467	45	(85)	(52)	44	(46)	(26)	**347**
Goodwill	229	14	(17)	(41)	0	(22)	(12)	**151**
Intangible assets in progress and advances	263	160	0	(3)	(153)	0	(21)	**246**
Other intangible assets	359	116	(91)	(218)	8	(1)	(16)	**157**
Differences on consolidation	3,371	25	(175)	(529)	0	(409)	(32)	**2,251**
Total Fiat Group	5,200	527	(519)	(850)	0	(526)	(108)	**3,724**
Worms & Cie Group								
Concessions, licenses, trademarks and similar rights	21	5	(12)	0	0	(1)	19	**32**
Intangible assets in progress and advances	17	13	0	0	0	(1)	(21)	**8**
Other intangible assets	3	0	(2)	0	0	0	1	**2**
Differences on consolidation	922	1	(59)	2	0	0	5	**871**
Total Worms & Cie Group	963	19	(73)	2	0	(2)	4	**913**
NHT Group								
Start-up and expansion costs	3	0	(1)	0	0	0	0	**2**
Concessions, licenses, trademarks and similar rights	5	0	(1)	0	0	(1)	0	**3**
Goodwill	7	1	0	0	0	0	(1)	**7**
Intangible assets in progress and advances	1	2	0	0	(1)	0	0	**2**
Other intangible assets	4	3	(2)	0	1	0	1	**7**
Differences on consolidation	38	0	(4)	9	0	0	0	**43**
Total NHT Group	58	6	(8)	9	0	(1)	0	**64**
IFIL Holdings system and intragroup eliminations	2	13	(4)	3	0	0	(4)	**10**
Total	6,223	565	(604)	(836)	0	(529)	(118)	**4,711**

Major changes, by Group, are described below.

Fiat Group

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

Start-up and expansion costs at December 31, 2003 consist of deferred plant start-up costs and corporate formation costs of € 60 million (€ 53 million at December 31, 2002) and capital increase costs of € 84 million (€ 24 million at December 31, 2002). Additions during the year include € 88 million for the capital increase costs of Fiat S.p.A. for

€ 57 million, Fiat Auto Holdings B.V. for € 17 million, CNH Global N.V. for € 12 million and other minor companies for € 2 million.

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

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

Worms & Cie Group

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

NHT Group

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

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

2) Property, plant and equipment

€ in millions	Balance at 12/31/2002	Addit.	Deprec.	Change in the scope of consol.	Reclass.	Foreign exchange effects	Disposals and Other changes	**Balance at 12/31/2003**	**Accumulated am./writ. 12/31/2003**
Land and buildings	4,180	69	(174)	(689)	36	(139)	(168)	**3,115**	**2,175**
Plant and machinery	3,728	307	(615)	(119)	288	(93)	(95)	**3,401**	**7,498**
Industrial and commercial equipment	2,182	519	(711)	4	306	(81)	(115)	**2,104**	**7,522**
Other assets	2,151	487	(379)	(702)	6	(81)	(119)	**1,363**	**1,803**
Construction in progress and advances	1,023	778	0	136	(636)	(39)	(434)	**828**	**0**
Total property, plant and equipment	13,264	2,160	(1,879)	(1,370)	0	(433)	(931)	**10,811**	**18,998**

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

€ in millions	Balance at 12/31/2002	Addit.	Deprec.	Change in the scope of consol.	Reclass.	Foreign exchange effects	Disposals and Other changes	**Balance at 12/31/2003**	**Accumulated am./writ. 12/31/2003**
Fiat Group									
Land and buildings	3,801	60	(150)	(730)	36	(121)	(160)	**2,736**	**1,903**
Plant and machinery	3,721	305	(613)	(118)	288	(92)	(98)	**3,393**	**7,492**
Industrial and commercial equipment	1,511	475	(623)	3	306	(49)	(119)	**1,504**	**6,297**
Other assets	2,095	480	(364)	(507)	6	(78)	(318)	**1,314**	**1,674**
Construction in progress and advances	978	691	0	(65)	(636)	(37)	(203)	**728**	**0**
Total Fiat Group	12,106	2,011	(1,750)	(1,417)	0	(377)	(898)	**9,675**	**17,366**
Worms & Cie Group									
Land and buildings	322	6	(20)	(5)	0	(15)	1	**289**	**252**
Industrial and commercial equipment	669	44	(89)	1	0	(31)	5	**599**	**1,224**
Other assets	41	6	(13)	6	0	(1)	0	**39**	**114**
Construction in progress and advances	39	64	0	0	0	(2)	(33)	**68**	**0**
Total Worms & Cie Group	1,071	120	(122)	2	0	(49)	(27)	**995**	**1,590**
NHT Group									
Land and buildings	108	1	(4)	(12)	(3)	(4)	(6)	**80**	**17**
Plant and machinery	7	1	(1)	(1)	3	(1)	0	**8**	**5**
Industrial and commercial equipment	2	0	0	(2)	0	0	1	**1**	**1**
Other assets	15	2	(2)	0	0	(3)	0	**12**	**15**
Construction in progress and advances	6	25	0	0	0	0	0	**31**	**0**
Total NHT Group	138	29	(7)	(15)	0	(8)	(5)	**132**	**38**
IFI, IFIL Holdings System and intragroup eliminations	(51)	0	0	60	0	1	(1)	**9**	**4**
Total	13,264	2,160	(1,879)	(1,370)	0	(433)	(931)	**10,811**	**18,998**

Major changes, by Group, are described below.

Fiat Group

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

No interest expenses were capitalized in 2003 or in 2002.

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

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

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

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

Worms & Cie Group

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

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

NHT Group

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

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

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

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

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

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

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

3) Financial fixed assets

Investments

€ in millions	Balance at 12/31/2002	Equity in earnings	Equity in losses	Change in the scope of consolid.	Acquisitions and Capitalizations	Foreign exchange effects	Disposals and Other changes	**Balance at 12/31/2003**
Unconsolidated subsidiaries	627	16	(160)	(23)	8	(28)	48	**488**
Associated companies	4,154	209	(77)	535	82	(70)	(368)	**4,465**
Other companies	1,440	1	(8)	(492)	15		(30)	**926**
Total investments	6,221	226	(245)	20	105	(98)	(350)	**5,879**

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

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

€ in millions	Balance at 12/31/2002	Equity in earnings	Equity in losses	Change in the scope of consolid.	Acquisitions and Capitalizations	Foreign exchange effects	Disposals and other changes	**Balance at 12/31/2003**
IFI and IFIL Holdings System								
Unconsolidated subsidiaries	58	0	(10)	0	0	0	0	**48**
Associated companies	863	86	(10)	(1)	0	0	(292)	**646**
Other companies	643	0	0	(1)	0	0	(1)	**641**
Total investments	1,564	86	(20)	(2)	0	0	(293)	**1,335**
Fiat Group								
Unconsolidated subsidiaries	558	16	(150)	(14)	7	(28)	46	**435**
Associated companies	2,722	74	(45)	536	29	(59)	(55)	**3,202**
Other companies	682	1	(5)	(491)	11	0	59	**257**
Total investments	3,962	91	(200)	31	47	(87)	50	**3,894**
Worms & Cie Group								
Unconsolidated subsidiaries	2	0	0	0	0	0	0	**2**
Associated companies	564	49	(22)	0	53	(11)	(20)	**613**
Other companies	115	0	(3)	0	4	0	(88)	**28**
Total investments	681	49	(25)	0	57	(11)	(108)	**643**
NHT Group								
Unconsolidated subsidiaries	9	0	0	(9)	1	0	2	**3**
Associated companies	5	0	0	0	0	0	(1)	**4**
Total investments	14	0	0	(9)	1	0	1	**7**
Total investments of IFI Group	6,221	226	(245)	20	105	(98)	(350)	**5,879**

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

IFI and IFIL Holdings System
Other changes in associated companies (-€ 292 million) mainly refer to the distribution of reserves and dividends by Eurofind (-€ 264 million) and the sale of the 25% equity interest in Sifalberghi S.r.l. (-€ 7 million).

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

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

Acquisitions and capitalizations refer principally to the following:

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

Disposals and Other Changes refer mainly to:

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

Worms & Cie Group

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

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

Investments in unconsolidated subsidiaries

€ in millions	%	12/31/2003	%	12/31/2002	Change
IFI and IFIL Holdings System					
Juventus Football Club S.p.A.	**62.0**	**48**	**62.0**	58	(10)
Fiat Group					
Buc- Banca Unione di Credito	**100.0**	**340**	**100.0**	361	(21)
Leasys S.p.A.	**51.0**	**36**	**51.0**	112	(76)
Fiat Group - sundry unconsolidated subsidiaries		**59**		85	(26)
		435		558	(123)
Worms & Cie Group - sundry companies	**-**	**2**	**-**	2	0
NHT Group - sundry companies (a)	**-**	**3**	**-**	9	(6)
Total investments in unconsolidated subsidiaries		**488**		627	(139)

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

Unconsolidated subsidiaries of the Fiat Group

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

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

Investments in associated companies

€ in millions	**12/31/2003**	12/31/2002	Change
IFI and IFIL Holdings System			
Eurofind Group	**467**	676	(209)
Exor Group SA	**179**	180	(1)
Sifalberghi S.r.l. (a)	**0**	7	(7)
	646	863	(217)
Fiat Group			
Fiat -GM Powertrain B.V.	**1,172**	1,189	(17)
Italenergia Bis S.p.A.	**512**	481	31
Fidis Retail Italia S.p.A. (b)	**372**	-	372
Tofas Turk Otomobil Fabrikasi A.S.	**156**	136	20
Sevel S.p.A.	**118**	125	(7)
Kobelco Construction Machinery Co. Ltd	**103**	107	(4)
Naveco Ltd. (c)	**102**	-	102
Rizzoli Corriere della Sera MediaGroup S.p.A. (former H.d.P. S. p.A.)	**99**	98	1
Consolidated Diesel Company	**54**	59	(5)
Jiangsu Nanya Auto Co. Ltd	**54**	55	(1)
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	**49**	47	2
Fiat Group - sundry associated companies	**411**	425	(14)
	3,202	2,722	480
Worms & Cie Group			
SGS Société Générale de Surveillance S.A.	**560**	512	48
WORMS & Cie Group - sundry associated companies	**53**	52	1
	613	564	49
NHT Group - sundry companies	**4**	5	(1)
Total associated companies	**4,465**	4,154	311

(a) Sold to the Accor Group in August 2003.
(b) Consolidated on a line-by-line basis in 2002.
(c) Consolidated proportionally in 2002.

Associated companies of the IFIL Holdings System

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

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

Associated companies of the Fiat Group

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

Fiat-GM Powertrain

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

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

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

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

Italenergia Bis

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

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

b) Fiat does not independently exercise the EDF Put on its own 24.6% holding and in this case:

- the individual Banks, separately, have the right to request Fiat to exercise its Put on EDF which allows the Banks to exercise the "tag along", as described above, and to realize a gain;
- Fiat may elect not to exercise the EDF Put, as instead requested, and the Banks have the right to ask that Fiat purchase from the same Banks their respective 4.66% holdings at the lower of the price determined pursuant to the EDF Put, in accordance with the same criteria and procedures agreed with EDF, and € 6.5 per share;
- Fiat does not have a call right on the Banks' holdings which were sold to the Banks definitively.

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

Fidis Retail Italia ("FRI")

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

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

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

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

Associated companies of the Worms & Cie Group

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

Investments in other companies

€ in millions	12/31/2003	12/31/2002	Change
IFI and IFIL Holdings System			
Sanpaolo IMI S.p.A.	601	601	0
Club Méditerranée S.A.	35 (a)	35 (a)	0
Other unlisted investments	5	7	(2)
	641	643	(2)
Fiat Group			
Mediobanca S.p.A.	93	93	0
Edison S.p.A.	65	0	65
Other unlisted investments	99	108	(9)
Capitalia S.p.A.	0	481	(481)
	257	682	(425)
Worms & Cie Group			
Accor S.A.	23	21	2
Other unlisted investments	5	7	(2)
Groupe Danone S.A.	0	87	(87)
	28	115	(87)
Total other companies	926	1,440	(514)

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

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

Financial fixed assets – Receivables

	12/31/2003				12/31/2002			
€ in millions	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
From associated companies	1	0	1	0	1	0	1	0
From others	18	170	188	129	27	181	208	139
Total receivables	19	170	189	129	28	181	209	139

Details, by Group, are as follows:

	12/31/2003				12/31/2002			
€ in millions	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
IFI S.p.A. - receivables from others	0	7	7	0	0	7	7	0
Fiat Group - receivables from others	4	25	29	2	19	28	47	2
Worms & Cie Group - receivables from others	8	124	132	124	0	134	134	134
NHT Group								
Receivables from associated companies	1	0	1	0	1	0	1	0
Receivables from others	6	14	20	3	8	12	20	3
	7	14	21	3	9	12	21	3
Total receivables	19	170	189	129	28	181	209	139

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

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

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

Financial fixed assets – Other securities

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

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

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

Financial fixed assets – Treasury stock

There were no transactions in treasury stock during the year; the balance at December 31, 2003 is as follows:

		Carrying value	
	Number of shares	Per share (€)	Total (€ in millions)
IFI preferred shares	**5,360,300**	**13.15**	**70** (a)

(a) Net of writedowns of € 58.9 million made in 2002.

IFI preferred treasury stock in portfolio at December 31, 2003 has a par value of € 5,360 thousand and represents, after the capital stock increase, 3.28% of capital stock and 6.98% of the class of stock.

On the basis of the average market prices for the second half of 2003 (€ 6.41), there is an unrealized loss on IFI preferred shares of € 36 million, which decreases (€ 31 million) when considering the average market prices for the period March 1 to March 17, 2004 (€ 7.439).

Such unrealized loss is not considered representative of a permanent decline in value taking into account that the per share carrying value of IFI preferred shares held is in any case lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003 (€ 13.61).

Financial fixed assets – Finance lease contracts receivable

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

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

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

Other financial fixed assets

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

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

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

4) Current assets - Inventories

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

Inventories mainly refer to the Fiat Group (a net amount of € 15,360 million at December 31, 2003).
Advance payments received by the Fiat Group from customers against contract work in progress amount to € 8,448 million (€ 8,227 million at December 31, 2002) and are recorded in Payables (Note 11). Inventories, net of such advance payments received from customers, amount to € 6,912 million (€ 7,050 million at December 31, 2002). Advances to suppliers principally regard the amounts paid by Fiat S.p.A. to the consortiums involved in the T.A.V. project. Contract work in progress decreased mainly as a result of the Change in the scope of consolidation.

5) Current assets - Receivables

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

	12/31/2003			12/31/2002		
€ in millions	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Trade receivables	4,653	26	4,679	6,234	60	6,294
Receivables from unconsolidated subsidiaries	76	3	79	55	0	55
Receivables from associated companies	768	0	768	476	1	477
Receivables from tax authorities	1,560	138	1,698	1,833	147	1,980
Receivables from social security agencies	15	0	15	23	0	23
Receivables from employees	35	2	37	39	3	42
Receivables from others	1,990	1,509	3,499	2,306	2,844	5,150
Total receivables	9,097	1,678	10,775	10,966	3,055	14,021

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

	12/31/2003			12/31/2002		
€ in millions	Due within one year	Due beyond one year	Total	Due within one year	Due beyond one year	Total
Fiat Group						
Trade receivables	3,733	25	3,758	5,248	60	5,308
Receivables from unconsolidated subsidiaries	73	3	76	54	0	54
Receivables from associated companies	764	0	764	472	0	472
Receivables from tax authorities	1,413	137	1,550	1,639	146	1,785
Receivables from social security agencies	14	0	14	22	0	22
Receivables from employees	33	2	35	36	3	39
Receivables from others	1,808	1,508	3,316	2,120	2,834	4,954
Total	7,838	1,675	9,513	9,591	3,043	12,634
Worms & Cie Group						
Trade receivables	837	1	838	909	0	909
Receivables from tax authorities	52	1	53	117	1	118
Receivables from social security agencies	1	0	1	1	0	1
Receivables from employees	1	0	1	2	0	2
Receivables from others	132	0	132	151	0	151
Total	1,023	2	1,025	1,180	1	1,181
NHT Group						
Trade receivables	83	0	83	76	0	76
Receivables from unconsolidated subsidiaries	2	0	2	1	0	1
Receivables from associated companies	4	0	4	4	0	4
Receivables from tax authorities	14	0	14	10	0	10
Receivables from employees	1	0	1	0	0	0
Receivables from others	50	1	51	24	10	34
Total	154	1	155	115	10	125
IFI, IFIL Holdings System and intragroup eliminations						
Trade receivables	0	0	0	1	0	1
Receivables from unconsolidated subsidiaries	1	0	1	0	0	0
Receivables from associated companies	0	0	0	0	1	1
Receivables from tax authorities	81	0	81	67	0	67
Receivables from employees	0	0	0	1	0	1
Receivables from others	0	0	0	11	0	11
	82	0	82	80	1	81
Total receivables	9,097	1,678	10,775	10,966	3,055	14,021

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

Other receivables from others include the net debit balance of deferred tax assets, equal to € 1,907 million (€ 3,560 million at December 31, 2002) of which € 1,879 million refers to the Fiat Group, € 23 million to the Worms & Cie Group and € 5 million to the NHT Group. Additional information on these assets is provided in Note 9, reserves for risks and charges, which comments on the income tax reserves.

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

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

Balance at 12/31/2002	Provisions	Use and Other changes	Change in scope of consolidation	**Balance at 12/31/2003**
629	114	(123)	(53)	**567**

6) Financial assets not held as fixed assets

Investments

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

Other securities

€ in millions	**12/31/2003**	12/31/2002	Change
IFIL Holdings System			
Short-term investments of liquidity	**427**	184	243
700,000 IFIL ordinary shares servicing the stock option plans	**2**	0	2
	429	184	245
Fiat Group			
4,969,034 Fiat shares, of which 4,834,019 shares servicing the stock option plans	**32**	22	10
Securities held by the insurance companies	**186**	6,102	(5,916)
Securities held by the industrial companies	**3,659**	667	2,992
	3,877	6,791	(2,914)
Worms & Cie Group			
69,947 Worms & Cie shares servicing the stock option plans	**1**	1	0
Certificates of deposit	**0**	80	(80)
Mutual funds	**36**	43	(7)
Commercial paper and other securities	**11**	6	5
	48	130	(82)
NHT Group - Marketable securities and bonds	**5**	7	(2)
Total other securities	**4,359**	7,112	(2,753)

The analysis, by Group, is as follows:

IFIL Holdings System

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

Fiat Group

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

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

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

Financial receivables

	12/31/2003				12/31/2002			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
From unconsolidated subsidiaries	**475**	**46**	**521**	**0**	356	163	519	0
From associated companies	**413**	**231**	**644**	**0**	912	401	1,313	0
From others	**6,508**	**3,097**	**9,605**	**422**	9,223	7,371	16,594	935
Total financial receivables	**7,396**	**3,374**	**10,770**	**422**	10,491	7,935	18,426	935

Details, by Group, are as follows:

	12/31/2003				12/31/2002			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which beyond 5 years**	Due within one year	Due beyond one year	Total	Of which beyond 5 years
Fiat Group								
From unconsolidated subsidiaries	**475**	**46**	**521**	**0**	348	163	511	0
From associated companies	**413**	**231**	**644**	**0**	912	401	1,313	0
From others	**6,488**	**3,097**	**9,585**	**422**	9,216	7,371	16,587	935
	7,376	**3,374**	**10,750**	**422**	10,476	7,935	18,411	935
Worms & Cie Group								
From others	**9**	**0**	**9**	**0**	7	0	7	0
NHT Group								
From unconsolidated subsidiaries	**0**	**0**	**0**	**0**	8	0	8	0
From others	**11**	**0**	**11**	**0**	0	0	0	0
	11	**0**	**11**	**0**	8	0	8	0
Total financial receivables	**7,396**	**3,374**	**10,770**	**422**	10,491	7,935	18,426	935

Fiat Group

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

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

Balance at 12/31/2002	Provisions	Use and Other changes	Change in scope of consolidation	**Balance at 12/31/2003**
523	188	(115)	(280)	**316**

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

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

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

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

NHT Group

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

7) Accrued income and prepaid expenses

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

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

8) Stockholders' equity

Statement of changes in the stockholders' equity of the Group

€ in millions	Capital stock	Additional paid-in capital	Revaluation reserves	Legal reserve	Treasury stock valuation reserve	Retained earnings and other reserves	Cumulative translation adjustments	Net loss for the year	Stockholders' equity
Balance at December 31, 2002	62	66	81	15	70	2,823	(288)	(803)	2,026
IFI S.p.A. capital stock increase against payment (a)	101	356							457
Posting of the consolidation reserve						2			2
Use of the consolidation reserve						(2)			(2)
Net adjustments from the translation of foreign currency financial statements							(165)		(165)
Other changes, net						33			33
Appropriation of the prior year's loss and reclassifications		(35)				(937)	169	803	0
Consolidated net loss - Group								(130)	(130)
Balance at December 31, 2003	**163**	**387**	**81**	**15**	**70**	**1,919** (b)	**(284)**	**(130)**	**2,221**

(a) Includes the sale of unexercised rights for € 0.7 million.
(b) Includes the consolidation reserve for € 152 million.

Capital stock

At December 31, 2003, IFI's capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares all with a par value of € 1 each.
In accordance with art. 10 of the by-laws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.
Pursuant to art. 26 of the by-laws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated to the Board of Directors in the Extraordinary Stockholders' Meeting on April 22, 2003, under the provisions of art. 2443 of the Italian Civil Code.

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

	Number of shares		
	Ordinary	Preferred	Total
At December 31, 2002	30,875,000	30,875,000	61,750,000
Capital stock increase against payment	55,575,000	45,926,460	101,501,460
At December 31, 2003	**86,450,000**	**76,801,460**	**163,251,460**

On June 27, 2003, by the power vested in it pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Stockholders' Meeting held on April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and in divisible form, for a maximum amount of par value € 101,501,460, through the issue of:

- 55,575,000 IFI ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, at the price of € 4.5 each, in a ratio of 9 new ordinary shares for every 5 ordinary shares held;
- maximum 45,926,460 IFI preferred shares of par value € 1 each, with normal dividend rights, with option rights offered to the preferred stockholders at the price of € 4.5 each, in a ratio of 9 new preferred shares for every 5 preferred shares held.

At the end of the rights offering period, 45,412,722 new preferred shares were subscribed to equal to 98.88% of the preferred shares offered. Moreover, Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, subscribed to the 55,575,000 IFI ordinary shares in the rights offering, with an investment of € 250 million.
Following the subsequent offering of the 285,410 unexercised rights on the market (which generated proceeds of € 684 thousand for IFI, recorded as an increase to stockholders' equity), the remaining new 513,738 IFI preferred shares were subscribed to in August.

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457 million (of which € 0.7 million deriving from the sale of unexercised rights).

In execution of the resolution passed by the Stockholders' Meeting of June 3, 1985, a part of the monetary revaluation reserve Law No. 576 of December 2, 1975 was transferred to capital stock (€ 1,325 thousand) which, in the event of distribution, will form part of the taxable income of the Company.

At December 31, 2003, a total of € 83.7 million was booked to reserves in suspension of taxes, of which € 81.4 million was posted to the monetary revaluation reserves, € 2 million to the legal reserve and € 0.3 million to other reserves. In the event of distribution, such amounts will form part of the taxable income of the Company.
Deferred taxes have not been provided on these reserves since it is unlikely that they will be distributed.

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

	12/31/2003		12/31/2002	
€ in millions	**Net income (loss)**	**Stockholders' equity**	Net income (loss)	Stockholders' equity
Statutory financial statements of IFI S.p.A.	**15**	**1,567**	(227)	1,095
Difference between the consolidated stockholders' equity and the stockholders' equity of the parent company at the beginning of the year		**931**		1,808
Net balance of changes during the year in stockholders' equity of consolidated companies and companies accounted for using the equity method (excluding the results for the year) and translation adjustments		**(132)**		(305)
Share of earnings of consolidated companies and companies accounted for using the equity method, net of consolidation adjustments	**(138)**	**(138)**	(780)	(780)
Elimination of writedowns relating to consolidated companies and accounted for using the equity method	**0**	**0**	269	269
Elimination of dividends received from consolidated companies and accounted for using the equity method	**(4)**	**(4)**	(71)	(71)
Adjustments to gains on sales of investments	**(3)**	**(3)**	(1)	(1)
Consolidation reserve				4
Other consolidation adjustments			7	7
Consolidated financial statements of the IFI Group	**(130)**	**2,221**	(803)	2,026

Stockholders' equity – Minority interest

The minority interest in stockholders' equity of € 8,071 million at December 31, 2003 refers to the following holdings in directly owned companies:

	12/31/2003				12/31/2002
€ in millions	%	Capital and reserves	Net income (loss)	Total	
IFIL Group	**39**	**9,588**	**(1,517)**	**8,071**	2,996
Fiat Group					6,235
Total		**9,588**	**(1,517)**	**8,071**	9,231

9) Reserves for risks and charges

€ in millions	12/31/2003	12/31/2002	Change
Reserve for pensions and similar obligations	**1,571**	1,527	44
Income tax reserve:			
current income tax reserve	**118**	220	(102)
deferred income tax reserve	**311**	1,367	(1,056)
Total income tax reserve	**429**	1,587	(1,158)
Other reserves:			
Warranty reserve	**791**	842	(51)
Restructuring reserves	**482**	743	(261)
Various liabilities and risk reserves	**2,711**	2,948	(237)
Total other reserves	**3,984**	4,533	(549)
Insurance policy liabilities and accruals	**89**	9,605	(9,516)
Other insurance policy liabilities and accruals	**0**	7,000	(7,000)
Total reserves for risks and charges	**6,073**	24,252	(18,179)

Reserve for pensions and similar obligations

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

Income tax reserves

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

€ in millions	12/31/2003	12/31/2002	Change
Deferred income tax reserve	**311**	1,367	(1,056)
Deferred tax assets	**(1,907)**	(3,569)	1,662
Total	**(1,596)**	(2,202)	606

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

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

€ in millions	**12/31/2003**	12/31/2002	Change
Deferred tax liabilities from:			
- Accelerated depreciation	**585**	841	(256)
- Deferred tax on gains	**502**	404	98
- Capital investment grants	**18**	13	5
- Other	**682**	849	(167)
Total deferred tax liabilities	**1,787**	2,107	(320)
Deferred tax assets for:			
- Taxed reserves for risks and charges	**(1,022)**	(1,310)	288
- Inventories	**(129)**	(162)	33
- Taxed allowances for doubtful accounts	**(89)**	(190)	101
- Pension funds	**(293)**	(225)	(68)
- Other	**(2,863)**	(1,999)	(864)
Total deferred tax assets	**(4,396)**	(3,886)	(510)
Theoretical tax benefit connected to tax loss carryforwards	**(4,431)**	(3,662)	(769)
Adjustments for assets whose recoverability is not certain (mainly tax loss carryforwards)	**5,444**	3,239	2,205
Total deferred income tax reserve, net of deferred tax assets	**(1,596)**	(2,202)	606

As disclosed in the accounting policies, in recording deferred tax assets, each company in the Group critically evaluated whether the conditions existed for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits deriving from positive temporary differences (€ 4,396 million), and tax loss carryforwards (€ 4,431 million), have prudently been reduced for a total of € 5,444 million.

In particular, the deferred income tax reserve net of deferred tax assets includes € 1,322 million of tax benefits connected to tax loss carryforwards. However, a further tax benefit connected to tax loss carryforwards of € 3,109 million has not been recorded in the financial statements.

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

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

Since there is no reasonable certainty of future recovery, IFI S.p.A. did not book any deferred tax assets on the fiscal 2003 tax losses (€ 131 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 63 million).

Other reserves

Restructuring reserves

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

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

Various liabilities and risk reserves

The various liabilities and risk reserves amount to € 2,711 million at December 31, 2003 (€ 2,948 million at December 31, 2002) and represent the provisions made by the individual companies mainly for contractual, commercial and litigation risks. The reduction of € 237 million from December 31, 2002 represents the balance between ordinary and extraordinary provisions of € 1,344 million, decreases due to the currency exchange effect of € 99 million and decrease due to uses and other changes of € 1,482 million.

The various liabilities and risk reserves include:

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

Additional information is provided in the section “Pending litigation”.

Insurance policy liabilities and accruals

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

10) Reserve for employee severance indemnities

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

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

Balance at 12/31/2002	Provisions	Use and Other changes	**Balance at 12/31/2003**
1,627	248	(543)	**1,332**

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

11) Payables

Payables may be analyzed by due date as follows:

	12/31/2003				12/31/2002			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Bonds	**1,034**	**8,876**	**9,910**	**3,804**	1,853	9,165	11,018	3,243
Convertible bonds	**1,765**	**0**	**1,765**	**0**	0	2,125	2,125	0
Borrowings from banks	**3,386**	**7,108**	**10,494**	**117**	5,539	9,039	14,578	303
Other financial payables	**1,105**	**300**	**1,405**	**152**	1,227	407	1,634	173
Advances (a)	**2,894**	**6,272**	**9,166**	**0**	3,618	5,708	9,326	0
Trade payables	**12,561**	**36**	**12,597**	**0**	12,919	96	13,015	0
Notes payable	**954**	**1**	**955**	**0**	1,774	664	2,438	0
Payables to unconsolidated companies	**69**	**0**	**69**	**0**	68	0	68	0
Payables to associated companies	**854**	**0**	**854**	**0**	1,117	0	1,117	0
Payables to parent companies	**15**	**0**	**15**	**0**	39	0	39	0
Taxes payable	**914**	**29**	**943**	**2**	1,366	24	1,390	0
Social security payable	**324**	**5**	**329**	**0**	352	2	354	0
Other payables	**1,474**	**31**	**1,505**	**0**	1,894	331	2,225	0
Total payables	**27,349**	**22,658**	**50,007**	**4,075**	31,766	27,561	59,327	3,719

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

Payables may be analyzed by type as follows:

	12/31/2003				12/31/2002			
€ in millions	**Trade**	**Financial**	**Other**	**Total**	Trade	Financial	Other	Total
Bonds	**0**	**9,910**	**0**	**9,910**	0	11,018	0	11,018
Convertible bonds	**0**	**1,765**	**0**	**1,765**	0	2,125	0	2,125
Borrowings from banks	**0**	**10,494**	**0**	**10,494**	0	14,578	0	14,578
Other financial payables	**0**	**1,405**	**0**	**1,405**	0	1,634	0	1,634
Advances	**0**	**0**	**9,166**	**9,166**	0	0	9,326	9,326
Trade payables	**12,597**	**0**	**0**	**12,597**	13,015	0	0	13,015
Notes payable	**9**	**946**	**0**	**955**	17	2,421		2,438
Payables to unconsolidated companies	**22**	**47**	**0**	**69**	25	39	4	68
Payables to associated companies	**792**	**57**	**5**	**854**	1,077	24	16	1,117
Payables to parent companies	**0**	**15**	**0**	**15**	0	39	0	39
Taxes payable	**0**	**0**	**943**	**943**	0	0	1,390	1,390
Social security payable	**0**	**0**	**329**	**329**	0	0	354	354
Other payables	**0**	**0**	**1,505**	**1,505**	0	0	2,225	2,225
Total payables	**13,420**	**24,639**	**11,948**	**50,007**	14,134	31,878	13,315	59,327

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

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

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

The interest rates and the nominal currencies of medium and long-term financial payables, including the current portion of € 2,767 million at December 31, 2003 (€ 4,807 million at December 31, 2002) are as follows:

€ in millions	less than 5%	from 5% to 7.5%	from 7.5% to 10%	from 10% to 12.5%	greater than 12.5%	**Total**
Euro and euro-zone currencies	8,432	6,507	78	4	5	15,026
U.S. dollar	562	591	848	0	1	2,002
Japanese yen	304	0	0	0	0	304
Brazilian real	32	580	42	2	194	850
British pound	212	581	0	0	0	793
Canadian dollar	74	0	0	0	0	74
Other	0	1	0	1	0	2
Total 2003 medium and long-term debt	**9,616**	**8,260**	**968**	**7**	**200**	**19,051**
Total 2002 medium and long-term debt	15,764	9,275	873	31	262	26,205

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

Details of payables, by Group, are as follows.

Fiat Group

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

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

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

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

Financial payables total € 22,034 million at December 31, 2003 (€ 28,923 million at December 31, 2002). Financial payables due within one year amount to € 6,616 million at December 31, 2003 (€ 8,310 million at December 31, 2002) and their carrying values approximate fair value as a consequence of the short-term maturity.
The portion of medium and long-term financial payables due beyond one year amounts to € 15,418 million at December 31, 2003 (€ 20,613 million at December 31, 2002). The scheduled maturities are:

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

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

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

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

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

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

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

- Euro Medium Term Notes (EMTN Program): these notes have been issued under a program that is utilized for approximately € 7 billion and guaranteed by Fiat S.p.A. Issuers taking part in the program are Fiat Finance & Trade Ltd. S.A. (for an amount outstanding of € 6,824 million), Fiat Finance North America Inc. (for an amount outstanding of € 148 million) and Fiat Finance Canada Ltd. (for an amount outstanding of € 81 million).
- Convertible bonds: this is a single bond convertible into 32,053,322 General Motors Corp. common stock ("Exchangeable GM") at a conversion price of US$ 69.54 per share with coupon interest at 3.25% and maturing on January 9, 2007 for a face value of US$ 2,229 million, equivalent to € 1,765 million; the subscribers to the Exchangeable GM bond will have the right to ask for early redemption of the bond in cash at its face value with payment on July 9, 2004. The investors may exercise this right during the period which starts 30 business days prior to July 9, 2004 and ends 15 business days prior to July 9, 2004. With reference to the risk, implicit in the bond, of an increase in the General Motors share price above US$ 69.54, a Total Return Equity Swap agreement was put into place as described in Note 13.
- Other bonds refer to the following issues:
  - bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 3.75% and maturing March 31, 2004 for an amount of € 1,000 million and an amount outstanding of € 936 million;
  - bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 1.5% and maturing June 27, 2005 for an amount of Japanese yen 40 billion, equivalent to € 296 million;
  - bonds issued by Case New Holland Inc. ("CNH Inc.") with coupon interest at 9.25% and maturing August 1, 2011 for an amount of US$ 1,050 million, equivalent to € 831 million; the bond indenture contains a series of financial covenants that are common in the American high yield bond market;
  - bonds issued by Case LLC. and Case Credit Corp. for a total amount outstanding of US$ 624 million, equivalent to € 494 million.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worms & Cie Group

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

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

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

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

NHT Group

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

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

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

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

IFI and IFIL Holdings System

	12/31/2003				12/31/2002			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Bonds	0	300	300	0	0	145	145	0
Borrowings from banks	283	363	646	0	640	320	960	0
Trade payables	2	0	2	0	2	0	2	0
Payables to associated companies	0	0	0	0	1	0	1	0
Payables to parent company	15	0	15	0	39	0	39	0
Taxes payable	1	0	1	0	3	0	3	0
Social security payable	1	1	2	0	0	0	0	0
Other payables	8	0	8	0	7	0	7	0
Total payables	310	664	974	0	692	465	1,157	0

	12/31/2003				12/31/2002			
€ in millions	**Trade**	**Financial**	**Other**	**Total**	Trade	Financial	Other	Total
Bonds	0	300	0	300	0	145	0	145
Borrowings from banks	0	646	0	646	0	960	0	960
Trade payables	2	0	0	2	2	0	0	2
Payables to associated companies	0	0	0	0	1	0	0	1
Payables to parent companies	0	15	0	15	0	39	0	39
Taxes payable	0	0	1	1	0	0	3	3
Social security payable	0	0	2	2	0	0	0	0
Other payables	0	0	8	8	0	0	7	7
Total payables	2	961	11	974	3	1,144	10	1,157

IFIL S.p.A. financial payables include:

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

IFI S.p.A. financial payables include:

- Borrowings from banks due within one year amounted to € 66 million (€ 212 million at December 31, 2002). Against these borrowings, the company has irrevocable lines of credit available totaling € 515 million, all due beyond one year.
- Borrowings from banks due beyond one year of € 213 million relate to loans bearing interest at floating rates payable semiannually and are indexed against the Euribor plus a spread commensurate with the best market conditions.
- Interest rate swaps and zero cost collars are used to ensure fixed interest rates over the period of the loans on an amount of € 170 million at December 31, 2003.
- Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts.
- The loan granted by the parent company Giovanni Agnelli e C S.a.p.az. bearing interest at a monthly floating market rate totals € 15 million (€ 39 million at December 31, 2002).

12) Accrued expenses and deferred income

Details are as follows:

€ in millions	**12/31/2003**	12/31/2002	Change
Commercial accrued expenses:			
- interest and commissions	**71**	54	17
- other	**528**	552	(24)
Totale commercial accrued expenses	**599**	606	(7)
Commercial deferred income:			
- interest	**64**	76	(12)
- other	**711**	873	(162)
Total commercial deferred income	**775**	949	(174)
Total commercial accrued expenses and deferred income	**1,374**	1,555	(181)
Financial accrued expenses	**598**	794	(196)
Financial deferred income	**364**	1,137	(773)
Total accrued expenses and deferred income	**2,336**	3,486	(1,150)

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

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

13) Guarantees granted, commitments and other memorandum accounts

Guarantees granted

€ in millions	**12/31/2003**	12/31/2002	Change
Fiat Group	**6,430**	5,642	788
Worms & Cie Group	**86**	203	(117)
NHT Group	**73**	72	1
IFI S.p.A.	**32**	98	(66)
Total guarantees granted	**6,621**	6,015	606

Fiat Group

Guarantees granted are detailed as follows:

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

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

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

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

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

Worms & Cie Group

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

NHT Group

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

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

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

IFI S.p.A.

At December 31, 2003, guarantees granted amount to € 32 million (€ 98 million at December 31, 2002) and refer to suretyships granted in the past by IFI in favor of Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti (F.I.G.C. - L.N.P.) on behalf of Juventus Football Club.

The reduction of € 66 million from December 31, 2002 is due to sureties that expired (€ 44 million) or were reduced (€ 22 million) during the year.

The sureties, remunerated at market rates, have varying annual expiry dates between 2004 and 2005.

Commitments

Commitments total € 33,527 million (€ 50,641 million at December 31, 2002) and include commitments related to derivative financial instruments of € 22,507 million (€ 39,926 million at December 31, 2002), other commitments of € 10,690 million (€ 10,216 million at December 31, 2002) and commitments to purchase property, plant and equipment for € 330 million (€ 499 million at December 31, 2002).

Commitments related to derivative financial instruments

€ in millions	Fiat Group	Worms & Cie Group	NHT Group	IFI and IFIL	Total
Contracts to hedge foreign exchange risks	4,830		25		4,855
Contracts to hedge interest rate exposure	14,142	550		465	15,157
Contracts for combined hedging of foreign exchange and interest rate risks	848	669			1,517
Equity swaps relating to the General Motors transaction	978				978
Total 2003	**20,798**	**1,219**	**25**	**465**	**22,507**
Total 2002	38,535	650	81	660	39,926

Fiat Group

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Motors shares and having the following main characteristics.

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

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

As regards the Equity Swaps on Fiat shares, the Board of Directors resolved in 2003 to assign options to Mr Giuseppe Morchio, as the only variable component of his compensation for the post of CEO, for the purchase of 13,338,076 Fiat ordinary shares at a price of € 5.623 per share, which can be exercised from March 27, 2004 to March 27, 2010. The right to purchase a maximum amount of 20% of the total matures in each of the first five years. Two-thirds of the options that will mature from March 27, 2005 to 2008 can be exercised only upon reaching preestablished profit objectives during the period of reference. The risk of a significant increase in the Fiat share price above the exercise price of these options is covered, with reference to 3,338,076 shares, by treasury stock in portfolio, whereas with reference to the remaining 10,000,000 shares, the aforementioned "Total Return Equity Swap" agreement was put into place with a reference price of € 6.173 per share and expiring on August 31, 2004. In accordance with accounting principles, the aforementioned Equity Swaps, despite being entered into for hedging purposes, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract the Fiat shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations; if instead, the performance is negative, the negative fair value of the instrument is recorded immediately as a cost within financial expenses. At December 31, 2003, the Equity Swaps have a negative fair value of € 1 million that has therefore been recorded in the financial statements.

Worms & Cie Group

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

NHT Group

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

IFI and IFIL S.p.A.

Commitments by IFIL (€ 295 million) include interest rate swaps stipulated on loans of € 150 million maturing October 2005. The instruments guarantee the Company a fixed interest rate for the entire period of the loan contracts. For purposes of fixing the interest rate on part of IFIL bonds 2002-2005, interest rate swaps and zero cost collars for € 145 million were put into place.

Commitments by IFI (€ 170 million) refer to transactions hedging interest rate risk on bank debt maturing in 2005 and 2007 put into place with leading banking institutions.

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

Other commitments

€ in millions	**12/31/2003**	12/31/2002	Change
Fiat Group	**10,350**	9,884	466
Worms & Cie Group	**134**	94	40
NHT Group	**37**	31	6
IFI and IFIL Holdings System	**169**	207	(38)
Total other commitments	**10,690**	10,216	474

Fiat Group

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

Other commitments and important contractual rights

Relations with General Motors

Although they are not included in the memorandum accounts, the following comments are intended to summarize the options held by the Fiat Group deriving from the relationships with General Motors. On the basis of the Agreement ("Master Agreement") signed on March 13, 2000, by which 20% of the Automobile Sector was sold to General Motors, the Fiat Group had reserved itself a Put option at fair market value with General Motors on its remaining investment in Fiat Auto Holdings B.V. (80% in 2000, now 90% following the capital increase later described), exercisable during the period between January 24, 2004 and July 24, 2009. General Motors has claimed that the sale of certain financial activities by Fiat Auto and the recapitalization of Fiat Auto Holdings, put into place by Fiat, violate the Master Agreement and, as a result, the Put option. Fiat maintains that the two transactions are entirely legitimate and do not violate the Master Agreement nor other rights held by General Motors. Fiat considers the Put binding and exercisable according to the clauses of the Master Agreement. On October 26, 2003, Fiat and General Motors announced agreements regarding the strategic alliance in progress. A first agreement ("Amendment") pushes back the period in which the Put option can be exercised by one year. The new period in which the Put option can be exercised goes from January 24, 2005 to July 24, 2010. The second agreement ("Standstill Agreement") precludes the parties from bringing legal action regarding the Master Agreement until December 15, 2004, preserving their respective rights. As for the aforementioned recapitalization of Fiat Auto Holdings, the Stockholders' Meeting of this company held on April 23, 2003 resolved a recapitalization plan for € 5 billion offering its stockholders the possibility of paying for their share of the capital increase over a period of 18 months. Fiat, during the year, subscribed to the recapitalization for € 3 billion, whereas General Motors has not yet subscribed to its share of the capital increase and stated that at this time it does not plan to participate. Consequently, the current percentage ownership of Fiat in Fiat Auto Holdings rose to 90%. For purposes of completing the disclosure, it should be pointed out that the Master Agreement (Section 8.07) calls for certain residual options in favor of General Motors in the event of a change in the control of Fiat following the purchase of more than 50% of Fiat's voting rights by another party or several parties in concert among each other. In this very remote eventuality, General Motors would have the right to demand that Fiat exercise the Put option on Fiat's investment in Fiat Auto Holdings, if the change in control was hostile, or, even if it was not hostile, to sell its investment in Fiat Auto Holdings to Fiat at a price equal to fair market value or, up to July 24, 2004, at US$ 2.4 billion, if higher. Such eventuality is considered extremely unlikely partly in view of the onerous obligations that would be placed upon the acquirer of control on the basis of the laws on takeover bids.

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

Ferrari and Maserati

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

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

Ixfin

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

- Magneti Marelli Holding S.p.A. signed a contract for the beneficial interest in the shares of Ixfin Magneti Marelli Sistemi Elettronici, valid until December 31, 2004, by which it is entitled to the voting rights and all the other administrative rights;
- Fiat Netherland Holding (at one time a Magneti Marelli Sistemi Elettronici stockholder and therefore a creditor company for the balance of the sale price) acquired a Call option (transferable) from the Ixfin group that is exercisable at any time up to December 31, 2004 for the purchase of Ixfin Automotive, the direct parent company of Ixfin Magneti Marelli Sistemi Elettronici, or, alternatively, Ixfin Magneti Marelli Sistemi Elettronici itself. The purchase price of the opted shares is € 45 million; furthermore, in the event the Call option is exercised, Fiat Netherland Holding will assume the debt that the group of sellers has with Ixfin Magneti Marelli Sistemi Elettronici and with the other companies that would be acquired for a total of € 53 million. The price that would eventually be paid in total if the Call option is exercised would thus be equal to € 98 million.

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

Teksid

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

- Put Option of Norsk Hydro with Teksid on the 49% holding: the sale price would be commensurate with the initial investment made in 1998, revalued pro rata temporis, net of dividends paid.

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

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

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

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

The exercise price of the option is established as follows:

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

End-of-life vehicles

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

Worms & Cie Group

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

NHT Group

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

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

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

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

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

IFI and IFIL Holdings System

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

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

IFI S.p.A., as part of the stock option plans for the managers of the IFI Group, has commitments to sell 47,500 IFIL ordinary shares (€ 0.4 million).

Other commitments of IFI S.p.A. include the residual commitment for the subscription of Emittenti Titoli's capital stock increase (€ 0.1 million) and the remaining payments (€ 3 million) under the commitment with Tlcom Capital Partners.

Pending litigation

IFIL S.p.A.

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

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

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

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

Fiat Group

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

Worms & Cie Group

Fox River

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

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

Since 1997, studies are being conducted to establish the feasibility of decontaminating the Fox River and to determine the share of responsibility. During the first half of 2001, Appleton Papers Inc. and NCR Corporation reached an agreement with the pertinent American authorities concerning the contamination of the Fox River. This agreement consists of the commitment to pay a sum of US$ 40 million over four years to finance the research project for its decontamination. This payment will be charged against the indemnities that are due.

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

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

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

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

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

European Commission

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

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

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

Juventus Football Club

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

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

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

Group assets held by third parties

Group assets held by third parties, basically in reference to the Fiat Group, amount to € 4,706 million (€ 20,846 million at December 31, 2002)), a decrease of € 16,140 million compared to December 31, 2002.

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

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

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

IFI S.p.A. assets held by third parties (€ 34 million) include the value of 3,418,242 Exor Group ordinary shares and 3,010 Deutsche Morgan Grenfell shares deposited with banks.

NOTES TO THE CONSOLIDATED STATEMENT OF OPERATIONS

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

In 2003, revenues from sales and services and change in contract work in progress amount to € 52,434 million, compared to € 61,015 million in 2002, a decrease of 14%. They include revenues from sales and services of € 53,509 million (€ 60,793 million in 2002) and the negative change in contract work in progress of € 1,075 million (positive change of € 222 million in 2002).

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

€ in millions	**2003**	2002	Change amount	Change %
Net revenues by operating sector				
Fiat Group				
- Automobiles	**19,839**	21,908	(2,069)	(9)
- Agricultural and construction equipment	**9,410**	10,502	(1,092)	(10)
- Commercial vehicles	**8,206**	8,816	(610)	(7)
- Ferrari and Maserati	**1,250**	1,194	56	5
- Components	**2,087**	2,085	2	0
- Production systems	**1,756**	1,763	(7)	(0)
- Metallurgical products	**735**	1,411	(676)	(48)
- Aviation (a)	**625**	1,532	(907)	(59)
- Insurance (b)	**1,654**	4,834	(3,180)	(66)
- Services	**1,019**	1,005	14	1
- Publishing and communications	**372**	346	26	8
- Other companies	**318**	253	65	26
Total Fiat Group	**47,271**	55,649	(8,378)	(15)
Worms & Cie Group - mainly paper manufacturing and distribution	**4,214**	4,426	(212)	(5)
NHT Group - Tourism	**946**	938	8	1
IFI and IFIL Holdings System	**3**	2	1	
Total net revenues of the Group	**52,434**	61,015	(8,581)	(14)

(a) The Aviation Sector's revenues are included up to July 1, 2003.
(b) The Insurance Sector's revenues are included up to May 2, 2003.

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

€ in millions	**2003**	2002	Change
Net revenues by destination - Fiat Group			
Italy	**16,381**	20,120	(3,739)
Europe (excluding Italy)	**18,884**	21,072	(2,188)
North America	**5,920**	7,411	(1,491)
Mercosur	**2,595**	3,268	(673)
Other areas	**3,491**	3,778	(287)
Total	**47,271**	55,649	(8,378)
Net revenues by destination - Worms & Cie Group			
Italy	**285**	287	(2)
Europe (excluding Italy)	**2,621**	2,635	(14)
North America	**396**	566	(170)
Other areas	**912**	938	(26)
Total	**4,214**	4,426	(212)
Net revenues by destination - NHT Group			
Italy	**840**	833	7
Europe (excluding Italy)	**72**	60	12
Other areas	**34**	45	(11)
Total	**946**	938	8
IFI, IFIL Holdings System and intragroup eliminations	**3**	2	1
Total net revenues of the Group	**52,434**	61,015	(8,581)

Other income and revenues

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

€ in millions	**2003**	2002	Change
Fiat Group			
Revenue grants	**52**	47	5
Capital gains	**187**	290	(103)
Prior period income	**423**	518	(95)
Investment grants	**78**	114	(36)
Other income	**949**	1,183	(234)
Total - Fiat Group	**1,689**	2,152	(463)
Worms & Cie Group			
Revenue grants	**1**	0	1
Other income	**37**	10	27
Total - Worms & Cie Group	**38**	10	28
NHT Group			
Capital gains	**0**	1	(1)
Prior period income	**1**	1	0
Other income	**8**	7	1
Total - NHT Group	**9**	9	0
IFI and IFIL Holdings System	**1**	19	(18)
Total other income and revenues	**1,737**	2,190	(453)

Fiat Group

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

15) Costs of production

€ in millions	**2003**	2002	Change
Fiat Group	**50,858**	58,854	(7,996)
Worms & Cie Group	**4,125**	4,292	(167)
NHT Group	**937**	932	5
IFI and IFIL Holdings System	**28**	45	(17)
Total costs of production	**55,948**	64,123	(8,175)

As regards the Fiat Group:

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

Personnel

Personnel costs consist of the following:

€ in millions	**2003**	2002	Change
Salaries and wages	**5,341**	6,039	(698)
Social security contributions	**1,409**	1,520	(111)
Employee severance indemnities	**248**	259	(11)
Employee pensions and similar obligations	**188**	105	83
Other costs	**340**	398	(58)
Total personnel costs	**7,526**	8,321	(795)

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

€ in millions	2003	2002	Change
Fiat Group			
Salaries and wages	**4,707**	5,457	(750)
Social security contributions	**1,249**	1,365	(116)
Employee severance indemnities	**244**	256	(12)
Employee pensions and similar obligations	**185**	100	85
Other costs	**303**	376	(73)
Total Fiat Group	**6,688**	7,554	(866)
Worms & Cie Group			
Salaries and wages	**577**	529	48
Social security contributions	**146**	141	5
Employee pensions and similar obligations	**4**	4	0
Other costs	**34**	20	14
Total Worms & Cie Group	**761**	694	67
NHT Group			
Salaries and wages	**50**	46	4
Social security contributions	**13**	12	1
Employee severance indemnities	**3**	3	0
Other costs	**1**	1	0
Total NHT Group	**67**	62	5
IFI and IFIL Holdings System			
Salaries and wages	**7**	7	0
Social security contributions	**1**	2	(1)
Employee severance indemnities	**2**	1	1
Other costs	**0**	1	(1)
Total IFI and IFIL Holdings System	**10**	11	(1)
Total personnel costs	**7,526**	8,321	(795)

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

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

	2003	2002
- Managers and white-collar	**72,106**	79,654 (a)
- Blue-collar	**120,444**	129,487 (b)
Total	**192,550**	209,141

(a) Including 116 persons in companies consolidated proportionally by the Fiat Group in 2002.
(b) Including 320 persons in companies consolidated proportionally by the Fiat Group in 2002.

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

	2003	2002
Fiat Group	**174,242**	190,405
Worms & Cie Group	**14,961**	15,711
NHT Group	**3,268**	2,930
IFI and IFIL Holdings System	**79**	95
Total	**192,550**	209,141

Fiat Group

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

Provisions for risks

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

Other operating costs

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

€ in millions	**2003**	2002	Change
Fiat Group			
Losses on sale of fixed assets	**47**	86	(39)
Prior period expenses	**226**	297	(71)
Indirect and other taxes	**147**	229	(82)
Sundry expenses	**608**	692	(84)
Total Fiat Group	**1,028**	1,304	(276)
Worms & Cie Group			
Indirect and other taxes	**40**	43	(3)
Sundry expenses	**38**	49	(11)
Total Worms & Cie Group	**78**	92	(14)
NHT Group			
Prior period expenses	**1**	1	0
Indirect and other taxes	**3**	3	0
Sundry expenses	**0**	1	(1)
Total NHT Group	**4**	5	(1)
IFI and IFIL Holdings System			
Indirect and other taxes	**3**	3	0
Sundry expenses	**1**	0	1
Total IFI and IFIL Holdings System	**4**	3	1
Total other operating costs	**1,114**	1,404	(290)

Insurance claims and other insurance costs

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

16) Financial income and expenses

Investment income

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

€ in millions	2003	2002	Change
Fiat Group			
Dividends	**12**	103	(91)
Tax credit on dividends	**5**	22	(17)
Gains on sale of investments held in current assets	**5**	31	(26)
Total Fiat Group	**22**	156	(134)
Worms & Cie Group			
Dividends	**5**	8	(3)
Total Worms & Cie Group	**5**	8	(3)
IFI and IFIL Holdings System			
SANPAOLO IMI Dividends	**21**	40	(19)
Tax credit on dividends	**12**	14	(2)
Total IFI and IFIL Holdings System	**33**	54	(21)
Total investment income	**60**	218	(158)

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

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

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

Other financial income

Details are as follows:

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

Interest and other financial expenses

€ in millions	**2003**	2002	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	**3**	3	0
- associated companies	**6**	3	3
- parent companies	**1**	1	0
- others:			
. bond interest	**673**	677	(4)
. bank interest	**277**	222	55
. interest on trade and other payables	**18**	71	(53)
. interest on notes payable	**14**	40	(26)
. discounts and other expenses	**443**	476	(33)
. expenses from derivative financial instruments	**994**	1,310	(316)
. interest on other financial payables	**187**	246	(59)
. losses on sale of securities	**8**	51	(43)
. foreign exchange losses, net	**0**	105	(105)
Total interest and other financial expenses - others	**2,614**	3,198	(584)
Total interest and other financial expenses	**2,624**	3,205	(581)

Fiat Group

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

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

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

Other financial income of € 2,856 million in 2003 (€ 4,369 million in 2002) when shown net of Interest and other financial expenses of € 3,157 million (€ 4,161 million in 2002) results in a net negative balance of € 301 million (a net positive balance of € 208 million in 2002). The decrease in the net balance of € 509 million derives almost entirely from the deconsolidation of the Toro Assicurazioni Group, FiatAvio S.p.A. and the retail activities of Fiat Auto and Fraikin.

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

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

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

Worms & Cie Group

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

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

NHT Group

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

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

IFI and IFIL Holdings System

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

€ in millions	**2003**	2002	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	**0**	1	(1)
- parent companies	**1**	1	0
- others:			
. bond interest	**9**	0	9
. bank interest	**24**	40	(16)
. discounts and other expenses	**7**	2	5
. expenses from derivative financial instruments	**9**	11	(2)
. losses on sale of securities	**0**	7	(7)
Total interest and other financial expenses	**50**	62	(12)

17) Adjustments to financial assets

€ in millions	**2003**	2002	Change
Revaluations:			
- equity investments	**229**	112	117
- financial fixed assets other than equity investments	**0**	1	(1)
- securities held in current assets other than equity investments	**15**	7	8
Total revalutations	**244**	120	124
Writedowns:			
- equity investments	**(306)**	(895)	589
- financial fixed assets other than equity investments	**(1)**	(59)	58
- securities held in current assets other than equity investments	**(9)**	(45)	36
- financial receivables	**(6)**	(20)	14
Total writedowns	**(322)**	(1,019)	697
Total adjustments to financial assets	**(78)**	(899)	821

Details, by Group, are as follows:

Fiat Group

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

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

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

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

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

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

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

Worms & Cie Group

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

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

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

IFI and IFIL Holdings System

€ in millions	**2003**	2002	Change
Revaluations - equity investments	**87**	19	68
Writedowns:			
- equity investments	**(20)**	(63)	43
- financial fixed assets other than equity investments	**0**	(59)	59
Total writedowns	**(20)**	(122)	102
Total adjustments to financial assets	**67**	(103)	170

Revaluations of equity investments in 2003 refer to the earnings of the Eurofind Group (€ 82 million) and Exor Group (€ 5 million).

Writedowns include the loss of Juventus Football Club for € 10 million (-€ 22 million in 2002), and the amortization of the differences on consolidation included in the carrying value of the investment in Eurofind (€ 10 million).

In 2002, the caption included the writedown on the investment in Club Méditerranée for € 34 million, amortization of the difference on consolidation for € 7 million and the writedown of IFI treasury stock for € 59 million.

NHT Group

Writedowns of equity investments in 2002 amounted to € 2 million.

18) Extraordinary income and expenses

€ in millions	**2003**	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**2,080**	1,378	702
Other income:			
- prior period income	**36**	8	28
- other income	**161**	158	3
Total other income	**197**	166	31
Total extraordinary income	**2,277**	1,544	733
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**(56)**	(1,241)	1,185
Taxes relating to prior years	**(27)**	(80)	53
Other expenses:			
- extraordinary provisions to reserves	**(609)**	(1,016)	407
- other extraordinary expenses	**(1,003)**	(1,406)	403
- prior period expenses	**(49)**	(40)	(9)
Total other expenses	**(1,661)**	(2,462)	801
Total extraordinary expenses	**(1,744)**	(3,783)	2,039
Total extraordinary income and expenses	**533**	(2,239)	2,772

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

Fiat Group

€ in millions	**2003**	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**1,826**	1,081	745
Other income:			
- prior period income	**32**	8	24
- other income	**159**	146	13
Total other income	**191**	154	37
Total extraordinary income	**2,017**	1,235	782
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**(50)**	(1,239)	1,189
Taxes relating to prior years	**(26)**	(79)	53
Other expenses:			
- extraordinary provisions to reserves	**(585)**	(980)	395
- other extraordinary expenses	**(969)**	(1,381) (a)	412
- prior period expenses	**(40)**	(40)	0
Total other expenses	**(1,594)**	(2,401)	807
Total extraordinary expenses	**(1,670)**	(3,719)	2,049
Total extraordinary income and expenses	**347**	(2,484)	2,831

(a) Net of extraordinary expenses of € 19 million eliminated on consolidation (line-by-line) by IFI.

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

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

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

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

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

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

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

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

Worms & Cie Group

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

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

NHT Group

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

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

IFI and IFIL Holdings System

€ in millions	**2003**	2002	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**130**	7	123
Other income			
- prior period income	**4**	0	4
- other income	**2**	0	2
Total other income	**6**	0	6
Total extraordinary income	**136**	7	129
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**0**	(2)	2
Taxes relating to prior years	**0**	(1)	1
Other expenses:			
- extraordinary provisions to reserves	**(2)**	(4)	2
- other extraordinary expenses	**(3)**	0	(3)
Total other expenses	**(5)**	(4)	(1)
Total extraordinary expenses	**(5)**	(7)	2
Total extraordinary income and expenses	**131**	0	131

The gains relate to the sale of the 25% interest in Sifalberghi (€ 25 million), the portion of gains deferred in prior years by the subsidiary Toro Assicurazioni (€ 93 million) and the dilution generated by the disposal of Fiat treasury stock held by Toro Assicurazioni, sold by the same Fiat (€ 12 million).

19) Income taxes

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

€ in millions	**2003**	2002	Change
Current taxes, net of tax credits	**206**	331	(125)
Deferred taxes	**500**	(746)	1,246
Total income taxes	**706**	(415)	1,121

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

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

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

€ in millions	**2003**	2002
Theoretical income taxes	**(395)**	(1,852)
Utilization of tax loss carryforwards	**(57)**	(70)
Tax effect of permanent differences	**78**	(327)
Tax effect of difference between foreign tax rates and theoretical Italian tax rates	**(48)**	9
Deferred tax assets not provided	**955**	1,588
Other differences	**45**	93
Income taxes recorded in financial statements excluding IRAP (current and deferred income taxes)	**578**	(559)
IRAP	**128**	144
Income taxes recorded in financial statements (current and deferred income taxes)	**706**	(415)

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

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

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

	Net sales and revenues			Operating	Depreciation and	Capital	Total
€ in millions	Third parties	Intersegment (a)	Total	income (loss)	amortization	expenditures	assets
2003							
Fiat Group							
Automobiles	**19,839**	**171**	**20,010**	**(979)**	**962**	**1,100**	**20,908**
Agricultural and construction equipment	**9,410**	**8**	**9,418**	**229**	**450**	**217**	**12,928**
Commercial vehicles	**8,206**	**234**	**8,440**	**81**	**304**	**210**	**9,108**
Ferrari and Maserati	**1,250**	**11**	**1,261**	**32**	**85**	**193**	**965**
Components	**2,087**	**1,119**	**3,206**	**32**	**173**	**148**	**2,418**
Production systems	**1,756**	**537**	**2,293**	**2**	**56**	**18**	**4,125**
Metallurgical products	**735**	**109**	**844**	**12**	**49**	**56**	**739**
Aviation (b)	**625**	**0**	**625**	**53**	**41**	**33**	**0**
Insurance (c)	**1,654**	**0**	**1,654**	**44**	**16**	**0**	**0**
Services	**1,019**	**797**	**1,816**	**45**	**30**	**7**	**1,892**
Publishing and communications	**372**	**11**	**383**	**10**	**7**	**3**	**251**
Other companies and eliminations (d)	**318**	**(2,997)**	**(2,679)**	**(71)**	**96**	**26**	**9,377**
Total Fiat Group	**47,271**	**0**	**47,271**	**(510)**	**2,269**	**2,011**	**62,711**
Worms & Cie Group - mainly paper manufacturing and distribution	**4,214**	**0**	**4,214**	**179**	**149**	**120**	**4,962**
NHT Group - Tourism	**946**	**0**	**946**	**9**	**11**	**29**	**633**
IFI and IFIL Holdings System	**3**	**0**	**3**	**(73)**	**43**	**0**	**1,735**
Total of the Group	**52,434**	**0**	**52,434**	**(395)**	**2,472**	**2,160**	**70,041**
2002							
Fiat Group							
Automobiles	21,908	239	22,147	(1,343)	959	1,116	30,026
Agricultural and construction equipment	10,502	11	10,513	163	541	431	14,434
Commercial vehicles	8,816	320	9,136	102	424	587	10,846
Ferrari and Maserati	1,194	14	1,208	70	77	176	897
Components	2,085	1,203	3,288	(16)	190	148	2,752
Production systems	1,763	557	2,320	(101)	64	20	4,763
Metallurgical products	1,411	128	1,539	27	93	78	857
Aviation	1,532	2	1,534	210	69	130	3,206
Insurance	4,834	82	4,916	147	47	14	19,041
Services	1,005	960	1,965	67	42	14	3,306
Publishing and communications	346	14	360	3	8	3	227
Other companies and eliminations (d)	253	(3,530)	(3,277)	(91)	100	54	2,166
Total Fiat Group	55,649	0	55,649	(762)	2,614	2,771	92,521
Worms & Cie Group - mainly paper manufacturing and distribution	4,426	0	4,426	212	128	109	5,383
NHT Group - Tourism	938	0	938	5	12	15	632
IFI and IFIL Holdings System	2	0	2	(75)	81	0	1,413
Total of the Group	61,015	0	61,015	(620)	2,835	2,895	99,949

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

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

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

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

21) Other information

Research and development expenses

Fiat Group

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

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

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

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

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

Worms & Cie Group

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

Maintenance costs

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

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

Advertising costs

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

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

22) Emoluments to directors and statutory auditors

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

€ in thousands	IFI S.p.A.	Subsidiaries	Total
Directors	977	4,258	5,235
Statutory auditors	146	147	293
Total	**1,123**	**4,405**	**5,528**

In 2002, the emoluments amounted to € 11,199 thousand, of which € 3,170 thousand were paid by IFI and € 8,029 thousand by subsidiaries.

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

	€ in millions	**2003**	2002
A)	**Cash at January 1**	**3,733**	2,569
B)	**Cash flows provided by (used in) operating activities**		
	Net result before minority interest	(1,647)	(4,032)
	Amortization and depreciation	2,472	2,861
	Net change in reserve for employee severance indemnities	(135)	(69)
	Change in deferred income taxes	422	(884)
	Net gains on disposal of fixed assets	(2,080)	(163)
	Revaluations and writedowns of equity investments	649	1,543
	Dividends received from unconsolidated subsidiaries	41	151
	Change in current assets and liabilities		
	- trade receivables	174	775
	- net inventories	(381)	1,326
	- trade payables	(28)	(104)
	- other payables, receivables, accruals and deferrals	(587)	(44)
	- reserves for income taxes and other reserves	(281)	459
	- change in the scope of consolidation and others	(91)	(508)
	Total cash flows provided by (used in) operating activities	**(1,472)**	1,311
C)	**Cash flows provided by (used in) investment activities**		
	Investments in:		
	- property, plant and equipment	(2,160)	(2,895)
	- equity investments	(333)	(1,200)
	- tangible assets and deferred charges	(515)	(563)
	Investment grants	134	90
	Proceeds from the sale of fixed assets	4,413	3,920
	Net change in financial receivables	1,149	2,430
	Change in securities in current assets and fixed assets	(3,063)	256
	Change in securities of insurance companies net of policy liabilities and accruals	0	430
	Other changes	3,262	(160)
	Total cash flows provided by (used in) investment activities	**2,887**	2,308
D)	**Cash flows provided by (used in) financing activities**		
	Increase in borrowings	2,602	12,536
	Repayment of borrowings	(6,976)	(10,273)
	Net change in short-term borrowings	789	(5,149)
	Increase in capital stock	1,972	921
	Purchase of treasury stock	(20)	(187)
	Distribution of profits and reserves	(54)	(303)
	Total cash flows provided by (used in) financing activities	**(1,687)**	**(2,455)**
E)	**Total change in cash**	**(272)**	**1,164**
F)	**Cash at December 31**	**3,461**	**3,733**

24) Translation of foreign financial statements

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

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

Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

S.p.A.

BALANCE SHEET - ASSETS		**12/31/2003**	12/31/2002	Change
(in euros)				
FIXED ASSETS				
Property, plant and equipment				
Industrial and commercial equipment		**10,524**	36,080	(25,556)
Financial fixed assets				
Investments in subsidiaries		**1,676,161,514**	1,255,425,418	420,736,096
Investments in associated companies		**102,559,055**	102,559,055	0
Investments in other companies		**923,658**	89,527,881	(88,604,223)
	Total investments	**1,779,644,227**	1,447,512,354	332,131,873
Receivables - from others		**6,678,274**	6,678,274	0
Treasury stock		**70,477,224**	70,477,224	0
	Total financial fixed assets	**1,856,799,725**	1,524,667,852	332,131,873
TOTAL FIXED ASSETS		**1,856,810,249**	1,524,703,932	332,106,317
CURRENT ASSETS				
Receivables from (a)				
subsidiaries		**1,013,246**	979,302	33,944
associated companies		**54,483**	107,178	(52,695)
other receivables				
due within one year		**17,531,223**	16,678,149	853,074
due beyond one year		**33**	43	(10)
	Total receivables	**18,598,985**	17,764,672	834,313
Cash and banks				
Bank and post office accounts		**53,690**	226,202	(172,512)
Cash on hand		**10,255**	3,507	6,748
	Total cash and banks	**63,945**	229,709	(165,764)
TOTAL CURRENT ASSETS		**18,662,930**	17,994,381	668,549
ACCRUED INCOME AND PREPAID EXPENSES		**49,425**	81,772	(32,347)
TOTAL ASSETS		**1,875,522,604**	1,542,780,085	332,742,519

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

BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY	12/31/2003	12/31/2002	Change
(in euros)			
STOCKHOLDERS' EQUITY			
Capital stock	163,251,460	61,750,000	101,501,460
Additional paid-in capital	386,346,907	65,613,812	320,733,095
Revaluation reserve			
Revaluation reserve Law No. 74 of February 11, 1952	156,734	156,734	0
Revaluation reserve Law No. 576 of December 2, 1975	16,939,786	16,939,786	0
Revaluation reserve Law No. 72 of March 19, 1983	64,265,310	64,265,310	0
Total revaluation reserves	81,361,830	81,361,830	0
Legal reserve	14,788,912	14,788,912	0
Treasury stock valuation reserve	70,477,224	70,477,224	0
Other reserves			
Extraordinary reserve	736,081,101	638,155,696	97,925,405
Reserve for purchase of treasury stock	100,000,000	197,908,497	(97,908,497)
Reserve under D.P.R. No. 597, art. 55 of September 29, 1973	0	91,043	(91,043)
Merger surplus reserve	0	191,627,798	(191,627,798)
Retained earnings	0	11,156	(11,156)
Total other reserves	836,081,101	1,027,794,190	(191,713,089)
Net income (loss)	14,666,264	(226,935,639)	241,601,903
TOTAL STOCKHOLDERS' EQUITY	1,566,973,698	1,094,850,329	472,123,369
RESERVES FOR RISKS AND CHARGES			
Income tax reserve	5,571,990	13,235,053	(7,663,063)
Other reserves	2,700,000	2,500,000	200,000
TOTAL RESERVES FOR RISKS AND CHARGES	8,271,990	15,735,053	(7,463,063)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	1,300,802	2,311,349	(1,010,547)
PAYABLES (a)			
Borrowings from banks			
due within one year	66,261,713	211,675,034	(145,413,321)
due beyond one year	212,700,000	170,000,000	42,700,000
Trade payables	1,218,963	727,012	491,951
Payables to subsidiaries	372,803	4,737,735	(4,364,932)
Payables to parent company	15,175,589	39,273,847	(24,098,258)
Taxes payable	178,644	279,014	(100,370)
Social securities payable			
due within one year	334,990	179,604	155,386
due beyond one year	452,512	0	452,512
Other payables			
due within one year	1,001,600	891,123	110,477
due beyond one year	0	500,000	(500,000)
TOTAL PAYABLES	297,696,814	428,263,369	(130,566,555)
ACCRUED EXPENSES AND DEFERRED INCOME	1,279,300	1,619,985	(340,685)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,875,522,604	1,542,780,085	332,742,519

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

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS	**12/31/2003**	12/31/2002	Change
(in euros)			
GUARANTEES GRANTED			
Sureties issued on behalf of subsidiaries	**32,002,828**	97,681,354	(65,678,526)
GUARANTEES RECEIVED - from third parties	**726,255**	726,255	0
COMMITMENTS	**173,517,351**	203,529,748	(30,012,397)
OTHER MEMORANDUM ACCOUNTS			
Securities held in deposit by third parties	**34,190,193**	34,189,346	847
Third-party assets held by the company	**0**	566,634	(566,634)
TOTAL OTHER MEMORANDUM ACCOUNTS	**34,190,193**	34,755,980	(565,787)

STATEMENT OF OPERATIONS	**Year 2003**	Year 2002	Change
(in euros)			
VALUE OF PRODUCTION			
Revenues from sales and services	**1,060,113**	1,730,816	(670,703)
Other income and revenues	**456,781**	820,803	(364,022)
TOTAL VALUE OF PRODUCTION	**1,516,894**	2,551,619	(1,034,725)
COSTS OF PRODUCTION			
Raw materials, supplies and merchandise	**(53,856)**	(53,144)	(712)
Services	**(4,478,347)**	(9,389,023)	4,910,676
Leases and rentals	**(803,326)**	(888,580)	85,254
Personnel			
salaries and wages	**(1,715,921)**	(2,614,294)	898,373
social security contributions	**(520,723)**	(777,158)	256,435
employee severance indemnities	**(233,737)**	(490,329)	256,592
other costs	**(243,196)**	(284,924)	41,728
	(2,713,577)	(4,166,705)	1,453,128
Amortization, depreciation and writedowns			
amortization of intangible fixed assets	**0**	(6,175)	6,175
depreciation of property, plant and equipment	**(25,556)**	(15,342)	(10,214)
	(25,556)	(21,517)	(4,039)
Other operating costs			
donations to charities and cultural organizations	**(356,750)**	(699,450)	342,700
other	**(1,253,890)**	(797,946)	(455,944)
	(1,610,640)	(1,497,396)	(113,244)
TOTAL COSTS OF PRODUCTION	**(9,685,302)**	(16,016,365)	6,331,063
FINANCIAL INCOME AND EXPENSES			
Investment income			
Dividends and tax credits relating to:			
subsidiaries	**0**	86,931,729	(86,931,729)
associated companies	**4,443,715**	14,459,164	(10,015,449)
other companies	**202,500**	14,730,938	(14,528,438)
	4,646,215	116,121,831	(111,475,616)
Gains on sale of investment in subsidiaries	**3,578,011**	1,048,311	2,529,700
Gains on sale of investments in other companies	**19,044,882**	0	19,044,882
	27,269,108	117,170,142	(89,901,034)
Other financial income			
income other than the above	**10,968**	10,306	662
Interest and other financial expenses from			
subsidiaries	**(65,897)**	(786,820)	720,923
parent company	**(655,645)**	(813,581)	157,936
other companies	**(14,496,498)**	(16,502,673)	2,006,175
	(15,218,040)	(18,103,074)	2,885,034
TOTAL FINANCIAL INCOME AND EXPENSES	**12,062,036**	99,077,374	(87,015,338)
VALUATION ADJUSTMENTS			
Writedowns of financial fixed assets	**0**	(304,771,787)	304,771,787
EXTRAORDINARY INCOME AND EXPENSES			
Income	**4,084,521**	19,683	4,064,838
Expenses	**(881,319)**	(36,545)	(844,774)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	**3,203,202**	(16,862)	3,220,064
INCOME (LOSS) BEFORE TAXES	**7,096,830**	(219,176,021)	226,272,851
INCOME TAXES	**7,569,434**	(7,759,618)	15,329,052
NET INCOME (LOSS)	**14,666,264**	(226,935,639)	241,601,903

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

STRUCTURE AND CONTENT OF THE STATUTORY FINANCIAL STATEMENTS

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

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

As stated in point 5 of art. 2428 of the Italian Civil Code, subsequent events after the end of the year are commented in the Report on Operations.

SIGNIFICANT ACCOUNTING POLICIES

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

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

Property, plant and equipment

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

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

Financial fixed assets

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

The cost of acquisition of the investments in IFIL and in Exor Group has been revalued in previous years as allowed by monetary revaluation laws. If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition as defined above, it is written down to the lower value.

Should the reasons for the writedowns no longer apply, the value of the financial fixed assets will be reinstated up to the limit of the cost of acquisition; for financial fixed assets prior to the enactment of Legislative Decree 127/91, this limit is represented by the amounts recorded in the financial statements at March 31, 1993.

Receivables

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

Accrued income and prepaid expenses

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

Employee severance indemnities

Employee severance indemnities, revalued on the basis of indexes, and determined in accordance with labor legislation and contracts, reflects the liability in respect of all employees. This liability is calculated in reference to the years of service and the employee's annual salary, in accordance with art. 2120 of the Italian Civil Code.

The reserve also includes the liability pursuant to the company agreements dated December 23, 1999.

Payables

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

Guarantees, commitments and other memorandum accounts

Derivative financial instruments used to hedge exchange and interest rate risks and, in general, the fluctuations in the value of assets and liabilities, are recorded under "Commitments". Such contracts form part of the results for the year on the basis of the accrual principle.

Commitments relating to the performance of contracts are recorded under memorandum accounts on the basis of the nominal value to which they refer.

Securities held in deposit by third parties are shown at their nominal value.

Dividends

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

Financial income and expenses

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

Extraordinary income and expenses

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

Income taxes

L'Irpeg and Irap taxes for the current year are calculated on the basis of existing tax legislation prior to the amendments to Legislative Decree No. 344 of December 12, 2003.

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

Transactions denominated in foreign currency

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

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

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE BALANCE SHEET

Property, plant and equipment
The analysis of the changes in 2003 is summarized as follows:

€ in thousands	Depreciation rates	Original cost	Acc. Depreciation	Net book value
Plant and machinery				
Balance at December 31, 2002		5	(5)	0
Balance at December 31, 2003		**5**	**(5)**	**0**
Industrial and commercial equipment:				
- Motor vehicles	50			
Balance at December 31, 2002		143	(111)	32
Increase (Depreciation)			(21)	(21)
(Decrease) Disposal, retirements, etc.		(100)	100	0
Balance at December 31, 2003		**43**	**(32)**	**11**
- Office furniture	12			
Balance at December 31, 2002		144	(140)	4
Increase (Depreciation)			(4)	(4)
(Decrease) Disposal, retirements, etc.		(7)	7	0
Balance at December 31, 2003		**137**	**(137)**	**0**
- Office equipment				
Balance at December 31, 2002		50	(50)	0
(Decrease) Disposal, retirements, etc.		(1)	1	0
Balance at December 31, 2003		**49**	**(49)**	**0**
Total industrial and commercial equipment		**229**	**(218)**	**11**

Financial fixed assets – Investments
Details of investments and the percentage holdings of the classes of capital stock are summarized in the following table:

	12/31/2003		12/31/2002	
€ in thousands	**%**	**Carrying value**	%	Carrying value
Subsidiaries				
IFIL S.p.A. (ordinary shares)	**62.03**	**1,676,162**	53.73	572,118
Fiat S.p.A. (ordinary shares)	**-**	**0**	17.99	560,995
Fiat S.p.A. (preferred shares)	**-**	**0**	18.96	101,143
Fiat S.p.A. (warrants 2007 on ordinary shares)	**-**	**0**	-	0
Juventus Football Club S.p.A.	**-**	**0**	62.01	11,725
Soiem S.p.A.	**-**	**0**	50.10	9,444
		1,676,162		1,255,425
Associated companies - Exor Group S.A. (ordinary shares)	**29.29**	**102,559**	25.01	102,559
Other companies				
Deutsche Morgan Grenfell Capital Italy S.A.	**-**	**549**	-	537
Emittenti Titoli S.p.A.	**8.78**	**371**	8.78	371
Sundry consortiums	**-**	**3**		3
SANPAOLO IMI S.p.A.	**-**	**0**	1.13	88,617
		923		89,528
Total investments		**1,779,644**		1,447,512

Changes during the year in investments are presented below:

€ in thousands	Balance at 12/31/2002	Changes during the year Contribution to IFIL	 Conversion of shares	 Additions	**Balance at 31/12/2003**
Subsidiaries					
IFIL S.p.A. (ordinary shares)	572,118	522,703	272,046	309,295	**1,676,162** (a)
IFIL S.p.A. (savings shares)	0	271,844	(272,046)	202	**0**
Fiat S.p.A. (ordinary shares)	560,995	(560,995)			**0**
Fiat S.p.A. (preferred shares)	101,143	(101,143)			**0**
Fiat S.p.A. (warrants 2007 on ordinary shares)	0	0			**0**
Juventus Football Club S.p.A.	11,725	(11,725)			**0**
Soiem S.p.A.	9,444	(9,444)			**0**
	1,255,425	111,240	0	309,497	**1,676,162**
Associated companies - Exor Group S.A. (ordinary shares)	102,559				**102,559**
Other companies					
Deutsche Morgan Grenfell Capital Italy S.A.	537			12	**549**
Emittenti Titoli S.p.A.	371				**371**
Sundry consortiums	3				**3**
SANPAOLO IMI S.p.A.	88,617	(88,617)			**0**
	89,528	(88,617)		12	**923**
Total	1,447,512	22,623	0	309,509	**1,779,644**

(a) Net of writedowns of € 73.5 million made in 2002.

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

IFI contributed the following investments and warrants to the subsidiary IFIL:

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

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,051,954 thousand.
In accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic value, with a total gain € 22,623 thousand.

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

In May 2003, IFI then exercised the right to voluntarily convert all the 119,750,000 IFIL savings shares held for 101,787,500 IFIL ordinary shares, without payment of any cash differential.

The additions derive from the following transactions:

- in April and May 2003, IFI purchased 1,807,150 IFIL ordinary shares and 114,009 IFIL savings shares on the market for a total investment of € 4,388 thousand;
- in July 2003, after having purchased 810,126 rights, IFI subscribed to 233,861,025 IFIL ordinary shares under the rights offering for a total investment of € 304,205 thousand;
- in August 2003, IFI also purchased 450,000 IFIL ordinary shares on the market for an outlay of € 904 thousand.

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

Based upon the average stock market prices for the second half of 2003 (€ 2.325), IFIL ordinary shares show an unrealized loss of € 179 million. Such unrealized loss is not considered representative of a permanent decline in value in that it refers to a controlling institutional investment, which, furthermore, based upon the average market prices for the period March 1 – 17, 2004 (€ 2.836) shows an unrealized gain of about € 150 million.
The per share carrying value of IFIL ordinary shares (€ 2.604), moreover, is lower than the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2003 (€ 3.68).

Additional details are provided in Annex 3.

Financial fixed assets – Receivables from others
The receivable from TLcom I at December 31, 2003 amounts to € 6,678 thousand (unchanged compared to the prior year).

Financial fixed assets – Treasury stock
No transactions in treasury stock were entered into during the year. The balance at December 31, 2003 includes the following:

		Carrying value		
	Number of shares	Per share (€)	Total (€ in thousands)	
IFI preferred shares	**5,360,300**	**13.15**	**70,477**	(a)

(a) Net of writedowns of € 58.9 million made in 2002.

IFI preferred shares in portfolio at December 31, 2003 have a par value of € 5,360 thousand and represent, after the capital increase, 3.28% of capital stock and 6.98% of the class of stock.

Based upon the average stock market prices for the second half of 2003 (€ 6.41), IFI preferred shares show an unrealized loss of € 36 million, which would be reduced to € 31 million based upon the average market prices for the period March 1 – 17, 2004 (€ 7.439).
Such unrealized loss is not considered representative of a permanent decline in value taking also into account that the per share carrying value of IFI preferred shares is in any case lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2003 (€ 13.61).

Additional details are provided in Annex 3.

Current assets – Receivables from subsidiaries

€ in thousands	**12/31/2003**	12/31/2002	Change
Fiat Sava S.p.A.	**620**	620	0
IFIL S.p.A.	**201**	73	128
Juventus Football Club S.p.A.	**159**	263	(104)
Welcome Travel Group S.p.A.	**22**	0	22
Soiem S.p.A.	**11**	10	1
Neos S.p.A.	**0**	8	(8)
Fiat Auto S.p.A.	**0**	5	(5)
Total receivables from subsidiaries	**1,013**	979	34

Current assets – Receivables from associated companies

€ in thousands	**12/31/2003**	12/31/2002	Change
Exor Group S.A.	**54**	107	(53)

The above receivables from subsidiaries and associated companies originated from the performance of services and cost recoveries for personnel on loan.

Current assets – Other receivables

€ in thousands	**12/31/2003**	12/31/2002	Change
Receivables from the tax authorities for prior years' taxes, refunds requested	**17,200**	0	17,200
Receivables from the tax authorities for current and prior years' taxes, carried forward	**113**	16,431	(16,318)
Deferred tax assets	**22**	40	(18)
Sundry	**196**	207	(11)
Total other receivables	**17,531**	16,678	853

There are no receivables due beyond five years.

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

€ in thousands	
Balance at December 31, 2002	16,431
Adjustment of prior years' receivable on tax return	4,065
Sales to Group companies	(2,588)
Allowable portion of IRPEG receivable used to compensate current income taxes	(464)
VAT credit used	(207)
Arising in 2003 (taxes and withholdings)	76
Balance at December 31, 2003	**17,313**

Capital stock

At December 31, 2003, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares of par value € 1 each.
In accordance with art. 10 of the by-laws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.
Pursuant to art. 26 of the by-laws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated to the Board of Directors in the Extraordinary Stockholders' Meeting on April 22, 2003 pursuant to art. 2443 of the Italian Civil Code.

Changes in capital stock in 2003 are summarized below:

	Number of shares		
	Ordinary shares	Preferred shares	Total
At December 31, 2002	30,875,000	30,875,000	61,750,000
Capital stock increase against payment	55,575,000	45,926,460	101,501,460
At December 31, 2003	**86,450,000**	**76,801,460**	**163,251,460**

On June 27, 2003, by the power vested in it pursuant to art. 2443 of the Italian Civil Code by the Extraordinary Stockholders' Meeting held on April 22, 2003, the Board of Directors of IFI S.p.A. voted to increase the capital stock against payment, and in divisible form, for a maximum amount of par value € 101,501,460, through the issue of:

- 55,575,000 IFI ordinary shares of par value € 1 each, with normal dividend rights, with option rights offered to Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, at the price of € 4.5 each, in a ratio of 9 new ordinary shares for every 5 ordinary shares held;
- maximum 45,926,460 IFI preferred shares of par value € 1 each, with normal dividend rights, with option rights offered to the preferred stockholders at the price of € 4.5 each, in a ratio of 9 new preferred shares for every 5 preferred shares held.

At the end of the rights offering period, 45,412,722 new preferred shares were subscribed to, equal to 98.88% of the preferred shares offered. Moreover, Giovanni Agnelli e C. S.a.p.az., the sole stockholder of IFI ordinary shares, subscribed to the 55,575,000 IFI ordinary shares in the rights offering, with an investment of € 250,087 thousand.

Following the subsequent offering of the 285,410 unexercised rights on the market (which generated proceeds of € 684 thousand recorded as an increase to stockholders' equity), the remaining 513,738 new IFI preferred shares were subscribed to in August.

The capital stock increase was therefore concluded with the subscription of the entire issue of 55,575,000 ordinary shares and the 45,926,460 preferred shares offered for total proceeds of € 457,440 thousand (of which € 684 thousand deriving from the sale of unexercised rights).

In execution of the resolution passed by the Stockholders' Meeting of June 3, 1985, a part of the monetary revaluation reserve Law No. 576 of December 2, 1975 was transferred to capital stock (€ 1,325 thousand) which, in the event of distribution, will form part of the taxable income of the Company.

Reserves

The statement of changes in stockholders' equity is presented in Annex 4.
At December 31, 2003, untaxed reserves are recorded for a total amount of € 83,716 thousand, of which € 81,362 thousand are in the monetary revaluation reserves, € 2,032 thousand in the legal reserve and € 322 thousand in other reserves. In the event of distribution, these reserves would form part of the taxable income of the Company.
In a view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

Reserves for risks and charges

These amounted to € 8,272 thousand, of which € 5,572 thousand for taxes and € 2,700 thousand for the risk of writedowns and financial receivables.

Reserve for employee severance indemnities

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

Details of the changes are as follows:

€ in thousands	Employee Sever. Indem.	Agreement 12/23/1999	Total
Balance at December 31, 2002	2,012	299	2,311
Provisions	156	78	234
Payments	(772)	(86)	(858)
Transfers to and from other Group companies	(330)	(56)	(386)
Balance at December 31, 2003	**1,066**	**235**	**1,301**

Borrowings from banks

€ in thousands	**12/31/2003**	12/31/2002	Change
due within one year	**66,262**	211,675	(145,413)
due beyond one year	**212,700**	170,000	42,700
Total borrowings from banks	**278,962**	381,675	(102,713)

Borrowings from banks due within one year amounted to € 66,262 thousand (€ 211,675 thousand at December 31, 2002). Against these borrowings, the company has irrevocable lines of credit available totaling € 515 million, all due beyond one year.

Borrowings from banks due beyond one year of € 212,700 thousand relate to loans bearing interest at variable rates payable semi-annually and are indexed against the Euribor plus a spread commensurate with the best market conditions.

Interest rate swaps and zero cost collars are used to ensure fixed interest rates over the period of the loans on an amount of € 170 million at December 31, 2003.

Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts.

Borrowings from banks due beyond one year are payable within five years.

Payables to subsidiaries

€ in thousands	**12/31/2003**	12/31/2002	Change
For loans received:			
- Soiem S.p.A.	**0**	3,559	(3,559)
- Juventus Football Club S.p.A.	**0**	589	(589)
	0	4,148	(4,148)
For services received:			
- Soiem S.p.A.	**313**	408	(95)
- IFIL S.p.A.	**0**	88	(88)
- Fiat Auto S.p.A.	**11**	45	(34)
- Sundry	**49**	49	0
	373	590	(217)
Total payables to subsidiaries	**373**	4,738	(4,365)

Payables to parent company

Payables to parent company amount to € 15,176 thousand (€ 39,274 thousand at December 31, 2002) and refer to the loan granted by the parent company Giovanni Agnelli e C S.a.p.az. which bears interest at the monthly variable market rate.

Taxes payable

Taxes payable amount to € 179 thousand (€ 279 thousand in 2002) and relate to withholding taxes payable on self-employment, employment and other income.

The Company has agreed its tax years up to December 31, 1998.
The Company took advantage of the tax amnesty (Law 289/2002 as amended) opting to apply art. 8 (simple supplement) relating to the years 1997-2001. The company also used the amnesty to close pending and potential tax litigation relating to prior years (art. 15 and 16 of Law 289/2002). The total cost incurred amounted to € 94 thousand.

Social security payable

€ in thousands	**12/31/2003**		12/31/2002	Change
INPS solidarity fund (MD No. 158 dated 4/28/2000)	**679**	(a)	0	679
INPS social security contributions on salaries and unused vacation and holidays	**109**		180	(71)
Total social security payable	**788**		180	608

(a) Of which € 453 thousand beyond one year.

Ministerial Decree No. 158 dated April 28, 2000, established, at INPS, the "Solidarity Fund for the support of earnings, employment and professional reconversion and requalification of credit personnel". Financial and asset management of the Fund is administered autonomously. The Fund provides, in exceptional circumstances, for the issue of checks to support earnings at the request of the employer and up until the right accrues for the years-of-service or old age pension by employees who accrue the requisites within a maximum period of 60 months from the date of termination of the working relationship. The above liabilities (€ 679 thousand in total) represent the extraordinary contribution that IFI must pay to cover the exceptional checks that are due to former employees, including related social security contributions.

Other payables

€ in thousands	**12/31/2003**		12/31/2002	Change
Extraordinary compensation for the former Managing Director	**500**	(a)	1,000	(500)
IFI Board of Statutory Auditors fees	**178**		168	10
Extraordinary compensation for the Deputy Chairman	**150**	(a)	0	150
Stockholders for dividends not yet collected	**107**		131	(24)
Sundry	**67**		92	(25)
Total other payables	**1,002**		1,391	(389)

(a) To be paid in 2004.

Accrued expenses and deferred income

Accrued expenses and deferred income amount to € 1,279 thousand (€ 1,620 thousand at December 31, 2002) and include interest expenses on borrowings from banks (€ 727 thousand) and expenses on interest rate swaps and zero cost collars (€ 552 thousand) accrued to December 31, 2003.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Guarantees granted – Sureties issued on behalf of subsidiaries
At December 31, 2003, sureties granted by IFI amounted to € 32,003 thousand and refer to F.I.G.C., Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti, on behalf of the Juventus Football Club.
The reduction of € 65,679 thousand from December 31, 2002 is due to the sureties that expired (€ 44,186 thousand) or were reduced (€ 21,493 thousand) during the year.
The sureties, remunerated at market rates, have varying annual expiry dates between 2004 and 2005.

Guarantees received - from third parties
These total € 726 thousand and represent sureties received from Banca Intesa issued to the Tax Administration (VAT office) on behalf of IFI, expiring December 31, 2003.

Commitments

€ in thousands	**12/31/2003**	12/31/2002	Change
Commitments with leading banking institutions relating to transactions to hedge interest rate fluctuations on bank debt due in 2005 and 2007 (a)	**170,000**	200,000	(30,000)
Residual commitment to invest in TLcom I	**3,000**	3,000	0
Commitment to sell 47,500 IFIL ordinary shares	**424**	424	0
Residual commitment to subscribe to Emittenti Titoli's capital increase	**93**	93	0
Residual commitment to invest in Deutsche Morgan Grenfell	**0**	12	(12)
Total commitments	**173,517**	203,529	(30,012)

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

Other memorandum accounts – Securities held in deposit by third parties
The amount of € 34,190 thousand refers to 3,418,242 Exor Group ordinary shares and 3,010 Deutsche Morgan Grenfell shares deposited at banks.

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE STATEMENT OF OPERATIONS

Value of production – Revenues from sales and services

€ in thousands	2003	2002	Change
For services rendered to subsidiaries and associated companies:			
- Fiat Sava S.p.A.	**620**	620	0
- Juventus Football Club S.p.A.	**223**	277	(54)
- Exor Group S.A.	**92**	274	(182)
For services rendered to third parties	**125**	560	(435)
Total revenues from sales and services	**1,060**	1,731	(671)

The services rendered to Fiat Sava consist of the custody of receivables (€ 1,332.3 million) which guarantee the circulation of interest-bearing Sava Fiat bonds (the 2003 bond issue amounts to € 589.7 million).

Value of production – Other income and revenues

€ in thousands	2003	2002	Change
For cost recoveries incurred on behalf of subsidiaries:			
- IFIL S.p.A.	**201**	222	(21)
- Soiem S.p.A.	**10**	10	0
- Juventus Football Club S.p.A.	**0**	83	(83)
	211	315	(104)
For fees for post held by IFI staff in the following companies:			
- SANPAOLO IMI S.p.A.	**99**	196	(97)
- Fiat S.p.A.	**20**	117	(97)
- Welcome Travel Group S.p.A.	**20**	0	20
- Atlanet S.p.A.	**0**	34	(34)
- Alpitour S.p.A.	**0**	24	(24)
- Sundry	**0**	28	(28)
	139	399	(260)
Sundry	**107**	107	0
Total other income and revenues	**457**	821	(364)

Costs of production – Raw materials, supplies and merchandise

These costs total € 54 thousand and regard the purchases of stationery and supplies, printed forms and gifts.

Costs of production – Services

Services total € 4,478 thousand and include nonrecurring expenses of € 1,760 thousand, of which € 1,460 thousand relate to costs incurred under the Reorganization Plan of the Group and capital stock increases and € 300 thousand regard extraordinary compensation to a Director.

Details of the main services are as follows:

€ in thousands	**2003**	2002	Change
Consulting and services rendered by			
- Third parties	**1,750**	3,858	(2,108)
- Soiem S.p.A. (subsidiary)	**444**	675	(231)
- IFIL S.p.A.	**0**	88	(88)
	2,194	4,621	(2,427)
Fees to Corporate Boards			
- Board of Directors	**977**	3,025	(2,048)
- Board of Statutory Auditors	**146**	144	2
	1,123	3,169	(2,046)
Office management and security	**384**	363	21
Bank charges	**208**	268	(60)
Maintenance, transport and car insurance	**183**	171	12
Travel expenses	**136**	507	(371)
Mailing, telephone and similar expenses	**131**	153	(22)
Other expenses	**45**	41	4
Audit fees	**42**	38	4
Employee expenses	**32**	58	(26)
Total services	**4,478**	9,389	(4,911)

Costs of production – Leases and rentals

These amount to € 803 thousand (€ 889 thousand in 2002) and include the rent on the Turin headquarters (€ 537 thousand to the subsidiary company Soiem S.p.A.), leases and expenses of the Rome headquarters (€ 68 thousand), leases for office machines, for cars for service use and other rentals (€ 198 thousand).

Costs of production – Personnel

These total € 2,714 thousand (€ 4,167 thousand in 2002) and show a net decrease of € 1,453 thousand due to a reduction in number of employees.

Other personnel costs include the contribution (€ 95 thousand) to the Corporate Employee Benefits Fund – Pension Fund, administered separately from the balance sheet, in which IFI S.p.A. and other companies in the Group participate. The purpose of this Fund, which is non-profit, is to pay benefits that are a supplement to the obligatory public system, either directly or by taking out insurance policies, in conformity with the provisions of the collective labor contracts, agreements or company regulations. The technical equilibrium between benefits and contributions is ensured by the company partners in the Fund.

At year-end 2003, employees numbered 11 (28 in 2002).
The average number of employees in 2003 was 18, summarized by category as follows:

	2003	2002	Change
Managers/management staff	**6**	10	(4)
Clerks	**10**	16	(6)
Messengers	**2**	5	(3)
Average number of employees	**18**	31	(13)

Costs of production – Other operating costs
Other operating costs total € 1,611 thousand (€ 1,497 in 2002) and show an increase of € 114 thousand compared to 2002. Details are as follows:

€ in thousands	**2003**		2002	Change
Indirect taxes and duties	**831**	(a)	508	323
Donations to non-profit and cultural organizations	**357**		699	(342)
Notary and corporate charges	**152**		81	71
Publication of annual, first-half and quarterly financial statements	**86**		72	14
Ads	**81**		13	68
Association dues	**46**		67	(21)
Books, newspapers and magazines	**40**		42	(2)
Sundry	**18**		15	3
Total other operating costs	**1,611**		1,497	114

(a) Including nonrecurring expenses relating to nondeductible VAT for € 282 thousand.

Donations to non-profit and cultural organizations in 2003 were paid from the portion of 2001 profits to which the Board of Directors is entitled, according to the by-laws, and which is waived.

Investment income – Dividends and tax credits
Details are as follows:

	2003			2002		
€ in thousands	**Dividends**	**Tax credits**	**Total**	Dividends	Tax credits	Total
Subsidiaries						
Fiat S.p.A. (ordinary shares)	**0**	**0**	**0**	24,163	13,075	37,238
Fiat S.p.A. (preferred shares)	**0**	**0**	**0**	6,070	3,285	9,355
IFIL S.p.A. (ordinary shares)	**0**	**0**	**0**	24,917	14,016	38,933
Juventus Football Club S.p.A.	**0**	**0**	**0**	900	506	1,406
	0	**0**	**0**	56,050	30,882	86,932
Associated companies						
Exor Group S.A. (ordinary shares)	**4,444**	**0**	**4,444**	14,459	0	14,459
Other companies						
Emittenti Titoli S.p.A.	**130**	**72**	**202**	137	77	214
SANPAOLO IMI S.p.A.	**0**	**0**	**0**	9,291	5,226	14,517
	130	**72**	**202**	9,428	5,303	14,731
Total	**4,574**	**72**	**4,646**	79,937	36,185	116,122

Investment income – Gains on sale of investments in subsidiaries and other companies

The gains refer to sales of:

€ in thousands	2003		2002	Change
Subsidiaries:				
- 11,216,334 warrants 2007 on Fiat ordinary shares	**3,578**	(a)	0	3,578
- 1,257,102 Juventus Football Club S.p.A. shares	**0**		1,048	(1,048)
Other companies:				
- 16,300,000 SANPAOLO IMI S.p.A. shares	**19,045**	(a)	0	19,045
Total gains on sales of investments in subsidiaries and other companies	**22,623**		1,048	21,575

(a) Generated by the contribution of investments to IFIL.

Other financial income – Income other than the above

These total € 11 thousand (€ 10 thousand at December 31, 2002) and refer to interest income on receivables from banks.

Interest and other financial expenses

Details are as follows:

€ in thousands	2003	2002	Change
Interest expense on loans from subsidiaries			
- Soiem S.p.A.	**48**	80	(32)
- Juventus Football Club S.p.A.	**18**	707	(689)
	66	787	(721)
Interest expense on loans from parent company			
- Giovanni Agnelli e C. S.a.p.az	**656**	814	(158)
Other			
- interest expenses on borrowings from banks	**10,008**	13,353	(3,345)
- expenses relating to hedges of interest rate fluctuations	**3,647**	1,835	1,812
- sundry bank charges	**641**	814	(173)
- accrual for sundry financial risks	**200**	500	(300)
Total interest and other financial expenses	**15,218**	18,103	(2,885)

Extraordinary income and expenses

Details are as follows:

€ in thousands	**2003**	2002	Change
Income			
Release of excess income taxes set aside in the prior year	**4,065**	0	4,065
Sundry	**19**	20	(1)
Total extraordinary income	**4,084**	20	4,064
Expenses			
Solidarity fund for the support of earnings (MD 158 of 4/28/2000) (a)	**(772)**	0	(772)
Employee reduction incentives	**(89)**	0	(89)
Sundry	**(20)**	(37)	17
Total extraordinary expenses	**(881)**	(37)	(844)

(a) Payment will terminate in 2008.

Income taxes

Details are as follows:

€ in thousands	**2003**	2002	Change
Deferred income taxes - Release of deferred taxes provided in prior years and adjustments to conform to the change in tax rates	**7,569**	1,381	6,188
Current Irpeg taxes	**0**	(8,917)	8,917
Equalization tax - Irpeg (19%)	**0**	(224)	224
Total income taxes	**7,569**	(7,760)	15,329

The taxable base for the year 2003 was a negative figure on account of the writedowns on financial fixed assets recorded at the end of 2002 which became deductible.

Since there is no reasonable certainty of future recovery, no deferred tax assets have been booked on the fiscal 2003 tax losses (€ 131 million) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 63 million).

Other information – Compensation to Directors, Statutory Auditors and General Managers

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

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

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held in company preparing the financial statements (b)	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Agnelli Umberto	Chairman	3/3 - 12/31 (c)	2005	250			1,655 (d)
Gabetti Gianluigi	Deputy Chairman	1/1 - 12/31	2005	250		300 (e)	1,777 (d)
Avogadro di Collobiano Annibale	Director	3/3 - 12/31	2005				
Elkann Jonh Philip	Director	3/3 - 12/31	2005		1		136 (d)
							54 (f)
Galateri di Genola Gabriele	Director	1/1 - 12/31 (g)	2005	77			35 (d)
Nasi Andrea	Director	1/1 - 12/31	2005				
Rattazzi Lupo	Director	5/29 - 12/31	2005				
Grande Stevens Franzo	Director	1/1 - 12/31	2005				412 (d)
Teodorani-Fabbri Pio	Director	1/1 - 12/31	2005	100 (h)			8 (d)
Directors no longer in office							
Agnelli Giovanni	Chairman	1/1 - 1/24					
Agnelli Susanna	Director	1/1 - 5/29					
Camerana Carlo	Director	1/1 - 1/6					
Fresco Paolo	Director	1/1 - 6/21					215 (d)
Total Board of Directors				677	1	300	4,292
Board of Statutory Auditors							
Ferrero Cesare	Chairman	1/1 - 12/31	2005	62			125 (d)
Giorgi Giorgio	Statutory Auditor	1/1 - 12/31	2005	42			23 (d)
Jona Celesia Lionello	Statutory Auditor	1/1 - 12/31	2005	42			
Total Board of Statutory Auditors				146			148
General Manager							
Marrone Virgilio	General Manager	1/1 - 12/31	-		43		415 (f)
							18 (d)

(a) The term of office expires in concurrence with the Stockholders' Meeting that will approve the financial statements for the year ended December 31, 2005.
(b) The amounts indicated refer to special compensation correlated to the post and functions carried out.
(c) Deputy Chairman and Managing Director until March 2, 2003.
(d) Compensation for the posts held in subsidiaries.
(e) Extraordinary compensation.
(f) Employment income.
(g) Managing Director until April 13, 2003.
(h) Compensation as the person in charge of IFI headquarters in Rome.

IFI – Other information – Stock options

The Company uses stock option plans to strengthen relations between management and the Group and to boost motivation to create value for the Company.

At December 31, 2003, the Board of Directors of the subsidiary IFIL has three stock option plans.
The first, destined to managers and directors of IFIL and IFI, was voted by the IFIL Board of Directors on April 1998. The plan involves a maximum number of 500,000 IFIL ordinary shares of par value € 1, which can be granted for subscription at a price of € 8.93 each.
The plan allows the granting of a maximum number of shares for a variable amount of between one and two times the annual gross salary of each beneficiary as of the date of April 1998.
The options, accrue in equal amounts each year between 1998 and 2003, can be exercised by the beneficiaries in the first four months of 2003 and 2004.
In total, the options granted, net of those expired in the meantime, relate to 220,700 shares, equal to 0.02% of the actual outstanding capital stock.

In May 2000, the IFIL Board of Directors voted a second stock option plan destined for the managers and directors of IFIL and IFI, for a maximum number of 2,700,000 IFIL ordinary shares, of par value € 1 each. The options can be granted in annual amounts each year between 2000 and 2004 and can be exercised by the beneficiaries beginning from 2002 up to 2006.
There were 2,691,500 options equal to 0.25% of actual capital stock granted under this plan in the period 2000 to 2003 (net of those expired in the meantime) (of which in 2000, 522,000 options exercisable at an average price of € 7.088 each; in 2001, 525,450 options at € 6.88 each; in 2002, 844,050 options at € 5.09 each; in 2003, 800,000 options exercisable at a price of € 1.85 each).

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

In the event of termination of employment with Group companies (excluding retirement) the options not yet accrued or exercisable are forfeited.
During 2003, no options were exercised.

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

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

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

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

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

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

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

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

Stock options granted to Directors and General Managers

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

Name Post held	Company	Options held at the beginning of the year			Options granted during the year			Options expired during the year	Options held at the end of the year		
		Number of options	Average exercise price	Exercise period (months/year)	Number of options	Average exercise price	Exercise period (months/year)	umber of option	Number of options	Average exercise price	Exercise period (months/year)
Gabetti Gianluigi											
Deputy Chairman	IFIL ord.				532,000	2.28	1/05-12/06		532,000	2.28	1/05-12/06
Galateri di Genola Gabriele											
Director	Fiat ord.	400,000	12.96	6/03 - 6/10				400,000 (a)	0		
	IFIL ord.	746,600	6.53	3/04 - 12/06					746,600	6.53	3/04 - 12/06
	Alpitour	153,500	6.73	10/03 - 10/05					153,500	6.73	08/06
Marrone Virgilio											
General Manager	IFIL ord.	206,450	6.60	3/04 - 12/06	60,000	1.85	01/05-12/06		266,450	5.53	3/04 - 12/06
Fresco Paolo											
Director (b)	Fiat ord.	2,250,000	20.614	7/01 - 1/10					2,250,000	20.614	7/01 - 1/10

(a)Options expired, since the director left office.
(b)No longer in office.

During the year, no options were exercised.

Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

Turin, March 30, 2004

For the Board of Directors
The Chairman
Umberto Agnelli

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

	Balance at December 31, 2002			
			Carrying value	
	Number of shares/warrants	% of class of stock	Per share (€)	Total (€ in thousands)
SUBSIDIARIES				
IFIL S.p.A. - ordinary shares	138,426,775	53.73	4.13	572,118
IFIL S.p.A. - savings shares				0
FIAT S.p.A. - ordinary shares	77,944,334	17.99	7.20	560,995
FIAT S.p.A. - preferred shares	19,582,500	18.96	5.17	101,143
FIAT S.p.A. - wts. 2007 on ordinary shares				
JUVENTUS FOOTBALL CLUB S.p.A.	74,992,103	62.01	0.16	11,725
SOIEM S.p.A.	18,286,500	50.10	0.52	9,444
Total subsidiaries				**1,255,425**
ASSOCIATED COMPANIES				
EXOR GROUP S.A. - ordinary shares	3,418,242	25.01	30.00	**102,559**
OTHER COMPANIES				
SANPAOLO IMI S.p.A.	16,300,000	1.13	5.44	88,617
EMITTENTI TITOLI S.p.A.	720,000	8.78	0.52	371
DEUTSCHE MORGAN GRENFELL C.I. S.A.				
- ordinary shares	1,034	1.11	513.89	532
- preferred shares (b)	1,976	1.28	2.58	5
CONSORZIUMS (c)				3
Total other companies				**89,528**
TOTAL INVESTMENTS				**1,447,512**

Other companies include the investment in Tlcom I (1 quota for € 100).

(a) Net of writedowns of € 73.5 million made in 2002.
(b) Including 942 shares , not representative of capital stock.
(c) Consorzio Fiat Media Center, Consorzio Orione and Consorzio Conai.

Change during 2003				Balance at December 31, 2003			
Increase		Decrease				Carrying value	
Number of shares	Carrying value (€ in thousands)	Number of shares	Carrying value (€ in thousands)	Number of shares	% of class of stock	Per share (€)	Total (€ in thousands)
505,356,624	1,104,044			643,783,399	62.03	2.60	1,676,162 (a)
119,750,000	272,046	119,750,000	272,046				0
		77,944,334	560,995				0
		19,582,500	101,143				0
							0
		74,992,103	11,725				0
		18,286,500	9,444				0
	1,376,090		**955,353**				**1,676,162**
				3,418,242	29.29	30.00	**102,559**
		16,300,000	88,617				0
				720,000	8.78	0.52	371
24	12			1,058	1.13	513.89	544
24				2,000	1.30	2.58	5
							3
	12		**88,617**				**923**
	1,376,102		**1,043,970**				**1,779,644**

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

	Capital stock			
	Number of shares	Currency	Par value	Amount
SUBSIDIARIES - FINANCIAL SECTOR				
IFIL - Finanziaria di partecipazioni S.p.A. - Turin				
- ordinary shares	1,037,812,717	Euro	1	1,037,812,717
- savings shares	37,383,020	Euro	1	37,383,020
	1,075,195,737			1,075,195,737
ASSOCIATED COMPANIES - FINANCIAL SECTOR				
EXOR GROUP S.A. - Luxembourg				
- ordinary shares	11,670,050	Euro	10	116,700,500
- savings shares	50	Euro	10	500
	11,670,100			116,701,000

Figures relating to IFIL and Exor Group refer to the 2003 consolidated financial statements.

IFI's investment					Stockholders' equity	Net income/(loss)
	% ownership of		Carrying value			
Number of shares	capital stock	class of stock	Per share (€)	Total (€ in thousands)	(€ in thousands)	(€ in thousands)
643,783,399	59.88	62.03	2.60	1,676,162	3,953,900	(45,000)
3,418,242	29.29	29.29	30.00	102,559	611,492	17,148

COMPARISON OF CARRYING VALUES AND MARKET PRICES OF LISTED FINANCIAL FIXED ASSETS (RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)

(€ in thousands)	Balance at December 31, 2003					
	Number of shares	Carrying value		Market prices at December 30, 2003		
		Per share (€)	Total	Per share (€)	Total	Difference
IFIL S.p.A. - ordinary shares	643,783,399	2.604	**1,676,162**	2.617	**1,684,781**	**8,619**
IFI S.p.A. - preferred shares	5,360,300	13.148	**70,477**	6.708	**35,957**	**(34,520)**

Average market prices II half 2003			Average market prices in December 2003		
Per share (€)	Total	Difference	Per share (€)	Total	Difference
2.325	**1,496,796**	**(179,366)**	2.603	**1,675,768**	**(394)**
6.414	**34,381**	**(36,096)**	6.723	**36,037**	**(34,440)**

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

(€ in thousands)

	Capital stock	Additional paid-in-capital	Revaluation reserves	Legal reserve
BALANCE AT DECEMBER 31, 2001	**61,750**	**65,614**	**81,362**	**14,789**
Extraordinary stockholders' meeting of May 28, 2002				
- Appropriation of 2001 net profit				
. Dividends to stockholders				
. To extraordinary reserve				
- Revocation of resolution to purchase treasury stock of May 29, 2001 for the unused portion and appropriation of the remaining Reserve for the purchase of treasury stock to the Extraordinary reserve				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 of the Italian Civil Code				
Purchase of 573,650 IFI preferred shares				
Statute-barred dividends				
Writedown of the carrying value of 5,360,300 IFI preferred shares (€ 13.148), adjustment to reserve				
Net loss 2002				
Changes in 2002	**0**	**0**	**0**	**0**
BALANCE AT DECEMBER 31, 2002	**61,750**	**65,614**	**81,362**	**14,789**
Ordinary stockholders' meeting of May 29, 2003				
- Absorption of the 2002 loss through the use:				
. Merger surplus				
. Additional paid-in-capital		(35,206)		
. Reserve under DPR No. 597 art. 55 of 9/29/1973				
. Retained earnings				
- Revocation of resolution to purchase treasury stock of May 28, 2002 for the unused portion and appropriation of the remaining Reserve for the purchase of treasury stock to the Extraordinary reserve				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code				
- Capital stock increase with the issue of 55,575,000 ordinary shares and 45,926,460 preferred shares at € 4.5 each of which par value € 1 and € 3,5 of paid-in-capital	101,501	355,255		
- Sale of 285,410 unexercised rights on IFI preferred shares		684		
Statute-barred dividends				
Net income (loss) 2003				
Changes in 2003	**101,501**	**320,733**	**0**	**0**
BALANCE AT DECEMBER 31, 2003	**163,251**	**386,347**	**81,362**	**14,789**

Treasury stock valuation reserve	Extraordinary reserve	Reserve for purchase of treasury stock	Retained earnings and other reserves	Net income (loss) for the year	Stockholders' equity
117,208	**559,352**	**147,093**	**191,730**	**116,901**	**1,355,799**
				(34,030)	(34,030)
	82,871			(82,871)	0
	136,982	(136,982)			0
	(200,000)	200,000			0
12,203		(12,203)			0
	17				17
(58,934)	58,934				0
				(226,936)	(226,936)
(46,731)	**78,804**	**50,815**	**0**	**(343,837)**	**(260,949)**
70,477	**638,156**	**197,908**	**191,730**	**(226,936)**	**1,094,850**
				226,936	226,936
			(191,628)		(191,628)
					(35,206)
			(91)		(91)
			(11)		(11)
	197,908	(197,908)			0
	(100,000)	100,000			0
					456,756
					684
	17				17
				14,666	14,666
0	**97,925**	**(97,908)**	**(191,730)**	**241,602**	**472,123**
70,477	**736,081**	**100,000**	**0**	**14,666**	**1,566,973**

STATEMENT OF CASH FLOWS FOR THE YEARS 2003 AND 2002

(€ in thousands)	2003	2002
A) Net cash at beginning of year	**230**	**7,032**
B) Cash flows provided by (used for) operating activities		
Net income (loss) for the year	14,666	(226,936)
Depreciation and amortization	26	22
(Gains) Losses on disposals of:		
financial fixed assets	(22,623)	(1,048)
property, plant and equipment	(12)	(5)
Writedowns of financial fixed assets	0	304,772
Net change in employee severance indemnities	(1,010)	(227)
Change in working capital:		
trade receivables	63	(60)
trade payables	(115)	1,292
reserve for income taxes and other reserves	(7,463)	(8,628)
other assets and liabilities	(696)	(10,798)
	(17,164)	**58,384**
C) Cash flows provided by (used for) investing activities		
Investments in assets:		
financial fixed assets	(309,512)	(212,736)
property, plant and equipment	0	(42)
Proceeds from the sale of fixed assets:		
financial fixed assets	0	1,503
property, plant and equipment	12	5
	(309,500)	**(211,270)**
D) Cash flows provided by (used for) financing activities		
Increase (repayment) of loans	42,700	(75,000)
(Repayment) increase in loans from subsidiaries and parent companies	(28,246)	43,422
Net change in borrowings from banks	(145,413)	211,675
	(130,959)	**180,097**
E) Cash flows provided by (used for) changes in stockholders' equity		
Capital stock increase	457,440	0
Dividends paid	0	(34,030)
Other changes	17	17
	457,457	**(34,013)**
F) Net change in cash	**(166)**	**(6,802)**
G) Net cash at end of year	**64**	**230**

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

(Amounts in €)	**DECEMBER 31, 2003**	DECEMBER 31, 2002	CHANGE
FINANCIAL INCOME AND EXPENSES			
Investment income			
Dividends and tax credits relating to			
subsidiaries	**0**	86,931,729	(86,931,729)
associated companies	**4,443,715**	14,459,164	(10,015,449)
other companies	**202,500**	14,730,938	(14,528,438)
Gains on sale of investments in			
subsidiaries	**3,578,011**	1,048,311	2,529,700
other companies	**19,044,882**	0	19,044,882
	27,269,108	117,170,142	(89,901,034)
Other financial income	**10,968**	10,306	662
Interest and other financial expenses			
subsidiaries	**(65,897)**	(786,820)	720,923
parent company	**(655,645)**	(813,581)	157,936
other	**(14,496,498)**	(16,502,673)	2,006,175
	(15,218,040)	(18,103,074)	2,885,034
Writedowns of financial fixed assets	**0**	(304,771,787)	304,771,787
TOTAL FINANCIAL INCOME AND EXPENSES	**12,062,036**	(205,694,413)	217,756,449
VALUE OF PRODUCTION			
Revenues from sales and services	**1,060,113**	1,730,816	(670,703)
Other income and revenues	**456,781**	820,803	(364,022)
TOTAL VALUE OF PRODUCTION	**1,516,894**	2,551,619	(1,034,725)
OTHER OPERATING COSTS			
Purchases of raw materials, supplies and merchandise	**(53,856)**	(53,144)	(712)
Services	**(4,478,347)**	(9,389,023)	4,910,676
Leases and rentals	**(803,326)**	(888,580)	85,254
Personnel			
salaries and wages	**(1,715,921)**	(2,614,294)	898,373
social security contributions	**(520,723)**	(777,158)	256,435
employee severance indemnities	**(233,737)**	(490,329)	256,592
other costs	**(243,196)**	(284,924)	41,728
	(2,713,577)	(4,166,705)	1,453,128
Amortization, depreciation and writedowns	**(25,556)**	(21,517)	(4,039)
Other operating costs	**(1,610,640)**	(1,497,396)	(113,244)
TOTAL OTHER OPERATING COSTS	**(9,685,302)**	(16,016,365)	6,331,063
INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS AND INCOME TAXES	**3,893,628**	(219,159,159)	223,052,787
EXTRAORDINARY INCOME AND EXPENSES			
Extraordinary income	**4,084,521**	19,683	4,064,838
Extraordinary expenses	**(881,319)**	(36,545)	(844,774)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	**3,203,202**	(16,862)	3,220,064
INCOME (LOSS) BEFORE TAXES	**7,096,830**	(219,176,021)	226,272,851
INCOME TAXES	**7,569,434**	(7,759,618)	15,329,052
NET INCOME (LOSS) FOR THE PERIOD	**14,666,264**	(226,935,639)	241,601,903

REVALUATIONS MADE TO FIXED ASSETS EXISTING AT DECEMBER 31, 2003 (LAW NO. 72, ART. 10 OF MARCH 19, 1983)

(€ in thousands)	Legal revaluations	
	Law No. 576 December 2, 1975	Law No. 72 March 19, 1983
Financial fixed assets		
Subsidiaries		
IFIL ordinary shares	608	4,246
Associated companies		
EXOR GROUP ordinary shares	5,920	37,519
	6,528	**41,765**

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

To our Stockholders,

Under Art. 153 of Legislative Decree No. 58 of February 24, 1998, the Board of Statutory Auditors has the obligation to report to the Stockholders' Meeting on matters concerning the audit work carried out and any omissions and censurable matters that may have come to its attention. The Board of Statutory Auditors may also formulate proposals to the Stockholders' Meeting in relation to the financial statements, to its approval and to matters of its competence.

With this report, we have complied with the law.

In 2003, the Board of Statutory Auditors has complied with the obligations required by art. 149, Legislative Decree No. 58, dated February 24, 1998, which allows us to specifically comment on the matters which follow.

We have attended the meetings of the Board of Directors during the course of which the Directors informed us of the activities carried out and the significant economic, financial and equity transactions entered into or in progress by the company and/or its subsidiaries. In this regard, we have ascertained that the transactions approved and carried out were in conformity with the law and the corporate by-laws, were not in disagreement with the resolutions approved by the Stockholders' Meeting, nor in potential conflict of interest and were based upon the principles of good administration.

The organizational structure of the company is adequate in relation to the size of the company. The Board of Statutory Auditors, also on the basis of meetings held with company management and with representatives of the Independent Auditors, has gathered information regarding compliance with the principles of diligent and correct administrative management.

Our evaluation of the adequacy of the internal control system is positive, meaning that the system is operating effectively for the purpose of ascertaining that the internal operating and administrative procedures are being followed and which have been adopted in order to guarantee a sound and efficient management, and also to identify, prevent and manage, as far as possible, financial and operating risks and any fraud to the detriment of the company.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us also in previous years, is in a condition to correctly represent operating events.

The directives imposed on the subsidiaries by IFI S.p.A. as per Art. 114, paragraph 2, of Legislative Decree 58/98 are also considered adequate.

The Board of Directors has sent to us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the procedures established by Consob and has also provided, according to the law, reports on quarterly performance.

With reference to Consob Communications dated February 20, 1997, March 2, 1998 and April 6, 2001, as far as our responsibility is concerned, we can attest that:

- the information disclosed by the Directors in the Report on Operations is considered exhaustive and complete;
- the Board of Statutory Auditors, in accordance with the "Testo Unico sulla Finanza" (Legislative Decree No. 58/98), has been kept constantly informed about matters of its competence;
- the periodical tests and controls which the Board of Statutory carried out on the company did not show atypical and/or unusual transactions;
- intercompany transactions are presented and described in the Directors' Report on Operations and the numerous transactions for goods and services entered into with Group companies and/or related parties have been carried out at normal market conditions;
- the Independent Auditors' report did not contain any qualifications or other matters of interest nor related observations or proposals;
- as previously stated, the organizational structure of the company, insofar as we are responsible, appears to be adequate and the administrative accounting system is reliable for purposes of correctly representing operating events;
- the internal control systems appears adequate and effective;
- during 2003, the Board of Directors held eight meetings, which we always attended, and the Board of Statutory Auditors held 14 meetings, four of which were attended by the Independent Auditors;
- neither complaints, as per ex art. 2408 of the Italian Civil Code, were received by the Board of Statutory Auditors, nor has it been informed, at this time, of any petitions presented to IFI S.p.A.;
- opinions have been issued during the year by the Board of Statutory Auditors pursuant to the law;
- IFI S.p.A. has not assigned the audit firm, Deloitte & Touche S.p.A., other work, apart from the audit of the statutory financial statements and the consolidated financial statements and the limited scope audit of the six-month report.

As for the annual statutory financial statements, which show a net income of € 14,666,264, the reasons for which were described in the Report on Operations, we have ascertained compliance with the law as regards its structure and formation by tests carried out by us directly and through information received by us from the Independent Auditors. We therefore maintain that the financial statements are befitting of your approval, together with the proposal to increase the legal reserve to one fifth of capital stock and to appropriate the net income to the extraordinary reserve, as formulated by the Board of Directors.

The Board of Directors also asks for your authorization to buy-back treasury stock in the amount and in the manner and terms described in the specific report. As for our responsibility, we attest that the transaction proposed to you agrees with existing legislation.

In the extraordinary session, we propose that you approve the numerous amendments to the corporate by-laws, both obligatory and non-obligatory, in order to conform the by-laws to the provisions established or allowed by Legislative Decree No. 6/2003 and later amendments or integrations.

These comply with said law and therefore meet with our approval.

Turin, May 20, 2004

The Board of Statutory Auditors

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE BOARD OF STATUTORY AUDITORS ACCORDING TO ART. 41 OF LEGISLATIVE DECREE NO. 127/1991

To our Stockholders,

The consolidated financial statements of the IFI S.p.A. for the year ended December 31, 2003 – consisting of the balance sheet, the statement of operations and the notes to the financial statements – which have been made available to you, show a loss of € 130 million, compared to a loss of € 803 million in the prior year. The consolidated financial statements were submitted to us within the terms of the law, together with Report on Operations, and prepared in accordance with the provisions of Legislative Decree 127 dated April 9, 1991.

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

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

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

The Report on Operations adequately describes the results of operations and financial condition, the trend of operations during the course of 2003 and the business outlook of the whole of the companies in the scope of consolidation after the end of the year. The examination to which the Report has been subjected shows its congruity with the consolidated financial statements.

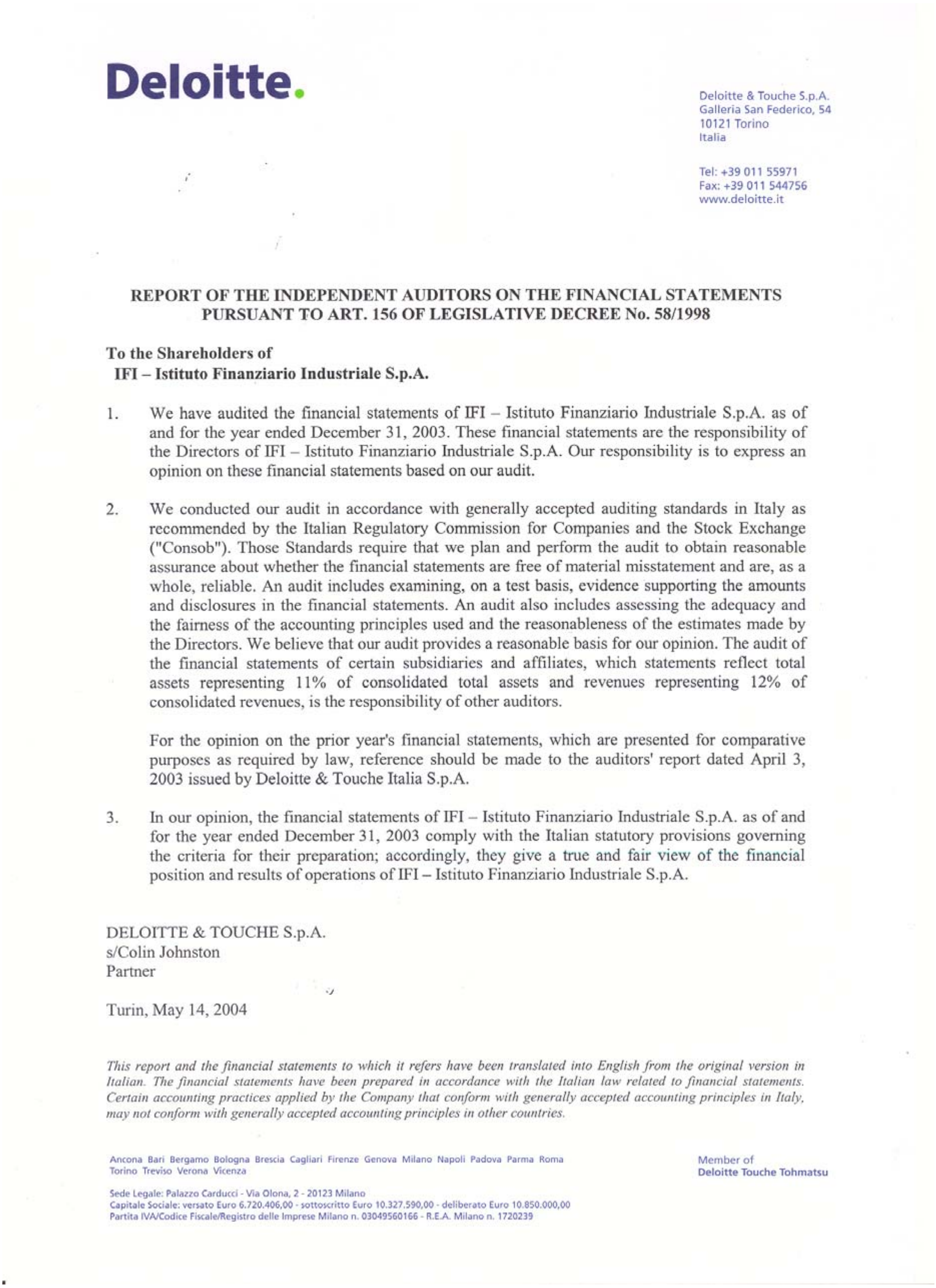
Turin, May 20, 2004

The Board of Statutory Auditors

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)



Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58/1998

To the Shareholders of
IFI – Istituto Finanziario Industriale S.p.A.

1. We have audited the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2003. These financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 11% of consolidated total assets and revenues representing 12% of consolidated revenues, is the responsibility of other auditors.

   For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to the auditors' report dated April 3, 2003 issued by Deloitte & Touche Italia S.p.A.

3. In our opinion, the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2003 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of IFI – Istituto Finanziario Industriale S.p.A.

DELOITTE & TOUCHE S.p.A.
s/Colin Johnston
Partner

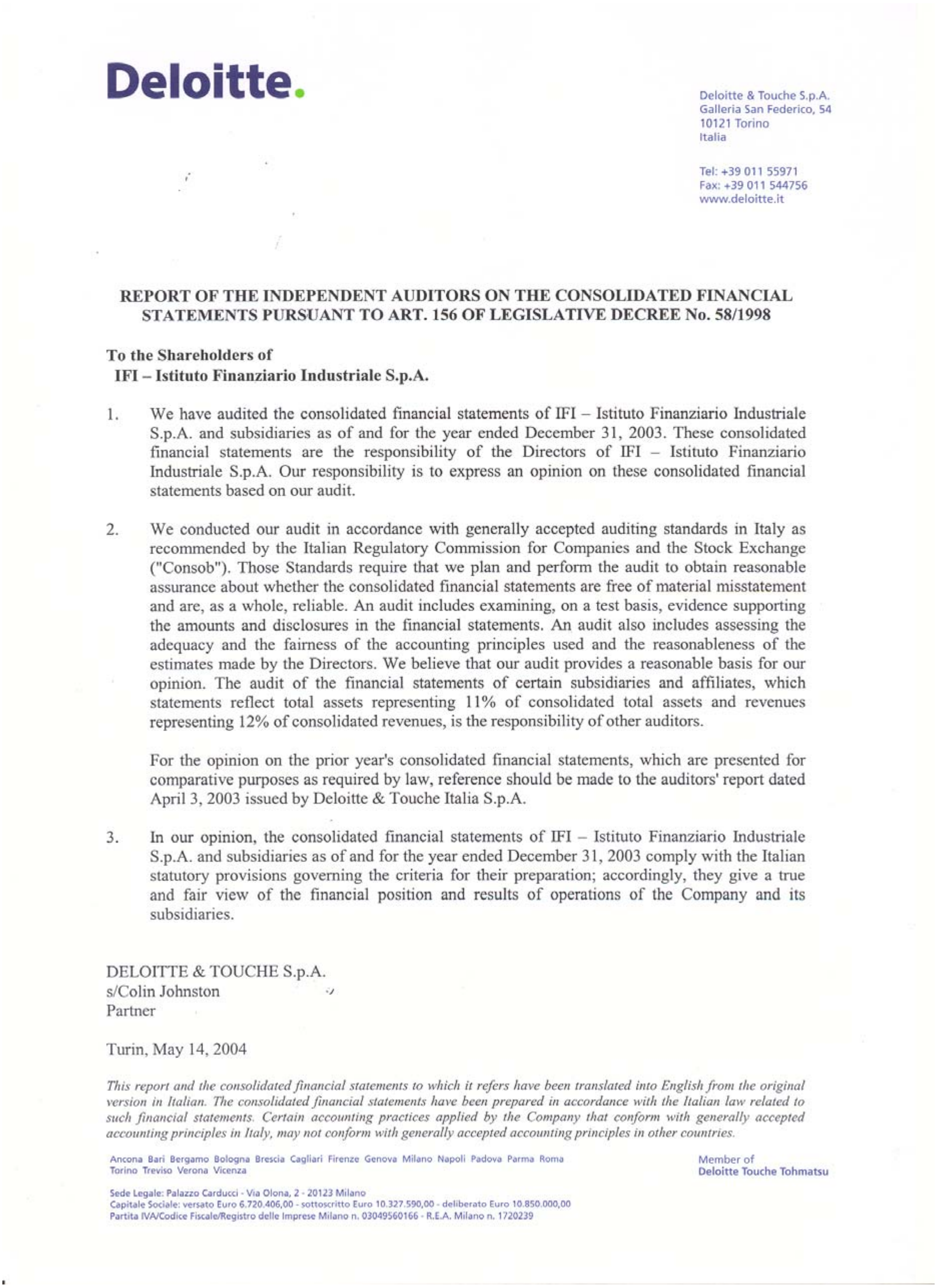
Turin, May 14, 2004

This report and the financial statements to which it refers have been translated into English from the original version in Italian. The financial statements have been prepared in accordance with the Italian law related to financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma
Torino Treviso Verona Vicenza

Member of
Deloitte Touche Tohmatsu

Sede Legale: Palazzo Carducci - Via Olona, 2 - 20123 Milano
Capitale Sociale: versato Euro 6.720.406,00 - sottoscritto Euro 10.327.590,00 - deliberato Euro 10.850.000,00
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239



Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58/1998

To the Shareholders of
IFI – Istituto Finanziario Industriale S.p.A.

1. We have audited the consolidated financial statements of IFI – Istituto Finanziario Industriale S.p.A. and subsidiaries as of and for the year ended December 31, 2003. These consolidated financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 11% of consolidated total assets and revenues representing 12% of consolidated revenues, is the responsibility of other auditors.

   For the opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to the auditors' report dated April 3, 2003 issued by Deloitte & Touche Italia S.p.A.

3. In our opinion, the consolidated financial statements of IFI – Istituto Finanziario Industriale S.p.A. and subsidiaries as of and for the year ended December 31, 2003 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the financial position and results of operations of the Company and its subsidiaries.

DELOITTE & TOUCHE S.p.A.
s/Colin Johnston
Partner

Turin, May 14, 2004

This report and the consolidated financial statements to which it refers have been translated into English from the original version in Italian. The consolidated financial statements have been prepared in accordance with the Italian law related to such financial statements. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Italy, may not conform with generally accepted accounting principles in other countries.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma
Torino Treviso Verona Vicenza

Member of
Deloitte Touche Tohmatsu

Sede Legale: Palazzo Carducci - Via Olona, 2 - 20123 Milano
Capitale Sociale: versato Euro 6.720.406,00 - sottoscritto Euro 10.327.590,00 - deliberato Euro 10.850.000,00
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239

IFI GROUP'S COMPANIES

In accordance with the provisions of Legislative Decree No. 127/91, articles 38 and 39, and Consob resolution No. 11971 of May 14, 1999 (art. 126 of the Regulations and successive amendments), the following list is provided of the companies and significant holdings included in the consolidated financial statements.

The companies in the list are divided by consolidation method and business segment. For each company, the following information is provided: the registered offices, the country location, the capital stock in the original currency. The consolidated percentage of ownership held by the Group is also indicated, as well as the percentage of ownership held by IFI S.p.A. or by other subsidiaries.

A separate column shows the percentage of voting rights in the Ordinary Stockholders' Meeting. An Asterisk (*) indicates ownership with voting suspended.

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFI S.p.A.	ITALY	163,251,460	EURO				

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS
Holding companies - diversified

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFIL FINANZIARIA DI PARTECIPAZIONI S.p.A. (1)	ITALY	1,075,195,737	EURO	60.55	Societa' per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	59.876	62.033
					IFIL-FINANZIARIA DI PARTECIPAZIONI S.p.A. (*)	1.099	1.139
					SOIEM S.p.A.(*)	0.075	0.078

ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD

Holding companies - diversified

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
EXOR GROUP S.A.	LUXEMBOURG	116,701,000	EURO	29.30	Societa' per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	29.291	29.291
					EXOR GROUP S.A. (*)	0.031	0.031

(1) For purposes of a clearer presentation, the investments held through IFIL are shown separately.

(*) Voting suspended.

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. (60.55%-owned subsidiary)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Miscellaneous and Holding companies							
FIAT S.P.A. (1)	ITALY	4,918,113,540	EUR	27.62	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	27.619	30.060
					FIAT S.P.A. (*)	0.505	0.621
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	79.816	79.816
					IFIL INVESTMENT HOLDING N.V.	20.184	20.184
IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	54,000,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000	100.000
IFIL CAPITAL B.V.	NETHERLANDS	11,000,000	EUR	100.00	IFIL INVESTMENT HOLDING N.V.	100.000	100.000
IFIL FINANCE B.V.	NETHERLANDS	10,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFILGROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
NEW BUSINESS QUINDICI S.r.l.	ITALY	15,000,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000	100.000
WORMS & CIE S.A. DIRECTOIRE ET CONSEIL DE SURVEILLANCE (1)	FRANCE	161,210,830.68	EUR	53.07	IFIL INVESTISSEMENTS S.A.	53.074	53.074
					WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (*)	0.066	0.066
Tourism and Hotel activities							
NHT NEW HOLDING FOR TOURISM B.V. (1)	NETHERLANDS	32,980,000	EUR	90.00	IFIL INVESTISSEMENTS S.A.	59.679	59.679
					IFIL FINANCE B.V.	30.321	30.321
Services							
SOIEM S.P.A.	ITALY	18,250,000	EUR	100.00	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	100.000	100.000
SUBSIDIARIES VALUED BY THE EQUITY METHOD							
Football Club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	62.01	IFIL FINANZIARIA DI PARTECIPAZIONI S.P.A.	62.010	62.010
SUBSIDIARIES VALUED AT COST							
Lease of own real estate and sublease							
CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	69.800	69.800
					CAMPI DI VINOVO (*)	3.000	
ASSOCIATED COMPANIES JOINTLY CONTROLLED WITH THIRD STOCKHOLDERS VALUED BY THE EQUITY METHOD							
Miscellaneous and Holding companies							
EUROFIND S.A.	LUXEMBOURG	985,348,268	EUR	40.47	IFIL INVESTISSEMENTS S.A.	40.468	50.000
EUFIN INVESTMENTS UNLIMITED	UNITED KINGDOM	243,100	EUR	40.47	EUROFIND S.A.	100.000	100.000
ASSOCIATED COMPANIES VALUED AT COST							
Miscellaneous and Holding companies							
EUROMEDIA LUXEMBOURG ONE S.A.	LUXEMBOURG	52,500,000	USD	-	IFIL INVESTISSEMENTS S.A.	14.286	14.286
					FIAT NETHERLAND HOLDING NV	14.286	14.286
Services							
WE-CUBE.COM S.P.A.	ITALY	666,668	EUR	-	IFIL INVESTISSEMENTS S.A.	14.790	14.790
					BUSINESS SOLUTIONS S.P.A.	14.790	14.790
Stadium management							
SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

(1) For purposes of a clearer presentation, the investments held through FIAT, Worms & Cie and NHT New Holding for Tourism B.V. are shown separately.

(*) Voting suspended.

INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Automobiles								
Fiat Auto Holdings B.V.	Amsterdam	Netherlands	1,000,000	EUR	90.00	Fiat Partecipazioni S.p.A.	90.000	
Banco Fidis de Investimento SA	Sao Paulo	Brazil	116,235,465	BRL	89.97	Fiat Auto S.p.A.	94.968	
						Fiat Automoveis S.A. - FIASA	5.000	
B.D.C. S.A.	Brussels	Belgium	1,289,294	EUR	90.00	Fiat Auto (Belgio) S.A.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	463,938,188	ARS	90.00	Fiat Auto S.p.A.	63.336	
						Fiat Automoveis S.A. - FIASA	36.664	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	7,585,220	EUR	90.00	Fiat Finance Netherlands B.V.	99.990	
						Fiat Auto (Suisse) S.A.	0.010	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	13,500,000	GBP	90.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	89.86	Fiat Auto (Belgio) S.A.	99.839	
Fiat Auto Espana S.A.	Alcalá De Henares	Spain	57,696,960	EUR	90.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	2,250,000	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	1	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Auto (France) S.A.	Trappes	France	91,050,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.999	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	33,533,499	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	90.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	90.00	Fiat Auto S.p.A.	50.000	
						Fidis S.p.A.	50.000	
Fiat Auto Lease N.V.	Utrecht	Netherlands	454,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	314,000,000	MAD	89.96	Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Lijnden	Netherlands	5,672,250	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	77.98	Fiat Auto S.p.A.	86.644	
Fiat Auto Portuguesa S.A.	Alges	Portugal	8,000,000	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sandton	South Africa	440	ZAR	90.00	Fiat Auto S.p.A.	100.000	
Fiat Auto S.p.A.	Turin	Italy	2,500,000,000	EUR	90.00	Fiat Auto Holdings B.V.	100.000	
Fiat Auto (Suisse) S.A.	Geneva	Switzerland	21,400,000	CHF	90.00	Fiat Auto S.p.A.	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l. a S.U.	Turin	Italy	10,200,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,280,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	90.00	Fiat Automobil AG	100.000	
Fiat Automobiler Danmark A/S	Glostrup	Denmark	55,000,000	DKK	90.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,432,341,332	BRL	90.00	Fiat Auto S.p.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000	CHF	90.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	90.00	Fiat Auto S.p.A.	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,403	EUR	90.00	Fiat Auto (Belgio) S.A.	99.999	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	264,595,928	ARS	90.00	Fidis S.p.A.	99.999	
						Fiat Auto Argentina S.A.	0.001	
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	450,300	EUR	90.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	90.00	Fiat Finance Netherlands B.V.	99.995	
						Fidis S.p.A.	0.005	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	90.00	Fiat Auto Holdings B.V.	50.252	
						Fidis S.p.A.	49.748	
Fiat Handlerservice GmbH	Heilbronn	Germany	5,100,000	EUR	90.00	Fiat Automobil AG	100.000	
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	90.00	Fiat Auto S.p.A.	100.000	
Fiat India Private Ltd.	Mumbai	India	14,917,862,500	INR	88.07	Fiat India Automobiles Private Limited	89.377	88.415
						Fiat Auto S.p.A.	8.478	9.245
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	90.00	Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	90.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovack Republic	1,000,000	SKK	90.00	Fiat Auto S.p.A.	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	94.90	Fiat Automobil AG	51.000	
						Rimaco S.A.	49.000	
Fidis Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	90.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Dealer Services B.V.	Utrecht	Netherlands	698,000	EUR	90.00	Fiat Auto Nederland B.V.	100.000	
Fidis Faktoring Polska Sp. z o.o.	Warsaw	Poland	1,000,000	PLN	90.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	90.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Hungary KFT	Budapest	Hungary	13,000	EUR	90.00	Fidis S.p.A.	100.000	
Fidis Renting Italia S.p.A.	Turin	Italy	70,300,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	90.00	Fiat Auto S.p.A.	99.900	
						Nuove Iniziative Finanziarie 2 S.r.l.	0.100	
Finplus Renting S.A.	Madrid	Spain	455,991	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	12,020,000	EUR	90.00	Fiat Auto Espana S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Paris	France	56,000	EUR	90.00	Fiat Auto (France) S.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Italian Automotive Center S.A.	Brussels	Belgium	16,902,175	EUR	90.00	B.D.C. S.A.	100.000	
Sata-Società Automobilesstica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Sofice-Société de Financement des Concessionaires s.a.s.	Trappes	France	3,353,600	EUR	90.00	Fiat Auto (France) S.A.	100.000	
Tarfin S.A.	Geneva	Switzerland	500,000	CHF	90.00	Fiat Finance Netherlands B.V.	100.000	
Targa Assistance S.r.l.	Turin	Italy	260,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Automotive S.p.A.	Turin	Italy	5,000,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Infomobility S.p.A.	Turin	Italy	100,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	90.00	Fidis S.p.A.	100.000	
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	90.00	Fiat Auto Espana S.A.	100.000	
Targasys Stock E.F.C. S.A.	Alcalá De Henares	Spain	5,108,799	EUR	90.00	Fiat Auto Espana S.A.	100.000	
Agricultural and Construction equipment								
CNH Global N.V.	Amsterdam	Netherlands	317,055,857	EUR	85.13	Fiat Netherlands Holding N.V.	85.063	84.238
						CNH Global N.V.	0.083	0.000
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	85.13	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	137,582,600	BRL	85.13	CNH Global N.V.	85.660	
						CNH Latino Americana Ltda	14.340	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	85.13	New Holland North America Inc.	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Bli Group Inc.	100.000	
Case Brasil & CIA. LTDA.	Sorocaba	Brazil	301,480,657	BRL	85.13	Case Brazil Holdings Inc.	87.510	
						Case Equipment International Corporation	12.490	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
Case Canada Receivables Inc.	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
Case Credit Australia Investments Pty. Ltd.	St. Marys	Australia	187,360,048	AUD	85.13	CNH Australia Pty Limited	100.000	
Case Credit Corporation	Wilmington	U.S.A.	1,000	USD	85.13	CNH Capital Corporation	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000	
Case Credit Ltd.	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	99.500	
						CNH Canada Ltd.	0.500	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
Case Europe S.a.r.l.	Roissy	France	7,622	EUR	85.13	Case LLC	100.000	
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	85.13	Case LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case International Limited	Basildon	United Kingdom	61,504,001	GBP	85.13	New Holland Holding Limited	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
Case LLC	Wilmington	U.S.A.	4	USD	85.13	Fiatallis North America Inc.	61.111	
						Case New Holland Inc.	38.889	
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	85.13	Case LLC	100.000	
Case Mexico S.A.	Mexico	Mexico	810,000	MXN	85.13	Case LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	85.13	CNH Global N.V.	100.000	
Case New Holland Italia s.p.a.	Modena	Italy	15,600,000	EUR	85.13	CNH International S.A.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	85.13	Case LLC	100.000	
Case Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	85.13	New Holland Holdings Argentina S.A.	80.654	
						Case LLC	19.346	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	85.13	CNH Global N.V.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	85.13	CNH International S.A.	100.000	
CNH Canada Ltd.	Toronto	Canada	28,000,100	CAD	85.13	CNH Global N.V.	66.524	
						Case LLC	33.476	
CNH Capital Australia Pty. Ltd.	St. Marys	Australia	26,819,518	AUD	85.13	Case Credit Australia Investments Pty. Ltd.	100.000	
CNH Capital Benelux S.A.	Zedelgem	Belgium	54,458	EUR	85.13	CNH Global N.V.	99.000	
						CNH Capital U.K. Ltd	1.000	
CNH Capital Corporation	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	85.13	CNH Capital plc	99.984	
						CNH Financial Services A/S	0.003	
						CNH Financial Services S.r.l.	0.003	
						CNH Global N.V.	0.003	
						CNH International S.A.	0.003	
						New Holland Financial Services Ltd	0.003	
						CNH Trade N.V.	0.001	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000	
CNH Capital plc	Dublin	Ireland	6,386,790	EUR	85.13	CNH Global N.V.	100.000	
CNH Capital Receivables Inc.	Wilmington	U.S.A.	5	USD	85.13	Case Credit Corporation	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	85.13	CNH Global N.V.	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	85.13	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	85.13	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	85.13	CNH Global N.V.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Financial Services GmbH	Heilbronn	Germany	200,000	EUR	85.13	CNH International S.A.	100.000	
CNH Financial Services S.A.	Puteaux	France	38,125	EUR	85.13	CNH Global N.V.	100.000	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	85.13	CNH Global N.V.	100.000	
CNH France S.A.	Villepinte	France	138,813,150	EUR	85.13	CNH International S.A.	100.000	
CNH Information Technology Name LLC	Wilmington	U.S.A.	0	USD	85.13	Case LLC	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	85.13	CNH Global N.V.	100.000	
CNH Latino Americana Ltda	Curitiba	Brazil	215,131,804	BRL	85.13	CNH Global N.V.	55.345	
						Case Brasil & CIA. LTDA.	44.655	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	85.13	CNH International S.A.	77.142	
						Case LLC	22.857	
CNH Movimento Terra S.p.A.	Turin	Italy	12,320,000	EUR	85.13	Case New Holland Italia s.p.a.	100.000	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	85.13	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	85.13	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	85.13	CNH International S.A.	99.980	
						Case New Holland Italia s.p.a.	0.020	
CNH Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case Credit Corporation	100.000	
CNH Serviços Técnicos e Desenvolvimento de Negocios Ltda	Curitiba	Brazil	1,000,000	BRL	85.13	Banco CNH Capital S.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	85.13	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	85.13	New Holland Holding Limited	100.000	
CNH Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case Credit Corporation	100.000	
Fiat Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	63.53	Case New Holland Italia s.p.a.	59.625	
						CNH Global N.V.	15.000	
Fiatallis North America Inc.	Wilmington	U.S.A.	10	USD	85.13	Case New Holland Inc.	100.000	
Fiat-Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	63.53	Fiat Kobelco Construction Machinery S.p.A.	100.000	
Flexi-Coil (U.K.) Limited	York	United Kingdom	1,000	GBP	85.13	CNH Canada Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	85.13	New Holland Mauritius (Private) Ltd.	99.000	
						CNH International S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	51.08	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	43.42	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	55.34	New Holland Excavator Holdings LLC	65.000	
Kobelco Construction Machinery Europe BV	Almere	Netherlands	567,225	EUR	63.53	Fiat Kobelco Construction Machinery S.p.A.	100.000	
MBA AG, Baumaschinen	Bassersdorf	Switzerland	4,000,000	CHF	85.13	CNH Global N.V.	100.000	
Multi Rental Locaçao de Maquinas Ltda.	Sorocaba	Brazil	1,000,000	BRL	85.13	CNH Latino Americana Ltda	100.000	
New Holland Australia Pty. Limited	Riverstone	Australia	3,500,000	AUD	85.13	CNH Australia Pty Limited	100.000	
New Holland (Canada) Credit Name	Calgary	Canada	1,000	CAD	85.13	CNH Canada Ltd.	99.000	
						Case Credit Ltd.	1.000	
New Holland (Canada) Credit Holding Ltd. in liq.	Toronto	Canada	1	CAD	85.13	CNH Canada Ltd.	100.000	
New Holland Canada Ltd.	Saskatoon	Canada	10,403	CAD	85.13	CNH Canada Ltd.	100.000	
New Holland Credit Australia Pty Limited	Riverstone	Australia	11,507,150	AUD	85.13	CNH Capital Australia Pty. Ltd.	100.000	
New Holland Credit Name LLC	Wilmington	U.S.A.	0	USD	85.13	Fiatallis North America Inc.	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	85.13	Case LLC	100.000	
New Holland Financial Services Ltd	Basildon	United Kingdom	50,000	GBP	85.13	CNH Global N.V.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	85.13	CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	85.13	CNH Global N.V.	100.000	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	85.13	CNH Global N.V.	100.000	
New Holland Mauritius (Private) Ltd.	Port Louis	Mauritius	78,571,333	USD	85.13	Case New Holland Italia s.p.a.	100.000	
New Holland North America Inc.	Wilmington	U.S.A.	60	USD	85.13	Fiatallis North America Inc.	100.000	
New Holland Receivables Corporation	Wilmington	U.S.A.	10	USD	85.13	Fiatallis North America Inc.	100.000	
New Holland Retail Receivables Corporation I	Las Vegas	U.S.A.	1,000	USD	85.13	New Holland Credit Company LLC	100.000	
New Holland Retail Receivables Corporation II	Las Vegas	U.S.A.	1,000	USD	85.13	New Holland Retail Receivables Corporation I	100.000	
New Holland Tractor Ltd. N.V.	Anversa	Belgium	9,631,500	EUR	85.13	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	210,920,725,750	INR	85.13	New Holland Mauritius (Private) Ltd.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	85.13	O & K Orenstein & Koppel GmbH	100.000	
O & K Orenstein & Koppel GmbH	Berlin	Germany	61,355,030	EUR	85.13	CNH International S.A.	100.000	
Olaf Poulsen A/S	Ishoj	Denmark	6,000,000	DKK	85.13	CNH Danmark A/S	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
Receivables Credit Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
Receivables Credit III Corporation	Calgary	Canada	1	CAD	85.13	Case Credit Corporation	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	32.56	Case Equipment Holdings Limited	38.250	51.000
Servicios Case Mexicana S.A. de C.V.	Mexico	Mexico	375,000	MXN	85.13	Case LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	51.08	New Holland Mauritius (Private) Ltd.	60.000	
Commercial Vehicles								
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Astra Commercial Vehicles S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Materiels S.A.	Saint-Alban-Leysse	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.963	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco Pegaso S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
Euromoteurs S.A.	Garchizy	France	915,000	EUR	100.00	Iveco France S.A.	100.000	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	61.71	CNH Global N.V.	33.333	
						Iveco S.p.A.	33.333	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Irisbus Holding S.L.	68.146	
Ikarusbus Jamugyarto RT	Szekesfehervar	Hungary	974,268,827	HUF	100.00	Irisbus Holding S.L.	100.000	
Commercial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Irisbus Holding S.L.	100.000	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	10,000,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus France S.A.	Vénissieux	France	142,482,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Holding S.L.	Madrid	Spain	233,670,000	EUR	100.00	Iveco S.p.A.	99.999	
						Iveco Pegaso S.L.	0.001	
Irisbus Iberica S.L.	Madrid	Spain	28,930,788	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Irisbus Holding S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC Vehicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC-Salzburg Nutzfahrzeughandel GmbH	Eugendorf	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000	
IVC-Wien Nutzfahrzeughandel GmbH	Vienna	Austria	37,000	EUR	100.00	Iveco Austria GmbH	100.000	
Iveco Argentina S.A.	Còrdoba	Argentina	26,700,000	ARS	100.00	Iveco S.p.A.	100.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Norimberga	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	170,100,000	BRL	95.00	Fiat Automoveis S.A. - FIASA	50.000	
						Iveco S.p.A.	48.576	
						Iveco Latin America Ltda	1.424	
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
Iveco Finance GmbH	Ulm	Germany	40,000,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Finance Limited	Watford	United Kingdom	100	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Finanziaria S.p.A.	Turin	Italy	30,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Finland OY	Espoo	Finlandia	200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco France S.A.	Trappes	France	93,800,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	25,000,000	CHF	100.00	Iveco S.p.A.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco Latin America Ltda	Sao Paulo	Brazil	459,700,000	BRL	100.00	Iveco S.p.A.	100.000	
Iveco Lease GmbH	Ulm	Germany	775,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Lorraine S.a.s.	Haunconcourt	France	305,600	EUR	100.00	Iveco France S.A.	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Eurofire (Holding) GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France S.A.	40.000	
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Nutzfahrzeuge GmbH Hannover Braunschweig	Hannover	Germany	793,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nutzfahrzeuge Nord-West GmbH	Dortmund-Wambel	Germany	1,355,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Otomotiv Ticaret A.S.	Nisantasi-Istanbul	Turkey	5,474,378,000,000	TRL	100.00	Iveco S.p.A.	99.995	
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pegaso S.L.	Madrid	Spain	105,213,628	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Limited	50.000	
						Iveco (UK) Ltd	50.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A.	99.600	
						Iveco S.p.A.	0.400	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco (UK) Ltd	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine Inc.	Kiev	Ukraine	62,515,200	UAK	99.99	Iveco S.p.A.	89.489	99.968
						Iveco Ukraine Inc.	10.483	0.000
						Iveco-Motor Sich. Inc.	0.028	0.032
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Düsseldorf	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco-Motor Sich. Inc.	Zaporozhye	Ukraine	26,568,000	UAK	55.56	Iveco S.p.A.	55.556	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.52	Société d`Assistance Técnique Automobile S.A.T.A.U. S.A.	97.521	
Karosa r.s.o.	Bratislava	Slovack Republic	200,000	SKK	97.52	Karosa A.S.	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Lyon Vehicules Industriels S.A.S.	Saint Priest	France	915,000	EUR	100.00	Iveco France S.A.	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Pegaso S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	6,120,000	EUR	100.00	Iveco S.p.A.	100.000	
Rhein-Main Nutzfahrzeuge GmbH Reichold, Franz Kahl & Partners	Frankfurt	Germany	920,325	EUR	100.00	Iveco Magirus AG	100.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Mediterranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France S.A.	50.000	
						Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Spares & Service Limited	Oldham	United Kingdom	20,000	GBP	100.00	Seddon Atkinson Vehicles Ltd	100.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
S.I.M.I.S.-Société Industrielle pour le Materiels d'Incendie et de Securité S.A.	Saint-Alban-Leysse	France	40,016	EUR	97.96	C.A.M.I.V.A. Constructeurs Associés de Materiels S.A.	98.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Société d`Assistance Técnique Automobile S.A.T.A.U. S.A.	Vénissieux	France	35,610,000	EUR	100.00	Irisbus France S.A.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Stevi-Société Stephanoise de Vehicules Industriels S.A.S.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Transolver Finance S.A.	Trappes	France	30,244,800	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Operational Services Limited	Watford	United Kingdom	2,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Pegaso S.L.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Services GmbH	Unterschliessheim	Germany	750,000	EUR	100.00	Iveco Magirus AG	100.000	
Transolver Services S.A.	Trappes	France	38,000	EUR	100.00	Fiat France S.A.	90.000	
						Iveco France S.A.	10.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Utilitaries & Vehicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A.	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco Pegaso S.L.	51.867	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Ferrari and Maserati								
Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00	Fiat S.p.A.	56.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	56.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	56.00	Ferrari N.America Inc.	100.000	
Maserati S.p.A.	Modena	Italy	31,000,000	EUR	56.00	Ferrari S.p.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Neuilly-sur-Seine	France	6,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Corporation	Farmington Hills	U.S.A.	1,000	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Holding GmbH in liq.	Innsbruck	Austria	11,952,191	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUR	85.38	Automotive Lighting Reutlingen GmbH	85.389	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
C.e.a. Axo Scintex S.A.	Saint Denis	France	16,040,896	EUR	99.99	Seima Italiana S.p.A.	99.998	
Fiat CIEI S.p.A.	Corbetta	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Iluminacao Automotiva Ltda	Contagem	Brazil	93,260,418	BRL	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.A. de CV	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.A. de CV	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Kadron S/A	Maua	Brazil	20,000,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli After Market Limited in liq.	Cannock	United Kingdom	1	GBP	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	2,000,000	ARS	99.90	Magneti Marelli France S.A.	84.563	
						Magneti Marelli Holding S.p.A.	15.437	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	243,408,933	BRL	99.62	Magneti Marelli Holding S.p.A.	99.628	99.966
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.000	
						Magneti Marelli Argentina S.A.	1.000	
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	125,863,327	BRL	99.99	Magneti Marelli Powertrain S.p.A.	99.997	
						Fiat do Brasil S.A.	0.003	
Magneti Marelli Deutschland GmbH	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695	99.976
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	65,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.997	
						Fiat do Brasil S.A.	0.003	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli France S.A.	Nanterre	France	67,380,000	EUR	99.88	Magneti Marelli Holding S.p.A.	99.884	
						Ufima S.A.S.	0.003	
Magneti Marelli Iberica S.A.	Madrid	Spain	99,766	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.88	Magneti Marelli France S.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Otomotiv Sistemleri Sanayi ve Ticaret A.S.	Esentepe-Istanbul	Turkey	9,000,000,000	TRL	97.99	Magneti Marelli Holding S.p.A.	98.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. Inc.	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (WUHU) Co. Ltd.	Anhui	People's Rep. of China	3,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Services S.p.A.	Corbetta	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Svenska A/B in liq.	Goteborg	Sweden	100,000	SEK	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli U.K. Limited	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Components B.V.	100.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Midas Autoservice GmbH	Vienna	Austria	472,373	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Europe S.A.M.	Monaco	Princ. of Monaco	331,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas France S.a.s.	Celle S. Cloud	France	17,475,000	EUR	99.99	Magneti Marelli Services S.p.A.	99.999	
						Midas Italia S.p.A.	0.001	
Midas Italia S.p.A.	Milan	Italy	5,000,000	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Polska Sp. z o.o.	Warsaw	Poland	8,650,000	PLN	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas S.A.	Berchem	Belgium	4,000,000	EUR	99.99	Magneti Marelli Services S.p.A.	99.774	
						Midas Italia S.p.A.	0.226	
Midas Schwiez AG	Zurich	Switzerland	680,000	CHF	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Silenciador S.L.	Madrid	Spain	3,093,563	EUR	99.99	Magneti Marelli Services S.p.A.	100.000	
Midas Spain Inc.	Chicago	U.S.A.	1,000	USD	99.99	Magneti Marelli Services S.p.A.	100.000	
MotorMust.com S.p.A. in liq.	Milan	Italy	2,300,000	EUR	99.66	Magneti Marelli Services S.p.A.	99.674	
Sadim S.a.r.l.	Celle S. Cloud	France	8,000	EUR	99.99	Midas France S.a.s.	100.000	
Seima Italiana Deutschland GmbH	Grasbrunn-Neukerferloh	Germany	25,565	EUR	98.99	Seima Italiana S.p.A.	99.000	
Seima Italiana S.p.A.	Tolmezzo	Italy	13,220,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	60,500,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting Corporation	100.000	
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A.	35.541	
						Fiat Partecipazioni S.p.A.	34.980	
						Magneti Marelli Components B.V.	29.426	
Yorka de Mexico S.A. de CV	El Marques Queretaro	Mexico	50,000	MXN	99.99	Yorka SA - Senalizacion y Accesorios del Automovil	100.000	
Yorka SA - Senalizacion y Accesorios del Automovil	Llinares del Valles	Spain	9,153,693	EUR	99.99	Seima Italiana S.p.A.	100.000	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	140,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	3,617,977	ARS	100.00	Comau S.p.A.	55.283	
						Comau do Brasil Industria e Comercio Ltda.	44.689	
						Fiat Argentina S.A.	0.028	
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00	Comau S.p.A.	99.998	
Comau Belgium N.V.	Zedelgem	Belgium	175,000	EUR	100.00	Comau S.p.A.	99.900	
						Comau Service France S.A.	0.100	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	112,794,611	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	46,108,100	USD	100.00	Comau S.p.A.	100.000	
COMAU Germann-Intec GmbH & Co. KG	Heilbronn	Germany	1,478,614	EUR	100.00	Germann-Intec Verwaltungs GmbH	100.000	
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
COMAU Ingest Sverige AB	Trollhattan	Sweden	10,000,000	SEK	100.00	Comau S.p.A.	51.000	
						Ingest Facility S.p.A.	49.000	
Comau Pico Holdings Corporation	Southfield	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Quad Precision (Pty) Ltd. in liq.	Eppindust	South Africa	1,000	ZAR	83.70	Comau South Africa (Pty) Ltd.	83.700	
Comau Romania S.R.L.	Bihor	Romenia	3,249,800,000	ROL	100.00	Comau S.p.A.	100.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	300	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau Sciaky S.A.	Trappes	France	40,000	EUR	99.76	Comau Systèmes France S.A.	99.760	
Comau Service France S.A.	Trappes	France	2,250,000	EUR	99.99	Comau S.p.A.	99.987	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	50,000	GBP	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,000	ZAR	100.00	Comau S.p.A.	100.000	
Comau Systèmes France S.A.	Trappes	France	29,173,600	EUR	100.00	Comau S.p.A.	100.000	
Eagle Test and Assembly Co.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Estil Shrewsbury Ltd. in liq.	Shropshire	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Geico do Brasil Ltda	Betim	Brazil	202,950	BRL	48.78	Geico S.p.A.	95.565	
						Comau do Brasil Industria e Comercio Ltda.	0.044	
Geico Endustriyel Taahhut A.S.	Istanbul	Turkey	100,000,000,000	TRL	50.98	Geico S.p.A.	99.959	
Geico S.p.A.	Cinisello Balsamo	Italy	3,627,000	EUR	51.00	Comau S.p.A.	51.000	
Germann-Intec Verwaltungs GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Italtech S.p.A.	Brescia	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Novi Industries, Inc.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Numerical Control Center, Inc. in liq.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico East, Inc.	Macomb	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Estil Control Systems Ltd.	Rainham	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Pico Estil Manufacturing Ltd. in liq.	Luton	United Kingdom	5,000	GBP	100.00	Comau Estil Unl.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000	
Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Precision.Com Corp.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Progressive Industries Co. of Canada Ltd.	Windsor	Canada	100	CAD	100.00	Comau S.p.A.	100.000	
Progressive Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Progressive Tool & Industries Name	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000	
Trebol Tepotzotlan S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Wisne Automation & Engineering Co.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Wisne Technologies, Inc. in liq.	Royal Oak	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	239,600,000	EUR	80.48	Fiat Partecipazioni S.p.A.	80.482	
Accurcast Limited	Saint John	Canada	39,684,600	CAD	41.05	Meridian Technologies Inc.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	80.48	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Aveiro	Portugal	13,697,550	EUR	67.29	Fonderie du Poitou Fonte S.A.S.	83.607	
Jutras Die Casting Limited	Saint John	Canada	24,490,715	CAD	41.05	Meridian Technologies Inc.	100.000	
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	41.05	Meridian Technologies Inc.	69.439	
						Meridian Magnesium N.V. in liq.	30.561	
Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	41.05	Magnesium Products of America Inc.	100.000	
Meridian Deutschland GmbH	Heilbronn	Germany	25,600	EUR	41.05	Meridian Technologies Inc.	100.000	
Meridian Magnesium LLC	Wilmington	U.S.A.	4,962	USD	41.05	1118395 Ontario Inc.	90.000	
						Meridian Technologies Inc.	10.000	
Meridian Magnesium N.V. in liq.	Amstelveen	Netherlands	35,193,626	EUR	41.05	Meridian Technologies Inc.	100.000	
Meridian Technologies Inc.	Saint John	Canada	179,063,445	CAD	41.05	Teksid S.p.A.	31.450	
						Teksid Acquisition Inc.	19.550	
Shanghai Meridian Magnesium Products Name Limited	Shanghai	People's Rep. of China	8,000,000	USD	24.63	Meridian Technologies Inc.	60.000	
Société Bretonne de Fonderie et de Mecanique S.A.	Caudan	France	10,549,860	EUR	80.48	Teksid S.p.A.	100.000	
Teksid Acquisition Inc.	Toronto	Canada	72,300,001	CAD	80.48	Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	80.48	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Sao Pedro	Mexico	567,466,400	MXN	60.36	Teksid S.p.A.	75.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	60.36	Teksid S.p.A.	75.000	
Teksid Investment N.V. in liq.	Amsterdam	Netherlands	69,000,000	EUR	80.48	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	80.48	Teksid S.p.A.	100.000	
1118395 Ontario Inc.	Saint John	Canada	6,210	CAD	41.05	Meridian Technologies Inc.	100.000	
Services								
Business Solutions S.p.A.	Turin	Italy	10,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000	
Building Support S.r.l. a socio unico	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000	
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Business Solutions do Brasil Ltda	Nova Lima	Brazil	36,915,855	BRL	100.00	Business Solutions S.p.A.	100.000	
Business Solutions France FiatGroup S.a.s.	Levallois-Perret	France	695,600	EUR	100.00	Business Solutions S.p.A.	60.000	
						Fiat France S.A.	40.000	
Business Solutions Iberica Fiat Group SL	Madrid	Spain	369,327	EUR	100.00	Business Solutions S.p.A.	80.000	
						Fiat Iberica S.A.	20.000	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A.	99.986	
						Fiat Polska Sp. z o.o.	0.014	
Cleantecno S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Cromos Consulenza e Formazione S.r.l.	Turin	Italy	13,000	EUR	74.96	Isvor Knowledge System S.p.A.	76.000	
Delivery & Mail S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Easy Drive S.r.l. a S.U.	Turin	Italy	10,400	EUR	100.00	Business Solutions S.p.A.	100.000	
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fast Buyer do Brasil Ltda	Nova Lima	Brazil	50,000	BRL	99.92	Fast-Buyer S.p.A.	99.998	
						Business Solutions do Brasil Ltda	0.002	
Fast Buyer France S.a.r.l.	Paris	France	7,700	EUR	99.92	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	99.92	Business Solutions S.p.A.	99.916	
Fiat Engineering France S.A.	Paris	France	680,000	EUR	99.98	Fiat Engineering S.p.A.	99.984	
Fiat Engineering India Ltd.	New Delhi	India	3,500,000	INR	100.00	Fiat Engineering S.p.A.	100.000	
Fiat Engineering S.p.A.	Turin	Italy	10,588,250	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat GES.CO. Belgium N.V.	Brugge	Belgium	62,500	EUR	100.00	Gesco U.K. Limited	99.960	
						Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
FiatEngineering do Brasil-Comercio e Industria Ltda	Belo Horizonte	Brazil	8,500,000	BRL	100.00	Fiat Engineering S.p.A.	78.800	
						Fiat Engineering France S.A.	21.200	
Gesco U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A.	75.000	
						Fiat United Kingdom Limited	25.000	
GestioneLavoro S.p.A.	Turin	Italy	100,000	EUR	51.00	H.R. Services S.p.A.	51.000	
Global Value S.p.A.	Turin	Italy	1,000,000	EUR	50.00	Business Solutions S.p.A.	50.000	
H.R. Services S.p.A.	Turin	Italy	400,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Individua S.p.A.	Milan	Italy	105,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Ingest Facility S.p.A.	100.000	
Ingest Facility S.p.A.	Turin	Italy	1,700,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Isvor Knowledge System S.p.A.	Turin	Italy	500,000	EUR	98.63	Business Solutions S.p.A.	70.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	30.000	
Japigia 2000 S.r.l.	Turin	Italy	98,000	EUR	95.00	Fiat Engineering S.p.A.	95.000	
KeyG Consulting S.p.A.	Turin	Italy	125,000	EUR	60.00	Fiat Gesco S.p.A.	52.800	
						Business Solutions S.p.A.	7.200	
La Fenice S.A.	Buenos Aires	Argentina	12,000	ARS	100.00	Business Solutions do Brasil Ltda	99.992	
						Fiat Auto Argentina S.A.	0.008	
Learning Systems S.p.A.	Milan	Italy	104,000	EUR	50.30	Isvor Knowledge System S.p.A.	51.000	
Matrix S.r.l. (liquidation)	Turin	Italy	30,000	EUR	98.63	Isvor Knowledge System S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	97.01	Business Solutions do Brasil Ltda	60.000	
						CNH Latino Americana Ltda	10.000	
						Fiat Automoveis S.A. - FIASA	10.000	
						Iveco Fiat Brasil Ltda	10.000	
						Iveco Latin America Ltda	10.000	
Risk Management S.p.A.	Turin	Italy	104,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Scuola di Pubblica Amministrazione s.p.a.	Lucca	Italy	100,000	EUR	51.98	Isvor Knowledge System S.p.A.	52.700	
Services e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	70.00	Business Solutions S.p.A.	70.000	
Sporting Club Sestrieres S.r.l.	Sestriere	Italy	312,000	EUR	70.00	Sestrieres S.p.A.	100.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,400	BRL	99.94	Fast Buyer do Brasil Ltda	71.357	
						Business Solutions do Brasil Ltda	28.643	
TRANSFIMA S.p.A.	Turin	Italy	1,020,000	EUR	51.00	Fiat Engineering S.p.A.	51.000	
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Worknet Formazione S.r.l.	Milan	Italy	50,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
WorkNet società di fornitura di lavoro temporaneo-per azioni	Rome	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Miscellaneous and Holding companies								
Atlanet S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Celt Receivables Limited	Dublin	Ireland	52	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Centro Ricerche Plast-Optica S.r.l.	Amaro	Italy	1,033,000	EUR	72.36	C.R.F. Società Consortile per Azioni	51.000	
						Seima Italiana S.p.A.	24.500	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	93.84	Fiat Auto S.p.A.	40.000	
						Iveco S.p.A.	20.000	
						Magneti Marelli Holding S.p.A.	20.000	
						Case New Holland Italia s.p.a.	5.000	
						Comau S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						Fiat Partecipazioni S.p.A.	4.000	
						Ferrari S.p.A.	1.000	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	91.17	Fiat Auto S.p.A.	56.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Movimento Terra S.p.A.	6.800	
						Fiat Partecipazioni S.p.A.	4.450	
						Iveco S.p.A.	3.300	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fias Fiat Administration und Service GmbH	Ulm	Germany	102,258	EUR	98.00	Iveco Magirus AG	80.000	
						Fiat Automobil AG	20.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Fiat Partecipazioni S.p.A.	99.990	
						SGR-Sociedad para la Gestion de Riesgos	0.010	
Fiat Concord S.A.	Buenos Aires	Argentina	1	ARS	100.00	Fiat Argentina S.A.	99.990	
						SGR-Sociedad para la Gestion de Riesgos	0.010	
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Fiat Partecipazioni S.p.A.	99.932	
						Fiat Gesco S.p.A.	0.061	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.007	
Fiat Energia S.r.l.	Turin	Italy	350,088,770	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000	
Fiat Finance France S.N.C.	Paris	France	228,674	EUR	99.83	Fiat France S.A.	98.333	
						Sofice-Société de Financement des Concessionaires s.a.s.	1.667	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V.	99.000	
						Fiat Netherlands Holding N.V.	1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Ge.Va. S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat France S.A.	Paris	France	55,216,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Ges.co France (GEIE)	Levallois-Perret	France	0	EUR	98.48	Fiat Gesco S.p.A.	50.000	
						Magneti Marelli France S.A.	20.000	
						Fiat Auto (France) S.A.	15.000	
						Iveco France S.A.	15.000	
Fiat Gesco UK Limited in liq.	London	United Kingdom	625,767	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	91.72	Fiat Auto S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						Comau S.p.A.	1.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Information & Communication Services S.r.l.	Turin	Italy	800,000	EUR	100.00	Fiat S.p.A.	51.000	
						Fiat Partecipazioni S.p.A.	49.000	
Fiat International S.p.A.	Turin	Italy	1,300,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	4,366,482,748	EUR	100.00	Fiat S.p.A.	60.563	
						Fiat Partecipazioni S.p.A.	24.504	
						IHF-Internazionale Holding Fiat S.A.	14.933	
Fiat Partecipazioni S.p.A.	Turin	Italy	3,924,685,869	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	3,850,000	EUR	93.22	Fiat S.p.A.	36.468	
						Fiat Auto S.p.A.	33.532	
						Iveco S.p.A.	6.000	
						Magneti Marelli Holding S.p.A.	4.000	
						Business Solutions S.p.A.	3.000	
						Case New Holland Italia s.p.a.	3.000	
						Fiat Partecipazioni S.p.A.	3.000	
						H.R. Services S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Comau S.p.A.	1.500	
						C.R.F. Società Consortile per Azioni	1.500	
						Editrice La Stampa S.p.A.	1.500	
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna e Ispettorato S.c.r.l.	Turin	Italy	300,000	EUR	93.34	Fiat Auto S.p.A.	20.000	
						Fiat Partecipazioni S.p.A.	15.667	
						Fiat S.p.A.	14.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	10.000	
						Comau S.p.A.	5.000	
						Ferrari S.p.A.	5.000	
						Itedi-Italiana Edizioni S.p.A.	5.000	
						Magneti Marelli Holding S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						Business Solutions S.p.A.	4.333	
						Fiat Ge.Va. S.p.A.	1.000	
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	2,000,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	Netherlands	72,605	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Dealernet S.r.l.	Turin	Italy	10,000	EUR	94.34	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	80.000	
						Fiat Auto S.p.A.	20.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	95.43	Fiat S.p.A.	26.000	
						Fiat Auto S.p.A.	22.000	
						Iveco S.p.A.	17.000	
						Case New Holland Italia s.p.a.	12.000	
						Magneti Marelli Holding S.p.A.	9.000	
						Comau S.p.A.	8.000	
						Business Solutions S.p.A.	3.000	
						Teksid S.p.A.	3.000	
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lugano	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business Quattordici S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Palazzo Grassi S.p.A.	Venice	Italy	8,500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Pharos S.r.l.	Turin	Italy	105,000	EUR	93.54	Fiat Servizi per l'Industria S.c.p.a.	95.238	
						Fiat Partecipazioni S.p.A.	4.762	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued by the equity method								
Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	90.00	Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	100,000,000	THB	90.00	Fiat Auto S.p.A.	99.999	
Andalcar Motor S.L.	Jerez	Spain	186,927	EUR	90.00	Inmap 2000 Espana S.L.	100.000	
Auto Italia Erfurt GmbH in liquidazione	Erfurt	Germany	1,284,000	EUR	90.00	Fiat Automobil Vertriebs GmbH	100.000	
BDC SA & Co.	Brussels	Belgium	1,992,768	EUR	90.00	Italian Automotive Center S.A.	86.840	
						B.D.C. S.A.	13.160	
Copada S.A.S.	Paris	France	750,000	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Name SAE	Giza	Egypt	50,000,000	EGP	72.36	Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	500,000	EGP	71.64	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	60,000	ARS	90.01	Fiat Auto Argentina S.A.	99.900	
						Fiat Argentina S.A.	0.100	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	150,000,000	THB	90.00	Fiat Auto S.p.A.	100.000	
Fiat Automoviles Venezuela C.A.	Caracas	Venezuela	300,000	VEB	90.00	Fiat Automoveis S.A. - FIASA	100.000	
Italcar SA	Casablanca	Morocco	4,000,000	MAD	90.00	Inmap 2000 Espana S.L.	100.000	
Leasys S.p.A.	Fiumicino	Italy	319,200,000	EUR	45.90	Fidis Renting Italia S.p.A.	51.000	
Multipoint Sevilla S.A.	Seville	Spain	836,611	EUR	90.00	Inmap 2000 Espana S.L.	100.000	
SA France Auto	Roubaix	France	1,981,837	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
SA France Auto Roubaix	Roubaix	France	89,213	EUR	90.00	International Metropolitan Automotive Promotion (France) S.A.	100.000	
Saigarage S.p.A. in liq.	Turin	Italy	516,456	EUR	90.00	Fiat Auto Var S.r.l. a S.U.	100.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	77.98	Fiat Auto Poland S.A.	100.000	
Zao Nizhegorod Motors	Nizhnjy Novgorod	Russia	24,660,000	RUR	65.83	Fiat Auto S.p.A.	73.139	73.127
Agricultural and Construction equipment								
Challenger New Holland Ltd.	Ottawa	Canada	623,000	CAD	49.89	New Holland Canada Ltd.	58.604	
Farmers New Holland Inc.	Wilmington	U.S.A.	650,000	USD	85.13	New Holland North America Inc.	100.000	
First State New Holland Inc.	Wilmington	U.S.A.	260,000	USD	59.99	New Holland North America Inc.	70.462	
Garden City New Holland Inc.	Wilmington	U.S.A.	542,500	USD	55.85	New Holland North America Inc.	65.604	
La Grande New Holland Inc.	Wilmington	U.S.A.	404,800	USD	64.57	New Holland North America Inc.	75.840	
Medicine Hat New Holland Ltd.	Ottawa	Canada	956,400	CAD	75.40	New Holland Canada Ltd.	88.570	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	82.36	New Holland North America Inc.	96.739	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	78.32	New Holland North America Inc.	92.000	
Pensacola Tractor & Equipment Inc.	Wilmington	U.S.A.	330,000	USD	85.13	New Holland North America Inc.	100.000	
Redwood Equipment Inc.	Wilmington	U.S.A.	516,500	USD	85.13	New Holland North America Inc.	100.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	449,100	USD	76.96	New Holland North America Inc.	90.403	
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	57.62	New Holland Canada Ltd.	67.680	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	80.11	New Holland North America Inc.	94.103	
Tallahassee New Holland Inc.	Wilmington	U.S.A.	385,000	USD	82.92	New Holland North America Inc.	97.403	
Topeka New Holland Inc.	Wilmington	U.S.A.	400,000	USD	70.79	New Holland North America Inc.	83.150	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	85.13	New Holland North America Inc.	100.000	
Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67	Irisbus Italia S.p.A.	66.670	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Pegaso S.L.	100.000	
Financiere Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco Pegaso S.L.	100.000	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	ZRN	100.00	Iveco S.p.A.	99.992	
Components								
Cofap Companhia Fabricadora de Pecas LTDA	Santo Andre	Brazil	60,838,291	BRL	68.14	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Seima Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	14,574,000	RUR	99.99	Seima Italiana S.p.A.	100.000	
Seima Italiana Russia	Vjazniki Vladimir	Russia	100,000,000	RUR	99.99	Seima Italiana S.p.A.	100.000	
Metallurgical Products								
Compania Industrial Frontera S.A. de C.V.	Sao Pedro	Mexico	50,000	MXN	60.36	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Teksid of India Private Limited Name	Panaji	India	403,728,450	INR	80.48	Teksid S.p.A.	100.000	
Services								
FiatEngineering Polska Sp. z o.o.	Bielsko-Biala	Poland	100,000	PLN	100.00	Fiat Engineering S.p.A.	100.000	
Miscellaneous and Holding companies								
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Business Solutions FiatGroup USA Inc.	Wilmington	U.S.A.	1,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	84.42	Fiat Auto S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	11.000	
European Engine Alliance EEIG	Maindenhead	United Kingdom	0	GBP	61.71	CNH U.K. Limited	33.333	
						Iveco S.p.A.	33.333	
Fiat Deutschland GmbH	Ulm	Germany	511,292	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Fiat Geva Europe Ltd. in liq.	Dublin	Ireland	219,494,225	EUR	100.00	Fiat Finance and Trade Ltd	100.000	
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00	Fiat Partecipazioni S.p.A.	80.000	
						Fiat International S.p.A.	20.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Luganova S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	New Business 7 S.p.A.	100.000	
Norfinance & Associes S.A.	Geneva	Switzerland	4,600,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Norfinance Gestion (Ticino) S.A.	Mendrisio	Switzerland	300,000	CHF	100.00	Norfinance & Associes S.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liq.	Rivoli	Italy	9,544,080	EUR	99.78	Fiat Partecipazioni S.p.A.	99.778	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost								
Automobiles								
Fiat Auto de Mexico Sociedad Anonima de Capital Variable (S.A. de C.V.) in liq.	Mexico City	Mexico	50,000	MXN	90.00	Fiat Auto S.p.A.	99.998	
						Fiat Automoveis S.A. - FIASA	0.002	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	85.50	Fiat Auto Espana S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	72.00	Fiat Auto Portuguesa S.A.	80.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	90.00	Fiat Auto S.p.A.	99.000	
						Fidis S.p.A.	1.000	
Powertrain India Pvt. Ltd.	Mumbai	India	101,000	INR	90.00	Fiat India Automobiles Private Limited	100.000	
Pro-Car LLC	Moscow	Russia	1,001,000	RUR	90.00	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Agricultural and Construction equipment								
Consorzio Fiat-Kobelco Isvor Dealernet Rete in liquidazione	San Mauro Torinese	Italy	21,175	EUR	40.95	Fiat Kobelco Construction Machinery S.p.A.	46.341	
						Isvor Dealernet S.r.l.	12.195	
David Brown Tractors (Ireland) Ltd.	Dublin	Ireland	25,395	EUR	85.13	Pryor Foundry Inc.	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	85.13	Case LLC	100.000	
International Harvester Name	Wilmington	U.S.A.	1,000	USD	85.13	Case LLC	100.000	
J.I. Case Name Limited	Doncaster	United Kingdom	2	GBP	85.13	Case United Kingdom Limited	100.000	
New Holland Superannuation Pty. Ltd.	St. Marys	Australia	2	AUD	85.13	New Holland Australia Pty. Limited	100.000	
Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.54	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Gestrans S.A.	Suresnes	France	45,730	EUR	100.00	Irisbus France S.A.	100.000	
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00	Ikarusbus Jamugyarto RT	99.976	
						Irisbus Holding S.L.	0.024	
IkarusBus Trejd KFT in liq.	Moscow	Russia	20,000	USD	100.00	Ikarusbus Jamugyarto RT	100.000	
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000	
Irisbus Benelux Ltd.	Luxembourg	Luxembourg	594,000	EUR	100.00	Irisbus France S.A.	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus North America Limited Liability Name	Dover	U.S.A.	20,000	USD	100.00	Irisbus France S.A.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	75,699,000	COP	99.00	Iveco Venezuela C.A.	99.000	
Iveco Defence Vehicles S.p.A.	Bolzano	Italy	100,000	EUR	100.00	Iveco S.p.A.	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	ROL	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Eurofire (Holding) GmbH	1.000	
Sivi S.p.A. in liquidazione	Trezzano Rosa	Italy	500,000	EUR	100.00	Iveco S.p.A.	100.000	
Components								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokoham	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Auto Pecas Ltda.	Sao Paulo	Brazil	1,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Pecas de Reposicao Ltda	Sao Paulo	Brazil	1,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Rien E.U.R.L. in liq.	Vaulx-En-Velin	France	45,735	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Yorka de Mexico S.A. de CV	100.000	
Production Systems								
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000	
Services								
C.O.AV. Città Ospedaliera Avellino S.c. a r.l.	Parma	Italy	25,500	EUR	51.00	Fiat Engineering S.p.A.	51.000	
Consorzio Co.Ge.Av. in liquidazione	Turin	Italy	51,646	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Consorzio Infatecno	Turin	Italy	35,000	EUR	70.00	Ingest Facility S.p.A.	55.000	
						Cleantecno S.r.l.	15.000	
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	15,000	EUR	60.00	Ingest Facility S.p.A.	60.000	
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRL	98.72	Fast-Buyer S.p.A.	98.800	
Gestione Servizi Territoriali S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Immobiliare F.E. S.r.l. a Socio Unico	Turin	Italy	30,000	EUR	100.00	Fiat Engineering S.p.A.	100.000	
Transfima Gruppo Europeo di Interesse Economico	Turin	Italy	250,000	EUR	50.65	Fiat Engineering S.p.A.	43.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Miscellaneous and Holding companies								
Centro.com S.r.l. a S.U.	Turin	Italy	25,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Consorzio "Sirio" per la Sicurezza Industriale	Turin	Italy	56,239	EUR	65.51	Fiat Auto S.p.A.	37.027	
						Iveco S.p.A.	9.705	
						Magneti Marelli Powertrain S.p.A.	1.663	
						Fiat S.p.A.	1.593	
						Comau S.p.A.	1.590	
						Ferrari S.p.A.	1.547	
						Teksid S.p.A.	1.405	
						Irisbus Italia S.p.A.	1.315	
						Fiat Gesco S.p.A.	1.169	
						Sistemi Sospensioni S.p.A.	1.164	
						Fiat Kobelco Construction Machinery S.p.A.	1.134	
						C.R.F. Società Consortile per Azioni	1.131	
						Fiat Servizi per l'Industria S.c.p.a.	1.065	
						Fiat Ge.Va. S.p.A.	0.949	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.948	
						Fidis S.p.A.	0.638	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.498	
						Fiat Engineering S.p.A.	0.489	
						Automotive Lighting Italia S.p.A.	0.488	
						Editrice La Stampa S.p.A.	0.488	
						Elasis-Società Consortile per Azioni	0.488	
						Ingest Facility S.p.A.	0.488	
						Fiat Partecipazioni S.p.A.	0.426	
						H.R. Services S.p.A.	0.373	
						Case New Holland Italia s.p.a.	0.288	
						Astra Veicoli Industriali S.p.A.	0.213	
						Atlanet S.p.A.	0.213	
						Fiat Information & Communication Services S.	0.213	
						Magneti Marelli Holding S.p.A.	0.213	
						Savarent Società per Azioni	0.213	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.213	
						CNH Movimento Terra S.p.A.	0.207	
						Midas Italia S.p.A.	0.126	
						Fiat-Revisione Interna e Ispettorato S.c.r.l.	0.121	
						Iveco Mezzi Speciali S.p.A.	0.121	
						Fiat Center Italia S.p.A.	0.089	
						Isvor Knowledge System S.p.A.	0.089	
						Business Solutions S.p.A.	0.078	
						eSPIN S.p.A.	0.078	
						Fast-Buyer S.p.A.	0.078	
						Itedi-Italiana Edizioni S.p.A.	0.075	
						Maserati S.p.A.	0.075	
						Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	0.075	
						Pharos S.r.l.	0.075	
						Risk Management S.p.A.	0.075	
						Sisport Fiat Società per Azioni-SF	0.075	
						Cleantecno S.r.l.	0.038	
						Delivery & Mail S.r.l.	0.038	
						Easy Drive S.r.l. a S.U.	0.038	
						Fiat International S.p.A.	0.038	
						Global Value S.p.A.	0.038	
						Iveco Finanziaria S.p.A.	0.038	
						Palazzo Grassi S.p.A.	0.038	
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Oriente S.A.E. in liq.	The Caire	Egypt	50,000	EGP	100.00	Fiat S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Immobilier 92 SAS	Paris	France	38,115	EUR	100.00	Fiat France S.A.	100.000	
ISVOR DILTS Leadership Systems Inc.	Burlingame	U.S.A.	1,000	USD	48.67	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	51.000	
Isvor Fiat India Private Ltd. in liq.	New Delhi	India	1,750,000	INR	95.43	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
Komdix SAS	Paris	France	40,000	EUR	100.00	Fiat France S.A.	100.000	
Luto Servizi S.A. in liquidazione	Lugano	Switzerland	100,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
New Business Sei S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Tre S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 3 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	26,342	EUR	95.62	Fiat S.p.A.	82.010	
						Editrice La Stampa S.p.A.	2.000	
						Fiat Auto S.p.A.	2.000	
						Case New Holland Italia s.p.a.	1.000	
						Comau S.p.A.	1.000	
						Fiat Gesco S.p.A.	1.000	
						Fiat Ge.Va. S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	1.000	
						Iveco S.p.A.	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Palazzo Grassi S.p.A.	1.000	
						Sisport Fiat Società per Azioni-SF	1.000	
Overseas Union Bank and Trust (Bahamas) Ltd. in liq.	Nassau	Bahamas	5,000,000	USD	100.00	BUC - Banca Unione di Credito	100.000	
Sacafet in liq.	Addis Abeba	Ethiopia	2,000,000	ETB	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued by the equity method								
Automobiles								
Fiat-GM Powertrain B.V.	Amsterdam	Netherlands	232,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	45.00	Fiat Auto S.p.A.	50.000	
Fidis Retail Italia S.p.A.	Turin	Italy	672,076,000	EUR	44.10	Fiat Auto S.p.A.	49.000	
GM-Fiat Worldwide Purchasing B.V.	Amsterdam	Netherlands	300,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000	
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	44.91	Fidis S.p.A.	49.900	
Jiangsu Nanya Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	45.00	Fiat Auto S.p.A.	50.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	17.10	Fiat Auto S.p.A.	19.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	45.00	Fiat Auto S.p.A.	50.000	
Société Europeenne de Vehicules Legers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	45.00	Fiat Auto (France) S.A.	50.000	
Somaca-Société Marocaine Construction Automobiles S.A.	Casablanca	Morocco	60,000,000	MAD	18.00	Fiat Auto S.p.A.	20.000	
Targa Trafficmaster S.p.A.	Turin	Italy	8,340,000	EUR	45.00	Fidis S.p.A.	50.000	
Targasys S.r.l.	Turin	Italy	10,400,000	EUR	45.00	Fidis S.p.A.	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	450,000,000,000,000	TRL	34.07	Fiat Auto S.p.A.	37.856	
Toro Targa Assicurazioni S.p.A.	Turin	Italy	46,126,000	EUR	44.10	Fiat Auto S.p.A.	49.000	
Agricultural and Construction equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	195,165,660	PKR	36.75	CNH Global N.V.	43.170	
CNH Capital Europe S.A.S.	Puteaux	France	72,480,297	EUR	42.48	CNH Global N.V.	49.900	
Consolidated Diesel Name	Whitakers	U.S.A.	100	USD	42.57	CNH Engine Corporation	50.000	
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	42.57	New Holland North America Inc.	50.000	
GQM Products LLC	Wilmington	U.S.A.	0	USD	42.57	Case LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Hiroshima	Japan	320,000,000,000	JPY	17.03	Case New Holland Italia s.p.a.	20.000	
LBX Name LLC	Wilmington	U.S.A.	0	USD	42.57	Case LBX Holdings Inc.	50.000	
L&T Case Equipment Limited	Mumbai	India	180,100,000	INR	42.57	Case LLC	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	34.05	Case LLC	40.000	
New Holland de Mexico SA de CV	Queretaro	Mexico	24,000,000	MXN	42.57	CNH Global N.V.	50.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,000	GBP	41.72	CNH Global N.V.	49.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	42.57	CNH Global N.V.	50.000	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	525,000,000,000	TRL	31.93	CNH Global N.V.	37.500	
Rathell Farm Equipment Name Inc.	Wilmington	U.S.A.	640,000	USD	36.83	New Holland North America Inc.	43.266	
Sip-Mot S.A.	Zamosc	Poland	4,000,000	PLN	18.64	CNH Polska Sp. z o.o.	21.890	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	24,000,000,000,000	TRL	31.93	CNH Global N.V.	37.500	
Commercial Vehicles								
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00	Iveco International Trade Finance S.A.	40.000	
GEIE V.IV.RE	Boulogne	France	2	EUR	50.00	Iveco S.p.A.	50.000	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.333	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330	
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00	Iveco S.p.A.	30.000	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Otoyol Pazarlama A.S.	Kartal/Istanbul	Turkey	1,590,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Otoyol Sanayi A.S.	Kartal/Istanbul	Turkey	30,000,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	2	EUR	50.00	Iveco S.p.A.	50.000	
Components								
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000,000	TRL	43.00	Magneti Marelli Holding S.p.A.	43.000	
Production Systems								
Gerbi & Sciaky s.a.s.	Bonneuil Sur Marne	France	50,000	EUR	44.89	Comau Sciaky S.A.	45.000	
Gonzales Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
G.P. Properties I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	307,100,000	CNY	40.24	Teksid S.p.A.	50.000	
Nanjing Teksid Iron Foundry Co. Ltd.	Nanjing	People's Rep. of China	199,617,600	CNY	40.24	Teksid S.p.A.	50.000	
Services								
Global Value Services S.p.A.	Turin	Italy	10,730,000	EUR	50.00	Business Solutions S.p.A.	50.000	
Global Value Soluçoes Ltda	Nova Lima	Brazil	2,000	BRL	50.00	Business Solutions do Brasil Ltda	50.000	
Global Value Solutions S.p.A.	Turin	Italy	270,000	EUR	50.00	Business Solutions S.p.A.	50.000	
Serviceso Titoli S.r.l.	Turin	Italy	105,000	EUR	27.24	Business Solutions S.p.A.	27.238	
S.I.NO.DO. - Sistema Informativo Normativa Doganale in	Turin	Italy	77,469	EUR	50.00	Servizi e Attività Doganali per l'Industria S.p.A.	50.000	
Publishing and Communications								
Editalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Editoriale Corriere Romagna S.r.l.	Forlì	Italy	2,856,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Miscellaneous and Holding companies								
IPI S.p.A.	Turin	Italy	40,784,134	EUR	10.00	Fiat Partecipazioni S.p.A.	10.000	
Italenergia Bis S.p.A.	Turin	Italy	906,624,000	EUR	24.61	Fiat Energia S.r.l.	24.613	
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	761,709,000	EUR	9.80	Fiat Partecipazioni S.p.A.	9.801	10.194
Rubattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59	Fiat Partecipazioni S.p.A.	30.589	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued at cost								
Automobiles								
Car City Club S.r.l.	Turin	Italy	110,000	EUR	29.70	Savarent Società per Azioni	33.000	
Consorzio per la Reindustrializzazione dell'area di Arese S.c.r.l.	Arese	Italy	1,020,000	EUR	27.00	Fiat Auto S.p.A.	30.000	
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	32.91	Fiat Auto S.p.A.	36.571	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000	
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	18.00	Fiat Auto S.p.A.	20.000	
Commercial Vehicles								
Atlas Vehicules Industriels S.A.	Casablanca	Morocco	2,200,000	MAD	48.97	Iveco S.p.A.	48.968	
CBC-Iveco Ltd.	Changzhou	People's Rep. of China	664,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Consorzio Iveco Fiat-Oto Melara	Rome	Italy	51,646	EUR	50.00	Iveco S.p.A.	50.000	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	50.00	Iveco S.p.A.	50.000	
Sotra S.A.	Abidijan	Ivory Coast	3,000,000,000	XAF	39.80	Irisbus France S.A.	39.800	
Zastava-Kamioni D.O.O.	Kragujevac	Yugoslavia	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677	
Ferrari and Maserati								
GPWC Holdings B.V.	Amsterdam	Netherlands	2,500,000	EUR	11.20	Ferrari S.p.A.	20.000	
Components								
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Gulf Carosserie India Limited	Worli	India	5,000,000	INR	20.00	Magneti Marelli Holding S.p.A.	20.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	23.97	Magneti Marelli France S.A.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	855,000,000,000	TRL	28.00	Magneti Marelli Holding S.p.A.	28.000	
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000	
Parades GEIE	Milan	Italy	216,900	EUR	33.33	Magneti Marelli Powertrain S.p.A.	33.330	
Production Systems								
Consorzio Fermag	Rome	Italy	144,608	EUR	40.00	Comau S.p.A.	40.000	
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	
Metallurgical Products								
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	16.10	Teksid S.p.A.	20.000	
Servicios Industriales Parque Fundidores S.de r.l. de C.V.	Sao Pedro	Mexico	10,000	MXN	20.12	Teksid Hierro de Mexico S.A. de C.V.	33.330	
Services								
C.I.S.A. Consorzio per Impiantistica e Servizi Aerospaziali	Naples	Italy	103,291	EUR	34.00	Fiat Engineering S.p.A.	34.000	
Coberga S.c.r.l. in liq.	Imola	Italy	10,329	EUR	37.51	Fiat Engineering S.p.A.	37.506	
Consorzio Brescia Val	Sesto S. Giovanni	Italy	25,000	EUR	30.00	Fiat Engineering S.p.A.	30.000	
Consorzio CO.RI.R.E. in liq.	Brindisi	Italy	51,646	EUR	20.00	Fiat Engineering S.p.A.	20.000	
Consorzio "Dinamicity"	Milan	Italy	25,000	EUR	33.00	Fiat Engineering S.p.A.	33.000	
Consorzio per il Barocco in liq.	Rome	Italy	154,937	EUR	24.50	Fiat Engineering S.p.A.	24.500	
Feic-Consorzio Imprese Lavori FFSS di Saline	Misterbianco	Italy	15,494	EUR	33.34	Fiat Engineering S.p.A.	33.335	
Niugarit.Promocao e Desenvolvimiento de Actividades Industriais em Cooperacao Ltda	Lisbon	Portugal	49,880	EUR	29.97	Fast-Buyer S.p.A.	30.000	
Palavela Società Consortile a Responsabilità Limitata	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Parco Grande S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Piacenza 800	Turin	Italy	100,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
Ravizza S.c.r.l.	Turin	Italy	10,000	EUR	50.00	Fiat Engineering S.p.A.	50.000	
S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	50,000	EUR	30.00	Ingest Facility S.p.A.	30.000	
Uffici Finanziari 2000 S.c.r.l.	Turin	Italy	10,200	EUR	40.00	Fiat Engineering S.p.A.	40.000	
Miscellaneous and Holding companies								
Agenzia Internazionalizzazione Imprese Torino S.r.l. in l.	Turin	Italy	102,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00	BUC - Banca Unione di Credito	20.000	
Ciosa S.p.A. in liq.	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Concordia Finance S.A.	Luxembourg	Luxembourg	12,900,000	EUR	30.00	Fiat Netherlands Holding N.V.	30.000	
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	51,600	EUR	46.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Isvor Knowledge System S.p.A.	35.000 13.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Consorzio Fiat Media Center	Turin	Italy	214,330	EUR	41.51	Astra Veicoli Industriali S.p.A.	1.667	
						Atlanet S.p.A.	1.667	
						Business Solutions S.p.A.	1.667	
						Case New Holland Italia s.p.a.	1.667	
						Comau S.p.A.	1.667	
						Editrice La Stampa S.p.A.	1.667	
						eSPIN S.p.A.	1.667	
						Fast-Buyer S.p.A.	1.667	
						Fiat Auto S.p.A.	1.667	
						Fiat Center Italia S.p.A.	1.667	
						Fiat Gesco S.p.A.	1.667	
						Fiat Information & Communication Services S.r.l.	1.667	
						Fiat S.p.A.	1.667	
						Global Value S.p.A.	1.667	
						Irisbus Italia S.p.A.	1.667	
						Itedi-Italiana Edizioni S.p.A.	1.667	
						Iveco S.p.A.	1.667	
						Leasys S.p.A.	1.667	
						Magneti Marelli After Market S.p.A.	1.667	
						Maserati S.p.A.	1.667	
						Midas Italia S.p.A.	1.667	
						MotorMust.com S.p.A. in liq.	1.667	
						Palazzo Grassi S.p.A.	1.667	
						Pharos S.r.l.	1.667	
						Savarent Società per Azioni	1.667	
						Targa Automotive S.p.A.	1.667	
						WorkNet società di fornitura di lavoro temporaneo-per azioni	1.667	
Consorzio Oto-BPD in liq.	Aulla	Italy	103,291	EUR	50.00	Fiat Partecipazioni S.p.A.	50.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	23.10	Fiat Partecipazioni S.p.A.	23.100	
Consorzio per lo Sviluppo delle Aziende Fornitrici	Turin	Italy	250,741	EUR	28.34	Case New Holland Italia s.p.a.	10.299	
						Fiat Auto S.p.A.	10.299	
						Iveco S.p.A.	10.299	
Consorzio Prode	Naples	Italy	51,644	EUR	45.59	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	45.59	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	18.23	Elasis-Società Consortile per Azioni	20.000	
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Fiat Partecipazioni S.p.A.	24.498	
FMA-Consultoria e Negocios Ltda	Sao Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
Italimpianti S.p.A.	Milan	Italy	5,356,000	EUR	41.76	Fiat Partecipazioni S.p.A.	41.760	
Italpark-Società per Infrastrutture Ausiliarie di Trasporti S.p.A. in liq.	Rome	Italy	247,899	EUR	29.00	Fiat Partecipazioni S.p.A.	29.000	
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	32.00	La Stampa Europe SAS	32.000	
Le Monde Presse S.A.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Lombard Bank Malta PLC	Valletta	Malta	1,980,000	MTL	26.85	BUC - Banca Unione di Credito	26.845	
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Motorcity Park S.r.l.	Milan	Italy	3,112,463	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.61	Ferrari S.p.A.	16.364	
						Case New Holland Italia s.p.a.	12.273	
Presse Europe Regions S.A.	Paris	France	62,087,232	EUR	25.28	La Stampa Europe SAS	25.280	
QSF Qualità Servizi Formazione GEIE	Turin	Italy	10,329	EUR	23.86	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.000	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	23.46	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A.	Milan	Italy	398,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Other companies valued at cost								
Agricultural and Construction equipment								
Lubelska Fabryka Maszyn Rolnicych S.A.	Lublin	Poland	13,000,000	PLN	15.72	CNH Polska Sp. z o.o.	18.460	
Plast-Form Sp. z o.o.	Lublin	Poland	2,090,000	PLN	10.18	CNH Polska Sp. z o.o.	11.962	
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTT	9.41	CNH Polska Sp. z o.o.	11.054	
Commercial Vehicles								
Consorzio Bolzano Energia	Bolzano	Italy	12,000	EUR	16.67	Iveco S.p.A.	16.667	
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Trucks & Bus Name	Tajoura	Libya	87,000,000	LYD	17.24	Iveco Pegaso S.L.	17.241	
Components								
Consorzio U.L.I.S.S.E.	Rome	Italy	227,241	EUR	11.36	Magneti Marelli Holding S.p.A.	11.360	
Services								
Byte Software House - S.p.A.	Turin	Italy	4,215,000	EUR	17.79	Business Solutions S.p.A.	17.794	
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00	Business Solutions Polska Sp. z o.o.	18.000	
Metrofiera S.c. a r.l.	Milan	Italy	10,000	EUR	15.00	Fiat Engineering S.p.A.	15.000	
Miscellaneous and Holding companies								
Ascai Servizi S.r.l.	Rome	Italy	73,337	EUR	13.44	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	14.085	
Consorzio Sorore	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.13	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli e C. S.p.A.	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Gas Turbine Technologies S.p.A.	Turin	Italy	5,000,000	EUR	15.00	Fiat Partecipazioni S.p.A.	15.000	
I.M. Intermetro S.p.A.	Rome	Italy	2,461,320	EUR	12.50	Fiat Partecipazioni S.p.A.	12.500	
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36	Fiat S.p.A.	19.355	
Istituto Europeo di Oncologia S.r.l.	Milan	Italy	106,500,000	EUR	10.90	Fiat S.p.A.	10.903	
Kish Receivables Name	Dublin	Ireland	123,451,123	EUR	1.49	Celt Receivables Limited	1.485	16.248
Selvi & Cie S.A.	Geneva	Switzerland	2,400,000	CHF	16.67	BUC - Banca Unione di Credito	16.666	
Société Anonyme Technique Immobilière et Financière de la Sadim (S.A.T.I.F.)	Monaco	Princ. of Monaco	750,000	EUR	12.60	Fiat Partecipazioni S.p.A.	12.600	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Paper

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS A.B.	SWEDEN	1,000,000.00	SEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS SWITZERLAND AG	100.000	100.000
ANTALIS A/S	DENMARK	2,000,000.00	DKK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AS	LATVIA	533,900.00	LVL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	74.01	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS BV	NETHERLANDS	5,100,000.00	NLG	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS ENVELOPES LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
ANTALIS ENVELOPES NV (in liquidation)	BELGIUM	62,000.00	EUR	100.00	ANTALIS NV/SA	99.900	99.900
					ANTALIS INTERNATIONAL HOLDINGS BV	0.100	0.100
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS EUROPE HOLDINGS LIMITED	UNITED KINGDOM	205,433,649.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	200,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP LIMITED	UNITED KINGDOM	155,000,000.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	33.600	100.000
		500,000,000.00	EUR		ARJO WIGGINS APPLETON LIMITED	66.400	0.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	69,984,107.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS (HONG KONG) LIMITED	HONG KONG	150,000.00	HKD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	99.993	99.993
					WIGGINS TEAPE LIMITED	0.007	0.007
ANTALIS IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS INTERNATIONAL HOLDINGS BV	NETHERLANDS	21,500.00	EUR	100.00	ANTALIS EUROPE HOLDINGS LIMITED	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	306,880,573.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CONS. SURVEILLANCE	100.000	100.000
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS INTERNATIONAL HOLDINGS BV	0.000	0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
					WIGGINS TEAPE LIMITED	0.000	0.000
ANTALIS LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,129,914.16	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	1,150,000.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PAPER UAB	LITHUANIA	4,000,000.00	LTL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PERU SA	PERU	7,779,600.00	SOL	74.01	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	2,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	NETHERLANDS	2,000,000.00	NLG	100.00	MUEHLEBACH B.V.	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	12,525,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS (HONG-KONG) LIMITED	HONG KONG	100.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
ANTALIS PROMOTIONAL PRODUCTS S.L. SU	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA	81.410	81.410
					MUEHLEBACH BV	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	305.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	95.000	95.000
					ANTALIS PURCHASING SASU	5.000	5.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS NV/SA	BELGIUM	64,004.00	BEF	100.00	ARJO WIGGINS BELGIUM S.A.	0.002	0.002
					ANTALIS INTERNATIONAL HOLDINGS BV	99.995	99.995
ANTALIS SA	ROMENIA	2,400,000,000.00	ROL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,000.00	GBP	100.00	ANTALIS GROUP LIMITED	100.000	100.000
ANTALIS SNC	FRANCE	22,479,066.00	EUR	100.00	ANTALIS PURCHASING SASU	0.000	0.000
					ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SPA	ITALY	33,677,663.76	EUR	99.00	ANTALIS EUROPE HOLDINGS LIMITED	0.000	0.000
					ANTALIS INTERNATIONAL HOLDINGS BV	98.995	98.995
ANTALIS SWITZERLAND AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED	80.000	80.000
					SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	9.999	9.999
ANTHALO SRL	ITALY	30,000.00	EUR	50.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL	50.000	50.000
AS ANTALIS	ESTHONIA	5,700,000.00	EEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000
APPLETON COATED PAPERS HOLDINGS INC.	USA	1,445.00	USD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	100.000	100.000
APPLETON LEASING L.L.C.	USA	1,000.00	USD	100.00	APPLETON COATED LLC.	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJOWIGGINS RIVES SAS	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDA	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	80.302	89.955
ARJO WIGGINS APPLETON GROUP SERVICES SAS	FRANCE	500,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS APPLETON HOLDINGS LIMITED	UNITED KINGDOM	150,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	2,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
					ARJO WIGGINS US HOLDINGS LIMITED	0.000	0.000
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,893,520.25	GBP	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS ARGENTINA S.A.	ARGENTINA	12,000.00	ARS	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	99.992	99.992
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.98	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	CANSON INTERNATIONAL SAS	91.500	91.500
					ARJO WIGGINS SAS	8.500	8.500

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	40,000.00	BEF	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	99.998	99.998
					ARJO WIGGINS EUROPE HOLDINGS LIMITED	0.002	0.002
ARJO WIGGINS BELGIUM S.A.	BELGIUM	500,000.00	BEF	99.99	ARJO WIGGINS BELGIUM HOLDINGS S.A.	99.990	99.990
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDA	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJO WIGGINS US HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONA LTD	UNITED KINGDOM	75,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI 12 SAS	100.000	100.000
ARJO WIGGINS CHINA LIMITED	PEOPLE'S REP. OF CHINA	1,000.00	HKD	90.00	ANTALIS (HONG KONG) LIMITED	90.000	90.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED	48.951	48.951
					ARJO WIGGINS SAS	51.049	51.049
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.95	ARJO WIGGINS BELGIUM S.A.	99.970	99.970
					WIGGINS TEAPE LIMITED	0.030	0.030
ARJO WIGGINS EUROPE HOLDINGS LIMITED	UNITED KINGDOM	761,500,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	5,000,000.00	DEM	99.98	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS ITALIA HOLDINGS S.R.L.	ITALY	2,275,000.00	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	ARJO WIGGINS PARTICIPACOES LTDA	98.698	98.698
					CANSON INTERNATIONAL SAS	1.302	1.302
ARJO WIGGINS LYNX LTD	UNITED KINGDOM	3,000,000.00	GBP	100.00	ARJOWIGGINS CANSON SAS	32.800	32.800
					ARJO WIGGINS FINE PAPERS LTD	29.800	29.800
					ARJO WIGGINS PAPIERS COUCHES SAS	28.200	28.200
					GUARRO CASAS S.A.	9.200	9.200
					ARJOWIGGINS SAS	0.000	0.000
ARJO WIGGINS MEDICAL, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJO WIGGINS NC, LLC	USA	1.00	USD	100.00	MURO. INC.	100.000	100.000
ARJO WIGGINS NORTH AMERICA INVESTMENTS LIMITED	UNITED KINGDOM	434,615,387.00	GBP	100.00	ARJO WIGGINS APPLETON HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (BEIJING) CO. LTD.	PEOPLE'S REP. OF CHINA	300,000.00	USD	90.00	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO.LTD.	PEOPLE'S REP. OF CHINA	470,000.00	USD	90.00	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPIERS COUCHES S.A.S.	FRANCE	87,916,250.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS PARTICIPACOES LTDA	BRAZIL	49,705,800.00	BRL	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
ARJO WIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00	ARJO WIGGINS SAS	0.500	0.500
					ARJO WIGGINS PAPIERS COUCHES SAS	99.500	99.500
ARJO WIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	5,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.98	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS US HOLDINGS LIMITED	UNITED KINGDOM	1,271,907,900.00	GBP	100.00	ARJO WIGGINS APPLETON HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS USA, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MU.RO. INC.	51.000	51.000
					ARJO WIGGINS NC, LLC.	49.000	49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
AWA FINANCE LIMITED	UNITED KINGDOM	199,000,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
AWA QINGDAO PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
B.T.I.I.	FRANCE	30.49	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS S.A.S.	FRANCE	686,070.00	EUR	99.92	GUARRO CASAS S.A.	100.000	100.000
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	95.000	95.000
					ARJOWIGGINS CANSON SAS	5.000	5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL (EXPO EUROPA)	ITALY	500,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
CLASS PAPIER B.V.	NETHERLANDS	40,000.00	NLG	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	100.000	100.000
COMERCIAL MANANTIALES LIMITADA	CHILE	100,000.00	CLP	74.01	INVERSIONES GMS SA	99.999	99.999
					GMS PRODUCTOS GRAFICOS LIMITADA	0.001	0.001

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
COPIGRAPH GMBH (in liquidation)	GERMANY	1,001,000.00	DEM	100.00	COPIGRAPH S.A.	97.692	97.692
					GUERIMAND SAS	2.308	2.308
COPIGRAPH S.A.	FRANCE	6,300,000.00	EUR	100.00	GUERIMAND SAS	99.999	99.999
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJO WIGGINS PAPIERS COUCHES SAS	100.000	100.000
DISTRIBUIDORA OFIMARKETS SA	CHILE	57,614.00	CLP	74.00	INVERSIONES GMS SA	100.000	100.000
DOWNMAN INVESTMENTS LIMITED	CYPRUS	11,750,000.00	DEM	60.00	ANTALIS INTERNATIONAL HOLDINGS BV	60.000	60.000
ESM PAPER LIMITED	IRELAND	120,625.11	EUR	100.00	ANTALIS IRELAND LIMITED	99.999	99.999
					WIGGINS TEAPE IRELAND LIMITED	0.001	0.001
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.92	TORDERA S.A.	100.000	100.000
EUROFRONTEIRA - COMERCIO, DISTRIBUICAO E SERVICOS S.A.	PORTUGAL	50,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
FAIRPRINT BV	NETHERLANDS	40,000.00	NLG	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FIRMO - PAPEIS E PAPELARIA, S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
FRESER S.L.	SPAIN	3,006.00	EUR	99.92	GUARRO CASAS S.A.	100.000	100.000
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GMS DISTRIBUIDORA GRAFICA SA	CHILE	100.00	CLP	74.01	INVERSIONES GMS SA	99.000	99.000
					COMERCIAL MANANTIALES LIMITADA	1.000	1.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	100.00	CLP	74.01	COMERCIAL MANANTIALES LIMITADA	86.000	86.000
					INVERSIONES GMS SA	14.000	14.000
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	100.00	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	SPAIN	6,600,000.00	EUR	99.92	GUARRO CASAS S.A. (*)	1.972	1.972
					ARJOWIGGINS CANSON SAS	97.958	97.958
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	ITL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
I-PAPER LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A.	81.301	81.301
					ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	18.699	18.699
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.92	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	7,929,875,000.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	34.048	34.048
					ANTALIS INTERNATIONAL HOLDINGS BV	65.952	65.952
INVERSIONES ANTALIS LIMITADA	CHILE	8,370,000,000.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA	100.000	100.000
					WIGGINS TEAPE LIMITED	0.000	0.000
INVERSIONES EXTERIOR SA	CHILE	2,899,379,784.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
INVERSIONES GMS SA	CHILE	10,200.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
INVERSIONES LOS PELLINES DOS SA	CHILE	1,020,183,600.00	CLP	74.01	INVERSIONES ANTALIS LIMITADA	74.000	74.000
JAMICE SAS	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
LODI 12 SAS	FRANCE	38,112.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
MU.RO. INC.	USA	5,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MUEHLEBACH B.V.	NETHERLANDS	45,378.02	EUR	100.00	ANTALIS SWITZERLAND AG	100.000	100.000
NEWICK - COMERCIO, IMPORTACAO E EXPORTACAO, S.A.	PORTUGAL	50,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJO WIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	1,176,000.00	USD	100.00	LODI 12 SAS	50.000	50.000
					ARJO WIGGINS CHINA HOLDINGS LIMITED	50.000	50.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,026,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
RTC HOLDING S.A.	ROMENIA	43,280,889,000.00	ROL	60.00	DOWNMAN INVESTMENTS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	92.569
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	7,872,000,000,000.00	TLR	51.00	ANTALIS INTERNATIONAL HOLDINGS BV	51.000	51.000
SITTER S.N.C.	FRANCE	160,000.00	EUR	100.00	ANTALIS SNC	0.300	0.300
					ANTALIS INTERNATIONAL SAS	99.700	99.700
SMOZA A.S.	SLOVAK REP.	2,000,000.00	SKK	78.65	SMOZA SPOL. S.R.O.	61.000	61.000
					ANTALIS INTERNATIONAL HOLDINGS BV	39.000	39.000
SMOZA SPOL. S.R.O.	CZECH REP.	62,200,000.00	CZK	65.00	ANTALIS INTERNATIONAL HOLDINGS BV	65.000	65.000
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.92	TORDERA S.A.	100.000	100.000
SZOLAMIL RT.	HUNGARY	490,000,000.00	HUF	100.00	ANTALIS EUROPE HOLDINGS LIMITED	100.000	100.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.92	GUARRO CASAS S.A.	100.000	100.000
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	NETHERLANDS	6,806,703.24	EUR	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE IRELAND (EXPORT) LIMITED	IRELAND	126,973.80	EUR	100.00	ANTALIS IRELAND LIMITED	99.999	99.999
					WIGGINS TEAPE LIMITED	0.001	0.001
WIGGINS TEAPE IRELAND (SALES) LIMITED	IRELAND	1,361,490.54	EUR	100.00	ANTALIS IRELAND LIMITED	100.000	100.000
					WIGGINS TEAPE IRELAND LIMITED	0.000	0.000
WIGGINS TEAPE IRELAND LIMITED	IRELAND	1,214,402.82	EUR	100.00	ANTALIS IRELAND LIMITED	100.000	100.000
					WIGGINS TEAPE IRELAND (SALES) LIMITED	0.000	0.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJO WIGGINS SECURITY SAS	100.000	100.000
WORKWELL LIMITED	HONG KONG	10,000.00	HKD	100.00	ANTALIS (HONG KONG) LIMITED	100.000	100.000

(*) voting suspended.

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Financing services							
AP PERMAL SA	FRANCE	15,532,085.80	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	99.999	99.999
					W MANAGEMENT SAS	0.000	0.000
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	5,000,000.00	CHF	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL ASSET MANAGEMENT INC	USA	10.00	USD	100.00	WORMS & CO INC.	100.000	100.000
PERMAL CAPITAL HOLDINGS INC	USA	100.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL CAPITAL MANAGEMENT LLC	USA	3,424,498.00	USD	100.00	PERMAL CAPITAL HOLDINGS INC	99.000	99.000
PERMAL GROUP SCA	FRANCE	286,219,820.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
					W MANAGEMENT SAS	0.000	0.000
PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED	UNITED KINGDOM	7,000,000.00	GBP	100.00	WORMS & CO LTD	80.000	80.000
THE ST JAMES TRUST & CO LTD	BAHAMAS	1,000,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
W & P FUND SERVICES LTD	BAHAMAS	500,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
WORMS & CO INC	USA	535,081.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
WORMS & CO LTD	UNITED KINGDOM	120,000.00	GBP	100.00	PERMAL GROUP SCA	100.000	100.000
Miscellaneous and Holding companies							
ANTONIN RODET SAS	FRANCE	2,400,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
GEP S.P.A.	ITALY	1,571,152.00	EUR	90.71	W PARTICIPATIONS SAS	30.640	30.640
					ARJO WIGGINS SECURITY SAS	60.070	60.070
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (in liquidation)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.985	99.985
SOCIETE MOBILIERE DE PLACEMENTS SAS	FRANCE	915,000.00	EUR	100.00	W MANAGEMENT SAS	100.000	100.000
W MANAGEMENT SAS	FRANCE	76,916,655.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W PARTICIPATIONS SAS	FRANCE	42,323,123.70	EUR	100.00	SOCIETE MOBILIERE DE PLACEMENTS SAS	7.214	7.214
					WORMS & CIE S.A. A DIRECTOIRE ET CS	92.786	92.786

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (53.074%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
COMPANIES VALUED BY THE EQUITY METHOD							
Paper							
DIMAGRAF SA	ARGENTINA	100,000.00	ARS	22.20	INVERSIONES EXTERIOR SA	22.200	22.200
					INVERSIONES LOS PELLINES DOS SA	7.800	7.800
ESPECIALIDADES PAPELERAS ESPAVE C.A.	VENEZUELA	6,000,000.00	VEB	33.47	TORDERA S.A.	33.500	33.500
MWT PAPER PROCESSING LIMITED	MAURITIUS	3,000,000.00	MUR	50.00	ANTALIS SA HOLDINGS LIMITED	50.000	50.000
QUIMAGRAF SA	ARGENTINA	5,000.00	ARS	22.20	INVERSIONES EXTERIOR SA	22.200	22.200
					INVERSIONES LOS PELLINES DOS SA	7.800	7.800
SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
SHRIRO PAPER (MALAYSIA) SDN. BHD.	MALAYSIA	4,700,000.00	MYR	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	14.286
Financing Services							
IFABANQUE S.A.	FRANCE	15,785,200.00	EUR	25.00	PERMAL GROUP SCA	25.002	25.002
SGS S.A. / SGS LTD	SWITZERLAND	156,443,320.00	CHF	23.77	WORMS & CIE S.A. A DIRECTOIRE ET CS	23.773	23.773
Miscellaneous and Holding companies							
PECHEL INDUSTRIES SAS	FRANCE	92,287,500.00	EUR	39.03	W PARTICIPATIONS SAS	39.032	39.032
COMPANIES VALUED AT COST							
Paper							
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	-	ARJO WIGGINS SAS	100.000	100.000
GANOS 20 LIMITED (in liquidation)	UNITED KINGDOM	2.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
ISSY 5 EURL	FRANCE	8,000.00	EUR	-	ARJO WIGGINS SAS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	-	ARJO WIGGINS SAS	100.000	100.000
PAPELCO SAI CIF	ARGENTINA		USD	-	WITCEL S.A.	99.776	99.776
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	-	ARJO WIGGINS SAS	95.000	95.000
					ARJO WIGGINS LE BOURRAY SAS	5.000	5.000
WIGGINS TEAPE PENSIONS LIMITED	UNITED KINGDOM	3.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
Financing Services							
HH REPURCHASE	DUTCH ANTILLES	30,000.00	USD	-	W & P FUND SERVICES LTD	40.000	40.000
Miscellaneous and Holding companies							
AP BUSINESS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP FRANKLIN SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP PLACEMENTS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP STRATEGIE SAS	FRANCE	40,000.00	EUR	-	AP FRANKLIN SAS	100.000	100.000
AP VALORISATION SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
CHATEAU DE MERCEY DOMAINE RODET SAS	FRANCE	542,500.00	EUR	-	ANTONIN RODET SAS	100.000	100.000
DUCS DE SAVOIE	FRANCE	210,000.00	FRF	-	SOCIETE MOBILIERE DE PLACEMENTS SAS	23.810	23.810
DUVERGEY S.A.R.L.	FRANCE	7,622.45	EUR	-	ANTONIN RODET SAS	95.000	95.000
FINANCIERE DES GRANDS VIGNOBLES DE BOURGOGNE SAS	FRANCE	4,575,000.00	EUR	-	ANTONIN RODET SAS	35.625	35.625
FRANKLIN INTERNATIONAL SAS	FRANCE	40,000.00	EUR	-	W PARTICIPATIONS SAS	100.000	100.000
S.C.I. ELISEE RECLUS PARIS 17E	FRANCE	1,000.00	FRF	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	50.000	50.000
SCE DU DOMAINE DE LA BRESSANDE	FRANCE	15,244.90	EUR	-	ANTONIN RODET SAS	99.800	99.800
SOCIETE D'EXPLOITATION DU DOMAINED E L'AIGLE (SCEA)	FRANCE	642,430.00	EUR	-	ANTONIN RODET SAS	99.998	99.998
					CHÂTEAU DE MERCEY DOMAINE RODET SAS	0.002	0.002
WORMS GESTION ADMINISTRATIVE (GIE in liquidation)	FRANCE	N.D.	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	-	ANTALIS INTERNATIONAL SAS	40.000	40.000
					ARJO WIGGINS SAS	37.000	38.000
					PERMAL GROUP SCA	8.000	8.000
					WORMS & CIE S.A. A DIRECTOIRE ET CS	15.000	15.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through NHT New Holding for Tourism B.V. (90%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.r.L.	ITALY	140,385.00	EURO	60.003	ALPITOUR S.p.A.	60.003	60.003
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.998	99.998
BLUEMARIN HOTEL S.A. DE C.V.	MEXICO	65,956,258	MXP	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.998	99.998
					JUMBO RENTA S.A. UNIPERSONAL	0.002	0.002
BLUEMARIN SERVICES S.A. DE C.V.	MEXICO	50,000	MXP	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.998	99.998
					JUMBO RENTA S.A. UNIPERSONAL	0.002	0.002
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	11,000,000.00	EURO	70.000	ALPITOUR S.p.A.	70.000	70.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	59.625	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.375	99.375
ELSHAH FOR FLOATING HOTELS	EGYPT	6,000,000	EGP	59.802	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.670	99.670
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	60.000	RENTHOTEL ITALIA S.r.l.	60.000	60.000
JUMBO RENTA S.A. UNIPERSONAL	SPAIN	1,267,210.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
KELIBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGWA LTD	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.036	1.036
KIWENGWA STRAND HOTEL LTD	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	58.966	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	98.276	98.276
RENTHOTEL ITALIA S.r.l.	ITALY	52,000.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL TUNISIE S.A.	TUNISIA	200,000	TND	99.970	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.970	99.970
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Insurance company							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Distribution (Travel agency)							
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	97.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	97.000	97.000
WELCOME TRAVEL GROUP S.P.A.	ITALY	8,700,000.00	EURO	90.000	NHT NEW HOLDING FOR TOURISM BV	100.000	100.000
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	90,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	75.461	JUMBOTURISMO S.A.	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through NHT New Holding for Tourism B.V. (90%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	49.281	JUMBOTURISMO S.A.	64.980	64.980
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	87.920	ALPITOUR S.p.A.	50.000	50.000
					JUMBOTURISMO S.A.	50.000	50.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	74.323	JUMBOTURISMO S.A.	98.000	98.000
JUMBO TOURS SICILIA S.r.l.	ITALY	99,999.00	EURO	61.544	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	300,000	TUD	37.907	JUMBOTURISMO S.A.	49.983	49.983
JUMBOTURISMO S.A.	SPAIN	364,927.20	EURO	75.840	ALPITOUR ESPANA S.L. UNIPERSONAL	75.840	75.840
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	75.840	JUMBOTURISMO S.A.	100.000	100.000
PANAFRICAN TOURS S.A.	MOROCCO	400,000	MAD	99.700	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	74.323	JUMBOTURISMO S.A.	98.000	98.000
Tour operating							
ALPITOUR S.P.A.	ITALY	16,675,000.00	EURO	100.000	NHT NEW HOLDING FOR TOURISM BV	100.000	100.000
COMPAGNIA DELLA NATURA S.p.A.	ITALY	155,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
FRANCOROSSO INCENTIVE S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO GRANDI EVENTI S.r.l.	ITALY	78,000.00	EURO	61.544	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
SPORTIME S.r.l.	ITALY	52,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through NHT New Holding for Tourism B.V. (90%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2003	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Companies valued by the equity method							
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	121,800,000	ESP	21.712	JUMBOTURISMO S.A.	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	500,000	ESP	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	37.920	JUMBOTURISMO S.A.	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	84,991,500	ESP	18.960	JUMBOTURISMO S.A.	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	10,000,000	ESP	30.000	ALPITOUR S.p.A.	30.000	30.000
Travel organization							
PROMOVIAGGI S.p.A. - PROMOTIONS VIAGGI E TURISMO	ITALY	103,200.00	EURO	60.000	FRANCOROSSO INCENTIVE S.r.l.	60.000	60.000
VIAGGI DELL'ELEFANTE S.r.l.	ITALY	260,000.00	EURO	35.000	ALPITOUR S.p.A.	35.000	35.000
Airline							
NEOS S.P.A.	ITALY	4,425,800.00	EURO	50.000	NHT NEW HOLDING FOR TOURISM BV	50.000	50.000
Companies valued at cost							
Hotel management							
FLASH NILE CRUISES	EGYPT	480,000.00	EGP	40.000	ALPITOUR S.p.A	25.000	25.000
					FRANCOROSSO INCENTIVE S.r.l.	15.000	15.000
FLASH TOUR P.L.C.	EGYPT	7,000,000	EGP	20.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	20.000	20.000
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
Distribution (Travel agency)							
Agenzia AC TOUR MINERVA S.r.l.	ITALY	156,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
AIRPORT & TRAVEL S.r.l.	ITALY	50,000.00	EURO	49.000	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
SAUGO VIAGGI S.r.l.	ITALY	20,936.00	EURO	77.126	WELCOME TRAVEL GROUP S.p.A.	77.126	77.126
SCERNI VIAGGI S.r.l.	ITALY	50,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	50.000	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
TREND S.r.l.	ITALY	47,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
WELCOME WE TRAVEL S.R.L.	ITALY	100,000.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	75.840	JUMBOTURISMO S.A.	100.000	100.000
INFRATOURS DOMINICANA S.A.	DOMINICAN REP.	400,000.00	DOP	37.541	JUMBOTURISMO S.A.	49.500	49.500
LIBELLULE COMERCIO, GESTAO E SERVICIOS LDA.	PORTUGAL	400,000.00	PTE	75.840	JUMBOTURISMO S.A.	100.000	100.000
Tour operating							
ARSEDUCANDI S.r.L.	ITALY	40,000	EURO	18.000	PROMOVIAGGI S.p.A. - PROMOTIONS VIAGGI E TURISMO	30.000	30.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Other companies valued at cost

Name	Country	Capital stock at 12/31/2003	Currency	Interest held by	% of Group consolidation	% of voting rights
Paper						
EXPRESSO PAPER PLATFORM BV	NETHERLANDS	3,346,410.20	EUR	ANTALIS INTERNATIONAL HOLDINGS BV	12.895	12.895
Miscellaneous and Holding companies						
JUSTRADEIT S.A. (LIQUIDATION)	FRANCE	192,593.00	EUR	W PARTICIPATIONS SAS	15.385	15.385

Finanziaria di Partecipazioni SpA

IFIL GROUP IN 2003

DIRECTORS’ REPORT ON OPERATIONS

Finanziaria di Partecipazioni SpA
Capital stock € 1,075,195,737, fully paid-in
Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00914230016

IFIL GROUP IN 2003
DIRECTORS' REPORT ON OPERATIONS

TABLE OF CONTENTS

This is an English translation of the Italian original "Relazione sulla Gestione" approved by the IFIL Board of Directors on March 29, 2004, which has been prepared solely for the convenience of the reader.

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

Finanziaria di Partecipazioni SpA

Board of Directors

Chairman and Managing Director
Gianluigi Gabetti

General Manager
Daniel John Winteler

Directors
Winfried Bischoff
Tiberto Brandolini d'Adda
Edoardo Ferrero
Luigi Garosci
Franzo Grande Stevens
Mario Greco
Giancarlo Lombardi
Antonio Maria Marocco
Giuseppe Recchi (co-opted on May 14, 2003)
Claudio Saracco
Pio Teodorani-Fabbri

Secretary to the Board
Pierluigi Bernasconi

Executive Committee

Chairman
Gianluigi Gabetti

Tiberto Brandolini d'Adda
Luigi Garosci
Daniel John Winteler

Audit Committee

Chairman
Luigi Garosci

Giancarlo Lombardi
Claudio Saracco

Compensation and Nominating Committee

Chairman
Franzo Grande Stevens

Tiberto Brandolini d'Adda
Gianluigi Gabetti

Board of Statutory Auditors

Chairman	Piero Locatelli
Standing Auditors	Cesare Ferrero
	Natale Ignazio Girolamo
Alternate Auditor	Giorgio Giorgi

Independent Auditors

Deloitte & Touche S.p.A.

Expiry of term of office

The three-year terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on May 27, 2002, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2004.

The Independent Auditors are appointed for the three-year period 2003-2005.

Corporate Governance

The Chairman and Managing Director, according to the by-laws (art. 20), may legally represent the Company. The Chairman and Managing Director, without specific authorization by the Board of Directors, may carry out all acts falling under the corporate business purpose, except as restricted by law.

The Board of Directors, under resolution on May 27, 2002, has conferred all powers necessary for the management of the Company to the Executive Committee, except those powers which are expressly entrusted to the Board of Directors by law.

Specific operating powers have been conferred to the General Manager on June 25, 2003.

CHAIRMAN'S LETTER

To our Stockholders,

IFIL S.p.A. closed 2003 with a net income of € 72.7 million, thus laying the foundations for a return to the distribution of dividends. While the Group again reported a loss, amounting to € 45 million, the objective of reducing the debt position was met, which was decreased by more than half from € 484.4 million at year-end 2002, to € 234.7 million at year end 2003.

The Reorganization Plan involving IFI and IFIL, which now holds all the equity interests of the Group, was carried out during the year.

The Reorganization, followed by a restructuring of all the company functions, gave IFIL a more streamlined and efficient structure, which the market lost no time in acknowledging and rewarding, as witnessed by the increase in the ordinary share price (+76% from July 2003 to March 2004), aided by IFIL's entry to the Midex (index of mid-cap companies listed on the Italian stock exchange).

From the corporate standpoint, the most important event during the year was the capital increase which raised € 504 million, allowing IFIL to subscribe to its full share of the FIAT capital increase.

***

The economic climate in which we operated during 2003 – which persists even now – was strongly influenced by the depreciation of the US dollar against the euro, with a beneficial effect on companies abroad, especially for the activities linked to exports. This is a phenomenon that, along with the reduction in tax pressure and buoyed by higher public expenditure, enabled the United States to achieve an annual GDP growth of 3.1%.

The absence of similar policies on this side of the Atlantic translated into a gradual but relentless erosion of the competitive capacity of European countries crushed by American exports as well as aggressive manufacturing and commercial policies of Asian countries, first and foremost China.

All these factors thus compromised the development of the European economy, which altogether recorded a growth rate of less than 1%. The weak pace of growth by the most important euro-zone countries (+0.1% in France and -0.1% in Germany) was basically in line with the poor performance of Italy (+ 0.3%).

***

The aforementioned economic picture could not but have an impact on Group Companies.

As regards Fiat, the capital increase as well as the divestments of non-strategic businesses and the rigorous cost-cutting policy, placed our most important stockholding in a condition to be able to work with complete equanimity and concentration towards its future, under the guidance of a totally new and highly qualified management. Although the 2003 financial statements still highlight the difficulties of the present time, some important positive signs were nevertheless seen, namely the increase in profitability of industrial operations in the last quarter of 2003, the promptness in respecting the deadlines and targets set down in the relaunch plan, and the positive market response to the new models.

***

Our most direct operating commitment was dedicated to the dynamic management of our diversified portfolio. The distribution of extraordinary dividends by Worms & Cie and La Rinascente and the divestment of the minority interest in Sifalberghi made up part of this strategy.

Our support of the reorganization initiatives by Alpitour and La Rinascente was just as important. The Travel Group – which reinforced its top management with new highly qualified professionals, and a new internal organizational structure, set-up per business unit – redefined its industrial and commercial strategy based upon the enhancement and promotion of the Italian touristic cultural heritage and the opening of new accommodation facilities in the Peninsula.

As for La Rinascente, work especially concerned the divisionalization of the distribution Group, which made it possible, among other things, to seize an interesting partnership opportunity for the development of the Gallerie Commerciali.

***

The business outlook for the current year appears closely linked to Europe's capacity to set in motion, after the example of the United States, a cycle of sound and lasting economic recovery. Nevertheless, the signs in Q1 2004 do not as yet appear to justify forecasts of satisfactory growth, thus reinforcing the voice of many who call for a decisive change of direction in the economic policy of the Continent. The revision of the stability pact rules, together with the use of the monetary lever as an incentive factor for the development of economic activities, will take on, more and more, a key role in the coming months in order to avoid the risk that the current persistent weakness of the growth of Europe could transform itself into outright stagnation.

In this framework, Italy is called to respond to a double challenge: to work together with its European partners to enhance and increase our competitiveness on international markets and re-establish full trust in the credit and savings system, hit hard by the financial scandals that have involved important companies in the national economic scenario.

As regards IFIL, we are convinced that, during the year, the new organizational structure and the strategy of dynamic management of the investment portfolio will continue to mark out new interesting opportunities for the development and optimization of the investments, a condition necessary to stimulate a new virtuous cycle of investments. The setting up of an IFIL branch office in the United States represents an important step in this direction: with a sound presence in one of the most interesting centres of the world market, the professionalism of our management will make it possible to increase investment possibilities, selecting the most advantageous opportunities from the viewpoint of the creation of value.

***

Finally, together with the Board of Directors, I would like to thank the Stockholders for the confidence shown, as well as the Statutory Auditors, the Independent Auditors, the Executives and Staff of IFIL and its subsidiaries for the intense work carried out in a particularly demanding year.

Gianluigi Gabetti

IFIL GROUP PROFILE

THE INVESTMENT PORTFOLIO

IFIL – Finanziaria di Partecipazioni S.p.A. is the operating holding company for the investments of the Group and is headed by Giovanni Agnelli e C. S.a.p.az. (through IFI – Istituto Finanziario Industriale S.p.A. which holds 62.03% of its ordinary capital stock). It commands two distinctive areas of operations: the active management of the controlling investment in FIAT and the dynamic management of the other holdings.

Fiat, controlled with a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat Auto, Ferrari and Maserati), commercial vehicles (Iveco), agricultural and construction equipment (CNH Global), automotive components for these vehicles (Magneti Marelli) and the supply of related services, as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Worms & Cie (53.07% holding in capital stock) is a French-listed holding company with a portfolio comprising the following major investments:

- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper (Carbonless Europe was absorbed by ArjoWiggins as from January 1, 2004).
- Antalis (100% holding), the leading European group in the distribution of paper products for printing and writing.
- Permal Group (100% holding), one of the leaders in the management of investment funds.
- SGS (23.8% holding in capital stock), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality.

La Rinascente (jointly controlled with the Auchan Group, through Eurofind, which holds more than 99% of the ordinary capital stock) is one of the largest Italian retailers operating throughout Italy with roughly 1,850 points of sale (direct, affiliates and associates) and over 31,000 employees.

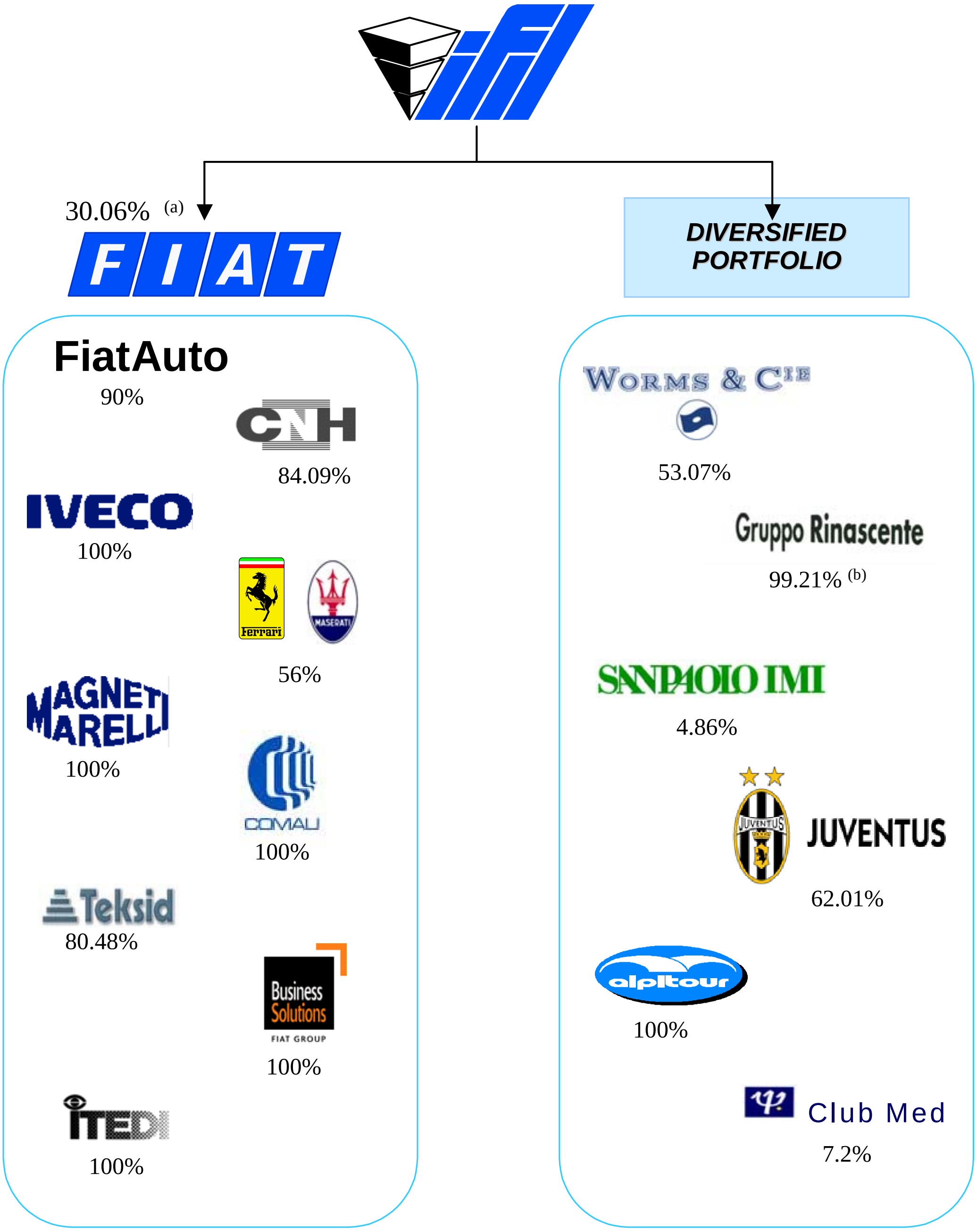
SANPAOLO IMI (4.86% holding in ordinary capital stock) is a leading national banking group with over 3,000 branches throughout Italy.

Alpitour (100% holding through NHT New Holding for Tourism) is a leading company in Italian tourism.

Club Méditerranée (7.2% holding in capital stock) is a company in which the Agnelli Group also holds an equity interest through Exor Group (16.72% holding in capital stock).

Juventus Football Club (62.01% holding in capital stock) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events.

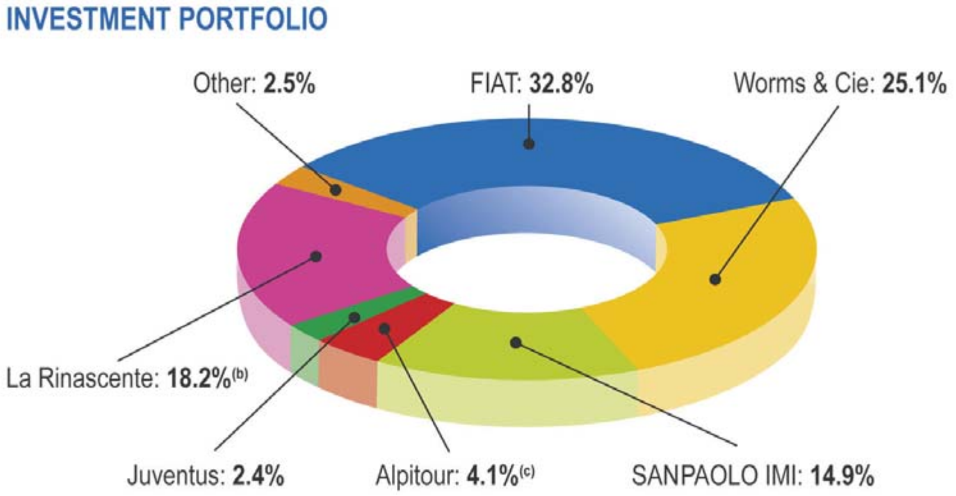
The following chart is updated to the end of February 2004 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



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

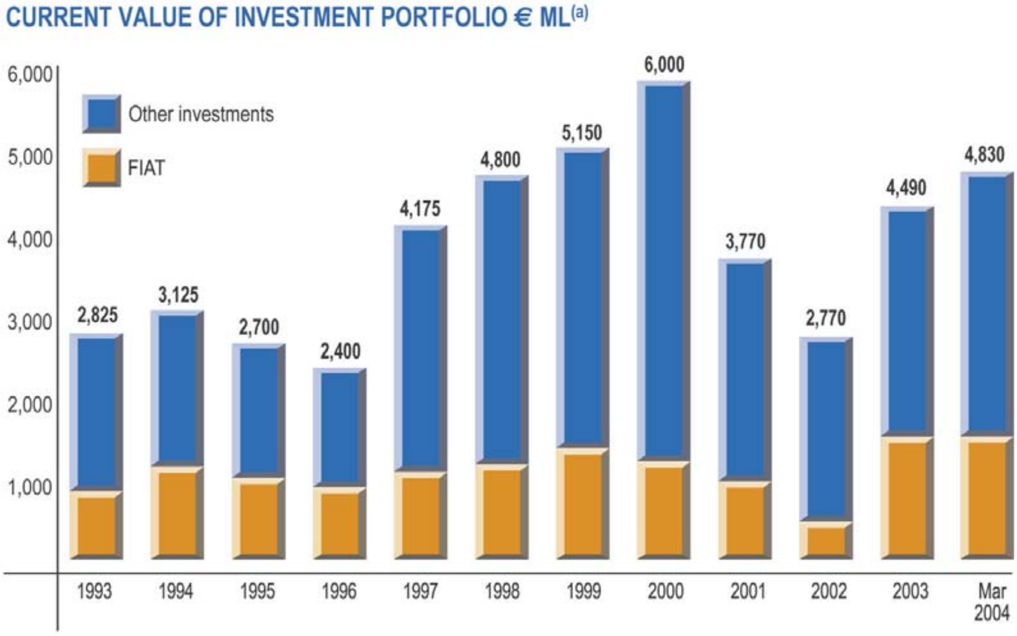
(b) Control is exercised jointly with the Auchan Group through Eurofind (50% by IFIL and 50% by Auchan); Eurofind also holds 99.06% of the savings capital stock and 88.92% of the preferred capital stock of La Rinascente.

The following charts show the composition of the investment portfolio at current values and the change in its value over the last 10 years.



Portfolio Current Value: € 4,830 m (a)

(a) Listed investments valued on the basis of the average official market prices during the period between March 1 and March 17, 2004.
(b) Through Eurofind (50% IFIL).
(c) Through NHT (100% IFIL).



(a) The current value of the portfolio is calculated consistently with the change in the accounting representation. The value of the portfolio recorded at March 2004 was calculated, as in the previous chart, using the average market prices of the listed investments from March 1 to March 17, 2004.

KEY OPERATING AND FINANCIAL DATA

The key results of the Group and IFIL S.p.A. are presented as follows:

IFIL GROUP

Condensed consolidated figures (a) € in millions	2003	2002	2001	2000	1999
Consolidated net income (loss) - Group	(45)	(367)	351	345	285
Share of earnings (losses) and dividends	(28)	(271)	289	306	194
Financial fixed assets	4,223	3,207	3,695	3,400	3,186
Consolidated stockholders' equity - Group	3,954	2,708	3,395	3,142	2,947
Net financial position of the "Holdings System"	(235)	(484)	(323)	(120)	(203)
Earnings per share (€)					
Consolidated net income (loss) - Group (b)	(0.06)	(0.85)	0.81	0.78	0.64
Consolidated stockholders' equity - Group (c)	3.68	6.13	7.69	7.12	6.41

(a) Details regarding the criteria used for the preparation of the financial statements are provided in the section "Analysis of IFIL Group condensed consolidated results".

(b) Calculated using the average number of shares outstanding.

(c) Calculated using the number of shares issued at the end of the year; in 1999, the calculation is net of the treasury stock that was being cancelled.

IFIL S.p.A.

€ in millions	2003	2002	2001	2000	1999
Net income (loss) - IFIL S.p.A.	73	(516)	104	102	141
Stockholders' equity - IFIL S.p.A.	3,194	1,823	2,421	2,399	2,474
Total dividends paid out	70.5 (a)	-	81.2	82.6	78.3
Dividends paid out per share (€)					
Per ordinary share	0.0620	-	0.18	0.18	0.17
Per savings share	0.0827 (b)	-	0.2007	0.2007	0.1907

(a) These dividends will be covered in motion to be proposed to the Stockholders' Meeting convened for the approval of the financial statements for the year ended December 31, 2003.

(b) In addition to € 0.0827 for the adjustment of the preference dividends referring to 2002 for a total of € 3 million.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

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

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

The directors have the right, for a period of five years from the resolution passed on May 14, 2003, to increase, at one or more times, also in divisible form, the capital stock up to a maximum of € 1,500 million and to issue, at one or more times, bonds, also convertible bonds, up to the same figure but for amounts which, each time, do not exceed the limits established by law.
The directors also have the right, for a period of five years from the date of the resolution passed on May 25, 2001, to increase, at one or more times, the capital stock, excluding option rights, for a maximum amount of € 4 million, through the issue of a maximum of 4 million ordinary and/or savings shares, with a par value of € 1 each, to be offered for subscription to the employees of the Company or its subsidiaries or the parent companies or the subsidiaries of the same parent companies.

Stockholders

IFIL has approximately 33,600 stockholders.
The controlling stockholder, IFI – Istituto Finanziario Industriale S.p.A., holds 62.03% of ordinary capital stock (62.8% of ordinary capital stock outstanding).

Treasury stock

At the end of February 2004, IFIL holds 12,627,410 ordinary shares of treasury stock (1.22% of the class of stock) including 810,262 shares held through the subsidiary Soiem.
On March 29, 2004, the Board of Directors voted to present a motion to the Ordinary Stockholders' Meeting for renewal of the resolution for the authorization of the buyback of treasury stock for a maximum of 90 million IFIL ordinary shares and/or savings shares, setting aside a total of € 300 million.

Stock performance

During the first half of 2003, the share price of IFIL ordinary shares performed negatively until mid-July. After the successful conclusion of the capital stock increase, the share price began to rise and steadily continued the upward trend which made it possible to close the second half of 2003 with a 51.5% gain compared to 10.3% by the Global Index during the same period. At the beginning of 2004, the ordinary share price continues to show gains.
Even so, the overall share performance of IFIL ordinary shares for the entire year is a negative 16.1% compared to the positive 13.6% performance by the Global Index.

In the first quarter of 2003, IFIL savings shares generally followed the negative performance of the ordinary shares. Afterwards, thanks to the defensive profile which characterizes the shares and the operation for the conversion of savings shares to ordinary shares (which ended in May), the savings shares began to gain and this performance continued into the first months of 2004.
In 2003, savings shares showed a positive 7.36% performance.

During 2003, IFIL's capitalization went from € 1,300 million to € 2,800 million. This change can principally be ascribed to the two capital stock increase transactions which took place in the first half and at the beginning of the second half of 2003: the Reorganization transaction (March – May) and the capital increase (June – July). Since July 2003, IFIL's capitalization began a steady bullish trend which also continues into the first months of 2004.

During 2003, the amount and quantity of shares traded increased considerably. The increment in the volumes of ordinary shares traded (liquidity) is specifically one of the objectives reached with the Reorganization, thanks also to the success of the conversion of savings shares to ordinary shares. The conversion also explains the reduction, in absolute terms, of the volumes of savings shares traded in comparison with 2002. Such volumes, however, are important considering that, after the conversion, there are still about 37.4 million savings shares that remain outstanding.

In September, after IFIL's ordinary stock was listed on the MIDEX for mid-cap companies, the liquidity of IFIL's ordinary stock increased even more.

MARKET INFORMATION	**2003**	2002	2001	2000	1999
Market price per ordinary share (€):					
. year-end	**2.62**	3.00	4.62	7.76	8.38
. high	**3.40**	4.72	7.88	11.36	8.47
. low	**1.65**	2.64	3.92	6.34	5.06
Market price per savings share (€):					
. year-end	**2.38**	2.13	3.52	4.57	3.67
. high	**2.54**	3.66	4.81	4.92	4.47
. low	**1.42**	1.91	2.89	3.22	3.31
Quantities traded during the year					
. ordinary shares (millions of shares)	**464**	62	104	164	122
. savings shares (millions of shares)	**67**	87	85	176	130
Equivalent annual volumes traded on stock market (€ in millions)					
. ordinary shares	**1,025**	274	710	1,527	895
. savings shares	**121**	304	388	845	546

The market prices have been adjusted on the basis of the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

Again in 2003, IFIL devoted special attention to relations with stockholders, analysts, institutional investors and Italian and foreign economic journalists.

By way of information:

- more than 1,200 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website at www.ifil.it;
- meetings with institutions (at Milan in July and September) and conference calls (in March) with investors and analysts have been organized;
- intensive contacts have been established through individual meetings with financial analysts and Italian and foreign institutional investors;
- far-reaching, comprehensive information has been circulated through the Italian and foreign economic and financial press.

Information for Stockholders, Investors and the Press

Stocks and Bonds Service
Tel. +39.011.5090326
Fax +39.011.5090321
servizio.titoli@gruppoifil.com

Institutional Investors and
Financial Analysts Relations
Tel. +39.011.5090340
Fax +39.011.535600
relazioni.investitori@gruppoifil.com

External Relations
Tel. +39.011.5090374
Fax +39.011.5090386
relazioni.esterne@gruppoifil.com

MAJOR EVENTS IN 2003

The Reorganization of the Group

Following the resolution passed by IFIL's Extraordinary Stockholders' Meeting held on April 23, 2003, IFI and IFIL gave effect to the Group Reorganization Plan proposed by the respective Boards of Directors on March 3, 2003.

IFIL thus received the following investments and warrants as a contribution from the parent company IFI:

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

The economic value of the contribution was calculated (with the exception of Soiem, which is unlisted and valued at net asset value) on the basis of the average official market prices on the stock exchange in the period between September 2, 2002 and February 28, 2003 and resulted in a total of € 1,052 million.
The contribution, however, was recorded for € 794.5 million in that, in accordance with the provisions of art. 3 of Legislative Decree No. 358 of October 8, 1997, the Fiat ordinary shares, the Juventus Football Club shares and the Soiem shares (representing investments in subsidiaries or affiliates) were contributed with a view to the continuity of the accounting values recorded in the financial statements of IFI S.p.A. for the year ended December 31, 2002, whereas the SANPAOLO IMI ordinary shares, the Fiat preferred shares and the Fiat 2007 warrants on ordinary shares were contributed at economic values.

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

After this transaction, IFIL's capital stock was fully subscribed to and paid-in and amounted to € 728,824,587 and was composed of 425,105,958 ordinary shares and 303,718,629 savings shares, all with a par value of € 1.

On May 12, 2003, the voluntary conversion of IFIL savings shares to IFIL ordinary shares based upon a conversion ratio of 17 IFIL ordinary shares for every 20 IFIL savings shares was closed without payment of any cash differential. There were 266,335,609 IFIL savings shares (equal to 87.69% of savings capital stock) converted to 226,385,269 IFIL ordinary shares, which bear the same features and have the same rights as the shares outstanding. The remaining 39,950,340 IFIL savings shares were cancelled in September 2003, in conformity with the provisions of article 2445 of the Italian Civil Code, with the consequent reduction of the capital stock by € 39,950,340. In order to provide greater protection to the creditors of the company, the par value of the cancelled IFIL savings shares has been posted to an undistributable reserve except, upon authorization of the Extraordinary Stockholders' Meeting, it can be used for allocation to the capital stock account or to cover losses.

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL's capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders' Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (not quantified) suffered as a result of the unlawful conduct (allegedly) by IFI.
At the next hearing, scheduled for April 7, 2004, the judge will rule on the preliminary inquiries that might be presented by the litigants.
Both of the above complaints (request to declare the stockholders' resolution null and void and to seek an unspecified sum of compensation for damages) appear to be inadmissable and groundless and therefore at this time the Company does not believe that any contingent liabilities or losses will arise as a consequence.

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

IFIL S.p.A. capital stock increase

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

At the end of the rights offering period, 383,794,965 new IFIL ordinary shares were subscribed to, equal to 99.35% of the shares offered.

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

The capital stock increase was concluded, without the intervention of the Underwriting Syndicate, with the subscription of all 386,321,490 ordinary shares in the rights offering for proceeds of € 504 million (of which € 1.8 million deriving from the sale of unexercised rights).

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

Subscription to Fiat capital stock increase

In July 2003, Fiat S.p.A. launched the capital stock increase voted by the Board of Directors on June 26, 2003 upon the occasion of the approval and presentation of the Fiat Group Relaunch Plan.

The capital stock increase was concluded in August, without the intervention of the Underwriting Syndicate, with the subscription of all the 367,197,108 Fiat ordinary shares in the rights offering at the price of € 5 per share, for a total equivalent amount of € 1,836 million.

IFIL, after having purchased 18,791,725 rights for € 5 million, subscribed to 108,921,627 Fiat ordinary shares for an investment of € 544.6 million. On December 31, 2003, IFIL thus held 240,583,447 Fiat ordinary shares (30.06% of ordinary capital stock) and 31,082,500 Fiat preferred shares (30.09% of preferred capital stock).

Transactions regarding La Rinascente and Eurofind

In January 2003, Eurofind, the subsidiary jointly controlled by Ifil Investissements and the Auchan Group, launched a tender offer for the residual ordinary and preferred shares of La Rinascente and a voluntary tender offer for the purchase of La Rinascente savings shares for the purpose of obtaining all La Rinascente shares not yet held by Eurofind.

By the end of the offer period (February 28, 2003), the total shares tendered comprised 10,768,383 ordinary shares, equal to 3.6% of ordinary capital stock, 491,006 preferred shares, equal to 15.61% of preferred capital stock, and 2,596,139 savings shares, equal to 2.52% of savings capital stock.

The transaction involved a total payment of € 60.9 million (€ 4.45 per ordinary and preferred share and € 4.15 per savings share) and the delisting of all classes of La Rinascente stock.

In the following months, Eurofind purchased off-market 7,380,130 ordinary shares (2.47% of ordinary stock), 45,215 preferred shares (1.44% of preferred stock) and 308,225 savings shares (0.30% of savings capital stock) for a total amount of € 34.4 million.

At the end of December 2003, Eurofind holds 401,223,236 La Rinascente shares (equal to 99.09% of capital stock) and, in particular, 296,556,269 ordinary shares (99.21% of ordinary capital stock), 2,797,086 preferred shares (88.92% of preferred capital stock) and 101,869,881 savings shares (99.06% of savings capital stock).

In December 2003, La Rinascente paid extraordinary dividends of € 600 million which gave rise to receipts of € 240.6 million for the IFIL Group (€ 594.5 million for Eurofind).

In accordance with what was previously agreed, in January 2003, the subsidiary Ifil Investissements had sold a further 270,666 Eurofind shares (0.85% of capital stock) to Mediobanca at the price of € 15.2 million; likewise, the Auchan Group had sold the same stake to Société Générale.
After these transactions, Ifil Investissements and the Auchan Group each held a 40.47% interest (50% of voting rights) in Eurofind's capital stock. Mediobanca and Société Générale each owned 9.53% of Eurofind's capital stock (represented by shares without voting rights). Such holdings were covered by sale and purchase options (puts and calls) structured so as not to in any way alter the joint control over Eurofind by Ifil Investissements and the Auchan Group.
Mediobanca had a sales option (put) with IFIL on 9.53% of the Eurofind capital stock held, exercisable from June 2004 to December 2004, except for the accelerating events stated in the agreements, in line with market practice. In January 2004, Ifil Investissements exercised its call option and purchased 9.53% of Eurofind capital stock from Mediobanca for an outlay of € 116.1 million, including accrued interest and net of dividends paid by Eurofind.

Currently, Eurofind is controlled equally by Ifil Investissements and the Auchan Group, with each holding 50% of Eurofind's capital stock.

Increase in IFIL bonds

In February 2003, the IFIL bonds issued in December 2002 were increased from € 145 million to € 200 million. These are three-year bonds placed with primary institutional investors.
In December 2003, IFIL floated a second bond issue for € 100 million. These are also three-year bonds subscribed to by primary institutional investors.

Both bond issues are listed on the Luxembourg stock exchange.

Transactions relating to Worms & Cie

Ifil Investissements purchased 1,438,059 Worms & Cie shares (equal to 1.37% of capital stock) for a total equivalent amount of € 23.7 million.
After this transaction, Ifil Investissements holds 55,922,623 Worms & Cie shares, equal to 53.07% of capital stock.

In May 2003, Worms & Cie paid dividends of € 1.5 per share (including extraordinary dividends for € 0.9) which gave rise to receipts of € 83.9 million for Ifil Investissements.

Purchase of 1.96% of SANPAOLO IMI ordinary capital stock from Ifil Investissements

In May 2003, IFIL purchased 28,419,000 SANPAOLO IMI ordinary shares (equal to 1.96% of ordinary capital stock) from Ifil Investissements at a per share price of € 7.183 (corresponding to the average market price during the period April 9, 2003 – May 9, 2003) for a total of € 204.1 million. The transaction was entered into so that the entire investment in SANPAOLO IMI could be concentrated in IFIL S.p.A.

Sale of Juventus Football Club shares

In May 2003, the subsidiary Soiem sold on the market 394,000 Juventus Football Club shares (0.33% of capital stock), for a total of € 0.9 million, realizing a gain of € 0.1 million.
At December 31, 2003, IFIL held 74,992,103 Juventus Football Club ordinary shares (equal to 62.01% of capital stock).

Atlanet investment

In May 2003, the Extraordinary Stockholders' Meeting of Atlanet voted to absorb the losses in excess of stockholders' equity by reducing capital stock to zero and consequently canceling the shares outstanding. Ifil Investissements decided not to subscribe to its share (3.1%) of the recapitalization of Atlanet's capital stock and is therefore no longer a stockholder of the company.

Sale of 25% of Sifalberghi capital stock

In August 2003, IFIL sold 25% of the capital stock of Sifalberghi to the Accor Group for the price of € 32 million, realizing a gain of € 25.1 million on consolidation, with a 12.5% IRR.

Buyback of IFIL treasury stock

In September 2003, IFIL purchased 700,000 of its ordinary shares on the market, equal to 0.07% of the class of stock, for € 1.7 million; these shares were recorded in current assets since they will be used to service stock option plans.

At December 31, 2003, IFIL and the subsidiary Soiem also held 11,927,410 IFIL ordinary shares (respectively, 11,117,148 and 810,262) recorded in fixed assets, equal to 1.15% of ordinary capital stock and 1.11% of capital stock.

ANALYSIS OF IFIL GROUP CONDENSED CONSOLIDATED RESULTS

IFIL holds important investments through Dutch and Luxembourg holding companies. This control structure is the result of the Group's strategy to globalize investments and secure strategic agreements with leading foreign partners in the sectors of investment. Moreover, IFIL controls two companies incorporated under Irish law operating with the aim of optimizing the management of the financial resources of the Group, and Soiem, a services company.
The aggregate of these companies constitutes the so-called "Holdings System".

In order to assist in the analysis of the financial position and results of operations of the IFIL Group, a **condensed consolidated Balance Sheet** and a **condensed consolidated Statement of operations** have been prepared wherein the financial holding companies have been consolidated line-by-line or proportionally while the investments in the operating holding companies and in the other subsidiaries and associated companies have been accounted for using the equity method.

In detail, the scope of consolidation is as follows:

		% holding in capital stock outstanding	
		12/31/2003	12/31/2002
HOLDINGS SYSTEM	Consolidated line-by-line		
	- IFIL S.p.A.	-	-
	- Ifil Investment Holding N.V. (Netherlands)	100	100
	- Ifil Investissements S.A. (Luxembourg)	100	100
	- Ifil Capital B.V. (Netherlands)	100	100
	- Ifil Finance B.V. (Netherlands)	100	100
	- Ifilgroup Finance Ltd (Ireland)	100	100
	- Ifil International Finance Ltd (Ireland)	100	100
	- Soiem S.p.A. (a)	100	-
	- New Business Quindici S.r.l. (b)	100	-
	Consolidated proportionally		
	- Eurofind S.A. (Luxembourg)	40.47	41.32
	- Eufin Investments Unlimited (United Kingdom)	40.47	41.32
OPERATING COMPANIES	Accounted for using the equity method		
	- Fiat Group	27.62	10.88
	- Worms & Cie Group	53.07	51.71
	- Rinascente Group (c)	40.10	38.74
	- NHT Group (d)	90.00	90.00
	- Juventus Football Club S.p.A.	62.01	-
	- Sifalberghi S.r.l. (e)	-	25.00
	- Soiem S.p.A. (a)	-	49.90

(a) Control was assumed in the second quarter of 2003 following the Reorganization of the Group. The 49.9% stake in Soiem was previously accounted for using the equity method.
(b) Non-operating company purchased in December 2003.
(c) At December 31, 2003, Eurofind holds 99.09% of La Rinascente's capital stock outstanding (93.76% at December 31, 2002).
(d) New Holding for Tourism BV is the operating holding company for the tourism sector and holds the 100% stakes in Alpitour, Welcome Travel Group and Neos.
(e) Sold to the Accor Group in August 2003.

Lastly, there follows a description of the criteria applied in accounting for the transactions regarding the Reorganization of the Group (for additional details, please refer to "Major events in 2003"):

- the total accounting value of the investments contributed by the parent company, IFI S.p.A., recorded in the statutory financial statements of IFIL S.p.A., in exchange for the capital stock increase (including additional paid-in capital) reserved for IFI, amounted to € 794.5 million. In the consolidated financial statements, in order to eliminate tax interference, this value has been adjusted to the economic value attributed to the investments contributed, equal to € 1,052 million, with a contra-entry to the reserves in the consolidated stockholders' equity of the IFIL Group for € 257.5 million;

- the investment in Soiem has been consolidated line-by-line starting April 1, 2003 (previously, the investment was accounted for using the equity method);

- the investments in Fiat and in Juventus Football Club have been accounted for using the equity method starting April 1, 2003;

- the difference of € 277.1 million between the economic value of the contribution of the Fiat investment (€ 792.4 million) and the underlying share of the consolidated stockholders' equity of the Fiat Group at March 31, 2003 (€ 1,069.5 million) has been recorded in the caption "Consolidation reserve for risks and future expenses". This reserve has been partly utilized (€ 207.5 million to cover the share of the loss of the Fiat Group for the period April 1 – December 31, 2003, on the shares acquired in the contribution;

- a difference on consolidation of € 83.2 million arose from the comparison between the economic value of the contribution of the investment in Juventus Football Club (€ 136.7 million) and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 53.5 million), a portion of which, equal to € 42.8 million, has been deducted from the consolidation reserve, set up during 2003, up to the amount of the same; the remaining difference on consolidation (€ 40.4 million) is being amortized pro rata over a period of 10 years;

- the difference of € 1.9 million emerging from the comparison between the economic value of the contribution of the investment in Soiem (€ 11.6 million) and the underlying share of the stockholders' equity of the company at March 31, 2003 (€ 9.7 million) has been allocated as an increase to the value of the building owned by Soiem, within the limits of its appraisal value.

Consolidated net loss for the year and condensed consolidated statement of operations

The year 2003 closed with a consolidated net loss of € 45 million for the IFIL Group compared to a consolidated net loss of € 367 million in 2002.

The main captions of the condensed consolidated statement of operations for the year 2003 are examined in the following paragraphs.

The **Group's share of earnings (losses) of companies** accounted for using the equity method amounted to losses of € 49.7 million (losses of € 301.6 million in the year 2002). The positive change of € 251.9 million was due to the share of lower losses reported by the Fiat Group (+€ 229.3 million) and the NHT Group (+€ 8.8 million), the share of higher earnings by the Rinascente Group (+€ 65.2 million), the share of lower earnings by the Worms & Cie Group (-€ 45.8 million) and the losses reported by Juventus (-€ 5.5 million) and, finally, other changes (-€ 0.1 million).
The abovementioned changes include consolidation adjustments.

Dividends from other holdings amounted to € 21.2 million (of which € 21.1 million was received from SANPAOLO IMI).
At December 31, 2002, the dividends received from SANPAOLO IMI had totaled € 30.6 million.

Gains (losses), net, were due to the sale of 25% of Sifalberghi capital stock (€ 25.1 million) and losses, net, stemming from various transactions (- € 0.1 million). In 2002, the losses, net (-€ 51.8 million) had also included the writedowns of the investment in Club Méditerranée (-€ 33.7 million) and IFIL treasury stock (-€ 15.4 million).

Amortization of differences on consolidation amounted to € 13.7 million (€ 6.8 million in 2002).
The increase of € 6.9 million compared to December 31, 2002 was due to the increases in the investments in Juventus Football Club and in La Rinascente.

Financial expenses, net, totaled € 23.6 million (€ 20.6 million in 2002) and increased by € 3 million due to higher average net indebtedness position during the year (the reduction in gross indebtedness was more than compensated by the reduction in cash).

General expenses, net, amounted to € 13 million and decreased by € 0.4 million compared to the year 2002 (€ 13.4 million).

Other expenses, net, amounted to € 6.1 million (€ 12.2 million in 2002) and included the amortization of the expenses related to the IFIL S.p.A. capital stock increase (€ 2.2 million), nondeductible VAT associated with such costs (€ 1 million), legal consulting fees regarding pending litigation (€ 1.5 million), provisions for extraordinary expenses (to be paid over several years) in connection with recourse to the "Solidarity Fund for the support of earnings" in reference to some employees of IFIL and Soiem (€ 0.8 million) and lastly, other expenses, net, (€ 0.6 million).

Deferred taxes amounted to € 2.9 million and included deferred taxes accrued on the 2003 earnings of the foreign holdings (-€ 2.3 million) and the credit to the statement of operations for the release of excess deferred taxes set aside by IFIL in prior years (+€ 5.2 million).
Since there is no reasonable certainty of future recovery, the parent company IFIL did not book any deferred tax assets on the fiscal 2001, 2002 and 2003 tax losses and on the portions of investment writedowns posted in 2002 that, as allowed by existing tax legislation, will be deductible in future years.

The **condensed consolidated Statement of Operations** and details of the main captions are presented below.

€ in millions	2003	2002	Change
Group's share of earnings (losses) of companies accounted for using the equity method	(49.7)	(301.6)	251.9
Dividends from other holdings	21.2	30.6	(9.4)
Dividend tax credits	11.9	8.2	3.7
Gains (losses), net	25.0	(51.8)	76.8
Amortization of differences on consolidation	(13.7)	(6.8)	(6.9)
Investment expenses, net	(5.3)	(321.4)	316.1
Financial expenses, net	(23.6)	(20.6)	(3.0)
General expenses, net	(13.0)	(13.4)	0.4
Other expenses, net	(6.1)	(12.2)	6.1
Loss before taxes	(48.0)	(367.6)	319.6
Current income taxes, net	0.1	4.6	(4.5)
Deferred taxes	2.9	(4.0)	6.9
Net loss - Group	(45.0)	(367.0)	322.0

Group's share of earnings (losses) of companies accounted for using the equity method

	Earnings (losses)		IFIL's share		
€ in millions	2003	2002	2003	2002	Change
Fiat Group	(1,900.0)	(3,948.0)	(410.4)	(429.5)	19.1
Worms & Cie Group	111.6	189.7	59.2	98.1	(38.9)
Rinascente Group	200.4	50.8	80.4	15.2	65.2
NHT Group (a)	(11.2)	(21.0)	(10.1)	(18.9)	8.8
Juventus Football Club	(8.9) (b)	-	(5.5)	-	(5.5)
Other	-	-	0.2	0.2	0.0
			(286.2)	(334.9)	48.7
Consolidation adjustments	-	-	236.5	33.3	203.2
Group's share of earnings (losses) of companies accounted for using the equity method			(49.7)	(301.6)	251.9

(a) For the NHT Group, the year coincides with the period November 1 - October 31.
(b) Result for the last three quarters of 2003; the loss of € 7.2 million for the first quarter of 2003 is not included.

At December 31, 2003, consolidation adjustments amounted to € 236.5 million (€ 33.3 million in 2002). They referred to:

- the use of the "Consolidation reserve for risks and future expenses" (+€ 207.5 million) to cover IFIL's share of Fiat Group's loss (April 1, 2003 – December 31, 2003) on the investment acquired in Fiat by IFIL in 2003 (17.039%);
- IFIL's share of the Fiat Group's result (+€ 11.8 million, equal to the gain from the dilution generated by the disposal of Fiat treasury stock held by Toro Assicurazioni, which was sold by the same Fiat);
- Worms & Cie Group's result (+€ 9.5 million, for higher gains on the sale of Groupe Danone shares and reversal of the amortization on the difference on consolidation relating to Permal Group);
- reversal of amortization taken by NHT on the difference on consolidation relating to Alpitour (+€ 7.8 million);
- allocation of Soiem's net income for the first-half of 2003 (-€ 0.1 million) to IFI.

Comments on the operating performance of the investment holdings are presented later in the report.

Amortization of differences on consolidation

€ in millions	Balance at 12/31/2002	Change in the year 2003 Increase	Decrease	Amortization	Balance at 12/31/2003
Rinascente Group (a)	158.2	7.4	-	(9.7)	155.9
Juventus Football Club (b)	-	83.2	(42.8) (c)	(4.0)	36.4
Total	158.2	90.6	(42.8)	(13.7)	192.3

(a) Amortized over 20 years.
(b) Amortized over 10 years.
(c) Deducted from the consolidation reserve.

Gains (losses), net

€ in millions	2003	2002	Change
Gains (losses)			
- Sifalberghi, sale of 25% of capital stock	25.1	-	25.1
- Other, net	(0.1)	(2.7)	2.6
Writedowns			
- 1,393,090 Club Méditerranée shares (from € 49.404 to € 25.243)	-	(33.7)	33.7
- 3,946,896 IFIL ordinary shares (from € 5.774 to € 4.133)	-	(6.5)	6.5
- 8,435,575 IFIL savings shares (from € 4.063 to € 3.008)	-	(8.9)	8.9
Gains (losses), net	25.0	(51.8)	76.8

Income taxes

€ in millions	2003	2002	Change
Current income taxes	(0.2)	(3.3)	3.1
Tax credits (a)	0.3	7.9	(7.6)
Current income taxes, net	0.1	4.6	(4.5)
Deferred taxes	2.9	(4.0)	6.9
Income taxes	3.0	0.6	2.4

(a) On dividends received by companies consolidated line-by-line or accounted for using the equity method.

Condensed consolidated balance sheet

€ in millions	12/31/2003	12/31/2002	Change
Financial fixed assets:			
- investments	4,174.0	3,161.0	1,013.0
- treasury stock	44.5	41.7	2.8
- bonds	4.6	4.5	0.1
	4,223.1	3,207.2	1,015.9
Financial assets recorded in current assets:			
- cash and short-term investments	434.6	244.5	190.1
- treasury stock	1.7	0.0	1.7
	436.3	244.5	191.8
Other assets	87.3	53.8	33.5
Total assets	4,746.7	3,505.5	1,241.2
Stockholders' equity, Group	3,953.9	2,708.1	1,245.8
Financial payables:			
- short-term	216.9	434.2	(217.3)
- medium-term	450.0	295.0	155.0
	666.9	729.2	(62.3)
Reserve for employee severance indemnities and reserves for risks and charges	99.6 (a)	41.3	58.3
Other liabilities	26.3	26.9	(0.6)
Total liabilities and stockholders' equity	4,746.7	3,505.5	1,241.2

(a) Includes the remaining “Consolidation reserve for risks and future expenses” of € 69.6 million.

Financial fixed assets

€ in millions	12/31/2003	12/31/2002	Change
Investments accounted for using the equity method			
Fiat Group	1,876.1	806.2	1,069.9
Worms & Cie Group	1,019.3	1,066.2	(46.9)
Rinascente Group (40.47% holding)	461.6	626.4	(164.8)
Juventus Football Club S.p.A.	84.2	-	84.2
NHT Group	70.6	86.0	(15.4)
Sifalberghi S.r.l.	0.0	7.3	(7.3)
Soiem S.p.A. (a)	0.0	9.5	(9.5)
	3,511.8	2,601.6	910.2
Investments valued at cost			
SANPAOLO IMI S.p.A.	620.0	512.3	107.7
Club Méditerranée S.A.	35.2	35.2	0.0
Warrants 2007 on Fiat ordinary shares	3.6	0.0	3.6
Other	3.4	11.9	(8.5)
	662.2	559.4	102.8
Total investments	4,174.0	3,161.0	1,013.0
Treasury stock			
IFIL ordinary shares	44.5	16.3	28.2
IFIL savings shares	-	25.4	(25.4)
Total treasury stock	44.5	41.7	2.8
Ocean Club Méditerranée bonds	4.6	4.5	0.1
Total financial fixed assets	4,223.1	3,207.2	1,015.9

(a) Consolidated line-by-line beginning 2003.

The increase in the carrying value of investments, equal to € 1,013 million, is due to the following changes:

€ in millions	
Investments contributed by IFI	1,052.0
Additions to investments	611.9
Changes in the net equity of companies accounted for using the equity method	(278.2)
Translation adjustments in the stockholders' equity of companies accounted for using the equity method	(272.9)
Share of earnings (losses) of companies accounted for using the equity method	(49.7)
Change due to the line-by-line consolidation of Soiem	(21.0)
Sales of investments	(15.4)
Amortization of differences on consolidation	(13.7)
Net change during the year	1,013.0

Investments accounted for using the equity method – Other information

	Number of	% holding of		Carrying value	
€ in millions	shares held	Class of stock	Capital stock	Per share (€)	Total (€ ml)
Investments accounted for using the equity method					
Fiat Group:					
- ordinary shares	240,583,447	30.06	24.46	6.91	1,661.4
- preferred shares	31,082,500	30.09	3.16	6.91	214.7
			27.62		1,876.1
Worms & Cie Group	55,922,623	-	53.07	18.23	1,019.3
Rinascente Group:					
- ordinary shares	120,010,391 (a)	40.15	29.64	2.84	341.2
- savings shares	41,224,703 (a)	40.09	10.18	2.84	117.2
- preferred shares	1,131,925 (a)	36.00	0.28	2.84	3.2
			40.10		461.6
Juventus Football Club S.p.A.	74,992,103	-	62.01	1.12	84.2
NHT Group	29,682	-	90.00	2,378.95	70.6
Total investments accounted for using the equity method					3,511.8

(a) Equal to 40.47% of shares held by Eurofind.

Investments, treasury stock and bonds valued at cost – Comparison between carrying values and market prices

		% holding				Average market price			
	Number of	of class	Carrying value			2nd half 2003		December 2003	
	shares held	of stock	Unit (€)	Total (€ ml)		Unit (€)	Total (€ ml)	Unit (€)	Total (€ ml)
SANPAOLO IMI S.p.A. - ordinary shares	70,371,000	4.86	8.81	620.0		9.34	657.1	10.81	760.5
Club Méditerranée S.A. - shares	1,393,090	7.20	25.24	35.2	(a)	31.70	44.2	31.94	44.5
Warrants 2007 on Fiat ordinary shares	18,914,511	-	0.19	3.6		0.27	5.2	0.25	4.7
IFIL ordinary shares, treasury stock	11,927,410 (b)	1.15	3.73	44.5	(c)	2.33	27.7	2.60	31.0
Ocean Club Méditerranée bonds	76,614	-	60.52	4.6		60.75	4.7	60.84	4.7
Total				707.9			738.9		845.4

(a) Net of writedowns of € 86.4 million made in previous years.
(b) Including 810,262 IFIL ordinary shares held by the subsidiary Soiem.
(c) Net of writedowns of € 19.3 million made in previous years.

The per share carrying value of IFIL ordinary shares (€ 3.73) is basically in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2003 (€ 3.68).

IFIL ordinary treasury stock recorded in current assets

These refer to 700,000 IFIL ordinary treasury stock (0.07% of class of stock), used to service stock option plans, recorded at the purchase price of € 1.7 million, which is below estimated realizable value.

Stockholders' equity - Group

At December 31, 2003, the stockholders' equity - Group, amounted to € 3,953.9 million (€ 2,708.1 million at the end of 2002). The positive change of € 1,245.8 million is due to the following changes:

€ in millions	
Stockholders' equity - Group at December 31, 2002	2,708.1
IFIL S.p.A. capital stock increase reserved for IFI S.p.A.	794.5 (a)
Difference between the economic value (€ 1,052 million) and accounting value (€ 794.5 million) of the investments contributed by IFI S.p.A.	257.5
IFIL S.p.A. capital stock increase against payment (b)	504.0
Posting of the consolidation reserve arising from the increases in the investments in Fiat and Worms & Cie	42.8
Use of consolidation reserve for the amortization of the difference on consolidation on Juventus Football Club	(42.8)
Translation adjustments (-€ 272.9 million) in the stockholders' equity of companies accounted for using the equity method and other changes, net (+€ 7.7 million)	(265.2)
Consolidated net loss - Group	(45.0)
Net change during the year	1,245.8
Stockholders' equity - Group at December 31, 2003	3,953.9

(a) Accounting value of IFIL shares issued.

(b) Includes the gain on sale of unexercised rights for € 1.8 million.

Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" refers to companies consolidated line-by-line and proportionally and showed a net indebtedness position at December 31, 2003 of € 234.7 million (€ 484.4 million at the end of 2002). The composition of the consolidated net financial position is detailed as follows:

	12/31/2003			12/31/2002		
€ in millions	Short-term	Medium/ long-term	Total	Short-term	Medium/ long-term	Total
Cash and short-term investments	434.6	0.0	434.6	244.5	0.0	244.5
Other assets (financial accrued income and prepaid expenses)	0.2	0.0	0.2	0.3	0.0	0.3
Total financial assets	434.8	0.0	434.8	244.8	0.0	244.8
Borrowings from banks	(216.9)	(150.0)	(366.9)	(428.5)	(150.0)	(578.5)
IFIL 2002/2005 bonds	0.0	(200.0)	(200.0)	0.0	(145.0)	(145.0)
IFIL 2003/2006 bonds	0.0	(100.0)	(100.0)	0.0	0.0	0.0
Other liabilities (financial accrued expenses and deferred income)	(2.6)	0.0	(2.6)	(5.7)	0.0	(5.7)
Total financial liabilities	(219.5)	(450.0)	(669.5)	(434.2)	(295.0)	(729.2)
Consolidated net financial position "Holdings System"	215.3	(450.0)	(234.7)	(189.4)	(295.0)	(484.4)

The positive change of € 249.7 million (more than 51%) was due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2002		(484.4)
Dividends received from:		
- La Rinascente	258.9	
- Worms & Cie	83.9	
- SANPAOLO IMI	21.1	
- Sifalberghi	0.6	
- Other	0.1	
Dividends received		364.6
Financial expenses, net		(23.6)
General expenses, net		(13.0)
Investments:		
- Fiat, subscription to the capital stock increase (and purchase of rights for € 5 million)	(549.6)	
- La Rinascente, 2.16% of capital stock	(38.6)	
- Worms & Cie, 1.37% of capital stock	(23.7)	
Investments		(611.9)
Sales:		
- Sifalberghi, 25% of capital stock (to Accor Group)	32.0	
- Eurofind, 0.85% of capital stock (to Mediobanca)	15.2	
- Other	2.2	
Sales		49.4
Other changes:		
- IFIL S.p.A. capital stock increase against payment	504.0 (a)	
- IFIL S.p.A. capital stock increase expenses	(11.2)	
- Change in the scope of consolidation	5.2 (b)	
- Other, net	(13.8)	
Other changes		484.2
Net change during the year		249.7
Consolidated net financial position of the "Holdings System" at December 31, 2003		(234.7)

(a) Including the gain on sale of unexercised rights for € 1,8 million.
(b) Cash of the subsidiary Soiem, consolidated line-by-line beginning 2003.

Since the end of June 2003, Standard & Poor's Rating Services has assigned an "A-" rating to IFIL's long-term debt and an "A2" rating to its short-term debt, with a negative outlook.

ANALYSIS OF IFIL GROUP CONSOLIDATED RESULTS

The summarized consolidated **Statement of Operations** and the summarized consolidated **Balance Sheet** drawn up in accordance with Legislative Decree 127/91 (line-by-line consolidation), as well as the composition and the change in the line-by-line consolidated net financial position are shown below.

Summarized consolidated statement of operations (line-by-line consolidation)

€ in millions	2003	2002
Value of production	55,554	5,390
Costs of production	(55,941)	(5,246)
Difference between value and costs of production	(387)	144
Financial expenses, net	(982)	(14) (a)
Adjustments to financial assets	(83)	(459) (a)
Extraordinary income, net	437	246 (a)
Loss before taxes	(1,015)	(83)
Income taxes	(714)	(175)
Net loss before minority interest	(1,729)	(258)
Minority interest	1,477	(109)
Use of consolidation reserve for risks and future expenses	207	0
Net loss - Group	(45)	(367)

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

Summarized balance sheet (line-by-line consolidation)

€ in millions	12/31/2003	12/31/2002
Fixed assets	23,705	5,559
Current assets	45,317	2,540
Other assets	849	40
Total assets	69,871	8,139
Stockholders' equity	10,517	3,752
Reserves for risks and charges and employee severance indemnities	7,312	606
Financial payables	24,345	2,533
Other liabilities	27,697	1,248
Total liabilities and stockholders' equity	69,871	8,139

The line-by-line consolidation of the Fiat Group and the subsidiary Soiem beginning from April 1, 2003 does not make it possible to homogeneously compare the 2003 data with the data previously published in 2002, wherein the investments then held in the Fiat Group and in Soiem had been valued using the equity method. Accordingly, to facilitate the comparative analysis, the consolidated data of the IFIL Group at December 31, 2002 has been restated to give effect to the line-by-line consolidation of the economic and balance sheet data of the Fiat Group and Soiem (please refer to the statements on the following page), however without modifying the previously published economic results and consolidated stockholders' equity of the IFIL Group.

Summarized consolidated statement of operations (line-by-line consolidation in 2003) compared to the consolidated statement of operations (line-by-line consolidation in 2002) restated for purposes of comparison

		2002	Change	
€ in millions	2003	(restated) (a)	Amount	%
Value of production	55,554	63,487	(7,933)	-12.5
Costs of production	(55,941)	(64,104)	8,163	-12.7
Difference between the value and costs of production	(387)	(617)	230	-37.3
Financial expenses, net	(982)	(685)	(297)	43.4
Adjustments to financial assets	(83)	(838)	755	-90.1
Extraordinary income (expenses), net	437	(2,257)	2,694	n.a.
Loss before income taxes	(1,015)	(4,397)	3,382	-76.9
Income taxes	(714)	379	(1,093)	n.a.
Net loss before minority interest	(1,729)	(4,018)	2,289	-57.0
Minority interest	1,477	3,651	(2,174)	-59.5
Use of consolidation reserve for risks and future expenses	207	0	207	n.s.
Net loss - Group	(45)	(367)	322	n.s.

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

Summarized consolidated balance sheet (line-by-line consolidation in 2003) compared to the consolidated balance sheet (line-by-line consolidation in 2002) restated for purposes of comparison

	12/31/2003		12/31/2002 restated (a)		
€ in millions	Amount	%	Amount	%	Change
Fixed assets:					
- intangible fixed assets	4,711	7	6,223	6	(1,512)
- property, plant and equipment	10,813	15	13,323	13	(2,510)
- financial fixed assets	8,181	12	18,846	19	(10,665)
	23,705	34	38,392	38	(14,687)
Current assets:					
- inventories	15,938	23	15,880	16	58
- receivables	10,757	15	13,994	14	(3,237)
- financial assets	15,161	22	26,354	26	(11,193)
- cash	3,461	5	3,733	4	(272)
	45,317	65	59,961	60	(14,644)
Other assets	849	1	1,281	2	(432)
Total assets	69,871	100	99,634	100	(29,763)
Stockholders' equity:					
- Group	3,954	6	2,708	3	1,246
- Minority interest	6,563	9	8,696	8	(2,133)
	10,517	15	11,404	11	(887)
Reserves for risks and charges and employee severance indemnities	7,312	10	25,843	26	(18,531)
Financial payables	24,345	35	31,457	32	(7,112)
Other liabilities	27,697	40	30,930	31	(3,233)
Total liabilities and stockholders' equity	69,871	100	99,634	100	(29,763)

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

Consolidated net financial position (line-by-line consolidation)

The consolidated net financial position (line-by-line consolidation) showed a net indebtedness position of € 4,230 million (€ 5,357 million at December 31, 2002).

At December 31, 2003, the consolidated net financial position (line-by-line consolidation) was composed as follows:

€ in millions	12/31/2003	12/31/2002 (restated) (a)	Change
Cash	3,461	3,733	(272)
Marketable securities and other short-term investments	4,269	1,828	2,441
Financial receivables, finance lease contracts receivable and other financial fixed assets	12,959	21,805	(8,846)
Financial accrued income and prepaid expenses	387	662	(275)
Total financial assets	21,076	28,028	(6,952)
Financial payables due within one year	(8,274)	(10,229)	1,955
Financial payables due beyond one year	(16,071)	(21,228)	5,157
Financial accrued expenses and deferred income	(961)	(1,928)	967
Total financial payables	(25,306)	(33,385)	8,079
Consolidated net financial position (line-by-line consolidation)	(4,230)	(5,357)	1,127

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

Reconciliation between the consolidated net financial position of the "Holdings System" and the net financial position (line-by-line consolidation)

€ in millions	12/31/2003	12/31/2002 restated (a)	Change
Consolidated net financial position of the IFIL "Holdings System"	(235)	(479)	244
Adjustment to eliminate the net financial position of the holdings consolidated proportionally (b)	(6)	(52)	46
Consolidated net financial position:			
- Fiat Group	(3,028)	(3,780)	752
- Worms & Cie Group	(887)	(999)	112
- NHT Group	(74)	(47)	(27)
Consolidated net financial position (line-by-line consolidation)	(4,230)	(5,357)	1,127

(a) Restated for purposes of comparison to give effect to the line-by-line consolidation of the data of the Fiat Group and Soiem; the latter is included in the "Holdings System".

(b) Balances not included in the consolidated financial statements (line-by-line consolidation) of the IFIL Group since they refer to Companies accounted for using the equity method (consolidated, instead, proportionally in the "Holdings System").

Research and development costs

In 2003, research and development costs expensed directly to income during the year totaled € 1,763 million, including € 1,747 million relative to the Fiat Group (€ 1,748 million in 2002) and € 16 million relative to the Worms & Cie Group (€ 14 million in 2002).

ANALYSIS OF IFIL S.p.A. STATUTORY RESULTS

Net income for the year and summarized statement of operations of IFIL S.p.A.

The net income of IFIL S.p.A. for 2003 was € 72.7 million, compared to the net loss of € 516.4 million for 2002 due to writedowns of the carrying values in the investments held, directly and indirectly, in Fiat, Club Méditerranée and Soiem, and also in IFIL treasury stock.

The main captions of the summarized statement of operations are described in the following paragraphs.

Dividends received from holdings amounted to € 76.8 million (€ 54,5 million in 2002). The increase of € 22.3 million is due to higher dividends paid by the subsidiaries Ifil Investissements and Ifil Investment Holding (+€ 36 million) and by SANPAOLO IMI (+€ 6.5 million, following the increase in the investment) and the absence of dividends from Fiat (-€ 20.2 million).

Gains (€ 23 million) derived from the sale of 25% of Sifalberghi capital stock.

Financial expenses, net, amounted to € 28.6 million in 2003 and decreased by € 1.8 million due to lower average indebtedness during the year.

General expenses, net, increased by 1.8% (from € 11.3 million to € 11.5 million) mainly as a result of higher personnel expenses.

Other expenses, net, equal to € 4.4 million, included the amortization of costs connected with capital stock increases (€ 2.2 million), nondeductible VAT associated with such costs (€ 1 million), legal consulting fees regarding pending litigation (€ 1.5 million), extraordinary expenses (to be paid over several years) in connection with recourse to the "Solidarity fund for the support of earnings" (€ 0.3 million) and, lastly, other income, net (€ 0.6 million).

The taxable income calculated in accordance with tax laws did not generate any current income taxes for 2003 and led to the release of excess deferred income taxes payable of € 5.2 million booked in prior years. Since there is no reasonable certainty of future recovery, the parent company IFIL did not book any deferred tax assets on the fiscal 2001, 2002 and 2003 tax losses and on the portions of investment writedowns posted in 2002 that, as allowed by existing tax legislation, will be deductible in future years.

The summarized statement of operations is presented below:

€ in millions	2003	2002	Change
Dividends	76.8	54.5	22.3
Dividend tax credits	12.2	16.2	(4.0)
Gains	23.0	1.8	21.2
Writedowns	0.0	(537.7)	537.7
Income/(expenses), net, from investments and other financial fixed assets	112.0	(465.2)	577.2
Financial expenses, net	(28.6)	(30.4)	1.8
General expenses, net	(11.5)	(11.3)	(0.2)
Other expenses, net	(4.4)	(7.3)	2.9
Income (loss) before taxes	67.5	(514.2)	581.7
Deferred taxes	5.2	(2.2)	7.4
Net income (loss)	72.7	(516.4)	589.1

Summarized balance sheet

The summarized balance sheet is presented below:

	12/31/2003		12/31/2002		
€ in millions	Amount	%	Amount	%	Change
Intangible fixed assets	9.0	0.2	0.0	0.0	9.0
Financial fixed assets	3,808.3	98.1	2,520.8	98.0	1,287.5
Other assets	67.1	1.7	52.0	2.0	15.1
Total assets	3,884.4	100.0	2,572.8	100.0	1,311.6
Stockholders' equity	3,194.4	82.2	1,823.2	70.9	1,371.2
Financial payables:					
- bonds 2002/2005	200.0	5.1	145.0	5.6	55.0
- bonds 2003/2006	100.0	2.6	0.0	0.0	100.0
- banks, short-term	216.9	5.6	428.5	16.7	(211.6)
- banks, medium-term	150.0	3.9	150.0	5.8	0.0
- subsidiaries	8.6	0.2	0.0	0.0	8.6
	675.5	17.4	723.5	28.1	(48.0)
Other liabilities and reserves	14.5	0.4	26.1	1.0	(11.6)
Total liabilities and stockholders' equity	3,884.4	100.0	2,572.8	100.0	1,311.6

The principal equity and financial captions are analyzed in the following tables.

Financial fixed assets

Details are presented below:

€ in millions	12/31/2003	12/31/2002	Change
Subsidiaries			
Fiat S.p.A. (ordinary shares)	1,600.7	476.4 (a)	1,124.3
Fiat S.p.A. (warrants 2007 on ordinary shares)	3.6	0.0 (a)	3.6
Fiat S.p.A. (preferred shares)	146.9	59.4 (a)	87.5
	1,751.2	535.8	1,215.4
Ifil Investissements S.A.	1,356.0	1,610.5	(254.5)
Ifil Investment Holding N.V.	162.8	162.8	0.0
Juventus Football Club S.p.A.	11.7	0.0	11.7
Soiem S.p.A.	21.7	9.6 (a)	12.1
New Business Quindici S.r.l.	0.0 (b)	0.0	0.0
	3,303.4	2,318.7	984.7
Associated companies - Sifalberghi S.r.l.	0.0	9.0	(9.0)
Other companies - SANPAOLO IMI S.p.A. (ordinary shares)	463.2	151.4	311.8
Other investments	3,766.6	2,479.1	1,287.5
Treasury stock			
IFIL ordinary shares	41.7	16.3	25.4
IFIL savings shares	0.0	25.4	(25.4)
	41.7	41.7	0.0
Total financial fixed assets	3,808.3	2,520.8	1,287.5

(a) Associated companies up to December 31, 2002.
(b) Carried at € 9,668.

The net increase in financial fixed assets of € 1,287.5 million was the result of the following movements:

€ in millions		
Financial fixed assets at December 31, 2002	2,520.8	
Contribution by IFI S.p.A.:		
- Fiat, 77,944,334 ordinary shares (17.99% of the class of stock)	561.0	
- Fiat, 11,216,334 warrants 2007 on ordinary shares	3.6	
- Fiat, 19,582,500 preferred shares (18.96% of the class of stock)	101.1	
- SANPAOLO IMI, 16,300,000 ordinary shares (1.13% of the class of stock)	107.7	
- Juventus Football Club, 74,992,103 shares (62.01% of capital stock)	11.7	
- Soiem, 18,286,500 shares (50.1% of capital stock)	9.4	
	794.5	
Other increases (decreases)		
- Fiat, subscription to 108,921,627 ordinary shares (capital stock increase)	549.6	(a)
- SANPAOLO IMI, purchase of 28,419,000 ordinary shares (1.96% of the class of stock) by Ifil Investissements	204.1	
- Soiem, payment against future capital increase	2.7	
- Ifil Investissements, partial reimbursement of additional paid-in capital	(254.4)	
- Sifalberghi, sale of 25% capital stock	(9.0)	
	493.0	
Net change during the year	1,287.5	
Financial fixed assets at December 31, 2003	3,808.3	

(a) Including purchase of rights for € 5 million.

A comparison of carrying values and market prices of listed financial fixed assets shows the following unrealized gains (losses):

€ in millions	Fiat ord. shares	Warrants 2007 Fiat ord. shares	Fiat pref. shares	SANPAOLO IMI	Juventus	IFIL ord. shares	Total
Market price at December 30, 2003	(123.0)	0.3	(31.8)	269.6	114.0	(12.6)	216.5
Average market price in the second half of 2003	(76.6)	1.6	(28.2)	193.9	133.5	(15.8)	208.4
Average market price March 1-17, 2004, update	(133.8)	0.2	(31.4)	256.8	105.4	(10.2)	187.0

The carrying values of Fiat ordinary and preferred shares (respectively, € 6.65 and € 4.73) are lower than the per share value of the consolidated stockholders' equity of the Fiat Group at December 31, 2003 (€ 6.91).

The per share carrying value of IFIL ordinary shares (€ 3.75) is substantially in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2003 (€ 3.68).

Stockholders' equity

Stockholders' equity at December 31, 2003 amounted to € 3,194.4 million (€ 1,823.2 million at December 31, 2002). The positive change of € 1,371.2 million was due to the following changes:

€ in millions		
Stockholders' equity at December 31, 2002	1,823.2	
Capital stock increase reserved for IFI S.p.A.	794.5	(a)
Capital stock increase against payment	504.0	(b)
Net income for 2003	72.7	
Net change during the year	1,371.2	
Stockholders' equity at December 31, 2003	3,194.4	

(a) Accounting value of the IFIL shares issued.
(b) Including the sale of unexercised rights for € 1.8 million.

Net financial position

The net financial position of IFIL S.p.A. at December 31, 2003 showed a net indebtedness position of € 677.8 million (€ 729.2 million a the end of 2002) which is composed as follows:

€ in millions	12/31/2003	12/31/2002	Change
Short-term financial receivables	0.2	0.0	0.2
Bonds	(300.0)	(145.0)	(155.0)
Financial payables:			
- short term	(216.9)	(428.5)	211.6
- medium-term	(150.0)	(150.0)	0.0
Financial payables to subsidiaries	(8.6)	0.0	(8.6)
Financial accrued expenses	(2.5)	(5.7)	3.2
Net financial position	(677.8)	(729.2)	51.4

The positive change, equal to € 51.4 million in 2003, resulted from the following cash flows:

€ in millions		
Net financial position at December 31, 2002		(729.2)
Dividends received from holdings		76.8
Financial expenses, net		(28.6)
General expenses, net		(11.5)
Investments:		
- Fiat, subscription to 108,921,627 ordinary shares	(549.6) (a)	
- SANPAOLO IMI, purchase of 28,419,000 ordinary shares (1.96% of the class of stock) from Ifil Investissements	(204.1)	
- Soiem, payment against future capital increase	(2.7)	
- IFIL, purchase of 700,000 ordinary shares (0.07% of the class of stock)	(1.7)	
Investments		(758.1)
Sale of 25% of Sifalberghi capital stock		32.0
Partial reimbursement of additional paid-in capital by Ifil Investissements		254.4
Other changes:		
- IFIL S.p.A. capital stock increase against payment	504.0 (b)	
- Capital stock increase expenses	(11.2)	
- Other, net	(6.4)	
Other changes		486.4
Net change during the year		51.4
Net financial position at December 31, 2003		(677.8)

(a) Including the purchase of rights for € 5 million.
(b) Including the proceeds on the sale of unexercised rights for € 1.8 million.

OTHER INFORMATION

Corporate structure of the Group

IFIL holds important investments through Dutch and Luxembourg holding companies. This control structure is the result of the Group's strategy to globalize investments and secure strategic agreements with leading foreign partners in the sectors of investment.

Moreover, IFIL controls two companies incorporated under Irish law which operate with the aim of optimizing the management of the financial resources of the Group, Soiem and the services companies.

Possible Fiat S.p.A. capital increase in execution of the Convertible Mandatory Facility agreements dated July 26, 2002

In 2003, the major rating agencies downgraded Fiat's debt to below investment grade level and, accordingly, should this condition exist at July 2004, the lending Banks could bring forward the conversion of the debt to capital stock for an amount up to € 2 billion.

In this eventuality, should IFIL decide not to exercise, in whole or in part, the option rights to which it is entitled or should it not be in a condition to exercise, in whole or in part, such rights, the investment held by IFIL in Fiat could be diluted to below 30% of the capital stock with voting rights.

Transition to International Financial Reporting Standards

Following the coming into force of the European Union Regulation No. 1606, dated July 19, 2002, beginning from 2005 those EU companies whose securities are traded on an EU regulated market must prepare their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS/IAS).

IFIL is operating on three levels to ensure a proper transition.

At its operating subsidiaries and associated companies (Fiat, Worms & Cie, Juventus F.C., New Holding for Tourism and La Rinascente), IFIL has taken note of the transition processes in progress, agreeing the timetables to obtain the 2003 and 2004 data, in compliance with IFRS, which will be necessary for the preparation of the opening consolidated balance sheet as at January 1, 2004, as well as the 2004 interim quarterly and semi-annual consolidated financial statements of the IFIL Group, prepared in accordance with IFRS (to be shown for comparative purposes with the equivalent data for 2005).

With regard to IFIL and the Italian and foreign subsidiaries that are part of the "Holdings System", a working group was created to identify the differences between the national and Group accounting principles currently in place and the IFRS/IAS, to ascertain the adequacy of the accounting systems and procedures compared to the new requirements and to ensure that each company prepares, on a timely basis, the necessary accounting statements (equivalent to those examined with regard to the operating subsidiaries and associated companies).

Finally, a working group was established at IFIL, which includes a representative of each operating subsidiary and associated company, to verify the observance of deadlines, gather information on the progress of the transition processes at Group companies, contribute to the timely distribution of updates of the standards and, where necessary, manage the consistency of interpretation of the new standards within the companies of the Group.

With regard to IFIL S.p.A., the first indications from the work performed to date are that the adoption of the new IFRS will principally impact the following items:

Financial fixed assets:	the LIFO method (last in-first out) can no longer be used.
Treasury stock:	the carrying value of treasury stock should be recorded as a reduction of stockholders' equity; any gains/losses deriving from disposals should be recorded in stockholders' equity.
Employee severance indemnities and employee benefits:	should be recalculated for each employee in accordance with the provisions of IAS19; to that end, the Company will use an independent actuary.
Intangible fixed assets:	the residual balance of some costs that benefit more than one year that have been capitalized and amortized in accordance with the regulations in force should be eliminated from assets and recorded as a reduction of stockholders' equity.

Transactions among Group companies and with related parties

Transactions among IFIL, the parent companies, the subsidiaries and the companies in which a significant influence is exercised are entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

In addition to the comments in respect of the Reorganization of the Group, the most important transactions can be summarized as follows:

- services rendered to subsidiaries and associated companies and recoveries of costs;
- services rendered by the parent company, IFI, and by the subsidiary Soiem;
- purchase of 28,419,000 SANPAOLO IMI ordinary shares (1.96% of the class of stock) from Ifil Investissements for € 204.1 million;
- partial reimbursement of additional paid-in capital by Ifil Investissements for € 318.7 million, of which € 254.3 million to IFIL and € 64.3 million to Ifil Investment Holding;
- use of loans from the subsidiary Soiem for € 8.5 million and from the parent company, Giovanni Agnelli e C., for € 51.7 million (repaid in May) bearing interest at monthly floating market rates;
- sale of receivables from the tax authorities to the subsidiary Francorosso Incentive (€ 250 thousand);
- payment of € 2.7 million to the subsidiary Soiem to be used to set up the undistributable reserve, pursuant to art. 2359 bis, paragraph 4, of the Italian Civil Code, in respect of the carrying value of IFIL ordinary shares owned by Soiem.

The effects on the balance sheet and statement of operations of the transactions among IFIL S.p.A., the Group companies and the other related parties can be summarized as follows:

€ in thousands	Accounts receivable 12/31/2003	Accounts payable 12/31/2003	Income 2003	Expenses 2003
La Rinascente S.p.A.	64	7	67	
Alpitour S.p.A.	5		28	
Ifil Investissements S.A.	12		18	
Ifil Finance BV	4		4	
Ifil Capital BV			6	
Ifil International Finance Ltd	4		4	
Ifilgroup Finance Ltd			4	
Giovanni Agnelli e C. S.a.p.az.				74
Juventus Football Club S.p.A.	2		2	192
Orione - Consorzio Industriale per la Sicurezza e la Vigilanza		3	34	
Ifil Investment Holding N.V.	17		19	
Espin S.p.A.		7		
Fiat Auto S.p.A.		3		
Gestione Lavoro S.p.A.		1		1
Fiat Sava S.p.A.		1		18
Fiat Sepin S.p.A.		10		12
Savarent S.p.A.		22		138
Human Resources Services S.p.A.		2		4
IFI S.p.A.		201		201
Eurofind S.A.			1	
Eufin Investments UK			1	
SICI S.p.A.	5			
Soiem S.p.A.	24	9,072		1,796
Publikompass S.p.A.		1		
SANPAOLO IMI S.p.A.		23,535		4,635
Total	137	32,865	188	7,071

The IFIL Group, through the Companies which make up the Group, has maintained and maintains relations with "related" parties as defined by Consob, which, even when considered from the standpoint of potential conflicts of interest, are nonetheless governed by market terms. In this sense, particular mention should be made of:

- option rights on IFIL ordinary shares granted to Directors and Managers of IFIL, the parent company, IFI, and the subsidiary Soiem;
- option rights on Alpitour shares granted by Alpitour to the Directors of IFIL under a stock option plan for the Directors, Managers and Cadres of Alpitour and its direct and indirect subsidiaries.

In February 2003, all the Directors and Managers of the Group, who had the right, sold their Atlanet shares to Ifil Investissements (from which they had previously bought the Atlanet shares) at prices slightly lower than the investments made.

With a view to optimizing the management of the Group's financial resources, loan transactions were entered into among foreign companies of the Group during the year.

Additionally, certain transactions between Group companies and related parties are described in the following paragraphs:

- partial reimbursement of additional paid-in capital:
  - by Eurofind to Ifil Investissements for € 240.7 million;
  - by Ifil International Finance to Ifil Investissements for € 120 million;
  - by Eufin Investments to Eurofind for € 111.5 million;
- payments against future capital increases by Ifil Investissements to Ifil International Finance for € 255 million.

In March 2003, Alpitour purchased 60% of the capital stock of Altamarea, headed by three current directors of the same company, for € 2.2 million.

In October 2003, Francorosso Incentive purchased 30% of the capital stock of Promoviaggi, headed by two current directors of the same company, for € 1.1 million.

In January 2003, the NHT Group repaid a US$ 4.4 million loan secured from companies headed by two directors of Maldivian subsidiaries.

During the course of the year, the Director Franzo Grande Stevens rendered professional services to the Fiat Group for consideration of € 875 thousand.

Additional information and details (including commitments for purchases and sales of investments, dividends received and purchases and sales of investments) are disclosed in the section "Major events in 2003" of the Directors' report on operations, in the "Notes to the statutory financial statements of IFIL S.p.A." and in the consolidated financial statements.

On the basis of information received from the companies of the Group, there are no exceptional or unusual transactions to report.

Equity investments held by Directors, Statutory Auditors and General Manager
(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2002	Increase	Decrease	Held at 12/31/2003
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	0	120,000		120,000
	Worms & Cie (a)	0	1		1
Arnaudo Luigi	IFIL ordinary shares (a)	60,000			60,000
	IFIL savings shares (a)	70,000			70,000
Brandolini d'Adda Tiberto	Worms & Cie (a)	88			88
Garosci Luigi	IFIL savings shares (b)	6,000		(6,000) (c)	0
	IFIL ordinary shares (b)	0	8,007		8,007
Lombardi Giancarlo	IFIL ordinary shares (a)	12,650			12,650
Marocco Antonio Maria	IFIL ordinary shares (a)	46,750	26,619		73,369
	Fiat ordinary shares (a)	15,000			15,000
Teodorani-Fabbri Pio	IFIL ordinary shares (a)	0	200,000		200,000
	IFIL ordinary shares (b)	0	500,000		500,000
	Fiat ordinary shares (b)	1,969	4,614		6,583
	Warr. 2007 on Fiat ord. shares (b)	825			825
	Fiat savings shares (b)	5,720			5,720
Agnelli Umberto	Worms & Cie (a)	2			2 (e)
	Permal Group (a)	1			1 (e)
	Juventus F.C. (a)	26,595			26,595 (e)
Statutory Auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Girolamo Natale Ignazio	IFIL savings shares (b)	12,500		(12,500) (d)	0
	IFIL ordinary shares (b)	-	10,625		10,625
General Manager					
Winteler Daniel John	Worms & Cie (a)	1	1		2

(a) Direct holding.
(b) Indirect holding through spouse.
(c) Converted into 5,100 IFIL ordinary shares.
(d) Converted into 10,625 IFIL ordinary shares.
(e) Shares held on March 3, 2003, date of resignation from the post.

SIGNIFICANT SUBSEQUENT EVENTS

Purchase of 9.53% of Eurofind capital stock

As stated earlier, in January 2004, Ifil Investissements purchased 3,029,651 Eurofind shares (equal to 9.53% of capital stock) from Mediobanca for an investment of € 116.1 million.
Eurofind's capital stock is currently held equally by the IFIL Group (50%) and the Auchan Group (50%).

Purchase of 10% of NHT New Holding for Tourism capital stock

In January 2004, Ifil Investissements purchased 3,298 NHT New Holding for Tourism shares (equal to 10% of capital stock) from the TUI Group for an outlay of € 46.3 million. As part of this transaction, NHT also purchased the remaining 50% of the capital stock of Neos S.p.A. from the TUI Group for an investment of € 2.7 million.
IFIL currently holds, through the subsidiaries Ifil Investissements and Ifil Finance, complete control of NHT.

IFIL's new organization in the United States of America

For the purpose of contributing to the search for new investment opportunities, IFIL set up an organization in the United States with offices in New York. Thanks to its positioning in one of the most interesting international financial centers and with its highly-qualified professional management staff, the organization – which will operate in close coordination with IFIL's offices in Turin – could significantly boost the opportunities of creating economic value for the Company.

Change in the consolidated net financial position of the "Holdings System"

At the end of February 2004, the net financial position of the "Holdings System" showed an indebtedness position of € 393 million. The net negative change during the period (€ 158.3 million) was determined by the following flows:

€ in millions	
Consolidated net financial position of the "Holdings System" at December 31, 2003	(234.7)
Purchase of 9.53% of Eurofind capital stock (from Mediobanca)	(116.1)
Purchase of 10% of capital stock of NHT New Holding for Tourism (from the TUI Group)	(46.3)
Financial expenses, net	(4.9)
Receivables collected from the tax authorities	8.8
Other changes, net	0.2
Net change during the period	(158.3)
Consolidated net financial position of the "Holdings System" at the end of February 2004	(393.0)

Programming document on security

The Company has prepared the programming document on security (Dps) for the year 2003 according to the laws then in force and is currently proceeding to update this document pursuant to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures.

BUSINESS OUTLOOK

For 2004, the parent company, IFIL S.p.A., based on the data available to date, is expected to report a profit.

The consolidated result of the IFIL Group for 2004 will be closely linked to the performance of its main holdings. The forecasts formulated by the holdings themselves are as follows:

Fiat Group

The forecast for 2004 calls for the global economy to grow, driven by expansion in the United States and Southeast Asia. However, the growth rates projected for Italy and the rest of Europe are significantly lower. Consequently, the Fiat Group will be faced with market demand that will expand slightly in the United States but hold relatively steady in most other countries, and with aggressive competition from other carmakers.

In this environment, all of the Group's Sectors will strive to achieve significant gains in profitability. They will pursue this goal by following the guidelines set out in the Relaunch Plan, by restructuring and by streamlining their manufacturing operations. At the same time, they will be making major investments in renewing their product range and improving their distribution networks.

The Group will continue to strengthen its management organization by pursuing a strategy of bringing in top professionals from the outside and leveraging the competencies available inside.

While taking into account the current business outlook, management's goal will continue to be to achieve the objectives of the Relaunch Plan: an operating breakeven for the Group, a further reduction of Fiat Auto's losses and better operating results than in 2003 from all other Sectors.

Worms & Cie Group

In 2003, although operating in a difficult economic context, the companies of the Worms & Cie Group raised or maintained their market share and took structural actions that will make it possible to consolidate or improve their operating results in 2004.

The first two months of 2004 confirm this forecast with a strong level of activities for the subsidiaries SGS and Permal Group and make it possible to anticipate a gradual turnaround in the paper sector where manufacturing costs are being subjected to a rigorous controlling policy.

Rinascente Group

In the first two months of 2004, the Rinascente Group reported sales of € 1,023.9 million, with an increase of 7.9% compared to the corresponding period of the prior year.

In an economic context with growth forecasts uncertain, the Rinascente Group will support every commercial initiative necessary to pursue the objectives of efficiency and process effectiveness in order to preserve and, if possible, improve the operating result.

NHT Group

In view of the actions undertaken to reduce operating costs and the performance during the first few months, the NHT Group is forecasting a further improvement in its results for the year 2003/2004. However, the impacts deriving from a worsening of international political tension, partly as a result of recent terrorist attacks in Spain, could make reaching the anticipated results more difficult.

Juventus Football Club

Juventus, in light of the economic and balance sheet performance for the first six months of the year and information available to date, should register a negative net result for the year that will end on June 30, 2004. Such result could nevertheless be significantly affected by any extraordinary transactions regarding its assets.

SANPAOLO IMI

SANPAOLO IMI recently announced the distribution of dividends per share of € 0.39 which will bring IFIL receipts of € 27.4 million.

PERFORMANCE OF THE MAJOR GROUP COMPANIES

FIAT

(30.06% of ordinary capital stock and 30.09% of preferred capital stock)

For the Fiat Group, 2003 was a difficult and challenging year of transition.
The Company operated in a global economy characterized by stagnant or contracting markets, while contending with the strengthening of the euro versus the U.S. dollar and other major currencies as well as the impact of highly destabilizing international political events. At the same time, in 2003 Fiat launched one of the most profound transformations in its history: a new management team was put in charge in late February. June saw the launch of a four-year industrial and financial plan; and the Group drastically altered the scope of its operations, focusing on its core automotive businesses and divesting a number of companies: Toro Assicurazioni, FiatAvio, FiatAuto's European and Brazilian retail financing operations, Fraikin, and a controlling interest in IPI.
The results for the full year 2003 show that the Group's continuing operations made significant progress. Most importantly, Fiat Auto is already beginning to benefit from cost reductions and the industrial synergies developed with General Motors, even though profit margin improvements were not fully realized, as new models launched at the end of 2003 could not produce their full positive impact on the year's result. There are still challenges ahead as the Group continues on its long and difficult course, but Fiat can take satisfaction in having met its goals for 2003 and brought its main operating and financial metrics in line with the objectives of its Relaunch Plan.

As regards the main activity sectors, in 2003, **Fiat Auto** worked hard to launch new products, upgrade its existing models and improve the performance of its industrial operations. This effort gained fresh momentum during the second half of the year with the start of specific programs implemented under the Relaunch Plan. Special focus was placed on increasing the competitiveness of Fiat Auto's cost structure, revitalizing its technological innovation capabilities and requalifying its distribution networks. Most importantly, Fiat Auto significantly stepped up the renewal of its product line, launching four new models (Lancia Ypsilon, Fiat Panda, Fiat Idea, Alfa GT) and overhauling three existing models (Fiat Punto, Alfa 156 and Alfa 166). These new products were immediately welcomed by the motoring public and received prestigious international rewards. Most notably, the Fiat Panda was named 2004 Car of the Year.
Fiat Auto reported revenues of € 20,010 million for 2003, 9.6% less than the € 22,147 million reported in 2002, due to the contraction in sales volumes and disposal of retail financing activities (decrease of approximately 8% on a comparable basis). Fiat Auto sold a total of approximately 1,700,000 automobiles and light commercial vehicles, down to 8.8% less from 2002. In Western Europe, 1,179,000 units were sold and the decrease was 9.4% with respect to the previous year. The main causes for this downturn were persistent softness on its principal markets, growing competitive pressures, and anticipation leading up to the introduction of new products. The new models came onto the market only at the end of 2003 and, thus the benefits deriving from their sale were only marginal. FiatAuto reduced its operating loss, equal to € 979 million in 2003, compared with a loss of € 1,343 million in 2002. On a comparable basis – excluding from both years the results of the financial companies that were sold – the reduction in losses totaled € 468 million. This improvement is the result of savings on product costs and overhead deriving from the cost reduction plan and industrial synergies generated by the alliance with General Motors; on the other hand, the Sector suffered from the negative effects of lower volumes and higher research and development costs.

In 2003, **CNH** posted revenues of € 9,418 million, -10,4% compared with the € 10,513 million reported in the previous year, in consequence of the negative foreign exchange effect caused by the weakening of the dollar against the euro. On a comparable basis, revenues would have been largely unchanged from the previous year, insofar as the higher revenues from agricultural equipment sales were offset by the reduction in revenues from construction equipment.
CNH posted operating income of € 229 million in 2003, up from the € 163 million reported in 2002, notwithstanding the negative foreign exchange effect stemming from appreciation of the euro. The Sector result improved markedly thanks to improved margins on new products, higher sales prices, and cost savings realized through the integration plans with Case and the Relaunch Plan. These factors more than compensated for the negative impact of volumes and product mix, the costs associated with the introduction of new products, and higher social security and medical costs for its employees.

Iveco had revenues of € 8,440 million in 2003, down by 7.6% from the € 9,136 million reported in 2002, caused by the disposal of activities and deconsolidation of Naveco. On a comparable basis, revenues would have been virtually the same as in 2002.
Iveco closed fiscal year 2003 with operating income of € 81 million, against income of € 102 million in the previous year, which included the positive result of sold activities.
On a comparable basis, it would have posted a slight decrease: the Sector was negatively impacted by a contraction in volumes and intense price pressures, connected with the difficult market situation, and an unfavorable foreign exchange effect. Iveco responded to these negative factors by significantly reducing manufacturing costs and overhead.
In 2003, Iveco continued to work tirelessly on product innovation. The most recent fruits of these efforts include the Stralis equipped with the innovative Active Day and Active Time cabs, which was honored with the 2003 Truck of the Year award, and the recent launch of the New Eurocargo, which represents a further enhancement of the Sector's line of intermediate vehicles.

The consolidated results of the Fiat Group in 2003 can be summarized as follows:

			Change	
€ in millions	2003	2002	Amount	%
Net revenues	47,271	55,649	-8,378	-15.1%
Operating result	(510)	(762)	+252	-33.1%
Result before taxes	(1,298)	(4,817)	+3,519	-73.1%
Group's interest in net result	(1,900)	(3,948)	+2,048	-51.9%
Investments in property, plant and equipment and R&D	3,758	4,519	-761	-16.8%
Cash flows provided by operations	321	(1,649)	+1,970	-119.5%
Net financial position	(3,028)	(3,780)	+752	-19.9%
Number of employees	162,237	186,492	-24,255	-13.0%

Fiat Group's **net revenues** totaled € 47,271 million in 2003, reflecting a 15.1% decrease from the previous year, largely due to the disposal of activities. If continuing operations are considered – excluding the revenues of businesses sold in 2003 from the values for both fiscal years – the reduction would have been 7.3%. The negative foreign exchange effect caused by appreciation of the euro against other currencies and contraction in the volumes of Fiat Auto were the principal causes of the change.

The 2003 **operating result** reflected a reduction in losses, which decreased from € 762 million in 2002 to € 510 million in 2003. This improvement of € 252 million is even more evident if the performance of Continuing Operations alone is considered, which reported a € 634 million decrease in operating loss (from a loss of € 1,348 million in 2002 to a loss of € 714 million in 2003). The recovery accelerated over the course of the year, reflecting the efficiency gains realized through implementation of the Relaunch Plan.

The **Group's consolidated interest in net result** reported a loss of € 1,900 million, compared with a loss of € 3,948 million in fiscal year 2002. This improvement, which reflects the decrease in the operating loss, was also made possible by:

- better results from the equity investments, equal to - € 156 million compared to a negative balance of € 690 million for the previous year, which included the losses incurred by marking equity securities portfolios held by the insurance companies, which were sold in May 2003;
- a reduction in non-operating charges, which decreased mainly due to lower provisions, restructuring charges and extraordinary asset writedowns;
- higher gains earned on asset disposals compared with 2002. These gains included € 1,258 million, net of transaction costs, on the sale of FiatAvio; € 390 million, net of transaction costs, on the disposal of Toro Assicurazioni; € 103 million on the disposal of Fiat Auto's Brazilian retail financing operations; and € 15 million on the sale of IPI. Non-operating income earned in 2002 included, among other items, the gains generated by the disposals of a 34% interest in Ferrari and a 14% interest in Italenergia Bis.

  Net income taxes for the year totaled € 650 million, compared with a credit of € 554 million in 2002. In particular, the income taxes due for fiscal year 2003 include the use of the tax assets that had been previously recorded against expected gains on disposal of the Toro Assicurazioni Group and FiatAvio S.p.A., which were subsequently realized.

As for the equity and financial aspects:

- **Consolidated stockholders' equity - Group** at December 31, 2003 was € 6,793 million, compared to € 7,641 million at December 31, 2002;

- The **net financial position**, i.e. net indebtedness (financial payables and related accruals and deferrals, net of cash and securities) minus financial receivables, totaled - € 3,028 million at December 31, 2003, reflecting an improvement of € 752 million compared with the negative net financial position of € 3,780 million at December 31, 2002. During the fiscal year, the net resources generated by disposals and the capital increase concluded in August more than offset the financial and operating requirements (loss for the fiscal year and increase in working capital).

€ in millions	31/12/2003	31/12/2002	Change
Financial payables, net of intersegment	(22,034)	(28,923)	6,889
Accrued financial expenses	(593)	(785)	192
Prepaid financial expenses	85	118	(33)
Cash	3,211	3,489	(278)
Securities	3,789	1,507	2,282
Net indebtedness	(15,542)	(24,594)	9,052
Financial receivables and lease contracts receivable	12,576	21,406	(8,830)
Accrued financial income	301	543	(242)
Deferred financial income	(363)	(1,135)	772
Net financial position	(3,028)	(3,780)	752

At December 31, 2003, the financial payables included:

- bonds for € 9,610 million;
- the five year bond issued at the beginning of 2002 and exchangeable for 32,053,422 General Motors shares (US$ 2,229 million – equal to € 1,765 million). It should be noted, however, that each bondholder has the right to request early reimbursement, with payment on July 9, 2004, of all or part of his bonds pursuant to the terms and conditions envisaged in the issue prospectus;
- borrowings from banks for a total of € 9,384 million. This amount includes, among others, the mandatory convertible facility (€ 3 billion) and the loan by Citigroup (lead manager of a restricted pool of banks), secured by the agreements with EDF as part of the Italenergia Bis transaction (approximately € 1,150 million).

Financial receivables and finance lease contracts receivable at December 31, 2003, include financial receivables from the dealer network totaling € 2,020 million (€ 1,904 million at December 31, 2002). Receivables from the dealer network are a typical component of the portfolio of the financial services companies. The receivables from the dealer network illustrated in the preceding table are net of allowances for doubtful accounts totaling € 313 million at December 31, 2003 (€ 333 million at December 31, 2002), computed on the basis of historical statistical analyses and updated according to evolutions in market trends. At December 31, 2003, the Group held guarantees totaling over € 2 billion as security for these receivables.

The Group met the targets agreed to with the lending banks under the mandatory convertible facility agreement by reducing its net financial position to € 3 billion and reducing gross indebtedness to € 23.6 billion. At December 31, 2003, gross indebtedness totaled € 22.5 billion, while net financial position was substantially in line with the agreed target without using the previously mentioned Citigroup loan (approximately € 1,150 million) to reduce net financial position (approximately € 3,028 million), as determined by the agreements with the lending banks.

At December 31, 2003, the rating assigned to the Fiat Group by the leading rating agencies was “non investment grade”. Therefore, if this situation persists, in July 2004, the banks could convert up to € 2 billion of the principal loaned into equity.

As regards the significant events occurring since the end of the fiscal year, the most relevant transactions completed by the Fiat Group during early months of 2004 are reviewed below:

- in February 2004, 100% of the interest held in Fiat Engineering S.p.A. was sold to Maire Investimenti S.p.A. At the same time, Fiat Partecipazioni S.p.A. subscribed to a capital increase in Maire Investimenti S.p.A. and now owns 30% of its capital. On said 30% interest, both parties hold call and put options that are exercisable within three years at a predetermined price;
- Fiat signed an agreement to sell 65 million ordinary shares of Edison S.p.A., representing Fiat's direct stake in Edison. Fiat retains its 24.6% interest in Italenergia Bis, the controlling entity of Edison. The transaction does not change any of the future strategic options of the Fiat Group;
- with regard to the new products introduced during the first quarter of 2004, Fiat Auto chose the 74th International Geneva Motor Show for the worldwide introduction of several Fiat-brand models, including the on-road and off -road versions of the gasoline and diesel-powered Panda 4X4, the new Fiat Multipla with updated styling, and the Trepiùno, a small car that serves as a styling and technological laboratory for the development of future microcars.
  Alfa Romeo staged the worldwide launch of the Alfa Crosswagon, a sporty and elegant all-wheel-drive car capable of handling off-road driving conditions.
  Lancia presented to buyers worldwide its Musa, a new compact MPV for motorists who want to enjoy good taste but are unwilling to give up convenience.

Worms & Cie

(53.07% of capital stock through Ifil Investissements)

Worms & Cie is one of the major investment holding companies in France listed on the “Premier Marché” of the Paris stock exchange.
The Group’s portfolio is essentially made up of industry holdings (ArjoWiggins and Carbonless Europe) and services holdings (Antalis, Permal Group and SGS SA).

The condensed consolidated results, with the operating companies accounted for using the equity method, are summarized below:

			Change	
(€ in millions)	2003	2002	Amount	%
Share of earnings (losses) of consolidated subsidiaries accounted for using the equity method				
- ArjoWiggins	73	114	(41)	-36
- Carbonless Europe	(7)	5	(12)	n.s.
- Antalis	6	(5)	11	n.s.
- SGS	36	22	14	64
- Permal Group	25	15	10	67
- Other	15	9	6	67
Share of earnings and dividends	148	160	(12)	-7.5
Financial income/(expenses), net	12	18	(6)	-33
General expenses, net	(12)	(15)	3	-20
Income taxes	11	32	(21)	-67
Current net profit	159	195	(36)	-18
Extraordinary items	31	74	(43)	-58
Amortization of differences on consolidation	(78)	(79)	1	-1
Total net income - Group	112	190	(78)	-41
Stockholders' equity - Group	1,998	2,157	(159)	-
Net financial position	(612)	(698)	86	-

The consolidated net income - Group was € 112 million compared to € 190 million in 2002.

The change from the prior year can be explained as follows:

- the current net profit decreased (-18%) mainly due to a worsening in the results of the industrial companies (ArjoWiggins and Carbonless Europe) which was not compensated by the improvement in the results of the service companies (Antalis, Permal Group and SGS SA), besides a lower net income tax benefit;
- financial income/(expenses), net, showed an income balance in 2003 of € 12 million in that certain financial assets, not included in net debt for accounting purposes, generated considerable interest income (the Appleton crédit vendeur, in particular);
- general expenses in 2003 were € 12 million, a reduction of € 3 million from 2002;
- a reduction in extraordinary items from € 74 million to € 31 million, was recorded principally due to lower gains, net of taxes, realized in 2003 compared to 2002.

Stockholders’ equity of the Group amounted to € 1,998 million at the end of December 2003, compared to € 2,157 million at the end of December 2002.

Net financial position of the Group was € 612 million at the end of December 2003, a decrease of € 86 million compared to € 698 million at the end of December 2002.

Worms & Cie Group's stockholders at December 31, 2003 were:

	% of capital stock	% of voting rights
IFIL Group	53.07	53.11
Family Group	22.85	22.86
A.G.F.	14.83	14.84
Public	9.18	9.19
Treasury stock	0.07	-

The operating performance of the main holdings of the Worms & Cie Group in 2003 is described below.

ARJOWIGGINS

(100% of capital stock through Worms & Cie)

ArjoWiggins is the world leader in the manufacture of high value-added paper products for industry and the world of merchanting and graphic arts, with operations principally in Europe, in North America, in South America and Asia. Its ranges of products are marketed throughout the world and can count on a highly visible corporate image thanks to its brands (Canson, Conqueror, etc.…) and its excellent reputation for product and service quality.

Numerous negative factors affected the business climate in 2003 (wars, SARS and economic slowdown) which together with the strengthening of the euro had a strong impact on the markets and prices of paper products. Additionally, the reduction in advertising investments and communication budgets begun in 2002 continued for all of 2003. Despite the unfavorable setting, however, sales by ArjoWiggins kept pace thanks to its strategic positioning at the high end of the niche market in the paper segment and the introduction of new products. Volumes, in fact, grew by 2% from last year. In contrast, sales registered a 7% decline due to price reductions and the negative foreign exchange effect. Meanwhile, stable pulp prices led to a contraction of margins.
Even though intense efforts were again made in 2003 to reduce fixed costs, the operating result was € 122 million, a decline of 33% compared to the prior year, and with a reduction in the operating margin from 9.8% to 7.1% of sales.

Beginning January 1, 2004, ArjoWiggins incorporated Carbonless Europe's activities relating to the manufacture of carbonless paper. The purpose is to exploit every possible synergy between the two companies in order to be better able to confront the tendential contraction of the carbonless paper segment by offering, in the meantime, competitive capacity for the development projects in the coated paper and printing paper segments.
The tardy arrival of the proclaimed economic recovery in the paper sector and market weakness and lower competitiveness caused by a strong euro continue to weigh heavily on sales prices. In this climate of uncertainty, an increment in the result will mostly come about from the implementation of efficiency programs and the introduction of new products on the market.

The key consolidated highlights are presented in the following table:

			Change	
€ in millions	2003	2002	Amount	%
Net revenues	1,727	1,863	(136)	-7
Operating income	122	183	(61)	-33
Operating margin	7.1%	9.8%		

CARBONLESS EUROPE

(100% of capital stock through Worms & Cie)

Carbonless Europe is the European leader in the manufacture of carbonless paper. With operations in every country of Europe, in South America, in Asia and East Europe, its products are marketed under the Idem brand.
The company has a strong commercial position, especially in Europe where it has about a 35% market share.

The demand for carbonless paper on the world market in 2003, as anticipated, declined significantly, depending on the geographic area, and featured strong tension over prices and margins.
Given this situation, Carbonless ended the year with an operating result that was close to breakeven, thanks to:

- the diversification strategy which translated into a growth in uncoated paper sales;
- the continuation of the restructuring plan.

After three years of significant restructuring, efforts to reduce fixed costs will also continue into 2004. However, the priorities for the year will mainly be directed towards the diversification of products with a higher margin and the exploitation of new commercial opportunities resulting from the incorporation in ArjoWiggins.

The main results reported for 2003 are summarized as follows:

			Change	
€ in millions	2003	2002	Amount	%
Net revenues	304	334	(30)	-9
Operating income (loss)	(2)	6	(8)	n.s.
Operating margin	-0.7%	1.8%		

(100% of capital stock through Worms & Cie)

Antalis is the leading European group in the merchanting of printing and writing paper for printing firms and corporate businesses. It is present in almost all the nations of Europe, in South America, Asia and in the south of Africa. In each of these markets, Antalis ranks as the leader or co-leader.

In 2003, the lack of confidence in the economic panorama had an impact on communication and advertising expenses with immediate repercussions on corporate investments. The European merchanting market thus registered, for the third consecutive year, a decline in volumes of 3% together with a notable reduction in prices.

Surrounded by this weak economic climate, Antalis showed a great capacity for resistance, continuing to significantly improve its operating performance.

Pursuing a strategy founded upon customer satisfaction, Antalis concentrated its efforts on responding to the needs of the market. The effectiveness of the commercial policy translates into a consolidation of market share and a jump in margins. Operational rigor and the continuation of cost-cutting programs have enabled the company to effectively face the negative impact of the contraction in volumes connected with the deterioration of the markets.

Despite the decline in sales, Antalis doubled its operating margin, now at 1.6% of sales, and increased operating income to € 37 million from € 19 million last year.

Economic prospects for 2004 are still uncertain, irrespective of the recovery in demand during the last two months of the year. Having a solid basis, Antalis could capitalize on its strong points to grow even in the absence of market expansion.

The key consolidated results of the Group can be summarized as follows:

			Change	
€ in millions	2003	2002	Amount	%
Net revenues	2,324	2,458	(134)	-5
Operating income	37	19	18	95
Operating margin	1.6%	0.8%		

SGS

(23.8% of capital stock through Worms & Cie)

Founded in 1878, SGS SA is today the world leader in the sector of verification, inspection and certification of product and service quality. Present in 140 countries, the Group operates with more than 1,200 offices and laboratories. SGS is listed on the Zurich stock exchange.

In an uneven international trading environment, whose development was hampered by a wide range of factors, from geopolitical events to unusual climatic conditions, revenues for the Group were CHF 2,454 million, an increase of CHF 163 million compared to the prior year in local currency terms.

The key consolidated results can be summarized as follows:

			Change	
CHF in millions	2003	2002	Amount	%
Net revenues	2,454	2,392	62	3
Operating income (before extraordinary items)	300	216	84	39
Operating margin	12.2%	9.0%		
Net income - Group	227	109	118	108

Strong revenue growth was achieved in Consumer Testing, Oil Gas & Chemicals and Systems and Services Certification with all these businesses delivering more than 10% growth.

Operating income, before extraordinary items, was CHF 300 million, with an increase of 39% compared to 2002. Operating margins improved in all the businesses compared to the previous year with the most significant upward shifts being achieved by Consumer Testing, Systems and Services Certification, Life Sciences and Trade Assurances Services. The operating margin of the Group passed from 9% in 2002 to 12.2% in 2003.

Consolidated net income before extraordinary items for the year improved from CHF 159 million to CHF 224 million (+41%). Consolidated net income - Group reached CHF 227 million, compared to CHF 109 million in 2002.

SGS expects to continue to significantly improve operating performance in 2004, determined to achieve the 2005 target of CHF 45 earnings per share. This is notwithstanding the recent weakness in the U.S. dollar and the currencies which trend highly depends on it.

At December 31, 2003, SGS Group’s significant stockholders were composed as follows: Worms & Cie which held a 23.8% stake and Mr August Von Finck and his family who held a 23.7% stake.

PERMAL
GROUP

(100% of capital stock through Worms & Cie)

Active in the management of funds since 1974, Permal Group is an international group offering highly specialized financial services.

After three challenging years for the market and despite the financial scandals, the war in Iraq and the soaring American deficit, the financial market ended 2003 with important gains (S&P 500 +28.7%, MSCI World Index +33.8% and Nikkei 225 +24.5%).
In this context, Permal Group continued to demonstrate throughout the entire year the validity of the management model developed.
Attention is specifically drawn to the following distinguishing characteristics:

- assets managed totaled US$ 12,945 million, with an increase of US$ 5.630 million;
- net subscriptions during the year stood at US$ 4,100 million, 61% of which was through new distribution channels attesting to the effectiveness of the diversification policy of the sales network;
- an AA rating was assigned by Standard & Poor's to five of the principal funds managed by Permal;
- registration with the SEC was obtained by Permal Asset Management Inc, a wholly-owned subsidiary of Worms & Co Inc.

Permal Group intends to uphold its performance thanks to the continuation of the development of the distribution network and the opening of new markets.

The key results for the year 2003 were as follows:

			Change	
U.S. dollars in millions	2003	2002	Amount	%
Net revenues	178	99	79	80
Operating income	43	19	24	126
Operating margin	24.2%	19.2%		
Assets managed	12,945	7,315	5,630	77

Gruppo Rinascente

(99.21% of ordinary capital stock and 99.06% of savings capital stock through Eurofind)

Economic stagnation and lower consumption in its reference markets were the backdrop for the Rinascente Group in 2003.
The Group's store formulas have confronted the new wave of weakness in demand with actions aimed at improving the quality of its product offering, the competitiveness of its prices, the level of service rendered to the customer and reception at the points of sale.

- *Auchan* hypermarkets have affirmed the desire to continue along the strategic lines that were decided in 2002 to be the low-price and commercial attraction leader in its class. The projects now underway are geared to enhancing all operating levers, particularly the competitiveness of purchase and sale prices, promotions, customer loyalty, the preservation of basic services, merchandise assortment and operating efficiency. The sales network was expanded in the South by the stores opened at Mesagne (BR) and Melilli (SR).
- *SMA* supermarkets have operated along the same lines as the hypermarkets to achieve the objectives of food safety, private label development, competitive market repositioning and intensification of promotional pressure. They are also involved in developing a multi-formula organization which comprises Cityper, Sma and Punto Sma in order to take advantage of the possible synergies of a company of national importance but strongly rooted in the single territories in which it is present. The direct network increased with the opening of five new supermarkets.
- The *Upim* division is transforming the Variety Store formula to the new Multi-Specialty Store format based upon five merchandise modules that identify the world of apparel for men, for women, for children and cosmetics and the home. Consequently, the offering structure, the marketing policy, the service model, the operating processes and the organization were revised. Seven new units were opened, 16 were renovated and, with a view towards relaunching the sales network based upon a standard model that guarantees the uniformity of the image of the stores, 10 points of sale were closed.
- *La Rinascente* department stores are going forward with the implementation of the restructuring program for all the branches and the design of new marketing formats, in parallel with projects to improve the offering and leverage the label name, the service and the operational methods. Two new branches came into operation in 2003: the Bergamo branch and the new *JAM* sign in the Rome-Galleria Colonna mall targeting the youth market.
- The company *SIB*, the Italian leader in the bricolage sector, directed its efforts to improving the operations of the stores and developing the network by adding three new units and moving a *Bricocenter* to bigger premises. A significant step was taken with the inauguration at Bologna of the largest bricolage store in Italy under the *Leroy Merlin* store name.

The Rinascente Group took important steps along the road to renovation and development in 2003 which can be summed up as follows:

- the programs continue for the transfer of operational and managerial tools to the divisions and, in the meantime, the creation of a Services Center, with the aim of offering itself as a recognized professional entity capable of providing its services to the users with increasing levels of quality, efficiency and competitiveness as compared to market values. In order to best achieve these objectives, Rinascente identified Accenture, a world leader in the consulting and management and technological sector, as the partner best able to provide the know-how necessary to create a center that over time would guarantee the supply of services characterized by the highest qualitative standards. The activities, the persons and the infrastructures of the Services Center of the Rinascente Group, effective August 5, 2003, were contributed to Arthis S.p.A., a company in which Accenture has an 80% stake and Rinascente a 20% stake. Arthis supplies the divisions of the Rinascente Group with administrative and accounting services in addition to personnel administration, general services and information systems services which provide support to these areas;

- a joint venture was set up with Simon Property Group Inc., the leading American shopping center operator, for the management and development of malls in Italy. In December 2003, the relative shopping center activities were contributed to Gallerie Commerciali Italia S.p.A. and as of December 22, 2003 the company is 49%-owned by the Simon Property Group and 51%-owned by Rinascente.
  The partnership is consistent with the Rinascente Group's plan to focus on the trades and the businesses and is directed towards consolidating and increasing the leadership position reached in Italy in this sector.

The consolidated results of the Rinascente Group in 2003 can be summarized as follows:

			Change	
€ in millions	2003	2002	Amount	%
Gross sales	6,652.1	6,145.6	506.5	8.2
Gross operating profit	377.9	348.9	29.0	8.3
Operating income	175.3	152.1	23.2	15.3
Current profit	178.9	149.0	29.9	20.1
Net income - Group	200.4	50.8	149.6	294.5
Stockholders' equity - Group	762.5	1,208.5	(446.0)	-36.9
Consolidated net financial position	(481.2)	18.5	(499.7)	n.s.

Specifically:

- **gross sales** of the Group, including VAT incorporated in the retail sales price, were € 6,652.1 million, with a growth of 8.2%;
- **gross operating profit** (gross cash flow) amounts to € 377.9 million, compared to € 348.9 million, with an increase of 8.3%;
- **operating income** was € 175.3 million, with a growth of € 23.2 million;
- **current profit** amounted to € 178.9 million compared to € 149 million, with an increase of 20.1%. Financial management generated net financial income of € 3.5 million (compared to net financial expenses of € 3.1 million in 2002);
- net **extraordinary items** generated an income balance of € 148.7 million (compared to € 19.3 million in 2002) thanks to the gain of € 172.3 million realized on the sale of the 49% equity interest in Gallerie Commerciali Italia S.p.A.;
- **net income - Group** amounted to € 200.4 million, compared to € 50.8 million in 2002; the decrease in consolidated stockholders' equity – Group was due to the payment of extraordinary dividends of € 600 million, voted last December.
- **net cash flows** provided by operations (net income + amortization and depreciation) totaled € 437.6 million compared to € 281.1 million in 2002.

An analysis of performance by store formula is presented in the following paragraphs.

Food formulas accounted for a higher percentage of total sales (from 83.3% to 83.6%). An analysis is presented below:

- *Auchan* hypermarkets generated sales of € 2,899.6 million (+7.0%), of which € 1,722.5 million (+5.2%) referred to food products and € 1,177.1 million to non-food products (+9.8%).
  The *Auchan* hypermarkets demonstrated a clear and precise desire to increase competitiveness and productivity and every operating lever was used to reach this objective:
  - commerce (strengthening of the pricing positioning compared to the competition, more promotions, greater assortment in the low-price product range and in private labels);
  - human resource management (generalization of the progress bonus and responsibilization of the teams);
  - costs (optimization of logistics);
- *SMA* supermarkets reported sales of € 2,581.4 million, with an increase of 11.4%.
  The supermarkets work in harmony and synergy with the hypermarkets to achieve the objectives of food safety, development of the private label and competitive repositioning. The significant increase in private label products and the importance of the lowest priced product lines allowed SMA to respond satisfactorily to the demands for savings voiced by the clientele.
  Promotional pressure was increased and contributed to raising the level of public awareness for traditional campaigns (sales and below cost promotions). Sales by franchising activities totaled € 563.4 million (+35.7%).

Traditional non-food formulas now account for a lower percentage of total sales, from 16.8% to 16.4%. An analysis is presented below:

- *Upim* posted sales of € 573 million, including franchising activities, with an increase of 3.1%. Sales by franchising activities totaled € 60 million (+8.5%).
- *Department stores* reported sales of € 310.1 million, with an increase of +0.8%. Sales performance was affected by the negative economic picture which continues to limit the flow of foreign customers, and the adverse weather conditions in 2003, which had an effect on the entire textile area.
- *Bricolage* - the sector managed by *S.I.B.* S.p.A., which contributes 50% of its results to the Rinascente Group - reported sales of € 206.1 million, including franchising business, with an increase of 19.7%.

SANPAOLO IMI

(4.86% of ordinary capital stock)

Banca FIDEURAM

BANCA OPI SPA
BANCA PER LA FINANZA ALLE OPERE PUBBLICHE E ALLE INFRASTRUTTURE

BANCA IMI

SANPAOLO WM
WEALTH MANAGEMENT

In the first half of 2003, initiatives continued with the aim of implementing the development and rationalization plan for the SANPAOLO IMI Group's distribution networks. The plan is directed towards gradually introducing the model already successfully adopted by the Sanpaolo Network, which is based upon the specialization of the operating points, to all the Group's networks. The model found immediate application in the territorial reorganization of the Sanpaolo and Banco di Napoli distribution networks following the merger of SANPAOLO IMI and the Neapolitan bank on December 31, 2002.
All of the activities necessary to integrate the SanPaolo and Banco di Napoli branches from the commercial, credit, organizational and information system standpoints were put into place. The company SANPAOLO BANCO DI NAPOLI was also set up; all the Sanpaolo and Banco di Napoli branches in the four Mezzogiorno continental regions of Campania, Apulia, Calabria and Basilicata were spun-off to this new bank of the Group. SANPAOLO BANCO DI NAPOLI can count on 745 operating points and serves more than one million customers and approximately 20,000 companies.

On November 25, 2003, the Stockholders' Meeting approved the merger by incorporation of Cardine Finanziaria into the Parent Bank, becoming legally effective from December 31, 2003 and effective for accounting and tax purposes from January 1, 2003. The aim of this integration is:

- realization of scale and scope economies with the gradual centralization in the Partner Bank of the operating support (MOI and Logistics);
- best exploitation of local brands, deeply rooted in the regional reference markets;
- maximizing distributive effectiveness through a common commercial policy.

The merger has led, as already envisaged in the 2003-2005 Plan, to the creation of the North East Territorial Direction, in support of the bank networks operating in the Triveneto (comprising the regions Veneto, Friuli Venezia Giulia and Trentino Alto Adige) and Emilia areas. The Direction, based in Padua, controls the commercial and credit activities of the Group branches operating in this area.
In the same month of November 2003, the merger between Cassa di Risparmio di Udine e Pordenone and Cassa di Risparmio di Gorizia was effected, with the establishment of a regional bank named Friulcassa S.p.A. Cassa di Risparmio Regionale.

On November 18, 2003, SANPAOLO IMI acquired 7% of the capital of Banca delle Marche, in accordance with the agreement signed in July with Banca delle Marche, Fondazione CR Jesi, Fondazione CR Provincia di Macerata and Fondazione CR Pesaro; in particular, a 4.8% share was purchased directly from Banca delle Marche and 2.2% from the Fondazioni. The purchase price of € 1.77 per share, involved a total outlay of € 92 million. SANPAOLO IMI also granted the Fondazioni a put option on a further 8% of the bank's capital, exercisable before 12/31/2006.
The agreement also provides for a collaboration agreement aimed at developing commercial and operating synergies in wealth management, in investment banking, corporate and international banking and in the financing of public works.
Banca delle Marche, leader in one of Italy's most dynamic regions, operates for retail customers and small-and-medium-sized companies through a network of 262 branches in Central Italy, of which 230 situated in the Marche.

On March 3, 2003, SANPAOLO IMI and Santander Central Hispano, which jointly participate in the capital of Finconsumo Banca, reached an agreement which provides for the sale of the stockholding of Finconsumo Banca held by SANPAOLO IMI to Santander Central Hispano. The transaction determined, on consolidation, a total gross capital gain of € 100 million. The agreement provided for the sale of an initial share of 20% in September 2003 at a total price of € 60 million, with a gross capital gain on consolidation of € 44 million, while on the remaining 30%, SANPAOLO IMI exercized a put option on January 20, 2004 at a total price of € 80 million, giving rise to a gross capital gain on consolidation € 55 million.

In December 2003, the disposal of 60% of the French subsidiary Banque Sanpaolo to Caisse Nationale des Caisses d'Epargne (CNCE) was completed by SANPAOLO IMI. The initiative, which is part of the context of the strategic agreements defined in 2001 between SANPAOLO IMI and Eulia, a French holding company created by the Caisse des Dépôts et Consignations Group and by the Caisse d'Epargne Group, generated a gross capital gain of € 240 million for the Group and implemented the first part of the agreement signed on July 31, 2003. This agreement, for the remaining 40%, provides for a put and call option system exercisable after four years, liable to extension by two, in exchange for cash or shares in one of the companies of the CNCE Group.

In December 2003, full control was acquired in Noricum Vita, an insurance company which sells its own products through the branches of Cassa di Risparmio in Bologna and Banca Popolare dell'Adriatico, with the acquisition (by Sanpaolo Vita) of the 51% share belonging to Unipol Assicurazioni and of the 5% share belonging to Reale Mutua (directly by the Parent Bank), which join the 44% already held by SANPAOLO IMI. The transaction, which involved a total outlay of € 44 million, allows consolidation of the Group's already relevant presence in the insurance sector.
Noricum Vita is the corporate vehicle identified for the realization of the plan to concentrate the Group's insurance activities. This plan provides for the concentration of all the life insurance companies and those in the property and casualty branch into a single pole, and is aimed at expanding and strengthening the range and innovative capacity of products in sectors such as pensions, personal protection and property insurance.

The lively trend in operating revenues and the cost containment actions, together with the writebacks and profits made on the investment portfolio, enabled extensive compensation for adjustments to loans and extraordinary expenses (€ 475 million) linked with the staff leaving incentives. The net income of € 972 million for the year, showed a growth of 7.9% compared with 2002.

The key results of the SANPAOLO IMI Group can be summarized as follows:

€ in millions	2003	2002 pro-forma (a)	Change Amount	Change %
Net interest income	3,716	3,653	63	1.7
Net interest, commissions and other banking income	7,482	7,066	416	5.9
Operating income	2,717	2,334	383	16.4
Income before extraordinary items	1,700	704	996	141.5
Net income - Group	972	901	71	7.9
Total assets	202,580	199,645	2,935	1.5
Stockholders' equity - Group	10,995	10,702	293	2.7
Numbers of employees	43,465	45,217	(1,752)	-3.9

(a) The pro-forma figures for 2002, which are unaudited, were prepared to enable consistent comparison with the figures for 2003. The pro-forma schedules reflect the line-by-line consolidation of the Inter-Europa Bank and Eptaconsors and the proportional consolidation of Cariforlì commencing from January 1, 2002, as well as the exclusion of Banque Sanpaolo and IW Bank from the line-by-line consolidation area and of Finconsumo Banca from the proportional consolidation area as of the same date and, with exclusive regard to the first quarter of 2002, the line-by-line consolidation of the former Cardine Group, taking place for the first time as of June 30, 2002, with accounting effect as of January 1, 2002.

Net interest income for 2003 was € 3,716 million; the 1.7% increase compared with the prior year was the result of the positive contribution of volumes, joined by a greater spread in transactions with customers.

Net interest income, commissions and other banking income totaled € 7,482 million, an increase of 5,9% compared to the corresponding period of the prior year. This change is not only due to the favorable increase in interest income but also to the positive trend in commission income (+8,6%), the gains from financial transactions and dividends from holdings (+47 %).

Operating income in 2003, equal to € 2,717 million, increased by 16.4%.

With regard to the balance sheet components at the end of December 2003, the following can be said:

- **total consolidated assets** amounted to € 202,580 million;
- **net loans to customers**, excluding non-performing loans and loans to SGA, amounted to € 122,415 million; the percentage of net non-performing loans to total net loans to customers was 0.9%;
- **total customer financial assets** amounted to € 368,042 million, including assets managed of € 143,711 million;
- **stockholders' equity - Group** was € 10,995 million, compared to € 10,702 million at the end of December 2002.

JUVENTUS

(62.01% of capital stock)

Juventus won its twenty-seventh Italian Championship title triumphing in the 2002/2003 season and took second place of the 2003/2004 U.E.F.A. Champions League.

In August 2003, Juventus also captured the fourth Italian Supercup, the 50th title in its list of victories.

The fiscal year July 1, 2002 – June 30, 2003 ended with a net income of € 2.2 million (compared to € 6.3 million in the prior year); the decrease was mainly due to the lower contribution from player management.

The increase in operating revenues from € 175.3 million to € 215.4 million (+22.9%) reflects all the components of the value of production, which benefited from the brilliant sports results achieved during the season.

Operating costs rose but to a lower extent than revenues so that a gross operating profit was reported (€ 16.3 million) compared to the operating loss for the prior year of € 12.8 million.

As far as player management is concerned, the net income from the management of players' registration rights amounted to € 13 million, with a considerable reduction compared to € 116.2 million in 2001/2002. Investments totaled € 39 million while the transfer campaign as a whole showed a negative net financial balance of € 9.4 million. The amortization of the investments in players amounted to € 61.6 million (€ 68.2 million in the prior year). In this regard, Juventus chose not to take advantage of the benefits allowed under Law No. 27 dated February 21, 2003 and thus continued to amortize players' registration rights using the normal process.

Moreover, on June 30, 2003, Juventus sold 27.2% of the subsidiary Campi di Vinovo to Costruzioni Generali Gilardi, a contractor in Turin, realizing an extraordinary gain of € 32.5 million.

Stockholders' equity at June 30, 2003 amounted to € 99.6 million, substantially unchanged compared to June 30, 2002. The net financial position, however, showed a cash position of € 69.2 million (compared to a net cash position of € 95 million at the end of the prior year).

For purposes of the preparation of the consolidated financial statements of the IFIL Group, Juventus prepared financial statements for the period January 1 – December 31, 2003, which can be summarized as follows:

Year				Change	
2002/2003 (a)	€ in millions	2003 (b)	2002 (b)	Amount	%
215.4	Total revenues	212.9	189.0	23.9	12.6
16.3	Gross operating loss (c)	(51.1)	(70.1)	19.0	-27.1
2.2	Net loss	(16.1)	(35.3)	19.2	-54.4
99.6	Stockholders' equity (d)	77.0	93.6	(16.6)	-17.7
69.2	Net financial position (d)	13.1	34.8	(21.7)	-62.4

(a) Corresponding to the period July 1, 2002 – June 30, 2003.
(b) Periods corresponding to the financial year.
(c) Before amortization of players' registration rights.
(d) Data referring to the end of the year.

The result for the year 2003 was a loss of € 16.1 million, an improvement of € 19.2 million compared to 2002 due particularly to the increase in revenues, which also had a positive effect on the operating income.

The economic effect of the 2003 transfer campaign, originating from the sale of players' registration rights and the termination of player copartnerships, produced income of € 2.3 million and was impacted by the overall contraction of the market.

The reduction in stockholders' equity from € 93.6 million at December 31, 2002 to € 77 million at December 31, 2003 is basically due to the loss for the period. The net financial position shows a net cash position of € 13.1 million.

Among the major events in 2003, in addition to the above, is the signing, in June, of the notarized deed for the ninety -nine year lease on the Stadio delle Alpi and adjacent areas, renewable at the end of the lease period. The consideration is equal to € 25 million, of which € 1 million was paid when the contract was signed, € 6 million when the building permit was received (application filed in December) and € 18 million is payable over nine years.

In February, as part of a judicial inquiry on the soccer sector by the Public Prosecutor's Office in Rome, the Revenue Guard Corp took documentation from the headquarters of F.I.G.C. – Federazione Italiana Giuoco Calcio, L.N.P. - Lega Nazionale Professionisti and all the teams registered in the Serie A and Serie B Championships for the soccer seasons 1999/2000 to 2003/2004 with respect to the manner of the preparation of the financial statements and the registrations for the Championships during that period.

As far as the current soccer season is concerned, the First Team was eliminated in the qualifying round of the U.E.F.A. Champions League but reached the finals in Coppa Italia TIM Cup 2003/2004.
The Primavera under-21 team won the 56th edition of the Viareggio International Coppa Carnevale, duplicating last season's victory.

Gruppo NHT New Holding for Tourism

(100% of capital stock through Ifil Investissements and Ifil Finance)

NHT New Holding for Tourism unites the IFIL Group's investments in the tourism sector. Such holdings specifically refer to the Alpitour Group, which is active in the tour operating, incoming and hotel management segments, Welcome Travel Group, which offers tourist packages through owned agencies and affiliates and via the Internet, and Neos, which is an airplane charter operator with three B737-800 airplanes.

The key consolidated results of the NHT Group for the year 2002/2003 can be summarized as follows:

€ in millions	2002/2003	2001/2002	Change Amount	%
Net revenues	945.9	937.7	8.2	0.9
Operating income	26.7	23.4	3.3	14.1
Net loss - Group	(11.2)	(21.0)	9.8	-46.8
Stockholders' equity - Group	227.2	253.0	(25.8)	-10.2
Net financial position	(74.2)	(46.9)	(27.3)	58.1

After a 2002 marked by a weak economic performance and for the most part affected by the September 11 crisis, the first quarter of 2002/2003 confirmed some signs of an upturn in demand that first became evident in the summer season of last year. This helped to increase sales and raise volumes and margins. The second quarter, which was impacted by the international political events culminating with conflict in Iraq and the SARS health emergency which hit the Asian areas, again registered symptoms of weakness in demand. The third quarter, thanks to the re-emergence of a quieter international political scene, slowly returned to a substantially normal market situation which was then consolidated during the course of the summer season.

The above overall scenario obviously influenced the economic performance of all the tourism sectors in which the Group operates, namely the tour operating, incoming, hotel management, distribution and airline carrier segments, although the area that was most directly affected by the general situation was obviously tour operating which is headed by the Alpitour Group and which represents the core business of the Group.

The consolidated results of the holdings in the NHT Group are described in the following paragraphs:

€ in millions	2002/2003	2001/2002	Change Amount	%
Tour operating	806.6	821.8	(15.2)	-1.8
Incoming	193.4	197.4	(4.0)	-2.0
Hotel management	77.4	55.7	21.7	39.0
Distribution	14.8	9.7	5.1	52.6
Total	1,092.2	1,084.6	7.6	0.7
Eliminations of intersegment relations	(146.3)	(146.9)	0.6	-0.4
Total	945.9	937.7	8.2	0.9

As far as tour operating is concerned, despite the first line-by-line consolidation of Viaggidea, the year ended with a decrease in sales of approximately € 15 million (€ 807 million in 2002/2003 compared to € 822 million in 2001/2002), equal to a reduction of roughly 2 percentage points. This decrease is principally due to weaker demand in certain periods of the year in conjunction with international turbulence (the war in Iraq and SARS), as well as the fall in sales in the "incentive" sector.

With regard to volumes, in 2002/2003, there were 950,000 passengers compared to 1,015,000 recorded in the previous year, with a reduction of some 6.4%.

The sales mix in 2002/2003 recorded a good recovery in long-haul destinations, centered mainly in the Carribean area (Mexico, Cuba, Santo Domingo and Jamaica), with an average increase of about 4%. An appreciable gain of 13% in volumes was also registered in destinations to the Indian Ocean, whereas travel to all destinations in the Far East took a sharp plunge on account of SARS. A considerable downturn was also reported in Tanzania and Zanzibar, destinations that were penalized by local political tensions which led to the closing, in the middle of the high season, of the resorts (Bravo Club and Sea Club) owned by the Group.

In Mediterranean Africa, on the other hand, the year just ended produced a slight increase in volumes to destinations in Egypt and a decline to Morocco and Tunisia.

Short-haul destinations generally displayed a decline in volumes, especially in the area of Spain and destinations in the east Mediterranean (Turkey, in particular). Volumes were positive, instead, to Cape Verde where the local Bravo Club received more than 13,000 holiday seekers.

Lastly, destinations in Italy had an excellent showing, with growth of roughly 9% in volumes, thanks to the opening of the new Bravo Clubs in Sardinia, Calabria and Basilicata.

In October 2003, a further 30% stake was acquired in Promoviaggi S.p.A., the second-largest Italian operator in the incentive tourism market. This brought the Group's equity interest in the company to 60% and strengthened its position as leader in that market.

The incoming sector, headed by the Jumboturismo Group, reported consolidated sales of approximately € 193.4 million in 2002/2003 (€197.4 million in 2001/2002), including € 110.9 million in sales to the Alpitour Group. The reduction in sales of about 2% is mostly attributable to the contraction of volumes from third-party, mainly British, Irish and Dutch tour operators. The traffic produced by these operators totaled 601,000 passengers compared to 682,000 in 2001/2002, following a decline in demand to destinations in the Canary Islands and Balearic Islands on all major European markets.

Volumes contributed by the tour operators of the Group, instead, totaled 396,000 passengers for an increase of over 18% compared to 2001/2002, thanks mainly to incoming which came into full operation in Tunisia and the build up of Cape Verde.

The hotel sector, which reports to the Horizon Holidays Group and the new subsidiary Altamarea (a 60% holding purchased in March 2003), posted consolidated sales of approximately € 77.4 million, compared to a corresponding amount of € 55.7 million in 2001/2002. This increase of roughly 39% was achieved thanks to the first-time consolidation of Altamarea, as well as the increase in volumes of sales to registered third-party operators for the hotels in Tunisia, Mexico and Cape Verde. The hotel complexes owned by the Group, which are principally marketed under the "Bravo Club" brand by Alpitour and "Sea Club" brand by Francorosso, reported a daily presence in 2002/2003 of more than 980,000, corresponding to about 110,000 guests.

The distribution sector generated sales of approximately € 14.8 million (€ 9.7 million in the prior year), operating mainly through the travel agency network of the Welcome Travel Group, which developed a network of 200 affiliated agencies (under franchising arrangements) and 38 owned agencies.

Notwithstanding higher sales, mainly achieved by an increment in the sales of the Group's products, the Welcome Group's results were still negative, although much better than last year. Economic performance, in fact, is still affected by the structure costs and the start-up costs of the new activities which had a negative impact on the operating margin.

The Welcome Group, however, continued to pursue its development plans by opening new agencies in important Italian cities such as Rome, Bergamo and Brescia. Thanks to the good trend of network activities, the number of franchises is constantly growing.

The Welcome Group also operates through the Welcome On Line brand, which is a virtual travel agency and tourism portal.

Regardless of the persisting unfavorable economic situation and an unstable international political climate which undoubtedly penalized the entire tourism sector, the year just ended nevertheless produced a considerable improvement in the economic result of the Group which, besides benefiting from extraordinary transactions, is the result of numerous actions undertaken mainly on the front of cutting operating costs.

Club Med

(7.2% of capital stock through Ifil Capital)

Club Med

Club Méditerranée

Jet tours
spécialiste en vacances réussies.

Club Méditerranée's business in 2002/2003 was still impacted by the difficulties of the sector (and that of the airplane carrier sector) as a result of the war in Iraq, the persisting threat of world terrorism and the SARS syndrome.

At October 31, 2003, the consolidated financial statements of the Group showed revenues of € 1.6 billion, with a reduction of 7.7% compared to the prior year, resulting in a net loss of € 94 million (net loss of € 62 million in 2001/2002). At the operating level, the Group substantially reported breakevens at both the economic operating level (an operating loss of € 6 million) and the financial operating level (balanced operating cash flows).

The relaunch plan begun in prior years continued through actions aimed at reducing structure costs and bringing the hotel capacity into line with the changed conditions of the market. The divestiture of non-profitable businesses generated net financial flows of € 42 million compared to a negative free cash flow of € 12 million in 2001/2002.
The consolidated stockholders' equity of the Group at October 31, 2003 amounted to € 474 million.

In 2003/2004, the Group expects a gradual improvement in the economic climate, which, for the last three years, has negatively affected its results.

Ifil Investissements (Luxembourg)

(100% of capital stock directly and through Ifil Investment Holding)

The key highlights for the year ended December 31, 2003 can be summarized as follows:

€ in millions	2003	2002	Change
Net income (loss)	(154.2)	112.1	(266.3)
Stockholders' equity	1,947.3	2,483.0	(535.7)
Financial fixed assets	1,917.6	2,497.1	(579.5)
Net financial position	34.1	(1.1)	35.2

The most important transactions which took place in 2003 are described in the section "Major events in 2003".

The loss for the year of € 154.2 million was basically the result of the loss (€ 161.3 million) on the sale of 1.96% of SANPAOLO IMI ordinary capital stock to the parent company, IFIL, at market price, and the adjustment (€ 106.8 million) of the accounting carrying value of the investment in NHT to the value of the share of its consolidated net equity at October 31, 2003.
These negative components were partly compensated by dividends received from Worms & Cie (€ 83.9 million) and Eurofind (€ 22.6 million) and other net positive components of € 7.4 million.

Stockholders' equity decreased by € 535.7 million following the partial reimbursement of additional paid-in-capital to the parent companies IFIL (€ 254.4 million) and Ifil Investment Holding (€ 64.3 million), dividends paid to these same companies (€ 62.8 million in total) and the loss for the year (€ 154.2 million).

Financial fixed assets comprised the following investments and bonds at December 31, 2003:

		12/31/2003			
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2002	Change
Worms & Cie S.A.	55,922,623	53.07	775.5	751.7	23.8
Eurofind S.A.	12,863,063	40.47	431.9	687.8	(255.9)
Ifil International Finance Ltd	4,000,000	100.00	544.0	409.0	135.0
SANPAOLO IMI S.p.A.	-	-	0.0	365.4	(365.4)
NHT - New Holding for Tourism BV	19,682	59.68	135.6	242.4	(106.8)
Ifil Finance BV	10,000	100.00	18.5	18.5	0.0
Atlanet S.p.A.	-	-	0.0	6.4	(6.4)
Other	-	-	7.4	11.4	(4.0)
Total investments			1,912.9	2,492.6	(579.7)
Ocean Club Méditerranée convertible bonds	76,614	-	4.7	4.5	0.2
Total financial fixed assets			1,917.6	2,497.1	(579.5)

A comparison of carrying values and market prices of listed financial fixed assets shows the following unrealized gains/(losses):

€ in millions	Worms & Cie	Ocean Club Med bonds	Total
Market price at December 30, 2003	261.9	0.2	262.1
Average market price in the second half of 2003	229.2	0.2	229.4
Average market price March 1-17, 2004, update	437.0	0.2	437.2

Eurofind (Luxembourg)

(50% of capital stock through Ifil Investissements)

The key highlights for the year ended December 31, 2003 can be summarized as follows:

€ in millions	2003	2002	Change
Net income	640.4	55.8	584.6
Stockholders' equity	1,734.8	1,745.1	(10.3)
Financial fixed assets	1,721.8	1,737.9	(16.1)
Net financial position	13.7	13.7	0.0

Eurofind's activities in 2003 were marked by the voluntary takeover bid for La Rinascente shares which ended in February 2003 and the subsequent tender offer for residual shares (referred to in the section "Major events in 2003").

Net income amounted to € 640.4 million and mainly derives from the receipt of extraordinary dividends from La Rinascente totaling € 594.5 million.

Financial fixed assets comprised the following investments at December 31, 2003:

	12/31/2003				
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2002	Change
La Rinascente (Italy)					
- ordinary shares	296,556,269	73.24	1,325.5	1,244.5	81.0
- savings shares	101,869,881	25.16	383.4	371.5	11.9
- preferred shares	2,797,086	0.69	12.6	10.2	2.4
		99.09	1,721.5	1,626.2	95.3
Eufin Investments	243,100	100.00	0.3	111.7	(111.4) (a)
Financial fixed assets			1,721.8	1,737.9	(16.1)

(a) The reduction of € 111.4 million relates to the reimbursement of reserves by Eufin Investments in January 2003.

Ifil International Finance Ltd (Ireland)

(100% of capital stock through Ifil Investissements)

The company ended its year of operations on December 31, 2003 with a net income of € 0.3 million (€ 0.6 million in 2002), stockholders' equity of € 544.8 million (€ 409.6 million at the end of 2002) and a net cash position of € 544.9 million (€ 409.7 million at December 31, 2002).

The liquidity is mainly invested in two medium/long-term loans granted to Ifil Investissements and due in December 2006 and January 2007 (€ 540 million at year-end).

Ifil Finance BV (Netherlands)

(100% of capital stock through Ifil Investissements)

The company closed the year ended December 31, 2003 with a loss of € 15 thousand (€ 12 thousand in 2002) and stockholders' equity of € 18.4 million, unchanged compared to the prior year.

The company holds 30.32% of the capital stock of NHT New Holding for Tourism carried at € 18.4 million.

The net financial position at December 31, 2003 is in equilibrium.

Ifil Investment Holding (Netherlands)

(100% of capital stock)

The key highlights for the year ended December 31, 2003 can be summarized as follows:

€ in millions	2003	2002	Change
Net income (loss)	7.8	(43.4)	51.2
Stockholders' equity	165.6	162.8	2.8
Financial fixed assets	320.3	384.6	(64.3)
Net financial position	(155.0)	(222.4)	67.4

Financial fixed assets comprised the following investments at December 31, 2003:

	12/31/2003				
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2002	Change
Ifil Investissements S.A.	224,194	20.18	285.2	349.5	(64.3) (a)
Ifil Capital B.V.	11,000	100.00	35.1	35.1	0.0
Financial fixed assets			320.3	384.6	(64.3)

(a) The reduction is due to the partial reimbursement of additional paid-in capital by Ifil Investissements for the same amount.

Ifil Capital BV (Netherlands)

(100% of capital stock through Ifil Investment Holding)

The key highlights for the year ended December 31, 2003 can be summarized as follows:

€ in millions	2003	2002	Change
Net loss	- (a)	(33.8)	33.8
Stockholders' equity	35.1	35.1	0.0
Investment in Club Méditerranée (b)	35.2	35.2	0.0
Net financial position	(0.1)	(0.1)	0.0

(a) Loss equal to € 31 thousand.
(b) 7.2% of capital stock.

A comparison of the carrying value of the investment in Club Méditerranée with the market price shows the following unrealized gains:

€ in millions	Club Med
Market price at December 30, 2003	6.6
Average market price in the second half of 2003	9.1
Average market price March 1-17, 2004, update	13.8

In view of the loss of € 94 million reported by Club Méditerranée for the year ended October 31, 2003, the company prudently did not record the partial increase in the market share price of the investment which was written down in prior years for € 61.4 million.

MOTION FOR APPROVAL OF THE FINANCIAL STATEMENTS, INCREASE OF THE LEGAL RESERVE AND APPROPRIATION OF NET INCOME FOR THE YEAR

To our Stockholders,

We ask you to approve the financial statements for the year ended December 31, 2003 which show a net income of € 72,671,094, which we propose to appropriate, after adjusting the legal reserve to one-fifth of capital stock, equal to € 1,075,195,737, by drawing € 69,274,230 from the extraordinary reserve (which, after this withdrawal, will amount to € 128,821,989), as follows:

To the savings shares:		
- preference dividend due for the year 2002, corresponding to 8.27% of the par value of the shares, not paid out in 2003 (art. 24 of the by-laws): € 0.0827 equal to a maximum	€	3,091,575.75
- dividends due for the year 2003: € 0.0827 equal to a maximum	€	3,091,575.75
To the ordinary shares, dividends for the year 2003: € 0.062 equal to a maximum	€	64,344,388.45
The proposed dividends are due on shares that will be outstanding, thus excluding shares held by the company at the ex dividend date, for a total maximum	€	70,527,539.95
To the extraordinary reserve, the remaining amount, equal to a minimum	€	2,143,554.05
Net income for the year 2003	€	72,671,094.00

On the maximum amount of the proposed dividends (€ 70,527,539.95) to the receipients who could still be entitled to dividends with an ordinary tax credit (equal to 51.51%), the tax credit would be on a maximum of € 54,924,684.53; on the remaining € 15,602,855.42, there would be a limited tax credit (equal to 51.51%).

Turin, March 29, 2004

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

IFI

Istituto Finanziario Industriale

Annual report 2004

IFI
Istituto Finanziario Industriale

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

TABLE OF CONTENTS

DIRECTORS' REPORT ON OPERATIONS

This is an English translation of the Italian original document "Relazioni e Bilanci 2004" approved by the IFI Board of Directors on March 30, 2005, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian "Relazioni e Bilanci 2004" containing the Directors' Report on Operations and the Consolidated and Statutory financial statements also available on the corporate website: http://www.gruppoifi.com.

IFI
Istituto Finanziario Industriale

Board of Directors

Chairman	Gianluigi Gabetti
Deputy Chairman	Pio Teodorani-Fabbri
Directors	Annibale Avogadro di Collobiano
	John Elkann
	Luca Ferrero Ventimiglia (*)
	Gabriele Galateri di Genola
	Franzo Grande Stevens
	Andrea Nasi
	Lupo Rattazzi

(*) Coopted by the Board of Directors meeting on June 23, 2004.

Secretary to the Board	Pierluigi Bernasconi

General Manager	Virgilio Marrone

Board of Statutory Auditors

Chairman	Cesare Ferrero
Standing Auditors	Giorgio Giorgi
	Lionello Jona Celesia
Alternate Auditors	Giorgio Ferrino
	Paolo Piccatti

Independent Auditors	Deloitte & Touche S.p.A.

Expiry of term of office

The three-year terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on May 29, 2003, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2005.

The Independent Auditors are appointed for the three-year period 2003-2005.

Corporate Governance

The Chairman, according to the bylaws (art. 21), may represent the Company, also before a court of law, and has signature powers. Specific operating powers have been conferred to the Deputy Chairman and the General Manager.

CHAIRMAN'S LETTER

To our Shareholders

In 2004, overall, the global economy reported steady growth. According to the International Monetary Fund, GDP growth worldwide increased by more than 5% and international trade rose by approximately 10% in terms of quantity. In the United States, GDP, which by itself represents one fifth of the world's wealth, increased by 4.4%.
The recovery was largely focused in South-East Asia and North America, whereas, in Europe, the economy continued to mark time. Sharp increases in the prices of energy-related raw materials did not lead to a marked acceleration in consumer prices in industrialized countries, thus allowing monetary policies to continue their expansive trend.

***

According to most economic forecasts, in 2005, once again, Asia and the United States should provide the main impetus for world growth, confirming current trends. However, there are also those who disagree, who question the effective state of health of the world economy and who detect worrying signs in the structural weaknesses of the traditional "locomotive" of the planet: namely, the United States. In the opinion of many observers, unless suitable corrective measures are implemented, the problems highlighted by the United States could lead to a serious imbalance in world trade and finance, which would seriously jeopardize the future growth of many countries.
During 2004, the "twin deficit", which constitutes the main problem of the American economy, deteriorated: the national debt and the balance of trade deficit reached 4.3% and 6.3% of GDP, respectively. Although this is certainly a serious phenomenon, it is not new, and can usually be explained by a series of well-known causes: the war in Iraq, the price of crude oil, a policy of tax incentives, on the one side; the increase in global competitiveness and the aggressive nature of the Asian economy, particularly the Chinese economy, on the other.
But, in fact, it is not the phenomenon in itself which is causing alarm, rather the apparent ineffectiveness of the counter-measures that have been implemented so far. American exports have continued to stagnate, whereas imports – especially from China – have increased considerably.
Until now, the continuous shift of wealth towards Asia has so far found compensation in the refinancing of the American national debt by the central banks of the countries concerned, but this "virtuous circle" - which only benefits the U.S.A. – cannot continue indefinitely. The decision of the Federal Reserve to raise interest rates can thus be interpreted as having two aims: to contain the risks of inflation in the North American economy and, at the same time, to increase the profitability of investment in Treasury bills, to avoid any possibility that such a mass of debt should remain uncovered. A hypothesis which could have disastrous consequences for all the industrialized countries.

***

Although economists are divided in their assessment of what the future holds for the U.S. economy, the diagnosis of the situation in Europe seems, unfortunately, to be unanimous. Also in 2004, the optimistic expectations of growth for Europe were not fulfilled. On average, growth in the eurozone was 1.8%. In the last quarter of 2004, there was a slowdown of the overall GDP, caused mainly by a contraction of the German and Italian economies. The weakness of internal demand was a contributory factor in the slow growth of these two countries. The gradual gain in value of the euro against the U.S. dollar and currencies linked to the dollar (China, the Far East) severely penalized the other potential growth factor: exports. The European institutions were slow to define a monetary policy and initiatives to combat the growth of the super-euro against the dollar and the Asian currencies. Fortunately they responded to pleas from the leading European economies to make changes to the Stability Pact. The revised plan should ensure greater flexibility and make it possible to take account of the adverse economic situation so that stability, seen as a target that will take several years to achieve, can be combined with structural reforms and significant investments in the public sector.

***

In Italy, the weakness of net exports was accompanied by a standstill in productivity, which affected potential growth of the country. Loss of competitiveness was manifested in foreign trade, which, for the first time since 1992, reported a deficit, partly as a result of the increase in the price of crude oil. The persisting difficulties in the manufacturing sector were another sign that all was not well.

Apart from lower production, there were numerous factors which resulted in a loss of competitiveness: the nature of the Italian market (the fact that the work force represents a small percentage of the overall population, the inflexibility of the labor unions, high pension and health costs which make the Clup (the cost of labor per unit of product) higher *than that of our competitors; the fact that our companies tend to be of a modest size, which prevents them from achieving significant economies of scale; the prevalence of traditional industry and a low level of technology, now a "typical" characteristic of our country, together with the persisting phenomenon of the underground economy; the lack and obsolescence of our infrastructures (especially in transportation and logistics); the limited efficiency or high cost of services; less possibility of resorting to the bond market following several corporate scandals; and, finally, the difficulty of financing new industrial initiatives by subtracting resources from "safe" (but unproductive) investments and thus refueling the virtuous circle of capital and business.*

***

Today, we have become more aware of these problems: unfortunately, although the measures that have been recently adopted or which will be adopted shortly are a step in the right direction, they are not enough to solve the problems due to the fact that the funds that have been made available for the purpose are not sufficient, since the objectives are many and highly diversified.

The aims of the decree law and the bill on competitiveness are all valid, but, in order to combat the decline or malaise of our industrial system we should give priority to and set aside more resources for measures that will have a greater impact on businesses: IRAP tax reductions, grants for innovation and research, expansion of infrastructures, simplification of bureaucratic and administrative procedures, augmenting social "shock absorbers", partly with a view to implementing more far-reaching, urgent measures that will allow industrial restructuring to take place.

***

IFI closed 2004 on a positive note, reporting a profit of € 38 million in the statutory financial statements and € 117 million in the consolidated financial statements. The improvement compared to the prior year, which ended with a profit of € 15 million for the company and € 130 million for the Group, was made possible by the positive results announced by both the IFIL Group and Exor Group, of € 119 million and € 93 million, respectively.

Having implemented the restructuring process in 2003, in its capacity as operating holding company of the Group, IFIL implemented the strategies that would lead to the reorganization and appreciation of the investment portfolio which the difficult international context and the situation of some of the investment holdings demanded.

In particular, we would like to mention the measures adopted at Fiat, where the severe nature of the problems involved demanded the utmost attention and commitment: changes in top management, the definition of a clear industrial perimeter and a more streamlined structure and responsibilization of management so that it can act and intervene more rapidly. When the Fiat Group reached operational breakeven in 2004, it was an important step within the broader plan to relaunch the company, which involves all sectors. The decision to end the alliance with General Motors, which took place in the first months of the current year, made it possible to generate significant financial inflows and to regain the strategic freedom needed for its future development.

The monetization of the investment in Rinascente represents one of the most important transactions in the history of IFIL. The food activities were sold to Auchan and the textile sector was later sold by auction, which attracted the major Italian and foreign industrial and financial operators. The enormous financial resources thus acquired by the company will, first of all, allow the company to reduce its existing debt but, foremost, will constitute the necessary presuppositions for development in terms of new investments.

IFIL's strategic objective remains an equilibrated and constant return for its stockholders commensurate with the economic performance of the sectors and the countries in which the subsidiaries operate. With this in mind, faced with the persisting weakness of the economies in the European area, IFIL opened new offices in New York and Hong Kong to seize the opportunities that could be offered by the greater growth of the American and Asian areas.

As for its part, Exor Group continued in the strategy to monetize its investments, selling the residual stake in Société Foncière Lyonnaise and – together with the IFIL Group, the respective interests held – in that of Club Méditerranée. The aim of the company is now directed to the growth of the remaining investments (Graphic Packaging, in particular) and the management of the cash resources that came from the divestitures concluded during the last few years.

Finally, along with the Board of Directors, I would like to thank the Stockholders for their loyalty, the Statutory Auditors and the Independent Auditors for the care employed throughout their mandate, and the Executives as well as Employees of the company and the subsidiaries for their excellent contribution.

Gianluigi Gabetti

IFI GROUP PROFILE

THE INVESTMENT PORTFOLIO

IFI – Istituto Finanziario Industriale S.p.A., is the controlling financial holding company of the Group led by Giovanni Agnelli e C. S.a.p.az. The Company's assets are represented by investments in IFIL Investments S.p.A. (the new name of IFIL – Finanziaria di Partecipazioni S.p.A.), equal to approximately 63% of ordinary capital stock, and in Exor Group, equal to 29.3% of capital stock.

IFIL Investments is the investment company of the Group commanding two distinctive areas of operations: the active management of the controlling investment in Fiat and the dynamic management of the other holdings.

Fiat, controlled with a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat Auto, Ferrari and Maserati), agricultural and construction equipment (CNH Global), commercial vehicles (Iveco), automotive components for these vehicles and the supply of related services (Magneti Marelli, Comau and Teksid), as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Worms & Cie (52.96% holding in capital stock) is a French-listed holding company with a portfolio comprising the following major investments:

- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper (Carbonless Europe was absorbed by ArjoWiggins as from January 1, 2004);
- Antalis (100% holding), the leading European group in the distribution of paper products for printing and writing;
- Permal Group (77% holding), one of the leaders in the management of investment funds;
- SGS (23.8% holding), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality;

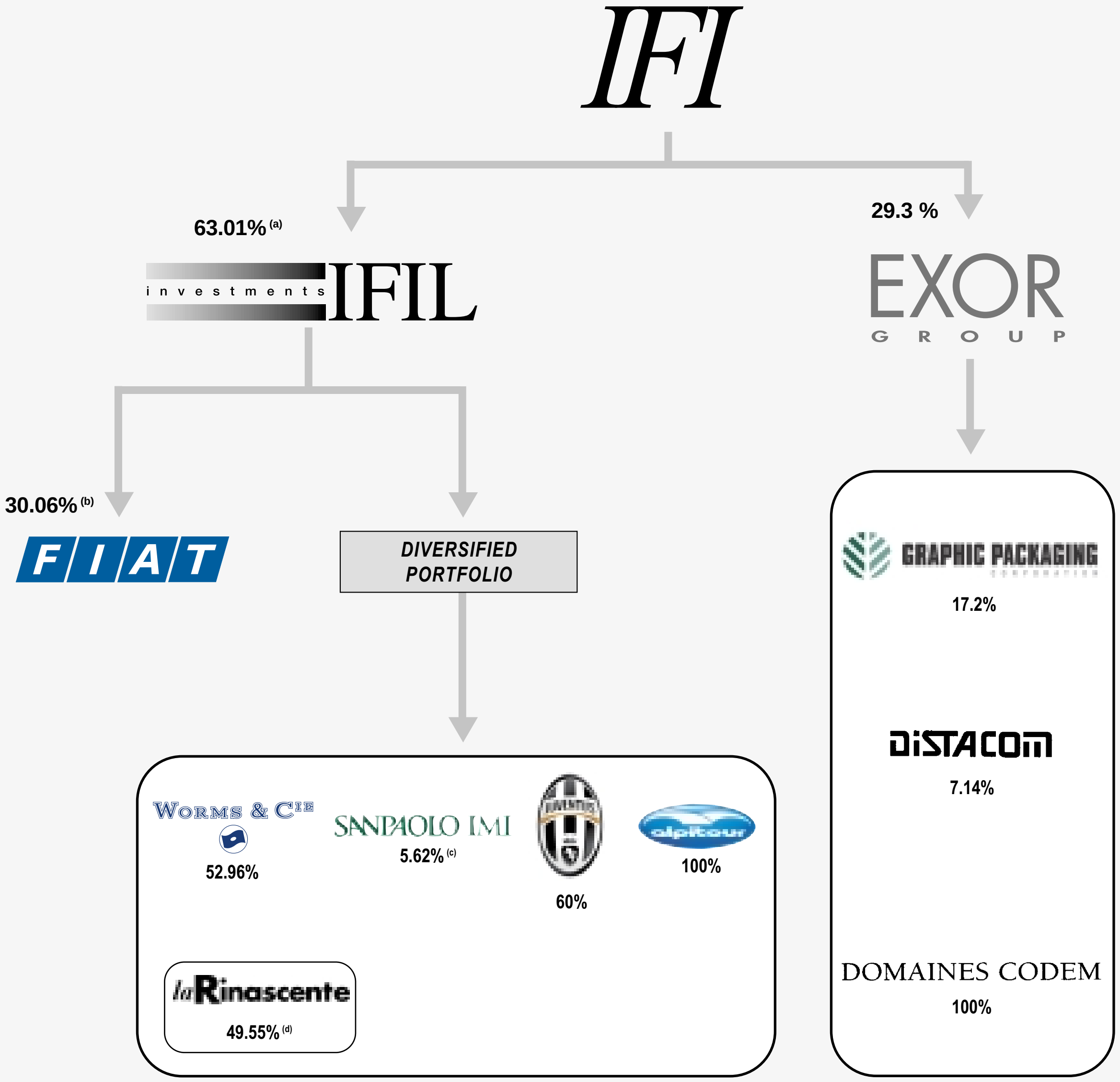
SANPAOLO IMI (5.62% holding by IFIL of ordinary capital stock) is a leading national banking group with over 3,000 branches throughout Italy;

Alpitour (100% holding) is the leading group in Italian tourism;

Juventus Football Club (60% holding by IFIL) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events.

Exor Group is a Luxembourg holding company; its principal investments are the 17.2% stake in Graphic Packaging Corporation (a listed U.S.A. company in the packaging sector), the 100% holding in Domaines Codem (a French wine company) and the 7.14% stake in Distacom (a company headquartered in Hong Kong operating in the telecommunications sector).

The following chart is updated to the end of March 2005 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFI also holds 2% of savings capital stock.
(b) IFIL also holds 30.09% of preferred capital stock.
(c) Equal to 4.45% of capital stock.
(d) Subject of the contract of sale to Tamerice S.r.l. dated March 13, 2005. The percentage is calculated on capital stock.

KEY OPERATING AND FINANCIAL DATA

The key results of the Group and IFI S.p.A. are presented as follows.

IFI GROUP

Condensed consolidated figures (a)					
€ in millions	**2004**	2003	2002	2001	2000
Consolidated net income (loss) - Group	**117**	(130)	(803)	164	218
Share of earnings (losses) of holdings and dividends	**130**	(117)	(740)	113	238
Financial fixed assets	**2,525**	2,513	2,444	3,430	3,422
Consolidated stockholders' equity - Group	**2,269**	2,221	2,026	3,164	3,088
Earnings per share (€)					
Consolidated net income (loss) - Group (b)	**0.74**	(1.21)	(14.17)	2.83	3.66
Consolidated stockholders' equity - Group (c)	**13.90**	13.61	32.81	51.23	50.00

(a) Details regarding the criteria used for the preparation of the financial statements are provided in the section "Analysis of the IFI Group condensed consolidated results".
(b) Calculated using the average number of shares outstanding.
(c) Calculated using the number of shares issued at the end of the year.

IFI S.p.A.

€ in millions	**2004**	2003	2002	2001	2000
Net income (loss) - IFI S.p.A.	**38**	15	(227)	117	77
Stockholders' equity - IFI S.p.A.	**1,605**	1,567	1,095	1,356	1,082
Net indebtedness position	**(264)**	(295)	(427)	(239)	(695)
Total dividends paid out	**-**	-	-	34	35
Dividends paid out per share (€)					
Per ordinary share	**-**	-	-	0.5783	0.5783
Per preferred share	**-**	-	-	0.63	0.63

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

At December 31, 2004, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares of par value € 1.

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

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

The preferred shares are listed on the Mercato Telematico Azionario (Electronic Trading Market) organized and operated by Borsa Italiana S.p.A..

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

IFI has approximately 13,000 stockholders at December 31, 2004.
The major preferred stockholders, indicated below, represent 60.54% of the class of stock.

Major stockholders at December 31, 2004		
Stockholders	**%**	**Number of shares**
Ing Bank NV - London	11.45	8,791,652
K Capital Partners LLC Group	11.33	8,700,731
Morgan Stanley Group	10.94	8,405,820
Lyxor Amber Fund LTD	6.32	4,851,627
UBS AG	4.32	3,314,587
Banca Esperia S.p.A.	4.24	3,260,000
Pictet & Cie.	4.10	3,145,375
Centaurus Alpha Master Fund	3.43	2,630,530
Kairos Fund Limited	2.34	1,796,700
Banca d'Italia	2.07	1,593,625
	60.54	***46,490,647***

Treasury stock

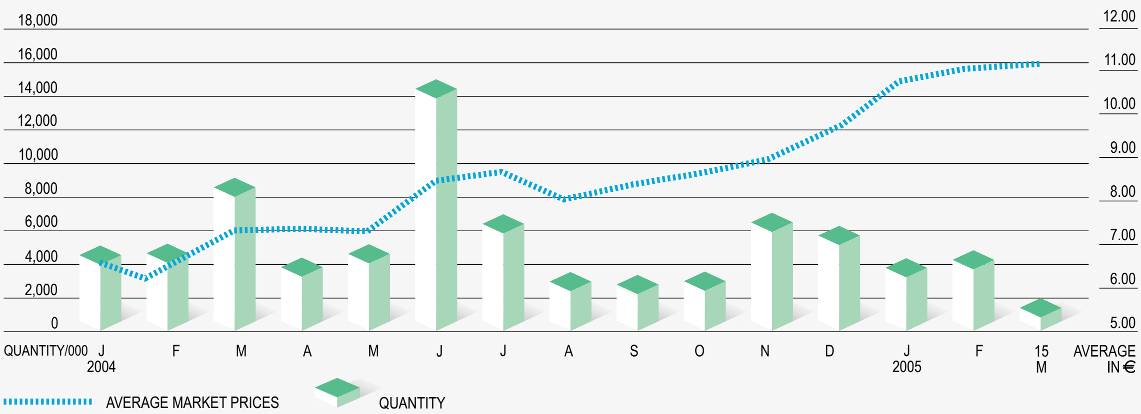
At December 31, 2004, IFI holds 5,360,300 preferred shares of treasury stock (6.98% of the class of stock).
On March 30, 2005, the Board of Directors voted to put forward a motion to the Ordinary Stockholders' Meeting to renew the resolution for the authorization of the buyback of treasury stock for a maximum of 16 million IFI ordinary shares and/or preferred shares, setting aside a total of € 150 million.

Stock performance

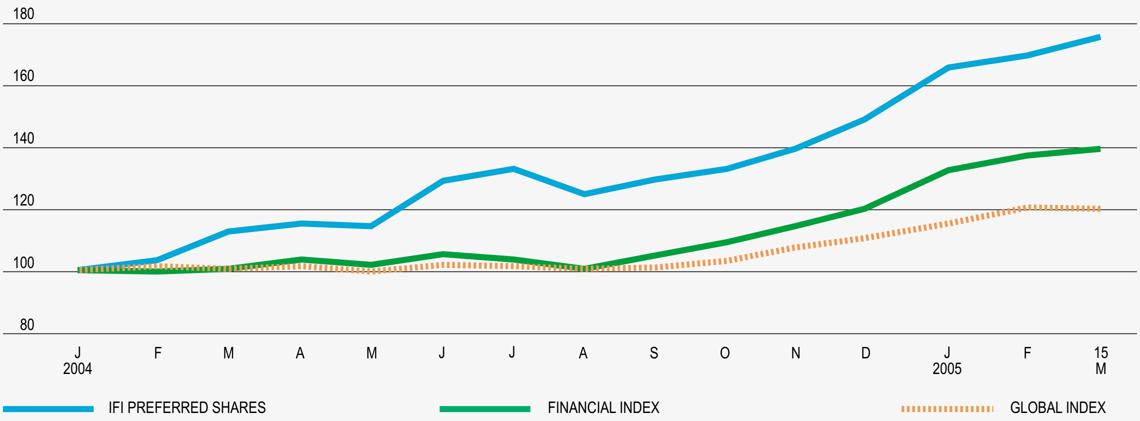
Since January 2004, IFI preferred stock entered a bullish phase which led to its current market price of more than € 11.

Performance of the stock in 2004 overall was positive, gaining 55.5% compared to 19.9% by the Global Index.

IFI PREFERRED SHARES - AVERAGE MARKET PRICES IN € - QUANTITIES TRADED



PERFORMANCE OF IFI PREFERRED SHARES COMPARED TO COMIT MARKET INDEXES



MARKET INFORMATION

	2005 **(January 1 - March 15)**	2004	2003	2002
Market price per preferred share (€)				
. year-end	**11.593**	10.431	6.708	7.951
. high	**11.593**	10.431	9.466	21.451
. low	**10.562**	6.23	5.003	7.762
Trading volumes during the period (in millions of preferred shares)	**9.7**	67.7	60.9	14.9
Value of trading volumes during the period - preferred shares (€ in millions)	**110.1**	556.8	383.8	269

The market prices of 2003 and 2002 have been adjusted to take into account the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

IFI has its own website (http://www.gruppoifi.com) which has recently been revised to respond to the information needs of investors, analysts and journalists. The site presents a descriptive profile of the Group, outlines the activities and strategies of the Company and also contains accounting and financial information as well as press releases and other corporate reports.

During 2004, about 900 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are also available on request.

Intensive contacts have been established with financial analysts and institutional investors and also the Italian and foreign economic and financial press.

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

External Relations and Press Office
Tel. +39011 – 5090320
Fax +39011 – 5090386
relazioni.esterne@gruppoifi.com

Institutional Investors and
Financial Analysts Relations
Tel. +39011 – 5090246
Fax +39011 – 5090280
relazioni.investitori@gruppoifi.com

Stocks and Bonds Service
Tel. +39011 – 5090323
Tel. +39011 – 5090205
Fax +39011 – 5090321
servizio.titoli@gruppoifi.com

MAJOR EVENTS IN 2004

In 2004, the management of the company continued with activities of ordinary administration.
It should be pointed out that, in accordance with pre-existing agreements, in February, IFI invested € 1.5 million in TLcom I Capital Partners Limited, a venture capital fund geared to companies operating in the telecommunications and information technology sector in Europe and in other markets. IFI's total investment in that fund, to date, amounts to € 8.2 million.

ANALYSIS OF THE IFI GROUP CONDENSED CONSOLIDATED RESULTS

In order to assist in the analysis of the financial position and results of operations of the IFI Group, a **condensed consolidated balance sheet** and a **condensed consolidated statement of operations** have been prepared wherein the investments in IFIL (60.55% of capital stock outstanding) and in Exor Group (29.3% of capital stock outstanding) have been accounted for using the equity method.

Condensed consolidated result and condensed consolidated statement of operations

The year 2004 shows a return to a profit position by the IFI Group with a consolidated net income of € 117 million, after closing two years with a loss (€ 130 million in 2003 and € 803 million in 2002).

The condensed consolidated statement of operations and the condensed consolidated balance sheet are presented below as well as an analysis of the most important captions.

Condensed consolidated statement of operations

€ in millions	**2004**	2003	Change
Group's share of earnings (losses) of companies accounted for using the equity method	**130.1**	(117.7)	247.8
Dividends from other holdings	**0.1**	0.2	(0.1)
Financial expenses, net	**(11.5)**	(15.0)	3.5
General expenses, net	**(4.0)**	(6.1)	2.1
Other income (expenses), net	**(1.4)**	1.0	(2.4)
Income (loss) before taxes	**113.3**	(137.6)	250.9
Current and deferred taxes	**3.7**	7.6	(3.9)
Net income (loss) - Group	**117.0**	(130.0)	247.0

Group's share of earnings (losses) of companies accounted for using the equity method

	Earnings (losses)		IFI's share			
€ in millions	**2004**	2003	**2004**	2003		Change
IFIL Group	**119.0**	(45.0)	**72.1**	(27.2)		99.3
Exor Group	**92.6**	17.1	**27.1**	5.0		22.1
Fiat Group	**-**	-	-	(110.8)	(a)	110.8
Juventus Football Club	**-**	-	-	(4.5)	(a)	4.5
			99.2	(137.5)		236.7
Consolidation adjustments			**30.9**	19.8		11.1
Group's share of earnings (losses) of companies accounted for using the equity method			**130.1**	(117.7)		247.8

(a) Results for the first quarter of 2003, pre-contribution to IFIL.

At December 31, 2004, consolidation adjustments amount to € 30.9 million (€ 19.8 million in 2003). They refer to the result of the IFIL Group for the following:

€ in millions	**12/31/2004**	12/31/2003
- Reversal of the amortization of the difference on consolidation referring to Juventus	**22.1**	2.5
- Release of the 2004 portion of the gain deferred in prior years on the sale of the investment in La Rinascente	**8.3**	0.0
- Other adjustments	**0.5**	(2.8)
- Release of the gain deferred in prior years on the sale of the investment in Toro Assicurazioni	**0.0**	20.1
Total	**30.9**	19.8

Comments on the operating performance of the IFIL Group and Exor Group are presented later in the report.

Dividends from other holdings

Dividends from other holdings amount to € 0.1 million and relate to dividends received from Emittenti Titoli during 2004 (€ 0.2 million in 2003, including the tax credit).

Financial expenses, net

Financial expenses, net, amount to € 11.5 million (€ 15 million in 2003). The reduction of € 3.5 million is due to lower average indebtedness in the two years under comparison.

General expenses, net

General expenses, net, equal to € 4 million, decreased by € 2.1 million compared to 2003 (€ 6.1 million). The reduction is principally due to the significant decrease in the structure costs of the company partly as a result of the change in the average number of staff (from 18 to 16).

Condensed consolidated balance sheet

€ in millions	**12/31/2004**	12/31/2003	Change
Financial fixed assets:			
- investments	**2,446.3**	2,436.0	10.3
- preferred treasury stock	**70.5**	70.5	0.0
- other receivables	**8.2**	6.7	1.5
	2,525.0	2,513.2	11.8
Other assets	**19.2**	18.7	0.5
Total assets	**2,544.2**	2,531.9	12.3
Stockholders' equity - Group	**2,269.4**	2,221.3	48.1
Financial payables:			
- borrowings from banks, short-term	**208.5**	66.3	142.2
- borrowings from banks, medium-term	**30.0**	212.7	(182.7)
- Giovanni Agnelli e C., short-term	**24.2**	15.2	9.0
	262.7	294.2	(31.5)
Other liabilities and reserves	**12.1**	16.4	(4.3)
Total liabilities and stockholders' equity	**2,544.2**	2,531.9	12.3

Financial fixed assets – Investments

	Number of	% holding of		Carrying value	
€ in millions	shares held	class of stock	capital stock	unit (€)	total
Investments accounted for using the equity method					
IFIL - ordinary shares	643,783,399	62.03	59.88	3.495	**2,249.8**
Exor Group SA	3,418,242	29.29	29.28	57.289	**195.8**
Investments valued at cost					
Deutsche Morgan Grenfell Capital Italy SA					
- ordinary shares	886	0.93	0.30	513.898	**0.4**
- preferred shares	2,000	1.28	0.68	2.582	**-**
Emittenti Titoli S.p.A.	527,000	6.43	6.43	0.516	**0.3**
Total investments					**2,446.3**

The increase in the carrying value of investments (+€ 10.3 million), compared to the balance at the end of 2003, is due to the Group's share of the earnings (losses) of companies accounted for using the equity method (+€ 130.1 million), the share of translation adjustments shown by the same companies (-€ 33.2 million) and, lastly, other net changes (-€ 86.6 million).

Financial fixed assets – Preferred treasury stock

Treasury stock includes 5,360,300 IFI preferred shares, equal to 6.98% of the class of stock and 3.28% of capital stock, carried for a total of € 70.5 million (€ 13.15 per share).

Compared to the average stock market prices in the second half of 2004 (€ 8.85) and the month of December (€ 10.13), IFI preferred shares show an unrealized loss of approximately € 23 million and € 16 million. Compared to the average stock market prices for the period March 1-15, 2005 (€ 11.35), the unrealized loss decreases further to approximately € 10 million.

The per share carrying value of IFI preferred shares (€ 13.15) is lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2004 (€ 13.9).

Stockholders' equity of the Group

€ in millions	
Stockholders' equity - Group at December 31, 2003	**2,221.3**
Share of the translation adjustments shown by the investment holdings IFIL and Exor Group (-€ 33.2 million) and other net changes (-€ 35.7 million)	(68.9)
Consolidated net income - Group	117.0
Net change during the year	**48.1**
Stockholders' equity - Group at December 31, 2004	**2,269.4**

Financial payables

Borrowings from banks total € 238.5 million (€ 279 million at December 31, 2003). The company has irrevocable lines of credit for € 495 million, of which € 350 million is due beyond one year.

ANALYSIS OF THE RESULTS OF THE IFI GROUP CONSOLIDATED FINANCIAL STATEMENTS (LINE-BY-LINE CONSOLIDATION)

Highlights of the **consolidated statement of operations** and the **consolidated balance sheet** (line-by-line consolidation), as well as the composition of the net financial position (line-by-line consolidation) are shown below.

Consolidated statement of operations (line-by-line consolidation) – highlights

€ in millions	**2004**	2003	Change
Value of production	**54,317**	55,553	(1,236)
Costs of production	**(54,278)**	(55,948)	1,670
Difference between the value and costs of production	**39**	(395)	434
Financial expenses, net	**(683)**	(1,001)	318
Adjustments to financial assets	**(63)**	(78)	15
Extraordinary income (expenses), net	**(350)**	533	(883)
Loss before taxes	**(1,057)**	(941)	(116)
Income taxes	**28**	(706)	734
Net loss before minority interest	**(1,029)**	(1,647)	618
Minority interest	**1,146**	1,517	(371)
Net income (loss) - Group	**117**	(130)	247

Consolidated balance sheet (line-by-line consolidation) – highlights

	12/31/2004		12/31/2003		
€ in millions	**Amount**	%	Amount	%	Change
Fixed assets:					
- intangible fixed assets	**4,193**	**6**	4,711	7	(518)
- property, plant and equipment	**10,633**	**16**	10,811	15	(178)
- financial fixed assets	**7,382**	**11**	8,334	12	(952)
	22,208	**33**	23,856	34	(1,648)
Current assets:					
- inventories	**16,198**	**26**	15,938	23	260
- receivables	**11,255**	**17**	10,775	15	480
- financial assets	**10,740**	**17**	15,161	22	(4,421)
- cash	**3,689**	**6**	3,461	5	228
	41,882	**66**	45,335	65	(3,453)
Other assets	**769**	**1**	849	1	(80)
Total assets	**64,859**	**100**	70,040	100	(5,181)
Stockholders' equity:					
- Group	**2,269**	**3**	2,221	3	48
- Minority interest	**6,679**	**10**	8,071	12	(1,392)
	8,948	**13**	10,292	15	(1,344)
Reserves for risks and charges and employee severance indemnities	**7,363**	**11**	7,405	11	(42)
Financial payables	**21,224**	**33**	24,639	35	(3,415)
Other liabilities and reserves	**27,324**	**43**	27,704	39	(380)
Total liabilities and stockholders' equity	**64,859**	**100**	70,040	100	(5,181)

Consolidated net financial position (line-by-line consolidation)

The consolidated net financial position (line-by-line consolidation) of the IFI Group at December 31, 2004 shows a net indebtedness position of € 5,368 million (a net indebtedness position of € 4,525 million at December 31, 2003).

At December 31, 2004, the consolidated net financial position (line-by-line consolidation) is composed as follows:

€ in millions	**12/31/2004**	12/31/2003	Change
Cash	**3,689**	3,461	228
Marketable securities and other short-term investments	**3,208**	4,269	(1,061)
Financial receivables, finance lease contracts receivable and other financial fixed assets	**9,368**	12,959	(3,591)
Financial accrued income and prepaid expenses	**329**	387	(58)
Total financial assets	**16,594**	21,076	(4,482)
Financial payables due within one year	**(12,045)**	(8,355)	(3,690)
Financial payables due beyond one year	**(9,179)**	(16,284)	7,105
Financial accrued expenses and deferred income	**(738)**	(962)	224
Total financial payables	**(21,962)**	(25,601)	3,639
Consolidated net financial position (line-by-line consolidation)	**(5,368)**	(4,525)	(843)

The contribution by the consolidated companies to the consolidated net financial position (line-by-line consolidation) is the following:

€ in millions	**2004**	2003	Change
IFI S.p.A.	**(264)**	(295)	31
IFIL "Holdings System"	**683**	(235)	918
Adjustment to eliminate the net financial position of the holdings consolidated proportionally (a) and other	**0**	(6)	6
Fiat Group	**(4,961)**	(3,028)	(1,933)
Worms & Cie Group	**(718)**	(887)	169
Alpitour Group	**(108)**	(74)	(34)
Consolidated net financial position (line-by-line consolidation)	**(5,368)**	(4,525)	(843)

(a) Balances not included in the consolidated financial statements (line-by-line consolidation) of the IFIL Group since they refer to companies accounted for using the equity method (consolidated, instead proportionally, in the "Holdings System").

Research and development costs

In 2004, research and development costs expensed directly to income during the year total € 1,827 million, including € 1,810 million relative to the Fiat Group (€ 1,747 million in 2003) and € 17 million relative to the Worms & Cie Group (€ 16 million in 2003).

ANALYSIS OF THE RESULTS OF THE IFI S.p.A. STATUTORY FINANCIAL STATEMENTS

Net income for the year and condensed statement of operations
The net income of IFI S.p.A. in 2004 is € 37.7 million (€ 14.7 million in 2003).

The condensed statement of operations is presented below:

€ in millions	**2004**	2003	Change
Dividends	**50.6**	4.6	46.0
Gains	**0.0**	22.6	(22.6)
Financial expenses, net	**(11.5)**	(15.0)	3.5
General expenses, net	**(4.0)**	(6.1)	2.1
Other income (expenses), net	**(1.4)**	1.0	(2.4)
Income before taxes	**33.7**	7.1	26.6
Current and deferred taxes	**4.0**	7.6	(3.6)
Net income	**37.7**	14.7	23.0

Dividends
Dividends in 2004 were received from IFIL (€ 39.9 million), Exor Group (€ 10.6 million) and Emittenti Titoli (€ 0.1 million). Dividends in 2003 (€ 4.6 million) had included those from Exor Group (€ 4.4 million) and Emittenti Titoli (€ 0.2 million, comprising the relative tax credit).

Financial expenses, net
Financial expenses, net, amount to € 11.5 million and show a decrease of € 3.5 million compared to 2003 which is due to lower average indebtedness during the two years under comparison.

General expenses, net
General expenses, net, equal to € 4 million, decreased by € 2.1 million compared to 2003 (€ 6.1 million). The reduction is principally due to the significant decrease in the structure costs of the company partly as a result of the change in the average number of staff (from 18 to 16).

Current and deferred taxes
The taxable income calculated in accordance with existing tax laws does not generate current income taxes for the year 2004 and results in the release of € 4 million of deferred taxes in excess of requirements set aside in prior years.

Balance sheet of IFI S.p.A. - condensed

€ in millions	**12/31/2004**	12/31/2003	Change
Financial fixed assets	**1,858.1**	1,856.8	1.3
Other assets	**19.2**	18.7	0.5
Total assets	**1,877.3**	1,875.5	1.8
Stockholders' equity	**1,604.7**	1,567.0	37.7
Financial payables:			
- borrowings from banks, short-term	**208.5**	66.3	142.2
- borrowings from banks, medium-term	**30.0**	212.7	(182.7)
- Giovanni Agnelli e C., short-term	**24.2**	15.2	9.0
	262.7	294.2	(31.5)
Other liabilities and reserves	**9.9**	14.3	(4.4)
Total liabilities and stockholders' equity	**1,877.3**	1,875.5	1.8

Financial fixed assets

Details are as follows:

€ in millions	**12/31/2004**		12/31/2003	Change
Investments				
IFIL S.p.A.	**1,676.2**	(a)	1,676.2	0.0
Exor Group S.A.	**102.5**		102.5	0.0
Deutsche Morgan Grenfell Capital Italy S.A.	**0.4**		0.5	(0.1)
Emittenti Titoli S.p.A.	**0.3**		0.4	(0.1)
	1,779.4		1,779.6	(0.2)
Treasury stock - IFI S.p.A. preferred shares	**70.5**	(b)	70.5	0.0
Receivables - TL com I	**8.2**		6.7	1.5
Total financial fixed assets	**1,858.1**		1,856.8	1.3

(a) Net of writedowns of € 73.5 million made in 2002.
(b) Net of writedowns of € 58.9 million made in 2002.

During the year, the company sold 193,000 Emittenti Titoli shares and was reimbursed for 172 Deutsche Morgan Grenfell Capital Italy shares – class A.

Comparison of carrying values and market prices of listed financial fixed assets

	Number of shares	% holding of class of stock	Carrying value		Average market prices			
					2nd half 2004		December 2004	
			Unit (€)	Total (€ mn)	Unit (€)	Total (€ mn)	Unit (€)	Total (€ mn)
IFIL ordinary shares	643,783,399	62.03	2.60	1,676.2	2.82	1,813.5	3.06	1,966.8
IFI preferred shares	5,360,300	6.98	13.15	70.5	8.85	47.4	10.13	54.3
Total				**1,746.7**		**1,860.9**		**2,021.1**

Compared to the average stock market prices above, IFI preferred shares show an unrealized loss of approximately € 23 million and € 16 million. Compared to the average stock market prices for the period March 1-15, 2005 (€ 11.35), the unrealized loss decreases further to approximately € 10 million.
The per share carrying value of IFI preferred shares (€ 13.15) is lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2004 (€ 13.9).

Stockholders' equity of IFI S.p.A.
Stockholders' equity at December 31, 2004 amounts to € 1,604.7 million (€ 1,567 million at December 31, 2003). The increase of € 37.7 million coincides with the net income for the year 2004.

Net financial position of IFI S.p.A.
The net financial position of IFI S.p.A. at December 31, 2004 shows a net indebtedness position of € 263.8 million (a net indebtedness position of € 295.4 million at December 31, 2003) which is composed as follows:

€ in millions	**12/31/2004**			12/31/2003		
	Short-term	**Medium/ long-term**	**Total**	Short-term	Medium/ long-term	Total
Cash	**0.1**		**0.1**	0.1		0.1
Borrowings from banks	**(208.5)**	**(30.0)**	**(238.5)**	(66.3)	(212.7)	(279.0)
Payable to Giovanni Agnelli e C.	**(24.2)**		**(24.2)**	(15.2)		(15.2)
Financial accrued expenses	**(1.2)**		**(1.2)**	(1.3)		(1.3)
Total financial liabilities	**(233.9)**	**(30.0)**	**(263.9)**	(82.8)	(212.7)	(295.5)
Net financial position of IFI S.p.A.	**(233.8)**	**(30.0)**	**(263.8)**	(82.7)	(212.7)	(295.4)

The positive change in the net financial position of € 31.6 million results from the following cash flows:

€ in millions	
Net financial position of IFI S.p.A. at December 31, 2003	**(295.4)**
Dividends received from IFIL (€ 39.9 million), Exor Group (€ 10.6 million) and Emittenti Titoli (€ 0.1 million)	50.6
Financial expenses, net	(11.5)
General expenses, net	(4.0)
Investments (a)	(1.3)
Purchase of receivables from the tax authorities from IFIL S.p.A.	(0.5)
Other changes, net	(1.7)
Net change during the year	**31.6**
Net financial position of IFI S.p.A. at December 31, 2004	**(263.8)**

(a) Capital payment to TLcom I (-€ 1.5 million), net of the reimbursement from Deutsche Morgan Grenfell (€ 0.1 million) and the sale of 193,000 Emittenti Titoli shares (€ 0.1 million).

OTHER INFORMATION

Information on the status of the implementation of the systems and the procedures for the application of international accounting principles (Consob communication No. DME/5015175 dated March 10, 2005)
As provided by Regulation No. 1606 dated July 19, 2002 of the European Union, starting in 2005 the IFI Group will draw up its consolidated financial statements in compliance with international accounting standards (IFRS/IAS) approved by the European Community.
In particular, the IFI Group will adopt international accounting standards beginning from the consolidated first quarter data at March 31, 2005.
The following paragraphs provide information on the activities that have been carried out in order to ensure a proper transition for the application of international accounting standards.
The adequacy of the accounting systems and procedures with regard to the new requirements has been checked.
Moreover, IFI has taken note of the transition process in progress at the IFIL Group, agreeing the timetables to obtain the data which will be necessary for the preparation, in compliance with international accounting standards, of the opening consolidated balance sheet at January 1, 2004, the interim consolidated financial data at March 31, 2004, June 30, 2004 and September 30, 2004, as well as the consolidated financial statements at December 31, 2004 of the IFI Group. Such consolidated accounting data will be presented for comparative purposes with the corresponding consolidated accounting statements which will be prepared during 2005 on the basis of international accounting standards.

The audit firm of Deloitte & Touche S.p.A. has been assigned the following additional audit work with regard to the accounting statements that have been prepared in accordance with international accounting standards:

- audit of the opening consolidated balance sheet at January 1, 2004;
- limited review of the interim consolidated financial data at June 30, 2004;
- limited review with agreed testing procedures of the interim consolidated financial data at March 31, 2004 and September 30, 2004;
- audit of the consolidated financial statements at December 31, 2004.

The following table presents the reconciliations of the stockholders' equity of IFI S.p.A. and the consolidated stockholders' equity of the IFI Group taken from the financial statements for the years ended December 31, 2003 (prepared in accordance with Italian principles) with the corresponding data drawn up in accordance with international accounting standards at January 1, 2004. Such data has been reviewed by the audit firms.

€ in millions	IFI S.p.A.	Consolidated IFI Group	
Stockholders' equity at December 31, 2003 (taken from financial statements prepared according to Italian regulations)	**1,567.0**	**2,221.3**	
Reclassification of the carrying value of preferred treasury stock	(70.5)	(70.5)	
IAS/IFRS adjustments			
- IAS 39 - Valuation of instruments hedging rate risks	(5.1)	(5.1)	
- IAS 19 - Lower liability relating to employee benefits	n.s.	n.s.	
	(5.1)	(5.1)	
IFI's share of IAS/IFRS adjustments by:			
- IFIL Group	-	(80.9)	(a)
- Exor Group	-	n.s.	
	-	(80.9)	
Stockholders' equity at January 1, 2004 (IAS/IFRS)	**1,491.4**	**2,064.8**	

(a) Net of consolidation adjustments by IFI.

The consolidated financial statements at December 31, 2004 of the IFI Group show consolidated net income of the Group of € 117 million and stockholders' equity of the Group of € 2,269.4 million (which is reduced to € 2,198.9 million after deducting the carrying value of preferred treasury stock held by IFI of € 70.5 million).

The corresponding data prepared by IFI and the subsidiaries IFIL and Exor Group on the basis of international accounting standards, which should nevertheless be considered provisional in that the audit firms have not yet concluded their examinations, shows a consolidated net income of the IFI Group that is substantially unchanged and a consolidated stockholders' equity of the IFI Group of approximately € 2,170.4 million. The negative difference of this last figure, equal to € 28.5 million, is due to negative adjustments by IFI (-€ 2 million) and IFI's share of the adjustments made by the IFIL Group (-€ 26.5 million).

Programming document on security
The Company has prepared the programming document on security (Dps) on December 20, 2004 for the year 2004 according to the laws then in force and is currently proceeding to update this document pursuant to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person responsible for the treatment of the data.

Transactions among Group companies and with related parties
The delegated bodies shall provide the directors and statutory auditors with adequate disclosure concerning atypical transactions or transactions with related parties, eventually carried out during the year in exercising their delegated powers.
The Board of Directors has adopted principles of conduct for carrying out significant transactions from an economic, equity and financial standpoint as well as for carrying out transactions with related parties (available on the corporate website of the Company http://www.gruppoifi.it).

With respect to related party transactions, the above principles of conduct provide that the Board of Directors must approve the following transactions:

- atypical and/or unusual intragroup transactions, meaning transactions which, because of their significance/relevance, nature of the counterparties, subject of the transaction (also in relation to transactions of ordinary administration), manner of determining the transfer price and timing of the event (close to the end of the year) could give rise to reservations about: the correctness/completeness of the information in the financial statements, conflicts of interest, safeguarding of the company's assets and protection of minority stockholders;
- transactions with subsidiaries for amounts of more than 1% of IFI's portfolio value as shown in the most recent approved accounting documents (quarterly reports, first-half report and the annual financial statements) as of the date of the transaction;
- transactions with other related parties for amounts of more than € 3 million.

The bodies with delegated powers shall supply the Board with information concerning such transactions especially with regard to the nature of the relationship, the manner of execution, the economic terms and timing, the valuation criteria adopted and any risks to the Company.

Whenever a Director has an interest in the transaction (even a potential interest), the Board of Directors must be informed on a timely basis about the nature, terms, origin and the extent of this interest. After having exhaustively informed the Board of Directors, the interested Director must absent himself from the meeting so that the Board can pass the appropriate resolutions.

In the event the nature, the amount and the manner of execution of the transaction with a related party require it, the Board of Directors can avail itself of the assistance of one or more independent experts, chosen from among individuals with recognized professional characteristics and expertise on the matter in question so that an opinion can be obtained on the economic terms of the transaction and its legitimacy, as well as the technical means and manner of execution of the transaction.
The Board of Directors and the Board of Statutory Auditors must in any case be informed of any transactions with other related parties different from those mentioned above.

With reference to those transactions, comprehensive information shall be provided to the Directors, the Statutory Auditors, the General Manager, the procurators of the Company and to subsidiaries concerning the regulations in force and, in particular, the definition of related parties as reported in Consob Communication No. 2064231 dated September 30, 2002 as well as the definition of atypical and/or unusual transactions.

With regard to 2004, transactions among IFI, the parent company, the subsidiaries and the companies in which a significant influence is exercised are entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.
The most important transactions entered into during the year 2004 can be summarized as follows:

- suretyships granted in the past in favor of Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti (F.I.G.C. - L.N.P.) on behalf of Juventus Football Club for a residual amount of € 4.1 million, expiring in 2005, remunerated at market conditions;
- purchase of receivables from the tax authorities from IFIL (€ 0.5 million);
- a loan secured at floating monthly market rates from the parent company Giovanni Agnelli e C.;
- services rendered to and costs recovered from subsidiaries and associated companies;
- services rendered to the parent company Giovanni Agnelli e C.

The effects on the balance sheet and statement of operations of the transactions among IFI S.p.A., the Group companies and the other related parties can be summarized as follows:

	12/31/2004			2004	
€ in thousands	Accounts receivable	Accounts payable	Suretyships	Income	Expenses
Giovanni Agnelli e C. S.a.p.az.	10	24,186		33	619
Exor Group S.A.	100			207	
Juventus Football Club S.p.A.	35		4,128	54	
IFIL Investments S.p.A.	9	23		27	72
SANPAOLO IMI S.p.A.	5	900		129	7
Soiem S.p.A.		128			410
Fiat Group companies	235	42		228	295
Alpitour Group companies	10			10	45
Total	**404**	**25,279**	**4,128**	**688**	**1,448**

The IFI Group, through the companies which make up the Group, has maintained and maintains relations with "related" parties as defined by Consob, which, even when considered from the standpoint of potential conflicts of interest, are nonetheless governed by market terms. In this sense, particular mention should be made of:

- option rights on IFIL ordinary shares granted to directors and managers of IFIL and IFI;

- option rights on Alpitour shares granted by Alpitour to the directors of IFIL (who, today, are no longer in office) and IFI under a stock option plan for the directors, managers and cadres of Alpitour and its direct and indirect subsidiaries.

With a view to optimizing the management of the Group's financial resources, loan transactions were entered into during the year among companies of the Group.

During the course of year, the director Franzo Grande Stevens rendered professional services to Fiat Group companies for total fees of € 3,591 thousand.

Additional information and details are disclosed in the section "Major events in 2004" of the Directors' report on operations, in the "Notes to the statutory financial statements of IFI S.p.A." and in "Notes to the consolidated financial statements".

On the basis of information received from the companies of the Group, there are no atypical or unusual transactions to report.

Management and coordination
IFI S.p.A. is not subject to management and coordination by companies or entities.

Equity investments held by Directors, Statutory Auditors and General Manager
(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2003	Increase	Decrease	Held at 12/31/2004
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000			120,000
	Worms & Cie (a)	1			1
Teodorani-Fabbri Pio	IFI preferred shares (c)	427,895			427,895
	Fiat ordinary shares (c)	6,583			6,583
	Fiat ord. sh. war. 2007 (c)	825			825
	Fiat savings shares (c)	5,720			5,720
	IFIL ordinary shares (a)	200,000			200,000
	IFIL ordinary shares (c)	500,000			500,000
Avogadro di Collobiano Annibale	IFIL ordinary shares (a)	93,500	86,500		180,000
	IFI preferred shares (c)	77,058		2,058	75,000
Ferrero Ventimiglia Luca	IFIL savings shares (a)	40,000 (b)			40,000
	Fiat ordinary shares (a)	10,000 (b)			10,000
	IFI preferred shares (a)	1 (b)			1
Galateri di Genola Gabriele	IFI preferred shares (a)	1		1	0
	IFI preferred shares (c)	125			125
	Fiat ordinary shares (c)	3,328			3,328
	Fiat preferred shares (c)	440			440
	IFIL ordinary shares (c)	5,250			5,250
Agnelli Umberto	Juventus Football Club (a)	26,595		26,595 (d)	0
	Worms & Cie (a)	1		1 (d)	0
	Permal Group (a)	1		1	0
Statutory Auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Giorgi Giorgio	Fiat savings shares (c)	1,500			1,500
Jona Celesia Lionello	IFIL ordinary shares (c)	785			785
General Manager					
Marrone Virgilio	IFIL ordinary shares (a)	93,415			93,415

(a) Direct holding.
(b) Held at the date he took office (June 23, 2004).
(c) Indirect holding through spouse.
(d) Stock transferred to heirs.

Stock Option Plans

The Group uses stock option plans to strengthen ties with its managers and to raise motivation for the creation of economic value for the company.

At December 31, 2004, IFIL has two stock option plans.

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

There were 2,691,500 options granted under this plan in the period 2000 to 2004, equal to 0.25% of current capital stock (including 522,000 options in 2000, exercisable at the average price of € 6.997 each; 525,450 options in 2001 at € 6.109 each; 844,050 options in 2002 at € 4,520 each; 800,000 options in 2003 exercisable at € 1.85 each). The exercise prices indicated were adjusted, for the options granted from 2000 to 2002, to take into account the cash capital stock increase in July 2003.

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

The options were granted according to the level of responsibility held by the grantee in the corporate organization.

220,700 options granted under the IFIL 1998 stock option plan and which had to be exercised by April 30, 2004 became forfeit during 2004.

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

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

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

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

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

SIGNIFICANT SUBSEQUENT EVENTS

Investments in IFIL
In the first quarter of 2005, IFI purchased 10,122,097 IFIL ordinary shares (0.98% of the class of stock) on the market for € 34.2 million, as well as 750,000 IFIL savings shares (approximately 2% of the class of stock) for € 2.6 million.

At the end of March 2005, IFI holds 653,905,496 IFIL ordinary shares, equal to 63.01% of current ordinary capital stock, as well as 750,000 IFIL savings shares for approximately 2% of savings capital stock. The investment represents approximately 60.89% of current capital stock.

Net financial position of IFI S.p.A.
At the end of March 2005, the net financial position of IFI S.p.A. shows an indebtedness position of € 303.7 million. The negative change during the period (-€ 39.9 million) is due to the investment in IFIL (-€ 36.8 million) and financial expenses and general expenses, net (-€ 3.1 million).

BUSINESS OUTLOOK

Taking into account the motions for the distribution of dividends from 2004 profits formulated by the Boards of Directors of IFIL and Exor Group, it is believed that the result for 2005 of IFI S.p.A. will show a profit.

Moreover, considering the forecasts formulated by the same holdings, it is believed that the consolidated result of the IFI Group for 2005 will also show a profit.

OPERATING PERFORMANCE OF THE IFIL AND EXOR GROUP HOLDINGS

investments IFIL

(63.01% of ordinary capital stock)

The following consolidated data of the IFIL Group at December 31, 2004 has been taken from the condensed consolidated balance sheet and condensed consolidated statement of operations. Such data has been prepared by consolidating the financial holding companies and Soiem (which make up the so-called "Holdings System") line-by-line and proportionally and accounting for the other subsidiaries and associated companies, using the equity method.

€ in millions	**2004**	2003	Change
Consolidated net income (loss) - Group	**119.0**	(45.0)	164.0
Consolidated stockholders' equity - Group	**3,916.8**	3,953.9	(37.1)
Net financial position of the "Holdings System"	**683.2**	(234.7)	917.9
Financial fixed assets	**3,178.2**	4,223.1	(1,044.9)

The year 2004 shows a return to a profit position by the IFIL Group with a consolidated net income of € 119 million, after closing two years with a loss (€ 45 million in 2003 and € 367 million in 2002).
The main captions of the condensed consolidated statement of operations are commented in the following paragraphs.

€ in millions	**2004**	2003	Change
Group's share of earnings (losses) of companies accounted for using the equity method	**(402.0)**	(49.7)	(352.3)
Dividends from other holdings	**27.4**	21.2	6.2
Dividend tax credits	**0.0**	11.9	(11.9)
Gains, net	**611.3**	25.0	586.3
Amortization of differences on consolidation	**(81.4)**	(13.7)	(67.7)
Investment income (expenses), net	**155.3**	(5.3)	160.6
Financial expenses, net	**(20.9)**	(23.6)	2.7
General expenses, net	**(18.7)**	(13.0)	(5.7)
Other expenses, net	**(7.0)**	(6.1)	(0.9)
Income (loss) before taxes	**108.7**	(48.0)	156.7
Current taxes	**(2.1)**	0.1	(2.2)
Deferred taxes	**12.4**	2.9	9.5
Net income (loss) - Group	**119.0**	(45.0)	164.0

The **Group's share of earnings (losses) of companies** accounted for using the equity method amounts to losses of € 402 million (losses of € 49.7 million in 2003). The negative change of € 352.3 million is essentially due to the Fiat Group (-€ 177.3 million, mainly as a result of lower positive consolidation adjustments that are not compensated by the reduction in the consolidated loss of the Fiat Group), the Worms & Cie Group (-€ 100.9 million) and the companies which make up the Rinascente Group (-€ 82.7 million). The results of the other holdings show a net positive variation of € 8.6 million.

Dividends from other holdings amount to € 27.4 million (€ 21.2 million in 2003), entirely in reference to dividends received from SANPAOLO IMI.

Gains, net, total € 611.3 million and refer to the sales of 50% of the capital stock of Eurofind Food (+€ 586.3 million) and 7.2% of the capital stock of Club Méditerranée (+€ 26.4 million), as well as other minor transactions and writedowns (-€ 1.4 million, net). In 2003, the gains of € 25 million had basically referred to the sale of 25% of the capital stock of Sifalberghi.

Amortization of differences on consolidation amount to € 81.4 million (€ 13.7 million in 2003) and include extraordinary amortization charges to eliminate the residual balances referring to the Alpitour Group (€ 36.5 million) and the investment in Juventus (€ 33.5 million).

Financial expenses, net, total € 20.9 million (€ 23.6 million in 2003) and decreased by € 2.7 million mainly as a result of the trend in indebtedness during the year.

General expenses, net, amount to € 18.7 million. The increase of € 5.7 million compared to the year 2003 (€ 13 million) is principally due to higher personnel costs of the parent company (due both to an increase in the average number of staff and provisions for estimated monetary incentives relating to 2004), as well as the line-by-line consolidation of the companies Sadco, Ifil USA and Ifil Asia.

Other expenses, net, amount to € 7 million (€ 6.1 million in 2003) and include the release of reserves in excess of requirements set aside in prior years (+€ 3 million), the amortization of the expenses relating to the IFIL capital stock increases in 2003 (-€ 2.2 million), compensation voted on behalf of the directors of Eurofind (-€ 1.5 million), legal consulting fees regarding extraordinary transactions and pending litigation (-€ 3.3 million), as well as sundry other expenses, net (-€ 3 million).

Consolidated stockholders' equity of the IFIL Group at December 31, 2004 amounts to € 3,916.8 million. The net decrease of € 37.1 million from the balance at the end of 2003 (€ 3,953.9 million) is due to the consolidated net income of the Group (+€ 119 million), dividends paid out by IFIL S.p.A. (-€ 69.7 million), the share of the translation differences shown by the companies accounted for using the equity method (-€ 54.9 million) and other net changes (-€ 31.5 million).

The **consolidated net financial position of the "Holdings System"** shows a net liquidity position at December 31, 2004 of € 683.2 million (a net indebtedness position of € 234.7 million at the end of 2003). The positive change of € 917.9 million is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2003		**(234.7)**
Dividends received from:		
- Worms & Cie	33.6	
- SANPAOLO IMI	27.4	
- La Rinascente	7.9	
Dividends received		**68.9**
Financial expenses, net		**(20.9)**
General expenses, net		**(18.7)**
Investments:		
- Eurofind, 9.53% of capital stock (from Mediobanca)	(116.1)	
- NHT New Holding for Tourism, 10% of capital stock (from the TUI Group)	(46.3)	
- Sadco, 100% of capital stock (from Exor Group)	(1.4)	
Investments		**(163.8)**
Sales:		
- Eurofind Food, 50% of capital stock (to the Auchan Group)	1,062.9	
- Club Méditerranée, 7.2% of capital stock	61.6	
- Juventus Football Club, 0.32% of capital stock	0.6	
Sales		**1,125.1**
Other changes:		
- Purchase of IFIL ordinary shares (0.31% of the class of stock)	(9.3)	
- Sale of IFIL ordinary shares (0.18% of the class of stock)	5.4	
- Dividends paid out by IFIL S.p.A.	(69.7) (a)	
- Receivables collected from the tax authorities	13.7	
- Sales of receivables from the tax authorities to Group companies	3.7	
- Change due to deconsolidation of Eurofind Food	(14.0)	
- Other, net	(2.5)	
Other changes		**(72.7)**
Net change during the year		**917.9**
Consolidated net financial position of the "Holdings System" at December 31, 2004		**683.2**

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

Since the end of June 2003, Standard & Poor's Rating Services has assigned an "A-" rating to IFIL's long-term debt and an "A2" rating to its short-term debt, with a negative outlook.

The parent company, IFIL S.p.A., ended the year 2004 with a net income of € 80.2 million. This is an increase of € 7.5 million (+10.3%) compared to the net income of € 72.7 million in 2003.

The Board of Directors' Meeting of March 30, 2005 put forward a motion for the distribution of dividends per share of € 0.0683 for the ordinary shares and € 0.089 for the savings shares for a maximum total of € 74.3 million.

Possible Fiat S.p.A. capital increase in execution of the Convertible Mandatory Facility Agreement dated July 26, 2002

In the eventuality that IFIL decides not to exercise, in whole or in part, the option rights to which it is entitled or should it not be in a condition to exercise, in whole or in part, such rights, the investment held by IFIL in Fiat could be diluted to below 30% of the capital stock with voting rights.

The most important transactions by the IFIL Group in 2004 and the early months of 2005 are described below.

Purchase of 9.53% of Eurofind capital stock

In January, the subsidiary Ifil Investissements purchased 9.53% of Eurofind capital stock from Mediobanca for an investment of € 116.1 million.

After this transaction, Eurofind's capital stock was held equally by the IFIL Group (through Ifil Investissements) and the Auchan Group.

Sale of La Rinascente S.p.A.

In October, La Rinascente finalized the partial proportional spin-off of the textile sector (Department Stores and Upim) to a new beneficiary company which took the name of La Rinascente.

The other activity sectors, including the Auchan hypermarkets, the SMA supermarkets, the 50% interest in SIB S.p.A. (do-it-yourself), the 51% interest in Gallerie Commerciali Italia S.p.A. and the 50% interest in Fiordaliso S.p.A. remained under the control of the company which had effected the spin-off and which took the name of Società Italiana Distribuzione Moderna (SIDM).

In December, after the proportional total spin-off of Eurofind, two new Luxembourg-registered companies were set up named Eurofind Food and Eurofind Textile, both jointly controlled by Ifil Investissements and the Auchan Group. As a result of this transaction, Eurofind Food and Eurofind Textile came to hold, respectively, 99.09% of the capital stock of SIDM and 99.09% of the capital stock of La Rinascente (companies that, in their turn, came from the above-described spin-off of La Rinascente).

In the second half of December, after obtaining authorization from the competent antitrust authority, Ifil Investissements sold 50% of the capital stock of Eurofind Food to the Auchan Group for € 1,062.9 million (including € 810.5 million of cash proceeds and € 252.4 million deferred until mid-2005) with a gain on consolidation of € 586.3 million.

On March 13, 2005, a contract was signed for the sale of 99.09% of the capital stock of La Rinascente S.p.A. held by Eurofind Textile S.A. – the Luxembourg company controlled by Auchan and IFIL – to Tamerice S.r.l., a company leading a group composed of Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, at a price of € 888 million.

Closing of the deal, which is subject to approval by the competent antitrust authorities, is expected to take place by June 2005. The price will be completely paid in cash at closing. The buyer has provided the usual bank guarantee.

Eurofind Textile has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions. Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) as well as, for certain matters, a maximum limit of responsibility for the seller.

IFIL will guarantee the commitments undertaken by Eurofind Textile with the buyer until their maturity.

After closing the sale of La Rinascente, Ifil Investissements will purchase the remaining 50% of Eurofind Textile's capital stock from the Auchan Group. Following these transactions, the IFIL Group will receive net proceeds for a total of approximately € 530 million and realize a gain of over € 450 million, without significant tax effects for the Group.

Sale of the investment in Club Méditerranée

In October, after having obtained approval from the competent antitrust authorities, the subsidiary Mediterranean Capital (ex-Ifil Capital) and Exor Group sold the investments in Club Méditerranée capital stock to the Accor Group. Specifically, Mediterranean Capital sold 1,233,691 Club Méditerranée shares (6.37% of capital stock) to Accor at the price of € 55.5 million (€ 45 per share) with a gain on consolidation of € 24.4 million.

The Accor Group is contractually obliged to pay a possible price adjustment, over the next two years, up to a maximum of € 12.3 million (€ 10 per share), in relation to Club Méditerranée's future economic and financial performance.

In conjunction with this deal, in June, the subsidiary Mediterranean Capital had sold 0.82% of Club Méditerranée capital stock to Exor Group for € 6.1 million with a gain on consolidation of € 2 million.

Transactions relating to NHT

In January, Ifil Investissements purchased the remaining 10% of NHT New Holding for Tourism capital stock from the TUI Group for an outlay of € 46.3 million. As part of this transaction, NHT also acquired the remaining 50% of the capital stock of Neos from the TUI Group for an investment of € 2.7 million.

In June, NHT subscribed to the capital stock increase by Alpitour (100%-controlled) for a total of € 17.8 million, of which € 6.5 million was in cash and € 11.3 million by contribution of the total investments held in Welcome Travel Group and in Neos. Following this transaction, Alpitour took over the role of holding company of the tourism sector in that, in addition to directly carrying out its tour operator business, it holds control of all the other sectors connected with the tourism business (hotel management, distribution, aviation and incoming).

Agreement relating to Sviluppo Italia Turismo

In December, Banca Intesa S.p.A., the IFIL Group and Marcegaglia S.p.A. sealed an agreement for the purchase of 49% of Sviluppo Italia Turismo (SIT) capital stock from Sviluppo Italia S.p.A..

The entry of the three private stockholders in the shareholder base of SIT will take place through the company Turismo&Immobiliare (in which the three own equal stakes) which will purchase shares and subscribe to a SIT capital stock increase for a total outlay of € 76.4 million; IFIL's share will be equal to approximately € 25.5 million. It is also anticipated that the three stockholders may possibly acquire control of SIT's stock by 2009.

Once approval is obtained from the antitrust authority in March, the agreement will be finalized in April.

The alliance will allow SIT to improve and build up its structures so that it can expand its packages on the market and increase its tourist flows; the first concrete step will be the start of an investment program in Apulia, Calabria and Sicily.

IFIL's new organizations in the United States of America and in Asia

For the purpose of contributing to the search for new investment opportunities, during the first half IFIL set up new organizations in the United States and Asia, with offices, respectively, in New York and Hong Kong. Thanks to its positioning in two of the most interesting international financial centers and with its highly-qualified professional management staff, the two organizations – which will operate in close coordination with IFIL's offices in Turin – could significantly boost the opportunities of creating economic value for the company.

With similar objectives in mind, at the end of June, Ifil Investissements purchased 100% of the capital stock of Sadco, with head offices in Switzerland, from Exor Group, for an investment of € 1.4 million, corresponding to its net equity value.

Treasury stock

At the end of March 2005, the IFIL Group holds 14,596,040 IFIL ordinary shares of treasury stock, of which 12,557,716 shares are booked in financial fixed assets and 2,038,324 in current assets.

Treasury stock represents a total of 1.41% of the class of stock and 1.36% of the current capital stock and has a carrying value of € 52.1 million.

Increase in the investment in SANPAOLO IMI

In March 2005, IFIL purchased 12,547,230 SANPAOLO IMI ordinary shares (0.851% of the class of stock) for an investment of € 142.3 million. Following this purchase, at the date of the Board meeting (March 30, 2005), IFIL held 82,918,230 SANPAOLO IMI ordinary shares, equal to 5.62% of ordinary capital stock (4.45% of capital stock).

Business outlook

For 2005, IFIL S.p.A. is expected to report a profit.

Moreover, considering the forecasts formulated by the major holdings and other estimates currently available, including the gain on the sale of La Rinascente, the 2005 consolidated financial statements of the IFIL Group are also expected to show a profit.

EXOR
GROUP

Exor Group reported a consolidated net income in 2004 of € 92.6 million (€ 17.1 million in 2003, after booking a provision of € 40 million to the Reserve for investment fluctuations).

Revenues for the year include gains on the divestiture of investments or releases of provisions on such investments for € 80.4 million. These divestitures refer to the sale of the stakes held in Société Foncière Lyonnaise and Club Méditerranée, respectively, to Immobiliaria Colonial and to the Accor Group.
Other income comprises dividends of € 8.2 million (including € 6.5 million received from Société Foncière Lyonnaise) and financial income of € 13 million from short-term investments of available cash resources in low-risk financial instruments.
General expenses are equal to € 8.1 million.

At the end of the year, the consolidated stockholders' equity of Exor Group amounts, net of treasury stock, to € 668.6 million (€ 611.5 million at December 31, 2003).
At the same date, net cash totals € 531 million.

After the above divestitures, the main equity investment held by Exor Group is represented by the 17.2% interest in Graphic Packaging Corporation, a company providing packaging solutions of consumer products, listed on the New York stock exchange.
The synergies that followed after the merger with Riverwood in August 2003 allowed Graphic Packaging Corporation to post, in 2004, a 3.5% increase in the operating margin compared to the prior year. This was achieved in a market where the productive factors (materials and energy) met with strong inflationary pressures.

MOTION FOR APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF NET INCOME FOR THE YEAR

Dear Shareholders,

We ask you to approve the financial statements for the year ended December 31, 2004.
In view of the fact that the Board of Directors has waived, by specific resolution, its share of the profits as provided by art. 27 of the bylaws and that the legal reserve amounts to one-fifth of capital stock, we propose a motion to appropriate the net income of € 37,707,363 to the extraordinary reserve.

The extraordinary reserve will therefore amount to € 720,611,378.

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

IFI Group

CONSOLIDATED BALANCE SHEET - ASSETS

(€ in millions)		**12/31/2004**	12/31/2003	Change
FIXED ASSETS				
Intangible fixed assets	(note 1)			
Start-up and expansion costs		**123**	155	(32)
Research, development and advertising expenses		**28**	22	6
Industrial patents and intellectual property rights		**402**	406	(4)
Concessions, licenses, trademarks and similar rights		**342**	383	(41)
Goodwill		**158**	159	(1)
Intangible assets in progress and advances		**214**	255	(41)
Other intangible assets		**147**	167	(20)
Differences on consolidation		**2,779**	3,164	(385)
Total intangible fixed assets		**4,193**	4,711	(518)
Property, plant and equipment	(note 2)			
Land and buildings		**3,099**	3,115	(16)
Plant and machinery		**3,217**	3,401	(184)
Industrial and commercial equipment		**2,308**	2,104	204
Other assets		**1,284**	1,363	(79)
Construction in progress and advances		**725**	828	(103)
Total property, plant and equipment		**10,633**	10,811	(178)
Financial fixed assets	(note 3)			
Investments in				
. unconsolidated subsidiaries		**283**	488	(205)
. associated companies		**4,199**	4,465	(266)
. other companies		**768**	926	(158)
Total investments		**5,250**	5,879	(629)
Receivables from associated companies		**1**	1	0
Receivables from others		**48**	188	(140)
Total receivables		**49**	189	(140)
Other securities		**94**	84	10
Treasury stock		**70**	70	0
Finance lease contracts receivable		**1,727**	1,797	(70)
Other financial fixed assets		**192**	315	(123)
Total financial fixed assets		**7,382**	8,334	(952)
TOTAL FIXED ASSETS		**22,208**	**23,856**	**(1,648)**
CURRENT ASSETS				
Inventories	(note 4)			
Raw materials and supplies		**1,307**	1,259	48
Work in progress and semifinished products		**833**	983	(150)
Contract work in progress		**2,886**	4,077	(1,191)
Finished goods and merchandise		**4,096**	4,431	(335)
Advances to suppliers		**7,076**	5,188	1,888
Total inventories		**16,198**	15,938	260

(€ in millions)		12/31/2004	12/31/2003	Change
CURRENT ASSETS (continued)				
Receivables	(note 5)			
Trade receivables		**4,926**	4,679	247
Receivables from unconsolidated subsidiaries		**55**	79	(24)
Receivables from associated companies		**866**	768	98
Deferred tax assets		**2,206**	1,907	299
Other receivables		**3,202**	3,342	(140)
Total receivables		**11,255**	10,775	480
Financial assets not held as fixed assets	(note 6)			
Investments		**33**	32	1
Other securities		**3,297**	4,359	(1,062)
Financial receivables from unconsolidated subsidiaries		**565**	521	44
Financial receivables from associated companies		**406**	644	(238)
Financial receivables from others		**6,439**	9,605	(3,166)
Total financial assets not held as fixed assets		**10,740**	15,161	(4,421)
Cash				
Bank and post office accounts		**3,676**	3,443	233
Cash on hand		**10**	9	1
Checks		**3**	9	(6)
Total cash		**3,689**	3,461	228
TOTAL CURRENT ASSETS		**41,882**	45,335	(3,453)
ACCRUED INCOME AND PREPAID EXPENSES	(note 7)	**769**	849	(80)
TOTAL ASSETS		**64,859**	70,040	(5,181)

CONSOLIDATED BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY (€ in millions)		12/31/2004	12/31/2003	Change
STOCKHOLDERS' EQUITY	(note 8)			
Stockholders' equity of the Group				
Capital stock		**163**	163	0
Additional paid-in capital		**387**	387	0
Revaluation reserves		**81**	81	0
Legal reserve		**33**	15	18
Treasury stock valuation reserve		**70**	70	0
Retained earnings and other reserves		**1,735**	1,919	(184)
Cumulative translation adjustments		**(317)**	(284)	(33)
Net income (loss)		**117**	(130)	247
Total stockholders' equity of the Group		**2,269**	2,221	48
Minority interest - capital and reserves		**7,825**	9,588	(1,763)
Minority interest - net loss		**(1,146)**	(1,517)	371
TOTAL STOCKHOLDERS' EQUITY		**8,948**	10,292	(1,344)
RESERVES FOR RISKS AND CHARGES	(note 9)			
Reserve for pensions and similar obligations		**1,579**	1,571	8
Income tax reserves		**352**	429	(77)
Other reserves		**4,033**	3,984	49
Insurance policy liabilities and accruals		**91**	89	2
TOTAL RESERVES FOR RISKS AND CHARGES		**6,055**	6,073	(18)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	(note 10)	**1,308**	1,332	(24)
PAYABLES	(note 11)			
Bonds		**9,112**	9,910	(798)
Convertible bonds		**13**	1,765	(1,752)
Borrowings from banks		**9,973**	10,494	(521)
Other financial payables		**1,269**	1,405	(136)
Advances		**9,935**	9,166	769
Trade payables		**11,880**	12,597	(717)
Notes payable		**749**	955	(206)
Payables to unconsolidated subsidiaries		**49**	69	(20)
Payables to associated companies		**1,000**	854	146
Payables to parent companies		**24**	15	9
Taxes payable		**796**	943	(147)
Social security payable		**354**	329	25
Other payables		**1,428**	1,505	(77)
TOTAL PAYABLES		**46,582**	50,007	(3,425)
ACCRUED EXPENSES AND DEFERRED INCOME	(note 12)	**1,966**	2,336	(370)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**64,859**	70,040	(5,181)

GUARANTEES GRANTED, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

(€ in millions) (note 13)	**12/31/2004**	12/31/2003	Change
GUARANTEES GRANTED			
Unsecured guarantees			
Suretyships			
on behalf of unconsolidated subsidiaries	**4**	32	(28)
on behalf of associated companies	**0**	10	(10)
on behalf of others	**2,994**	3,162	(168)
Total suretyships	**2,998**	3,204	(206)
Guarantees of notes on behalf of others	**217**	261	(44)
Other unsecured guarantees			
on behalf of unconsolidated subsidiaries	**30**	1	29
on behalf of associated companies	**270**	295	(25)
on behalf of others	**2,244**	2,813	(569)
Total other unsecured guarantees	**2,544**	3,109	(565)
Total unsecured guarantees	**5,759**	6,574	(815)
Secured guarantees on behalf of others	**87**	47	40
TOTAL GUARANTEES GRANTED	**5,846**	6,621	(775)
COMMITMENTS			
Commitments related to derivative financial instruments	**23,246**	22,507	739
Commitments to purchase property, plant and equipment	**415**	330	85
Other commitments	**13,098**	10,690	2,408
TOTAL COMMITMENTS	**36,759**	33,527	3,232
THIRD-PARTY ASSETS HELD BY THE GROUP	**1,680**	2,017	(337)
GROUP ASSETS HELD BY THIRD PARTIES	**3,313**	4,706	(1,393)
OTHER MEMORANDUM ACCOUNTS	**284**	380	(96)

CONSOLIDATED STATEMENT OF OPERATIONS (€ in millions)		**2004**	2003	Change
VALUE OF PRODUCTION	(note 14)			
Revenues from sales and services		**51,878**	53,509	(1,631)
Change in work in progress, semifinished and finished products inventories		**(192)**	694	(886)
Change in contract work in progress		**215**	(1,075)	1,290
Additions to internally produced fixed assets		**810**	688	122
Other income and revenues:				
revenue grants		**55**	53	2
other		**1,551**	1,684	(133)
Total other income and revenues		**1,606**	1,737	(131)
TOTAL VALUE OF PRODUCTION		**54,317**	55,553	(1,236)
COSTS OF PRODUCTION	(note 15)			
Raw materials, supplies and merchandise		**(31,484)**	(30,917)	(567)
Services		**(9,532)**	(9,855)	323
Leases and rentals		**(450)**	(434)	(16)
Personnel				
salaries and wages		**(5,111)**	(5,341)	230
social security contributions		**(1,337)**	(1,409)	72
employee severance indemnities		**(191)**	(249)	58
employee pensions and similar obligations		**(191)**	(189)	(2)
other costs		**(387)**	(338)	(49)
Total personnel costs		**(7,217)**	(7,526)	309
Amortization, depreciation and writedowns				
amortization of intangible fixed assets		**(688)**	(604)	(84)
depreciation of property, plant and equipment		**(1,808)**	(1,868)	60
other writedowns of fixed assets		**(33)**	(35)	2
writedown of receivables among current assets and cash		**(305)**	(281)	(24)
Total amortization, depreciation and writedowns		**(2,834)**	(2,788)	(46)
Change in raw materials, supplies and merchandise inventories		**222**	(86)	308
Provisions for risks		**(1,395)**	(1,164)	(231)
Other provisions		**(22)**	(29)	7
Other operating costs		**(1,170)**	(1,114)	(56)
Expenses of financial services companies		**(376)**	(668)	292
Insurance claims and other insurance costs		**(20)**	(1,367)	1,347
TOTAL COSTS OF PRODUCTION		**(54,278)**	(55,948)	1,670
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION		**39**	(395)	434
FINANCIAL INCOME AND EXPENSES	(note 16)			
Investment income from				
associated companies		**1**	1	0
other companies		**37**	59	(22)
Total investment income		**38**	60	(22)
Other financial income from				
receivables held as fixed assets from others		**1**	5	(4)
securities held as fixed assets other than equity investments		**1**	0	1
securities held as current assets other than equity investments		**45**	127	(82)
Other income from				
unconsolidated subsidiaries		**4**	8	(4)
associated companies		**6**	7	(1)
others		**1,252**	1,352	(100)
Total other income		**1,262**	1,367	(105)
Total other financial income		**1,309**	1,499	(190)
Interest and other financial expenses from				
unconsolidated subsidiaries		**0**	(3)	3
associated companies		**(5)**	(6)	1
parent companies		**(1)**	(1)	0
others		**(2,049)**	(2,614)	565
Total interest and other financial expenses		**(2,055)**	(2,624)	569
Foreign exchange gains and losses		**25**	64	(39)
TOTAL FINANCIAL INCOME AND EXPENSES		**(683)**	(1,001)	318

CONSOLIDATED STATEMENT OF OPERATIONS (continued)

(€ in millions)		**2004**	2003	Change
ADJUSTMENTS TO FINANCIAL ASSETS	(note 17)			
Revaluations of				
equity investments		**203**	229	(26)
securities held in current assets other than equity investments		**0**	15	(15)
Total revaluations		**203**	244	(41)
Writedowns of				
equity investments		**(166)**	(306)	140
financial fixed assets other than equity investments		**(23)**	(1)	(22)
securities held in current assets other than equity investments		**(3)**	(9)	6
financial receivables		**(74)**	(6)	(68)
Total writedowns		**(266)**	(322)	56
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS		**(63)**	(78)	15
EXTRAORDINARY INCOME AND EXPENSES	(note 18)			
Income				
gains on disposals		**813**	2,080	(1,267)
other income		**173**	197	(24)
Total income		**986**	2,277	(1,291)
Expenses				
losses on disposals		**(7)**	(56)	49
taxes relating to prior years		**(39)**	(27)	(12)
other expenses		**(1,290)**	(1,661)	371
Total expenses		**(1,336)**	(1,744)	408
TOTAL EXTRAORDINARY INCOME AND EXPENSES		**(350)**	533	(883)
LOSS BEFORE TAXES		**(1,057)**	(941)	(116)
INCOME TAXES, CURRENT AND DEFERRED	(note 19)	**28**	(706)	734
LOSS BEFORE MINORITY INTEREST		**(1,029)**	(1,647)	618
Minority interest		**1,146**	1,517	(371)
NET INCOME (LOSS)		**117**	(130)	247

STRUCTURE AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2004 have been prepared in accordance with the provisions contained in Legislative Decree No. 127 dated April 9, 1991. The Notes to the consolidated financial statements have been prepared in conformity with the same Legislative Decree, art. 38.
The consolidated financial statements are expressed in millions of euros.

SCOPE OF CONSOLIDATION

Criteria used in determining the scope of consolidation

Directly and indirectly controlled subsidiaries (in which IFI holds directly or indirectly more than 50% of the capital stock or has de facto control) have been consolidated line-by-line using the financial statements at December 31, 2004 or the annual accounting data at the same date (where the year-end does not coincide with that of the consolidated financial statements) except as indicated below.

The Alpitour Group has been consolidated on a line-by-line basis using the consolidated accounting data at October 31, 2004, owing to the impossibility of obtaining, on timely basis without disproportionate expense, consolidated accounting data as of the date of the consolidated financial statements. This treatment, allowed by IAS 27, does not affect the assertion that the consolidated financial statements are a true and correct representation of the financial position and results of operations of the Group or the clarity of the financial statements.

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

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

Furthermore, the subsidiaries BUC – Banca Unione di Credito and Juventus Football Club have been accounted for using the equity method inasmuch as they have non-homogeneous operations (Legislative Decree No. 127/91, art. 28).

Changes in the scope of consolidation

Changes in the scope of consolidation are described below.

IFIL Holdings System

For the purpose of contributing to new investment opportunities, during the first half IFIL set up new organizations in the United States (in February) and Asia (in June), with offices, respectively, in New York and Hong Kong.
With similar objectives in mind, at the end of June, Ifil Investissements purchased 100% of the capital stock of Sadco, with head offices in Switzerland, from Exor Group.
These holdings have been consolidated line-by-line in 2004.

Fiat Group

In February 2004, 100% of the interest held in Fiat Engineering S.p.A. was sold to Maire Investimenti S.p.A. and the company was therefore deconsolidated as of the beginning of the year. At the same time, the Fiat Group subscribed to a capital increase of Maire Investimenti S.p.A. (now Maire Engineering S.p.A.) and currently owns 30% of the capital of this company. On said 30% interest, both parties hold put (Fiat Group) and call (Maire Engineering S.p.A.) options that are exercisable within three years at a predetermined price.

Effective January 1, 2004, the Group consolidated Magneti Marelli Sistemi Elettronici on a line-by-line basis following gradual acquisition of actual control over this strategic supplier of Fiat Auto and other automotive groups. In 2002, this business had been sold to the Mekfin Group, which in turn sold it to the Ixfin Group. So that the company would punctually respect the commitments it had made to its customers and continue pursuing its growth strategies, an agreement was signed at the end of 2003 between the Ixfin Group and the Fiat Group, on the basis of which Magneti Marelli, pursuant to an agreement providing for the beneficial interest in the shares, with voting rights, started to take an increasingly active role in the management of Electronic Systems in 2004. On July 28, 2004 the Fiat Group decided to acquire full ownership thereof by exercising a call option.

In September 2004, Magneti Marelli sold the 100% interest in the Midas business (automotive repair and maintenance services) in Europe and Latin America to the Norauto Group and deconsolidated the related activities from September 30, 2004.

For a better understanding of the variations in the statement of operations, it should be noted that major changes in the composition of the Group took place during 2003, the most important of which that had an impact on 2004 are indicated below:

- at the end of March 2003, the retail financing activities of Fiat Auto Holdings in Brazil were sold to the Itaù banking group and deconsolidated from that date;
- on May 2, 2003, the agreement for the sale of the Toro Assicurazioni Group to the DeAgostini Group was executed and the Toro Group was deconsolidated as of that date;
- on May 27, 2003, Fiat and a pool of banks completed the sale of 51% of Fidis Retail Italia (FRI), a company which at that time controlled part of the European consumer credit business of Fiat Auto Holdings for retail automobile purchases; another part of this business was sold to FRI in October 2003, while the sale of the company operating in the United Kingdom was concluded in 2004;
- in execution of the contract signed on July 1, 2003, the sale was finalized for the aerospace activities of FiatAvio S.p.A. to Avio Holding S.p.A., 70% owned by The Carlyle Group and 30% by Finmeccanica S.p.A..

Worms & Cie Group

The most important changes in the scope of consolidation refer to the purchase, by the Antalis Group, on July 1, 2004, of the Brangs & Heinrich Group, which was consolidated line-by-line starting from the second half of 2004, and the sale of the Roumain RTC Group, on December 21, 2004, and therefore consolidated line-by-line for the entire year 2004.

Alpitour Group

The following companies were consolidated line-by-line during the year ended October 31, 2004: Neos (previously accounted for using the equity method) now 100%-controlled, Altamarea International S.p.A. (a newly-formed company in which a 100% stake was acquired), operating in the sector for the marketing of tourist-hotel facilities, Blumarin Hotel Sicilia (in which a further stake was purchased and is now 90%-owned) and Jumboturismo (in which the remaining 24.16% stake was purchased, bringing the interest to the current 100%).
The investments in Jumbo Renta S.A. (consolidated line-by-line in 2003) and Promoviaggi (accounted for using the equity method in 2003) were sold.

Moreover, the investments in Minerva Viaggi, Saugo Viaggi, Viaggi Galleria 57 and in Welcome We Travel are stated at cost, in view of the impossibility of obtaining their data on a timely basis.

PRINCIPLES OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

Again in reference to the financial statement formats, integrations have been made to comply with Legislative Decree No. 6 of 2003 "Reform of Corporate Law". Accordingly, the corresponding figures for the previous year have been reclassified.

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

Differences arising from the elimination of investments against the related stockholders' equity of the investment at the date of acquisition (since 1994) are allocated to the assets and liabilities of the companies being consolidated, up to the limit of their current value. The residual value, if negative, is recorded as a component of stockholders' equity, "Consolidation reserve", "Consolidation reserve for risks and futures expenses", when due to a forecast of unfavorable economic results. The residual value, if positive, is capitalized as an asset, "Differences on consolidation", and amortized using the straight-line method on the basis of the estimated period of recoverability or, alternatively, is deducted from the consolidation reserve up to the amount of the same. The positive difference is set off against the consolidation reserve as allowed by Legislative Decree No. 127/91, art. 33, paragraph 3. This is considered a prudent approach since recovery of part of the cost through amortization is not deferred until future years but can immediately be compensated against the pre-existing consolidation reserve or the reserve set up during the year.

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

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

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

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

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

ACCOUNTING PRINCIPLES

Intangible fixed assets

Intangible fixed assets and deferred charges expected to benefit future periods are recorded at cost, adjusted by amortization calculated on a straight-line basis at rates that reflect the estimated useful life of the assets over the period to be benefited. In particular, goodwill and differences on consolidation are amortized over a period of no more than 20 years, taking into account their expected period of recovery. In general, the Group's companies periodically review that the carrying value of such assets is not higher than the estimated recovery value, in relation to their use or realization, as determined by reference to the most recent corporate plans according to the method indicated in the Italian Accounting Principle No. 24 "Intangible assets". In cases in which there is a permanent impairment in the estimated recovery value that is lower than carrying value, appropriate writedowns are recorded.

In keeping with the principle of prudence and international practice in the Automotive Sector, the costs of researching and developing new products and/or processes are mainly included in the results of operations in the period in which such costs are incurred.

Goodwill is recorded as an asset when acquired for consideration.

Property, plant and equipment

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

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

When, at the balance sheet date, property, plant and equipment show a permanent impairment in value below their carrying value, such assets are written down to the lower value, according to the method indicated in the Italian Accounting Principle No. 16, "Tangible assets".

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

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

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

Financial fixed assets

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

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

Investments in other companies are valued at cost of acquisition or contribution value (including accessory charges which increase the investment value). If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition or the contribution value, as defined above, it is written down to the lower value.
Should the reasons for the writedown no longer apply, the value of the investment will be reinstated up to the limit of the cost of acquisition.

Financial receivables are recorded at estimated realizable value.

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

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

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

Inventories

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

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

Receivables

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

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

Investments, treasury stock and securities recorded in current assets

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

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

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

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

Reserve for pensions and similar obligations
As regards the Fiat Group, the reserve for pensions and similar obligations includes provisions for long-service or other bonuses (including pension funds required by some countries in which the Group operates), payable to employees and former employees under contractual agreements or by law, determined on an actuarial basis, where applicable. In particular, where reference is made to IAS 19 "Employee Benefits" for the accounting of certain contractual features in the absence of specific Italian regulations, the Group has adopted the "corridor " method.

As regards the Worms & Cie Group, the early adoption by the Group of IAS 19, as provided by French regulations, gave rise to effects that have been booked to consolidated stockholders' equity. Such effect gave rise to a reduction in consolidated stockholders' equity of the Worms & Cie Group of € 57 million (net of taxes).

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

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

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

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

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

Derivative financial instruments

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

Beginning in 2001, the Fiat Group adopted – to the extent that it is consistent and not in contrast with general principles set forth in the Italian law governing financial statements – the international accounting standard IAS 39 "Financial Instruments: Recognition and Measurement", applicable beginning January 1, 2001. Such principle covers the accounting treatment of all financial assets and liabilities in and off-balance sheet and, in particular, states that derivative financial instruments should be valued at fair value. Taking into account the restrictions under Italian law and the evolution of the law now underway, the Group maintains, consistently with Consob rulings, that IAS 39 is applicable only in part and only in reference to the designation of derivative financial instruments as "hedging" or "non-hedging instruments" and with respect to the symmetrical accounting of the result of the valuation of the derivative hedging instrument and the result attributable to the hedged item ("hedge accounting"). The transactions which, according to the Group's policy for risk management, are able to meet the conditions stated by the accounting principle for hedge accounting treatment are designated as hedging transactions; the others although set up for the purpose of managing risk (inasmuch as the Group's policy does not permit speculative transactions), have been designated as "trading".

Details of the accounting treatment adopted are as follows.

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

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

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

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

Revenue recognition

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

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

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

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

With regard to the Insurance Sector, premiums collected by the insurance companies are recognized on an accrual basis.

Costs

Costs are recognized on an accrual basis.

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

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

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

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

Investment income

Dividends distributed by companies valued at cost are recorded in the year in which they are declared.

Financial income and expenses

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

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

Income taxes

Income taxes currently payable are provided for in accordance with the existing legislation of the countries in which the Group's companies operate.

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

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

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

COMMENTS ON THE PRINCIPAL COMPONENTS OF THE CONSOLIDATED BALANCE SHEET

1) Intangible fixed assets

€ in millions	Net of amortization 12/31/2003	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and other changes	**Net of amortization 12/31/2004**
Start-up and expansion costs	155	11	(45)	0	0	1	1	**123**
Research, development and advertising expenses	22	4	(9)	0	11	0	0	**28**
Industrial patents and intellectual property rights	406	48	(116)	3	85	(14)	(10)	**402**
Concessions, licenses, trademarks and similar rights	383	53	(97)	(16)	31	(10)	(2)	**342**
Goodwill	159	1	(16)	38	0	(9)	(15)	**158**
Intangible assets in progress and advances	255	112	0	0	(143)	(1)	(9)	**214**
Other intangible assets	167	41	(70)	(7)	17	0	(1)	**147**
Differences on consolidation	3,164	72	(335)	30	(1)	(130)	(21)	**2,779**
Total intangible fixed assets	4,711	342	(688)	48	0	(163)	(57)	**4,193**

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

€ in millions	Net of amortiz. 12/31/2003	Additions	Amortiz.	Change in the scope of consolidation	Reclassific.	Foreign exchange effects	Disposals and other changes	**Net of amortiz. 12/31/2004**
Fiat Group								
Start-up and expansion costs	144	11	(41)	0	0	1	0	**115**
Research, development and advertising expenses	22	4	(9)	0	11	0	0	**28**
Industrial patents and intellectual property rights	406	48	(116)	3	85	(14)	(10)	**402**
Concessions, licenses, trademarks and similar rights	347	37	(82)	(16)	21	(10)	0	**297**
Goodwill	151	1	(16)	38	0	(9)	(14)	**151**
Intangible assets in progress and advances	246	99		0	(131)	0	(10)	**204**
Other intangible assets	157	38	(65)	(7)	14	0	(1)	**136**
Differences on consolidation	2,251	26	(146)	0	0	(130)	(12)	**1,989**
Total Fiat Group	3,724	264	(475)	18	0	(162)	(47)	**3,322**
Worms & Cie Group								
Concessions, licenses, trademarks and similar rights	32	11	(14)	0	10	0	(1)	**38**
Intangible assets in progress and advances	8	13	0	0	(10)	(1)	0	**10**
Other intangible assets	2	0	(2)	0	1	0	1	**2**
Differences on consolidation	871	0	(147)	30	(1)	0	0	**753**
Total Worms & Cie Group	913	24	(163)	30	0	(1)	0	**803**
Alpitour Group								
Start-up and expansion costs	2	0	(1)	0	0	0	0	**1**
Concessions, licenses, trademarks and similar rights	3	5	(1)	0	0	0	0	**7**
Goodwill	7	0	0	0	0	0	0	**7**
Intangible assets in progress and advances	2	0	0	0	(2)	0	0	**0**
Other intangible assets	7	3	(3)	0	2	0	0	**9**
Differences on consolidation	43	9	(5)	0	0	0	(10)	**37**
Total Alpitour Group	64	17	(10)	0	0	0	(10)	**61**
IFIL Holdings System	10	37	(40)	0	0	0	0	**7**
Total intangible fixed assets	4,711	342	(688)	48	0	(163)	(57)	**4,193**

Major changes, by Group, are described below.

Fiat Group

Intangible fixed assets are shown net of accumulated writedowns of € 662 million (€ 614 million at December 31, 2003) of which € 604 million (€ 579 million at December 31, 2003) relates to goodwill and differences on consolidation. Writedowns recorded in 2004 amount to € 48 million (€ 55 million in 2003) and are included in the disposals and other changes column.

Start-up and expansion costs at December 31, 2004 consist of deferred plant start-up costs and corporate formation costs of € 57 million (€ 60 million at December 31, 2003) and capital increase costs of € 58 million (€ 84 million at December 31, 2003).

Differences on consolidation total € 1,989 million at December 31, 2004 (€ 2,251 million at December 31, 2003) and include the net residual amounts (net of amortization and writedowns, as described below) on the acquisition of the Case Group and other CNH Group companies for € 1,756 million, the Irisbus Group for € 43 million, Meridian Technologies Inc. for € 23 million, certain Components Sector companies for € 39 million (including € 20 million as a result of the purchase of Magneti Marelli Sistemi Elettronici in 2004), certain Production Systems Sector companies for € 39 million and other minor companies for € 26 million. Differences on consolidation also include that deriving from the Tender Offer issued in 2000 for the shares of Magneti Marelli S.p.A. for € 15 million, as well as that from the CNH Global N.V. capital increase effected in 2000 for € 48 million.

As regards the amounts recorded in goodwill and differences on consolidation, amortization is charged over periods ranging from five to twenty years, on the basis of the expected recoverability of these amounts. At the end of the year, however, specific reviews were conducted to verify whether such amounts are recoverable by considering the existing prospects of earnings. From the analyses performed, taking into consideration the changed market conditions, the restructuring plans initiated by certain Sectors of the Group and the consequent impact on the business plans of various Sectors, permanent impairments in value were identified at December 31, 2004 that gave rise to writedowns totaling € 25 million (€ 38 million at December 31, 2003).

Worms & Cie Group

The balance of € 803 million at December 31, 2004 mainly includes the residual difference on consolidation on the purchase of the ex-AWA Group (€ 746 million), which is being amortized over 20 years. The change in the scope of consolidation during 2004 is principally due to the acquisition of the Brangs & Heinrich Group (€ 22 million).

Alpitour Group

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

Part of the increase, € 7 million, refers to the goodwill paid on the purchase of the additional 24.16% stake in the company Jumboturismo S.A.

IFIL Holdings System

The difference on consolidation which originated in 2004 on the purchase of NHT capital stock (€ 37 million) was amortized at the end of the first quarter of 2004 for € 24 million since it could not be allocated. At the end of 2004, taking into account that on consolidation the IFIL Group had in the past deducted the difference on consolidation on 90% of the investment in the Alpitour Group from the consolidation reserve, a charge was then made to completely amortize the remaining amount of € 13 million.

2) Property, plant and equipment

€ in millions	Net of depreciation 12/31/2003	Additions	Depreciation	Change in the scope of consol.	Reclassific.	Foreign exchange effects	Disposals and other changes	**Net of depreciation 12/31/2004**	**Accumulated depr. and writ. 12/31/2004**
Land and buildings	3,115	85	(170)	21	101	23	(76)	**3,099**	**2,293**
Plant and machinery	3,401	299	(606)	28	167	4	(76)	**3,217**	**7,816**
Industrial and commercial equipment	2,104	549	(748)	13	398	7	(15)	**2,308**	**8,105**
Other assets	1,363	630	(337)	3	13	(12)	(376)	**1,284**	**1,844**
Construction in progress and advances	828	702	(1)	3	(679)	(1)	(127)	**725**	**0**
Total property, plant and equipment	10,811	2,265	(1,862)	68	0	21	(670)	**10,633**	**20,058**

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

€ in millions	Net of depreciation 12/31/2003	Additions	Depreciation	Change in the scope of consol.	Reclassific.	Foreign exchange effects	Disposals and other changes	**Net of depreciation 12/31/2004**	**Accumulated depr. and writ. 12/31/2004**
Fiat Group									
Land and buildings	2,736	61	(139)	16	56	29	(63)	**2,696**	**2,010**
Plant and machinery	3,393	293	(605)	28	167	4	(76)	**3,204**	**7,810**
Industrial and commercial equipment	1,504	493	(627)	14	323	16	(15)	**1,708**	**6,828**
Other assets	1,314	616	(322)	(1)	11	(11)	(375)	**1,232**	**1,716**
Construction in progress and advances	728	649	0	3	(557)	(1)	(125)	**697**	**0**
Total Fiat Group	9,675	2,112	(1,693)	60	0	37	(654)	**9,537**	**18,364**
Worms & Cie Group									
Land and buildings	289	18	(27)	4	15	(4)	(9)	**286**	**259**
Industrial and commercial equipment	599	53	(120)	(1)	75	(9)	0	**597**	**1,276**
Other assets	39	9	(12)	2	2	0	(4)	**36**	**112**
Construction in progress and advances	68	53	(1)	0	(92)	0	(1)	**27**	**0**
Total Worms & Cie Group	995	133	(160)	5	0	(13)	(14)	**946**	**1,647**
Alpitour Group									
Land and buildings	80	6	(3)	(3)	30	(2)	(2)	**106**	**18**
Plant and machinery	8	6	(1)	0	0	0	0	**13**	**6**
Industrial and commercial equipment	1	3	(1)	0	0	0	0	**3**	**1**
Other assets	12	5	(3)	2	0	(1)	1	**16**	**16**
Construction in progress and advances	31	0	0	0	(30)	0	0	**1**	**0**
Total Alpitour Group	132	20	(8)	(1)	0	(3)	(1)	**139**	**41**
IFIL Holdings System and intragroup eliminations	9	0	(1)	4	0	0	(1)	**11**	**6**
Total	10,811	2,265	(1,862)	68	0	21	(670)	**10,633**	**20,058**

Major changes, by Group, are described below.

Fiat Group

Property, plant and equipment include revaluations required or allowed by national laws, which, net of related accumulated depreciation, amount to € 197 million at December 31, 2004 (€ 231 million at December 31, 2003).

No interest expenses were capitalized in 2004 or in 2003.

The change in the scope of consolidation shows a positive balance of € 60 million as a result of the entry of companies for € 125 million and the sale of companies for € 65 million.

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

Disposals and other changes, with a negative balance of € 654 million, also include the writedowns recorded during the year for € 84 million (€ 351 million in 2003), detailed by Sector as follows: Automobiles € 75 million, Metallurgical Products € 4 million, Components € 1 million, and other minor companies € 4 million. This item also comprises disposals relating to assets on operating leases of € 303 million.

Other assets include vehicles on operating leases for € 828 million at December 31, 2004 (€ 914 million at December 31, 2003), mainly relating to long-term leases.

Worms & Cie Group

Property, plant and equipment include assets under finance leases for € 7 million (€ 125 million at December 31, 2003). The reduction from December 31, 2003 is due to the end of the leases of AWA Ltd.
The depreciation of property, plant and equipment includes € 54 million of extraordinary depreciation.

Alpitour Group

The change in the scope of consolidation is principally the result of the first-time line-by-line consolidation of Neos, the airline company of the Group (+€ 2 million) and the deconsolidation of the subsidiary Jumbo Renta, a company owning commercial properties in Spain (-€ 3 million) that was sold in April 2004.
Additions mainly include the costs for the construction work on a new tourist resort in Sicily, in Arenella (province of Siracusa) for € 17 million, as well as the financial charges related specifically to the financing received (€ 1 million).
Mortgages are carried by financial institutions on certain buildings held by the Alpitour Group (mainly tourist resorts) for € 2 million.

The residual net book value of monetary revaluations effected in prior years on buildings held by the Alpitour Group, as allowed by specific laws, amounts to € 0.3 million.

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

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

3) Financial fixed assets

Investments

€ in millions	Balance at 12/31/2003	Revaluations	Writedowns	Change in the scope of consolidation	Increases	Foreign exchange effects	Disposals and other changes	**Balance at 12/31/2004**
Unconsolidated subsidiaries	488	11	(35)	(13)	16	2	(186)	**283**
Associated companies	4,465	191	(106)	0	191	12	(554)	**4,199**
Other companies	926	1	(10)	(3)	8	0	(154)	**768**
Total investments	5,879	203	(151)	(16)	215	14	(894)	**5,250**

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

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

€ in millions	Balance at 12/31/2003	Revaluations	Writedowns	Change in the scope of consolidation	Increases	Foreign exchange effects	Disposals and other changes	**Balance at 12/31/2004**
IFI and IFIL Holdings System								
Unconsolidated subsidiaries	48	0	(4)	0	0	0	0	**44**
Associated companies	646	27	(14)	0	116	0	(509)	**266**
Other companies	641	0	0	0	0	0	(35)	**606**
Total IFI and IFIL Holdings System	1,335	27	(18)	0	116	0	(544)	**916**
Fiat Group								
Unconsolidated subsidiaries	435	11	(31)	(13)	16	2	(184)	**236**
Associated companies	3,202	113	(70)	3	74	17	(9)	**3,330**
Other companies	257	1	(9)	(3)	7	0	(95)	**158**
Total Fiat Group	3,894	125	(110)	(13)	97	19	(288)	**3,724**
Worms & Cie Group								
Unconsolidated subsidiaries	2	0	0	0	0	0	0	**2**
Associated companies	613	51	(22)	(1)	1	(5)	(36)	**601**
Other companies	28	0	(1)	0	1	0	(24)	**4**
Total Worms & Cie Group	643	51	(23)	(1)	2	(5)	(60)	**607**
Alpitour Group								
Unconsolidated subsidiaries	3	0	0	0	0	0	(2)	**1**
Associated companies	4	0	0	(2)	0	0	0	**2**
Total Alpitour Group	7	0	0	(2)	0	0	(2)	**3**
Total investments	5,879	203	(151)	(16)	215	14	(894)	**5,250**

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

IFI and IFIL Holdings System
Increases of € 116 million refer to the purchase of 9.53% of Eurofind capital stock from Mediobanca in January 2004 from the subsidiary Ifil Investissements.

The disposals and other changes column includes the sale of 50% of the capital stock of Eurofind Food (€ 481 million) and 7.2% of the capital stock of Club Méditerranée (-€ 35 million).

Fiat Group

The change in the scope of consolidation, with reference to investments in unconsolidated subsidiaries, is due to the line-by-line consolidation of some minor subsidiaries.

The amounts included in the increases column are mainly related to the following acquisitions and capitalizations:

- investments in unconsolidated subsidiaries: capitalization of the company Fiat Auto S.A. de Ahorro para Fines Determinados (€ 6 million), acquisition of the company BMI S.p.A. (€ 4 million) and other minor companies (€ 6 million);
- investments in associated companies: acquisitions of the companies Maire Engineering S.p.A (€ 35 million) and Immobiliare Novoli S.p.A. (€ 21 million); capitalization of the companies CNH Capital Europe S.A.S. (€ 8 million), CNH de Mexico SA de CV (€ 5 million) and other minor companies (€ 5 million);
- investments in other companies: acquisition of the company Lingotto S.p.A. (€ 3 million) and other minor companies (€ 4 million).

Disposals and other changes refer principally to:

- investments in unconsolidated subsidiaries: the change refers to the dividends distributed by BUC - Banca Unione di Credito;
- investments in associated companies: sale of the company Toro Targa Assicurazioni S.p.A. (-€ 13 million) and other minor companies (€ 4 million);
- investments in other companies: sale of the investments in Edison S.p.A. (€ 65 million) and Gas Turbine Technologies S.p.A. (€ 6 million), liquidation of Kish Receivables Company (€ 21 million) and sales of other minor companies (€ 3 million).

Worms & Cie Group

Disposals and other changes include the sale of the investment in Accor (€ 23 million), reimbursements and distributions of reserves by Pechel Industries and SGS (€ 29 million) and other minor changes (€ 8 million).

Investments in unconsolidated subsidiaries

€ in millions	%	12/31/2004	%	12/31/2003	Change
IFI and IFIL Holdings System					
Juventus Football Club S.p.A.	**61.69**	**44**	62.0	48	(4)
Fiat Group					
Buc- Banca Unione di Credito	**100.0**	**171**	100.0	340	(169)
Leasys S.p.A.	**51.0**	**16**	51.0	36	(20)
Fiat Group - sundry unconsolidated subsidiaries		**49**		59	(10)
		236		435	(199)
Worms & Cie Group - sundry companies		**2**		2	0
Alpitour Group - sundry companies		**1**		3	(2)
Total investments in unconsolidated subsidiaries		**283**		488	(205)

Unconsolidated subsidiaries of the Fiat Group

The above companies have not been consolidated either because their operations are so dissimilar (BUC - Banca Unione di Credito) or because it would not have been possible to obtain the necessary information for their consolidation on a timely basis without disproportionate expense or because their operations are not significant. Such companies show a negative net financial position of € 443 million (€ 297 million at December 31, 2003).

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

Investments in associated companies

€ in millions	**12/31/2004**	12/31/2003	Change
IFI and IFIL Holdings System			
Exor Group S.A.	**196**	179	17
Eurofind Textile	**70**	0	70
Eurofind Group	**0**	467	(467)
	266	646	(380)
Fiat Group			
Fiat -GM Powertrain B.V.	**1,258**	1,172	86
Italenergia Bis S.p.A.	**514**	512	2
Fidis Retail Italia S.p.A.	**420**	372	48
Tofas Turk Otomobil Fabrikasi Tofas A.S.	**183**	156	27
Sevel S.p.A.	**120**	118	2
Rizzoli Corriere della Sera MediaGroup S.p.A. (ex-H.d.P. S. p.A.)	**101**	99	2
Kobelco Construction Machinery Co. Ltd	**99**	103	(4)
Naveco Ltd.	**94**	102	(8)
CNH Capital Europe S.a.S.	**58**	45	13
Société Européenne de Véhicules Légers du Nord - Sevelnord S.A.	**52**	49	3
Fiat Group - sundry companies	**431**	474	(43)
	3,330	3,202	128
Worms & Cie Group			
SGS S.A.	**566**	560	6
WORMS & Cie Group - sundry companies	**35**	53	(18)
	601	613	(12)
Alpitour Group	**2**	4	(2)
Total associated companies	**4,199**	4,465	(266)

Associated companies of the IFIL Holdings System

The change in these investments is due to the following transactions:

- proportional spin-off of Eurofind, in December, through two newly-formed Luxembourg-registered companies named Eurofind Food and Eurofind Textile;
- sale to Auchan Group, in the second half of December, of 50% of Eurofind Food capital stock.

The carrying value of the investment in the Eurofind Textile Group includes a residual difference on consolidation of € 22 million.

Associated companies of the Fiat Group

The Fiat Group holds certain companies under joint control, the most important of which are Fiat-GM Powertrain B.V., Sevel S.p.A., Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme and Naveco Ltd. Such companies carry a negative net financial position of € 1,203 million (€ 1,093 million at December 31, 2003).

Fiat-GM Powertrain

Fiat-GM Powertrain B.V. is an industrial joint venture for the manufacture of engines and gears for cars that was set up in the second half of 2001 between Fiat and General Motors Corporation (General Motors) under the well-known strategic alliance. The key figures taken from the financial statements of Fiat-GM Powertrain B.V., drawn up in accordance with the accounting principles of the Fiat Group for the valuation of the investment using the equity method at December 31, 2004 and 2003 are as follows:

€ in millions	**12/31/2004**	12/31/2003
Balance sheet data		
Fixed assets	**3,149**	3,250
Total assets	**6,581**	6,611
Net indebtedness	**(1,273)**	(1,238)
Stockholders' equity	**2,516**	2,344

€ in millions	**2004**	2003
Statement of operations data		
Net sales	**6,530**	6,598
Operating income	**255**	296
Net financial expenses	**31**	38
Net income	**139**	180

In view of the strictly industrial nature of the joint venture and in order to achieve a reading of its industrial performance that is consistent with the past, commencing in 2001 and during the period in which the industrial convergence is being implemented (estimated in approximately three years), the Group's share of the results of the company has been included in the consolidated statement of operations as a split between the operating/industrial component and the other non-operating components. In particular, the Group's share of the operating result of the company (€ 127 million in 2004, € 147 million in 2003, € 143 million in 2002 and € 47 million in the second half of 2001), determined by the transfer pricing policy adopted, is included in the consolidated statement of operations as an adjustment to the cost of the products purchased from the joint venture, whereas the share of the result in the other non-operating components is allocated to the respective principal captions, without effect on the total net result recorded by the Group.

Lastly, as a consequence of the "Termination Agreement" signed between Fiat and General Motors on February 13, 2005, the joint venture will be dissolved during the first half of 2005 in the manner described previously in the Report on Operations – Significant events occurring since the end of the fiscal year and business outlook. Based upon the rules established in the agreement for the allocation of the assets between the two partners, it is deemed that the carrying value of Fiat-GM Powertrain recorded in the financial statements is fully recoverable.

Italenergia Bis

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

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

b) Fiat does not independently exercise the EDF Put on its own 24.6% holding and in this case:

- the individual Banks, separately, have the right to request Fiat to exercise its Put on EDF which allows the Banks to exercise the "tag along", as described above, and to realize a gain;
- Fiat may elect not to exercise the EDF Put, as instead requested, and the Banks have the right to ask that Fiat purchase from the same Banks their respective 4.66% holdings at the lower of the price determined pursuant to the EDF Put, in accordance with the same criteria and procedures agreed with EDF, and € 6.5 per share;
- Fiat does not have a call right on the Banks' holdings which were sold to the Banks definitively.

In conclusion, the 14% holding in Italenergia Bis sold by Fiat is subject to Put options exercisable in 2005 by each of the Banks. Nevertheless, the effects of the sale were considered final and the resulting gain realized in 2002, in that Fiat had contemporaneously stipulated a put option with EDF that will give it the right, in the event that the Banks ask to purchase said shares, to sell them to EDF at the same price conditions as the EDF Put.

In order to complete disclosure, it should be pointed out that in December 2004 Fiat received a letter in which EDF advised that it intends to invoke the arbitration rights available under the Put Option Agreement signed in September 2002 with Fiat. EDF claims that certain recent changes to Italian legislation have raised uncertainty regarding the nature and extent of the rights and interests that it would acquire under the Put Option Agreement. Fiat has reviewed its legal position on the issues raised by EDF and it believes that its rights under the Put Option Agreement are unaffected by the position communicated by EDF. At the end of December 2004, EDF asked the organization which administers arbitration proceedings – the London Court of International Arbitration – to commence arbitration for the above reasons. Fiat has presented its defense case before the Court. It is probable that the arbitration will end by the end of the year.

Again in December, EDF initiated arbitration proceedings against Fiat with regard to the Put on the 14% holding sold to the three Banks in 2002 and functionally at the service of the tag-along/drag-along right granted to the same Banks in the event of exercising the Put Option relative to the 24.6% holding. In this request, too, EDF claims that certain recent changes to Italian legislation have raised uncertainty regarding the nature and extent of the rights and interests that it would acquire under the Put Option Agreement. Also in this case, Fiat has reviewed its legal position on the issues raised by EDF and it believes that its rights under the Put Option Agreement are well-founded. The arbitration is under the administration of the International Chamber of Commerce and in its initial stages.

The legal steps taken by EDF are to be associated with similar actions undertaken by EDF with regard to the other stockholders of Italenergia Bis and with the well-known initiatives, according to press reports, advanced in relation to other operators in the sector and financial operators aimed at identifying an industrial or financial partner in Italenergia Bis. Press sources have also revealed that negotiations are underway between the Italian and French governments concerning the reciprocal opening of the electricity market.

On March 21, 2005 Fiat exercised the Put option relating to 24.6% of the shares as well as the Put on the 14% holding sold to the three banks in 2002.

Fidis Retail Italia ("FRI")

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

- Call option by Fiat Auto to purchase 51% of Fidis Retail Italia, held by Synesis Finanziaria, exercisable quarterly up to January 31, 2008 (initially up to January 31, 2006, before the extension agreed on February 4, 2005) at a price increased *prorata temporis* over the sale price plus additional payments less any distributions;
- Synesis Finanziaria's right to ask Fiat Auto to exercise the above purchase option on 51% of Fidis Retail Italia in the event of which, by January 31, 2008 (January 31, 2006, before the above mentioned extension) there is a change in control of Fiat or Fiat Auto (also through the sale of a substantial part of the companies owned by

Fiat Auto or one of its brands Fiat, Alfa and Lancia) as set forth in the relative stockholders agreement between Fiat Auto, Synesis Finanziaria and the four money lending banks;

- so-called “tag along” option on behalf of Synesis Finanziaria if the same events referred to in the preceding point occur after January 31, 2008 (originally January 31, 2006);
- so-called “drag along” option on behalf of Fiat Auto in the event of the sale of the investment after January 31, 2008 (January 31, 2006, before the above mentioned extension).

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

Associated companies of the Worms & Cie Group

The carrying value of the investment in SGS S.A. includes a difference on consolidation of € 373 million which is being amortized over 20 years (€ 393 million at December 31, 2003).

Associated companies of the Alpitour Group

The change in the scope of consolidation (-€ 2 million) is due to the first-time line-by-line consolidation of Neos S.p.A., in which a 50% stake had already been held in 2003.

Investments in other companies

€ in millions	**12/31/2004**	12/31/2003	Change
IFI and IFIL Holdings System			
Sanpaolo IMI S.p.A.	**601**	601	0
Club Méditerranée S.A.	**0**	35	(35)
Other unlisted investments	**5**	5	0
	606	641	(35)
Fiat Group			
Mediobanca S.p.A.	**93**	93	0
Edison S.p.A.	**0**	65	(65)
Other unlisted investments	**65**	99	(34)
	158	257	(99)
Worms & Cie Group			
Accor S.A.	**0**	23	(23)
Other unlisted investments	**4**	5	(1)
	4	28	(24)
Total other companies	**768**	926	(158)

Financial fixed assets – Receivables

€ in millions	**12/31/2004** **Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	12/31/2003 Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Receivables from associated companies	**1**	**0**	**1**	**0**	1	0	1	0
Receivables from others	**23**	**25**	**48**	**7**	18	170	188	129
Total receivables	**24**	**25**	**49**	**7**	19	170	189	129

Details, by Group, are as follows:

€ in millions	**12/31/2004** **Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	12/31/2003 Due within one year	Due beyond one year	Total	Of which due beyond 5 years
IFI S.p.A.								
Receivables from others	**0**	**8**	**8**	**0**	0	7	7	0
Fiat Group								
Receivables from others	**18**	**1**	**19**	**0**	4	25	29	2
Worms & Cie Group								
Receivables from others	**1**	**5**	**6**	**4**	8	124	132	124
Alpitour Group								
Receivables from associated companies	**1**	**0**	**1**	**0**	1	0	1	0
Receivables from others	**4**	**11**	**15**	**3**	6	14	20	3
	5	**11**	**16**	**3**	7	14	21	3
Total receivables	**24**	**25**	**49**	**7**	19	170	189	129

Financial receivables by the Fiat Group are shown in the financial statements net of the allowances for doubtful accounts of € 3 million (€ 5 million at December 31, 2003), with a provision of € 3 million during the year 2004; they approximate fair value which has been calculated using the present value method, based on a discount rate which reflects market conditions, the duration and the risk of insolvency.

Financial receivables by the Worms & Cie Group show a reduction of € 126 million. Of that amount, € 124 million is due to the early repayment of the loan granted by ArjoWiggins to the buyers of Appleton Papers Inc. in 2001 (nominal value of US$ 321 million).

Financial receivables by the Alpitour Group, equal to € 16 million, include loans granted to companies operating hotels and suppliers providing tourist services, earning interest at floating rates based on the Euribor and Libor (€ 7 million). They also include security deposits (€ 8 million) to guarantee exclusive marketing contracts for the tourist resorts in the Maldives and in Tunisia, earning interest at floating rates based on the Euribor and Libor (of which € 3 million is due beyond five years), as well as other receivables from associated companies for € 1 million.

Financial fixed assets – Other securities

€ in millions	**12/31/2004**	12/31/2003	Change
Fiat Group	**55**	56	(1)
Worms & Cie Group	**34**	23	11
IFIL Holdings System	**5**	5	0
Total other securities	**94**	84	10

Other securities of the Fiat Group are shown in the financial statements net of allowances for writedowns of € 24 million (€ 32 million at December 31, 2003). The writedown refers to the adjustment of the securities to estimated realizable value. At December 31, 2004, the carrying values are substantially in line with fair value.

Other securities of the Fiat Group are shown in the financial statements net of allowances for writedowns of € 24 million (€ 32 million at December 31, 2003). The writedown refers to the adjustment of the securities to estimated realizable value. At December 31, 2004, the carrying values are substantially in line with fair value.
Other securities of the Worms & Cie Group are basically composed of investments in Permal funds.
Other securities of the IFIL Holdings System refer to Ocean Club Méditerranée bonds, maturing on November 1, 2008. Such bonds earn annual interest of 3% and give the right, at maturity, to subscribe to the same number of Club Méditerranée shares at a unit price of € 58 or to receive a total reimbursement of € 5.2 million.

Financial fixed assets – Treasury stock

There were no transactions in preferred treasury stock during the year; the balance at December 31, 2004 is as follows:

		Carrying value	
	Number of shares	Unit (€)	Total (€ in millions)
IFI preferred shares	**5,360,300**	**13.15**	**70** (a)

(a) Net of writedowns of € 58.9 million made in 2002.

IFI preferred treasury stock in portfolio at December 31, 2004 has a par value of € 5,360 thousand and represents 3.28% of capital stock (6.98% of the class of stock).

Based upon the average stock market prices for the second half of 2004 (€ 8.85), IFI preferred shares show an unrealized loss of € 23 million, which would be reduced to € 10 million based upon the average market prices for the period March 1 – 15, 2005 (€ 11.35).
Such unrealized loss is not considered representative of a permanent decline in value taking into account that the per share carrying value of IFI preferred shares held is in any case lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2004 (€ 13.9).

Financial fixed assets – Finance lease contracts receivable

Net amount 12/31/2003	Additions	Financial amortization	Foreign exchange effects	Change in the scope of consolidation	Disposal and other changes	**Net amount 12/31/2004**	**Accumulated amort. and writed. 12/31/2004**
1,797	793	(557)	(5)	4	(305)	**1,727**	**1,192**

Finance lease contracts receivable refer to vehicles sold by the Automotive Sectors of the Fiat Group under finance leases.

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

Other financial fixed assets

Other financial fixed assets total € 192 million (€ 315 million at December 31, 2003) and refer to the Worms & Cie Group. They comprise:

- the deposit of € 98 million lodged with a leading banking institution which partially earns interest. The deposit was made by the Worms & Cie Group within the framework of the loans given to the buyers of Appleton Papers Inc. in order to guarantee the disbursing banks against the risk of an eventual acceleration of the indemnities connected with the dispute over the environmental risks to the Fox River;
- the deposit of € 92 million, made for the fine levied on Arjo Wiggins Appleton by the European Commission for alleged violations of fair trade practices;
- other receivables of € 2 million.

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

The reduction of € 123 million basically refers to the release of the deposit made by Arjo Wiggins Appleton to guarantee the commitments undertaken in connection with finance leases (-€ 111 million).

4) Current assets - Inventories

	12/31/2004			12/31/2003		
€ in millions	**Gross**	**Allowance**	**Net**	Gross	Allowance	Net
Raw materials and supplies	**1,505**	**(198)**	**1,307**	1,480	(221)	1,259
Work in progress and semifinished products	**860**	**(27)**	**833**	1,006	(23)	983
Contract work in progress	**2,886**	**0**	**2,886**	4,077	0	4,077
Finished goods and merchandise	**4,503**	**(407)**	**4,096**	4,897	(466)	4,431
Advances to suppliers	**7,076**	**0**	**7,076**	5,188	0	5,188
Total inventories	**16,830**	**(632)**	**16,198**	16,648	(710)	15,938
Advance payments on contract work in progress (a)	**(9,645)**	**0**	**(9,645)**	(8,876)	0	(8,876)
Net inventories	**7,185**	**(632)**	**6,553**	7,772	(710)	7,062

(a) With reference to the Fiat Group, for the sake of clarity, certain items involving customer advances on contract work posted in the past under "Other payables" (Note 11) were included in the item advance payments on contract work in progress at December 31, 2004. Consistently with this change, the value of advance payments on contract work in progress at December 31, 2003 was adjusted by € 428 million.

Inventories mainly refer to the Fiat Group (€ 15,617 million at December 31, 2004). Advance payments received from customers on contract work in progress (mainly connected with work to complete the T.A.V. project) amount to € 9,645 million (€ 8,876 million at December 31, 2003) and are recorded in payables (Note 11). Inventories, net of such advance payments received from customers, amount to € 5,972 million (€ 6,484 million at December 31, 2003). Advances to suppliers principally relate to the amounts paid by Fiat S.p.A. to the consortiums involved in the T.A.V. project. Contract work in progress decreased mainly as a result of the change in the scope of consolidation.

5) Current assets - Receivables

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

	12/31/2004			12/31/2003		
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	Due within one year	Due beyond one year	Total
Trade receivables	**4,897**	**29**	**4,926**	4,653	26	4,679
Receivables from unconsolidated subsidiaries	**52**	**3**	**55**	76	3	79
Receivables from associated companies	**857**	**9**	**866**	768	0	768
Deferred tax assets	**778**	**1,428**	**2,206**	564	1,343	1,907
Receivables from tax authorities	**1,238**	**124**	**1,362**	1,560	138	1,698
Receivables from social security agencies	**26**	**0**	**26**	15	0	15
Receivables from employees	**38**	**2**	**40**	35	2	37
Receivables from others	**1,620**	**154**	**1,774**	1,426	166	1,592
Total receivables	**9,506**	**1,749**	**11,255**	9,097	1,678	10,775

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

	12/31/2004			12/31/2003		
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	Due within one year	Due beyond one year	Total
Fiat Group						
Trade receivables	**3,899**	**29**	**3,928**	3,733	25	3,758
subsidiaries	**49**	**3**	**52**	73	3	76
Receivables from associated companies	**855**	**9**	**864**	764	0	764
Deferred tax assets	**748**	**1,413**	**2,161**	536	1,343	1,879
Receivables from the tax authorities	**1,114**	**123**	**1,237**	1,413	137	1,550
Receivables from social security agencies	**25**	**0**	**25**	14	0	14
Receivables from employees	**36**	**2**	**38**	33	2	35
Receivables from others	**1,514**	**140**	**1,654**	1,272	165	1,437
Total Fiat Group	**8,240**	**1,719**	**9,959**	7,838	1,675	9,513
Worms & Cie Group						
Trade receivables	**876**	**0**	**876**	837	1	838
Deferred tax assets	**9**	**15**	**24**	23	0	23
Receivables from the tax authorities	**45**	**1**	**46**	52	1	53
Receivables from social security agencies	**1**	**0**	**1**	1	0	1
Receivables from employees	**2**	**0**	**2**	1	0	1
Receivables from others	**82**	**12**	**94**	109	0	109
Total Worms & Cie Group	**1,015**	**28**	**1,043**	1,023	2	1,025
Alpitour Group						
Trade receivables	**121**	**0**	**121**	83	0	83
subsidiaries	**3**	**0**	**3**	2	0	2
Receivables from associated companies	**2**	**0**	**2**	4	0	4
Deferred tax assets	**21**	**0**	**21**	5	0	5
Receivables from the tax authorities	**15**	**0**	**15**	14	0	14
Receivables from employees	**0**	**0**	**0**	1	0	1
Receivables from others	**24**	**2**	**26**	45	1	46
Total Alpitour Group	**186**	**2**	**188**	154	1	155
IFI and IFIL Holdings System						
Trade receivables	**1**	**0**	**1**	0	0	0
subsidiaries	**0**	**0**	**0**	1	0	1
Receivables from the tax authorities	**64**	**0**	**64**	81	0	81
Total receivables	**9,506**	**1,749**	**11,255**	**9,097**	1,678	10,775

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

Receivables due beyond five years, which refer entirely to the Fiat Group, amount to € 60 million (€ 12 million at December 31, 2003).

The increase in deferred tax assets of the Alpitour Group, for € 13 million, is due to the future tax benefit connected with the tax losses carried forward without an expiry date, recorded in the current year with a contra-entry to deferred tax benefits in the statement of operations. These tax losses arose upon the presentation of the tax return for the year ended October 31, 2002 by Neos in which it took advantage of the benefits provided under Law 383/2001 ("Tremonti bis") for aircraft under leasing contracts. The tax benefit in question was recorded when the October 31, 2004 financial statements were closed in view of the fact that it is deemed that the company has by now achieved a consolidated position of earnings, also in light of the results reported in recent years. In computing the effective tax benefit, account was taken of forecasts of future taxable income, reflected in the long-term plan

approved by the Board of Directors, which will come from a consolidation of short- and medium-haul operations and the start of the long-haul business; both these activities will be developed for the most part with the parent company Alpitour S.p.A..
It is therefore reasonably certain that in future years there will be taxable income sufficient to absorb the tax losses carried forward to the extent recorded in the financial statements. The recoverability of this item will be monitored in successive years and adjustments will be made as necessary.

Receivables are presented net of the allowance for doubtful accounts (in reference to trade receivables) for € 790 million. Movements in these allowance accounts in 2004 are as follows:

€ in millions	Balance at 12/31/2003	Provisions	Use and other changes	Change in the scope of consolidation	**Balance at 12/31/2004**
Allowance for doubtful accounts	567	138	90	(5)	**790**

6) Current assets - Financial assets not held as fixed assets

Investments

Investments in other companies, entirely held by the Fiat Group, amount to € 33 million (€ 32 million at December 31, 2003) and consist of investments held by the insurance companies.

Other securities

€ in millions	**12/31/2004**	12/31/2003	Change
Fiat Group			
4,384,019 Fiat shares servicing the stock option plans	**26**	32	(6)
Italian government securities	**95**	55	40
Other securities	**2,089**	3,790	(1,701)
	2,210	3,877	(1,667)
Worms & Cie Group			
69,787 Worms & Cie shares servicing the stock option plans	**0**	1	(1)
Certificates of deposit	**10**	0	10
Mutual investment funds	**17**	36	(19)
Commercial paper and other securities	**4**	11	(7)
	31	48	(17)
Alpitour Group			
Marketable securities and bonds	**4**	5	(1)
IFIL Holdings System			
2,038,324 IFIL ordinary shares, of which 532,000 servicing stock options plans	**5**	2	3
Other short-term investments of liquidity and other securities	**1,047**	427	620
	1,052	429	623
Total other securities	**3,297**	4,359	(1,062)

The analysis, by Group, is as follows.

Fiat Group

Treasury stock held by Fiat S.p.A. is destined to cover the commitments for the stock options granted to directors and employees. In particular, 2,667,615 shares are for coverage of the stock options accruing to Mr. Morchio and exercisable up to May 30, 2005 at the price of € 5.623; 670,000 shares are for the partial coverage of the stock options granted to Mr. Marchionne, as described in greater detail in Note 13, in the paragraph commenting the commitments for derivative financial instruments.

Italian government securities also include securities issued by other public entities and guaranteed by the Italian government.

At December 31, 2004, other securities include short-term bonds and commercial paper for € 703 million (€ 1,480 million at December 31, 2003) and highly rated liquidity funds of leading international banks for € 1,481 million (€ 2,365 million at December 31, 2003) in which mainly the treasury management companies of the Group had made temporary and highly liquid investments of available cash resources. Additional liquidity in the form of unrestricted bank accounts and cash is included in the caption cash for € 3,164 million (€ 3,211 million at December 31, 2003).

The value of Italian government securities and other securities approximates fair value.

IFIL Holdings System

At December 31, 2004, other securities mainly comprise investments of liquidity in the money market, in time deposits, in short-term Italian government securities and in other short-term financial instruments held by the foreign subsidiaries.

Financial receivables

	12/31/2004				12/31/2003			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
From unconsolidated subsidiaries	**565**	**0**	**565**	**0**	475	46	521	0
From associated companies	**225**	**181**	**406**	**0**	413	231	644	0
From others	**4,065**	**2,374**	**6,439**	**414**	6,508	3,097	9,605	422
Total financial receivables	**4,855**	**2,555**	**7,410**	**414**	7,396	3,374	10,770	422

Details, by Group, are as follows:

	12/31/2004				12/31/2003			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Fiat Group								
From unconsolidated subsidiaries	**565**	**0**	**565**	**0**	475	46	521	0
From associated companies	**225**	**181**	**406**	**0**	413	231	644	0
From others	**3,806**	**2,374**	**6,180**	**414**	6,488	3,097	9,585	422
	4,596	**2,555**	**7,151**	**414**	7,376	3,374	10,750	422
Worms & Cie Group								
From others	**7**	**0**	**7**	**0**	9	0	9	0
Alpitour Group								
From others	**0**	**0**	**0**	**0**	11	0	11	0
IFIL Holdings System								
From others	**252**	**0**	**252**	**0**	0	0	0	0
Total financial receivables	**4,855**	**2,555**	**7,410**	**414**	7,396	3,374	10,770	422

Fiat Group

Financial receivables are shown net of allowances for doubtful accounts of € 440 million and show a reduction of € 3,599 million compared to the end of the prior year.

This reduction reflects lower loans made to dealer networks of the Automobile Sector, as well as the decline in the loans made to suppliers. Also contributing to the decrease in financial receivables are the sale of the financial activities of the Automobile Sector in the United Kingdom (deconsolidation of financial receivables for about € 690 million) and the collection of receivables and deposits held at December 31, 2003 by industrial companies and treasury management companies of the Group.

Movements in the allowances for doubtful financial accounts receivable during the year are as follows:

Balance at 12/31/2003	Provisions	Use and other changes	Change in the scope of consolidation	**Balance at 12/31/2004**
316	239	(96)	(19)	**440**

The fair value of financial receivables would be approximately € 7,143 million at December 31, 2004 (€ 10,800 million at December 31, 2003). The fair value of financial receivables was determined in accordance with the method indicated in Note 3 - Financial fixed assets – Receivables.

Receivables from associated companies of € 406 million at December 31, 2004 (€ 644 million at December 31, 2003) decreased by € 238 million mainly due to loan repayments.

Financial receivables from others include € 5,302 million (€ 7,914 million at December 31, 2003) of financing granted to retail customers as well as dealer networks and suppliers. As regards the receivables from the dealer networks, reference can be made to the information provided in the Fiat Group Report on operations – Analysis of the Financial Position and Operating Results of the Fiat Group and Fiat S.p.A., with regard to the note on the Net Financial Position. Financial receivables from others also include the net value of subordinated securities of € 319 million (€ 214 million at December 31, 2003) subscribed as part of the securitization of financial receivables.

Alpitour Group

Financial receivables from others recorded in the financial statements at December 31, 2003 and relating to the sale of the properties in Turin, Cuneo and Milan were entirely collected in the year 2004.

IFIL Holdings System

Financial receivables of the IFIL Holdings System refer to the receivable of the subsidiary Ifil Investissements due from the Auchan Group for the sale of 50% of the capital stock of Eurofind Food, which will be collected by mid-2005.

7) Accrued income and prepaid expenses

€ in millions	**12/31/2004**	12/31/2003	Change
Commercial accrued income:			
- Interest and commissions	**2**	5	(3)
- Other	**47**	37	10
Total commercial accrued income	**49**	42	7
Commercial prepaid expenses:			
- Interest	**8**	39	(31)
- Other	**382**	356	26
Total commercial prepaid expenses	**390**	395	(5)
Total commercial accrued income and prepaid expenses	**439**	437	2
Financial accrued income	**237**	327	(90)
Financial prepaid expenses	**93**	85	8
Total accrued income and prepaid expenses	**769**	849	(80)

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

8) Stockholders’ equity

Statement of changes in the consolidated stockholders’ equity of the Group

€ in millions	Capital stock	Additional paid-in capital	Revaluation reserves	Legal reserve	Treasury stock valuation reserve	Retained earnings and other reserves	Cumulative translation adjustments	Net income (loss) for the year	Stockholders' equity
Balance at December 31, 2003	**163**	**387**	**81**	**15**	**70**	**1,919**	**(284)**	**(130)**	**2,221**
Legal reserve adjustment				18		(18)			0
Net adjustments from the translation of foreign currency financial statements							(33)		(33)
Other changes, net						(36)			(36)
Appropriation of the prior year's loss and movements among equity accounts						(130)		130	0
Consolidated net income - Group								117	117
Balance at December 31, 2003	**163**	**387**	**81**	**33**	**70**	**1,735** (a)	**(317)**	**117**	**2,269**

(a) Includes the consolidation reserve for € 152 million.

Capital stock

At December 31, 2004, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares all with a par value of € 1 each.
In accordance with art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.
Pursuant to art. 27 of the bylaws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated to the Board of Directors in the Extraordinary Stockholders’ Meeting on April 22, 2003, under the provisions of art. 2443 of the Italian Civil Code.

Reserves

For the information required by art. 2427, number 7 bis of the Italian Civil Code regarding available and distributable reserves of the parent company, reference can be made to the notes to the statutory financial statements of IFI S.p.A..

Reconciliation to the stockholders' equity and net income (loss) for 2004 of the parent company IFI S.p.A.

€ in millions	12/31/2004 Net income (loss)	12/31/2004 Stockholders' equity	12/31/2003 Net income (loss)	12/31/2003 Stockholders' equity
Statutory financial statements of IFI S.p.A.	**38**	**1,605**	15	1,567
Difference between the consolidated stockholders' equity and the stockholders' equity of the parent company at the beginning of the year		**654**		931
Net balance of changes during the year in stockholders' equity of consolidated companies and companies accounted for using the equity method (excluding the results for the year) and translation adjustments		**(69)**		(132)
Share of earnings of consolidated companies and companies accounted for using the equity method, net of consolidation adjustments	**130**	**130**	(138)	(138)
Elimination of dividends received from consolidated companies and companies accounted for using the equity method	**(51)**	**(51)**	(4)	(4)
Adjustments to gains on sales of investments	**0**	**0**	(3)	(3)
Consolidated financial statements of the IFI Group	**117**	**2,269**	(130)	2,221

Stockholders' equity – Minority interest

The minority interest in stockholders' equity of € 6,679 million at December 31, 2004 refers to the following interest ownership in the directly owned subsidiary IFIL:

€ in millions	12/31/2004 %	12/31/2004 Capital and reserves	12/31/2004 Net loss	12/31/2004 Total	12/31/2003
IFIL Group	**39.5**	**7,825**	**(1,146)**	**6,679**	8,071

9) Reserves for risks and charges

€ in millions	**12/31/2004**	12/31/2003	Change
Reserve for pensions and similar obligations	**1,579**	1,571	8
Income tax reserves			
current income tax reserve	**96**	118	(22)
deferred income tax reserve	**256**	311	(55)
Total income tax reserve	**352**	429	(77)
Other reserves			
Warranty reserve	**901**	791	110
Restructuring reserves	**431**	482	(51)
Various liabilities and risk reserves	**2,701**	2,711	(10)
Total other reserves	**4,033**	3,984	49
Insurance policy liabilities and accruals	**91**	89	2
Total reserves for risks and charges	**6,055**	6,073	(18)

Reserve for pensions and similar obligations

The reserve for pensions and similar obligations amounts to € 1,579 million (€ 1,571 million at December 31, 2003) and includes amounts payable to employees and former employees according to contractual agreements or by law, determined on an actuarial basis, where applicable.

Income tax reserves

The deferred income tax reserve at December 31, 2004 includes deferred tax liabilities, net of deferred tax assets, which have been offset where possible by the individual consolidated companies. The net debit balance between the deferred income tax reserve and deferred tax assets is recorded in "Receivables" and is composed as follows:

€ in millions	**12/31/2004**	12/31/2003	Change
Deferred income tax reserve	**256**	311	(55)
Deferred tax assets	**(2,206)**	(1,907)	(299)
Total	**(1,950)**	(1,596)	(354)

The net change of € 354 million compared to December 31, 2003, is mainly due to the recording of deferred tax assets by the Fiat Group (written down in previous years as the conditions for recording them were not met), the recoverability of which became highly probable in view of the change in the prospects of future earnings. In particular, due to the settlement paid to Fiat by General Motors in February 2005, deferred tax assets of € 277 million relating to the benefit of tax loss carryforwards and temporary differences relating to Fiat S.p.A. became reasonably certain of recovery.

Overall, the deferred income tax reserve, net of deferred tax assets recorded in receivables, can be analyzed as follows:

€ in millions	**12/31/2004**	12/31/2003
Deferred tax liabilities from:		
- Accelerated depreciation	535	585
- Deferred tax on gains	171	502
- Capital investment grants	17	18
- Other	620	682
Total deferred tax liabilities	**1,343**	**1,787**
Deferred tax assets for:		
- Taxed reserves for risks and charges	(1,080)	(1,022)
- Inventories	(132)	(129)
- Taxed allowances for doubtful accounts	(140)	(89)
- Pension funds	(364)	(293)
- Other	(2,612)	(2,863)
Total deferred tax assets	**(4,328)**	**(4,396)**
Theoretical tax benefit connected to tax loss carryforwards	(4,781)	(4,431)
Adjustments for assets whose recoverability is not certain (mainly tax loss carryforwards)	5,816	5,444
Total deferred income tax reserve, net of deferred tax assets	**(1,950)**	**(1,596)**

As disclosed in the Accounting principles, in recording deferred tax assets, each company in the Group critically evaluated whether the conditions existed for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits deriving from positive temporary differences (€ 4,328 million at December 31, 2004 and € 4,396 million at December 31, 2003), and tax loss carryforwards (€ 4,781 million at December 31, 2004 and € 4,431 million at December 31, 2003), have prudently been reduced for a total of € 5,816 million (€ 5,444 million at December 31, 2003).

In particular, the deferred income tax reserve net of deferred tax assets includes € 1,226 million (€ 1,322 million at December 31, 2003) of tax benefits connected to tax loss carryforwards. However, a further tax benefit connected to tax loss carryforwards of € 3,555 million (€ 3,109 million at December 31, 2003) has not been recorded in the financial statements.

Deferred taxes have not been provided by the Fiat Group on the undistributed earnings of subsidiaries since no transactions are expected to be entered into that would warrant their taxation.

In addition, deferred taxes of € 59 million (€ 72 million at December 31, 2003) have not been provided by the Fiat Group on temporary differences relating to reserves and provisions in suspension of taxes, since they are not expected to be used in a manner which would warrant their taxation.

Since reasonable certainty of future recovery is not assured, no deferred tax assets have been booked by IFIL S.p.A. on the tax losses for the years 2001 to 2004 (€ 315 million, in total) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 229 million, in total).

Since reasonable certainty of future recovery is not assured, no deferred tax assets have been booked by IFI S.p.A. on the tax losses for the years 2003 and 2004 (€ 167 million, in total) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 53 million, in total).

Other reserves

Restructuring reserves

Restructuring reserves amount to € 431 million at December 31, 2004 (€ 482 million at December 31, 2003) and are related to the corporate restructuring programs of the following Sectors:

€ in millions	**12/31/2004**	12/31/2003	Change
Automobiles	**216**	160	56
Agricultural and construction equipment	**36**	83	(47)
Commercial vehicles	**56**	75	(19)
Metallurgical products	**8**	24	(16)
Components	**59**	64	(5)
Production systems	**17**	54	(37)
Services	**6**	8	(2)
Other sectors	**10**	3	7
Paper sector	**23**	11	12
Total restructuring reserves	**431**	482	(51)

Various liabilities and risk reserves

The various liabilities and risk reserves amount to € 2,701 million at December 31, 2004 (€ 2,711 million at December 31, 2003) and represent the provisions made by the individual companies mainly for contractual and commercial risks and litigation. The reduction of € 10 million from December 31, 2003 is the result of a combination of the balance between ordinary and extraordinary provisions of € 1,073 million, decreases for the effect of foreign exchange differences of € 21 million, decreases for utilizations of € 1,492 million and decreases for reversals and other minor changes of € 430 million. It also includes the release (€ 10 million) of the remaining reserve set aside by the Worms & Cie Group, which became in excess of requirements as a result of the settlement with some banks and with the British tax authorities to close a potential tax dispute over leasing contracts signed in the past by AWA Ltd.

The various liabilities and risk reserves represent provisions for contractual and commercial risks and litigation, as well as provisions made by the Worms & Cie Group in 2001 for the litigation pending in relation to the environmental risks concerning the Fox River (€ 66 million) and the fine levied by the European Commission for alleged violations of fair trade practices (€ 184 million, including interest).

Additional information is provided in the section “Pending litigation”.

10) Reserve for employee severance indemnities

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

Movements in the reserve account are as follows:

€ in millions	Balance at 12/31/2003	Provisions	Use and other changes	**Balance at 12/31/2004**
Reserve for employee severance indemnities	1,332	191	(215)	**1,308**

11) Payables

Payables may be analyzed by due date as follows:

€ in millions	12/31/2004 Due within one year	 Due beyond one year	 Total	 Of which due beyond 5 years	12/31/2003 Due within one year	 Due beyond one year	 Total	 Of which due beyond 5 years
Bonds	2,068	7,044	9,112	3,928	1,034	8,876	9,910	3,804
Convertible bonds	0	13	13	0	1,765	0	1,765	0
Borrowings from banks	8,037	1,936	9,973	85	3,386	7,108	10,494	117
Other financial payables	1,083	186	1,269	37	1,105	300	1,405	152
Advances (a)	2,574	7,361	9,935	0	2,894	6,272	9,166	0
Trade payables	11,836	44	11,880	0	12,561	36	12,597	0
Notes payable	749	0	749	0	954	1	955	0
Payables to unconsolidated subsidiaries	49	0	49	0	69	0	69	0
Payables to associated companies	1,000	0	1,000	0	854	0	854	0
Payables to parent companies	24	0	24	0	15	0	15	0
Taxes payable	762	34	796	10	914	29	943	2
Social security payable	352	2	354	0	324	5	329	0
Other payables	1,386	42	1,428	11	1,474	31	1,505	0
Total payables	29,920	16,662	46,582	4,071	27,349	22,658	50,007	4,075

(a) Of which advance payments on contract work in progress amount to € 9,645 million at December 31, 2004 (€ 8,876 million at December 31, 2003).

Payables may be analyzed by type as follows:

€ in millions	12/31/2004 Trade	 Financial	 Other	 Total	12/31/2003 Trade	 Financial	 Other	 Total
Bonds	0	9,112	0	9,112	0	9,910	0	9,910
Convertible bonds	0	13	0	13	0	1,765	0	1,765
Borrowings from banks	0	9,973	0	9,973	0	10,494	0	10,494
Other financial payables	0	1,269	0	1,269	0	1,405	0	1,405
Advances	0	0	9,935	9,935	0	0	9,166	9,166
Trade payables	11,880	0	0	11,880	12,597	0	0	12,597
Notes payable	7	742	0	749	9	946	0	955
Payables to unconsolidated subsidiaries	17	31	1	49	22	47	0	69
Payables to associated companies	942	58	0	1,000	792	57	5	854
Payables to parent companies	0	24	0	24	0	15	0	15
Taxes payable	0	0	796	796	0	0	943	943
Social security payable	0	0	354	354	0	0	329	329
Other payables	0	0	1,428	1,428	0	0	1,505	1,505
Total payables	12,846	21,222	12,514	46,582	13,420	24,639	11,948	50,007

Payables secured by real guarantees amount to € 1,274 million (€ 1,245 million in 2003) and include € 1,272 million relating to the Fiat Group and € 2 million to the Alpitour Group.

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

The interest rates and the nominal currencies of medium and long-term financial payables, including the current portion of € 7,273 million at December 31, 2004 (€ 2,767 million at December 31, 2003) are as follows:

€ in millions	less than 5%	from 5% to 7.5%	from 7.5% to 10%	from 10% to 12.5%	greater than 12.5%	**Total**
Euro and euro-zone currencies	6,297	6,760	64	2	0	13,123
U.S. dollar	160	807	785	0	0	1,752
Japanese yen	295	0	0	0	0	295
Brazilian real	22	7	783	19	118	949
British pound	0	174	0	0	0	174
Canadian dollar	134	0	0	0	0	134
Other	4	19	2	0	0	25
Total 2004 medium and long-term financial debt	**6,912**	**7,767**	**1,634**	**21**	**118**	**16,452**
Total 2003 medium and long-term financial debt	9,616	8,260	968	7	200	19,051

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

Details of payables, by Group, are as follows.

Fiat Group

Payables may be analyzed by due date as follows:

	12/31/2004				12/31/2003			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Bonds	**1,868**	**6,944**	**8,812**	**3,928**	1,034	8,576	9,610	3,804
Convertible bonds	**0**	**13**	**13**	**0**	1,765	0	1,765	0
Borrowings from banks	**6,949**	**1,815**	**8,764**	**74**	2,697	6,687	9,384	115
Other financial payables	**704**	**161**	**865**	**32**	809	155	964	34
Advances	**2,556**	**7,361**	**9,917**	**0**	2,877	6,272	9,149	0
Trade payables	**10,949**	**43**	**10,992**	**0**	11,733	36	11,769	0
Notes payable	**207**	**0**	**207**	**0**	224	1	225	0
Payables to unconsolidated subsidiaries	**49**	**0**	**49**	**0**	68	0	68	0
Payables to associated companies	**997**	**0**	**997**	**0**	842	0	842	0
Taxes payable	**714**	**29**	**743**	**10**	833	28	861	2
Social security payable	**308**	**2**	**310**	**0**	283	4	287	0
Other payables	**1,202**	**37**	**1,239**	**11**	1,288	28	1,316	0
Total payables	**26,503**	**16,405**	**42,908**	**4,055**	24,453	21,787	46,240	3,955

Payables may be analyzed by type as follows:

	12/31/2004				12/31/2003			
€ in millions	**Trade**	**Financial**	**Other**	**Total**	Trade	Financial	Other	Total
Bonds	**0**	**8,812**	**0**	**8,812**	0	9,610	0	9,610
Convertible bonds	**0**	**13**	**0**	**13**	0	1,765	0	1,765
Borrowings from banks	**0**	**8,764**	**0**	**8,764**	0	9,384	0	9,384
Other financial payables	**0**	**865**	**0**	**865**	0	964	0	964
Advances	**0**	**0**	**9,917**	**9,917**	0	0	9,149	9,149
Trade payables	**10,992**	**0**	**0**	**10,992**	11,769	0	0	11,769
Notes payable	**7**	**200**	**0**	**207**	9	216	0	225
Payables to unconsolidated subsidiaries	**17**	**31**	**1**	**49**	21	47	0	68
Payables to associated companies	**939**	**58**	**0**	**997**	789	48	5	842
Taxes payable	**0**	**0**	**743**	**743**	0	0	861	861
Social security payable	**0**	**0**	**310**	**310**	0	0	287	287
Other payables	**0**	**0**	**1,239**	**1,239**	0	0	1,316	1,316
Total payables	**11,955**	**18,743**	**12,210**	**42,908**	12,588	22,034	11,618	46,240

As regards the Fiat Group, the reduction in payables (€ 3,332 million) compared to December 31, 2003 is principally due to the following:

- trade payables decreased by € 633 million; the reduction is principally attributable to Fiat Auto, which, during the last quarter of 2003, as a result of the launch of new car models, had increased production levels that during 2004 returned to normal levels;
- financial payables decreased by € 3,291 million mainly due to the repayment of bonds, including the bond for about € 1 billion issued by Fiat Finance and Trade, repaid at the end of March 2004, and the bond convertible into General Motors common stock for US$ 2.2 billion, equivalent to approximately € 1.8 billion;
- other payables increased by € 592 million primarily due to the effect of the advances received from customers (mainly connected with work to complete the T.A.V. project) (see Note 4).

Financial payables total € 18,743 million at December 31, 2004 (€ 22,034 million at December 31, 2003). Financial payables due within one year amount to € 9,810 million at December 31, 2004 (€ 6,616 million at December 31, 2003) and their carrying values approximate fair value as a consequence of the short-term maturity. These payables include the loan of approximately € 1,150 million guaranteed by the EDF put option and the Mandatory Convertible Facility of € 3 billion, described later.

The portion of medium and long-term financial payables due beyond one year amounts to € 8,933 million at December 31, 2004 (€ 15,418 million at December 31, 2003). The scheduled maturities are:

€ in millions	2006	2007	2008	2009	Thereafter	**Total**
Medium and long-term financial payables due beyond one year	3,311	692	369	527	4,034	**8,933**

The fair value of medium and long-term financial payables due beyond one year would be € 125 million higher than the carrying value at December 31, 2004 (at December 31, 2003, fair value would have been € 397 million lower than the carrying value). The fair values of such financial payables take into account the current market cost of funding with similar maturities, and, for bonds, their market prices.

Medium and long-term financial payables include the loan of approximately € 1,150 million secured from Citigroup and a small group of banks that is guaranteed by the EDF put option (refer to the EDF Put described in Note 3) held by the Fiat Group on its remaining investment (24.6%) in Italenergia Bis and the shares in the same Italenergia Bis pledged by Fiat. The loan is due in September 2005.

Financial payables secured by real guarantees of mortgages and other liens on property, plant and equipment amount to € 1,272 million at December 31, 2004 (€ 1,234 million at December 31, 2003).

At December 31, 2004, the Group has an unused “committed” line of credit available mainly denominated in US$ for an equivalent amount of more than € 1,700 million (approximately € 2,000 million at December 31, 2003). The decrease can principally be ascribed to the effects of the translation of the credit lines in their original currencies to euros.

Bonds of the Fiat Group, including convertible bonds, amount to € 8,825 million (€ 11,375 million at December 31, 2003) and can be analyzed by year of maturity as follows:

€ in millions	2005	2006	2007	2008	2009	Thereafter	**Total**
EMTN	1,421	2,350	181	227	168	2,600	**6,947**
Convertible bonds	-	-	13	-	-	-	**13**
Other bonds	447	-	93	-	367	958	**1,865**
Total bonds	**1,868**	**2,350**	**287**	**227**	**535**	**3,558**	**8,825**

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

- *Euro Medium Term Note (EMTN Program)*: these notes have been issued under a program that is utilized for approximately € 7 billion and guaranteed by Fiat S.p.A. Issuers taking part in the program are Fiat Finance & Trade Ltd. S.A. (for an amount outstanding of € 6,802 million), Fiat Finance North America Inc. (for an amount outstanding of € 65 million) and Fiat Finance Canada Ltd. (for an amount outstanding of € 80 million).
- *Convertible bonds*: this represents the residual debt, after repayment, in July 2004, of the 5-year bond originally convertible into General Motors Corp. common stock ("Exchangeable"), at a conversion price of US$ 69.54 per share with 3.25% interest and maturing on January 9, 2007. With reference to this bond, during the first quarter of 2004 Fiat repurchased, for cancellation, US$ 540 million in bonds out of total of US$ 2,229 million. In June 2004, by virtue of the contractually envisaged right of each bondholder to request early repayment of all or part of its bonds, repayment for a total of US$ 1,672 million (equivalent to approximately € 1.4 billion) in bonds was requested by the deadline provided by the contract. A residual debt of US$ 17 million (equivalent to € 13 million) remains at this date. With reference to the risk, implicit in the bond, of an increase in the General Motors share price above US$ 69.54, a Total Return Equity Swap agreement was put into place, terminated in 2004 and replaced by the purchase of a call option on General Motors stock, as described in Note 13.
- *Other bonds*:
  - bonds issued by Fiat Finance & Trade Ltd. S.A. with coupon interest at 1.5% and maturing June 27, 2005 for an amount of Japanese yen 40 billion, equivalent to € 287 million;
  - bonds issued by Case New Holland Inc. ("CNH Inc.") in 2004 (with coupon interest at 9.25% and maturing August 1, 2011 for an amount of US$ 1,050 million, equivalent to € 771 million) and in 2005 (with coupon interest at 6.00% and maturing June 1, 2009 for an amount of US$ 500 million, equivalent to € 367 million); the bond indenture contains a series of financial covenants that are common to the high yield American bond market;
  - bonds issued by CNH America LLC and CNH Capital America for a total amount outstanding of US$ 599 million, equivalent to € 440 million.

The prospectuses, the offering circulars or their abstracts relating to the aforementioned principal bond issues are available on the Group's website at www.fiatgroup.com under "Shareholders and Investors – Financial Publications".

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

The bonds issued by Case New Holland Inc. ("CNH Inc.") with coupon interest at 9.25% and maturing on August 1, 2011 (for an amount of US$ 1,050 million, equivalent to € 771 million) and with coupon interest at 6.00% and maturing on June 1, 2009 (for an amount of US$ 500 million, equivalent to € 367 million), contain, moreover, financial covenants common to the high yield American bond market which place restrictions, among other things, on the possibility of the issuer and certain companies of the CNH group to secure new debt, pay dividends or buyback treasury stock, realize certain investments, conclude transactions with associated companies, give collateral on its assets, conclude sale and leaseback transactions, sell certain fixed assets or merge with other companies and financial covenants which impose a maximum limit on further indebtedness by the CNH group companies which can not exceed a specific ratio of cash flows to dividend payments and financial expenses. Such covenants are subject to various exceptions and limitations and, in particular, some of these would no longer be binding should the bonds be assigned an investment grade rating by Standard & Poor's Rating Services and/or Moody's Investors Service.

The major bond issues of the Fiat Group outstanding at December 31, 2004 are the following:

	Currency	Face value of outstanding bonds (in millions)	Coupon	Maturity	Outstanding amount in millions of euros
Euro Medium Term Notes					
Fiat Fin. North America	EUR	100	5.13%	Feb. 21, 2005	65
Fiat Finance & Trade	EUR	155	Indexed	July 5, 2005	155
Fiat Finance & Trade	EUR	130	Indexed	July 5, 2005	130
Fiat Finance & Trade	EUR	500	6.13%	Aug. 1, 2005	500
Fiat Finance & Trade	EUR	300	6.13%	Aug. 1, 2005	300
Fiat Finance & Trade	GBP	120	7.00%	Oct. 19, 2005	170
Fiat Finance & Trade (a)	EUR	1,700	5.75%	May 25, 2006	1,700
Fiat Finance Canada	EUR	100	5.80%	July 21, 2006	80
Fiat Finance & Trade (a)	EUR	500	5.50%	Dec. 13, 2006	500
Fiat Finance & Trade (a)	EUR	1,000	6.25%	Feb. 24, 2010	1,000
Fiat Finance & Trade (a)	EUR	1,300	6.75%	May 25, 2011	1,300
Fiat Finance & Trade (a)	EUR	617	(b)	(b)	617
Others (c)					430
Total Euro Medium Term Notes					**6,947**
Convertible bonds					
Fiat Fin. Luxembourg (d)	USD	17	3.25%	Jan. 9, 2007	13
Convertible bonds					**13**
Other bonds					
Fiat Finance & Trade	JPY	40,000	1.50%	June 27, 2005	287
CNH America LLC	USD	218	7.25%	Aug 1, 2005	160
CNH Capital america LLC	USD	127	6.75%	Oct. 21, 2007	93
Case New Holland Inc.	USD	1,050	9.25%	Aug. 1, 2011	771
Case New Holland Inc.	USD	500	6.00%	June 1, 2009	367
CNH America LLC	USD	254	7.25%	Jan. 15, 2016	187
Total other bonds					**1,865**
Total bonds					**8,825**

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

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

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

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

The Fiat Group intends to repay the issued bonds in cash at maturity by utilizing available liquid resources. To this end, available liquidity at the end of 2004 totals approximately € 5.3 billion. The Fiat Group also has available unused committed credit lines for more than € 1.7 billion.

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

Mandatory Convertible facility

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

The Mandatory Convertible facility expires on September 20, 2005 and is repayable with a new issue of Fiat S.p.A. ordinary shares, which the Banks have agreed to underwrite and offer pre-emptively to all Fiat stockholders. The issue price per share will be the average of € 14.4409 (the adjusted value compared to the original value of € 15.50 in accordance with the rules established by the AIAF – Italian Association of Financial Analysts – following the Fiat S.p.A. capital increase of July 2003) and the average stock market price in the last three or six months, depending on the case, preceding the repayment date. The same formula will also be applied in the event of an earlier repayment date.

The capital stock increase should be approved at the expiration of the three-year term of the facility, for an amount equal to the outstanding balance of the facility. Fiat may elect to repay the facility in cash at an earlier date, even partially, every six months, provided that, even after repayment, its rating is at least equal to investment grade level.

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

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

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

The aforementioned Financial Objectives refer, in particular, to the reduction of net indebtedness in the Net Financial Position to less than € 3 billion by the date the Board of Directors approves the 2002 annual financial statements and the maintenance of that level at March 31, June 30, September 30 and December 31 of each year until the expiration of the facility. Pursuant to the agreement, the proceeds are considered which are generated by the transactions related to the sale of the investment in Italenergia Bis S.p.A., including those connected with the Citigroup loan of approximately € 1,150 million, described previously, and the financial effects arising from binding contracts for the sale of assets (investments, companies, plant and equipment, etc.), comprising those not yet executed. The agreement also states that Gross Financial Indebtedness must be reduced by € 12 billion, compared to March 31, 2002, by the date the Board of Directors approves the 2002 annual financial statements and must be maintained at less than € 23.6 billion at March 31, June 30, September 30 and December 31 of each year until the expiration of the facility.

At December 31, 2004, gross indebtedness totals € 19.2 billion and continues to be within the targets agreed upon with the Lending Banks under the Mandatory Convertible Facility Agreement (€ 23.6 billion), while the proforma net financial position (calculated, as envisaged in the facility agreement, by subtracting from the net financial position the Citigroup loan of approximately € 1,150 million but not the receipt of € 1,550 million as a result of the agreements reached with General Motors on February 13, 2005) exceeds the limit of € 3.6 billion contractually agreed for this parameter. The Lending Banks therefore have the right, in accordance with the contractual terms and conditions, to proceed with the conversion of the facility into capital for an amount up to € 2 billion.

At December 31, 2004, the ratings assigned to the Fiat Group by the major rating agencies are the following:

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

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

The ratings of the Group represented in the table refer to the "non-investment grade" category. The Banks did not exercise their consequent right to demand early repayment of the facility and to proceed with the conversion of the debt into capital for an amount up to € 2 billion.

Worms & Cie Group

Payables may be analyzed by due date as follows:

	12/31/2004				12/31/2003			
€ in millions	**Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Borrowings from banks	**439**	**15**	**454**	**0**	277	6	283	1
Other financial payables	**375**	**13**	**388**	**5**	283	129	412	118
Advances	**12**	**0**	**12**	**0**	13	0	13	0
Trade payables	**732**	**1**	**733**	**0**	707	0	707	0
Notes payable	**542**	**0**	**542**	**0**	730	0	730	0
Taxes payable	**39**	**5**	**44**	**0**	69	0	69	0
Social security payable	**39**	**0**	**39**	**0**	38	0	38	0
Other payables	**168**	**5**	**173**	**0**	166	3	169	0
Total payables	**2,346**	**39**	**2,385**	**5**	2,283	138	2,421	119

Payables may be analyzed by type as follows:

	12/31/2004				12/31/2003			
€ in millions	**Trade**	**Financial**	**Other**	**Total**	Trade	Financial	Other	Total
Borrowings from banks	**0**	**454**	**0**	**454**	0	283	0	283
Other financial payables	**0**	**388**	**0**	**388**	0	412	0	412
Advances	**0**	**0**	**12**	**12**	0	0	13	13
Trade payables	**733**	**0**	**0**	**733**	707	0	0	707
Notes payable	**0**	**542**	**0**	**542**	0	730	0	730
Taxes payable	**0**	**0**	**44**	**44**	0	0	69	69
Social security payable	**0**	**0**	**39**	**39**	0	0	38	38
Other payables	**0**	**0**	**173**	**173**	0	0	169	169
Total payables	**733**	**1,384**	**268**	**2,385**	707	1,425	289	2,421

Worms & Cie has a program for the issue of treasury bills for approximately € 1.2 billion which carry an A-2 rating from Standard & Poor's. The bills allow the Group to finance itself on the market with 1- to 3-month issues at competitive rates. The bills maturing at the end of the year total approximately € 540 million.

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

Alpitour Group

Payables may be analyzed by due date as follows:

	12/31/2004				12/31/2003			
€ in millions	Due within one year	Due beyond one year	Total	Of which due beyond 5 years	Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Borrowings from banks	122	76	198	11	129	52	181	1
Other financial payables	4	12	16	0	13	16	29	0
Advances	6	0	6	0	4	0	4	0
Trade payables	155	0	155	0	119	0	119	0
Payables to unconsolidated subsidiaries	0	0	0	0	1	0	1	0
Payables to associated companies	3	0	3	0	12	0	12	0
Taxes payable	7	0	7	0	11	1	12	0
Social security payable	3	0	3	0	2	0	2	0
Other payables	13	0	13	0	12	0	12	0
Total payables	313	88	401	11	303	69	372	1

Payables may be analyzed by type as follows:

	12/31/2004				12/31/2003			
€ in millions	Trade	Financial	Other	Total	Trade	Financial	Other	Total
Borrowings from banks	0	198	0	198	0	181	0	181
Other financial payables	0	16	0	16	0	29	0	29
Advances	0	0	6	6	0	0	4	4
Trade payables	155	0	0	155	119	0	0	119
Notes payable	0	0	0	0	1	0	0	1
Payables to unconsolidated subsidiaries	3	0	0	3	3	9	0	12
Taxes payable	0	0	7	7	0	0	12	12
Social security payable	0	0	3	3	0	0	2	2
Other payables	0	0	13	13	0	0	12	12
Total payables	158	214	29	401	123	219	30	372

Financial payables of the Alpitour Group include short-term credit lines for € 100 million at annual average interest rates ranging between 3.05% and 4.6%, medium and long-term loans for a total of € 97 million received from highly rated credit institutions at floating rates based on the Euribor and Libor and bank overdrafts for € 1 million at market rates.

Financial payables also include loans received from the financial companies Andres S.a.r.l. and Tecknema S.a.r.l. for a total of € 16 million (of which € 13 million is due in September 2006, based on floating rates indexed to the Euribor).

IFI and IFIL Holdings System

Payables may be analyzed by due date as follows:

€ in millions	**12/31/2004** **Due within one year**	**Due beyond one year**	**Total**	**Of which due beyond 5 years**	12/31/2003 Due within one year	Due beyond one year	Total	Of which due beyond 5 years
Bonds	**200**	**100**	**300**	**0**	0	300	300	0
Borrowings from banks	**527**	**30**	**557**	**0**	283	363	646	0
Trade payables	**0**	**0**	**0**	**0**	2	0	2	0
Payables to parent companies	**24**	**0**	**24**	**0**	15	0	15	0
Taxes payable	**2**	**0**	**2**	**0**	1	0	1	0
Social security payable	**2**	**0**	**2**	**0**	1	1	2	0
Other payables	**3**	**0**	**3**	**0**	8	0	8	0
Total payables	**758**	**130**	**888**	**0**	310	664	974	0

Payables may be analyzed by type as follows:

€ in millions	**12/31/2004** **Trade**	**Financial**	**Other**	**Total**	12/31/2003 Trade	Financial	Other	Total
Bonds	**0**	**300**	**0**	**300**	0	300	0	300
Borrowings from banks	**0**	**557**	**0**	**557**	0	646	0	646
Trade payables	**0**	**0**	**0**	**0**	2	0	0	2
Payables to parent companies	**0**	**24**	**0**	**24**	0	15	0	15
Taxes payable	**0**	**0**	**2**	**2**	0	0	1	1
Social security payable	**0**	**0**	**2**	**2**	0	0	2	2
Other payables	**0**	**0**	**3**	**3**	0	0	8	8
Total payables	**0**	**881**	**7**	**888**	2	961	11	974

IFIL S.p.A. financial payables include:

- bonds 2002/2005, issued for € 200 million following the resolution passed by the Board of Directors' Meeting on November 14, 2002, subscribed to by primary institutional investors; the bonds bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one-time payment at maturity on December 20, 2005. Interest rate swaps and zero cost collars were put into place for € 145 million to fix the interest rate on part of the bonds;
- bonds 2003/2006 issued for € 100 million following the resolution passed by the Board of Directors' Meeting on December 2, 2003, subscribed to by primary institutional investors; the bonds bear interest at floating rates payable quarterly and are indexed against the Euribor. The bonds are repayable by a one-time payment at maturity on December 19, 2006. Interest rate swaps were put into place to fix the interest rate on the full amount of the bonds.
- loans due at the end of October 2005 for € 150 million. Interest rate swaps guarantee a fixed rate for the entire period of the loans;
- other short-term payables for € 169 million.

At December 31, 2004, IFIL has irrevocable credit facilities for € 830 million, including € 370 million due beyond one year.

IFI S.p.A. financial payables include:

- borrowings from banks due within one year amounting to € 208 million (€ 66 million at December 31, 2003), including loans of € 140 million due in the first half of 2005 on which interest rate swaps and zero cost collars were put into place to fix the interest rate;
- borrowings from banks due beyond one year of € 30 million, including loans of € 20 million on which interest rate swaps were put into place to fix the interest rate; such payables are classified as due beyond one year since the residual period of the loan and the hedging contract extend beyond one year;
- the loan granted by the parent company Giovanni Agnelli e C. S.a.p.az. of € 24 million (€ 15 million at December 31, 2003), bearing interest at a monthly floating market rate.

At December 31, 2004, IFI has irrevocable credit facilities for € 495 million, including € 350 million due beyond one year.

12) Accrued expenses and deferred income

Details are as follows:

€ in millions	**12/31/2004**	12/31/2003	Change
Commercial accrued expenses:			
- interest and commissions	**63**	71	(8)
- other	**473**	528	(55)
Total commercial accrued expenses	**536**	599	(63)
Commercial deferred income:			
- interest	**77**	64	13
- other	**602**	711	(109)
Total commercial deferred income	**679**	775	(96)
Total commercial accrued expenses and deferred income	**1,215**	1,374	(159)
Financial accrued expenses	**530**	598	(68)
Financial deferred income	**221**	364	(143)
Total accrued expenses and deferred income	**1,966**	2,336	(370)

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

Financial deferred income includes deferred interest income on the portfolio of the financial services companies.

13) Guarantees granted, commitments and other memorandum accounts

Guarantees granted

€ in millions	**12/31/2004**	12/31/2003	Change
Fiat Group	**5,520**	6,430	(910)
Worms & Cie Group	**248**	86	162
Alpitour Group	**74**	73	1
IFI S.p.A.	**4**	32	(28)
Total guarantees granted	**5,846**	6,621	(775)

Fiat Group

Guarantees granted are detailed as follows:

- suretyships total € 2,719 million (€ 3,060 million at December 31, 2003). The reduction of € 341 million is principally due to the deconsolidation of Fiat Engineering and lower guarantees granted on behalf of Sava S.p.A. for the bonds it has issued and are now falling due;
- other unsecured guarantees of € 2,534 million (€ 3,075 million at December 31, 2003) include risks for receivables and bills discounted with recourse in the amount of € 1,696 million (€ 2,203 million at December 31, 2003). The receivables and bills discounted with recourse refer to trade receivables and other receivables for € 1,613 million (€ 2,144 million at December 31, 2003) and financial receivables for € 83 million (€ 59 million at December 31, 2003). The volume of receivables discounted with recourse in 2004 was € 13,178 million (€ 15,341 million in 2003);
- guarantees of notes for € 217 million (€ 259 million at December 31, 2003) and other secured guarantees for € 50 million (€ 36 million at December 31, 2003).

Although not included in the memorandum accounts, receivables and bills discounted by the Group without recourse having due dates beyond December 31, 2004 amount to € 9,809 million (in 2003, € 9,852 million with due dates beyond December 31, 2003). Receivables and bills discounted without recourse refer to trade receivables and other receivables for € 4,689 million (€ 4,638 million at December 31, 2003) and financial receivables for € 5,120 million (€ 5,214 million at December 31, 2003). The discounting of financial receivables principally refers to securitization transactions involving accounts receivables from the final (retail) customers of the financial services companies. The accounting treatment for securitization transactions is disclosed in the Accounting principles. The volume of receivables and bills discounted without recourse in 2004 was € 27,540 million (€ 33,298 million in 2003).

In summary, the discounted receivables and bills at December 31, 2004 are as follows:

	12/31/2004			12/31/2003		
€ in millions	**Trade receivables and other receivables**	**Financial receivables**	**Total**	Trade receivables and other receivables	Financial receivables	Total
With recourse	**1,613**	**83**	**1,696**	2,144	59	2,203
Without recourse	**4,689**	**5,120**	**9,809**	4,638	5,214	9,852

Worms & Cie Group

Guarantees granted by the Worms & Cie Group amount to € 248 million (€ 86 million at December 31, 2003) and mainly include sureties issued to third parties.

Alpitour Group

Guarantees granted by the Alpitour Group amount to € 74 million (€ 73 million at December 31, 2003). These include guarantees provided in favor of leading credit institutions for long-term loans received during the year for € 34 million, sureties on behalf of tourist bodies, financial offices and public entities for € 38 million and mortgages carried on the buildings of the Group to secure loans recorded in the financial statements for € 2 million.

IFI S.p.A.

Guarantees granted at December 31, 2004, amount to € 4 million (€ 32 million at December 31, 2003) and refer to suretyships granted in the past by IFI in favor of F.I.G.C. – L.N.P., Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti, on behalf of Juventus Football Club.
The reduction of € 28 million from December 31, 2003 is due to sureties that expired (€ 24 million) or were reduced (€ 4 million) during the year.
The sureties, remunerated at market rates, expire in 2005.

Commitments

Commitments total € 36,759 million (€ 33,527 million at December 31, 2003) and include commitments related to derivative financial instruments of € 23,246 million (€ 22,507 million at December 31, 2003), other commitments of € 13,098 million (€ 10,690 million at December 31, 2003), and commitments to purchase property, plant and equipment for € 415 million (€ 330 million at December 31, 2003).

Commitments related to derivative financial instruments

€ in millions	Fiat Group	Worms & Cie Group	Alpitour Group	IFI and IFIL	Total
Contracts to hedge foreign exchange risks	5,350		52		5,402
Contracts to hedge interest rate exposure	13,880	857		555	15,292
Contracts for combined hedging of foreign exchange and interest rate risks	783	463			1,246
Call options on General Motors common stock	1,240				1,240
Equity swaps	66				66
Total 2004	**21,319**	**1,320**	**52**	**555**	**23,246**
Total 2003	20,798	1,219	25	465	22,507

Fiat Group

The Fiat Group maintains that these transactions are not subject to risks that may derive from the non-fulfillment by the counterparties insofar as the contracts are entered into with several primary national and international financial institutions. Approximately 52% of the contracts outstanding at December 31, 2004 will expire during 2005 and the remainder in the period 2006-2022, of which 14% will expire after 2009. The consolidated statement of operations includes the effects both of the contracts that expired in 2004 and the provisions for the contracts outstanding at year-end, as stated in the Accounting principles.

Hedging activities using derivative financial instruments have not undergone significant changes during the year, either in types of instruments or amounts outstanding.

The Group's financial policy attaches particular importance to the management and control of financial risks that can significantly impact profits. The Group has adopted a series of guidelines regarding the management of exchange rate and interest rate exposure.
The policy allows derivative financial instruments to be used only for managing exchange and interest rate risks connected to balance sheet flows and assets and liabilities, and not for speculative purposes.

In 2004, foreign exchange risk management followed the aforementioned policy and maintained the character of selective risk management. The reduction in exchange exposure, substantially originating from the positive balance between exports and imports, was based on the expected trend in exchange rates and the need to hedge the exchange levels of reference without completely foregoing the benefits deriving from a favorable trend in the rates. Again this year, the management of exchange risks was based principally on a combination of currency options.

In 2004, the management of interest rate exposure also followed the aforementioned guidelines which state that derivative financial instruments should be used to reach a fixed exposure level and minimize financing costs, and to ensure a correct matching of financing and investments by the financial services companies.

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

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

	12/31/2004			12/31/2003		
€ in millions	**Carrying value**	**Fair value**	**Difference**	Carrying value	Fair value	Difference
Foreign exchange risk management instruments	**20**	**97**	**77**	(3)	59	62
Interest rate risk management instruments	**132**	**441**	**309**	138	319	181
Foreign exchange risk and interest rate risk management instruments	**187**	**192**	**5**	174	176	2
Equity swaps and equity options	**(4)**	**(4)**	**0**	(1)	439	440
Total	**335**	**726**	**391**	308	993	685

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

The increase in the fair value of the transactions for the management of interest rate risk is essentially related to the reduction in euro interest rates for medium term maturities.

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

At December 31, 2004, the integral adoption of IAS 39, with reference to the aforementioned derivative financial instruments, would have had an effect on the balance sheet, on the one hand, for the adjustment of derivative financial instruments to arrive at fair value with a positive effect of € 391 million (a positive effect of € 685 million at December 31, 2003), and, on the other hand, for the adjustment of the hedged balance sheet items (mainly payables) with a net negative effect (due to the trend in interest rates) of € 329 million (€ 262 million at December 31, 2003) and, for the part relating to the hedging of future flows, a higher accumulated value of reserves in stockholders' equity of € 41 million (a lower accumulated value of € 22 million at December 31, 2003), net of the amount set aside for deferred income taxes. The integral adoption of IAS 39, always with reference to the aforementioned derivative financial instruments, would have led to negative effects on the net result for the year of approximately € 286 million, net of tax charges (positive effects of € 272 million at December 31, 2003). This economic impact would basically have been the result of the provision, at December 31, 2003, of the positive fair value of the equity swap on General Motors shares.

With particular regard to the previously mentioned equity swap arrangements, the amount at December 31, 2004 of € 66 million represents the notional amount of the equity swap stipulated to hedge the risk of an increase in the Fiat share price above the exercise price of 10,000,000 stock options granted to Mr. Marchionne. In particular, the Board of Directors resolved to grant Mr. Marchionne, as variable portion of his compensation as Chief Executive Officer, options for the purchase of 10,670,000 Fiat ordinary shares at the price of € 6.583 per share, exercisable from June 1, 2008 to January 1, 2011. In each of the first three years, he accrues the right to purchase, from June 1, 2008, a maximum of 2,370,000 shares per year and on June 1, 2008 he accrues the right to purchase, effective that date, the residual portion amounting to 3,560,000 shares. The right to exercise the options related to this last portion of shares is subject to certain predetermined profitability targets that should be reached during the reference period. The risk of a significant increase in the Fiat share price above the exercise price of these options has been covered, with reference to 670,000 shares, by treasury stock in portfolio (see Note 6), whereas with reference to the remaining 10,000,000 shares, the aforementioned "Total Return Equity Swap" agreement was put into place with a reference price of € 6.583 per share and expiring on July 29, 2005. In accordance with accounting principles, the aforementioned equity swap, despite being entered into for hedging purposes, cannot be treated in hedge accounting and accordingly is defined as a trading derivative financial instrument. It follows that, in accordance with the principle of prudence, if during the period of the contract the Fiat shares perform positively, the positive fair value of the instrument is not recorded in the statement of operations; if, instead, the performance is negative, the negative fair value of the instrument is recorded as a cost under financial expenses. At December 31, 2004, the equity swap has a negative fair value of € 7 million that has therefore been recorded in the financial statements.

At December 31, 2003, the equity swaps caption included:

- for € 62 million, the notional amount of the equity swap stipulated to hedge the risk of an increase in the Fiat share price above the exercise price of 10,000,000 stock options granted to Mr. Morchio. Near the contract expiration date (August 2004), the equity swap was replaced by the aforementioned contract in respect of the stock options granted to Mr. Marchionne. The replacement gave rise to income of € 5 million. Moreover, during 2004, the aforementioned stock options expired upon the resignation of Mr. Morchio;
- for € 916 million, the notional amount of the equity swap stipulated in 2002 at the same time as the sale of the General Motors shares and which was put into place to hedge the risk, implicit in the Exchangeable bonds described previously, of an increase in the General Motors share price above the conversion price (Note 11). During the first half of 2004, this equity swap was terminated in advance and replaced, in order to hedge the risk implicit in the Exchangeable bonds, by the purchase of call options on General Motors common stock. The transaction gave rise to net financial income of approximately of € 300 million. Following the repayment of almost all the bonds (see Note 11), these options, although purchased for hedging purposes, are classified as trading transactions and valued at the lower of cost and market (€ 3 million at December 31, 2004).

Worms & Cie Group

Commitments related to derivative financial instruments of the Worms & Cie Group mainly include agreements to hedge exchange and interest rate risks maturing between 2005 and 2007.

Alpitour Group

Commitments related to derivative financial instruments of the Alpitour Group include contracts stipulated by Alpitour to hedge interest rate risks on medium/long-term loan contracts.

IFI and IFIL S.p.A.

Commitments related to derivative financial instruments by IFI (€ 160 million) refer to transactions hedging interest rate risk on bank debt maturing in 2005 and 2007 put into place with leading banking institutions.

Commitments related to derivative financial instruments by IFIL (€ 395 million) include interest rate swaps stipulated on loans of € 150 million maturing October 2005, zero cost collars and interest rate swaps on a part of the IFIL bonds 2002-2005 for € 145 million and interest rate swaps on the full amount of the IFIL bonds 2003/2006 for € 100 million.

Derivative financial instruments are used by IFI and IFIL exclusively to hedge the risk of interest rate fluctuations.

Other commitments

€ in millions	**12/31/2004**	12/31/2003	Change
Fiat Group	**12,813**	10,350	2,463
Worms & Cie Group	**180**	134	46
Alpitour Group	**76**	37	39
IFI and IFIL Holdings System	**29**	169	(140)
Total other commitments	**13,098**	10,690	2,408

Fiat Group

Other commitments include commitments for the execution of works in the amount of € 10,261 million (€ 8,011 million at December 31, 2003) under the contracts between Fiat S.p.A., as General Contractor, and Treno Alta Velocità T.A.V. S.p.A. for the design and construction of high-speed railway lines between Bologna - Florence and Turin - Milan. The increase of € 2,250 million compared to December 31, 2003 relates to the agreements reached during 2004 regarding the Florence-Bologna section for € 187 million; agreements for the subsection Turin-Novara for € 83 million; agreements for the section Novara-Milan for € 1,976 million and monetary adjustments for € 4 million. Fiat S.p.A. in turn assigned the design and construction of these works to the CAV.E.T. and CAV.TO.MI consortiums. In order to guarantee the contractual advances and the proper execution of the works, Fiat S.p.A. granted bank suretyships to T.A.V. S.p.A. totaling € 1,972 million. Similarly, as called for by the contract, the CAV.E.T. and CAV.TO.MI consortiums granted bank suretyships to Fiat S.p.A. for € 617 million and € 1,279 million, respectively. Consequently, the guarantees granted are substantially covered by the guarantees received.

Other commitments and important contractual rights

Relations with General Motors

On February 13, 2005, Fiat and General Motors signed a “Termination Agreement” to dissolve the Master Agreement and the joint ventures between the two groups. The agreement calls for the payment by General Motors to Fiat of € 1.55 billion (of which € 1 billion was already paid on February 14, 2005) to dissolve the Master Agreement, including the cancellation of the put option and the unwinding of the joint ventures. This sum will allow Fiat to recover the value of Fiat’s investments in the Fiat-GM Powertrain and GM-Fiat Purchasing joint ventures recorded in the financial statements, the value of 50% of the Bielsko Biala (Poland) plant, which it will continue to manage, and the value of the JTD engine technology, which will be co-owned with General Motors. The sum will also entail recognition by Fiat of more than € 1 billion of compensation to dissolve the alliance and cancel the Put on Fiat Auto shares.

Ferrari

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

The sale contract sets out the following principal elements:

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

Teksid

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

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

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

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

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

The exercise price of the option is established as follows:

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

End-of-life vehicles

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

Worms & Cie Group

Other commitments amount to € 180 million (€ 134 million at December 31, 2003) and principally include lease obligations for € 162 million and commitments for the purchase of financial fixed assets for € 18 million.

Alpitour Group

Other commitments amount to € 76 million (€ 37 million at December 31, 2003) and include financial lease obligations for the aircraft of the subsidiary Neos (€ 28 million) and sales commitments for travel bookings made by the tour operators of the Group for € 48 million (€ 37 million in 2003).

On December 15, 2000, the Extraordinary Stockholders' Meeting of Alpitour S.p.A. voted to vest the Board of Directors with the power to increase capital stock by a maximum amount of € 767,500 to service a stock option plan on behalf of the directors, managers and cadres of Alpitour and the companies of the Group.
The regulations of the stock option plan, approved by resolution of the Board of Directors on December 15, 2000, state that the aforementioned capital increase of € 767,500 will occur by issue of a maximum 1,535,000 new ordinary shares of par value € 0.50 each. The options under the plan, which carries a period of 68 months, will accrue in annual lots expiring October 31, of each year and will be offered at a price equal to € 6.73 per share. The options offered can be fully exercised within six months of the approval of the financial statements ended October 31, 2005.
The shares purchased in execution of the above plan can be sold to Alpitour at a price, established by the Board of Directors, calculated on the basis of the economic performance of the company.
The first tranche of options offered during 2002/2003, referring to the financial statements for the year ended October 31, 2002, was not exercised by the beneficiaries of the stock option plan.

IFI and IFIL Holdings System

Other commitments of IFI S.p.A. include the remaining payments (€ 2 million) under the commitment with Tlcom Capital Partners and the residual commitment for the subscription of Emittenti Titoli's capital stock increase (€ 0.1 million).

Other commitments of IFIL S.p.A. amount to € 27 million (€ 165 million at December 31, 2003) and refer to the commitment with Sviluppo Italia S.p.A. (SIT) for the purchase of 49% of the capital stock of Sviluppo Italia Turismo under the agreement signed in December between Banca Intesa S.p.A., the IFIL Group and Marcegaglia S.p.A.. The entry of the three private stockholders in the shareholder base of SIT will take place through the company Turismo&Immobiliare (in which the three own equal stakes) which will purchase shares and subscribe to a SIT capital stock increase for a total outlay of € 76.4 million; Ifil Investissements' share will be equal to a maximum of about € 26 million.

Ifil Investissements, which already holds 14.3% of the capital stock of Euromedia Luxembourg One, has a commitment to purchase additional shares for a total equivalent amount of US$ 2.66 million, corresponding to approximately € 2 million.

The reduction in the commitments of the IFIL Holdings System compared to December 31, 2003 is due to the purchase of 9.53% of Eurofind capital stock from Mediobanca for € 116 million and the purchase of 10% of NHT - New Holding for Tourism capital stock from TUI for € 46 million. Both transactions were effected in January 2004.

Pending litigation

IFIL S.p.A.

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL's capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders' Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (economic and non-economic) suffered as a result of the unlawful conduct (allegedly) by IFI. During the case and with reference only to (alleged) economic damages, K Capital stated its request for compensation (which originally had not been quantified) in approximately € 17 million.

The case is currently in the preliminary investigation stage. At the last hearing held on December 14, 2004, IFIL was questioned. The Judge then stayed the hearing until April 13, 2005 for further investigation measures (particularly in reference to a possible technical consultant appointed by the court), giving the parties time for briefs until March 31, 2005.

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

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

Fiat Group

Fiat S.p.A. and certain of its subsidiaries are involved in various lawsuits and controversies. Nevertheless, it is believed that the resolution of these controversies will not cause significant liabilities for which specific risk reserves have not already been set aside.

Worms & Cie Group

Fox River

The Environmental Protection Agency (EPA), in 1997, brought suit against Appleton Papers Inc., NCR Corporation and five other paper manufacturers for the alleged contamination of the Fox River.

This event took place during the 1950s - 1970s when the company was owned by the NCR Corporation. At the time of the acquisition of Appleton Papers Inc. by Arjo Wiggins Appleton, in 1978, an agreement was signed with NCR Corporation for purposes of sharing the costs of the indemnities that could be charged to Appleton Papers Inc.

Since 1997, studies are being conducted to establish the feasibility of decontaminating the Fox River and to determine the share of responsibility. During the first half of 2001, Appleton Papers Inc. and NCR Corporation reached an agreement with the pertinent American authorities which consists of the commitment to pay a sum of US$ 40 million over four years to finance the research project for its decontamination. This payment will be charged against the indemnities to be paid.

In 2003, the "Department of Natural Resources" of Wisconsin (the state in which the pollution occurred) and the federal government published a long-term action plan for the complete reclamation of the river at an estimated total cost of US$ 400 million, to be borne by the industries involved. In 2004, the aforementioned authorities finalized the technical solutions for the decontamination of the Fox River by capping with sand and dredging of the river itself.

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

AWA Ltd retained the benefit of these insurance contracts, even after the sale of Appleton Papers Inc., in 2001.

Reviews are currently being conducted with the insurance companies to establish the portion of the costs that will be taken up by them, both for the research and the defense costs already incurred and the decontamination costs of the Fox River to be sustained in the future.

Negotiations with the insurance companies continue: no accruals have been made in the 2004 financial statements for the compensation to be received, despite the fact that one of the insurance companies has made a first payment of US$ 2 million in December 2004.

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

The evolution of the events described above have not caused any significant change in the evaluation of the risk. On the other hand, the possibility of being able to lay claim against the insurance companies for the reimbursement of the indemnities, will make it possible to offset the eventuality of a variation in the costs as compared to the initial assumptions. Consequently, the amount of the provision has not been adjusted at December 31, 2004. The reserve is equal to US$ 89 million (about € 65 million), net of the research and defense costs already spent.

European Commission

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

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

The proceedings before the Court of the European Community in the first instance are still pending. Accordingly, at December 31, 2004, the provision has been calculated on the basis of the maximum potential risk.

Juventus Football Club

As regards the investigation by the judiciary against the Chief Executive Officer and the company physician concerning the alleged improper use of medicines by Juventus Football Club S.p.A. players, on November 26, 2004 the Court acquitted the Chief Executive Officer Antonio Giraudo of all charges and sentenced company physician Riccardo Agricola to one year and ten months' imprisonment, with the right to early release on the dual grounds provided by law.

The motivations for the sentence were filed on February 24, 2005. An appeal is currently being prepared on behalf of Riccardo Agricola and will be presented by the deadline date of April 11, 2005 and once filed will set in motion the second degree stage of the court process.

Group assets held by third parties

Group assets held by third parties, basically in reference to the Fiat Group, amount to € 3,313 million (€ 4,706 million at December 31, 2003), a decrease of € 1,393 million compared to December 31, 2003.

Fiat Group assets held by third parties at December 31, 2004 include securities deposited with banks and other financial institutions totaling € 156 million (€ 1,042 million at December 31, 2003). The reduction of € 886 million of the amount of securities deposited with banks is mainly due to their redemption at maturity by the issuers. This item also includes tangible fixed assets, products and goods of some Automotive Sectors held by outside suppliers for processing totaling € 3,062 million (€ 3,454 million at December 31, 2003).

COMMENTS ON THE PRINCIPAL COMPONENTS OF THE CONSOLIDATED STATEMENT OF OPERATIONS

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

In 2004, revenues from sales and services and change in contract work in progress amount to € 52,093 million, compared to € 52,434 million in 2003, with a decrease of 0.7%. They include revenues from sales and services of € 51,878 million (€ 53,509 million in 2003) and the positive change in contract work in progress of € 215 million (negative change of € 1,075 million in 2003).

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

			Change	
€ in millions	**2004**	2003	amount	%
Net revenues by operating sector				
Fiat Group				
- Automobiles	**20,356**	19,839	517	2.6
- Agricultural and construction equipment	**9,791**	9,410	381	4.0
- Commercial vehicles	**8,960**	8,206	754	9.2
- Ferrari and Maserati	**1,502**	1,250	252	20.2
- Components	**2,586**	2,087	499	23.9
- Production systems	**1,285**	1,756	(471)	(26.8)
- Metallurgical products	**798**	735	63	8.6
- Aviation (a)	**0**	625	(625)	n.s.
- Insurance (b)	**0**	1,654	(1,654)	n.s.
- Services	**802**	1,019	(217)	(21.3)
- Publishing and communications	**398**	372	26	7.0
- Other companies	**225**	318	(93)	(29.2)
Total Fiat Group	**46,703**	47,271	(568)	(1.2)
Worms & Cie Group - mainly paper manufacturing and distribution	**4,280**	4,214	66	1.6
Alpitour Group - Tourism	**1,108**	946	162	17.1
IFI, IFIL Holdings System and intragroup eliminations	**2**	3	(1)	(33.3)
Total net revenues of the Group	**52,093**	52,434	(341)	(0.7)

(a) The Aviation Sector's revenues are included up to July 1, 2003.
(b) The Insurance Sector's revenues are included up to May 2, 2003.

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

€ in millions	2004	2003	Change
Net revenues by destination - Fiat Group			
Europe (excluding Italy)	**18,180**	18,884	(704)
Italy	**15,618**	16,381	(763)
North America	**5,857**	5,920	(63)
Other areas	**3,852**	3,491	361
Mercosur	**3,196**	2,595	601
Total	**46,703**	47,271	(568)
Net revenues by destination - Worms & Cie Group			
Europe (excluding Italy)	**2,888**	2,621	267
Other areas	**724**	912	(188)
North America	**383**	396	(13)
Italy	**285**	285	0
Total	**4,280**	4,214	66
Net revenues by destination - Alpitour Group			
Italy	**1,002**	840	162
Europe (excluding Italy)	**90**	72	18
Other areas	**16**	34	(18)
Total	**1,108**	946	162
IFI, IFIL Holdings System and intragroup eliminations	**2**	3	(1)
Total net revenues of the Group	**52,093**	52,434	(341)

Other income and revenues

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

€ in millions	2004	2003	Change
Fiat Group			
Revenue grants	**54**	52	2
Capital gains	**87**	187	(100)
Prior period income	**345**	423	(78)
Investment grants	**61**	78	(17)
Other income	**969**	949	20
Total Fiat Group	**1,516**	1,689	(173)
Worms & Cie Group			
Revenue grants	**1**	1	0
Other income	**72**	37	35
Total Worms & Cie Group	**73**	38	35
Alpitour Group			
Capital gains	**3**	0	3
Prior period income	**3**	1	2
Other income	**7**	8	(1)
Total Alpitour Group	**13**	9	4
IFIL Holdings System	**4**	1	3
Total other income and revenues	**1,606**	1,737	(131)

15) Costs of production

€ in millions	**2004**	2003	Change
Fiat Group	**48,804**	50,858	(2,054)
Worms & Cie Group	**4,306**	4,125	181
Alpitour Group	**1,102**	937	165
IFI and IFIL Holdings System	**66**	28	38
Total costs of production	**54,278**	55,948	(1,670)

As regards the Fiat Group:

- costs of production show a decrease of 4% compared to 2003. On a comparable consolidation basis, there would be an increase of 1.1%;
- raw materials, supplies and merchandise amount to € 28,951 million in 2004, an increase of 2% compared to 2003 . Raw materials, supplies and merchandise as a percentage of revenues, on a comparable consolidation basis, would be 62% (63% in 2003);
- services amount to € 7,984 million in 2004, a decrease of 6.1% compared to 2003. This amount is equal to 17.1% of revenues (18% in 2003). On a comparable consolidation basis, the percentage of services expenses to revenues would be 17.1% (18.4% in 2003). Services include advertising costs, external information technology and telecommunication service costs, external maintenance costs and transportation costs.

The costs of production of the IFIL Holdings Systems include the extraordinary amortization of the residual difference on consolidation relating to the Alpitour Group (€ 37 million).
The difference on consolidation which originated in 2004 on the purchase of 10% of the capital stock of NHT (parent company of the Alpitour Group) was amortized at the end of the first quarter of 2004 for € 24 million since it could not be allocated. At the end of 2004, taking into account that on consolidation IFIL Group had in the past deducted the difference on consolidation on 90% of the investment in the Alpitour Group from the consolidation reserve, a charge was then made to completely amortize the remaining amount of € 13 million.

Personnel

Personnel costs consist of the following:

€ in millions	**2004**	2003	Change
Salaries and wages	**5,111**	5,341	(230)
Social security contributions	**1,337**	1,409	(72)
Employee severance indemnities	**191**	249	(58)
Employee pensions and similar obligations	**191**	189	2
Other costs	**387**	338	49
Total personnel costs	**7,217**	7,526	(309)

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

€ in millions	**2004**	2003	Change
Fiat Group			
Salaries and wages	**4,462**	4,707	(245)
Social security contributions	**1,168**	1,249	(81)
Employee severance indemnities	**187**	244	(57)
Employee pensions and similar obligations	**178**	185	(7)
Other costs	**374**	303	71
Total Fiat Group	**6,369**	6,688	(319)
Worms & Cie Group			
Salaries and wages	**576**	577	(1)
Social security contributions	**149**	146	3
Employee pensions and similar obligations	**13**	4	9
Other costs	**11**	34	(23)
Total Worms & Cie Group	**749**	761	(12)
Alpitour Group			
Salaries and wages	**65**	50	15
Social security contributions	**17**	13	4
Employee severance indemnities	**4**	3	1
Other costs	**1**	1	0
Total Alpitour Group	**87**	67	20
IFI and IFIL Holdings System			
Salaries and wages	**8**	7	1
Social security contributions	**3**	1	2
Employee severance indemnities	**0**	2	(2)
Other costs	**1**	0	1
Total IFI and IFIL Holdings System	**12**	10	2
Total personnel costs	**7,217**	7,526	(309)

Personnel costs of the Fiat Group in 2004 amount to € 6,369 million in 2004, a decrease of 4.8% compared to 2003, mostly due to the effects of the change in the scope of consolidation. On a comparable consolidation basis, the decrease would be 2.4%. Personnel costs are equal to 13.6% of revenues (14.1% in 2003). Personnel costs as a percentage of revenues, on a comparable consolidation basis, would be 13.6% (14.5% in 2003).

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

	2004	2003	Change
- Managers, management staff and clerks	**64,904**	72,106	(7,202)
- Blue-collar	**114,886**	120,444	(5,558)
Total	**179,790**	192,550	(12,760)

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

	2004	2003	Change
Fiat Group	**161,494**	174,242	(12,748)
Worms & Cie Group	**14,551**	14,961	(410)
Alpitour Group	**3,664**	3,268	396
IFI and IFIL Holdings System	**81**	79	2
Total	**179,790**	192,550	(12,760)

The average number of employees of the Fiat Group in 2004 totals 161,494, a decrease of 12,748 employees compared to 2003. This decrease is partly due to employees who left the Group, also in connection with employee reduction plans, and partly to the change in the scope of consolidation principally in relation to the sale of FiatAvio S.p.A., the Toro Assicurazioni Group and the retail financing activities of the Automobile Sector. In 2004 and 2003, there are no companies accounted for using the proportional method.

Provisions for risks

Provisions for risks of € 1,395 million in 2004 (€ 1,164 million in 2003) mainly refer to the Fiat Group and relate to the vehicle warranty reserve of € 636 million (€ 490 million in 2003), mainly in the Automotive Sectors, and to other reserves connected with industrial risks for € 758 million (€ 673 million in 2003).

Other operating costs

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

€ in millions	**2004**	2003	Change
Fiat Group			
Losses on sale of fixed assets	**83**	47	36
Prior period expenses	**208**	226	(18)
Indirect and other taxes	**128**	147	(19)
Sundry expenses	**656**	608	48
Total Fiat Group	**1,075**	1,028	47
Worms & Cie Group			
Indirect and other taxes	**43**	40	3
Sundry expenses	**47**	38	9
Total Worms & Cie Group	**90**	78	12
Alpitour Group			
Prior period expenses	**2**	1	1
Indirect and other taxes	**2**	3	(1)
Sundry expenses	**1**	0	1
Total Alpitour Group	**5**	4	1
IFI and IFIL Holdings System	**0**	4	(4)
Total other operating costs	**1,170**	1,114	56

Insurance claims and other insurance costs

Insurance claims and other insurance costs amount to € 20 million in 2004 (€ 1,367 million in 2003) and refer to insurance companies in the Fiat Group. The decrease from 2003 is due to the sale of the Toro Assicurazioni Group on May 2, 2003.

16) Financial income and expenses

Investment income

Details of investment income are as follows:

€ in millions	**2004**	2003	Change
Dividends	**38**	38	0
Tax credit on dividends	**0**	17	(17)
Other	**0**	5	(5)
Total investment income	**38**	60	(22)

Other financial income

Details are as follows:

€ in millions	**2004**	2003	Change
Other financial income from			
- receivables held as fixed assets from others	**1**	5	(4)
- securities held as fixed assets other than equity investments	**1**	0	1
- securities held as current assets other than equity investments	**45**	127	(82)
Other income from			
- unconsolidated subsidiaries	**4**	8	(4)
- associated companies	**6**	7	(1)
- others:			
. bank and other interest	**147**	252	(105)
. customer interest and lease income	**74**	42	32
. discounts and other income	**49**	61	(12)
. income from derivative financial instruments	**982**	997	(15)
Total from others	**1,252**	1,352	(100)
Total other income	**1,262**	1,367	(105)
Total other financial income	**1,309**	1,499	(190)

Interest and other financial expenses

Details are as follows:

€ in millions	**2004**	2003	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	**0**	3	(3)
- associated companies	**5**	6	(1)
- parent company	**1**	1	0
- others:			
. bond interest	**576**	673	(97)
. bank interest	**188**	277	(89)
. interest on trade and other payables	**27**	18	9
. interest on notes payable	**6**	14	(8)
. discounts and other expenses	**475**	443	32
. expenses from derivative financial instruments	**661**	994	(333)
. interest on other financial payables	**115**	187	(72)
. losses on sale of securities	**1**	8	(7)
Total interest and other financial expenses from others	**2,049**	2,614	(565)
Total interest and other financial expenses	**2,055**	2,624	(569)

Foreign exchange gains and losses

Foreign exchange gains, net, of € 25 million (€ 64 million in 2003) represent the balance between foreign exchange gains of € 2,549 million (€ 2,657 million in 2003) and foreign exchange losses of € 2,524 million (€ 2,593 million in 2003). Such balances mostly relate to the Fiat Group.

Fiat Group

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

€ in millions	**2004**	2003	Change
Other financial income from:			
- receivables held as fixed assets from others	**0**	3	(3)
- securities held as fixed assets other than equity investments	**1**	0	1
- securities held as current assets other than equity investments	**39**	119	(80)
Other income from:			
- unconsolidated subsidiaries	**4**	8	(4)
- associated companies	**29**	34	(5)
- others:			
. bank and other interest	**190**	266	(76)
. customer interest and lease income	**922**	1,166	(244)
. discounts and other income	**65**	81	(16)
. income from derivative financial instruments	**996**	1,132	(136)
Total from others	**2,173**	2,645	(472)
Total other income	**2,206**	2,687	(481)
Total other financial income	**2,246**	2,809	(563)
of which:			
Other financial income, excluding financial services companies	**1,271**	1,457	(186)

€ in millions	**2004**	2003	Change
Interest and other financial expenses from:			
- unconsolidated subsidiaries	**0**	3	(3)
- associated companies	**5**	6	(1)
- others:			
. bond interest	**587**	681	(94)
. bank interest	**316**	558	(242)
. interest on trade and other payables	**27**	18	9
. interest on notes payable	**7**	49	(42)
. interest on other financial payables	**167**	185	(18)
. discounts and other expenses	**544**	534	10
. expenses from derivative financial instruments	**666**	1,115	(449)
. losses on sale of securities	**1**	8	(7)
Total interest and other financial expenses from others	**2,315**	3,148	(833)
Total interest and other financial expenses	**2,320**	3,157	(837)
of which:			
Interest and other financial expenses, excluding financial services companies	**1,944**	2,489	(545)

€ in millions	**2004**	2003	Change
Foreign exchange gains and losses			
Positive balance of exchange differences	**25**	47	(22)
Total foreign exchange gains and losses	**25**	47	(22)
of which			
Foreign exchange gains and losses, excluding financial services companies	**25**	47	(22)

Other financial income of € 2,246 million in 2004 (€ 2,809 million in 2003), when shown net of interest and other financial expenses of € 2,320 million (€ 3,157 million in 2003) and the net balance of foreign exchange gains of € 25 million (€ 47 million in 2003) result in a net negative balance of € 49 million (a net negative balance of € 301 million in 2003). However, the result for fiscal 2003 had benefited from financial income, net of the relative financial expenses, on the businesses sold (mainly the retail activities of Fiat Auto and the Toro Assicurazioni Group) for approximately € 170 million. On a comparable consolidation basis, the improvement is about € 420 million and is the consequence of both nonrecurring transactions (mainly the net amount of income of approximately € 300 million from the termination of the equity swap on General Motors stock) and lower average indebtedness during the year and generally more favorable market interest rates.

Discounts and other expenses include receivables discounting and securitization expenses of € 195 million in 2004 (€ 280 million in 2003).

Worms & Cie Group

€ in millions	**2004**	2003	Change
Other financial income from:			
- receivables held as fixed assets from others	**0**	2	(2)
- securities held as current assets other than equity investments	**1**	3	(2)
Other income from:			
- others:			
. bank and other interest	**28**	24	4
. discounts and other income	**0**	3	(3)
Total other income	**28**	27	1
Total other financial income	**29**	32	(3)

€ in millions	**2004**	2003	Change
Interest and other financial expenses from:			
- others:			
. bank interest	**39**	49	(10)
. discounts and other expenses	**18**	21	(3)
Total interest and other financial expenses	**57**	70	(13)

Alpitour Group

€ in millions	**2004**	2003	Change
Other financial income from:			
- receivables held as fixed assets from others	**1**	0	1
- securities held as current assets other than equity investments	**0**	1	(1)
Bank and other interest	**2**	3	(1)
Total other financial income	**3**	4	(1)

€ in millions	**2004**	2003	Change
Interest and other financial expenses from:			
- others:			
. bank interest	**11**	11	0
. discounts and other expenses	**2**	2	0
Interest on other financial payables	**1**	2	(1)
Total interest and other financial expenses	**14**	15	(1)

IFI and IFIL Holdings System

€ in millions	**2004**	2003	Change
Other financial income from:			
- securities held as current assets other than equity investments	**5**	4	1
Bank and other interest	**1**	1	0
Total other financial income	**6**	5	1

€ in millions	**2004**	2003	Change
Interest and other financial expenses from:			
- parent companies	**1**	1	0
- others:			
. bond interest	**14**	9	5
. bank interest	**13**	24	(11)
. discounts and other expenses	**2**	7	(5)
. expenses from derivative financial instruments	**9**	9	0
. interest on other financial payables	**1**	0	1
Total interest and other financial expenses	**40**	50	(10)

17) Adjustments to financial assets

€ in millions	**2004**	2003	Change
Revaluations:			
- equity investments	**203**	229	(26)
- securities held in current assets other than equity investments	**0**	15	(15)
Total revaluations	**203**	244	(41)
Writedowns:			
- equity investments	**(166)**	(306)	140
- financial fixed assets other than equity investments	**(23)**	(1)	(22)
- securities held in current assets other than equity investments	**(3)**	(9)	6
- financial receivables	**(74)**	(6)	(68)
Total writedowns	**(266)**	(322)	56
Total adjustments to financial assets	**(63)**	(78)	15

The revaluations and the writedowns of equity investments also include the Group's share of earnings and losses of companies accounted for using the equity method and the amortization of differences on consolidation included in the carrying values of the investments accounted for using the equity method.

Details, by Group, are as follows.

Fiat Group

€ in millions	**2004**	2003	Change
Revaluations:			
- equity investments	**125**	91	34
- securities held in current assets other than equity investments	**0**	14	(14)
Total revaluations	**125**	105	20
Writedowns:			
- equity investments	**(126)**	(263)	137
- financial fixed assets other than equity investments	**(23)**	(1)	(22)
- securities held in current assets other than equity investments	**(2)**	(8)	6
- financial receivables	**(71)**	(5)	(66)
Total writedowns	**(222)**	(277)	55
Total adjustments to financial assets	**(97)**	(172)	75

Revaluations of equity investments include the results of the following companies: BUC – Banca Unione Credito for € 9 million (€ 11 million in 2003), various companies of CNH Global N.V. for € 28 million (€ 24 million in 2003), companies of the Automobile Sector for € 56 million (€ 20 million in 2003) and other companies for € 32 million (€ 36 million in 2003).

Writedowns of equity investments include the results of the companies valued using the equity method and the permanent impairments in value of the companies valued at cost, for the following: various companies of CNH Global N.V. for € 4 million (€ 9 million in 2003), companies of the Automobile Sector for € 51 million (€ 112 million in 2003), companies of the Commercial Vehicles Sector for € 28 million (€ 3 million in 2003), companies of the Service Sector for € 26 million (€ 7 million in 2003) and other companies for € 17 million (€ 4 million in 2003). In 2003, the amount included writedowns in the following companies: Italenergia Bis S.p.A. for € 24 million, Atlanet S.p.A. for € 56 million, and the first four months of the Toro Assicurazioni Group for € 48 million.

Writedowns of financial receivables of € 71 million (€ 5 million in 2003) include provisions to the allowance for doubtful financial accounts receivable to adjust certain items to realizable value after settlement for the partial collection of a receivable which became known during the early months of 2005.

Worms & Cie Group

€ in millions	**2004**	2003	Change
Revaluations:			
- equity investments	**51**	51	0
- securities held in current assets other than equity investments	**0**	1	(1)
Total revaluations	**51**	52	(1)
Writedowns:			
- equity investments	**(22)**	(23)	1
- securities held in current assets other than equity investments	**0**	(1)	1
- financial receivables	**(3)**	(1)	(2)
Total writedowns	**(25)**	(25)	0
Total adjustments to financial assets	**26**	27	(1)

Revaluations of equity investments in 2004 include the results of Pechel Industries for € 6 million (€ 13 million in 2003), SGS for € 44 million (€ 36 million in 2003) and sundry companies in the Antalis Group for € 1 million.

Writedowns refer to the amortization of the difference on consolidation included in the carrying value of the investment in SGS.

IFI and IFIL Holdings System

€ in millions	**2004**	2003	Change
Revaluations:			
- equity investments	**27**	87	(60)
Total revaluations	**27**	87	(60)
Writedowns:			
- equity investments	**(18)**	(20)	2
- securities held in current assets other than equity investments	**(1)**	0	(1)
Total writedowns	**(19)**	(20)	1
Total adjustments to financial assets	**8**	67	(59)

Revaluations include the result of Exor Group for € 27 million (€ 5 million in 2003). In 2003, revaluations also included the result of the Eurofind Group for € 82 million.

Writedowns include the negative result of Juventus Football Club for € 4 million (€ 10 million in 2003) and the Eurofind Group for € 6 million as well as the amortization of the differences on consolidation of Eurofind for € 8 million (€ 10 million in 2003).

18) Extraordinary income and expenses

€ in millions	**2004**	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**813**	2,080	(1,267)
Other income:			
- prior period income	**20**	36	(16)
- other income	**153**	161	(8)
Total other income	**173**	197	(24)
Total extraordinary income	**986**	2,277	(1,291)
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**(7)**	(56)	49
Taxes relating to prior years	**(39)**	(27)	(12)
Other expenses:			
- extraordinary provisions to reserves	**(502)**	(609)	107
- other extraordinary expenses	**(770)**	(1,003)	233
- prior period expenses	**(18)**	(49)	31
Total other expenses	**(1,290)**	(1,661)	371
Total extraordinary expenses	**(1,336)**	(1,744)	408
Total extraordinary income and expenses	**(350)**	533	(883)

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

Fiat Group

€ in millions	**2004**	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**162**	1,826	(1,664)
Other income:			
- prior period income	**19**	32	(13)
- other income	**135**	159	(24)
Total other income	**154**	191	(37)
Total extraordinary income	**316**	2,017	(1,701)
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**(5)**	(50)	45
Taxes relating to prior years	**(39)**	(26)	(13)
Other expenses:			
- extraordinary provisions to reserves	**(432)**	(585)	153
- other extraordinary expenses	**(685)**	(969)	284
- prior period expenses	**(18)**	(40)	22
Total other expenses	**(1,135)**	(1,594)	459
Total extraordinary expenses	**(1,179)**	(1,670)	491
Total extraordinary income and expenses	**(863)**	347	(1,210)

Gains on disposals of investments and other fixed assets amount to € 162 million in 2004 (€ 1,826 million in 2003). They include the gains on the following sales: the Midas Group for € 32 million (€ 28 million net of the provisions connected with the transaction, classified in extraordinary provisions to reserves), Fiat Engineering S.p.A. for € 60 million (€ 58 million net of the collateral costs classified as extraordinary expenses), Edison S.p.A. shares for € 32 million, Edison warrants for € 30 million and other minor investments for € 8 million.

Gains on disposals of investments and other fixed assets amounted to € 1,826 million in 2003 and included the gains on the following sales: the Toro Assicurazioni Group for € 427 million (€ 390 million net of the expenses and provisions connected with the transaction, classified as other extraordinary expenses), the Automobile Sector's Retail financing activities in Brazil for € 103 million, the 55.95% investment in IPI S.p.A. for € 15 million, the 50.1% investment in IN ACTION S.r.l. for € 8 million, FiatAvio S.p.A. for € 1,266 million (€ 1,258 million net of the expenses connected with the transaction) and other minor investments for € 7 million.

The other extraordinary income of € 135 million (€ 159 million in 2003) refers to nonrecurring income of the individual companies of the Group mainly for the release of extraordinary reserves that proved in excess of requirements.

Losses on disposals of investments and other fixed assets amount to € 5 million in 2004 (€ 50 million in 2003).

Taxes relating to prior years amount to € 39 million in 2004 (€ 26 million in 2003).

Other extraordinary expenses amounting to € 1,135 million in 2004, include principally expenses and provisions for risks in relation to corporate restructuring transactions of the Fiat Group of € 508 million, other extraordinary writedowns of assets on the basis of changes in market prospects and the consequent new business plans of € 35 million. They also include additional extraordinary expenses and provisions to reserves for future risks and charges for a total of € 592 million, the most significant of which refer to expenses for the rationalization and restructuring of relationships with suppliers of the Fiat Group of € 246 million. Other extraordinary expenses also include those of the Fiat Group of € 18 million for prior period expenses.

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

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

€ in millions	**2004**	2003	Change
Automobiles	**742**	711	31
Agricultural and construction equipment	**68**	142	(74)
Commercial vehicles	**70**	170	(100)
Metallurgical products	**25**	67	(42)
Components	**68**	86	(18)
Production systems	**17**	140	(123)
Services	**16**	31	(15)
Other companies	**129**	247	(118)
Total other expenses	**1,135**	1,594	(459)

Worms & Cie Group

€ in millions	**2004**	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**28**	115	(87)
Other income	**15**	0	15
Total extraordinary income	**43**	115	(72)
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**0**	(6)	6
Other expenses:			
- extraordinary provisions to reserves	**(66)**	(22)	(44)
- other extraordinary expenses	**(80)**	(28)	(52)
- prior period expenses	**0**	(9)	9
Total other expenses	**(146)**	(59)	(87)
Total extraordinary expenses	**(146)**	(65)	(81)
Total extraordinary income and expenses	**(103)**	50	(153)

Gains on disposals of investments and other fixed assets mainly relate to the sale of the remaining 0.64% stake in the Accor Group (€ 22 million) and the Roumain RTC Group (€ 2 million).

In 2003, gains mainly related to the sale of the 1.3% stake in Groupe Danone (€ 111 million).

Other extraordinary expenses include extraordinary depreciation of property, plant and equipment for € 54 million and other extraordinary expenses for the corporate restructuring of the AWA Group.

Alpitour Group

€ in millions	**2004**	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**2**	9	(7)
Total extraordinary income	**2**	9	(7)
Extraordinary expenses			
Losses on disposals of investments and other fixed assets	**(2)**	0	(2)
Taxes relating to prior years	**0**	(1)	1
Other expenses:			
- extraordinary provisions to reserves	**(2)**	0	(2)
- other extraordinary expenses	**(5)**	(3)	(2)
Total other expenses	**(7)**	(3)	(4)
Total extraordinary expenses	**(9)**	(4)	(5)
Total extraordinary income and expenses	**(7)**	5	(12)

Gains on disposals principally refer to the sale of the investment in Jumbo Renta.

In 2003, gains referred to the sale of the properties located in Turin, Milan and Trieste for € 7 million and the sale of the investment in Blumarin Hotel for € 2 million.

The losses on disposals refer to the sale of the investment in Promoviaggi.

Extraordinary expenses mainly refer to expenses incurred for the organizational restructuring of the Group.

IFI and IFIL Holdings System

€ in millions	**2004**	2003	Change
Extraordinary income			
Gains on disposals of investments and other fixed assets	**621**	130	491
Other income:			
- prior period income	**1**	4	(3)
- other income	**3**	2	1
Total other income	**4**	6	(2)
Total extraordinary income	**625**	136	489
Extraordinary expenses			
Other expenses:			
- extraordinary provisions to reserves	**(2)**	(2)	0
- other extraordinary expenses	**0**	(3)	3
Total extraordinary expenses	**(2)**	(5)	3
Total extraordinary income and expenses	**623**	131	492

Gains on disposals realized by the IFIL Holdings System refer to the sale of the 50% interest in the capital stock of Eurofind Food (+€ 586 million) and the 7.2% stake in the capital stock of Club Méditerranée (+€ 27 million), as well as the portion of the gain deferred in prior years at IFI level regarding the subsidiary La Rinascente (€ 8 million).

In 2003, the gains referred to the sale of the 25% interest in Sifalberghi (€ 25 million), the portion of gains deferred in prior years regarding the subsidiary Toro Assicurazioni (€ 93 million) and the dilution generated by the disposal of Fiat treasury stock held by Toro Assicurazioni, sold by the same Fiat (€ 12 million).

19) Income taxes, current and deferred

Income taxes recorded in the consolidated statement of operations are the following:

€ in millions	**2004**	2003	Change
Current taxes, net of tax credits	**(351)**	(206)	(145)
Deferred taxes	**379**	(500)	879
Total	**28**	(706)	734

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

€ in millions	**2004**	2003
Theoretical income taxes	**357**	395
Utilization of tax loss carryforwards	**121**	57
Tax effect of permanent differences	**205**	(78)
Tax effect of difference between foreign tax rates and theoretical Italian tax rates	**7**	48
Deferred tax assets not provided	**(511)**	(955)
Other differences	**(19)**	(45)
Total	**160**	(578)
IRAP	**(132)**	(128)
Income taxes recorded in financial statements (current and deferred income taxes)	**28**	(706)

In order to render the reconciliation between income taxes recorded in the financial statements and theoretical income taxes more meaningful, the IRAP tax is not taken into consideration. Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, the theoretical income taxes were determined applying only the tax rate in effect in Italy (IRES equal to 33% in 2004) to the income before taxes.

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

	Net sales and revenues			Operating	Depreciation and	Capital	Total
€ in millions	Third parties	Intersegment (a)	Total	income (loss)	amortization	expenditures	assets
2004							
Fiat Group							
Automobiles	**20,356**	**183**	**20,539**	**(840)**	**945**	**1,330**	**17,839**
Ferrari and Maserati	**1,502**	**10**	**1,512**	**6**	**121**	**139**	**1,099**
Agricultural and construction equipment	**9,791**	**5**	**9,796**	**407**	**393**	**210**	**12,134**
Commercial vehicles	**8,960**	**332**	**9,292**	**357**	**308**	**148**	**9,505**
Components	**2,586**	**1,218**	**3,804**	**116**	**181**	**187**	**2,393**
Metallurgical products	**798**	**113**	**911**	**35**	**48**	**44**	**728**
Production systems	**1,285**	**431**	**1,716**	**32**	**43**	**14**	**3,560**
Services	**802**	**770**	**1,572**	**36**	**33**	**11**	**783**
Publishing and communications	**398**	**9**	**407**	**12**	**7**	**2**	**228**
Other companies and eliminations (d)	**225**	**(3,071)**	**(2,846)**	**(139)**	**89**	**27**	**8,974**
Total Fiat Group	**46,703**	**0**	**46,703**	**22**	**2,168**	**2,112**	**57,243**
Worms & Cie Group - mainly paper manufacturing and distribution	**4,280**	**0**	**4,280**	**206**	**273**	**133**	**4,781**
Alpitour Group - Tourism	**1,108**	**0**	**1,108**	**21**	**17**	**20**	**515**
IFI and IFIL Holdings System	**2**	**0**	**2**	**(210)**	**38**	**0**	**2,320**
Total of the Group	**52,093**	**0**	**52,093**	**39**	**2,496**	**2,265**	**64,859**
2003							
Fiat Group							
Automobiles	19,839	171	20,010	(979)	962	1,100	20,908
Ferrari and Maserati	1,250	11	1,261	32	85	193	965
Agricultural and construction equipment	9,410	8	9,418	229	450	217	12,928
Commercial vehicles	8,206	234	8,440	81	304	210	9,108
Components	2,087	1,119	3,206	32	173	148	2,418
Metallurgical products	735	109	844	12	49	56	739
Production systems	1,756	537	2,293	2	56	18	4,125
Services	1,019	797	1,816	45	30	7	1,892
Publishing and communications	372	11	383	10	7	3	251
Aviation (b)	625	0	625	53	41	33	0
Insurance (c)	1,654	0	1,654	44	16	0	0
Other companies and eliminations (d)	318	(2,997)	(2,679)	(71)	96	26	9,377
Total Fiat Group	47,271	0	47,271	(510)	2,269	2,011	62,711
Worms & Cie Group - mainly paper manufacturing and distribution	4,214	0	4,214	179	149	120	4,962
Alpitour Group - Tourism	946	0	946	9	11	29	633
IFI and IFIL Holdings System	3	0	3	(73)	43	0	1,734
Total of the Group	52,434	0	52,434	(395)	2,472	2,160	70,040

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

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

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

(d) Operating losses of other companies amount to € 120 million in 2004 and € 137 million in 2003.

21) Other information

Research and development expenses

Fiat Group

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

In 2004 and 2003 direct research and development expenses were € 1,810 million and € 1,747 million, respectively. For the most important projects, the Fiat Group has applied for financing to the Italian government and the European Community under related legislation.

At the end of 2004, there were multiyear research and innovation projects that are being examined or for which incentives are being paid, by the above authorities, which show estimated expenditures in the relative applications amounting to approximately € 997 million (an amount which also comprises projects on which the balance of the incentives was received in the same year). The Group filed/received low-rate loans for € 226 million and grants for € 436 million in respect of these projects which could also give rise to receipts for incentives in future years. The amounts received during 2004, referring to the aforementioned expenditures, totaled € 22 million in low-rate loans and € 52 million in grants, for a cumulative total at December 31, 2004 of € 42 million in low-rate loans and € 157 million in grants.

The average interest rate on financing received for research and innovation at December 31, 2004 was 2.08% (2.27% for outstanding financing at December 31, 2003).

Worms & Cie Group

In 2004, research and development costs expensed directly to income during the year total € 17 million (€ 16 million in 2003).

Maintenance costs

Maintenance costs charged to income in 2004 and 2003 amounted to € 443 million and € 510 million, respectively. Details, by Group, are as follows:

€ in millions	**2004**	2003	Change
Fiat Group	**370**	435	(65)
Worms & Cie Group	**67**	71	(4)
Alpitour Group	**6**	4	2
Total	**443**	510	(67)

Advertising costs

Advertising costs charged to income amounted to € 959 million and to € 982 million, respectively, in 2004 and 2003. Details, by Group, are as follows:

€ in millions	**2004**	2003	Change
Fiat Group	**898**	921	(23)
Worms & Cie Group	**44**	43	1
Alpitour Group	**17**	18	(1)
Total	**959**	982	(23)

22) Compensation to directors and statutory auditors

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

€ in thousands	IFI S.p.A.	Subsidiaries	Total
Directors	451	3,187	3,638
Statutory Auditors	146	158	304
Total	**597**	**3,345**	**3,942**

In 2003, compensation amounted to € 5,528 thousand, of which € 1,123 thousand was paid by IFI and € 4,405 thousand by subsidiaries.

23) Statement of cash flows for the year ended at December 31, 2004

	€ in millions	**2004**	2003
A)	**Cash at January 1**	**3,461**	3,733
B)	**Cash flows provided by (used in) operating activities**		
	Net result before minority interest	**(1,029)**	(1,647)
	Amortization and depreciation	**2,550**	2,472
	Net change in reserve for employee severance indemnities	**(34)**	(135)
	Change in deferred income taxes	**(303)**	422
	Net gains on disposal of fixed assets	**(813)**	(2,080)
	Revaluations and writedowns of equity investments	**128**	649
	Dividends received from unconsolidated subsidiaries	**256**	41
	Change in current assets and liabilities:		
	- trade receivables	**(260)**	174
	- net inventories	**459**	(381)
	- trade payables	**(509)**	(28)
	- other payables, receivables, accruals and deferrals	**(275)**	(587)
	- reserves for income taxes and other reserves	**(22)**	(281)
	- change in the scope of consolidation and others	**22**	(91)
	Total cash flows provided by (used in) operating activities	**170**	(1,472)
C)	**Cash flows provided by (used in) investment activities**		
	Investments in		
	- property, plant and equipment	**(2,265)**	(2,160)
	- equity investments	**(451)**	(333)
	- tangible assets and deferred charges	**(276)**	(515)
	Investment grants	**92**	134
	Proceeds from the sale of fixed assets	**1,574**	4,413
	Net change in financial receivables	**3,234**	1,149
	Change in securities in current assets and fixed assets	**1,082**	(3,063)
	Other changes	**301**	3,262
	Total cash flows provided by (used in) investment activities	**3,291**	2,887
D)	**Cash flows provided by (used in) financing activities**		
	Increase in borrowings	**1,556**	2,602
	Repayment of borrowings	**(5,184)**	(6,976)
	Net change in short-term financial receivables and payables	**487**	789
	Increase in capital stock subscribed by minority interests	**19**	1,972
	Distribution of profits and reserves and purchase of treasury stock	**(111)**	(74)
	Total cash flows provided by (used in) financing activities	**(3,233)**	(1,687)
E)	**Total change in cash**	**228**	(272)
F)	**Cash at December 31**	**3,689**	3,461

24) Translation of foreign financial statements

The principal exchange rates used in 2004 and 2003 to translate foreign currency financial statements into euros are the following:

	2004		2003	
	Average	**At 12/31/2004**	Average	At 12/31/2003
U.S. dollar	**1.244**	**1.362**	1.131	1.263
British pound	**0.679**	**0.705**	0.692	0.705
Swiss franc	**1.544**	**1.543**	1.521	1.558
Polish zloty	**4.526**	**4.084**	4.398	4.717
Brazilian real	**3.635**	**3.615**	3.474	3.649
Argentine peso	**3.664**	**4.045**	3.335	3.713

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

IFI S.p.A.

IFI S.p.A.

BALANCE SHEET - ASSETS (in €)	**12/31/2004**	12/31/2003	Change
FIXED ASSETS			
Intangible fixed assets			
Industrial patents and intellectual property rights	**6,067**	0	6,067
Property, plant and equipment			
Industrial and commercial equipment	**0**	10,524	(10,524)
Financial fixed assets			
Investments in subsidiaries	**1,676,161,514**	1,676,161,514	0
Investments in associated companies	**102,559,055**	102,559,055	0
Investments in other companies	**735,596**	923,658	(188,062)
Total investments	**1,779,456,165**	1,779,644,227	(188,062)
Receivables - from others	**8,178,274**	6,678,274	1,500,000
Treasury stock	**70,477,224**	70,477,224	0
Total financial fixed assets	**1,858,111,663**	1,856,799,725	1,311,938
TOTAL FIXED ASSETS	**1,858,117,730**	1,856,810,249	1,307,481
CURRENT ASSETS			
Receivables (a)			
Receivables from subsidiaries	**289,379**	393,498	(104,119)
Receivables from associated companies	**100,000**	54,483	45,517
Receivables from parent company	**9,900**	0	9,900
Taxes receivables	**17,807,307**	17,335,816	471,491
Other receivables			
due within one year	**839,840**	815,155	24,685
due beyond one year	**33**	33	0
Total receivables	**19,046,459**	18,598,985	447,474
Cash			
Bank and post office accounts	**75,602**	53,690	21,912
Cash on hand	**3,263**	10,255	(6,992)
Total cash	**78,865**	63,945	14,920
TOTAL CURRENT ASSETS	**19,125,324**	18,662,930	462,394
ACCRUED INCOME AND PREPAID EXPENSES	**58,162**	49,425	8,737
TOTAL ASSETS	**1,877,301,216**	1,875,522,604	1,778,612

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

IFI S.p.A.

BALANCE SHEET - LIABILITIES AND STOCKHOLDERS' EQUITY (in €)	**12/31/2004**	12/31/2003	Change
STOCKHOLDERS' EQUITY			
Capital stock	**163,251,460**	163,251,460	0
Additional paid-in capital	**386,346,907**	386,346,907	0
Revaluation reserves			
Revaluation reserve Law No. 74/52	**156,734**	156,734	0
Revaluation reserve Law No. 576/75	**16,939,786**	16,939,786	0
Revaluation reserve Law No. 72/83	**64,265,310**	64,265,310	0
Total revaluation reserves	**81,361,830**	81,361,830	0
Legal reserve	**32,650,292**	14,788,912	17,861,380
Statutory reserves			
Extraordinary reserve	**712,904,015**	736,081,101	(23,177,086)
Treasury stock valuation reserve	**70,477,224**	70,477,224	0
Reserve for purchase of treasury stock	**120,000,000**	100,000,000	20,000,000
Net income	**37,707,363**	14,666,264	23,041,099
TOTAL STOCKHOLDERS' EQUITY	**1,604,699,091**	1,566,973,698	37,725,393
RESERVES FOR RISKS AND CHARGES			
For income taxes, also deferred income taxes	**1,504,268**	5,571,990	(4,067,722)
Other reserves	**4,200,000**	2,700,000	1,500,000
TOTAL RESERVES FOR RISKS AND CHARGES	**5,704,268**	8,271,990	(2,567,722)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	**1,495,991**	1,300,802	195,189
PAYABLES (a)			
Borrowings from banks due within one year	**208,455,620**	66,261,713	142,193,907
Borrowings from banks due beyond one year	**30,000,000**	212,700,000	(182,700,000)
Trade payables	**164,802**	1,218,963	(1,054,161)
Payables to subsidiaries	**192,202**	372,803	(180,601)
Payables to parent company	**24,189,192**	15,175,589	9,013,603
Taxes payable	**133,211**	178,644	(45,433)
Social security payable			
due within one year	**323,187**	334,990	(11,803)
due beyond one year	**254,272**	452,512	(198,240)
Other payables	**505,259**	1,001,600	(496,341)
TOTAL PAYABLES	**264,217,745**	297,696,814	(33,479,069)
ACCRUED EXPENSES AND DEFERRED INCOME	**1,184,121**	1,279,300	(95,179)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**1,877,301,216**	1,875,522,604	1,778,612

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

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS (in €)	**12/31/2004**	12/31/2003	Change
GUARANTEES GRANTED			
Sureties issued on behalf of subsidiaries	**4,128,053**	32,002,828	(27,874,775)
GUARANTEES RECEIVED - from third parties	**0**	726,255	(726,255)
COMMITMENTS	**161,592,962**	173,517,351	(11,924,389)
OTHER MEMORANDUM ACCOUNTS			
Securities held in deposit by third parties	**34,189,866**	34,190,193	(327)
Third-party assets held by the company	**86,450,000**	0	86,450,000
TOTAL OTHER MEMORANDUM ACCOUNTS	**120,639,866**	34,190,193	86,449,673

IFI S.p.A.

STATEMENT OF OPERATIONS (in €)	**2004**	2003	Change
VALUE OF PRODUCTION			
Revenues from sales and services	**1,008,667**	1,060,113	(51,446)
Other income and revenues	**505,848**	456,385	49,463
TOTAL VALUE OF PRODUCTION	**1,514,515**	1,516,498	(1,983)
COSTS OF PRODUCTION			
Raw materials, supplies and merchandise	**(43,224)**	(53,856)	10,632
Services	**(1,993,747)**	(4,478,347)	2,484,600
Leases and rentals	**(382,236)**	(803,326)	421,090
Personnel			
salaries and wages	**(1,486,020)**	(1,715,921)	229,901
social security contributions	**(485,083)**	(520,723)	35,640
employee severance indemnities	**(226,590)**	(233,737)	7,147
other costs	**(317,889)**	(243,196)	(74,693)
	(2,515,582)	(2,713,577)	197,995
Amortization, depreciation and writedowns			
amortization of intangible fixed assets	**(3,033)**	0	(3,033)
depreciation of property, plant and equipment	**(10,524)**	(25,556)	15,032
	(13,557)	(25,556)	11,999
Other operating costs			
donations to charities and cultural organizations	**(218,850)**	(356,750)	137,900
other	**(372,043)**	(1,253,890)	881,847
	(590,893)	(1,610,640)	1,019,747
TOTAL COSTS OF PRODUCTION	**(5,539,239)**	(9,685,302)	4,146,063
FINANCIAL INCOME AND EXPENSES			
Dividends relating to			
subsidiaries	**39,914,571**	0	39,914,571
associated companies	**10,596,550**	4,443,715	6,152,835
other companies	**87,840**	202,500	(114,660)
	50,598,961	4,646,215	45,952,746
Gains on sale of investment in subsidiary	**0**	3,578,011	(3,578,011)
Gains on sale of investments in other companies	**19,415**	19,044,882	(19,025,467)
	50,618,376	27,269,108	23,349,268
Other financial income			
from parent company	**43,081**	0	43,081
other income	**237,442**	10,874	226,568
Interest and other financial expenses from			
subsidiaries	**0**	(65,897)	65,897
parent company	**(619,130)**	(655,645)	36,515
others	**(12,616,445)**	(14,496,102)	1,879,657
	(13,235,575)	(15,217,644)	1,982,069
Foreign exchange gains and losses	**(437)**	94	(531)
TOTAL FINANCIAL INCOME AND EXPENSES	**37,662,887**	12,062,432	25,600,455
EXTRAORDINARY INCOME AND EXPENSES			
Income	**145,946**	4,084,521	(3,938,575)
Expenses	**(31,573)**	(881,319)	849,746
TOTAL EXTRAORDINARY INCOME AND EXPENSES	**114,373**	3,203,202	(3,088,829)
INCOME BEFORE TAXES	**33,752,536**	7,096,830	26,655,706
INCOME TAXES, CURRENT AND DEFERRED	**3,954,827**	7,569,434	(3,614,607)
NET INCOME	**37,707,363**	14,666,264	23,041,099

STRUCTURE AND CONTENT OF THE STATUTORY FINANCIAL STATEMENTS

The statutory financial statements for the year ended December 31, 2003 are expressed in euros and have been prepared in accordance with the provisions of the Italian Civil Code. For the first time, information is provided in accordance with Legislative Decree No. 6 dated January 17, 2003 (Reform of the law on corporations and cooperatives). Accordingly, the 2003 financial statements have been reclassified to reflect the requirements of the new legislation.

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

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

As provided in point 5 of art. 2428 of the Italian Civil Code, significant events subsequent to the end of the year are commented in the Report on Operations, to which reference should be made.

SIGNIFICANT ACCOUNTING POLICIES

Pursuant to art. 2423-bis of the Italian Civil Code, the financial statements have been prepared on the basis of the general principle of prudence, using the accrual basis of accounting and according to the going-concern concept. The accounting policies discussed below have been applied on a basis consistent with the prior year, where not amended by the new provisions of the Italian Civil Code, and comply with the provisions of art. 2426 of the Italian Civil Code, as well as take into account the economic function of the assets and liabilities under consideration. Furthermore, there were no departures from paragraph 4 of art. 2423 of the Italian Civil Code in preparing these financial statements.

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

Property, plant and equipment
These are stated at cost of acquisition, including accessory charges, net of accumulated depreciation. Depreciation is calculated on a straight-line basis each year over the estimated useful lives of the assets.
In view of the nature of the property, plant and equipment, depreciation is calculated at the ordinary depreciation rates plus the rates for allowable accelerated depreciation. For property, plant and equipment purchased during the year, these rates are reduced by half. Purchases of assets of below € 516 are entirely expensed in the year of purchase.

Financial fixed assets
Financial fixed assets are valued at cost of acquisition, including accessory charges, determined using the LIFO method with annual adjustments.
The cost of acquisition of the investments in IFIL and in Exor Group has been revalued in previous years as allowed by monetary revaluation laws. If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition as defined above, it is written down to the lower value.
Should the reasons for the writedowns no longer apply, the value of the financial fixed assets will be reinstated up to the limit of the cost of acquisition; for financial fixed assets prior to the enactment of Legislative Decree 127/91, this limit is represented by the amounts recorded in the financial statements at March 31, 1993.

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

Accruals and deferrals

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

Employee severance indemnities

Employee severance indemnities, revalued on the basis of indexes, and determined in accordance with labor legislation and contracts, reflect the liability in respect of all employees. This liability is calculated in reference to the years of service and the employee's annual salary, in accordance with art. 2120 of the Italian Civil Code.

The reserve also includes the liability pursuant to the company agreements dated December 23, 1999.

Payables

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

Guarantees, commitments and other memorandum accounts

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

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

Commitments relating to the performance of contracts are recorded under memorandum accounts on the basis of the nominal value to which they refer.

Securities held in deposit by third parties are shown at their nominal value.

Dividends

Dividends are recorded in the year in which they are declared.

Financial income and expenses

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

Extraordinary income and expenses

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

Income taxes

Ires and Irap taxes for the current year are calculated on the basis of the tax legislation in force.

Deferred taxes are calculated on temporary differences between the asset and liability items and the corresponding tax items and the deferred tax liability is recorded in a specific reserve in liabilities; any deferred tax assets are recorded in "Receivables – deferred tax assets" only if there is reasonable certainty of their future recovery. Deferred tax assets and liabilities are offset where allowed by law.

Transactions denominated in foreign currency

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

Assets and liabilities in currencies other than the euro, except for property, plant and equipment, intangible fixed assets and financial fixed assets (if made up of investments valued at cost) are adjusted to the year-end exchange rate, in the absence of a hedging contract for exchange rate risks.

Any net positive difference is booked, for the part not absorbed by a possible loss for the year, in a reserve under stockholders' equity which cannot be distributed until such time as the gains have effectively been realized. This reserve, however, may be used, from the year it is booked, to absorb the losses of prior years.

Property, plant and equipment, intangible fixed assets and financial fixed assets (if made up of investments valued at cost) in currencies other than the euro are booked at the exchange rate in effect at their date of purchase or at the rate at the end of the year if this results in a lower value and constitutes an impairment considered as permanent.

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE BALANCE SHEET

Intangible fixed assets
Intangible fixed assets amount to € 6 thousand and relate to costs to update the corporate website (€ 9 thousand), net of the amortization charge for the year (€ 3 thousand). Such costs are amortized over a period of three years.

Financial fixed assets – Investments
Details of investments and the percentage holdings of the classes of capital stock are summarized in the following table:

	12/31/2004			12/31/2003	
€ in thousands	**%**	**Carrying value**		%	Carrying value
Subsidiaries					
IFIL S.p.A. (ordinary shares)	**62.03**	**1,676,162**	(a)	62.03	1,676,162
Associated companies - Exor Group S.A. (ordinary shares)	**29.29**	**102,559**		29.29	102,559
Other companies					
Deutsche Morgan Grenfell Capital Italy S.A.					
- ordinary shares	**0.93**	**455**		1.11	544
- preferred shares	**1.28**	**5**		1.28	5
Emittenti Titoli S.p.A.	**6.43**	**272**		8.78	371
Sundry consortiums	**-**	**3**		-	3
		735			923
Total investments		**1,779,456**			1,779,644

(a) Net of writedowns of € 73,473 thousand made in 2002.

During the year, there were no movements in the investments in subsidiaries and associated companies while 193,000 Emittenti Titoli shares (2.35% of capital stock) were sold and 172 Deutsche Morgan Grenfell Capital Italy shares were reimbursed (0.18% of the class of stock).

Financial fixed assets – Receivables from others
The receivable from TLcom I at December 31, 2004 amounts to € 8,178 thousand. This is an increase of € 1,500 thousand compared to the prior year.

Financial fixed assets – Treasury stock
There were no transactions in preferred treasury stock carried under financial fixed assets during the year. The balance at December 31, 2004 refers to the following:

		Carrying value		
	Number of shares	Unit (€)	Total (€ in thousands)	
IFI preferred shares	**5,360,300**	**13.15**	**70,477**	(a)

(a) Net of writedowns of € 58,934 thousand made in 2002.

IFI preferred shares in portfolio at December 31, 2004 have a par value of € 5,360 thousand and represent 3.28% of capital stock (6.98% of the class of stock).

Based upon the average stock market prices for the second half of 2004 (€ 8.85), IFI preferred shares show an unrealized loss of € 23 million, which would be reduced to € 10 million based upon the average market prices for the period March 1 – 15, 2005 (€ 11.35).
Such unrealized loss is not considered representative of a permanent impairment in value taking also into account that the per share carrying value of IFI preferred shares is in any case lower than the per share value of the consolidated stockholders' equity of the IFI Group at December 31, 2004 (€ 13.9).

Additional details are provided in Annex 3.

Current assets – Receivables from subsidiaries

€ in thousands	**12/31/2004**	12/31/2003	Change
Fiat S.p.A.	**228**	0	228
Juventus Football Club S.p.A.	**35**	159	(124)
IFIL S.p.A.	**9**	201	(192)
Neos S.p.A.	**9**	0	9
Welcome Travel Group S.p.A.	**1**	22	(21)
Soiem S.p.A.	**0**	11	(11)
Other Fiat Group companies	**7**	0	7
Total receivables from subsidiaries	**289**	393	(104)

Current assets – Receivables from associated companies

€ in thousands	**12/31/2004**	12/31/2003	Change
Exor Group S.A.	**100**	54	46

Current assets – Receivables from parent company

€ in thousands	**12/31/2004**	12/31/2003	Change
Giovanni Agnelli e C. S.a.p.az.	**10**	0	10

The above receivables from subsidiaries, associated companies and parent company originated from the performance of services and cost recoveries.

Current assets – Taxes receivable

These refer to receivables from the tax authorities:

€ in thousands	**12/31/2004**	12/31/2003	Change
Receivables from the tax authorities for prior years' taxes, refunds requested	**17,437**	17,200	237
VAT receivables	**235**	0	235
Receivables from the tax authorities for current and prior years' taxes, carried forward	**113**	113	0
Excess tax on companies	**22**	22	0
Total other receivables	**17,807**	17,335	472

There are no receivables due beyond five years.

The changes in receivables from the tax authorities for the year 2004 are as follows:

€ in thousands	
Balance at December 31, 2003	17,335
Purchase of receivables from the tax authorities from the subsidiary IFIL	516
VAT, prorata change in nondeductibility (from 100% to 19%)	235
Used to compensate withholdings payable	(516)
Interest earned during the year	237
Balance at December 31, 2004	**17,807**

Current assets – Other receivables

Other receivables amount to € 840 thousand (€ 815 thousand at December 31, 2003) and include € 620 thousand for services rendered to Fiat Sava for the custody of receivables which guarantee the circulation of interest-bearing Sava Fiat bonds and € 220 thousand for sundry revenues and cost recoveries.

Capital stock

At December 31, 2004, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounts to € 163,251,460 and is composed of 86,450,000 ordinary shares and 76,801,460 preferred shares of par value € 1 each.
In accordance with art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code.
Pursuant to art. 27 of the bylaws, preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value (€ 1).

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

Reserves

The statement of changes in stockholders' equity is presented in Annex 4.
The information required by art. 2427, number 7 bis of the Italian Civil Code (available and distributable reserves) is presented as follows:

Balance sheet caption € in thousands	**Balance at 12/31/2004**	Possibility of use	Portion available	Used to cover losses in the years 2002 2003 and 2004
Capital stock	**163,251**			
Capital stock reserves:				
Additional paid-in capital (a)	**386,347**	A, B, C	386,347	35,206
Revaluation reserve Law 74, 2/11/1952 (b)	**157**	A, B, C	157	
Revaluation reserve Law 576, 12/2/1975 (b)	**16,940**	A, B, C	16,940	
Revaluation reserve Law 72, 3/19/1983 (b)	**64,265**	A, B, C	64,265	
Legal reserve	**2,032**	B	0	
Treasury stock valuation reserve	**458**		0	
Reserve under DPR No. 597, art. 55, 9/29/1973	**0**		0	91
Merger surplus reserve	**0**		0	191,628
Retained earnings	**0**		0	11
Earnings reserves:				
Legal reserve	**30,618**	B		
Treasury stock valuation reserve	**70,019**			
Extraordinary reserve	**712,905**	A, B, C	712,905	
Reserve for purchase of treasury stock	**120,000**		0	
Total	**1,566,992**		**1,180,614**	**226,936**
Portion not distributable (c)			(6)	
Residual portion distributable			**1,180,608**	

A: For capital increases; B: For coverage of losses; C: For distribution to stockholders;

(a) Since the legal reserve is equal to one-fifth of capital stock (art. 2431 of the Italian Civil Code), the reserve can be distributed.

(b) The revaluation reserves can be used for bonus increases of capital stock. If used to cover losses, they must be subsequently replenished. If not, then no dividends can be distributed. They cannot be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the Stockholders' Meeting and in compliance with the prescriptions of art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) Pursuant to art. 2426 of the Italian Civil Code, paragraph 5, when there are start-up and expansion costs that must still be amortized, dividends can only be distributed if there are available reserves sufficient to cover the unamortized portion of these costs. Art. 2426 of the Italian Civil Code, paragraph 8 bis requires that unrealized net exchange gains, in that they derive from the valuation of the balances in foreign currency at year-end exchange rates, should be recorded, for the part not absorbed by any loss for the year, in a non-distributable reserve until the gain is realized.

At December 31, 2004, tax-deferred reserves are recorded for a total amount of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserve and € 2,032 thousand to the legal reserve. In the event of distribution, such amounts would form part of the taxable income of the Company. In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

Reserves for risks and charges

These amount to € 5,704 thousand, of which € 1,504 thousand refers to taxes and € 4,200 thousand to the risk of writedowns of financial receivables.

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

Details of the changes are as follows:

€ in thousands	Employee Sever. Indem.	Agreement 12/23/1999	Total
Balance at December 31, 2003	1,066	235	1,301
Provisions	155	66	221
Payments	(120)	(31)	(151)
Decrease for transfers to other Group companies	(156)	(26)	(182)
Increase for transfers from other Group companies	249	58	307
Balance at December 31, 2004	**1,194**	**302**	**1,496**

Borrowings from banks

€ in thousands	**12/31/2004**	12/31/2003	Change
Due within one year	**208,456**	66,262	142,194
Due beyond one year	**30,000**	212,700	(182,700)
Total borrowings from banks	**238,456**	278,962	(40,506)

Borrowings from banks due within one year amount to € 208.5 million (€ 66.3 million at December 31, 2003) and include loans of € 140 million due in the first half of 2005, on which interest rate swaps and zero cost collars have been put into place to guarantee a fixed interest rate.

Borrowings from banks due beyond one year of € 30 million include loans of € 20 million on which interest rate swaps have been put into place to guarantee a fixed interest rate.
Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts.
Borrowings from banks due beyond one year are payable within five years.

The company has irrevocable lines of credit available totaling € 495 million, of which € 350 million is due beyond one year.

Payables to subsidiaries
Payables to subsidiaries amount to € 192 thousand and refer entirely to trade payables.

€ in thousands	**12/31/2004**	12/31/2003	Change
Soiem S.p.A.	**128**	313	(185)
IFIL S.p.A.	**23**	0	23
Fiat Auto S.p.A.	**5**	11	(6)
Other Fiat Group companies	**36**	49	(13)
Total payables to subsidiaries	**192**	373	(181)

Payables to parent company

Payables to parent company amount to € 24,189 thousand (€ 15,176 thousand at December 31, 2003) and include € 24,186 thousand for the loan granted by the parent company Giovanni Agnelli e C. S.a.p.az., which bears interest at the monthly floating market rate, and € 3 thousand of cost recoveries.

Taxes payable

Taxes payable amount to € 133 thousand (€ 179 thousand in 2003) and relate to Irpef withholding taxes and VAT payable.

The Company has agreed its tax years up to December 31, 1999.
The Company took advantage of the tax amnesty (Law 289/2002 and subsequent amendments) opting to apply art. 8 (simple supplement) relating to the year 2002, with a charge of € 300.

Social security payable

€ in thousands	**12/31/2004**		12/31/2003	Change
INPS solidarity fund (MD No. 158 dated 4/28/2000)	**442**	(a)	679	(237)
INPS social security contributions on salaries and unused vacation and holidays	**135**		109	26
Total social security payable	**577**		788	(211)

(a) Of which € 254 thousand is beyond one year.

Ministerial Decree No. 158 dated April 28, 2000, established, at INPS, the "Solidarity Fund for the support of earnings, employment and professional reconversion and requalification of credit personnel". Financial and asset management of the Fund is administered autonomously. The Fund provides, in exceptional circumstances, for the issue of checks to support earnings at the request of the employer and up until the right accrues for the years-of-service or old age pension by employees who accrue the requisites within a maximum period of 60 months from the date of termination of the working relationship. The above liabilities (€ 442 thousand in total) represent the extraordinary contribution that IFI must pay to cover the exceptional checks that are due to former employees, including related social security contributions.

Other payables

€ in thousands	**12/31/2004**	12/31/2003	Change
Employees for salaries, holidays and vacation	**258**	65	193
Board of Statutory Auditors compensation	**154**	178	(24)
Stockholders for dividends not yet collected	**89**	107	(18)
Extraordinary compensation for the former Managing Director	**0**	500	(500)
Extraordinary compensation for the former Deputy Chairman	**0**	150	(150)
Sundry	**4**	2	2
Total other payables	**505**	1,002	(497)

Accrued expenses

Accrued expenses amount to € 1,184 thousand (€ 1,279 thousand at December 31, 2003) and include interest expenses on borrowings from banks (€ 632 thousand) and expenses on interest rate swaps and zero cost collars (€ 552 thousand) accrued to December 31, 2004.

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

Guarantees granted – Sureties issued on behalf of subsidiaries

At December 31, 2004, sureties granted in the past by IFI amount to € 4,128 thousand and refer to F.I.G.C., Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti, on behalf of the Juventus Football Club.
The decrease of € 27,875 thousand compared to December 31, 2003 is due to the sureties that expired (€ 24,256 thousand) or were reduced (€ 3,619 thousand) during the year.
The sureties, remunerated at market rates, will expire in 2005.

Commitments

€ in thousands	**12/31/2004**	12/31/2003	Change
Commitments with leading banking institutions relating to transactions to hedge interest rate fluctuations on bank debt due in 2005 and 2007 (a)	**160,000**	170,000	(10,000)
Residual commitment to invest in TLcom I	**1,500**	3,000	(1,500)
Residual commitment to subscribe to Emittenti Titoli's capital increase	**93**	93	0
Commitment to sell 47,500 IFIL ordinary shares	**0**	424	(424)
Total commitments	**161,593**	173,517	(11,924)

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

Other memorandum accounts – Securities held in deposit by third parties

These amount to € 34,190 thousand and refer to 3,418,242 Exor Group S.A. ordinary shares and 2,886 Deutsche Morgan Grenfell shares deposited at banks.

Other memorandum accounts – Third-party assets held by the company

These amount to € 86,450 thousand and refer to 86,450,000 IFI ordinary shares owned by the parent company Giovanni Agnelli e C. S.a.p.az..

ANALYSIS OF THE INDIVIDUAL ITEMS OF THE STATEMENT OF OPERATIONS

Value of production – Revenues from sales and services

€ in thousands	**2004**	2003	Change
Services rendered to subsidiaries, associated companies and parent company:			
- Exor Group S.A.	**207**	92	115
- Juventus Football Club S.p.A.	**54**	223	(169)
- Giovanni Agnelli e C. S.a.p.az. (parent company)	**33**	0	33
- IFIL S.p.A.	**25**	0	25
Services rendered to Fiat Sava S.p.A.	**620**	620	0
Services rendered to third parties	**70**	125	(55)
Total revenues from sales and services	**1,009**	1,060	(51)

The services rendered to Fiat Sava consist of the custody of receivables (€ 1,223.5 million) which guarantee the circulation of interest-bearing Sava Fiat bonds (the 2004 bond issue amounts to € 526 million).

Value of production – Other income and revenues

€ in thousands	**2004**	2003	Change
Cost recoveries from subsidiaries:			
- Fiat S.p.A.	**229**	0	229
- IFIL S.p.A.	**16**	201	(185)
- Soiem S.p.A.	**0**	10	(10)
	245	211	34
Compensation for posts held by IFI employees in the following companies:			
- SANPAOLO IMI S.p.A.	**129**	99	30
- Neos S.p.A.	**9**	0	9
- IFIL S.p.A.	**2**	0	2
- Welcome Travel Group S.p.A.	**1**	20	(19)
- Fiat S.p.A.	**0**	20	(20)
	141	139	2
Sundry	**120**	107	13
Total other income and revenues	**506**	457	49

Costs of production – Raw materials, supplies and merchandise

These costs total € 43 thousand (€ 54 thousand in 2003) and refer to the purchase of stationery and supplies, printed forms and gifts.

Costs of production – Services
Services total € 1,994 thousand (€ 4,478 thousand in 2003, of which € 1,760 thousand had been for nonrecurring expenses connected with the Reorganization Plan of the Group and the capital stock increase).

Details of the main services are as follows:

€ in thousands	**2004**	2003	Change
Consulting and services rendered by:			
- Third parties	**544**	1,750	(1,206)
- Soiem S.p.A. (subsidiary)	**262**	562	(300)
- IFIL S.p.A. (subsidiary)	**70**	0	70
	876	2,312	(1,436)
Compensation to corporate boards			
- Board of Directors	**454**	977	(523)
- Board of Statutory Auditors	**146**	146	0
	600	1,123	(523)
Office management and security	**190**	384	(194)
Vehicle maintenance, office equipment and insurance	**115**	183	(68)
Mailing and similar expenses	**12**	14	(2)
Travel and entertainment	**58**	136	(78)
Bank charges and fees	**43**	208	(165)
Audit fees	**42**	42	0
Employee expenses	**28**	32	(4)
Other expenses	**30**	44	(14)
Total services	**1,994**	4,478	(2,484)

Costs of production – Leases and rentals
These amount to € 382 thousand (€ 803 thousand in 2003) and include the rent on the Turin headquarters (€ 148 thousand to the subsidiary company Soiem S.p.A.), leases and expenses of the Rome headquarters (€ 67 thousand), leases for office machines, for cars in the company fleet and other rentals (€ 167 thousand).

Costs of production – Personnel
These total € 2,516 thousand (€ 2,714 thousand in 2003) and show a decrease of € 198 thousand due to the reduction in the average number of staff (from 18 to 16 employees).

Other costs include the contribution (€ 82 thousand) to the Corporate Employee Benefits Fund – Pension Fund, administered separately from the balance sheet, in which IFI S.p.A. and other companies in the Group participate. The purpose of this Fund, which is non-profit, is to pay benefits that are a supplement to the obligatory public system, either directly or by taking out insurance policies, in conformity with the provisions of the collective labor contracts, agreements or company regulations. The technical equilibrium between benefits and contributions is ensured by the company partners in the Fund.

At year-end 2004, employees number 15 (11 at the end of 2003).
The average number of employees in 2004 was 16, summarized by category as follows:

	2004	2003	Change
Managers	**2**	3	(1)
Management staff	**4**	5	(1)
Clerks	**7**	8	(1)
Messengers	**3**	2	1
Average number of employees	**16**	18	(2)

Costs of production – Other operating costs

Other operating costs total € 591 thousand (€ 1,611 thousand in 2003) and show a decrease of € 1,020 thousand compared to 2003. Details are as follows:

€ in thousands	**2004**	2003	Change
Donations to non-profit and cultural organizations	**219**	357	(138)
Notary and corporate charges	**105**	152	(47)
Indirect taxes and duties	**73**	831 (a)	(758)
Publication of annual, first-half and quarterly financial statements	**57**	86	(29)
Association dues	**53**	46	7
Books, newspapers and magazines	**24**	40	(16)
Ads	**13**	81	(68)
Sundry	**47**	18	29
Total other operating costs	**591**	1,611	(1,020)

(a) Including nonrecurring expenses relating to nondeductible VAT for € 282 thousand.

Donations to non-profit and cultural organizations in 2004 were paid from the portion of prior years' profits to which the Board of Directors is entitled, according to the bylaws, and which it waived.

Dividends

Details are as follows:

€ in thousands	**2004**	2003	Change
Subsidiaries			
IFIL S.p.A. (ordinary shares)	**39,915**	0	39,915
Associated companies			
Exor Group S.A. (ordinary shares)	**10,596**	4,444	6,152
Other companies			
Emittenti Titoli S.p.A.	**88**	202 (a)	(114)
Total	**50,599**	4,646	45,953

(a) Including € 72 thousand relating to tax credits.

Gains on sale of investments in other companies

These total € 19 thousand and come from the sale of 193,000 Emittenti Titoli shares. In 2003, this caption had included the gain on the contribution of the investment in SANPAOLO IMI to IFIL (€ 19,045 thousand).

Other financial income – Other income

These total € 237 thousand (€ 11 thousand in 2003) and refer to interest income on receivables from the tax authorities (€ 236 thousand) and bank interest income.

Interest and other financial expenses

Details are as follows:

€ in thousands	**2004**	2003	Change
Interest expense on loan from parent company			
- Giovanni Agnelli e C. S.a.p.az.	**619**	656	(37)
Others			
- interest expenses on borrowings from banks	**6,327**	10,008	(3,681)
- expenses relating to hedges of interest rate fluctuations	**4,045**	3,647	398
- sundry bank fees	**744**	641	103
- accrual for sundry financial risks	**1,500**	200	1,300
Interest expense on loans from subsidiaries	**0**	66	(66)
Total interest and other financial expenses	**13,235**	15,218	(1,983)

Extraordinary income and expenses

Extraordinary income amounts to € 146 thousand and € 113 thousand of that amount relates to the release of the current income tax reserve in excess of requirements and € 33 thousand to prior period income.

Extraordinary expenses of € 32 thousand refer entirely to prior period expenses.

Income taxes, current and deferred

The taxable base according to tax laws did not generate any current income tax expenses for the year 2004 and resulted in the release of € 3,955 thousand of excess deferred taxes provided in previous years. Since reasonable certainty of future recovery is not assured, no deferred tax assets have been booked on the tax losses for the years 2003 and 2004 (€ 167 million, in total) and on the portions of investment writedowns that, as allowed by existing tax legislation, will be deductible in future years (€ 53 million, in total). Details are as follows:

	2004		2003	
€ in millions	**Temporary differences**	**Tax effect (33% rate)**	Temporary differences	Tax effect (34% rate)
Deferred tax benefit		**-**		-
Deferred tax expense				
Gains realized in the years 1999 (€ 49 million), 2000 (€ 39 million) and in 2001 (€ 21 million) subject to taxes over 5 years	**12**	**4**	22	7
Rate adjustment (from 34% to 33%)			16	
Total deferred income taxes		**4**		7
Net deferred income taxes		**4**		7
Temporary differences excluded from the calculation of deferred income taxes				
Tax losses carried forward:				
- year 2003	**147**		147	
- year 2004	**20**			
Total tax losses carried forward	**167**		147	
Writedown of financial fixed assets deductible in future years	**53**		79	

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

€ in millions	**2004**	2003
IRES taxes		
Pre-tax income	**34**	7
Increases:		
- permanent differences	**9**	1
- gains on investments deferred in prior years	**12**	22
Total increases	**21**	23
Decreases:		
- 95% of dividends collected	**(48)**	(4)
- portion of writedown of investments deductible over 5 years	**(26)**	(27)
- other differences	**(1)**	(146)
Total decreases	**(75)**	(177)
Taxable loss	**(20)**	**(147)**

Taxable income for the computation of IRAP taxes is negative.

Other information – Compensation to Directors, Statutory Auditors and General Managers

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

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

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held (b)	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Gabetti Gianluigi	Chairman	1/1 - 12/31 (d)	2006	250			1,639 (c)
Teodorani-Fabbri Pio	Deputy Chairman	1/1 - 12/31 (e)	2006	100 (f)			8 (c)
Avogadro di Collobiano Annibale	Director	1/1 - 12/31	2006				
Elkann John	Director	1/1 - 12/31	2006				428 (c)
Ferrero Ventimiglia Luca	Director	6/23 -12/31	2005				
Galateri di Genola Gabriele	Director	1/1 - 12/31	2006				
Nasi Andrea	Director	1/1 - 12/31	2006				
Rattazzi Lupo	Director	1/1 - 12/31	2006				4 (c)
Grande Stevens Franzo	Director	1/1 - 12/31	2006				312 (c)
Directors no longer in office							
Agnelli Umberto	Chairman	1/1 - 5/27		101			796 (c)
Total Board of Directors				451			3,187
Board of Statutory Auditors							
Ferrero Cesare	Chairman	1/1 - 12/31	2006	62			135 (c)
Giorgi Giorgio	Statutory Auditor	1/1 - 12/31	2006	42			23 (c)
Jona Celesia Lionello	Statutory Auditor	1/1 - 12/31	2006	42			
Total Board of Statutory Auditors				146			158
General Manager							
Marrone Virgilio	General Manager	1/1 - 12/31	-		58		427 (g)

(a) The term of office expires in concurrence with the Stockholders' Meeting that will approve the financial statements for the year ended December 31, 2005. Luca Ferrero Ventimiglia was coopted by the Board of Directors' Meeting held on June 23, 2004; in accordance with the law, he will remain in office until the next Stockholders' Meeting.

(b) The amounts indicated refer to special compensation correlated to the post and functions carried out.

(c) Compensation for the posts held in subsidiaries.

(d) Chairman from June 11, 2004 and Deputy Chairman prior to that date.

(e) Deputy Chairman from June 11, 2004.

(f) Compensation as the person in charge of IFI headquarters in Rome.

(g) Employment income.

Other information - Stock options granted to Directors and General Managers

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

Name Post held	Company	Options held at beginning of year			Options held during year			Options held at end of year		
		Number of options	Average exercise price	Exercise period (mth/yr)	Number of options	Average exercise price	Exercise period (mth/yr)	Number of options	Average exercise price	Exercise period (mth/yr)
Gabetti Gianluigi Chairman	IFIL ord.	532,000	2.28	1/05-12/06				532,000	2.28	1/05-12/06
Galateri di Genola Gabriele Director	IFIL ord.	746,600	5.80	1/04 - 12/06	70,000	7.93	4/2004	676,600	5.58	1/05-12/06
	Alpitour	153,500	6.73	08/2006				153,500	6.73	08/2006
Marrone Virgilio General Manager	IFIL ord.	266,450	4.95	1/04-12/06	27,250	7.93	4/2004	239,200	4.62	1/05-12/06

In 2004, no options were exercised and the options relating to the IFIL 1998 stock option plan expired.

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

Turin, March 30, 2005

For the Board of Directors
The Chairman
Gianluigi Gabetti

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

	Balance at December 31, 2003			
			Carrying value	
	Number of shares/warrants	% of class of stock	Per share (€)	Total (€/000)
SUBSIDIARIES				
IFIL S.p.A. - ordinary shares	643,783,399	62.03	2.60	**1,676,162**
ASSOCIATED COMPANIES				
EXOR GROUP S.A. - ordinary shares	3,418,242	29.29	30.00	**102,559**
OTHER COMPANIES				
EMITTENTI TITOLI S.p.A.	720,000	8.78	0.52	371
DEUTSCHE MORGAN GRENFELL C.I. S.A.				
- ordinary shares	1,058	1.11	513.89	544
- preferred shares (b)	2,000	1.28	2.58	5
CONSORTIUMS (c)				3
Total other companies				**923**
TOTAL INVESTMENTS				**1,779,644**

Other companies include the investment in Tlcom I (1 quota for € 100).

(a) Net of the writedown of € 73,473 million made in 2002.
(b) Including 1,114 shares, non representative of capital stock.
(c) Consortiums Fiat Media Center, Orione and Conai.

Change during 2004				Balance at December 31, 2004			
Increase		Decrease				Carrying value	
Number of shares	Carrying value (€/000)	Number of shares	Carrying value (€/000)	Number of shares	% of class of stock	Per share (€)	Total (€/000)
				643,783,399	62.03	2.60	**1,676,162** (a)
				3,418,242	29.29	30.00	**102,559**
		193,000	99	527,000	6.43	0.52	272
		172	89	886	0.93	513.89	455
				2,000	1.28	2.58	5
							3
	0		**188**				**735**
	0		**188**				**1,779,456**

LIST OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT DECEMBER 31, 2004

	Capital stock			
	Number of shares	Currency	Par value	Amount
SUBSIDIARIES				
IFIL Investments S.p.A. - Turin (Italy)				
- ordinary shares	1,037,812,717	Euro	1	1,037,812,717
- savings shares	37,383,020	Euro	1	37,383,020
	1,075,195,737			1,075,195,737
ASSOCIATED COMPANIES				
EXOR GROUP S.A. - Luxembourg				
- ordinary shares	11,670,050	Euro	10	116,700,500
- preferred shares	4,110	Euro	10	41,100
	11,674,160			116,741,600

(a) Figures relating to the 2004 consolidated financial statements.

IFI's investment						
Number of shares	% ownership of		Carrying value		Stockholders' equity (a) (€/000)	Net income/(loss) (a) (€/000)
	Cap. Stock	Class of stock	Per share (€)	Total (€/000)		
643,783,399	59.88	62.03	2.60	1,676,162	3,916,800	119,000
3,418,242	29.28	29.29	30.00	102,559	668,348	92,634

COMPARISON OF CARRYING VALUES AND MARKET PRICES OF LISTED FINANCIAL FIXED ASSETS (RECOMMENDATION CONSOB NO. 94001437 DATED FEBRUARY 23, 1994)

	Balance at December 31, 2004					
	Number	Carrying value		Market prices at December 30, 2004		
	of shares	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)	Difference (€/000)
IFIL S.p.A. - ordinary shares	643,783,399	2.604	**1,676,162**	3.285	**2,114,828**	**438,666**
IFI S.p.A. - preferred shares	5,360,300	13.148	**70,477**	10.431	**55,913**	**(14,564)**

Average market prices II half 2004			Average market prices December 2004		
Per share (€)	Total (€/000)	Difference (€/000)	Per share (€)	Total (€/000)	Difference (€/000)
2.817	**1,813,538**	**137,376**	3.055	**1,966,758**	**290,596**
8.849	**47,433**	**(23,044)**	10.132	**54,311**	**(16,166)**

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS 2002, 2003 AND 2004

€ in thousands	Capital stock	Additional paid-in capital	Revaluation reserves	Legal reserve
BALANCE AT DECEMBER 31, 2001	**61,750**	**65,614**	**81,362**	**14,789**
Ordinary stockholders' meeting on May 28, 2002				
- Appropriation of 2001 net income				
. Dividends to stockholders				
. Extraordinary reserve				
- Revocation of resolution to purchase treasury stock of May 29, 2001				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and 2357-ter of the Italian Civil Code				
Purchase of 573,650 IFI preferred shares				
Statute-barred dividends				
Writedown of the carrying value of 5,360,300 IFI preferred shares (€ 13.148), adjustment to reserve				
Net loss 2002				
Changes in 2002	**0**	**0**	**0**	**0**
BALANCE AT DECEMBER 31, 2002	**61,750**	**65,614**	**81,362**	**14,789**
Ordinary stockholders' meeting on May 29, 2003				
- Absorption of the 2002 loss through the use:				
. Merger surplus				
. Additional paid-in-capital		(35,206)		
. Reserve under DPR No. 597 art. 55 of 9/29/1973				
. Retained earnings				
- Revocation of resolution to purchase treasury stock of May 28, 2002				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code				
Board of Directors' Meeting on June 27, 2003				
- Capital stock increase with issue of 55,575,000 ordinary shares and 45,926,460 preferred shares at € 4.5 each of which € 1 of par value and € 3.5 of paid-in-capital	101,501	355,255		
- Sale of 285,410 unexercised rights on IFI preferred shares		684		
Statute-barred dividends				
Net income 2003				
Changes in 2003	**101,501**	**320,733**	**0**	**0**
BALANCE AT DECEMBER 31, 2003	**163,251**	**386,347**	**81,362**	**14,789**
Ordinary stockholders' meeting on June 23, 2004				
- Adjustment to legal reserve to one-fifth of capital stock				17,861
- Appropriation of 2003 net income				
- Revocation of resolution to purchase treasury stock of May 29, 2003				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code				
Statute-barred dividends				
Net income 2004				
Changes in 2004	**0**	**0**	**0**	**17,861**
BALANCE AT DECEMBER 31, 2004	**163,251**	**386,347**	**81,362**	**32,650**

Treasury stock valuation reserve	Extraordinary reserve	Reserve for purchase of treasury stock	Retained earnings and other reserves	Net income (loss) for the year	Total
117,208	**559,352**	**147,093**	**191,730**	**116,901**	**1,355,799**
				(34,030)	(34,030)
	82,871			(82,871)	0
	136,982	(136,982)			0
	(200,000)	200,000			0
12,203		(12,203)			0
	17				17
(58,934)	58,934				0
				(226,936)	(226,936)
(46,731)	**78,804**	**50,815**	**0**	**(343,837)**	**(260,949)**
70,477	**638,156**	**197,908**	**191,730**	**(226,936)**	**1,094,850**
				226,936	226,936
			(191,628)		(191,628)
					(35,206)
			(91)		(91)
			(11)		(11)
	197,908	(197,908)			0
	(100,000)	100,000			0
					456,756
					684
	17				17
				14,666	14,666
0	**97,925**	**(97,908)**	**(191,730)**	**241,602**	**472,123**
70,477	**736,081**	**100,000**	**0**	**14,666**	**1,566,973**
	(17,861)				0
	14,666			(14,666)	0
	100,000	(100,000)			0
	(120,000)	120,000			0
	19				19
				37,707	37,707
0	**(23,176)**	**20,000**	**0**	**23,041**	**37,726**
70,477	**712,905**	**120,000**	**0**	**37,707**	**1,604,699**

STATEMENT OF CASH FLOWS FOR THE YEARS 2004 AND 2003

(€ in thousands)	**2004**	2003
A) Cash at January 1	**64**	**230**
B) Cash flows provided by (used in) operating activities		
Net income	37,707	14,666
Depreciation and amortization	14	26
(Gains) Losses on disposals of:		
financial fixed assets	(19)	(22,623)
property, plant and equipment	(2)	(12)
(Purchase) Sale of receivables from the tax authorities	(516)	0
Net change in employee severance indemnities	195	(1,010)
Change in working capital:		
trade receivables	(48)	63
trade payables	(1,232)	(115)
reserve for income taxes and other reserves	(2,568)	(7,463)
other assets and liabilities	(812)	(696)
	32,719	**(17,164)**
C) Cash flows provided by (used in) investment activities		
Investments in fixed assets:		
financial fixed assets	(1,500)	(309,512)
intangible fixed assets	(9)	0
Proceeds from the sale of fixed assets:		
financial fixed assets	207	0
property, plant and equipment	3	12
	(1,299)	**(309,500)**
D) Cash flows provided by (used in) financial activities		
Increase (repayment) of loans	(182,700)	42,700
(Repayment) Increase in loans from subsidiaries and parent company	9,010	(28,246)
Net change in borrowings from banks	142,194	(145,413)
	(31,496)	**(130,959)**
E) Cash flows provided by (used in) net equity movements		
Capital stock increase	0	457,440
Other changes	91	17
	91	**457,457**
F) Net change in cash	**15**	**(166)**
G) Cash at December 31	**79**	**64**

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

(Amounts in €)	**Year 2004**	Year 2003	Change
FINANCIAL INCOME AND EXPENSES			
Dividends relating to:			
subsidiaries	**39,914,571**	0	39,914,571
associated companies	**10,596,550**	4,443,715	6,152,835
other companies	**87,840**	202,500	(114,660)
Gains on sale of investments in:			
subsidiaries	**0**	3,578,011	(3,578,011)
other companies	**19,415**	19,044,882	(19,025,467)
	50,618,376	27,269,108	23,349,268
Other financial income from			
parent company	**43,081**	0	43,081
other	**237,442**	10,874	226,568
	280,523	10,874	269,649
Interest and other financial expenses from			
subsidiaries	**0**	(65,897)	65,897
parent company	**(619,130)**	(655,645)	36,515
other companies	**(12,616,445)**	(14,496,102)	1,879,657
	(13,235,575)	(15,217,644)	1,982,069
Foreign exchange gains and losses	**(437)**	94	(531)
TOTAL FINANCIAL INCOME AND EXPENSES	**37,662,887**	12,062,432	25,600,455
VALUE OF PRODUCTION			
Revenues from services	**1,008,667**	1,060,113	(51,446)
Other income and revenues	**505,848**	456,385	49,463
TOTAL VALUE OF PRODUCTION	**1,514,515**	1,516,498	(1,983)
OTHER OPERATING COSTS			
Raw materials, supplies and merchandise	**(43,224)**	(53,856)	10,632
Services	**(1,993,747)**	(4,478,347)	2,484,600
Leases and rentals	**(382,236)**	(803,326)	421,090
Personnel			
Salaries and wages	**(1,486,020)**	(1,715,921)	229,901
Social security contributions	**(485,083)**	(520,723)	35,640
Employee severance indemnities	**(226,590)**	(233,737)	7,147
Other costs	**(317,889)**	(243,196)	(74,693)
	(2,515,582)	(2,713,577)	197,995
Amortization, depreciation and writedowns	**(13,557)**	(25,556)	11,999
Other operating costs	**(590,893)**	(1,610,640)	1,019,747
TOTAL OTHER OPERATING COSTS	**(5,539,239)**	(9,685,302)	4,146,063
INCOME BEFORE EXTRAORDINARY INCOME AND EXPENSES AND TAXES	**33,638,163**	3,893,628	29,744,535
EXTRAORDINARY INCOME AND EXPENSES			
Income	**145,946**	4,084,521	(3,938,575)
Expenses	**(31,573)**	(881,319)	849,746
TOTAL EXTRAORDINARY INCOME AND EXPENSES	**114,373**	3,203,202	(3,088,829)
INCOME BEFORE TAXES	**33,752,536**	7,096,830	26,655,706
INCOME TAXES, CURRENT AND DEFERRED	**3,954,827**	7,569,434	(3,614,607)
NET INCOME	**37,707,363**	14,666,264	23,041,099

REVALUATIONS MADE TO FIXED ASSETS EXISTING AT DECEMBER 31, 2004 (LAW NO. 72, ART. 10 OF MARCH 19, 1983)

	Legal revaluations	
(€ in thousands)	Law No. 576 December 2, 1975	Law No. 72 March 19, 1983
Financial fixed assets		
Subsidiaries		
IFIL ordinary shares	608	4,246
Associated companies		
EXOR GROUP ordinary shares	5,920	37,519
	6,528	**41,765**

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

Dear Stockholders,
Under art. 153 of Legislative Decree No. 58 of February 24, 1998, the Board of Statutory Auditors has the obligation to report to the Stockholders' Meeting on matters concerning the audit work carried out and any omissions and censurable matters that may have come to its attention. The Board of Statutory Auditors may also formulate proposals to the Stockholders' Meeting in relation to the financial statements, to its approval and to matters of its competence.
With this report, we have complied with the law.
In 2004, the Board of Statutory Auditors has complied with the obligations required by art. 149 of Legislative Decree No. 58 dated February 24, 1998, which allows us to specifically comment on the matters which follow.

We have attended the meetings of the Board of Directors during the course of which the Directors informed us of the activities carried out and the significant economic, financial and equity transactions entered into or in progress by the company and/or its subsidiaries. In this regard, we have ascertained that the transactions approved and carried out were in conformity with the law and the corporate bylaws, were not in disagreement with the resolutions approved by the Stockholders' Meeting, nor in potential conflict of interest and were based upon the principles of good administration.

The current organizational structure of the Company, insofar as we are responsible, appears to be adequate for the specific type of business and size of the Company. The Board of Statutory Auditors, also on the basis of meetings held with company management and with representatives of the Independent Auditors, has gathered extensive information regarding compliance with the principles of diligent and correct administrative management.

Our evaluation of the adequacy of the internal control system is positive, meaning that the system is operating effectively for the purpose of ascertaining that the internal operating and administrative procedures, which have been adopted in order to guarantee a sound and efficient management, are being followed, and, also for identifying, preventing and managing, as far as possible, financial and operating risks and any fraud to the detriment of the company.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us also in previous years, is in a condition to correctly represent operating events.

As regards "Corporate Governance", the Directors refer to this subject in a specific report, as required by the Code of Self-discipline of listed companies.

The directives imposed on the subsidiaries by IFI S.p.A. as per art. 114, paragraph 2, of Legislative Decree No. 58/98 are also considered adequate.
The Board of Directors has sent to us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the procedures established by Consob and has also provided, according to the law, reports on quarterly performance.

With reference to Consob Communications dated February 20, 1997, March 2, 1998 and April 6, 2001, as far as our responsibility is concerned, we can attest that:

- the information provided by the Directors in the Report on Operations are considered exhaustive and complete, also with respect to the status of the implementation of the systems and procedures for the application of the international accounting principles (Consob Communication DME/5015175 of March 10, 2005);
- the Board of Statutory Auditors, in accordance with the "Testo Unico sulla Finanza" (Legislative Decree No. 58/98), has been kept constantly informed about matters of its competence;
- the periodical tests and controls which the Board of Statutory Auditors carried out on the company did not show atypical or unusual transactions;
- as for intercompany transactions, the Directors in their Report on Operations present and describe the numerous transactions for goods and services entered into with Group companies and/or related parties which have been carried out on the basis of reciprocal economic gain or at normal market conditions;
- the Independent Auditors' report did not contain any qualifications or other matters of interest nor related observations or proposals;

- as previously stated, the organizational structure of the company, insofar as we are responsible, appears to be adequate and the administrative accounting system is reliable for purposes of correctly representing operating events;
- the internal control system appears adequate and effective;
- during 2004, the Board of Directors held seven meetings, which we attended, and the Board of Statutory Auditors held 15 meetings, five of which were attended by the Independent Auditors;
- neither complaints, as per ex art. 2408 of the Italian Civil Code, were received by the Board of Statutory Auditors, nor has it been informed, at this time, of any petitions presented to IFI S.p.A.;
- opinions have been issued during the year by the Board of Statutory Auditors pursuant to the law;
- IFI S.p.A. has assigned the audit firm, Deloitte & Touche S.p.A., other work, apart from the audit of the statutory financial statements and the consolidated financial statements and the limited scope audit of the six-month report, for assistance activities in establishing the impact of the adoption of International Financial Reporting Standards, and the plan for the relative process of conversion to these Standards, for a fee of € 20 thousand.

As for the annual statutory financial statements, which show a net income of € 37,707,363, the reasons for which were described in the Report on Operations, we have ascertained compliance with the law as regards its structure and formation by tests carried out by us directly and through information received by us from the Independent Auditors. We therefore maintain that the financial statements are befitting of your approval, together with the motion to appropriate the net income to the extraordinary reserve, as formulated by the Board of Directors.

The Board of Directors also asks for your authorization to buy-back treasury stock in the amount and in the manner and terms described in the specific report, and proposes amendments to the Regulations for Stockholders' Meetings. As for our responsibility, we attest that both motions proposed to you agree with existing legislation.

Turin, April 28, 2005

THE BOARD OF STATUTORY AUDITORS

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE BOARD OF STATUTORY AUDITORS ACCORDING TO ART. 41 OF LEGISLATIVE DECREE NO. 127/1991

Dear Stockholders,
The consolidated financial statements of IFI S.p.A. for the year ended December 31, 2004 – consisting of the balance sheet, the statement of operations and the notes to the financial statements – which have been made available to you, show a net income of € 117 million, compared to a loss of € 130 million in the prior year. The consolidated financial statements were submitted to us within the terms of the law, together with the Report on Operations, and prepared in accordance with the provisions of Legislative Decree No. 127 dated April 9, 1991.

The tests carried out by Deloitte & Touche S.p.A., the Independent Auditors charged with the audit of the financial statements, has led to the assertion that the values expressed in the financial statements agree with the accounting records of the Parent Company, the statutory and consolidated financial statements of the subsidiaries and the relative information formally communicated by the latter.
Such financial statements, transmitted by the subsidiaries to the Parent Company, for purposes of drawing up the consolidated financial statements, prepared by their relevant corporate bodies, have been examined by the bodies and/or parties in charge of controlling the individual companies, according to the respective regulations, and on the part of the Independent Auditors within the scope of the procedures carried out for the audit of the consolidated financial statements. The Board of Statutory Auditors has, therefore, not extended its examination to these financial statements.

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

The Report on Operations adequately describes the results of operations and financial condition, the trend of operations during the course of 2004 and the business outlook of the whole of the companies in the scope of consolidation after the end of the year. The examination to which the Report has been subjected shows its congruity with the consolidated financial statements.

Turin, April 28, 2005

THE BOARD OF STATUTORY AUDITORS

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998

(Translation from the Original Issued in Italian)

To the Stockholders of
IFI – ISTITUTO FINANZIARIO INDUSTRIALE S.p.A.

1. We have audited the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2004. These financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (CONSOB). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 10% of consolidated total assets and revenues representing 13% of consolidated revenues, is the responsibility of other auditors.

   For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated May 14, 2004.

3. In our opinion, the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2004 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the Company's financial position and results of operations.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
April 8, 2005

This report has been translated into the English language solely for convenience of international readers.

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

(Translation from the Original Issued in Italian)

To the Stockholders of
IFI – ISTITUTO FINANZIARIO INDUSTRIALE S.p.A.

1. We have audited the consolidated financial statements of IFI – Istituto Finanziario Industriale S.p.A. and subsidiaries (the IFI Group) as of and for the year ended December 31, 2004. These consolidated financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("CONSOB"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain subsidiaries and affiliates, which statements reflect total assets representing 10% of consolidated total assets and revenues representing 13% of consolidated revenues, is the responsibility of other auditors.

   For the opinion on the prior year's consolidated financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated May 14, 2004.

3. In our opinion, the consolidated financial statements of the IFI Group as of and for the year ended December 31, 2004 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the Group's financial position and results of operations.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
April 8, 2005

This report has been translated into the English language solely for convenience of international readers.

IFI GROUP’S COMPANIES

In accordance with the provisions of Legislative Decree No. 127/91, articles 38 and 39, and Consob resolution No. 11971 of May 14, 1999 (art. 126 of the Regulations) and successive amendments, the following list is provided of the companies and significant holdings included in the consolidated financial statements.

The companies in the list are divided by consolidation method and business segment. For each company, the following information is provided: the name of the company, the country location, the capital stock in the original currency. The consolidated percentage of ownership held by the Group is also indicated, as well as the percentage of ownership held by IFI S.p.A. or by other subsidiaries.

A separate column shows the percentage of voting rights in the Ordinary Stockholders’ Meeting. An Asterisk (*) indicates ownership with voting suspended.

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFI S.p.A.	ITALY	163,251,460	EUR				
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding companies - diversified							
IFIL INVESTMENTS S.p.A.	ITALY	1,075,195,737	EUR	60.55	Societa' per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	59.876	62.033
					IFIL INVESTMENTS S.p.A. (*)	1.099	1.139
					SOIEM S.p.A.(*)	0.075	0.078
ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD							
Holding companies - diversified							
EXOR GROUP S.A.	LUXEMBOURG	116,741,600	EUR	29.30	Societa' per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	29.280	29.291
					EXOR GROUP S.A. (*)	0.031	0.031
					LONG POND BV	0.035	0.000

(*) Voting suspended.

For purposes of a clearer presentation, the investments held through IFIL are shown separately.

INVESTMENTS HELD THROUGH IFIL S.p.A. (60.55%-owned subsidiary)

Name	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Miscellaneous and Holding companies							
FIAT S.p.A. (a)	ITALY	4,918,113,540	EUR	27.62	IFIL INVESTMENTS S.p.A.	27.619	30.061
					FIAT S.p.A. (*)	0.446	0.548
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A.	79,816	79,816
					IFIL INVESTMENT HOLDING N.V.	20.184	20.184
IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	54,000,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
NHT NEW HOLDING FOR TOURISM B.V. (b)	NETHERLANDS	32,980,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	69.679	69.679
					IFIL FINANCE B.V.	30.321	30.321
MEDITERRANEAN CAPITAL (ex-IFIL CAPITAL B.V.) (b)	NETHERLANDS	11,000,000	EUR	100.00	IFIL INVESTMENT HOLDING N.V.	100.000	100.000
IFIL FINANCE B.V. (b)	NETHERLANDS	10,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	15,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (a)	FRANCE	161,544,967	EUR	52.96	IFIL INVESTISSEMENTS S.A.	52.965	52.965
					WORMS & CIE S.A. A DIRECTOIRE ET CONSEIL DE SURVEILLANCE (*)	0.000	(**)
Financing services							
IFILGROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL USA INC.	U.S.A.	500,000	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INVESTMENTS L.L.C	U.S.A.	N/A	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL CAPITAL PARTNERS L.P.	U.S.A.	N/A	USD	100.00	IFIL INVESTISSEMENTS S.A.	99.000	99.000
					IFIL AMERICA L.P.	1.000	1.000
IFIL AMERICA L.P.	U.S.A.	N/A	USD	100.00	IFIL INVESTISSEMENTS S.A.	99.000	99.000
					IFIL INVESTMENTS L.L.C.	1.000	1.000
Tourism and Hotel activities							
ALPITOUR S.p.A. (a)	ITALY	17,725,000	EUR	100.00	NHT NEW HOLDING FOR TOURISM B.V.	100.000	100.000
Services							
SADCO S.A.	SWITZERLAND	300,000	CHF	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	CHINA (People's Rep. Pop)	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
SUBSIDIARIES VALUED BY THE EQUITY METHOD							
Football Club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	61.69	IFIL INVESTMENTS S.p.A.	61.692	61.692
SUBSIDIARIES VALUED AT COST							
Lease of own real estate and sublease							
CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	69.800	69.800
					CAMPI DI VINOVO S.p.A. (*)	3.000	3.000
ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD							
Miscellaneous and Holding companies							
EUROFIND TEXTILE S.A. (c)	LUXEMBOURG	120,000	EUR	50.00	IFIL INVESTISSEMENTS S.A.	50.000	50.000
EUFIN INVESTMENTS UNLIMITED	UNITED KINGDOM	243,100	EUR	50.00	EUROFIND TXTILE S.A.	100.000	100.000
ASSOCIATED COMPANIES VALUED AT COST							
Miscellaneous and Holding companies							
EUROMEDIA LUXEMBOURG ONE S.A.	LUXEMBOURG	44,887,500	USD	-	IFIL INVESTISSEMENTS S.A.	14.286	14.286
					FIAT NETHERLAND HOLDING NV	14.286	14.286
Services							
WE-CUBE.COM S.p.A.	ITALY	666,668	EUR	-	IFIL INVESTISSEMENTS S.A.	14.790	14.790
					BUSINESS SOLUTIONS S.p.A.	14.790	14.790
Stadium management							
SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

(a) For purposes of a clearer presentation, the investments held through FIAT, Worms & Cie and Alpitour are shown separately.
(b) Companies put or to be put into a wind-up.
(c) Company set up on December 13, 2004, following the proportional total spin-off of Eurofind.
(*) Voting suspended.
(**) 160 shares held by the Company.

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Automobiles								
Fiat Auto Holdings B.V.	Amsterdam	Netherlands	1.000.000	EUR	90,00	Fiat Partecipazioni S.p.A.	90,000	
Banco Fidis de Investimento SA	Sao Paolo	Brazil	116.235.465	BRL	89,97	Fidis S.p.A.	98,970	
						Fiat Automoveis S.A. - FIASA	1,000	
B.D.C. S.A.	Brussels	Belgium	23.651.294	EUR	90,00	Fiat Auto (Belgio) S.A.	99,998	
						Fiat Auto (Suisse) S.A.	0,002	
Clickar Assistance S.r.l.	Turin	Italy	335.632	EUR	90,00	Fidis S.p.A.	100,000	
Easy Drive S.r.l.	Turin	Italy	10.400	EUR	90,00	Fiat Auto S.p.A.	99,000	
						Fiat Center Italia S.p.A.	1,000	
FAL Fleet Services S.A.S.	Trappes	France	3.000.000	EUR	90,00	Fidis Renting Italia S.p.A.	100,000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	463.938.188	ARS	90,00	Fiat Auto S.p.A.	63,336	
						Fiat Automoveis S.A. - FIASA	36,664	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	20.951.220	EUR	90,00	Fiat Finance Netherlands B.V.	99,998	
						Fiat Auto (Suisse) S.A.	0,002	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	15.500.000	GBP	90,00	Fidis Renting Italia S.p.A.	100,000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62.000	EUR	89,86	Fiat Auto (Belgio) S.A.	99,839	
Fiat Auto Espana S.A.	Alcalá De Henares	Spain	60.696.601	EUR	90,00	Fiat Finance Netherlands B.V.	99,998	
						Fiat Auto (Suisse) S.A.	0,002	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3.500.000	GBP	90,00	Fidis S.p.A.	100,000	
Fiat Auto (France) S.A.	Trappes	France	91.050.000	EUR	90,00	Fiat Finance Netherlands B.V.	99,999	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	33.533.499	EUR	90,00	Fiat Finance Netherlands B.V.	100,000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5.078.952	EUR	90,00	Fiat Finance Netherlands B.V.	100,000	
Fiat Auto Japan K.K.	Minatu-Ku. Tokyo	Japan	420.000.000	JPY	90,00	Fiat Auto S.p.A.	100,000	
Fiat Auto Kreditbank GmbH	Vienna	Austria	5.000.000	EUR	90,00	Fiat Auto S.p.A.	50,000	
						Fidis S.p.A.	50,000	
Fiat Auto Lease N.V.	Utrecht	Netherlands	454.000	EUR	90,00	Fidis Renting Italia S.p.A.	100,000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	314.000.000	MAD	89,96	Fiat Auto S.p.A.	99,950	
Fiat Auto Nederland B.V.	Lijnden	Netherlands	5.672.250	EUR	90,00	Fiat Auto Holdings B.V.	100,000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660.334.600	PLN	90,00	Fiat Auto S.p.A.	100,000	
Fiat Auto Portuguesa S.A.	Alges	Portugal	8.000.000	EUR	90,00	Fiat Finance Netherlands B.V.	100,000	
Fiat Auto South Africa (Proprietary) Ltd	Sunninghill	South Africa	540	ZAR	90,00	Fiat Auto S.p.A.	100,000	
Fiat Auto S.p.A.	Turin	Italy	2.500.000.000	EUR	90,00	Fiat Auto Holdings B.V.	100,000	
Fiat Auto (Suisse) S.A.	Geneva	Switzerland	21.400.000	CHF	90,00	Fiat Auto S.p.A.	100,000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44.600.000	GBP	90,00	Fiat Finance Netherlands B.V.	100,000	
Fiat Auto Var S.r.l.	Turin	Italy	10.200.000	EUR	90,00	Fiat Auto S.p.A.	100,000	
Fiat Automobil AG	Heilbronn	Germany	97.280.000	EUR	90,00	Fiat Finance Netherlands B.V.	99,000	
						Fiat Auto (Suisse) S.A.	1,000	
Fiat Automobil GmbH	Vienna	Austria	37.000	EUR	90,00	Fiat Finance Netherlands B.V.	100,000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8.700.000	EUR	90,00	Fiat Automobil AG	100,000	
Fiat Automobiler Danmark A/S	Glostrup	Denmark	55.000.000	DKK	90,00	Fiat Finance Netherlands B.V.	100,000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1.432.341.332	BRL	90,00	Fiat Auto S.p.A.	100,000	
Fiat Center Italia S.p.A.	Turin	Italy	2.000.000	EUR	90,00	Fiat Auto S.p.A.	100,000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13.000.000	CHF	90,00	Fiat Auto (Suisse) S.A.	100,000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1.000.000	CZK	90,00	Fiat Auto S.p.A.	100,000	
Fiat Credit Belgio S.A.	Evere	Belgium	3.718.500	EUR	90,00	Fidis S.p.A.	99,999	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	94.107.977	ARS	90,00	Fidis S.p.A.	99,999	
						Fiat Auto Argentina S.A.	0,001	
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	450.300	EUR	90,00	Fiat Auto Portuguesa S.A.	100,000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2.300.000	EUR	90,00	Fidis S.p.A.	99,995	
						Fiat Finance Netherlands B.V.	0,005	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690.000.000	EUR	90,00	Fiat Auto S.p.A.	100,000	
Fiat Handlerservice GmbH	Heilbronn	Germany	5.100.000	EUR	90,00	Fiat Automobil AG	100,000	
Fiat India Automobiles Private Limited	Mumbai	India	18.780.741.500	INR	90,00	Fiat Auto S.p.A.	100,000	
Fiat India Private Ltd.	Mumbai	India	4.477.502.700	INR	89,78	Fiat India Automobiles Private Limited	79,081	80,313
						Fiat Auto S.p.A.	20,673	19,438
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150.000.000	HUF	90,00	Fiat Auto S.p.A.	100,000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1.500.000	GBP	90,00	Fiat Auto (U.K.) Ltd	100,000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1.000.000	SKK	90,00	Fiat Auto S.p.A.	100,000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26.000	EUR	94,90	Fiat Automobil AG	51,000	
						Rimaco S.A.	49,000	
Fidis Credit Danmark A/S	Glostrup	Denmark	500.000	DKK	90,00	Fiat Finance Netherlands B.V.	100,000	
Fidis Dealer Services B.V.	Utrecht	Netherlands	698.000	EUR	90,00	Fiat Auto Nederland B.V.	100,000	
Fidis Faktoring Polska Sp. z o.o.	Warsaw	Poland	1.000.000	PLN	90,01	Fidis S.p.A.	99,950	
						Fiat Polska Sp. z o.o.	0,050	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10.000.000	PLN	90,00	Fidis S.p.A.	99,980	
						Fiat Polska Sp. z o.o.	0,020	
Fidis Hungary KFT	Budapest	Hungary	13.000	EUR	90,00	Fidis S.p.A.	100,000	
Fidis Renting Italia S.p.A.	Turin	Italy	5.800.000	EUR	90,00	Fiat Auto S.p.A.	100,000	
Fidis S.p.A.	Turin	Italy	311.232.342	EUR	90,00	Fiat Auto S.p.A.	99,900	
						Nuove Iniziative Finanziarie 2 S.r.l.	0,100	
Finplus Renting S.A.	Madrid	Spain	3.955.986	EUR	90,00	Fidis Renting Italia S.p.A.	100,000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	8,237,907	EUR	90.00	Fiat Auto Espana S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Paris	France	56,000	EUR	90.00	Fiat Auto (France) S.A.	100.000	
Italian Automotive Center S.A.	Brussels	Belgium	19,749,554	EUR	90.00	B.D.C. S.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	90.00	Fiat Auto S.p.A.	100.000	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	90.00	Fidis Renting Italia S.p.A.	100.000	
Sofice-Société de Financement des Concessionnaires s.a.s.	Trappes	France	3,353,600	EUR	90.00	Fiat Auto (France) S.A.	100.000	
Tarfin S.A.	Geneva	Switzerland	500,000	CHF	90.00	Fidis S.p.A.	100.000	
Targa Infomobility S.p.A.	Turin	Italy	100,000	EUR	90.00	Fidis S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	90.00	Fidis S.p.A.	100.000	
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	90.00	Fiat Auto Espana S.A.	100.000	
Targasys Stock SA	Alcalá De Henares	Spain	5,108,799	EUR	90.00	Fiat Auto Espana S.A.	99.999	
						Fiat Finance Holding S.A.	0.001	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	319,359,348	EUR	84.54	Fiat Netherlands Holding N.V.	84.450	84.542
						CNH Global N.V.	0.109	0.000
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	84.54	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	252,285,242	BRL	84.54	CNH Global N.V.	59.760	
						CNH Latin America Ltda.	40.240	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	84.54	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
Case Canada Receivables Inc.	Calgary	Canada	1	CAD	84.54	CNH Capital America LLC	100.000	
Case Credit Australia Investments Pty Ltd	St. Marys	Australia	187,360,048	AUD	84.54	CNH Australia Pty Limited	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	84.54	CNH Capital America LLC	100.000	
Case Credit Ltd.	Calgary	Canada	1	CAD	84.54	Case Credit Holdings Limited	99.500	
						CNH Canada Ltd.	0.500	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	84.54	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
Case Europe S.a.r.l.	Roissy	France	7,622	EUR	84.54	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	84.54	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	84.54	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	84.54	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	84.54	CNH America LLC	100.000	
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	84.54	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	84.54	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	84.54	CNH America LLC	100.000	
Case Wholesale Receivables Inc.	Wilmington	U.S.A.	1,000	USD	84.54	CNH Capital America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	84.54	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	84.54	New Holland Holdings Argentina S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	84.54	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	84.54	CNH International S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	84.54	CNH International S.A.	100.000	
CNH Canada Ltd.	Toronto	Canada	28,000,100	CAD	84.54	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	84.54	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	84.54	CNH Australia Pty Limited	100.000	
CNH Capital Benelux	Zedelgem	Belgium	6,350,000	EUR	84.54	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	84.54	CNH Capital plc	99.984	
						CNH Financial Services A/S	0.003	
						CNH Financial Services S.r.l.	0.003	
						CNH Global N.V.	0.003	
						CNH International S.A.	0.003	
						New Holland Financial Services Ltd	0.003	
						CNH Trade N.V.	0.001	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	84.54	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	84.54	CNH America LLC	100.000	
CNH Capital plc	Dublin	Ireland	6,386,791	EUR	84.54	CNH Global N.V.	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	84.54	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	84.54	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Sao Pedro	Mexico	135,634,842	MXN	84.54	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	84.54	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	84.54	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
CNH Financial Services	Puteaux	France	3,738,141	EUR	84.54	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	84.54	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	200,000	EUR	84.54	CNH International S.A.	100.000	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	84.54	CNH Global N.V.	100.000	
CNH France S.A.	Le Plessis-Belleville	France	138,813,150	EUR	84.54	CNH International S.A.	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	84.54	CNH Global N.V.	100.000	
CNH Italia s.p.a.	Modena	Italy	15,600,000	EUR	84.54	CNH Global N.V.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
CNH Latin America Ltda.	Contagem	Brazil	674,264,183	BRL	84.54	CNH Global N.V.	87.880	
						Case Brazil Holdings Inc.	10.610	
						Case Equipment International Corporation	1.510	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	84.54	CNH International S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	84.54	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	84.54	CNH Belgium N.V.	99.995	
						Fiat Polska Sp. z o.o.	0.005	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	84.54	CNH International S.A.	99.980	
						CNH Italia s.p.a.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	84.54	CNH Capital America LLC	100.000	
CNH Serviços Técnicos e Desenvolvimento de Negocios Ltda	Curitiba	Brazil	1,000,000	BRL	84.54	Banco CNH Capital S.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	84.54	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	84.54	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	84.54	CNH Capital America LLC	100.000	
Fiat Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	63.09	CNH Italia s.p.a.	59.625	
						CNH Global N.V.	15.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	84.54	CNH America LLC	100.000	
Fiat-Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	63.09	Fiat Kobelco Construction Machinery S.p.A.	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	1,000	GBP	84.54	CNH Canada Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	84.54	New Holland Mauritius (Private) Ltd.	99.000	
						CNH International S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	43.12	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	50.73	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	43.12	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	43.12	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	54.95	New Holland Excavator Holdings LLC	65.000	
Kobelco Construction Machinery Europe BV in liquidation	Almere	Netherlands	567,225	EUR	63.09	Fiat Kobelco Construction Machinery S.p.A.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	84.54	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	Riverstone	Australia	1	AUD	84.54	CNH Australia Pty Limited	100.000	
New Holland (Canada) Credit Company	Burlington	Canada	1,000	CAD	84.54	CNH Canada Ltd.	99.000	
						Case Credit Ltd.	1.000	
New Holland (Canada) Credit Holding Ltd. in liquidation	Toronto	Canada	1	CAD	84.54	CNH Canada Ltd.	100.000	
New Holland Canada Ltd.	Saskatoon	Canada	10,403	CAD	84.54	CNH Canada Ltd.	100.000	
New Holland Credit Australia Pty Limited	Riverstone	Australia	725,834	AUD	84.54	CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company LLC	Wilmington	U.S.A.	0	USD	84.54	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	84.54	CNH America LLC	100.000	
New Holland Financial Services Ltd	Basildon	United Kingdom	50,000	GBP	84.54	CNH Global N.V.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	84.54	CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	84.54	CNH Latin America Ltda.	100.000	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	84.54	CNH Global N.V.	100.000	
New Holland Mauritius (Private) Ltd.	Port Louis	Mauritius	78,571,333	USD	84.54	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	84.54	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	168,736,580,600	INR	84.54	New Holland Mauritius (Private) Ltd.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	84.54	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	84.54	CNH Capital America LLC	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	32.34	Case Equipment Holdings Limited	38.250	51.000
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	50.73	New Holland Mauritius (Private) Ltd.	60.000	
Commercial Vehicles								
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leysse	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.961	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco Pegaso S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
Euromoteurs S.A.	Garchizy	France	2,098,560	EUR	100.00	Iveco France S.A.	100.000	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	61.51	CNH Global N.V.	33.333	
						Iveco S.p.A.	33.333	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Irisbus Holding S.L.	68.146	
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00	Ikarusbus Jamugyarto RT	99.976	
						Irisbus Holding S.L.	0.024	
Ikarusbus Jamugyarto RT	Szekesfehervar	Hungary	974,268,827	HUF	100.00	Irisbus Italia S.p.A.	99.998	
						Irisbus France S.A.	0.002	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Irisbus Holding S.L.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Irisbus France S.A.	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	22,000,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus France S.A.	Vénissieux	France	142,482,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Holding S.L.	Madrid	Spain	233,670,000	EUR	100.00	Iveco S.p.A.	99.999	
						Iveco Pegaso S.L.	0.001	
Irisbus Iberica S.L.	Madrid	Spain	28,930,788	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00	Irisbus Holding S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Irisbus Holding S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC Véhicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
Iveco Argentina S.A.	Cordoba	Argentina	26,700,000	ARS	100.00	Iveco S.p.A.	99.999	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	2,870,909,000	COP	100.00	Iveco Venezuela C.A.	99.974	
						Iveco Latin America Ltda	0.026	
Iveco Contract Services Limited	Watford	United Kingdom	2,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	170,100,000	BRL	95.00	Fiat Automoveis S.A. - FIASA	50.000	
						Iveco S.p.A.	48.576	
						Iveco Latin America Ltda	1.424	
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
Iveco Finance GmbH	Ulm	Germany	40,000,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Finance Limited	Watford	United Kingdom	100	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Finanziaria S.p.A.	Turin	Italy	30,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Finland OY	Espoo	Finlandia	200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco France S.A.	Trappes	France	93,800,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	25,000,000	CHF	100.00	Iveco S.p.A.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco Latin America Ltda	Sao Paolo	Brazil	534,700,000	BRL	100.00	Iveco S.p.A.	99.999	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Lease GmbH	Ulm	Germany	775,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Iveco Lorraine S.a.s.	Haunconcourt	France	305,600	EUR	100.00	Iveco France S.A.	100.000	
Iveco L.V.I. S.a.s.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Eurofire (Holding) GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France S.A.	40.000	
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Nutzfahrzeuge Nord-West GmbH	Dortmund-Wambel	Germany	1,355,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	5,960,707,000,000	TRL	100.00	Iveco S.p.A.	99.995	
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pegaso S.L.	Madrid	Spain	105,213,628	EUR	100.00	Iveco S.p.A.	99.999	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Limited	50.000	
						Iveco (UK) Ltd	50.000	
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A.	99.600	
						Fiat Argentina S.A.	0.400	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	99.989	
						Fiat Polska Sp. z o.o.	0.011	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco (UK) Ltd	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Iveco Ukraine Inc.	Kiev	Ukraine	55,961,760	UAK	99.97	Iveco S.p.A.	99.968	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Colonia	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.60	Irisbus France S.A.	97.596	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.60	Karosa A.S.	100.000	
Lavorazione Plastica S.r.l.	Turin	Italy	14,955	EUR	100.00	Iveco S.p.A.	98.997	
						Sicca S.p.A.	1.003	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Pegaso S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France S.A.	50.000	
						Société de Diffusion de Vehicules Industriels-S	50.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Irisbus Holding S.L.	100.000	
Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Transolver Finance S.A.	Trappes	France	30,244,800	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Pegaso S.L.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco S.p.A.	100.000	
Transolver Services GmbH	Heilbronn	Germany	750,000	EUR	100.00	Iveco Magirus AG	100.000	
Transolver Services S.A.	Trappes	France	38,000	EUR	100.00	Fiat France S.A.	90.000	
						Iveco France S.A.	10.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco (UK) Ltd	100.000	
Utilitaires & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A.	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco Pegaso S.L.	51.867	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Ferrari and Maserati								
Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00	Fiat S.p.A.	56.000	
Charles Pozzi S.A.	Levallois-Perret	France	280,920	EUR	56.00	Société Française de Participations Ferrari - S.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	56.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari Maserati UK	Slough Berkshire	United Kingdom	50,000	GBP	56.00	Ferrari International S.A.	100.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	56.00	Ferrari N.America Inc.	100.000	
Maserati S.p.A.	Modena	Italy	31,000,000	EUR	56.00	Ferrari S.p.A.	100.000	
Pozzi Rent Snc	Lyon	France	15,256	EUR	56.00	Charles Pozzi S.A.	100.000	
Société de Transformation Automobile Lyonnaise - S.T.A.L. S.a.r.l.	Lyon	France	155,498	EUR	56.00	Charles Pozzi S.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	56.00	Ferrari International S.A.	100.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	56.00	Ferrari N.America Inc.	100.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Holding GmbH in liquidation	Innsbruck	Austria	11,952,191	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	99.997	
						Fiat Polska Sp. z o.o.	0.003	
Automotive Lighting Rear Lamps Deutschland GmbH	Grasbrunn-Neukerferloh	Germany	25,565	EUR	98.99	Automotive Lighting Rear Lamps Italia S.p.A.	99.000	
Automotive Lighting Rear Lamps Espana S.A.	Llinares del Valles	Spain	9,153,693	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps France S.A.	Saint Denis	France	1,011,536	EUR	99.98	Automotive Lighting Rear Lamps Italia S.p.A.	99.992	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	13,220,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Fiat CIEI S.p.A.	Corbetta	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Iluminacao Automotiva Ltda	Contagem	Brazil	93,260,418	BRL	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.r.l. de CV	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.r.l. de CV	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Kadron S/A	Maua	Brazil	20,000,000	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	2,000,000	ARS	99.90	Magneti Marelli France S.A.	84.563	
						Magneti Marelli Holding S.p.A.	15.437	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Rep. of China	3,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	244,206,231	BRL	99.62	Magneti Marelli Holding S.p.A.	99.628	99.966
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.000	
						Magneti Marelli Argentina S.A.	1.000	
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	127,175,621	BRL	99.99	Magneti Marelli Powertrain S.p.A.	99.997	
						Fiat do Brasil S.A.	0.003	
Magneti Marelli Deutschland GmbH	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695	99.976
Magneti Marelli Electronica SL	Barcelona	Spain	18,388,581	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Eletronica Ltda	Sao Paolo	Brazil	88,185,301	BRL	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	65,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.997	
						Fiat do Brasil S.A.	0.003	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli France S.A.	Nanterre	France	67,380,000	EUR	99.88	Magneti Marelli Holding S.p.A.	99.884	
						Ufima S.A.S.	0.003	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Rep. of China	8,100,000	USD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Madrid	Spain	99,766	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Infotelecom Ltda	Sao Paolo	Brazil	999	BRL	99.99	Magneti Marelli Eletronica Ltda	99.900	
						Magneti Marelli do Brasil Industria e Comercio	0.100	
Magneti Marelli Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.88	Magneti Marelli France S.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora	100.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	99.995	
						Fiat Polska Sp. z o.o.	0.005	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Sistemi Elettronici S.p.A.	Corbetta	Italy	74,897,548	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli Svenska A/B in liquidation	Goteborg	Sweden	100,000	SEK	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Systèmes Electroniques France S.A.S.	Nanterre	France	40,040,016	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli U.K. Limited	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Components B.V.	100.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	60,500,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A.	35.541	
						Fiat Partecipazioni S.p.A.	34.980	
						Magneti Marelli Components B.V.	29.426	
Yorka de Mexico S.r.l. de CV	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	140,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	3,617,977	ARS	100.00	Comau S.p.A.	55.283	
						Comau do Brasil Industria e Comercio Ltda.	44.689	
						Fiat Argentina S.A.	0.028	
Comau Belgium N.V.	Zedelgem	Belgium	175,000	EUR	100.00	Comau S.p.A.	99.900	
						Comau Service France S.A.	0.100	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	112,794,611	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	46,108,100	USD	100.00	Comau S.p.A.	100.000	
COMAU Germann-Intec GmbH & Co. KG	Heilbronn	Germany	1,478,614	EUR	100.00	Germann-Intec Verwaltungs GmbH	100.000	
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
COMAU Ingest Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00	Comau S.p.A.	51.000	
						Ingest Facility S.p.A.	49.000	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	99.976	
						Fiat Polska Sp. z o.o.	0.024	
Comau Romania S.R.L.	Bihor	Romenia	3,249,800,000	ROL	100.00	Comau S.p.A.	100.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	300	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau Sciaky S.A.	Trappes	France	40,000	EUR	99.76	Comau Systèmes France S.A.	99.760	
Comau Service France S.A.	Trappes	France	1,086,000	EUR	99.99	Comau S.p.A.	99.987	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	50,000	GBP	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,000	ZAR	100.00	Comau S.p.A.	100.000	
Comau Systèmes France S.A.	Trappes	France	9,112,592	EUR	100.00	Comau S.p.A.	100.000	
Eagle Test and Assembly Co.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Estil Shrewsbury Ltd. in liquidation	Shropshire	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Geico do Brasil Ltda	Betim	Brazil	202,950	BRL	48.78	Geico S.p.A.	95.565	
						Comau do Brasil Industria e Comercio Ltda.	0.044	
Geico Endustriyel Taahhut A.S.	Istanbul	Turkey	100,000,000,000	TRL	50.98	Geico S.p.A.	99.959	
Geico S.p.A.	Cinisello Balsamo	Italy	3,627,000	EUR	51.00	Comau S.p.A.	51.000	
Germann-Intec Verwaltungs GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Mecaner S.A.	Urdùliz	Spain	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Novi Industries, Inc.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico East, Inc.	Macomb	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Estil Control Systems Ltd.	Rainham	United Kingdom	100	GBP	100.00	Comau Estil Unl.	100.000	
Pico Estil Manufacturing Ltd. in liquidation	Luton	United Kingdom	5,000	GBP	100.00	Comau Estil Unl.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000	
Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Precision.Com Corp.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Progressive Industries Co. of Canada Ltd.	Windsor	Canada	100	CAD	100.00	Comau S.p.A.	100.000	
Progressive Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Progressive Tool & Industries Company	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000	
Trebol Tepotzotlan S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Progressive Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Wisne Automation & Engineering Co.	Novi	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	239,600,000	EUR	80.48	Fiat S.p.A.	80.482	
Accurcast Limited in liquidation	Saint John	Canada	39,684,600	CAD	41.05	Meridian Technologies Inc.	100.000	
Compania Industrial Frontera S.A. de C.V.	Sao Pedro	Mexico	50,000	MXN	80.48	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	80.48	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	67.29	Fonderie du Poitou Fonte S.A.S.	83.607	
Jutras Die Casting Limited in liquidation	Saint John	Canada	24,490,715	CAD	41.05	Meridian Technologies Inc.	100.000	
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	41.05	Meridian Technologies Inc.	100.000	
Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	41.05	Magnesium Products of America Inc.	100.000	
Meridian Deutschland GmbH	Heilbronn	Germany	25,600	EUR	41.05	Meridian Technologies Inc.	100.000	
Meridian Magnesium LLC in liquidation	Wilmington	U.S.A.	4,962	USD	41.05	Meridian Technologies Japan Inc.	90.000	
						Meridian Technologies Inc.	10.000	
Meridian Technologies Inc.	Saint John	Canada	173,123,445	CAD	41.05	Teksid S.p.A.	31.450	
						Teksid Acquisition Inc.	19.550	
Meridian Technologies Japan Inc.	Saint John	Canada	6,210	CAD	41.05	Meridian Technologies Inc.	100.000	
Shanghai Meridian Magnesium Products Company Limited	Shanghai	People's Rep. of China	8,000,000	USD	24.63	Meridian Technologies Inc.	60.000	
Société Bretonne de Fonderie et de Mécanique S.A.	Caudan	France	10,549,859	EUR	80.48	Teksid S.p.A.	100.000	
Teksid Acquisition Inc.	Toronto	Canada	68,800,001	CAD	80.48	Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	80.48	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Sao Pedro	Mexico	567,466,400	MXN	80.48	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	80.48	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	80.48	Teksid S.p.A.	99.996	
						Fiat Polska Sp. z o.o.	0.004	
Services								
Business Solutions S.p.A.	Turin	Italy	10,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Atlanet S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000	
Building Support S.r.l.	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000	
Business Solutions Argentina S.A.	Buenos Aires	Argentina	12,000	ARS	100.00	Business Solutions do Brasil Ltda	99.992	
						Fiat Auto Argentina S.A.	0.008	
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Business Solutions do Brasil Ltda	Nova Lima	Brazil	36,915,855	BRL	100.00	Business Solutions S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Business Solutions France FiatGroup S.a.s.	Levallois-Perret	France	695,600	EUR	100.00	Business Solutions S.p.A.	100.000	
Business Solutions Iberica Fiat Group SL	Madrid	Spain	369,327	EUR	100.00	Business Solutions S.p.A.	80.000	
						Fiat Iberica S.A.	20.000	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A.	99.986	
						Fiat Polska Sp. z o.o.	0.014	
Delivery & Mail S.r.l.	Turin	Italy	90,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fast Buyer do Brasil Ltda	Nova Lima	Brazil	50,000	BRL	99.92	Fast-Buyer S.p.A.	99.998	
						Business Solutions do Brasil Ltda	0.002	
Fast Buyer France S.a.r.l.	Paris	France	7,700	EUR	99.92	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	99.92	Business Solutions S.p.A.	99.916	
Fiat GES.CO. Belgium N.V.	Brugge	Belgium	62,500	EUR	100.00	Gesco U.K. Limited	99.960	
						Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Gesco U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A.	75.000	
						Fiat United Kingdom Limited	25.000	
Global Value S.p.A.	Turin	Italy	1,000,000	EUR	50.00	Business Solutions S.p.A.	50.000	
H.R. Services S.p.A.	Turin	Italy	400,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Individua S.p.A.	Milan	Italy	105,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Ingest Facility S.p.A.	99.800	
						Fiat Polska Sp. z o.o.	0.200	
Ingest Facility S.p.A.	Turin	Italy	1,700,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Isvor Knowledge System S.p.A.	Turin	Italy	500,000	EUR	98.61	Business Solutions S.p.A.	70.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	30.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	60.00	Fiat Gesco S.p.A.	52.800	
						Business Solutions S.p.A.	7.200	
Learning Systems S.p.A.	Milan	Italy	104,000	EUR	50.29	Isvor Knowledge System S.p.A.	51.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	96.95	Business Solutions do Brasil Ltda	60.000	
						CNH Latin America Ltda.	10.000	
						Fiat Automoveis S.A. - FIASA	10.000	
						Iveco Fiat Brasil Ltda	10.000	
						Iveco Latin America Ltda	10.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	99.800	
						Fiat Polska Sp. z o.o.	0.200	
Scuola di Pubblica Amministrazione s.p.a.	Lucca	Italy	100,000	EUR	51.97	Isvor Knowledge System S.p.A.	52.700	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	100.00	Business Solutions S.p.A.	70.000	
						Fiat Partecipazioni S.p.A.	30.000	
Sporting Club Sestrieres S.R.L.	Sestriere	Italy	312,000	EUR	100.00	Sestrieres S.p.A.	100.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,400	BRL	99.94	Fast Buyer do Brasil Ltda	71.357	
						Business Solutions do Brasil Ltda	28.643	
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Worknet Formazione S.r.l.	Milan	Italy	50,000	EUR	100.00	WorkNet società di fornitura di lavoro temporaneo-per azioni	100.000	
WorkNet società di fornitura di lavoro temporaneo-per azioni	Rome	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Miscellaneous and Holding companies								
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	72.34	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	
Consorzio "Sirio" per la Sicurezza Industriale	Turin	Italy	56,364	EUR	66.24	Fiat Auto S.p.A.	36.978	
						Iveco S.p.A.	9.692	
						Magneti Marelli Powertrain S.p.A.	1.661	
						Fiat S.p.A.	1.594	
						Comau S.p.A.	1.588	
						Ferrari S.p.A.	1.545	
						Teksid S.p.A.	1.404	
						Irisbus Italia S.p.A.	1.314	
						Magneti Marelli Sistemi Elettronici S.p.A.	1.221	
						Fiat Gesco S.p.A.	1.168	
						Sistemi Sospensioni S.p.A.	1.163	
						Fiat Kobelco Construction Machinery S.p.A.	1.133	
						C.R.F. Società Consortile per Azioni	1.129	
						Fiat Servizi per l'Industria S.c.p.a.	1.064	
						Fiat Ge.Va. S.p.A.	0.948	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.947	
						Fidis S.p.A.	0.711	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.498	
						CNH Italia s.p.a.	0.494	
						Automotive Lighting Italia S.p.A.	0.488	
						Editrice La Stampa S.p.A.	0.488	
						Elasis-Società Consortile per Azioni	0.488	
						Ingest Facility S.p.A.	0.487	
						Fiat Partecipazioni S.p.A.	0.432	
						H.R. Services S.p.A.	0.373	
						Fiat Information & Communication Services società consortile per azioni	0.219	
						Astra Veicoli Industriali S.p.A.	0.213	
						Atlanet S.p.A.	0.213	
						Magneti Marelli Holding S.p.A.	0.213	
						Savarent Società per Azioni	0.213	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.213	
						Fiat-Revisione Interna S.c.r.l.	0.121	
						Iveco Mezzi Speciali S.p.A.	0.121	
						Fiat Center Italia S.p.A.	0.089	
						Isvor Knowledge System S.p.A.	0.089	
						Consorzio Fiat Media Center	0.082	
						Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	0.082	
						Business Solutions S.p.A.	0.078	
						eSPIN S.p.A.	0.078	
						Fast-Buyer S.p.A.	0.078	
						Itedi-Italiana Edizioni S.p.A.	0.075	
						Maserati S.p.A.	0.075	
						Pharos S.r.l.	0.075	
						Risk Management S.p.A.	0.075	
						Sisport Fiat Società per Azioni-SF	0.075	
						Fiat International S.p.A.	0.045	
						Palazzo Grassi S.p.A.	0.045	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.044	
						Lavorazione Plastica S.r.l.	0.044	
						Delivery & Mail S.r.l.	0.039	
						Easy Drive S.r.l.	0.039	
						Global Value S.p.A.	0.039	
						Iveco Finanziaria S.p.A.	0.039	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	93.81	Fiat Auto S.p.A.	40.000	
						Iveco S.p.A.	20.000	
						Magneti Marelli Holding S.p.A.	20.000	
						CNH Italia s.p.a.	5.000	
						Comau S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						Fiat Partecipazioni S.p.A.	4.000	
						Ferrari S.p.A.	1.000	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	91.12	Fiat Auto S.p.A.	56.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli Holding S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fias Fiat Administration und Service GmbH	Ulm	Germany	102,258	EUR	98.00	Iveco Magirus AG	80.000	
						Fiat Automobil AG	20.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Fiat Partecipazioni S.p.A.	99.990	
						SGR-Sociedad para la Gestion de Riesgos S.A	0.010	
Fiat Concord S.A.	Buenos Aires	Argentina	1	ARS	100.00	Fiat Argentina S.A.	99.996	
						SGR-Sociedad para la Gestion de Riesgos S.A	0.004	
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Fiat Partecipazioni S.p.A.	99.932	
						Fiat Gesco S.p.A.	0.061	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.007	
Fiat Energia S.r.l.	Turin	Italy	350,088,770	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V.	99.000	
						Fiat Netherlands Holding N.V.	1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Ge.Va. S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat France S.A.	Paris	France	55,216,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Gesco UK Limited in liquidation	London	United Kingdom	625,767	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	91.59	Fiat Auto S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						Comau S.p.A.	1.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Information & Communication Services società consortile per azioni	Turin	Italy	800,000	EUR	95.55	Fiat S.p.A.	51.000	
						CNH Italia s.p.a.	10.000	
						Fiat Auto S.p.A.	10.000	
						Iveco S.p.A.	10.000	
						Business Solutions S.p.A.	3.000	
						Comau S.p.A.	3.000	
						Ferrari S.p.A.	3.000	
						Itedi-Italiana Edizioni S.p.A.	3.000	
						Magneti Marelli Holding S.p.A.	3.000	
						Teksid S.p.A.	3.000	
						Fiat Partecipazioni S.p.A.	1.000	
Fiat International S.p.A.	Turin	Italy	61,300,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	4,366,482,748	EUR	100.00	Fiat S.p.A.	60.563	
						Fiat Partecipazioni S.p.A.	39.437	
Fiat Partecipazioni S.p.A.	Turin	Italy	3,924,685,869	EUR	100.00	Fiat S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	99.99	Fiat Partecipazioni S.p.A.	99.904	
						Fiat Auto Poland S.A.	0.029	
						Automotive Lighting Polska Sp. z o.o.	0.010	
						Magneti Marelli Exhaust Systems Polska Sp. z o.o.	0.010	
						Magneti Marelli Poland S.A.	0.010	
						Magneti Marelli Suspension Systems Poland Sp. z o.o.	0.010	
						Teksid Iron Poland Sp. z o.o.	0.010	
						Business Solutions Polska Sp. z o.o.	0.002	
						CNH Polska Sp. z o.o.	0.002	
						Comau Poland Sp. z o.o.	0.002	
						Fidis Faktoring Polska Sp. z o.o.	0.002	
						Fidis Finance Polska Sp. z o.o.	0.002	
						Ingest Facility Polska Sp. z o.o.	0.002	
						Sadi Polska-Agencja Celna Sp. z o.o.	0.002	
						Sirio Polska Sp. z o.o.	0.002	
						Iveco Poland Ltd.	0.001	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	3,850,000	EUR	95.70	Fiat S.p.A.	36.468	
						Fiat Auto S.p.A.	33.532	
						Iveco S.p.A.	6.000	
						H.R. Services S.p.A.	4.500	
						Magneti Marelli Holding S.p.A.	4.000	
						Business Solutions S.p.A.	3.000	
						CNH Italia s.p.a.	3.000	
						Fiat Partecipazioni S.p.A.	3.000	
						Teksid S.p.A.	2.000	
						Comau S.p.A.	1.500	
						C.R.F. Società Consortile per Azioni	1.500	
						Editrice La Stampa S.p.A.	1.500	
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat United Kingdom Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	93.28	Fiat Auto S.p.A.	20.000	
						Fiat Partecipazioni S.p.A.	15.667	
						Fiat S.p.A.	14.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	10.000	
						Comau S.p.A.	5.000	
						Ferrari S.p.A.	5.000	
						Itedi-Italiana Edizioni S.p.A.	5.000	
						Magneti Marelli Holding S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						Business Solutions S.p.A.	4.333	
						Fiat Ge.Va. S.p.A.	1.000	
IHF-Internazionale Holding Fiat S.A.	Paradiso	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	Netherlands	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	95.36	Fiat S.p.A.	26.000	
						Fiat Auto S.p.A.	22.000	
						Iveco S.p.A.	17.000	
						CNH Italia s.p.a.	12.000	
						Magneti Marelli Holding S.p.A.	9.000	
						Comau S.p.A.	8.000	
						Business Solutions S.p.A.	3.000	
						Teksid S.p.A.	3.000	
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Fiat France S.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business Quattordici S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	New Business 7 S.p.A.	100.000	
Palazzo Grassi S.p.A.	Venice	Italy	8,500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Pharos S.r.l.	Turin	Italy	105,000	EUR	95.90	Fiat Servizi per l'Industria S.c.p.a.	95.238	
						Fiat Partecipazioni S.p.A.	4.762	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Sisport Fiat Società per Azioni-SF	Turin	Italy	7,120,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued by the equity method								
Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	90.00	Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	160,000,000	THB	90.00	Fiat Auto S.p.A.	99.999	
Andalcar Motor S.L.	Jerez	Spain	2,186,928	EUR	90.00	Inmap 2000 Espana S.L.	100.000	
Auto Italia Erfurt GmbH in liquidation	Erfurt	Germany	2,985,000	EUR	90.00	Fiat Automobil Vertriebs GmbH	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	90.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	72.36	Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	71.64	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	60,000	ARS	90.01	Fiat Auto Argentina S.A.	99.900	
						Fiat Argentina S.A.	0.100	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	300,000,000	THB	90.00	Fiat Auto S.p.A.	100.000	
Fiat Automoviles Venezuela C.A.	Caracas	Venezuela	300,000	VEB	90.00	Fiat Automoveis S.A. - FIASA	100.000	
Italcar SA	Casablanca	Morocco	4,000,000	MAD	90.00	Inmap 2000 Espana S.L.	100.000	
Leasys S.p.A.	Fiumicino	Italy	319,200,000	EUR	45.90	Fidis Renting Italia S.p.A.	51.000	
Multipoint Sevilla S.A.	Siviglia	Spain	2,336,596	EUR	90.00	Inmap 2000 Espana S.L.	100.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	90.00	Fiat Auto Poland S.A.	99.963	
						Fiat Polska Sp. z o.o.	0.037	
Targa Trafficmaster S.p.A.	Turin	Italy	3,453,000	EUR	89.00	Fidis S.p.A.	98.886	
Zao Nizhegorod Motors	Nizhnjy Novgorod	Russia	24,660,000	RUR	65.83	Fiat Auto S.p.A.	73.139	73.127
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	650,000	USD	84.54	CNH America LLC	100.000	
La Grande New Holland Inc.	Wilmington	U.S.A.	404,800	USD	64.12	CNH America LLC	75.840	
Medicine Hat New Holland Ltd.	Ottawa	Canada	977,000	CAD	74.56	New Holland Canada Ltd.	88.188	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	81.79	CNH America LLC	96.739	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	77.78	CNH America LLC	92.000	
Pensacola Tractor & Equipment Inc.	Wilmington	U.S.A.	330,000	USD	84.54	CNH America LLC	100.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	440,000	USD	67.61	CNH America LLC	79.977	
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	57.22	New Holland Canada Ltd.	67.684	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	78.55	CNH America LLC	92.914	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	84.54	CNH America LLC	100.000	
Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67	Irisbus Italia S.p.A.	66.670	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Pegaso S.L.	100.000	
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco Pegaso S.L.	100.000	
Iveco S.P.R.L.	Kinshasa	Dem. Rep. of Congo	340,235,000	CDF	100.00	Iveco S.p.A.	99.992	
						Astra Veicoli Industriali S.p.A.	0.008	
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	60,838,291	BRL	68.14	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Seima Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	14,574,000	RUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Production Systems								
Comau AGS S.p.A.	Grugliasco	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Sciaky s.a.s.	Bonneuil Sur Marne	France	795,077	EUR	99.76	Comau Sciaky S.A.	100.000	
Metallurgical Products								
Teksid of India Private Limited Company in liquidation	Bardez-Goa	India	403,713,830	INR	80.48	Teksid S.p.A.	100.000	
Services								
Cromos Consulenza e Formazione S.r.l. in liquidation	Turin	Italy	13,000	EUR	76.00	Business Solutions S.p.A.	76.000	
Matrix S.r.l. in liquidation	Turin	Italy	30,000	EUR	99.95	Business Solutions S.p.A.	99.000	
						Isvor Fiat Società consortile di sviluppo e adde	1.000	
Publishing and Communications								
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Miscellaneous and Holding companies								
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Business Solutions FiatGroup USA Inc.	Wilmington	U.S.A.	1,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	84.42	Fiat Auto S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	11.000	
European Engine Alliance EEIG	Basildon	United Kingdom	0	GBP	61.51	CNH U.K. Limited	33.333	
						Iveco S.p.A.	33.333	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep. of China	500,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00	Fiat Partecipazioni S.p.A.	80.000	
						Fiat International S.p.A.	20.000	
Isvor Dealernet S.r.l. in liquidation	Turin	Italy	10,000	EUR	94.29	Isvor Fiat Società consortile di sviluppo e adde	80.000	
						Fiat Auto S.p.A.	20.000	
Luganova S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost								
Automobiles								
Fiat Auto de Mexico Sociedad Anonima de Capital Variable (S.A. de C.V.) in liquidation	Mexico City	Mexico	50,000	MXN	90.00	Fiat Auto S.p.A.	99.998	
						Fiat Automoveis S.A. - FIASA	0.002	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	85.50	Fiat Auto Espana S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	72.00	Fiat Auto Portuguesa S.A.	80.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	90.00	Fiat Auto S.p.A.	99.000	
						Fidis S.p.A.	1.000	
Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000	INR	90.00	Fiat India Automobiles Private Limited	100.000	
Pro-Car LLC	Moscow	Russia	1,001,000	RUR	90.00	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Agricultural and Construction Equipment								
Case Credit Wholesale Pty. Limited	St. Marys	Australia	347,750	AUD	84.54	CNH Australia Pty Limited	100.000	
Consorzio Fiat-Kobelco Isvor Dealernet Rete in liquidation	San Mauro Torinese	Italy	20,658	EUR	41.75	Fiat Kobelco Construction Machinery S.p.A.	47.500	
						Isvor Dealernet S.r.l. in liquidazione	12.500	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	84.54	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	84.54	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	84.54	Case United Kingdom Limited	100.000	
Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.54	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Gestrans S.A.	Suresnes	France	45,730	EUR	100.00	Irisbus France S.A.	100.000	
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000	
Irisbus North America Limited Liability Company	Dover	U.S.A.	20,000	USD	100.00	Irisbus France S.A.	100.000	
Iveco Defence Vehicles S.p.A.	Bolzano	Italy	100,000	EUR	100.00	Iveco S.p.A.	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	ROL	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Eurofire (Holding) GmbH	1.000	
Components								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Rep. of China	10,000	HKD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.990	
						Magneti Marelli Systèmes Electroniques France S.A.S.	0.010	
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Yorka de Mexico S.r.l. de CV	100.000	
Production Systems								
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000	
Services								
Consorzio Polaris	Turin	Italy	3,099	EUR	86.63	Matrix S.r.l. in liquidazione	86.673	
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	15,000	EUR	60.00	Ingest Facility S.p.A.	60.000	
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRL	98.72	Fast-Buyer S.p.A.	98.800	
Gestione Servizi Territoriali S.r.l.	Turin	Italy	90,000	EUR	60.00	Ingest Facility S.p.A.	60.000	
Miscellaneous and Holding companies								
Centro.com S.r.l.	Turin	Italy	10,094	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Consorzio Fiat Media Center	Turin	Italy	222,076	EUR	45.89	Astra Veicoli Industriali S.p.A.	1.852	
						Atlanet S.p.A.	1.852	
						Business Solutions S.p.A.	1.852	
						Clickar Assistance S.r.l.	1.852	
						CNH Italia s.p.a.	1.852	
						Comau S.p.A.	1.852	
						Editrice La Stampa S.p.A.	1.852	
						eSPIN S.p.A.	1.852	
						Fast-Buyer S.p.A.	1.852	
						Fiat Auto S.p.A.	1.852	
						Fiat Center Italia S.p.A.	1.852	
						Fiat Gesco S.p.A.	1.852	
						Fiat Information & Communication Services società consortile per azioni	1.852	
						Fiat S.p.A.	1.852	
						Global Value S.p.A.	1.852	
						Irisbus Italia S.p.A.	1.852	
						Itedi-Italiana Edizioni S.p.A.	1.852	
						Iveco S.p.A.	1.852	
						Leasys S.p.A.	1.852	
						Magneti Marelli After Market S.p.A.	1.852	
						Maserati S.p.A.	1.852	
						Palazzo Grassi S.p.A.	1.852	
						Pharos S.r.l.	1.852	
						Savarent Società per Azioni	1.852	
						Sestrieres S.p.A.	1.852	
						Targa Infomobility S.p.A.	1.852	
						WorkNet società di fornitura di lavoro temporaneo-per azioni	1.852	
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat United Kingdom Limited	100.000	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
ISVOR DILTS Leadership Systems Inc.	Burlingame	U.S.A.	1,000	USD	48.63	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	51.000	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	95.36	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
Komdix SAS	Paris	France	40,000	EUR	100.00	Fiat France S.A.	100.000	
Luto Servizi S.A. in liquidation	Lugano	Switzerland	100,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Norfinance & Associés S.A. in liquidation	Geneva	Switzerland	4,600,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Tre S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 3 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	26,342	EUR	95.61	Fiat S.p.A.	82.010	
						Editrice La Stampa S.p.A.	2.000	
						Fiat Auto S.p.A.	2.000	
						CNH Italia s.p.a.	1.000	
						Comau S.p.A.	1.000	
						Fiat Gesco S.p.A.	1.000	
						Fiat Ge.Va. S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	1.000	
						Iveco S.p.A.	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Palazzo Grassi S.p.A.	1.000	
						Sisport Fiat Società per Azioni-SF	1.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies valued by the equity method								
Automobiles								
Fiat-GM Powertrain B.V.	Amsterdam	Netherlands	232,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	45.00	Fiat Auto S.p.A.	50.000	
Fidis Retail Italia S.p.A.	Turin	Italy	672,076,000	EUR	44.10	Fiat Auto S.p.A.	49.000	
GM-Fiat Worldwide Purchasing B.V.	Amsterdam	Netherlands	300,000	EUR	45.00	Fiat Auto Holdings B.V.	50.000	
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	44.91	Fidis S.p.A.	49.900	
Jiangsu Nanya Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	45.00	Fiat Auto S.p.A.	50.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	17.10	Fiat Auto S.p.A.	19.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	45.00	Fiat Auto S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	45.00	Fiat Auto (France) S.A.	50.000	
Somaca-Société Marocaine Construction Automobiles S.A.	Casablanca	Morocco	60,000,000	MAD	18.00	Fiat Auto S.p.A.	20.000	
Targasys S.r.l.	Turin	Italy	4,322,040	EUR	36.00	Fidis S.p.A.	40.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	450,000,000,000,000	TRL	34.07	Fiat Auto S.p.A.	37.856	
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	195,165,660	PKR	36.50	CNH Global N.V.	43.170	
Challenger New Holland Ltd.	Ottawa	Canada	589,600	CAD	40.13	New Holland Canada Ltd.	47.473	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	42.19	CNH Global N.V.	49.900	
CNH de Mexico SA de CV	Sao Pedro	Mexico	165,276,000	MXN	42.27	CNH Global N.V.	50.000	
Consolidated Diesel Company	Whitakers	U.S.A.	100	USD	42.27	CNH Engine Corporation	50.000	
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	42.27	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Hiroshima	Japan	320,000,000,000	JPY	16.91	CNH Italia s.p.a.	20.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	42.27	Case LBX Holdings Inc.	50.000	
L&T Case Equipment Limited	Mumbai	India	240,100,000	INR	42.27	CNH America LLC	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	33.82	CNH America LLC	40.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	41.43	CNH Global N.V.	49.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	42.27	CNH Global N.V.	50.000	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	800,000,000,000	TRL	31.70	CNH Global N.V.	37.500	
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000	USD	36.58	CNH America LLC	43.266	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	47,000,000,000,000	TRL	31.70	CNH Global N.V.	37.500	
Commercial Vehicles								
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00	Iveco International Trade Finance S.A.	40.000	
Closed Joint Stock Company "AUTO-MS"	Zaporozhye	Ukraine	26,568,000	UAK	38.62	Iveco S.p.A.	38.618	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	50.00	Iveco S.p.A.	50.000	
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.333	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330	
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00	Iveco S.p.A.	30.000	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Otoyol Pazarlama A.S.	Samandira-Kartal/Istanbul	Turkey	1,590,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Otoyol Sanayi A.S.	Samandira-Kartal/Istanbul	Turkey	36,750,000,000,000	TRL	27.00	Iveco S.p.A.	27.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
Ferrari and Maserati								
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	3,000,000	USD	22.40	Ferrari S.p.A.	40.000	
Components								
Mako Elektrik Sanay Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000,000	TRL	43.00	Magneti Marelli Holding S.p.A.	43.000	
Production Systems								
Gonzalez Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
G.P. Properties I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	306,688,237	CNY	40.24	Teksid S.p.A.	50.000	
Nanjing Teksid Iron Foundry Co. Ltd.	Nanjing	People's Rep. of China	199,617,600	CNY	40.24	Teksid S.p.A.	50.000	
Services								
Global Value Services S.p.A.	Turin	Italy	10,730,000	EUR	50.00	Business Solutions S.p.A.	50.000	
Global Value Soluçoes Ltda	Nova Lima	Brazil	2,000	BRL	50.00	Business Solutions do Brasil Ltda	50.000	
Servizio Titoli S.p.A.	Turin	Italy	126,000	EUR	27.24	Business Solutions S.p.A.	27.238	
S.I.NO.DO. - Sistema Informativo Normativa Doganale in liquidation	Turin	Italy	77,469	EUR	50.00	Servizi e Attività Doganali per l'Industria S.p.A.	50.000	
Publishing and Communications								
Editalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Editoriale Corriere Romagna S.r.l.	Forlì	Italy	2,856,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Miscellaneous and Holding companies								
IPI S.p.A.	Turin	Italy	40,784,134	EUR	10.00	Fiat Partecipazioni S.p.A.	10.000	
Italenergia Bis S.p.A.	Turin	Italy	906,624,000	EUR	24.61	Fiat Energia S.r.l.	24.613	
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000	
Lombard Bank Malta PLC	Valletta	Malta	2,056,630	MTL	26.53	BUC - Banca Unione di Credito	26.531	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	9.80	Fiat Partecipazioni S.p.A.	9.797	10.189
Rubattino 87 S.r.l.	Milan	Italy	10,845,400	EUR	30.59	Fiat Partecipazioni S.p.A.	30.589	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies valued at cost								
Automobiles								
Car City Club S.r.l.	Turin	Italy	390,000	EUR	29.70	Savarent Società per Azioni	33.000	
Consorzio per la Reindustrializzazione dell`area di Arese S.r.l.	Arese	Italy	1,020,000	EUR	27.00	Fiat Auto S.p.A.	30.000	
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	32.91	Fiat Auto S.p.A.	36.571	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	44.10	Fiat Handlerservice GmbH	49.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	45.00	Fiat Auto (France) S.A.	50.000	
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	18.00	Fiat Auto S.p.A.	20.000	
Commercial Vehicles								
Atlas Véhicules Industriels S.A.	Casablanca	Morocco	2,200,000	MAD	48.97	Iveco S.p.A.	48.973	
CBC-Iveco Ltd.	Changzhou	People's Rep. of China	664,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Consorzio Iveco Fiat-Oto Melara	Rome	Italy	51,646	EUR	50.00	Iveco S.p.A.	50.000	
Sotra S.A.	Abidijan	Ivory Coast	3,000,000,000	XAF	39.80	Irisbus France S.A.	39.800	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia and Montenegro	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677	
Ferrari and Maserati								
GPWC Holdings B.V.	Amsterdam	Netherlands	2,500,000	EUR	11.20	Ferrari S.p.A.	20.000	
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	18.67	Ferrari S.p.A.	33.333	
Components								
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Gulf Carosserie India Limited	Worli	India	5,000,000	INR	20.00	Magneti Marelli Holding S.p.A.	20.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	23.97	Magneti Marelli France S.A.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000,000,000	TRL	28.00	Magneti Marelli Holding S.p.A.	28.000	
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000	
Production Systems								
Consorzio Fermag	Rome	Italy	144,608	EUR	40.00	Comau S.p.A.	40.000	
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	
Metallurgical Products								
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	16.10	Teksid S.p.A.	20.000	
Servicios Industriales Parque Fundidores S.de r.l. de C.V.	Sao Pedro	Mexico	10,000	MXN	26.82	Teksid Hierro de Mexico S.A. de C.V.	33.330	
Services								
Multiservizi Reggio Calabria - Società per Azioni	Reggio di Calabria	Italy	120,000	EUR	29.40	Gestione Servizi Territoriali S.r.l.	49.000	
Niugarit.Promocao e Desenvolvimiento de Actividades Industriais em Cooperacao Ltda	Lisbon	Portugal	49,880	EUR	29.97	Fast-Buyer S.p.A.	30.000	
S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	50,000	EUR	30.00	Ingest Facility S.p.A.	30.000	
Società Cooperativa Delta Più r.l. in liquidation	Trieste	Italy	44,865	EUR	34.96	Cromos Consulenza e Formazione S.r.l. in liquidazione	46.000	
Miscellaneous and Holding companies								
Agenzia Internazionalizzazione Imprese Torino S.r.l. in l.	Turin	Italy	102,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00	BUC - Banca Unione di Credito	20.000	
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Concordia Finance S.A.	Luxembourg	Luxembourg	12,900,000	EUR	30.00	Fiat Netherlands Holding N.V.	30.000	
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	51,600	EUR	48.17	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	35.000	
						Isvor Knowledge System S.p.A.	15.000	
Consorzio Oto-BPD in liquidation	Aulla	Italy	103,291	EUR	50.00	Fiat Partecipazioni S.p.A.	50.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	23.10	Fiat Partecipazioni S.p.A.	23.100	
Consorzio per lo Sviluppo delle Aziende Fornitrici	Turin	Italy	241,961	EUR	29.30	CNH Italia s.p.a.	10.672	
						Fiat Auto S.p.A.	10.672	
						Iveco S.p.A.	10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	45.56	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	45.56	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	18.22	Elasis-Società Consortile per Azioni	20.000	
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Fiat Partecipazioni S.p.A.	24.498	
FMA-Consultoria e Negocios Ltda	Sao Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240	
Immobiliare Novoli S.p.A.	Florence	Italy	20,640,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
Italpark-Società per Infrastrutture Ausiliarie di Trasporti S.p.A. in liquidation	Rome	Italy	247,899	EUR	29.00	Fiat Partecipazioni S.p.A.	29.000	
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	32.00	La Stampa Europe SAS	32.000	
Le Monde Presse S.A.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Maire Engineering S.p.A.	Rome	Italy	7,857,143	EUR	30.00	Fiat Partecipazioni S.p.A.	30.000	
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Motorcity Park S.r.l.	Milan	Italy	3,112,463	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.54	Ferrari S.p.A.	16.364	
						CNH Italia s.p.a.	12.273	
Presse Europe Régions S.A.	Paris	France	62,087,232	EUR	25.28	La Stampa Europe SAS	25.280	
QSF Qualità Servizi Formazione GEIE	Turin	Italy	10,329	EUR	23.84	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.000	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	23.45	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A.	Milan	Italy	494,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. – Investments held through FIAT S.p.A. (27.62%-owned subsidiary of IFIL Group)

Name	Registered office	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Other companies valued at cost								
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTT	9.35	CNH Polska Sp. z o.o.	11.054	
Commercial Vehicles								
Consorzio Bolzano Energia	Bolzano	Italy	12,000	EUR	16.67	Iveco S.p.A.	16.667	
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Trucks & Bus Company	Tajoura	Libya	87,000,000	LYD	17.24	Iveco Pegaso S.L.	17.241	
Components								
Consorzio U.L.I.S.S.E.	Rome	Italy	227,241	EUR	11.36	Magneti Marelli Holding S.p.A.	11.360	
Services								
Byte Software House - S.p.A.	Turin	Italy	4,215,000	EUR	17.79	Business Solutions S.p.A.	17.794	
Consorzio Topix	Turin	Italy	932,000	EUR	11.23	Atlanet S.p.A.	11.230	
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00	Business Solutions Polska Sp. z o.o.	18.000	
We-Cube.Com S.p.A.	Turin	Italy	666,668	EUR	14.79	Business Solutions S.p.A.	14.790	
Miscellaneous and Holding companies								
Ascai Servizi S.r.l.	Rome	Italy	73,337	EUR	13.43	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	14.080	
Consorzio Sorore	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.12	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Euromedia Luxembourg One S.A.	Luxembourg	Luxembourg	52,500,000	USD	14.29	Fiat Netherlands Holding N.V.	14.286	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36	Fiat Partecipazioni S.p.A.	19.355	
Istituto Europeo di Oncologia S.r.l.	Milan	Italy	57,305,382	EUR	10.90	Fiat Partecipazioni S.p.A.	10.903	
Lingotto S.p.A.	Turin	Italy	17,264,000	EUR	17.02	Fiat Partecipazioni S.p.A.	17.019	
Selvi & Cie S.A.	Geneva	Switzerland	2,400,000	CHF	16.67	BUC - Banca Unione di Credito	16.666	
Société Anonyme Technique Immobilière et Financière de la Sadim (S.A.T.I.F.)	Monaco	Princip. of Monaco	750,000	EUR	12.60	Fiat Partecipazioni S.p.A.	12.600	

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (52.96%-owned subsidiary of IFIL Group)

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Paper							
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS A.B.	SWEDEN	1,000,000.00	SEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
ANTALIS A/S	DENMARK	4,000,000.00	DKK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS AS	LATVIA	533,900.00	LVL	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	99.960	99.960
ANTALIS A.S.	SLOVAK REP.	2,000,000.00	SKK	100.00	ANTALIS S.R.O.	61.000	61.000
					ANTALIS INTERNATIONAL HOLDINGS BV	39.000	39.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	100.00	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS BV	NETHERLANDS	5,100,000.00	NLG	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS ENVELOPES LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
ANTALIS ENVELOPES NV (in liquidation)	BELGIUM	62,000.00	EUR	100.00	ANTALIS NV/SA	99.900	99.900
					ANTALIS INTERNATIONAL HOLDINGS BV	0.100	0.100
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS EUROPE HOLDINGS	UNITED KINGDOM	39,776,643.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	200,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP	UNITED KINGDOM	73,987,723.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	86,244,205.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS (HONG KONG) LIMITED	HONG KONG (CHINA)	150,000.00	HKD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	99.993	99.993
					WIGGINS TEAPE LIMITED	0.007	0.007
ANTALIS IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL HOLDINGS BV	NETHERLANDS	21,500.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	986,880,573.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS INTERNATIONAL HOLDINGS BV	0.000	0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
					WIGGINS TEAPE LIMITED	0.000	0.000
ANTALIS LIETUVA UAB	LITHUANIA	4,000,000.00	LTL	0.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS NV/SA	BELGIUM	7,437,128.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	99.995	99.995
					ARJO WIGGINS BELGIUM S.A.	0.002	0.002
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,129,914.16	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	7,948,114.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PERU SA	PERU	5.590.261.61	SOL	100.00	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	2,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	NETHERLANDS	2,000,000.00	NLG	100.00	MÜHLEBACH B.V.	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	12,525,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS (HONG-KONG)	HONG KONG (CHINA)	100,000.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
					ANTALIS (HONG KONG) LIMITED	1.000	1.000
ANTALIS PROMOTIONAL PRODUCTS S.L. SU	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA	81.410	81.410
					MÜHLEBACH B.V.	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	305.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	95.000	95.000
					ANTALIS PURCHASING SASU	5.000	5.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SA	ROMENIA	2,400,000,000.00	ROL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,000.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS SNC	FRANCE	22,479,066.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS PURCHASING SASU	0.000	0.000
ANTALIS SPA	ITALY	45,677,664.00	EUR	99.00	ANTALIS INTERNATIONAL SAS	98.995	98.995
					ANTALIS EUROPE HOLDINGS	0.000	0.000
ANTALIS S.R.O.	CZECH REPUBLIC	62,200,000.00	CZK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (SWITZERLAND) AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED	80.000	80.000
					SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	9.999	9.999
ANTHALO SRL	ITALY	30,000.00	EUR	50.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL	50.000	50.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000
APPLETON COATED PAPERS HOLDINGS INC.	USA	1,445.00	USD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	100.000	100.000
APPLETON LEASING L.L.C.	USA	1,000.00	USD	100.00	APPLETON COATED LLC.	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS CHARTHAM LIMITED	UNITED KINGDOM	6,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS PAPIERS COUCHES SAS	FRANCE	87,916,250.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS RIVES SAS	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
ARJOWIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (52.96%-owned subsidiary of IFIL Group)

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ARJOWIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	2,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
					ARJO WIGGINS UK HOLDINGS LIMITED	0.000	0.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	CANSON INTERNATIONAL SAS	91.500	91.500
					ARJOWIGGINS SAS	8.500	8.500
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	193,852,736.37	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	99.998	99.998
					ARJO WIGGINS LIMITED	0.002	0.002
ARJO WIGGINS BELGIUM S.A.	UNITED KINGDOM	32,500,000.00	EUR	99.99	ARJO WIGGINS BELGIUM HOLDINGS S.A.	99.990	99.990
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONAL LTD	UNITED KINGDOM	75,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI 12 SAS	100.000	100.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED	48.951	48.951
					ARJOWIGGINS SAS	51.049	51.049
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.96	ARJO WIGGINS BELGIUM S.A.	99.970	99.970
					WIGGINS TEAPE LIMITED	0.030	0.030
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	2,556,459.41	EUR	99.99	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS ITALIA HOLDINGS S.R.L.	ITALY	2,275,000.00	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	ARJO WIGGINS PARTICIPACOES LTDA	98.698	98.698
					CANSON INTERNATIONAL SAS	1.302	1.302
ARJO WIGGINS LYNX LTD	UNITED KINGDOM	3,000,000.00	GBP	100.00	ARJOWIGGINS CANSON SAS	32.800	32.800
					ARJO WIGGINS FINE PAPERS LIMITED	29.800	29.800
					ARJOWIGGINS PAPIERS COUCHES SAS	28.200	28.200
					GUARRO CASAS S.A.	9.200	9.200
					ARJOWIGGINS SAS	0.000	0.000
ARJO WIGGINS MEDICAL, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJO WIGGINS NC, LLC	USA	1.00	USD	100.00	MURO. INC.	100.000	100.000
ARJO WIGGINS PARTICIPACOES LTDA	BRAZIL	49,705,800.00	BRL	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL					ARJOWIGGINS PAPIERS COUCHES SAS	99.500	99.500
	SWITZERLAND	200,000.00	CHF	100.00	ARJOWIGGINS SAS	0.500	0.500
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	5,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS USA, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MU.RO. INC.	51.000	51.000
					ARJO WIGGINS NC, LLC.	49.000	49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
AS ANTALIS	ESTHONIA	5,700,000.00	EEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
AWA QINGDAO PAPER LIMITED	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
BRANGS AND HEINRICH AG	SWITZERLAND	300,000.00	CHF	100.00	PAPIER-PART GMBH	98.000	98.000
BRANGS AND HEINRICH GMBH	GERMANY	1,600,000.00	EUR	100.00	ANTALIS GMBH	100.000	100.000
BRANGS AND HEINRICH GES.M.B.H.	AUSTRIA	510,000.00	EUR	92.50	PAPIER-PART GMBH	92.500	92.500
BRANOPACK S.R.L.	ITALY	100,000.00	EUR	100.00	PAPIER-PART GMBH	100.000	100.000
BRANOPACK SARL	FRANCE	100,000.00	EUR	100.00	PAPIER-PART GMBH	100.000	100.000
BRANOPACK LIMITED	UNITED KINGDOM	175,000.00	GBP	100.00	PAPIER-PART GMBH	100.000	100.000
B.T.I.I.	FRANCE	30.00	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS SAS	FRANCE	686,070.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	95.000	95.000
					ARJOWIGGINS CANSON SAS	5.000	5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON, INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (52.96%-owned subsidiary of IFIL Group)

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL (EXPO EUROPA)	ITALY	1,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
CLASS PAPIER B.V.	NETHERLANDS	40,000.00	NLG	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
COMERCIAL MANANTIALES LIMITADA	CHILE	5,608,000,000.00	CLP	100.00	INVERSIONES GMS SA	99.999	99.999
					GMS PRODUCTOS GRAFICOS LIMITADA	0.001	0.001
COPIGRAPH GMBH (in liquidation)	GERMANY	511,803.00	EUR	100.00	COPIGRAPH S.A.	97.692	97.692
COPIGRAPH S.A.	FRANCE	6,300,000.00	EUR	100.00	GUERIMAND SAS	99.999	99.999
COPIGRAPH S.A.	FRANCE	6,300,000.00	EUR	100.00	GUERIMAND SAS	99.999	99.999
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
DISTRIBUIDORA OFIMARKET SA	CHILE	1,216,260,179.00	CLP	100.00	INVERSIONES GMS SA	99.993	99.993
					COMERCIAL MANANTIALES LIMITADA	0.007	0.007
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.93	TORDERA S.A.	100.000	100.000
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
FAIRPRINT BV	NETHERLANDS	40,000.00	NLG	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FIRMO - PAPEIS E PAPELARIA, S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
FRESER S.L.	SPAIN	3,006.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GEP S.P.A.	ITALY	1,571,152.00	EUR	90.71	W PARTICIPATIONS SAS	30.640	30.640
					ARJOWIGGINS SECURITY SAS	60.070	60.070
GMS DISTRIBUIDORA GRAFICA SA	CHILE	455,343,028.00	CLP	100.00	INVERSIONES GMS SA	99.000	99.000
					COMERCIAL MANANTIALES LIMITADA	1.000	1.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	4,230,894,946.00	CLP	100.00	COMERCIAL MANANTIALES LIMITADA	86.000	86.000
					INVERSIONES GMS SA	14.000	14.000
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.					ARJOWIGGINS CANSON SAS	97.958	97.958
	SPAIN	6,600,000.00	EUR	99.93	GUARRO CASAS S.A. (*)	1.972	1.972
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
I-PAPERS LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A.	81.301	81.301
					ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	18.699	18.699
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.93	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	13,986,735,100.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	17.230	17.230
					ANTALIS INTERNATIONAL SAS	45.380	45.380
					ANTALIS INTERNATIONAL HOLDINGS BV	37.390	37.390
INVERSIONES ANTALIS LIMITADA	CHILE	30,515,570,540.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA	99.990	99.990
					ANTALIS INTERNATIONAL HOLDINGS BV	0.010	0.010
INVERSIONES EXTERIOR SA	CHILE	3,094,646,599.00	CLP	100.00	INVERSIONES ANTALIS LIMITADA	99.990	99.990
					INVERSIONES ANTALIS HOLDINGS LIMITADA	0.010	0.010
INVERSIONES GMS SA	CHILE	10,202,346,068.00	CLP	100.00	INVERSIONES ANTALIS LIMITADA	99.990	99.990
					INVERSIONES ANTALIS HOLDINGS LIMITADA	0.010	0.010
INVERSIONES LOS PELLINES DOS SA	CHILE	1,088,894,160.00	CLP	100.00	INVERSIONES ANTALIS LIMITADA	99.990	99.990
					INVERSIONES ANTALIS HOLDINGS LIMITADA	0.010	0.010
ISOPAC PACKMITTEL GMBH	GERMANY	52,000.00	EUR	100.00	ANTALIS GMBH	100.000	100.000
ISSY 5 EURL	FRANCE	8,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
JAMICE SAS	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
LODI 12 SAS	FRANCE	38,112.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
MU.RO. INC.	USA	5,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MÜHLEBACH B.V.	NETHERLANDS	45,378.02	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PAPIER-PART GMBH	SWITZERLAND	400,000.00	CHF	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	1,176,000.00	USD	100.00	LODI 12 SAS	40.000	40.000
					ARJO WIGGINS CHINA HOLDINGS LIMITED	60.000	60.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,026,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	100.000
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	15,350,375,000,000.00	TLR	80.00	ANTALIS INTERNATIONAL HOLDINGS BV	80.000	80.000
SITTER S.N.C.	FRANCE	160,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	99.700	99.700
					ANTALIS SNC	0.300	0.300
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.92	TORDERA S.A.	100.000	100.000
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	100.00	ARJOWIGGINS SAS	95.000	95.000
					ARJOWIGGINS LE BOURRAY SAS	5.000	5.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.93	GUARRO CASAS S.A.	100.000	100.000

(*) VOTING SUSPENDED

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A. (52.96%-owned subsidiary of IFIL Group)

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	NETHERLANDS	6,806,703.24	EUR	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
Financing services							
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	10,000,000.00	CHF	100.00	PERMAL GROUP SCA	100.000	100.000
HAUSSMANN HOLDINGS SA	LUXEMBOURG	100,000.00	USD	40.00	W & P FUND SERVICES LTD	40.000	40.000
					IFABANQUE SA	7.000	7.000
H.H. REPURCHASE & TRADING COMPANY NV	DUTCH ANTILLES	30,000.00	USD	40.00	W & P FUND SERVICES LTD	40.000	40.000
PERMAL ASSET MANAGEMENT INC	USA	10.00	USD	100.00	WORMS & CO INC.	100.000	100.000
PERMAL CAPITAL HOLDINGS INC	USA	100.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL CAPITAL MANAGEMENT LLC	USA	3,424,498.00	USD	100.00	PERMAL CAPITAL HOLDINGS INC	99.000	99.000
PERMAL FRANCE SAS	FRANCE	40,000.00	EUR	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL GROUP LIMITED	UNITED KINGDOM	1.00	GBP	100.00	PERMAL GROUP SCA	100.000	100.000
PERMAL GROUP SCA	FRANCE	286,219,820.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
					W MANAGEMENT SAS	0.000	0.000
PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED	UNITED KINGDOM	7,000,000.00	GBP	100.00	WORMS & CO LTD	80.000	80.000
PERMAL ISLAND OF MAN	ISLE OF MAN	1.00	GBP	100.00	PERMAL INVESTMENT MANAGEMENT SERVICES LIMITED	100.000	100.000
THE ST JAMES BANK & TRUST COMPANY LIMITED	BAHAMAS	20,000,000.00	USD	100.00	FINANCIERE WORMS & CIE SA	100.000	100.000
VELOCITY SPV LLC	USA	400,000.00	USD	100.00	WORMS & CO INC	100.000	100.000
W & P FUND SERVICES LIMITED	BAHAMAS	500,000.00	USD	100.00	THE ST JAMES BANK & TRUST COMPANY LIMITED	100.000	100.000
WORMS & CO INC	USA	535,081.00	USD	100.00	PERMAL GROUP SCA	100.000	100.000
WORMS & CO LIMITED	UNITED KINGDOM	6,750,000.00	GBP	100.00	PERMAL GROUP SCA	100.000	100.000
Miscellaneous and Holding companies							
ANTONIN RODET SAS	FRANCE	11,100,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDAS	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	89.910	89.910
ARJO WIGGINS APPLETON GROUP SERVICES SAS	FRANCE	500,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS APPLETON HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.999	99.999
					AWA FINANCE	0.001	0.001
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,937,989.25	GBP	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDAS	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS EUROPE HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.999	99.999
					ARJO WIGGINS APPLETON HOLDINGS	0.001	0.001
ARJO WIGGINS NORTH AMERICA INVESTMENTS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.999	99.999
					AWA FINANCE	0.001	0.001
ARJO WIGGINS US HOLDINGS	UNITED KINGDOM	36,187,415.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
					AWA FINANCE	0.000	0.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AWA FINANCE	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.999	99.999
					ARJO WIGGINS APPLETON HOLDINGS	0.001	0.001
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (in liquidation)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.986	99.986
SOCIETE MOBILIERE DE PLACEMENTS SAS	FRANCE	915,000.00	EUR	100.00	W MANAGEMENT SAS	100.000	100.000
WORMS UK LIMITED	UNITED KINGDOM	120,714.00	GBP	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W MANAGEMENT SAS	FRANCE	76,916,655.00	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
W PARTICIPATIONS SAS	FRANCE	42,323,123.70	EUR	100.00	WORMS & CIE S.A. A DIRECTOIRE ET CS	92.786	92.786
					SOCIETE MOBILIERE DE PLACEMENTS SAS	7.214	7.214
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	100.00	ANTALIS INTERNATIONAL SAS	40.000	40.000
					ARJOWIGGINS SAS	37.000	38.000
					PERMAL France SAS	8.000	8.000
					WORMS & CIE S.A. A DIRECTOIRE ET CS	15.000	15.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through WORMS & Cie S.A.
(52.96%-owned subsidiary of IFIL Group)

Name	Country	Capital Stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Companies valued by the equity method							
Paper							
DIMAGRAF SA	ARGENTINA	125,000.00	ARS	30.00	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	22.200 7.800	22.200 7.800
ESPECIALIDADES PAPELERAS ESPAVE C.A.	VENEZUELA	6,000,000.00	VEB	33.48	TORDERA S.A.	33.500	33.500
MWT PAPER PROCESSING LIMITED	MAURITIUS	20,000,000.00	MUR	50.00	ANTALIS SA HOLDINGS LIMITED	50.000	50.000
QUIMIGRAF SA	ARGENTINA	100,000.00	ARS	30.00	INVERSIONES EXTERIOR SA INVERSIONES LOS PELLINES DOS SA	22.200 7.800	22.200 7.800
SHRIRO PACIFIC PAPER (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
SHRIRO PAPER (MALAYSIA) SDN. BHD.	MALAYSIA	4,700,000.00	MYR	40.00	ANTALIS OVERSEAS HOLDINGS LIMITED	40.000	40.000
Financial services							
IFABANQUE S.A.	FRANCE	15,785,200.00	EUR	25.00	PERMAL GROUP SCA	25.002	25.002
TWO COAST, LLC	USA	800,000.00	USD	50.00	VELOCITY SPV LLC	50.000	50.000
Miscellaneous and Holding companies							
PECHEL INDUSTRIES SAS	FRANCE	36,915,000.00	EUR	39.03	W PARTICIPATIONS SAS	39.032	39.032
SGS S.A. / SGS LTD	SWITZERLAND	156,443,320.00	CHF	24.33	WORMS & CIE S.A. A DIRECTOIRE ET CS	23.773	24.326
Companies valued at cost							
Paper							
ANTALIS (MALAYSIA) SDN BHD	MALAYSIA	2,500,000.00	MYR	-	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ARJOWIGGINS IVYBRIDGE LIMITED	UNITED KINGDOM	1	GBP	-	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS ARGENTINA S.A.	ARGENTINA	12,000.00	ARS	-	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	99.992	99.992
ARJO WIGGINS CHINA LIMITED	PEOPLE'S REP. OF CHINA	1,000.00	HKD	-	ANTALIS (HONG KONG) LIMITED	90.000	90.000
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	-	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (BEIJING) CO. LTD.	PEOPLE'S REP. OF CHINA	300,000.00	USD	-	ARJO WIGGINS CHINA LIMITED	100.000	100.000
ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO.LTD.	PEOPLE'S REP. OF CHINA	470,000.00	USD	-	ARJO WIGGINS CHINA LIMITED	100.000	100.000
PAPELCO SAI CIF	ARGENTINA	N.D.	USD	-	WITCEL S.A.	99.776	99.776
Miscellaneous and Holding companies							
AP FRANKLIN SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP PLACEMENTS SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
AP STRATEGIE SAS	FRANCE	40,000.00	EUR	-	AP FRANKLIN SAS	100.000	100.000
AP VALORISATION SAS	FRANCE	40,000.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	100.000	100.000
CHATEAU DE MERCEY DOMAINE RODET SAS	FRANCE	542,500.00	EUR	-	ANTONIN RODET SAS	100.000	100.000
DUCS DE SAVOIE	FRANCE	3,200.00	EUR	-	SOCIETE MOBILIERE DE PLACEMENTS SAS	23.810	23.810
DUVERGEY S.A.R.L.	FRANCE	7,622.45	EUR	-	ANTONIN RODET SAS	95.000	95.000
SAS	FRANCE	4,575,000.00	EUR	-	ANTONIN RODET SAS	35.625	35.625
FRANKLIN INTERNATIONAL SAS	FRANCE	40,000.00	EUR	-	W PARTICIPATIONS SAS	100.000	100.000
S.C.I. ELISEE RECLUS PARIS 17E	FRANCE	1,524.00	EUR	-	WORMS & CIE S.A. A DIRECTOIRE ET CS	50.000	50.000
SCE DU DOMAINE DE LA BRESSANDE	FRANCE	15,244.90	EUR	-	ANTONIN RODET SAS	99.800	99.800
SOCIETE D'EXPLOITATION DU DOMAINE DE L'AIGLE (SCEA)	FRANCE	642,430.00	EUR	-	ANTONIN RODET SAS CHÂTEAU DE MERCEY DOMAINE RODET SAS	99.998 0.002	99.998 0.002
WIGGINS TEAPE PENSIONS LIMITED	UNITED KINGDOM	3.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
Other companies pursuant to Consob resolution No. 11971 (art. 126. of the Regulations)							
Paper							
EXPRESSO PAPER PLATFORM BV	NETHERLANDS	3,346,410.20	EUR	-	ANTALIS INTERNATIONAL HOLDINGS BV	12.895	12.895
Miscellaneous and Holding companies							
JUSTRADEIT S.A. (in liquidation)	FRANCE	192,593.00	EUR	-	W PARTICIPATIONS SAS	13.890	13.890

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through Alpitour S.p.A. (100%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA INTERNATIONAL S.p.A.	ITALY	120,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.p.A.	ITALY	140,385.00	EUR	60.003	ALPITOUR S.p.A.	60.003	60.003
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000.00	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.998	99.998
BLUEMARIN HOTEL S.A. DE C.V.	MEXICO	65,956,258.00	MXP	99.998	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.998	99.998
BLUEMARIN SERVICES S.A. DE C.V.	MEXICO	50,000.00	MXP	99.998	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.998	99.998
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SARDEGNA S.r.l.	ITALY	52,000.00	EUR	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EUR	90.000	ALPITOUR S.p.A.	90.000	90.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	59.625	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.375	99.375
ELSHAH FOR FLOATING HOTELS	EGYPT	6,000,000	EGP	59.802	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	99.670	99.670
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EUR	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	60.000	BLUMARIN HOTELS SARDEGNA S.r.l.	60.000	60.000
KELIBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGWA LIMITED	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.036	1.036
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EUR	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	58.966	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	98.276	98.276
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860	EUR	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL TUNISIE S.A.	TUNISIA	200,000	TND	99.970	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.970	99.970
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Insurance company							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Distribution (Travel agency)							
WELCOME TRAVEL GROUP S.P.A.	ITALY	6,380,000	EUR	100.000	ALPITOUR S.P.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	97.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	97.000	97.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through Alpitour S.p.A. (100%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EUR	64.980	JUMBOTURISMO S.A. UNIPERSONAL	64.980	64.980
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EUR	100.000	ALPITOUR S.p.A.	50.000	50.000
					JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS SICILIA S.r.l.	ITALY	99,999.00	EUR	70.000	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	300,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EUR	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
PANAFRICAN TOURS S.A.	MOROCCO	400,000	MAD	99.700	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
Tour Operating							
COMPAGNIA DELLA NATURA S.p.A.	ITALY	155,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
FRANCOROSSO INCENTIVE S.r.l.	ITALY	10,400.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO GRANDI EVENTI S.r.l.	ITALY	78,000.00	EUR	70.000	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
Airline							
NEOS S.p.A.	ITALY	4,425,800.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP S.p.A.	0.000	0.000

CONTINUES INVESTMENTS HELD THROUGH IFIL S.p.A. - Investments held through Alpitour S.p.A. (100%-owned subsidiary of IFIL Group)

Name	Country	Capital stock at 12/31/2004	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Companies valued by the equity method							
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EUR	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EUR	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EUR	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EUR	30.000	ALPITOUR S.p.A.	30.000	30.000
Tour Operating							
VIAGGI DELL'ELEFANTE S.p.A.	ITALY	260,000.00	EUR	35.000	ALPITOUR S.p.A.	35.000	35.000
Companies valued at cost							
Hotel management							
FLASH NILE CRUISES	EGYPT	480,000.00	EGP	-	ALPITOUR S.p.A	25.000	25.000
					FRANCOROSSO INCENTIVE S.r.l.	15.000	15.000
FLASH TOUR P.L.C.	EGYPT	7,000,000	EGP -		ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	20.000	20.000
Distribution (Travel agency)							
MINERVA VIAGGI S.r.l.	ITALY	156,000.00	EUR	-	ALPITOUR S.p.A.	100.000	100.000
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
SAUGO VIAGGI S.r.l.	ITALY	20,938.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	95.000	95.000
WIAGGI GALLERIA 57 S.r.l.	ITALY	50,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
TREND S.r.l.	ITALY	47,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
WELCOME WE TRAVEL S.R.L.	ITALY	100,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EUR	-	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
INFRATOURS DOMINICANA S.A.	DOMINICAN REP.	400,000.00	DOP	-	JUMBOTURISMO S.A. UNIPERSONAL	49.500	49.500

This report is printed on ecological paper Magnomatt

Printed on May 13, 2005

Printed in Italy by Stamperia Artistica Nazionale - Torino

IFIL GROUP IN 2004

DIRECTORS' REPORT ON OPERATIONS

investments IFIL

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

IFIL GROUP IN 2004
DIRECTORS' REPORT ON OPERATIONS

TABLE OF CONTENTS

This is an English translation of the Italian original document "Relazione sulla gestione" approved by the IFIL Board of Directors on March 30, 2005, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFIL S.p.A. and the Group, reference should be made to the full original report in Italian "Il Gruppo IFIL nel 2004" containing the Directors' Report on Operations and the Consolidated and Statutory Financial Statements also available on the corporate website: http://www.ifil.it.

investments IFIL

Board of Directors

Chairman and President
Gianluigi Gabetti

Managing Director and General Manager
Daniel John Winteler

Directors
Tiberto Brandolini d'Adda
John Elkann
Edoardo Ferrero
Franzo Grande Stevens
Mario Greco
Giancarlo Lombardi
Antonio Maria Marocco
Giuseppe Recchi
Claudio Saracco
Pio Teodorani-Fabbri

Secretary to the Board
Fernando Massara

Executive Committee

Chairman
Gianluigi Gabetti

Tiberto Brandolini d'Adda
John Elkann
Daniel John Winteler

Audit Committee

Chairman
Antonio Maria Marocco

Giancarlo Lombardi
Claudio Saracco

Compensation and Nominating Committee

Chairman
Gianluigi Gabetti

John Elkann
Mario Greco

Board of Statutory Auditors

Chairman	Piero Locatelli
Standing Auditors	Cesare Ferrero
	Natale Ignazio Girolamo
Alternate Auditors	Giorgio Giorgi
	Paolo Piccatti

Independent Auditors

Deloitte & Touche S.p.A.

Expiry of term of office

The three-year terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting on May 27, 2002, expire concurrently with the Stockholders' Meeting for the approval of the financial statements for the year ending December 31, 2004.

The Independent Auditors are appointed for the three-year period 2003-2005.

Corporate Governance

The Chairman and President may legally represent the Company (art. 20 of the bylaws). The Chairman and President, without specific authorization by the Board of Directors, may carry out all acts falling under the corporate business purpose, except as restricted by law.

The Board of Directors has conferred all powers necessary for the management of the Company to the Executive Committee, except those powers which are expressly entrusted to the Board of Directors by law.

The Managing Director and General Manager may legally represent the Company (art. 20 of the bylaws) up to the amounts established by resolution of the Board of Directors on June 11, 2004.

CHAIRMAN'S LETTER

To our shareholders,

The financial statements for 2004 summarize a positive year for IFIL, which has reported a consolidated profit of € 119 million (compared to a loss of € 45 million in 2003) and a profit of € 80 million in the statutory financial statements (compared to € 73 million in 2003). The aim of reducing the level of indebtedness has been achieved and surpassed: at the beginning of the current year, in fact, the consolidated net financial position of the "Holdings System" showed a cash position of more than € 680 million. Furthermore, with the payment of dividends, the promise to remunerate the stockholders was maintained.

To complete the picture, the considerable appreciation in the value of IFIL shares (+35%) since March 2003 – when the new management organization was announced – is indicative of strong growth.

***

The results appear even more significant if we consider the macro-economic scenario in which they were achieved. For the fourth consecutive year, GDP growth in Italy remained low (just over 1%). Unfortunately, alarm over the inadequacy of the Italian manufacturing segment – reported by almost all the observers and also confirmed by the heads of leading national institutions – found regretful confirmation in our balance of trade deficit, something which had not occurred since 1993.

Many well-known factors contributed to the poor performance of the Italian economy: the prevalence of traditional industry with a low level of technology; an industrial fabric with a large number of companies which are too small to expand onto international markets; the inadequacy of our infrastructures; the fact that the percentage of the working population is a small proportion of the whole; the propensity for "safe" but unproductive forms of saving, which subtract resources from the cycle of productive investments. In other words, a series of diverse causes, all of which have the same effect, namely, the relentless erosion of Italy's capacity to compete.

The statement that the problems currently being encountered in Italy are shared by the whole area of the euro is of no comfort. On the contrary, it merely aggravates the serious situation just described. In fact, the gain in value of the Single Currency – both against the U.S. dollar and the Asian currencies – and the weakness of internal demand have limited growth in continental Europe to 1.7%.

In order to find higher rates of growth, we must look elsewhere, starting in the United States, where, in 2004, GDP rose by 4.4%. A factor which highlights the evident capacity of the United States to implement policies oriented towards promoting growth, but which does not dispel the doubts nurtured by many economists, who are concerned by the presence of certain warning signs. These include the twin deficit (the national debt and balance of trade deficit) – which has now assumed alarming proportions – and the persisting weakness of the dollar, which, however, has not succeeded in relaunching floundering American exports.

***

In 2004, the most significant events for our Group were undoubtedly the reorganization of Fiat and the monetization of the investment in Rinascente.

The changes in top management at Fiat led to a far-reaching, incisive wave of corporate restructuring, which involved the whole Group at every level, especially in the Auto sector, where the serious nature of the problems necessitated the utmost attention and commitment. Now, we seem closer to achieving permanent financial and managerial equilibrium. The holding company has defined a clear industrial perimeter based on a more streamlined organization, which will simplify management processes and facilitate interaction among the various sectors.

Fiat Auto has been given a more efficient structure, favoring the responsibilization of management and the ability to make decisions, act and intervene more quickly, while the end of the alliance with General Motors made it possible to generate significant financial inflows and to regain the strategic freedom needed to plan and seize every opportunity in terms of the future growth of the company. Now, not only will the commercial success of the new models be crucial, but, as far as the non-auto sectors are concerned, also the consolidation and strengthening of their respective positions on the market.

The objectives of the relaunch plan – which have already been achieved in part this year, as the positive operating income of the Group shows – will certainly demand a high level of commitment, but the determination and the enthusiasm of the people who work at Fiat today are the best possible prerequisites for overcoming the many problems which still remain.

With the monetization of the investment in Rinascente, an extremely important deal was brought to a successful conclusion. The sale of the food activities to Auchan, followed by the sale of the textile business by auction, which attracted the most important Italian as well as foreign industrial and financial operators, comes at the end of a deep-seated restructuring which involved the entire retail Group and made it possible to exploit the progress achieved by each individual division in the best possible manner. While this deal gives each of the Rinascente Group's businesses the best prospects for development, the particularly significant cash proceeds from the deal will also allow IFIL to cancel its debts and free considerable resources for new investments.

With regard to the Group's business in the field of tourism, there again the changes were many. The monetization of the stake in Club Méditerranée was accompanied by two separate operations, which promise to generate interesting prospects in years to come. The first was the radical strategic reorganization of Alpitour, with the aim of recovering margins of operational efficiency and developing a range of packages focused on the Italian tourist product. The second involved IFIL's participation in the plan to privatize Sviluppo Italia Turismo. The initiative, which also involves Banca Intesa and the Marcegaglia group, will make it possible to improve and expand a series of tourist holiday facilities located in some of the most important vacation resorts in the south of Italy.

Finally, the changeover at the head of Worms coincided with the implementation of a new strategy, the first steps of which were the start of the process to appreciate Permal and the restructuring of industrial operations in the paper sector. Although the latter negatively influenced the end-of-year result, the French holding company reported a considerable gain in the value of its shares, which are listed on the Paris stock exchange.

***

The positive results achieved by IFIL in 2004 should find confirmation in the current year, thus enabling us to assure our stockholders of a balanced, constant return, despite the difficult macro-economic situation forecast for 2005.

The studies published by the most highly-respected economic institutes in the eurozone – where most of our subsidiaries operate – do not leave much room for optimism. The recent review of the European Stability Pact constitutes an important step towards the primary objective of growth, even though the performance produced by economic models that are successful today, as in China and the United States, remains a target that will be difficult to achieve.

However, the efforts made by the managements of our subsidiaries and the expansion strategy initiated by IFIL a year ago enable us to face the immediate future with reasonable optimism.

***

In the name of the Board of Directors I would like to thank our Stockholders for the trust they have placed in us, the Statutory Auditors and Independent Auditors for their profound commitment, and the Executive and all the Group's Employees for their continued efforts in a year fraught with difficulties.

Gianluigi Gabetti

THE INVESTMENT PORTFOLIO

IFIL Investments S.p.A. is the investment company of the Group headed by Giovanni Agnelli e C. S.a.p.az. (through IFI – Istituto Finanziario Industriale S.p.A. which holds approximately 63% of its ordinary capital stock). It commands two distinctive areas of operations: the active management of the controlling investment in Fiat and the dynamic management of the other holdings.

Fiat, controlled with a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat Auto, Ferrari and Maserati), agricultural and construction equipment (CNH Global), commercial vehicles (Iveco), automotive components for these vehicles and the supply of related services (Magneti Marelli, Comau and Teksid), as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Worms & Cie (52.96% holding) is a French-listed holding company with a portfolio comprising the following major investments:

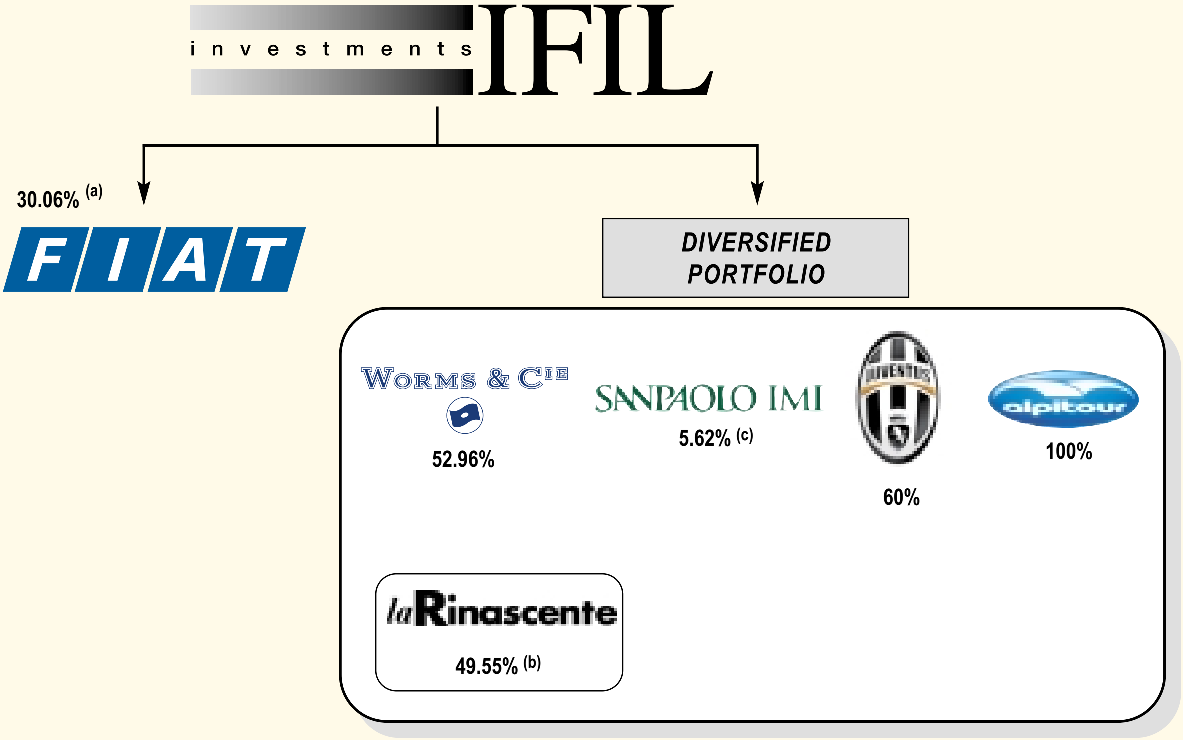
- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper (ArjoWiggins absorbed Carbonless Europe as from January 1, 2004);
- Antalis (100% holding), the leading European group in the distribution of paper products for printing and writing;
- Permal Group (77% holding), one of the leaders in the management of investment funds;
- SGS (23.8% holding), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality;

SANPAOLO IMI (5.62% holding by IFIL of ordinary capital stock) is a leading national banking group with over 3,000 branches throughout Italy;

Alpitour (100% holding) is the leading group in Italian tourism;

Juventus Football Club (60% holding by IFIL) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events.

The following chart is updated to the end of March 2005 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock:



(a) IFIL also holds 30.09% of preferred capital stock.
(b) Subject of the contract of sale to Tamerice S.r.l. dated March 13, 2005. The percentage is calculated on capital stock.
(c) Equal to 4.45% of capital stock.

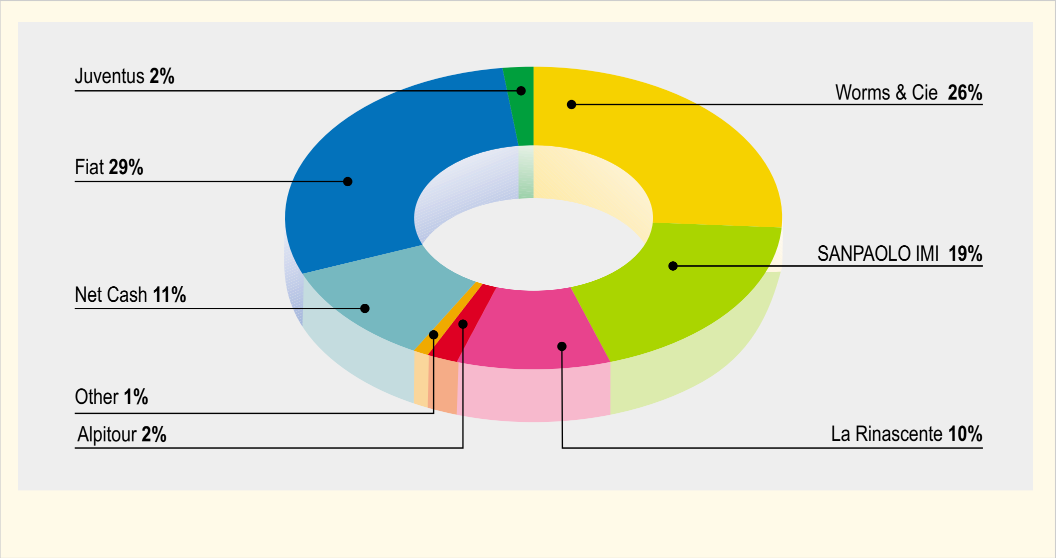
The following charts show the composition of the investment portfolio at current values and the change in its value over the last 10 years.

NET ASSET VALUE

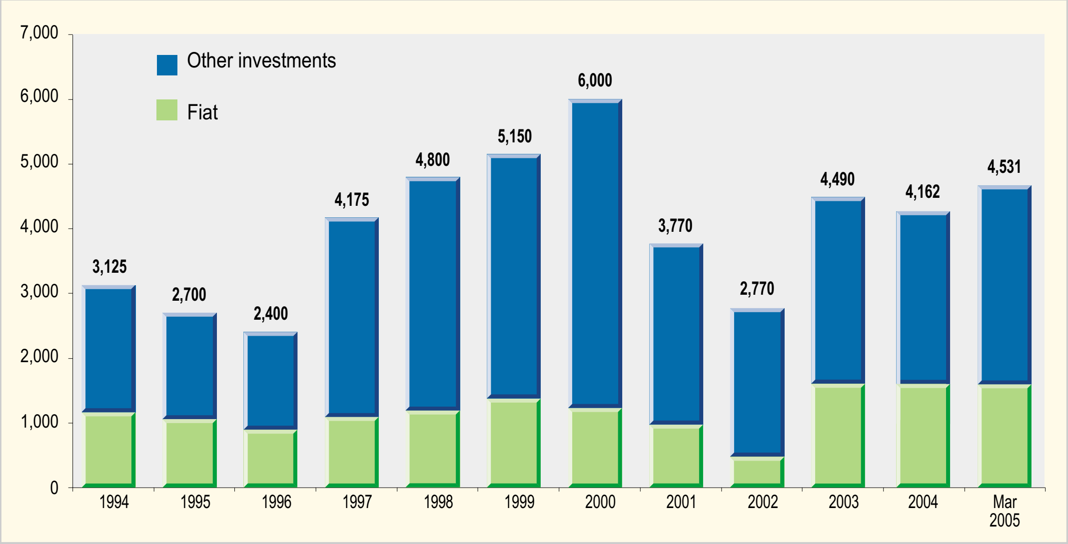
At the end of March 2005, the Net Asset Value is equal to € 5,067 million and is composed as follows:

€ in millions	
Investment portfolio	4,531
Net cash	536
Net asset value	**5,067**

As regards the investment portfolio, the listed equity holdings held at the end of March 2005 are valued at the closing stock market prices on March 29, 2005 and the investment in La Rinascente is valued on the basis of the contract of sale to Tamerice S.r.l. dated March 13, 2005.



PORTFOLIO CURRENT VALUE - € 4,531 MILLION (a)



(a) The current value of the portfolio is calculated consistently with the change in the accounting representation.

KEY OPERATING AND FINANCIAL DATA

The key results of the Group and IFIL S.p.A. are presented as follows.

IFIL GROUP

Condensed consolidated figures (a)					
€ in millions	**2004**	2003	2002	2001	2000
Consolidated net income (loss) - Group	**119**	(45)	(367)	351	345
Share of earnings (losses) of holdings and dividends	**(375)**	(28)	(271)	289	306
Financial fixed assets	**3,178**	4,223	3,207	3,695	3,400
Consolidated stockholders' equity - Group	**3,917**	3,954	2,708	3,395	3,142
Net financial position of the "Holdings System"	**683**	(235)	(484)	(323)	(120)
Earnings per share (€)					
Consolidated net income (loss) - Group (b)	**0.11**	(0.06)	(0.85)	0.81	0.78
Consolidated stockholders' equity - Group (c)	**3.64**	3.68	6.13	7.69	7.12

(a) Details regarding the criteria used for the preparation of the financial statements are provided in the section "Analysis of the IFIL Group condensed consolidated results".

(b) Calculated using the average number of shares outstanding.

(c) Calculated using the number of shares issued at the end of the year.

IFIL S.p.A.

€ in millions	**2004**	2003	2002	2001	2000
Net income (loss) - IFIL S.p.A.	**80**	73	(516)	104	102
Stockholders' equity - IFIL S.p.A.	**3,205**	3,194	1,823	2,421	2,399
Total dividends paid out	**74.3** (a)	66.7 (b)	-	81.2	82.6
Dividends paid out per share (€)					
Per ordinary share	**0.0683**	0.0620	-	0.18	0.18
Per savings share	**0.0890**	0.0827 (b)	-	0.2007	0.2007

(a) Maximum dividend payment to be put forward in a motion to the Stockholders' Meeting convened for the approval of the financial statements for the year ended December 31, 2004.

(b) € 3 million (€ 0.0827 per savings share) has also been paid out for the balance of the preference dividends referring to 2002.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

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

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

The directors have the right, for a period of five years from the resolution passed on May 14, 2003, to increase, at one or more times, also in divisible form, the capital stock up to a maximum of € 1,500 million and to issue, at one or more times, convertible bonds, up to the same figure but for amounts which, each time, do not exceed the limits established by law.

The directors also have the right, for a period of five years from the resolution passed on May 25, 2001, to increase, at one or more times, the capital stock, excluding option rights, for a maximum amount of € 4 million, through the issue of a maximum of 4 million ordinary and/or savings shares, with a par value of € 1 each, to be offered for subscription to the employees of the Company or its subsidiaries or the parent companies or the subsidiaries of the same parent companies.
By the power vested in it above, on February 7, 2005, the Board of Directors voted to increase capital stock to service a stock option plan for the managers of the Company and its parent company.
The transaction will involve the issue of 800,000 IFIL ordinary shares (0.07% of capital stock) of par value € 1, which will be subscribed in cash by the end of April 2005 at the unit price of € 1.85 for a total of € 1,480,000. Following this increase, IFIL's capital stock will amount to € 1,075,995,737 and will consist of 1,038,612,717 ordinary shares and 37,383,020 savings shares, all with a par value of € 1.

Stockholders

IFIL has approximately 30,000 stockholders at December 31, 2004.
The controlling stockholder, IFI – Istituto Finanziario Industriale S.p.A., held 62.03% of ordinary capital stock; at the end of March 2005, this holding increased to approximately 63%.

At December 31, 2004, other major stockholders, indicated below, represent 18.84% of ordinary capital stock:

Major stockholders at December 31, 2004		
Stockholders	**%**	**Ordinary shares**
Morgan Stanley & Co. Int. - London	3.50	36,337,878
Morgan Stanley & Co. Ic. Equities - New York	2.40	24,918,469
The Public Institution for Social Security	2.56	26,576,104
Egerton Capital Ltd	2.17	22,474,427
Dresdner Kleinwort Wasserstein Sec. Ltd	1.70	17,620,000
HSBC Investment Bank PLC	1.45	15,003,925
Findim Group SA	1.29	13,353,531
Deutsche Bank A.G.	1.83	18,990,701
Banca d'Italia	1.01	10,446,584
Generali Group	0.93	9,635,720
	18.84	***195,357,339***

Treasury stock

At the end of March 2005, IFIL holds 14,596,040 ordinary shares of treasury stock (1.41% of the class of stock) including 810,262 shares held through the subsidiary Soiem.

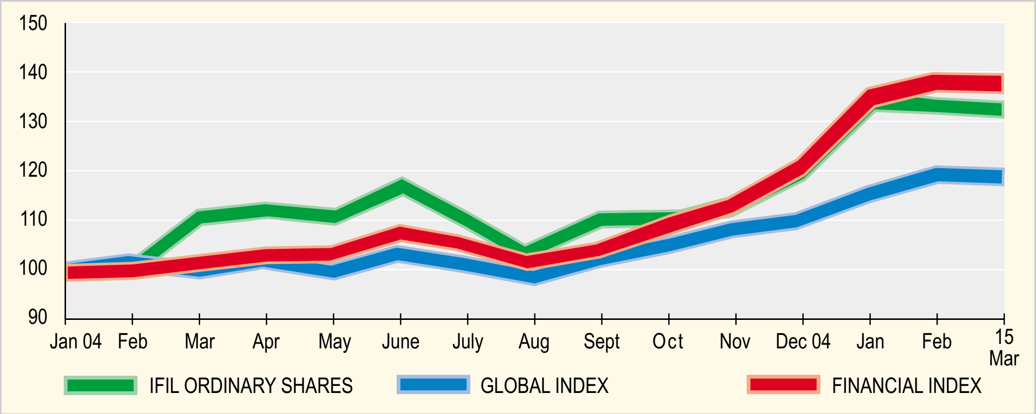
On March 30, 2005, the Board of Directors voted to put forward a motion to the Ordinary Stockholders' Meeting to renew the resolution for the authorization of the buyback of treasury stock for a maximum of 90 million IFIL ordinary shares and/or savings shares, setting aside a total of € 300 million.

Stock performance

Stock performance by IFIL ordinary shares during 2004 was positive and consistently higher than the Global Index. This was due to the overall appreciation of the value of the Company's investment holdings and a significant consolidated net cash financial position reached by the "Holdings System" (mainly as a result of the divestiture of La Rinascente's food business). The bullish trend continued also into the first part of 2005.

IFIL ordinary stock thus gained 24.6% for the entire year (including the distribution of dividends) against a positive 19.9% performance by the Global Index.

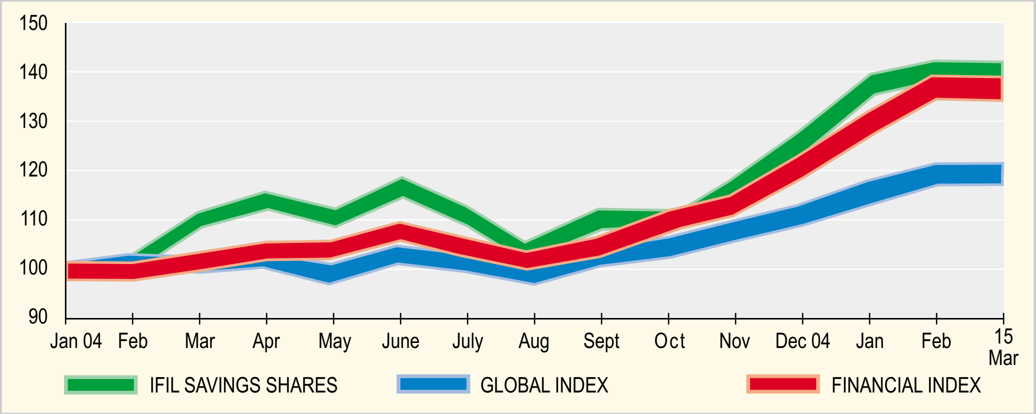
PERFORMANCE BY IFIL ORDINARY SHARES COMPARED TO COMIT MARKET INDEXES (a)



In 2004, IFIL savings shares performed better on average than IFIL ordinary shares and the Global Index. In fact, savings shares benefited from the prospects of the payment of the preference dividend relating to 2002 and 2003, in addition to the generalized inclination of the market toward defensive stocks with high dividends.

During 2004, savings shares showed a positive 38.5% performance.

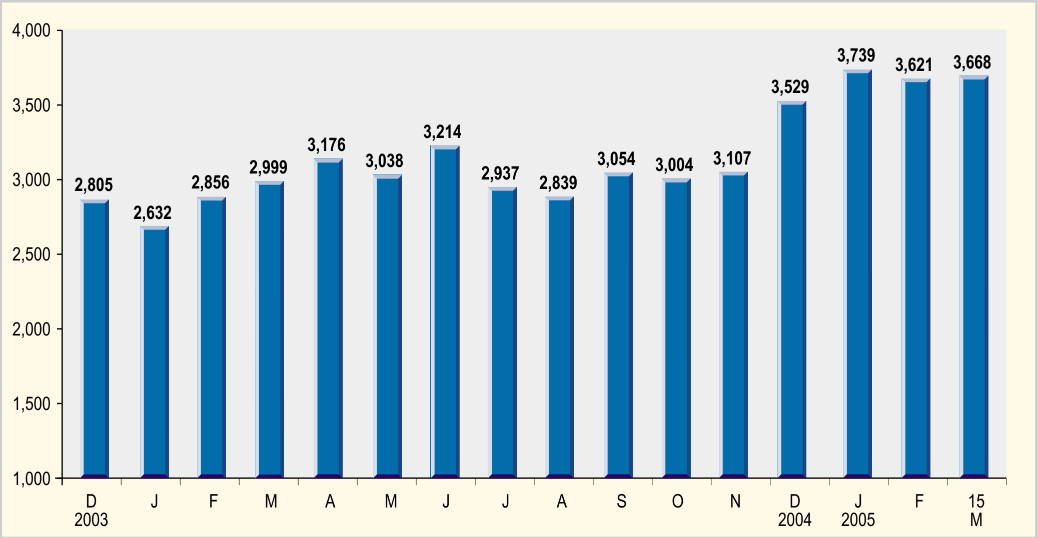
PERFORMANCE BY IFIL SAVINGS SHARES COMPARED TO COMIT MARKET INDEXES (a)



(a) The charts are based on average monthly stock market data.

During 2004, IFIL's capitalization rose from € 2,805 million to € 3,529 million. The increase of € 724 million, as commented earlier, can principally be traced to the increase in the value of the Company's investment holdings and the excellent outcome of the divestitures that took place, and confirms the solid base of the economic and capital structure of the IFIL Group.

CAPITALIZATION DECEMBER 2003 / MARCH 2005 – IFIL ordinary shares – IFIL savings shares (% in millions)



During 2004, the value and volumes of IFIL ordinary shares traded grew still further. The increment in the volumes of ordinary shares traded (liquidity) is a confirmation of having reached one of the objectives of the 2003 Reorganization Plan.

The reduction of the volumes and value of savings shares traded in comparison with 2003 is due to the conversion of savings shares to ordinary shares carried out in 2003.

IFIL's ordinary stock is listed on the MIDEX for mid-cap companies.

MARKET INFORMATION	**2005 (1/1-3/15)**	**2004**	2003	2002
Market price per ordinary share (€):				
. year-end	**3.41**	**3.29**	2.62	3.00
. high	**3.56**	**3.29**	3.40	4.72
. low	**3.25**	**2.43**	1.65	2.64
Market price per savings share (€):				
. year-end	**3.41**	**3.19**	2.38	2.13
. high	**3.49**	**3.19**	2.54	3.66
. low	**3.24**	**2.33**	1.42	1.91
Trading volumes during the period				
. ordinary shares (in millions of shares)	**169**	**613**	464	62
. savings shares (in millions of shares)	**10**	**24**	67	87
Value of trading volumes during the period (€ in millions)				
. ordinary shares	**583**	**1,729**	1,025	274
. savings shares	**33**	**66**	121	304

The market prices of 2003 and prior years have been adjusted on the basis of the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

Again in 2004, IFIL devoted special attention to relations with stockholders, institutional investors, financial analysts and Italian and foreign economic journalists.

In particular:

- more than 1,000 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website at www.ifil.it;
- intensive contacts have been established through individual meetings with Italian and foreign institutional investors and financial analysts;
- a new version of the corporate website has been designed to better meet the information needs of investors, analysts and journalists;
- far-reaching, comprehensive information has been circulated through the Italian and foreign economic and financial press.

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

External Relations and Press Office
Tel. +39.011.5090320
Fax +39.011.5090386
relazioni.esterne@ifil.it

Institutional Investors and
Financial Analysts Relations
Tel. +39.011.5090360
Fax +39.011.535600
relazioni.investitori@ifil.it

Stocks and Bonds Service
Tel. +39.011.5090323
Tel. +39.011.5090205
Fax +39.011.5090321
servizio.titoli@ifil.it

MAJOR EVENTS IN 2004

Purchase of 9.53% of Eurofind capital stock
In January, the subsidiary Ifil Investissements purchased 9.53% of Eurofind capital stock from Mediobanca for an investment of € 116.1 million.
After this transaction, Eurofind's capital stock was held equally by the IFIL Group (through Ifil Investissements) and the Auchan Group.

Process for the monetization of the investment in the Rinascente Group
In October, La Rinascente finalized the partial proportional spin-off of the textile sector (Department Stores and Upim) to a new beneficiary company which took the name of La Rinascente.
The other activity sectors, including the Auchan hypermarkets, the SMA supermarkets, the 50% interest in SIB S.p.A. (do-it-yourself), the 51% interest in Gallerie Commerciali Italia S.p.A. and the 50% interest in Fiordaliso S.p.A. remained under the control of the company which had effected the spin-off and which took the name of Società Italiana Distribuzione Moderna (SIDM).

In December, after the proportional total spin-off of Eurofind, two new Luxembourg-registered companies were set up named Eurofind Food and Eurofind Textile, both jointly controlled by Ifil Investissements and the Auchan Group. As a result of this transaction, Eurofind Food and Eurofind Textile came to hold, respectively, 99.09% of the capital stock of SIDM and 99.09% of the capital stock of La Rinascente (companies that, in their turn, came from the above-described spin-off of La Rinascente).

In the second half of December, after obtaining authorization from the competent antitrust authority, Ifil Investissements sold 50% of the capital stock of Eurofind Food to the Auchan Group for € 1,062.9 million (including € 810.5 million of cash proceeds and € 252.4 million deferred until mid-2005) with a gain on consolidation of € 586.3 million.

Sale of the investment in Club Méditerranée
In October, after having obtained approval from the competent antitrust authorities, the subsidiary Mediterranean Capital (ex-Ifil Capital) and Exor Group sold the investments in Club Méditerranée capital stock to the Accor Group. Specifically, Mediterranean Capital sold 1,233,691 Club Méditerranée shares (6.37% of capital stock) to Accor at the price of € 55.5 million (€ 45 per share) with a gain on consolidation of € 24.4 million.

The Accor Group is contractually obliged to pay a possible price adjustment, over the next two years, up to a maximum of € 12.3 million (€ 10 per share), in relation to Club Méditerranée's future economic and financial performance.

In conjunction with this deal, in June, the subsidiary Mediterranean Capital had sold 0.82% of Club Méditerranée capital stock to Exor Group for € 6.1 million with a gain on consolidation of € 2 million.

Transactions regarding NHT
In January, Ifil Investissements purchased the remaining 10% of NHT New Holding for Tourism capital stock from the TUI Group for an outlay of € 46.3 million. As part of this transaction, NHT also acquired the remaining 50% of the capital stock of Neos from the TUI Group for an investment of € 2.7 million.

In June, NHT subscribed to the capital stock increase by Alpitour (100%-controlled) for a total of € 17.8 million, of which € 6.5 million was in cash and € 11.3 million by contribution of the investments held in Welcome Travel Group and in Neos. Following this transaction, Alpitour took over the role of holding company of the tourism sector in that, in addition to directly carrying out its tour operator business, it holds control of all the other sectors connected with the tourism business (hotel management, distribution, aviation and incoming).

Having fulfilled its function, NHT (100%-owned by Ifil Investissements and Ifil Finance) will be put into a wind-up.

Agreement relating to Sviluppo Italia Turismo
In December, Banca Intesa S.p.A., the IFIL Group and Marcegaglia S.p.A. sealed an agreement for the purchase of 49% of Sviluppo Italia Turismo (SIT) capital stock from Sviluppo Italia S.p.A..

The entry of the three private stockholders in the shareholder base of SIT will take place through the company Turismo&Immobiliare (in which the three own equal stakes) which will purchase shares and subscribe to a SIT capital stock increase for a total outlay of € 76.4 million; IFIL's share will be equal to approximately € 25.5 million. It is also anticipated that the three stockholders may possibly acquire control of SIT's stock by 2009.

Once approval is obtained from the antitrust authority in March, the agreement will be finalized in April.

The alliance will allow SIT to improve and build up its structures so that it can expand its packages on the market and increase its tourist flows; the first concrete step will be the start of an investment program in Apulia, Calabria and Sicily.

IFIL's new organizations in the United States of America and in Asia
For the purpose of contributing to the search for new investment opportunities, during the first half IFIL set up new organizations in the United States (in February) and Asia (in June), with offices, respectively, in New York and Hong Kong. Thanks to its positioning in two of the most interesting international financial centers and with its highly-qualified professional management staff, the two organizations – which will operate in close coordination with IFIL's offices in Turin – could significantly boost the opportunities of creating economic value for the company.
With similar objectives in mind, at the end of June, Ifil Investissements purchased 100% of the capital stock of Sadco, with head offices in Switzerland, from Exor Group, for an investment of € 1.4 million, corresponding to its net equity value.

Transactions involving treasury stock recorded in current assets
The following transactions involving IFIL treasury stock recorded in current assets took place during 2004:

		Carrying value	
	Number of shares	Per share (€)	Total (€ mn)
Balance at December 31, 2003	700,000	2.42	1.7
Purchases	3,188,324	2.91	9.3
Sales	1,850,000	2.91	(5.4)
Adjustments	-	-	(0.1)
Balance at December 31, 2004	**2,038,324**	**2.70**	**5.5**

The sales of treasury stock did not generate significant gains (approximately € 15,000).

532,000 shares were destined to service stock option plans for directors and, for that reason, their carrying value has been adjusted by € 0.1 million to the grant price (equal to € 2.28 per share).

At December 31, 2004, the company holds a total of 13,155,472 IFIL ordinary shares of which 11,117,148 shares are recorded in financial fixed assets and 2,038,324 in current assets. Treasury stock represents a total of 1.27% of the class of stock and 1.22% of capital stock. The carrying value of treasury stock is € 47.2 million, averaging € 3.59 per share.

At December 31, 2004, the subsidiary Soiem holds 810,262 IFIL ordinary shares recorded in financial fixed assets for € 2.8 million (€ 3.41 per share). Such shares represent 0.08% of the class of stock and 0.078% of the capital stock of IFIL.

ANALYSIS OF THE IFIL GROUP CONDENSED CONSOLIDATED RESULTS

IFIL holds some important investments through Dutch and Luxembourg holding companies. This structure is an outgrowth of the Group's strategy to globalize investments and secure strategic agreements with leading foreign partners in the sectors of investment. Moreover, IFIL controls two companies incorporated under Irish law operating with the aim of optimizing the management of the financial resources of the Group, and Soiem, a services company. Furthermore, in 2004, organizations were set up in New York (Ifil Investments USA) and Hong Kong (Ifil Asia) and the company Sadco was purchased (with headquarters in Switzerland). Such structures will contribute to investment activities.

The aggregate of these companies constitutes the so-called "Holdings System".

In order to facilitate the analysis of the financial position and results of operations of the IFIL Group, a **condensed consolidated balance sheet** and a **condensed consolidated statement of operations** have been prepared wherein the financial holding companies and Soiem have been consolidated line-by-line or proportionally while the investments in the other subsidiaries and associated companies have been accounted for using the equity method.

In detail, the scope of consolidation is as follows:

		% holding in capital stock outstanding	
		12/31/2004	12/31/2003
HOLDINGS SYSTEM	**Consolidated line-by-line**		
	- IFIL Investments S.p.A.	**-**	-
	- Ifil Investment Holding N.V. (Netherlands)	**100**	100
	- Ifil Investissements S.A. (Luxembourg)	**100**	100
	- Mediterranean Capital B.V., ex-Ifil Capital B.V., (Netherlands) (a)	**100**	100
	- Ifil Finance B.V. (Netherlands) (a)	**100**	100
	- Ifilgroup Finance Ltd (Ireland)	**100**	100
	- Ifil International Finance Ltd (Ireland)	**100**	100
	- Soiem S.p.A. (Italy)	**100**	100
	- IFIL New Business S.r.l. (Italy) (b)	**100**	100
	- IFIL Investments USA (c)	**100**	-
	- IFIL Asia (Hong Kong)	**100**	-
	- Sadco S.A. (Switzerland)	**100**	-
	- NHT New Holding for Tourism S.A. (Luxembourg) (a)	**100**	-
	Consolidated proportionally		
	- Eurofind S.A. (Luxembourg) (d)	**-**	40.47
	- Eurofind Textile S.A. (Luxembourg) (d)	**50**	-
	- Eufin Investments Unlimited (United Kingdom)	**50**	40.47
OPERATING COMPANIES	**Accounted for using the equity method**		
	- Fiat Group	**27.62**	27.62
	- Worms & Cie Group	**52.96**	53.07
	- Rinascente Group	**-**	40.10
	- La Rinascente (d)	**49.55**	-
	- Alpitour Group (NHT Group in 2003)	**100**	90
	- Juventus Football Club S.p.A.	**61.69**	62.01

(a) Companies put or to be put into a wind-up.
(b) Dormant company.
(c) This line groups the companies set up in March 2004 (Ifil USA Inc., Ifil Capital Partners L.P., Ifil America L.P. and Ifil Investments LLC).
(d) Following the proportional total spin-off of Eurofind, the IFIL Group now holds 50% of the capital stock of Eurofind Textile (which holds 99.09% of the outstanding capital stock of La Rinascente, the beneficiary company of the spin-off of the Rinascente Group textile businesses, Department Stores and Upim), as well as 50% of the capital stock of Eurofind Food (sold to the Auchan Group in December 2004).

At the end of 2004, following the contribution of the controlling interests (100%) in Welcome Travel Group and in Neos to Alpitour, NHT New Holding for Tourism only holds 100% of the capital stock of Alpitour. Having fulfilled its function as the operating holding company of the tourism sector, in 2004, the financial statements of NHT have been consolidated line-by-line in the "Holdings System". In 2003, NHT had been accounted for using the equity method applied to its consolidated financial statements.

Condensed consolidated result and condensed consolidated statement of operations

The year 2004 shows a return to a profit position by the IFIL Group with a consolidated net income of € 119 million, after closing two years with a loss (€ 45 million in 2003 and € 367 million in 2002).

The main captions of the condensed consolidated statement of operations are examined in the following paragraphs.

The **Group's share of earnings (losses) of companies** accounted for using the equity method amounts to losses of € 402 million (losses of € 49.7 million in 2003). The negative change of € 352.3 million is essentially due to the Fiat Group (-€ 177.3 million, mainly as a result of lower positive consolidation adjustments that are not compensated by the reduction in the consolidated loss of the Fiat Group), the Worms & Cie Group (-€ 100.9 million) and the companies which make up the Rinascente Group (-€ 82.7 million). The results of the other holdings show a net positive variation of € 8.6 million. The abovementioned changes include consolidation adjustments.

Dividends from other holdings amount to € 27.4 million, entirely in reference to dividends received from SANPAOLO IMI.
In 2003, the dividends received from the same bank had totaled € 21.2 million.

Gains, net, total € 611.3 million and refer to the sales of 50% of the capital stock of Eurofind Food (+€ 586.3 million) and 7.2% of the capital stock of Club Méditerranée (+€ 26.4 million), as well as other minor transactions and writedowns (-€ 1.4 million, net). In 2003, the gains of € 25 million had basically referred to the sale of 25% of the capital stock of Sifalberghi.

Amortization of differences on consolidation amount to € 81.4 million (€ 13.7 million in 2003) and include extraordinary amortization charges to eliminate the residual balances referring to the Alpitour Group (€ 36.5 million) and the investment in Juventus (€ 33.5 million).

Financial expenses, net, total € 20.9 million (€ 23.6 million in 2003) and decreased by € 2.7 million mainly as a result of the trend in indebtedness during the year.

General expenses, net, amount to € 18.7 million. The increase of € 5.7 million compared to the year 2003 (€ 13 million) is due to higher personnel costs of the parent company for € 1.9 million (due both to an increase in the average number of staff and provisions for estimated monetary incentives relating to 2004), as well as the line-by-line consolidation of the companies Sadco, Ifil USA and Ifil Asia.

Other expenses, net, amount to € 7 million (€ 6.1 million in 2003) and include the release of reserves in excess of requirements set aside in prior years (+€ 3 million), the amortization of the expenses relating to the IFIL capital stock increases in 2003 (-€ 2.2 million), compensation voted on behalf of the directors of Eurofind (-€ 1.5 million), legal consulting fees regarding extraordinary transactions and pending litigation (-€ 3.3 million), as well as sundry other expenses, net (-€ 3 million).

Deferred taxes amount to € 12.4 million and principally include the release of excess deferred income taxes of € 12.3 million set aside in prior years.

The **condensed consolidated statement of operations** and an analysis of the most important captions are presented below.

€ in millions	**2004**	2003	Change
Group's share of earnings (losses) of companies accounted for using the equity method	**(402.0)**	(49.7)	(352.3)
Dividends from other holdings	**27.4**	21.2	6.2
Dividend tax credits	**0.0**	11.9	(11.9)
Gains, net	**611.3**	25.0	586.3
Amortization of differences on consolidation	**(81.4)**	(13.7)	(67.7)
Investment income (expenses), net	**155.3**	(5.3)	160.6
Financial expenses, net	**(20.9)**	(23.6)	2.7
General expenses, net	**(18.7)**	(13.0)	(5.7)
Other expenses, net	**(7.0)**	(6.1)	(0.9)
Income (loss) before taxes	**108.7**	(48.0)	156.7
Current taxes	**(2.1)**	0.1	(2.2)
Deferred taxes	**12.4**	2.9	9.5
Net income (loss) - Group	**119.0**	(45.0)	164.0

Group’s share of earnings (losses) of companies accounted for using the equity method

	Earnings (losses)		IFIL's share		
€ in millions	**2004**	2003	**2004**	2003	Change
Fiat Group	**(1,586.0)**	(1,900.0)	**(438.0)**	(410.4) (a)	(27.6)
Worms & Cie Group	**(63.7)**	111.6	**(33.7)**	59.2	(92.9)
Società Italiana Distribuzione Moderna	**(13.3)** (b)	-	**(6.6)**	-	(6.6)
La Rinascente	**8.9** (c)	-	**4.3**	-	4.3
Rinascente Group	**-**	200.4	**-**	80.4	(80.4)
Alpitour Group (NHT Group in 2003) (d)	**3.4**	(11.2) (e)	**3.4**	(10.1)	13.5
Juventus Football Club	**(5.8)** (f)	(16.1)	**(3.5)**	(5.5) (g)	2.0
Other	**-**	-	**-**	0.2	(0.2)
			(474.1)	(286.2)	(187.9)
Consolidation adjustments	-	-	**72.1**	236.5	(164.4)
Group's share of earnings (losses) of companies accounted for using the equity method			**(402.0)**	(49.7)	(352.3)

(a) Figure did not include the share of the loss for the first quarter of 2003, equal to € 110.8 million, referring to the stock subsequently conferred by IFI.
(b) Consolidated result for the period 1/1-9/30/2004, prior to the sale.
(c) Consolidated result for 2004 of the beneficiary company of the La Rinascente spin-off of the textile activities (Department Stores and Upim).
(d) Year coincides with the period November 1 – October 31.
(e) Result included the net income of the Alpitour Group (+€ 0.7 million), the amortization of differences on consolidation by NHT in respect of Alpitour and Welcome Travel Group (-€ 8.8 million), the results of Welcome Travel Group (-€ 2 million) and Neos (+€ 0.5 million) and the consolidation adjustments (-€ 1.6 million).
(f) Result for the accounting period 1/1-12/31/2004 .
(g) Figure did not include the share of the loss for the first calendar quarter of 2003, equal to € 4.5 million, recorded by IFI since it was prior to the contribution to IFIL.

At December 31, 2004, consolidation adjustments amount to € 72.1 million (€ 236.5 million in 2003). They refer to:

€ in millions	**12/31/2004**	12/31/2003	Change
- the use of the remaining "Consolidation reserve for risks and future expenses" for IFIL's share of Fiat Group's loss for the year 2004 referring to the investment in Fiat conferred by IFI in 2003 (17.039%)	**69.6**	207.5	(137.9)
- Worms & Cie Group's result for:			
- reversal of the amortization of the difference on consolidation referring to Permal Group, already completely amortized at IFIL level	**1.6**	1.5	0.1
- gains of the sale of shares of Accor (in 2004) and Groupe Danone (in 2003)	**(0.1)**	8.0	(8.1)
- Alpitour Group's result for gains realized in 2004 on the property, plant and equipment sold to third parties	**1.0**	-	1.0
- Fiat Group's result for the gain from the dilution generated by the discharge of Fiat treasury stock held by Toro Assicurazioni, sold by Fiat	**-**	11.8	(11.8)
- NHT Group's result for the reversal of 90% of the amortization of the difference on consolidation referring to Alpitour, already recorded in the past at IFIL level, as a reduction of the consolidation reserve booked in consolidated stockholders' equity	**-**	7.8	(7.8)
- other adjustments	**-**	(0.1)	0.1
Total	**72.1**	236.5	(164.4)

Comments on the operating performance of the investment holdings are presented later in the report.

Amortization of differences on consolidation

	Balance at	Change in the year 2004				**Balance at**
€ in millions	12/31/2003	Increase	Decrease	Ord. amort.	Accel. amort.	**12/31/2004**
Rinascente Group (a)	155.9	25.9 (b)	(151.4) (c)	(8.5)		**21.9**
Juventus Football Club	36.4			(2.9)	(33.5)	**0.0**
NHT/Alpitour	0.0	36.5			(36.5)	**0.0**
Total	192.3	62.4	(151.4)	(11.4)	(70.0)	**21.9**

(a) Amortized over 20 years.
(b) Originating from the purchase of 9.53% of Eurofind capital stock.
(c) Originating from the sale of 50% of Eurofind Food.

In 2003, the contribution of the investment in Juventus Football Club by the parent company IFI was booked at the economic value attributed to the investment of € 136.7 million. A comparison of this value and the underlying share of stockholders' equity at March 31, 2003 (€ 53.5 million) produced a difference on consolidation for originally € 83.2 million. Subsequently, a part of that difference, equal to € 42.8 million, was deducted from the consolidation reserve which arose during the same year, as allowed by law. At the end of 2004, the remaining difference on consolidation relating to Juventus Football Club (as a result of ordinary amortization and the reduction due to subsequent sales of shares) had decreased to € 33.5 million. When the financial statements were closed, a charge was made to completely amortize this residual balance in order to correctly represent this item, also in consideration of the negative performance of ordinary operations in 2003/2004 and forecasts for a loss in the current year.

The difference on consolidation which originated in 2004 upon the purchase of the capital stock of NHT was amortized at the end of the first quarter of 2004 for € 23.6 million since it could not be allocated. At the end of 2004, taking into account that on consolidation the IFIL Group had in the past deducted the difference on consolidation on 90% of the investment in the Alpitour Group from the consolidation reserve, a charge was then made to completely amortize the remaining amount of € 12.9 million.

Gains, net

€ in millions	**2004**	2003	Change
Gains on sales			
- Eurofind Food, 50% of capital stock	**586.3**	0.0	586.3
- Club Méditerranée, 7.2% of capital stock	**26.4**	0.0	26.4
- Sifalberghi, 25% of capital stock	**-**	25.1	(25.1)
Other divestitures and writedowns	**(1.4)**	(0.1)	(1.3)
Gains, net	**611.3**	25.0	586.3

Condensed consolidated balance sheet

€ in millions	**12/31/2004**	12/31/2003	Change
Financial fixed assets:			
- investments	**3,128.9**	4,174.0	(1,045.1)
- treasury stock	**44.5**	44.5	0.0
- bonds	**4.8**	4.6	0.2
	3,178.2	4,223.1	(1,044.9)
Financial assets recorded in current assets:			
- cash and short-term investments	**1,051.1**	434.6	616.5
- receivable from Auchan Group	**252.4**	0.0	252.4
- treasury stock	**5.5**	1.7	3.8
	1,309.0	436.3	872.7
Other assets	**70.7**	87.3	(16.6)
Total assets	**4,557.9**	4,746.7	(188.8)
Stockholders' equity - Group	**3,916.8**	3,953.9	(37.1)
Financial payables:			
- short-term	**518.6**	216.9	301.7
- medium-term	**100.0**	450.0	(350.0)
	618.6	666.9	(48.3)
Reserve for employee severance indemnities and reserves for risks and charges	**12.1**	99.6	(87.5)
Other liabilities	**10.4**	26.3	(15.9)
Total liabilities and stockholders' equity	**4,557.9**	4,746.7	(188.8)

Financial fixed assets

€ in millions	**12/31/2004**	12/31/2003	Change
Investments accounted for using the equity method			
Fiat Group	**1,408.3**	1,876.1	(467.8)
Worms & Cie Group	**901.3**	1,019.3	(118.0)
Rinascente Group (50% holding)	**-**	461.6	(461.6)
La Rinascente (50% holding) (a)	**69.8**	-	69.8
Juventus Football Club S.p.A.	**43.9**	84.2	(40.3)
Alpitour Group (NHT Group in 2003)	**79.6**	70.6	9.0
	2,502.9	3,511.8	(1,008.9)
Investments valued at cost			
SANPAOLO IMI S.p.A.	**620.0**	620.0	0.0
Fiat ordinary share warrants 2007	**2.5**	3.6	(1.1)
Other	**3.5**	3.4	0.1
Club Méditerranée S.A.	**0.0**	35.2	(35.2)
	626.0	662.2	(36.2)
Total investments	**3,128.9**	4,174.0	(1,045.1)
Treasury stock - IFIL ordinary shares	**44.5**	44.5	0.0
Ocean Club Méditerranée bonds	**4.8**	4.6	0.2
Total financial fixed assets	**3,178.2**	4,223.1	(1,044.9)

(a) Beneficiary company of the spin-off of La Rinascente textile activities (Department Stores and Upim) .

The decrease in the carrying value of investments, equal to € 1,045.1 million, is due to the following changes:

€ in millions	
Investments in Eurofind (€ 116.1 million) and NHT (€ 46.3 million)	162.4
Sales of the investments in Eurofind Food (€ 471.1 million) and Club Méditerranée (€ 35.5 million)	(506.6)
Share of earnings (losses) of companies accounted for using the equity method	(402.0)
Amortization of differences on consolidation	(81.4)
Writedown of Fiat ordinary share warrants 2007	(1.1)
Share of the translation adjustments (€ 54.5 million) and the changes in stockholders' equity (€ 161.9 million) shown by the companies accounted for using the equity method	(216.4)
Net change during the year	**(1,045.1)**

Investments accounted for using the equity method – Other information

€ in millions	Number of shares held	% holding of Class of stock	% holding of Capital stock	Carrying value Unit (€)	Carrying value Total (€ mn)
Investments accounted for using the equity method					
Fiat Group:					
- ordinary shares	240,583,447	30.06	24.46	5.18	1,247.2
- preferred shares	31,082,500	30.09	3.16	5.18	161.1
			27.62		1,408.3
Worms & Cie Group	55,922,623	-	52.96	16.12	901.3
La Rinascente					
- ordinary shares	148,278,135 (a)	49.60	36.62	0.35	51.6
- preferred shares, class B	50,934,941 (a)	49.53	12.58	0.35	17.7
- preferred shares, class A	1,398,543 (a)	44.46	0.35	0.35	0.5
			49.55		69.8
Juventus Football Club S.p.A.	74,605,248	-	61.69	0.59	43.9
Alpitour Group	35,450,000	-	100.00	2.25	79.6
Total investments accounted for using the equity method					**2,502.9**

(a) Equal to 50% of shares held by Eurofind Textile.

Investments, treasury stock and bonds valued at cost – Comparison between carrying values and market prices

	Number of shares held	% holding of class of stock	Carrying value Unit (€)	Carrying value Total (€ mn)	Average market price 2nd half 2004 Unit (€)	Average market price 2nd half 2004 Total (€ mn)	Average market price December 2004 Unit (€)	Average market price December 2004 Total (€ mn)
SANPAOLO IMI S.p.A. - ordin. shares	70,371,000	4.77	8.81	620.0	9.70	683.0	10.30	724.9
Fiat ordinary share warrants 2007	18,914,511	-	0.13	2.5 (a)	0.13	2.5	0.12	2.4
IFIL ordinary shares, treasury stock	11,927,410 (b)	1.15	3.73	44.5 (c)	2.82	33.6	3.06	36.4
Ocean Club Méditerranée bonds	76,614	-	62.04	4.8	64.06	4.9	63.85	4.9
Total				**671.8**		**724.0**		**768.6**

(a) Net of the writedown of € 1.1 million made in 2004.
(b) Including 810,262 IFIL ordinary shares held by the subsidiary Soiem.
(c) Net of the writedowns of € 19.3 million made in previous years.

Compared to the average stock market prices for the period March 1-15, 2005 (€ 3.39), IFIL ordinary shares show an unrealized loss of € 4.1 million.

The per share carrying value of IFIL ordinary shares (€ 3.73) is basically in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2004 (€ 3.64).

IFIL ordinary treasury stock held in current assets

These refer to 2,038,324 IFIL ordinary treasury stock (of which 532,000 shares are used to service stock option plans) carried at € 5.5 million (€ 2.7 per share).

Compared to the average stock market prices for the period March 1-15, 2005 (€ 3.39), the shares that are not destined for stock option plans show an unrealized gain of € 0.8 million.

Stockholders' equity - Group

At December 31, 2004, the stockholders' equity - Group, amounts to € 3,916.8 million (€ 3,953.9 million at the end of 2003). The negative change of € 37.1 million is due to the following:

€ in millions		
Stockholders' equity - Group at December 31, 2003	**3,953.9**	
Dividends paid out by IFIL S.p.A.	(69.7)	(a)
Share of translation adjustments in the stockholders' equity of companies accounted for using the equity method (-€ 54.9 million) and other changes, net (-€ 31.5 million)	(86.4)	
Consolidated net income - Group	119.0	
Net change during the year	**(37.1)**	
Stockholders' equity - Group at December 31, 2004	**3,916.8**	

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

Reserve for employee severance indemnities and reserves for risks and charges

These amount to € 12.1 million and decreased by € 87.5 million compared to the balance at the end of 2003 (€ 99.6 million). The reduction is due to the utilization of the residual consolidation reserve for risks and future expenses (-€ 69.6 million), the release of reserves for deferred taxes in excess of requirements set aside in prior years (-€ 17.2 million) and sundry risks (-€ 3 million) and, lastly, provisions made during the year (+€ 2.3 million).

Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" refers to companies consolidated line-by-line and proportionally and shows a net liquidity position at December 31, 2004 of € 683.2 million (a net indebtedness position of € 234.7 million at the end of 2003). The composition is detailed as follows:

	12/31/2004			12/31/2003		
€ in millions	**Short-term**	**Medium/ long-term**	**Total**	Short-term	Medium/ long-term	Total
Cash and short-term investments	**1,051.1**	**0.0**	**1,051.1**	434.6	0.0	434.6
Receivable from Auchan Group	**252.4**	**0.0**	**252.4**	0.0	0.0	0.0
Other assets (financial accrued income and prepaid expenses)	**0.9**	**0.0**	**0.9**	0.2	0.0	0.2
Total financial assets	**1,304.4**	**0.0**	**1,304.4**	434.8	0.0	434.8
Borrowings from banks	**(318.6)**	**0.0**	**(318.6)**	(216.9)	(150.0)	(366.9)
IFIL bonds 2002/2005	**(200.0)**	**0.0**	**(200.0)**	0.0	(200.0)	(200.0)
IFIL bonds 2003/2006	**0.0**	**(100.0)**	**(100.0)**	0.0	(100.0)	(100.0)
Other liabilities (financial accrued expenses and deferred income)	**(2.6)**	**0.0**	**(2.6)**	(2.6)	0.0	(2.6)
Total financial liabilities	**(521.2)**	**(100.0)**	**(621.2)**	(219.5)	(450.0)	(669.5)
Consolidated net financial position "Holdings System"	**783.2**	**(100.0)**	**683.2**	215.3	(450.0)	(234.7)

The improvement in the net financial position as well as the receivable from the Auchan Group are due to the sale of the investment in Eurofind Food, finalized in December 2004.

The positive change of € 917.9 million is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2003		**(234.7)**
Dividends received from:		
- Worms & Cie	33.6	
- SANPAOLO IMI	27.4	
- La Rinascente	7.9	
Dividends received		**68.9**
Financial expenses, net		**(20.9)**
General expenses, net		**(18.7)**
Investments:		
- Eurofind, 9.53% of capital stock (from Mediobanca)	(116.1)	
- NHT New Holding for Tourism, 10% of capital stock (from the TUI Group)	(46.3)	
- Sadco, 100% of capital stock (from Exor Group)	(1.4)	
Investments		**(163.8)**
Sales:		
- Eurofind Food, 50% of capital stock (to the Auchan Group)	1,062.9	
- Club Méditerranée, 7.2% of capital stock	61.6	
- Juventus Football Club, 0.32% of capital stock	0.6	
Sales		**1,125.1**
Other changes:		
- Purchase of IFIL ordinary shares (0.31% of the class of stock)	(9.3)	
- Sale of IFIL ordinary shares (0.18% of the class of stock)	5.4	
- Dividends paid out by IFIL S.p.A.	(69.7) (a)	
- Receivables collected from the tax authorities	13.7	
- Sale of receivables from the tax authorities to Group companies	3.7	
- Change due to deconsolidation of Eurofind Food	(14.0)	
- Other, net	(2.5)	
Other changes		**(72.7)**
Net change during the year		**917.9**
Consolidated net financial position of the "Holdings System" at December 31, 2004		**683.2**

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

Since the end of June 2003, Standard & Poor's Rating Services has assigned an "A-" rating to IFIL's long-term debt and an "A2" rating to its short-term debt, with a negative outlook.

ANALYSIS OF THE RESULTS OF THE IFIL GROUP CONSOLIDATED FINANCIAL STATEMENTS (LINE-BY-LINE CONSOLIDATION)

Highlights of the **consolidated statement of operations** and the **consolidated balance sheet** (line-by-line consolidation), as well as the composition of the net financial position (line-by-line consolidation) are shown below.

Consolidated statement of operations (line-by-line consolidation) - highlights

€ in millions	**2004**	2003	Change
Value of production	**54,316**	55,554	(1,238)
Costs of production	**(54,273)**	(55,941)	1,668
Difference between value and costs of production	**43**	(387)	430
Financial expenses, net	**(670)**	(982)	312
Adjustments to financial assets	**(127)**	(83)	(44)
Extraordinary income (expenses), net	**(358)**	437	(795)
Loss before taxes	**(1,112)**	(1,015)	(97)
Income taxes	**24**	(714)	738
Net loss before minority interest	**(1,088)**	(1,729)	641
Minority interest	**1,137**	1,477	(340)
Use of consolidation reserve for risks and future expenses	**70**	207	(137)
Net income (loss) - Group	**119**	(45)	164

Consolidated balance sheet (line-by-line consolidation) - highlights

€ in millions	**12/31/2004**	12/31/2003	Change
Fixed assets	**22,001**	23,705	(1,704)
Current assets	**41,863**	45,317	(3,454)
Other assets	**769**	849	(80)
Total assets	**64,633**	69,871	(5,238)
Stockholders' equity	**9,079**	10,517	(1,438)
Reserves for risks and charges and employee severance indemnities	**7,272**	7,312	(40)
Financial payables	**20,960**	24,345	(3,385)
Other liabilities	**27,322**	27,697	(375)
Total liabilities and stockholders' equity	**64,633**	69,871	(5,238)

Consolidated net financial position (line-by-line consolidation)

The consolidated net financial position (line-by-line consolidation) shows a net indebtedness position of € 5,104 million (a net indebtedness position of € 4,230 million at December 31, 2003).

At December 31, 2004, the consolidated net financial position (line-by-line consolidation) is composed as follows:

€ in millions	**12/31/2004**	12/31/2003	Change
Cash	**3,689**	3,461	228
Marketable securities and other short-term investments	**3,208**	4,269	(1,061)
Financial receivables, finance lease contracts receivable and other financial fixed assets	**9,367**	12,959	(3,592)
Financial accrued income and prepaid expenses	**329**	387	(58)
Total financial assets	**16,593**	21,076	(4,483)
Financial payables due within one year	**(11,812)**	(8,274)	(3,538)
Financial payables due beyond one year	**(9,148)**	(16,071)	6,923
Financial accrued expenses and deferred income	**(737)**	(961)	224
Total financial payables	**(21,697)**	(25,306)	3,609
Consolidated net financial position (line-by-line consolidation)	**(5,104)**	(4,230)	(874)

Reconciliation between the consolidated net financial position of the "Holdings System" and the consolidated net financial position (line-by-line consolidation)

€ in millions	**12/31/2004**	12/31/2003	Change
Consolidated net financial position of the IFIL "Holdings System"	**683**	(235)	918
Adjustment to eliminate the positive net financial position of the holdings consolidated proportionally (a)	**-**	(6)	6
Consolidated net financial positions:			
- Fiat Group	**(4,961)**	(3,028)	(1,933)
- Worms & Cie Group	**(718)**	(887)	169
- Alpitour Group	**(108)**	(74)	(34)
Consolidated net financial position (line-by-line consolidation)	**(5,104)**	(4,230)	(874)

(a) Balances not included in the IFIL Group consolidated financial statements (line-by-line consolidation) since they refer to Companies accounted for using the equity method (consolidated, instead, proportionally in the "Holdings System").

Research and development costs

In 2004, research and development costs expensed directly to income during the year total € 1,827 million, including € 1,810 million relative to the Fiat Group (€ 1,747 million in 2003) and € 17 million relative to the Worms & Cie Group (€ 16 million in 2003).

ANALYSIS OF THE RESULTS OF THE IFIL S.p.A. STATUTORY FINANCIAL STATEMENTS

Net income for the year and condensed statement of operations
The net income of IFIL S.p.A. in 2004 is € 80.2 million, with an increase of € 7.5 million (+10.3%) compared to € 72.7 million in 2003.

The main captions of the statement of operations are described in the following paragraphs.

Dividends received from holdings amount to € 301.4 million (€ 76.8 million in 2003). The increase of € 224.6 million is due to higher dividends from the subsidiary Ifil Investissements (+€ 223.9 million) and from SANPAOLO IMI (+€ 6.3 million) and the absence of dividends from Ifil Investment Holding (-€ 5 million) and Sifalberghi, sold in August 2003 (-€ 0.6 million).
In December 2004, the subsidiary Ifil Investissements voted dividends for IFIL amounting to € 253.6 million, received entirely in 2005.

Gains (€ 0.5 million) derive from the sale of 386,855 Juventus Football Club shares (0.32% of capital stock).

Writedowns (€ 185.6 million) refer to the adjustment of the carrying value of Fiat shares and warrants (€ 160.5 million for ordinary shares, € 23.9 million for preferred shares and € 1.1 million for warrants) on the basis of the average stock market prices in the second half of 2004, as well as the adjustment of the carrying value of IFIL ordinary shares designated for stock option plans, to the grant price (€ 0.1 million).

Financial expenses, net, amount to € 26.1 million in 2004 and decreased by € 2.5 million mainly in connection with the trend of indebtedness during the year.

General expenses, net, rose from € 11.5 million to € 13.4 million principally as a result of higher personnel costs due to an increase in the average number of staff (from 38 to 42) and the provision booked for estimated monetary incentives based on the 2004 results.

Other expenses, net, equal to € 1.5 million, include the amortization of the expenses related to the capital stock increases effected in 2003 (€ 2.2 million), the expenses connected with extraordinary consulting charges and pending litigation (€ 0.7 million), extraordinary expenses (to be paid over several years) in connection with recourse to the “Solidarity fund for the support of earnings” (€ 0.4 million), net of costs incurred for the tender offer of La Rinascente recharged to the subsidiary Ifil Investissements (€ 1.1 million) and the release of taxes in excess of requirements set aside in prior years (€ 0.7 million).

With regard to **taxes,** the taxable income calculated in accordance with existing tax laws does not generate current income taxes for the year 2004 and results in the release of € 4.9 million of deferred taxes in excess of requirements set aside in prior years.

Statement of operations – condensed

€ in millions	**2004**	2003	Change
Dividends	**301.4**	76.8	224.6
Dividend tax credits	**0.0**	12.2	(12.2)
Gains	**0.5**	23.0	(22.5)
Writedowns	**(185.6)**	0.0	(185.6)
Investment income, net, from financial fixed assets	**116.3**	112.0	4.3
Financial expenses, net	**(26.1)**	(28.6)	2.5
General expenses, net	**(13.4)**	(11.5)	(1.9)
Other expenses, net	**(1.5)**	(4.4)	2.9
Income before taxes	**75.3**	67.5	7.8
Deferred taxes	**4.9**	5.2	(0.3)
Net income	**80.2**	72.7	7.5

Balance sheet - condensed

	12/31/2004		12/31/2003		
€ in millions	**Amount**	**%**	Amount	%	Change
Intangible fixed assets	**6.7**	**0.2**	9.0	0.2	(2.3)
Financial fixed assets	**3,518.0**	**91.8**	3,808.3	98.1	(290.3)
Financial receivables for dividends to be received	**253.6**	**6.6**	0.0	0.0	253.6
Other assets	**53.9**	**1.4**	67.1	1.7	(13.2)
Total assets	**3,832.2**	**100.0**	3,884.4	100.0	(52.2)
Stockholders' equity	**3,204.9**	**83.7**	3,194.4	82.2	10.5
Financial payables:					
- IFIL bonds 2002/2005	**200.0**	**5.2**	200.0	5.1	0.0
- IFIL bonds 2003/2006	**100.0**	**2.6**	100.0	2.6	0.0
- borrowings from banks, short-term	**318.6**	**8.3**	216.9	5.6	101.7
- borrowings from banks, medium-term	**0.0**	**0.0**	150.0	3.9	(150.0)
- subsidiaries	**0.0**	**0.0**	8.6	0.2	(8.6)
	618.6	**16.1**	675.5	17.4	(56.9)
Other liabilities and reserves	**8.7**	**0.2**	14.5	0.4	(5.8)
Total liabilities and stockholders' equity	**3,832.2**	**100.0**	3,884.4	100.0	(52.2)

The principal equity and financial captions are analyzed in the following tables.

Financial fixed assets

€ in millions	**12/31/2004**	12/31/2003	Change
Subsidiaries			
Fiat S.p.A. (ordinary shares)	**1,440.2**	1,600.7	(160.5)
Fiat S.p.A. (ordinary share warrants 2007)	**2.5**	3.6	(1.1)
Fiat S.p.A. (preferred shares)	**123.0**	146.9	(23.9)
	1,565.7	1,751.2	(185.5)
Ifil Investissements S.A.	**1,260.3**	1,356.0	(95.7)
Ifil Investment Holding N.V.	**162.8**	162.8	0.0
Juventus Football Club S.p.A.	**11.6**	11.7	(0.1)
Soiem S.p.A.	**12.7**	21.7	(9.0)
Ifil New Business S.r.l.	**-**	-	0.0
	3,013.1	3,303.4	(290.3)
Other companies - SANPAOLO IMI S.p.A. (ordinary shares)	**463.2**	463.2	0.0
Total investments	**3,476.3**	3,766.6	(290.3)
Treasury stock - IFIL ordinary shares	**41.7**	41.7	0.0
Total financial fixed assets	**3,518.0**	3,808.3	(290.3)

The net decrease in financial fixed assets of € 290.3 million is the result of the following movements:

€ in millions	
Financial fixed assets at December 31, 2003	**3,808.3**
Partial reimbursement of additional paid-in capital by Ifil Investissements	(95.7)
Reimbursement from Soiem following reduction in share capital	(9.1)
Absorption of Soiem loss	0.1
Sale of 0.32% Juventus Football Club capital stock	(0.1)
Writedown of Fiat shares and warrants:	
- ordinary shares	(160.5)
- preferred shares	(23.9)
- warrants	(1.1)
Net change during the year	**(290.3)**
Financial fixed assets at December 31, 2004	**3,518.0**

A comparison of carrying values and market prices of listed financial fixed assets shows the following unrealized gains (losses):

€ in millions	Fiat ord. shares	Fiat ord. share warrants 2007	Fiat pref. shares	SANPAOLO IMI shares	Juventus shares	IFIL ord. shares	Total
Market price at December 30, 2004	(21.4)	-	0.6	281.7	97.3	(5.2)	353.0
Average market price in the second half of 2004	-	-	-	219.8	102.6	(10.4)	312.0
Average market price March 1-15, 2005, update	(48.9)	1.8	12.0	333.4	90.3	(4.0)	384.6

The per share carrying value of IFIL ordinary shares (€ 3.75) is substantially in line with the per share value of the consolidated stockholders' equity of the IFIL Group at December 31, 2004 (€ 3.64).

Stockholders’ equity

Stockholders’ equity at December 31, 2004 amounts to € 3,204.9 million (€ 3,194.4 million at December 31, 2003). The positive change of € 10.5 million is due to the following changes:

€ in millions	
Stockholders' equity at December 31, 2003	**3,194.4**
Dividends paid out	(69.8)
Dividends unclaimed	0.1
Net income for the year 2004	80.2
Net change during the year	**10.5**
Stockholders' equity at December 31, 2004	**3,204.9**

Net financial position

The net financial position of IFIL S.p.A. at December 31, 2004 shows a net indebtedness position of € 367.5 million (a net indebtedness position of € 677.8 million at the end of 2003). Details are as follows:

€ in millions	**12/31/2004**	12/31/2003	Change
Receivables for dividends to be received	**253.6**	0.0	253.6
Cash	**0.1**	0.2	(0.1)
Bonds	**(300.0)**	(300.0)	0.0
Borrowings from banks:			
- short term	**(318.6)**	(216.9)	(101.7)
- medium-term	**0.0**	(150.0)	150.0
Financial payables to subsidiaries	**0.0**	(8.6)	8.6
Financial accrued expenses	**(2.6)**	(2.5)	(0.1)
Net financial position	**(367.5)**	(677.8)	310.3

The positive change in the net financial position, equal to € 310.3 million in 2004, results from the following cash flows:

€ in millions	
Net financial position at December 31, 2003	**(677.8)**
Dividends received from holdings	301.4
Partial reimbursement of additional paid-in capital by Ifil Investissements	95.7
Receivables collected from the tax authorities	13.7
Reimbursement from Soiem following reduction in capital stock	9.1
Sale of receivables from the tax authorities to Group companies	3.7
Sale of Juventus Football Club shares (0.32% of capital stock)	0.6
Purchase of IFIL ordinary shares (0.31% of the class of stock)	(9.3)
Sale of IFIL ordinary shares (0.18% of the class of stock)	5.4
Dividends paid out	(69.8)
Financial expenses, net	(26.1)
General expenses, net	(13.4)
Other, net	(0.7)
Net change during the year	**310.3**
Net financial position at December 31, 2004	**(367.5)**

Possible Fiat S.p.A. capital increase in execution of the Convertible Mandatory Facility Agreement dated July 26, 2002
In the eventuality that IFIL decides not to exercise, in whole or in part, the option rights to which it is entitled or should it not be in a condition to exercise, in whole or in part, such rights, the investment held by IFIL in Fiat could be diluted to below 30% of the capital stock with voting rights.

Information on the status of the implementation of the systems and the procedures for the application of international accounting principles (Consob communication No. DME/5015175 dated March 10, 2005)
As provided by Regulation No. 1606 dated July 19, 2002 of the European Union, starting in 2005 the IFIL Group will draw up its consolidated financial statements in compliance with international accounting standards (IFRS/IAS) approved by the European Community. In particular, the IFIL Group will adopt international accounting standards beginning from the consolidated first quarter data at March 31, 2005.

The following paragraphs provide information on the activities that have been carried out in order to ensure a proper transition for the application of international accounting standards.

At its operating subsidiaries and associated companies (Fiat, Worms & Cie, Juventus F.C. and Alpitour) IFIL has taken note of the transition processes in progress, agreeing the timetables to obtain the data which will be necessary for the preparation, in compliance with international accounting standards, of the opening consolidated balance sheet at January 1, 2004, the interim consolidated financial data at March 31, 2004, June 30, 2004 and September 30, 2004, as well as the consolidated financial statements at December 31, 2004 of the IFIL Group. Such consolidated accounting data will be presented for comparative purposes with the corresponding consolidated accounting statements which will be prepared during 2005 on the basis of international accounting standards.

With regard to IFIL and the Italian and foreign subsidiaries that are part of the “Holdings System”, the differences between the national and Group accounting principles applied previously and IFRS/IAS have been identified and the adequacy of the accounting systems and procedures have been ascertained compared to the new requirements. Furthermore, planning has been set up to ensure that each company prepares, on a timely basis, the necessary accounting statements (equivalent to those examined with regard to the operating subsidiaries and associated companies).

The audit firm of Deloitte & Touche S.p.A. has been assigned the following additional audit work with regard to the accounting statements that have been prepared in accordance with international accounting standards:

- audit of the opening consolidated balance sheet at January 1, 2004;
- limited review of the interim consolidated financial data at June 30, 2004;
- limited review with agreed testing procedures of the interim consolidated financial data at March 31, 2004 and September 30, 2004;
- audit of the consolidated financial statements at December 31, 2004.

The following table presents the reconciliations of the stockholders' equity of IFIL S.p.A. and the consolidated stockholders' equity of the IFIL Group taken from the financial statements for the years ended December 31, 2003 (prepared in accordance with Italian principles) with the corresponding data drawn up in accordance with international accounting standards at January 1, 2004. Such data has been reviewed by the audit firms.

€ in millions	IFIL S.p.A.	Consolidated IFIL Group
Stockholders' equity at December 31, 2003 (taken from financial statements prepared according to Italian principles)	**3,194.4**	**3,953.9**
Reclassification of the carrying value of treasury stock	**(43.4)**	**(46.2)**
IAS/IFRS adjustments		
- IAS 39 - Higher value of the investment in SANPAOLO IMI	269.6	112.8
- IAS 39 - Higher value of Fiat ordinary share warrants	0.3	0.3
- IAS 39 - Valuation of instruments hedging rate risks	(8.8)	(8.8)
- IAS 38 - Derecognition of intangible fixed assets	(8.9)	(8.9)
- IAS 19 - Higher liability relating to employee benefits	(0.1)	(0.1)
	252.1	**95.3**
IFIL's share of IAS/IFRS adjustments presented by subsidiaries and associated companies		
- Fiat Group	-	(234.2)
- Worms & Cie Group	-	(18.9)
- Alpitour Group	-	(3.9)
- Juventus Football Club	-	(3.8)
- IFIL "Holdings System" companies	-	7.8
- Other consolidation adjustments	-	0.7
	-	**(252.3)**
Stockholders' equity at January 1, 2004 (IAS/IFRS)	**3,403.1**	**3,750.7**

The consolidated financial statements at December 31, 2004 of the IFIL Group show consolidated net income of the Group of € 119 million and stockholders' equity of the Group of € 3,867 million (after deducting the carrying value of the ordinary treasury stock held by IFIL of € 50 million).

The corresponding data prepared by IFIL and the subsidiaries on the basis of international accounting standards, which should nevertheless be considered provisional in that the audit firms have not yet concluded their examinations, shows a consolidated net income of the IFIL Group of approximately € 120 million, substantially unchanged, and a consolidated stockholders' equity of the IFIL Group of approximately € 3,800 million. The negative difference of € 67 million is due to the higher value of the investment in SANPAOLO IMI (+€ 125 million), other positive adjustments indicated by IFIL and the companies in the "Holdings System" (+€ 3 million) and, lastly, IFIL's share of the adjustments shown by the subsidiaries Fiat, Worms & Cie, Alpitour and Juventus Football Club (-€ 195 million, net).

Programming document on security

The Company has prepared the programming document on security (Dps) on December 20, 2004 for the year 2004 according to the laws then in force and is currently proceeding to update this document pursuant to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person responsible for the treatment of the data.

Transactions among Group companies and with related parties

The Board of Directors has adopted principles of conduct for carrying out transactions with related parties (available on the corporate website of the Company http://www.ifil.it).

The above principles of conduct provide that the Board of Directors must approve the following transactions:

- atypical and/or unusual intragroup transactions, meaning transactions which, because of their significance/relevance, nature of the counterparties, subject of the transaction (also in relation to transactions of ordinary administration), manner of determining the transfer price and timing of the event (close to the end of the year) could give rise to reservations about: the correctness/completeness of the information in the financial statements, conflicts of interest, safeguarding of the company's assets and protection of minority stockholders;
- transactions with subsidiaries for amounts of more than 1% of IFIL's portfolio value as shown in the most recent approved accounting documents (quarterly reports, first-half report and the annual financial statements) as of the date of the transaction, with the exception of transactions with subsidiaries in the "Holdings System";
- transactions with other related parties for amounts of more than € 3 million.

The bodies with delegated powers shall supply the Board with information concerning such transactions especially with regard to the nature of the relationship, the manner of execution, the economic terms and timing, the valuation criteria adopted and any risks to the Company.

Whenever a Director has an interest in the transaction (even a potential interest), the Board of Directors must be informed on a timely basis about the nature, terms, origin and the extent of this interest. After having exhaustively informed the Board of Directors, the interested Director must absent himself from the meeting so that the Board can pass the appropriate resolutions.

In the event the nature, the amount and the manner of execution of the transaction with a related party require it, the Board of Directors can avail itself of the assistance of one or more independent experts, chosen from among individuals with recognized professional characteristics and expertise on the matter in question so that an opinion can be obtained on the economic terms of the transaction and its legitimacy, as well as the technical means and manner of execution of the transaction.
The Board of Directors and the Board of Statutory Auditors must in any case be informed of any transactions with other related parties different from those mentioned above.

With reference to those transactions, comprehensive information shall be provided to the Directors, the Statutory Auditors, the General Manager, the procurators of the Company and to subsidiaries concerning the regulations in force and, in particular, the definition of related parties as reported in Consob Communication No. 2064231 dated September 30, 2002, as well as the definition of atypical and/or unusual transactions.

With regard to 2004, transactions among IFIL, the parent companies, the subsidiaries and the companies in which a significant influence is exercised and the companies controlled by the same parent companies are entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

The most important transactions can be summarized as follows:

4# services rendered to the parent company, IFI, and to subsidiaries and cost recoveries;
4# services rendered by the parent company, IFI, and by the subsidiary Soiem;
4# partial reimbursement of additional paid-in capital by Ifil Investissements for € 119.9 million, of which € 95.7 million to IFIL and € 24.2 million to Ifil Investment Holding;
4# reimbursement of € 9.1 million by Soiem following the reduction in its capital stock;
4# use of the loan from the subsidiary Soiem for € 8.5 million (repaid in September) bearing interest at monthly floating market rates;
4# sale of receivables from the tax authorities to the parent company, IFI, for € 516 thousand;
4# sale of receivables from the tax authorities to Italian subsidiaries of Worms & Cie and Alpitour (€ 3,220 thousand);
4# purchase, by the subsidiary Ifil Investissements, of 100% of Sadco capital stock from Exor Group for € 1.4 million;
4# sale, by the subsidiary Mediterranean Capital (ex-Ifil Capital) of 0.82% of Club Méditerranée capital stock to the subsidiary of Exor Group for € 6.1 million;
4# services rendered to Ifil USA by Exor USA and Fiat USA.

The effects on the balance sheet and statement of operations of the transactions among IFIL S.p.A., the Group companies and the other related parties can be summarized as follows:

€ in thousands	12/31/2004 Accounts receivable		12/31/2004 Accounts payable	2004 Income	2004 Expenses
IFI S.p.A.	23		9	72	27
Ifil Investissements S.A.	253,565	(a)	-	1,083	-
Rinascente/UPIM S.p.A.	61		1	74	7
SANPAOLO IMI S.p.A.	50		3,769	-	822
Alpitour Group companies	12		18	35	203
Fiat Group companies	6		49	92	331
Juventus Group companies	11		-	40	39
Other "Holdings System" companies	58		461	33	1,566
Worms & Cie S.A.	23		-	31	-
Total	**253,809**		**4,307**	**1,460**	**2,995**

(a) Of which € 253,553 thousand refers to dividends received in 2005.

The IFIL Group, through the companies which make up the Group, has maintained and maintains relations with “related” parties as defined by Consob, which, even when considered from the standpoint of potential conflicts of interest, are nonetheless governed by market terms. In this sense, particular mention should be made of:

- option rights on IFIL ordinary shares granted to directors and managers of IFIL and the parent company, IFI;
- option rights on Alpitour shares granted by Alpitour to the directors of IFIL (who, today, are no longer in office) under a stock option plan for the directors, managers and cadres of Alpitour and its direct and indirect subsidiaries.

With a view to optimizing the management of the Group’s financial resources, loan transactions were entered into during the year among foreign companies of the Group.

During the course of year, the director Franzo Grande Stevens rendered professional services to Fiat Group companies for total fees of € 3,591 thousand.

Additional information and details are disclosed in the section “Major events in 2004” of the Directors’ report on operations, in the “Notes to the statutory financial statements of IFIL S.p.A.” and in “Notes to the consolidated financial statements”.

On the basis of information received from the companies of the Group, there are no atypical or unusual transactions to report.

Management and coordination

IFIL Investments S.p.A. is not subject to management and coordination by companies or entities.
In accordance with art. 2497 bis of the Italian Civil Code, the subsidiaries Soiem S.p.A. and Ifil New Business S.r.l. have identified IFIL Investments S.p.A. as the company which exercises management and coordination.

Pending litigation

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL’s capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders’ Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (economic and non-economic) suffered as a result of the unlawful conduct (allegedly) by IFI. During the case and with reference only to (alleged) economic damages, K Capital stated its request for compensation (which originally had not been quantified) in approximately € 17 million.
The case is currently in the preliminary investigation stage. At the last hearing held on December 14, 2004, IFIL was questioned. The Judge then stayed the hearing until April 13, 2005 for further investigation measures (particularly in reference to a possible technical consultant appointed by the court), giving the parties time for briefs until March 31, 2005.

Both of the above requests by K Capital (request to declare the stockholders' resolution null and void and the request to seek a sum of compensation for damages) appear to be inadmissible and groundless and therefore at this time the Company does not believe that any contingent liabilities or losses will arise as a consequence.
Earlier, the appeal filed under ex article 2378, paragraph 4, of the Italian Civil Code by which the stockholder K Capital had sought the suspension of the execution of the resolution was denied by the Turin Court, by decree filed on June 9, 2003.

Equity investments held by Directors, Statutory Auditors and General Manager

(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2003	Increase	Decrease	Held at 12/31/2004
Directors in office					
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000			120,000
	Worms & Cie (a)	1			1
Winteler Daniel John	Worms & Cie (a)	2		(2)	0
Brandolini d'Adda Tiberto	Worms & Cie (a)	88			88
Garosci Luigi	IFIL ordinary shares (b)	8,007		(8,007)	0
Lombardi Giancarlo	IFIL ordinary shares (a)	12,650			12,650
Marocco Antonio Maria	IFIL ordinary shares (a)	73,369			73,369
	Fiat ordinary shares (a)	15,000		(15,000)	0
Teodorani-Fabbri Pio	IFIL ordinary shares (a)	200,000			200,000
	IFIL ordinary shares (b)	500,000			500,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ord. share warrants 2007 (b)	825			825
	Fiat savings shares (b)	5,720			5,720
Directors no longer in office at 12/31/2004					
Arnaudo Luigi (c)	IFIL ordinary shares (a)	119,500 (d)		(55,000)	64,500
Statutory Auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Girolamo Natale Ignazio	IFIL ordinary shares (b)	10,625			10,625

(a) Direct holding.
(b) Indirect holding through spouse.
(c) Director no longer in office since March 29, 2004.
(d) Of which 59,500 shares come from the conversion of 70,000 IFIL savings shares.

Stock Option Plans

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

At December 31, 2004, IFIL has two stock option plans.

In May 2000, the Board of Directors voted a stock option plan for the directors and managers of IFIL and IFI, for a maximum number of 2,700,000 IFIL ordinary shares, of par value € 1 each. The options can be granted in annual amounts each year from 2000 to 2004 and can be exercised by the grantees starting from 2002 up to 2006.
There were 2,691,500 options granted under this plan in the period 2000 to 2004, equal to 0.25% of current capital stock.

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

The options were granted according to the level of responsibility held by the grantee in the corporate organization.

220,700 options granted under the IFIL 1998 stock option plan and which had to be exercised by April 30, 2004 became forfeit during 2004.

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

A summary of the options granted for IFIL shares outstanding at December 31, 2004 are presented below:

	Number	Exercise price		Market
	of shares	actual (a)	average	price (b)
IFIL 2000 Plan (expiring December 2006)				
Options granted (net of options forfeit)				
. year 2000	522,000	6.997		
. year 2001	525,450	6.109		
. year 2002	844,050	4.520		
. year 2003	800,000	1.850		
	2,691,500		**4.517**	**3.39**
IFIL 2003 Plan (expiring December 2006)				
Options granted	**532,000**	**2.28**	**2.28**	**3.39**
Options exercisable at December 31, 2004	**3,223,500**		**4.148**	**3.39**

(a) Exercise price adjusted to take into account the cash capital stock increase in July 2003.
(b) Corresponding to the average stock market prices during the period March 1 -15, 2005.

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

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

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

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

SIGNIFICANT SUBSEQUENT EVENTS

Increase in the investment in SANPAOLO IMI

In March 2005, IFIL purchased 12,547,230 SANPAOLO IMI ordinary shares (0.851% of the class of stock) for an investment of € 142.3 million. Following this purchase, at the date of the Board meeting (March 30, 2005), IFIL held 82,918,230 SANPAOLO IMI ordinary shares, equal to 5.62% of ordinary capital stock (4.45% of capital stock).

Purchase of ordinary treasury stock

During the first quarter of 2005, the following transactions were carried out involving IFIL ordinary treasury stock:

	Number of shares	% of class of stock	% of capital stock	Carrying value	
				Unit (€)	Total (€ mn)
Balance at December 31, 2004:					
- classified in financial fixed assets	11,117,148	1.07	1.03	3.75	41.7
- classified in current assets	2,038,324	0.20	0.19	2.70	5.5
- held by the subsidiary Soiem	810,262	0.08	0.08	3.41	2.8
Total at December 31, 2004	13,965,734	1.35	1.30	3.58	50.0
Purchased by IFIL S.p.A. during period	630,306	0.06	0.06	3.38	2.1
Balance at end of March 2005	**14,596,040**	**1.41**	**1.36**	**3.57**	**52.1**

Change in the consolidated net financial position of the “Holdings System”

At the end of March 2005, the consolidated net financial position of the “Holdings System” shows a net liquidity position of € 536.3 million. The negative change during the period (€ 146.9 million) resulted from the following flows:

€ in millions	
Consolidated net financial position of the "Holdings System" at December 31, 2004	**683.2**
Purchase of 0.851% of SANPAOLO IMI ordinary capital stock	(142.3)
Purchase of 0.06% of IFIL ordinary capital stock	(2.1)
Sale of 1.69% of Juventus capital stock	2.8
Net financial expenses and net general expenses	(5.6)
Sales of receivables from the tax authorities to Group companies	2.1
Other net changes	(1.8)
Net change during the period	**(146.9)**
Consolidated net financial position of the "Holdings System" at end of March 2005	**536.3**

Capital stock increase by IFIL

By the power vested in it by the Stockholders’ Meeting on May 25, 2001, the Board of Directors, on February 7, 2005, voted to increase capital stock to service a stock option plan for the managers of the Company and its parent company.

The transaction will involve the issue of 800,000 IFIL ordinary shares (0.07% of capital stock) of par value € 1, which will be subscribed in cash by the end of April 2005 at the unit price of € 1.85 for a total of € 1,480,000. Following this increase, IFIL’s capital stock will amount to € 1,075,995,737 and will consist of 1,038,612,717 ordinary shares and 37,383,020 savings shares, all with a par value of € 1.

Sale of La Rinascente S.p.A.
On March 13, 2005, a contract was signed for the sale of 99.09% of the capital stock of Rinascente S.p.A. held by Eurofind Textile S.A. – the Luxembourg company controlled by Auchan and IFIL – to Tamerice S.r.l., a company leading a group composed of Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, at a price of € 888 million.

Closing of the deal, which is subject to approval by the competent antitrust authorities, is expected to take place by June 2005. The price will be completely paid in cash at closing. The buyer has provided the usual bank guarantee.

Eurofind Textile has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions. Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) as well as, for certain matters, a maximum limit of responsibility for the seller.
IFIL will guarantee the commitments undertaken by Eurofind Textile with the buyer until their maturity.

After closing the sale of La Rinascente, Ifil Investissements will purchase the remaining 50% of Eurofind Textile capital stock from the Auchan Group. Following these transactions, the IFIL Group will receive net proceeds for a total of approximately € 530 million and realize a gain of over € 450 million, without significant tax effects for the Group.

BUSINESS OUTLOOK

For 2005, IFIL S.p.A. is expected to report a profit.

Moreover, considering the forecasts formulated by the major holdings (discussed later in the report) and other estimates currently available, including the gain on the sale of La Rinascente, the 2005 consolidated financial statements of the IFIL Group are also expected to show a profit.

Fiat Group

For the Fiat Group, 2005 will be another year devoted to restoring the company's strength, with the expectation of reporting a further improvement in operating income and positive earnings after nonrecurring items. Consequently, in 2005, the Fiat Group expects to return to positive consolidated earnings.

Worms & Cie Group

The Worms & Cie Group anticipates that Antalis will confirm the improvement in its results following three years of reorganization and that ArjoWiggins will show a positive reaction to the restructuring process as early as 2005 and, to a greater extent, in 2006.

It is upon these factors, combined with the excellent prospects of growth of SGS and Permal Group, that the Worms & Cie Group reckons to lay the groundwork for the start of a new phase of development.

Alpitour Group

Notwithstanding the difficulties caused by the tsunami which affected important tourist spots in the East and the consequences of the terrorist attacks which have penalized Egypt as a destination, the Alpitour Group deems that the positive result reported in the previous year can be consolidated during fiscal 2004/2005.

Juventus Football Club

Juventus, in light of the economic and balance sheet performance for the first six months of the year and information available to date, should register a negative net result for the year that will end on June 30, 2005. Such result could nevertheless be significantly affected by any extraordinary transactions regarding its assets.

SANPAOLO IMI

SANPAOLO IMI recently announced the distribution of dividends per share of € 0.47 which will bring IFIL receipts of approximately € 39 million.

PERFORMANCE OF THE MAJOR GROUP COMPANIES

FIAT

(30.06% of ordinary capital stock and 30.09% of preferred capital stock)

The consolidated results of the Fiat Group in 2004 can be summarized as follows:

			Change	
€ in millions	**2004**	2003	Amount	%
Net revenues	**46,703**	47,271	-568	-1.2%
Operating result	**22**	(510)	+532	-104.3%
Result before taxes	**(1,577)**	(1,298)	-279	+21.5%
Group's interest in net result	**(1,586)**	(1,900)	+314	-16.5%
Investments in property, plant and equipment and R&D	**3,922**	3,758	+164	+4.4%
Cash flows provided by operations	**620**	321	+299	+93.1%
Net financial position	**(4,961)**	(3,028)	-1,933	+63.8%
Number of employees	**160,549**	162,237	-1,688	-1.0%

Fiat Group's **Net revenues** total € 46,703 million, reflecting a 1.2% decrease from the previous year, largely due to the disposal of activities. If only Continuing Operations in 2003 are considered – excluding the revenues of sold businesses – there was an increase of 5% in consequence of higher volumes of activity at most Sectors.

In 2004, the Group achieved its target of operating balance by posting a positive **Operating result** of € 22 million, in contrast with a loss of € 510 million in fiscal 2003. This improvement was even more marked when compared with Continuing Operations alone in 2003, which reported an operating loss of € 714 million. Fiat Auto reduced its operating loss, whereas many Sectors showed higher operating income.

The Group's interest in net result is a loss of € 1,586 million (compared to a loss of € 1,900 million in fiscal 2003). While the operating result was a breakeven, the net result was principally affected by the following:

- restructuring expenses of € 508 million, due to plans for personnel laid off with long-term unemployment benefits, severance incentives, and writedowns of property;
- a total of € 435 million in other extraordinary expenses, net, with an approximate € 246 million of this total being attributable to the process of reorganization and the streamlining of relationships with the Group's suppliers;
- net gains of € 154 million resulting from the sales of Fiat Engineering, Midas and Edison shares and warrants. In 2003, the balance of net gains/losses resulting from the disposal of Toro Assicurazioni and Fiat Avio had totaled € 1,747 million;
- financial expenses, net, total € 744 million in 2004, including the net positive effect of approximately € 300 million in nonrecurring gains from the unwinding of the equity swap on General Motors shares. The comparison with Continuing Operations alone shows an improvement of € 323 million, largely attributable to the lower average level of indebtedness in 2004 and lower interest rates.

As for the equity and financial aspects:

- **Consolidated stockholders' equity - Group** at December 31, 2004 is € 5,099 million, compared to € 6,793 million at December 31, 2003;
- The **consolidated net financial position** totals a negative € 4,961 million at December 31, 2004, reflecting an increase of € 1,933 million from the negative € 3,028 million recorded at December 31, 2003. The change stems principally from the operating requirements of the period, the increase in working capital and lower sales of trade receivables. Net financial position at December 31, 2003 and at December 31, 2004 can be summarized as follows:

€ in millions	**12/31/2004**	12/31/2003	Change
Financial payables	**(18,743)**	(22,034)	3,291
Accrued financial expenses	**(523)**	(593)	70
	(19,266)	(22,627)	3,361
Prepaid financial expenses	**93**	85	8
Cash	**3,164**	3,211	(47)
Securities	**2,126**	3,789	(1,663)
Net indebtedness	**(13,883)**	(15,542)	1,659
Financial receivables and lease contracts receivable	**8,897**	12,576	(3,679)
Accrued financial income	**234**	301	(67)
Deferred financial income	**(209)**	(363)	154
Consolidated net financial position	**(4,961)**	(3,028)	(1,933)

Gross indebtedness decreased by € 3.4 billion, principally in consequence of the reimbursement of bonds, including the bond exchangeable for General Motors shares for U.S.$ 2.2 billion, equal to approximately € 1.8 billion.
At December 31, 2004, the balance includes, among other things, the Mandatory Convertible Facility for € 3 billion and the loan by Citigroup of approximately € 1.15 billion, secured by the agreements with EDF as part of the Italenergia Bis transaction.

Financial receivables and lease contracts receivable at December 31, 2004 include financial receivables from the dealer network totaling € 1,220 million (€ 2,020 million at December 31, 2003). Receivables from the dealer network are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a typical component of the portfolio of the financial services companies. On the consolidated financial statements, the interest-bearing portion of the receivables is classified as a financial receivable, whereas the non-interest-bearing portion of the receivables is classified as a trade receivable. The abovementioned receivables from the dealer network are net of allowances for doubtful accounts totaling € 408 million at December 31, 2004 (€ 313 million at December 31, 2003), computed on the basis of historical statistical analyses and updated according to evolutions in market trends. At December 31, 2004, the Group held guarantees for these receivables totaling more than € 2 billion.

At December 31, 2004, gross indebtedness continued to be within the targets agreed upon with the Lending Banks under the Mandatory Convertible Facility Agreement (€ 23.6 billion), while the proforma net financial position, computed by subtracting from the net financial position the aforementioned Citigroup loan of approximately € 1.15 billion (as envisaged in the facility agreement with the Lending Banks) but not the receipt of the € 1,550 million as a result of the agreement reached with General Motors on February 13, 2005, exceeds the limit of € 3.6 billion contractually agreed for this parameter. The Lending Banks therefore have the right, according to contractual modalities and terms, to proceed with the conversion of the facility into capital for an amount up to € 2 billion.

As regards the significant events occurring since the end of the fiscal year, the most relevant transactions completed by the Fiat Group during early 2005 are reviewed below:

- on February 13, 2005, the Boards of Directors of Fiat and General Motors approved a contract to terminate the Master Agreement and related Joint Ventures between the two companies. The agreement envisages that General Motors pay to Fiat € 1.55 billion to terminate the Master Agreement (of which € 1 billion has already been paid), including the cancellation of the put option and the unwinding of all joint ventures.
  In greater detail, the agreement provides that General Motors return its 10% stake in Fiat Auto Holdings B.V. to Fiat and get a 50% interest in the Polish plant, which manufactures diesel engines as well as 50% of the involved technologies and that Fiat continue to sell engineering support for the development of diesel technology to General Motors, which will co-own JTD engine technology. However, General Motors will not manufacture JTD Diesel engines outside Europe that are to be exported to Europe, while continuing to take most of its European requirements from the Fiat plant in Pratola Serra.
  Both Fiat and General Motors will continue to support the joint development of existing platforms;
- also in February 2005, Fiat announced that the ownership of Maserati will be transferred from Ferrari to Fiat as soon as practicable. Alfa Romeo and Maserati will co-operate closely technically and commercially (particularly in important international markets) continuing its co-operation with Ferrari;
- early in March 2005, Magneti Marelli signed an agreement with the Turkish Group Koç for the acquisition of control of the automotive supplier company Mako Electric Sanayi Ve Ticaret A.S., moving from a 43% to a 95% interest. Mako is actually market leader in Turkey in automotive lighting systems. Magneti Marelli will commit Mako's business management to its subsidiary company Automotive Lighting S.p.A.;
- on March 21, 2005, Fiat exercised the Put option on EDF relating to the interest held in Italenergia Bis and equivalent to 24.6% of the shares, as well as the Put on the 14% holding sold to Banca Intesa, IMI Investimenti and Capitalia in 2002;
- on March 24, 2005, Fiat announced the creation of Fiat Powertrain Technologies, a new industrial unit that will integrate all the Group's innovation capabilities and expertise in engines and transmissions. The new company will operate in 12 countries with 26 plants and 16 research and development centers and will combine the resources, employees and activities of Fiat Auto Powertrain, Iveco Powertrain, Magneti Marelli Powertrain including Motor Sport, Iveco Motoren Forschung and the Powertrain research activities of the Fiat Research Center and Elasis.

The operating performance of the major sectors of activity in 2004 is the following.

Fiat Auto continued to work on redefining its presence in markets outside the EU, focusing on those that are strategically most significant: Latin America and Turkey. With reference to product innovation, it is to be noted that:

- during the last quarter of 2004, the Lancia Musa was presented to customers in Italy, with its commercial launch in other European markets scheduled for early 2005;
- the Fiat Panda family of cars was expanded with the introduction of Multijet and a gasoline-fueled 4x4 model versions (a multijet version of the 4x4 model will follow in 2005);
- the New Fiat Multipla, the Alfa Crosswagon Q4 and the restyled Alfa 147 were launched on the market;
- in the light commercial vehicle segment, the sector introduced the New Scudo and rounded out the Ducato line;
- Fiat Auto and Adam Opel AG signed a contract whereby Fiat will use General Motors architecture for the production of the New Fiat Croma, unveiled at the 2005 Geneva International Motor Show, which marks Fiat Auto's return to the D Segment;
- a contract was signed by Fiat Auto and Suzuki whereby Fiat enters the SUV segment with the manufacture of a jointly developed, Fiat-branded vehicle.

At the 2005 Geneva International Motor Show, the Sector introduced two new Alfa Romeo models: the 159 and the Brera. The new Punto will also be launched in the current year, in a segment which is just as important for the profitability of the brand.

The salient data of the Sector's operating performance in 2004 includes a 2.6% gain in net revenues, which increased to € 20.5 billion (+5.5% on a comparable scope of consolidation basis), and a reduction in the operating loss by € 139 million (by € 254 million on a comparable scope of consolidation basis), which shrank from € 979 million in 2003 to € 840 million in 2004. This improvement was made possible by higher unit sales and by an improvement in the sales mix, thanks to the newer models (Panda, Idea, Alfa GT). Cutbacks in production costs were especially important.

The net loss for the year totals € 2,019 million (compared to a net loss of € 2,058 million in 2003).
Research and development outlays increased to € 990 million, or 5.4% more than in 2003.

Ferrari

MASERATI

Ferrari - Maserati attained important objectives both in terms of sales and sports results. The Sector reported revenues of more than € 1.5 billion (the highest in its history), almost 20% higher than in the previous year. Ferrari won the World Constructors Championship for the sixth consecutive year.

Important models went on sale: the new F430, named by several highly regarded international publications the best car in its class and the Maserati Quattroporte, which became the best-selling Maserati model in the same year it was introduced.

In 2004, **CNH** reported revenues of € 9.8 billion, or a 4% increase compared to the previous year. If the currency translation effect is eliminated by comparing figures stated in constant U.S. dollars, without taking into account the negative impact of the appreciation of the euro versus the U.S. dollar, revenues show a gain of 9%, This improvement reflects higher sales both in agricultural machines and, to an even more pronounced degree, in construction equipment on a worldwide basis and in particular in the Americas, and increased sales prices.

Operating income rose to € 407 million in 2004, nearly double the operating income posted in 2003 (€ 229 million). In order to offset a rise in raw material costs, CNH implemented programs to streamline the manufacturing organization, which generated savings. In particular, cumulative synergies (post-Case/New Holland merger) reached U.S.$ 1 billion at the end of 2004.

Amortization of goodwill connected with the acquisition of Case was € 127 million in 2004.

CNH reported a net income of € 133 million in 2004, an important increase compared to the net loss of € 192 million in 2003, as well as a positive cash flow of € 526 million, compared to € 258 million in 2003.

Iveco's net revenues grew to approximately € 9.3 billion, or 10.1% more than in 2003, driven by the improvement in unit sales on the markets, especially in Western Europe.

Operating income totals € 357 million (compared to € 81 million in the previous fiscal year) also thanks to the product range repositioning and significant inroads made in lowering product costs.

Iveco posted a net income of € 109 million in 2004, compared to a loss of € 258 million in 2003, due to the operating performance, the decrease in restructuring and financial charges as well as a better tax management.

WORMS & CIE

(52.96% of capital stock through Ifil Investissements)

In 2004, Worms & Cie continued to pursue its strategy for the rationalization and development of its holdings which had commenced in 2001. In particular:

- a legal and operating plan was put into effect between ArjoWiggins and Carbonless in order to achieve synergies and optimize the management of the industrial plants. Cost-cutting programs were carried out concomitantly;
- the Accor shares still held were sold, resulting in a capital gain of € 21 million, net of tax;
- a restructuring plan was implemented for Permal Group.

The condensed consolidated results for fiscal year 2004, with the operating companies accounted for using the equity method, can be summarized as follows:

			Change	
€ in millions	**2004**	2003	Amount	%
Share in net profit before exceptional items of companies accounted for using the equity method				
- ArjoWiggins (including Carbonless)	**60**	66	(6)	-9
- Antalis	**22**	6	16	n.s.
- SGS	**44**	36	8	22
- Permal Group	**45**	25	20	80
- Other	**4**	15	(11)	-73
Share of earnings and dividends	**175**	148	27	18
Net profit of companies consolidated line-by-line before exceptional items	**9**	11	(2)	-18
Net profit before exceptionals items - Group	**184**	159	25	16
Exceptional items, net of tax including amortization of differences on consolidation	**(248)**	(47)	(201)	n.s.
Net profit (loss) - Group	**(64)**	112	(176)	n.s.
Stockholders' equity - Group	**1,776**	1,998	(222)	-
Consolidated net financial position	**(235)**	(612)	377	-

Worms reported a 16% increase in consolidated net profit before exceptional items, compared to 2003. With the exception of ArjoWiggins, the Group operating subsidiaries all delivered substantial growth. The economic effects of the provisions for restructuring costs at ArjoWiggins and the impairment adjustment to differences on consolidation referring to Antalis, respectively, of € 109 million and € 87 million, had a significant negative impact on exceptional items, which amount to a net exceptional expense balance of € 248 million (compared to a net exceptional expense balance of € 47 million in the previous year).
The effect of the abovementioned exceptional items led to a consolidated net loss – Group of € 64 million (compared to a net profit – Group of € 112 million in 2003).

In 2004, from a financial standpoint, Worms & Cie reached its objective of substantially reducing its net indebtedness position, from € 612 million at December 31, 2003 to € 235 million at December 31, 2004. The consolidated net indebtedness position (line-by-line consolidation) also shows a decisive improvement to € 918 million at December 31, 2004 from € 1,223 million at December 31, 2003.

Stockholders' equity - Group amounts to € 1,776 million at the end of December 2004 (€ 1,998 million at December 31, 2003).

The operating performance of the main holdings of the Worms & Cie Group in 2004 is described in the following paragraphs.

ARJOWIGGINS

(100% of capital stock through Worms & Cie)

The intonation of the markets of reference remains weak. While demand is satisfactory for some production units, fierce competition contributes to the decline in prices. The sector has resorted to production halts to keep inventory levels from rising.

After a first half marked by an appreciable economic recovery of the Asian and American markets, the second half displayed a contraction of international trade, particularly in Asia. In the United States, however, there was a strong growth in imports (regardless of the unfavorable exchange rate, which caused implementation of cost-cutting programs) and sales prices, which made it possible to offset the increase in the costs of certain production factors.
In Europe, the contraction of the price of paper pulp in euro to end-of-2003 levels allowed margins to gain some leverage, but this was achieved in a context of severe production overcapacity.

Demand for paper remains weak and production halts abound in the sector.

In this scenario, ArjoWiggins reported an operating income in 2004 of € 106.4 million, with a reduction of 9% compared to 2003.
Sales volumes were slightly higher than the prior year while sales prices declined on average by 2.8%. The combination of these two factors caused a contraction of business volumes of 2.5% to € 1,977 million.

As far as costs are concerned, the favorable change in the price of raw materials allowed the percentage of direct per unit costs to improve whereas the overall reduction in running costs is mainly due to the trend in exchange rates.

The impact of extraordinary expenses was € 113.6 million for the restructuring measures that were necessary to take account of the future consequences of the current excess production capacity in Europe.

The situation of the markets for the current year should not differ from that of 2004: the persisting weakness of the U.S. dollar will still weigh on the accounts of the company while the uncertainties of the paper pulp market will not allow significant increases in the sales prices.
In this scenario, an improvement in results must come from investments made to improve the product mix and to reduce fixed overheads now taking place.

The key consolidated highlights (ArjoWiggins + Carbonless Europe) are presented in the following table:

€ in millions	**2004**	2003	Change Amount	%
Net revenues	**1,977**	2,022	(45)	-2
Operating income	**106**	120	(14)	-12
Net income (loss)	**(45)**	24	(69)	n.s.

(100% of capital stock through Worms & Cie)

As far as the markets of reference are concerned, distribution registered a slight gain for the first time in three years in Europe, driven by the recovery of world growth which stimulated an escalation of investments in media and communications materials by businesses. Notwithstanding this impulse, the market reported a 2% contraction in value as a result of the significant decline in prices for the fourth straight year.
In spite of this, Antalis improved its operating performance, significantly increasing its economic results in 2004. The company raised its market share in almost all the countries in which it is present, improving its sales margin and keeping operating costs in check. The operating margin reached 23% of business volumes and sales are slightly higher than the prior year.
Operating income is equal to € 50.2 million (+35% over 2003) and the company has returned to a profit position (for the first time since 2000) with a net income of € 8 million.

The growth of the company was followed by the purchase of Brangs + Heinrich, an important German company operating in the market for the distribution of packaging materials. This sector is still quite fragmented, although it shows a total value of approximately € 4 billion and growth rates that are considerably higher than the economy as a whole. In parallel, Antalis continued its geographic expansion into strong-growth areas (Turkey, South-East Asia, South America and East Europe).

For the current year, Antalis intends to fight the difficulties in the sector and increase its profitability, appealing to the strategic alliances with its suppliers, stepping up internal efficiency and improving relations with customers, while continuing to pursue its development in segments with the highest potential such as the packaging sector.

The key consolidated results of the Group can be summarized as follows:

			Change	
€ in millions	**2004**	2003	Amount	%
Net revenues	**2,346**	2,324	22	1
Operating income	**50**	37	13	35
Net income (loss)	**8**	(6)	14	n.s.

SGS

(23.77% of capital stock through Worms & Cie)

Thanks in part to the improvement of market conditions in 2004, SGS registered an increase in business volumes of CHF 467 million compared to the prior year, arriving at a total value of CHF 2,885 million. This growth embraced all activity sectors.

Operating income stood at CHF 391 million at constant exchange rates, with an increase of CHF 91 million compared to the prior year.
Net income before extraordinary items, a positive balance of CHF 3 million, reached CHF 276 million (CHF 224 million in 2003).
Cash flows provided by operations were CHF 425 million (CHF 325 million in 2003) reflecting both the improvement in the result and the reduction in working capital.
Such flows were earmarked for new acquisitions and investments and also the payment of dividends.

During the year, the company pursued its strategy to consolidate its activities through acquisitions, and in so doing built one of the most important networks for vehicle inspections in France.

As far as the outlook for the current year is concerned, SGS has confirmed its previously announced objective of reporting earnings per share of CHF 45 in 2005.

The key consolidated results can be summarized as follows:

			Change	
CHF in millions	**2004**	2003	Amount	%
Net revenues	**2,885**	2,454	431	18
Operating income	**391**	300	91	30
Net income	**279**	227	52	23

PERMAL GROUP

(77% of capital stock post-reorganization, through Worms & Cie)

The world recovery that began in 2003 became stronger in 2004, allowing international financial markets to post positive performance, although lower than that of last year.

The Permal Group management model had continued to prove its validity, regardless of market conditions, having constantly pursued the development of new products and distribution channels.

Assets managed rose by U.S.$ 6.2 billion (of which approximately U.S.$ 1 billion is due to performance during the period) reaching U.S.$ 19.2 billion at year-end.

Partly with a view to sustaining the future growth of the company, Worms & Cie has reached an agreement in principle with Permal's management on the reorganization of the Group's structure and on the participation of the managers themselves, in keeping with the guidelines generally recognized in similar organizations in the asset management sector.
The reorganization should be completed by the end of the first half of the current year and will involve the entry of the managers as minority stockholders in Permal Group's capital with a total interest of 23%.

The key results for the year 2004 are as follows:

			Change	
US$ in millions	**2004**	2003	Amount	%
Net revenues	**348**	178	170	96
Operating income	**83**	43	40	93
Net income	**59**	30	29	97

SANPAOLO IMI

(5.62% of ordinary capital stock)

Banca FIDEURAM BANCA OPI SANPAOLO BANCA IMI SANPAOLO AM ASSET MANAGEMENT

During the year 2004, the distribution model adopted by the SANPAOLO network was extended to other banking networks of the Group and initiatives were taken to rationalize and develop the Group, in Italy and abroad, aimed at strengthening its presence in certain market sectors and geographical areas with a marked growth potential.

Having completed the integration of the branches of the former Banco di Napoli, in 2004 the process was also finalized for the banks in the Triveneto and Emilia areas and for Banca Popolare dell'Adriatico.
The integration process involved the gradual adoption of the SANPAOLO'S network and commercial model and the migration of the IT systems to those of the Parent Bank.
The reorganization process also envisages that branches within a reference territory of a specific historical brand should belong to the bank holding such brand, with the aim of taking advantage of the potential generated locally by the brand.

On January 20, 2004, SANPAOLO IMI exercised a put option for the remaining share of Finconsumo Banca still held (30%), implementing the agreements subscribed with Santander Central Hispano (SCH) for the sale to the latter of the whole share held in the bank. The transaction, completed at a price of € 80 million, determining a gross capital gain of € 55 million, is part of the rationalization of activities in consumer credit in which the Group operates with Finemiro Banca.

During the year, Asset Management underwent major reorganization in line with the Group business model characterized by specialization of the commercial units and product companies. On one hand, an insurance pole was created through the spin-off of bancassurance activities and, on the other hand, through the total split of the SANPAOLO IMI Wealth Management holding company in favor of SANPAOLO IMI Asset Management, for the activities of asset management, and to the Parent Bank for the remaining activities. The transaction, approved on November 29, 2004, came into effect for legal purposes on December 29, 2004. The reorganization maintains Asset Management as a direct extension of the Parent Bank and also rationalizes the investment structure and streamlines the staff organization, with consequent cost synergies.

On June 30, 2004, the Meeting of the Stockholders of Banca Fideuram approved the spin off of the stake held by banca Fideuram in Fideuram Vita in favor of SANPAOLO IMI, which was completed on November 19, 2004 with effect from November 30, 2004. The beneficiary assigned the minority stockholders in Banca Fideuram shares at a ratio of 0.07470 SANPAOLO IMI ordinary shares for each Banca Fideuram share.
The transaction was instrumental in the reorganization of the insurance activities of SANPAOLO IMI and strengthened Banca Fideuram's role in financial consultancy services, asset management and private banking. In particular, a strategic objective of the segment was identified in the growth of initiatives in the various areas of the reference customers, confirming the maintenance of the bank's profitability at the current levels of excellence.

The reorganization plan of SANPAOLO IMI's insurance activities provided for the concentration of all the life insurance Group companies and those in the property and casualty branch into a single pole. The company vehicle identified for this purpose is Assicurazioni Internazionali di Previdenza S.p.A. (previously called Noricum Vita).
The reorganization project, the guidelines of which were approved by the Board of Directors on February 13, 2004, aims to:

- rationalize the presence in the market, achieving a critical volume capable of encouraging increased efficiency through cost synergies and economies of scale;
- increase the focus on the insurance business, encouraging product innovation in sectors such as welfare and personal insurance;
- exploit the complementary nature of insurance and financial needs.

The plan was completed with the merger by incorporation of SANPAOLO Vita and Fideuram Vita into A.I.P., which began operating from December 1, 2004.

The reorganization project also intends to create conditions for further possibilities of growth, also by way of subsequent aggregations.

On November 18, 2004, a project was completed for the valorization of the non-performing property portfolio of SANPAOLO IMI through the transfer to the Carlyle group of 100% of CSP Investimenti - the subsidiary to which SANPAOLO IMI assigned the business area, including 105 properties, as of December 31, 2003 – and a further 126 properties belonging to various companies of the Group. The transaction was aimed at rationalizing the management of the property assets on the basis of organizational requirements and income opportunities. It was defined on the basis of a sale price of some € 320 million, allowing a gross capital gain of almost € 100 million. About one third of the capital gain was recorded in the assets of the proprietary banking networks as of December 2003 for revaluation according to Law 350/2003, and the remaining part was recorded in the financial statements for 2004.

The results of the SANPAOLO IMI Group for 2004 showed an improvement over 2003 in all principal indicators for profitability, efficiency and quality of assets. Net income reached € 1,393 million, a rise of 43.3% compared to 2003; RoE is 12.2%, 3 percentage points higher than the previous year. The Group also improved the cost to income ratio, which fell to 63.5% from 65.3% of 2003. The net non-performing loans/net loans ratio remained at an excellent level (1%).

This performance was made possible by the favorable trend in revenues, thanks to commissions and income from the companies carried at equity, the constant monitoring of expenses leading to a reduction in operating costs, as well as the increase in net extraordinary income, thanks to charges to be accounted for in 2003 mainly attributable to staff leaving incentive plans.

The net result for the year was above the budget objective, continuing the growth begun in 2003.

The key results of the SANPAOLO IMI Group can be summarized as follows:

			Change	
€ in millions	**2004**	2003	Amount	%
Net interest income	**3,569**	3,716	(147)	-4.0
Net interest and other banking income	**7,592**	7,469	123	1.6
Operating income	**2,890**	2,704	186	6.9
Income before extraordinary items	**1,953**	1,687	266	15.8
Net income - Group	**1,393**	972	421	43.3
Total assets	**211,157**	202,580	8,577	4.2
Stockholders' equity - Group	**11,804**	10,995	809	7.4
Numbers of employees	**42,738**	43,465	(727)	-1.7

Net interest income for 2004 is € 3,569 million, a decrease of 4% compared with the previous year. This trend is attributable to the deterioration of the total spread and the redirecting of volumes towards less remunerative, medium/long-term activities which was not sufficiently compensated by the positive effect of trading volumes.

Net interest and other banking income was € 7,592 million in 2004, up 1.6% compared with the previous year. The reductions in net interest income and in gains and losses from financial transactions (-3.4%) were more than compensated by the growth of commission income (+6.7%), earnings of companies accounted for using the equity method and dividends from holdings (+30%).

Operating income in 2004, equal to € 2,890 million, shows an increase of 6.9% over 2003.

With regard to the balance sheet components at the end of December 2004, the following can be said:

- **total consolidated assets** amount to € 211,157 million;
- **net loans to customers**, excluding non-performing loans and loans to SGA, amount to € 119,932 million; the percentage of net non-performing loans to total net loans to customers is 1%;
- **total customer financial assets** amount to € 377,444 million, including assets under management of € 144,485 million;
- **stockholders' equity - Group** is € 11,804 million, compared to € 10,995 million at the end of December 2003.

(60% of capital stock)

In the 2003/2004 sports season, Juventus won the fourth Italian Super Cup, its 50th title, and captured third place in the Italian Championship, gaining the right to contend the preliminary round, won in August, and qualifying for the UEFA Champions League 2004/2005.

The fiscal year July 1, 2003 – June 30, 2004 ended with a loss of € 18.5 million, compared to a net income of € 2.2 million reported in the prior year.
Operating revenues show a reduction of 2.9%, from € 214.4 million in 2002/2003 to € 208.2 million. The decrease is due to the effect of poorer sport results compared to the preceding season, which generated a smaller flow of income from the games and the UEFA Champions League. Revenues for the year include € 20 million, which come from the agreement signed with the Mediaset Group for the sale of the pay TV broadcasting rights for next seasons' games.
In parallel, operating costs fell from € 199.1 million in 2002/2003 to € 171.1 million in 2003/2004, due both to the absence of sports bonuses paid to technical staff and lower expenses for the purchase of temporary players' rights.

The net amount of income from the management of players' registration rights totals € 3.6 million, a reduction from the € 13 million reported in the previous season. Amortization of investments in players amounts to € 63.9 million (€ 61.6 million in 2002/2003).
Net extraordinary income is € 7.6 million, compared to € 39.8 million in the prior year.

Stockholders' equity at June 30, 2004 amounts to € 80.9 million, before the loss for the year, while the net financial position shows a liquidity position of € 53.1 million (€ 69.2 million at June 30, 2003).

For purposes of the preparation of the IFIL Group 2004 consolidated financial statements, Juventus prepared financial statements for the period January 1 – December 31, 2004, which can be summarized as follows:

Year				Change	
2003/2004 (a)	€ in millions	**2004** (b)	2003 (b)	Amount	%
216.0	Total operating revenues	**220.0**	212.9	7.1	3.3
47.2	EBITDA (c)	**45.9**	17.0	28.9	170.0
(18.5)	Net loss	**(5.8)**	(16.1)	10.3	-64.0
80.9	Stockholders' equity (d)	**71.2**	77.0	(5.8)	-7.5
53.1	Net financial position (d)	**(20.5)**	13.1	(33.6)	-256.5

(a) Corresponding to the period July 1, 2003 – June 30, 2004.
(b) Periods corresponding to the calendar year.
(c) Before amortization of players' registration rights.
(d) Data referring to the end of the period.

The result for the year 2004 is a loss of € 5.8 million, an improvement of € 10.3 million compared to 2003 due both to the increase in operating revenues (also as a result of the agreement signed with the Mediaset Group in 2004) and the reduction in costs described above.

Moreover, the economic effect of the summer phase of the 2004/2005 transfer campaign is a positive figure of € 18.6 million, compared to € 3.6 million in the summer 2003 campaign.

The reduction in stockholders' equity from € 77 million at December 31, 2003 to € 71.2 million at December 31, 2004 is due to the loss for the period. The net financial position shows a net indebtedness position of € 20.5 million at December 31, 2004, compared to a net liquidity position of € 13.1 million at the end of the prior year.

Among the major events which occurred in 2004, apart from those commented above, mention should be made of the new agreements signed in April with Sky Italia mainly for the sale of the television broadcasting rights for the home games of the Italian Championship for the 2005/2006 and 2006/2007 sports seasons.

As regards the investigation by the judiciary against the Chief Executive Officer and the company physician concerning the alleged improper use of medicines by Juventus Football Club S.p.A. players, on November 26, 2004 the Court acquitted the Chief Executive Officer Antonio Giraudo of all charges and sentenced company physician Riccardo Agricola to one year and ten months' imprisonment, with the right to early release on the dual grounds provided by law. The motivations for the sentence were filed on February 24, 2005.
An appeal is being prepared and once filed will set in motion the second degree stage of the court process.

As far as the current soccer season is concerned, the Primavera team won the Viareggio Tournament for the third consecutive year (a record in the cup's history), while the First Team qualified for the quarter finals of the UEFA Champions League by beating Real Madrid.

At the end of March 2005, Juventus announced that it had signed an official sponsorship agreement for all games and for a five-year period starting July 1, 2005, with Oilinvest B.V., the Dutch company which owns the Tamoil trademark. The overall agreement is worth an equivalent amount of € 110 million, including the right to extend the sponsorship agreement for five more years for a total equivalent amount, in that period, fixed at € 130 million.

(100% of capital stock through Ifil Investissements and Ifil Finance)

In June 2004, the Extraordinary Stockholders' Meeting of Alpitour voted to increase capital stock for a total of € 17.8 million, of which € 6.5 million was in cash and € 11.3 million by contribution of the investments held in Welcome Travel Group S.p.A. and in Neos S.p.A. by the parent company NHT New Holding for Tourism B.V.. After this transaction, Alpitour took over the role of holding company of the tourism sector, operating directly as a tour operator and holding control of all the other sectors connected with the tourism business (incoming, hotel management, distribution and aviation).

After a 2003 marked by weak economic performance and disturbed by unfavorable external factors (the political crisis in Iraq, the Sars health emergency in the East and terrorism fears), demand in the tourism sector grew in 2003/2004, a fact that first became evident in the 2003 summer season.
In this scenario, the Alpitour Group consolidated its presence and increased overall market share through its various brands.
The tourism sector remains at a high level of competitiveness, confirmed by very aggressive sales policies on the part of operators in terms of prices and discounts offered on some of the most popular destinations. The propensity of customers to delay vacation reservations until just a few days before departure to take advantage of last minute offers also remains high.
To meet this situation and keep sales at discount prices at a normal level, the Group's operators launched early booking campaigns where final customers were offered lower prices for reservations made a great deal in advance. By using this promotional tool, the Alpitour Group achieved a significant improvement in programming, especially for the summer, and an optimization in the costs and the risks associated both with land-based services and seat availability on flights.

The key consolidated results of the Alpitour Group for the year 2003/2004 can be summarized as follows:

			Change	
€ in millions	**2003/2004**	2002/2003	Amount	%
Net revenues	**1,108.5**	932.9	175.6	18.8
Operating income	**29.6**	29.8	(0.2)	-0.7
Net income - Group	**3.4**	0.7	2.7	n.s.
Stockholders' equity - Group	**79.6**	63.5	16.1	25.4
Consolidated net financial position	**(108.2)**	(78.2)	(30.0)	38.4

Net revenues of € 1,108.5 million were reported in 2003/2004, with an increase of approximately 19% compared to 2002/2003. Such increase includes the effects of the first-time line-by-line consolidation of Neos and the Welcome Travel Group. Net of these effects, consolidated net revenues of the Group show a significant increase all the same, equal to 15%.

The consolidated revenues of the Alpitour Group by sector are presented below:

			Change	
€ in millions	**2003/2004**	2002/2003	Amount	%
Tour operating	**927.7**	811.1	116.6	14.4
Incoming	**217.4**	193.4	24.0	12.4
Hotel management	**92.7**	77.4	15.3	19.8
Aviation	**73.6**	0.0	73.6	n.s.
Distribution	**23.5**	0.0	23.5	n.s.
Total	**1,334.9**	1,081.9	253.0	23.4
Elimination of infragroup transactions	**(226.4)**	(149.1)	(77.3)	51.8
Total	**1,108.5**	932.8	175.7	18.8

As far as tour operating is concerned, 2003/2004 recorded a 14.4% increase in sales. This increase is principally due to a recovery in demand, especially during the summer season, combined with the performance registered by the Group's brands, as well as the increase in the sales of the "incentive" sector.

With regard to volumes, in 2003/2004 there were 1,078 thousand travelers compared to 950 thousand recorded in the prior year, with an increase of more than 13%.

Travel, in 2003/2004, to Egypt (Red Sea and classic Egypt) picked up considerably and significant increases were recorded in medium-haul destinations in the eastern Mediterranean (Tunisia, Greece and Turkey) and the major African destinations (Tanzania, Cape Verde and Kenya). As for destinations in the area of Spain, although the Canary Islands and continental Spain recorded a decline, whereas the Balearic Islands registered a positive trend.

Similar to what has transpired in the Italian tourism sector in general, travel to Italian destinations is below expectations and less than the previous year.

In reference to long-haul destinations, the Caribbean area consolidated its position and significant increases were recorded in destinations to Mexico (+20%).

The incoming sector, headed by the Jumboturismo Group, reported consolidated sales of approximately € 217.4 million in 2003/2004, including € 117.7 million in sales to the Alpitour Group.

The increase in sales compared to 2002/2003, equal to 12.4%, is due to both the growth of volumes from third-party operators (+9%) and those contributed by the operators of the Group (+9%).

As regards third-party operators, the traffic brought by these operators (mainly British, Irish and Dutch) totaled 655 thousand travelers compared to 601 thousand in 2002/2003, whereas the volumes contributed by the tour operators of the Group totaled 432 thousand compared to 396 thousand in the prior year.

The hotel management sector recorded a significant increase in consolidated sales, from € 77.4 million in the prior year to € 92.7 million. The total includes € 43 million in sales to the tour operators of the Group. The increase can principally be ascribed to the higher volumes contributed by the tour operators of the Group and the growth of Altamarea's activities on the Italian market.

The hotel resorts owned by the group, which are marketed under the brands of "Bravo Club" by Alpitour and "Sea Club" by Francorosso, recorded a presence of approximately 1,100 thousand in 2003/2004.

The Italian hotel facilities operated by Altamarea, instead, recorded a presence of approximately 593 thousand.

The “aviation” division which is headed by the Neos airline company, posted total revenues of approximately € 73.6 million, including € 55.5 million in revenues from the Group’s operators. Neos currently has a fleet of four B 737-800 airplanes, located at the airports of Milan Malpensa, Verona and Bologna and operates on the major short/medium-haul routes in the Mediterranean area and Egypt.
Neos carried more than 618 thousand passengers during the year.
The beginning of the new year signaled the start of long-haul trips by Neos that initially are being made with one rented B 767-300 plane, which, when the business is fully operational, will be followed by another two rented B 767-300. The growth of this business will allow the Group to provide a product with a high qualitative standard also on long-haul routes.

The distribution sector, which reported sales of € 23.5 million (including € 3.7 million of sales to the Group), principally operates through the Welcome Group travel agency network, which at present encompasses 337 affiliate agencies and 35 owned agencies.
Investments made during the last two years, combined with more effective action to coordinate the activities of the owned points of sale and a higher growth in the travel organization activities as compared solely to the simple brokering business, allowed the distribution division to report a significant increase in sales and margins compared to 2002/2003.

The growth of sales volumes and the change in the scope of consolidation led to a significant increase in the gross operating profit which rose from € 108.6 million in 2002/2003 to a corresponding figure of € 153.9 million in 2003/2004. This amount was considerably impacted by the consolidation of Neos and Altamarea.
Operating income is € 29.6 million and basically in line with that of the prior year. The reduction at the level of operating margin compared to the gross margin can mainly be ascribed to structure costs, particularly personnel costs (€ 86.7 million) and costs for leases and rentals (€ 33.9 million).
Leases and rentals chiefly comprise the rent of hotel facilities (€ 12.2 million) and airplane rentals and leases (€ 12.8 million). These show an increase of € 19.9 million compared to the prior year mainly because of the first-time line-by-line consolidation of Neos and Welcome Travel Group, as well as the inroads made in the hotel business on the Italian market by Altamarea. The increment in personnel costs (+39%) is also primarily on account of the line-by-line consolidation of Neos and Welcome Travel Group and the growth of the hotel management sector in Italy.

Notwithstanding the uncertainty of the economy and the reality of an unstable international geo-political situation, which have put tourism operators in an undoubtedly challenging operating position, 2003/2004 nevertheless brought the Alpitour Group an overall positive result which was influenced by the significant growth in terms of volumes and an increasingly better and more efficient integration among the various sectors of its tourism business.

The new “Alpitour World” brand was presented in January 2005 and will gradually take its place alongside the various other brands of the business. Besides focusing on the completeness of the Group’s tourism offering, the brand will constitute an easily recognizable “name” that will be able to guarantee the quality of Alpitour’s products and services.

laRinascente

(99.21% of ordinary capital stock and 99.06% of savings capital stock (class B), through Eurofind Textile)

2004 represents the first year of the La Rinascente S.p.A. Group, which came into being as a result of the spin-off of so-called textile area, consisting of the La Rinascente department stores and UPIM, to the new beneficiary La Rinascente S.p.A. by the ex-La Rinascente S.p.A..
The spin-off had effect for legal and tax purposes on October 27, 2004 and effect retroactively for accounting purposes at January 1, 2004.

From a corporate standpoint, the La Rinascente S.p.A. Group is composed of the newly-formed group holding company, La Rinascente S.p.A., the operating subsidiaries Rinascente/Upim S.p.A., to which ex-La Rinascente S.p.A. contributed, effective January 1, 2004, the business segments relating to the La Rinascente department stores and UPIM and Duomo Ristorazione S.r.l., three wholly-owned non-operating real estate companies and the 50%-owned company Immobiliare Colonna 92 S.r.l..
In February 2005, an agreement was sealed for the sale of the investment in Immobiliare Colonna 92 S.r.l. to the Lamaro Group, which holds the remaining 50%, for € 7 million.

In 2004, the general economic scenario was not able to rely on internal and international conditions to bring about a recovery after the already negative situation of previous years.
The climate of confidence by households remained at record lows causing particularly cautious behavior in consumption choices. The prudent attitude demonstrated by the consumer became even more resolute when faced with purchases made on retail sales channels.

The two banners of the company tackled the difficult situation of demand by instituting actions aimed at best satisfying the new requirements expressed by the clientele, by improving price competitiveness, the merchandise assortment, the level of service and the welcome at the point of sale. In particular:

- Upim, concentrated its energies on improving its new business model, pursuing the transformation of the Variety Store formula to the new Multispecialty Store format based on five interactive merchandise modules which identify the world of apparel (women, men and children), cosmetics and the home.
  The intricate operation affected all organizational and operational aspects, from the store layout, to the supply chain, to information technology and to internal and external communication.
  As these five worlds were being developed, each of which offers an extensive merchandise assortment, new opportunities also came along for franchising.
  Moreover, three new stores were added in the malls of Shopping Centers.
- The La Rinascente departments stores have substantially completed the restructuring program of their network. This has led to the refurbishment of all the branches, in many cases with the added enhancement of new supplementary services such as food and refreshments and hair styling.
  Special care was paid to the product, focusing attention on the correct mix, private labels and prestigious brand names and on competitive price positioning.
  With a view to the planning of new commercial formulas, after the first experience in Rome-Galleria Colonna, the Jam Store, targeting a typically young/youth market, opened at the La Rinascente department store in Milan-Duomo.

The consolidated results of the Group in 2004 can be summarized as follows:

€ in millions	**2004**	2003 (a)	Change Amount	 %
Gross sales	**925.4**	883.1	42.3	4.8
Gross operating profit	**67.7**	62.5	5.2	8.3
Operating income	**21.6**	18.3	3.3	18.0
Net income - Group	**8.8**	n.d.	n.d.	n.d.
Stockholders' equity - Group	**96.8**	88.0	8.8	10.0
Consolidated net financial position	**(45.3)**	(88.7)	43.4	n.s.

(a) Proforma 2003 data restated for purposes of comparison.

In 2004, the La Rinascente S.p.A. Group registered **gross sales** of € 925.4 million, with an increase of 4.8% compared to the sales reported by Upim and the La Rinascente department stores in 2003.

Gross operating profit (gross cash flow) amounts to € 67.7 million, with an increase of 8.3%.

Operating income is € 21.6 million, with a growth of 18%.
Financial income and expenses show a net expense balance of € 2.4 million. Extraordinary items, net, generated an income balance of € 5.8 million, mainly as a result of booking a portion of the deferred gain on the sale of the Cagliari, Milan-Certosa and Padua branch properties to ISIM; the gross gain amounts to € 29.3 million and, in accordance with the contractual agreements, is being deferred over five years, as required by Legislative Decree No. 310 dated December 26, 2004, article 16, published in the Gazzetta Ufficiale of December 30, 2004.
The amortization charge for goodwill is € 0.7 million.

Net income - Group amounts to € 8.8 million, after income taxes of € 15.6 million (of which € 7.1 million refers to IRAP taxes).

Net cash flows provided by operations (net income + amortization and depreciation) total € 55.6 million. Investments, net of disposals, in financial fixed assets, property, plant and equipment and intangible fixed assets amount to € 48.3 million.

Ifil Investissements (Luxembourg)

(100% of capital stock directly and through Ifil Investment Holding)

The key highlights for the year ended December 31, 2004 can be summarized as follows:

€ in millions	**2004**	2003	Change
Net income (loss)	**509.0**	(154.2)	663.2
Stockholders' equity	**1,993.1**	1,947.3	45.8
Financial fixed assets	**2,005.2**	1,917.6	87.6
Net financial position	**(7.0)**	34.1	(41.1)

The most important transactions which took place in 2004 are described in the section “Major events in 2004”.

Stockholders’ equity increased by € 45.8 million following the partial reimbursement of additional paid-in-capital to the parent companies IFIL (-€ 95.7 million) and Ifil Investment Holding (-€ 24.2 million), dividends paid or declared to these same companies (-€ 343.3 million in total) and the net income for the year (+€ 509 million).

Financial fixed assets comprise the following investments and bonds at December 31, 2004:

		12/31/2004			
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2003	Change
Worms & Cie S.A.	55,922,623	52.96	**775.5**	775.5	0.0
Eurofind S.A.	-	-	**-**	431.9	(431.9)
Eurofind Textile S.A. (a)	30,000	50.00	**81.5**	-	81.5
Ifil International Finance Ltd	4,000,000	100.00	**1,054.0**	544.0	510.0
NHT - New Holding for Tourism BV	22,980	69.68	**61.3**	135.6	(74.3)
Ifil Finance BV (put into a wind-up)	10,000	100.00	**18.5**	18.5	0.0
Ifilgroup Finance Ltd	4,000,000	100.00	**4.0**	-	4.0
Sadco S.A.	300	100.00	**1.4**	-	1.4
Ifil USA Inc	100	100.00	**0.5**	-	0.5
Turismo & Immobiliare S.p.A.	40,000	33.33	**0.1**	-	0.1
Other	-	-	**3.6**	7.4	(3.8)
Total investments			**2,000.4**	1,912.9	87.5
Ocean Club Méditerranée convertible bonds	76,614	-	**4.8**	4.7	0.1
Total financial fixed assets			**2,005.2**	1,917.6	87.6

(a) Company set up on December 13, 2004, following the proportional total spin-off of Eurofind.

A comparison of carrying values and market prices of listed financial fixed assets shows the following unrealized gains:

€ in millions	Worms & Cie	Ocean Club Med bonds	Total
Market price at December 30, 2004	435.3	0.1	435.4
Average market price in the second half of 2004	324.9	0.1	325.0
Average market price March 1-15, 2005, update	499.7	0.2	499.9

Eurofind Textile (Luxembourg)

(50% of capital stock through Ifil Investissements)

The Company was set up on December 13, 2004 following the proportional total spin-off of Eurofind S.A.

The highlights for the year ended December 31, 2004, consisting of a period of only 19 days, can be summarized as follows:

€ in millions	**2004**
Net income	**-**
Stockholders' equity	**298.1**
Financial fixed assets	**297.3**
Net financial position	**0.8**

Financial fixed assets comprise the following investments at December 31, 2004:

		12/31/2004	
€ in millions	Number of shares	% of capital stock	Carrying value
La Rinascente (Italy)			
- ordinary shares	296,556,269	99.21	**237.7**
- preferred shares, class B	101,869,881	88.92	**57.4**
- preferred shares, class A	2,797,086	99.06	**1.9**
		99.09	**297.0**
Eufin Investments U.K.	243,100	100.00	**0.3**
Financial fixed assets			**297.3**

Ifil International Finance Ltd (Ireland)

(100% of capital stock through Ifil Investissements)

The Company ended the year December 31, 2004 basically with a breakeven (a net income of € 0.3 million in 2003). Stockholders' equity amounts to € 1,054.8 million (€ 544.8 million at the end of 2003) and the net financial position is a liquidity position of € 1,054.9 million (a liquidity position of € 544.9 million at December 31, 2003).

The liquidity is mainly invested in three medium/long-term loans granted to Ifil Investissements and due in December 2006 (€ 550 million), January 2007 (€ 70 million) and January 2010 (€ 430 million) for a total of € 1,050 million.

Ifil Finance BV (Netherlands)

(100% of capital stock through Ifil Investissements)

Similarly to 2003, the Company ended the year 2004 basically with a breakeven and with a stockholders' equity of € 18.4 million, unchanged compared to the prior year.

The Company, put into a wind-up in 2004, holds 30.32% of the capital stock of NHT New Holding for Tourism, recorded with a carrying value of € 18.4 million. The net financial position at December 31, 2004 is in equilibrium.

Ifil Investment Holding (Netherlands)

(100% of capital stock)

The key highlights for the year ended December 31, 2004 can be summarized as follows:

€ in millions	**2004**	2003	Change
Net income	**92.3**	7.8	84.5
Stockholders' equity	**257.9**	165.6	92.3
Financial fixed assets	**261.0**	320.3	(59.3)
Net financial position	**(2.7)**	(155.0)	152.3

Financial fixed assets comprise the following investments:

		12/31/2004				
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2003	Change	
Ifil Investissements S.A.	224,194	20.18	**261.0**	285.2	(24.2)	(a)
Mediterranean Capital (ex-Ifil Capital B.V. - put into a wind-up)	11,000	100.00	**-**	35.1	(35.1)	(b)
Financial fixed assets			**261.0**	320.3	(59.3)	

(a) The reduction is due to the partial reimbursement of additional paid-in capital by Ifil Investissements for the same amount.
(b) The reduction is due to the payment of interim dividends and the reimbursement of reserves.

Mediterranean Capital BV (ex-Ifil Capital BV) (Netherlands)

(100% of capital stock through Ifil Investment Holding)

The key highlights for the year ended December 31, 2004 can be summarized as follows:

€ in millions	**2004**	2003	Change
Net income	**26.4**	- (a)	26.4
Stockholders' equity	**-**	35.1	(35.1)
Investment in Club Méditerranée	**-**	35.2	(35.2)
Net financial position	**-**	(0.1)	0.1

(a) Loss equal to € 31 thousand.

After the sale of 7.2% of the capital stock of Club Méditerranée mentioned earlier, which generated a gain of € 26.4 million (coinciding with the net income for the year), the Company repaid almost the entire stockholders' equity in the form of interim dividends and a reimbursement of reserves and was then put into a wind-up.

MOTION FOR APPROVAL OF THE FINANCIAL STATEMENTS AND APPROPRIATION OF NET INCOME FOR THE YEAR

To our Shareholders,

We ask you to approve the financial statements for the year ended December 31, 2004 and we propose the appropriation of net income of € 80,150,854 as follows:

		(in €)
To the legal reserve		160,000.00
To the ordinary shares, dividends of € 0.0683, for a maximum	70,937,248.57	
To the savings shares, dividends of € 0.089, for a maximum	3,327,088.78	
Shares outstanding are entitled to the proposed dividends, thus excluding the shares held by the company at the ex dividend date, for a total maximum		74,264,337.35
To the extraordinary reserve, the remaining amount, for a minimum		5,726,516.65
Net income for the year 2004		**80,150,854.00**

Turin, March 30, 2005

For the Board of Directors
The Chairman and President
Gianluigi Gabetti

IFI
Istituto Finanziario Industriale

Annual report 2005

IFI
Istituto Finanziario Industriale

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

TABLE OF CONTENTS

DIRECTORS' REPORT ON OPERATIONS

IFI S.p.A. - STATUTORY FINANCIAL STATEMENTS AT DECEMBER 31, 2005

IFI GROUP - CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2005

This is an English translation of the Italian original document "Relazioni e Bilanci 2005" approved by the IFI Board of Directors on March 31, 2006, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence: for complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian "Relazioni e Bilanci 2005" containing the Directors' Report on Operations and the Statutory financial statements and Consolidated financial statements also available on the corporate website: http://www.gruppoifi.com.

IFI
Istituto Finanziario Industriale

Board of Directors

Chairman	Gianluigi Gabetti
Vice Chairman	Pio Teodorani-Fabbri
Directors	Annibale Avogadro di Collobiano John Elkann Luca Ferrero Ventimiglia Gabriele Galateri di Genola Franzo Grande Stevens Andrea Nasi Lupo Rattazzi
Secretary to the Board of Directors	Pierluigi Bernasconi

General Manager	Virgilio Marrone

Board of Statutory Auditors

Chairman	Cesare Ferrero
Standing auditors	Giorgio Giorgi Lionello Jona Celesia
Alternate auditors	Giorgio Ferrino Paolo Piccatti

Independent Auditors	Deloitte & Touche S.p.A.

Expiry of term of office

The three-year term of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting held on May 29, 2003, will expire concurrently with the Stockholders' Meeting called for the approval of the financial statements for the year ending December 31, 2005, as will the appointment of the independent auditors.

Corporate Governance

The Chairman, according to the bylaws (art. 21), may represent the Company, also before a court of law, and has signature powers.

Specific operating powers have been conferred to the Vice Chairman and the General Manager.

CHAIRMAN'S LETTER

To our Stockholders,

In 2005, the expansion phase of the global economy moved forward, driven, in particular, by growth in the United States and China. According to the International Monetary Fund (IMF), this year, the world economy grew by approximately 4.3%, still quite a high pace, but lower than that achieved in 2004 (+5.1%). The persisting, fairly favorable financial conditions limited the negative repercussions originating from the rise in the cost of oil. However, there were again very different trends of growth in the various main industrial areas: in the face of considerable expansion in the United States, activity in the Eurozone was weak, and there was a net deceleration in the United Kingdom; only in Japan was the recovery more rapid than expected, while China maintained its high growth rates.

Compared to 2004, GDP in the United States was 3.5%, less than the prior year (+4.2%) but, in any case, much higher than the figures reported in many countries in the Eurozone. The expansion of employment and the growth of consumption were the driving force behind the American economy until the end of summer 2005, only to contract suddenly due to the natural disasters, which affected part of the country. But it is precisely the reconstruction work in the areas hit by the disaster, partly financed by the national debt, which should provide the boost that will accelerate growth in 2006. However, the increase in the prices of energy led to a significant rise in consumer prices. High inflation (+4.3% in October 2005) drove the Federal Reserve to intervene, increasing the cost of money (4.5%). The current deficit in the balance of payments in 2005 exceeded 6% of domestic product, largely due to the high price of oil and the increase of imports from China.
It is precisely the trade deficit and its "twin problem" – the national deficit – which continue to constitute a serious source of concern for the American economy: the dual deficit, already referred to in the Letter to IFI Stockholders of last year, has for a long time been creating a serious imbalance which, although easily financed by the American economic system, is causing alarm for the international scenario in relation to the potential effects on American interest rates and on the U.S. dollar. In recent months, the U.S. dollar has increased in value against other strong currencies (the euro and the yen) partly as a result of higher interest rates, which generated a considerable flow of private capital from abroad.

In Europe, year-to-year growth was 1.3%, higher than in 2004. Countries which reported considerable growth include France (+1.4%), Spain (+3.4%) and the United Kingdom (+1.8%), while Germany (+0.9%) and Italy (+0.0%) showed only modest or zero growth. One source of concern for the ECB is the increase in consumer prices, forced up by the price of energy; in fact, in 2005, inflation settled at an average of 2.3%. The new estimated forecast for 2006 is an inflation rate for the Eurozone of between 1.5% and 2.1% and for 2007 between 1.6% and 2.8%. For this reason, the ECB has not ruled out that it might have to intervene again with a new increase in the cost of money (already raised from 2.25% to 2.50% in the last few months) in order to avoid an increase in prices that might slow down the much awaited economic recovery.

As far as Italy is concerned, recent figures published by ISTAT show that, in 2005, the value of GDP at market prices was equal to € 1,417,241 million, with an increase of 2% compared to 2004. The growth of GDP, valued at constant prices, on the other hand, was equal to zero, marking a net deceleration compared to the dynamics of the prior year (+1.1%). The balance of trade (the balance between exports and imports of goods and services) at current values shows a negative figure in 2005, for the first time since 2000, due largely to the rise in prices of energy products.
Despite this, growth prospects for our country over the next few years appear to be in line with the economic scenario in the Eurozone. According to estimates by the IMF, Italy should report a growth in GDP in the order of 1.5% both in 2006 and 2007. In this context, the first indications from ISTAT with regard to industrial production seem positive (+4.1% on an annual basis in January 2006), driven, in particular, by the strong growth of automotive production (+19.7% on an annual basis).
During 2005, the situation of the national debt deteriorated further. The net debt of the Public Administrations as a ratio of GDP was 4.1% compared to 3.4% in 2004. It increased in absolute value by € 10,265 million, rising to € 57,917 million. The deterioration in the dynamics of public expenditures requires immediate action to restore balance, so as not to jeopardize the prospects of higher growth forecast for 2006. With regard to the dynamics of consumer prices, the price index in Italy was impacted less by the increase in the price of energy than other countries in the Eurozone. According to figures from ISTAT, inflation in Italy in 2005 settled at an average of 2.2%.

Overall, despite some positive signs, the performance of the Italian economy in 2005 was stagnant.
For some time it has been obvious that what is limiting Italy's growth potential are not only cyclical factors, but a series of serious structural problems, which it becomes ever more urgent to solve, rapidly and with determination.
Competitiveness must become the priority objective for our country's policies: only by creating the broadest and most effective conditions for competition, understood as a stimulus capable of driving companies towards a more efficient use of resources, will it be possible to augment the competitiveness of our economic and production system on global markets.
To this end, it is necessary to pursue the objectives already laid down in last year's Letter: to create the conditions that will make it possible to significantly reduce the cost of energy, which, today, weighs more heavily on the companies of our country than in other European nations through investments geared to diversifying the sources and raising competition in accessing the networks; to sustain training, innovation and research, which is a strategic driver for the country's growth, with the introduction of tax credits on research expenditures; to support innovative start-ups and to relaunch public investments in this sector; to open up regulated markets, the professions and local public services more to competition, by reducing the weight of public influence; to promote greater efficiency in the Public Administration by introducing a greater simplification of procedures, strictness with regard to public expenditures and balance in taxation. Finally, the last and maybe the most important point, we must reduce tax and social security expenses which augment the cost of labor, by also completing the reform of the market, with the aim of increasing the flexibility of companies, creating growth and thus favoring an increase in the rate of employment.

*****

If we turn our attention to our Group, the year 2005 closed with very positive results. The consolidated profit increased to € 676 million from € 120 million in 2004, benefiting from the best result ever reported by the IFIL Group (a profit of € 1,090 million, compared to € 124 million in the prior year). In the statutory financial statements, the result was a profit of € 38.5 million, slightly higher than the € 37.7 million reported in 2004.

2005 was an extremely important year for IFIL. The most significant event was certainly the fact that it succeeded in maintaining its traditional role as the stockholder of reference in the Fiat Group, through the purchase of shares completed in September.
Defending the value of its stake, the opportunity of participating fully in the plan to turn around the company, and protecting the conditions of stability, which are vital prerequisites for the job undertaken by management were the decisive factors behind the purchase.
Another important investment was made by IFIL, namely the investment in Sanpaolo IMI, increasing the Group's stake in the Turin bank to almost 5% of the capital stock.
In addition, the monetization of the investment in La Rinascente, which began in 2004 with the sale of food operations, was completed. Sequana Capital moved in a similar direction, selling Permal Group to the American company Legg Mason.
The arrival of the new Chief Executive Officer and General Manager, Carlo Barel di Sant'Albano, and the new governance framework, with the appointment of Tiberto Brandolini D'Adda and John Elkann as Vice Chairmen, have laid the foundations for achieving new aims and creating value for the stockholders. In the pursuit of this objective, IFIL will also be able to rely on the undisputed professional skills of the management of Banca Leonardo with which our Group has recently developed ties of investment and collaboration.

At the end of March 2006, recognizing the opportunity of reducing IFI's net debt (which had grown to approximately € 305 million, also as a result of further investments in IFIL) in a context of growing market rates, the company's Board of Directors approved the sale of its stake in Exor Group to that same company, which has abundant liquidity and indicated that it was interested in the acquisition. The Exor Group will subsequently cancel those shares, thus reducing its capital stock. IFI is expected to receive proceeds of more than € 200 million.

*****

In the name of the Board of Directors I would like to thank our stockholders for the trust they have placed in us, the statutory auditors and independent auditors for their profound commitment, and the managers and all the employees of the company and its subsidiaries for their continued efforts and the results achieved.

Gianluigi Gabetti

IFI GROUP PROFILE

THE INVESTMENT PORTFOLIO

IFI – Istituto Finanziario Industriale S.p.A., is the controlling financial holding company of the Group headed by Giovanni Agnelli e C. S.a.p.az. The Company's assets are represented by the investments in IFIL Investments S.p.A., equal to approximately 64% of ordinary capital stock, and in Exor Group, equal to 29.3% of ordinary capital stock.

IFIL Investments S.p.A. (IFIL) is the investment company of the Group commanding two distinctive areas of operations: the active management of the investment in Fiat and the dynamic management of the other holdings.

Fiat, in which IFIL has a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat, Lancia, Alfa Romeo, Ferrari and Maserati), agricultural and construction equipment (CNH Global), commercial vehicles (Iveco), automotive components for these vehicles and the supply of related services (Magneti Marelli, Comau and Teksid), as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Sequana Capital - ex-Worms & Cie - (52.78% holding) is a French-listed holding company with a portfolio comprising the following major investments:

- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper;
- Antalis (100% holding), the leading European group in the distribution of paper products for printing and writing;
- SGS (23.8% holding), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality;

Sanpaolo IMI (5.86% holding of ordinary capital stock by IFIL) is a leading national banking group with over 3,000 branches throughout Italy;

Alpitour (100% holding) is the leading group in the tourist sector in Italy;

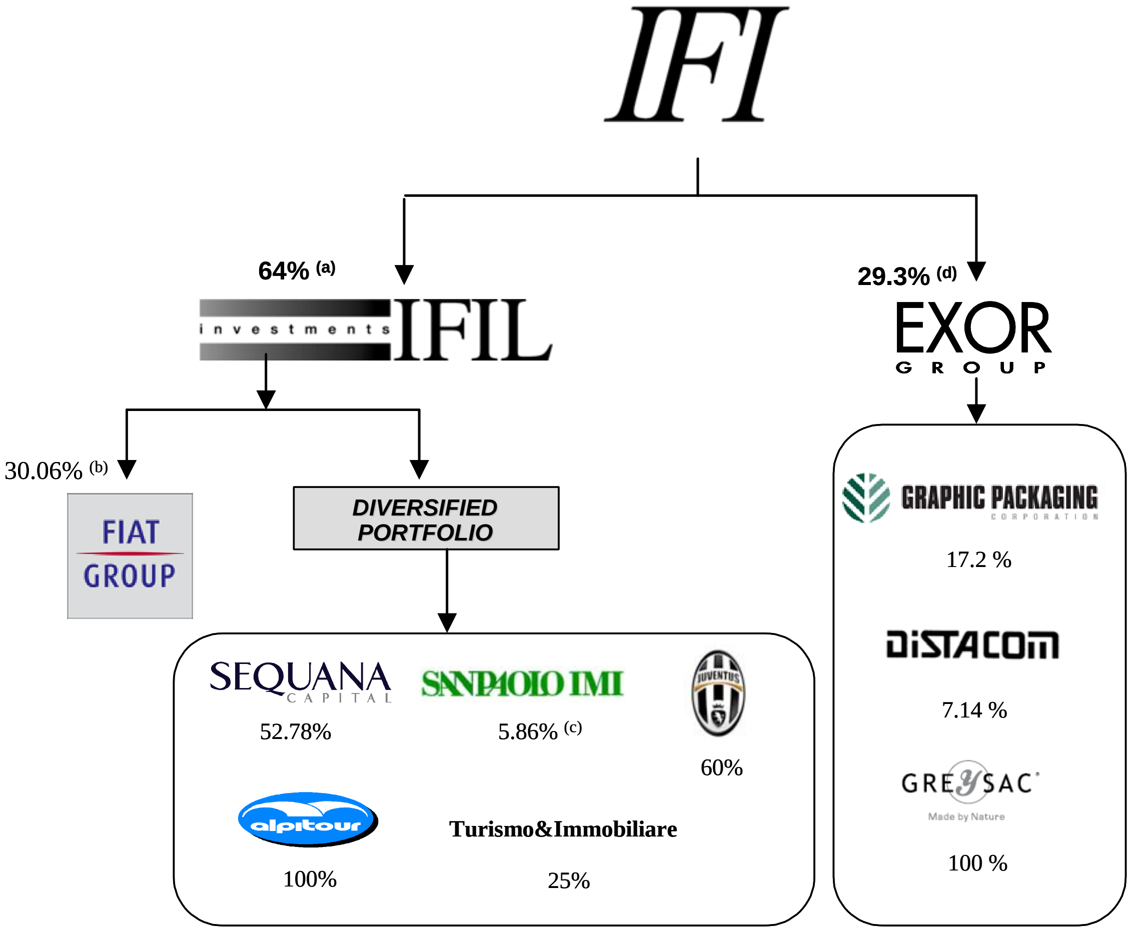
Juventus Football Club (60% holding by IFIL) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events;

Turismo&Immobiliare (25% holding) is a company with a 49% stake in Italia Turismo (ex-Sviluppo Italia Turismo), the largest Italian real estate company for tourist and hotel properties with important investments in Apulia, Calabria, Basilicata, Sicily and Sardinia.

Exor Group is a Luxembourg holding company; its principal investments are the 17.2% stake in Graphic Packaging Corporation (a U.S.A. listed company in the packaging sector), the 100% holding in the French wine company Greysac (ex-Domaine Codem) and the 7.14% stake in Distacom (a company headquartered in Hong Kong operating in the telecommunications sector).

The IFI S.p.A. Board of Directors Meeting held on March 31, 2006 voted to sell the entire investment in Exor Group in order to reduce the debt of the company.

The following chart is updated to the end of March 2006 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFI also holds 4.99% of savings capital stock.
(b) IFIL also holds 30.09% of preferred capital stock.
(c) Equal to 4.97% of capital stock.
(d) In the process of being sold.

KEY OPERATING AND FINANCIAL DATA

The key data of the IFI Group and IFI S.p.A. is presented below.

IFI GROUP

Condensed consolidated figures (prepared in accordance with IFRS) (a)			
€ in millions	2005	2004	Change
Consolidated profit - Group	676	120	556
Share of earnings (losses) of holdings and dividends	693	133	560
Investments	3,353	2,372	981
Consolidated equity - Group	3,084	2,123	961
Earnings per share (€)			
Consolidated profit - Group:			
- ordinary shares	4.26	0.74	3.52
- preferred shares	4.31	0.79	3.52
Consolidated equity - Group	19.53	13.45	6.08

(a) The principles used in the preparation of the financial statements are disclosed under “IFI Group - Review of the condensed consolidated results” in the Directors’ Report on Operations.

IFI S.p.A.
(statutory financial statements prepared in accordance with the provisions of the Italian Civil Code)

€ in millions	2005	2004	2003	2002	2001
Net income (loss)	39	38	15	(227)	117
Stockholders' equity	1,643	1,605	1,567	1,095	1,356
Net financial position	(280)	(264)	(295)	(427)	(239)
Total dividends paid out	-	-	-	-	34
Dividends paid out per share (€)					
Per ordinary share	-	-	-	-	0.5783
Per preferred share	-	-	-	-	0.63

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

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

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

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

The preferred shares are listed on the Mercato Telematico Azionario (Electronic Trading Market) organized and operated by Borsa Italiana S.p.A.

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

IFI has approximately 13,000 preferred stockholders.
At the end of March 2006, the major preferred stockholders, indicated below, represent 69.27% of the class of stock.

Stockholders	%	Shares
K Capital Partners LLC Group	15.73	12,081,391
Amber Capital LP (Amber Master Fund - Cayman)	11.46	8,799,007
Morgan Stanley Group	10.94	8,405,820
Ing Bank NV - London	10.54	8,091,652
Deutsche Bank AG	6.55	5,034,127
UBS AG	4.05	3,112,592
Credit Suisse First Boston	3.26	2,500,000
Kairos Fund Limited	2.34	1,796,700
The Trident European Fund-Dem	2.33	1,790,000
Banca d'Italia	2.07	1,593,625
	69.27	*53,204,914*

Source: Stockholders' Book in addition to communications received from Consob as of March 24, 2006.

Treasury stock

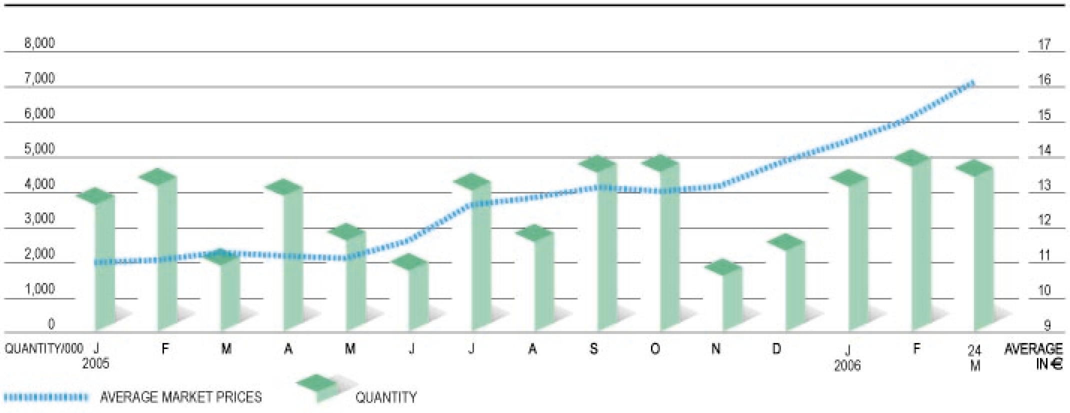
IFI currently holds 5,360,300 preferred shares of treasury stock (6.98% of the class of stock).
On March 31, 2006, the Board of Directors voted to put forward a motion to the Ordinary Stockholders' Meeting to renew the authorization for the purchase of treasury stock for a maximum of 16 million IFI ordinary and/or preferred shares for a global amount of € 150 million.

Stock performance

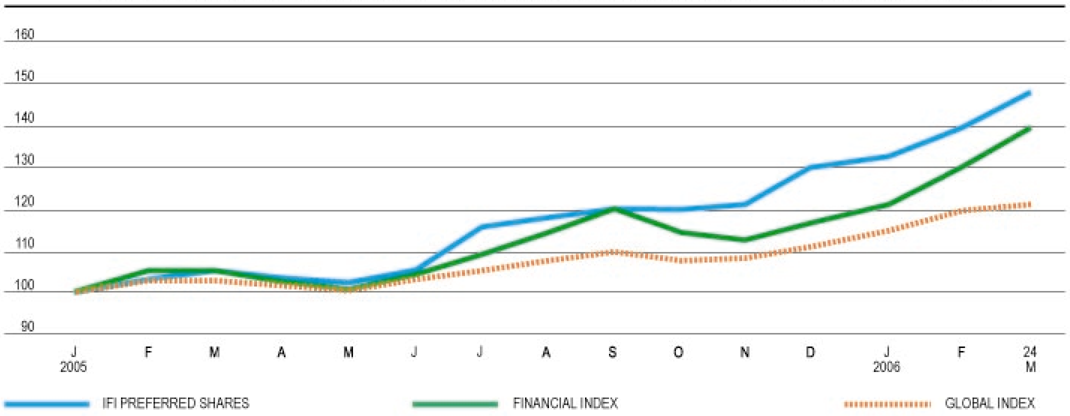
The bullish trend of IFI preferred stock that had begun in 2004 continued into 2005. The stock reached € 13.867 by the end of the year.

The stock gained 29.84% overall during 2005, outperforming the 11.43% growth of the Global Index.

IFI PREFERRED SHARES - AVERAGE MARKET PRICES IN € - QUANTITIES TRADED



PERFORMANCE OF IFI PREFERRED SHARES COMPARED TO COMIT MARKET INDEXES (a)



(a) The chart is based on average monthly stock market data.

MARKET INFORMATION

	2006 (a)	2005	2004	2003
Market price per preferred share (€)				
. year-end	16.895	13.867	10.431	6.708
. high	16.975	14.525	10.431	9.466
. low	13.966	10.562	6.235	5.003
Trading volumes during the period - preferred shares (in millions of shares)	14.3	41.5	67.7	60.9
Value of trading volumes during the period - preferred shares (€ in millions)	215.6	500.9	556.8	383.8

(a) From January 1 to March 24, 2006.

The 2003 market prices have been adjusted as a result of the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

Activities surrounding relations with the financial community, the stockholders, the investors and the financial Press have continued during the course of the year also, where requested, through individual meetings.
The new corporate website www.gruppoifi.com which came online at the beginning of 2005 has made a contribution to the improvement of the presentation of the Group, rendering the information about the company more usable and timely.

In total, about 850 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed, and are also available on request.

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

External Relations and Press Office
Tel. +39011 – 5090320
Fax +39011 – 5090386
relazioni.esterne@gruppoifi.com

Institutional Investors and
Financial Analysts Relations
Tel. +39011 – 5090246
Fax +39011 – 5090280
relazioni.investitori@gruppoifi.com

Stocks and Bonds Service
Tel. +39011 – 5090323
Tel. +39011 – 5090205
Fax +39011 – 5090321
servizio.titoli@gruppoifi.com

MAJOR EVENTS IN 2005

Increase in the investment in IFIL

During March and April 2005, IFI purchased on the market 16,708,441 IFIL ordinary shares (1.61% of the class of stock) for an investment of € 55.5 million and 1,866,420 IFIL savings shares (4.99% of the class of stock) for an investment of € 6.4 million.
At December 31, 2005, IFI holds 660,491,840 IFIL ordinary shares, equal to 63.59% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 61.56% of capital stock.

In the comments on the performance of the subsidiary IFIL (to which reference should be made), a description is provided about the transaction which, in September 2005, allowed the company to maintain its investment holding in Fiat S.p.A. unchanged.

IFI GROUP – REVIEW OF THE CONDENSED CONSOLIDATED RESULTS

In order to facilitate the analysis of the financial position and results of operations of the Group, it is IFI's practice to present "condensed" financial statements (balance sheet and income statement) for the period prepared by applying the "condensed" consolidation criteria. Such condensed consolidated financial statements are presented along with the annual consolidated financial statements and in the first-half report of each year. The quarterly consolidated data is also presented in the condensed format in the quarterly reports at March 31 and September 30 of each year.

In the preparation of the condensed consolidated balance sheet and income statement, the investments in IFIL and in Exor Group are accounted for by the equity method in the financial statements or accounting data drawn up by IFI S.p.A. in accordance with IFRS.

The 2004 data presented for purposes of comparison has been restated in accordance with IFRS.

Consolidated profit - IFI Group for the year 2005 is € 675.6 million (€ 120 million in 2004). The positive change of € 555.6 million is due to the considerable increase in the result of the IFIL Group which, in turn, benefited from the very positive results achieved by the Fiat Group and the Sequana Capital Group, partly due to nonrecurring transactions.

The **Group's share of the earnings (losses) of companies accounted for by the equity method** is an earnings figure of € 693 million (€ 133.1 million in 2004). The positive change of € 559.9 million is due to a higher contribution by the IFIL Group (+€ 604.9 million), which partly offsets the lower earnings by Exor Group (-€ 16.5 million) and lower consolidation adjustments (-€ 28.5 million).

The **net financial position of IFI S.p.A.** at December 31, 2005 is a net debt position of € 277.7 million, which is € 12 million higher than that at the end of 2004 (-€ 265.7 million).

Consolidated equity – Group at December 31, 2005 amounts to € 3,084 million (€ 2,123.3 million at the end of 2004). The increase of € 960.7 million is due to the consolidated profit of the Group for the year of € 675.6 million and to net positive changes in the equity of the holdings for the remaining amount of € 285.1 million, including translation differences of € 175.5 million and other net changes of € 109.6 million.

The carrying amount of **investments** at December 31, 2005 is € 3,352.9 million. The increase of € 980.5 million compared to investments at year-end 2004 (€ 2,372.4 million) is due to purchases of IFIL stock in 2005 (+€ 61.9 million) and IFI's share (+€ 918.6 million) of the positive changes in the equity of the holdings IFIL and Exor Group.

The condensed consolidated income statement and balance sheet and comments thereon are presented on the following pages.

IFI Group - Condensed consolidated income statement

€ in millions	Note	2005	2004	Change
Group's share of the earnings (losses) of companies accounted for by the equity method	1	693.0	133.1	559.9
Dividends from other holdings		0.1	0.1	0.0
Net financial expenses		(9.1)	(11.5)	2.4
Net general expenses		(4.1)	(4.0)	(0.1)
Net other expenses		(5.6)	(1.4)	(4.2)
Income taxes		1.3	3.7	(2.4)
Profit - Group		675.6	120.0	555.6

IFI Group - Condensed consolidated balance sheet

€ in millions	Note	12/31/2005	12/31/2004	Change
Assets				
Investments in subsidiaries and associates accounted for by the equity method	2	3,352.4	2,371.9	980.5
Other investments	2	0.5	0.5	0.0
Non-current financial receivables		0.0	4.2	(4.2)
Receivables and other current assets		19.1	19.1	0.0
Cash and cash equivalents	4	0.1	0.1	0.0
Total assets		3,372.1	2,395.8	976.3
Equity and liabilities				
Capital and reserves		3,154.5	2,193.8	960.7
Treasury stock		(70.5)	(70.5)	0.0
Equity - Group	3	3,084.0	2,123.3	960.7
Provisions		4.0	5.1	(1.1)
Current and non-current financial payables	4	277.8	265.8	12.0
Other current and non-current liabilities		6.3	1.6	4.7
Total equity and liabilities		3,372.1	2,395.8	976.3

1. Group's share of earnings (losses) of companies accounted for by the equity method

	Earnings (losses)		IFI's share		
€ in millions	2005	2004	2005	2004	Change
IFIL Group	1,090.0	124.0	680.2	75.3	604.9
Exor Group	36.2	92.6	10.6	27.1	(16.5)
			690.8	102.4	588.4
Consolidation adjustments			2.2	30.7	(28.5)
Total			693.0	133.1	559.9

Consolidation adjustments amount to € 2.2 million in 2005 (€ 30.7 million in 2004) and refer to the result of the IFIL Group for:

€ in millions	2005	2004
Release of the realized portion of the gain deferred in prior years on the sale of the investment in La Rinascente	1.2	8.3
Excess of the increase in IFI's share of the consolidated equity of IFIL Group over the cost of IFIL shares purchased in 2005	1.5	0.0
Reversal of the impairment loss on goodwill referring to Juventus Football Club	0.0	22.1
Other adjustments	(0.5)	0.3
Total	2.2	30.7

Comments on the operating performance of the IFIL Group and Exor Group are presented later in the report.

2. Investments

Details are as follows:

€ in millions	12/31/2005	12/31/2004	Change
Investments in subsidiaries and associates accounted for by the equity method			
IFIL Group			
- ordinary shares	3,144.2	2,176.1	968.1
- savings shares	8.9	-	8.9
	3,153.1	2,176.1	977.0
Exor Group	199.3	195.8	3.5
Total	3,352.4	2,371.9	980.5
Other investments (accounted for at cost)			
Deutsche Morgan Grenfell Capital Italy - ordinary shares	0.2	0.2	0.0
Emittenti Titoli	0.3	0.3	0.0
Total	0.5	0.5	0.0
Total investments	3,352.9	2,372.4	980.5

3. Equity - Group

The changes during the year are analyzed as follows:

€ in millions	
Equity - Group at December 31, 2004	**2,123.3**
Share of the translation differences (€ 175.5 million) and other net changes (€ 109.6 million) shown by the holdings IFIL and Exor Group	285.1
Profit - Group	675.6
Net change during the year	**960.7**
Equity - Group at December 31, 2005	**3,084.0**

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

The composition of the balance is as follows.

	12/31/2005			12/31/2004		
€ in millions	Current	Non-current	Total	Current	Non-current	Total
Cash and cash equivalents	0.1		0.1	0.1		0.1
Total financial assets	**0.1**		**0.1**	**0.1**		**0.1**
Payables to the parent Giovanni Agnelli e C.	(13.9)		(13.9)	(24.2)		(24.2)
Bank debt	(105.1)	(158.8)	(263.9)	(211.6)	(30.0)	(241.6)
Total financial payables	**(119.0)**	**(158.8)**	**(277.8)**	**(235.8)**	**(30.0)**	**(265.8)**
Net financial position	**(118.9)**	**(158.8)**	**(277.7)**	**(235.7)**	**(30.0)**	**(265.7)**

At December 31, 2005, IFI S.p.A. has irrevocable credit lines for € 595 million, including € 265 million due beyond one year.

The negative change of € 12 million compared to the balance at the end of 2004 is due to the following flows:

€ in millions	
Net financial position of IFI S.p.A. at December 31, 2004	**(265.7)**
Dividends collected from IFIL (€ 45.2 million), Exor Group (€ 10.6 million) and Emittenti Titoli (€ 0.1 million)	55.9
Purchase of IFIL ordinary shares (1.61% of the class of stock)	(55.5)
Purchase of IFIL savings shares (4.99% of the class of stock)	(6.4)
Net financial expenses	(9.1)
Sale of Tlcom receivable	4.6
Net general expenses	(4.1)
Other net changes	2.6
Net change during the year	**(12.0)**
Net financial position of IFI S.p.A. at December 31, 2005	**(277.7)**

IFI GROUP - REVIEW OF THE RESULTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated income statement

€ in millions	2005	2004	Change
Revenues from current operations	5,467	5,380	87
Costs from current operations	(5,426)	(5,278)	(148)
Profit from current operations	41	102	(61)
Other nonrecurring income (expenses)	(183)	(275)	92
Operating loss	(142)	(173)	31
Net financial income (expenses)	6	(38)	44
Income taxes	(46)	34	(80)
Loss of companies consolidated line-by-line	(182)	(177)	(5)
Share of earnings (losses) of companies accounted for by the equity method	448	(309)	757
Profit (loss) from continuing operations	266	(486)	752
Profit from discontinued operations	1,007	654	353
Profit - Group and Minority interest	1,273	168	1,105
Profit - Minority interest	(597)	(48)	(549)
Profit - Group	676	120	556

Condensed consolidated balance sheet

€ in millions	12/31/2005	12/31/2004	Change
Investments accounted for by the equity method	3,165	1,927	1,238
Non-current financial assets	1,524	1,015	509
Other non-current assets	2,097	2,304	(207)
Current financial assets	1,765	1,895	(130)
Other current assets	1,900	1,926	(26)
Assets held for sale	25	90	(65)
Total assets	10,476	9,157	1,319
Equity - Group	3,084	2,123	961
Equity - Minority interest	2,994	2,317	677
Non-current financial liabilities	919	613	306
Other non-current liabilities	815	729	86
Current financial liabilities	1,153	1,912	(759)
Other current liabilities	1,511	1,463	48
Total equity and liabilities	10,476	9,157	1,319

Reconciliation between the net debt of IFI S.p.A. and the consolidated net financial debt (line-by-line consolidation)

€ in millions	12/31/2005	12/31/2004	Change
Net financial debt of IFI S.p.A.	(278)	(266)	(12)
Net liquidity of the IFIL Holdings System	348	680	(332)
Net financial debt of the companies consolidated line-by-line:			
- Sequana Capital Group	(441)	(905)	464
- Alpitour Group	(78)	(112)	34
- Juventus F.C.	(38)	(20)	(18)
Consolidated net financial debt	(487)	(623)	136

The composition of consolidated net financial debt is presented in Note 25 to the consolidated financial statements of the IFI Group.

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

The statutory financial statements of IFI S.p.A. for the year ended December 31, 2005 have been prepared in accordance with the provisions of the Italian Civil Code.

The company has the obligation of adopting International Financial Reporting Standards (IFRS) starting from the year ending December 31, 2006. Additional information is provided under "Transition to International Financial Reporting Standards (IFRS) by IFI S.p.A.".

The net income of IFI S.p.A. for the year 2005 is € 38.5 million, a slight increase (approximately +2%) compared to € 37.7 million in 2004.

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

IFI S.p.A. - Income statement - condensed

€ in millions	Note	2005	2004	Change
Dividends	1	55.9	50.6	5.3
Financial expenses, net	2	(9.1)	(11.5)	2.4
General expenses, net	3	(4.1)	(4.0)	(0.1)
Other expenses, net	4	(5.6)	(1.4)	(4.2)
Income before taxes		37.1	33.7	3.4
Deferred income taxes	5	1.4	4.0	(2.6)
Net income		38.5	37.7	0.8

IFI S.p.A. - Balance sheet - condensed

		12/31/2005		12/31/2004		
€ in millions	Note	Amount	%	Amount	%	Change
Financial fixed assets	6	1,911.8	99.0	1,858.1	99.0	53.7
Other assets	7	19.4	1.0	19.2	1.0	0.2
Total assets		1,931.2	100.0	1,877.3	100.0	53.9
Stockholders' equity	8	1,643.2	85.1	1,604.7	85.5	38.5
Financial payables:	9					
- borrowings from banks, short-term		104.8	5.4	208.5	11.1	(103.7)
- borrowings from banks, medium-term		160.0	8.3	30.0	1.6	130.0
- Giovanni Agnelli e C., short-term		13.9	0.7	24.2	1.3	(10.3)
		278.7	14.4	262.7	14.0	16.0
Other liabilities and reserves		9.3	0.5	9.9	0.5	(0.6)
Total liabilities and stockholders' equity		1,931.2	100.0	1,877.3	100.0	53.9

1. **Dividends**
   Dividends amount to € 55.9 million (€ 50.6 million in 2004). The increase of € 5.3 million is due to higher dividends received from IFIL (from € 39.9 million to € 45.2 million). The dividends received from Exor Group (€ 10.6 million) and from Emittenti Titoli (€ 0.1 million) are unchanged from the prior year.

2. **Financial expenses, net**
   Financial expenses, net, totaling € 9.1 million show a reduction of € 2.4 million compared to 2004 (€ 11.5 million) due mainly to new debt with lower costs compared to the debt which fell due during the year.

3. **General expenses, net**
   General expenses, net, of € 4.1 million are basically unchanged compared to the year 2004 (€ 4.0 million).

4. **Other expenses, net**
   Other expenses, net, totaling € 5.6 million, include extraordinary compensation of € 5 million approved for the Chairman of the Board of Directors on November 11, 2005 and € 0.6 million for nonrecurring consulting fees.

5. **Deferred income taxes**
   The taxable income calculated in accordance with tax laws did not generate current income taxes for the year 2005 but excess deferred income taxes set aside in prior years were released to income for € 1.4 million.

6. **Financial fixed assets**

€ in millions	12/31/2005	12/31/2004	Change
Investments			
IFIL S.p.A. (subsidiary)			
- ordinary shares	1,731.7	1,676.2	55.5
- savings shares	6.4	0.0	6.4
	1,738.1	1,676.2	61.9
Exor Group S.A. (associated company)	102.5	102.5	0.0
Other companies:			
- Deutsche Morgan Grenfell Capital Italy S.A.	0.4	0.4	0.0
- Emittenti Titoli S.p.A.	0.3	0.3	0.0
	1,841.3	1,779.4	61.9
Treasury stock - IFI S.p.A. preferred shares	70.5	70.5	0.0
Receivables - TLcom	-	8.2	(8.2)
Total financial fixed assets	1,911.8	1,858.1	53.7

The total increase of € 61.9 million in the investment in IFIL originates from the purchase on the market of 16,708,441 ordinary shares (1.61% of the class of stock) for € 55.5 million and 1,866,420 savings shares (4.99% of the class of stock) for € 6.4 million.

IFI holds 5,360,300 IFI preferred shares, equal to 6.98% of the class of stock and 3.28% of capital stock, carried for a total of € 70.5 million (€ 13.15 per share).

The investment in TLcom (€ 8.2 million) was sold to the United States fund Access Capital Technology for € 4.6 million. Considering the provision for risks of € 4 million set aside in prior years, a gain of € 422 thousand was realized on the sale.

A comparison between the carrying amounts and the market prices of listed financial fixed assets shows the following unrealized gains:

€ in millions	IFIL ordinary shares	IFIL savings shares	IFI preferred shares	Total
Market price at December 30, 2005	649.3	0.7	3.9	653.9
Average market price in second half 2005	638.8	0.3	-	639.1
Market price at March 24, 2006, update	1,363.3	2.4	20.1	1,385.8

7. Other assets

Other assets of € 19.4 million include taxes receivable of € 18.2 million and other current assets of € 1.2 million.

8. Stockholders' equity

Stockholders' equity amounts to € 1,643.2 million at December 31, 2005 (€ 1,604.7 million at December 31, 2004). The increase of € 38.5 million coincides with the net income for the year 2005.

9. Net financial position

The data presented below is prepared in accordance with Italian GAAP and is therefore different from the data presented in the review of the condensed consolidated data which is prepared in accordance with IFRS.

The net financial position of IFI S.p.A. at December 31, 2005 shows a debt position of € 279.5 million (a debt position of € 263.8 million at December 31, 2004). Details are as follows:

	12/31/2005			12/31/2004		
€ in millions	Current	Non-current	Total	Current	Non-current	Total
Cash	0.1		0.1	0.1		0.1
Borrowings from banks	(104.8)	(160.0)	(264.8)	(208.5)	(30.0)	(238.5)
Payable to Giovanni Agnelli e C.	(13.9)		(13.9)	(24.2)		(24.2)
Accrued financial expenses	(0.9)		(0.9)	(1.2)		(1.2)
Total financial liabilities	(119.6)	(160.0)	(279.6)	(233.9)	(30.0)	(263.9)
Net financial position of IFI S.p.A.	(119.5)	(160.0)	(279.5)	(233.8)	(30.0)	(263.8)

The negative change in the net financial position of € 15.7 million is due to the following flows:

€ in millions	
Net financial position of IFI S.p.A. at December 31, 2004	(263.8)
Dividends received from IFIL (€ 45.2 million), Exor Group (€ 10.6 million) and Emittenti Titoli (€ 0.1 million)	55.9
Purchase of IFIL ordinary shares (1.61% of the class of stock)	(55.5)
Purchase of IFIL savings shares (4.99% of the class of stock)	(6.4)
Financial expenses, net	(9.1)
Sale of Tlcom receivable	4.6
General expenses, net	(4.1)
Purchase of tax receivables from IFIL S.p.A.	(0.4)
Other changes, net	(0.7)
Net change during the year	(15.7)
Net financial position of IFI S.p.A. at December 31, 2005	(279.5)

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

As a result of the implementation of European Regulation No. 1606 of July 19, 2002, the IFI Group has adopted International Financial Reporting Standards (IFRS) for the preparation of its consolidated financial statements with effect from 2005. On the basis of Italian law implementing this regulation, the statutory financial statements of the parent, IFI S.p.A., will be prepared in accordance with these standards starting from 2006.
As a consequence, IFI S.p.A. is currently making the transition to IFRS for its statutory financial statements and will report its 2006 first-half results and con la comparazione del primo semestre 2005 (2005 comparative figures) in accordance with IFRS.

The following commentary describes the policies that IFI S.p.A. will adopt in preparing its IFRS opening balance sheet at January 1, 2005, as well as the main differences in relation to Italian GAAP used to prepare its statutory financial statements up until December 31, 2005.

The opening balance sheet of IFI S.p.A. at January 1, 2005 will be prepared in accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards, on the basis of the IFRS applicable from January 1, 2006, as published at December 31, 2005. In particular, the amendments to IAS 39 and IFRS 4 issued in 2005 and effective from January 1, 2006 will be applied, with regard to the measurement and recognition of financial guarantee contracts in the financial statements of the guarantor and the limitation in the use of the “fair value option” to financial instruments satisfying specific conditions.

As allowed by the amendment to IAS 19 – Employee benefits, issued by the IASB in December 2004, the company elected to recognize actuarial gains and losses immediately in the period in which they occur, outside the income statement, in a specific item of equity.

FIRST-TIME ADOPTION OF IFRS

IFI S.p.A. will apply the accounting standards in force at the reporting date for its first IFRS financial statements retrospectively to all periods presented and to the opening balance sheet, except for one permitted exemption adopted, as allowed by IFRS 1, and described in the following paragraph.

The opening IFRS balance sheet at January 1, 2005 will therefore reflect the following differences with the statutory balance sheet prepared at December 31, 2004 in accordance with Italian GAAP:

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

The impact of these adjustments will be recognized directly in opening equity at January 1, 2005, the date of transition to IFRS.

In summary, the assets and liabilities to be included in the statutory financial statements of IFI S.p.A. prepared in accordance with IFRS will be recognized and measured in the same manner as that used to prepare the financial statements drafted for inclusion in the Group’s consolidated financial statements, in accordance with IFRS 1, with the exception of consolidation entries.

OPTIONAL EXEMPTION ADOPTED BY IFI S.p.A.

Employee benefits: IFI S.p.A. has elected to recognize all cumulative actuarial gains and losses that existed at January 1, 2005 with a contra-entry to equity reserves.

DESCRIPTION OF THE MAIN DIFFERENCES BETWEEN ITALIAN GAAP AND IFRS

The following paragraphs provide a description of the main differences between Italian GAAP and IFRS that will have effect on the statutory financial statements of IFI S.p.A.

Write-off of deferred costs

Under Italian GAAP, IFI S.p.A. defers and amortizes certain costs (mainly start-up and expansion costs). IFRS require these to be expensed when incurred.

In particular, costs incurred in connection with capital stock increases which are deferred and amortized under Italian GAAP are deducted directly from the proceeds of the increase and debited to equity under IFRS.

Valuation of investments not held as current assets

In the financial statements of IFI S.p.A. prepared in accordance with Italian GAAP, investments in subsidiaries and in associates included under financial fixed assets are stated at historical cost inclusive of incidental charges determined using the Last-In First-Out method of annual lots, which is written down in the event of an impairment loss; the impairment loss is reversed if in subsequent years the reasons for the writedown no longer apply.

IAS 27 requires that such investments be either recorded at cost, using the “average cost” method or at their fair value. If there are reasons to believe that all or part of the cost cannot be recovered, the carrying amount must be reduced to the recoverable amount of the investment in accordance with IAS 36. If this loss is subsequently reduced or is entirely recovered, the carrying amount is increased back up to the newly estimated recoverable amount, which may not exceed the amount that would have been determined if no impairment loss had been recorded. Any restoration of the carrying amount is recorded immediately in the income statement.
The analysis of the effects of the adoption of these methods is currently being examined.

Treasury stock

In accordance with Italian GAAP, IFI S.p.A. accounts for treasury stock as an asset and records any related value adjustments and gains or losses on disposal in the income statement.

Under IFRS, treasury stock is deducted from equity and all movements in treasury stock are recorded in equity rather than in the income statement.

Sale of receivables

IFI S.p.A. could sell a part of its trade and tax receivables through factoring transactions which may be with or without recourse to the seller; certain factoring agreements without recourse include deferred purchase price clauses (i.e. the payment of a minority portion of the purchase price is conditional upon the full collection of the receivables), and require a first loss guarantee of the seller up to a limited amount or imply a continuing significant exposure to the cash flows from receivables sold.

Under Italian GAAP, all receivables sold through factoring transactions (both with and without recourse) can be derecognized.

IAS 39 permits the derecognition from assets of a financial asset when, and only when, the risks and rewards of the ownership of the assets are substantially transferred: consequently, all receivables sold with recourse, and part of those sold without recourse, would be reinstated in the IFRS balance sheet.

Employee benefits

Employee severance indemnities (TFR), under Italian GAAP, are accounted for pursuant to specific statutory rules. As set forth in IAS 19 – Employee Benefits, employee severance indemnities are considered defined benefit obligations, and, as a result, are recalculated using the “Projected Unit Credit Method”.

IFI S.p.A. also grants employees and former employees various forms of benefits (retirement incentives, compensation, bonuses) under past or current supplemental company or individual agreements that are qualified as defined benefit pension plans, just like other long-term benefits. Although these benefits are accrued in the statutory financial statements in a manner that is consistent with Italian GAAP, under IFRS they will need to be accounted for in accordance with IAS 19.

IFI S.p.A. has elected to recognize all accumulated actuarial gains and losses at January 1, 2005 as movements in equity.

Stock options

No expenses are recognized for share-based payment transactions under Italian GAAP.

In accordance with IFRS 2 – Share-based payment, the full fair value amount of stock options at the grant date is reflected in the income statement on a straight-line basis over the period from the grant date to the vesting date, with the contra-entry recognized directly in equity. Changes in fair value after the grant date have no impact on the initial measurement.

At December 31, 2005, IFI S.p.A. has not approved any stock option plans.

Recognition and measurement of financial receivables and financial payables

Financial receivables can be immediately converted into cash and are subject to an insignificant risk of change in value. The transition to IFRS will not impact their amount.

Financial payables at January 1, 2005 are principally related to bank debt. In the statutory financial statements of IFI S.p.A., under Italian GAAP, the gross amount received is recognized. The various fees owed to the lending banks (for the organization of the facility, for the share subscription commitment, etc.) at different dates (at the beginning, over the years, and upon maturity) are charged against income over the term of the facility (on a pro-rated basis).

Under IFRS, financial payables are recognized at the amounts received stated net of transaction costs and are subsequently measured at their amortized cost using the effective interest method. Adoption of IFRS will thus entail recomputation of the expenses charged to income for the various years affected, with a net effect on equity at January 1, 2005.

Recognition and measurement of derivatives

Those transactions which, according to IFI S.p.A.'s policy for risk management, are able to satisfy the conditions stated by the accounting principle for hedge accounting treatment, are designated as hedging transactions; other transactions which do not satisfy such conditions, although set up for the purpose of managing risk exposure (inasmuch as speculative transactions are not permitted as a rule), are designated as trading transactions.

The transactions put into place by IFI S.p.A. up to December 31, 2005 fall under the financial instruments designated as hedging instruments.

Under Italian GAAP, the instrument is valued symmetrically with the underlying hedged item. Therefore, where the hedged item has not been adjusted to fair value in the financial statements, the hedging instrument has also not been adjusted. Similarly, where the hedged item has not yet been recorded in the financial statements (hedging of future flows), the valuation of the hedging instrument at fair value is deferred.

Under IFRS, in the case of a cash flow hedge (hedging of future flows), the portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity; the ineffective portion of the gain or loss is recognized in the income statement. Consequently, with reference to the effective portion, only a difference in equity will arise between Italian GAAP and IFRS.

RELATED PARTY DISCLOSURES

The Board of Directors has adopted principles of conduct for carrying out transactions with related parties (available on the corporate website of the company: http://www.gruppoifi.com).

These principles of conduct state that the Board of Directors must approve the following transactions:
- atypical and/or unusual intragroup transactions, meaning transactions which, because of their significance and/or relevance, nature of the counterparties, subject of the transaction (also in relation to transactions of ordinary administration), manner of determining the transfer price and timing of the event (close to the end of the year) may give rise to reservations about: the correctness and/or completeness of the information in the financial statements, conflicts of interest, safeguarding of the company's assets and protection of minority stockholders;
- transactions with subsidiaries for amounts of more than 1% of IFI's portfolio value as shown in the most recent approved accounting documents (quarterly reports, first-half report and annual financial statements) as of the date of the transaction;
- transactions with other related parties for amounts of more than € 3 million.

The bodies with delegated powers shall supply the Board with information concerning such transactions especially with regard to the nature of the relationship, the manner of execution, the economic terms and timing, the valuation criteria adopted and any risks to the company.

Whenever a director has an interest in the transaction (even a potential interest), the nature, terms, origin and import scope of such interest must be duly communicated to the Board of Directors.

In the event the nature, the amount and the manner of execution of the transaction with a related party require it, the Board of Directors can avail itself of the assistance of one or more independent experts, chosen from among individuals with recognized professional characteristics and expertise on the matter in question so that an opinion can be obtained on the economic terms of the transaction and its legitimacy, as well as the technical means and manner of execution of the transaction.
The Board of Directors and the Board of Statutory Auditors must in any case be informed of any transactions with other related parties different from those mentioned above.

The identification of relationships and transactions with related parties is made in accordance with IAS 24.

With regard to 2005, transactions among IFI and the identified related parties have been entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

The most important transactions can be summarized as follows:

- sureties granted in the past in favor of Federazione Italiana Giuoco Calcio – Lega Nazionale Professionisti (F.I.G.C. - L.N.P.) on behalf of Juventus Football Club for a residual amount of € 4.1 million at the beginning of 2005, released in May 2005, remunerated at market conditions;
- purchase of tax receivables from IFIL (€ 0.4 million);
- a loan secured at floating monthly market rates from the parent, Giovanni Agnelli e C.;
- services rendered to and costs recovered from subsidiaries and associated companies;
- services rendered to the parent, Giovanni Agnelli e C. and its subsidiary GA Servizi.

The effects on the balance sheet and the income statement of transactions among IFI S.p.A., Group companies and other related parties can be summarized as follows:

	12/31/2005		2005	
€ in thousands	Receivables	Payables	Income	Expenses
Giovanni Agnelli e C. S.a.p.az.	10	13,868	33	662
Exor Group S.A.	90		180	
Juventus Football Club S.p.A.	1		6	
IFIL Investments S.p.A.	13	23	33	65
Soiem S.p.A.		120		400
Fiat Group companies	2	29	41	237
Alpitour Group companies				5
Total	116	14,040	293	1,369

During the course of the year, the director Franzo Grande Stevens rendered professional services to IFI for € 141 thousand, to IFIL for € 141 thousand and to Fiat S.p.A. for € 940 thousand (activities performed in his capacity as Secretary to the Board of Directors).

Additional information and details are disclosed in the “Notes to the statutory financial statements of IFI S.p.A.” and in the “Notes to the consolidated financial statements”.

On the basis of information received from the companies of the Group, there are no atypical or unusual transactions to report.

STOCK OPTION PLANS

The Board of Directors of IFI S.p.A. has not approved any stock option plans.

However, the following should be mentioned:

1) under the stock option plans approved in May 2000 by the Board of Directors of the subsidiary IFIL S.p.A., options rights were granted between 2000 and 2003 to Gabriele Galateri di Genola, Director, to Virgilio Marrone, General Manager and to two managers of IFI S.p.A. exercisable up to December 31, 2006 for the subscription of new IFIL ordinary shares.

   A summary of these option rights is presented as follows:

	Beneficiaries				Exercise Price		
	Gabriele Galateri di Genola	Virgilio Marrone	Other managers	Total	exact		average
Options granted							
year 2000	154,000	39,000	56,500	249,500	6.997	(a)	
year 2001	211,500	54,400	21,050	286,950	6.109	(a)	
year 2002	311,100	85,800	37,850	434,750	4.520	(a)	
year 2003	-	60,000	60,000	120,000	1.850		
Total at December 31, 2004	676,600	239,200	175,400	1,091,200			5.21
Options exercised in 2005		(60,000)	(60,000)	(120,000)	1.850		
Total at December 31, 2005	676,600	179,200	115,400	971,200			5.63

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

2) Under the stock option plan approved in September 2003 by the Board of Directors of IFIL S.p.A., 532,000 options were granted to Gianluigi Gabetti for the same number of ordinary shares held by IFIL S.p.A. at the price of € 2.28 each, exercisable up to December 31, 2006;

3) on December 15, 2000, under the stock option plan approved by the subsidiary Alpitour S.p.A., 153,500 options were granted to Gabriele Galateri di Genola for the subscription of the same number of new Alpitour shares at the price of € 6.73 per share. Such options are exercisable up to the end of August 2006. The Alpitour shares that come from the plan can be sold to Alpitour; however, the price established by the Board of Directors of the company is a negative figure due to the results reported by the Alpitour Group in 2005.

The Notes to the consolidated financial statements at December 31, 2005 of the IFI Group describe the stock option plans approved by the subsidiaries consolidated line-by-line.

OTHER INFORMATION

Management and coordination

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

Programming document on security

The company has prepared the programming document on security on December 14, 2005 for the year 2005 according to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person responsible for the treatment of the data.

EQUITY INVESTMENTS HELD BY DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGER

(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2004	Increase	Decrease	Held at 12/31/2005
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000			120,000
	Sequana Capital (a)	1	10 (c)		11
Teodorani-Fabbri Pio	IFI preferred shares (b)	427,895			427,895
	IFIL ordinary shares (a)	200,000		110,000	90,000
	IFIL ordinary shares (b)	500,000		281,000	219,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ord. share warrants 2007 (b)	825			825
	Fiat savings shares (b)	5,720			5,720
	CNH ordinary shares (b)	0	10,000	10,000	0
Avogadro di Collobiano Annibale	IFI preferred shares (b)	75,000		75,000	0
	IFIL ordinary shares (a)	180,000	10,000	70,000	120,000
	IFIL ordinary shares (b)	0	150,000		150,000
	IFIL savings shares (a)	0	80,000		80,000
	IFIL savings shares (b)	0	50,000		50,000
Ferrero Ventimiglia Luca	IFI preferred shares (a)	1			1
	IFIL savings shares (a)	40,000		40,000	0
	Fiat ordinary shares (a)	10,000	40,000	50,000	0
Galateri di Genola Gabriele	IFI preferred shares (b)	125			125
	IFIL ordinary shares (b)	5,250			5,250
	Fiat ordinary shares (b)	3,328			3,328
	Fiat preferred shares (b)	440			440
Statutory Auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Giorgi Giorgio	Fiat savings shares (b)	1,500		1,500	0
Jona Celesia Lionello	IFIL ordinary shares (b)	785			785
General Manager					
Marrone Virgilio	IFIL ordinary shares (a)	93,415	60,000	60,000	93,415

(a) Direct holding.
(b) Indirect holding through spouse.
(c) Purchase made by a stock loan contract.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

Increase in the investment in IFIL

In February and March 2006, IFI purchased on the market 4,368,876 IFIL ordinary shares (0.42% of the class of stock) for an investment of € 18.4 million.

IFI currently holds 664,860,716 IFIL ordinary shares, equal to approximately 64% of the class of stock, and 1,886,420 IFIL savings shares, equal to 4.99% of the class of stock. The entire holding represents 61.96% of capital stock.

After this investment, IFI's net debt increased by approximately € 305 million (including financial expenses and operating expenses in the first few months of 2006).

Sale of the investment in Exor Group

In its meeting of March 31, 2006, the IFI S.p.A. Board of Directors voted to sell the entire investment in Exor Group (3,418,242 shares, equal to 29.3% of capital stock) to the same Exor Group in order to reduce the company's debt. Given that the transaction was between related parties, Citigroup Global Markets was appointed an advisor and checked the fairness of the sales price, equal to € 207 million (€ 60.5 per share).
The transaction will allow IFI S.p.A. to reduce its debt considerably (from € 305 million to about € 100 million) and realize a gain of € 104 million in the statutory financial statements.

After concluding the sale, which should take place in April, Exor Group will proceed to cancel the treasury stock that was purchased and will consequently reduce its capital stock.

Additional information

On February 21, 2006, Virgilio Marrone (General Manager of IFI S.p.A.), as an individual with power of attorney in Giovanni Agnelli e C. S.a.p.az., was notified by Consob of its objections under art. 187-septies of Legislative Decree No. 58/1998 in relation to the content of the press release issued by Giovanni Agnelli e C. on August 24, 2005.

BUSINESS OUTLOOK

Taking into account the motion for the distribution of dividends from 2005 profits formulated by the IFIL Board of Directors and the operating and financial effects of the sale of the investment in Exor Group, 2006 forecasts for IFI S.p.A. are for a considerably higher profit than in 2005 and a significant reduction in net debt.

On the basis of the indications formulated by the IFIL Group, the IFI Group is expected to show a profit for 2006, although lower than that of 2005.

investments IFIL

(64.01% of ordinary capital stock)

The consolidated data of the IFIL Group at December 31, 2005 commented on below is taken from the condensed consolidated balance sheet and income statement.

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

€ in millions	12/31/2005	12/31/2004	Change
Profit - Group	1,090.0	124.0	966.0
Consolidated equity - Group	5,186.0	3,722.2	1,463.8
Consolidated net financial position of the "Holdings System"	348.3	680.0	(331.7)
Investments	4,806.5	2,917.9	1,888.6

Consolidated profit - IFIL Group for the year 2005 is € 1,090 million (€ 124 million in 2004). The positive change of € 966 million is mainly due to a decisive improvement in the results of the Fiat Group and the Sequana Capital Group, partly due to nonrecurring transactions.

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

IFIL Group - Condensed consolidated balance sheet

€ in millions	2005	2004	Change
Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method	622.0	(397.8)	1,019.8
Dividends from other holdings	43.7	27.4	16.3
Net gains	460.9	603.3	(142.4)
Profit (loss) from discontinued operations	0.5	(2.3)	2.8
Impairment (losses)/reversals of investments and securities	3.4	(74.4)	77.8
Net financial income (expenses)	2.0	(20.9)	22.9
Net general expenses	(41.1)	(22.2)	(18.9)
(Accruals to)/releases of provisions	(1.3)	0.3	(1.6)
Income taxes	(0.1)	10.6	(10.7)
Profit - Group	1,090.0	124.0	966.0

The **Group’s share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method** is an earnings figure of € 622 million (losses of € 397.8 million in 2004). The positive change of € 1,019.8 million is due to better results posted by the Fiat Group (+€ 817.3 million) and by the Sequana Capital Group (+€ 224.4 million), as well as lower results reported by Alpitour Group (-€ 17.1 million), Juventus Football Club (-€ 4.4 million) and a loss reported by Turismo&Immobiliare (-€ 0.4 million).

Dividends from other holdings, entirely paid out by Sanpaolo IMI, amount to € 43.7 million and increased by € 16.3 million compared to 2004 (€ 27.4 million) partly as a result of the increase in the investment in the bank during 2005.

Net gains realized in 2005 amount to € 460.9 million and refer to the sale of 99.09% of La Rinascente S.p.A. capital stock to Tamerice S.r.l. (€ 459.1 million) and the sale on the market of a marginal interest (1.69% of capital stock) in Juventus Football Club (€ 1.8 million). Net gains in 2004 totaling € 603.3 million originated from the sale of 50% of Eurofind Food capital stock (€ 577 million), 7.2% of Club Mediterranée capital stock (€ 26 million) and 0.32% of Juventus Football Club capital stock (€ 0.3 million).

In 2005, **impairment (losses)/reversals of investments and securities** include the positive fair value adjustment of current securities for € 3.4 million. In 2004, this item amounted to € 74.4 million and included the impairment loss of goodwill on Alpitour (-€ 36.5 million) and Juventus Football Club (-€ 36.4 million) as well as that of securities (-€ 1.5 million).

In 2005, **net financial income** amounts to € 2 million. In 2004, net financial expenses totaled € 20.9 million owing to the fact that the consolidated net debt position of the "Holdings System" returned to a liquidity position only towards the end of the year.

Net general expenses amount to € 41.1 million for the year 2005 and include the extraordinary compensation approved for the Chairman and President (€ 15 million) and the former Chief Executive Officer (€ 3.8 million). The remaining amount of € 22.3 million is basically in line with that in 2004 (€ 22.2 million).

IFIL Group – Condensed balance sheet

€ in millions	12/31/2005	12/31/2004	Change
Assets			
Investments in operating subsidiaries and associates accounted for by the equity method	3,576.8	2,173.0	1,403.8
Other investments	1,229.7	744.9	484.8
Other financial assets	8.3	7.3	1.0
Property, plant and equipment and intangible assets	13.5	13.6	(0.1)
Assets held for sale	0.0	72.4	(72.4)
Current financial assets	792.7	1,047.9	(255.2)
Receivables and other current and non-current assets	43.7	300.2	(256.5)
Cash and cash equivalents	4.2	4.2	0.0
Total assets	5,668.9	4,363.5	1,305.4
Equity and liabilities			
Capital and reserves	5,238.1	3,772.2	1,465.9
Treasury stock	(52.1)	(50.0)	(2.1)
Equity - Group	5,186.0	3,722.2	1,463.8
Provisions	10.9	9.2	1.7
Bonds	99.7	300.6	(200.9)
Current and non-current bank debt	348.9	323.9	25.0
Other current and non-current liabilities	23.4	7.6	15.8
Total equity and liabilities	5,668.9	4,363.5	1,305.4

Consolidated equity – Group at December 31, 2005 amounts to € 5,186 million (€ 3,722.2 million at the end of 2004). The increase of € 1,463.8 million is due to the fair value adjustment of the investment in Sanpaolo IMI (+€ 220.3 million), the consolidated profit of the Group for the year (+€ 1,090 million), positive translation differences (+€ 281 million), dividends paid by IFIL S.p.A. (-€ 73.2 million) and other net changes (-€ 54.3 million).

The **consolidated net financial position of the "Holdings System"** at December 31, 2005 shows a net liquidity position of € 348.3 million. The decrease of € 331.7 million compared to the balance at year-end 2004 (€ 680 million) comes from the net proceeds generated by the sale of the investment in La Rinascente (+€ 529.1 million), the receipt of dividends from holdings (+€ 66.6 million), the investments made in Fiat (-€ 580.2 million) and Sanpaolo IMI (-€ 263.5 million), the dividends paid by IFIL (-€ 73.2 million) and other net changes (-€ 10.5 million).
On October 26, 2005, following the investment in Fiat and less diversification of the portfolio as a result, Standard & Poor's downgraded its rating of IFIL's long-term debt from "A-" to "BBB+" and confirmed its rating of short-term debt in "A-2", with a stable outlook.

The carrying amount of **investments** at December 31, 2005 is € 4,806.5 million. The increase of € 1,888.6 million compared to investments at year-end 2004 (€ 2,917.9 million) is due to the fair value adjustment of the investment in Sanpaolo IMI (+€ 220.3 million), the investments made in that bank (+€ 263.5 million) and in Fiat (+€ 580.2 million), IFIL's share of the changes in the equity of the operating subsidiaries and associates (+€ 823.6 million), and, lastly, other net changes (+€ 1 million).

The net income of the parent IFIL S.p.A. for the year 2005 is € 98.8 million, with an increase of € 18.6 million (+23.2%) compared to € 80.2 million in 2004.
The Board of Directors' Meeting held on March 30, 2006 put forward a motion for the distribution of dividends of € 0.08 per ordinary share and € 0.1007 per savings share for a maximum total of € 86.9 million.
IFI's share of the dividends will amount to € 53.4 million.

The major events in 2005 and in the first few months of 2006 are presented in the following paragraphs.

Increase in the investment in Sanpaolo IMI

During March and April 2005, IFIL purchased on the market 22,700,000 Sanpaolo IMI ordinary shares (1.43% of the current ordinary capital stock) for an investment of € 263.5 million.
IFIL currently holds 93,071,000 Sanpaolo IMI ordinary shares, equal to 5.86% of ordinary capital stock and 4.97% of capital stock.

Investment in Italia Turismo (ex-Sviluppo Italia Turismo)

In April 2005, the agreement was executed between IFIL, Banca Intesa, the Marcegaglia Group and Sviluppo Italia for the partial privatization of Italia Turismo. Turismo&Immobiliare (the company in which the three private stockholders each own equal stakes) subscribed to Italia Turismo's capital stock increase of € 60 million and purchased stock of the company from Sviluppo Italia for € 16 million thus acquiring a 49% stake for a total investment of € 76 million.
At the beginning of November, Pirelli RE became a stockholder of Turismo&Immobiliare, purchasing about an 8.3% stake in the capital of this company from each of the three founding stockholders for € 1.1 million and assuming the same commitments.
Turismo&Immobiliare, the capital of which is today owned by the aforementioned four private stockholders, each with a 25% holding, has a 49% interest in Italia Turismo (the remaining 51% stake is held by Sviluppo Italia), which is the largest real estate operator in the tourism-hotel sector in Italy with important investments in Apulia, Calabria, Basilicata, Sicily and Sardinia.
Finally, the agreements with Sviluppo Italia provide for the possibility that Turismo&Immobiliare will reach a controlling interest (approximately 65%) in Italia Turismo by 2009.
The additional commitment by the IFIL Group will amount to € 19 million.

Sale of La Rinascente S.p.A.

On May 6, 2005, Eurofind Textile S.A. (the Luxembourg company controlled by Auchan and Ifil Investissements) sold 99.09% of Rinascente S.p.A. capital stock to Tamerice S.r.l., a company heading a group composed of Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, for a price of € 888 million.

On May 17, 2005, the subsidiary Ifil Investissements purchased the remaining 50% of Eurofind Textile capital stock from the Auchan Group for € 349.5 million and then merged it on June 28, 2005. As a result of these transactions, the IFIL Group received net proceeds for a total of € 529.1 million and realized a gain of € 459.1 million (both amounts are net of selling costs), with no significant tax effects.

Ifil Investissements, as the merging company of Eurofind Textile, has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions (part of such guarantees are borne by the Auchan Group). Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation when thresholds of significance are exceeded per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) and, for certain matters, a maximum limit of responsibility for the seller.

IFIL S.p.A. has guaranteed the commitments undertaken by Ifil Investissements with the buyer until their maturity, estimated, depending on the matter at hand, at December 31, 2006 or at December 31, 2008 or when barred by the statute of limitations.

Maintaining a 30.06% stake in the ordinary capital stock of Fiat S.p.A.

On September 20, 2005, IFIL purchased 82,250,000 Fiat ordinary shares from Exor Group (controlled by Giovanni Agnelli e C. S.a.p.az.). These shares came from an equity swap agreement between Exor Group and Merrill Lynch International last April. This purchase was approved on September 15, 2005 by the Board of Directors, which used the services of an advisor, Mr. Gerardo Braggiotti of G.B. Partners.

The purchase price was € 6.5 per share for a total of € 534.6 million. Fiat stock was officially traded at € 7.76 per share on September 15, 2005 compared to the weighted average official prices over the last three months of € 6.91 per share and the weighted average official prices over the last six months of € 6.16 per share. The stock was transferred from Merrill Lynch to Exor Group at the same time the Fiat capital increase was executed, on September 20, 2005. The sale by Exor Group to IFIL immediately followed on the same date. In the identical context, IFIL, on the same date, sold Merrill Lynch all the option rights to which it was entitled on the Fiat capital increase.

Prior to the purchase of the above stock, after the purchase of 5,500,000 ordinary shares on the market by IFIL on September 7, 8 and 9 for € 41.1 million, the investment held by IFIL in Fiat totaled 246,083,447 ordinary shares and 31,082,500 preferred shares.

The aforementioned transactions allowed IFIL to maintain its investment in Fiat ordinary capital stock unchanged (30.06%) after the capital increase by Fiat, which took place on September 20, 2005.

A total of 87,750,000 Fiat ordinary shares was purchased for a global investment of € 580.2 million, including incidental charges of € 4.5 million.

At December 31, 2005, IFIL holds 328,333,447 Fiat ordinary shares and 31,082,500 Fiat preferred shares.

Investment in Banca Leonardo

At the end of November 2005, the IFIL Group displayed its interest in the project for the acquisition and recapitalization of Banca Leonardo S.p.A., assuming a commitment for an investment of € 46.6 million to purchase 10% of the capital of the bank.

On March 3, 2006, Ifil Investissements filed a petition with Banca d'Italia to obtain authorization for the investment which it is believed can be executed by the end of the month of April 2006.

Investigations by Consob and the Judicial Authorities

On February 21, 2006, Consob notified IFIL S.p.A. of its objections under art. 187-septies of Legislative Decree No. 58/1998 in relation to the content of the press release dated August 24, 2005.

Analogous objections were also notified to Giovanni Agnelli e C. S.a.p.az. regarding the content of its press release on the same date.

Furthermore, Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone received notification of the objection regarding the violation of art. 187-ter of Legislative Decree No. 58/1998, with Consob assuming that each of those individuals participated in the decisional process relating to the above press releases.

Exor Group S.A. and its legal representatives, instead, received notification of the violation of the obligations of communication as regards significant investments under art. 120 of Legislative Decree No. 58/1998 beginning with Consob's notice from August 30, 2005.

It is the intention of the parties, which received the notifications from Consob to lodge their objections in accordance with the law and take advantage of every other opportunity of defense.

On March 9, 2006, the company's offices were searched under the orders of the Turin district attorney's office with regard to the same facts raised in the objections by Consob. At the same time, IFIL was notified of the inquiry into its administrative responsibility under Legislative Decree No. 231/2001.

Business outlook

For the year 2006, IFIL S.p.A. is expected to report a profit.

On a consolidated level, considering the forecasts formulated by the major holdings, the IFIL Group expects to show a profit in 2006, although lower than the profit reported in 2005, which was the highest in the Group's history.

EXOR
GROUP

(29.3% of ordinary capital stock)

Exor Group reported a consolidated profit of € 36.2 million for the year 2005, compared to a profit of € 92.6 million in 2004.
Net revenues for the year total € 43.2 million, including € 27 million of financial gains (net of accruals to the provision for investment writedowns), € 15.7 million of net financial income (interest and exchange differences) and € 0.5 million of dividends.

Taking into account the fair value of the investment in Graphic Packaging Corp. at the end of the year, the provision for investment writedowns was adjusted by € 47.9 million.

In 2005, Exor Group's cash was mainly invested in short-term assets on which gross income was realized for € 15.8 million.

General expenses decreased from € 8.1 million in 2004 to € 6.9 million.

At December 31, 2005, the consolidated equity of Exor Group amounts to € 680.1 million (€ 668.3 million at December 31, 2004). Changes in equity during the year include the distribution of dividends for € 36.2 million and the recognition, in accordance with IFRS, of a reserve for fair value adjustments in respect of certain investments for € 11.4 million.

At December 31, 2005, the assets of Exor Group include investments for € 99.1 million, principally represented by the investment held in Graphic Packaging Corp., and cash for € 583.7 million. Exor Group shows no financial liabilities in its financial statements.

As described earlier, on February 21, 2006, Exor Group S.A. and its legal representatives were notified by Consob of the violation of the obligations of communication as regards significant investments pursuant to art. 120 of Legislative Decree No. 58/1998 beginning with Consob's notice, in relation to Fiat ordinary shares, from August 30, 2005.

MOTION FOR THE APPROVAL OF THE FINANCIAL STATEMENTS AND THE APPROPRIATION OF NET INCOME FOR THE YEAR

We invite you to approve the statutory financial statements for the year ended December 31, 2005.
In view of the fact that the Board of Directors has waived, by specific resolution, the share of the profits to which it is entitled pursuant to art. 27 of the bylaws and that the legal reserve amounts to one-fifth of capital stock, we propose the appropriation of the net income of € 38,534,823 as follows:

in €	
- to the reserve for unrealized net foreign exchange gains (art. 2426, para. 8-bis, of the Italian Civil Code)	202.39
- to the extraordinary reserve	38,534,620.61
Net income for the year 2005	38,534,823.00

Turin, March 31, 2006

For the Board of Directors
The Chairman
Gianluigi Gabetti

IFI S.p.A.

BALANCE SHEET

ASSETS (in €)	Note	12/31/2005	12/31/2004	Change
FIXED ASSETS				
Intangible fixed assets - Intellectual property rights	1	3,034	6,067	(3,033)
Property, plant and equipment - Office furniture and equipment and motor vehicles	2	12,919	0	12,919
Financial fixed assets				
Investments in subsidiaries		1,738,109,182	1,676,161,514	61,947,668
Investments in associated companies		102,559,055	102,559,055	0
Investments in other companies		666,111	735,596	(69,485)
Total investments	3	1,841,334,348	1,779,456,165	61,878,183
Receivables - from others	4	0	8,178,274	(8,178,274)
Treasury stock	5	70,477,224	70,477,224	0
Total financial fixed assets		1,911,811,572	1,858,111,663	53,699,909
TOTAL FIXED ASSETS		1,911,827,525	1,858,117,730	53,709,795
CURRENT ASSETS				
Receivables (a)				
Trade receivables		562,421	0	562,421
Receivables from subsidiaries	6	13,628	289,379	(275,751)
Receivables from associated companies	6	90,000	100,000	(10,000)
Receivables from parent company	6	9,900	9,900	0
Taxes receivable	7	18,200,114	17,807,307	392,807
Other receivables	8	144,320	839,873	(695,553)
Total receivables		19,020,383	19,046,459	(26,076)
Cash				
Bank and post office accounts		93,507	75,602	17,905
Cash on hand		2,173	3,263	(1,090)
Total cash		95,680	78,865	16,815
TOTAL CURRENT ASSETS		19,116,063	19,125,324	(9,261)
Accrued income		5,415	0	5,415
Prepaid expenses	9	268,135	58,162	209,973
Total accrued income and prepaid expenses		273,550	58,162	215,388
TOTAL ASSETS		1,931,217,138	1,877,301,216	53,915,922

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

LIABILITIES AND STOCKHOLDERS' EQUITY (in €)	Note	12/31/2005	12/31/2004	Change
STOCKHOLDERS' EQUITY	10			
Capital stock		163,251,460	163,251,460	0
Additional paid-in capital		386,346,907	386,346,907	0
Revaluation reserves				
Revaluation reserve Law No. 74/52		156,734	156,734	0
Revaluation reserve Law No. 576/75		16,939,786	16,939,786	0
Revaluation reserve Law No. 72/83		64,265,310	64,265,310	0
Total revaluation reserves		81,361,830	81,361,830	0
Legal reserve		32,650,292	32,650,292	0
Statutory reserves				
Extraordinary reserve (statutory)		720,647,405	712,904,015	7,743,390
Treasury stock valuation reserve		70,477,224	70,477,224	0
Reserve for purchase of treasury stock		150,000,000	120,000,000	30,000,000
Net income		38,534,823	37,707,363	827,460
TOTAL STOCKHOLDERS' EQUITY		1,643,269,941	1,604,699,091	38,570,850
RESERVES FOR RISKS AND CHARGES	11			
For income taxes, also deferred income taxes		100,000	1,504,268	(1,404,268)
Other reserves		200,000	4,200,000	(4,000,000)
TOTAL RESERVES FOR RISKS AND CHARGES		300,000	5,704,268	(5,404,268)
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	12	1,711,542	1,495,991	215,551
PAYABLES (a)				
Borrowings from banks due within one year	13	104,817,037	208,455,620	(103,638,583)
Borrowings from banks due beyond one year	13	160,000,000	30,000,000	130,000,000
Trade payables		182,348	164,802	17,546
Payables to subsidiaries	14	172,128	192,202	(20,074)
Payables to parent company	15	13,867,500	24,189,192	(10,321,692)
Taxes payable	16	160,064	133,211	26,853
Social security payable	17			
due within one year		283,662	323,187	(39,525)
due beyond one year		117,178	254,272	(137,094)
Other payables	18	5,455,361	505,259	4,950,102
TOTAL PAYABLES		285,055,278	264,217,745	20,837,533
ACCRUED EXPENSES	19	880,377	1,184,121	(303,744)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		1,931,217,138	1,877,301,216	53,915,922
GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS				
Sureties issued on behalf of subsidiaries		0	4,128,053	(4,128,053)
Commitments	20	170,092,962	161,592,962	8,500,000
Other memorandum accounts				
Securities held in deposit by third parties	21	34,189,531	34,189,866	(335)
Third-party assets held by the company	22	86,450,000	86,450,000	0
Total other memorandum accounts		120,639,531	120,639,866	(335)

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

INCOME STATEMENT

(in €)	Note	2005	2004	Change
VALUE OF PRODUCTION				
Revenues from sales and services	23	647,276	1,008,667	(361,391)
Other income and revenues	24	389,380	505,848	(116,468)
TOTAL VALUE OF PRODUCTION		1,036,656	1,514,515	(477,859)
COSTS OF PRODUCTION				
Raw materials, supplies and merchandise	25	(35,742)	(43,224)	7,482
Services	26	(7,317,412)	(1,993,747)	(5,323,665)
Leases and rentals	27	(347,032)	(382,236)	35,204
Personnel	28			
salaries and wages		(1,647,260)	(1,661,020)	13,760
social security contributions		(426,342)	(485,083)	58,741
employee severance indemnities		(194,652)	(226,590)	31,938
other costs		(244,466)	(142,889)	(101,577)
		(2,512,720)	(2,515,582)	2,862
Amortization, depreciation and writedowns				
amortization of intangible fixed assets		(3,033)	(3,033)	0
amortization of property, plant and equipment		(3,996)	(10,524)	6,528
		(7,029)	(13,557)	6,528
Other operating costs	29			
donations to charities and other cultural organizations		(323,550)	(218,850)	(104,700)
other		(272,950)	(372,043)	99,093
		(596,500)	(590,893)	(5,607)
TOTAL COSTS OF PRODUCTION		(10,816,435)	(5,539,239)	(5,277,196)
FINANCIAL INCOME AND EXPENSES				
Dividends relating to	30			
subsidiaries		45,277,704	39,914,571	5,363,133
associated companies		10,596,550	10,596,550	0
other companies		63,240	87,840	(24,600)
		55,937,494	50,598,961	5,338,533
Gains on sales of investments in other companies		906	19,415	(18,509)
Other financial income				
from receivables held in financial fixed assets	31	421,626	0	421,626
from parent company		0	43,081	(43,081)
other income	32	481,926	237,442	244,484
Interest and other financial expenses from	33			
parent company		(661,651)	(619,130)	(42,521)
others		(9,329,675)	(12,616,445)	3,286,770
		(9,991,326)	(13,235,575)	3,244,249
Foreign exchange gains and losses		203	(437)	640
TOTAL FINANCIAL INCOME AND EXPENSES		46,850,829	37,662,887	9,187,942
EXTRAORDINARY INCOME AND EXPENSES				
Income	34	100,798	145,946	(45,148)
Expenses	34	(41,293)	(31,573)	(9,720)
TOTAL EXTRAORDINARY INCOME AND EXPENSES		59,505	114,373	(54,868)
INCOME BEFORE INCOME TAXES		37,130,555	33,752,536	3,378,019
INCOME TAXES, CURRENT AND DEFERRED	35	1,404,268	3,954,827	(2,550,559)
NET INCOME		38,534,823	37,707,363	827,460

STRUCTURE AND CONTENT OF THE STATUTORY FINANCIAL STATEMENTS

The statutory financial statements of IFI S.p.A. for the year ended December 31, 2005 are expressed in euros and have been prepared in accordance with the provisions of the Italian Civil Code.

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

SIGNIFICANT ACCOUNTING POLICIES

Pursuant to art. 2423-bis of the Italian Civil Code, the financial statements have been prepared on the basis of the general principle of prudence, using the accrual basis of accounting and according to the going-concern concept. The accounting policies discussed below have been applied on a basis consistent with the prior years and conform with the provisions of art. 2426 of the Italian Civil Code, as well as take into account the economic function of the assets and liabilities under consideration.
Furthermore, there were no departures from paragraph 4 of art. 2423 of the Italian Civil Code in preparing these financial statements.

Intangible fixed assets

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

Property, plant and equipment

These are stated at cost of acquisition, including accessory charges, net of accumulated depreciation. Depreciation is calculated on a straight-line basis each year over the estimated useful lives of the assets.
In view of the nature of the property, plant and equipment, depreciation is calculated at the ordinary depreciation rates plus the rates for allowable accelerated depreciation. For property, plant and equipment purchased during the year, these rates are reduced by half. Purchases of assets of below € 516 are entirely expensed in the year of purchase.

Financial fixed assets

Financial fixed assets are valued at cost of acquisition, including accessory charges, determined using the LIFO method with annual adjustments.
The cost of acquisition of the investments in IFIL and in Exor Group has been revalued in previous years as allowed by monetary revaluation laws. If, at the balance sheet date, the investment value is determined to have suffered a permanent impairment in value to below the cost of acquisition as defined above, it is written down to the lower value.
Should the reasons for the writedowns no longer apply, the value of the financial fixed assets will be reinstated up to the limit of the cost of acquisition; for financial fixed assets prior to the enactment of Legislative Decree No. 127/91, this limit is represented by the amounts recorded in the financial statements at March 31, 1993.

Receivables

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

Accruals and deferrals

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

Employee severance indemnities

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

Payables

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

Guarantees, commitments and other memorandum accounts

Financial instruments used to hedge interest rate risks and, in general, the fluctuations in the value of assets and liabilities, are recorded under "Commitments".
Such contracts form part of the results for the year on the basis of the accrual principle.
Commitments relating to the performance of contracts are recorded under memorandum accounts on the basis of the nominal value to which they refer.
Securities held in deposit by third parties are shown at their nominal value.

Dividends

Dividends are recorded in the year in which they are declared.

Financial income and expenses

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

Extraordinary income and expenses

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

Income taxes

Ires and Irap taxes for the current year are calculated on the basis of the tax legislation in force.
Deferred taxes are calculated on temporary differences between the asset and liability items and the corresponding tax items and the deferred tax liability is recorded in a specific reserve in liabilities; any deferred tax assets are recorded in "Receivables – deferred tax assets" only if there is a reasonable certainty of their future recovery. Deferred tax assets and liabilities are offset where allowed by law.

Transactions denominated in foreign currency

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

Assets and liabilities in currencies other than the euro, except for property, plant and equipment, intangible fixed assets and financial fixed assets (if made up of investments valued at cost) are adjusted to the year-end exchange rate, in the absence of a hedging contract for exchange rate risks.
Any net positive difference is booked, for the part not absorbed by a possible loss for the year, in a reserve under stockholders' equity which cannot be distributed until such time as the gains have effectively been realized. This reserve, however, may be used, from the year it is booked, to absorb the losses of prior years.
Property, plant and equipment, intangible fixed assets and financial fixed assets (if made up of investments valued at cost) in currencies other than the euro are booked at the exchange rate in effect at their date of purchase or at the rate at the end of the year if this results in a lower value and constitutes an impairment considered as permanent.

COMMENTS ON THE PRINCIPAL ITEMS IN THE BALANCE SHEET

1. Intangible fixed assets – Intellectual property rights

Intangible fixed assets amount to € 3 thousand and relate to costs to update the corporate website (€ 9 thousand), net of the amortization charge for the year (€ 6 thousand). Such costs are amortized over a period of three years.

2. Property, plant and equipment – Office furniture and equipment and motor vehicles

The analysis of the changes in 2005 is summarized as follows:

€ in thousands	Depreciation rate %	Original cost	Accumulated depreciation	Net book value
Balance at December 31, 2004		235	(235)	0
Increases (Depreciation)	20/25	17	(4)	13
(Decreases) Utilizations		(105)	105	0
Balance at December 31, 2005		147	(134)	13

3. Financial fixed assets – Investments

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

	12/31/2005			12/31/2004	
€ in thousands	%	Balance		%	Balance
Subsidiaries					
IFIL S.p.A.					
- ordinary shares	63.59	1,731,726	(a)	62.03	1,676,162
- savings shares	4.99	6,383		-	0
		1,738,109			1,676,162
Associated companies - Exor Group S.A. (ordinary shares)	29.29	102,559	(b)	29.29	102,559
Other companies					
Deutsche Morgan Grenfell Capital Italy S.A.					
- ordinary shares	0.79	389		0.93	455
- preferred shares	1.28	5		1.28	5
Emittenti Titoli S.p.A.	6.43	272		6.43	272
Sundry consortiums	-	-		-	3
		666			735
Total investments		1,841,334			1,779,456

(a) In prior years, the investment in IFIL was revalued pursuant to Law No. 576 dated December 2, 1975 for € 608 thousand and Law No. 72 dated March 19, 1983 for € 4,246 thousand and was written down in 2002 for € 73,473 thousand.

(b) This amount includes revaluations made in the past pursuant to Law No. 576 dated December 2, 1975 for € 5,920 thousand and Law No. 72 dated March 19, 1983 for € 37,519 thousand.

The increase in the investment in IFIL amounting to € 61,947 thousand originates from purchases on the market of 16,708,441 IFIL ordinary shares (1.61% of the class of stock) for € 55,564 thousand and 1,866,420 IFIL savings shares (4.99% of the class of stock) for € 6,383 thousand. In addition, 130 Deutsche Morgan Grenfell Capital Italy shares were reimbursed (0.14% of the class of stock).

4. Financial fixed assets – Receivables from others

The investment in TLcom, equal to € 8,178 thousand at December 31, 2004, was sold in 2005 to the United States fund Access Capital Technology for € 4,600 thousand. Taking into account the utilization of the reserve for risks of € 4,000 thousand set aside in prior years, the sale gave rise to a gain of € 422 thousand.

5. Financial fixed assets – Treasury stock

There were no transactions during the year in preferred treasury stock carried under financial fixed assets. The balance at December 31, 2005 refers to the following:

		Carrying value		
	Number of shares	Unit (€)	Total (€ in thousands)	
IFI preferred shares	5,360,300	13.15	70,477	(a)

(a) Net of writedowns of € 58,934 thousand made in 2002.

IFI preferred stock in portfolio at December 31, 2005 has a par value of € 5,360 thousand and represents 3.28% of capital stock (6.98% of the class of stock).

A comparison between the carrying value of the treasury stock and the market price at December 30, 2005 (€ 13.87) shows an unrealized gain of € 3.9 million; compared to the market price at March 24, 2006 (€ 16.90), the unrealized gain is € 20.1 million.

Additional details are provided in Annex 3.

6. Current assets – Receivables from subsidiaries, associated companies and parent company

The following receivables originate from the performance of services and cost recoveries.

€ in thousands	12/31/2005	12/31/2004	Change
Subsidiaries:			
IFIL S.p.A.	13	9	4
Juventus Football Club S.p.A.	1	35	(34)
Fiat S.p.A.	0	228	(228)
Neos S.p.A.	0	9	(9)
Welcome Travel Group S.p.A.	0	1	(1)
Other Fiat Group companies	0	7	(7)
Total receivables from subsidiaries	14	289	(275)
Associated companies - Exor Group S.A.	90	100	(10)
Parent company - Giovanni Agnelli e C. S.a.p.az.	10	10	0

7. Current assets – Taxes receivable

These refer to receivables from the tax authorities for:

€ in thousands	12/31/2005	12/31/2004	Change
Receivables from the tax authorities for prior years' taxes, refunds requested	17,909	17,437	472
VAT receivable	290	235	55
Receivables from the tax authorities for current and prior years' taxes, carried forward	1	113	(112)
Excess tax on companies	0	22	(22)
Total taxes receivable	18,200	17,807	393

There are no receivables due beyond five years.

The changes in receivables from the tax authorities for the year 2005 are as follows.

€ in thousands	
Balance at December 31, 2004	17,807
Purchase of receivables from the tax authorities from the subsidiary IFIL S.p.A.	400
Higher VAT receivable resulting from the annual return	54
Used to compensate withholdings payable, net of withholdings receivable during the year	(512)
Interest earned during the year	473
Refund of excess tax on companies	(22)
Balance at December 31, 2005	18,200

8. Current assets – Other receivables

Other receivables amount to € 144 thousand (€ 840 thousand at December 31, 2004) and include sundry revenues and cost recoveries.

9. Prepaid expenses

Prepaid expenses total € 268 thousand (€ 58 thousand at December 31, 2004) and relate to portions of costs referring to future years. In particular, € 220 thousand relates to fees for opening new credit lines, charged to the income statement on the accrual basis.

10. Stockholders’ equity

Capital stock

At December 31, 2005, the capital stock of IFI S.p.A., fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares of par value € 1 each.
Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.
Pursuant to art. 27 of the bylaws, the net income of each year is appropriated as follows:

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

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

Reserves

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

The information required by art. 2427, number 7 bis of the Italian Civil Code (available and distributable reserves) is presented as follows.

Balance sheet caption € in thousands	Balance at 12/31/2005	Possibility of use	Portion available	Used to cover losses in the years 2003, 2004 and 2005
Capital stock	163,251			
Capital stock reserves:				
Additional paid-in capital (a)	386,347	A, B, C	386,347	35,206
Revaluation reserve Law 74, 2/11/1952 (b)	157	A, B, C	157	
Revaluation reserve Law 576, 12/2/1975 (b)	16,940	A, B, C	16,940	
Revaluation reserve Law 72, 3/19/1983 (b)	64,265	A, B, C	64,265	
Legal reserve	2,032	B	0	
Treasury stock valuation reserve	458		0	
Reserve under DPR No. 597, art. 55, 9/29/1973	0		0	91
Merger surplus reserve	0		0	191,628
Retained earnings	0		0	11
Earnings reserves:				
Legal reserve	30,618	B	0	
Treasury stock valuation reserve	70,019		0	
Extraordinary reserve	720,648	A, B, C	720,648	
Reserve for purchase of treasury stock	150,000		0	
Total	1,604,735		1,188,357	226,936
Portion not distributable (c)			(3)	
Residual portion distributable			1,188,354	

A: For capital increases; B: For coverage of losses; C: For distribution to stockholders.

(a) Since the legal reserve is equal to one-fifth of capital stock (art. 2431 of the Italian Civil Code), the reserve can be distributed.

(b) The revaluation reserves can be used for bonus increases of capital stock. If used to cover losses, they must be subsequently replenished. If not, then no dividends can be distributed. They cannot be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the stockholders' meeting and in compliance with the prescriptions of art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) Pursuant to art. 2426 of the Italian Civil Code, paragraph 5, when there are start-up and expansion costs that must still be amortized, dividends can only be distributed if there are available reserves sufficient to cover the unamortized portion of these costs. Art. 2426 of the Italian Civil Code, paragraph 8 bis requires that unrealized net exchange gains, insofar as they derive from the valuation of the balances in foreign currency at year-end exchange rates, should be recorded, for the part not absorbed by any loss for the year, in a non-distributable reserve until the gain is realized.

At December 31, 2005, tax-deferred reserves are recorded for a total amount of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserve and € 2,032 thousand to the legal reserve. In the event of distribution, such amounts would form part of the taxable income of the Company.

In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

11. Reserves for risks and charges

These amount to € 300 thousand, of which € 100 thousand refers to taxes and € 200 thousand to the risk of writedowns of financial fixed assets.

The decrease in the reserve for deferred taxes of € 1,404 thousand is due to the deferred taxes released to income which, in 2005, became in excess of requirements. The decrease in the reserve for the risk of writedowns of financial fixed assets of € 4,000 thousand under other reserves is due to the utilization as a result of the sale of the financial receivable from TLcom.

12. Reserve for employee severance indemnities

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

Details of the changes are as follows:

€ in thousands	Employee Sever. Indem.	Agreement 12/23/1999	Total
Balance at December 31, 2004	1,194	302	1,496
Provisions	132	63	195
Payments	(24)	0	(24)
Decrease for transfers to other Group companies	(42)	(11)	(53)
Increase for transfers from other Group companies	73	25	98
Balance at December 31, 2005	1,333	379	1,712

13. Borrowings from banks

€ in thousands	12/31/2005	12/31/2004	Change
Due within one year	104,817	208,456	(103,639)
Due beyond one year	160,000	30,000	130,000
Total borrowings from banks	264,817	238,456	26,361

Borrowings from banks due within one year include loans of € 10 million due in the first half of 2006, on which interest rate swaps have been put into place to guarantee a fixed interest rate.

On borrowings from banks due beyond one year (€ 160 million) interest rate swaps have been put into place to guarantee a fixed interest rate on the full amount.
Loans are classified as due beyond one year on the basis of the residual period of the loan and the period of the hedging contracts.
Borrowings from banks due beyond one year are payable within five years.

The company has irrevocable lines of credit available from banks totaling € 595 million, of which € 265 million is due beyond one year.

14. Payables to subsidiaries

Payables to subsidiaries amount to € 172 thousand and refer entirely to trade payables.

€ in thousands	12/31/2005	12/31/2004	Change
Soiem S.p.A.	120	128	(8)
IFIL S.p.A.	23	23	0
Fiat Auto S.p.A.	2	5	(3)
Other Fiat Group companies	27	36	(9)
Total payables to subsidiaries	172	192	(20)

15. Payables to parent company

Payables to parent company amount to € 13,868 thousand (€ 24,189 thousand at December 31, 2004) and include the loan granted by the parent company Giovanni Agnelli e C. S.a.p.az., including interest accrued at December 31, 2005.

16. Taxes payable

Taxes payable amounts to € 160 thousand (€ 133 thousand in 2004) and relates to Irpef withholding taxes.

The Company has agreed its tax years up to December 31, 2000.

17. Social security payable

€ in thousands	12/31/2005		12/31/2004	Change
INPS solidarity fund (MD No. 158 dated 4/28/2000)	250	(a)	442	(192)
INPS social security contributions on salaries and unused vacation and holidays	151		135	16
Total social security payable	401		577	(176)

(a) Including € 117 thousand due beyond one year.

Ministerial Decree No. 158 dated April 28, 2000, established, at INPS, the "Solidarity Fund for the support of earnings, employment and professional reconversion and requalification of credit personnel". Financial and asset management of the Fund is administered autonomously. The Fund provides, in exceptional circumstances, for the issue of allowances to support earnings at the request of the employer and up until the right accrues for the years-of-service or old age pension by employees who accrue the requisites within a maximum period of 60 months from the date of termination of the working relationship. The above liabilities (€ 250 thousand in total) represent the extraordinary contribution that IFI must pay to cover the exceptional allowances that are due to former employees, including related social security contributions.

18. Other payables

These refer to payables to:

€ in thousands	12/31/2005	12/31/2004	Change
Chairman for extraordinary compensation	5,000	0	5,000
Employees for salaries, holidays and vacation	244	258	(14)
Statutory auditors for compensation	151	154	(3)
Stockholders for dividends	52	89	(37)
Sundry	8	4	4
Total other payables	5,455	505	4,950

19. Accrued expenses

Accrued expenses amount to € 880 thousand (€ 1,184 thousand at December 31, 2004) and include interest expenses on borrowings from banks (€ 690 thousand), expenses on interest rate swaps (€ 78 thousand) accrued to December 31, 2005 and bank fees for credit lines not drawn down (€ 112 thousand).

GUARANTEES, COMMITMENTS AND OTHER MEMORANDUM ACCOUNTS

20. Commitments

€ in thousands	12/31/2005	12/31/2004	Change
Commitments with leading banking institutions relating to transactions to hedge interest rate fluctuations on bank debt due in 2007 and 2008 (a)	170,000	160,000	10,000
Residual commitment to subscribe to Emittenti Titoli's capital increase	93	93	0
Residual commitment to invest in Tlcom	0	1,500	(1,500)
Total commitments	170,093	161,593	8,500

(a) The transactions in derivative financial instruments are used exclusively to hedge the risk of interest rate fluctuations and are therefore not valued separately.
At December 31, 2005, the fair value was equal to € 1,531 thousand.

21. Other memorandum accounts – Securities held in deposit by third parties

These amount to € 34,190 thousand and refer to 3,418,242 Exor Group S.A. ordinary shares and 2,756 Deutsche Morgan Grenfell shares deposited at banks.

22. Other memorandum accounts – Third-party assets held by the company

These amount to € 86,450 thousand and refer to 86,450,000 IFI ordinary shares owned by the parent company Giovanni Agnelli e C. S.a.p.az.

COMMENTS ON THE PRINCIPAL ITEMS IN THE INCOME STATEMENT

23. Value of production – Revenues from sales and services

€ in thousands	2005	2004	Change
Services rendered to subsidiaries, associated companies and parent company:			
- Exor Group S.A.	180	207	(27)
- Juventus Football Club S.p.A.	2	54	(52)
- Giovanni Agnelli e C. S.a. p.az. (parent company)	0	33	(33)
- IFIL S.p.A.	0	25	(25)
Services rendered to Fiat Sava S.p.A.	465	620	(155)
Services rendered to third parties	0	70	(70)
Total revenues from sales and services	647	1,009	(362)

The services rendered to Fiat Sava consist of the custody of receivables (€ 515.5 million) which guarantee the circulation of interest-bearing Sava Fiat bonds (outstanding bonds at December 31, 2005 amount to € 401 million).

24. Value of production – Other income and revenues

€ in thousands	2005	2004	Change
Cost recoveries from subsidiaries:			
- Fiat S.p.A.	0	229	(229)
- IFIL S.p.A.	0	16	(16)
	0	245	(245)
Compensation for posts held by IFI employees in:			
- Sanpaolo IMI S.p.A.	160	129	31
- Fiat S.p.A.	41	0	41
- IFIL S.p.A.	3	2	1
- Juventus F.C. S.p.A.	3	0	3
- Neos S.p.A.	0	9	(9)
- Welcome Travel Group S.p.A.	0	1	(1)
	207	141	66
Assistance and consulting:			
- Giovanni Agnelli e C. S.a.p.az.	33	0	33
- IFIL S.p.A.	30	0	30
Sundry	119	120	(1)
Total other income and revenues	389	506	(117)

25. Costs of production – Raw materials, supplies and merchandise

These costs total € 36 thousand (€ 43 thousand in 2004) and refer to the purchase of stationery supplies, printed forms and gifts.

26. Costs of production – Services

Services total € 7,317 thousand (€ 1,994 thousand in 2004).

Details of the main service expenses are as follows:

€ in thousands	2005		2004	Change
Consulting and services rendered by:				
- Third parties	1,051	(a)	544	507
- Soiem S.p.A. (subsidiary)	255		262	(7)
- IFIL S.p.A. (subsidiary)	65		70	(5)
	1,371		876	495
Compensation to corporate boards:				
- Extraordinary compensation to the Chairman	5,000		0	5,000
- Board of Directors	350		451	(101)
- Board of Statutory Auditors	146		146	0
- Supervisory Panel	9		6	3
- Common representatives of preferred stockholders	3		3	0
	5,508		606	4,902
Office management and security	157		189	(32)
Vehicle maintenance, office equipment and insurance	86		115	(29)
Bank charges and fees	49		43	6
Audit fees	47		42	5
Travel and entertainment	41		58	(17)
Other expenses	22		25	(3)
Employee expenses	28		28	0
Mailing and similar expenses	8		12	(4)
Total services	7,317		1,994	5,323

(a) Including € 628 thousand for extraordinary consulting fees.

27. Costs of production – Leases and rentals

These amount to € 347 thousand (€ 382 thousand in 2004) and include the rent on the furnished headquarters in Turin (€ 145 thousand to the subsidiary company Soiem S.p.A.), leases and expenses of the Rome headquarters (€ 70 thousand), leases for office machines, for cars for service use and other rentals (€ 132 thousand).

28. Costs of production – Personnel

These total € 2,513 thousand (€ 2,516 thousand in 2004).

Other costs for personnel include the contribution (€ 147 thousand) to a separately administered Corporate Employee Benefits Fund – Pension Fund in which IFI S.p.A. and other companies in the Group participate. The purpose of this Fund, which is non-profit, is to pay benefits to supplement the obligatory public system, either directly or by taking out insurance policies, in conformity with the provisions of the collective labor contracts, agreements or company regulations. The technical equilibrium between benefits and contributions is ensured by the company partners in the Fund.

At year-end 2005, employees number 16 (15 at the end of 2004).
The average number of employees in 2005 was 16, summarized by category as follows:

	2005	2004	Change
Managers	2	2	0
Management staff	2	4	(2)
Clerks	9	7	2
Messengers	3	3	0
Average number of employees	16	16	0

29. Costs of production – Other operating costs

Other operating costs total € 597 thousand (€ 591 thousand in 2004). Details are as follows:

€ in thousands	2005	2004	Change
Donations to charities and cultural organizations	324	219	105
Notary and corporate charges	98	105	(7)
Publication of annual, first-half and quarterly financial statements	81	87	(6)
Association dues	56	53	3
Books, newspapers and magazines	19	24	(5)
Ads	11	13	(2)
Indirect taxes and duties	8	73	(65)
Sundry	0	17	(17)
Total other operating costs	597	591	6

Donations to charities and cultural organizations in 2005 were paid from the portion of prior years' profits to which the board of directors is entitled according to the bylaws and which it waived.

30. Dividends

Details are as follows:

€ in thousands	2005	2004	Change
Subsidiaries			
IFIL S.p.A. (ordinary shares)	45,112	39,915	5,197
IFIL S.p.A. (savings shares)	166	0	166
	45,278	39,915	5,363
Associated companies			
Exor Group S.A. (ordinary shares)	10,596	10,596	0
Other companies			
Emittenti Titoli S.p.A.	63	88	(25)
Total dividends	55,937	50,599	5,338

31. Other financial income – From receivables held in financial fixed assets

This totals € 422 thousand and originates from the sale of the receivable due from TLcom for a nominal value of € 8,178 thousand to the United States fund Access Capital Technology for € 4,600 thousand and the utilization of the reserve for risks of € 4,000 thousand set aside in prior years.

32. Other financial income – Other income

This totals € 482 thousand (€ 237 thousand at December 31, 2004) and refers to interest income on receivables from the tax authorities (€ 473 thousand), bank interest income (€ 3 thousand) and income from interest rate swap transactions (€ 6 thousand).

33. Interest and other financial expenses

These include:

€ in thousands	2005	2004	Change
Interest expenses on the loan from the parent company			
Giovanni Agnelli e C. S.a.p.az.	662	619	43
Other financial expenses			
- interest expenses on borrowings from banks	6,606	6,327	279
- expenses relating to the hedge of interest rate fluctuations	1,773	4,045	(2,272)
- sundry bank fees	951	744	207
- accrual for sundry financial risks	0	1,500	(1,500)
Total interest and other financial expenses	9,992	13,235	(3,243)

34. Extraordinary income and expenses

Extraordinary income amounts to € 101 thousand and relates to prior period income.
Extraordinary expenses of € 41 thousand refer entirely to prior period expenses.

35. Income taxes, current and deferred

The taxable base calculated in accordance with tax laws did not generate any current income tax expenses for the year 2005 and resulted in the release of € 1,404 thousand of excess deferred taxes provided in previous years. Since reasonable certainty of future recovery is not assured, no deferred tax assets have been booked on the tax losses for the years 2003, 2004 and 2005 (€ 200 million, in total) and on the portions of investment writedowns that, pursuant to existing tax legislation, will be deductible in future years (€ 26 million, in total). Details are as follows:

	2005		2004	
€ in millions	Temporary differences	Tax effect (33% rate)	Temporary differences	Tax effect (33% rate)
Deferred tax benefit	0	-	0	-
Deferred tax expenses on gains realized in the years 2000 (€ 39 million) and in 2001 (€ 21 million) subject to taxes over 5 years	4	1	12	4
Temporary differences excluded from the calculation of deferred income taxes				
Tax losses carried forward:				
- year 2003	147		147	
- year 2004	20		20	
- year 2005	33			
Total tax losses carried forward	200	66	167	55
Writedown of financial fixed assets deductible in future years	26	9	53	17

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

€ in millions	2005	2004
IRES taxes		
Pre-tax income	37	34
Increases:		
- temporary differences	5	0
- permanent differences	4	9
- gains on investments deferred in prior years	4	12
Total increases	13	21
Decreases:		
- 95% of dividends collected	(53)	(48)
- portion of writedowns of investments and treasury stock deductible over 5 years	(26)	(26)
- other permanent differences	(4)	(1)
Total decreases	(83)	(75)
Taxable loss	(33)	(20)

Taxable income for the computation of IRAP taxes is negative.

36. Compensation to directors, statutory auditors and general manager

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

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

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held	Non-monetary benefits	Bonuses and other incentives	Other compensation
Gabetti Gianluigi	Chairman	1/1 - 12/31	2006	250		5,000	16,864 (b)
Teodorani-Fabbri Pio	Vice Chairman	1/1 - 12/31	2006	100 (c)			9 (b)
Avogadro di Collobiano Annibale	Director	1/1 - 12/31	2006				
Elkann John	Director	1/1 - 12/31	2006				588 (b)
Ferrero Ventimiglia Luca	Director	1/1 - 12/31	2006				
Galateri di Genola Gabriele	Director	1/1 - 12/31	2006				
Nasi Andrea	Director	1/1 - 12/31	2006				
Rattazzi Lupo	Director	1/1 - 12/31	2006				40 (b)
Grande Stevens Franzo	Director	1/1 - 12/31	2006				14 (b)
Total Board of Directors				350		5,000	17,515
Board of Statutory Auditors							
Ferrero Cesare	Chairman	1/1 - 12/31	2006	62			135 (b)
Giorgi Giorgio	Statutory Auditor	1/1 - 12/31	2006	42			20 (b)
Jona Celesia Lionello	Statutory Auditor	1/1 - 12/31	2006	42			
Total Board of Statutory Auditors				146			155
Marrone Virgilio	General Manager	1/1 - 12/31	-		96	200 (d)	489 (d)

(a) The term of office expires in concurrence with the stockholders' meeting that will approve the financial statements for the year ended December 31, 2005.
(b) Compensation for the posts held in subsidiaries.
(c) Compensation as the person in charge of IFI headquarters in Rome.
(d) Employment income.

37. Stock options granted to directors and general manager

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

The board of directors of IFI S.p.A. to date has not approved any stock option plans.
However, under the stock option plans approved in May 2000 and September 2003 by the board of directors of the subsidiary IFIL S.p.A., options were assigned between 2000 and 2003 for the subscription of IFIL ordinary shares to the chairman, a director, the general manager and managers of IFI S.p.A.
The relative information is presented under "Stock option plans" in the Directors' Report on Operations.

Turin, March 31, 2006

For the Board of Directors
The Chairman
Gianluigi Gabetti

ANNEXES TO THE NOTES TO THE STATUTORY FINANCIAL STATEMENTS

Turin, March 31, 2006

For the Board of Directors
The Chairman
Gianluigi Gabetti

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

	Balance at December 31, 2004				
	Number of shares	% of class of stock	Carrying value		
			Per share (€)	Total (€/000)	
SUBSIDIARIES					
IFIL S.p.A. - ordinary shares	643,783,399	62.03	2.60	1,676,162	(a)
IFIL S.p.A. - savings shares					
Total subsidiaries				1,676,162	
ASSOCIATED COMPANIES					
EXOR GROUP S.A. - ordinary shares	3,418,242	29.29	30.00	102,559	
OTHER COMPANIES					
EMITTENTI TITOLI S.p.A.	527,000	6.43	0.52	272	
DEUTSCHE MORGAN GRENFELL C.I. S.A.					
- ordinary shares	886	0.93	513.90	455	
- preferred shares (b)	2,000	1.28	2.58	5	
CONSORTIUMS				3	
Total other companies				735	
TOTAL INVESTMENTS				1,779,456	

(a) Net of the writedown of € 73,473 million made in 2002.
(b) Also including 1,114 shares, not representative of capital stock.

Changes during 2005				Balance at December 31, 2005			
Increase		Decrease		Number	% of class	Carrying value	
No. of shares	Carrying value (€/000)	No. of shares	Carrying value (€/000)	of shares	of stock	Per share (€)	Total (€/000)
16,708,441	55,564			660,491,840	63.59	2.62	1,731,726
1,866,420	6,383			1,866,420	4.99	3.42	6,383
	61,947						1,738,109
				3,418,242	29.29	30.00	102,559
				527,000	6.43	0.52	272
		130	66	756	0.79	513.90	389
				2,000	1.28	2.58	5
			3				0
			69				666
	61,947		69				1,841,334

LIST OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES AT DECEMBER 31, 2005

	Capital stock			
	Number of shares	Currency	Par value	Amount
SUBSIDIARIES				
IFIL Investments S.p.A. - Turin				
- ordinary shares	1,038,612,717	Euro	1	1,038,612,717
- savings shares	37,383,020	Euro	1	37,383,020
	1,075,995,737			1,075,995,737
ASSOCIATED COMPANIES				
EXOR GROUP S.A. - Luxembourg				
- ordinary shares	11,670,050	Euro	10	116,700,500
- preferred shares	4,110	Euro	10	41,100
	11,674,160			116,741,600

(a) Data relating to the financial statements for the year ended December 31, 2005.

IFI's investment						
Number of shares	% of ownership of		Carrying value		Stockholders' equity (a)	Net income/(loss) (a)
	Cap. stock	Class of stock	Per share (€)	Total (€/000)	(€/000)	(€/000)
660,491,840	61.38	63.59	2.62	1,731,726	5,315,800	1,096,000
1,866,420	0.17	4.99	3.42	6,383		
				1,738,109		
3,418,242	29.28	29.29	30.00	102,559	680,129	36,217
				102,559		

COMPARISON BETWEEN THE CARRYING VALUES AND THE MARKET PRICES OF LISTED FINANCIAL FIXED ASSETS (CONSOB RECOMMENDATION NO. 94001437 DATED FEBRUARY 23, 1994)

	Balance at December 31, 2005			Market prices at December 30, 2005		
	Number of shares	Carrying value Per share (€)	Carrying value Total (€/000)	Per share (€)	Total (€/000)	Difference (€/000)
IFIL S.p.A. - ordinary shares	660,491,840	2.622	1,731,726	3.605	2,381,073	649,347
IFIL S.p.A. - savings shares	1,866,420	3.420	6,383	3.775	7,046	663
			1,738,109		2,388,119	650,010
IFI S.p.A. - preferred shares	5,360,300	13.148	70,477	13.867	74,331	3,854

Average market prices II half 2005			Average market prices December 2005		
Per share (€)	Total (€/000)	Difference (€/000)	Per share (€)	Total (€/000)	Difference (€/000)
3.589	2,370,505	638,779	3.621	2,391,641	659,915
3.584	6,689	306	3.759	7,016	633
	2,377,194	639,085		2,398,657	660,548
13.146	70,466	(11)	14.073	75,435	4,958

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS 2003, 2004 AND 2005

€ in thousands	Capital stock	Additional paid-in capital	Revaluation reserves	Legal reserve
BALANCE AT DECEMBER 31, 2002	61,750	65,614	81,362	14,789
Resolutions of ordinary stockholders' meeting held on May 29, 2003				
- Absorption of 2002 loss		(35,206)		
- Revocation of resolution to purchase treasury stock of May 28, 2002				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and 2357-ter of the Italian Civil Code				
Resolutions of Board of Directors' Meeting held on June 27, 2003				
- Capital stock increase with issue of 55,575,000 ordinary shares and 45,926,460 preferred shares at € 4.5 each of which € 1 of par value and € 3.5 of paid-in-capital	101,501	355,255		
Sale of 285,410 unexercised rights on IFI preferred shares		684		
Statute-barred dividends				
Net income 2003				
Changes in 2003	101,501	320,733	0	0
BALANCE AT DECEMBER 31, 2003	163,251	386,347	81,362	14,789
Resolutions of ordinary stockholders' meeting held on June 23, 2004				
- Increase of legal reserve to one-fifth of capital stock				17,861
- Appropriation of 2003 net income				
- Revocation of resolution to purchase treasury stock of May 29, 2003				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code				
Statute-barred dividends				
Net income 2004				
Changes in 2004	0	0	0	17,861
BALANCE AT DECEMBER 31, 2004	163,251	386,347	81,362	32,650
Resolutions of ordinary stockholders' meeting held on June 28, 2005				
- Appropriation of 2004 net income				
- Revocation of resolution to purchase treasury stock of June 23, 2004				
- Transfer to Reserve for purchase of treasury stock pursuant to art. 2357 and art. 2357-ter of the Italian Civil Code				
Statute-barred dividends				
Net income 2005				
Changes in 2005	0	0	0	0
BALANCE AT DECEMBER 31, 2005	163,251	386,347	81,362	32,650

Treasury stock valuation reserve	Extraordinary reserve	Reserve for purchase of treasury stock	Retained earnings and other reserves	Net income (loss) for the year	Total
70,477	638,156	197,908	191,730	(226,936)	1,094,850
			(191,730)	226,936	0
	197,908	(197,908)			0
	(100,000)	100,000			0
					456,756
					684
	17				17
				14,666	14,666
0	97,925	(97,908)	(191,730)	241,602	472,123
70,477	736,081	100,000	0	14,666	1,566,973
	(17,861)				0
	14,666			(14,666)	0
	100,000	(100,000)			0
	(120,000)	120,000			0
	19				19
				37,707	37,707
0	(23,176)	20,000	0	23,041	37,726
70,477	712,905	120,000	0	37,707	1,604,699
	37,707			(37,707)	0
	120,000	(120,000)			0
	(150,000)	150,000			0
	36				36
				38,535	38,535
0	7,743	30,000	0	828	38,571
70,477	720,648	150,000	0	38,535	1,643,270

STATEMENT OF CASH FLOWS FOR THE YEARS 2005 AND 2004

(€ in thousands)		2005	2004
A)	Cash at January 1	79	64
B)	Cash flows provided by (used in) operating activities		
	Net income	38,535	37,707
	Amortization and depreciation	7	14
	(Gains) Losses on disposals of:		
	financial fixed assets	(3)	(19)
	property, plant and equipment	(11)	(2)
	Purchases of receivables from the tax authorities	(400)	(516)
	Net change in employee severance indemnities	216	195
	Change in working capital:		
	trade receivables	276	(48)
	trade payables	(5)	(1,232)
	reserve for income taxes and other reserves	(1,404)	(2,568)
	other assets and liabilities	4,015	(812)
		41,226	32,719
C)	Cash flows provided by (used in) investment activities		
	Investments in fixed assets:		
	financial fixed assets	(61,948)	(1,500)
	property, plant and equipment	(17)	(9)
	Proceeds from the sale of fixed assets:		
	financial fixed assets	4,672	207
	property, plant and equipment	0	3
		(57,293)	(1,299)
D)	Cash flows provided by (used in) financial activities		
	Increase (repayment) of loans	130,000	(182,700)
	(Repayment) Increase in loans from subsidiaries and parent company	(10,318)	9,010
	Net change in borrowings from banks	(103,639)	142,194
		16,043	(31,496)
E)	Cash flows provided by (used in) net equity movements	41	91
F)	Net change in cash	17	15
G)	Cash at December 31	96	79

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

(Amounts in €)	2005	2004	Change
FINANCIAL INCOME AND EXPENSES			
Dividends relating to			
subsidiaries	45,277,704	39,914,571	5,363,133
associated companies	10,596,550	10,596,550	0
other companies	63,240	87,840	(24,600)
Gains on sales of investments in other companies	906	19,415	(18,509)
	55,938,400	50,618,376	5,320,024
Other financial income from			
receivables held in financial fixed assets	421,626	0	421,626
parent company	0	43,081	(43,081)
other income	481,926	237,442	244,484
	903,552	280,523	623,029
Interest and other financial expenses from			
parent company	(661,651)	(619,130)	(42,521)
other companies	(9,329,675)	(12,616,445)	3,286,770
	(9,991,326)	(13,235,575)	3,244,249
Foreign exchange gains and losses	203	(437)	640
TOTAL FINANCIAL INCOME AND EXPENSES	46,850,829	37,662,887	9,187,942
VALUE OF PRODUCTION			
Revenues from services	647,276	1,008,667	(361,391)
Other income and revenues	389,380	505,848	(116,468)
TOTAL VALUE OF PRODUCTION	1,036,656	1,514,515	(477,859)
OTHER OPERATING COSTS			
Raw materials, supplies and merchandise	(35,742)	(43,224)	7,482
Services	(7,317,412)	(1,993,747)	(5,323,665)
Leases and rentals	(347,032)	(382,236)	35,204
Personnel			
Salaries and wages	(1,647,260)	(1,486,020)	(161,240)
Social security contributions	(426,342)	(485,083)	58,741
Employee severance indemnities	(194,652)	(226,590)	31,938
Other costs	(244,466)	(317,889)	73,423
	(2,512,720)	(2,515,582)	2,862
Amortization, depreciation and writedowns	(7,029)	(13,557)	6,528
Other operating costs	(596,500)	(590,893)	(5,607)
TOTAL OTHER OPERATING COSTS	(10,816,435)	(5,539,239)	(5,277,196)
INCOME BEFORE EXTRAORDINARY INCOME AND EXPENSES AND TAXES	37,071,050	33,638,163	3,432,887
EXTRAORDINARY INCOME AND EXPENSES			
Income	100,798	145,946	(45,148)
Expenses	(41,293)	(31,573)	(9,720)
TOTAL EXTRAORDINARY INCOME AND EXPENSES	59,505	114,373	(54,868)
INCOME BEFORE TAXES	37,130,555	33,752,536	3,378,019
INCOME TAXES, CURRENT AND DEFERRED	1,404,268	3,954,827	(2,550,559)
NET INCOME	38,534,823	37,707,363	827,460

IFI Group

IFI Group

CONSOLIDATED BALANCE SHEET

€ in millions	Note	12/31/2005	12/31/2004	Change
Non-current assets				
Goodwill	10	814	792	22
Other intangible assets	11	243	257	(14)
Property, plant and equipment	12	939	1,135	(196)
Investments accounted for by the equity method	13	3,165	1,927	1,238
Other financial assets	14	1,524	1,015	509
Deferred tax assets	27	68	84	(16)
Other non-current assets	16	33	36	(3)
Total non-current assets		6,786	5,246	1,540
Current assets				
Inventories	15	554	574	(20)
Trade receivables	16	1,029	1,035	(6)
Other receivables	16	317	317	0
Financial assets	14	1,170	1,361	(191)
Cash and cash equivalents	17	595	534	61
Total current assets		3,665	3,821	(156)
Assets held for sale	18	25	90	(65)
TOTAL ASSETS		10,476	9,157	1,319

€ in millions	Note	12/31/2005	12/31/2004	Change
Equity				
Group	19	3,084	2,123	961
Minority interest	21	2,994	2,317	677
Total equity		6,078	4,440	1,638
Non-current liabilities				
Provisions for employee benefits	22	172	164	8
Provisions for other liabilities and charges	23	491	417	74
Bonds and other financial debt	25	919	613	306
Deferred tax liabilities	27	95	99	(4)
Other non-current liabilities	28	57	49	8
Non-current liabilities		1,734	1,342	392
Current liabilities				
Provisions for employee benefits	22	12	8	4
Provisions for other liabilities and charges	23	36	41	(5)
Bonds and other financial debt	25	1,153	1,912	(759)
Trade payables	28	982	1,010	(28)
Other current liabilities	28	481	404	77
Current liabilities		2,664	3,375	(711)
Liabilities relating to assets held for sale	18	0	0	0
TOTAL EQUITY AND LIABILITIES		10,476	9,157	1,319

CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2005	2004	Change
Revenues		5,429	5,288	141
Other revenues from current operations	29	38	92	(54)
Purchases of raw materials and changes in inventories		(3,436)	(3,316)	(120)
Personnel costs	30	(927)	(916)	(11)
Costs for external services		(764)	(710)	(54)
Taxes and duties		(45)	(47)	2
Amortization and depreciation		(191)	(194)	3
Accruals to provisions and other expenses from current operations		(63)	(95)	32
Profit from current operations		41	102	(61)
Other non-recurring income (expenses)	31	(183)	(275)	92
Operating loss		(142)	(173)	31
Cost of net financial debt		(67)	(76)	9
Other financial income (expenses)		73	38	35
Financial income (expenses)	32	6	(38)	44
Income taxes	34	(46)	34	(80)
Profit (loss) of companies consolidated line-by-line		(182)	(177)	(5)
Share of earnings (losses) of companies accounted for by the equity method	35	448	(309)	757
Profit (loss) from continuing operations		266	(486)	752
Profit (loss) from discontinued operations or assets held for sale	18	1,007	654	353
Profit before minority interest		1,273	168	1,105
Profit – minority interest		(597)	(48)	(549)
Profit - Group		676	120	556

Earnings per share information is presented in Note 20.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Translation differences	Retained earnings and other reserves	Profit - Group	Equity - Group	Equity - Minority interest	Total Equity
Equity at January 1, 2004	163	(70)	1,389	0	578	0	2,060	2,398	4,458
Change in accounting principles					(4)		(4)	(7)	(11)
Stock-based compensation			1				1	4	5
Dividends distributed							0	(61)	(61)
Effect of fair value changes					20		20	18	38
Change in fair value of cash flow hedge derivatives					11		11		11
Actuarial gains (losses) recognized in equity					(35)		(35)	(21)	(56)
Translation differences				(26)			(26)	(37)	(63)
Other changes					(24)		(24)	(25)	(49)
Profit for the year						120	120	48	168
Changes in equity accounts			15		(15)		0		0
Changes during the year	0	0	16	(26)	(47)	120	63	(81)	(18)
Equity at December 31, 2004	163	(70)	1,405	(26)	531	120	2,123	2,317	4,440
Stock-based compensation			4				4	5	9
Dividends distributed							0	(48)	(48)
Effect of fair value changes					157		157	100	257
Change in fair value of cash flow hedge derivatives					(5)		(5)	(5)	(10)
Actuarial gains (losses) recognized in equity					(46)		(46)	(40)	(86)
Translation differences				175			175	141	316
Change in scope of consolidation							0	(71)	(71)
Other changes								(2)	(2)
Profit for the year						676	676	597	1,273
Changes in equity accounts			38		82	(120)	0		0
Changes during the year	0	0	42	175	188	556	961	677	1,638
Equity at December 31, 2005	163	(70)	1,447	149	719	676	3,084	2,994	6,078

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE IN 2005 AND 2004

€ in millions	2005	2004
Gains (losses) recognized directly in the cash flow hedge reserve	(10)	16
Gains (losses) recognized directly in the reserve for fair value adjustments of available-for-sale financial assets	257	33
Gains (losses) recognized directly in the reserve for translation differences	316	(63)
Actuarial gains (losses) recognized directly in equity	(86)	(56)
Gains (losses) recognized directly in equity	477	(70)
Profit for the year	1,273	168
Recognized income (expense) during the year	1,750	98
Recognized income (expense) during the year - Group	957	90
Recognized income (expense) during the year - Minority interest	793	8

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	2005	2004
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Profit - Group and Minority interest	1,273	168
Elimination of income and expenses not affecting cash:		
Share of earnings (losses) of companies accounted for by the equity method	(448)	309
Amortization, depreciation and impairments and accruals	382	435
(Gains) losses on disposals	(992)	(625)
Others	(50)	(1)
Current and deferred income taxes	46	(34)
Dividends received from investments	58	41
Income taxes paid	(24)	(27)
Change in working capital	189	(107)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	434	159
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Investments in property, plant and equipment and intangible assets	(175)	(291)
Proceeds from the disposal of property, plant and equipment and intangible assets	78	83
Investments in non-current financial assets	(1,268)	(152)
Proceeds from the disposal of non-current financial assets	914	1,166
Change in the scope of consolidation (a)	366	(19)
Change in loans and guarantee deposits	3	270
Other flows provided by (used for) investing activities	212	(511)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	130	546
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Dividends paid by consolidated companies to minority stockholders	(48)	(61)
Capital increases from the exercise of stock options	7	3
New loans secured	640	539
Repayment of loans	(915)	(647)
Other flows provided by (used for) financing activities	(136)	(264)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	(452)	(430)
IMPACT OF EXCHANGE RATE DIFFERENCES	17	(14)
NET CHANGE IN CASH AND CASH EQUIVALENTS	129	261
CASH AND CASH EQUIVALENTS, AT START OF THE YEAR	343	82
CASH AND CASH EQUIVALENTS, AT END OF THE YEAR	472	343
NET CHANGE IN CASH AND CASH EQUIVALENTS	129	261

(a) CHANGES IN THE SCOPE OF CONSOLIDATION	12/31/2005	12/31/2004
Acquisition of Brangs & Heinrich		(33)
Impact of entry of Brangs & Heinrich in the scope of consolidation		9
Sales price of Permal Group in cash	436	
Sales price of Ifabanque	7	
Sale transaction expenses, paid	(25)	
Impact of the deconsolidation of Permal Group net liquidity	(54)	
Sales price of Pechel Industries	17	
Sales price of RTC Group		5
Acquisition of Antaréa S.p.A. and First Graphic	(18)	
Other	3	
	366	(19)

The reconciliation between cash and cash equivalents in the statement of cash flows and in the balance sheet is presented in Note 17.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2005

1. GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in IFI S.p.A.) is a corporation organized under the laws of the Republic of Italy with its registered office in Turin, Italy, listed on the Italian stock exchange. It is the controlling financial holding company headed by Giovanni Agnelli e C. S.a.p.az. The assets of the company are represented by the investments in IFIL Investments S.p.A. and in Exor Group.

IFIL Investments S.p.A. (IFIL), a corporation organized under the laws of the Republic of Italy with its registered office in Turin, Italy. It is the investment company of the Group and is listed on Italian stock exchange. The principal subsidiaries and associates of IFIL operate in various business segments and are described below.

Fiat S.p.A., in which IFIL holds approximately 30% of the ordinary capital stock and preferred stock, is a corporation organized under the laws of the Republic of Italy, listed on the Italian stock exchange. The Fiat Group operates in 190 countries and is principally engaged in the manufacture and distribution of automobiles, agricultural machinery and construction equipment and commercial vehicles. It also manufactures other products and systems, primarily automotive components, metallurgical products and production systems. It is also active in other business segments including publishing and communications and service activities, which represent a marginal part of the Group's business. The headquarters of the Group is in Turin, Italy.

Sequana Capital S.A., in which IFIL holds approximately 53% of capital, is a corporation organized under the laws of the Republic of France, with headquarters in Paris, France, listed on the French stock exchange. It operates through its subsidiaries and associates principally in the following business segments:

- the manufacture of creative, business communications, printing/graphics and security paper products, in addition to carbonless paper, through ArjoWiggins, a wholly-owned subsidiary;
- distribution of professional paper products for communications, through Antalis, a wholly-owned subsidiary;
- verification, inspection and certification, through SGS, a 24.33%-owned associate;
- marketing of Burgundy wines, through Antonin Rodet, a wholly-owned subsidiary.

Sequana Capital was also engaged in the management of multi-investment funds through Permal Group, a 76.86%-owned company, until its sale to Legg Mason on November 3, 2005.

Alpitour S.p.A., a wholly-owned subsidiary of IFIL, is a corporation organized under the laws of the Republic of Italy, with headquarters in Cuneo, Italy. The Alpitour Group operates in the tourism sector providing a vast range of integrated services through various subsidiaries.
"Tour operating", "Hotel", "Aviation", "Distribution", "Incoming", "Incentive and Grandi Eventi" are the main segments in which the Group operates under various and well-known brands.

Juventus Football Club S.p.A., in which IFIL owns 60% of capital, is one of the most important professional soccer companies internationally, with about 21 million fans in Europe and about 10 million in Italy. The company is a corporation organized under the laws of the Republic of Italy and has its headquarters in Turin, Italy. The company is listed on the Italian stock exchange.

Exor Group is a Luxembourg holding company; its principal investments are the 17.2% stake in Graphic Packaging Corporation (a U.S.A. listed company in the packaging sector), the 100% holding in the French wine company Greysac (ex-Domaine Codem) and the 7.14% stake in Distacom (a company headquartered in Hong Kong operating in the telecommunications sector).

The euro is the functional currency and presentation currency of the Group.

2. BASIS OF PREPARATION

The consolidated financial statements at December 31, 2005 of the IFI Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. The designation "IFRS" also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The IFI Group adopted IFRS on January 1, 2005 on the coming into effect of European Union Regulation No. 1606 of July 19, 2002.

The accounting policies applied in these financial statements are consistent with those adopted in preparing the IFRS opening consolidated balance sheet at January 1, 2004, as well the consolidated financial statements at December 31, 2004, as restated in accordance with IFRS and presented in the Appendix attached to these notes to which reference should be made. The optional exemptions adopted by the Group at time of application of IFRS, the reconciliations between profit or loss and equity under previous GAAP (Italian GAAP) to profit or loss and equity under IFRS for the periods shown as comparatives, as required by IFRS 1 – First-time Adoption of IFRS, together with related explanatory notes, are included in this Appendix.

3. FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The income statement is presented using a classification based on the nature of expenses.

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

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

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

These formats are believed to best represent the operating companies consolidated line-by-line as compared to the alternative presentations provided by IFRS.

4. BASIS OF CONSOLIDATION

Criteria used in determining the scope of consolidation

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

Therefore, according to the currently prevailing interpretation of IAS 27 "Consolidated and Separate Financial Statements", companies in which the IFI Group holds sufficient voting power to exercise a de facto significant influence in the ordinary stockholders' meeting (de facto subsidiaries, under art. 2359, paragraph 1, number 2, of the Italian Civil Code) are excluded from the scope of consolidation. As a result of applying this standard, the investment in the Fiat Group, in which de facto control is held by IFIL which owns 30.06% of Fiat S.p.A. ordinary capital stock, is excluded from the scope of consolidation.

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

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

Consolidation procedures

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

The results of discontinued operations which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs.

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

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

When losses in a consolidated subsidiary pertaining to the minority stockholders exceed the minority interest in the subsidiary's capital stock, the excess, or deficit, is charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profits be realized in the future, the minority interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

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

Date of reference

Investments are generally consolidated using the financial statements at December 31 or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, whose fiscal year ends on October 31 of each year, is consolidated line-by-line using the consolidated financial statements at October 31, since it is impossible to obtain the consolidated accounting data at December 31 on a timely basis without disproportionate expense. Between November 1, and December 31, 2004 and 2005, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions

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

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

Consolidation of foreign entities

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

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

In the context of IFRS First-time Adoption, the cumulative translation difference arising from the consolidation of foreign companies was set at nil, as permitted by IFRS 1; gains or losses on subsequent disposal of any foreign operation only include accumulated translation differences arising after January 1, 2004.

Hyperinflationary economies

Hyperinflationary economies are defined as countries whose cumulative inflation for three years is higher than 100%. For the companies operating in those countries, the financial statements are translated into the functional currency as follows:

- non-monetary items of the balance sheet and their counterpart in the income statement or in the flows of the statement of cash flows are translated at the historical rate;
- monetary items of the balance sheet are translated at the period-end exchange rate;
- other items of the income statement or flows in the statement of cash flows are translated at the average exchange rate for the year.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Intangible assets

Goodwill. In the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.
Any excess of the cost of the business combination over the Group's interest in the fair value of those assets and liabilities is classified as goodwill and recorded in the financial statements as an intangible asset. If this difference is negative, it is recognized in the income statement at the time of acquisition.
Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36 – Impairment of Assets. Goodwill is allocated to cash generating units or groups of cash-generating units representing the operating level at which the Group controls the rate of return of the investments.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Reversal of any impairment loss for goodwill is not permitted.
On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.
In the context of IFRS First-time Adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the business combinations that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets (where they are controlled by the enterprise), where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Revaluations are not permitted even if allowed by specific laws.
Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually or more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

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

The majority of research and development costs incurred by the Sequana Capital Group does not meet the conditions for capitalization under IAS 38 and are therefore charged to the income statement in the year incurred.

Other intangible assets of the Sequana Capital Group represent mainly software and patents which are amortized as follows:

Software	from 3 to 8 years
Patents	maximum 5 years

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

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

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

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

Players’ registration rights: are held by Juventus Football Club and are recognized at present value, including any incidental charges. They are amortized on a straight-line basis over the period of the contracts signed with the individual professional players.
The original amortization plan may be extended as a result of the early renewal of a contract, starting from the season in which the renewal takes place.
The players’ registration rights are recorded on the date on which the contracts are ratified by the Lega Nazionale Professionisti for national transfers and on the transfer date indicated by the Federazione Italiana Giuoco Calcio for international transfers.
For soccer players registered as “giovani di serie” (youth players), costs are amortized over five years using the straight-line method.
In the case of the sale of the registration rights of a player and simultaneous buyback of 50% of the rights previously sold (“sale sharing”), only 50% of any gain are considered to be realized (100% if it is a loss).
In the case of the purchase of the registration rights of a player and the simultaneous resale of 50% of the rights previously purchased (“purchase sharing”), the effective costs incurred (50% of the cost of the registration rights of the player) are recorded in “players’ registration rights” and amortized over the period of the contract signed with the player.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses, if any. Revaluations are not permitted, even if allowed by specific laws.
Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with a contra-entry to a specific provision account.
Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement over the number of years necessary to match the costs to be compensated.
Financial expenses associated with investments are generally charged on the accrual basis to the income statement.
Assets acquired under finance leases are recognized in property, plant and equipment with a contra-entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is a reasonable

certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if it is shorter than the useful life of the asset.

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

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

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

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

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

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

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

Other non-current financial assets

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

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

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

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

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

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

Other current financial assets

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

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

Inventories

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

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

Assets held for sale

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

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

Such assets are stated at the lower of the carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement. The impairment loss should eventually be reversed if the reasons for the impairment no longer apply, but only up to the initial amount. From the time the asset is recognized as an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

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

Non-financial receivables and payables

Receivables are initially recognized at fair value, represented by the present value of the amount that will be collected.

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

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

Debt

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

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

Derivative financial instruments

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

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

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

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit or loss, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement.

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

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

Employee benefits – Pension plans

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

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

Under defined contribution plans the Group pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.
Consequently, the Group companies record the contribution paid as an expense and do not recognize any liability.

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

Defined benefit plans, which include employee severance indemnities established by Italian laws, are measured by actuarial techniques using the Projected Unit Credit Method.
As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.
All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.
For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.
Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

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

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

To determine the cost of pension plans for the period, the Group has retroactively adopted starting from 2005, the immediate recognition of actuarial gains and losses directly in equity (presented in the consolidated statement of recognized income and expense in 2005 and 2004), in accordance with the amendment to IAS 19 dated December 16, 2004. For other long-term benefits, actuarial gains and losses are recognized immediately in profit and loss.

Employee benefits – Stock option plans

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options on the grant date is expensed in personnel costs on a straight-line basis over the period from the grant date to the vesting date, with a contra-entry recognized directly in equity. Changes in fair value after the grant date have no effect on the initial measurement.

The cost is recalculated each year in relation to the number of options not yet exercised.

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

Provisions for other liabilities and charges

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

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

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

Accruals for environmental or legal risks

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

Accruals for restructuring operations

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

Treasury stock

The cost of any treasury stock purchased and/or held as a result of specific stockholder resolutions and the proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

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

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

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities recorded in a specific provision under liabilities or eventually to deferred tax assets recorded in deferred tax assets only if there is reasonable certainty of future recovery. Deferred tax assets are also recognized for the tax benefit connected with tax loss carryforwards whenever specific requisites for recoverability are met. Deferred tax assets and liabilities are offset when they refer to the same company and there is a legally enforceable right of offset.

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

Transactions in foreign currencies

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

Sales and purchases of receivables

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

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

Revenues

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

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

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

Dividends are recorded in the year in which they are approved for distribution by the disbursing company.

Other non-recurring income (expenses)

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

Earnings per share

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

Use of estimates

The preparation of the financial statements and related disclosures that conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Estimates are particularly used for impairment tests of goodwill, depreciation and impairments of property, plant and equipment, accruals for employee benefits and accruals for environmental and other disputes. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected in the income statement.

Segment information

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

6. NEW ACCOUNTING STANDARDS ISSUED BY THE IASB

The IFI Group is evaluating the impact, if any, of the new accounting standards and interpretations issued during 2005, which are described below.

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

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

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

These amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2006.

In August 2005, the IASB issued IFRS 7 – Financial Instruments: Disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements – Capital Disclosures. IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks. The amendment to IAS 1 introduces requirements for disclosures about an entity's capital.

IFRS 7 and the amendment to IAS 1 are effective for annual periods beginning on or after January 1, 2007.

In August 2005, the IASB issued an amendment to IAS 39 on the accounting treatment of financial guarantee contracts issued. The amendment requires that issuers of financial guarantee contracts include the resulting liabilities in their financial statement, measured as follows:

- initially at fair value;
- subsequently at the higher of the best estimate of the expenditure required to settle the present obligation at the balance sheet date in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with IAS 18 – Revenue.

These amendments are effective for annual periods beginning on or after January 1, 2006.

During 2005, IFRIC interpretation No. 4 was issued – Determining whether an arrangement contains a lease.

Lastly, the IFI Group believes that the additional interpretations (IFRS 6, IFRIC 5 and IFRIC 6) issued during 2005 have no impact on the Group.

7. RISK MANAGEMENT

IFI S.p.A.

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

The consolidated net financial position is currently a borrowings position. The liquidity risk could increase as a result of investment decisions that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. To this end, IFI has credit lines of € 1,106 million of which € 595 million is irrevocable, due beyond one year.

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

In particular, during 2005, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps and collars on some existing loans.

IFIL Holdings System

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

The consolidated net financial position of the “Holdings System” is currently a net cash position and, therefore, this also renders the liquidity risk insignificant. In any case, the financing requirements and the cash flows of the companies in the “Holdings System” are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. To this end, IFIL current has credit lines of € 1,458 million, of which € 570 million is irrevocable, due beyond one year.

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

In particular, during 2005, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps and collars on some existing loans and on a part of the bonds issued.

Sequana Capital Group
The sales of net options are prohibited. The Sequana Capital Group's policies do not allow it to operate on financial markets for speculative purposes and provide for the use of derivative financial instruments only in the event of exposure to certain or highly probable risks.
The Sequana Capital Group uses derivative financial instruments to hedge exposure to interest rate fluctuations as its loans, for the most part, are obtained at 1-, 2- and 3-month floating rates.
The operating companies of the group use derivative instruments on interest rates under the coordination of the general management of the group for a part or the whole of its net debt.

In the past, the parent, Sequana Capital, hedged interest rate exposure on its net debt by putting into place interest rate options and CAPs against the 1- to 3-month Euribor or used zero cost collars. After the reduction in its net debt, in 2005, the hedges that terminated were not renewed.

The Sequana Capital Group uses certain derivative instruments to hedge exchange rate risk.
Sequana Capital put into place currency options to guarantee the exchange rate of the Legg Mason shares listed in U.S. dollars on the New York stock exchange.
On cash resources in euros held by the British holding companies, a reverse position was taken by selling euros against the British pound for an amount that varies in relation to changes in the positions for purposes of canceling the economic effect of the change in the euro/British pound exchange rate.
As for the operating companies, derivative instruments were put into place for future flows in currencies other than the euro.

Alpitour Group
The Alpitour Group's policy excludes the possibility of using derivative financial instruments for speculative purposes.
The Group uses derivatives to hedge currency risk (mainly forward purchases in U.S. dollars to hedge payments of tourism services) and interest rate risk with Interest Rate Swaps.

8. CHANGE IN THE SCOPE OF CONSOLIDATION

Changes in the scope of consolidation during 2005 at the various levels of consolidation are described below.

IFIL Holdings System
Some wholly-owned subsidiaries, after the distribution of almost all their earnings and capital reserves, were wound up (Mediterranean Capital B.V. and Ifil Finance B.V.) or put into a wind-up (NHT New Holding for Tourism S.A.) and at December 31, 2005 they are therefore accounted for by the equity method (they were previously consolidated line-by-line). Sadco S.A. was put into a wind-up at the end of 2005 and is therefore consolidated line-by-line until December 31, 2005.
In 2005, the wind-ups were closed for Mediterranean Capital B.V., Ifil Finance B.V., Ifil Capital Partners LP, Ifil America LP and Ifil Investments LLC.

Sequana Capital Group
On June 23, 2005, Sequana Capital, Legg Mason and the management of Permal Group Ltd reached an agreement for the sale of Permal Group Ltd for varying interest holdings at different times to Legg Mason.

In accordance with this agreement, after the legal reorganization which had brought the Sequana Capital Group and management of Permal Group Ltd to hold, respectively, 76.86% and 23.14% of Permal Group Ltd capital stock, on November 3, 2005, Sequana Capital sold 70.5% of Permal Group Ltd's capital stock to Legg Mason for U.S. $ 718 million. This amount was paid in cash for U.S.$ 542 million (equal to € 447 million, of which € 436 million was received in November 2005 and € 11 million was received in January 2006). The remaining amount of U.S.$ 176 million (equal to € 146 million) was paid with 1,664,963 Legg Mason shares for a par value of U.S.$ 105.90 per share.
At December 31, 2005, such shares were classified as "available-for-sale" and were measured at fair value on the basis of the stock market price at December 30, 2005 of U.S.$ 119.69, with a gain of € 15 million, net of taxes, accounted for as an increase of consolidated equity.

A hedging transaction was put into place on the amount received in cash and made it possible to reduce the debt of the Sequana Capital Group in euros.

Taking into account the reciprocal purchase and sale transactions provided by the June 23, 2005 agreement on the remaining 6.36% stake in Permal Group Ltd held by Sequana Capital, Permal Group Ltd was fully deconsolidated on the basis of the data at October 31, 2005 with a consolidated gain of € 455 million, net of selling costs and income taxes. This gain at the level of IFIL amounts to € 504 million, in that IFIL had entirely amortized the goodwill on that investment in prior years. The remaining stake was classified as “long-term receivables” in non-current financial assets.
The due dates of this receivable are:

- November 2007 for U.S.$ 53.6 million (for a 5.36% stake)
- November 2009 for U.S.$ 10 million (for a 1% stake)

The amounts were discounted to present value at a 5.15% rate (the rate listed for U.S.$ bonds by issuers with a BBB rating in the United States financial sector) by due date; at December 31, 2005, the present value of the amount is U.S.$ 57 million (€ 48 million).

Finally, depending on the results of Permal Group Ltd in 2007 and in 2009, Sequana Capital may receive an additional amount over and above the price of each of the tranches of shares sold for a maximum amount, respectively, of U.S.$ 146 million and U.S.$ 30 million. These additional amounts, in view of their uncertain nature, have not been accounted for in 2005.

The following tables present the effects of the deconsolidation of Permal Group and Pechel Industries on the consolidated income statement for the year 2004 (IFRS 2004 financial statements) restated and adjusted in accordance with IFRS.

The reconciliation between the latter and the published consolidated income statement for the year 2004 prepared in accordance with Italian GAAP is presented in the Appendix.

€ in millions	Financial Statements 12/31/2004	Deconsolidation of Permal and Pechel held for sale	Financial Statements 12/31/2004
Revenues	5,565	(277)	5,288
Other revenues from current operations	92	0	92
Purchases of raw materials and changes in inventories	(3,316)	0	(3,316)
Personnel costs	(985)	69	(916)
Costs for external services	(851)	141	(710)
Taxes and duties	(47)	0	(47)
Amortization and depreciation	(195)	1	(194)
Accruals to provisions and other expenses from current operations	(96)	1	(95)
Profit from current operations	167	(65)	102
Other non-recurring income (expenses)	(275)	0	(275)
Operating loss	(108)	(65)	(173)
Cost of net financial debt	(74)	(2)	(76)
Other financial income (expenses)	34	4	38
Financial income (expenses)	(40)	2	(38)
Income taxes	12	22	34
Profit (loss) of companies consolidated line-by-line	(136)	(41)	(177)
Share of earnings (losses) of companies accounted for by the equity method	(302)	(7)	(309)
Loss from continuing operations	(438)	(48)	(486)
Profit (loss) from discontinued operations or assets held for sale	606	48	654
Profit before minority interest	168	0	168
Profit - minority interest	(48)	0	(48)
Profit - Group	120	0	120

Various minor transactions took place in the Antalis Group, such as the purchase of the companies First Graphics (South Africa) and Antaréa (Italy), as well as the purchase of the minority stakes in Simge Turquie and Shriro Pacific Paper Singapore.

During 2004, the only change in the scope of consolidation referred to the purchase of the 100% stake in the Brangs & Heinrich Group by Antalis.

The data relating to the most important acquisitions is as follows:

€ in millions	First Graphic	Antaréa	Brangs & Heinrich
Date of acquisition	July 1, 2005	August 2, 2005	July 1, 2004
Percentage of acquisition	100%	100%	100%
Country	South Africa	Italy	Germany
Closing date of financial statements	February 28	December 31	December 31
Amounts expressed in local currency (thousands)	ZAR	EUR	EUR
Information on the acquisitions (referring to 12 months):			
Sales	151	15	56
Profit (loss)	10	(1)	1
Total assets	54	11	27
Analysis of acquisitions:			
Purchase price (a)	12	6	33
Nature of the purchase price	Cash	Cash	Cash
Assets	1	1	6
Working capital requirements	5	3	12
Net cash		1	1
Provisions for other liabilities and charges			(5)
Other net liabilities			(3)
Net assets purchased (b)	6	5	11
Net goodwill (a-b)	6	1	22

Alpitour Group

Alpitour subscribed to 50% of the capital stock of two newly-established companies: Vacanzeinitalia S.p.A. which operates in the hotel sector and Alpitour Group Egypt For Tourism S.A.E. which operates in the incoming sector. Both companies are stated at cost as they are not operational. The consolidation of these companies line-by-line would not have had a significant impact on the result or on the consolidated net equity of the Group since their balance sheet values are negligible.

Alpitour has also sold the entire investment (70% of capital stock) held in Jumbo Tours Sicilia S.r.l. and in Elshah For Floating Hotels in which a 99.67% stake was held by the subsidiary I.E.T.I.C., previously consolidated line-by-line.

9. OTHER INFORMATION

Significant subsequent events and related party transactions are presented in the Directors' Report on Operations.

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED BALANCE SHEET

10. GOODWILL

The composition of goodwill by business segment is as follows:

€ in millions	12/31/2005	12/31/2004	Change
Portion of goodwill on the 2000 takeover bid allocated to ArjoWiggins	497	497	0
Other companies	3	3	0
ArjoWiggins Group	500	500	0
Portion of goodwill on the 2000 takeover bid allocated to Antalis	155	155	0
Inversiones GMS	35	28	7
Promotional Products	23	23	0
Antalis Gmbh	23	23	0
Brangs & Heinrich	22	22	0
Other companies	29	16	13
Antalis Group	287	267	20
Permal Group	0	4	(4)
Jumboturismo S.A.	11	11	0
Altamarea V & H Compagnia alberghiera S.p.A.	8	2	6
Viaggidea S.p.A	6	6	0
Other Alpitour Group companies	2	2	0
Alpitour Group	27	21	6
Net goodwill	814	792	22

The analysis of the changes in goodwill is as follows:

€ in millions	12/31/2005	12/31/2004
GROSS AMOUNT		
Opening balance	1,040	1,078
Changes during the year		
Changes due to business combinations	(35)	73
Decreases	(19)	
Exchange differences	9	(4)
Reclassifications		(3)
Other changes	14	13
Accounting elimination of goodwill completely written off		(117)
Changes in gross amount	(31)	(38)
Closing balance	1,009	1,040
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	(248)	(181)
Changes during the year		
Changes due to business combinations		(23)
Exchange differences	(1)	
Impairment losses recognized in the income statement (a)		(164)
Use of accumulated impairment losses due to disposal (income statement) (a)	68	
Reclassifications		3
Other changes	(14)	
Accounting elimination of goodwill completely written off		117
Changes in accumulated impairment losses	53	(67)
Closing balance	(195)	(248)
NET AMOUNT		
Opening balance	792	897
Changes during the year		
Changes due to business combinations	(35)	50
Decreases	(19)	
Exchange differences	8	(4)
Impairment losses recognized in the income statement (a)		(164)
Use of accumulated impairment losses due to disposal (income statement) (a)	68	
Other changes		13
Changes in net amount	22	(105)
Closing balance	814	792

(a) Recorded under “Other non-recurring income (expenses)” in the income statement.

During 2005, the changes due to business combinations principally originate from the disposal of Permal Group (-€ 53 million), from the line-by-line consolidation of some companies in the Antalis Group (mainly First Graphic, Antalis Malaysia and Antaréa S.p.A.) for +€ 11 million and the goodwill paid on the acquisition of an additional 40% stake in Altamarea V&H Compagnia Alberghiera S.p.A. for € 5 million. In 2004, € 22 million of the increase was attributable to the addition of the Brangs & Heinrich Group in the scope of consolidation.

The use of accumulated impairment losses due to disposal refers to Permal Group for € 49 million and the Alpitour Group for € 19 million.

In 2004, impairment losses largely referred to the impairment test on the goodwill of Antalis and Alpitour.

Impairment test on the goodwill of the Sequana Capital Group

The value of a company is the only method used for the valuation of the equity investments of the Group and is calculated using a multi-criteria approach which includes multiples of the current operating earnings, future net cash flows and comparable transactions. This calculation, moreover, is confirmed by an external assessment. This value, from which the net financial debt is deducted, constitutes the revalued net asset.

The annual impairment test on the investments of the Sequana Capital Group is based on the comparison between the consolidated net accounting amount of its equity investments and the revalued net asset. Only the losses are accounted for in the income statement.

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

		ArjoWiggins	Antalis
DCF infinite growth rate	2005	0.21%	0.38%
	2004	(0,15%)	0.86%
Pretax discount rate	2005	8.00%	8.70%
	2004	8.60%	9.30%

11. OTHER INTANGIBLE ASSETS

The changes in other intangible assets are as follows:

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

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress	Total
GROSS AMOUNT - Opening balance at January 1, 2004	153	361	32	11	557
Additions	15	104	2	13	134
Increases due to business combinations			(1)		(1)
Decreases	(5)	(68)	(2)		(75)
Exchange differences	(1)				(1)
Other changes	12			(14)	(2)
Total changes during the year	21	36	(1)	(1)	55
GROSS AMOUNT - Closing balance at December 31, 2004	174	397	31	10	612
ACCUMULATED AMORTIZATION AND IMPAIRMENTS Opening balance at January 1, 2004	(97)	(189)	(16)	(3)	(305)
Increases due to business combinations			1		1
Decreases	5	19			24
Amortization	(17)	(59)	(4)		(80)
Other changes			2	3	5
Total changes during the year	(12)	(40)	(1)	3	(50)
ACCUMULATED AMORTIZATION AND IMPAIRMENTS Closing balance at December 31, 2004	(109)	(229)	(17)	0	(355)
NET AMOUNT - Opening balance at January 1, 2004	56	172	16	8	252
Additions	15	104	2	13	134
Decreases		(49)	(2)		(51)
Amortization	(17)	(59)	(4)		(80)
Exchange differences	(1)				(1)
Other changes	12		2	(11)	3
Total changes during the year	9	(4)	(2)	2	5
NET AMOUNT - Closing balance at December 31, 2004	65	168	14	10	257

The IFI Group has commitments for the purchase of intangible assets of € 1 million (€ 9 million at December 31, 2004).

Research and development costs charged to the income statement in 2005 amount to € 17 million (€ 17 million in 2004).

Intangible assets completely amortized but still in use amount to € 29 million and refer to the concessions, licenses and trademarks of the Alpitour Group of € 16 million, players' registration rights of € 9 million and other intangible assets of € 4 million.

In 2005, additions refer to internally-generated assets of € 9 million (€ 13 million in 2004).

12. PROPERTY, PLANT AND EQUIPMENT

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

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

(a) Recorded under “Other non-recurring income (expenses)” in the income statement.

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	Total
GROSS AMOUNT								
Opening balance at January 1, 2004	71	589	16	1,807	181	78	25	2,767
Changes during the year								
Additions	1	26	6	55	17	53	1	159
Decreases	(7)	(31)	(1)	(34)	(17)	(2)		(92)
Acquisitions through business combinations		5			15			20
Exchanges differences		(9)		(34)	(1)	1		(43)
Other changes	2	39		76	4	(98)	(26)	(3)
Changes in gross amount	(4)	30	5	63	18	(46)	(25)	41
Closing balance at December 31, 2004	67	619	21	1,870	199	32	0	2,808
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at January 1, 2004	(3)	(264)	(7)	(1,192)	(133)	0	0	(1,599)
Changes during the year								
Decreases		22		31	14		1	68
Acquisitions through business combinations		(2)			(3)			(5)
Depreciation		(31)	(2)	(120)	(17)		(1)	(171)
Exchanges differences		2		26	1			29
Other changes		4	2	(3)	2			5
Changes in accumulated depreciation and impairments	0	(5)	0	(66)	(3)	0	0	(74)
Closing balance at December 31, 2004	(3)	(269)	(7)	(1,258)	(136)	0	0	(1,673)
NET AMOUNT								
Opening balance at January 1, 2004	68	325	9	615	48	78	25	1,168
Changes during the year								
Additions	1	26	6	55	17	53	1	159
Decreases	(7)	(9)	(1)	(3)	(3)	(2)	1	(24)
Acquisitions through business combinations		3			12			15
Depreciation		(31)	(2)	(120)	(17)		(1)	(171)
Exchanges differences		(7)		(8)		1		(14)
Other changes	2	43	2	73	6	(98)	(26)	2
Changes in net amount	(4)	25	5	(3)	15	(46)	(25)	(33)
Closing balance at December 31, 2004	64	350	14	612	63	32	0	1,135

The item ”transfer to assets held for sale” includes the value of the non-current assets of the companies of the Alpitour Group (Blumarin Hotel S.A. de C.V. and Blumarin Services S.A. de C.V.) of € 22 million, transferred to assets held for sale.

In 2005 and 2004, no borrowing costs were capitalized.

Commitments for the acquisition of property, plant and equipment amount to € 11 million at December 31, 2005 (none in 2004).

The amount of expenses included in the carrying amount of assets under construction in progress, recorded in 2005, amounts to € 1 million (none in 2004).

In 2005, restrictions on the ownership of property, plant and equipment as a result of real guarantees amount to € 5 million and relate to the Sequana Capital Group. In 2004, there were no restrictions as a result of real guarantees provided on property, plant and equipment.

Temporarily inactive tangible assets amount to € 22 million at December 31, 2005 and refer entirely to Juventus Football Club; they include costs for the design project of the new stadium and the Campi di Vinovo sports center.

At December 31, 2005, property, plant and equipment completely depreciated but still in use amounts to € 7 million.

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

In 2005, the measurement of property, plant and equipment led to an impairment loss of € 145 million for ArjoWiggins, determined by a comparison of the recoverable amount of the assets of ArjoWiggins, equal to € 258 million, and the net carrying amount of € 403 million.

Such measurements were carried out on the basis of the impairment tests performed at the level of cash-generating units which represent the level at which the operating subsidiaries of the group manage their production system. The recoverable amount of the cash-generating units is determined on the basis of the value in use, that is, by projecting the discounted cash flows taken from the budgets approved by management for five years. Beyond that period, the cash flows are extrapolated starting from the growth rates by activity.
The discount rates used in 2005 are between 7.4% and 8.4% for European Union countries and 11% for North America.

Finance lease contracts on property, plant and equipment

The carrying amount of property, plant and equipment includes € 11 million (€ 14 million at December 31, 2004) relating to assets acquired under finance leases, mainly referring to the Sequana Capital Group and Alpitour.
In particular, there are some finance lease contracts which refer to three buildings located in Cuneo, Milan and Padua held by Welcome Travel Group, a subsidiary of the Alpitour Group.

The changes compared to 2004 are the following:

€ in millions	Buildings	Industrial equipment	Total
GROSS AMOUNT			
Opening balance at December 31, 2004	12	6	18
Changes during the year			
Decreases	(2)		(2)
Exchange differences		(1)	(1)
Changes in gross amount	(2)	(1)	(3)
Closing balance at December 31, 2005	10	5	15
ACCUMULATED DEPRECIATION AND IMPAIRMENTS			
Opening balance at December 31, 2004	(2)	(2)	(4)
Changes during the year			
Decreases	1		1
Depreciation		(1)	(1)
Changes in accumulated depreciation and impairments	1	(1)	0
Closing balance at December 31, 2005	(1)	(3)	(4)
NET AMOUNT			
Opening balance at December 31, 2004	10	4	14
Changes during the year			
Decreases	(1)		(1)
Depreciation		(1)	(1)
Exchange differences		(1)	(1)
Changes in net amount	(1)	(2)	(3)
Closing balance at December 31, 2005	9	2	11

€ in millions	Buildings	Industrial equipment	Total
GROSS AMOUNT			
Opening balance at January 1, 2004	10	87	97
Changes during the year			
Additions	2		2
Decreases		(81)	(81)
Changes in gross amount	2	(81)	(79)
Closing balance at December 31, 2004	12	6	18
ACCUMULATED DEPRECIATION AND IMPAIRMENTS			
Opening balance at January 1, 2004	(1)	(40)	(41)
Changes during the year			
Decreases		38	38
Depreciation	(1)		(1)
Changes in accumulated depreciation and impairments	(1)	38	37
Closing balance at December 31, 2004	(2)	(2)	(4)
NET AMOUNT			
Opening balance at January 1, 2004	9	47	56
Changes during the year			
Additions	2		2
Decreases		(43)	(43)
Depreciation	(1)		(1)
Changes in net amount	1	(43)	(42)
Closing balance at December 31, 2004	10	4	14

Leasing information is as follows:

€ in millions	Buildings	Industrial equipment	Total
Information on lease debt			
Nominal amount of lease debt at inception	10	4	14
At the reporting date			
Residual amount of fixed-rate lease debt	6	2	8
Residual amount of floating-rate lease debt	2	2	4
Total amount of residual debt	8	4	12
Residual lease debt due at the reporting date			
Within 1 year	1		1
Between 2 and 5 years	4	3	7
Beyond 5 years	3	1	4
	8	4	12
Present value of lease debt	6	2	8

13. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

Details are as follows:

	December 31, 2005		December 31, 2004		
€ in millions	% of investment	Carrying amount	% of investment	Carrying amount	Change
Fiat	28.28	2,336	27.74	1,134	1,202
SGS	24.33	623	24.33	585	38
Exor Group	29.3	199	29.3	195	4
Turismo&Immobiliare	25.0	4			4
Sundry Antalis Group associates	-	3	-	5	(2)
Sundry Alpitour Group subsidiaries	-	0	-	1	(1)
Ifabanque		0	25.0	7	(7)
		3,165		1,927	1,238

The amount of the investment in SGS includes, at December 31, 2005, goodwill of € 395 million (€ 399 million at December 31, 2004). The Sequana Capital Group measures the fair value of the investment in SGS using the average stock market price of the last 45 days with a 5% discount. At December 31, 2005, the fair value of the investment in SGS was equal to € 1,212 million (€ 886 million at the end of 2004).

The analysis of the changes is as follows:

€ in millions	2005	2004	Change
Opening balance	1,927	2,888	(961)
Changes during the year			
Early application of the IAS 19 amendment	0	(71)	71
Investments	585	116	469
Disposals	(1)	(481)	480
Share of earnings (losses)	448	(379)	827
Translation exchange differences	245	(20)	265
Dividends distributed	(26)	(22)	(4)
Reclassification to "Assets held for sale"	(7)	(87)	80
Other movements	(6)	(17)	11
Total changes during the year	1,238	(961)	2,199
Closing balance	3,165	1,927	1,238

On September 20, 2005, IFIL purchased 82,250,000 Fiat ordinary shares from Exor Group (controlled by Giovanni Agnelli e C. S.a.p.az.). These shares came from an equity swap agreement between Exor Group and Merrill Lynch International last April. This purchase was approved on September 15, 2005 by the board of directors, which used the services of an advisor, Mr. Gerardo Braggiotti of G.B. Partners.

The purchase price was € 6.5 per share for a total of € 534.6 million. Fiat stock was officially traded at € 7.76 per share on September 15, 2005 compared to the weighted average official prices over the last three months of € 6.91 per share and the weighted average official prices over the last six months of € 6.16 per share. The stock was transferred from Merrill Lynch to Exor Group at the same time the Fiat capital increase was executed, on September 20, 2005. The sale by Exor Group to IFIL immediately followed on the same date. In the identical context, IFIL, on the same date, sold Merrill Lynch all the option rights to which it was entitled on the Fiat capital increase.

On September 7, 8 and 9, IFIL purchased 5,500,000 Fiat ordinary shares on the market for € 41.1 million.

The aforementioned transactions allowed IFIL to maintain its investment in Fiat ordinary capital stock unchanged (30.06%) after the capital increase by Fiat, which took place on September 20, 2005.

A total of 87,750,000 Fiat ordinary shares was purchased for a global investment of € 580.2 million, including incidental charges of € 4.5 million.

The investments in 2004 referred to the purchase of 9.53% of Eurofind capital stock from Mediobanca in January 2004 by the subsidiary Ifil Investissements.

In 2005, the item "Reclassification to assets held for sale" refers entirely to the subsidiaries of Permal Group. In 2004, the item referred to the investment in Pechel Industries for € 17 million, sold in March 2005, and the investment in Eurofind Textile for € 70 million.

The disposals in 2004 referred solely to 50% of Eurofind Food capital stock.

Highlights of the principal associates accounted for by the equity method are as follows:

	Fiat Group		SGS Group		Exor Group	
€ millions	2005	2004	2005	2004 (a)	2005	2004
Currency	Euro	Euro	CHF	CHF	Euro	Euro
Closing date	12/31/2005	12/31/2004	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Total assets	62,454	62,522	2,765	2,252	709	677
Current and non-current liabilities	53,041	57,594	1,290	1,063	29	8
Revenues	46,544	45,637	3,308	2,885		
Profit - Group and minority interest	1,420	(1,579)	388	293	36	93
Official market price at closing date:						
Fair value of investment held by the Group	2,592	1,542	1,212	886	207	215

(a) Adjusted data following the early adoption of IAS 19 revised.

With regard to the consolidated profit of the Fiat Group, it should be pointed out that in the absence of the positive effects of non-recurring transactions, the result would have essentially been a breakeven.

14. FINANCIAL ASSETS

The composition of financial assets is as follows:

€ in millions	12/31/2005	12/31/2004	Change
Non-current financial assets	1,524	1,015	509
Current financial assets	1,170	1,361	(191)
Total financial assets	2,694	2,376	318

Details are as follows:

	Non-current financial assets		Current financial assets	
€ in millions	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Investments held to maturity				
Fox River deposits (see Note 24)	97	81	3	12
DG IV deposit (see Note 24)	92	92		
Other deposits and security deposits	10	10		1
Other minor investments	6	5		
Ocean Club Méditerranée bonds	5	4		
Fiat ordinary share warrants 2007	3	3		
	213	195	3	13
Investments available-for-sale				
Sanpaolo IMI	1,229	745		
Other investments	18	15		
Legg Mason (see Note 8)			169	
	1,247	760	169	0
Financial assets at fair value through profit and loss				
Permal investment funds		37		
Receivable from Legg Mason (see Note 8)	48			
Other investments	10	10		
Credit instruments			978	1,083
Other financial assets			7	12
	58	47	985	1,095
Financial receivables	6	13	13	253
Total	1,524	1,015	1,170	1,361

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

The investment in Sanpaolo IMI is measured at fair value on the basis of the market price at December 30, 2005 equal to € 13.2 per share (€ 10.58 per share in 2004) with the unrealized gain or loss recognized in equity.

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

In 2004, financial receivables totaled € 253 million and referred to the residual receivable (received in 2005) from the Auchan Group, on the disposal of the investment in Eurofind Food.

The analysis of changes during 2005 is as follows:

	Non-current financial assets		Current financial assets	
€ in millions	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Opening balance	1,015	1,060	1,361	775
Increases	332	48	316	861
Decreases	(27)	(102)	(516)	(251)
Fair value recognized in equity	221	12	23	
Fair value recognized through profit and loss		3		
Reversal of (accrual for) impairments	5	(3)		
Exchange differences	17	1	1	(2)
Change in the scope of consolidation	(43)	(8)	(14)	2
Other changes	4	4	(1)	(24)
Changes during the year	509	(45)	(191)	586
Closing balance	1,524	1,015	1,170	1,361

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

In 2005, the item "increases" includes IFIL's purchase on the market of 22,700,000 Sanpaolo IMI ordinary shares (1.43% of current ordinary capital stock) for € 264 million, and various transactions by the Sequana Capital Group carried out with regard to the disposal of Permal, detailed as follows:

- increase in Legg Mason stock of € 146 million, which is part of the consideration on the sale of Permal;
- increase in credit instruments for € 163 million;
- measurement of the U.S.$ 63.6 million financial receivables (for the remaining 6.36% stake of Permal not yet sold) due in 2007 and in 2009, at fair value by discounting to present value at the rate of 5.15% equal to € 48 million.

In 2004, the item "decreases" mainly referred to the Sequana Capital Group in respect of the following significant transactions:

- early repayment on June 14, 2004 of the loan made by ArjoWiggins to the buyers of Appleton Papers Inc. (€ 137 million, equal to U.S.$ 167 million);
- discharge on February 27, 2004 of the guarantee deposit made by ArjoWiggins for finance lease transactions (€ 117 million);
- disposal, at market value, of Accor stock (€ 44 million).

In 2005, the item "fair value recognized in equity" includes the fair value adjustment of the investment in Sanpaolo IMI (+€ 220 million) and Fiat ordinary share warrants (+€ 1 million), recorded in financial assets, and the fair value adjustment of Legg Mason stock, recorded in short-term financial assets (+€ 23 million).

The item "change in the scope of consolidation", in 2004, referred to the consolidation of Permal branches and, in 2005, the reclassification of Permal Group to "Assets held for sale" for € 67 million.

15. INVENTORIES

Details are as follows:

€ in millions	12/31/2005	12/31/2004	Change
Raw materials and other supplies	120	152	(32)
Work in progress	40	44	(4)
Semifinished and finished goods	106	113	(7)
Merchandise	288	265	23
Total inventories	554	574	(20)

16. OTHER ASSETS

Details are as follows:

€ in millions	12/31/2005	12/31/2004	Change
Other non-current assets			
Receivables for direct taxes	3	1	2
Receivables for indirect taxes		1	(1)
Receivables for disposals of intangible assets and property, plant and equipment	7	15	(8)
Other assets	23	19	4
Total other non-current assets	33	36	(3)
Other current assets			
Gross amount of trade receivables	1,105	1,110	(5)
Provision for impairment	(76)	(75)	(1)
Trade receivables	1,029	1,035	(6)
Other receivables			
Receivables for direct taxes	94	82	12
Receivables for indirect taxes	14	46	(32)
Receivables for disposals of intangible assets and property, plant and equipment	36	22	14
Other receivables	173	167	6
Total other receivables	317	317	0
Total other current assets	1,346	1,352	(6)
Total other non-current and current assets	1,379	1,388	(9)

The breakdown of other assets by maturity is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	**Total**
Other non-current assets		28	5	33
Trade receivables	1,029			1,029
Other receivables	254	2	61	317
Balances at December 31, 2005	1,283	30	66	1,379
Other non-current assets		23	13	36
Trade receivables	1,035			1,035
Other receivables	256		61	317
Balances at December 31, 2004	1,291	23	74	1,388

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

€ in millions	12/31/2005	12/31/2004	Change
Cash and cash equivalents	595	534	61

At December 31, 2005, cash of € 20 million of the Sequana Capital Group guarantees the credit lines used by Antalis: this cash comes from collections of receivables that are provided as collateral and are released once a week against the addition of an equivalent amount of new trade receivables.
The reconciliation of the amounts shown in the statement of cash flows with the equivalent item in the balance sheet is as follows:

€ in millions	12/31/2005	12/31/2004	Change
Cash and cash equivalents	595	534	61
Bank overdrafts and bank borrowings	(123)	(191)	68
Cash and cash equivalents	472	343	129

18. PROFIT (LOSS) FROM DISCONTINUED OPERATIONS OR ASSETS HELD FOR SALE

The item includes the gains on disposals and the results of the investments sold as follows:

€ in millions	2005	2004
Gains on disposals of investments in:		
- La Rinascente	460	0
- Permal Group and Ifabanque	504	0
- Eurofind Food	0	585
- Club Méditerranée	0	26
Share of earnings (losses) in:		
- Permal Group	43	46
- Eurofind Food	0	(6)
Other investment holdings	0	3
Total	1,007	654

On May 6, 2005, Eurofind Textile S.A. (a Luxembourg company controlled by Auchan and Ifil Investissements) sold 99.09% of Rinascente S.p.A. capital stock to Tamerice S.r.l., a company headed by a group of companies formed by Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, for a price of € 888 million.

On May 17, 2005, the subsidiary Ifil Investissements purchased the remaining 50% of Eurofind Textile capital stock from the Auchan Group for € 349.5 million and then merged it on June 28, 2005. As a result of these transactions, the IFIL Group received net proceeds for a total of € 529 million and realized a gain, at the IFI consolidation level, of € 460 million (both amounts are net of selling costs), with no significant tax effects.

As described in Note 8, on November 3, 2005, Sequana Capital sold 70.5% of Permal Group capital stock to Legg Mason. The sale gave rise to a net gain of € 504 million (after income taxes of € 7 million).

In 2004, the IFIL Group sold 50% of Eurofind Food capital stock for € 1,063 million and 7.2% of Club Méditerranée capital stock for € 62 million, realizing, respectively, net gains of € 577 million (€ 585 million at the IFI consolidation level) and € 26 million.

The analysis of the results of discontinued operations is as follows:

€ in millions	2005	2004
Permal Group Limited and Ifabanque		
Revenues	235	277
Operating expenses	(172)	(212)
Net financial income	2	3
Profit before income taxes	65	68
Income taxes	(22)	(22)
Profit	43	46

In the statement of cash flows, the item "change in the scope of consolidation" includes the net movement of the changes associated with the assets or groups of assets held for sale, which are analyzed as follows:

€ in millions	12/31/2005	12/31/2004
Consolidated cash flows of assets held for sale		
Net cash flows from operating activities	140	22
Net cash flows from investing activities	(27)	(11)
Net cash flows from financing activities	(121)	3
Total cash flows	(8)	14 (a)

(a) The amount refers to Permal Group (€ 12 million) and Pechel Industries (€ 2 million).

The items in the financial statements connected with assets or groups of assets held for sale are as follows:

€ in millions	12/31/2005	12/31/2004
Assets held for sale		
Groups of assets held for sale		
Investments accounted for by the equity method:		
- Pechel Industries		17
- Eurofind Textile		70
Non-current assets held for sale		
Property, plant and equipment	25	3
Total	25	90

The item "property, plant and equipment" included under non-current assets held for sale mainly refers to the hotel resort complex "Club El Mandarin" located in Cancun and owned by the Alpitour Group.
The transaction was effected by the sale of the entire capital stock of the subsidiaries Bluemarin Hotel S.A. de C.V. (the company which owns the hotel complex) and Bluemarin Services S.A. de C.V. (a services company) for a total amount of U.S.$ 45.5 million.

19. EQUITY - GROUP

Capital stock

At December 31, 2005, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of € 1 each.
Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.
Pursuant to art. 27 of the bylaws, the net income of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;

- the remaining net income is appropriated as follows:
- to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
- after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

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

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

IFIL S.p.A. stock option plans with underlying IFIL stock
In May 2000, the IFIL board of directors approved a stock option plan for the directors and managers of IFIL and the parent, IFI, for a maximum of 2,700,000 new IFIL ordinary shares.
A total of 2,691,500 options were granted under this plan between 2000 and 2003, according to the level of responsibility held by the beneficiaries in the corporate organization. Such options are exercisable up to December 31, 2006.
Under the power conferred by the stockholders' meeting held on May 25, 2001, the board of directors, on February 7, 2005, voted to increase capital stock as a result of the exercise of 800,000 options granted in 2003 to seven beneficiaries. The stock increase took place in April with the issue of 800,000 IFIL ordinary shares (0.07% of capital stock) of par value € 1, which were subscribed in cash at a per unit price of € 1.85 for a total of € 1,480,000.
In 2005, moreover, 53,250 options became null and void.
The options granted in 2003 gave rise to the recognition of expenses relating solely to 2004 (€ 0.2 million).

In September 2003, the IFIL board of directors approved a second stock option plan solely for the directors, for a maximum of 700,000 IFIL ordinary shares, already issued and purchased by IFIL pursuant to article 2357 and subsequent articles of the Italian Civil Code. A total of 532,000 options were granted under this plan in 2003 to the chairman Gianluigi Gabetti for the same number of ordinary shares exercisable by December 31, 2006 at the price of € 2.28 each.

With regard to these plans, there were no transactions entered into to favor either the purchase or subscription of shares pursuant to art. 2358, paragraph 3, of the Italian Civil Code.

A summary of the stock option plans on IFIL shares outstanding at December 31, 2005 is presented below.

	Number of options	Number of beneficiaries	Exercise price actual (b)	Exercise price average	Market price (c)
IFIL 2000 Plan (expiring December 2006)					
Options granted (a)					
- year 2000	522,000	15	6.997		
- year 2001	506,000	13	6.109		
- year 2002	810,250	13	4.520		
	1,838,250 (d)			5.66	4.686
IFIL 2003 Plan (expiring December 2006)					
Options granted	532,000 (e)	1	2.280	2.28	4.686
Options exercisable at December 31, 2005	2,370,250			4.90	4.686

(a) Net of 800,000 options exercised and 53,250 that became null and void in 2005.
(b) Exercise price adjusted to take into account the cash capital stock increase in July 2003.
(c) Market price at March 24, 2006.
(d) Equal to 0.18% of current ordinary capital stock.
(e) Equal to 0.05% of current ordinary capital stock.

IFIL S.p.A. stock option plans with underlying Alpitour stock

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

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (now 2,127,000 shares) and 5% (now 1,772,500 shares) of Alpitour's capital, held by the subsidiary Ifil Investissements.

After approval on the part of IFIL, the Alpitour board of directors may in the future grant purchase options on Alpitour shares equal to 4% (now 1,418,000 shares) of Alpitour's capital, to other managers who hold important operating positions.

The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.238 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.

IFIL and the managers of Alpitour, finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in December 2005 valuation.

This plan will be accounted for starting from the 2006 statutory and consolidated financial statements of IFIL S.p.A. in relation to the economic performance of the Alpitour Group during the next years.

Sequana Capital S.A. stock option plans

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

Approval date by Administrative Board		5/4/2000	4/5/2001	4/6/2001	4/11/2002	10/31/2002	5/15/2003	6/18/2004	5/3/2005	Total
Date of stockholders' meeting		5/19/1998	5/19/1998	5/19/1998	5/19/1998	5/19/1998	5/19/1998	5/21/2003	5/3/2005	
Number of shares that can be subscribed or purchased										
At the start of the plan		235,000	115,000	115,000	658,300	302,500	420,000	55,000	515,000	
Exercise period	from	5/4/2002	4/5/2003	4/6/2003	4/11/2004	10/31/2004	5/15/2005	6/18/2006	5/3/2009 (a)	
	to	5/4/2008	4/5/2009	4/6/2009	4/11/2010	10/31/2010	5/15/2011	6/18/2012	5/3/2013	
Exercise price at start	€	16.00	19.50	19.50	20.30	16.00	16.90	20.47	23.50	
Adjusted exercise price at December 31, 2005	€	15.00	18.27	18.27	19.41	15.73	16.62	20.13	23.50	
Details of movements:										
Number of shares at January 1, 2004		252,105	123,402	123,405	640,184	310,064	420,000	0	0	1,869,160
New plan and adjustments								55,000		55,000
Options exercised		(218,390)								(218,390)
Options null and void					(25,670)					(25,670)
Number of shares at December 31, 2004		33,715	123,402	123,405	614,514	310,064	420,000	55,000	0	1,680,100
New plan and adjustments		591	1,180	1,545	10,419	5,335	7,054	930	515,000	542,054
Options exercised		(12,937)	(124,582)	(121,596)	(32,105)	(69,858)	(13,000)			(374,078)
Options null and void					(7,337)					(7,337)
Number of shares at December 31, 2005		21,369	0	3,354	585,491	245,541	414,054	55,930	515,000	1,840,739

(a) For the plan issued on May 3, 2005, the rights to the options are gradually acquired by the beneficiaries for subsequent tranches over three years, one-third of the options granted per year of presence.

In accordance with IFRS, plans introduced after November 7, 2002 are measured in the financial statements of Sequana Capital Group starting from January 1, 2005 according to the binomial model using the following assumptions: volatility: 30%; expected dividend yield rate: 3%; risk-free interest rate: between 3.25% and 4.25%, depending on the plans.
Accordingly, personnel costs were recorded for € 1.1 million in 2005 (€ 1.1 million in 2004).

Options outstanding and options exercisable at the end of the years 2005 and 2004 are as follows, together with an indication of the relative weighted average prices for the year.

	December 31, 2005		December 31, 2004	
	Number of shares	Weighted average exercise price (€)	Number of shares	Weighted average exercise price (€)
Options outstanding at the beginning of the year	1,680,100	18.11	1,869,160	17.64
Options outstanding at the end of the year (a)	1,840,739	19.40	1,680,100	18.11
Options exercisable at the end of the year	1,269,809	17.71	1,205,100	18.43

(a) Taking into account the options granted, forfeit or exercised during the year and, with regard to the year 2005, the adjustment which followed as a result of the distribution of dividends from reserves.

Alpitour S.p.A. stock option plan

On December 15, 2000, the extraordinary stockholders' meeting of Alpitour S.p.A. voted to vest the board of directors with the power to increase capital stock by a maximum amount of € 767,500 to service a stock option plan on behalf of the directors, managers and middle management of Alpitour and the companies of the Group.

The regulations of the stock option plan approved by the board of directors on December 15, 2000 state that the aforementioned capital increase of € 767,500 will occur by the issue of a maximum 1,535,000 new ordinary shares of par value € 0.50 each. The options granted under the plan, which carries a period of 68 months, vest in annual lots (at October 31, of each year) and are fully exercisable at a price equal to € 6.73 per share within six months of the approval of the financial statements ended October 31, 2005 (end of August 2006).

The shares purchased in execution of the above plan may be sold to Alpitour; however, the price established by the board of directors of the company is a negative figure due to the results reported by the Alpitour Group in 2005.

At the current date, no options have been exercised by the beneficiaries.

Treasury stock

There were no transactions in preferred treasury stock carried during the year. The balance at December 31, 2005 refers to the following:

		Carrying amount	
	Number of shares	Per share (€)	Total (€ in thousands)
IFI preferred shares	5,360,300	13.15	70,477 (a)

(a) Net of writedowns of € 58,934 thousand made in 2002.

IFI preferred stock in portfolio at December 31, 2005 has a par value of € 5,360 thousand and represents 3.28% of capital stock (6.98% of the class of stock).

A comparison between the carrying value of the treasury stock and the market price at December 30, 2005 (€ 13.87) shows an unrealized gain of € 3.9 million; compared to the market price at March 24, 2006 (€ 16.90), the unrealized gain is € 20.1 million.

Capital reserves

€ in millions	Legal reserve	Additional paid-in capital	Other capital reserves	Revaluation reserve	Reserve for stock-based compensation	Total
Balance at January 1, 2004	15	386	907	81	0	1,389
Recognition of stock-based compensation					1	1
Movements among equity accounts	18		(3)			15
Balance at December 31, 2004	33	386	904	81	1	1,405
Recognition of stock-based compensation					4	4
Movements among equity accounts			38			38
Balance at December 31, 2005	33	386	942	81	5	1,447

Retained earnings and other consolidated reserves

€ in millions	Retained earnings and other reserves
Balance at January 1, 2004	578
Effects of changes in accounting principles	(4)
Fair value changes	20
Fair value change in cash flow hedge derivatives	11
Actuarial gains (losses) recognized in equity	(35)
Other changes	(24)
Movements in equity accounts	(15)
Balance at December 31, 2004	531
Fair value changes	157
Fair value change in cash flow hedge derivatives	(5)
Actuarial gains (losses) recognized in equity	(46)
Appropriation of profit	82
Balance at December 31, 2005	719

20. EARNINGS PER SHARE

		Year 2005	Year 2004
Average number of ordinary shares issued (a)	Number	86,450,000	86,450,000
Average number of preferred shares oustanding, net of treasury stock	Number	71,441,160	71,441,160
Net earnings - Group	€ in ml	676	120
Earnings attributable to ordinary shares	€ in ml	368	64
per ordinary share	*euro*	*4.2555*	*0.7366*
Earnings attributable to preferred shares	€ in ml	308	56
per preferred share	*euro*	*4.3072*	*0.7883*
Earnings (losses) from continuing operations	€ in ml	208	(269)
Earnings (losses) from continuing operations attributable to ordinary shares	€ in ml	112	(147)
per ordinary share	*euro*	*1.2924*	*-1.7014*
Earnings (losses) from continuing operations attributable to preferred shares	€ in ml	96	(122)
per preferred share	*euro*	*1.3441*	*-1.7014*
Earnings from discontinued operations	€ in ml	468	389
Earnings from discontinued operations attributable to ordinary shares	€ in ml	254	211
per ordinary share	*euro*	*2.9397*	*2.438*
Earnings from discontinued operations attributable to preferred shares	€ in ml	214	178
per preferred share	*euro*	*2.9914*	*2.4897*

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

21. EQUITY – MINORITY INTEREST

The minority interest refers to the following percentages held by minority stockholders in the direct holding, IFIL:

	12/31/2005				
€ in millions	%	Capital and reserves	Profit	Total	12/31/2004
IFIL Group	37.6	2,397	597	2,994	2,317

22. PROVISIONS FOR EMPLOYEE BENEFITS

The composition is as follows:

	Current portion		Non-current portion	
€ in millions	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Employee severance indemnities			26	23
Other provisions for employees	12	8	146	141
Total	12	8	172	164

The breakdown of the provisions by expected utilization is as follows:

	December 31, 2005		December 31, 2004	
€ in millions	From 1 to 5 years	Beyond 5 years	From 1 to 5 years	Beyond 5 years
Employee severance indemnities	3	23	2	21
Other provisions for employees	59	87	61	80
Total	62	110	63	101

Changes during 2005 and 2004 are presented as follows:

€ in millions	Balances at 12/31/2004	Accruals	Release of provisions used	Release of provisions not used	Change in the scope of consolidation	Other changes	Balances at 12/31/2005
Employee severance indemnities	23	5	(3)		(1)	2	26
Other provisions for employees	149	9	(19)	(1)		20	158
	172	14	(22)	(1)	(1)	22	184
Effect on the income statement:							
Result from current operations		5	(3)	(1)			
Other non-recurring income and expenses		9	(19)				

€ in millions	Balances at 1/1/2004	Accruals	Release of provisions used	Release of provisions not used	Change in the scope of consolidation	Other changes	Balances at 12/31/2004
Employee severance indemnities	21	5	(4)			1	23
Other provisions for employees	161	21	(10)	(6)	3	(20)	149
	182	26	(14)	(6)	3	(19)	172
Effect on the income statement:							
Result from current operations		5	(14)	(6)			
Other non-recurring income and expenses		21					

An analysis of employee benefits by Group is as follows:

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

Details are as follows:

Employee severance indemnities
Employee severance indemnities reflect the indemnity payable to Italian employees which accrues over the service life and which is paid upon termination of employment. The indemnity may be paid in advance during the employee's service life if certain conditions are met.
In accordance with IAS 19 – Employee Benefits, IFI and IFIL include employee severance indemnities under defined benefit plans and measures it with actuarial techniques, using the Project Unit Credit Method.

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

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

Pension plans

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

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

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

The liabilities for contributions accrued but not paid are included in the item "Other payables". The contribution cost is recognized when the employee has rendered his/her service and this cost is recognized in the item "Personnel costs".

Other benefits

Other benefits include loyalty bonuses payable to all employees.

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

In the case of defined contribution plans, the company pays contributions to publicly or privately administered insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the company has no further payment obligations.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid. For defined benefit plans, the liability for the company is calculated on the basis of the following actuarial assumptions:

	12/31/2005	12/31/2004
Discount rate	4.00%	4.00%
Expected remuneration increase	2-3.50%	2-3.50%
Cost-of-living increase	2.00%	2.00%

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

The amounts shown in the balance sheet, those recognized in the income statement and the movements in the present value of the obligations, for post-employment benefits, at December 31, 2005 and 2004, are not significant for IFI and IFIL.

The plan assets do not include IFI and IFIL treasury stock.

The assets consist of debt instruments issued by third parties (78%) and other investments (22%).

Sequana Capital Group

€ in millions	12/31/2005 Pension obligations	 Other long-term obligations	 Total obligations	12/31/2004 Pension obligations	 Other long-term obligations	 Total obligations
CHANGE IN ACTUARIAL OBLIGATION						
Present value of obligation - Opening balance	982	22	1,004	938	21	959
Service costs	19		19	18	1	19
Interest costs	50	2	52	52		52
Contributions by plan participants	4		4	4		4
Plan amendments			0	2		2
Additions/deletions			0	4		4
Actuarial (gains) and losses	80		80	20	3	23
Benefits paid	(54)	(4)	(58)	(49)	(3)	(52)
Other changes (including exchange differences)	34		34	(7)		(7)
Present value of obligation - Closing balance	1,115	20	1,135	982	22	1,004
Actuarial obligation at the closing date						
Funded, wholly or partially	-	-	1,061	-	-	933
Unfunded	-	-	74	-	-	71
CHANGE IN PLAN ASSETS						
Fair value of plan assets - Opening balance	881		881	822		822
Expected return of plan assets	49		49	43		43
Contributions by employer	38		38	34		34
Contribution by plan participants	4		4	4		4
Additions/deletions			0	2		2
Benefits paid	(50)		(50)	(47)		(47)
Actuarial (gains) and losses	54		54	28		28
Other changes (including exchange differences)	26		26	(5)		(5)
Fair value of plan assets - Closing balance	1,002		1,002	881		881
Actual return of plan assets	-	-	11.72%	-	-	8.59%
Percentage composition of plan assets:						
Stocks	-	-	22%	-	-	25%
Bonds	-	-	69%	-	-	66%
Other changes (including exchange differences)	-	-	9%	-	-	9%
FUNDED						
Funded	(113)	(20)	(133)	(101)	(22)	(123)
Limit due to reaching the ceiling of plan assets	(7)		(7)	(7)		(7)
Net amount recognized	(120)	(20)	(140) (a)	(108)	(22)	(130) (a)
Geographical breakdown						
United Kingdom	-	-	(25)			(29)
Other European Union countries	-	-	(65)			(63)
Switzerland	-	-	2			1
North America	-	-	(49)			(41)
Other countries	-	-	(3)			2

(a) In 2005, this amount includes the accrual for pension plans and employee benefits of € 158 million (€ 149 million in 2004) and receivables for € 17 million (€ 18 million in 2004); the difference of € 1 million corresponds to the total accruals associated with the subsidiaries excluded from the application of IAS 19, since they were not significant at an individual level.

	2005			2004		
€ in millions	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
ANALYSIS OF GAINS AND LOSSES RECOGNIZED (a)						
Gains (losses) at opening	(6)		(6)			
Change during the year	27		27	(6)		(6)
Gains (losses) recognized at closing	21	0	21	(6)		(6)
ANALYSIS OF NET COST OF EMPLOYEES (a)						
Current service cost	19	1	20	18		18
Interest costs	50	1	51	52	1	53
Expected return on plan assets	(49)		(49)	(43)		(43)
Amortization of actuarial (gains) and losses	1		1	1	1	2
Amortization of plan amendments					2	2
Effect of curtailments or settlements						
Limitations on plan assets				(2)		(2)
Net cost of employees	21	2	23	26	4	30

(a) The data for 2004 was adjusted for the early adoption of IAS 19 revised

Actuarial assumptions used

	12/31/2005		12/312004	
	Pension obligations	Other long-term obligations	Pension obligations	Other long-term obligations
For the determination of obligations at year-end				
Discount rate - inflation included	4.62%	3.80%	5.09%	4.22%
Future salary increase	3.56%	-	3.62%	-
Increase in health care costs	10.00%	-	10.00%	-
For the determination of the cost for the year				
Discount rate - inflation included	5.09%	4.22%	5.39%	6.84%
Future salary increase	3.62%	-	3.61%	-
Expected return on plan assets	5.54%	-	5.13%	-
Increase in health care costs	10.00%	-	10.00%	

Actuarial assumptions used broken down by geographical area

	12/31/2005				12/31/2004			
	United Kingdom	Other European Union countries	Switzerland	North America	United Kingdom	Other European Union countries	Switzerland	North America
Discount rate - inflation included	4.75%	4.00%	2.60%	5.50%	5.25%	4.39%	3.25%	6.00%
Expected return on plan assets	5.27%	4.54%	3.56%	8.00%	5.56%	5.33%	4.00%	7.57%
Future salary increase	4.01%	2.92%	1.00%	4.00%	4.01%	2.85%	1.00%	4.00%
Increase in pension costs	2.72%	2.08%	0.50%	3.00%	2.72%	2.07%	0.50%	3.00%

Medical care costs – Impact of changes in assumptions

€	Impact on normal cost and interest of obligation	Impact on actuarial obligation
Impact at December 31, 2005 of changes in the assumptions used for the increase in health care costs		
Increase of 100 basis points	378,323	1,048,126
Decrease of 100 basis points	(322,444)	(1,302,923)

Description of obligations under defined benefit plans

Under these pension plans contributions are made for pensions, pension supplements and indemnities.

The principal pension plan obligations are in the United Kingdom, in the United States, in France and in Switzerland and represent 91% of the total obligations of the Sequana Capital Group.

In the United Kingdom, the main obligations regard two pension plans as follows:

- the WTPS defined benefit plan for employees of ArjoWiggins and some of the employees of Antalis;
- the ArjoWiggins plan for certain employees of Antalis UK (based on their location). This plan was closed to employees in 2005 and was replaced by a defined benefit plan.

In the United States, the two main pension obligations of the subsidiary Appleton Coated LLC refer to the following:

- the defined benefit pension plan;
- the health care for retired employees.

In France, the two main defined benefit plans are:

- the RCR plan, for certain categories of management employees of ArjoWiggins. This plan was closed to new employees, starting from 1981;
- the severance indemnity plan of ArjoWiggins.

In Switzerland, a defined benefit plan is in place for employees of Antalis.

Return on plan assets

The return on plan assets is determined on the basis of the allocation of the assets, projections of the expected return and historical experience.

UK pension funds

The British subsidiaries of the Sequana Capital Group use defined benefit pension plans.

In 2004, the trustee administrator of the pensions funds unilaterally asked the Sequana Capital Group for an additional contribution to fund the plans which it manages. The calculation of this contribution, the amount of which was British pounds 49.5 million, had to be paid on a linear basis from 2004 to 2008 and originates from the actuarial calculation prepared by the trustee's British actuary.

At December 31, 2005, the remaining balance of this additional contribution amounts to British pounds 29.7 million. Sequana Capital Group's entire obligation for the U.K. pension plans was accrued in accordance with IFRS on the basis of the above actuarial assumptions. From an accounting standpoint, the payments made to pay off the balance of this additional contribution are reflected, when paid, in the calculations of the liability performed each year.

23. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

The composition of the provisions is as follows:

	Current portion		Non-current portion	
€ in millions	12/31/2005	12/31/2004	12/31/2005	12/31/2004
Restructuring provisions	13	2	2	21
Fox River and DG IV disputes provisions	3	11	321	238
Ecological risks provisions	10	0	36	16
Other risks provisions	10	28	132	142
Total	36	41	491	417

The breakdown of provisions by expected use is as follows:

	December 31, 2005			December 31, 2004		
€ in millions	From 1 to 5 years	Beyond 5 years	Total	From 1 to 5 years	Beyond 5 years	Total
Restructuring provisions	2	0	2	21	0	21
Fox River and DG IV disputes provisions	208	113	321	228	10	238
Ecological risks provisions	34	2	36	14	2	16
Other risks provisions	23	109	132	56	86	142
Total	267	224	491	319	98	417

Details of changes during 2005 and 2004 are as follows:

€ in millions	Balances at 12/31/2004	Accruals	Release of provisions used	Release of provisions not used	Other changes	Balances at 12/31/2005
Restructuring provisions	23	8	(16)	(1)	1	15
Fox River and DG IV disputes provisions	249	70	(10)	(5)	20	324
Ecological risks provisions	16	22	(4)	(8)	20	46
Other risks provisions	170	15	(7)	(1)	(35)	142
	458	115	(37)	(15)	6	527
Effect on the income statement:						
Operating profit (loss) from current operations		14	(22)			
Other non-recurring income and expenses		95	(15)	(9)		
Other financial income and expenses		6		(6)		

€ in millions	Balances at 1/1/2004	Accruals	Release of provisions used	Release of provisions not used	Other changes	Balances at 12/31/2004
Restructuring provisions	11	18	(6)	(1)	1	23
Fox River and DG IV disputes provisions	250		(12)		11	249
Ecological risks provisions	17	16			(17)	16
Other risks provisions	250	44	(108)	(5)	(11)	170
	528	78	(126)	(6)	(16)	458
Effect on the income statement:						
Operating profit (loss) from current operations		23	(26)	(1)		
Other non-recurring income and expenses		44	(30)	(5)		
Other financial income and expenses		11				
Share of earnings (losses) of companies accounted for by the equity method			(70)			

The restructuring provisions relate to the corporate restructuring programs of the Sequana Capital Group.

The Fox River and DG IV disputes refer to accruals made by the Sequana Capital Group for the Fox River environmental risks and the fine levied by the European Commission for the alleged violation of fair trade practices. Additional information is provided in Note 24 “Pending Litigation”.

The other risks provisions include accruals set aside by the individual companies mainly in respect of contractual, commercial and litigation risks.

24. PENDING LITIGATION

IFIL S.p.A. and subsidiaries in the “Holdings System”

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL’s capital stock reserved for Institute Finanziario Industriale S.p.A. passed by the extraordinary stockholders’ meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (economic and non-economic) suffered as a result of the unlawful conduct (allegedly) by IFI. During the case and with reference only to (alleged) economic damages, K Capital stated its request for compensation (which originally had not been quantified) in approximately € 17 million.

The preliminary investigation stage is, currently, concluded. The judge chose not to call for an assessment of the case (CTU), requested by K Capital, which nevertheless could be decided by the Board of Judges during the decision stage. On October 26, 2005, the hearing was held for stating the conclusions. After the exchange of the concluding statements (completed in January 2006) and after the oral discussion in court (held on March 10, 2006), a decision in the case will now be reached.

Both of the above requests by K Capital (request to declare the stockholders’ resolution null and void and the request to seek a sum of compensation for damages) appear to be inadmissible and without grounds and therefore at this time the company does not believe that any contingent liabilities will arise as a consequence.

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

Following the communication dated June 17, 2005, the buyer of the investment in La Rinascente, on February 14, 2006, filed for arbitration against Ifil Investissements seeking compensation for an amount of approximately € 32.5 million (in addition to interest, monetary revaluation, court expenses and legal fees) for extraordinary expenses relating to certain points of sale.

In the opinion of Ifil Investissements, the requests are not valid and unacceptable and, in any case, completely unfounded. Moreover, the question that is raised regards aspects that have either been excluded or are not covered by guarantees in the contract.

Furthermore, in the second half of 2005 and during the first few months of 2006, the same party brought actions seeking additional compensation from Ifil Investissements for a total amount of approximately € 16 million principally in connection with accounting treatments in the financial statements at December 31, 2004.
Some minor requests have already been agreed between the parties, whereas the others have been rejected inasmuch as they are not valid and/or unfounded. In any case, in the opinion of Ifil Investissements, such requests are nevertheless covered by exclusions and limitations in the contract with regard to the obligations of compensation.

As described in detail under "Review of the operating performance of the holding IFIL" in the Directors' Report on Operations, on February 21, 2006, Consob notified IFIL S.p.A. of its objections under art. 187-septies of Legislative Decree No. 58/1998 in relation to the content of the press release dated August 24, 2005.

Furthermore, on March 9, 2006, the company's offices were searched under the orders of the Turin District Attorney's office with regard to the same facts raised in the objections by Consob. At the same time, IFIL was notified of the inquiry into its administrative responsibility under Legislative Decree No. 231/2001.

Sequana Capital Group – Fox River and European Commission disputes (DG IV)
Fox River
In 1998, the American authorities, in particular, the Environmental Protection Agency (EPA), brought suit against Appleton Papers Inc., (API was then a subsidiary of Arjo Wiggins Appleton), NCR Corporation and five other American paper manufacturers for the alleged contamination of the Fox River in the State of Wisconsin.
This event took place at the beginning of the 1950s when NCR Corporation had perfected a process for the manufacture of carbonless paper using polychlorinated biphenyl emulsions which, at that time, it had licensed, until 1971, to a certain number of paper manufacturers, the most important of which was API, a division of NCR.
This process had already been abandoned three years before the use of polychlorinated biphenyl had been banned in the United States, beginning from 1974.

Appleton Papers Inc. was later purchased by British American Tobacco (BATUS) in 1978 and then by Arjo Wiggins Appleton (AWA) in 1990. On this occasion, AWA continued to benefit from the guarantees over liabilities agreed by British Tobacco which allowed them to share certain costs with NCR borne by Appleton Papers Inc.
The Fox River event in 1997 naturally came under this category.

In 2001, Appleton Papers Inc. was sold by AWA and a guarantee was given to the buyers regarding all the liabilities resulting from the Fox River dispute. This guarantee consisted of a deposit made with the insurance company AIG, equal to U.S.$ 163 million, deducted from the price received at the time of the sale. The deposit partially earns interest at 2.02%.
At December 31, 2005, the deposit amounts to € 100 million, equal to U.S.$ 118 million, including capitalized interest less research and defense costs .

In 2001, the Group had also accrued an amount of U.S.$ 125 million, which corresponded to the best estimate, at that time, of its share of the expenses discounted to present value to reclaim the Fox River.

In 2003, the "Department of Natural Resources" of Wisconsin, and the federal government published a first long-term action plan for the work to be carried out by 2045. This was based on surveys of the river bed and different technical solutions that could be adopted to decontaminate the Fox River, at an estimated total cost of U.S.$ 400 million, to be borne by the industries involved.
This first official estimate had no effect on the accrual already booked by the Sequana Capital Group since it confirmed the estimate which had already led to the quantification of the accrual in 2001.

In 2005, events arose which led to a significant increase in the estimate of the reclamation costs:

- identification of new polluted areas;
- adoption of new technical solutions for decontamination;
- probable increase in the volumes of the sediments to be decontaminated.

Moreover, since the 2001 agreements for the sharing of the costs between Appleton Papers Inc. and NCR expired, the two companies had agreed to a new sharing plan by virtue of an arbitration ruling decided in November 2005. This arbitration ruling, without any possibility of appeal, has established a 10% increase in portion of the costs to be paid by API.

This led the Sequana Capital Group to revise its 2001 estimates and set aside a further amount of U.S.$ 87.7 million (€ 70 million) which has been determined on the basis of the new estimated reclamation costs to be completed by 2045 and the new portion of the expenses to be borne by Appleton Papers Inc. discounted to present value at 4.65%, which corresponds to the rate on 30-year bonds issued by the American government.

After charging the research and defense costs already incurred by Appleton Papers Inc. since 2001 (about U.S.$ 48 million at December 31, 2005), the Fox River provision amounts to U.S.$ 165 million (€ 140 million at December 31, 2005), compared to U.S.$ 89 million (€ 65 million) at December 31, 2004.

However, in July 2003, a ruling by a Supreme Court of Justice of the State of Wisconsin gave the industries which had signed insurance contracts covering environmental risks the possibility of claiming the guarantees provided in those same contracts. AWA Ltd retained the benefit of these insurance contracts, even after the sale of Appleton Papers Inc. in 2001.

Negotiations are currently underway with the insurance companies to obtain, on one hand, the reimbursement of the research and defense costs already incurred and, on the other, for them to take up the decontamination costs to be sustained in the future.

Negotiations with the insurance companies continue; considering their uncertain nature, no accruals have been made concerning the compensation to be received, albeit AWA in 2005 has already received compensation from the insurance companies totaling U.S.$ 13.4 million for the reimbursement of defense costs. In February 2006, the company received a further payment of U.S.$ 15 million for the same purpose.

European Commission (DG IV)

The inquiry by the Commission for the alleged violation of fair trade practices had ended in July 2000 with notification of a fine, against which Arjo Wiggins Appleton had submitted its comments on the subject. On December 20, 2001, the Commission levied a fine of € 184 million on Arjo Wiggins Appleton which the company had accrued in full in the 2001 financial statements.

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

The proceedings before the Court of the European Community in the first instance are still pending. After a first hearing held on June 16, 2005, a sentence should be handed down during the first half of 2006. At December 31, 2005, the accrual has been calculated on the basis of the maximum potential risk.

Alpitour Group

A lawsuit was brought before the competent authorities in Tanzania against the Royal Insurance company to establish the compensation for the damages caused by the fire to the Bravo Club tourist resort complex in Zanzibar in January 2001. Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld.

Juventus Football Club

As for the investigation by the Judicial Authorities against the Chief Executive Officer and the Juventus Football Club S.p.A. physician concerning the alleged improper use of medicines by Juventus F.C. players, on December 14, 2005, the Court of Appeals of Turin, Penal Section III, fully acquitted both parties.

With regard to the investigation by the Judicial Authorities of Como against the General Manager, Luciano Moggi, for alleged irregularities as part of the inquiry into the bankruptcy of Società Como Calcio, On October 19, 2005, the District Attorney asked the judge to dismiss the case.

25. CONSOLIDATED NET DEBT

The composition of the gross and net debt of the consolidated companies is as follows:

€ in millions	Gross debt	Financial assets	(Net debt) cash
IFI S.p.A.	(278)	0	(278)
IFIL and the "Holdings System"	(449)	797	348
Sequana Capital Group	(1,117)	676	(441)
Alpitour Group	(187)	109	(78)
Juventus Football Club	(41)	3	(38)
Total	(2,072)	1,585	(487)

The balance of consolidated net debt consists of the following:

€ in millions	12/31/2005	12/31/2004	Change
Non-current financial liabilities			
IFIL 2003/2006 bonds	0	(100)	100
Debt	(908)	(503)	(405)
Other financial liabilities	(11)	(10)	(1)
Total non-current financial liabilities	(919)	(613)	(306)
Non-current financial assets - Financial receivables	5	10	(5)
Non-current net debt	(914)	(603)	(311)
Current financial liabilities			
IFIL 2003/2006 bonds	(100)	0	(100)
Current portion of medium/long-term debt	(37)	(545)	508
IFIL 2002/2005 bonds	0	(201)	201
Debt	(1,000)	(1,127)	127
Debt payable to Giovanni Agnelli e C.	(14)	(24)	10
Other loans and debt	(1)	(2)	1
Total current financial liabilities	(1,152)	(1,899)	747
Current financial assets			
Financial receivables	4	257	(253)
Credit instruments	978	1,083	(105)
Other financial assets	2	5	(3)
Total current financial assets	984	1,345	(361)
Cash and cash equivalents	595	534	61
Current net debt	427	(20)	447
Consolidated net debt	(487)	(623)	136

The 2003/2006 bonds of face value € 100 million issued following the resolution of the board of directors' meeting held on December 2, 2003, subscribed to by primary institutional investors, pay quarterly floating-rate interest indexed against the Euribor. The bonds are repayable in a one-off payment at maturity on December 19, 2006. In order to fix the interest rate for the entire amount of the bonds, an interest rate swap was put into place. The bonds are carried at amortized cost.

The 2002/2005 bonds of face value € 200 million were repaid on December 20, 2005.

26. ANALYSIS OF DEBT

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
AT DECEMBER 31, 2005				
IFIL 2003/2006 bonds	(100)			(100)
Debt	(1,052)	(885)	(8)	(1,945)
Debt payable to Giovanni Agnelli e C.	(14)			(14)
Other financial liabilities	(1)	(8)	(3)	(12)
TOTAL DEBT	(1,167)	(893)	(11)	(2,071)
AT DECEMBER 31, 2004				
IFIL 2002/2005 bonds	(201)			(201)
IFIL 2003/2006 bonds		(100)		(100)
Debt	(1,684)	(492)	(11)	(2,187)
Debt payable to Giovanni Agnelli e C.	(24)			(24)
Other financial liabilities	(2)	(7)	(3)	(12)
TOTAL DEBT	(1,911)	(599)	(14)	(2,524)

The analysis of debt by interest rate is as follows:

€ in millions	Under 2%	Between 2% and 3%	Between 3% and 7.5%	Over 7.5%	Total
AT DECEMBER 31, 2005					
IFIL 2003/2006 bonds			(100)		(100)
Debt	(53)	(1,116)	(763)	(13)	(1,945)
Debt payable to Giovanni Agnelli e C.		(14)			(14)
Other financial liabilities	(1)	(5)	(6)		(12)
TOTAL DEBT	(54)	(1,135)	(869)	(13)	(2,071)
AT DECEMBER 31, 2004					
IFIL 2002/2005 bonds			(201)		(201)
IFIL 2003/2006 bonds			(100)		(100)
Debt	(59)	(1,336)	(784)	(8)	(2,187)
Debt payable to Giovanni Agnelli e C.		(24)			(24)
Other financial liabilities	(5)		(5)	(2)	(12)
TOTAL DEBT	(64)	(1,360)	(1,090)	(10)	(2,524)

The analysis of debt by nominal currency is as follows:

€ in millions	EUR	GBP	USD	CHF	OTHER	Total
AT DECEMBER 31, 2005						
IFIL 2003/2006 bonds	(100)					(100)
Debt	(1,673)	(134)	(113)	(2)	(23)	(1,945)
Debt payable to Giovanni Agnelli e C.	(14)					(14)
Other financial liabilities	(12)					(12)
TOTAL DEBT	(1,799)	(134)	(113)	(2)	(23)	(2,071)
AT DECEMBER 31, 2004						
IFIL 2002/2005 bonds	(201)					(201)
IFIL 2003/2006 bonds	(100)					(100)
Debt	(2,076)	(82)	(2)		(27)	(2,187)
Debt payable to Giovanni Agnelli e C.	(24)					(24)
Other financial liabilities	(10)				(2)	(12)
TOTAL DEBT	(2,411)	(82)	(2)	0	(29)	(2,524)

At December 31, 2005, the IFI Group has unused credit lines for € 2,796 million (€ 3,325 million at December 31, 2004).

The Sequana Capital Group loan is secured in part by credit lines with maturities of less than one year. The refinancing agreements do not allow this loan to be classified as medium-term.

The Alpitour Group’s credit lines total € 283 million, of which € 94 million is used for short-term loans and € 76 million for medium-term loans (of which € 32 million is repayable within the year).

Interest rate risk

The effect of the fair value of transactions to hedge the exposure of interest rate risk put into place by the consolidated companies is as follows:

€ in thousands	12/31/2005	12/31/2004
Sequana Capital Group	1,329	(462)
Alpitour Group	(1,229)	(2,212)
IFIL and the "Holdings System"	241	(4,713)
IFI S.p.A.	1,531	(1,978)
Total	1,872	(9,365)

The summary of transactions to hedge interest rates put into place by the Sequana Capital Group at December 31, 2005 and the effect of the relative fair value are as follows:

	Notional (€ ml)	Fixed rate (received)	Floating rate (paid)	Maturity	Fair value effect (€ in thousands)
SWAPS	100	2.20%	3-month Euribor	5/31/2006	179
	100	2.36%	3-month Euribor	5/31/2007	683

	Notional (€ ml)	Cap	Floor	Maturity	Fair value effect (€ in thousands)
COLLARS	100	4.50%	2.5%	1/17/2007	376

	Notional (€ ml)	Cap	Floor	Maturity	Fair value effect (€ in thousands)
CAPS	100	4.50%		1/17/2006	102
	100	4.0%		5/21/2006	(11)

General total	1,329

Alpitour S.p.A. has four interest rate swap contracts for a notional amount of a total of € 44.9 million put into place to hedge fluctuations in interest rates on bank loans. The fair value of the IRSs at October 31, 2005 is estimated at a negative amount of € 1,229 thousand (a negative amount of € 2,212 thousand at October 31, 2004). These transactions qualify for hedge accounting and the fair value adjustments, equal to a positive € 983 thousand, are recognized in a reserve in equity.

At December 31, 2005, IFIL S.p.A. has an interest rate swap contract in place for a total notional amount of € 100 million to hedge fluctuations in interest rates on the IFIL 2003-2006 bonds with a positive fair value equal to € 241 thousand.
At December 31, 2004, IFIL had interest rate swap contracts for a total notional amount of € 395 million to hedge fluctuations in interest rates on IFIL 2003-2006 bonds, IFIL 2002-2005 bonds and bank loans with a negative fair value of € 4,713 thousand. During 2005, bank loans and the IFIL 2002-2005 bonds were repaid for a total of € 295 million.

The transactions qualify for hedge accounting and the fair value adjustments, equal to a positive balance of € 4,954 thousand, were recognized in a reserve in equity.

At December 31, 2005, IFI S.p.A. has interest rate swap contracts in place for a total notional amount of € 170 million to hedge fluctuations in interest rates on bank loans with a positive fair value of € 1,531 thousand.
At December 31, 2004, IFI S.p.A. had interest rate swap contracts for a total notional amount of € 160 million to hedge fluctuations in interest rates on bank loans with a negative fair value of € 1,978 thousand.

The transactions qualify for hedge accounting and the fair value adjustments, equal to a positive balance of € 3,850 thousand, were recognized in a reserve in equity.

Exchange rate risk

The summary of principal transactions to hedge exchange rates put into place by the Sequana Capital Group at December 31, 2005 and the effect of the relative fair value are as follows:

Company	Exchange rates	Notional
Sequana Capital	EUR/USD	$ 191.7 ml
AWA Ltd	EUR/GBP	€ 137.3 ml
ArjoWiggins	NDF/CNY	CNY 100 ml
ArjoWiggins	EUR/GBP	£ 55 ml
ArjoWiggins	EUR/USD	$ 10 ml
Antalis	EUR/PLN	€ 9 ml
Antalis	EUR/ZAR	€ 3.1 ml
Antalis	USD/ZAR	$ 5 ml
Antalis	JPY/ZAR	JPY 20.9 ml
Antalis	EUR/USD	$ 7.1 ml
Antalis	EUR/CHF	CHF 9.5 ml
Antalis	EUR/HKD	HKD 10.1 ml

Fair value effect	2004	2005
	-	(2,705) €/000

At October 31, 2005, the Alpitour Group has transactions in place for the forward purchase of currency for U.S.$ 8 million maturing in the months of November and December 2005 and January 2006. These transactions were put into place for purchases of tourist services expressed in foreign currency. At October 31, 2005, the fair value of the transactions in foreign currency show a positive balance of € 192 thousand. These amounts were determined on the basis of the fair value of the equivalent financial instruments at the balance sheet date. The fair value adjustments of the derivative financial instruments on currencies, which qualify as cash flow hedge derivatives, amount to € 192 thousand and are recognized in a reserve in equity. At October 31, 2004, there were no forward purchase currency transactions in place.

27. DEFERRED INCOME TAXES

The change in deferred tax assets is as follows:

€ in millions	Employee benefits	Tax losses	Other	Total
Balance at January 1, 2004	29	37	(5)	61
Income taxes accrued (reversed) to profit and loss	5	33	(38)	0
Exchange differences		(3)	2	(1)
Net other movements	(5)		29	24
Balance at December 31, 2004	29	67	(12)	84
Income taxes accrued (reversed) to profit and loss	(7)	(14)	(9)	(30)
Income taxes relating to items directly credited to equity	8			8
Exchange differences	2	5	(4)	3
Net other movements	7	(1)	(3)	3
Balance at December 31, 2005	39	57	(28)	68

The change in deferred tax liabilities is as follows:

€ in millions	Property, plant and equipment	Depreciation and tax accruals	Other	Total
Balance at January 1, 2004	(110)	(30)	19	(121)
Income taxes accrued (reversed) to profit and loss	2	(7)	57	52
Income taxes relating to items directly debited to equity			(2)	(2)
Exchange differences	3		(2)	1
Net other movements	1	(2)	(28)	(29)
Balance at December 31, 2004	(104)	(39)	44	(99)
Income taxes accrued (reversed) to profit and loss	16	5	(4)	17
Income taxes relating to items directly debited to equity			(7)	(7)
Exchange differences	(6)	(1)	7	0
Net other movements	2		(8)	(6)
Balance at December 31, 2005	(92)	(35)	32	(95)

Details of income taxes collectible/payable or deferred relating to items directly credited or debited to equity are as follows:

€ in millions	Employee benefits	Fair value of financial instruments	Other	Total
Balance at December 31, 2005	8	(7)		1
Balance at December 31, 2004	(2)			(2)

The analysis of unused tax loss carryforwards and unused tax credits on which deferred taxes have not been calculated is as follows:

€ in millions	Taxable base Within 1 year	Between 2 and 4 years	Beyond 4 years	Total	Estimated tax benefit
At December 31, 2005					
Current tax losses	98	524	756	1,378	452
Other tax credits					NONE
Total at December 31, 2005	98	524	756	1,378	452
At December 31, 2004					
Current tax losses	11	416	754	1,181	378
Other tax credits					NONE
Total at December 31, 2004	11	416	754	1,181	378

The recognition of deferred tax assets on tax losses is limited to those whose recoverability is highly probable during the following year or in the medium term, taking into account the prospects for recoverability established by medium term operating plans.

28. OTHER LIABILITIES

Details of other liabilities are as follows:

€ in millions	12/31/2005	12/31/2004	Change
Other non-current liabilities			
Payables for direct income taxes		5	(5)
Other liabilities	57	44	13
Total other non-current liabilities	57	49	8
Other current liabilities			
Trade payables	982	1,011	(29)
Other payables			
Payables for direct income taxes	42	26	16
Payables for indirect income taxes	43	35	8
Payables to employees and similar	118	141	(23)
Payables on disposal of property, plant and equipment	61	35	26
Other payables	217	167	50
Total other payables	481	404	77
Total other current liabilities	1,463	1,415	48
Total other non-current and current liabilities	1,520	1,464	56

Other non-current and current liabilities by maturity are as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
Other non-current liabilities		54	3	57
Trade payables	982			982
Other payables	481			481
Balances at December 31, 2005	1,463	54	3	1,520
Other non-current liabilities		46	3	49
Trade payables	1,011			1,011
Other payables	404			404
Balances at December 31, 2004	1,415	46	3	1,464

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED INCOME STATEMENT

29. OTHER REVENUES FROM CURRENT OPERATIONS

Details of other revenues from current operations are as follows:

€ in millions	2005	2004	Change
Inventories	(13)	11	(24)
Operating grants	1	3	(2)
Income from concessions and patents	4	3	1
Other income	46	75	(29)
Total other revenues from current operations	38	92	(54)

30. PERSONNEL COSTS

Details of the composition of personnel costs are as follows:

€ in millions	2005	2004	Change
Salaries and wages	(703)	(700)	(3)
Social security contributions	(169)	(167)	(2)
Employee stock options	(1)	(1)	0
Employee severance indemnities expense	(5)	(5)	0
Temp work costs	(22)	(23)	1
Other employee costs	(27)	(20)	(7)
Total personnel costs	(927)	(916)	(11)

31. OTHER NON-RECURRING INCOME (EXPENSES)

Details are as follows:

€ in millions	2005	2004	Change
Gains (losses) on disposals of property, plant and equipment and intangible assets	16	7	9
Impairment loss of goodwill	0	(164)	164
Impairment (loss) reversal on property, plant and equipment and intangible assets	(144)	(55)	(89)
Net restructuring expenses of the Arjo Wiggins Group	(31)	(31)	0
(Accruals) release of provisions for environmental disputes	(80)	(16)	(64)
(Accruals) release of provisions for other litigation	(3)	(5)	2
Insurance compensation received for Fox River dispute	11	2	9
Net other income (expenses)	48	(13)	61
Total other non-recurring income (expenses)	(183)	(275)	92

In 2004, the item “impairment loss of goodwill” essentially included the effect of the test for the impairment on goodwill booked in relation to the AWA 2000 takeover bid (€ 124 million) and the Alpitour Group (€ 38 million).

The accruals for environmental disputes include the additional accrual regarding the Fox River dispute set aside during 2005 for € 70 million (U.S. $ 87.7 million).

Net other income (expenses) include:

- the excess, equal to € 55 million, of the increments in IFIL’s share of the consolidated equity of the Fiat Group originating from the increase in Fiat capital stock subscribed to by minority stockholders

(+€ 606 million) and the increase in the percentage of consolidation, equal to 0.54% (+€ 29 million), compared to the cost incurred for the purchase of 87,750,000 Fiat shares (-€ 580 million);

- the excess, equal to € 1 million, of the increment in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year;
- other minor net negative items amounting to € 8 million (a negative amount of € 13 million in 2004).

32. FINANCIAL INCOME (EXPENSES)

Details of the composition of net financial income (expenses) are as follows:

€ in millions	2005	2004	Change
Cost of net financial debt			
Income on disposals of cash and cash equivalents	26	6	20
Exchange differences	(1)	5	(6)
Net income from interest rate and foreign exchange hedges	(8)	(11)	3
Interest expenses on loan transactions	(81)	(74)	(7)
Commissions for unused credit lines	(3)	(2)	(1)
Cost of net financial debt	(67)	(76)	9
Gains (losses) on disposals of investments	4	0	4
Other financial income (expenses)			
Dividends	44	29	15
Interest income on other financial assets	19	15	4
Changes in the fair value of financial assets and liabilities	2	2	0
Accruals (release) of provisions for financial risks	4	(8)	12
Total other financial income (expenses)	69	38	31
NET FINANCIAL INCOME (EXPENSES)	6	(38)	44

33. EXCHANGE DIFFERENCES

Details of the exchange differences recorded in the income statement are as follows:

€ in millions	2005	2004	Change
Exchange differences:			
- on revenues from sales and other income		(2)	2
- on purchases and other operating expenses	1	(5)	6
- on the cost of net financial debt	(1)	5	(6)
	0	(2)	2

The principal exchange rates used for the translation to euro of the 2005 and 2004 foreign currency financial statements are as follows:

	2005	2004
Final exchange rates		
British pound	0.6853	0.7050
U.S. dollar	1.1797	1.3621
Swiss franc	1.5551	1.5429
Average exchange rates		
British pound	0.6839	0.6786
U.S. dollar	1.2445	1.2430
Swiss franc	1.5483	1.5441

34. INCOME TAXES

Details of income taxes recognized in the income statement are as follows:

€ in millions	2005	2004
Current income taxes	(36)	(14)
Deferred income taxes	(10)	48
Total income taxes	(46)	34

National income taxes are calculated at 33%, in 2005 and 2004, on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in those countries.

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

€ in millions	2005	2004
Operating loss	(142)	(173)
Financial income (expenses)	6	(38)
Loss before income taxes	(136)	(211)
Current tax rate in Italy	33%	33%
Theoretical income taxes	45	70
Effective income taxes	(46)	34
Difference	(91)	(36)
The difference can be analyzed as follows:		
Tax effect of difference between foreign tax rates and the theoretical Italian tax rate	(14)	16
Tax effect of impairment losses on goodwill	0	(46)
Tax effect of other permanent differences	62	36
Deferred tax assets not recognized	(63)	(28)
Use of tax losses	(52)	(40)
Use of excess tax liabilities	(21)	7
Other differences	(3)	19
Difference	(91)	(36)

Other differences include the Exit tax, an extraordinary 2.5% tax introduced in France in 2004, for an amount of € 10 million. This tax is recorded in payables with a contra-entry to equity in the statutory financial statements of the subsidiary Sequana Capital, whereas, on consolidation, it is recognized in the income statement.

In 2005, deferred income taxes were not recognized on the writedown of property, plant and equipment made by ArjoWiggins as there are no prospects of recoverability.

In addition to the taxes recorded in the income statement, deferred tax liabilities of € 7 million (€ 2 million in 2004) and deferred tax assets of € 8 million (none in 2004) were recognized directly in equity.

35. SHARE OF THE EARNINGS (LOSSES) OF COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD

Details are as follows:

€ in millions	2005	2004	Change
Fiat Group	379	(384)	763
SGS Group	58	48	10
Exor Group	11	27	(16)
Total	448	(309)	757

36. SEGMENT INFORMATION

Information by business segment and by geographical area, presented as set forth in IAS 14 – Segment Information, is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The primary reporting format consists of the business segments whereas the geographical areas make up the secondary reporting format. This distinction is based upon the nature of the risks and rewards inherent in the Group's activities and reflects the organizational structure.

The segment information presented by the IFI Group agrees with the consolidated data of every subsidiary and associate holding company of the IFIL Group, each of which represents an investment in a major business segment: Sequana Capital Group, Alpitour Group, Juventus Football Club, Fiat Group and IFI/IFIL Holdings System.

The segment information relating to continuing operations is presented in the following tables; the segment information relating to discontinued operations or assets held for sale is presented in Note 18.

The analysis of the income statement by business segment is as follows:

€ in millions	Sequana Capital Group	Alpitour Group	Juventus Football Club	Fiat Group	IFI and IFIL Holdings System and eliminations	Total
2005						
Revenues	4,067	1,147	214		1	5,429
Operating profit (loss)	(132)	1	(15)		4	(142)
Net financial income (expenses)						6
Income taxes						(46)
Profit (loss) of companies consolidated line-by-line						(182)
Share of earnings (losses) of companies accounted for by the equity method	58			379	11	448
Profit (loss) from discontinued operations or assets held for sale	547				460	1,007
Profit - minority interest						(597)
Profit - Group						676

€ in millions	Sequana Capital Group	Alpitour Group	Juventus Football Club	Fiat Group	IFI and IFIL Holdings System and eliminations	Total
2004						
Revenues	3,989	1,108	189		2	5,288
Operating profit (loss)	(112)	7	(8)		(60)	(173)
Net financial income (expenses)						(38)
Income taxes						34
Profit (loss) of companies consolidated line-by-line						(177)
Share of earnings (losses) of companies accounted for by the equity method	48			(384)	27	(309)
Profit (loss) from discontinued operations or assets held for sale	49				605	654
Profit - minority interest						(48)
Profit - Group						120

Segment assets are as follows:

€ in millions	Sequana Capital Group	Alpitour Group	Juventus Football Club	Fiat Group	IFI and IFIL Holdings System and eliminations	Total
2005						
Assets						
Segment assets	3,230	404	260		753	4,647
Investments accounted for by the equity method	626			2,336	203	3,165
Other assets						2,664
Total assets						10,476
Liabilities						
Segment liabilities	1,005	278	206		30	1,519
Other liabilities						8,957
Total liabilities						10,476
Investments in property, plant and equipment and intangible assets	98	12	65			175
Amortization and depreciation	(120)	(15)	(55)		(1)	(191)
Impairment losses of assets	(144)					(144)
Other (accruals) releases of provisions	(47)	(1)			(3)	(51)
Non-monetary costs	(475)					(475)
Cash flows						
Cash flows from operating activities	206	41	20		167	434
Cash flows from investing activities	322	(4)	(37)		(151)	130
Cash flows from financing activities	(414)	(35)	15		(18)	(452)

€ in millions	Sequana Capital Group	Alpitour Group	Juventus Football Club	Fiat Group	IFI and IFIL Holdings System and eliminations	Total
2004						
Assets						
Segment assets	3,475	378	280		15	4,148
Investments accounted for by the equity method	597	1		1,134	195	1,927
Other assets						3,082
Total assets						9,157
Liabilities						
Segment liabilities	1,040	208	217		9	1,474
Other liabilities						7,683
Total liabilities						9,157
Investments in property, plant and equipment and intangible assets	155	29	106		1	291
Amortization and depreciation	(119)	(14)	(60)		(1)	(194)
Impairment losses of assets	(180)	(2)			(36)	(218)
Other (accruals) releases of provisions	(22)	1	2		70	51
Non-monetary costs	(64)					(64)
Cash flows						
Cash flows from operating activities	226	6	13		(86)	159
Cash flows from investing activities	153	(22)	(45)		460	546
Cash flows from financing activities	(85)	11			(356)	(430)

The following table presents an analysis of the revenues of the Group in the various geographical markets, regardless of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2005			
European Union			
Italy	1,519	760	78
France	688	1,031	43
United Kingdom	594	492	17
Other European Union countries	1,446	1,637	20
Total European Union	4,247	3,920	158
United States	388	298	6
Rest of the world	794	429	11
Total at December 31, 2005	5,429	4,647	175

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2004			
European Union			
Italy	1,477	708	134
France	688	1,157	45
United Kingdom	617	626	31
Other European Union countries	1,387	915	43
Total European Union	4,169	3,406	253
United States	382	325	26
Rest of the world	737	417	12
Total at December 31, 2004	5,288	4,148	291

37. TRANSACTIONS WITH RELATED PARTIES

The IFI Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., an Italian-registered company which holds the entire ordinary capital stock of IFI.

The transactions between the companies and its subsidiaries, which are related parties of the same company, are eliminated in the consolidated financial statements of IFI and are therefore not shown in this note. Such information is nevertheless presented in a specific section of the Directors' Report on Operations to which reference can be made for additional information.

As for the transaction for the purchase of Fiat shares from Exor Group (controlled by Giovanni Agnelli e C. S.a.p.az.), please refer to Note 13.

Compensation to directors and statutory auditors

In 2005, the compensation to the directors and statutory auditors of IFI S.p.A., to perform their duties in IFI S.p.A. and also in other companies included in consolidation, is as follows:

€ in thousands	IFI S.p.A.	Subsidiaries	Total
Directors	5,350	17,515	22,865
Statutory auditors	146	155	301
Total	5,496	17,670	23,166

In 2004, compensation amounted to € 3,942 thousand, of which € 597 thousand was paid by IFI and € 3,345 thousand by the subsidiaries.

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

The meeting of the board of directors of IFIL S.p.A. held on June 9, 2005 voted to grant the chairman, Mr. Gianluigi Gabetti, the use of a secretarial service and a car with a driver also after his current term of office expires.

Additional information on compensation, as requested by the national law (Consob regulation No. 11971 dated May 14, 1999 and later amendments and integrations), is provided in the notes and in the Directors' Report on Operations of IFI to which reference can be made.

38. COMMITMENTS

Details are as follows:

€ in millions	12/31/2005	12/31/2004
Credit lines		
Credit lines used	1,646	1,415
Credit lines unused	2,795	3,325
Total credit lines	4,441	4,740
Commitments undertaken		
Bills discounted and not yet due	1	1
Guarantees	394	238
Sureties, guarantees of notes and other guarantees	144	134
Commitments for the purchase of intangible assets	1	9
Commitments for the purchase of property, plant and equipment	11	
Commitments for the purchase of investments and financial assets	23	47
Options for the purchase of players' rights	3	
Goods on deposit with third parties	97	95
Forward purchase of goods and raw materials (a)	199	148
Other commitments	50	57
Total commitments undertaken	923	729
Commitments received		
Sureties, guarantees, guarantees of notes and other guarantees	19	36
Real guarantees	35	35
Options on soccer players	7	12
Commitments for the sale of property, plant and equipment	2	
Commitments for the sale of investments and financial assets	2	
Forward sale of goods and raw materials (a)	190	136
Other commitments	61	51
Total commitments received	316	270

(a) These are basically forward purchases and sales of paper pulp.

The commitments for the purchase of investments include a commitment undertaken for the purchase and recapitalization of Banca Leonardo S.p.A. in which IFIL will hold a 10% stake.
On March 3, 2006, Ifil Investissements filed a petition with Banca d'Italia to obtain authorization for the investment which it is believed can be executed by the end of the month of April 2006.

Credit lines and commitments by due date are as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
At December 31, 2005				
Credit lines unused	1,691	961	143	2,795
Commitments undertaken	511	191	221	923
Commitments received	197	112	7	316
At December 31, 2004				
Credit lines unused	503	2,757	65	3,325
Commitments undertaken	424	164	141	729
Commitments received	165	98	7	270

The amount of minimum future lease payments relating to operating leases is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	Total
At December 31, 2005	68	70	50	188
At December 31, 2004	29	73	30	132

In 2005, fixed-rate lease contracts amount to € 134 million while floating-rate lease contracts amount to € 34 million (respectively, € 105 million and € 3 million in 2004).

Lease expenses recognized in 2005 amount to € 63 million (€ 59 million in 2004). They include € 20 million for irrevocable leases (€ 19 million in 2004), € 14 million for other operating leases (€ 12 million in 2004) and € 29 million for simple lease contracts (€ 28 million in 2004).

Other commitments and contingent liabilities

Description	Signing date	Amount in currency (ml)	Amount in € ml	Expiration date
Disposal of Appleton Papers Inc (USA) (a)	2004	USD 97.5 max	82.6 max	Unlimited
Disposal of Permal - guarantee provided to Legg Mason (b)	6/23/2005	USD 479	406	Between 5/3/2007 and 6/23/2011 at the most
Disposal of Ifabanque - guarantee provided to BSI AG (Switzerland)	12/21/2005	-	4.5	12/21/2010 renewable for one year each year
Disposal of La Rinascente - guarantee provided by Eurofind Textile to Tamerice (c)	5/6/2005	-	71	Sundry

(a) Guarantees for environmental risks provided to the buyers of Appleton Papers Inc.

In 2004, the early repayment of the loan made by ArjoWiggins to the buyers of Appleton Papers Inc. led to the renegotiation of all the guarantees provided by AWA Ltd to the same buyers of Appleton Papers Inc.

At the present time there is only one guarantee regarding environmental risks (excluding Fox River). Details are as follows:

- up to U.S.$ 5 million, the costs are divided 50-50 between Appleton Papers Ltd and AWA Ltd;
- over U.S.$ 5 million, AWA Ltd assumes the entire amount of the costs up to a maximum of U.S.$ 100 million.

The aforementioned guarantee is unlimited. To date, there has been no request to meet the terms of guarantee.

(b) Guarantees provided to Legg Mason on the sale of Permal

Sequana Capital has guaranteed the commitments undertaken by Sequana UK Limited and Permal Group S.a.s. (the sellers) under the contract for the sale of the stock.

Such commitments regard obligations to compensate Legg Mason in case of falsehood or breach of statements and guarantees provided by the sellers.

In particular: these refer to the legal foundation and existence of the parties, the authorizations received to undertake the commitments negotiated in the sales contract and their validity as well as the absence of tax risks in Permal Group Ltd.

Some commitments expire after 18 months from the date of sale, on May 3, 2007, and, others, in particular regarding legal and tax matters, when they become statute-barred which could reasonably be considered as a maximum of six years.

The guarantee is given without joint and several obligations among the seller parties.

(c) Guarantees provided by Ifil Investissements relating to the sale of La Rinascente

Ifil Investissements, as the merging company of Eurofind Textile, has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions (a part of these guarantees are undertaken by Auchan Group). Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente

Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) as well as, for certain matters, a maximum limit of responsibility for the seller. IFIL S.p.A. has guaranteed the commitments undertaken by Ifil Investissements with the buyer until their maturity, anticipated, according to the matter at hand, at December 31, 2006 or at December 31, 2008 or when they become statute-barred.

On February 14, 2006, the buyer of the investment in La Rinascente filed for arbitration against Ifil Investissements seeking compensation for an amount of approximately € 32.5 million (in addition to interest, monetary revaluation, court expenses and legal fees) for extraordinary expenses relating to certain points of sale. In the opinion of Ifil Investissements, the requests are not valid and unacceptable and, in any case, completely unfounded. Moreover, the question raised regards aspects that have either been excluded or are not covered by guarantees in the contract.

Furthermore, in the second half of 2005 and during the first few months of 2006, the same party brought actions seeking additional compensation from Ifil Investissements for a total amount of approximately € 16 million principally in connection with accounting treatments in the financial statements at December 31, 2004.

Some minor requests have already been agreed between the parties, whereas the others have been rejected inasmuch as they are not valid and/or unfounded. In any case, in the opinion of Ifil Investissements, such requests are nevertheless covered by exclusions and limitations in the contract with regard to the obligations of compensation.

Procedures for the identification and control of commitments

The information regarding commitments are transmitted to the parent through the consolidation process under the responsibility of the Legal Representatives of the companies which sign a representation letter addressed to the parent. On the basis of information known to the company, no significant commitments have been omitted by the companies of the Group.

39. EMPLOYEES

The breakdown of the average number of employees is provided as follows:

Average number of employees	12/31/2005	12/31/2004
Breakdown by business segment		
Sequana Capital Group	14,305	14,556
Alpitour Group	3,951	3,663
Juventus	132	130
IFI and IFIL Holdings System	70	65
	18,458	18,414
Breakdown by geographical area		
Italy	2,476	2,059
France	4,605	4,449
United Kingdom	2,254	2,535
Other European Union countries	3,847	3,958
United States	979	1,033
Rest of the world	4,297	4,380
	18,458	18,414
Breakdown by category		
Managers	220	234
Middle management and staff	8,948	9,249
Soccer players	59	58
Blue-collar	9,231	8,873
	18,458	18,414

40. APPROVAL OF THE FINANCIAL STATEMENTS AND AUTHORIZATION FOR PUBLICATION

The financial statements at December 31, 2005 were approved by board of directors on March 31, 2006 which authorized the publication on the same date.

Turin, March 31, 2006

For the Board of Directors
The Chairman
Gianluigi Gabetti

APPENDIX 1 – TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

RECONCILIATIONS REQUIRED BY IFRS 1

The 2004 restated IFRS consolidated balance sheet and income statement have been prepared in accordance with IFRS 1 – First-time Adoption of IFRS. In particular, the IFRS applicable from January 1, 2005, as published as of December 31, 2004, have been adopted, including the following:

- IAS 39 – Financial Instruments: Recognition and Measurement in its entirety. In particular, the Group adopted derecognition requirements retrospectively from the date on which financial assets and financial liabilities had been derecognized under Italian GAAP.
- IFRS 2 – Share-based Payment, which was published by the IASB on February 19, 2004 and adopted by the European Commission on February 7, 2005.
- IAS 19 – Employee Benefits, issued by the IASB in December 2004. The Group elected to recognize actuarial gains and losses immediately in the period in which they occur, outside the income statement, in a specific statement of recognized income and expense.

FIRST-TIME ADOPTION OF IFRS

General principle

The Group applied the accounting standards in force at December 31, 2004 retrospectively to all periods presented in the first IFRS financial statements and to the opening balance sheet, except for certain exemptions adopted by the Group in accordance with IFRS 1, as described in the following paragraph.

The 2004 consolidated figures presented in the financial statements at December 31, 2004 constitute the comparative figures published in the consolidated financial statements at December 31, 2005.

The opening consolidated IFRS balance sheet at January 1, 2004 reflects the following differences as compared to the consolidated balance sheet at December 31, 2003 prepared in accordance with Italian GAAP:

- the investment in Fiat is accounted for by the equity method (it was previously consolidated line-by-line);
- the subsidiary Juventus Football Club is consolidated line-by-line (it was previously accounted for by the equity method in view of the dissimilarity of its activities);
- all assets and liabilities qualifying for recognition under IFRS, including assets and liabilities that were not recognized under Italian GAAP, have been recognized and measured in accordance with IFRS;
- all assets and liabilities recognized under Italian GAAP that do not qualify for recognition under IFRS have been eliminated;
- certain financial statement items have been reclassified in accordance with IFRS.

The impact of these adjustments is recognized directly in opening equity at the date of transition to IFRS (January 1, 2004).

Optional exemptions adopted by the Group

Business combinations: the Group elected not to apply IFRS 3 - Business Combinations retrospectively to the business combinations that occurred before the date of transition to IFRS.

Employee benefits: the Group elected to recognize all cumulative actuarial gains and losses that existed at January 1, 2004 with a contra-entry to equity reserves.

Cumulative translation differences: The cumulative translation differences arising from the consolidation of foreign operations have been set at nil as at January 1, 2004. Gains or losses on subsequent disposal of any foreign operation will only include accumulated translation differences after January 1, 2004.

At December 31, 2005, certain reclassifications and adjustments have been made to the data published in the Appendix to the First-half Report at June 30, 2005. Such changes gave rise to a negative effect on consolidated equity of approximately € 9 million on the data relative to January 1, 2004, a negative effect on profit of approximately € 2 million and a positive effect on consolidated equity of approximately € 78 million on the data relative to December 31, 2004.
The most significant impact is due to the early adoption of IAS 19 revised.

	January 1, 2004			December 31, 2004		
(€ in millions)	Group	Minority interest	Total	Group	Minority interest	Total
IFRS consolidated equity - published version at June 30, 2005	2,063	2,403	4,466	2,166	2,354	4,520
Early adoption of IAS 19 revised				(38)	(28)	(66)
Adjustments to the measurement assumptions made for pension plans	(1)	(3)	(4)	(1)	(3)	(4)
Other adjustments	(2)	(3)	(5)	(4)	(6)	(10)
Total changes	(3)	(6)	(9)	(43)	(37)	(80)
IFRS consolidated equity - published version at December 31, 2005	2,060	2,397	4,457	2,123	2,317	4,440

AUDIT OF THE RECONCILIATIONS REQUIRED BY IFRS 1

The IFRS reconciliations of the consolidated balance sheets at January 1, 2004 and December 31, 2004 and of the consolidated income statement for the year ended December 31, 2004, together with the related explanatory notes included in the First-half Report, were audited.

IFI GROUP
RECONCILIATION OF THE CONSOLIDATED BALANCE SHEET AT JANUARY 1, 2004
(DATE OF TRANSITION TO IFRS)

(€ in millions)	Balance sheet 1/1/2004 Italian GAAP	EFFECTS OF TRANSITION TO IFRS Deconsolidation Fiat Group	Consolidation Juventus F.C.	IFRS reclassifications	IFRS Adjustments	Balance sheet 1/1/2004 IFRS	IFRS
ASSETS							ASSETS
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED							
FIXED ASSETS							Non-current assets
Intangible fixed assets							
- *Differences on consolidation*	3,164	(2,251)		(18)	2	897	Goodwill
- *Other intangible assets*	1,547	(1,473)	179	24	(25)	252	Other intangible assets
Property, plant and equipment	10,811	(9,675)	39	2	(8)	1,169	Property, plant and equipment
				3,123	(235)	2,888	Investments accounted for by the equity method
Financial fixed assets	8,334	(3,900)	(23)	(3,516)	165	1,060	Other financial assets
				32	29	61	Deferred tax assets
				54	(1)	53	Other non-current assets
TOTAL FIXED ASSETS	23,856	(17,299)	195	(299)	(73)	6,380	Total non-current assets
CURRENT ASSETS							Current assets
Inventories	15,938	(15,360)		(1)	(4)	573	Inventories
Receivables	10,775	(9,513)	126	(1,388)			
				994	0	994	Trade receivables
				345	3	348	Other receivables
Financial assets not held as fixed assets	15,161	(14,659)	3	271	(1)	775	Financial assets
Cash	3,461	(3,211)	10	1	(1)	260	Cash and cash equivalents
TOTAL CURRENT ASSETS	45,335	(42,743)	139				
ACCRUED INCOME AND PREPAID EXPENSES	849	(793)	14	(70)			
TOTAL ASSETS	70,040	(60,835)	348	152	(3)	2,950	Total current assets
				35	7	42	Assets held for sale
				(112)	(69)	9,372	Total assets
LIABILITIES AND STOCKHOLDERS' EQUITY							EQUITY AND LIABILITIES
STOCKHOLDERS' EQUITY - GROUP	2,221			(71)	(90)	2,060	Equity - Group
MINORITY INTEREST	8,071	(5,618)	29	(1)	(84)	2,397	Equity - Minority interest
TOTAL STOCKHOLDERS' EQUITY	10,292	(5,618)	29	(72)	(174)	4,457	Equity
							Non-current liabilities
RESERVES FOR RISKS AND CHARGES	6,073	(5,379)	32	(219)	101	608	Employee benefits and provisions for other liabilities and charges
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	1,332	(1,313)	2	(21)			
PAYABLES	50,007	(46,240)	132	(3,899)			
				944	2	946	Bonds and other financial debt
				103	18	121	Deferred tax liabilities
				34	(21)	13	Other non-current liabilities
				(3,058)	100	1,688	Total non-current liabilities
							Current liabilities
ACCRUED EXPENSES AND DEFERRED INCOME	2,336	(2,285)	153	(204)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	70,040	(60,835)	348				
				102	0	102	Employee benefits and provisions for other liabilities and charges
				1,670	18	1,688	Bonds and other financial debt
				1,011	(1)	1,010	Trade payables
				439	(13)	426	Other current liabilities
				3,018	4	3,226	Total current liabilities
				0	0	0	Liabilities relating to assets held for sale
				(112)	(70)	9,371	Total equity and liabilities

IFI GROUP
RECONCILIATION OF CONSOLIDATED EQUITY AT JANUARY 1, 2004
(DATE OF TRANSITION TO IFRS)

	Equity			
€ in millions	Group	Minority interest	Total	
Consolidated equity of the IFI Group at December 31, 2003 (Italian GAAP)	2,221	8,071	10,292	
Effects of transition to IFRS				
Deconsolidation of the Fiat Group		(5,618)	(5,618)	
Consolidation of Juventus F.C.		29	29	
Reclassification of the carrying amount of treasury stock	(70)		(70)	a
IFRS adjustments				
IAS 1 - Reclassification of the accounting amount of treasury stock held by IFIL	(1)	(1)	(2)	
IAS 39 - Fair value adjustment of the investment in Sanpaolo IMI	80	52	132	b
IAS 39 - Fair value adjustment of the investment in Club Méditerranée	4	3	7	c
IAS 39 - Fair value adjustment of the investment in Accor	7	14	21	d
IAS 39 - Fair value adjustment of the investment in Domaines Antonin Rodet	2	4	6	e
IAS 39 - Fair value adjustment of other assets	3	4	7	f
IAS 39 - Measurement of instruments used to hedge interest rate risk	(14)	(9)	(23)	g
IAS 38 - Derecognition of intangible assets and reversal of amortization	(4)	0	(4)	h
IAS 19 - Employee benefits	(20)	(41)	(61)	i
IAS 18 - Revenue	(2)	(4)	(6)	l
IAS 17 - Application of finance method to leasing transactions	0	1	1	
IAS 16 - Derecognition of accumulated depreciation on land	1	1	2	m
IAS 12 - Income taxes	(3)	(8)	(11)	n
Other minor adjustments	(1)	(8)	(9)	
	52	8	60	
IFI's share of the effects of the adoption of IFRS on the adjusted consolidated equity of the Fiat Group (accounted for by the equity method)	(143)	(93)	(236)	o
Consolidated equity of the IFI Group at January 1, 2004 (IFRS)	2,060	2,397	4,457	

Explanatory notes relating to the main IFRS adjustments are presented on the following page.

a. The reclassification is made to reduce equity by the carrying amount of IFI preferred treasury stock (€ 70 million) previously recorded in fixed assets.

b. The positive adjustment of € 132 million is due to the alignment of the original purchase cost (€ 8.54 per share for a total of € 601 million) of the investment in Sanpaolo IMI to the market price at December 31, 2003 (€ 10.41 per share for a total of € 733 million).

c. The positive adjustment of € 7 million is due to the alignment of the carrying amount (€ 25.2 per share) of the investment in Club Méditerranée to the market price at December 31, 2003 (€ 29.9 per share). This investment is reclassified to "Assets held for sale".

d.e.f. The positive adjustments are due to the alignment of the carrying amount of the investments to the market price at December 31, 2003.

g. The negative adjustment of € 23 million represents the measurement of the derivative instruments used to hedge interest rate risk (swaps) on bonds and bank debt for € 18 million; the remaining € 5 million refers to the separation of the financial portion included in receivables from/payables to the soccer companies and in the cost of players' registration rights.

h. The negative amount of € 4 million mainly includes the derecognition of the remaining balance of deferred charges which are not capitalizable under IFRS.

i. The negative adjustment of € 61 million is due to the adoption of IAS 19 by the Sequana Capital Group.

l. € 4 million of the adjustment of refers to the gains realized on the sale of players under sharing contracts since, under the adoption of IFRS, the amounts have been classified in "Players' sharing rights". The sale is only for half the rights; accordingly the gain realized is lower.

m. The positive adjustment of € 2 million refers to the derecognition of accumulated depreciation on the amount of the land separated from the carrying amount of the building owned by the subsidiary Soiem.

n. The negative adjustment of € 11 million is made to take into account the different criteria used to measure deferred taxes relating to the Sequana Capital Group.

o. The effects of the first-time application of IFRS on the consolidated equity of the Fiat Group (-€ 236 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, and other effects described in the specific document presented by Fiat S.p.A. with the Annual Report 2005, previously made public.

IFI GROUP
RECONCILIATION OF THE CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2004

		EFFECTS OF TRANSITION TO IFRS					
(€ in millions)	Balance sheet 12/31/2004 Italian GAAP	Deconsolidation Fiat Group	Consolidation Juventus F.C.	IFRS reclassifications	IFRS Adjustments	Balance sheet 12/31/2004 IFRS	IFRS
ASSETS							ASSETS
AMOUNTS DUE FROM STOCKHOLDERS FOR SHARES SUBSCRIBED BUT NOT CALLED							
FIXED ASSETS							Non-current assets
Intangible fixed assets							
- *Differences on consolidation*	2,779	(1,989)	0	(17)	19	792	Goodwill
- *Other intangible assets*	1,414	(1,333)	173	30	(27)	257	Other intangible assets
Property, plant and equipment	10,633	(9,537)	35	0	4	1,135	Property, plant and equipment
				2,182	(255)	1,927	Investments accounted for by the equity method
Financial fixed assets	7,382	(4,117)	(9)	(2,391)	150	1,015	Other financial assets
				60	24	84	Deferred tax assets
				39	(2)	37	Other non-current assets
TOTAL FIXED ASSETS	22,208	(16,976)	199	(97)	(87)	5,247	Total non-current assets
CURRENT ASSETS							Current assets
Inventories	16,198	(15,617)	0	1	(8)	574	Inventories
Receivables	11,255	(9,959)	104	(1,400)			
				1,040	(6)	1,034	Trade receivables
				321	(4)	317	Other receivables
Financial assets not held as fixed assets	10,740	(9,394)	2	8	5	1,361	Financial assets
Cash	3,689	(3,164)	8	2	(1)	534	Cash and cash equivalents
TOTAL CURRENT ASSETS	41,882	(38,134)	114				
ACCRUED INCOME AND PREPAID EXPENSES	769	(725)	14	(58)			
TOTAL ASSETS	64,859	(55,835)	327	(86)	(14)	3,820	Total current assets
				89	1	90	Assets held for sale
				(94)	(100)	9,157	Total assets
LIABILITIES AND STOCKHOLDERS' EQUITY							EQUITY AND LIABILITIES
STOCKHOLDERS' EQUITY - GROUP	2,269	0	0	(68)	(78)	2,123	Equity - Group
MINORITY INTEREST	6,679	(4,349)	27	(7)	(33)	2,317	Equity - Minority interest
TOTAL STOCKHOLDERS' EQUITY	8,948	(4,349)	27	(75)	(111)	4,440	Equity
							Non-current liabilities
RESERVES FOR RISKS AND CHARGES	6,055	(5,382)	19	(113)	2	581	Employee benefits and provisions for other liabilities and charges
RESERVE FOR EMPLOYEE SEVERANCE INDEMNITIES	1,308	(1,286)	2	(24)			
PAYABLES	46,582	(42,908)	169	(3,843)			
				612	1	613	Bonds and other financial debt
				77	22	99	Deferred tax liabilities
				71	(22)	49	Other non-current liabilities
				(3,220)	3	1,342	Total non-current liabilities
							Current liabilities
ACCRUED EXPENSES AND DEFERRED INCOME	1,966	(1,910)	110	(166)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	64,859	(55,835)	327				
				48	1	49	Employee benefits and provisions for other liabilities and charges
				1,907	5	1,912	Bonds and other debt
				1,001	9	1,010	Trade payables
				411	(7)	404	Other current liabilities
				3,201	8	3,375	Total current liabilities
				0	0	0	Liabilities relating to assets held for sale
				(94)	(100)	9,157	Total equity and liabilities

IFI GROUP
RECONCILIATION OF CONSOLIDATED EQUITY AT DECEMBER 31, 2004

€ in millions	Equity Group	 Minority interest	 Total	
Consolidated equity of the IFI Group at December 31, 2004 (Italian GAAP)	2,269	6,679	8,948	
Effects of transition to IFRS				
Deconsolidation of the Fiat Group		(4,349)	(4,349)	
Consolidation of Juventus F.C.		27	27	
Reclassification of the carrying amount of treasury stock	(70)		(70)	a
IFRS adjustments				
IAS 1 - Reclassification of the accounting amount of treasury stock held by IFIL	2	(7)	(5)	
IAS 39 - Fair value adjustment of the investment in Sanpaolo IMI	87	57	144	b
IAS 39 - Fair value adjustment of the investment in Domaines Antonin Rodet	1	5	6	c
IAS 39 - Fair value adjustment of other assets	1	3	4	d
IAS 39 - Measurement of instruments used to hedge interest rate risk	(6)	(3)	(9)	e
IAS 39 - Separation of implicit financial income/expenses included in the historical cost of players' registration rights and in the receivables from/payables to soccer companies	(2)	(3)	(5)	f
IAS 38 - Derecognition of intangible assets and reversal of amortization	0	8	8	g
IAS 37 - Provisions	0	(2)	(2)	
IAS 36 - Goodwill	16	34	50	h
IAS 20 - Investment grants	(1)	(2)	(3)	
IAS 19 - Employee benefits	(2)	(7)	(9)	
IAS 18 - Revenue	(4)	(8)	(12)	i
IAS 17 - Application of finance method to leasing transactions	1	0	1	
IAS 16 - Derecognition of accumulated depreciation on land	1	1	2	l
IAS 12 - Income taxes	0	2	2	
IAS 2 - Inventories	(2)	(5)	(7)	
Other minor adjustments	(2)	(5)	(7)	
	90	68	158	
IFI's share of the effects of the adoption of IFRS on the adjusted consolidated equity of the Fiat Group (accounted for by the equity method)	(166)	(108)	(274)	m
Consolidated equity of the IFI Group at December 31, 2004 (IFRS)	2,123	2,317	4,440	

Explanatory notes relating to the main IFRS adjustments are presented on the following page.

a. The reclassification is made to reduce equity by the carrying amount of IFI preferred treasury stock (€ 70 million) previously recorded in fixed assets.

b. The positive adjustment of € 144 million is due to the alignment of the original purchase cost (€ 8.54 per share for a total of € 601 million) of the investment in Sanpaolo IMI to the market price at December 31, 2004 (€ 10.58 per share for a total of € 745 million).

c.d. The positive adjustments are due to the alignment of the carrying amount of the investments and other assets to the market price at December 31, 2004.

e. The negative adjustment of € 9 million represents the measurement of the derivative instruments used to hedge interest rate risk (swaps) on bonds and bank debt.

f. The negative adjustment of € 5 million is made to separate the financial portion included in receivables from/payables to the soccer companies and in the cost of players' registration rights.

g. The amount of € 8 million includes the derecognition of amortization on deferred costs and players' registration rights (the historical costs of which have been remeasured with a consequent adjustment of the relative amortization).

h. The positive adjustment of € 50 million is mainly due to the derecognition of the amortization on the goodwill referring to the investment in Antalis, and the relative impairment test performed on this investment.

i. The negative adjustment of € 12 million refers to the derecognition of 50% of the gains realized on the sale of players under sharing contracts since the sale is only for half the rights.

l. The positive adjustment of € 2 million refers to the derecognition of accumulated depreciation on the amount of the land separated from the carrying amount of the building owned by the subsidiary Soiem.

m. The effects of the first-time application of IFRS on the consolidated equity of the Fiat Group (-€ 214 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and other effects described in the specific document presented by Fiat S.p.A. with the Annual Report 2005, previously made public.
A negative adjustment of € 60 million was made to the IFIL Group's share of the consolidated equity of the Fiat Group to account for the actuarial losses reducing equity as a result of the early application of IAS 19 revised by the IFI Group.

IFI GROUP
RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2004

		EFFECTS OF TRANSITION TO IFRS					
(€ in millions)	Year 2004 Italian GAAP	Deconsolidation FIAT Group	Consolidation Juventus FC	Reclassifications IFRS	IFRS adjustments	Year 2004 IFRS (a)	IFRS
VALUE OF PRODUCTION							
Revenues from sales and services	51,878	(46,488)	18	172	(15)	5,565	Revenues
products inventories	(192)	202		(10)			
Change in contract work in progress	215	(215)					
Additions to internally produced fixed assets	810	(809)		(1)			
Other income and revenues	1,606	(1,516)	202	(191)	(9)	92	Other revenues from current operations
TOTAL VALUE OF PRODUCTION	54,317	(48,826)	220	(30)			
COSTS OF PRODUCTION							
Raw materials, supplies and merchandise	(31,484)	28,951	(3)	(784)	4	(3,316)	Purchases and changes in inventories
Services	(9,532)	7,984	(26)	1,574			
Leases and rentals	(450)	364	(3)	89			
Personnel	(7,217)	6,369	(120)	(15)	(2)	(985)	Personnel costs
				(852)	1	(851)	Costs for external services
				(47)		(47)	Taxes and duties
Amortization, depreciation and writedowns	(2,834)	2,486	(63)	206	10	(195)	Amortization and depreciation
inventories	222	(230)		8			
Provisions for risks	(1,395)	1,394		8	(4)	3	Accruals to provisions
Other provisions	(22)	15		7			
Other operating costs	(1,170)	1,075	(22)	14	4	(99)	Other expenses from current operations
Interest and other expenses of financial services companies	(376)	376					
Insurance claims and other insurance costs	(20)	20					
TOTAL COSTS OF PRODUCTION	(54,278)	48,804	(237)	208			
DIFFERENCE BETWEEN THE VALUE AND COSTS OF PRODUCTION	39	(22)	(17)	178	(11)	167	Profit (loss) from current operations
				(303)	28	(275)	Other non-recurring income (expenses)
				(125)	17	(108)	Operating loss
FINANCIAL INCOME AND EXPENSES							
Investment income	38	(9)		(29)			
Other financial income	1,334	(1,296)	3	(41)			
				(72)	(2)	(74)	Cost of net financial debt
Interest and other financial expenses	(2,055)	1,944	(2)	142	5	34	Other financial income (expenses)
TOTAL FINANCIAL INCOME AND EXPENSES	(683)	639	1	0	3	(40)	Financial income (expenses)
ADJUSTMENTS TO FINANCIAL ASSETS							
Revaluations	203	(125)		(78)			
Writedowns	(266)	(146)	4	408			
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS	(63)	(271)	4	330			
EXTRAORDINARY INCOME AND EXPENSES							
Income	986	(316)	20	(690)			
Expenses	(1,336)	1,179	(7)	164			
TOTAL EXTRAORDINARY INCOME AND EXPENSES	(350)	863	13	(526)			
INCOME (LOSS) BEFORE TAXES	(1,057)	1,209	1	(446)	20	(148)	PROFIT (LOSS) BEFORE TAXES
INCOME TAXES	28	(29)	(3)	1	15	12	Income taxes
				(320)	35	(124)	Profit (loss) of companies consolidated
				(299)	(3)	(302)	Share of earnings (losses) of companies accounted for by the equity method
				(619)	32	(426)	Profit (loss) from continuing operations
				619	(13)	606	Profit (loss) from discontinued operations and assets held for sale
CONSOLIDATED NET INCOME (LOSS)	(1,029)	1,180	(2)	0	19	180	Profit (loss) before minority interest
CONSOLIDATED NET INCOME (LOSS) - MINORITY	1,146	(1,180)	2		(16)	(48)	Profit (loss) - Minority interest
CONSOLIDATED NET INCOME - GROUP	117				3	120	Profit (loss) - Group

(a) Pre-deconsolidation data of the Permal Group and Pechel Industries, classified in 2005 as assets held for sale. The effects of the deconsolidation are presented in Note 8 “Changes in the scope of consolidation”.

IFI GROUP
RECONCILIATION OF CONSOLIDATED PROFIT (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2004

	Profit (loss)			
€ in millions	Group	Minority interest	Total	
Consolidated profit (loss) of the IFI Group for the year ended December 31, 2004 (Italian GAAP)	117	(1,146)	(1,029)	
Effects of transition to IFRS				
Deconsolidation of the Fiat Group		1,180	1,180	
Consolidation of Juventus F.C.		(2)	(2)	
IFRS adjustments				
IFRS 2 - Share-based payment	(1)		(1)	
IAS 39 - Reversal of the fair value adjustment made to the investment in Accor	(7)	(14)	(21)	a
IAS 39 - Fair value adjustment of the investment in Domaines Antonin Rodet	1		1	
IAS 39 - Fair value adjustment of other assets	1	1	2	
IAS 39 - Adjustment of the loss realized on players' registration rights	(1)		(1)	
IAS 38 - Reversal of amortization of intangible assets	5	4	9	b
IAS 36 - Goodwill	14	33	47	c
IAS 19 - Employee benefits	1		1	
IAS 18 - Revenue	(5)	(5)	(10)	d
IAS 17 - Application of finance method to leasing transactions	1		1	
IAS 12 - Income taxes	6	9	15	e
IAS 2 - Inventories	(2)	(5)	(7)	
Other minor adjustments	(1)	(1)	(2)	
	12	22	34	
IFI's share of the effects of the adoption of IFRS on the adjusted consolidated result of the Fiat Group (accounted for by the equity method)	(9)	(6)	(15)	f
Consolidated profit (loss) of the IFI Group for the year ended December 31, 2004 (IFRS)	120	48	168	

Explanatory notes relating to the main IFRS adjustments are presented on the following page.

a. The negative adjustment of € 21 million is due to the reversal of the fair value of the investment in Accor after its sale in 2004.

b. The positive adjustment of € 9 million is principally due to the reversal of the amortization of deferred charges eliminated from assets.

c. The positive adjustment of € 47 million is mainly due to the reversal of the amortization of the difference on consolidation on the investment in Antalis.

d. The negative adjustment of € 10 million refers entirely to Juventus F.C. and includes the reversal of 50% of the gains realized on the sale of players under sharing contracts since the sale is only for half of the players' rights.

e. The positive adjustment of € 15 million is principally due to the elimination of a time lag between Italian GAAP and IFRS.

f. The effects of the application of IFRS on the consolidated result of the Fiat Group (-€ 15 million) are mainly due to the adoption of IAS 38 – Intangible Assets (in relation to development costs), IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, IAS 19 – Employee Benefits, IAS 18 – Revenue, IAS 39 – Financial Instruments: Recognition and Measurement, and other effects described in the specific document presented by Fiat S.p.A. with the Annual Report 2005, previously made public.

REPORT OF THE BOARD OF STATUTORY AUDITORS PURSUANT TO ART. 153 OF LEGISLATIVE DECREE NO. 58 DATED FEBRUARY 24, 1998 AND ART. 2429, PARAGRAPH 2 OF THE ITALIAN CIVIL CODE

Dear Stockholders,

Under art. 153 of Legislative Decree No. 58 dated February 24, 1998, the board of statutory auditors has the obligation to report to the stockholders' meeting on matters concerning the supervisory work carried out and any omissions and censurable matters that may have come to its attention. The board of statutory auditors may also formulate proposals to the stockholders' meeting in relation to the financial statements, to its approval and to matters of its competence.

In keeping with the above law, we have written this report.

In this past year, we have complied with the board's obligations under art. 149 of Legislative Decree No. 58 dated February 24, 1998, which allow us to convey to you information, in particular on the following matters.

We have participated in the meetings of the board of directors during which the directors informed us about the activities carried out and about the significant economic, financial and equity transactions entered into or in the process of being entered into by the company and/or its subsidiaries. In this regard we have ascertained and we have ensured that the transactions approved and carried out were in conformity with the law and the corporate bylaws, were not in disagreement with the resolutions approved by the stockholders' meeting or in conflict of interest and were based upon the principles of good administration.

The organizational structure of the company, insofar as we are responsible, appears to be adequate for the specific type of business and size of the company. As a result, the Board of Statutory Auditors, also on the basis of meetings held with company management and with representatives of the audit firm, has gathered extensive information regarding compliance with the principles of diligent and proper administrative management.

Our evaluation regarding the adequacy of the internal control system is positive in the sense that the system has the task of verifying that the internal operating and administrative procedures are being followed, with such procedures having been adopted for the purpose of ensuring a correct and efficient management, as well as identifying, preventing and managing, where possible, risks of a financial and operating nature and any fraud to the detriment of the company.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us, also in prior years, is in a position to record and correctly represent operating events.

As for Corporate Governance, the directors have prepared the specific report required by the Code of Self-discipline of listed companies. As for our responsibilities, in conformity with the provision of art. 149 No. 1 letter c) bis of Legislative Decree No. 58 dated February 24, 1998, we take note that the directors, in their report on corporate governance, specified the following: "IFI, in view of its particular capital structure, which, for ordinary capital stock is represented by unlisted shares held entirely by Giovanni Agnelli e C. S.a.p.az., has not adopted the Code of Self-discipline of listed companies.

Therefore, the corporate governance system adopted by the company is adapted to the capital structure and guarantees transparency according to market practices."

The rules and procedures specifically adopted, as we have ascertained, are nevertheless adequate and complete for purposes of achieving transparency as proposed by the directors.

In the same manner, the directives given by IFI S.p.A. to the subsidiaries as per art. 114, paragraph 2, of Legislative Decree No. 58 dated February 24, 1998 seem adequate.

The board of directors has sent us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the regulations established by Consob and has produced, according to law, the quarterly reports on performance.

With reference to Consob Communications, with regard to our competence, we can attest to the following:

- The information provided by the directors in the report on operations is considered to be extensive and complete, also with regard to the status of the implementation of the systems and procedures for the application of international financial reporting standards (Consob Communication DEM/5015175 of March 10, 2005) which became mandatory for the year in progress.
- The board of statutory auditors, pursuant to the Consolidated Law on Financial Intermediation (Legislative Decree No. 58 dated February 24, 1998) was constantly informed with regard to matters of its competence.
- The periodical verifications and tests on the company did not bring to light any atypical and/or unusual transactions.

- With regard to intragroup transactions, the directors, in their report on operations, present and illustrate the numerous exchange transactions of goods and services between your company, the companies of the group and/or related parties, specifying that such transactions have been carried out on the basis of the evaluation of reciprocal economic benefit.
- The audit report does not indicate any qualifications or other matters of interest or proposals.
- During the financial year 2005, the board of directors held five meetings, which we attended, and the board of statutory auditors held 12 meetings, five of which were attended by representatives of the audit firm.
- A complaint was received by the board of statutory auditors under ex art. 2408 of the Italian Civil Code, discussed in the following point, and, at this time, the board does not have information about any other complaint which could involve the board.
- During the year, we issued the opinions requested of the board of statutory auditors as set forth by law.

We have been informed by Deloitte & Touche S.p.A. that IFI S.p.A., besides the appointment for the audit of the statutory financial statements and the consolidated financial statements and the limited-scope audit of the first-half report (for total fees of € 40,000), conferred the assignment for the audit of the reconciliations to International Financial Reporting Standards ("IFRS") of the company and its subsidiaries, consisting of: the statements of the effects of the transition to IFRS on consolidated stockholders' equity, the reconciliations of consolidated stockholders equity at January 1, 2004 and at December 31, 2004, the statement of the effects of the transition to IFRS on the consolidated income statement and the reconciliation of consolidated net income for the year ended December 31, 2004 and the relative explanatory notes, for a total fee of € 5,000.
During the same year, there were no appointments conferred to entities connected with Deloitte & Touche S.p.A.

Complaint under ex art. 2408 of the Italian Civil Code.
The stockholder Marco Bava, holder of 3 preferred shares, filed a complaint on September 27, 2005, consisting of two typewritten pages addressed to the Board of Statutory Auditors of IFI S.p.A. in the name of its chairman, with a copy to the audit firm of Deloitte & Touche S.p.A., in which, among other things, a statement is expressed and reported word for word as follows:
"I, the undersigned, Marco Bava, a stockholder of IFI S.p.A. (parent of IFIL S.p.A.) believe the management of IFIL to be censurable with regard to the investment of € 535 million in Fiat shares purchased from Exor, a related party, which reported a gain of € 74 million.
This investment, which reduces liquidity from approximately € 800 million to approximately € 300 million, may jeopardize the company as a going concern, therefore, under art. 2408 of the Italian Civil Code, a complaint is presented to the board of statutory auditors, bringing to its attention its obligations under art. 2403 of the Italian Civil Code, in that without further urgent capital increases Fiat S.p.A. should be put into a wind-up."
The complaint continues by indicating specific aspects of the operations of Fiat S.p.A. and its subsidiary Fiat Auto S.p.A., however, without identifying any censurable event under ex art. 2408 of the Italian Civil Code, but expressing criticism about the operations and future of these companies.
Bearing in mind these remarks which maintain as censurable a transaction that is not subjectively referable to the company, but to its subsidiary, it could be said that no further analysis would be necessary and that the subsidiary must take care of this matter, which is what took place.
However, the board of statutory auditors, for purposes of the utmost clarity, believes that certain observations are necessary.
The fact of having invested € 534.6 million in Fiat shares, a transaction that was described in detail in the report on operations, is the result of a motivated operational decision, falling within the business purpose of the company, its discretionary powers and the powers of the administrative body, aimed at maintaining the stability of the investment of the principal subsidiary on the part of IFIL S.p.A. and thus not constituting a censurable event under art. 2408 of the Italian Civil Code.
It is confirmed that "Exor", a related party, had a gain of € 74 million. In this sense, the board of statutory auditors of IFI S.p.A., also taking advantage of the provisions of art. 151, No. 1 of Legislative Decree No. 58 dated February 24, 1998, requested information from the IFIL S.p.A. board of statutory auditors which, also as part of the controls that are normally carried out with regard to related party transactions, examined the transaction for the purchase of 82,250,000 Fiat S.p.A. shares from Exor S.A., in terms of the contractual documentation and from an accounting standpoint, ascertaining:

- compliance with art. 2391 of the Italian Civil Code by the interested parties;
- compliance with art. 2391 bis of the Italian Civil Code and Consob recommendations with regard to the observance of the rules of substance and of procedure for transactions with related parties;

- the suitability of the price for IFIL S.p.A. (€ 6.50 per Fiat S.p.A. share) certified by the fairness opinion issued by the advisor Gerardo Braggiotti of G.B. Partners S.r.l., and, also as additional support, the market prices.
- the proper recording of the transaction in the accounting entries.

The above led to exclude that the transaction examined constitutes a censurable event under ex art. 2408 of the Italian Civil Code.
Additional aspects and developments regarding the assessments and investigations by Consob and the Judiciary are described in detail in a specific heading in the report on operations.

With regard to the statutory financial statements, which show a profit of € 38,534,823, the formation of which is described in the report on operations, we have ascertained that the laws have been observed with regard to its format and structure through tests carried out directly by us and on the basis of information supplied to us by the audit firm. This being said, we invite you to approve the financial statements together with the motion by the Board of Directors for the appropriation of the profit for the year.

The Board of Directors, lastly, invites you to authorize the purchase of treasury stock for the amount and according to the manner and terms indicated in the specific report. As to our responsibilities in this case, we can attest that the proposal conforms to existing laws. At this point, we would like to inform you that our term of office has expired.

Turin, April 27, 2006

THE STATUTORY AUDITORS

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE BOARD OF STATUTORY AUDITORS ACCORDING TO ART. 41 OF LEGISLATIVE DECREE NO. 127/1991

Dear Stockholders,

The consolidated financial statements of IFI S.p.A. for the year ended December 31, 2005, submitted to you, show a profit for the group of € 676 million, compared to a profit of € 120 million in the prior year. The consolidated financial statements were submitted to us, together with the report on operations, and are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union.

The tests carried out by Deloitte & Touche S.p.A., the audit firm charged with the audit of the financial statements, has led to the assertion that the values expressed in the financial statements agree with the accounting records of the parent, the statutory and consolidated financial statements of the subsidiaries, adjusted, where necessary, to conform with IFRS, and the relative information formally communicated by the latter.

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

The determination of the scope of consolidation, the choice of the principles of consolidation of the investments and the procedures adopted for this purpose are in agreement with IFRS. The structure of the consolidated financial statements is thus to be considered technically correct and, as a whole, conforms to the specific law, containing in a specific appendix, the illustration of the transition to international accounting principles.

The report on operations adequately describes the results of operations and financial condition, the performance of operations during the course of 2005 and the business outlook of the whole of the companies in the scope of consolidation after the end of the year. The examination to which the report has been subjected shows its congruity with the consolidated financial statements.

Turin, April 27, 2006

THE STATUTORY AUDITORS

(Cesare Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998

To the Stockholders of
IFI – ISTITUTO FINANZIARIO INDUSTRIALE S.p.A.

1. We have audited the financial statements of IFI – Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2005. These financial statements are the responsibility of the Directors of IFI - Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (CONSOB). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain investments in subsidiaries and affiliates, which represent approximately 23% of the Group's consolidated net equity and approximately 17% of the Group's consolidated net result for the year, is the responsibility of other auditors.

   For the opinion on the prior year's financial statements, which are presented for comparative purposes as required by law, reference should be made to our auditors' report dated April 8, 2005.

3. In our opinion, the financial statements of IFI - Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2005 comply with the Italian statutory provisions governing the criteria for their preparation; accordingly, they give a true and fair view of the Company's financial position and results of operations.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
April 10, 2006

This report has been translated into the English language solely for the convenience of international readers.

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Stockholders of
IFI – ISTITUTO FINANZIARIO INDUSTRIALE S.p.A.

1. We have audited the consolidated financial statements of IFI – Istituto Finanziario Industriale S.p.A. and its subsidiaries (the "IFI Group") as of and for the year ended December 31, 2005, constituted by the consolidated balance sheet, the consolidated statements of income, cash flows and changes in stockholders' equity and the related explanatory notes. These consolidated financial statements are the responsibility of the Directors of IFI – Istituto Finanziario Industriale S.p.A.. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. These consolidated financial statements represent IFI – Istituto Finanziario Industriale S.p.A.'s first annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

2. We conducted our audit in accordance with generally accepted auditing standards in Italy as recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and are, as a whole, reliable. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the adequacy and the fairness of the accounting principles used and the reasonableness of the estimates made by the Directors. We believe that our audit provides a reasonable basis for our opinion. The audit of the financial statements of certain investments in subsidiaries and affiliates, which represent approximately 23% of the Group's consolidated net equity and approximately 17% of the Group's consolidated net result for the year, is the responsibility of other auditors.

   The consolidated financial statements present for comparative purposes the corresponding data for the year 2004 prepared in accordance with IFRS. In addition, the Appendix to the consolidated financial statements, entitled "Transition to International Financial Reporting Standards (IFRS)", explains the effects of the transition to IFRS as adopted by the European Union. As explained in this Appendix, the Directors changed the information on the effects of the transition to IFRS previously approved by the Board of Directors and published in the appendix to the First-Half Report at June 30, 2005 in the IFRS Reconciliation Statements, which we have audited and on which we issued a special purpose auditors' report dated September 29, 2005. These changes have been made to render the prior year data comparable with the first IFRS consolidated financial statements, in which, as provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense. We examined the information included in the Appendix for the purposes of expressing our opinion on the consolidated financial statements as of and for the year ended December 31, 2005.

3. In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of the IFI Group as of December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with IFRS as adopted by the European Union.

4. For a better understanding of the consolidated financial statements, attention is drawn to the following matters:

   (a) On September 20, 2005, following the resolutions passed by the Board of Directors on September 15, 2005, the subsidiary IFIL Investments S.p.A. purchased from Exor Group (a subsidiary of Giovanni Agnelli e C. S.a.p.az.) n. 82,250,000 Fiat S.p.A. ordinary shares at a purchase price of € 6.5 per share. This purchase was made at the same time as the Fiat capital increase executed in settlement of the Mandatory Convertible Financing and, together with other transactions that occurred in the same month, allowed IFIL Investments S.p.A. to maintain its investment in Fiat ordinary capital stock unchanged (30.06%) after the capital increase made by Fiat. For further information on these transactions reference should be made to the information provided in the report on operations and in the notes to the consolidated financial statements.

   (b) The indirect investment in Fiat S.p.A., in which the subsidiary IFIL Investments S.p.A. owns 30.06% of ordinary capital stock, has been accounted for under the equity method in accordance with the interpretation of IAS 27 "Consolidated and separate financial statements" under which entities which are identified as "de facto" controlled entities under Italian law (art. 2359, paragraph 1, n° 2 of the Italian Civil Code) are excluded from the scope of line-by-line consolidation in the consolidated financial statements prepared in accordance with IFRS.

DELOITTE & TOUCHE S.p.A.

Signed by
Colin Johnston
Partner

Turin, Italy
April 10, 2006

This report has been translated into the English language solely for the convenience of international readers.

LIST OF IFI GROUP COMPANIES AND SIGNIFICANT INVESTMENTS AT DECEMBER 31, 2005

As required by Consob Resolution No. 11971 of May 14, 1999, as amended (art. 126 of the Regulations), a complete list of the companies and significant equity investments of the IFI Group is provided on the following pages.

The companies on this list have been classified according to percentage of ownership, method of consolidation and type of business. The information provided for each company includes: name, registered office, country and capital stock stated in the original currency. The percentage of Group consolidation and the percentage held by IFI S.p.A. or by other subsidiaries are also shown.

A separate column shows the percentage held of the voting rights at the ordinary stockholders' meeting when this figure differs from the percentage interest held in the company. An asterisk denotes the percentage with suspended voting rights.

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFI S.p.a.	ITALY	163,251,460	EUR				

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Holding companies - diversified

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFIL INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR	62.40	Società per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	61.560	63.590
					IFIL INVESTMENTS S.p.A. (*)	1.281	1.131
					SOIEM S.p.A.(*)	0.075	0.078

ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD

Holding companies - diversified

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
EXOR GROUP S.A.	LUXEMBOURG	116,741,600	EUR	29.30	Società per Azioni ISTITUTO FINANZIARIO INDUSTRIALE	29.280	29.291
					Exor Group S.A. (*)	0.031	0.031
					Adriatique Holding B.V.	0.033	0.000

(*) Voting suspended.

For purposes of a clearer presentation, the investments held through IFIL are shown separately.

INVESTMENTS HELD THROUGH IFIL S.p.A. (percentage of Group consolidation equal 62.40%)

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
COMPANIES IN THE "HOLDINGS SYSTEM" (Holding companies and services)							
CONSOLIDATED ON A LINE-BY-LINE BASIS							
IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	54,000,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A.	79.816	79.816
					IFIL INVESTMENT HOLDING N.V.	20.184	20.184
IFILGROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL USA INC.	U.S.A.	500,000	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	PEOPLE'S REP. OF CHINA	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
SADCO S.A. (a)	SWITZERLAND	300,000	CHF	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	15,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED U.K.	UNITED KINGDOM	243,100	EUR	50.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
COMPANIES IN THE "HOLDINGS SYSTEM" (Holding companies and services)							
VALUED BY THE EQUITY METHOD							
NHT NEW HOLDING FOR TOURISM B.V. (a)	NETHERLANDS	32,980,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
OPERATING COMPANIES							
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Miscellaneous and Holding companies							
SEQUANA CAPITAL S.A. (b)	FRANCE	158,938,536	EUR	52.78	IFIL INVESTISSEMENTS S.A.	52.778	52.778
Tourism and Hotel activities							
ALPITOUR S.p.A. (b)	ITALY	17,725,000	EUR	100.00	NHT NEW HOLDING FOR TOURISM B.V. (a)	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	60.00	IFIL INVESTMENTS S.p.A.	60.001	60.001
SUBSIDIARIES VALUED BY THE EQUITY METHOD							
Miscellaneous and Holding companies							
FIAT S.p.A. (b) (c)	ITALY	6,377,257,130	EUR	28.28	IFIL INVESTMENTS S.p.A.	28.180	30.060
					FIAT S.p.A. (*)	0.446	0.548
ASSOCIATED COMPANIES VALUED BY THE EQUITY METHOD							
Miscellaneous and Holding companies							
TURISMO&IMMOBILIARE	ITALY	120,000	EUR	-	IFIL INVESTISSEMENTS S.A.	25.000	25.000
SUBSIDIARIES VALUED AT COST							
Lease of own real estate and sublease							
CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	69.800	69.800
					CAMPI DI VINOVO S.p.A. (*)	3.000	3.000
ASSOCIATED COMPANIES VALUED AT COST							
Miscellaneous and Holding companies							
EUROMEDIA LUXEMBOURG ONE S.A. (a)	LUXEMBOURG	44,887,500	USD	-	IFIL INVESTISSEMENTS S.A.	14.286	14.286
					FIAT NETHERLAND HOLDING N.V.	14.286	14.286
Stadium management							
SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

(a) Company put into a wind-up.
(b) For purposes of a clearer presentation, the investments held through Sequana Capital, Alpitour and Fiat are shown separately.
(c) A de facto subsidiary under art. 2359, paragraph 1, number 2, of the Italian Civil Code.
(*) Voting suspended.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through SEQUANA CAPITAL S.A. (percentage of IFIL Group consolidation equal to 52.78%)

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Paper							
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
ANTALIS A/S	DENMARK	2,001,000.00	DKK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS, A.S.	SLOVAK REP.	2,000,000.00	SKK	100.00	ANTALIS S.R.O.	61.000	61.000
					ANTALIS INTERNATIONAL HOLDINGS BV	39.000	39.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	100.00	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS BV	NETHERLANDS	2,314,279.10	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS DO BRAZIL PRODUTOS PARA A INDUSTRIA GRAFICA LTDA	BRAZIL	3,867,961.00	BRL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS ENVELOPPES LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS EUROPE HOLDINGS	UNITED KINGDOM	39,775,643.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	575,179,200.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP	UNITED KINGDOM	115,991,323.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	86,244,205.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS (HONG KONG) LIMITED	HONG KONG	150,000.00	HKD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	99.993	99.993
					WIGGINS TEAPE LIMITED	0.007	0.007
ANTALIS IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL HOLDINGS BV	NETHERLANDS	21,500.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	986,880,573.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS INTERNATIONAL HOLDINGS BV	0.000	0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
					WIGGINS TEAPE LIMITED	0.000	0.000
ANTALIS LIETUVA UAB	LITHUANIA	4,000,000.00	LTL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS NV/SA	BELGIUM	7,437,128.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	99.995	99.995
					ARJO WIGGINS BELGIUM S.A.	0.002	0.002
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,262,331.92	EUR	100.00	ANTALIS INTERNATIONAL SAS	98.830	98.830
					ANTALIS IBERIA	1.170	1.170
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	7,948,114.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS PERU SA	PERU	5.590.261.61	SOL	100.00	INVERSIONES EXTERIOR SA	74.000	74.000
					INVERSIONES LOS PELLINES DOS SA	26.000	26.000
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	2,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	NETHERLANDS	907,560.43	EUR	100.00	MÜHLEBACH B.V.	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	25,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
PACIFIC SOLUTIONS GROUP LIMITED	HONG KONG	100,000.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
					ANTALIS (HONG KONG) LIMITED	1.000	1.000
ANTALIS PROMOTIONAL PRODUCTS S.L.	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA	81.410	81.410
					MÜHLEBACH B.V.	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	1,000,278.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	99.998	99.998
					ANTALIS PURCHASING SASU	0.002	0.002
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SA	ROMENIA	240,000.00	RON	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,000.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS SNC	FRANCE	25,309,566.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS PURCHASING SASU	0.000	0.000
ANTALIS SPA	ITALY	32,217,406.00	EUR	99.37	ANTALIS INTERNATIONAL SAS	99.369	99.369
ANTALIS S.R.O.	CZECH REPUBLIC	62,200,000.00	CZK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (MALAYSIA) SDN. BHD.	MALAYSIA	2,500,000.00	MYR	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (SWITZERLAND) AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED	80.000	80.000
					ANTALIS (SINGAPORE) PTE LTD	9.999	9.999
ANTAPRINT SRL	ITALY	50,000.00	EUR	100.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	100.000	100.000
ANTAREA SPA	ITALY	6,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL	100.000	100.000
ANTHALO SRL	ITALY	100,000.00	EUR	100.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SRL	50.000	50.000
					ANTAREA SPA	50.000	50.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through SEQUANA CAPITAL S.A. (percentage of IFIL Group consolidation equal to 52.78%)

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
APPLETON COATED PAPERS HOLDINGS INC.	USA	1,445.00	USD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS CHARTHAM LIMITED	UNITED KINGDOM	6,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS IVYBRIDGE LIMITED	UNITED KINGDOM	2,500,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS PAPIERS COUCHES SAS	FRANCE	87,916,250.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS RIVES SAS	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
ARJOWIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
ARJOWIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	2,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
					ARJO WIGGINS UK HOLDINGS LIMITED	0.000	0.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	CANSON INTERNATIONAL SAS	91.500	91.500
					ARJOWIGGINS SAS	8.500	8.500
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	193,852,736.37	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	99.998	99.998
					ARJO WIGGINS LIMITED	0.002	0.002
ARJO WIGGINS BELGIUM S.A.	UNITED KINGDOM	32,500,000.00	EUR	99.99	ARJO WIGGINS BELGIUM HOLDINGS S.A.	99.990	99.990
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONAL LTD	UNITED KINGDOM	75,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI 12 SAS	100.000	100.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED	48.951	48.951
					ARJOWIGGINS SAS	51.049	51.049
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.96	ARJO WIGGINS BELGIUM S.A.	99.970	99.970
					WIGGINS TEAPE LIMITED	0.030	0.030
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	2,556,459.41	EUR	99.99	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS HKK1 LTD	HONG KONG	1.00	HKD	100.00	ARJO WIGGINS SAS	100.000	100.000
ARJO WIGGINS HKK2 LTD	HONG KONG	1.00	HKD	100.00	AW HKK1 LTD	100.000	100.000
ARJO WIGGINS CHENMING SPECIALITY PAPERS CO., LTD.	PEOPLE'S REP. OF CHINA	200,000,000.00	CHN	70.00	AW HKK2 LTD	70.000	70.000
ARJO WIGGINS ITALIA S.R.L.	ITALY	2,275,000.00	EUR	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS LIMITADA	BRAZIL	25,205,145.00	BRL	100.00	ARJO WIGGINS PARTICIPACOES LTDA	98.698	98.698
					CANSON INTERNATIONAL SAS	1.302	1.302
ARJO WIGGINS MEDICAL, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJO WIGGINS NC, LLC	USA	1.00	USD	100.00	MURO. INC.	100.000	100.000
ARJO WIGGINS PARTICIPACOES LTDA	BRAZIL	49,705,800.00	BRL	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	99.500	99.500
					ARJOWIGGINS SAS	0.500	0.500
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	5,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS USA, INC	USA	1.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MU.RO. INC.	51.000	51.000
					ARJO WIGGINS NC, LLC.	49.000	49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
AS ANTALIS	ESTHONIA	5,700,000.00	EEK	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
AWA QINGDAO PAPER LIMITED	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
BRANGS AND HEINRICH GMBH	GERMANY	1,600,050.00	EUR	100.00	ANTALIS GMBH	100.000	100.000
BRANGS AND HEINRICH GES.M.B.H.	AUSTRIA	510,000.00	EUR	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
BRANOPAC S.R.L.	ITALY	100,000.00	EUR	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
BRANOPACK LIMITED	UNITED KINGDOM	175,000.00	GBP	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
B.T.I.I.	FRANCE	30.00	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS SAS	FRANCE	686,070.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through SEQUANA CAPITAL S.A. (percentage of IFIL Group consolidation equal to 52.78%)

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	95.000	95.000
					ARJOWIGGINS CANSON SAS	5.000	5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON, INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	ITALY	2,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
CLASS PAPIER B.V.	NETHERLANDS	40,000.00	NLG	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
DISTRIBUIDORA OFIMARKET SA	CHILE	1,216,260,179.00	CLP	100.00	INVERSIONES ANTALIS HOLDING LIMITADA	99.993	99.993
					GMS PRODUCTOS GRAFICOS LIMITADA	0.007	0.007
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.93	TORDERA S.A.	100.000	100.000
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
FAIRPRINT BV	NETHERLANDS	16,336.09	EUR	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FIRMO - PAPEIS E PAPELARIA, S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
FIRST GRAPHICS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS (PROPRIETARY) LIMITED	100.000	100.000
FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GEP S.P.A.	ITALY	1,662,792.00	EUR	84.60	W PARTICIPATIONS SAS	28.575	28.575
					ARJOWIGGINS SECURITY SAS	56.029	56.029
GMS DISTRIBUIDORA GRAFICA SA	CHILE	455,343,028.00	CLP	100.00	INVERSIONES ANTALIS HOLDING LIMITADA	1.000	1.000
					GMS PRODUCTOS GRAFICOS LIMITADA	99.000	99.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	30,515,570,540.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA	99.990	99.990
					ANTALIS INTERNATIONAL HOLDINGS BV	0.010	0.010
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	FRANCE	6,600,000.00	EUR	99.93	ARJOWIGGINS CANSON SAS	97.958	97.958
					GUARRO CASAS S.A. (*)	1.981	1.981
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
I-PAPERS LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A.	81.301	81.301
					ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	18.699	18.699
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.93	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	13,986,735,100.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	17.230	17.230
					ANTALIS INTERNATIONAL SAS	45.380	45.380
					ANTALIS INTERNATIONAL HOLDINGS BV	37.390	37.390
INVERSIONES EXTERIOR SA	CHILE	3,094,646,599.00	CLP	100.00	GMS PRODUCTOS GRAFICOS LIMITADA	99.990	99.990
					INVERSIONES ANTALIS HOLDINGS LIMITADA	0.010	0.010
INVERSIONES LOS PELLINES DOS SA	CHILE	1,088,894,160.00	CLP	100.00	GMS PRODUCTOS GRAFICOS LIMITADA	99.990	99.990
					INVERSIONES ANTALIS HOLDINGS LIMITADA	0.010	0.010
ISSY 5 EURL	FRANCE	8,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
JAMICE SAS	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
LODI 12 SAS	FRANCE	38,112.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
MU.RO. INC.	USA	5,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MÜHLEBACH B.V.	NETHERLANDS	45,378.02	EUR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	1,176,000.00	USD	100.00	LODI 12 SAS	40.000	40.000
					ARJO WIGGINS CHINA HOLDINGS LIMITED	60.000	60.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,026,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	100.000
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	31,459,475,000,000.00	TLR	100.00	ANTALIS INTERNATIONAL HOLDINGS BV	100.000	100.000
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.93	TORDERA S.A.	100.000	100.000
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	100.00	ARJOWIGGINS SAS	95.000	95.000
					ARJOWIGGINS LE BOURRAY SAS	5.000	5.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.93	GUARRO CASAS S.A.	100.000	100.000
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	NETHERLANDS	6,806,703.24	EUR	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJOWIGGINS SECURITY SAS	95.000	95.000
					ARJO WIGGINS	5.000	5.000

(*) Voting suspended.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through SEQUANA CAPITAL S.A.
(percentage of IFIL Group consolidation equal to 52.78%)

Name	Country	Capital stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Miscellaneous and Holding companies							
ANTONIN RODET SAS	FRANCE	11,100,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDAS	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	89.910	89.910
ARJO WIGGINS APPLETON HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					AWA FINANCE	0.100	0.100
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,954,077.75	GBP	100.00	SEQUANA CAPITAL	100.000	100.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDAS	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS EUROPE HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					ARJO WIGGINS APPLETON HOLDINGS	0.100	0.100
ARJO WIGGINS NORTH AMERICA INVESTMENTS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					AWA FINANCE	0.100	0.100
ARJO WIGGINS US HOLDINGS	UNITED KINGDOM	36,187,415.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
					AWA FINANCE	0.000	0.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
AWA FINANCE	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.990
					ARJO WIGGINS APPLETON HOLDINGS	0.100	0.100
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	10,000,000.00	CHF	100.00	PERMAL GROUP	100.000	100.000
PERMAL GROUP	FRANCE	286,219,820.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (IN LIQUIDATION)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.986	99.986
SEQUANA CAPITAL UK LIMITED	UNITED KINGDOM	120,714.00	GBP	100.00	SEQUANA CAPITAL	100.000	100.000
W PARTICIPATIONS SAS	FRANCE	42,323,123.70	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	100.00	ANTALIS INTERNATIONAL SAS	40.000	40.000
					ARJOWIGGINS SAS	37.000	38.000
					PERMAL France SAS	8.000	8.000
					SEQUANA CAPITAL	15.000	15.000
Companies valued by the equity method							
Paper							
DIMAGRAF SA	ARGENTINA	125,000.00	ARS	30.00	INVERSIONES EXTERIOR SA	22.200	22.200
					INVERSIONES LOS PELLINES DOS SA	7.800	7.800
MWT PAPER PROCESSING LIMITED	MAURITIUS	20,000,000.00	MUR	50.00	ANTALIS SA HOLDINGS LIMITED	50.000	50.000
QUIMIGRAF SA	ARGENTINA	100,000.00	ARS	30.00	INVERSIONES EXTERIOR SA	22.200	22.200
					INVERSIONES LOS PELLINES DOS SA	7.800	7.800
Miscellaneous and Holding companies							
SGS S.A. / SGS LTD	SWITZERLAND	156,443,320.00	CHF	24.33	SEQUANA CAPITAL	23.773	24.326
Companies valued at cost							
Paper							
ARJO WIGGINS ARGENTINA S.A.	ARGENTINA	12,000.00	ARS	-	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	99.992	99.992
ARJO WIGGINS CHINA LIMITED	PEOPLE'S REP. OF CHINA	1,000.00	HKD	-	ANTALIS (HONG KONG) LIMITED	89.900	89.900
ARJO WIGGINS PAPER PRODUCTS (SHANGHAI) CO.LTD.	PEOPLE'S REP. OF CHINA	470,000.00	USD	-	ARJO WIGGINS CHINA LIMITED	100.000	100.000
PAPELCO SAI CIF	ARGENTINA	N.D.	USD	-	WITCEL S.A.	99.776	99.776
ANTALIS FINANCE	FRANCE	1.00	EUR	-	ANTALIS INTERNATIONAL	100.000	100.000
ANTALIS SERVICES GMBH	GERMANY	25,000.00	EUR	-	ANTALIS GMBH	100.000	100.000
ANTALIS (SHANGAI) TRADING CO., LIMITED	PEOPLE'S REP. OF CHINA	1,200,000.00	HKD	-	ANTALIS (HONG KONG) LTD	100.000	100.000
GRAPHIC SUPPLIES LIMITED	UNITED KINGDOM	1,000.00	USD	-	ANTALIS INTERNATIONAL	100.000	100.000
Miscellaneous and Holding companies							
AP FRANKLIN SAS	FRANCE	40,000.00	EUR	-	SEQUANA CAPITAL	100.000	100.000
AP PLACEMENTS SAS	FRANCE	40,000.00	EUR	-	SEQUANA CAPITAL	100.000	100.000
AP STRATEGIE SAS	FRANCE	40,000.00	EUR	-	AP FRANKLIN SAS	100.000	100.000
AP VALORISATION SAS	FRANCE	40,000.00	EUR	-	SEQUANA CAPITAL	100.000	100.000
CHATEAU DE MERCEY DOMAINE RODET SAS	FRANCE	542,500.00	EUR	-	ANTONIN RODET SAS	100.000	100.000
DUCS DE SAVOIE	FRANCE	3,200.00	EUR	-	SEQUANA CAPITAL	23.810	23.810
DUVERGEY S.A.R.L.	FRANCE	7,622.45	EUR	-	ANTONIN RODET SAS	95.000	95.000
FINANCIERE DES GRANDS VIGNOBLES DE BOURGOGNE SAS	FRANCE	4,575,000.00	EUR	-	ANTONIN RODET SAS	35.625	35.625
FRANKLIN INTERNATIONAL SAS	FRANCE	40,000.00	EUR	-	W PARTICIPATIONS SAS	100.000	100.000
S.C.I. ELISEE RECLUS PARIS 17E	FRANCE	1,524.00	EUR	-	SEQUANA CAPITAL	50.000	50.000
SCE DU DOMAINE DE LA BRESSANDE	FRANCE	15,244.90	EUR	-	ANTONIN RODET SAS	99.800	99.800
SOCIETE D'EXPLOITATION DU DOMAINE DE L'AIGLE (SCEA)	FRANCE	642,430.00	EUR	-	ANTONIN RODET SAS	99.998	99.998
					CHÂTEAU DE MERCEY DOMAINE RODET SAS	0.002	0.002
WIGGINS TEAPE PENSIONS LIMITED	UNITED KINGDOM	3.00	GBP	-	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
Other companies pursuant to Consob resolution No. 11971 (art. 126 of the Regulations)							
EXPRESSO PAPER PLATFORM BV	NETHERLANDS	3,346,410.20	EUR	-	ANTALIS INTERNATIONAL HOLDINGS BV	12.895	12.895

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through ALPITOUR S.p.A. (percentage of IFIL Group consolidation equal to 52.78%)

Name	Country	Capital Stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Companies consolidated on a line-by-line basis							
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.p.A.	ITALY	140,385.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.998	99.998
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	99.900	99.900
					FRANCOROSSO INCENTIVE S.r.l.	0.100	0.100
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALTAMAREA V & H COMPAGNIA ALBERGHIERA S.p.A.	100.000	100.000
KELIBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGWA LIMITED	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.036	1.036
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RENTHOTEL TUNISIE S.A.	TUNISIA	200,000	TND	99.970	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.970	99.970
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Insurance company							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Distribution (Travel agency)							
WELCOME TRAVEL GROUP S.p.A.	ITALY	6,380,000	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	97.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	97.000	97.000
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	64.980	JUMBOTURISMO S.A. UNIPERSONAL	64.980	64.980
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	300,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
PANAFRICAN TOURS S.A.	MOROCCO	400,000	MAD	99.700	JUMBOTURISMO S.A. UNIPERSONAL	99.700	99.700

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through ALPITOUR S.p.A.
(percentage of IFIL Group consolidation equal to 52.78%)

Name	Country	Capital Stock at 12/31/2005	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
Tour operating							
FRANCOROSSO INCENTIVE S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO GRANDI EVENTI S.r.l.	ITALY	78,000.00	EURO	70.000	JUMBO TOURS ITALIA S.r.l.	70.000	70.000
Airline							
NEOS S.P.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP S.p.A.	0.000	0.000
Companies valued by the equity method							
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EURO	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000
Tour operating							
VIAGGI DELL'ELEFANTE S.p.A.	ITALY	260,000.00	EURO	35.000	ALPITOUR S.p.A.	35.000	35.000
Companies valued at cost							
Hotel management							
VACANZEINITALIA S.p.A.	ITALY	300,000	EURO	-	ALPITOUR S.p.A	50.000	50.000
Distribution (Travel agency)							
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
SAUGO VIAGGI S.r.l.	ITALY	20,938.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	95.000	95.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
WELCOME TRAVEL SUD S.r.l.	ITALY	100,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	-	ALPITOUR S.p.A	50.000	50.000
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	-	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
INFRATOURS DOMINICANA S.A.	DOMINICAN REP.	400,000.00	DOP	-	JUMBOTURISMO S.A. UNIPERSONAL	49.500	49.500

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Automobiles								
Fiat Auto Holdings B.V.	Amsterdam	Netherlands	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	90.000	100.00
						Fiat Auto Holdings B.V.	10.000	0
Andalcar Motor S.L.	Jerez	Spain	2,186,928	EUR	100.00	Inmap 2000 Espana S.L.	100.000	
Banco Fidis de Investimento SA	Betim	Brazil	116,235,465	BRL	100.00	Fidis S.p.A.	98.970	
						Fiat Automoveis S.A. - FIASA	1.030	
Clickar Assistance S.R.L.	Turin	Italy	335,632	EUR	100.00	Fidis S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Auto S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	100.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	377,439,448	ARS	100.00	Fiat Auto S.p.A.	65.278	
						Fiat Automoveis S.A. - FIASA	34.721	
						Fiat Argentina S.A.	0.001	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	20,951,220	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	16,000,000	GBP	100.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Auto (Belgio) S.A.	99.839	
Fiat Auto España S.A.	Alcalá De Henares	Spain	60,696,601	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000	GBP	100.00	Fidis S.p.A.	100.000	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	60,533,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	100.00	Fiat Auto S.p.A.	50.000	
						Fidis S.p.A.	50.000	
Fiat Auto Lease N.V.	Amsterdam	Netherlands	454,000	EUR	100.00	Fidis Renting Italia S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Auto Holdings B.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Portuguesa S.A.	Alges	Portugal	8,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sunninghill	South Africa	640	ZAR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto S.p.A.	Turin	Italy	2,500,000,000	EUR	100.00	Fiat Auto Holdings B.V.	100.000	
Fiat Auto (Suisse) S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Trasporti S.r.l.	Turin	Italy	10,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,280,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Automobil AG	100.000	
Fiat Automobiler Danmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,233,506,013	BRL	100.00	Fiat Auto S.p.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000	CHF	100.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Auto S.p.A.	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500	EUR	100.00	Fidis S.p.A.	99.999	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	119,791,680	ARS	100.00	Fidis S.p.A.	99.999	
						Fiat Auto Argentina S.A.	0.001	
Fiat Distribuidora Portugal S.A.	Lisbon	Portugal	450,300	EUR	100.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	100.00	Fidis S.p.A.	99.995	
						Fiat Finance Netherlands B.V.	0.005	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Handlerservice GmbH	Heilbronn	Germany	5,100,000	EUR	100.00	Fiat Automobil AG	100.000	
Fiat India Automobiles Private Limited	Mumbai	India	18,780,741,500	INR	100.00	Fiat Auto S.p.A.	100.000	
Fiat India Private Ltd.	Mumbai	India	8,363,617,700	INR	99.87	Fiat Auto S.p.A.	57.532	57.181
						Fiat India Automobiles Private Limited	42.337	42.687
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Purchasing Italia S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Auto Holdings B.V.	100.000	
FIAT Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Auto Holdings B.V.	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	100.00	Fiat Auto S.p.A.	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Automobil AG	51.000	
						Rimaco S.A.	49.000	
Fidis Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Dealer Services B.V.	Utrecht	Netherlands	698,000	EUR	100.00	Fiat Auto Nederland B.V.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	**Registered office**	**Country**	**Capital stock**	**Currency**	**% of Group consolidation**	**Interest held by**	**% interest held**	**% of voting rights**
Fidis Faktoring Polska Sp. z o.o.	Warsaw	Poland	1,000,000	PLN	100.00	Fidis S.p.A.	99.950	
						Fiat Polska Sp. z o.o.	0.050	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	100.00	Fidis S.p.A.	99.980	
						Fiat Polska Sp. z o.o.	0.020	
Fidis Hungary KFT	Budapest	Hungary	13,000	EUR	100.00	Fidis S.p.A.	100.000	
Fidis Renting Italia S.p.A.	Turin	Italy	5,800,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	100.00	Fiat Auto S.p.A.	99.900	
						Nuove Iniziative Finanziarie 2 S.r.l.	0.100	
Finplus Renting S.A.	Madrid	Spain	3,955,986	EUR	100.00	Fidis Renting Italia S.p.A.	100.000	
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	2,448,955	EUR	100.00	Fiat Auto España S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	19,749,554	EUR	100.00	Fiat Auto (Belgio) S.A.	100.000	
Leasys S.p.A.	Fiumicino	Italy	77,499,400	EUR	100.00	Fidis Renting Italia S.p.A.	100.000	
Multipoint Sevilla S.A.	Seville	Spain	851,578	EUR	100.00	Inmap 2000 Espana S.L.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	100.00	Fidis Renting Italia S.p.A.	100.000	
Sofice-Société de Financement des Concessionnaires s.a.s.	Trappes	France	3,353,600	EUR	100.00	Fiat France	100.000	
Tarfin S.A.	Schlieren	Switzerland	500,000	CHF	100.00	Fidis S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	100.00	Fiat Auto España S.A.	100.000	
Targasys Stock SA	Alcalá De Henares	Spain	5,108,799	EUR	100.00	Fiat Auto España S.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,000,000	EUR	56.00	Fiat S.p.A.	56.000	
Charles Pozzi S.a.r.l.	Levallois-Perret	France	959,519	EUR	56.00	Ferrari West Europe S.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	56.00	Ferrari International S.A.	100.000	
Ferrari GB Limited	Slough Berkshire	United Kingdom	50,000	GBP	56.00	Ferrari International S.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	31,000,000	EUR	56.00	Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	56.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	56.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	56.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Ferrari West Europe S.A.	Levallois-Perret	France	280,920	EUR	56.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	56.00	Ferrari International S.A.	100.000	
Pozzi Rent Snc	Lyon	France	15,256	EUR	56.00	Ferrari West Europe S.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	56.00	Ferrari International S.A.	100.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	56.00	Ferrari N.America Inc.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	321,795,983	EUR	83.90	Fiat Netherlands Holding N.V.	83.810	83.901
						CNH Global N.V.	0.108	0
Austoft Industries Limited	Bundaberg	Australia	16,353,225	AUD	83.90	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	252,285,242	BRL	83.90	CNH Global N.V.	59.760	
						CNH Latin America Ltda.	40.240	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	83.90	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	83.90	CNH Capital America LLC	100.000	
Case Credit Australia Investments Pty Ltd	St. Marys	Australia	71,516,000	AUD	83.90	CNH Australia Pty Limited	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	83.90	CNH Capital America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	83.90	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	83.90	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Neustadt	Germany	281,211	EUR	83.90	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	83.90	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	83.90	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	83.90	CNH America LLC	100.000	
Case Machinery (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	83.90	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	83.90	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	83.90	CNH America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	83.90	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	83.90	New Holland Holdings Argentina S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited	Ebene	Mauritius	78,571,333	USD	83.90	CNH Global N.V.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	83.90	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	83.90	CNH International S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	83.90	CNH International S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	83.90	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	83.90	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	83.90	CNH Australia Pty Limited	100.000	
CNH Capital Benelux	Zedelgem	Belgium	6,350,000	EUR	83.90	CNH Global N.V.	99.000	
						CNH Capital U.K. Ltd	1.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	83.90	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	83.90	CNH Capital plc	99.984	
						CNH Global N.V.	0.005	
						CNH Financial Services A/S	0.003	
						CNH International S.A.	0.003	
						CNH Trade N.V.	0.003	
						CNH Financial Services S.r.l.	0.002	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	83.90	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	83.90	CNH America LLC	100.000	
CNH Capital plc	Dublin	Ireland	6,386,791	EUR	83.90	CNH Global N.V.	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	83.90	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	83.90	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	83.90	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Sao Pedro	Mexico	135,634,842	MXN	83.90	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	83.90	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	83.90	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
CNH Financial Services	Puteaux	France	3,738,141	EUR	83.90	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	83.90	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	200,000	EUR	83.90	CNH International S.A.	100.000	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	83.90	CNH Global N.V.	100.000	
CNH France S.A.	Le Plessis-Belleville	France	138,813,150	EUR	83.90	CNH International S.A.	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	83.90	CNH Global N.V.	100.000	
CNH Italia S.p.A.	Modena	Italy	15,600,000	EUR	83.90	CNH Global N.V.	100.000	
CNH Latin America Ltda.	Contagem	Brazil	674,264,183	BRL	83.90	CNH Global N.V.	87.880	
						Case Brazil Holdings Inc.	10.610	
						Case Equipment International Corporation	1.510	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	83.90	CNH International S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	83.90	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	83.90	CNH Belgium N.V.	99.995	
						Fiat Polska Sp. z o.o.	0.005	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	83.90	CNH International S.A.	99.980	
						CNH Italia s.p.a.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	83.90	CNH Capital America LLC	100.000	
CNH Serviços Técnicos e Desenvolvimento de Negocios Ltda	Curitiba	Brazil	1,000,000	BRL	83.90	Banco CNH Capital S.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	83.90	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	83.90	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	83.90	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	83.90	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	1,000	GBP	83.90	CNH Canada, Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	83.90	CNH Asian Holding Limited	99.000	
						CNH International S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	42.79	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	50.34	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	42.79	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	42.79	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	54.54	New Holland Excavator Holdings LLC	65.000	
Kobelco Construction Machinery Europe BV in liquidation	Almere	Netherlands	567,225	EUR	62.61	New Holland Kobelco Construction Machinery S.p.A.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	83.90	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	Riverstone	Australia	1	AUD	83.90	CNH Australia Pty Limited	100.000	
New Holland Credit Australia Pty Limited	Riverstone	Australia	725,834	AUD	83.90	CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	83.90	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	83.90	CNH America LLC	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	83.90	CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	83.90	CNH Latin America Ltda.	100.000	
New Holland Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	62.61	New Holland Kobelco Construction Machinery S.p.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	62.61	CNH Italia s.p.a.	74.625	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	83.90	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	antwerp	Belgium	9,631,500	EUR	83.90	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	194,983,580,400	INR	83.90	CNH Asian Holding Limited	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	83.90	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	83.90	CNH Capital America LLC	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	32.09	Case Equipment Holdings Limited	38.250	51.000
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	50.34	CNH Asian Holding Limited	60.000	
Powertrain Technologies								
Fiat Powertrain Technologies S.p.A.	Orbassano	Italy	5,120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Powertrain Italia S.r.l.	Turin	Italy	740,100,000	EUR	100.00	Fiat Auto Holdings B.V.	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	306,186,210	EUR	100.00	Fiat Powertrain Italia S.r.l.	100.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600,000	TRY	100.00	Fiat Auto Holdings B.V.	99.980	
						Fiat Powertrain Italia S.r.l.	0.020	
Commercial Vehicles								
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels S.A.	Saint-Alban-Leysse	France	1,870,169	EUR	99.96	Iveco Eurofire (Holding) GmbH	99.963	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	100.00	Iveco S.p.A.	100.000	
Euromoteurs S.A.	Garchizy	France	2,098,560	EUR	100.00	Iveco Participations S.A.	100.000	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	61.30	CNH Global N.V.	33.333	
						Iveco S.p.A.	33.333	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Iveco España S.L.	68.146	
Ikarus Trade Kft.	Budapest	Hungary	423,220,000	HUF	100.00	Ikarusbus Jamugyarto RT	99.976	
						Iveco España S.L.	0.024	
Ikarusbus Jamugyarto RT	Budapest	Hungary	974,268,827	HUF	100.00	Irisbus Italia S.p.A.	99.998	
						Iveco France S.A.	0.002	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France S.A.	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	22,000,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	100,635,750	EUR	100.00	Iveco España S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
IVC Nutzfahrzeuge AG	Hendschiken	Switzerland	3,500,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
IVC Véhicules Industriels S.A.	Morges	Switzerland	1,200,000	CHF	100.00	Iveco (Schweiz) AG	100.000	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco S.p.A.	100.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Norimberga	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L.	Madrid	Spain	259,669,998	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Est Sas	Haunconcourt	France	305,600	EUR	100.00	Iveco France S.A.	100.000	
Iveco Eurofire (Holding) GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Fiat Brasil Ltda	Sete Lagoas	Brazil	170,100,000	BRL	100.00	Fiat Automoveis S.A. - FIASA	50.000	
						Iveco S.p.A.	48.576	
						Iveco Latin America Ltda	1.424	
Iveco Finland OY	Espoo	Finland	200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco France S.A.	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L.	50.326	
						Iveco S.p.A.	49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco Latin America Ltda	Sao Paolo	Brazil	684,700,000	BRL	100.00	Iveco S.p.A.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [(a)]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco L.V.I. S.a.s.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France S.A.	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Eurofire (Holding) GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco Eurofire (Holding) GmbH	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France S.A.	40.000	
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	5,960,707	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	99.989	
						Fiat Polska Sp. z o.o.	0.011	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine Inc.	Kiev	Ukraine	55,961,760	UAH	99.97	Iveco S.p.A.	99.968	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Koln	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France S.A.	97.978	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.98	Karosa A.S.	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
S.A. Iveco Belgium N.V.	Zellik	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France S.A.	50.000	
						Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Sicca S.p.A.	Modena	Italy	5,300,000	EUR	100.00	Iveco S.p.A.	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	
Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France S.A.	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Trucksure Services Ltd	Watford	United Kingdom	900,000	GBP	100.00	Iveco Holdings Limited	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France S.A.	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Holding GmbH in liquidation	Innsbruck	Austria	11,952,191	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	99.997	
						Fiat Polska Sp. z o.o.	0.003	
Automotive Lighting Rear Lamps Deutschland GmbH	Grasbrunn-Neukerferloh	Germany	25,565	EUR	98.99	Automotive Lighting Rear Lamps Italia S.p.A.	99.000	
Automotive Lighting Rear Lamps Espana S.A.	Llinares del Valles	Spain	9,153,693	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps France S.A.	Saint Denis	France	1,011,536	EUR	99.98	Automotive Lighting Rear Lamps Italia S.p.A.	99.992	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat CIEI S.p.A.	Corbetta	Italy	624,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Iluminacao Automotiva Ltda	Contagem	Brazil	26,533,428	BRL	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.r.l. de CV	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Yorka de Mexico S.r.l. de CV	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.69	Magneti Marelli do Brasil Industria e Comercio SA	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	15,349,500	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli Holding S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Rep. of China	5,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	212,736,263	BRL	99.63	Magneti Marelli Holding S.p.A.	99.634	99.966
Magneti Marelli Components B.V.	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli Controle Motor Ltda.	Hortolandia	Brazil	108,523,749	BRL	99.99	Magneti Marelli Powertrain S.p.A.	99.997	
						Fiat do Brasil S.A.	0.003	
Magneti Marelli Deutschland GmbH	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	16,868,427	BRL	99.69	Magneti Marelli Holding S.p.A.	99.695	99.976
Magneti Marelli Electronica SL	Barcelona	Spain	18,388,581	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Eletronica Ltda	Sao Paolo	Brazil	17,425,695	BRL	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Escapamentos Ltda	Amparo	Brazil	65,736,384	BRL	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.997	
						Fiat do Brasil S.A.	0.003	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.980	
						Ufima S.A.S.	0.020	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Rep. of China	8,100,000	USD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	18,099,776	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.99	Magneti Marelli France S.a.s.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	99.995	
						Fiat Polska Sp. z o.o.	0.005	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Sistemi Elettronici S.p.A.	Corbetta	Italy	74,897,548	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli U.K. Limited	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000,000,000	TRY	94.99	Magneti Marelli Holding S.p.A.	95.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	60,500,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Tutela Lubrificantes S.A.	Contagem	Brazil	941,028	BRL	99.99	Magneti Marelli Holding S.p.A.	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A.	64.967	
						Fiat Partecipazioni S.p.A.	34.980	
Yorka de Mexico S.r.l. de CV	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	145,817,739	EUR	84.79	Fiat S.p.A.	84.791	
Accurcast Limited in liquidation	Saint John	Canada	39,684,600	CAD	43.24	Meridian Technologies Inc.	100.000	
Compania Industrial Frontera S.A. de C.V.	Sao Pedro	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Fonderie du Poitou Fonte S.A.S.	83.607	
Jutras Die Casting Limited in liquidation	Saint John	Canada	24,490,715	CAD	43.24	Meridian Technologies Inc.	100.000	
Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	43.24	Meridian Technologies Inc.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	43.24	Magnesium Products of America Inc.	100.000	
Meridian Deutschland GmbH	Heilbronn	Germany	25,600	EUR	43.24	Meridian Technologies Inc.	100.000	
Meridian Magnesium LLC in liquidation	Wilmington	U.S.A.	4,962	USD	43.24	Meridian Technologies Japan Inc.	90.000	
						Meridian Technologies Inc.	10.000	
Meridian Technologies Inc.	Saint John	Canada	165,423,445	CAD	43.24	Teksid S.p.A.	31.450	
						Teksid Acquisition Inc.	19.550	
Meridian Technologies Japan Inc.	Saint John	Canada	6,210	CAD	43.24	Meridian Technologies Inc.	100.000	
Shanghai Meridian Magnesium Products Company Limited	Shanghai	People's Rep. of China	8,000,000	USD	25.95	Meridian Technologies Inc.	60.000	
Société Bretonne de Fonderie et de Mécanique S.A.	Caudan	France	7,000,000	EUR	84.79	Teksid S.p.A.	100.000	
Teksid Acquisition Inc.	Toronto	Canada	66,000,001	CAD	84.79	Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	298,500	MXN	84.79	Teksid S.p.A.	99.967	
						Teksid Inc.	0.033	
Teksid Hierro de Mexico S.A. de C.V.	Sao Pedro	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	99.996	
						Fiat Polska Sp. z o.o.	0.004	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	140,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau France S.A.	Trappes	France	18,112,592	EUR	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	25,680	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.688	
						Fiat Argentina S.A.	0.031	
Comau Belgium N.V.	Zedelgem	Belgium	175,000	EUR	100.00	Comau S.p.A.	99.900	
						Comau France S.A.	0.100	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	46,108,100	USD	100.00	Comau S.p.A.	100.000	
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
COMAU Ingest Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00	Comau S.p.A.	51.000	
						Ingest Facility S.p.A.	49.000	
Comau Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Inc.	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico of Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau S.p.A.	100.000	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	99.976	
						Fiat Polska Sp. z o.o.	0.024	
Comau Romania S.R.L.	Bihor	Romenia	324,980	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	300	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau SA Body Systems (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau SA Body Systems (Pty) Ltd.	100.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	260,000	GBP	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,001	ZAR	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000	
Precision Pico Products Inc.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Services								
Business Solutions S.p.A.	Turin	Italy	10,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000	
Building Support S.r.l.	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [(a)]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Business Solutions Argentina S.A.	Buenos Aires	Argentina	258,355	ARS	100.00	Business Solutions do Brasil Ltda	99.992	
						Fiat Auto Argentina S.A.	0.008	
Business Solutions Deutschland FiatGroup GmbH	Ulm	Germany	200,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Business Solutions do Brasil Ltda	Nova Lima	Brazil	36,915,855	BRL	100.00	Business Solutions S.p.A.	100.000	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A.	99.986	
						Fiat Polska Sp. z o.o.	0.014	
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Business Solutions S.p.A.	99.997	
						Fiat Partecipazioni S.p.A.	0.001	
Fiat GES.CO. Belgium N.V.	Zedelgem	Belgium	62,500	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l`Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.18	Fiat S.p.A.	36.468	
						Fiat Auto S.p.A.	33.532	
						Business Solutions S.p.A.	7.500	
						Iveco S.p.A.	6.000	
						Magneti Marelli Holding S.p.A.	4.000	
						CNH Italia s.p.a.	3.000	
						Fiat Partecipazioni S.p.A.	3.000	
						Teksid S.p.A.	2.000	
						Comau S.p.A.	1.500	
						C.R.F. Società Consortile per Azioni	1.500	
						Editrice La Stampa S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A.	100.000	
Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Ingest Facility S.p.A.	99.800	
						Fiat Polska Sp. z o.o.	0.200	
Ingest Facility S.p.A.	Turin	Italy	1,700,000	EUR	100.00	Business Solutions S.p.A.	100.000	
ITS GSA FiatGroup France S.A.S.	Levallois-Perret	France	1,737,440	EUR	100.00	Fiat Finance et Services S.A.	100.000	
ITS-GSA Deutschland GmbH	Ulm	Germany	25,000	EUR	100.00	Business Solutions Deutschland FiatGroup GmbH	100.000	
ITS-GSA U.K. Limited	Watford	United Kingdom	50,000	GBP	100.00	Fiat U.K. Limited	100.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	60.00	Fiat Gesco S.p.A.	52.800	
						Business Solutions S.p.A.	7.200	
PDL Services S.r.l.	Turin	Italy	105,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sadi Brasil Ltda.	Nova Lima	Brazil	100,000	BRL	100.00	Business Solutions do Brasil Ltda	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l`Industria S.p.A.	99.800	
						Fiat Polska Sp. z o.o.	0.200	
Servizi e Attività Doganali per l`Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sestrieres S.p.A.	Sestriere	Italy	16,120,000	EUR	100.00	Business Solutions S.p.A.	70.000	
						Fiat Partecipazioni S.p.A.	30.000	
Sporting Club Sestrieres S.R.L.	Sestriere	Italy	312,000	EUR	100.00	Sestrieres S.p.A.	100.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,400	BRL	100.00	Business Solutions do Brasil Ltda	99.929	
						Fiat do Brasil S.A.	0.071	
Trantor S.r.l.	Milan	Italy	104,000	EUR	100.00	Ingest Facility S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies								
Banca Unione di Credito (Cayman) Ltd	Grand Cayman	Cayman Islands	10,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
BUC - Banca Unione di Credito	Lugano	Switzerland	100,000,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	74.47	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,400,000	EUR	97.99	Fiat Auto S.p.A.	35.000	
						Iveco S.p.A.	20.000	
						Magneti Marelli Holding S.p.A.	15.000	
						Fiat Powertrain Italia S.r.l.	10.000	
						CNH Italia s.p.a.	5.000	
						Comau S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						Fiat Partecipazioni S.p.A.	4.000	
						Ferrari S.p.A.	1.000	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [(a)]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	97.85	Fiat Auto S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Italia S.r.l.	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli Holding S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fast Buyer do Brasil Ltda	Nova Lima	Brazil	50,000	BRL	100.00	Fast-Buyer S.p.A.	99.998	
						Fiat Automoveis S.A. - FIASA	0.002	
Fast Buyer France S.a.r.l.	Paris	France	7,700	EUR	100.00	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fias Fiat Administration und Service GmbH	Ulm	Germany	102,258	EUR	100.00	Iveco Magirus AG	80.000	
						Fiat Automobil AG	20.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	520,002	ARS	100.00	Fiat Partecipazioni S.p.A.	99.990	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.010	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	65,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat do Brasil S.A.	Nova Lima	Brazil	999,684	BRL	100.00	Fiat Partecipazioni S.p.A.	99.932	
						Fiat Gesco S.p.A.	0.061	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.007	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Ge.Va. S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Ge.Va. S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Ge.Va. S.p.A.	100.000	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V.	99.000	
						Fiat Netherlands Holding N.V.	1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Ge.Va. S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat Ge.Va. S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Information & Communication Services società consortile per azioni	Turin	Italy	800,000	EUR	96.61	Fiat S.p.A.	51.000	
						CNH Italia s.p.a.	10.000	
						Fiat Auto S.p.A.	10.000	
						Iveco S.p.A.	10.000	
						Business Solutions S.p.A.	3.000	
						Comau S.p.A.	3.000	
						Ferrari S.p.A.	3.000	
						Itedi-Italiana Edizioni S.p.A.	3.000	
						Magneti Marelli Holding S.p.A.	3.000	
						Teksid S.p.A.	3.000	
						Fiat Partecipazioni S.p.A.	1.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	4,366,482,748	EUR	100.00	Fiat S.p.A.	60.563	
						Fiat Partecipazioni S.p.A.	39.437	
Fiat Partecipazioni S.p.A.	Turin	Italy	3,924,685,869	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Partecipazioni (U.K.) Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	99.904	
						Fiat Auto Poland S.A.	0.029	
						Automotive Lighting Polska Sp. z o.o.	0.010	
						Magneti Marelli Exhaust Systems Polska Sp. z o.o.	0.010	
						Magneti Marelli Poland S.A.	0.010	
						Magneti Marelli Suspension Systems Poland Sp. z o.o.	0.010	
						Teksid Iron Poland Sp. z o.o.	0.010	
						Business Solutions Polska Sp. z o.o.	0.002	
						CNH Polska Sp. z o.o.	0.002	
						Comau Poland Sp. z o.o.	0.002	
						Fidis Faktoring Polska Sp. z o.o.	0.002	
						Fidis Finance Polska Sp. z o.o.	0.002	
						Ingest Facility Polska Sp. z o.o.	0.002	
						Sadi Polska-Agencja Celna Sp. z o.o.	0.002	
						Sirio Polska Sp. z o.o.	0.002	
						Iveco Poland Ltd.	0.001	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	**Registered office**	**Country**	**Capital stock**	**Currency**	**% of Group consolidation**	**Interest held by**	**% interest held**	**% of voting rights**
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	95.43	Fiat Auto S.p.A.	20.000	
						Fiat S.p.A.	14.000	
						Fiat Partecipazioni S.p.A.	11.667	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	10.000	
						Comau S.p.A.	5.000	
						Ferrari S.p.A.	5.000	
						Itedi-Italiana Edizioni S.p.A.	5.000	
						Magneti Marelli Holding S.p.A.	5.000	
						Teksid S.p.A.	5.000	
						Business Solutions S.p.A.	4.333	
						Fiat Powertrain Italia S.r.l.	2.000	
						Maserati S.p.A.	2.000	
						Fiat Ge.Va. S.p.A.	1.000	
IHF-Internazionale Holding Fiat S.A.	Lugano	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	Netherlands	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	97.61	Fiat S.p.A.	26.000	
						Fiat Auto S.p.A.	22.000	
						Iveco S.p.A.	17.000	
						CNH Italia s.p.a.	12.000	
						Magneti Marelli Holding S.p.A.	9.000	
						Comau S.p.A.	8.000	
						Business Solutions S.p.A.	3.000	
						Teksid S.p.A.	3.000	
Luganova S.A.	Lugano	Switzerland	3,000,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	**Registered office**	**Country**	**Capital stock**	**Currency**	**% of Group consolidation**	**Interest held by**	**% interest held**	**% of voting rights**
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	88.54	Fiat Partecipazioni S.p.A.	53.205	
						Fiat Auto S.p.A.	17.415	
						Iveco S.p.A.	4.583	
						Fiat Powertrain Italia S.r.l.	2.317	
						Magneti Marelli Powertrain S.p.A.	1.159	
						Comau S.p.A.	0.751	
						Fiat S.p.A.	0.751	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Gesco S.p.A.	0.553	
						Sistemi Sospensioni S.p.A.	0.551	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l`Industria S.c.p.a.	0.503	
						Fiat Ge.Va. S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
						Magneti Marelli Sistemi Elettronici S.p.A.	0.438	
						Fidis S.p.A.	0.325	
						CNH Italia s.p.a.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						Ingest Facility S.p.A.	0.233	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.218	
						Astra Veicoli Industriali S.p.A.	0.103	
						Atlanet S.p.A.	0.103	
						Fiat Information & Communication Services società consortile per azioni	0.103	
						Savarent Società per Azioni	0.103	
						Servizi e Attività Doganali per l`Industria S.p.A.	0.103	
						Magneti Marelli Holding S.p.A.	0.091	
						Fiat Purchasing Italia S.r.l.	0.063	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Iveco Mezzi Speciali S.p.A.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Business Solutions S.p.A.	0.040	
						eSPIN S.p.A.	0.040	
						Fast-Buyer S.p.A.	0.040	
						Fiat Media Center S.p.A.	0.039	
						Fiat Powertrain Technologies S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	0.039	
						PDL Services S.r.l.	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A.	0.039	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
Sisport Fiat S.p.A.	Turin	Italy	2,720,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [(a)]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies and their subsidiaries consolidated on a line-by line basis under IFRS								
Automobiles								
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	19.00	Fiat Auto S.p.A.	19.000	
SCDR Automotive Limited	Basildon	United Kingdom	50,000	GBP	19.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	19.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Switzerland) S.A.	Schlieren	Switzerland	100,000	CHF	19.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Società di Distribuzione e Commercializzazione Ricambi - Hellas M.E.P.E.	Argyroupoli	Greece	18,000	EUR	19.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Commercial Vehicles								
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	40.00	Iveco International Trade Finance S.A.	40.000	
Afin Asigurari S.r.l.	Bucarest	Romenia	225,000,000	ROL	40.00	s.c. Afin Romania S.A.	100.000	
Afin Bohemia	Prague	Czech Republic	30,000	EUR	40.00	Afin Leasing AG	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGL	40.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	39.83	Afin Leasing AG	99.583	
Afin Insurance	Sofia	Bulgaria	5,000	BGL	40.00	Afin Bulgaria EAD	100.000	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	30,000	EUR	40.00	Afin Leasing AG	100.000	
AS Afin Baltica	Tallin	Estonia	800,000	EEK	40.00	Afin Leasing AG	100.000	
OOO Afin Vostok Limited Liability Company	Moscow	Russia	50,000,000	RUR	40.00	Afin Leasing AG	100.000	
s.c. Afin Romania S.A.	Bucarest	Romenia	2,063,200,000	ROL	40.00	Afin Leasing AG	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	35,000	LTT	40.00	Afin Leasing AG	100.000	
Jointly-controlled entities accounted for using proportional consolidation								
Powertrain Technologies								
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Auto Holdings B.V.	50.000	
Jointly-controlled entities accounted for using equity method								
Automobiles								
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Nan Jing Fiat Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	50.00	Fiat Auto S.p.A.	50.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Auto S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Auto S.p.A.	37.856	
Agricultural and Construction Equipment								
CNH de Mexico SA de CV	Sao Pedro	Mexico	165,276,000	MXN	41.95	CNH Global N.V.	50.000	
Consolidated Diesel Company	Whitakers	U.S.A.	100	USD	41.95	CNH Engine Corporation	50.000	
L&T Case Equipment Limited	Mumbai	India	240,100,000	INR	41.95	CNH America LLC	50.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	41.95	CNH Global N.V.	50.000	
Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.333	
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	306,688,237	CNY	42.40	Teksid S.p.A.	50.000	
Services								
Global Value Soluçoes Ltda	Nova Lima	Brazil	2,000	BRL	50.00	Business Solutions do Brasil Ltda	50.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [a]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued by the equity method								
Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	100.00	Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	160,000,000	THB	100.00	Fiat Auto S.p.A.	99.999	
Auto Italia Erfurt GmbH in liquidation	Erfurt	Germany	2,985,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	276,000,000	THB	100.00	Fiat Auto S.p.A.	100.000	
Italcar SA	Casablanca	Morocco	4,000,000	MAD	100.00	Inmap 2000 Espana S.L.	100.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A. Fiat Polska Sp. z o.o.	99.963 0.037	
Zao Nizhegorod Motors	Nizhnjy Novgorod	Russia	24,660,000	RUR	73.14	Fiat Auto S.p.A.	73.139	73.127
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	650,000	USD	83.90	CNH America LLC	100.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	951,283	CAD	63.34	CNH Canada, Ltd.	75.500	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	81.16	CNH America LLC	96.739	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	76.35	CNH America LLC	91.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	440,000	USD	57.57	CNH America LLC	68.614	
St. Anthony New Holland, Inc.	Wilmington	U.S.A.	300,000	USD	83.90	CNH America LLC	100.000	
St. Catharines New Holland Ltd.	Ottawa	Canada	327,700	CAD	52.79	CNH Canada, Ltd.	62.923	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	73.39	CNH America LLC	87.474	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	83.90	CNH America LLC	100.000	
Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	66.67	Irisbus Italia S.p.A.	66.670	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L.	100.000	
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	2,870,909,000	COP	100.00	Iveco Venezuela C.A. Iveco Latin America Ltda	99.974 0.026	
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A. Fiat Argentina S.A.	99.600 0.400	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.992 0.008	
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.14	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Seima Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	14,574,000	RUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Metallurgical Products								
Teksid of India Private Limited Company in liquidation	Bardez-Goa	India	403,713,830	INR	84.79	Teksid S.p.A.	100.000	
Production Systems								
Comau AGS S.p.A.	Grugliasco	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Australia Pty. Ltd	Wingfield	Australia	765,589	AUD	100.00	Comau S.p.A.	100.000	
Services								
Atlanet S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Cromos Consulenza e Formazione S.r.l. in liquidation	Turin	Italy	13,000	EUR	76.00	Business Solutions S.p.A.	76.000	
Matrix S.r.l. in liquidation	Turin	Italy	30,000	EUR	99.98	Business Solutions S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	99.000 1.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	89.78	Fiat Auto S.p.A. Iveco S.p.A. C.R.F. Società Consortile per Azioni	49.000 30.000 11.000	
European Engine Alliance EEIG	Basildon	United Kingdom	0	GBP	61.30	CNH U.K. Limited Iveco S.p.A.	33.333 33.333	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep. of China	500,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Russia OOO	Moscow	Russia	18,509,050	RUR	100.00	Fiat Partecipazioni S.p.A. Fiat Attività Immobiliari S.p.A.	80.000 20.000	
Isvor Dealernet S.r.l. in liquidation	Turin	Italy	10,000	EUR	98.09	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni Fiat Auto S.p.A.	80.000 20.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [(a)]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost								
Automobiles								
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Auto España S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Auto Portuguesa S.A.	80.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	100.00	Fiat Auto S.p.A.	99.000	
						Fidis S.p.A.	1.000	
Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000	INR	100.00	Fiat India Automobiles Private Limited	100.000	
Maserati								
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	99.995	
Maserati West Europe societé par actions simplifiée	Levallois-Perret	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Agricultural and Construction Equipment								
Case Credit Wholesale Pty. Limited	St. Marys	Australia	347,750	AUD	83.90	CNH Australia Pty Limited	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	83.90	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	83.90	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	83.90	Case United Kingdom Limited	100.000	
Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.76	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000	
Irisbus North America Limited Liability Company	Dover	U.S.A.	20,000	USD	100.00	Iveco France S.A.	100.000	
Iveco Defence Vehicles S.p.A.	Bolzano	Italy	100,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Motors of China Limited	Shanghai	People's Rep. of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Eurofire (Holding) GmbH	1.000	
Components								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V.	100.000	
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Rep. of China	10,000	HKD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.990	
						Magneti Marelli France S.a.s.	0.010	
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Yorka de Mexico S.r.l. de CV	100.000	
Production Systems								
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Rome	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000	
Services								
CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	15,000	EUR	60.00	Ingest Facility S.p.A.	60.000	
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Gestione Servizi Territoriali S.r.l.	Turin	Italy	90,000	EUR	60.00	Ingest Facility S.p.A.	60.000	
Polaris Consorzio fra Imprese con Attività Esterna in liquidation	Turin	Italy	3,099	EUR	86.65	Matrix S.r.l. in liquidazione	86.673	
Publishing and Communications								
To-dis S.r.l. a socio unico	Turin	Italy	10,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Holding companies and Other companies								
Fast Buyer Middle East A.S.	Bursa	Turkey	95,000,000,000	TRY	98.80	Fast-Buyer S.p.A.	98.800	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	96.12	Fiat Auto S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						Comau S.p.A.	1.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Media Center S.p.A.	Turin	Italy	219,756	EUR	71.43	Fiat Partecipazioni S.p.A.	68.253	
						Fiat S.p.A.	3.175	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
ISVOR DILTS Leadership Systems Inc. in liquidation	Burlingame	U.S.A.	1,000	USD	49.78	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	51.000	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	97.61	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
New Business 16 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 17 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [a]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Norfinance & Associés S.A. in liquidation	Geneva	Switzerland	4,600,000	CHF	100.00	BUC - Banca Unione di Credito	100.000	
Nuova Immobiliare Cinque S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Quattro S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Tre S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 4 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Orione-Consorzio Industriale per la Sicurezza e la Vigilanza	Turin	Italy	26,605	EUR	94.87	Fiat S.p.A.	81.198	
						Editrice La Stampa S.p.A.	1.980	
						Fiat Auto S.p.A.	1.980	
						Fiat Partecipazioni S.p.A.	1.980	
						CNH Italia s.p.a.	0.990	
						Comau S.p.A.	0.990	
						Fiat Gesco S.p.A.	0.990	
						Fiat Ge.Va. S.p.A.	0.990	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.990	
						Iveco S.p.A.	0.990	
						Magneti Marelli Holding S.p.A.	0.990	
						Sisport Fiat S.p.A.	0.990	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued by the equity method								
Automobiles								
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	50.00	Fiat Auto S.p.A.	50.000	
Fidis Retail Italia S.p.A.	Turin	Italy	672,076,000	EUR	49.00	Fiat Auto S.p.A.	49.000	
GM-Fiat Worldwide Purchasing B.V. in liquidation	Amsterdam	Netherlands	300,000	EUR	50.00	Fiat Auto Holdings B.V.	50.000	
IN ACTION S.r.l.	Arese	Italy	336,000	EUR	49.90	Fidis S.p.A.	49.900	
Targasys S.r.l.	Turin	Italy	4,322,040	EUR	40.00	Fidis S.p.A.	40.000	
Ferrari								
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	3,000,000	USD	22.40	Ferrari S.p.A.	40.000	
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	36.22	CNH Global N.V.	43.169	
Challenger New Holland Ltd.	Ottawa	Canada	558,700	CAD	25.59	CNH Canada, Ltd.	30.499	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	41.87	CNH Global N.V.	49.900	
CNH Servicios Comerciales, S.A. de C.V.	Sao Pedro	Mexico	50,000,000	MXN	41.11	CNH Global N.V.	49.000	
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	41.95	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	16.78	CNH Global N.V.	20.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	41.95	Case LBX Holdings Inc.	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	33.56	CNH America LLC	40.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	41.11	CNH Global N.V.	49.000	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	800,000,000,000	TRY	31.46	CNH Global N.V.	37.500	
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000	USD	36.30	CNH America LLC	43.266	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	47,000,000,000,000	TRL	31.46	CNH Global N.V.	37.500	
Powertrain Technologies								
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	48.00	Fiat Powertrain Italia S.r.l.	24.000	
						FMA - Fabbrica Motori Automobilistici S.r.l.	20.000	
						Fiat Automoveis S.A. - FIASA	2.000	
						Fiat Auto Holdings B.V.	1.000	
						Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	1.000	
Commercial Vehicles								
Closed Joint Stock Company "AUTO-MS"	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330	
Machen-Iveco Holding S.A.	Luxembourg	Luxembourg	26,000,000	GBP	30.00	Iveco S.p.A.	30.000	
Otoyol Sanayi A.S.	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
Production Systems								
Gonzalez Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
G.P. Properties I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Services								
Servizio Titoli S.p.A.	Turin	Italy	126,000	EUR	27.24	Business Solutions S.p.A.	27.238	
Publishing and Communications								
Editalia S.r.l.	Caserta	Italy	2,868,918	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Editoriale Corriere Romagna S.r.l.	Forlì	Italy	2,856,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Holding companies and Other companies								
IPI S.p.A.	Turin	Italy	40,784,134	EUR	10.00	Fiat Partecipazioni S.p.A.	10.000	
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000	
Lombard Bank Malta PLC	Valletta	Malta	2,025,949	MTL	26.53	BUC - Banca Unione di Credito	26.530	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	9.90	Fiat Partecipazioni S.p.A.	9.895	10.291
WorkNet S.p.A.	Milan	Italy	1,000,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. [(a)]

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued at cost								
Automobiles								
Car City Club S.r.l.	Turin	Italy	390,000	EUR	33.00	Savarent Società per Azioni	33.000	
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Auto S.p.A.	30.000	
Fabrication Automobiles de Tiaret SpA	Wilaya de Tiaret	Algeria	1,225,000,000	DZD	36.57	Fiat Auto S.p.A.	36.571	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	Fiat Handlerservice GmbH	49.000	
N. Technology S.p.A.	Chivasso	Italy	1,500,000	EUR	20.00	Fiat Auto S.p.A.	20.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	18.67	Ferrari S.p.A.	33.333	
Commercial Vehicles								
CBC-Iveco Ltd.	Changzhou	People's Rep. of China	664,000,000	CNY	50.00	Iveco S.p.A.	50.000	
Sotra S.A.	Abidijan	Ivory Coast	3,000,000,000	XAF	39.80	Iveco France S.A.	39.800	
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677	
Components								
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000,000,000	TRY	28.00	Magneti Marelli Holding S.p.A.	28.000	
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000	
Metallurgical Products								
S.A.S.-Società Assofond Servizi S.r.l.	Trezzano sul Naviglio	Italy	520,000	EUR	16.96	Teksid S.p.A.	20.000	
Production Systems								
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	
Services								
Multiservizi Reggio Calabria - Società per Azioni	Reggio di Calabria	Italy	120,000	EUR	29.40	Gestione Servizi Territoriali S.r.l.	49.000	
S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	50,000	EUR	30.00	Ingest Facility S.p.A.	30.000	
Società Cooperativa Delta Più r.l. in liquidation	Trieste	Italy	44,865	EUR	34.96	Cromos Consulenza e Formazione S.r.l. in liquidazione	46.000	
Publishing and Communications								
Le Monde Europe S.A.	Paris	France	3,658,800	EUR	48.45	La Stampa Europe SAS	48.450	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Agenzia Internazionalizzazione Imprese Torino S.r.l. in liquidation	Turin	Italy	102,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	
Alcmena S.a.r.l.	Luxembourg	Luxembourg	5,000,000	EUR	20.00	BUC - Banca Unione di Credito	20.000	
Ascai Servizi S.r.l. in liquidation	Rome	Italy	73,337	EUR	25.35	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.970	
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Concordia Finance S.A.	Luxembourg	Luxembourg	13,137,000	EUR	29.46	Fiat Netherlands Holding N.V.	29.459	
CONFORM - Consorzio Formazione Manageriale	Avellino	Italy	51,600	EUR	34.16	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	35.000	
Consorzio Oto-BPD in liquidation	Aulla	Italy	103,291	EUR	50.00	Fiat Partecipazioni S.p.A.	50.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	23.10	Fiat Partecipazioni S.p.A.	23.100	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.30	CNH Italia s.p.a. Fiat Auto S.p.A. Iveco S.p.A.	10.672 10.672 10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	48.93	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	48.93	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	19.57	Elasis-Società Consortile per Azioni	20.000	
Expo 2000 - S.p.A.	Turin	Italy	2,828,750	EUR	24.50	Fiat Partecipazioni S.p.A.	24.498	
FMA-Consultoria e Negocios Ltda	Sao Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Giraglia Immobiliare S.p.A.	Milan	Italy	3,500,000	EUR	28.24	Fiat Partecipazioni S.p.A.	28.240	
Immobiliare Novoli S.p.A.	Florence	Italy	20,640,000	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
MB Venture Capital Fund I N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	19.46	Ferrari S.p.A. CNH Italia s.p.a.	16.364 12.273	
QSF Qualità Servizi Formazione GEIE	Turin	Italy	10,329	EUR	24.40	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.000	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.50	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A.	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

(CONTINUED) INVESTMENTS HELD THROUGH IFIL INVESTMENTS – Investments held through FIAT S.p.A. (a)

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Other companies valued at cost								
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTT	9.27	CNH Polska Sp. z o.o.	11.054	
Commercial Vehicles								
Consorzio Bolzano Energia	Bolzano	Italy	12,000	EUR	16.67	Iveco S.p.A.	16.667	
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Services								
H.R.O. Polska Sp. z o.o.	Bielsko-Biala	Poland	400,000	PLN	18.00	Business Solutions Polska Sp. z o.o.	18.000	
Holding companies and Other companies								
Consorzio Sorore	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.87	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Euromedia Luxembourg One S.A.	Luxembourg	Luxembourg	44,887,500	USD	14.29	Fiat Netherlands Holding N.V.	14.286	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
IRCC-Istituto per la Ricerca e la Cura del Cancro-Torino S.p.A.	Turin	Italy	15,500,000	EUR	19.36	Fiat Partecipazioni S.p.A.	19.355	
Torino Zerocinque Investment S.p.A.	Milan	Italy	2,755,000	EUR	17.62	Fiat Partecipazioni S.p.A.	17.620	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

(a) In the consolidated financial statements of the IFIL Group at December 31, 2005, the investment in the Fiat Group (28.28% of working capital) is accounted for by the equity method.
The consolidation method and the percentage of Group consolidation indicated in the list refer to the consolidated financial statements of the Fiat Group.

IFIL GROUP IN 2005

DIRECTORS' REPORT ON OPERATIONS

investments IFIL

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

IFIL GROUP IN 2005
DIRECTORS' REPORT ON OPERATIONS

TABLE OF CONTENTS

This is an English translation of the Italian original document "Relazione sulla gestione" approved by the IFIL Board of Directors on March 30, 2006, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence: for complete information about IFIL S.p.A. and the Group, reference should be made to the full original report in Italian "Il Gruppo IFIL nel 2005" containing the Directors' Report on Operations and the Statutory Financial Statements and Consolidated Financial Statements also available on the corporate website: http://www.ifil.it.

Board of Directors

Chairman: Gianluigi Gabetti

Vice Chairmen: Tiberto Brandolini d'Adda and John Elkann

Chief Executive Officer and General Manager: Carlo Barel di Sant'Albano [a]

Directors: Edoardo Ferrero Ventimiglia, Franzo Grande Stevens, Giancarlo Lombardi, Antonio Maria Marocco, Giuseppe Recchi, Claudio Saracco, Pio Teodorani-Fabbri, Daniel John Winteler

(a) Co-opted by the Board of Directors on February 7, 2006

Secretary to the Board: Fernando Massara

Executive Committee

Gianluigi Gabetti (*Chairman*), Tiberto Brandolini D'Adda, John Elkann, Carlo Barel di Sant'Albano

Audit Committee

Antonio Maria Marocco (*Chairman*), Giancarlo Lombardi, Claudio Saracco

Compensation and Nominating Committee

John Elkann (*Chairman*), Gianluigi Gabetti, Giuseppe Recchi

Board of Statutory Auditors

Chairman: Cesare Ferrero

Standing Auditors: Giorgio Giorgi, Paolo Piccatti

Alternate Auditors: Lionello Jona Celesia, Ruggero Tabone

Independent Auditors

Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the Board of Directors and the Board of Statutory Auditors, elected by the Stockholders' Meeting held on June 27, 2005, will expire concurrently with the Stockholders' Meeting that will held for the approval of the statutory financial statements for the year ending December 31, 2007.

The appointment of the Independent Auditors will expire concurrently with the Stockholders' Meeting that will approve the financial statements for the year ending December 31, 2005.

Corporate Governance

The Chairman and Vice Chairmen may legally represent the company (art. 20 of the bylaws). Without specific authorization by resolution of the Board of Directors, they may carry out all acts falling under the corporate business purpose, except as restricted by law.

The Board of Directors has conferred all powers necessary for the management of the company to the Executive Committee, except those powers, which are expressly entrusted to the Board of Directors by law.

The Chief Executive Officer and General Manager may legally represent the company (art. 20 of the bylaws).

The Board of Directors' Meeting held on February 7, 2006, moreover, took note that the Chief Executive Officer, with regard to the scope of that provision of the bylaws, has limited his powers of company representation to the amount of € 150 million for each single transaction.

CHAIRMAN'S LETTER

To our shareholders,

With its consolidated profit of € 1,090 million, IFIL closed 2005 having achieved its best ever result. The profit reported in the statutory financial statements (€ 99 million) also showed strong growth compared to past performance. In addition to these results, the net financial position was also positive for € 350 million and the constant gains in the value of IFIL shares on the stock market meant an increase of 43%, bringing IFIL's capitalization to more than € 5 billion.

***

The most important event of the year was undoubtedly the purchase of Fiat shares in September, which enabled IFIL to keep its stake in the company unchanged, confirming its traditional role as the stockholder of reference in the Turin motor vehicle Group.
As a result of this purchase, the company seized a unique opportunity to participate fully in the progress taking place within Fiat, and, at the same time, defend the value of its longstanding stake in the company. By doing so, it was also ensuring the fundamental prerequisites that would enable Fiat management to complete the ambitious plan, begun two years ago and still in progress, to turn around the company, serenely and in a way that would assure maximum concentration of its efforts.
This decision to show confidence in Italy's leading industrial Group, taken in full awareness of the importance of Fiat for Italy's economy, and sustained by the extraordinary determination of the people who work for it, has been rewarded by the facts, so that the future prospects now are very different to those in the past.
There is no doubt that much remains to be done: from consolidating the share of Fiat brands in the European automotive market and creating specific alliances with international partners, in parallel with an equal commitment in other sectors, especially in the activities of commercial vehicles, agriculture machinery and earth-moving equipment.
The credibility that management has earned in the international economic and financial community and its proven capacity to achieve the announced results confirm the wisdom of the decisions taken hitherto and reinforce our confidence that the work undertaken with regard to our main investment may continue successfully.

The purchase of Fiat stock was preceded by another important investment, namely the investment in Sanpaolo IMI, which increased the Group's stake in the Turin bank to close to 5% of the capital stock.

Equally important was the growth of the activities of our French subsidiary which, during the year, abandoned the name of Worms & Cie in favor of Sequana Capital. Special mention should be made of the sale of Permal Group to the American company, Legg Mason, enabling Sequana Capital to realize considerable gains and a large inflow of cash. Further progress is expected in the paper sector, the profitability of which is still unsatisfactory and has been the object of much work on the part of Sequana management.

The sale of the Group's textile operations marked the completion of the monetization of the investment in La Rinascente, which began in 2004 with the sale of the food operations.

Considerable effort was invested - and will continue to be invested during the current year - in the reorganization of activities in the tourism sector headed by Alpitour. The exceptionally negative coincidence of climatic, geo-political and commercial factors during 2005 made it impossible to achieve a positive net result. However, guided by new management from the parent, IFIL, the company is engaged in an exacting review of its many activities, and it is hoped that it will be possible to achieve a decisive turnaround in the trend in the medium term, favored by an expected improvement in market conditions.

Finally, special praise goes to the Juventus team for its ability to achieve high-profile results regularly. This year the team again succeeded in placing at the top in the Italian soccer championship, and, what's more, succeeded in reaching the final stages of the Champions League. Now that the 2006 Turin Winter Olympics are over, with their brilliant results, the black and white team has proved that it is able to keep high the name of our city and the name of our Group, in the world's sporting scenario and beyond.

***

Having closed 2005 with excellent results, today, your company is committed to achieving new targets which are in the process of review by the Executive Committee consisting of myself, the two Vice Chairmen, Tiberto Brandolini d'Adda and John Elkann, and the new Chief Executive Officer and General Manager, Carlo Barel di Sant'Albano, who joined us last February.
Thanks also to the fact that IFIL's management has been strengthened, the Group is now in a position to give a new slant to its strategies, with the aim of seizing interesting new investment opportunities, and creating value, to the advantage of all its stockholders. The investment in Banca Leonardo should be viewed with this in mind. For this new development project in investment banking, we shall be able to rely on the undisputed professional skills of Gerardo Braggiotti, with whom our Group has been cooperating to great advantage for a long time.

In order to achieve its objectives, the company will have to take into due account the macro-economic context in which it operates, either directly or through its subsidiaries. Sadly, the analysis of the prospects for the current year have not produced reassuring signs, especially in the light of the disappointing results reported in the last year.

The annual growth rates of the Italian economy are lower than the average of the Eurozone. In particular, a comparison between the growth rates of the Italian economy (unchanged compared to 2004) and that of our European partners – such as France (+1.4%), Spain (+3.4%), the United Kingdom (+1.8%) and Germany (+0.9%) – suggests that, in Italy, structural problems are now tending to outweigh cyclical factors, thus preventing the consolidation of a long-lasting phase of recovery.
The balance of trade is particularly worrying: in 2005, there was a trade deficit of € 10.4 billion, the worst result recorded since the 1980s. Trade with the European Union alone generated a negative figure of € 2 billion.
In other words, if we are to succeed in launching a new cycle of growth in Italy, it is clear that we must make it a priority to loosen the structural knots which are strangling the competitiveness of our companies: namely, excessive energy costs, the insufficient resources spent on research and innovation, the expenses which weigh heavily on the cost of labor, and the disadvantages of a national debt which is unsustainable.

***

In the name of the Board of Directors I would like to thank our stockholders for the trust they have placed in us, the statutory auditors, the independent auditors, the managers and all the employees of IFIL and its subsidiaries and associates for their continued efforts in a particularly demanding year.

Gianluigi Gabetti

THE INVESTMENT PORTFOLIO

IFIL Investments S.p.A. is the investment company of the Group headed by Giovanni Agnelli e C. S.a.p.az. (through IFI – Istituto Finanziario Industriale S.p.A. which holds approximately 64% of its ordinary capital stock). It commands two distinctive areas of operations: the active management of the investment in Fiat and the dynamic management of the other holdings.

Fiat, in which IFIL has a holding of more than 30% of ordinary and preferred capital stock, operates in the national and international automotive market as a manufacturer and distributor of automobiles (Fiat, Lancia, Alfa Romeo, Ferrari and Maserati), agricultural and construction equipment (CNH Global), commercial vehicles (Iveco), automotive components for these vehicles and the supply of related services (Magneti Marelli, Comau and Teksid), as well as publishing and communications (Itedi) and services for corporations (Business Solutions).

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

Sequana Capital - ex-Worms & Cie - (52.78% holding) is a French-listed holding company with a portfolio comprising the following major investments:

- ArjoWiggins (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper;
- Antalis (100% holding), the leading European group in the distribution of paper products for printing and writing;
- SGS (23.8% holding), a company listed on the Swiss stock exchange and leader in the verification, inspection and certification of product and service quality;

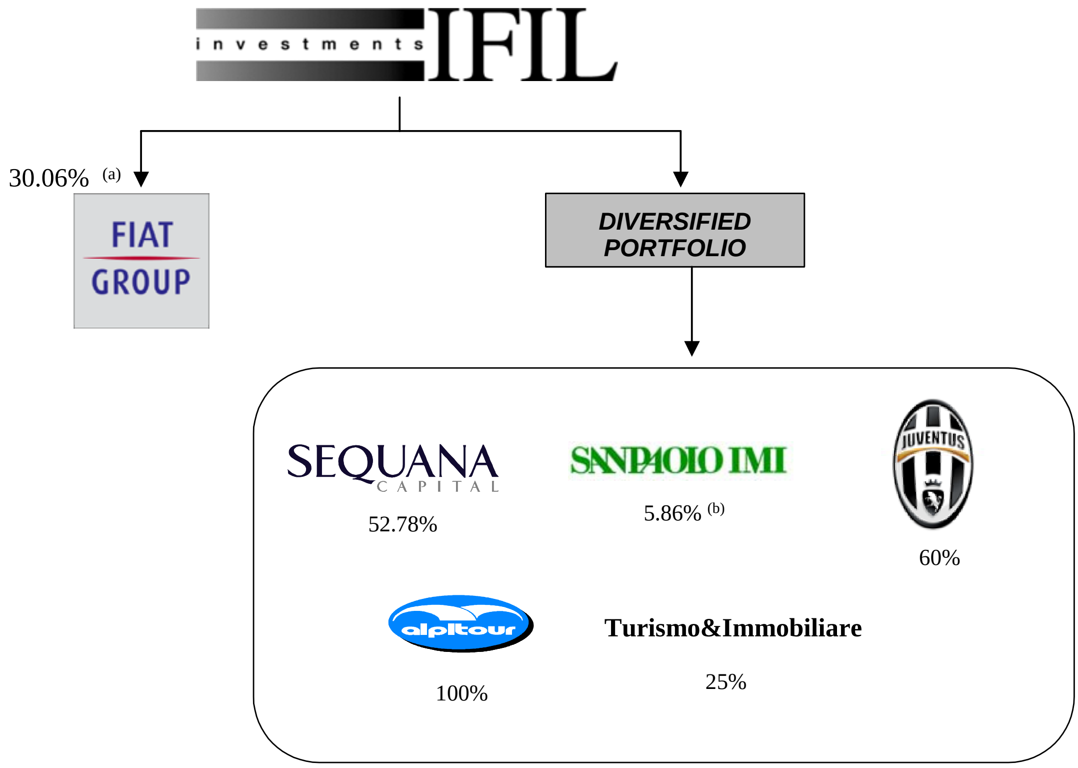
Sanpaolo IMI (5.86% holding of ordinary capital stock by IFIL) is a leading national banking group with over 3,000 branches throughout Italy;

Alpitour (100% holding) is the leading group in the tourist sector in Italy;

Juventus Football Club (60% holding by IFIL) is a company with more than one hundred years of history and an enviable record gained at various national and international sports events;

Turismo&Immobiliare (25% holding) is a company with a 49% stake in Italia Turismo (ex-Sviluppo Italia Turismo), the largest Italian real estate company for tourist and hotel properties with important investments in Apulia, Calabria, Basilicata, Sicily and Sardinia.

The following chart is updated to the end of March 2006 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFIL also holds 30.09% of preferred capital stock.
(b) Equal to 4.97% of capital stock.

The following charts show the composition of the Net Asset Value (NAV) at current values and the change in the value of the investment portfolio over the last 10 years.

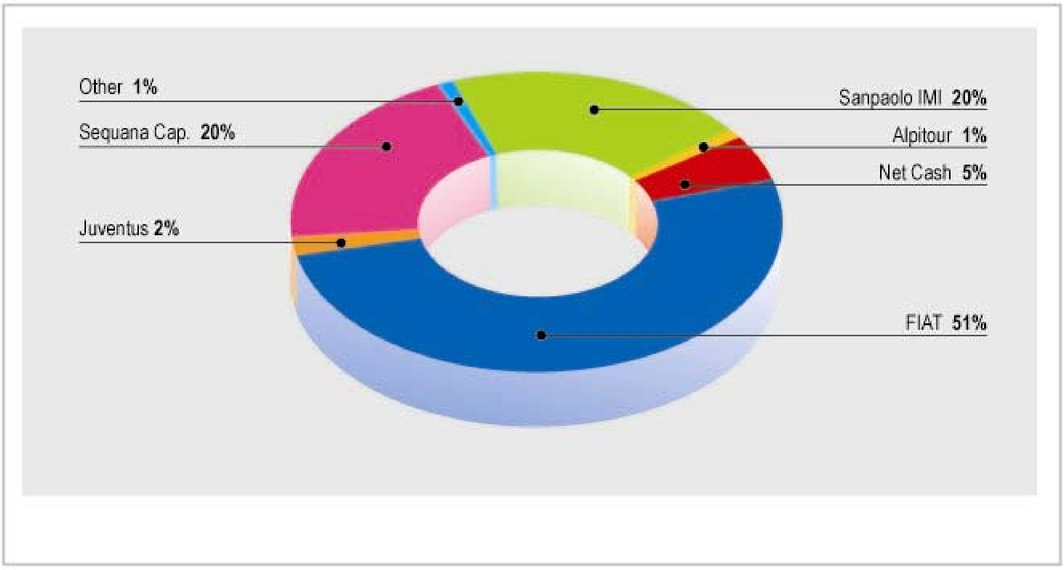
NET ASSET VALUE

At the end of March 2006, the Net Asset Value is equal to € 6,938 million and is composed as follows:

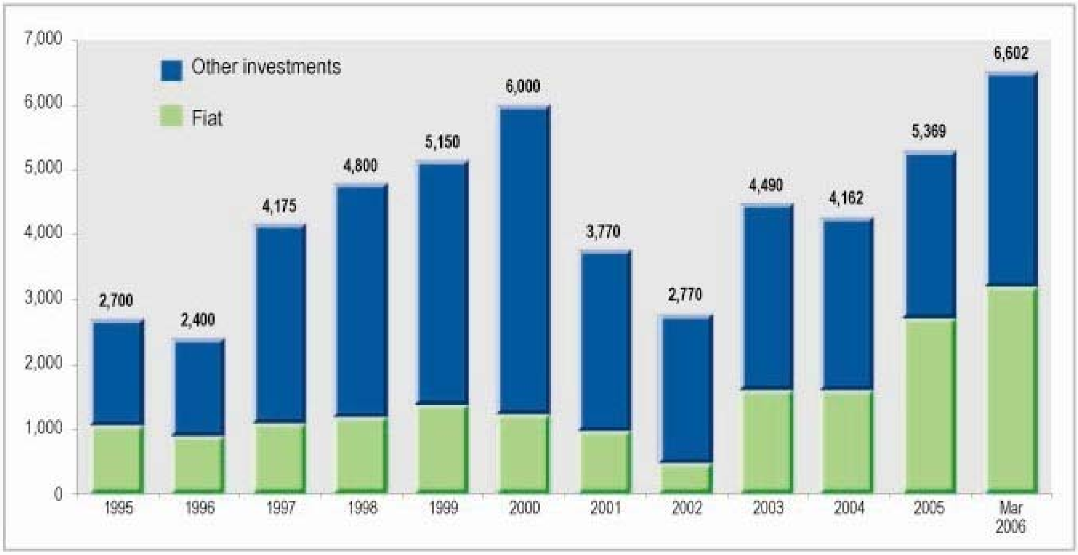
€ in millions	
Current value of the investment portfolio	6,602
Net cash	336
Total	6,938

The listed equity holdings in the investment portfolio are valued at the closing stock market prices as of March 24, 2006.

COMPOSITION OF THE NET ASSET VALUE



INVESTMENT PORTFOLIO AT CURRENT VALUES



KEY OPERATING AND FINANCIAL DATA

The key results of the IFIL Group and IFIL S.p.A. are presented below.

IFIL GROUP

Condensed consolidated figures (prepared in accordance with IFRS) (a)			
€ in millions	2005	2004	Change
Consolidated profit - Group	1,090	124	966
Share of earnings (losses) of holdings and dividends	666	(370)	1,036
Investments	4,806	2,918	1,888
Consolidated equity - Group	5,186	3,722	1,464
Consolidated net financial position of the "Holdings System"	348	680	(332)
Earnings per share (€)			
Consolidated profit - Group:			
- ordinary shares	1.03	0.12	0.91
- savings shares	1.05	0.14	0.91
Consolidated equity - Group	4.89	3.51	1.38

(a) The principles used in the preparation of the financial statements are disclosed under "IFIL Group - Review of the condensed consolidated results" in the Directors' Report on Operations.

IFIL S.p.A.
(statutory financial statements prepared in accordance with the provisions of the Italian Civil Code)

€ in millions	2005	2004	2003	2002	2001
Net income (loss)	99	80	73	(516)	104
Stockholders' equity	3,232	3,205	3,194	1,823	2,421
Total dividends paid out	86.9 (a)	73.3	66.7 (b)	-	81.2
Dividends paid out per share (€)					
Per ordinary share	0.0800	0.0683	0.0620	-	0.1800
Per savings share	0.1007	0.0890	0.0827 (b)	-	0.2007

(a) Maximum payment for dividends to be put forward in a motion to the Stockholders' Meeting convened for the approval of the financial statements for the year ended December 31, 2005.

(b) An amount of € 3 million (€ 0.0827 per savings share) has also been paid out for the balance of the preference dividends referring to 2002.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

IFIL S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 1,075,995,737 and consists of 1,038,612,717 ordinary shares and 37,383,020 savings shares with a par value of € 1 each.

Pursuant to art. 25 of the bylaws, the savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders. They carry the right to a preference dividend, cumulative according to law, of 8.27% of their par value and to a total dividend higher than that of ordinary shares by 2.07% of the same par value.

When, in any one year, the dividends assigned to the savings shares are below the percentages indicated above, the difference will be added to the preference dividend of the next two years.
In the event of the exclusion of the ordinary shares and/or savings shares from trading, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled, will be automatically increased to extent that they are equal, respectively, to 8.52% and 2.32%.

The directors have the right, for a period of five years from the resolution passed on May 14, 2003 by the Extraordinary Stockholders' Meeting, to increase, at one or more times, the capital stock, also in divisible form, for a maximum of € 1,500 million and to issue, at one or more times, convertible bonds up to the same figure but for amounts which, each time, shall not exceed those established by law.

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

Stockholders

IFIL has approximately 30,000 stockholders.
At the end of March 2006, the controlling stockholder, IFI – Istituto Finanziario Industriale S.p.A., holds approximately 64% of ordinary capital stock.

Other major stockholders, indicated below, represent 19.43% of ordinary capital stock.

Stockholders	%	Ordinary shares
Morgan Stanley Group	3.63	37,719,831
UBS AG	2.48	25,787,501
Peter Cundill & Associates (Bermuda) Ltd	2.02	21,007,569
Deutsche Bank AG	1.92	19,950,300
MB Finstrutture - Intersomer S.p.A.	1.92	19,900,000
Egerton Capital Ltd	1.88	19,574,279
K Capital Partners LLC Group	1.71	17,747,215
Banca Intesa S.p.A.	1.44	15,000,000
Intermonte SIM S.p.A.	1.23	12,800,000
Excelsia Tre S.r.l.	1.20	12,500,000
	19.43	*201,986,695*

Source: Stockholders' Book in addition to communications received from Consob as of March 24, 2006.

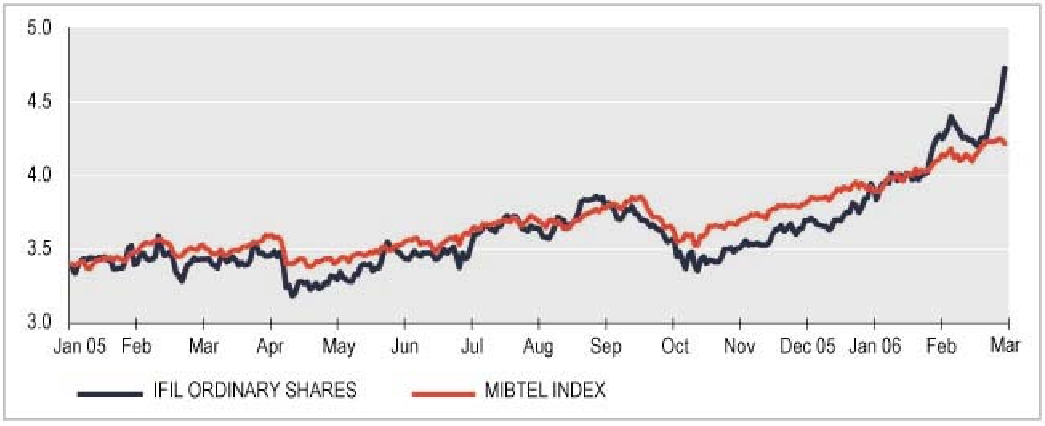
Treasury stock

IFIL currently holds 14,596,040 ordinary shares of treasury stock (1.41% of the class of stock) including the 810,262 shares held by Soiem (100% IFIL).
On March 30, 2006, the Board of Directors voted to put forward a motion to the Ordinary Stockholders' Meeting to renew the authorization for the purchase of treasury stock for a maximum of 90 million IFIL ordinary and/or savings shares for a global amount of € 450 million.

Stock performance

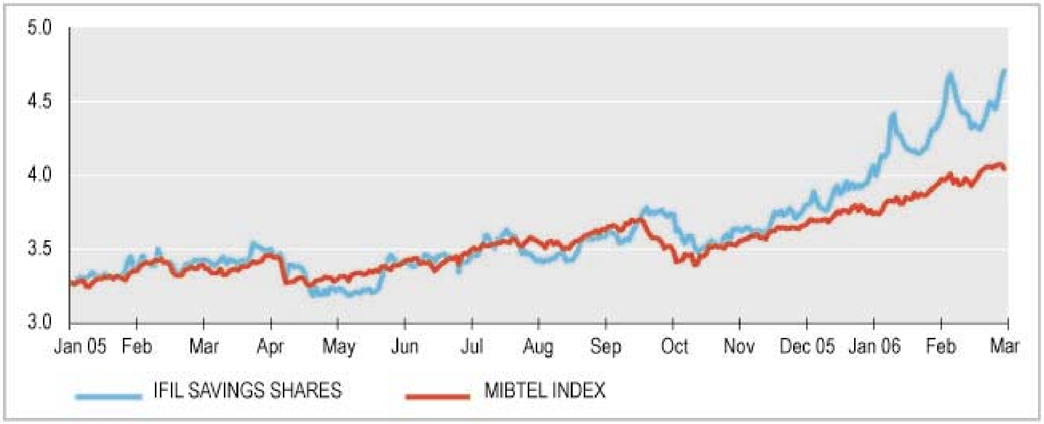
Performance by IFIL ordinary shares, which are listed on the MIDEX Index of mid-cap companies, was positive in 2005, although below the performance of the Mibtel Index. The stock's performance principally originates from the positive operating and financial effects of the sale of La Rinascente S.p.A. and the market price gains by the stocks of Sanpaolo IMI and Fiat, companies in which IFIL had increased its investments during the course of the year.
IFIL ordinary stock thus gained 9.9% for the entire year 2005 (including the distribution of dividends) against a positive 18.3% performance by the Mibtel Index.
The growth pattern continued into the first part of 2006 with price gains that caused the stock to outperform the Mibtel Index.

PERFORMANCE BY IFIL ORDINARY SHARES COMPARED TO THE MIBTEL INDEX (a)



During 2005, IFIL savings shares gained 19.7% and performed better than both IFIL ordinary shares and the Mibtel Index.
During the first part of 2006, IFIL savings stock recorded a further gain, widening the performance gap against the Mibtel Index.

PERFORMANCE BY IFIL SAVINGS SHARES COMPARED TO THE MIBTEL INDEX (a)



(a) The charts are based on stock market data. Mibtel base 100 on IFIL stock.

The above performance positively influenced IFIL's capitalization which, in 2005, grew from € 3,529 million to € 3,885 million. During the first few months of 2006, there was a further increase to € 5,042 million.

CAPITALIZATION DECEMBER 2004 / MARCH 2006 – IFIL ordinary shares – IFIL savings shares (€ in millions)

During 2005, the value and volumes of IFIL ordinary shares traded grew still further. The increment in the volumes of both ordinary shares and savings shares traded (liquidity) particularly confirms the increasingly higher market interest in IFIL's stocks.

MARKET INFORMATION	2006 (a)	2005	2004	2003
Market price per ordinary share (€):				
. year-end	4.686	3.61	3.29	2.62
. high	4.708	3.83	3.29	3.40
. low	3.628	3.15	2.43	1.65
Market price per savings share (€):				
. year-end	4.694	3.78	3.19	2.38
. high	4.732	3.89	3.19	2.54
. low	3.84	3.16	2.33	1.42
Trading volumes during the period				
. ordinary shares (in millions of shares)	150	757	613	464
. savings shares (in millions of shares)	7	28	24	67
Value of trading volumes during the period (€ in millions)				
. ordinary shares	618	2,609	1,729	1,025
. savings shares	31	97	66	121

(a) From January 1 to March 24, 2006.

The 2003 market prices have been adjusted as a result of the capital stock increase in July 2003.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

In 2005, IFIL devoted special attention to stockholders, financial analysts and institutional investors and particularly focused on the financial Press.

In particular:

- more than 1,000 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website at www.ifil.it;
- a telephone conference was organized in September and numerous individual meetings were arranged with institutional investors and financial analysts;
- far-reaching, comprehensive information has been circulated through the Italian and foreign economic and financial Press and also on the corporate website.

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

External Relations and Press Office
Tel. +39.011.5090320
Fax +39.011.5090386
relazioni.esterne@ifil.it

Institutional Investors and
Financial Analysts Relations
Tel. +39.011.5090360
Fax +39.011.535600
relazioni.investitori@ifil.it

Stocks and Bonds Service
Tel. +39.011.5090323
Tel. +39.011.5090205
Fax +39.011.5090321
servizio.titoli@ifil.it

MAJOR EVENTS IN 2005

Increase in the investment in Sanpaolo IMI

During March and April 2005, IFIL purchased on the market 22,700,000 Sanpaolo IMI ordinary shares (1.43% of the current ordinary capital stock) for an investment of € 263.5 million.
IFIL currently holds 93,071,000 Sanpaolo IMI ordinary shares, equal to 5.86% of ordinary capital stock and 4.97% of capital stock.

Investment in Italia Turismo (ex-Sviluppo Italia Turismo)

In April 2005, the agreement was executed between IFIL, Banca Intesa, the Marcegaglia Group and Sviluppo Italia for the partial privatization of Italia Turismo. Turismo&Immobiliare (the company in which the three private stockholders each own equal stakes) subscribed to Italia Turismo's capital stock increase of € 60 million and purchased stock of the company from Sviluppo Italia for € 16 million thus acquiring a 49% stake for a total investment of € 76 million.
At the beginning of November, Pirelli RE became a stockholder of Turismo&Immobiliare, purchasing about an 8.3% stake in the capital of this company from each of the three founding stockholders for € 1.1 million and assuming the same commitments.
Turismo&Immobiliare, the capital of which is today owned by the aforementioned four private stockholders, each with a 25% holding, has a 49% interest in Italia Turismo (the remaining 51% stake is held by Sviluppo Italia), which is the largest real estate operator in the tourism-hotel sector in Italy with important investments in Apulia, Calabria, Basilicata, Sicily and Sardinia.
Finally, the agreements with Sviluppo Italia provide for the possibility that Turismo&Immobiliare will reach a controlling interest (approximately 65%) in Italia Turismo by 2009.
The additional commitment by the IFIL Group will amount to € 19 million.

Sale of La Rinascente S.p.A.

On May 6, 2005, Eurofind Textile S.A. (the Luxembourg company controlled by Auchan and Ifil Investissements) sold 99.09% of Rinascente S.p.A. capital stock to Tamerice S.r.l., a company heading a group composed of Investitori Associati SGR S.p.A., DB Real Estate Global Opportunities IB L.P., Pirelli RE S.p.A. and the Borletti family, for a price of € 888 million.

On May 17, 2005, the subsidiary Ifil Investissements purchased the remaining 50% of Eurofind Textile capital stock from the Auchan Group for € 349.5 million and then merged it on June 28, 2005. As a result of these transactions, the IFIL Group received net proceeds for a total of € 529.1 million and realized a gain of € 459.1 million (both amounts are net of selling costs), with no significant tax effects.

Ifil Investissements, as the merging company of Eurofind Textile, has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions (part of such guarantees are borne by the Auchan Group). Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation when thresholds of significance are exceeded per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) and, for certain matters, a maximum limit of responsibility for the seller.

IFIL S.p.A. has guaranteed the commitments undertaken by Ifil Investissements with the buyer until their maturity, estimated, depending on the matter at hand, at December 31, 2006 or at December 31, 2008 or when barred by the statute of limitations.

Maintaining a 30.06% stake in the ordinary capital stock of Fiat S.p.A.

On September 20, 2005, IFIL purchased 82,250,000 Fiat ordinary shares from Exor Group (controlled by Giovanni Agnelli e C. S.a.p.az.). These shares came from an equity swap agreement between Exor Group and Merrill Lynch International last April. This purchase was approved on September 15, 2005 by the Board of Directors, which used the services of an advisor, Mr. Gerardo Braggiotti of G.B. Partners.

The purchase price was € 6.5 per share for a total of € 534.6 million. Fiat stock was officially traded at € 7.76 per share on September 15, 2005 compared to the weighted average official prices over the last three months of € 6.91 per share and the weighted average official prices over the last six months of € 6.16 per share. The stock was transferred from Merrill Lynch to Exor Group at the same time the Fiat capital increase was executed, on September 20, 2005. The sale by Exor Group to IFIL immediately followed on the same date. In the identical context, IFIL, on the same date, sold Merrill Lynch all the option rights to which it was entitled on the Fiat capital increase.

Prior to the purchase of the above stock, after the purchase of 5,500,000 ordinary shares on the market by IFIL on September 7, 8 and 9 for € 41.1 million, the investment held by IFIL in Fiat totaled 246,083,447 ordinary shares and 31,082,500 preferred shares.

The aforementioned transactions allowed IFIL to maintain its investment in Fiat ordinary capital stock unchanged (30.06%) after the capital increase by Fiat, which took place on September 20, 2005.

A total of 87,750,000 Fiat ordinary shares was purchased for a global investment of € 580.2 million, including incidental charges of € 4.5 million.

At December 31, 2005, IFIL holds 328,333,447 Fiat ordinary shares and 31,082,500 Fiat preferred shares.

Investment in Banca Leonardo

At the end of November 2005, the IFIL Group displayed its interest in the project for the acquisition and recapitalization of Banca Leonardo S.p.A., assuming a commitment for an investment of € 46.6 million to purchase 10% of the capital of the bank.

On March 3, 2006, Ifil Investissements filed a petition with Banca d'Italia to obtain authorization for the investment which it is believed can be executed by the end of the month of April 2006.

IFIL GROUP - REVIEW OF THE CONDENSED CONSOLIDATED RESULTS

IFIL holds some important investments through Dutch and Luxembourg subsidiaries and controls two companies incorporated under Irish law (operating with the aim of optimizing the management of the financial resources of the Group), Soiem (a services company), as well as certain companies contributing to investment activities (Ifil USA and Ifil Asia). The aggregate of these companies constitutes the so-called "Holdings System".

In order to facilitate the analysis of the financial position and results of operations of the Group, it is IFIL's practice to present "condensed" financial statements (balance sheet and income statement) for the period prepared by applying the "condensed" consolidation criteria. Such condensed consolidated financial statements are presented along with the annual consolidated financial statements and in the first-half report of each year. The quarterly consolidated data is also presented in the condensed format in the quarterly reports at March 31 and September 30 of each year.

In the preparation of the condensed consolidated balance sheet and income statement, the financial statements or accounting data drawn up in accordance with IFRS by the parent and by the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, Sequana Capital, Alpitour, Juventus Football Club and Turismo&Immobiliare) are accounted for by the equity method, always on the basis of their financial statements or accounting data prepared in accordance with IFRS.

The 2004 data presented for purposes of comparison has been restated in accordance with IFRS.

The following table shows the consolidation and valuation methods used for the investments in subsidiaries and associates.

		% holding in capital stock outstanding	
		12/31/2005	12/31/2004
HOLDINGS SYSTEM	Consolidated line-by-line (a)		
	- IFIL Investments S.p.A.	-	-
	- Ifil Investment Holding N.V. (Netherlands)	100	100
	- Ifil Investissements S.A. (Luxembourg)	100	100
	- Ifilgroup Finance Ltd (Ireland)	100	100
	- Ifil International Finance Ltd (Ireland)	100	100
	- Soiem S.p.A. (Italy)	100	100
	- IFIL USA Inc (b)	100	100
	- IFIL Asia Ltd (Hong Kong)	100	100
	- IFIL New Business S.r.l. (Italy) (c)	100	100
	- Eufin Investments Unlimited (United Kingdom) (d)	100	50
	Consolidated proportionally		
	- Eurofind Textile S.A. (Luxembourg) (e)	-	50
OPERATING COMPANIES	Accounted for by the equity method		
	- Fiat Group	28.28	27.74
	- Sequana Capital Group (ex-Worms & Cie)	52.78	52.96
	- Alpitour Group	100	100
	- Juventus Football Club S.p.A.	60.00	61.69
	- Turismo&Immobiliare S.p.A.	25.00	-

(a) Certain wholly-owned subsidiaries, after the distribution of almost all their income and capital reserves, were wound up (Mediterranean Capital B.V. and Ifil Finance B.V.) or put into a wind-up (NHT New Holding for Tourism S.A.) and, therefore, at December 31, 2005, were accounted for by the equity method (they had previously been consolidated line-by-line). Sadco S.A. was put into a wind-up at the end of 2005 and has therefore been consolidated line-by-line up to December 31, 2005.

(b) Ifil Capital Partners L.P., Ifil America L.P. and Ifil Investments LLC (previously grouped with Ifil USA Inc.) were wound up in December 2005.

(c) Dormant company.

(d) The investment, equal to 50% of capital stock, was consolidated proportionally up to December 31, 2004.

(e) Following the proportional total spin-off of Eurofind (December 2004), the IFIL Group came to hold 50% of the capital stock of Eurofind Food (sold to the Auchan Group in December 2004) as well as 50% of the capital stock of Eurofind Textile which controlled 99.09% of the outstanding capital stock of La Rinascente (the beneficiary company of the spin-off of the textile businesses, Department Stores and Upim, of the Rinascente Group) sold on May 6, 2005 to Tamerice S.r.l. On May 17, 2005, Ifil Investissements purchased the remaining 50% interest in Eurofind Textile from the Auchan Group and merged it on June 28, 2005.

Consolidated profit - IFIL Group for the year 2005 is € 1,090 million (€ 124 million in 2004). The positive change of € 966 million is mainly due to a decisive improvement in the results of the Fiat Group and the Sequana Capital Group, partly as a result of nonrecurring transactions.

The **Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method** is an earnings figure of € 622 million (losses of € 397.8 million in 2004). The positive change of € 1,019.8 million is due to better results posted by the Fiat Group (+€ 817.3 million) and by the Sequana Capital Group (+€ 224.4 million), as well as lower results reported by Alpitour Group (-€ 17.1 million), Juventus Football Club (-€ 4.4 million) and a loss reported by Turismo&Immobiliare (-€ 0.4 million). The above changes include consolidation adjustments.

The **consolidated net financial position of the "Holdings System"** at December 31, 2005 shows a net liquidity position of € 348.3 million. The decrease of € 331.7 million compared to the balance at year-end 2004 (€ 680 million) comes from the net proceeds generated by the sale of the investment in La Rinascente (+€ 529.1 million), the receipt of dividends from holdings (+€ 66.6 million), the investments made in Fiat (-€ 580.2 million) and Sanpaolo IMI (-€ 263.5 million), the dividends paid by IFIL (-€ 73.2 million) and other net changes (-€ 10.5 million).

Consolidated equity – Group at December 31, 2005 amounts to € 5,186 million (€ 3,722.2 million at the end of 2004). The increase of € 1,463.8 million is due to the fair value adjustment of the investment in Sanpaolo IMI (+€ 220.3 million), the consolidated profit of the Group for the year (+€ 1,090 million), positive translation differences (+€ 281 million), dividends paid by IFIL S.p.A. (-€ 73.2 million) and other net changes (-€ 54.3 million).

The carrying amount of **investments** at December 31, 2005 is € 4,806.5 million. The increase of € 1,888.6 million compared to investments at year-end 2004 (€ 2,917.9 million) is due to the fair value adjustment of the investment in Sanpaolo IMI (+€ 220.3 million), the investments made in that bank (+€ 263.5 million) and in Fiat (+€ 580.2 million), IFIL's share of the changes in the equity of the operating subsidiaries and associates (+€ 823.6 million), and, lastly, other net changes (+€ 1 million).

The condensed consolidated income statement and balance sheet and comments thereon are presented on the following pages.

IFIL Group - Condensed consolidated income statement

€ in millions	Note	2005	2004	Change
Group's share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method	1	622.0	(397.8)	1,019.8
Dividends from other holdings (a)		43.7	27.4	16.3
Net gains	2	460.9	603.3	(142.4)
Profit (loss) from discontinued operations	3	0.5	(2.3)	2.8
Impairment (losses)/reversals of investments and securities	4	3.4	(74.4)	77.8
Net financial income (expenses)	5	2.0	(20.9)	22.9
Net general expenses	6	(41.1)	(22.2)	(18.9)
(Accruals to)/releases of provisions		(1.3)	0.3	(1.6)
Income taxes		(0.1)	10.6	(10.7)
Profit - Group		1,090.0	124.0	966.0

(a) Received from Sanpaolo IMI.

IFIL Group - Condensed consolidated balance sheet

€ in millions	Note	12/31/2005	12/31/2004	Change
Assets				
Investments in operating subsidiaries and associates accounted for by the equity method	7	3,576.8	2,173.0	1,403.8
Other investments	7	1,229.7	744.9	484.8
Other financial assets	8	8.3	7.3	1.0
Property, plant and equipment and intangible assets		13.5	13.6	(0.1)
Assets held for sale	9	0.0	72.4	(72.4)
Current financial assets	10	792.7	1,047.9	(255.2)
Receivables and other current and non-current assets	11	43.7	300.2	(256.5)
Cash and cash equivalents		4.2	4.2	0.0
Total assets		5,668.9	4,363.5	1,305.4
Equity and liabilities				
Capital and reserves		5,238.1	3,772.2	1,465.9
Treasury stock	12	(52.1)	(50.0)	(2.1)
Equity - Group	13	5,186.0	3,722.2	1,463.8
Provisions		10.9	9.2	1.7
Bonds	14	99.7	300.6	(200.9)
Current and non-current bank debt		348.9	323.9	25.0
Other current and non-current liabilities		23.4	7.6	15.8
Total equity and liabilities		5,668.9	4,363.5	1,305.4

1. Group’s share of the earnings (losses) of operating subsidiaries and associates accounted for by the equity method

€ in millions	Earnings (losses) 2005	Earnings (losses) 2004	IFIL's share 2005	IFIL's share 2004	Change
Fiat Group	1,331.0	(1,634.0)	373.8	(453.3)	827.1
Sequana Capital Group	348.1	(28.2)	183.7	(14.9)	198.6
Alpitour Group	(10.7) (a)	5.7 (a)	(10.7)	5.7	(16.4)
Juventus Football Club	(16.7) (b)	(9.1) (b)	(10.0)	(5.6)	(4.4)
Turismo&Immobiliare	(1.6)	-	(0.4)	0.0	(0.4)
			536.4	(468.1)	1,004.5
Consolidation adjustments			85.6	70.3	15.3
Total			622.0	(397.8)	1,019.8

(a) The year coincides with the period November 1 to October 31.

(b) Accounting results for the period January 1 to December 31 prepared in accordance with IFRS for purposes of consolidation in IFIL.

The consolidation adjustments regard the results of the following groups:

€ in millions	2005	2004	Change
Fiat	59.8 (a)	69.6 (b)	(9.8)
Sequana Capital	25.8 (c)	0.0	25.8
Alpitour	0.0	0.7	(0.7)
Total consolidation adjustments	85.6	70.3	15.3

(a) Details are as follows:
- € 54.8 million for the excess of the increases of IFIL’s share of the consolidated equity of the Fiat Group originating from the Fiat capital stock increase subscribed to by minority stockholders (+€ 605.4 million) and the increase in the percentage of consolidation, equal to 0.54% (+€ 29.2 million), compared to the cost incurred for the purchase of 87,750,000 Fiat shares (-€ 580.2 million), net of the sale of the rights on ordinary and preferred shares (+€ 0.4 million);
- € 5 million for the reversal of the portion of actuarial losses charged to the income statement (early adoption of revised IAS 19 by the IFIL Group).

(b) Use of the remaining "Consolidation reserve for risks and future expenses" for IFIL's share of the Fiat Group's loss referring to the investment in Fiat conferred by IFI in 2003.

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

Comments on the operating performance of the main subsidiaries and associates are presented later in the report.

2. Net gains

Net gains realized in 2005 amount to € 460.9 million and refer to the sale of 99.09% of La Rinascente S.p.A. capital stock to Tamerice S.r.l. (€ 459.1 million) and the sale on the market of a marginal interest (1.69% of capital stock) in Juventus Football Club (€ 1.8 million). Net gains in 2004 totaling € 603.3 million originated from the sale of 50% of Eurofind Food capital stock (€ 577 million), 7.2% of Club Mediterranée capital stock (€ 26 million) and 0.32% of Juventus Football Club capital stock (€ 0.3 million).

3. Profit (loss) from discontinued operations

At December 31, 2005, the profit (loss) from discontinued operations includes dividends received from La Rinascente S.p.A. (+€ 0.5 million). In 2004, this item included IFIL’s share of the earnings (losses) of SIDM (-€ 6.6 million) and La Rinascente (+€ 4.3 million).

4. Impairment (losses)/reversals of investments and securities

At December 31, 2005, impairment (losses)/reversals include the positive fair value adjustment of current securities for € 3.4 million.

In 2004, this caption amounted to € 74.4 million and included the impairment loss of goodwill on Alpitour (-€ 36.5 million) and Juventus Football Club (-€ 36.4 million) as well as that of securities (-€ 1.5 million).

5. Net financial income (expenses)

In 2005, net financial income amounts to € 2 million. In 2004, net financial expenses totaled € 20.9 million owing to the fact that the consolidated net debt position of the "Holdings System" returned to a liquidity position only towards the end of the year.

6. Net general expenses

Net general expenses amount to € 41.1 million for the year 2005 and include the extraordinary compensation approved for the Chairman and President (€ 15 million) and the former Chief Executive Officer (€ 3.8 million) at the Board of Directors' Meetings held, respectively, on June 9, 2005 and November 11, 2005. The remaining amount of € 22.3 million is basically in line with that in 2004 (€ 22.2 million).

7. Investments

Details are as follows:

	Carrying amount at		
€ in millions	12/31/2005	12/31/2004	Change
Investments in operating subsidiaries and associates accounted for by the equity method			
Fiat Group	2,335.7	1,134.1	1,201.6
Sequana Capital Group	1,140.9	922.0	218.9
Alpitour Group	69.9	78.9	(9.0)
Juventus Football Club S.p.A.	26.6	38.0	(11.4)
Turismo&Immobiliare Sp.A.	3.7	-	3.7
Total	3,576.8	2,173.0	1,403.8
Other investments - available-for-sale			
Sanpaolo IMI S.p.A. (a)	1,228.6	744.9	483.7
Other investments - sundry			
Companies of the "Holdings System" in wind-ups and others	1.1	0.0	1.1
Total other investments	1,229.7	744.9	484.8

(a) Measured at fair value on the basis of the stock market price at the balance sheet date with recognition of the unrealized gain or loss in equity.

The comparison between the carrying amounts and the market prices of listed investments is presented below:

				Market price			
	Number of shares held	Carrying amount		December 30, 2005		March 24, 2006	
		Per share (€)	Total (€ mn)	Per share (€)	Total (€ mn)	Per share (€)	Total (€ mn)
Fiat Group							
- ordinary shares	328,333,447	6.50	2,133.7	7.33	2,407.7	10.01	3,285.6
- preferred shares	31,082,500	6.50	202.0	5.94	184.5	7.93	246.6
			2,335.7		2,592.2		3,532.2
Sequana Capital Group	55,922,623	20.40	1,140.9	24.00	1,342.1	25.60	1,431.6
Juventus Football Club S.p.A.	72,560,500	0.37	26.6	1.36	98.7	1.56	113.3
Sanpaolo IMI S.p.A.	93,071,000	13.20	1,228.6	13.20	1,228.6	15.25	1,419.2
Total			4,731.8		5,261.6		6,496.3

8. Other financial assets

Other financial assets include 76,614 Ocean Club Méditerranée bonds, maturing November 1, 2008 (€ 4.8 million), and 18,914,511 Fiat ordinary share warrants 2007 (€ 3.5 million).

9. Assets held for sale

In 2004, assets held for sale referred to the carrying amount of the investment in La Rinascente (€ 70.2 million) and the carrying amount (€ 2.2 million) of a building owned by the subsidiary Sadco. Both sales were executed during 2005.

10. Current financial assets

These amount to € 792.7 million (€ 1,047.9 million at the end of 2004) and mainly include investments made on the money market in time deposits, short-term Italian government securities and other short-term financial instruments.

11. Receivables and other current and non-current assets

The amount of € 43.7 million includes tax receivables of € 42.9 million and other assets of € 0.8 million.

12. Treasury stock

Treasury stock includes IFIL ordinary shares held by IFIL and its subsidiary Soiem; the change compared to the end of 2004 is presented below.

	Number of ordinary shares held	% of class of stock	% of capital stock	Amount	
				Per share (€)	Total (€ in mn)
Balance at December 31, 2004:					
- held by IFIL S.p.A.	13,155,472 (a)	1.27	1.22	3.59	47.2
- held by the subsidiary Soiem S.p.A.	810,262	0.08	0.08	3.41	2.8
Total at December 31, 2004	13,965,734	1.35	1.30	3.58	50.0
Purchases during period by IFIL S.p.A.	630,306	0.06	0.06	3.38	2.1
Balance at December 31, 2005	**14,596,040**	**1.41**	**1.36**	**3.57**	**52.1**

(a) Of which 532,000 shares are to be used to service stock option plans at the price of € 2.28 per share.

13. Equity - Group

The changes during the year are analyzed as follows:

€ in millions		
Equity - Group at December 31, 2004	**3,722.2**	
Fair value adjustments of the investment in Sanpaolo IMI (+€ 220.3 million) and Fiat ordinary share warrants 2007 (+€ 1 million)	221.3	
Net change in the measurement of hedging instruments	4.9	
Share of translation differences (+€ 281 million) in the equity of subsidiaries and associates and other net changes (-€ 59.5 million)	221.5	
Cost of IFIL ordinary shares purchased in 2005	(2.1)	
IFIL S.p.A. capital stock increase as a result of the exercise of stock options	1.4	
Dividends distributed by IFIL S.p.A.	(73.2)	(a)
Profit - Group	1,090.0	
Net change during the year	**1,463.8**	
Equity - Group at December 31, 2005	**5,186.0**	

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

14. Bonds

Bonds include the IFIL 2003/2006 bonds for a nominal amount of € 100 million. Such bonds, repayable with a one-time repayment maturing December 19, 2006 are recorded at amortized cost for € 100.2 million (€ 99.9 million at December 31, 2004).

In 2004, bonds also included the IFIL 2002/2005 bonds (€ 200.7 million) for a nominal amount of € 200 million, repaid on December 20, 2005.

15. Consolidated net financial position of the "Holdings System"

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

	12/31/2005			12/31/2004		
€ in millions	Current	Non-current	Total	Current	Non-current	Total
Securities	792.7	0.0	792.7	1,047.9	0.0	1,047.9
Receivables and other assets	0.0	0.0	0.0	252.4	0.0	252.4
Cash and cash equivalents	4.2	0.0	4.2	4.2	0.0	4.2
Total financial assets	796.9	0.0	796.9	1,304.5	0.0	1,304.5
IFIL 2002/2005 bonds	0.0	0.0	0.0	(200.7)	0.0	(200.7)
IFIL 2003/2006 bonds	(99.7)	0.0	(99.7)	0.0	(99.9)	(99.9)
Bank debt and other financial payables	(348.9)	0.0	(348.9)	(323.9)	0.0	(323.9)
Total financial liabilities	(448.6)	0.0	(448.6)	(524.6)	(99.9)	(624.5)
Consolidated net financial position of the "Holdings System"	348.3	0.0	348.3	779.9	(99.9)	680.0

At December 31, 2005, IFIL S.p.A. has irrevocable credit lines for € 570 million due after December 31, 2006.

The negative change of € 331.7 million compared to the balance at the end of 2004 is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2004		680.0
Investments		
- Purchase of Fiat ordinary shares (8.03% of the class of stock)	(580.2)	
- Purchase of Sanpaolo IMI ordinary shares (1.43% of the current ordinary capital stock)	(263.5)	
- Net investment in Turismo&Immobiliare (25% of capital stock)	(4.1)	
Investments		(847.8)
Sales		
- Net proceeds on the sale of the investment in La Rinascente	529.1	
- Sale of Juventus Football Club shares (1.69% of capital stock)	2.8	
Sales		531.9
Dividends received from:		
- Sanpaolo IMI	43.7	
- Sequana Capital	22.4	
- La Rinascente	0.5	
Dividends received		66.6
Net financial income		2.0
Net general expenses		(32.1) (a)
Other changes:		
- Dividends paid by IFIL S.p.A.	(73.2) (b)	
- Purchase of IFIL ordinary shares (0.06% of the class of stock)	(2.1)	
- Sale of receivables from the tax authorities to subsidiaries and the parent	3.6	
- IFIL S.p.A. capital stock increase as a result of the exercise of stock options	1.4	
- Other, net	18.0	
Other changes		(52.3)
Net change during the year		(331.7)
Consolidated net financial position of the "Holdings System" at December 31, 2005		348.3

(a) Excluding the extraordinary compensation not yet paid to the Chairman for € 9 million.
(b) Net of intragroup dividends of € 0.1 million.

On October 26, 2005, following the investment in Fiat and less diversification of the portfolio as a result, Standard & Poor's downgraded its rating of IFIL's long-term debt from "A-" to "BBB+" and confirmed its rating of short-term debt in "A-2", with a stable outlook.

The following table presents a reconciliation of the condensed consolidated data and the IFIL Group consolidated financial statements prepared in accordance with IFRS.

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

The second column ("Eliminations - operating subsidiaries") shows the adjustments necessary to reverse the carrying amount of the investments in the operating subsidiaries (accounted for in the condensed financial statements by the equity method) and the share of the results of these companies in order to arrive at the line-by-line consolidation of the respective financial statements, adjusted, if necessary, to conform with Group principles, which are shown in the next columns.

IFIL Group - Consolidated balance sheet

€ in millions	Condensed consolidation	Eliminations - operating subsidiaries	Sequana Capital Group	Alpitour Group	Juventus F.C.	IFIL Group consolidation
Non-current assets						
Goodwill	0		787	27	0	814
Other intangible assets	0		63	33	147	243
Property, plant and equipment	14		784	121	22	941
Investments accounted for by the equity method	3,577	(1,238)	626	1	0	2,966
Other financial assets	1,238		262	5	18	1,523
Deferred tax assets	0		10	23	35	68
Other non-current assets	0		20	6	7	33
Total non-current assets	4,829	(1,238)	2,552	216	229	6,588
Current assets						
Inventories	0		550	4	0	554
Trade receivables	0		856	149	23	1,028
Other receivables	43		152	43	61	299
Financial assets	793		366	9	2	1,170
Cash and cash equivalents	4		496	94	1	595
Total current assets	840	0	2,420	299	87	3,646
Assets held for sale			3	22		25
TOTAL ASSETS	5,669	(1,238)	4,975	537	316	10,259
Equity						
Group	5,186	(1,238)	1,141	70	27	5,186
Minority interest			1,025	4	17	1,046
Total equity	5,186	(1,238)	2,166	74	44	6,232
Non-current liabilities						
Provisions for employee benefits and provisions for other liabilities and charges	2		554	21	3	580
Bonds and other financial debt	0		700	45	15	760
Deferred tax liabilities	1		66		25	92
Other non-current liabilities	0		6		51	57
Total non-current liabilities	3	0	1,326	66	94	1,489
Current liabilities						
Provisions for employee benefits and provisions for other liabilities and charges	8		38	2	0	48
Bonds and other financial debt	449		417	142	26	1,034
Trade payables	5		721	171	85	982
Other current liabilities	18		307	82	67	474
Total current liabilities	480	0	1,483	397	178	2,538
Liabilities relating to assets held for sale						0
TOTAL EQUITY AND LIABILITIES	5,669	(1,238)	4,975	537	316	10,259

IFIL Group – Consolidated income statement

€ in millions	Condensed consolidation	Eliminations - operating subsidiaries	Sequana Capital Group	Alpitour Group	Juventus F.C.	IFIL Group consolidation
Revenues	1		4,067	1,147	214	5,429
Other revenues from current operations	1		13	13	11	38
Purchases of raw materials and changes in inventories	0		(2,579)	(854)	(3)	(3,436)
Personnel costs	(12)		(695)	(90)	(128)	(925)
Costs for external services	(29)		(515)	(180)	(33)	(757)
Taxes and duties	(1)		(41)	(3)	0	(45)
Amortization and depreciation	0		(120)	(16)	(55)	(191)
Accruals to provisions	0		12	(7)	0	5
Other expenses from current operations	(1)		(23)	(14)	(29)	(67)
Profit (loss) from current operations	(41)	0	119	(4)	(23)	51
Other income (expenses)	(2)	55	(250)	5	8	(184)
Operating profit (loss)	(43)	55	(131)	1	(15)	(133)
Cost of net financial debt	1	1	(46)	(11)	(2)	(57)
Other financial income (expenses)	51	(1)	20	2	0	72
Net financial income (expenses)	52	0	(26)	(9)	(2)	15
Income taxes	0	0	(43)	(4)	0	(47)
Profit (loss) of companies consolidated line-by-line	9	55	(200)	(12)	(17)	(165)
Share of earnings (losses) of companies accounted for by the equity method	622	(244)	59	0	0	437
Profit from continuing operations	631	(189)	(141)	(12)	(17)	272
Profit from discontinued operations	459		547	0	0	1,006
Profit (loss)	1,090	(189)	406	(12)	(17)	1,278
Profit (loss) - Minority interest	0	0	196	(1)	(7)	188
Profit (loss) - Group	1,090	(189)	210	(11)	(10)	1,090

Reconciliation between the net liquidity position of the “Holdings System” and the consolidated net financial debt (line-by-line consolidation)

€ in millions	12/31/2005	12/31/2004	Change
Net liquidity position of the Holdings System	348	680	(332)
Consolidated net financial debt of the companies consolidated line-by-line:			
- Sequana Capital Group	(441)	(905)	464
- Alpitour Group	(78)	(112)	34
- Juventus F.C.	(38)	(20)	(18)
Consolidated net financial debt (line-by-line consolidation)	(209)	(357)	148

The composition of net financial debt is presented in the consolidated financial statements of the IFIL Group in Note 25.

IFIL S.p.A. - REVIEW OF THE RESULTS OF THE STATUTORY FINANCIAL STATEMENTS

The statutory financial statements of IFIL S.p.A. for the year ended December 31, 2005 have been prepared in accordance with the provisions of the Italian Civil Code.

The company has the obligation of adopting International Financial Reporting Standards (IFRS) starting from the year ending December 31, 2006. Additional information is provided under "Transition to International Financial Reporting Standards (IFRS) by IFIL S.p.A.".

The net income of IFIL S.p.A. for the year 2005 is € 98.8 million, with an increase of € 18.6 million (+23.2%) compared to € 80.2 million in 2004.

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

IFIL S.p.A. – Income statement – condensed

€ in millions	Note	2005	2004	Change
Dividends	1	154.4	301.4	(147.0)
Gains	2	2.6	0.5	2.1
Writedowns		0.0	(185.6)	185.6
Investment income, net, from financial fixed assets		157.0	116.3	40.7
Financial expenses, net	3	(21.5)	(26.1)	4.6
General expenses, net	4	(15.6)	(13.4)	(2.2)
Other expenses, net	5	(21.1)	(1.5)	(19.6)
Income before taxes		98.8	75.3	23.5
Income taxes	6	0.0	4.9	(4.9)
Net income		98.8	80.2	18.6

IFIL S.p.A. - Balance sheet - condensed

		12/31/2005		12/31/2004		
€ in millions	Note	Amount	%	Amount	%	Change
Property, plant and equipment and intangible assets		4.5	0.1	6.7	0.2	(2.2)
Financial fixed assets	7	3,649.8	98.5	3,518.0	91.8	131.8
Financial receivables for dividends to be received		0.0	0.0	253.6	6.6	(253.6)
Other assets		49.7	1.4	53.9	1.4	(4.2)
Total assets		3,704.0	100.0	3,832.2	100.0	(128.2)
Stockholders' equity	8	3,231.8	87.3	3,204.9	83.7	26.9
Financial payables:	9					
- IFIL bonds 2002/2005		0.0	0.0	200.0	5.2	(200.0)
- IFIL bonds 2003/2006		100.0	2.7	100.0	2.6	0.0
- borrowings from banks, short-term		348.6	9.4	318.6	8.3	30.0
		448.6	12.1	618.6	16.1	(170.0)
Other liabilities and reserves		23.6	0.6	8.7	0.2	14.9
Total liabilities and stockholders' equity		3,704.0	100.0	3,832.2	100.0	(128.2)

1. Dividends

Dividends amount to € 154.4 million (€ 301.4 million in 2004). The reduction of € 147 million is due to lower dividends received in total from the subsidiaries Ifil Investissements and Ifil Investment Holding (-€ 163.3 million) and higher dividends relating to the investment in Sanpaolo IMI (+€ 16.3 million).

2. Gains

Gains (€ 2.6 million) arose from the sale of 2,044,748 Juventus Football Club shares (1.69% of capital stock).

3. Financial expenses, net

Financial expenses, net, totaling € 21.5 million, show a reduction of € 4.6 million compared to 2004 (€ 26.1 million) due mainly to lower debt during the course of the first nine months of the year.

4. General expenses, net

General expenses, net, show an increase from € 13.4 million to € 15.6 million. The increase is principally due to higher personnel costs (+€ 1.2 million as a result of the payment of nonrecurring bonuses to some employees for their work in connection with extraordinary transactions), consulting (+€ 0.5 million) and other expenses (+€ 0.5 million).

5. Other expenses, net

Other expenses, net, totaling € 21.1 million, include extraordinary compensation approved for the Chairman and President (€ 15 million) and the former Chief Executive Officer (€ 3.8 million) at the Board of Directors' Meetings held, respectively, on June 9, 2005 and on November 11, 2005), amortization of the expenses relating to the capital increases in 2003 (€ 2.2 million) and expenses connected with pending litigation (€ 0.1 million).

6. Income taxes

As regards income taxes, the taxable income calculated in accordance with tax laws did not generate current income taxes for the year 2005.

7. Financial fixed assets

€ in millions	12/31/2005	12/31/2004	Change
Subsidiaries			
Fiat S.p.A. (ordinary shares)	2,020.0	1,440.2	579.8
Fiat S.p.A. (ordinary share warrants 2007)	2.5	2.5	0.0
Fiat S.p.A. (preferred shares)	123.0	123.0	0.0
	2,145.5	1,565.7	579.8
Ifil Investissements S.A.	641.5	1,260.3	(618.8)
Ifil Investment Holding N.V.	68.3	162.8	(94.5)
Juventus Football Club S.p.A.	11.3	11.6	(0.3)
Soiem S.p.A.	12.7	12.7	0.0
Ifil New Business S.r.l.	-	-	0.0
	2,879.3	3,013.1	(133.8)
Other companies - Sanpaolo IMI S.p.A. (ordinary shares)	726.7	463.2	263.5
Total investments	3,606.0	3,476.3	129.7
Treasury stock - IFIL ordinary shares	43.8	41.7	2.1
Total financial fixed assets	3,649.8	3,518.0	131.8

The net increase of € 131.8 million in financial fixed assets is due to the following movements:

€ in millions	
Financial fixed assets at December 31, 2004	**3,518.0**
Purchase of 87,750,000 Fiat ordinary shares (8.03% of the class of stock)	580.2
Purchase of 22,700,000 Sanpaolo IMI ordinary shares (1.43% of current ordinary capital stock)	263.5
Purchase of 630,306 IFIL ordinary shares (0.06% of the class of stock)	2.1
Partial reimbursement of additional paid-in capital by Ifil Investissements (-€ 618.8 million) and Ifil Investment Holding (-€ 94.5 million)	(713.3)
Sale of the rights on the Fiat S.p.A. capital increase	(0.4)
Sale of 1.69% of Juventus Football Club capital stock	(0.3)
Net change during the year	**131.8**
Financial fixed assets at December 31, 2005	**3,649.8**

A comparison between the carrying amounts and the market prices of listed financial fixed assets shows the following unrealized gains (losses):

€ in millions	Fiat ord. shares	Fiat ord. share warrants 2007	Fiat pref. shares	Sanpaolo IMI shares	Juventus shares	IFIL ord. shares	Total
Market price at December 30, 2005	387.7	1.0	61.6	502.0	87.3	(1.5)	1,038.1
Average market price in the second half 2005	311.2	1.4	67.6	423.6	89.2	(1.7)	891.3
Average market price March 24, 2006, update	1,265.7	(0.5)	123.7	692.6	102.0	11.2	2,194.7

8. Stockholders' equity

At December 31, 2005, stockholders' equity is € 3,231.8 million (€ 3,204.9 million at December 31, 2004). The positive change of € 26.9 million is due to the following movements:

€ in millions	
Stockholders' equity at December 31, 2004	**3,204.9**
Dividends paid out	(73.3)
Increase in capital stock as a result of stock options	1.4
Net income for the year 2005	98.8
Net change during the year	**26.9**
Stockholders' equity at December 31, 2005	**3,231.8**

9. Net financial position

The net financial position of IFIL S.p.A. at December 31, 2005 shows a net debt position of € 449.5 million (a net debt position of € 367.5 million at the end of 2004). Details are as follows:

€ in millions	12/31/2005	12/31/2004	Change
Receivables for dividends to be received	0.0	253.6	(253.6)
Cash	0.2	0.1	0.1
Bonds	(100.0)	(300.0)	200.0
Bank borrowings - short-term	(348.6)	(318.6)	(30.0)
Financial accrued expenses	(1.1)	(2.6)	1.5
Net financial position	**(449.5)**	**(367.5)**	**(82.0)**

At December 31, 2005, IFIL S.p.A. has irrevocable credit lines for € 570 million due after December 31, 2006.

The negative change of € 82 million in 2005 is due to the following cash flows:

€ in millions	
Net financial position at December 31, 2004	(367.5)
Purchase of Fiat ordinary shares (8.03% of the class of stock)	(580.2)
Purchase of Sanpaolo IMI ordinary shares (1.43% of current ordinary capital stock)	(263.5)
Purchase of IFIL ordinary shares (0.06% of the class of stock)	(2.1)
Partial reimbursements of additional paid-in capital by Ifil Investissements (+€ 618.8 million) and Ifil Investment Holding (+€ 94.5 million)	713.3
Sale of Juventus Football Club shares (1.69% of capital stock)	2.8
Dividends from holdings	154.4
Dividends paid out	(73.3)
Financial expenses, net	(21.5)
General expenses, net	(15.6)
Increase in capital stock as a result of the exercise of stock options	1.4
Sale of receivables from the tax authorities to subsidiaries and the parent, IFI	3.6
Other changes, net	(1.3)
Net change during the year	(82.0)
Net financial position at December 31, 2005	(449.5)

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) BY IFIL S.p.A.

As a result of the implementation of European Regulation No. 1606 of July 19, 2002, the IFIL Group has adopted International Financial Reporting Standards (IFRS) for the preparation of its consolidated financial statements with effect from 2005. On the basis of Italian law implementing this regulation, the statutory financial statements of the parent, IFIL S.p.A., will be prepared in accordance with these standards starting from 2006.
As a consequence, IFIL S.p.A. is currently making the transition to IFRS for its statutory financial statements and will report its 2006 first-half results and 2005 comparative figures in accordance with IFRS.

The following commentary describes the policies that IFIL S.p.A. has adopted in preparing its IFRS opening balance sheet at January 1, 2005, as well as the main differences in relation to Italian GAAP used to prepare its statutory financial statements up until December 31, 2005.

As part of this transition program, the opening balance sheet of IFIL S.p.A. at January 1, 2005 will be prepared in accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards, on the basis of the IFRS applicable from January 1, 2006, as published at December 31, 2005. In particular, the amendments to IAS 39 and IFRS 4 issued in 2005 and effective from January 1, 2006 will be applied, with regard to the measurement and recognition of financial guarantee contracts in the financial statements of the guarantor and the limitation in the use of the “fair value option” to financial instruments satisfying specific conditions.

As allowed by the amendment to IAS 19 – Employee benefits, issued by the IASB in December 2004, the company elected to recognize actuarial gains and losses immediately in the period in which they occur, outside the income statement, in a specific item of equity.

FIRST-TIME ADOPTION OF IFRS

In accordance with IFRS 1, IFIL S.p.A. is required to apply the accounting standards in force at the reporting date for its first IFRS financial statements retrospectively to all periods presented and to the opening balance sheet, except for one permitted exemption adopted, as allowed by IFRS 1, and described in the following paragraph.

The opening IFRS balance sheet at January 1, 2005 will therefore reflect the following differences with the statutory balance sheet prepared at December 31, 2004 in accordance with Italian GAAP:

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

The impact of these adjustments will be recognized directly in opening equity at January 1, 2005, the date of transition to IFRS.

In summary, the assets and liabilities to be included in the statutory financial statements of IFIL S.p.A. prepared in accordance with IFRS will be recognized and measured in the same manner as that used to prepare the financial statements drafted for inclusion in the Group’s consolidated financial statements, in accordance with IFRS 1, with the exception of consolidation entries.

OPTIONAL EXEMPTION ADOPTED BY IFIL S.p.A.

Employee benefits: IFIL S.p.A. has elected to recognize all cumulative actuarial gains and losses that existed at January 1, 2005 with a contra-entry to equity reserves.

DESCRIPTION OF THE MAIN DIFFERENCES BETWEEN ITALIAN GAAP AND IFRS

The following paragraphs provide a description of the main differences between Italian GAAP and IFRS that will have effect on the statutory financial statements of IFIL S.p.A.

Write-off of deferred costs

Under Italian GAAP, IFIL S.p.A. defers and amortizes certain costs (mainly start-up and expansion costs). IFRS require these to be expensed when incurred.

In particular, costs incurred in connection with capital stock increases which are deferred and amortized under Italian GAAP are deducted directly from the proceeds of the increase and debited to equity under IFRS.

Valuation of investments not held as current assets

In the financial statements of IFIL S.p.A. prepared in accordance with Italian GAAP, equity investments included under financial fixed assets (investments in subsidiaries and in other companies) are stated at historical cost inclusive of incidental charges determined using the Last-In First-Out method of annual lots, which is written down in the event of an impairment loss; the impairment loss is reversed if in subsequent years the reasons for the writedown no longer apply.

IAS 27 requires that investments in subsidiaries be either recorded at cost, using the “average cost” method or at their fair value. If there are reasons to believe that all or part of the cost cannot be recovered, the carrying amount must be reduced to the recoverable amount of the investment in accordance with IAS 36. If this loss is subsequently reduced or is entirely recovered, the carrying amount is increased back up to the newly estimated recoverable amount, which may not exceed the amount that would have been determined if no impairment loss had been recorded. Any restoration of the carrying amount is recorded immediately in the income statement.
The analysis of the effects of the adoption of these methods is currently being examined.

In accordance with IAS 39, investments in other companies represented by available-for-sale financial assets, are measured at their fair value, if this can be determined, and the gains and losses resulting from changes in the fair value are recognized directly in equity until the financial assets are disposed of or determined to be impaired. At that time, all gains and losses previously recognized in equity are included in the income statement for the period.
The investment held by IFIL S.p.A. in Sanpaolo IMI S.p.A. satisfies these requirements, with its fair value being determined as its stock market price at the date of the financial statements. The adoption of IFRS on January 1, 2005 will therefore lead to the recognition of the excess of the stock market price of the investment over its carrying amount at that date, with a net positive impact on equity.

Treasury stock

In accordance with Italian GAAP, IFIL S.p.A. accounts for treasury stock as an asset and records any related value adjustments and gains or losses on disposal in the income statement.

Under IFRS, treasury stock is deducted from equity and all movements in treasury stock are recorded in equity rather than in the income statement.

Sale of receivables

IFIL S.p.A. could sell a part of its trade and tax receivables through factoring transactions which may be with or without recourse to the seller; certain factoring agreements without recourse include deferred purchase price clauses (i.e. the payment of a minority portion of the purchase price is conditional upon the full collection of the receivables), and require a first loss guarantee of the seller up to a limited amount or imply a continuing significant exposure to the cash flows from receivables sold.

Under Italian GAAP, all receivables sold through factoring transactions (both with and without recourse) can be derecognized.

IAS 39 permits the derecognition from assets of a financial asset when, and only when, the risks and rewards of the ownership of the assets are substantially transferred: consequently, all receivables sold with recourse, and part of those sold without recourse, would be reinstated in the IFRS balance sheet.

Employee benefits

Employee severance indemnities (TFR), under Italian GAAP, are accounted for pursuant to specific statutory rules. As set forth in IAS 19 – Employee Benefits, employee severance indemnities are considered defined benefit obligations, and, as a result, are recalculated using the "Projected Unit Credit Method".

IFIL S.p.A. also grants employees various forms of benefits (retirement incentives, compensation and defined benefit and defined contribution pension plans) under supplemental company or individual agreements. Although these benefits are accrued in the statutory financial statements in a manner that is consistent with Italian GAAP, under IFRS they will need to be accounted for in accordance with IAS 19.

IFIL S.p.A. has elected to recognize all accumulated actuarial gains and losses at January 1, 2005 as movements in equity.

Stock options

No expenses are recognized for share-based payment transactions under Italian GAAP.

In accordance with IFRS 2 – Share-based payment, the full fair value amount of stock options at the grant date is reflected in the income statement on a straight-line basis over the period from the grant date to the vesting date, with the contra-entry recognized directly in equity. Changes in fair value after the grant date have no impact on the initial measurement.

IFIL S.p.A. will apply the transitional provisions stated in IFRS 2 and therefore will apply this standard to all stock options granted after November 7, 2002 and not yet vested at January 1, 2005, the effective date of IFRS 2. No compensation expense is required to be recognized for stock options granted prior to November 7, 2002.

Recognition and measurement of financial receivables and financial payables

Financial receivables can be immediately converted into cash and are subject to an insignificant risk of change in value. The transition to IFRS will not impact their amount.

Financial payables at January 1, 2005 are principally related to bonds and bank debt. In the statutory financial statements of IFIL S.p.A., under Italian GAAP, the gross amount received is recognized. The various fees owed to the lending banks (for the organization of the facility, for the share subscription commitment, etc.) at different dates (at the beginning, over the years, and upon maturity) are charged against income over the term of the facility (on a pro-rated basis).

Under IFRS, financial payables are recognized at the amounts received stated net of transaction costs and are subsequently measured at their amortized cost using the effective interest method. Adoption of IFRS will thus entail recomputation of the expenses charged to income for the various years affected, with a net effect on equity at January 1, 2005.

Recognition and measurement of derivatives

Those transactions which, according to IFIL S.p.A.'s policy for risk management, are able to satisfy the conditions stated by the accounting principle for hedge accounting treatment, are designated as hedging transactions; other transactions which do not satisfy such conditions, although set up for the purpose of managing risk exposure (inasmuch as speculative transactions are not permitted as a rule), are designated as trading transactions.

The transactions put into place by IFIL S.p.A. up to December 31, 2005 fall under the financial instruments designated as hedging instruments.

Under Italian GAAP, the instrument is valued symmetrically with the underlying hedged item. Therefore, where the hedged item has not been adjusted to fair value in the financial statements, the hedging instrument has also not been adjusted. Similarly, where the hedged item has not yet been recorded in the financial statements (hedging of future flows), the valuation of the hedging instrument at fair value is deferred.

Under IFRS, in the case of a cash flow hedge (hedging of future flows), the portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity; the ineffective portion of the gain or loss is recognized in the income statement. Consequently, with reference to the effective portion, only a difference in equity will arise between Italian GAAP and IFRS.

RELATED PARTY DISCLOSURES

The Board of Directors has adopted principles of conduct for carrying out transactions with related parties (available on the corporate website of the company: http://www.ifil.it).

These principles of conduct state that the Board of Directors must approve the following transactions:

- atypical and/or unusual intragroup transactions, meaning transactions which, because of their significance and/or relevance, nature of the counterparties, subject of the transaction (also in relation to transactions of ordinary administration), manner of determining the transfer price and timing of the event (close to the end of the year) may give rise to reservations about: the correctness and/or completeness of the information in the financial statements, conflicts of interest, safeguarding of the company's assets and protection of minority stockholders;
- transactions with subsidiaries for amounts of more than 1% of IFIL's portfolio value as shown in the most recent approved accounting documents (quarterly reports, first-half report and annual financial statements) as of the date of the transaction, with the exception of transactions with subsidiaries in the "Holdings System";
- transactions with other related parties for amounts of more than € 3 million.

The bodies with delegated powers shall supply the Board with information concerning such transactions especially with regard to the nature of the relationship, the manner of execution, the economic terms and timing, the valuation criteria adopted and any risks to the company.

Whenever a director has an interest in the transaction (even a potential interest), pursuant to art. 2391 of the Italian Civil Code, the nature, terms, origin and import scope of such interest must be duly communicated to the Board of Directors and the Board of Statutory Auditors.

In the event the nature, the amount and the manner of execution of the transaction with a related party require it, the Board of Directors can avail itself of the assistance of one or more independent experts, chosen from among individuals with recognized professional characteristics and expertise on the matter in question so that an opinion can be obtained on the economic terms of the transaction and its legitimacy, as well as the technical means and manner of execution of the transaction.
The Board of Directors and the Board of Statutory Auditors must in any case be informed of any transactions with other related parties different from those mentioned above.

The identification of relationships and transactions with related parties is made in accordance with IAS 24.

With regard to 2005, transactions among IFIL and the identified related parties have been entered into in conformity with the provisions of existing laws, based upon an evaluation of reciprocal economic gain.

The most important transactions can be summarized as follows:

- purchase of 82,250,000 Fiat ordinary shares for a total of € 534.6 million (€ 6.5 per share) from Exor Group on September 20, 2005;
- services rendered to the parent, IFI, and to subsidiaries and cost recoveries;
- services rendered by the parent, IFI, and by the subsidiary Soiem;
- partial reimbursement of additional paid-in capital by Ifil Investissements for € 618.8 million and Ifil Investment Holding for € 94.5 million;
- sale of tax receivables to the parent, IFI, for € 0.4 million, to the subsidiary Soiem for € 0.2 million and to Italian subsidiaries of Alpitour for € 3 million;
- purchase of trade receivables with recourse from Juventus Football Club for € 17.6 million, at the end of March 2005, with a nominal amount of € 18 million, due from Sky Italia, received in December 2005;
- services rendered to Ifil USA by Exor USA and Fiat USA.

The effects on the balance sheet and the income statement of transactions among IFIL S.p.A., Group companies and other related parties can be summarized as follows:

	12/31/2005		2005	
€ in thousands	Receivables	Payables	Income	Expenses
IFI S.p.A.	23	13	80	30
Holdings System companies	45	467	49	1,468
Alpitour Group companies	4	3	20	101
Fiat Group companies	-	25	92	350
Juventus Football Club S.p.A. and Campi di Vinovo S.p.A.	10	-	459	38
Sequana Capital S.A.	30	-	47	-
Total	112	508	747	1,987

In an effort to optimize the management of the financial resources of the Group, loans were made among foreign companies in the Holdings System during the year.

During the course of the year, the director Franzo Grande Stevens rendered professional services to IFIL for € 141 thousand and to Fiat S.p.A. for € 940 thousand (activities performed in his capacity as Secretary to the Board of Directors).

Additional information and details are disclosed under "Major events in 2005" in the Directors' Report on Operations, in the "Notes to the statutory financial statements of IFIL S.p.A." and in the "Notes to the consolidated financial statements".

On the basis of information received from the companies of the Group, there are no atypical or unusual transactions to report.

STOCK OPTION PLANS

Stock option plans approved by the Board of Directors of IFIL S.p.A. as well as those approved by the subsidiaries which concern directors of IFIL S.p.A. are described below.
The Notes to the consolidated financial statements at December 31, 2005 also describe the stock option plans approved by the subsidiaries that are consolidated line-by-line.

Stock option plans on IFIL shares

In May 2000, the IFIL Board of Directors approved a stock option plan for the directors and managers of IFIL and the parent, IFI, for a maximum of 2,700,000 new IFIL ordinary shares.
A total of 2,691,500 option rights were granted under this plan between 2000 and 2003, according to the level of responsibility held by the grantees in the corporate organization. Such options are exercisable up to December 31, 2006.
Under the power conferred by the Stockholders' Meeting held on May 25, 2001, the Board of Directors, on February 7, 2005, voted to increase capital stock as a result of the exercise of 800,000 rights granted in 2003 to seven beneficiaries. The stock increase took place in April with the issue of 800,000 IFIL ordinary shares (0.07% of capital stock) of par value € 1, which were subscribed in cash at a per unit price of € 1.85 for a total of € 1,480,000.
In 2005, moreover, 53,250 options became null and void.

In September 2003, the IFIL Board of Directors approved a second stock option plan solely for the directors, for a maximum of 700,000 IFIL ordinary shares, already issued and purchased by IFIL pursuant to article 2357 and subsequent articles of the Italian Civil Code. A total of 532,000 option rights were granted under this plan in 2003 to the Chairman Gianluigi Gabetti for the same number of ordinary shares exercisable by December 31, 2006 at the price of € 2.28 each.

With regard to these plans, there were no transactions entered into to favor either the purchase or subscription of shares pursuant to art. 2358, paragraph 3, of the Italian Civil Code.

A summary of the stock option plans on IFIL shares outstanding at December 31, 2005 is presented below.

	Number of options	Number of grantees	Exercise price actual (b)	Exercise price average	Market price (c)
IFIL 2000 Plan (expiring December 2006)					
Options granted (a)					
- year 2000	522,000	15	6.997		
- year 2001	506,000	13	6.109		
- year 2002	810,250	13	4.520		
	1,838,250 (d)			5.66	4.686
IFIL 2003 Plan (expiring December 2006)					
Options granted	532,000 (e)	1	2.280	2.28	4.686
Options exercisable at December 31, 2005	2,370,250			4.90	4.686

(a) Net of 800,000 options exercised and 53,250 that became null and void in 2005.
(b) Exercise price adjusted to take into account the cash capital stock increase in July 2003.
(c) Market price at March 24, 2006.
(d) Equal to 0.18% of current ordinary capital stock.
(e) Equal to 0.05% of current ordinary capital stock.

Stock option plans on Alpitour shares

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

The plan calls for purchase options on Alpitour shares to be granted to the Chairman and Chief Executive Officer, D.J. Winteler, and the General Manager, F. Prete, respectively, equal to 6% (now 2,127,000 shares) and 5% (now 1,772,500 shares) of Alpitour's capital, held by the subsidiary Ifil Investissements.

After approval on the part of IFIL, the Alpitour Board of Directors may in the future grant purchase options on Alpitour shares equal to 4% (now 1,418,000) of Alpitour's capital, to other managers who hold important operating positions.

The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.238 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.

IFIL and the managers of Alpitour, finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in December 2005.

Options granted to directors of IFIL S.p.A. on the part of subsidiaries

On May 3, 2005, under the stock option plan approved by the subsidiary Sequana Capital, 250,000 options were granted to Tiberto Brandolini d'Adda. Such options are valid for the subscription or purchase of the same number of Sequana Capital shares at the price per share of € 23.5 during the period May 2009 to May 2013.

On December 15, 2000, under the stock option plan approved by the subsidiary Alpitour S.p.A., 614,000 options were granted to Luigi Arnaudo, a former director of IFIL S.p.A. Such options are valid for the subscription of the same number of Alpitour shares at a price per share of € 6.73. Such options can be exercised up to the end of August 2006. The Alpitour shares that come from the plan may be sold to Alpitour; however, the price established by the Board of Directors of the company is a negative figure due to the results reported by the Alpitour Group in 2005.

EQUITY INVESTMENTS HELD BY DIRECTORS, STATUTORY AUDITORS AND GENERAL MANAGER

(Art. 79 of Consob resolution No. 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2004	Increase	Decrease	Held at 12/31/2005
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000			120,000
	Sequana Capital (a)	1	10 (e)		11
Winteler Daniel John	IFIL ordinary shares (a)	0	440,000 (c)	(440,000)	0
Brandolini d'Adda Tiberto	Sequana Capital (a)	88			88
Ferrero Ventimiglia Edoardo	Fiat ordinary shares (a)	0	20,000	(20,000)	0
Lombardi Giancarlo	IFIL ordinary shares (a)	12,650			12,650
Marocco Antonio Maria	IFIL ordinary shares (a)	73,369			73,369
Teodorani-Fabbri Pio	IFIL ordinary shares (a)	200,000		(110,000)	90,000
	IFIL ordinary shares (b)	500,000		(281,000)	219,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ord. share warrants 2007 (b)	825			825
	Fiat savings shares (b)	5,720			5,720
	CNH ordinary shares (b)	0	10,000	(10,000)	0
Statutory Auditors in office					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Giorgi Giorgio	Fiat savings shares (b)	1,500 (d)		(1,500)	0
Piccatti Paolo	Juventus F.C. (a)	540 (d)			540
Statutory Auditors no longer in office at 12/31/2005					
Girolamo Natale Ignazio	IFIL ordinary shares (b)	10,625			10,625

(a) Direct holding.
(b) Indirect holding through spouse.
(c) Share from the exercise of stock options.
(d) Held at the date of appointment (June 27, 2005).
(e) Purchase made by a stock loan contract.

PENDING LITIGATION

An update is provided below on the litigation pending against IFIL S.p.A. and the subsidiaries of the "Holdings System".
Additional information on disputes regarding the companies consolidated line-by-line are presented in the Notes to the consolidated financial statements at December 31, 2005.

By notification on May 8, 2003, inferring illegal acts due to a conflict of interest and the unlawful valuation of the contributions in kind, the stockholder K Capital contested the resolution to increase IFIL's capital stock reserved for Istituto Finanziario Industriale S.p.A. passed by the Extraordinary Stockholders' Meeting of IFIL held on April 23, 2003 and sought compensation from IFIL for (alleged) damages (economic and non-economic) suffered as a result of the unlawful conduct (allegedly) by IFI. During the case and with reference only to (alleged) economic damages, K Capital stated its request for compensation (which originally had not been quantified) in approximately € 17 million.
The preliminary investigation stage is, currently, concluded. The judge chose not to call for an assessment of the case (CTU), requested by K Capital, which nevertheless could be decided by the Board of Judges during the decision stage. On October 26, 2005, the hearing was held for stating the conclusions. After the exchange of the concluding statements (completed in January 2006) and after the oral discussion in court (held on March 10, 2006), a decision in the case will now be reached.
Both of the above requests by K Capital (request to declare the stockholders' resolution null and void and the request to seek a sum of compensation for damages) appear to be inadmissible and without grounds and therefore at this time the company does not believe that any contingent liabilities will arise as a consequence.

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

Following the communication dated June 17, 2005, the buyer of the investment in La Rinascente, on February 14, 2006, filed for arbitration against Ifil Investissements seeking compensation for an amount of approximately € 32.5 million (in addition to interest, monetary revaluation, court expenses and legal fees) for extraordinary expenses relating to certain points of sale.
In the opinion of Ifil Investissements, the requests are not valid and unacceptable and, in any case, completely unfounded. Moreover, the question that is raised regards aspects that have either been excluded or are not covered by guarantees in the contract.
Furthermore, in the second half of 2005 and during the first few months of 2006, the same party brought actions seeking additional compensation from Ifil Investissements for a total amount of approximately € 16 million principally in connection with accounting treatments in the financial statements at December 31, 2004.
Some minor requests have already been agreed between the parties, whereas the others have been rejected inasmuch as they are not valid and/or unfounded. In any case, in the opinion of Ifil Investissements, such requests are nevertheless covered by exclusions and limitations in the contract with regard to the obligations of compensation.

OTHER INFORMATION

Management and coordination

IFIL Investments S.p.A. is not subject to management and coordination on the part of companies or entities.
In accordance with art. 2497 bis of the Italian Civil Code, the subsidiaries Soiem S.p.A. and Ifil New Business S.r.l. have identified IFIL Investments S.p.A. as the company which exercises management and coordination.

Programming document on security

The company has prepared the programming document on security on December 14, 2005 for the year 2005 according to the provisions of Legislative Decree No. 196 dated June 30, 2003, Attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person responsible for the treatment of the data.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

Investigations by Consob and the Judicial Authorities

On February 21, 2006, Consob notified IFIL S.p.A. of its objections under art. 187-septies of Legislative Decree No. 58/1998 in relation to the content of the press release dated August 24, 2005.

Analogous objections were also notified to Giovanni Agnelli e C. S.a.p.az. regarding the content of its press release on the same date.

Furthermore, Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone received notification of the objection regarding the violation of art. 187-ter of Legislative Decree No. 58/1998, with Consob assuming that each of those individuals participated in the decisional process relating to the above press releases.

Exor Group S.A. and its legal representatives, instead, received notification of the violation of the obligations of communication as regards significant investments under art. 120 of Legislative Decree No. 58/1998 beginning with Consob's notice from August 30, 2005.

It is the intention of the parties which received the notifications from Consob to lodge their objections in accordance with the law and take advantage of every other opportunity of defense.

On March 9, 2006, the company's offices were searched under the orders of the Turin district attorney's office with regard to the same facts raised in the objections by Consob. At the same time, IFIL was notified of the inquiry into its administrative responsibility under Legislative Decree No. 231/2001.

Other significant events

Having taken note that on December 15, 2005 Daniel John Winteler tendered his resignation as the Chief Executive Officer and General Manager of IFIL to take up the posts of Chairman and Chief Executive Officer of the subsidiary Alpitour, as well as the resignation tendered by the independent director Pietro Ferrero owing to his numerous and mounting professional commitments, in the meeting of February 7, 2006, the IFIL Board of Directors co-opted Carlo Barel di Sant'Albano, also appointing him as the Chief Executive Officer and General Manager of the company. Carlo Barel di Sant'Albano was also appointed a member of the Executive Committee.

At the same time, Gianluigi Gabetti relinquished the post of President of IFIL but kept that of Chairman.

Tiberto Brandolini d'Adda and John Elkann, both members of the Executive Committee, were appointed Vice Chairmen of IFIL with the specific mandate to cooperate with the Chief Executive Officer in identifying and evaluating new investment projects.

The independent director Giuseppe Recchi was appointed a member of the Compensation and Nominating Committee to replace the resigning director Pietro Ferrero.

BUSINESS OUTLOOK

For the year 2006, IFIL S.p.A. is expected to report a profit.

On a consolidated level, considering the forecasts formulated by the major holdings (discussed later in the report), the IFIL Group expects to show a profit in 2006, although lower than the profit reported in 2005, which was the highest in the Group's history.

Fiat Group

The Fiat Group confirms its targets for 2006: a positive operating cash flow, trading profit between € 1.6 billion and € 1.8 billion and net income of about € 700 million.

The Fiat Group also announced that it will continue to implement its targeted alliances in order to reduce capital commitments and share investments and risks.

Sequana Capital Group

During the first two months of 2006, the paper sector continues to be plagued by difficulties which leave no room for signs of a recovery at this time. The first-quarter 2006 results of the two subsidiaries operating in that sector (ArjoWiggins and Antalis) will be influenced by these factors.

For ArjoWiggins, 2006 will be a year of transformation after formulating a new three-year strategic plan which should become operational starting from the second half.

For Antalis, higher profitability is still the target while seeking to seize new opportunities for external growth.

SGS, finally, has announced an ambitious three-year plan both to increase business and results.

Considering the results and the balance sheet structure at the end of 2005, Sequana Capital has the means necessary to capitalize on new potentials for internal and external growth.

Alpitour Group

The Alpitour Group believes that the conditions exist to reverse the trend and report positive results for 2005/2006.

Juventus Football Club

The result for the year could be significantly influenced by the results during the soccer season, in particular, by the results achieved by the First Team in the U.E.F.A. Champions League.

However, considering the operating and balance sheet situation during the first six months of the financial year and the information available to date, the full year 2005/2006 could show a positive net result on condition that the extraordinary transactions referring to assets, currently under review, are finalized.

REVIEW OF THE OPERATING PERFORMANCE BY THE MAJOR GROUP COMPANIES

(30.06% of ordinary capital stock and 30.09% of preferred capital stock)

2005 marks a turning point for the Fiat Group, which reported a consolidated net income of € 1.3 billion and, in the last quarter, Fiat Auto posted a trading profit of € 21 million, after 17 consecutive quarters of losses. Net industrial debt was drastically cut and debt ratings improved, new models were launched across all brands, central activities were reorganized and processes were streamlined and, finally, important targeted industrial alliances were sealed with major international partners.

The key consolidated highlights of the Fiat Group in 2005 are the following:

			Change	
€ in millions	2005	2004 (a)	Amount	%
Net revenues	46,544	45,637	+907	+2.0%
Operating result	2,215	(585)	+2,800	n.s.
Income/(loss) before taxes	2,264	(1,629)	+3,893	n.s.
Group interest in net income/(loss)	1,331	(1,634)	+2,965	n.s.
Investments in tangible and intangible assets and R&D expenses	4,610	4,706	-96	-2.0%
Total assets	62,454	62,522	-68	-0.1%
Net debt	18,523	25,423	-6,900	-27.1%
Group interest in stockholders' equity	8,681	4,304	+4,377	+101.7%
Employees (number)	173,695	161,066	+12,629	+7.8%

(a) The comparative data for 2004 has been restated by the Fiat Group in accordance with the accounting standards IFRS, effective January 1, 2005.

The Fiat Group records **net revenues** of € 46,544 million in 2005, up 2% from 2004. All industrial Sectors (Automobile, Agricultural and Construction Equipment, Commercial Vehicles, Components and Production Systems) posted improvements, apart from a slight decrease (0.8%) at Fiat Auto in the first nine months of 2005, when sales slowed down ahead of new model launches. Other Businesses (Publishing and Communications, and in particular, Services and Holding companies, Other companies and Eliminations) report a decrease in net revenues of approximately € 400 million in 2005 compared to 2004.

The **operating result** of the Fiat Group is an operating income totaling € 2,215 million in 2005, compared to a loss of € 585 million in 2004. The improvement in trading profit reflects a € 541 million reduction in trading losses at Fiat Auto and the positive performance of all other industrial sectors, which met or exceeded their trading margin targets, as well as other unusual income stemming from important extraordinary transactions in 2005 (including, in particular, the termination of the Master Agreement with General Motors and the disposal of the investment in Italenergia bis).
Restructuring costs total € 502 million in 2005, down € 40 million from 2004, and are principally distributed among Fiat Auto (€ 162 million), Iveco (€ 103 million) and CNH (€ 87 million).
The following table illustrates the components of the operating result broken down by Sector:

	Trading Profit		*Gains/Losses on sales of equity investments*		*Restructuring costs*		*Other unusual income (expenses)*		*Operating income*	
(in millions of euros)	*2005*	*2004*	*2005*	*2004*	*2005*	*2004*	*2005*	*2004*	*2005*	*2004*
Fiat Auto	**(281)**	(822)	**-**	3	**162**	355	**(375)**	(238)	**(818)**	(1,412)
Maserati	**(85)**	(168)	**-**	-	**-**	-	**-**	(3)	**(85)**	(171)
Ferrari	**157**	138	**-**	-	**-**	-	**-**	(2)	**157**	136
Fiat Powertrain Technologies	**26**	-	**-**	-	**17**	-	**(5)**	-	**4**	-
Agricultural and Construction Equipment (CNH)	**698**	467	**-**	-	**87**	68	**-**	-	**611**	399
Commercial Vehicles (Iveco)	**415**	371	**(10)**	-	**103**	24	**(13)**	-	**289**	347
Components (Magneti Marelli)	**162**	165	**-**	31	**33**	48	**(2)**	-	**127**	148
Metallurgical Products (Teksid)	**45**	(39)	**5**	-	**14**	3	**(9)**	-	**27**	(42)
Production Systems (Comau)	**42**	40	**(1)**	-	**46**	10	**(3)**	-	**(8)**	30
Services (Business Solutions)	**35**	41	**9**	2	**22**	9	**(15)**	-	**7**	34
Publishing and Communications (Itedi)	**16**	11	**-**	-	**2**	2	**(1)**	-	**13**	9
Holding companies, Other companies and Eliminations	**(230)**	(154)	**902**	114	**16**	23	**1,235**	-	**1,891**	(63)
Total for the Group	**1,000**	50	**905**	150	**502**	542	**812**	(243)	**2,215**	(585)

Fiat **Group interest in net income** amounts to € 1,331 million in 2005, against a loss of € 1,634 million in 2004. Moreover, the Fiat Group booked unusual financial income of € 858 million relating to the capital increase following the conversion of the Mandatory Convertible Facility and lower net financial expenses (€ 843 million against € 1,179 million in the prior year, which included non-recurring items for approximately € 250 million due to the unwinding of the equity swap on General Motors shares) as a result of lower net debt.

The most **significant transactions in 2005** include the following:

- in February, the termination of the Master Agreement with General Motors, including the cancellation of the put option, the unwinding of all joint ventures and the return of GM's 10% equity interest in Fiat Auto Holdings to Fiat. Net gains stemming from the termination of the agreements total € 1,134 million;
- in September, the sale of 24.6% of the capital stock of Italenergia bis to EDF by the Fiat Group at a price of € 1,147 million. Concurrently, the Citigroup financing of the same amount that had been extended in 2002 was reimbursed. A gain of € 878 million was realized on the sale of the aforementioned investment.
- also in September, the capital increase to service the Mandatory Convertible Facility that fell due on September 20, 2005, with the subscription of the new shares, issued at the price of € 10.28 each, by the lending banks through a set-off against the total debt of € 3 billion. Following this transaction, unusual financial income of € 858 million was booked, representing the difference between the subscription price of the shares and their stock market price at the date of subscription.

As for equity and financial aspects:

- Consolidated **Group interest in stockholders' equity** is € 8,681 million at December 31, 2005, compared to € 4,304 million at December 31, 2004. The major changes during the year, apart from net income, refer to the foregoing capital increase to service the Mandatory Convertible Facility of € 3 billion;
- **Consolidated net debt** decreased by € 6.9 billion from € 25,423 million at December 31, 2004 to € 18,523 million at December 31, 2005, including € 15,304 million attributable to Financial services and € 3,219 million to Industrial Activities. More specifically, the net debt of the Fiat Group decreased as a result of the following transactions:
  - the collection of € 1.56 billion from General Motors following the termination of the aforementioned agreements;
  - the reimbursement of € 2 billion in financing that had previously been extended to financial services companies sold by Iveco to Barclays;
  - the conversion of the Mandatory Convertible Facility amounting to € 3 billion;
  - the positive financial effects of the completion of the Italenergia bis transaction for € 1.8 billion.

The net debt at December 31, 2004 and December 31, 2005 can be summarized as follows:

€ in millions	12/31/2005	12/31/2004	Change
Debt	(25,761)	(32,191)	6,430
Other financial liabilities	(189)	(203)	14
	(25,950)	(32,394)	6,444
Other financial assets	454	851	(397)
Current securities	556	353	203
Cash and cash equivalents	6,417	5,767	650
Net debt	(18,523)	(25,423)	6,900

The operating performance in 2005 by major sector of activity in 2005 is the following.

After termination of the Master Agreement with General Motors, **Fiat Auto** regained its strategic independence and was thus able to execute targeted industrial agreements with major carmakers outside Italy (Pars Industrial Development Foundation in Iran, PSA and Tofas in Turkey, Ford in Poland, Zastava in Serbia, Suzuki in Asia and, in 2006, Tata Motors in India and Severstal in Russia) to increase Fiat Auto's competitiveness.

Demand in Western Europe in the automobile market recorded a slight decrease (-0.2%) performing differently in various countries (1.3% decline in Italy) and off sharply in Poland (-26.5%) while the Brazilian market continued on its growth track, with demand rising by 9.1%.

Fiat Auto had a 28% share of the Italian car market in 2005 (the same as last year) but higher at the end of the year and in the early months of 2006. Its share declined to 6.5%. for Western Europe (0.7% points less than in 2004). In Poland, Fiat Auto's sales volume contracted by 44.3% whereas Fiat Auto achieved a 24.4% share of the Brazilian car market increasing sales by 12.9% in 2005 with respect to 2004 and regaining leadership of the market. Market expansion was also positive in Argentina, following the economic recovery of that country, and in Turkey.
In 2005, shipments of light commercial vehicles are 5.1% more than in 2004.

As part of its effort to round out its model line, Fiat launched the Croma in May 2005, a new entry in the medium-high segment while the Grande Punto was launched in September 2005 and generated an immediate and excellent response among customers. As for the Grande Punto, the year ended with registrations of 35,000 units and new orders for 88,000 cars, with customers outside Italy accounting for 45% of the total. The Fiat Panda Cross and Fiat Sedici were also launched in 2005.

Alfa Romeo brought the Alfa 159 and the Brera to market in the last quarter of the year; these models confirm the distinctive styling of the Alfa Romeo brand.
The Fiat and Alfa Romeo lineup of models is less than two years old. The product line was also bolstered by the significant success achieved in terms of safety with the new models honored with several awards in Europe.

Lancia, which will celebrate its 100th birthday in 2006, presented upgrades of some of its models: Ypsilon, Musa and Phedra.

The Fiat Veicoli Commerciali (Fiat light commercial vehicles) brand launched the new Doblò in October, which was honored with the coveted Van of the Year 2006 international award and was able to achieve a high level of market penetration.

Maserati, the ownership of which was transferred from Ferrari S.p.A. to Fiat Partecipazioni S.p.A. in April 2005, achieved major commercial and racing objectives thanks above all to the success of the Quattroporte despite a declining market in the countries it operates.

In 2005, **Ferrari** increased shipments to the sales network by 11%, benefiting from the success of the F430, the 612 Scaglietti and Superamerica. New and developing markets provided a significant contribution (Middle East, Eastern Europe, South America and China).

From an economic standpoint, in 2005, the Automobiles business area recorded net revenues of € 21,729 million, up 2.5% over the prior year. This increase is the result of a slight decrease reported at Fiat Auto (-0.8%, partly due to the strong focus on more profitable sales channels, but with gains in the last quarter), improvements posted by Ferrari (+9.7%) and Maserati (+30.3%), and the consolidation of the Powertrain operations following termination of the Master Agreement with General Motors, as well as the reorganization of the car engine and transmission activities.

Fiat Auto drastically reduced its trading loss from € 822 million in 2004 to € 281 million in 2005. This change is mainly attributable to a better sales mix, greater efficiencies and a considerable reduction in business governance costs, while Ferrari had a trading profit of € 157 million (€ 138 million in 2004). Maserati had a trading loss of € 85 million in 2005, as compared to a loss of € 168 million in 2004.

CNH reported net revenues of € 10,212 million in 2005, a slight 2.3% increase compared to 2004 while the performance varied by sector (positive for construction equipment, also in terms of prices, negative for the agricultural equipment) as well as by geographical area.

In 2005, CNH reported a trading profit of € 698 million, compared to € 467 million in 2004. Improved revenues, higher manufacturing efficiencies and greater profitability in financial services more than offset higher raw material prices. CNH also benefited from a structural reduction in employee healthcare costs in North America.

CNH reorganized its operations in the fourth quarter of 2005 to focus on its four distinct brands: Case IH and New Holland for agricultural equipment, Case and New Holland for construction equipment. CNH has recently renewed the lineup of its products and is now trying to focus on achieving best-in-class product quality and reliability and reduce warranty costs. A number of CNH products were singled out for recognition in 2005.
Strategic objectives also include higher margins, new production efficiencies and a reduction in debt by increasing cash flow.

IVECO

Iveco net revenues total € 9,489 million in 2005. This represents a 4.9% increase, largely reflecting a higher number of units delivered (+6.3%, including vehicles sold with a buy-back commitment). Iveco's share of the Western European market is unchanged from the prior year, as a result of a general growth recorded in all markets with the exception of Italy.
Iveco had a trading profit of € 415 million, € 44 million higher than in 2004, despite higher raw materials prices and a less favorable market mix.
In the first half of 2005, Iveco and Barclays entered into an agreement that established Iveco Finance Holdings Ltd, which provides financing and leasing solutions for commercial vehicles. On June 1, 2005, Iveco sold 51% of Iveco Finance Holdings Ltd to Barclays.

The **Components and Production Systems business area** has revenues of € 6,642 million, for an overall increase of 3.5% due to the positive performance of Magneti Marelli (+6.3%) and Teksid (+13.8%), partly offset by a reduction at Comau (-8.1%).

Magneti Marelli has revenues of € 4,033 million in 2005. The 6.3% increase compared to 2004 partly reflects the consolidation of Mako from January 1, 2005. Excluding changes in the scope of consolidation and exchange rate effects, revenues increased by approximately 2%. The strong performance of Magneti Marelli operations in Brazil and Poland and the positive trend of its onboard electronics activities offset lower sales volumes in Italy, which started recovering in the fourth quarter.

Teksid has revenues of € 1,036 million, up 13.8% from 2004. Higher volumes at the Cast Iron Business Unit (+4.6%), the positive impact of exchange rates and the recovery of higher raw materials costs through higher sales prices contributed to the improved performance, more than offsetting lower volumes in Magnesium Business Unit (-6.8%).

Comau has revenues of € 1,573 million in 2005. The 8.1% reduction from 2004 reflects the transfer of Comau's European activities to Iveco, Magneti Marelli and CNH. When calculated on a comparable scope of consolidation basis, Comau's revenues rose by approximately 6%, due to a strong performance in the Car Bodywork and Maintenance areas.

Other Businesses, which comprise Services (Business Solutions), Publishing and Communications (Itedi) and Holding companies and Other companies, record an overall decrease of 19.2% from 2004 due to the performance of Business Solutions and Holdings and Other companies.

Business Solutions has revenues of € 752 million in 2005, down 23% from 2004. The decrease stems in part from the change in the scope of consolidation (sale of the temporary employment agency WorkNet). On a comparable scope of consolidation basis, the decrease in revenues is approximately 5%, mainly reflecting lower activity in the administration area, following a redefinition of the services the Sector provides to other Group companies.

In 2005, **Itedi** has revenues of € 397 million, down 2.5% from the previous year. The downturn is attributable to lower advertising revenues following termination of a major concession agreement, lower newspaper sales revenues, and a more selective and profitability-oriented approach to brand extension initiatives.

As regards **significant events occurring since the end of the fiscal year**, the Fiat Group has continued to implement its strategy of targeted industrial alliances and concluded important transactions for financial funding which are an indication of the credibility and confidence regained on the capital markets. Those most worthy of note are the following:

- in January 2006, Fiat Auto and Severstal Auto signed an industrial agreement for the assembly in Russia of several models, based on CKDs produced in Turkey by Tofas, the joint venture between Fiat Auto and the Koç Group;
- also in January 2006, the Fiat Group and Tata Motors signed an agreement to co-operate on dealer network sharing, which covers the sale of Fiat branded cars in India;
- in February 2006, Fiat communicated that it had successfully closed its offer to issue 6.625% Senior Notes having a face value of € 1 billion, and maturing February 2013, whose price was set on February 7, 2006 at 100% of the face value. It is to be noted that in January 2006 Fitch Ratings and Moody's changed their outlook on Fiat from negative to stable, as Standard & Poor's Rating Services had already done in August 2005. The notes, which were issued, have been admitted to listing on the Irish stock exchange;
- at the beginning of March 2006, the CNH Group issued senior notes with a face value of US $ 500 million, issued at face value, maturing in 2014 and with a fixed annual interest rate of 7.125% to professional investors;
- in February 2006, the Fiat Group and the Italian Ministry of Productive Activities signed a project agreement committing the Group to implementing an investment plan for a total of € 647 million to support Fiat's manufacturing operations at Pratola Serra and Termoli and the research activities carried out at Pomigliano d'Arco, supplemented by a government grant of approximately € 82 million.

SEQUANA CAPITAL

(52.78% of capital stock through Ifil Investissements)

The 2005 consolidated results of the Sequana Capital Group, prepared in a condensed format with the operating companies accounted for by the equity method, can be summarized as follows:

€ in millions	2005	2004	Change
Share of earnings (losses) of companies accounted for by the equity method:			
- ArjoWiggins	56.5	60.5	(4.0)
- Antalis	30.4	17.2	13.2
- SGS	58.3	47.4	10.9
- Antonin Rodet	(1.0)	(2.9)	1.9
Share of earnings (losses) of operating companies on a comparable consolidation basis	144.2	122.2	22.0
- Permal Group (a)	41.2	46.2	(5.0)
- Pechel Industries	0.0	6.2	(6.2)
Share of earnings (losses) of operating companies sold	41.2	52.4	(11.2)
Trading loss of companies consolidated line-by-line	(17.7)	(2.0)	(15.7)
Trading profit - Group	167.7	172.6	(4.9)
Nonrecurring income (expenses)	180.4	(200.7)	381.1
Profit (loss) - Group	348.1	(28.1)	376.2
Consolidated equity - Group	2,190.0	1,818.0	372.0
Consolidated net financial position (line-by-line consolidation)	181.0	(235.0)	416.0

(a) Deconsolidated as of November 1, 2005.

The total share of the earnings (losses) of all the operating companies shows an increase of 6% due to the positive performance of SGS and Antalis. Instead, the performance of ArjoWiggins was hurt by a market context where the norm is still excess production capacity and by higher energy and raw material costs. Owing to its deconsolidation as of November 1, 2005, the share of the earnings of Permal Group is not comparable with that of the prior year.

The slight decrease in the trading profit of the Sequana Capital Group (-3% compared to 2004) can principally be ascribed to an increase in the tax charges booked by the holdings (-€ 3 million compared to a tax benefit of € 7 million in the prior year), in addition to a reduction in the contribution of financial income and expenses (€ 2 million compared to € 8 million in 2004).

Nonrecurring income (expenses) shown net of directly chargeable expenses and income taxes, principally includes the gain realized on the sale of the 70.5% stake in Permal Group Ltd to Legg Mason (€ 449.4 million), restructuring costs and writedowns of the assets of the Arjo Wiggins Group (-€ 201.4 million) and nonrecurring expenses (-€ 71.8 million) mainly in connection with the provision for the Fox River dispute.

The significant amount of proceeds from the sale of Permal Group was also a contributory factor to the net financial position (line-by-line consolidation) of the Sequana Group which shows a liquidity position of € 181 million at December 31, 2005 (compared to a net debt position of € 235 million at the end of 2004). This figure does not include the equivalent amount of proceeds of € 169 million on the Legg Mason shares sold during the first quarter of 2006.

On March 28, 2006, the Board of Directors voted to put forward a motion to the Stockholders' Meeting, called for May 10, 2006, for the payment of dividends of € 3.3 per share (of which € 0.6 for ordinary dividends and € 2.7 for extraordinary dividends) for a total of € 349.7 million.

The dividends to which IFIL are entitled amount to € 184.5 million.

The performance of the principal sectors in which the Sequana Group operates is reviewed in the following paragraphs.

ARJOWIGGINS

(100% of capital stock through Sequana Capital)

In Europe, the year 2005 featured weak economic growth and higher competition from Asian countries. In view of an excess of pre-existing production capacity, these factors contributed to a rise in pressure over prices. As for volumes, demand rose by only 1%.

Sales of the Arjo Wiggins Group in 2005 are € 2 billion (+1.4% against € 1.98 billion in the prior year).

The generalized increase in energy and raw material costs led to an erosion of margins. The operating profit of the Arjo Wiggins Group thus fell to € 82.6 million in 2005, declining by 22% compared to € 106.4 million reported in 2004.

Fixed overheads decreased by € 18 million owing to the restructuring measures implemented in previous years and still underway.

On the financial front, the Arjo Wiggins Group was nevertheless able to generate high cash flows (€ 124 million, including € 95 million provided in the second half of the year) as a result of a serious effort to reduce working capital and control investments. This enabled the Group to reduce the net debt at the end of the year to € 291 million, from € 404 million at December 31, 2004.

During the second half of 2005, a strategic analysis of the Arjo Wiggins Group was begun with the assistance of outside consultants. The analysis revealed the presence of important strong points (reputation and global presence, leadership position in various niche markets, high level of research, development and know-how and the world record for the purchase of raw materials such as cellulose paste) and also weak points (underdeveloped internal synergies, weak customer-oriented organization and highest concentration of business in mature Western markets).

Partly to adopt the changes required by this strategic review, in 2005, the Arjo Wiggins Group recorded restructuring costs of € 210 million, mainly for the closing of a production facility in Scotland and assets writedown.

Consolidated operating highlights of the Arjo Wiggins Group are the following:

			Change	
€ in millions	2005	2004	Amount	%
Sales	2,004	1,977	27	1
Operating profit	83	106	(23)	-22
Loss	(157)	(45)	(112)	n.s.

antalis

(100% of capital stock through Sequana Capital)

The positive signs seen at the end of 2004 in the reference markets were not confirmed in the year 2005, which recorded basically stable volumes and strong price pressures. As a consequence, the market declined by 2% in value during the year
Notwithstanding, in 2005, the business volumes of Antalis increased slightly over the prior year, from € 2,337 million to € 2,344 million.

Thanks particularly to the progress achieved in relations with customers, which made it possible to consolidate market share, and the decrease in logistics and sales expenses, the company further improved its results. The operating profit thus showed a substantial increase (+26%), reaching € 53 million compared to € 42 million in 2004.

Moreover, improvements at the level of financial income and expenses allowed Antalis to reach a consolidated profit of € 27 million, an increase of € 12 million compared to the prior year.

In 2005, Antalis continued its geographic expansion to areas with strong growth, making investments in Brazil and South Africa and concluding cooperation agreements with leading operators in the sector.

As for the key consolidated results of Antalis in 2005, they can be summarized as follows:

			Change	
€ in millions	2005	2004	Amount	%
Sales	2,344	2,337	7	0
Operating profit	53	42	11	26
Profit	27	15	12	n.s.

SGS

(23.77% of capital stock through Sequana Capital)

The SGS Group was able to capitalize on the favorable conditions displayed in 2005 by the reference markets of various sectors (in particular: agriculture, energy, construction and manufactured products), with demand and prices remaining high. Growth was across all geographic areas, with a record high in Asia which reported a gain of 30%.

Sales of the SGS Group grew 14.7%, reaching CHF 3.3 billion and benefiting from the diversification of the services offered, the geographical expansion (especially in Asia) and the integration of the companies acquired last year.

Operating profit is CHF 502 million or CHF 109 million more than in 2004, with the percentage of operating profit to sales being 15.2% with a high of 20.3% in the Consumer Testing sector. The sectors with the highest growth compared to the preceding year, apart from Consumer Testing, are Oil Gas & Chemical Services and Industrial Services.

With an increase in profit from CHF 278 million in 2004 to CHF 371 in 2005 (+33.5%), the market price of SGS stock reported a 37.5% gain.

The strategic development plan devised by the SGS Group is founded upon the following three basic growth factors:

- constant expansion of the services offered and the range of geographic action;
- development of the sectors with the highest growth rates (Life Science, Consumer Testing and Industrial Services), also by adopting a policy of outside acquisitions;
- tailoring the offering to match customers' needs in strategic markets with prospects of expansion.

In quantitative terms, the plan calls for a target business volume of CHF 5 billion and an operating margin of 17% by the end of 2008.

In short, the key consolidated results of the SGS Group in 2005 are the following:

			Change	
CHF in millions	2005	2004	Amount	%
Sales	3,308	2,885	423	15
Operating profit	502	393	109	28
Profit	371	278	93	n.s.

SANPAOLO IMI

(5.86% of ordinary capital stock)

The Sanpaolo IMI Group closed the year 2005 with a **consolidated net profit** of € 1,983 million, an increase of 57.9% compared to 2004. RoE rose to 17.2% from 11.9% in the prior year while the cost/income ratio fell from 63.4 to 57.

The main income margins show an increase compared to the prior year with a growth in revenues during the last few months of the year.

Net interest income (€ 3,795 million) increased by 3% (a growth of 4.9% with the exclusion of investment banking activities which are characterized by greater volatility); this is an inversion of the downward trend seen in 2004. The main growth factor is attributable to the increase in the volumes dealt (+10.5%, on average, in terms of interest-earning assets) which amply compensated the reduction in the spread (16 basis points in transactions with customers) owing to an excessive supply of loans by the system.

All the main components of the interest-earning assets contributed to the increase in the amounts. In particular, under loans to customers (+10.5%), medium/long-term financing rose by 11.6%, benefiting from the positive performance of mortgage financing directed at the retail sector (+19.9%).

Direct deposits showed an increase of 6.8% on an annual basis reaching € 169.6 billion.

Total operating income, including income from insurance management, is € 8,402 million, a rise of 10.6% compared to the previous year. Growth was sustained by the positive performance of all the components.

Net commissions, totaling € 3,476 million (+6.8%), benefited from the increase in **indirect deposits** (+9.8%, also as a result of the positive performance of the financial markets) and the repositioning of asset management toward areas with a higher added value.

In absolute terms, the most significant increase (+€ 262 million) was recorded in the typical operations of Banca IMI and structured finance which include one-off components.

The good performance in life insurance is reflected in the **income from the insurance business**, in reference to the life and casualty companies headed by Assicurazioni Internazionali di Previdenza, which amounts to € 431 million (+31%) thanks to the favorable trend in financial management.

Net operating income, amounting to € 7,912 million (+13.1%), also benefited from the decrease in the adjustments of loans and other financial assets. Non-performing loans decreased by 5% while problem and restructured loans declined by 13.8%, showing an improvement in the risk profile of the loan portfolio.

Control over operating costs (-0.5%) thus made it possible to reach a **pre-tax operating profit** of € 3,023 million, an increase of 53.4% over 2004.

Shareholders' equity – Group amounts to € 13,483 million at the end of year (€ 12,035 million at December 31, 2004). The change includes, among others, the positive fair value adjustments of financial assets for € 478 million and actuarial losses on defined benefit employee funds and employee termination indemnities charged to equity reserves for € 199 million.

A summary of the highlights of the Sanpaolo IMI Group for the year 2005 is presented below:

€ in millions	2005	2004	Change Amount	%
Net interest income	3,795	3,683	112	3.0
Net operating income	7,912	6,998	914	13.1
Pre-tax operating profit	3,023	1,971	1,052	53.4
Net profit - Group	1,983	1,256	727	57.9
Total assets	268,385	248,418	19,967	8.0
Loans to customers	138,427	125,143	13,284	10.6
Customer financial assets	406,232	376,381	29,851	7.9
Shareholders' equity - Group	13,483	12,035	1,448	12.0
Embedded value of the life insurance business	2,648	2,433	215	8.8
Branches and representative offices (Italy+foreign)	3,308	3,257	51	1.6
Employees (number)	43,666	43,184	482	1.1
Financial planners	4,151	4,317	(166)	-3.8

Following the structural reorganization of the Group, begun in July 2005, the activities of the Sanpaolo IMI Group are currently organized into the following sectors:

- Banking, divided in the “retail & private” and “corporate” business lines. This is the “core” sector of the Group, accounting for about 80% of the consolidated figures;
- Savings and Assurance, which includes Banca Fideuram and Assicurazioni Internazionali di Previdenza, now concentrated in the newly-established company Eurizon Financial Group, to which Sanpaolo IMI Asset Management was transferred in January 2006. The project, which is based upon the distinction between “product factories” and “banking distribution networks”, calls for Eurizon’s listing on the stock market so that the company can access the capital markets directly;
- Central functions (governance, support and control, strategic investments and finance).

2005 also saw the completion of the process to integrate and rationalize the Group banks.
In October, the 2006-2008 Plan was approved; the objectives can be summarized as achieving a RoE of 18% and a cost/income ratio of 52% at the end of 2008.

The plan to rationalize the distribution network will continue in 2006. It involves, firstly, the banks in the North East and along the Adriatic Sea, while the integration of the Group’s distribution networks in Romagna with those of the Cassa di Risparmi di Forlì is scheduled to take place in 2007. In that year, Sanpaolo IMI will confer its branches in the Romagna area and thus acquire control of Cassa di Risparmi di Forlì.

As for performance in the early months of the year, the economic results seem to be above budget forecasts. Loans to customer continue to record over 10% growth while mortgage loans to families (+30%), personal loans (+70%) and industrial loans to small- and medium-sized businesses (+60%) are particularly lively. The number of commercial bank customers has risen, reversing the trend seen in the corresponding period of 2005.
Income margins could benefit from the widening of the customer base, as well as improvement of the spread, favored by the recovery in market rates and the development of the financial services for the clientele.

The Board of Directors’ Meeting of the Bank held on March 23, 2006 voted to put forward a motion to the Shareholders’ Meeting called for April 27 or April 28, 2006 for the distribution of dividends per share of € 0.57.
Dividends for IFIL will amount to € 53 million.

(60% of capital stock)

The 2004/2005 sports season ended with the Club's 28th Italian Championship victory, which allowed Juventus to automatically qualify for the U.E.F.A. Champions League in the current season.

The last financial year closed on June 30, 2005 and recorded a loss of € 3 million, with an improvement over the loss of € 18.5 million reported in the prior year.
Operating revenues totaling € 229.3 million posted a considerable increase (+10%) over 2003/2004. The rise in revenues is due to the bonuses received for the Club's first-place victory in the Italian Championship, the higher number of games played (with the exception of only the Italian Cup) and the contractual increase established in the agreements for television and telephone rights.
In March 2005, income of € 18 million was also recorded as a result of the sale, to Oilinvest B.V., owner of the Tamoil brand, of the option rights relating to the new official sponsorship contract. In the first half of 2004, the operating revenues had included € 20 million received from the Mediaset Group on the sale of the rights to broadcast games in future seasons.

The gross operating margin rose to € 45.7 million (€ 37.1 million in the previous financial year). The benefit from the increase in revenues was partly offset by higher service expenses and personnel costs.

Net income from the management of players' registration rights amounted to € 16.8 million (€ 3.6 million in the previous season). Amortization of the investments in players decreased to € 59.1 million (€ 63.9 million in the year 2003/2004) thanks to the extension of the contract periods for certain players.

The players' transfer campaign for the 2004/2005 season led to net investments of € 69.9 million while the overall financial effect, taking into account the gain realized on disposals and on the termination of co-sharing rights, was a negative € 46.1 million.

The following highlights are taken from accounting data prepared and published by Juventus F.C. in accordance with Italian GAAP.

Year 2004/2005 (a)	Year 2003/2004 (a)	€ in millions	I Half 2005/2006 (b)	I Half 2004/2005 (b)	Change
229.3	208.2	Operating revenues	134.2	95.5	38.7
45.7	37.1	Gross operating margin (c)	37.6	7.0	30.6
(3.0)	(18.5)	Net income (loss)	2.1	(9.8)	11.9
77.9	80.9	Stockholders' equity (d)	80.0	71.2	8.8
(16.4)	53.1	Net financial position (d)	(22.7)	(20.5)	(2.2)

(a) Corresponding, respectively, to the periods July 1, 2004 to June 30, 2005 and July 1, 2003 to June 30, 2004.
(b) Corresponding, respectively, to the periods July 1, 2005 to December 31, 2005 and July 1, 2004 to December 31, 2004.
(c) Before amortization of players' registration rights.
(d) Data refers to the end of the period.

The result for the period July 1, to December 31, 2005, the first half of the current financial year, shows a net income of € 2.1 million. This is an increase of € 11.9 million compared to the loss of € 9.8 million for the same period of the prior year.
The comparison of operating revenues and the gross operating margin during the same periods shows a considerable improvement over 2004. This is due to the positive operating performance and also to significant nonrecurring items. In particular, the 2005 data includes € 30 million received by Juventus F.C. in December from the Mediaset Group for the consideration on an option right sold under a broader broadcasting agreement. This agreement allows the Mediaset Group to broadcast the home games of the Italian Championship for the 2007/2008 and 2008/2009 seasons using any distribution platform, and also covers other events and minor rights.
The right that was sold gives the Mediaset Group the option of extending the same rights that are covered by the principal agreement to the 2009/2010 season.
The consideration for the first two seasons was agreed, respectively, at € 108 million and € 110 million.

The 2005/2206 summer transfer campaign involved net investments of € 37.7 million. The economic effect of the transactions was a positive € 1.4 million whereas the financial effect was a negative € 21.8 million.
During the second stage of the campaign, conducted in January 2006, there were neither significant movements nor effects on the financial position, results of operations or cash flows.

Other important events worthy of note in 2005, besides those already mentioned, include, in December, the signing of a contract for the sale, to the company Virgiliocinque S.p.A. (owner of Juventus F.C.'s headquarters), of an option right for the purchase of the surface rights to the commercial areas outside the Delle Alpi Stadium. The consideration for the right sold was equal to € 0.1 million.

With regard to the investigation by the Judicial Authorities of Rome regarding the alleged falsification of financial statements by soccer clubs in order to obtain registration for the relevant championships, the documentation was sent to the competent territorial jurisdictions. The Procura della Repubblica of Turin collected further documentation from Juventus F.C. offices, with the mandatory inclusion of the name of the Chief Executive Officer in accordance with art. 335 of the Code of Criminal Procedure.

As for the investigation by the Judicial Authorities against the Chief Executive Officer and the Juventus F.C. physician concerning the alleged improper use of medicines by Juventus F.C. players, on December 14, 2005, the Corte d'Appello (Court of Appeals) fully acquitted both parties.

(100% of capital stock, through Ifil Investissements)

The year 2004/2005 was severely penalized by the decline in demand for some of the Group's most important destinations. The decline is a consequence of extraordinary external events such as the attack at Taba (Egypt) in October 2004, the crisis of the Volare group, the devastating tsunami which hit on December 26, 2004, followed by the vicious attack at Sharm El Sheik in July 2005.

With that in mind, despite a difficult start which had hurt the winter season and the persisting climate of political and economic uncertainty, the first months of the summer, up until the date of the attack at Sharm El Sheik, presented a positive picture: sales and margins were up compared to the corresponding period of the prior year and in line with forecasts.

The attack at Sharm El Sheik on July 22 again badly upset the market situation right in the middle of the high season causing numerous cancellations of reservations that had already been purchased. Following this exceptional event, the Group worked especially hard with a great deal of success and was able to suggest new destinations to customers who had originally planned vacations at Sharm El Sheik to a host of alternative destinations such as the Mare Italia, Greece, the Canary Islands, the Balearic Islands and Cape Verde. While this had the effect of limiting the impact on volumes, it did not, however, prevent a contraction in the margins caused by the different mix of destinations and the costs for re-protection.

Moreover, the summer season was dealt another severe blow, with particular reference to the Caribbean, by the effects of Hurricane Emily and Hurricane Wilma which hit the tourist areas along the Mayan Riviera.

As for the market, fierce competition and extremely aggressive sales policies on the part of tour operators persist in terms of prices and discounts offered on some of the most popular destinations. The propensity of customers to delay vacation reservations until just a few days before departure to take advantage of last minute offers also remains high.

To meet this situation and keep discounted sales prices at a normal level, the Group has re-proposed "early booking" campaigns where the final customer is rewarded with lower prices when reservations are made a good deal in advance. By using this promotional tool, the Group achieved significant improvements in programming, especially for the summer season, and an optimization of the costs and the risks associated with both land-based services and seat availability on flights.

The key consolidated financial statement data of the Alpitour Group for the year ended October 31, 2005, prepared in accordance with IFRS, can be summarized as follows:

			Change	
€ in millions	2004/2005	2003/2004	Amount	%
Net revenues	1,146.8	1,108.5	38.3	3.5
Operating profit	7.0	28.9	(21.9)	-75.8
Profit (loss) - Group	(10.7)	5.7	(16.4)	n.s.
Equity - Group	70.2	79.2	(9.0)	-11.3
Consolidated net financial position	(77.4)	(112.0)	34.6	30.9

Consolidated sales by business sector of the Alpitour Group is detailed below:

			Change	
€ in millions	2004/2005	2003/2004	Amount	%
Tour operating	883.0	886.1	(3.1)	-0.3
Incoming	229.3	217.4	11.9	5.5
Hotel	96.1	92.7	3.4	3.7
Aviation	103.7	73.6	30.1	40.8
Distribution	30.2	23.5	6.7	28.7
Incentives and Grandi Eventi	45.6	44.7	0.9	2.1
Total	1,387.9	1,338.0	49.9	3.7
Elimination of intragroup transactions	(241.1)	(229.5)	(11.6)	5.1
Total	1,146.8	1,108.5	38.3	3.5

With regard to the Tour Operating business, sales of € 883 million were reported in 2004/2005 and are basically in line with those of the prior year (€ 886.1 million).

As for volumes, there were 997 thousand travelers in 2004/2005, a reduction of about 5.3% compared to the previous year (1,052 thousand). In terms of the sales mix, a considerable decline (about -30%) was recorded in 2004/2005 in destinations to Egypt and the Indian Ocean (the Maldives, in particular), due to the exceptional events mentioned early.

Instead, the trend of destinations to the Caribbean area, especially Honduras, Cuba and Santo Domingo, as well as to Africa (Tanzania, Kenya and Senegal) was positive.

The major destinations in the Mediterranean area and in Europe, on the other hand, overall, maintained substantially stable performance in line with the prior year.

The Incoming sector, headed by the Jumboturismo Group, reported consolidated sales of € 229.3 million in 2004/2005 (€ 217.4 million in 2003/2004), including € 102 million in sales to the Alpitour Group. An analysis of the increase in sales, equal to approximately 5.5%, shows a growth in the volumes from third-party operators, on one hand, and a slight decline in those contributed by operators of the Group, on the other.
As regards third-party operators, the incoming sector has further consolidated the growth of sales relations with other European markets: traffic brought by third-party operators (mainly English, Irish and Dutch) totaled 736 thousand travelers (655 thousand in 2003/2004), equal to about 64% of total volumes managed by the division. As for volumes from tour operators of the Alpitour Group, 414 thousand travelers were recorded compared to 432 thousand in 2003/2004. For the areas served by the Jumbo Group, a considerable increase in travelers to destinations in Italy, Morocco and the Balearic Islands was reported whereas a slight decline was noted in the Cape Verde and Mexico destinations.
The Jumboturismo Group expanded its operating structure during the year by opening two new offices, one in Tunisia and one in Italy, and is now present in nine countries.

The Hotel sector registered a significant increase in consolidated sales which reached € 96.1 million (€ 92.7 million in the prior year). The total includes € 42.4 million of sales to tour operators of the Group. This increase is due, on one hand, to the growth of the Italian market and, on the other, to a decline (in terms of volumes and prices) in sales involving foreign structures as a result of exceptional events (the tsunami and hurricanes).
The foreign hotel resorts of the Group, which are currently marketed under the brands of "Bravo Club" by Alpitour, "Sea Club" by Francorosso and "Volando Club" by Volando, reported a presence of 966 thousand in 2004/2005 (1,073 thousand in 2003/2004), equivalent to 107 thousand customers. The Italian hotel facilities operated by Altamarea, instead, registered a presence of 954 thousand, up from 593 thousand in 2003/2004. With reference to the Italian market, during 2005, two new four-star hotels were opened in Rome, as well as the Arenella Resort in Siracusa, a product targeting families, which is an addition to the already existing Bravo Club Arenella.

The Aviation sector, with Neos, posted total sales of € 103.7 million, including € 81.4 million in sales to operators of the Group. The increase over last year (approximately +41%) is principally linked to the start of long-haul travel using a B 767 airplane.
Neos has a fleet of four B 737-800 airplanes of modern conception, based at the airports of Milan Malpensa, Verona and Bologna and operates on the major short/medium-haul routes in the Mediterranean area and Egypt. Beginning in December 2004, Neos has wet leased a B767 for long-haul travel to the Maldives, Africa and the Caribbean.
Neos carried more than 633 thousand passangers during the year (618 thousand in the prior year).

The Distribution sector, which reported sales of € 30.2 million (including € 4.1 million of sales to the Group), principally operates through the Welcome Group travel agency network, which at present encompasses 356 affiliate agencies (under franchisings or partnerships) and 39 owned agencies.
The factors which allowed the distribution division to report a significant increase in sales (+28.7%) compared to the year 2003/2004 are the following: the investments made during the last two years, combined with more effective action to coordinate the activities of the owned points of sale, higher growth of the travel organization activities as compared solely to the simple brokering business and a consolidation of franchising arrangements with affiliate agencies.

The Incentive business, in spite of a persisting generalized weak market, recorded an increase in sales volumes thanks to precise marketing actions and a sales policy aimed at acquiring new market share. Sales of Francorosso Incentive in 2004/2005, in fact, reached € 34 million, up approximately 10% compared to sales of € 30.9 million in 2003/2004.
During the year, the number of passengers/travelers managed was more than 25,300 (21,000 in 2003/2004).
Sales of Jumbo Grandi Eventi in 2004/2005, instead, decreased to € 11.6 million (€ 13.7 million in 2003/2004 which, however, had benefited from the numerous events connected with the Italian EU Presidency for six months).
In 2005/2006, the activities conducted as part of the events surrounding the "2006 Turin Winter Olympics" will generate sales of approximately € 120 million.

At the level of consolidated gross operating margin, the increase in the rental costs of hotel facilities and the lease payments for airplanes caused a decline from the prior year of approximately € 20.8 million (€ 22.4 million in 2004/2005 against € 43.2 million in 2003/2004). In percentage terms, gross operating margin was equal to 2%, compared to 4% in 2003/2004. In fact, the anticipated level of profitability from the growth of the various business sectors was not reached owing to the difficult market situation.

Amortization and depreciation charges recorded an increase of € 1.1 million, from € 14.3 million to € 15.4 million, mainly because of the Arenella tourist resort in Sicily which became fully operational during the year.

The first few months of the year 2005/2006 show a trend towards a recovery compared to the prior year. However, the choices made by the final customers are still being influenced, although to a lesser degree, by the exceptional events which severely penalized travel last year, the tsunami, in particular, and the Sharm El Sheik incident.

In spite of an unfavorable macroeconomic picture, the Group is continuing with its development strategies. As regards tour operating, new destinations, in particular, to Brazil and South America have been launched and more emphasis is being placed on the resort product. During the course of the current year, long-haul charter travel will be running regularly and be able to guarantee a high qualitative level of service. The development of the hotel sector will be able to count on the fully operational new hotel structures in Italy and benefit from an increasingly higher integration with the Group's businesses. As for incoming, an upsurge in destinations to Italy is expected while distribution, through the Welcome Group, started a crucial development plan for its distribution network using contacts with full-franchising affiliates.

Starting from November 1, 2005, the corporate reorganization and simplification plans have become operational; they regard the hotel and distribution divisions using mergers by incorporation. Such mergers will lead to a better organizational structure of the Group and higher operating efficiency. Finally, the actual business model is currently under review with the aim of identifying potential new synergies among the Group's businesses and also seizing opportunities in new businesses and markets.

Ifil Investissements (Luxembourg)

(100% of capital stock directly and through Ifil Investment Holding)

The key highlights for the year ended December 31, 2005 can be summarized as follows:

€ in millions	2005	2004	Change
Net income	491.4	509.0	(17.6)
Stockholders' equity	1,657.1	1,993.1	(336.0)
Financial fixed assets	1,604.7	2,005.2	(400.5)
Net financial position	54.9	(7.0)	61.9

The most important transactions which took place in 2005 are described under "Major events in 2005".

Stockholders' equity decreased by € 336 million following the partial reimbursement of additional paid-in capital to the parents IFIL (-€ 618,8 million) and Ifil Investment Holding (-€ 156.5 million), dividends paid or declared to these same companies (-€ 52.2 million) and net income for the year (+€ 491.4 million).

At December 31, 2005, financial fixed assets include the following equity investments and bonds:

		12/31/2005			
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2004	Change
Sequana Capital S.A.	55,922,623	52.78	775.5	775.5	0.0
Eurofind Textile S.A.	30,000	50.00	-	81.5	(81.5)
Ifil International Finance Ltd	4,000,000	100.00	734.0	1,054.0	(320.0)
NHT - New Holding for Tourism BV (in liquidation)	32,980	100.00	79.5	61.3	18.2
Ifil Finance BV (in liquidation)	-	-	-	18.5	(18.5)
Ifilgroup Finance Ltd	4,000,000	100.00	4.0	4.0	0.0
Sadco S.A. (in liquidation)	300	100.00	1.0	1.4	(0.4)
Ifil USA Inc	100	100.00	0.5	0.5	0.0
Turismo & Immobiliare S.p.A.	30,000	25.00	4.1	0.1	4.0
Other	-	-	1.2	3.6	(2.4)
Total equity investments			1,599.8	2,000.4	(400.6)
Ocean Club Méditerranée convertible bonds	76,614	-	4.9	4.8	0.1
Total financial fixed assets			1,604.7	2,005.2	(400.5)

In January 2006, NHT – New Holding for Tourism (in liquidation) transferred 100% of the capital of Alpitour S.p.A. to Ifil Investissements, at an amount of € 79.4 million, as an advance on the distribution of the assets in liquidation.

A comparison between the carrying amounts and the market prices of listed financial fixed assets shows the following unrealized gains:

€ millions	Sequana Capital	Ocean Club Med bonds	Total
Market price at December 30, 2005	566.6	0.1	566.7
Average market price in the second half 2005	522.0	0.1	522.1
Market price at March 24, 2006, update	656.1	0.2	656.3

Ifil International Finance Ltd (Ireland)

(100% of capital stock through Ifil Investissements)

The company closed the year ended December 31, 2005 basically with a breakeven, like last year. Stockholders' equity amounts to € 734.8 million (€ 1,054.8 million at the end of 2004) and the net financial position is a liquidity position of € 734.8 million (liquidity position of € 1,054.9 million at December 31, 2004).

The liquidity is mainly invested in two medium/long-term loans made to Ifil Investissements (for a total of € 730 million) due in January 2010.

Ifil Investment Holding (Netherlands)

(100% of capital stock)

Key highlights for the year ended December 31, 2005 can be summarized as follows:

€ in millions	2005	2004	Change
Net income	10.4	92.3	(81.9)
Stockholders' equity	104.9	257.9	(153.0)
Financial fixed assets	104.5	261.0	(156.5)
Net financial position	0.4	(2.7)	3.1

Financial fixed assets are comprised of the equity investment in Ifil Investissements S.A. Details are as follows:

	12/31/2005				
€ in millions	Number of shares	% of capital stock	Carrying value	12/31/2004	Change
Ifil Investissements S.A.	224,194	20.18	104.5	261.0	(156.5) (a)

(a) The reduction is due to the partial reimbursement of additional paid-in capital by Ifil Investissements for the same amount.

MOTION FOR THE APPROVAL OF THE FINANCIAL STATEMENTS AND THE APPROPRIATION OF NET INCOME FOR THE YEAR

To our stockholders,

We invite you to approve the financial statements for the year ended December 31, 2005 and, in view of the fact that the legal reserve is equal to one-fifth of capital stock, we propose the appropriation of the net income for year of € 98,760,183 as follows:

To the ordinary shares, dividends of € 0.08, for a maximum	€	83,089,017.36		
To the savings shares, dividends of € 0.1007, for a maximum	€	3,764,470.12		
Shares outstanding are entitled to the proposed dividends, thus excluding the shares held by the company at the ex dividend date, for a total maximum			€	86,853,487.48
To the reserve for unrealized net foreign exchange gains (art. 2426, para. 8 bis, Italian Civil Code)			€	476.12
To the extraordinary reserve, the remaining amount, for a minimum of			€	11,906,219.40
Profit for the year 2005			€	**98,760,183.00**

Turin, March 30, 2006

For the Board of Directors
The Chairman
Gianluigi Gabetti

IFI
Istituto Finanziario Industriale

Annual Report 2006

IFI
Istituto Finanziario Industriale

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

TABLE OF CONTENTS

DIRECTORS' REPORT ON OPERATIONS

SEPARATE FINANCIAL STATEMENTS OF IFI S.p.A. AT DECEMBER 31, 2006

CONSOLIDATED FINANCIAL STATEMENTS OF THE IFI GROUP AT DECEMBER 31, 2006

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

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

IFI
Istituto Finanziario Industriale

Board of Directors

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

---

[a] From April 17, 2007.
[b] Independent director.
[c] Chairman until April 17, 2007.

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

Board of Statutory Auditors

Chairman	Gianluca Ferrero
Standing Auditors	Giorgio Giorgi Lionello Jona Celesia
Alternate Auditors	Giorgio Ferrino Paolo Piccatti

Independent Auditors	Deloitte & Touche S.p.A.

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

LETTER TO THE STOCKHOLDERS

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

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

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

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

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

If we turn our attention to the United States, in the second half of the year, there was a gradual and, from many standpoints, salutary slowdown in economic growth. 2006 ended with an increase in GDP of 3% on an annual basis, but with a trend in the last two quarters which does not exceed 2%. The trend of the economy benefited greatly from household consumption, sustained by the positive state of the labor market and the lower cost of energy. The rate of unemployment never exceeded the level of 5% and, during the last quarter of the year, the price of oil was often lower than the psychological threshold of $ 60 a barrel.

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

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

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

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

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

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

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

***

With regard to the performance of IFI in 2006, the consolidated financial statements show a profit of € 221 million. In the separate financial statements, the profit reported by IFI S.p.A. grew to € 218 million.
The consolidated result of the IFI Group derives, to a large extent, from the profit reported by its subsidiary IFIL, which benefited from the excellent result of the Fiat Group and the positive performance of its other holdings.
With regard to the former, the success of internal reorganization measures and the enthusiastic reception of new models by the market enabled Fiat to achieve significant results in terms of an increased market share and higher profitability.
Moreover, with regard to the diversified portfolio of IFIL, some transactions deserve special mention, for example, the Public Exchange Offering with SGS shares promoted by Sequana Capital, the merger between Sanpaolo IMI and Banca Intesa, the acquisition of 9.43% of the current capital of Gruppo Banca Leonardo and the agreement for the acquisition of the control of the American company Cushman & Wakefield, the largest private held company operating in the field of real estate services.

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

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

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

***

In the name of the board of directors I would like to thank our stockholders for the trust they have placed in us, the statutory auditors and independent auditors for their profound commitment, and the managers and all the employees of the company and the subsidiaries for their work.

John Elkann

IFI GROUP PROFILE

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in **IFI S.p.A.**) is a corporation organized under the laws of the Republic of Italy. The head office is located in Turin, Italy, Corso Matteotti 26.
The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.a.p.az.**.
IFI's preferred shares are listed on the Electronic Share Market (MTA) of the Italian stock exchange (Blue Chip segment).
The company's assets are represented by the controlling investment in IFIL Investments S.p.A., equal to 66.23% of ordinary capital stock.

IFIL Investments S.p.A. (abbreviated in **IFIL S.p.A.**), listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment), in which Giovanni Agnelli e C. S.a.p.az. also holds 3% of ordinary capital stock directly, is the investment company of the Group. It commands two distinctive areas of operations: the active management of the investment in Fiat S.p.A. and the dynamic management of the other holdings.

Fiat S.p.A., in which IFIL S.p.A. has a holding of more than 30% of ordinary and preferred capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). Founded in 1899, for more than a century the Fiat Group has been operating in the automotive field, designing, manufacturing and selling automobiles (Fiat, Lancia, Alfa Romeo, Ferrari, Maserati and Fiat Light Commercial), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus), components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (Itedi). Other sectors also offer financial services to the sales networks and clientele in addition to rental services to customers.

The other holdings which comprise the dynamically managed diversified portfolio are listed below.

Sequana Capital S.A. (48.88% holding by the subsidiary Ifil Investissements S.A.) is a French company listed on the Euronext market which in 2006 decided to focus its operations on the paper sector where it operates through:

- Arjowiggins S.A. (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper;

- Antalis S.A. (100% holding), the leading European group in the distribution of paper products for printing and writing.

SGS S.A. (13.74% holding by Ifil Investissements S.A.) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 48,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Intesa Sanpaolo S.p.A. (2.45% holding of ordinary capital stock by IFIL S.p.A.) is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with a market share of 20% on average in all segments of business (retail, corporate and wealth management). With its network of 5,500 branches, the group offers its services to 12 million customers. It also operates in 13 Central-East European countries and in the Mediterranean basin with 1,650 branches and 7.7 million customers in the retail and commercial banking sectors. It also has an international network specialized in corporate customer support covering 35 nations including the United States, Russia, China and India.

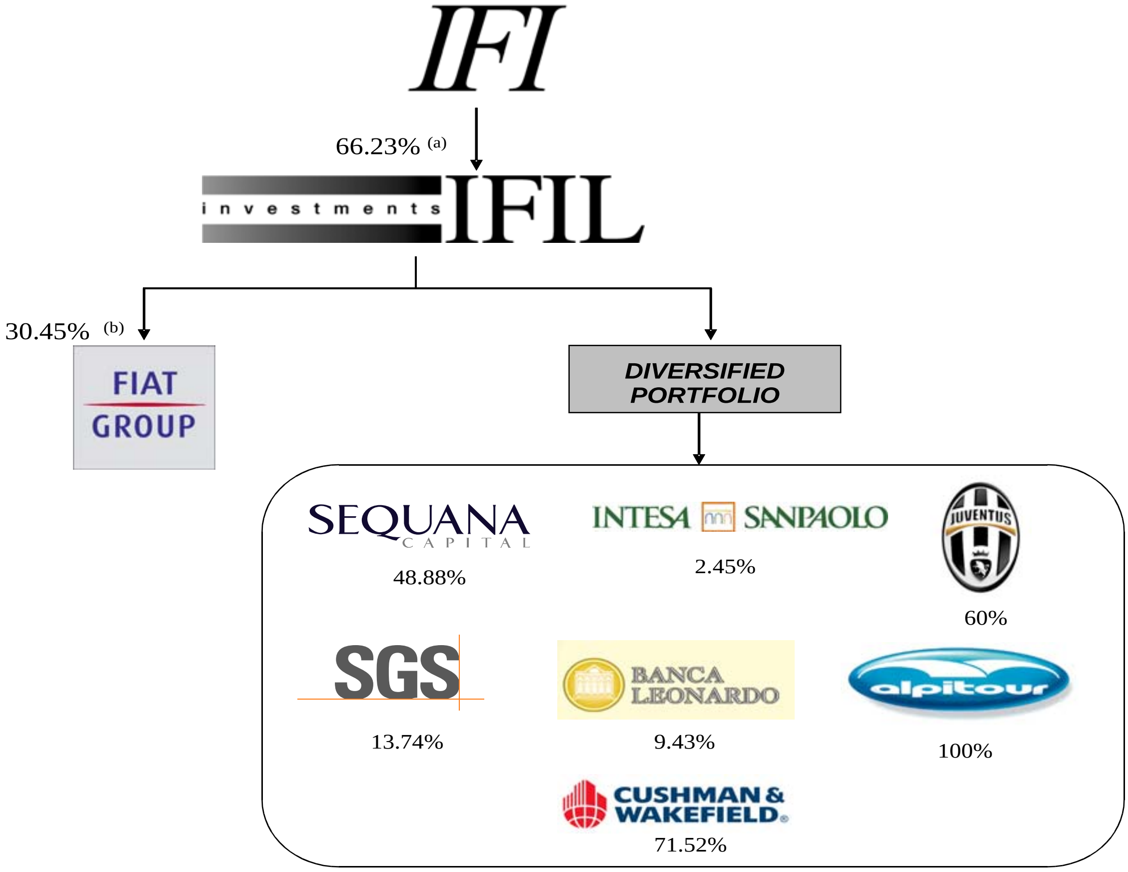
Gruppo Banca Leonardo S.p.A. (9.43% holding by Ifil Investissements S.A.) is an independent investment bank offering corporate finance advisory and asset management services, in addition to private equity services, under a joint venture with a leading European group.

Alpitour S.p.A. (100% holding by IFIL S.p.A.) is the leading group in the tourist sector in Italy. It operates with a vast range of integrated services (tour operating, hotel, aviation, distribution, incoming and Incentive e Grandi Eventi). In 2006, the Alpitour Group managed the accommodations of the Olympic Family at Turin Winter Olympics 2006.

Juventus Football Club S.p.A. (60% holding by IFIL S.p.A.) is listed on the Electronic Share Market of the Italian stock exchange (Star segment). Founded in 1897, it is one of the most important professional soccer teams in the world and boasts the largest number of fans in Italy and the highest number of total sports victories of all the Italian soccer teams, in both national and international competition.

At the end of March 2007, Ifil Investissements purchased control (71.52%) of the **Cushman & Wakefield (C&W) Group** which is the largest private company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 197 offices and 11,500 employees in 55 countries.

The following chart is updated to the end of March 2007 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFI also holds 4.99% of IFIL savings capital stock. Giovanni Agnelli e C. S.a.p.az. also holds 3% of IFIL ordinary capital stock.
(b) IFIL also holds 30.09% of Fiat preferred capital stock.

KEY OPERATING AND FINANCIAL DATA

IFI GROUP

Consolidated figures € in millions	**2006**	2005	Change
Profit attributable to the equity holders of the company	**221**	676	(455)
Equity attributable to the equity holders of the company	**3,800**	3,084	716

Earnings per share (€) (a)	**2006**	2005	Change
Profit attributable to the equity holders of the company			
- per ordinary share	**1.38**	4.26	(2.88)
- per preferred share	**1.43**	4.31	(2.88)
Equity attributable to the equity holders of the company	**24.07**	19.53	4.54

(a) Details of the calculation are presented in Note 22 to the consolidated financial statements.

IFI S.p.A.

€ in millions	**2006**	2005 (a)	Change
Profit	**218**	39	179
Equity	**1,794**	1,575	219
Net financial position	**(98)**	(278)	180

(a) Prepared in accordance with IFRS.

Dividends were not distributed in respect of the year ended December 31, 2005.

The board of directors of March 30, 2007 put forward a motion to the ordinary stockholders' meeting called to approve the separate financial statements for the year ended December 31, 2006 to appropriate the entire profit to reserves.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of € 1.

IFI preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment) and included in the MIDEX Index of mid-cap companies.

IFI preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code (articles 10 and 13 of the bylaws). The preferred shares have the right to a preference dividend, which is not cumulative from one year to the next, equal to 5.17% of par value € 1 (art. 27 of the bylaws).

The directors have the right, for a period of five years from the resolution passed on April 22, 2003, to increase, at one or more times, also in divisible form, the capital stock up to a maximum of € 561,750,000.

Stockholders

IFI ordinary shares are held 100% by the parent, Giovanni Agnelli e C. S.a.p.az..

IFI S.p.A. has approximately 13,000 preferred stockholders.
At the end of March 2007, the ten major preferred stockholders, indicated below, represent in total 50.93% of the class of stock.

Stockholders	%	Shares
Amber Capital LP (Amber Master Fund - Cayman)	11.46	8,799,007
K Capital Partners LLC Group	11.33	8,699,670
Morgan Stanley Group	5.57	4,279,394
Crédit Suisse Securities (Europe) Limited	4.22	3,240,718
UBS AG	4.05	3,112,592
Ing Bank NV – London	3.80	2,920,315
Deutsche Bank AG	3.76	2,885,006
Kairos Fund Limited	2.34	1,796,700
The Trident European Fund-Dem	2.33	1,790,000
Banca d'Italia	2.07	1,593,625
	50.93	***39,117,027***

Source: Stockholders' Book in addition to communications received from Consob up to March 23, 2007.

Treasury stock

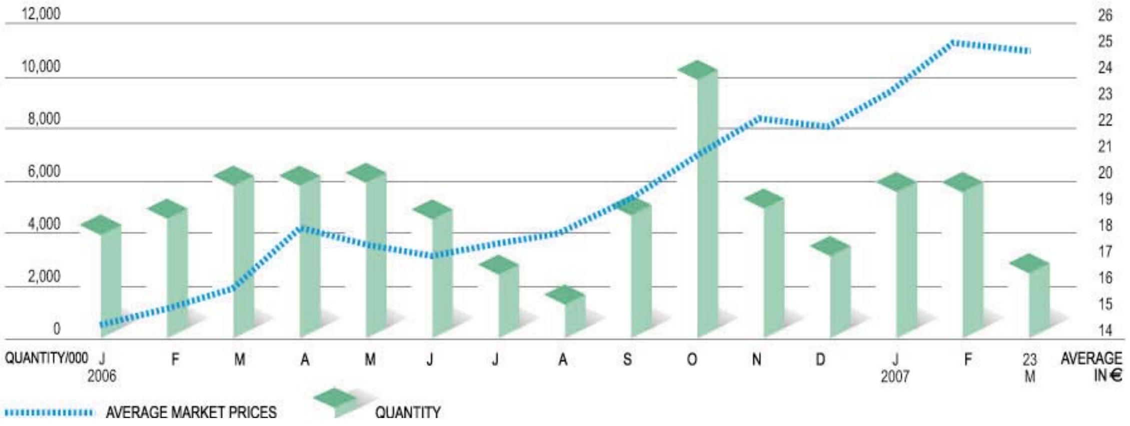
IFI S.p.A. currently holds 5,360,300 preferred shares of treasury stock (6.98% of the class of stock).
On May 25, 2006, the ordinary stockholders' meeting renewed, for 18 months, the authorization for the purchase of treasury stock for a maximum of 16 million IFI ordinary and/or preferred shares for a global amount of € 150 million.

Stock market performance

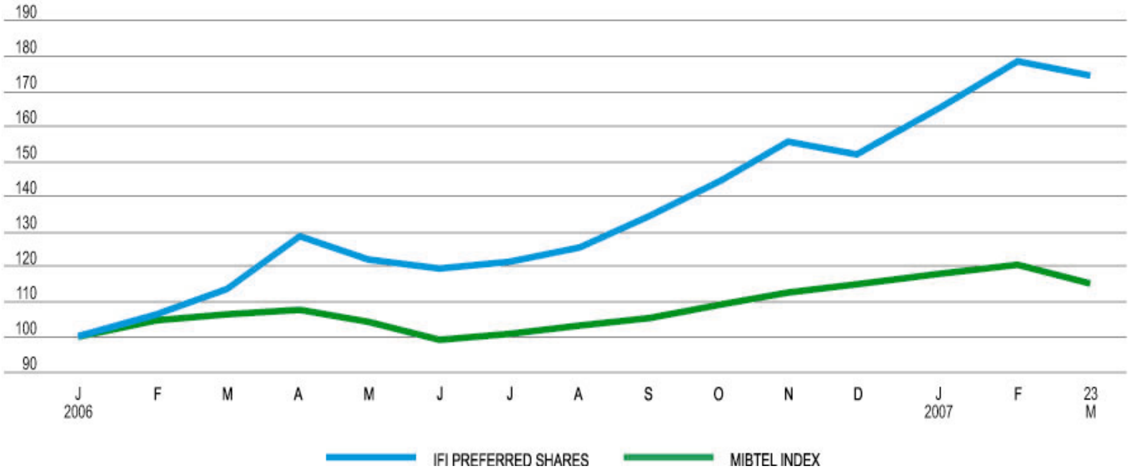
In 2006, the rise in IFI's preferred stock price, which was a feature of the previous year, continued and reached a price of € 22.9 by the end of the year.

On the whole, in 2006, performance was positive and the stock gained 64.8% versus 23.6% by the MIBTEL Index.

IFI preferred stock – Average market prices and volumes traded



Performance by IFI preferred stock against the Mibtel Index[a]



(a) The line graph is based on the average monthly market prices.

IFI preferred shares – Market information	**2007 (a)**	**2006**	2005	2004
Market price per preferred share (€)				
- year-end	**26.630**	**22.930**	13.867	10.431
- maximum	**26.630**	**23.250**	14.525	10.431
- minimum	**22.860**	**13.966**	10.562	6.235
Trading volumes during the year (millions)	**15.4**	**62.9**	41.5	67.7
Value of trading volumes during the year (€ in millions)	**383.3**	**1,161.0**	500.9	556.8

(a) From January 1, to March 23, 2007.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

In 2006, IFI has continued activities surrounding relations with the financial community, the stockholders, the financial analysts and the institutional investors during the course of the year, also, where requested, through individual meetings.

Relations with the national and international media were backed by the corporate website www.gruppoifi.com in which information about the company, press releases, annual financial statements and quarterly reports and the first-half report is published on a timely basis.

In total, approximately 800 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed, and are also available on request.

The corporate functions in charge of communications and external relations are:

External Relations and Media Relations
Tel. +39.011.5090318
Fax +39.011.5090386
e-mail: relazioni.esterne@gruppoifi.com

Institutional Investors and
Financial Analysts Relations
Tel. +39.011.5090237
Fax +39.011.5090280
e-mail: relazioni.investitori@gruppoifi.com

Stocks and Bonds Service
Tel. +39.011.5090323
Tel. +39.011.5090205
Fax +39.011.5090321
e-mail: servizio.titoli@gruppoifi.com

MAJOR EVENTS IN 2006 AND IN THE FIRST QUARTER OF 2007

Sale of the investment in Exor Group

On April 7, 2006, following the resolution passed by the board of directors' meeting on March 31, 2006, IFI S.p.A. sold the entire investment in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. Given that the transaction was between related parties, Citigroup Global Markets Limited was appointed as advisor and checked the fairness of the sales price, equal to € 206.8 million (€ 60.5 per share). The sale resulted in a gain of € 104 million for IFI S.p.A. (a gain of € 7.3 million on consolidation) and a significant reduction in debt.

On May 4, 2006, Exor Group canceled the treasury stock thus purchased, with a consequent reduction in capital stock.

Increase of the investment in IFIL

During 2006, IFI purchased on the market 14,708,160 IFIL ordinary shares, equal to 1.42% of the class of stock for an investment of € 66.9 million. At December 31, 2006, IFI holds 675,200,000 IFIL ordinary shares, equal to 65.01% of the class of stock and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 62.92% of capital stock.

In the first quarter of 2007, IFI purchased on the market 12,705,000 IFIL ordinary shares (1.22% of the class of stock) for an investment of € 84.6 million.
IFI currently holds 687,905,000 IFIL ordinary shares, equal to 66.23% of the class of stock and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 63.93% of capital stock.

Consob sanctionary measure

On February 13, 2007, the meeting of the board of directors of the company, which was presided over by the vice chairman (vicario) John Elkann, was notified of the Consob sanctionary measure against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone with regard to the contents of the press releases dated August 24, 2005 released by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az..

The board of directors of IFI S.p.A., which did not take part owing to the reference to some of its members, expressed its full support to the above persons.
Additional information is provided in the comments on the operating performance of IFIL Investments S.p.A..

BUSINESS OUTLOOK

For the year 2007, IFI S.p.A. is expected to report a profit.

On the basis of the indications formulated by the IFIL Group for 2007, the IFI Group is expected to show a consolidated profit.

IFI S.p.A. – REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

Introduction

Following the coming into force of European Regulation 1606 dated July 19, 2002 and the national laws implementing that Regulation, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, starting from January 1, 2006 IFI S.p.A. has adopted International Financial Reporting Standards ("IFRS") in the preparation of its separate financial statements (previously referred to as statutory financial statements).

Consequently, the figures in the separate financial statements for the year ended December 31, 2005, prepared in accordance with Italian accounting principles (Italian GAAP), have been adjusted and reclassified on the basis of IFRS for purposes of comparison with the year 2006.

Additional information on the adoption of IFRS and on the effects of their adoption on the published 2005 statutory financial statements are presented in Note 2 to the separate financial statements at December 31, 2006 and in the specific Appendix – Transition to International Financial Reporting Standards (IFRS) by IFI S.p.A..

The condensed income statement and balance sheet and comments on the most important items are presented below.

IFI S.p.A. - Condensed income statement

€ in millions	Note	**2006**	2005 (a)	Change
Dividends from investments	1	**54.3**	55.9	(1.6)
Gain on sale of investment	2	**104.0**	0.0	104.0
Impairment reversals on investments	3	**73.5**	0.0	73.5
Net financial expenses	4	**(5.4)**	(9.0)	3.6
Net general expenses		**(4.9)**	(4.8)	(0.1)
Other non-current expenses	5	**0.0**	(5.0)	5.0
Profit before income taxes		**221.5**	37.1	184.4
Income taxes	3	**(3.9)**	1.4	(5.3)
Profit		**217.6**	38.5	179.1

(a) Prepared in accordance with IFRS.

IFI S.p.A. - Condensed balance sheet

		12/31/2006		12/31/2005 (a)		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	6	**1,878.9**	**95.8**	1,841.1	98.9	37.8
Other non-current financial assets	8	**0.4**	**-**	0.1	-	0.3
Current financial assets	8	**63.2**	**3.2**	2.1	0.1	61.1
Other current assets		**19.4**	**1.0**	19.1	1.0	0.3
Total Assets		**1,961.9**	**100.0**	1,862.4	100.0	99.5
Equity	7	**1,793.7**	**91.4**	1,574.5	84.5	219.2
Financial liabilities						
- current	8	**36.1**	**1.8**	119.9	6.4	(83.8)
- non-current	8	**125.0**	**6.4**	160.0	8.6	(35.0)
		161.1	**8.2**	279.9	15.0	(118.8)
Other current and non-current liabilities		**7.1**	**0.4**	8.0	0.5	(0.9)
Total Equity and liabilities		**1,961.9**	**100.0**	1,862.4	100.0	99.5

(a) Prepared in accordance with IFRS.

The year 2006 shows a profit of € 217.6 million, € 69.6 million of which is the net amount deriving from the impairment reversal on the investment held in IFIL (€ 73.5 million) and the accrual for the related deferred taxes (-€ 3.9 million) and, an additional amount of € 104 million from the gain on the sale of the investment in Exor Group to the same Exor Group.

The result of the prior year, adjusted in accordance with IFRS, amounted to € 38.5 million.

1. Dividends from investments

Dividends from investments in 2006 amount to € 54.3 million and were collected almost entirely from IFIL.
In 2005, the amount of € 55.9 million included the dividends collected from IFIL (€ 45.3 million) and from Exor Group (€ 10.6 million).

2. Gain on sale of investment

The gain on sale of investment amounts to € 104 million and is due to the previously-mentioned sale of 29.3% of the capital of Exor Group to the same Exor Group at the price of € 206.6 million, net of costs to sell of € 0.2 million.

3. Impairment reversals on investments

Impairment reversals on investments refer exclusively to 138,426,775 IFIL ordinary shares which in 2002 had been written down on the basis of their stock market price. The impairment has been totally reversed up to the original cost of the purchase for an amount of € 73.5 million.

Deferred taxes were recorded on this impairment reversal for € 3.9 million (5.28% of the impairments deductible in the year 2002).

4. Net financial expenses

Net financial expenses of € 5.4 million decreased by € 3.6 million compared to 2005 (€ 9 million) due to a significant reduction in debt as a result of the sale of the investment in Exor Group.

5. Other non-current expenses

In 2005, the amount of € 5 million referred to the extraordinary compensation approved for the chairman.

6. Investments

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Accounted for at cost			
IFIL S.p.A. (ordinary shares)	**1,872.1**	1,731.7	140.4
IFIL S.p.A. (savings shares)	**6.4**	6.4	0.0
	1,878.5	1,738.1	140.4
Exor Group S.A. (ordinary shares)	**0.0**	102.6	(102.6)
Other investments	**0.4**	0.4	0.0
Total investments	**1,878.9**	1,841.1	37.8

The increase of € 37.8 million in the carrying amount of the investments is due to the following movements:

€ in millions	
Investments at December 31, 2005	**1,841.1**
Purchase of 14,708,160 IFIL ordinary shares (1.42% of the class of stock)	66.9
Impairment reversals on IFIL ordinary shares	73.5
Sale of a 29.3% stake in Exor Group to the same Exor Group	(102.6)
Net change during the year	**37.8**
Investments at December 31, 2006	**1,878.9**

The comparison between carrying amounts and market prices of IFIL S.p.A. shares held at December 31, 2006 is as follows:

	Number of shares held	Carrying amount		Market price December 29, 2006		Market price March 23, 2007	
		Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
IFIL S.p.A.							
- ordinary shares	675,200,000	2.77	**1,872.1**	6.19	**4,177.5**	7.22	**4,876.3**
- savings shares	1,866,420	3.42	**6.4**	4.92	**9.2**	6.81	**12.7**
Total			**1,878.5**		**4,186.7**		**4,889.0**

7. Equity

At December 31, 2006, equity is equal to € 1,793.7 million (€ 1,574.5 million at December 31, 2005). The positive change of € 219.2 million is due to the profit for the year (+€ 217.6 million) and other net changes (+€ 1.6 million).

8. Net financial position

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Cash and cash equivalents	**59.7**	0.1	59.6
Other financial assets, current and non-current	**3.9**	2.1	1.8
Bank debt, current and non-current	**(160.3)**	(264.8)	104.5
Debt with related parties	**0.0**	(13.9)	13.9
Current other financial liabilities	**(0.8)**	(1.2)	0.4
Net financial position	**(97.5)**	(277.7)	180.2

The positive change of € 180.2 million in 2006 is due to the following cash flows:

€ in millions	
Net financial position at December 31, 2005	**(277.7)**
Dividends collected	54.3
Net financial expenses	(5.4)
Net general expenses	(4.9)
Sale of a 29.3% stake in Exor Group to the same Exor Group, net of costs to sell	206.6
Purchase of 14,708,160 IFIL ordinary shares	(66.9)
Other net changes	(3.5)
Net change during the year	**180.2**
Net financial position at December 31, 2006	**(97.5)**

9. Reconciliation between the data of the separate financial statements of IFI S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of IFI S.p.A. for the year ended December 31, 2006 and the corresponding figures in the consolidated financial statements of the IFI Group at the same date are presented as required by Consob Communication 6064293 dated July 28, 2006.

€ in millions	**Profit**	**Equity**
Separate financial statements of IFI S.p.A.	**218**	**1,794**
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year		**1,509**
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)		**494**
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**222**	**222**
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(54)**	**(54)**
Elimination of impairment losses and reversals on consolidated investments and companies accounted for by the equity method	**(70)**	**(70)**
Adjustments of gains on the sale of investments	**(97)**	**(97)**
Other consolidation adjustments	**2**	**2**
Consolidated financial statements of the IFI Group (attributable to the equity holders of the company)	**221**	**3,800**

10. Reconciliation between the net financial position of IFI S.p.A. and the consolidated net financial position

€ in millions	**12/31/2006**	12/31/2005	Change
Net financial position of IFI S.p.A.	**(98)**	(278)	180
Net liquidity of the IFIL Holdings System	**386**	348	38
Net financial position of companies consolidated line-by-line:			
- Sequana Capital Group	**(380)**	(441)	61
- Alpitour Group	**(29)**	(78)	49
- Juventus Football Club S.p.A.	**(75)**	(38)	(37)
Consolidated net financial position	**(196)**	(487)	291

The composition of the consolidated net financial position is presented in Note 27 to the IFI Group consolidated financial statements.

IFI GROUP – REVIEW OF THE CONSOLIDATED RESULTS

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, it is IFI's practice to present financial statements (balance sheet and income statement) prepared by accounting for the investments in the subsidiaries (IFIL) and associates (Exor Group, until December 31, 2005) by the equity method in the separate financial statements or in the separate accounting situations of IFI S.p.A.. This method consists of presenting a condensed representation of the consolidated results of the IFI Group. Such consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first-half of each year. The quarterly consolidated data is also presented in the same format in the quarterly reports at March 31 and September 30 of each year.

The income statement and balance sheet below are prepared by accounting for the investments in the subsidiaries (IFIL) and associates (Exor Group, until December 31, 2005) by the equity method; these statements are referred to as the "Condensed consolidated income statement" and the "condensed consolidated balance sheet". Comments are only made in respect of items which differ from the separate financial statements of IFI S.p.A..

IFI Group – Condensed consolidated income statement

€ in millions	Note	**2006**	2005	Change
Share of the profit (loss) of companies accounted for by the equity method	2	**222.0**	693.0	(471.0)
Gain on the sale of the investment in Exor Group		**7.3**	0.0	7.3
Dividends from other investments		**0.1**	0.1	0.0
Net financial expenses		**(5.4)**	(9.0)	3.6
Net general expenses		**(4.9)**	(4.8)	(0.1)
Other non-current income (expenses)		**0.0**	(5.0)	5.0
Income taxes		**2.3**	1.3	1.0
Profit attributable to the equity holders of the company		**221.4**	675.6	(454.2)

1. **Consolidated profit attributable to the equity holders of the IFI Group**
The consolidated profit attributable to the equity holders of the IFI Group for 2006 amounts to € 221.4 million and decreased by € 454.2 million compared to 2005 (€ 675.6 million) which, however, had included significant net nonrecurring income recognized by the IFIL Group.

2. **Share of the profit (loss) of companies accounted for by the equity method**
The share of the profit (loss) of companies accounted for by the equity method at December 31, 2006 is € 222 million (€ 693 million in 2005). The negative change of € 471 million is primarily due to a lower contribution by the IFIL Group (€ 460.4 million) which, as mentioned above, in 2005 had included significant net nonrecurring income.

Details are as follows:

€ in millions	Profit (loss) 2006	Profit (loss) 2005	IFI's share 2006	IFI's share 2005	Change
IFIL Group	**341.0**	1,090.0	**217.6**	680.2	(462.6)
Consolidation adjustments			**4.4** (a)	2.2 (b)	2.2
Total IFIL Group			**222.0**	682.4	(460.4)
Exor Group (c)	**-**	36.2	**0.0**	10.6	(10.6)
Total			**222.0**	693.0	(471.0)

(a) Of which € 4.9 million is due to the excess in the increase of IFI's share of the consolidated equity of the IFIL Group compared to the cost of IFIL shares purchased during the year and -€ 0.5 million for other minor adjustments.

(b) Of which € 1.5 million is due to the excess of the increase in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year and € 0.7 million for other minor adjustments.

(c) The investment was sold on April 7, 2006.

Comments on the operating performance of the IFIL Group are presented in the next section.

IFI Group – Condensed consolidated balance sheet

€ in millions	Note	**12/31/2006**	12/31/2005	Change
Non-current assets				
Investments accounted for by the equity method	3	**3,880.8**	3,352.4	528.4
Other financial assets		**0.8**	0.6	0.2
Total Non-current assets		**3,881.6**	3,353.0	528.6
Current assets				
Other financial assets		**3.5**	2.0	1.5
Cash and cash equivalents		**59.7**	0.1	59.6
Trade receivables and other receivables		**19.4**	19.1	0.3
Total Current assets		**82.6**	21.2	61.4
Total Assets		**3,964.2**	3,374.2	590.0
Equity attributable to the equity holders of the company				
Capital and reserves		**3,870.3**	3,154.5	715.8
Treasury stock		**(70.5)**	(70.5)	0.0
Total Equity attributable to the equity holders of the company	4	**3,799.8**	3,084.0	715.8
Non-current liabilities				
Provisions for employee benefits		**1.8**	1.6	0.2
Debt		**125.0**	160.0	(35.0)
Deferred tax liabilities and other liabilities		**0.1**	2.4	(2.3)
Total Non-current liabilities		**126.9**	164.0	(37.1)
Current liabilities				
Debt		**36.2**	119.9	(83.7)
Trade payables and other liabilities		**1.3**	6.3	(5.0)
Total Current liabilities		**37.5**	126.2	(88.7)
Total Equity and liabilities		**3,964.2**	3,374.2	590.0

3. Investments accounted for by the equity method

The carrying amount of investments accounted for by the equity method is € 3,880.8 million at December 31, 2006. The increase of € 528.4 million compared to the end of 2005 (€ 3,352.4 million) is due to purchases of IFIL shares made in 2006 (+€ 66.9 million), IFI's share (+€ 660.8 million) of the changes in the equity of the IFIL Group and the sale of the investment in Exor Group (- € 199.3 million).

Details are as follows:

	Carrying amount				
	12/31/2006		12/31/2005		
€ in millions	**Per share (€)**	**Total**	Per share (€)	Total	Change
IFIL Group					
- ordinary shares	**5.73**	**3,870.1**	4.76	3,144.2	725.9
- savings shares	**5.73**	**10.7**	4.76	8.9	1.8
		3,880.8		3,153.1	727.7
Exor Group (a)		**0.0**	58.3	199.3	(199.3)
Total		**3,880.8**		3,352.4	528.4

(a) The investment was sold on April 7, 2006.

4. Equity attributable to the equity holders of the company

The consolidated equity attributable to the equity holders of the company at December 31, 2006 amounts to € 3,799.8 million (€ 3,084 million at the end of 2005). The increase of € 715.8 million is the result of the consolidated profit attributable to the equity holders of the company for the year (+€ 221.4 million) and other net changes (€ 494.4 million).

The changes during the year are analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2005	**3,084.0**
Share of the translation differences (-€ 86.5 million) and other net changes (+€ 579.3 million) shown in the equity of the subsidiary IFIL	492.8
Other net changes	1.6
Profit attributable to the equity holders of the company	221.4
Net change during the year	**715.8**
Equity attributable to the equity holders of the company at December 31, 2006	**3,799.8**

5. Reconciliation between the consolidated financial statements prepared by accounting for the investments in subsidiaries and associates by the equity method and the IFI Group consolidated financial statements prepared in accordance with IFRS

The first column ("Condensed consolidation") presents the data that has been commented on in the preceding pages reclassified according to the consolidated financial statement format.

The column ("Elimination of IFIL" investment) shows the adjustments necessary to eliminate the carrying amount of the investment in IFIL and the share of the results of this investment in order to arrive at the line-by-line consolidation of the consolidated financial statements of IFIL Group, shown in the specific column.

Reconciliation of the consolidated balance sheet

€ in millions	IFI Condensed consolidation	IFIL Group consolidation	Elimination of IFIL and consolidation adjustments	**IFRS consolidation**
Non-current assets				
Goodwill		760		**760**
Other intangible assets		188		**188**
Property, plant and equipment		845		**845**
Investments accounted for by the equity method	3,881	2,619	(3,881)	**2,619**
Other financial assets	1	2,672	0	**2,673**
Deferred tax assets		49		**49**
Other assets		55		**55**
Total Non-current assets	**3,882**	**7,188**	**(3,881)**	**7,189**
Current assets				
Inventories		540		**540**
Trade receivables		938		**938**
Other receivables	19	262		**281**
Financial assets	3	1,106		**1,109**
Cash and cash equivalents	60	302		**362**
Total Current assets	**82**	**3,148**	**0**	**3,230**
Assets held for sale		128		**128**
Total Assets	**3,964**	**10,464**	**(3,881)**	**10,547**
Equity				
Attributable to the equity holders of the company	3,800	3,963	(3,963)	**3,800**
Attributable to the minority interest		2,900		**2,900**
Total Equity	**3,800**	**6,863**	**(3,963)**	**6,700**
Non-current liabilities				
Provisions for employee benefits	2	135		**137**
Provisions for other liabilities and charges		169	81	**250**
Bonds and other debt	125	652		**777**
Deferred tax liabilities		102		**102**
Other liabilities		57		**57**
Total Non-current liabilities	**127**	**1,115**	**81**	**1,323**
Current liabilities				
Provisions for employee benefits		7		**7**
Provisions for other liabilities and charges		283		**283**
Bonds and other debt	36	711		**747**
Trade payables		927		**927**
Other liabilities	1	526	1	**528**
Total Current liabilities	**37**	**2,454**	**1**	**2,492**
Liabilities relating to assets held for sale		32		**32**
Total Equity and liabilities	**3,964**	**10,464**	**(3,881)**	**10,547**

Reconciliation of the consolidated income statement

€ in millions	IFI Condensed consolidation	IFIL Group Consolidation	Elimination of IFIL and consolidation adjustments	**IFRS consolidation**
Revenues		5,534		**5,534**
Other revenues from current operations		111		**111**
Purchases of raw materials and changes in inventories		(3,632)		**(3,632)**
Personnel costs	(3)	(922)		**(925)**
Other costs for external services	(1)	(747)		**(748)**
Taxes and duties	(1)	(42)		**(43)**
Depreciation and amortization		(157)		**(157)**
Accruals to provisions and other expenses from current operations		(72)		**(72)**
Profit (loss) from current operations	**(5)**	**73**	**0**	**68**
Other nonrecurring income (expenses)		(67)	5	**(62)**
Operating profit (loss)	**(5)**	**6**	**5**	**6**
Gains (losses) on the sale of investments	7	51		**58**
Cost of net debt	(5)	(31)		**(36)**
Other financial income (expenses)		72		**72**
Financial income (expenses)	**2**	**92**	**0**	**94**
Income taxes	2	(54)		**(52)**
Profit (loss) of companies consolidated line-by-line	**(1)**	**44**	**5**	**48**
Share of the profit of companies accounted for by the equity method	222	352	(222)	**352**
Profit from continuing operations	**221**	**396**	**(217)**	**400**
Profit from discontinued operations and assets held for sale	0	0	0	0
Profit	**221**	**396**	**(217)**	**400**
Profit attributable to the equity holders of the company	**221**	**217**	**(217)**	**221**
Profit attributable to the minority interest (A)	**-**	**179**	-	**179**
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	**-**	**396**	-	**396**
Total profit attributable to the minority interest (A)+(B)	**-**	**575**	-	**575**

OTHER INFORMATION

Investments held by directors and statutory auditors
(Art. 79 of Consob resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
		Held at			Held at
Name	Company	12/31/2005	Increase	Decrease	12/31/2006
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000	532,000 (c)		652,000
	Sequana Capital (a)	11			11
Teodorani-Fabbri Pio	IFI preferred shares (b)	427,895			427,895
	IFIL ordinary shares (a)	90,000			90,000
	IFIL ordinary shares (b)	219,000	250,000		469,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ordinary share warrants 2007 (b)	825			825
	Fiat savings shares (b)	5,720			5,720
Marrone Virgilio	IFIL ordinary shares (a)	93,415	140,200 (c)	147,915	85,700
Ferrero Ventimiglia Luca	IFI preferred shares (a)	1			1
Brandolini D'Adda Tiberto	Sequana Capital (a)	88			88
Camerana Oddone	IFIL savings shares (a)	30,500			30,500
Marini Clarelli Francesco	CNH Global (b)		10,000		10,000
Directors no longer in office					
Galateri di Genola Gabriele	Fiat ordinary shares (b)	3,328			3,328 (d)
	Fiat preferred shares (b)	440			440 (d)
	IFIL ordinary shares (b)	5,250			5,250 (d)
	IFI preferred shares (b)	125			125 (d)
Avogadro di Collobiano Annibale	IFIL ordinary shares (a)	120,000			120,000 (d)
	IFIL ordinary shares (b)	150,000			150,000 (d)
	IFIL savings shares (a)	80,000			80,000 (d)
	IFIL savings shares (b)	50,000			50,000 (d)
Statutory Auditors in office					
Jona Celesia Lionello	IFIL ordinary shares (b)	785			785
Statutory Auditors no longer in office					
Ferrero Cesare	Fiat ordinary shares (a)	1			1 (d)

(a) Direct holding.
(b) Indirect holding through spouse.
(c) Shares from the exercise of stock options.
(d) Held until May 25, 2006, date of expiry of the term of office.

There are no key managers with strategic responsibilities in IFI S.p.A..

Management and coordination
IFI S.p.A. is not subject to management and coordination on the part of companies or entities.

Programming document on security
The company has prepared the programming document on security on December 14, 2006 for the year 2006 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person in charge of the treatment of the data.

REVIEW OF THE OPERATING PERFORMANCE OF THE SUBSIDIARY IFIL INVESTMENTS S.p.A.

(66.23% of ordinary capital stock)

The consolidated data of the IFIL Group at December 31, 2006, commented below, is taken from the condensed consolidated balance sheet and income statement.

This data has been prepared by consolidating the holdings and services companies which constitute the "Holdings System" on a line-by-line basis and accounting for the other operating subsidiaries and associates (Fiat Group, Sequana Capital Group, Alpitour Group, Juventus F.C. and Turismo&Immobiliare) by the equity method.

€ in millions	**2006**	2005	Change
Profit attributable to the equity holders of the company	**341.5**	1,090.0	(748.5)
Equity attributable to the equity holders of the company	**6,222.3**	5,186.0	1,036.3
Consolidated net financial position - Holdings System	**386.2**	348.3	37.9
Investments and other non-current financial assets	**5,855.3**	4,815.1	1,040.2

The **IFIL consolidated profit attributable to the equity holders of the company** for the year 2006 is € 341.5 million. This is a reduction of € 748.5 million compared to the profit reported for the year 2005 (€ 1,090 million) which, however, had included significant nonrecurring income realized directly (the gain of € 459.1 million realized on the sale of the investment in La Rinascente) and through the Fiat Group (€ 482.7 million at the IFIL level) and the Sequana Capital Group (€ 266 million at the IFIL level).

The following tables present the condensed consolidated income statement and balance sheet and comments on the most important items.

IFIL GROUP – Condensed consolidated income statement

€ in millions	Note	**2006**	2005	Change
Share of the profit (loss) of companies accounted for by the equity method	1	**293.2**	622.0	(328.8)
Net financial income:				
- Dividends from investments	2	**53.0**	43.7	9.3
- Impairment (losses)/reversals on investments and securities		**(0.7)**	1.8	(2.5)
- Other financial income		**19.2**	6.3	12.9
Net financial income		**71.5**	51.8	19.7
Gain on the sale of the investment in La Rinascente		**0.0**	459.1	(459.1)
Net general expenses		**(23.2)**	(22.3)	(0.9)
Other non-current income (expenses)	3	**0.2**	(20.5)	20.7
Profit before income taxes		**341.7**	1,090.1	(748.4)
Income taxes		**(0.2)**	(0.1)	(0.1)
Profit attributable to the equity holders of the company		**341.5**	1,090.0	(748.5)

1. Share of the profit (loss) of companies accounted for by the equity method

The share of the profit (loss) of companies accounted for by the equity method is € 293.2 million (€ 622 million in 2005). The negative change of € 328.8 million is primarily due to lower contributions by the Sequana Capital Group (-€ 199.4 million) and the Fiat Group (-€ 144.4 million) which, as mentioned previously, included significant net nonrecurring income in 2005.

	Profit (loss)		IFIL' share		
€ in millions	**2006**	2005	**2006**	2005	Change
Fiat Group	**1,065.0**	1,331.0	**304.6**	373.8	(69.2)
Consolidation adjustments			**(15.4)** (a)	59.8 (b)	(75.2)
Total Fiat Group			**289.2**	433.6	(144.4)
Sequana Capital Group	**958.0**	348.1	**504.2**	183.7	320.5
Consolidation adjustments			**(494.1)** (c)	25.8 (d)	(519.9)
Total Sequana Capital Group			**10.1**	209.5	(199.4)
Alpitour Group	**3.0** (e)	(10.7) (e)	**3.0**	(10.7)	13.7
Juventus Football Club S.p.A.	**(14.7)** (f)	(16.7) (f)	**(8.8)**	(10.0)	1.2
Other			**(0.3)**	(0.4)	0.1
Total			**293.2**	622.0	(328.8)

(a) Mainly for the assignment of preferred dividends for the years 2004, 2005 and 2006 to minority stockholders.

(b) Of which € 54.8 million is due to the excess of the increases of IFIL's share of the consolidated equity of the Fiat Group deriving from the Fiat capital stock increase subscribed to by minority stockholders (+€ 605.4 million) and the increase in the percentage of consolidation, equal to 0.54% (+€ 29.2 million), compared to the costs incurred for the purchase of 87,500,000 Fiat ordinary shares (-€ 580.2 million), net of the sale of the rights on the ordinary and preferred shares (+€ 0.4 million).

(c) For the elimination of the after-tax gain deriving from the Sequana Capital/SGS Exchange and Purchase Offering (-€465.8 million) and for the diluting effect of the reduction in the percentage of ownership (-€ 28.3 million).

(d) Adjustment of the gain on the sale of the investment in Permal Group, due to the different carrying amount in IFIL.

(e) Data for the period November 1 – October 31.

(f) Data for the period January 1 – December 31 prepared for the purposes of consolidation in IFIL.

2. Dividends from investments

Dividends from investments in 2006 amount to € 53 million and were entirely collected from Sanpaolo IMI (€ 43.7 million in 2005).

3. Other non-current income (expenses)

Other non-current income (expenses) include the accrual for the administrative sanction of € 4.5 million levied on the company by Consob in relation to the content of the press release dated August 24, 2005, the cost of € 3.1 million referring to the current year for the stock option plan approved for management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006 (+€ 7.8 million).
In 2005, the amount included extraordinary compensation approved for the chairman (€ 15 million) and former chief executive officer (€ 3.8 million) of IFIL S.p.A. and the expenses for that year (€ 1.7 million) relating to the stock option plans with underlying IFIL stock which expired in 2006.

IFIL GROUP – Condensed consolidated balance sheet

€ in millions	Note	**12/31/2006**	12/31/2005	Change
Non-current assets				
Investments accounted for by the equity method	4	**3,291.8**	3,576.8	(285.0)
Other financial assets	5	**2,563.5**	1,238.3	1,325.2
Property, plant and equipment		**13.2**	13.5	(0.3)
Total Non-current assets		**5,868.5**	4,828.6	1,039.9
Current assets				
Financial assets	8	**857.1**	793.3	63.8
Cash and cash equivalents	8	**5.7**	4.2	1.5
Trade receivables and other receivables		**47.2**	43.7	3.5
Total Current assets		**910.0**	841.2	68.8
Total Assets		**6,778.5**	5,669.8	1,108.7
Equity attributable to the equity holders of the company	7	**6,222.3**	5,186.0	1,036.3
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**2.4**	2.2	0.2
Bonds and other debt	8	**199.2**	0.0	199.2
Deferred tax liabilities and other liabilities		**52.6**	1.2	51.4
Total Non-current liabilities		**254.2**	3.4	250.8
Current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**0.0**	7.8	(7.8)
Bonds and other debt	8	**277.6**	449.5	(171.9)
Trade payables and other liabilities		**24.4**	23.1	1.3
Total Current liabilities		**302.0**	480.4	(178.4)
Total Equity and liabilities		**6,778.5**	5,669.8	1,108.7

4. Investments accounted for by the equity method

Details are as follows:

	Carrying amount at		
€ in millions	**12/31/2006**	12/31/2005	Change
Fiat Group	**2,610.6**	2,335.7	274.9
Sequana Capital Group	**588.8**	1,140.9	(552.1)
Alpitour Group	**70.4**	69.9	0.5
Juventus Football Club S.p.A.	**17.7**	26.6	(8.9)
Turismo&Immobiliare S.p.A.	**4.3**	3.7	0.6
Total	**3,291.8**	3,576.8	(285.0)

The decrease in the investment in the Sequana Capital Group can be ascribed to the Public Exchange and Purchase Offer and the consequent reduction in capital stock carried out in 2006.

5. Other non-current financial assets

Details are as follows:

€ in millions	Carrying amount at 12/31/2006	Carrying amount at 12/31/2005	Change
Other investments			
Sanpaolo IMI S.p.A.	**1,640.3**	1,228.6	411.7
SGS S.A. (a)	**870.0**	0.0	870.0
Gruppo Banca Leonardo S.p.A.	**47.0**	0.0	47.0
Subsidiaries of the "Holdings System" in liquidation and others	**1.0**	1.1	(0.1)
Securities			
Ocean Club Méditerranée bonds	**5.0**	4.8	0.2
Fiat ordinary share warrants 2007 (a)	**0.0**	3.5	(3.5)
Sundry	**0.2**	0.3	(0.1)
Total other non-current financial assets	**2,563.5**	1,238.3	1,325.2

(a) Sold in 2006.

The investment in SGS S.A. (13.16% of capital stock) was initially recorded at the carrying amount at which the investment had been recognized in the consolidated financial statements of the Sequana Capital Group before the Public Exchange and Purchase Offer, equal to € 361.6 million, and was classified in "investments available-for-sale". At December 31, 2006, the investment was measured at fair value on the basis of the stock market price at the end of the year and the unrealized gain (€ 508.4 million) was recognized in equity.

The original purchase cost of the investment in Sanpaolo IMI is € 883.4 million. In the years 2005 and 2006, the overall fair value adjustment to the investment totals € 756.9 million.

6. Comparison between carrying amounts and market prices of listed investments and other listed financial assets

Details are as follows:

	Number of shares held	Carrying amount		Market price at December 29, 2006		Market price at March 23, 2007		
		Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	
Fiat Group								
- ordinary shares	332,587,447	7.18	**2,388.0**	14.42	**4,797.6**	19.00	**6,320.8**	
- preferred shares	31,082,500	7.18	**222.6**	12.06	**374.8**	16.44	**510.9**	
			2,610.6		**5,172.4**		**6,831.7**	
Sequana Capital Group	24,009,482	24.52	**588.8**	23.34	**560.4**	23.00	**552.2**	
Sanpaolo IMI S.p.A.	93,071,000	17.62	**1,640.3**	17.62	**1,640.3**	5.72	**1,656.9**	(a)
Juventus Football Club S.p.A.	72,560,500	0.24	**17.7**	1.76	**128.0**	1.89	**137.1**	
SGS S.A.	1,029,456	845.11	**870.0**	845.11	**870.0**	899.77	**926.3**	
Ocean Club Méditerranée bonds	76,614	65.10	**5.0**	65.15	**5.0**	66.18	**5.1**	
Total			**5,732.4**		**8,376.1**		**10,109.3**	

(a) This refers to the valuation of 289,916,165 Intesa Sanpaolo S.p.A. shares.

7. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Capital and reserves	**6,270.8**	5,238.1	1,032.7
Treasury stock	**(48.5)**	(52.1)	3.6
Total	**6,222.3**	5,186.0	1,036.3

The changes during the year are analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2005	**5,186.0**
Fair value adjustment of the investment in Sanpaolo IMI (+€ 411.7 million, net of -€ 48.2 million of deferred taxes) and the investment in SGS (+€ 508.4 million)	871.9
Share of translation differences (-€ 140.7 million) and other net changes (+€ 49.3 million) shown in the equity of the companies accounted for by the equity method	(91.4)
Dividends paid out by IFIL S.p.A.	(85.7) (a)
Profit attributable to the equity holders of the company	341.5
Net change during the year	**1,036.3**
Equity attributable to the equity holders of the company at December 31, 2006	**6,222.3**

(a) Net of € 0.1 million of intragroup dividends.

At December 31, 2006, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL ordinary shares	% of class of stock	% of capital stock	Amount	
				Per share (€)	Total (€ ml)
Held by IFIL S.p.A.	12,402,998	1.19	1.15	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	0.08	3.41	2.8
Balance at December 31, 2006	**13,213,260**	**1.27**	**1.23**	**3.67**	**48.5**

As a result of the exercise of the options granted in prior years, in 2006, 1,382,780 IFIL ordinary shares were sold to the grantees of stock option plans for net proceeds of € 5.3 million and a gain of € 1.7 million which was recognized directly as an increase in equity.

8. Consolidated net financial position of the “Holdings System”

The consolidated net financial position of the “Holdings System” at December 31, 2006 is a cash position of € 386.2 million. This is an increase of € 37.9 million compared to the cash position at the end of 2005 (€ 348.3 million).

The consolidated net financial position of the “Holdings System” is composed as follows:

	12/31/2006			12/31/2005		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets	**857.1**	**0.2**	**857.3**	793.3	0.3	793.6
Cash and cash equivalents	**5.7**	**0.0**	**5.7**	4.2	0.0	4.2
Total financial assets	**862.8**	**0.2**	**863.0**	797.5	0.3	797.8
Bonds	**0.0**	**(199.2)**	**(199.2)**	(99.8)	0.0	(99.8)
Bank and other debt	**(277.6)**	**0.0**	**(277.6)**	(349.7)	0.0	(349.7)
Total financial liabilities	**(277.6)**	**(199.2)**	**(476.8)**	(449.5)	0.0	(449.5)
Consolidated net financial position of the “Holdings System”	**585.2**	**(199.0)**	**386.2**	348.0	0.3	348.3

Current financial assets amount to € 857.1 million (€ 793.3 million at the end of 2005) and principally include investments in time deposits, in bonds and in other short-term financial instruments.

The positive change of € 37.9 million during the year is due to the following flows:

€ in millions		
Consolidated net financial position of the “Holdings System” at December 31, 2005		**348.3**
Dividends collected from:		
- Sequana Capital	184.5	
- Sanpaolo IMI	53.0	
		237.5
Dividends paid out by IFIL S.p.A.		(85.7) (a)
Investment made in Gruppo Banca Leonardo S.p.A. (9.6% of capital stock)		(47.0) (b)
Investment made in Fiat ordinary shares (0.39% of class of stock)		(62.3)
Other net changes:		
- Other net financial income (expenses)	19.2	
- Net general expenses	(23.2)	
- Other changes	(0.6)	
		(4.6)
Net change during the year		**37.9**
Consolidated net financial position of the “Holdings System” at December 31, 2006		**386.2**

(a) Net of € 0.1 million of intragroup dividends.
(b) Includes transaction costs of € 0.4 million.

At December 31, 2006 IFIL S.p.A. has irrevocable credit lines for € 830 million, of which € 420 million is due by December 31, 2007 and € 410 million at later expiration dates.

The rating assigned by Standard & Poor's to IFIL's long-term debt is “BBB+”, whereas the rating on short-term debt is “A-2”, both with a stable outlook.

9. Reconciliation between the consolidated net financial position of the “Holdings System” and under line-by-line consolidation

€ in millions	**12/31/2006**	12/31/2005	Change
Consolidated net financial position - "Holdings System"	**386**	348	38
Net financial debt of the companies consolidated line-by-line			
- Sequana Capital Group	**(380)**	(441)	61
- Alpitour Group	**(29)**	(78)	49
- Juventus Football Club S.p.A.	**(75)**	(38)	(37)
Consolidated net financial position - line-by-line consolidation	**(98)**	(209)	111

The parent, IFIL S.p.A., closed the year 2006 with a profit of € 625.3 million, € 620.1 million of which is the net amount deriving from the impairment reversal on the investment held in Fiat (€ 645.3 million) and the accrual for the related deferred taxes (-€ 25.2 million)

The board of directors' meeting on March 30, 2007 put forward a motion for distribution of dividends of € 0.1 per ordinary share and € 0.1207 per savings share for a maximum total of € 108.4 million.
IFI S.p.A.'s share of the dividends amounts to € 69 million.

The major events in 2006 and in the first quarter of 2007 are presented below.

Investment in Gruppo Banca Leonardo S.p.A.

On April 24, 2006, after receiving authorization from the competent authority, the subsidiary Ifil Investissements purchased 14,200,000 Gruppo Banca Leonardo S.p.A. Class A shares, equal to 9.6% of the current capital stock of the bank, for an investment of € 47 million, including transaction costs of € 0.4 million.

Non-convertible bond issue

On June 9, 2006, following the resolution passed by the board of directors' meeting on May 12, 2006, IFIL S.p.A. issued non-convertible bonds for a face value of € 200 million maturing June 9, 2011. The issue price was 99.9% of face value and interest is quarterly at the 3-month Euribor plus a spread of 68 basis points. Standard & Poor’s rated the bonds BBB+, which is the also current rating of IFIL S.p.A.'s long-term debt. The bonds were admitted to trading on the Luxembourg stock exchange. The sole Lead Manager was Rasfin SIM S.p.A..

Increase of the investment in Fiat S.p.A.

In November and December 2006, IFIL S.p.A. purchased 4,254,000 Fiat ordinary shares (0.39% of the class of stock) on the market for an investment of € 62.3 million.
IFIL S.p.A. now holds 332,587,447 Fiat ordinary shares equal to 30.45% of the class of stock and 31,082,500 Fiat preferred shares equal to 30.09% of the class of stock. The investment represents 28.513% of current Fiat capital stock.

Public Exchange and Purchase Offer launched by the subsidiary Sequana Capital

On September 6, 2006, the board of directors of the subsidiary Sequana Capital approved the project to place Sequana Capital's focus on the paper sector (in which it operates through the wholly-owned subsidiaries Arjowiggins and Antalis). Consequently, it launched the Public Exchange Offering for a maximum of 57,646,980 Sequana Capital shares (54.31% of capital stock at August 1, 2006) in exchange for a maximum of 1,859,580 SGS shares (23.8% of capital stock) held by Sequana Capital itself, in a ratio of 1 SGS share for every 31 Sequana Capital shares tendered in the Offering. Alternatively, the stockholders could have chosen to tender their shares to the Public Purchase Offering and receive the price of € 21 in cash for each Sequana Capital share sold to the company.

The offering period, approved by the French stock exchange authority and the special stockholders' meeting held on October 30, 2006, ended on November 28, 2006 with 100,548,993 Sequana Capital shares tendered (equal to 94.2% of the shares outstanding), of which 100,330,857 were tendered in the Exchange Offering and 218,136 in the Purchase Offering.
After the allocation, 57,521,414 shares were accepted for the Exchange Offering and 125,566 shares for Purchase Offering.

Finally, on December 14, 2006, the board of directors of Sequana Capital reduced capital stock to € 73,679,608.5 (represented by 49,119,739 shares of par value € 1.5 each) by canceling 57,646,980 shares tendered in the offerings.

Under the offer which was finalized on December 18, 2006, the subsidiary Ifil Investissements tendered 31,913,141 Sequana Capital shares obtaining in exchange 1,029,456 SGS shares (13.16% of capital stock).
The investment in Sequana Capital (represented by 24,009,482 shares) decreased from 52.68% to 48.88%.

Agreement for the acquisition of the controlling interest in the Cushman & Wakefield Group

On December 19, 2006, the subsidiary Ifil Investissements reached an agreement for the purchase of the controlling interest in Cushman & Wakefield (C&W), replacing Rockefeller Group International Inc., an international investment and property development company.

On March 30, 2007, after receiving the authorizations from the competent authorities, Ifil Investissements finalized this agreement by purchasing 71.52% of the capital stock of Cushman & Wakefield for an investment of $ 625 million (€ 474 million), in addition to transaction costs. The remaining 28.48% stake is held by C&W management and employees.

The acquisition was financed by Ifil Investissements' cash resources with no additional leverage assumed by C&W, ensuring that it retains complete financial flexibility with respect to its future growth objectives. For the IFIL Group, the investment represents a unique opportunity to acquire a majority position in what is widely regarded as the commercial real estate sector's foremost brand. C&W is led by one of the sector's most experienced management teams and operates in a growing, fragmented and consolidating services sector that presents excellent prospects for growth, both organically and through acquisitions. This transaction represents an important step in the IFIL Group's plans to continue diversifying its assets across a range of sectors, geographies and currencies.

The investment provides C&W with a new long-term stockholder with a proven track record of supporting the management teams of its portfolio as they define and implement successful growth and development plans. The transaction provides C&W with continuity of both management and strategy.

The C&W board of directors will consist of Carlo Sant'Albano, Alessandro Potestà, Michael Bartolotta and Pierre Martinet from the IFIL Group and Bruce Mosler, John Cushman and John Santora, managers from C&W.

C&W is headquartered in New York, where it was founded in 1917, and is the world's pre-eminent privately held services firm. It is present in 55 countries across the globe with 197 offices and 11,500 employees. In 2006, consolidated revenues totaled $ 1.5 billion, an increase of 23% over the prior year, an EBITDA of $ 119 million and a consolidated profit of $ 40 million.

C&W provides real estate services to 75% of the Fortune 500 and has a diverse customer base. C&W offers a complete range of services for the real estate sector, split into four main areas of activity: Transaction Services – tenant and landlord representation in office, industrial and retail estate; Capital Markets – property sales, investment management of properties, investment banking and valuation services; Client Solutions – real estate strategies and related services to large corporations and property owners and Consulting Services – business and real estate consulting.

In 2006, C&W negotiated more than $ 32 billion in leasing transactions and approximately $ 50 billion in property sales. C&W has valued over $ 500 billion of property in 2006 and is the most important Group in the world. The firm has more than 430 million square feet of property under management, making it one of the largest global property managers. In 2005, C&W launched its “Fast Forward” growth strategy to restructure its business, diversify its services and expand its geographic reach. Its strategy is focused on extending C&W's business in Europe and in the Asia-Pacific region with the aim of generating 50% of its revenues from outside the United States by 2011, and on increasing its presence in the investment services sector.
In the past two years C&W has consolidated its position in Mexico by taking full control of its operation there, acquired its Russian and Canadian market leader affiliates, respectively Stiles & Riabokobylko and Royal LePage, and announced plans to open an office in Finland. The company is also continuing to expand in India, China and throughout Asia.
The United States remains a core market and continues to present opportunities: the top five real estate service providers, including C&W, control only 14% of the $ 23 billion United States commercial property services market affording plenty of scope for growth.

Merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A.

On December 28, 2006, the deed of merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A. was signed and became effective for legal purposes on January 1, 2007.
At December 31, 2006, IFIL S.p.A. held 93,071,000 Sanpaolo IMI ordinary shares (5.85% of ordinary capital stock and 4.96% of capital stock); IFIL S.p.A. received for those shares a total of 289,916,165 Intesa Sanpaolo S.p.A. ordinary shares (2.45% of ordinary capital stock and 2.27% of capital stock).
Effective January 1, 2007, the capital stock of Intesa Sanpaolo S.p.A. is € 6,646,436,318.6 and is composed of 11,849,117,744 ordinary shares and 932,490,561 non-convertible savings shares, all with a par value of € 0.52.

Consob sanctionary measure
On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified with regard to the contents of the press releases issued by IFIL S.p.A. and by Giovanni Agnelli e C. S.a.p.az. on August 24, 2005 and applies the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL S.p.A. and chairman of Giovanni Agnelli e C. S.a.p.az.) € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL S.p.A. and € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;

- to Franzo Grande Stevens (director of IFIL S.p.A.) € 2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL S.p.A. and € 1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;

- to Virgilio Marrone (chief executive officer and general manager of IFI S.p.A.) € 500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;

- to IFIL S.p.A. € 4.5 million;

- to Giovanni Agnelli e C. S.a.p.az. € 3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months
- to Franzo Grande Stevens: for four months
- to Virgilio Marrone: for two months

On the same date, the meeting of the board of directors, presided over by the vice chairman (vicario) John Elkann, took note of the sanctionary measure with surprise and disappointment and declared that Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone had its full support.
The individuals and companies mentioned in the sanctionary measure filed an appeal with the Turin Court of Appeals on February 28, 2007 together with a request for the suspension of the measure on serious grounds.

IFIL S.p.A. has accrued the pecuniary sanction of € 4.5 million in the separate and consolidated financial statements for the year ended December 31, 2006.

A preliminary investigation by the Turin District Attorney's office is currently underway concerning the same facts as the Consob sanctionary measure.

Juventus Football Club S.p.A. capital increase
On March 14, 2007, the board of directors of Juventus Football Club S.p.A. examined and unanimously approved the medium term development plan aimed at relaunching the company from the standpoint of sports excellence, developing commercial activities and strengthening the financial and equity positions.

In order to finance the development plan, the board of directors voted to put forward a motion to the stockholders' meeting called for April 20, 2007 to increase the capital stock by approximately € 104.8 million through the issue of 80,621,332 shares (to be offered to the stockholders as option rights in a ratio of 2 new shares for every 3 shares held) at the issue price of € 1.30 per share (of which € 1.20 is the share premium).

IFIL Investment S.p.A., in agreeing with the objectives of the medium term development plan, will subscribe to its share, equal to € 62.9 million.

Gruppo Banca Leonardo S.p.A. capital increase

In February 2007, the subsidiary Ifil Investissements S.A. declared its irrevocable intention to exercise the right to subscribe to its share of the Gruppo Banca Leonardo capital increase, equal to 11,055,537 shares for an investment of € 36.3 million. The new shares will be issued, subscribed to and fully paid-in on April 30, 2007.

Increase in the investment in SGS S.A.

In March 2007, the subsidiary Ifil Investissements S.A. purchased 45,364 SGS shares on the market for an investment of € 39.5 million, increasing its stake from 13.16% to 13.74%.

Sale of the investment in Turismo&Immobiliare

On March 26, 2007, the subsidiary Ifil Investissements reached an agreement for the sale of the investment in Turismo&Immobiliare, the company which holds a 49% stake in Italia Turismo, the largest real estate operator in the tourism-incoming sector in Italy which has significant investments in the south of Italy.

Pursuant to the agreement, Ifil Investissements will sell its 25% holding in Turismo&Immobiliare to the Marcegaglia Group, Pirelli RE and Gabetti Property Solutions for € 5.2 million.

The closing of the transaction, which is subject to approval by the competent authorities, is expected to take place in June 2007.

Business outlook

For the year 2007, IFIL S.p.A is expected to report a profit.

Taking into account the forecasts formulated by the major holdings, a profit is forecast in the IFIL Group consolidated financial statements for 2007.

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE APPROPRIATION OF THE PROFIT FOR THE YEAR

We invite you to approve the separate financial statements for the year ended December 31, 2006.
In view of the fact that the board of directors has waived, by specific resolution, the share of the profits to which it is entitled pursuant to art. 27 of the bylaws and that the legal reserve amounts to one-fifth of capital stock, we propose the appropriation of the profit for the year of € 217,624,583 to the extraordinary reserve.

Turin, March 30, 2007

For the Board of Directors
Vice Chairman (Vicario)
John Elkann

IFI
Istituto Finanziario Industriale

Annual Report 2006

Separate financial statements of IFI S.p.A. at December 31, 2006

SEPARATE BALANCE SHEET

€	Note	12/31/2006	12/31/2005 (a)	Change
Non-current assets				
Investments accounted for at cost	8	**1,878,935,972**	1,841,134,349	37,801,623
Other financial assets		**361,411**	127,300	234,111
Intangible assets		**0**	3,034	(3,034)
Property, plant and equipment		**1,860**	12,918	(11,058)
Total Non-current assets		**1,879,299,243**	1,841,277,601	38,021,642
Current assets				
Cash and cash equivalents	9	**59,680,530**	95,680	59,584,850
Other financial assets	10	**3,500,003**	2,012,173	1,487,830
Tax receivables	11	**18,761,288**	18,200,114	561,174
Trade receivables from related parties	28	**166,839**	217,148	(50,309)
Other receivables		**501,743**	650,925	(149,182)
Total Current assets		**82,610,403**	21,176,040	61,434,363
Total Assets		**1,961,909,646**	1,862,453,641	99,456,005
Equity				
Capital stock	12	**163,251,460**	163,251,460	0
Capital reserves	13	**386,346,907**	386,346,907	0
Retained earnings and other reserves	14	**1,096,937,669**	1,056,864,871	40,072,798
Treasury stock	16	**(70,477,224)**	(70,477,224)	0
Profit for the year		**217,624,583**	38,489,652	179,134,931
Total Equity		**1,793,683,395**	1,574,475,666	219,207,729
Non-current liabilities				
Bank debt	17	**125,000,000**	160,000,000	(35,000,000)
Deferred tax liabilities	18	**3,979,365**	100,000	3,879,365
Provisions for employee benefits	19	**1,809,966**	1,641,752	168,214
Other payables		**25,032**	108,554	(83,522)
Total Non-current liabilities		**130,814,363**	161,850,306	(31,035,943)
Current liabilities				
Bank debt	17	**35,349,713**	104,817,037	(69,467,324)
Debt with related parties	28	**0**	13,867,500	(13,867,500)
Other financial liabilities		**787,102**	1,189,573	(402,471)
Trade payables to related parties	28	**215,880**	5,172,128	(4,956,248)
Trade payables to third parties		**123,547**	182,348	(58,801)
Tax payables		**245,657**	160,064	85,593
Other payables		**689,989**	739,019	(49,030)
Total Current liabilities		**37,411,888**	126,127,669	(88,715,781)
Total Equity and liabilities		**1,961,909,646**	1,862,453,641	99,456,005

(a) Restated and reclassified in accordance with IFRS.

SEPARATE INCOME STATEMENT

€	Note	2006	2005 (a)	Change
Investment income (charges)				
Dividends from investments	**20**	**54,259,119**	55,937,494	(1,678,375)
Gains on sales of investments	**8**	**104,067,063**	906	104,066,157
Reversal of impairment losses on investments	**8**	**73,472,823**	0	73,472,823
Impairment losses on investments		**(24,987)**	0	(24,987)
Net investment income		**231,774,018**	55,938,400	175,835,618
Financial income (expenses)				
Financial expenses from third parties	**21**	**(7,883,364)**	(9,329,675)	1,446,311
Financial expenses from related parties	**28**	**(122,896)**	(661,651)	538,755
Financial income from third parties	**22**	**2,651,153**	903,553	1,747,600
Foreign exchange gains (losses)		**(99)**	203	(302)
Net financial expenses		**(5,355,206)**	(9,087,570)	3,732,364
Net general expenses				
Personnel costs	**23**	**(2,776,430)**	(2,651,721)	(124,709)
Purchases of goods and services from third parties	**24**	**(809,393)**	(1,583,883)	774,490
Purchases of goods and services from related parties	**28**	**(1,098,649)**	(985,228)	(113,421)
Other current operating expenses	**25**	**(949,576)**	(613,446)	(336,130)
Depreciation and amortization		**(5,264)**	(7,029)	1,765
		(5,639,312)	(5,841,307)	201,995
Revenues from third parties		**350,267**	679,256	(328,989)
Revenues from related parties		**374,181**	396,605	(22,424)
Net general expenses		**(4,914,864)**	(4,765,446)	(149,418)
Other non-current expenses from related parties		**0**	(5,000,000)	5,000,000
Profit before income taxes		**221,503,948**	37,085,384	184,418,564
Income taxes	**26**	**(3,879,365)**	1,404,268	(5,283,633)
Profit for the year		**217,624,583**	38,489,652	179,134,931

(a) Restated and reclassified in accordance with IFRS.

SEPARATE STATEMENT OF CHANGES IN EQUITY

€	Capital Stock	Capital reserves	Retained earnings and other reserves	Treasury stock	Profit	Total Equity
Equity at January 1, 2005 (a)	**163,251,460**	**386,346,907**	**1,053,237,439**	**(70,477,224)**		**1,532,358,582**
Fair value changes to cash flow hedge instruments			3,576,259			3,576,259
Actuarial gains (losses) recognized directly in equity			15,146			15,146
Dividends statute-barred			36,027			36,027
Profit for the year					38,489,652	38,489,652
Net change during the year	**0**	**0**	**3,627,432**	**0**	**38,489,652**	**42,117,084**
Equity at December 31, 2005 (a)	**163,251,460**	**386,346,907**	**1,056,864,871**	**(70,477,224)**	**38,489,652**	**1,574,475,666**
Movements among reserves			38,489,652		(38,489,652)	0
Fair value changes to cash flow hedge instruments			1,486,236			1,486,236
Actuarial gains (losses) recognized directly in equity			61,806			61,806
Dividends statute-barred			35,104			35,104
Profit for the year					217,624,583	217,624,583
Net change during the year	**0**	**0**	**40,072,798**	**0**	**179,134,931**	**219,207,729**
Equity at December 31, 2006	**163,251,460**	**386,346,907**	**1,096,937,669**	**(70,477,224)**	**217,624,583**	**1,793,683,395**
Note	**12**	**13**	**14**	**16**		

(a) Restated and reclassified in accordance with IFRS.

STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR 2006 AND 2005

€	**2006**	2005
Gains (losses) recognized directly in the cash flow hedge reserve	**1,486,236**	3,576,259
Actuarial gains (losses) recognized directly in equity	**61,806**	15,146
Gains (losses) recognized directly in equity	**1,548,042**	3,591,405
Profit for the year	**217,624,583**	38,489,652
Total recognized income (expenses)	**219,172,625**	42,081,057

SEPARATE STATEMENT OF CASH FLOWS

€	Note	2006	2005 (a)
Cash and cash equivalents, at start of year		**95,680**	78,865
Cash flows from (used in) operating activities			
Profit for the year		**217,624,583**	38,489,652
Adjustments for:			
Depreciation and amortization		**5,264**	7,029
Gains on sales of investments and securities	**8**	**(104,067,063)**	(906)
(Gains) losses on sales of property, plant and equipment		**508**	(10,784)
Reversal of impairment losses on investments	**8**	**(73,472,823)**	0
Accruals for (release of) for deferred taxes	**26**	**3,879,365**	(1,404,268)
Impairment losses on investments		**24,987**	0
Total adjustments		**43,994,821**	37,080,723
Change in working capital:			
Change in other financial assets, current and non-current		**(1,721,941)**	(2,561,099)
Changes in tax receivables		**(561,174)**	(392,806)
Change in trade receivables from related parties		**50,309**	182,131
Change in other receivables, current and non-current		**149,182**	247,111
Change in other payables, current and non-current		**(132,552)**	(219,428)
Change in other financial liabilities, current and non-current		**(402,471)**	(1,966,274)
Change in trade payables to related parties		**(4,956,248)**	4,976,582
Change in trade payables to third parties		**(58,801)**	17,546
Change in tax payables		**85,593**	26,854
Net change in provisions for employee benefits		**230,020**	260,725
Net change in working capital		**(7,318,083)**	571,342
Net cash flows from operating activities		**36,676,738**	37,652,065
Cash flows from (used in) investing activities			
Additions to investments	**8**	**(66,943,671)**	(61,947,669)
Sales of investments and other securities	**8**	**206,656,946**	4,670,292
(Purchases) sales of property, plant and equipment		**8,320**	(6,131)
Net cash flows from (used in) investing activities		**139,721,595**	(57,283,508)
Cash flows from (used in) financing activities			
Loans secured from related parties		**(13,867,500)**	(10,318,348)
Net change in bank debt, current and non-current	**17**	**(104,467,324)**	26,361,417
Change in fair value of cash flow hedge instruments		**1,486,236**	3,576,259
Dividends statute-barred and other net changes		**35,105**	28,930
Net cash flows from (used in) financing activities		**(116,813,483)**	19,648,258
Net increase in cash flows		**59,584,850**	16,815
Cash and cash equivalents, at end of year		**59,680,530**	95,680

(a) Restated and reclassified in accordance with IFRS.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information on the activities of the company

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in **IFI S.p.A.**) is a corporation organized under the laws of the Republic of Italy.
The head office is located in Turin, Italy, Corso Matteotti 26.
The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.a.p.az..** IFI S.p.A. preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).
The assets of the company are represented by its controlling investment in **IFIL Investments S.p.A.**, for 66.23% of ordinary capital stock.

Additional information is presented in the section "IFI Group Profile" of the Directors' Report on Operations.

2. Basis of presentation of the separate financial statements

Following the coming into force of European Regulation 1606 dated July 19, 2002 and the national laws implementing that Regulation, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, the separate financial statements of IFI S.p.A. at December 31, 2006 have been prepared for the first time using International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

The accounting policies applied in these financial statements are consistent with those adopted in preparing the IFRS opening separate balance sheet at January 1, 2005, as well as the separate income statement for the year 2005 and the separate balance sheet at December 31, 2005, as restated in accordance with IFRS and presented in the Appendix attached to these notes to which reference should be made. The optional exemptions adopted by IFI S.p.A. at the time of application of IFRS, the reconciliations between profit or loss and equity under Italian accounting principles (Italian GAAP) and profit or loss and equity under IFRS for the prior period shown as comparatives, as required by IFRS 1 – First-time Adoption of IFRS, together with related explanatory notes, are included in this Appendix.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, in accordance with art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

3. Format of the separate financial statements and other information

The current/non-current distinction has been adopted for the presentation of assets and liabilities in the separate balance sheet; this required the reclassification of the previous balance sheets presented in accordance with the formats required by Legislative Decree 127 dated April 9, 1991, as amended.

The classification of revenues and costs based on the nature of expenses has remained unchanged for the separate income statement, with preference given to the presentation of investment income (charges) and financial income (expenses), items which are characteristic of IFI S.p.A.'s activities.

The separate statement of changes in equity presents the total income (expenses) recognized directly as an increase or decrease of reserves in a specific section.

The indirect method is used for the presentation of the separate statement of cash flows which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The financial statements are presented in Euro, the company's functional currency.

Major events in 2006 and in the first quarter of 2007, as well as the business outlook are presented in the Directors' Report on Operations.

4. Transactions with related parties, unusual and/or atypical transactions and nonrecurring events and significant transactions

Transactions with related parties

The balance sheet and income statement balances generated by transactions with related parties are shown separately in the financial statements formats and commented in Note 28.

Impairment reversals of investments

The year 2006 shows a profit of € 217.6 million, € 69.6 million of which is the net amount deriving from the impairment reversal on the investment held in IFIL (€ 73.5 million) and the accrual for the related deferred taxes (-€ 3.9 million) and, another € 104 million, from the gain on the sale of the investment in Exor Group to the same Exor Group.
Additional details are provided in Notes 8 and 28.

Consob sanctionary measure

On February 13, 2007, the meeting of the board of directors of the company, which was presided over by the vice chairman (Vicario) John Elkann, was notified of the Consob sanctionary measure against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone with regard to the contents of the press releases dated August 24, 2005 released by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az..
The board of directors of IFI S.p.A., which did not take part owing to the reference to some of its members, expressed its full support to the above persons.
Additional information is provided in the comments on the operating performance of IFIL Investments S.p.A..

Other than what was indicated, there are no nonrecurring events and significant transactions or unusual and/or atypical transactions to be reported in accordance with Consob Communication 6064293 dated July 28, 2006.

5. Significant accounting principles

General principle

The separate financial statements of IFI S.p.A. are expressed in Euro based on the historical cost convention, except where the use of fair value is required for the measurement of certain financial instruments available-for-sale.

The notes to the separate financial statements are generally expressed in thousands of Euro.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. For IFI S.p.A., this objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount. The recoverable amount is generally determined, in the case of listed subsidiaries and associates, by their fair value (market prices), and in the case of unlisted subsidiaries, by the fair value of the indirect subsidiaries.

At each balance sheet date, IFI S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if necessary, the carrying amount is increased up to the cost of the investment.

Investments available-for-sale and other non-current financial assets

These are measured at fair value which coincides, for listed investments, at the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Other current financial assets

Financial assets held for trading, being acquired for resale in the short term, are measured at fair value through the income statement.

The category includes short-term credit instruments and other forms of investment of liquidity as well as derivative financial instruments.

Non-financial receivables and payables

Receivables are initially recognized at fair value, represented by the present value of the amount that will be collected. Subsequently, they are measured at amortized costs using the effective interest method.

A provision for impairment of trade receivables is established when there is objective evidence of an impairment loss or a risk that the company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates. The amount of the provision is the difference between the asset's carrying amount and the present value of recoverable estimated future cash flows, discounted at the effective interest rate.

Payables are measured at their nominal amount, increased by the interest expense due, if any. Payables are subsequently measured at amortized cost.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction of equity and, therefore, the reserve as the contra-entry of treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.

Consequently, the company records the contribution paid as an expense and do not recognize any liability.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the company has the obligation to set aside the costs relating to the benefits guaranteed to their employees in service. The actuarial risk and the investment risk are thus substantially borne by the company.

Defined benefit plans, which include employee severance indemnities established by Italian laws, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, IFI S.p.A. elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Defined benefit plans are in some cases covered by financial assets managed outside the company. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities, in the reverse case, an asset is recognized.

Beginning January 1, 2007, the Finance Bill in Italy and the relative decrees implementing it introduced changes regarding employee severance indemnities which include allowing the employee to choose the destination of his/her indemnity that is accruing. In particular, the employee can choose to direct the new flows of the indemnity to pre-chosen pension schemes or to keep them with the company. At the present time, the uncertainty over the interpretation of the recently enacted law, the various possible interpretations of the qualification under IAS 19 of the indemnity being accrued and the resulting changes in the actuarial calculations of the indemnity already accrued, as well as the impossibility of estimating what destinations will be chosen by the employee (the individual employees have until June 30, 2007 to make their decisions) would render it premature to offer any assumptions, by the companies operating in Italy, on the actuarial change in the calculation of the indemnity accrued at December 31, 2006.

Provisions for other liabilities and charges
Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.
Changes in estimates are recorded in the income statement in the period in which the change is made.

Debt
Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

The amortized cost of a financial asset or liability is the initial amount at which it was measured net of repayments of principal, adjusted up or down on the basis of the amortization, using the effective interest rate method, of any difference between the initial amount and maturity amount, less any writedown made as a result of impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts the expected future payments and receipts over the expected life of the financial instrument or, over a shorter period, if appropriate, at the net carrying amount of the financial asset or liability.

Derivative financial instruments
All derivative financial instruments are measured at fair value at the end of the period.
Financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit and loss, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the profit and loss account at the same time in which the hedged transaction affects profit and loss. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure (inasmuch as the company's policy does not permit speculative transactions) are classified and measured as trading transactions. In that case, the difference with fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Financial income and expenses are recognized according to the accrual principle on the basis of the effective rate of return.

Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

Transactions in foreign currency

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities recorded in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will be reversed. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific caption under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Estimates are particularly used for the measurement of investments (impairment losses and reversals). Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement.

6. Adoption of new accounting standards and interpretations issued by the IASB

Standards and interpretations in effect from January 1, 2006

In 2006 IFI S.p.A. adopted all the new and revised standards and the interpretations released by the IASB and IFRIC which had an effect on the transactions carried out or relevant to the financial statements for the years beginning on or after January 1, 2006.

In April 2005, the IASB issued an amendment to IAS 39 – Financial instruments: recognition and measurement, to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect the separate financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognized directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects separate income statement.

In June 2005, the IASB issued an amendment to IAS 39 – Financial instruments: recognition and measurement, to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through profit and loss (the fair value option). The revisions limit the use of the option to those financial instruments that meet certain conditions. Those conditions are that:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both is managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy;
- an instrument contains an embedded derivative that meets particular conditions.

The adoption of these standards and interpretations had no material impact on the separate financial statements for the year ended December 31, 2006.

Standards and interpretations not yet in effect

In August 2005, the IASB issued IFRS 7 – Financial instruments: disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements – Capital Disclosures, effective beginning January 1, 2007.

IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.

The amendment to IAS 1 introduces requirements for disclosures about an entity's capital.

IFI S.p.A. has decided not to elect the early adoption of IFRS 7 and the amendment to IAS 1.

On November 30, 2006, the IASB issued IFRS 8 – Operating Segments that will become effective beginning from January 1, 2009 and which will replace IAS 14 – Segment Reporting. This standard does not have any effect on the separate financial statements of IFI S.p.A..

In 2006, the following interpretations were issued but were not adopted in these financial statements:

- IFRIC 10 – Interim financial Reporting and Impairment (effective from January 1, 2007)
- IFRIC 11 – IFRS 2: Group and Treasury Share Transactions (effective from January 1, 2008)

The company believes that the adoption of these interpretations will not have a material effect on the financial statements.

In 2006, the following interpretations were also issued but are not applicable to IFI S.p.A.:

- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyper-inflationary Economies (effective from January 1, 2007)
- IFRIC 8 – Scope of IFRS 2 (effective from January 1, 2007)
- IFRIC 9 – Reassessment of Embedded Derivatives (effective from January 1, 2007)
- IFRIC 12 – Service Concession Arrangements (effective from January 1, 2008)

7. Risk management

In view of its business as an investment company, IFI S.p.A. is not subject to specific credit risks. Moreover, it is not subject to direct currency risks since it does not hold significant equity investments denominated in currencies other than the Euro.

The financing requirements and the cash flows are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFI S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.
IFI S.p.A. assesses and manages its exposure to changes in interest rate risks consistently with its management policy and utilizes derivative financial instruments to fix some of the financing obtained with a predetermined interest rate. Derivative financial instruments are not used for speculative purposes.

In particular, during 2006, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on existing loans.

COMMENTS ON THE PRINCIPAL ITEMS IN THE SEPARATE BALANCE SHEET

8. Non-current assets – Investments

Details of investments, which only include investments accounted for at cost, are as follows:

€ in thousands	**12/31/2006** **% of class of stock**	**12/31/2006** **Amount**	12/31/2005 % of class of stock	12/31/2005 Amount	Change
IFIL S.p.A. (ordinary shares)	**65.01**	**1,872,142**	63.59	1,731,726	140,416
IFIL S.p.A. (savings shares)	**4.99**	**6,384**	4.99	6,384	0
		1,878,526		1,738,110	140,416
Exor Group S.A.	**-**	**-**	29.29	102,559	(102,559)
Emittenti Titoli S.p.A.	**6.43**	**272**	6.43	272	0
Deutsche Morgan Grenfell Capital Italy S.A. – Class A shares	**1.11**	**136**	0.79	191	(55)
Deutsche Morgan Grenfell Capital Italy S.A. – Class B shares	**1.28**	**2**	1.28	3	(1)
Total investments		**1,878,936**		1,841,135	37,801

The changes during the year are as follows:

€ in thousands	Balances at 12/31/2005	Change during 2006 Increases	Change during 2006 Impairment (losses) reversals	Change during 2006 Decreases	**Balances at 12/31/2006**
IFIL S.p.A.(ordinary shares)	1,731,726	66,943	73,473		**1,872,142**
IFIL S.p.A. (savings shares)	6,384				**6,384**
Exor Group S.A.	102,559			(102,559)	**0**
Emittenti Titoli S.p.A.	272				**272**
Deutsche Morgan Grenfell Capital Italy S.A. – Class A shares	191			(55)	**136**
Deutsche Morgan Grenfell Capital Italy S.A. – Class B shares	3			(1)	**2**
Total investments	1,841,135	66,943	73,473	(102,615)	**1,878,936**

The increases, totaling € 66,943 thousand, are due to the purchase of 14,708,160 IFIL ordinary shares on the market (1.42% of the class of stock).

Impairment reversals amount to € 73,473 thousand and refer to 138,426,775 IFIL ordinary shares which in 2002 had been written down on the basis of their stock market price. The value of the IFIL ordinary shares has been totally adjusted by the impairment reversal up to the amount of the original cost of purchase. Deferred income taxes were recorded for € 3,879 thousand (5.28% of the deductible impairment losses) on the impairment reversals recognized in the income statement.

The decreases amount to € 102,615 thousand and refer to:

- the sale of the entire investment held in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. The sale was finalized on April 7, 2006 following the resolution passed by the board of directors' meeting on March 31, 2006. Given that the transaction was between related parties, Citigroup Global Markets Limited checked the fairness of the sales price, equal to € 206,804 thousand (€ 60.5 per share). The sale resulted in a gain, net of transaction costs, (€ 219 thousand) of € 104,026 thousand and a significant reduction in debt. On May 4, 2006, Exor Group canceled the treasury stock thus purchased, with a consequent reduction in capital stock.

- the reimbursement of 140 Deutsche Morgan Grenfell Capital Italy Class A shares for proceeds of € 72 thousand and a net gain of € 41 thousand.

Comparison between the carrying amounts and market prices of listed investments at December 31, 2006:

				Market price			
	Number of	Carrying amount		December 29, 2006		March 23, 2007	
	shares held	Per share (€)	Total (€ thds)	Per share (€)	Total (€ thds)	Per share (€)	Total (€ thds)
IFIL S.p.A.							
- ordinary shares	675,200,000	2.77	1,872,142	6.19	**4,177,462**	7.22	**4,876,294**
- savings shares	1,866,420	3.42	6,384	4.93	**9,192**	6.81	**12,707**
Total			1,878,526		**4,186,654**		**4,889,001**

Furthermore:

- there are no investments for which IFI S.p.A. assumed unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by IFI S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006):

	Capital stock			IFI investment					Equity	Profit (loss)
	Number of	Par		Number of	% of		Carrying amount			
	shares	value	Amount	shares	Cap. st.	Cl. of st.	Per share €	€/000	€/000	€/000
IFIL Investments S.p.A. - Turin										
- ordinary shares	1,038,612,717	€ 1	1,038,612,717	675,200,000	62.75	65.01	2.77	1,872,142	6,222,300 (a)	341,500 (a)
- savings shares	37,383,020	€ 1	37,383,020	1,866,420	0.17	4.99	3.42	6,384		
	1,075,995,737		1,075,995,737					1,878,526		

(a) Data taken from the consolidated financial statements at December 31, 2006.

9. Current assets – Cash and cash equivalents

Details are as follows:

€ in thousands	**12/31/2006**	12/31/2005	Change
Banks and cash	**381**	96	285
Time deposits	**59,300**	-	59,300
Total cash and cash equivalents	**59,681**	96	59,585

Cash and cash equivalents represent bank accounts in euro repayable on demand and temporary excess cash placed in time deposits with leading credit institutions up to January 29, 2007.

Cash and cash equivalents are in line with their fair value at the end of the year.

The related credit risk can be considered limited since the counterparts are primary national banking institutions.

10. Current assets – Other financial assets

Details are as follows:

€ in thousands	**12/31/2006**	12/31/2005	Change
Fair value of cash flow hedge derivatives	**3,304**	1,919	1,385
Commissions for credit lines opened referring to the next year	**196**	93	103
Total current other financial assets	**3,500**	2,012	1,488

11. Current assets – Tax receivables

These refer to receivables from the tax authorities for:

€ in thousands	**12/31/2006**	12/31/2005	Change
Receivables for prior years' taxes, refunds requested	**18,382**	17,909	473
Receivables for current and prior years' taxes, carried forward	**379**	1	378
VAT receivable	**0**	290	(290)
Total tax receivables	**18,761**	18,200	561

The change in receivables from the tax authorities for the year 2006 is summarized as follows:

€ in thousands	Refunds requested	Carried forward	VAT	Total
Balances at December 31, 2005	17,909	1	290	18,200
Used for compensation of withholdings and VAT payable	0	(1)	(290)	(291)
Withholdings on interest earned during the year		379		379
Interest earned during the year	473			473
Balances at December 31, 2006	**18,382**	**379**	**0**	**18,761**

12. Equity – Capital stock

At December 31, 2006, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of € 1 each.

The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.a.p.az.**. IFI's preferred shares are listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:
  - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
  - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

13. Equity – Capital reserves

At December 31, 2006, the balance of € 386,347 thousand, unchanged compared to the end of the prior year, relates only to additional paid-in capital.

14. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	**12/31/2006**	12/31/2005
Revaluation reserve Law 74, 2/11/1952	**157**	157
Revaluation reserve Law 576, 12/2/1952	**16,940**	16,940
Revaluation reserve Law 72, 3/19/1983	**64,265**	64,265
Legal reserve	**32,650**	32,650
Extraordinary reserve	**829,835**	791,248
Cash flow hedge reserve	**3,091**	1,605
Reserve for purchase of treasury stock	**150,000**	150,000
Total retained earnings and other reserves	**1,096,938**	1,056,865

15. Equity reserves available and distributable

The disclosures required by art. 2427, 7 bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ in thousands	**Balance at 12/31/2006**	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**386,347**	A,B,C	386,347
Extraordinary reserve	**458**	A,B,C	458
Earnings reserves:			
Revaluation reserve Law 74, 2/11/1952 (b)	**157**	A,B,C	157
Revaluation reserve Law 576, 12/2/1952 (b)	**16,940**	A,B,C	16,940
Revaluation reserve Law 72, 3/19/1983 (b)	**64,265**	A,B,C	64,265
Cash flow hedge reserve	**3,091**	B	0
Legal reserve	**32,650**	B	0
Extraordinary reserve (c)	**829,377**	A,B,C	758,900
Reserve for purchase of treasury stock	**150,000**		0
Total	**1,483,285**		1,227,067
Residual portion distributable			**1,227,067**

A: For capital increases; B: For coverage of losses; C: For distribution to stockholders.

(a) Since the legal reserve is equal to one-fifth of capital stock (art. 2431 Italian Civil Code), the reserve is distributable.

(b) The revaluation reserves can be used for bonus increases of capital stock. If used to cover losses, they must be later replenished, if not, then no dividends can be distributed. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the stockholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is distributable except to the extent of the amount deriving from the reallocation of the reserve as a contra-entry to stock in portfolio.

In the years 2003, 2004 and 2005, reserves were not used to cover losses.

At December 31, 2006, tax-deferred reserves are recorded for a total of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserves and € 2,032 thousand to the legal reserve. In the event of distribution, these reserves would form part of the taxable income of the company.
In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

16. Equity – Treasury stock

At December 31, 2006, IFI S.p.A. directly holds the following preferred shares of treasury stock:

		Carrying amount		% of
€ in thousands	No. of shares	Per share (€)	Total (€ in thousands)	class
IFI – preferred shares	5,360,300	13.15	70,477	6.98

There were no transactions involving preferred shares of treasury stock during the year.

17. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to € 125,000 thousand (€ 160,000 thousand at December 31, 2005).
Interest rates swaps are in place to guarantee fixed interest rates on the entire amount; at December 31, 2006, the fair value on these contracts is positive for € 2,538 thousand.
Bank debt is classified in non-current in relation to the residual period of the credit line granted and the duration of the relative hedging contracts.

The current portion of bank debt amounts to € 35,350 thousand (€ 104,817 thousand at December 31, 2005) and includes loans for € 35,000 thousand and bank overdrafts for the remaining amount (€ 350 thousand).
Interest rates swaps are also in place to guarantee fixed interest rates for the current portion of bank debt; at December 31, 2006, the fair value on these contracts is positive for € 553 thousand.

At December 31, 2006, the company has credit lines for € 1,013 thousand, of which € 515 thousand is irrevocable.
Credit lines by maturity are as follows:

€ in thousands	Agreed lines	Of which, irrevocable
Within 1 year	528	30
From 2 to 5 years	485	485
Total	**1,013**	**515**

The loan contracts relating to irrevocable lines of credit provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the goods of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, conformity with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely serious events arise such as a request to place the company under administration.

18. Non-current liabilities – Deferred tax liabilities

An analysis is as follows:

€ in thousands	Amount	Taxable (16%)	Rate applied	To equity	To income statement	**Total**
Balance at December 31, 2005						**100**
2006 accruals on reversals of impairments on IFIL ordinary shares	73,473	11,756	33%	0	3,879	**3,879**
Balance at December 31, 2006					**3,879**	**3,979**

19. Non-current liabilities - Provisions for employee benefits

The composition is as follows:

€ in thousands	**12/31/2006**	12/31/2005
Employee severance indemnities	**1,745**	1,593
Other provisions for employees	**65**	48
Total provisions for employee benefits	**1,810**	1,641

Details of the changes during 2006 are as follows:

€ in thousands	Balances at 12/31/2005	Accruals	Transfers to other companies	Used	Actuarial gains (losses)	**Balances at 12/31/2006**
Employee severance indemnities	1,593	272	(10)	(104)	(6)	**1,745**
Other provisions for employees	48			30	(13)	**65**
Total	1,641	272	(10)	(74)	(19)	**1,810**

An analysis of employee benefits is as follows:

Employee severance indemnities

Employee severance indemnities reflect the indemnity payable to employees which accrues over the service life and which is paid upon termination of employment. The indemnity may be paid in advance during the employee's service life if certain conditions are met.

In accordance with IAS 19 – Employee Benefits, IFI S.p.A. includes employee severance indemnities under defined benefit plans and measures them with actuarial techniques, using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFI S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee severance indemnities which will be paid at the time and in relation to the termination of the employment relationship, at the currently-expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrue on the amount.

Health care plans

Health care plans are offered to management staff and require the payment of defined contributions to outside funds and entities which offer and pay for health care benefits.

Pension plans

The company's pension plans are for employees categorized as managers and are covered by company agreements and regulations.

They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to outside funds that are legally separate and have autonomous assets.

The plans provide for a contribution by the employer and a contribution by the employee plan participant by conferring a part of his/her employee severance indemnity.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in "Personnel costs".

Other benefits

Other benefits include loyalty bonuses payable to all employees.

Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2006, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2006	12/31/2005
Discount rate	**4.25%**	4.00%
Expected remuneration increase	**2-3.50%**	2-3.50%
Cost-of-living increase	**2.00%**	2.00%

In addition to the above financial indexes, all the demographic assumptions have also been taken into account relating to the probability of events such as death, disability, dismissal and retirement of the employees.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.
The plan assets do not include IFI S.p.A. treasury stock.
The plan assets consist of debt instruments issued by third parties and other investments.

COMMENTS ON THE PRINCIPAL ITEMS IN THE SEPARATE INCOME STATEMENT

20. Dividends from investments

Dividends from investments amount to € 54,259 thousand (€ 55,937 thousand in 2005) and include dividends collected from IFIL (€ 54,183 thousand) and Emittenti Titoli (€ 76 thousand). In 2005, dividends included those collected from IFIL (€ 45,278 thousand), Exor Group (€ 10,596 thousand) and Emittenti Titoli (€ 63 thousand).

21. Financial expenses from third parties

These include:

€ in thousands	**2006**	2005	Change
Interest expenses on bank debt	**6,541**	6,603	(62)
Interest rate hedging charges on bank loans	**255**	1,773	(1,518)
Sundry bank commissions	**1,081**	950	131
Charges from discounting to present value	**6**	4	2
Total Financial expenses from third parties	**7,883**	9,330	(1,447)

22. Financial income from third parties

This includes:

€ in thousands	**2006**	2005	Change
Interest income on receivables from:			
- tax authorities	**473**	473	0
- banks (temporary deposit of liquidity)	**1,403**	4	1,399
Interest rate hedging income on bank loans	**761**	5	756
Other income	**14**	0	14
Sale of non-current receivables	**0**	422	(422)
Total financial income from third parties	**2,651**	904	1,747

23. Personnel costs

These amount to € 2,776 thousand (€ 2,652 thousand in 2005) and show a net increase of € 124 thousand.
Details are as follows:

€ in thousands	**2006**	2005	Change
Salaries	**1,762**	1,647	115
Social security contributions	**531**	428	103
Employee severance indemnities, other long-term benefit plans and defined benefit plans	**272**	240	32
Other personnel costs	**211**	337	(126)
Total personnel costs	**2,776**	2,652	124

At the end of 2006, employees number 15 (16 at the end of 2005).
The average number of employees in 2006 was 15, summarized by category as follows:

	2006	2005
Managers	**2**	2
Management staff	**2**	2
Clerks	**8**	9
Messengers	**3**	3
Average number of employees	**15**	16

Compensation policies

The total compensation is composed of a fixed and a variable portion, as well as additional benefits for the management staff.

The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; the variable compensation is tied to objectives and rewards the results of the work performed by that person both individually and as in a team.

Further discretionary bonuses may be paid for exemplary performance in operations which create value for the company.
The additional benefits paid to personnel with management responsibilities include supplementary pension plans, health assistance plans, insurance coverage in the case of death and disability, loyalty bonuses and the use of a rented car.

24. Purchases of goods and services from third parties

These amount to € 809 thousand and show a decrease of € 775 thousand compared to 2005 (€ 1,584 thousand). The main expenses refer to the following:

€ in thousands	**2006**	2005	Change
Consulting	**303**	1,035	(732)
Compensation:			
- Board of Statutory Auditors	**146**	146	0
- Supervisory Board	**6**	6	0
- Common representative of preferred stockholders	**3**	3	0
- Supplementary contribution	**4**	8	(4)
	159	163	(4)
Travel and entertainment	**19**	41	(22)
Bank expenses and fees	**16**	16	0
Insurance	**59**	62	(3)
Audit fees	**34**	47	(13)
Office management and security	**131**	126	5
Rentals of goods from third parties	**19**	21	(2)
Raw materials and supplies	**17**	18	(1)
Maintenance, transport and car insurance	**26**	24	2
Gifts	**7**	17	(10)
Other expenses	**19**	14	5
Total purchases of goods and services from third parties	**809**	1,584	(775)

25. Other current operating expenses

These total € 950 thousand (€ 613 thousand in 2005).
Details are as follows:

€ in thousands	**2006**	2005	Change
Sundry taxes and duties	**312**	(45)	357
Association dues	**60**	56	4
Securities listing fees	**48**	34	14
Publications of annual, first-half and quarterly financial statements	**64**	81	(17)
Notary and corporate charges	**41**	98	(57)
Donations	**358**	324	34
Books, newspapers and magazines	**25**	19	6
Ads	**7**	10	(3)
Dividends statute-barred	**35**	36	(1)
Total other current operating expenses	**950**	613	337

26. Income taxes

The taxable base calculated in accordance with tax laws did not generate any current income tax expenses for the year 2006. Deferred income taxes have been set aside for € 3,879 thousand on the impairment reversal on the investment in IFIL. Additional information is provided in Note 18.

Since reasonable certainty of recovery against future taxable income is not assured, no deferred tax assets have been booked on the tax losses for the years 2003 to 2006 (€ 229 million, in total).

Details are as follows:

	Year 2006		Year 2005	
€ in millions	**Temporary differences**	**Theoretical tax effect (33% rate)**	Temporary differences	Theoretical tax effect (33% rate)
Tax losses carried forward (for a maximum of 5 years)				
- year 2003	**147**		147	
- year 2004	**20**		20	
- year 2005	**33**		33	
- year 2006	**29**		0	
Total tax losses carried forward	**229**	**76**	200	66

The following table presents the reconciliation between the pre-tax profit and the taxable income for the computation of Ires taxes (the taxable income for the computation of Irap taxes is negative):

€ in millions	**2006**	2005
Pre-tax profit	**222**	37
Increases:		
- temporary differences	**0**	5
- permanent differences	**1**	4
- gains on investments deferred in prior years	**0**	4
Total increases	**1**	13
Decreases:		
- 95% of dividends collected	**(52)**	(53)
- reversal of impairment loss on investment in IFIL	**(73)**	0
- portion of impairment losses on investments deductible over 5 years	**(27)**	(26)
- gains on investments	**(95)**	0
- temporary differences	**(5)**	0
- permanent differences	**0**	(4)
Total decreases	**(252)**	(83)
Loss for the year for tax purposes	**(29)**	(33)

The company has agreed the tax years up to December 31, 2001.

27. Compensation to directors and statutory auditors

(Art. 78 of Consob resolution 11971 dated May 14, 1999 and subsequent amendments)

All amounts in the following table are expressed in thousands of Euro.

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Gabetti Gianluigi	Chairman	1/1-12/31	2009	250			2,044 (b)
Teodorani-Fabbri Pio	Vice chairman	1/1-12/31	2009	100			9 (b)
Marrone Virgilio	Chief Executive Officer	5/25-12/31	2009	60			
	and General Manager				16		536 (c) (d)
Acutis Carlo	Director	5/25-12/31	2009				
Agnelli Andrea	Director	5/25-12/31	2009				77 (b)
Brandolini D'Adda Tiberto	Director	5/25-12/31	2009				3,536 (b)
Camerana Oddone	Director	5/25-12/31	2009				
Elkann John	Director	1/1-12/31	2009				591 (b)
Ferrero Ventimiglia Luca	Director	1/1-12/31	2009				
Grande Stevens Franzo	Director	1/1-12/31	2009				12 (b)
Marini Clarelli Francesco	Director	5/25-12/31	2009				
Nasi Andrea	Director	1/1-12/31	2009				
Rattazzi Lupo	Director	1/1-12/31	2009				40 (b)
Total Board of Directors				**410**	**16**	**0**	**6,845**
Statutory Auditors							
Ferrero Gianluca	Chairman	5/25-12/31	2009				40 (b)
Giorgi Giorgio	Statutory Auditor	1/1-12/31	2009	42			66 (b)
Jona Celesia Lionello	Statutory Auditor	1/1-12/31	2009	42			
Statutory Auditors no longer in office							
Ferrero Cesare		1/1-5/25		62			151 (b)
Total Statutory Auditors				**146**	**0**	**0**	**257**

(a) The term of office expires in concurrence with the stockholders' meeting that will approve the financial statements for the year ended December 31, 2008.
(b) Compensation for the posts held in companies of the Group.
(c) Employment income paid by IFI S.p.A..
(d) Does not include € 77,000 paid by Fiat not received but collected directly by IFI S.p.A..

There are no key managers with strategic responsibilities in IFI S.p.A..

The company signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The compensation of executive directors is not linked to either the economic results of the company or targets set by the board of directors.
A part of the compensation of the general manager, however, is tied to the economic results of the company and the reaching of specific targets.

Stock options granted to the directors and the general manager

(Art. 78 of Consob Resolution 11971 dated May 14, 1999 and subsequent amendments)

The board of directors of IFI S.p.A. to date has not approved any stock option plans.
However, under the stock option plans approved by the subsidiaries IFIL S.p.A. and Sequana Capital S.A. options were granted on the shares of these companies to the directors and managers of IFI S.p.A..
The relative information is presented in Note 21 to the consolidated financial statements.

28. Transactions with related parties

The board of directors has adopted principles of conduct for carrying out transactions with related parties which are described in the Annual Report on Corporate Governance available also on the website of the company (http://www.gruppoifi.com).

With regard to the year 2006, the transactions between IFI S.p.A. and the related parties identified in accordance with IAS 24 are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.
Costs have not been recognized during the year for non-existent or doubtful liabilities in relation to amounts due from related parties.

A summary of the balances in the balance sheet and in the income statement generated by the transactions carried out during 2006 with related parties is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Trade receivables	Trade payables
Giovanni Agnelli e C. S.a.p.az.	11	
G.A. Servizi S.r.l.		56
IFIL S.p.A.	13	24
Soiem S.p.A.		104
Companies of the Fiat Group		32
Other companies	62	
Exor Group S.A.	80	
Total transactions with related parties	**166**	**216**
Total Current assets	82,610	
Total Current liabilities		37,412
Ratio of total transactions with related parties to the total of the lines in the balance sheet %	**0.20%**	**0.58%**

Counterpart	Financial expenses	Purchases of goods and services	Gain	Revenues (d)
Giovanni Agnelli e C. S.a.p.az.	123 (b)			33
G.A. Servizi S.r.l.				
IFIL S.p.A.		68		33
Soiem S.p.A.		405 (c)		
Juventus Football Club S.p.A.		2		6
Companies of the Fiat Group		210		77
Companies of the Alpitour Group		4		
Exor Group S.A.			104,026 (a)	160
Compensation to Corporate Boards and Committees (e)				
- Chairman		250		
- Chief Executive Officer		60		
- Vice Chairman, for special mandates		100		
Directors for services rendered				64
Total transactions with related parties	**123**	**1,099**		**373**
Total transactions with third parties	7,883	809		350
Total of lines on income statement	**8,006**	**1,908**		**723**
Ratio of total transactions with related parties to the total of the lines on the income statement %	**1.54%**	**57.60%**		**51.59%**

The most important transactions are commented below with reference to the notes in this and in the preceding table.

a) On April 7, 2006, following the resolution passed by the board of directors' meeting on March 31, 2006, IFI S.p.A. sold the entire investment held in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. Given that the transaction was between related parties, Citigroup Global Markets Limited checked the fairness of the sales price, equal to € 206,804 thousand (€ 60.5 per share). The sale resulted in a gain, net of transaction costs, of € 104,026 thousand and a significant reduction in debt.
b) In April 2006, IFI repaid the loan secured from the parent, Giovanni Agnelli e C. S.a.p.az., at market rates. The interest charged to that date amounted to € 123 thousand.
c) Purchases of goods and services from the subsidiary Soiem S.p.A. amounting to € 405 thousand relate to the lease of the offices of the headquarters in Turin, Corso Matteotti 26, and computer, telephone and logistics services.
d) Revenues from Group companies derive from the performance of services and compensation for posts held by IFI S.p.A. staff.
e) Compensation to the corporate boards in 2006 amounts to € 413 thousand. The disclosure required by art. 78 of Consob Resolution 11971, amended by resolution 15520 of July 2006, is provided in the preceding Note 27.

Information regarding dividends collected from related parties (€ 54,183 thousand), described in Note 20, represents 23% of the net amount of income from investments.

Moreover, during 2006, the director, Franzo Grande Stevens, rendered professional services to Fiat S.p.A. for € 1,136 thousand (including activities performed in his capacity as secretary to the board of directors).

29. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the IFI S.p.A. is provided below:

€ in thousands	**12/31/2006**	12/31/2005	Change
Non-current financial receivables:			
- from third parties	**361**	127	234
Cash and cash equivalents	**59,681**	96	59,585
Current financial receivables:			
- from Group companies	**0**	0	0
- from third parties	**3,500**	2,012	1,488
Non-current debt:			
- with Group companies	**0**	0	0
- with third parties	**(125,000)**	(160,000)	35,000
Current debt:			
- with Group companies	**0**	(13,867)	13,867
- with third parties	**(36,153)**	(106,059)	69,906
Net financial position	**(97,611)**	(277,691)	180,080
- with Group companies	**0**	(13,867)	13,867
- with third parties	**(97,611)**	(263,824)	166,213

30. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2006 were approved by the board of directors on March 30, 2007 which authorized their publication on March 31, 2007.

Turin, March 30, 2007

For the Board of Directors
Vice Chairman (Vicario)
John Elkann

APPENDIX - TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) BY IFI S.p.A.

1. General Information

Starting from January 1, 2006, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, IFI S.p.A. adopted International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and endorsed by the European Union for the preparation of its separate financial statements (previously referred to as statutory financial statements). The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretation Committee ("SIC").
IFI S.p.A. therefore presents its financial statements at December 31, 2006 compared to those at December 31, 2005 prepared in accordance with IFRS.

2. Reconciliations required by IFRS 1

As required by IFRS 1 – First-time Adoption of International Financial Reporting Standards, this Appendix describes the policies adopted in the preparation of the IFRS opening balance sheet at January 1, 2005, the main differences with Italian GAAP used in the preparation of the financial statements up to December 31, 2005, as well as the reconciliations between the figures already published, prepared in accordance with Italian GAAP, and the corresponding figures re-measured in accordance with IFRS.

The 2005 balance sheet and income statement have been prepared in accordance with IFRS 1, based on IFRS applicable on December 31, 2005.

3. First-time Adoption of IFRS

General principle

IFI S.p.A., pursuant to IFRS 1, has applied the accounting standards in force at December 31, 2005 retrospectively to the opening balance sheet at January 1, 2005 prepared in accordance with IFRS except for the optional exemptions elected by the company under IFRS 1, described below. Having adopted IFRS for its separate financial statements subsequent to IFRS adoption for the consolidated financial statements (which presented an opening balance sheet at January 1, 2004), IFI S.p.A. recognized the assets and liabilities according to IFRS at the same amounts in both financial statements (separate and consolidated), except for items that were adjusted on consolidation.

The 2005 financial statements presented herein constitute the figures published for comparative purposes in the separate financial statements at December 31, 2006.

The opening balance sheet at January 1, 2005 reflects the following differences as compared to the separate Italian GAAP financial statements at December 31, 2004:

- all assets and liabilities qualifying for recognition under IFRS, including assets and liabilities that were not recognized under Italian GAAP, have been recognized and measured in accordance with IFRS;
- all assets and liabilities recognized under Italian GAAP that do not qualify for recognition under IFRS have been eliminated;
- certain balance sheet items have been reclassified in accordance with IFRS.

The effects of these adjustments have been recognized directly in opening equity at January 1, 2005, the date of the first-time adoption of IFRS.

Optional exemptions elected by IFI S.p.A.
In accordance with the exemption allowed by IFRS 1, IFI S.p.A. has elected to measure the assets and liabilities at the date of transition (January 1, 2005) at the same amounts used in the preparation of the Group's consolidated financial statements at December 31, 2004. In particular:

- *Employee Benefits*: IFI S.p.A. elected to recognize all cumulative actuarial gains and losses at January 1, 2004 on the date of transition to IFRS. To determine pension costs, starting from 2005, IFI S.p.A. adopted, retroactively, the immediate recognition of actuarial gains and losses directly in equity, in accordance with the amendment to IAS 19 of December 16, 2004.

- *Business Combinations*: IFI S.p.A. elected not to apply IFRS 3 – Business Combinations, retrospectively to the business combinations which occurred before the date of transition to IFRS.

IFI S.p.A.
RECONCILIATION OF THE BALANCE SHEET AT JANUARY 1, 2005
(DATE OF TRANSITION TO IFRS)

(€ in thousands)	Fin. Stmts 12/31/2004 Italian GAAP	IFRS reclassifications	IFRS adjustments	**Fin. Stmts 1/1/2005 IFRS**	**IFRS**
					Non-current assets
Investments	1,779,457	(200)		**1,779,257**	Investments accounted for at cost
Intangible assets	6			**6**	Intangible assets
Other receivables	8,178	(4,000)		**4,178**	Other receivables
Treasury stock	70,477	(70,477)		**0**	
Total Fixed assets	1,858,118	(74,677)	0	**1,783,441**	**Total Non-current assets**
Current assets					**Current assets**
Cash and banks	79			**79**	Cash and cash equivalents
Receivables from subsidiaries	289	(289)		**0**	
Receivables from associated companies	100	(100)		**0**	
Receivables from parent companies	10	(10)		**0**	
Tax receivables	17,807			**17,807**	Tax receivables
		399		**399**	Trade receivables from related parties
Other receivables	840	58		**898**	Other receivables
Prepaid expenses	58	(58)		**0**	
	19,183	0	0	**19,183**	**Total Current assets**
Total Assets	1,877,301	(74,677)	0	**1,802,624**	**Total Assets**
Stockholders' equity					**Equity**
Capital stock	163,251			**163,251**	Capital stock
Additional paid-in capital	386,347			**386,347**	Capital reserves
Retained earnings and other reserves	1,017,394		(1,825)	**1,015,569**	Retained earnings and other reserves
Treasury stock	0	(70,477)		**(70,477)**	Treasury stock
Net income for the year	37,707		(38)	**37,669**	Profit for the year
Total Stockholders' equity	1,604,699	(70,477)	(1,863)	**1,532,359**	**Total Equity**
					Non-current liabilities
Bank borrowings due beyond one year	30,000			**30,000**	Bank debt
Deferred income taxes	1,504			**1,504**	Deferred tax liabilities
Other liabilities and reserves	4,200	(4,200)		**0**	
Reserve for employee severance indemnities	1,496		(93)	**1,403**	Provisions for employee benefits
Social security payable due beyond one year	254		(16)	**238**	Other payables
	37,454	(4,200)	(109)	**33,145**	**Total Non-current liabilities**
Payables					**Current liabilities**
Bank borrowings due within one year	208,456			**208,456**	Bank debt
Payables to subsidiaries	192	(192)		**0**	
Payables to parent companies	24,189	(24,189)		**0**	
		24,186		**24,186**	Debt with related parties
		1,184	1,972	**3,156**	Other financial liabilities
		195		**195**	Trade payables to related parties
Trade accounts payables	166			**166**	Trade payables to third parties
Tax payables	133			**133**	Tax payables
Social security payable due within one year	323	(323)		**0**	
Other payables due within one year	505	323		**828**	Other payables
Total payables	233,964	1,184	1,972	**237,120**	**Total Current liabilities**
Accrued expenses	1,184	(1,184)		**0**	
Total Liabilities and stockholders' equity	1,877,301	(74,677)	0	**1,802,624**	**Total Equity and liabilities**

IFI S.p.A.
RECONCILIATION OF EQUITY AT JANUARY 1, 2005

(€ in thousands)		
Stockholders' equity at December 31, 2004 (Italian GAAP)	**1,604,699**	
Reclassification of the carrying amount of treasury stock held directly	(70,477)	a.
IFRS adjustments		
IAS 39 - Measurement of instruments used to hedge interest rate risk	(1,972)	b.
IAS 19 - Employee benefits	93	
IAS 39 - Discounting of INPS payable to present value	16	
	(1,863)	
Equity at January 1, 2005 (IFRS)	**1,532,359**	

a. The reclassification reduces equity by the carrying amount of preferred treasury stock previously recorded under financial assets.

b. The negative adjustment of € 1,972 thousand represents the effect of the measurement of derivative instruments used to hedge interest rate risks (IRS) on bank debt (€ 160 million).

IFI S.p.A.
RECONCILIATION OF THE BALANCE SHEET AT DECEMBER 31, 2005

(€ in thousands)	Fin. Stmts 12/31/2005 Italian GAAP	IFRS reclassifications	IFRS adjustments	**Fin. Stmts 12/31/2005 IFRS**	**IFRS**
					Non-current assets
Investments	1,841,334	(200)		**1,841,134**	Investments accounted for at cost
		127		**127**	Other financial assets
Intangible assets	3			**3**	Intangible assets
Tangible assets	13			**13**	Property, plant and equipment
Treasury stock	70,477	(70,477)		**0**	
Total fixed assets	1,911,827	(70,550)	0	**1,841,277**	**Total Non-current assets**
Current assets					**Current assets**
Cash and banks	96			**96**	Cash and cash equivalents
		98	1,914	**2,012**	Other financial assets
Receivables from subsidiaries	14	(14)		**0**	
Receivables from associated companies	90	(90)		**0**	
Receivables from parent companies	10	(10)		**0**	
Tax receivables	18,200			**18,200**	Tax receivables
		217		**217**	Trade receivables from related parties
Other receivables	706	(54)	(1)	**651**	Other receivables
Accrued income and prepaid expenses	274	(274)		**0**	
	19,390	(127)	1,913	**21,176**	**Total Current assets**
Total assets	1,931,217	(70,677)	1,913	**1,862,453**	**Total Assets**
Stockholders' equity					**Equity**
Capital stock	163,251			**163,251**	Capital stock
Additional paid-in capital	386,347			**386,347**	Capital reserves
Retained earnings and other reserves	1,055,137		1,728	**1,056,865**	Retained earnings and other reserves
Treasury stock	0	(70,477)		**(70,477)**	Treasury stock
Net income for the year	38,535		(45)	**38,490**	Profit for the year
Total Stockholders' equity	1,643,270	(70,477)	1,683	**1,574,476**	**Total Equity**
					Non-current liabilities
Bank borrowings due beyond one year	160,000			**160,000**	Bank debt
Deferred income taxes	100			**100**	Deferred tax liabilities
Other liabilities and reserves	200	(200)		**0**	
Reserve for employee severance indemnities	1,712		(70)	**1,642**	Provisions for employee benefits
Social security payable due beyond one year	117		(9)	**108**	Other payables
	162,129	(200)	(79)	**161,850**	**Total Non-current liabilities**
Payables					**Current liabilities**
Bank borrowings due within one year	104,817			**104,817**	Bank debt
Payables to subsidiaries	172	(172)		**0**	
Payables to parent companies	13,868	(13,868)		**0**	
		13,868		**13,868**	Debt with related parties
		880	309	**1,189**	Other financial liabilities
		5,172		**5,172**	Trade payables to related parties
Trade accounts payables	182			**182**	Trade payables to third parties
Tax payables	160			**160**	Tax payables
Social security payable due within one year	284	(284)		**0**	
Other payables due within one year	5,455	(4,716)		**739**	Other payables
Total payables	124,938	880	309	**126,127**	**Total Current liabilities**
Accrued expenses	880	(880)		**0**	
Total Liabilities	1,931,217	(70,677)	1,913	**1,862,453**	**Total Equity and liabilities**

IFI S.p.A.
RECONCILIATION OF EQUITY AT DECEMBER 31, 2005

(€ in thousands)		
Stockholders' equity at December 31, 2005 (Italian GAAP)	**1,643,270**	
Reclassification of the carrying amount of treasury stock held directly	(70,477)	a.
IFRS adjustments		
IAS 39 - Measurement of instruments used to hedge interest rate risk	1,603	b.
IAS 19 - Employee benefits	71	
IAS 39 - Discounting of INPS payable to present value	9	
	1,683	
Equity at December 31, 2005 (IFRS)	**1,574,476**	

a. The reclassification reduces equity by the carrying amount of preferred treasury stock previously recorded under financial assets.

b. The negative adjustment of € 1,603 thousand represents the effect of the measurement of derivative instruments used to hedge interest rate risks (IRS) on bank debt (€ 170 million).

IFI S.p.A.
RECONCILIATION OF THE INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2005

(€ in thousands)	Year ended 12/31/2005 Italian GAAP	IFRS reclassifications	IFRS adjustments	**Year ended 12/31/2005 IFRS**	**IFRS**
Financial income (expenses)					**Investment income (charges)**
Dividends	55,937			**55,937**	Dividends from investments
Gains on the disposal of investments	1			**1**	Gains on sales of investments
	55,938	0	0	**55,938**	**Net investment income**
					Financial income (expenses)
Interest and financial expenses	(9,991)	662		**(9,329)**	Financial expenses from third parties
		(662)		**(662)**	Financial expenses from related parties
Financial income from others	904			**904**	Financial income from third parties
	(9,087)	0	0	**(9,087)**	**Net financial expenses**
					Net general expenses
Personnel costs	(2,513)	(94)	(45)	**(2,652)**	Personnel costs
Services costs	(7,317)	5,733		**(1,584)**	Purchases of goods and services from third parties
		(985)		**(985)**	Purchases of goods and services from related parties
Other operating expenses	(596)	(17)		**(613)**	Other current operating expenses
Leases and rentals	(347)	347		**0**	
Amortization, depreciation and writedowns	(7)			**(7)**	Depreciation and amortization
Purchases of consumables	(36)	36		**0**	
	(10,816)	5,020	(45)	**(5,841)**	
Revenues from services	1,037	(358)		**679**	Revenues from third parties
		397		**397**	Revenues from related parties
	(9,779)	5,059	(45)	**(4,765)**	**Net general expenses**
					Other non-current expenses
		(5,000)		**(5,000)**	Other non-current expenses from related parties
Extraordinary income (expenses)	59	(59)		**0**	
	59	(5,059)	0	**(5,000)**	**Other non-current expenses**
Income before taxes	37,131	0	(45)	**37,086**	**Profit before income taxes**
Income taxes, current and deferred	1,404			**1,404**	**Income taxes**
Net income for the year	38,535	0	(45)	**38,490**	**Profit for the year**

IFI S.p.A.
RECONCILIATION OF PROFIT FOR THE YEAR ENDED DECEMBER 31, 2005

(€ in thousands)	
Net income for the year ended December 31, 2005 (Italian GAAP)	**38,535**
IFRS adjustments	
IAS 19 - Employee benefits	(45)
Profit for the year ended December 31, 2005 (IFRS)	**38,490**

IFI
Istituto Finanziario Industriale

Annual Report 2006

Consolidated financial statements of the IFI Group at December 31, 2006

CONSOLIDATED BALANCE SHEET

€ in millions	**Note**	**12/31/2006**	12/31/2005	Change
Non-current assets				
Goodwill	**11**	**760**	814	(54)
Other intangible assets	**12**	**188**	243	(55)
Property, plant and equipment	**13**	**845**	939	(94)
Investments accounted for by the equity method	**14**	**2,619**	3,165	(546)
Other financial assets	**15**	**2,673**	1,524	1,149
Deferred tax assets	**30**	**49**	68	(19)
Other non-current assets	**17**	**55**	33	22
Total Non-current assets		**7,189**	6,786	403
Current assets				
Inventories	**16**	**540**	554	(14)
Trade receivables	**17**	**938**	1,029	(91)
Other receivables	**17**	**281**	317	(36)
Financial assets	**15**	**1,109**	1,173	(64)
Cash and cash equivalents	**18**	**362**	595	(233)
Total Current assets		**3,230**	3,668	(438)
Assets held for sale	**19**	**128**	25	103
Total Assets		**10,547**	10,479 (a)	68
Equity				
Equity attributable to the equity holders of the company	**20**	**3,800**	3,084	716
Equity attributable to the minority interest	**23**	**2,900**	2,994	(94)
Total Equity		**6,700**	6,078	622
Non-current liabilities				
Provisions for employee benefits	**24**	**137**	172	(35)
Provisions for other liabilities and charges	**25**	**250**	491	(241)
Bonds and other debt	**28**	**777**	920	(143)
Deferred tax liabilities	**30**	**102**	95	7
Other non-current liabilities	**31**	**57**	57	0
Total Non-current liabilities		**1,323**	1,735	(412)
Current liabilities				
Provisions for employee benefits	**24**	**7**	12	(5)
Provisions for other liabilities and charges	**25**	**283**	36	247
Bonds and other debt	**28**	**747**	1,155	(408)
Trade payables	**31**	**927**	982	(55)
Other current liabilities	**31**	**528**	481	47
Total Current liabilities		**2,492**	2,666	(174)
Liabilities relating to assets held for sale	**19**	**32**	0	32
Total Equity and liabilities		**10,547**	10,479 (a)	68

(a) Certain items in the balance sheet have been reclassified since publication of the 2005 consolidated financial statements which increased both assets and liabilities by € 3 million.

CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2006	2005 (a)	Change
Revenues	**39**	**5,534**	5,429	105
Other revenues from current operations	**32**	**111**	38	73
Purchases of raw materials and changes in inventories		**(3,632)**	(3,436)	(196)
Personnel costs	**33**	**(925)**	(927)	2
Costs for external services		**(748)**	(741)	(7)
Taxes and duties		**(43)**	(45)	2
Depreciation and amortization		**(157)**	(191)	34
Accruals to provisions and other expenses from current operations		**(72)**	(63)	(9)
Profit from current operations		**68**	64	4
Other nonrecurring income (expenses)	**34**	**(62)**	(202)	140
Operating profit (loss)		**6**	(138)	144
Gain (losses) on the sale of investments		**58**	4	54
Cost of net debt		**(36)**	(54)	18
Other financial income (expenses)		**72**	52	20
Financial income (expenses)	**35**	**94**	2	92
Income taxes	**36**	**(52)**	(46)	(6)
Profit (loss) of companies consolidated line-by-line		**48**	(182)	230
Share of the profit (loss) of companies accounted for by the equity method	**37**	**352**	448	(96)
Profit from continuing operations		**400**	266	134
Profit from discontinued operations or assets held for sale	**38**	**0**	1,007	(1,007)
Profit		**400**	1,273	(873)
Profit attributable to the equity holders of the company		**221**	676	(455)
Profit attributable to the minority interest (A)		**179**	597	(418)
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	**4**	**396**	0	396
Total profit attributable to the minority interest (A)+(B)		**575**	597	(22)
Basic earnings attributable to the equity holders of the company (€):				
- per ordinary share		**1.38**	4.26	(2.88)
- per preferred share		**1.43**	4.31	(2.88)
Basic earnings from continuing operations (€):				
- per ordinary share		**1.38**	1.29	0.09
- per preferred share		**1.43**	1.34	0.09

(a) Certain items in the income statement have been reclassified since publication of the 2005 consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Retained earnings and other reserves	Profit for the year	Equity attributable to equity holders of the company	Equity attributable to the minority interest	Total equity
Equity at January 1, 2005	**163**	**(70)**	**386**	**1,524**	**120**	**2,123**	**2,317**	**4,440**
Dividends paid out						0	(48)	(48)
Stock-based compensation				3		3	3	6
Effect of fair value change to investments and securities				157		157	97	254
Fair value change to cash flow hedge instruments				1		1	(2)	(1)
Actuarial gains (losses) recognized directly in equity				(47)		(47)	(39)	(86)
Translation differences				175		175	142	317
Change in scope of consolidation						0	(74)	(74)
Other changes				(4)		(4)	1	(3)
Profit for the year					676	676	597	1,273
Movements in equity accounts				120	(120)	0		0
Changes	0	0	0	405	556	961	677	1,638
Equity at December 31, 2005	**163**	**(70)**	**386**	**1,929**	**676**	**3,084**	**2,994**	**6,078**
Stock-based compensation				3		3	2	5
Capital stock transactions						0	(754)	(754)
Dividends paid out						0	(197)	(197)
Effect of fair value change to investments and securities				594		594	322	916
Deferred taxes on fair value change to investments and securities				(28)		(28)	(13)	(41)
Transfer of fair value to income statement				(2)		(2)	(1)	(3)
Fair value change to cash flow hedge instruments				17		17	7	24
Actuarial gains (losses) recognized directly in equity				23		23	15	38
Translation differences				(86)		(86)	(58)	(144)
Change in scope of consolidation						0	19	19
Other changes				(26)		(26)	(10)	(36)
Profit for the year					221	221	574	795
Movements in equity accounts				676	(676)	0		0
Changes	0	0	0	1,171	(455)	716	(94)	622
Equity at December 31, 2006	**163**	**(70)**	**386**	**3,100**	**221**	**3,800**	**2,900**	**6,700**
Note	20	20		20			23	

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES

€ in millions	**2006**	2005
Gains (losses) recognized directly in the cash flow hedge reserve	**24**	(1)
Gains (losses) recognized directly in the reserve for fair value adjustments of investments and securities	**916**	254
Deferred taxes on fair value change to investments and securities	**(41)**	0
Transfer of fair value to income statement	**(3)**	0
Gains (losses) recognized directly in the reserve of translation differences	**(144)**	317
Actuarial gains (losses) recognized directly in equity	**38**	(86)
Income (expenses) recognized directly in equity	**790**	484
Profit attributable to the equity holders of the company and the minority interest	**795**	1,273
Total recognized income (expenses)	**1,585**	1,757
Recognized income (expenses) attributable to the equity holders of the company	**739**	962
Recognized income (expenses) attributable to the minority interest	**846**	795

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	Note	2006	2005
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit attributable to the equity holders of the company and the minority interest		**400**	1,273
Elimination of income and expenses not affecting cash:			
Share of the profit (loss) of companies accounted for by the equity method		**(290)**	(390)
Share of profit of SGS		**(62)**	(58)
Depreciation, amortization, impairments and accruals		**212**	382
Gains (losses) on disposals	**10**	**(53)**	(974)
Other		**(52)**	(67)
Current and deferred income taxes		**52**	46
Dividends received from investments		**93**	58
Income taxes paid		**(20)**	(24)
Change in working capital		**(126)**	188
NET CASH FLOWS FROM OPERATING ACTIVITIES		**154**	434
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		**(195)**	(175)
Proceeds from disposal of property, plant and equipment and intangible assets		**194**	78
Purchases of non-current financial assets		**(177)** (a)	(1,268)
Proceeds from disposal of non-current financial assets	**10**	**463**	918
Change in scope of consolidation	**10**	**(17)**	420
Effect of assets held for sale	**10**	**0**	(54)
Other flows provided by investing activities		**96**	211
CASH FLOWS FROM INVESTING ACTIVITIES		**364**	130
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid by consolidated companies to minority stockholders		**(198)**	(48)
Capital increase from the exercise of stock options		**13**	7
New loans secured		**236**	640
Repayment of loans		**(731)**	(915)
Net effect of securitization of trade receivables		**9**	0
Other flows provided by (used for) financing activities		**(55)**	(136)
CASH FLOWS USED IN FINANCING ACTIVITIES		**(726)**	(452)
EFFECT OF CHANGE IN FOREIGN CURRENCIES		**(9)**	17
NET INCREASE (DECREASE) IN CASH FLOWS		**(217)**	129
CASH AND CASH EQUIVALENTS, AT START OF THE YEAR		**472**	343
CASH AND CASH EQUIVALENTS, AT END OF THE YEAR		**255**	472
NET INCREASE (DECREASE) IN CASH FLOWS		**(217)**	129

(a) Including € 63 million for the purchase of Fiat ordinary stock, € 67 million for the purchase of IFIL ordinary stock and € 47 million for the purchase of Gruppo Banca Leonardo stock.

The reconciliation between cash and cash equivalents in the statement of cash flows and the corresponding line in the balance sheet is presented in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in **IFI S.p.A.**) is a corporation organized under the laws of the Republic of Italy.
The head office is located in Turin, Italy, Corso Matteotti 26.
The ordinary capital stock of the company is held entirely by **Giovanni Agnelli e C. S.a.p.az.**. IFI S.p.A. preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).
The assets of the company are represented by its controlling investment in **IFIL Investments S.p.A.**, for 66.23% of ordinary capital stock.

Additional information is presented in the section "IFI Group Profile" of the Directors' Report on Operations.

The consolidated financial statements are presented in Euro, the Group's functional currency.

2. Basis of presentation of the consolidated financial statements

The consolidated financial statements at December 31, 2006 of the IFI Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. The designation "IFRS" also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The consolidated financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, in accordance with art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

The consolidated financial statements of the IFI Group are expressed in millions of Euro.

3. Format of the consolidated financial statements and other information

The IFI Group presents a consolidated income statement using a classification based on the nature of expenses as this is believed to provide information that is more relevant than one based on the function of expenses as presented by the operating companies consolidated line-by-line.

For the consolidated balance sheet, a format has been selected to present current and non-current assets and liabilities.

The consolidated statement of changes in equity shows comprehensive income and expenses in a specific section for income and expenses recognized directly in the reserves.

For the consolidated statement of cash flows, the indirect method has been selected.

Transactions with related parties are not significant in amount and are therefore not presented separately in the financial statement formats. They are, however, disclosed in Note 40 to the financial statements.

4. Unusual and/or atypical transactions and nonrecurring events and significant transactions

In 2006, there are no significant unusual and/or atypical transactions, also on the basis of information received from the companies of the Group, that are required to be disclosed pursuant to Consob Communication 6064293 dated July 28, 2006.

With regard to significant nonrecurring events and transactions, the following is noted.

IFI S.p.A. - Consob sanctionary measure

On February 13, 2007, the meeting of the board of directors of the company, which was presided over by the vice chairman (vicario) John Elkann, was notified of the Consob sanctionary measure against Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone with regard to the contents of the press releases dated August 24, 2005 released by IFIL Investments S.p.A. and Giovanni Agnelli e C. S.a.p.az..
The board of directors of IFI S.p.A., which did not take part owing to the reference to some of its members, expressed its full support to the above persons.
Additional information is provided in the comments on the operating performance of IFIL Investments S.p.A..

Public Exchange and Purchase Offer launched by Sequana Capital

On September 6, 2006, Sequana Capital launched the Public Exchange Offering of a maximum of 57,646,980 Sequana Capital shares in exchange for a maximum of 1,859,580 SGS shares held by Sequana Capital itself, in a ratio of 1 SGS share for every 31 Sequana Capital shares tendered in the Offering.
Alternatively, the stockholders could have chosen to tender their shares to the Public Purchase Offering and receive the price of € 21 in cash for each Sequana Capital share sold to the company.
The offering was concluded with 57,521,414 shares tendered to the Exchange Offering and 125,566 shares to the Purchase Offering. Sequana Capital therefore sold 1,855,529 SGS shares, of which 1,029,456 shares were sold to the parent Ifil Investissements at the price of CHF 1.320 per share at the CHF/Euro exchange rate equal to 1.5882, realizing a gain net of income taxes of € 889 million.
The Sequana Capital shares contributed were canceled with a consequent reduction in capital stock.

In the IFIL consolidated financial statements, the investment in SGS S.A., before the elimination of the net gain of € 493 million realized by Sequana Capital on the sale of 13.16% of SGS capital stock to Ifil Investissements, was aligned with the carrying amount which it had in the consolidated financial statements of the Sequana Capital Group before the Public Exchange and Purchase Offering, equal to € 361.6 million, and was classified in “investments available-for-sale”. At December 31, 2006, the investment was therefore measured at fair value on the basis of the stock market price at the end of the year, recording an unrealized gain (€ 508.4 million) in equity.

The remaining net gain of € 396 million is entirely attributable to the minority interest and is shown separately at the bottom of the income statement.

5. Basis of consolidation

Criteria used in determining the scope of consolidation

The companies in which the IFI Group has the power to exercise control, directly or indirectly, by determining the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, with the minority stockholders being attributed their interests in the equity and profit.

Pending an opinion by the IASB, which has also recently been requested by the European Commission by letter dated October 26, 2006, that will definitively clarify the

criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFI Group has continued to exclude the Fiat Group, in which the subsidiary IFIL has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005.
However, in order to provide more meaningful disclosure, Note 44 presents the consolidated proforma data as if the Fiat Group had been consolidated line-by-line.

Subsidiaries either dormant or generating an insignificant effect on the total of the Group's assets, liabilities, financial position and earnings are also excluded from the scope of consolidation.

Subsidiaries excluded from consolidation, subsidiaries jointly controlled with other stockholders, associates and investments in other companies are accounted for as described under "Other non-current financial assets".

Consolidation procedures

The financial statements of subsidiaries as defined above are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The results of discontinued operations or assets held for sale which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs, as well as the gains (losses) on their sale.

Assets and liabilities, and revenues and expenses, of subsidiaries consolidated on a line-by-line basis are included in full in the consolidated financial statements of the Group; the carrying amounts of investments are eliminated against the subsidiaries' related equity, attributing to the identifiable assets and liabilities the fair value at the date of the acquisition of control. Any residual difference, if positive, is recognized in assets in "goodwill" or, if negative, in the income statement.
The share of the equity and the results of operations attributable to the minority interest is disclosed separately. The minority interest in equity is determined on the basis of the amounts attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses in a consolidated subsidiary pertaining to the minority stockholders exceed the minority interest in the subsidiary's capital stock, the excess, or deficit, is charged to the Group, unless the minority stockholders are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profits be realized in the future, the minority interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

The effects of subscribing to capital stock increases when there are different issue prices for the various classes of stock are recognized as changes in equity.

Date of reference

Investments are consolidated using the financial statements at December 31, the closing date of the parent, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, whose fiscal year ends on October 31, is consolidated line-by-line, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2005 and 2006, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions

Intragroup balances and significant transactions and any unrealized gains and losses between companies consolidated line-by-line are eliminated. Unrealized gains and losses arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies.
Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Consolidation of foreign entities

All assets and liabilities of foreign companies that are consolidated having a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date (the current method). Income and expenses in the income statement and cash flows in the statement of cash flows are translated at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment.
Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recorded in the relevant foreign currency and are translated using the period-end exchange rate.

6. Significant accounting policies

Intangible assets

Goodwill. In the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.
Any excess of the cost of the business combination over the Group's interest in the fair value of those assets and liabilities is classified as goodwill and recorded in the financial statements as an intangible asset. If this difference is negative, it is recognized in the income statement at the time of acquisition.
Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36 – Impairment of Assets. Goodwill is allocated to cash generating units or groups of cash-generating units representing the operating level at which the Group controls the rate of return of the investments.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Reversal of any impairment loss for goodwill is not permitted.

On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.
In the context of IFRS First-time Adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the business combinations that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets (when they are controlled by the enterprise), where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Revaluations are not permitted even if allowed by specific laws.
Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually and more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Other intangible assets acquired as part of a business are capitalized separately from goodwill if their fair value can be measured reliably.

Amortization plans and any realizable value are reviewed at least annually.

Greenhouse gas emission rights: in the absence of specific IFRS standards and IFRIC interpretations, the Sequana Capital Group has applied, on a temporary basis, the following accounting treatment which provides for:

- initial accounting: the rights (allowances) attributed, measured at the market price at the date of issue, are accounted for as “other intangible assets” with a contra-entry to deferred income classified under “other payables”;
- afterwards: the deferred income is credited to the income statement on a straight-line basis over the period of reference. Moreover, a liability is recognized corresponding to the quantity of allowances to be delivered with a contra-entry to a cost representing the gas emissions. This liability is measured at the initial amount of the allowances issued or purchased and, depending on the case, at the market value of the allowances to be delivered which exceeds those held at the balance sheet date;
- delivery of the allowances relating to the emissions during the period: at the effective date of delivery, the intangible assets and the related liability are eliminated from the balance sheet;
- sales of allowances: the gains or losses arising from the sales of allowances are recognized in the income statement under “other nonrecurring income and expenses”.

The excess allowances recognized in the assets are tested for impairment annually, or more frequently, if there are indications that they may be impaired.

Players' registration rights: are recognized at time-discounted cost, including any additional costs.
Players' registration rights are amortized on a straight-line basis over the period of the contracts signed with the individual professional players. The original amortization plan may be extended as a result of the early renewal of a contract, starting from the season in which the renewal takes place. For soccer players registered as “*giovani di serie*” (youth players), costs are amortized over five years using the straight-line method.
Players' registration rights are recorded on the date on which the contracts are ratified by the Lega Nazionale Professionisti for national transfers and on the "transfer" date indicated by the Italian Soccer Federation – F.I.G.C. for international transfers.
Player sharing receivables and payables ex. art 102 bis of the N.O.I.F (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.) are also recorded in players' registration rights.

Player sharing receivables, which represent the value of the simultaneous re-acquisition of 50% of registration rights of the players transferred, are recorded at the adjusted cost and are amortized net of any residual value estimated at the end of its useful life. In the event that the residual value is equal to or higher than the historic value recorded, the amortization is zero. The adjusted cost is the lower of the cost borne according to the legal format agreed between the parties and the actual value of the re-acquisition.

Player sharing liabilities, which represent 50% of the value at which the player sharing rights were sold are recorded at the nominal value, but are deducted from the value of the registration rights of the player for which sharing rights have been disposed of, in order to represent the acquisition actually made. Due to this, the amortization of the registration right disposed of under the player sharing agreement is calculated on the lower cost thus determined.

In the presence of indicators of the loss of value of players' registration rights (impairment indicators), an evaluation is made for purposes of the impairment test that takes into account the following factors:

- direct execution by the company directors who, at their discretion, may be assisted by an external expert to support them in identifying the objective parameters to be used for the valuation of the value of players' registration rights (e.g. role and ages of the player, analysis of the values of players' transfers in the most recent transfer campaigns, call up to the national team etc.);
- identification of the cash-generating units to be taken into account in the individual player's registration rights, without the possibility of making compensations with any re-evaluations that could emerge from the valuation illustrated in the previous point; this is because it is held that the first impairment indicator can occur for each individual registration right;
- execution of a possible additional check of the recoverability of the investment through the analysis of other factors linked to the team as a whole; this makes it possible to also consider the fact that there could be a loss of value even when there are no impairment indicators (or impairment loss) at the level of the individual registration right.

The gains and losses deriving from the disposal of players' registration rights are recorded on the basis of the date of execution approved on the contracts by the Lega Nazionale Professionisti, for national transfers, and on the date of the “transfer” issued by the Italian Soccer Federation – F.I.G.C., for international transfers.

Gains and losses deriving from the disposal of players' registration rights are adjusted for accounting in the income statement of the effect due to the lower amortization of the registration rights recorded at the time-discounted cost compared to what was recorded under Italian GAAP.

The gains deriving from the disposal of players' registration rights, 50% of which was re-acquired at the same time, are adjusted for 50% of their sum so as to reflect in the income statement the revenues matured for the share of the registration right actually transferred through sale. The remaining part of the gain may, instead, be realized only at the time of the termination of the player sharing agreement, when the player leaves the company definitively. In the event that the disposal of registration rights that precedes the stipulation of the player-sharing contract generates a loss, the value of the latter is not, in contrast, subject to any adjustment for IFRS purposes. This stems from the fact that this loss is assimilated to the effect of the impairment test of the registration rights, under the assumption that the moment of disposal of the right is when this loss is incurred.

The income and expenses deriving from the termination of player-sharing agreements ex art. 102 bis of N.O.I.F. are recorded on the basis of the date of execution authorized on contracts by the Lega Nazionale Professionisti. Those deriving from the termination of sharing agreements are adjusted for the accounting in the income statement of the effect due to the lower amortization of the registration rights regarding the disposal of the player-sharing rights compared to what was recorded under Italian GAAP.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses. Revaluations are not permitted, even if allowed by specific laws.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with a contra-entry to a specific provision account.

Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement over the number of years necessary to match the costs to be compensated.

Financial expenses associated with investments are generally charged on the accrual basis to the income statement.

Assets acquired under finance leases are recognized in property, plant and equipment with a contra-entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is a reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if it is shorter than the useful life of the asset.

If an asset has significant components with different useful lives, these components are recorded separately.

The costs incurred subsequent to purchase are capitalized only if they increase the future economic benefits inherent to the assets to which such costs refer. All other costs are recognized in the income statement when incurred.

Assets are depreciated systematically using the straight-line method over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is immediately recognized in the income statement.

Depreciation is calculated when the assets are ready for use on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	from 10 to 40 years
Plant and machinery	from 5 to 20 years
Industrial equipment	from 5 to 20 years
Other assets	from 3 to 25 years

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Other non-current financial assets

Investments in which the Group exercises a significant influence are accounted for by the equity method. Significant influence is assumed if the Group holds more than 20% of the voting rights or in relation to the decisional power exercised.

Other investments available-for-sale are measured at fair value which coincides, for listed investments, at the market price on last day of the reporting period. Unrealized gains and losses are recognized directly in equity, net of the relevant tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Securities available-for-sale represented by debt securities, are recognized at cost and subsequently measured at fair value. The difference is recognized in equity. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses, when the reasons which gave rise to them no longer exist, are reversed in the income statement but only up to the initial amount.

Securities, security deposits and other financial assets held to maturity are recognized and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured initially net of the repayment of principal, adjusted down on the basis of the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is the rate that exactly discounts future payments or collections over the expected life of the financial instrument or, if appropriate, over a shorter period at the net carrying amount of the financial asset.

Other current financial assets

Financial assets held for trading, being acquired for resale in the short term, are measured at fair value through the income statement.

This category includes short-term credit instruments and other forms of investment of liquidity, some unconsolidated investments, as well as derivative instruments.

Inventories

Inventories are stated at the lower of purchase or manufacturing cost and estimated realizable value. Cost is determined by the weighted average cost method or FIFO (First-in - First-out).
Inventories of finished and semifinished goods include the direct costs of materials and labor and indirect costs, excluding general administration expenses. The market value of the inventories takes into account provisions for obsolete inventories.

Assets held for sale

Assets, or a group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year, are classified as held for sale on a specific line in the balance sheet and, if they represent significant sectors of activities, the relative results are shown separately in the income statement.
The disclosure relating to the results of such assets, for prior periods presented in the financial statements, is shown separately.
Such assets are stated at the lower of the carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement. The impairment loss should eventually be reversed if the reasons for the impairment no longer apply, but only up to the initial amount. From the time the asset is recognized as

an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer apply, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in profit and loss.

Non-financial receivables and payables

Receivables are initially recognized at fair value, represented by the present value of the amount that will be collected. Subsequently, they are measured at amortized costs using the effective interest method.

A provision for impairment of trade receivables is established when there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates. The amount of the provision is the difference between the asset's carrying amount and the present value of recoverable estimated future cash flows, discounted at the effective interest rate.

Payables are measured at their nominal amount, increased by the interest expense due, if any. Payables are subsequently measured at amortized cost.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Derivative financial instruments

Derivative financial instruments are only used for hedging purposes in order to reduce interest rate and/or currency risks and market price risks.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship and the hedge, verified periodically, is highly effective.

All derivative financial instruments are measured at fair value at the end of the period.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

– Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect profit and loss, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement.

– Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the profit and loss account at the same time in which the hedged transaction affects profit and loss. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure (inasmuch as the Group's policy does not permit speculative transactions) are classified and measured as trading transactions. In that case, the difference with fair value is recognized in the income statement.

Employee benefits – Pension plans

The companies of the Group offer their employees various forms of pension plans with specific characteristics that vary according to the law, the regulations and the practices in the countries in which they operate.

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the Group pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.

Consequently, the Group companies record the contribution paid as an expense and do not recognize any liability.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Group companies have the obligation to set aside the costs relating to the benefits guaranteed to their employees in service and to retired employees. The actuarial risk and the investment risk are thus substantially borne by the companies of the Group.

Defined benefit plans, which include employee severance indemnities established by Italian laws, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid. The specific assumptions of each plan take into account the local economic conditions.

Defined benefit plans are in some cases covered by financial assets managed outside the Group companies. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities, in the reverse case, an asset is recognized.

Beginning January 1, 2007, the Finance Bill in Italy and the relative decrees implementing it introduced changes regarding employee severance indemnities which include allowing the employee to choose the destination of his/her indemnity that is accruing. In particular, the employee could choose to direct the new flows of the indemnity to pre-chosen pension schemes or to keep them with the company. At the present time, the uncertainty over the interpretation of the recently enacted law, the various possible interpretations of the qualification under IAS 19 of the indemnity being accrued and the resulting changes in the actuarial calculations of the indemnity already accrued, as well as the impossibility of estimating what destinations will be chosen by the employee (the individual employees have until June 30, 2007 to make their decisions) would render it premature to offer any assumptions, by the companies operating in Italy, on the actuarial change in the calculation of the indemnity accrued at December 31, 2006.

Employee benefits – Stock option plans

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options on the grant date is expensed in personnel costs on a straight-line basis over the period from the grant date to the vesting date and recognized directly in equity. Changes in fair value after the grant date have no effect on the initial measurement.
The cost is recalculated each year in relation to the number of options not yet exercised.

In accordance with IFRS 2, the Group has applied this standard to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

In the event the plans require a monetary payment equal to the increase in the value of the enterprise, the fair value of the liability of the plan is re-measured at each reporting date until its extinction.
The cost is recognized in the income statement in “Other nonrecurring expenses” with a contra-entry to “Other payables to related parties”.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.
Changes in estimates are recorded in the income statement in the period in which the change is made.
The accruals mainly refer to environmental or legal risks and accruals for restructuring operations.

Accruals for environmental or legal risks

In general, environmental and legal risks are evaluated case by case. The accrual, if any, is booked on the basis of the best information available, on condition that this information makes it possible to determine a probable loss that is estimated in a sufficiently reliable manner.

Accruals for restructuring operations

An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or the details of the restructuring plan have been made public.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction of equity and, therefore, the reserve as the contra-entry of treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

Current income taxes are calculated according to the tax laws in force in the countries in which the companies of the Group operate.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities recorded in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will be reversed. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and taxes payable in a specific caption under non-current assets or liabilities.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Sales and purchases of receivables

Receivables sold with recourse remain in the balance sheet of the assignor which records a payable to the buyer against collection and financial expenses to be borne. Receivables sold without recourse are only derecognized if it can be demonstrated that the risks and rewards relating to the asset have been substantially transferred to the assignee.

Consequently, all receivables sold which do not meet IAS 39 derecognition requirements are recognized as such in the Group financial statements even though they have been legally sold. A corresponding financial liability is recorded in the consolidated balance sheet in debt. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group balance sheet.

Revenues

Revenues are stated net of discounts, allowances and rebates and are formed by sales of merchandise, goods and services as part of the Group's principal activities. Revenues from sales of goods and merchandise are recognized when the risks and rewards of ownership of the goods are transferred to the customer.
Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

Financial income is recognized according to the accrual principle on the basis of the effective rate of return.

Dividends from investments accounted for at cost are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Other nonrecurring income (expenses)

Other nonrecurring income (expenses) include the gains and/or the losses on the disposal of non-current assets other than discontinued operations or assets held for sale (the results of the latter are included in “Profit (loss) from discontinued operations or assets held for sale”). They also include impairment losses of assets, restructuring costs, accruals and utilizations of non-current provisions for liabilities.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of shares outstanding during the period, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit attributable to the equity holders of the company is also adjusted to take into account the effects, net of taxes, of the conversion.

Segment information

Given the nature of the activities of IFI S.p.A. and the subsidiary IFIL S.p.A., IFI presents segment information which coincides with the consolidated data of each subsidiary and associate holding company, each of which represents an investment in a primary reporting segment.

7. Use of estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and the key assumptions concerning the future that management has made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverability of non-current assets
Non-current assets include property, plant and equipment, investment property, intangible assets (including goodwill), investments and other financial assets. Management reviews periodically the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. Management performs this review using estimates of future cash flows from the use or disposal of the asset and suitable discount rates in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the Group records an impairment charge for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to its most recent corporate plans.

Pension and other post-retirement benefits
Group companies sponsor pension and other post retirement benefits in various countries. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group's actuarial consultants also use subjective factors such as resignations and mortality rates in making relevant estimates.

Contingent liabilities
The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed in the notes.

8. Adoption of new accounting standards and interpretations issued by the IASB

Standards and interpretations in effect since January 1, 2006

In 2006, the IFI Group adopted all the new and revised standards and the interpretations released by the IASB and IFRIC which had an effect on the transactions carried out or relevant to the financial statements for the years beginning on or after January 1, 2006.

In April 2005, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement, to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as the hedged item in a cash flow hedge in financial statements – provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect the consolidated financial statements. The amendment also specifies that if the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognized directly in equity in accordance with the hedge accounting rules in IAS 39 must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects consolidated income statement.

In June 2005, the IASB issued another amendment to IAS 39 – Financial Instruments: Recognition and Measurement, to restrict the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement (the fair value option). The revisions limit the use of the option to those financial instruments that meet certain conditions. Those conditions are that:

- the fair value option designation eliminates or significantly reduces an accounting mismatch;
- a group of financial assets, financial liabilities, or both is managed and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; and
- an instrument contains an embedded derivative that meets particular conditions.

The adoption of these standards and interpretations had no material impact on the financial statements for the year ended December 31, 2006.

Standards and interpretations not yet in effect
In August 2005, the IASB issued IFRS 7 – Financial Instruments: Disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements: Capital Disclosures, effective beginning January 1, 2007.
IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.
The amendment to IAS 1 introduces requirements for disclosures about an entity's capital.
The IFI Group has decided not to elect the early adoption of IFRS 7 and the amendment to IAS 1.
On November 30, 2006, the IASB issued IFRS 8 – Operating Segments that will become effective beginning from January 1, 2009 and which will replace IAS 14 – Segment Reporting.

In 2006, the following interpretations were also issued:

- IFRIC 9 – Reassessment of Embedded Derivatives (effective from January 1, 2007)
- IFRIC 10 – Interim Financial Reporting and Impairment (effective from January 1, 2007)
- IFRIC 11 – IFRS 2: Group and Treasury Share Transactions (effective from January 1, 2008)

The Group believes that the adoption of these interpretations will not have a material effect on the financial statements.

The following interpretations were issued in 2006 but are not applicable to the IFI Group:

- IFRIC 8 – Scope of IFRS 2 (effective from January 1, 2007)
- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyper-inflationary Economies (effective from January 1, 2007)
- IFRIC 12 – Service Concession Arrangements (effective from January 1, 2008).

9. Risk management

IFI S.p.A.
In view of its business as an investment company, IFI S.p.A. is not subject to specific credit risks. Moreover, it is not subject to direct currency risks since it does not hold significant equity investments denominated in currencies other than the Euro.

Financing requirements and cash flows are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFI S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.
IFI S.p.A. assesses and manages its exposure to changes in interest rate risks consistently with its management policy and utilizes derivative financial instruments to fix some of the financing obtained with a predetermined interest rate. Derivative financial instruments are not used for speculative purposes.

In particular, during 2006, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on existing loans.

IFIL Holdings System
In view of its business as an investment company, IFIL S.p.A. is not subject to specific credit risks. Moreover, it is not subject to direct currency risks since it does not hold significant equity investments denominated in currencies other than the Euro.

The consolidated net financial position of the “Holdings System” (see also “IFIL Group – Review of the condensed consolidated results” in the Directors' Report on Operations) is currently a net cash position and, therefore this also renders the liquidity risk insignificant. In any case, the financing requirements and the cash flows of the companies in the “Holdings System” are coordinated so that the financial resources are managed effectively and efficiently. Outgoing flows of current operations are substantially financed by incoming flows from normal business and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFIL S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

IFIL S.p.A. assesses and manages its exposure to changes in interest rate risks consistently with its management policy and utilizes derivative financial instruments to fix some of the financing obtained with a predetermined interest rate. Derivative financial instruments are not used for speculative purposes.

In particular, during 2006, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some existing loans and on bonds issued.

Sequana Capital Group
The sales of net options are prohibited. The Sequana Capital Group's policies do not allow it to operate on financial markets for speculative purposes and provide for the use of derivative financial instruments only in the event of exposure to certain or highly probable risks.
The Sequana Capital Group uses derivative financial instruments to hedge exposure to interest rate fluctuations as its loans, for the most part, are obtained at 1-, 2- or 3-month floating rates.
The operating companies of the group use derivative instruments to hedge interest rates under the coordination of the general management of the group for a part or the whole of its net debt.

At December 31, 2006, Arjowiggins has a portfolio of swap contracts for € 100 million and collar contracts for € 70 million. These derivatives are recognized at fair value through the income statement.
At December 31, 2006, Antalis has a portfolio of swaps for fixed rates against the 1-month Euribor for € 225 million. These derivatives are classified as hedging derivatives and their fair value is recognized in equity.

The Sequana Capital Group uses certain derivative instruments to hedge exchange rate risk.
Sequana Capital put into place currency options to guarantee the exchange rate of the Legg Mason shares listed in U.S. dollars on the New York stock exchange.
On cash resources in Euros held by the British holding companies, a reverse position was taken by selling Euros against the British pound for an amount that varies in relation to the changes in the positions for purposes of canceling the economic effect of the change in the Euro/British pound exchange rate.
As for the operating companies, derivative instruments were put into place for future flows in currencies other than the Euro.

Arjowiggins has hedging contracts in place for energy prices which are recognized at fair through the income statement.

Alpitour Group

The Alpitour Group's policies exclude the possibility of using derivative financial instruments for speculative purposes.
The Group uses derivatives to hedge currency risk (mainly with forward purchases in U.S. dollars to hedge payments of tourism services) and interest rate risk (with interest rate swaps).

Moreover, the aviation division is subject to the risk of fluctuations in fuel prices that are largely associated with the international political equilibrium and other exogenous factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the risk exposure is hedged by commodity swaps and zero cost collars.

10. Change in the scope of consolidation

Changes in the scope of consolidation during 2006 at the various levels of consolidation are described below.

IFIL Holdings System

In 2006, the subsidiary Sadco S.A. was accounted for by the equity method since it was put into a wind-up at the end of 2005.

Sequana Capital Group

In August 2006, Antalis purchased the company Dekker Packaging BV and in December 2006 Antonin Rodet purchased the company Dufouleur Père et Fils.
Information on the acquisition of Dekker Packaging is presented below.

€ in millions	Dekker Packaging
Acquisition date	8/11/2006
Acquisition percentage	100%
Country	The Netherlands
Closing date of financial statements	December 31
Amounts expressed in local currency	Euro
Acquisition information (referring to a 12-month period):	
Sales	24
Total assets	8
Acquisition analysis:	
Acquisition price (a)	11
Nature of acquisition price	Cash
Non-current assets	1
Working capital requirements	2
Net other liabilities	(1)
Net assets acquired (b)	2
Net goodwill (a-b)	**9**

Alpitour Group

Alpitour, through its subsidiary Alpitour World Hotels & Resorts S.p.A., purchased a 100% stake in the capital of Netrade S.p.A., a company with headquarters in Rome which operates in the hotel management sector.

Alpitour also sold the entire holding in Jumbo Grandi Eventi S.r.l. (70% of capital stock), in Renthotel Tunisie S.A. (100% of capital stock), previously consolidated line-by-line, and in Blumarin Hotels S.A. de C.V., owner of the "El Mandarin" hotel resort in Mexico.

The effects of these transactions are described below.

€ in millions	Netrade S.p.A.
Acquisition date	9/26/2006
Acquisition percentage	100%
Country	Italy
Closing date of financial statements	October 31
Acquisition information (a):	
Sales	-
Profit	-
Total assets	3
Acquisition analysis:	
Purchase price	4
Nature of purchase price	Cash
Accounting equity (excluding profit)	-
Higher amount attributed to hotel	4

(a) Data refers to the financial statements at October 31, 2006.

€ in millions	Blumarine Hotels S.A. de C.V.	Jumbo Grandi Eventi S.r.l.	Renthotel Tunisie S.A.
Sale date	12/13/2005	9/11/2006	10/31/2006
Sale percentage	99.998%	70.00%	99.97%
Country	Mexico	Italy	Tunisia
Sale information (a):			
Sales	7	12	5
Profit (loss)	1	n.s.	(2)
Total assets	16	55	12
Sale analysis:			
Sale price	38	5	n.s.
Nature of sales price	Cash	Cash	Cash
Gain (loss)	14	2	(2)

(a) Data refers to the financial statements at October 31, 2005.

The effect on the income statement is recorded in "Gains (losses) on sales of investments".

The analysis of the most important flows presented in the statement of cash flows relating to acquisitions and sales is the following:

€ in millions	**2006**	2005
(Gains) losses on sales		
Sale of Legg Mason securities	(38)	
Sale of investment in Exor Group	(7)	
Sale of Permal Group		(504)
Sale of investment in La Rinascente		(460)
Sale of "El Mandarin" resort	(14)	
Other	6	(10)
(Gains) losses on sales	**(53)**	(974)
Sales of non-current financial assets		
Sale of Legg Mason securities	184	
Sale of investment in Exor Group	207	
Sale of "El Mandarin" resort	38	
Reimbursement of capital received from SGS	23	
Sale of investment in La Rinascente		904
Other	11	14
Sales of non-current financial assets	**463**	918
Change in the scope of consolidation		
Purchase of Dekker Packaging BV (Antalis)	(11)	
Purchase of Dufouleur Père et Fils (Antonin Rodet)	(6)	
Purchase of Netrade (Alpitour Group)	(3)	
Sale price of Permal Group in cash		436
Sale price of Ifabanque		7
Sales transaction costs, paid		(25)
Sale price of Pechel Industries		17
Purchase of Antaréa S.p.A. and First Graphic		(18)
Sale price of Canson received in advance	20	
Deconsolidation of net liquidity of Canson	(12)	
Other	(5)	3
Change in the scope of consolidation	**(17)**	420
Effect of assets held for sale		
Permal Group Ltd, net effect of deconsolidation		(54)
Effect of assets held for sale	**0**	(54)

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED BALANCE SHEET

11. Goodwill

The composition of goodwill by business segment is as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Portion of goodwill on the 2000 takeover bid allocated to Arjowiggins	**467**	497	(30)
Other companies	**3**	3	0
Arjowiggins Group	**470**	500	(30)
Portion of goodwill on the 2000 takeover bid allocated to Antalis	**155**	155	0
Inversiones GMS	**30**	35	(5)
Promotional Products	**15**	23	(8)
Antalis Gmbh	**15**	23	(8)
Brangs & Heinrich	**22**	22	0
Dekker Packaging BV	**9**		9
Other companies	**17**	29	(12)
Antalis Group	**263**	287	(24)
Other Sequana Capital Group	**2**		2
Jumboturismo S.A.	**11**	11	0
Altamarea V&H Compagnia Alberghiera S.p.A.	**8**	8	0
Viaggidea S.p.A.	**6**	6	0
Other Alpitour Group companies	**0**	2	(2)
Alpitour Group	**25**	27	(2)
Net goodwill	**760**	814	(54)

The analysis of the changes in goodwill is as follows:

€ in millions	**12/31/2006**	12/31/2005
GROSS AMOUNT		
Opening balance	**1,009**	1,040
Changes during the year		
Changes due to business combinations	**11**	(35)
Decreases		(19)
Reclassification to “Assets held for sale”	**(30)**	
Exchange differences	**(6)**	9
Other changes	**(20)**	14
Changes in gross amount	**(45)**	(31)
Closing balance	**964**	1,009
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	**(195)**	(248)
Changes during the year		
Exchange differences	**1**	(1)
Impairment losses recognized in the income statement (a)	**(28)**	
Use of accumulated impairment losses due to sale (income statement) (a)		68
Other changes	**18**	(14)
Changes in accumulated impairment losses	**(9)**	53
Closing balance	**(204)**	(195)
NET AMOUNT		
Opening balance	**814**	792
Changes during the year		
Changes due to business combinations	**11**	(35)
Decreases	**0**	(19)
Reclassification to “Assets held for sale”	**(30)**	
Exchange differences	**(5)**	8
Impairment losses recognized in the income statement (a)	**(28)**	
Use of accumulated impairment losses due to sale (income statement) (a)	**0**	68
Other changes	**(2)**	
Changes in net amount	**(54)**	22
Closing balance	**760**	814

(a) Recorded under “Other nonrecurring income (expenses)” in the income statement.

In August 2006, the Sequana Capital Group purchased the company Dekker Packaging NV and recognized goodwill of € 9 million on the acquisition; at the end of 2006, the company Dufouleur Père et Fils was purchased and goodwill of € 2 million was recognized on the acquisition. The financial statements used for the acquisitions are in the process of being valued so the final amount of goodwill will be decided in 2007.

At the end of 2006, the impairment tests of the Antalis Group indicated an impairment loss of € 28 million which was recognized in the income statement. Following the classification of the activities of Canson Grand Public to “Assets held for sale”, an amount of € 30 million of the goodwill on Arjowiggins allocated to those activities was reclassified to the same line of the balance sheet.

Impairment test on the goodwill of the Sequana Capital Group

The value of the company is the reference used for the valuation of the goodwill of the Group. It is calculated using a multi-criteria approach which includes multiples of the current operating earnings, future net cash flows and comparable transactions. This calculation, moreover, is confirmed by an external assessment.

The value of the company as determined above less net financial debt constitutes the fair value to be used to compare the carrying amount of the cash-generating units (CGU) to which the goodwill is allocated. When this comparison produces an impairment loss, it is recognized as a deduction from goodwill.

The principal assumptions used in the calculation of the impairment test are as follows:

		Arjowiggins	**Antalis**
Growth rate after the explicit period of cash flows	2006	1.49%	0.12%
	2005	0.21%	0.38%
Pretax discount rate	2006	8.30%	7.70%
	2005	8.00%	8.70%

In 2006, the impairment tests indicated an impairment of certain assets for € 28 million, recognized in the income statement and attributable to:

€ in millions	
Promotional Products Gmbh	12
Antalis Gmbh	8
Singe Turquie	6
Other minor companies	2
Total	**28**

With the exception of the goodwill relating to Promotional Products Gmbh, which was completely written off, the sensibility of the impairment tests at a +/- 0.5% variation is equal to +/- € 1 million.

12. Other intangible assets

The changes in other intangible assets are as follows:

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	Total
GROSS AMOUNT – Opening balance at December 31, 2005	**191**	**386**	**46**	**11**	**634**
Changes during the year					
Increases	23	12	4	40	**79**
Increases due to business combinations	1				**1**
Decreases	(23)	(170)	(1)		**(194)**
Exchange differences	(1)				**(1)**
Reclassification to "Assets held for sale"			(1)		**(1)**
Other changes and reclassifications	10		(1)	(7)	**2**
Total changes during the year	10	(158)	1	33	**(114)**
Closing balance at December 31, 2006	**201**	**228**	**47**	**44**	**520**
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2005	**(119)**	**(240)**	**(32)**	**0**	**(391)**
Changes during the year					
Decreases	14	109			**123**
Impairments (a)	(8)				**(8)**
Amortization	(17)	(38)	(3)		**(58)**
Exchange differences					**0**
Other changes and reclassifications	(2)		4		**2**
Total changes during the year	(13)	71	1	0	**59**
Closing balance at December 31, 2006	**(132)**	**(169)**	**(31)**	**0**	**(332)**
NET AMOUNT – Opening balance at December 31, 2005	**72**	**146**	**14**	**11**	**243**
Changes during the year					
Increases	23	12	4	40	**79**
Increases due to business combinations	1	0	0	0	**1**
Decreases	(9)	(61)	(1)	0	**(71)**
Impairments (a)	(8)	0	0	0	**(8)**
Amortization	(17)	(38)	(3)	0	**(58)**
Exchange differences	(1)	0	0	0	**(1)**
Reclassification to "Assets held for sale"	0	0	(1)	0	**(1)**
Other changes and reclassifications	8	0	3	(7)	**4**
Total changes during the year	(3)	(87)	2	33	**(55)**
Closing balance at December 31, 2006	**69**	**59**	**16**	**44**	**188**

(a) Recorded under "Other nonrecurring income (expenses)" in the income statement.

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	Total
GROSS AMOUNT – Opening balance at December 31, 2004	**174**	**397**	**31**	**10**	**612**
Changes during the year					
Increases	15	46	3	9	**73**
Increases due to business combinations	2				**2**
Decreases	(6)	(57)			**(63)**
Exchange differences			8		**8**
Other changes	6		4	(8)	**2**
Total changes during the year	17	(11)	15	1	**22**
Closing balance at December 31, 2005	**191**	**386**	**46**	**11**	**634**
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2004	**(109)**	**(229)**	**(17)**	**0**	**(355)**
Changes during the year					
Increases due to business combinations	(1)				**(1)**
Decreases	4	44			**48**
Amortization	(17)	(55)	(4)		**(76)**
Exchange differences			(8)		**(8)**
Other changes	4		(3)		**1**
Total changes during the year	(10)	(11)	(15)	0	**(36)**
Closing balance at December 31, 2005	**(119)**	**(240)**	**(32)**	**0**	**(391)**
NET AMOUNT – Opening balance at December 31, 2004	**65**	**168**	**14**	**10**	**257**
Changes during the year					
Increases	15	46	3	9	**73**
Increases due to business combinations	1				**1**
Decreases	(2)	(13)			**(15)**
Amortization	(17)	(55)	(4)		**(76)**
Other changes	10		1	(8)	**3**
Total changes during the year	7	(22)	0	1	**(14)**
Closing balance at December 31, 2005	**72**	**146**	**14**	**11**	**243**

Commitments for the purchase of intangible assets by the IFI Group amount to € 1 million (€ 1 million at December 31, 2005).

Research and development expenditures charged to income in 2006 amount € 17 million (€ 17 million in 2005).

Intangible assets completely amortized but still in use amount to € 33 million and refer to concessions, licenses and trademarks of the Alpitour Group for € 16 million, players' registration rights for € 10 million and other intangible assets for € 7 million.

In 2006, the line “Increases” includes internally-developed assets for € 6 million (€ 9 million in 2005).

13. Property, plant and equipment

The changes in property, plant and equipment are as follows:

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	Total
GROSS AMOUNT								
Opening balance at December 31, 2005	**55**	**539**	**21**	**1,960**	**209**	**48**	**1**	**2,833**
Changes during the year								
Additions	4	10	1	27	25	54	2	**123**
Decreases	(22)	(80)		(93)	(10)			**(205)**
Reclassification to “Assets held for sale”				(10)	(3)		(2)	**(15)**
Acquisitions through business combinations	2	2		1	3			**8**
Exchange differences	(1)	(10)	(1)	(47)	(5)	(1)		**(65)**
Other changes and reclassifications	19	(1)	1	26	(3)	(44)	(1)	**(3)**
Total change during the year	2	(79)	1	(96)	7	9	(1)	(157)
Closing balance at December 31, 2006	**57**	**460**	**22**	**1,864**	**216**	**57**	**0**	**2,676**
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2005	**(3)**	**(241)**	**(8)**	**(1,506)**	**(136)**	**0**	**0**	**(1,894)**
Changes during the year								
Decreases	11	30		78	8			**127**
Reclassification to “Assets held for sale”					(2)			**(2)**
Acquisitions through business combinations					(1)			**(1)**
Impairments (a)		(1)		(25)				**(26)**
Reversals of impairments				9	1			**10**
Depreciation		(18)	(2)	(61)	(17)			**(98)**
Exchange differences		4		41	3			**48**
Other changes and reclassifications	(9)	13	1	(3)	3			**5**
Total change during the year	2	28	(1)	39	(5)	0	0	63
Closing balance at December 31, 2006	**(1)**	**(213)**	**(9)**	**(1,467)**	**(141)**	**0**	**0**	**(1,831)**
NET AMOUNT								
Opening balance at December 31, 2005	**52**	**298**	**13**	**454**	**73**	**48**	**1**	**939**
Changes during the year								
Additions	4	10	1	27	25	54	2	**123**
Decreases	(11)	(50)	0	(15)	(2)	0	0	**(78)**
Reclassification to “Assets held for sale”	0	0	0	(10)	(5)	0	(2)	**(17)**
Acquisitions through business combinations	2	2	0	1	2	0	0	**7**
Impairments (a)	0	(1)	0	(25)	0	0	0	**(26)**
Reversals of impairments	0	0	0	9	1	0	0	**10**
Depreciation	0	(18)	(2)	(61)	(17)	0	0	**(98)**
Exchange differences	(1)	(6)	(1)	(6)	(2)	(1)	0	**(17)**
Other changes and reclassifications	10	12	2	23	0	(44)	(1)	**2**
Total change during the year	4	(51)	0	(57)	2	9	(1)	(94)
Closing balance at December 31, 2006	**56**	**247**	**13**	**397**	**75**	**57**	**0**	**845**

(a) Recorded under “Other nonrecurring income (expenses)” in the income statement.

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	Total
GROSS AMOUNT								
Opening balance at December 31, 2004	**67**	**619**	**21**	**1,870**	**199**	**32**	**0**	**2,808**
Changes during the year								
Additions		8	1	31	17	46	1	**104**
Decreases	(8)	(67)	(1)	(59)	(19)	(2)		**(156)**
Reclassification to “Assets held for sale”	(8)	(36)		28	11	(28)		**(33)**
Acquisitions through business combinations	2	(1)		3	(3)			**1**
Exchange differences	2	16		87	4			**109**
Total change during the year	(12)	(80)	0	90	10	16	1	**25**
Closing balance at December 31, 2005	**55**	**539**	**21**	**1,960**	**209**	**48**	**1**	**2,833**
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2004	**(3)**	**(269)**	**(7)**	**(1,258)**	**(136)**	**0**	**0**	**(1,673)**
Changes during the year								
Decreases		41	1	50	17			**109**
Reclassification to “Assets held for sale”		16		(6)	(2)			**8**
Acquisitions through business combinations		(2)		(2)	2			**(2)**
Impairments (a)				(144)	(2)			**(146)**
Depreciation		(21)	(2)	(80)	(15)			**(118)**
Exchange differences		(6)		(66)				**(72)**
Total change during the year	0	28	(1)	(248)	0	0	0	**(221)**
Closing balance at December 31, 2005	**(3)**	**(241)**	**(8)**	**(1,506)**	**(136)**	**0**	**0**	**(1,894)**
NET AMOUNT								
Opening balance at December 31, 2004	**64**	**350**	**14**	**612**	**63**	**32**	**0**	**1,135**
Changes during the year								
Additions		8	1	31	17	46	1	**104**
Decreases	(8)	(26)		(9)	(2)	(2)		**(47)**
Transfer to assets held for sale	(8)	(20)		22	9	(28)		**(25)**
Acquisitions through business combinations	2	(3)		1	(1)			**(1)**
Impairments (a)				(144)	(2)			**(146)**
Depreciation		(21)	(2)	(80)	(15)			**(118)**
Exchange differences	2	10		21	4			**37**
Total change during the year	(12)	(52)	(1)	(158)	10	16	1	**(196)**
Closing balance at December 31, 2005	**52**	**298**	**13**	**454**	**73**	**48**	**1**	**939**

(a) Recorded under “Other nonrecurring income (expenses)” in the income statement.

The line “Reclassification to Assets held for sale” includes non-current assets of the Sequana Capital Group for € 17 million transferred to assets held for sale.

In 2006 and 2005, no borrowing costs were capitalized.

Commitments for the acquisition of property, plant and equipment amount to € 5 million at December 31, 2006 (€ 11 million at December 31, 2005).

At December 31, 2006, the gross carrying amount of property, plant and equipment completely depreciated but still in use amounts to € 7 million.

Impairment test on the property, plant and equipment of the Sequana Capital Group

In 2006, the measurement of property, plant and equipment resulted in an impairment loss of € 24 million for Arjowiggins as a result of the comparison of the recoverable amount of the assets of Arjowiggins and the net carrying amount.

Such measurements were carried out on the basis of the impairment tests performed at the level of cash-generating units which represent the level at which the operating subsidiaries of the group manage their production systems. The recoverable amount of the cash-generating units is determined on the basis of the value in use, that is, by projecting the discounted cash flows, for five years, taken from the budgets approved by management. Beyond that period, the cash flows are extrapolated starting from the growth rates by activity.
The discount rates used in 2006 are 7.8% for European Union countries and 9.3% for North America.

Finance lease contracts on property, plant and equipment

The carrying amount of property, plant and equipment includes € 41 million (€ 11 million at December 31, 2005) relating to assets acquired under finance leases, mainly referring to the Sequana Capital Group, Juventus Football Club and the Alpitour Group.

These particularly refer to:

- the Juventus Football Club training center at Vinovo, for a total amount of € 22 million;
- some finance lease contracts referring to two buildings located in Milan and Padua carried by Welcome Travel Group, a subsidiary of the Alpitour Group.

Leasing information is as follows:

€ in millions	Land and buildings	Plant and machinery	**Total**
YEAR 2006			
Lease debt information			
Nominal amount of lease debt at inception	31	18	**49**
At the reporting date			
Residual amount of fixed-rate lease debt	5	11	**16**
Residual amount of floating-rate lease debt	19	6	**25**
Total amount of residual debt	24	17	**41**
Residual lease debt due at the reporting date			
Within 1 year	2	1	**3**
Between 2 and 5 years	3	6	**9**
Beyond 5 years	18	11	**29**
	23	18	**41**
Present value of lease debt	22	12	**34**

14. Investments accounted for by the equity method

Details are as follows:

	December 31, 2006		December 31, 2005		
€ in millions	**% of investment**	**Carrying Amount**	% of investment	Carrying Amount	Change
FIAT S.p.A.	**28.60**	**2,611**	28.28	2,336	275
SGS S.A.	**-**	**-**	24.33	623	(623)
Exor Group S.A.	**-**	**-**	29.30	199	(199)
Turismo&Immobiliare	**25.00**	**4**	25.00	4	0
Sundry Antalis Group associates		**3**	-	3	0
Sundry Alpitour Group associates		**1**			1
		2,619		3,165	(546)

On April 7, 2006, IFI sold the entire stake held in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group for a sales price of € 206 million (€ 60.5 per share) realizing a gain of € 7 million.

On December 18, 2006, as part of the Public Purchase and Exchange Offering launched by Sequana Capital, the 24.33% capital investment in SGS was partly sold to Ifil Investissements (a stake equal to 13.16%) and partly to the other stockholders of Sequana Capital.

The balance sheet and income statement effects of the intragroup transaction were eliminated at the IFIL consolidation level. However, since the conditions for accounting for the investment by the equity method are no longer valid (the stake held is now less than 20%), the remaining investment in SGS has been reclassified to other financial assets and measured at fair value.

The analysis of the changes during the year is as follows:

€ in millions	**2006**
Opening balance	**3,165**
Investments in Fiat stock	**63**
Sale of the stake of the investment in SGS to third parties	**(276)**
Sale of the investments in Exor Group	**(199)**
Reclassification of the investment in SGS to “Other financial assets”	**(350)**
Reimbursement of capital received from SGS	**(23)**
Share of profit (loss) – Note 37	**352**
Translation differences	**(152)**
Dividends distributed	**(37)**
Gains (losses) recognized directly in equity	**8**
Other movements	**68**
Total changes during the year	**(546)**
Closing balance	**2,619**

Highlights of the Fiat Group are presented below (see also Note 44).

	Fiat Group	
	2006	2005
Currency	**Euro**	Euro
Closing date	**12/31/2006**	12/31/2005
Total assets	**58,303**	62,454
Current and non-current liabilities	**48,267**	53,041
Revenues	**51,832**	46,544
Profit attributable to the equity holders of the company and the minority interest	**1,151**	1,420
Of which, the IFI Group's share	**289**	379
Net financial position	**(231)**	(2,550)
Fair value of shares held by the Group (based on stock market prices at December 29, 2006)	**5,172**	2,592

15. Financial assets

The composition of financial assets is as follows:

€ in millions	**2006**	2005	Change
Non-current financial assets	**2,673**	1,524	1,149
Current financial assets	**1,109**	1,173	(64)
Total financial assets	**3,782**	2,697	1,085

Details are as follows:

	Non-current financial assets				**Current financial assets**	
€ in millions	**12/31/2006**	% held	12/31/2005	% held	**12/31/2006**	12/31/2005
Investments available-for-sale						
Sanpaolo IMI S.p.A.	**1,640**	**4.96%**	1,229	4.97%	0	0
SGS S.A.	**870**	**13.16%**	0		**3**	0
Gruppo Banca Leonardo S.p.A.	**47**	**9.43%**	0		0	0
Other investments at fair value	**12**		14		0	0
Other investments						
Campi di Vinovo S.p,A.	**0**		18		0	0
Legg Mason	0		0		**0**	169
Total investments	**2,569**		1,261		**3**	169
Other financial investments						
Fox River deposits	**79**		97		**6**	3
DG IV deposit	**0**		92		**92**	
Other deposits and security deposits	**11**		11		**2**	6
Other minor investments	**0**		1		0	0
Ocean Club Méditerranée bonds	**5**		5		0	0
Fiat ordinary share warrants 2007	**0**		3		0	0
	95		209		**100**	9
Other financial investments at fair value						
Receivable from Legg Mason	**7**		48		**39**	0
Credit instruments	0		0		**954**	978
	7		48		**993**	978
Other financial assets and financial receivables	**2**		6		**13**	17
Total other financial assets	**104**		263		**1,106**	1,004
Total	**2,673**		1,524		**1,109**	1,173

The investment in Sanpaolo IMI is measured at fair value on the basis of the market price at December 29, 2006, equal to € 17.62 per share (€ 13.2 per share in 2005), with the unrealized gain recognized in equity.

The investment in SGS obtained through the exchange of Sequana Capital shares (see Note 4), recorded in non-current financial assets, is measured at fair value on the basis of the market price at December 29, 2006, equal to CHF 1.358 per share, (at the CHF/Euro exchange rate of 1.6069), with the unrealized gain recognized in equity.

The deposit in connection with the DG IV dispute was reclassified to current financial assets in that the Sequana Capital Group, with regard to this dispute, is waiting for the communication of the ruling handed down in the second half of 2006.

The SGS shares classified in current financial assets refer to the 4,051 shares sold by Sequana Capital to BNP Paribas as part of the equity swap contract. These shares were definitively sold by Sequana Capital on February 15, 2007.

Credit instruments included in current financial assets include temporary investments of cash resources made with leading credit institutions on the money market, in time deposits, in securities issued by the Italian government and in other short-term financial instruments held by the foreign subsidiaries of the IFIL Holdings System and Sequana Capital, which do not meet the conditions for classification as "Cash and cash equivalents".
They also include securities subscribed to by Alpitour for € 46 million as part of the transaction for the securitization of trade receivables carried out in 2006 (Note 17).

The analysis of changes during 2006 is as follows:

	Non-current financial assets		**Current financial assets**	
€ in millions	**12/31/2006**	12/31/2005	**12/31/2006**	12/31/2005
Opening balance	**1,524**	1,011	**1,173**	1,361
Increases	**64**	333	**100**	316
Decreases	**(32)**	(19)	**(285)**	(516)
Fair value recognized in equity	**920**	221	**(20)**	26
Fair value recognized through the income statement	**(1)**		**10**	
Reversal (accrual) for impairments	**1**	1		
Reclassification of the SGS investment from "Investments accounted for by the equity method"	**350**			
Reclassification to "Assets held for sale"	**(19)**			
Exchange differences	**(8)**	17		1
Change in the scope of consolidation	**(3)**	(43)		(14)
Other changes and reclassifications	**(123)**	3	**131**	(1)
Changes during the year	**1,149**	513	**(64)**	(188)
Closing balance	**2,673**	1,524	**1,109**	1,173

The fair value of current securities is calculated using the market prices at the balance sheet date, where available, or discounting future cash flows.

At December 31, 2006, the line "Fair value recognized in equity" includes the fair value adjustment of the investment in Sanpaolo IMI (€ 412 million) and in SGS S.A. (€ 508 million) recorded in non-current financial assets and, for current assets, the release to the income statement of the fair value recognized in prior years on the Legg Mason securities, sold during 2006.

In 2006, the line "Decreases" in current financial assets mainly refers to the sale of Legg Mason stock (1,664,963 shares received as payment on the sale of the 70.5% investment in Permal Group Ltd in November 2005) for € 146 million and the reduction of the credit instruments portfolio of Sequana Capital for € 128 million.

The line “Reclassifications to assets held for sale” refers to the investment in Campi di Vinovo S.p.A. held by Juventus Football Club.

The line “Change in the scope of consolidation”, in 2005, included the reclassification of the Permal Group to “Assets held for sale” for € 67 million.

Non-current other financial assets, excluding investments, by maturity are as follows:

€ in millions	**12/31/2006**	12/31/2005
From 1 to 5 years	**81**	205
Beyond 5 years	**23**	58
	104	263

16. Inventories

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Raw materials and other supplies	**111**	120	(9)
Work in progress	**45**	40	5
Semifinished and finished goods	**122**	106	16
Merchandise	**262**	288	(26)
Total inventories	**540**	554	(14)

At December 31, 2006, the inventories of the Sequana Capital Group are held as collateral for € 8 million (€ 5 million at December 31, 2005).

17. Other assets

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Other non-current assets			
Receivables for direct taxes	**1**	3	(2)
Receivables for disposals of intangible assets and property, plant and equipment	**24**	7	17
Other assets	**30**	23	7
Total other non-current assets	**55**	33	22
Other current assets			
Trade receivables			
Gross amount of trade receivables	**1,004**	1,102	(98)
Provision for impairment	**(68)**	(76)	8
Trade receivables from related parties	**2**	3	(1)
Trade receivables	**938**	1,029	(91)
Other receivables			
Receivables for direct taxes	**75**	94	(19)
Receivables for indirect taxes	**45**	14	31
Receivables for disposals of intangible assets and property, plant and equipment	**47**	36	11
Other receivables	**114**	173	(59)
Total other receivables	**281**	317	(36)
Total other current assets	**1,219**	1,346	(127)
Total other non-current and current assets	**1,274**	1,379	(105)

During the course of 2006, the Alpitour Group started a monthly securitization program of its trade receivables, the amount of which totals € 55 million at October 31, 2006. The securitization operation formalized by Alpitour S.p.A. with Banca Calyon in Milan provides for a revolving credit line which can be used on a monthly basis up to a net amount of € 55 million against the sale of the trade receivables. Furthermore, in accordance with the contract terms, in exchange for the monthly sale of receivables and the amount of utilization requested (monthly program), Alpitour is obliged to subscribe to short-term securities (30-day maturities) issued by a French-registered associate of the Calyon Group, the amount of which is determined on the basis of the quality of the receivables sold and the relative degree of concentration. At October 31, 2006, short-term securities were subscribed to for an amount of € 46 million against a monthly program of € 55 million; the net use of the securitization line at the year-end closing date is therefore equal to € 9 million against a credit line made available by Calyon for € 55 million.

The breakdown of other assets by maturity is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	**Total**
Other non-current assets		32	23	**55**
Trade receivables	938			**938**
Other receivables	218		63	**281**
Balances at December 31, 2006	**1,156**	**32**	**86**	**1,274**
Other non-current assets		28	5	**33**
Trade receivables	1,029			**1,029**
Other receivables	254	2	61	**317**
Balances at December 31, 2005	1,283	30	66	**1,379**

18. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the statement of cash flows and the the corresponding line in the balance sheet is as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Cash and cash equivalents	**362**	595	(233)
Bank overdrafts and bank borrowings	**(107)**	(123)	16
Cash and cash equivalents	**255**	472	(217)

19. Assets held for sale

The lines on the balance sheet relating to assets or groups of assets held for sale are detailed as follows:

€ in millions	**12/31/2006**	12/31/2005
Assets held for sale		
Non-current assets held for sale		
Property, plant and equipment	**10**	25
Investments	**19**	
Groups of assets held for sale		
Goodwill	**30**	
Other intangible assets	**1**	
Property, plant and equipment	**11**	
Other non-current assets	**1**	
Inventories	**12**	
Trade receivables	**25**	
Other current assets	**19**	
Total	**128**	25
Liabilities relating to assets held for sale		
Provisions for other liabilities and charges	**1**	
Bonds and other debt	**5**	
Trade payables	**23**	
Othe current liabilities	**3**	
Total	**32**	0

The groups of assets held for sale and the other property, plant and equipment relate to the Canson Grand Public activity of Arjowiggins, classified in “Assets held for sale” by Sequana Capital since it is expected to be sold, at the beginning of 2007, to the Hamelin Group, and some buildings and land owned by the Antalis Group, classified in “Assets held for sale” as part of the disposal program of a portfolio of properties in France, Spain, Italy, Germany, Switzerland and Finland.

The line “Investments” refers to Campi di Vinovo S.p.A., a company held by Juventus Football Club S.p.A. and classified here as a result of an agreement with Costruzioni Generali Gilardi S.p.A. which provided for the sale of the call option on the Campi di Vinovo shares to the same company.

Property, plant and equipment classified here in 2005 mainly consisted of the assets held by the “El Mandarin” hotel resort which was sold in 2006.

20. Equity attributable to the equity holders of the company

Capital stock

At December 31, 2006, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares and 76,801,460 preferred shares with a par value of € 1 each.

The ordinary capital stock of the company is entirely held by Giovanni Agnelli e C. S.a.p.az.. IFI preferred shares are listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:
  - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
  - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

Retained earnings and other reserves

€ in millions	Legal reserve	Reserve for translation differences	Reserve for stock-based compensation	Fair value reserve	Cash flow hedge reserve	Reserve for actuarial gains (losses)	Other reserves and retained earnings	Retained earnings and other reserves
Equity at January 1, 2005	**33**	**(26)**	**1**	**105**	**(2)**	**(39)**	**1,452**	**1,524**
Stock-based compensation			3					3
Effect of fair value change to investments and securities				157				157
Fair value change to cash flow hedge instruments					1			1
Actuarial gains (losses) recognized directly in equity						(47)		(47)
Translation differences		175						175
Other changes							(4)	(4)
Movements in equity accounts							120	120
Changes	0	175	3	157	1	(47)	116	405
Equity at December 31, 2005	**33**	**149**	**4**	**262**	**(1)**	**(86)**	**1,568**	**1,929**
Stock-based compensation			3					3
Effect of fair value change to investments and securities				594				594
Deferred taxes on fair value change to investments and securities				(28)				(28)
Transfer of fair value to income statement				(2)				(2)
Fair value change to cash flow hedge instruments					17			17
Actuarial gains (losses) recognized directly in equity						23		23
Translation differences		(86)						(86)
Other changes							(26)	(26)
Movements in equity accounts							676	676
Changes	0	(86)	3	564	17	23	650	1,171
Equity at December 31, 2006	**33**	**63**	**7**	**826**	**16**	**(63)**	**2,218**	**3,100**

Treasury stock

At December 31, 2006, IFI S.p.A. directly holds the following preferred shares of treasury stock:

€ in thousands	No. of shares	Carrying amount Per share (€)	 Total (€ in thousands)	% of class
IFI – preferred shares	5,360,300	13.15	70,477	6.98

During the year, there were no transactions involving preferred shares of treasury stock.

Dividends paid out

There were no dividends paid out from profits for the year ended December 31, 2005.

The board of directors' meeting put forward a motion to the ordinary stockholders' meeting called for the approval of the separate financial statements for the year ended December 31, 2006 to appropriate the entire profit to reserves.

21. Stock option plans

Stock option plans with underlying IFIL stock

At December 31, 2006, the stock option plans with underlying IFIL stock approved in the past by the board of directors of IFIL S.p.A. came to an end. Such plans can be described as follows:

- in May 2000, the IFIL S.p.A. board of directors approved a stock option plan for the directors and managers of IFIL S.p.A. and the parent, IFI S.p.A., for a maximum of 2,700,000 IFIL S.p.A. ordinary shares. A total of 2,691,500 options had been granted under this plan between 2000 and 2003, according to the level of responsibility held by the grantees in the corporate organization. Such options were exercisable up to December 31, 2006. The CEO and general manager, Virgilio Marrone, in 2006, subscribed to 85,800 shares at a price of € 4.52 per share and 54,400 shares at a price of € 6.109 per share under this plan; at the end of 2006, the remaining 39,000 option rights also expired;
- in September 2003, a stock option plan was approved solely for the directors, for a maximum of 700,000 IFIL S.p.A. ordinary shares. A total of 532,000 options had been granted under this plan in 2003 to the chairman Gianluigi Gabetti for the same number of ordinary shares exercisable by December 31, 2006 at the price of € 2.28 each.

The movements during the year were as follows:

	Number of grantees	Number of options Exercisable at start of 2006	 Expired in 2006	 Exercised in 2006	Exercise price (a)
IFIL 2000 Plan grants					
- 2000	15	522,000	522,000	-	6.997
- 2001	13	506,000	323,420	182,580	6.109
- 2002	13	810,250	142,050	668,200	4.52
		1,838,250	987,470	850,780	
IFIL 2003 Plan grants	1	532,000	-	532,000	2.28
		2,370,250	**987,470**	**1,382,780** (b)	

(a) Exercise price adjusted to take into account the cash capital stock increase in July 2003.

(b) Equal to 0.133% of current ordinary capital stock.

The market price of IFIL S.p.A. ordinary stock at December 29, 2006 was € 6.187.
With regard to these plans, there were no transactions entered into to favor the purchase of shares pursuant to art. 2358, paragraph 3, of the Italian Civil Code.

Stock option plan with underlying Alpitour stock
On December 15, 2005, in execution of the resolution passed by the board of directors' meeting held on November 11, 2005, the Executive Committee of IFIL S.p.A. approved a stock option plan for two managers of the Alpitour Group designed to promote their loyalty to the IFIL Group and provide an incentive to develop and appreciate the investments of the IFIL Group in the tourism sector.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock.
After approval on the part of IFIL S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares equal to 4% (now 1,418,000 shares) of Alpitour's capital, to other managers who hold important operating positions.

The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.24 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.
IFIL S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour S.p.A. shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in December 2005 valuation.

From an accounting standpoint, the plan is a "cash-settled stock-based payment transaction" subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every closing date up to its expiration.

At December 31, 2006, the fair value of each option right of the plan was estimated at € 1.6 for a total of € 6,239,200, of which € 3,119,600 was recognized in 2006 in the income statement in "Other nonrecurring income (expenses)". The liability was recorded in "Other non-current liabilities".

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

1. The exercise price of the options was assumed as the par value of one Alpitour S.p.A. ordinary share at the grant date, quantified on the basis of an estimate performed by an independent expert and equal to € 2.24, rounded off.
2. The fair value of the underlying share (Alpitour S.p.A. ordinary share) at the date of reference of December 31, 2006, was quantified on the basis of an estimate by an independent expert and equal to € 3.38, rounded off, for each ordinary share.
3. The expiration date of the option was established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2008/2009, fixed, conventionally, as January 31, 2010. At the date of reference of December 31, 2006, the option thus has a remaining life of 37 months (3 years and 1 month). The options will vest at the end of the vesting period (January 31, 2008) and can be exercised from that date until the expiration date (January 31, 2010).
4. The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour S.p.A..
5. The absence of the payment of dividends is assumed for the application of the valuation model.

6. The risk-free interest rate is assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
7. An assumption was also included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Sequana Capital S.A. stock option plans

Sequana Capital granted options to subscribe to the stock of the company to some employees and directors of the company. The plans were approved by the stockholders' meetings held on May 19, 1998, May 21, 2003 and May 3, 2005. The exercise price of these options is fixed, without reductions, on the basis of period market prices. According to the plans in force, the stock may not be subscribed or sold prior to the end of the four-year fiscal unavailability period and the options may not be exercised after eight years from the date they were granted.

The stock option plans in effect are the following:

		Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	Plan 7	Plan 8	Plan 9	**Total**
Date of the directoire or board of directors' meeting		**5/4/00**	**4/5/01**	**4/6/01**	**4/11/02**	**10/31/02**	**5/15/03**	**6/18/04**	**5/3/06**	**5/10/06**	
Date of the stockholders' meeting		5/19/98	5/19/98	5/19/98	5/19/98	5/19/98	5/19/98	5/21/03	5/3/05	5/3/05	
Number of shares that can be subscribed to or purchased at the start of the plan		235,000	115,000	115,000	658,300	302,500	420,000	55,000	515,000	90,000	
Exercise period	from	5/4/02	5/4/03	4/6/03	4/11/04	10/31/04	5/15/05	6/18/04	5/3/09 (a)	5/10/10	
	to	5/4/08	5/4/09	4/6/09	4/11/10	10/31/10	5/15/11	6/18/12 (a)	5/3/13	5/10/14	
Exercise price at the start of plan	€	16.00	19.50	19.50	20.30	16.00	16.90	20.47	23.50	25.46	
Adjusted exercise price at December 31, 2006	€	13.06	15.91	15.91	16.90	13.69	14.47	17.53	20.46	22.17	
Movements:											
Total number of shares at January 1, 2004		**252,105**	**123,402**	**123,405**	**640,184**	**310,064**	**420,000**				**1,869,160**
New plan and adjustments								55,000			55,000
Options exercised		(218,390)									0
Options expired					(25,670)						0
Total number of shares at December 31, 2004		**33,715**	**123,402**	**123,405**	**614,514**	**310,064**	**420,000**	**55,000**	**0**	**0**	**1,680,100**
New plan and adjustments		591	1,180	1,545	10,419	5,335	7,054	930	515,000		542,054
Options exercised		(12,937)	(124,582)	(121,596)	(32,105)	(69,858)	(13,000)				(374,078)
Options expired					(7,337)						(7,337)
Total number of shares at December 31, 2005		**21,369**	**0**	**3,354**	**585,491**	**245,541**	**414,054**	**55,930**	**515,000**	**0**	**1,840,739**
New plan and adjustments		3,584		727	71,868	36,588	86,896	12,098	111,556	109,476	432,793
Options exercised		(17,642)			(507,924)	(282,129)	(12,928)				(820,623)
Options expired					(11,787)						(11,787)
Total number of shares at December 31, 2006		**7,311**	**0**	**4,081**	**137,648**	**0**	**488,022**	**68,028**	**626,556** (b)	**109,476**	**1,441,122**

(a) For the plans issued on May 3, 2005 and May 10, 2006, the rights to the options are gradually acquired by the grantees in successive tranches over three years, one-third of the options granted per year of presence

(b) Including 304,153 options granted to Tiberto Brandolini D'Adda who is also a director of IFI S.p.A..

In accordance with IFRS, plans introduced after November 7, 2002 are measured in the financial statements of the Sequana Capital Group starting from January 1, 2005 according to the binomial model using the following assumptions: volatility: 30%; expected dividend yield rate: 3%; risk-free interest rate: between 3.25% and 4.25%, depending on the plans.

Accordingly, personnel costs were recorded for € 1 million in 2006 (€ 1.1 million in 2005).

Options outstanding and options exercisable at the end of the years 2006 and 2005 are as follows, together with an indication of the relative weighted average prices for the year.

	December 31, 2006		December 31, 2005	
	Number of shares	**Weighted average exercise price (€)**	Number of shares	Weighted average exercise price (€)
Options outstanding at the beginning of the year	**1,840,739**	**19.40**	1,680,100	18.11
Options outstanding at the end of the year (a)	**1,441,122**	**18.03**	1,840,739	19.40
Options exercisable at the end of the year	**705,090**	**15.23**	1,269,809	17.71

(a) Taking into account the options granted, lapsed or exercised during the year and, with regard to the years 2005 and 2006, the adjustments which followed as a result of the dividends drawn from reserves and, for the year 2006, the adjustments made following the buyback or the possibility of all the stockholders buying back the Sequana Capital shares at a lower price than the stock market price (November 2006 Purchase and Exchange Offering).

Stock bonus plans

In 2006, Sequana Capital, Arjowiggins and Antalis granted options for the subscription of shares at no charge.

Sequana Capital

The board of directors' meeting held on March 28, 2006 decided to grant stock of the company at no charge to three directors of the company at the following terms:

	Shares assigned								
Grant date	Number of grantees	Number of shares	Adjusted number of shares (a)	Definitive vesting starting from	Possible sale starting from	Shares acquired in 2006	Shares lapsed	**Balance of shares at 12/31/2006**	Per share measurement IFRS 2 (€)
3/28/2006	3	28,100	29,765 (b)	3/29/2008	3/30/2010	0	0	**29,765**	22.87

(a) Adjustment, envisaged by law and by the plan, carried out in December 2006 following the buyback of treasury stock by Sequana Capital.

(b) Including 12,340 options granted to Tiberto Brandolini D'Adda who is also director of IFI S.p.A..

Arjowiggins and Antalis

In order to promote the loyalty of the key managers of the two subsidiaries which constitute the main business sectors of the Group and to directly involve them in the management and in the results of their companies, a decision was taken to introduce a stock bonus plan linked to an initial investment by the interested parties in their companies.

The number of shares granted to each grantee is not fixed at the start but depends on the performance of their companies (the growth in value within the Sequana Capital Group between December 31, 2005 and December 31, 2008) and the number of shares of the company which the manager will have purchased in advance from Sequana Capital.

A summary of the plans follows:

	Shares assigned								
Grant date	Number of grantees	Number of shares (a)	Adjusted number of shares	Definitive vesting starting from	Possible sale starting from	Shares acquired in 2006	Shares lapsed	**Balance of shares at 12/31/2006**	Per share measurement IFRS 2 (€)
Arjowiggins									
12/1/06	13	36,754	-	5/1/2009	5/2/2011	0	0	**36,754**	70.15
Antalis									
12/8/06	8	135,254	-	5/1/2009	5/2/2011	0	0	**135,254**	25.26

(a) On the basis of the number of shares previously purchased from the grantees and assuming a rate of growth in value of 5%.

Put and call options were exchanged between Sequana Capital and the grantees of the stock plans which guarantee that Sequana Capital will repurchase the shares purchased at the start and the stock granted at no charge at a price which corresponds to the value attributed to the interested company within the Sequana Capital Group in the year prior to the one in which the options can be exercised.

Alpitour S.p.A. stock option plan

The stock option plan approved on December 15, 2000 on behalf of the directors, managers and middle management of Alpitour expired on August 31, 2006 and there were no requests to exercise the options received from the grantees of the plan.

22. Earnings per share

		Year 2006	Year 2005
Average number of ordinary shares issued (a)	number	**86,450,000**	86,450,000
Average number of preferred shares outstanding, net of treasury stock	number	**71,441,160**	71,441,160
Net earnings attributable to the equity holders of the company	€ in ml	**221**	676
Earnings attributable to ordinary shares	€ in ml	**119**	368
per ordinary share	*€*	***1.379***	*4.256*
Earnings attributable to preferred shares	€ in ml	**102**	308
per preferred share	*€*	***1.431***	*4.307*
Earnings from continuing operations	€ in ml	**221**	208
Earnings from continuing operations attributable to ordinary shares	€ in ml	**119**	112
per ordinary share	*€*	***1.379***	*1.292*
Earnings from continuing operations attributable to preferred shares	€ in ml	**102**	96
per preferred share	*€*	***1.431***	*1.344*
Earnings from discontinued operations	€ in ml	**0**	468
Earnings from discontinued operations attributable to ordinary shares	€ in ml		254
per ordinary share	*€*		*2.940*
Earnings from discontinued operations attributable to preferred shares	€ in ml		214
per preferred share	*€*		*2.991*

(a) The Group does not hold ordinary treasury stock.

23. Equity attributable to the minority interest

Details are as follows:

		December 31, 2006			December 31, 2005		
€ in millions	%	**Capital and reserves**	**Profit (loss)**	**Total**	Capital and reserves	Profit (loss)	Total
IFIL Group	36.3	**2,325**	**575** (a)	**2,900**	2,397	597	2,994

(a) Including € 396 million relating to the minority interest's share of the net gain on the sale of SGS.

24. Provisions for employee benefits

The composition is as follows:

	Current portion		Non-current portion	
€ in millions	**12/31/2006**	12/31/2005	**12/31/2006**	12/31/2005
Alpitour Group			**21**	20
Juventus Football Club S.p.A.			**1**	2
IFI and IFIL "Holdings System"			**5**	4
Sequana Capital S.A.	**7**	12	**110**	146
Total	**7**	12	**137**	172

The breakdown of the provisions by expected utilization is as follows:

	December 31, 2006		December 31, 2005	
€ in millions	**From 1 to 5 years**	**Beyond 5 years**	From 1 to 5 years	Beyond 5 years
Total	**59**	**78**	62	110

Changes during 2006 and 2005 are presented as follows:

€ in millions	Balances at 12/31/2005	Accruals	Release of provisions used	Release of provisions not used	Change in the scope of consolidation	Other changes	**Balances at 12/31/2006**
Alpitour Group	20	4	(3)				**21**
Juventus Football Club S.p.A.	2		(2)			1	**1**
IFI and IFIL "Holdings System"	4					1	**5**
Sequana Capital S.A.	158	11	(24)	(10)		(18)	**117**
	184	15	(29)	(10)	0	(16)	**144**
Effect on the income statement:							
Result from current operations		13	(20)	(10)			
Other nonrecurring income and expenses		2	(9)				

€ in millions	Balances at 12/31/2004	Accruals	Release of provisions used	Release of provisions not used	Change in the scope of consolidation	Other changes	**Balances at 12/31/2005**
Alpitour Group	17	4	(3)		(1)	3	**20**
Juventus Football Club S.p.A.	2						**2**
IFI and IFIL "Holdings System"	4	1				(1)	**4**
Sequana Capital S.A.	149	9	(19)	(1)		20	**158**
	172	14	(22)	(1)	(1)	22	**184**
Effect on the income statement:							
Result from current operations		5	(3)	(1)			
Other nonrecurring income and expenses		9	(19)				

An analysis of employee benefits by Group is as follows:

IFI, IFIL "Holdings System", Alpitour Group and Juventus Football Club S.p.A.

Employee severance indemnities

Employee severance indemnities reflect the indemnity payable to employees which accrues over the service life and which is paid upon termination of employment. The indemnity may be paid in advance during the employee's service life if certain conditions are met.

In accordance with IAS 19 – Employee Benefits, the Italian companies of the Group have included employee severance indemnities under defined benefit plans and measures them with actuarial techniques using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFI S.p.A. and IFIL S.p.A. guarantee other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements. These are described in Note 19 of the separate financial statements.

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2006, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2006	12/31/2005
Discount rate	**4.25%**	4.00%
Expected remuneration increase	**2-3.50%**	2-3.50%
Cost-of-living increase	**2.00%**	2.00%

In addition to the above financial indexes, all the demographic assumptions have also been taken into account relating to the probability of events such as death, disability, dismissal and retirement of the employees.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The plan assets do not include IFI S.p.A. treasury stock.

The plan assets consist of debt instruments issued by third parties and other investments.

Sequana Capital Group

Change in actuarial obligation

	December 31, 2006			December 31, 2005		
€ in millions	**Pension obligations**	**Other long-term obligations**	**Total obligations**	Pension obligations	Other long-term obligations	Total obligations
Actuarial obligation - Opening balance	**1,115**	**20**	**1,135**	982	22	1,004
Service costs	**19**		**19**	19		19
Interest costs	**52**	**1**	**53**	50	2	52
Contributions by plan participants	**3**		**3**	4		4
Plan amendments	**(10)**		**(10)**			0
Additions/deductions			**0**			0
Actuarial (gains) and losses	**(13)**	**(2)**	**(15)**	80		80
Benefits paid	**(55)**	**(4)**	**(59)**	(54)	(4)	(58)
Other changes (including exchange differences)	**1**		**1**	34		34
Actuarial obligation - Closing balance	**1,112**	**15**	**1,127**	1,115	20	1,135
Actuarial obligation at the closing date						
Funded, wholly or partially	**1,069**		**1,069**	1,061		1,061
Unfunded	**43**	**15**	**58**	54	20	74

Change in plan assets

	December 31, 2006			December 31, 2005		
€ in millions	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Fair value of plan assets - Opening balance	1,002		1,002	881		881
Expected return of plan assets	53		53	49		49
Contributions by employer	35		35	38		38
Contribution by plan participants	3		3	4		4
Additions/deductions			0			0
Benefits paid	(52)		(52)	(50)		(50)
Actuarial (gains) and losses	(2)		(2)	54		54
Other changes (including exchange differences)	(1)		(1)	26		26
Fair value of plan assets - Closing balance	1,038	0	1,038	1,002	0	1,002
Actual return of plan assets	5.02%			11.72%		
Percentage composition of plan assets:						
Stocks	21.00%			22.00%		
Bonds	70.00%			69.00%		
Other	9.00%			9.00%		

Funded

	December 31, 2006			December 31, 2005		
€ in millions	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Funded	(75)	(15) (a)	(90)	(113)	(20) (a)	(133)
Limit due to reaching the ceiling of plan assets	(7)		(7)	(7)		(7)
Net amount recognized	(82)	(15)	(97)	(120)	(20)	(140)
Geographical breakdown						
United Kingdom	(11)		(11)	(24)		(24)
Other European Union countries	(40)	(15)	(55)	(46)	(19)	(65)
Switzerland	1		1	2	(1)	1
North America	(30)		(30)	(49)		(49)
Other countries	(2)		(2)	(3)		(3)

(a) In 2006, this amount includes the accrual for pension plans and employee benefits of € 118 million (€ 158 million in 2005) and receivables for € 17 million (€ 17 million in 2005). The difference of € 4 million in 2006 (€ 1 million in 2005) corresponds to the total accruals associated with the subsidiaries excluded from the application of IAS 19, since they were not significant at an individual level.

Analysis of gains and losses recognized

	December 31, 2006			December 31, 2005		
€ in millions	Pension obligations	Other long-term obligations	Total obligations	Pension obligations	Other long-term obligations	Total obligations
Gains (losses) at opening	21		21	(6)		(6)
Change during the year	(4)		(4)	27		27
Gains (losses) recognized at closing	17	0	17	21	0	21

Analysis of net cost of employees

€ in millions	December 31, 2006 Pension obligations	Other long-term obligations	Total obligations	December 31, 2005 Pension obligations	Other long-term obligations	Total obligations
Current service cost	19		19	19	1	20
Interest cost	52	1	53	50	1	51
Expected return on plan assets	(53)		(53)	(49)		(49)
Amortization of actuarial (gains) losses		(2)	(2)	1		1
Amortization of plan amendments	(6)		(6)			0
Effect of curtailments or settlements	(3)		(3)			0
Limitations on plan assets			0			0
Total net cost	9	(1)	8	21	2	23

Actuarial assumptions used

	December 31, 2006 Pension obligations	Other long-term obligations	Total obligations	December 31, 2005 Pension obligations	Other long-term obligations	Total obligations
For the determination of obligations at year-end						
Discount rate - inflation included	4.96%	4.18%		4.62%	3.80%	
Future salary increase	3.86%	2.76%		3.56%		
Increase in health care costs	11.58%			10.00%		
For the determination of the cost for the year						
Discount rate - inflation included	4.62%	3.80%		5.09%	4.22%	
Future salary increase	3.56%			3.62%		
Expected return on plan assets	5.50%			5.54%		
Increase in health care costs	10.00%			10.00%		

Actuarial assumptions used broken down by geographical area

	December 31, 2006 United Kingdom	Other European Union countries	Switzerland	North America	December 31, 2005 United Kingdom	Other European Union countries	Switzerland	North America
Discount rate - inflation included	5.10	4.46	2.85	5.75	4.75	4.00	2.60	5.50
Expected return on plan assets	5.57	4.42	3.90	8.00	5.27	4.54	3.56	8.00
Future salary increase	4.21	3.03	1.00	4.00	4.01	2.92	1.00	4.00
Increase in pension costs	2.84	1.95	0.50	3.00	2.72	2.08	0.50	3.00

Sensitivity analysis – On total employee obligations

€ in millions	Benchmark discount rate -0.50%	Benchmark discount rate	Benchmark discount rate +0.50%
Fair value of obligations at December 31, 2006	1,231	1,128	1,031

Sensitivity analysis – On medical care costs

€	Impact on normal cost and interest of obligation	Impact on actuarial obligation
Impact at December 31, 2006 of changes in the assumptions used for the increase in health care costs		
Increase of 100 basis points	74,167	773,401
Decrease of 100 basis points	(75,439)	(814,301)

The amount to be paid for 2007 by the Sequana Capital Group for pension obligations is estimated in € 30 million.

Description of obligations under defined benefit plans
Under these pension plans, contributions are made for pensions, pension supplements and indemnities.
The principal pension plan obligations are in the United Kingdom, in the United States, in France and in Switzerland and represent 92% of the total obligations of the Sequana Capital Group.

In the United Kingdom, the main obligations regard two pension plans as follows:

- the WTPS defined benefit plan for employees of ArjoWiggins and some of the employees of Antalis;
- the ArjoWiggins plan for certain employees of Antalis UK (based on their location). This plan was closed to employees in 2005 and was replaced by a defined benefit plan.

The mortality table was updated for the WTPS plan in 2006 and generated an increase in the pension obligations of approximately GBP 25 million, recognized in equity.
In the United States, the two main pension obligations of the subsidiary Appleton Coated LLC refer to the following:

- the defined benefit pension plan;
- the health care for retired employees.

In France, the two main defined benefit plans are:

- the RCR plan, for certain categories of management employees of Arjowiggins. This plan was closed to new employees, starting from 1981;
- the severance indemnity plan of Arjowiggins.

In Switzerland, a defined benefit plan is in place for employees of Antalis.

Return on plan assets
The return on plan assets is determined on the basis of the allocation of the assets, projections of the expected return and historical experience.

UK pension funds
The British subsidiaries of the Sequana Capital Group use defined benefit pension plans.
In 2004, the trustee administrator of the pensions funds, on the basis of the actuarial calculation performed by its actuary, unilaterally decided to ask Sequana Capital Group for an additional contribution of GBP 49.5 million to be paid on a straight-line basis from 2004 to 2008 to fund the plans which it manages.
At December 31, 2006, the remaining balance of this additional contribution amounts to British pounds 19.8 million. The obligation was accrued in accordance with IFRS on the basis of the above actuarial assumptions. The payments made to pay off the balance of this additional contribution are reflected, when paid, in the calculations of the liability performed each year.
In 2006, the Trustee, on the basis of the actuarial calculation performed by its actuary at December 31, 2005, again decided, unilaterally, that the funding requirements for the pension fund for the next five years will be GBP 105 million. The Sequana Capital Group disputed this amount, which it believes to be completely unfounded legally, and brought the dispute before the pension regulator (the British administrative regulatory authority for pension funds) in September 2006. Despite this, the Trustee sent a request for deficiency contributions on December 19, 2006, asking the Group to pay GBP 1.75 million a month for five years starting from January 19, 2007. The Sequana Capital Group has refused to

pay this new additional contribution while awaiting the outcome of the mediation in progress with the pension regulator.

25. Provisions for other liabilities and charges

The composition of the provisions is as follows:

	Current portion		Non-current portion	
€ in millions	**12/31/2006**	12/31/2005	**12/31/2006**	12/31/2005
Restructuring provisions	**54**	13	**12**	2
Fox River disputes provisions	**6**	3	**115**	137
DG IV disputes provisions	**184**	0	**0**	184
Ecological risks provisions	**7**	10	**27**	36
Other risks provisions	**32**	10	**96**	132
Total	**283**	36	**250**	491

The breakdown of provisions by expected use is as follows:

	December 31, 2006			December 31, 2005		
€ in millions	**From 1 to 5 years**	**Beyond 5 years**	**Total**	From 1 to 5 years	Beyond 5 years	Total
Restructuring provisions	**12**		**12**	2		2
Fox River and DG IV disputes provisions	**60**	**55**	**115**	208	113	321
Ecological risks provisions	**26**	**1**	**27**	34	2	36
Other risks provisions	**8**	**88**	**96**	23	109	132
Total	**106**	**144**	**250**	267	224	491

Details of changes during 2006 and 2005 relating to current and non-current provisions are as follows:

€ in millions	Balance at 12/31/2005	Accruals	Release of provisions used	Release of provisions not used	Other changes	**Balance at 12/31/2006**
Restructuring provisions	15	59	(6)	(1)	(1)	**66**
Fox River and DG IV disputes provisions	324	3	(7)	(4)	(11)	**305**
Ecological risks provisions	46	6	(6)	(12)		**34**
Other risks provisions	142	17	(14)	(19)	2	**128**
	527	85	(33)	(36)	(10)	**533**
Effect on the income statement:						
Operating profit (loss) from current operations		11	(7)			
Other nonrecurring income (expenses)		66	(26)	(30)		
Other financial income (expenses)		8		(6)		

€ in millions	Balance at 12/31/2004	Accruals	Release of provisions used	Release of provisions not used	Other changes	**Balance at 12/31/2005**
Restructuring provisions	23	8	(16)	(1)	1	**15**
Fox River and DG IV disputes provisions	249	70	(10)	(5)	20	**324**
Ecological risks provisions	16	22	(4)	(8)	20	**46**
Other risks provisions	170	15	(7)	(1)	(35)	**142**
	458	115	(37)	(15)	6	**527**
Effect on the income statement:						
Operating profit (loss) from current operations		14	(22)			
Other nonrecurring income (expenses)		95	(15)	(9)		
Other financial income (expenses)		6		(6)		

The restructuring provisions relate to the corporate restructuring programs of the Sequana Capital Group.

The Fox River and DG IV disputes provisions refer to accruals made by the Sequana Capital Group for the Fox River environmental risks and the fine levied by the European Commission for the alleged violation of fair trade practices. Additional information is provided in Note 26 “Pending litigation”.

The other risks provisions include accruals set aside by the individual companies mainly in respect of contractual, commercial and litigation risks.

26. Pending litigation

IFIL S.p.A. and subsidiaries in the “Holdings System”

On February 13, 2007, the measure was notified by Consob with regard to the content of the press release dated August 24, 2005. The measure provides, among other things, for pecuniary and additional administrative sanctions to be borne by the directors of IFIL S.p.A. and the company itself.
The pecuniary administrative sanction levied on IFIL S.p.A., equal to € 4.5 million, was recorded in the financial statements for the year ended December 31, 2006.
Additional information is provided in the Directors' Report on Operations.

On May 9, 2006, The Turin Court rejected the request to cancel the resolution to increase IFIL capital stock reserved for IFI S.p.A. passed by the special stockholders' meeting of IFIL S.p.A. held on June 23, 2003, as well as the request for compensation of damages filed by K Capital.

On February 14, 2006, the buyer of the investment in La Rinascente filed for arbitration against Ifil Investissements S.A. seeking compensation for an amount of approximately € 37.6 million (in addition to interest, monetary revaluation, court expenses and legal fees) for extraordinary expenses relating to certain points of sale.
Ifil Investissements submitted to the arbitration proceedings and is taking exception to the claims which it believes are invalid and unacceptable and, in any case, completely unfounded. Moreover, the question that is raised regards aspects that have either been excluded or are not covered by the guarantees in the contract.
Furthermore, on September 5, 2006, the buyer filed another arbitration claim against Ifil Investissements seeking a total of approximately € 14.8 million in compensation principally in connection with the accounting treatments used in the financial statements at December 31, 2004.
In the opinion of Ifil Investissements, such claims are invalid and/or groundless. In any case, according to Ifil Investissements, such requests remain covered by exclusions or limitations regarding the obligations for compensation as stated in the contract.

Sequana Capital – Fox River and European Commission (DG IV) disputes

Fox River

In 1998, the American authorities, the Environmental Protection Agency (EPA), brought suit against Appleton Papers Inc. (API was then a subsidiary of Arjo Wiggins Appleton), NCR Corporation and five other American paper manufacturers for the alleged contamination of the Fox River in the State of Wisconsin.
This event took place at the beginning of the 1950s when NCR Corporation had perfected a process for the manufacture of carbonless paper using polychlorinated biphenyl emulsions which, at that time, it had licensed until 1971, to a certain number of paper manufacturers, the most important of which was API, a division of NCR.
This process had already been abandoned three years before the use of polychlorinated biphenyl had been banned in the United States, beginning from 1974.

Appleton Papers Inc. was later purchased by British American Tobacco (BATUS) in 1978 and then by Arjo Wiggins Appleton (AWA) in 1990. On this occasion, AWA continued to benefit from the guarantees over liabilities agreed by British Tobacco which allowed them to share certain costs with NCR borne by Appleton Papers Inc.
The Fox River event in 1997 naturally came under this category.

In 2001, Appleton Papers Inc. was sold by AWA and a guarantee was given to the buyers regarding all the liabilities resulting from the Fox River dispute. This guarantee consisted of a deposit made with the insurance company AIG, equal to $ 163 million, deducted from the price received at the time of the sale. The deposit partially earns interest at 2.02%.
At December 31, 2006, the deposit amounts to € 85 million (see Note 15), equal to $ 112 million, including capitalized interest less research and defense costs.

In 2001, the Group had also accrued an amount of $ 125 million, which corresponded to the best estimate at that time, of its share of the expenses discounted to present value to reclaim the Fox River.

In 2003, the “Department of Natural Resources” of Wisconsin, and the federal government published a first long-term action plan for the work to be carried out by 2045. This was based on surveys of the river bed and different technical solutions that could be adopted to decontaminate the Fox River, at an estimated total cost of $ 400 million, to be borne by the industries involved.
This first official estimate had no effect on the accrual already booked by the Sequana Capital Group since it confirmed the estimate which had already led to the quantification of the accrual in 2001.

In 2005, events arose which led to a significant increase in the estimate of the reclamation costs:

- identification of new polluted areas;
- adoption of new technical solutions for decontamination;
- probable increase in the volumes of the sediments to be decontaminated.

Moreover, since the 2001 agreements for the sharing of the costs between Appleton Papers Inc and NCR expired, the two companies had agreed to a new sharing plan by virtue of an arbitration ruling decided in November 2005. This arbitration ruling, without any possibility of appeal, has established a 10% increase in the portion of the costs to be paid by API.
This led the Sequana Capital Group to revise its 2001 estimates and set aside a further amount of $ 87.7 million (€ 70 million) which has been determined on the basis of the new estimated reclamation costs to be completed by 2045 and the new portion of the expenses to be borne by Appleton Papers Inc. discounted to present value at 4.95%, which corresponds to the rate on 30-year bonds issued by the American government.
After charging the research and defense costs already incurred by Appleton Papers Inc. since 2001 (approximately $ 57 million at December 31, 2006), the Fox River provision amounts to $ 160 million (€ 121 million at December 31, 2006, see Note 25), compared to $ 165 million (€ 140 million) December 31, 2005.

However, in July 2003, a ruling by the Supreme Court of Justice of the State of Wisconsin gave the industries which had signed insurance contracts covering environmental risks the possibility of claiming the guarantees provided in those same contracts. AWA Ltd retained the benefit of these insurance contracts, even after the sale of Appleton Papers Inc. in 2001.
Negotiations are currently underway with the insurance companies to obtain, on one hand, the reimbursement of the research and defense costs already incurred and, on the other, for them to take up the decontamination costs to be sustained in the future.
Negotiations with the insurance companies continue; considering their uncertain nature, no accruals have been made concerning the compensation to be received, albeit AWA in

2005 and 2006 has already received compensation from the insurance companies totaling $ 45 million for the reimbursement of defense costs.

European Commission (DG IV)

The inquiry by the Commission for the alleged violation of fair trade practices had ended in July 2000 with notification of a fine, against which Arjo Wiggins Appleton had submitted its comments on the subject. On December 20, 2001, the Commission levied a fine of € 184 million on Arjo Wiggins Appleton which the company had accrued in full in the 2001 financial statements.

During the first half of 2002, the company filed an appeal to revoke the sentence, which it maintains is out of proportion to the facts of the case. Since the appeal does not suspend the obligation to pay the fine, the company, in compliance with existing regulations, had decided to fulfill this obligation partly through a deposit of € 92 million and partly by providing a bank guarantee of the same amount.

The proceedings before the Court of the European Community in the first instance are still pending. After a first hearing held on June 16, 2005, a sentence was handed down during the first half of 2006 which will be communicated to the company by the end of April 2007. At December 31, 2006, the accrual has been calculated on the basis of the maximum potential risk.

Alpitour Group – Bravo Club Zanzibar

In reference to the damages to the "Bravo Club" resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld. Therefore, a receivable of € 1.5 million due from Royal Insurance has been kept in the financial statements and is recorded in "Other receivables".

Juventus Football Club

Sports proceedings against the company

On July 14, 2006, the Federal Appeals Commission (CAF) issued its ruling in the sports proceedings against the company, begun with the disciplinary referral of June 22, 2006, specifying the penalties for Juventus Football Club as follows: "relegation of the team to last place in the 2005/2006 championship, a 30-point penalty in the 2006/2007 season's rankings, revocation of the title of champion of Italy 2004/2005, non-recognition of the title of champion of Italy 2005/2006 and a fine of € 80,000".

The company filed an appeal with the Federal Court.

On October 27, 2006, the sports proceedings were concluded and the CONI Sports Conciliation and Arbitration Board confirmed the team's relegation to Serie B, the fine of € 120,000 and reduced the point-penalty deduction for the team in the current Serie B Championship from -17 to -9 points. The same Arbitration Board levied another fine, in lieu of disqualifying the home playing field (a sanction suspended by a precautionary measure on September 6, 2006), for an amount equal to the receipts of the first three home games, a total of € 194,450.

Other investigations and proceedings pending against the former directors of Juventus Football Club

The penal proceedings regarding Antonio Giraudo and Luciano Moggi assigned to the Assistant District Attorney Bruno Tinti, is pending before the Turin District Attorney's Office for the following offenses: 2621-2622, paragraph 3 of the Italian Civil Code (accounting fraud) and articles 2 and 8 Law 74/2000 (issue of invoices or other documents for non-existent transactions and fraudulent declarations based on the use of these documents). The proceedings are still currently in the preliminary investigation stage.

As regards the position concerning only the former CEO Antonio Giraudo, the appeal is pending in the Supreme Court of Cassation by the District Attorney General against the acquittal ruled by the Turin Court of Appeals regarding the above defendant charged with the offense of sports fraud in the case known as the "doping trial".

Pending before the Rome District Attorney's Office is the criminal proceeding for the offense of conspiracy to engage in unlawful competition (art. 513 bis of the Italian Penal Code) in reference to the management of players through the company GEA World in which the defendants include, among others, the former director and general manager Luciano Moggi. In February, the Public Prosecutor asked that he be committed to trial.

Investigations currently underway following the tragedy at the Vinovo Training Center

Following the accident that occurred on December 15, 2006 at the Vinovo Training Center, the Turin District Attorney's office opened an inquiry to ascertain the state of the places, the facts surrounding the accident, the characteristics and observance of regulations, also in relation to the use of the sports facilities. Those under investigation are Maurizio Schincaglia and Lorenzo Frison, respectively the trainer and goalkeeper coach, and Renato Opezzi CEO of the company Semana S.r.l. and Jean Claude Blanc and Alessandro Sorbone, respectively the CEO and employee manager of Juventus Football Club S.p.A.. The proceedings are currently in the inquiry stage while awaiting the technical opinions requested by the Public Prosecutors heading the inquiry.

Como Calcio bankruptcy

The bankruptcy of Como Calcio, in June 2006, led to a suit being brought against Juventus for the payment of the sum of € 1,580,000 allegedly still due to Como Calcio for the definitive sale of the registration rights of the players Piccolo and Pederzoli.

Juventus Football Club appeared before the courts and asked for the rejection of the bankruptcy filing since the sum had already been paid and also for Mr. Preziosi to appear in court so that Juventus would be relieved of responsibility and not be held accountable for damage compensation in the event of a judgment against Juventus. The case was adjourned to the first hearing set for May 30, 2007 in order to allow for the appearance of Mr. Preziosi.

Claim for damages by Brescia Calcio S.p.A.

Under the appeal received by the company on November 27, 2006, Brescia Calcio S.p.A. asked the CONI Sports Conciliation and Arbitration Board to order Juventus Football Club and F.I.G.C to pay damages of € 30 million on the grounds that "Brescia did not play in Serie A" in the 2005/2006 soccer season owing to sports offenses committed by the managers of Juventus Football Club as confirmed by the sports proceedings of the summer.

In a brief filed on December 7, 2006, the company appeared before the Board and pleaded for the rejection of the claims made by Brescia Calcio on the grounds that they are completely unfounded in fact and law and pleaded, on a preliminary basis, that the CONI Sports Conciliation and Arbitration Board has no jurisdiction to hear the proceeding.

On December 12, 2006, F.I.G.C. appeared before the Board and also pleaded for the rejection of the claims made by Brescia Calcio on the grounds that they are completely unfounded in fact and law and pleaded, on a preliminary basis, that the CONI Sports Conciliation and Arbitration Board has no jurisdiction to hear the proceeding.
At the March 13, 2007 hearings, the Arbitration Board fixed a discussion hearing for April 17, 2007, giving the parties time to file their defenses and briefs.

27. Consolidated net financial position

The composition of the gross and net financial position of the consolidated companies is as follows:

€ in millions	Gross financial position (borrowings)/ cash	Financial assets	Net financial position (borrowings)/cash
IFI S.p.A.	(161)	63	(98)
IFIL S.p.A. and the "Holdings System"	(477)	863	386
Sequana Capital Group	(686)	306	(380)
Alpitour Group	(123)	94	(29)
Juventus Football Club S.p.A.	(77)	2	(75)
Total	**(1,524)**	**1,328**	**(196)**

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the IFI Group is provided below:

€ in millions	**12/31/2006**	12/31/2005	Change
Non-current financial liabilities			
IFIL 2006/2011 bonds	**(199)**	0	(199)
Debt	**(578)**	(909)	331
Other financial liabilities	**0**	(11)	11
Total non-current financial liabilities	**(777)**	(920)	143
Non-current financial assets – Financial receivables	**4**	5	(1)
Non-current net financial position (A)	**(773)**	(915)	142
Current financial liabilities			
IFIL 2003/2006 bonds	**0**	(100)	100
Current portion of medium/long-term debt	**(24)**	(40)	16
Debt	**(723)**	(1,000)	277
Debt with Giovanni Agnelli e C. S.a.p.az.	**0**	(14)	14
Other loans and debt	**0**	(1)	1
Total current financial liabilities	**(747)**	(1,155)	408
Current financial assets			
Financial receivables	**2**	4	(2)
Credit instruments	**954**	978	(24)
Other financial assets	**6**	6	0
Total current financial assets	**962**	988	(26)
Cash and cash equivalents	**362**	595	(233)
Current net financial position (B)	**577**	428	149
Consolidated net financial position (A+B)	**(196)**	(487)	291

There are no financial receivables or payables balances with related parties.

28. Bonds and other debt

The composition is as follows:

	Non-current portion		Current portion	
€ in millions	**12/31/2006**	12/31/2005	**12/31/2006**	12/31/2005
IFIL 2006/2011 bonds	**(199)**	0		
IFIL 2003/2006 bonds				(100)
Debt	**(578)**	(909)	**(723)**	(1,000)
Debt with Giovanni Agnelli e C. S.a.p.az.			**0**	(14)
Current portion of medium/long-term debt			**(24)**	(40)
Other financial liabilities	**0**	(11)		(1)
Total bonds and other debt	**(777)**	(920)	**(747)**	(1,155)

The IFIL 2006/2011 bonds issued on June 9, 2006 for a face value of € 200 million, maturing June 9, 2001, pay interest at the 3-month Euribor plus a spread of 68 basis points.
Standard & Poor's rated the bonds BBB+, which is the also the current rating of IFIL S.p.A.'s long-term debt. In order to guarantee a fixed rate for the entire period of the bonds, interest rate swap contracts were put into place on the full amount. At December 31, 2006, the fair value is a positive € 1,864 thousand.

The IFIL 2006/2011 bonds contain covenants that are common in international practice for bond issues of this type, such as, in particular, negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), respecting a maximum limit of indebtedness in relation to the amount of the portfolio, disallowing a change of control, the maintaining of a rating by one of the major rating agencies and the obligation of providing periodic disclosure. Non-compliance with the covenants involves the immediate redemption of the bonds by the bondholders. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest.

The 2003/2006 bonds of face value € 100 million were repaid on December 19, 2006.

As for IFI S.p.A., the loan contracts relating to irrevocable lines of credit provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the goods of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, conformity with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely serious events arise such as a request to place the company under administration.

The analysis of debt by maturity is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	**Total**
At December 31, 2006				
IFIL 2006/2011 bonds		(199)		**(199)**
Debt	(747)	(547)	(31)	**(1,325)**
Total debt	**(747)**	**(746)**	**(31)**	**(1,524)**
At December 31, 2005				
IFIL 2003/2006 bonds	(100)			**(100)**
Debt	(1,040)	(901)	(8)	**(1,949)**
Debt with Giovanni Agnelli e C. S.a.p.az.	(14)			**(14)**
Other financial liabilities	(1)	(8)	(3)	**(12)**
Total debt	**(1,155)**	**(909)**	**(11)**	**(2,075)**

The analysis of debt by interest rate is as follows:

€ in millions	Under 2%	Between 2 and 3%	Between 3 and 7.5%	Over 7.5%	**Total**
At December 31, 2006					
IFIL 2006/2011 bonds			(199)		**(199)**
Debt	(9)	(1)	(1,313)	(2)	**(1,325)**
Total debt	**(9)**	**(1)**	**(1,512)**	**(2)**	**(1,524)**
At December 31, 2005					
IFIL 2003/2006 bonds			(100)		**(100)**
Debt	(50)	(1,122)	(764)	(13)	**(1,949)**
Debt with Giovanni Agnelli e C. S.a.p.az.		(14)			**(14)**
Other financial liabilities	(5)	(1)	(6)		**(12)**
Total debt	**(55)**	**(1,137)**	**(870)**	**(13)**	**(2,075)**

The analysis of debt by nominal currency is as follows:

€ in millions	EUR	GBP	USD	CHF	Other	**Total**
At December 31, 2006						
IFIL 2006/2011 bonds	(199)					**(199)**
Debt	(1,186)	(68)	(51)		(20)	**(1,325)**
Total debt	**(1,385)**	**(68)**	**(51)**	**0**	**(20)**	**(1,524)**
At December 31, 2005						
IFIL 2003/2006 bonds	(100)					**(100)**
Debt	(1,677)	(134)	(113)	(2)	(23)	**(1,949)**
Debt with Giovanni Agnelli e C. S.a.p.az.	(14)					**(14)**
Other financial liabilities	(12)					**(12)**
Total debt	**(1,803)**	**(134)**	**(113)**	**(2)**	**(23)**	**(2,075)**

At December 31, 2006, the IFI Group has unused credit lines for € 3,188 million (€ 2,795 million at December 31, 2005).

The Sequana Capital Group loan is secured in part by credit lines with maturities of less than one year. The refinancing agreements allow this loan to be classified as medium-term (€ 380 million in 2006).

The Alpitour Group's credit lines total € 336 million, of which € 97 million is used for short-term loans and € 25 million for medium-term loans.
The medium and long-term loan contracts signed by the Alpitour Group (equal to € 43.7 million) state that the Group must abide by the covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and Ebitda/net

debt). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date.
At October 31, 2006, these ratios are fully within the limits established by the covenants.
Furthermore, the EIB loan of € 20 million disbursed by Sanpaolo IMI and Banca Intesa to the Alpitour Group for the purpose of building a hotel resort is collateralized by the shares (€ 38 million) of the subsidiary Blumarin Hotels Sicilia S.p.A., the company which owns that property.

29. Derivative financial instruments

Interest rate risk

The fair value effect of the transactions to hedge the exposure of interest rate risk put into place by the consolidated companies is as follows:

€ in thousands	**12/31/2006**	12/31/2005	Change
Sequana Capital Group	**3,824**	1,329	2,495
Alpitour Group	**(341)**	(1,229)	888
IFIL S.p.A. and the “Holdings System”	**1,864**	241	1,623
IFI S.p.A.	**3,091**	1,531	1,560
Total	**8,438**	1,872	6,566

The summary of transactions to hedge interest rates put into place by the Sequana Capital Group at December 31, 2006 and the relative fair value effect are as follows:

					Effect of fair value		
	Notional (€ ml)	Fixed rate (received)	Floating rate (paid)	Maturity	Income statement (€ in thds)	Balance sheet (€ in thds)	**Total (€ in thds)**
SWAPS	150	3.1305%	1-month Euribor	2/22/2009	1,538	1,065	2,603
	75	3.6140%	1-month Euribor	9/27/2008		472	472
	100	2.3600%	3-month Euribor	5/31/2007	691		691
					2,229	**1,537**	**3,766**
	Notional (€ ml)	Cap	Floor	Maturity			
COLLARS	50	4.53%	3.00%	5/31/2009	16		16
	20	4.49%	3.00%	5/31/2009	42		42
					58	**0**	**58**

Alpitour S.p.A. has interest rate swap contracts for a notional amount of a total of € 22.5 million put into place to hedge fluctuations in interest rates on bank loans. The fair value of the IRSs at October 31, 2006 is estimated at a negative amount of € 341 thousand (a negative amount of € 1,229 thousand at October 31, 2005). These transactions qualify for hedge accounting and the fair value adjustments, equal to a positive € 888 thousand, are recognized in a reserve in equity.

At December 31, 2006, IFI S.p.A. has interest rate swap contracts in place for a notional amount of a total of € 160 million (of which € 125 million is on non-current bank debt) to hedge fluctuations in interest rates on bank loans with a positive fair value of € 3,091 thousand.

At December 31, 2005, the outstanding interest rate swap contracts had a notional amount of € 170 million and a positive fair value of € 1,531 thousand.
At December 31, 2006, IFIL Investments S.p.A. has an interest rate swap contract in place for a notional amount of a total of € 200 million to hedge fluctuations in interest rates on the IFIL 2006-2011 bonds with a positive fair value equal to € 1,864 thousand.

Exchange rate risk
The summary of the principal contracts to hedge exchange rates put into place by the Sequana Capital Group at December 31, 2006 and the relative fair value effect are as follows:

Company	Exchange rates	Notional	
Sequana Capital	EUR/GBP	385.8	€ ml
Arjowiggins	EUR/GBP	53	£ ml
Antalis	EUR/PLN	4	€ ml
Antalis	EUR/ZAR	3.3	€ ml
Antalis	EUR/ZAR	0.7	Zar ml
Antalis	USD/ZAR	7.5	$ ml
Antalis	JPY/ZAR	12.6	JPY ml
Antalis	EUR/CZK	0.6	€ ml
Antalis	EUR/USD	7	$ ml
Antalis	EUR/CHF	0.5	CHF ml
Antalis	USD/THB	0.5	$ ml
Antalis	USD/MYR	1.7	$ ml
Antalis	USD/SGD	0.5	$ ml
Antalis	EUR/GBP	0.6	£ ml
Fair value effect recognized in the income statement	2005	**2006**	
	(2,705)	**(33)**	€/000

Other risks
At October 31, 2006, the Alpitour Group has contracts in place for the forward purchase of 36,000 tons of fuel for a notional amount of € 15,461 thousand to hedge the risk of fluctuations in the price of fuel.
At October 31, 2006, the fair value of these contracts, which qualify for hedge accounting, equal to a negative amount of € 631 thousand, were recognized in a reserve in equity.

At December 31, 2006, Arjowiggins has contracts in place to hedge gas purchases which are recognized at fair value through the income statement.

30. Deferred income taxes

The change in deferred tax assets is as follows:

€ in millions	Employee benefits	Tax losses	Other	**Total**
Balance at December 31, 2005	39	57	(28)	**68**
Income taxes accrued (reversed) to the income statement	(9)	(3)	(26)	**(38)**
Income taxes relating to items directly credited to equity	(2)	3	3	**4**
Exchange differences	(1)	(4)	4	**(1)**
Net other movements	1	(2)	17	**16**
Balance at December 31, 2006	**28**	**51**	**(30)**	49

The change in deferred tax liabilities is as follows:

€ in millions	Property, plant and equipment	Depreciation and tax accruals	Other	**Total**
Balance at December 31, 2005	(92)	(35)	32	**(95)**
Income taxes accrued (reversed) to the income statement	7	3	39	**49**
Income taxes relating to items directly debited to equity			(55) (a)	**(55)**
Exchange differences	4		(4)	**0**
Net other movements		2	(3)	**(1)**
Balance at December 31, 2006	**(81)**	**(30)**	**9**	**(102)**

(a) Including € 48 million relating to the Sanpaolo IMI S.p.A. investment.

The analysis of unused tax loss carryforwards and unused tax credits on which deferred tax assets have not been calculated is as follows:

	Taxable base				
€ in millions	Within 1 year	Between 2 and 4 years	Beyond 4 years	Total	Estimated tax benefit
At December 31, 2006					
Current tax losses	114	579	773	1,466	470
Other tax credits					NONE
Total at December 31, 2006	**114**	**579**	**773**	**1,466**	**470**
At December 31, 2005					
Current tax losses	98	524	756	1,378	452
Other tax credits					NONE
Total at December 31, 2005	**98**	**524**	**756**	**1,378**	**452**

The recognition of deferred tax assets on tax losses is limited to those whose recoverability is highly probable during the following year or in the medium term, taking into account the estimated taxable income established by medium-term operating plans.

31. Other liabilities

Details of other liabilities are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Other non-current liabilities			
Other non-current liabilities	**54**	57	(3)
Other non-current payables to related parties	**3**		3
Total other non-current liabilities	**57**	57	0
Other current liabilities			
Trade payables			
Trade payables	**912**	968	(56)
Trade payables to related parties	**15**	14	1
Total trade payables	**927**	982	(55)
Other liabilities			
Payables for direct income taxes	**67**	42	25
Payables for indirect income taxes	**70**	43	27
Payables to employees and similar	**142**	112	30
Payables on purchase of property, plant and equipment	**47**	61	(14)
Other payables	**202**	213	(11)
Other payables to related parties		10	(10)
Total other liabilities	**528**	481	47
Total other current liabilities	**1,455**	1,463	(8)

Other non-current and current liabilities by maturity are as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	**Total**
Other non-current liabilities		45	12	**57**
Trade payables	927			**927**
Other payables	528			**528**
Balances at December 31, 2006	**1,455**	**45**	**12**	**1,512**
Other non-current liabilities		54	3	**57**
Trade payables	982			**982**
Other payables	481			**481**
Balances at December 31, 2005	**1,463**	**54**	**3**	**1,520**

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED INCOME STATEMENT

32. Other revenues from current operations

Details of other revenues from current operations are as follows:

€ in millions	**2006**	2005	Change
Inventories	**21**	(13)	34
Operating grants	**0**	1	(1)
Income from concessions and patents	**2**	4	(2)
Other income	**88**	46	42
Total other revenues from current operations	**111**	38	73

33. Personnel costs

Details of the composition of personnel costs are as follows:

€ in millions	**2006**	2005	Change
Salaries and wages	**(685)**	(703)	18
Social security contributions	**(164)**	(169)	5
Employee stock options	**(8)**	(1)	(7)
Employee severance indemnities expense	**(5)**	(5)	0
Temp work costs	**(25)**	(22)	(3)
Other employee costs	**(38)**	(27)	(11)
Total personnel costs	**(925)**	(927)	2

34. Other nonrecurring income (expenses)

Details are as follows:

€ in millions	**2006**	2005	Change
Gains (losses) on disposals of property, plant and equipment and intangible assets	**29**	16	13
Impairment (losses) reversals on property, plant and equipment and intangible assets	**(66)**	(144)	78
Restructuring expenses	**(82)**	(31)	(51)
(Accruals) release of environmental disputes provisions	**8**	(80)	88
(Accruals) release of provisions for other disputes	**21**	(3)	24
Insurance compensation received for Fox River dispute	**24**	11	13
Net other income (expenses)	**4**	29	(25)
Total other nonrecurring income (expenses)	**(62)**	(202)	140

Gains (losses) on disposals of property, plant and equipment include € 32 million realized by the Sequana Capital Group on the sale of land and buildings.

Restructuring expenses include € 48 million relating to Arjowiggins, € 15 million for the reorganization of the "Envelopes" sector by Antalis and and € 19 million for the reorganization of the logistics and sales activities of Antalis (France, Great Britain, Italy and South Africa).

In 2005, the accruals for environmental disputes included the additional accrual for € 70 million ($ 87.7 million) regarding the Fox River dispute.

In 2006, net other income (expenses) include the accrual for the administrative sanction of € 4.5 million levied on the company by Consob in reference to the content of the press release dated August 24, 2005, the excess, equal to € 5 million, of the increment in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year, the cost for the year of € 3.1 million relating to the stock option plan approved for the management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006 (+€ 7.8 million) and other sundry expenses of € 1 million.

In 2005, net other income (expenses) included:

- the excess, equal to € 55 million, of the increments in IFIL's share of the consolidated equity of the Fiat Group subscribed to by minority stockholders (+€ 606 million) and the increase in the percentage of consolidation, equal to 0.54% (+€ 29 million), compared to the cost incurred for the purchase of 87,750,000 Fiat shares (-€ 580 million);
- the excess, equal to € 1 million, of the increment in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year;
- other minor net negative items amounting to € 8 million;
- extraordinary compensation approved for the chairman (€ 15 million) and for the former CEO (€ 4 million) of IFIL S.p.A..

35. Financial income (expenses)

Details of the composition of net financial income (expenses) are as follows:

€ in millions	**2006**		2005	Change
Gains (losses) on disposals of investments				
Sale of Legg Mason securities	**38**			38
Sale of Blumarine Hotel S.A. de C.V.	**14**			14
Sale of the investment in Exor Group	**7**	(a)		7
Other minor investments	**(1)**		4	(5)
Gains (losses) on disposals of investments	**58**		4	54
Cost of net debt				
Income on disposals of cash and cash equivalents	**38**		39	(1)
Exchange differences	**(5)**		(1)	(4)
Net income from interest rate and foreign exchange hedges	**1**		(9)	10
Interest expenses on loan transactions	**(66)**		(81)	15
Commissions for unused credit lines	**(4)**		(2)	(2)
Cost of net debt	**(36)**		(54)	18
Other financial income (expenses)				
Dividends	**56**	(b)	44	12
Interest income on other financial assets	**5**		2	3
Changes in the fair value of financial assets and liabilities	**12**		2	10
Accruals (release) of provisions for financial risks	**(1)**		4	(5)
Other financial income (expenses)	**72**		52	20
Net financial income (expenses)	**94**		2	92

(a) Corresponding to the sale of the investment in Exor Group (equal to 29.3% of capital stock) to the same Exor Group.
(b) Including € 53 million collected from Sanpaolo IMI S.p.A..

36. Income taxes

Details of income taxes recorded in the income statement are as follows:

€ in millions	**2006**	2005	Change
Current income taxes	**(63)**	(36)	(27)
Deferred income taxes	**11**	(10)	21
Total income taxes	**(52)**	(46)	(6)

National income taxes are calculated at 33%, in 2006 and 2005, on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in those countries.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

€ in millions	**2006**	2005
Operating profit (loss)	**6**	(138)
Financial income (expenses)	**94**	2
Profit (loss) before income taxes	**100**	(136)
Current tax rate in Italy	**33%**	33%
Theoretical income taxes	**(33)**	45
Effective income taxes	**(52)**	(46)
Difference	**19**	91
The difference can be analyzed as follows:		
Tax effect of difference between foreign tax rates and the theoretical Italian tax rate	**3**	(14)
Tax effect of other permanent differences	**72**	62
Deferred tax assets not recognized	**(21)**	(63)
Tax losses used	**(50)**	(52)
Use of excess tax liabilities	**(16)**	(21)
Other differences	**(7)**	(3)
Difference	**(19)**	(91)

The impairment loss on the goodwill of Antalis, which is not deductible for tax purposes, generated a permanent difference of € 10 million.

In addition to the income taxes recorded in the income statement, deferred tax charges of € 55 million (€ 7 million in 2005) and deferred tax benefits of € 4 million (€ 8 million in 2005) were recognized directly in equity.

Other differences include the Exit Tax, an extraordinary 2.5% tax introduced in France in 2004, for an amount of € 21 million. This tax is recorded in payables with a contra-entry to equity in the separate financial statements of the subsidiary Sequana Capital; on consolidation the Exit Tax is recognized in the income statement.

In 2005, deferred income taxes were not recognized on the writedown of property, plant and equipment made by Arjowiggins as there were no prospects of recoverability.

37. Share of the profit (loss) of companies accounted for by the equity method

Details are as follows:

€ in millions	2006		2005	Change
FIAT Group	**289**	(a)	379	(90)
SGS Group	**62**	(b)	58	4
Exor Group S.A.	**0**	(c)	11	(11)
Sundry Sequana Capital Group companies	**1**			1
Total	**352**		448	(96)

(a) Including consolidation adjustments of € 15 million.
(b) This is the pro rata share of the profit of the SGS Group prior to the Public Purchase and Exchange Offer launched by Sequana Capital, after which, the remaining investment in SGS was classified as available-for-sale and measured at fair value.
(c) The investment was sold on April 7, 2006.

38. Profit from discontinued operations or assets held for sale

This line included the gains on disposals and the share of the profit (loss) of discontinued operations as follows:

€ in millions	2006	2005
Gains on disposals of investments in:		
- La Rinascente S.p.A.	**0**	460
- Permal Group and Ifabanque	**0**	504
Share of profit:		
- Permal Group S.A.	**0**	43
Total	**0**	1,007

The analysis of the share of the profit from discontinued operations is as follows:

€ in millions	2006	2005
Permal Group Limited and Ifabanque		
Revenues	**0**	235
Operating expenses	**0**	(172)
Financial income (expenses)	**0**	2
Profit before taxes	**0**	65
Income taxes	**0**	(22)
Profit	**0**	43

In the statement of cash flows, the line “Change in the scope of consolidation” includes the net movement of the changes associated with the assets or groups of assets held for sale, an analysis of which is provided as follows:

€ in millions	2006	2005
Consolidated cash flows of assets held for sale		
Cash flows from operating activities:		
Permal Group	**0**	140
Cash flows used in investing activities:		
Permal Group	**0**	(27)
Cash flows used in financing activities:		
Permal Group	**0**	(121)
Total cash flows	**0**	(8)

39. Segment information

Information by business segment and by geographical area, presented as set forth in IAS 14 – Segment Reporting, is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The primary reporting format consists of the business segments whereas the geographical areas make up the secondary reporting format. This distinction is based upon the nature of the risks and rewards inherent in the Group's activities and reflects the organizational structure.

The segment information presented by the IFI Group agrees with the consolidated data of every subsidiary and associate holding company of the IFI Group, each of which represents an investment in a major business segment: Sequana Capital Group, Alpitour Group, Juventus Football Club, Fiat Group and IFI/IFIL Holdings System.

The segment information relating to continuing operations is presented in the following tables; the segment information relating to discontinued operations or assets held for sale is presented in Notes 19 and 38.

The analysis of the income statement by business segment is as follows:

€ in millions	Sequana Capital	Alpitour	Juventus Football Club	Fiat	IFI and IFIL Holdings System and eliminations	Total
2006						
Revenues	4,045	1,332	156		1	**5,534**
Operating profit (loss)	27	12	(12)		(21)	**6**
Financial income (expenses)						**94**
Income taxes						**(52)**
Profit (loss) of companies consolidated line-by-line						**48**
Share of profit (loss) of companies accounted for by the equity method	63			289		**352**
Profit						**400**
Profit attributable to the equity holders of the company						**221**
Profit attributable to the minority interest						**179**
Net gain on the sale of the investment in SGS attributable to the minority interest	396					**396**

€ in millions	Sequana Capital	Alpitour	Juventus Football Club	Fiat	IFI and IFIL Holdings System and eliminations	Total
2005						
Revenues	4,067	1,147	214		1	**5,429**
Operating profit (loss)	(128)	1	(15)		4	**(138)**
Financial income (expenses)						**2**
Income taxes						**(46)**
Profit (loss) of companies consolidated line-by-line						**(182)**
Share of profit (loss) of companies accounted for by the equity method	58			379	11	**448**
Profit (loss) from discontinued operations or assets held for sale	547				460	**1,007**
Profit attributable to the minority interest						**(597)**
Profit attributable to the equity holders of the company						**676**

Segments assets are as follows:

€ in millions	Sequana Capital	Alpitour	Juventus Football Club	Fiat	IFI and IFIL Holdings System and eliminations	Total
2006						
Assets						
Segment assets	3,011	325	210		16	**3,562**
Investments accounted for by the equity method	3	1		2,611	4	**2,619**
Other assets						**4,238**
Assets held for sale	109		19			**128**
Total assets					20	**10,547**
Liabilities						
Segment liabilities	1,071	243	131		30	**1,475**
Other liabilities						**9,040**
Liabilities relating to assets held for sale	32					**32**
Total liabilities				0	30	**10,547**
Investments in property, plant and equipment and intangible assets	(132)	(16)	(47)			**(195)**
Amortization and depreciation	103	16	38			**157**
Impairment losses of assets	62					**62**
Reversals of impairment losses of assets	(10)					**(10)**
Other (accruals) releases of provisions	(2)					**(2)**
Other non-monetary elements	(938)					**(938)**
Cash flows						
Cash flows from operating activities	134	30	(74)		64	**154**
Cash flows from investing activities	334	22	38		(30)	**364**
Cash flows from financing activities	(694)	(103)	4		67	**(726)**

€ in millions	Sequana Capital	Alpitour	Juventus Football Club	Fiat	IFI and IFIL Holdings System and eliminations	Total
2005						
Assets						
Segment assets	3,230	404	260		753	**4,647**
Investments accounted for by the equity method	626			2,336	203	**3,165**
Other assets						**2,667**
Total assets						**10,479**
Liabilities						
Segment liabilities	1,005	278	206		30	**1,519**
Other liabilities						**8,960**
Total liabilities						**10,479**
Investments in property, plant and equipment and intangible assets	(97)	(12)	(65)		(1)	**(175)**
Amortization and depreciation	120	15	55		1	**191**
Impairment losses of assets	144					**144**
Other (accruals) releases of provisions	47	1			3	**51**
Non-monetary costs	(427)					**(427)**
Cash flows						
Cash flows from operating activities	209	41	20		164	**434**
Cash flows from investing activities	319	(4)	(37)		(148)	**130**
Cash flows from financing activities	(414)	(35)	15		(18)	**(452)**

The following table presents an analysis of the revenues of the Group in the various geographical markets, regardless of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2006			
European Union			
Italy	1,612	591	66
France	610	1,001	52
United Kingdom	556	439	19
Other European Union countries	1,475	852	16
Total European Union	**4,253**	**2,883**	**153**
United States	388	264	6
Rest of the world	893	415	36
Total at December 31, 2006	**5,534**	**3,562**	**195**

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2005			
European Union			
Italy	1,513	760	78
France	688	1,031	43
United Kingdom	594	492	17
Other European Union countries	1,452	1,637	20
Total European Union	**4,247**	**3,920**	**158**
United States	388	298	6
Rest of the world	794	429	11
Total at December 31, 2005	**5,429**	**4,647**	**175**

40. Intragroup and related party transactions

The IFI Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy which holds its entire ordinary capital stock.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, are eliminated in the consolidated financial statements of IFI and are therefore not presented in this note.

Related party transactions are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivable and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Costs have not been recognized during the year for non-existent or doubtful liabilities in relation to amounts due from related parties.

A summary of the balances in the balance sheet and in the income statement generated by the transactions carried out during 2006 with related parties, identified in accordance with IAS 24 and communicated by the companies of the Group, are summarized in the following tables. Transactions are indicated only if close to Euro one million, which is the unit of measure for the presentation of the consolidated figures of the IFI Group.

€ in millions	Trade receivables	Trade payables	Other assets	Financial assets	Other liabilities	Costs	Revenues
Directors for compensation not yet collected		(8)				(7)	
Grantees of Alpitour stock option plans 2005					(3)	(3)	
Sundry companies of Antonin Rodet				3		(3)	1
Jumboturismo S.A. Unipersonal			1				
Alpitour Group Egypt for Tourism S.A.E. (a)		(6)				(25)	
Viajes Medymar S.L.	1						
Semana S.r.l.		(1)				(5)	
Fiat Auto S.p.A.	1						2
TOTAL IFI GROUP	**2**	**(15)**	**1**	**3**	**(3)**	**(43)**	**3**

(a) The company Alpitour Group Egypt for Tourism S.A.E. is the local correspondent for incoming activities for the major destinations in Egypt.

41. Compensation to directors and statutory auditors

In 2006, the compensation to the directors and statutory auditors of IFI S.p.A., to perform their duties in IFI S.p.A. and also in other companies included in consolidation, is as follows:

€ in thousands	IFI S.p.A.	Subsidiaries (a)	Total
Directors	946	5,580	6,526
Statutory auditors	146	155	301
Total	**1,092**	**5,735**	**6,827**

(a) This does not include the compensation paid by Fiat and its subsidiaries since the Fiat Group is not included in the scope of consolidation.

In 2005, compensation amounted to € 23,195 thousand, of which € 6,185 thousand was paid by IFI and € 17,010 thousand by the subsidiaries.

The company also signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The compensation of executive directors is not linked to either the economic results of the company or targets set by the board of directors.
A part of the compensation of the general manager, however, is tied to the economic results of the company and the reaching of specific targets.

Additional information on compensation, as requested by national law (Consob Regulation 11971 dated May 14, 1999 and later amendments and integrations), is provided in the notes to the separate financial statements of IFI S.p.A..

42. Commitments

Details are as follows:

€ in millions	**12/31/2006**		12/31/2005
Credit lines			
Credit lines used	**1,222**		1,646
Credit lines unused	**3,188**		2,795
Total credit lines	**4,410**		4,441
Commitments undertaken			
Bills discounted and not yet due	**1**		1
Guarantees	**572**		394
Sureties, guarantees of notes and other guarantees	**78**		144
Commitments for the purchase of intangible assets	**1**		1
Commitments for the purchase of property, plant and equipment	**5**		11
Commitments for the purchase of investments and financial assets	**585**	**(a)**	23
Options for the purchase of players' rights	**13**		3
Goods on deposit with third parties	**2**		97
Forward purchase of goods and raw materials (b)	**173**		199
Other commitments	**58**		50
Total commitments undertaken	**1,488**		923
Commitments received			
Sureties, guarantees, guarantees of notes and other guarantees	**170**		19
Real guarantees			35
Options on soccer players	**23**		7
Commitments for the sale of property, plant and equipment	**5**		2
Commitments for the sale of investments and financial assets	**0**		2
Forward sale of goods and raw materials (b)	**156**		190
Other commitments	**57**		61
Total commitments received	**411**		316

(a) These include the commitment for the purchase of a 67.5% stake in Cushman & Wakefield.
(b) These are basically forward purchases and sales of paper pulp.

Credit lines and commitments by due date are as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	**Total**
At December 31, 2006				
Credit lines unused	2,268	870	50	**3,188**
Commitments undertaken	1,128	191	169	**1,488**
Commitments received	192	216	3	**411**
At December 31, 2005				
Credit lines unused	1,691	961	143	**2,795**
Commitments undertaken	512	191	220	**923**
Commitments received	197	112	7	**316**

The amount of future minimum lease payments relating to operating leases is as follows:

€ in millions	Within 1 year	Between 2 and 5 years	Beyond 5 years	**Total**
At December 31, 2006	**51**	**125**	**128**	**304**
At December 31, 2005	68	70	50	188

In 2006, fixed-rate lease contracts amount to € 209 million while floating-rate lease contracts total € 95 million (respectively € 134 million and € 54 million in 2005).
Lease expenses recognized in the 2006 income statement amount to € 75 million (€ 63 million in 2005). They include € 31 million for irrevocable leases (€ 20 million in 2005), € 23 million for other operating leases (€ 14 million in 2005) and € 21 million for simple lease contracts (€ 29 million in 2005).

Juventus Football Club

On March 31, 2006, Costruzioni Generali Gilardi S.p.A. acquired options to purchase, in two installments, 69.8% of the capital stock of Campi di Vinovo S.p.A. currently held by Juventus Football Club S.p.A..

The first option will allow Costruzioni Generali Gilardi S.p.A. to purchase 64.8% of the capital stock of Campi di Vinovo S.p.A.. This right must be exercised within two years of signing the option contract or, alternatively, within three months of the date of the issue of all the administrative authorizations for the “Mondo Juve – Commercial Park”.

The second option will allow Costruzioni Generali Gilardi S.p.A. to purchase the remaining 5% of capital stock of Campi di Vinovo S.p.A.. This right must be exercised by March 31, 2008 and can be exercised at the same time the first option is exercised.

The exercise price of the two purchase options is a total of € 37,698,141, of which € 35,000,000 refers to the first option and € 2,698,141 to the second option.

The payment of the exercise price for the first option, if exercised, will be made according to the following due dates: € 1 million at the exercise date of the first option, € 12 million at the date of the start of construction work on the Commercial Park, but no later than December 31, 2008, € 12 million at the end of the first year following its opening to the public, but no later than December 31, 2012, € 10 million at the end of the second year after its opening to the public, but no later than December 31, 2013.

The payment of the exercise price for the second option, if exercised, will be made according to the following due dates: € 100,000 at the exercise date of the second option, € 500,000 at the date of the start of construction on the Commercial Park, but no later than December 31, 2008, € 500,000 at the end of the first year following its opening to the public but no later than December 31, 2012, € 1,598,141 at the end of the second year after its opening to the public, but no later than December 31, 2013.

As consideration for the acquisition of these rights, Costruzioni Generali Gilardi S.p.A. paid a total lump-sum amount of € 10,000, plus VAT to Juventus Football Club.

Guarantees – Third party guarantees on behalf of third parties
These relate to:

- guarantee of € 3 million issued by Banca Cassa di Risparmio di Savigliano S.p.A. to soccer clubs for the purchase of players' registration rights for payment to be made in the 2007/2008 season (renewable annually for the following installments due up to September 30, 2008);
- guarantee of € 5 million issued by Banca Sella S.p.A. to soccer clubs for the purchase of players' registration rights for payment to be made in the 2007/2008 season;
- guarantee of € 3 million issued by Banca Popolare Italiana Società Cooperativa to soccer clubs for the purchase of players' registration rights for payment to be made in the 2007/2008 and 2008/2009 seasons;
- guarantees of € 0.9 million issued by Banca Sella S.p.A. to the Municipality of Vinovo for € 0.6 million and to the City of Turin for € 0.3 million for the construction work and urbanization costs of the Sports Training Center and the Stadio delle Alpi;
- guarantee of € 1 million issued by Banca Sella S.p.A. to Virgiliocinque S.p.A. for the rental of of the building used as the company's headquarters;
- guarantee of € 6 million issued by Banca Popolare Italiana Società Cooperativa to the City of Turin for the payment of the second installment of the sum for the acquisition of the surface rights of the Stadio degli Alpi and adjacent areas;
- guarantee of € 2 million issued by Banca Popolare Italiana Società Cooperativa to the City of Turin for the payment of the annual installment of the sum for the acquisition of the surface rights of the Stadio degli Alpi and adjacent areas (renewable annually for all installments due up to July 15, 2012).

Guarantees – Third party guarantees on our behalf
These amount to € 165 million and relate to:

- guarantee of € 78 million issued by Intesa Sanpaolo S.p.A. in favor of Sky Italia S.r.l. for the sales contract of the television broadcasting rights to the championship games for the 2007/2008 season;
- guarantee of € 52 million issued by Intesa Sanpaolo S.p.A. in favor of Reti Televisive Italiane S.p.A. for the sales contract of the television broadcasting rights to the championship games for the 2007/2008 season;
- guarantee of € 15 million issued by Caja de Ahorros de Baleares in favor of Real Madrid CF for the installments due on the contract for the sale of the definitive title to the registration rights of the players Fabio Cannavaro and Ferreira Da Rosa Emerson;
- guarantee of € 14 million issued by La Caixa in favor of F.C. Barcelona for the installments due on the contract for the sale of the definitive title to the registration rights of the players Liliam Thuram and Gianluca Zambrotta;
- guarantee of € 5 million issued by Intesa Sanpaolo S.p.A. in favor of Fenerbanche Spor Kulubu for the installments due on the contract for the sale of the definitive title to the registration rights of the player Stephen Appiah;
- other guarantees for a total of € 1 million for the payment relating to commercial contracts.

Other commitments and contingent liabilities

Description	Signing date	Amount in currency (ml)	Amount in € ml	Expiration date
Disposal of Appleton Papers Inc (USA) (a)	2004	USD 97.5 max	74 max	Unlimited
Disposal of Permal - guarantee provided to Legg Mason (b)	6/23/2005	USD 479	364	Between 5/3/2007 and 6/23/2011 at the most
Disposal of Ifabanque - guarantee provided to BSI AG (Switzerland)	12/21/2005	-	4.5	12/21/2010 renewable for one year each year
Disposal of La Rinascente - guarantee provided by Eurofind Textile to Tamerice (c)	5/6/2005	-	71	Sundry

Sequana Capital Group

(a) Guarantees for environmental risks provided to the buyers of Appleton Papers Inc

In 2004, the early repayment of the loan made by Arjo Wiggins to the buyers of Appleton Papers Inc. led to the renegotiation of all the guarantees provided by AWA Ltd to the same buyers of Appleton Papers Inc.

At the present time there is only one guarantee regarding environmental risks (excluding Fox River). Details are as follows:

- up to $ 5 million, the costs are divided 50-50 between Appleton Papers Ltd and AWA Ltd;
- over $ 5 million, AWA Ltd assumes the entire amount of the costs up to a maximum of $ 100 million.

The aforementioned guarantee is unlimited. To date, there has been no request to meet the terms of the guarantee.

(b) Guarantees provided to Legg Mason on the sale of Permal

Sequana Capital has guaranteed the commitments undertaken by Sequana UK Limited and Permal Group S.a.s. (the sellers) under the contract for the sale of the stock.

Such commitments regard obligations to compensate Legg Mason in case of falsehood or breach of statements and guarantees provided by the sellers, in particular: the legal foundation and existence of the parties, the authorizations received to undertake the commitments negotiated in the sales contract and their validity as well as the absence of tax risks in Permal Group Ltd.

Some commitments expire after 18 months from the date of sale, on May 3, 2007, and, others, in particular regarding legal and tax matters, when they become statute-barred which could reasonably be considered as a maximum of six years.

The guarantee is given without joint and several obligation among the seller parties.

(c) Guarantees provided by Ifil Investissements relating to the sale of La Rinascente

Ifil Investissements, as the merging company of Eurofind Textile, has provided the buyer with statements and guarantees regarding the Rinascente Group, the subject of the transaction, and its activities, with the usual limitations and exclusions (a part of these guarantees are undertaken by Auchan Group). Such conventional statements and guarantees regard, among other things, full ownership and title, free and clear of detrimental encumbrances and registrations, of the shares of the companies of the Rinascente Group and real estate properties, the lease relationships, the true and correct representation of the financial statements and tax, social security and legal/labor matters. The limitations and exclusions agreed within the framework of the sale process regard specific events considered by the buyer during the course of the due diligence. Such limitations and exclusions provide for the obligation of compensation in excess of a threshold of significance per individual indemnifiable event (de minimis) and as a whole (with an exempted amount) as well as, for certain matters, a maximum limit of responsibility for the seller.

IFIL S.p.A. has guaranteed the commitments undertaken by Ifil Investissements with the buyer until their expiration, anticipated, depending on the matter at hand, at December 31, 2006 or at December 31, 2008 or when they become statute-barred.

Litigation in progress relating to the sale of La Rinascente is disclosed in Note 26 "Pending litigation".

Procedures for the identification and control of commitments

The information regarding commitments is transmitted to the parent through the consolidation process under the responsibility of the Legal Representatives of the companies which sign a representation letter addressed to the parent.
On the basis of information known to the company, no significant commitments have been omitted by the companies of the Group.

43. Employees

The breakdown of the average number of employees is provided as follows:

Average number of employees	**12/31/2006**	12/31/2005
Breakdown by business segment		
Sequana Capital Group	**14,055**	14,305
Alpitour Group	**3,983**	3,951
Juventus Football Club S.p.A.	**130**	132
IFI and IFIL Holdings System	**71**	70
	18,239	18,458
Breakdown by geographical area		
Italy	**2,768**	2,476
France	**4,557**	4,605
United Kingdom	**1,946**	2,254
Other European Union countries	**3,887**	3,847
United States	**973**	979
Rest of the world	**4,108**	4,297
	18,239	18,458
Breakdown by category		
Managers	**220**	220
Middle management and staff	**8,790**	8,879
Pilots and flight attendants	**183**	69
Soccer players	**60**	59
Blue-collar	**8,986**	9,231
	18,239	18,458

44. Proforma consolidated data prepared by consolidating the Fiat Group line-by-line

Pending an opinion by the IASB, which the European Commission has also recently requested by letter dated October 26, 2006, that will definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFI Group has continued to exclude the Fiat Group, in which the subsidiary IFIL has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005.

However, presented below are the proforma consolidated balance sheet, the proforma consolidated income statement and the composition of the proforma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

IFI Group – Proforma consolidated balance sheet prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated IFI Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Proforma
Non-current assets					
Goodwill	760	2,850	3,610		3,610
Other intangible assets	188	3,571	3,759		3,759
Property, plant and equipment	845	10,559	11,404		11,404
Investment in Fiat accounted for by the equity method	2,611	0	2,611	(2,611)	0
Investments accounted for by the equity method	8	1,719	1,727		1,727
Other financial assets	2,673	561	3,234		3,234
Leased assets	0	247	247		247
Deferred tax assets	49	1,860	1,909		1,909
Other non-current assets	55	11	66		66
Total Non-current assets	**7,189**	**21,378**	**28,567**	**(2,611)**	**25,956**
Current assets					
Inventories	540	8,447	8,987		8,987
Trade receivables	938	4,944	5,882		5,882
Receivables from financing activities	0	11,743	11,743		11,743
Other receivables, accruals and prepayments	281	3,086	3,367		3,367
Financial assets	1,109	637	1,746		1,746
Cash and cash equivalents	362	7,736	8,098		8,098
Total Current assets	**3,230**	**36,593**	**39,823**	**0**	**39,823**
Assets held for sale	**128**	**332**	**460**		**460**
Total Assets	**10,547**	**58,303**	**68,850**	**(2,611)**	**66,239**
Equity					
Equity attributable to the equity holders of the company	3,800	9,362	13,162	(9,362)	3,800
Equity attributable to the minority interest	2,900	674	3,574	6,751	10,325
Total Equity	**6,700**	**10,036**	**16,736**	**(2,611)**	**14,125**
Current and non-current liabilities					
Provisions for employee benefits	144	3,761	3,905		3,905
Provisions for other liabilities and charges	534	4,850	5,384		5,384
Bonds and other debt	1,524	20,293	21,817		21,817
Deferred tax liabilities	102	263	365		365
Trade payables	927	12,603	13,530		13,530
Other liabilities, accruals and deferrals	584	6,188	6,772		6,772
Total Current and non-current liabilities	**3,815**	**47,958**	**51,773**	**0**	**51,773**
Liabilities relating to assets held for sale	**32**	**309**	**341**		**341**
Total Equity and liabilities	**10,547**	**58,303**	**68,850**	**(2,611)**	**66,239**

IFI Group – Proforma consolidated income statement prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated IFI Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Proforma
Net revenues	5,534	51,832	57,366		57,366
Other income (expenses)	111	105	216		216
Current operating costs	(5,577)	(49,986)	(55,563)		(55,563)
Trading profit	**68**	**1,951**	**2,019**	**0**	**2,019**
Gains (losses) on sales of investments		607	607		607
Restructuring costs and other nonrecurring income (expenses)	(62)	(497)	(559)		(559)
Operating profit (loss)	**6**	**2,061**	**2,067**	**0**	**2,067**
Gains (losses) on sales of investments	58		58		58
Other financial income (expenses)	36	(576)	(540)		(540)
Financial income (expenses)	94	(576)	(482)	0	(482)
Income taxes	(52)	(490)	(542)		(542)
Profit (loss) of companies consolidated line-by-line	**48**	**995**	**1,043**	**0**	**1,043**
Share of profit (loss) of the Fiat Group	289	0	289	(289)	0
Share of profit (loss) of other companies accounted for by the equity method	63	156	219		219
Profit	**400**	**1,151**	**1,551**	**(289)**	**1,262**
Profit attributable to the equity holders of the company	**221**	**1,065**	**1,286**	**(1,065)**	**221**
Profit attributable to the minority interest (A)	**179**	**86**	**265**	**776**	**1,041**
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	**396**		**396**		**396**
Total profit attributable to the minority interest (A)+(B)	**575**	**86**	**661**	**776**	**1,437**

IFI Group – Proforma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated IFI Group	Consolidated Fiat Group	Consolidated Proforma
Cash and cash equivalents	1,316	7,965	9,281
Financial receivables	6	11,743	11,749
Financial receivables included in “Assets held for sale”		5	5
Other current financial assets	6	382	388
Debt	(1,325)	(20,188)	(21,513)
IFIL 2006/2011 bonds	(199)		(199)
Current debt included in liabilities relating to assets held for sale		(33)	(33)
Other current financial liabilities		(105)	(105)
Consolidated net financial position	**(196)**	**(231)**	**(427)**

45. Translation of foreign currency financial statements

The principal exchange rates used for the translation of the 2006 and 2005 foreign currency financial statements to Euro are as follows:

	2006	2005
Year-end exchange rate		
Pound sterling	**0.6715**	0.6853
U.S. dollar	**1.3170**	1.1797
Swiss franc	**1.6069**	1.5551
Average exchange rate		
Pound sterling	**0.6818**	0.6839
U. S. dollar	**1.2561**	1.2445
Swiss franc	**1.5732**	1.5483

46. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2006 were approved by the board of directors of March 30, 2007 which authorized the publication on March 31, 2007.

Turin, March 30, 2007

For the Board of Directors
Vice Chairman (Vicario)
John Elkann

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE SEPARATE FINANCIAL STATEMENTS

Dear Stockholders,

Under art. 153 of Legislative Decree 58 dated February 24, 1998 (Consolidated Law on Financial Intermediation), the board of statutory auditors has the obligation to report to the stockholders' meeting on matters concerning the supervisory work carried out and any omissions and censurable matters that may have come to its attention. The board of statutory auditors may also formulate proposals to the stockholders' meeting in relation to the financial statements, to its approval and to matters of its competence.

In keeping with the above law, we have written this report.

During the year, we have carried out the control activities envisaged by the law according to the principles of conduct issued by the National Boards of Dottori Commercialisti and Ragionieri taking into account, for the part regarding the board's competence, the instructions by Consob in its communications and in particular, in Communication 1025564 dated April 6, 2001 and subsequent updates.

We have participated in the meetings of the board of directors during which the directors informed us about the activities carried out and about the significant economic, financial and equity transactions entered into or in the process of being entered into by the company and/or its subsidiaries. In this regard we have ascertained and we have ensured that the transactions approved and carried out were in conformity with the law and the corporate bylaws, were not in disagreement with the resolutions approved by the stockholders' meeting or in conflict of interest and were based upon the principles of good administration.

The organizational structure and the internal control systems of the company, insofar as we are responsible, appear to be adequate for the specific type of business and size of the company.

As a result, the board of statutory auditors, also on the basis of meetings held with company management and with representatives of the audit firm, has gathered extensive information regarding compliance with the principles of diligent and proper administrative management.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us, also in prior years, is in a position to record and correctly represent operating events.

As for corporate governance, the directors have prepared the specific report required by the Code of Self-discipline of listed companies. As for our responsibilities, in conformity with the provision of art. 149 No. 1 letter c) bis of Legislative Decree 58 dated February 24, 1998, we take note that the directors, in their report on corporate governance, specified the following: "IFI, in view of its particular capital structure, which, for ordinary capital stock is represented by unlisted shares held entirely by Giovanni Agnelli e C. S.a.p.az., has not adopted the Code of Self-discipline of listed companies.

Therefore, the corporate governance system adopted by the company is adapted to the capital structure and guarantees transparency according to market practices."

The rules and procedures specifically adopted, as we have ascertained, are nevertheless adequate and complete for purposes of achieving transparency as proposed by the directors.

In the same manner, the directives given by IFI S.p.A. to the subsidiaries as per art. 114, paragraph 2, of Legislative Decree 58 dated February 24, 1998 seem adequate.

The board of directors has sent us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the regulations established by Consob and has produced, according to law, the first and third quarterly reports on performance for 2006.

Specifically in reference to other instructions by Consob in its Communication 1025564 dated April 6, 2001 and later updates, with regard to our competence, we can attest to the following:

- the board of statutory auditors, pursuant to Legislative Decree 58 dated February 24, 1998 was constantly informed with regard to matters of its competence;
- the periodical verifications and tests on the company did not bring to light any atypical and/or unusual transactions with third parties, related parties or intragroup that would give rise to

reservations about the correctness or completeness of the information in the financial statements, conflicts of interest and the safeguarding of the company's assets;

- with regard to transactions with related parties, the directors, in the Notes to the separate financial statements, present and illustrate the transactions for the exchange of goods and services between your company and the companies of the Group and/or related parties, specifying that these transactions have been carried out on the basis of an evaluation of reciprocal economic gain. The most important transactions are indicated and commented in Note 28. In particular, on April 7, 2006, the company sold its entire 29.3% investment in Exor Group S.A. (controlled by Giovanni Agnelli e C. S.a.p.az.) to the same Exor Group S.A., realizing a gain of about € 104 million and a consequent significant reduction in debt. The fairness of the sales prices of € 206,804 thousand was checked by a leading financial advisor;
- the audit report of Deloitte & Touche issued on April 5, 2007 on the separate financial statements does not contain any qualifications or other matters of interest;
- during the year 2006, the board of directors held seven meetings, which we attended, and the board of statutory auditors held 10 meetings, four of which were attended by representatives of the audit firm;
- no significant aspects emerged during the course of the meetings held with the audit firm pursuant to art. 150 Legislative Decree 58 dated February 24, 1998;
- there have been no complaints received under ex art. 2408 of the Italian Civil Code;
- there have been no petitions received;
- during the year, the board of statutory auditors issued opinions on the compensation to be paid to the directors who are charged with special mandates approved by the board of directors pursuant to art. 2389 of the Italian Civil Code;
- during the year, besides the appointment for the audit of the separate and consolidated financial statements and the limited-scope audit for the first-half report, the company engaged Deloitte & Touche for the audit of the separate opening balance sheet at January 1, 2005 of the company, prepared in accordance with IFRS, as well as the separate financial statements at December 31, 2005, prepared for purposes of comparison, for a fee of € 2,000.

With regard to the separate financial statements which show a profit of € 217,624,583, the formation of which is described in the report on operations, we have ascertained that the laws have been observed with regard to its format and structure through tests carried out directly by us and on the basis of information supplied to us by the audit firm; the information supplied by directors in the report on operations should be considered extensive and complete.

This being said, we invite you to approve the financial statements together with the motion by the board of directors for the appropriation of the profit for the year.

The board of directors, lastly, invites you to authorize the purchase of treasury stock for the amount and according to the manner and terms indicated in the specific report. As to our responsibilities in this case, we can attest that the proposal conforms to existing laws.

Turin, April 11, 2007

THE BOARD OF STATUTORY AUDITORS

(Gianluca Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Dear Stockholders,

The consolidated financial statements of the IFI Group for the year ended December 31, 2006, which we submit for your consideration, show a profit attributable to the equity holders of the company of € 221 million (€ 676 million in the prior year). The consolidated financial statements were submitted to us within the terms of the law, together with the report on operations, and are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union.

The tests carried out by Deloitte & Touche S.p.A. have led to the assertion that the values expressed in the financial statements agree with the accounting records of the parent, the consolidated financial statements of the sole subsidiary IFIL S.p.A. and the relative information formally communicated by the latter.

Such consolidated financial statements, transmitted by the subsidiary to the parent for purposes of drawing up the consolidated financial statements, prepared by its relevant corporate bodies, have been examined by the bodies and/or parties in charge of controlling the individual subsidiary and on the part of the audit firm within the scope of the procedures carried out for the audit of the consolidated financial statements. The board of statutory auditors has, therefore, not extended its examination to these financial statements.

The determination of the scope of consolidation, the choice of the principles of consolidation of the investments and the procedures adopted for this purpose are in agreement with IFRS. The structure of the consolidated financial statements is thus to be considered technically correct and, as a whole, conforms to the specific law.

The audit firm has issued its report on the consolidated financial statements with an unqualified opinion, noting, for purposes of full disclosure, that the Fiat Group has been excluded from the scope of line-by-line consolidation.

The report on operations adequately describes the results of operations and financial condition, the performance of operations during the course of 2006 and the business outlook of the whole of the companies in the scope of consolidation after the end of the year. The examination to which the report has been subjected shows its congruity with the consolidated financial statements.

Turin, April 11, 2007 THE BOARD OF STATUTORY AUDITORS

(Gianluca Ferrero)

(Giorgio Giorgi)

(Lionello Jona Celesia)

IFI
Istituto Finanziario Industriale

Annual Report 2006

List of Group companies

The list of companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, are set out in accordance with Consob resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulation), and Consob Communication 6064293 dated July 28, 2006.

Investments of IFI consolidated on a line-by-line basis

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFI S.p.A.	**ITALY**	**163,251,460**	**EUR**				
IFIL INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR	63.71	IFI S.p.A. GIOVANNI AGNELLI E C. S.a. p.az. SOIEM S.p.A. (*) IFIL INVESTMENTS S.p.A. (*)	62.751 2.896 0.075 1.153	65.010 3.000 0.078 1.194

(*) Voting suspended.

Investments of the “IFIL Holdings System” consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 63.71%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
COMPANIES OF THE HOLDINGS SYSTEM (Holding companies and services)							
IFIL INVESTMENT HOLDING N.V.	THE NETHERLANDS	54,000,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A. IFIL INVESTMENT HOLDING N.V.	79,816 20.184	79,816 20.184
IFILGROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL USA INC.	USA	500,000	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	HONG KONG CHINA (PEOPLE'S REP.)	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	15,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED U.K.	UNITED KINGDOM	243,100	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
C&W GROUP INC. (a)	USA	1	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
OPERATING COMPANIES							
Holding companies and other companies							
SEQUANA CAPITAL S.A.	FRANCE	73,679,608	EUR	48.88	IFIL INVESTISSEMENTS S.A.	48.879	48.879
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	12,093,200	EUR	60.00	IFIL INVESTMENTS S.p.A.	60.001	60.001

(a) Company accounted for at cost in the 2006 consolidated financial statements since it was set up in December 2006.

Investments of the Sequana Capital Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 31.14%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Paper							
AGENA N.V.	BELGIUM	62,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	99.200	99.200
ANTALIS (HONG KONG) LIMITED	HONG KONG	150,000.00	HKD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	99.993	99.993
					WIGGINS TEAPE LIMITED	0.007	0.007
ANTALIS (MALAYSIA) SDN. BHD.	MALAYSIA	2,500,000.00	MYR	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (PROPRIETARY) LIMITED	SOUTH AFRICA	1,000.00	ZAR	100.00	ANTALIS SA HOLDINGS LIMITED	100.000	100.000
ANTALIS (SHANGAI) TRADING CO., LIMITED	PEOPLE'S REP. OF CHINA	1,200,000.00	HKD	100.00	ANTALIS (HONG KONG) LTD	100.000	100.000
ANTALIS (SINGAPORE) PTE LTD	SINGAPORE	10,000,000.00	SGD	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	100.000	100.000
ANTALIS (SWITZERLAND) AG	SWITZERLAND	10,000,000.00	CHF	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS (THAILAND) LIMITED	THAILAND	30,000,000.00	THB	84.00	ANTALIS OVERSEAS HOLDINGS LIMITED	80.000	80.000
					ANTALIS (SINGAPORE) PTE LTD	9.999	9.999
ANTALIS A/S	DENMARK	2,001,000.00	DKK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS AG	SWITZERLAND	3,000,000.00	CHF	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
ANTALIS BOLIVIA SRL	BOLIVIA	2,775,000.00	BOB	100.00	GMS DISTRIBUIDORA GRAFICA SA	0.036	0.036
					INVERSIONES ANTALIS HOLDING LTDA	99.964	99.964
ANTALIS BOTSWANA (PTY) LIMITED	BOTSWANA	80,000.00	BWP	100.00	ANTALIS SA HOLDINGS LIMITED	99.999	99.999
ANTALIS BV	THE NETHERLANDS	2,314,279.10	EUR	100.00	MÜHLEBACH B.V.	100.000	100.000
ANTALIS DO BRAZIL PRODUTOS PARA A INDUSTRIA GRAFICA LTDA	BRAZIL	6,866,161.00	BRL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS OFFICE LIMITED	UNITED KINGDOM	1.00	GBP	100.00	ANTALIS INTERNATIONAL	100.000	100.000
ANTALIS ENVELOPES MANUFACTURING, S.L.	SPAIN	2,815,988.40	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS EUROPE HOLDINGS	UNITED KINGDOM	39,775,643.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS GMBH	GERMANY	4,725,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS GROUP	UNITED KINGDOM	136.926.562,00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
					PROTALIS LIMITED	0.000	0.000
ANTALIS GROUP HOLDINGS LIMITED	UNITED KINGDOM	575,179,200.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS HOLDINGS LIMITED	UNITED KINGDOM	86,244,205.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS IBERIA SA	SPAIN	9,407,866.37	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS INTERNATIONAL SAS	FRANCE	596,966,040.00	EUR	100.00	SEQUANA CAPITAL	99.990	99.990
					MANAGERS	< 0,01	<0 0,1
ANTALIS INTERSERVICES NV/SA	BELGIUM	99,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					MÜHLEBACH B.V.	0.000	0.000
ANTALIS IRELAND LIMITED	IRELAND	3,491,779.50	EUR	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
					WIGGINS TEAPE LIMITED	0.000	0.000
ANTALIS LIETUVA UAB	LITHUANIA	4,000,000.00	LTL	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS LIMITED	UNITED KINGDOM	71,346,866.00	GBP	100.00	ANTALIS HOLDINGS LIMITED	100.000	100.000
ANTALIS NV/SA	BELGIUM	7,437,128.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	99.995	99.995
					MÜHLEBACH B.V.	0.002	0.002
ANTALIS OFFICE SUPPLIES, S.L.	SPAIN	11,262,331.92	EUR	100.00	ANTALIS INTERNATIONAL SAS	98.830	98.830
					ANTALIS IBERIA	1.170	1.170
ANTALIS OVERSEAS HOLDINGS LIMITED	UNITED KINGDOM	7,948,114.00	GBP	100.00	ANTALIS GROUP	100.000	100.000
ANTALIS OY	FINLAND	1,918,600.00	FIM	100.00	MÜHLEBACH B.V.	100.000	100.000
ANTALIS PERU SA	PERU	5,864,184.43	SOL	100.00	GMS DISTRIBUIDORA GRAFICA SA	0.002	0.002
					INVERSIONES ANTALIS HOLDING LTDA	99.998	99.998
ANTALIS POLAND SPOLKA Z.O.O.	POLAND	3,011,600.00	PLN	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PORTUGAL S.A.	PORTUGAL	4,990,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS BV	THE NETHERLANDS	907,560.43	EUR	100.00	ANTALIS INTERNATIONAL	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS GMBH	GERMANY	25,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS PROMOTIONAL PRODUCTS S.L.	SPAIN	26,913,010.00	EUR	100.00	ANTALIS IBERIA SA	81.410	81.410
					MÜHLEBACH B.V.	18.590	18.590
ANTALIS PROMOTIONAL PRODUCTS SNC	FRANCE	1,000,278.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	99.998	99.998
					ANTALIS PURCHASING SASU	0.002	0.002
ANTALIS PURCHASING SASU	FRANCE	40,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS S.R.O.	CZECH REPUBLIC	62,200,000.00	CZK	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
ANTALIS SA	ROMENIA	240,000.00	RON	100.00	MÜHLEBACH B.V.	100.000	100.000
ANTALIS SA HOLDINGS LIMITED	UNITED KINGDOM	1,001.00	GBP	100.00	ANTALIS GROUP	99.900	99.900
					PROTALIS LIMITED	0.100	0.100
ANTALIS SNC	FRANCE	25,309,566.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
					ANTALIS PURCHASING SASU	0.000	0.000
ANTALIS SPA	ITALY	18,937,828.00	EUR	99.37	ANTALIS INTERNATIONAL SAS	99.369	99.369
ANTALIS, A.S.	SLOVAK REP.	2,000,000.00	SKK	100.00	ANTALIS S.R.O.	61.000	61.000
					MÜHLEBACH B.V.	39.000	39.000
ANTAPRINT SRL	ITALY	50,000.00	EUR	100.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	100.000	100.000
ANTAREA SPA	ITALY	6,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL	100.000	100.000
ANTHALO SRL	ITALY	100,000.00	EUR	100.00	CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	50.000	50.000
					ANTAREA SPA	50.000	50.000
APPLETON COATED LLC	USA	100.00	USD	100.00	APPLETON COATED PAPER HOLDINGS INC.	100.000	100.000
APPLETON COATED PAPERS HOLDINGS INC.	USA	14.45	USD	100.00	ARJOWIGGINS	100.000	100.000
ARJO WIGGINS PTY LIMITED	AUSTRALIA	400,000.00	AUD	100.00	ARJOWIGGINS	100.000	100.000
ARJO WIGGINS APPLETON INSURANCE LIMITED	GUERNSEY	1,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
					ARJO WIGGINS UK HOLDINGS LIMITED	0.000	0.000
ARJO WIGGINS AUSTRALIA PTY LIMITED	AUSTRALIA	200,000.00	AUD	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS BELGIUM HOLDINGS S.A.	BELGIUM	193,852,736.37	EUR	100.00	LIMITED	99.998	99.998
					ARJO WIGGINS LIMITED	0.002	0.002
ARJO WIGGINS BELGIUM S.A.	UNITED KINGDOM	32,500,000.00	EUR	99.99	ARJO WIGGINS BELGIUM HOLDINGS S.A.	99.990	99.990
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS CANSON KK	JAPAN	20,000,000.00	JPY	100.00	ARJOWIGGINS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	UNITED KINGDOM	2.00	GBP	100.00	LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS EUROPE LIMITED	UNITED KINGDOM	170,735,640.00	GBP	100.00	ARJO WIGGINS U.K. HOLDINGS	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS INTERNATIONAL LTD	UNITED KINGDOM	75,000.00	GBP	100.00	LIMITED	100.000	100.000
ARJO WIGGINS CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	LIMITED	100.000	100.000

Investments of the Sequana Capital Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 31.14%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ARJO WIGGINS CASTING PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS CHENMING SPECIALITY PAPERS CO., LTD.	PEOPLE'S REP. OF CHINA	150,000,000.00	CHN	70.00	ARJOWIGGINS HKK2 LTD	70.000	70.000
ARJO WIGGINS CHINA HOLDINGS LIMITED	UNITED KINGDOM	100.00	GBP	100.00	LODI 12 SAS	100.000	100.000
ARJO WIGGINS DEUTSCHLAND GMBH	GERMANY	12,271,005.15	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ERMSTAL GMBH & CO. KG	GERMANY	54,836,054.26	EUR	100.00	ARJO WIGGINS GERMANY HOLDINGS LIMITED	48.951	48.951
					ARJOWIGGINS SAS	51.049	51.049
ARJO WIGGINS ERMSTAL VERWALTUNGS GMBH	GERMANY	25,564.59	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ESPANA S.A.	SPAIN	60,200.00	EUR	99.96	ARJO WIGGINS BELGIUM S.A.	99.970	99.970
					WIGGINS TEAPE LIMITED	0.030	0.030
ARJO WIGGINS FEINPAPIER GMBH	GERMANY	2,556,459.00	EUR	99.99	ARJO WIGGINS BELGIUM SA	100.000	100.000
ARJO WIGGINS FINE PAPERS EXPORT LIMITED	UNITED KINGDOM	25,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS HOLDINGS LIMITED	UNITED KINGDOM	10,253,565.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS LIMITED	UNITED KINGDOM	25,010,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJO WIGGINS FINE PAPERS PTY LTD	AUSTRALIA	2.00	AUD	100.00	ARJO WIGGINS FINE PAPERS HOLDINGS LTD	100.000	100.000
ARJO WIGGINS GERMANY HOLDINGS LIMITED	UNITED KINGDOM	25,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS HKK1 LTD	HONG KONG	1.00	HKD	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS HKK2 LTD	HONG KONG	101,250,000.00	HKD	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS ITALIA S.R.L.	ITALY	2,275,000.00	EUR	100.00	LIMITED	100.000	100.000
					ARJO WIGGINS LIMITED	0.000	0.000
ARJO WIGGINS LIMITADA	BRAZIL	23.593.226,OO	BRL	100.00	ARJO WIGGINS SECURITY	98.610	98.610
					ARJOWIGGINS	1.390	1.390
ARJO WIGGINS LIMITED	UNITED KINGDOM	92,260,100.00	GBP	100.00	IDEM LIMITED	100.000	100.000
ARJO WIGGINS MEDICAL, INC	USA	2,201,280.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJO WIGGINS NC, LLC	USA	13,258,824.00	USD	100.00	MURO. INC.	100.000	100.000
ARJO WIGGINS S.P. ITALIA S.r.l.	ITALY	46,482.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS SARL	SWITZERLAND	200,000.00	CHF	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	99.500	99.500
					ARJOWIGGINS SAS	0.500	0.500
ARJO WIGGINS SPECIALTY HOLDINGS INC.	USA	200,000.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
ARJO WIGGINS SVENSKA AB	SWEDEN	100,000.00	SEK	99.99	ARJO WIGGINS BELGIUM S.A.	100.000	100.000
ARJO WIGGINS UK HOLDINGS LIMITED	UNITED KINGDOM	206,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJO WIGGINS USA, INC	USA	1,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
ARJOBEX AMERICA	USA	21,000,000.00	USD	100.00	MU.RO. INC.	51.000	51.000
					ARJO WIGGINS NC, LLC.	49.000	49.000
ARJOBEX LIMITED	UNITED KINGDOM	2,000,100.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOBEX SAS	FRANCE	1,029,280.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS s.r.o.	CZECH REPUBLIC	14,000,000.00	CZK	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS CANSON SAS	FRANCE	5,356,213.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS CHARTHAM LIMITED	UNITED KINGDOM	6,000,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS IVYBRIDGE LIMITED	UNITED KINGDOM	2,500,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
ARJOWIGGINS LE BOURRAY SAS	FRANCE	1,351,577.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS PAPIERS COUCHES SAS	FRANCE	87,916,250.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
ARJOWIGGINS RIVES	FRANCE	30,000,000.00	EUR	100.00	ARJOWIGGINS	100.000	100.000
ARJOWIGGINS SAS	FRANCE	165,920,000.00	EUR	100.00	SEQUANA CAPITAL	99.990	99.990
					MANAGERS	<0,01	<0,01
ARJOWIGGINS SECURITY SAS	FRANCE	70,000,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
AWA QINGDAO PAPER LIMITED	PEOPLE'S REP. OF CHINA	6,350,000.00	USD	63.15	ARJO WIGGINS CARBONLESS PAPERS CHINA LIMITED	63.150	63.150
B.T.I.I.	FRANCE	30.00	EUR	90.00	ARJOWIGGINS CANSON SAS	90.000	90.000
BERNARD DUMAS SAS	FRANCE	686,070.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
BRANGS AND HEINRICH GES.M.B.H.	AUSTRIA	510,000.00	EUR	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
BRANGS AND HEINRICH GMBH	GERMANY	1,600,050.00	EUR	100.00	ANTALIS GMBH	100.000	100.000
BRANOPACK LIMITED	UNITED KINGDOM	175,000.00	GBP	100.00	ANTALIS (SWITZERLAND) AG	100.000	100.000
CANSON & MONTGOLFIER (DEUTSCHLAND) GMBH	GERMANY	512,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON INTERNATIONAL SAS	FRANCE	76,250.00	EUR	100.00	ARJOWIGGINS CANSON SAS	100.000	100.000
CANSON ITALIA S.P.A.	ITALY	312,000.00	EUR	100.00	CANSON INTERNATIONAL SAS	95.000	95.000
					ARJOWIGGINS CANSON SAS	5.000	5.000
CANSON POLSKA SP.Z.O.O.	POLAND	63,300.00	PLN	100.00	CANSON INTERNATIONAL SAS	100.000	100.000
CANSON, INC.	USA	1,560.00	USD	100.00	APPLETON COATED PAPERS HOLDINGS INC.	100.000	100.000
CARBONLESS PAPERS LIMITED	UNITED KINGDOM	2.00	GBP	100.00	LIMITED	100.000	100.000
CENTRO DISTRIBUZIONE ARTICOLI DA REGALO SPA	ITALY	2,000,000.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
CLASS PAPIER B.V.	THE NETHERLANDS	18,151.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
CREA PAPIER GMBH	GERMANY	26,000.00	EUR	100.00	ARJOWIGGINS PAPIERS COUCHES SAS	100.000	100.000
DEKKER PACKAGING BV	THE NETHERLANDS	1,975,808.00	EUR	100.00	MUHLEBACH B.V.	100.000	100.000
DISTRIBUIDORA OFIMARKET SA	CHILE	2,930,611.86	CLP	50.00	INVERSIONES ANTALIS HOLDING LIMITADA	50.000	50.000
					GMS PRODUCTOS GRAFICOS LIMITADA	<0,001	<0,001
ESPECIALIDADES DEL PAPEL DE COLOMBIA LTDA (ESPACOL LTDA)	COLOMBIA	608,003,000.00	COP	99.93	TORDERA S.A.	99.697	99.697
EUROPEAN PRINTED PRODUCTS S.A.S. (E2P)	FRANCE	6,100,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
FAIRPRINT BV	THE NETHERLANDS	16,336.09	EUR	100.00	ANTALIS PROMOTIONAL PRODUCTS BV	100.000	100.000
FYNE PAPERS LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
GEP S.P.A.	ITALY	1,662,792.00	EUR	84.60	ARJOWIGGINS SECURITY SAS	84.600	84.600
GMS DISTRIBUIDORA GRAFICA SA	CHILE	483,528,762.00	CLP	100.00	INVERSIONES ANTALIS HOLDING LIMITADA	1.000	1.000
					GMS PRODUCTOS GRAFICOS LIMITADA	99.000	99.000
GMS PRODUCTOS GRAFICOS LIMITADA	CHILE	30,515,570,540.00	CLP	100.00	INVERSIONES ANTALIS HOLDINGS LIMITADA	99.990	99.990
					MÜHLEBACH B.V.	0.010	0.010
GRAPHIC SUPPLIES LIMITED	UNITED KINGDOM	1,000.00	USD	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
GST - GRAPHIC SERVICES TEAM LIMITADA (BRESIL)	BRAZIL	852,787.00	BRL	100.00	MUHLEBACH B.V.	99.883	99.883
GUARRO CASAS FRANCE SARL	FRANCE	8,000.00	EUR	99.93	GUARRO CASAS S.A.	100.000	100.000
GUARRO CASAS S.A.	FRANCE	6,600,000.00	EUR	99.93	ARJOWIGGINS CANSON SAS	97.958	97.958
					GUARRO CASAS S.A. (*)	1.981	1.981
GUERIMAND SAS	FRANCE	11,900,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
HARDWARE SOFTWARE ENGINEERING SRL	ITALY	20,000,000.00	EUR	100.00	MÜHLEBACH B.V.	100.000	100.000
I-PAPERS LIMITED	UNITED KINGDOM	5,000.00	GBP	100.00	LIMITED	100.000	100.000
IDEM LIMITED	UNITED KINGDOM	92,250,002.00	GBP	100.00	ARJO WIGGINS BELGIUM HOLDINGS S.A.	81.301	81.301
					LIMITED	18.699	18.699

(*) Voting suspended.

Investments of the Sequana Capital Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 31.14%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
INTERPAPEL S.A.	MEXICO	50,000.00	MXP	99.93	TORDERA S.A.	100.000	100.000
INVERSIONES ANTALIS HOLDINGS LIMITADA	CHILE	18,693,542,100.00	CLP	100.00	ANTALIS OVERSEAS HOLDINGS LIMITED	12.890	12.890
					ANTALIS INTERNATIONAL SAS	59.130	59.130
					MÜHLEBACH B.V.	27.980	27.980
ISSY 5 EURL	FRANCE	8,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
JAMICE	FRANCE	38,125.00	EUR	100.00	ARJOWIGGINS	100.000	100.000
LODI 11 SAS	FRANCE	40,000.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
LODI 12	FRANCE	38,112.00	EUR	100.00	ARJOWIGGINS	100.000	100.000
MU.RO. INC.	USA	10,291,000.00	USD	100.00	ARJO WIGGINS SPECIALTY HOLDINGS INC.	100.000	100.000
MÜHLEBACH B.V.	THE NETHERLANDS	21,500.00	EUR	100.00	ANTALIS INTERNATIONAL SAS	100.000	100.000
NEWTON FALLS LLC	USA	1.00	USD	100.00	APPLETON COATED LLC	100.000	100.000
PACIFIC SOLUTIONS GROUP LIMITED	HONG KONG	100,000.00	HKD	100.00	ANTALIS INTERNATIONAL SAS	99.000	99.000
					ANTALIS (HONG KONG) LIMITED	1.000	1.000
PAPER PEOPLE LIMITED	UNITED KINGDOM	5,000,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
PERFORMANCE PAPERS LIMITED	UNITED KINGDOM	550,000.00	GBP	100.00	THE WIGGINS TEAPE GROUP LIMITED	100.000	100.000
PRIPLAK SAS	FRANCE	323,554.00	EUR	100.00	ARJOWIGGINS SAS	100.000	100.000
PROTALIS LIMITED	UNITED KINGDOM	4,100.00	GBP	100.00	ANTALIS GROUP HOLDINGS LIMITED	100.000	100.000
QINGDAO ARJO WIGGINS PAPER CO., LTD.	PEOPLE'S REP. OF CHINA	1,176,000.00	USD	100.00	LODI 12 SAS	40.000	40.000
					ARJO WIGGINS CHINA HOLDINGS LIMITED	60.000	60.000
QUAIFE PAPER LIMITED	UNITED KINGDOM	2,026,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
SARNIA (PTY) LIMITED	BOTSWANA	1,345,625.00	BWP	100.00	FIRST PAPER HOUSE BOTSWANA (PTY) LIMITED	92.569	100.000
SIMGE ANTALIS KAGIT SANAYI VE TICARET AS	TURKEY	31,459,475,000,000.00	TLR	100.00	MÜHLEBACH B.V.	100.000	100.000
SOCIEDAD COMERCIALIZADORA DE PAPELES ESPACHILE LTDA	CHILE	16,995,300.00	CLP	99.93	TORDERA S.A.	100.000	100.000
SOCIETE CIVILE IMMOBILIERE DU MARAIS	FRANCE	152.45	EUR	100.00	ARJOWIGGINS SAS	95.000	95.000
					ARJOWIGGINS LE BOURRAY SAS	5.000	5.000
THE WIGGINS TEAPE GROUP LIMITED	UNITED KINGDOM	282,500,000.00	GBP	100.00	ARJO WIGGINS UK HOLDINGS LIMITED	100.000	100.000
TORDERA S.A.	PANAMA	97,000.00	USD	99.93	GUARRO CASAS S.A.	100.000	100.000
VEILIGHEIDSPAPIERFABRIEK UGCHELEN	THE NETHERLANDS	6,806,703.24	EUR	100.00	ARJOWIGGINS SECURITY SAS	100.000	100.000
WIGGINS TEAPE LIMITED	UNITED KINGDOM	21,300,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WILLOW PAPER COMPANY LIMITED	UNITED KINGDOM	16,000.00	GBP	100.00	ANTALIS LIMITED	100.000	100.000
WITCEL S.A.	ARGENTINA	1,901,200.00	USD	100.00	ARJOWIGGINS SECURITY SAS	95.000	95.000
					ARJOWIGGINS SAS	5.000	5.000
Holding companies and other companies							
ANTONIN RODET SAS	FRANCE	11,100,000.00	EUR	100.00	W PARTICIPATIONS SAS	100.000	100.000
AP CROISSANCE SAS	FRANCE	40,000.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
AP GESTION ET FINANCEMENT SAS	FRANCE	40,000.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	BERMUDAS	15,000.00	USD	100.00	ARJO WIGGINS APPLETON LIMITED	20.000	100.000
ARJO WIGGINS APPLETON LIMITED	UNITED KINGDOM	213,954,077.75	GBP	100.00	SEQUANA CAPITAL	100.000	100.000
ARJO WIGGINS APPLETON (BERMUDA) LIMITED	BERMUDAS	61,020.00	USD	100.00	ARJO WIGGINS (BERMUDA) HOLDINGS LIMITED	89.910	89.910
ARJO WIGGINS APPLETON HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					AWA FINANCE	0.100	0.100
ARJO WIGGINS EUROPE HOLDINGS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					ARJO WIGGINS APPLETON HOLDINGS	0.100	0.100
ARJO WIGGINS NORTH AMERICA INVESTMENTS	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.900
					AWA FINANCE	0.100	0.100
ARJO WIGGINS US HOLDINGS	UNITED KINGDOM	36,187,415.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	100.000	100.000
					AWA FINANCE	0.000	0.000
AWA FINANCE	UNITED KINGDOM	1,000.00	GBP	100.00	ARJO WIGGINS APPLETON LIMITED	99.900	99.990
					ARJO WIGGINS APPLETON HOLDINGS	0.100	0.100
BOCCAFIN	FRANCE	286,219,820.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
FINANCIERE WORMS & CIE S.A.	SWITZERLAND	250,000.00	CHF	100.00	BOCCAFIN	100.000	100.000
SEQUANA CAPITAL UK LIMITED	UNITED KINGDOM	120,714.00	GBP	100.00	SEQUANA CAPITAL	100.000	100.000
SOCIETE FERMIERE ET DE PARTICIPATIONS S.A. (IN LIQUIDATION)	FRANCE	2,287,500.00	EUR	100.00	W PARTICIPATIONS SAS	99.986	99.986
W PARTICIPATIONS SAS	FRANCE	42,696,720.00	EUR	100.00	SEQUANA CAPITAL	100.000	100.000
W SYSTEMES ET INFORMATION	FRANCE	N.D.	EUR	100.00	ANTALIS INTERNATIONAL SAS	39.500	39.500
					ARJOWIGGINS SAS	44.000	44.000
					SEQUANA CAPITAL	16.500	16.500

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 63.71%)

Name	Country	Capital stock at 12/31/06	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Sector of activity: HOTEL MANAGEMENT							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITOUR WORLD HOTELS & RESORTS S.p.A.	ITALY	140,385.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000.00	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.998	99.998
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000.00	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000.00	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000.00	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
KELIBIA BEACH S.A.	TUNISIA	6,000,000	TND	99.990	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.990	99.990
KIWENGWA LIMITED	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.036	1.036
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	3,603,900.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
NETRADE S.P.A.	ITALY	300,000.00	EURO	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000.00	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000.00	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Sector of activity: INSURANCE							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	750,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Sector of activity: DISTRIBUTION (Travel agency)							
WELCOME TRAVEL GROUP S.p.A.	ITALY	6,380,000	EURO	100.000	ALPITOUR S.P.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000	CHF	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
Sector of activity: INCOMING SERVICES							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	152,400.00	EURO	99.970	JUMBOTURISMO S.A. UNIPERSONAL	99.970	99.970
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 63.71%)

Name	Country	Capital stock at 12/31/06	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
PANAFRICAN TOURS S.A.	MOROCCO	400,000.00	MAD	99.700	JUMBOTURISMO S.A. UNIPERSONAL	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
Sector of activity: TOUR OPERATING							
FRI M.I.C.E. S.r.l.	ITALY	10,400.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
Sector of activity: AIRLINE							
NEOS S.p.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP S.p.A.	0.000	0.000

Investments of the “IFIL Holdings System” accounted for by the equity method (percentage of IFI Group consolidation equal to 63.71%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Holding companies and other companies							
FIAT S.p.A. (a)	ITALY	6,377,257,130	EUR	28.60	IFIL INVESTMENTS S.p.A. FIAT S.p.A. (*)	28.513 0.331	30.450 0.387
Real estate - Tourism							
TURISMO & IMMOBILIARE S.p.A. (b)	ITALY	120,000	EUR	-	IFIL INVESTISSEMENTS S.A.	25.000	25.000
Holding companies and other companies							
SADCO S.A. (c)	SWITZERLAND	300,000	CHF	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000

(a) The investments of the Fiat Group are shown separately.
(b) Investment sold on March 26, 2007.
(c) Company in liquidation.
(*) Voting suspended.

Investments of the Sequana Capital Group accounted for by the equity method (percentage of IFI Group consolidation equal to 31.14%)

Name	Country	Capital stock at 12/31/2006	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Paper							
DIMAGRAF SA	ARGENTINE	125,000.00	ARS	30.00	INVERSIONES ANTALIS HOLDINGS LTDA	30.000	30.000
MWT PAPER PROCESSING LIMITED	MAURITIUS	20,000,000.00	MUR	50.00	ANTALIS INTERNATIONAL	50.000	50.000
QUIMIGRAF SA	ARGENTINE	100,000.00	ARS	30.00	INVERSIONES ANTALIS HOLDINGS LTDA	30.000	30.000

Investments of the Alpitour Group accounted for by the equity method (percentage of IFI Group consolidation equal to 63.71%)

Name	Country	Capital stock at 12/31/06	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Sector of activity: Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
VACANZEINITALIA S.p.A.	ITALY	300,000	EURO	50.000	ALPITOUR S.p.A	50.000	50.000
Sector of activity: Distribution (Travel agency)							
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EURO	95.000	WELCOME TRAVEL GROUP S.p.A.	95.000	95.000
Sector of activity: Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A	50.000	50.000
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.a.r.l.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EURO	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000

Significant investments of the “IFIL Holdings System”.

Name	Country	Capital stock at 12/31/2006	Currency	Interest held by	% of interest held	% of voting rights
Holding companies and other companies						
SANPAOLO IMI S.p.A.	ITALY	5,399,586,248	EUR	IFIL INVESTMENTS S.p.A.	4.964	5.851
GRUPPO BANCA LEONARDO S.p.A.	ITALY	163,990,200	EUR	IFIL INVESTISSEMENTS S.A.	9.597	9.597
SGS S.A.	SWITZERLAND	156,448,720	CHF	IFIL INVESTISSEMENTS S.A.	13.16	13.16
EUROMEDIA LUXEMBOURG ONE S.A. (a)	LUXEMBOURG	44,887,500	USD	IFIL INVESTISSEMENTS S.A.	14.286	14.286
				FIAT NETHERLAND HOLDING N.V.	14.286	14.286

(a) Company in liquidation.

Significant investments of Juventus Football Club S.p.A.

Name	Country	Capital stock at 12/31/2006	Currency	Interest held by	% of interest held	% of voting rights
Lease of own real estate and sublease						
CAMPI DI VINOVO S.p.A.	ITALY	1,300,000	EUR	JUVENTUS FOOTBALL CLUB S.p.A.	69.800	69.800
				CAMPI DI VINOVO S.p.A. (*)	3.000	3.000
Stadium management						
SEMANA S.r.l.	ITALY	100,000	EUR	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

(*) Voting suspended.

Significant investments of the Sequana Capital Group

Name	Country	Capital stock at 12/31/2006	Currency	Interest held by	% of interest held	% of voting rights
Paper						
EXPRESSO PAPER PLATFORM BV	THE NETHERLANDS	3,346,410.20	EUR	MÜHLEBACH B.V.	12.895	12.895

Significant investments of the Alpitour Group

Name	Country	Capital stock at 12/31/06	Currency	Interest held by	% of interest held	% of voting rights
Sector of activity: Distribution (Travel agency)						
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EURO	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Sector of activity: Incoming services						
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS ZANZIBAR LIMITED	TANZANIA	1,000,000.00	TZS	JUMBOTURISMO S.A. UNIPERSONAL	49.000	49.000

The companies of the Fiat Group

In the consolidated financial statements of the IFI Group, the investment held through IFIL S.p.A. in the Fiat Group (18.22% at the IFI Group level) is accounted for by the equity method (please refer to Notes 5 and 44 in the consolidated financial statements).

For purposes of complete disclosure, this appendix shows the investments of the Fiat Group exactly as they are presented in the consolidated financial statements of the Fiat Group.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Controlling company								
Parent company								
Fiat S.p.A.	Turin	Italy	6,377,257,130	EUR	-	-	-	-
Subsidiaries consolidated on a line-by-line basis								
Automobiles								
Fiat Auto S.p.A.	Turin	Italy	645,031,979	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Banco Fidis de Investimento SA	Betim	Brazil	116,235,465	BRL	100.00	Fidis S.p.A.	98.970	
						Fiat Automoveis S.A. - FIASA	1.030	
Clickar Assistance S.R.L.	Turin	Italy	335,632	EUR	100.00	Fidis S.p.A.	100.000	
Customer Center S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Auto S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Auto S.p.A.	72.495	
						Fiat Automoveis S.A. - FIASA	27.505	
Fiat Auto (Belgio) S.A.	Brussels	Belgium	18,600,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Auto (Belgio) S.A.	99.839	
Fiat Auto España S.A.	Alcalá De Henares	Spain	35,346,850	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Auto (Suisse) S.A.	0.002	
Fiat Auto Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto (Ireland) Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Auto S.p.A.	99.950	
Fiat Auto Nederland B.V.	Lijnden	The Netherlands	5,672,250	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto Portuguesa S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto South Africa (Proprietary) Ltd	Sunninghill	South Africa	640	ZAR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto (Suisse) S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Auto S.p.A.	100.000	
Fiat Auto (U.K.) Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Automobil AG	Heilbronn	Germany	97,280,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Auto (Suisse) S.A.	1.000	
Fiat Automobil GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Automobil AG	100.000	
Fiat Automobiler Danmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,233,506,013	BRL	100.00	Fiat Auto S.p.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Geneva	Switzerland	13,000,000	CHF	100.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Auto S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	142,630,748	ARS	100.00	Fidis S.p.A.	99.999	
						Fiat Auto Argentina S.A.	0.001	
Fiat Finance Netherlands B.V.	Amsterdam	The Netherlands	690,000,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
(*) Fiat India Automobiles Private Limited	Mumbai	India	19,620,126,500	INR	100.00	Fiat Auto S.p.A.	100.000	
(*) Fiat India Private Ltd.	Mumbai	India	8,363,617,700	INR	100.00	Fiat India Automobiles Private Limited	52.196	52.628
						Fiat Auto S.p.A.	47.804	47.372
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Auto S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Auto (U.K.) Ltd	100.000	
Fiat Purchasing Italia S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
FIAT Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Auto S.p.A.	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	100.00	Fiat Auto S.p.A.	100.000	
Fiat Teamsys GmbH	Heilbronn	Germany	500,000	EUR	100.00	Fiat Automobil AG	100.000	
Fiat Teamsys S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Automobil AG	51.000	
						Rimaco S.A.	49.000	
Fidis Hungary Ltd. under liquidation	Budapest	Hungary	13,000	EUR	100.00	Fidis S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	311,232,342	EUR	100.00	Fiat Auto S.p.A.	99.900	
						Nuove Iniziative Finanziarie 2 S.r.l.	0.100	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	500,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Inmap 2000 Espana S.L.	Alcalá De Henares	Spain	4,698,919	EUR	100.00	Fiat Auto España S.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	8,500,000	EUR	100.00	Fiat Auto (Belgio) S.A.	99.988	
						Nuove Iniziative Finanziarie 2 S.r.l.	0.012	
New Business 16 S.p.A. a socio unico	Chivasso	Italy	1,500,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
SCDR Automotive Limited	Basildon	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Switzerland) S.A.	Schlieren	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Targasys Espana S.L.	Alcalá De Henares	Spain	5,000	EUR	100.00	Fiat Auto España S.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	85.00	Fiat S.p.A.	85.000	
Charles Pozzi S.a.r.l.	Levallois-Perret	France	959,519	EUR	85.00	Ferrari West Europe S.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	85.00	Ferrari International S.A.	100.000	
Ferrari Financial Services AG	Monaco	Germany	1,777,600	EUR	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	600,000	EUR	76.50	Ferrari S.p.A.	90.000	
Ferrari GB Limited	Slough Berkshire	United Kingdom	50,000	GBP	85.00	Ferrari International S.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	31,000,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	85.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ferrari West Europe S.A.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Pozzi Rent Snc	Lyon	France	15,256	EUR	85.00	Ferrari West Europe S.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	85.00	Ferrari International S.A.	100.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati West Europe société par actions simplifiée	Levallois-Perret	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	The Netherlands	531,719,530	EUR	89.71	Fiat Netherlands Holding N.V.	89.652	89.711
						CNH Global N.V.	0.066	0.000
Austoft Industries Limited	St. Marys	Australia	16,353,225	AUD	89.71	CNH Australia Pty Limited	100.000	
Banco CNH Capital S.A.	Curitiba	Brazil	252,285,242	BRL	89.71	CNH Global N.V.	98.760	
						CNH Latin America Ltda.	1.240	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.71	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.71	CNH Capital America LLC	100.000	
Case Credit Australia Investments Pty Ltd	St. Marys	Australia	71,516,000	AUD	89.71	CNH Australia Pty Limited	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.71	CNH Capital America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	89.71	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.71	CNH America LLC	100.000	
Case IH Machinery Trading Shanghai Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	89.71	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.71	CNH America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.71	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.71	New Holland Holdings Argentina S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.71	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.71	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.71	CNH International S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.71	CNH International S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.71	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	89.71	CNH Australia Pty Limited	100.000	
CNH Capital Automotive Receivables LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital Benelux	Zedelgem	Belgium	6,350,000	EUR	89.71	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.71	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital (Europe) plc	Dublin	Ireland	38,100	EUR	89.71	CNH Capital plc	99.984	
						CNH Global N.V.	0.005	
						CNH Financial Services A/S	0.003	
						CNH International S.A.	0.003	
						CNH Trade N.V.	0.003	
						CNH Financial Services S.r.l.	0.002	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.71	CNH America LLC	100.000	
CNH Capital plc	Dublin	Ireland	6,386,791	EUR	89.71	CNH Global N.V.	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.71	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	San Pedro	Mexico	135,634,842	MXN	89.71	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.71	CNH International S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.71	CNH International S.A.	100.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.71	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.71	CNH International S.A.	100.000	
CNH Financial Services S.A.S.	Puteaux	France	28,860,625	EUR	89.71	CNH Global N.V.	98.040	
						CNH Capital Benelux	1.960	
CNH Financial Services S.r.l.	Modena	Italy	10,400	EUR	89.71	CNH Capital plc	100.000	
CNH France S.A.	Morigny-Champigny	France	138,813,150	EUR	89.71	CNH International S.A.	100.000	
CNH International S.A.	Luxembourg	Luxembourg	300,000,000	USD	89.71	CNH Global N.V.	100.000	
CNH Italia s.p.a.	Modena	Italy	15,600,000	EUR	89.71	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	
CNH Latin America Ltda.	Contagem	Brazil	967,783,051	BRL	89.71	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	89.71	CNH International S.A.	100.000	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.71	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	89.71	CNH Belgium N.V.	99.995	
						Fiat Polska Sp. z o.o.	0.005	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	89.71	CNH International S.A.	99.980	
						CNH Italia s.p.a.	0.020	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital America LLC	100.000	
CNH Serviços Técnicos e Desenvolvimento de Negocios Ltda	Curitiba	Brazil	1,000,000	BRL	89.71	Banco CNH Capital S.A.	100.000	
CNH Trade N.V.	Amsterdam	The Netherlands	50,000	EUR	89.71	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	89.71	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	89.71	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	89.71	CNH Canada, Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	89.71	CNH Asian Holding Limited N.V.	99.000	
						CNH International S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.75	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.83	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.75	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.75	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	58.31	New Holland Excavator Holdings LLC	65.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	89.71	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	89.71	CNH Australia Pty Limited	100.000	
New Holland Credit Australia Pty Limited	St. Marys	Australia	725,834	AUD	89.71	CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	89.71	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	89.71	CNH America LLC	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	89.71	CNH International S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	89.71	CNH Latin America Ltda.	100.000	
New Holland Kobelco Construction Machinery Belgium SA	Herstal-lez-Liege	Belgium	247,900	EUR	66.94	New Holland Kobelco Construction Machinery S.p.A.	99.990	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	66.95	CNH Italia s.p.a.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	89.71	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	89.71	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	1,949,835,804	INR	89.71	CNH Asian Holding Limited N.V.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	89.71	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	89.71	CNH Capital America LLC	100.000	
RosCaseMash	Saratov	Russia	200,000	RUR	34.31	Case Equipment Holdings Limited	38.250	51.000
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	53.83	CNH Asian Holding Limited N.V.	60.000	
Powertrain Technologies								
Fiat Powertrain Technologies SpA	Turin	Italy	750,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	306,186,210	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Milantech S.R.L.	Cusago	Italy	100,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600	TRY	100.00	Fiat Auto Holdings B.V. in liquidatie	99.980	
						Fiat Powertrain Technologies SpA	0.020	
Trucks and Commercial Vehicles								
Iveco S.p.A.	Turin	Italy	858,400,000	EUR	100.00	Fiat S.p.A.	60.563	
						Fiat Partecipazioni S.p.A.	39.437	
Afin Asigurari S.r.l.	Bucharest	Romenia	2,000,000	RON	100.00	s.c. Afin Leasing Ifn s.a.	100.000	
Afin Bohemia	Prague	Czech Republic	30,000	EUR	100.00	Afin Leasing AG	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGL	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	30,000	EUR	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGL	100.00	Afin Bulgaria EAD	100.000	
Afin Trade Vostok OOO	Moscow	Russia	345,000	RUR	100.00	Afin Leasing AG	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000	
AS Afin Baltica	Tallin	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels d`Incendie, Voirie, Aviation S.A.	Saint-Alban-Leysse	France	1,870,169	EUR	99.96	Iveco Magirus Fire Fighting GmbH	99.961	
Componentes Mecanicos S.A.	Barcelone	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	100.00	Iveco S.p.A.	100.000	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	63.24	CNH Global N.V.	33.333	
						Iveco S.p.A.	33.333	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Iveco Participations S.A.	2.800	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	350,000,000	HUF	68.15	Iveco España S.L.	68.146	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Mainz-Mombach	Germany	8,800,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	44,644,811	EUR	100.00	Iveco España S.L.	100.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco España S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nurimberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L.	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Iveco Est Sas	Haunconcourt	France	305,600	EUR	100.00	Iveco France	100.000	
Iveco Finland OY	Espoo	Finland	200,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L.	50.326	
						Iveco S.p.A.	49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco Latin America Ltda	Vila da Serra	Brazil	684,700,000	BRL	100.00	Iveco España S.L.	99.999	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Limited	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco L.V.I. S.a.s.	Saint-Priest-En-Jarez	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Magirus AG	Ulm	Germany	250,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Magirus Fire Fighting GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France	40.000	
Iveco Motors of North America Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	The Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	5,960,707	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	10,896,100	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	99.989	
						Fiat Polska Sp. z o.o.	0.011	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine Inc.	Kiev	Ukraine	55,961,760	UAH	99.97	Iveco S.p.A.	99.968	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,495,691,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Colonia	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Karosa A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Karosa r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.98	Karosa A.S.	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Moscow	Russia	50,000,000	RUR	100.00	Afin Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
s.c. Afin Leasing Ifn s.a.	Bucharest	Romenia	2,063,200,000	RON	100.00	Afin Leasing AG	100.000	
s.c. Afin Trade Company S.r.l.	Bucharest	Romenia	17,500	RON	100.00	Afin Leasing AG	100.000	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France	50.000	
						Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Vehicles Ltd	Oldham	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	1,989,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	35,000	LTT	100.00	Afin Leasing AG	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelone	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	99.997	
						Fiat Polska Sp. z o.o.	0.003	
Automotive Lighting Rear Lamps Espana S.A.	Llinares del Valles	Spain	3,655,385	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps France S.A.	Saint Denis	France	1,011,536	EUR	99.98	Automotive Lighting Rear Lamps Italia S.p.A.	99.992	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Magneti Marelli After Market S.p.A.	Turin	Italy	1,550,000	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli Holding S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Rep. of China	5,000,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	170,950,534	BRL	99.63	Magneti Marelli Holding S.p.A.	99.634	99.966
Magneti Marelli Components B.V. in liquidation	Amsterdam	The Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	12,000	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli Deutschland GmbH in liquidation	Russelsheim	Germany	1,050,000	EUR	99.99	Magneti Marelli After Market S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli Holding S.p.A.	99.872	99.990
Magneti Marelli Electronica SL	Barcelone	Spain	18,388,581	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Rep. of China	8,100,000	USD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	18,099,776	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Nanterre	France	10,692,500	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	99.995	
						Fiat Polska Sp. z o.o.	0.005	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	17,500,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli Powertrain S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Sistemi Elettronici S.p.A.	Corbetta	Italy	74,897,548	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	99.993	
						Fiat Polska Sp. z o.o.	0.007	
Magneti Marelli Tubos de Escape SL	Barcelone	Spain	10,154,256	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli U.K. Limited in liquidation	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	94.99	Magneti Marelli Holding S.p.A.	95.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	60,500,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.94	Magneti Marelli Holding S.p.A.	64.967	
						Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	145,817,739	EUR	84.79	Fiat S.p.A.	84.791	
(*) CHONGQING MERIDIAN BoAo MAGNESIUM Co. Ltd.	Nanpinq	People's Rep. of China	3,000,000	USD	23.78	Meridian Technologies Inc.	55.000	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Fonderie du Poitou Fonte S.A.S.	83.607	
(*) Magnesium Products of America Inc.	Eaton Rapids	U.S.A.	43,454,000	USD	43.24	Meridian Technologies Inc.	100.000	
(*) Magnesium Products of Italy S.r.l.	Verres	Italy	13,962,000	EUR	43.24	Magnesium Products of America Inc.	100.000	
(*) Meridian Deutschland GmbH	Stuttgard	Germany	25,600	EUR	43.24	Meridian Technologies Inc.	100.000	
(*) Meridian Technologies Inc.	Saint John	Canada	158,823,445	CAD	43.24	Teksid S.p.A.	31.450	
						Teksid Acquisition Inc.	19.550	
(*) Meridian Technologies Japan Inc.	Saint John	Canada	6,210	CAD	43.24	Meridian Technologies Inc.	100.000	
(*) Shanghai Meridian Magnesium Products Company Limited	Shanghai	People's Rep. of China	12,000,000	USD	25.95	Meridian Technologies Inc.	60.000	
Teksid Acquisition Inc.	Toronto	Canada	63,700,001	CAD	84.79	Teksid S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	99.996	
						Fiat Polska Sp. z o.o.	0.004	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	100,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau France S.A.	Trappes	France	11,900,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	25,680	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.688	
						Fiat Argentina S.A.	0.031	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	86,027,139	USD	100.00	Comau S.p.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Comau India Private Limited	Pune	India	58,435,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Expatriate, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Inc.	Southfield	U.S.A.	21,455	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico of Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Pico Inc.	100.000	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	99.976	
						Fiat Polska Sp. z o.o.	0.024	
Comau Romania S.R.L.	Bihor	Romenia	324,980	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUR	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	301	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau SA Body Systems (Pty) Ltd.	100.000	
Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau SA Body Systems (Pty) Ltd.	100.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	1,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,001	ZAR	100.00	Comau S.p.A.	100.000	
Comau Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000	
Precision Pico Products Inc.	Plymouth	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Services								
Business Solutions S.p.A.	Turin	Italy	4,791,396	EUR	100.00	Fiat S.p.A.	100.000	
(*) Building Services S.r.l.	Turin	Italy	90,000	EUR	51.00	Ingest Facility S.p.A.	51.000	
(*) Building Support S.r.l.	Turin	Italy	90,000	EUR	51.00	Building Services S.r.l.	100.000	
Business Solutions Argentina S.A.	Buenos Aires	Argentina	845,860	ARS	100.00	Fiat do Brasil S.A.	99.990	
						Fiat Auto Argentina S.A.	0.010	
Business Solutions Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Business Solutions S.p.A.	99.986	
						Fiat Polska Sp. z o.o.	0.014	
eSPIN S.p.A.	Turin	Italy	1,000,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	4,446,257	ARS	100.00	Fiat Partecipazioni S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Gesco S.p.A.	0.002	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Business Solutions S.p.A.	99.997	
						Fiat Partecipazioni S.p.A.	0.001	
Fiat GES.CO. Belgium N.V.	Zedelgem	Belgium	62,500	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Gesco S.p.A.	0.040	
Fiat Gesco S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Gesco S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Gesco S.p.A.	100.000	
Fiat Servizi per l`Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.38	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Auto S.p.A.	25.500	
						Iveco S.p.A.	6.000	
						Fiat S.p.A.	5.000	
						CNH Italia s.p.a.	3.000	
						Teksid S.p.A.	2.000	
						Comau S.p.A.	1.500	
						C.R.F. Società Consortile per Azioni	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Gesco S.p.A.	1.500	
						Magneti Marelli Holding S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Gesco S.p.A.	100.000	
(*) Ingest Facility Polska Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Ingest Facility S.p.A.	100.000	
(*) Ingest Facility S.p.A.	Turin	Italy	1,700,000	EUR	100.00	Business Solutions S.p.A.	100.000	
ITS GSA FiatGroup France S.A.S.	Trappes	France	1,737,440	EUR	100.00	Fiat Finance et Services S.A.	100.000	
ITS-GSA Deutschland GmbH	Ulm	Germany	25,000	EUR	100.00	Fiat GmbH	100.000	
ITS-GSA U.K. Limited	Watford	United Kingdom	50,000	GBP	100.00	Fiat U.K. Limited	100.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	60.00	Fiat Gesco S.p.A.	60.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l`Industria S.p.A.	99.800	
						Fiat Polska Sp. z o.o.	0.200	
Servizi e Attività Doganali per l`Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Gesco S.p.A.	100.000	
Telexis do Brasil Ltda.	Nova Lima	Brazil	1,400	BRL	100.00	Fiat do Brasil S.A.	99.929	
						Fiat Financas Brasil Ltda	0.071	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Paris	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Holding companies and Other companies								
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.13	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	99.29	Fiat Partecipazioni S.p.A.	52.061	
						Fiat Auto S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli Holding S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	98.93	Fiat Auto S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Technologies SpA	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli Holding S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion	0.250	
						Fiat S.p.A.	0.167	
Fahag Immobilien-und Finanz-Gesellschaft AG	Zurich	Switzerland	500,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fast Buyer France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	65,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Auto Holdings B.V. in liquidatie	Amsterdam	The Netherlands	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance Luxembourg S.A.	Luxembourg	Luxembourg	100,000	USD	100.00	Intermap (Nederland) B.V.	99.000	
						Fiat Netherlands Holding N.V.	1.000	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Information & Communication Services società consortile per azioni	Turin	Italy	800,000	EUR	98.06	Fiat S.p.A.	51.000	
						CNH Italia s.p.a.	10.000	
						Fiat Auto S.p.A.	10.000	
						Iveco S.p.A.	10.000	
						Comau S.p.A.	3.000	
						Ferrari S.p.A.	3.000	
						Fiat Gesco S.p.A.	3.000	
						Itedi-Italiana Edizioni S.p.A.	3.000	
						Magneti Marelli Holding S.p.A.	3.000	
						Teksid S.p.A.	3.000	
						Fiat Partecipazioni S.p.A.	1.000	
Fiat Netherlands Holding N.V.	Amsterdam	The Netherlands	2,610,397,295	EUR	100.00	Fiat S.p.A.	60.563	
						Fiat Partecipazioni S.p.A.	39.437	
Fiat Partecipazioni S.p.A.	Turin	Italy	306,158,302	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Partecipazioni (U.K.) Limited	London	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	99.907	
						Fiat Auto Poland S.A.	0.029	
						Magneti Marelli Suspension Systems Poland Sp. z o.o.	0.012	
						Automotive Lighting Polska Sp. z o.o.	0.010	
						Magneti Marelli Exhaust Systems Polska Sp. z o.o.	0.010	
						Magneti Marelli Poland S.A.	0.010	
						Teksid Iron Poland Sp. z o.o.	0.010	
						Business Solutions Polska Sp. z o.o.	0.002	
						CNH Polska Sp. z o.o.	0.002	
						Comau Poland Sp. z o.o.	0.002	
						Iveco Poland Ltd.	0.002	
						Sadi Polska-Agencja Celna Sp. z o.o.	0.002	
						Sirio Polska Sp. z o.o.	0.002	
Fiat Servizi S.A.	Paradiso	Switzerland	100,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	98.37	Fiat S.p.A.	51.000	
						Fiat Auto S.p.A.	15.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	6.000	
						Comau S.p.A.	2.000	
						Ferrari S.p.A.	2.000	
						Fiat Gesco S.p.A.	2.000	
						Fiat Powertrain Technologies SpA	2.000	
						Itedi-Italiana Edizioni S.p.A.	2.000	
						Magneti Marelli Holding S.p.A.	2.000	
						Maserati S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Fiat Finance S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
IHF-Internazionale Holding Fiat S.A.	Lugano	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Intermap (Nederland) B.V.	Amsterdam	The Netherlands	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.23	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Auto S.p.A.	16.000	
						Iveco S.p.A.	12.000	
						CNH Italia s.p.a.	3.000	
						Comau S.p.A.	3.000	
						Fiat Gesco S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Magneti Marelli Holding S.p.A.	3.000	
						Teksid S.p.A.	3.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	IHF-Internazionale Holding Fiat S.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	92.59	Fiat Partecipazioni S.p.A.	57.177	
						Fiat Auto S.p.A.	17.415	
						Iveco S.p.A.	4.583	
						Fiat Powertrain Technologies SpA	2.356	
						Magneti Marelli Powertrain S.p.A.	1.159	
						Comau S.p.A.	0.751	
						Fiat S.p.A.	0.751	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Gesco S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l`Industria S.c.p.a.	0.503	
						Fiat Finance S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion	0.449	
						Magneti Marelli Sistemi Elettronici S.p.A.	0.438	
						Fidis S.p.A.	0.325	
						CNH Italia s.p.a.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						Ingest Facility S.p.A.	0.233	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.218	
						Astra Veicoli Industriali S.p.A.	0.103	
						Fiat Information & Communication Services società consortile per azioni	0.103	
						Servizi e Attività Doganali per l`Industria S.p.A.	0.103	
						Magneti Marelli Holding S.p.A.	0.091	
						Fiat Purchasing Italia S.r.l.	0.063	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Iveco Mezzi Speciali S.p.A.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						eSPIN S.p.A.	0.040	
						Fast-Buyer S.p.A.	0.040	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						New Business 16 S.p.A. a socio unico	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azion	0.039	
						PDL Services S.r.l.	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	2,720,800	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Jointly-controlled entities accounted for using the proportional consolidation								
Powertrain Technologies								
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Powertrain Technologies SpA	50.000	
Jointly-controlled entities accounted for using the equity method								
Automobiles (**)								
Fiat Auto Financial Services S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Auto S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	99.999	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	16,000,000	GBP	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000	GBP	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	10,250,000	GBP	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fiat Auto Lease N.V.	Amsterdam	The Netherlands	454,000	EUR	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
Fiat Bank GmbH	Heilbronn	Germany	39,600,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	Fiat Bank GmbH	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500	EUR	50.00	Fidis Servizi Finanziari S.p.A.	99.999	
						Fidis Nederland B.V.	0.001	
Fiat Credit Hellas Commercial S.A. of Vehicles	Argyroupoli	Greece	600,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fiat Distribuidora Portugal S.A. (***)	Alges	Portugal	450,300	EUR	100.00	Fiat Auto Portuguesa S.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	50.00	Fidis Servizi Finanziari S.p.A.	99.995	
						Fidis Nederland B.V.	0.005	
Fiat Finance S.A.	Luxembourg	Luxembourg	9,900,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	99.995	
						Fidis Finance (Suisse) S.A.	0.005	

(**) The Fiat Group consolidated financial statements include the valuation by the equity method of the FAFS Group, which comprises FAFS S.p.A. and its subsidiaries listed below.

(***) At December 31, 2006, a subsidiary in accordance with article 2359 of the Italian Civil Code, qualified as a jointly-controlled entity for financial statements purpose, following the agreement with the partner Sofinco (Crédit Agricole Group).

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Finansiering A/S	Glostrup	Denmark	13,000,000	DKK	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fiat Handlerservice GmbH (***)	Heilbronn	Germany	5,100,000	EUR	100.00	Fiat Automobil AG	100.000	
Fidis Credit Danmark A/S (***)	Glostrup	Denmark	500,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fidis Dealer Services B.V. (***)	Utrecht	The Netherlands	698,000	EUR	100.00	Fiat Auto Nederland B.V.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
Fidis Insurance Consultants SA	Argyroupoli	Greece	60,000	EUR	49.99	Fiat Credit Hellas Commercial S.A. of Vehicles	99.975	
Fidis Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000	PLN	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fidis Nederland B.V.	Utrecht	The Netherlands	3,085,800	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fidis Retail Financial Services (Ireland) PLC	Dublin	Ireland	100,007	EUR	50.00	Fiat Auto Financial Services S.p.A.	99.994	
Fidis Retail IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fidis Retail Portugal Aluguer de Veiculos S.A.	Alges	Portugal	50,000	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Fidis Servizi Finanziari S.p.A.	Turin	Italy	80,349,266	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Finplus Renting S.A.	Alcalá De Henares	Spain	2,225,884	EUR	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Paris	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A. a socio unico	Fiumicino	Italy	77,499,400	EUR	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
Savarent Società per Azioni a Socio Unico	Turin	Italy	21,000,000	EUR	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
TarCredit E.F.C. S.A.	Alcalá De Henares	Spain	16,671,569	EUR	50.00	Fiat Auto Financial Services S.p.A.	100.000	
Tarfin S.A.	Schlieren	Switzerland	500,000	CHF	50.00	Fidis Servizi Finanziari S.p.A.	100.000	
Targasys Stock SA (***)	Alcalá De Henares	Spain	5,108,799	EUR	100.00	Fiat Auto España S.A.	100.000	
Sofice-Société de Financement des Concessionnaires s.a.s. (***)	Trappes	France	3,353,600	EUR	100.00	Fiat France	100.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Nan Jing Fiat Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	50.00	Fiat Auto S.p.A.	50.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Auto S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Auto S.p.A.	37.856	
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	San Pedro	Mexico	810,000	MXN	44.86	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.86	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	San Pedro	Mexico	160,050,000	MXN	44.86	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	San Pedro	Mexico	165,276,000	MXN	44.86	CNH Global N.V.	50.000	
CNH Industrial, S.A. de C.V.	San Pedro	Mexico	200,050,000	MXN	44.86	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V.	San Pedro	Mexico	50,000,000	MXN	43.96	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	San Pedro	Mexico	375,000	MXN	44.86	CNH de Mexico SA de CV	99.999	
Consolidated Diesel Company	Whitakers	U.S.A.	100	USD	44.86	CNH Engine Corporation	50.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	44.86	Case LBX Holdings Inc.	50.000	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000	INR	44.86	CNH America LLC	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	35.88	CNH America LLC	40.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.86	CNH Global N.V.	50.000	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	800,000	TRY	33.64	CNH Global N.V.	37.500	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	47,000,000	TRY	33.64	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles								
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep. of China	50,000,000	USD	50.00	Iveco S.p.A.	50.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelone	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	346,637,050	CNY	42.40	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method								
Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	100.00	Fiat Auto S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	160,000,000	THB	100.00	Fiat Auto S.p.A.	99.999	
Auto Italia Erfurt GmbH in liquidation	Erfurt	Germany	2,985,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Auto (Suisse) S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Auto S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	276,000,000	THB	100.00	Fiat Auto S.p.A.	100.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Auto Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	99.963	
						Fiat Polska Sp. z o.o.	0.037	
Zao Zernoproductpromsnabmechanizatsija	Nizhnjy Novgorod	Russia	24,660,000	RUR	73.14	Fiat Auto S.p.A.	73.139	73.127
Ferrari								
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	76.50	Ferrari Financial Services S.p.A.	100.000	
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000	USD	89.71	CNH America LLC	100.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	926,783	CAD	71.59	CNH Canada, Ltd.	79.800	
Memphis New Holland Inc.	Wilmington	U.S.A.	487,600	USD	86.79	CNH America LLC	96.739	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	69.97	CNH America LLC	78.000	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000	USD	61.79	CNH America LLC	68.876	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000	USD	89.71	CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	70.85	CNH America LLC	78.971	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	89.71	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L.	100.000	
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	

(***) At December 31, 2006, a subsidiary in accordance with article 2359 of the Italian Civil Code, qualified as a jointly-controlled entity for financial statements purpose, following the agreement with the partner Sofinco (Crédit Agricole Group).

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
						Iveco Latin America Ltda	0.010	
Iveco Plan S.A. de Ahorro para fines determinados	Buenos Aires	Argentina	153,000	ARS	100.00	Iveco Argentina S.A.	99.600	
						Fiat Argentina S.A.	0.400	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A.	99.992	
						Astra Veicoli Industriali S.p.A.	0.008	
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Seima Italiana Auto Svet	Krasnig Oktjabr Kirz	Russia	14,574,000	RUR	99.99	Automotive Lighting o.o.o.	99.167	
						Automotive Lighting Reutlingen GmbH	0.833	
Production Systems								
Comau AGS S.p.A.	Grugliasco	Italy	1,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	260,000	GBP	100.00	Comau S.p.A.	100.000	
Services								
Cromos Consulenza e Formazione S.r.l. in liquidation	Turin	Italy	13,000	EUR	76.00	Business Solutions S.p.A.	76.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	520,000	EUR	89.92	Fiat Auto S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	11.000	
European Engine Alliance EEIG	Basildon	United Kingdom	0	GBP	63.24	CNH U.K. Limited	33.333	
						Iveco S.p.A.	33.333	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep. of China	500,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Dealernet S.r.l. in liquidation	Turin	Italy	10,000	EUR	99.39	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	80.000	
						Fiat Auto S.p.A.	20.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	
Subsidiaries valued at cost								
Automobiles								
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economic	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Auto España S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Auto Portuguesa S.A.	80.000	
New Business 21 S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
New Business 22 S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
New Business 23 S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
New Business 24 S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Auto S.p.A.	100.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	100.00	Fiat Auto S.p.A.	99.000	
						Fidis S.p.A.	1.000	
(*) Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000	INR	100.00	Fiat India Automobiles Private Limited	100.000	
Ferrari								
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	81.47	Ferrari S.p.A.	95.848	
Agricultural and Construction Equipment								
Case Credit Wholesale Pty. Limited	St. Marys	Australia	347,750	AUD	89.71	CNH Australia Pty Limited	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	89.71	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	89.71	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	89.71	Case United Kingdom Limited	100.000	
Trucks and Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.92	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Iran Magirus-Deutz	Teheran	Iran	180,000,000	IRR	100.00	Iveco Magirus AG	100.000	
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000	USD	100.00	Iveco France	100.000	
Iveco Motors of China Limited	Shanghai	People's Rep. of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Magirus Fire Fighting GmbH	1.000	
Components								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Electromechanical Racing S.r.l.	Corbetta	Italy	100,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Automotive Components (India) Limited	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V. in liquidazione	100.000	
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Rep. of China	10,000	HKD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.990	
						Magneti Marelli France S.a.s.	0.010	
Yorka Northamerica Corp.	Southfield	U.S.A.	10,000	USD	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	100.000	
Production Systems								
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Milan	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000	
Services								
(*) CONSORZIO SERMAGEST - Servizi Manutentivi Gestionali	Turin	Italy	16,108	EUR	60.00	Ingest Facility S.p.A.	60.001	
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
PDL Services S.r.l.	Turin	Italy	105,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Holding companies and Other companies								
Fast Buyer Middle East A.S.	Bursa	Turkey	350,230	TRY	98.80	Fast-Buyer S.p.A.	98.800	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	97.47	Fiat Auto S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						Comau S.p.A.	1.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.23	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
MC2 - Media Communications S.p.A.	Turin	Italy	219,756	EUR	51.00	Fiat Partecipazioni S.p.A.	51.000	
New Business 18 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 20 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Otto S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Tre S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 4 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile pe	Turin	Italy	120,000	EUR	98.88	Fiat Partecipazioni S.p.A.	78.262	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Fiat Auto S.p.A.	0.439	
						CNH Italia s.p.a.	0.220	
						Comau S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Gesco S.p.A.	0.220	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion	0.220	
						Iveco S.p.A.	0.220	
						Magneti Marelli Holding S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
Associated companies accounted for using the equity method								
Automobiles								
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	25.00	Fidis S.p.A.	25.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	25.00	Fidis S.p.A.	25.000	
Targasys S.r.l.	Turin	Italy	4,322,040	EUR	40.00	Fidis S.p.A.	40.000	
Ferrari								
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	3,000,000	USD	34.00	Ferrari S.p.A.	40.000	
Senator Software Gmbh	Monaco	Germany	25,565	EUR	37.49	Ferrari Financial Services AG	49.000	
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.73	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.77	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	0	USD	44.86	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.94	CNH Global N.V.	20.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	43.96	CNH Global N.V.	49.000	
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000	USD	38.81	CNH America LLC	43.266	
Powertrain Technologies								
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	50.00	Fiat Powertrain Technologies SpA	25.000	
						FMA - Fabbrica Motori Automobilistici S.r.l.	22.000	
						Fiat Automoveis S.A. - FIASA	2.000	
						Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	1.000	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.330	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUR	33.33	Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	
Otoyol Sanayi A.S.	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
Production Systems								
Gonzalez Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
G.P. Properties I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Services								
Servizio Titoli S.p.A.	Turin	Italy	126,000	EUR	27.24	Business Solutions S.p.A.	27.238	
Publishing and Communications								
Editalia S.r.l.	Caserta	Italy	2,833,050	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Società Editrice Mercantile S.r.l.	Genoa	Italy	4,247,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l. a socio unico	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies								
Livingstone Motor Assemblers Ltd.	Livingstone	Zambia	20,000,000	ZMK	20.00	Fiat Partecipazioni S.p.A.	20.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	9.90	Fiat Partecipazioni S.p.A.	9.895	10.291
WorkNet S.p.A.	Milan	Italy	1,000,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	
Associated companies valued at cost								
Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Auto S.p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	Fiat Teamsys GmbH	49.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	28.33	Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment								
Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.74	CNH Italia s.p.a.	38.728	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidijan	Ivory Coast	3,000,000,000	XAF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libia	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677	
Components								
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000	TRY	28.00	Magneti Marelli Holding S.p.A.	28.000	
M.I.P.-Master Imprese Politecnico	Milan	Italy	20,658	EUR	50.00	Magneti Marelli Holding S.p.A.	50.000	
Production Systems								
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	
Services								
FMA-Consultoria e Negocios Ltda	San Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
(*) S.I.MA.GEST2 Società Consortile a Responsabilità Limitata	Zola Predosa	Italy	50,000	EUR	30.00	Ingest Facility S.p.A.	30.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Società Cooperativa Delta Più r.l. in liquidation	Trieste	Italy	44,865	EUR	34.96	Cromos Consulenza e Formazione S.r.l. in liquidazione	46.000	
Publishing and Communications								
Le Monde Europe S.A.S.	Paris	France	5,024,274	EUR	48.44	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Agenzia Internazionalizzazione Imprese Torino S.r.l. in liquidation	Turin	Italy	102,000	EUR	35.00	Fiat Partecipazioni S.p.A.	35.000	
Ascai Servizi S.r.l. in liquidation	Rome	Italy	73,337	EUR	25.77	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azion	25.970	
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Concordia Finance S.A.	Luxembourg	Luxembourg	13,137,000	EUR	29.46	Fiat Netherlands Holding N.V.	29.459	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	27.40	Fiat Partecipazioni S.p.A.	23.100	
						New Business 16 S.p.A. a socio unico	4.300	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.92	CNH Italia s.p.a.	10.672	
						Fiat Auto S.p.A.	10.672	
						Iveco S.p.A.	10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	34.63	Elasis-Società Consortile per Azioni	35.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	49.47	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II	Naples	Italy	127,500	EUR	19.79	Elasis-Società Consortile per Azioni	20.000	
Interfinanziaria S.A.	Paradiso	Switzerland	1,000,000	CHF	33.33	IHF-Internazionale Holding Fiat S.A.	33.330	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	The Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	24.92	Ferrari S.p.A.	16.364	
						CNH Italia s.p.a.	12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.82	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A. in liquidation	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Other companies valued at cost								
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTT	9.92	CNH Polska Sp. z o.o.	11.054	
Trucks and Commercial Vehicles								
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Holding companies and Other companies								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	15.83	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.44	Elasis-Società Consortile per Azioni	5.319	
						C.R.F. Società Consortile per Azioni	5.213	
Consorzio Lingotto	Turin	Italy	9,612	EUR	16.90	Fiat Attività Immobiliari S.p.A.	11.500	
						Fiat S.p.A.	5.400	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.99	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Euromedia Luxembourg One S.A. in liquidation	Luxembourg	Luxembourg	44,887,500	USD	14.29	Fiat Netherlands Holding N.V.	14.286	
Expo 2000 - S.p.A.	Turin	Italy	2,205,930	EUR	18.95	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Sorore Ricerche per Santa Maria della Scala	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663	
Torino Zerocinque Investment S.p.A.	Milan	Italy	2,755,000	EUR	17.62	Fiat Partecipazioni S.p.A.	17.620	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

IFIL investments

IFIL GROUP IN 2006

DIRECTORS' REPORT ON OPERATIONS

Società per Azioni
Capital Stock € 1,075,995,737 fully paid-in
Registered office in Turin - Corso Matteotti 26 – Turin Company Register No. 00914230016

IFIL GROUP IN 2006
DIRECTORS' REPORT ON OPERATIONS

TABLE OF CONTENTS

This is an English translation of the Italian original document “Relazione sulla gestione” approved by the IFIL S.p.A. board of directors on March 30, 2007 which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFIL S.p.A. and the Group, reference should be made to the full original report in Italian “Il Gruppo IFIL nel 2006” containing the Directors' Report on Operations and the Separate and Consolidated Financial Statements also available on the corporate website: http://www.ifil.it

Board of Directors

Chairman	Gianluigi Gabetti
Vice Chairman (“Vicario”)	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Chief Executive Officer and General Manager	Carlo Barel di Sant'Albano
Non-independent directors	Edoardo Ferrero Ventimiglia, Franzo Grande Stevens, Pio Teodorani-Fabbri, Daniel John Winteler
Independent directors	Giancarlo Lombardi, Antonio Maria Marocco, Giuseppe Recchi, Claudio Saracco

Secretary to the Board Fernando Massara

Executive Committee

Chairman	Gianluigi Gabetti
Members	Tiberto Brandolini d'Adda, John Elkann, Carlo Barel di Sant'Albano

Audit Committee

Chairman	Antonio Maria Marocco
Members	Giancarlo Lombardi, Claudio Saracco

Compensation and Nominating Committee

Chairman	John Elkann
Members	Gianluigi Gabetti, Giuseppe Recchi

Board of Statutory Auditors

Standing Auditors	Cesare Ferrero (*Chairman*), Giorgio Giorgi, Paolo Piccatti
Alternate Auditors	Lionello Jona Celesia, Ruggero Tabone

Independent Auditors

Deloitte & Touche S.p.A.

Data updated to April 17, 2007.

Expiry of the terms of office

The terms of office of the board of directors and the board of statutory auditors, elected by the stockholders' meeting held on June 27, 2005, will expire concurrently with the stockholders' meeting that will be held to approve the separate financial statements for the year ending December 31, 2007.
The appointment of the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the financial statements for the year ending December 31, 2011.

LETTER TO THE STOCKHOLDERS

To our Stockholders,

The reading of IFIL's 2006 financial statements offers numerous reasons for satisfaction, since, as well as reflecting the positive results achieved during the year, it suggests that there are also good prospects for the future performance of the company.
The financial statements show a profit of € 341 million in the consolidated financial statements and a profit of € 625 million in the separate financial statements. Between the month of January 2006 and today, the NAV of the corporate portfolio grew by 82% and is now at more than € 10 billion. This progress has also been confirmed by the stock market where, during the same period, IFIL's stock doubled in value. Your company has now reached a capitalization of € 7.5 billion, one of the highest in its sector in Europe.

***

Much of the increase in the value of the company can be attributed to the extraordinary performance of its main holding, the Fiat Group, which, in 2006, successfully completed the intensive phase of restructuring started in the prior months, achieving remarkable progress in all sectors of activity.
In the Auto segment, internal restructuring and an innovative policy of creating alliances with other leading world carmakers led to a radical transformation in terms of operations, which soon produced results. The launch of new Fiat models generated an enthusiastic response from the market, rewarding Fiat with significant gains in market share: the percentage of new car registrations, taking all the brands of the Group into account, in 2006, rose to 30.8% in Italy and 7.6% in Europe.
Other sectors – particularly trucks and commercial vehicles, agricultural and construction equipment – also benefited both from internal restructuring measures and from the numerous industrial and commercial agreements on a global scale, which rapidly translated into substantial growth in terms of sales and a noticeable increase in profitability margins.
Thanks to the exceptional ability of top management and the constant commitment of all its employees, Fiat was able to effect a turnaround of historical importance, so that it has become one of the strongest symbols of the comeback of Italian industry. Its success has reopened excellent prospects for a new phase of growth and repays, in the best possible way, the loyalty of the people who have always believed in its potential by sustaining its relaunching program and ensuring the stability it needs to succeed.
Confident that the way in which IFIL succeeded in maintaining its role as Fiat's main stockholder in 2005 will be definitively judged to be entirely proper, the fact that Italy's leading industrial group has bounced back to health is for us an indisputable source of great satisfaction and pride.

***

2006 was also an important year for IFIL's activities in France. The Public Exchange Offering for SGS shares promoted by Sequana Capital received the full consensus of the market and made it possible to achieve many positive results. If, on the one hand, the operation led to a company that concentrates its business in the paper sector, paving the way for more effective industrial management of its assets, on the other, it eliminated the investment that had weighed heavily on Sequana's portfolio, allowing its true value to emerge and delivering to its stockholders a direct investment in SGS, the largest company in the world in the field of verification, certification and control services. Thanks to the success of the Public Exchange Offering, the value of IFIL's portfolio increased as a result of the acquisition of a significant stake in the capital of SGS, more than 13%, making the IFIL its second-largest stockholder. SGS, which is quoted on the Zurich stock exchange, currently employs 48,000 people and has a worldwide network of analysis laboratories.

***

In the area of financial services, the most important event of the year was the merger between Sanpaolo IMI and Banca Intesa, resulting in the creation of Italy's largest banking group with interesting development potential at the national and European level. The merger constitutes a further step in the ten-year long process of appreciating the value of the investment in Sanpaolo, which now has a current value of approximately € 1.7 billion.

Furthermore, the acquisition of a stake equal to 9.43% of the capital of Gruppo Banca Leonardo was particularly important. This acquisition, which strengthens the collaboration with Gerardo Braggiotti in investment banking activities, will help to accelerate IFIL's development programs, especially with reference to new investments.

***

The acquisition of the control of Cushman & Wakefield, the largest private company operating in real estate services, founded in New York in 1917 and now represented in 55 countries with 197 offices and 11,500 employees, fits precisely into this area of new investments. The investment marks IFIL's entry into a growing market, through a renowned company, with a well-known trademark and excellent development prospects throughout the world and especially in Asia. Through this transaction, which was financed primarily with available resources, IFIL has also at last seized an opportunity to start a new phase of investment diversification, in terms of business sectors, currencies and geographical areas.

***

Special attention was also dedicated to the two companies in the sector of leisure time: Juventus and Alpitour.

Following the disciplinary measures with which we are all familiar, the football club incurred heavy sanctions, including relegation to a lower league and the revocation of its last two last championship titles. On the initiative of IFIL, Juventus reacted by completely renewing its board of directors and compiling a Code of Ethics which, together with a strict system of internal control, has brought the company in line with the best international standards. In the months to come, the cardinal points which will guide Juventus towards its first target of promotion to Serie A will include a firm upholding of sporting values, the wish to encourage the participation of families and children in sports events, and making the team stronger by promoting young talented players.

With regard to Alpitour, the internal reorganization process which began with new management from IFIL focused on containing structural costs and reformulating its commercial offering. The current development program – which has already produced results in terms of higher profitability – also involves a large increase in investments in hotel facilities and making better use of Italian tourist destinations both among the Italian and foreign clienteles.

***

Having filed away the positive results of 2006, today, IFIL is focusing on new targets. The commitment of its management to seek out new investment opportunities will continue in months to come, with the aim of ensuring that the company has steady, solid growth.

Before concluding, I would like to devote a few words to Gianluigi Gabetti, who usually signs this letter every year. While we confidently await the outcome of the appeal against the measure which has temporarily prevented him from occupying the highest position in the company, on behalf of the board of directors and all the company's employees, I would like to thank him for all his hard work, and especially for the decision he made in 2005. To Dr. Gabetti goes the credit for having refused a destiny which many thought was already settled, working with patience and in full respect of the law to create the conditions of stability needed for the plan to relaunch Fiat. A decision which, as the months go by, appears increasingly to have been the right one. He deserves our applause, and the honor – as soon as this becomes possible – of returning to guide our company as its Chairman.

***

Finally, in the name of the board of directors I would like to thank our stockholders for the trust they have placed in us, the statutory auditors and independent auditors, and the managers and all the Group's employees for what they have achieved so far and for their continuous commitment during the current year.

Turin, March 30, 2007

John Elkann

An update

Following the ruling handed down by the Turin Court of Appeals, which has suspended the effectiveness of the additional administrative sanctions imposed by Consob, I have resumed my duties in the Company.
I would like to voluntarily take this occasion to express my full agreement with this Letter to the Stockholders, as well as the Directors' Report on Operations and the financial statements for the year 2006, placing my signature on these documents.

Turin, April 17, 2007

Gianluigi Gabetti

IFIL GROUP PROFILE

IFIL Investments S.p.A. (abbreviated in **IFIL S.p.A.**) is a corporation organized under the laws of the Republic of Italy. The head office is located in Turin, Italy, Corso Matteotti 26.
IFIL S.p.A. is the investment company of the Group headed by **Giovanni Agnelli e C. S.a.p.az.** which holds 3% of its ordinary capital stock directly and 66.23% of its ordinary capital stock through **IFI – Istituto Finanziario Industriale S.p.A.**.
IFIL's shares (ordinary and non-convertible savings shares) are listed on the Electronic Share Market (MTA) of the Italian stock exchange (Blue Chip segment).
The company commands two distinctive areas of operations: the active management of the investment in Fiat S.p.A. and the dynamic management of its other holdings.

Fiat S.p.A., in which IFIL S.p.A. has a holding of more than 30% of ordinary and preferred capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). Founded in 1899, for more than a century the Fiat Group has been operating in the automotive field, designing, manufacturing and selling automobiles (Fiat, Lancia, Alfa Romeo, Ferrari, Maserati and Fiat Light Commercial), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus), components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (Itedi). Other sectors also offer financial services to the sales networks and clientele in addition to rental services to customers.

The other holdings which comprise the dynamically managed diversified portfolio are listed below.

Sequana Capital S.A. (48.88% holding by the subsidiary Ifil Investissements S.A.) is a French company listed on the Euronext market which in 2006 decided to focus its operations on the paper sector where it operates through:

- Arjowiggins S.A. (100% holding), the world leader in the manufacture of high value-added paper products and, in Europe, leader in the manufacture of carbonless paper;

- Antalis S.A. (100% holding), the leading European group in the distribution of paper products for printing and writing.

SGS S.A. (13.74% holding by Ifil Investissements S.A.) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 48,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Intesa Sanpaolo S.p.A. (2.45% holding of ordinary capital stock by IFIL S.p.A.) is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with a market share of 20% on average in all segments of business (retail, corporate and wealth management). With its network of 5,500 branches, the group offers its services to 12 million customers. It also operates in 13 Central-East European countries and in the Mediterranean basin with 1,650 branches and 7.7 million customers in the retail and commercial banking sectors. It also has an international network specialized in corporate customer support covering 35 nations including the United States, Russia, China and India.

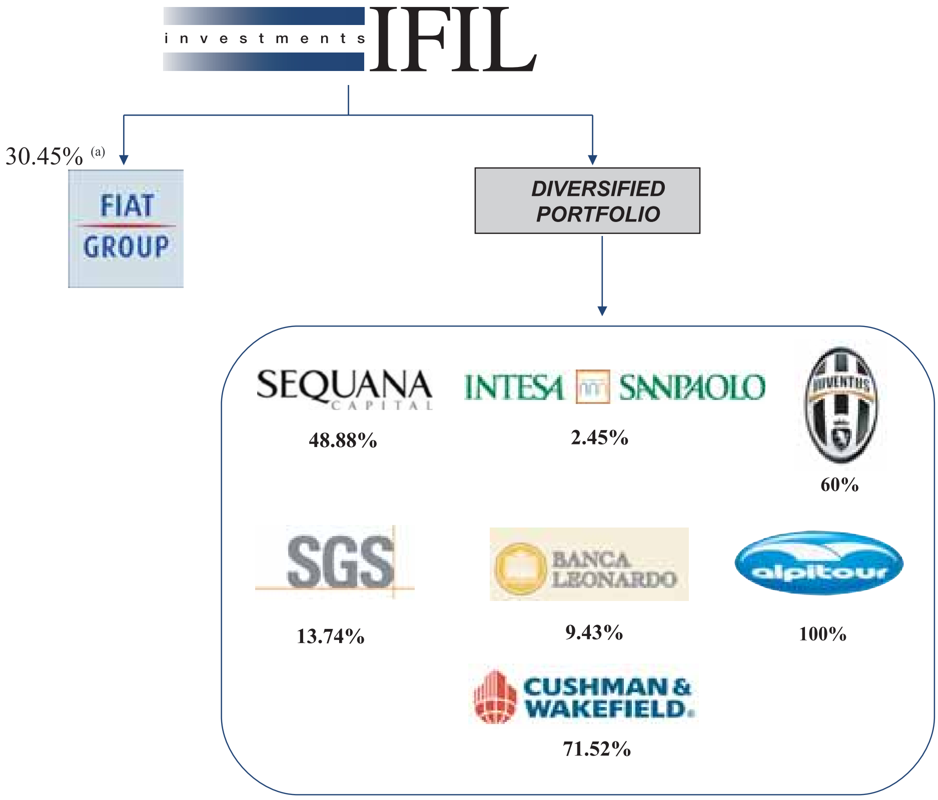
Gruppo Banca Leonardo S.p.A. (9.43% holding by Ifil Investissements S.A.) is an independent investment bank offering corporate finance advisory and asset management services, in addition to private equity services, under a joint venture with a leading European group.

Alpitour S.p.A. (100% holding by IFIL S.p.A.) is the leading group in the tourist sector in Italy. It operates with a vast range of integrated services (tour operating, hotel, aviation, distribution, incoming and Incentive e Grandi Eventi). In 2006, the Alpitour Group managed the accommodations of the Olympic Family at Turin Winter Olympics 2006.

Juventus Football Club S.p.A. (60% holding by IFIL S.p.A.) is listed on the Electronic Share Market of the Italian stock exchange (Star segment). Founded in 1897, it is one of the most important professional soccer teams in the world and boasts the largest number of fans in Italy and the highest number of total sports victories of all the Italian soccer teams, in both national and international competition.

At the end of March 2007, Ifil Investissements purchased control (71.52%) of the **Cushman & Wakefield (C&W) Group** which is the largest private company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 197 offices and 11,500 employees in 55 countries.

The following chart is updated to the end of March 2007 and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFIL also holds 30.09% of Fiat preferred capital stock.

The following charts show the composition of the Net Asset Value (NAV) at current values and the change in the current value of the investment portfolio over the last 10 years.

Net Asset Value

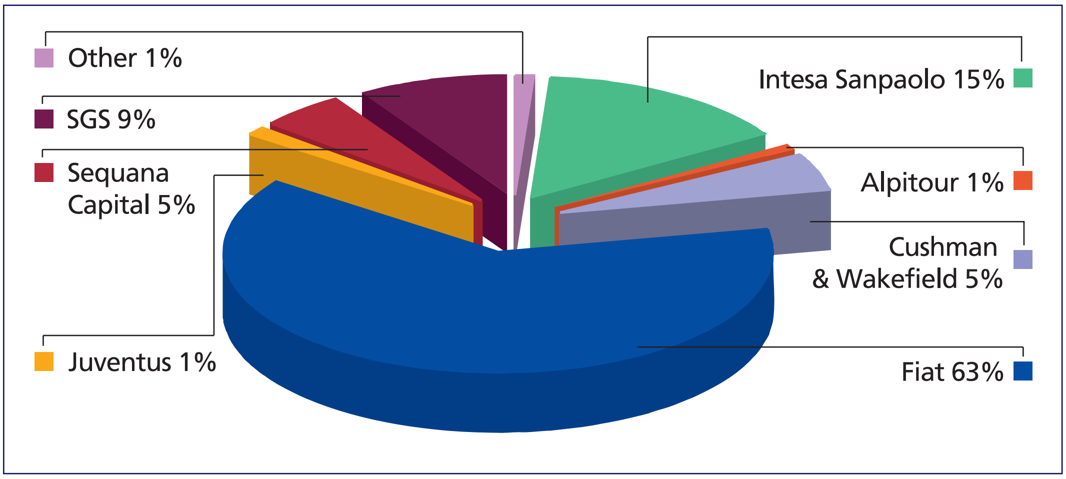
At the end of March 2007 the Net Asset Value is equal to € 10,663 million and is composed as follows:

€ in millions	
Current value of the investment portfolio	10,786
Consolidated net financial position – Holdings System	(123)
Total	**10,663**

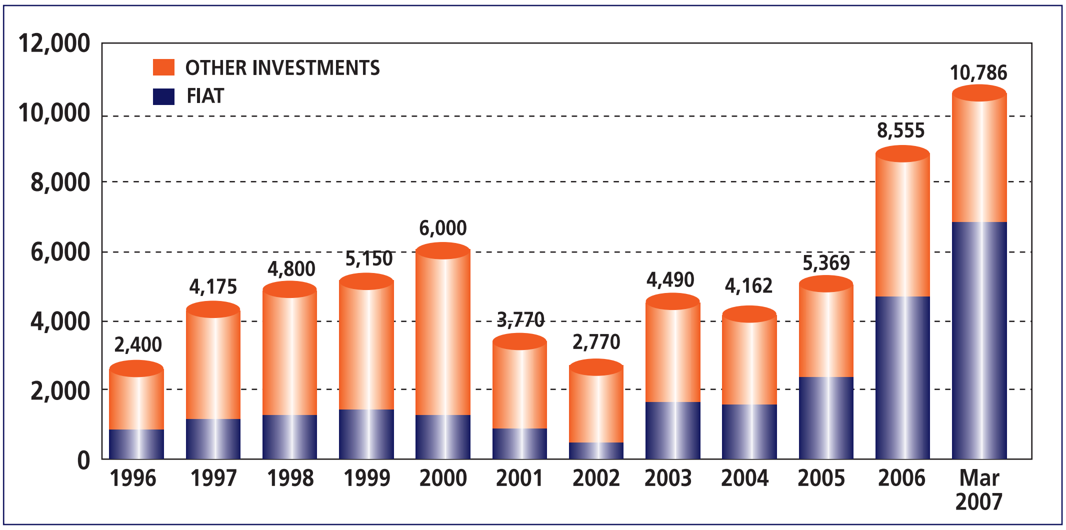
The listed equity holdings in the investment portfolio are valued at the closing stock market prices as of March 23, 2007.

NAV is formulated with the aim of aiding analysts and investors who in any case put together their own valuations.

Investment portfolio at current values



Change in the investment portfolio at current values (a)



(a) The current value of the investment portfolio is calculated consistently with the change in accounting representation.

KEY OPERATING AND FINANCIAL DATA

IFIL GROUP

Condensed consolidated figures (a) € in millions	**2006**	2005	Change
Profit attributable to the equity holders of the company	**341**	1,090	(749)
Share of earnings (losses) of holdings and dividends	**346**	666	(320)
Investments	**5,850**	4,806	1,044
Equity attributable to the equity holders of the company	**6,222**	5,186	1,036
Consolidated net financial position - Holdings System	**386**	348	38

Earnings per share (€) (b)	**2006**	2005	Change
Profit attributable to the equity holders of the company			
- ordinary shares	**0.32**	1.03	(0.71)
- savings shares	**0.34**	1.05	(0.71)
Equity attributable to the equity holders of the company	**5.86**	4.89	0.97

(a) The basis of preparation is presented in the section "IFIL Group – Review of the condensed consolidated results".
(b) Details of the calculation are presented in Note 22 to the consolidated financial statements.

IFIL S.p.A.

€ in millions	**2006**	2005 (a)	Change
Profit	**625**	101	524
Equity	**4,587**	3,678	909
Net financial position	**(682)**	(448)	(234)

(a) Prepared in accordance with IFRS.

	Per share (€)			Total (€ ml)		Change	
Dividends paid out by IFIL S.p.A.	**2006**	2005	Change %	**2006**	2005	Amount	%
Ordinary shares	**0.10**	0.08	25.0	**102.5**	82.0	20.5	25.0
Savings shares	**0.1207**	0.1007	19.9	**4.5**	3.8	0.7	18.4
Total				**107.0**	85.8	21.2	24.7

A motion for dividends relating to the year 2006 will be proposed to the stockholders' meeting called for the approval of the separate financial statements for the year ended December 31, 2006. The total amounts are calculated on the basis of the shares outstanding as of March 30, 2007.

STOCKHOLDERS AND THE STOCK MARKET

Capital stock

IFIL S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 1,075,995,737 and consists of 1,038,612,717 ordinary shares and 37,383,020 non-convertible savings shares with a par value of € 1 each.

Pursuant to art. 25 of the bylaws, the savings shares carry the right to a preference dividend, cumulative according to law, of 8.27% of their par value and to a total dividend higher than that of ordinary shares by 2.07% of the same par value. When, in any one year, the dividends assigned to the savings shares are below the percentages indicated above, the difference will be added to the preference dividend of the next two years.
The savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders.

In the event of exclusion of the ordinary shares and/or savings shares from trading, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled, will be automatically increased to the extent that they are equal, respectively, to 8.52% and 2.32%.

In accordance with art. 6 of the bylaws, the directors have been vested with the power, for a period of five years from the resolution passed by the special stockholders' meeting held on May 14, 2003, to increase, at one or more times, also in divisible form, the capital stock up to an amount of € 1,500 million and to issue convertible bonds, at one or more times, up to the same figure but for amounts which, each time, shall not exceed those established by law.

Stockholders

IFIL S.p.A. has approximately 30,000 stockholders.
At the end of March 2007, IFI – Istituto Finanziario Industriale S.p.A. and Giovanni Agnelli e C. S.a.p.az. hold respectively 66.23% and 3% of ordinary capital stock.

The other ten major stockholders, indicated below, represent 13.25% of ordinary capital stock.

Stockholders	**%**	**Ordinary shares**
Mackenzie Cundill Group	4.99	51,802,186
Deutsche Bank AG	1.12	11,682,717
Azimut Group	1.10	11,383,846
Banca d'Italia	1.01	10,446,584
K Capital Partners LLC Group	0.97	10,100,000
Bear Stearns Securities	0.90	9,340,624
Euromobiliare SGR Group	0.88	9,115,279
Sanpaolo Fiduciaria S.p.A.	0.82	8,536,990
CAAM Società di Gestione del Risparmio	0.75	7,795,000
Banca Profilo	0.71	7,372,260
	13.25	**137,575,486**

Source: Stockholders' Book supplemented with Consob communications received up to March 23, 2007.

Treasury stock

IFIL S.p.A. currently holds 13,213,260 ordinary shares of treasury stock (1.27% of the class of stock), including the 810,262 shares held through the subsidiary Soiem S.p.A..
On May 24, 2006, the ordinary stockholders' meeting renewed, for 18 months, the authorization for the purchase of treasury stock for a maximum of 90 million IFIL ordinary and/or savings shares for a total amount of € 450 million.

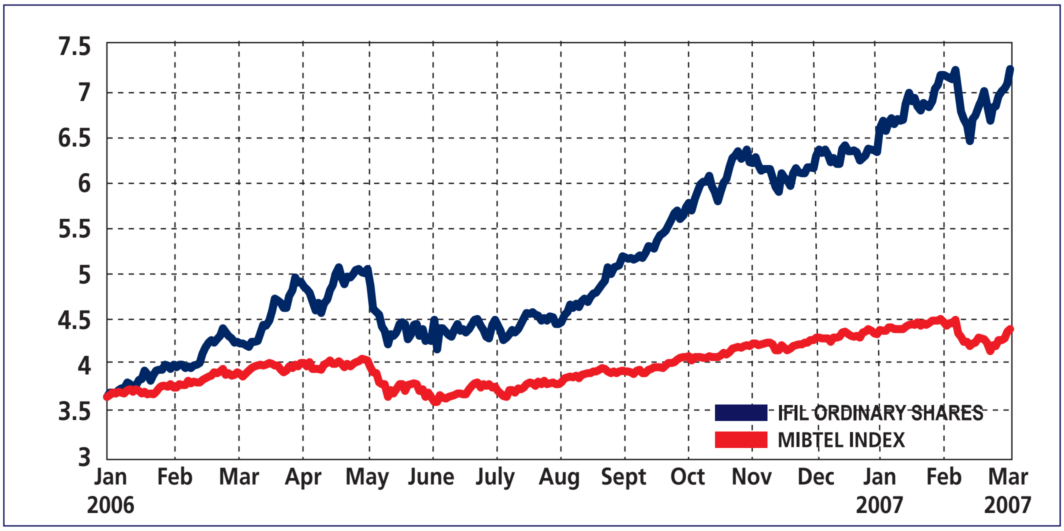
Stock market performance

Performance by IFIL ordinary stock, which is listed on the MIDEX Index of mid-cap companies and was recently included in the MIB30, was positive in 2006 and decisively better than the performance of the Mibtel Index. The stock's performance is primarily due to the price gains by Fiat and Intesa Sanpaolo stocks and the revised investment strategy.

In 2006, IFIL ordinary stock gained 75% (including dividends paid out) against a positive 23.6% performance by the Mibtel Index.

The growth pattern continued into the first part of 2007 with price gains that again caused the stock to outperform the Mibtel Index.

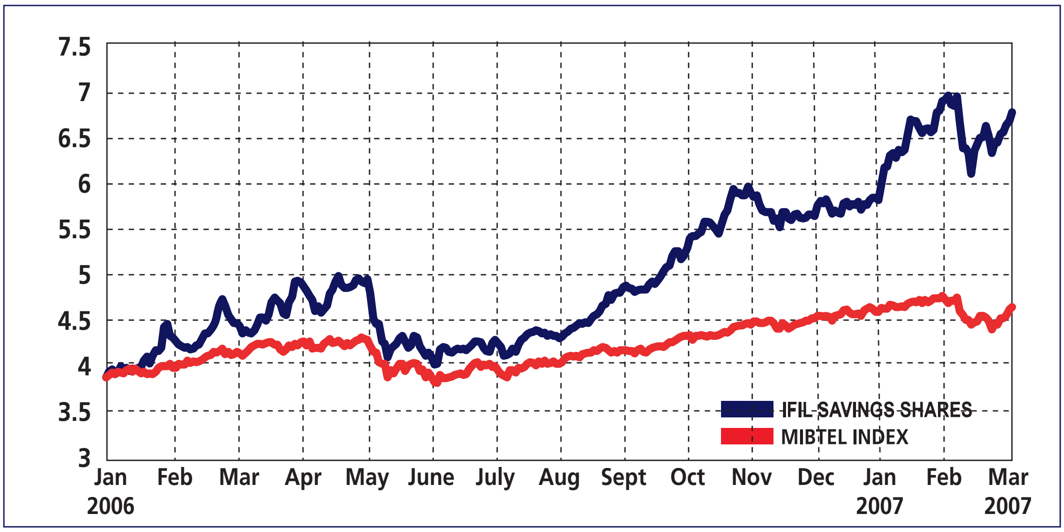
Performance by IFIL ordinary stock against the Mibtel index (a)



During 2006, IFIL savings stock gained 52.7% and performed on average below IFIL ordinary stock but better than the Mibtel Index.

During the first part of 2007, IFIL savings stock recorded a further gain, widening the performance gap against the Mibtel Index.

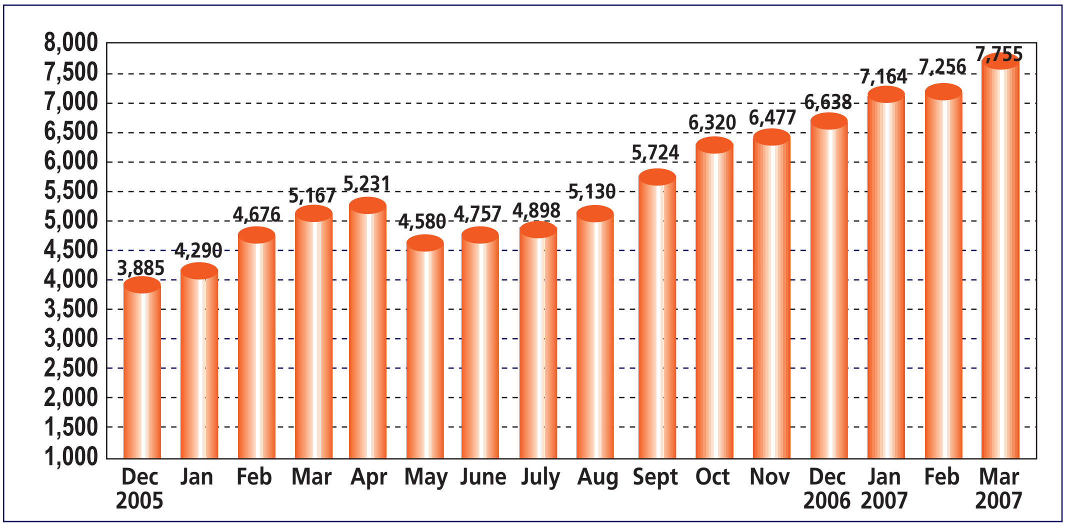
Performance by IFIL savings stock against the Mibtel index (a)



(a) The charts are based on stock market data. Mibtel base 100 on IFIL stock.

The above performance positively influenced IFIL's capitalization which, in 2006, grew from € 3,885 million to € 6,638 million. During the first few months of 2007, there was a further increase to € 7,755 million.

IFIL Capitalization (€ in millions)



During 2006, the value and volumes of IFIL stock traded grew still further. The increment in the volumes of both ordinary and savings stocks traded (liquidity) particularly confirms the market's increasingly greater interest in IFIL stocks.

Market information	**2007** (a)	**2006**	2005	2004
Market price per ordinary share (€):				
. year-end	**7.222**	**6.19**	3.61	3.29
. high	**7.222**	**6.34**	3.83	3.29
. low	**6.215**	**3.63**	3.15	2.43
Market price per savings share (€):				
. year-end	**6.808**	**5.67**	3.78	3.19
. high	**6.991**	**5.97**	3.89	3.19
. low	**5.718**	**3.84**	3.16	2.33
Trading volumes during the year:				
. ordinary stock (in millions of shares)	**164**	**695**	757	613
. savings stock (in millions of shares)	**14**	**36**	28	24
Value of trading volumes during the year (€ in millions):				
. ordinary stock	**1,107**	**3,424**	2,609	1,729
. savings stock	**89**	**179**	97	66

(a) From January 1, to March 23, 2007.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

In 2006, IFIL devoted special attention to relations with stockholders, financial analysts and institutional investors and the national and international financial Press.

In particular:

- approximately 1,000 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website at www.ifil.it;
- besides numerous individual meetings arranged with institutional investors and financial analysts, a telephone conference call was organized in December 2006 to announce the agreement for the purchase of the controlling interest in the Cushman & Wakefield Group;
- continuous information was circulated through the Italian and foreign economic and financial Press, and also on the corporate website, in addition to the organization of press meetings concerning specific events.

The corporate functions in charge of communications, external relations and investor relations are:

External Relations and Media Relations
Tel. + 39.011.5090320
Fax + 39.011.5090386
e-mail: relazioni.esterne@ifil.it

Institutional Investors and Financial Analysts Relations
Tel. + 39.011.5090360
Fax + 39.011.535600
e-mail: relazioni.investitori@ifil.it

Stocks and Bonds Service
Tel. + 39.011.5090323
Tel. + 39.011.5090205
Fax + 39.011.5090321
e-mail: servizio.titoli@ifil.it

MAJOR EVENTS IN 2006 AND IN THE FIRST QUARTER OF 2007

Investment in Gruppo Banca Leonardo S.p.A.

On April 24, 2006, after receiving authorization from the competent authority, the subsidiary Ifil Investissements purchased 14,200,000 Gruppo Banca Leonardo S.p.A. Class A shares, equal to 9.43% of the current capital stock of the bank, for an investment of € 47 million, including transaction costs of € 0.4 million.

Non-convertible bond issue

On June 9, 2006, following the resolution passed by the board of directors' meeting on May 12, 2006, IFIL S.p.A. issued non-convertible bonds for a face value of € 200 million maturing June 9, 2011. The issue price was 99.9% of face value and interest is quarterly at the 3-month Euribor plus a spread of 68 basis points. Standard & Poor's rated the bonds BBB+, which is also the current rating of IFIL S.p.A.'s long-term debt. The bonds were admitted to trading on the Luxembourg stock exchange. The sole Lead Manager was Rasfin SIM S.p.A..

Increase of the investment in Fiat S.p.A.

In November and December 2006, IFIL S.p.A. purchased 4,254,000 Fiat ordinary shares (0.39% of the class of stock) on the market for an investment of € 62.3 million.
IFIL S.p.A. now holds 332,587,447 Fiat ordinary shares equal to 30.45% of the class of stock and 31,082,500 Fiat preferred shares equal to 30.09% of the class of stock. The investment represents 28.513% of current Fiat capital stock.

Public Exchange and Purchase Offer launched by the subsidiary Sequana Capital

On September 6, 2006, the board of directors of the subsidiary Sequana Capital approved the project to place Sequana Capital's focus on the paper sector (in which it operates through the wholly-owned subsidiaries Arjowiggins and Antalis). Consequently, it launched the Public Exchange Offering for a maximum of 57,646,980 Sequana Capital shares (54.31% of capital stock at August 1, 2006) in exchange for a maximum of 1,859,580 SGS shares (23.8% of capital stock) held by Sequana Capital itself, in a ratio of 1 SGS share for every 31 Sequana Capital shares tendered in the Offering. Alternatively, the stockholders could have chosen to tender their shares to the Public Purchase Offering and receive the price of € 21 in cash for each Sequana Capital share sold to the company.

The offering period, approved by the French stock exchange authority and the special stockholders' meeting held on October 30, 2006, ended on November 28, 2006 with 100,548,993 Sequana Capital shares tendered (equal to 94.2% of the shares outstanding), of which 100,330,857 were tendered in the Exchange Offering and 218,136 in the Purchase Offering.
After the allocation, 57,521,414 shares were accepted for the Exchange Offering and 125,566 shares for Purchase Offering.

Finally, on December 14, 2006, the board of directors of Sequana Capital reduced capital stock to € 73,679,608.5 (represented by 49,119,739 shares of par value € 1.5 each) by canceling 57,646,980 shares tendered in the offerings.

Under the offer which was finalized on December 18, 2006, the subsidiary Ifil Investissements tendered 31,913,141 Sequana Capital shares obtaining in exchange 1,029,456 SGS shares (13.16% of capital stock).
The investment in Sequana Capital (represented by 24,009,482 shares) decreased from 52.68% to 48.88%.

Agreement for the acquisition of the controlling interest in the Cushman & Wakefield Group

On December 19, 2006, the subsidiary Ifil Investissements reached an agreement for the purchase of the controlling interest in Cushman & Wakefield (C&W), replacing Rockefeller Group International Inc., an international investment and property development company.

On March 30, 2007, after receiving the authorizations from the competent authorities, Ifil Investissements finalized this agreement by purchasing 71.52% of the capital stock of Cushman & Wakefield for an investment of $ 625 million (€ 474 million), in addition to transaction costs. The remaining 28.48% stake is held by C&W management and employees.

The acquisition was financed by Ifil Investissements' cash resources with no additional leverage assumed by C&W, ensuring that it retains complete financial flexibility with respect to its future growth objectives. For the IFIL Group, the investment represents a unique opportunity to acquire a majority position in what is widely regarded as the commercial real estate sector's foremost brand. C&W is led by one of the sector's most experienced management teams and operates in a growing, fragmented and consolidating services sector that presents excellent prospects for growth, both organically and through acquisitions. This transaction represents an important step in the IFIL Group's plans to continue diversifying its assets across a range of sectors, geographies and currencies.

The investment provides C&W with a new long-term stockholder with a proven track record of supporting the management teams of its portfolio as they define and implement successful growth and development plans. The transaction provides C&W with continuity of both management and strategy.

The C&W board of directors will consist of Carlo Sant'Albano, Alessandro Potestà, Michael Bartolotta and Pierre Martinet from the IFIL Group and Bruce Mosler, John Cushman and John Santora, managers from C&W.

C&W is headquartered in New York, where it was founded in 1917, and is the world's pre-eminent privately held services firm. It is present in 55 countries across the globe with 197 offices and 11,500 employees. In 2006, consolidated revenues totaled $ 1.5 billion, an increase of 23% over the prior year, an EBITDA of $ 119 million and a consolidated profit of $ 40 million.

C&W provides real estate services to 75% of the Fortune 500 and has a diverse customer base. C&W offers a complete range of services for the real estate sector, split into four main areas of activity: Transaction Services – tenant and landlord representation in office, industrial and retail estate; Capital Markets – property sales, investment management of properties, investment banking and valuation services; Client Solutions – real estate strategies and related services to large corporations and property owners and Consulting Services – business and real estate consulting.

In 2006, C&W negotiated more than $ 32 billion in leasing transactions and approximately $ 50 billion in property sales. C&W has valued over $ 500 billion of property in 2006 and is the most important Group in the world. The firm has more than 430 million square feet of property under management, making it one of the largest global property managers. In 2005, C&W launched its “Fast Forward” growth strategy to restructure its business, diversify its services and expand its geographic reach. Its strategy is focused on extending C&W's business in Europe and in the Asia-Pacific region with the aim of generating 50% of its revenues from outside the United States by 2011, and on increasing its presence in the investment services sector.
In the past two years C&W has consolidated its position in Mexico by taking full control of its operation there, acquired its Russian and Canadian market leader affiliates, respectively Stiles & Riabokobylko and Royal LePage, and announced plans to open an office in Finland. The company is also continuing to expand in India, China and throughout Asia.

The United States remains a core market and continues to present opportunities: the top five real estate service providers, including C&W, control only 14% of the $ 23 billion United States commercial property services market affording plenty of scope for growth.

The United States remains a core market and continues to present opportunities: the top five real estate service providers, including C&W, control only 14% of the $ 23 billion United States commercial property services market affording plenty of scope for growth.

Merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A.

On December 28, 2006, the deed of merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A. was signed and became effective for legal purposes on January 1, 2007.
At December 31, 2006, IFIL S.p.A. held 93,071,000 Sanpaolo IMI ordinary shares (5.85% of ordinary capital stock and 4.96% of capital stock); IFIL S.p.A. received for those shares a total of 289,916,165 Intesa Sanpaolo S.p.A. ordinary shares (2.45% of ordinary capital stock and 2.27% of capital stock).
Effective January 1, 2007, the capital stock of Intesa Sanpaolo S.p.A. is € 6,646,436,318.6 and is composed of 11,849,117,744 ordinary shares and 932,490,561 non-convertible savings shares, all with a par value of € 0.52.

Consob sanctionary measure

On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified with regard to the contents of the press releases issued by IFIL S.p.A. and by Giovanni Agnelli e C. S.a.p.az. on August 24, 2005 and applies the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL S.p.A. and chairman of Giovanni Agnelli e C. S.a.p.az.) € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL S.p.A. and € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;

- to Franzo Grande Stevens (director of IFIL S.p.A.) € 2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL S.p.A. and € 1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;

- to Virgilio Marrone (chief executive officer and general manager of IFI S.p.A.) € 500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C. S.a.p.az;

- to IFIL S.p.A. € 4.5 million;

- to Giovanni Agnelli e C. S.a.p.az. € 3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months
- to Franzo Grande Stevens: for four months
- to Virgilio Marrone: for two months

On the same date, the board of directors, presided over by the vice chairman (“Vicario”) John Elkann, took note of the sanctionary measure with surprise and disappointment and declared that Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone had its full support.
The individuals and companies mentioned in the sanctionary measure filed an appeal with the Turin Court of Appeals on February 28, 2007 together with a request for the suspension of the measure on serious grounds.

IFIL S.p.A. has accrued the pecuniary sanction of € 4.5 million in the separate and consolidated financial statements for the year ended December 31, 2006.

A preliminary investigation by the Turin District Attorney's office is currently underway concerning the same facts as the Consob sanctionary measure.

Juventus Football Club S.p.A. capital increase

On March 14, 2007, the board of directors of Juventus Football Club S.p.A. examined and unanimously approved the medium term development plan aimed at relaunching the company from the standpoint of sports excellence, developing commercial activities and strengthening the financial and equity positions.

In order to finance the development plan, the board of directors voted to put forward a motion to the stockholders' meeting called for April 20, 2007 to increase the capital stock by approximately € 104.8 million through the issue of 80,621,332 shares (to be offered to the stockholders as option rights in a ratio of 2 new shares for every 3 shares held) at the issue price of € 1.30 per share (of which € 1.20 is the share premium).

IFIL Investment S.p.A., in agreeing with the objectives of the medium term development plan, will subscribe to its share, equal to € 62.9 million.

Gruppo Banca Leonardo S.p.A. capital increase

In February 2007, the subsidiary Ifil Investissements S.A. declared its irrevocable intention to exercise the right to subscribe to its share of the Gruppo Banca Leonardo capital increase, equal to 11,055,537 shares for an investment of € 36.3 million. The new shares will be issued, subscribed to and fully paid-in on April 30, 2007.

Increase in the investment in SGS S.A.

In March 2007, the subsidiary Ifil Investissements S.A. purchased 45,364 SGS shares on the market for an investment of € 39.5 million, increasing its stake from 13.16% to 13.74%.

Sale of the investment in Turismo&Immobiliare

On March 26, 2007, the subsidiary Ifil Investissements reached an agreement for the sale of the investment in Turismo&Immobiliare, the company which holds a 49% stake in Italia Turismo, the largest real estate operator in the tourism-incoming sector in Italy which has significant investments in the south of Italy.

Pursuant to the agreement, Ifil Investissements will sell its 25% holding in Turismo&Immobiliare to the Marcegaglia Group, Pirelli RE and Gabetti Property Solutions for € 5.2 million.

The closing of the transaction, which is subject to approval by the competent authorities, is expected to take place in June 2007.

BUSINESS OUTLOOK

For the year 2007, IFIL S.p.A. is expected to report a profit.

Taking into account the forecasts formulated by the major holdings (discussed later in the report), a profit is forecast in the IFIL Group consolidated financial statements for 2007.

Fiat Group
In 2007, the Fiat Group confirmed its target of realizing a net income of between € 1.6 billion and € 1.8 billion.

Sequana Capital Group
Compared to the first half of 2006, Arjowiggins expects the results for the first half of 2007 to be higher for the Communications, Safety and Technology divisions and lower for the Graphic Arts division.
As regards Antalis, the first half of 2007 should show an improvement owing to a more favorable market for office products and the gain in market share in some geographical areas.

Alpitour Group
The first months of the year 2006/2007 have confirmed the signs of a recovery in demand that were seen during the previous year.
The year 2006/2007 should show a further improvement in the operating result over the prior year, even though investments and development initiatives will be significant.

Juventus Football Club
The year 2006/2007 is influenced by the team's relegation to Serie B in the Italian championship and its absence from playing in the UEFA Champions League games which significantly reduced revenues.
The company has therefore implemented a strong cost reduction plan aimed particularly at salaries and the amortization of players' rights which led to the sale of important players with the aim of closing the year 2006/2007 with a breakeven.

IFIL S.p.A. – REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

Introduction

Following the coming into force of European Regulation 1606 dated July 19, 2002 and the national laws implementing that Regulation, pursuant to article 4 of Legislative Decree 38 dated February 28, 2005, starting from January 1, 2006 IFIL S.p.A. has adopted International Financial Reporting Standards (IFRS) in the preparation of its separate financial statements (previously referred to as statutory financial statements).

Consequently, the figures in the separate financial statements for the year ended December 31, 2005, prepared in accordance with Italian accounting principles (Italian GAAP), have been adjusted and reclassified on the basis of IFRS for purposes of comparison with the year 2006.

Additional information on the adoption of IFRS and on the effects of their adoption on the published 2005 statutory financial statements are presented in Note 2 to the separate financial statements at December 31, 2006 and in the specific Appendix – Transition to International Financial Reporting Standards (IFRS) by IFIL S.p.A..

The condensed income statement and balance sheet and comments on the most important items are presented below.

IFIL S.p.A. - Condensed income statement

€ in millions	Note	**2006**	2005 (a)	Change
Dividends from investments	1	**53.0**	154.4	(101.4)
Gains (losses) on sales of investments and securities		**(0.7)**	2.6	(3.3)
Impairment reversals on investments	2	**645.3**	0.0	645.3
Net financial expenses	3	**(19.4)**	(21.5)	2.1
Net general expenses	4	**(20.1)**	(15.8)	(4.3)
Other non-current expenses	5	**(7.6)**	(18.8)	11.2
Profit before income taxes		**650.5**	100.9	549.6
Income taxes	2	**(25.2)**	0.0	(25.2)
Profit		**625.3**	100.9	524.4

(a) Prepared in accordance with IFRS.

IFIL S.p.A. - Condensed balance sheet

		12/31/2006		12/31/2005 (a)		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	6	**5,321.9**	**99.1**	4,102.6	98.8	1,219.3
Other non-current financial assets	8	**0.1**	**0.0**	3.7	0.1	(3.6)
Current financial assets	8	**2.5**	**0.1**	0.8	0.0	1.7
Other current assets		**44.5**	**0.8**	43.4	1.1	1.1
Total Assets		**5,369.0**	**100.0**	4,150.5	100.0	1,218.5
Equity	7	**4,587.5**	**85.4**	3,678.5	88.7	909.0
Financial liabilities						
- current	8	**485.0**	**9.1**	449.6	10.8	35.4
- non-current	8	**199.2**	**3.7**	0.0	0.0	199.2
		684.2	**12.8**	449.6	10.8	234.6
Other current and non-current liabilities		**97.3**	**1.8**	22.4	0.5	74.9
Total Equity and liabilities		**5,369.0**	**100.0**	4,150.5	100.0	1,218.5

(a) Prepared in accordance with IFRS.

The year 2006 shows a profit of € 625.3 million, € 620.1 million of which is the net amount deriving from the impairment reversal on the investment held in Fiat (€ 645.3 million) and the accrual for the related deferred taxes (-€ 25.2 million).

The result of the prior year, adjusted in accordance with IFRS, amounted to € 100.9 million.

1. Dividends from investments

Dividends from investments in 2006 amount to € 53 million and are entirely collected from Sanpaolo IMI. In 2005, the amount of € 154.4 million included dividends collected from Sanpaolo IMI (€ 43.7 million) and from the subsidiaries Ifil Investment Holding and Ifil Investissements (€ 110.7 million in total).

2. Impairment reversals on investments

Impairment reversals on investments refer exclusively to 240,583,447 Fiat ordinary shares and 31,082,500 Fiat preferred shares which in 2001, 2002 and 2004 had been written down to their market price. The impairment loss on the value of Fiat ordinary shares was totally reversed up to the original purchase cost, for € 537.1 million. The carrying amount of Fiat preferred shares was partially adjusted by the impairment reversal of € 108.2 million (out of a total impairment loss of € 135.7 million), up to the stock market price on December 29, 2006, which was still below (€ 27.5 million) the original purchase cost.

Deferred taxes were recorded on these impairment reversals for € 25.2 million (5.28% of the impairments deductible in the year 2002).

3. Net financial expenses

Net financial expenses of € 19.4 million decreased by € 2.1 million compared to 2005 (€ 21.5 million) due to a different composition of debt and the consequent reduction in the cost of debt.

4. Net general expenses

Net general expenses amount to € 20.1 million and show an increase of € 4.3 million compared to € 15.8 million in 2005. The increase is due to higher legal fees (+€ 2.1 million), personnel costs (+€ 0.4 million), special compensation to the chief executive officer (+€ 1.1 million), non-deductible VAT (+€ 0.9 million) and travel expenses (+€ 0.2 million), partially compensated by higher revenues and cost recoveries (-€ 0.4 million).

5. Other non-current expenses

Other non-current expenses in 2006 amount to € 7.6 million and include the accrual for pecuniary administrative sanctions of € 4.5 million levied on the company by Consob in relation to the content of the press release dated August 24, 2005, as well as the accrual for the cost of € 3.1 million referring to the current year for the stock option plan approved for management of the subsidiary Alpitour.

In 2005, the amount of € 18.8 million included the extraordinary compensation approved for the chairman (€ 15 million) and the former chief executive officer (€ 3.8 million).

6. Investments

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Accounted for by the equity method			
Fiat S.p.A. (ordinary shares)	**2,619.4**	2,020.0	599.4
Fiat S.p.A. (preferred shares)	**231.1**	122.9	108.2
	2,850.5	2,142.9	707.6
Ifil Investissements S.A.	**641.5**	641.5	0.0
Alpitour S.p.A.	**100.0**	0.0	100.0
Ifil Investment Holding N.V.	**68.3**	68.3	0.0
Juventus Football Club S.p.A.	**11.3**	11.3	0.0
Soiem S.p.A.	**10.0**	10.0	0.0
Ifil New Business S.r.l.	**-**	-	-
	3,681.6	2,874.0	807.6
Investments available-for-sale			
Sanpaolo IMI S.p.A. (ordinary shares) (a)	**1,640.3**	1,228.6	411.7
Total investments	**5,321.9**	4,102.6	1,219.3

(a) Measured at fair value on the basis of the market price at the end of the year, with recognition of the unrealized gains or losses in equity.

The increase of € 1,219.3 million in the carrying amount of the investments is due to the following movements:

€ in millions	
Investments at December 31, 2005	**4,102.6**
Purchase of 4,254,000 Fiat ordinary shares (0.39% of the class of stock)	62.3
Purchase of 100% of the capital stock of Alpitour (from Ifil Investissements)	100.0
Impairment reversals on:	
- Fiat ordinary shares	537.1
- Fiat preferred shares	108.2
Fair value adjustment to the investment in Sanpaolo IMI	411.7
Change during the year	**1,219.3**
Investments at December 31, 2006	**5,321.9**

The comparison between carrying amounts and market prices of listed investments is as follows:

	Number of shares held	Carrying amount		Market price at			
				December 29, 2006		March 23, 2007	
		Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat S.p.A. (ordinary shares)	332,587,447	7.88	**2,619.4**	14.42	**4,797.6**	19.00	**6,320.8**
Fiat S.p.A. (preferred shares)	31,082,500	7.44	**231.1**	12.06	**374.8**	16.44	**510.9**
			2,850.5		**5,172.4**		**6,831.7**
Sanpaolo IMI S.p.A. (ord. sh.)	93,071,000	17.62	**1,640.3**	17.62	**1,640.3**	5.72	**1,656.9** (a)
Juventus Football Club S.p.A.	72,560,500	0.16	**11.3**	1.76	**128.0**	1.89	**137.1**
Total			**4,502.1**		**6,940.7**		**8,625.7**

(a) This refers to the valuation of 289,916,165 Intesa Sanpaolo S.p.A. shares.

7. Equity

At December 31, 2006, equity is equal to € 4,587.5 million (€ 3,678.5 million at December 31, 2005). The positive change of € 909 million is due to the following movements:

€ in millions	
Equity at December 31, 2005	**3,678.5**
Dividends paid out	(85.8)
Change in fair value of investments and securities	362.5
Sale of treasury stock for stock options exercised	5.3
Other net changes	1.7
Profit for the year 2006	625.3
Net change during the year	**909.0**
Equity at December 31, 2006	**4,587.5**

8. Net financial position

Details are as follows:

€ in millions	**12/31/2006**	12/31/2005	Change
Cash and cash equivalents	**0.3**	0.2	0.1
Other financial assets, current and non-current	**2.3**	0.9	1.4
Non-convertible bonds	**(199.2)**	(99.8)	(99.4)
Bank debt	**(274.7)**	(348.6)	73.9
Debt with related parties	**(208.9)**	0.0	(208.9)
Current other financial liabilities	**(1.4)**	(1.2)	(0.2)
Net financial position	**(681.6)**	(448.5)	(233.1)

The negative change of € 233.1 million in 2006 is due to the following cash flows:

€ in millions	
Net financial position at December 31, 2005	**(448.5)**
Dividends collected from Sanpaolo IMI	53.0
Dividends paid out	(85.8)
Net financial expenses	(19.4)
Net general expenses	(20.1)
Sale of 1,382,780 ordinary shares of treasury stock for stock options exercised	5.3
Sale of 18,914,511 Fiat ordinary share warrants	1.8
Purchase of 100% of capital stock of Alpitour (from Ifil Investissements)	(100.0)
Purchase of 4,254,000 Fiat ordinary shares	(62.3)
Other net changes	(5.6)
Net change during the year	**(233.1)**
Net financial position at December 31, 2006	**(681.6)**

9. Reconciliation between the data of the separate financial statements of IFIL S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of IFIL S.p.A. for the year ended December 31, 2006 and the corresponding figures in the consolidated financial statements of the IFIL Group at the same date are presented as required by Consob Communication 6064293 dated July 28, 2006.

€ in millions	**Profit**	**Equity**
Separate financial statements of IFIL S.p.A.	**625**	**4.587**
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year		**1.508**
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)		**411**
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments (a)	**514**	**514**
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(185)**	**(185)**
Elimination of impairment losses and reversals on consolidated investments and companies accounted for by the equity method	**(620)**	**(620)**
Other consolidation adjustments	**7**	**7**
Consolidated financial statements of the IFIL Group (attributable to the equity holders of the company)	**341**	**6.222**

(a) Consolidation adjustments amount to € 514 million and refer to the elimination of gains generated by intragroup transactions on investments and the diluting effect of the reduction in the stake held in Sequana Capital.

IFIL GROUP – REVIEW OF THE CONDENSED CONSOLIDATED RESULTS

IFIL holds some important investments through Dutch and Luxembourg subsidiaries and controls two companies incorporated under Irish law (operating with the aim of optimizing the management of the financial resources of the Group), Soiem (a service company), as well as two companies contributing to investment activities (Ifil USA and Ifil Asia). The aggregate of these companies constitutes the so-called “Holdings System”.

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, it is IFIL's practice to present condensed financial statements (balance sheet and income statement) for the period prepared by applying the “condensed” consolidation criteria. Such condensed consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first-half of each year. The quarterly consolidated data is also presented in the condensed format in the quarterly reports at March 31 and September 30 of each year.

In the preparation of the condensed consolidated balance sheet and income statement, the financial statements or accounting data drawn up in accordance with IFRS by the parent and by the subsidiaries in the “Holdings System” are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, Sequana Capital, Alpitour, Juventus Football Club and Turismo&Immobiliare) are accounted for by the equity method, always on the basis of their financial statements or accounting data prepared in accordance with IFRS.

The following table shows the consolidation and valuation methods used for investments.

	% holding in capital stock outstanding	
	12/31/2006	12/31/2005
Subsidiaries of the “ Holdings System” consolidated line-by-line		
- IFIL Investments S.p.A.	**-**	-
- Ifil Investment Holding N.V. (The Netherlands)	**100**	100
- Ifil Investissements S.A. (Luxembourg)	**100**	100
- Ifilgroup Finance Ltd (Ireland)	**100**	100
- Ifil International Finance Ltd (Ireland)	**100**	100
- Soiem S.p.A. (Italy)	**100**	100
- Ifil USA Inc	**100**	100
- Ifil Asia Ltd (Hong Kong)	**100**	100
- Ifil New Business S.r.l. (Italy) (a)	**100**	100
- Eufin Investments Unlimited (United Kingdom)	**100**	100
Operating companies accounted for by the equity method		
- Fiat Group	**28.60**	28.28
- Sequana Capital Group	**48.88**	52.78
- Alpitour Group	**100**	100
- Juventus Football Club S.p.A.	**60**	60
- Turismo&Immobiliare S.p.A.	**25**	25
Investments accounted for at fair value (b)		
- Sanpaolo IMI S.p.A.	**4.96**	4.96
- SGS S.A.	**13.16**	-
Investments accounted for at cost		
- Gruppo Banca Leonardo S.p.A.	**9.43**	-
- Subsidiaries of the “Holdings System” in liquidation and others	**-**	-

(a) Dormant company.
(b) Based on the market price at the end of the year with the unrealized gain or loss recognized in equity.

The following tables present the condensed consolidated income statement and balance sheet and comments on the most important items.

IFIL GROUP – Condensed consolidated income statement

The consolidated profit attributable to the equity holders of the company for the year 2006 is € 341.5 million. This is a reduction of € 748.5 million compared to the profit reported for the year 2005 (€ 1,090 million) which, however, had included significant nonrecurring income realized directly (the gain of € 459.1 million realized on the sale of the investment in La Rinascente) and through the Fiat Group (€ 482.7 million at the IFIL level) and the Sequana Capital Group (€ 266 million at the IFIL level).

€ in millions	Note	**2006**	2005	Change
Share of the profit (loss) of companies accounted for by the equity method	1	**293.2**	622.0	(328.8)
Net financial income:				
- Dividends from investments	2	**53.0**	43.7	9.3
- Impairment (losses) reversals on investments and securities		**(0.7)**	1.8	(2.5)
- Other financial income		**19.2**	6.3	12.9
Net financial income		**71.5**	51.8	19.7
Gain on the sale of the investment in La Rinascente		**0.0**	459.1	(459.1)
Net general expenses		**(23.2)**	(22.3)	(0.9)
Other non-current income (expenses)	3	**0.2**	(20.5)	20.7
Profit before income taxes		**341.7**	1,090.1	(748.4)
Income taxes		**(0.2)**	(0.1)	(0.1)
Profit attributable to the equity holders of the company		**341.5**	1,090.0	(748.5)

IFIL GROUP – Condensed consolidated balance sheet

€ in millions	Note	**12/31/2006**	12/31/2005	Change
Non-current assets				
Investments accounted for by the equity method	4	**3,291.8**	3,576.8	(285.0)
Other financial assets	5	**2,563.5**	1,238.3	1,325.2
Property, plant and equipment		**13.2**	13.5	(0.3)
Total Non-current assets		**5,868.5**	4,828.6	1,039.9
Current assets				
Financial assets	8	**857.1**	793.3	63.8
Cash and cash equivalents	8	**5.7**	4.2	1.5
Trade receivables and other receivables		**47.2**	43.7	3.5
Total Current assets		**910.0**	841.2	68.8
Total Assets		**6,778.5**	5,669.8	1,108.7
Equity attributable to the equity holders of the company	7	**6,222.3**	5,186.0	1,036.3
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**2.4**	2.2	0.2
Bonds and other debt	8	**199.2**	0.0	199.2
Deferred tax liabilities and other liabilities		**52.6**	1.2	51.4
Total Non-current liabilities		**254.2**	3.4	250.8
Current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**0.0**	7.8	(7.8)
Bonds and other debt	8	**277.6**	449.5	(171.9)
Trade payables and other liabilities		**24.4**	23.1	1.3
Total Current liabilities		**302.0**	480.4	(178.4)
Total Equity and liabilities		**6,778.5**	5,669.8	1,108.7

1. Share of the profit (loss) of companies accounted for by the equity method

The share of the profit (loss) of companies accounted for by the equity method is € 293.2 million (€ 622 million in 2005). The negative change of € 328.8 million is primarily due to lower contributions by the Sequana Capital Group (-€ 199.4 million) and the Fiat Group (-€ 144.4 million) which, as mentioned previously, included significant net nonrecurring income in 2005.

	Profit (loss)		IFIL' share		
€ in millions	**2006**	2005	**2006**	2005	Change
Fiat Group	**1,065.0**	1,331.0	**304.6**	373.8	(69.2)
Consolidation adjustments			**(15.4)** (a)	59.8 (b)	(75.2)
Total Fiat Group			**289.2**	433.6	(144.4)
Sequana Capital Group	**958.0**	348.1	**504.2**	183.7	320.5
Consolidation adjustments			**(494.1)** (c)	25.8 (d)	(519.9)
Total Sequana Capital Group			**10.1**	209.5	(199.4)
Alpitour Group	**3.0** (e)	(10.7) (e)	**3.0**	(10.7)	13.7
Juventus Football Club S.p.A.	**(14.7)** (f)	(16.7) (f)	**(8.8)**	(10.0)	1.2
Other			**(0.3)**	(0.4)	0.1
Total			**293.2**	622.0	(328.8)

(a) Mainly for the assignment of preferred dividends for the years 2004, 2005 and 2006 to minority stockholders.
(b) Of which € 54.8 million is due to the excess of the increases of IFIL's share of the consolidated equity of the Fiat Group deriving from the Fiat capital stock increase subscribed to by minority stockholders (+€ 605.4 million) and the increase in the percentage of consolidation, equal to 0.54% (+€ 29.2 million), compared to the costs incurred for the purchase of 87,500,000 Fiat ordinary shares (-€ 580.2 million), net of the sale of the rights on the ordinary and preferred shares (+€ 0.4 million).
(c) For the elimination of the after-tax gain deriving from the Sequana Capital/SGS Exchange and Purchase Offering (-€ 465.8 million) and for the diluting effect of the reduction in the percentage of ownership (-€ 28.3 million).
(d) Adjustment of the gain on the sale of the investment in Permal Group, due to the different carrying amount in IFIL.
(e) Data for the period November 1 – October 31.
(f) Data for the period January 1 – December 31 prepared for the purposes of consolidation in IFIL.

For a review of the performance of the major holdings reference should be made to the specific section of this report.

2. Dividends from investments

Dividends from investments in 2006 amount to € 53 million and were entirely collected from Sanpaolo IMI (€ 43.7 million in 2005).

3. Other non-current income (expenses)

Other non-current income (expenses) include the accrual for the administrative sanction of € 4.5 million levied on the company by Consob in relation to the content of the press release dated August 24, 2005, the cost of € 3.1 million referring to the current year for the stock option plan approved for management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006 (+€ 7.8 million).

In 2005, the amount included extraordinary compensation approved for the chairman (€ 15 million) and former chief executive officer (€ 3.8 million) of IFIL S.p.A. and the expenses for that year (€ 1.7 million) relating to the stock option plans with underlying IFIL stock which expired in 2006.

4. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount at **12/31/2006**	 12/31/2005	Change
Fiat Group	**2,610.6**	2,335.7	274.9
Sequana Capital Group	**588.8**	1,140.9	(552.1)
Alpitour Group	**70.4**	69.9	0.5
Juventus Football Club S.p.A.	**17.7**	26.6	(8.9)
Turismo&Immobiliare S.p.A.	**4.3**	3.7	0.6
Total	**3,291.8**	3,576.8	(285.0)

The decrease in the investment in the Sequana Capital Group can be ascribed to the Public Exchange and Purchase Offer and the consequent reduction in capital stock carried out in 2006.

5. Other non-current financial assets

Details are as follows:

€ in millions	Carrying amount at **12/31/2006**	 12/31/2005	Change
Other investments			
Sanpaolo IMI S.p.A.	**1,640.3**	1,228.6	411.7
SGS S.A.	**870.0**	0.0	870.0
Gruppo Banca Leonardo S.p.A.	**47.0**	0.0	47.0
Subsidiaries of the "Holdings System" in liquidation and others	**1.0**	1.1	(0.1)
Securities			
Ocean Club Méditerranée bonds	**5.0**	4.8	0.2
Fiat ordinary share warrants 2007 (a)	**0.0**	3.5	(3.5)
Sundry	**0.2**	0.3	(0.1)
Total other non-current financial assets	**2,563.5**	1,238.3	1,325.2

(a) Sold in 2006.

The investment in SGS S.A. (13.16% of capital stock) was initially recorded at the carrying amount at which the investment had been recognized in the consolidated financial statements of the Sequana Capital Group before the Public Exchange and Purchase Offer, equal to € 361.6 million, and was classified in "investments available-for-sale". At December 31, 2006, the investment was measured at fair value on the basis of the stock market price at the end of the year and the unrealized gain (€ 508.4 million) was recognized in equity.

The original purchase cost of the investment in Sanpaolo IMI is € 883.4 million. In the years 2005 and 2006, the overall fair value adjustment to the investment totals € 756.9 million.

6. Comparison between carrying amounts and market prices of listed investments and other listed financial assets

Details are as follows:

				Market price at			
	Number of	Carrying amount		December 29, 2006		March 23, 2007	
	shares held	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat Group							
- ordinary shares	332,587,447	7.18	**2,388.0**	14.42	**4,797.6**	19.00	**6,320.8**
- preferred shares	31,082,500	7.18	**222.6**	12.06	**374.8**	16.44	**510.9**
			2,610.6		**5,172.4**		**6,831.7**
Sequana Capital Group	24,009,482	24.52	**588.8**	23.34	**596.4**	23.00	**552.2**
Sanpaolo IMI S.p.A.	93,071,000	17.62	**1,640.3**	17.62	**1,640.3**	5.72	**1,656.9** (a)
Juventus Football Club S.p.A.	72,560,500	0.24	**17.7**	1.76	**128.0**	1.89	**137.1**
SGS S.A.	1,029,456	845.11	**870.0**	845.11	**870.0**	899.77	**926.3**
Ocean Club Méditerranée bonds	76,614	65.10	**5.0**	65.15	**5.0**	66.18	**5.1**
Total			**5,732.4**		**8,412.1**		**10,109.3**

(a) This refers to the valuation of 289,916,165 Intesa Sanpaolo S.p.A. shares.

7. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	12/31/2006	12/31/2005	Change
Capital and reserves	**6,270.8**	5,238.1	1,032.7
Treasury stock	**(48.5)**	(52.1)	3.6
Total	**6,222.3**	5,186.0	1,036.3

The changes during the year are analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2005	**5,186.0**
Fair value adjustment of the investment in Sanpaolo IMI (+€ 411.7 million, net of -€ 48.2 million of deferred taxes) and the investment in SGS (+€ 508.4 million)	871.9
Share of translation differences (-€ 140.7 million) and other net changes (+€ 49.3 million) shown in the equity of the companies accounted for by the equity method	(91.4)
Dividends paid out by IFIL S.p.A.	(85.7) (a)
Profit attributable to the equity holders of the company	341.5
Net change during the year	**1,036.3**
Equity attributable to the equity holders of the company at December 31, 2006	**6,222.3**

(a) Net of € 0.1 million of intragroup dividends.

At December 31, 2006, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL	% of class	% of capital	Amount	
	ordinary shares	of stock	stock	Per share (€)	Total (€ ml)
Held by IFIL S.p.A.	12,402,998	1.19	1.15	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	0.08	3.41	2.8
Balance at December 31, 2006	**13,213,260**	**1.27**	**1.23**	**3.67**	**48.5**

As a result of the exercise of the options granted in prior years, in 2006, 1,382,780 IFIL ordinary shares were sold to the grantees of stock option plans for net proceeds of

€ 5.3 million and a gain of € 1.7 million which was recognized directly as an increase in equity.
Additional information is provided in Note 16 to the separate financial statements.

8. Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" at December 31, 2006 is a cash position of € 386.2 million. This is an increase of € 37.9 million compared to the cash position at the end of 2005 (€ 348.3 million).
The consolidated net financial position of the "Holdings System" is composed as follows:

	12/31/2006			12/31/2005		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets	**857.1**	**0.2**	**857.3**	793.3	0.3	793.6
Cash and cash equivalents	**5.7**	**0.0**	**5.7**	4.2	0.0	4.2
Total financial assets	**862.8**	**0.2**	**863.0**	797.5	0.3	797.8
Bonds	**0.0**	**(199.2)**	**(199.2)**	(99.8)	0.0	(99.8)
Bank and other debt	**(277.6)**	**0.0**	**(277.6)**	(349.7)	0.0	(349.7)
Total financial liabilities	**(277.6)**	**(199.2)**	**(476.8)**	(449.5)	0.0	(449.5)
Consolidated net financial position of the "Holdings System"	**585.2**	**(199.0)**	**386.2**	348.0	0.3	348.3

Current financial assets amount to € 857.1 million (€ 793.3 million at the end of 2005) and principally include investments in time deposits, in bonds and in other short-term financial instruments.

The positive change of € 37.9 million during the year is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2005		**348.3**
Dividends collected from:		
- Sequana Capital	184.5	
- Sanpaolo IMI	53.0	
		237.5
Dividends paid out by IFIL S.p.A.		(85.7) (a)
Investment made in Gruppo Banca Leonardo S.p.A. (9.6% of capital stock)		(47.0) (b)
Investment made in Fiat ordinary shares (0.39% of class of stock)		(62.3)
Other net changes:		
- Other net financial income (expenses)	19.2	
- Net general expenses	(23.2)	
- Other changes	(0.6)	
		(4.6)
Net change during the year		**37.9**
Consolidated net financial position of the "Holdings System" at December 31, 2006		**386.2**

(a) Net of € 0.1 million of intragroup dividends.
(b) Includes transaction costs of € 0.4 million.

At December 31, 2006 IFIL S.p.A. has irrevocable credit lines for € 830 million, of which € 420 million is due by December 31, 2007 and € 410 million at later expiration dates.

The rating assigned by Standard & Poor's to IFIL's long-term debt is “BBB+”, whereas the rating on short-term debt is “A-2”, both with a stable outlook.

9. Reconciliation between the consolidated net financial position of the “Holdings System” and under line-by-line consolidation

€ in millions	**12/31/2006**	12/31/2005	Change
Consolidated net financial position - Holdings System	**386**	348	38
Net financial debt of the companies consolidated line-by-line:			
- Sequana Capital Group	**(380)**	(441)	61
- Alpitour Group	**(29)**	(78)	49
- Juventus Football Club S.p.A.	**(75)**	(38)	(37)
Consolidated net financial position - line-by-line consolidation	**(98)**	(209)	111

The composition of the consolidated net financial position – line-by-line consolidation is presented in Note 27 to the consolidated financial statements of the IFIL Group.

10. Reconciliation between the condensed consolidated financial statements and the IFIL Group consolidated financial statements prepared in accordance with IFRS

The following table presents a reconciliation between the condensed consolidated financial statements and the IFIL Group consolidated financial statements prepared in accordance with IFRS.

The first column (“Condensed consolidation”) presents the data that has been commented on in the preceding pages reclassified according to the consolidated financial statement format.

The second column (“Eliminations”) shows the adjustments necessary to reverse the carrying amount of the investments accounted for in the condensed financial statements by the equity method and the share of the results of these investments in order to arrive at the line-by-line consolidation of the respective financial statements, adjusted, if necessary, to conform with Group principles, which are shown in the next columns.

Reconciliation of the consolidated balance sheet

€ in millions	Condensed consolidation	Eliminations	Sequana Capital Group	Alpitour Group	Juventus F.C.	**IFIL Group consolidation**
Non-current assets						
Goodwill			735	25		**760**
Other intangible assets			65	36	87	**188**
Property, plant and equipment	13		684	120	30	**847**
Investments accounted for by the equity method	3,292	(677)	3	1		**2,619**
Other financial assets	2,564		104	4		**2,672**
Deferred tax assets			14	19	16	**49**
Other assets			18	7	30	**55**
Total Non-current assets	**5,869**	**(677)**	**1,623**	**212**	**163**	**7,190**
Current assets						
Inventories			538	2		**540**
Trade receivables			809	117	12	**938**
Other receivables	47		145	18	52	**262**
Financial assets	857		198	50	1	**1,106**
Cash and cash equivalents	6		255	40	1	**302**
Total Current assets	**910**	**0**	**1,945**	**227**	**66**	**3,148**
Assets held for sale			**109**		**19**	**128**
Total Assets	**6,779**	**(677)**	**3,677**	**439**	**248**	**10,466**
Equity						
Attributable to the equity holders of the compan	6,222	(677)	589	70	18	**6,222**
Attributable to the minority interest			626	5	12	**643**
Total Equity	**6,222**	**(677)**	**1,215**	**75**	**30**	**6,865**
Non-current liabilities						
Provisions for employee benefits	3		110	21	1	**135**
Provisions for other liabilities and charges			165	2	2	**169**
Bonds and other debt	199		413	23	17	**652**
Deferred tax liabilities	49		51		2	**102**
Other liabilities	4		6		47	**57**
Total Non-current liabilities	**255**	**0**	**745**	**46**	**69**	**1,115**
Current liabilities						
Provisions for employee benefits			7			**7**
Provisions for other liabilities and charges			280	3		**283**
Bonds and other debt	278		274	100	59	**711**
Trade payables	11		717	187	12	**927**
Other liabilities	13		407	28	78	**526**
Total Current liabilities	**302**	**0**	**1,685**	**318**	**149**	**2,454**
Liabilities relating to assets held for sale			32			32
Total Equity and liabilities	**6,779**	**(677)**	**3,677**	**439**	**248**	**10,466**

Reconciliation of the consolidated income statement

€ in millions	Condensed consolidation	Eliminations	Sequana Capital Group	Alpitour Group	Juventus F.C.	**IFIL Group consolidation**
Revenues	1		4,045	1,332	156	**5,534**
Other revenues from current operations			44	6	61	**111**
Purchases of raw materials and changes in inventories			(2,653)	(976)	(3)	**(3,632)**
Personnel costs	(10)		(690)	(100)	(122)	**(922)**
Costs for external services	(11)		(501)	(201)	(34)	**(747)**
Taxes and duties	(2)		(37)	(3)		**(42)**
Depreciation and amortization			(103)	(16)	(38)	**(157)**
Accruals to provisions and other expenses from current operations	(1)		(9)	(31)	(31)	**(72)**
Profit (loss) from current operations	**(23)**	**0**	**96**	**11**	**(11)**	**73**
Other nonrecurring income (expenses)			(66)		(1)	**(67)**
Operating profit (loss)	**(23)**	**0**	**30**	**11**	**(12)**	**6**
Gains (losses) on the sale of investments	(1)		37	15		**51**
Cost of net debt	8		(27)	(9)	(3)	**(31)**
Other financial income (expenses)	64		7		1	**72**
Financial income (expenses)	**71**	**0**	**17**	**6**	**(2)**	**92**
Income taxes			(42)	(11)	(1)	**(54)**
Profit (loss) of companies consolidated line-by-line	**48**	**0**	**5**	**6**	**(15)**	**44**
Share of the profit (loss) of companies accounted for by the equity method	293	(4)	63			**352**
Profit from continuing operations	**341**	**(4)**	**68**	**6**	**(15)**	**396**
Profit from discontinued operations and assets held for sale						**0**
Profit	**341**	**(4)**	**68**	**6**	**(15)**	**396**
Profit attributable to the equity holders of the company	**341**	**(4)**	**10**	**3**	**(9)**	**341**
Profit attributable to the minority interest (A)			**58**	**3**	**(6)**	**55**
Net gain on the sale of the investment in SGS attributable to the minority interest (B)			**396**			**396**
Total profit attributable to the minority interest (A)+(B)			**454**	**3**	**(6)**	**451**

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2005	Increase	Decrease	Held at 12/31/2006
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	120,000	532,000 (c)		652,000
	Sequana Capital (a)	11			11
Brandolini d'Adda Tiberto	Sequana Capital (a)	88			88
Lombardi Giancarlo	IFIL ordinary shares (a)	12,650			12,650
Marocco Antonio Maria	IFIL ordinary shares (a)	73,369			73,369
Teodorani-Fabbri Pio	IFIL ordinary shares (a)	90,000			90,000
	IFIL ordinary shares (b)	219,000	250,000		469,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ordinary share warrants 2007 (b)	825			825
	Fiat savings shares (b)	5,720			5,720
Winteler Daniel John	IFIL ordinary shares (a)	0	72,550 (c)	(60,150)	12,400
Statutory auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Piccatti Paolo	Juventus F.C. (a)	540			540

(a) Direct holding.
(b) Indirect holding through spouse.
(c) Shares from the exercise of stock options.

There are no key managers with strategic responsibilities in IFIL S.p.A.

Management and coordination

IFIL Investments S.p.A. is not subject to management and coordination on the part of companies or entities.

In accordance with art. 2497 bis of the Italian Civil Code, the subsidiaries Soiem S.p.A. and Ifil New Business S.r.l. have identified IFIL Investments S.p.A. as the company which exercises management and coordination.

Programming document on security

The company has prepared the programming document on security on December 14, 2006 for the year 2006 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person in charge of the treatment of the data.

REVIEW OF THE OPERATING PERFORMANCE OF THE MAJOR HOLDINGS

FIAT GROUP

(30.45% of ordinary capital stock and 30.09% of preferred capital stock)

The consolidated results of the Fiat Group in 2006 can be summarized as follows:

€ in millions	**2006**	2005	Change Amount	Change %
Net revenues	**51,832**	46,544	5,288	11.4
Trading profit	**1,951**	1,000	951	95.1
Operating result	**2,061**	2,215	(154)	-7.0
Net result	**1,151**	1,420	(269)	-18.9
Net result attributable to the equity holders of the parent	**1,065**	1,331	(266)	-20.0

€ in millions	**12/31/2006**	12/31/2005	Change
Total Assets	**58,303**	62,454	(4,151)
Net debt	**(11,836)**	(18,523)	6,687
Consolidated net financial position	**(231)**	(2,550)	2,319
Group interest in stockholders' equity	**9,362**	8,681	681
Employees at year-end (number)	**172,012**	173,695	(1,683)

The Fiat Group records **Net revenues** of € 51,832 million in 2006, up 11.4% from 2005 (€ 46,544 million). The improvement is largely attributable to Fiat Auto and Iveco. Revenues also rose at CNH and at the Components & Production Systems business area. The following table illustrates the components of net revenues broken down by Sector:

€ in millions	**2006**	2005	Change %
Automobiles (Fiat Auto, Maserati, Ferrari)	**25,577**	21,275	20.2
Agricultural and Construction Equipment (CNH)	**10,527**	10,212	3.1
Trucks and Commercial Vehicles (Iveco)	**9,136**	8,483	7.7
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**12,366**	10,727	n.s.
Other businesses (Services, Publishing and Communications, Holding Companies and other Companies)	**1,581**	1,618	-2.3
Eliminations	**(7,355)**	(5,771)	n.s.
Net revenues	**51,832**	46,544	11.4

In 2006, the **Trading profit** amounts to € 1,951 million nearly doubling the € 1,000 million level recorded in 2005, (3.8% of revenues in 2006 compared to 2.1% in 2005). Significant improvements were achieved in the Automobiles business area (+€ 650 million, of which € 572 million at Fiat Auto) and by Iveco (+€ 214 million). Only the Components & Production Systems business area reports slightly lower trading profit, reflecting a sharp drop at Comau. The following table illustrates the components of trading profit broken down by Sector:

€ in millions	2006	2005	Change Amount
Automobiles (Fiat Auto, Maserati, Ferrari)	**441**	(209)	650
Agricultural and Construction Equipment (CNH)	**737**	698	39
Trucks and Commercial Vehicles (Iveco)	**546**	332	214
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**348**	358	(10)
Other businesses (Services, Publishing and Communications, Holding Companies and other Companies)	**(121)**	(179)	58
Trading profit	**1,951**	1,000	951

In 2006, the **Operating result** is positive by € 2,061 million compared with an operating income of € 2,215 million in 2005. The € 154 million decrease reflects lower net unusual income (gains on disposals of investments, restructuring charges and other unusual income and expenses) of € 1,105 million (€ 110 million in 2006 and € 1,215 million in 2005) versus an improvement in trading profit of € 951 million.

In 2006, gains on disposal of investments totaled € 607 million and were in part offset by restructuring charges of € 450 million and the unusual expenses of € 47 million.

In 2005, unusual items included the gain on disposal of investments of € 905 million, restructuring charges of € 502 million and unusual income of € 812 million.

The following table illustrates the components of operating result broken down by Sector:

	Trading profit		Gains/Losses on the disposal of investments		Restructuring costs		Other unusual income (expenses)		Operating result	
€ in millions	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
Fiat Auto	**291**	(281)	**461**		**9**	162	**(16)**	(375)	**727**	(818)
Maserati	**(33)**	(85)	**-**	-	**-**	-	**-**	-	**(33)**	(85)
Ferrari	**183**	157	**-**	-	**-**	-	**-**	-	**183**	157
Agricultural and Construction Equipment (CNH)	**737**	698	**-**	-	**145**	87	**-**	-	**592**	611
Trucks and Commercial Vehicles (Iveco)	**546**	332	**25**	(10)	**6**	99	**-**	(11)	**565**	212
Fiat Powertrain Technologies	**168**	109	**-**	-	**60**	20	**(6)**	(8)	**102**	81
Components (Magneti Marelli)	**190**	162	**-**	-	**16**	33	**1**	(2)	**175**	127
Metallurgial Products (Teksid)	**56**	45	**(29)**	5	**4**	14	**3**	(9)	**26**	27
Production Systems (Comau)	**(66)**	42	**(1)**	(1)	**179**	46	**(26)**	(3)	**(272)**	(8)
Services (Business Solutions)	**37**	35	**3**	9	**12**	22	**-**	(15)	**28**	7
Publishing and Communications (Itedi)	**11**	16	**1**	-	**-**	2	**-**	(1)	**12**	13
Holding companies, Other companies and Eliminations	**(169)**	(230)	**147**	902	**19**	17	**(3)**	1,236	**(44)**	1,891
Total for the Group	**1,951**	1,000	**607**	905	**450**	502	**(47)**	812	**2,061**	2,215

In 2006, Net gains on the disposal of investments, equal to € 607 million, include among others the gain of € 463 million resulting from the sale, within the framework of the agreement with Crédit Agricole, of 50% of Fiat Auto Financial Services, the joint venture that handles Fiat Auto's main financing activities in Europe, as well as the gain on the sale of Banca Unione di Credito – B.U.C. (€ 80 million). The gain of € 905 million recorded in 2005 included the gain (€ 878 million) from the sale of the investment in Italenergia Bis to Electricité de France and the gain realized upon the sale of Palazzo Grassi S.p.A. (€ 23 million).

In 2006, Other unusual income (expenses) is negative by € 47 million, of which € 26 million attributable to the impairment of the goodwill of certain European companies of Comau and € 17 million due to the reorganization and rationalization of relationships with Group suppliers.
In 2005, this item was positive by € 812 million and included, among others, the gain from the termination of the Master Agreement with General Motors for € 1,134 million (net of accessory costs).

The **Net Result** is € 1,151 million in 2006, versus € 1,420 million in 2005. Excluding the impact of net unusual items (including unusual financial income of € 858 million resulting from the capital increase of September 20, 2005 with the simultaneous conversion of the Mandatory Convertible Facility with the income representing the difference between the subscription price of the shares and their stock market price at the date of subscription), the Group would have posted a net loss of € 376 million in 2005 and a net income of € 1,041 million in 2006. Therefore, on a comparable basis, net income improved by € 1,417 million.

In 2006, the portion of the **Net result attributable to the equity holders of the parent** is positive by € 1,065 million, against € 1,331 million in 2005.

As for equity and financial aspects:

The **Group interest in stockholders' equity** at December 31, 2006, amounts to € 9,362 million (€ 8,681 million at the end of 2005). The net increase of € 681 million is formed by the consolidated net income attributable to the equity holders of the parent (+€ 1,065 million), the net change in the income and expenses recognized in equity (-€ 385 million) and other net changes (+€ 1 million).

At December 31, 2006, consolidated **Net debt** amounts to € 11,836 million, € 6,687 million less than the € 18,523 million at December 31, 2005. The composition is as follows:

€ in millions	**12/31/2006**	12/31/2005
Net debt of Industrial Activities	**(1,773)**	(3,219)
Net debt of Financial Services	**(10,063)**	(15,304)
Total Net debt	**(11,836)**	(18,523)

At December 31, 2006, the **consolidated net financial position** is a negative € 231 million (a negative € 2,550 million at December 31, 2005).
The difference between the net debt balance (-€ 11,836 million) and the consolidated net financial position (-€ 231 million) is attributable to the amount of current financial receivables of € 11,605 million.

The most significant transactions completed by the Fiat Group during early 2007 are set out below:

On January 26, 2007, Fitch Ratings announced that it upgraded Fiat's rating to “BB” from “BB-”, reaffirming the short-term rating to “B” and maintaining the outlook “positive”. Standard & Poor's Ratings Services revised its outlook on Fiat rating to “positive” from “stable”, affirming the “BB” long-term and “B” short-term corporate credit ratings. On February 12, 2007, Moody's Investors Service upgraded to Ba2 from Ba3 Fiat rating maintaining the “positive” outlook. The short-term rating remains unchanged.

On February 1, 2007 Fiat Auto changed name to “Fiat Group Automobiles S.p.A.”.
Four new companies were formed at the same time, 100% owned by Fiat Group Automobiles S.p.A.: “Fiat Automobiles S.p.A.”, “Alfa Romeo Automobiles S.p.A.”, “Lancia Automobiles S.p.A.” and “Fiat Light Commercial Vehicles S.p.A.”.
These changes are consistent with the new corporate culture at the Fiat Group. In particular, they reflect two strategic decisions as to how to approach the business. On the one hand, the Group will exist as a unified whole, and on the other hand, each company will be characterized by the specific nature of the respective operating sectors and individual brands.
Over the next few months, all Group activities will highlight this aspect by pairing the “Fiat Group” mark with the sector or brand trademark.

On February 14, 2007, Fiat and Tata Motors signed an agreement which calls for a Tata license to build a pick-up vehicle bearing the Fiat nameplate at Fiat Group Automobiles' plant in Córdoba, Argentina. The first vehicles will roll off the Córdoba assembly lines during 2008. Annual production is slated at around 20,000 units. Total planned investment in the project is around $ 80 million. With the production of the pick-up model, the Fiat complex in Córdoba will retake the integral activity of all its productive units, to a greater extent reinitiated with the manufacture of Fiat engines and gearboxes and the recent agreement to produce gearboxes for PSA Peugeot-Citroën. The pick-up, based on the new generation Tata pick-up truck, will be sold in South and Central America and select European markets through Fiat Automobiles' distribution and importer network. This will permit the Fiat brand to aggressively enter the medium pick-up sector, thanks to Tata Motors' specific know-how.

On February 14, 2007, Iveco and Tata Motors announced the signing of a Memorandum of Understanding (MoU) to analyze the feasibility of cooperation, across markets, in the area of Commercial Vehicles. The MoU encompasses a number of potential developments in engineering, manufacturing, sourcing and distribution of products, aggregates and components. Shortly after the MoU signature, Iveco and Tata Motors will set up a joint Steering Committee to determine the feasibility of cooperation, both in the short and over the long term. When found feasible, the two companies will enter into definitive agreements in the course of the coming months.

A meeting was held on February 19, 2007 at the Italian Prime Minister's office, with the participation of the Prime Minister, the Ministers of Labor and Transport, and the Vice Minister for Economic Development, as well as national labor federation and industry representatives. The Chief Executive Officer Sergio Marchionne illustrated the Group's development plans for 2007-2010, with special attention being devoted to the situation in Italy. The meeting concluded with the signing of a transcript in which the Italian Government affirmed its willingness to support the company's development plans. In particular, this would involve close assessment of initiatives taken in support of investments and research, and recognize the existence of conditions for granting the Fiat Group a quota for “mobilità lunga” (long-term mobility benefit to bridge the period prior to retirement). This amount was defined in the December 18, 2006 labor agreement, which envisages that a maximum of 2,000 Group employees will be laid off. The meeting transcript also envisages setting up a round table with the participation of local institutions to examine the measures necessary to overcome logistical and economic restraints at the Termini Imerese plant in Sicily, so that production of a model can be allocated to it starting from 2009.

SEQUANA CAPITAL

(48.88% of capital stock through Ifil Investissements)

In September 2006, Sequana Capital commenced an in-depth review of its strategy and after concluding the Public Purchase and Exchange Offering on SGS stock, the company became a diversified industrial paper group which operates through two wholly-owned subsidiaries:

- Arjowiggins, the world leader in the manufacture of paper products, present in 82 countries with 7,800 employees, 30 production sites and 3 research centers. Arjowiggins is organized into three divisions: Graphic Arts, Communications and Special Papers.

- Antalis, the most important European group in B to B distribution of paper products for printing and writing, present in 36 countries with 6,000 employees and 73 distribution centers servicing 180,000 customers. Antalis is organized into four divisions: Print & Office, Communications, Industrial Packaging and Promotional Products.

The highlights of the consolidated results of the Sequana Capital Group in 2006 are as follows:

			Change	
€ in millions	**2006**	2005	Amount	%
Net sales	**3,979**	3,998	(19)	-0.5
Gross operating profit	**187**	219	(32)	-14.6
Trading profit	**93**	112	(19)	-17.0
Profit attributable to the equity holders of the company	**958**	348	610	175.3
Equity attributable to the equity holders of the company	**1,233**	2,190	(957)	-43.7
Net indebtedness	**380**	433	(53)	-12.2

With the scenario of the sector still disappointing owing to the persisting excess production capacity, higher energy and raw material costs and continuous pressure on sales prices, Sequana Capital reports sales in 2006 of € 3,979 million, a figure basically in line with that of 2005 (€ 3,998 million). The group was partially able to compensate the market weakness with an increase in the prices of certain products and with better volumes in high-growth regions or sectors.

The gross operating profit in 2006 amounts to € 187 million (compared to € 219 million in the prior year), equal to a 4.7% margin.
The profit attributable to the equity holders of the company in 2006 rose to € 958 million compared to € 348 million in 2005. This increase is principally due to the net gain of € 889 million realized on the distribution of SGS shares to the stockholders following the Public Purchase and Exchange Offer in the last quarter of 2006. The offer involved a significant reduction in capital stock (54%).

The equity attributable to the equity holders of the company went from € 2,190 million to € 1,233 million at December 31, 2006 while net indebtedness decreased from € 433 million to € 380 million. Despite the distribution of dividends of € 350 million in the first half of 2006, net indebtedness decreased due to a more attentive management of the working capital of the group companies and other transactions including the sale of Legg Mason securities deriving from the sale of Permal in 2005.

With regard to the performance of the subsidiaries:

- Antalis records gross operating profit of € 69 million and operating income of € 53 million which is in line with the prior year. Antalis improved its financial structure as a result of a more efficient management of working capital and the sale of one of its deposits for a total of € 103 million, contributing to a € 62 million reduction in its debt. Finally, the company continues to pursue its focused policy of acquisitions in Chile and in the industrial packaging sector.

- Arjowiggins records gross operating profit of € 142 million and operating income of € 64 million (€ 71 million in 2005): the reduction in margins is mainly due to difficulties at the Graphic Arts division. Arjowiggins has nevertheless generated satisfactory operating cash flows (+€ 106 million) partly as a result of a further effort to bring down net working capital. The company commenced a development plan founded on five main goals: expanding in regions with potential growth, focusing R&D activities on customers' needs, reorganizing sales, setting up new procedures aimed at generating cost savings throughout the group and achieving the leadership position in each of its activities.

The board of directors meeting held on March 21, 2007 voted to put forward a motion to the stockholders' meeting called for May 11, 2007 to pay dividends of € 0.6 per share.
Ifil Investissements' share of the dividends will amount to approximately € 14.4 million.

INTESA SANPAOLO

(2.45% of ordinary capital stock)

On December 28, 2006, the deed of merger of Sanpaolo IMI S.p.A. in Banca Intesa S.p.A. was signed and became effective for legal purposes on January 1, 2007.

A summary of the consolidated results of the Sanpaolo IMI Group for 2006 is presented below followed by some of the main indicators of the proforma results for the year 2006 of the Intesa Sanpaolo Group.

The Sanpaolo IMI Group closed the year 2006 with a consolidated net profit of € 2,148 million, up 8.3% compared to 2005.

Total operating income is € 9,098 million, an increase of 10.9% compared to the prior year thanks to the positive trend of all components:

- **net interest income** (€ 4,138 million) rose by 9% compared to € 3,798 million in 2005;
- **net commissions**, equal to € 3,389 million (+3.2%), were mainly driven by the growth in management, dealing and advisory services (+6.1%) and also asset management (+7.5%), which represented nearly 60% of total commissions;
- **dividends and income from other financial assets and liabilities**, up from 2005, total € 889 million due to the gain of € 228 million on the sale of Ixis Asset Management Group and Ixis Corporate & Investment Bank while **profits on equity shareholdings** total € 128 million (+23.1%);
- the good performance of the life insurance branch is reflected on the **income from the insurance business,** referring to the subholding company Eurizon, reaching € 469 million (+8.8%) thanks mainly to the improved results of financial management and the changes in asset allocation and investment strategies.

Net operating income is € 8,585 million (+11.4%), benefiting from the reduction in adjustments to loans and other financial assets.
Doubtful loans decreased on a comparable consolidation basis by 8.5%.

Pre-tax operating profit amounts to € 3,590 million (+21.5%), after the net increase of 5.2% in **operating costs** (€ 4,898 million).
The cost/income ratio is down from 56.8% to 53.8%.

Shareholders' equity of the Group amounts to € 14,338 million at the end of the year (€ 13,483 million at December 31, 2005).

Loans to customers net of adjustments total € 158 billion at December 31, 2006 (+10.2% on a comparable consolidation basis) and **customer financial assets** amount to € 446 billion (+9.2% on a comparable consolidation basis).

A summary of some of the main indicators of the Sanpaolo IMI Group for the year 2006 are as follows.

			Change	
€ in millions	**2006**	2005	Amount	%
Net interest income	**4,138**	3,798	340	9.0
Net operating income	**8,585**	7,708	877	11.4
Pre-tax operating profit	**3,590**	2,954	636	21.5
Net profit – Group	**2,148**	1,983	165	8.3
Shareholders' equity – Group	**14,338**	13,483	855	6.3
Branches and representative offices (Italy and abroad)	**3,682**	3,308	374	11.3
Employees (number)	**49,862**	43,666	6,196	14.2

As regards the main proforma aggregate figures for 2006, the **Intesa Sanpaolo Group** registers **net operating income** of € 18,405 million, mainly due to net interest income of € 9,127 million and net fee and commission income of € 6,574 million.

Operating costs amount to € 9,673 million, of which € 5,630 million refers to personnel expenses, € 3,156 million to administrative expenses and € 887 million to adjustments for amortization and depreciation.

The **operating margin** is € 8,732 million, with a cost/income ratio of 52.6%.

Proforma net income amounts to € 4,056 million (€ 4,618 million excluding the integration charges relating to the merger).

At December 31, 2006, the Intesa Sanpaolo Group presents, in proforma terms, **total assets** of € 576,784 million, **loans to customers** of € 327,410 million and **direct customer deposits** of € 343,899 million.

Proforma **shareholders' equity** amounts to € 55,971 million; proforma capital ratios at December 31, 2006 are: Core Tier 1 ratio at 8%, Tier 1 ratio at 8.8% and total capital ratio at 11.9%.

At December 31, 2006 the **operating structure** of the Intesa Sanpaolo Group, in proforma terms, was made up of 6,989 branches – of which 5,789 in Italy and 1,200 abroad – with about 100,000 employees.

The Management Board and the Supervisory Board of Intesa Sanpaolo on April 14, 2007 will approve the 2007-2009 Business Plan and will formulate the motion for the appropriation of the net income for the year to be submitted for approval to the ordinary shareholders' meeting to be held on April 30, 2007 or, in second call, on May 3, 2007.

(13.74% of capital stock through Ifil Investissements)

The highlights of the consolidated results of the SGS Group in 2006 are as follows:

			Change	
CHF in millions	**2006**	2005	Amount	%
Sales	**3,821**	3,308	513	15.5
Operating profit	**624**	502	122	24.3
Profit – Group	**443**	371	72	19.4
Consolidated net financial position	**216**	430	(214)	49.8

During 2006, the SGS Group developed its lines of business to serve new markets and new customers, expanded in size and in terms of the services it offers and further stepped up its geographical presence. This result was achieved through investments and initiatives to support its organic growth and through targeted strategic acquisitions.
The SGS Group now has over 48,000 employees and manages more than 1,000 laboratories and installations throughout the world.

The sales of the Group increased in 2006 to CHF 3.8 billion, gaining 15.5% over the prior year (+13.9% at the same exchange rate). This growth is the result of a favorable market context in all sectors and countries in which the Group operates. The organic growth for the year is equal to 10.3% (at the same exchange rate).

The operating profit rose to CHF 624 million, up CHF 122 million (+24.3%). The operating profit before exceptional items increased to CHF 605 million (a 15.8% margin) with significant gains in the results of the divisions of Consumer Testing, Oil, Gas and Chemicals, Systems & Services Certification and Industrial Services which absorbed the slowdown in the Trade Assurance division.

The profit for the year of the Group rose to CHF 443 million, with an increase of 19.4% over the prior year.

The consolidated net financial position shows a cash position of CHF 216 million at December 31, 2006 and was impacted by the extraordinary distribution of dividends of CHF 50 per share in the first part of the year (payout ratio higher than 100%; total amount paid out equal to CHF 381 million).

On November 29, 2006, Dan Kerpelman tendered his resignation as CEO of the SGS Group. The board of directors then appointed Chris Kirk, previously the head of the Minerals and Environmental Services divisions, as the new chief executive officer.

As for market performance in 2006, SGS stock gained 28% (including dividends).

The forecasts for 2007 follow the positive trend recorded in 2006 and support the Group's goal of reaching earning per share of CHF 80 in the year 2008.

(60% of capital stock)

The following data and comments are taken from the first-half report on the financial year 2006/2007 prepared using IFRS.
Since Juventus F.C.'s financial year ends on June 30 of every year, and in view of the highly seasonal nature typical of this sector, the data presented should not be construed as representing the basis for a full-year projection.

€ in millions	**I Half 2006**	I Half 2005	Change
Operating revenues (a)	**101.5**	109.0	(7.5)
Operating income (loss)	**20.2**	(17.2)	37.4
Net income (loss)	**15.4**	(15.9)	31.3
Shareholders' equity	**29.6** (b)	14.2 (b)	15.4
Net financial position	**(75.1)** (b)	(12.9) (b)	(62.2)

(a) Including income from the management of players' rights.
(b) Data refers to December 31, 2006.

In the first half of the year 2006/2007, Juventus recorded operating revenues of € 101.5 million, down € 7.5 million (-6.9%) compared to the same period of 2005.
This reduction is mainly due to higher income from the management of players' rights for € 34 million net of lower sundry operating revenues (revenues from games, radio and television rights, media income, income from the Champions League and revenues from sponsorships and publicity) for a total of € 46 million.

In view of the above, Juventus commenced a decisive plan to reduce costs, particularly those relating to salaries and amortization of players' rights, which led to the sale of important players (which took place during the first stage of the Transfer Campaign), who hold starting positions on various National Teams. In the first half of 2006, operating costs therefore amounted to € 71.2 million (expenses for the management of players' rights included), with a reduction of € 27.7 million compared to the corresponding period of the prior year. The amortization charge and the writedown of players' rights, instead, totaled € 10 million, a decrease of € 16.5 million compared to the first half of 2005 due to the above-mentioned transactions effected during the 2006/2007 transfer campaign and the early renewal of the contracts of some players.

In addition to the above changes, the net result for the period was affected by net financial expenses of € 2.6 million (+€ 0.4 million compared to the same period of 2005) and the accrual for income taxes for a total of € 3.5 million, of which € 1.6 million is for deferred taxes.

Shareholders' equity at December 31, 2006 amounted to € 29.6 million.

The net financial position at the end of December 2006 is a borrowings position of € 75.1 million (a borrowings position of € 12.9 million at December 31, 2005) and included € 19.1 million relating to the finance lease to cover the investment in the Vinovo Sports Center which was completed in the second quarter of 2006.

On December 15, 2006, at the Vinovo Sports Center, a tragic accident occurred in which two youths on the Berretti youth team lost their lives, Alessio Ferramosca and Riccardo Neri.

In reference to the sports proceedings against Juventus, the ruling issued by the C.O.N.I. Conciliation and Arbitration Board on October 27, 2006 reduced the penalty points imposed on the company from 17 points to 9 points for the current Serie B championship.
The ruling also upheld the revocation of Juventus' title as champion of Italy 2004/2005, the non-recognition of Juventus' title as champion of Italy 2005/2006 and the fine of € 120,000. It also converted the sanction disqualifying the home stadium into the obligation of donating the proceeds from the first three home games of the current season to FIGC, a total of € 194,450.

During September, the negotiations were concluded for the contracts with Sky Italia S.r.l..
The parties modified the payments indicated in the original contracts to take into account the situation which arose as a result of the team's relegation to Serie B, reducing the total payments for the current year from € 94.5 million to € 80.2 million.

Finally, as regards the principal contracts with sponsoring companies, the following should be noted:

- Juventus and Oilinvest B.V. did not come to an agreement over a new sponsorship contract although they came to an amicable understanding that the team would continue to wear the Tamoil brand on their jerseys until the end of the 2006/2007 season; the impact will be lower revenues of € 8 million for the year.

- Nike confirmed its willingness to continue the long-term technical sponsorship contract with Juventus until the original expiration date at the end of 2014/2015 soccer season, renegotiating some clauses in the contract, including the sums involved. This will result in lower revenues of approximately € 4.5 million for the current financial year and another approximate € 4.5 million to be spread over the following eight years of the contract.

- H3G and Juventus renegotiated some clauses of the existing contract until the end of the current season. The negative economic effect of the renegotiation is approximately € 2 million.

(100% of capital stock)

Signs of a recovery in demand marked the year 2005/2006 as the general economy gained strength. This enabled the charter travel market to grow by approximately 1%.
The market, however, is still negatively influenced by an uncertain geopolitical picture, especially in the countries of the Middle East and throughout the Islamic world, which has affected the trend in the demand for Egypt and Tunisia as destinations. Added to this is the effect of Hurricane Wilma at the end of October 2005 which devastated the Gulf of Mexico, particularly the Mayan Riviera, hurting tourist demand in winter 2006 everywhere in the Caribbean area. Demand has also been penalized by air travel costs as a result of the trend in fuel prices.

Highlights of the consolidated financial statements for the year ended October 31, 2006 of the Alpitour Group can be summarized as follows:

			Change	
€ in millions	**2005/2006**	2004/2005	Amount	%
Sales	**1,332.2**	1,146.8	185.4	16.2
Contribution margin	**206.2**	152.6	53.6	35.1
Profit (loss) from ordinary operations	**21.4**	(0.5)	21.9	n.s.
Profit (loss) attributable to the equity holders of the company	**3.0**	(10.7)	13.7	n.s.
Equity attributable to the equity holders of the company	**71.2**	70.2	1.0	1.4
Consolidated net financial position	**(29.1)**	(77.4)	48.3	62.4

Consolidated sales for the year 2005/2006 amount to € 1,332 million with an increase of approximately 16.2% over the prior year. Details of the individual divisions of the Group are presented in the next section.
The contribution margin shows an improvement of € 53.6 million in terms of amount (increasing from € 152.6 million in 2004/2005 to € 206.2 million in 2005/2006) and represents 15.5% of sales (13.3% in the prior year). This positive performance was considerably impacted by lower costs for services as a result of pursuing policies to rationalize direct costs and render them more flexible (reduction of commitments for guarantees) and putting into place sales policies that favor margins partly at the expense of volumes.
The result from ordinary operations is a profit of € 21.4 million from a loss of € 0.5 million in 2004/2005. The improvement is due to the combined effect of a better contribution margin net of higher labor and lease costs relating to the development of the hotel structures and Neos' fleet of aircraft.
The result is a profit attributable to the equity holders of the company of € 3 million, compared to a loss of € 10.7 million reported in the prior year.

Equity attributable to the equity holders of the company went from € 70.2 million last year to € 71.2 million at the end of the year 2005/2006 as a result of the combined effect of economic performance net of translation differences generated on the basis of the exchange rate in effect at the closing date.
The consolidated net financial position is a net borrowings position of € 29.1 million compared to a net borrowings position of € 77.4 million at October 31, 2005. The improvement of € 48.3 million reflects both cash flows generated by operating activities and better working capital, besides the financial effect of the collection of the proceeds of more than € 38 million on the sale of the “El Mandarin” resort.

Consolidated sales by business activity of the Alpitour Group are as follows:

			Change	
€ in millions	**2005/2006**	2004/2005	Amount	%
Tour operating	**900.9**	883.0	17.9	2.0
Incoming	**260.6**	229.3	31.3	13.7
Hotel	**112.4**	96.1	16.3	17.0
Aviation	**155.8**	103.7	52.1	50.2
Distribution	**31.1**	30.2	0.9	3.0
Incentive e Grandi Eventi	**172.1**	45.4	126.7	n.s.
Total	**1,632.9**	1,387.7	245.2	17.7
Elimination of intragroup transactions	**(300.7)**	(240.9)	(59.8)	24.8
Total	**1,332.2**	1,146.8	185.4	16.2

The Tour Operating business in the year 2005/2006 recorded a considerable increase in sales (approximately +2%) and a contraction in volumes (-4.3%). Revenues in 2005/2006, which also comprise the sales volumes of Alpitour Reinsurance, in fact, total € 901 million (€ 883 million in 2004/2005), while volumes declined from 997 thousand passengers in the prior year to 954 thousand this year. Such performance was sharply impacted by sales policies targeting destinations aimed at favoring margins while seeking to offer customers a service with the right quality-price ratio.

The Incoming sector, headed by the Jumbo Tours Group reported sales of approximately € 260.6 million in 2005/2006 (€ 229.3 million in 2004/2005). The increase in sales, equal to approximately 13.7%, is principally due to the growth of the sales contributed by third-party operators and a slight decline in those by the Group (equal to € 108.7 million).

As regards third-party operators, the Incoming sector has further consolidated the growth of sales relations with other markets in Europe. In fact, the traffic brought by third-party operators during the current year totaled approximately 873 thousand passengers (736 thousand in 2004/2005), equal to about 68% of volumes managed by the division. As for volumes from tour operators of the Group, about 411 thousand passengers were recorded, a figure in line with the prior year.

The Hotel sector posted higher sales which amount to € 112.4 million (€ 96.1 million in the prior year), including € 51.7 million reported by tour operators of the Group. The increase in sales (about +17%) is mainly due to the Italian market expansion of the activities of Alpitour World Hotels & Resorts S.p.A. (the company resulting from the merger of the companies Blumarin Hotels Sardegna S.r.l. and Altamarea International S.p.A. in Altamarea V&H Compagnia Alberghiera S.p.A.), as well as the considerable gain reported by the hotels in The Maldives which, in the previous year, were severely hurt by the December 26, 2004 tsunami.

The foreign hotel resorts owned or operated by the Group reported a presence of 737,700 in 2005/2006 (966 thousand in 2004/2005).

The Italian hotel resorts operated by Alpitour World Hotels & Resorts S.p.A. registered a presence of more than one million, up 5.5% compared to 954 thousand in 2004/2005. This gain can principally be ascribed to the positive performance of three 4-star hotels in Rome, the Hotel Ritz and the Hotel Regent (open since June 2005) and the Hotel Cicerone (open since June 2006).

The Aviation division, headed by the Neos airline company, reported sales of € 155.8 million in 2005/2006 (€ 103.7 million in 2004/2005), including € 122.3 million referring to Group companies. The increase in sales over the prior year (about +50.2%) is mainly due to the addition of a second B767 aircraft to the fleet in December 2005, making it possible to considerably step-up long-haul travel operations.

The Distribution sector operates through the Welcome Travel Group's network which manages 501 agencies: 39 owned, 422 affiliates, 28 partnerships and 12 full franchisings.
During the year 2005/2006, Welcome Travel Group reported sales of approximately € 31.1 million through its direct network, up from € 30.2 million in the prior year.

The Incentive e Grandi Eventi sector's most important event in 2005/2006 was the “Turin Winter Olympics 2006” run by Jumbo Grandi Eventi, which provided accommodation services to the entire Olympic family.
As a result of this event, Jumbo Grandi Eventi reported sales of € 142.6 million (€ 11.4 million in the same period of 2004/2005).
Sales of Francorosso Incentive (now FRI M.I.C.E.) were € 29.5 million and sharply affected by a persisting general weakness in demand. The number of passengers/customers totaled approximately 24,700.

Ifil Investissements (Luxembourg)

(100% of capital stock directly and through Ifil Investment Holding)

The highlights of the separate financial statements at December 31, 2006, prepared on the basis of Luxembourg law, are as follows:

€ in millions	**2006**	2005	Change
Profit	**675.8**	491.4	184.4
Equity	**2,332.9**	1,657.1	675.8
Non-current financial assets	**2,289.6**	1,604.7	684.9
Net financial position	**46.6**	54.9	(8.3)

The most important transactions which took place in 2006 and the first quarter of 2007 are described in a specific section of this report.

At December 31, 2006, non-current financial assets included the following investments and bonds:

€ in millions	Number of shares	**12/31/2006** % of capital stock	Carrying amount	12/31/2005	Change
Sequana Capital S.A.	24,009,482	48.88	**332.9**	775.5	(442.6)
SGS S.A.	1,029,456	13.16	**894.9**	0.0	894.9
Ifil International Finance Ltd	4,000,000	100.00	**999.0**	734.0	265.0
Ifilgroup Finance Ltd	4,000,000	100.00	**4.0**	4.0	0.0
Sadco S.A. (in a wind-up)	300	100.00	**1.0**	1.0	0.0
Ifil USA Inc	100	100.00	**0.5**	0.5	0.0
Turismo & Immobiliare S.p.A.	30,000	25.00	**5.0**	4.1	0.9
Gruppo Banca Leonardo S.p.A.	14,200,000	9.43	**47.0**	0.0	47.0
Other	-	-	**0.3**	1.2	(0.9)
NHT – New Holding for Tourism B.V. (wound up)			**0.0**	79.5	(79.5)
Total investments			**2,284.6**	1,599.8	684.8
Ocean Club Méditerranée convertible bonds	76,614	-	**5.0**	4.9	0.1
Total non-current financial assets			**2,289.6**	1,604.7	684.9

A comparison between the carrying amounts and the market prices of listed financial fixed assets shows the following unrealized gains:

€ in millions	Sequana Capital	SGS	Ocean Club Med bonds	Total
Market prices at December 29, 2006	227.5	(24.9)	0.0	202.6
Market prices at March 23, 2007, update	219.3	31.4	0.1	250.8

Ifil International Finance Ltd (Ireland)

(100% of capital stock through Ifil Investissements)

The highlights of the separate financial statements at December 31, 2006, prepared on the basis of Irish law, are as follows:

€ in millions	**2006**	2005	Change
Profit	**n.s.**	n.s.	0.0
Equity	**999.8**	734.8	265.0
Non-current financial receivables from Ifil Investissements S.A. (a)	**995.0**	730.0	265.0
Net financial position	**999.9**	734.8	265.1

(a) Due in 2010.

Ifil Investment Holding (The Netherlands)

(100% of capital stock)

The highlights of the separate financial statements at December 31, 2006, prepared on the basis of Dutch law, are as follows:

€ in millions	**2006**	2005	Change
Profit (loss)	**(0.1)**	10.5	(10.6)
Equity	**104.8**	104.9	(0.1)
Investment in Ifil Investissements (20.18% of capital stock)	**104.5**	104.5	0.0
Net financial position	**0.4**	0.4	0.0

Ifil Usa Inc. (United States)

(100% of capital stock through Ifil Investissements)

The highlights of the separate financial statements at December 31, 2006, prepared on the basis of United States law, are as follows:

U.S. $ in thousands	**2006**	2005	Change
Profit (loss)	**26**	(3,322)	3,348
Equity	**785**	759	26
Net financial position	**249**	580	(331)

Ifil Asia Ltd (Hong Kong)

(100% of capital stock through Ifil Investissements)

The highlights of the separate financial statements at December 31, 2006, prepared on the basis of local law, are as follows:

HK $ in thousands	**2006**	2005	Change
Profit	**212**	337	(125)
Equity	**715**	503	212
Net financial position	**2,658**	1,631	1,027

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE APPROPRIATION OF THE PROFIT FOR THE YEAR

To our stockholders,

We invite you to approve the separate financial statements for the year ended December 31, 2006 and, in view of the fact that the legal reserve is equal to one-fifth of capital stock, we propose the appropriation of the profit for the year of € 625,320,513 as follows:

To the ordinary shares, dividends of € 0.1, for a maximum	€ 103,861,271.70	
To the savings shares, dividends of € 0.1207, for a maximum	€ 4,512,130.52	
Proposed dividends are payable to the shares that will be outstanding, thus excluding the shares held by the company at the ex dividend date, for a total maximum		€ 108,373,402.22
To the extraordinary reserve, the remaining amount, for a minimum		€ 516,947,110.78
Profit for the year 2006		**€ 625,320,513.00**

Turin, March 30, 2007

For the Board of Directors
Vice Chairman ("Vicario")
John Elkann

Turin, April 17, 2007

The Chairman
Gianluigi Gabetti

IFI
Istituto Finanziario Industriale

Annual Report 2007

IFI
Istituto Finanziario Industriale

Società per Azioni
Capital Stock Euro 163,251,460, fully paid-in
Registered office in Turin - Corso Matteotti 26 – Turin Company Register No. 00470400011

TABLE OF CONTENTS

Directors' Report on Operations

Separate Financial Statements of IFI S.p.A. at December 31, 2007

Consolidated Financial Statements of the IFI Group at December 31, 2007

This is an English translation of the Italian original document “Relazioni e Bilanci 2007” approved by the IFI S.p.A. board of directors on March 28, 2008, which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFI S.p.A. and the Group, reference should be made to the full original report in Italian containing the Directors' Report on Operations and the Separate and Consolidated Financial Statements also available on the corporate website: http://www.gruppoifi.com

IFI
Istituto Finanziario Industriale

Board of Directors

Chairman	John Elkann
Vice Chairman	Pio Teodorani-Fabbri
Chief Executive Officer and General Manager	Virgilio Marrone
Directors	Carlo Acutis [a] Andrea Agnelli Tiberto Brandolini d'Adda Oddone Camerana Luca Ferrero Ventimiglia Gianluigi Gabetti Franzo Grande Stevens Francesco Marini Clarelli Andrea Nasi Lupo Rattazzi
Secretary to the Board	Pierluigi Bernasconi

[a] Independent director

Board of Statutory Auditors

Chairman	Gianluca Ferrero
Standing Auditors	Giorgio Giorgi Lionello Jona Celesia
Alternate Auditors	Giorgio Ferrino Paolo Piccatti

Independent Auditors Deloitte & Touche S.p.A.

Expiry of the terms of office
The terms of office of the board of directors and the board of statutory auditors, elected by the stockholders' meeting held on May 25, 2006, will expire concurrently with the stockholders' meeting that will be held to approve the statutory financial statements for the year ending December 31, 2008. The appointment of the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the financial statements for the year ending December 31, 2011.

IFI GROUP PROFILE

IFI – Istituto Finanziario Industriale S.p.A. was founded in 1927 by Senator Giovanni Agnelli in Turin, where the headquarters is still located.
IFI controls **IFIL S.p.A.**, one of Europe's leading investment companies, and its capital is divided into two classes of stock: preferred stock – listed on the Italian stock exchange – and ordinary stock, all of which is held by **Giovanni Agnelli e C.**, which draws together the interests of the Agnelli family.

IFIL S.p.A., founded in 1919, is headquartered in Turin and listed on the Electronic Share Market of the Italian stock exchange.
IFIL conducts diversified investments on an international scale with entrepreneurial vision and solid financial backing. At the same time, it cooperates continuously with the management teams of its holdings, while respecting their right to operate autonomously and with a perspective geared to the medium-/long-term.
The major investments of the IFIL Group are indicated below.

Fiat S.p.A., in which IFIL S.p.A. has a holding of more than 30% of ordinary and preferred capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). Founded in 1899, the Fiat Group operates in the sectors of automobiles (Fiat, Lancia, Alfa Romeo, Abarth, Ferrari, Maserati and Fiat Light Commercial), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus), components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (La Stampa and Publikompass). Other sectors also offer financial services to the sales networks and the clientele in addition to rental services to customers.

The other holdings which comprise the dynamically managed diversified portfolio are listed below.

Cushman & Wakefield (C&W), in which the subsidiary Ifil Investissements S.A. has a 70.18% stake, is the largest privately held company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 221 offices and 15,000 employees in 58 countries.

Sequana Capital S.A., in which Ifil Investissements S.A. has a 26.65% stake, is a French company listed on the Euronext market which in 2006 has focused its operations on the paper sector where it operates through:

- Arjowiggins S.A. (100% holding), the world leader in the manufacture of high value-added paper products, with 7,800 employees in 82 countries;
- Antalis S.A. (100% holding), the leading European Group in the distribution of paper products for printing and writing, with over 8,400 employees in 44 countries.

Intesa Sanpaolo S.p.A., in which IFIL S.p.A. has a 2.45% stake in ordinary capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). It is one of the most important banking Groups in Europe and is the foremost bank in Italy with a market share of 20% on average in all segments of business (retail, corporate and wealth management). With its network of 6,100 branches, the Group offers its services to 10.7 million customers. It also operates in 13 Central-East European countries and in the Mediterranean basin with 1,200 branches and 7.2 million customers in the retail and commercial banking sectors. It also has an international network specialized in corporate customer support covering 34 countries including the United States, Russia, China and India.

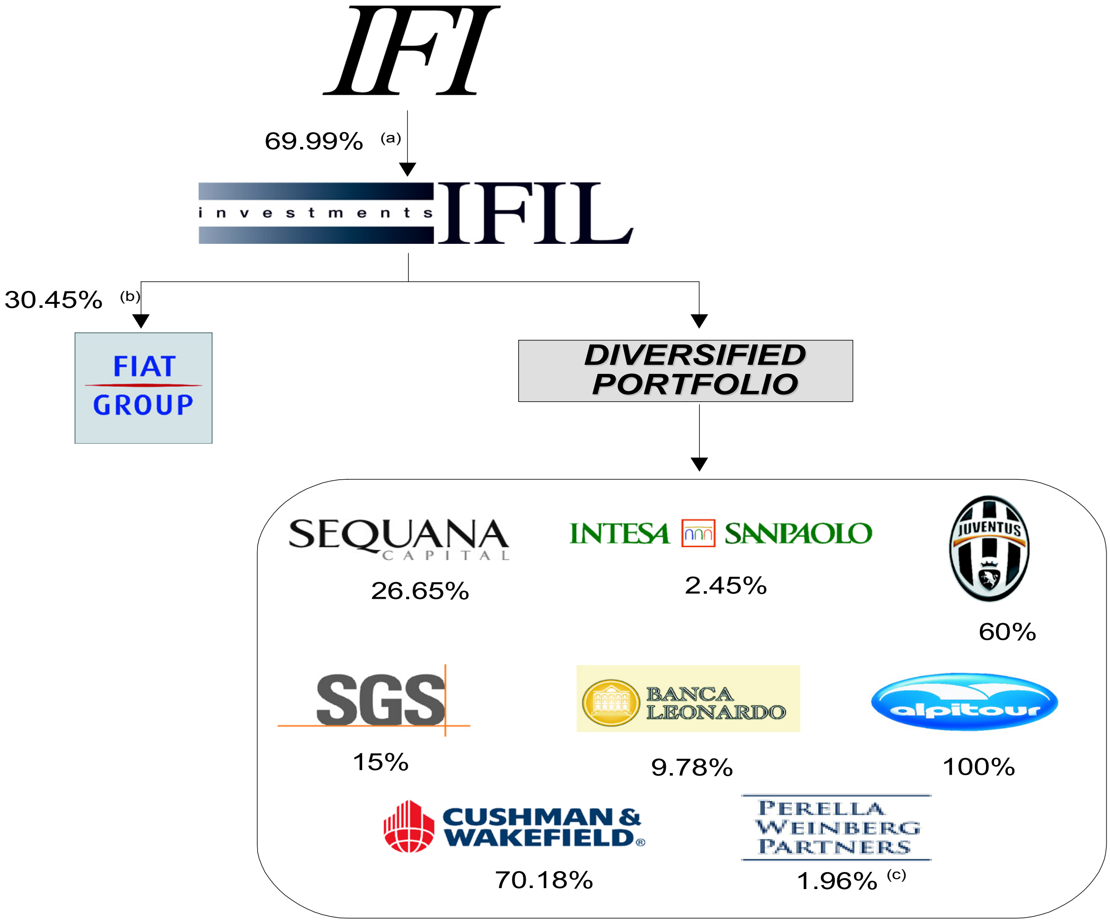
SGS S.A., in which Ifil Investissements S.A. has a 15% stake, is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 50,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Gruppo Banca Leonardo S.p.A., in which Ifil Investissements S.A. has a 9.78% stake, is an independent investment bank offering corporate finance advisory and asset management services; it also provides private equity services under a joint venture with a leading European Group.

Alpitour S.p.A., in which IFIL S.p.A. has a 100% stake, is the largest integrated Group in the tourist sector in Italy. It operates with 4,000 employees and has more than 2.3 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Viaggidea, Villaggi Bravo, Volando and Karambola), Hotels (Alpitour World Hotel & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group) and Incentive & Eventi (A World of Events).

Juventus Football Club S.p.A., in which IFIL S.p.A. has a 60% stake, is listed on the Electronic Share Market of the Italian stock exchange (Star segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world.

The following chart is updated to March 20, 2008, and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFI also holds 4.99% of IFIL savings capital stock. Giovanni Agnelli e C. S.a.p.az. also holds 3% of IFIL ordinary capital stock.
(b) IFIL also holds 30.09% of Fiat preferred capital stock.
(c) Percentage interest held in the NoCo A LP limited partnership.

Key operating and financial data

IFI Group – Consolidated figures € in millions	**2007**	2006	Change
Profit attributable to the equity holders of the company	**444**	221	223
Equity attributable to the equity holders of the company	**4,161**	3,800	361
Consolidated net financial position	**(470)**	(196)	(274)

Earnings per share (€) (a)	**2007**	2006	Change
Profit attributable to the equity holders of the company:			
- per ordinary share	**2.79**	1.38	1.41
- per preferred share	**2.84**	1.43	1.41
Equity attributable to the equity holders of the company	**26.35**	24.07	2.28

(a) Details of the calculation are presented in Note 19 to the consolidated financial statements.

IFI S.p.A. – Separate financial statement figures € in millions	**2007**	2006	Change
Profit	**54**	218	(164)
Equity	**1,847**	1,794	53
Net financial position	**(393)**	(98)	(295)

Dividends were not distributed from the profit for the year ended December 31, 2006.

The board of directors' meeting held March 28, 2008 put forward a motion to the ordinary stockholders' meeting called to approve the separate financial statements for the year ended December 31, 2007 to appropriate the entire profit to reserves.

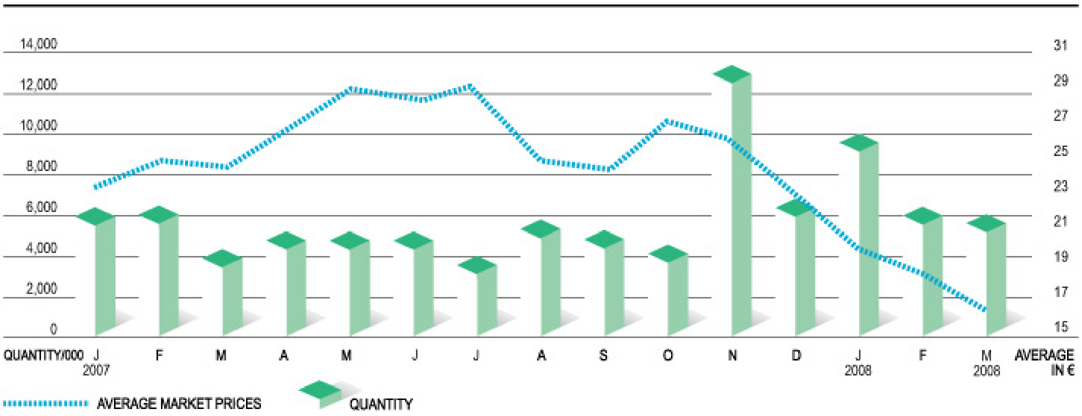
Stock market performance

Whereas in the first part of 2007 the markets continued to record positive performance, the second half of the year registered an inversion of the trend. This heightened in the last two months when fears over growth prospects in the United States became stronger, largely fueled by the impact of the subprime mortgage crisis. In this scenario, IFI preferred shares continually outperformed the Mibtel Index.

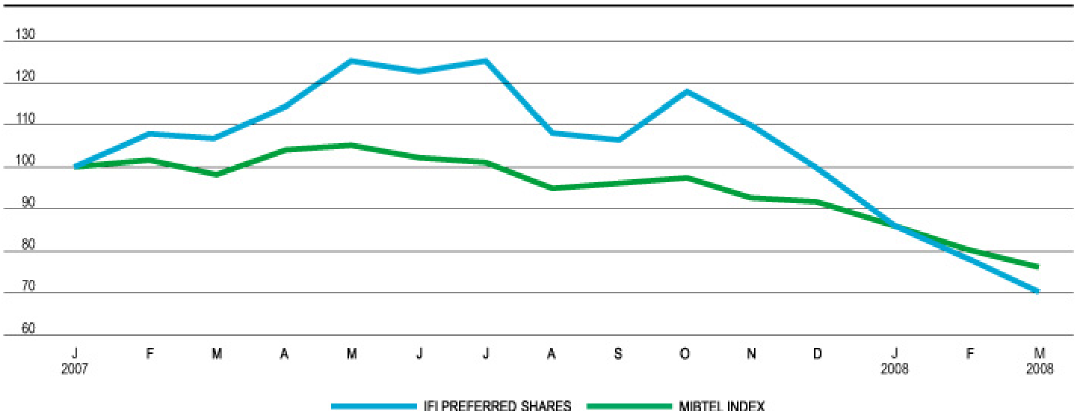
Overall 2007 performance by IFI preferred stock was positive at 1.8% against a decline of 4.5% in the Mibtel Index.

The negative downturn of the stock during the last part of 2007 then sharply accelerated in the first part of 2008 mirroring the performance of the world's major indexes.

IFI preferred stock – Market prices and volumes traded



IFI preferred stock – Performance against the Mibtel Index [(a)]



(a) The line graph is based on the average monthly market prices.

IFI preferred shares – Market information	**2008** [(a)]	**2007**	2006	2005
Market price per preferred share (€)				
- year-end	**15.655**	**22.810**	22.930	13.867
- maximum	**22.990**	**31.380**	23.250	14.525
- minimum	**15.560**	**22.420**	13.966	10.562
Trading volumes during the year (millions)	**21.2**	**69.2**	62.9	41.5
Value of trading volumes during the year (€ in millions)	**396.0**	**1,818.3**	1,161.0	500.9

(a) From January 1, to March 20, 2008.

Financial Communications and Investor Relations

In 2007, IFI has again devoted special attention to relations with the financial community, stockholders, financial analysts and the financial Press and, also, where requested, through individual meetings.

Information about the company, press releases, financial statements and the other account statements issued during the year are made available on the corporate website www.gruppoifi.com

In total, approximately 800 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed.

The corporate functions in charge of communications and external relations with investors are listed below:

External Relations and Media Relations
Tel. +39.011.5090318
Fax +39.011.5090386
e-mail: relazioni.esterne@gruppoifi.com

Institutional Investors and
Financial Analysts Relations
Tel. +39.011.5090338
Fax +39.011.5090280
relazioni.investitori@gruppoifi.com

Stocks and Bonds Service
Tel. +39.011.5090315
Tel. +39.011.5090205
Fax +39.011.5090321
e-mail: servizio.titoli@gruppoifi.com

INFORMATION ON THE OWNERSHIP STRUCTURE PURSUANT TO EX ART. 123 BIS OF LEGISLATIVE DECREE 58/98

Capital stock
At December 31, 2007, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares (52.96% of capital stock) and 76,801,460 preferred shares (47.04% of capital stock) with a par value of € 1 each. The ordinary capital stock of the company is held entirely by Giovanni Agnelli e C. S.a.p.az. IFI preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 6 of the bylaws, ordinary shares may not be disposed of, with effect towards the company, to parties other than the consanguine descendants of their holder and other holders of ordinary shares, unless the shares have been offered beforehand in option to the latter mentioned, with the right of accretion among them.

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:
- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:
  - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
  - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

There are no restrictions on the voting rights or shares which confer special rights of control. There is not any share participation system for employees nor, consequently, any relative mechanism for the exercise of voting rights.

IFI S.p.A. has approximately 13,700 preferred stockholders.
At March 20, 2008, the ten major preferred stockholders, indicated below, represent in total 53.67% of the class of stock.

Stockholders	**%**	**Preferred shares**
Amber Capital LP as Manager of Amber Master Fund	21.45	16,477,468
Deutsche Bank AG	4.24	3,254,137
Credit Suisse Securities (Europe) Limited	4.22	3,240,718
UBS AG	4.05	3,112,592
ING Bank NV	3.80	2,920,315
K Capital Partners LLC Group	3.20	2,455,411
Morgan Stanley & Co. International Ltd	3.05	2,339,632
Citadel Investment Group (Europe) Limited	2.92	2,246,026
Kairos Fund Limited	2.34	1,796,700
The Trident European Fund-Dem	2.33	1,790,000
Banca d'Italia	2.07	1,593,625
	53.67	**41,226,624**

Source: Stockholders' Book supplemented by Consob communications received up to March 20, 2008.

There are no agreements known to the company regarding its shares pursuant to art. 122 of Legislative Decree 58/1998.
The bylaws of the parent, Giovanni Agnelli e C. S.a.p.az., include an article which requires the advance authorization by all the general partners in office and the ordinary stockholders' meeting, with more than a two-thirds majority vote by the ordinary capital stock, for any act regarding the disposition of ordinary shares of IFI S.p.A. which does not leave full ownership of at least of 51% of IFI ordinary capital stock with Giovanni Agnelli e C. S.a.p.az.

With regard to the subsidiary IFIL, the only agreement known by the company to exist is that signed on March 27, 1990 between IFIL S.p.A. and Citicorp, now Citigroup, with headquarters in New York (USA), on the subject of the right of first refusal on IFIL ordinary shares held granted by Citigroup.

Appointment of the board of directors
The motion for the appointment of the directors is put forward by the majority stockholder which holds 100% of ordinary capital stock.
The directors remain in office for a three-year period and can be re-elected; the board of directors currently has 13 members.

Mandate for capital stock increases
Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

The board of directors will put forward a motion to renew this resolution at the next special stockholders' meeting.

Authorization to purchase treasury stock
The ordinary stockholders' meeting held on May 15, 2007 authorized, for a period 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58 dated February 24, 1998, the purchase of a maximum of 16 million IFI shares for a total amount of € 200 million.

The board of directors will put forward a motion to the ordinary stockholders' meeting to renew this resolution.

Effects of a possible change in control on the most important agreements in force
At December 31, 2007, a possible change in control over IFI S.p.A. would give a lending bank the right to ask for the early repayment of two committed credit lines of € 50 million (expiring May 2008) currently utilized for € 25 million.

Agreements between the company and the directors
There are no agreements between the company and the directors which call for indemnities in the case of resignation or dismissal without a just cause or if their working relationship ceases as a result of a takeover bid.

MAJOR EVENTS IN 2007 AND IN THE FIRST QUARTER OF 2008

Increase of the investment in IFIL

During 2007, IFI purchased on the market 48,750,000 IFIL S.p.A. ordinary shares (4.69% of the class of stock) for an investment of € 349.9 million. At December 31, 2007, IFI held 723,950,000 IFIL ordinary shares, equal to 69.7% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 67.46% of total IFIL capital stock.

During the first quarter of 2008, IFI purchased on the market 2,950,000 IFIL ordinary shares (0.29% of the class of stock) for an investment of € 16.2 million.
IFI currently holds 726,900,000 IFIL ordinary shares, equal to 69.99% of the class of stock and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 67.73% of IFIL capital stock.

Dividends approved by IFIL S.p.A. from profit for the year ended December 31, 2007

The IFIL S.p.A. board of directors in its meeting held on March 28, 2008 voted to put forward a motion to the stockholders' meeting called for May 13, 2008 for the payment of dividends of € 0.10 per ordinary share and € 0.1207 per savings share.
IFI S.p.A.'s share of the dividends amounts to € 72.9 million.

Resolutions passed by the IFI S.p.A. board of directors' meeting held on March 28, 2008

In its meeting held on March 28, 2008, the board of directors approved the consolidated financial statements and the draft separate financial statements for the year ended December 31, 2007, authorizing their publication starting from March 29, 2008.
A motion will be put forward to the stockholders' meeting fixed for May 14, 2008 (in first call) and May 15, 2008 (in second call) to appropriate the profit of € 54.5 million to the extraordinary reserve and thus not distribute dividends.

The board has also voted to put forward a motion to the stockholders’ meeting to renew the authorization for the purchase and disposition of treasury stock. This authorization would allow the board to purchase on the market, for a period of 18 months from the resolution passed by the stockholders’ meeting, up to a maximum of 16 million ordinary and/or preferred shares, for a maximum disbursement of € 200 million, at a price of not less than or more than 15% of the price recorded by the stock in the trading session of the day prior to each single purchase transaction. The authorization request to purchase treasury stock is considered opportune, among other things, in order to be able to possibly use the treasury stock for investment purposes for an efficient utilization of the company's liquidity. IFI currently holds 5,360,300 preferred shares of treasury stock, equal to 6.98% of the class of stock.

The board of directors has thus passed a resolution to put forward a motion to the special stockholders’ meeting, pursuant to article 2443 of the Italian Civil Code, to renew the five-year authorization to increase capital stock, at one or more times, up to a maximum of € 561.7 million. The current mandate is expiring and the Company believes that this is an efficient and flexible operating tool to nonetheless have at its disposition.

BUSINESS OUTLOOK

For IFI S.p.A., the forecast is for a profit for the year 2008.

On the basis of the indications formulated by the IFIL Group for 2008, the IFI Group is expected to show a consolidated profit.

IFI S.p.A. – REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

The year 2007 shows a profit of € 54.5 million, which does not include nonrecurring transactions.

In the year 2006, instead, profit was reported for € 217,6 million, of which € 69.6 million is the net amount deriving from the impairment reversal on the investment held in IFIL (€ 73.5 million) and the accrual for the related deferred taxes (-€ 3.9 million) and, an additional amount of € 104 million from the gain on the sale of the investment in Exor Group to the same Exor Group.

The condensed income statement and balance sheet and comments on the most important items are presented below.

IFI S.p.A. - Condensed income statement

€ in millions	Note	**2007**	2006	Change
Dividends from investments	1	**67.8**	54.3	13.5
Gain on sale of investment	2	**0.1**	104.0	(103.9)
Impairment reversals on investments	3	**0.0**	73.5	(73.5)
Net financial expenses	4	**(8.8)**	(5.4)	(3.4)
Net general expenses		**(5.2)**	(4.9)	(0.3)
Profit before income taxes		**53.9**	221.5	(167.6)
Deferred income taxes		**0.6**	(3.9)	4.5
Profit for the year		**54.5**	217.6	(163.1)

IFI S.p.A. - Condensed balance sheet

		12/31/2007		12/31/2006		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	5	**2,226.9**	**99.0**	1,878.9	95.8	348.0
Non-current other financial assets		**0.2**	**0.0**	0.4	0.0	(0.2)
Current financial assets		**2.5**	**0.1**	63.2	3.2	(60.7)
Other current assets		**19.2**	**0.9**	19.4	1.0	(0.2)
Total Assets		**2,248.8**	**100.0**	1,961.9	100.0	286.9
Equity	6	**1,846.8**	**82.1**	1,793.7	91.4	53.1
Financial liabilities						
- current		**295.4**	**13.1**	36.1	1.8	259.3
- non-current		**100.0**	**4.5**	125.0	6.4	(25.0)
		395.4	**17.6**	161.1	8.2	234.3
Other current and non-current liabilities		**6.6**	**0.3**	7.1	0.4	(0.5)
Total Equity and liabilities		**2,248.8**	**100.0**	1,961.9	100.0	286.9

1. Dividends from investments

Dividends from investments in 2007 amount to € 67.8 million, an increase compared to € 13.5 million in 2006. In both years, dividends were collected almost entirely from the subsidiary IFIL. Dividends collected on IFIL shares purchased from January 1, 2007 to May 24, 2007 (€ 1.8 million) were recorded as a deduction from the purchase cost of these same shares.

2. Gain on sale of investment

In 2006, the gain on sale of investment amounted to € 104 million and was due to the sale of 29.3% of the capital stock of Exor Group to the same Exor Group at the price of € 206.6 million, net of costs to sell of € 0.2 million.

3. Impairment reversals on investments

In 2006, impairment reversals on investments refer to the carrying amount of 138,426,775 IFIL ordinary shares which in 2002 had been written down on the basis of their market price. The impairment was totally reversed up to the original cost of the purchase for an amount of € 73.5 million.

Deferred taxes were recorded on this impairment reversal for € 3.9 million which, in 2007, were partly released for an amount of € 0.6 million (credited to the income statement in 2007) following the reduction of the IRES tax rate from 33% to 27.5%.

4. Net financial expenses

Net financial expenses of € 8.8 million increased by € 3.4 million compared to 2006 (€ 5.4 million) due to higher debt as a result of the previously mentioned purchases of IFIL ordinary shares.

5. Investments

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Accounted for at cost			
IFIL S.p.A. (ordinary shares)	**2,220.2**	1,872.1	348.1
IFIL S.p.A. (savings shares)	**6.4**	6.4	0.0
	2,226.6	1,878.5	348.1
Other investments	**0.3**	0.4	(0.1)
Total investments	**2,226.9**	1,878.9	348.0

In 2007, IFI purchased on the market 48,750,000 IFIL ordinary shares (4.69% of the class of stock) for an investment of € 349.9 million, net of dividends of € 1.8 million collected on 18,511,000 IFIL ordinary shares purchased in the early months of 2007, recorded as a deduction of the carrying amount of these same shares.

The comparison between carrying amounts and market prices of IFIL shares held at December 31, 2007 is as follows:

				Market price			
	Number of	Carrying amount		December 28, 2007		March 20, 2008	
	shares held	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
IFIL S.p.A.							
- ordinary shares	723,950,000	3.07	2,220.2	6.39	**4,627.5**	4.60	**3,326.6**
- savings shares	1,866,420	3.42	6.4	5.76	**10.7**	4.00	**7.5**
Total			2,226.6		**4,638.2**		**3,334.1**

6. Equity

Equity at December 31, 2007 is equal to € 1,846.8 million (€ 1,793.7 million at December 31, 2006). The positive change of € 53.1 million is due to the profit for the year (+€ 54.5 million) and other net changes (-€ 1.4 million).

7. Net financial position

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Cash and cash equivalents	**0.2**	59.7	(59.5)
Other financial assets, current and non-current	**2.5**	3.9	(1.4)
Bank debt, current and non-current	**(394.3)**	(160.3)	(234.0)
Current other financial liabilities	**(1.1)**	(0.8)	(0.3)
Net financial position	**(392.7)**	(97.5)	(295.2)

The negative change of € 295.2 million in 2007 is due to the following cash flows.

€ in millions	
Net financial position at December 31, 2006	**(97.5)**
Purchase of 48,750,000 IFIL ordinary shares (4.69% of the class of stock)	(349.9)
Dividends collected (a)	69.6
Net financial expenses	(8.8)
Net general expenses	(5.2)
Other net changes	(0.9)
Net change during the year	**(295.2)**
Net financial position at December 31, 2007	**(392.7)**

(a) Of which € 1.8 million was recorded as a deduction of purchases of IFIL shares made in 2007.

8. Reconciliation between the separate financial statements of IFI S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of IFI S.p.A. for the years ended December 31, 2007 and December 31, 2006 and the corresponding figures in the consolidated financial statements of the IFI Group at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit		Equity	
€ in millions	**2007**	2006	**12/31/2007**	12/31/2006
Separate financial statements of IFI S.p.A.	**54**	218	**1,847**	1,794
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**2,006**	1,509
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**(151)**	494
companies accounted for by the equity method, net of consolidation adjustments	**458**	222	**458**	222
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(68)**	(54)	**(68)**	(54)
Elimination of impairment losses and reversals on consolidated investments and companies accounted for by the equity method	**0**	(70)	**0**	(70)
Adjustments of gains on the sale of investments		(97)		(97)
Other consolidation adjustments		2	**68**	2
Consolidated financial statements of the IFI Group (attributable to the equity holders of the company)	**444**	221	**4,160**	3,800

IFI GROUP – REVIEW OF THE CONSOLIDATED RESULTS

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, it is IFI's practice to present financial statements for the period (balance sheet and income statement) prepared by accounting for the investment in the IFIL Group (68.29 % of capital stock outstanding) by the equity method in the separate financial statements or in the separate accounting situations of IFI S.p.A. This method consists of presenting a condensed representation of the consolidated results of the IFI Group. Such consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first-half of each year. The quarterly consolidated data is also presented in the same format in the quarterly reports at March 31 and September 30 of each year.

The condensed income statement and balance sheet and comments on the most important items are presented below.

Income statement prepared by accounting for the investment in the IFIL Group by the equity method

The consolidated profit attributable to the equity holders of the IFI Group for 2007 amounts to € 444.3 million and increased by € 222.9 million compared to € 221.4 million in 2006.

€ in millions	Note	**2007**	2006	Change
Share of the profit of the IFIL Group	1	**458.2**	222.0	236.2
Gain on sale of investment		**0.0**	7.3	(7.3)
Dividends from other investments		**0.1**	0.1	0.0
Net financial expenses		**(8.8)**	(5.4)	(3.4)
Net general expenses		**(5.2)**	(4.9)	(0.3)
Income taxes		**0.0**	2.3	(2.3)
Profit attributable to the equity holders of the company		**444.3**	221.4	222.9

1. Share of the profit of the IFIL Group

	Profit		IFI's share		
€ in millions	**2007**	2006	**2007**	2006	Change
IFIL Group	**671.7**	341.5	**458.7**	217.6	241.1
Consolidation adjustments			**(0.5)**	4.4 (a)	(4.9)
Total IFIL Group			**458.2**	222.0	236.2

(a) Of which € 4.9 million is due to the excess of the increase in IFI's share of the consolidated equity of the IFIL Group compared to the cost of IFIL shares purchased during the year and -€ 0.5 million for other minor adjustments.

Comments on the operating performance of the IFIL Group are presented in the next section.

Balance sheet prepared by accounting for the investment in the IFIL Group by the equity method

€ in millions	Note	**12/31/2007**	12/31/2006	Change
Non-current assets				
Investment in the IFIL Group	2	**4,537.0**	3,880.8	656.2
Other financial assets		**0.6**	0.8	(0.2)
Total Non-current assets		**4,537.6**	3,881.6	656.0
Current assets				
Other financial assets		**2.2**	3.5	(1.3)
Cash and cash equivalents		**0.2**	59.7	(59.5)
Trade receivables and other receivables		**19.3**	19.4	(0.1)
Total Current assets		**21.7**	82.6	(60.9)
Total Assets		**4,559.3**	3,964.2	595.1
Equity attributable to the equity holders of the company	3			
Capital and reserves		**4,231.0**	3,870.3	360.7
Treasury stock		**(70.5)**	(70.5)	0.0
Total Equity attributable to the equity holders of the company		**4,160.5**	3,799.8	360.7
Non-current liabilities				
Provisions for employee benefits		**2.1**	1.8	0.3
Debt		**100.0**	125.0	(25.0)
Deferred tax liabilities and other liabilities		**0.1**	0.1	0.0
Total Non-current liabilities		**102.2**	126.9	(24.7)
Current liabilities				
Debt		**295.4**	36.2	259.2
Trade payables and other liabilities		**1.2**	1.3	(0.1)
Total Current liabilities		**296.6**	37.5	259.1
Total Equity and liabilities		**4,559.3**	3,964.2	595.1

2. Investment in the IFIL Group

The carrying amount of the investment in the IFIL Group, accounted for by the equity method is € 4,537 million at December 31, 2007. The increase of € 656.2 million compared to the end of 2006 (€ 3,880.8 million) is due to purchases of IFIL shares made in 2007 (+€ 348.1 million) and IFI's share (+€ 308.1 million) of the change in the equity of the IFIL Group.

The carrying amount of IFIL stock per share is € 6.25 (€ 5.73 at December 31, 2006).

3. Equity attributable to the equity holders of the company

The consolidated equity attributable to the equity holders of the company at December 31, 2007 amounts to € 4,160.5 million (€ 3,799.8 million at the end of 2006). The increase of € 360.7 million is the result of the consolidated profit attributable to the equity holders of the company for the year (+€ 444.3 million) and other net changes (-€ 83.6 million).

The analysis of changes during the year is as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2006	**3,799.8**
Share of translation differences (-€ 72.1 million) and other net changes (-€ 10.2 million) shown in the equity of the subsidiary IFIL	(82.3)
Other net changes	(1.3)
Profit attributable to the equity holders of the company	444.3
Net change during the year	**360.7**
Equity attributable to the equity holders of the company at December 31, 2007	**4,160.5**

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob Regulation under Resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2006	Increase	Decrease	Held at 12/31/2007
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	652,000			652,000
Teodorani-Fabbri Pio	IFI preferred shares (b)	427,895			427,895
	IFIL ordinary shares (a)	90,000		90,000	0
	IFIL ordinary shares (b)	469,000			469,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ordinary share warrants 2007 (b)	825		825	0
	Fiat savings shares (b)	5,720			5,720
Marrone Virgilio	IFIL ordinary shares (a)	85,700			85,700
Ferrero Ventimiglia Luca	IFI preferred shares (a)	1			1
Camerana Oddone	IFIL savings shares (a)	30,500		30,500	0
Marini Clarelli Francesco	CNH Global (b)	10,000		10,000	0
Statutory Auditors					
Jona Celesia Lionello	IFIL ordinary shares (b)	785			785

(a) Direct holding.
(b) Indirect holding through spouse.

There are no key managers with strategic responsibilities in IFI S.p.A.

Annual Report on Corporate Governance 2007

Information concerning the corporate governance of IFI S.p.A. is presented in the Annual Report on Corporate Governance 2007 which, in accordance with art. 89 bis of Consob Regulation 11971 dated May 14, 1999 and subsequent amendments, will be published on the corporate website www.gruppoifi.com and made available at the company's head office within the times established by existing law.

Management and coordination

IFI S.p.A. is not subject to management and coordination on the part of companies or entities.

Programming document on security

The company has prepared the programming document on security on December 13, 2007 for the year 2007 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person in charge of the treatment of the data.

The review of the operating performance of the subsidiary IFIL Investments S.p.A. is commented below.

investments IFIL

(69.99% of ordinary capital stock)

The following comments are in respect of the condensed consolidated income statement and balance sheet of the IFIL Group for the year ended December 31, 2007.
This data has been prepared by consolidating the companies which constitute the “Holdings System” on a line-by-line basis and accounting for the other operating subsidiaries and associates (Fiat, Sequana Capital, Cushman & Wakefield, Alpitour and Juventus Football Club) by the equity method.

IFIL GROUP – Condensed consolidated income statement

The **profit attributable to the equity holders of the company** for the year 2007 is € 671.7 million, with an increase of € 330.2 million compared to the profit reported for the year 2006 (€ 341.5 million). The increase is due to the higher contribution to earnings by investment holdings (+€ 317.7 million) and higher net financial income (+€ 30.9 million), partially compensated by other net negative changes (-€ 18.4 million).

€ in millions	Note	**2007**	2006	Change
Share of the profit (loss) of companies accounted for by the equity method	1	**610.9**	293.2	317.7
Net financial income:				
- Dividends from investments	2	**111.6**	53.0	58.6
- Gains (losses) on the sale of securities and investments		**0.9**	(0.7)	1.6
- Net other financial income (expenses)	3	**(10.1)**	19.2	(29.3)
Net financial income		**102.4**	71.5	30.9
Net general expenses		**(25.9)**	(23.2)	(2.7)
Net other nonrecurring income (expenses)	4	**(17.2)**	0.2	(17.4)
Profit before income taxes		**670.2**	341.7	328.5
Income taxes		**1.5**	(0.2)	1.7
Profit attributable to the equity holders of the company		**671.7**	341.5	330.2

IFIL GROUP – Condensed consolidated balance sheet

€ in millions	Note	Balances at **12/31/2007**	 12/31/2006	Change
Non-current assets				
Investments accounted for by the equity method	5	**4,081.0**	3,291.8	789.2
Other financial assets	6	**2,667.3**	2,563.5	103.8
Property, plant and equipment		**13.8**	13.2	0.6
Deferred tax assets		**1.4**	0.0	1.4
Total Non-current assets		**6,763.5**	5,868.5	895.0
Current assets				
Financial assets and cash and cash equivalents	9	**862.4**	862.8	(0.4)
Trade receivables and other receivables		**47.9**	47.2	0.7
Total Current assets		**910.3**	910.0	0.3
Assets held for sale		**0.0**	0.0	0.0
Total Assets		**7,673.8**	6,778.5	895.3
Equity attributable to the equity holders of the company	8	**6,666.5**	6,222.3	444.2
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**2.6**	2.4	0.2
Bonds and other debt	9	**943.6**	199.2	744.4
Deferred tax liabilities and other liabilities		**10.3**	52.6	(42.3)
Total Non-current liabilities		**956.5**	254.2	702.3
Current liabilities				
Bonds and other debt	9	**23.6**	277.6	(254.0)
Trade payables and other liabilities		**27.2**	24.4	2.8
Total Current liabilities		**50.8**	302.0	(251.2)
Total Equity and liabilities		**7,673.8**	6,778.5	895.3

1. Share of the profit (loss) of companies accounted for by the equity method

In 2007, the share of the profit (loss) of companies accounted for by the equity method is a profit of € 610.9 million (€ 293.2 million in 2006). The positive change of € 317.7 million reflects the higher profit contribution by the Fiat Group (+€ 276.4 million), the Sequana Capital Group (+€ 2.4 million, also including the loss of € 54.3 million on the sale of the 22% stake in capital stock), the Alpitour Group (+€ 4.5 million), the result for the nine months following the acquisition of the Cushman & Wakefield Group (+€ 34.9 million), a lower profit contribution by Juventus Football Club (-€ 0.8 million) and other changes (+€ 0.3 million).

	Profit (loss)		IFIL's share		
€ in millions	**2007**	2006	**2007**	2006	Change
Fiat Group	**1,953.0**	1,065.0	**566.6**	304.6	262.0
Consolidation adjustments			**(1.0)** (a)	(15.4) (a)	14.4
Total Fiat Group			**565.6**	289.2	276.4
Sequana Capital Group					
first half	**95.8**	-	**46.8**		
second half	**46.4**	-	**12.4**		
	142.2	958.0	**59.2**	504.2	(445.0)
Consolidation adjustments			**(46.7)** (b)	(494.1) (c)	447.4
Total Sequana Capital Group			**12.5**	10.1	2.4
Cushman & Wakefield Group	**48.4** (d)	-	**34.9**	0.0	34.9
Alpitour Group	**7.5** (e)	3.0 (e)	**7.5**	3.0	4.5
Juventus Football Club S.p.A.	**(16.0)** (f)	(14.7) (f)	**(9.6)**	(8.8)	(0.8)
Other			**-**	(0.3)	0.3
Total			**610.9**	293.2	317.7

(a) Mainly for the assignment of preference dividends to the minority interest.
(b) Of which -€ 54.3 million for losses (including transaction costs of € 0.8 million) realized on the sale of the 22% stake in Sequana Capital and +€ 7.6 million for lower goodwill impairment losses on the AWA Group, since it was partially amortized by IFIL in prior years.
(c) For the elimination of the gain net of taxes on the Sequana Capital/SGS Public Exchange and Purchase Offer (-€ 465.8 million) and for the diluting effect of the reduction in the stake held (-€ 28.3 million).
(d) Data for the period April 1 – December 31, subsequent to acquisition.
(e) Data for the period November 1 – October 31.
(f) Data for the period January 1 – December 31 prepared for purposes of consolidation by IFIL.

2. Dividends from investments

Dividends from investments in 2007 amount to € 111.6 million and include dividends collected from Intesa Sanpaolo S.p.A. for € 110.2 million (€ 53 million in 2006) and Gruppo Banca Leonardo for € 1.4 million.

3. Net other financial income (expenses)

In 2007, net other financial expenses amount to € 10.1 million whereas, in 2006, the balance of net financial income totaled € 19.2 million. The negative change of € 29.3 million is mainly due to the change in the consolidated net financial position of the "Holdings System" (which over the course of the year went from a cash position of € 386.2 million to a borrowings position of € 104.5 million as a result of significant investments), in addition to an increase in IFIL S.p.A. borrowing costs as described previously.

4. Net other nonrecurring income (expenses)

In 2007, net other nonrecurring expenses amount to € 17.2 million and comprise transaction costs and expenses incurred to close the dispute over the sale of La Rinascente (€ 8 million), the current-year cost of € 12.7 million for the stock option plan approved for management of the subsidiary Alpitour, as well as income of € 3.5 million resulting from the reduction decided by the Court of Appeals of Turin in respect of the administrative sanction levied on the company by Consob.

In 2006, net other nonrecurring expenses amounted to € 0.2 million and included the accrual for the administrative sanction of € 4.5 million levied on the company by Consob in relation to the content of the press release dated August 24, 2005, the current-year cost of € 3.1 million for that year for the stock option plan approved for management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006, equal to € 7.8 million.

5. Investments accounted for by the equity method

Details are as follows:

	Carrying amount at		
€ in millions	**12/31/2007**	12/31/2006	Change
Fiat Group	**3,125.3**	2,610.6	514.7
Sequana Capital Group	**341.0**	588.8	(247.8)
Cushman & Wakefield Group	**466.1**	0.0	466.1
Alpitour Group	**78.8**	70.4	8.4
Juventus Football Club S.p.A.	**69.8**	17.7	52.1
Turismo&Immobiliare S.p.A.	**0.0**	4.3	(4.3)
Total	**4,081.0**	3,291.8	789.2

6. Non-current other financial assets

Details are as follows:

	Carrying amount at		
€ in millions	**12/31/2007**	12/31/2006	Change
Intesa Sanpaolo S.p.A.	**1,564.7**	1,640.3	(75.6)
SGS S.A.	**956.6**	870.0	86.6
Gruppo Banca Leonardo S.p.A.	**82.4**	47.0	35.4
NoCo A LP	**18.7**	-	18.7
Subsidiaries of the “Holdings System" in liquidation	**0.0**	1.0	(1.0)
Other investments			
DLMD bonds	**27.6**	-	27.6
Ocean Club Méditerranée bonds	**5.1**	5.0	0.1
NoCo B LP	**11.9**	-	11.9
Sundry	**0.3**	0.2	0.1
Total	**2,667.3**	2,563.5	103.8

The original acquisition cost of the investment in Intesa Sanpaolo is € 883.4 million; the change in fair value of the investment amounts in total to € 681.3 million.

The original carrying amount of the investment in SGS is € 469.7 million; the change in fair value of the investment amounts in total to € 486.9 million.

7. Comparison between carrying amounts and market prices of listed investments and other listed financial assets

Details are as follows:

				Market price at			
	Number of	Carrying amount		December 28, 2007		March 20, 2008	
	shares held	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Investments							
Fiat Group							
- ordinary shares	332,587,447	8.59	**2,858.2**	17.50	**5,819.6**	13.06	**4,343.6**
- preferred shares	31,082,500	8.59	**267.1**	14.46	**449.4**	9.78	**303.9**
			3,125.3		**6,269.0**		**4,647.5**
Sequana Capital Group	13,203,139	25.83	**341.0**	21.95	**289.8**	16.13	**213.0**
Juventus Football Club S.p.A.	120,934,166	0.58	**69.8**	0.97	**117.5**	0.76	**91.7**
Other financial assets							
Intesa Sanpaolo S.p.A.	289,916,165	5.40	**1,564.7**	5.40	**1,564.7**	4.22	**1,222.9**
SGS S.A.	1,173,400	815.25	**956.6**	815.25	**956.6**	846.98	**993.8**
Ocean Club Méditerranée bonds	76,614	66.57	**5.1**	66.36	**5.1**	65.92	**5.0**
Total			**6,062.5**		**9,202.7**		**7,173.9**

8. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Capital and reserves	**6,715.0**	6,270.8	444.2
Treasury stock	**(48.5)**	(48.5)	0.0
Total	**6,666.5**	6,222.3	444.2

The change during the year is analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2006	**6,222.3**
Change in fair value of the investments in Intesa Sanpaolo (-€ 75.6 million) and SGS (-€ 21.5 million)	(97.1)
Deferred taxes released on the change in fair value of the investment in Intesa Sanpaolo	36.7 (a)
Share of translation differences (-€ 105.5 million) and other net changes (+€ 45.4 million) shown in the equity of the companies consolidated and those accounted for by the equity method	(60.1)
Dividends paid-out by IFIL S.p.A.	(107.0) (b)
Profit attributable to the equity holders of the company	671.7
Net change during the year	**444.2**
Equity attributable to the equity holders of the company at December 31, 2007	**6,666.5**

(a) Inclusive of the effect deriving from the reduction of the IRES tax rate from 33% to 27.5% (€ 35.7 million).
(b) Net of € 0.1 million of intragroup dividends.

At December 31, 2007, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL ordinary shares	% of class of stock	Amount Per share (€)	Total (€ ml)
Held by IFIL S.p.A.	12,402,998	1.19	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
Balance at December 31, 2007	**13,213,260**	**1.27**	**3.67**	**48.5**

There were no transactions involving treasury stock during the year 2007.

9. Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" at December 31, 2007 shows a borrowings position of € 104.5 million with a negative change of € 490.7 million compared to the cash position at the end of 2006 (€ 386.2 million).
The balance is composed as follows:

	12/31/2007			12/31/2006		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets and cash and cash equivalents	**862.4**	**0.3**	**862.7**	862.8	0.2	863.0
Bonds 2007-2017		**(744.2)**	**(744.2)**	0.0	0.0	0.0
Bonds 2006-2011		**(199.4)**	**(199.4)**	0.0	(199.2)	(199.2)
Bank debt and other financial liabilities	**(23.6)**		**(23.6)**	(277.6)	0.0	(277.6)
Total financial liabilities	**(23.6)**	**(943.6)**	**(967.2)**	(277.6)	(199.2)	(476.8)
Consolidated net financial position of the "Holdings System"	**838.8**	**(943.3)**	**(104.5)**	585.2	(199.0)	386.2

At December 31, 2007, IFIL S.p.A. has irrevocable credit lines for € 660 million, of which € 150 million is due by December 31, 2008 and € 510 million at later expiration dates.

Standard & Poor's rates IFIL's long-term debt at "BBB+" and its short-term debt at "A-2", both with a stable outlook.

The net negative change of € 490.7 million during the year 2007 is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2006		**386.2**
Dividends collected from:		
- Intesa Sanpaolo S.p.A.	110.2	
- Fiat S.p.A.	61.2	
- Sequana Capital S.A.	14.4	
- SGS S.A.	13.3	
- Banca Leonardo S.p.A.	1.4	
		200.5
Dividends paid out by IFIL S.p.A.		(107.0) (a)
Investments in equity holdings and other financial assets:		
- Acquisition of 71.52% stake in C&W capital stock	(483.1)	
- Purchase of 143,944 SGS S.A. shares (1.84% stake)	(121.5)	
- Subscription to Juventus Football Club S.p.A. capital stock increase	(62.9)	
- Subscription to Gruppo Banca Leonardo S.p.A. capital stock increase	(35.4)	
- Subscription to 2,723 S-Bonds 2010 issued by DLMD	(27.2)	
- Purchase of 100% stake in Ancom USA and bonds issued by it	(19.1)	
- Investment in NoCo B LP	(11.9)	
		(761.1)
Disposals:		
- Sequana Capital to DLMD, 22% stake (net of transaction costs)	226.1	
- Turismo&Immobiliare, 25% stake	5.2	
		231.3
Other net changes:		
- Net general expenses	(25.9)	
- Other nonrecurring expenses	(8.0)	
- Payment of Consob administrative sanction	(4.5)	
- Net other financial expenses	(10.1)	
- Net sundry expenses	(5.9)	
		(54.4)
Net change during the year		**(490.7)**
Consolidated net financial position of the "Holdings System" at December 31, 2007		**(104.5)**

(a) Net of € 0.1 million of intragroup dividends.

10. Reconciliation between the consolidated net financial position of the "Holdings System" and the net financial position of the consolidated financial statements with line-by-line consolidation

€ in millions	**12/31/2007**	12/31/2006	Change
Consolidated net financial position - Holdings System	**(104)**	386	(490)
Net financial position of the companies consolidated line-by-line:			
- Sequana Capital Group (a)	**-**	(380)	380
- Cushman & Wakefield Group	**3**	-	3
- Alpitour Group	**17**	(29)	46
- Juventus Football Club S.p.A.	**7**	(75)	82
Consolidated net financial position - line-by-line consolidation	**(77)**	(98)	21

(a) In the consolidated financial statements at December 31, 2007, the investment in the Sequana Capital Group has been deconsolidated with effect from July 1, 2007 following the sale of the 22% stake in the company.

The major events in 2007 and in the first quarter of 2008 are presented below.

Acquisition of the controlling interest in the Cushman & Wakefield Group

On March 30, 2007, the subsidiary Ifil Investissements S.A. purchased 71.52% of the capital stock of Cushman & Wakefield (C&W) from Rockefeller Group International Inc. (RGI), a subsidiary of the Mitsubishi Group, for an investment of $625 million (€ 473.7 million), in addition to transaction costs of € 9.4 million. The remaining 28.48% stake is held by C&W management and employees.

On March 30, 2007, IFIL S.p.A. also made an interest-earning loan at market rates to C&W for $126.3 million, equal to € 94.9 million, which was repaid in full by June 1, 2007.

Subscription to the Juventus Football Club S.p.A. capital increase

On April 20, 2007, the stockholders' meeting of Juventus Football Club S.p.A. approved the capital stock increase of € 104.8 million proposed by the board of directors in order to finance the company's medium-term development plan. The stock increase was carried out in June 2007 through the issue of 80,621,332 shares (in a ratio of 2 new shares for every 3 shares held) at € 1.30 per share (of which € 1.20 is additional paid-in capital).

On June 14, 2007, IFIL S.p.A. subscribed to its portion of the increase for 48,373,666 shares for an investment of € 62.9 million.

Increase of the investment in SGS S.A.

In 2007, Ifil Investissements S.A. purchased 143,944 SGS shares on the market, equal to 1.84% of capital stock, for an investment of € 121.5 million.
Currently, Ifil Investissements S.A. holds 1,173,400 SGS shares representing 15% of capital stock.

Subscription to the Gruppo Banca Leonardo S.p.A. capital increase

On April 30, 2007, Ifil Investissements S.A. subscribed to 11,055,537 shares issued as part of the capital increase by Gruppo Banca Leonardo for an investment of € 35.4 million.
Ifil Investissements S.A. currently holds 25,255,537 Gruppo Banca Leonardo shares, equal to 9.78% of outstanding capital stock.

Other investments

On May 2, 2007, Ifil Investissements S.A. succeeded Exor Group S.A., a company controlled by Giovanni Agnelli & C. S.a.p.az., in a commitment for a maximum investment of $80 million in the limited partnership NoCo B LP which Groups a series of funds managed by Perella Weinberg Partners L.P. As a result of this commitment, on December 31, 2007, Ifil Investissements S.A. invested $17 million (€ 11.9 million).

On September 30, 2007, Ifil Investissements S.A. purchased a 100% stake in the capital stock of the American company ANCOM USA Inc, from Exor Group S.A., for a total payment of approximately $27 million (€ 19.1 million). ANCOM USA Inc holds 1.96% of the limited partnership NoCo A LP, under which the Perella Weinberg Group conducts all of its activities.

Sale of a stake in Sequana Capital S.A.

On July 6, 2007, Ifil Investissements S.A. reached an agreement for the sale of an approximate 22% stake in Sequana Capital S.A. to DLMD – a company controlled by Pascal Lebard, general manager of Sequana Capital S.A.

After having obtained approval from the competent authorities, on July 27, 2007, Ifil Investissements S.A. sold 10,806,343 Sequana Capital shares at € 21 per share for a total equivalent amount of € 226.9 million.

Ifil Investissements S.A. partially financed the deal for a total equivalent amount of € 27.2 million by subscribing to 2,723 S-Bonds issued by DLMD, maturing July 27, 2010.

After this deal (which led to a loss on consolidation of € 54.3 million, including transaction costs), Ifil Investissements S.A. holds 13,203,139 Sequana Capital S.A. shares, equal to 26.65% of outstanding capital stock.

Ifil Investissements S.A. and DLMD signed a three-year stockholders' agreement aimed at keeping the stockholder base of Sequana Capital S.A. stable.

Sale of the investment in Turismo&Immobiliare S.p.A.

After having obtained authorization from the competent authorities, on September 18, 2007, Ifil Investissements S.A. sold its 25% holding in Turismo&Immobiliare to the Marcegaglia Group, Pirelli RE and Gabetti Property Solutions for € 5.2 million; a gain of € 0.9 million was realized on the sale on consolidation.

Issue of non-convertible bonds

On June 12, 2007, IFIL S.p.A. issued 10-year non-convertible bonds to Italian and foreign investment professional investors for a nominal amount of € 750 million. The purpose of the bond issue was to raise new funds for IFIL S.p.A. in order to refinance its existing debt as part of the strategy to extend its debt maturities. The bonds were admitted for trading on the Luxembourg stock exchange.

Closing of the dispute regarding the sale of La Rinascente

On February 14, 2006 and September 5, 2006, the buyer of the investment in La Rinascente filed two separate arbitration proceedings against Ifil Investissements S.A. seeking compensation for an amount of approximately € 52 million for extraordinary expenses relating to certain points of sale in addition to legal questions in connection principally with the accounting treatments used in the financial statements of La Rinascente.

On June 27, 2007, Ifil Investissements S.A. settled the dispute on the basis of which the buyer of the investment in La Rinascente renounced all claims filed in the above arbitration proceedings against Ifil Investissements S.A. and any other claim and/or demand, also in the future, relating to the sale of the investment in La Rinascente. The settlement involved a total payment of € 8 million (of which € 6.1 million was borne by Ifil Investissements S.A. and € 1.9 million by Auchan Group).

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az. on August 24, 2005

In the opposing judgment against the administrative sanctions imposed by Consob under Resolution 15760 notified on February 13, 2007, the Court of Appeals of Turin, in its decision of December 5, 2007, reduced the administrative sanctions from a total of € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Mr Gabetti from € 5 million to € 1.2 million. Furthermore, the additional administrative sanction levied against Mr Gabetti was reduced by two months, from six to four months, the period of which is now over, as are the periods for the administrative sanctions against Mr Grande Stevens, as the legal advisor, and Mr Marrone.

As for the penal proceedings communicated to these individuals, the judge in the preliminary investigations of December 4, 2007 declared the notification pursuant to ex art. 415 bis of the Italian Code of Penal Procedure null and void and sent the case to the public prosecutor's office. The proceedings are therefore again in the preliminary stages.

Subscription of bonds convertible into Vision Investment Management shares

On February 20, 2008, Ifil Investissements S.A. reached an agreement to invest € 61 million ($90 million) in 5-year bonds with a mandatory conversion into shares at maturity and thus become a prominent stockholder of Vision Investment Management Limited (Vision), one of the most important alternative asset managers in Asia.

Vision, which has offices in Hong Kong, was founded in June 2000 by Jerry Wang, one of the pioneers in the sector in Asia. Vision launched its benchmark product, Vision Asia Maximus Fund, in 2002 and since then has become one of the largest local managers of hedge funds specialized in Asian markets.

Ifil Investissements S.A. will use available liquidity for the investment. The bonds will guarantee a fixed annual yield of 5% until conversion at maturity in spring 2013. The finalization of the transaction, subject to the approval of the competent authorities, is expected to take place in spring 2008.

The proceeds from the bonds will mainly be used by Vision management to buy back treasury stock from a Group of the company's founding financial investors – which currently hold 32% of ordinary capital stock issued by Vision – and to ensure future resources to sustain the development plan in the alternative asset management sector in Asia. Vision management and employees remain the largest stockholders of the company with a controlling stake.

Upon conversion of the bonds, Ifil Investissements S.A. will receive shares equal to a 40% stake in Vision.

Buyback program

In its meeting held on February 18, 2008, the IFIL S.p.A. board of directors approved the start of a Treasury Stock Buyback Program aimed at efficiently managing the Company's capital from an investment standpoint.

The Buyback Program falls under the resolution for the purchase of treasury stock approved by the stockholders' meeting held on May 14, 2007 and will be in effect until November 13, 2008.

The Program calls for a maximum disbursement of € 150 million and covers the purchase of IFIL ordinary and savings shares on the market at a price of not less than or more than 15% of the price recorded by the stock in the trading session of the day prior to each single purchase transaction.

The purchases will be made on regulated markets and the maximum number of shares purchased daily may not exceed 25% of the average daily trading volumes, respectively, of IFIL ordinary shares and IFIL savings shares, as provided by EC regulation 2273/2003.

Under this Program, during the period February 26 – March 17, 2008, IFIL S.p.A. purchased 4,465,200 ordinary shares (0.43% of the class of stock) at the average cost per share of € 5.07 for a total of € 22.6 million, and also 275,000 savings shares (0.74% of the class of stock) at the average cost per share of € 4.26 for a total of € 1.2 million. The total investment amounts to € 23.8 million (15.9% of the total disbursement stated in the Program).

After these purchases IFIL currently holds, directly and indirectly, the following treasury stock:

	Number of shares	Amount		% of class
		Per share (€)	Total (€ in thousands)	
Ordinary, held by IFIL S.p.A.	16,868,198	4.05	68,328	1.62
Ordinary, held by subsidiary Soiem S.p.A.	810,262	3.41	2,762	0.08
Total ordinary shares	**17,678,460**	**4.02**	**71,090**	**1.70**
Savings shares, held by IFIL S.p.A.	**275,000**	**4.26**	**1,172**	**0.74**

Dividends approved by the investment holdings from profit for the year ended December 31, 2007

On the basis of the resolutions passed by the boards of directors, the following dividends should be collected:

Holding	Class of stock	Number of shares	Dividends	
			Per share (€)	Total (€/ml)
Fiat S.p.A.	ordinary	332,587,447	0.40	133.0
Fiat S.p.A.	preferred	31,082,500	0.40	12.4
Intesa Sanpaolo S.p.A.	ordinary	289,916,165	0.38	110.2
Sequana Capital S.A.	ordinary	13,203,139	0.70	9.2
SGS S.A.	ordinary	1,173,400	22.3 (a)	26.2
Gruppo Banca Leonardo	ordinary	25,255,537	0.11	2.8
Total				**293.8**

(a) Equal to CHF 35.

Business outlook

For IFIL S.p.A., a profit is expected to be reported for the year 2008.

Taking into account the forecasts formulated by the major holdings, a profit is forecast for the IFIL Group for 2008.

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE APPROPRIATION OF THE PROFIT FOR THE YEAR

We invite you to approve the separate financial statements of IFI S.p.A. for the year ended December 31, 2007.
In view of the fact that the board of directors has waived, by specific resolution, the share of the profits to which it is entitled pursuant to art. 27 of the bylaws and that the legal reserve amounts to one-fifth of capital stock, we propose the appropriation of the profit for the year of € 54,472,566 to the extraordinary reserve.

Turin, March 28, 2008

For the Board of Directors
The Chairman
John Elkann

IFI
Istituto Finanziario Industriale

Annual Report 2007

Separate financial statements of IFI S.p.A.
at December 31, 2007

SEPARATE INCOME STATEMENT

€	Note	2007	2006	Change
Investment income (charges)				
Dividends from investments	**8**	**67,816,928**	54,259,119	13,557,809
Gains on sales of investments	**9**	**91,474**	104,067,063	(103,975,589)
Impairment reversals on investments	**10**	**0**	73,472,823	(73,472,823)
Impairment losses on investments		**(48,002)**	(24,987)	(23,015)
Net investment income		**67,860,400**	231,774,018	(163,913,618)
Financial income (expenses)				
Financial expenses from third parties	**11**	**(12,117,681)**	(7,883,364)	(4,234,317)
Financial expenses from related parties	**30**	**0**	(122,896)	122,896
Financial income from third parties	**12**	**3,276,986**	2,651,153	625,833
Financial income from related parties	**30**	**15,026**	0	15,026
Foreign exchange gains (losses)		**(5)**	(99)	94
Net financial expenses		**(8,825,674)**	(5,355,206)	(3,470,468)
Net general expenses				
Personnel costs	**13**	**(2,665,754)**	(2,776,430)	110,676
Purchases of goods and services from third parties	**14**	**(874,246)**	(809,393)	(64,853)
Purchases of goods and services from related parties	**30**	**(1,093,895)**	(1,098,649)	4,754
Other current operating expenses	**15**	**(1,028,078)**	(949,576)	(78,502)
Depreciation and amortization		**(2,485)**	(5,264)	2,779
		(5,664,458)	(5,639,312)	(25,146)
Revenues from third parties		**268,578**	350,267	(81,689)
Revenues from related parties	**30**	**187,159**	374,181	(187,022)
		455,737	724,448	(268,711)
Net general expenses		**(5,208,721)**	(4,914,864)	(293,857)
Profit before income taxes		**53,826,005**	221,503,948	(167,677,943)
Income taxes	**16**	**646,561**	(3,879,365)	4,525,926
Profit for the year		**54,472,566**	217,624,583	(163,152,017)

SEPARATE BALANCE SHEET

€	Note	12/31/2007	12/31/2006	Change
Non-current assets				
Investments accounted for at cost	**17**	**2,226,877,516**	1,878,935,972	347,941,544
Other financial assets		**228,299**	361,411	(133,112)
Property, plant and equipment		**975**	1,860	(885)
Total Non-current assets		**2,227,106,790**	1,879,299,243	347,807,547
Current assets				
Cash and cash equivalents		**166,046**	59,680,530	(59,514,484)
Other financial assets	**18**	**2,241,593**	3,500,003	(1,258,410)
Tax receivables	**19**	**18,970,639**	18,761,288	209,351
Trade receivables from related parties	**30**	**68,806**	166,839	(98,033)
Other receivables		**247,324**	501,743	(254,419)
Total Current assets		**21,694,408**	82,610,403	(60,915,995)
Total Assets		**2,248,801,198**	1,961,909,646	286,891,552
Equity				
Capital stock	**20**	**163,251,460**	163,251,460	0
Capital reserves	**21**	**386,346,907**	386,346,907	0
Retained earnings and other reserves	**22**	**1,313,173,550**	1,096,937,669	216,235,881
Treasury stock	**24**	**(70,477,224)**	(70,477,224)	0
Profit for the year		**54,472,566**	217,624,583	(163,152,017)
Total Equity		**1,846,767,259**	1,793,683,395	53,083,864
Non-current liabilities				
Bank debt	**25**	**100,000,000**	125,000,000	(25,000,000)
Deferred tax liabilities	**26**	**3,332,804**	3,979,365	(646,561)
Provisions for employee benefits	**27**	**2,145,488**	1,809,966	335,522
Other payables		**0**	25,032	(25,032)
Total Non-current liabilities		**105,478,292**	130,814,363	(25,336,071)
Current liabilities				
Bank debt	**25**	**294,322,692**	35,349,713	258,972,979
Other financial liabilities		**1,035,577**	803,386	232,191
Trade payables to related parties	**30**	**147,195**	215,880	(68,685)
Trade payables to third parties		**145,733**	123,547	22,186
Tax payables		**158,699**	245,657	(86,958)
Other payables		**745,751**	673,705	72,046
Total Current liabilities		**296,555,647**	37,411,888	259,143,759
Total Equity and liabilities		**2,248,801,198**	1,961,909,646	286,891,552

SEPARATE STATEMENT OF CHANGES IN EQUITY

€	Capital stock	Capital reserves	Retained earnings and other reserves	Treasury stock	Profit for the year	Total Equity
Equity at January 1, 2006	**163,251,460**	**386,346,907**	**1,056,864,871**	**(70,477,224)**	**38,489,652**	**1,574,475,666**
Movements among reserves			38,489,652		(38,489,652)	0
Fair value changes to cash flow hedge derivatives			1,486,236			1,486,236
Actuarial gains (losses) recognized directly in equity			61,806			61,806
Dividends statute-barred			35,104			35,104
Profit for the year					217,624,583	217,624,583
Net changes during the year	**0**	**0**	**40,072,798**	**0**	**179,134,931**	**219,207,729**
Equity at December 31, 2006	**163,251,460**	**386,346,907**	**1,096,937,669**	**(70,477,224)**	**217,624,583**	**1,793,683,395**
Movements among reserves			217,624,583		(217,624,583)	0
Fair value changes to cash flow hedge derivatives			(1,315,155)			(1,315,155)
Actuarial gains (losses) recognized directly in equity			(89,832)			(89,832)
Dividends statute-barred			16,285			16,285
Profit for the year					54,472,566	54,472,566
Net changes during the year	**0**	**0**	**216,235,881**	**0**	**(163,152,017)**	**53,083,864**
Equity at December 31, 2007	**163,251,460**	**386,346,907**	**1,313,173,550**	**(70,477,224)**	**54,472,566**	**1,846,767,259**
Note	**20**	**21**	**22**	**24**		

STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR 2007 AND 2006

€	**2007**	2006
Gains (losses) recognized directly in the cash flow hedge reserve	**(1,315,155)**	1,486,236
Actuarial gains (losses) recognized directly in equity	**(89,832)**	61,806
Income (expense) recognized directly in equity	**(1,404,987)**	1,548,042
Profit for the year	**54,472,566**	217,624,583
Total recognized income and expense	**53,067,579**	219,172,625

SEPARATE STATEMENT OF CASH FLOWS

€	Note	2007	2006
Cash and cash equivalents, at start of year		59,680,530	95,680
Cash flows from (used in) operating activities			
Profit for the year		54,472,566	217,624,583
Adjustments for:			
Gains on sales of investments	9	(91,474)	(104,067,063)
Losses on sales of property, plant and equipment		0	508
Impairment reversals on investments	10	0	(73,472,823)
Accruals for (release of) for deferred taxes	16	(646,561)	3,879,365
Impairment losses on investments		48,002	24,987
Total adjustments		(690,033)	(173,635,026)
Change in working capital:			
Change in other financial assets, current and non-current		1,391,522	(1,721,941)
Changes in tax receivables		(209,351)	(561,174)
Change in trade receivables from related parties		98,033	50,309
Change in other receivables, current		254,419	149,182
Change in other payables, current and non-current		47,014	(132,552)
Change in other financial liabilities, current and non-current		232,191	(402,471)
Change in trade payables to related parties		(68,685)	(4,956,248)
Change in trade payables to third parties		22,186	(58,801)
Change in tax payables		(86,958)	85,593
Net change in provisions for employee benefits, excluding actuarial differences recognized in equity		245,690	230,020
Net change in working capital		1,926,061	(7,318,083)
Net cash flows from operating activities		55,708,594	36,671,474
Cash flows from (used in) investing activities			
Additions to investments, net of dividends recognized as a reduction of the purchase price	17	(348,024,997)	(66,943,671)
Sales of investments and other securities		126,925	206,656,946
Net change in property, plant and equipment and intangible assets		885	13,584
Net cash flows from (used in) investing activities		(347,897,187)	139,726,859
Cash flows from (used in) financing activities			
Loans secured from related parties		0	(13,867,500)
Net change in bank debt, current and non-current		233,972,979	(104,467,324)
Change in fair value of cash flow hedge instruments		(1,315,155)	1,486,236
Dividends statute-barred and other net changes		16,285	35,105
Net cash flows from (used in) financing activities		232,674,109	(116,813,483)
Net increase (decrease) in cash and cash equivalents		(59,514,484)	59,584,850
Cash and cash equivalents, at end of year		166,046	59,680,530

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information on the activities of the company

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in IFI S.p.A.) is a corporation organized under the laws of the Republic of Italy.
The head office of the company is located in Turin, Italy, Corso Matteotti 26.
The ordinary capital stock of the company is held entirely by Giovanni Agnelli e C. S.a.p.az. IFI preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).
The assets of the company are represented by its controlling investment in IFIL Investments S.p.A., for 69.99% of ordinary capital stock.

Additional information is presented in the Directors' Report on Operations in the section "IFI Group Profile".

2. General principles for the basis of presentation of the separate financial statements

Starting from the financial year 2006, the separate financial statements of IFI S.p.A. have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and recognized by the European Community in accordance with Regulation 1606/2002 of the European Parliament and Council dated July 19, 2002. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The disclosure required by IFRS 1 – First-time Adoption of IFRS, relative to the effects of the transition to IFRS, was presented in a specific Appendix to the separate financial statements at December 31, 2006.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 dated July 27, 2006 and in Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

3. Format of the separate financial statements and other information

The separate income statement is presented using a classification based on the nature of the revenues and expenses, with the presentation of investment income (charges) and financial income (expenses) taking preference since these items are characteristic of IFI S.p.A.'s activities.

In the separate balance sheet, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

The separate statement of changes in equity presents the total income and expense recognized directly as an increase or decrease of reserves in a specific section.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the company's functional currency and presentation currency.

The notes are expressed in thousands of Euro, unless otherwise indicated.

Major events in 2007 and in the first quarter of 2008, as well as the business outlook are presented in the Directors' Report on Operations.

4. Related party transactions, unusual and/or atypical transactions and significant nonrecurring events and transactions

The balance sheet and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 30.

With regard to the year 2007, there are no significant nonrecurring events or unusual and/or atypical transactions that require mention pursuant to Consob Communication 6064293 dated July 28, 2006.

With regard to the year 2006, the reported profit was € 217.6 million which included € 69.6 million for the net amount of the impairment reversal on the investment held in IFIL (€ 73.5 million) and the accrual for the related deferred taxes (-€ 3.9 million) and another € 104 million for the gain on the sale of the investment in Exor Group to the same Exor Group. Additional details are provided in Note 9.

5. Significant accounting policies

General principle

The separate financial statements of IFI S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of certain available-for-sale financial instruments and those held for trading.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. For IFI S.p.A., this objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount. The recoverable amount is generally determined, in the case of listed subsidiaries and associates, by their fair value (market prices), and in the case of unlisted subsidiaries, by their fair value in use, based on the fair value of the indirect subsidiaries.

At each balance sheet date, IFI S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if necessary, the carrying amount is increased up to the cost of the investment.

Receivables and payables
Receivables are initially recognized at their nominal amount which substantially coincides with fair value.
If there is objective evidence of an impairment loss or a risk that the company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.
Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Treasury stock
The cost of any IFI treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions, is recognized as a deduction of equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans
The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee. Following the changes in regulations for employee severance indemnities pursuant to Law 296 dated December 27, 2006 (Budget Law 2007) and later decrees and regulations, defined contribution plans include the portions of employee severance indemnity accruing from January 1, 2007. However, since IFI S.p.A. has less than 50 employees, the employee severance indemnities are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to the supplementary pension fund.
Consequently, for those who transfer the entire amount accrued to the supplementary pension fund, the company records the contribution paid as an expense and no additional obligation is recognized.
Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the company has the obligation to set aside the costs relating to the benefits guaranteed to its employees in service. The actuarial risk and the investment risk are thus substantially borne by the company.
Defined benefit plans, which include employee severance indemnities, taking into account what was described above, are measured by actuarial techniques using the Projected Unit Credit Method.
As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, IFI S.p.A. has elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.
All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity
For defined benefit plans, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.
Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Provisions for other liabilities and charges
Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made. The amount recognized in the financial statements as the provision for other liabilities and charges expresses the best estimate of the monetary resources necessary to extinguish the current obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When the accrual is determined by using estimated cash flows to extinguish the obligation, the carrying amount is represented the discounted present value of those cash flows.
Changes in estimates are recorded in the income statement in the period in which the change occurs.

Debt
Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The amortized cost of a financial liability is the amount at which the financial liability was recognized initially net of principal repayments, increased or decreased by the total amortization on any difference between the initial amount and the maturity amount using the effective interest method.

The effective interest rate is a method for calculating the amortized cost of a financial liability and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated payments (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period, to the net carrying amount of the financial liability.

Derivative financial instruments
Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedging relationship. IFI S.p.A. designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Financial income and expenses are recognized according to the accrual principle on the basis of the effective rate of return.
Revenues from services are recognized by reference to the stage of completion of the service at the balance sheet date.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific caption under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Estimates are particularly used for the measurement of investments (impairment losses and reversals). Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement.

6. Adoption of new accounting standards and interpretations issued by the IASB

<u>Standards and interpretations in effect from January 1, 2007</u>

In August 2005, the IASB issued IFRS 7 – Financial Instruments: Disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements: Capital Disclosures. The European Commission endorsed IFRS 7 and the complementary amendment to IAS 1 with EC Regulation 108/2006 dated January 11, 2006.

IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.

The amendment to IAS 1 introduces requirements for disclosures about an entity's capital and has no effect on the valuation or classification of those items.

On March 3, 2006, IFRIC issued the interpretation IFRIC 9 – Reassessment of Embedded Derivatives. The European Commission endorsed IFRIC 9 with EC Regulation 1329/2006 dated September 8, 2006.

IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the original cash flows which would otherwise be called for by the contract.

On July 20, 2006, IFRIC issued the interpretation IFRIC 10 – Interim Financial Reporting and Impairment. The European Commission endorsed IFRIC 10 with EC Regulation 610/2007 dated June 1, 2007.

IFRIC 10 states that where an entity has recognized an impairment loss in an interim period on goodwill or on some financial assets, that impairment cannot be reversed in subsequent interim financial statements nor in the annual financial statements.

Standards and interpretations not yet in effect
On November 30, 2006, the IASB issued the standard IFRS 8 – Operating Segments that will come into effect beginning January 1, 2009 and supersedes IAS 14 – Segment Reporting. The European Commission endorsed IFRS 8 with EC Regulation 1358/2007 on November 21, 2007.
On November 2, 2006, IFRIC issued the interpretation IFRIC 11 - IFRS 2 – Group and Treasury Share Transactions, applicable for annual periods beginning on or after March 1, 2007. The European Commission endorsed IFRIC 11 with EC Regulation 611/2007 on June 1, 2007.
IFRIC 11 establishes how to apply IFRS 2 – Share-based Payment to stock-based payment arrangements with an entity's own equity instruments or equity instruments of another entity of the same Group.

On March 29, 2007, the IASB issued a revised version of IAS 23 – Borrowing costs. The standard is in effect from January 1, 2009. The new version removes the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard will be applicable prospectively to borrowing costs relating to qualifying assets capitalized starting from January 1, 2009. At the date of this report, this standard has not yet been endorsed by the European Union.

On July 5, 2007, IFRIC issued the interpretation IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The interpretation is in effect from January 1, 2008. The interpretation provides general guidance on how to assess the limit in IAS 19 - Employee Benefits on the amount of the surplus that can be recognized as an asset. It also explains how the defined benefit asset or liability may be affected when there is a statutory or contractual minimum funding requirement. At the date of this report, this interpretation has not yet been endorsed by the European Union.

On September 6, 2007, the IASB issued a revised version of IAS 1 - Presentation of Financial Statements that is in effect from January 1, 2009. The revised standard requires an entity to present changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (meaning changes in comprehensive income) are required to be presented either in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Transactions with non-owners may not be presented in the statement of changes in equity. This standard had not yet been endorsed by the European Union at the balance sheet.

The company believes that the adoption of these standards and interpretations will not have a material effect on the separate financial statements of IFI S.p.A.

Finally, during 2006 and in the first half of 2007, the following interpretations were issued and are not applicable to the separate financial statements of IFI S.p.A.:

- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (in effect from January 1, 2007);
- IFRIC 8 – Scope of IFRS 2 (in effect from January 1, 2007);
- IFRIC 12 – Service Concession Arrangements (in effect from January 1, 2008);
- IFRIC 13 – Customer Loyalty Programmes (in effect from January 1, 2009).

7. Risk management

IFI S.p.A. is not subject to either direct credit risks or currency risks.

Financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by dividends collected. Liquidity risk could thus arise only for investment decisions in excess of cash availability or the revocation of existing credit lines. In this sense, IFI S.p.A. operates so that it has available and partly irrevocable credit lines with expiration dates and amounts consistent with its needs.

IFI S.p.A. assesses and manages its exposure to interest rate risk consistently with its financial management policies and uses derivative financial instruments to fix some of the financing obtained with a pre-set interest rate. There were no derivative financial instruments put into place for speculative purposes. In particular, in 2007, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some of the existing loans.

COMMENTS ON THE PRINCIPAL ITEMS IN THE SEPARATE INCOME STATEMENT

8. Dividends from investments

Dividends amount to € 67,817 thousand (€ 54,259 thousand in 2006) and include dividends collected from IFIL (€ 67,745 thousand) and Emittenti Titoli (€ 72 thousand). In 2006, dividends included those received from IFIL (€ 54,183 thousand) and Emittenti Titoli (€ 76 thousand).

9. Gains on sales of investments

In 2007, gains on sales of investments include the gains from the reimbursement of shares by Deutsche Morgan Grenfell Capital Italy for € 91 thousand (€ 41 thousand in 2006).

In 2006, this line also included the gain of € 104,026 thousand on the sale of the entire investment in Exor Group (3,418,242 shares representing 29.3% of capital stock) to the same Exor Group. Since this was a transaction between related parties, the advisor for the transaction, Citigroup Global Market Limited, had checked the fairness of the sales price, equal to € 206,804 thousand (€ 60.5 per share).

10. Impairment reversals on investments

In 2006, the impairment reversal of € 73,473 thousand referred to 138,426,775 IFIL ordinary shares which in 2002 had been written down on the basis of their market price. The value of IFIL ordinary shares had been completely increased by the reversal up to the original purchase cost. Deferred income taxes had been recorded on the reversal for € 3,879 thousand which, in 2007, were partly released for an amount of € 646 thousand as a result of the reduction in the IRES tax rate from 33% to 27.5%.

11. Financial expenses from third parties

These include:

€ in thousands	**2007**	2006	Change
Interest expenses on bank debt	**10,998**	6,541	4,457
Bank commissions	**1,087**	1,081	6
Interest rate hedging charges on bank loans	**30**	255	(225)
Charges from discounting to present value	**3**	6	(3)
Financial expenses from third parties	**12,118**	7,883	4,235

12. Financial income from third parties

This includes:

€ in thousands	**2007**	2006	Change
Interest income on receivables from:			
- tax authorities	**501**	473	28
- banks	**232**	1,403	(1,171)
Interest rate hedging income on bank loans	**2,544**	761	1,783
Other income	**0**	14	(14)
Total income from third parties	**3,277**	2,651	626

13. Personnel costs

These amount to € 2,666 thousand (€ 2,776 thousand in 2006) and show a total net decrease of € 110 thousand.
Details are as follows:

€ in thousands	**2007**	2006	Change
Salaries	**1,592**	1,762	(170)
Social security contributions	**466**	531	(65)
Employee severance indemnities, other long-term benefit plans and defined benefit plans and payments of plan contributions	**426**	324	102
Other personnel costs	**182**	159	23
Total personnel costs	**2,666**	2,776	(110)

At the end of 2007, employees number 14 (15 at the end of 2006).
The average number of employees in 2007 was 14, summarized by category as follows:

	2007	2006
Managers	**2**	2
Middle management	**2**	2
Clerical staff	**7**	8
Messengers	**3**	3
Average number of employees	**14**	15

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.

The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; the variable compensation is tied to objectives and rewards for the results of the work performed by that person both individually and in a team.

Further discretionary bonuses may be paid for exemplary performance in transactions which create value for the company.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans, life and disability insurance coverage, loyalty bonuses and, where provided for, the use of a company car.

For additional information on employee benefits, reference should be made to Note 27.

14. Purchases of goods and services from third parties

These amount to € 874 thousand and show an increase of € 65 thousand compared to 2006 (€ 809 thousand). The main expenses refer to the following:

€ in thousands	**2007**	2006	Change
Compensation:			
- Board of Statutory Auditors	**146**	146	0
- Supervisory Board	**6**	6	0
- Common representatives of preferred stockholders	**3**	3	0
- Supplementary contribution	**5**	4	1
	160	159	1
Consulting	**331**	309	22
Travel expenses and entertainment	**55**	19	36
Bank expenses and fees	**29**	16	13
Insurance	**62**	60	2
Audit fees	**32**	34	(2)
Office management	**137**	131	6
Rentals	**15**	19	(4)
Raw materials and supplies	**16**	17	(1)
Maintenance, transport and car insurance	**16**	23	(7)
Gifts	**6**	7	(1)
Other expenses	**15**	15	0
Total purchases of goods and services from third parties	**874**	809	65

15. Other current operating expenses

These total € 1,028 thousand (€ 950 thousand in 2006).
Details are as follows:

€ in thousands	**2007**	2006	Change
Sundry taxes and duties	**279**	312	(33)
Association dues	**56**	60	(4)
Securities listing fees	**74**	48	26
Publications of annual, first-half and quarterly financial statements	**63**	64	(1)
Stockholders' meetings expenses	**170**	0	170
Notary and corporate charges	**10**	41	(31)
Donations	**329**	358	(29)
Books, newspapers and magazines	**21**	25	(4)
Ads	**10**	7	3
Dividends statute-barred	**16**	35	(19)
Total other current operating expenses	**1,028**	950	78

16. Income taxes

The taxable base calculated in accordance with tax laws did not generate any current income tax expense for the year 2007.
Since reasonable certainty of recovery against future taxable income currently is not assured, no deferred tax assets have been booked on the tax losses for the years 2003 to 2007 (€ 239 million, in total).

Details are as follows:

	2007		2006	
€ in millions	**Amount**	**Theoretical tax effect (27.5% rate)**	Amount	Theoretical tax effect (33% rate)
Tax losses carried forward (for a maximum of 5 years)				
- year 2003	**147**		147	
- year 2004	**20**		20	
- year 2005	**33**		33	
- year 2006	**28**		28	
- year 2007	**11**		0	
Total tax losses carried forward	**239**	**66**	228	75

The following table presents the reconciliation between the pre-tax profit and the taxable income for the computation of Ires taxes (the taxable income for the computation of Irap taxes is negative).

€ in millions	**2007**	2006
Pre-tax profit	**54**	222
Increases for permanent differences	**1**	1
Decreases:		
- 95% of dividends collected	**(64)**	(52)
- impairment reversal on IFIL investment	**0**	(73)
- portion of impairment losses on investments deductible over 5 years	**0**	(26)
- gains on investments	**0**	(95)
- temporary differences	**(2)**	(5)
Total decreases	**(66)**	(251)
Loss for the year for tax purposes	**(11)**	(28)

The company has agreed the tax years up to December 31, 2002.

COMMENTS ON THE PRINCIPAL ITEMS IN THE SEPARATE BALANCE SHEET

17. Non-current assets – Investments

Details of investments, which only include investments accounted for at cost, are as follows:

	12/31/2007		12/31/2006		
€ in thousands	**% of class of stock**	**Amount**	% of class of stock	Amount	Change
Investments accounted for at cost					
IFIL S.p.A. (ordinary shares)	69.70	**2,220,167**	65.01	1,872,142	348,025
IFIL S.p.A. (savings shares)	4.99	**6,384**	4.99	6,384	0
		2,226,551		1,878,526	348,025
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Deutsche Morgan Grenfell Capital Italy S.A.					
- Class A shares	0.66	**53**	1.11	136	(83)
- Class B shares	1.28	**1**	1.28	2	(1)
Total investments		**2,226,877**		1,878,936	347,941

The changes during the year are as follows:

		Change during 2007			
€ in thousands	Balances at 12/31/2006	Increases	Impairment (losses) reversals	Decreases	**Balances at 12/31/2007**
IFIL S.p.A. (ordinary shares)	1,872,142	348,025			**2,220,167**
IFIL S.p.A. (savings shares)	6,384				**6,384**
Emittenti Titoli S.p.A.	272				**272**
Deutsche Morgan Grenfell Capital Italy S.A.					
- Class A shares	136		(47)	(36)	**53**
- Class B shares	2		(1)		**1**
Total investments	1,878,936	348,025	(48)	(36)	**2,226,877**

In 2007, IFI purchased 48,750,000 IFIL ordinary shares (4.69% of the class of stock) for € 349,876 thousand, net of dividends of € 1,851 thousand collected on 18,511,000 IFIL ordinary shares purchased in the early months of 2007 and booked as a deduction of the carrying amount of the stock.

The reimbursement of 247 Deutsche Morgan Grenfell Capital Italy Class A shares led to proceeds of € 127 thousand and a net gain of € 91 thousand. The impairment loss of € 48 thousand on Deutsche Morgan Grenfell Capital Italy shares was made on the basis of the equity in the most recent approved financial statements at December 31, 2006.

Comparison between the carrying amounts and market prices of IFIL shares held at December 31, 2007:

				Market price			
	Number of	Carrying amount		December 28, 2007		March 20, 2008	
	shares held	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
IFIL S.p.A.							
- ordinary shares	723,950,000	3.07	2,220,167	6.39	**4,627,488**	4.60	**3,326,550**
- savings shares	1,866,420	3.42	6,384	5.76	**10,754**	4.00	**7,466**
Total			2,226,551		**4,638,242**		**3,334,016**

Furthermore:

- there are no investments requiring the assumption of unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following details present the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006):

	Capital stock			IFI investment					Equity	Profit
	Number of shares	Par value	Amount	Number of shares	% of Cap. st.	% of Cl. of st.	Carrying amount Per share (€)	Carrying amount €/000	€/000	€/000
IFIL S.p.A. - Turin									6,666,500 (a)	671,700 (a)
- ordinary shares	1,038,612,717	€ 1	1,038,612,717	723,950,000	67.28	69.70	3.07	2,220,167		
- savings shares	37,383,020	€ 1	37,383,020	1,866,420	0.17	4.99	3.42	6,384		
Total	1,075,995,737		1,075,995,737					2,226,551		

(a) Data taken from the consolidated financial statements at December 31, 2007.

18. Current assets – Other financial assets

Details are as follows:

€ in thousands	**12/31/2007**	12/31/2006	Change
Fair value of cash flow hedge derivatives	**1,776**	3,120	(1,344)
Other financial assets	**466**	380	86
Total current other financial assets	**2,242**	3,500	(1,258)

19. Current assets – Tax receivables

Tax receivables from the tax authorities refer to:

€ in thousands	**12/31/2007**	12/31/2006	Change
Receivables for prior years' taxes, refunds requested	**18,855**	18,382	473
Receivables for current and prior years' taxes, carried forward	**63**	379	(316)
VAT receivable	**53**	0	53
Total tax receivables	**18,971**	18,761	210

The change in receivables from the tax authorities for the year 2007 is summarized as follows:

€ in thousands	Refunds requested for IRES taxes	Carried forward for IRES taxes	VAT	Total
Balances at December 31, 2006	**18,382**	**379**		**18,761**
Used for compensation of withholdings		(379)		(379)
Interest earned during the year	473			473
Receivables generated during the year		63	53	116
Balances at December 31, 2007	**18,855**	**63**	**53**	**18,971**

20. Equity – Capital stock

At December 31, 2007, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares (52.96% of capital stock) and 76,801,460 preferred shares (47.04% of capital stock) with a par value of € 1 each. The ordinary capital stock of the company is held entirely by Giovanni Agnelli e C. S.a.p.az. IFI's preferred shares are listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 6 of the bylaws, ordinary shares may not be disposed of, with effect towards the company, to parties other than the consanguine descendants of their holder and other holders of ordinary shares, unless the shares have been offered beforehand in option to the latter mentioned, with the right of accretion among them.

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:
  - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
  - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

The board of directors will put forward a motion to the ordinary stockholders' meeting to renew this resolution.

The objectives identified by IFI S.p.A. are the creation of value for all the stockholders, safeguarding the continuity of the company and support for the development of the subsidiary IFIL S.p.A.

IFI thus aims to keep an adequate level of capitalization and guarantee economic accessibility to external sources of financing.
IFI constantly monitors changes in the consolidated debt level based upon the current asset value of its investments and expected dividend flows.

A very prudent approach is nevertheless taken to the use of debt. At December 31, 2007, the negative net financial position (equal to € 392.7 million) represents approximately 8.5% of the asset value (equal to the market value of the investment held in IFIL, € 4,638.2 million).

21. Equity – Capital reserves

At December 31, 2007, the balance of € 386,347 thousand, unchanged compared to the end of the prior year, relates only to Additional paid-in capital.

22. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	**12/31/2007**	12/31/2006
Revaluation reserve Law 74, 2/11/1952	**157**	157
Revaluation reserve Law 576, 12/2/1975	**16,940**	16,940
Revaluation reserve Law 72, 3/19/1983	**64,265**	64,265
Legal reserve	**32,650**	32,650
Cash flow hedge reserve	**1,776**	3,091
Reserve for purchase of treasury stock	**200,000**	150,000
Extraordinary reserve	**997,386**	829,835
Total retained earnings and other reserves	**1,313,174**	1,096,938

23. Equity reserves available and distributable

Disclosure required by art. 2427, 7 bis of the Italian Civil Code on the equity reserves available and distributable is as follows:

€ in thousands	**Balance at 12/31/2007**	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**386,347**	A,B,C	386,347
Extraordinary reserve	**458**	A,B,C	458
Earnings reserves:			
Revaluation reserve Law 74, 2/11/1952 (b)	**157**	A,B,C	157
Revaluation reserve Law 576, 12/2/1975 (b)	**16,940**	A,B,C	16,940
Revaluation reserve Law 72, 3/19/1983 (b)	**64,265**	B	64,265
Legal reserve	**32,650**	A,B	0
Cash flow hedge reserve	**1,776**	B	0
Reserve for purchase of IFI treasury stock	**200,000**	B	0
Extraordinary reserve (c)	**996,928**	A,B,C	926,451
Total	**1,699,521**		1,394,618
Residual portion distributable			**1,394,618**

A: For capital increases; B: For coverage of losses; C: For distribution to stockholders.

(a) Since the legal reserve is equal to one-fifth of capital stock (art. 2431 Italian Civil Code), the reserve is distributable.

(b) The revaluation reserves can be used for bonus increases of capital stock. If used to cover losses, they must be later replenished, if not, then no dividends can be distributed. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the stockholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is distributable except to the extent of the amount deriving from the reallocation of the reserve offsetting the stock in portfolio.

In the years 2004, 2005 and 2006, reserves were not used to absorb losses.

At December 31, 2007, tax-deferred reserves are recorded for a total of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserves and € 2,032 thousand to the legal reserve. In the event of distribution, these reserves would form part of the taxable income of the company.
In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

24. Equity – Treasury stock

At December 31, 2007, IFI S.p.A. directly holds the following preferred shares of treasury stock:

€ in thousands	Number of shares	Amount Per share (€)	Amount Total (€ in thsd)	% of class
IFI – preferred shares	5,360,300	13.15	70,477	6.98

In 2007, there were no transactions involving preferred shares of treasury stock.

The ordinary stockholders' meeting held on May 15, 2007 authorized the purchase of treasury stock for 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58 dated February 24, 1998, for a maximum of 16 million shares, for a maximum amount of € 200 million.

The board of directors will put forward a motion to the ordinary stockholders' meeting to renew this resolution.

25. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to € 100,000 thousand (€ 125,000 thousand at December 31, 2006).
Interest rate swaps are in place to guarantee fixed interest rates on the entire amount; at December 31, 2007, the fair value on these contracts is positive for € 254 thousand.
Bank debt is classified in non-current liabilities in relation to the residual period of the credit line granted and the duration of the relative hedging contracts.

The current portion of bank debt amounts to € 294,323 thousand (€ 35,350 thousand at December 31, 2006) and includes loans for € 150,000 thousand due by the end of June 2008, use of short-term funds for € 144,100 thousand and bank overdrafts for the remaining amount (€ 223 thousand).
Interest rate swaps are also in place on the current portion of loans secured in prior years. At December 31, 2007, the fair value on these contracts is positive for € 1,522 thousand.

With regard to the periods in which the outgoing cash flows relating to interest rate swap contracts will reverse, reference should be made to Note 28.

At December 31, 2007, the company has credit lines for € 1,101 thousand, of which € 605 thousand is irrevocable.
Credit lines by maturity are as follows:

€ in thousands	Agreed lines	Of which, irrevocable
To 1 year	731	235
2 to 5 years	370	370
Total	**1,101**	**605**

The loan contracts relating to irrevocable lines of credit provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the assets of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, compliance with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely serious events arise such as a request to place the company under administration.

26. Non-current liabilities – Deferred tax liabilities

An analysis is as follows:

€ in thousands	Amount	Taxable (16%)	Rate reduction	To equity	To income statement	Total
Balance at December 31, 2006						**3,979**
Adjustment due to the change in the IRES tax rate from 33% to 27.5% on the impairment reversal of the carrying amount of IFIL ordinary shares in 2006	73,473	11,756	5.5%	0	(646)	**(646)**
Balance at December 31, 2007				**0**	**(646)**	**3,333**

The deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount for the investment held in IFIL.

27. Non-current liabilities – Provisions for employee benefits

The composition is as follows:

€ in thousands	**12/31/2007**	12/31/2006
Employee severance indemnities	**1,918**	1,746
Other provisions for employees	**227**	64
Total provisions for employee benefits	**2,145**	1,810

Details of the changes during 2007 are as follows:

	2007			2006		
€ in thousands	**Employee severance indemnities**	**Other provisions for employees**	**Total**	Employee severance indemnities	Other provisions for employees	Total
Balance at beginning of year	**1,746**	**64**	**1,810**	1,594	48	1,642
Current service cost	**113**	**35**	**148**	138	39	177
Financial expenses	**65**	**38**	**103**	63	33	96
Contributions paid by employees	**0**	**0**	**0**	0	0	0
Actuarial (gains) losses	**(2)**	**92**	**90**	(6)	(56)	(62)
Benefits paid	**(4)**	**(2)**	**(6)**	(43)	0	(43)
Past service cost	**0**	**0**	**0**	0	0	0
(Gains) losses on curtailments and/or settlements	**0**	**0**	**0**	0	0	0
Plan changes	**0**	**0**	**0**	0	0	0
Balance at end of year	**1,918**	**227**	**2,145**	1,746	64	1,810

An analysis of employee benefits is as follows:

Employee severance indemnities

Employee severance indemnities represent the obligation due to employees by law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, the portion of employee severance indemnities accruing from January 1, 2007, for employees who have asked, have been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFI S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee severance indemnities which will be paid at the time and in relation to the termination of the employment relationship, at the currently-expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrue on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007, and require the payment of defined contributions to outside funds and entities which pay the health care benefits.

Pension plans

The company's pension plans are for employees categorized as managers and are covered by company agreements and regulations.
They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to outside funds that are legally separate and have autonomous assets.
The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee severance indemnity.
The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2007 and December 31, 2006, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2007	12/31/2006
Discount rate	**4.60%**	4.25%
Expected remuneration increase	**2-3.50%**	2-3.50%
Cost-of-living increase	**2.00%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

28. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 is presented as follows:

	December 31, 2007		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through the income statement			
- held for trading	0		
- designated initially	0		
Derivative instruments designated as hedging derivatives	1,776	2,544	30
Investments held to maturity	0		
Loans and receivables	1,058	248	
Available-for-sale assets	327	163	48
Total	**3,161**	**2,955**	**78**
Financial liabilities			
At fair value through the income statement			
- held for trading	0		
- designated initially	0		
Derivative instruments designated as hedging derivatives	0		
Amortized cost			
Debt	395,652		12,088
Financial guarantees	0		
Total	**395,652**	**0**	**12,088**

	December 31, 2006		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through the income statement			
- held for trading			
- designated initially			
Derivative instruments designated as hedging derivatives	3,120	761	256
Investments held to maturity			
Loans and receivables	60,904	1,418	
Available-for-sale assets	410	117	25
Total	**64,434**	**2,296**	**281**
Financial liabilities			
At fair value through the income statement			
- held for trading			
- designated initially			
Derivative instruments designated as hedging derivatives			
Amortized cost			
Debt	161,492		7,751
Financial guarantees			
Total	**161,492**	**0**	**7,751**

Fair value of financial assets and liabilities and the criteria for the determination of fair value

For IFI S.p.A., the carrying amount of financial assets and liabilities approximates their fair value.

Credit risk

IFI S.p.A. effectively is not subject to credit risk since the counterparts are mainly represented by high-credit-quality leading banking institutions. At December 31, 2007 and December 31, 2006, there are no financial assets overdue and impaired and provisions for the impairment of receivables.

Liquidity risk

The residual contract maturities for all the financial liabilities which fall under the application of IAS 39 are indicated below.

The table has been prepared by allocating the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent coupon rate with the bank counterpart was used for the projection of future maturities.

Flows relating to non-current and current bank debt are hedged by the interest rate swaps referred to in Note 25.

	2007					
€ in thousands	To 6 months or until canceled	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	**Total**
Bank debt, non-current	2,422	2,422	109,723			114,567
Bank debt, current	296,756					296,756
Payables to related parties	147					147
Trade payables to third parties	146					146
Total	**299,471**	**2,422**	**109,723**	**0**	**0**	**411,616**

	2006					
€ in thousands	To 6 months or until canceled	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	Total
Bank debt, non-current	2,253	2,253	151,708			156,214
Bank debt, current	10,805					10,805
Payables to related parties	216					216
Trade payables to third parties	124					124
Other current payables	15					15
Total	**13,413**	**2,253**	**151,708**	**0**	**0**	**167,374**

Outgoing flows from current operations are substantially financed by incoming flows from ordinary business and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, IFI S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk
IFI S.p.A. is principally exposed to the following exchange rate, interest rate and price risks.

Exchange rate risk
IFI S.p.A. does not have financial liabilities denominated in currencies other than Euro.
It is therefore not subject to direct currency risks.

Interest rate risk
The analysis of debt by interest rate shows that the rates are between 3.5% and 5.5% for both the current year and 2006.

IFI S.p.A. has some interest rate swap contracts in place at December 31, 2007, for a notional amount of a total of € 250 million, to hedge the risk of fluctuations in interest rates on bank debt with a positive fair value equal to € 1,776 thousand.

A sensitivity analysis at the balance sheet date has been prepared in respect of financial instruments exposed to interest rate risk. In the case of floating-rate liabilities, the analysis was prepared assuming that the exposure at the end of the year remained constant for the entire year. The assumptions used for the model are as follows:

- to debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the change in fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the balance sheet date.

The effects of an increase or decrease of 50 basis points in interest rates would be the following:

	12/31/2007		12/31/2006	
€ in thousands	**income statement**	**balance sheet**	income statement	balance sheet
+50 bsp				
cash and cash equivalents/financing	**(721)**		296	
hedging instruments		**417**		304
-50 bsp				
cash and cash equivalents/financing	**721**		(296)	
hedging instruments		**(440)**		(319)

Price risk
IFI S.p.A. is only exposed to price risk in respect of its strategic investment in IFIL S.p.A., accounted for at cost.

Sensitivity analysis for price risks
Considering the characteristics of the company's principal investment, a sensitivity analysis for price risk would not be significant.

29. Compensation to directors and statutory auditors

(Art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)
All amounts in the following table are expressed in thousands of Euro.

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Elkann John	Chairman	4/17-12/31	2009				599 (b)
	Director	1/1-4/16					
Gabetti Gianluigi	Director	4/17-12/31	2009	158			1,594 (b)
	Chairman	1/1-4/16		39			-
Teodorani-Fabbri Pio	Vice Chairman	1/1-12/31	2009	100			9 (b)
Marrone Virgilio	Chief Executive Officer	1/1-12/31	2009	84	-		-
	General Manager	1/1-12/31	2009	-	18		622 (c) (d)
Acutis Carlo	Director	1/1-12/31	2009				
Agnelli Andrea	Director	1/1-12/31	2009				71 (b)
Brandolini D'Adda Tiberto	Director	1/1-12/31	2009				426 (b)
Camerana Oddone	Director	1/1-12/31	2009				
Ferrero Ventimiglia Luca	Director	1/1-12/31	2009				
Grande Stevens Franzo	Director	1/1-12/31	2009				7 (b)
Marini Clarelli Francesco	Director	1/1-12/31	2009				
Nasi Andrea	Director	1/1-12/31	2009				
Rattazzi Lupo	Director	1/1-12/31	2009				40 (b)
Total Directors				**381**	**18**	**0**	**3,368**
Statutory Auditors							
Ferrero Gianluca	Chairman	1/1-12/31	2009	62			53 (b)
Giorgi Giorgio	Statutory Auditor	1/1-12/31	2009	42			71 (b)
Jona Celesia Lionello	Statutory Auditor	1/1-12/31	2009	42			
Total Statutory Auditors				**146**	**0**	**0**	**124**

(a) The term of office expires in concurrence with the stockholders' meeting that will approve the financial statements for the year ended December 31, 2008.
(b) Compensation for the posts held in companies of the Group.
(c) Employment income paid by IFI S.p.A.
(d) Does not include € 56,918 paid by Fiat not received but collected directly by IFI S.p.A.

There are no key managers with strategic responsibilities in IFI S.p.A.

The company also signed a third-party liability insurance policy for the directors with a Group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The Chairman, John Elkann, does not receive any compensation for his post. The remuneration of the directors Gianluigi Gabetti and Pio Teodorani-Fabbri is not linked to either the economic results of the company or targets set by the board of directors.
A part of the compensation of the general manager, however, is tied to the economic results of the company and the reaching of specific targets.

Stock options granted to the directors and the general manager

(Art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)
The board of directors of IFI S.p.A. to date has not approved any stock option plans.

30. Transactions with related parties

The board of directors has adopted principles of conduct for carrying out transactions with related parties which are described in the Annual Report on Corporate Governance, available also on the website of the company (http://www.gruppoifi.com).

With regard to the year 2007, the transactions between IFI S.p.A. and the related parties identified in accordance with IAS 24 are carried out as set forth in existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.
Costs have not been recognized during the period for non-existent or doubtful liabilities in relation to amounts due from related parties.

A summary of the balance sheet and income statement balances generated by transactions with related parties carried out during 2007 is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Trade receivables	Trade payables
G.A. Servizi S.r.l.		64
IFIL S.p.A.	4	3
Soiem S.p.A.		54
Companies of the Fiat Group		26
Other companies	65	
Total transactions with related parties	**69**	**147**
Total Current assets	21,694	
Total Current liabilities		296,556
Ratio of total transactions with related parties to the total of the line in the balance sheet %	**0.32%**	**0.05%**

Counterpart	Purchases of goods and services		Financial income	Revenues (b)
Giovanni Agnelli e C. S.a.p.az.			15	33
G.A. Servizi S.r.l.				
IFIL S.p.A.	68			33
Soiem S.p.A.	388	(a)		
Juventus Football Club S.p.A.	2			
Companies of the Fiat Group	251			57
Companies of the Alpitour Group	4			
Compensation to Corporate Boards and Committees (c)				
- Chairman	39			
- Chief Executive Officer	84			
- Vice Chairman, for special mandates	100			
- Directors, for special mandates	158			
Directors for services rendered				64
Total transactions with related parties	**1,094**		**15**	**187**
Total transactions with third parties	874		3,277	269
Total of the line on income statement	**1,968**		**3,292**	**456**
Ratio of total transactions with related parties to the total of the lines on the income statement %	**55.59%**		**0.46%**	**41.01%**

The most important transactions are commented below with reference to the notes in the preceding tables.

a) The purchases for goods and services from the subsidiary Soiem S.p.A., amounting to € 388 thousand, relate to the lease of the offices of the headquarters in Turin, Corso Matteotti 26, computer, telephone and logistics services.
b) Revenues from Group companies derive from the performance of services and compensation for posts held by IFI S.p.A. staff.
c) The compensation to directors in 2007 amounts to € 381 thousand. The preceding Note 29 presents the information required by art. 78 of Consob Regulation 11971, as amended by Resolution 15520 dated July 2006.

Information regarding dividends collected from related parties (€ 67,817 thousand), described in Note 8, represents almost the entire net amount of income from investments.

At December 31, 2007, Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana Capital shares between May 2009 and May 2013 at a price per share of € 20.46.

Furthermore, Sequana Capital has assigned Tiberto Brandolini d'Adda, gratuitously, 12,340 shares that will be assigned on March 29, 2008 and available from March 29, 2010.

During 2007, Sequana Capital paid compensation to Tiberto Brandolini d'Adda for a total of € 3,361,973.

Moreover, in 2007, the director, Franzo Grande Stevens, rendered professional services to IFIL S.p.A. for € 1,150 thousand and to Fiat S.p.A. for € 1 million (including acting as the secretary to the board of directors).

31. Fees paid to the Audit Firm (art. 149 – duodecies of Consob Regulation 11971 dated May 14, 1999 and subsequent amendments)

The professional services rendered to IFI S.p.A. by the Audit Firm in 2007 are the following:

€ in thousands	Party which rendered the service	Parent IFI S.p.A.	Consolidated subsidiaries		**Total**
Type of services					
Audit	Deloitte & Touche S.p.A. Rete Deloitte	30	2,175		**2,205**
Total audit		30	2,175		**2,205**
Other services					
. attestation services	Deloitte & Touche S.p.A. Deloitte network		28	(a)	**28**
. other services	Deloitte & Touche S.p.A. Deloitte network		139	(b)	**139**
Total other services		0	167		**167**
Total		**30**	**2,342**		**2,372**

(a) Tests for issuing the comfort letter on the prospectus relating to the IFIL bond issue 2007/2017 and confirmation of the financial ratios.

(b) Agreed procedures carried out with reference to the completeness and the updating of the IFIL Group's IFRS reporting package.

In order to complete the disclosure, it should be noted that the fees paid for professional services to the audit firm of Deloitte & Touche and its network by the Fiat Group (accounted for by the equity method in the consolidated financial statements of the IFI Group) is € 22.2 million.

32. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of IFI S.p.A. is provided below:

€ in thousands	**12/31/2007**	12/31/2006	Change
Cash and cash equivalents	**166**	59,681	(59,515)
Non-current financial receivables:			
- from third parties	**228**	361	(133)
Current financial receivables:			
- from Group companies	**0**	0	0
- from third parties	**2,242**	3,500	(1,258)
Non-current debt:			
- with Group companies	**0**	0	0
- with third parties	**(100,000)**	(125,000)	25,000
Current debt:			
- with Group companies	**0**	0	0
- with third parties	**(295,359)**	(36,153)	(259,206)
Net financial position	**(392,723)**	(97,611)	(295,112)
- with related parties	**0**	0	0
- with third parties	**(392,723)**	(97,611)	(295,112)

33. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2007 were approved by the board of directors on March 28, 2007 which authorized their publication starting from March 29, 2008.

Turin, March 28, 2008

For the Board of Directors
The Chairman
John Elkann

IFI
Istituto Finanziario Industriale

Annual Report 2007

Consolidated financial statements of the IFI Group at December 31, 2007

CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2007	2006 (restated) (a)	Change
Revenues	**11**	**2,657**	1,489	1,168
Other revenues from current operations	**12**	**36**	67	(31)
Purchases of raw materials and changes in inventories		**(874)**	(979)	105
Personnel costs	**13**	**(1,186)**	(235)	(951)
Costs for external services		**(393)**	(247)	(146)
Taxes and duties		**(10)**	(6)	(4)
Depreciation and amortization		**(92)**	(54)	(38)
Accruals to provisions and other expenses from current operations		**(72)**	(63)	(9)
Profit (loss) from current operations		**66**	(28)	94
Other nonrecurring income (expenses)	**14**	**(28)**	4	(32)
Operating profit (loss)		**38**	(24)	62
Gains (losses) on sales of investments		**9**	21	(12)
Cost of net debt		**(41)**	(9)	(32)
Other financial income (expenses)		**123**	65	58
Financial income (expenses)	**15**	**91**	77	14
Income taxes	**16**	**(43)**	(10)	(33)
Profit of companies consolidated line-by-line		**86**	43	43
Share of the profit (loss) of companies accounted for by the equity method	**17**	**587**	289	298
Profit from continuing operations		**673**	332	341
Profit (loss) from discontinued operations or assets held for sale	**18**	**(8)**	68	(76)
Profit		**665**	400	265
Profit attributable to the equity holders of the company		**444**	221	223
Profit attributable to the minority interest (A)		**221**	179	42
Net gain on the sale of the investment in SGS attributable to the minority interest (B)		**0**	396	(396)
Total profit attributable to the minority interest (A)+(B)		**221**	575	(354)

Basic earnings attributable to the equity holders of the company (€):	**19**			
- per ordinary share		**2.79**	1.38	1.41
- per preferred share		**2.84**	1.43	1.41

Basic earnings from continuing operations (€):	**19**			
- per ordinary share		**2.82**	1.34	1.48
- per preferred share		**2.87**	1.39	1.48

(a) The consolidated financial statements at December 31, 2006 have been restated for comparison purposes by deconsolidating the Sequana Capital Group and presenting the IFIL Group's share of the result in "Discontinued operations or assets held for sale". For additional information, reference should be made to Note 9.

CONSOLIDATED BALANCE SHEET

€ in millions	**Note**	**12/31/2007**	12/31/2006	Change
Non-current assets				
Goodwill	**20**	**410**	760	(350)
Other intangible assets	**21**	**456**	188	268
Property, plant and equipment	**22**	**195**	845	(650)
Investments accounted for by the equity method	**23**	**3,473**	2,619	854
Other financial assets	**24**	**2,675**	2,673	2
Deferred tax assets	**37**	**72**	49	23
Other non-current assets	**26**	**82**	55	27
Total Non-current assets		**7,363**	7,189	174
Current assets				
Inventories, net	**25**	**3**	540	(537)
Trade receivables	**26**	**434**	938	(504)
Other receivables	**26**	**212**	281	(69)
Financial assets	**24**	**160**	1,109	(949)
Cash and cash equivalents	**27**	**919**	362	557
Total Current assets		**1,728**	3,230	(1,502)
Assets held for sale	**28**	**3**	128	(125)
Total Assets		**9,094**	10,547	(1,453)
Equity				
Attributable to the equity holders of the company	**29**	**4,161**	3,800	361
Attributable to the minority interest	**31**	**2,241**	2,900	(659)
Total Equity		**6,402**	6,700	(298)
Non-current liabilities				
Provisions for employee benefits	**32**	**45**	137	(92)
Provisions for other liabilities and charges	**33**	**101**	250	(149)
Bonds and other debt	**36**	**1,158**	777	381
Deferred tax liabilities	**37**	**128**	102	26
Other non-current liabilities	**38**	**101**	57	44
Total Non-current liabilities		**1,533**	1,323	210
Current liabilities				
Provisions for employee benefits	**32**	**113**	7	106
Provisions for other liabilities and charges	**33**	**14**	283	(269)
Bonds and other debt	**36**	**399**	747	(348)
Trade payables	**38**	**377**	927	(550)
Other current liabilities	**38**	**256**	528	(272)
Total Current liabilities		**1,159**	2,492	(1,333)
Liabilities relating to assets held for sale		**0**	32	(32)
Total Equity and liabilities		**9,094**	10,547	(1,453)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Retained earnings and other reserves	Profit for the year	Equity attributable to equity holders of the company	Equity attributable to the minority interest	Total equity
Equity at January 1, 2006	**163**	**(70)**	**386**	**1,929**	**676**	**3,084**	**2,994**	**6,078**
Stock-based compensation				3		3	2	5
Capital stock transactions						0	(754)	(754)
Dividends paid out						0	(197)	(197)
Effect of fair value change to investments and securities				594		594	322	916
Deferred taxes on fair value change to investments and securities				(28)		(28)	(13)	(41)
Transfer of fair value to income statement				(2)		(2)	(1)	(3)
Fair value change to cash flow hedge derivatives				17		17	7	24
Actuarial gains (losses) recognized in equity				23		23	15	38
Translation differences				(86)		(86)	(58)	(144)
Change in scope of consolidation						0	19	19
Other changes				(26)		(26)	(10)	(36)
Profit for the year					221	221	574	795
Movements in equity accounts				676	(676)	0		0
Total changes	0	0	0	1,171	(455)	716	(94)	622
Equity at December 31, 2006	**163**	**(70)**	**386**	**3,100**	**221**	**3,800**	**2,900**	**6,700**
Stock-based compensation				19		19	12	31
Capital stock transactions						0	41	41
Dividends paid out						0	(40)	(40)
Effect of fair value change to investments and securities				(74)		(74)	(41)	(115)
Deferred taxes on fair value change to investments and securities				25		25	12	37
Transfer of fair value to income statement				(25)		(25)	(12)	(37)
Fair value change to cash flow hedge derivatives				52		52	26	78
Transfer of fair value on cash flow hedge derivatives to income statement				(36)		(36)	(17)	(53)
Actuarial gains (losses) recognized in equity				79		79	42	121
Translation differences				(71)		(71)	(77)	(148)
Deferred taxes recognized in equity				(2)		(2)	(2)	(4)
Effect of the Cushman & Wakefield Group acquisition on equity attributable to the minority interest						0	155	155
Effect of the Sequana Capital Group deconsolidation on equity attributable to the minority interest						0	(672)	(672)
Effect of IFI's percentage ownership increase in IFIL				0		0	(281)	(281)
Change in scope of consolidation						0	1	1
Other changes				(50)		(50)	(27)	(77)
Profit for the year					444	444	221	665
Movements in equity accounts				221	(221)	0		0
Total changes	0	0	0	138	223	361	(659)	(298)
Equity at December 31, 2007	**163**	**(70)**	**386**	**3,238**	**444**	**4,161**	**2,241**	**6,402**
Note	**29**	**29**		**29**			**31**	

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

€ in millions	**2007**	2006
Gains (losses) recognized directly in the cash flow hedge reserve	**78**	24
Transfer of fair value on cash flow hedge derivatives to the income statement	**(53)**	
Gains (losses) recognized directly in the reserve for fair value adjustments of available-for-sale financial assets	**(115)**	916
Deferred taxes recognized in equity	**33**	(41)
Transfer of fair value to income statement	**(37)**	(3)
Gains (losses) recognized directly in the reserve for translation differences	**(148)**	(144)
Actuarial gains (losses) recognized directly in equity	**121**	38
Income (expense) recognized directly in equity	**(121)**	790
Profit attributable to the equity holders of the company and the minority interest	**665**	795
Total recognized income and expense	**544**	1,585
- attributable to the equity holders of the company	**392**	739
- attributable to the minority interest	**152**	846

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	**2007**		2006
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Profit attributable to the equity holders of the company and the minority interest	**665**		400
Elimination of income and expenses not affecting cash:			
Share of the profit (loss) of companies accounted for by the equity method	**(587)**		(352)
Depreciation, amortization, impairments and accruals	**110**		212
Gains (losses) on disposals	**(20)**		(53)
Other income (expenses)	**36**		(52)
Current and deferred income taxes	**43**		52
Dividends received from investments	**126**		93
Income taxes paid	**(32)**		(20)
Change in working capital	**(5)**		(126)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**336**		154
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets	**(87)**		(195)
Proceeds from disposal of property, plant and equipment and intangible assets	**39**		194
Acquisition of the Cushman & Wakefield Group, net of cash acquired	**(418)**		0
Other investments in non-current financial assets by IFI, IFIL and companies of the Holdings System	**(562)**	**(a)**	(177)
Other investments in current financial assets made by companies consolidated line-by-line	**(61)**		0
Sales of non-current financial assets	**27**		463
Change in scope of consolidation	**0**		(17)
Sale of 22% stake in the Sequana Capital Group, net of cash deconsolidated	**19**	**(b)**	0
Other flows provided by divestiture activities	**752**	**(c)**	96
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(291)**		364
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Dividends paid by consolidated companies to the minority interest	**(41)**		(198)
Increase (decrease) in capital stock subscribed to by the minority interest	**0**		8
Capital increase from the exercise of stock options	**0**		13
New loans secured	**1,233**		236
Loans repaid	**(322)**		(731)
Net effect of securitization of the Alpitour Group trade receivables	**9**		9
Other flows provided by (used for) financing activities	**(253)**		(63)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**626**		(726)
EFFECT OF CHANGE IN FOREIGN CURRENCIES	**(7)**		(9)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**664**		(217)
CASH AND CASH EQUIVALENTS, AT START OF THE YEAR	**255**		472
CASH AND CASH EQUIVALENTS, AT END OF THE YEAR	**919**		255
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**664**		(217)

(a) Of which € 348 million refers to the purchase of IFIL ordinary shares, € 121 million to the purchase of SGS shares, € 35 million to the subscription of Gruppo Banca Leonardo capital stock increase, € 27 million to the subscription of DLMD bonds, € 19 million to Ancom USA purchases, € 11 million to the investment in NoCo B and € 1 million to other minor investments.

(b) For additional information, reference should be made to Note 18.

(c) These mainly refer to forms of investments of liquidity which at the end 2007 are classified in cash and cash equivalents (in 2006, the liquidity was invested in short-term financial assets).

The reconciliation between cash and cash equivalents in the statement of cash flows and the corresponding lines on the balance sheet is presented in Note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

IFI – Istituto Finanziario Industriale S.p.A. (abbreviated in IFI S.p.A.) is a corporation organized under the laws of the Republic of Italy.
The head office of the company is located in Turin, Italy, Corso Matteotti 26.
The ordinary capital stock of the company is held entirely by Giovanni Agnelli e C. S.a.p.az. IFI preferred stock is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).
The assets of the company are represented by its controlling investment in IFIL Investments S.p.A., for 69.99% of ordinary capital stock.

Additional information is presented in the section "IFI Group Profile" of the Directors' Report on Operations.

2. Basis of presentation of the consolidated financial statements

The consolidated financial statements at December 31, 2007 of the IFI Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission. The designation "IFRS" also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The consolidated financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, in accordance with art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

The consolidated financial statements of the IFI Group are expressed in millions of Euro.

3. Format of the consolidated financial statements

The consolidated income statement is presented using a classification based on the nature of expenses as this is believed to provide information that is more relevant than one based on the function of expenses as presented by the operating companies consolidated line-by-line.

The consolidated balance sheet makes a distinction between current and non-current assets, in accordance with IAS 1.

The consolidated statement of changes in equity presents the total income and expense recognized directly as an increase and decrease of reserves in a specific section.

The consolidated statement of cash flows is presented using the indirect method. Income and expenses for the year are adjusted by the effects of non-monetary transactions, by past or future deferrals or accruals of operating collections or payments and by financial elements due to investment or financing activities.

The Euro is the functional currency and presentation currency of the Group.

4. Unusual and/or atypical transactions and significant nonrecurring events and transactions and related party transactions

In 2007, there are no significant unusual and/or atypical transactions, also on the basis of information received from the companies of the Group, that are required to be disclosed pursuant to and as defined by Consob Communication 6064293 dated July 28, 2006.

With regard to significant nonrecurring events and transactions, the following is noted:

Consob sanctionary measure

On December 5, 2007, the Court of Appeals of Turin reduced the administrative sanction imposed on IFIL S.p.A. by Consob from € 4.5 million to € 1 million with regard to the contents of the press release issued on August 24, 2005.
The refund requested as a result of the reduction of the sanction is equal to € 3.5 million, including interest earned, and is recorded in nonrecurring income in 2007.
Additional information is disclosed in the Directors' Report on Operations.

Sale of a stake in the investment in Sequana Capital S.A.

On July 6, 2007, the subsidiary Ifil Investissements S.A. reached an agreement for the sale of an approximate 22% stake in Sequana Capital S.A. to DLMD – a company controlled by Pascal Lebard, general manager of Sequana Capital S.A.
After having obtained approval from the competent authorities, on July 27, 2007, Ifil Investissements S.A. sold 10,806,343 Sequana Capital shares at € 21 per share for a total equivalent amount of € 227 million. On consolidation, the disposal generated a loss of € 55 million, including transaction costs, recognized in “Discontinued operations or assets held for sale" (Note 18).
Ifil Investissements S.A. partially financed the deal by subscribing S-Bonds issued by DLMD, maturing on July 27, 2010, for a total equivalent amount of € 27 million.

Note 14 discloses other minor nonrecurring transactions.

The balance sheet and income statement balances generated by transactions with related parties are summarized and commented in Note 41.

5. Significant accounting policies

Consolidation

The companies in which the IFI Group has the power to exercise control, directly or indirectly, by determining the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, attributing to the minority interest the share of equity and the net result.

The financial statements of subsidiaries as defined above are included in the consolidated financial statements from the date that control by the Group commences until the date that control ceases.

Pending an opinion by the IASB, which has also been requested by the European Commission by letter dated October 26, 2006, that will definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFI Group has continued to exclude the Fiat Group, in which the subsidiary IFIL S.p.A. has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and December 31, 2006. However, in order to provide more meaningful disclosure, Note 44 presents the consolidated proforma data as if the Fiat Group had been consolidated line-by-line.

The investment in the Fiat Group, subsidiaries excluded from consolidation, joint ventures, associates and other investments accounted for by the equity method are stated according to the criteria indicated in “Investments in unconsolidated companies”.

The results of discontinued operations or assets held for sale which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs, as well as the gains (losses) on their sale.

The share of the equity and the results of operations attributable to the minority interest are disclosed separately. The minority interest in equity is determined on the basis of the fair value attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses in a consolidated subsidiary pertaining to the minority interest exceed the minority interest in the subsidiary's capital stock, the excess, or deficit, is charged to the Group, unless the minority interests are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profits be realized in the future, the minority interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

The effects of subscribing to capital stock increases when there are different issue prices for the various classes of stock are recognized as changes in equity.

Date of reference. Investments are consolidated using the financial statements at December 31, the closing date of the parent, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, which fiscal year ends on October 31 of each year, is consolidated line-by-line on the basis of the consolidated financial statements ended on that date, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2006 and 2007, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions. Intragroup balances and significant transactions and any unrealized gains and losses between companies consolidated line-by-line are eliminated. Unrealized gains and losses arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies. Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Business combinations

Acquisitions of companies and business segments are recorded using the purchase method of accounting. The cost of an acquisition is measured as the sum of the fair value (at the acquisition date) of the assets given (consideration paid), liabilities incurred or assumed and any equity instruments issued by the Group in exchange for the acquisition of the control of the acquired company, plus each cost directly attributable to the acquisition. The identifiable assets, liabilities and contingent liabilities of the company acquired, which meet the conditions for recognition under IFRS 3, are recognized at their fair value at the acquisition date, except for non-current assets (or Groups of assets held for sale) which are classified as held for sale, in accordance with IFRS 5, and are recognized and measured at fair value net of selling costs.

Goodwill originating on acquisition is recognized in assets and recorded initially at cost, measured as the excess of the cost of acquisition over the Group's interest in the fair value of the recognized identifiable assets, liabilities and contingent liabilities. If this interest exceeds the cost of acquisition, the values are re-examined and if there is still an excess, it is recognized immediately in the income statement.

The share of the minority interest in the company acquired is recognized initially at the fair value of the assets, liabilities and contingent liabilities recognized.

Investments in unconsolidated companies

The investment in the Fiat Group and in associates (principally Sequana Capital) are accounted for by the equity method. Under this method, such investments are stated at cost, increased or decreased by the Group's share of the fair value of the post-acquisition movements in the net assets of the company and any impairment of the investment. When the Group's share of any losses in the unconsolidated companies exceeds its interest, the Group only recognizes the losses if it has assumed legal or constructive obligations or has made payments on behalf of these companies.

Any excess of the cost of acquisition over the Group's interest in the fair value of the assets, liabilities and contingent liabilities of the investees recorded at the date of acquisition is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment in accordance with IAS 36.

Intangible assets

Goodwill. In the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.
The excess of the cost of acquisition over the Group's interest in the fair value of those assets and liabilities is classified in the assets in the balance sheet. Goodwill relating to the minority interest of subsidiaries acquired is eliminated. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement at the date of acquisition.
Goodwill is not amortized, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with IAS 36 – Impairment of Assets. Goodwill is allocated to cash-generating units or Groups of cash-generating units representing the operating level at which the Group controls the rate of return of the investments.
After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed.

On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.
In the context of IFRS First-time Adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the acquisitions of businesses that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets when they are controlled by the enterprise, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Revaluations are not permitted even if allowed by specific laws.
Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value and writedowns for impairment losses. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually and more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Intangible assets with a finite useful life are amortized from the time they are ready for use on a straight-line basis over the estimated useful life.

Other intangible assets recognized following the acquisition of an enterprise are capitalized separately from goodwill if they meet the definition of intangible asset and if their fair value can be measured reliably. The costs of such intangible assets are represented by their fair value at the date of acquisition.

Amortization plans and any realizable value are reviewed at least annually.

Players' registration rights: are recognized at the cost of acquisition, discounted to present value if there is an installment payment plan, including any additional costs. Such rights are recognized initially on the date affixed by the *Lega Nazionale Professionisti* giving execution to the contracts for national transfers and the transfer date indicated by the *Federazione Italiana Giuoco Calcio* for international transfers.
Players' registration rights also include sharing receivables and payables ex. art 102 bis of the N.O.I.F (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.)". Player sharing receivables represent the value of the simultaneous repurchase of 50% of the registration rights of the players sold. They are recorded at the adjusted cost and amortized net of any residual value estimated at the end of the useful life. If the residual value is equal to or higher than the historical cost of recognition, the amortization is zero. Adjusted cost is the lower of the cost incurred originally under the legal form of agreement between the parties and the actual repurchase value. Player sharing payables represent 50% of the value at which the player sharing rights were sold and are deducted from the registration rights of the players sold to show the actual portion disposed of. As a result, the amortization of players' registration rights (the residual portion of the sharing right that was sold) is calculated on that lower cost.

Players' registration rights are amortized on a straight-line basis over the term of the contract between the subsidiary, Juventus Football Club, and the individual professional players. The original amortization plan can be extended due to the early renewal of the contract, from the season in which the renewal takes place. For youth players registered as "*giovani di serie*", amortization is taken over five years on a straight-line basis.

When there is an indication that the players' registration rights might be impaired they are tested for impairment by considering the following factors:

- identification and direct analysis by management, which, at its discretion, may be assisted by an external expert, of objective parameters to be used in assessing the value of the players' registration rights (e.g. player's role and age, analysis of the values at which the players were transferred in the most recent transfer campaigns, call-up to the national teams, etc.);
- identification of the individual rights as cash-generating units, without the possibility of compensating this with the revaluation of other rights which could have emerged from the assessment in the previous point. An individual analysis is made since it is believed that the first impairment indicator can be identified for each single registration right;
- carrying out another possible test of the recoverability of the overall investment by analyzing other factors linked with the team as a whole; this is to consider whether there could be an impairment loss even when there are no impairment indicators (or impairment losses) at the level of the individual registration right.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses. Revaluations are not permitted, even if allowed by specific laws.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are current obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with an offsetting entry to a specific provision account.

Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement in relation to the relative depreciation of the assets.

Financial expenses associated with investments are generally charged on the accrual basis to the income statement.

Assets acquired under finance leases are recognized in property, plant and equipment with an offsetting entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is a reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if shorter than the useful life of the asset.

If an asset has significant components with different useful lives, these components are recorded and depreciated separately.

Subsequent purchase costs are capitalized only if they increase the future economic benefits of the assets to which they refer. All other costs are recognized in the income statement when incurred.

Property, plant and equipment are depreciated systematically using the straight-line method, from the time they are ready for use, over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is immediately recognized in the income statement.

The estimated useful lives for the main categories of property, plant and equipment are as follows:

Buildings	from 10 to 40 years
Plant and machinery	from 5 to 20 years
Industrial equipment	from 5 to 20 years
Other assets	from 3 to 25 years

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Non-current other financial assets
Financial investments are recognized and reversed on the trading date if the purchase or sale of an investment is made through a contract which terms require the delivery according to the terms established by the reference market and are initially measured at fair value, increased by transaction costs.

Such financial investments are classified in the following categories: available-for-sale investments and securities and other financial assets held to maturity.

Available-for-sale investments: are measured at fair value which coincides, for listed investments, with the market price on the last day of the reporting period translated, if necessary, at the year-end exchange rate. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity should be reversed and recognized in the income statement. The reversal of such impairment losses may not later be made through the income statement. Upon disposal of the asset, the accumulated gains or losses previously recognized in equity are transferred to the income statement.

Dividends on investments held for sale are recognized in the income statement when the Group has the right to receive them.

Available-for-sale securities: represented by debt securities, are initially recognized at cost and subsequently measured at fair value. The difference is recognized in equity. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses, when the reasons which gave rise to them no longer exist, are reversed in the income statement but only up to the initial amount.

Securities, security deposits and other financial assets: held to maturity are recognized and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is recognized initially net of the repayment of principal, adjusted down on the basis of the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Current financial assets

Current financial assets include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if necessary, at the year-end exchange rate. The fair value adjustment of current financial assets is recorded with an offsetting entry in the income statement.

Cash and cash equivalents

Cash and cash equivalents represent highly liquid short-term financial investments which can be readily converted into cash and are subject to an insignificant risk of a change in their value.

Inventories

Inventories are stated at the lower of purchase or production cost and estimated realizable value determined using the weighted average cost method or FIFO (First In, First Out).

Inventories of finished and semifinished goods included direct costs of materials and labor and indirect variable and fixed overheads, excluding general and administrative expenses. The market price takes into account writedowns for inventory obsolescence.

Assets held for sale

Assets, or a Group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year and are available for immediate sale in their current condition, are classified on specific lines on the balance sheet. If they represent significant sectors of activities, the relative results are shown separately in the income statement. In order to meet this condition, management must be committed to a plan to sell, which is highly probable of taking place within one year of classification in this category. The disclosure relating to the results of such assets, is shown separately also for the prior period.

Such assets are stated at the lower of the net carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement. The impairment loss should eventually be reversed if the reasons for the impairment no longer apply, but only up to the initial amount. From the time the asset is recognized as an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal Group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer apply, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in the income statement.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.

If there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.

Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Receivables sold with recourse remain in the balance sheet of the assignor which records a payable to the buyer against collection and the financial expense to be incurred. Receivables sold without recourse are only derecognized if it can be

demonstrated that the risks and rewards relating to the asset have been effectively transferred to the assignee.
Consequently, all receivables sold which do not meet IAS 39 derecognition requirements remain in the Group financial statements even though they have been legally sold. A corresponding financial liability is recorded in the consolidated balance sheet in debt. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group balance sheet.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The amortized cost of a financial liability is the amount at which the financial liability was recognized initially net of principal repayments, increased or decreased by the total amortization on any difference between the initial amount and the maturity amount using the effective interest method.

The effective interest rate is a method for calculating the amortized cost of a financial liability and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated payments (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period, at the net carrying amount of the financial liability.

Derivative financial instruments and hedging relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedging relationship. The Group designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.

- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Employee benefits – Pension plans

The companies of the Group offer their employees various forms of pension plans with specific characteristics that vary according to the law, the regulations and the practices in the countries in which they operate.

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans, the Group pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.

Consequently, the Group companies record the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Group companies have the obligation to set aside the costs relating to the benefits guaranteed to their employees in service and pay retired employees. The actuarial risk and the investment risk are thus substantially borne by the companies of the Group.

Defined benefit plans, which, for the Italian companies, include employee severance indemnities accrued to December 31, 2006, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.
Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid. The specific assumptions of each plan take into account the local economic conditions.

Defined benefit plans are in some cases covered by financial assets managed outside the Group companies. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities, in the reverse case, an asset is recognized.

Beginning January 1, 2007, the liability for employee severance indemnities only refers to the amount accrued up to December 31, 2006 which continues to be an obligation of the company. Following the coming into effect of the supplementary pension reform (Legislative Decree 252 dated December 5, 2005) resulting from Law 296 dated December 27, 2006 (Budget Law 2007), the liability, since it refers to a benefit that has been completely accrued, has been re-measured without the pro-rata application of the service rendered and without considering future salary increases in the actuarial calculations. The difference resulting from the new calculation compared to the amount recognized in the financial statements (curtailment) was recorded, in accordance with IAS 19, paragraph 109, in the income statement (€ 1.3 million) in “Employee severance indemnity expenses”.

Starting January 1, 2007, the portion of employee severance indemnities accrued and paid to supplementary pension funds is considered a defined contribution fund since the company's obligation to its employees ceases upon payment of the portion accruing to the pension fund. Likewise, the payment of the portion of employee severance indemnities accruing to the INPS Treasury Fund is accounted for as a payment to a defined contribution fund in that the company is not required to make further payments, other than those provided in the Ministerial Decree of January 30, 2007, whenever the fund does not have sufficient assets to ensure payment of the benefit to the employee.

Employee benefits – Stock option plans
Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date. In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with an offsetting entry directly in equity, based upon an estimate of the number of options that is expected to become exercisable. Changes in fair value after the grant date have no effect on the initial measurement.

The cost is recalculated each year based upon a revision of the above-indicated estimate.

In accordance with IFRS 2, the Group has applied this standard to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

In the event the plans require a monetary payment equal to the increase in the value of the enterprise, the fair value of the liability of the plan is re-measured at each reporting date until its extinction and the cost is recognized in the income statement.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognized in the financial statements as the provision for other liabilities and charges expresses the best estimate of the monetary resources necessary to extinguish the current obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When the accrual is determined by using estimated cash flows to extinguish the obligation, the carrying amount is represented by the discounted present value of those cash flows.

Changes in estimates are recorded in the income statement in the period in which the change occurs.

The accruals mainly refer to environmental or legal risks and accruals for restructuring operations.

Accruals for environmental or legal risks

In general, environmental and legal risks are evaluated case by case. The accrual, if any, is booked on the basis of the best information available, on condition that this information makes it possible to determine a probable loss that is estimated in a sufficiently reliable manner.

Accruals for restructuring operations

An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or the details of the restructuring plan have been made public and that valid expectations of it have been raised.

Treasury stock

The cost of any IFI treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction of equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

Current income taxes are calculated according to the tax laws in force in the countries in which the companies of the Group operate on the basis of the taxable income for the year. Taxable income is different from the income expressed in the consolidated financial statements in that it excludes costs and revenues that become taxable or deductible in other years and also excludes items which are never taxable or deductible.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences that are recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and taxes payable in a specific caption under non-current assets or liabilities.

Current and deferred income taxes are recognized in the income statement except for those relating to items debited or credited directly in equity. With regard to business combinations, the tax effect is taken into consideration in determining the excess of the cost of acquisition over the fair value of the assets, liabilities and contingent liabilities, while no tax effect is attributed to the residual amount represented by goodwill.

Transactions in foreign currency and consolidation of foreign entities

The financial statements of each Group company are presented in the functional currency of the economic environment in which they operate. For purposes of the consolidated financial statements of the Group, the financial data of these companies is translated into Euro which is the currency of the parent and the presentation currency of the consolidated financial statements.

In the preparation of the financial statements of the individual companies of the Group, the transactions expressed in currencies other than the functional currency are recorded at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Non-monetary items are measured at historical cost and are not translated. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

For purposes of the presentation of the consolidated financial statements, the assets and liabilities of foreign companies with functional currencies different from the Euro and which are included in the scope of consolidation are translated using the exchange rate in effect at the date of reference (current exchange method). Items in the income statement and cash flows in the statement of cash flows are translated at the average exchange rate for the year. The translation differences resulting from the application of this method are classified in equity until the sale of the investment.

Goodwill and fair value adjustments generated by the acquisition of a foreign entity are recognized in the respective currency and translated at the year-end exchange rates.

Revenue recognition

Revenues are formed mainly by sales of services produced within the major business segments of the Group and are stated net of any adjusting items.

Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

In particular, revenues are recognized in the main business segments as follows:

Cushman & Wakefield Group
The Cushman & Wakefield Group's revenues are categorized into transaction services and non-transaction services. Non-transaction services include primarily capital market services and client solutions (financial advisory, asset management, valuation, corporate real estate services, and research). Fees related to transaction services are recognized as revenue at the time the related services are fully performed and the amount can be measured reliably, unless significant material future contingencies exist; in which case they are recognized when the contingency is resolved.
Asset management fees are recognized as revenue when earned, typically on a monthly basis as services are rendered.
Other revenues for fees related to non-transaction services are recognized when the assignment has been completed. Fees for ongoing professional services are recognized as revenue when earned, which is when services are rendered.
The Cushman & Wakefield Group recognizes certain reimbursements (primarily salaries and related charges) mainly related to the facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Alpitour Group
Sales of tourist packages, airplane transportation services and brokering revenues are recognized based on the departure date.
Revenues for hotel services and services rendered in connection with the incoming sector are recognized in the income statement at the service performance date.
Premiums connected with reinsurance activities are recognized in the income statement on the client's departure date since the insurance coverage is strictly related to the travel package.

Juventus Football Club
Revenues from games and from radio and television rights and media income are recognized at the actual moment of the event (when the game is played). Revenues from season tickets are recognized when the tickets are paid even if payment is received at the end of the season preceding the season to which the tickets refer and are deferred on the accrual basis using the same principle (when the game is played).
Revenues from the performance of services (including sponsorships) are recognized on the basis of the stage of completion of the service or upon completion of the service.
Revenues are recorded net of returns, discounts and allowances.
Gains and losses from the sale of players' registration rights are recognized according the date affixed by the *Lega Nazionale Professionisti* giving execution to the contracts for national transfers and the transfer date indicated by the *Federazione Italiana Giuoco Calcio* for international transfers.
Gains from the sale of players' registration rights, in which 50% is simultaneously repurchased, are adjusted for 50% of their amount in order to recognize in the income statement the income accrued for the portion of the deferred rights actually transferred through the sale. The remaining amount of the gain, instead, will only be realized upon termination of the player-sharing agreement when the player leaves the company. If there is a loss on the sale of the players' right which precedes the signing of the player-sharing contract, this loss, on the contrary, is not adjusted for IFRS purposes. This is due to the fact that the loss is comparable to the effect of an impairment test of the deferred right, under the assumption that the moment in time in which right is disposed of represents the moment in which the loss arose.

IFI, IFIL and the IFIL Holdings System
Financial income is recognized according to the accrual principle on the basis of the effective rate of return.
Dividends from investments accounted for at cost are recognized in the income statement when they are approved and only from the earnings generated after the purchase of the investment holding. Instead, when the dividends are distributed from

reserves generated before acquisition, the dividends are recognized as a deduction from the cost of the investment holding.
Dividends from available-for-sale investments and investments held for trading are recognized in the income statement upon approval of the appropriation.

Commission expenses
Commissions payable to brokers are recorded at the time the Cushman & Wakefield Group recognizes its brokerage commission revenues and are generally not paid until after the collection of the related commissions receivable.

Other nonrecurring income (expenses)
Other nonrecurring income (expenses) include the gains and/or the losses on the disposal of non-current assets other than discontinued operations or assets held for sale (the results of the latter are included in "Profit (loss) from discontinued operations or assets held for sale"). They may also include impairment losses on assets, restructuring costs, accruals and utilizations of provisions for liabilities.

Earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the company by the weighted average number of shares outstanding during the year, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit attributable to the equity holders of the company is also adjusted to take into account the effects, net of taxes, of the conversion.
Basic and diluted earnings per share is calculated on the result from continuing operations and the result from discontinued operations or assets held for sale.

Segment information
Given the characteristics of the investments held through the subsidiary IFIL S.p.A., the segment information coincides with the consolidated data of each subsidiary and associate operating holding company, each of which represents an investment in a primary reporting segment.

6. Use of estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and assumptions are based on experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and the key assumptions concerning the future made in the process of applying the accounting policies and that may have the most significant effect on the amounts recognized in the consolidated financial statements or that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recoverable amount of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets and deferred tax assets. Each consolidated company periodically reviews the carrying amount of non-current assets held and used and assets that must be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows from the use or disposal of the asset, as established in company plans, and suitable discount rates in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the companies of the Group record an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the Group companies' most recent plans.

Pension plans and other post-employment benefits

Group companies sponsor pension plans and other health care plans in various countries. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group companies' actuarial consultants also use subjective factors such as resignations and mortality rates in making relevant estimates.

Contingent liabilities

The cases and claims against the companies of the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. The companies of the Group accrue a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed in the notes.

7. Adoption of new accounting standards, amendments and interpretations issued by the IASB

Accounting standards, amendments and interpretations adopted by the Group in 2007

In August 2005, the IASB issued IFRS 7 – Financial Instruments: Disclosures and a complementary amendment to IAS 1 – Presentation of Financial Statements: Capital Disclosures. The European Commission endorsed IFRS 7 and the complementary amendment to IAS 1 with EC Regulation 108/2006 dated January 11, 2006.

IFRS 7 requires disclosures about the significance of financial instruments for an entity's financial position and performance. These disclosures incorporate many of the requirements previously in IAS 32 – Financial Instruments: Disclosure and Presentation. IFRS 7 also requires information about the extent to which the entity is exposed to risks arising from financial instruments, and a description of management's objectives, policies and processes for managing those risks.

The amendment to IAS 1 introduces requirements for disclosures about an entity's capital and has no effect on the valuation or classification of those items.

On March 3, 2006, IFRIC issued the interpretation IFRIC 9 – Reassessment of Embedded Derivatives. The European Commission endorsed IFRIC 9 with EC Regulation 1329/2006 dated September 8, 2006.

IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the original cash flows which would otherwise be called for by the contract.

On July 20, 2006, IFRIC issued the interpretation IFRIC 10 – Interim Financial Reporting and Impairment. The European Commission endorsed IFRIC 10 with EC Regulation 610/2007 dated June 1, 2007.
IFRIC 10 states that where an entity has recognized an impairment loss in an interim period on goodwill or on some financial assets, that impairment cannot be reversed in subsequent interim financial statements nor in the annual financial statements.

Accounting standards, amendments and interpretations not yet in effect and not early adopted by the Group

On November 30, 2006, the IASB issued the standard IFRS 8 – Operating Segments that will come into effect beginning January 1, 2009 and supersedes IAS 14 – Segment Reporting. The European Commission endorsed IFRS 8 with EC Regulation 1358/2007 on November 21, 2007. The new standard requires the information provided in segment reporting to be based upon the components of the entity that management uses to make decisions about operational matters. The standard requires these operating segments to be identified on the basis of internal reports that are regularly reviewed by management in order to allocate resources to the segment and assess its performance. The adoption of this standard will have no effect on the measurement of items in the financial statements.

On November 2, 2006, IFRIC issued the interpretation IFRIC 11 - IFRS 2 – Group and Treasury Share Transactions, applicable for annual periods beginning on or after March 1, 2007. The European Commission endorsed IFRIC 11 with EC Regulation 611/2007 on June 1, 2007.
IFRIC 11 establishes how to apply IFRS 2 – Share-based Payment to share-based payment arrangements with an entity's own equity instruments or equity instruments of another entity of the same Group.

On March 29, 2007, the IASB issued a revised version of IAS 23 – Borrowing costs. The standard is in effect from January 1, 2009. The new version removes the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard will be applicable prospectively to borrowing costs relating to qualifying assets capitalized starting from January 1, 2009. At the date of this report, this standard has not yet been endorsed by the European Union.

On July 5, 2007 IFRIC issued the interpretation IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The interpretation is in effect from January 1, 2008. The interpretation provides general guidance on how to assess the limit in IAS 19 - Employee Benefits on the amount of the surplus that can be recognized as an asset. It also explains how the defined benefit asset or liability may be affected when there is a statutory or contractual minimum funding requirement. At the balance sheet date, this interpretation had not yet been endorsed by the European Union.

On September 6, 2007 the IASB issued a revised version of IAS 1 - Presentation of Financial Statements that is in effect from January 1, 2009. The revised standard requires an entity to present changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (meaning changes in comprehensive income) are required to be presented either in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Transactions with non-owners may not be presented in the statement of changes in equity. This standard had not yet been endorsed by the European Union at the balance sheet.

Interpretations in effect but relating to matters not applicable to the Group:

- IFRIC 7 – Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (in effect from January 1, 2007);
- IFRIC 8 – Scope of IFRS 2 (in effect from January 1, 2007);
- IFRIC 12 – Service Concession Arrangements (in effect from January 1, 2008);
- IFRIC 13 – Customer Loyalty Programmes (in effect from January 1, 2009).

8. Risk management

IFI S.p.A. is not subject to either direct credit risks or currency risks.

Financing needs and cash flows are managed with the aim of optimizing financial resources. Outgoing cash flows from current operations are basically financed by dividends collected. Liquidity risk could thus arise only for investment decisions in excess of cash availability or the revocation of existing credit lines. In this sense, IFI S.p.A. operates so that it has available and partly irrevocable credit lines with expiration dates and amounts consistent with its needs.

IFI S.p.A. assesses and manages its exposure to interest rate risk consistently with its financial management policies and uses derivative financial instruments to fix some of the financing obtained with a pre-set interest rate. There were no derivative financial instruments put into place for speculative purposes. In particular, in 2007, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some of the existing loans.

IFIL S.p.A. and the companies of the Holdings System

IFIL S.p.A. and the companies which form the Holdings System are not subject to particular credit risks. However, significant investments denominated in currencies other than the Euro, U.S. dollars in particular, are subject to currency risk. In view of the permanent characteristics of such investments, transactions to hedge the risk of exchange rate fluctuations on those currencies were not put into place.

With regard to liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming cash flows from ordinary activities.

Liquidity risk could thus arise only for investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFIL S.p.A. operates so that it has financial resources obtained from the issue of bonds and irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

IFIL S.p.A. assesses and manages its exposure to interest rate risk consistently with its management policies and uses derivative financial instruments to fix some of the financing obtained with a pre-set interest rate. There were no derivative financial instruments put into place for speculative purposes during the year; the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on one of the bonds issued.

Alpitour Group

The Alpitour Group regularly assesses it exposure to various types of risks and manages these risks using traditional and derivative instruments in accordance with its management and control policy. This policy does not allow the use of derivatives for speculative purposes but they are used for the management of fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

The Alpitour Group, and particularly the aviation division, is subject to the risk of fluctuations in fuel prices largely in connection with international political stability and other exogenous factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the fuel price risk exposure is hedged by commodity swaps and zero cost collars.

The exposure to exchange rate risks on commercial transactions in foreign currencies is mainly hedged by forward and zero cost collar contracts.
The exposure to interest rate risks on medium-term loans is mainly hedged by interest rate swaps and zero cost collars.

Cushman & Wakefield Group

Credit risk exposure of the Cushman & Wakefield Group is mainly influenced by the characteristics of each individual client. Other risk factors, including the default risk of the industry and country in which customers operates has less of an influence on credit risk. That depends on the type of services rendered and knowledge of the quality of the clients.
The Cushman & Wakefield Group is exposed to performance risks resulting from errors and omissions where assignments can not be completed or where assignments are completed in a negligent manner leading to punitive damage claims from customers in accordance with the terms of the service agreement.
The Cushman & Wakefield Group is insured against such errors and omissions claims under a domestic program and an international program. Under the domestic program, a primary insurance layer of $2 million is provided by the C&W Group's 100%-owned captive insurance subsidiary, Nottingham Indemnity, Inc., and an excess layer provided through third party insurance carriers. Under the International program, a primary insurance layer of £10 million and an excess layer are provided through third party insurance carriers.

Juventus Football Club

Juventus Football Club S.p.A. does not have significant concentrations of credit risk and has appropriate procedures in place to minimize such risk exposure. Receivables from Italian soccer companies are guaranteed by the compensation mechanism of the *Lega Nazionale Professionisti* while receivables from foreign soccer companies are largely guaranteed by sureties or other guarantees.
A large part of Juventus Football Club S.p.A.'s sales and purchases transactions are in Euro; thus the company is not subject to fluctuations in exchange rates to any relevant degree.
The company manages liquidity risk by keeping the bank loans secured from leading credit institutions at levels that avert financial pressure situations and are sufficient to meet operating and investment needs.

9. Change in the scope of consolidation

The following changes in the scope of consolidation during 2007 are at the level of the IFIL Group and therefore before attributing the equity and profit to the minority interest.

Deconsolidation of the Sequana Capital Group

On July 6, 2007, Ifil Investissements S.A. reached an agreement for the sale of an approximate 22% stake in Sequana Capital S.A. to DLMD – a company controlled by Pascal Lebard, general manager of Sequana Capital S.A.

After having obtained approval from the competent authorities, on July 27, 2007, Ifil Investissements S.A. sold 10,806,343 Sequana Capital shares at € 21 per share for a total equivalent net amount of € 226 million.

Ifil Investissements S.A. and DLMD signed a three-year stockholders' agreement aimed at keeping the stockholder base of Sequana Capital S.A. stable.

After this deal, Ifil Investissements S.A. holds 13,203,139 Sequana Capital S.A. shares, equal to 26.65% of the capital stock of this company at March 20, 2008. Starting from the date of July 1, 2007, this investment has been accounted for by the equity method.

In the financial statements at December 31, 2007, IFIL's share of the profit of Sequana Capital Group (48.805%) for the period January 1 – June 30, 2007 (€ 47 million), is shown in a specific line on the income statement "Discontinued operations or assets held for sale", net of the loss recognized on June 30, 2007 (approximately € 55 million, including transaction costs) on the sale of an approximate 22% stake in the capital stock.

IFIL's residual percentage holding in the profit of Sequana Capital Group (26.711%) for the period July 1 – December 31, 2007 is shown in the income statement in "Share of the profit (loss) of companies accounted for by the equity method".

Furthermore, the published consolidated income statement for the year ended December 31, 2006 of the IFI Group has been restated for comparative purposes by reclassifying the net balance of the income statement items of the Sequana Capital Group to the specific line "Discontinued operations or assets held for sale" which, therefore, shows IFIL's share of the profit of the Sequana Capital Group for the period January 1 – December 31, 2006.

This restatement is detailed in the following table.

€ in millions	2006 (published)	Deconsolidation Sequana Capital Group	**2006 (restated)**
Revenues	5,534	(4,045)	**1,489**
Other revenues from current operations	111	(44)	**67**
Purchases of raw materials and changes in inventories	(3,632)	2,653	**(979)**
Personnel costs	(925)	690	**(235)**
Costs for external services	(748)	501	**(247)**
Taxes and duties	(43)	37	**(6)**
Depreciation and amortization	(157)	103	**(54)**
Accruals to provisions and other expenses from current operations	(72)	9	**(63)**
Profit (loss) from current operations	68	(96)	**(28)**
Other nonrecurring income (expenses)	(62)	66	**4**
Operating profit (loss)	6	(30)	**(24)**
Gains (losses) on sales of investments	58	(37)	**21**
Cost of net debt	(36)	27	**(9)**
Other financial income (expenses)	72	(7)	**65**
Financial income (expenses)	94	(17)	**77**
Income taxes	(52)	42	**(10)**
Profit of companies consolidated line-by-line	48	(5)	**43**
Share of profit of companies accounted for by the equity method	352	(63)	**289**
Profit from continuing operations	400	(68)	**332**
Profit from discontinued operations or assets held for sale	0	68	**68**
Profit	400	0	**400**
Profit attributable to the equity holders of the company	221		**221**
Profit attributable to the minority interest (A)	179	0	**179**
Net gain on the sale of the investment in SGS attributable to the minority interest (B)	396	0	**396**
Total profit attributable to the minority interest (A)+(B)	575	0	**575**

Acquisition of control and consolidation of the Cushman & Wakefield Group

On March 30, 2007, Ifil Investissements S.A. purchased a 71.52% stake in the capital stock of C&W Group, Inc., a company which controls 100% of the capital stock of the Cushman & Wakefield Group. The remaining 28.48% stake in C&W Group Inc. is held by C&W Group management and employees.

This acquisition was made by Ifil Investissements S.A. which provided C&W Group, Inc. with the financing necessary to purchase the 71.52% stake of the Cushman & Wakefield Group from Rockefeller Group International Inc. for a total of $625 million equal to € 474 million). The remaining 28.48% stake of the Cushman & Wakefield Group was conferred to C&W Group, Inc. by Group management and employees for $249 million.

The total cost for the acquisition of 100% of the capital stock of the Cushman & Wakefield Group is therefore equal to $874 million (€ 663 million).

The fair value of the net assets acquired, determined by an independent valuation, amounts to $306 million (€ 233 million) while the goodwill is equal to $568 million (€ 430 million).

In addition to the acquisition cost, transaction costs incurred by Ifil Investissements total € 10 million which bring the total cost of the investment to € 673 million and goodwill to € 440 million, of which € 318 million is attributable to the IFIL Group and € 122 million to the minority interest.

The consolidated financial statements of the Cushman & Wakefield Group, prepared in accordance with IFRS, for the period April 1 – December 31, 2007, were consolidated by IFI through the consolidation of the IFIL Group at December 31, 2007.

With regard to the full-year 2007, revenues amount to more than $2.1 billion (+19% compared to 2006).

The following table gives additional details on the acquisition.

	Carrying amount of assets acquired	Fair value adjustment	Fair value of assets acquired (a)	Fair value of assets acquired (€ in millions converted at the €/$ 1.3177 purchase rate)
	$ in millions	$ in millions	$ in millions	€ in millions
Net assets acquired				
Property, plant and equipment	57	5	62	47
Intangible assets	21	461	482	366
Deferred tax assets	62		62	47
Investments accounted for by the equity method	7	3	10	7
Trade receivables and other receivables	305		305	231
Cash and cash equivalents	87		87	66
Other financial assets	48		48	36
Other current assets	27		27	21
Other non-current assets	24		24	19
Other receivables	84		84	64
Total assets	722	469	1,191	904
Provisions for employee benefits	(84)		(84)	(64)
Provisions for other liabilities and charges	(10)		(10)	(8)
Bonds and other debt	(150)		(150)	(114)
Trade payables	(299)		(299)	(227)
Other current liabilities	(19)		(19)	(14)
Provisions for employee benefits – non-current	(42)		(42)	(32)
Provisions for other liabilities and charges – non-current	(3)		(3)	(2)
Bonds and other debt – non-current	(61)		(61)	(46)
Deferred tax liabilities	(14)	(164)	(178)	(135)
Other non-current liabilities	(36)		(36)	(27)
Equity attributable to the minority interest	(3)		(3)	(2)
Total equity and liabilities	(721)	(164)	(885)	(671)
Total net assets acquired	**1**	**305**	**306**	**233**
Value of acquisition			**874**	**663**
Transaction costs incurred by Ifil Investissements				**10**
Total value of acquisition			**874**	**673**
Goodwill recognized			**568**	**440**
Of which, Goodwill - the Group's share			**406**	**318**
Goodwill – the minority interest's share			**162**	**122**
Nature of payment:				
Consideration paid in cash		71.5%	625	474
Transaction costs incurred by Ifil Investissements				10
Consideration paid in C&W stock		28.5%	249	189
			874	**673**
Net cash flows of the investment				
Cash			625	474
Cash acquired			87	66
Transaction costs incurred by Ifil Investissements				10
Net cash flows of the investment			**538**	**398**

(a) Fair value determined definitively at the time of preparing the consolidated financial statements at December 31, 2007.

Change in the scope of consolidation of the Cushman & Wakefield Group

During the period April 1 – December 31, 2007, certain acquisitions were made by the Cushman & Wakefield Group for a total investment of $71 million (€ 48 million).

The total net fair value of property, plant and equipment and intangible assets amounts to $25.4 million (€ 17 million) while the goodwill recognized totals $45.6 million (€ 31 million).

Change in the scope of consolidation of the Alpitour Group

During the year, the Alpitour Group sold the investment in the Tunisian company "Kelibia Beach S.A." in which a 99% stake was held by Horizon Holidays for an equivalent amount of € 18 million, realizing a net gain of € 6 million.

Other changes in the scope of consolidation of the Holdings System

During the last quarter of 2007, the following companies were consolidated: IFIL France S.A. (set up on July 27, 2007 and not yet operational) and ANCOM USA Inc. (an American company which holds 1.96% of NoCo A LP, under which all the activities of the Perella Weinberg Group are conducted).
Both companies were acquired through the direct subsidiary Ifil Investissements S.A.

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED INCOME STATEMENT

10. Segment information

Information by business segment and by geographical area, presented as set forth in IAS 14 – Segment Reporting, is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The primary reporting format consists of the business segments whereas the geographical areas make up the secondary reporting format. This distinction is based upon the nature of the risks and rewards inherent in the Group's activities and reflects the organizational structure.

The segment information presented by the IFI Group agrees with the consolidated data of each subsidiary and associate holding company, every one of which represents an investment in a major business segment: Cushman & Wakefield Group, Alpitour Group, Juventus Football Club, Fiat Group, Sequana Capital Group, IFI and the IFIL Holdings System.

The segment information relating to continuing operations is presented in the following tables; the segment information relating to discontinued operations or assets held for sale is presented in Notes 18 and 28.

The analysis of the income statement by business segment is as follows:

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Capital Group	IFI and IFIL Holdings System	**Total**
2007							
Revenues	1,255	1,236	165			1	**2,657**
Operating profit (loss)	74	21	(7)			(50)	**38**
Financial income (expenses)							**91**
Income taxes							**(43)**
Profit of companies consolidated line-by-line							**86**
Share of the profit of companies accounted for by the equity method				566	21		**587**
Loss from discontinued operations or assets held for sale					(8)		**(8)**
Profit							**665**
Profit attributable to the equity holders of the company							**444**
Profit attributable to the minority interest							**221**

€ in millions	Alpitour Group	Juventus	Fiat Group	Sequana Capital Group	IFI and IFIL Holdings System	**Total**
2006						
Revenues	1,332	156			1	**1,489**
Operating profit (loss)	12	(12)			(24)	**(24)**
Financial income (expenses)						**77**
Income taxes						**(10)**
Profit of companies consolidated line-by-line						**43**
Share of the profit of companies accounted for by the equity method			289			**289**
Profit from discontinued operations or assets held for sale				68		**68**
Profit						**400**
Profit attributable to the equity holders of the company						**221**
Profit attributable to the minority interest						**179**
Net gain on the sale of SGS attributable to the minority interest				396		

The data for the Cushman & Wakefield Group refers to the period April 1 - December 31, 2007, after acquisition.

Segment assets are as follows:

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Capital Group	IFI and IFIL Holdings System	Total
2007							
Assets							
Segment assets	1,079	315	244			62	**1,700**
Investments accounted for by the equity method	6	1		3,125	341		**3,473**
Other assets							**3,918**
Assets held for sale							**3**
Total assets							**9,094**
Liabilities							
Segment liabilities	411	265	136			29	**841**
Other liabilities							**8,253**
Total liabilities							**9,094**
Investments in property, plant and equipment and intangible assets	(27)	(16)	(61)			(1)	**(105)**
Depreciation and amortization	(48)	(17)	(27)				**(92)**
Impairment losses on assets		(6)	(1)				**(7)**
Other (accruals) releases of provisions	2	(3)					**(1)**
Other non-monetary costs			(15)				**(15)**
Cash flows							
Cash flows from operating activities	154	47	(16)			151	**336**
Cash flows from investing activities	(12)	4	(2)			(281)	**(291)**
Cash flows from financing activities	(60)	(17)	99			604	**626**

€ in millions	Sequana Capital Group	Alpitour Group	Juventus	Fiat Group	IFI and IFIL Holdings System	Total
2006						
Assets						
Segment assets	3,011	325	210		16	**3,562**
Investments accounted for by the equity method	3	1		2,611	4	**2,619**
Other assets						**4,238**
Assets held for sale	109		19			**128**
Total assets						**10,547**
Liabilities						
Segment liabilities	1,071	243	131		30	**1,475**
Other liabilities						**9,040**
Liabilities relating to assets held for sale	32					**32**
Total liabilities						**10,547**
Investments in property, plant and equipment and intangible assets	(132)	(16)	(47)			**(195)**
Amortization and depreciation	(103)	(16)	(38)			**(157)**
Impairment losses of assets	(62)					**(62)**
Reversals of impairment losses of assets	(10)					**(10)**
Other (accruals) releases of provisions	(2)					**(2)**
Other non-monetary costs	(938)					**(938)**
Cash flows						
Cash flows from operating activities	134	30	(74)		64	**154**
Cash flows from investing activities	334	22	38		(30)	**364**
Cash flows from financing activities	(694)	(103)	4		67	**(726)**

The following table presents an analysis of the revenues of the Group in the various geographical markets, regardless of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2007			
Italy	1,223	515	76
Europe excluding Italy	458	155	12
United States	783	885	12
Rest of the world	193	145	5
Total at December 31, 2007	**2,657**	**1,700**	**105**

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2006			
Italy	1,339	591	66
Europe excluding Italy	128	2,292	87
United States	0	264	6
Rest of the world	22	415	36
Total at December 31, 2006	**1,489**	**3,562**	**195**

11. Revenues

Details of revenues are as follows:

€ in millions	2007	2006	Change
Revenues from rendering tourist services	**1,236**	1,334	(98)
Real estate brokerage commissions	**969**	0	969
Revenues from property management activities (a)	**145**	0	145
Radio and television rights and media revenues	**115**	100	15
Revenues from financial consulting and property management services	**65**	0	65
Corporate real estate business consulting services and research	**60**	0	60
Revenues from sponsorships and advertising	**39**	42	(3)
Revenues from rendering services and consulting	**19**	1	18
Revenues from season tickets and ticket office sales	**9**	12	(3)
Total revenues	**2,657**	1,489	1,168

(a) These are reimbursements for property management activities rendered by the Cushman & Wakefield Group and received from the owners of the properties.

12. Other revenues from current operations

Details of other revenues from current operations are as follows:

€ in millions	2007	2006	Change
Gains on the sale of players' registration rights	**19**	36	(17)
Other income	**14**	31	(17)
Operating grants	**3**	0	3
Total other revenues from current operations	**36**	67	(31)

13. Personnel costs

Details of the composition of personnel costs are as follows:

€ in millions	**2007**	2006	Change
Salaries and wages	**(898)**	(200)	(698)
Employee costs relating to the property management activities of the Cushman & Wakefield Group (a)	**(145)**	0	(145)
Share of results paid to partners of the EMEA division of the Cushman & Wakefield Group	**(48)**	0	(48)
Employee stock options	**(12)**	0	(12)
Social security contributions	**(41)**	(25)	(16)
Health insurance	**(21)**	0	(21)
Other employee costs	**(11)**	(4)	(7)
Temp work costs	**(5)**	(1)	(4)
Employee severance indemnities expense	**(5)**	(5)	0
Total personnel costs	**(1,186)**	(235)	(951)

(a) The corresponding reimbursement by the owners of the properties is recorded in Revenues.

14. Other nonrecurring income (expenses)

Details are as follows:

€ in millions	**2007**	2006	Change
Impairment losses on assets	**(9)**	0	(9)
Net other income (expenses)	**(19)**	4	(23)
Total other nonrecurring income (expenses)	**(28)**	4	(32)

In 2007, impairment losses include the following:

- the impairment loss of € 7 million, relating to the Juventus Football Club video archives, carried out on the basis of the commercial exploitation plan and the estimated cash and economic flows acquired and expected;
- the impairment loss of € 2 million, regarding the design costs of the new Stadio delle Alpi that were capitalized in the past and are no longer recoverable in view of recent developments on the project.

In 2007, net other income (expenses) include:

- transaction costs and expenses incurred to close the dispute over the sale of La Rinascente for € 8 million;
- accrual for the current-year cost of € 13 million for the stock option plan approved for the management of the subsidiary Alpitour;
- income of € 3 million from the reduction ruled by the Court of Appeals of Turin on the pecuniary administrative sanction imposed on IFIL S.p.A. by Consob;
- net loss from the sale of the investment in Campi di Vinovo, a company previously controlled by Juventus Football Club, and the “Mondo Juve” business segment for € 1 million.

Particularly with regard to the transaction for the sale of Campi di Vinovo, on October 2, 2007, Juventus Football Club sold the residual investment (equal to 69.8% of capital stock) to Costruzioni Generali Gilardi S.p.A. and, at the same time, collected the first installment of € 1.1 million. Furthermore, Juventus Football Club sold the business segment that included the contracts and the activities relating to construction of the Mondo Juve commercial park to Campi di Vinovo for € 25 million and agreed to cover a part of the urbanization costs up to a maximum amount of € 19.2 million.
Juventus Football Club still has the obligation to conclude all the administrative procedures, which are in the process of being finalized, including the project variances.

The overall economic effects of this transaction are summarized below:

€ in millions	
Sales value of the business segment (including the commercial permits)	25
Urbanization expenses accrued	(19)
Registration tax and notary fees relating to the sale of the business segment	(1)
Loss on the sale of the investment in Campi di Vinovo S.p.A.	(4)
Final estimated profit on the transaction	**1**
Receivables from Campi di Vinovo S.p.A. discounted to present value	(5)
Receivables from Costruzioni Generali Gilardi S.p.A. discounted to present value	(1)
Urbanization expenses discounted to present value	4
Discounted cash flow effect	**(2)**
Economic effect	**(1)**

In 2006, net other income (expenses) included the accrual for the administrative sanction of € 5 million levied on IFIL S.p.A. by Consob in reference to the content of the press release dated August 24, 2005, the excess, equal to € 5 million, of the increment in IFI's share of the consolidated equity of the IFIL Group compared to the cost of the IFIL shares purchased during the year, the current-year cost for that year of € 3 million relating to the stock option plan approved for the management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006 (+€ 8 million) and other sundry expenses of € 1 million.

15. Financial income (expenses)

Details of the composition of financial income (expenses) are as follows:

€ in millions	**2007**	2006	Change
Gains (losses) on sales of investments:			
Kelibia Beach S.A.	**6**	0	6
Turismo&Immobiliare	**1**	0	1
Blumarine Hotel S.A. De C.V.	**0**	15	(15)
Exor Group S.A.	**0**	7	(7)
Other minor investments	**0**	(1)	1
	7	21	(14)
Gain on the conferral of the Fiorio Management business segment to AW Events S.r.l.	**2**	0	2
Net gains	**9**	21	(12)
Cost of net debt			
Income on current securities, cash and cash equivalents	**33**	23	10
Net income on exchange rate and interest rate hedging transactions	**3**	1	2
Exchange differences	**(1)**	(1)	0
Interest expenses on loan transactions	**(73)**	(28)	(45)
Commissions for unused credit lines	**(3)**	(4)	1
Total cost of net debt	**(41)**	(9)	(32)
Other financial income (expenses)			
Dividends collected	**112** (a)	53	59
Interest income on other financial assets	**12**	2	10
Changes in the fair value of financial assets and liabilities	**(1)**	10	(11)
Total other financial income (expenses)	**123**	65	58
Financial income (expenses)	**91**	77	14

(a) Collected from Intesa Sanpaolo for € 110 million (€ 53 million in 2006) and Gruppo Banca Leonardo for € 2 million.

16. Income taxes

Details of income taxes recorded in the income statement are as follows:

€ in millions	**2007**	2006	Change
Current income taxes	**(37)**	(13)	(24)
Deferred income taxes	**(6)**	3	(9)
Total income taxes	**(43)**	(10)	(33)

National income taxes are calculated at 33%, in 2007 and in 2006, on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in the various countries.

Deferred income taxes recorded in 2007 include the positive effect of the recalculation of deferred income taxes for € 2.3 million as a result of the application of Law 244 (Budget Law 2008) dated November 24, 2007 which reduced the IRES tax rate for Italian companies from 33% to 27.5% starting in 2008.

In addition to the taxes recorded in the income statement, deferred tax liabilities were recognized directly in equity for € 33 million (€ 55 million in 2006). At December 31, 2007, no deferred tax assets were recognized in equity (€ 4 million in 2006).

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the tax rate in effect in Italy, is the following:

€ in millions	**2007**	2006
Operating profit (loss)	**38**	(24)
Financial income (expenses)	**91**	77
Pre-tax profit	**129**	53
Current tax rate in Italy	**33%**	33%
Theoretical income taxes	**(42)**	(17)
Effective income taxes	**(43)**	(10)
Difference	**1**	(7)
The difference can be analyzed as follows:		
Tax effect of difference between foreign tax rates and the theoretical Italian tax rate	**2**	2
Effect of tax rate reduction on deferred income taxes	**2**	0
Tax effect of other permanent differences	**27**	73
Deferred tax benefits not recognized	**(25)**	(57)
Use of excess deferred income taxes	**0**	3
Other differences	**(7)**	(14)
Difference	**(1)**	7

Theoretical income taxes are calculated using the IRES tax rate on pre-tax profit.

17. Share of the profit (loss) of companies accounted for by the equity method

Details are as follows:

€ in millions	2007		2006		Change
Fiat Group	**566**	(a)	289	(a)	277
Sequana Capital Group (remaining interest)	**20**	(b)	0		20
Sundry Cushman & Wakefield Group companies	**1**		0		1
Total	**587**		289		298

(a) Includes net negative consolidation adjustments for € 1 million (-€ 15 million in 2006) mainly for the assignment of preferred dividends to the minority interest.
(b) Includes a positive consolidation adjustment for € 8 million for the writedown of goodwill on the AWA Group since it was partially amortized by IFIL in prior years.

For additional information on the companies accounted for by the equity method, reference should be made to Note 23.

18. Profit (loss) from discontinued operations or assets held for sale

The loss from discontinued operations or assets held for sale is € 8 million and includes the share of the result of Sequana Capital for the first half of 2007 (48.805% of capital stock) and the loss on the sale of the 22% stake in the same company.

Details are as follows:

€ in millions	2007 (a)	2006
Sequana Capital Group		
Revenues	**2,075**	4,089
Operating expenses	**(2,024)**	(3,993)
Other nonrecurring income (expenses)	**57**	(66)
Financial income (expenses)	**9**	17
Profit before taxes	**117**	47
Income taxes	**(21)**	(42)
Share of the profit of companies accounted for by the equity method	**0**	63
Profit of the Sequana Capital Group	**96**	68
Share attributable to the minority interest (51.195%)	**(49)**	
Share attributable to the IFIL Group (48.805%)	**47**	
Net loss realized on the sale of the 22% interest in the Sequana Capital Group	**(55)**	0
Profit (loss) from discontinued operations or assets held for sale	**(8)**	68

(a) Data refers to the first half of 2007 since the remaining stake in Sequana Capital has been accounted for by the equity method starting from July 1, 2007.

€ in millions	2007
Net cash flows from the sale of the 22% stake in the Sequana Capital Group	
Net proceeds from the sale	**226**
Cash of the Sequana Capital Group deconsolidated from January 1, 2007	**(207)**
Net cash flows	**19**

19. Earnings per share

		2007	2006
Average number of ordinary shares issued (a)	number	**86,450,000**	86,450,000
Average number of preferred shares outstanding, net of treasury stock	number	**71,441,160**	71,441,160
Net earnings attributable to the equity holders of the company	€ in ml	**444**	221
Earnings attributable to ordinary shares	€ in ml	**241**	119
per ordinary share	*€*	***2.790***	*1.379*
Earnings attributable to preferred shares	€ in ml	**203**	102
per preferred share	*€*	***2.842***	*1.431*
Earnings from continuing operations	€ in ml	**449**	215
Earnings from continuing operations attributable to ordinary shares	€ in ml	**244**	116
per ordinary share	*€*	***2.823***	*1.338*
Earnings from continuing operations attributable to preferred shares	€ in ml	**205**	99
per preferred share	*€*	***2.875***	*1.390*
Earnings from discontinued operations	€ in ml	**(5)**	7
Earnings from discontinued operations attributable to ordinary shares	€ in ml	**(5)**	2
per ordinary share	*€*	***(0.056)***	*0.018*
Earnings from discontinued operations attributable to preferred shares	€ in ml		5
per preferred share	*€*		*0.069*

(a) IFI S.p.A. does not hold ordinary treasury stock.

COMMENTS ON THE PRINCIPAL ITEMS IN THE CONSOLIDATED BALANCE SHEET

20. Goodwill

The composition of goodwill by business segment is as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Goodwill on 48,750,000 IFIL ordinary shares purchased in 2007	**68**	0	68
IFIL Group	**68**	0	68
Goodwill on the acquisition of the Cushman & Wakefield Group (IFIL Group's share)	**284**	0	284
Goodwill on other Cushman & Wakefield Group companies	**31**	0	31
C&W Group Inc	**315**	0	315
Jumboturismo S.A.	**11**	11	0
Altamarea V&H Compagnia Alberghiera S.p.A.	**8**	8	0
Viaggidea S.p.A.	**6**	6	0
AW Events S.r.l.	**2**	0	2
Alpitour Group	**27**	25	2
Sequana Capital Group (a)	**0**	735	(735)
Net goodwill	**410**	760	(350)

(a) Change as a result of the deconsolidation of Sequana Capital Group.

The analysis of the changes in goodwill is as follows:

€ in millions	**12/31/2007**	12/31/2006
GROSS AMOUNT		
Opening balance	**964**	1,009
Changes		
Increases through business combinations:		
- Cushman & Wakefield Group (IFIL Group's share)	**318**	
- Other	**50**	11
Goodwill on purchase of IFIL ordinary shares	**68**	
Increase in the initial goodwill of the Cushman & Wakefield Group as a result of the change in percentage of consolidation	**3**	0
Reclassification to "Assets held for sale"		(30)
Deconsolidation of the Sequana Capital Group	**(935)**	
Exchange differences	**(35)** (a)	(6)
Other changes	**(19)**	(20)
Total changes	**(550)**	(45)
Closing balance	**414**	964
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	**(204)**	(195)
Changes		
Exchange differences	**0**	1
Impairment losses recognized in the income statement	**(1)**	(28)
Deconsolidation of the Sequana Capital Group	**200**	0
Other changes	**1**	18
Total changes	**200**	(9)
Closing balance	**(4)**	(204)
NET AMOUNT	**410**	760

(a) Of which € 32 million is due to the goodwill from the acquisition of the Cushman & Wakefield Group.

Goodwill recognized on the acquisition of the Cushman & Wakefield Group is deemed representative of the aggregate of the future economic benefits from the investment and cannot be identified separately.

For additional information of the acquisition of the control of the Cushman & Wakefield Group and on the recognition of goodwill, reference should be made to Note 9.

In 2007, IFI S.p.A. purchased 48,750,000 IFIL ordinary shares for an investment of € 350 million, booking in "Goodwill" the excess (€ 68 million) over the share of the consolidated equity of the IFIL Group (equal to € 282 million).

Impairment test on the goodwill and trademarks of the Cushman & Wakefield Group

The main assumptions used in the calculation of the impairment test are presented below.

For the purpose of impairment testing, the Cushman & Wakefield Group allocates the goodwill and trademarks to the cash-generating units (CGU) which represent the lowest level within Cushman & Wakefield Group at which these assets are monitored.

The carrying amount of goodwill and trademarks are allocated as follows:

€ in millions	Goodwill	Trademarks	Total
United States	200	88	288
Canada	13	16	29
Latin America	10	7	17
EMEA	81	53	134
Asia	11	9	20
	315	173	488

The recoverable amount of a cash-generating unit (CGU) to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. The impairment testing for all CGUs was based on the value in use.

The value in use was determined using the fair market value method of the Group as determined by an independent appraisal and assigned to each CGU.

The fair value method consists of applying multiples to the net operating revenues in the budget, to the net operating revenues of the 12 previous months, as well as the average of the last three years.

The multiples have also been applied to the EBITDA for the same periods. The multiples are based on the multiples of comparable listed companies operating in the same industry and adjusted to take into account specific factors of the Cushman & Wakefield Group such as risk, growth and margins.

Such multiples have then be adapted in relation to the industry's cyclical phases and periods so as to better reflect the current and future value.

The average value of capital has been determined on the basis of such factors in order to reach an estimate of the fair value of each CGU. The market value of each unit has then been compared to the net value of the assets in order to highlight any impairment indicators.

The market capitalization for each CGU exceeded the carrying value of the CGU including allocated goodwill and trademarks.

Management of the Cushman & Wakefield Group believes that the recoverable amount of the CGU would still exceed the units' carrying amount even if key assumptions would unfavorably change as much as 10%.

21. Other intangible assets

The changes in other intangible assets are as follows:

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	**Total**
GROSS AMOUNT – Opening balance at December 31, 2005	**191**	**386**	**46**	**11**	**634**
Changes					
Increases	23	12	4	40	**79**
Increases through business combinations	1				**1**
Decreases	(23)	(170)	(1)		**(194)**
Exchange differences	(1)				**(1)**
Reclassification to "Assets held for sale"			(1)		**(1)**
Other changes and reclassifications	10		(1)	(7)	**2**
Total changes	10	(158)	1	33	**(114)**
Closing balance at December 31, 2006	**201**	**228**	**47**	**44**	**520**
Changes					
Increases	1	61	1	7	**70**
Increases through business combinations					
- Cushman & Wakefield Group	194		172		**366**
- Other	4		17		**21**
Decreases		(36)	(2)		**(38)**
Exchange differences	(22)		(19)		**(41)**
Reclassification to "Assets held for sale"	(7)		(3)		**(10)**
Deconsolidation of the Sequana Capital Group	(147)		(12)	(13)	**(172)**
Other changes and reclassifications	31	(20)	9	(38)	**(18)**
Total changes	54	5	163	(44)	**178**
Closing balance at December 31, 2007	**255**	**233**	**210**	**0**	**698**
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2005	**(119)**	**(240)**	**(32)**	**0**	**(391)**
Changes					
Uses	14	109			**123**
Impairments	(8)				**(8)**
Amortization	(17)	(38)	(3)		**(58)**
Exchange differences					**0**
Other changes and reclassifications	(2)		4		**2**
Total changes	(13)	71	1	0	**59**
Closing balance at December 31, 2006	**(132)**	**(169)**	**(31)**	**0**	**(332)**
Changes					
Increases through business combinations:					
- Other	(2)				**(2)**
Uses		26	1		**27**
Impairments	(7)				**(7)**
Amortization	(8)	(26)	(36)		**(70)**
Reclassification to "Assets held for sale"	7		3		**10**
Deconsolidation of the Sequana Capital Group	103		9		**112**
Exchange differences	1		1		
Other changes and reclassifications		20	(1)		**19**
Total changes	94	20	(24)	0	**90**
Closing balance at December 31, 2007	**(38)**	**(149)**	**(55)**	**0**	**(242)**
NET AMOUNT					
At December 31, 2006	69	59	16	44	188
At December 31, 2007	**217**	**84**	**155**	**0**	**456**

The “increases” from the business combination of the Cushman & Wakefield Group mainly relate to the fair value estimation of the trademarks and customer relationships at the time of acquisition.

The trademark of Cushman & Wakefield Group, which is the largest international real estate services operator, is a very recognizable name on the market which the Cushman & Wakefield Group aims to develop and build upon continuously. The trademark is classified as an “intangible asset with an indefinite life” since it will generate future cash flows indefinitely and, as a result, is not amortized, but is tested annually for impairment (Note 20).

At December 31, 2007, there are no commitments for the purchase of intangible assets. At December 31, 2006, commitments amounted to € 1 million and referred to the Sequana Capital Group.

In 2007, there are no research and development expenditures charged to the income statement. In 2006, expenditures amounted to € 17 million and referred entirely to the Sequana Capital Group.

Intangible assets completely amortized but still in use total € 21 million and refer to the concessions, licenses and trademarks of the Alpitour Group for € 16 million and other intangible assets for € 5 million.

In 2007, the increases in assets generated internally amount to € 8 million and refer entirely to the Cushman & Wakefield Group. In 2006 these amounted to € 6 million.

The amortization policy for the main intangible assets is as follows:

- the Cushman & Wakefield Group amortizes customer relationships over 16 years and non-competing agreements over 4 years;
- Juventus Football Club amortizes the players' registration rights on a straight-line basis over the term of the contracts; items and articles of the Juventus Football Club library are assets with an indefinite life and as such are subject to an impairment test;
- the Alpitour Group amortizes the government concession rights over the original periods of the concessions.

22. Property, plant and equipment

The changes in property, plant and equipment are as follows:

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	**Total**
GROSS AMOUNT								
Opening balance at December 31, 2005	**55**	**539**	**21**	**1,960**	**209**	**48**	**1**	**2,833**
Changes								
Increases	4	10	1	27	25	54	2	**123**
Decreases	(22)	(80)		(93)	(10)			**(205)**
Reclassification to "Assets held for sale"				(10)	(3)		(2)	**(15)**
Increases through business combinations	2	2		1	3			**8**
Exchange differences	(1)	(10)	(1)	(47)	(5)	(1)		**(65)**
Other changes and reclassifications	19	(1)	1	26	(3)	(44)	(1)	**(3)**
Total changes	2	(79)	1	(96)	7	9	(1)	**(157)**
Closing balance at December 31, 2006	**57**	**460**	**22**	**1,864**	**216**	**57**	**0**	**2,676**
Changes								
Increases		2	2	12	33	20		**69**
Decreases		(6)		(7)	(28)			**(41)**
Reclassification to "Assets held for sale"	(1)	(18)	(1)	(8)	(9)	(1)		**(38)**
Deconsolidation of the Sequana Capital Group	(35)	(348)		(1,844)	(161)	(63)		**(2,451)**
Increases through business combinations:								
- Cushman & Wakefield Group					45	2	1	**48**
- Other		4			6			**10**
Exchange differences		(2)		(9)	(5)	(1)		**(17)**
Other changes and reclassifications	(1)	(7)	(3)	2	18	(1)	(1)	**7**
Total changes	(37)	(375)	(2)	(1,854)	(101)	(44)	0	**(2,413)**
Closing balance at December 31, 2007	**20**	**85**	**20**	**10**	**115**	**13**	**0**	**263**
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2005	**(3)**	**(241)**	**(8)**	**(1,506)**	**(136)**	**0**	**0**	**(1,894)**
Changes								
Decreases	11	30		78	8			**127**
Reclassification to "Assets held for sale"					(2)			**(2)**
Increases through business combinations					(1)			**(1)**
Impairments		(1)		(25)				**(26)**
Impairment reversals				9	1			**10**
Depreciation		(18)	(2)	(61)	(17)			**(98)**
Exchange differences		4		41	3			**48**
Other changes and reclassifications	(9)	13	1	(3)	3			**5**
Total changes	2	28	(1)	39	(5)	0	0	**63**
Closing balance at December 31, 2006	**(1)**	**(213)**	**(9)**	**(1,467)**	**(141)**	**0**	**0**	**(1,831)**
Changes								
Decreases					7			**7**
Reclassification to "Assets held for sale"		9	1	13	7			**30**
Deconsolidation of the Sequana Capital Group	1	194		1,464	110	1		**1,770**
Increases through business combinations		(1)		1	(5)			**(5)**
Impairments						(2)		**(2)**
Impairment reversals		4		12	13			**29**
Depreciation		(9)	(3)	(36)	(26)			**(74)**
Exchange differences		1		8	1			**10**
Other changes and reclassifications		2	2		(5)	(1)		**(2)**
Total changes	1	200	0	1,462	102	(2)	0	**1,763**
Closing balance at December 31, 2007	**0**	**(13)**	**(9)**	**(5)**	**(39)**	**(2)**	**0**	**(68)**
NET AMOUNT								
At December 31, 2006	56	247	13	397	75	57	0	845
At December 31, 2007	**20**	**72**	**11**	**5**	**76**	**11**	**0**	**195**

In 2007 and 2006, the Alpitour Group has capitalized borrowing costs for € 1 million.

Commitments for the acquisition of property, plant and equipment amount to € 3 million at December 31, 2007 and relate to the Cushman & Wakefield Group. At December 31, 2006, they amounted to 5 million and referred entirely to the Sequana Capital Group.

At December 31, 2007, the gross carrying amount of property, plant and equipment completely depreciated but still in use amounts to € 19 million (€ 7 million at December 31, 2006).

Finance lease contracts on property, plant and equipment
The carrying amount of property, plant and equipment includes € 22 million of assets leased under finance contracts at December 31, 2007 by Juventus Football Club for the Vinovo training center.
At December 31, 2006, the balance of € 41 million included the assets leased under finance contracts by the Sequana Capital Group, Juventus Football Club S.p.A. and the Alpitour Group.

Leasing information is as follows:

€ in millions	Land and Buildings
Nominal amount at lease inception	22
Residual floating-rate debt, discounted to present value, at the balance sheet date	18
Residual lease debt due at the reporting date	
To 1 year	2
2 to 5 years	6
After 5 years	10
	18

23. Investments accounted for by the equity method

Details are as follows:

€ in millions	**12/31/2007** **% of investment**	**Carrying amount**	12/31/2006 % of investment	Carrying amount	Change
FIAT Group	**29.01**	**3,125**	28.60	2,611	514
Sequana Capital Group	**26.71**	**341**	-	-	341
Turismo&Immobiliare	**-**	**0**	25.00	4	(4)
Sundry Sequana Capital Group associates	**-**	**0**	**-**	3	(3)
Sundry Cushman & Wakefield Group associates	**-**	**6**	**-**	-	6
Sundry Alpitour Group associates	**-**	**1**	**-**	1	0
		3,473		2,619	854

The analysis of the changes during the year is as follows:

€ in millions	12/31/2007	12/31/2006	Change
Opening balance	**2,619**	3,165	(546)
Increases through business combinations of the Cushman & Wakefield Group	**6**	0	6
Decreases	**(5)**	0	(5)
Reclassification of the remaining interest in the Sequana Capital Group	**301**	0	301
Share of the profit (loss) of companies accounted for by the equity method (Note 17)	**587**	352	235
Translation differences	**(42)**	(152)	110
Dividends distributed	**(80)**	(37)	(43)
Fair value, cash flow hedges, actuarial gains (losses) recognized directly in equity	**77**	8	69
Other movements	**10**	68	(58)
Investments in Fiat stock	**-**	63	(63)
Sale of the stake of the investment in SGS to third parties	**-**	(276)	276
Sale of the investment in Exor Group		(199)	199
Reclassification of the investment in SGS to "Other financial assets"	**-**	(350)	350
Reimbursements of capital received from SGS	**-**	(23)	23
Total changes	**854**	(546)	1,400
Closing balance	**3,473**	2,619	854

For additional information on the deconsolidation of the Sequana Capital Group, reference should be made to Note 9 "Change in the scope of consolidation".

Highlights of the Fiat Group are presented below (see also Note 44).

	Fiat Group	
€ in millions	**2007**	2006
Currency	**Euro**	Euro
Closing date	**12/31/2007**	12/31/2006
Total assets	**60,136**	58,404
Current and non-current liabilities	**48,857**	48,368
Revenues	**58,529**	51,832
Profit attributable to the equity holders of the company and the minority interest	**2,054**	1,151
Of which, the IFIL Group's share	**566**	289
Net financial position	**1,764**	(231)
Fair value of interest held by the Group (based on stock market prices at the end of December)	**6,269**	5,172

Highlights of the Sequana Capital Group are presented below:

	Sequana Capital Group		
€ in millions	**2007**	2006	
Currency	**Euro**	Euro	
Closing date	**12/31/2007**	12/31/2006	
Total assets	**3,862**	3,706	
Current and non-current liabilities	**2,575**	2,462	
Revenues	**4,290**	3,979	
Profit attributable to the equity holders of the company and the minority interest		464	(a)
- first half 2007	**95**		
- second half 2007	**46**		
Of which, the IFIL Group's share		10	
- first half 2007	**(8)**		
- second half 2007	**20**		
Net financial position	**771**	376	
Fair value of interest held by the Group (based on stock market prices at the end of December)	**290**	560	

(a) Profit adjusted for the elimination of the gain net of taxes on the Sequana Capital/SGS Public Exchange and Purchase Offer and for the diluting effect of the reduction in the stake held.

24. Financial assets

The composition of financial assets is as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Non-current financial assets	**2,675**	2,673	2
Current financial assets	**160**	1,109	(949)
Total financial assets	**2,835**	3,782	(947)

Details are as follows:

	Non-current financial assets				Current financial assets	
€ in millions	**12/31/2007**	% held	12/31/2006	% held	**12/31/2007**	12/31/2006
Investments						
Intesa Sanpaolo S.p.A. (a)	**1,565**	**2.45%**	1,640	4.96% (c)	**0**	0
SGS S.A. (a)	**957**	**15.00%**	870	13.16%	**0**	3
Gruppo Banca Leonardo S.p.A. (b)	**82**	**9.82%**	47	9.43%	**0**	0
Other investments at fair value	**0**		12		**0**	0
NoCo A LP	**19 (d)**		0		**0**	0
Total investments	**2,623**		2,569		**0**	3
Other financial investments						
Deposits and security deposits	**5**		11		**0**	2
NoCo B LP Fund	**12**		0		**0**	0
Ocean Club Méditerranée bonds	**5**		5		**0**	0
DLMD S Bonds	**28**		0		**0**	0
Fox River deposits	**0**		79		**0**	6
DG IV deposit	**0**		0		**0**	92
	50		95		**0**	100
Other financial investments at fair value						
Receivable from Legg Mason	**0**		7		**0**	39
Credit instruments	**0**		0		**104**	954
Equity shares	**0**		0		**48**	0
	0		7		**152**	993
Other financial assets and financial receivables						
Derivative financial instruments	**0**		0		**6**	5
Receivables and other financial assets	**2**		2		**2**	8
	2		2		**8**	13
Total other financial assets	**52**		104		**160**	1,106
Total	**2,675**		2,673		**160**	1,109

(a) Available-for-sale investments.
(b) Investments measured using the cost method.
(c) Percentage refers to the investment in Sanpaolo IMI, merged in Banca Intesa with effect on January 1, 2007.
(d) Includes goodwill of € 5 million originating from the acquisition of 100% of the capital stock of Ancom USA Inc made by the subsidiary Ifil Investissements on September 30, 2007.

The investment in Intesa Sanpaolo is measured at fair value on the basis of the market price at December 28, 2007, equal to € 5.4 per share (€ 17.62 per share, referring to Sanpaolo IMI pre-merger 2006) with the unrealized gain of € 681 million recognized in equity. The original acquisition cost of the investment is € 884 million.

The investment in SGS is measured at fair value on the basis of the market price at December 28, 2007, equal to CHF 1.349 per share, (at the CHF/Euro exchange rate of 1.6547), with the unrealized gain of € 487 million recognized in equity. The original carrying amount of the investment in SGS is € 470 million.

Non-current financial assets include S-Bonds issued by DLMD maturing on July 27, 2010, subscribed to by the subsidiary Ifil Investissements as part of the transaction for the sale of the 22% stake in Sequana Capital to DLMD.

Current financial assets include:

- bonds, and other short-term financial instruments held by the foreign subsidiaries of the IFIL Holdings System, which do not meet the conditions for classification as "Cash and cash equivalents";
- equity shares held for trading by the subsidiary, IFIL. These are listed on the major European and United States markets and are measured at fair value based on market prices converted, where necessary, to year-end exchange rates, with recognition of the change in fair value in the income statement;
- securities subscribed to by Alpitour (residual amount of € 40 million) as part of the securitization of trade receivables (for additional information, reference should be made to Note 40).

The analysis of changes during 2007 is as follows:

	Non-current financial assets		**Current financial assets**	
€ in millions	**12/31/2007**	12/31/2006	**12/31/2007**	12/31/2006
Opening balance	**2,673**	1,524	**1,109**	1,173
Increases	**201**	64	**125**	100
Decreases	**(12)**	(32)	**(909)**	(285)
Increases through business combinations of the Cushman & Wakefield Group	**2**			
Fair value recognized in equity	**(97)**	920		(20)
Fair value recognized through the income statement		(1)		10
Impairment reversals (losses)	**1**	1		
Reclassification of the SGS investment from "Investments accounted for by the equity method"		350		
Reclassification to "Assets held for sale"		(19)		
Deconsolidation of the Sequana Capital Group	**(105)**		**(172)**	
Exchange differences	**(1)**	(8)	**(1)**	
Change in the scope of consolidation	**29**	(3)	**2**	
Other changes and reclassifications	**(16)**	(123)	**6**	131
Total changes	**2**	1,149	**(949)**	(64)
Closing balance	**2,675**	2,673	**160**	1,109

Increases in non-current financial assets (€ 201 million) comprise:

- the purchase on the market of 143,944 SGS shares, equal to 1.84% of capital stock for € 121 million;
- the subscription of 11,055,537 Gruppo Banca Leonardo shares issued as part of a capital stock increase for € 36 million;
- the subscription of 2,723 DLMD S-Bonds for € 27 million;
- the investment in the limited partnership NoCo B LP for € 12 million;
- the increase in other financial assets for € 5 million.

At December 31, 2007, the "fair value recognized in equity" includes the change in fair value of the investments in Intesa Sanpaolo (-€ 76 million) and SGS S.A. (-€ 21 million) recorded in non-current financial assets.

"Decreases" in current financial assets are attributable to the realization of investments in which a part of the liquidity was temporarily invested. The remaining balance of liquidity is included in "Cash and cash equivalents".

The fair value of current securities is calculated using the market price at the balance sheet date, where available, or discounting future cash flows.

Non-current other financial assets, excluding investments, by maturity, are as follows:

€ in millions	**12/31/2007**	12/31/2006
To 1 year	**5**	0
1 to 3 years	**32**	6
3 to 5 years	**2**	3
After 5 years	**13**	2
Nominal value of the non-current financial assets of the Sequana Capital Group	**-**	93
Non-current other financial assets, excluding investments	**52**	104

25. Inventories, net

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Raw materials and other supplies	**3**	111	(108)
Work in progress	**0**	45	(45)
Semifinished and finished goods	**0**	122	(122)
Merchandise	**0**	262	(262)
Total inventories, net	**3**	540	(537)

The reduction in inventories is mainly due to the deconsolidation of the Sequana Capital Group.

26. Other assets

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Other non-current assets			
Receivables for direct taxes	**0**	1	(1)
Receivables for disposals of property, plant and equipment and intangible assets	**9**	24	(15)
Other assets	**73**	30	43
Total other non-current assets	**82**	55	27
Other current assets			
Trade receivables			
Gross amount of trade receivables	**461**	1,004	(543)
Provision for impairment	**(29)**	(68)	39
Trade receivables from related parties	**2**	2	0
Trade receivables	**434**	938	(504)
Other receivables			
Receivables for direct taxes	**79**	75	4
Receivables for indirect taxes	**5**	45	(40)
Receivables for disposals of property, plant and equipment and intangible assets	**43**	47	(4)
Other receivables	**83**	113	(30)
Other receivables from related parties	**2**	1	1
Total other receivables	**212**	281	(69)
Total other current assets	**646**	1,219	(573)
Total other non-current and current assets	**728**	1,274	(546)

The breakdown of other assets by maturity is as follows:

€ in millions	To1 year	2 to 5 years	After 5 years	**Total**
Other non-current assets		75	7	**82**
Trade receivables	434			**434**
Other receivables	193		19	**212**
Balances at December 31, 2007	**627**	**75**	**26**	**728**
Other non-current assets		32	23	**55**
Trade receivables	938			**938**
Other receivables	218		63	**281**
Balances at December 31, 2006	**1,156**	**32**	**86**	**1,274**

Other assets include receivables from the sale of the remaining investment in Campi di Vinovo S.p.A. and the "Mondo Juve" business segment for € 37 million (€ 26 million presented in non-current assets and € 11 million in current receivables) by the subsidiary Juventus Football Club. These receivables were discounted to present value based on an estimate of collections times (various installments from 2008 to 2013) and are guaranteed.

27. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the statement of cash flows and the the corresponding lines on the balance sheet is as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Cash and cash equivalents	**919**	362	557
Bank overdrafts and bank borrowings	**0**	(107)	107
Cash and cash equivalents	**919**	255	664

Cash and cash equivalents include short-term financial investments and highly liquid assets readily convertible to cash such as time deposits, commercial paper and current securities. Cash and cash equivalents are subject to an insignificant risk of a change in value.

The carrying amount of cash and cash equivalents approximates their fair value at the balance sheet date.

The related credit risk can be considered limited in that the counterparts are represented by leading banking institutions.

28. Assets held for sale

Assets held for sale amounting to € 3 million include property, plant and equipment of the companies Kiwengwa Ltd (€ 1 million) and Mediterranea Tourist S.A. (€ 2 million) held by the Alpitour Group which will be sold in April 2008 for a total equivalent amount of € 7 million on the basis of a preliminary agreement signed in December. In addition, the investment in Semana S.r.l., held by Juventus Football Club (€ 30 thousand), was sold on March 4, 2008 to ESE S.p.A., a stockholder of the company.

At December 31, 2006, assets held for sale totaling € 128 million included Groups of assets relating to the investment in Canson Grand Public held by Arjowiggins (€ 99 million), land and buildings by the Antalis Group (€ 10 million), classified in assets held for sale under the disposal program for real estate assets concentrated in France, Spain, Italy, Germany, Switzerland and Finland, in addition to the investment in Campi di Vinovo held by Juventus Football Club (€ 19 million).

29. Equity

Equity attributable to the equity holders of the company - Capital stock

At December 31, 2007, IFI S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares (52.96% of capital stock) and 76,801,460 preferred shares (47.04% of capital stock), all with a par value of € 1 each. The ordinary capital stock of the company is entirely held by Giovanni Agnelli e C. S.a.p.az. IFI preferred shares are listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment).

Pursuant to art. 6 of the bylaws, ordinary shares may not be disposed of, with effect towards the company, to parties other than the consanguine descendants of their holder and other holders of ordinary shares, unless the shares have been offered beforehand in option to the latter mentioned, with the right of accretion among them.

Pursuant to art. 10 of the bylaws, preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 10% to the legal reserve until it reaches one-fifth of capital stock;
- of the remaining amount, 1% is at the board of directors' disposition for distribution among its members;
- the remaining profit is appropriated as follows:

  - to preferred shares, a preference dividend of 5.17% of their par value, which is not cumulative from one year to the next;
  - after any appropriations to reserves, the residual amount is attributed equally to the ordinary and preferred shares.

Capital stock may be increased for a period of five years, at one or more times, also in divisible form, up to a maximum of € 561,750,000, by the authority delegated, pursuant to art. 2443 of the Italian Civil Code, to the board of directors by the special stockholders' meeting held April 22, 2003.

The board of directors will put forward a motion to the ordinary stockholders' meeting to renew this resolution.

The objectives identified by IFI S.p.A. are the creation of value for all the stockholders, safeguarding the continuity of the company and support for the development of the subsidiary IFIL S.p.A.

IFI S.p.A. thus aims to keep an adequate level of capitalization and guarantee economic accessibility to external sources of financing.
IFI constantly monitors changes in the consolidated debt level based upon the current asset value of its investments and expected dividend flows.
A very prudent approach is nevertheless taken to the use of debt. At December 31, 2007, IFI S.p.A.'s negative net financial position (equal to € 392.7 million) represents approximately 8.5% of the asset value (equal to the market value the investment held in IFIL, € 4,638.2 million).

Equity attributable to the equity holders of the company - Retained earnings and other reserves

The composition and changes in “Retained earnings and other reserves” is as follows:

€ in millions	Legal reserve	Reserve for translation differences	Reserve for stock-based compensation	Fair value reserve	Cash flow hedge reserve	Reserve for actuarial gains (losses)	Other reserves and retained earnings	Retained earnings and other reserves
Equity at January 1, 2006	**33**	**149**	**4**	**262**	**(1)**	**(86)**	**1,568**	**1,929**
Stock-based compensation			3					3
Effect of fair value change to investments and securities				594				594
Deferred taxes on fair value of investments and securities				(28)				(28)
Transfer of fair value to income statement				(2)				(2)
Fair value change to cash flow hedge derivatives					17			17
Actuarial gains (losses) recognized in equity						23		23
Translation differences		(86)						(86)
Other changes							(26)	(26)
Movements in equity accounts							676	676
Total changes	0	(86)	3	564	17	23	650	1,171
Equity at December 31, 2006	**33**	**63**	**7**	**826**	**16**	**(63)**	**2,218**	**3,100**
Stock-based compensation			19					19
Effect of fair value change to investments and securities				(74)				(74)
Deferred taxes on fair value of investments and securities				25				25
Transfer of fair value to income statement				(25)				(25)
Fair value change to cash flow hedge derivatives					52			52
Transfer of fair value on cash flow hedges to income statement					(36)			(36)
Actuarial gains (losses) recognized in equity						79		79
Translation differences		(71)						(71)
Deferred taxes recognized in equity		(1)				(1)		(2)
Effect of IFI's percentage ownership increase in IFIL		5		59	1	(4)	(61)	0
Other changes		(2)		(2)		1	(47)	(50)
Movements in equity accounts							221	221
Total changes	0	(69)	19	(17)	17	75	113	138
Equity at December 31, 2007	**33**	**(6)**	**26**	**809**	**33**	**12**	**2,331**	**3,238**

Equity attributable to the equity holders of the company - Treasury stock

At December 31, 2007, IFI holds, directly and indirectly, the following preferred shares of treasury stock:

	Number of shares	Carrying amount		% of class
		Per share (€)	Total (€ in ml)	
IFI – preferred shares	**5,360,300**	**13.15**	**70.5**	**6.98**

During the year, there were no transactions involving preferred shares of treasury stock.

The ordinary stockholders' meeting held on May 15, 2007 authorized the purchase of treasury stock for 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58 dated February 24, 1998, for a maximum of 16 million shares, for a total maximum amount of € 200 million.

The board of directors will put forward a motion to the ordinary stockholders' meeting to renew this resolution.

30. Stock option plans

Stock option plans with underlying IFI and IFIL stock

At December 31, 2007, there are no stock option plans with underlying IFI S.p.A. and IFIL S.p.A. stock. With regard to IFIL S.p.A., all the plans approved in prior years by the IFIL S.p.A. board of directors (IFIL 2000 plan and the IFIL 2003 plan) expired during 2006 and no new plans were introduced in 2007.

Stock option plan with underlying Alpitour stock

On December 15, 2005, in execution of the resolution passed by the board of directors' meeting held on November 11, 2005, the Executive Committee of IFIL S.p.A. approved a stock option plan for two managers of the Alpitour Group designed to promote their loyalty to the IFIL Group and provide an incentive to develop and appreciate the investments of the IFIL Group in the tourism sector.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock.
After approval on the part of IFIL S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares to other managers who hold important operating positions equal to 4% of Alpitour's capital (now 1,418,000 shares).

The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.24 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.
IFIL S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every closing date until expiration.

At December 31, 2007, the fair value of each option right of the plan was estimated at € 4.07 for a total of € 16 million, of which the current cost of € 13 million was recorded in 2007 (€ 3 million recorded in 2006) in the income statement in "Other nonrecurring expenses from related parties". The relative total liability of € 16 million is recognized in "Other current liabilities to related parties" (Note 41).

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

Stock price at grant date (€)	(a)	2.24
Exercise price (€)	(a)	2.24
Underlying stock price at 12/31/2007 (€)	(b)	6.10
Estimated volatility (%)	(c)	32.5720%
Remaining option life (months)	(d)	25
Estimated dividends (%)	(e)	0.00
Risk-free interest rate (%)	(f)	4.5324%

(a) The exercise price of the options was assumed to be equal to the par value of one ordinary Alpitour S.p.A. share at the grant date, quantified on the basis of an estimate performed by an independent expert.

(b) The fair value of the underlying share (Alpitour S.p.A. ordinary share) at the date of reference of December 31, 2007, was quantified on the basis of an internal estimate prepared by applying valuation principles consistent with those used in December 2005 by the independent expert.

(c) The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour S.p.A..

(d) The expiration date of the options was established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2008/2009, fixed, conventionally, as January 31, 2010. At the date of reference of December 31, 2007, the options thus have a remaining life of 25 months (2 years and 1 month). The options will vest at the end of the vesting period (January 31, 2008) and can be exercised from that date until the expiration date (January 31, 2010).

(e) The absence of the payment of dividends is assumed for the application of the valuation model.

(f) The risk-free interest rate is assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
An assumption was also included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Cushman & Wakefield Group stock option plans

There are two separate stock option plans which are summarized in the following table: Employee Stock Purchase Plan Options and Management Options:

	Employee Stock Purchase Plan			Management Options		
	Tranche 1	Tranche 2	Total	EBITDA	EBITDA Margin	Total
Date of board of directors' meeting	12/19/2005	12/19/2005		3/30/2007	3/30/2007	
Number of options granted	11,166	7,385	18,551	8,070	5,380	13,450
Grant date	12/14/2005	6/29/2006		4/1/2007	4/1/2007	
Vesting date	1/1/2008	1/1/2009		2008/2012	2008/2012	
Exercise price at grant date	$548	$782		$1,259	$1,259	
Term of options post-vesting	10 years	10 years		10 years	10 years	
Forfeitures prior to April 1, 2007	(938)		(938)			
Options assumed by C&W Group at April 1, 2007	10,228	7,385	17,613	8,070	5,380	13,450
Options forfeited and canceled during the period	(5,266)	(293)	(5,559)	-	-	-
Options outstanding at December 31, 2007	4,962	7,092	12,054	8,070	5,380	13,450

The Employee Plan options outstanding at December 31, 2007 have an exercise price in the range of $548 and $782 and an average remaining contractual life of approximately 7 years.

The Management Options outstanding at December 31, 2007 have an exercise price of $1,259 and an average remaining contractual life of approximately 9 years.

According to the provisions of IFRS 2, the appraisal was based on the Black-Scholes pricing model using the following assumptions:

	Employee Plan		
	Tranche 1	Tranche 2	Management Options
Stock price at grant date ($)	578.68	906.73	1,298.87
Exercise price at grant date ($)	548.02	782.39	1,258.68
Estimated volatility (%)	35%	35%	35%
Remaining option life (years)	6.5	6.5	10.0
Estimated dividends (%)	1.20	1.22	n.a.
Risk-free interest rate (%)	4.22%	5.12%	4.74%

Volatility is based on the historical volatility of comparable public companies.
Because the Cushman & Wakefield Group does not have historical exercise data, it used the midpoint between the vesting date and the contractual term to determine the expected term of the stock options.

During 2007, costs of € 12 million were capitalized for both stock option plans.

31. Equity attributable to the minority interest

	12/31/2007				12/31/2006		
€ in millions	%	**Capital and reserves**	**Profit (loss)**	**Total**	Capital and reserves	Profit (loss)	Total
IFIL Group	31.7	**2,020**	**221**	**2,241**	2,325	575 (a)	2,900

(a) The minority interest's share of the gain on the SGS sale.

32. Provisions for employee benefits

The companies of the Group provide post-employment benefits for their active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service. Post-employment benefits are provided under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the companies of the Group pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contribution cost is recognized when the employee has rendered his/her service and this cost is recorded in the income statement in "Personnel costs".

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by a company, and sometimes by its employees, into a company, or fund, that is legally separate from the employer and from which the employee benefits are paid. Finally, the companies of the Group grant certain other long-term benefits to its employees; these benefits include those generally paid when an employee attains a certain level of seniority or when a specified event occurs. In this case the measurement of the obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Details of provisions for employee benefits recognized in the financial statements at December 31, 2007 and 2006 are the following:

	Non-current part		Current part	
€ in millions	**12/31/2007**	12/31/2006	**12/31/2007**	12/31/2006
Employee severance indemnity	**24**	27	**4**	0
Pension plans	**10**	0	0	0
Total post-employment benefits	***34***	*27*	***4***	0
Other employee benefits	**11**	110	**109**	7
Total provisions for employee benefits	**45**	137	**113**	7

Post-employment benefits

Employee severance indemnities

Employee severance indemnities relating to the companies of the Group operating in Italy represent the obligation due to employees by law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, the portion of employee severance indemnities accruing from January 1, 2007, for employees who have asked, have been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

In accordance with IAS 19 – Employee Benefits, the Italian companies of the Group have included employee severance indemnities in defined benefit plans and measure them with actuarial techniques using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, the parent, IFI S.p.A., guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements. These are described in Note 27 of the separate financial statements.

Pension plans

The Cushman & Wakefield Group funds a certain number of defined contribution plans set up pursuant to the laws in force in the countries in which it operates .

The relative cost incurred for such plans for the period April – December 2007 amounts to $1.5 million (€ 1.1 million).

The European partnership (C&W UK) also provides a form of hybrid pension plan (UK Plan) which has features of both defined contribution and defined benefit plans.

Each year, the participants of the UK Plan have the possibility of purchasing "units of benefits" by making regular contributions based on age; until March 31, 2002, the company made contributions equivalent to twice the member rate.

The contributions are invested to provide benefits that become payable to members upon retirement or similar events.

Prior to retirement, the UK Plan guarantees only a part of the benefit.

Cushman & Wakefield UK ceased its contributions to the plan effective March 31, 2002 and, subject to certain transitional agreements, introduced a defined contribution plan for employees starting from that date.

Changes in the present value of post-employment benefit obligations and the fair value of plan assets servicing the plans during the course of the last two years are as follows:

€ in millions	Balance at 12/31/2006 (a)	Current service cost	Financial expenses	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on reductions and/or curtailments	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2007**
Present value of obligation:										
Employee severance indemnities	27	6		1	(7)	3	(1)	1	(2)	**28**
Pension plans	0		3	(6)	(1)	65		(6)		**55**
Total post-employment benefits	27	6	3	(5)	(8)	68	(1)	(5)	(2)	**83**
Other long-term benefits	0	(2)				14		(1)		**11**
Other short-term benefits	0	95			(41)	61		(5)	(1)	**109**
	27	99	3	(5)	(49)	143	(1)	(11)	(3)	**203**
Balances - Sequana Capital Group	117									
Balances in published financial statements	144									
Of which:										
Funded plans (totally or partially)										**55**
Unfunded plans	27									**148**

€ in millions	Balance at 12/31/2006 (a)	Expected return on assets	Contributions paid by company	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on reductions and/or curtailments	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2007**
Fair value of the plan assets:										
Pension plans		3			(1)	47		(4)		**45**
Total post-employment benefit plans	-	3	-	-	(1)	47	-	(4)	-	**45**
Total net liabilities at December 31, 2007	**27**	**96**	**3**	**(5)**	**(48)**	**96**	**(1)**	**(7)**	**(3)**	**158**

€ in millions	Balance at 12/31/2005 (a)	Current service cost	Financial expenses	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on reductions and/or curtailments	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2006 (a)**
Present value of obligation										
Employee severance indemnities	26	5		(3)	(2)				1	**27**
Total post-employment benefits	26	5	-	(3)	(2)		-	-	1	**27**
Balances at December 31	26	5	-	(3)	(2)		-	-	1	**27**
Balances - Sequana Capital Group	158									**117**
Balances in published financial statements	184									**144**
Of which:										
Funded plans (totally or partially)										
Unfunded plans	26									**27**

(a) The balances at December 31, 2006 and 2005 are net of the amounts relating to the Sequana Capital Group which was deconsolidated in 2007.

Post-employment benefits are calculated on the basis of the following actuarial assumptions:

	December 31, 2007		December 31, 2006
	Employee severance indemnities	**Pension plans**	Employee severance indemnities
Discount rate	**4.6-4.7%**	**5.82%**	4.25%
Future salary increase (inflation included)	**2-3.5%**		2-3.5%
Inflation rate	**2.00%**		2.00%
Expected return on plan assets		**7.13%**	

The assumptions used for the calculation of pension funds are as follows:

- the discount rate is the rate of return at the balance sheet date of a credit instrument (AA rating) with maturity approximating the maturities of the Cushman & Wakefield Group bonds and denominated in the same currency in which the benefits will be paid;
- the mortality rate is based on statistical tables;
- the expected return on plan assets servicing the plan is based on the total return of the portfolio and not the sum of the expected returns of the individual assets. This rate approximates the historical annual rate of the plan assets.

The "UK Plan" assets include marketable equity securities in both United Kingdom and the United States companies and fixed-rate debt securities.
The investment policies and strategies for the plan assets are established to achieve a reasonable balance between risk, likely return and administration expense, as well as to maintain funds at a level to meet minimum funding requirements. In order to ensure that an appropriate investment strategy is in place, an analysis of the plan's assets and liabilities is completed periodically.
The estimated expense of defined plan benefits for the year 2008 is £ 1.5 million (€ 2 million).

	Fair value of the assets		Expected return
	December 31, 2007		**2007**
	Objective in %	€ in millions	in %
Equity instruments	87.2%	38	7.13%
Debt instruments	7.5%	5	7.13%
Cash	5.3%	2	7.13%

The total amounts recognized in the income statement for post-employment benefits refer to:

€ in millions	**2007**	2006
Current service cost	**6**	5
Financial expenses	**3**	0
Expected return on plan assets	**(3)**	0
Losses (gains) on reductions and/or curtailments	**(1)**	0
Total (income) expenses for post-employment benefits	**5**	5

Other employee benefits

Other employee benefits, of which € 11 million is current and € 109 million is non-current, mainly include the liabilities of the Cushman & Wakefield Group.

33. Provisions for other liabilities and charges

The composition of the provisions is as follows:

	Current portion		Non-current portion	
€ in millions	**12/31/2007**	12/31/2006	**12/31/007**	12/31/2006
Restructuring provisions	**0**	54	**0**	12
Fox River disputes provisions	**0**	6	**0**	115
DG IV disputes provisions	**0**	184	**0**	0
Ecological risks provisions	**0**	7	**0**	27
Other risks provisions	**14**	32	**100**	96
Tax provision	**0**	0	**1**	0
Total	**14**	283	**101**	250

The breakdown of non-current provisions by expected use is as follows:

	December 31, 2007			**December 31, 2006**		
€ in millions	**2 to 5 years**	**After 5 years**	**Total**	2 to 5 years	After 5 years	Total
Restructuring provisions	**0**	**0**	**0**	12	0	12
Fox River and DG IV disputes provisions	**0**	**0**	**0**	60	55	115
Ecological risks provisions	**0**	**0**	**0**	26	1	27
Other risks provisions	**19**	**81**	**100**	8	88	96
Tax provision	**1**	**0**	**1**	0	0	0
Total	**20**	**81**	**101**	106	144	250

Changes in the current and non-current provisions in 2007 and 2006 are as follows:

€ in millions	Balance at 12/31/2006	Accruals	Release of provisions used	Release of provisions not used	Deconsolidation of the Sequana Capital Group	Cushman & Wakefield Group acquisition	Other changes	**Balance at 12/31/2007**
Restructuring provisions	66	7	(14)		(76)		17	**0**
Fox River and DG IV disputes provisions	305	2	(6)	(42)	(256)		(3)	**0**
Ecological risks provisions	34	3	(2)	(1)	(34)			**0**
Other risks provisions	128	30	(9)	(11)	(30)	8	(2)	**114**
Tax provision	0			(1)		2		**1**
	533	42	(31)	(55)	(396)	10	12	**115**
Effect on the income statement:								
Operating profit (loss) from current operations		16	(13)	(2)				
Other nonrecurring income (expenses)		21	(18)	(43)				
Other financial income (expenses)		5		(10)				

€ in millions	Balance at 12/31/2005	Accruals	Release of provisions used	Release of provisions not used	Other changes	Balance at 12/31/2006
Restructuring provisions	15	59	(6)	(1)	(1)	66
Fox River and DG IV disputes provisions	324	3	(7)	(4)	(11)	305
Ecological risks provisions	46	6	(6)	(12)		34
Other risks provisions	142	17	(14)	(19)	2	128
	527	85	(33)	(36)	(10)	533
Effect on the income statement:						
Operating profit (loss) from current operations		11	(7)			
Other nonrecurring income (expenses)		66	(26)	(30)		
Other financial income (expenses)		8		(6)		

34. Pending litigation

IFIL S.p.A. and subsidiaries in the "Holdings System"

Proceedings regarding the IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az. press releases dated August 24, 2005

In the opposing judgment against the administrative sanctions imposed by Consob under Resolution 15760 notified on February 13, 2007, the Court of Appeals of Turin, in its decision of December 5, 2007, reduced the total administrative sanctions from € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Mr Gabetti from € 5 million to € 1.2 million. Furthermore, the additional administrative sanction levied against Mr Gabetti was reduced by two months, from six to four months, the period of which is now over, as are the periods for the administrative sanctions against Mr Grande Stevens, as the legal advisor, and Mr Marrone.

As for the penal proceedings communicated to these individuals, the judge in the preliminary investigations of December 4, 2007 declared the notification pursuant to ex art. 415 bis of the Italian Penal Code null and void and sent the case to the public prosecutor's office. The proceedings are therefore again in the preliminary stages.

Closing of the dispute regarding the sale of La Rinascente

On February 14, 2006 and September 5, 2006, the buyer of the investment in La Rinascente filed two separate arbitration proceedings against Ifil Investissements S.A. seeking compensation for an amount of approximately € 52 million for extraordinary expenses relating to certain points of sale in addition to legal questions in connection principally with the accounting treatments used in the financial statements of La Rinascente.

On June 27, 2007, Ifil Investissements S.A. signed a settlement agreement in which the buyer of the investment in La Rinascente renounced all claims filed in the above arbitration proceedings against Ifil Investissements S.A. and any other claim and/or demand, also in the future, relating to the sale of the investment in La Rinascente. The settlement involved a total payment of € 8 million (of which € 6 million is to be borne by Ifil Investissements S.A. and € 2 million by the Auchan Group). These expenses are included in "nonrecurring income (expenses)" (Note 14).

Alpitour Group

In reference to the damages to the "Bravo Club" resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld.

The Alpitour Group also filed two suits against INPS regarding social security in which judgments of the second instance have already been handed down. Considering that one of the judgments is in favor of the company and the other against, it is believed that the Group will have to pay a total of approximately € 800 thousand which has already been provided for in the financial statements.

Cushman & Wakefield Group

The Cushman & Wakefield Group is a party to various matters in litigation. These matters generally relate to disputes and claims involving commission agreements, employment agreements, and other contractual matters.

The Group believes that while some of these matters may be ultimately resolved against it, such claims will not have a material effect on the financial position and results of operations of the C&W Group.

Juventus Football Club

Proceedings regarding the tragedy at the Vinovo Training Center

On January 28, 2008 and March 11, 2008, the preliminary hearings took place during the course of which the four defendants petitioned to request sentencing under ex art. 444 and following articles of the Penal Code after the plaintiffs had stated, before the judge, that they had been fully compensated.

Therefore, the four defendants were sentenced to one year and two months of imprisonment and granted the benefit of the conditional suspension of the sentence. Finally, on March 12, 2008, the judge also issued a decree to close the case against the chief executive officer Jean-Claude Blanc. The matter can thus be considered definitely concluded.

Investigations against former directors

On May 11, 2006, District Attorney's Office of Naples notified the former chief executive officer Antonio Giraudo and the former director and general manager Luciano Moggi of an "invitation to appear" concerning various illegal acts, including association to commit sports fraud. On June 10, 2006, they were notified of the conclusion of the preliminary investigations. The documents from the criminal proceedings became part of the investigation by sports' justice bodies which led to sports proceedings against the company in summer 2006. The judicial authorities then continued their investigations also as a result of the documents transmitted on an investigation into the same matter at one time filed by the District Attorney's Office of Turin. On April 12, 2007, the District Attorney's Office of Naples issued a new notification of the conclusion of the preliminary investigations. The preliminary hearing began on December 15, 2007 and is still underway.

Criminal proceedings are also underway before the District Attorney's Office of Turin regarding the financial statements and communications by the company from June 30, 2001 to June 30, 2006. The suit filed against some former directors, also regards the company pursuant to articles 5, 13 and 25 of Legislative Decree 231/2001, as the legal entity responsible. If the former directors are considered responsible, the dispute against the company could lead to a pecuniary administrative sanction in the range of € 103 thousand to € 1,239 thousand.

Como Calcio bankruptcy

The bankruptcy of Como Calcio, in June 2006, led to action being brought against Juventus Football Club for the payment of the sum of € 1,580,000 allegedly still due to Como Calcio for the definitive sale of the registration rights of the players Piccolo and Pederzoli.

Juventus Football Club appeared before the courts and asked for the rejection of the bankruptcy filing since the sum had already been paid and also for Mr Preziosi to appear in court so that Juventus would be relieved of responsibility and not be held accountable for damage compensation in the event of a judgment against Juventus. The case was adjourned to the first hearing set for March 12, 2008 in order to call Mr Preziosi before the court. Mr Preziosi appeared and asked for the rejection of the claims against him.

35. Consolidated net financial position

The composition of the gross and net financial position of the consolidated companies is as follows:

€ in millions	Gross borrowings position	Financial assets	Net financial position (borrowings)/cash
IFI S.p.A.	(396)	3	(393)
IFIL S.p.A. and the "Holdings System"	(967)	863	(104)
Cushman & Wakefield Group	(73)	76	3
Alpitour Group	(103)	120	17
Juventus Football Club S.p.A.	(18)	25	7
Total	**(1,557)**	**1,087**	**(470)**

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the IFI Group is provided below:

€ in millions	**12/31/2007**	12/31/2006	Change
Non-current financial liabilities			
IFIL 2007/2017 bonds	**(744)**		(744)
IFIL 2006/2011 bonds	**(200)**	(199)	(1)
Debt	**(214)**	(578)	364
Total non-current financial liabilities	**(1,158)**	(777)	(381)
Non-current other financial assets	**8**	4	4
Non-current net financial position (A)	**(1,150)**	(773)	(377)
Current financial liabilities			
Debt	**(347)**	(723)	376
Current portion of medium/long-term debt	**(52)**	(24)	(28)
Total current financial liabilities	**(399)**	(747)	348
Current financial assets			
Credit instruments and equity shares held for trading	**152**	954	(802)
Derivative financial instruments	**6**	2	4
Receivables and other financial assets	**2**	6	(4)
Total current financial assets	**160**	962	(802)
Cash and cash equivalents	**919**	362	557
Current net financial position (B)	**680**	577	103
Consolidated net financial position (A+B)	**(470)**	(196)	(274)

There are no financial receivables or payables balances with related parties.

36. Bonds and other debt

The composition is as follows:

	Non-current portion		Current portion	
€ in millions	**12/31/2007**	12/31/2006	**12/31/2007**	12/31/2006
IFIL bonds 2007/2017	**(744)**		**(22)**	
IFIL bonds 2006/2011	**(200)**	(199)	**(1)**	
Debt	**(214)**	(578)	**(376)**	(747)
Total bonds and other debt	**(1,158)**	(777)	**(399)**	(747)

With regard to IFI S.p.A., non-current bank debt amounts to € 100 million (€ 125 million at December 31, 2006).
Interest rate swaps are in place to guarantee fixed interest rates on the entire amount; at December 31, 2007, the fair value on these contracts is positive for € 254 thousand.
Bank debt is classified in non-current liabilities in relation to the residual period of the credit line granted and the duration of the relative hedging contracts.

The current portion of bank debt amounts to € 294 million (€ 35 million at December 31, 2006) and includes loans for € 150 million due by the end June 2008, use of short-term funds for € 144 million and bank overdrafts for the remaining amount (€ 223 thousand).
Interest rate swaps are also in place on the current portion of loans secured in prior years. At December 31, 2007, the fair value on these contracts is positive for € 1,522 thousand.

The loan contracts relating to irrevocable lines of credit of IFI S.p.A. provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the assets of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, compliance with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely serious events arise such as a request to place the company under administration.

The bonds issued by IFIL S.p.A. were admitted for trading on the Luxembourg stock exchange.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular they contain negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), disallowing a change of control and providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2007.

The IFIL 2007/2017 bonds were issued at a price equal to 99.554% of their face value with a 5.375% annual coupon which guarantees a return equal to the 10-year swap rate plus a spread of 80 basis points, at the time of issue.

The IFIL 2006/2011 bonds, issued on June 9, 2006 for a nominal amount of € 200 million, maturing June 9, 2011, pay interest at the 3-month Euribor rate plus a spread of 68 basis points.

The Cushman & Wakefield Group principally has the following categories of debt:

- Senior Revolving Credit Facility secured on May 29, 2007 for $350 million. At December 31, 2007, the outstanding balance is $97.2 million (€ 66 million), of which $82 million (€ 56 million) is at an average rate of 6.31%, $7.8 million (€ 5 million) at an average rate of 5.58% and $7.4 million (€ 5 million) at an average rate of 5.13% with the maximum balance during the nine months of the year 2007 of $202.8 million (€ 138 million) in August 2008.

- Seller Note – Le Page for $6.8 million (€ 5 million) at a rate of 7%;
- Seller Note – The Apartment Group for $2.9 million (€ 2 million) at a rate of 6%;
- Seller Note – San Diego for $0.5 million (€ 0.3 million).

The Senior Credit Facility calls for four covenants to be maintained for the entire term of the credit facility including leverage ratios as defined in the contract.
The financial covenants have been complied with from the time the credit facility was secured until December 31, 2007.

They also include:

- debt of the Alpitour Group for € 103 million relating principally to the securitization of trade receivables (€ 48 million) and the residual loan secured originally from Banca Sanpaolo IMI and Banca Intesa using EIB funds (€ 17 million);
- debt of Juventus Football Club for € 18 million.

The medium and long-term loan contracts state that the Alpitour Group must comply with the covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and Ebitda/net debt). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date.
At October 31, 2007, these ratios were fully within the limits established by the covenants.

37. Deferred income taxes

The composition and change in deferred tax assets is as follows:

€ in millions	Employee benefits	Tax losses	Deferred compensation plans	Other	**Total**
Balance at December 31, 2006	28	51	0	(30)	**49**
Deconsolidation of the Sequana Capital Group	(27)	(33)		40	**(20)**
Acquisition of the Cushman & Wakefield Group		2	25	20	**47**
Income taxes charged (reversed) to the income statement		(9)	(2)	(1)	**(12)**
Exchange differences		(1)	(2)	(2)	**(5)**
Net other movements		(4)		17	**13**
Balance at December 31, 2007	**1**	**6**	**21**	**44**	**72**

The composition and the change in deferred tax liabilities is as follows:

€ in millions	Property, plant and equipment	Intangible assets	Depreciation and tax accruals	Fair value	Other	**Total**
Balance at December 31, 2006	(81)		(30)	(49)	58	**(102)**
Deconsolidation of the Sequana Capital Group	76		32	1	(48)	**61**
Acquisition of the Cushman & Wakefield Group		(128)			(7)	**(135)**
Income taxes (charged) reversed to the income statement	4	10	(2)		1	**13**
Income taxes relating to items directly debited to equity				37 (a)	(3)	**34**
Exchange differences	1	13				**14**
Net other movements	(2)	(2)			(9)	**(13)**
Balance at December 31, 2007	**(2)**	**(107)**	**0**	**(11)**	**(8)**	**(128)**

(a) Relating to taxes on the fair value of the investment in Intesa Sanpaolo S.p.A.

The analysis of unused tax loss carryforwards on which deferred tax assets have not been calculated is as follows:

€ in millions	Taxable base To 1 year	2 to 4 years	After 4 years	Total	Estimated tax benefit
At December 31, 2007					
Current tax losses	204	463	633	1,300	347
At December 31, 2006					
Current tax losses	114	579	773	1,466	470

Deferred tax assets on tax losses are recognized to the extent that their recoverability is highly probable in the following year or in the medium term, taking into account the taxable income forecast in medium-term operating plans.

38. Other liabilities

Details of other liabilities are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Other non-current liabilities			
Other non-current liabilities and other payables	**100**	54	46
Other non-current payables to related parties	**1**	3	(2)
Total other non-current liabilities	**101**	57	44
Other current liabilities			
Trade payables			
Trade payables	**367**	912	(545)
Trade payables to related parties	**10**	15	(5)
Total trade payables	**377**	927	(550)
Other current liabilities			
Payables for direct taxes	**17**	67	(50)
Payables for indirect taxes	**22**	70	(48)
Payables to employees and similar	**33**	142	(109)
Payables on purchases of property, plant and equipment	**29**	47	(18)
Other payables	**137**	202	(65)
Other payables to related parties	**18**	0	18
Other current liabilities	**256**	528	(272)
Total trade payables and other current liabilities	**633**	1,455	(822)
Total trade payables and other non-current and current liabilities	**734**	1,512	(778)

For additional information on payables to related parties, reference should be made to Note 41.

Other non-current and current liabilities by maturity are as follows:

€ in millions	To 1 year	2 to 5 years	After 5 years	**Total**
Other non-current liabilities		91	10	**101**
Trade payables	377			**377**
Other payables	256			**256**
Balances at December 31, 2007	**633**	**91**	**10**	**734**
Other non-current liabilities		45	12	**57**
Trade payables	927			**927**
Other payables	528			**528**
Balances at December 31, 2006	**1,455**	**45**	**12**	**1,512**

39. Commitments

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006 (a)
Commitments undertaken		
Bills discounted and not yet due	**0**	1
Guarantees	**0**	572
Sureties, guarantees of notes and other guarantees	**137**	78
Commitments for the purchase of intangible assets	**0**	1
Commitments for the purchase of property, plant and equipment	**3**	5
Commitments for the purchase of investments and other financial assets	**71**	585 (b)
Options for the purchase of players' rights	**0**	13
Goods on deposit with third parties	**1**	2
Forward purchase of goods and raw materials	**0**	173
Other commitments	**0**	58
Total commitments undertaken	**212**	1,488
Commitments received		
Sureties, guarantees, guarantees of notes and other guarantees	**187**	170
Options on soccer players	**0**	23
Commitments for the sale of property, plant and equipment	**0**	5
Forward sales of goods and raw materials	**0**	156
Other commitments	**63**	57
Total commitments received	**250**	411

(a) The balances included the commitments of the Sequana Capital Group.
(b) The amounts included the commitment for the purchase of the controlling stake in Cushman & Wakefield.

Commitments by due date are as follows:

€ in millions	Until canceled	To 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	Sequana Capital Group	**Total**
At December 31, 2007								
Commitments undertaken	81	60	29	37	5	0	0	**212**
Commitments received	0	177	41	4	28	0	0	**250**
At December 31, 2006								
Commitments undertaken	6	580	50	13	14	2	823	**1,488**
Commitments received	0	0	88	0	155	0	168	**411**

The amount of future minimum lease payments relating to operating leases is as follows:

€ in millions	0 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	Sequana Capital Group	**Total**
At December 31, 2007	**28**	**28**	**81**	**51**	**58**		**246**
At December 31, 2006		18		24		262	304

In 2007, floating-rate lease contracts total € 18 million (€ 95 million in 2006). In 2006, fixed-rate lease contracts amounted to € 209 million and referred entirely to the Sequana Capital Group.

Lease expenses recognized in the 2007 income statement amount to € 45 million and refer entirely to simple lease contracts. Lease expenses recognized in the 2006 income statement amounted to € 97 million (of which € 31 million for irrevocable leases, € 45 million for other operating leases and € 21 million for simple lease contracts).

Commitments undertaken at December 31, 2007 amount to € 212 million and mainly refer to sureties, guarantees of notes and other guarantees for € 137 million, as well as commitments for the purchase of investments and financial assets for € 71 million.

Sureties, guarantees of notes and other guarantees (€ 137 million) mainly include sureties on behalf of suppliers of tourist services, financial offices and public entities provided by the Alpitour Group and other guarantees of the Alpitour Group for € 65 million, in addition to sureties of Juventus Football Club for € 29 million provided by leading credit institutions.

Commitments for the purchase of investments and other financial assets (€ 71 million) refer to commitments undertaken by the subsidiary Ifil Investissements, as follows:

- commitment for a maximum investment of $80 million (€ 56 million) in the limited partnership NoCo B LP which Groups a series of funds managed by Perella Weinberg Partners L.P., undertaken by the subsidiary Ifil Investissements S.A. which, on May 2, 2007, succeeded Exor Group S.A., a company controlled by Giovanni Agnelli e C. S.a.p.az. As a result of this commitment, on December 31, 2007, Ifil Investissements invested $17 million (€ 12 million). The remaining commitment at December 31, 2007 is $67 million (equal to € 46 million);
- commitment to invest € 25 million in a real estate fund managed by Perella Weinberg Partners L.P.

Commitments received amount to € 250 million and refer to sureties, guarantees, guarantees of notes and other guarantees for € 187 million (of which € 141 million is for sureties provided by third parties to Juventus Football Club) and sales commitments of the Alpitour Group for € 63 million for travel bookings.

The main sureties relating to Juventus Football Club are as follows:

- surety of € 78 million provided by leading credit institutions on behalf of Sky Italia S.r.l. to guarantee the contract for the sale of television broadcasting rights to the championship home games for the 2007/2008 season;
- surety of € 52 million issued by leading credit institutions in favor of Reti Televisive Italiane S.p.A. to guarantee the contract for the sale of the television broadcasting rights to the championship home games for the 2007/2008 season;
- other sureties for € 11 million.

Other guarantees received by Juventus Football Club for € 43 million refer to guarantees for the receivable from Campi di Vinovo S.p.A. and notes. For additional information, reference should be made to Note 26.

Procedures for the identification and control of commitments

The information regarding commitments, in addition to all other data and information used for consolidation purposes, is transmitted to IFI S.p.A. through the consolidation process under the responsibility of the legal representatives of the individual companies and the holding companies consolidated by IFIL S.p.A. which sign a representation letter addressed to the parent.

On the basis of information known to IFI S.p.A., no significant commitments have been omitted by the companies of the Group.

40. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows:

	December 31, 2007		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through the income statement			
- held for trading	154	4	
- designated initially	0		
Derivative instruments designated as hedging derivatives	6		
Investments held to maturity	12	0	
Loans and receivables (a)	1,382	33	0
Available-for-sale assets	2,635	112	
Total	**4,189**	**149**	**0**
Financial liabilities			
At fair value through the income statement			
- held for trading	0		
- designated initially	0		
Derivative instruments designated as hedging derivatives	0		
Debt at amortized cost	970		(32)
Debt at cost	963		(38)
Financial guarantees	0		
Total	**1,933**	**0**	**(70)**

(a) Includes cash and cash equivalents for € 919 million.

	December 31, 2006		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through the income statement			
- held for trading (a)	963	19	
- designated initially	0		
Derivative instruments designated as hedging derivatives	5		
Investments held to maturity	102		
Loans and receivables (a)	1,442	2	
Available-for-sale assets	2,569	53	
Total	**5,081**	**74**	**0**
Financial liabilities			
At fair value through the income statement			
- held for trading	0		
- designated initially	0		
Derivative instruments designated as hedging derivatives	0		
Debt at amortized cost	199		(9)
Debt at cost	2,244		(21)
Financial guarantees	0		
Total	**2,443**	**0**	**(30)**

(a) Includes cash and cash equivalents for € 362 million.

Financial assets and liabilities for which the fair value can not be objectively determined and which are recognized at cost have not been included in the asset and liability categories indicated in IAS 39.

Income and expenses relating to the year 2006 do not include the income statement data of the Sequana Capital Group since the Group was deconsolidated and the data restated to show the IFI Group's share of the result in "Discontinued assets or assets held for sale". For additional information, reference should be made to "Change in the scope of consolidation" in Note 9.

Fair value of financial assets and liabilities and the criteria for the determination of fair value

Financial assets held for trading represented by listed securities are measured using the listed market price at year-end and the change in fair value is recognized in the income statement in financial income (expenses).

Available-for-sale assets represented by listed securities are measured at fair value using the listed market price at year-end and the unrealized gains or losses are recognized in equity. For additional information on the measurement of available-for-sale financial assets, reference should be made to Note 24.

For trade receivables and payables, referring to those due all within one year, the fair value is not significant in that their carrying amount approximates fair value.

Derivative financial instruments are measured at fair value using the discounted cash flow method.

Credit risk

Credit risk exposure is principally represented by trade receivables and the concentration of credit risk, however, is mitigated by a large number of counterparts.

Trade receivables are expressed in the financial statements net of the provision for impairment for the risk that counterparts will be unable to fulfill their contractual obligations, the creditworthiness of the customer and historical data.

Credit risk regarding the other financial assets of the Group, which include cash and cash equivalents, available-for-sale assets, receivables and some derivatives, have a maximum risk equal to the carrying amount of the assets in the case of the insolvency of the counterpart.

The amount of financial assets overdue but not impaired, represented by trade receivables in the category "loans and receivables", is detailed as follows:

	Overdue but not impaired						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2007							
Trade receivables	**136**	**20**	**21**	**11**	**3**	**3**	**194**

	Overdue but not impaired (a)						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2006							
Trade receivables	21	13	9	9	5	7	64

(a) The data of the Sequana Capital Group is not included.

Movements in the provision for the impairment of receivables and other financial assets for the years 2007 and 2006 are as follows:

€ in millions	**12/31/2007**	12/31/2006
Beginning balance	**23**	89
Balance of the Sequana Capital Group		(63)
Accruals	8	6
Uses	(6)	(9)
Acquisition of the Cushman & Wakefield Group	7	0
Exchange differences	1	0
Other changes	(3)	0
Ending balance	**30**	23

Information on the credit risk of the IFI Group is presented below.

IFI, IFIL and IFIL Holdings System

IFI S.p.A., IFIL S.p.A. and the companies in the IFIL Holdings System effectively are not subject to credit risk since the counterparts are mainly represented by high-credit-quality leading banking institutions.

IFI, IFIL and the IFIL Holdings System, at either December 31, 2007 or December 31, 2006, do not have financial assets overdue and impaired and provisions for the impairment of receivables.

Alpitour Group

Transactions for the sale of receivables

At October 31, 2007, the balance relating to the monthly securitization program of trade receivables begun by the Alpitour Group in 2006 amounts to € 49 million. The securitization operation formalized by Alpitour S.p.A. with Banca Calyon in Milan provides for a revolving credit line which can be used on a monthly basis up to a net maximum amount of € 55 million against the sale of the trade receivables. Furthermore, in accordance with the contract terms, in exchange for the monthly sale of receivables and the amount of utilization requested (monthly program), Alpitour is obliged to subscribe to short-term securities (30-day maturities) issued by a French-registered associate of the Calyon Group, the amount of which is determined on the basis of the quality of the receivables sold and the relative degree of concentration. At October 31, 2007, short-term securities were subscribed to for an amount of € 40 million against a monthly program of € 49 million; the net use of the securitization line at the year-end closing date is therefore equal to € 9 million against a credit line made available by Calyon for € 55 million.

The Alpitour Group does not have any particular concentrations of credit risk since its credit exposure is distributed over a large number of counterparts and customers.

Trade receivables are expressed net of the provision for receivables impairment which amounts to € 22 million at December 31, 2007.

Cushman & Wakefield Group

The credit risk of the Cushman & Wakefield Group is represented by the carrying amount of financial assets recorded in cash and cash equivalents for $110.2 million (€ 75 million) and the carrying amount of trade receivables for $444 million (€ 302 million).

Trade receivables are expressed net of the provision for receivables impairment which amounts to $8.2 million (€ 6 million) at December 31, 2007.

Juventus Football Club

Juventus Football Club does not have any significant concentrations of credit risk.
Trade receivables are expressed net of the provision for receivables impairment which amounts to € 1 million at December 31, 2007.

Liquidity risk

The companies of the Group control the liquidity risk by planning investments of liquidity, monitoring the maturities of financial investments and financial assets and the expected cash flows from operations.
The residual contract maturities for all the financial liabilities which fall under the application of IAS 39 are indicated below.

The table has been prepared by allocating the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent coupon rate with the bank counterpart was used for the projection of future maturities.

	December 31, 2007					
	Nominal amount					
€ in millions	To 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	**Total**
Bonds and non-current debt						
IFIL bonds 2007/2017	(40)		(81)	(81)	(951)	**(1,153)**
IFIL bonds 2006/2011	(4)	(4)	(18)	(205)		**(231)**
Debt	(2)	(2)	(118)	(95)	(11)	**(228)**
Bonds and current debt						
Current debt	(347)	(2)				**(349)**
Current portion of bonds	(46)	(5)				**(51)**
Payables to suppliers	(377)					**(377)**
Total	**(816)**	**(13)**	**(217)**	**(381)**	**(962)**	**(2,389)**

	December 31, 2006						
	Nominal amount						
€ in millions	To 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	Sequana Capital Group	**Total**
Bonds and non-current debt							
IFIL bonds 2006/2011	(4)	(4)	(18)	(214)			**(240)**
Debt	(2)	(2)	(164)	(14)	(15)	(412)	**(609)**
Bonds and current debt							
Current debt	(411)	(14)				(274)	**(699)**
Current portion of bonds	(12)	(10)					**(22)**
Payables to suppliers	(202)					(717)	**(919)**
Total	**(631)**	**(30)**	**(182)**	**(228)**	**(15)**	**(1,403)**	**(2,489)**

Comments in respect of IFI S.p.A., IFIL S.p.A. and the companies of the Holdings System are presented below.

Outgoing flows from current operations are substantially financed by incoming flows from ordinary business and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to support operating and investment activities. In this sense, the IFI Group operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2007, the IFI Group has unused credit lines for € 2,680 million (€ 3,188 million at December 31, 2006).

Overall credit lines of the Alpitour Group total € 358 million, of which € 74 million is used for short-term financing and € 27 million for medium-term financing.

As for the liquidity risk of the Cushman & Wakefield Group, its cash position and future outlook are reviewed on a weekly basis. The C&W Group's seasonal cash flow demands peak in the early second quarter. To supplement its internally generated cash flows, the Cushman & Wakefield Group secured a $350 million Senior Credit Facility on May 29, 2007. This facility will be used to support acquisition opportunities and fund seasonal cash flow requirements during the year.
The breakdown of maturities by credit line is as follows:

	December 31, 2007						
	Nominal amount						
€ in millions	Until canceled	To 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	**Total**
Portion of credit lines utilized	175	221	3	0	193	0	**592**
Portion of credit lines not utilized	1,309	174	100	375	722	0	**2,680**
Total credit lines	**1,484**	**395**	**103**	**375**	**915**	**0**	**3,272**

	December 31, 2006							
	Nominal amount							
€ in millions	Until canceled	To 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	After 5 years	Sequana Capital Group	**Total**
Portion of credit lines utilized		73	381	9	167	5	586	**1,221**
Portion of credit lines not utilized	199		1,507	15	755		712	**3,188**
Total credit lines	**199**	**73**	**1,888**	**24**	**922**	**5**	**1,298**	**4,409**

Market risk

The IFI Group is principally exposed to exchange rate and interest rate risks, since the Group operates internationally in different currency areas and uses financial instruments which generate interest, in addition to the price risk on equity shares and other listed financial assets.
Financial risks are managed by each subgroup in which the Group's activities are divided. The financial risk management of the subsidiary IFIL S.p.A. and the companies in the IFIL Holdings System refer to the parent, IFI.

Exchange rate risk

An analysis of debt by currency is as follows:

€ in millions	EUR	GBP	USD	Other	**Total**
At December 31, 2007					
IFIL bonds 2007-2017	(744)				**(744)**
IFIL bonds 2006-2011	(200)				**(200)**
Debt	(544)		(58)	(10)	**(612)**
Total debt	**(1,488)**	**0**	**(58)**	**(10)**	**(1,556)**
At December 31, 2006					
IFIL bonds 2006-2011	(199)				**(199)**
Debt	(1,186)	(68)	(51)	(20)	**(1,325)**
Total debt	**(1,385)**	**(68)**	**(51)**	**(20)**	**(1,524)**

The Group is exposed to risks from fluctuations in exchange rates which can affect the results of operations and equity.

The transactions put into place by the companies of the Group to hedge the above currency positions are described below.

IFIL S.p.A. does not have financial liabilities denominated in currencies other than the Euro. Some of the assets held for trading and cash and cash equivalents at December 31, 2007 (respectively, € 19 million and € 3 million) are denominated in currencies other than the Euro. These are securities held for trading and cash and cash equivalents which have both been adjusted to the year-end exchange rate.

The Alpitour Group, since it operates internationally, is subject to market risk from the fluctuations in exchange rates.
Alpitour S.p.A. has put into place forward contracts and zero cost collars for a total nominal amount of € 27 million to manage the risk of fluctuations in currency rates hedging the exposure in foreign currencies for the next year. The fair value of IRS at October 31, 2007 is estimated at a negative € 1,099 thousand.

Exchange rate risk relating to the operations of the Cushman & Wakefield Group is limited since the companies of the C&W Group conduct their operations in their functional currency.
Exposure to currency risk is only from intercompany commercial transactions. The C&W Group mitigated this risk in 2007 by using some foreign exchange forward contracts for the three main currencies in which it operates: the British pound, the Canadian dollar and the Brazilian real. The fair value of these financial instruments at December 31, 2007 amounts to $14,000 thousand (€ 9,510 thousand).
The exchange risk relating to financial liabilities is limited to the foreign currency debt referring to the portion of the Senior Revolving Credit Facility for $14.3 million (€ 5 million).
The C&W Group believes that the companies exposed to this risk will generate sufficient cash flows in the future to repay their debt, therefore, no hedging instruments have been put into place.

At December 31, 2006, the Sequana Capital Group had some foreign currency hedging contracts; the change in fair value of these contracts was recorded in the income statement for a negative amount of € 33 thousand.

Sensitivity analysis for exchange rate risk

A sensitivity analysis at the balance sheet date has been prepared in respect of the financial instruments exposed to the exchange rate risk of the Eur/USD, Eur/GBP and risks referring to other currencies represented principally by trade receivables and payables, financial assets and derivative financial instruments of the Alpitour Group and the Cushman & Wakefield Group.

Alpitour Group
The sensitivity analysis for the exchange risk of the Alpitour Group used the data of the financial statements at October 31, 2007 and is based on the following assumptions:

- the amount shown in the financial statements for financial assets and liabilities has been adjusted by applying a symmetrical percentage change of 10% to the year-end exchange rate;
- for derivative financial instruments, the effects have been calculated assuming that the volatility of the markets is unchanged at year-end.

The Alpitour Group is exposed to exchange rate risk on financial assets for € 6 million and on financial liabilities for € 51 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would have an effect on the result for € 1.2 million and a positive effect on equity for € 1.9 million and a negative effect for € 2.5 million.

Cushman & Wakefield Group
The Cushman & Wakefield Group is exposed to exchange rate risk on financial assets for € 231 million and on financial liabilities for € 106 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would affect equity by € 11 million.

Interest rate risk
The companies of the Group use external financial resources obtained in the form of financing and invest available liquidity in monetary and financial market instruments. Changes in market interest rates can affect the cost and yield of the various forms of financing, causing an impact on the level of the Group's financial expenses.
The interest rate risk is managed by the individual consolidated Groups which establish the appropriate mix between fixed-rate and floating-rate financing using interest rate swaps and zero cost collars.

The fair value effect of the interest rate risk hedging transactions put into place by the consolidated companies is as follows:

€ in thousands	**12/31/2007**	12/31/2006	Change
IFIL S.p.A. and "Holdings System"	**3,938**	1,864	2,074
IFI S.p.A.	**1,776**	3,091	(1,315)
Alpitour Group	**168**	(341)	509
Sequana Capital Group	**-**	3,824	(3,824)
Total	**5,882**	8,438	(2,556)

IFI S.p.A. has some interest rate swap contracts in place at December 31, 2007, for a notional amount of a total of € 250 million, to hedge the risk of fluctuations in interest rates on bank debt with a positive fair value equal to € 1,776 thousand.

IFIL Investments S.p.A. has some interest rate swap contracts in place at December 31, 2007, for a notional amount of a total of € 200 million, to hedge the risk of fluctuations in interest rates on the IFIL bonds 2006-2011 with a positive fair value equal to € 3,938 thousand (€1,864 thousand in 2006).

Alpitour S.p.A. has interest rate swap contracts and zero cost collars, for a notional amount of a total of € 20 million, to hedge the risk of fluctuations in interest rates on the syndicated loan secured on November 30, 2006. The fair value of these contracts at October 31, 2007 is estimated at a positive amount of € 168 thousand (a negative amount of € 341 thousand at October 31, 2006).

Juventus Football Club's debt mainly bears interest at floating rates. The company, however, does not believe it necessary to initiate procedures to limit the risks connected with the volatility of interest rates since any impact related thereto is considered insignificant.

The Cushman & Wakefield Group is exposed to interest rate risks associated with the Revolving Credit Facility of $350 million. At this time, management has not put into place any form of hedging.

At December 31, 2006, the Sequana Capital Group had some interest rate swap contracts for a total notional amount of € 325 million and cap and floor collars for a total notional amount of € 70 million; the positive fair value recorded in the income statement and equity amounted, respectively, to € 2,287 thousand and € 1,537 thousand.

The fair value recorded in the cash flow hedge reserve refers to the hedge of cash flows relating to interest expenses on loans which will arise in the years 2008 to 2011 (approximately € 15 million for the years between 2008 and 2009, € 9 million for the year 2010 and € 5 million for the year 2011).

Analysis of debt by interest rate
The analysis of debt by interest rate at December 31, 2007 shows that the rates are mainly between 4% and 5% for € 595 million and between 5% and 7.5% for € 958 million.
The analysis of debt by interest rate at December 31, 2006 showed that the rates were mainly between 3% and 4% for € 576 million, between 4% and 5% for € 801 million and between 5% and 7.5% for € 135 million.

Sensitivity analysis for interest rate risk

A sensitivity analysis at the balance sheet date has been prepared in respect of financial instruments exposed to interest rate risk. In the case of floating-rate liabilities, the analysis was prepared assuming that the exposure at the end of the year remained constant for the entire year. The assumptions used for the model are as follows:

- to debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the change in fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the balance sheet date. In determining the above effect, account is taken of the consequent impact on the reversal of the cash flow hedge reserve to the income statement.

If there is an increase or decrease in the interest rates of 50 basis points, all other variables remaining constant, the pre-tax result of the Group for the year 2007 would be higher or lower by € 3.1 million; the cash flow hedge reserve would be higher or lower by € 0.8 million.

Price risk

IFI and the IFIL Holdings System are exposed to price risk originating from investments in the capital stock of other companies held for trading or for strategic purposes, classified in the categories of available-for-sale and assets held for trading and current securities.

The Alpitour Group, particularly the aviation division, is subject to the risk of fluctuations in fuel prices that are largely associated with international political equilibrium and other exogenous factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Alpitour Group's margin. The risk exposure is hedged by commodity swaps and zero cost collars with high standing Italian and international financial institutions. At October 31, 2007, there were no contracts outstanding since they were closed during the year.

At October 31, 2006, the Alpitour Group had transactions outstanding for the purchase of 36,000 tons of fuel for a notional amount of € 15,461 thousand to hedge the risk of fuel price fluctuations.
At October 31, 2006, the fair value of these transactions qualified for hedge accounting and had a negative value of € 631 thousand recognized in an equity reserve.

The Cushman & Wakefield Group is exposed to equity price risk arising from available-for-sale equity securities held for the European (EMEA) pension plans. The investment decisions for this plan are made by the Trustees of the plan, based on consultation with the investment and actuarial advisors of the Trustees.

Sensitivity analysis for price risk

Considering price risk exposure at the balance sheet date, if the prices of securities are 5% higher or lower, the fair value reserve on available-for-sale assets recorded in equity would be € 126 million higher or lower and the amount of fair value recognized in the income statement on the securities and investments included in the category of assets held for trading and cash and cash equivalents would be € 8 million higher or lower. Details are as follows:

	+5% change in price		-5% change in price	
Type of asset	Effect on result	Effect on equity	Effect on result	Effect on equity
Intesa Sanpaolo		78		(78)
SGS		48		(48)
Credit instruments and investment funds – non-current	1		(1)	
Credit instruments – current	3		(3)	
Equity shares – current	3		(3)	
Cash and cash equivalents	1		(1)	
	8	**126**	**(8)**	**(126)**

41. Intragroup and related party transactions

The IFI Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy which holds the entire ordinary capital stock of IFI S.p.A.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, are eliminated in the consolidated financial statements of the IFI Group and are therefore not presented in this note.

Related party transactions are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Costs have not been recognized during the period for non-existent or doubtful liabilities in relation to amounts due from related parties.

The balance sheet and income statement balances generated by transactions with related parties carried out during 2007, identified in accordance with IAS 24 and communicated by the companies of the Group, are summarized in the following tables. Transactions are indicated only if close to € 1 million, which is the unit of measure for the presentation of the consolidated figures of the IFI Group.

€ in millions	Trade receivables	Trade payables	Other assets	Financial assets	Other liabilities	Costs	Revenues
Sale of the 22% stake in the Sequana Capital Group to DLMD						(55) (a)	
Subscription to DLMD S-Bonds				28 (a)			
Investment in NoCo B				12 (b)			
Acquisition of NoCo A LP, from Exor Group, through the purchase of 100% of Ancom USA Inc. capital stock				19 (c)			
Directors for compensation and consulting					(3) (d)	(7)	
Participants of Alpitour stock option plans 2005					(16)	(13)	
Loans to key personnel of the Cushman & Wakefield Group			1				
Alpitour Group Egypt for Tourism S.A.E.		(8)	1			(30)	
Viajes Medymar S.L.	1						
Semana S.r.l.		(1)				(5)	
Campi di Vinovo S.p.A.							20 (e)
Fiat Group	1	(1)				(1)	8 (f)
Total IFI Group	**2**	**(10)**	**2**	**59**	**(19)**	**(111)**	**28**

a) For additional information, reference should be made to Note 9.
b) On May 2, 2007, Ifil Investissements S.A. succeeded Exor Group S.A., a company controlled by Giovanni Agnelli e C. S.a.p.az., in a commitment for a maximum investment of $80 million in the limited partnership NoCo B LP which Groups a series of funds managed by Perella Weinberg Partners L.P. As a result of this commitment, on December 31, 2007, Ifil Investissements S.A. invested $17 million (€ 11.9 million).
c) On September 30, 2007, Ifil Investissements S.A. purchased a 100% stake in the capital stock of the American company ANCOM USA Inc, from Exor Group S.A., for a total payment of approximately $27 million (€ 19.1 million). ANCOM USA Inc holds 1.96% of the limited partnership NoCo A LP, under which the Perella Weinberg Group conducts all of its activities.
d) Other liabilities include the payable to the chairman of IFIL S.p.A. for the extraordinary compensation approved in 2005 (for a residual amount of € 2 million) and the payable by Juventus Football Club to its chief executive officer (€ 1 million).
e) The amount refers to the proceeds discounted to present value on the sale of the investment in Campi di Vinovo S.p.A. and the "Mondo Juve" business segment.
f) Effective from July 1, 2007 to June 30, 2010, the Fiat Group became the "Official Sponsor" of the Juventus Football Club for all games.
The agreement gives the Fiat Group the right to exploit the Juventus Football Club image, including the use of its trademarks on all technical clothing for all the teams of the club, for total fixed consideration payable to Juventus Football Club of € 33 million and variable consideration determined in relation to reaching pre-set sports results in national and international games.
According to the agreement, in the 2007/2008 season, the players will display the trademark of New Holland – Fiat Group. New Holland operates in the agricultural and construction equipment sector.

At December 31, 2007, Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana Capital shares between May 2009 and May 2013 at a price per share of € 20.46.

Furthermore, Sequana Capital has assigned Tiberto Brandolini d'Adda, gratuitously, 12,340 shares that will be assigned on March 29, 2008 and available from March 29, 2010.

During 2007, Sequana Capital paid compensation to Tiberto Brandolini d'Adda for a total of € 3,361,973.

Moreover, in 2007, the director, Franzo Grande Stevens, rendered professional services to IFIL S.p.A. for € 1,150 thousand and to Fiat S.p.A. for € 1 million (including acting as the secretary to the board of directors).

42. Compensation to directors and statutory auditors

In 2007, the compensation to the directors and statutory auditors of IFI S.p.A., to perform their duties in the parent and also in other companies included in consolidation, is as follows:

€ in thousands	IFI S.p.A.	Subsidiaries (a)	Total
Directors	1,004	2,022	3,026
Statutory Auditors	146	118	264
Total	**1,150**	**2,140**	**3,290**

(a) This does not include the compensation paid by Fiat and its subsidiaries since the Fiat Group is not included in the scope of consolidation.

In 2006, compensation amounted to € 6,827 thousand, of which € 1,092 thousand was paid by IFI and € 5,735 thousand by the subsidiaries.

IFI S.p.A. also signed a third-party liability insurance policy for the directors with a Group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The Chairman, John Elkann, does not receive any compensation for his post. The remuneration of the directors Gianluigi Gabetti and Pio Teodorani-Fabbri is not linked to either the economic results of the company or targets set by the board of directors
A part of the compensation of the general manager, however, is tied to the economic results of the company and the reaching of specific targets.

Additional information on compensation, as requested by national law (Consob Regulation 11971 dated May 14, 1999 and later amendments and integrations), is provided in the notes to the separate financial statements of IFI S.p.A.

43. Employees

The breakdown of the average number of employees is provided as follows:

Average number of employees	**12/31/2007**	12/31/2006
Breakdown by category		
Managers	**1,526**	68
Middle management and clerical staff	**12,256**	1,618
Pilots and flight attendants	**259**	183
Soccer players	**54**	60
Blue-collar	**3,366**	2,255
	17,461	4,184

44. Proforma consolidated data prepared by consolidating the Fiat Group line-by-line

Pending an opinion by the IASB, which the European Commission has also requested by letter dated October 26, 2006, that will definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFI Group has continued to exclude the Fiat Group, in which IFIL S.p.A. has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements as at December 31, 2005 and December 31, 2006.

However, presented below are the proforma consolidated balance sheet, the proforma consolidated income statement and the composition of the proforma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

IFI Group – Proforma consolidated income statement prepared by consolidating the Fiat Group line-by-line

€ in millions	Consolidated IFI Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Proforma
Revenues	2,657	58,529	61,186	(8)	61,178
Other income (expenses)	36	88	124		124
Current operating costs	(2,627)	(55,384)	(58,011)	8	(58,003)
Profit from current operations	**66**	**3,233**	**3,299**	**0**	**3,299**
Gains on sales of investments	0	190	190		190
Restructuring costs and other nonrecurring income (expenses)	(28)	(271)	(299)		(299)
Operating profit	**38**	**3,152**	**3,190**	**0**	**3,190**
Gains on sales of investments	9		9		9
Other financial income (expenses)	82	(564)	(482)		(482)
Financial income (expenses)	91	(564)	(473)	0	(473)
Income taxes	(43)	(719)	(762)		(762)
Profit of companies consolidated line-by-line	**86**	**1,869**	**1,955**	**0**	**1,955**
Share of profit of the Fiat Group	566		566	(566)	0
Share of profit of other companies accounted for by the equity method	21	185	206		206
Profit from continuing operations	**673**	**2,054**	**2,727**	**(566)**	**2,161**
Loss from discontinued operations or assets held for sale	**(8)**	**0**	**(8)**		**(8)**
Profit	**665**	**2,054**	**2,719**	**(566)**	**2,153**
Attributable to the equity holders of the company	**444**	**1,953**	**2,397**	**(1,953)**	**444**
Attributable to the minority interest	**221**	**101**	**322**	**1,387**	**1,709**

IFI Group – Proforma consolidated balance sheet prepared by consolidating the Fiat Group line-by-line

€ in millions	Consolidated IFI Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Proforma
Non-current assets					
Goodwill	410	3,329	3,739		3,739
Other intangible assets	456	3,194	3,650		3,650
Property, plant and equipment	195	11,256	11,451		11,451
Investment in Fiat accounted for by the equity method	3,125		3,125	(3,125)	0
Investments accounted for by the equity method	348	1,930	2,278		2,278
Other financial assets	2,675	284	2,959		2,959
Leased assets	0	396	396		396
Deferred tax assets	72	1,892	1,964		1,964
Other non-current assets	82	31	113		113
Total Non-current assets	**7,363**	**22,312**	**29,675**	**(3,125)**	**26,550**
Current assets					
Inventories, net	3	9,990	9,993		9,993
Trade receivables	434	4,384	4,818	0	4,818
Receivables from financing activities	0	12,268	12,268		12,268
Other receivables, accruals and prepayments	212	3,444	3,656		3,656
Financial assets	160	1,016	1,176		1,176
Cash and cash equivalents	919	6,639	7,558		7,558
Total Current assets	**1,728**	**37,741**	**39,469**	**0**	**39,469**
Assets held for sale	**3**	**83**	**86**		**86**
Total Assets	**9,094**	**60,136**	**69,230**	**(3,125)**	**66,105**
Equity					
Equity attributable to the equity holders of the company	4,161	10,606	14,767	(10,606)	4,161
Equity attributable to the minority interest	2,241	673	2,914	7,481	10,395
Total Equity	**6,402**	**11,279**	**17,681**	**(3,125)**	**14,556**
Current and non-current liabilities					
Provisions for employee benefits	158	3,597	3,755		3,755
Provisions for other liabilities and charges	115	4,965	5,080		5,080
Bonds and other debt	1,557	18,139	19,696		19,696
Deferred tax liabilities	128	193	321		321
Trade payables	377	14,725	15,102	**0**	15,102
Other liabilities, accruals and deferrals	357	7,203	7,560		7,560
Total Current and non-current liabilities	**2,692**	**48,822**	**51,514**	**0**	**51,514**
Liabilities relating to assets held for sale		**35**	**35**		**35**
Total Equity and liabilities	**9,094**	**60,136**	**69,230**	**(3,125)**	**66,105**

IFI Group – Proforma consolidated net financial position prepared by consolidating the Fiat Group line-by-line

€ in millions	Consolidated IFI Group	Consolidated Fiat Group	Consolidated Proforma
Cash and cash equivalents	919	6,932	7,851
Financial receivables	8	12,268	12,276
Other current financial assets	160	703	863
Debt	(613)	(17,951)	(18,564)
IFIL bonds 2006/2011	(200)	0	(200)
IFIL bonds 2007/2017	(744)	0	(744)
Other current financial liabilities	0	(188)	(188)
Consolidated net financial position	**(470)**	**1,764**	**1,294**

45. Translation of foreign currency financial statements

The principal exchange rates used for the translation of the 2007 and 2006 foreign currency financial statements and data to Euro are as follows:

	2007	2006
Year-end exchange rate		
British pound	**0.733**	0.672
U.S. dollar	**1.472**	1.317
Swiss franc	**1.655**	1.607
Average exchange rate		
British pound	**0.684**	0.682
U. S. dollar	**1.370**	1.256
Swiss franc	**1.642**	1.573

46. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2007 were approved by the board of directors on March 28, 2008 which authorized their publication starting from March 29, 2008.

Turin, March 28, 2008

For the Board of Directors
The Chairman
John Elkann

IFI

Istituto Finanziario Industriale

Annual Report 2007

Certifications according to art. 154-bis of Legislative Decree 58/98

Certification of the separate financial statements according to art. 81-ter of Consob Regulation 11971 of May 14, 1999 and subsequent amendments and additions

We, the undersigned, Virgilio Marrone, Chief Executive Officer and General Manager, and Pierluigi Bernasconi, Manager responsible for the preparation of the financial reports of IFI S.p.A., attest, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application,

of the administrative and accounting procedures used in the preparation of the separate financial statements for the year ended December 31, 2007.

We also certify that the separate financial statements for the year ended December 31, 2007:

- agree with the accounting records and entries;
- have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union, as well as the measures enacted to implement Legislative Decree 38 dated February 28, 2005 and, to our knowledge and belief, are suitable for providing a true and fair view of the financial condition, results of operations and cash flows of the company.

Turin, March 28, 2008

Chief Executive Officer and General Manager	Manager responsible for the preparation of the financial reports
Virgilio Marrone	Pierluigi Bernasconi

Certification of the consolidated financial statements according to art. 81-ter of Consob Regulation 11971 of May 14, 1999 and subsequent amendments and additions

We, the undersigned, Virgilio Marrone, Chief Executive Officer and General Manager, and Pierluigi Bernasconi, Manager responsible for the preparation of the financial reports of IFI S.p.A., attest, taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application,

of the administrative and accounting procedures used in the preparation of the consolidated financial statements for the year ended December 31, 2007.

To this end, it should be noted - as indicated in the certification of the consolidated financial statements of the subsidiary IFIL S.p.A. - that the Cushman & Wakefield Group, acquired by the IFIL Group at the end of March 2007, began a specific project for the implementation and the formulation of the administrative and accounting procedures for financial reporting, prepared on the basis of IFRS, transmitted to IFIL S.p.A. for purposes of the preparation of the consolidated financial statements at December 31, 2007.
On the basis of the assessment of the adequacy and the effective application of such administrative and accounting procedures, management of the Cushman & Wakefield Group has indicated to IFIL S.p.A. that there are no irregularities or omissions of material fact.

We also certify that the consolidated financial statements for the year ended December 31, 2007:

- agree with the accounting records and entries;
- have been prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union, as well as the measures enacted to implement Legislative Decree 38 dated February 28, 2005 and, to our knowledge and belief, are suitable for providing a true and fair view of the financial condition, results of operations and cash flows of the company and the aggregate of the companies included in consolidation.

Turin, March 28, 2008

Chief Executive Officer and General Manager Virgilio Marrone	Manager responsible for the preparation of the financial reports Pierluigi Bernasconi

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE NO. 58 OF FEBRUARY 24, 1998

To the Stockholders of
IFI - ISTITUTO FINANZIARIO INDUSTRIALE S.p.A.

1. We have audited the financial statements of IFI - Istituto Finanziario Industriale S.p.A. as of and for the year ended December 31, 2007, which comprise the balance sheet, the statements of income, changes in stockholders' equity and cash flows and the related explanatory notes. These financial statements are the responsibility of the Directors of IFI - Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Regulatory Commission for Listed Companies and the Stock Exchange. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report dated April 5, 2007.

3. In our opinion, the financial statements referred to above present fairly the financial position of IFI - Istituto Finanziario Industriale S.p.A. as of December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with IFRS as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 3, 2008

This report has been translated into the English language solely for the convenience of international readers.

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Stockholders of
IFI - ISTITUTO FINANZIARIO INDUSTRIALE S.p.A.

1. We have audited the consolidated financial statements of IFI - Istituto Finanziario Industriale S.p.A. and its subsidiaries ("IFI Group") as of and for the year ended December 31, 2007, which comprise the consolidated balance sheet, the consolidated statements of income, changes in stockholders' equity and cash flows and the related explanatory notes. These consolidated financial statements are the responsibility of the Directors of IFI - Istituto Finanziario Industriale S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Regulatory Commission for Listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year consolidated financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report dated April 5, 2007.

3. In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of IFI Group as of December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. For a better understanding of the consolidated financial statements, attention is drawn to the fact that IFI Group, pending an opinion by the IASB, which the European Commission has also requested by letter dated October 26, 2006, that will definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, has continued to exclude the Fiat Group, in which the subsidiary IFIL INVESTMENTS S.p.A. owns 30.45% of ordinary capital stock, from line-by-line consolidation, consistently with the methodology followed for the first-time adoption of IFRS and for the preparation of the consolidated financial statements as of December 31, 2005 and December 31, 2006. However, in note 44 to the consolidated financial statements are presented the pro-forma consolidated financial data prepared consolidating line-by-line the Fiat Group.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 3, 2008

This report has been translated into the English language solely for the convenience of international readers.

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE SEPARATE FINANCIAL STATEMENTS

Dear Stockholders,

Under art. 153 of Legislative Decree 58 dated February 24, 1998 (TUF - Consolidated Law on Financial Intermediation), the board of statutory auditors has the obligation to report to the stockholders' meeting on matters concerning the supervisory work carried out and any omissions and censurable matters that may have come to its attention. The board of statutory auditors may also formulate proposals to the stockholders' meeting in relation to the financial statements, to its approval and to matters of its competence.

In keeping with the above law, we have written this report.

During the year, we have carried out the control activities envisaged by the law according to the principles of conduct issued by the National Boards of Dottori Commercialisti and Ragionieri and also taking into account, for the part regarding the board's competence, the instructions by Consob in its communications and in particular, in Communication 1025564 dated April 6, 2001 and subsequent updates.

We have participated in the meetings of the board of directors during which the directors informed us about the activities carried out and about the significant economic, financial and equity transactions entered into or in the process of being entered into by the company and/or its subsidiaries. In this regard, we have ascertained and we have ensured that the transactions approved and carried out were in conformity with the law and the corporate bylaws, were not in disagreement with the resolutions approved by the stockholders' meeting or in conflict of interest and were based upon the principles of good administration.

The organizational structure of the company and the internal control systems, insofar as we are responsible, appear to be adequate for the specific type of business and size of the company.

As a result, the board of statutory auditors, also on the basis of meetings held with those in charge of corporate functions, with the manager responsible for the preparation of financial reporting and with representatives of the audit firm, has gathered extensive information regarding compliance with the principles of diligent and proper administrative management.

Furthermore, we consider that the administrative accounting system, insofar as ascertained and checked by us, also in prior years, is in a position to record and correctly represent operating events.

The board of directors, in order to provide the company with a set of rules which takes into account the contents of art. 154 bis of Legislative Decree 58 dated February 24, 1998, has approved the document "Accounting and Administrative Control Model".

As for corporate governance, the directors have written a specific report. As for our responsibilities, in conformity with the provision of art. 149 number 1, letter c) bis of Legislative Decree 58 dated February 24, 1998, we take note that the directors, in their report on corporate governance (2.1), specified the following: "IFI, in view of its particular capital structure, which, for ordinary capital stock is represented by unlisted shares held entirely by Giovanni Agnelli e C. S.a.p.az., has not adopted the Code of Self-discipline of listed companies".

Therefore, the corporate governance system adopted by the company is adapted to the capital structure and guarantees transparency according to market practices."

The rules and procedures specifically adopted, as we have ascertained, are nevertheless adequate and complete for purposes of achieving transparency as proposed by the directors.

In the same manner, the directives given by IFI S.p.A. to the subsidiaries as per art. 114, paragraph 2, of Legislative Decree 58 dated February 24, 1998 seem adequate.

The board of directors has sent us, in accordance with the law, the report relating to the first half of the year, making it public within the time-frame and according to the regulations established by Consob and has produced, according to law, the quarterly reports on performance for the first and third quarters.

The chief executive officer and manager responsible for the preparation of financial reporting issued the certifications pursuant to art. 154 bis of TUF on March 28, 2008.

Specifically in reference to other instructions by Consob in its Communication 1025564 dated April 6, 2001 and later updates, with regard to our competence, we can attest to the following:

- the board of statutory auditors, pursuant to Legislative Decree 58 dated February 24, 1998 was constantly informed with regard to matters of its competence;

- the periodical verifications and tests on the company did not bring to light any atypical and/or unusual transactions with third parties, related parties or intragroup that would give rise to reservations about the correctness or completeness of the information in the financial statements, conflicts of interest and the safeguarding of the company's assets;
- with regard to transactions with related parties, the directors, in the notes to the separate financial statements, present and illustrate the transactions for the exchange of goods and services between your company and the companies of the Group and/or related parties, specifying that these transactions have been carried out on the basis of an evaluation of reciprocal economic gain. Such transactions are indicated and commented in Note 30;
- the audit report of Deloitte & Touche S.p.A. issued on April 3, 2008 on the separate financial statements does not contain any qualifications or other matters of interest;
- during the year 2007, the board of directors held nine meetings, which we attended, and the board of statutory auditors held nine meetings, four of which were attended by representatives of the audit firm;
- no significant aspects emerged during the course of the meetings held with the audit firm pursuant to art. 150 Legislative Decree 58 dated February 24, 1998;
- there have been no complaints received under ex art. 2408 of the Italian Civil Code;
- there have been no petitions received;
- from relations existing with the corresponding bodies of the parent and the subsidiaries no matters arose which should be reported;
- during the year, the board of statutory auditors issued opinions on the compensation to be paid to the directors who are charged with special mandates approved by the board of directors pursuant to art. 2389 of the Italian Civil Code and that required by art 22 of the bylaws regarding the appointment of the manager in charge of the preparation of financial reporting;
- during the year, besides the appointment for the audit of the separate and consolidated financial statements and the limited-scope audit for the first-half report, which fees are indicated in Note 31, the company did not engage Deloitte & Touche S.p.A. for other assignments. During the same year, no assignments were conferred to entities associated with Deloitte & Touche S.p.A.

With regard to the separate financial statements which show a profit of € 54,472,566, the formation of which is described in the Report on Operations, we have ascertained that the laws have been observed with regard to its format and structure through tests carried out directly by us and on the basis of information supplied to us by the audit firm; the information supplied by directors in the Report on Operations should be considered extensive and complete.

This being said, we invite you to approve the financial statements together with the motion by the board of directors for the appropriation of the profit for the year.

The board of directors, lastly, invites you to authorize the purchase of treasury stock for the amount and according to the manner and terms indicated in the specific report and, in special session, to assign the mandate in accordance with article 2443 of the Italian Civil Code and proposes amendments to articles 11, 14 and 23 of the bylaws, explaining the reasons thereto. As to our responsibilities in this case, we can attest that the proposals, illustrated by specific reports, conform to existing laws.

Turin, April 7, 2008

THE BOARD OF STATUTORY AUDITORS

Gianluca Ferrero

Giorgio Giorgi

Lionello Jona Celesia

REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

Dear Stockholders,

The consolidated financial statements of the IFI Group for the year ended December 31, 2007, which we submit for your consideration, show a profit attributable to the equity holders of the company of € 221 million. The consolidated financial statements were submitted to us within the terms of the law, together with the Report on Operations, and are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the European Union.

The tests carried out by Deloitte & Touche S.p.A., charged with the audit, have led to the assertion that the values expressed in the financial statements agree with the accounting records of the parent, the consolidated financial statements of the sole subsidiary IFIL S.p.A. and the relative information formally communicated by the latter.

Such consolidated financial statements, transmitted by the subsidiary to the parent for purposes of drawing up the consolidated financial statements, prepared by its relevant corporate bodies, have been examined by the bodies and/or parties in charge of controlling the individual subsidiary and on the part of the audit firm within the scope of the procedures carried out for the audit of the consolidated financial statements. The board of statutory auditors has, therefore, not extended its examination to these financial statements.

The determination of the scope of consolidation, the choice of the principles of consolidation of the investments and the procedures adopted for this purpose are in agreement with IFRS. The structure of the consolidated financial statements is thus to be considered technically correct and, as a whole, conforms to the specific law.

The audit firm has issued its report on the consolidated financial statements with an unqualified opinion, noting, for purposes of full disclosure, that the Fiat Group has been excluded from the scope of line-by-line consolidation.

The Report on Operations adequately describes the results of operations, the financial condition and cash flows, the performance of operations during the course of 2007 and the business outlook of the aggregate of the companies in the scope of consolidation after the end of the year. The examination to which the report has been subjected shows its congruity with the consolidated financial statements.

Turin, April 7, 2008

THE BOARD OF STATUTORY AUDITORS

Gianluca Ferrero

Giorgio Giorgi

Lionello Jona Celesia

IFI

Istituto Finanziario Industriale

Annual Report 2007

List of Group companies

As required by Consob Resolution 11971 of May 14, 1999 as amended (Art. 126 of the Regulations), a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, is provided below.

Investments of IFI consolidated on a line-by-line basis

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFI S.p.A.	**ITALY**	**163,251,460**	**EUR**				
IFIL INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR	68.29	IFI S.p.A.	67.455	69.704
					GIOVANNI AGNELLI E C. S.a. p.az.	2.896	3.000
					IFIL Investments S.p.A. (*)	1.153	1.194
					SOIEM S.p.A. (*)	0.075	0.078

(*) Voting suspended.

Investments of the “Holdings System” consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 68.29%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
COMPANIES OF THE HOLDINGS SYSTEM (Holding companies and services)							
IFIL INVESTMENT HOLDING N.V.	NETHERLANDS	960,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A.	79.816	79.816
					IFIL INVESTMENT HOLDING N.V.	20.184	20.184
IFIL GROUP FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED U.K.	UNITED KINGDOM	243,100	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL USA INC.	USA	500,000	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	HONG KONG CHINA (PEOPLE'S REP.)	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL FRANCE SAS (a)	FRANCE	50,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
ANCOM USA INC (b)	USA	-	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
CUSHMAN & WAKEFIELD GROUP INC.	USA	944,882,590	USD	72.13	IFIL INVESTISSEMENTS S.A.	70.183	70.183
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	15,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
OPERATING COMPANIES							
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EUR	100.00	IFIL INVESTMENTS S.P.A.	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	20,155,333	EUR	60.00	IFIL INVESTMENTS S.P.A.	60.001	60.001

(a) Set up on July 27, 2007 and consolidated line-by-line in the last quarter of 2007.
(b) Purchased on September 30, 2007 and consolidated line-by-line in the last quarter of 2007.

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 49.26%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Real Estate Services							
BIGeREALESTATE, Inc.	USA	N/A	USD	89.530%	Cushman & Wakefield, Inc.	89.530%	89.530%
Buckbee Thorne & Co.	USA	37,500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Offshore Consulting, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W-Japan K.K.	JAPAN	200	YEN	100.000%	Cushman & Wakefield International Inc.	100.000%	100.000%
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Ltd.	99.000%	99.000%
Cushman & Wakefield - Semco Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CHP	100.000%	Cushman & Wakefield-Semco Consultoria Imobiliaria Ltda	99.890%	99.890%
			CHP		Cushman & Wakefield of South America, Inc.	0.110%	0.110%
Cushman & Wakefield - Semco Colombia Ltda	COLOMBIA	5,706,000	COP	100.000%	Cushman & Wakefield-Semco Consultoria Imobiliaria Ltda	99.895%	99.895%
					Cushman & Wakefield of South America, Inc.	0.105%	0.105%
Cushman & Wakefield - Semco Negocios Inmobiliarios Argentina S.A.	ARGENTINA	3,344,930	ARS	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
			ARS		Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Peru S.A.	PERU	55,842	PEN	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Servicos Gerais Ltda.	BRAZIL	10,000	BRL	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	99.990%
					Cushman & Wakefield of South America, Inc.	0.010%	0.010%
Cushman & Wakefield - Semco Venezuela, S.A.	VENEZUELA	1,000,000	VEB	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000%	100.000%
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	50,000	EUR	99.800%	Cushman & Wakefield European Holdings, Inc.	99.800%	99.800%
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	50,000	Polish Zloty	99.000%	Cushman & Wakefield Polska SP z.o.o.	99.000%	99.000%
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	500,000	AUD$	100.000%	Cushman & Wakefield Singapore Holdings Pte Limited	100.000%	100.000%
Cushman & Wakefield (China) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited.	100.000%	100.000%
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield (Hellas) SA	GREECE	60,000	EUR	99.995%	Cushman & Wakefield European Holdings, Inc.	99.995%	99.995%
Cushman & Wakefield (HK) Limited.	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	Singapore dollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Shanghai) Co., Ltd.	CHINA	1,800,000	USD	100.000%	Cushman & Wakefield (China) Limited	100.000%	100.000%
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.000%	Cushman & Wakefield (UK) Services Ltd.	100.000%	100.000%
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Activ Consulting S.R.L.	ROMANIA	1,000	RON	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield First Nova Scotia ULC	99.900%	99.900%
					Cushman & Wakefield Second Nova Scotia ULC	0.100%	0.100%
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia, Inc.	100.000%	100.000%
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield of Asia Inc	99.989%	99.989%
					Cushman & Wakefield International Inc.	0.011%	0.011%
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.000%	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000%	100.000%
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,200,000	BRL	98.000%	Cushman & Wakefield Holding Participacoes Ltda	98.000%	98.000%
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXP	100.000%	Cushman & Wakefield of North America, Inc.	50.000%	50.000%
					Cushman & Wakefield of the Americas, Inc.	50.000%	50.000%
Cushman & Wakefield Eagle Advisors Limited	HONG KONG	10,000	HKDollar	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Holdings	CAYMAN ISLANDS	50,000	USD	50.000%	Cushman & Wakefield Investors Asia Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Management Limited	CAYMAN ISLANDS	50,000	USD	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Partners	CAYMAN ISLANDS	50,000	USD	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Ecuador S.A.	ECUADOR	840	USD	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield European Holdings, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Expertise SAS	FRANCE	37,000	EUR	100.000%	Cushman & Wakefield SAS	100.000%	100.000%
Cushman & Wakefield Finance Limited	UNITED KINGDOM	10,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield GCHF	CAYMAN ISLANDS	N/A	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Gestion, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Holdings, Inc.	USA	58,573	USD	100.000%	C & W Group Inc	100.000%	100.000%
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield India Private Limited	INDIA	336,447,800	Indian Rupee	100.000%	Cushman & Wakefield Mauritius Holdings, Inc.	99.990%	99.990%
					Cushman & Wakefield of Asia Limited	0.010%	0.010%
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	100,000	Singapore dollar	100.000%	Cushamn & Wakefield Singapore Holdings Pte Limited	100.000%	100.000%
Cushman & Wakefield International Finance Subsidiary, Inc	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	EUR	100.000%	Cushman & Wakefield European Holdings, Inc.	90.000%	90.000%
					Cushman & Wakefield International Finance Subsidiary, Inc.	10.000%	10.000%
Cushman & Wakefield International, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield Investors Asia Holdings	CAYMAN ISLANDS	50,000	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield Investors SAS	FRANCE	25,443	EUR	100.000%	Cushman & Wakefield Investors Limited	100.000%	100.000%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 49.26%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cushman & Wakefield Ireland Limited	IRELAND	1,000,000	EUR	100.000%	Cushman & Wakefield UK Limited Partnership	100.000%	100.000%
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	100,000	Korean Won	100.000%	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000%	100.000%
Cushman & Wakefield LePage Inc.	CANADA	11,000	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Cushman & Wakefield LLC	UKRAINE	50,500	UAH	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (UK) Limited	99.000%	99.000%
					Individual Equity Partners	1.000%	1.000%
Cushman & Wakefield Loan.Net, Inc.	USA	20	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.000%	Cushman & Wakefield State Street, Inc.	100.000%	100.000%
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield Mortgage Brokerage, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Netherlands B.V.	NETHERLANDS	40,000	NLG	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arizona, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	979,152	USD	75.000%	Cushman & Wakefield of Asia, Inc.	75.000%	75.000%
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Colorado, Inc.	USA	800	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Delaware, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Georgia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Illinois, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Indiana, Inc.	USA	5	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Michigan, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Mississippi, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of North America, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Pennsylvania, Inc.	USA	14	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield of California, Inc.	100.000%	100.000%
Cushman & Wakefield of South America, Inc.	USA	100	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of the Americas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington, Inc.	USA	50	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Oy	FINLAND	2,500	EUR	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Polska SP z.o.o.	POLAND	135,588	Polish Zloty	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield Property Management Services India Private Limited	INDIA	100,000	INR	100.000%	Cushman & Wakefield India Private Limited	99.980%	99.980%
					Sanjay Verma as nominee for C&W India Private Ltd	0.020%	0.020%
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAK REPUBLIC	N/A	EUR	100.000%	Cushman & Wakefield, s.r.o.	100.000%	100.000%
Cushman & Wakefield Real Estate Securities Research, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Residential Real Estate Advisor Ltd.	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield Residential Ltd	100.000%	100.000%
Cushman & Wakefield SAS	FRANCE	42,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Securities, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	Singapore dollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefeild Sonnenblick Goldman of California Inc	USA	1	USD	100.000%	Cushman & Wakefield Sonnenblick -Goldman LLC	100.000%	100.000%
Cushman & Wakefield Sonnenblick- Goldman LLC	USA	N/A	USD	65.000%	Cushman & Wakefield Mortgage Brokerage, Inc.	65.000%	65.000%
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Stiles & Riabokobylko Management ZAO	RUSSIA	600	Roubles	100.000%	Cushman & Wakefield European Holdings, Inc.	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield Stiles & Riabokobylko OOO	RUSSIA	600	Roubles	100.000%	Cushman & Wakefield European Holdings, Inc.	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 49.26%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield, Inc.	99.000%	99.000%
					Individual Equity Partners	1.000%	1.000%
Cushman & Wakefield V.O.F.	NETHERLANDS		EUR	99.000%	Cushman & Wakefield, Netherlands B.V.	99.000%	99.000%
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield (HK) Limited.	100.000%	100.000%
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	Singapore dollar	100.000%	Cushman & Wakefield (S) Pte Limited	100.000%	100.000%
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield, s. r. o.	CZECH REPUBLIC	100,000	EUR	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	80	USD	80.000%	Cushman & Wakefield/Premisys, Inc.	80.000%	80.000%
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.000%	Cushfield, Inc.	100.000%	100.000%
Cushman Investment & Development Corp	USA	5,000	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
Cushman Management Corporation	USA	1,000	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
Cushman Realty Corporation	USA	6,286	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman Realty Corporation of Colorado	USA	100	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Greater China Hospitality Fund L.P (GCHF)	CAYMAN ISLANDS	N/A	USD	50.000%	Cushman & Wakefield Eagle Partners	50.000%	50.000%
New Cushman Pasadena Corp.	USA	100	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
SG Securities Holdings LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Sonnenblick- Goldman LLC	100.000%	100.000%
SG Real Estate Securities LLC	USA	N/A	USD	100.000%	SG Securities Holdings LLC	100.000%	100.000%
The Apartment Group LLC	USA	200	USD	100.000%	Cushman & Wakefield of Georgia, Inc.	100.000%	100.000%
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield International Real Estate Kft	100.000%	100.000%
Assest Services							
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield LePage Inc.	99.000%	99.000%
					Cushman & Wakefield GP Inc	1.000%	1.000%
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Holding							
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Holding Participacoes Ltda	BRAZIL	16,423,500	BRR	99.990%	Cushman & Wakefield of South America, Inc.	99.990%	99.990%
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Thailand Limited.	THAILAND	8,000,000	THB	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield (France Holdings) SAS	FRANCE	3,987,000	EUR	100.000%	Cushman & Wakefield European Holdings, Inc	100.000%	100.000%
Cushman & Wakefield International Holdings Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield European Holdings, Inc	33.333%	33.333%
					Cushman & Wakefield of South America, Inc.	33.333%	33.333%
					Cushman & Wakefield, Inc	33.333%	33.333%
Insurance							
Nottingham Indemnity, Inc.	USA	100,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
REIT management							
Cushman & Wakefield Investment Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Realty Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Business Support Management							
Cushman & Wakefield Facilities Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushfield Maintenance West Corp.	USA	1,000	USD	100.000%	Buckbee Thorne & Co.	100.000%	100.000%
Cushfield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield National Corporation	USA	5,100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Others							
Cushman & Wakefield Cleanings Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.990%	99.990%
					Cushman & Wakefield Second Nova Scotia ULC	0.010%	0.010%

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of IFI Group consolidation equal to 68.29%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITOUR WORLD HOTELS & RESORTS S.p.A.	ITALY	140,385.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUE MARIN TUNISIE S.A.	TUNISIA	3,000,000	TND	99.998	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	99.998	99.998
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
KIWENGWA LIMITED	TANZANIA	745,559,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.964	98.964
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.036	1.036
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
MEDITERRANEAN TOURIST COMPANY S.A.	GREECE	304,837.20	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.997	99.997
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	0.003	0.003
NETRADE S.p.A.	ITALY	300,000.00	EURO	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Insurance							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	2,500,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Distribution (Travel agency)							
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000.00	CHF	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
WELCOME TRAVEL GROUP S.p.A.	ITALY	3,939,855.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	37,000.00	EURO	99.970	JUMBOTURISMO S.A. UNIPERSONAL	99.970	99.970
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO MOROCCO INCOMING S.A.	MOROCCO	400,000	MAD	99.700	JUMBOTURISMO S.A. UNIPERSONAL	99.700	99.700
PANCARIBE S.A.	DOMINICAN REP.	200,000	DOP	69.900	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	69.900	69.900
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
Tour operating							
A W EVENTS Srl	ITALY	23,838.00	EURO	83.900	ALPITOUR S.p.A.	83.900	83.900
Airline							
NEOS S.p.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP S.p.A.	0.000	0.000

Investments of the "Holdings System" accounted for by the equity method (percentage of IFI Group consolidation equal to 68.29%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Holding companies and other companies							
SEQUANA CAPITAL S.A.	FRANCE	74,317,503.00	EUR	26.71	IFIL INVESTISSEMENTS S.A.	26.649	26.649
FIAT S.p.A. (a)	ITALY	6,377,262,975.00	EUR	29.01	FIAT S.p.A.	1.928	2.001
					FIAT GEVA S.p.A.	0.000	0.000
					IFIL INVESTMENTS S.p.A.	30.419	30.450

(a) The companies of the Fiat Group are presented separately.

Investments of the Cushman & Wakefield Group accounted for by the equity method (percentage of IFI Group consolidation equal to 49.26%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
REAL ESTATE SERVICES							
Kemper's Holdings GmbH	GERMANY	293,750	EUR		Kemper's Holdings GmbH	25.000%	25.000%
				25.000%	Cushman & Wakefield, Inc.	25.000%	25.000%
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	16,200,000	Pesos	100.000%	Cushman & Wakefield de Mexico, S.A. de C.V	75.000%	75.000%
					Cushman & Wakefield of the Americas, Inc.	25.000%	25.000%
Orvis/Cushman & Wakefield Ranch and Recreational Properties, LLC	USA	1,000	USD	50.000%	Cushman & Wakefield, Inc.	50.000%	50.000%
					Orvis Inc	50.000%	50.000%
ASSET SERVICES							
Corporate Occupier Solutions Limited	UNITED KINGDOM	100,000	GBP	50.000%	Cushman & Wakefield (EMEA) Limited.	50.000%	50.000%
BUILDING MANAGEMENT SERVICES							
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%
OTHERS							
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%

Investments of the Alpitour Group accounted for by the equity method (percentage of IFI Group consolidation equal to 68.29%)

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
VACANZEINITALIA S.p.A.	ITALY	300,000	EURO	50.000	ALPITOUR S.p.A	50.000	50.000
Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A	50.000	50.000
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EURO	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000

Significant investments of the “Holdings System”

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	% of interest held	% of voting rights
Holding companies and other companies						
INTESA SAN PAOLO S.p.A.	ITALY	6,646,547,923.00	EUR	IFIL INVESTMENTS S.p.A.	2.268	2.447
GRUPPO BANCA LEONARDO S.p.A.	ITALY	301,651,927.00	EUR	IFIL INVESTISSEMENTS S.A.	9.818	11.316
SGS S.A.	SWITZERLAND	7,822,436.00	CHF	IFIL INVESTISSEMENTS S.A.	15.000	15.000
Noco A LP	USA	N.A.	USD	ANCOM USA INC	1.960 (a)	N.A.

(a) Percentage holding in the limited partnership.

Significant investments of the Alpitour Group

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Distribution (Travel agency)							
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
TEAM TRAVEL SERVICE S.r.l.	ITALY	102,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
WELCOME TRAVEL SUD S.r.l.	ITALY	100,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	-	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS ZANZIBAR LIMITED	TANZANIA	1,000,000.00	TZS	-	JUMBOTURISMO S.A. UNIPERSONAL	49.000	49.000

Significant investments of Juventus Football Club S.p.A.

Name	Country	Capital stock at 12/31/2007	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Stadium management							
SEMANA S.r.l.	ITALY	100,000	EUR	-	JUVENTUS FOOTBALL CLUB S.p.A.	30.000	30.000

The companies of the Fiat Group

In the consolidated financial statements of the IFI Group at December 31, 2007, the investment held through IFIL S.p.A. in the Fiat Group (19.81% at the IFI Group level) is accounted for by the equity method (please refer to Notes 5 and 44 in the consolidated financial statements at December 31, 2007).

For purposes of complete disclosure, this appendix shows the investments of the Fiat Group as they are presented in the consolidated financial statements of the Fiat Group at December 31, 2007.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Controlling company								
Parent company								
Fiat S.p.A.	Turin	Italy	6,377,262,975	EUR	--	--	--	--
Subsidiaries consolidated on a line-by-line basis								
Fiat Group Automobiles								
Fiat Group Automobiles S.p.A.	Turin	Italy	745,031,979	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
ABARTH & C. S.p.A.	Chivasso	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis de Investimento SA	Betim	Brazil	439,658,836	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
Clickar Assistance S.R.L.	Turin	Italy	335,632	EUR	100.00	Fidis S.p.A.	100.000	
Customer Services Centre S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Group Automobiles S.p.A.	72.495	
(business Fiat Group Automobiles)						Fiat Automoveis S.A. - FIASA	27.505	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Group Automobiles Belgium S.A.	99.839	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automotive Finance Co. Ltd.	Shanghai	People's Rep. of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Betim	Brazil	1,233,506,013	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	142,630,748	ARS	100.00	Fidis S.p.A.	100.000	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Belgium S.A.	Brussels	Belgium	18,600,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Germany AG	Heilbronn	Germany	82,650,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Johannesburg	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat India Private Ltd.	Mumbai	India	8,363,617,700	INR	74.42	Fiat Group Automobiles S.p.A.	47.804	47.372
						Fiat India Automobiles Private Limited	52.196	52.628
Fiat Light Commercial Vehicles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Purchasing Italia S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Purchasing Italia S.r.l.	100.000	
Fiat Real Estate Germany GmbH	Frankfurt	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Teamsys GmbH	Heilbronn	Germany	500,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fidis S.p.A.	Turin	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
I.T.C.A. Produzione S.p.A.	Grugliasco	Italy	10,000,000	EUR	100.00	I.T.C.A. Tools S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
I.T.C.A. S.p.A.	Grugliasco	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
I.T.C.A. Tools S.p.A.	Grugliasco	Italy	10,000,000	EUR	100.00	I.T.C.A. S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	750,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	8,500,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	25,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR (Switzerland) S.A.	Schlieren	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
SCDR Automotive Limited	Slough Berkshire	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A.	Turin	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Turinauto S.P.A.	Turin	Italy	510,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe société par actions simplifiée	Paris	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	85.00	Fiat S.p.A.	85.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Charles Pozzi S.a.r.l.	Levallois-Perret	France	959,519	EUR	85.00	Ferrari West Europe S.A.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	85.00	Ferrari International S.A.	100.000	
Ferrari Financial Services AG	Munich	Germany	1,777,600	EUR	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	76.50	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari GB Limited	Slough Berkshire	United Kingdom	50,000	GBP	85.00	Ferrari International S.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	85.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari West Europe S.A.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	85.00	Ferrari International S.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	533,979,412	EUR	89.33	Fiat Netherlands Holding N.V.	89.273	89.331
						CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	327,353,563	BRL	89.33	CNH Global N.V.	98.760	
						CNH Latin America Ltda.	1.240	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.33	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.33	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	People's Rep. of China	5,000,000	USD	89.33	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.33	CNH Capital America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.33	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	89.33	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.33	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	2,250,000	USD	89.33	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.33	CNH America LLC	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.33	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.33	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.33	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.33	CNH America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.33	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.33	New Holland Holdings Argentina S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.33	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.33	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.33	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.33	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.33	CNH Global N.V.	100.000	
CNH Capital (Europe) plc	Osbertown	Ireland	38,100	EUR	89.33	CNH Capital plc	99.984	
						CNH Europe Holding S.A.	0.003	
						CNH Financial Services A/S	0.003	
						CNH Global N.V.	0.003	
						CNH Trade N.V.	0.003	
						CNH Capital U.K. Ltd	0.002	
						CNH Financial Services S.A.S.	0.002	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.33	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	89.33	CNH Australia Pty Limited	100.000	
CNH Capital Automotive Receivables LLC	Wilmington	U.S.A.	0	USD	89.33	CNH Capital America LLC	100.000	
CNH Capital Benelux	Zedelgem	Belgium	61,500	EUR	89.33	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Calgary	Canada	1	CAD	89.33	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.33	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.33	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.33	CNH America LLC	100.000	
CNH Capital plc	Osbertown	Ireland	6,386,791	EUR	89.33	CNH Global N.V.	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.33	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.33	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.33	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Sao Pedro	Mexico	135,634,842	MXN	89.33	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.33	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.33	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	Luxembourg	53,000,000	USD	89.33	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.33	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.33	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Puteaux	France	45,860,639	EUR	89.33	CNH Global N.V.	98.766	
						CNH Capital Benelux	1.234	
CNH France S.A.	Morigny-Champigny	France	138,813,150	EUR	89.33	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	89.33	CNH Global N.V.	100.000	
CNH Italia s.p.a.	Modena	Italy	15,600,000	EUR	89.33	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	
CNH Latin America Ltda.	Contagem	Brazil	355,332,946	BRL	89.33	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	89.33	CNH Europe Holding S.A.	100.000	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.33	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	89.33	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	89.33	CNH Europe Holding S.A.	99.980	
						CNH Italia s.p.a.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	89.33	CNH Capital America LLC	100.000	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	89.33	CNH Italia s.p.a.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	89.33	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	89.33	New Holland Holding Limited	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	89.33	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	89.33	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	89.33	CNH Canada, Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep. of China	2,859,091	USD	89.33	CNH Asian Holding Limited N.V.	99.000	
						CNH Europe Holding S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.56	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.60	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.56	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.56	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	58.07	New Holland Excavator Holdings LLC	65.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	89.33	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	89.33	CNH Australia Pty Limited	100.000	
New Holland Credit Australia Pty Limited	St. Marys	Australia	0	AUD	89.33	CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	89.33	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	89.33	CNH America LLC	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	89.33	CNH Europe Holding S.A.	100.000	
New Holland Holdings Argentina S.A.	Buenos Aires	Argentina	23,555,415	ARS	89.33	CNH Latin America Ltda.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	66.66	CNH Italia s.p.a.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	89.33	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	89.33	New Holland Holding Limited	100.000	
New Holland Tractors (India) Private Ltd	New Delhi	India	1,949,835,804	INR	89.33	CNH Asian Holding Limited N.V.	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	89.33	CNH Baumaschinen GmbH	100.000	
One Earth Receivables Limited	Dublin	Ireland	100	EUR	89.33	CNH Capital plc	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	89.33	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep. of China	35,000,000	USD	53.60	CNH Asian Holding Limited N.V.	60.000	
Trucks and Commercial Vehicles								
Iveco S.p.A.	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	60.563	
(business Trucks and Commercial Vehicles)						Fiat Partecipazioni S.p.A.	39.437	
Afin Bohemia s.r.o.	Prague	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Bucarest	Romania	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Bucarest	Romania	618,960	RON	100.00	Afin Leasing AG	99.800	
						Afin Bohemia s.r.o.	0.050	
						Afin Bulgaria EAD	0.050	
						Afin Hungary Kereskedelmi KFT.	0.050	
						Afin Slovakia S.R.O.	0.050	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	1,200,000	SKK	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Afin Trade Vostok OOO	Moscow	Russia	345,000	RUB	100.00	Afin Leasing AG	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	3,000,000	ETB	70.00	Iveco S.p.A.	70.000	
AS Afin Baltica	Harjumaa	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
C.A.M.I.V.A. Constructeurs Associés de Matériels d'Incendie, Voirie, Aviation S.A.	Saint-Alban-Leysse	France	1,870,169	EUR	99.99	Iveco Magirus Fire Fighting GmbH	99.994	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
Elettronica Trasporti Commerciali S.r.l. (Eltrac S.r.l.)	Turin	Italy	109,200	EUR	100.00	Iveco S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Trucks and Commercial Vehicles)*	Betim	Brazil	1,233,506,013	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	1,200,000,000	HUF	90.71	Iveco España S.L.	90.709	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Irisbus Australia Pty. Ltd.	Dandenong	Australia	1,500,000	AUD	100.00	Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Unterschliessheim	Germany	8,800,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	27,557,047	EUR	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco España S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L. *(business Trucks and Commercial Vehicles)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Est Sas	Hauconcourt	France	305,600	EUR	100.00	Iveco France	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L.	50.326	
						Iveco S.p.A.	49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco International Trade Finance S.A.	Lugano	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda *(business Trucks and Commercial Vehicles)*	Vila da Serra	Brazil	784,700,000	BRL	100.00	Iveco España S.L.	99.999	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Limited *(business Trucks and Commercial Vehicles)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business Trucks and Commercial Vehicles)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Magirus Fire Fighting GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Mezzi Speciali S.p.A.	Brescia	Italy	13,120,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	818,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Romania S.r.l.	Bucarest	Romania	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, r.s.o.	Bratislava	Slovak Republic	200,000	SKK	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. *(business Trucks and Commercial Vehicles)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	55,961,760	UAH	99.97	Iveco S.p.A.	99.968	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,498,644,000	VEB	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Cologne	Germany	1,662,000	EUR	100.00	Iveco Magirus AG	100.000	
Lohr-Magirus Feuerwehrtechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Moscow	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France	50.000	
						Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Vehicles Ltd	Watford	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	
Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	214,763	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	35,000	LTL	100.00	Afin Leasing AG	100.000	
Utilitaires & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
FPT Powertrain Technologies								
Fiat Powertrain Technologies SpA	Turin	Italy	397,500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
C.R.F. Società Consortile per Azioni *(business FPT Powertrain Technologies)*	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli Holding S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	63.11	CNH Global N.V.	33.333	
						Iveco S.p.A.	33.333	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Group Automobiles S.p.A.	72.495	
(business FPT Powertrain Technologies)						Fiat Automoveis S.A. - FIASA	27.505	
Fiat Automoveis S.A. - FIASA *(business FPT Powertrain Technologies)*	Betim	Brazil	1,233,506,013	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	People's Rep. of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	150,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Iveco Participations S.A.	2.800	
FPT RACING S.r.l.	Cusago	Italy	100,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Iveco España S.L. *(business FPT Powertrain Technologies)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Latin America Ltda	Vila da Serra	Brazil	784,700,000	BRL	100.00	Iveco España S.L.	99.999	
(business FPT Powertrain Technologies)						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Limited *(business FPT Powertrain Technologies)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
(business FPT Powertrain Technologies)						Fiat Netherlands Holding N.V.	46.340	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France	40.000	
Iveco S.p.A.	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	60.563	
(business FPT Powertrain Technologies)						Fiat Partecipazioni S.p.A.	39.437	
Iveco Sweden A.B. *(business FPT Powertrain Technologies)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	People's Rep. of China	580,000,000	CNY	60.00	Fiat Powertrain Technologies SpA	30.000	
						SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Components								
Magneti Marelli Holding S.p.A.	Corbetta	Italy	254,324,998	EUR	99.99	Fiat Partecipazioni S.p.A.	99.991	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Espana S.A.	Llinares del Valles	Spain	638,476	EUR	99.99	Magneti Marelli Iberica S.A.	80.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	20.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Automotive Lighting Rear Lamps France S.A.	Saint Julien du Saul	France	17,789,152	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico city	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico city	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	89.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli After Market S.p.A. in liquidation	Turin	Italy	0	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli After Market Sp. z o.o.	Katowice	Poland	2,000,000	PLN	89.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	89.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	Nanterre	France	782,208	EUR	89.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket SL	Barcelona	Spain	5,255,000	EUR	89.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli Holding S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Rep. of China	9,500,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	Sao Paolo	Brazil	7,554,539	BRL	89.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	170,950,534	BRL	99.62	Magneti Marelli Holding S.p.A.	99.628	99.964
Magneti Marelli Components B.V. in liquidation	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli Holding S.p.A.	99.872	99.990
Magneti Marelli Electronica SL	Barcelona	Spain	18,388,581	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Rep. of China	8,100,000	USD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Hellas A.E.	Atene	Greece	587,000	EUR	89.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	24,499,771	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Argentan	France	884,058	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Parts and Services S.p.A.	Corbetta	Italy	13,137,000	EUR	89.99	Magneti Marelli Holding S.p.A.	89.998	
Magneti Marelli Poland S.A.	Sosnowiec	Poland	10,567,800	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	17,500,000	USD	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli Powertrain S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	New Delhi	India	90,000,000	INR	51.00	Magneti Marelli Powertrain S.p.A.	51.000	
Magneti Marelli Powertrain S.p.A.	Corbetta	Italy	85,690,872	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	89.99	Magneti Marelli After Market Parts and Services S.p.A.	51.000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
						Magneti Marelli Parts and Services S.p.A.	1.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli Powertrain S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli Sistemi di Scarico S.p.A.	Corbetta	Italy	20,000,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Sistemi Elettronici S.p.A.	Corbetta	Italy	74,897,548	EUR	99.99	Magneti Marelli Holding S.p.A.	99.999	100.000
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovak Republic	200,000	SKK	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli Sistemi di Scarico S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli Holding S.p.A.	100.000	
Magneti Marelli Tubos de Escape SL	Barcelona	Spain	10,154,256	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli U.K. Limited in liquidation	Cannock	United Kingdom	12,400,000	GBP	99.99	Magneti Marelli Holding S.p.A.	100.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	94.99	Magneti Marelli Holding S.p.A.	95.000	
Malaysian Automotive Lighting SDN. BHD	Penang	Malaysia	8,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600	TRY	99.99	Magneti Marelli Holding S.p.A.	100.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.99	Magneti Marelli Holding S.p.A.	65.020	
						Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	71,403,261	EUR	84.79	Fiat Partecipazioni S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Fonderie du Poitou Fonte S.A.S.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	59,899,570	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep. of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
(*) Comau Estil Unl.	Luton	United Kingdom	103,165,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.	Trappes	France	11,900,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	U.S.A.	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	Pune	India	161,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	2,100,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Bihor	Romania	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
(*) Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	301	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
(*) Comau SA Press Tools and Parts (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau SA Body Systems (Pty) Ltd.	100.000	
(*) Comau SA Properties (Pty) Ltd.	Uitenhage	South Africa	100	ZAR	100.00	Comau SA Body Systems (Pty) Ltd.	100.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
(*) Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,003	ZAR	100.00	Comau S.p.A.	100.000	
Comau Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00	Comau S.p.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
German Intec GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Comau S.p.A.	100.000	
Pico Europe, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Trappes	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies								
Business Solutions S.p.A.	Turin	Italy	4,791,396	EUR	100.00	Fiat S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
(business Other Activities)						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli Holding S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.13	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	98.91	Fiat Group Automobiles S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Technologies SpA	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli Holding S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
eSPIN S.p.A.	Turin	Italy	120,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fast Buyer France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fast-Buyer S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FGI - Fiat Group International SA	Lugano	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Partecipazioni S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	65,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Auto Holdings B.V. in liquidation	Amsterdam	Netherlands	1,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Fiat Information & Communication Services società consortile per azioni	Turin	Italy	800,000	EUR	98.03	Fiat S.p.A.	51.000	
						CNH Italia s.p.a.	10.000	
						Fiat Group Automobiles S.p.A.	10.000	
						Iveco S.p.A.	10.000	
						Comau S.p.A.	3.000	
						Ferrari S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Itedi-Italiana Edizioni S.p.A.	3.000	
						Magneti Marelli Holding S.p.A.	3.000	
						Teksid S.p.A.	3.000	
						Fiat Partecipazioni S.p.A.	1.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat S.p.A.	60.563	
						Fiat Partecipazioni S.p.A.	39.437	
Fiat Partecipazioni (U.K.) Limited in liquidation	Basildon	United Kingdom	860,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Turin	Italy	356,158,302	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,500	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.36	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Iveco S.p.A.	6.000	
						Fiat S.p.A.	5.000	
						CNH Italia s.p.a.	3.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli Holding S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	98.33	Fiat S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	15.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	6.000	
						Comau S.p.A.	2.000	
						Ferrari S.p.A.	2.000	
						Fiat Powertrain Technologies SpA	2.000	
						Fiat Services S.p.A.	2.000	
						Itedi-Italiana Edizioni S.p.A.	2.000	
						Magneti Marelli Holding S.p.A.	2.000	
						Maserati S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Fiat Finance S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.22	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Iveco S.p.A.	12.000	
						CNH Italia s.p.a.	3.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli Holding S.p.A.	3.000	
						Teksid S.p.A.	3.000	
(*) ITS GSA FiatGroup France S.A.S.	Trappes	France	1,737,440	EUR	100.00	Fiat Finance et Services S.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
(*) ITS-GSA Deutschland GmbH	Ulm	Germany	25,000	EUR	100.00	Fiat GmbH	100.000	
(*) ITS-GSA U.K. Limited	Watford	United Kingdom	50,000	GBP	100.00	Fiat U.K. Limited	100.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	60.00	Fiat Services S.p.A.	60.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
New Business 7 S.p.A.	Turin	Italy	11,899,524	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.p.A.	Turin	Italy	1,437,210	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	FGI - Fiat Group International SA	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	93.60	Fiat Partecipazioni S.p.A.	57.667	
						Fiat Group Automobiles S.p.A.	17.455	
						Iveco S.p.A.	4.583	
						Fiat Powertrain Technologies SpA	2.356	
						Magneti Marelli Powertrain S.p.A.	1.159	
						Comau S.p.A.	0.751	
						Fiat S.p.A.	0.751	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l'Industria S.c.p.a.	0.502	
						Fiat Finance S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
						Magneti Marelli Sistemi Elettronici S.p.A.	0.438	
						Fidis S.p.A.	0.325	
						CNH Italia s.p.a.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						Magneti Marelli Sistemi di Scarico S.p.A.	0.197	
						Teksid Aluminum Getti Speciali S.r.l.	0.125	
						Astra Veicoli Industriali S.p.A.	0.103	
						Fiat Information & Communication Services società consortile per azioni	0.103	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Magneti Marelli Holding S.p.A.	0.091	
						Fiat Purchasing Italia S.r.l.	0.063	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Iveco Mezzi Speciali S.p.A.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						eSPIN S.p.A.	0.040	
						Fast-Buyer S.p.A.	0.040	
						Turinauto S.P.A.	0.040	
						ABARTH & C. S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						PDL Services S.r.l.	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Jointly-controlled entities accounted for using the proportional consolidation								
FPT Powertrain Technologies								
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Powertrain Technologies SpA	50.000	
Jointly-controlled entities accounted for using the equity method								
Fiat Group Automobiles								
Fiat Group Automobiles Financial Services S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.999	
FGA Stock SA	Alcalá De Henares	Spain	5,108,799	EUR	50.00	Finplus Renting S.A.	100.000	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	16,000,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	10,250,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Bank GmbH	Heilbronn	Germany	39,600,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	Fiat Bank GmbH	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.999	
Fiat Credit Hellas Commercial S.A. of Vehicles	Argyroupoli	Greece	600,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Finance Holding S.A.	Luxembourg	Luxembourg	2,300,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.995	
Fiat Finance S.A.	Luxembourg	Luxembourg	9,900,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.995	
Fiat Finansiering A/S	Glostrup	Denmark	13,000,000	DKK	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Handlerservice GmbH	Heilbronn	Germany	5,100,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Credit Danmark A/S	Glostrup	Denmark	500,000	DKK	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Insurance Consultants SA	Argyroupoli	Greece	60,000	EUR	49.99	Fiat Credit Hellas Commercial S.A. of Vehicles	99.975	
Fidis Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000	PLN	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Nederland B.V.	Utrecht	Netherlands	3,085,800	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Retail Financial Services (Ireland) PLC	Dublin	Ireland	100,007	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.994	
Fidis Retail IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Finplus Renting S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Paris	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Fiumicino	Italy	77,979,400	EUR	49.69	Fiat Group Automobiles Financial Services S.p.A.	99.384	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
TarCredit E.F.C. S.A.	Alcalá De Henares	Spain	16,671,569	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Private Limited *(business Fiat Group Automobiles)*	Ranjangaon	India	3,489,489,200	INR	51.00	Fiat Group Automobiles S.p.A.	51.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	
MEKATRO Arastirma-Gelistirme ve Ticaret A.S.	Kocaeli	Turkey	150,000	TRY	36.72	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	97.000	
(*) Nan Jing Fiat Auto Co. Ltd.	Nanjing	People's Rep. of China	1,409,469,782	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.000	
Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000	INR	51.00	Fiat India Automobiles Private Limited	100.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	Sao Pedro	Mexico	810,000	MXN	44.67	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.67	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	Sao Pedro	Mexico	160,050,000	MXN	44.67	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Sao Pedro	Mexico	165,276,000	MXN	44.67	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	Sao Pedro	Mexico	200,050,000	MXN	44.67	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V.	Sao Pedro	Mexico	50,000,000	MXN	43.77	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	Sao Pedro	Mexico	375,000	MXN	44.67	CNH de Mexico SA de CV	99.999	
Consolidated Diesel Company	Whitakers	U.S.A.	100	USD	44.67	CNH Engine Corporation	50.000	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000	INR	44.67	CNH America LLC	50.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
LBX Company LLC	Wilmington	U.S.A.	0	USD	44.67	Case LBX Holdings Inc.	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	35.73	CNH America LLC	40.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.67	CNH Global N.V.	50.000	
New Holland Trakmak Traktor A.S.	Izmir	Turkey	800,000	TRY	33.50	CNH Global N.V.	37.500	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	47,000,000	TRY	33.50	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles								
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco Ltd.	Nanjing	People's Rep. of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep. of China	160,000,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	People's Rep. of China	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Fiat India Automobiles Private Limited *(business FPT Powertrain Technologies)*	Ranjangaon	India	3,489,489,200	INR	51.00	Fiat Group Automobiles S.p.A.	51.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
tema.mobility	Turin	Italy	350,000	EUR	50.00	Magneti Marelli Sistemi Elettronici S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep. of China	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method								
Fiat Group Automobiles								
Alfa Romeo Inc.	Orlando	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Motors Ltd.	Bangkok	Thailand	160,000,000	THB	100.00	Fiat Group Automobiles S.p.A.	100.000	
Auto Italia Erfurt GmbH in liquidation	Erfurt	Germany	2,985,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Thailand Pvt. Ltd.	Bangkok	Thailand	276,000,000	THB	100.00	Fiat Group Automobiles S.p.A.	100.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Ferrari								
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep. of China	3,000,000	USD	57.80	Ferrari S.p.A.	68.000	
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000	USD	89.33	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	U.S.A.	371,000	USD	84.28	CNH America LLC	94.340	
Medicine Hat New Holland Ltd.	Ottawa	Canada	903,783	CAD	56.19	CNH Canada, Ltd.	62.900	
Mid State New Holland, Inc.	Wilmington	U.S.A.	400,000	USD	78.17	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	62.25	CNH America LLC	69.680	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000	USD	61.53	CNH America LLC	68.876	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000	USD	89.33	CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	875,000	USD	70.55	CNH America LLC	78.971	
Tri-County New Holland Inc.	Wilmington	U.S.A.	400,000	USD	89.33	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L.	100.000	
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
						Iveco Latin America Ltda	0.010	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A.	99.992	
						Astra Veicoli Industriali S.p.A.	0.008	
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Production Systems								
Comau AGS s.r.l.	Grugliasco	Italy	103,100	EUR	100.00	Comau S.p.A.	100.000	
Comau Service U.K. Ltd	Watford	United Kingdom	260,000	GBP	100.00	Comau S.p.A.	100.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Turin	Italy	120,000	EUR	99.85	Fiat Group Automobiles S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	21.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cromos Consulenza e Formazione S.r.l. in liquidation	Turin	Italy	13,000	EUR	76.00	Business Solutions S.p.A.	76.000	
European Engine Alliance EEIG	Basildon	United Kingdom	450,000	GBP	63.11	CNH U.K. Limited	33.333	
						Iveco S.p.A.	33.333	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep. of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Dealernet S.r.l. in liquidation	Turin	Italy	10,000	EUR	99.38	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	80.000	
						Fiat Group Automobiles S.p.A.	20.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A.in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	
Subsidiaries valued at cost								
Fiat Group Automobiles								
Aeroporto Valle d'Aosta S.p.A.	Saint-Christophe	Italy	1,000,000	EUR	50.94	Air Vallée S.p.A. - Services Aériens du Val d'Aoste	51.000	
Air Vallée Helicopter Opérations & Services S.r.l.	Saint-Christophe	Italy	82,633	EUR	99.89	Air Vallée S.p.A. - Services Aériens du Val d'Aoste	100.000	
Air Vallée S.p.A. - Services Aériens du Val d'Aoste	Saint-Christophe	Italy	4,000,000	EUR	99.89	Ergom Holding S.p.A.	99.885	
Ergom Automotive S.p.A.	Borgaro Torinese	Italy	154,500,000	EUR	100.00	Ergom Holding S.p.A.	100.000	
Ergom do Brasil Ltda	Itauna	Brazil	5,000,000	BRL	100.00	Ergom Automotive S.p.A.	100.000	
Ergom France S.A.S.	Limas	France	3,474,540	EUR	100.00	Ergom Holding S.p.A.	100.000	
Ergom Holding S.p.A.	Borgaro Torinese	Italy	38,688,000	EUR	100.00	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Ergom Poland Sp. z o.o.	Sosnowiec	Poland	20,711,000	PLN	100.00	Ersi Poland S.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	85.00	Ergom Automotive S.p.A.	85.000	
Ergomec S.r.l. in liquidation	Borgaro Torinese	Italy	765,000	EUR	100.00	Ergom Holding S.p.A.	100.000	
Ergomoulds Sp. z o.o.	Sosnowiec	Poland	8,554,000	PLN	100.00	Ersi Poland S.A.	100.000	
Ersi Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	100.00	Ergom Automotive S.p.A.	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
I.D.L.P. S.R.L. in liquidation	Paliano	Italy	50,000	EUR	51.00	Ergom Holding S.p.A.	51.000	
Innomatec Società Consortile a r.l.	Melfi	Italy	516,000	EUR	100.00	Ergom Automotive S.p.A.	95.000	
						Ergom Holding S.p.A.	5.000	
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Parco Scientifico e Tecnologico della Basilicata - S.p.A. in liquidation	Pisticci	Italy	120,000	EUR	100.00	Ergom Holding S.p.A.	100.000	
Plastiform A.S.	Bursa	Turkey	715,000	TRY	94.00	Ergom Automotive S.p.A.	94.000	
Sistemas de Comandos Mecanicos - S.C.M. Industria e Comercio LTDA.	Sete Lagoas	Brazil	141,362,320	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Sniaricerche S.C.P.A.	Pisticci	Italy	704,000	EUR	100.00	Ergom Holding S.p.A.	100.000	
Travels & Hotel S.r.l.	Saint-Christophe	Italy	92,970	EUR	99.89	Air Vallée S.p.A. - Services Aériens du Val d'Aoste	100.000	
Ferrari								
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	People's Rep. of China	2,100,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars Sales and Services (Shanghai) Co.,Ltd.	Shanghai	People's Rep. of China	2,500,000	USD	85.00	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	81.28	Ferrari S.p.A.	95.619	
Agricultural and Construction Equipment								
Austoft Industries Limited	St. Marys	Australia	0	AUD	89.33	CNH Australia Pty Limited	100.000	
Case Construction Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
Case Credit Australia Investments Pty Ltd	St. Marys	Australia	0	AUD	89.33	CNH Australia Pty Limited	100.000	
Case Credit Wholesale Pty. Limited	St. Marys	Australia	0	AUD	89.33	CNH Australia Pty Limited	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	89.33	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	89.33	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	89.33	Case United Kingdom Limited	100.000	
Mass-Conn Equipment, Inc.	Wilmington	U.S.A.	750,000	USD	89.33	CNH America LLC	100.000	
New Holland Agricultural Equipment S.p.A.	Turin	Italy	120,000	EUR	89.33	CNH Italia s.p.a.	100.000	
New Holland Construction Equipment S.p.A.	Turin	Italy	120,000	EUR	89.33	CNH Italia s.p.a.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	34.17	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Consorzio per la Formazione Commerciale Iveco-Coforma	Turin	Italy	51,646	EUR	59.92	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000	USD	100.00	Iveco France	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romania	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Magirus Fire Fighting GmbH	1.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
OOO "CABEKO"	Nizhniy Novgorod	Russia	3,500,000	RUB	51.00	Iveco S.p.A.	51.000	
Saveco Partecipazioni S.r.l.	Turin	Italy	50,000	EUR	100.00	Iveco S.p.A.	100.000	
FPT Powertrain Technologies								
Iveco Motors of China Limited	Shanghai	People's Rep. of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
Components								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Fast Buyer Middle East A.S.	Bursa	Turkey	350,230	TRY	93.95	Mako Elektrik Sanayi Ve Ticaret A.S.	98.900	
Magneti Marelli Automotive Components (India) Limited in liquidation	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V. in liquidation	100.000	
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Rep. of China	10,000	HKD	99.99	Magneti Marelli Sistemi Elettronici S.p.A.	99.990	
						Magneti Marelli France S.a.s.	0.010	
Magneti Marelli Japan K.K.	KohoKu-Ku-Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli Holding S.p.A.	100.000	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.95	Magneti Marelli Holding S.p.A.	99.956	
Sistemi Comandi Meccanici S.C.M. S.p.A.	Corbetta	Italy	1,800,000	EUR	99.99	Magneti Marelli Holding S.p.A.	100.000	
Metallurgical Products								
(*) Teksid Aluminum Getti Speciali S.r.l.	Carmagnola	Italy	500,000	EUR	100.00	Teksid Aluminum S.r.l.	100.000	
Production Systems								
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep. of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Milan	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Synesis	Modugno	Italy	20,000	EUR	75.00	Comau S.p.A.	75.000	
Holding companies and Other companies								
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	97.39	Fiat Group Automobiles S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Comau S.p.A.	1.000	
						Magneti Marelli Holding S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
MC2 - Media Communications S.p.A.	Turin	Italy	219,756	EUR	51.00	Fiat Partecipazioni S.p.A.	51.000	
New Business 18 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 20 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 25 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 26 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Otto S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare Tre S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 5 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Turin	Italy	120,000	EUR	98.85	Fiat Partecipazioni S.p.A.	77.822	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Fiat Group Automobiles S.p.A.	0.439	
						CNH Italia s.p.a.	0.220	
						Comau S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies SpA	0.220	
						Fiat Services S.p.A.	0.220	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.220	
						Iveco S.p.A.	0.220	
						Magneti Marelli Holding S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
PDL Services S.r.l.	Turin	Italy	105,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies accounted for using the equity method								
Fiat Group Automobiles								
Fiat Auto Kreditbank GmbH	Vienna	Austria	5,000,000	EUR	25.00	Fidis S.p.A.	25.000	
Fidis Bank G.m.b.H.	Vienna	Austria	4,740,000	EUR	25.00	Fidis S.p.A.	25.000	
Targasys S.r.l.	Turin	Italy	4,322,040	EUR	40.00	Fidis S.p.A.	40.000	
Utymat S.A.	Santa Margarita I Els Monjos	Spain	2,644,453	EUR	40.00	I.T.C.A. S.p.A.	40.000	
Ferrari								
Senator Software Gmbh	Munich	Germany	25,565	EUR	37.49	Ferrari Financial Services AG	49.000	
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.56	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.58	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	790,000	USD	44.67	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.87	CNH Global N.V.	20.000	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	43.77	CNH Global N.V.	49.000	
Rathell Farm Equipment Company Inc.	Wilmington	U.S.A.	640,000	USD	38.65	CNH America LLC	43.266	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUB	33.33	Iveco S.p.A.	33.330	
Otoyol Sanayi A.S.	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	People's Rep. of China	240,000,000	CNY	33.33	Iveco S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep. of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	50.00	Fiat Powertrain Technologies SpA	25.000	
						FMA - Fabbrica Motori Automobilistici S.r.l.	25.000	
Production Systems								
G.P. Properties I L.L.C.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Gonzalez Production Systems Inc.	Pontiac	U.S.A.	10,000	USD	49.00	Comau Pico Holdings Corporation	49.000	
Publishing and Communications								
Editalia S.r.l.	Caserta	Italy	2,833,050	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Edizioni Dost S.r.l.	Bologna	Italy	1,042,914	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
Società Editrice Mercantile - S.E.M. S.R.L.	Genoa	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies								
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	10.09	Fiat Partecipazioni S.p.A.	10.093	10.497
Associated companies valued at cost								
Fiat Group Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	Fiat Teamsys GmbH	49.000	
Servizi Elicotteristici Valdostani - S.E.V. s.r.l. in liquidation	Aosta	Italy	50,000	EUR	24.97	Air Vallée Helicopter Opérations & Services S.r.l.	25.000	
Turin Auto Private Ltd. in liquidation	Mumbai	India	43,300,200	INR	50.00	I.T.C.A. S.p.A.	50.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	28.33	Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment								
Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.60	CNH Italia s.p.a.	38.728	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	YUM	33.68	Iveco S.p.A.	33.677	
Components								
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	12,000	EUR	50.00	Magneti Marelli Powertrain S.p.A.	50.000	
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli Holding S.p.A.	25.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000	TRY	28.00	Magneti Marelli Holding S.p.A.	28.000	
Production Systems								
Consorzio Generazione Forme-CO.GE.F.	San Mauro Torinese	Italy	15,494	EUR	33.33	Comau S.p.A.	33.333	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Publishing and Communications								
Le Monde Europe S.A.S.	Paris	France	5,024,274	EUR	48.44	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Ascai Servizi S.r.l. in liquidation	Rome	Italy	73,337	EUR	25.77	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.970	
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	38.60	Fiat Partecipazioni S.p.A.	23.100	
						Ergom Automotive S.p.A.	11.200	
						ABARTH & C. S.p.A.	4.300	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.88	CNH Italia s.p.a.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
						Iveco S.p.A.	10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	49.45	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Naples	Italy	127,500	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
FMA-Consultoria e Negocios Ltda	Sao Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Interfinanziaria S.A. in liquidation	Paradiso	Switzerland	1,000,000	CHF	33.33	FGI - Fiat Group International SA	33.330	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	24.87	Ferrari S.p.A.	16.364	
						CNH Italia s.p.a.	12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.82	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A. in liquidation	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Other companies valued at cost								
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTL	9.88	CNH Polska Sp. z o.o.	11.054	
Trucks and Commercial Vehicles								
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Holding companies and Other companies								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	15.83	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.44	Elasis-Società Consortile per Azioni	5.319	
						C.R.F. Società Consortile per Azioni	5.213	
Consorzio Lingotto	Turin	Italy	9,612	EUR	16.90	Fiat Attività Immobiliari S.p.A.	11.500	
						Fiat S.p.A.	5.400	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.99	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A.	Turin	Italy	2,205,930	EUR	18.95	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Sorore Ricerche per Santa Maria della Scala	Siena	Italy	9,296	EUR	16.66	Fiat Partecipazioni S.p.A.	16.663	
Team Consorzio Italiano per la Trazione Elettrica Alternata Monofase	Milan	Italy	45,900	EUR	11.11	Fiat Partecipazioni S.p.A.	11.111	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

IFIL GROUP IN 2007

DIRECTORS' REPORT ON OPERATIONS

investments IFIL
Società per Azioni
Capital Stock € 1,075,995,737, fully paid-in
Registered office in Turin - Corso Matteotti 26 – Turin Company Register No. 00914230016

IFIL GROUP IN 2007
DIRECTORS' REPORT ON OPERATIONS

TABLE OF CONTENTS

This is an English translation of the Italian original document "Relazione sulla gestione" approved by the IFIL S.p.A. board of directors on March 28, 2008 which has been prepared solely for the convenience of the reader.

The version in Italian takes precedence and for complete information about IFIL S.p.A. and the Group, reference should be made to the full original report in Italian "Il Gruppo IFIL nel 2007" containing the Directors' Report on Operations and the Separate and Consolidated Financial Statements also available on the corporate website: http://www.ifil.it

Board of Directors

Chairman	Gianluigi Gabetti
Vice Chairman (Vicario)	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Chief Executive Officer and General Manager	Carlo Barel di Sant'Albano
Non-independent directors	Edoardo Ferrero Ventimiglia, Franzo Grande Stevens, Pio Teodorani-Fabbri, Daniel John Winteler
Independent directors	Giancarlo Lombardi, Antonio Maria Marocco, Giuseppe Recchi, Claudio Saracco

Secretary to the Board Fernando Massara

Executive Committee

Chairman	Gianluigi Gabetti
Members	Tiberto Brandolini d'Adda, John Elkann, Carlo Barel di Sant'Albano

Audit Committee

Chairman	Antonio Maria Marocco
Members	Giancarlo Lombardi, Claudio Saracco

Compensation and Nominating Committee

Chairman	John Elkann
Members	Gianluigi Gabetti, Giuseppe Recchi

Board of Statutory Auditors

Standing Auditors	Cesare Ferrero (*Chairman*), Giorgio Giorgi, Paolo Piccatti
Alternate Auditors	Lionello Jona Celesia, Ruggero Tabone

Independent Auditors Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the board of directors and the board of statutory auditors, elected by the stockholders' meeting held on June 27, 2005, will expire concurrently with the stockholders' meeting that will be held to approve the separate financial statements for the year ending December 31, 2007.

The appointment of the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the separate financial statements for the year ending December 31, 2011.

LETTER TO THE STOCKHOLDERS

To our Stockholders,

2007 was an important year, because it enabled us to reap the fruit of the work accomplished in the recent past and, more particularly, because it laid the foundations on which to build the future growth of the company.

Consolidated profit reached € 672 million, confirming the good performance reported by all our holdings, while the value of the portfolio is at approximately € 7.8 billion. Investment activities also took some significant steps forward, in the direction that IFIL has decided to proceed, with particular reference to the international markets.

The doubling of IFIL's consolidated profit can be attributed, first and foremost, to the excellent performance of the Fiat Group which, in 2007, achieved – and in some cases exceeded – all the objectives laid out in the industrial plan presented three years before.
Thanks to the work accomplished on the commercial front and the launch of some very successful models, especially one: the new 500 – a perfect synthesis of tradition, functionality and of high symbolic value – sales from automobile activities increased by more than 13%. Marked progress in sales was also reported in the performance of other industrial operations: agricultural and construction equipment, components and production systems, and especially trucks and industrial vehicles. Thanks to the efforts made by management on the front of operations and organization, these increases were translated into significant improvements in terms of profitability and financial stability. Although the Group's trading profit established an all-time record, exceeding the ceiling of € 3 billion, the fact that industrial activities are now debt-free was no less important. This fact brings to an end the crisis that began in 2002 and now allows Italy's largest industrial group to concentrate its efforts on encouraging growth in the activities of all its divisions.

In the area of financial services, as well as benefiting from the positive trend of the Intesa Sanpaolo holding, IFIL made two investments which, despite their diversity, respond to the same logic. First it subscribed to the capital stock increase of Gruppo Banca Leonardo: a project which, just two years after the bank was formed, has already succeeded in conquering the trust and respect of many European financial operators, putting down solid roots in the main markets of the continent.
Secondly, through its investment in Perella Weinberg, IFIL established a privileged link with one of the most notable and successful companies in the world in the field of investment banking and savings. Quite apart from the considerable economic return that is expected, both operations assume particular value in terms of IFIL's strategic development, because, through long-term partnerships, it hopes to strengthen its capacity to seek and create new investments for the future in a completely international context.

With regard to services to companies, during 2007, IFIL increased its stake in SGS, confirming its appreciation of a company which combines excellent growth prospects with solid managerial ability. For the sixth consecutive year, the Swiss group confirmed its position as a world leader in its field and improved its corporate performance, establishing new records in terms of revenues and profit. In the field of real estate services, Cushman & Wakefield – which entered the IFIL portfolio at the end of March – conducted a thorough internal reorganization program and made a number of acquisitions, thus achieving substantial increases in sales and profitability: significant achievements in a year for operators in the real estate sector that was far from easy.

The intensive activities of Sequana Capital, which, in 2007, made some investments which have great future potential, deserve a special mention. In fact, the acquisitions of the activities of Map by Antalis and of Dalum, Zanders and Greenfield by Arjowiggins will make it possible to strengthen the competitiveness of the French company on international markets, by exploiting savings in production costs deriving from synergies and positioning its brands in the sector of high value-added paper.

In the sector of tourism and leisure time, the Alpitour Group saw the first results of its far-reaching restructuring program, begun in the prior year, increasing both the profitability indicators and those relating to the balance sheet. The elimination of debt and the net profit achieved are obvious signs of the effectiveness of the work undertaken by management, which will now be able to concentrate on consolidating those results and, especially, on developing new areas of activity. For Juventus, too, the result for the year was definitely positive: the capital stock increase enabled it to finance the medium-term plan worked out by the club's management, which was needed to strengthen the team and sustain the company's development plans over the next few years. Under the guidance of the club's new trainer, the 'first team' is showing that it has the right kind of talent and spirit to achieve its objectives, namely to return to international competitions. Achieving this target will represent a fundamental step in terms of implementing the plan and repaying the immense affection with which millions of fans follow Italy's best-loved football club.

The prospects for the current year seem to be conditioned, above all, by the difficult international economic situation. The crisis in the financial markets which began in the United States in the third quarter of 2007 later deteriorated and extended to other parts of the world, creating a situation of instability which, together with the increase in the cost of raw materials, did not take long to have repercussions on the level of the real economy. The substantial falls reported by the world markets suddenly interrupted the phase of expansion that had been in place for years, establishing a general climate of uncertainty but also creating interesting acquisition opportunities. As far as IFIL is concerned – thanks to the 10-year bond issue for € 750 million in May 2007, the company has considerable financial flexibility – a period of exciting challenges lies ahead. The ability of its management and the financial discipline that it has succeeded in developing in the course of time will be precious resources for avoiding the inherent dangers of the period ahead and seizing new investment opportunities wherever they present themselves.

Finally, I would like to thank the members of the board of directors and the statutory auditors and independent auditors, whose mandate is drawing to a close, for their precious contribution over the past three years.
I would also like to thank the auditors, managers and all the group's employees for their hard work.

Turin, March 28, 2008

Gianluigi Gabetti

IFIL GROUP PROFILE

IFIL S.p.A. is one of Europe's leading investment companies, controlled by the Agnelli family. Founded in 1919, it is headquartered in Turin and listed on the Italian stock exchange.
IFIL conducts diversified investments on an international scale with entrepreneurial vision and solid financial backing. At the same time, it cooperates continuously with the management teams of its holdings, while respecting their right to operate autonomously and with a perspective geared to the medium-/long-term.
The major investments of the IFIL Group are indicated below.

Fiat S.p.A., in which IFIL S.p.A. has a holding of more than 30% of ordinary and preferred capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). Founded in 1899, the Fiat Group operates in the sectors of automobiles (Fiat, Lancia, Alfa Romeo, Abarth, Ferrari, Maserati and Fiat Light Commercial), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus), components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (La Stampa and Publikompass). Other sectors also offer financial services to the sales networks and the clientele in addition to rental services to customers.

The other holdings which comprise the dynamically managed diversified portfolio are listed below.

Cushman & Wakefield (C&W), in which the subsidiary Ifil Investissements S.A. has a 70.18% stake, is the largest privately held company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 221 offices and 15,000 employees in 58 countries.

Sequana Capital S.A., in which Ifil Investissements S.A. has a 26.65% stake, is a French company listed on the Euronext market which in 2006 has focused its operations on the paper sector where it operates through:

- Arjowiggins S.A. (100% holding), the world leader in the manufacture of high value-added paper products, with 7,800 employees in 82 countries;

- Antalis S.A. (100% holding), the leading European group in the distribution of paper products for printing and writing, with over 8,400 employees in 44 countries.

Intesa Sanpaolo S.p.A., in which IFIL S.p.A. has a 2.45% stake in ordinary capital stock, is listed on the Electronic Share Market of the Italian stock exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with a market share of 20% on average in all segments of business (retail, corporate and wealth management). With its network of 6,100 branches, the group offers its services to 10.7 million customers. It also operates in 13 Central-East European countries and in the Mediterranean basin with 1,200 branches and 7.2 million customers in the retail and commercial banking sectors. It also has an international network specialized in corporate customer support covering 34 countries including the United States, Russia, China and India.

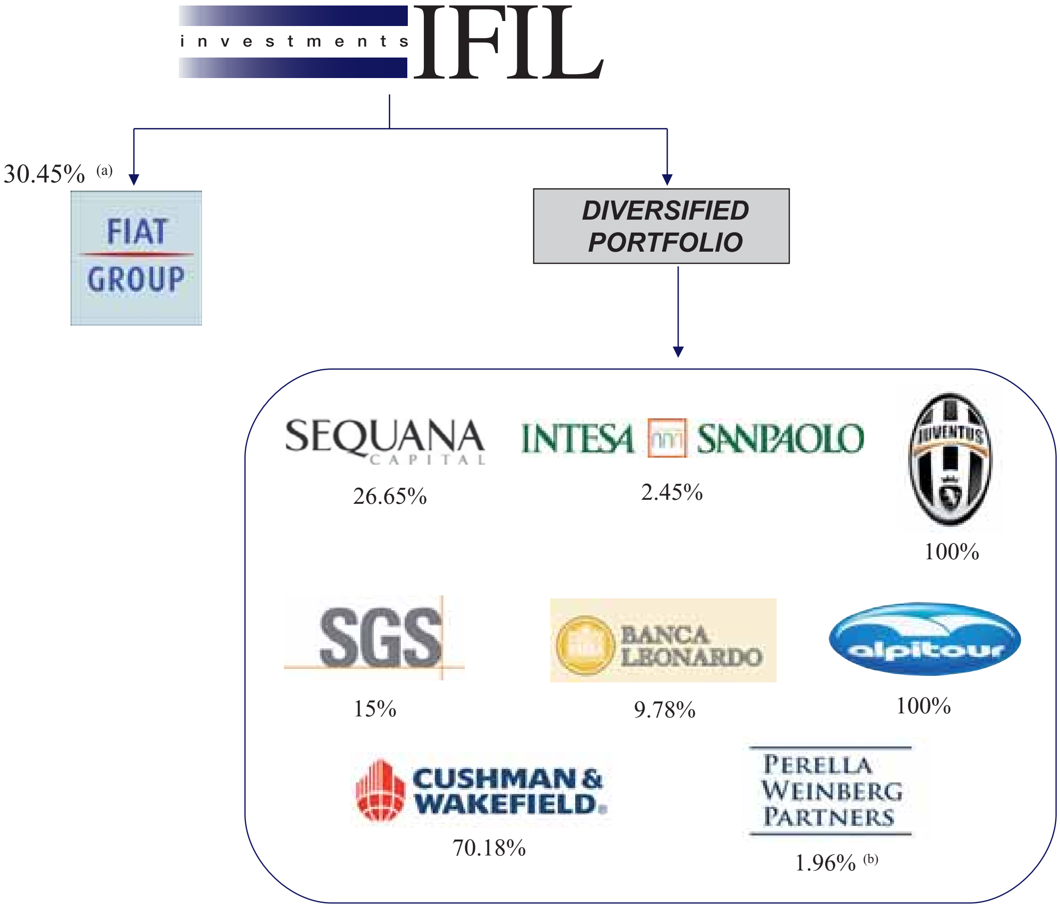
SGS S.A., in which Ifil Investissements S.A. has a 15% stake, is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 50,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Gruppo Banca Leonardo S.p.A., in which Ifil Investissements S.A. has a 9.78% stake, is an independent investment bank offering corporate finance advisory and asset management services; it also provides private equity services under a joint venture with a leading European group.

Alpitour S.p.A., in which IFIL S.p.A. has a 100% stake, is the largest integrated group in the tourist sector in Italy. It operates with 4,000 employees and has more than 2.3 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Viaggidea, Villaggi Bravo, Volando and Karambola), Hotels (Alpitour World Hotel & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group) and Incentive & Eventi (A World of Events).

Juventus Football Club S.p.A., in which IFIL S.p.A. has a 60% stake, is listed on the Electronic Share Market of the Italian stock exchange (Star segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world.

The following chart is updated to March 20, 2008, and presents the simplified structure of the investment portfolio. Percentage holdings refer to ordinary capital stock.



(a) IFIL also holds 30.09% of Fiat preferred capital stock.
(b) Percentage interest held in the NoCo A LP limited partnership.

Net Asset Value

At March 20, 2008 the Net Asset Value is equal to € 7,777 million and is composed as follows:

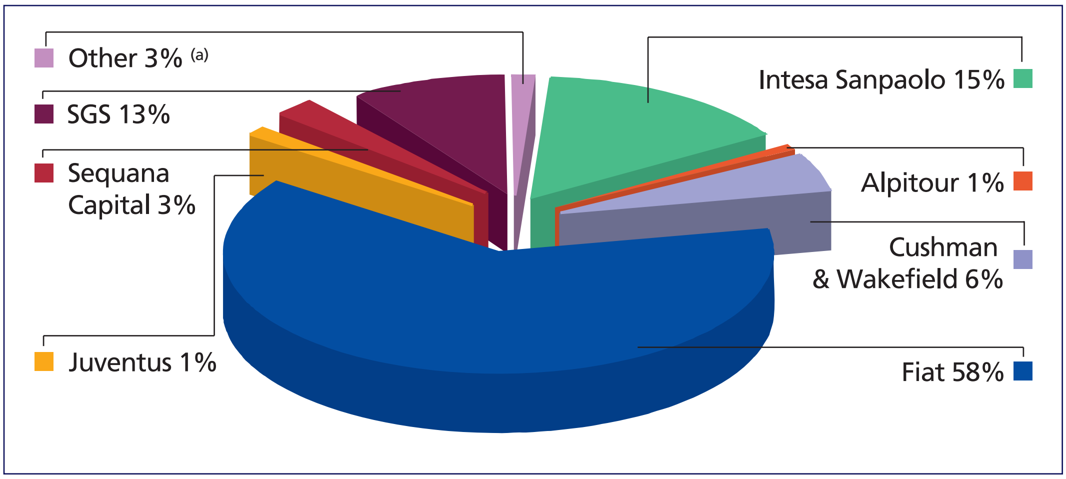
€ in millions		
Current value of the investment portfolio	7,974	(a)
Consolidated net financial position – Holdings System	(197)	(a)
Total	**7,777**	

(a) After subscribing to the bonds convertible into Vision shares.

With regard to the investment portfolio, listed equity holdings are valued at the closing market prices as of March 20, 2008. Unlisted equity holdings and other investments are stated at cost.

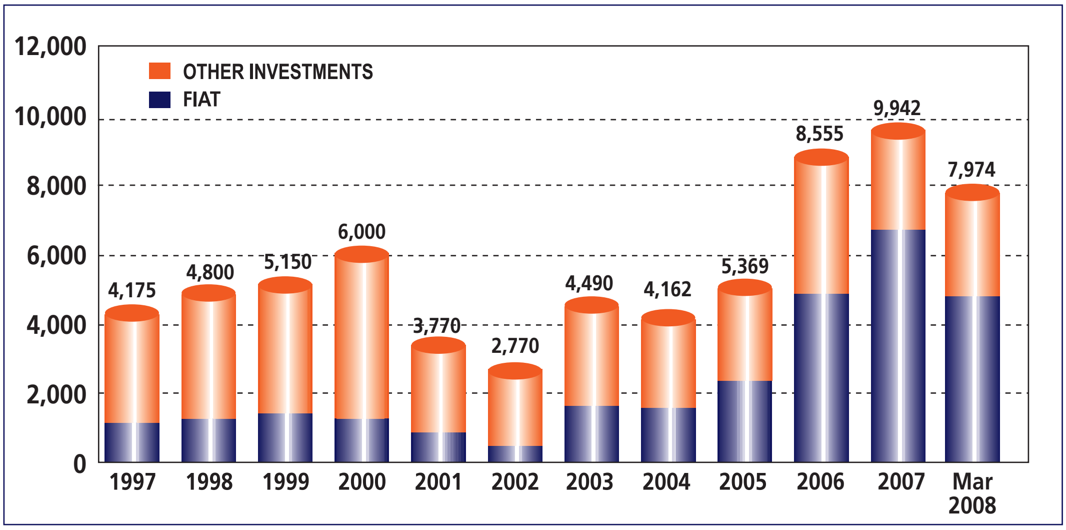
NAV is presented with the aim of aiding Analysts and Investors in forming their own assessments.

Investment portfolio at current values



(a) The portfolio includes DLMD S-Bonds, Ocean Club Méditerranée bonds, investments in NoCo A and NoCo B, the headquarters building and the investment, currently in the process of being finalized, in the bonds convertible into Vision shares.

Change in the investment portfolio at current values [(a)]



(a) The current value of the investment portfolio is calculated consistently with the change in the accounting representation.

Key operating and financial data

IFIL Group – Condensed consolidated figures (a) € in millions	**2007**	2006	Change
Profit attributable to the equity holders of the company	**672**	341	331
Share of earnings (losses) of holdings and dividends	**723**	346	377
Investments and other financial assets	**6,748**	5,855	893
Equity attributable to the equity holders of the company	**6,666**	6,222	444
Consolidated net financial position - Holdings System	**(104)**	386	(490)

Earnings per share (€) (b)	**2007**	2006	Change
Profit attributable to the equity holders of the company			
- ordinary shares	**0.63**	0.32	0.31
- savings shares	**0.65**	0.34	0.31
Equity attributable to the equity holders of the company	**6.27**	5.86	0.41

(a) The basis of preparation is presented in the section "IFIL Group – Review of the condensed consolidated results" of the Report on Operations.

(b) Details of the calculation are presented in Note 19 to the consolidated financial statements.

IFIL S.p.A. - Separate financial statement figures € in millions	**2007**	2006	Change
Profit for the year	**123**	625	(502)
Equity	**4,567**	4,587	(20)
Net financial position	**(749)**	(682)	(67)

	Per share (€)		Total (€ ml)	
Dividends paid out by IFIL S.p.A.	**2007**	2006	**2007**	2006
Ordinary shares	**0.10**	0.10	**102.1**	102.6
Savings shares	**0.1207**	0.1207	**4.5**	4.5
Total			**106.6**	107.1

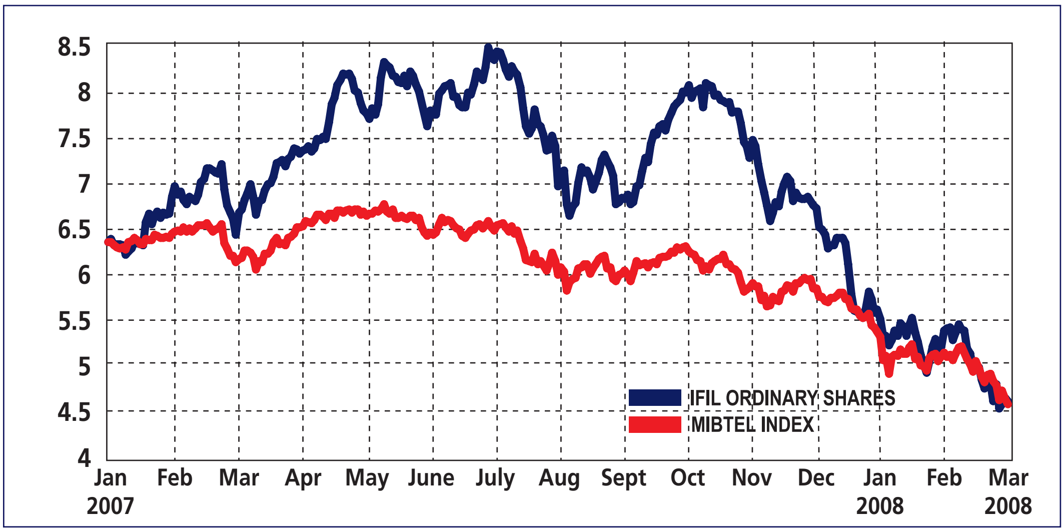
A motion for dividends relating to the year 2007 will be put forward to the stockholders' meeting called for the approval of the separate financial statements for the year ended December 31, 2007. The total amounts are calculated on the basis of the shares outstanding as of March 28, 2008.

Stock market performance

Whereas in the first part of 2007 the markets continued to record positive performance, the second half of the year registered an inversion of the trend. This heightened in the last two months when fears over growth prospects in the United States became stronger, largely fueled by the impact of the subprime mortgage crisis. In this scenario, IFIL ordinary shares, which are listed on the MIDEX Index of mid-cap companies and on the MIB 30 Index, continually out-performed the Mibtel index.

Overall 2007 performance by IFIL ordinary stock was positive at 5.4% (including dividends paid-out) against a decline of 4.5% in the Mibtel Index. The negative downturn of the stock during the last part of 2007 then sharply accelerated in the first part of 2008 mirroring the performance of the world's major indexes.

Performance by IFIL ordinary stock against the Mibtel Index (a)

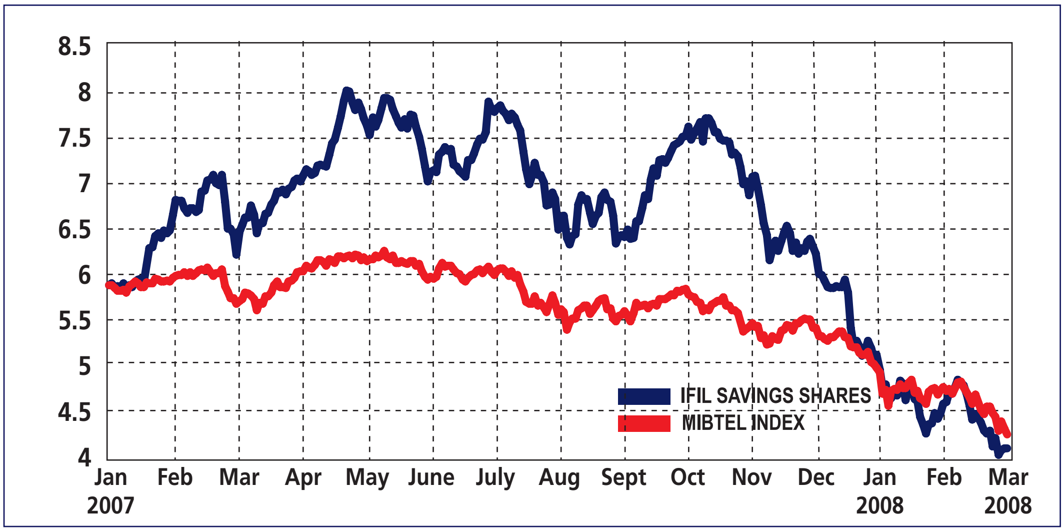


(a) The line graph is based on stock market data. Mibtel base 100 on IFIL stock.

During 2007, IFIL savings stock gained 5.8%, on average in line with IFIL ordinary stock and therefore out-performed the Mibtel Index.

Then in the first part of the 2008, IFIL savings stock basically performed in step with the decline in the Mibtel Index and IFIL ordinary stock.

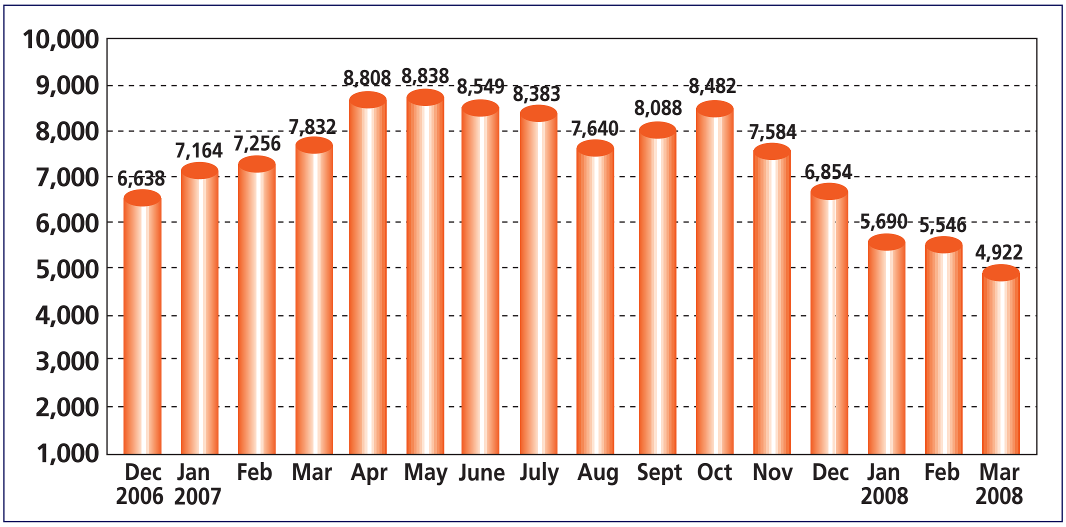
Performance by IFIL savings stock against the Mibtel Index (a)



(a) The line graph is based on stock market data. Mibtel base 100 on IFIL stock.

The above performance impacted IFIL's market capitalization which, in 2007, grew from € 6,638 million to € 6,854 million. During the first few months of 2008, market capitalization decreased to € 4,922 million.

Change in IFIL capitalization (€ in millions)



During 2007, the value of IFIL stock traded increased further while volumes were confirmed at 629 million ordinary shares and 37 million savings shares.

Market information	**2008** (a)	**2007**	2006	2005
Market price per ordinary share (€):				
. year-end	**4.595**	**6.39**	6.19	3.61
. high	**6.342**	**8.50**	6.34	3.83
. low	**4.515**	**6.22**	3.63	3.15
Market price per savings share (€):				
. year-end	**4.000**	**5.76**	5.67	3.78
. high	**5.844**	**7.90**	5.97	3.89
. low	**3.923**	**5.72**	3.84	3.16
Volumes traded during the year:				
. ordinary stock (in millions of shares)	**169**	**629**	695	757
. savings stock (in millions of shares)	**8**	**37**	36	28
Value of volumes traded during the year (€ in millions):				
. ordinary stock	**894**	**4,604**	3,424	2,609
. savings stock	**37**	**254**	179	97

(a) From January 1, to March 20, 2008.

FINANCIAL COMMUNICATIONS AND INVESTOR RELATIONS

Again in 2007, IFIL devoted special attention to relations with stockholders, institutional investors and financial analysts, as well as the national and international financial Press.

In particular:

- approximately 1,000 copies (in Italian and English) of the annual report, the first-half report and the quarterly reports have been distributed. These reports are sent, on request, to stockholders, and are also available on the corporate website at www.ifil.it;
- numerous in-depth meetings have been arranged with institutional investors and financial analysts, besides the Road Show presented for the placement of IFIL bonds 2007-2017;
- information has continuously been disseminated through the Italian economic and financial Press.

The corporate functions in charge of communications and investor relations are:

External Relations and Media Relations
Tel. + 39.011.5090320
Fax + 39.011.5090386
relazioni.esterne@ifil.it

Institutional Investors and Financial Analysts Relations
Tel. + 39.011.5090345
Fax + 39.011.547660
relazioni.investitori@ifil.it

Stocks and Bonds Service
Tel. + 39.011.5090315
Tel. + 39.011.5090205
Fax + 39.011.5090321
servizio.titoli@ifil.it

INFORMATION ON THE OWNERSHIP STRUCTURE PURSUANT TO EX ART. 123 BIS OF LEGISLATIVE DECREE 58/98

Capital stock

IFIL S.p.A.'s capital stock, fully subscribed to and paid-in, amounts to € 1,075,995,737 at December 31, 2007 and consists of 1,038,612,717 ordinary shares (96.53% of capital stock) and 37,383,020 non-convertible savings shares (3.47% of capital stock), all with a par value of € 1 each.

Each share attributes the right to a proportional part of the profit approved for distribution and the equity resulting upon a wind-up, except for the rights established in favor of the savings shares with regard to the appropriation of profit, as described below.

Pursuant to art. 25 of the bylaws, the savings shares carry the right to a preference dividend, cumulative according to law, of 8.27% of their par value and to a total dividend higher than that of ordinary shares by 2.07% of the same par value. When, in any one year, the dividends assigned to the savings shares are below the percentages indicated above, the difference will be added to the preference dividend of the next two years.
The savings shares carry no voting rights and can either be registered or bearer shares, as elected by the stockholders.

In the event of exclusion of the ordinary shares and/or savings shares from trading, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled, will be automatically increased to the extent that they are equal, respectively, to 8.52% and 2.32%.

There are no restrictions on the voting rights or shares which confer special rights of control. There is not any share participation system for employees nor, consequently, any relative mechanism for the exercise of voting rights.

IFIL S.p.A. has approximately 26,000 stockholders.
At March 20, 2008, IFI – Istituto Finanziario Industriale S.p.A. and Giovanni Agnelli e C. S.a.p.az. hold respectively 69.99% and 3% of ordinary capital stock.

The other ten major stockholders, indicated below, represent 12.49% of ordinary capital stock.

Stockholders	**%**	**Ordinary stock**
Mackenzie Cundill Group	5.10	52,973,183
Credit Suisse Securities (Europe) Limited	1.71	17,744,408
Generali Group	1.35	14,032,654
Banca d'Italia	1.01	10,446,584
Morgan Stanley Group	0.93	9,690,970
Goldman Sachs International Limited	0.71	7,417,025
BNP Paribas Group	0.53	5,492,786
JP Morgan Group	0.49	5,098,558
Meag Group	0.34	3,565,745
Citibank Group	0.32	3,368,779
	12.49	**129,830,692**

Source: Stockholders' Book supplemented by Consob communications received up to March 20, 2008.

Pursuant to art. 122 of Legislative Decree 58/1998, the only agreement known by the company to exist is that signed on March 27, 1990 between IFIL S.p.A. and Citicorp, now Citigroup, with headquarters in New York York (USA), on the subject of the right of first refusal on IFIL ordinary shares held granted by Citigroup.

Appointment of the board of directors

In accordance with art. 12 of the bylaws, the board of directors is appointed by using slates of candidates. If several slates are submitted, one of the members of the board of directors shall be chosen from the slate that has obtained the second highest number of votes. Slates may be submitted only by those stockholders who, individually or together with other own voting shares, represent at least 1% of the capital stock, which shall be indicated in the notice calling the stockholders' meeting. No single stockholder can present, either through a third party or trustee company, more than one slate of candidates, or cast votes in different slates. No stockholders belonging to the same group and stockholders who signed a stockholders' agreement regarding the stock of the company can present, either through a third party or trustee company, more than one slate of candidates, or cast votes in different slates. Each candidate may be included in only one slate, under penalty of ineligibility. The candidates included in the slates must be indicated in numerical order and satisfy the integrity requirements imposed by law. The candidate who is indicated at number one on the slate in numerical order must also satisfy the legal requirements of independence set forth by law. The slates presented must be deposited at the company's offices at least fifteen days prior to the date set for the meeting called for the election of the board of directors. Together with each slate and within the time limit indicated above, declarations in which the stockholders state their right to attend the meeting, an exhaustive disclosure regarding the candidates' personal and professional characteristics as well as declarations in which single candidates accept the candidature and, on their own responsibility, state that they satisfy the envisaged requirements shall be deposited. The candidates who do not comply with these rules are ineligible. Once the stockholders' meeting determines the number of directors to be elected, the following procedure shall be applied:

1. all the directors except one shall be elected from the slate that has obtained the highest number of votes, on the basis of the numerical order in which they appear on the slate;
2. as provided by law, one director shall be elected from the slate that has obtained the second highest number of votes, on the basis of the numerical order in which the candidates appear on the slate.

Mandate for capital stock increases

The board of directors has been vested with the power, for a period of five years from the resolution passed by the special stockholders' meeting held on May 14, 2003, to increase at one or more times, also in divisible form, the capital stock up to an amount of € 1,500 million and to issue convertible bonds, at one or more times, up to the same figure but for amounts which, each time, shall not exceed those established by law.

The board of directors will put forward a motion to renew this resolution at the next special stockholders' meeting.

Authorization to purchase treasury stock

The ordinary stockholders' meeting held on May 14, 2007 authorized, for a period 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58 dated February 24, 1998, the purchase of a maximum of 55 million IFIL ordinary and/or savings shares for a maximum amount of € 450 million.

The board of directors will put forward a motion to the ordinary stockholders' meeting to renew this resolution.

By the power vested in the IFIL S.p.A. board of directors by this authorization, in its meeting held on February 18, 2008, the board approved the start of a Buyback Program for treasury stock aimed at the efficient management of the company's capital and with a view towards investment purposes.

The Buyback Program calls for a maximum disbursement of € 150 million for IFIL ordinary and/or savings stock.

Additional information is provided in the specific paragraph under “Major events in 2007 and in the first quarter of 2008”.

Effects of a possible change in control on the most important agreements in force

At December 31, 2007, a possible change in control over IFIL S.p.A. would give the bondholders the right to ask for the early redemption of the non-convertible bonds 2006-2011 and 2007-2017 for a total of € 950 million and would give the two lending banks the right to ask for the early repayment of the three committed lines of credit of € 250 million, which are currently not drawn down.

Agreements between the company and the directors

The meeting of the board of directors of IFIL S.p.A. held on June 9, 2005 approved the use of a secretarial service and a car with a driver for the chairman, Gianluigi Gabetti, also after his current term of office expires.

In the event of the termination of the employment relationship on the part of the company that is not for a just cause, as a departure from the provisions of art. 27 of the collective national labor agreement, the chief executive officer and general manager, Carlo Barel di Sant'Albano, will be paid an indemnity equal to two times the annual fixed remuneration.

MAJOR EVENTS IN 2007 AND IN THE FIRST QUARTER OF 2008

Acquisition of the controlling interest in the Cushman & Wakefield Group

On March 30, 2007, the subsidiary Ifil Investissements S.A. purchased 71.52% of the capital stock of Cushman & Wakefield (C&W) from Rockefeller Group International Inc. (RGI), a subsidiary of the Mitsubishi Group, for an investment of $625 million (€ 473.7 million), in addition to transaction costs of € 9.4 million. The remaining 28.48% stake is held by C&W management and employees.

On March 30, 2007, IFIL S.p.A. also made an interest-earning loan at market rates to C&W for $126.3 million, equal to € 94.9 million, which was repaid in full by June 1, 2007.

Subscription to the Juventus Football Club S.p.A. capital increase

On April 20, 2007, the stockholders' meeting of Juventus Football Club S.p.A. approved the capital stock increase of € 104.8 million proposed by the board of directors in order to finance the company's medium-term development plan. The stock increase was carried out in June 2007 through the issue of 80,621,332 shares (in a ratio of 2 new shares for every 3 shares held) at € 1.30 per share (of which € 1.20 is additional paid-in capital).

On June 14, 2007, IFIL S.p.A. subscribed to its portion of the increase for 48,373,666 shares for an investment of € 62.9 million.

Increase of the investment in SGS S.A.

In 2007, Ifil Investissements S.A. purchased 143,944 SGS shares on the market, equal to 1.84% of capital stock, for an investment of € 121.5 million.
Currently, Ifil Investissements S.A. holds 1,173,400 SGS shares representing 15% of capital stock.

Subscription to the Gruppo Banca Leonardo S.p.A. capital increase

On April 30, 2007, Ifil Investissements S.A. subscribed to 11,055,537 shares issued as part of the capital increase by Gruppo Banca Leonardo for an investment of € 35.4 million.
Ifil Investissements S.A. currently holds 25,255,537 Gruppo Banca Leonardo shares, equal to 9.78% of outstanding capital stock.

Other investments

On May 2, 2007, Ifil Investissements S.A. succeeded Exor Group S.A., a company controlled by Giovanni Agnelli & C. S.a.p.az., in a commitment for a maximum investment of $80 million in the limited partnership NoCo B LP which groups a series of funds managed by Perella Weinberg Partners L.P. As a result of this commitment, on December 31, 2007, Ifil Investissements S.A. invested $17 million (€ 11.9 million).

On September 30, 2007, Ifil Investissements S.A. purchased a 100% stake in the capital stock of the American company ANCOM USA Inc, from Exor Group S.A., for a total payment of approximately $27 million (€ 19.1 million). ANCOM USA Inc holds 1.96% of the limited partnership NoCo A LP, under which the Perella Weinberg Group conducts all of its activities.

Sale of a stake in Sequana Capital S.A.

On July 6, 2007, Ifil Investissements S.A. reached an agreement for the sale of an approximate 22% stake in Sequana Capital S.A. to DLMD – a company controlled by Pascal Lebard, general manager of Sequana Capital S.A.
After having obtained approval from the competent authorities, on July 27, 2007, Ifil Investissements S.A. sold 10,806,343 Sequana Capital shares at € 21 per share for a total equivalent amount of € 226.9 million.
Ifil Investissements S.A. partially financed the deal for a total equivalent amount of € 27.2 million by subscribing to 2,723 S-Bonds issued by DLMD, maturing July 27, 2010.

After this deal (which led to a loss on consolidation of € 54.3 million, including transaction costs), Ifil Investissements S.A. holds 13,203,139 Sequana Capital S.A. shares, equal to 26.65% of outstanding capital stock.
Ifil Investissements S.A. and DLMD signed a three-year stockholders' agreement aimed at keeping the stockholder base of Sequana Capital S.A. stable.

Sale of the investment in Turismo&Immobiliare S.p.A.

After having obtained authorization from the competent authorities, on September 18, 2007, Ifil Investissements S.A. sold its 25% holding in Turismo&Immobiliare to the Marcegaglia Group, Pirelli RE and Gabetti Property Solutions for € 5.2 million; the IFIL Group realized a gain on the sale of € 0.9 million on consolidation.

Issue of non-convertible bonds

On June 12, 2007, IFIL S.p.A. issued 10-year non-convertible bonds to Italian and foreign investment professional investors for a nominal amount of € 750 million. The purpose of the bond issue was to raise new funds for IFIL S.p.A. in order to refinance its existing debt as part of the strategy to extend its debt maturities. The bonds were admitted for trading on the Luxembourg stock exchange.

Closing of the dispute regarding the sale of La Rinascente

On February 14, 2006 and September 5, 2006, the buyer of the investment in La Rinascente filed two separate arbitration proceedings against Ifil Investissements S.A. seeking compensation for an amount of approximately € 52 million for extraordinary expenses relating to certain points of sale in addition to legal questions in connection principally with the accounting treatments used in the financial statements of La Rinascente.
On June 27, 2007, Ifil Investissements S.A. settled the dispute on the basis of which the buyer of the investment in La Rinascente renounced all claims filed in the above arbitration proceedings against Ifil Investissements S.A. and any other claim and/or demand, also in the future, relating to the sale of the investment in La Rinascente. The settlement involved a total payment of € 8 million (of which € 6.1 million was borne by Ifil Investissements S.A. and € 1.9 million by Auchan Group).

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az. on August 24, 2005

In the opposing judgment against the administrative sanctions imposed by Consob under Resolution 15760 notified on February 13, 2007, the Court of Appeals of Turin, in its decision of December 5, 2007, reduced the administrative sanctions from € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Mr Gabetti from € 5 million to € 1.2 million. Furthermore, the additional administrative sanction levied against Mr Gabetti was reduced by two months, from six to four months, the periods of which is now over, as are the periods for the administrative sanctions against Mr Grande Stevens, as the legal advisor, and Mr Marrone.
As for the penal proceedings communicated to these individuals, the judge in the preliminary investigations of December 4, 2007 declared the notification pursuant to ex art. 415 bis of the Italian Penal Code null and void and sent the case to the public prosecutor's office. The proceedings are therefore again in the preliminary stages.

Subscription of bonds convertible into Vision Investment Management shares

On February 20, 2008, Ifil Investissements S.A. reached an agreement to invest € 61 million (US $90 million) in 5-year bonds with a mandatory conversion into shares at maturity and thus become a prominent stockholder of Vision Investment Management Limited (Vision), one of the most important alternative asset managers in Asia.

Vision, which has offices in Hong Kong, was founded in June 2000 by Jerry Wang, one of the pioneers in the sector in Asia. Vision launched its benchmark product, Vision Asia Maximus Fund, in 2002 and since then has become one of the largest local managers of hedge funds specialized in Asian markets.

Ifil Investissements S.A. will use available liquidity for the investment. The bonds will guarantee a fixed annual yield of 5% until conversion at maturity in spring 2013. The finalization of the transaction, subject to the approval of the competent authorities, is expected to take place in spring 2008.

The proceeds from the bonds will mainly be used by Vision management to buy back treasury stock from a group of the company's founding financial investors – which currently hold 32% of ordinary capital stock issued by Vision – and to ensure future resources to sustain the development plan in the alternative asset management sector in Asia. Vision management and employees remain the largest stockholders of the company with a controlling stake.

Upon conversion of the bonds, Ifil Investissements S.A. will receive shares equal to a 40% stake in Vision.

Buyback program

In its meeting held on February 18, 2008, the IFIL S.p.A. board of directors approved the start of a Treasury Stock Buyback Program aimed at efficiently managing the Company’s capital from an investment standpoint.

The Buyback Program falls under the resolution for the purchase of treasury stock approved by the stockholders’ meeting held on May 14, 2007 and will be in effect until November 13, 2008. The Program calls for a maximum disbursement of € 150 million and covers the purchase of IFIL ordinary and savings shares on the market at a price of not less than or more than 15% of the price recorded by the stock in the trading session of the day prior to each single purchase transaction.

The purchases will be made on regulated markets and the maximum number of shares purchased daily may not exceed 25% of the average daily trading volumes, respectively, of IFIL ordinary shares and IFIL savings shares, as provided by EC regulation 2273/2003.

Under this Program, during the period February 26 – March 17, 2008, IFIL S.p.A. purchased 4,465,200 ordinary shares (0.43% of the class of stock) at the average cost per share of € 5.07 for a total of € 22.6 million, and also 275,000 savings shares (0.74% of the class of stock) at the average cost per share of € 4.26 for a total of € 1.2 million. The total investment amounts to € 23.8 million (15.9% of the total disbursement stated in the Program).

After these purchases IFIL currently holds, directly and indirectly, the following treasury stock:

	Number	Amount		% of
	of shares	Per share (€)	Total (€ in thousands)	class
Ordinary, held by IFIL S.p.A.	16,868,198	4.05	68,328	1.62
Ordinary, held by subsidiary Soiem S.p.A.	810,262	3.41	2,762	0.08
Total ordinary shares	**17,678,460**	**4.02**	**71,090**	**1.70**
Savings shares, held by IFIL S.p.A.	**275,000**	**4.26**	**1,172**	**0.74**

Dividends approved by the investment holdings from profit for the year ended December 31, 2007

On the basis of the resolutions passed by the boards of directors, the following dividends should be collected:

Holding	Class of stock	Number of shares	Dividends Per share (€)	 Total (€/ml)
Fiat S.p.A.	ordinary	332,587,447	0.40	133.0
Fiat S.p.A.	preferred	31,082,500	0.40	12.4
Intesa Sanpaolo S.p.A.	ordinary	289,916,165	0.38	110.2
Sequana Capital S.A.	ordinary	13,203,139	0.70	9.2
SGS S.A.	ordinary	1,173,400	22.3 (a)	26.2
Banca Leonardo Group	ordinary	25,255,537	0.11	2.8
Total				**293.8**

(a) Equal to CHF 35.

Resolutions passed by the IFIL S.p.A. board of directors' meeting held on March 28, 2008

In its meeting held on March 28, 2008, the board of directors approved the consolidated financial statements and the draft separate financial statements for the year ended December 31, 2007, authorizing their publication starting from March 29, 2008.

A motion will be put forward to the stockholders' meeting fixed for May 13, 2008 (in first call) and May 14, 2008 (in second call) for the distribution of dividends of € 0.10 per ordinary share and € 0.1207 per savings share, for a total amount of € 108.4 million, unchanged compared to the prior year. Taking into account the treasury stock currently in portfolio, the payment should decrease to approximately € 106.6 million. The ex dividend date is May 19, 2008 and the dividends will be paid starting from May 22, 2008.

The board has also voted to put forward a motion to the stockholders' meeting to renew the authorization for the purchase and the disposition of treasury stock. This authorization would allow the board to purchase on the market, for a period of 18 months from the resolution passed by the stockholders' meeting, up to a maximum of 55 million ordinary and/or savings shares, for a maximum disbursement of € 450 million, at a price of not less than or more than 15% of the price recorded by the stock in the trading session of the day prior to each single purchase transaction. The authorization request to purchase treasury stock is considered opportune, among other things, for purposes of efficient capital management, as well as from an investment standpoint, and also for any equity-based compensation plans and for carrying out stock exchanges.

A motion will also be put forward to the special stockholders' meeting to renew the five-year mandate pursuant to articles 2443 and 2420 ter of the Italian Civil Code, to increase capital stock, at one or more times, up to a maximum of € 1,500 million and to issue, at one or more times, convertible bonds up to the same amount. The current mandate is expiring and a new mandate would allow the Company to act quickly so that any future capital transactions would respond to the financial needs deriving from investment transactions.

The board of directors, based on the proposal put forward by the Compensation and Nominating Committee, has approved a stock option Plan that will be submitted to the stockholders' meeting, pursuant to art. 114 bis of Legislative Decree 58/1998 (TUF).

The grantees of the Plan, which is for a period of more than 11 years, are the chief executive officer and general manager, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of ordinary shares, and employees of the IFIL Group (IFIL S.p.A. and the companies of the "Holdings System") who are or will be regarded as key people in the organization, on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options. Currently, there are 15 employees with these characteristics.

The adoption of the Plan is aimed at attracting and retaining managerial resources who hold important positions in the company and at the same time have them involved in pursuing operating performance targets and matching the economic incentives to the value of the company for the stockholders. The vesting period of the options granted will start from May 14, 2014 to May 14, 2016 and precisely: the first part, equal to 25% of the options, will vest on May 14, 2014, the second part, again equal to 25% of the options, will vest on May 14, 2015 and the third part, equal to 50% of the options, will vest on May 14, 2016. The exercise price of the options granted will be equal to the arithmetic average of the official stock market prices recorded at Borsa Italiana S.p.A. in the month prior to the date of the stockholders' meeting that will approve the Plan.
The Plan will be implemented by assigning the grantees, gratuitously, options on treasury stock purchased by the company or by companies of the IFIL Group in accordance with existing laws. Details of the Plan will be described in the report prepared by the board of directors which will be made available within the period established by law.
Finally, a motion for payment of a part of the variable compensation of employees (MBO) with treasury stock will also be submitted by the board of directors for approval by the stockholders' meeting, pursuant to art. 114 bis of Legislative Decree 58/1998 (TUF).

Moreover, the ordinary and special stockholders' meeting shall appoint the board of directors and the board of statutory auditors as well as vote on some amendments to the bylaws required to conform to new laws and regulations.

BUSINESS OUTLOOK

For IFIL S.p.A., a profit is expected to be reported for the year 2008.

Taking into account the forecasts formulated by the major holdings, summarized below, a profit is forecast for the IFIL Group for 2008.

Fiat Group
The Fiat Group has confirmed its 2008 targets for a consolidated net income in the range of € 2.4 billion to € 2.6 billion (equal to € 1.9 and € 2 per share).

Cushman & Wakefield Group
Owing to the prolonged difficult market conditions which are particularly affecting the American and English credit markets, the Cushman & Wakefield Group aims to maintain the levels of operating profitability of the past year and thus report a net positive result for 2008.

Sequana Capital Group
For the year 2008, the Sequana Capital Group forecasts a further increase in operating profit.
Antalis, in particular, expects a significant growth in operating profit owing to the synergies generated by the acquisition of Map Merchant Group. Arjowiggins, on the other hand, predicts a reduction in operating profit in the first half of 2008 due to higher external costs and an unfavorable trend in exchange rates. This trend should reverse in the second half, thanks principally to the anticipated price increase policy and another recently introduced program to reduce costs.

Alpitour Group
During the year 2007/2008, the Alpitour Group will aim to consolidate the profitability achieved in 2006/2007 and further improve the financial situation and the return on invested capital.

Juventus Football Club
As a result of the relevant investments made to strengthen the First Team which will produce a significant increase in the related costs, Juventus Football Club expects to close the year 2007/2008 with a loss.

IFIL S.p.A. – REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

The year 2007 shows a profit of € 123.4 million, including a net amount of € 18.8 million deriving from a further partial impairment reversal on Fiat preferred shares (+€ 19.3 million) and the accrual for deferred taxes (-€ 0.5 million) owing to lower taxes charged on such shares.
The year 2006 showed a profit of € 625.3 million including a net amount of € 620.1 million deriving from the impairment reversal on Fiat ordinary and preferred shares (€ 645.3 million) and the accrual for the related deferred taxes (-€ 25.2 million).

The condensed income statement and balance sheet and comments on the most important items are presented below.

IFIL S.p.A. - Condensed income statement

€ in millions	Note	**2007**	2006	Change
Dividends from investments	1	**171.4**	53.0	118.4
Impairment reversals on investments	2	**19.3**	645.3	(626.0)
Net financial expenses	3	**(39.0)**	(19.4)	(19.6)
Gains on sales of securities		**0.0**	(0.7)	0.7
Net general expenses	4	**(22.8)**	(20.1)	(2.7)
Net other nonrecurring expenses	5	**(9.2)**	(7.6)	(1.6)
Profit before income taxes		**119.7**	650.5	(530.8)
Deferred income taxes	2	**3.7**	(25.2)	28.9
Profit		**123.4**	625.3	(501.9)

IFIL S.p.A. - Condensed balance sheet

		12/31/2007		12/31/2006		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	6	**5,328.5**	**95.3**	5,321.9	99.1	6.6
Cash and cash equivalents		**165.6**	**3.0**	0.3	0.0	165.3
Financial assets held for trading		**47.8**	**0.8**	0.0	0.0	47.8
Non-current other financial assets		**0.3**	**0.0**	0.1	0.0	0.2
Current financial assets		**4.3**	**0.1**	2.2	0.1	2.1
Other current assets		**47.4**	**0.8**	44.5	0.8	2.9
Total Assets		**5,593.9**	**100.0**	5,369.0	100.0	224.9
Equity	7	**4,566.9**	**81.6**	4,587.5	85.4	(20.6)
Financial liabilities						
- current		**23.6**	**0.4**	485.0	9.1	(461.4)
- non-current		**943.6**	**16.9**	199.2	3.7	744.4
		967.2	**17.3**	684.2	12.8	283.0
Other current and non-current liabilities		**59.8**	**1.1**	97.3	1.8	(37.5)
Total Equity and liabilities		**5,593.9**	**100.0**	5,369.0	100.0	224.9

1. Dividends from investments

Dividends from investments in 2007 amount to € 171.4 million, collected from Fiat for € 61.2 million and Intesa Sanpaolo for € 110.2 million. Dividends from investments in 2006 amounted to € 53 million and were entirely collected from Sanpaolo IMI.

2. Impairment reversals on investments

Impairment reversals on investments refer exclusively to 240,583,447 Fiat ordinary shares and 31,082,500 Fiat preferred shares which in 2001, 2002 and 2004 had been written down to their market price.

At December 31, 2006, the carrying amount of Fiat ordinary shares was adjusted by the total impairment reversal up to the original purchase cost, for € 537.1 million. The carrying amount of Fiat preferred shares was adjusted by the partial impairment reversal for € 108.2 million (out of a total of € 135.5 million) to the market price on December 29, 2006 (€ 12.06) which was still below (for € 27.3 million) the original purchase cost. Deferred taxes for € 25.2 million were accrued on these reversals.

At December 31, 2007, the carrying amount of a part of the Fiat preferred shares was adjusted by a further partial impairment reversal for € 19.3 million, up to the stock market price on December 28, 2007 (€ 14.46), which was still below (for € 8 million) the original cost of purchase. In 2007, deferred taxes of € 0.5 million were accrued due to lower tax charges on these shares.
Furthermore, deferred taxes accrued in total in 2006 and 2007 (€ 25.7 million) were reduced by € 4.2 million (credited to the income statement in 2007) following the reduction of the IRES tax rate from 33% to 27.5%.

The per share and total carrying amount of Fiat ordinary and preferred shares are presented in Note 6.

3. Net financial expenses

Net financial expenses of € 39 million increased by € 19.6 million compared to 2006 (€ 19.4 million) due mainly to higher short-term interest rates in the first half and a different composition of funding sources in the second half. In effect, the issue of the 10-year non-convertible bonds for € 750 million allowed the Group to extend the average debt maturities against a higher cost.

4. Net general expenses

Net general expenses amount to € 22.8 million and increased by € 2.7 million compared to € 20.1 million in 2006. The change is due to higher legal fees (+€ 2 million), head office restructuring expenses (+€ 1 million) and sundry expenses (+€ 0.3 million), partially compensated by lower compensation paid (-€ 1.4 million).

5. Net other nonrecurring expenses

Net other nonrecurring expenses in 2007 amount to € 9.2 million and include the income of € 3.5 million originating from the reduction decided by the Court of Appeals of Turin in respect of the pecuniary administrative sanction levied on the company by Consob, as well as the accrual for the current-year cost of € 12.7 million for the stock option plan approved for management of the subsidiary Alpitour.
In 2006, the amount of € 7.6 million included the accrual for the pecuniary administrative sanction of € 4.5 million levied on the company by Consob as well as the accrual for the current-year cost of € 3.1 million in that year for the stock option plan approved for management of the subsidiary Alpitour.

6. Investments

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Accounted for at cost			
Fiat S.p.A. (ordinary shares)	**2,619.4**	2,619.4	0.0
Fiat S.p.A. (preferred shares)	**250.4**	231.1	19.3
	2,869.8	2,850.5	19.3
Ifil Investissements S.A.	**641.5**	641.5	0.0
Alpitour S.p.A.	**100.0**	100.0	0.0
Ifil Investment Holding N.V.	**68.3**	68.3	0.0
Juventus Football Club S.p.A.	**74.2**	11.3	62.9
Soiem S.p.A.	**10.0**	10.0	0.0
Ifil New Business S.r.l.	**0.0**	0.0	0.0
	3,763.8	3,681.6	82.2
Available-for-sale investments			
Intesa Sanpaolo S.p.A. (ordinary shares) (a)	**1,564.7**	1,640.3	(75.6)
Total investments	**5,328.5**	5,321.9	6.6

(a) Measured at fair value on the basis of the market price at the end of the year, with recognition of the unrealized gains or losses in equity.

The net increase of € 6.6 million in the carrying amount of investments is due to the following movements:

€ in millions	
Investments at December 31, 2006	**5,321.9**
Subscription to Juventus Football Club capital stock increase	62.9
Impairment reversal on Fiat preferred shares	19.3
Fair value adjustment of the investment in Intesa Sanpaolo	(75.6)
Change during the year	**6.6**
Investments at December 31, 2007	**5,328.5**

The comparison between carrying amounts and market prices of listed investments is as follows:

				Market price at			
	Number of shares held	Carrying amount		December 28, 2007		March 20, 2008	
		Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat S.p.A. (ordinary shares)	332,587,447	7.88	2,619.4	17.50	**5,819.6**	13.06	**4,343.6**
Fiat S.p.A. (preferred shares)	31,082,500	8.06	250.4	14.46	**449.4**	9.78	**303.9**
			2,869.8		**6,269.0**		**4,647.5**
Intesa Sanpaolo S.p.A. (ord. sh.)	289,916,165	5.40	1,564.7	5.40	**1,564.7**	4.22	**1,222.9**
Juventus Football Club S.p.A.	120,934,166	0.61	74.2	0.97	**117.5**	0.76	**91.7**
Total			4,508.7		**7,951.2**		**5,962.1**

7. Equity

Equity at December 31, 2007 is equal to € 4,566.9 million (€ 4,587.5 million at December 31, 2006). The negative change of € 20.6 million is due to the following changes:

€ in millions	
Equity at December 31, 2006	**4,587.5**
Dividends paid out	(107.1)
Fair value adjustment of investment in Intesa Sanpaolo	(75.6)
Deferred taxes released on change in fair value	36.7 (a)
Other net changes	2.0
Profit for the year 2007	123.4
Net change during the year	**(20.6)**
Equity at December 31, 2007	**4,566.9**

(a) Inclusive of the effect deriving from the reduction of the IRES tax rate from 33% to 27.5% (€ 35.7 million).

8. Net financial position

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Cash and cash equivalents	**165.6**	0.3	165.3
Financial assets held for trading	**47.8**	0.0	47.8
Other financial assets, current and non-current	**4.6**	2.3	2.3
Non-convertible bonds	**(943.6)**	(199.2)	(744.4)
Bank debt	**0.0**	(274.7)	274.7
Debt with related parties	**0.0**	(208.9)	208.9
Other current financial liabilities	**(23.6)**	(1.4)	(22.2)
Net financial position	**(749.2)**	(681.6)	(67.6)

The negative change of € 67.6 million in 2007 is due to the following cash flows.

€ in millions	
Net financial position at December 31, 2006	**(681.6)**
Dividends collected	171.4
Dividends paid out	(107.1)
Subscription to Juventus Football Club capital stock increase	(62.9)
Net financial expenses	(39.0)
Net general expenses	(22.8)
Payment of Consob administrative sanction	(4.5)
Other net changes	(2.7)
Net change during the year	**(67.6)**
Net financial position at December 31, 2007	**(749.2)**

9. Reconciliation between the separate financial statements of IFIL S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of IFIL S.p.A. for the years ended December 31, 2007 and December 31, 2006 and the corresponding figures in the consolidated financial statements of the IFIL Group at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit		Equity	
€ in millions	**2007**	2006	**12/31/2007**	12/31/2006
Separate financial statements of IFIL S.p.A.	**123**	625	**4,567**	4,587
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**1,635**	1,508
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**(85)**	411
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**609**	514	**609**	514
Share of the profit of the Sequana Capital Group for the first half presented in discontinued operations (48.805%)	**47**		**47**	
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(89)**	(185)	**(89)**	(185)
Elimination of impairment losses and reversals on consolidated investments and companies accounted for by the equity method	**(19)**	(620)	**(19)**	(620)
Adjustments of gains on the sale of investments	**1**		**1**	
Other consolidation adjustments		7		7
Consolidated financial statements of the IFIL Group (attributable to the equity holders of the company)	**672**	341	**6,666**	6,222

IFIL GROUP – REVIEW OF THE CONDENSED CONSOLIDATED RESULTS

IFIL holds some important investments through the Luxembourg subsidiary Ifil Investissements and controls two companies incorporated under Irish law (operating with the aim of optimizing the management of the financial resources of the Group), Soiem (a service company), as well as certain companies contributing to investment activities (Ifil USA, Ifil Asia and Ifil France). The aggregate of these companies constitutes the so-called "Holdings System" (the complete list of these companies is presented in the next table).

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, it is IFIL's practice to present condensed financial statements (balance sheet and income statement) for the period prepared by applying the "condensed" consolidation criteria. Such condensed consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first-half of each year. The quarterly consolidated data is also presented in the condensed format in the quarterly reports at March 31 and September 30 of each year.

In the preparation of the condensed consolidated balance sheet and income statement, the financial statements or accounting data drawn up in accordance with IFRS by the parent and by the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, Sequana Capital, Cushman & Wakefield, Alpitour and Juventus Football Club) are accounted for by the equity method, always on the basis of their financial statements or accounting data prepared in accordance with IFRS.

The following table shows the consolidation and valuation methods used for the investments:

	% holding in capital stock outstanding	
	12/31/2007	12/31/2006
Companies of the Holdings System consolidated line-by-line		
- IFIL Investments S.p.A.	**-**	-
- Ifil Investment Holding N.V. (Netherlands)	**100**	100
- Ifil Investissements S.A. (Luxembourg)	**100**	100
- Ifilgroup Finance Ltd (Ireland)	**100**	100
- Ifil International Finance Ltd (Ireland)	**100**	100
- Soiem S.p.A. (Italy)	**100**	100
- Ifil USA Inc (USA)	**100**	100
- Ifil Asia Ltd (Hong Kong)	**100**	100
- Ifil France S.A. (France) (a)	**100**	-
- Ancom USA Inc (USA) (b)	**100**	-
- Ifil New Business S.r.l. (Italy) (c)	**100**	100
- Eufin Investments Unlimited (United Kingdom) (c)	**100**	100
Companies accounted for by the equity method		
- Fiat Group	**29.01**	28.60
- Sequana Capital Group	**26.71**	48.88
- Cushman & Wakefield Group	**72.13**	-
- Alpitour Group	**100**	100
- Juventus Football Club S.p.A.	**60**	60

	% of capital stock	
	12/31/2007	12/31/2006
Investments accounted for at fair value (d)		
- Intesa Sanpaolo S.p.A.	**2.45**	4.96 (e)
- SGS S.A.	**15.00**	13.16
Investments accounted for at cost		
- Gruppo Banca Leonardo S.p.A.	**9.82**	9.43
- Turismo&Immobiliare S.p.A. (f)	-	25
- NoCo A LP	**1.96** (g)	-

(a) Set up on July 27, 2007, consolidated line-by-line in the last quarter of 2007.
(b) Purchased on September 30, 2007 and consolidated line-by-line in the last quarter of 2007.
(c) Dormant company.
(d) Based on the market price at the end of the year with the unrealized gain or loss recognized in equity.
(e) Percentage refers to the investment in Sanpaolo IMI S.p.A. merged in Banca Intesa with effect on January 1, 2007.
(f) Sold on September 18, 2007.
(g) Percentage holding in the limited partnership acquired on September 30, 2007.

The condensed consolidated **income statement** and **balance sheet** and notes on the most significant items are presented on the following pages.

IFIL GROUP – Condensed consolidated income statement

The **profit attributable to the equity holders of the company** for the year 2007 is € 671.7 million, with an increase of € 330.2 million compared to the profit reported for the year 2006 (€ 341.5 million). The increase is due to the higher contribution to earnings by investment holdings (+€ 317.7 million) and higher net financial income (+€ 30.9 million), partially compensated by other net negative changes (-€ 18.4 million).

€ in millions	Note	**2007**	2006	Change
Share of the profit (loss) of companies accounted for by the equity method	1	**610.9**	293.2	317.7
Net financial income:				
- Dividends from investments	2	**111.6**	53.0	58.6
- Gains (losses) on the sale of securities and investments		**0.9**	(0.7)	1.6
- Net other financial income (expenses)	3	**(10.1)**	19.2	(29.3)
Net financial income		**102.4**	71.5	30.9
Net general expenses		**(25.9)**	(23.2)	(2.7)
Net other nonrecurring income (expenses)	4	**(17.2)**	0.2	(17.4)
Profit before income taxes		**670.2**	341.7	328.5
Income taxes		**1.5**	(0.2)	1.7
Profit attributable to the equity holders of the company		**671.7**	341.5	330.2

IFIL GROUP – Condensed consolidated balance sheet

		Balances at		
€ in millions	Note	**12/31/2007**	12/31/2006	Change
Non-current assets				
Investments accounted for by the equity method	5	**4,081.0**	3,291.8	789.2
Other financial assets	6	**2,667.3**	2,563.5	103.8
Property, plant and equipment		**13.8**	13.2	0.6
Deferred tax assets		**1.4**	0.0	1.4
Total Non-current assets		**6,763.5**	5,868.5	895.0
Current assets				
Financial assets and cash and cash equivalents	9	**862.4**	862.8	(0.4)
Trade receivables and other receivables		**47.9**	47.2	0.7
Total Current assets		**910.3**	910.0	0.3
Assets held for sale		**0.0**	0.0	0.0
Total Assets		**7,673.8**	6,778.5	895.3
Equity attributable to the equity holders of the company	8	**6,666.5**	6,222.3	444.2
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**2.6**	2.4	0.2
Bonds and other debt	9	**943.6**	199.2	744.4
Deferred tax liabilities and other liabilities		**10.3**	52.6	(42.3)
Total Non-current liabilities		**956.5**	254.2	702.3
Current liabilities				
Bonds and other debt	9	**23.6**	277.6	(254.0)
Trade payables and other liabilities		**27.2**	24.4	2.8
Total Current liabilities		**50.8**	302.0	(251.2)
Total Equity and Liabilities		**7,673.8**	6,778.5	895.3

1. Share of the profit (loss) of companies accounted for by the equity method

In 2007, the share of the profit (loss) of companies accounted for by the equity method is a profit of € 610.9 million (€ 293.2 million in 2006). The positive change of € 317.7 million reflects the higher profit contribution by the Fiat Group (+€ 276.4 million), the Sequana Capital Group (+€ 2.4 million, also including the loss of € 54.3 million on the sale of the 22% stake in capital stock), the Alpitour Group (+€ 4.5 million), the result for the nine months following the acquisition of the Cushman & Wakefield Group (+€ 34.9 million), a lower profit contribution by Juventus Football Club (-€ 0.8 million) and other changes (+€ 0.3 million).

	Profit (loss)		IFIL's share		
€ in millions	**2007**	2006	**2007**	2006	Change
Fiat Group	**1,953.0**	1,065.0	**566.6**	304.6	262.0
Consolidation adjustments			**(1.0)** (a)	(15.4) (a)	14.4
Total Fiat Group			**565.6**	289.2	276.4
Sequana Capital Group					
first half	**95.8**	-	**46.8**		
second half	**46.4**	-	**12.4**		
	142.2	958.0	**59.2**	504.2	(445.0)
Consolidation adjustments			**(46.7)** (b)	(494.1) (c)	447.4
Total Sequana Capital Group			**12.5**	10.1	2.4
Cushman & Wakefield Group	**48.4** (d)	-	**34.9**	0.0	34.9
Alpitour Group	**7.5** (e)	3.0 (e)	**7.5**	3.0	4.5
Juventus Football Club S.p.A.	**(16.0)** (f)	(14.7) (f)	**(9.6)**	(8.8)	(0.8)
Other			**-**	(0.3)	0.3
Total			**610.9**	293.2	317.7

(a) Mainly for the assignment of preference dividends to the minority interest.
(b) Of which -€ 54.3 million for losses (including transaction costs of € 0.8 million) realized on the sale of the 22% stake in Sequana Capital and +€ 7.6 million for lower goodwill impairment losses on the AWA Group, since it was partially amortized by IFIL in prior years.
(c) For the elimination of the gain net of taxes on the Sequana Capital/SGS Public Exchange and Purchase Offer (-€ 465.8 million) and for the diluting effect of the reduction in the stake held (-€ 28.3 million).
(d) Data for the period April 1 – December 31, subsequent to acquisition.
(e) Data for the period November 1 – October 31.
(f) Data for the period January 1 – December 31 prepared for purposes of consolidation by IFIL.

For a review of the operating performance of the companies accounted for by the equity method reference should be made to the following sections.

2. Dividends from investments

Dividends from investments in 2007 amount to € 111.6 million and include dividends collected from Intesa Sanpaolo S.p.A. for € 110.2 million (€ 53 million in 2006) and Gruppo Banca Leonardo for € 1.4 million.

3. Net other financial income (expenses)

In 2007, net other financial expenses amount to € 10.1 million whereas, in 2006, the balance of net financial income totaled € 19.2 million. The negative change of € 29.3 million is mainly due to the change in the consolidated net financial position of the "Holdings System" (which over the course of the year went from a cash position of € 386.2 million to a borrowings position of € 104.5 million as a result of significant investments), in addition to an increase in IFIL S.p.A. borrowing costs as described previously.

4. Net other nonrecurring income (expenses)

In 2007, net other nonrecurring expenses amount to € 17.2 million and comprise transaction costs and expenses incurred to close the dispute over the sale of La Rinascente (€ 8 million), the current-year cost of € 12.7 million for the stock option plan approved for management of the subsidiary Alpitour, as well as income of € 3.5 million resulting from the reduction decided by the Court of Appeals of Turin in respect of the administrative sanction levied on the company by Consob.

In 2006, net other nonrecurring expenses amounted to € 0.2 million and included the accrual for the administrative sanction of € 4.5 million levied on the company by Consob in relation to the content of the press release dated August 24, 2005, the current-year cost of € 3.1 million for that year for the stock option plan approved for management of the subsidiary Alpitour, as well as the release of the provision set aside in prior years for the Alpitour stock option plan 2000 which was not exercised by the expiration date of August 31, 2006, equal to € 7.8 million.

5. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount at **12/31/2007**	 12/31/2006	Change
Fiat Group	**3,125.3**	2,610.6	514.7
Sequana Capital Group	**341.0**	588.8	(247.8)
Cushman & Wakefield Group	**466.1**	0.0	466.1
Alpitour Group	**78.8**	70.4	8.4
Juventus Football Club S.p.A.	**69.8**	17.7	52.1
Turismo&Immobiliare S.p.A.	**0.0**	4.3	(4.3)
Total	**4,081.0**	3,291.8	789.2

6. Non-current other financial assets

Details are as follows:

€ in millions	Carrying amount at **12/31/2007**	 12/31/2006	Change
Intesa Sanpaolo S.p.A.	**1,564.7**	1,640.3	(75.6)
SGS S.A.	**956.6**	870.0	86.6
Gruppo Banca Leonardo S.p.A.	**82.4**	47.0	35.4
NoCo A LP	**18.7**	-	18.7
Subsidiaries of the “Holdings System" in a wind-up	**0.0**	1.0	(1.0)
Other investments			
DLMD bonds	**27.6**	-	27.6
Ocean Club Méditerranée bonds	**5.1**	5.0	0.1
NoCo B LP	**11.9**	-	11.9
Sundry	**0.3**	0.2	0.1
Total	**2,667.3**	2,563.5	103.8

The original acquisition cost of the investment in Intesa Sanpaolo is € 883.4 million; the change in fair value of the investment amounts in total to € 681.3 million.

The original carrying amount of the investment in SGS is € 469.7 million; the change in fair value of the investment amounts in total to € 486.9 million.

7. Comparison between carrying amounts and market prices of listed investments and other listed financial assets

Details are as follows:

	Number of	Carrying amount		Market price at			
				December 28, 2007		March 20, 2008	
	shares held	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Investments							
Fiat Group							
- ordinary shares	332,587,447	8.59	**2,858.2**	17.50	**5,819.6**	13.06	**4,343.6**
- preferred shares	31,082,500	8.59	**267.1**	14.46	**449.4**	9.78	**303.9**
			3,125.3		**6,269.0**		**4,647.5**
Sequana Capital Group	13,203,139	25.83	**341.0**	21.95	**289.8**	16.13	**213.0**
Juventus Football Club S.p.A.	120,934,166	0.58	**69.8**	0.97	**117.5**	0.76	**91.7**
Other financial assets							
Intesa Sanpaolo S.p.A.	289,916,165	5.40	**1,564.7**	5.40	**1,564.7**	4.22	**1,222.9**
SGS S.A.	1,173,400	815.25	**956.6**	815.25	**956.6**	846.98	**993.8**
Ocean Club Méditerranée bonds	76,614	66.57	**5.1**	66.36	**5.1**	65.92	**5.0**
Total			**6,062.5**		**9,202.7**		**7,173.9**

8. Equity attributable to the equity holders of the company

Details are as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Capital and reserves	**6,715.0**	6,270.8	444.2
Treasury stock	**(48.5)**	(48.5)	0.0
Total	**6,666.5**	6,222.3	444.2

The change during the year is analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the company at December 31, 2006	**6,222.3**
Change in fair value of the investments in Intesa Sanpaolo (-€ 75.6 million) and SGS (-€ 21.5 million)	(97.1)
Deferred taxes released on the change in fair value of the investment in Intesa Sanpaolo	36.7 (a)
Share of translation differences (-€ 105.5 million) and other net changes (+€ 45.4 million) shown in the equity of the companies consolidated and those accounted for by the equity method	(60.1)
Dividends paid-out by IFIL S.p.A.	(107.0) (b)
Profit attributable to the equity holders of the company	671.7
Net change during the year	**444.2**
Equity attributable to the equity holders of the company at December 31, 2007	**6,666.5**

(a) Inclusive of the effect deriving from the reduction of the IRES tax rate from from 33% to 27.5% (€ 35.7 million).
(b) Net of € 0.1 million of intragroup dividends.

At December 31, 2007, IFIL S.p.A. holds, directly and indirectly, the following treasury stock:

	Number of IFIL ordinary shares	% of class of stock	Amount Per share (€)	Amount Total (€ ml)
Held by IFIL S.p.A.	12,402,998	1.19	3.68	45.7
Held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
Balance at December 31, 2007	**13,213,260**	**1.27**	**3.67**	**48.5**

There were no transactions involving treasury stock during the year 2007.

9. Consolidated net financial position of the “Holdings System”

The consolidated net financial position of the “Holdings System” at December 31, 2007 shows a borrowings position of € 104.5 million with a negative change of € 490.7 million compared to the cash position at the end of 2006 (€ 386.2 million).

The consolidated net financial position of the “Holdings System” is composed as follows:

	12/31/2007			12/31/2006		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets and cash and cash equivalents	**862.4**	**0.3**	**862.7**	862.8	0.2	863.0
Bonds 2007-2017		**(744.2)**	**(744.2)**	0.0	0.0	0.0
Bonds 2006-2011		**(199.4)**	**(199.4)**	0.0	(199.2)	(199.2)
Bank debt and other financial liabilities	**(23.6)**		**(23.6)**	(277.6)	0.0	(277.6)
Total financial liabilities	**(23.6)**	**(943.6)**	**(967.2)**	(277.6)	(199.2)	(476.8)
Consolidated net financial position of the “Holdings System”	**838.8**	**(943.3)**	**(104.5)**	585.2	(199.0)	386.2

At December 31, 2007, IFIL S.p.A. has irrevocable credit lines for € 660 million, of which € 150 million is due by December 31, 2008 and € 510 million at later expiration dates.

Standard & Poor's rates IFIL’s long-term debt at “BBB+” and its short-term debt at “A-2”, both with a stable outlook.

The net negative change of € 490.7 million during the year 2007 is due to the following flows:

€ in millions		
Consolidated net financial position of the "Holdings System" at December 31, 2006		**386.2**
Dividends collected from:		
- Intesa Sanpaolo S.p.A.	110.2	
- Fiat S.p.A.	61.2	
- Sequana Capital S.A.	14.4	
- SGS S.A.	13.3	
- Banca Leonardo S.p.A.	1.4	
		200.5
Dividends paid out by IFIL S.p.A.		(107.0) (a)
Investments in equity holdings and other financial assets:		
- Acquisition of 71.52% stake in C&W capital stock	(483.1)	
- Purchase of 143,944 SGS S.A. shares (1.84% stake)	(121.5)	
- Subscription to Juventus Football Club S.p.A. capital stock increase	(62.9)	
- Subscription to Gruppo Banca Leonardo S.p.A. capital stock increase	(35.4)	
- Subscription to 2,723 S-Bonds 2010 issued by DLMD	(27.2)	
- Purchase of 100% stake in Ancom USA and bonds issued by it	(19.1)	
- Investment in NoCo B LP	(11.9)	
		(761.1)
Disposals:		
- Sequana Capital to DLMD, 22% stake (net of transaction costs)	226.1	
- Turismo&Immobiliare, 25% stake	5.2	
		231.3
Other net changes:		
- Net general expenses	(25.9)	
- Other nonrecurring expenses	(8.0)	
- Payment of Consob administrative sanction	(4.5)	
- Net other financial expenses	(10.1)	
- Net sundry expenses	(5.9)	
		(54.4)
Net change during the year		**(490.7)**
Consolidated net financial position of the "Holdings System" at December 31, 2007		**(104.5)**

(a) Net of € 0.1 million of intragroup dividends.

10. Reconciliation between the consolidated net financial position of the "Holdings System" and the net financial position of the consolidated financial statements with line-by-line consolidation

€ in millions	**12/31/2007**	12/31/2006	Change
Consolidated net financial position - Holdings System	**(104)**	386	(490)
Net financial position of the companies consolidated line-by-line:			
- Sequana Capital Group (a)	**-**	(380)	380
- Cushman & Wakefield Group	**3**	-	3
- Alpitour Group	**17**	(29)	46
- Juventus Football Club S.p.A.	**7**	(75)	82
Consolidated net financial position - line-by-line consolidation	**(77)**	(98)	21

(a) In the consolidated financial statements at December 31, 2007, the investment in the Sequana Capital Group has been deconsolidated with effect from July 1, 2007 following the sale of the 22% stake in the company.

The composition of the consolidated net financial position – line-by-line consolidation is presented in Note 35 to the consolidated financial statements of the IFIL Group.

11. Reconciliation between the condensed consolidated financial statements and the IFIL Group consolidated financial statements

The following table presents a reconciliation between the condensed consolidated financial statements and the IFIL Group consolidated financial statements prepared in accordance with IFRS.

The first column ("Condensed consolidation") presents the data that has been commented on in the preceding pages reclassified according to the consolidated financial statement format.

The second column ("Eliminations") shows the adjustments necessary to reverse the carrying amount of the investments accounted for in the condensed consolidated financial statements by the equity method and the share of the results of those investments in order to arrive at the line-by-line consolidation of the respective financial statements or accounting data, which are shown in the next columns.

Reconciliation of the consolidated balance sheet

€ in millions	Condensed consolidation	Eliminations and consolidation adjustments	C&W Group	Alpitour Group	Juventus F.C.	**IFIL Group consolidation**
Non-current assets						
Goodwill	0	(98)	413	27	0	**342**
Other intangible assets	0		316	34	106	**456**
Property, plant and equipment	14		51	107	25	**197**
Investments accounted for by the equity method	4,081	(615)	6	1	0	**3,473**
Other financial assets	2,667		2	5	0	**2,674**
Deferred tax assets	2		45	12	13	**72**
Other assets	0		32	6	44	**82**
Total Non-current assets	**6,764**	**(713)**	**865**	**192**	**188**	**7,296**
Current assets						
Inventories	0		0	3	0	**3**
Trade receivables	0		302	118	14	**434**
Other receivables	48		73	17	55	**193**
Financial assets	117		0	40	1	**158**
Cash and cash equivalents	745		75	75	24	**919**
Total Current assets	**910**	**0**	**450**	**253**	**94**	**1,707**
Assets held for sale				**3**		**3**
Total Assets	**7,674**	**(713)**	**1,315**	**448**	**282**	**9,006**
Equity						
Attributable to the equity holders of the company	6,666	(606)	457	79	70	**6,666**
Attributable to the minority interest	0	(107)	185	4	46	**128**
Total Equity	**6,666**	**(713)**	**642**	**83**	**116**	**6,794**
Non-current liabilities						
Provisions for employee benefits	3		21	19	0	**43**
Provisions for other liabilities and charges	0		1	2	17	**20**
Bonds and other debt	944		71	27	16	**1,058**
Deferred tax liabilities	10		117	0	1	**128**
Other liabilities	0		61	0	40	**101**
Total Non-current liabilities	**957**	**0**	**271**	**48**	**74**	**1,350**
Current liabilities						
Provisions for employee benefits	0		111	0	2	**113**
Provisions for other liabilities and charges	0		10	4	0	**14**
Bonds and other debt	24		2	75	2	**103**
Trade payables	3		158	204	12	**377**
Other liabilities	24		121	34	76	**255**
Total Current liabilities	**51**	**0**	**402**	**317**	**92**	**862**
Liabilities relating to assets held for sale						**0**
Total Equity and liabilities	**7,674**	**(713)**	**1,315**	**448**	**282**	**9,006**

Reconciliation of the consolidated income statement

€ in millions	Condensed consolidation	Eliminations	C&W Group	Alpitour Group	Juventus F.C.	**IFIL Group consolidation**
Revenues	1		1,255	1,236	165	**2,657**
Other revenues from current operations	1		0	8	27	**36**
Purchases of raw materials and changes in inventories	0		0	(871)	(3)	**(874)**
Personnel costs	(11)		(950)	(108)	(114)	**(1,183)**
Costs for external services	(13)		(147)	(202)	(29)	**(391)**
Taxes and duties	(2)		(4)	(3)	(1)	**(10)**
Depreciation and amortization	(1)		(48)	(17)	(26)	**(92)**
Accruals to provisions and other expenses from current operations	(1)		(32)	(21)	(17)	**(71)**
Profit (loss) from current operations	**(26)**	**0**	**74**	**22**	**2**	**72**
Other nonrecurring income (expenses)	(17)		0	(1)	(10)	**(28)**
Operating profit (loss)	**(43)**	**0**	**74**	**21**	**(8)**	**44**
Gains (losses) on the sale of investments	1			8	0	**9**
Cost of net debt	(12)		(9)	(8)	(2)	**(31)**
Other financial income (expenses)	113		6	1	2	**122**
Financial income (expenses)	**102**	**0**	**(3)**	**1**	**0**	**100**
Income taxes	2		(24)	(13)	(8)	**(43)**
Profit (loss) of companies consolidated line-by-line	**61**	**0**	**47**	**9**	**(16)**	**101**
Share of the profit (loss) of companies accounted for by the equity method	611	(25)	1			**587**
Profit (loss) from continuing operations	**672**	**(25)**	**48**	**9**	**(16)**	**688**
Loss from discontinued operations and assets held for sale	0	(8)			0	**(8)**
Profit (loss)	**672**	**(33)**	**48**	**9**	**(16)**	**680**
Profit (loss) attributable to the equity holders of the company	**672**	**(33)**	**35**	**8**	**(10)**	**672**
Profit (loss) attributable to the minority interest	**0**		**13**	**1**	**(6)**	**8**

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 78 of Consob Regulation under Resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
		Held at			Held at
Name	Company	12/31/2006	Increase	Decrease	12/31/2007
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	652,000			652,000
Sant'Albano Carlo	IFIL ordinary shares (a)	0	43,500		43,500
Lombardi Giancarlo	IFIL ordinary shares (a)	12,650			12,650
Marocco Antonio Maria	IFIL ordinary shares (a)	73,369			73,369
Teodorani-Fabbri Pio	IFIL ordinary shares (a)	90,000		90,000	0
	IFIL ordinary shares (a)	469,000			469,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat ordinary share warrants 2007 (b)	825		825	0
	Fiat savings shares (b)	5,720			5,720
Winteler Daniel John	IFIL ordinary shares (a)	12,400			12,400
Statutory auditors					
Ferrero Cesare	Fiat ordinary shares (a)	1			1
Piccatti Paolo	Juventus F.C. (a)	540			540

(a) Direct holding.
(b) Indirect holding through spouse.

Furthermore, on March 7, 2007, there was a communication made pursuant to art. 152-octies, paragraph 7 of Consob Regulation 11971/99 regarding the purchase of 29,000 IFIL ordinary shares on the part of the family of the chief executive officer, Carlo Barel di Sant'Albano.
There are no key managers with strategic responsibilities in IFIL S.p.A..

Annual Report on Corporate Governance 2007

Information concerning the corporate governance of IFIL S.p.A. is presented in the Annual Report on Corporate Governance 2007 which, in accordance with art. 89 bis of Consob Regulation 11971 dated May 14, 1999 and subsequent amendments, will be published on the corporate website www.ifil.it and made available at the corporate head office within the times established by existing laws.

Management and coordination

IFIL Investments S.p.A. is not subject to management and coordination on the part of companies or entities.
In accordance with art. 2497 bis of the Italian Civil Code, the subsidiaries Soiem S.p.A. and Ifil New Business S.r.l. have identified IFIL Investments S.p.A. as the company which exercises management and coordination.

Programming document on security

The company has prepared the programming document on security on December 13, 2007 for the year 2007 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person in charge of the treatment of the data.

REVIEW OF THE OPERATING PERFORMANCE OF THE MAJOR HOLDINGS

FIAT
GROUP

(30.45% of ordinary capital stock and 30.09% of preferred capital stock)

The consolidated results of the Fiat Group can be summarized as follows:

			Change	
€ in millions	**2007**	2006	Amount	%
Net revenues	**58,529**	51,832	6,697	12.9
Trading profit	**3,233**	1,951	1,282	65.7
Operating result	**3,152**	2,061	1,091	52.9
Net result	**2,054**	1,151	903	78.5
Net result attributable to the equity holders of the parent	**1,953**	1,065	888	83.4

€ in millions	**12/31/2007**	12/31/2006	Change
Total assets	**60,136**	58,404	1,732
Net debt	**(10,423)**	(11,836)	1,413
Consolidated net financial position	**1,764**	(231)	1,995
Group interest in stockholders' equity	**10,606**	9,362	1,244
Employees at year-end (number)	**185,227**	172,012	13,215

Net revenues

In 2007, the Fiat Group has net revenues of € 58,529 million, up 12.9% from 2006 (€ 51,832 million), mainly driven by higher volumes across all major businesses. A detailed review of net revenues is provided below:

€ in millions	**2007**	2006	Change %
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**29,015**	25,577	13.4
Agricultural and Construction Equipment (CNH – Case New Holland)	**11,843**	10,527	12.5
Trucks and Commercial Vehicles (Iveco)	**11,196**	9,136	22.5
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**13,375**	12,366	8.2
Other businesses (Publishing and Communications, Holding companies and other companies)	**1,378**	1,581	(12.8)
Eliminations	**(8,278)**	(7,355)	-
Net revenues	**58,529**	51,832	12.9

Trading profit

In 2007, trading profit totals € 3,233 million (5.5% of revenues), an increase of 65.7% compared to € 1,951 million in 2006 (3.8% of revenues), with all the major businesses posting significant improvements. Details of trading profit are as follows:

€ in millions	**2007**	2006	Change Amount
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**1,093**	441	652
Agricultural and Construction Equipment (CNH – Case New Holland)	**990**	737	253
Trucks and Commercial Vehicles (Iveco)	**813**	546	267
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**509**	348	161
Other businesses (Publishing and Communications, Holding Companies and other Companies) – Eliminations	**(172)**	(121)	(51)
Trading profit	**3,233**	1,951	1,282

The breakdown of trading profit by Business/Sector is illustrated below:.

Automobiles

The Automobiles businesses have a trading profit of € 1,093 million (+€ 652 million) more than double compared to 2006. Trading margin grew from 1.7% in 2006 to 3.8% in 2007. Fiat Group Automobiles, with a € 512 million increase in trading profit, almost tripled its 2006 result. Ferrari's trading profit rose by 45.4%. Maserati posted a turnaround in results, reporting a trading profit of € 24 million against a trading loss of € 33 million in 2006.

€ in millions	**2007**	2006	Change
Fiat Group Automobiles	**803**	291	512
Maserati	**24**	(33)	57
Ferrari	**266**	183	83
Total	**1,093**	441	652
Trading margin (%)	**3.8**	1.7	

Fiat Group Automobiles has a trading profit of € 803 million (3% of revenues), a sharp improvement (+€ 512 million) from the € 291 million (1.2% of revenues) in 2006. The increase is mainly attributable to higher volumes, a more favorable product mix following the introduction of new models, increased absorption of fixed production costs, net of higher costs for research and development, advertising and network development supporting intensive product program and commercial strategy in both Western Europe and Latin America. The contribution of nonrecurring gains of approximately € 65 million, also positively impacted trading profit.

In 2007, **Maserati** has a trading profit of € 24 million (3.5% of revenues), a sharp improvement (up € 57 million) from the loss of € 33 million in 2006. Higher volumes and cost-containment initiatives enabled Maserati to report a positive trading result for the first time since its entry into the Fiat Group in 1993.

MASERATI

Ferrari closes 2007 with a trading profit of € 266 million, up 45.4% from € 183 million in 2006. The improvement is mainly attributable to higher sales volumes and efficiency gains, offset in part by increased R&D expenses and the unfavorable US dollar exchange rate. Trading margin is 15.9% in 2007 against 12.6% in 2006.

Ferrari

Agricultural and Construction Equipment

In 2007 **CNH – Case New Holland** has a trading profit of € 990 million, representing a trading margin of 8.4%, up from 7% in 2006. The € 253 million improvement (+34.3%; +46.7% in US dollar terms) from the € 737 million of 2006 is mainly due to higher sales volumes, a more favorable mix and pricing (allowing also the recovery of higher raw material costs) as well as benefits deriving from improved product quality.

Trucks and Commercial Vehicles

Iveco has a trading profit of € 813 million (7.3% of revenues), a sharp improvement (+€ 267 million or 48.9%) over trading profit of € 546 million in 2006 (6% of revenues). The increase is mainly attributable to strong growth in sales volumes and better pricing resulting from the competitive repositioning of its products, especially heavy vehicles, partially offset by higher costs both for R&D and for the international expansion initiatives started by Iveco over the last 2 years.

Components and Production Systems

The **Components and Production Systems** businesses post trading profit of € 509 million, for a trading margin of 3.8% (2.8% in 2006). The € 161 million overall improvement reflects higher trading profit at FPT Powertrain Technologies and Magneti Marelli, and the reduced loss at Comau.

€ in millions	**2007**	2006	Change
FPT Powertrain Technologies	**271**	168	103
Components (Magneti Marelli)	**214**	190	24
Metallurgial Products (Teksid)	**47**	56	(9)
Production Systems (Comau)	**(23)**	(66)	43
Total	**509**	348	161
Trading margin (%)	**3.8**	2.8	

In 2007, **FPT Powertrain Technologies** has a trading profit of € 271 million, an increase of € 103 million (+61.3%) over 2006, resulting in an improvement in the trading margin from 2.7% in 2006 to 3.8% in 2007. The improvement is mainly due to efficiencies in the purchasing and manufacturing areas and growth in volumes, while higher costs for international business development negatively impacted trading results.

Magneti Marelli has a trading profit of € 214 million, an increase of € 24 million compared to 2006. Higher sales volumes and efficiency gains compensated price pressures, increased raw material prices and industrial start-up costs for new products. The trading margin is 4.3%, in line with 2006.

Teksid closes 2007 with a trading profit of € 47 million, which was impacted by the trading loss of € 9 million of Teksid Aluminum, against a profit of € 56 million in 2006, which included the positive result of € 16 million relating to sold activities. On a comparable scope of operations, trading profit improved by € 16 million due to efficiency gains, which more than offset higher energy and materials costs.

Comau closes 2007 with a trading loss of € 23 million (reported in the first quarter of 2007 and followed by substantial breakeven in the rest of the year), a substantial improvement from the loss of € 66 million reported in 2006. The improvement is the result of the reshaping plan launched in the second half of 2006, the effects of which are starting to be felt. The most important improvements were reported by the Body-welding operations in Europe.

Other Businesses

The trading loss reported by the **Other Businesses** totals € 172 million, compared with a trading loss of € 121 million in 2006.

€ in millions	**2007**	2006	Change
Publishing and Communications (Itedi)	**12**	11	1
Holding companies, other companies and eliminations	**(184)**	(132)	(52)
Total	**(172)**	(121)	(51)

In 2007, **Itedi** has a trading profit of € 12 million (3.1% of revenues), against a profit of € 11 million in 2006 (2.7% of revenues). The improvement is mainly attributable to general, industrial, distribution and general cost-containment initiatives at Editrice La Stampa (which trading margin rose by 2 percentage points), notwithstanding higher amortization connected to the new rotary press project and the termination of government paper cost subsidies.

The trading loss of **Holding companies, other companies and eliminations** rose from € 132 million in 2006 (which included a profit of € 37 million of the Services Sector) to € 184 million in 2007. The change of € 52 million is attributable to lower volumes of activity for the “Treno Alta Velocità” (T.A.V.) contract (in the first quarter of 2006 there had still been significant income from the Turin-Novara line, which was completed in that period), the change in the scope of consolidation, in particular due to the disposal of B.U.C - Banca Unione di Credito, as well as higher non-cash costs recognized in connection with stock option plans.

Operating result

In 2007, the Fiat Group's **Operating income** totals € 3,152 million, against € 2,061 million in 2006. The € 1,091 million improvement from 2006 reflects higher trading profit for € 1,282 million, partially reduced by lower unusual income for € 191 million. The latter is the effect of lower gains on the disposal of investments for € 417 million, higher other net unusual expenses for € 119 million, offset in part by lower restructuring costs for € 345 million.

The following table illustrates the components of operating result broken down by Sector:

	Trading profit		Gains/Losses on the disposal of investments		Restructuring costs		Other unusual income (expenses)		Operating result	
€ in millions	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
Fiat Group Automobiles	**803**	291	**8**	461	**40**	9	**(136)**	(16)	**635**	727
Maserati	**24**	(33)	**-**	-	**-**	-	**(2)**	-	**22**	(33)
Ferrari	**266**	183	**-**	-	**-**	-	**-**	-	**266**	183
Agricultural and Construction Equipment (CNH)	**990**	737	**-**	-	**30**	145	**(7)**	-	**953**	592
Trucks and Commercial Vehicles (Iveco)	**813**	546	**-**	25	**10**	6	**-**	-	**803**	565
Fiat Powertrain Technologies	**271**	168	**-**	-	**1**	60	**(13)**	(6)	**257**	102
Components (Magneti Marelli)	**214**	190	**-**	-	**-**	16	**(5)**	1	**209**	175
Metallurgial Products (Teksid)	**47**	56	**-**	(29)	**(1)**	4	**(1)**	3	**47**	26
Production Systems (Comau)	**(23)**	(66)	**11**	(1)	**21**	179	**-**	(26)	**(33)**	(272)
Publishing and Communications (Itedi)	**12**	11	**-**	1	**1**	-	**-**	-	**11**	12
Holding companies, other companies and eliminations	**(184)**	(132)	**171**	150	**3**	31	**(2)**	(3)	**(18)**	(16)
Total for the Group	**3,233**	1,951	**190**	607	**105**	450	**(166)**	(47)	**3,152**	2,061

Net gains on the disposal of investments, total € 190 million and mainly include the following gains: € 118 million for the sale of the interest in Mediobanca S.p.A., and € 42 million realized on the completion of the sale of Ingest Facility S.p.A.

In 2006, this item amounted to € 607 million and included the gain of € 463 million resulting from the establishment of the joint venture Fiat Group Automobiles Financial Services, the gains on the sale of B.U.C. – Banca Unione di Credito (€ 80 million), Immobiliare Novoli S.p.A. (€ 39 million), Machen Iveco Holding SA that controlled 51% di Ashok Leyland Ltd (€ 23 million), Atlanet S.p.A. (€ 22 million) and the residual interest in IPI S.p.A. (€ 9 million), as well as the € 29 million loss, at the time an expected loss, in connection with the sale of Meridian Technologies Inc., which was finalized on March 2, 2007.

Restructuring costs total € 105 million and related primarily to Fiat Group Automobiles (€ 40 million), CNH (€ 30 million) and Comau (€ 21 million).

In 2006, restructuring costs totaled € 450 million and were mainly attributable to Comau (€ 179 million) in connection with the restructuring and reshaping of the scope of its operations, CNH (€ 145 million), FPT Powertrain Technologies (€ 60 million), Magneti Marelli (€ 16 million) and Business Solutions (€ 12 million).

Other unusual income (expenses) consists of net expenses of € 166 million, largely in connection with the rationalization of some strategic suppliers of the Group, some of which were acquired in 2007.

The € 47 million in net expenses reported in 2006 included € 26 million attributable to the impairment of the goodwill of certain European companies of Comau, resulting from the restructuring and reshaping of its scope of operations, and € 17 million due to the reorganization and rationalization of relationships with Group suppliers.

Net result

In 2007, **Net income** totals € 2,054 million, against income of € 1,151 million in 2006. **Net income attributable to the equity holders of the parent** amounts to € 1,953 million in 2007 (€ 1,065 million in 2006).

As for equity and financial aspects:

Net (debt) / cash position and consolidated net financial position

At December 31, 2007, consolidated net debt amounts to € 10,423 million, € 1,413 million lower than the € 11,836 million at December 31, 2006. The composition is as follows:

€ in millions	**12/31/2007**	12/31/2006	Change
Net (debt)/cash position of Industrial Activities	**355**	(1,773)	2,128
Net debt position of Financial Services	**(10,778)**	(10,063)	(715)
Total Net debt position	**(10,423)**	(11,836)	1,413

At December 31, 2007, the consolidated net financial position is a positive € 1,764 million (a negative € 231 million at December 31, 2006).

The difference between the net debt balance (-€ 10,423 million) and the consolidated net financial position (+€ 1,764 million) is attributable to the amount of current financial receivables of € 12,187 million.

Group interest in stockholders' equity

The Group interest in stockholders' equity at December 31, 2007 amounts to € 10,606 million (€ 9,362 million at December 31, 2006). The net increase of € 1,244 million is mainly formed by the consolidated net income attributable to the equity holders of the parent (+€ 1,953 million), the net change in the income and expenses recognized in equity (-€ 145 million), the distribution of dividends (-€ 274 million), the purchase of treasury stock (-€ 395 million) and other net changes (+€ 105 million).

CUSHMAN & WAKEFIELD®

(70.18% of capital stock through Ifil Investissements)

The data below refers to the nine-month period April 1 – December 31, 2007 subsequent to acquisition of the control of Cushman & Wakefield, and is taken from accounting data prepared in accordance with IFRS, for purposes of consolidation by IFIL.

$ in millions	9 months to 12/31/2007
Revenues	1,720.1
Net income attributable to the equity holders of the company	66.4
Equity attributable to the equity holders of the company (a)	931.8
Net financial position (a)	3.1

(a) Data at December 31, 2007.

In the nine months ended December 31, 2007, the C&W Group reported revenues of more than $1,720 million. The composition by geographical area is the following: the United States, Canada and Latin America contributed $1,204 million to revenues and Europe and Asia, respectively, $454 million and $62 million. In terms of business segments, Transaction Services represent approximately 75% of revenues, and Capital Markets and Client Solutions, respectively, 18% and 7%.

The net income for the period is $66.4 million after nonrecurring expenses, depreciation and amortization consequent to the IFIL-RGI transaction (fair value adjustments of assets) and accounting adjustments connected with the application of IFRS for the purposes of consolidation by IFIL.

The equity attributable to the equity holders of the company at December 31, 2007 amounts to $931.8 million, while the net financial position shows a cash position of $3.1 million. In the second quarter of 2007, the Cushman & Wakefield Group obtained a revolving line of credit for $350 million to cover seasonal working capital needs which feature in the first part of every year and to support acquisition activities.
To this end, during the nine-month period, the Cushman & Wakefield Group made some important acquisitions for more than $70 million. The most important ones refer to the purchase of the remaining 25% interest in C&W Asia Ltd and the purchase of a 65% stake in Sonnenblick-Goldman, a prominent New York investment bank specialized in transaction services.

With regard to the full-year ended December 31, 2007 (consolidated financial data prepared in accordance with US GAAP), revenues amount to $2,107 million (+19% compared to 2006) and include $265 million ($243 million in 2006) of costs recovered on managed properties on behalf of third parties. Despite the crisis in the American real estate market and the financial turbulence which symbolized the second half of 2007, the organic growth of revenues was substantial across all geographic areas (+12% in the United States, +34% in Europe and +64% in Asia), partly as a result of the acquisitions made during the period.

In terms of profitability, the Cushman & Wakefield Group reported a gross operating margin (EBITDA) of more than $148 million (+25% compared to the previous year) and an operating profit of $113 million (+26% compared to $89.5 million in 2006).

SEQUANA CAPITAL

(26.65% of capital stock through Ifil Investissements)

The highlights of the consolidated results of the Sequana Capital Group in 2007 are as follows:

	Proforma	**Published**	**Restated**		Restated changes vs 2006	
€ in millions	**2007**	**2007**	**2007**	2006	Amount	%
Net sales	**5,391**	**4,290**	**4,042**	3,979	63	1.6
Gross operating profit	**244**	**205**	**205**	195	10	5
Trading profit	**147**	**113**	**116**	93	23	25
Current profit	**87**	**74**	**79**	65	14	22
Profit attributable to the equity holders of the company	**155**	**142**	**153**	958	(805)	-84
Equity attributable to the equity holders of the company		**1,277**		1,233	44	3.6
Net indebtedness		**771**		376	395	105.1

The “Published” 2007 results include the activities of Dalum Papir A/S from July 1, 2007 and Map Merchant from November 1, 2007. The results also include a nonrecurring expense of € 7 million relating to the acquisition of Map Merchant.
The “Proforma” 2007 results include the operations of Dalum Papir A/S and Map Merchant from January 1, 2007.
For purposes of a more meaningful comparison with the 2006 results, the comments that follow and the changes in amounts and percentages in the table are calculated on the “Restated” 2007 results (which exclude the Dalum Papir A/S and MAP activities for 2007).
Gross operating profit is equal to Trading profit net of depreciation and amortization.

Net sales of Sequana Capital amount to € 4,042 million, with an increase of 1.6%. Despite higher raw material and energy prices, the gross operating profit grew by 5% over 2006 to € 205 million. The trading profit increased by 25% over 2006 to € 116 million, equivalent to an operating margin of 2.9%. The current profit rose to € 79 million, gaining 22% compared to 2006 (€ 65 million). The profit attributable to the equity holders of the company is € 153 million and equal to diluted earnings per share of € 3.1.

In 2007, Sequana Capital collected an earn-out of $115 million from Legg Mason for the sale of a 70.5% stake in Permal in November 2005. Sequana Capital sold Legg Mason an additional 5.36% interest in Permal for $78 million, reducing its own holding to 1%.
With regard to the legal action taken by the European Commission against Arjowiggins, the Court reduced the fine by € 42.5 million bringing it to € 141.8 million.

Net debt is equal to € 771 million at the end of December 2007 compared to € 376 million at December 31, 2006. The increase of € 395 million is mainly due to the acquisitions finalized during the year (€ 456 million), the definitive closing of the DG IV legal action (€ 62 million) and the dividend payout (€ 29 million), offset in part by the receipt of the “earn-out” on Permal (€ 137 million including securities sold) and the insurance payment for Fox River (€ 47 million).

The positive results reported by Sequana Capital are in contrast with the performance of the rest of the sector and reflect the unique positioning and effectiveness of the strategies adopted by the group. In a consolidating market and one which was affected by a sharp rise in costs, Sequana Capital has put into place decisive strategic actions aimed at growth.

Approximately € 500 million has been invested by Sequana Capital to place Antalis in the position of the undisputed leader in paper distribution in Europe (the world leader, excluding North America) and to build up Arjowiggins' business in high value-added products and in markets with strong growth.

The board of directors has decided to put forward a motion to the stockholders' meeting called for May 21, 2008 for the payment of dividends of € 0.7 per share (+17%).

(2.45% of ordinary capital stock)

Some of the main indicators of the Intesa Sanpaolo Group for 2007 are presented below.

€ in millions	2007	2006	Change Amount	Change %
Net operating income	**18,008**	17,915	93	0.5
Operating costs	**9,268**	9,628	(360)	-3.7
Operating margin	**8,740**	8,287	453	5.5
Net income – Group	**7,250**	4,707	2,543	54.0
Shareholders' equity – Group	**52,349**	33,702	18,647	55.3
Employees (number)	**96,198**	100,019	(3,821)	-3.8

The results for 2007 highlight **a positive performance**, achieved notwithstanding the negative effects of the financial markets crisis and benefiting only marginally, so far, from merger synergies.

The **Intesa Sanpaolo Group** registers a **net operating income** of € 18,008 million, a growth of 0.5% compared to € 17,915 million in 2006, originating from:

- **net interest income** of € 9,886 million, an increase of 11% compared to € 8,907 million in 2006;
- **net fee and commission income** of € 6,195 million, a 2.9% decrease from € 6,379 million in 2006. The reduction is almost entirely due to the commercial policy geared to the creation of value for customers made possible by the merger, with a decline in commissions on dealing and placement of securities and portfolio management (-9.8%) and current accounts (-9.2%), while growth is recorded in commissions on guarantees given (+14.9%) and the distribution of insurance policies (+4.6%);
- **profits on trading** of € 1,008 million, a decline of 44% compared to € 1,799 million. The decrease is affected mainly by the financial markets' crisis related to structured credit products (equal to € 500 million, of which approximately € 400 million is due to writedowns) and a lower contribution from nonrecurring items of approximately € 125 million (Borsa Italiana/LSE and Banco del Desarollo in 2007 compared to Fiat, Parmalat and IXIS in 2006);
- **income from insurance business**, relating to life and casualty insurance in which EurizonVita and the subsidiary EurizonTutela operate, totaling € 441 million, a decrease of 2% compared to € 452 million in 2006.

Operating costs amount to € 9,268 million, a decrease of 3.7% compared to € 9,628 million in 2006, due to reduced personnel expenses (-4,6%) following recoveries on employee termination indemnities of € 255 million owing to the new legislation which came into force in 2007 and reductions in administrative expenses for 1.2% and depreciation and amortization expenses for 7.3%.

The **operating margin** is € 8,740 million, an increase of 5.5% compared to € 8,287 million in 2006, with a cost/income ratio of 51.5% (a decrease from 53.7% last year).

Net income - Group is € 7,250 million, an increase of 54% compared to € 4,707 million in 2006, due to the combined effect of significant gains from the sale of Cariparma, FriulAdria and 202 branches to Crédit Agricole and three negative factors concentrated in the last quarter of the year:

- the adoption of a strict valuation policy for the assets which translates into prudent accruals and goodwill impairment on former Nextra both connected to the agreement with Crédit Agricole for an overall amount of € 280 million;

- a tax charge of approximately € 375 million due to the redetermination of deferred taxation;
- the contraction in profits on trading which in the last quarter recorded a negative balance of -€ 64 million owing to the negative contribution of approximately € 380 million in structured credit products, almost entirely due to writedowns.

At December 31, 2007, **total assets** of the Intesa Sanpaolo Group are € 572,902 million and **Stockholders' equity** is € 52,349 million.
Capital ratios at December 31, 2007 are: Core Tier 1 ratio at 5.9%, Tier 1 ratio at 6.5% and total capital ratio at 9%.

Loans to customers at December 31, 2007 are € 335,273 million (an increase of 4.4% over € 321,271 million at December 31, 2006). Non-performing loans are € 7,596 million, a decline of 0.5% compared to € 7,634 million in the prior year. In detail, doubtful loans increased from € 2,681 million to € 2,927 million, substandard/restructured loans decreased from € 3,830 million to € 3,702 million and past due positions and those over 180 days decreased from € 1,123 million to € 967 million.

Customer financial assets are € 1,005 billion, an increase of 1.8% compared to December 31, 2006 (direct customer deposits total € 374 billion, an increase of 2.9%, indirect customer deposits are € 658 billion, an increase of 1.3%, assets under management total € 265 billion, a decline of 9.6%, assets under administration and in custody are € 393 billion, a growth of 10.3% and new business for life policies amounts to a total of € 9.3 billion).

The Group's **net risk exposure** to structured credit products with underlying US subprime assets is actually negative – for € 49 million – at December 31, 2007, a result of a “long” position of € 73 million and a “short” position of € 122 million.

At December 31, 2007, the Intesa Sanpaolo Group's **operating structure** (which does not yet include the contribution by Carifirenze, which control was acquired in January 2008) has a total network of 7,329 branches - of which 6,050 in Italy and 1,279 abroad – with about 96,000 employees.

The management board of Intesa Sanpaolo approved the motion for the distribution of dividends (€ 0.38 for each ordinary share and € 0.391 for each savings share) to be submitted for approval to the ordinary stockholders' meeting to be held on April 30, 2008.

SGS

(15% of capital stock through Ifil Investissements)

The highlights of the consolidated results of the SGS Group in 2007 are as follows:

			Change	
CHF in millions	**2007**	2006	Amount	%
Sales	**4,372**	3,821	551	14.4
Operating profit	**690**	624	66	10.6
Profit attributable to the equity holders of the company	**500**	443	57	12.9
Consolidated net financial position	**378**	216	162	-75.0

The sales of the Group increased in 2007 to CHF 4.37 billion, gaining 12.8% over the prior year (at comparable exchange rates). This growth was achieved thanks to the favorable market context which characterized the Group's portfolio. The organic growth for 2007 (12%) was driven by an investment policy focused on expanding the services offering and extending the geographical coverage to support client needs. A further 1% growth in sales can be ascribed to the acquisitions finalized during 2007.

The operating profit went from CHF 624 million to CHF 690 million, with an increase of CHF 66 million (+10.6%). The operating profit before nonrecurring items amounts to CHF 711 million (an increase of CHF 106 million, or 17.5%, compared to 2006) with significant gains in the results of the divisions of Agricultural, Oil Gas & Chemicals, Consumer Testing and Governments & Institutions which benefited from higher volumes, a more favorable mix of services and a better geographical distribution of sales.

The profit attributable to the equity holders of the company rose to CHF 500 million, with an increase of 12.9% compared to 2006.

The consolidated net financial position at December 31, 2007 shows a cash position of CHF 378 million. During 2007, net investments were made for CHF 271 million, acquisitions for CHF 72 million, treasury stock buybacks for CHF 8 million and dividend payouts for CHF 178 million.

The SGS Group continues to focus on growth. Market conditions in 2007 did not allow the group to conclude important acquisitions owing to high asking prices. Better conditions are anticipated for 2008 in which the SGS Group forecasts a growth in sales and profits compared to 2007.

The stockholders' meeting approved the distribution of dividends for CHF 35 per share: the dividend per ordinary share is CHF 25 (38.5% of profit) and the remaining CHF 10 takes into account the group's solid equity structure and its future capacity to generate cash flows and profits.

(100% of capital stock)

In the year 2006/2007, Alpitour Group delivered remarkable profit and financial gains. The efforts by management and its employees, the effectiveness of actions aimed at its reorganization, restructuring and redefinition of the business model undertaken in the last two years have triggered a turnaround in the economic and balance sheet results of the group guaranteeing, among other things, the return to a net cash position at the end of the year.
The investments planned and the development of new business areas are the cornerstone for further strengthening the group's leadership position in the Italian tourism market and thus represents a solid basis on which to build the further future growth of the nation's top tourist operator.

The market in 2006/2007 displayed a good trend during the holidays and over Christmas and, in general, for long-haul destinations, countered by a slowdown which featured in the summer season. Notwithstanding, the consolidated financial statements of the Alpitour Group for the year ended October 31, 2007 record an improvement in absolute terms in all the profit and equity indicators, which can be summarized as follows:

			Change	
€ in millions	**2006/2007**	2005/2006	Amount	%
Net sales	**1,236.0**	1,332.2	(96.2)	-7.2
Contribution margin	**211.0**	204.1	6.9	3.4
Profit from ordinary operations	**24.4**	21.4	3.0	14.2
Profit attributable to the equity holders of the company	**7.5**	3.0	4.5	148.2
Equity attributable to the equity holders of the company	**78.8**	71.2	7.6	10.7
Consolidated net financial position	**17.3**	(29.1)	46.4	n.s.

Net sales for the year 2006/2007 amount to € 1,236 million, compared to € 1,332.2 million reported in the prior year. For purposes of a more meaningful comparison, it should be noted that in the previous year, net sales included revenues of € 142.6 million from the “Turin Winter Olympics 2006” event. Excluding the effect of the revenues from that event, the net sales of the Group for 2006/2007 would have been 3.9% higher than for the same period of 2005/2006 largely owing to the Incoming and Aviation divisions, which significantly increased sales transactions with third-party operators to a high degree.

The contribution margin shows an improvement of € 6.9 million in amount (from € 204.1 million in 2005/2006 to € 211 million in 2006/2007) and represents 17.1% of sales (15.3% in the prior year). This positive performance was considerably impacted by lower costs for services as a result of pursuing policies to rationalize direct costs and render them more flexible (reduction of commitments for guarantees) and putting into place sales policies that favor margins partly at the expense of volumes.

The profit from ordinary operations increased from € 21.4 million in 2005/2006 to € 24.4 million in 2006/2007. The improvement is due to the combined effect of a better contribution margin, lower rent and lease costs, net of higher personnel costs.

The result is a profit attributable to the equity holders of the company of € 7.5 million. This is a notable improvement over € 3 million in the prior year.

Equity attributable to the equity holders of the company rose from € 71.2 million (at October 31, 2006) to € 78.8 million (at October 31, 2007) mainly due to the effect of the profit for the year attributable to the equity holders of the company.

For the first time in ten years, the consolidated net financial position at October 31, 2007 is a cash position of € 17.3 million compared to a net borrowings position of € 29.1 million at October 31, 2006. The positive change of € 46.4 million reflects both the cash flows provided during the year and the improvement in working capital, in addition to the financial effects produced by the receipt of proceeds of € 17 million on the sale of the hotel resort "Kelibia Beach S.A.".

Consolidated sales by division of the Alpitour Group are as follows:

€ in millions	**2006/2007**	2005/2006	Change	
			Amount	%
Tour operating	**879.8**	900.9	(21.1)	-2.3
Hotel	**112.8**	112.4	0.4	0.3
Incoming	**274.1**	260.6	13.5	5.2
Aviation	**153.7**	155.8	(2.0)	-1.3
Distribution	**34.3**	31.1	3.2	10.2
Incentive e Grandi Eventi	**28.6**	172.1	(143.5)	-83.4
Total	**1,483.2**	1,632.9	(149.7)	-9.2
Elimination of intragroup transactions	**(247.2)**	(300.7)	53.5	-17.8
Total	**1,236.0**	1,332.2	(96.2)	-7.2

The Tour Operating business in 2006/2007 reports a contraction in volumes of approximately 6%; the number of passengers, in fact, decreased to 895 thousand from 954 thousand in 2005/2006. Sales, which also comprise the sales of Alpitour Reinsurance, consequently displayed the same trend, although to a lesser degree (-2.3%), arriving at € 879.8 million (€ 900.9 million in 2005/2006). Besides an overall slowdown in demand, these trends have also been influenced by sales policy decisions targeting margins at the expense of sales volumes. Bearing this in mind, the sales mix exhibited a favorable portfolio on long-haul destinations (the Orient and America) to the detriment of destinations featuring average sales prices that are considerably lower (the Canary Islands, the Balearic Islands and Mediterranean Africa).

The Hotel sector recorded sales basically in line with the preceding year (€ 112.8 million in 2006/2007 against € 112.4 million in 2005/2006), including € 41.7 million from tour operators of the group. The excellent sales trend of the Maldives as a destination and the positive effects of the development of the Alpitour World Hotels & Resorts on the Italian market more than offset the impact of excluding the two Tunisian structures from the scope of consolidation when they were sold in September 2006.

The foreign hotel resorts owned, currently marketed under the brands "Villaggi Bravo" by Alpitour and "Sea Club" by Francorosso, reported a presence of 467 thousand during 2006/2007. The Italian hotels operated by Alpitour World Hotels & Resorts registered a presence of 1,241 thousand during the same year, up 6.9% compared to 1,161 thousand in the previous year, mainly due to the positive performance of the four 4-star hotels located in Rome and the opening of a new hotel in Baia di Tindari (ME) in June 2007.

The Aviation division, headed by the Neos airline company, reported sales of € 153.7 million in 2006/2007 (€ 155.8 million in 2005/2006), including sales of € 91.1 million with the group. The year just ended was characterized by the consolidation and further growth of long-haul operations with the addition of new destinations (Brazil, the Seychelles Islands and the Dominican Republic), as well as the acquisition of traffic on behalf of third parties.

The Distribution sector operates through the Welcome Travel Group's network which manages 653 agencies: 59 owned, 32 partnerships, 549 affiliates and 13 full franchising.
During the year 2006/2007, Welcome Travel Group reported sales of approximately € 34.3 million through its direct network, up from € 31.1 million in the prior year.

The Incoming sector (Jumbo Tour Group) registered sales of € 274.1 million during 2006/2007 (€ 260.6 million in 2005/2006), of which € 94.1 million with the Alpitour Group. The increase in sales of 5.2% is mainly the result of the strong growth in volumes from third-party operators.

Finally, for M.I.C.E. (Meeting Incentive Convention Events), the year 2006/2007 featured the continuation of a weak demand. Division sales stand at € 28.6 million, while the number of passengers/clients is approximately 30,743.
For purposes of a meaningful comparison, it should be noted that sales in the prior year included sales of € 142.6 million recorded by Jumbo Grandi Eventi (which was sold in September 2006) and, in February 2006, had provided accommodation services to the entire Olympic family.

(60% of capital stock)

The following data and comments are taken from the first-half report for the financial year 2007/2008.
Since Juventus Football Club's financial year ends on June 30 of every year, and in view of the highly seasonal nature typical of this sector, the data presented should not be construed as representing the basis for a full-year projection.

€ in millions	**I Half 2007**	I Half 2006	Change
Operating revenues	**106.8**	101.5	5.3
Operating income	**5.8**	20.2	(14.4)
Net income (loss)	**0.3**	15.4	(15.1)

	12/31/2007	6/30/2007	Change
Shareholders' equity	**116.4**	116.3	0.1
Net financial position	**7.1**	21.7	(14.6)

In the first half of the year 2007/2008, Juventus Football Club recorded operating revenues of € 106.8 million, an increase of € 5.3 million (+5.2%) compared to the same period of 2006/2007. This increase is mainly due to higher revenues from games, radio and television rights and media income, sponsorships and advertising for a total of € 29.6 million, in addition to lower income from the management of players' registration rights for € 22.3 million and lower other income for € 2 million.

Operating costs in the first half of 2007/2008 totaling € 86.3 million rose by € 15 million from € 71.2 million in the same period of 2006/2007. The increase can mainly be attributed to contract renewals for some players and new contracts signed during the first phase of the Transfer Campaign 2007/2008.

In the first half of 2007/2008, amortization and writedowns of players' rights are € 13.3 million, an increase of € 3.3 million compared to 2006/2007 (€ 10 million), basically due to the net investments made during the transfer campaign 2007/2008.

The net income for the first half of 2007/2008 amounts to € 0.3 million and shows a contraction of € 15.1 million compared to € 15.4 million in 2006/2007, primarily as a result of the above operating costs.

The net financial position at the end of December 2007 is a cash position of € 7.1 million and is lower than the cash position of € 21.7 million at June 30, 2007.

With regard to significant events subsequent to December 31, 2007, these are described in the following paragraphs.

On January 29, 2008, the Mediaset Group exercised the option rights acquired on December 23, 2005 under the agreements for the broadcasting, using any distribution platforms, of home games of the Italian Championship, for Italy (encrypted) and for the rest of the world (also free-to-air) and television broadcasting of a friendly trophy and other rights. As a result of exercising the option rights, the existing contracts will be extended to the 2009/2010 sports season with payment of consideration to Juventus Football Club for that season of a total € 112 million, which will be paid in monthly installments.

On February 1, 2008, the Gazzetta Ufficiale, Issue 27, published Legislative Decree 9 dated January 9, 2008 which governs the ownership and marketing of audiovisual sports rights and the relative distribution of the resources.

The law confirms the validity of contracts in existence up to June 30, 2010.
The company has a commitment with the *Lega Nazionale Professionisti* to collaborate in defining the law during the transition period and also in establishing the guidelines for the marketing of audiovisual rights.

In its meeting held on March 18, 2008, the Juventus Football Club S.p.A. board of directors approved the Stadium Project for the construction of a new stadium that will be built on the site of the present Stadio Delle Alpi for a total estimated investment of € 105 million.
The board of directors has delegated the chief executive officer and general manager, Jean-Claude Blanc, to fulfill all the activities and acts necessary or opportune for the purpose of completing the Project which, in any case, does not envisage a capital increase, including a verification of the feasibility, particularly from an administrative standpoint, and dealing with the competent authorities.

On March 20, 2008, Juventus Football Club S.p.A. and Sportfive Italia S.r.l. sealed a long-term strategic commercial alliance for the exclusive naming and partial promotional and sponsor rights relating to the new stadium.
Sportfive Italia S.r.l., part of the Lagardère Sports Group, the European leader in sports-right marketing, decided to enter into this agreement also in consideration of the strength and international value of the Juventus brand and also to be part of the new stadium project. According to the agreement, Sportfive Italia is entitled to exclusively sell the naming right of the new stadium and to market part of the sky boxes and VIP seats.
The partnership will last until the end of the twelfth year after completion of the construction of the new stadium, currently estimated to be ready in the sports season 2011/2012; therefore the ending contract date should be June 30, 2023.
The agreement provides for base compensation of € 6.25 million per year for 12 years that will be paid during the period of the agreement. The agreement also provides for relevant payments in connection with the construction of the new stadium.

Ifil Investissements S.A. (Luxembourg)

(100% of capital stock directly and through Ifil Investment Holding)

The highlights of the separate financial statements at December 31, 2007, prepared under the laws of Luxembourg, are as follows:

€ in millions	**2007**	2006	Change
Profit for the year	**136.5**	675.8	(539.3)
Equity	**2,469.4**	2,332.9	136.5
Non-current financial assets	**2,423.2**	2,289.6	133.6
Net financial position	**48.0**	46.6	1.4

The most important events which took place in 2007 and the first quarter of 2008 are described in a specific section of this report.

At December 31, 2007, non-current financial assets included the following investments and bonds:

		12/31/007			
€ in millions	Number of shares	**% of capital stock**	**Carrying amount**	12/31/2006	Change
Sequana Capital S.A.	13,203,139	**26.65**	**183.1**	332.9	(149.8)
SGS S.A.	1,173,400	**15.00**	**1,016.3**	894.9	121.4
C&W Group Inc.	496,477	**70.18**	**483.6**	0.0	483.6
Gruppo Banca Leonardo S.p.A.	25,255,537	**9.82**	**82.4**	47.0	35.4
Ancom USA	10	**100**	**9.7**	0.0	9.7
NoCo B LP	-	**-**	**11.9**	0.0	11.9
Turismo & Immobiliare S.p.A.	0	**-**	**0.0**	5.0	(5.0)
Ifil International Finance Ltd	4,000,000	**100**	**594.0**	999.0	(405.0)
Ifilgroup Finance Ltd	4,000,000	**100**	**4.0**	4.0	0.0
Ifil USA Inc.	100	**100**	**0.6**	0.5	0.1
Other	-	**-**	**0.3**	1.3	(1.0)
Total investments			**2,385.9**	2,284.6	101.3
Other non-current financial assets	-	-	**37.3**	5.0	32.3
Total non-current financial assets			**2,423.2**	2,289.6	133.6

A comparison between the carrying amounts and the market prices of listed investments shows the following unrealized gains (losses):

€ in millions	Sequana Capital	SGS	**Total**
Market price at December 28, 2007	106.7	(59.7)	**47.0**
Market price at March 20, 2008, update	29.9	(22.5)	**7.4**

Highlights of the financial statements of the other major subsidiaries in the “Holdings Systems” are presented on the following pages.

Ifil International Finance Ltd (Ireland)

(100% of capital stock through Ifil Investissements)

The highlights of the separate financial statements at December 31, 2007, prepared on the basis of Irish law, are as follows:

€ in millions	**2007**	2006	Change
Profit for the year	**0.1**	n.s.	0.0
Equity	**594.9**	999.8	(404.9)
Non-current financial receivables from Ifil Investissements S.A. (a)	**590.0**	995.0	(405.0)
Net financial position	**595.0**	999.9	(404.9)

(a) Due in 2010.

Ifilgroup Finance Ltd (Ireland)

(100% of capital stock through Ifil Investissements)

€ in thousands	**2007**	2006	Change
Profit for the year	**66.8**	33.8	33.0
Equity	**4,103.4**	4,036.6	66.8
Net financial position	**4,169.1**	4,106.1	63.0

Ifil USA Inc. (United States)

(100% of capital stock through Ifil Investissements)

The highlights of the separate financial statements at December 31, 2007, prepared on the basis of American law, are as follows:

US$ in thousands	**2007**	2006	Change
Profit for the year	**41.8**	25.9	15.9
Equity	**964.4**	784.5	179.9
Net financial position	**489.6**	249.3	240.3

Ifil Asia Ltd (Hong Kong)

(100% of capital stock through Ifil Investissements)

The highlights of the separate financial statements at December 31, 2007, prepared on the basis of local law, are as follows:

HK$ in thousands	**2007**	2006	Change
Profit for the year	**137.3**	212.2	(74.9)
Equity	**852.1**	714.8	137.3
Net financial position	**2,796.3**	2,657.7	138.6

Ancom USA Inc (United States)

(100% of capital stock through Ifil Investissements)

US$ in thousands	**2007**	2006	Change
Loss for the year	**(1,169.7)**	(690.4)	(479.3)
Equity	**6,403.8**	7,460.6	(1,056.8)
Non-current financial assets	**20,060.0**	20,060.0	0.0
Net financial position	**61.6**	140.7	(79.1)

Ifil Investment Holding N.V. (Netherlands)

(100% of capital stock)

The highlights of the separate financial statements at December 31, 2007, prepared on the basis of Dutch law, are as follows:

€ in millions	**2007**	2006	Change
Loss for the year	**(0.1)**	(0.1)	0.0
Equity	**104.7**	104.8	(0.1)
Investment in Ifil Investissements (20.18% of capital stock)	**104.5**	104.5	0.0
Net financial position	**0.3**	0.4	(0.1)

investments IFIL

Annual Report 2008

investments IFIL

Società per Azioni
Capital stock Euro 1,075,995,737, fully paid-in
Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00914230016

ANNUAL REPORT 2008

Report on Operations

Separate Financial Statements of IFIL S.p.A. at December 31, 2008

Consolidated Financial Statements of the IFIL Group at December 31, 2008

This is an English translation of the Italian original document "Relazione Finanziaria 2008" approved by the EXOR S.p.A. board of directors on March 25, 2009 which has been prepared solely for the convenience of the reader.
The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian "Relazione Finanziaria 2008" containing the Report on Operations and the Separate and Consolidated Financial Statements.

The report is available on the website at http://www.exor.com

INTRODUCTION

On February 20, 2009, the deed was signed for the merger by incorporation of IFIL Investments S.p.A. in IFI – Istituto Finanziario Industriale S.p.A., which assumed the new name of EXOR S.p.A.; the merger is effective from March 1, 2009.

On the same date, the board of directors and the board of statutory auditors of the merged company resigned.

This Annual Report 2008 of IFIL Investments S.p.A. was approved by the board of directors of EXOR S.p.A., the surviving company, in its meeting held on March 25, 2009.

The merger will not modify the Group's programs as EXOR, which already had control of IFIL, will continue the investment activities.

The following are the main investments (held previously by IFIL) and which, as a result of the merger, are now held directly or indirectly by EXOR.

Fiat S.p.A. (about 30% of ordinary and preferred capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). Founded in 1899, the Fiat Group operates in the sectors of automobiles (Fiat, Lancia, Alfa Romeo, Abarth, Ferrari, Maserati and Fiat Veicoli Commerciali), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus) and components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (La Stampa and Publikompass). Other sectors also offer financial services to the sales networks and the clientele in addition to rental services to customers.

SGS S.A. (15% stake of capital stock) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with more than 55,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Cushman & Wakefield (71.81% of capital stock) is the largest privately held company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 227 offices and 15,000 employees in 59 countries.

Intesa Sanpaolo S.p.A. (1% of ordinary capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with an approximate 20% market share on average in all segments of business (retail, corporate and wealth management).

Alpitour S.p.A. (100% of capital stock) is the largest integrated group in the tourist sector in Italy. It operates with 3,500 employees and has more than 2.4 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Viaggidea, Villaggi Bravo, Volando and Karambola), Hotels (Alpitour World Hotel & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group) and Incentive & Eventi (A World of Events).

Gruppo Banca Leonardo S.p.A. (9.76% of capital stock) is a privately held and independent investment bank offering a complete range of services in investment banking, wealth management, private equity and other activities connected with the financial markets.

Juventus Football Club S.p.A. (60% of capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Star segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world.

Vision Investment Management Limited, founded in 2000, is one of the most important hedge fund managers specialized in Asian markets.
Five-year bonds issued by Perfect Vision were subscribed to in April 2008. The bonds give mandatory conversion into shares at maturity which will deliver a 40% stake in Vision Investment Management.

Sequana S.A. (26.65% of capital stock) is a diversified French paper group, listed on the Euronext market, with production and distribution activities operating through:

- **Arjowiggins S.A.** (100% holding), the world leader in the manufacture of high value-added paper products, with 7,300 employees in 82 countries;

- **Antalis S.A.** (100% holding), the leading European group in the distribution of paper and packaging products, with over 7,900 employees in 55 countries.

Banijay Holding S.A.S. (17.17% of capital stock with voting rights) is headquartered in Paris. The company is a new player in European TV production with a strategy aimed at rapid external growth through the acquisition of companies specialized in the production of TV formats and content for distribution via TV, Internet and mobile phones.

For additional information please refer to the Annual Report 2008 of EXOR S.p.A. which is available on the company's website at http://www.exor.com.

Board of Directors [a]

Chairman	John Elkann
Honorary Chairman	Gianluigi Gabetti
Vice Chairman	Tiberto Brandolini d'Adda
Chief Executive Officer	Carlo Barel di Sant'Albano
Non-independent Directors	Edoardo Ferrero Ventimiglia, Franzo Grande Stevens, Pio Teodorani-Fabbri
Independent Directors	Antonio Maria Marocco, Giuseppe Recchi, Sandro Salvati, Claudio Saracco
Secretary to the Board	Fernando Massara

Audit Committee

Chairman	Antonio Maria Marocco
Members	Sandro Salvati, Claudio Saracco

Compensation and Nominating Committee

Chairman	John Elkann
Members	Antonio Maria Marocco, Giuseppe Recchi

Board of Statutory Auditors [a]

Standing Auditors	Eugenio Colucci (*Chairman*), Lionello Jona Celesia, Paolo Piccatti
Alternate Auditors	Francesco Facchini, Ruggero Tabone

Independent Auditors Deloitte & Touche S.p.A.

(a) The board of directors and the board of statutory auditors resigned on March 1, 2009, the effective date of the merger by incorporation of IFIL Investments S.p.A. in IFI - Istituto Finanziario Industriale S.p.A., which assumed the new name of EXOR S.p.A..

MAIN OPERATING AND FINANCIAL DATA

IFIL Group – Synthesized consolidated data (a) € in millions	**2008**	2007	Change
Profit (loss) attributable to the equity holders of the parent	**445**	672	(227)
Share of earnings (losses) of holdings and dividends	**475**	723	(248)
Investments and other financial assets	**5,288**	6,748	(1,460)
Equity attributable to the equity holders of the parent	**5,687**	6,666	(979)
Consolidated net financial position of the "Holdings System"	**358**	(104)	462

Earnings per share (€) (b)	**2008**	2007	Change
Profit attributable to the equity holders of the parent – basic:			
- ordinary shares	**0.42**	0.63	(0.21)
- savings shares	**0.42**	0.65	(0.23)
Profit attributable to the equity holders of the parent – diluted:			
- ordinary shares	**0.42**	-	0.42
- savings shares	**0.42**	-	0.42
Equity attributable to the equity holders of the parent	**5.46**	6.27	(0.81)

(a) The basis of preparation is presented in the section "IFIL Group – Review of the condensed consolidated results" of the Report on Operations.

(b) Details of the calculation are in Note 18 to the consolidated financial statements.

IFIL S.p.A. – Separate financial statement data € in millions	**2008**	2007	Change
Profit	**356**	123	233
Equity	**3,917**	4,567	(650)
Net financial position	**(190)**	(749)	559

	Per share (€)		Total (€ ml)	
Dividends distributed by IFIL S.p.A.	**2008**	2007	**2008**	2007
Ordinary shares	**-**	0.10	**-**	102.1
Savings shares	**-**	0.1207	**-**	4.5
Total			**-**	106.6

Following the merger by incorporation in IFI – Istituto Finanziario Industriale S.p.A. (now EXOR S.p.A.), IFIL S.p.A.'s profit for the year 2008 is entirely allocated to reserves.

CORPORATE GOVERNANCE

In its meeting held on March 25, 2009, the EXOR S.p.A. board of directors approved, among other things, the "Report on Corporate Governance, the Code of Conduct and the stockholder structure" prepared in accordance with art. 89-bis of the Consob Regulation for Issuers and art. IA.2.6 of the Instructions to the Market Rules.

In view of the fact that the merger is now effective, the Report is composed of three sections: the First Section describes the Corporate Governance, the adoption of the codes of ethics and the EXOR stockholder structure as of the date of the Report; the Second Section describes the Corporate Governance, the adoption of the codes of ethics and the stockholder structure of the surviving company IFI during 2008; the Third Section describes the Corporate Governance, the adoption of the codes of ethics and the stockholder structure of the merged company IFIL during 2008. The Report also contains information relating to Direction and Coordination activities.

The Report is available on the website www.exor.com.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.p.A. AND COMPANIES IN CONSOLIDATION ARE EXPOSED

As a result of the merger by incorporation, the risks profile of the merged company IFIL S.p.A., exactly coincides with that of the surviving company EXOR S.p.A.. Therefore, reported below is the specific section taken from the Report on Operations 2008 of EXOR S.p.A..

Risks associated with general economic conditions

EXOR's earnings and financial position and those of its main subsidiaries are influenced by various macro-economic factors – including increases or decreases in gross national product, the level of consumer and business confidence, changes in interest rates on consumer loans, the cost of raw materials and the rate of unemployment – existing in the various countries in which they operate. During 2008, and particularly in the last quarter, the financial markets were affected by high levels of volatility with significant impacts on many financial institutions and, more generally, on the overall performance of the economy. The significant and widespread deterioration of trading conditions has been compounded by a severe tightening of credit in all major markets, both at the consumer and corporate level, and has begun to create a shortage of liquidity which will ultimately impact the industrial development of the sectors in which EXOR operates and its main holdings.

A growing weakening in the general condition of the economy and in the industries in which the main holdings operate combined with a progressive deterioration of financial markets and a contraction in consumers' available income are reflected, particularly since the third quarter of 2008, in a significant decline in demand in EXOR's key markets.

There can be no certainty that measures taken by governments and financial authorities in response to this situation will succeed in re-establishing the conditions necessary to overcome this situation in a reasonable time. Therefore, uncertainty remains as to the period of time necessary to restore normal trading conditions and many countries are aware that their economies could undergo a severe and protracted recession.

Should the current weakness and uncertainty continue for a sufficiently long period, EXOR's business, strategy and future prospects and those of its main subsidiaries could be negatively affected with consequent negative impacts on its earnings and financial position.

Risks associated with EXOR's activities

EXOR conducts investment activities which involve normal risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the company's objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the company's earnings and financial position.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the company's credit rating.
Any downgrade by the rating agencies could limit the company's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.
On September 9, 2008, following the announcement of the guidelines for the merger by incorporation of the subsidiary IFIL in IFI, now EXOR, the Standard & Poor's rating agency stated that IFIL's rating and outlook (BBB+/Stable/A-2) remained unchanged and that, when the merger was finalized, it expected to assign EXOR the same ratings.

EXOR's policy and that of the companies in the “Holdings System” is to keep liquidity in demand or short-term deposits and readily negotiable money market instruments and bonds, allocating such investments over an appropriate number of counterparts, with the principal purpose of having investments which can readily be convertible into cash.
The counterparts are chosen according to their creditworthiness and reliability.
However, in consideration of the current financial crisis, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its main holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A deterioration in the financial market condition and the earnings of the main holdings could affect EXOR's earnings and cash flows.

EXOR mainly operates through its investments in subsidiaries and associates in the motor vehicle market (Fiat Group), in real estate services (C&W Group), in paper (Sequana Group), in tourism (Alpitour Group) and in professional soccer (Juventus F.C.). As a result, EXOR is exposed to the typical risks of the markets and industries in which such holdings operate.

At December 31, 2008, the investment in Fiat (equal to 30.45% of ordinary capital stock and 30.09% of preferred capital stock) represented more than approximately 40% of the current value of EXOR's investment portfolio, calculated on the basis of the Net Asset Value (NAV) described on page 8.
Therefore, the performance of the Fiat Group has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in current or interest rates could have an adverse effect on EXOR's earnings and financial position.

The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.

EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which it sets aside, where necessary, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (Cushman & Wakefield Group, Alpitour Group and Juventus F.C.).

Cushman & Wakefield Group (C&W)

The operations of the C&W Group are directly influenced by the general economic scenario and the international and local real estate business and the political situations in the countries in which it operates.

The economic factors which influence operations are the general economic situation, employment levels, interest rates, access to credit to fund transactions and the effects of tax and regulatory policies. Economic recession, increases in interest rates or declines in demand in the real estate sector could have a negative effect on the earnings and financial position of the C&W Group. These adverse conditions would also affect commission fees, which vary in relation to the revenues of the C&W Group. Brokers, in fact, are generally paid on the basis of commissions and compensation correlated to the group's revenues. Consequently, a negative effect on operating margins due to the deterioration of market conditions is partly offset by such a correlation.

During 2008, the earnings of the C&W Group were adversely affected by a weak economy, a decline in confidence by operators and by a continuing worsening of the credit market. Deeming that such negative economic trend will continue into 2009, the C&W Group has initiated a series of measures to eliminate inefficiencies and bring structure costs in line with the current operating situation. Such measures, combined with investments to purchase new market share and talent, will put the C&W Group in a good position when the markets regain vigor.

Management of the C&W Group intends to continue its strategy to diversity by type of service and geography in order to reduce its exposure to the variability of the results of individual factors.

Alpitour Group

The trend in demand for tourism packages is always acutely affected by outside factors such as political risks (conflicts, institutional changes, unilateral acts of government and terrorism), natural disasters and the international economic situation.

The international political situation, especially in situations of war and terrorism threats, could bring about a contraction in the demand for the services offered by the Alpitour Group. Areas located in countries under development or plagued by unstable political and social instability, for example in Kenya, Zanzibar, Madagascar, Egypt and the Middle East, are clearly more exposed to this type of risk.

Another risk factor is caused by the ravages of weather such as tsunamis, hurricanes and earthquakes which could cause a sharp decline in the demand for tourism services to the destinations hit.

In the past, the Alpitour Group has had to confront some of those risks (tsunamis, terrorist attacks and international political and economic crises) which produced a contraction in tourist flows to certain destinations and imposed a temporary closing on others. On those occasions, the Alpitour Group embarked on a series of corrective actions aimed at the diversification of the product portfolio, redirection of clients to new destinations, re-contracting with local suppliers and promotional sales campaigns. These actions, having had an impact on costs, negatively and temporarily affected profitability, without prejudicing Alpitour Group's financial soundness.

The Alpitour Group mostly operates with Italian clientele in that the product offered features qualitative standards that mirror the expectations and requirements of Italian demand. Therefore, the business is strongly influenced by domestic economic conditions and the highly season nature of activities which means that the majority of revenues is concentrated in the summer season.

The normal activities of the Alpitour Group use services provided by third parties, mainly suppliers of air and hotel services and travel agencies whether individual or part of networks. The risk that such services will not be rendered efficiently and without interruption could compromise the earnings of the Alpitour Group and damage its image.
Through its vertical integration, the presence of all the links in the tourism chain, the diversification of key suppliers and the specific sales policies geared to sustaining demand in the low season, the Alpitour Group has laid the groundwork for managing and minimizing such risks.

The tourism sector is strongly anchored to information technology processes which cover the entire business cycle starting from the booking system. The risk of the interruption, even temporarily, of information systems could cause difficulties in operations and supplying services to clients.

By continually updating and providing maintenance to its systems and designing specific disaster recovery plans, as well as writing commercial contracts with leading suppliers of substitute technologies, the Alpitour Group has undertaken the actions necessary to monitor and meet such risks.

Juventus F.C.

In the short term, the earnings and financial position of Juventus F.C. should not be significantly influenced by the current economic crisis since the principal revenue items are for the most part generated by existing multi-year contracts. However, if the weak and uncertain situation continues, the activities, strategies and prospects of the company could be negatively affected especially by the radio and TV rights market (for which the National Professional League is in the process of defining and approving the guidelines which will orient sales at a centralized level assisted by the Infront advisor), sponsorships (renewal of the most important sponsorship) and relative expected revenues from the new stadium project.

Juventus F.C. uses players' registration rights as its main productive factor. Sports activities are subject to risks connected with the physical condition of the players so that any injuries at any point in time could significantly affect the earnings and financial position of Juventus F.C..
Moreover, since activities are centered around the exploitation of the brand and the image of Juventus F.C., events that could reduce their commercial value could have an adverse effect on earnings at any time.
Sports results are also influenced by participation in the different sports events, particularly the UEFA Champions League, therefore not qualifying would have a negative effect effect on Juventus F.C.'s earnings plans.
Lastly, Juventus F.C. has an intangible asset with an indefinite useful life (Library). Its ability to produce earnings could be negatively affected by the economic situation and require an impairment adjustment to be recognized in the financial statements.

Fiat Group

The investment in the Fiat Group is accounted for in the EXOR Group's consolidated financial statements by the equity method (please refer to Notes 5 and 42 to the consolidated financial statements for this purpose). Therefore, the Fiat Group is not included among the companies in consolidation.

Nevertheless, to complete the information presented in this section, the 2008 Report on Operations of the Fiat Group expounded on the exposure to risks in connection with the following:

- general economic conditions
- results of the group
- financing requirements
- group's credit ratings
- fluctuations in currency and interest rates
- policy of targeted industrial alliances
- relationships with employees and suppliers
- management
- high level of competitiveness in the sectors in which the group operates
- sales in international markets and exposure to changes in local conditions
- environmental regulation

Additional information is provided in the 2008 Report on Operations of the Fiat Group, to which reference can be made, which is also available on the website www.fiatgroup.com.

MAJOR EVENTS IN 2008 AND IN THE FIRST TWO MONTHS OF 2009

Subscription to bonds convertible into Vision Investment Management shares

On February 20, 2008, the subsidiary Ifil Investissements S.A. reached an agreement to invest $90 million in 5-year bonds issued by Perfect Vision Ltd with a mandatory conversion into shares at maturity which at the time of conversion will be equal to a 40% holding in the capital stock of Vision Investment Management Limited (Vision), one of the most important alternative asset managers in Asia.
The transaction was executed on April 11, 2008, once approval was obtained from the relevant authorities, for an investment of € 58.1 million. The bonds will guarantee Ifil Investissements a fixed annual yield of 5% until conversion at maturity in spring 2013.

Vision was founded in June 2000 by Jerry Wang, one of the pioneers of the sector in Asia. Vision launched its benchmark product, Vision Asia Maximus Fund, in 2002 and since then has become one of the largest local managers of hedge funds specialized in Asian markets.

The financial resources from the bonds have mainly been used by Vision management to buy back treasury stock from a group of the company's founding financial investors – which held 32% of ordinary capital stock issued by Vision – and to ensure future resources to sustain the development plan in the alternative asset management sector in Asia. Vision management and employees will remain the largest stockholders of the company with a controlling stake.

Investment in Banijay Holding S.A.S. (formerly Mangas Capital Entertainment)

In May 2008, Ifil Investissements reached an agreement to invest € 42.5 million in Banijay Holding S.A.S. (BH) aimed at launching a new player in European TV production.
BH is headquartered in Paris and was founded at the end of 2007 by media entrepreneur Stéphane Courbit, who has an established track record of success in the development of TV formats and the production of audiovisual content.
The investment falls under the framework of a capital increase designed to inject resources in BH for a total amount of approximately € 250 million to financially support BH's medium-term development plans. These entail rapid growth by way of acquisitions of companies specializing in the origination and production of TV formats and content for distribution across a range of media including TV, Internet and mobile phones.

Ifil Investissements' total commitment is equal to € 42.5 million, of which € 21.4 million was paid when the operation was closed at the end of May 2008. Ifil Investissements holds a 17.03% stake in BH (17.17% of capital stock with voting rights) and is represented on the board of directors of the company in which Stéphane Courbit is the chairman and chief executive officer.

Increase in the investment in C&W Group Inc.

On June 27, 2008, Ifil Investissements S.A. purchased 14,538 C&W Group Inc. shares (2.05% of capital stock), carried as treasury stock by the company, for an investment of € 11.6 million.
Currently, Ifil Investissements holds 511,015 C&W Group Inc. shares representing a 71.81% stake in its capital stock.

Other investments

As a result of investment commitments in the NoCo B LP limited partnership, which groups a series of funds managed by Perella Weinberg Partners L.P., during the first half of 2008, Ifil Investissements invested $16.4 million (€ 11 million) and € 1.1 million directly in the Perella Weinberg Real Estate I fund.
At December 31, 2008, the remaining investment commitments in NoCo B LP amount to $46.2 million and € 23.9 million.

Partial sale of the investment in Intesa Sanpaolo S.p.A.

In the second half of 2008, IFIL S.p.A. sold 171,916,165 Intesa Sanpaolo ordinary shares (1.45% of ordinary capital stock) on the market for net proceeds of € 598.4 million and an after-tax gain of € 74.5 million on consolidation (€ 167.5 million in the separate financial statements).

After these sales, IFIL S.p.A. holds 118,000,000 shares equal to 1% of the ordinary capital stock of Intesa Sanpaolo S.p.A..

Purchases of treasury stock

Under the Program for the buyback of ordinary and savings treasury stock voted by the IFIL S.p.A. board of directors on February 18, 2008, during the period February 26, to August 18, 2008, purchases were made for 20,783,200 IFIL ordinary shares (2% of the class of stock) at the average price per share of € 4.8 totaling € 99.8 million, in addition to 917,000 IFIL savings shares (2.45% of the class of stock) at the average cost per share of € 4.3 totaling € 3.9 million, for a grand total of € 103.7 million (69.13% of the maximum disbursement of the € 150 million authorized for the buyback Program).

At December 31, 2008, IFIL S.p.A. held directly and indirectly the following treasury stock:

		% of class	Amount	
	Number of	stock	Per share (€)	Total (€ ml)
Ordinary shares, held by IFIL S.p.A.	33,186,198	3.20	4.38	145.5
Ordinary shares, held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
Total ordinary shares held	33,996,460	3.28	4.36	148.3
Savings shares, held by IFIL S.p.A.	917,000	2.45	4.30	3.9
Total treasury stock	**34,913,460**	-		**152.2**

Loan made to the parent, IFI S.p.A.

On October 10, 2008, IFIL granted the parent, IFI, a loan up to a maximum amount of € 200 million which bears interest at the 1-month Euribor with a spread of 0.1%. In the current situation of the markets, this transaction enabled IFIL to eliminate the counterpart risk on that amount, with an interesting remuneration.
Since this is a transaction between related parties, as established in the rules of Corporate Governance of the two companies, the transaction was approved beforehand by the respective boards of directors on October 10, 2008.
At December 31, 2008, the financial receivable from the parent, IFI, amounts to € 199.5 million, including accrued interest.

Merger by incorporation of IFIL S.p.A. in IFI S.p.A.

In line with the announcement to the market in the press releases on September 8, and September 10, 2008, the boards of directors of IFI and IFIL on September 23, 2008 unanimously approved the Merger Project for the incorporation of the subsidiary IFIL in IFI, confirming the exchange ratios approved in the merger guidelines on September 8 which called for (settlements in cash are not envisaged):

- 0.265 of a new IFI ordinary share of par value € 1 each for 1 IFIL ordinary share of par value € 1 each;
- 0.265 of a new IFI savings share of par value € 1 each for 1 IFIL savings share of par value € 1 each.

The boards of directors were assisted by their respective financial advisors, Leonardo & Co. for IFI and Goldman Sachs International for IFIL, which issued fairness opinions on the fairness of the exchange ratios from a financial standpoint and issued documents on the valuation.

As established by existing law, the experts appointed pursuant to art. 2501-sexies of the Italian Civil Code, that is, the audit firms of Reconta Ernst & Young S.p.A. for IFIL and KPMG S.p.A. for IFI, both assigned by the Turin Court on September 17, 2008, issued their reports on the fairness of the exchange ratios on October 28, 2008.

On October 28, 2008, the special sessions of the stockholders' meetings of IFIL and IFI were convened for December 1, 2008 to resolve on the merger and documentation relating to the merger was filed at the corporate headquarters and at Borsa Italiana S.p.A. which includes:

- the Merger Project;
- the descriptive Reports of the boards of directors of IFIL and IFI, prepared in accordance with art. 2501-quinquies of the Italian Civil Code;
- the Reports of the Experts on the fairness of the share exchange ratio, prepared in accordance with art. 2501-sexies of the Italian Civil Code by Reconta Ernst & Young S.p.A. (for IFIL) and KPMG S.p.A. (for IFI).

On November 21, 2008, the Information Document relating to the transaction, prepared in accordance with article 70, paragraph 4 and article 71-bis of Consob Regulation 11971, was made available to the public.

The special session of the stockholders' meeting of IFI, which met on December 1, 2008, approved the Merger Project and, consequently, approved a capital increase to service the merger for a maximum nominal amount of € 82,978,443 by issuing a maximum of 73,809,549 ordinary shares and a maximum of 9,168,894 savings shares of par value € 1 each with dividend rights equal to those of the stock outstanding at the date of the effectiveness of the Merger.

The special session of the stockholders' meeting of IFI also approved, with effect from the date the merger became effective, the new text of the bylaws which provides, among other things, for the company’s name to be changed to “EXOR S.p.A.”, the elimination of the restrictions on the transfer of ordinary shares, the provisions regarding representation in stockholders’ meetings following the listing of the ordinary shares, the increase in the maximum number of members of the board of directors to 19 and the change in the term of office of the same, the reduction in the amount of profit appropriated to the legal reserve to 5% and the elimination of the provision relating to the share of profits (1%) at the disposition of the board of directors for distribution among its members, as well as the changes required as a consequence of the issue on the part of the surviving company of savings shares having the same characteristics as IFIL savings shares (with a change in the savings shares' rights to the assets in relation to the exchange ratio).

The ordinary sessions of IFI stockholders' meetings held on December 1, 2008 also approved:

- the request for admission to listing of ordinary and savings shares of the surviving company (the merger was subordinate to this admission);
- the appointment, with effect from the effective date of the merger, of the following new directors: Carlo Sant'Albano, current CEO of IFIL, and the independent directors, Antonio Maria Marocco, Giuseppe Recchi and Claudio Saracco, current directors of IFIL;

On December 2, 2008, the special session of the IFI preferred stockholders' meeting convened by the common representative Mr Luigi Santa Maria was held and approved the resolution for the merger by incorporation of IFIL in IFI which had been approved in the special session of the IFI stockholders' meeting held on December 1, 2008.

The special session of the IFIL stockholders' meeting approved the Merger Project on December 1, 2008.

On February 16, 2009, Borsa Italiana S.p.A. issued the order to admit the EXOR ordinary and savings shares to trading on the Electronic Share Market.

On February 19, 2009, Consob issued the declaration of equivalence as set forth in art. 57, paragraphs 1, letter d), 1-ter and 1-quater of the Regulation for Issuers; on February 20, 2009, updates were made available on the merger Information Document prepared in accordance with articles 70, paragraph 4 and 71-bis of the Regulation for Issuers, published on November 21, 2008. The updated Information Document can also be accessed on the website www.exor.com.

On February 20, 2009, the deed of merger was signed before the notary public Ettore Morone. The deed establishes that the merger will be effective for legal purposes, pursuant to art. 2504-bis, paragraph 2 of the Italian Civil Code, from March 1, 2009 and the transactions carried out by IFIL in the early months of 2009 will be recorded in the EXOR financial statements, also for tax purposes, pursuant to art. 172, paragraph 9 of D.P.R. 917/96, starting from January 1, 2009.

The registration of the deed of merger in the Companies Register of Turin occurred on February 24, 2009.

The three categories of EXOR shares (ordinary, preferred and savings) have been listed on the Electronic Share Market under the denomination EXOR since March 2, 2009 (the first day of trading subsequent to March 1, 2009, closing day of the Stock Exchange, the effective date of the merger). The IFIL ordinary and savings shares were removed from trading on the Electronic Share Market beginning March 2, 2009.

For additional information on the Merger, please refer to the Information Document on the Merger and updates to that same document on the website www.exor.com.

Other transactions for the simplification of the Group's structure

With a view toward simplifying the group's structure, the following transactions were entered into:

- on September 29, 2008, a decision was taken to put Ifilgroup Finance Limited, an Irish-registered company controlled 100% by Ifil Investissements S.A., into a voluntary wind-up;
- on November 7, 2008, a decision was taken to put Ifil Investment Holding, a Dutch-registered company controlled 100% by IFIL, into a voluntary wind-up. On the same day, Ifil Investment Holding transferred 224,194 Ifil Investissements shares which it held (20.184% of capital stock) to IFIL as an advance on the liquidation. After this transaction, IFIL directly held 100% of the capital stock of Ifil Investissements.

Proceedings relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

On February 21, 2006, Consob notified Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone as well as IFIL and Giovanni Agnelli e C. of its objections in respect of the start of a sanctionary proceeding under art. 187-septies of the Consolidated Law on Finance under the assumption that each of those individuals violated art. 187-ter, paragraph 1 (Market Manipulation) of the Consolidated Law on Finance in relation to the content of the press releases diffused by IFIL and Giovanni Agnelli e C. on August 24, 2005 and that the companies violated the responsibility of entities pursuant to art. 187-quinquies of the Consolidated Law on Finance and joint and several responsibility pursuant to art. 6, paragraph 3 of Law 689/1989.

On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified which, at the conclusion of the proceeding, applied the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL and chairman of Giovanni Agnelli e C.) € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Franzo Grande Stevens (director of IFIL) € 2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Virgilio Marrone (chief executive officer and general manager of IFI) € 500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to IFIL € 4.5 million;
- to Giovanni Agnelli e C. € 3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months
- to Franzo Grande Stevens: for four months
- to Virgilio Marrone: for two months.

The persons and companies involved in the sanctionary measure filed appeals with the Court of Appeals of Turin. In the opposing judgment, the Court of Appeals, in its decision of December 5, 2007, reduced the administrative sanctions from a total of € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Giovanni Agnelli e C. from a total of € 3 million to € 600 thousand and for Gianluigi Gabetti from a total of € 5 million to € 1.2 million in addition to a reduction of two months, from six to four months, in respect of the additional administrative suspension.

In July 2008, IFIL filed an appeal with the Court of Cassation against the ruling by the Court of Appeals of Turin. Appeals were also filed with the Court of Cassation by the other parties involved in the Consob sanctionary measure. In October 2008, Consob notified the company that it had filed a counter-appeal and an incidental appeal asking for the rejection of the main appeal and the cancellation of the reduction of the sanctions originally levied. Consob acted in the same manner against the other petitioners. In November 2008, IFIL filed a counter-appeal with the Court of Cassation against Consob's incidental appeal. The other parties referred to in Consob's incidental appeal also filed a counter-appeal with the Court of Cassation.

In the penal proceedings for the same press releases, on November 7, 2008, the Preliminary Hearing Judge of the Turin Court committed Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone to trial for the offense pursuant to art. 185 of the Consolidated Law on Finance, as well as IFIL and Giovanni Agnelli e C., as those responsible administratively under Legislative Decree 231/2001, setting a hearing for March 26, 2009.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

The year 2008 shows a profit of € 356.5 million. The increase of € 233.1 million compared to profit of € 123.4 million in 2007 originates from the gain realized on the partial sale of the investment in Intesa Sanpaolo (+€ 167.5 million), the increase in dividends received from investment holdings (+€ 84.2 million) and the positive change in net general expenses (+€ 2.1 million) and other nonrecurring income (expenses) (+€ 12 million). These positive components are partly offset by higher financial income (expenses) (-€ 9.7 million), the absence of impairment reversals on investments (-€ 19.3 million) and deferred tax assets (-€ 3.7 million).
The condensed income statement and balance sheet, as well as comments on the most significant line items are presented below.

IFIL S.p.A. – Condensed income statement

€ in millions	Note	**2008**	2007	Change
Dividends from investments	1	**255.6**	171.4	84.2
Gain on partial sale of the investment in Intesa Sanpaolo	2	**167.5**	0.0	167.5
Impairment reversals on investments		**0.0**	19.3	(19.3)
Net financial expenses	3	**(48.7)**	(39.0)	(9.7)
Net general expenses	4	**(20.7)**	(22.8)	2.1
Net other nonrecurring income (expenses)	5	**2.8**	(9.2)	12.0
Profit before income taxes		**356.5**	119.7	236.8
Deferred income taxes		**0.0**	3.7	(3.7)
Profit for the year		**356.5**	123.4	233.1

IFIL S.p.A. – Condensed balance sheet

		12/31/2008		12/31/2007		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	6	**4,097.7**	**83.2**	5,328.5	95.3	(1,230.8)
Cash and cash equivalents		**411.4**	**8.3**	165.6	3.0	245.8
Loan receivable from the parent, IFI		**199.5**	**4.0**	0.0	0.0	199.5
Financial assets held for trading		**170.5**	**3.5**	47.8	0.8	122.7
Other non-current financial assets		**0.2**	**0.0**	0.3	0.0	(0.1)
Current financial assets		**0.9**	**0.0**	4.3	0.1	(3.4)
Other current assets		**47.0**	**1.0**	47.4	0.8	(0.4)
Total Assets		**4,927.2**	**100.0**	5,593.9	100.0	(666.7)
Equity	7	**3,916.9**	**79.5**	4,566.9	81.6	(650.0)
Financial liabilities						
- current		**28.9**	**0.6**	23.6	0.4	5.3
- non-current		**944.2**	**19.2**	943.6	16.9	0.6
		973.1	**19.7**	967.2	17.3	5.9
Other current and non-current liabilities		**37.2**	**0.8**	59.8	1.1	(22.6)
Total Equity and Liabilities		**4,927.2**	**100.0**	5,593.9	100.0	(666.7)

1. Dividends from investments

Dividends from investments in 2008 amount to € 255.6 million, € 145.4 million of which was received from Fiat and € 110.2 million from Intesa Sanpaolo.

Dividends from investments in 2007 amounted to € 171.4 million, collected from Fiat for € 61.2 million and Intesa Sanpaolo for € 110.2 million.

2. Gain on partial sale of the investment in Intesa Sanpaolo

In the second half of 2008, IFIL sold 171,916,165 Intesa Sanpaolo ordinary shares (1.45% of ordinary capital stock) on the market for net proceeds of € 598.4 million and a gain of € 167.5 million. For additional information on the further accounting effects of the transaction, please refer to the following Note 6.

3. Net financial expenses

Net financial expenses amount to € 48.7 million in 2008 and increased by € 9.7 million compared to 2007 (€ 39 million) due to the higher cost of debt relating to the bonds issued in June 2007 and the net result from trading activities.

4. Net general expenses

Net general expenses amount to € 20.7 million in 2008 and decreased by € 2.1 million compared to € 22.8 million in 2007.

5. Net other nonrecurring income (expenses)

Net other nonrecurring income in 2008 amounts to € 2.8 million and includes the income arising from the reduction in the fair value of the liability for the stock option plan approved for management of the subsidiary Alpitour (+€ 7.8 million) and expenses in connected with the special fee approved for Mr Gabetti by the board of directors on May 13, 2008 (-€ 5 million).

In 2007, net other nonrecurring expenses amounted to € 9.2 million and included income of € 3.5 million originating from the reduction decided by the Court of Appeals of Turin in respect of the pecuniary administrative sanction levied on the company by Consob, as well as the expense to increase the liability of the stock option plan approved for management of the subsidiary Alpitour (-€ 12.7 million).

6. Investments

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Investments accounted for at cost			
Fiat S.p.A. (ordinary shares)	**2,619.4**	2,619.4	0.0
Fiat S.p.A. (preferred shares)	**250.4**	250.4	0.0
	2,869.8	2,869.8	0.0
Ifil Investissements S.A.	**746.3**	641.5	104.8
Alpitour S.p.A.	**100.0**	100.0	0.0
Ifil Investment Holding N.V. (in a wind-up)	**0.2**	68.3	(68.1)
Juventus Football Club S.p.A.	**74.2**	74.2	0.0
Soiem S.p.A.	**10.0**	10.0	0.0
	3,800.5	3,763.8	36.7
Available-for-sale investments			
Intesa Sanpaolo S.p.A. (ordinary shares) (a)	**297.2**	1,564.7	(1,267.5)
Total investments	**4,097.7**	5,328.5	(1,230.8)

(a) Measured at fair value on the basis of the market price at the end of the year, with recognition of the unrealized gains or losses in equity.

The net decrease of € 1,230.8 million in the carrying amount of investments is due to the following movements:

€ in millions		
Investments at December 31, 2007		**5,328.5**
Partial sale of the investments in Intesa Sanpaolo:		
- Reversal of the original purchase cost	(430.9)	
- Reversal of cumulative fair value	(497.0)	
	(927.9)	
Adjustment of remaining investment in Intesa Sanpaolo to fair value at year-end 2008	(339.6)	(1,267.5)
Ifil Investissements:		
- increase (20.184% of capital stock) from advance on wind-up received from Ifil Investment Holding	104.5	
- accounting for the part of stock option plan relating to Ifil Investissements employees and subsidiaries	0.3	104.8
Reversal of the carrying amount of the investment in Ifil Investment Holding, in a wind-up, up to the remaining amount of equity		(68.1)
Investments at December 31, 2008		**4,097.7**

The reduction of the investment in Intesa Sanpaolo, equal to € 1,267.5 million, is given by the reversal of the carrying amount (-€ 927.9 million) of the stake disposed of and the adjustment of the remaining stake to fair value at the end of the year (-€ 339.6 million).
The reversal of the carrying amount of the investment sold (-€ 927.9 million) comprises the original acquisition cost of € 430.9 million and cumulative fair value of € 497 million.

The gain of € 167.5 million is generated by the difference between the net proceeds of € 598.4 million and the original acquisition cost of € 430.9 million. The cumulative fair value on the interest disposed of, equal to € 497 million, was deducted from the specific equity

reserve, as was the fair value adjustment at the end of the year relating to the remaining interest, equal to € 339.6 million, for a total of € 836.6 million.
The original acquisition cost of the remaining investment held in Intesa Sanpaolo is € 295.7 million; at December 31, 2008, the net positive change in fair value amounts to € 1.5 million.

On November 7, 2008, a decision was taken to put Ifil Investment Holding into a voluntary wind-up. Consequently, the 224,194 Ifil Investissements shares (20.184% of capital stock) held by Ifil Investment Holding were transferred to IFIL as an advance on the liquidation. These shares were accounted for in the IFIL financial statements at the same carrying value at which they were carried in the Ifil Investment Holding financial statements (€ 104.5 million). The carrying amount of the investment in Ifil Investment Holding was then adjusted to the amount of the remaining equity (€ 0.2 million) with a negative change of € 68.1 million. The net difference between the two changes (€ 36.4 million) was recognized as an increase of equity.

The comparison between carrying amounts and market prices of listed investments at December 30, 2008 of listed investments is as follows:

		Carrying amount		Market price at December 30, 2008		Difference
	Number	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Total (€ ml)
Fiat S.p.A. (ordinary shares)	332,587,447	7.88	2,619.4	4.59	1,526.2	(1,093.2)
Fiat S.p.A. (preferred shares)	31,082,500	8.06	250.4	2.39	74.2	(176.2)
			2,869.8		1,600.4	(1,269.4)
Intesa Sanpaolo S.p.A. (ord. sh.)	118,000,000	2.52	297.2	2.52	297.2	0.0
Juventus Football Club S.p.A.	120,934,166	0.61	74.2	0.77	93.2	19.0
Total			**3,241.2**		**1,990.8**	**(1,250.4)**

7. Equity

Equity at December 31, 2008 is equal to € 3,916.9 million (€ 4,566,9 million at December 31, 2007). The negative change of € 650 million is due to the following changes:

€ in millions	
Equity at December 31, 2007	**4,566.9**
Reversal of the cumulative fair value on the stake sold in Intesa Sanpaolo	(497.0)
Adjustment of the remaining stake held in Intesa Sanpaolo to fair value at year-end 2008	(339.6)
Purchases of treasury stock	(103.7)
Dividends distributed	(106.3)
Effect of the increase in the investment in Ifil Investissements and the adjustment of the investment in Ifil Investment Holding	36.4
Deferred taxes released on change in fair value	11.5
Other net changes	(7.8)
Profit for the year 2008	356.5
Net change during the year	**(650.0)**
Equity at December 31, 2008	**3,916.9**

8. Net financial position

At December 31, 2008 and 2007, details are as follows:

€ in millions	**12/31/2008**	12/312007	Change
Cash and cash equivalents	**411.4**	165.6	245.8
Loan receivable from the parent, IFI	**199.5**	0.0	199.5
Financial assets held for trading	**170.5**	47.8	122.7
Other financial assets, current and non-current	**1.1**	4.6	(3.5)
Non-convertible bonds	**(944.2)**	(943.6)	(0.6)
Bank debt	**(0.3)**	0.0	(0.3)
Current other financial liabilities	**(28.5)**	(23.6)	(4.9)
Net financial position	**(190.5)**	(749.2)	558.7

The positive change of € 558.7 million in 2008 is due to the following cash flows:

€ in millions	
Net financial position at December 31, 2007	**(749.2)**
Partial sale of the investment in Intesa Sanpaolo	598.4
Dividends received	255.6
Dividends distributed	(106.3)
Purchases of treasury stock	(103.7)
Net financial expenses	(48.7)
Net general expenses	(20.7)
Other net changes	(15.9)
Net change during the year	**558.7**
Net financial position at December 31, 2008	**(190.5)**

9. Reconciliation between the separate financial statements of IFIL S.p.A. and the consolidated financial statements of the group

The following reconciliation of the profit for the year and the equity in the separate financial statements of IFIL S.p.A. for the years ended December 31, 2008 and December 31, 2007 and the corresponding figures in the consolidated financial statements of the IFIL Group at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit		Equity	
€ in millions	**2008**	2007	**12/31/2008**	12/31/2007
Separate financial statements of IFIL S.p.A.	**356**	123	**3,917**	4,567
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**2,100**	1,635
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**(420)**	(85)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**337**	609	**337**	609
Share of the profit of the Sequana Group for the first half presented in discontinued operations (48.805%)		47		47
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(155)**	(89)	**(155)**	(89)
Elimination of impairment losses and reversals on consolidated investments and companies accounted for by the equity method		(19)		(19)
Adjustments of gains on the sale of investments	**(93)**	1	**(93)**	1
Other consolidation adjustments			**1**	
Consolidated financial statements of the IFIL Group (attributable to the equity holders of the parent)	**445**	672	**5,687**	6,666

REVIEW OF THE SYNTHESIZED CONSOLIDATED RESULTS

IFIL holds some important investments through the Luxembourg subsidiary Ifil Investissements and controls some companies which contribute to investment activities (Ifil USA, Ifil Asia and Ifil France) as well as an Irish-registered company (operating with the aim of optimizing the management of the financial resources of the Group). These companies constitute, together with Soiem (a services company) and other minor companies, the so-called “Holdings System” (the complete list of these companies is presented in the next table).

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, it is IFIL's practice to present synthesized financial statements (balance sheet and income statement) prepared by applying the “synthesized” consolidation criteria. Such synthesized consolidated financial statements are presented along with the annual consolidated financial statements and the interim consolidated financial statements for the first half of each year. The quarterly consolidated data is also presented in the synthesized format in the quarterly reports at March 31 and September 30 of each year.

In the preparation of the synthesized consolidated balance sheet and income statement, the financial statements or accounting data drawn up in accordance with IFRS by IFIL and by the subsidiaries in the “Holdings System” are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, Sequana, Cushman & Wakefield, Alpitour and Juventus F.C.) are accounted for by the equity method, always on the basis of their financial statements or accounting data prepared in accordance with IFRS.

The consolidation and valuation methods used for investments are presented below.

	% holding in capital stock outstanding	
	12/31/2008	12/31/2007
Companies of the Holdings System consolidated line-by-line		
- IFIL Investments S.p.A.		
- Ifil Investment Holding N.V. (Netherlands) (a)	**-**	100
- Ifil Investissements S.A. (Luxembourg)	**100**	100
- Ifilgroup Finance Ltd (Ireland) (a)	**-**	100
- Ifil International Finance Ltd (Ireland)	**100**	100
- Soiem S.p.A. (Italy)	**100**	100
- Ifil USA Inc (USA)	**100**	100
- Ifil Asia Ltd (Hong Kong)	**100**	100
- Ifil France S.a.s. (France)	**100**	100
- Ancom USA Inc (USA)	**100**	100
- Ifil New Business S.r.l. (Italy) (b)	**100**	100
- Eufin Investments Unlimited (Great Britain) (b)	**100**	100
Investments accounted for by the equity method		
- Fiat Group	**29.40**	29.01
- Sequana Group	**26.91**	26.71
- Cushman & Wakefield Group	**74.43**	72.13
- Alpitour Group	**100**	100
- Juventus Football Club S.p.A.	**60**	60

	% of capital stock	
	12/31/2008	12/31/2007
Listed investments accounted for at fair value (c)		
- Intesa Sanpaolo S.p.A.	**1.00**	2.45
- SGS S.A.	**15.00**	15.00
Unlisted investments accounted for at fair value		
- Gruppo Banca Leonardo S.p.A.	**9.76**	9.82
- NoCo A LP (d)	**1.96** (e)	1.96
- Banijay Holding S.A.S. (f)	**17.03**	-

(a) Companies in a voluntary wind-up.
(b) Dormant company.
(c) Based on the market price at year-end with the unrealized gain or loss recognized in equity.
(d) At December 31, 2008, accounted for at cost which approximates fair value.
(e) Percentage holding in the limited partnership.
(f) Purchased on May 30, 2008, in the start-up stage.

The synthesized consolidated **income statement** and **balance sheet** and notes commenting on the most significant line items are presented below.

IFIL GROUP – Synthesized consolidated income statement

The **profit attributable to the equity holders of the parent** for 2008 amounts to a € 445.3 million. This is a reduction of € 226.4 million compared to 2007 (€ 671.7 million), and is due to the net decrease in the results of investment holdings (-€ 274.7 million), an increase in net financial income (expenses) (+€ 40.5 million) and other net changes (+€ 7.8 million).

€ in millions	Note	**2008**	2007	Change
Share of the profit (loss) of companies accounted for by the equity method	1	**336.2**	610.9	(274.7)
Net financial income (expenses):				
- Dividends from investments	2	**139.2**	111.6	27.6
- Gains on sales of investments	3	**74.5**	0.9	73.6
- Net impairments of current and non-current financial assets	4	**(67.2)**	(2.6)	(64.6)
- Interest income and other financial income	5	**68.5**	39.7	28.8
- Interest expenses and other financial expenses	6	**(72.1)**	(47.2)	(24.9)
Net financial income (expenses)		**142.9**	102.4	40.5
Net general expenses	7	**(31.8)**	(25.9)	(5.9)
Net other nonrecurring income (expenses)	8	**2.8**	(17.2)	20.0
Profit before income taxes		**450.1**	670.2	(220.1)
Income taxes		**(4.8)**	1.5	(6.3)
Profit attributable to the equity holders of the parent		**445.3**	671.7	(226.4)

IFIL GROUP – Synthesized consolidated balance sheet

		Balances at		
€ in millions	Note	**12/31/2008**	12/31/2007	Change
Non-current assets				
Investments accounted for by the equity method	9	**3,885.0**	4,081.0	(196.0)
Other financial assets	10	**1,403.0**	2,667.3	(1,264.3)
Other property, plant and equipment and intangible assets		**13.6**	13.8	(0.2)
Deferred tax assets		**1.9**	1.4	0.5
Total Non-current assets		**5,303.5**	6,763.5	(1,460.0)
Current assets				
Financial assets and cash and cash equivalents	13	**1,331.1**	862.4	468.7
Trade receivables and other receivables		**47.8**	47.9	(0.1)
Total Current assets		**1,378.9**	910.3	468.6
Total Assets		**6,682.4**	7,673.8	(991.4)
Equity attributable to the equity holders of the parent	12	**5,687.3**	6,666.5	(979.2)
Non-current liabilities				
Provisions for employee benefits and provisions for other liabilities and charges		**2.6**	2.6	0.0
Bonds and other debt	13	**944.2**	943.6	0.6
Deferred tax liabilities and other liabilities		**2.9**	10.3	(7.4)
Total Non-current liabilities		**949.7**	956.5	(6.8)
Current liabilities				
Bank debt and other financial liabilities	13	**28.8**	23.6	5.2
Trade payables and other liabilities		**16.6**	27.2	(10.6)
Total Current liabilities		**45.4**	50.8	(5.4)
Total Equity and Liabilities		**6,682.4**	7,673.8	(991.4)

1. Share of the profit (loss) of companies accounted for by the equity method

In 2008, the share of the profit (loss) of companies accounted for by the equity method amounts to € 336.2 million (€ 610.9 million in 2007). The decrease of € 274.7 million reflects:

- the lower contributions by the Fiat Group (-€ 98.3 million) and the Alpitour Group (-€ 4.4 million) which closed 2008 with profit figures below those of 2007;
- the inversion of the results of the Sequana Group and the Cushman & Wakefield Group which produced negative changes for IFIL's share, of € 174.5 million and € 49.9 million, respectively;
- IFIL's share of a lower loss reported by Juventus F.C. (+€ 5.7 million).

	Profit (loss)		IFIL's share		
€ in millions	**2008**	2007	**2008**	2007	Change
Fiat Group	**1,612.1**	1,953.0	**474.0**	566.6	(92.6)
Consolidation adjustments			**(6.7)** (a)	(1.0) (a)	(5.7)
Total Fiat Group			**467.3**	565.6	(98.3)
Sequana Group	**(428.4)**	142.2	**(115.3)**	59.2	(174.5)
Consolidation adjustments			**0.0**	(46.7) (b)	46.7
Total Sequana Group			**(115.3)**	12.5	(127.8)
Cushman & Wakefield Group	**(20.2)**	48.4 (c)	**(15.0)**	34.9	(49.9)
Alpitour Group	**3.1** (d)	7.5 (d)	**3.1**	7.5	(4.4)
Juventus Football Club S.p.A.	**(6.5)** (e)	(16.0) (e)	**(3.9)**	(9.6)	5.7
Total			**336.2**	610.9	(274.7)

(a) Mainly for the assignment of preference dividends to the minority interest.
(b) Of which -€ 54.3 million for losses realized on the sale of the 22% stake in capital stock and +€ 7.6 million for lower goodwill impairment losses on the AWA Group, since it was partially amortized by IFIL in prior years.
(c) Data for the period April 1 – December 31, subsequent to acquisition (March 31, 2007).
(d) Data for the period November 1 – October 31.
(e) Data for the period January 1 – December 31 prepared for purposes of consolidation by IFIL.

For a review of the operating performance of the companies accounted for by the equity method reference should be made to the following sections.

2. Dividends from investments

Dividends from investments in 2008 amount to € 139.2 million (€ 111.6 million in 2007) and include dividends received from Intesa Sanpaolo S.p.A. for € 110.2 million (unchanged compared to 2007), SGS for € 26.2 million and Gruppo Banca Leonardo for € 2.8 million (€ 1.4 million in 2007).

3. Gains on sales of investments

In 2008, gains on sales of investments include the gain realized on the disposal on the market of a 1.45% stake in Intesa Sanpaolo ordinary capital stock (€ 74.5 million). Additional information is provided in Note 10.

In 2007, this line item included the gain of € 0.9 million realized on the sale of the investment in Turismo&Immobiliare (25% of capital stock).

4. Net impairments of current and non-current financial assets

In 2008, net impairment losses amount to € 67.2 million (€ 2.6 million in 2007), of which € 52.3 million (€ 2.6 million in 2007) relates to current financial assets (equity shares and bonds held for trading by the subsidiary Ifil Investissements for € 41.2 million, and by IFIL for € 11.1 million).

The fair value of current securities is calculated by using the market prices at December 30, 2008 translated, where necessary, at the year-end exchange rates.

It also includes an impairment loss of € 14.9 million on the portion of Junior notes issued by DLMD which is recognized in non-current financial assets.
Additional information is provided in Note 10.

5. Interest income and other financial income

In 2008, this line item amounts to € 68.5 million (€ 39.7 million in 2007) and includes:

€ in millions	**2008**	2007	Change
Bond interest income	**29.3**	30.7	(1.4)
Financial income on securities held for trading	**9.5**	1.1	8.4
Interest income on receivables from:			
- tax authorities	**0.9**	0.9	0.0
- banks	**12.3**	1.4	10.9
- parent, IFI	**1.5**	0.0	1.5
Exchange differences	**10.9**	2.2	8.7
Income from interest rate hedges	**1.9**	0.9	1.0
Other	**2.2**	2.5	(0.3)
Total	**68.5**	39.7	28.8

6. Interest expenses and other financial expenses

In 2008, this line item amounts to € 72.1 million (€ 47.2 million in 2007) and includes:

€ in millions	**2008**	2007	Change
IFIL bond interest expenses	**51.6**	33.2	18.4
Financial expenses on securities held for trading	**18.8**	2.9	15.9
Bank interest expenses and other financial expenses	**1.3**	7.9	(6.6)
Exchange differences	**0.4**	3.2	(2.8)
Total	**72.1**	47.2	24.9

The increase in bond interest expenses (€ 18.4 million) is mainly attributable to the portion of interest accrued on bonds maturing in 2017, issued by IFIL S.p.A. in June 2007, and should be viewed in connection with the reduction in bank interest expenses due to the extinction of debt owed to the banks.

7. Net general expenses

In 2008, net general expenses amount to € 31.8 million. The increase of € 5.9 million compared to the prior year (€ 25.9 million) is due to higher costs incurred to expand the New York and Paris offices (€ 4.3 million), expenses sustained by the subsidiary Ifil Investissements for the investment in Perfect Vision (€ 1.3 million) and other net changes (€ 0.3 million).

8. Net other nonrecurring income (expenses)

In 2008, net other nonrecurring income, equal to € 2.8 million, includes income from fair value changes in the stock option plans voted in favor of management of the subsidiary Alpitour for € 7.8 million, as well as the special fee of € 5 million voted in favor of Mr Gabetti by the IFIL board of directors on May 13, 2008.

In 2007, net other nonrecurring expenses amounted to € 17.2 million and comprised transaction costs and expenses incurred to close the dispute over the sale of La Rinascente (€ 8 million), the current-year cost of € 12.7 million for the stock option plan approved for management of the subsidiary Alpitour, as well as income of € 3.5 million resulting from the reduction decided by the Court of Appeals of Turin in respect of the administrative sanction levied on IFIL by Consob.

9. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount at **12/31/2008**	 12/31/2007	Change
Fiat Group	**3,062.2**	3,125.3	(63.1)
Sequana Group	**189.9**	341.0	(151.1)
Cushman & Wakefield Group	**482.5**	466.1	16.4
Alpitour Group	**84.2**	78.8	5.4
Juventus Football Club S.p.A.	**65.9**	69.8	(3.9)
Others, in a wind-up	**0.3**	0.0	0.3
Total	**3,885.0**	4,081.0	(196.0)

10. Non-current other financial assets

Details are as follows:

€ in millions	Carrying amount at **12/31/2008**	 12/31/2007	Change
Investments accounted for at fair value			
- Intesa Sanpaolo S.p.A.	**297.2**	1,564.7	(1,267.5)
- SGS S.A.	**869.2**	956.6	(87.4)
- Gruppo Banca Leonardo S.p.A.	**87.6**	82.4	5.2
- NoCo A LP	**19.5**	18.7	0.8
- Banijay Holding S.A.S.	**21.4**	0.0	21.4
Other investments at fair value			
NoCo B LP	**23.8** (a)	11.9	11.9
DLMD bonds	**13.4**	27.6	(14.2)
Other investments at amortized cost			
Perfect Vision Limited convertible bonds	**70.7**	0.0	70.7
Sundry	**0.2**	5.4	(5.2)
Total	**1,403.0**	2,667.3	(1,264.3)

(a) Net of an impairment loss of € 0.2 million.

At December 31, 2008, the reduction of the investment in Intesa Sanpaolo, equal to € 1,267.5 million, is given by the reversal of the carrying amount (-€ 927.9 million) of the stake disposed of (1.45% of ordinary capital stock) and the adjustment of the remaining stake to fair value at the end of the year (-€ 339.6 million).
The reversal of the carrying amount of the investment sold (-€ 927.9 million) comprises the original acquisition cost of € 523.9 million and cumulative fair value of € 404 million.

The gain of € 74.5 million is the difference between the net proceeds of € 598.4 million and the original acquisition cost of € 523.9 million. The cumulative fair value, equal to € 404 million, was deducted from the specific reserve in consolidated equity.

The original acquisition cost of the remaining investment held in Intesa Sanpaolo is € 359.5 million; at December 31, 2008, the net negative change in fair value amounts to € 62.3 million.

The decrease in the investment in SGS, equal to € 87.4 million, is due to the change in fair value at the end of 2008.

The original carrying amount of the investment in SGS is € 469.7 million; at December 31, 2008, the net positive change in fair value amounts to € 399.5 million.

The increase in the investment in Gruppo Banca Leonardo is due to the change in fair value of € 5.2 million. Fair value was estimated by an independent expert using the "warrant equity method".

Bonds issued by DLMD are secured by 10,806,343 Sequana shares and cash collateral of approximately € 7 million.
In July 2008, certain clauses were renegotiated for the DLMD bonds issued which were subdivided into Senior and Junior bond portions. The repayment of the Junior portion in 2010, in exchange for a higher yield, is subordinate to that of the Senior portion.
Ifil Investissements holds a nominal amount of bonds for € 27.2 million, of which € 12.3 million represents Senior bonds and € 14.9 million Junior bonds. At December 31, 2008, an impairment loss was recognized on the Junior portion for its entire nominal amount.

11. Comparison between carrying amounts and market prices of listed investments and other financial assets

Details are as follows:

				Market price			
		Carrying amount		December 30, 2008		February 27, 2009	
	Number	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Investments							
Fiat Group							
- ordinary shares	332,587,447	8.42	**2,800.5**	4.59	**1,526.2**	3.65	**1,214.9**
- preferred shares	31,082,500	8.42	**261.7**	2.39	**74.2**	2.07	**64.4**
			3,062.2		**1,600.4**		**1,279.3**
Sequana Group	13,203,139	14.38	**189.9**	4.33	**57.2**	4.43	**58.5**
Juventus Football Club S.p.A.	120,934,166	0.55	**65.9**	0.77	**93.2**	0.71	**85.2**
Other financial assets							
Intesa Sanpaolo S.p.A.	118,000,000	2.52	**297.2**	2.52	**297.2**	1.93	**228.1**
SGS S.A.	1,173,400	740.74	**869.2**	740.74	**869.2**	712.26	**835.8**
Total			**4,484.4**		**2,917.2**		**2,486.9**

12. Equity attributable to the equity holders of the parent

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Capital and reserves	**5,839.5**	6,715.0	(875.5)
Treasury stock	**(152.2)**	(48.5)	(103.7)
Total	**5,687.3**	6,666.5	(979.2)

The change during the year is analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the parent at December 31, 2007	**6,666.5**
Reversal of cumulative fair value on the investment in Intesa Sanpaolo disposed of (- € 404 million, net of +€ 6.8 million of deferred taxes)	(397.2)
Fair value adjustment at the end of 2008 on:	
- remaining investment in Intesa Sanpaolo (-€ 339.6 million, net of +€ 4.7 million of deferred taxes)	(334.9)
- SGS	(87.4)
- Other	5.0
Purchases of treasury stock	(103.7)
Exchange gains (losses) on the translation of foreign operations (-€ 103 million) and other net changes shown in the equity of the companies consolidated and those accounted for by the equity method (-€ 297.1 million) (a)	(400.1)
Dividends distributed by IFIL S.p.A.	(106.2) (b)
Profit attributable to the equity holders of the parent	445.3
Net change during the year	**(979.2)**
Equity attributable to the equity holders of the parent at December 31, 2008	**5,687.3**

(a) Mainly for movements in the cash flows hedge reserve of the Fiat Group (-€ 216.2 million).

(b) Net of € 0.1 million of intragroup dividends.

13. Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" at December 31, 2008 shows a positive balance of € 358.3 million and a positive change of € 462.8 million from a negative balance of € 104.5 million at the end of 2007.

The consolidated net financial position of the "Holdings System" is composed as follows:

	12/31/2008			12/31/2007		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets and cash and cash equivalents	**1,131.6**	**0.2**	**1,131.8**	862.4	0.3	862.7
Loan receivable from the parent, IFI	**199.5**	**0.0**	**199.5**	0.0	0.0	0.0
Total financial assets and cash and cash equivalents	**1,331.1**	**0.2**	**1,331.3**	862.4	0.3	862.7
IFIL bonds 2007-2017	**(22.4)**	**(744.7)**	**(767.1)**	(22.7)	(744.2)	(766.9)
IFIL bonds 2006-2011	**(0.6)**	**(199.5)**	**(200.1)**	(0.7)	(199.4)	(200.1)
Bank debt and other financial liabilities	**(5.8)**	**0.0**	**(5.8)**	(0.2)	0.0	(0.2)
Total financial liabilities	**(28.8)**	**(944.2)**	**(973.0)**	(23.6)	(943.6)	(967.2)
Consolidated net financial position of the "Holdings System"	**1,302.3**	**(944.0)**	**358.3**	838.8	(943.3)	(104.5)

At December 31, 2008, IFIL S.p.A. had irrevocable credit lines for € 510 million, of which € 160 million was due by December 31, 2009 and € 350 million at later expiration dates.
At December 31, 2008 Standard & Poor's rated IFIL's long-term debt at "BBB+" and its short-term debt at "A-2", both with a stable outlook.

The positive change of € 462.8 million during the year is due to the following flows:

€ in millions			
Consolidated net financial position of the "Holdings System" at December 31, 2007		**(104.5)**	
Dividends received from investments		293.9	
- Fiat S.p.A	145.5		
- Intesa Sanpaolo S.p.A.	110.2		
- SGS S.A.	26.2		
- Sequana S.A.	9.2		
- Gruppo Banca Leonardo S.p.A.	2.8		
Purchases of IFIL treasury stock		(103.7)	
- 20,783,200 ordinary shares (2% of the class of stock)	(99.8)		
- 917,000 savings shares (2.45% of the class of stock)	(3.9)		
Dividends distributed by IFIL S.p.A.		(106.2)	(a)
Disposal of Intesa Sanpaolo shares (1.45% of ordinary capital stock)		598.4	
Reimbursement of Ocean Club Méditerranée bonds		5.1	
Investments		(103.2)	
- Perfect Vision Limited convertible bonds	(58.1)		
- Banijay Holding (17.03% of capital stock)	(21.4)		
- Cushman & Wakefield (2.05% of capital stock)	(11.6)		
- NoCo B LP	(12.1)		
Other net changes		(121.5)	
- Net general expenses	(31.8)		
- Impairments and other net financial expenses (b)	(66.1)		
- Sundry, net	(23.6)		
Net change during the year		**462.8**	
Consolidated net financial position of the "Holdings System" at December 31, 2008		**358.3**	

(a) Net of € 0.1 million of intragroup dividends.
(b) Includes net impairments on securities recognized in current financial assets and included in the net financial position balance.

14. Reconciliation between the consolidated net financial position of the "Holdings System" and the consolidated net financial position of the companies consolidated line-by-line

€ in millions	**12/31/2008**	12/31/2007	Change
Consolidated net financial position of the "Holdings System"	**358**	(104)	462
Net financial position of the companies consolidated line-by-line:			
- Cushman & Wakefield Group	**(108)**	3	(111)
- Alpitour Group	**34**	17	17
- Juventus Football Club S.p.A.	**11**	7	4
Consolidated net financial position - line-by-line consolidation	**295**	(77)	372

The composition of the consolidated net financial position of companies consolidated line-by-line is presented in Note 33 to the consolidated financial statements of the IFIL Group.

15. Reconciliation between the synthesized consolidated financial statements and the consolidated financial statements of the IFIL Group

The following table presents a reconciliation between the synthesized consolidated financial statements and the consolidated financial statements of the IFIL Group prepared in accordance with IFRS.

The first column (“Synthesized consolidation”) presents the data that has been commented on in the preceding pages, reclassified according to the consolidated financial statement formats.

The second column (“Eliminations and consolidation adjustments”) shows the adjustments necessary to reverse the carrying amount of the investments accounted for in the synthesized consolidated financial statements by the equity method and the share of the results of those investments in order to arrive at the line-by-line consolidation of the respective financial statements or accounting data, which are shown in the next columns.

Reconciliation of the consolidated balance sheet

€ in millions	Synthesized consolidation	Eliminations and consolidation adjustments	C&W Group	Alpitour Group	Juventus F.C.	**IFIL Group consolidation**
Non-current assets						
Goodwill		(98)	473	27		**402**
Other intangible assets			320	31	110	**461**
Property, plant and equipment	14		49	109	26	**198**
Investments accounted for by the equity method	3,885	(633)		1		**3,253**
Other financial assets	1,403		6	3		**1,412**
Deferred tax assets	2			7	8	**17**
Other assets			39	6	48	**93**
Total Non-current assets	**5,304**	**(731)**	**887**	**184**	**192**	**5,836**
Current assets						
Inventories, net				3		**3**
Trade receivables			212	89	32	**333**
Other receivables	48		53	13	45	**159**
Financial assets	512		1	36	0	**549**
Cash and cash equivalents	819		59	68	29	**975**
Total Current assets	**1,379**	**0**	**325**	**209**	**106**	**2,019**
Assets held for sale					**3**	**3**
Total Assets	**6,683**	**(731)**	**1,212**	**393**	**301**	**7,858**
Equity						
Attributable to the equity holders of the parent	5,687	(624)	473	85	66	**5,687**
Attributable to the minority interest		(107)	162	5	44	**104**
Total Equity	**5,687**	**(731)**	**635**	**90**	**110**	**5,791**
Non-current liabilities						
Provisions for employee benefits	3		19	18		**40**
Provisions for other liabilities and charges			5	1	18	**24**
Bonds and other debt	944		164	19	15	**1,142**
Deferred tax liabilities	3		83		0	**86**
Other non-current liabilities			19		39	**58**
Total Non-current liabilities	**950**	**0**	**290**	**38**	**72**	**1,350**
Current liabilities						
Provisions for employee benefits			42			**42**
Provisions for other liabilities and charges			20	3		**23**
Bonds and other debt	29		6	53	3	**91**
Trade payables	2		138	173	13	**326**
Other current liabilities	15		81	36	103	**235**
Total Current liabilities	**46**	**0**	**287**	**265**	**119**	**717**
Liabilities relating to assets held for sale						**0**
Total Equity and liabilities	**6,683**	**(731)**	**1,212**	**393**	**301**	**7,858**

Reconciliation of the consolidated income statement

€ in millions	Synthesized consolidation	Eliminations	C&W Group	Alpitour Group	Juventus F.C.	**IFIL Group consolidation**
Revenues	2		1,229	1,237	197	**2,665**
Other revenues from current operations	1			10	24	**35**
Purchases of raw materials and changes in inventories				(882)	(2)	**(884)**
Personnel costs	(15)		(961)	(113)	(126)	**(1,215)**
Costs for external services	(15)		(190)	(192)	(27)	**(424)**
Taxes and duties	(3)		(4)	(3)	(1)	**(11)**
Depreciation and amortization	(1)		(42)	(15)	(27)	**(85)**
Accruals to provisions and other expenses from current operations	(1)		(29)	(23)	(24)	**(77)**
Profit (loss) from current operations	**(32)**	**0**	**3**	**19**	**14**	**4**
Other nonrecurring income (expenses)	3		(13)	(1)	(13)	**(24)**
Operating profit (loss)	**(29)**	**0**	**(10)**	**18**	**1**	**(20)**
Gains (losses) on sales of investments	75					**75**
Cost of net debt	(19)		(12)	(4)		**(35)**
Other financial income (expenses)	87		6		1	**94**
Financial income (expenses)	**143**	**0**	**(6)**	**(4)**	**1**	**134**
Income taxes	(5)		(4)	(11)	(8)	**(28)**
Profit (loss) of companies consolidated line-by-line	**109**	**0**	**(20)**	**3**	**(6)**	**86**
Share of the profit (loss) of companies accounted for by the equity method	336	16	(1)	1		**352**
Profit (loss) from continuing operations	**445**	**16**	**(21)**	**4**	**(6)**	**438**
Profit (loss) from discontinued operations or assets held for sale						**0**
Profit (loss)	**445**	**16**	**(21)**	**4**	**(6)**	**438**
Profit (loss) attributable to the equity holders of the parent	**445**	**16**	**(15)**	**3**	**(4)**	**445**
Porfit (loss) attributable to the minority interest	**0**		**(6)**	**1**	**(2)**	**(7)**

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob Regulation under Resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2007	Increase	Decrease	Held at 12/31/2008
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	652,000	0	0	652,000
Sant'Albano Carlo	IFIL ordinary shares (a)	43,500	0	0	43,500
Marocco Antonio Maria	IFIL ordinary shares (a)	73,369	0	0	73,369
Teodorani-Fabbri Pio	IFIL ordinary shares (b)	469,000	0	0	469,000
	Fiat ordinary shares (b)	6,583	0	0	6,583
	Fiat savings shares (b)	5,720	0	0	5,720
Statutory Auditors					
Jona Celesia Lionello	IFIL ordinary shares (b)	785	0	0	785
Piccatti Paolo	Juventus F.C. (a)	540	0	0	540

(a) Direct holding.
(b) Indirect holding through spouse.

Furthermore, on March 7, 2007, there was a communication made pursuant to art. 152-octies, paragraph 7 of Consob Regulation 11971/99 regarding the purchase of 29,000 IFIL ordinary shares on the part of the family of the chief executive officer, Carlo Barel di Sant'Albano.

It should be noted that there are no key managers with strategic responsibilities in IFIL S.p.A..

Programming document on security

The company prepared the programming document on security on December 1, 2008 for the year 2008 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum security measures. The document has been drawn up by the person in charge of the treatment of the data.

REVIEW OF THE OPERATING PERFORMANCE OF THE MAIN HOLDINGS

FIAT GROUP

(30.45% of ordinary capital stock and 30.09% of preferred capital stock)

The consolidated results of the Fiat Group in 2008 can be summarized as follows:

€ in millions	2008	2007	Change Amount	%
Net revenues	**59,380**	58,529	851	1.5
Trading profit	**3,362**	3,233	129	4.0
Operating profit	**2,972**	3,152	(180)	-5.7
Net profit for the year	**1,721**	2,054	(333)	-16.2
Net profit for the year attributable to the equity holders of the parent	**1,612**	1,953	(341)	-17.5

€ in millions	12/31/2008	12/31/2007	Change
Total assets	**61,772**	60,136	1,636
Net debt	**17,954**	10,423	7,531
Equity attributable to the equity holders of the Parent Company	**10,354**	10,606	(252)
Number of employees at the end of the year	**198,348**	185,227	13,121

Net revenues

Group revenues for 2008 total € 59,380 million, up 1.5% year-over-year. A positive performance in the first half (+10.9%) was followed by a slowdown in demand in the third quarter and a progressively significant decline in volumes in the closing months of 2008.

€ in millions	2008	2007	Change %
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**29,380**	29,015	1.3
Agricultural and Construction Equipment (CNH-Case New Holland)	**12,723**	11,843	7.4
Trucks and Commercial Vehicles (Iveco)	**10,768**	11,196	(3.8)
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**13,793**	13,375	3.1
Other businesses (Publishing and Communications, Holding companies and miscellaneous)	**1,394**	1,374	1.5
Eliminations	**(8,678)**	(8,274)	-
Net revenues	**59,380**	58,529	1.5

Trading profit

Group trading profit is € 3,362 million for 2008, up 4% over 2007, and the trading margin rose to 5.7% from 5.5% with a strong contribution from CNH and improved trading performance at Iveco more than offsetting margin declines in other Sectors.

€ in millions	2008	2007	Change Amount
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**1,102**	1,093	9
Agricultural and Construction Equipment (CNH-Case New Holland)	**1,122**	990	132
Trucks and Commercial Vehicles (Iveco)	**838**	813	25
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**402**	509	(107)
Other businesses (Publishing and Communications, Holding Companies and miscellaneous) and Eliminations	**(102)**	(172)	70
Trading profit	**3,362**	3,233	129
Trading margin (%)	**5.7**	5.5	

The breakdown of trading profit by Business/Sector is described below:

Automobiles

The Automobile businesses report trading profit of € 1,102 million for 2008, slightly higher than the € 1,093 million figure for 2007. Trading margin was flat at 3.8%. Lower trading profit at Fiat Group Automobiles (-€ 112 million), reflecting the impact of the market crisis in the last quarter, was more than offset by increases at Ferrari (+27.4%) and Maserati, where trading profit grew from € 24 million for 2007 to € 72 million for 2008.

€ in millions	**2008**	2007	Change
Fiat Group Automobiles	**691**	803	(112)
Maserati	**72**	24	48
Ferrari	**339**	266	73
Trading profit	**1,102**	1,093	9
Trading margin (%)	**3.8**	3.8	

For 2008, **Fiat Group Automobiles** report trading profit of € 691 million (2.6% of revenues), a decline of € 112 million from the € 803 million figure (3% of revenues) recorded in 2007. This decline was entirely attributable to the fourth quarter slump in demand in Western Europe and the economic slowdown in Latin America. The impact on income from the consequent reduction in volumes was only partially compensated by reductions in overheads and production-related costs, including recourse to flexible working arrangements provided under Italian labor legislation. Trading profit for 2007 included a nonrecurring gain of approximately € 65 million (net of nonrecurring charges), while for 2008 it included approximately € 40 million in unabsorbed fixed costs resulting from the two month closure of the Giambattista Vico plant in Pomigliano.

Maserati reports trading profit of € 72 million for the year (8.7% of revenues), representing a significant improvement (+€ 48 million) over the € 24 million figure (3.5% of revenues) for the previous year, due to increased volumes and cost efficiencies.

Ferrari closes 2008 with trading profit of € 339 million (17.6% of revenues), up 27.4% over the € 266 million figure (15.9% of revenues) for 2007. This performance was primarily attributable to cost efficiency gains, which included a decrease in the net cost of Formula 1 racing, and a more favorable sales mix, offset in part by the unfavorable U.S. dollar and Pound sterling exchange rates.

Agricultural and Construction Equipment

CNH – Case New Holland trading profit is € 1,122 million in 2008 (8.8% of revenues), an increase of € 132 million over the € 990 million level (8.4% of revenues) for 2007 (up 21.6% in U.S. dollar terms).

Agricultural equipment sales growth, mix improvements and pricing actions more than offset weakness in the construction equipment industry, higher procurement, manufacturing and shipment costs which were caused by increased agricultural volumes, especially in the first 9 months of the year.

Trucks and Commercial Vehicles

Iveco's trading profit is € 838 million, an increase of € 25 million over the € 813 million figure posted in 2007. The drop in sales volumes was offset by better selling prices achieved from competitive repositioning and a reduced cost of the product. During the year, measures were implemented to contain overheads in prompt response to the perceived fall in demand. The trading margin rose to 7.8% from 7.3% for 2007.

Components and Production Systems

Components and Production Systems report aggregate trading profit of € 402 million (€ 509 million for 2007), with a trading margin of 2.9% (3.8% in 2007). The sharp contraction in demand impacted trading profit at FPT (down € 105 million) and Magneti Marelli (down € 40 million). Teksid's trading profit is down € 6 million (up € 9 million on a comparable basis). Benefiting from the positive effects of the restructuring and repositioning of the business, Comau reports an increase in trading performance of € 44 million.

€ in millions	**2008**	2007	Change
FPT Powertrain Technologies	**166**	271	(105)
Componenti (Magneti Marelli)	**174**	214	(40)
Prodotti metallurgici (Teksid)	**41**	47	(6)
Production Systems (Comau)	**21**	(23)	44
Trading profit	**402**	509	(107)
Trading margin (%)	**2.9**	3.8	

For 2008, **FPT Powertrain Technologies** report trading profit of € 166 million (2.4% of revenues), a € 105 million decrease over the € 271 million figure (3.8% of revenues) for 2007. This decrease was principally the result of a contraction in volumes, worsening of the sales mix and increases in raw materials prices, in addition to start-up costs for new ventures in China and Brazil. There was also a negative impact from costs recognized in the first quarter of 2008 associated with the faulty production of 1.3 Multijet engines as a result of a defective externally provided component. Significant efficiency gains only partially compensated for these negative factors.

Magneti Marelli reports trading profit of € 174 million for 2008 (€ 214 million for 2007). The decrease over 2007 was due to the sharp decline in global demand which prevented the Sector from continuing the positive performance of the first nine months, during which reductions in production costs and positive results in Poland and Brazil compensated for the slowdown in certain regions and an unfavorable product mix. The trading margin for 2008 is 3.2% (4.3% for 2007). On a comparable scope of operations, the trading margin would be 3.7%.

Teksid reports trading profit of € 41 million, down from the € 47 million figure for 2007. On a comparable scope of operations, Teksid would have shown an increase of € 9 million.

Benefiting from the positive effects of the restructuring and repositioning of the business initiated in 2006, **Comau** achieves trading profit of € 21 million for 2008, a significant improvement over the € 23 million loss recorded in 2007. The most significant improvements were for the Body Welding activities in Europe.

Other Businesses

Other Businesses has a trading loss of € 102 million for the year, including the impact of eliminations and consolidation adjustments, a decrease of € 70 million over the € 172 million loss recognized in 2007 primarily attributable to a reduction in costs related to stock option plans.

Operating profit

Operating profit for 2008 is € 2,972 million, compared to € 3,152 million for 2007. The difference is attributable to a € 129 million improvement in trading profit offset by a € 309 million increase in net unusual expense resulting from a € 170 million decrease in gains on disposals of investments, € 60 million in higher restructuring costs and a net increase in other unusual expense of € 79 million.

The breakdown of the principal components of operating profit by Sector is described below:

	Trading profit (loss)		Gains/Losses on the disposal of investments		Restructuring costs		Other unusual income (expenses)		Operating profit (loss)	
€ in millions	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Fiat Group Automobiles	**691**	803	**18**	8	**62**	40	**(187)**	(136)	**460**	635
Maserati	**72**	24	**-**	-	**-**	-	-	(2)	**72**	22
Ferrari	**339**	266	**-**	-	**-**	-	**2**	-	**341**	266
Agricultural and Construction Equipment (CNH)	**1,122**	990	**4**	-	**(14)**	30	**6**	(7)	**1,146**	953
Trucks and Commercial Vehicles (Iveco)	**838**	813	**1**	-	**12**	10	**(48)**	-	**779**	803
Fiat Powertrain Technologies	**166**	271	**1**	-	-	1	**(5)**	(13)	**162**	257
Components (Magneti Marelli)	**174**	214	**-**	-	**77**	-	**(4)**	(5)	**93**	209
Metallurgial Products (Teksid)	**41**	47	**-**	-	**5**	(1)	**13**	(1)	**49**	47
Production Systems (Comau)	**21**	(23)	-	11	**3**	21	**(18)**	-	-	(33)
Other Businesses and Eliminations	**(102)**	(172)	**(4)**	171	**20**	4	**(4)**	(2)	**(130)**	(7)
Total for the Group	**3,362**	3,233	**20**	190	**165**	105	**(245)**	(166)	**2,972**	3,152

Net gains on the disposal of investments total € 20 million in 2008 and include gains of € 14 million on the sale of the interest in the subsidiary S.C.M. Ltda and € 4 million on the sale of Targasys S.r.l.. In 2007, this item totaled € 190 million and mainly consisted of a gain of € 118 million on the sale of the interest held in Mediobanca S.p.A. and a gain of € 42 million following completion of the sale of Ingest Facility S.p.A..

Restructuring costs total € 165 million and mainly relate to Fiat Group Automobiles (€ 62 million) and Magneti Marelli (€ 77 million). In 2007, these costs totaled € 105 million and related primarily to Fiat Group Automobiles (€ 40 million), Agricultural and Construction Equipment (€ 30 million) and Comau (€ 21 million).

Other unusual income (expense) was a negative € 245 million and mainly included costs relating to the rationalization of strategic suppliers (€ 74 million) and additional provisions, associated with the serious and abrupt crisis in the automotive market globally, recognized by FGA and Iveco primarily for residual value risk on both leased vehicles, vehicles sold under buy-back commitments and used vehicles in stock (€ 166 million).
In 2007, this item reflected a net expense of € 166 million which was mainly attributable to rationalization of several strategic suppliers, some of which were acquired in 2007.

Net profit

Net profit (before minority interests) is € 1,721 million for 2008, compared to € 2,054 million for 2007. On a like-for-like basis, and therefore excluding the impact of unusual expenses and the mark-to-market of the equity swaps, net profit for 2008 would be € 2,374 million, a 15% improvement on 2007.
Net profit attributable to equity holders of the Parent Company is € 1,612 million for 2008 (€ 1,953 million for 2007).

As far as the equity and financial situation are concerned, the following data is presented:

Net debt

At December 31, 2008, **net debt** amounts to € 17,954 million, € 7,531 million higher than the € 10,423 million at December 31, 2007, mainly due to higher working capital and the portfolio of the financial services companies.

€ in millions	**12/31/2008**	12/31/2007	Change
Net consolidated debt	**17,954**	10,423	7,531
- Industrial Activities	**5,949**	(355)	6,304
- Financial Services	**12,005**	10,778	1,227

Equity attributable to the equity holders of the Parent Company

Equity attributable to the equity holders of the Parent Company at December 31, 2008 amounts to € 10,354 million (€ 10,606 million at December 31, 2007). The net decrease of € 252 million is formed by the consolidated net income attributable to the equity holders of the parent (+€ 1,612 million), the net change in the income and expense recognized in equity (-€ 1,090 million), the distribution of dividends (-€ 509 million), the purchase of treasury stock (-€ 238 million) and other net changes (-€ 27 million).

Business outlook

As foreseen at the end of the third quarter, the final three months of 2008 confirmed a significant and widespread deterioration of trading conditions across most of the businesses and most of the geographical areas in which the Fiat Group operates. This deterioration has made it even more difficult to forecast with some degree of accuracy the performance of the sectors in 2009. This uncertainty has been compounded by a severe tightening of credit in all major markets, both at the consumer and corporate level, and has begun to create a liquidity squeeze which will ultimately impact the industrial development of most businesses, including and especially the Fiat Group.

It is believed that there will be a continuation of experiencing erratic fluctuations in market sentiments throughout at the least the first semester. For these reasons, the Fiat Group has chosen a strategy of updating the financial markets on a quarterly basis on expected 2009 performance, as evidence materializes about the ultimate shape and quality of the various product demand curves that are being faced.

Notwithstanding this uncertainty, the Fiat Group is of the view that the following conditions will materialize in 2009:

- global demand for its products will decline approximately 20% compared to 2008;
- group trading profit will be in excess of € 1 billion;
- restructuring charges will amount to approximately € 300 million;
- net profit of the group will be in excess of € 300 million;
- group net industrial cash flows will be in excess of € 1 billion, with net industrial debt levels below € 5 billion, at the end of 2009.

While these are yearly objectives, the Fiat Group expects quarter over quarter performance to be uneven, with the first quarter of 2009 being particularly difficult. Improvements should be visible in the remaining three quarters of 2009, as the impact of the restructuring initiatives begins to be felt.

While working on the achievement of these objectives, the Fiat Group will continue to implement its strategy of targeted alliances, in order to optimize capital commitments and reduce risks.

(15% of capital stock through Ifil Investissements)

The highlights of the consolidated results of the SGS Group in 2008 are as follows:

			Change	
CHF in millions	**2008**	2007	Amount	%
Sales	**4,818**	4,372	446	10.2
Operating profit	**937**	690	247	35.8
Profit attributable to the equity holders of the parent	**692**	500	192	38.4
Consolidated net financial position	**248**	378	(130)	-34.4

During 2008, the SGS Group recorded sales of CHF 4.82 billion, with an increase of 17.7% (at the same exchange rate) year-over-year. Organic growth contributed to 15% of the overall growth in sales, while the remaining approximate 3% can be ascribed to the acquisitions made during the period.
All the divisions and geographical areas in which the Group operates registered gains in sales. The Minerals, Oil, Gas and Chemicals, Consumer Testing, Industrial, Environmental, Automotive and Governments & Institutions, in particular, reported increases of more than 10% compared to the prior year, whereas the growth of sales in all geographical areas is in excess of 14%.

The operating profit before nonrecurring items rose by CHF 99 million (+13.9%) to CHF 810 million and operating profit is CHF 937 million, up CHF 247 million (+35.8%) compared to the prior year.

The profit attributable to the equity holders of the parent increased to CHF 692 million, growing 38.4% over 2007. This result includes net nonrecurring income of CHF 113 million relating to the collection of a receivable from the Philippine government.

The net financial position at December 31, 2008 is positive for CHF 248 million. During the course of 2008, net investments were made for CHF 278 million, acquisitions for CHF 184 million, treasury stock purchases for CHF 201 million and dividends were distributed for CHF 267 million.

Despite the difficulty in making forecasts in the current market scenario, the SGS Group expects to continue to grow in 2009, although at lower rates than in previous years, and to confirm its present operating margins.

In view of SGS's good operating performance in 2008 and the nonrecurring receipt of the above-mentioned receivable, the SGS board of directors put forward a motion to the stockholders' meeting for the distribution of dividends of CHF 50 per share, of which CHF 35 represents ordinary dividends (+40% compared to the prior year). The stockholders' meeting approved the motion on March 24, 2009.

(71.81% of capital stock through Ifil Investissements)

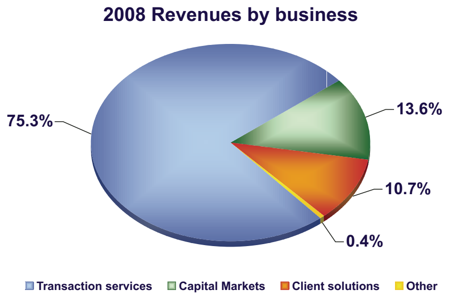
The consolidated data presented and commented below is taken from accounting documents prepared in accordance with IFRS.

			Change	
$ in millions	**2008**	2007	Amount	%
Revenues	**1,808.1**	2,111.7	(303.6)	(14.4)
Net income attributable to the equity holders of the parent [(a)]	**(30.9)**	52.5	(83.4)	n.s.
Equity attributable to the equity holders of the parent	**883.9**	941.7	(57.8)	
Consolidated net financial position	**(150.2)**	3.1	(153.3)	

(a) 2007 pro-forma figure excluding net effect of IFIL-RGI transaction.

In 2008, excluding reimbursed employment costs – managed properties (totaling $288.3 million during the year), the C&W Group recorded net revenues of $1,519.8 million, down by 17.5% compared to 2007 (in which net revenues had reached $1,841.2 million).

Revenues by geographical region			Change	
$ in millions	**2008**	2007	Amount	%
Americas	**998.7**	1,224.8	(226.1)	(18.5)
EMEA	**441.2**	534.0	(92.8)	(17.4)
Asia	**78.9**	72.5	6.4	8.8
Corporate	**1.0**	9.9	(8.9)	n.s.
Total	**1,519.8**	1,841.2	(321.4)	(17.5)


2008 Revenues by business

Geographically, the United States, Canada and South America represent 66% of net revenues for the period (with net revenues of $998.7 million, a decrease of 18.5% compared to 2007, in which the group had nevertheless benefited from an exceptionally important transaction for approximately $20 million of revenues in the United States).
Revenue performance declined in Transaction Services and Capital Markets (respectively for -$116.8 million and -$151.7 million) due in part to sharply reduced sales of investment properties and a decline in leasing transactions.

Europe accounts for approximately 29% of consolidated net revenues ($441.2 million, -17.4% compared to 2007). The contraction in revenues is linked in part to the decrease in value of the Pound sterling against the U.S. dollar and in part by the contraction of revenues in all lines of business.

Asia continues to show solid growth with revenues of $78.9 million, +8.8% compared to 2007 and equal to approximately 5% of the consolidated net revenues of the group.
The bulk of this increase, 66%, comes from the excellent growth performance of the Asset Services businesses, particularly Project Management, where revenues increased by 37% compared to 2007, followed by Global Consulting which recorded an increase of +14% on year-over-year revenues. Transaction Services grew by +1%.

As far as global business activities are concerned, Transactions Services revenues represent 75% of total net sales, followed by Capital Markets and Client Services which constitute, respectively, approximately 14% and 11%.

As for operating margins, the Cushman & Wakefield Group reported a gross operating profit of $59 million. This is a sharp reduction compared to approximately $150 million in 2007 (12 months pro-forma) partly due to the worsening of the economic situation in the second part of the year, the period in which the group's activities are traditionally concentrated.

The net result of the group is a loss of $30.9 million, after depreciation and amortization charges for $61.8 million, approximately $38 million of which relates to intangible assets (including the IFIL-RGI transaction in 2007 and the subsequent acquisitions carried out) and after approximately $19 million in goodwill impairments and restructuring costs.

The group has net indebtedness of approximately $150 million at December 31, 2008 compared to net cash of approximately $3 million at the end of 2007.

Business outlook

Owing to the impact of the economic crisis, in the second half of 2008, C&W had already approved cost cutting initiatives and, in the first quarter of 2009, as a result of the continuing deterioration in the global economic conditions, implemented additional initiatives. C&W expects the total savings from these initiatives to be approximately $156 million in 2009.

The actions to be taken to bring structure costs in line with the current operating scenario in concert with further increases in market share and investments in talent will put the C&W Group into a favorable position when the economic picture begins to turn around.
C&W management continues to pursue a strategy aimed at an ever-increasing diversification of activities and geographical areas combined with maintaining an equity structure that is better capitalized than the other operators in the sector, with a view to reducing earnings volatility.

(100% of capital stock)

In a difficult market scenario – marked by the slowdown of the Italian economy and the weakness in demand in the tourism sector – the Alpitour Group closed its financial year at October 31, 2008 with positive results. Reorganization measures and a revision of the business model enabled Alpitour World to strengthen its solid equity and financial base, ensuring an increasing return on invested capital.

In 2007/2008, the tourism segment showed signs of being sharply affected by the difficult global macroeconomic state of affairs. After a winter season featuring extraordinary outside events, such as the temporary closing of the Kenya destination, forced by the problematical local political situation, the summer season evidenced a considerable decline in demand which manifested also itself, contrary to the past, by a noticeable falloff in last-minute bookings.

Despite this scenario, the group's sales recorded a slight increase over the prior year, profit from ordinary operations is € 21.8 million and profit attributable to the equity holders of the parent is € 3 million. At the balance sheet level, a further and significant improvement was recorded in the consolidated net financial position which reached € 33.6 million, almost double that of € 17.3 million at October 31, 2007.

The key profit and equity data for the financial years 2007/2008 and 2006/2007 is as follows:

			Change	
€ in millions	**2007/2008**	2006/2007	Amount	%
Net sales	**1,237.3**	1,236.0	1.3	0.1
Contribution margin	**209.6**	211.0	(1.4)	-0.7
Profit from ordinary operations	**21.8**	24.4	(2.6)	-10.7
Profit attributable to the equity holders of the parent	**3.0**	7.5	(4.5)	-60.0
Equity attributable to the equity holders of the parent	**84.2**	78.8	5.4	6.9
Consolidated net financial position	**33.6**	17.3	16.3	n.s.

Consolidated net sales for the year 2007/2008 total € 1,237.3 million, an amount basically in line with the prior year (€ 1,236 million). The positive effects of the growth in sales of the M.I.C.E. division, and the incoming and aviation divisions which significantly raised their commercial transactions with third-party operators, have been offset by the contraction in sales recorded by the tour operating and hotel segments.

The contribution margin is equal to € 209.6 million, compared to € 211 million in 2007/2008, with the sales ratio at 16.9%, more or less the same as last year. Targeted rationalization policies and flexibility in direct overheads (a reduction in guarantee commitments), combined with sales policies put into place to support margins and sales, led the way to containing and mitigating the negative effects of the increase in the costs of direct services and raw materials (fuel) and protecting sales volumes in a market troubled by widespread weakness.

In 2007/2008, the profit from ordinary operations is € 21.8 million, against € 24.4 million in the prior year.

The profit attributable to the equity holders of the parent is € 3 million, compared to a corresponding profit of € 7.5 million in 2006/2007. Excluding the effect of nonrecurring income from the disposal of investments for € 7.8 million posted in 2006/2007, the profit for the year 2007/2008 would show an increase of approximately € 3.3 million.

Equity attributable to the equity holders of the parent went from € 78.8 million to € 84.2 million in 2007/2008, while the net financial position of the group at October 31, 2008 is positive for € 33.6 million, with an increase of € 16.3 million compared to October 31, 2007. The change is due mainly to operating cash flows during the year.

Consolidated sales by division of the Alpitour Group are as follows:

			Change	
€ in millions	**2007/2008**	2006/2007	Amount	%
Tour operating	**872.9**	879.8	(6.9)	-0.8
Hotel	**98.9**	112.8	(13.9)	-12.3
Aviation	**151.0**	153.7	(2.7)	-1.8
Distribution	**34.6**	34.3	0.3	0.8
Incoming	**271.2**	274.1	(2.9)	-1.1
Incentive e Grandi Eventi	**35.2**	28.6	6.7	23.4
Total	**1,463.7**	1,483.2	(19.5)	-1.3
Elimination of intragroup transactions	**(226.4)**	(247.2)	20.8	-8.4
Total	**1,237.3**	1,236.0	1.3	0.1

As far as Tour Operating is concerned, compared to the prior year, 2007/2008 shows a contraction in volumes of -5.6%. In fact, the number of passengers is 845 thousand against 895 thousand passengers in 2006/2007. Sales, as a consequence, show the same trend, although to a lesser degree, and total € 872.9 million (€ 879.8 million in the year 2006/2007), equal to a reduction of 0.8%. These trends are not only due to an overall slowdown in demand concentrated mainly in the summer season but also to a different sales mix marked by a more favorable portfolio on some long-haul destinations (the Orient, Madagascar and North America) and top-of-the-line products (Viaggidea) as well as a commercial policy aimed at maintaining sales prices the same as those in the catalog.

With the aim of continually protecting margins and maintaining discounted sales at a normal level, the company has again launched an early booking campaign in which customers are offered lower rates. Such actions have indeed made it possible to optimize the costs and the risks related both to services on land and plane seat availability, besides producing benefits in the programming of operations.

In 2007/2008, compared to the prior year, a significant improvement was noted in destinations to Egypt, the Orient, Madagascar and North America, the latter because of the favorable USD/Eur exchange rate. Instead, a decline was noted in destinations to the Caribbean, continental Spain, the Canary Islands, the Balearic Islands, Europe and Italy, as well as Africa. That last destination, in particular, was heavily penalized by the effects generated by political tensions in Kenya.

The hotel sector in 2007/2008 recorded sales of € 98.9 million against € 112.8 million in the prior year, including € 33.4 million from tour operators of the group (€ 41.7 million at October 31, 2007). The decrease in sales from last year (approximately -12.3%) is largely the result of the deconsolidation of the “Kelibia” structure (sold to others in October 2007), “Villaggio Bravo Kiwengwa” (sold to others in January 2008) and “Hotel Mediterraneo” (sold to others in July 2008) and three Italian hotel structures whose leases expired during the previous year. The weakness of the U.S. dollar against the euro also produced a negative effect on the flow of American tourists to Rome. This caused a contraction of revenues from the city hotel structures compared to trends in 2006/2007.

The aviation division, headed by the Neos airline company, reported sales of € 151 million in 2007/2008 (€ 153.7 million in 2006/2007), including € 86.7 million with the group (€ 91.1 million in 2006/2007). The year just ended was characterized by a winter program which included new long-haul destinations (Guadalupe and Madagascar) and an approximate 2.8% increase in traffic with third-party operators. In summer season, on the other hand, lease contracts were signed with two third-party operators using a wet lease formula for two B767-300 aircraft and the addition of some new short-haul charter destinations (Turkey and Tunisia).

The distribution sector operates through the Welcome Travel agency network which manages 740 agencies (63 owned, 38 partnerships and 639 affiliates), 87 more agencies since October 3 ,2007. In 2007/2008, the distribution sector reported sales of approximately € 34.6 million compared to € 34.3 million in 2006/2007. Lastly, during the year 2007/2008, the Welcome Travel agency network registers brokered sales volumes of approximately € 800 million against a corresponding amount of € 700 million in the prior year.

The incoming sector (Jumbo Tours Group), during 2007/2008, posts sales of € 271.2 million (€ 274.1 million in 2006/2007), including € 87.7 million with the Alpitour Group (€ 94.1 in the preceding year). The increase in sales from third-party operators, equal to 1.9%, was more than offset by the contraction in volumes generated by the group which reported a decline mainly over the entire area of Spain (continental Spain, the Balearic Islands and the Canary Islands).

The M.I.C.E. sector, headed by the company AW Events, has sales of € 35.2 million in the year 2007/2008, compared to € 28.6 million in the prior year (+23.4%).
These results, which represent an important inversion of the trend compared to the difficulties experienced in the last two years, can mainly be ascribed to the positive effects of the conferral of the Fiorio Management S.r.l. business segment to FRI M.I.C.E. S.r.l., at the end of the previous year. The marriage of the two leaders in the M.I.C.E. sector has, in fact, brought synergies in terms of know-how, a better rationalization of resources as well as a broader and diversified product offering to the clientele. The increase in sales also led to an inversion of the profit trend so that margins are once again positive.

Business outlook

The onset of the new winter season 2008/2009 is confirming signs of a slowdown that were already evident in the second half of the year ended October 31, 2008.
The overall climate of uncertainty which has clouded the economic scenario has also had a severe impact on the tourism industry. With the exception of New Year's, where the results are considered satisfactory, the early months of the year, compared to the same period of 2007-2008, recorded a decline in sales, including the order portfolio for future travel, and a further focus of the client on the price, a sign of a generalized reduced capacity for spending.
Nevertheless, in the year 2008-2009, the Alpitour Group will be involved in more development and investment activities aimed at consolidating its leadership position in the Italian market with a view to the long term. In light of the difficult economic state of affairs in which the group is operating, all the companies are implementing plans aimed at reducing and containing structure costs without penalizing growth efforts.

The group's objective for the current year is to confirm the profitability achieved in 2008, consolidate the return on invested capital and further improve the financial situation. These objectives, nonetheless, cannot be achieved without a recovery in consumer and market confidence, in addition to a lasting serene international political situation.

(60% of capital stock)

The following data and comments are taken from the half-year report at December 31, 2008. Since Juventus F.C.’s financial year ends on June 30 of every year, and in view of the highly seasonal nature typical of this sector, the data presented should not be construed as representing the basis for a full-year projection.

€ in millions	**I Half 2008**	I Half 2007	Change
Revenues	**124.0**	106.8	17.2
Operating income	**17.8**	5.8	12.0
Net income	**14.6**	0.3	14.3

	12/31/2008	6/30/2008	Change
Shareholders' equity	**109.9**	95.4	14.5
Net financial position	**11.3**	11.3	0.0

Revenues for the first half of 2008/2009 total € 124 million. This is an increase of 16.1% compared to € 106.8 million in the first half of the prior year due mainly to higher income from radio and television rights recorded following participation in the UEFA Champions League games.

Operating costs in the first half totaling € 91.6 million rose by 6.2% compared to € 86.3 million in the corresponding period of the prior year due mainly to higher salaries paid to players.
Amortization and writedowns of players' rights in the six months total € 13.9 million. This is an increase compared to € 13.3 million in the first half of 2007/2008 and is largely the effect of investments and disposals made during the first phase of the Transfer Campaign 2008/2009.

Operating income in the first half is € 17.8 million compared to € 5.8 million in the first six months of 2007 while net income amounts to € 14.6 million against € 0.3 million in the same period of the prior year.

Shareholders' equity at December 31, 2008 is € 109.9 million, an increase compared to € 95.4 million at June 30, 2008, attributable primarily to the net income for the period.

Net financial position at December 31, 2008 is positive for € 11.3 million, unchanged compared to June 30, 2008.

With regard to significant events subsequent to December 31, 2008, these are described in the following paragraphs.

Stadium Project
On February 23, 2009, the PRIN was approved definitively and without observations by the Turin City Council. At the same time, the City Council approved the new agreement that regulates the long-term lease related to the whole area to take into account the variations that have taken place for the new stadium project and related commercial areas. The final approval of the PRIN, after the outcome of the VIA (Environmental Impact Assessment) verification procedure, will make it possible to issue the building permits and construct the new stadium and the adjacent commercial area.

When these building permits are issued, the preliminary sales contract signed with Nordiconad Soc. Coop. on December 19, 2008 will come into force. This envisages the construction of an innovative, modern commercial center integrated into the area surrounding the Stadium. This preliminary contract involves Juventus F.C.'s sale to Nordiconad, by September 30, 2009, of the business segment including part of the areas acquired with the long-term lease, the project for the commercial areas and the commercial authorizations for them, for a sum of € 20.25 million, € 4 million of which has already been received as a deposit, € 4.25 million to be received when

the notary public's deed of sale of the business segment is signed, € 1 million to be received on completion of the work. The remaining € 11 million will be settled by Nordiconad with the City of Turin as the balance of the sum still due by Juventus F.C. to the City for the acquisition of the long-term lease of the area. Nordiconad has also assumed responsibility for the urbanization fees (expenses for the utilities and infrastructures for the commercial areas).
It is estimated that, at the time of the actual transfer of the business segment, the overall economic effect of the sale should be positive for approximately € 3 million.

Sale of Campi di Vinovo S.p.A.
In reference to the sale to Costruzioni Generali Gilardi S.p.A. (hereafter "CGG") of the investment in Campi di Vinovo S.p.A. made in the previous year, news has been received that Campi di Vinovo S.p.A. has concluded the administrative process linked to the commercial authorizations, including the design modifications envisaged by the contract signed on July 26, 2007 between Juventus F.C. and the buyer CGG. On December 22, 2008, Costruzioni Generali Gilardi S.p.A. notified Juventus F.C. that the other company with which it had signed an agreement for the development of the "Mondo Juve" commercial center indicated that it did not wish to execute the contract. As a result of the difficulty in executing the above contract, Costruzioni Generali Gilardi S.p.A. was not able to make the payment by December 31, 2008 as established in the agreements signed with Juventus F.C. on July 26, 2007 (€ 12.5 million). Following Costruzioni Generali Gilardi S.p.A.'s explicit request, on February 5, 2009, Juventus F.C. and Costruzioni Generali Gilardi S.p.A. then signed a private contract for the novation and integration of the previous agreements in order to change the payment terms of the installment due on December 31, 2008 as follows: € 4 million by February 20, 2009 (duly paid) and the remaining € 8.5 million by December 20, 2009, which can be extended by agreement between the parties upon payment of interest to Juventus F.C.. As for the other payment dates fixed in the July 26, 2007 contract (€ 12.5 million at the end of the first year after the commercial center is opened to the public and, in any case, no later than December 31, 2012, and € 17.4 million at the end of the second year after the opening of the commercial center to the public and, in any case, no later than December 31, 2013), these dates may be postponed if and when Costruzioni Generali Gilardi S.p.A. obtains the extension of the commercial permits relating to the initiative (currently expiring in 2013).

Business outlook

Based upon the information currently available and in the absence of any events of an extraordinary nature, Juventus F.C. expects to close the year basically with a breakeven.

SEQUANA

(26.65% of capital stock through Ifil Investissements)

The highlights of the consolidated results of the Sequana Group in 2008 are as follows:

	Reported	Pro-forma	Reported	Change 2008 vs Pro-forma 2007	
€ in millions	**2008**	2007	2007	Amount	%
Net sales	**4,951**	5,158	4,290	(207)	-4.0
Gross operating profit	**221**	232	192	(11)	-4.7
Trading profit	**136**	158	113	(22)	-13.9
Current profit	**68**	99	74	(31)	-31.3
Profit (loss) attributable to the equity holders of the parent	**(428)**	155	142	(583)	n.s.
Equity attributable to the equity holders of the parent	**714**	1,287	1,287	(573)	-44.5
Net indebtedness	**791**	771	771	20	2.6

The 2007 "Pro-forma" results include the Dalum Papir A/S and Map Merchant activities from January 1, 2007 and the reclassification of the Papiers Autocopiants and Décor Asie activities of Arjowiggins to "Profit from discontinued operations".
For purposes of a more meaningful comparison between the two years, the comments that follow and the changes in the income statement figures and percentages in the table are calculated on the "Pro-forma" 2007 results on a like-for-like basis.
Gross operating profit is equal to trading profit before depreciation and amortization charges.

Sequana sales for 2008 amount to € 4,951 million, with a decrease of 4% (0.5% at stable exchange rates).
Higher raw materials and energy prices, combined with a reduction in sales volumes in the second half of 2008, adversely affected gross operating profit which declined by 4.7% from 2007 to € 221 million.
The trading profit is equal to € 136 million, down by 13.9% from 2007, equivalent to an operating margin of 2.7%.
The current profit is equal to € 68 million, down by 31.3% from 2007 (€ 99 million).
The loss attributable to the equity holders of the parent is -€ 428 million (equal to a diluted loss per share of € 8.7) and reflects the recognition of nonrecurring losses in 2008 for € 496 million.

Net debt is equal to € 791 million at the end of December 2008 compared to € 771 million at December 31, 2007.
The increase of € 20 million is largely due to investments, restructuring expenditures and dividends distributed which are offset by a better management of working capital compared to the prior year.

Antalis generated sales of € 3.4 billion in 2008, a decrease of 6.1% compared to 2007 (-2.7% at stable exchange rates).
In the first half, Antalis strengthened its competitive position in Europe following the integration of Map's activities and its presence in geographical areas and business segments in rapid expansion. Conversely, the trend in the second half was severely hampered by the economic crisis, causing a noticeable decline in sales in Europe and, to a lesser degree, in the rest of the world.
Notwithstanding the downturn in sales volumes, the positive effect of the integration of Map allowed Antalis to maintain its operating profit at the same level as 2007 and slightly increase its operating margin to 2.7% (2.6% in 2007).

The greatest benefits from the integration of Antalis with Map are expected to occur during 2009, for an estimated amount of € 28 million, on an annual basis. Moreover, Antalis will continue to pursue its structural plan to cut costs through the disposal of non-strategic assets (the proceeds from the disposal of the Bernard Dumas and Antalis Promotional Products activities, for approximately € 50 million, are expected to be received in 2009).

Arjowiggins reported sales of € 1.8 billion, a decrease of 1.7% compared to 2007, but an increase of 1.5% at comparable exchange rates.
In the first half, the policy raising sales prices was able to compensate the negative impact of higher raw materials and energy costs.
In the second half, the benefit from the reduction of those external costs was thwarted by the sharp fall in demand (especially in the last quarter of the year) which led to a decrease in gross operating profit for the year of 18% compared to 2007.

The restructuring plan begun in 2008 is beginning to bear the first positive results in terms of structure costs, making it possible for Arjowiggins to confront the current market crisis and the difficult prospects of the economic situation in 2009 in the best manner possible.
The objective of maintaining the product pricing policy means that Arjowiggins will introduce further actions aimed at reducing excess production capacity.
The closing of the factories at Dartford and Bor will reduce production capacity by 30% overall, producing a benefit in terms of lower costs equal to € 20 million on an annual basis.

Given the difficult economic scenario, the board of directors has voted not to put forward a motion to the stockholders' meeting convened for May 27, 2009 for the payment of dividends.

Business outlook

In 2009, Antalis should fully benefit from the synergies connected with the acquisition of Map (€ 28 million on an annual basis), a different product mix thanks to the integration of the creation papers business and will continue to pursue strategies to reduce structure costs.
At the same time, the efforts that have already been undertaken by Arjowiggins during 2008 to reduce production capacity and the relative structure costs, will be continued during 2009 with the aim of maintaining the current pricing policy.
Overall, the plans to cut costs should result in savings at the group level estimated in a range of between € 35 million and € 50 million a year.

Notwithstanding the very difficult economic situation in 2009, the group confirms its financial capacity to support the action plans underway, also by way of continuing a vigilant and more efficient management of its working capital.

EXOR S.A. (Luxembourg) (formerly Ifil Investissements S.A.)

(100% of capital stock directly)

The highlights of the financial statements at December 31, 2008, prepared under the laws of Luxembourg, are as follows:

€ in millions	**2008**	2007	Change
(Loss) Profit for the year	**(13.8)**	136.5	(150.3)
Equity	**2,455.6**	2,469.4	(13.8)
Non-current financial assets	**2,511.5**	2,423.2	88.3
Net financial position	**(52.8)**	48.0	(100.8)

The major events in 2008 and in the first quarter of 2009 are described in a specific section of this report.

At December 31, 2008, non-current financial assets include the following investments and bonds:

	12/31/2008				
€ in millions	Number of shares	**% of capital stock**	**Carrying amount**	12/31/2007	Change
Sequana S.A.	13,203,139	**26.65**	**183.1**	183.1	0.0
SGS S.A.	1,173,400	**15.00**	**1,016.3**	1,016.3	0.0
C&W Group Inc.	511,015	**71.81**	**495.2**	483.6	11.6
Gruppo Banca Leonardo S.p.A.	25,255,537	**9.76**	**82.4**	82.4	0.0
Ancom USA	10	**100.00**	**9.7**	9.7	0.0
NoCo B LP			**22.9**	11.9	11.0
Banijay Holding S.A.S.	212,500	**17.03**	**21.4**	0.0	21.4
Ifil International Finance Ltd	4,000,000	**100.00**	**594.0**	594.0	0.0
Ifilgroup Finance Ltd (in a wind-up)	4,000,000	**100.00**	**-**	4.0	(4.0)
Ifil USA Inc.	100	**100.00**	**0.6**	0.6	0.0
Other	-	**-**	**0.4**	0.3	0.1
Total investments			**2,426.0**	2,385.9	40.1
Other non-current financial assets	-	-	**85.5**	37.3	48.2
Total non-current financial assets			**2,511.5**	2,423.2	88.3

The comparison between carrying amounts and market prices of listed investments shows unrealized losses as follows:

€ in millions	Sequana	SGS	**Total**
Market price at December 31, 2008	(125.9)	(147.1)	**(273.0)**
Market price at February 27, 2009, update	(124.6)	(178.2)	**(302.8)**

Highlights of the financial statements of the other major subsidiaries in the “Holdings Systems” are presented on the following page.

EXOR Capital Limited (Ireland) (formerly Ifil International Finance Ltd)

(100% of capital stock through Ifil Investissements)

The highlights of the financial statements at December 31, 2008, prepared under the laws of Ireland, are as follows:

€ in millions	**2008**	2007	Change
Profit for the year	**0.1**	0.1	0.0
Equity	**595.0**	594.9	0.1
Non-current financial receivables from Ifil Investissements S.A. (a)	**590.0**	590.0	0.0
Net financial position	**595.0**	595.0	0.0

(a) Due in 2010.

EXOR Inc. (United States) (formerly Ifil USA Inc.)

(100% of capital stock through Ifil Investissements)

The highlights of the financial statements at December 31, 2008, prepared under the laws of the United States, are as follows:

USD in thousands	**2008**	2007	Change
Profit for the year	**224.4**	41.8	182.6
Equity	**1,188.8**	964.4	224.4
Net financial position	**431.4**	489.6	(58.2)

Ifil Asia Ltd (Hong Kong)

(100% of capital stock through Ifil Investissements)

The highlights of the financial statements at December 31, 2008, prepared under local law, are as follows:

HKD in thousands	**2008**	2007	Change
Profit for the year	**69.0**	137.3	(68.3)
Equity	**921.0**	852.1	68.9
Net financial position	**1,489.2**	2,796.3	(1,307.1)

Ancom USA Inc (United States)

(100% of capital stock through Ifil Investissements)

USD in thousands	**2008**	2007	Change
Loss for the year	**(1,288.0)**	(1,169.7)	(118.3)
Equity	**5,240.8**	6,403.8	(1,163.0)
Non-current financial assets	**20,060.0**	20,060.0	0.0
Net financial position	**20.1**	61.6	(41.5)

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

Stockholders,

We invite you to approve the separate financial statements for the year ended December 31, 2008 which show a profit of € 356,476,843 and equity of € 3,916,931,410.

Turin, March 25, 2009

On behalf of the Board of Directors
The Chairman
John Elkann

investments IFIL

Separate Financial Statements
at December 31, 2008

SEPARATE INCOME STATEMENT

Amounts in Euro	Note	2008	2007	Change
Investment income (charges)				
Dividends from investments	**9**	**255,636,122**	171,354,772	84,281,350
Gains on sales of investments	**10**	**167,468,287**	0	167,468,287
Impairment reversals on investments	**11**	**0**	19,266,870	(19,266,870)
Impairment losses on investments		**(4,098)**	(3,435)	(663)
Net investment income		**423,100,311**	190,618,207	232,482,104
Financial income (expenses)				
Financial expenses from third parties	**12**	**(84,209,618)**	(43,936,765)	(40,272,853)
Financial expenses from related parties		**0**	(3,748,643)	3,748,643
Financial income from third parties	**13**	**29,955,844**	8,168,473	21,787,371
Financial income from related parties	**39**	**1,456,474**	1,162,309	294,165
Foreign exchange gains (losses)	**14**	**4,069,507**	(616,058)	4,685,565
Net financial expenses		**(48,727,793)**	(38,970,684)	(9,757,109)
Net general expenses				
Personnel costs	**15**	**(8,652,837)**	(9,121,683)	468,846
Purchases of goods and services from third parties	**16**	**(3,733,463)**	(5,467,918)	1,734,455
Purchases of goods and services from related parties	**39**	**(5,892,634)**	(5,931,766)	39,132
Other current operating expenses	**17**	**(3,118,321)**	(2,881,522)	(236,799)
Depreciation and amortization		**(2,940)**	(28,124)	25,184
		(21,400,195)	(23,431,013)	2,030,818
Revenues from third parties		**156,409**	180,328	(23,919)
Revenues from related parties	**39**	**588,364**	480,036	108,328
		744,773	660,364	84,409
Net general expenses		**(20,655,422)**	(22,770,649)	2,115,227
Other nonrecurring income (expenses)				
Other nonrecurring income from third parties		**0**	3,524,932	(3,524,932)
Other nonrecurring income from related parties	**39**	**7,795,801**	0	7,795,801
Other nonrecurring expenses from related parties	**39**	**(5,000,000)**	(12,751,365)	7,751,365
Other nonrecurring expenses		**2,795,801**	(9,226,433)	12,022,234
Profit before income taxes		**356,512,897**	119,650,441	236,862,456
Income taxes	**18**	**(36,054)**	3,747,557	(3,783,611)
Profit for the year		**356,476,843**	123,397,998	233,078,845

SEPARATE BALANCE SHEET

Amounts in Euro	Note	12/31/2008	12/31/2007	Change
Non-current assets				
Investments accounted for at cost		**3,800,471,559**	3,763,824,476	36,647,083
Available-for-sale investments		**297,242,000**	1,564,677,543	(1,267,435,543)
Total Investments	19	**4,097,713,559**	5,328,502,019	(1,230,788,460)
Other financial assets		**196,458**	284,921	(88,463)
Intangible assets		**2,667**	0	2,667
Property, plant and equipment		**321**	428	(107)
Other receivables		**1,291**	1,291	0
Total Non-current assets		**4,097,914,296**	5,328,788,659	(1,230,874,363)
Current assets				
Financial assets held for trading	20	**170,498,715**	47,856,201	122,642,514
Cash and cash equivalents	21	**411,398,343**	165,552,625	245,845,718
Other financial assets	22	**958,964**	4,348,454	(3,389,490)
Tax receivables	23	**43,189,295**	47,108,544	(3,919,249)
Financial receivables from related parties	39	**199,456,474**	0	199,456,474
Trade receivables from related parties	39	**223,471**	122,724	100,747
Other receivables	24	**3,574,753**	129,348	3,445,405
Total Current assets		**829,300,015**	265,117,896	564,182,119
Total Assets		**4,927,214,311**	5,593,906,555	(666,692,244)
Equity				
Capital stock	25	**1,075,995,737**	1,075,995,737	0
Capital reserves	26	**1,456,923,529**	1,456,923,529	0
Retained earnings and other reserves	27	**1,179,680,684**	1,959,005,141	(779,324,457)
Treasury stock	29	**(152,145,383)**	(48,450,271)	(103,695,112)
Profit for the year		**356,476,843**	123,397,998	233,078,845
Total Equity		**3,916,931,410**	4,566,872,134	(649,940,724)
Non-current liabilities				
Non-convertible bonds	31	**944,178,905**	943,577,762	601,143
Deferred tax liabilities	32	**21,602,458**	33,100,815	(11,498,357)
Provisions for employee benefits	33	**2,279,902**	2,298,854	(18,952)
Other payables		**56,099**	127,150	(71,051)
Total Non-current liabilities		**968,117,364**	979,104,581	(10,987,217)
Current liabilities				
Bank debt		**334,476**	0	334,476
Other financial liabilities	34	**28,541,708**	23,624,474	4,917,234
Trade payables and other payables to related parties	39	**8,948,811**	18,338,163	(9,389,352)
Trade payables to third parties		**1,218,023**	1,935,670	(717,647)
Tax payables		**727,440**	1,000,220	(272,780)
Other payables	35	**2,395,079**	3,031,313	(636,234)
Total Current liabilities		**42,165,537**	47,929,840	(5,764,303)
Total Equity and liabilities		**4,927,214,311**	5,593,906,555	(666,692,244)

SEPARATE STATEMENT OF CHANGES IN EQUITY

Amounts in Euro	Capital stock	Capital reserves	Retained earnings and other reserves	Treasury stock	Profit for the year	Total Equity
Equity at January 1, 2007	**1,075,995,737**	**1,456,923,529**	**1,477,673,604**	**(48,450,271)**	**625,320,513**	**4,587,463,112**
Dividends distributed to stockholders (€ 0.1 per ordinary share, € 0.1207 per savings share)					(107,133,102)	(107,133,102)
Movements among reserves			518,187,411		(518,187,411)	0
Fair value changes to investments			(75,605,761)			(75,605,761)
Release of deferred taxes on fair value changes to investments			1,039,579			1,039,579
Release of deferred taxes on fair value changes to investments for reduction in IRES tax rate and taxable change			35,685,299			35,685,299
Fair value changes to cash flow hedge derivatives			2,074,075			2,074,075
Actuarial gains (losses) recognized directly in equity			(54,396)			(54,396)
Dividends statute-barred			5,330			5,330
Profit for the year					123,397,998	123,397,998
Net changes during the year	**0**	**0**	**481,331,537**	**0**	**(501,922,515)**	**(20,590,978)**
Equity at December 31, 2007	**1,075,995,737**	**1,456,923,529**	**1,959,005,141**	**(48,450,271)**	**123,397,998**	**4,566,872,134**
Dividends distributed to stockholders (€ 0.1 per ordinary share, € 0.1207 per savings share)					(106,296,621)	(106,296,621)
Movements among reserves			17,101,377		(17,101,377)	0
Fair value change on sale of 171,916,165 Intesa Sanpaolo ordinary shares			(496,949,683)			(496,949,683)
Release of deferred taxes on fair value changes to investments on sale of 171,916,165 Intesa Sanpaolo ordinary shares			6,828,802			6,828,802
Purchase of 20,783,200 IFIL ordinary shares				(99,752,539)		(99,752,539)
Purchase of 917,000 IFIL savings shares				(3,942,573)		(3,942,573)
Fair value changes to investments			(339,604,000)			(339,604,000)
Release of deferred taxes on fair value changes to investments			4,669,555			4,669,555
Fair value changes to cash flow hedge derivatives			(9,057,131)			(9,057,131)
Effect of wind-up of Ifil Investment Holding			36,378,030			36,378,030
Grant of IFIL stock options			1,202,662			1,202,662
Actuarial gains (losses) recognized directly in equity			105,931			105,931
Profit for the year					356,476,843	356,476,843
Net changes during the year	**0**	**0**	**(779,324,457)**	**(103,695,112)**	**233,078,845**	**(649,940,724)**
Equity at December 31, 2008	**1,075,995,737**	**1,456,923,529**	**1,179,680,684**	**(152,145,383)**	**356,476,843**	**3,916,931,410**
Note	**25**	**26**	**27**	**29**		

STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR 2008 AND 2007

Amounts in Euro	**2008**	2007
Gains (losses) recognized directly in the cash flow hedge reserve	**(9,057,131)**	2,074,075
Gains (losses) recognized directly in the reserve for fair value adjustments of available-for-sale financial assets	**(836,553,683)**	(75,605,761)
Deferred taxes on fair value changes to investments	**11,498,357**	36,724,878
Effect of wind-up of Ifil Investment Holding	**36,378,030**	0
Actuarial gains (losses) recognized directly in equity	**105,931**	(54,396)
Income (expenses) recognized directly in equity	**(797,628,496)**	(36,861,204)
Profit for the year	**356,476,843**	123,397,998
Total recognized income and expense	**(441,151,653)**	86,536,794

SEPARATE STATEMENT OF CASH FLOWS

Amounts in Euro	Note	2008	2007
Cash and cash equivalents, at start of year		165,552,625	309,025
Cash flows from (used in) operating activities			
Profit for the year		356,476,843	123,397,998
Adjustments for:			
Gains on sales of investments	10	(167,468,287)	0
Depreciation and amortization		2,940	28,124
Impairment reversals on investments	11	0	(19,266,870)
Accruals for deferred taxes		0	(3,747,557)
Impairment losses on investments		4,098	3,435
Other nonrecurring (income) expenses, accrued and not yet collected/paid		(6,866,290)	9,226,433
Total adjustments		(174,327,539)	(13,756,435)
Change in working capital:			
Change in other financial assets, current and non-current		3,477,953	(2,324,542)
Change in tax receivables, excluding items adjusting profit for the year		3,919,249	86,419
Change in trade receivables from related parties		(100,747)	441,518
Change in other receivables, current and non-current		(3,445,405)	59,532
Change in other payables, current and non-current		(707,285)	(3,664,068)
Change in other financial liabilities, current and non-current		4,917,234	22,180,280
Change in trade payables and other payables to related parties, excluding items adjusting profit for the year		(1,593,551)	(6,077,321)
Change in trade payables to third parties		(717,646)	(72,996)
Change in tax payables		(272,780)	(13,757)
Net change in provisions for employee benefits, excluding actuarial differences recognized in equity		86,979	(35,873)
Net change in working capital		5,564,001	10,579,192
Net cash flows from (used in) operating activities		187,713,305	120,220,755
Cash flows from (used in) investing activities			
Purchases of property, plant and equipment and intangible assets		(5,500)	(1,678)
Investments in current financial assets	20	(122,642,514)	(47,856,201)
Proceeds from sale of investment	10	598,350,146	0
Investments in equity investments	19	0	(62,905,766)
Loans to related parties	39	(199,456,474)	0
Purchase of treasury stock	29	(103,695,112)	0
Net cash flows from (used in) investing activities		172,550,546	(110,763,645)
Cash flows from (used in) financing activities			
Loans secured from related parties (or repaid)		0	(208,911,705)
Bonds issued 2007/2017	31	0	744,223,654
Other changes in bonds	31	601,143	187,846
Net change in bank debt		334,476	(274,659,608)
Changes in fair value of cash flow hedge derivatives		(9,057,131)	2,074,075
Dividends distributed		(106,296,621)	(107,133,102)
Dividends statute-barred		0	5,330
Cash flows from (used in) financing activities		(114,418,133)	155,786,490
Net increase in cash and cash equivalents		245,845,718	165,243,600
Cash and cash equivalents, at end of year		411,398,343	165,552,625

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Notice

On February 20, 2009, the deed was signed for the merger by incorporation of IFIL Investments S.p.A. in IFI – Istituto Finanziario Industriale S.p.A., which assumed the new name of EXOR S.p.A., with effect from March 1, 2009.

On the same date, the board of directors and the board of statutory auditors of the merged company resigned.

This Annual Report 2008 of IFIL Investments S.p.A. was approved by the board of directors of EXOR S.p.A., the surviving company, in its meeting held on March 25, 2009.

The merger will not modify the Group's programs as EXOR, which already had control of IFIL, will continue its investments activities.

2. General information on the activities of the company

Please refer to the Introduction in the Report on Operations.

3. General principles for the basis of presentation of the separate financial statements

Starting from the financial year 2006, the separate financial statements of IFIL S.p.A. have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and recognized by the European Community in accordance with Regulation 1606/2002 of the European Parliament and Council dated July 19, 2002. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The disclosure required by IFRS 1 – First-time Adoption of IFRS, relative to the effects of the transition to IFRS, was presented in a specific Appendix to the separate financial statements at December 31, 2006.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 dated July 27, 2006 and in Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

4. Formats of the separate financial statements and other information

The separate income statement is presented using a classification based on the nature of the revenues and expenses, with the presentation of investment income (charges) and financial income (expenses) taking preference since these items are characteristic of IFIL S.p.A.'s activities.

In the separate balance sheet, the current/non-current distinction has been adopted for the presentation of assets and liabilities.
A specific section of the separate statement of changes in equity presents the total income and expense recognized directly as an increase or decrease of reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the company's functional currency and presentation currency.

In the separate financial statements, the amounts are present in Euro.
The notes are expressed in thousands of Euro, unless otherwise indicated.

Major events in 2008 and in the first two months of 2009 are presented in a specific section of the Report on Operations. Note should be taken of the fact that on March 1, 2009, the merger by incorporation of IFIL S.p.A. in IFI S.p.A. took effect and IFI S.p.A. assumed the name of EXOR S.p.A..

5. Related party transactions, unusual and/or atypical transactions and significant nonrecurring events and transactions

Related party transactions

The balance sheet and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 39.

Stock option plan with underlying Alpitour stock

At December 31, 2008, the liability in respect of the stock option plan with underlying Alpitour stock amounts to € 8.1 million compared to € 15.9 million at December 31, 2007. The difference of € 7.8 million was recorded in the income statement in "Other nonrecurring income (expenses) from related parties". Additional information is provided in Note 30.

Other than what has been indicated, there are no other significant nonrecurring events or transactions or unusual and/or atypical transactions that require mention pursuant to Consob communication 6064293 dated July 28, 2006.

6. Significant accounting policies

General principle

The financial statements of IFIL S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of certain available-for-sale financial instruments and those held for trading, as well as under the going concern assumption insofar as the surviving company, which already held control of IFIL, will continue its activities.
Despite operating in a difficult economic and financial environment, the EXOR S.p.A. directors have in fact assessed that no material uncertainties exist (as defined in paragraph 23 of IAS 1) about EXOR S.p.A.'s ability to continue as a going concern.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. For IFIL S.p.A., this objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount, usually determined on the basis of the higher of the value in use and fair value.

At each balance sheet date, IFIL S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if necessary, the carrying amount is increased up to the cost of the investment.

Available-for-sale investments and non-current other financial assets
These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Upon disposal of the asset, the accumulated gains or losses recorded in equity are credited or debited to the income statement.

Financial assets held for trading
Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if necessary, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Receivables and payables
Receivables are initially recognized at their nominal amount which substantially coincides with fair value.
If there is objective evidence of an impairment loss or a risk that the company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.
Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Treasury stock
The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans
The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee. Following the changes in regulations for employee severance indemnities pursuant to Law 296 dated December 27, 2006 (Budget Law 2007) and later decrees and regulations, defined contribution plans include the portions of employee severance indemnity accruing from January 1, 2007. However, since IFIL S.p.A. has less than 50 employees, the employee severance indemnities are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to the supplementary pension fund.

Consequently, for those who transfer the entire amount accrued to the supplementary pension fund, the company records the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the company has the obligation to set aside the costs relating to the benefits guaranteed to its employees in service. The actuarial risk and the investment risk are thus substantially borne by the company.

Defined benefit plans, which include employee severance indemnities, taking into account what was described above, are measured by actuarial techniques using the Projected Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, IFIL S.p.A. has elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.

For defined benefit plans, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Employee benefits – Stock option plans

Stock option plans with underlying IFIL S.p.A. stock

Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date.

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The cost is recalculated each year based upon a revision of the above-indicated estimate.

The compensation component deriving from stock options plans with underlying IFIL S.p.A. stock but relating to employees of other group companies, under IFRIC 11, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees and consequently recorded as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Stock option plans with underlying stock of the subsidiary Alpitour S.p.A.

This is a stock option plan that requires a monetary payment equal to the increase in the value of the company. The fair value of the liability of the plan is re-measured at each reporting date until its extinction.

The cost is recognized in the income statement in “Other nonrecurring expenses” with a corresponding entry to “Other payables to related parties”.

If the payable to related parties decreases, the resulting income is recognized in the income statement in “Other nonrecurring income from related parties”.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The amortized cost of a financial liability is the amount at which the financial liability was recognized initially net of principal repayments, increased or decreased by the total amortization on any difference between the initial amount and the maturity amount using the effective interest method.

The effective interest rate is a method for calculating the amortized cost of a financial liability and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated payments (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period, to the net carrying amount of the financial liability.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. IFIL S.p.A. designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.

- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Dividends from available-for-sale investments are in any case recognized in the income statement.

Financial income and expenses are recognized according to the accrual principle on the basis of the effective rate of return.

Revenues from services are recognized by reference to the stage of completion of the service at the balance sheet date.

The expenses incurred by IFIL (and by the surviving company EXOR) in 2008 have been recognized in “Current assets – Other receivables” and as a result do not impact the profit for the year. Such expenses together with those incurred in 2009, by EXOR and IFIL, will be charged directly as a deduction from additional paid-in capital which will be generated by recording the capital stock increase carried out to service the exchange ratio of the canceled IFIL shares.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.
Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line item under non-current assets or liabilities.

Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates particularly refer to the measurement of investments (impairments and writebacks). Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In this respect, the situation caused by the present economic and financial crisis has led to the need to make assumptions regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that, in the surviving company, EXOR, results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The line items most affected by these situations of uncertainty relate to investments accounted for at cost and available-for-sale investments. In particular, the following should be noted:

- for the reasons described in Note 19, it is deemed that conditions did not exist at December 31, 2008 for conducting an impairment test on the investment in Fiat S.p.A.;
- the carrying amount of other listed investments, accounted for at cost or at fair value, were below the market prices at year-end 2008;
- for other unlisted investments, accounted for at cost, the assessments carried out did not evidence any factors of impairment.

7. Adoption of new accounting standards, amendments and interpretations issued by the IASB

<u>Interpretations and amendments to standards effective from January 1, 2008 but not applicable to the company</u>

The following interpretations and amendments, applicable for 2008, relate to matters that are not applicable to the company.

- IFRIC 12 – Service Concession Arrangements (applicable from January 1, 2008).
- IFRIC 14 – IAS 19 - The Limit on a Defined Asset and Minimum Funding Requirements (applicable from January 1, 2008).
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures that would permit the reclassification of some non-derivative financial assets which are classified under the “fair value through

profit or loss" category in particular circumstances. The amendment also permits the transfer of loans and receivables from the "available-for-sale" category to the "held to maturity" category where the company has the intention and ability to hold such instruments for a specific future period. Although this amendment applies from July 1, 2008, it has had no effect on the financial statements presented herein as none of the reclassifications permitted by the amendment were carried out by the company.

Accounting standards, amendments and interpretations for which the company has not elected early adoption

On March 29, 2007, the IASB issued a revised version of IAS 23 – Borrowing Costs. The standard is applicable from January 1, 2009. The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard will be applicable prospectively to borrowing costs relating to qualifying assets capitalized starting from January 1, 2009.

On September 6, 2007, the IASB issued a revised version of IAS 1 - Presentation of Financial Statements which applies from January 1, 2009. The revised standard requires an entity to present changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (meaning changes in comprehensive income) are required to be presented either in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Transactions with non-owners may not be presented in the statement of changes in equity.

Adoption of this standard will have no effect on the measurement of items in the financial statements.

On January 17, 2008, the IASB issued an amendment to IFRS 2 – Vesting Conditions and Cancellations which clarifies that for the purpose of share-based payments measurement, vesting conditions are service conditions and performance conditions only. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The company will apply this amendment retrospectively from January 1, 2009; no effects are expected from its adoption.

On May 22, 2008, the IASB issued an amendment to IFRS 1 – First Time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements which allows companies adopting IFRS for the first time from January 1, 2009 and electing to recognize investments in subsidiaries, associates and joint ventures in the separate financial statements at cost, to use one of the following methods:

- cost determined in accordance with IAS 27;
- revalued cost measured on a fair value basis at the date of transition to IFRS or the carrying amount of the investment at the date of transition measured in accordance with local GAAP.

The amendment requires that all dividends received from subsidiaries, joint ventures and associates must be recognized in the parent company's income statement when the right to receive those dividends is established. Revisions to IAS 36 – Impairment of Assets require that, when evaluating whether impairment exists, if an investee company has distributed a dividend, the following must be considered:

- whether the carrying amount of the investment in the separate financial statements exceeds the book value of that company's net assets (including any associated goodwill) as recognized in the consolidated financial statements;
- whether the dividend exceeds the comprehensive income of the investee for the period to which the dividends relate.

The amendments are applicable prospectively from January 1, 2009.

On May 22, 2008, the IASB issued a series of amendments to IFRS ("Improvements"); details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out amendments regarding changes in terminology or editorial changes which are likely to have minimal effects in terms of accounting and effects on the consolidated financial statements.

- IAS 1 – Presentation of Financial Statements (revised in 2007): this amendment, applicable from January 1, 2009, requires an entity to classify assets and liabilities arising from derivative financial instruments that are not classified as held for trading between current and non-current assets and liabilities. Adoption of this improvement will have no effect on the measurement of items in the financial statements.
- IAS 23 – Borrowing Costs: this amendment, applicable from January 1, 2009, revises the definition of borrowing costs.
- IAS 36 – Impairment of Assets: this amendment, applicable from January 1, 2009, requires additional disclosures to be made in the case in which an entity determines the recoverable amount of a cash-generating unit using discounted cash flows.

In November 2008, the IASB also issued IFRIC 17 – Distribution of Non-cash Assets to Owners, establishing that the determination of the value of the distribution of non-cash assets should consider their fair value when it becomes mandatory to record the relative payable to the stockholders.
The amendment is applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009.

In March 2009, the IASB issued an amendment to IFRS 7 – Financial Instruments: Disclosures which is applicable from January 1, 2010, or annual periods beginning on or after July 1, 2009. The amendment requires disclosure about the measurement of fair value (methods used and, if valuations techniques are used, the assumptions adopted in determining the fair value of each class of financial asset or liability) and the liquidity risk (analysis of the maturities of financial liabilities represented by derivatives or other liabilities).

Standards, amendments and interpretations not applicable by the company
The following standards, amendments and interpretations have also been issued but were not applicable to the company at the balance sheet date:

Improvements:
- IAS 16 – Property, Plant and Equipment: this amendment, applicable from January 1, 2009, requires an entity that in the course of its ordinary activities routinely sells items of property, plant and equipment that it has held for rental to others, to transfer such assets to inventories when they cease to be rented and become held for sale. As a consequence, the proceeds from the sale of such assets shall be recognized as revenue. Cash payments to manufacture or acquire assets held for

rental to others or subsequently held for sale are cash flows from operating activities (and not from investing activities).

- IAS 19 – Employee Benefits: this amendment, applicable prospectively from January 1, 2009 to changes in benefits that occur after that date, clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognized immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. The Board also revised the definition of short-term employee benefits and long-term employee benefits and the definition of a return on plan assets, stating that this amount should be net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation).
- IAS 20 – Government Grants and Disclosure of Government Assistance: this amendment, applicable prospectively from January 1, 2009, states that the benefit of a government loan at a below-market rate of interest shall be treated as a government grant and then accounted for in accordance with IAS 20.
- IAS 28 – Investments in Associates, and IAS 31 – Investments in Joint Ventures: these amendments, applicable from January 1, 2009, require specific new disclosures to be made for investments in associates and joint ventures measured at fair value in accordance with IAS 39. IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation have accordingly also been amended.
- IAS 29 – Financial Reporting in Hyperinflationary Economies: the previous version of the standard did not reflect the fact that a number of assets and liabilities may or must be measured on the basis of a current value rather than historical value. This amendment, made in order to reflect this, is effective from January 1, 2009.
- IAS 40 – Investment Property: this amendment, applicable prospectively from January 1, 2009, states that property under construction falls within the scope of IAS 40 and not that of IAS 16.

Amendments:

- IAS 27 – Consolidated and Separate Financial Statements: this amendment, which applies prospectively from January 1, 2009, requires that investments recognized in the separate financial statements and measured in accordance with IAS 39 are subject to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.
- IAS 32 – Financial Instruments: Presentation and to IAS 1 – Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation. These amendments require puttable financial instruments and instruments, or components of instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments. This amendment is effective prospectively from January 1, 2009.
- IAS 38 – Intangible Assets: this amendment, effective retrospectively from January 1, 2009, requires expenditure on advertising and promotional activities to be recognized in the income statement. Further, it states that expenditures incurred to provide future economic benefits to an entity, but where no intangible asset is recognized, must, for the supply of goods, be recognized as an expense when it has the right to access the goods. In the case of the supply of services, an entity shall recognize the expenditure as an expense when it receives the services. Moreover, the standard has been revised in order to allow entities to use the unit of production method for determining the amortization charge for an intangible asset with a finite useful life.

- IAS 39 – Financial Instruments: Recognition and Measurement: this amendment, effective from January 1, 2009, clarifies how to calculate the revised effective interest rate on ceasing fair value hedge accounting and notes additionally that the prohibition on the reclassification of financial instruments into or out of the fair value through profit or loss category after initial recognition should not prevent a derivative from being accounted for at fair value through profit or loss when it does not qualify for hedge accounting and vice versa.
- On July 31, 2008, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement which is to be applied retrospectively from January 1, 2010. The amendment clarifies how the existing principles underlying hedge accounting should be applied in particular situations.

Interpretations:
- IFRIC 13 – Customer Loyalty Programmes (applicable from January 1, 2009).
- IFRIC 15 – Agreements for the Construction of Real Estate (applicable from January 1, 2009 but not yet endorsed by the European Union).
- IFRIC 18 – Transfers of Assets from Customers (applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009).

8. Risk management

IFIL S.p.A. is not in effect subject to credit risk as the counterparts are mainly high-credit-quality leading banking institutions.

IFIL S.p.A. does not have financial liabilities denominated in currencies other than Euro. Some of the assets held for trading and cash and cash equivalents are denominated in currencies other than Euro. These are securities held for trading and cash and cash equivalents which have both been adjusted to the year-end exchange rate.

With regard to liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming cash flows from ordinary activities.
Liquidity risk could thus arise only for investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or raising of sufficient funds that can be readily used. In this sense, IFIL S.p.A. operates so that it has financial resources obtained from the issue of bonds and irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

IFIL S.p.A. assesses and manages its exposure to interest rate risk consistently with its management policies and uses derivative financial instruments to fix some of the financing obtained with a pre-set interest rate. There were no derivative financial instruments put into place for speculative purposes during the year; the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on one of the bonds issued.

COMMENTS ON THE PRINCIPAL LINE ITEMS IN THE SEPARATE INCOME STATEMENT

9. Dividends from investments

Dividends amount to € 255,636 thousand (€ 171,355 thousand in 2007) and were collected from the following companies:

€ in thousands	2008	2007
Fiat S.p.A. - Ordinary shares	**133,035**	51,551
Fiat S.p.A. - Preferred shares	**12,433**	9,636
Intesa Sanpaolo S.p.A. - Ordinary shares	**110,168**	110,168
Total dividends	**255,636**	171,355

10. Gains on sales of investments

In 2008, gains on sales of investments include the net gain of € 167,468 thousand from the sale of 171,916,165 Intesa Sanpaolo shares, equal to a 1.45% stake in ordinary capital stock. Net proceeds total € 598,350 thousand.

11. Impairment reversals on investments

At December 31, 2008, no assumptions exist for impairment reversals.

Impairment reversals in 2007 and 2006 related exclusively to 240,583,447 Fiat ordinary shares and 31,082,500 Fiat preferred shares which in 2001, 2002 and 2004 had been written down on the basis of their market prices, also in light of the negative economic trends of the period.

At December 31, 2006, the carrying amount of Fiat ordinary shares was increased by the complete reversal of the impairment loss on Fiat ordinary shares up to the original cost of purchase, for € 537,072 thousand. The carrying amount of Fiat preferred shares was increased by the partial reversal of the impairment loss, for € 108,213 thousand (out of a total of € 135,510 thousand) up to the market price at December 29, 2006 (€ 12.06) which was still below (€ 27,297 thousand) the original purchase cost. Deferred taxes were provided on the impairment reversals for € 25,232 thousand.

At December 31, 2007, the carrying amount of a part of the Fiat preferred shares was increased by an additional impairment reversal of € 19,267 thousand up to the market price at December 28, 2007 (€ 14.46), which was still below (€ 8,030 thousand) the original purchase cost. In 2007, deferred taxes for € 459 thousand were provided to increase the tax charge on these shares.

For information on the per share and total carrying amount of Fiat ordinary and preferred shares, reference should be made to Note 19.

12. Financial expenses from third parties

These include:

€ in thousands	2008	2007	Change
Interest on IFIL bonds 2007/2017	**40,414**	23,078	17,336
Interest on IFIL bonds 2006/2011	**11,162**	10,082	1,080
Interest expenses on bank debt	**19**	5,792	(5,773)
Bank commissions	**1,279**	1,897	(618)
Charges from discounting to present value	**8**	7	1
Financial expenses on securities held for trading (a)	**31,328**	3,081	28,247
Total financial expenses from third parties	**84,210**	43,937	40,273

(a) Includes € 14,312 thousand (€ 2,851 thousand in 2007) for fair value adjustments.

13. Financial income from third parties

This includes:

€ in thousands	2008	2007	Change
Interest income on receivables from:			
- tax authorities	**908**	933	(25)
- banks	**12,233**	1,320	10,913
Interest rate hedging income	**1,942**	887	1,055
Income on securities held for trading (a)	**14,858**	5,026	9,832
Other income	**15**	2	13
Total financial income from third parties	**29,956**	8,168	21,788

(a) Includes € 3,214 thousand (€ 651 thousand in 2007) for fair value adjustments.

The information relating to call options sold on Intesa Sanpaolo shares are described in Note 19.

14. Foreign exchange gains (losses)

Foreign exchange gains (losses) amount to € 4,070 thousand and represent income from the trading of securities held for trading denominated in currencies other than the Euro.

15. Personnel costs

These amount to € 8,653 thousand (€ 9,122 thousand in 2007) and show a total net decrease of € 469 thousand.
Details are as follows:

€ in thousands	2008	2007	Change
Salaries	**5,106**	6,577	(1,471)
Social security contributions	**1,265**	1,217	48
Employee severance indemnities, other long-term benefit plans and defined benefit plans and payments of plan contributions	**891**	662	229
Other personnel costs (a)	**1,391**	666	725
Total personnel costs	**8,653**	9,122	(469)

(a) In 2008, personnel costs mainly include € 554 thousand of compensation (figurative) from stock option plans (no cost in 2007) and € 235 thousand (€ 239 thousand in 2007) of costs from related parties.
Additional information on the stock option plan is presented in Note 30 – Stock option plans.

The decrease in salaries is mainly due to a different composition of the employees and lower nonrecurring bonuses paid to employees in relation to the results achieved.

At the end of 2008, employees number 37 (39 at the end of 2007).
The average number of employees in 2008 was 39, summarized by category as follows:

	2008	2007
Managers	**11**	12
Middle management	**13**	11
Clerical staff	**11**	14
Messengers	**4**	4
Average number of employees	**39**	41

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.

The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; the variable compensation is tied to objectives and rewards for the results of the work performed by that person both individually and in a team.
Further discretionary bonuses may be paid for exemplary performance in transactions which create value for the company.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided for, the use of a company car. Additional information on employee benefits is presented in Note 33.

16. Purchases of goods and services from third parties

These amount to € 3,733 thousand and decreased by € 1,735 thousand compared to 2007 (€ 5,468 thousand). The main costs are indicated below:

€ in thousands	**2008**	2007	Change
Legal fees for court and out-of-court assistance	**1,216**	2,490	(1,274)
Consulting	**1,191**	1,413	(222)
Compensation:			
- Board of Statutory Auditors	**145**	145	0
- Supervisory Board	**6**	6	0
- Common representatives of savings stockholders	**3**	3	0
- Supplementary contribution	**8**	6	2
	162	160	2
Travel expenses and entertainment	**359**	592	(233)
Bank expenses, dividend payment expenses and listing fees	**173**	262	(89)
Insurance	**253**	140	113
Audit fees (a)	**76**	74	2
Office management	**107**	90	17
Rentals	**49**	56	(7)
Raw materials and supplies	**51**	47	4
Maintenance, transport and car insurance	**43**	38	5
Gifts	**18**	76	(58)
Other expenses	**35**	30	5
Total purchases of goods and services from third parties	**3,733**	5,468	(1,735)

(a) Includes out-of pocket expenses.

17. Other current operating expenses

These total € 3,118 thousand (€ 2,882 thousand in 2007).
Details are as follows:

€ in thousands	**2008**	2007	Change
Sundry taxes and duties	**2,125**	1,985	140
Association dues	**175**	169	6
Securities listing fees	**263**	265	(2)
Publications of annual, first-half and quarterly financial statements	**348**	291	57
Notary and corporate charges	**15**	7	8
Donations	**128**	101	27
Books, newspapers and magazines	**49**	41	8
Ads	**15**	18	(3)
Dividends statute-barred	**0**	5	(5)
Total other current operating expenses	**3,118**	2,882	236

18. Income taxes

The taxable income calculated by applying tax rules generates a taxable income of € 18 million against which tax loss carryforwards were used. The income taxes shown in the income statement (€ 36 thousand) refer to the separate income taxes of the CFC (Controlled Foreign Companies) paid in 2008. In 2007, deferred taxes accrued in 2006 were released for € 4,206 thousand on the reversal of the impairment loss on the Fiat investment due to the reduction in the IRES tax rate from 33% to 27.5% starting from 2008.

Since the probability of recovery against future taxable income currently is not assured, no deferred tax assets have been booked on the tax losses for the years 2004 to 2008 (€ 427 million, in total).

Details are as follows:

	2008		2007	
€ in millions	**Amount**	**Theoretical tax effect (27.5% rate)**	Amount	Theoretical tax effect (27.5% rate)
Tax losses carryforwards (for a maximum of 5 years)				
- year 2003 (a)			76	
- year 2004	**123**		123	
- year 2005	**117**		117	
- year 2006	**133**		133	
- year 2007	**54**		54	
- year 2008	**0**			
Total tax losses carried forward	**427**	**117**	503	138

(a) At December 31, 2008, the possibility of utilizing the part of tax losses from the year 2003 that was not used against IRES taxable income in 2008 has expired (€ 58 million).

Considering that the Irap taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for Ires purposes.

€ in millions	**2008**	2007
Pre-tax profit	**357**	120
Increases:		
- temporary differences	**2**	4
- permanent differences (a)	**74**	31
Total increases	**76**	35
Decreases:		
- 95% of dividends collected	**(243)**	(163)
- 95% of the gain on the sale of the stake in Intesa Sanpaolo	**(159)**	
- impairment reversal on Fiat preferred shares	**0**	(19)
- portion of impairment losses on investments deductible over 5 years	**0**	(14)
- deductions of permanent differences	**(8)**	
- deductions of prior years' temporary differences (b)	**(5)**	(13)
Total decreases	**(415)**	(209)
Profit (loss) for tax purposes	18	(54)
Utilization of tax losses carried forward (partial utilization of losses generated in the year 2003)	**(18)**	0
Loss for the year for tax purposes	**0**	(54)

(a) Mainly includes non-deductible interest expenses and the higher tax charge of the Ifil Investissements stock received from Ifil Investment Holding.

(b) Includes fees and compensation referring to prior years paid this year and other expenses incurred in previous years and deductible for tax purposes in the current year.

The company has agreed the tax years up to December 31, 2003.

19. Non-current assets – Investments

Details are as follows:

€ in thousands	12/31/2008 % of class of stock	12/31/2008 Amount	12/31/2007 % of class of stock	12/31/2007 Amount	Change
Investments accounted for at cost					
Fiat S.p.A. (ordinary shares)	30.45	**2,619,379**	30.45	2,619,379	0
Fiat S.p.A. (preferred shares)	30.09	**250,401**	30.09	250,401	0
		2,869,780		2,869,780	0
Ifil Investissements S.A.	100.00	**746,264**	79.82	641,502	104,762
Alpitour S.p.A.	100.00	**100,027**	100.00	100,027	0
Ifil Investment Holding N.V. (in a wind-up)	100.00	**165**	100.00	68,276	(68,111)
Juventus Football Club S.p.A.	60.00	**74,231**	60.00	74,231	0
Soiem S.p.A.	100.00	**9,981**	100.00	9,981	0
Ifil New Business S.r.l.	100.00	**24**	100.00	28	(4)
		3,800,472		3,763,825	36,647
Available-for-sale investments					0
Intesa Sanpaolo S.p.A. (ordinary shares)	1.00	**297,242**	2.45	1,564,677	(1,267,435)
Total investments		**4,097,714**		5,328,502	(1,230,788)

The changes during the year are as follows:

€ in thousands	Balances at 12/31/2007	Change during 2008 Increases	Change during 2008 Decreases	**Balances at 12/31/2008**
Investments accounted for at cost				
Fiat S.p.A. (ordinary shares)	2,619,379			**2,619,379**
Fiat S.p.A. (preferred shares)	250,401			**250,401**
	2,869,780	0	0	**2,869,780**
Ifil Investissements S.A.	641,502	104,762		**746,264**
Alpitour S.p.A.	100,027			**100,027**
Ifil Investment Holding N.V. (in a wind-up)	68,276		68,111	**165**
Juventus Football Club S.p.A.	74,231			**74,231**
Soiem S.p.A.	9,981			**9,981**
Ifil New Business S.r.l.	28		4	**24**
	3,763,825	104,762	68,115	**3,800,472**
Available-for-sale investments				
Intesa Sanpaolo S.p.A. (ordinary shares)	1,564,677		1,267,435	**297,242**
Total investments	5,328,502	104,762	1,335,550	**4,097,714**

The changes during the year are described in the following paragraphs.

The reduction of the investment in Intesa Sanpaolo, equal to € 1,267.5 million, is given by the reversal of the carrying amount (-€ 927.9 million) of the stake disposed of and the adjustment of the remaining stake to fair value at the end of the year (-€ 339.6 million). The reversal of the carrying amount of the investment sold (-€ 927.9 million) comprises the original acquisition cost of € 430.9 million and cumulative fair value of € 497 million.

The gain of € 167.5 million comes from a comparison between the net proceeds of € 598.4 million and the original acquisition cost of € 430.9 million. The cumulative fair value on the stake sold, equal to € 497 million, was deducted from the specific reserve in equity, as was the adjustment of the remaining stake to fair value at the end of the year, equal to € 339.6 million, for a total of € 836.6 million.

The original acquisition cost of the remaining investment held in Intesa Sanpaolo is € 295.7 million (€ 2.506 per share); at December 31, 2008, the net positive change in fair value amounts to € 1.5 million.

In 2008, the company also sold call options on 22,500,000 Intesa Sanpaolo ordinary shares for € 3.4 million.
In December, call options expired without having been exercised on 3,000,000 shares; the relative premium of € 0.4 million was recognized in the income statement in financial income.

At December 31, 2008, there are still 19,500,000 options remaining that expire in February 2009 at a strike price of between € 4.2 and € 4.4 per share; the fair value adjustment of the options generated income of € 2.7 million.
At the set expiration date the options were not exercised.
The income is presented in financial income from third parties.

On November 7, 2008, a decision was taken to put Ifil Investment Holding into a voluntary wind-up. Consequently, the 224,194 Ifil Investissements S.A. shares (20.184% of capital stock) held by Ifil Investment Holding were transferred to IFIL as an advance on the liquidation. These shares were accounted for in the IFIL financial statements at the same carrying value at which they were carried in the Ifil Investment Holding financial statements (€ 104.5 million). The carrying amount of the investment in Ifil Investment Holding was then adjusted to the amount of the remaining equity (€ 0.2 million) with a negative change of € 68.1 million. The net difference between the two changes (€ 36.4 million) was recognized as an increase of equity.

The investment in IFIL Investissements was increased by a further € 273 thousand to account for the part of the IFIL stock option plan that relates to the employees of Ifil Investissements and subsidiaries. The assessments carried out did not evidence any factors of impairment.

Comparison between the carrying amounts and market prices of listed investments:

				Market price			
		Carrying amount		December 30, 2008		February 27, 2009	
	Number	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
Fiat S.p.A.							
- ordinary shares	332,587,447	7.88	2,619,379	4.59	1,526,244	3.65	1,214,942
- preferred shares	31,082,500	8.06	250,401	2.39	74,194	2.07	64,434
			2,869,780		1,600,438		1,279,376
Intesa Sanpaolo S.p.A. (ord. sh.)	118,000,000	2.52	297,242	2.52	297,242	1.93	228,106
Juventus Football Club S.p.A.	120,934,166	0.61	74,231	0.77	93,240	0.71	85,259
Total			**3,241,253**		**1,990,920**		**1,592,741**

The carrying amount of the investment in the listed company Fiat S.p.A. at the end of the year is € 1,279 million higher than its market price at the same date (at year-end 2007 it was € 3,399 million lower). The market prices of Fiat S.p.A. shares, which at year-end 2008 were below their par value, were hurt because the sector was particularly penalized, although this does not correspond to the operating performance and financial condition of the company reflected in its 2008 consolidated financial statements. Given the fact that the results of the Fiat Group, which ended the year 2008 with a profit in both the consolidated (€ 1,612 million) and separate (€ 1,199 million) financial statements and that positive operating results are also forecast for 2009, in addition to the fact that the attributable consolidated equity of the Fiat Group per share, € 8.371 at December 31, 2008, is higher than the carrying amount indicated above, and in consideration of the importance of the interest owned and the company's positioning in the stockholder structure, for which measurement at the market price (heavily influenced by the current economic situation) is not very representative, it is deemed that the conditions for conducting an impairment test of the investment held in Fiat S.p.A. do not exist at December 31, 2008.

Furthermore:

- there are no investments requiring the assumption of unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by IFIL S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006).

	Capital stock			IFIL Investment					Equity	Profit
	Number	Par		Number	% ownership of		Carrying amount			
	of shares	value	Amount	of shares	Cap. st.	Cl. of st.	Per share (€)	€/000	€/000	€/000
FIAT S.p.A. - Turin										
- ordinary shares	1,092,247,485	€ 5	5,461,237,425	332,587,447	26.08	30.45	7.88	2,619,379		
- preferred shares	103,292,310	€ 5	516,461,550	31,082,500	2.44	30.09	8.06	250,401		
- savings shares	79,912,800	€ 5	399,564,000							
	1,275,452,595		6,377,262,975					2,869,780	10,354,000 (a)	1,612,000 (a)
Ifil Investissements S.A.										
(Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	-	671.86	746,264	2,455,600 (b)	(13,800) (b)
Alpitour S.p.A. - Cuneo	35,450,000	€ 0.5	17,725,000	35,450,000	100.00	-	2.82	100,027	84,212 (c)	3,036 (c)
Ifil Investment Holding N.V.										
(Netherlands) (in wind-up)	120,000	€ 8	960,000	120,000	100.00	-	1.37	165	n.a.	n.a.
Ifil New Business S.r.l. - Turin	1		15,000	1	100.00		-	24	24 (b)	4 (b)
Juventus Football Club S.p.A.										
(Turin)	201,553,332	€ 0,1	20,155,333	120,934,166	60.00	-	0.61	74,231	109,896 (d)	14,610 (d)
Soiem S.p.A. - Turin	18,250,000	€ 0,5	9,125,000	18,250,000	100.00	-	0.55	9,981	11,745 (b)	257 (b)

(a) Data taken from the consolidated financial statements at December 31, 2008.
(b) Data taken from the financial statements at December 31, 2008.
(c) Data taken from the consolidated financial statements at October 31, 2008.
(d) Data taken from the half-year report at December 31, 2008.

20. Current assets – Financial assets held for trading

These assets amount to € 170,499 thousand (€ 47,856 thousand at December 31, 2007) and refer to investments in equity shares and bonds listed on the main European and United States markets.

Such shares are measured at fair value at year end using the market price translated, where necessary, at the year-end rate. Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

Therefore, for the measurement of the securities, the company did not avail itself of the amendment, applicable from July 1, 2008, to IAS 39 – Financial instruments: Recognition and Measurement and IFRS 7 – Financial instruments: Disclosure.

21. Current assets – Cash and cash equivalents

Details are as follows:

€ in thousands	**12/31/2008**	12/31/2007	Change
Bank deposits	**27,398**	23,946	3,452
Time deposits	**384,000**	141,607	242,393
Total cash and cash equivalents	**411,398**	165,553	245,845

These represent current account bank balances in Euro and other currencies besides the Euro, repayable on demand, and liquid assets deposited at leading credit institutions maturing on February 16, 2009.

Cash and cash equivalents approximate fair value at year-end.

The associated credit risks should be considered limited since the counterparts are leading bank institutions.

22. Current assets – Other financial assets

Details are as follows:

€ in thousands	**12/31/2008**	12/31/2007	Change
Fair value of cash flow hedge derivatives	**0**	3,938	(3,938)
Other financial assets	**959**	410	549
Total current other financial assets	**959**	4,348	(3,389)

23. Current assets – Tax receivables

Tax receivables from the tax authorities refer to:

€ in thousands	**12/31/2008**	12/31/2007	Change
Receivables for prior years' taxes, refunds requested	**35,299**	42,778	(7,479)
Receivable for reduction of Consob sanction	**3,578**	3,525	53
Receivables for current and prior years' taxes, carried forward	**4,312**	806	3,506
Total tax receivables	**43,189**	47,109	(3,920)

The change in receivables from the tax authorities for the year 2008 is summarized as follows:

€ in thousands	Refunds requested	Carried forward	Total
Balances at December 31, 2007	46,303	806	47,109
Refunds received	(8,334)		(8,334)
Used for compensation of withholdings and VAT payable		(516)	(516)
Infragroup sale		(114)	(114)
Receivables arising during the year (withholdings paid)		4,136	4,136
Interest earned during the year	908		908
Balances at December 31, 2008	**38,877**	**4,312**	**43,189**

24. Current assets – Other receivables

At December 31, 2008, these amount to € 3,575 thousand, of which € 3,405 thousand is for deferred expenses relating to the merger by incorporation in the parent, IFI S.p.A..

25. Equity – Capital stock

At December 31, 2008, the capital stock of IFIL S.p.A., fully subscribed to and paid-in, amounts to € 1,075,995,737 and consists of 1,038,612,717 ordinary shares (96.53% of capital stock) and 37,383,020 non-convertible savings shares (3.47% of capital stock), with a par value of € 1 each.

At December 31, 2008, capital stock includes € 1,342 thousand from transfers of revaluation reserves set up in the past which, in the event of distribution, would form part of the taxable income of the company.

The objectives identified by IFIL S.p.A. and the companies in the "Holdings System" are to create value for all stockholders, safeguard business continuity, diversify investments by sector and geography and support the growth of investment holdings.

IFIL thus aims to maintain an adequate level of capitalization which allows it to obtain a satisfactory economic return for its stockholders and guarantee economic access to external sources of financing.

IFIL constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of the investments and expected dividend flows from the operating holdings.

A very prudent approach is adopted with regard to the use of financial leveraging.

26. Equity – Capital reserves

Details are as follows:

€ in thousands	**12/31/2008**	12/31/2007
Additional paid-in capital	**1,004,214**	941,822
Undistributable reserve from cancellation of treasury stock	**65,102**	65,102
Reserve for purchase of treasury stock	**387,608**	450,000
Total capital reserves	**1,456,924**	1,456,924

27. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	**12/31/2008**	12/31/2007
Revaluation reserve Law 408/90	**243,894**	243,894
Revaluation reserve Law 413/91	**2,586**	2,586
Legal reserve	**215,199**	215,199
Cash flow hedge reserve	**(5,119)**	3,938
Fair value reserve	**1,475**	826,531
Stock option reserve	**1,203**	0
Extraordinary reserve	**686,741**	669,639
Retained earnings	**33,702**	(2,782)
Total retained earnings and other reserves	**1,179,681**	1,959,005

28. Equity reserves available and distributable

Disclosure required by art. 2427, 7-bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ in thousands	**Balance at 12/31/2008**	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**1,004,214**	A,B,C	852,068
Legal reserve	**83,952**	B	0
Undistributable reserve from cancellation of treasury stock	**39,950**	A,B	0
Reserve for purchase of treasury stock	**387,608**	A,B,C	387,608
Earnings reserves:			
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	243,894
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	2,586
Legal reserve	**131,247**	B	0
Undistributable reserve from cancellation of treasury stock	**25,152**	A,B	0
Cash flow hedge reserve	**(5,119)**		0
Stock option reserve	**1,203**		0
Fair value reserve	**1,475**		0
Extraordinary reserve	**686,741**	A,B,C	686,741
Retained earnings	**33,702**	A,B,C	33,702
Total	**2,636,605**		**2,206,599**

A: For capital increases B: For coverage of losses C: For distribution to stockholders

(a) Since the legal reserve is equal to one-fifth of capital stock (art. 2431 of the Italian Civil Code), the reserve is distributable except to the extent of the portion deriving from the reallocation of the reserve offsetting the stock in portfolio.

(b) The revaluation reserves can be used for free increases of capital stock. If used to cover losses, they must be later replenished, if not, then no dividends can be distributed. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the stockholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

In the years 2005, 2006 and 2007, reserves were not used to absorb losses.
At December 31, 2008, tax-deferred reserves are recorded for a total of € 261,648 thousand, of which € 243,894 thousand relates to the Revaluation Reserve Law 408/90, € 2,586 thousand to the Revaluation Reserve Law 413/91 and € 15,168 thousand to other reserves. In the event of distribution, these reserves would form part of the taxable income of the company. In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

29. Equity – Treasury stock

The ordinary stockholders' meeting held on May 13, 2008 authorized the purchase of treasury stock for 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58 dated February 24, 1998, for a maximum of 55 million IFIL ordinary and/or savings shares for a total of € 450 million.

Under the Program for the buyback of ordinary and savings treasury stock voted by the board of directors on February 18, 2008, during the period February 26, to August 18, 2008, IFIL S.p.A. purchased 20,783,200 ordinary shares (2% of the class of stock) at the average price per share of € 4.8 totaling € 99.8 million, in addition to 917,000 savings shares (2.45% of the class of stock) at the average cost per share of € 4.3 totaling € 3.9 million, for a grand total of € 103.7 million (69.13% of the maximum disbursement of the € 150 million authorized for the buyback Program).

After these purchases, IFIL holds, directly and indirectly, the following treasury stock:

		Amount		% of class
	Number	Per share (€)	Total (€ thsd)	of stock
Ordinary shares				
Held by IFIL S.p.A.	33,186,198	4.38	145,440	3.20
Held by the subsidiary Soiem S.p.A.	810,262	3.41	2,762	0.08
Balance at December 31, 2008	**33,996,460**	**4.36**	**148,202**	**3.28**

		Amount		% of class
	Number	Per share (€)	Total (€ thsd)	of stock
Savings shares				
Held by IFIL S.p.A.	917,000	4.30	3,943	2.45
Balance at December 31, 2008	**917,000**	4.30	**3,943**	**2.45**

Changes during the year are as follows:

	Ordinary shares			Savings shares		
		Amount			Amount	
	Number	Per share (€)	Total (€ thsd)	Number	Per share (€)	Total (€ thsd)
Balance at December 31, 2007	13,213,260	3.67	48,450	0	0.00	0
Purchases	20,783,200	4.80	99,752	917,000	4.30	3,943
Balance at December 31, 2008	**33,996,460**	**4.36**	**148,202**	**917,000**	**4.30**	**3,943**

30. Stock option plans

Stock option plans with underlying IFIL stock

The ordinary session of the IFIL stockholders' meeting held on May 13, 2008 approved a stock option plan for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the “Holdings System”) who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options. At December 31, 2008, a total of 6,525,000 options had been granted to 17 key employees.

The Plan is aimed at attracting and retaining managerial resources who hold important positions in the company while at the same time involving them in achieving performance objectives and aligning the economic incentives to the value of the company for the stockholders. The vesting period of the options granted will start from May 14, 2014 to May 14, 2016 and precisely: the first part, equal to 25% of the options, will vest on May 14, 2014, the second part, again equal to 25% of the options, will vest on May 14, 2015 and the third part, equal to 50% of the options, will vest on May 14, 2016. The exercise price of the options granted is € 5.291 and equal to the arithmetic average of the official stock market prices of IFIL ordinary shares recorded at Borsa Italiana S.p.A. in the month prior to the date of the stockholders' meeting that approved the Plan.

The Plan will be implemented by granting the recipients free options on treasury stock purchased by IFIL S.p.A. or by companies of the “Holdings System” in accordance with existing laws.

From an accounting standpoint, the plan represents an equity-settled stock-based payment transaction discussed under paragraph 10 and subsequent articles of IFRS 2 and requires that the fair value of the services received be measured in reference to the fair value of the equity instruments at the grant date.

The fair value of services received must be recorded during the option vesting period with a corresponding increase in equity.

The valuation was made by an independent expert assuming that the options would be exercised by May 15, 2016 using the Black-Scholes model based on the following parameters:

Valuation date	5/13/2008
IFIL stock price at grant date	€ 5.286
Exercise price	€ 5.291
Volatility calculated using a trend analysis model (%)	30.56%
Vesting period	8 years
Expected dividends (%)	2.15%
Risk-free interest rate	4.1114%
Turnover rate (%)	1%

The fair value of the 9,525,000 options granted was determined to be € 15,263 thousand, divided as follows:

€ in thousands	Number of options granted	Total cost	Cost referring to the year
Chief executive officer IFIL S.p.A.	3,000,000	4,807	376
Key employees IFIL S.p.A. (13)	4,425,000	7,091	554
Total IFIL S.p.A.	7,425,000	11,898	930
Key employees of Ifil Investissements S.A. and other subsidiaries in the Holdings System (4)	2,100,000	3,365	273
Total	**9,525,000**	**15,263**	**1,203**

The cost referring to the year amounts to € 930 thousand of which € 376 thousand is classified as fees of the chief executive offices and € 554 thousand as personnel costs. The cost relating to key employees of Ifil Investissements S.A. and other subsidiaries in the Holdings System was recognized as an increase in the amount of the investment in Ifil Investissements S.A. The corresponding entry for the total of € 1,203 thousand is recorded in the stock option reserve.

Stock option plan with underlying Alpitour stock

On December 15, 2005, in execution of the resolution passed by the board of directors' meeting held on November 11, 2005, the Executive Committee of IFIL S.p.A. approved a stock option plan for two managers of the Alpitour Group designed to promote their loyalty to the IFIL Group and provide an incentive to develop and appreciate the investments of the IFIL Group in the tourism sector.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock.
After approval on the part of IFIL S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares to other managers who hold important operating positions equal to 4% of Alpitour's capital (now 1,418,000 shares).
The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.24 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.
IFIL S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every reporting date, until plan expiration.

At December 31, 2008, the fair value of each option right of the plan is estimated at € 2.07 for a total of € 8,075,164 (€ 15,870,965 at December 31, 2007) recorded in "Other current liabilities to related parties". The reduction of the liability from last year (€ 7,795,801) was recognized in the income statement in "Other nonrecurring income (expenses) from related parties", as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

1. The exercise price of the options was assumed to be equal to the par value of one ordinary Alpitour S.p.A. share at the grant date, quantified on the basis of an estimate performed by an independent expert, equal to € 2.24 rounded up.
2. The fair value of the underlying share (Alpitour S.p.A. ordinary share) at the date of reference of December 31, 2008, was quantified on the basis of an estimate made by an independent expert prepared by applying valuation principles consistent with those used in December 2005 by the independent expert, equal to € 4.14 rounded up, for each ordinary share.
3. The expiration date of the options was established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2008/2009, fixed, conventionally, as January 31, 2010. At the date of reference of December 31, 2008, the options thus have a remaining life of 13 months (1 year and 1 month).
4. The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour S.p.A..
5. The application of the valuation model assumes the absence of the payment of dividends.
6. The risk-free interest rate is assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
7. An assumption was also included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

31. Non-current liabilities – Non-convertible bonds

Details are as follows:

Issue date	Maturity date	Issue date	Coupon	Rate	Nominal value (€/000)	Effect of amortized cost valuation (€/000)	**Balance (€/000)**
6/9/2006	6/9/20011	99.900	Quarterly	3-month Euribor + spread	200,000	457	**199,543**
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	750,000	5,364	**744,636**
Total					**950,000**	**5,821**	**944,179**

The bonds are traded on the Luxembourg Stock Exchange.

In order to guarantee fixed interest rates over the entire term of the 2006/2011 bonds, some interest rate swaps were put into place on the full amount; at December 31, 2008, the fair value is negative for € 5,119 thousand, recorded in "Current liabilities – Other financial liabilities", Note 34.

As for the periods in the outgoing cash flows correlated to the interest rate swap contracts reverse, reference should be made to Note 36.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), disallowing a change of control and providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2008.

Standard & Poor's rated the two bond issues “BBB+”, in line with the current rating of IFIL S.p.A. long-term debt.

32. Non-current liabilities – Deferred tax liabilities

The deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investment held in Intesa Sanpaolo and Fiat.

€ in thousands	To equity	To income statement	**Total**
Balance at December 31, 2007			**33,101**
(Releases) 2008 on Intesa Sanpaolo ordinary shares:			
- disposal of 171,916,165 shares	(6,829)		**(6,829)**
- adjustment to fair value of the remaining 118,000,000 shares	(4,670)		**(4,670)**
Changes during the year	**(11,499)**	**0**	**(11,499)**
Balance at December 31, 2008			**21,602**

33. Non-current liabilities – Provisions for employee benefits

The composition is as follows:

€ in thousands	**12/31/2008**	12/31/2007
Employee severance indemnities	**2,158**	2,008
Other provisions for employees	**122**	291
Total provisions for employee benefits	**2,280**	2,299

Details of the changes during 2008 are as follows:

	2008			2007		
€ in thousands	**Employee severance indemnities**	**Other provisions for employees**	**Total**	Employee severance indemnities	Other provisions for employees	Total
Balance at beginning of year	**2,008**	**291**	**2,299**	2,172	108	2,280
Current service cost	**337**	**70**	**407**	301	42	343
Financial expenses	**90**	**65**	**155**	89	44	133
Contributions paid by employees	**0**	**0**	**0**	0	0	0
Actuarial (gains) losses	**108**	**(5)**	**103**	(159)	106	(53)
Benefits paid	**(385)**	**(299)**	**(684)**	(395)	(9)	(404)
Past service cost			**0**	0	0	0
(Gains) losses on curtailments and/or settlements			**0**	0	0	0
Plan changes			**0**	0	0	0
Balance at end of year	**2,158**	**122**	**2,280**	2,008	291	2,299

The analysis of employee benefits is as follows:

Employee severance indemnities

Employee severance indemnities represent the obligation due to employees by Italian law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee severance indemnities accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFIL S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee severance indemnities which will be paid at the time and in relation to the termination of the employment relationship, at the currently expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007, and require the payment of defined contributions to outside funds and entities which pay the health care benefits.

Pension plans

The company's pension plans are for employees categorized as managers and are covered by company agreements and regulations.
They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to outside funds that are legally separate and have autonomous assets.
The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee severance indemnity.
The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2008 and December 31, 2007, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2008	12/31/2007
Discount rate	**4.80%**	4.60%
Expected remuneration increase	**2.2-3.70%**	2-3.50%
Cost-of-living increase	**2.20%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

34. Current liabilities – Other financial liabilities

These refer to:

€ in thousands	**12/31/2008**	12/31/2007	Change
Bonds – current portion (interest and hedges)	**22,988**	23,412	(424)
Fair value of cash flow hedge derivatives	**5,119**	0	5,119
Derivative financial instruments held for trading	**301**	0	301
Commissions on unused credit lines	**122**	205	(83)
Payables to stockholders and other debt	**12**	7	5
Total current other financial liabilities	**28,542**	23,624	4,918

35. Current liabilities – Other payables

Details are as follows:

€ in thousands	**12/31/2008**	12/31/2007	Change
Employees for salaries and wages, vacation and unused holidays	**1,503**	1,758	(255)
Social security payable	**626**	774	(148)
Sundry	**266**	499	(233)
Total other payables	**2,395**	3,031	(636)

36. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows:

	12/31/2008		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
held for trading	170,499	18,943	31,328
designated initially	0		
Derivative instruments designated as hedges	0		
Investments held to maturity	0		
Loans and receivables	615,657	13,689	
Available-for-sale assets	297,242	277,636	
Total	**1,083,398**	**310,268**	**31,328**
Financial liabilities			
At fair value through profit or loss			
held for trading	0		
designated initially	0		
Derivative instruments designated as hedges	5,119		
Amortized cost	970,024	1,942	52,866
Total	**975,143**	**1,942**	**52,866**

	12/31/2007		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
held for trading	47,856	5,027	3,080
designated initially	0		
Derivative instruments designated as hedges	3,938	887	
Investments held to maturity	0		
Loans and receivables	166,385	2,484	
Available-for-sale assets	1,564,678	110,168	3
Total	**1,782,857**	**118,566**	**3,083**
Financial liabilities			
At fair value through profit or loss			
held for trading	0		
designated initially	0		
Derivative instruments designated as hedges	0		
Amortized cost	969,605		45,213
Total	**969,605**	**0**	**45,213**

Fair value of financial assets and liabilities and fair value estimation criteria

The fair value of securities listed in an active market is equal to the market price at the balance sheet date.

The fair value of trade receivables and payables and other current assets and liabilities due within the year is not significant as their accounting amount approximates fair value.

Credit risk

IFIL S.p.A. is exposed to credit risk insofar as it invests a portion of its cash in bonds issued by leading bank and corporate counterparts that, in any case, are selected according to their credit worthiness.
At December 31, 2008 and December 31, 2007, there are no financial assets past due and not written down and provisions for the impairment of receivables.

Liquidity risk

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.
The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of hedging transactions.
Flows relating to the bonds 2006/2011 are hedged by the interest rate swaps referred to in Note 31.

	2008					
€ in thousands	Within 6 months or until canceled	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
IFIL bonds 2011	4,439	4,439	213,318			**222,196**
IFIL bonds 2017	40,313	0	80,625	80,625	911,250	**1,112,813**
Trade payables and other payables to related parties	870					**870**
Trade payables and other payables to third parties	1,552					**1,552**
Total	**47,174**	**4,439**	**293,943**	**80,625**	**911,250**	**1,337,431**

	2007					
€ in thousands	Within 6 months or until canceled	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
IFIL bonds 2011	4,439	4,439	17,758	204,439		**231,075**
IFIL bonds 2017	40,313	0	80,625	80,625	951,563	**1,153,126**
Trade payables and other payables to related parties	467	0				**467**
Trade payables to third parties	1,936	0				**1,936**
Total	**47,155**	**4,439**	**98,383**	**285,064**	**951,563**	**1,386,604**

Outgoing flows from current operations are financed for the most part by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidations of assets or the receipt of suitable sources of financing that can be readily used. In this sense, IFIL S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2008, the company has credit lines for € 1,240 million, of which € 510 million are irrevocable.

The expiration dates of the credit lines are as follows:

€ in millions	Lines agreed	Of which, irrevocable
Within 1 year	890	160
Between 2 and 5 years	350	350
Total	**1,240**	**510**

Market risk

IFIL S.p.A. is principally exposed to the following financial risks: currency, interest rate and price.

Currency risk

IFIL S.p.A. does not have financial liabilities denominated in currency other than Euro.
A part of the assets held for trading and cash at December 31, 2008, respectively, € 15,749 thousand and € 13,565 thousand, are denominated in currency other than Euro. Since these are securities held for trading and cash, both are adjusted to year-end exchange rates.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 4% and 5.5% in 2008 (between 3.5% and 5.5% in 2007).
IFIL S.p.A. has some interest rate swap contracts in place at December 31, 2008, for a total notional amount of € 200 million, to hedge the risk of fluctuations in interest rates on the IFIL bonds 2006-2011 with a negative fair value equal to € 5,119 thousand.

A sensitivity analysis was performed on financial instruments exposed to interest rate risk at the balance sheet date. The analysis assumes that the exposure for floating-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the balance sheet date.

The effects of a change with an increase or decrease of 50 basis points in interest rates would be the following:

	12/31/2008		12/31/2007	
€ in thousands	**income statement**	**balance sheet**	income statement	balance sheet
+50 bsp	**3,049**			
cash and cash equivalents/financing			821	
hedging instruments		**229**		252
-50 bsp				
cash and cash equivalents/financing	**(3,049)**		(821)	
hedging instruments		**(229)**		(225)

Price risk

IFIL S.p.A. is exposed to price risk originating from investments in the capital stock of other companies held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost;
- available-for-sale investments;
- assets held for trading.

Sensitivity analysis for price risk

Considering price risk exposure at the balance sheet date, if the prices of securities, classified as available-for-sale investments and assets held for trading are 5% higher or lower, the reserve on available-for-sale securities recorded in equity would be € 14.9 million higher or lower and the amount recognized in the income statement would be € 8.5 million higher or lower.

37. Fees to members of the board of directors and board of statutory auditors

(Art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)

All amounts in the following table are expressed in thousands of Euro.

Name	Post held	Term of office	Expiration of term of office (a)	Fee for post held	Non-monetary benefits	Bonuses and other incentives	Other compensation (b)
Directors in office							
Elkann John	Chairman	5/13-12/31	2011	317			613
	Vice Chairman Vicario	1/1-5/13					
Gabetti Gianluigi	Director	1/1-5/13	2008	17			
	Honorary Chairman	5/13-12/31	2011	960			
	Chairman	1/1-5/13		492	7	5,000 (c)	
Brandolini d'Adda Tiberto	Vice Chairman	1/1-12/31	2011	10			712
Barel di Sant'Albano Carlo	Chief Executive Officer	1/1-12/31	2011	775	11		794
Ferrero Ventimiglia Edoardo	Director	1/1-12/31	2011	10			
Grande Stevens Franzo	Director	1/1-12/31	2011	9			
Marocco Antonio Maria	Director	1/1-12/31	2011	19			
Recchi Giuseppe	Director	1/1-12/31	2011	13			
Salvati Sandro	Director	5/13-12/31	2011	8			
Saracco Claudio	Director	1/1-12/31	2011	13			
Teodorani-Fabbri Pio	Director	1/1-12/31	2011	10			
Total Directors				**2,653**	**18**	**5,000**	**2,119**
Directors no longer in office at December 31, 2008							
Lombardi Giancarlo		1/1-5/13	-	**5**			
Winteler Daniel John		1/1-5/13	-	**3**			**1,316**
Total Directors no longer in office at December 31, 2008				**8**			**1,316**
Statutory Auditors							
Colucci Eugenio	Chairman	5/13-12/31	2011				
Jona Celesia Lionello	Statutory Auditor	5/13-12/31	2011				
Piccatti Paolo	Statutory Auditor	1/1-12/31	2011	42			150
Total Statutory Auditors				**42**	**0**	**0**	**150**
Statutory Auditors no longer in office at December 31, 2008							
Ferrero Cesare		1/1-5/13	-	62			32
Giorgi Giorgio		1/1-5/13	-	42			8
Total Statutory Auditors no longer in office at December 31, 2008				**104**	**0**	**0**	**40**

(a) The term of office would have expired in concurrence with the stockholders' meeting that approved the financial statements for the year ended December 31, 2010; following the Merger, the boards resigned on March 1, 2009, the effective date of the Merger.
(b) Fee for the posts held in companies of the group.
(c) Special fee approved in favor of Mr Gabetti by the board of directors' meeting held on May 13, 2008.
(d) Does not include € 77,000 paid by Fiat S.p.A. and € 17,500 paid by Juventus Football Club S.p.A. not received but collected directly by IFIL S.p.A..

There are no key managers with strategic responsibilities in IFIL S.p.A..

The company signed a third-party liability insurance policy with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The proposals for the fees of the executive directors are formulated and approved directly by the board of directors which, after a review by the compensation and nominating committee, in accordance with art. 2389, paragraph 2, of the Italian Civil Code, has the power to establish the fees of directors vested with special responsibilities in accordance with the deed of incorporation.

The compensation and nominating committee also assists the board of directors in examining proposals relating to plans for development, for the evaluation and for the functional succession of staff, as well as the salary levels of first-category staff and stock option plans.

The fee of the chairman is not linked to either the economic results of the company or targets set by the board of directors.
A part of the fees of the chief executive officer and general manager, however, is tied to the economic results of the company and the attainment of specific targets.

The meeting of the board of directors held on June 9, 2005 approved the use of a secretarial service and a car with a driver for the chairman, Gianluigi Gabetti, also after his current term of office expires.

The board of directors in its meeting held on May 13, 2008 proceeded to appoint the posts on the board and confer the relevant powers, appoint the members of the audit committee and the compensation and nominating committee as well as the supervisory board pursuant to Legislative Decree 231/2001. Moreover, the board also voted:

- to equally divide among its members the annual fee of € 110,000 established by the stockholders' meeting held on May 13, 2008;
- to reimburse the directors for out-of-pocket expenses incurred in carrying out the activities connected with their posts;
- to fix the annual fee of the chairman at € 500,000;
- to fix the annual fee of the chief executive officer at € 1,150,000 in addition to:
    - variable fee up to a maximum of € 1,250,000 linked to the attainment specific objectives which will be determined by the board of directors based on the proposal of the compensation and nominating committee;
    - the use of accommodations placed at his disposal by the company;
    - the use of two company cars in addition to the one used for company business;
    - death and permanent disability insurance coverage for professional or non-professional-related accidents;
    - health insurance coverage, the same as for company executives;
    - a sum equal to € 2,300,000, corresponding to two years' fixed fee for the post of chief executive officer, to be paid at the end of the term of office, except in the case of the renewal of the post, voluntary resignation or failure to accept the renewal, termination for a just cause or reaching pensionable age.
- annual fee of € 1,500,000 for the special mandate conferred to Mr Gabetti, in addition to confirming the death and permanent disability insurance coverage for professional and non-professional-related accidents voted by the board of directors' meeting held on February 7, 2005;
- to fix the fees of the audit committee at € 14,500 (of which € 7,500 for the chairman and € 3,500 for each of the other two members);
- to fix the fees of the compensation and nominating committee at € 14,500 (of which € 7,500 for the chairman and € 3,500 for each of the other two members);

- to fix the compensation of the supervisory board at € 9,000 to be equally divided among the three members.

Additional information is provided in Note 39.

38. Stock options granted to directors

(Art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)

Name	Company	Options held at beginning of year			Options granted (exercised) during year			Options held at end of year		
		Number of options	Average exercise price	Exercise period (month/year)	Number of options	Average exercise price	Exercise period (month/year)	Number of options	Average exercise price	Exercise period (month/year)
Barel di Sant'Albano Carlo	IFIL	0			3,000,000	5.291	5/16-12/19	3,000,000	5.291	5/16-12/19
Winteler Daniel John (a)	Alpitour	2,127,000	2.140	3/08-3/10				2,127,000	2.140	3/08-3/10

(a) In office until the stockholders' meeting that approved the 2007 financial statements.

There are no key managers with strategic responsibilities in IFIL S.p.A..

39. Transactions with related parties

The board of directors has adopted principles of conduct for carrying out transactions with related parties which are described in the Report on Corporate Governance, available also on the website of the company (http://www.ifil.it).

With regard to the year 2008, the transactions between IFIL S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Losses have not been recognized during the year for uncollectible or doubtful receivables in relation to amounts due from related parties.

A summary of the balance sheet and income statement balances generated by transactions with related parties carried out during 2008 is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Financial receivables	Trade receivables	Other liabilities	Trade payables and other payables
GA Servizi S.r.l.				2
IFI S.p.A.	199,456 (a)	24		11
Soiem S.p.A.				818
Holdings System		68		
Juventus Football Club S.p.A.		35		
Alpitour Group companies		96		5
Fiat Group companies				34
Directors for fees not yet collected				4
Grantees of Alpitour stock option plan			8,075 (b)	
Total transactions with related parties	**199,456**	**223**	**8,075**	**874**
Total Current assets	829,300	829,300		
Total Current liabilities			42,166	42,166
Ratio of total transactions with related parties to total of the line items in the balance sheet %	**24.05%**	**0.03%**	**19.15%**	**2.07%**

The information regarding dividends received (€ 255,636 thousand) is described in Note 9.

Counterpart	Financial income	Purchases of goods and services	Revenues	Other nonrecurring income (expenses)
GA Servizi S.r.l.		2		
Soiem S.p.A.		2,379 (c)		
IFI S.p.A.	1,456 (a)	33	68	
Other Holdings System companies			221	
Juventus Football Club S.p.A.		17	53	
Alpitour Group companies		85	126	
Fiat Group companies		307	77	
Sequana S.A.			43	
Fees to Corporate Boards and Committees (d)				
- Chairman		809		
- Chief executive officer		1,141 (f)		
- Board of Directors		109		
- Special fees to directors		951		(5,000) (e)
- Audit Committee		15		
- Compensation and Nominating Committee		15		
Grantees of Alpitour stock option plan				7,796 (b)
Directors' expense reimbursements		30		
Total transactions with related parties	**1,456**	**5,893**	**588**	**2,796**
Total transactions with third parties	29,956	3,733	156	
Total of the line items in the income statement	**31,412**	**9,626**	**744**	**2,796**
Ratio of total transactions with related parties to total of the line items on the income statement %	**4.64%**	**61.22%**	**79.03%**	**100.00%**

The most important transactions are commented below with reference to the notes in the preceding tables.

a) On October 10, 2008, IFIL granted the parent, IFI, a loan up to a maximum amount of € 200 million which bears interest at the 1-month Euribor with a spread of 0.1%. In the current situation of the markets, this transaction enabled IFIL to eliminate the counterpart risk on that amount, with an interesting remuneration.
Since this is a transaction between related parties, as established in the rules of Corporate Governance of the two companies, the transaction was approved beforehand by the respective boards of directors on October 10, 2008.
b) Other liabilities include the measurement of the liability for € 8,075 thousand with respect to the grantees of the Alpitour stock option plan approved at the end of 2005. The reduction of the liability compared to the prior year (€ 7,796 thousand) is included in other nonrecurring income from related parties.
c) Purchases for goods and services from the subsidiary Soiem S.p.A., amounting to € 2,379 thousand, relate to the lease of the offices of the headquarters in Corso Matteotti 26, computer, telephone and logistics services.
d) Fees to directors amount to € 3,040 thousand. The preceding Note 37 presents the information required by art. 78 of Consob Regulation 11971, as amended by Resolution 15520 dated July 2006.
e) Special fees approved in favor of Mr Gabetti by the IFIL board of directors' meeting held on May 13, 2008.
f) of which € 376 thousand represents the figurative cost of the IFIL stock options assigned to the chief executive officer.

On December 15, 2006, IFIL S.p.A. purchased 100% of the capital stock of Alpitour S.p.A. from its subsidiary, Ifil Investissements S.A., at the price of € 100 million, determined on the basis of a specific appraisal performed by an independent expert. In the past, Alpitour S.p.A. was the object of a development initiative with a foreign partner of the sector which had purchased a stake. After the successful conclusion of this initiative, the investment was reacquired by IFIL S.p.A..

At December 31, 2008, Mr Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana shares between May 2009 and May 2013 at a price per share of € 20.46; moreover, Sequana has allocated 12,340 free shares to Mr Tiberto Brandolini d'Adda, which will available from March 29, 2010.

Furthermore, in 2008, the director, Franzo Grande Stevens, rendered professional services to Fiat S.p.A. for € 1 million (including acting as the secretary to the board of directors).

40. Guarantees, commitments and pending litigation

Besides what has already been described in the Report on Operations regarding the proceedings in respect of the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 and in the preceding notes, there is no other information to report.

41. Fees paid to the audit firm (art. 149 – duodecies of Consob Regulation 11971 dated May 14, 1999 and subsequent amendments)

The professional services rendered to the IFIL Group by the audit firm in 2008 are the following:

€ in thousands	Party which rendered the service	Parent IFIL S.p.A.	Consolidated subsidiaries	**Total**
Type of services				
Audit	Deloitte & Touche S.p.A.	70	493	**563**
	Rete Deloitte		2,902	**2,902**
Total audit		70	3,395	**3,465**
Other services				
. attestation	Deloitte & Touche S.p.A. Rete Deloitte	7		**7** (a)
. other services	Deloitte & Touche S.p.A. Rete Deloitte	13	4	**17** (b)
Total other services		20	4	**24**
Total		**90**	**3,399**	**3,489**

(a) Confirmation of the financial ratios and limited review of the balance sheet at June 30, 2008, prepared in accordance with art. 2501-quater of the Italian Civil Code.

(b) Agreed upon procedures carried out regarding the completeness and the updating of the Group's IFRS reporting package.

In addition, the fees for professional services paid to the Deloitte & Touche audit firm and its network by the Fiat Group (accounted for using the equity method in the consolidated financial statements of the IFIL Group) was € 22.9 million.

42. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of IFIL S.p.A. is provided below:

€ in thousands	**12/31/2008**	12/31/2007	Change
Non-current financial receivables:			
- from third parties	**196**	285	(89)
Other financial assets held for trading	**170,499**	47,856	122,643
Cash and cash equivalents	**411,398**	165,553	245,845
Current financial receivables:			
- from related parties	**199,456**	0	199,456
- from third parties	**959**	4,348	(3,389)
Non-current debt:			
- with related parties		0	0
- with third parties	**(944,179)**	(943,578)	(601)
Current debt:			
- with related parties		0	0
- with third parties	**(28,876)**	(23,624)	(5,252)
Net financial position	**(190,547)**	(749,160)	558,613
- with related parties	**199,456**	0	199,456
- with third parties	**(390,003)**	(749,160)	359,157

43. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2008 were approved by the board of directors on March 25, 2009 which authorized their publication starting from March 31, 2009.

Turin, March 25, 2009

On behalf of the Board of Directors
The Chairman
John Elkann

IFIL investments

Consolidated Financial Statements at December 31, 2008

CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2008	2007	Change
Revenues	10	**2,665**	2,661	4
Other revenues from current operations	11	**35**	36	(1)
Purchases of raw materials and changes in inventories		**(884)**	(874)	(10)
Personnel costs	12	**(1,215)**	(1,187)	(28)
Costs for external services		**(424)**	(391)	(33)
Taxes and duties		**(11)**	(10)	(1)
Depreciation and amortization		**(85)**	(92)	7
Accruals to provisions and other expenses from current operations		**(77)**	(71)	(6)
Profit from current operations		**4**	72	(68)
Other nonrecurring income (expenses)	13	**(24)**	(28)	4
Operating profit (loss)		**(20)**	44	(64)
Gains on sales of investments		**75**	9	66
Cost of net debt		**(35)**	(31)	(4)
Other financial income (expenses)		**94**	122	(28)
Financial income (expenses)	14	**134**	100	34
Profit before income taxes		**114**	144	(30)
Income taxes	15	**(28)**	(43)	15
Profit (loss) of companies consolidated line-by-line		**86**	101	(15)
Share of the profit (loss) of companies accounted for by the equity method	16	**352**	587	(235)
Profit from continuing operations		**438**	688	(250)
Profit (loss) from discontinued operations or assets held for sale	17	**0**	(8)	8
Profit		**438**	680	(242)
of which profit attributable to the equity holders of the parent		**445**	672	(227)
of which profit (loss) attributable to the minority interest		**(7)**	8	(15)

Basic earnings attributable to the equity holders of the parent (€):	18			
- per ordinary share		**0.42**	0.63	(0.21)
- per savings share		**0.42**	0.65	(0.23)
Basic earnings from continuing operations (€):	18			
- per ordinary share		**0.42**	0.64	(0.22)
- per savings share		**0.42**	0.66	(0.24)
Diluted earnings attributable to the equity holders of the parent (€):	18			
- per ordinary share		**0.42**	-	0.42
- per savings share		**0.42**	-	0.42
Diluted earnings from continuing operations (€):	18			
- per ordinary share		**0.42**	-	0.42
- per savings share		**0.42**	-	0.42

CONSOLIDATED BALANCE SHEET

€ in millions	Note	12/31/2008	12/31/2007	Change
Non-current assets				
Goodwill	**19**	**402**	342	60
Other intangible assets	**20**	**461**	456	5
Property, plant and equipment	**21**	**198**	197	1
Investments accounted for by the equity method	**22**	**3,253**	3,473	(220)
Other financial assets	**23**	**1,412**	2,674	(1,262)
Deferred tax assets	**35**	**17**	26	(9)
Other non-current assets	**24**	**93**	87	6
Total Non-current assets		**5,836**	7,255	(1,419)
Current assets				
Inventories, net		**3**	3	0
Trade receivables	**24**	**333**	445	(112)
Other receivables	**24**	**159**	188	(29)
Financial assets	**23**	**549**	158	391
Cash and cash equivalents	**25**	**975**	919	56
Total Current assets		**2,019**	1,713	306
Assets held for sale	**26**	**3**	3	0
Total Assets		**7,858**	8,971	(1,113)
Equity				
Attributable to the equity holders of the parent	**27**	**5,687**	6,666	(979)
Attributable to the minority interest	**29**	**104**	128	(24)
Total Equity		**5,791**	6,794	(1,003)
Non-current liabilities				
Provisions for employee benefits	**30**	**40**	43	(3)
Provisions for other liabilities and charges	**31**	**24**	20	4
Bonds and other debt	**34**	**1,142**	1,058	84
Deferred tax liabilities	**35**	**86**	82	4
Other non-current liabilities	**36**	**58**	101	(43)
Total Non-current liabilities		**1,350**	1,304	46
Current liabilities				
Provisions for employee benefits	**30**	**42**	113	(71)
Provisions for other liabilities and charges	**31**	**23**	14	9
Bonds and other debt	**34**	**91**	103	(12)
Trade payables	**36**	**326**	378	(52)
Other current liabilities	**36**	**235**	265	(30)
Total Current liabilities		**717**	873	(156)
Liabilities relating to assets held for sale		**0**	0	0
Total Equity and liabilities		**7,858**	8,971	(1,113)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Retained earnings and other reserves	Gains (losses) recognized directly in equity	Profit for the year	Equity attributable to equity holders of the parent	Equity attributable to the minority interest	Total equity
Equity at January 1, 2007	**1,076**	**(48)**	**1,456**	**2,104**	**1,293**	**341**	**6,222**	**643**	**6,865**
Stock-based compensation				29			29	2	31
Capital stock transactions							0	41	41
Dividends distributed						(107)	(107)	(1)	(108)
Gains (losses) recognized directly in equity					(74)		(74)	(45)	(119)
Effect of Cushman & Wakefield Group acquisition on equity attributable to the minority interest							0	155	155
Effect of Sequana Group deconsolidation on equity attributable to the minority interest							0	(672)	(672)
Change in scope of consolidation and other changes				(76)			(76)	(3)	(79)
Profit for the year						672	672	8	680
Movements in equity accounts				234		(234)	0		0
Total changes	0	0	0	187	(74)	331	444	(515)	(71)
Equity at December 31, 2007	**1,076**	**(48)**	**1,456**	**2,291**	**1,219**	**672**	**6,666**	**128**	**6,794**
Purchases of treasury stock		(104)					(104)		(104)
Stock-based compensation				5			5	1	6
Dividends distributed						(106)	(106)		(106)
Gains (losses) recognized directly in equity					(1,183)		(1,183)	(4)	(1,187)
Effect of IFIL ownership percentage increase in the Fiat Group following treasury stock purchase				(30)			(30)		(30)
Effect of IFIL ownership percentage increase in the Cushman & Wakefield Group							0	(10)	(10)
Effect of IFIL ownership percentage increase in Sequana Group				2			2		2
Change in scope of consolidation and other changes				(8)			(8)	(4)	(12)
Movements in equity accounts				566		(566)	0		0
Profit (loss) for the year						445	445	(7)	438
Total changes	0	(104)	0	535	(1,183)	(227)	(979)	(24)	(1,003)
Equity at December 31, 2008	**1,076**	**(152)**	**1,456**	**2,826**	**36**	**445**	**5,687**	**104**	**5,791**
Note	**27**	**27**		**27**	**27**			**29**	

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

€ in millions	**12/31/2008**	12/31/2007
Gains (losses) recognized directly in the cash flow hedge reserve	**(145)**	80
Transfer of fair value on cash flow hedge derivatives to income statement	**(84)**	(53)
Gains (losses) recognized directly in the reserve for changes in fair value of available-for-sale financial assets	**(427)**	(115)
Deferred taxes recognized in equity	**13**	33
Transfer of fair value to income statement	**0**	(37)
Reversal of the reserve for cumulative fair value on the stake in Intesa Sanpaolo sold	**(404)**	0
Exchange gains (losses) recognized directly in the reserve for translation of foreign operations	**(108)**	(148)
Actuarial gains (losses) recognized directly in equity	**(32)**	121
Income (expense) recognized directly in equity	**(1,187)**	(119)
Profit attributable to the equity holders of the parent and the minority interest	**438**	680
Total recognized income and expense	**(749)**	561
- attributable to the equity holders of the parent	**(738)**	598
- attributable to the minority interest	**(11)**	(37)

CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	2008	2007
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit (loss) attributable to the equity holders of the parent and the minority interest	438	680
Elimination of income and expenses not affecting cash:		
Share of the profit (loss) of companies accounted for by the equity method	(352)	(587)
Depreciation, amortization, impairments and accruals	117	110
(Gains) losses on disposals	(90)	(20)
Other (income) expenses	19	36
Current and deferred income taxes	28	43
Dividends received from investments	294	126
Income taxes paid	(16)	(32)
Change in working capital	(255)	(7)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	183	349
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(90)	(87)
Proceeds from disposal of property, plant and equipment and intangible assets	41	39
Acquisition of the Cushman & Wakefield Group, net of cash consolidated	0	(418)
Other investments in non-current financial assets by IFIL and the companies in the Holdings System	(91) (a)	(214)
Other investments in current financial assets made by companies consolidated line-by-line	(21)	(61)
Proceeds from disposal of 1.45% stake in Intesa Sanpaolo ordinary capital stock	598	0
Proceeds from the sales of non-current financial assets	14	27
Proceeds from disposal of 22% stake in the Sequana Group, net of cash deconsolidated	0	19
Loan to parent, IFI	(199)	0
Other flows provided by (used in) investing activities	(199) (b)	752
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	53	57
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid out by IFIL S.p.A.	(106)	(107)
Dividends paid by consolidated companies to the minority interest	(1)	(1)
Increase (decrease) in capital stock subscribed to by the minority interest	0	41
Purchases of treasury stock	(104)	0
New loans secured	317	999
Loans repaid	(272)	(322)
Net effect of securitization of the Alpitour Group trade receivables	9	9
Other flows used in financing activities	(20)	(294)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(177)	325
EFFECT OF CHANGE IN FOREIGN CURRENCIES	(4)	(7)
NET INCREASE IN CASH AND CASH EQUIVALENTS	55	724
CASH AND CASH EQUIVALENTS, AT START OF THE YEAR	919	195
CASH AND CASH EQUIVALENTS, AT END OF THE YEAR	974	919
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55	724

(a) Of which € 58 million is for the subscription to Perfect Vision Limited convertible bonds, € 21 million for the subscription to a 17.03% stake in Banijay Holding and € 12 million for investments in NoCo B.

(b) These mainly refer to forms of investment of liquidity which are classified in cash and cash equivalents.

The reconciliation between cash and cash equivalents in the statement of cash flows and the corresponding line items in the balance sheet is presented in Note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

On February 20, 2009, the deed was signed for the merger by incorporation of IFIL Investments S.p.A. in IFI – Istituto Finanziario Industriale S.p.A., which assumed the new name of EXOR S.p.A., with effect from March 1, 2009.

On the same date, the board of directors and the board of statutory auditors of the merged company resigned.

This Annual Report 2008 of the IFIL Group was approved by the board of directors of EXOR S.p.A., the surviving company, in its meeting held on March 25, 2009.

The merger will not modify the Group's programs as EXOR, which already had control of IFIL, will continue the investment activities.
The main subsidiaries and associates operate in different business segments as described in the Introduction to the Report on Operations.

2. Accounting policies used in the preparation of the consolidated financial statements

The 2008 consolidated financial statements have been prepared under the historical cost convention, adjusted as required for the measurement of certain financial instruments and under the going concern assumption. The Group companies, in fact, have assessed that, despite operating in a difficult economic and financial environment, no material uncertainties exist (as defined in paragraph 23 of IAS 1) about its ability to continue as a going concern.

The consolidated financial statements of the IFIL Group at December 31, 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The consolidated financial statements have also been drawn up in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

The consolidated financial statements of the IFIL Group are expressed in millions of Euro.

3. Formats of the consolidated financial statements

The consolidated income statement is presented by nature of expense which is considered more representative than the presentation based on the function of expenses used by the operating companies consolidated line-by-line.

The consolidated balance sheet makes a distinction between current and non-current assets, in accordance with IAS 1.

The consolidated statement of changes in equity presents the total income and expense recognized directly as an increase and decrease of reserves in a specific section.
The consolidated statement of cash flows is presented using the indirect method. Income and expenses for the year are adjusted by the effects of non-monetary transactions, by past or future deferrals or accruals of operating collections or payments and by financial elements due to investment or financing activities.

The Euro is the functional currency and presentation currency of the Group.

4. Unusual and/or atypical transactions and significant nonrecurring events and transactions and related party transactions

Pursuant to Consob Communication 6064293 dated July 28, 2006, during 2008, there are no unusual and/or atypical transactions or significant nonrecurring events and transactions, also on the basis of information received from the companies of the Group, which are required to be disclosed as defined by that Communication.

Minor nonrecurring transactions are disclosed in Note 13.

The balance sheet and income statement balances originating from transactions with related parties are summarized and commented in Note 39.

5. Significant accounting policies

Consolidation

The companies in which the Group has the power to exercise control, directly or indirectly, by determining the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, attributing to the minority interest the share of equity and the net result.

The financial statements of subsidiaries as defined above are included in the consolidated financial statements from the date that control by the Group commences until the date that control ceases.

Pending possible amendments to IAS 27 proposed in the Exposure Draft ED 10 “Consolidated Financial Statements”, that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFIL Group has continued to exclude the Fiat Group, in which the subsidiary IFIL S.p.A. has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter.
However, in order to provide more meaningful disclosure, Note 42 presents consolidated pro-forma data as if the Fiat Group had been consolidated line-by-line.

The investment in the Fiat Group, the companies controlled and excluded from consolidation, the joint ventures, the associates and the other investments are accounted for according to the criteria indicated in “Investments in unconsolidated companies”.

The results of discontinued operations or assets held for sale which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs, as well as the gains (losses) on their sale.

The share of the equity and the results of operations attributable to the minority interest are disclosed separately. The minority interest in equity is determined on the basis of the fair value attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses in a consolidated subsidiary pertaining to the minority interest exceed the minority interest in the subsidiary's capital stock, the excess is charged to the Group, unless the minority interests are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profits be realized in the future, the minority interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

The effects of subscribing to capital stock increases when there are different issue prices for the various classes of stock are recognized as changes in equity.

Date of reference: investments are consolidated using the financial statements at December 31, the closing date of the parent, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, which fiscal year ends on October 31 of each year, is consolidated line-by-line on the basis of the consolidated financial statements ended on that date, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2007 and 2008, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions: intragroup balances and significant transactions and any unrealized gains and losses between companies consolidated line-by-line are eliminated. Unrealized gains and losses arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies. Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Business combinations

Acquisitions of companies and business segments are recorded using the purchase method of accounting. The cost of an acquisition is measured as the sum of the fair value (at the acquisition date) of the assets given (consideration paid), liabilities incurred or assumed and any equity instruments issued by the Group in exchange for the acquisition of the control of the acquired company, plus each cost directly attributable to the acquisition. The identifiable assets, liabilities and contingent liabilities of the company acquired, which meet the conditions for recognition under IFRS 3, are recognized at their fair value at the acquisition date, except for non-current assets (or groups of assets held for sale) which are classified as held for sale, in accordance with IFRS 5, and are recognized and measured at fair value net of selling costs.
Goodwill originating on acquisition is recognized in assets and recorded initially at cost, measured as the excess of the cost of acquisition over the Group's interest in the fair value of the recognized identifiable assets, liabilities and contingent liabilities. If this interest exceeds the cost of acquisition, the values are re-examined and if there is still an excess, it is recognized immediately in the income statement.

The share of the minority interest in the company acquired is recognized initially at the fair value of the assets, liabilities and contingent liabilities recognized.

Investments in unconsolidated companies

The investments in the Fiat Group and in associates (principally Sequana) are accounted for by the equity method in the attached consolidated financial statements. Under this method, such investments are stated at cost, increased or decreased by the Group's share of the changes of the post-acquisition movements in the net assets of the company and any impairment of the investment. When the Group's share of any losses in the unconsolidated companies exceeds its interest, the Group only recognizes the losses if it has assumed legal or constructive obligations or has made payments on behalf of these companies.

Any excess of the cost of acquisition over the Group's interest in the fair value of the assets, liabilities and contingent liabilities of the investees recorded at the date of acquisition is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment in accordance with IAS 36.

Intangible assets

Goodwill: in the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.
The excess of the cost of acquisition over the Group's interest in the fair value of those assets and liabilities is classified in the assets in the balance sheet. Goodwill relating to the minority interest of subsidiaries acquired is eliminated. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement at the date of acquisition.

On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.
In the context of IFRS first-time adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the acquisitions of businesses that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets when they are controlled by the enterprise, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value and writedowns for impairment losses. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually and more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Intangible assets with a finite useful life are amortized from the time they are ready for use on a straight-line basis over the estimated useful life.

Other intangible assets recognized following the acquisition of an enterprise are capitalized separately from goodwill if they meet the definition of intangible asset and if their fair value can be measured reliably. The costs of such intangible assets are represented by their fair value at the date of acquisition.

Amortization plans and any realizable value are reviewed at least annually.

Players' registration rights: are intangible assets with a finite useful life equal to the duration of the players' contracts. The players' registration rights are recorded at cost discounted to present value, including any incidental expenses.

Players' registration rights are amortized on a straight-line basis over the term of the contracts between the company and each individual player. The original amortization plan can be extended following the early renewal of the contract, starting from the same season in which the contract is renewed. For youth players registered as "giovani di serie", amortization is taken over five years on a straight-line basis.

Players' registration rights are recognized on the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Players' registration rights also include sharing receivables and payables ex. art 102-bis of the N.O.I.F (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.)".

Player sharing receivables represent the value of the simultaneous repurchase of 50% of the registration rights of the players sold. They are recognized at the adjusted cost and are not amortized as they are used by other companies. Player sharing receivables are written down when the estimated remaining useful life at the end of the sharing period is permanently below the amount recognized. Adjusted cost is the lower of the cost incurred originally under the legal form of agreement between the parties and the actual repurchase value.

Player sharing payables represent the value of the sale of 50% of the registration rights of the players sold. They are recognized at nominal value as a deduction from the value of the registration rights of the player sold to show the actual purchase value. As a result, the amortization of the players' registration rights sold relating to the player sharing agreement is calculated on that lower cost.

When there are indications of an impairment in the players' registration rights (for example, serious injury or significant losses from sales made subsequent to the reporting date) an impairment loss is recorded for the remaining carrying amount.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses, if any.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are current obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with a corresponding entry to a specific provision account.

Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement in relation to the relative depreciation of the assets.

Borrowing costs associated with investments are generally charged to the income statement on an accrual basis.

Assets acquired under finance leases are recognized in property, plant and equipment with a corresponding entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if shorter than the useful life of the asset.

If an asset has significant components with different useful lives, these components are recorded and depreciated separately.

Subsequent purchase costs are capitalized only if they increase the future economic benefits of the assets to which they refer. All other costs are recognized in the income statement when incurred.

Property, plant and equipment are depreciated systematically using the straight-line method, from the time they are ready for use, over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment.

The estimated useful lives for the main categories of property, plant and equipment are as follows:

Buildings	from 10 to 40 years
Plant and machinery	from 5 to 20 years
Industrial equipment	from 5 to 20 years
Other assets	from 3 to 25 years

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Impairment losses

At every balance sheet date, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there are indications of impairment, the recoverable amount of those assets is estimated to determine the amount of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with an indefinite life, including goodwill, are tested annually for impairment or whenever there are indications that the assets might be impaired.

The recoverable amount of the asset is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.
If the recoverable amount of an asset (or a cash-generating unit) is lower than the relative carrying amount, the asset is reduced to the recoverable amount. An impairment loss is recognized in the income statement immediately unless the asset is represented by land or buildings other than investment property recognized at revalued amounts, in which case the loss is recognized in the respective revaluation reserve.
Where an impairment loss for assets other than goodwill subsequently no longer exists or has decreased, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized in the income statement immediately unless the asset is measured at revalued cost, in which case the reversal is made to the revaluation reserve.

Non-current other financial assets

Financial investments are recognized and reversed on the trade date if the purchase or sale of an investment is made through a contract which terms require the delivery according to the terms established by the reference market and are initially measured at fair value, increased by transaction costs.

Such financial investments are classified in the following categories: available-for-sale investments and securities and other financial assets held to maturity.

Available-for-sale investments: are measured at fair value which coincides, for listed investments, at the market price on the last day of the reporting period translated, if necessary, at the year-end exchange rate. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity should be reversed and recognized in the income statement. Given the limited number of available-for-sale investments, such evidence is assessed case by case. The reversal of such impairment losses are subsequently only made through equity. Upon disposal of the asset, the cumulative gains or losses previously recognized in a specific equity reserve are transferred to the income statement.

Dividends on investments held for sale are recognized in the income statement when the Group has the right to receive them.

Available-for-sale securities: represented by debt securities, are initially recognized at cost and subsequently measured at fair value. The difference is recognized in equity. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses, when the reasons which gave rise to them no longer exist, are reversed in the income statement but only up to the initial amount.

Securities and other financial assets: held to maturity are recognized and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is recognized initially net of principal repayments, decreased by the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Bonds with mandatory conversion into stock: are recognized by separating the bond component from the embedded derivative represented by the obligation to convert the bonds into the stock of the issuer at an established maturity date.
At initial recognition, the component represented by the bond is calculated by discounting the cash flows of the instrument to present value using the market rate of a non-convertible bond, recording the embedded derivative as the difference from the price paid.
Subsequently, the bond component is measured at amortized cost whereas the embedded derivative is measured at fair value with a corresponding entry to the income statement.

Current financial assets

Current financial assets include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.
Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if necessary, at the year-end exchange rate. The fair value adjustment of current financial assets is recorded with a corresponding entry in the income statement.

Cash and cash equivalents

Cash and cash equivalents represent highly liquid short-term financial investments which can be readily converted into cash and are subject to an insignificant risk of a change in their value.

Inventories

Inventories are stated at the lower of purchase or production cost and estimated realizable value determined using the weighted average cost method or FIFO (First In, First Out).

Inventories of finished and semifinished goods included direct costs of materials and labor and indirect variable and fixed overheads, excluding general and administrative expenses. The market price takes into account writedowns for inventory obsolescence.

Assets held for sale

Assets, or a group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year and are available for immediate sale in their current condition, are classified on specific lines on the balance sheet. If they represent significant sectors of activities, the relative results are shown separately in the income statement. In order to meet this condition, management must be committed to a plan to sell, which is highly probable of taking place within one year of classification in this category. The disclosure relating to the results of such assets, is shown separately also for the prior year.

Such assets are stated at the lower of the net carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement and, eventually, is reversed subsequently if the reasons for the impairment no longer exist, but only up to the initial amount. From the time the asset is recognized as an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer exist, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in the income statement.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.

If there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.

Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Receivables sold with recourse remain in the balance sheet of the assignor which records a payable to the buyer against collection and the financial expense to be incurred. Receivables sold without recourse are only derecognized if it can be demonstrated that the risks and rewards relating to the asset have been effectively transferred to the assignee.

Consequently, all receivables sold which do not meet IAS 39 derecognition requirements remain in the Group financial statements even though they have been legally sold. A corresponding financial liability is recorded in the consolidated balance sheet in debt. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group balance sheet.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The amortized cost of a financial liability is the amount at which the financial liability was recognized initially net of principal repayments, increased or decreased by the total amortization on any difference between the initial amount and the maturity amount using the effective interest method.

The effective interest rate is a method for calculating the amortized cost of a financial liability and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated payments (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period, at the net carrying amount of the financial liability.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. The Group designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the

related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Employee benefits – Pension plans

The companies of the Group offer their employees various forms of pension plans with specific characteristics that vary according to the law, the regulations and the practices in the countries in which they operate.

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans, contributions are paid to outside, legally separate entities with administrative autonomy, which free the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.

Consequently, the Group companies record the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Group companies have the obligation to set aside the costs relating to the benefits guaranteed to their employees in service and pay retired employees. The actuarial risk and the investment risk are thus substantially borne by the companies of the Group.

Defined benefit plans, which, for the Italian companies, include employee severance indemnities accrued to December 31, 2006, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid. The specific assumptions of each plan take into account the local economic conditions.

Defined benefit plans are in some cases covered by financial assets managed outside the Group companies. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities; in the reverse case, an asset is recognized.

The scheme for the employee severance indemnities of the Italian companies was considered a defined benefit plan up to December 31, 2006. The regulations for the employee severance indemnities scheme was modified by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations issued in the early months of 2007. In view of these changes and particularly with reference to companies with at least 50 employees, the employee severance indemnities scheme is now considered a defined benefit plan only for amounts accrued prior to January 1, 2007 (and not yet paid at the balance sheet date) whereas after that date it is considered a defined contribution plan. For Italian companies with less than 50 employees, the employee severance indemnities scheme remains a post-employment benefit under a defined benefit plan. The amount already accrued must be projected to estimate the amount payable upon termination of employment and subsequently discounted to present value using the Projected Unit Credit Method. This actuarial method is based upon demographic and financial assumptions in order to arrive at a reasonable estimate of the amount of benefits which had already been accrued for each employee based on his/her service life.

Using the actuarial calculation, a charge is made to the income statement to “Personnel Costs” for the current service cost which defines the amount of rights accrued during the year by the employee and to “Financial income (expenses)” for the interest cost which constitutes the figurative expense which the company would have incurred by securing a loan on the market equal to the amount of employee severance indemnities.

Employee benefits – Stock option plans

Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date. In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The cost is recalculated each year based upon a revision of the above-indicated estimate.

In accordance with IFRS 2, the Group has applied this standard to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

In the event the plans require a monetary payment equal to the increase in the value of shares of the enterprise, the fair value of the liability of the plan is re-measured at each reporting date until its extinction and the cost is recognized in the income statement.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognized in the financial statements as the provision for other liabilities and charges expresses the best estimate of the monetary resources necessary to extinguish the current obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When the accrual is determined by using estimated cash flows to extinguish the obligation, the carrying amount is represented by the discounted present value of those cash flows.

Changes in estimates are recorded in the income statement in the period in which the change occurs.

The accruals mainly refer to restructuring expenses. An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or the details of the restructuring plan have been made public and that valid expectations of it have been raised.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

Current income taxes are calculated according to the tax laws in force in the countries in which the companies of the Group operate on the basis of the taxable income for the year. Taxable income is different from the income expressed in the consolidated financial statements in that it excludes costs and revenues that become taxable or deductible in other years and also excludes items which are never taxable or deductible.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes are recorded in deferred tax liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and tax payables in a specific line item under non-current assets or liabilities.

Current and deferred income taxes are recognized in the income statement except for those relating to items debited or credited directly in equity which are recognized directly in equity. With regard to business combinations, the tax effect is taken into consideration in determining the excess of the cost of acquisition over the fair value of the assets, liabilities and contingent liabilities, while no tax effect is attributed to the residual amount represented by goodwill.

Transactions in foreign currency and consolidation of foreign entities

The financial statements of each Group company are presented in the functional currency of the economic environment in which they operate. For purposes of the consolidated financial statements of the Group, the financial data of these companies is translated into Euro which is the currency of the parent and the presentation currency of the consolidated financial statements.

In the preparation of the financial statements of the individual companies of the Group, the transactions expressed in currencies other than the functional currency are recorded at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Non-monetary items are measured at historical cost and are not translated. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

For purposes of the presentation of the consolidated financial statements, the assets and liabilities of foreign companies with functional currencies different from the Euro and which are included in the scope of consolidation are translated using the exchange rate in effect at the balance sheet date (current exchange method). Items in the income statement and cash flows in the statement of cash flows are translated at the average exchange rate for the year. The translation differences resulting from the application of this method are classified in equity until the sale of the investment.
Goodwill and fair value adjustments generated by the acquisition of a foreign entity are recognized in the respective currency and translated at the year-end exchange rates.

Revenue recognition

Revenues are formed mainly by sales of services produced within the major business segments of the Group and are stated net of any adjusting items.

Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

In particular, revenues are recognized in the main business segments as follows:

Cushman & Wakefield Group

The C&W Group's revenues are categorized into transaction services and non-transaction services. Non-transaction services include primarily capital market services and client solutions (financial advisory, asset management, valuation, corporate real estate services, and research). Fees related to transaction services are recognized as revenue at the time the related services are fully performed and the amount can be measured reliably, unless significant material future contingencies exist, in which case they are recognized when the contingency is resolved.
Asset management fees are recognized as revenue when earned, typically on a monthly basis as services are rendered.
Other revenues for fees related to non-transaction services are recognized when the assignment has been completed. Fees for ongoing professional services are recognized as revenue when earned, which is when services are rendered.
The C&W Group recognizes certain reimbursements (primarily salaries and related charges) mainly related to the facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Alpitour Group

Sales of tourist packages, airplane transportation services and brokering revenues are recognized based on the departure date.
Revenues for hotel services and services rendered in connection with the incoming sector are recognized in the income statement at the service performance date.
Premiums connected with reinsurance activities are recognized in the income statement on the client's departure date since the insurance coverage is strictly related to the travel package.

Juventus F.C.

Revenues from games, from radio and television rights and media income are recognized at the actual moment of the event (when the game is played). Revenues from season tickets are recognized when the tickets are paid even if payment is received at the end of the season preceding the season to which the tickets refer and are deferred on the accrual basis using the same principle (when the game is played).

Revenues from the performance of services (including sponsorships) are recognized on the basis of the stage of completion of the service or upon completion of the service.

Revenues are recorded net of returns, discounts and allowances.

Gains and losses from the sale of players' registration rights are recognized according the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Gains from the sale of players' registration rights, in which 50% is simultaneously repurchased, are adjusted for 50% of their amount in order to recognize in the income statement the income accrued for the portion of the deferred rights actually transferred through the sale. The remaining amount of the gain, instead, will only be realized upon termination of the player-sharing agreement when the player leaves the company. If there is a loss on the sale of the players' right which precedes the signing of the player-sharing contract, this loss, on the contrary, is not adjusted for IFRS purposes. This is due to the fact that the loss is comparable to the effect of an impairment test of the deferred right, under the assumption that the moment in time in which the right is disposed of represents the moment in which that loss arose.

IFIL Holdings System

Financial income is recognized according to the accrual principle on the basis of the effective rate of return.

Dividends from investments accounted for at cost are recognized in the income statement when they are approved and only from the earnings generated after the purchase of the investment holding. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are recognized as a deduction from the cost of the investment holding.

Dividends from available-for-sale investments and investments held for trading are recognized in the income statement upon approval of the appropriation.

Commission expenses

Commissions payable to brokers are recorded at the time the Cushman & Wakefield Group recognizes its brokerage commission revenues and are generally not paid until after the collection of the related commissions receivable.

Other nonrecurring income (expenses)

Other nonrecurring income (expenses) includes the gains and/or the losses on the disposal of non-current assets other than discontinued operations or assets held for sale (the results of the latter are included in “Profit (loss) from discontinued operations or assets held for sale”). They may also include impairment losses on assets, restructuring costs, accruals and utilizations of provisions for liabilities.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit attributable to the equity holders of the parent is also adjusted to take into account the effects, net of taxes, of the conversion.

Basic and diluted earnings per share are calculated on the result from continuing operations and the result from discontinued operations or assets held for sale.

Segment information

Given the nature of investment companies, IFIL S.p.A. presents segment information which coincides with the consolidated data of each operating subsidiary and associate holding company, each of which represents an investment in a primary reporting segment.

6. Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and assumptions are based on experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the income statement in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has led to the need to make assumptions about future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.

The following are the critical judgments and the key assumptions concerning the future that have been made in the process of applying the accounting policies and that may have the most significant effect on the amounts recognized in the consolidated financial statements or that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- the impairment test on goodwill and on the C&W Inc. Group trademarks which resulted in an impairment loss recorded for € 7 million ($9.5 million) at December 31, 2008 (please refer to Note 19 to the consolidated financial statements);
- the impairment loss of € 7 million on the residual amount of the registration rights for the player Andrade, given that it will be impossible for the player to recover to play professionally due to a serious injury (please refer to Note 13 to the consolidated financial statements);
- the impairment loss of € 5 million on the video archives of Juventus F.C., carried out on the basis of the commercial exploitation plan and estimated cash and economic flows acquired and expected (please refer to Note 13 to the consolidated financial statements);
- the fair value adjustment to equity of the remaining investment in Intesa Sanpaolo which, at year-end 2008, showed an original purchase price in excess of the market price for € 62 million; this impairment loss, equal to 17%, was not considered objective evidence of an impairment at December 31, 2008 (please refer to Note 23 to the consolidated financial statements);
- other listed and unlisted investments accounted for at cost or fair value for which their measurement indicated no evidence of impairment.

Recoverable amount of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets and deferred tax assets. Each consolidated company periodically reviews the carrying amount of non-current assets held and used and assets that must be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows from the use or disposal of the asset, as established in company plans, and suitable discount rates in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the companies of the Group record an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the Group companies' most recent plans.

Pension plans and other post-employment benefits

Group companies sponsor pension plans and other health care plans in various countries. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group companies' actuarial consultants also use subjective factors such as resignations and mortality rates in making relevant estimates.

Contingent liabilities

The actions and claims against the companies of the Group are often the result of difficult and complex factual and legal issues, which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular action and claim, the jurisdiction and the differences in applicable law. The companies of the Group accrue a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed in the Notes.

7. Adoption of new accounting standards, amendments and interpretations issued by the IASB

Interpretations and amendments to standards effective from January 1, 2008 but not applicable to the Group

The following interpretations and amendments, applicable for 2008, relate to matters that are not applicable to the Group.

- IFRIC 12 – Service Concession Arrangements (applicable from January 1, 2008).
- IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (applicable from January 1, 2008).
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures that would permit the reclassification of some non-derivative financial assets which are classified under the “fair value through profit or loss category” in particular circumstances. The amendment also permits the transfer of loans and receivables from the “available-for-sale” category to the “held to maturity” category where the entity has the intention and ability to hold such instruments for a specific future period. Although this amendment applies from July 1, 2008, it has had no effect on the financial statements presented herein as none of the reclassifications permitted by the amendment were carried out by the Group.

Accounting standards, amendments and interpretations not yet effective and not early adopted by the Group

On November 30, 2006, the IASB issued IFRS 8 – Operating Segments that will become effective on January 1, 2009 and supersedes IAS 14 – Segment Reporting. The new standard requires the information provided in segment reporting to be based upon the components of the entity that management uses to make decisions about operational matters. The standard requires these operating segments to be identified on the basis of internal reports that are regularly reviewed by the entity's management in order to allocate resources to the segment and assess its performance. The adoption of this standard will have no effect on the measurement of items in the financial statements.

On March 29, 2007, the IASB issued a revised version of IAS 23 – Borrowing Costs. The standard is applicable from January 1, 2009. The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard will be applicable prospectively to borrowing costs relating to qualifying assets capitalized starting from January 1, 2009.

On September 6, 2007, the IASB issued a revised version of IAS 1 – Presentation of Financial Statements which applies from January 1, 2009. The revised standard requires an entity to present changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (meaning changes in comprehensive income) are required to be presented either in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Transactions with non-owners may not be presented in the statement of changes in equity.

Adoption of this standard will have no effect on the measurement of items in the financial statements.

On January 10, 2008, the IASB issued a revised version of IFRS 3 – Business Combinations and an amended version of IAS 27 – Consolidated and Separate Financial Statements. The main changes that revised IFRS 3 will make to existing requirements are the elimination of the need to measure at fair value every asset and liability at each step in a step acquisition for the purpose of calculating a portion of goodwill. Instead, goodwill will be measured as the difference at acquisition date between the value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Moreover, for a business combination in which the acquirer achieves control without purchasing all of the acquiree, the remaining (non-controlling) equity interests are measured either at fair value or by using the method already provided in IFRS 3. The revised IFRS 3 also requires acquisition related costs to be recognized as expenses and the acquirer to recognize the obligation to make an additional payment (contingent consideration) as part of the business combination.

In the amended IAS 27, the IASB has added a requirement specifying that changes in a parent's interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions and recognized within equity. Moreover when a parent loses control of a subsidiary but retains an ownership interest it must initially measure any retained investment at fair value. At the date when control is lost, the difference between the fair value and the carrying amount of the retained interest must be recognized in profit or loss. Finally, the amendment to IAS 27 requires losses pertaining to non-controlling interests to be allocated to non-controlling interest equity, even if this results in the non-controlling interest having a deficit balance. The new rules will apply prospectively from January 1, 2010.

On January 17, 2008, the IASB issued an amendment to IFRS 2 – Vesting Conditions and Cancellations which clarifies that for the purpose of share-based payments measurement, vesting conditions are service conditions and performance conditions only. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply this amendment retrospectively from January 1, 2009; no effects are expected from its adoption.

On May 22, 2008, the IASB issued a series of amendments to IFRS ("Improvements"); details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out amendments regarding changes in terminology or editorial changes which are likely to have minimal effects in terms of accounting and effects on the consolidated financial statements.

- IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations: this amendment, applicable prospectively from January 1, 2010, requires an entity that is committed to a sale plan involving loss of control of a subsidiary to classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.
- IAS 1 – Presentation of Financial Statements (revised in 2007): this amendment, applicable from January 1, 2009, requires an entity to classify assets and liabilities arising from derivative financial instruments that are not classified as held for trading between current and non-current assets and liabilities. Adoption of this standard will have no effect on the measurement of items in the financial statements.
- IAS 16 – Property, Plant and Equipment: this amendment, applicable from January 1, 2009, requires an entity that in the course of its ordinary activities routinely sells items of property, plant and equipment that it has held for rental to others, to transfer such assets to inventories when they cease to be rented and become held for sale. As a consequence, the proceeds from the sale of such assets shall be recognized as revenue. Cash payments to manufacture or acquire assets held for rental to others or subsequently held for sale are cash flows from operating activities (and not from investing activities).
- IAS 19 – Employee Benefits: this amendment, applicable prospectively from January 1, 2009 to changes in benefits that occur after that date, clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognized immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. The Board also revised the definition of short-term employee benefits and long-term employee benefits and the definition of a return on plan assets, stating that this amount should be net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation).
- IAS 23 – Borrowing Costs: this amendment, applicable from January 1, 2009, revises the definition of borrowing costs.
- IAS 28 – Investments in Associates: this amendment, applicable from January 1, 2009 with prospective application also permitted, requires that for investments accounted for using the equity method a recognized impairment loss should not be allocated to any asset (and in particular to goodwill) that forms part of the carrying amount of the investment in the associate, but to the carrying amount of the investment overall. Accordingly, any reversal of that impairment loss is recognized in full.
- IAS 36 – Impairment of Assets: this amendment, applicable from January 1, 2009, requires additional disclosures to be made in the case in which an entity determines the recoverable amount of a cash-generating unit using discounted cash flows.
- IAS 38 – Intangible Assets: this amendment, applicable retrospectively from January 1, 2009, requires expenditure on advertising and promotional activities to be recognized in the income statement. Further, it states that expenditures incurred to provide future economic benefits to an entity, but where no intangible asset is recognized, must, for the supply of goods, be recognized as an expense when it has the right to access the goods. In the case of the supply of services, an entity shall recognize the expenditure as an expense when it receives the services. Moreover, the standard has been revised in order to allow entities to use the unit of production method for determining the amortization charge for an intangible asset with a finite useful life.
- IAS 39 – Financial Instruments: Recognition and Measurement: this amendment, applicable from January 1, 2009, clarifies how to calculate the revised effective interest rate on ceasing fair value hedge accounting and notes additionally that the prohibition on the reclassification of financial instruments into or out of the fair value through profit or loss category after initial recognition should not prevent a derivative from being accounted for at fair value through profit or loss when it does not qualify for hedge accounting and vice versa.

On July 31, 2008, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement which is to be applied retrospectively from January 1, 2010. The amendment clarifies how the existing principles underlying hedge accounting should be applied in particular situations.

In November 2008, the IASB also issued IFRIC 17 – Distribution of Non-cash Assets to Owners, establishing that the determination of the value of the distribution of non-cash assets should consider their fair value when it becomes mandatory to record the relative payable to the stockholders.
The amendment is applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009.
In March 2009, the IASB issued an amendment to IFRS 7 – Financial Instruments: Disclosures which is applicable from January 1, 2010, or annual periods beginning on or after July 1, 2009. The amendment requires disclosure about the measurement of fair value (methods used and, if valuations techniques are used, the assumptions adopted in determining the fair value of each class of financial asset or liability) and the liquidity risk (analysis of the maturities of financial liabilities represented by derivatives or other liabilities).

Standards, amendments and interpretations not applicable by the Group
The following standards (already applicable or applicable in the future), amendments and interpretations have also been issued, relating to matters that were not applicable to the Group at the date of the financial statements.

IAS 20 – Government Grants and Disclosure of Government Assistance: this amendment, applicable prospectively from January 1, 2009, states that the benefit of a government loan at a below-market rate of interest shall be treated as a government grant and then accounted for in accordance with IAS 20.

IAS 28 – Investments in Associates, and IAS 31 – Investments in Joint Ventures: these amendments, applicable from January 1, 2009, require specific new disclosures to be made for investments in associates and joint ventures measured at fair value in accordance with IAS 39. IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation have accordingly also been amended.

IAS 29 – Financial Reporting in Hyperinflationary Economies: the previous version of the standard did not reflect the fact that a number of assets and liabilities may or must be measured on the basis of a current value rather than historical value. This amendment, made in order to reflect this, is effective from January 1, 2009.

IAS 32 – Financial Instruments: Presentation and to IAS 1 – Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation: this amendment requires puttable financial instruments and instruments, or components of instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments. This amendment is effective prospectively from January 1, 2009.

IAS 40 – Investment Property: this amendment, applicable prospectively from January 1, 2009, states that property under construction falls within the scope of IAS 40 and not that of IAS 16.

Interpretations:

- IFRIC 13 – Customer Loyalty Programmes (applicable from January 1, 2009).
- IFRIC 15 – Agreements for the Construction of Real Estate (applicable from January 1, 2009 but not yet endorsed by the European Union).
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (issued on July 3, 2008). The main change expected to arise from this interpretation is the elimination of the possibility for an entity to apply hedge accounting for a hedge of the foreign exchange differences between the functional currency of a foreign operation and the presentation currency of the parent's consolidated financial statements. Moreover, the interpretation clarifies that in a hedge of a net investment in a foreign operation the hedging instrument may be held by any entity or entities within the group and that IAS 21 – The Effects of Changes in Foreign Exchange Rates shall be applied to determine the amount that needs to be reclassified from equity to profit or loss for the hedged item when an entity disposes of the investment. This interpretation, effective from January 1, 2009, had not yet been endorsed by the European Union at the date of these consolidated financial statements.
- IFRIC 18 – Transfers of Assets from Customers (applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009).

8. Change in the scope of consolidation

The changes in the scope of consolidation of the Group are presented below.

Cushman & Wakefield Group

In 2008, the C&W Group made some acquisitions for a total investment of $31 million (€ 22 million).
The total net fair value of the property, plant and equipment and intangible assets acquired amounts to $4.4 million (€ 3 million), while the goodwill recorded is equal to $33.2 million (€ 24 million)

Alpitour Group

In 2008, the group sold the entire investment in the subsidiary Kiwengwa Ltd (a company controlled 100% by Horizon Holidays S.A. and Alpiturismo Service of Tourism Lta) for a total equivalent amount of € 4 million. This transaction gave rise to a gain of approximately € 1 million on consolidation.
Moreover, two subsidiaries in the hotel sector were sold: Mediterranean Tourist Company S.A. and Blue Marine Tunisie S.A..
Società a Valore Sicuro S.r.l. was formed. This company is 100% controlled by Alpitour S.p.A. and conducts insurance brokerage activities under a project for the diversification and expansion of the range of insurance services offered directly to the end customer.

Holdings System

With a view toward simplifying the Group's structure, the following transactions were recently entered into:

- on September 29, 2008, a decision was taken to put Ifilgroup Finance Limited, an Irish-registered company controlled 100% by Ifil Investissements S.A., into a voluntary wind-up;
- on November 7, 2008, a decision was taken to put Ifil Investment Holding, a Dutch-registered company controlled 100% by IFIL, into a voluntary wind-up. On the same day, Ifil Investment Holding transferred 224,194 Ifil Investissements S.A. shares which it held (20.184% of capital stock) to IFIL as an advance on the liquidation. After this transaction, IFIL directly held 100% of the capital stock of Ifil Investissements.

Other information

With regard to the balance sheet at December 31, 2007 presented in these consolidated financial statements for comparison purposes, some reclassifications have been made to the data published at December 31, 2007 for a better reading of the balance sheet. Such reclassifications, moreover, do not have any effect on the profit or equity.

9. Segment information

Information by business segment and by geographical area, presented as set forth in IAS 14 – Segment Reporting, is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The primary reporting format consists of the business segments whereas the geographical areas make up the secondary reporting format. This distinction is based upon the nature of the risks and rewards inherent in the Group's activities and reflects the organizational structure.

The segment information presented by the IFIL Group agrees with the consolidated data of each subsidiary and associate holding company, every one of which represents an investment in a major business segment: C&W Group, Alpitour Group, Juventus F.C., Fiat Group, Sequana Group and the IFIL Holdings System.
For an analysis of the performance of the different segments, reference should be made to the "Review of the Operating Performance of the Main Holdings" in the Report on Operations.
The segment information relating to continuing operations is presented in the following tables; the segment information relating to discontinued operations or assets held for sale is presented in Note 26.

The analysis of the income statement by business segment is as follows:

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	IFIL Holdings System	**Total**
2008							
Revenues	1,229	1,237	197			2	**2,665**
Operating profit (loss)	(10)	18	1			(29)	**(20)**
Financial income (expenses)	(6)	(4)	1			143	**134**
Income taxes	(4)	(11)	(8)			(5)	**(28)**
Profit (loss) of companies consolidated line-by-line	**(20)**	**3**	**(6)**			**109**	**86**
Share of the profit (loss) of companies accounted for by the equity method	(1)	1		467	(115)		**352**
Profit (loss) from discontinued operations or assets held for sale							**0**
Profit (loss)	**(21)**	**4**	**(6)**	**467**	**(115)**	**109**	**438**
Profit (loss) attributable to the equity holders of the parent	**(15)**	**3**	**(4)**	**467**	**(115)**	**109**	**445**
Profit (loss) attributable to the minority interest	**(6)**	**1**	**(2)**				**(7)**

€ in millions	Cushman & Wakefield Group (a)	Alpitour Group	Juventus	Fiat Group	Sequana Group	IFIL Holdings System	**Total**
2007							
Revenues	1,259	1,236	165			1	**2,661**
Operating profit (loss)	74	21	(8)			(43)	**44**
Financial income (expenses)	(3)	1	0			102	**100**
Income taxes	(24)	(13)	(8)			2	**(43)**
Profit (loss) of companies consolidated line-by-line	47	9	(16)			61	**101**
Share of the profit of companies accounted for by the equity method	1			566	20		**587**
Loss from discontinued operations or assets held for sale					(8)		**(8)**
Profit (loss)	**48**	**9**	**(16)**	**566**	**12**	**61**	**680**
Profit (loss) attributable to the equity holders of the parent	**35**	**8**	**(10)**	**566**	**12**	**61**	**672**
Profit (loss) attributable to the minority interest	**13**	**1**	**(6)**				**8**

(a) The data refers to the period April 1 - December 31, 2007, after acquisition.

Segment assets are as follows:

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	IFIL Holdings System	Total
2008							
Assets							
Segment assets	1,104	277	260			17	**1,658**
Investments accounted for by the equity method		1		3,062	190		**3,253**
Other assets	108	115	38			2,683	**2,944**
Assets held for sale			3				**3**
Total assets	**1,212**	**393**	**301**	**3,062**	**190**	**2,700**	**7,858**
Liabilities							
Segment liabilities	309	235	163			20	**727**
Other liabilities	903	158	138			5,932	**7,131**
Total liabilities	**1,212**	**393**	**301**	**0**	**0**	**5,952**	**7,858**
Investments in property, plant and equipment and intangible assets	(31)	(18)	(55)				**(104)**
Amortization and depreciation	(42)	(15)	(27)			(1)	**(85)**
Impairment losses on assets	(7)		(12)				**(19)**
Other (accruals) releases of provisions							**0**
Other non-monetary costs							**0**
Cash flows							
Cash flows from operating activities	(44)	26	9			192	**183**
Cash flows from investing activities	(44)	(10)	(4)			111	**53**
Cash flows from financing activities	78	(24)	(1)			(230)	**(177)**

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	IFIL Holdings System	Total
2007							
Assets							
Segment assets	973	315	255			62	**1,605**
Investments accounted for by the equity method	6	1		3,125	341		**3,473**
Other assets	230	129	26			3,505	**3,890**
Assets held for sale		3					**3**
Total assets	**1,209**	**448**	**281**	**3,125**	**341**	**3,567**	**8,971**
Liabilities							
Segment liabilities	411	265	147			29	**852**
Other liabilities	798	183	134			7,004	**8,119**
Total liabilities	**1,209**	**448**	**281**	**0**	**0**	**7,033**	**8,971**
Investments in property, plant and equipment and intangible assets	(27)	(16)	(61)			(1)	**(105)**
Amortization and depreciation	(48)	(17)	(27)				**(92)**
Impairment losses on assets		(6)	(1)				**(7)**
Other (accruals) releases of provisions	2	(3)					**(1)**
Other non-monetary costs			(15)				**(15)**
Cash flows							
Cash flows from operating activities	154	47	(16)			164	**349**
Cash flows from investing activities	(12)	4	(2)			67	**57**
Cash flows from financing activities	(60)	(17)	99			303	**325**

The following table presents an analysis of the revenues of the group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2008			
Italy	1,266	469	70
Europe excluding Italy	457	426	10
United States	746	516	19
Rest of the world	196	247	5
Total at December 31, 2008	**2,665**	**1,658**	**104**

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2007			
Italy	1,223	526	76
Europe excluding Italy	458	155	12
United States	787	779	12
Rest of the world	193	145	5
Total at December 31, 2007	**2,661**	**1,605**	**105**

10. Revenues

Details of revenues are as follows:

€ in millions	**2008**	2007	Change
Revenues from rendering tourist services	**1,237**	1,236	1
Real estate brokerage commissions	**779**	819	(40)
Revenues from property management activities (a)	**196**	149	47
Radio and television rights and media revenues	**137**	115	22
Revenues from financial consulting and property management services	**140**	200	(60)
Corporate real estate business consulting services and research	**110**	81	29
Revenues from sponsorships and advertising (b)	**43**	39	4
Revenues from season tickets and ticket office sales	**13**	9	4
Other services	**10**	13	(3)
Total revenues	**2,665**	2,661	4

(a) These are reimbursements for property management services rendered by the Cushman & Wakefield Group and received from the owners of the properties.

(b) Includes consideration (€ 13 million) for the July 1, 2007 – June 30, 2010 agreement between the Fiat Group and Juventus F.C. which gives the Fiat Group the right to exploit the images of Juventus F. C..

11. Other revenues from current operations

Details of other revenues from current operations are as follows:

€ in millions	**2008**	2007	Change
Gains on the sale of players' registration rights	**16**	19	(3)
Other income (a)	**18**	14	4
Operating grants	**1**	3	(2)
Total other revenues from current operations	**35**	36	(1)

(a) This mainly includes contributions for advertising and promotions, cost recoveries and other income of the Alpitour Group (€ 9 million) and insurance compensation and sundry income of Juventus F.C. (€ 7 million).

12. Personnel costs

Details of the composition of personnel costs are as follows:

€ in millions	**2008**	2007	Change
Salaries and wages	**(879)**	(896)	17
Employee costs relating to the property management activities of the Cushman & Wakefield Group (a)	**(196)**	(149)	(47)
Share of results paid to partners of the EMEA division of the Cushman & Wakefield Group	**(20)**	(48)	28
Social security contributions	**(51)**	(40)	(11)
Health insurance	**(30)**	(21)	(9)
Employee stock options	**(5)**	(12)	7
Other employee costs	**(21)**	(11)	(10)
Temp work costs	**(7)**	(5)	(2)
Employee severance indemnities expense	**(6)**	(5)	(1)
Total personnel costs	**(1,215)**	(1,187)	(28)

(a) The corresponding reimbursement by the owners of the properties is recorded in Revenues.

13. Other nonrecurring income (expenses)

Details are as follows:

€ in millions	**2008**	2007	Change
Impairment losses on assets	**(19)**	(9)	(10)
Net other income (expenses)	**(5)**	(19)	14
Total other nonrecurring income (expenses)	**(24)**	(28)	4

In 2008, impairments losses on assets were recognized by the subsidiaries Juventus F.C. (€ 12 million) and Cushman & Wakefield (€ 7 million) for:

- residual amount of the registration rights of the player Andrade, given that it will be impossible for the player to recover to play soccer professionally following a serious injury which occurred in July 2008, for € 7 million;
- video archives of Juventus F.C., carried out on the basis of the commercial exploitation plan and the estimated cash and economic flows acquired and expected, for € 5 million;
- goodwill recognized on the acquisition of the C&W Group in March 2007 (€ 7 million).

In 2008, net other income (expenses) comprise:

- income of € 8 million relating to the fair value change in the cash settled stock option plan approved on behalf of management of the subsidiary Alpitour;
- special fee on behalf of Mr Gabetti for € 5 million approved by the board of directors' meeting held on May 13, 2008;

- expenses for € 1 million relating to the penalty paid by the subsidiary Alpitour after it withdrew in advance from a rent contract on an Italian hotel structure;
- expenses associated with the C&W Group restructuring plan for € 6 million;
- net expenses of Juventus F.C. for € 1 million, relating to the sale of Campi di Vinovo, formalized in 2007.

In 2007, impairment losses on assets included:

- the impairment loss of € 7 million, relating to the Juventus F.C. archives, carried out on the basis of the commercial exploitation plan and the estimated cash and economic flows acquired and expected;
- the impairment loss of € 2 million, regarding the design costs of the new Stadio delle Alpi that were capitalized in the past and are no longer recoverable in view of subsequent developments on the project.

In 2007, net other income (expenses) included:

- transaction costs and expenses incurred to close the dispute over the sale of La Rinascente for € 8 million;
- accrual for the current-year cost of € 13 million for the stock option plan approved for management of the subsidiary Alpitour;
- income of € 3 million from the reduction ruled by the Court of Appeals of Turin on the pecuniary administrative sanction imposed on IFIL S.p.A. by Consob;
- net loss from the sale of the investment in Campi di Vinovo, a company previously controlled by Juventus F.C., and the “Mondo Juve” business segment for € 1 million.

14. Financial income (expenses)

Details of the composition of financial income (expenses) are as follows:

€ in millions	**2008**	2007	Change
Gains (losses) on sales of investments:			
Intesa Sanpaolo (a)	**75**		75
Turismo&Immobiliare		1	(1)
Kelibia Beach S.A.		6	(6)
Gain on the contribution of the Fiorio Management business to AW Events S.r.l.		2	(2)
Net gains	**75**	9	66
Cost of net debt			
Income on current securities and cash and cash equivalents	**26**	33	(7)
Net income on exchange rate and interest rate hedging transactions	**2**	1	1
Exchange differences	**10**	(1)	11
Interest expenses on loan transactions	**(72)**	(62)	(10)
Commissions for unused credit lines	**(1)**	(2)	1
Total cost of net debt	**(35)**	(31)	(4)
Other financial income (expenses)			
Dividends received	**139** (b)	112	27
Interest income on other financial assets	**22**	12	10
Changes in the fair value of financial assets and liabilities	**(67)**	(2)	(65)
Total other financial income (expenses)	**94**	122	(28)
Financial income (expenses)	**134**	100	34

(a) Sale of 1.45% stake in ordinary capital stock.
(b) Received from Intesa Sanpaolo for € 110 million (unchanged compared to 2007), SGS for € 26 million and Gruppo Banca Leonardo for € 3 million (€ 2 million in 2007).

15. Income taxes

Details of income taxes recorded in the income statement are as follows:

€ in millions	**2008**	2007	Change
Current income taxes	**(27)**	(37)	10
Deferred income taxes	**(1)**	(6)	5
Total income taxes	**(28)**	(43)	15

In 2008, national income taxes are calculated at a rate of 27.5% on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in the various countries.

In 2007, current national income taxes were calculated at 33% and deferred income taxes at 27.5%.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge (IRES), calculated on the basis of the tax rate in effect in Italy, is the following:

€ in millions	**2008**	2007
Profit before income taxes	**114**	144
Current tax rate in Italy	**27.5%**	33%
Theoretical income taxes	**(31)**	(48)
Effective income taxes	**(28)**	(43)
Difference	**(3)**	(5)
The difference can be analyzed as follows:		
Tax effect of difference between foreign tax rates and the theoretical Italian tax rates	**(1)**	(2)
Effect of tax rate reduction on deferred income taxes	**0**	(2)
Tax effect of other permanent differences	**(19)**	(28)
Deferred tax benefits not recognized	**3**	21
Other differences	**14**	6
Difference	**(3)**	(5)

16. Share of the profit (loss) of companies accounted for by the equity method

Details are as follows:

€ in millions	**2008**	2007	Change
Fiat Group	**467** (a)	566 (a)	(99)
Sequana Group	**(115)**	20 (b)	(135)
Sundry Cushman & Wakefield Group companies	**(1)**	1	(2)
Sundry Alpitour Group companies	**1**	0	1
Total	**352**	587	(235)

(a) Includes net negative consolidation adjustments for € 7 million (-€ 1 million in 2007), mainly for the assignment of preferred dividends to the minority interest.

(b) Includes a positive consolidation adjustment for € 8 million for the lower writedown of goodwill on the AWA Group since it was partially amortized by IFIL in prior years.

For additional information on the companies accounted for by the equity method, reference should be made to Note 22.

17. Profit (loss) from discontinued operations or assets held for sale

In 2008, there were no discontinued operations.

In 2007, the loss from discontinued operations or assets held for sale was € 8 million and included the share of the profit of Sequana for the first half of 2007 (+€ 46 million) and the loss realized on the sale of the 22% stake in the same company (-€ 54 million).

18. Earnings per share

		2008	2007
Average number of ordinary shares outstanding, net of treasury stock		**1,014,154,807**	1,024,180,446
Average number of savings shares outstanding, net of treasury stock		**36,802,687**	37,383,020 (a)
Net earnings attributable to the equity holders of the parent	€ in ml	**445**	672
Earnings attributable to ordinary shares	€ in ml	**429**	647
per ordinary share – basic	€	***0.424***	*0.632*
per ordinary share – diluted (c)	€	***0.423***	n.a.
Earnings attributable to savings shares	€ in ml	**16**	25
per savings share – basic (b)	€	***0.424***	*0.653*
per savings share – diluted (c)	€	***0.423***	n.a.
Earnings from continuing operations	€ in ml	**445**	680
Earnings from continuing operations attributable to ordinary shares	€ in ml	**429**	655
per ordinary share – basic	€	***0.424***	*0.639*
per ordinary share – diluted (c)	€	***0.420***	n.a.
Earnings from continuing operations attributable to savings shares	€ in ml	**16**	25
per savings share – basic (b)	€	***0.424***	*0.660*
per savings share – diluted (c)	€	***0.420***	n.a.
Earnings (loss) from discontinued operations and assets held for sale	€ in ml	**0**	(8)
Earnings (loss) from discontinued operations attributable to ordinary shares	€ in ml	**n.a.**	(8)
per ordinary share	€	**n.a.**	*(0.008)*
Earnings (loss) from discontinued operations and assets held for sale attributable to savings shares	€ in ml	**n.a.**	n.a.
per savings share	€	**n.a.**	n.a.

(a) The Group did not hold any savings treasury stock.

(b) The earnings per share calculation did not take into account the preferential dividends as IFIL's profit for the year, following the merger by incorporation, became part of the reserves of the surviving company IFI. Such reserves, in the event of distribution, will be distributable to all stockholders in an equal amount.

(c) For purposes of the calculation of 2008 earnings per share, the number of ordinary shares outstanding was increased by the average number of "potentially dilutive" ordinary shares which could arise from a hypothetical exercise of stock options. Moreover, the earnings attributable to the equity holders of the parent were adjusted to take into account the dilutive effects arising from the theoretical exercise of stock options granted by subsidiaries and associates of the Group using their own equity instruments.

19. Goodwill

The composition of goodwill by business segment is as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Goodwill on the acquisition of the C&W Group Inc. (Group's share)	**322**	284	38
Goodwill on other companies of the C&W Group Inc.	**53**	31	22
C&W Group Inc	**375**	315	60
Jumboturismo S.A.	**11**	11	0
Altamarea V&H Compagnia Alberghiera S.p.A.	**8**	8	0
Viaggidea S.p.A.	**6**	6	0
AW Events S.r.l.	**2**	2	0
Alpitour Group	**27**	27	0
Net goodwill	**402**	342	60

The analysis of the changes in goodwill, referring entirely to the C&W Group in 2008, is as follows:

€ in millions	**12/31/2008**	12/31/2007
GROSS AMOUNT		
Opening balance	**346**	964
Changes		
Increases through business combinations:		
- Cushman & Wakefield Group (Group's share)		318
Increase in the initial goodwill of the Cushman & Wakefield Group as a result of the change in percentage of consolidation	**3**	3
Deconsolidation of the Sequana Group		(935)
Exchange differences	**19** (a)	(35)
Increases and other changes	**43**	31
Total changes	**65**	(618)
Closing balance	**411**	346
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	**(4)**	(204)
Changes		
Exchange differences		
Impairment losses recognized in the income statement (Group's share)	**(5)**	(1)
Deconsolidation of the Sequana Group		200
Other changes		1
Total changes	**(5)**	200
Closing balance	**(9)**	(4)
NET AMOUNT	**402**	342

(a) Of which € 17 million is due to the goodwill originating from the acquisition of the C&W Group Inc.

Goodwill recognized on the acquisition of the C&W Group Inc. is deemed representative of the aggregate of the future economic benefits from the investment and cannot be identified separately.

Impairment test on the goodwill and trademarks of the Cushman & Wakefield Group

The main assumptions used in the calculation of the impairment test are presented below.

For the purpose of impairment testing, the C&W Group allocates the goodwill and trademarks to the Cash-Generating Units (CGU) identified by geographical area, which represent the lowest level within the C&W Group at which these assets are monitored.

The carrying amount of goodwill and trademarks is allocated as follows:

€ in millions	Goodwill	Trademarks	Total
United States	192	94	286
Canada	30	17	47
Latin America	14	7	21
EMEA	107	56	163
Asia	32	9	41
	375	**183**	**558**

in millions	U.S. $	€
United States	130.4	94
Canada	23.5	17
Latin America	10.0	7
EMEA	78.4	56
Asia	12.7	9
Total Cushman & Wakefield Group trademarks	**255.0**	**183**

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. The impairment testing at December 31, 2008 for all CGUs is based on their estimated fair value less costs to sell.

The estimated fair value less costs to sell for each of the CGUs is determined by an independent expert. The valuation method required the determination of an indicated Total Invested Capital (TIC) amount using both the discounted cash flow method and the market approach methods, which were weighted 60% and 40%, respectively, in determining the indicated fair value of equity less costs to sell for each of the CGUs.

Discounted Cash Flow Method (DCF)

The fair value less costs to sell determined using the DCF method was weighted 60% in determining the final fair value less costs to sell for each of the CGUs. Under the discounted cash flow method, cash flows were projected for each of the CGUs based on their respective revenue and EBITDA assumptions, as outlined above, along with an estimate of a terminal year value, based on market assumptions. The 2009 revenue and EBITDA assumptions were developed in connection with the company’s annual operating plan process, while the projections for 2010 through 2012 were based on the expected growth in those years relative to the 2009 annual plan.

Market Approach Method

The fair value less costs to sell determined under the market approach was weighted 40% in determining the final fair value less costs to sell for each of the CGUs. Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2008, 2009 and 2010, and then those fair values were weighted to calculate an indicated TIC value for each CGU. The multiple assumptions in these calculations were derived from data publicly available relating to the guideline companies, including information relating to their revenue and EBITDA historical performance as well as that expected in 2009 and in subsequent years.

The key assumptions used to estimate the fair values under both methods are as follows:

Assumptions	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	15.0%	15.5%	19.5%	17.8%	17.5%	18.8%
CGU specific risk	2.0%	2.0%	1.0%	1.0%	3.5%	3.0%
Tax rate	40.0%	36.5%	25.5%	28.0%	26.4%	30.4%
Working capital %	-1.5%	-1.5%	-1.5%	-1.5%	-1.5%	-1.5%
Long-term growth rate	3.0%	3.0%	4.0%	4.0%	3.0%	4.0%
Terminal value model	fading	fading	fading	fading	fading	fading
Competitive advantage period in years	3	3	3	3	3	5
2008 EBITDA multiple	9.0x	n/a	n/a	n/a	n/a	n/a
2009 EBITDA multiple	7.0x	8.5x	n/a	9.0x	8.5x	9.0x
2010 EBITDA multiple	6.0x	7.0x	8.0x	7.0x	6.3x	8.0x
General assumptions						
Control premium	25.0%					
Consolidated tax rate	33.5%					
Equity risk premium	7.1%					
Cost to sell	1.0%					

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity specific risk, country specific premiums, local cost of equity, the local statutory tax rate and debt to equity ratios. The CGU specific risk assumptions were determined after consideration of the execution risk of achieving the forecasted results for 2009 and beyond. The tax rates represent the statutory tax rates in the respective tax jurisdictions. The working capital percentage reflects recent experience and is in line with market participant levels, while the long-term growth rates were based on the estimated long-term gross domestic product and inflation. The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which it is estimated earnings growth will reduce to the stable long-term growth rate. The EBITDA multiples for 2008 through 2010 were determined through an assessment of our guideline company multiples and taking into account local market differences. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

In addition to the key assumptions outlined above, the Company developed assumptions with respect to its expected future revenue and EBITDA growth and normalized EBITDA and EBITDA margins, as follows:

UGC	2007	2008 (Partial year)	2009	2010	2011	2012
United States						
Revenue growth	n/a	n/a	3.6%	8.6%	9.1%	8.9%
EBITDA growth	n/a	n/a	55.7%	18.5%	22.1%	30.6%
Normalized EBITDA margin	9.1%	18.1%	10.2%	9.0%	10.1%	12.1%
EBITDA margin	9.3%	17.0%	8.3%	9.0%	10.1%	12.1%
Canada						
Revenue growth	n/a	n/a	-1.3%	10.0%	14.8%	14.8%
EBITDA growth	n/a	n/a	143.7%	34.0%	36.8%	35.1%
Normalized EBITDA margin	9.9%	3.4%	9.0%	11.0%	13.1%	15.4%
EBITDA margin	9.9%	3.4%	9.0%	11.0%	13.1%	15.4%
South America						
Revenue growth	n/a	n/a	-8.4%	10.0%	11.0%	12.0%
EBITDA growth	n/a	n/a	-8.4%	-18.0%	23.6%	30.0%
Normalized EBITDA margin	12.0%	13.8%	12.9%	9.6%	10.7%	12.4%
EBITDA margin	12.0%	13.8%	12.9%	9.6%	10.7%	12.4%
Mexico						
Revenue growth	n/a	n/a	-5.2%	10.0%	10.0%	10.0%
EBITDA growth	n/a	n/a	-61.8%	65.3%	15.8%	15.1%
Normalized EBITDA margin	1.1%	44.1%	8.7%	13.0%	13.7%	14.3%
EBITDA margin	1.1%	44.1%	8.7%	13.0%	13.7%	14.3%
Europe						
Revenue growth	n/a	n/a	-6.5%	10.5%	11.0%	6.0%
EBITDA growth	n/a	n/a	44.9%	42.8%	27.0%	15.0%
Normalized EBITDA margin	12.5%	24.2%	12.0%	14.0%	16.0%	17.3%
EBITDA margin	12.5%	24.2%	10.8%	14.0%	16.0%	17.3%
Asia						
Revenue growth	n/a	n/a	3.9%	15.0%	25.0%	30.0%
EBITDA growth	n/a	n/a	107.7%	17.4%	31.0%	54.4%
Normalized EBITDA margin	19.9%	19.1%	13.6%	13.9%	14.6%	17.3%
EBITDA margin	19.9%	19.1%	13.6%	13.9%	14.6%	17.3%

The resulting fair values less costs to sell and related carrying values of each of the CGUs as of the October 1, 2008 goodwill assessment date are as follows (in millions of U.S.$):

$	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Fair value less costs to sell	421.5	40.5	51.1	13.6	375.6	106.5
Book value of equity	431.0	37.6	32.7	7.1	322.1	83.9
	(9.5)	2.9	18.4	6.5	53.5	22.6

Due to the global credit market crisis in 2008 and the resulting impact on the business, which resulted in a significant decline in EBITDA in 2008 as compared to 2007 and the original planned results for 2008, combined with reduced expectations for 2009, the carrying amount of the United States CGU was determined to be higher than its recoverable amount and, therefore, an impairment loss of € 7 million ($9.5 million) was charged to the consolidated income statement of the IFIL Group for the year 2008 in “Other nonrecurring income (expenses)”. This impairment loss was completely allocated to goodwill on the 2007 acquisition of the C&W Group Inc. There were no such impairment losses on goodwill recorded in 2007.

The key assumptions used to determine the fair value less costs to sell represent C&W Group Inc.'s management’s best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

The estimated fair values less costs to sell are particularly sensitive to changes in the discount rate and revenue assumptions. For example:

- a 100 basis point increase in the discount rate would increase the impairment for the United States CGU by $26.4 million (€ 19 million); and
- a 10% decrease in future planned revenues would increase the impairment charge by $38.4 million (€ 27.6 million).

The fair value of the Canada CGU is more or less aligned to its carrying amount, therefore:

- a 150 basis point increase in the discount rate would cause the carrying value to exceed the recoverable amount and, therefore, cause an impairment $3 million (€ 2 million); and
- a 10% decrease in future planned revenues would cause the carrying value to exceed the recoverable amount and, therefore, cause an impairment of $3 million (€ 2 million).

C&W Group Inc. management does not believe that it is reasonably possible that a change in a key assumption on which it has based its determination of the CGU's recoverable amount would cause the CGU's carrying amount to exceed its recoverable amount.

20. Other intangible assets

The changes in other intangible assets are as follows:

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	Total
Opening balance at December 31, 2006	**201**	**228**	**47**	**44**	**520**
Changes					
Increases	1	61	1	7	**70**
Increases through business combinations:					
- Cushman & Wakefield Group	194		172		**366**
- Other	4		17		**21**
Decreases		(36)	(2)		**(38)**
Exchange differences	(22)		(19)		**(41)**
Reclassification to "Assets held for sale"	(7)		(3)		**(10)**
Deconsolidation of the Sequana Group	(147)		(12)	(13)	**(172)**
Other changes and reclassifications	31	(20)	9	(38)	**(18)**
Total changes	54	5	163	(44)	**178**
Closing balance at December 31, 2007	**255**	**233**	**210**	**0**	**698**
Changes					
Increases		51	15		**66**
Decreases		(16)			**(16)**
Exchange differences	11		9		**20**
Other changes and reclassifications			(1)		**(1)**
Total changes	11	35	23	0	**69**
Closing balance at December 31, 2008	**266**	**268**	**233**	**0**	**767**
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2006	**(132)**	**(169)**	**(31)**	**0**	**(332)**
Changes					
Acquisitions through business combinations:					
- Other	(2)				**(2)**
Uses		26	1		**27**
Impairments	(7)				**(7)**
Amortization	(8)	(26)	(36)		**(70)**
Reclassification to "Assets held for sale"	7		3		**10**
Deconsolidation of the Sequana Group	103		9		**112**
Exchange differences	1		1		**2**
Other changes and reclassifications		20	(1)		**19**
Total changes	94	20	(24)	0	**90**
Closing balance at December 31, 2007	**(38)**	**(149)**	**(55)**	**0**	**(242)**
Changes					
Uses		7			**7**
Impairments	(5)	(7)			**(12)**
Amortization	(2)	(26)	(27)		**(55)**
Exchange differences	(1)		(3)		**(4)**
Total changes	(8)	(26)	(30)	0	**(64)**
Closing balance at December 31, 2008	**(46)**	**(175)**	**(85)**	**0**	**(306)**
NET AMOUNT					
At December 31, 2007	217	84	155	0	456
At December 31, 2008	**220**	**93**	**148**	**0**	**461**

The increase in intangible assets refers to the acquisition of players' registration rights by Juventus F.C. (€ 51 million) and investments by the C&W Group (€ 14 million) and the Alpitour Group (€ 1 million).

Impairments of € 12 million are recognized by the subsidiary Juventus F.C. and included in “Other nonrecurring income (expenses)”; additional details are provided in Note 13.

At December 31, 2008, there are no commitments for the purchase of intangible assets.

In 2008, there are no research and development expenditures charged to the income statement.

Intangible assets completely amortized but still in use total € 23 million and refer to the concessions, licenses and trademarks of the Alpitour Group for € 16 million and other intangible assets for € 7 million.

“Concessions, licenses and trademarks” include:

- the amount attributed on acquisition of the C&W Group (March 2007) to the “Cushman & Wakefield” trademark, widely recognized by the market, for $255 million (€ 183 million at December 31, 2008).
  This trademark, which the C&W Group intends to renew continually, is classified as an asset with an “indefinite useful life” in that it will contribute to future cash flows indefinitely and is therefore not amortized but tested annually for impairment (Note 19);
- the government concession rights of the Alpitour Group, amortized over the duration of the original concessions.

Other intangible assets include the C&W Group's customer relationships (amortized over 16 years) and non-compete covenants (amortized over 4 years).

Players' registration rights are amortized on a straight-line basis over the period of the contracts; Juventus F.C. library products are assets with an indefinite life and are therefore tested for impairment.

21. Property, plant and equipment

The changes in property, plant and equipment are as follows:

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	Total
GROSS AMOUNT								
Opening balance at December 31, 2006	**59**	**460**	**22**	**1,864**	**216**	**57**	**0**	**2,678**
Changes								
Increases		2	2	12	33	20		**69**
Decreases		(6)		(7)	(28)			**(41)**
Reclassification to "Assets held for sale"	(1)	(18)	(1)	(8)	(9)	(1)		**(38)**
Deconsolidation of the Sequana Group	(35)	(348)		(1,844)	(161)	(63)		**(2,451)**
Increases through business combinations:								
- Cushman & Wakefield Group					45	2	1	**48**
- Other		4			6			**10**
Exchange differences		(2)		(9)	(5)	(1)		**(17)**
Other changes and reclassifications	(1)	(7)	(3)	2	18	(1)	(1)	**7**
Total changes	(37)	(375)	(2)	(1,854)	(101)	(44)	0	**(2,413)**
Closing balance at December 31, 2007	**22**	**85**	**20**	**10**	**115**	**13**	**0**	**265**
Changes								
Increases			2	1	27	7		**37**
Decreases					(5)			**(5)**
Reclassification to "Assets held for sale"						(2)		**(2)**
Change in scope of consolidation	(2)	(5)						**(7)**
Exchange differences					(5)	1		**(4)**
Other changes and reclassifications					1			**1**
Total changes	(2)	(5)	2	1	18	6	0	**20**
Closing balance at December 31, 2008	**20**	**80**	**22**	**11**	**133**	**19**	**0**	**285**
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2006	**(1)**	**(213)**	**(9)**	**(1,467)**	**(141)**	**0**	**0**	**(1,831)**
Changes								
Decreases					7			**7**
Reclassification to "Assets held for sale"		9	1	13	7			**30**
Deconsolidation of the Sequana Group	1	194		1,464	110	1		**1,770**
Increases through business combinations		(1)		1	(5)			**(5)**
Impairments						(2)		**(2)**
Impairment reversals		4		12	13			**29**
Depreciation		(9)	(3)	(36)	(26)			**(74)**
Exchange differences		1		8	1			**10**
Other changes and reclassifications		2	2		(5)	(1)		**(2)**
Total changes	1	200	0	1,462	102	(2)	0	**1,763**
Closing balance at December 31, 2007	**0**	**(13)**	**(9)**	**(5)**	**(39)**	**(2)**	**0**	**(68)**
Changes								
Decreases					2			**2**
Change in scope of consolidation		3						**3**
Depreciation		(3)	(2)	(1)	(24)			**(30)**
Exchange differences					6			**6**
Total changes	0	0	(2)	(1)	(16)	0	0	**(19)**
Closing balance at December 31, 2008	**0**	**(13)**	**(11)**	**(6)**	**(55)**	**(2)**	**0**	**(87)**
NET AMOUNT								
At December 31, 2007	22	72	11	5	76	11	0	197
At December 31, 2008	**20**	**67**	**11**	**5**	**78**	**17**	**0**	**198**

Increases in property, plant and equipment (€ 37 million) include investments made by the Alpitour Group (€ 16 million) mainly for restructuring work on the Hotel Donna Camilla Savelli in Rome and equipping the aircraft of Neos S.p.A., investments made by the C&W Group for € 17 million and those made by Juventus F.C. for € 4 million.

In 2008, no borrowing costs were capitalized. In 2007, the Alpitour Group had capitalized borrowing costs for € 1 million.

Commitments for the acquisition of property, plant and equipment amounted to € 3 million at December 31, 2007 and related to the C&W Group.

At December 31, 2008, the gross carrying amount of property, plant and equipment completely depreciated but still in use amounts to € 7 million (€ 19 million at December 31, 2007).

Finance lease contracts on property, plant and equipment

The carrying amount of property, plant and equipment includes € 19 million of assets leased under finance contracts at December 31, 2008 by Juventus F.C. for the Vinovo Training Center.

At December 31, 2007, the balance of € 22 million included the assets leased under finance contracts by Juventus F.C. S.p.A. and the Alpitour Group.

Leasing information is as follows:

€ in millions	Land and Buildings
Nominal amount at lease inception	22
Residual floating-rate lease debt, discounted to present value, at reporting date	17
Maturity of residual lease debt	
Within 1 year	2
Between 2 and 5 years	6
Beyond 5 years	9
	17

22. Investments accounted for by the equity method

Details are as follows:

	12/31/2008		12/31/2007		
€ in millions	**% of investment**	**Carrying amount**	% of investment	Carrying amount	Change
Fiat Group	**29.40**	**3,062**	29.01	3,125	(63)
Sequana Group	**26.91**	**190**	26.71	341	(151)
Sundry Cushman & Wakefield Group associates	**-**	**0**	-	6	(6)
Sundry Alpitour Group associates	**-**	**1**	-	1	0
		3,253		3,473	(220)

The analysis of the changes during the year is as follows:

€ in millions	12/31/2008	12/31/2007	Change
Opening balance	**3,473**	2,619	854
Increases	**0**	6	(6)
Decreases	**(5)**	(5)	0
Reclassification of the remaining interest in the Sequana Group		301	(301)
Share of profit (loss) of companies accounted for by the equity method (Note 16)	**352**	587	(235)
Translation differences	**(123)**	(42)	(81)
Dividends distributed	**(158)**	(80)	(78)
Fair value changes, cash flow hedges, actuarial gains (losses), share-based payments, recognized directly in equity	**(166)**	77	(243)
Transfer of fair value from cash flow hedges to income statement	**(84)**	0	(84)
Other movements	**(36)**	10	(46)
Total changes	**(220)**	854	(1,074)
Closing balance	**3,253**	3,473	(220)

Highlights of the Fiat Group are presented below (see also Note 42).

	Fiat Group	
€ in millions	**2008**	2007
Currency	**Euro**	Euro
Total assets	**61,772**	60,136
Current and non-current liabilities	**50,671**	48,857
Revenues	**59,380**	58,529
Profit attributable to the equity holders of the parent and the minority interest	**1,721**	2,054
Of which, the IFIL Group's share	**467**	566
Net financial position	**4,821**	1,764
Fair value of interest held by the Group based on stock market prices at the end of December	**1,600**	6,269

It should be pointed out that the carrying amount of the investment in the Fiat Group includes goodwill recognized at December 31, 2006 for € 33 million. The goodwill included in the consolidated financial statements of the Fiat Group amounts to € 3,489 million and was tested for impairment, evidencing an impairment of € 12 million.

Highlights of the Sequana Group are presented below.

	Sequana Group	
€ in millions	**2008**	2007
Currency	**Euro**	Euro
Total assets	**3,328**	3,862
Current and non-current liabilities	**2,614**	2,575
Revenues	**4,951**	4,077
Profit (loss) attributable to the equity holders of the parent and the minority interest	**(430)**	141
Of which, the IFIL Group's share	**(115)**	12
Net debt position	**791**	771
Fair value of interest held by the Group based on stock market prices at the end of December	**57**	290

Goodwill included in the consolidated financial statements of the Sequana Group amounts to € 630 million and was tested for impairment, evidencing an impairment of € 170 million.

23. Financial assets

The composition of financial assets is as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Non-current financial assets	**1,412**	2,674	(1,262)
Current financial assets	**549**	158	391
Total financial assets	**1,961**	2,832	(871)

Details are as follows:

	Non-current financial assets				**Current financial assets**	
€ in millions	**12/31/2008**	% held	12/31/2007	% held	**12/31/2008**	12/31/2007
Investments accounted for at fair value						
Intesa Sanpaolo S.p.A.	**297**	**1.00%**	1,565	2.45%	**0**	0
SGS S.A.	**869**	**15.00%**	957	15.00%	**0**	0
Gruppo Banca Leonardo S.p.A.	**88**	**9.76%**	82	9.82%	**0**	0
Banijay Holding S.A.S.	**21**	**17.03%**	0		**0**	
NoCo A LP (a)	**20**	**1.96%**	19	1.96%	**0**	0
Other investments at fair value	**1**		0		**0**	0
Total	**1,296**		2,623		**0**	0
Other investments accounted for at fair value						
NoCo B LP Fund	**24**		12		**0**	0
DLMD bonds	**13**		28		**0**	0
	37		40		**0**	0
Other investments accounted for at amortized cost						
Perfect Vision convertible bonds	**67**		0		**0**	0
Ocean Club Méditerranée bonds	**0**		5		**0**	0
	67		5		**0**	0
Other financial assets at fair value						
Security deposits	**8**		5		**0**	0
Credit instruments	**0**		0		**298**	104
Equity shares	**0**		0		**49**	48
	8		5		**347**	152
Other financial assets and financial receivables						
Loan to the parent, IFI	**0**		0		**199**	0
Derivative financial instruments	**4**		0		**1**	4
Receivables and other financial assets	**0**		1		**2**	2
	4		1		**202**	6
Total other investments and other financial assets	**116**		51		**549**	158
Total	**1,412**		2,674		**549**	158

(a) Includes goodwill of € 5 million originating from the acquisition of 100% of the capital stock of Ancom USA Inc by the subsidiary Ifil Investissements in 2007.

The original purchase cost of the remaining interest held in Intesa Sanpaolo is € 359 million (€ 3.05 per share); at December 31, 2008, the negative fair value adjustment recognized in equity amounts to € 62 million. Such reduction in value compared to the original cost, equal to 17%, is not considered objective evidence of its impairment at December 31, 2008.

The investment in SGS is measured at fair value on the basis of the market price at December 31, 2008, equal to CHF 1,100 per share, (at the CHF/Euro exchange rate of 1.485), with the unrealized gain of € 399 million recognized in equity. The original carrying amount of the investment in SGS is € 470 million.

The investment in Gruppo Banca Leonardo was adjusted to fair value using the "warrant equity method with excess capital", where the Group is valued through attainment of a

ROE sustainable in the long term in line with the ROE in 2007. The valuation was confirmed by a comparison with the valuation using market multiples.

Non-current financial assets include:

- Perfect Vision Limited convertible bonds, subscribed to by the subsidiary Ifil Investissements, yielding a fixed rate of 5% until conversion of the bonds in 2013, which will give Ifil Investissements a 40% equity stake in Vision Investment Management Limited.
  This is a compound financial instrument issued in U.S. dollars. The principal portion measured using amortized cost at December 31, 2008 is equal to € 67 million and the relative interest recognized in the income statement is € 2 million; the exchange differences resulting from the valuation using the year-end exchange rate recognized in the income statement amount to € 7 million. The embedded derivative was measured at fair value with a corresponding entry to the income statement for € 4 million.
- the bonds issued by DLMD, maturing on July 27, 2010, subscribed to in 2007 by the subsidiary Ifil Investissements as part of the operation for the sale of the 22% stake in Sequana to DLMD. Such bonds are guaranteed by 10,806,343 Sequana shares in addition to cash collateral of approximately € 7 million.
  In July 2008, certain clauses of the bonds were renegotiated as a result of which the bonds were subdivided into Senior and Junior bond portions. The redemption of the Junior portion, in exchange for a higher yield, is subordinate to that of the Senior portion. Ifil Investissements holds a nominal amount of € 27 million, of which € 12 million refers to the Senior portion and € 15 million to the Junior portion.
  At December 31, 2008, the Junior portion was prudently written down for the full nominal amount.

Current financial assets include:

- bonds, and other short-term financial instruments held by foreign subsidiaries of the IFIL Holdings System, which do not meet the conditions for classification as “Cash and cash equivalents”;
- equity shares and bonds held by IFIL for trading, listed on the major European and United States markets, measured at fair value based on market prices translated, where necessary, at year-end exchange rates, with recognition of the change in fair value in the income statement for € 11 million. Therefore, for the measurement of the securities, the company did not avail itself of the amendment, applicable from July 1, 2008, to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instrument: Disclosure;
- securities subscribed to by Alpitour (residual amount of € 36 million) as part of the securitization of trade receivables (for additional information, reference should be made to Note 39);
- loan granted by IFIL to the parent, IFI on October 10, 2008, up to a maximum amount of € 200 million, approved by the respective boards of directors.

The analysis of changes during 2008 is as follows:

	Non-current financial assets		Current financial assets	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/2007
Opening balance	**2,674**	2,672	**158**	1,106
Increases	**91**	201	**816**	125
Decreases	**(532)**	(12)	**(363)**	(909)
Increases through business combination of the Cushman & Wakefield Group		2		
Fair value recognized in equity	**(422)**	(97)	**(4)**	
Reversal of the accumulated fair value on the stake sold in the investment in Intesa Sanpaolo	**(404)**			
Fair value recognized through the income statement	**(11)**		**(59)**	
Deconsolidation of the Sequana Group		(105)		(172)
Exchange differences	**8**	(1)		(1)
Change in the scope of consolidation		29		2
Other changes and reclassifications	**8**	(15)	**1**	7
Total changes	**(1,262)**	2	**391**	(948)
Closing balance	**1,412**	2,674	**549**	158

Increases in non-current financial assets (€ 91 million) refer to investments made by the subsidiary Ifil Investissements. They include:

- the subscription to Perfect Vision Limited convertible bonds for € 58 million;
- the investment in Banijay Holding S.A.S. (17.03% of capital stock) for € 21 million, as part of the total commitment assumed by Ifil Investissements for € 42 million;
- the investments in NoCo B for € 12 million.

Decreases in non-current financial assets (€ 532 million) refer to:

- sale of the 1.45% stake in Intesa Sanpaolo ordinary capital stock for € 524 million;
- reimbursement of Ocean Club Méditerranée bonds for € 5 million;
- reduction of interest-earning deposits of the Alpitour Group € 3 million.

At December 31, 2008, the negative change in the investment in Intesa Sanpaolo, equal to € 1,268 million, is the result of the reversal of the carrying amount (-€ 928 million) of the stake sold (1.45% of ordinary capital stock) and the adjustment of the remaining interest to fair value at the end of the year (-€ 340 million).
The reversal of the carrying amount of the interest sold (-€ 928 million) includes the original purchase cost of € 524 million and the cumulative fair value of € 404 million.

The negative change in "fair value recognized in equity" (-€ 422 million) comprises the fair value adjustment at year-end 2008 of the investments in Intesa Sanpaolo (-€ 340 million), SGS (-€ 87 million) and Gruppo Banca Leonardo (+€ 5 million).

The change in fair value recognized through the income statement includes the impairment loss on the Junior portion of the bonds issued by DLMD for € 15 million and the positive value on the embedded derivative for € 4 million separated from the Vision bonds.

Increases in current financial assets (€ 816 million) include investments in securities and investments held for trading made by IFIL (€ 398 million) and the subsidiary Ifil Investissements (€ 180 million), securities subscribed to by the subsidiary Alpitour (€ 36 million), the loan made to the parent, IFI S.p.A. (€ 199 million) and other for € 3 million.

Decreases in current financial assets are the result of the realization of investments in which a part of the liquidity was temporarily invested. The remaining balance of liquidity is included in “Cash and cash equivalents”.

The fair value of current securities is calculated using the market price at the balance sheet date.

Non-current other financial assets, excluding investments, by maturity, are as follows:

€ in millions	**12/31/2008**	12/31/2007
Within 1 year	**0**	5
From 1 to 3 years	**15**	31
From 3 to 5 years	**76**	2
Beyond 5 years	**25**	13
Non-current other financial assets, excluding investments	**116**	51

24. Other assets

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Other non-current assets			
Commissions receivable	**10**	12	(2)
Receivables for disposals of property, plant and equipment and intangible assets	**10**	9	1
Other assets	**73**	66	7
Total other non-current assets	**93**	87	6
Other current assets			
Commissions receivable			
Gross amount of commissions receivable	**222**	307	(85)
Provision for impairment	**(11)**	(5)	(6)
	211	302	(91)
Trade receivables			
Gross amount of trade receivables	**144**	164	(20)
Provision for impairment	**(24)**	(24)	0
Trade receivables from related parties	**2**	3	(1)
	122	143	(21)
Total trade receivables	**333**	445	(112)
Other receivables			
Receivables for direct taxes	**53**	60	(7)
Receivables for indirect taxes	**6**	5	1
Receivables for disposals of property, plant and equipment and intangible assets	**24**	43	(19)
Other receivables	**75**	78	(3)
Other receivables from related parties	**1**	2	(1)
Total other receivables	**159**	188	(29)
Total other current assets	**492**	633	(141)
Total other non-current and current assets	**585**	720	(135)

Other assets include receivables from the sale, by the subsidiary Juventus F. C., of the remaining investment in Campi di Vinovo S.p.A. and the “Mondo Juve” business segment for € 34 million (€ 24 million presented in non-current assets and € 10 million in current assets), in addition to receivables from Costruzioni Generali Gilardi S.p.A. for the sale of the investments in Campi di Vinovo S.p.A. for € 8 million (of which € 5 million presented in non-current assets and € 3 million in current assets). The receivables due from Campi di Vinovo were discounted to present value based on an estimate of collections times (various installments from 2009 to 2013) and are guaranteed. If this guarantee is used it would mean that Juventus F.C. would develop the initiative on its own.

In 2008, Campi di Vinovo S.p.A. concluded the administrative procedures connected with the commercial permits, including the design modification envisaged by the contract sealed between Juventus F.C. and the buyer Costruzioni Generali Gilardi S.p.A. on July 26, 2007.

On December 22, 2008, Costruzioni Generali Gilardi S.p.A. notified Juventus F.C. that the other company with which it had signed an agreement for the development of the “Mondo Juve” commercial center indicated that it did not wish to execute the contract. As a result of the difficulty in executing the above contract, Costruzioni Generali Gilardi S.p.A. was not able to make the payment by December 31, 2008 as established in the agreements signed with Juventus F.C. on July 26, 2007 (€ 12.5 million). Following Costruzioni Generali Gilardi S.p.A.'s explicit request, on February 5, 2009, Juventus F.C. and Costruzioni Generali Gilardi S.p.A. then signed a private contract for the novation and integration of the previous agreements in order to change the payment terms of the installment due on December 31, 2008 as follows: € 4 million by February 20, 2009 (duly paid) and the remaining € 8.5 million by December 20, 2009, which can be extended by agreement between the parties upon payment of interest to Juventus F.C.. As for the other payment dates fixed in the July 26, 2007 contract (€ 12.5 million at the end of the first year after the commercial center is opened to the public and, in any case, no later than December 31, 2012, and € 17.4 million at the end of the second year after the opening of the commercial center to the public and, in any case, no later than December 31, 2013), these dates may be postponed if and when Costruzioni Generali Gilardi S.p.A. obtains the extension of the commercial permits relating to the initiative (currently expiring in 2013).

The breakdown of other assets by maturity is as follows:

€ in millions	Within1 year	From 2 to 5 years	Beyond 5 years	**Total**
Other non-current assets	2	89	2	**93**
Trade receivables and commissions receivable	333			**333**
Other receivables	117		42	**159**
Balances at December 31, 2008	**452**	**89**	**44**	**585**
Other non-current assets		80	7	**87**
Trade receivables and commissions receivable	445			**445**
Other receivables	188			**188**
Balances at December 31, 2007	**633**	**80**	**7**	**720**

25. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the statement of cash flows and the corresponding line items in the balance sheet is as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Cash and cash equivalents	**975**	919	56
Bank overdrafts and bank borrowings	**(1)**	0	(1)
Net cash and cash equivalents	**974**	919	55

Cash and cash equivalents include demand or short-term deposits and readily negotiable money market instruments and bonds; such investments are allocated over an appropriate number of counterparts, with the principal purpose of having investments which can readily be convertible into cash. The counterparts are chosen according to their creditworthiness and reliability.
However, in consideration of the current financial crisis, market conditions which might negatively affect normal operations of financial transactions cannot be excluded.

26. Assets held for sale

At December 31, 2008, assets held for sale amounting to € 3 million include the costs capitalized for the development of the commercial areas outside the Stadio Delle Alpi, following the preliminary contract signed between Juventus Football Club and Nordiconad Soc. Coop. for the purchase and sale of a business segment.

At December 31, 2007, assets held for sale amounting to € 3 million included property, plant and equipment of the companies Kiwengwa Ltd (€ 1 million) and Mediterranean Tourist Company (€ 2 million) held by the Alpitour Group which were sold in April 2008 for a total equivalent amount of € 7 million on the basis of a preliminary agreement signed in December. In addition, the investment in Semana S.r.l., held by Juventus F.C. (€ 30 thousand), was sold on March 4, 2008 to ESE S.p.A., which was already a stockholder of the company.

27. Equity

Equity attributable to the equity holders of the parent – Capital stock

At December 31, 2008, the capital stock of IFIL S.p.A., fully subscribed to and paid-in, amounts to € 1,075,995,737 and consists of 1,038,612,717 ordinary shares (96.53% of capital stock) and 37,383,020 non-convertible savings shares (3.47% of capital stock), all with a par value of € 1 each.

The objectives identified by IFIL S.p.A. and the companies in the “Holdings System” are to create value for all stockholders, safeguard business continuity, diversify investments by sector and geography and support the growth of investment holdings.

IFIL thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for stockholders and guarantee economic access to external sources of financing.

IFIL constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings.
A very prudent approach is adopted with regard to the use of financial leveraging.

Equity attributable to the equity holders of the parent – Retained earnings and other reserves and Gains (losses) recognized directly in equity

Details are as follows:

	Retained earnings				Gains (losses) recognized directly in equity				
€ in millions	Legal reserve	Other reserves and retained earnings	Reserve for stock-based compensation	Total	Reserve for translation differences	Fair value reserve	Cash flow hedge reserve	Reserve for actuarial gains(losses)	Total
Equity at January 1, 2007	**215**	**1,889**	**10**	**2,104**	**97**	**1,273**	**20**	**(97)**	**1,293**
Stock-based compensation			29	29					
Effect of fair value change to investments and securities				0		(109)			(109)
Deferred taxes on fair value change to investments and securities				0		37			37
Transfer of fair value to income statement				0		(37)			(37)
Fair value change to cash flow hedge derivatives				0			79		79
Transfer of fair value on cash flow hedges to income statement				0			(53)		(53)
Actuarial gains (losses) recognized in equity				0				116	116
Exchange gains (losses) on the translation of foreign operations				0	(104)				(104)
Deferred taxes recognized in equity				0	(2)			(1)	(3)
Other changes		(76)		(76)					0
Movements in equity accounts		234		234					0
Total changes	0	158	29	187	(106)	(109)	26	115	(74)
Equity at December 31, 2007	**215**	**2,047**	**39**	**2,291**	**(9)**	**1,164**	**46**	**18**	**1,219**
Stock-based compensation			5	5					0
Effect of fair value change to investments and securities						(427)			(427)
Deferred taxes on fair value change to investments and securities						11			11
Release of the fair value reserve due to disposal of investment in Intesa Sanpaolo						(404)			(404)
Changes in fair value of cash flow hedge derivatives							(145)		(145)
Transfer of fair value on cash flow hedge derivatives to income statement							(84)		(84)
Actuarial gains (losses) recognized in equity								(31)	(31)
Exchange gains (losses) on the translation of foreign operations					(105)				(105)
Deferred taxes recognized in equity			(2)	(2)	2			1	3
Effect of IFIL ownership percentage increase in the Fiat Group following treasury stock purchase		(31)		(31)	1				1
Effect of IFIL ownership percentage increase in the Sequana Group		2		2					0
Other changes		(8)	1	(7)					0
Movements in equity accounts		566		566					0
Total changes	0	529	4	533	(102)	(820)	(229)	(30)	(1,181)
Equity at December 31, 2008	**215**	**2,576**	**43**	**2,824**	**(111)**	**344**	**(183)**	**(12)**	**38**

Equity attributable to the equity holders of the parent – Treasury stock

The ordinary session of the stockholders' meeting held on May 13, 2008 approved for 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58 dated February 24, 1998, the purchase of a maximum of 55 million IFIL ordinary and/or savings shares for a maximum of € 450 million.

Under the Program for the buyback of ordinary and savings treasury stock voted by the board of directors on February 18, 2008, during the period February 26, to August 18, 2008, IFIL S.p.A. purchased 20,783,200 ordinary shares (2% of the class of stock) at the average price per share of € 4.8 totaling € 99.8 million, in addition to 917,000 savings shares (2.45% of the class of stock) at the average cost per share of € 4.3 totaling € 3.9 million, for a grand total of € 103.7 million (69.13% of the maximum disbursement of the € 150 million authorized for the buyback Program).

After these purchases, IFIL holds, directly and indirectly, the following treasury stock:

		% of	Carrying amount	
	Number	class	Per share (€)	Total (€ ml)
Ordinary shares, held by IFIL S.p.A.	33,186,198	3.20	4.38	145.5
Ordinary shares, held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
Total ordinary shares held	**33,996,460**	**3.28**	**4.36**	**148.3**
Savings shares, held by IFIL S.p.A.	**917,000**	**2.45**	**4.30**	**3.9**
Total treasury stock	**34,913,460**	-		**152.2**

Equity attributable to the equity holders of the parent – Dividends distributed

	Per share (€)		Total (€ ml)	
Dividends paid out by IFIL S.p.A.	**2008**	2007	**2008**	2007
Ordinary shares	**-**	0.10	**-**	102.1
Savings shares	**-**	0.1207	**-**	4.5
Total	**-**		**-**	106.6

Following the merger by incorporation in IFI – Istituto Finanziario Industriale S.p.A. (now EXOR S.p.A.), IFIL S.p.A.'s profit for the year 2008 is allocated to reserves.

28. Stock option plans

Stock option plans with underlying IFIL stock

The ordinary session of the IFIL stockholders' meeting held on May 13, 2008 approved a stock option plan for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the "Holdings System") who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options. At December 31, 2008, a total of 6,525,000 options had been granted to 17 key employees.

The Plan is aimed at attracting and retaining managerial resources who hold important positions in the company while at the same time involving them in achieving performance objectives and aligning the economic incentives to the value of the company for the stockholders. The vesting period of the options granted will start from May 14, 2014 to May 14, 2016 and precisely: the first part, equal to 25% of the options, will vest on May 14, 2014, the second part, again equal to 25% of the options, will vest on May 14, 2015 and the third part, equal to 50% of the options, will vest on May 14, 2016. The exercise price of the options granted is € 5.291 and equal to the arithmetic average of the official stock market prices of IFIL ordinary shares recorded at Borsa Italiana S.p.A. in the month prior to the date of the stockholders' meeting that approved the Plan.

The Plan is implemented by granting the recipients free options on treasury stock purchased by IFIL S.p.A. or by companies of the "Holdings System" in accordance with existing laws.

From an accounting standpoint, the plan represents an equity-settled stock-based payment transaction discussed under paragraph 10 and subsequent articles of IFRS 2 and requires that the fair value of the services received be measured in reference to the fair value of the equity instruments at the grant date.

The fair value of services received must be recorded during the option vesting period with a corresponding increase in equity.

The valuation was made by an independent expert assuming that the options would be exercised by May 15, 2016 using the Black-Scholes model based on the following parameters:

Valuation date	5/13/2008
IFIL stock price at grant date	€ 5.286
Exercise price	€ 5.291
Volatility calculated using a trend analysis model (%)	30.56%
Vesting period	8 years
Expected dividends (%)	2.15%
Risk-free interest rate	4.1114%
Turnover rate (%)	1%

The fair value of the 9,525,000 options granted was determined to be € 15,263 thousand, divided as follows:

€ in thousands	Number of options granted	Total cost	Cost referring to the year
Chief executive officer IFIL S.p.A.	3,000,000	4,807	376
Key employees IFIL S.p.A. (13)	4,425,000	7,091	554
Total IFIL S.p.A.	7,425,000	11,898	930
Key employees of Ifil Investissements S.A. and other subsidiaries in the Holdings System (4)	2,100,000	3,365	273
Total	**9,525,000**	**15,263**	**1,203**

The cost referring to the year amounts to € 1,203 thousand, of which € 376 thousand is classified as fees of the chief executive officer and € 827 thousand as personnel costs. The corresponding entry of € 1,203 thousand is recorded in the stock option reserve.
The plan will continue in EXOR S.p.A.. The adjusted exercise price is € 19.97.

Stock option plan with underlying Alpitour stock
On December 15, 2005, in execution of the resolution passed by the board of directors' meeting held on November 11, 2005, the Executive Committee of IFIL S.p.A. approved a stock option plan for two managers of the Alpitour Group designed to promote their loyalty to the IFIL Group and provide an incentive to develop and appreciate the investments of the IFIL Group in the tourism sector.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock.
After approval on the part of IFIL S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares to other managers who hold important operating positions equal to 4% of Alpitour's capital (now 1,418,000 shares).
The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.24 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.
IFIL S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every reporting date, until plan expiration.

At December 31, 2008, the fair value of each option right of the plan is estimated at € 2.07 for a total of € 8,075 thousand (€ 15,871 thousand at December 31, 2007) recorded in "Other current liabilities". The reduction of the liability from last year (€ 7,796 thousand) was recognized in the income statement in "Other nonrecurring income (expenses)", as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

Stock price at grant date (€)	(a)	2.24
Exercise price (€)	(a)	2.24
Underlying stock price at 12/31/2008 (€)	(b)	4.14
Estimated volatility (%)	(c)	48.05%
Remaining option life (months)	(d)	13
Estimated dividends (%)	(e)	0.00
Risk-free interest rate (%)	(f)	4.39%

(a) The exercise price of the options was assumed to be equal to the par value of one ordinary Alpitour S.p.A. share at the grant date, quantified on the basis of an estimate performed by an independent expert.
(b) The fair value of the underlying share (Alpitour S.p.A. ordinary share) at the date of reference of December 31, 2008, was quantified on the basis of an estimate made by an independent expert prepared by applying valuation principles consistent with those used in December 2005 by the independent expert.
(c) The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour S.p.A..
(d) The expiration date of the options was established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2008/2009, fixed, conventionally, as January 31, 2010. At the date of reference of December 31, 2008, the options thus have a remaining life of 13 months (1 year and 1 month). The options vested at the end of the vesting period (January 31, 2008) and can be exercised from that date until the contractual expiration date (January 31, 2010).
(e) The application of the valuation model assumes the absence of the payment of dividends.
(f) The risk-free interest rate is assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
An assumption was also included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Cushman & Wakefield Group stock option plans

There are two separate stock option plans which are summarized in the following table: "Employee Stock Purchase Plan Options" and "Management Options":

	Employee Stock Purchase Plan			Management Options		
	Tranche 1	Tranche 2	Total	EBITDA	EBITDA Margin	Total
Date of board of directors' meeting	12/19/05	12/19/05		3/30/07	3/30/07	
Number of options granted	11,166	7,385	18,551	8,070	5,380	13,450
Grant date	12/14/05	6/29/06		4/1/07	4/1/07	
Vesting date	1/1/08	1/1/09		2008/2012	2008/2012	
Exercise price at grant date	$548	$782		$1,259	$1,259	
Term of options post-vesting	10 years	10 years		10 years	10 years	
Options forfeit prior to December 31, 2006	(938)		(938)			
Options assumed by C&W Group at April 1, 2007	10,228	7,385	17,613	8,070	5,380	13,450

The Employee Stock Purchase Plan options outstanding at December 31, 2008 have an exercise price in the range of $548 and $782 and an average remaining contractual life of approximately 7 years.

The Management Options outstanding at December 31, 2008 have an exercise price of $1,259 and an average remaining contractual life of approximately 8 years.

	2008			
	Employee Plan		Management Options	
	Number of shares	Average exercise price ($)	Number of shares	Average exercise price ($)
Outstanding at 1/1/2008	12,054	685.91	13,450	1,258.68
Granted during the period	-	-	2,195	1,251.17
Exercised during the period	(16)	548.02	-	1,258.68
Forfeited during the period	(302)	548.02	(950)	1,258.68
Cancelled during the period	(7,092)	782.39	(328)	1,258.68
Outstanding at 12/31/2008	4,644	782.39	14,367	1,279.41
Exercisable at 12/31/2008	4,644	548.02	1,092	1,258.68

	2007			
	Employee Plan		Management Options	
	Number of shares	Average exercise price ($)	Number of shares	Average exercise price ($)
Outstanding at 4/1/2007	17,613	646.29	13,450	1,258.68
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	(597)	663.05		
Cancelled during the period	(4,962)	548.02		
Outstanding at 12/31/2007	12,054	685.91	13,450	1,258.68
Exercisable at 12/31/2007	4,962	548.02	-	-

In accordance with the provisions of IFRS 2, the appraisal was based on the Black-Scholes pricing model using the following assumptions:

	Employee Plan		Management Options	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Stock price at grant date ($)	578.68	906.73	1.190 – 1.332	1,298.87
Exercise price at grant date ($)	548.02	782.39	1.190 – 1.332	1,258.68
Estimated volatility (%)	35%	35%	40%	35%
Remaining option life (years)	6.5	6.5	10.0	10.0
Expected dividends (%)	1.20	1.22	n.a.	n.a.
Risk-free interest rate (%)	4.22%	5.12%	3.85 – 4.00	4.74

The volatility is based on the historical volatility of comparable public companies.
Because the C&W Group does not have historical exercise data, it used the midpoint between the vesting date and the contractual term to determine the expected term of the stock options.

During 2008, costs of € 5 million were recorded for both stock option plans.

29. Equity attributable to the minority interest

€ in millions	%	**12/31/2008** **Capital and reserves**	**Profit (loss)**	**Total**	12/31/2007 Capital and reserves	Profit (loss)	Total
Cushman & Wakefield Group	28	**61**	**(6)**	**55**	64	13	77
Alpitour Group	(a)	**4**	**1**	**5**	3	1	4
Juventus Football Club S.p.A.	40	**46**	**(2)**	**44**	53	(6)	47
Total		**111**	**(7)**	**104**	120	8	128

(a) Percentage holdings held by minority stockholders in subsidiaries of the Alpitour Group.

30. Provisions for employee benefits

The companies of the Group provide post-employment benefits for their active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group companies operate, the benefits generally being based on the employees' remuneration and years of service. Post-employment benefits are provided under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the Group companies pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contribution cost is recognized when the employee has rendered his/her service and this cost is recorded in the income statement in "Personnel costs".

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by a company, and sometimes by its employees, into a company, or fund, that is legally separate from the employer and from which the employee benefits are paid. Finally, the companies of the Group grant certain other long-term benefits to its employees; these benefits include those generally paid when an employee attains a certain level of seniority or when a specified event occurs. In this case the measurement of the obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Details of the provisions for employee benefits recognized in the financial statements at December 31, 2008 and 2007 are the following:

	Non-current part		Current part	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/2007
Employee severance indemnities	**22**	22	**2**	4
Pension plans	**13**	10	**0**	0
Total post-employment benefits	**35**	32	**2**	4
Other employee benefits	**5**	11	**40**	109
Total provisions for employee benefits	**40**	43	**42**	113

Post-employment benefits

Employee severance indemnities

Employee severance indemnities relating to the companies of the Group operating in Italy represent the obligation due to employees by law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee severance indemnities accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

In accordance with IAS 19 – Employee Benefits, the Italian companies of the Group have included employee severance indemnities in defined benefit plans and measure them with actuarial techniques using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, IFIL S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements. These are described in Note 33 to the separate financial statements.

Pension plans

The C&W Group funds a certain number of defined contribution plans set up pursuant to the laws in force in the countries in which it operates.

The European partnership (C&W UK) also provides a form of hybrid pension plan (UK Plan) which has features of both defined contribution and defined benefit plans.

C&W UK ceased its contributions to the plan effective March 31, 2002 and, subject to certain transitional agreements, introduced a defined benefit plan for employees starting from that date.

Changes in the present value of post-employment benefit obligations and the fair value of assets servicing the plans during the course of the last two years are as follows:

€ in millions	Balance at 12/31/2007	Current service cost	Financial expenses	Actuarial gains (losses)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2008**
Present value of obligation:									
Employee severance indemnities	26	5		1	(4)			(4)	**24**
Pension plans	55		3	(2)	(1)		(13)		**42**
	81	5	3	(1)	(5)	0	(13)	(4)	**66**
Other post-employment benefits	0								**-**
Total post-employment benefits	81	5	3	(1)	(5)	0	(13)	(4)	**66**
Other long-term benefits	11	4			(10)				**5**
Other short-term benefits	109				(44)		2	(27)	**40**
	201	9	3	(1)	(59)	-	(11)	(31)	**111**
Of which:									
Funded plans (wholly or partly)	55								**42**
Unfunded plans	146								**69**

€ in millions	Balance at 12/31/2007	Expected return on assets	Contributions paid by company	Actuarial gains (losses)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2008**
Fair value of the plan assets:									
Pension plans	45	3	-	(11)	(1)		(10)	3	**29**
Total post-employment benefit plans	45	3	-	(11)	(1)	-	(10)	3	**29**
Total net liabilities at December 31, 2008	**156**	**6**	**3**	**10**	**(58)**	**-**	**(1)**	**(34)**	**82**

€ in millions	Balance at 12/31/2006 (a)	Current service cost	Financial expenses	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2007**
Present value of obligation:										
Employee severance indemnities	25	6		1	(7)	3	(1)	1	(2)	**26**
Pension plans	0		3	(6)	(1)	65		(6)		**55**
	25	6	3	(5)	(8)	68	(1)	(5)	(2)	**81**
Other post-employment benefits	0									**-**
Total post-employment benefits	25	6	3	(5)	(8)	68	(1)	(5)	(2)	**81**
Other long-term benefits	0	(2)				14		(1)		**11**
Other short-term benefits	0	95			(41)	61		(5)	(1)	**109**
	25	99	3	(5)	(49)	143	(1)	(11)	(3)	**201**
Balances - Sequana Group	117									
Balances in published financial statements	142									
Of which:										
Funded plans (wholly or partly)										**55**
Unfunded plans	25									**146**

€ in millions	Balance at 12/31/2006 (a)	Expected return on assets	Contributions paid by company	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2007**
Fair value of the plan assets:										
Pension plans		3			(1)	47		(4)		**45**
Total post-employment benefit plans	-	3	-	-	(1)	47	-	(4)	-	**45**
Total net liabilities at December 31, 2007	**25**	**96**	**3**	**(5)**	**(48)**	**96**	**(1)**	**(7)**	**(3)**	**156**

(a) The balances at December 31, 2006 are net of the amounts relating to the Sequana Group which was deconsolidated in 2007.

Post-employment benefits are calculated on the basis of the following actuarial assumptions:

	December 31, 2008		December 31, 2007	
	Employee severance indemnities	**Pension plans**	Employee severance indemnities	Pension plans
Discount rate		**6.00%**	4.6-4.7%	6.00%
Future salary increase (inflation included)	**2.2-3.7%**		2-3.5%	
Inflation rate	**2.20%**		2.00%	
Expected return on plan assets		**7.00%**		7.13%

The assumptions used for the calculation of pension funds are as follows:

- the discount rate is the rate of return at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid;
- the mortality rate is based on statistical tables;
- the expected return on assets servicing the plan is based on the total return of the portfolio and not the sum of the expected returns of the individual assets. This rate approximates the historical annual rate of the plan assets.

The "UK Plan" assets include marketable equity securities in both United Kingdom and United States companies and fixed-rate debt securities.
The investment policies and strategies for the plan assets are established to achieve a reasonable balance between risk, likely return and administration expenses, as well as to maintain funds at a level to meet minimum funding requirements. In order to ensure that an appropriate investment strategy is in place, an analysis of the plan's assets and liabilities is completed periodically.

	Fair value of plan assets		**Expected return**	Fair value of plan assets		Expected return
	December 31, 2008		**2008**	December 31, 2007		2007
	Target in %	€ in millions	in %	Target in %	€ in millions	in %
Equity securities	**87.2%**	**11**	**6.00%**	87.2%	38	7.13%
Debt instruments	**7.5%**	**17**	**6.00%**	7.5%	5	7.13%
Cash	**5.3%**	**2**	**6.00%**	5.3%	2	7.13%

The estimated expense for contributions to be paid to the defined benefit plan in 2009 amounts to £ 1.5 million (€ 2 million).

The expected long-term rate of return on assets is 6.16% (7.13% in 2007). The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

The total amounts recognized in the income statement for post-employment benefits are the following:

€ in millions	**2008**	2007
Current service cost	**5**	6
Financial expenses	**3**	3
Expected return on plan assets	**(3)**	(3)
Losses (gains) on curtailments and/or settlements	**0**	(1)
Total (income) expenses for post-employment benefits	**5**	5

Other employee benefits

Other employee benefits, of which € 5 million is non-current and € 40 million is current, mainly include the liabilities of the C&W Group.

31. Provisions for other liabilities and charges

The composition of the provisions is as follows:

	Current portion		Non-current portion	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/007
Restructuring provisions	**3**	0	**0**	0
Other risks provisions	**14**	14	**18**	19
Tax provision	**6**	0	**6**	1
Total	**23**	14	**24**	20

During the fourth quarter of 2008, in response to the credit markets' impact on the global economy and the business, the C&W Group announced a number of cost cutting initiatives, including reductions in spending in a number of direct expense categories and a global reduction in workforce. These reduction efforts were necessary to improve the C&W Group's cost structure and its general operating efficiencies.
The C&W Group recorded an accrual for a restructuring charge of approximately € 5 million during the fourth quarter of 2008, primarily attributable to workforce reductions and other related benefits, and utilized the provision account for € 2 million.

The non-current portion of the other risks provision (€ 18 million) mainly includes the charge made by Juventus F.C. for the urbanization fees (expenses for the utilities and infrastructures) for the "Mondo Juve - commercial center", which is expected to be paid after the next year on the basis of the estimated time for the execution of the work.
The current portion of the other risks provisions (€ 14 million) includes amounts set aside for pending disputes of the C&W Group for € 11 million and the Alpitour Group for € 3 million.

The non-current portion of the other risks provision is due within five years.

Changes in the current and non-current provisions in 2008 and 2007 are as follows:

€ in millions	Balance at 12/31/2007	Accruals	Release of provisions used	Other changes	**Balance at 12/31/2008**
Restructuring provisions	0	5		(2)	**3**
Other risks provisions	33	21	(18)	(4)	**32**
Tax provision	1	4		7	**12**
	34	30	(18)	1	**47**
Effect on the income statement:					
Operating profit (loss) from current operations		24	(18)		
Other nonrecurring income (expenses)		6			

€ in millions	Balance at 12/31/2006	Accruals	Release of provisions used	Release of provisions not used	Sequana Group deconsolidation	Cushman & Wakefield Group acquisition	Other changes	**Balance at 12/31/2007**
Restructuring provisions	66	7	(14)		(76)		17	0
Fox River and DG IV disputes provisions	305	2	(6)	(42)	(256)		(3)	0
Ecological risks provisions	34	3	(2)	(1)	(34)			0
Other risks provisions	47	30	(9)	(11)	(30)	8	(2)	33
Tax provision	0			(1)		2		1
	452	42	(31)	(55)	(396)	10	12	34
Effect on the income statement:								
Operating profit (loss) from current operations		16	(13)	(2)				
Other nonrecurring income (expenses)		21	(18)	(43)				
Other financial income (expenses)		5		(10)				

32. Pending litigation

IFIL S.p.A. and subsidiaries in the "Holdings System"

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az on August 24, 2005

On February 21, 2006, Consob notified Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone as well as IFIL and Giovanni Agnelli e C. of its objections in respect of the start of a sanctionary proceeding under art. 187-septies of the Consolidated Law on Finance under the assumption that each of those individuals violated art. 187-ter, paragraph 1 (Market Manipulation) of the Consolidated Law on Finance in relation to the content of the press releases diffused by IFIL and Giovanni Agnelli e C. on August 24, 2005 and that the companies violated the responsibility of entities pursuant to art. 187-quinquies of the Consolidated Law on Finance and joint and several responsibility pursuant to art. 6, paragraph 3 of Law 689/1989.

On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified which, at the conclusion of the proceeding, applied the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL and chairman of Giovanni Agnelli e C.) € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Franzo Grande Stevens (director of IFIL) € 2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Virgilio Marrone (chief executive officer and general manager of IFI) € 500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to IFIL € 4.5 million;
- to Giovanni Agnelli e C. € 3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months;
- to Franzo Grande Stevens: for four months;
- to Virgilio Marrone: for two months.

The persons and companies involved in the sanctionary measure filed appeals with the Court of Appeals of Turin. In the opposing judgment, the Court of Appeals, in its decision of December 5, 2007, reduced the administrative sanctions from a total of € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Giovanni Agnelli e C. from a total of € 3 million to € 600 thousand and for Gianluigi Gabetti from a total of € 5 million to € 1.2 million in addition to a reduction of two months, from six to four months, in respect of the additional administrative suspension.

In July 2008, IFIL filed an appeal with the Court of Cassation against the ruling by the Court of Appeals of Turin. Appeals were also filed with the Court of Cassation by the other parties involved in the Consob sanctionary measure. In October 2008, Consob notified the company that it had filed a counter-appeal and an incidental appeal asking for the rejection of the main appeal and the cancellation of the reduction of the sanctions originally levied. Consob acted in the same manner against the other petitioners. In November 2008, IFIL filed a counter-appeal with the Court of Cassation against Consob's incidental appeal. The other parties referred to in Consob's incidental appeal also filed a counter-appeal with the Court of Cassation.

In the penal proceedings for the same press releases, on November 7, 2008, the Preliminary Hearing Judge of the Turin Court committed Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone to trial for the offense pursuant to art. 185 of the Consolidated Law on Finance, as well as IFIL and Giovanni Agnelli e C., as those responsible administratively under Legislative Decree 231/2001, setting a hearing for March 26, 2009.

Alpitour Group

In reference to the damages to the “Bravo Club” resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld.

Furthermore, in 2008, the case of the Alpitour Group versus INPS was settled.

Cushman & Wakefield Group

The C&W Group is a party to various matters in litigation. These matters generally relate to disputes and claims involving commission agreements, employment agreements, and other contractual matters.

The Group believes that while some of these matters may be ultimately resolved against it, such claims will not have a material effect on the financial position and results of operations of the Group.

Juventus F.C.

Almeida Gomes De Andrade's registration rights

On July 9, 2008, during a personalized training session at Pinzolo, the player Almeida Gomes De Andrade Jorge Manuel was the victim of another serious injury to his left knee (relapse of the fracture of the rotula) twice operated in the past season. A new osteosynthesis operation was thus needed. The post-surgery prognosis is a number of months.

Given the impossibility for the player to recover to play professionally, the Company has proceeded to fully write down the residual book value of the player's registration rights with a negative effect on income in the 2007/2008 financial year for € 7 million.

As a consequence of this, on August 8, 2008, the company sent a request to terminate the contract to the Arbitration Board of the National Professional League that organized the medical examination of the player, conducted on October 2, 2008, and confirmed the player's inability.

In November, in turn, the player resorted to the Arbitration Board to ask for the termination of the contract as Juventus F.C. had failed to pay the wages due while the arbitration process was pending, asking for the related damages. The company appeared, challenging the unfounded nature of the player's action.

The attempt at conciliation failed and the Arbitration Board must therefore give its ruling relating to the demands for contractual termination by the parties. The first hearing was held on February 13, 2009 and the following hearings were postponed. At the current time it is not possible to predict the outcome of this dispute.

Guardia di Finanza access

On July 3, 2008, the *Guardia di Finanza* entered company headquarters to conduct a general examination of substance as permitted by and pursuant to art. 32 and art. 33 of DPR 600/73, art. 51 and art. 52 of DPR 633/1972 and art. 35 of Law 4/1929, concerning the period from July 1, 2005 to the date of access for direct taxes and from January 1, 2006 to the date of access for VAT and other indirect taxes.

Moreover, following the company's involvement, pursuant to Legislative Decree 231 of 2001, in the proceedings pending at the Turin Courts for financial misrepresentation, the

examination has also been extended to the years 2001/2002, 2003/2004 and 2004/2005, which would otherwise have been partly statute barred.
The examination is currently in progress.

VAT receivables on income from UEFA Champions League

Following resolution 174/E, on May 25, 2004, the Revenue Agency of Turin approved the right to the reimbursement of VAT regarding UEFA competitions for the 2000/2001 and 2001/2002 seasons for a total of € 5 million. Following this approval, the company proceeded to recognize the related receivable with a corresponding entry to extraordinary income. Part of the receivable was received in June 2004 for € 1.2 million.
The remaining amount of approximately € 4 million was sold without recourse to a factoring company in December 2004 and was derecognized from the balance sheet from that date. Of the total amount sold to the factoring company, the Revenue Agency later reimbursed the amount in installments for € 3 million. In July 2008, the Revenue Agency notified Juventus and the factoring company of its refusal to pay the last installment of € 2 million citing disputes over the justification of the request for reimbursement presented by Juventus. This refusal is in contrast with the original acknowledgment of the receivable in May 2004. On October 15, 2008, the company appealed together with the factoring company to the tax authorities to challenge the assertions of the Revenue Agency and in any case reserves the right to take any possible action to protect itself later in civil proceedings.
At this moment in time it is not possible to predict the outcome of this dispute.

Proceedings at the Turin Courts

In reference to the proceedings underway at the Turin Courts for financial misrepresentation, after the original filing of charges only against some former directors, on October 16, 2008, notification was received at the company office of the conclusion of inquiries and the filing of documents also against the company, held to be responsible under Legislative Decree 231 of 2001, limited to some transactions for the sale/purchase of football players. Given the lack of any organizational model, the company proposed the compromise of the payment of € 70,000.
In these same proceedings, on October 29, 2008, the judge for the preliminary investigations, at the request of the public prosecutors, decided instead to close the part of the inquiry regarding the sale of Campi di Vinovo S.p.A..
The preliminary hearing is currently in progress.

Proceedings at the Naples Courts

With regard to the proceedings in course in Naples (R.G. 276585/06), by order of March 24, 2009, the Courts, in upholding the appeals presented by the Juventus F.C. defense, ordered the “exclusion of all civil parties from the process” and consequently the loss of the effectiveness of the constitution of third-party liability”. Juventus F.C. is therefore definitely out of the case pending in Naples.

Como Calcio Bankruptcy

The bankruptcy of Como Calcio in June 2006 led to action brought against Juventus F.C. involving a claim for payment of € 1,580,000 allegedly still due to Como Calcio for the sale of the registration rights of the players Piccolo and Pederzoli.
Juventus F.C. appeared before the courts and requested that the liquidator's demands be rejected as the sum had already been paid and asked that Mr Preziosi be summoned to court so that Juventus could be relieved of responsibility and held unaccountable in the event of a judgment against it. The first hearing in the case was adjourned to March 12, 2008 so that Mr Preziosi could be summoned. Mr Preziosi was summoned and appeared and asked that the demands against him be rejected. The inquiry is closed and a hearing is scheduled to set out the conclusions on July 9, 2009.

33. Consolidated net financial position

The composition of the gross and net financial position of the consolidated companies is as follows:

€ in millions	Gross debt position	Financial assets	Net financial position (debt)/liquidty
IFIL S.p.A. and the "Holdings System"	(973)	1,331	358
Cushman & Wakefield Group	(170)	62	(108)
Alpitour Group	(73)	107	34
Juventus Football Club S.p.A.	(17)	28	11
Total	**(1,233)**	**1,528**	**295**

In accordance with Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the IFIL Group is provided below:

€ in millions	**12/31/2008**	12/31/2007	Change
Non-current financial liabilities			
IFIL 2007/2017 bonds	**(745)**	(744)	(1)
IFIL 2006/2011 bonds	**(199)**	(200)	1
Debt	**(198)**	(114)	(84)
Total non-current financial liabilities	**(1,142)**	(1,058)	(84)
Non-current other financial assets	**4**	7	(3)
Non-current net financial position (A)	**(1,138)**	(1,051)	(87)
Current financial liabilities			
Debt	**(49)**	(52)	3
Current portion of medium/long-term debt	**(31)**	(51)	20
Derivative financial instruments	**(11)**	0	(11)
Total current financial liabilities	**(91)**	(103)	12
Current financial assets			
Bonds and equity shares held for trading	**347**	152	195
Derivative financial instruments	**1**	4	(3)
Loan to the parent, IFI	**199**	0	199
Receivables and other financial assets	**2**	2	0
Total current financial assets	**549**	158	391
Cash and cash equivalents	**975**	919	56
Current net financial position (B)	**1,433**	974	459
Consolidated net financial position (A+B)	**295**	(77)	372

On October 10, 2008, IFIL granted the parent, IFI, a loan up to a maximum of € 200 million, after approval by the respective boards of directors on the same date.

34. Bonds and other debt

The composition is as follows:

	Non-current portion		Current portion	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/2007
IFIL bonds 2007/2017	**(745)**	(744)	**(22)**	(22)
IFIL bonds 2006/2011	**(199)**	(200)	**(1)**	(1)
Debt	**(198)**	(114)	**(57)**	(80)
Derivative financial instruments	**0**	0	**(11)**	0
Total bonds and other debt	**(1,142)**	(1,058)	**(91)**	(103)

The bonds issued by IFIL S.p.A. are traded on the Luxembourg Stock Exchange.
The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), disallowing a change of control and providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2008.

Standard & Poor's rated the two bond issues “BBB+”, in line with the current rating of IFIL S.p.A. long-term debt.

The 2007/2017 bonds were issued at a price equal to 99.554% of their nominal value with a 5.375% annual coupon which guarantees a return equal to the 10-year swap rate plus a spread of 80 basis points, at the time of issue.

The IFIL 2006/2011 bonds, issued on June 9, 2006 for a nominal amount of € 200 million, maturing June 9, 2011, pay interest at the 3-month Euribor rate plus a spread of 68 basis points.

Debt recorded in current and non-current liabilities for € 255 million (€ 194 million at December 31, 2007) includes debt of the C&W Group (€ 165 million), the Alpitour Group (€ 73 million) and Juventus F.C. (€ 17 million).

Cushman & Wakefield Group

The debt of the C&W Group amounts to € 165 million (€ 73 million at December 31, 2007) and includes the following categories of debt:

- Senior Revolving Credit Facility secured on May 29, 2007 for $350 million. At December 31, 2008, the outstanding balance is $219 million (€ 157 million), of which $154 million (€ 111 million) at the average rate of 3.97%, $14.1 million (€ 10 million) at the average rate of 5.40% and $8.9 million (€ 6 million) at the average rate of 4.67%;
- Seller Note – Le Page for $5.5 million (€ 4 million) at a rate of 7%;
- Seller Note – Burnham for $2.5 million (€ 2 million).

The Senior Credit Facility is covered by four covenants to be maintained for the entire term of the credit facility including leverage ratios as defined in the contract.
The financial covenants have been complied with from the time the credit facility was secured until December 31, 2008.

Alpitour Group

The debt of the Alpitour Group totaling € 73 million (€ 103 million at December 31, 2007), comprises:

- debt relating to the securitization of trade receivables (€ 45 million);
- syndicated loan, coordinated by BNL and Efibanca (€ 23 million);
- CRS loan (€ 4 million) and other (€ 1 million).

The medium and long-term loan contracts state that the Alpitour Group must comply with the covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and Ebitda/net debt). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date.
At October 31, 2008, these ratios were fully within the limits established by the covenants.

Juventus F.C.

Debt of Juventus F.C. refers entirely to the debt with Unicredit Leasing S.p.A., formerly Locat S.p.A., for the lease of the Vinovo Training Center and other minor leases for € 17 million, of which € 9 million is due beyond 5 years.

Derivative financial instruments, equal to € 11 million, comprise some interest rate swap contracts put into place by IFIL S.p.A. to guarantee a fixed interest rate over the entire bond period 2006-2011 (the fair value at December 31, 2008 is negative for € 5 million); as well as foreign exchange forward contracts put into place by the C&W Group to hedge possible changes in exchange rates on intercompany trading transactions (the fair value at December 31, 2008 is negative for € 6 million).

35. Deferred income taxes

The composition and the change in deferred tax assets are as follows:

€ in millions	Property, plant and equipment and intangible assets	Tax losses	Revenues taxed in prior years	Tax-deferred gains	Other	**Total**
Balance at December 31, 2007	2	6	9	0	9	**26**
Income taxes charged (reversed) to the income statement		(5)	(4)	(5)	6	**(8)**
Taxes relating to items credited to equity					(1)	**(1)**
Net other movements						**0**
Balance at December 31, 2008	**2**	**1**	**5**	**(5)**	**14**	**17**

€ in millions	Property, plant and equipment and intangible assets	Tax losses	Revenues taxed in prior years	Tax-deferred gains	Employee benefits	Deferred compensation plan	Other	**Total**
Balance at December 31, 2006	1	51	**12**	**3**	28	0	(48)	**47**
Deconsolidation of the Sequana Group	(1)	(33)			(27)		41	**(20)**
Acquisition of the Cushman & Wakefield Group		2				25	20	**47**
Income taxes charged (reversed) to the income statement	(1)	(9)	(3)	(3)		(2)	8	**(10)**
Exchange differences		(1)				(2)	3	**0**
Net other movements	3	(3)			3		4	**7**
Reclassification to offset deferred tax liabilities		(1)			(4)	(21)	(19)	**(45)**
Balance at December 31, 2007	**2**	**6**	**9**	**0**	**0**	**0**	**9**	**26**

The composition and the change in deferred tax liabilities are as follows:

€ in millions	Property, plant and equipment	Intangible assets	Depreciation and tax charges	Fair Value	Deferred compensation plans	Employee benefits	Actuarial gains (losses)	Tax losses	Other	**Total**
Balance at December 31, 2007	(2)	(107)	7	(11)	21	4	3	1	2	**(82)**
Business combinations		(19)							2	**(17)**
Income taxes (charged) reversed to the income statement		7	(1)		(2)			1	2	**7**
Income taxes relating to items debited to equity				11		(3)	2	1	2	**13**
Exchange differences		(7)			1				1	**(5)**
Net other movements	1								(3)	**(2)**
Balance at December 31, 2008	**(1)**	**(126)**	**6**	**0**	**20**	**1**	**5**	**3**	**6**	**(86)**

€ in millions	Property, plant and equipment	Intangible assets	Depreciation and tax charges	Fair Value	Deferred compensation plans	Employee benefits	Actuarial gains (losses)	Tax losses	Other	**Total**
Balance at December 31, 2006	(81)	0	(30)	(49)	0	0	0	0	59	**(101)**
Deconsolidation of the Sequana Group	76		32	1					(48)	**61**
Acquisition of the Cushman & Wakefield Group		(128)							(7)	**(135)**
Income taxes (charged) reversed to the income statement	4	10	(2)						(1)	**11**
Income taxes relating to items debited to equity				37 (a)					(3)	**34**
Exchange differences	1	13								**14**
Net other movements	(2)	(2)							(7)	**(11)**
Reclassification to offset deferred tax assets			7		21	4	3	1	9	**45**
Balance at December 31, 2007	**(2)**	**(107)**	**7**	**(11)**	**21**	**4**	**3**	**1**	**2**	**(82)**

(a) Relating to taxes on the fair value of the investment in Intesa Sanpaolo S.p.A..

The analysis of unused tax loss carryforwards on which deferred tax assets have not been calculated is as follows:

	Taxable base				Estimated tax
€ in millions	Within 1 year	From 2 to 4 years	Beyond 4 years	Total	benefit
At December 31, 2008					
Current tax losses	134	341	569	1,044	285
At December 31, 2007					
Current tax losses	58	382	621	1,061	281

Deferred tax assets on tax losses are recognized to the extent that their recoverability is highly probable in the following year or in the medium term, taking into account the taxable income forecast in medium-term operating plans.

36. Other liabilities

Details of other liabilities are as follows:

€ in millions	12/31/2008	12/31/2007	Change
Other non-current liabilities			
Other non-current liabilities and other payables	**49**	93	(44)
Other non-current payables to related parties	**2**	1	1
Commissions payable	**6**	6	0
Deferred compensation plans	**1**	1	0
Total other non-current liabilities	**58**	101	(43)
Other current liabilities			
Trade payables			
Trade payables	**208**	234	(26)
Trade payables to related parties	**10**	10	0
	218	244	(26)
Commissions payable	**108**	134	(26)
Total trade payables	**326**	378	(52)
Other current liabilities			
Payables for direct taxes	**25**	17	8
Payables for indirect taxes	**13**	22	(9)
Payables to employees and similar	**56**	33	23
Payables on purchases of property, plant and equipment	**35**	29	6
Other payables	**90**	138	(48)
Other payables to related parties	**8**	18	(10)
Deferred compensation plans	**8**	8	0
Total other current liabilities	**235**	265	(30)
Total trade payables and other current liabilities	**561**	643	(82)
Total other non-current and current liabilities	**619**	744	(125)

For additional information on payables to related parties, reference should be made to Note 39.

Other non-current and current liabilities by maturity are as follows:

€ in millions	Within 1 year	From 2 to 5 years	Beyond 5 years	Total
Other non-current liabilities		47	11	**58**
Trade payables	326			**326**
Other current liabilities	235			**235**
Balances at December 31, 2008	**561**	**47**	**11**	**619**
Other non-current liabilities		91	10	**101**
Trade payables	378			**378**
Other current liabilities	265			**265**
Balances at December 31, 2007	**643**	**91**	**10**	**744**

37. Commitments

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007
Commitments undertaken		
Sureties, guarantees of notes and other guarantees	**76**	137
Commitments for the purchase of investments and financial assets	**78**	71
Commitments for the purchase of property, plant and equipment	**0**	3
Goods on deposit with third parties	**1**	1
Commitments to make loans	**7**	0
Total commitments undertaken	**162**	212
Commitments received		
Sureties, guarantees, guarantees of notes and other guarantees	**158**	187
Other commitments	**59**	63
Total commitments received	**217**	250

Commitments by due date are as follows:

€ in millions	Until canceled	Within 6 months	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
At December 31, 2008							
Commitments undertaken	81	28	21	25		7	**162**
Commitments received		110	35	55	17		**217**
At December 31, 2007							
Commitments undertaken	81	60	29	37	5	0	**212**
Commitments received	0	177	41	4	28	0	**250**

Future minimum lease payments relating to operating leases are as follows:

€ in millions	From 0 to 6 months	Between 6 months and 1 year	From 2 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
At December 31, 2008	**48**	**44**	**143**	**98**	**116**	**449**
At December 31, 2007	28	28	81	51	58	246

In 2008, floating-rate lease contracts total € 17 million (€ 18 million in 2007). There are no fixed-rate leases.

Lease expenses recognized in the 2008 income statement amount to € 87 million (€ 75 million in 2007). They refer to lease contracts of the Alpitour Group which include leases of hotel complexes (€ 25 million) and dry-lease installments by the subsidiary Neos (€ 18 million), as well as installments paid by C&W Group for operating leases (€ 44 million).

Commitments undertaken at December 31, 2008 amount to € 162 million and mainly refer to sureties, guarantees of notes and other guarantees for € 76 million, as well as commitments for the purchase of investments and financial assets for € 78 million, and commitments to make loans for € 7 million.

Sureties, guarantees of notes and other guarantees (€ 76 million) mainly include sureties on behalf of suppliers of tourist services, financial offices and public entities provided by the Alpitour Group and other guarantees of the Alpitour Group for € 42 million, in addition to sureties of Juventus F.C. for € 34 million provided by leading credit institutions.

Commitments for the purchase of investments and other financial assets (€ 78 million) refer to commitments undertaken by the subsidiary Ifil Investissements, as follows:

- commitment for a maximum remaining investment of $46 million (€ 33 million) in the limited partnership NoCo B LP which groups a series of funds managed by Perella Weinberg Partners L.P.; as of December 31, 2008 Ifil Investissements S.A. has invested $16 million (€ 11 million);
- commitment to invest € 24 million in the Perella Weinberg Real Estate fund. As of December 31, 2008 Ifil Investissements has invested € 1 million;
- commitment for a further investment of € 21 million in Banijay Holding S.A.S..

Commitments to make loans refers to the commitment undertaken by C&W Group with its employees.

Commitments received amount to € 217 million and refer to sureties, guarantees, guarantees of notes and other guarantees for € 158 million (of which € 155 million is for sureties provided by third parties to Juventus F.C. and € 3 million for sureties provided by public entities and suppliers of tourist services to the Alpitour Group) and sales commitments of the Alpitour Group for € 59 million for travel bookings.

The main sureties relating to Juventus F.C. are as follows:

- surety of € 41 million provided by leading credit institutions on behalf of Sky Italia S.r.l. to guarantee the contract for the sale of television broadcasting rights for championship home games for the 2008/2009 season;
- surety of € 25 million issued by leading credit institutions on behalf of Reti Televisive Italiane S.p.A. to guarantee the contract for the sale of television broadcasting rights for the championship home games for the 2008/2009 season;
- surety of € 42 million provided by Sportfive Italia on behalf of Sportfive S.p.A. to guarantee the commercial contract for the exclusive naming right, as well as some sponsor promotional rights, relating to the new stadium;
- other sureties for € 4 million.

Other guarantees received by Juventus F.C., for € 43 million, refer to guarantees for the receivable from Campi di Vinovo S.p.A. and notes.

Procedures for the identification and control of commitments

The information regarding commitments, in addition to all other data and information used for consolidation purposes, is transmitted to IFIL S.p.A. through the consolidation process under the responsibility of the legal representatives of the individual companies and the holding companies consolidated by IFIL that are required to prepare consolidated financial statements who sign a representation letter addressed to the parent.

On the basis of information known to IFIL S.p.A., no significant commitments have been omitted by the companies of the Group.

38. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows:

	December 31, 2008		
€ in millions	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	348		(55)
- designated initially			
Derivative instruments designated as hedges	1		
Investments held to maturity	8		
Loans and receivables (a)	1,602	47	(3)
Available-for-sale assets	1,319	214	
Total	**3,278**	**261**	**(58)**
Financial liabilities			
At fair value through profit or loss			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	11	2	
Debt at amortized cost	970		(53)
Debt at cost	584		(16)
Total	**1,565**	**2**	**(69)**

(a) Includes cash and cash equivalents for € 975 million.

	December 31, 2007		
€ in millions	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	154	4	
- designated initially	0		
Derivative instruments designated as hedges	4		
Investments held to maturity	12		
Loans and receivables (a)	1,381	33	0
Available-for-sale assets	2,635	112	
Total	**4,186**	**149**	**0**
Financial liabilities			
At fair value through profit or loss			
- held for trading	0		
- designated initially	0		
Derivative instruments designated as hedges	0		
Debt at amortized cost	970	2	(32)
Debt at cost	568		(28)
Total	**1,538**	**2**	**(60)**

(a) Includes cash and cash equivalents for € 919 million.

Financial assets and liabilities for which the fair value can not be objectively determined and that are recorded at cost have not been included in the asset and liability categories indicated in IAS 39.

Fair value of financial assets and liabilities and the criteria for the estimation of fair value

Financial assets held for trading represented by listed securities are measured using the market price at year-end and the change in fair value is recognized in the income statement in financial income (expenses).

Available-for-sale financial assets represented by listed securities are measured at fair value using the market price at year-end and the unrealized gains or losses are recognized in equity. For additional information on the measurement of available-for-sale financial assets, reference should be made to Note 23.

Available-for-sale financial assets represented by unlisted securities may be measured by independent experts. To this end, it should be noted that the investment in Gruppo Banca Leonardo was aligned to fair value based on an estimate resulting from the application of the "warrant equity method with excess capital" measurement criteria.

For trade receivables and payables, moreover all due within one year, the fair value is not significant in that their carrying amount approximates fair value.

Derivative financial instruments are measured at fair value using the discounted cash flow method.

Risk management

IFIL Holdings System

IFIL S.p.A. and the companies which form the Holdings System are exposed to credit risk insofar as they invest a portion of their cash in bonds issued by leading bank and corporate counterparts that, in any case, are selected according to their credit worthiness. Instead, the relevant investments denominated in currencies other than the Euro, U.S. dollars in particular, are exposed to currency risks; in view of the permanent characteristics of such investments, transactions to hedge the risk of exchange rate fluctuations on those currencies were not put into place.

As far as liquidity risk is concerned, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are substantially financed by incoming flows from ordinary business activities.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, the subsidiary IFIL S.p.A. operates so that it has financial resources available by issuing bonds and acquiring irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

IFIL S.p.A. assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate. The only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on one of the bonds issued.

Alpitour Group

The Alpitour Group regularly assesses its exposure to various types of risks and manages these risks using traditional and derivative instruments in accordance with its management and control policy. This policy does not allow the use of derivatives for speculative purposes but they are used for the management of fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

The Alpitour Group, and particularly the aviation division, is subject to the risk of fluctuations in fuel prices largely in connection with international political stability and other outside factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the fuel price risk exposure is hedged by commodity swaps and zero cost collars.
The exposure to exchange rate risks on commercial transactions in foreign currencies is mainly hedged by forward and zero cost collar contracts.
The exposure to interest rate risks on medium- and long-term loans is mainly hedged by interest rate swaps and zero cost collars.

Cushman & Wakefield Group

Credit risk exposure of the C&W Group is mainly influenced by the characteristics of each individual client. Other risk factors, including the default risk of the industry and country in which customers operate has less of an influence on credit risk. That depends on the type of services rendered and knowledge of the quality of the clients.

Juventus F.C.

Juventus F.C. does not have significant concentrations of credit risk and has appropriate procedures in place to minimize such risk exposure. Receivables from Italian soccer companies are guaranteed by the compensation mechanism of the National Professional League while receivables from foreign soccer companies are largely guaranteed by sureties or other guarantees.
A large part of Juventus F.C.'s transactions (sales and purchases) are in Euro; thus the company is not subject to fluctuations in exchange rates to any relevant degree.
The company manages liquidity risk by keeping the bank loans secured from leading credit institutions at levels that avert financial pressure situations and are sufficient to meet operating and investment needs.

Credit risk

Credit risk exposure is principally represented by trade receivables and the concentration of credit risk, however, is mitigated by a large number of counterparts.

Trade receivables are expressed in the financial statements net of the provision for impairment for the risk that counterparts will be unable to fulfill their contractual obligations, the creditworthiness of the customer and historical data.

Credit risk regarding the other financial assets of the Group, which include cash and cash equivalents, available-for-sale assets, receivables and some derivatives, have a maximum risk equal to the carrying amount of the assets in the case of the insolvency of the counterpart.

The amount of financial assets past due and not impaired, represented by trade receivables in the category "loans and receivables", is detailed as follows:

	Past due and not impaired						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2008							
Trade receivables	**1**	**20**	**5**	**7**	**3**	**0**	**36**

	Past due and not impaired						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2007							
Trade receivables	136	20	21	11	3	3	194

Movements in the provision for the impairment of receivables and other financial assets for the years 2008 and 2007 are as follows:

€ in millions	**12/31/2008**	12/31/2007
Beginning balance	**30**	23
Accruals	**9**	8
Uses	**(5)**	(6)
Acquisition of the Cushman & Wakefield Group	**0**	7
Exchange differences	**1**	1
Other changes	**0**	(3)
Ending balance	**35**	30

Information on the credit risk of the IFIL Group is presented below.

IFIL Holdings System

IFIL S.p.A. and the companies in the Holdings System are exposed to credit risk insofar as they invest a portion of their cash in bonds issued by leading bank and corporate counterparts, that are in any case selected according to their credit worthiness.
At December 31, 2008 and December 31, 2007, there are no financial assets past due and not written down.

Alpitour Group

Transactions for the sale of receivables

At October 31, 2008, the balance relating to the monthly securitization program of trade receivables begun by the Alpitour Group in 2006 amounts to € 45 million. The securitization operation formalized by Alpitour S.p.A. with Banca Calyon in Milan provides for a revolving credit line which can be used on a monthly basis up to a net amount of € 55 million against the sale of the trade receivables. Furthermore, in accordance with the contract terms, in exchange for the monthly sale of receivables and the amount of utilization requested (monthly program), Alpitour is obliged to subscribe to short-term securities (30-day maturities) issued by a French-registered associate of the Calyon Group, the amount of which is determined on the basis of the quality of the receivables sold and the relative degree of concentration. At October 31, 2008, short-term securities were subscribed to for an amount of € 36 million against a monthly program of € 45 million; the net use of the securitization line at the year-end closing date is therefore equal to € 9 million against a credit line made available by Calyon for € 55 million.

The Alpitour Group does not have any particular concentrations of credit risk since its credit exposure is distributed over a large number of counterparts and customers.

Trade receivables are expressed net of the provision for receivables impairment which amounts to € 24 million at December 31, 2008 (€ 22 million at December 31, 2007).

Cushman & Wakefield Group

The credit risk of the C&W Group is represented by the carrying amount of financial assets recorded in cash and cash equivalents for $82.2 million (€ 59 million) and the carrying amount of trade receivables for $308 million (€ 221 million).

Trade receivables are expressed net of the provision for receivables impairment which amounts to $14.5 million (€ 10 million) at December 31, 2008.

Liquidity risk

The companies of the Group control the liquidity risk by planning investments of liquidity, monitoring the maturities of financial investments and financial assets and the expected cash flows from operations.

The residual contract maturities for all the financial liabilities which fall under the application of IAS 39 are indicated below.

The table has been prepared by allocating the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent fixed-rate coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of the hedging transactions.

	December 31, 2008					
	Nominal amount					
€ in millions	Within 6 months	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Bonds and non-current debt						
IFIL bonds 2017	(40)		(81)	(81)	(911)	**(1,113)**
IFIL bonds 2011	(4)	(4)	(214)			**(222)**
Debt			(25)	(164)	(9)	**(198)**
Derivative financial instruments	(24)	(13)		(5)		**(42)**
Bonds and current debt						
Current debt	(48)	(2)				**(50)**
Current portion of bonds	(6)	(3)				**(9)**
Payables to suppliers and commissions payable	(326)					**(326)**
Total	**(448)**	**(22)**	**(320)**	**(250)**	**(920)**	**(1,960)**

	December 31, 2007					
	Nominal amount					
€ in millions	Within 6 months	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Bonds and non-current debt						
IFIL bonds 2017	(40)		(81)	(81)	(951)	**(1,153)**
IFIL bonds 2011	(4)	(4)	(18)	(205)		**(231)**
Debt			(8)	(95)	(11)	**(114)**
Derivative financial instruments						**0**
Bonds and current debt						
Current debt	(50)	(2)				**(52)**
Current portion of bonds	(46)	(5)				**(51)**
Payables to suppliers and commissions payable	(377)					**(377)**
Total	**(517)**	**(11)**	**(107)**	**(381)**	**(962)**	**(1,978)**

Comments in respect of IFIL S.p.A. and the companies forming the Holdings System are presented below.

Outgoing flows from current operations are substantially financed by incoming flows from ordinary business and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to support operating and investment activities. In this sense, the IFIL Group operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2008, the IFIL Group has unused credit lines for € 1,663 million (€ 1,974 million at December 31, 2007).

Overall credit lines of the Alpitour Group total € 290 million, of which € 53 million is used for short-term financing and € 19 million for medium-term financing.

To supplement its internally generated cash flows and the maximum peak of seasonal cash flow demands which arise at the start of the second quarter of the year, the C&W Group secured a $350 million Senior Credit Facility on May 29, 2007. This facility will be used to support acquisition opportunities and fund seasonal cash flow requirements during the year.

The breakdown of maturities by credit line is as follows:

	December 31, 2008						
	Nominal amount						
€ in millions	Until canceled	Between 0 and 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Portion of credit lines utilized	34	5	3	61	161		**264**
Portion of credit lines not utilized	929		160	280	294		**1,663**
Total credit lines	**963**	**5**	**163**	**341**	**455**	**0**	**1,927**

	December 31, 2007						
	Nominal amount						
€ in millions	Until canceled	Between 0 and 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Portion of credit lines utilized	30	71	3		93		**197**
Portion of credit lines not utilized	958	89	100	275	552		**1,974**
Total credit lines	**988**	**160**	**103**	**275**	**645**	**0**	**2,171**

Market risk

The IFIL Group is principally exposed to exchange rate and interest rate risks, since the Group operates internationally in different currency areas and uses financial instruments which generate interest, in addition to price risks on equity shares and other listed financial assets.
Financial risks are managed by each subgroup in which the Group's activities are divided. IFIL manages the financial risks of the Holdings System.

Exchange rate risk

An analysis of debt by currency is as follows:

€ in millions	EUR	GBP	USD	Other	**Total**
At December 31, 2008					
IFIL bonds 2007/2017	(767)				**(767)**
IFIL bonds 2006/2011	(200)				**(200)**
Debt	(107)	(35)	(113)	(11)	**(266)**
Total debt	**(1,074)**	**(35)**	**(113)**	**(11)**	**(1,233)**
At December 31, 2007					
IFIL bonds 2007/2017	(766)				**(766)**
IFIL bonds 2006/2011	(201)				**(201)**
Debt	(126)		(58)	(10)	**(194)**
Total debt	**(1,093)**	**0**	**(58)**	**(10)**	**(1,161)**

The Group is exposed to risks from fluctuations in exchange rates which can affect the results of operations and equity.
The transactions put into place by the companies of the Group to hedge the above currency positions are described below.

IFIL Holdings System

IFIL S.p.A. does not have financial liabilities denominated in currencies other than the Euro. Some of the assets held for trading and cash and cash equivalents at December 31, 2008 (respectively, € 16 million and € 14 million) are denominated in currencies other than the Euro. These are securities held for trading and cash and cash equivalents which have both been adjusted to the year-end exchange rate.

The subsidiary Ifil Investissements is exposed to exchange rate risk on bonds issued by Perfect Vision Ltd. in U.S. dollars. A change in the exchange rate of the American currency against the Euro either up or down by 10% would have an effect on the result for € 7 million.

Alpitour Group

The Alpitour Group, since it operates internationally, is exposed to market risk from fluctuations in exchange rates.
Alpitour S.p.A. has forward contracts in place for a total nominal amount of € 5 million to manage the risk of fluctuations in exchange rates hedging the exposure in foreign currencies for the next year. The fair value of IRS at October 31, 2008 is estimated at a positive € 902 thousand.

Cushman & Wakefield Group

Exchange rate risk relating to the operations of the C&W Group is limited since the companies of the Group conduct their operations in their functional currency.
Exposure to currency risk can only come from intercompany commercial transactions. To mitigate this risk, in 2008 the Group has 32 forward exchange rate contracts outstanding on the main currencies to which it is exposed. The fair value of these financial instruments at December 31, 2008 is negative for $6,236 thousand (€ 4,481 thousand).
The exchange risk relating to debt is limited to the foreign currency debt referring to the portion of the Senior Revolving Credit Facility: in Euro for $14.1 million, in GBP for $42 million and in CAD for $14.9 million.
The C&W Group believes that the companies exposed to this risk will generate sufficient cash flows in the future to repay their debt, therefore, no hedging instruments have been put into place.

Sensitivity analysis for exchange rate risk

A sensitivity analysis at the balance sheet date has been carried out in respect of the financial instruments exposed to the exchange rate risk of the Eur/USD, Eur/GBP and risks referring to other currencies represented principally by trade receivables and payables, financial assets and derivative financial instruments of the Alpitour Group and the C&W Group.

Alpitour Group

The sensitivity analysis for the exchange risk of the Alpitour Group used the data of the financial statements at October 31, 2008 and is based on the following assumptions:

- the amount shown in the financial statements for financial assets and liabilities has been adjusted by applying a symmetrical percentage change of 10% to the year-end exchange rate;
- the amount of derivative financial instruments for the management of the fuel risk has been adjusted on the basis of a 5% increase or decrease in the price of fuel;
- for derivative financial instruments (forward purchase of U.S. dollars), the effects have been calculated assuming that the volatility of the markets is unchanged at year-end.

The Alpitour Group is exposed to exchange rate risk on financial assets for € 7 million and on financial liabilities for € 19 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would have an effect on the result for € 1.2 million and a positive effect on equity for € 0.7 million.

Cushman & Wakefield Group

The sensitivity analysis for the exchange rate risk of the C&W Group has been calculated by adjusting the amount shown in the financial statements for financial assets and liabilities by applying a symmetrical percentage change of 10% to the year-end exchange rate. The C&W Group is exposed to exchange rate risk on financial assets for € 167 million and on financial liabilities for € 111 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would affect equity by € 4 million.

Interest rate risk

The companies of the Group use external financial resources obtained in the form of financing and invest available liquidity in monetary and financial market instruments. Any change in market interest rates can affect the cost and yield of the various forms of financing, causing an impact on the level of the Group's financial expenses.
The interest rate risk is managed by the individual consolidated groups which establish the appropriate mix between fixed-rate and floating-rate financing using interest rate swaps and zero cost collars.

The fair value effect of the transactions hedging interest rate risk put into place by the consolidated companies is as follows:

€ in thousands	**12/31/2008**	12/31/2007	Change
IFIL S.p.A. and the Holdings System	**(5,119)**	3,938	(9,057)
Alpitour Group	**13**	168	(155)
Total	**(5,106)**	4,106	(9,212)

IFIL Holdings System

IFIL S.p.A. has some interest rate swap contracts in place at December 31, 2008, for a notional amount of a total of € 200 million to hedge the risk of fluctuations in interest rates on the IFIL bonds 2006-2011 with fair value for a negative € 5,119 thousand (positive for € 3,938 thousand in 2007).

Alpitour Group

Alpitour S.p.A. has interest rate swap contracts and zero cost collars, for a notional amount of a total of € 15 million, to hedge the risk of fluctuations in interest rates on the syndicated loan secured on November 30, 2006. The fair value of these contracts at October 31, 2008 is estimated at a positive € 13 thousand (a positive € 168 thousand at October 31, 2007).

Juventus F.C.

Juventus F.C.'s debt mainly bears interest at floating rates. The company, however, does not believe it necessary to initiate procedures to limit the risks connected with the volatility of interest rates since any impact related to them is considered insignificant.

Cushman & Wakefield Group

The C&W Group is exposed to interest rate risks associated with the Revolving Credit Facility of $350 million. At this time, management has not put into place any form of hedging.

The fair value recorded in the cash flow hedge reserve refers to the hedge of cash flows relating to interest expenses on loans which will arise in the years 2009 to 2011 (approximately € 10 million for the years 2009 to 2010 and approximately € 5 million for the year 2011).

Analysis of debt by interest rate

The analysis of debt by interest rate at December 31, 2008 shows that the rates are mainly between 3% and 4% for € 111 million, between 4% and 5% for € 1,000 million, between 5% and 7.5% for € 115 million, with further debt for € 7 million considered at a 0 rate.

The analysis of debt by interest rate at December 31, 2007 showed that the rates were mainly between 4% and 5% for € 200 million and between 5% and 7.5% for € 958 million.

Sensitivity analysis for interest rate risk

A sensitivity analysis at the balance sheet date has been carried out in respect of financial instruments exposed to interest rate risk. In the case of floating-rate liabilities, the analysis assumes that the exposure at the end of the year remained constant for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the change in fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the balance sheet date. In determining the above effect, account is taken of the consequent impact on the reversal of the cash flow hedge reserve to the income statement.

An increase or decrease in the interest rates of 50 basis points, all other variables remaining constant, would produce a higher or lower pre-tax result of the Group for the year 2008 of € 5.5 million (€ 3.6 million in 2007); the cash flow hedge reserve would be higher or lower by € 0.2 million.

Price risk

IFIL Holdings System

The IFIL Holdings System is exposed to price risk originating from investments in the capital stock of other companies held for trading or for strategic purposes, classified in the categories of available-for-sale and assets held for trading and current securities.

Alpitour Group

The Alpitour Group, particularly the aviation division, is subject to the risk of fluctuations in fuel prices that are largely associated with international political equilibrium and other outside factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Alpitour Group's margin. Price risk exposure is hedged by commodity swaps and zero cost collars with high standing Italian and international financial institutions. At October 31, 2008, the subsidiary Neos has commodity swaps and zero cost collars outstanding for a notional amount of € 13 million. The fair value of these hedges is an estimated positive value of € 154 thousand. At October 31, 2007, there were no contracts outstanding since they had been closed during the year.

Cushman & Wakefield Group

The C&W Group is exposed to equity price risk arising from available-for-sale equity securities held for meeting the European (EMEA) pension plan obligations. The investment decisions for this plan are made by the Trustees of the plan, based on consultation with the investment and actuarial advisors of the Trustees.

Sensitivity analysis for price risks

Considering price risk exposure at the balance sheet date, if the prices of securities are 5% higher or lower, the fair value reserve on available-for-sale assets recorded in equity would be € 60 million higher or lower and the amount of fair value recognized in the income statement on the securities and investments included in the category of assets held for trading and cash and cash equivalents would be € 15 million higher or lower.

Details are as follows:

€ in millions	2008			
	+5% change in price		-5% change in price	
Type of asset	Effect on result	Effect on equity	Effect on result	Effect on equity
Intesa Sanpaolo		15		(15)
SGS		44		(44)
Credit instruments and investment funds – non-current		1		(1)
Bonds	13		(13)	
Equity securities held for trading	2		(2)	
	15	**60**	**(15)**	**(60)**

€ in millions	2007			
	+5% change in price		-5% change in price	
Type of asset	Effect on result	Effect on equity	Effect on result	Effect on equity
Intesa Sanpaolo		78		(78)
SGS		48		(48)
Credit instruments and investment funds – non-current	1		(1)	
Bonds	3		(3)	
Equity securities held for trading	3		(3)	
Cash and cash equivalents	1		(1)	
	8	**126**	**(8)**	**(126)**

39. Intragroup and related party transactions

At December 31, 2008, the IFIL Group is directly controlled by IFI S.p.A., a company registered in Italy, listed on the Italian stock exchange, and indirectly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy which holds the entire ordinary capital stock of IFI S.p.A., and, directly, a further 3% of IFIL ordinary capital stock.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, are eliminated in the consolidated financial statements of the IFIL Group and are therefore not presented in this note.

Related party transactions are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Costs have not been recognized during the period for non-existent or doubtful liabilities in relation to amounts due from related parties.

The balance sheet and income statement balances generated by transactions carried out in 2008 with related parties, identified in accordance with IAS 24 and communicated by the companies of the Group, are summarized in the following tables. Transactions are indicated only if close to € 1 million, which is the unit of measure for the presentation of the consolidated figures of the IFIL Group.

€ in millions	Trade receivables	Trade payables	Investments	Other assets	Financial assets	Other liabilities	Costs	Revenues
Loan made to the parent, IFI					199 (a)			1 (a)
Purchase of 14,538 Cushman & Wakefield shares by Ifil Investissements, from the same issuing company			12 (b)					
Services rendered to IFI S.p.A. and Old Town S.A.								1
Directors for fees and professional services							(9) (c)	
Participants of Alpitour stock option plans 2005						(8)		8 (d)
Jumboturismo and other minor companies	2							
Alpitour Group Egypt for Tourism S.A.E.		(10)						1
Viajes Medymar S.L.				1				
Semana S.r.l.							(1)	
Fiat Group								13 (e)
Total IFIL Group	**2**	**(10)**	**12**	**1**	**199**	**(8)**	**(10)**	**24**

a) On October 10, 2008, IFIL granted the parent, IFI, a loan up to a maximum of € 200 million; the loan was approved by the respective boards of directors on October 10. Interest income recorded is equal to € 1 million.
b) On June 27, 2008, the subsidiary Ifil Investissements purchased 14,538 C&W Group Inc. shares held as treasury stock by that company, for an investment of € 12 million.
c) Details are presented in Note 37 to the separate financial statements.
d) Income reflects the fair value change in the stock option plan approved by management of the subsidiary Alpitour.
e) Consideration for the July 1, 2007 – June 30, 2010 agreement between the Fiat Group and Juventus F.C. which gives the Fiat Group the right to exploit the images of Juventus F.C..

40. Fees to directors and statutory auditors

In 2008, the fees to the directors and statutory auditors of IFIL S.p.A., to perform their duties in the parent and also in other companies included in consolidation, are as follows:

€ in thousands	IFIL S.p.A.	Subsidiaries (a)	Total
Directors	8,456	1,951	10,407
Statutory Auditors	146	38	184
Total	**8,602**	**1,989**	**10,591**

(a) This does not include the fees paid by Fiat and its subsidiaries since the Fiat Group is not included in the scope of consolidation.

In 2007, fees amounted to € 5,540 thousand, of which € 3,852 thousand was paid by IFIL and € 1,688 thousand by the subsidiaries.

IFIL S.p.A. also signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The proposals for the fees of the executive directors are formulated and approved directly by the board of directors which, after a review by the Compensation and Nominating Committee, in accordance with art. 2389, paragraph 2, of the Italian Civil Code, has the power to establish the fees of directors vested with special responsibilities in accordance with the deed of incorporation.

The Compensation and Nominating Committee also assists the board of directors in examining proposals relating to plans for development, for the evaluation and for the functional succession of staff, as well as the salary levels of first-category staff and stock option plans.

The fee of the chairman was not linked to either the economic results of the company or targets set by the board of directors.
A part of the compensation of the chief executive officer and general manager, however, was tied to the economic results of the company and the reaching of specific targets.

The meeting of the board of directors held on June 9, 2005 approved the use of a secretarial service and a car with a driver for the chairman, Gianluigi Gabetti, also after his current term of office expires.

The board of directors in its meeting held on May 13, 2008 proceeded to appoint the posts on the board and confer the relevant powers, appoint the members of the Audit Committee and the Compensation and Nominating Committee as well as the Supervisory Board pursuant to Legislative Decree 231/2001.
At December 31, 2008, Mr Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana shares between May 2009 and May 2013 at a price per share of € 20.46; moreover, Sequana has allocated 12,340 of its shares free to Mr Tiberto Brandolini d'Adda, which will available from March 29, 2010.

Moreover, in 2008, the director, Franzo Grande Stevens, rendered professional services to Fiat S.p.A. for € 1 million (including acting as the secretary to the board of directors).

Additional information on fees, as requested by national law (Consob Regulation 11971 dated May 14, 1999 and later amendments), is provided in the Notes to the separate financial statements of IFIL S.p.A..

41. Employees

The breakdown of the average number of employees is provided as follows:

average number of employees	**2008**	2007
Breakdown by category		
Managers	**2,036**	1,524
Middle management and clerical staff	**11,298**	12,244
Pilots and flight attendants	**277**	259
Soccer players	**56**	54
Blue-collar	**4,204**	3,366
	17,871	17,447

42. Pro-forma consolidated data prepared by consolidating the Fiat Group line-by-line

Pending possible amendments to IAS 27 proposed in Exposure Draft ED 10 “Consolidated Financial Statements” that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the IFIL Group has continued to exclude the Fiat Group, in which IFIL S.p.A. has a 30.45% holding in ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter.

However, the pro-forma consolidated balance sheet, pro-forma consolidated income statement and the composition of the pro-forma consolidated net financial position prepared by consolidating the Fiat Group line-by-line are presented below.

IFIL Group – Pro-forma consolidated income statement prepared by consolidating the Fiat Group line-by-line

€ in millions	Consolidated IFIL Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Pro-forma
Revenues	2,665	59,380	62,045		62,045
Other income (expenses)	35	(23)	12		12
Current operating costs	(2,696)	(55,995)	(58,691)		(58,691)
Profit (loss) from current operations	**4**	**3,362**	**3,366**	**0**	**3,366**
Gains on sales of investments		20	20		20
Restructuring costs and other nonrecurring income (expenses)	(24)	(410)	(434)		(434)
Operating profit (loss)	**(20)**	**2,972**	**2,952**	**0**	**2,952**
Gains on sales of investments	75		75		75
Other financial income (expenses)	59	(947)	(888)		(888)
Financial income (expenses)	134	(947)	(813)	0	(813)
Income taxes	(28)	(466)	(494)		(494)
Profit (loss) of companies consolidated line-by-line	**86**	**1,559**	**1,645**	**0**	**1,645**
Share of profit of the Fiat Group	467		467	(467)	0
Share of profit (loss) of other companies accounted for by the equity method	(115)	162	47		47
Profit from continuing operations	**438**	**1,721**	**2,159**	**(467)**	**1,692**
Profit (loss) from discontinued operations or assets held for sale		**0**	**0**		**0**
Profit	**438**	**1,721**	**2,159**	**(467)**	**1,692**
Attributable to the equity holders of the parent	**445**	**1,612**	**2,057**	**(1,612)**	**445**
Attributable to the minority interest	**(7)**	**109**	**102**	**1,145**	**1,247**

IFIL Group – Pro-forma consolidated balance sheet prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated IFIL Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Pro-forma
Non-current assets					
Goodwill	402	3,489	3,891		3,891
Other intangible assets	461	3,559	4,020		4,020
Property, plant and equipment	198	12,607	12,805		12,805
Investment in Fiat accounted for by the equity method	3,062		3,062	(3,062)	0
Investments accounted for by the equity method	191	1,899	2,090		2,090
Other financial assets	1,412	278	1,690		1,690
Leased assets	0	505	505		505
Deferred tax assets	17	2,386	2,403		2,403
Other non-current assets	93	120	213		213
Total Non-current assets	**5,836**	**24,843**	**30,679**	**(3,062)**	**27,617**
Current assets					
Inventories, net	3	11,346	11,349		11,349
Trade receivables	333	4,390	4,723	0	4,723
Receivables from financing activities	0	13,136	13,136		13,136
Other receivables, accruals and prepayments	159	3,370	3,529		3,529
Financial assets	549	967	1,516		1,516
Cash and cash equivalents	975	3,683	4,658		4,658
Total Current assets	**2,019**	**36,892**	**38,911**	**0**	**38,911**
Assets held for sale	**3**	**37**	**40**		**40**
Total Assets	**7,858**	**61,772**	**69,630**	**(3,062)**	**66,568**
Equity					
Equity attributable to the equity holders of the parent	5,687	10,354	16,041	(10,354)	5,687
Equity attributable to the minority interest	104	747	851	7,292	8,143
Total Equity	**5,791**	**11,101**	**16,892**	**(3,062)**	**13,830**
Current and non-current liabilities					
Provisions for employee benefits	82	3,366	3,448		3,448
Provisions for other liabilities and charges	47	4,778	4,825		4,825
Bonds and other debt	1,233	22,581	23,814		23,814
Deferred tax liabilities	86	170	256		256
Trade payables	326	13,258	13,584	**0**	13,584
Other liabilities, accruals and deferrals	293	6,516	6,809		6,809
Total Current and non-current liabilities	**2,067**	**50,669**	**52,736**	**0**	**52,736**
Liabilities relating to assets held for sale		**2**	**2**		**2**
Total Equity and liabilities	**7,858**	**61,772**	**69,630**	**(3,062)**	**66,568**

IFIL Group – Pro-forma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated IFIL Group	Consolidated Fiat Group	Consolidated Pro-forma
Cash and cash equivalents	975	3,860	4,835
Financial receivables	4	13,136	13,140
Other current financial assets	549	764	1,313
Debt	(278)	(21,379)	(21,657)
IFIL bonds 2006/2011	(199)		(199)
IFIL bonds 2007/2017	(745)		(745)
Other current financial liabilities	(11)	(1,202)	(1,213)
Consolidated net financial position	**295**	**(4,821)**	**(4,526)**

43. Translation of foreign currency financial statements

The principal exchange rates used for the translation of the 2008 and 2007 foreign currency financial statements and data to Euro are as follows:

	2008	2007
Year-end exchange rate		
British pound	**0.953**	0.733
U.S. dollar	**1.392**	1.472
Swiss franc	**1.485**	1.655
Average exchange rate		
British pound	**0.796**	0.684
U.S. dollar	**1.471**	1.370
Swiss franc	**1.587**	1.642

44. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2008 were approved by the board of directors on March 25, 2009 which authorized their publication starting from March 31, 2009.

Turin, March 25, 2009

On behalf of the Board of Directors
The Chairman
John Elkann

Attestation of the separate financial statements according to art. 154-bis, paragraph 5, of Legislative Decree 58/98

We, the undersigned, Carlo Barel di Sant'Albano, chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2008 of IFIL S.p.A., the company merged by EXOR S.p.A., effective March 1, 2009.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002, in addition to the provisions enacted for the implementation of art. 9 of Legislative Decree 38/2005;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct representation of the financial conditions, results of operations and cash flows of IFIL S.p.A.;
- the Report on Operations includes a reliable operating and financial review of IFIL S.p.A., as well as a description of the main risks and uncertainties to which it is exposed.

Turin, March 25, 2009

Chief Executive Officer	Manager responsible for the preparation of the financial reports
Carlo Barel di Sant'Albano	Aldo Mazzia

Attestation of the consolidated financial statements according to art. 154-bis, paragraph 5, of Legislative Decree 58/98

We, the undersigned, Carlo Barel di Sant'Albano, chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the consolidated financial statements at December 31, 2008 of IFIL S.p.A., the company merged by EXOR S.p.A., effective March 1, 2009, during the course of the year 2008.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002, in addition to the provisions enacted for the implementation of art. 9 of Legislative Decree 38/2005;
    - correspond to the amounts shown in the accounts, books and records;
    - provide a fair and correct representation of the financial conditions, results of operations and cash flows of IFIL S.p.A. and the aggregate of the companies included in consolidation;
- the Report on Operations includes a reliable operating and financial review of IFIL S.p.A. and the aggregate of the companies included in consolidation as well as a description of the main risks and uncertainties to which they are exposed.

Turin, March 25, 2009

Chief Executive Officer Carlo Barel di Sant'Albano	Manager responsible for the preparation of the financial reports Aldo Mazzia

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998

To the Shareholders of
EXOR S.p.A.

1. We have audited the financial statements of IFIL INVESTMENTS S.p.A. as of and for the year ended December 31, 2008, which comprise the balance sheet, the income statement, the statements of changes in equity and cash flows and the related explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of EXOR S.p.A. (formerly IFI – Istituto Finanziario Industriale) following the merger operation described hereinafter in paragraph 4. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on April 2, 2008.

3. In our opinion, the financial statements present fairly the financial position of IFIL INVESTMENTS S.p.A. as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

4. As illustrated in the report of operations on March 1, 2009 became effective the merger by incorporation of IFIL INVESTMENTS S.p.A. in the parent company IFI – Istituto Finanziario Industriale S.p.A. which changed its name to EXOR S.p.A. Following the incorporation, the financial statements of IFIL as of December 31, 2008 were prepared by the Directors of EXOR S.p.A.

5. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree n. 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession and recommended by CONSOB. In our opinion the report on operations is consistent with the financial statements of IFIL INVESTMENTS S.p.A. as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
March 30, 2009

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE N. 58 OF FEBRUARY 24, 1998

To the Shareholders of
EXOR S.p.A.

1. We have audited the consolidated financial statements of IFIL INVESTMENTS S.p.A. and its subsidiaries ("IFIL Group") as of and for the year ended December 31, 2008, which comprise the consolidated balance sheet, the consolidated income statement, the consolidated statements of changes in equity and cash flows and the related explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of EXOR S.p.A. (formerly IFI – Istituto Finanziario Industriale), following the merger operation described hereinafter in paragraph 4. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on April 3, 2008.

3. In our opinion, the consolidated financial statements present fairly the financial position of IFIL Group as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005.

4. For a better understanding of the consolidated financial statements, attention is drawn to the following information:

   (a) On March 1, 2009, became effective the merger by incorporation of IFIL Investments S.p.A. in the parent company IFI - Istituto Finanziario Industriale S.p.A., which changed its name to EXOR S.p.A. Following the incorporation, the consolidated financial statements of the IFIL Group as of December 31, 2008 were prepared by the Directors of EXOR S.p.A.

   (b) IFIL Group, pending possible amendments to IAS 27 proposed in the Exposure Draft ED 10 "Consolidated Financial Statements", that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, has continued to exclude the Fiat Group, in which the subsidiary IFIL Investments S.p.A. had a 30.45% holding of ordinary capital stock, from line-by-line consolidation, consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter. However, in note 42 to the consolidated financial statements are presented the pro-forma consolidated financial data prepared consolidating line-by-line the Fiat Group.

5. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree n. 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession and recommended by CONSOB. In our opinion the report on operations is consistent with the consolidated financial statements of the IFIL Group as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
March 30, 2009

IFIL BOARD OF STATUTORY AUDITORS' REPORT ON ACTIVITIES CONDUCTED IN 2008

Stockholders,

Since, as a result of the imminent conclusion of the process leading to the incorporation of IFIL in IFI – which will assume the name of EXOR S.p.A. -, we will no longer be in office at the date of the annual stockholders' meeting of the latter, we refer, pursuant to art. 153 of the Legislative Decree 58 dated February 24, 1998, to the work performed and to any censurable omissions and events which came to light during 2008.

We have participated in the meetings of the board of directors, during which we were informed about the activities and the main operating, financial and balance sheet transactions completed or being undertaken by the company and its subsidiaries. We have obtained assurance that the transactions which the company has approved and undertaken were in compliance with the law and with the company's bylaws, were not in contrast to the resolutions passed by the stockholders' meeting or in conflict of interest and were based upon the principles of good administration.

In the meetings with those in charge of the corporate functions, with the manager responsible for the preparation of the financial reports and with the representatives of Deloitte & Touche S.p.A., we have obtained information as to the company's compliance with the principles of diligent and proper administrative management; from the exchange of information with the auditors, no significant facts or situations came to our attention which necessitated the performance of further controls on our part which we should report to you.

As for our responsibilities and in view of the activities conducted, we have concluded that the company's organizational structure and the internal control system appear adequate in the sense that the internal control system has the task of verifying that the internal operating and administrative procedures are being followed, with such procedures having been adopted for the purpose of ensuring a correct and efficient management, as well as identifying, preventing and managing, where possible, risks of a financial and operating nature and any misrepresentation to the detriment of the company.

Based on what we have ascertained and verified, we have concluded that the administrative and accounting system was capable of representing correctly the company's affairs; we would like to remind you that IFIL had adopted the Model of corporate administrative and accounting control conforming to the contents of art. 154-bis of Legislative Decree 58/98.

With regard to the requirements of art. 114, the directives imparted to the subsidiaries appear to us to be appropriate.

During the stockholders' meeting held on May 13, 2008, the stockholder Marco Bava made a request, under art. 2408 of the Italian Civil Code, to examine everything that has to do with related party transactions; we examined, during our periodical visits, the transactions with group companies and related parties presented to us, ascertaining that the principles and criteria prescribed in this respect have been applied on a continual basis.

With reference to the other matters identified by CONSOB, we observe the following:

- we have been regularly informed of matters falling under our jurisdiction;
- the periodic verifications and the tests to which we have subjected the company have not brought to light any atypical or unusual transactions;
- we have not noted censurable events;
- we have not received nor had notice of any complaints and petitions;
- we have attended ten meetings of the board of directors – and the previous statutory auditors attended the one meeting of the executive committee, that was not subsequently

formed after the renewal of the board of directors – and held nine meetings, three of which were attended by representatives of the audit firm;

- we checked that the company continued to comply with the model of corporate governance described in the Code of Self-discipline and, therefore, also adopted the principles and rules of corporate governance conforming to it, although explaining, in past years, the variation with certain aspects of it;
- we were informed by Deloitte & Touche S.p.A. that, in 2008, in addition to the engagement for the audit of the separate and consolidated financial statements and limited review of the half-year financial statements – for a total fee of Euro 72,000, for a total of 925 hours, excluding the fees and the hours referring to the same work performed in the subsidiaries, whose engagements were conferred separately by them -, it has carried out the following activities:
  - verification relating to the confirmation of the amount of the Financial Ratio, established in the Information Memorandum dated June 6, 2006, relating to the issue by IFIL of “Floating Rate Notes due 2011” for Euro 200 million, for a fee of Euro 5,000;
  - limited audit of the balance sheet position of IFIL Investments S.p.A. at June 30, 2008, prepared in accordance with art. 2501-quater of the Italian Civil Code and drawn up in conformity with the applicable International Financial Reporting Standard (IAS 34 – Interim Reporting), for a fee of Euro 2,000;
  - performance of specific agreed procedures with regard to the verification of the completeness and the correct disclosure content of the half-year Reporting Package of the IFIL Group and the updating, addition and review, where necessary, of the notes to the half-year consolidated financial statements of the IFIL Group, prepared in accordance with International Financial Reporting Standards and in particular in conformity with IAS 34 – Interim Reporting, for a fee of Euro 13,000;

- we did not note engagements conferred during the year to parties related to Deloitte & Touche S.p.A..

We would like to remind you that the draft separate financial statements of IFIL S.p.A. and the consolidated financial statements of IFIL Group will have to be approved by the board of directors of EXOR S.p.A. which will meet on March 25; the next EXOR S.p.A. stockholders' meeting, therefore, will also be called to approve the draft separate financial statements of IFIL S.p.A..

February 19, 2009

THE BOARD OF STATUTORY AUDITORS

Eugenio Colucci

Lionello Jona Celesia

Paolo Piccatti

ADDENDUM TO THE IFIL BOARD OF STATUTORY AUDITORS' REPORT ON ACTIVITIES CONDUCTED IN 2008

During the course of the stockholders' meeting held on December 1, 2008, the stockholder Pier Luigi Zola asked the board, pursuant to art. 2408 of the Italian Civil Code, although discussed in the Rules of Stockholders' Meetings and the Bylaws, to examine the application of the limit indicated therein for remarks during meetings, deeming it to be too strict, asking that it be checked to see whether this was the case in similar previous meetings of IFI.

The undersigned Eugenio Colucci, Lionello Jona Celesia and Paolo Piccatti, statutory auditors of the merged company IFIL at the time of the above stockholders' meeting, duly integrate their report IFIL board of statutory auditors' report on activities conducted in 2008 which, by sheer error, had omitted this matter, and observes the following.

The Italian Civil Code assigns the chairman of the stockholders' meeting the task of governing the conduct of the meeting and the rule adopted for the time limit for remarks – clear, concise and strictly related to the matter at hand –, to invite all those who do not adhere to what has been decided to conclude their remarks in a short period of time, and, finally, to ask such persons to sit down.

As for our responsibilities, the chairman, in our opinion, exercised the duties and powers assigned to him in accordance with what is described in the law and in the rules, using reasonable criteria, in compliance with the practice in use in the stockholders' meeting of other listed companies.

April 6, 2009

THE BOARD OF STATUTORY AUDITORS

Eugenio Colucci

Lionello Jona Celesia

Paolo Piccatti

List of IFIL Group Companies at December 31, 2008

As required by Consob Resolution 11971 dated May 14, 1999 as amended (Art. 126 of the Regulations), a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, is provided below.

Investments of the "Holdings System" consolidated on a line-by-line basis

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
IFIL - INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR				
COMPANIES OF THE HOLDINGS SYSTEM (Holding companies and services)							
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED U.K.	UNITED KINGDOM	243,100	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INVESTMENT HOLDING N.V. (a)	NETHERLANDS	960,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL GROUP FINANCE L.T.D. (a)	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL USA INC.	USA	1	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	HONG KONG (REP.POP.)	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL FRANCE SAS	FRANCE	50,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
ANCOM USA INC	USA	-	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
C & W GROUP INC.	USA	7,116	USD	74.43	IFIL INVESTISSEMENTS S.A.	71.809	71.809
					C & W GROUP INC. (*)	3.522	3.522
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	20,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
OPERATING COMPANIES							
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	20,155,333	EUR	60.00	IFIL INVESTMENTS S.p.A.	60.001	60.001

(a) Company in a voluntary wind-up.
(*) Voting suspended.

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFIL Group consolidation: 74.43%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Real Estate Services							
BIGeREALESTATE, Inc.	USA	N/A	USD	77.400%	Cushman & Wakefield, Inc.	77.400%	77.400%
Buckbee Thorne & Co.	USA	37,500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Offshore Consulting, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W-Japan K.K.	JAPAN	200	YEN	100.000%	Cushman & Wakefield International Inc.	100.000%	100.000%
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Ltd.	99.000%	99.000%
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CHP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980%	99.980%
			CHP		Cushman & Wakefield of South America, Inc.	0.020%	0.020%
Cushman & Wakefield - Colombia Ltda	COLOMBIA	5,706,000	COP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895%	99.895%
					Cushman & Wakefield of South America, Inc.	0.105%	0.105%
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,200,000	BRL	98.000%	Cushman & Wakefield Holding Participacoes Ltda	98.000%	98.000%
Cushman & Wakefield - Argentina S.A.	ARGENTINA	3,344,930	ARS	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
			ARS		Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Peru S.A.	PERU	55,842	PEN	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Servicos Gerais Ltda.	BRAZIL	10,000	BRL	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	99.990%
					Cushman & Wakefield of South America, Inc.	0.010%	0.010%
Cushman & Wakefield Venezuela, S.A.	VENEZUELA	1,000,000	VEB	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000%	100.000%
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	50,000	EUR	99.800%	Cushman & Wakefield (France Holdings) SAS	99.800%	99.800%
				0.200%	Healey & Baker Limited	0.200%	0.200%
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	50,000	Polish Zloty	99.000%	Cushman & Wakefield Polska SP z.o.o.	99.000%	99.000%
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	500,000	AUD$	100.000%	Cushman & Wakefield Singapore Holdings Pte Limited	75.000%	75.000%
					Cushman & Wakefield Holding Pty Limited	25.000%	25.000%
Cushman & Wakefield (China) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited.	100.000%	100.000%
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield (Hellas) SA	GREECE	60,000	EUR	99.995%	Cushman & Wakefield (France Holdings) SAS	99.995%	99.995%
Cushman & Wakefield (HK) Limited.	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	Singapore dolla	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Shanghai) Co., Ltd.	CHINA	1,800,000	USD	100.000%	Cushman & Wakefield (China) Limited	100.000%	100.000%
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.000%	Cushman & Wakefield (UK) Services Ltd.	100.000%	100.000%
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Activ Consulting S.R.L.	ROMANIA	1,000	RON	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield First Nova Scotia ULC	99.900%	99.900%
					Cushman & Wakefield Second Nova Scotia ULC	0.100%	0.100%
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield of Asia Inc	99.990%	99.990%
					Cushman & Wakefield International Inc.	0.010%	0.010%
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.000%	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000%	100.000%
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXP	100.000%	Cushman & Wakefield of North America, Inc.	50.000%	50.000%
					Cushman & Wakefield of the Americas, Inc.	50.000%	50.000%
Cushman & Wakefield Eagle Advisors Limited	HONG KONG	10,000	HKDollar	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Holdings	Cayman Islands	50,000	USD	50.000%	Cushman & Wakefield Investors Asia Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Management Limited	Cayman Islands	50,000	USD	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Partners	Cayman Islands	50,000	USD	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Ecuador S.A.	ECUADOR	840	USD	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield European Holdings, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Expertise SAS	FRANCE	37,000	EUR	100.000%	Cushman & Wakefield SAS	100.000%	100.000%
Cushman & Wakefield Finance Limited	UNITED KINGDOM	10,000	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	TURKEY	1,796	YTL		Cushman & Wakefield (France Holdings) SAS	89.800%	89.800%
		1	YTL		Healey & Baker Limited	0.050%	0.050%
		1	YTL		Cushman & Wakefield (EMEA) Limited	0.050%	0.050%
		1	YTL		Philip Ingleby	0.050%	0.050%
		1	YTL		Eric Van Dyck	0.050%	0.050%
		200	YTL		Ayse Cebe	10.000%	10.000%
Cushman & Wakefield GCHF	SINGAPORE	N/A	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Gestion, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Holdings, Inc.	USA	58,573	USD	100.000%	C & W Group Inc	100.000%	100.000%
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Hospitality srl	ITALY	9,000	EUR	100.00%	Cushman & Wakefield Hospitality Limited	90.000%	90.000%
		1,000			Marco Zalamena	10.000%	10.000%
Cushman & Wakefield India Private Limited	INDIA	336,447,800	Indian Rupee	100.000%	Cushman & Wakefield Mauritius Holdings, Inc.	99.990%	99.990%
					Cushman & Wakefield of Asia Limited	0.010%	0.010%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFIL Group consolidation: 74.43%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	100,000	Singapore dolla	60.000%	Cushman & akefield Singapore Holdings Pte Limited	60.000%	60.000%
					Property Advisory International Limited (BVI) (not a C&W entity)	40.000%	40.000%
Cushman & Wakefield International Finance Subsidiary, Inc	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	90.000%
Cushman & Wakefield International, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield Investors Asia Holdings	Cayman Islands	50,000	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield Investors SAS	FRANCE	25,443	EUR	100.000%	Cushman & Wakefield Investors Limited	100.000%	100.000%
Cushman & Wakefield Ireland Limited	IRELAND	1,000,000	EUR	100.000%	Cushman & Wakefield UK Limited Partnership	100.000%	100.000%
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	100,000	Korean Won	100.000%	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000%	100.000%
Cushman & Wakefield LePage Inc.	CANADA	11,000	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Cushman & Wakefield LLC	UKRAINE	50,500	UAH	100.000%	Cushman & Wakefield EMEA	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (UK) Limited	99.000%	99.000%
					Individual Equity Partners	1.000%	1.000%
Cushman & Wakefield Loan.Net, Inc.	USA	20	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.000%	Cushman & Wakefield State Street, Inc.	100.000%	100.000%
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Middle East) FZE	UNITED ARAB EMIRATES	1,000,000	USD	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Mortgage Brokerage, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Netherlands B.V.	NETHERLANDS	40,000	NLG	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arizona, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	979,152	USD	75.000%	Cushman & Wakefield of Asia, Inc.	75.000%	75.000%
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Colorado, Inc.	USA	800	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Delaware, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Georgia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Illinois, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Indiana, Inc.	USA	5	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Michigan, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Mississippi, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of North America, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Pennsylvania, Inc.	USA	14	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield of California, Inc.	100.000%	100.000%
Cushman & Wakefield of South America, Inc.	USA	100	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of the Americas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington, Inc.	USA	50	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Oy	FINLAND	2,500	EUR	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Polska SP z.o.o.	POLAND	135,588	Polish Zloty	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Property Management Services India Private Limited	INDIA	100,000	INR	100.000%	Cushman & Wakefield India Private Limited	99.980%	99.980%
					Sanjay Verma as nominee for C&W India Private Ltd	0.020%	0.020%
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAK REPUBLIC	N/A	EUR	100.000%	Cushman & Wakefield, s.r.o.	100.000%	100.000%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFIL Group consolidation: 74.43%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cushman & Wakefield Real Estate Securities Research, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Residential Real Estate Advisor Ltd.	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield Residential Ltd	100.000%	100.000%
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	16,200,000	Pesos	100.000%	Cushman & Wakefield de Mexico, S.A. de C.V	99.990%	99.990%
					Cushman & Wakefield of the Americas, Inc.	0.010%	0.010%
Cushman & Wakefield SAS	FRANCE	42,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Securities, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	Singapore dolla	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefeild Sonnenblick Goldman of California Inc	USA	1	USD	100.000%	Cushman & Wakefield Sonnenblick -Goldman LLC	100.000%	100.000%
Cushman & Wakefield Sonnenblick- Goldman LLC	USA	N/A	USD	65.000%	Cushman & Wakefield Mortgage Brokerage, Inc.	65.000%	65.000%
					Steven A. Kohn	9.700%	9.700%
					Andrew S. Oliver	7.750%	7.750%
					Mark J. Gordon	7.750%	7.750%
					Robert B. Stiles	4.200%	4.200%
					Richard B. Swartz	2.800%	2.800%
					Douglas P. Hercher	2.800%	2.800%
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Stiles & Riabokobylko Management ZAO	RUSSIA	600	Roubles	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield Stiles & Riabokobylko OOO	RUSSIA	600	Roubles	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield, Inc.	98.000%	98.000%
					Cushman & Wakefield International Holdings Limited Partnership	2.000%	2.000%
Cushman & Wakefield V.O.F.	NETHERLANDS		EUR	99.000%	Cushman & Wakefield, Netherlands B.V.	99.000%	99.000%
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield (HK) Limited.	100.000%	100.000%
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	Singapore dolla	100.000%	Cushman & Wakefield (S) Pte Limited	100.000%	100.000%
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield, s. r. o.	CZECH REPUBLIC	100,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	80.000%	100.000%
					Cushman & Wakefield European Holdings, Inc.	20.000%	20.000%
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	80	USD	80.000%	Cushman & Wakefield/Premisys, Inc.	80.000%	80.000%
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.000%	Cushfield, Inc.	100.000%	100.000%
Cushman Investment & Development Corp	USA	5,000	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
Cushman Management Corporation	USA	1,000	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
Cushman Realty Corporation	USA	6,286	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman Realty Corporation of Colorado	USA	100	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Greater China Hospitality Fund L.P (GCHF)	Cayman Islands	N/A	USD	50.000%	Cushman & Wakefield Eagle Partners	50.000%	50.000%
New Cushman Pasadena Corp.	USA	100	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
SG Securities Holdings LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Sonnenblick- Goldman LLC	100.000%	100.000%
SG Real Estate Securities LLC	USA	N/A	USD	100.000%	SG Securities Holdings LLC	100.000%	100.000%
The Apartment Group LLC	USA	200	USD	100.000%	Cushman & Wakefield of Georgia, Inc.	100.000%	100.000%
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield International Real Estate Ltd	100.000%	100.000%
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	INDONESIA	5,000	IDR	98.000%	Cushman & Wakefield Indonesia Holdings Private Limited	98.000%	98.000%
	INDONESIA		IDR		Mhandadjaja Sulaiman	2.000%	2.000%
Assets Services							
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield LePage Inc.	99.000%	99.000%
					Cushman & Wakefield GP Inc	1.000%	1.000%
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Holding							
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Holding Participacoes Ltda	BRAZIL	16,423,500	BRR	99.990%	Cushman & Wakefield of South America, Inc.	99.990%	99.990%
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Thailand Limited.	THAILAND	8,000,000	THB	100.000%	Cushman & Wakefield of Asia Limited	99.980%	99.980%
					Michael Thompson	0.010%	0.010%
					Apisit Limlongwongse	0.010%	0.010%
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield (France Holdings) SAS	FRANCE	3,987,000	EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield International Holdings Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield European Holdings, Inc	75.2933%	75.293%
					Cushman & Wakefield of South America, Inc.	0.0001%	0.000%
					Cushman & Wakefield, Inc.	24.3050%	24.305%
					Cushman & Wakefield Gestion, Inc.	0.401%	0.401%
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	CANADA		CAD	100.000%	1012888 Ontario Limited	50.000%	50.000%
					808359 Ontario Limited	50.000%	50.000%
1012888 Ontario Limited	CANADA	NA	CAD	100.000%	Cushman & Wakefield LePage Inc.	100.000%	100.000%
808359 Ontario Limited	CANADA	NA	CAD	100.000%	Cushman & Wakefield LePage Inc.	100.000%	100.000%
Cushman & Wakefield Global Holdco Limited	UNITED KINGDOM		EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of IFIL Group consolidation: 74.43%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Insurance							
Nottingham Indemnity, Inc.	USA	100,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
REIT management							
Cushman & Wakefield Investment Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Realty Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Business Support Management							
Cushman & Wakefield Facilities Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushfield Maintenance West Corp.	USA	1,000	USD	100.000%	Buckbee Thorne & Co.	100.000%	100.000%
Cushfield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield National Corporation	USA	5,100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%
Others							
Cushman & Wakefield (BVI) Inc	BRITISH VIRGIN ISLANDS	10,000	USD	100.000%	Cushman & Wakefield of Asia Limited	99.990%	99.990%
					Cushman & Wakefield International Inc.	0.010%	0.010%
Cushman & Wakefield Cleanings Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.990%	99.990%
					Cushman & Wakefield Second Nova Scotia ULC	0.010%	0.010%
Farrell & Anderson Pty Limited	AUSTRALIA		AUD	100.000%	Cushman & Wakefield (NSW) Pty Limited	100.000%	100.000%
Cushman & Wakefield (NSW) Pty Limited	AUSTRALIA		AUD	100.000%	Cushman & Wakefield (Australia) Pty Limited	100.000%	100.000%
Cushman & Wakefield Advisory Asia (India) Private Limited	INDIA		INR	99.000%	Cushman & Wakefield Capital Holdings (Asia)	99.000%	99.000%
				1.000%	Cushman & Wakefield Capital Asia Limited	1.000%	1.000%
Cushman & Wakefield Holding Pty Limited	AUSTRALIA	1	AUD	100.000%	Cushman & Wakefield Singapore Holdings Private Limited	100.000%	100.000%
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia, Inc.	100.000%	100.000%
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of IFIL Group consolidation: 100%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITOUR WORLD HOTELS & RESORTS S.p.A.	ITALY	140,385.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EUR	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	100.000
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
NETRADE S.p.A.	ITALY	300,000.00	EUR	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EUR	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
Insurance							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	2,500,000.00	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Distribution (Travel agency)							
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EUR	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000.00	CHF	100.000	WELCOME TRAVEL GROUP S.P.A.	100.000	100.000
WELCOME TRAVEL GROUP S.p.A.	ITALY	3,939,855.00	EUR	100.000	ALPITOUR S.P.A.	100.000	100.000
Incoming services							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	37,000.00	EUR	99.970	JUMBOTURISMO S.A. UNIPERSONAL	99.970	99.970
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EUR	100.000	ALPITOUR S.P.A.	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EUR	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO MOROCCO INCOMING S.A.	MOROCCO	400,000	MAD	99.700	JUMBOTURISMO S.A. UNIPERSONAL	99.700	99.700
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
Tour operating							
A W EVENTS Srl	ITALY	23,838.00	EUR	83.900	ALPITOUR S.p.A.	83.900	83.900
Airline							
NEOS S.p.A.	ITALY	4,425,800.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP	0.000	0.000

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Holding companies and other companies							
SEQUANA S.A.	FRANCE	74,317,503.00	EUR	26.91	IFIL INVESTISSEMENTS S.A.	26.649	26.649
FIAT S.p.A. (a)	ITALY	6,377,262,975.00	EUR	29.40	FIAT S.p.A.	3.024	3.531
					IFIL INVESTMENTS S.p.A.	28.513	30.450

(a) The companies of the Fiat Group are presented separately.

Investments of the Cushman & Wakefield Group accounted for by the equity method (percentage of IFIL Group consolidation: 74.43%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
REAL ESTATE SERVICES							
Orvis/Cushman & Wakefield Ranch and Recreational Properties, LLC	USA	1,000	USD	50.000%	Cushman & Wakefield, Inc.	50.000%	50.000%
					The Orvis Company, Inc	50.000%	50.000%
Orvis/Cushman & Wakefield Ranch and Recreational Properties, Inc	USA			100.000%	Orvis/Cushman & Wakefield Ranch and Recreational Properties, LLC	100.000%	100.000%
ASSET SERVICES							
Corporate Occupier Solutions Limited	UNITED KINGDOM	100,000	GBP	50.000%	Cushman & Wakefield (EMEA) Limited.	50.000%	50.000%
Cushman & Wakefield Facility Management Services	CANADA	1,000	CAD	50.000%	Cushman & Wakefield FM Limited Partnership	50.000%	50.000%
		1,000	CAD		Arturus Realty Corporation	50.000%	50.000%

Investments of the Alpitour Group accounted for by the equity method (percentage of IFIL Group consolidation: 100%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
VACANZEINITALIA S.p.A.	ITALY	300,000	EUR	50.000	ALPITOUR S.p.A	50.000	50.000
Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A	50.000	50.000
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EUR	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EUR	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EUR	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EUR	30.000	ALPITOUR S.p.A.	30.000	30.000

Significant investments of the “Holdings System”

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	% of interest held	% of voting rights
Holding companies and other companies						
INTESA SANPAOLO S.p.A.	ITALY	6,646,547,923	EUR	IFIL INVESTMENTS S.p.A.	1.000	0.996
GRUPPO BANCA LEONARDO S.p.A.	ITALY	303,201,927	EUR	IFIL INVESTISSEMENTS S.A.	9.759	11.205
SGS S.A.	SWITZERLAND	7,822,436	CHF	IFIL INVESTISSEMENTS S.A.	15.000	15.000
BANIJAY HOLDING S.A.S. (a)	FRANCE	1,247,500	EUR	IFIL INVESTISSEMENTS S.A.	17.034	17.172
NoCo A LP	USA	N.A.	USD	ANCOM USA INC	1.960 (b)	N.A.

(a) Purchased on May 30, 2008.
(b) Percentage holding in the limited partnership.

Significant investments of the Alpitour Group

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Distribution (Travel agency)							
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EUR	-	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS ZANZIBAR LIMITED	TANZANIA	1,000,000.00	TZS	-	JUMBOTURISMO S.A. UNIPERSONAL	49.000	49.000
VALORE SICURO S.R.L.	ITALY	100,000.00	EUR	-	ALPITOUR S.p.A.	100.000	100.000

The companies of the Fiat Group

In the consolidated financial statements of the IFIL Group, the investment in the Fiat Group (29.40% of capital stock outstanding) is accounted for by the equity method (please refer to Notes 5 and 42 in the consolidated financial statements).

For purposes of complete disclosure, this appendix shows the investments of the Fiat Group as they are presented in the consolidated financial statements of the Fiat Group.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Fiat Group Automobiles								
Fiat Group Automobiles S.p.A.	Turin	Italy	745,031,979	EUR	100.00	Fiat S.p.A.	100.000	
Abarth & C. S.p.A.	Turin	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis de Investimento SA	Betim	Brazil	439,658,836	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
Clickar Assistance S.R.L.	Turin	Italy	335,632	EUR	100.00	Fidis S.p.A.	100.000	
Customer Services Centre S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Fiat Auto Argentina S.A. *(business Fiat Group Automobiles)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Group Automobiles Belgium S.A.	99.839	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automotive Finance Co. Ltd.	Shanghai	People's Rep.of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	182,843,803	ARS	100.00	Fidis S.p.A.	100.000	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Belgium S.A.	Brussels	Belgium	13,600,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Germany AG	Frankfurt	Germany	82,650,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Johannesburg	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Light Commercial Vehicles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Frankfurt	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Teamsys GmbH	Heilbronn	Germany	500,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fidis S.p.A.	Turin	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
I.T.C.A. Produzione S.p.A.	Grugliasco	Italy	10,000,000	EUR	100.00	I.T.C.A. S.p.A.	100.000	
I.T.C.A. S.p.A.	Grugliasco	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	9,500,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Iveco Latin America Ltda	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
(business Fiat Group Automobiles)						Fiat Group Automobiles S.p.A.	49.000	
Lancia Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
SCDR (Switzerland) S.A. in liquidation	Schlieren	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
SCDR Automotive Limited	Slough Berkshire	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Turin	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe société par actions simplifiée	Paris	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	85.00	Fiat S.p.A.	85.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Charles Pozzi S.a.r.l.	Levallois-Perret	France	959,519	EUR	85.00	Ferrari West Europe S.A.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	85.00	Ferrari International S.A.	100.000	
Ferrari Financial Services AG	Munich	Germany	1,777,600	EUR	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	76.50	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari GB Limited	Slough Berkshire	United Kingdom	50,000	GBP	85.00	Ferrari International S.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	85.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	85.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	People's Rep.of China	2,100,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	3,000,000	USD	57.80	Ferrari S.p.A.	68.000	
Ferrari Maserati Cars Sales and Services (Shanghai) CO.,LTD	Shanghai	People's Rep.of China	2,500,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari West Europe S.A.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	85.00	Ferrari S.p.A.	90.000	
						Ferrari GE.D. S.p.A.	10.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	85.00	Ferrari International S.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	534,430,906	EUR	89.26	Fiat Netherlands Holding N.V.	89.197	89.256
						CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	360,351,014	BRL	89.26	CNH Global N.V.	98.761	
						CNH Latin America Ltda.	1.239	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.26	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.26	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	People's Rep.of China	5,000,000	USD	89.26	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.26	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	U.S.A.	1	USD	89.26	CNH America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	89.26	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.26	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,250,000	USD	89.26	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.26	CNH America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.26	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.26	New Holland Holding (Argentina) S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.26	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.26	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.26	CNH Global N.V.	100.000	
CNH Capital (Europe) plc	Osbertown	Ireland	38,100	EUR	89.26	CNH Capital plc	99.984	
						CNH Europe Holding S.A.	0.003	
						CNH Financial Services A/S	0.003	
						CNH Global N.V.	0.003	
						CNH Trade N.V.	0.003	
						CNH Capital U.K. Ltd	0.002	
						CNH Financial Services S.A.S.	0.002	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	89.26	CNH Australia Pty Limited	100.000	
CNH Capital Automotive Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital Benelux	Zedelgem	Belgium	61,500	EUR	89.26	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Calgary	Canada	1	CAD	89.26	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.26	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.26	CNH America LLC	100.000	
CNH Capital plc	Osbertown	Ireland	6,386,791	EUR	89.26	CNH Global N.V.	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.26	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	89.26	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.26	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.26	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	Luxembourg	53,000,000	USD	89.26	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.26	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Puteaux	France	50,860,641	EUR	89.26	CNH Global N.V.	98.888	
						CNH Capital Benelux	1.112	
CNH France S.A.	Morigny-Champigny	France	138,813,150	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	89.26	CNH Global N.V.	100.000	
CNH Italia S.p.A.	Modena	Italy	15,600,000	EUR	89.26	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	
CNH Latin America Ltda.	Contagem	Brazil	654,096,162	BRL	89.26	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	89.25	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.26	CNH Global N.V.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	89.26	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	89.26	CNH Europe Holding S.A.	99.980	
						CNH Italia S.p.A.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
CNH Services (Thailand) Limited	Bangkok	Thailand	10,000,000	THB	89.25	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	89.26	CNH Italia S.p.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	89.26	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	89.26	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	89.26	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	U.S.A.	1	USD	89.26	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	89.26	CNH Canada, Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep.of China	2,859,091	USD	89.26	CNH Asian Holding Limited N.V.	99.000	
						CNH Europe Holding S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.55	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	58.02	New Holland Excavator Holdings LLC	65.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	89.26	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	89.26	CNH Australia Pty Limited	100.000	
New Holland Credit Australia Pty Limited	St. Marys	Australia	0	AUD	89.26	CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	89.26	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	89.64	CNH Asian Holding Limited N.V.	96.407	48.965
						Fiat Group Automobiles S.p.A.	3.593	51.035
New Holland Holding (Argentina) S.A.	Buenos Aires	Argentina	23,555,415	ARS	89.26	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	89.26	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	66.61	CNH Italia S.p.A.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	89.26	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	89.26	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	89.26	CNH Baumaschinen GmbH	100.000	
One Earth Receivables Limited	Osbertown	Ireland	100	EUR	89.26	CNH Capital plc	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	89.26	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep.of China	35,000,000	USD	53.55	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Ruckersdorf-Harmanns	Austria	35,000	EUR	89.26	CNH Osterreich GmbH	100.000	
Trucks and Commercial Vehicles								
Iveco S.p.A. (business Trucks and Commercial Vehicles)	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Afin Bohemia s.r.o.	Prague	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Bucarest	Romenia	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Bucarest	Romenia	618,960	RON	100.00	Afin Leasing AG	99.800	
						Afin Bohemia s.r.o.	0.050	
						Afin Bulgaria EAD	0.050	
						Afin Hungary Kereskedelmi KFT.	0.050	
						Afin Slovakia S.R.O.	0.050	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	1,200,000	SKK	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	12,000,000	ETB	70.00	Iveco S.p.A.	70.000	
AS Afin Baltica	Harjumaa	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L.	99.996	
						Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	1,200,000,000	HUF	90.71	Iveco España S.L.	90.709	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	6,123,391	AUD	100.00	Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Unterschliessheim	Germany	3,800,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	4,500,000	EUR	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Kartal/Istanbul	Turkey	4,000,000	TRY	99.96	Iveco S.p.A.	99.960	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco España S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L. (business Trucks and Commercial Vehicles)	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Est Sas	Hauconcourt	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L.	50.326	
						Iveco S.p.A.	49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Insurance Vostok LLC	Moscow	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Lugano	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
(business Trucks and Commercial Vehicles)						Fiat Group Automobiles S.p.A.	49.000	
Iveco Limited (business Trucks and Commercial Vehicles)	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
(business Trucks and Commercial Vehicles)						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Magirus Fire Fighting GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Magirus Brandschutztechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Magirus Firefighting CAMIVA S.a.s. (societè par actions simplifièe)	Saint-Alban-Leysse	France	1,870,169	EUR	100.00	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	1,611,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norvegia	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Romania S.r.l.	Bucarest	Romenia	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Bratislava	Slovak Republic	200,000	SKK	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. (business Trucks and Commercial Vehicles)	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	55,944,000	UAH	100.00	Iveco S.p.A.	100.000	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,498,644	VEF	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Cologne	Germany	3,017,000	EUR	100.00	Iveco Magirus AG	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Moscow	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
OOO Iveco Russia	Moscow	Russia	345,000	RUB	100.00	Afin Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France	50.000	
						Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Vehicles Ltd	Watford	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	
Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	214,763	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH in liquidation	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaires & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
FPT Powertrain Technologies								
Fiat Powertrain Technologies S.p.A.	Turin	Italy	525,000,000	EUR	100.00	Fiat S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
(business FPT Powertrain Technologies)						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies S.p.A.	4.994	
						CNH Italia S.p.A.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	96.42	Iveco S.p.A.	66.667	
						CNH Global N.V.	33.333	
Fiat Auto Argentina S.A. *(business FPT Powertrain Technologies)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Automoveis S.A. - FIASA *(business FPT Powertrain Technologies)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	3,400,000	PLN	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	150,000,000	EUR	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Iveco Participations S.A.	2.800	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
FPT RACING S.r.l.	Cusago	Italy	100,000	EUR	100.00	Fiat Powertrain Technologies S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Iveco España S.L. *(business FPT Powertrain Technologies)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Latin America Ltda *(business FPT Powertrain Technologies)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
						Fiat Group Automobiles S.p.A.	49.000	
Iveco Limited *(business FPT Powertrain Technologies)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business FPT Powertrain Technologies)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France	40.000	
Iveco Motors of China Limited	Shanghai	People's Rep.of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
Iveco S.p.A. *(business FPT Powertrain Technologies)*	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Iveco Sweden A.B. *(business FPT Powertrain Technologies)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	People's Rep.of China	580,000,000	CNY	60.00	Fiat Powertrain Technologies S.p.A.	30.000	
						SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Components								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Saul	France	17,789,152	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Ergom Automotive S.p.A.	Borgaro Torinese	Italy	10,000,000	EUR	99.99	Ergom Holding S.p.A.	100.000	
Ergom do Brasil Ltda	Itauna	Brazil	5,000,000	BRL	99.99	Ergom Automotive S.p.A.	100.000	
Ergom France S.A.S.	Limas	France	3,474,540	EUR	99.99	Ergom Holding S.p.A.	100.000	
Ergom Holding S.p.A.	Borgaro Torinese	Italy	10,000,000	EUR	99.99	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Ergom Poland Sp. z o.o.	Sosnowiec	Poland	20,711,000	PLN	99.99	Ersi Poland S.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Ergom Automotive S.p.A.	85.000	
Ergomoulds Sp. z o.o.	Sosnowiec	Poland	63,554,000	PLN	99.99	Ersi Poland S.A.	100.000	
Ersi Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Ergom Automotive S.p.A.	100.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V .	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. d e C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A .	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Industrie Plastica S.p.A.	Borgaro Torinese	Italy	1,000,000	EUR	99.99	Ergom Automotive S.p.A.	100.000	
Innomatec S.r.l.	Melfi	Italy	516,000	EUR	99.99	Ergom Automotive S.p.A.	95.000	
						Ergom Holding S.p.A.	5.000	
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli After Market Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	Trappes	France	782,208	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket SL	Llinares del Valles	Spain	2,194,726	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Rep.of China	24,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	São Paulo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	10 0.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	170,950,534	BRL	99.62	Magneti Marelli S.p.A.	99.628	99.964
Magneti Marelli Components B.V. in liquidation	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	638,476	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Rep.of China	8,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Hellas A.E.	Athens	Greece	587,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	24,499,771	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Argentan	France	884,058	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100. 000	
Magneti Marelli Parts and Services S.p.A.	Corbetta	Italy	13,137,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	New Delhi	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Bratislava	Slovak Republic	3,200,000	SKK	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	51 .000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
						Magneti Marelli Parts and Services S.p.A.	1.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovak Republic	200,000	SKK	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	96.66	Magneti Marelli S.p.A.	96.665	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	100,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastiform A.S.	Bursa	Turkey	715,000	TRY	99.99	Ergom Automotive S.p.A.	97.000	
						Nuove Iniziative Finanziarie 2 S.r.l.	3.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600	TRY	99.99	Magneti Marelli S.p.A.	100.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A .	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.p.A.	Pisticci	Italy	880,000	EUR	99.99	Ergom Holding S.p.A.	95.000	
						Ergom Automotive S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
						Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Fonderie du Poitou Fonte S.A.S.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	148,874,686	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Production Systems								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	103,165,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	U.S.A.	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Romania S.R.L.	Bihor	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	301	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,003	ZAR	100.00	Comau S.p.A.	100.000	
German Intec GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Comau S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Trappes	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Think Lux S.r.l.	Turin	Italy	50,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies								
Business Solutions S.p.A.	Turin	Italy	4,791,396	EUR	100.00	Fiat S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
(business Altre Attività)						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies S.p.A.	4.994	
						CNH Italia S.p.A.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.13	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	98.90	Fiat Group Automobiles S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Technologies S.p.A.	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
eSPIN S.p.A.	Turin	Italy	120,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FGI - Fiat Group International SA	Paradiso	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	85,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	76.663	
						Fiat Group Automobiles S.p.A.	23.337	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Turin	Italy	100,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Turin	Italy	356,158,302	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.36	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Iveco S.p.A.	6.000	
						Fiat S.p.A.	5.000	
						CNH Italia S.p.A.	3.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	98.32	Fiat S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	13.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	6.000	
						Comau S.p.A.	2.000	
						Ferrari S.p.A.	2.000	
						Fiat Group Purchasing S.r.l.	2.000	
						Fiat Powertrain Technologies S.p.A.	2.000	
						Fiat Services S.p.A.	2.000	
						Itedi-Italiana Edizioni S.p.A.	2.000	
						Magneti Marelli S.p.A.	2.000	
						Maserati S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Fiat Finance S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.22	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Iveco S.p.A.	12.000	
						CNH Italia S.p.A.	3.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies S.p.A.	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	100.00	Fiat Services S.p.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	FGI - Fiat Group International SA	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
						Fiat Group Automobiles S.p.A.	17.288	
						Iveco S.p.A.	4.644	
						Fiat Powertrain Technologies S.p.A.	2.356	
						Magneti Marelli S.p.A.	1.862	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fiat Finance S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
						Fidis S.p.A.	0.325	
						CNH Italia S.p.A.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						I.T.C.A. Produzione S.p.A.	0.167	
						Astra Veicoli Industriali S.p.A.	0.103	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Ergom Automotive S.p.A.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Innomatec S.r.l.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Jointly-controlled entities accounted for using the proportional consolidation								
FPT Powertrain Technologies								
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Powertrain Technologies S.p.A.	50.000	
Jointly-controlled entities accounted for using the equity method								
Fiat Group Automobiles								
Fiat Group Automobiles Financial Services S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.999	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	50.000	
						Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Heilbronn	Germany	39,600,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Capital Danmark A/S	Glostrup	Denmark	14,154,000	DKK	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublin	Ireland	1,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spain	16,671,569	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	16,000,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	10,250,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	FGA Bank Germany GmbH	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.999	
Fiat Credit Hellas Commercial S.A. of Vehicles	Argyroupoli	Greece	600,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A .	100.000	
Fiat Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Finance S.A.	Luxembourg	Luxembourg	12,200,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.997	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Insurance Consultants SA	Argyroupoli	Greece	60,000	EUR	49.99	Fiat Credit Hellas Commercial S.A. of Vehicles	99.975	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000	PLN	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Nederland B.V.	Utrecht	Netherlands	3,085,800	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Retail Financial Services (Ireland) PLC	Dublin	Ireland	100,007	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.994	
Fidis Retail IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Paris	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Fiumicino	Italy	77,979,400	EUR	49.69	Fiat Group Automobiles Financial Services S.p.A.	99.384	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Limited *(business Fiat Group Automobiles)*	Ranjangaon	India	8,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	
MEKATRO Arastirma-Gelistirme ve Ticaret A.S.	Kocaeli	Turkey	150,000	TRY	36.72	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	97.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.000	
Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000	INR	50.00	Fiat India Automobiles Limited	100.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	São Pedro	Mexico	810,000	MXN	44.63	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.63	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	São Pedro	Mexico	160,050,000	MXN	44.63	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	São Pedro	Mexico	165,276,000	MXN	44.63	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	São Pedro	Mexico	200,050,000	MXN	44.63	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V.	São Pedro	Mexico	50,000,000	MXN	43.74	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	São Pedro	Mexico	375,000	MXN	44.63	CNH de Mexico SA de CV	99.999	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000	INR	44.63	CNH America LLC	50.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	44.63	Case LBX Holdings Inc.	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	35.70	CNH America LLC	40.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.63	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	53,369,000	TRY	33.47	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles								
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco Ltd.	Nanjing	China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep.of China	160,000,000	USD	50.00	Iveco S.p.A.	50.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	People's Rep.of China	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Fiat India Automobiles Limited *(business FPT Powertrain Technologies)*	Ranjangaon	India	8,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Amsterdam	Netherlands	1,000,000	EUR	50.00	Fiat Powertrain Technologies S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	New Delhi	India	250,000,000	INR	50.00	Magneti Marelli Motherson India Holding B.V.	100.000	
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	New Delhi	India	65,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	New Delhi	India	89,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
tema.mobility	Turin	Italy	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep.of China	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method								
Fiat Group Automobiles								
Alfa Romeo Inc.	Winter Garden	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000	USD	89.26	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	U.S.A.	371,000	USD	84.20	CNH America LLC	94.340	
Mid State New Holland, Inc.	Wilmington	U.S.A.	400,000	USD	78.10	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	62.19	CNH America LLC	69.680	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000	USD	60.51	CNH America LLC	67.790	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000	USD	89.26	CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	691,000	USD	89.26	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
						Iveco Latin America Ltda	0.010	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A.	99.992	
						Astra Veicoli Industriali S.p.A.	0.008	
FPT Powertrain Technologies								
European Engine Alliance EEIG in liquidation	Basildon	United Kingdom	450,000	GBP	96.42	Iveco S.p.A.	66.667	
						CNH U.K. Limited	33.333	
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Production Systems								
Comau AGS s.r.l.	Grugliasco	Italy	103,100	EUR	100.00	Comau S.p.A.	100.000	
Comau Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00	Comau S.p.A.	100.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Orbassano	Italy	120,000	EUR	99.85	Fiat Group Automobiles S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	21.000	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep.of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 7 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost								
Fiat Group Automobiles								
CODEFIS Società consortile per azioni	Turin	Italy	120,000	EUR	68.50	Fiat Group Automobiles S.p.A.	51.000	
						CNH Capital plc	14.000	
						Iveco Partecipazioni Finanziarie S.r.l.	5.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Kragujevac	Serbia	300,000,000	EUR	67.00	Fiat Group Automobiles S.p.A.	67.000	
Fiat Automobiles Service Co. Ltd.	Nanjing	People's Rep.of China	10,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
G. Vico Handling S.r.l.	Pomigliano d'Arco	Italy	20,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Ferrari								
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	81.28	Ferrari S.p.A.	95.619	
Agricultural and Construction Equipment								
Case Construction Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Case Credit Wholesale Pty. Limited	St. Marys	Australia	0	AUD	89.26	CNH Australia Pty Limited	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	89.26	Case United Kingdom Limited	100.000	
Limited Liability Company "CNH Parts and Service Operations"	Moscow	Russia	54,000,000	RUB	89.26	CNH Global N.V.	100.000	
New Holland Agricultural Equipment S.p.A.	Turin	Italy	120,000	EUR	89.26	CNH Italia S.p.A.	100.000	
New Holland Construction Equipment S.p.A.	Turin	Italy	120,000	EUR	89.26	CNH Italia S.p.A.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	34.14	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Consorzio per la Formazione Commerciale Iveco-Coforma in liquidation	Turin	Italy	51,646	EUR	59.92	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000	USD	100.00	Iveco France	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Magirus Fire Fighting GmbH	1.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	370,500,000	RUB	43.83	Saveco Partecipazioni S.r.l.	50.518	
						Iveco S.p.A.	0.482	
Saveco Partecipazioni S.r.l.	Turin	Italy	6,900,000	EUR	85.80	Iveco S.p.A.	85.797	
FPT Powertrain Technologies								
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,000,000	USD	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
Components								
Automotive Lighting Electroform Canada Inc.	Vancouver	Canada	1	CAD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Japan K.K.	Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Ergomec S.r.l. in liquidation	Borgaro Torinese	Italy	12,000	EUR	99.99	Ergom Holding S.p.A.	100.000	
Fast Buyer Middle East A.S.	Bursa	Turkey	350,230	TRY	95.59	Mako Elektrik Sanayi Ve Ticaret A.S.	98.900	
Magneti Marelli Automotive Components (India) Limited in liquidation	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B.V. in liquidazione	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Sete Lagoas	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
						Fiat do Brasil S.A.	0.100	
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Rep.of China	10,000	HKD	99.99	Magneti Marelli S.p.A.	99.990	
						Magneti Marelli France S.a.s.	0.010	
Magneti Marelli Japan K.K.	Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Parco Scientifico e Tecnologico della Basilicata - S.p.A. in liquidation	Pisticci	Italy	120,000	EUR	99.99	Ergom Holding S.p.A.	100.000	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.95	Magneti Marelli S.p.A.	99.956	
Sistemi Comandi Meccanici S.C.M. S.p.A.	Corbetta	Italy	1,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Production Systems								
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Milan	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Holding companies and Other companies								
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	97.37	Fiat Group Automobiles S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Comau S.p.A.	1.000	
						Magneti Marelli S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Oriente S.A.E. in liquidation	Il Il Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
MC2 - Media Communications S.p.A.	Turin	Italy	219,756	EUR	51.00	Fiat Partecipazioni S.p.A.	51.000	
New Business 25 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 26 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 5 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Turin	Italy	120,000	EUR	98.85	Fiat Partecipazioni S.p.A.	77.822	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Fiat Group Automobiles S.p.A.	0.439	
						CNH Italia S.p.A.	0.220	
						Comau S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies S.p.A.	0.220	
						Fiat Services S.p.A.	0.220	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.220	
						Iveco S.p.A.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
Associated companies accounted for using the equity method								
Fiat Group Automobiles								
Utymat S.A.	Santa Margarita I Els Monjos	Spain	4,644,453	EUR	37.50	I.T.C.A. S.p.A.	37.500	
Ferrari								
Senator Software Gmbh	Munich	Germany	25,565	EUR	37.49	Ferrari Financial Services AG	49.000	
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.53	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.54	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	790,000	USD	44.63	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.85	CNH Global N.V.	20.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	882,147	CAD	38.79	CNH Canada, Ltd.	43.460	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	43.74	CNH Global N.V.	49.000	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUB	33.33	Iveco S.p.A.	33.330	
Otoyol Sanayi A.S. in liquidation	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	People's Rep.of China	240,000,000	CNY	33.33	Iveco S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep.of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	50.00	Fiat Powertrain Technologies S.p.A.	25.000	
						FMA - Fabbrica Motori Automobilistici S.r.l.	25.000	
Components								
Endurance Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	120,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Publishing and Communications								
Società Editrice Mercantile - S.E.M. S.R.L.	Genoa	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies								
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497
Associated companies valued at cost								
Fiat Group Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	Fiat Teamsys GmbH	49.000	
Turin Auto Private Ltd. in liquidation	Mumbai	India	43,300,200	INR	50.00	I.T.C.A. S.p.A.	50.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	28.33	Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment								
Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.57	CNH Italia S.p.A.	38.728	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Iveco S.p.A.	33.677	
Components								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Turin	Italy	40,000	EUR	24.25	Ergom Automotive S.p.A.	16.500	
						Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	18,000	EUR	33.33	Magneti Marelli S.p.A.	33.333	
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Lavorazione Industriale Fili S.r.l. - "LIFI S.r.l."	Strada	Italy	1,530,000	EUR	20.00	Ergom Holding S.p.A.	20.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Publishing and Communications								
Le Monde Europe S.A.S.	Paris	France	5,024,274	EUR	48.44	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Ascai Servizi S.r.l. in liquidation	Rome	Italy	73,337	EUR	25.77	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.970	
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	36.90	Fiat Partecipazioni S.p.A.	25.899	
						Ergom Automotive S.p.A.	11.001	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.87	CNH Italia S.p.A.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
						Iveco S.p.A.	10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	49.45	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Naples	Italy	127,500	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
FMA-Consultoria e Negocios Ltda	São Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Innovazione Automotive e Metalmeccanica Scrl	Lanciano	Italy	115,000	EUR	24.30	Fiat Group Automobiles S.p.A.	17.391	
						C.R.F. Società Consortile per Azioni	6.957	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	24.86	Ferrari S.p.A.	16.364	
						CNH Italia S.p.A.	12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.82	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A. in liquidation	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Other companies valued at cost								
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTL	9.87	CNH Polska Sp. z o.o.	11.054	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Trucks and Commercial Vehicles								
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Components								
Editori Riuniti S.p.A. in liquidation	Rome	Italy	441,652	EUR	13.11	Ergom Holding S.p.A.	13.110	
Holding companies and Other companies								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	15.82	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.44	Elasis-Società Consortile per Azioni	5.319	
						C.R.F. Società Consortile per Azioni	5.213	
Consorzio Lingotto	Turin	Italy	9,612	EUR	16.90	Fiat Attività Immobiliari S.p.A.	11.500	
						Fiat S.p.A.	5.400	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.99	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A.	Turin	Italy	2,205,930	EUR	18.95	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Team Consorzio Italiano per la Trazione Elettrica Alternata Monofase in liquidation	Milan	Italy	45,900	EUR	11.11	Fiat Partecipazioni S.p.A.	11.111	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

EXOR

Annual Report 2008

EXOR

Società per Azioni
Capital stock Euro 246,229,850 fully paid-in
Registered office in Turin - Corso Matteotti 26 – Turin Company Register No. 00470400011

ANNUAL REPORT 2008

Report on Operations

Separate Financial Statements of EXOR S.p.A. (formerly IFI – Istituto Finanziario Industriale S.p.A.) at December 31, 2008

Consolidated Financial Statements of the EXOR Group (formerly IFI Group) at December 31, 2008

This is an English translation of the Italian original document “Relazione Finanziaria 2008” approved by the EXOR S.p.A. board of directors on March 25, 2009 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian “Relazione Finanziaria 2008” containing the Report on Operations and the Separate and Consolidated Financial Statements.

The report is available on the website at http://www.exor.com

Board of Directors

Chairman	John Elkann
Honorary Chairman	Gianluigi Gabetti (b)
Vice Chairman	Pio Teodorani-Fabbri
Vice Chairman	Tiberto Brandolini d'Adda (b)
Chief Executive Officer	Carlo Barel di Sant'Albano (a) (b)
Non-independent Directors	Andrea Agnelli Oddone Camerana Luca Ferrero Ventimiglia Franzo Grande Stevens Francesco Marini Clarelli Virgilio Marrone Andrea Nasi Lupo Rattazzi
Independent Directors	Carlo Acutis Antonio Maria Marocco (a) Giuseppe Recchi (a) Claudio Saracco (a)
Secretary to the Board	*Pierluigi Bernasconi*

Internal Control Committee (c)

Antonio Maria Marocco (*Chairman*), Giuseppe Recchi and Claudio Saracco

Compensation and Nominating Committee (c)

Virgilio Marrone *(Chairman),* Antonio Maria Marocco and Giuseppe Recchi

Board of Statutory Auditors

Chairman	Lionello Jona Celesia
Standing Auditors	Giorgio Ferrino (d) Paolo Piccatti (d)
Alternate Auditors	Fabrizio Mosca (d) Lucio Pasquini (d)

Independent Auditors

Deloitte & Touche S.p.A.

(a) Appointed by the ordinary session of the stockholders' meeting held on December 1, 2008, with effect from March 1, 2009 (the effective date of the merger by incorporation of IFIL Investments S.p.A.).

(b) Appointments made by the board of directors' meeting held on March 2, 2009.

(c) Committees established by the board of directors' meeting on March 2, 2009.

(d) Appointed by the ordinary session of the stockholders' meeting held on December 1, 2008, after the standing auditors Gianluca Ferrero and Giorgio Giorgi left their positions on May 15, 2008.

Expiry of the terms of office

The terms of office of the board of directors and the board of statutory auditors will expire concurrently with the stockholders' meeting that will be held to approve the financial statements for the year ending December 31, 2008.

The appointment of the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the financial statements for the year ending December 31, 2011.

MESSAGE FROM THE CHAIRMAN

To the stockholders,

The year 2008 will certainly be remembered as one of the most important chapters in our history: in a scenario marked by exceptional market conditions, we in fact carried out the merger between IFI and IFIL which, in the early months of this year, became reality with the birth of EXOR.

EXOR takes the name of a subsidiary controlled by Giovanni Agnelli e C. which made many successful investments both in and out of Europe: our wish is that it can do the same in the future, by making the most of the experience of IFI and IFIL, two companies which have contributed to writing the story of almost a hundred years of Italian entrepreneurial vision.

John Elkann

EXOR GROUP PROFILE

EXOR S.p.A. is the new corporate name that IFI – Istituto Finanziario Industriale S.p.A. – assumed on March 1, 2009, the effective date of the deed of merger by incorporation of the subsidiary IFIL S.p.A., signed on February 20, 2009.

EXOR is the sum of experience gained in over a century of investments. It is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 59.1% of ordinary capital stock, 39.24% of preferred capital stock and 8.09% of savings capital stock.

Listed on the Italian Stock Exchange (with effect from March 2, 2009, all classes of EXOR shares are traded on the Electronic Share Market), it has a Net Asset Value of approximately € 3.6 billion. EXOR is headquartered in Turin, Corso Matteotti 26, and has offices in New York and Hong Kong.

EXOR is the majority stockholder of the Fiat Group. Balancing risks and expected returns, it invests for the medium- to long-term in various sectors, mainly in Europe, the United States and in the two main emerging markets of China and India.

EXOR places financial resources, experience and the talent of its professionals at the companies' disposal to formulate their long-term strategies and plans.

The following are the main investments which, as a result of the merger of IFIL, are now directly in EXOR's portfolio.

Fiat S.p.A. (about 30% of ordinary and preferred capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). Founded in 1899, the Fiat Group operates in the sectors of automobiles (Fiat, Lancia, Alfa Romeo, Abarth, Ferrari, Maserati and Fiat Veicoli Commerciali), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus) and components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (La Stampa and Publikompass). Other sectors also offer financial services to the sales networks and the clientele in addition to rental services to customers.

SGS S.A. (15% stake of capital stock) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with 55,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

Cushman & Wakefield (71.81% of capital stock) is the largest privately held company for real estate services. The C&W Group has its headquarters in New York, where it was founded in 1917, and now has 227 offices and 15,000 employees in 59 countries.

Intesa Sanpaolo S.p.A. (1% of ordinary capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). It is one of the most important banking groups in Europe and is the foremost bank in Italy with an approximate 20% market share on average in all segments of business (retail, corporate and wealth management).

Alpitour S.p.A. (100% of capital stock) is the largest integrated group in the tourist sector in Italy. It operates with 3,500 employees and has more than 2.4 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Viaggidea, Villaggi Bravo, Volando and Karambola), Hotels (Alpitour World Hotel & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group) and Incentive & Eventi (A World of Events).

Gruppo Banca Leonardo S.p.A. (9.76% of capital stock) is a privately held and independent investment bank offering a complete range of services in investment banking, wealth management, private equity and other activities connected with the financial markets.

Juventus Football Club S.p.A. (60% of capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Star segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world.

Vision Investment Management Limited, founded in 2000, is one of the most important hedge fund managers specialized in Asian markets.
Five-year bonds issued by Perfect Vision were subscribed to in April 2008. The bonds give mandatory conversion into shares at maturity which will deliver a 40% stake in Vision Investment Management.

Sequana S.A. (26.65% of capital stock) is a diversified French paper group, listed on the Euronext market with production and distribution activities operating through:

- **Arjowiggins S.A.** (100% holding), the world leader in the manufacture of high value-added paper products, with 7,300 employees in 82 countries;
- **Antalis S.A.** (100% holding), the leading European group in the distribution of paper and packaging products, with over 7,900 employees in 55 countries.

Banijay Holding S.A.S. (17.17% of capital stock with voting rights) is headquartered in Paris. The company is a new player in European TV production with a strategy aimed at rapid external growth through the acquisition of companies specialized in the production of TV formats and content for distribution via TV, Internet and mobile phones.

The following chart is updated to mid-March 2009 and presents the main business segments in which the EXOR Group holds investments. Percentage holdings refer to ordinary capital stock.

(a) EXOR also holds 30.09% of Fiat preferred capital stock.
(b) Post-conversion of convertible bonds.
(c) Percentage interest held in the NoCo A LP limited partnership.

Main operating and financial data

EXOR Group – Synthesized consolidated data (a) € in millions	**2008**	2007	Change
Profit (loss) attributable to the equity holders of the parent	**301.8**	444.3	(142.5)
Share of earnings (losses) of holdings and dividends	**475.5**	722.6	(247.1)
Investments and other financial assets	**5,288.7**	6,748.8	(1,460.1)
Equity attributable to the equity holders of the parent	**3,615.6**	4,160.5	(544.9)
Consolidated net financial position of EXOR "Holdings System"	**(11.5)**	(497.2)	485.7

(a) The basis of preparation is presented in the following section "Review of the synthesized consolidated results".

Earnings per share (€) (a)	**2008**	2007	Change
Profit attributable to the equity holders of the parent – basic:			
- ordinary shares	**1.83**	2.79	(0.96)
- preferred shares	**1.88**	2.84	(0.96)
- savings shares	**1.97**	n.a.	n.a.
Profit attributable to the equity holders of the parent – diluted:			
- ordinary shares	**1.81**	n.a.	n.a.
- preferred shares	**1.86**	n.a.	n.a.
- savings shares	**1.95**	n.a.	n.a.
Equity attributable to the equity holders of the parent	**22.62**	26.35	(3.73)

(a) Calculated on shares outstanding at December 31, 2008; details of the calculation are in Note 18 to the consolidated financial statements.

EXOR S.p.A. – Separate financial statement data € in millions	**2008**	2007	Change
Profit	**49.1**	54.5	(5.4)
Equity	**1,889.5**	1,846.8	42.7
Net financial position	**(369.9)**	(392.7)	22.8

The company has not distributed dividends from the profit for the year ended December 31, 2007.

The board of directors' meeting held on March 25, 2009 put forward a motion to the ordinary session of the stockholders' meeting called to approve the separate financial statements for the year ended December 31, 2008 for the distribution of the following dividends:

	Number of shares	**Dividends proposed**	
Class of stock	**outstanding (a)**	**Per share (€)**	**Total (€ ml)**
Ordinary	160,259,496	0.3190	51.1
Preferred	71,441,160	0.3707	26.5
Savings	9,168,894	0.4580	4.2
			81.8

(a) At March 25, 2009.

Net Asset Value

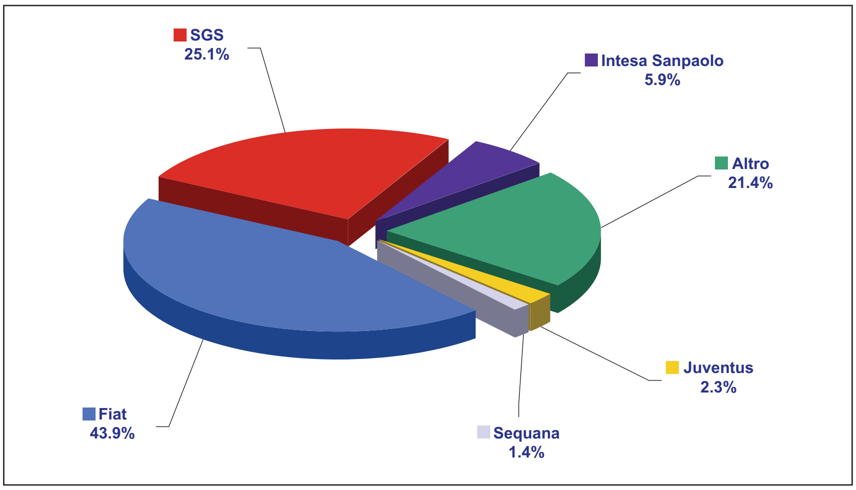
The Net Asset Value is equal to € 3,623.8 million. The composition is as follows:

€ in millions	
Current value of the investment portfolio	3,635.3
Consolidated net financial position – EXOR Holdings System at December 31, 2008	(11.5)
Total	**3,623.8**

The current value of the investment portfolio is calculated by valuing the listed investments (Fiat, Sequana, Intesa Sanpaolo, SGS and Juventus) at the stock market closing prices as of March 20, 2009; unlisted other equity investments and other investments are valued at the fair value determined by independent experts.

NAV is presented with the aim of aiding Analysts and Investors in forming their own assessments.

Investment portfolio at current values



Financial Communications and Investor Relations

Again in 2008, IFIL continued to provide information to investors, financial analysts, as well as the national and international financial Press.

In the second half of the year, special attention was devoted to matters in connection with the merger by incorporation of the subsidiary IFIL so that an in-depth examination could be made of the operation as well as every corporate and financial detail.

In correspondence with the effectiveness of the merger and the name change of the surviving company, a new website was also designed: www.exor.com.
The new website, in both Italian and English, provides information on EXOR, its holdings and corporate governance and gives easy access to all the pertinent facts and figures about IFI and IFIL over the last few years.

References for corporate services in charge of communications and investor relations are:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
relazioni.esterne@exor.com

Institutional Investors and
Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.547660
relazioni.investitori@exor.com

CORPORATE GOVERNANCE

On March 1, 2009, the merger by incorporation of the subsidiary IFIL S.p.A. in IFI S.p.A. became effective and on the same date IFI S.p.A. changed its name to EXOR S.p.A.

Prior to that date, IFI had not adopted a Code of Self-discipline for Listed Companies owing to its particular capital structure (the ordinary shares were not listed and were wholly owned by Giovanni Agnelli e C. S.a.p.az.).

As from the date of March 2, 2009, EXOR has adopted a Corporate Governance that is basically the same as the one that IFIL had previously.

In its meeting held on March 25, 2009, the EXOR S.p.A. board of directors approved, among other things, the "Report on Corporate Governance, the Code of Conduct and the stockholder structure" prepared in accordance with art. 89-bis of the Consob Regulation for Issuers and art. IA.2.6 of the Instructions to the Market Rules.

In view of the fact that the merger is now effective, the Report is composed of three sections: the First Section describes the Corporate Governance, the adoption of the codes of ethics and the EXOR stockholder structure as of the date of the Report; the Second Section describes the Corporate Governance, the adoption of the codes of ethics and the stockholder structure of the surviving company IFI during 2008; the Third Section describes the Corporate Governance, the adoption of the codes of ethics and the stockholder structure of the merged company IFIL during 2008. The Report also contains information relating to Direction and Coordination activities.

The Report is available on the website www.exor.com.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.p.A. AND COMPANIES IN CONSOLIDATION ARE EXPOSED

Risks associated with general economic conditions

EXOR's earnings and financial position and those of its main subsidiaries are influenced by various macro-economic factors – including increases or decreases in gross national product, the level of consumer and business confidence, changes in interest rates on consumer loans, the cost of raw materials and the rate of unemployment – existing in the various countries in which they operate. During 2008, and particularly in the last quarter, the financial markets were affected by high levels of volatility with significant impacts on many financial institutions and, more generally, on the overall performance of the economy. The significant and widespread deterioration of trading conditions has been compounded by a severe tightening of credit in all major markets, both at the consumer and corporate level, and has begun to create a shortage of liquidity which will ultimately impact the industrial development of the sectors in which EXOR operates and its main holdings.

A growing weakening in the general condition of the economy and in the industries in which the main holdings operate combined with a progressive deterioration of financial markets and a contraction in consumers' available income are reflected, particularly since the third quarter of 2008, in a significant decline in demand in EXOR's key markets.

There can be no certainty that measures taken by governments and financial authorities in response to this situation will succeed in re-establishing the conditions necessary to overcome this situation in a reasonable time. Therefore, uncertainty remains as to the period of time necessary to restore normal trading conditions and many countries are aware that their economies could undergo a severe and protracted recession.

Should the current weakness and uncertainty continue for a sufficiently long period, EXOR's business, strategy and future prospects and those of its main subsidiaries could be negatively affected with consequent negative impacts on its earnings and financial position.

Risks associated with EXOR's activities

EXOR conducts investment activities which involve normal risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the company's objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the company's earnings and financial position.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the company's credit rating.
Any downgrade by the rating agencies could limit the company's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.
On September 9, 2008, following the announcement of the guidelines for the merger by incorporation of the subsidiary IFIL in IFI, now EXOR, the Standard & Poor's rating agency stated that IFIL's rating and outlook (BBB+/Stable/A-2) remained unchanged and that, when the merger was finalized, it expected to assign EXOR the same ratings.

EXOR's policy and that of the companies in the “Holdings System” is to keep liquidity in demand or short-term deposits and readily negotiable money market instruments and bonds, allocating such investments over an appropriate number of counterparts, with the principal purpose of having investments which can readily be convertible into cash.
The counterparts are chosen according to their creditworthiness and reliability.
However, in consideration of the current financial crisis, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its main holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A deterioration in the financial market condition and the earnings of the main holdings could affect EXOR's earnings and cash flows.

EXOR mainly operates through its investments in subsidiaries and associates in the motor vehicle market (Fiat Group), in real estate services (C&W Group), in paper (Sequana Group), in tourism (Alpitour Group) and in professional soccer (Juventus F.C.). As a result, EXOR is exposed to the typical risks of the markets and industries in which such holdings operate.

In March 2009, the investment in Fiat (equal to 30.45% of ordinary capital stock and 30.09% of preferred capital stock) represented more than approximately 40% of the current value of EXOR's investment portfolio, calculated on the basis of the Net Asset Value (NAV) described on page 8.
Therefore, the performance of the Fiat Group has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in current or interest rates could have an adverse effect on EXOR's earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.

EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which it sets aside, where necessary, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (Cushman & Wakefield Group, Alpitour Group and Juventus F.C.).

Cushman & Wakefield Group (C&W)

The operations of the C&W Group are directly influenced by the general economic scenario and the international and local real estate business and the political situations in the countries in which it operates.
The economic factors which influence operations are the general economic situation, employment levels, interest rates, access to credit to fund transactions and the effects of tax and regulatory policies. Economic recession, increases in interest rates or declines in demand in the real estate sector could have a negative effect on the earnings and financial position of the C&W Group. These adverse conditions would also affect commission fees, which vary in relation to the revenues of the C&W Group. Brokers, in fact, are generally paid on the basis of commissions and compensation correlated to the group's revenues. Consequently, a negative effect on operating margins due to the deterioration of market conditions is partly offset by such a correlation.
During 2008, the earnings of the C&W Group were adversely affected by a weak economy, a decline in confidence by operators and by a continuing worsening of the credit market. Deeming that such negative economic trend will continue into 2009, the C&W Group has initiated a series of measures to eliminate inefficiencies and bring structure costs in line with the current operating situation. Such measures, combined with investments to purchase new market share and talent, will put the C&W Group in a good position when the markets regain vigor.

Management of the C&W Group intends to continue its strategy to diversity by type of service and geography in order to reduce its exposure to the variability of the results of individual factors.

Alpitour Group

The trend in demand for tourism packages is always acutely affected by outside factors such as political risks (conflicts, institutional changes, unilateral acts of government and terrorism), natural disasters and the international economic situation.

The international political situation, especially in situations of war and terrorism threats, could bring about a contraction in the demand for the services offered by the Alpitour Group. Areas located in countries under development or plagued by unstable political and social instability, for example in Kenya, Zanzibar, Madagascar, Egypt and the Middle East, are clearly more exposed to this type of risk.

Another risk factor is caused by the ravages of weather such as tsunamis, hurricanes and earthquakes which could cause a sharp decline in the demand for tourism services to the destinations hit.

In the past, the Alpitour Group has had to confront some of those risks (tsunamis, terrorist attacks, international political and economic crises) which produced a contraction in tourist flows to certain destinations and imposed a temporary closing on others. On those occasions, the Alpitour Group embarked on a series of corrective actions aimed at the diversification of the product portfolio, redirection of clients to new destinations, re-contracting with local suppliers and promotional sales campaigns. These actions, having had an impact on costs, negatively and temporarily affected profitability, without prejudicing Alpitour Group's financial soundness.

The Alpitour Group mostly operates with Italian clientele in that the product offered features qualitative standards that mirror the expectations and requirements of Italian demand. Therefore, the business is strongly influenced by domestic economic conditions and the highly season nature of activities which means that the majority of revenues is concentrated in the summer season.

The normal activities of the Alpitour Group use services provided by third parties, mainly suppliers of air and hotel services and travel agencies whether individual or part of networks. The risk that such services will not be rendered efficiently and without interruption could compromise the earnings of the Alpitour Group and damage its image.
Through its vertical integration, the presence of all the links in the tourism chain, the diversification of key suppliers and the specific sales policies geared to sustaining demand in the low season, the Alpitour Group has laid the groundwork for managing and minimizing such risks.

The tourism sector is strongly anchored to information technology processes which cover the entire business cycle starting from the booking system. The risk of the interruption, even temporarily, of information systems could cause difficulties in operations and supplying services to clients.

By continually updating and providing maintenance to its systems and designing specific disaster recovery plans, as well as writing commercial contracts with leading suppliers of substitute technologies, the Alpitour Group has undertaken the actions necessary to monitor and meet such risks.

Juventus F.C.

In the short term, the earnings and financial position of Juventus F.C. should not be significantly influenced by the current economic crisis since the principal revenue items are for the most part generated by existing multi-year contracts. However, if the weak and uncertain situation continues, the activities, strategies and prospects of the company could be negatively affected especially by the radio and TV rights market (for which the National Professional League is in the process of defining and approving the guidelines which will orient sales at a centralized level assisted by the Infront advisor), sponsorships (renewal of the most important sponsorship) and relative expected revenues from the new stadium project.

Juventus F.C. uses players' registration rights as its main productive factor. Sports activities are subject to risks connected with the physical condition of the players so that any injuries at any point in time could significantly affect the earnings and financial position of Juventus F.C..
Moreover, since activities are centered around the exploitation of the brand and the image of Juventus F.C., events that could reduce their commercial value could have an adverse effect on earnings at any time.
Sports results are also influenced by participation in the different sports events, particularly the UEFA Champions League, therefore not qualifying would have a negative effect on the Juventus F.C.'s earnings plans.
Lastly, Juventus F.C. has an intangible asset with an indefinite useful life (Library). Its ability to produce earnings could be negatively affected by the economic situation and require an impairment adjustment to be recognized in the financial statements.

Fiat Group

The investment in the Fiat Group is accounted for in the EXOR Group's consolidated financial statements by the equity method (please refer to Notes 5 and 42 to the consolidated financial statements for this purpose). Therefore, the Fiat Group is not included among the companies in consolidation.

Nevertheless, to complete the information presented in this section, the 2008 Report on Operations of the Fiat Group expounded on the exposure to risks in connection with the following:

- general economic conditions
- results of the group
- financing requirements
- group's credit ratings
- fluctuations in currency and interest rates
- policy of targeted industrial alliances
- relationships with employees and suppliers
- management
- high level of competitiveness in the sectors in which the group operates
- sales in international markets and exposure to changes in local conditions
- environmental regulation

Additional information is provided in the 2008 Report on Operations of the Fiat Group, to which reference can be made, which is also available on the website www.fiatgroup.com.

MAJOR EVENTS IN 2008 AND IN THE FIRST QUARTER OF 2009

Increase of the investment in IFIL

During the first quarter of 2008, IFI purchased on the market 2,950,000 IFIL ordinary shares (0.29% of the class of stock) for an investment of € 16.2 million.

At December 31, 2008, IFI held 726,900,000 IFIL ordinary shares, equal to 69.99% of the class of stock, and 1,866,420 IFIL savings shares, equal to 4.99% of the class of stock. The investment represents 67.73% of total capital stock.

Resolutions passed by the ordinary and special sessions of the IFI stockholders' meeting held on May 14, 2008

On May 14, 2008, the stockholders' meeting approved the separate financial statements at December 31, 2007 and the motion for the appropriation of profit of € 54.5 million to the extraordinary reserve, without distributing dividends and, also:

- the renewal of the authorization for the purchase and disposal of treasury stock for 18 months from the date of the resolution passed by the stockholders' meeting, up to a maximum of 16 million ordinary and/or preferred shares for a maximum disbursement of € 200 million;
- the renewal of the five-year mandate pursuant to article 2443 of the Italian Civil Code to increase capital stock, at one or more times, up to a maximum of € 561.75 million.

End of the term of office of the statutory auditors Gianluca Ferrero and Giorgio Giorgi

Following the appointment of Gianluca Ferrero to the board of general partners of the parent Giovanni Agnelli e C. S.a.p.az., on May 15, 2008, the chairman of the board of statutory auditors, Gianluca Ferrero, and the standing auditor, Giorgio Giorgi, vacated their posts pursuant to art. 148, paragraph 3 of Legislative Decree 58/1998 (for reasons of incompatibility). Accordingly, pursuant to and as a consequence of art. 2401 of the Italian Civil Code, Giorgio Ferrino and Paolo Piccatti, who were already alternate auditors, took over the positions of standing auditors, and Lionello Jona Celesia, who was already a standing auditor, took over as chairman.

Loan from the subsidiary IFIL

On October 10, 2008 IFIL granted IFI a loan of up to a maximum of € 200 million. The loan will earn interest based on the 1-month Euribor with a spread of 0.1%.

Since this is a transaction between related parties, as provided in the rules of Corporate Governance of the two companies, the transaction was approved beforehand by the respective boards of directors on October 10, 2008.

At December 31, 2008, the loan payable to the subsidiary IFIL amounted to € 199.5 million, including accrued interest.

Merger by incorporation of the subsidiary IFIL in IFI

In line with the announcement to the market in the press releases on September 8, and September 10, 2008, the boards of directors of IFI and IFIL on September 23, 2008 unanimously approved the Merger Project for the incorporation of the subsidiary IFIL in IFI, confirming the exchange ratios approved in the merger guidelines on September 8 which called for (settlements in cash are not envisaged):

- 0.265 of a new IFI ordinary share of par value € 1 each for 1 IFIL ordinary share of par value € 1 each;
- 0.265 of a new IFI savings share of par value € 1 each for 1 IFIL savings share of par value € 1 each.

The boards of directors were assisted by their respective financial advisors, Leonardo & Co. for IFI and Goldman Sachs International for IFIL, which issued fairness opinions on the fairness of the exchange ratios from a financial standpoint and issued documents on the valuation.

As established by existing law, the experts appointed pursuant to art. 2501-sexies of the Italian Civil Code, that is, the audit firms of Reconta Ernst & Young S.p.A. for IFIL and KPMG S.p.A. for IFI, both assigned by the Turin Court on September 17, 2008, issued their reports on the fairness of the exchange ratios on October 28, 2008.

On October 28, 2008, the extraordinary sessions of the stockholders' meetings of IFIL and IFI were convened for December 1, 2008 to resolve on the merger and documentation relating to the merger was filed at the corporate headquarters and at Borsa Italiana S.p.A. which includes:

- the Merger Project;
- the descriptive Reports of the boards of directors of IFIL and IFI, prepared in accordance with art. 2501-quinquies of the Italian Civil Code;
- the Reports of the Experts on the fairness of the share exchange ratio, prepared in accordance with art. 2501-sexies of the Italian Civil Code by Reconta Ernst & Young S.p.A. (for IFIL) and KPMG S.p.A. (for IFI).

On November 21, 2008, the Information Document relating to the transaction, prepared in accordance with article 70, paragraph 4 and article 71-bis of Consob Regulation 11971, was made available to the public.

The extraordinary session of the stockholders' meeting of IFI, which met on December 1, 2008, approved the Merger Project and, consequently, approved a capital increase to service the merger for a maximum nominal amount of € 82,978,443 by issuing a maximum of 73,809,549 ordinary shares and a maximum of 9,168,894 savings shares of par value € 1 each with dividend rights equal to those of the stock outstanding at the date of the effectiveness of the Merger.

The extraordinary session of the stockholders' meeting of IFI also approved, with effect from the date the merger became effective, the new text of the bylaws which provides, among other things, for the company's name to be changed to "EXOR S.p.A.", the elimination of the restrictions on the transfer of ordinary shares, the provisions regarding representation in stockholders' meetings following the listing of the ordinary shares, the increase in the maximum number of members of the board of directors to 19 and the change in the term of office of the same, the reduction in the amount of profit appropriated to the legal reserve to 5% and the elimination of the provision relating to the share of profits (1%) at the disposition of the board of directors for distribution among its members, as well as the changes required as a consequence of the issue on the part of the surviving company of savings shares having the same characteristics as IFIL savings shares (with a change in the savings shares' rights to the assets in relation to the exchange ratio).

The ordinary sessions of IFI stockholders' meetings held on December 1, 2008 also approved:

- the request for admission to listing of ordinary and savings shares of the surviving company (the merger was subordinate to this admission);
- the appointment, with effect from the effective date of the merger, of the following new directors: Carlo Sant'Albano, current CEO of IFIL, and the independent directors, Antonio Maria Marocco, Giuseppe Recchi and Claudio Saracco, current directors of IFIL;
- the confirmation of Giorgio Ferrino and Paolo Piccatti as standing auditors and Lionello Jona Celesia as chairman of the board of statutory auditors, as well as the appointment of the alternate auditors in the persons of Fabrizio Mosca and Lucio Pasquini;
- the revocation, with effect from the effective date of the merger, of the authorization for the purchase of treasury stock approved by the ordinary session of the stockholders' meeting held on May 14, 2008, for the unused portion;
- the authorization for the purchase, also through the subsidiaries, of ordinary and/or preferred and/or savings treasury stock of par value € 1 up to a maximum of 16 million shares and for a period of 18 months from the date of the resolution by the stockholders' meeting, fixing an amount of € 200 million for this purpose; the disposal of treasury stock in every manner was also authorized.
  This refers to the extension, to the savings shares, of the authorizing resolution of May 2008 which was approved for the same quantity and maximum theoretical equivalent amount. Afterwards, a program for the purchase of treasury stock will be established for the three classes of stock with the aim of also servicing the current IFIL stock option plan which will continue under EXOR.

On December 2, 2008, the special session of the IFI preferred stockholders' meeting convened by the common representative Mr Luigi Santa Maria was held and approved the resolution for the merger by incorporation of IFIL in IFI which had been approved in the special session of the IFI stockholders' meeting held on December 1, 2008.

The extraordinary session of the IFIL stockholders' meeting approved the Merger Project on December 1, 2008.

On February 16, 2009, Borsa Italiana S.p.A. issued the order to admit the EXOR ordinary and savings shares to trading on the Electronic Share Market.

On February 19, 2009, Consob issued the declaration of equivalence as set forth in art. 57, paragraphs 1, letter d), 1-ter and 1-quater of the Regulation for Issuers; on February 20, 2009, updates were made available on the merger Information Document prepared in accordance with articles 70, paragraph 4 and 71-bis of the Regulation for Issuers, published on November 21, 2008. The updated Information Document can also be accessed on the website www.exor.com.

On February 20, 2009, the deed of merger was signed before the notary public Ettore Morone. The deed establishes that the merger will be effective for legal purposes, pursuant to art. 2504-bis, paragraph 2 of the Italian Civil Code, from March 1, 2009 and the transactions carried out by IFIL in the early months of 2009 will be recorded in the EXOR financial statements, also for tax purposes, pursuant to art. 172, paragraph 9 of D.P.R. 917/96, starting from January 1, 2009.

The registration of the deed of merger in the Companies Register of Turin occurred on February 24, 2009.

The three categories of EXOR shares (ordinary, preferred and savings) have been listed on the Electronic Share Market under the denomination EXOR since March 2, 2009 (the first day of trading subsequent to March 1, 2009, closing day of the Stock Exchange, the effective date of the merger). The IFIL ordinary and savings shares were removed from trading on the Electronic Share Market beginning March 2, 2009.

In order to exactly divide the IFIL ordinary and savings shares to be exchanged for the exchange ratio, in 2009 IFI purchased 119 IFIL ordinary shares. Therefore, 73,809,496 ordinary shares and 9,168,894 savings shares of par value € 1 with dividend rights from January 1, 2009 were issued to service the exchange.
EXOR's capital stock post-merger is therefore equal to € 246,229,850 subdivided in 160,259,496 ordinary shares and 76,801,460 preferred shares and 9,168,894 non-convertible savings shares of par value € 1 each.

The capital increase was recorded at the fair value of the 73,809,496 ordinary shares and 9,168,894 savings shares issued, respectively equal to € 5.36 and € 3.86 corresponding to the opening trade price on March 2, 2009, the first date of trading of those same shares on the Stock Exchange. The total amount of € 431 million includes € 83 million corresponding to par value, recorded in capital stock, and € 348 million recognized in additional paid-in capital.

The total expenses for the operation incurred by IFIL and IFI in 2008 and 2009 currently amount to approximately € 17 million; such expenses have been recorded as a deduction from additional paid-in capital.

For additional information on the Merger, please refer to the Information Document on the Merger and updates to that same document on the website www.exor.com.

Proceedings relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

On February 21, 2006, Consob notified Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone as well as IFIL and Giovanni Agnelli e C. of its objections in respect of the start of a sanctionary proceeding under art. 187-septies of the Consolidated Law on Finance under the assumption that each of those individuals violated art. 187-ter, paragraph 1 (Market Manipulation) of the Consolidated Law on Finance in relation to the content of the press releases diffused by IFIL and Giovanni Agnelli e C. on August 24, 2005 and that the companies violated the responsibility of entities pursuant to art. 187-quinquies of the Consolidated Law on Finance and joint and several responsibility pursuant to art. 6, paragraph 3 of Law 689/1989.

On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified which, at the conclusion of the proceeding, applied the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL and chairman of Giovanni Agnelli e C.) € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Franzo Grande Stevens (director of IFIL) € 2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Virgilio Marrone (chief executive officer and general manager of IFI) € 500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to IFIL € 4.5 million;
- to Giovanni Agnelli e C. € 3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months
- to Franzo Grande Stevens: for four months
- to Virgilio Marrone: for two months.

The persons and companies involved in the sanctionary measure filed appeals with the Court of Appeals of Turin. In the opposing judgment, the Court of Appeals, in its decision of December 5, 2007, reduced the administrative sanctions from a total of € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Giovanni Agnelli e C. from a total of € 3 million to € 600 thousand and for Gianluigi Gabetti from a total of € 5 million to € 1.2 million in addition to a reduction of two months, from six to four months, in respect of the additional administrative suspension.

In July 2008, IFIL filed an appeal with the Court of Cassation against the ruling by the Court of Appeals of Turin. Appeals were also filed with the Court of Cassation by the other parties involved in the Consob sanctionary measure. In October 2008, Consob notified the company that it had filed a counter-appeal and an incidental appeal asking for the rejection of the main appeal and the cancellation of the reduction of the sanctions originally levied. Consob acted in the same manner against the other petitioners. In November 2008, IFIL filed a counter-appeal with the Court of Cassation against Consob's incidental appeal. The other parties referred to in Consob's incidental appeal also filed a counter-appeal with the Court of Cassation.

In the penal proceedings for the same press releases, on November 7, 2008, the Preliminary Hearing Judge of the Turin Court committed Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone to trial for the offense pursuant to art. 185 of the Consolidated Law on Finance, as well as IFIL and Giovanni Agnelli e C., as those responsible administratively under Legislative Decree 231/2001, setting a hearing for March 26, 2009.

Purchase of the EXOR brand

On January 19, 2009, IFI purchased the EXOR brand from Old Town S.A. (formerly EXOR Group S.A.), a subsidiary of Giovanni Agnelli e C., for a price of € 100 thousand.

Resolutions passed by the board of directors' meeting on March 2, 2009

The board of directors in its meeting on March 2, 2009 named Gianluigi Gabetti honorary chairman, Tiberto Brandolini d'Adda vice chairman and Carlo Barel di Sant'Albano chief executive officer, conferring to them the relative powers. The board also appointed the members of the Internal Control Committee and the Compensation and Nominating Committee. In accordance with art. 2389 of the Italian Civil Code, the following annual fees were established:

- € 500,000 to the chairman;
- € 1,500,000, for the strategic coordination mandate to Gianluigi Gabetti; insurance coverage in the event of death or permanent disability caused by professional and extra-professional accidents and a secretarial service and a car with a driver also subsequent to the expiry of the mandate;
- € 1,150,000 to the chief executive officer in addition to:
  - a variable fee up to a maximum of € 1,250,000 linked to the attainment of specific targets that will be decided by the board of directors upon recommendation of the Compensation and Nominating Committee;
  - the use of an apartment made available by the company;
  - the use of two company cars besides a company service car;
  - insurance coverage in the event of death or permanent disability caused by professional and extra-professional accidents;
  - health care coverage, the same as that provided to company executives;
  - a sum of € 2,300,000, corresponding to two years of the fixed annual fee established for the post, to be paid upon termination of the position, except in the case of the renewal of the post, voluntary resignation or failure to accept the renewal, termination for just cause or reaching retirement age.
- € 14,500 to the Internal Control Committee (of which € 7,500 to the chairman € 3,500 for each of the other two members);
- € 14,500 to the Compensation and Nominating Committee (of which € 7,500 to the chairman and € 3,500 for each of the other two members).

Changes in the name of the companies in the "Holdings Systems"

The Luxembourg subsidiary, Ifil Investissements S.A., took the new name of EXOR S.A. from March 2, 2009.

The Ireland subsidiary, Ifil International Finance Ltd, took the new name of EXOR Capital Ltd. from March 2, 2009.

The subsidiary, IFIL USA Inc., took the new name of EXOR Inc. from March 2, 2009.

Loan made to C&W Group Inc.

In its meeting held on March 25, 2009, the EXOR S.p.A. board of directors approved a 3-year subordinated credit line for $50 million for the subsidiary Cushman & Wakefield. The transaction, which will be finalized shortly, guarantees an interesting return for EXOR that reflects market rates. The purpose of the credit line is to strengthen the subsidiary's financial structure and also enable it to seize any opportunities for growth. At expiration, on May 30, 2012, EXOR will have the right to convert the loan to Cushman & Wakefield shares at a price equal to the lowest of the valuations made quarterly by an independent third party over the period of the credit line, discounted by 30%, in the event of non-payment.

BUSINESS OUTLOOK

In 2009, dividends will not be received from the investment holdings Fiat, Intesa Sanpaolo, Juventus F.C. and Alpitour. Consequently, the result for the year will be determined by the dividends that will be paid by the Luxembourg subsidiary EXOR S.A. (formerly Ifil Investissements).

On a consolidated level, the result will primarily depend on the performance of the main holdings; below is a summary of their forecasts on the basis of which, at this time, it is not possible to formulate reliable forecasts on the consolidated results of the EXOR Group for the year 2009.

Fiat Group

As foreseen at the end of the third quarter, the final three months of 2008 confirmed a significant and widespread deterioration of trading conditions across most of the businesses and most of the geographical areas in which the Fiat Group operates. This deterioration has made it even more difficult to forecast with some degree of accuracy the performance of the sectors in 2009. This uncertainty has been compounded by a severe tightening of credit in all major markets, both at the consumer and corporate level, and has begun to create a liquidity squeeze which will ultimately impact the industrial development of most businesses, including and especially the Fiat Group.

It is believed that there will be a continuation of experiencing erratic fluctuations in market sentiments throughout at the least the first semester. For these reasons, the Fiat Group has chosen a strategy of updating the financial markets on a quarterly basis on expected 2009 performance, as evidence materializes about the ultimate shape and quality of the various product demand curves that are being faced.

Notwithstanding this uncertainty, the Fiat Group is of the view that the following conditions will materialize in 2009:

- global demand for its products will decline approximately 20% compared to 2008;
- group trading profit will be in excess of € 1 billion;
- restructuring charges will amount to approximately € 300 million;
- net profit of the group will be in excess of € 300 million;
- group net industrial cash flows will be in excess of € 1 billion, with net industrial debt levels below € 5 billion, at the end of 2009.

While these are yearly objectives, the Fiat Group expects quarter over quarter performance to be uneven, with the first quarter of 2009 being particularly difficult. Improvements should be visible in the remaining three quarters of 2009, as the impact of the restructuring initiatives begins to be felt.

While working on the achievement of these objectives, the Fiat Group will continue to implement its strategy of targeted alliances, in order to optimize capital commitments and reduce risks.

Cushman & Wakefield Group

Owing to the impact of the economic crisis, in the second half of 2008, C&W had already approved cost cutting initiatives and, in the first quarter of 2009, as a result of the continuing deterioration in the global economic conditions, implemented additional initiatives. C&W expects the total savings from these initiatives to be approximately $156 million in 2009.

The actions to be taken to bring structure costs in line with the current operating scenario in concert with further increases in market share and investments in talent will put the C&W Group into a favorable position when the economic picture begins to turn around.

C&W management continues to pursue a strategy aimed at an ever-increasing diversification of activities and geographical areas combined with maintaining an equity structure that is better capitalized than the other operators in the sector, with a view to reducing earnings volatility.

Alpitour Group

The onset of the new winter season 2008-2009 is confirming signs of a slowdown that were already evident in the second half of the year ended October 31, 2008.
The overall climate of uncertainty which has clouded the economic scenario has also had a severe impact on the tourism industry. With the exception of New Year's, where the results are considered satisfactory, the early months of the year, compared to the same period of 2007-2008, recorded a decline in sales, including the order portfolio for future travel, and a further focus of the client on the price, a sign of an generalized reduced capacity for spending.
Nevertheless, in the year 2008-2009, the Alpitour Group will be involved in more development and investment activities aimed at consolidating its leadership position in the Italian market with a view to the long term. In light of the difficult economic state of affairs in which the group is operating, all the companies are implementing plans aimed at reducing and containing structure costs without penalizing growth efforts.

The group's objective for the current year is to confirm the profitability achieved in 2008, consolidate the return on invested capital and further improve the financial situation. These objectives, nonetheless, cannot be achieved without a recovery in consumer and market confidence, in addition to a lasting serene international political situation.

Juventus Football Club

Based upon the information currently available and in the absence of any events of an extraordinary nature, Juventus F.C. expects to close the year basically with a breakeven.

Sequana Group

In 2009, Antalis should fully benefit from the synergies connected with the acquisition of Map (€ 28 million on an annual basis), a different product mix thanks to the integration of the creation papers business and will continue to pursue strategies to reduce structure costs.
At the same time, the efforts that have already been undertaken by Arjowiggins during 2008 to reduce production capacity and the relative structure costs, will be continued during 2009 with the aim of maintaining the current pricing policy.
Overall, the plans to cut costs should result in savings at the group level estimated in a range of between € 35 million and € 50 million a year.

Notwithstanding the very difficult economic situation in 2009, the group confirms its financial capacity to support the action plans underway, also by way of continuing a vigilant and more efficient management of its working capital.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

The year 2008 shows a profit of € 49.1 million. The reduction of € 5.4 million compared to profit of € 54.5 million in the prior year is due to higher net financial expenses (-€ 8 million) and other net negative changes (-€ 2.3 million), offset in part by the increase in dividends received (+€ 4.9 million).

The condensed income statement and balance sheet, as well as comments on the most significant line items are presented below.

EXOR S.p.A. (formerly IFI S.p.A.) – Condensed income statement

€ in millions	Note	**2008**	2007	Change
Dividends from investments	1	**72.7**	67.8	4.9
Gain on sale of investment		**0.0**	0.1	(0.1)
Net financial expenses	2	**(16.8)**	(8.8)	(8.0)
Net general expenses	3	**(6.8)**	(5.2)	(1.6)
Profit before income taxes		**49.1**	53.9	(4.8)
Deferred income taxes		**0.0**	0.6	(0.6)
Profit for the year		**49.1**	54.5	(5.4)

EXOR S.p.A. (formerly IFI S.p.A.) – Condensed balance sheet

		12/31/2008		12/31/2007		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	4	**2,242.8**	**98.9**	2,226.9	99.0	15.9
Other non-current financial assets		**0.4**	**0.0**	0.2	0.0	0.2
Current financial assets		**0.8**	**0.0**	2.5	0.1	(1.7)
Other current assets		**23.5**	**1.1**	19.2	0.9	4.3
Total Assets		**2,267.5**	**100.0**	2,248.8	100.0	18.7
Equity	5	**1,889.5**	**83.3**	1,846.8	82.1	42.7
Financial liabilities						
- current, due to the subsidiary IFIL	6	**199.5**	**8.8**	0.0	0.0	199.5
- current, bank debt and other		**21.6**	**1.0**	295.4	13.1	(273.8)
- non-current, bank debt		**150.0**	**6.6**	100.0	4.5	50.0
		371.1	**16.4**	395.4	17.6	(24.3)
Other current and non-current liabilities		**6.9**	**0.3**	6.6	0.3	0.3
Total Equity and Liabilities		**2,267.5**	**100.0**	2,248.8	100.0	18.7

1. Dividends from investments

Dividends from investments in 2008 amount to € 72.7 million, an increase of € 4.9 million compared to 2007 (€ 67.8 million). In both years, dividends were received almost entirely from the subsidiary IFIL. Dividends received on the IFIL shares purchased since January 1, 2008 (€ 0.3 million) were recorded as a deduction from the purchase cost of these same shares.

2. Net financial expenses

Net financial expenses of € 16.8 million increased by € 8 million compared to 2007 (€ 8.8 million) due to higher debt as a result of the purchases of IFIL ordinary shares in 2007 and during the first quarter of 2008, as well as the trend of interest rates.

3. Net general expenses

Net general expenses amount to € 6.8 million. The increase of € 1.6 million compared to € 5.2 million in 2007 is due to higher non-deductible VAT (€ 0.8 million), expenses in connection with employee cutbacks (€ 0.4 million), lower revenues and cost recoveries (€ 0.3 million) and other net changes (€ 0.1 million).

4. Investments

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Accounted for at cost			
IFIL S.p.A. (ordinary shares)	**2,236.1**	2,220.2	15.9
IFIL S.p.A. (savings shares)	**6.4**	6.4	0.0
	2,242.5	2,226.6	15.9
Other investments	**0.3**	0.3	0.0
Total investments	**2,242.8**	2,226.9	15.9

In January 2008, IFI purchased on the market 2,950,000 IFIL ordinary shares (0.29% of the class of stock) for a net investment of € 15.9 million.

The comparison between carrying amounts and market prices of IFIL shares held at the end of 2008 is as follows:

		Carrying amount		Market price December 30, 2008	
	Number	Per share (€)	Total (€ millions)	Per share (€)	Total (€ millions)
IFIL S.p.A.					
- ordinary shares	726,900,000	3.08	2,236.1	1.86	1,354.2
- savings shares	1,866,420	3.42	6.4	1.66	3.1
Total			**2,242.5**		**1,357.3**

5. Equity

Equity at December 31, 2008 is equal to € 1,889.5 million (€ 1,846.8 million at December 31, 2007). The positive change of € 42.7 million is due to the profit for the year (+€ 49.1 million) and other net changes (-€ 6.4 million).

6. Net financial position

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Cash and cash equivalents	**0.6**	0.2	0.4
Other financial assets, current and non-current	**0.6**	2.5	(1.9)
Bank debt, current and non-current	**(166.2)**	(394.3)	228.1
Loan from the subsidiary IFIL	**(199.5)**	0.0	(199.5)
Current other financial liabilities	**(5.4)**	(1.1)	(4.3)
Net financial position	**(369.9)**	(392.7)	22.8

The positive change of € 22.8 million in 2008 is due to the following cash flows:

€ in millions	
Net financial position at December 31, 2007	**(392.7)**
Purchase of 2,950,000 IFIL ordinary shares (0.29% of the class of stock)	(16.2)
Dividends received (a)	73.0
Net financial expenses	(16.8)
Net general expenses	(6.8)
Other net changes	(10.4)
Net change during the year	**22.8**
Net financial position at December 31, 2008	**(369.9)**

(a) Of which € 0.3 million was recorded as a deduction from purchases of IFIL shares made in 2008.

7. Reconciliation between the separate financial statements of EXOR S.p.A. (formerly IFI S.p.A.) and the consolidated financial statements of the group

The following reconciliation of the profit for the year and the equity in the separate financial statements of EXOR S.p.A. (formerly IFI S.p.A.) for the years ended December 31, 2008 and December 31, 2007 and the corresponding figures in the consolidated financial statements of the EXOR Group (formerly IFI Group) at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit		Equity	
€ in millions	**2008**	2007	**12/31/2008**	12/31/2007
Separate financial statements of EXOR S.p.A., formerly IFI S.p.A.	**49**	54	**1,890**	1,847
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**2,314**	2,006
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**(841)**	(150)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**313**	458	**313**	458
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(73)**	(68)	**(73)**	(68)
Adjustments of gains on the sale of investments	**11**		**11**	
Other consolidation adjustments	**2**		**2**	68
Consolidated financial statements of the EXOR Group, formerly IFI Group (attributable to the equity holders of the parent)	**302**	444	**3,616**	4,161

REVIEW OF THE SYNTHESIZED CONSOLIDATED RESULTS

Introduction

In order to synthetically represent the results of the group, during 2008, the company has presented along with the annual 2007 consolidated financial statements and the 2008 half-year condensed consolidated financial statements, as well as the quarterly consolidated data for the first and third quarters of 2008, period financial statements (balance sheets and income statements) prepared by accounting for the investment in the IFIL Group using the equity method.

In order to facilitate the analysis of the equity and financial position and the results of operations of the group in its new configuration, presenting data comparable with that of future years, the company has decided to adopt the same presentation criteria for the synthesized consolidated data as those used by the subsidiary IFIL as from December 31, 2008.

Such criteria, described below, will be used for the preparation of the synthesized consolidated financial statements (balance sheets and income statements) which will be presented by the company together with its annual, half-year and quarterly data at March 31 and September 30 of each year.

Basis of preparation

At December 31, 2008, the company holds a controlling investment in IFIL S.p.A. (70% of capital stock outstanding).
At the same date, IFIL S.p.A. holds investments in subsidiaries and associates both directly (Fiat, Alpitour and Juventus F.C.) and through the Luxembourg subsidiary Ifil Investissements (Cushman & Wakefield and Sequana). Furthermore, Ifil Investissements controls certain companies that contribute to investment activities (Ifil USA, Ifil Asia and Ifil France) and to the management of the financial resources of the group (Ifil International Finance). These companies constitute, together with Soiem (a services company controlled directly by IFIL) and other minor companies, the so-called "Holdings System" (the complete list of these companies is presented in the next table).

In the preparation of the synthesized consolidated balance sheet and income statement, the financial statements or accounting data drawn up in accordance with IFRS by IFI, IFIL and the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, Alpitour, Juventus F.C., Cushman & Wakefield and Sequana) are accounted for by the equity method, always on the basis of their financial statements or accounting date prepared in accordance with IFRS.

The minority interest in the equity and profit of IFIL is recorded in specific line items.

For purposes of comparison with 2008, the figures for 2007 have been restated using the above criteria and are presented in the columns "restated".

The consolidation and valuation methods used for investments are presented below.

	12/31/2008		12/31/2007	
	% consolidation	% holding	% consolidation	% holding
Companies of the Holdings System consolidated line-by-line				
- EXOR S.p.A. (formerly IFI S.p.A.)	**-**	**-**	-	-
- IFIL Investments S.p.A.	**100.00**	**70.00**	100.00	68.29
- Ifil Investment Holding N.V. (Netherlands) (a)	**-**	**-**	100.00	68.29
- Ifil Investissements S.A. (Luxembourg)	**100.00**	**70.00**	100.00	68.29
- Ifilgroup Finance Ltd (Ireland) (a)	**-**	**-**	100.00	68.29
- Ifil International Finance Ltd (Ireland)	**100.00**	**70.00**	100.00	68.29
- Soiem S.p.A. (Italy)	**100.00**	**70.00**	100.00	68.29
- Ifil USA Inc (USA)	**100.00**	**70.00**	100.00	68.29
- Ifil Asia Ltd (Hong Kong)	**100.00**	**70.00**	100.00	68.29
- Ifil France S.a.s. (France)	**100.00**	**70.00**	100.00	68.29
- Ancom USA Inc (USA)	**100.00**	**70.00**	100.00	68.29
- Ifil New Business S.r.l. (Italy) (b)	**100.00**	**70.00**	100.00	68.29
- Eufin Investments Unlimited (Great Britain) (b)	**100.00**	**70.00**	100.00	68.29
Investments accounted for by the equity method				
- Fiat Group	**29.40**	**20.58**	29.01	19.81
- Sequana Group	**26.91**	**18.84**	26.71	18.24
- Cushman & Wakefield Group	**74.43**	**52.10**	72.13	49.26
- Alpitour Group	**100.00**	**70.00**	100.00	68.29
- Juventus Football Club S.p.A.	**60.00**	**42.00**	60.00	40.98

	% of capital stock	
	12/31/2008	12/31/2007
Listed investments accounted for at fair value (c)		
- Intesa Sanpaolo S.p.A.	**1.00**	2.45
- SGS S.A.	**15.00**	**15.00**
Unlisted investments accounted for at fair value		
- Gruppo Banca Leonardo S.p.A.	**9.76**	9.82
- NoCo A LP (d)	**1.96** (e)	1.96
- Banijay Holding S.A.S. (f)	**17.03**	-

(a) Companies in a voluntary wind-up.
(b) Dormant company.
(c) Based on the market price at year-end with the unrealized gain or loss recognized in equity.
(d) At December 31, 2008, accounted for at cost which approximates fair value.
(e) Percentage holding in the limited partnership.
(f) Purchased on May 30, 2008, in the start-up stage.

The synthesized consolidated **income statement** and **balance sheet** and notes commenting on the most significant line items are presented below.

EXOR GROUP (formerly IFI Group) – Synthesized consolidated income statement

The profit attributable to the equity holders of the parent for 2008 amounts to a € 301.8 million. This is a reduction of € 142.5 million compared to 2007 (€ 444.3 million) and is due to the net decrease in the results of investment holdings (-€ 274.7 million), an increase in net financial income (expenses) (+€ 44.6 million) and other net changes (+€ 8.5 million).

€ in millions	Note	**2008**	2007 restated	Change
Share of the profit (loss) of companies accounted for by the equity method	1	**336.2**	610.9	(274.7)
Net financial income (expenses):				
- Dividends from investments	2	**139.3**	111.7	27.6
- Gains on sales of investments	3	**85.8**	0.9	84.9
- Net impairments of current and non-current financial assets	4	**(67.2)**	(2.6)	(64.6)
- Interest income and other financial income	5	**73.5**	42.9	30.6
- Interest expenses and other financial expenses	6	**(93.9)**	(60.0)	(33.9)
Net financial income (expenses)		**137.5**	92.9	44.6
Net general expenses	7	**(38.6)**	(31.1)	(7.5)
Net other nonrecurring income (expenses)	8	**5.1**	(17.2)	22.3
Profit before income taxes		**440.2**	655.5	(215.3)
Income taxes		**(4.8)**	1.5	(6.3)
Profit		**435.4**	657.0	(221.6)
- attributable to the equity holders of the parent		**301.8**	444.3	(142.5)
- attributable to the minority interest		**133.6**	212.7	(79.1)

EXOR GROUP (formerly IFI Group) – Synthesized consolidated balance sheet

€ in millions	Note	**12/31/2008**	12/31/2007 restated	Change
Non-current assets				
Investments accounted for by the equity method	9	**3,885.0**	4,081.0	(196.0)
Other financial assets	10	**1,403.7**	2,667.8	(1,264.1)
Goodwill	11	**67.6**	67.6	0.0
Other property, plant and equipment and intangible assets		**11.7**	11.9	(0.2)
Deferred tax assets		**1.9**	1.4	0.5
Total Non-current assets		**5,369.9**	6,829.7	(1,459.8)
Current assets				
Financial assets and cash and cash equivalents	15	**1,132.5**	864.8	267.7
Trade receivables and other receivables		**71.1**	67.3	3.8
Total Current assets		**1,203.6**	932.1	271.5
Total Assets		**6,573.5**	7,761.8	(1,188.3)
Equity				
Attributable to the equity holders of the parent	13	**3,615.6**	4,160.5	(544.9)
Attributable to the minority interest	14	**1,706.2**	2,112.8	(406.6)
Non-current liabilities				
Provisions for employee benefits		**4.6**	4.7	(0.1)
Provisions for other liabilities and charges		**81.6**	81.6	0.0
Bonds and other debt	15	**1,094.2**	1,043.6	50.6
Deferred tax liabilities and other liabilities		**3.1**	10.4	(7.3)
Total Non-current liabilities		**1,183.5**	1,140.3	43.2
Current liabilities				
Bank debt and other financial liabilities	15	**50.5**	319.0	(268.5)
Trade payables and other liabilities		**17.7**	29.2	(11.5)
Total Current liabilities		**68.2**	348.2	(280.0)
Total Equity and Liabilities		**6,573.5**	7,761.8	(1,188.3)

1. Share of the profit (loss) of companies accounted for by the equity method

In 2008, the share of the profit (loss) of companies accounted for by the equity method (held through the subsidiary IFIL) amounts to € 336.2 million (€ 610.9 million in 2007). The decrease of € 274.7 million reflects:

- the lower contributions by the Fiat Group (-€ 98.3 million) and the Alpitour Group (-€ 4.4 million) which closed 2008 with profit figures below those of 2007;
- an inversion of the results of Sequana Group and the Cushman & Wakefield Group which produced negative changes of € 174.5 million and € 49.9 million, respectively;
- the share of a lower loss reported by Juventus F.C. (+€ 5.7 million).

	Profit (loss)		EXOR's share (through IFIL)		
€ in millions	**2008**	2007	**2008**	2007	Change
Fiat Group	**1,612.1**	1,953.0	**474.0**	566.6	(92.6)
Consolidation adjustments			**(6.7)** (a)	(1.0) (a)	(5.7)
Total Fiat Group			**467.3**	565.6	(98.3)
Sequana Capital Group	**(428.4)**	142.2	**(115.3)**	59.2	(174.5)
Consolidation adjustments			**0.0**	(46.7) (b)	46.7
Total Sequana Group			**(115.3)**	12.5	(127.8)
Cushman & Wakefield Group	**(20.2)**	48.4 (c)	**(15.0)**	34.9	(49.9)
Alpitour Group	**3.1** (d)	7.5 (d)	**3.1**	7.5	(4.4)
Juventus Football Club S.p.A.	**(6.5)** (e)	(16.0) (e)	**(3.9)**	(9.6)	5.7
Total			**336.2**	610.9	(274.7)
- of which Exor's share (70%)			**235.3**	417.2	(181.9)
- of which IFIL minority interest's share (30%)			**100.9**	193.7	(92.8)

(a) Mainly for the assignment of preference dividends to the minority interest.

(b) Of which -€ 54.3 million for losses realized on the sale of the 22% stake in capital stock and +€ 7.6 million for lower goodwill impairment losses on the AWA Group, since it was partially amortized in prior years.

(c) Data for the period April 1 – December 31, subsequent to acquisition (March 31, 2007).

(d) Data for the period November 1 – October 31.

(e) Data for the period January 1 – December 31 prepared for purposes of consolidation in the EXOR Group.

2. Dividends from investments

Dividends from investments in 2008 amount to € 139.3 million (€ 111.7 million in 2007) and include dividends collected from Intesa Sanpaolo S.p.A. for € 110.2 million (unchanged compared to 2007), SGS for € 26.2 million, Gruppo Banca Leonardo for € 2.8 million (€ 1.4 million in 2007) and Emittenti Titoli for € 0.1 million (unchanged compared to 2007).

3. Gains on sales of investments

In 2008, gains on sales of investments include the gain realized on the disposal on the market of a 1.45% stake in Intesa Sanpaolo S.p.A. ordinary capital stock (€ 85.8 million) by the subsidiary IFIL. On consolidation, for IFIL this gain amounts to € 74.5 million and increases by € 11.3 million for EXOR in order to take into account the partial realization of the gain reversed in 2003 on the contribution of Sanpaolo IMI shares by IFI to IFIL. Additional information is provided in Note 10.

In 2007, this line item includes the gain of € 0.9 million realized on the sale of the investment in Turismo&Immobiliare (25% of capital stock).

4. Net impairments of current and non-current financial assets

In 2008, net impairment losses amount to € 67.2 million (€ 2.6 million in 2007), of which € 52.3 million (€ 2.6 million in 2007) relates to current financial assets (equity shares and bonds held for trading by the subsidiary Ifil Investissements for € 41.2 million, and by IFIL for € 11.1 million).

The fair value of current securities is calculated by using the market prices at December 30, 2008 translated, where necessary, at the year-end exchange rates.

It also includes an impairment loss of € 14.9 million on the portion of Junior notes issued by DLMD which are recognized in non-current financial assets.
Additional information is provided in Note 10.

5. Interest income and other financial income

In 2008, this line item amounts to € 73.5 million (€ 42.9 million in 2007) and includes:

€ in millions	**2008**	2007	Change
Bond interest income	**29.3**	30.7	(1.4)
Financial income on securities held for trading	**9.5**	1.1	8.4
Interest income on receivables from:			
- tax authorities	**1.4**	1.4	0.0
- banks	**12.3**	1.6	10.7
Exchange differences	**10.9**	2.2	8.7
Income from interest rate hedges	**7.9**	3.4	4.5
Other	**2.2**	2.5	(0.3)
Total	**73.5**	42.9	30.6

6. Interest expenses and other financial expenses

In 2008, this line item amounts to € 93.9 million (€ 60 million in 2007) and includes:

€ in millions	**2008**	2007	Change
IFIL bond interest expenses	**51.6**	33.2	18.4
Financial expenses on securities held for trading	**18.8**	2.9	15.9
Bank interest expenses and other financial expenses	**23.1**	20.8	2.3
Exchange differences	**0.4**	3.1	(2.7)
Total	**93.9**	60.0	33.9

The increase in bond interest expenses (€ 18.4 million) is mainly due to the portion of interest accrued on bonds maturing in 2017, issued by IFIL in June 2007.

7. Net general expenses

In 2008, net general expenses amount to € 38.6 million. The increase of € 7.5 million compared to the prior year (€ 31.1 million) is due to higher non-deductible VAT (€ 0.8 million), expenses in connection with employee cutbacks (€ 0.4 million), costs incurred to expand the New York and Paris offices (€ 4.3 million), expenses sustained by the subsidiary Ifil Investissements for the investment in Perfect Vision (€ 1.3 million) and other net changes (€ 0.7 million).

8. Net other nonrecurring income (expenses)

In 2008, net other nonrecurring income, equal to € 5.1 million, includes income from fair value changes in the stock option plans voted in favor of management of the subsidiary Alpitour for € 7.8 million, the € 2.3 million excess of IFIL's consolidated equity attributable to EXOR compared to the cost of IFIL shares purchased in the first quarter of 2008, as well as the special fee € 5 million voted in favor of Mr Gabetti by the IFIL board of directors on May 13, 2008.

In 2007, net other nonrecurring expenses amounted to € 17.2 million and comprised transaction costs and expenses incurred to close the dispute over the sale of La Rinascente (€ 8 million), the current-year cost of € 12.7 million for the stock option plan approved for management of the subsidiary Alpitour, as well as income of € 3.5 million resulting from the reduction decided by the Court of Appeals of Turin in respect of the administrative sanction levied on IFIL by Consob.

9. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount at **12/31/2008**	 12/31/2007	Change
Fiat Group	**3,062.2**	3,125.3	(63.1)
Sequana Group	**189.9**	341.0	(151.1)
Cushman & Wakefield Group	**482.5**	466.1	16.4
Alpitour Group	**84.2**	78.8	5.4
Juventus Football Club S.p.A.	**65.9**	69.8	(3.9)
Others, in a wind-up	**0.3**	0.0	0.3
Total	**3,885.0**	4,081.0	(196.0)

10. Non-current other financial assets

Details are as follows:

€ in millions	Carrying amount at **12/31/2008**	 12/31/2007	Change
Investments in:			
- Intesa Sanpaolo S.p.A.	**297.2**	1,564.7	(1,267.5)
- SGS S.A.	**869.2**	956.6	(87.4)
- Gruppo Banca Leonardo S.p.A.	**87.6**	82.4	5.2
- NoCo A LP	**19.5**	18.7	0.8
- Banijay Holding S.A.S.	**21.4**	0.0	21.4
Other investments at fair value			
NoCo B LP	**23.8** (a)	11.9	11.9
DLMD bonds	**13.4**	27.6	(14.2)
Other investments at amortized cost			
Perfect Vision Limited convertible bonds	**70.7**	0.0	70.7
Sundry	**0.9**	5.9	(5.0)
Total	**1,403.7**	2,667.8	(1,264.1)

(a) Net of an impairment loss of € 0.2 million.

At December 31, 2008, the reduction of the investment in Intesa Sanpaolo, equal to € 1,267.5 million, is given by the reversal of the carrying amount (-€ 927.9 million) of the stake disposed of (1.45% of ordinary capital stock) and the adjustment of the remaining stake to fair value at the end of the year (-€ 339.6 million).
The reversal of the carrying amount of the investment sold (-€ 927.9 million) comprises the original acquisition cost of € 512.6 million and accumulated fair value of € 415.3 million.

The gain of € 85.8 million comes from a comparison between the net proceeds of € 598.4 million and the original acquisition cost of € 512.6 million. The accumulated fair value, equal to € 415.3 million, was deducted from the specific reserve in consolidated equity.

The original acquisition cost of the remaining investment held in Intesa Sanpaolo is € 351.8 million; at December 31, 2008, the net negative change in fair value amounts to € 54.6 million.

The increase in the investment in SGS, equal to € 87.4 million, is due to the change in fair value at the end of 2008.

The original carrying amount of the investment in SGS is € 469.7 million; at December 31, 2008, the net positive change in fair value amounts to € 399.5 million.

The increase in the investment in Gruppo Banca Leonardo is due to the change in fair value of € 5.2 million. Fair value was estimated by an independent expert using the “warrant equity method”.

Bonds issued by DLMD are secured by 10,806,343 Sequana shares and cash collateral of approximately € 7 million.
In July 2008, certain clauses were renegotiated for the issue of DLMD bonds which were subdivided into Senior and Junior bond portions. The repayment of the Junior portion in 2010, in exchange for a higher yield, is subordinate to that of the Senior portion.
Ifil Investissements holds a nominal amount of bonds for € 27.2 million, of which € 12.3 million represents Senior bonds and € 14.9 million Junior bonds. At December 31, 2008, an impairment loss was recognized on the Junior portion for its entire nominal amount.

11. Goodwill

Goodwill, equal to € 67.6 million, is entirely due to the purchases of IFIL shares in 2007.

12. Comparison between carrying amounts and market prices of listed investments and other financial assets

Details are as follows:

				Market price			
		Carrying amount		December 30, 2008		March 20, 2009	
	Number	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Investments							
Fiat Group							
- ordinary shares	332,587,447	8.42	**2,800.5**	4.59	**1,526.2**	4.566	**1,518.6**
- preferred shares	31,082,500	8.42	**261.7**	2.39	**74.2**	2.501	**77.7**
			3,062.2		**1,600.4**		**1,596.3**
Sequana Group	13,203,139	14.38	**189.9**	4.33	**57.2**	3.970	**52.4**
Juventus Football Club S.p.A.	120,934,166	0.55	**65.9**	0.77	**93.2**	0.681	**82.4**
Other financial assets							
Intesa Sanpaolo S.p.A.	118,000,000	2.52	**297.2**	2.52	**297.2**	1.814	**214.1**
SGS S.A.	1,173,400	740.74	**869.2**	740.74	**869.2**	777.582	**912.4**
Total			**4,484.4**		**2,917.2**		**2,857.6**

13. Equity attributable to the equity holders of the parent

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Capital and reserves	**3,686.1**	4,231.0	(544.9)
Treasury stock	**(70.5)**	(70.5)	0.0
Total	**3,615.6**	4,160.5	(544.9)

The change during the year is analyzed as follows:

€ in millions	
Equity attributable to the equity holders of the parent at December 31, 2007	**4,160.5**
Attributable reversal of accumulated fair value on the investment in Intesa Sanpaolo sold (-€ 294.1 million, net of + € 4.8 million of deferred taxes)	(289.3)
Attributable change in fair value at the end of 2008 on:	
- remaining investment in Intesa Sanpaolo (-€ 237.7 million, net of +€ 3.3 million of deferred taxes)	(234.4)
- SGS	(61.2)
- Other	3.5
Attributable exchange gains (losses) on the translation of foreign operations (-€ 72.1 million) and other net changes shown in the equity of the companies consolidated and those accounted for by the equity method (-€ 193.2 million) (a)	(265.3)
Profit attributable to the equity holders of the parent	301.8
Net change during the year	**(544.9)**
Equity attributable to the equity holders of the parent at December 31, 2008	**3,615.6**

(a) Mainly for movements in the cash flows hedge reserve of the Fiat Group (-€ 151.3 million).

At December 31, 2008, IFI S.p.A. holds, directly and indirectly, the following treasury stock:

		Carrying amount		% on class
	Number	Per share(€)	Total (€ ml)	of stock
IFI – preferred stock	**5,360,300**	**13.15**	**70.5**	**6.98**

14. Equity attributable to the minority interest

At December 31, 2008, the equity attributable to the minority interest amounts to € 1,706.2 million (€ 2,112.8 million) and represents the attributable consolidated equity of the subsidiary IFIL (30%).

15. Consolidated net financial position of the "Holdings System"

The consolidated net financial position of the "Holdings System" at December 31, 2008 shows a negative balance of € 11.5 million and a positive change of € 485.7 million from a negative balance of € 497.2 million at the end of 2007.

The consolidated net financial position of the “Holdings System” is composed as follows:

	12/31/2008			12/31/2007		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets and cash and cash equivalents	**1,132.5**	**0.6**	**1,133.1**	864.9	0.5	865.4
Total financial assets and cash and cash equivalents	**1,132.5**	**0.6**	**1,133.1**	864.9	0.5	865.4
IFIL bonds 2007-2017	**(22.4)**	**(744.7)**	**(767.1)**	(22.7)	(744.2)	(766.9)
IFIL bonds 2006-2011	**(0.6)**	**(199.5)**	**(200.1)**	(0.7)	(199.4)	(200.1)
Bank debt and other financial liabilities	**(27.4)**	**(150.0)**	**(177.4)**	(295.6)	(100.0)	(395.6)
Total financial liabilities	**(50.4)**	**(1,094.2)**	**(1,144.6)**	(319.0)	(1,043.6)	(1,362.6)
Consolidated net financial position of the “Holdings System”	**1,082.1**	**(1,093.6)**	**(11.5)**	545.9	(1,043.1)	(497.2)

At December 31, 2008, IFI S.p.A. has irrevocable credit lines for € 620 million, of which € 50 million is due by December 31, 2009 and € 570 million at later expiration dates.

The positive change of € 485.7 million during the year is due to the following flows:

€ in millions		
Consolidated net financial position of the “Holdings System” at December 31, 2007		**(497.2)**
Dividends received from investments		294.0
- Fiat S.p.A.	145.5	
- Intesa Sanpaolo S.p.A.	110.2	
- SGS S.A.	26.2	
- Sequana S.A.	9.2	
- Gruppo Banca Leonardo S.p.A.	2.8	
- Emittenti Titoli S.p.A.	0.1	
Purchases of IFIL shares		(119.9)
- By IFIL S.p.A.	(103.7)	
- By Exor S.p.A.	(16.2)	
Dividends distributed by IFIL S.p.A. to third parties		(33.3)
Disposal of Intesa Sanpaolo shares (1.45% of ordinary capital stock)		598.4
Reimbursement of Ocean Club Méditerranée bonds		5.1
Investments		(103.2)
- Perfect Vision Limited convertible bonds	(58.1)	
- Banijay Holding (17.03% of capital stock)	(21.4)	
- Cushman & Wakefield (2.05% of capital stock)	(11.6)	
- NoCo B LP	(12.1)	
Other net changes		(155.4)
- Net general expenses	(38.6)	
- Impairments and other net financial expenses (a)	(82.8)	
- Sundry, net	(34.0)	
Net change during the year		**485.7**
Consolidated net financial position of the “Holdings System” at December 31, 2008		**(11.5)**

(a) Includes net impairments on securities recognized in current financial assets and included in the net financial position balance.

16. Reconciliation between the consolidated net financial position of the "Holdings System" and the consolidated net financial position of the companies consolidated line-by-line

€ in millions	**12/31/2008**	12/31/2007	Change
Consolidated net financial position of the "Holdings System"	**(12)**	(497)	485
Net financial position of the companies consolidated line-by-line:			
- Cushman & Wakefield Group	**(108)**	3	(111)
- Alpitour Group	**34**	17	17
- Juventus Football Club S.p.A.	**11**	7	4
Consolidated net financial position - line-by-line consolidation	**(75)**	(470)	395

The composition of the consolidated net financial position of companies consolidated line-by-line is presented in Note 33 to the consolidated financial statements of the EXOR Group.

17. Reconciliation between the synthesized consolidated financial statements and the consolidated financial statements

The following table presents a reconciliation between the synthesized consolidated financial statements and the consolidated financial statements prepared in accordance with IFRS.

The first column ("Synthesized consolidation") presents the data that has been commented on in the preceding pages, reclassified according to the consolidated financial statement formats.

The second column ("Eliminations and consolation adjustments") shows the adjustments necessary to reverse the carrying amount of the investments accounted for in the synthesized consolidated financial statements by the equity method and the share of the results of those investments in order to arrive at the line-by-line consolidation of the respective financial statements or accounting data, which are shown in the next columns.

Reconciliation of the consolidated balance sheet

€ in millions	Synthesized consolidation	Eliminations and consolidation adjustments	C&W Group	Alpitour Group	Juventus F.C.	**EXOR Group consolidation**
Non-current assets						
Goodwill	68	(98)	473	27		**470**
Other intangible assets			320	31	110	**461**
Property, plant and equipment	12		49	109	26	**196**
Investments accounted for by the equity method	3,885	(633)		1		**3,253**
Other financial assets	1,404		6	3		**1,413**
Deferred tax assets	2			7	8	**17**
Other assets			39	6	48	**93**
Total Non-current assets	**5,371**	**(731)**	**887**	**184**	**192**	**5,903**
Current assets						
Inventories, net				3		**3**
Trade receivables			212	89	32	**333**
Other receivables	71		53	13	45	**182**
Financial assets	313		1	36	0	**350**
Cash and cash equivalents	819		59	68	29	**975**
Total Current assets	**1,203**	**0**	**325**	**209**	**106**	**1,843**
Assets held for sale					**3**	**3**
Total Assets	**6,574**	**(731)**	**1,212**	**393**	**301**	**7,749**
Equity						
Attributable to the equity holders of the parent	3,616	(437)	331	60	46	**3,616**
Attributable to the minority interest	1,706	(294)	304	30	64	**1,810**
Total Equity	**5,322**	**(731)**	**635**	**90**	**110**	**5,426**
Non-current liabilities						
Provisions for employee benefits	5		19	18		**42**
Provisions for other liabilities and charges	81		5	1	18	**105**
Bonds and other debt	1,094		164	19	15	**1,292**
Deferred tax liabilities	3		83		0	**86**
Other non-current liabilities			19		39	**58**
Total Non-current liabilities	**1,183**	**0**	**290**	**38**	**72**	**1,583**
Current liabilities						
Provisions for employee benefits			42			**42**
Provisions for other liabilities and charges			20	3		**23**
Bonds and other debt	51		6	53	3	**113**
Trade payables	2		138	173	13	**326**
Other current liabilities	16		81	36	103	**236**
Total Current liabilities	**69**	**0**	**287**	**265**	**119**	**740**
Liabilities relating to assets held for sale						**0**
Total Equity and liabilities	**6,574**	**(731)**	**1,212**	**393**	**301**	**7,749**

Reconciliation of the consolidated income statement

€ in millions	Synthesized consolidation	Eliminations	C&W Group	Alpitour Group	Juventus F.C.	**EXOR Group consolidation**
Revenues	1		1,229	1,237	197	**2,664**
Other revenues from current operations	1			10	24	**35**
Purchases of raw materials and changes in inventories				(882)	(2)	**(884)**
Personnel costs	(18)		(961)	(113)	(126)	**(1,218)**
Costs for external services	(16)		(190)	(192)	(27)	**(425)**
Taxes and duties	(4)		(4)	(3)	(1)	**(12)**
Depreciation and amortization	(1)		(42)	(15)	(27)	**(85)**
Accruals to provisions and other expenses from current operations	(2)		(29)	(23)	(24)	**(78)**
Loss from current operations	**(39)**	**0**	**3**	**19**	**14**	**(3)**
Other nonrecurring income (expenses)	5		(13)	(1)	(13)	**(22)**
Operating loss	**(34)**	**0**	**(10)**	**18**	**1**	**(25)**
Gains (losses) on sales of investments	86					**86**
Cost of net debt	(34)		(12)	(4)		**(50)**
Other financial income (expenses)	86		6		1	**93**
Financial income (expenses)	**138**	**0**	**(6)**	**(4)**	**1**	**129**
Income taxes	(5)		(4)	(11)	(8)	**(28)**
Profit of companies consolidated line-by-line	**99**	**0**	**(20)**	**3**	**(6)**	**76**
Share of the profit (loss) of companies accounted for by the equity method	336	16	(1)	1		**352**
Profit from continuing operations	**435**	**16**	**(21)**	**4**	**(6)**	**428**
Profit (loss) from discontinued operations or assets held for sale						**0**
Profit	**435**	**16**	**(21)**	**4**	**(6)**	**428**
Profit attributable to the equity holders of the parent	**302**	**11**	**(10)**	**2**	**(3)**	**302**
Profit attributable to the minority interest	**133**	**5**	**(11)**	**2**	**(3)**	**126**

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob Regulation under Resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2007	Increase	Decrease	Held at 12/31/2008
Directors					
Gabetti Gianluigi	IFIL ordinary shares (a)	652,000			652,000
Teodorani-Fabbri Pio	IFI preferred shares (b)	427,895			427,895
	IFIL ordinary shares (b)	469,000			469,000
	Fiat ordinary shares (b)	6,583			6,583
	Fiat savings shares (b)	5,720			5,720
Marrone Virgilio	IFIL ordinary shares (a)	85,700			85,700
Ferrero Ventimiglia Luca	IFI preferred shares (a)	1			1
Grande Stevens Franzo	IFI preferred shares (a)	0	1		1
Statutory Auditors					
Jona Celesia Lionello	IFIL ordinary shares (b)	785			785
Piccatti Paolo	Juventus ordinary shares (a)	540			540

(a) Direct holding.
(b) Indirect holding through spouse.

It should be noted that there are no key managers with strategic responsibilities in EXOR S.p.A. (formerly IFI S.p.A.).

Programming document on security

The company prepared the programming document on security on December 1, 2008 for the year 2008 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum safety measures. The document has been drawn up by the person in charge of the treatment of the data.

REVIEW OF THE OPERATING PERFORMANCE OF THE SUBSIDIARY IFIL INVESTMENTS S.p.A.

IFIL S.p.A. closed the year 2008 with profit of € 356.5 million. The increase of € 233.1 million compared to profit of € 123.4 million in 2007 is due to the gain realized on the partial sale of the investment in Intesa Sanpaolo (+€ 167.5 million), the increase in dividends received from investment holdings (+€ 84.2 million), the positive changes in net general expenses (+€ 2.1 million) and in other nonrecurring income (expenses) (+€ 12 million). The increase was offset in part by higher net financial expenses (-€ 9.7 million), the absence of reversals of impairment losses on investments (-€ 19.3 million) and deferred tax assets (-€ 3.7 million).

Equity of IFIL S.p.A. at December 31, 2008 is € 3,916.9 million (€ 4,566.9 million at December 31, 2007). The negative change of € 650 million is due to changes in the fair value reserve (-€ 836.6 million), purchases of treasury stock (-€ 103.7 million), dividends distributed (-€ 106.3 million), profit for the year (+€ 356.5 million) and other net positive changes (+€ 40.1 million).

At December 31, 2008, the net financial position of IFIL S.p.A. is a negative € 190.5 million. The positive change of € 558.7 million from a negative balance of € 749.2 million at the end of 2007 is due to the partial sale of the investment in Intesa Sanpaolo (+€ 598.4 million), dividends received from investment holdings (+€ 255.6 million), dividends distributed (-€ 106.3 million), purchases of treasury stock (-€ 103.7 million) and other net negative changes (-€ 85.3 million).

In the consolidated financial statements, the IFIL Group closed the year 2008 with profit attributable to the equity holders of the parent of € 445.3 million (€ 671.7 million in 2007), equity attributable to the equity holders of the parent of € 5,687.3 million (€ 6,666.5 million at the end of 2007) and a positive consolidated net financial position of the Holdings System for € 358.3 million (negative for € 104.5 million at the end of 2007).

The most important events during 2008 and in the first two months of 2009 are described below.

Subscription to bonds convertible into Vision Investment Management shares

On February 20, 2008, the subsidiary Ifil Investissements S.A. reached an agreement to invest $90 million in 5-year bonds issued by Perfect Vision Ltd with a mandatory conversion into shares at maturity which at the time of conversion will be equal to a 40% holding in the capital stock of Vision Investment Management Limited (Vision), one of the most important alternative asset managers in Asia.

The transaction was executed on April 11, 2008, once approval was obtained from the relevant authorities, for an investment of € 58.1 million. The bonds will guarantee Ifil Investissements S.A. a fixed annual yield of 5% until conversion at maturity in spring 2013.

Vision was founded in June 2000 by Jerry Wang, one of the pioneers of the sector in Asia. Vision launched its benchmark product, Vision Asia Maximus Fund, in 2002 and since then has become one of the largest local managers of hedge funds specialized in Asian markets.

The financial resources from the bonds have mainly been used by Vision management to buy back treasury stock from a group of the company's founding financial investors – which held 32% of ordinary capital stock issued by Vision – and to ensure future resources to sustain the development plan in the alternative asset management sector in Asia. Vision management and employees will remain the largest stockholders of the company with a controlling stake.

Investment in Banijay Holding S.A.S. (formerly Mangas Capital Entertainment)

In May 2008, Ifil Investissements reached an agreement to invest € 42.5 million in Banijay Holding S.A.S. (BH) aimed at launching a new player in European TV production.

BH is headquartered in Paris and was founded at the end of 2007 by media entrepreneur Stéphane Courbit, who has an established track record of success in the development of TV formats and the production of audiovisual content.

The investment falls under the framework of a capital increase designed to inject resources in BH for a total amount of approximately € 250 million to financially support BH's medium-term development plans. These entail rapid growth by way of acquisitions of companies specializing in the origination and production of TV formats and content for distribution across a range of media including TV, Internet and mobile phones.

Ifil Investissements total commitment is equal to € 42.5 million, of which € 21.4 million was paid when the operation was closed at the end of May 2008. Ifil Investissements holds a 17.03% stake in BH (17.17% of capital stock with voting rights) and is represented on the board of directors of the company in which Stéphane Courbit is the chairman and chief executive officer.

Increase in the investment in C&W Group Inc.

On June 27, 2008, Ifil Investissements S.A. purchased 14,538 C&W Group Inc. shares (2.05% of capital stock), carried as treasury stock by the company, for an investment of € 11.6 million.

Currently, Ifil Investissements S.A. holds 511,015 C&W Group Inc. shares representing a 71.81% stake in its capital stock.

Other investments

As a result of investment commitments in the NoCo B LP limited partnership, which groups a series of funds managed by Perella Weinberg Partners L.P., during the first half of 2008, Ifil Investissements invested $16.4 million (€ 11 million) and € 1.1 million directly in the Perella Weinberg Real Estate I fund.

At December 31, 2008, the remaining investment commitments in NoCo B LP amount to $46.2 million and € 23.9 million.

Partial sale of the investment in Intesa Sanpaolo S.p.A.

In the second half of 2008, IFIL S.p.A. sold 171,916,165 Intesa Sanpaolo ordinary shares (1.45% of ordinary capital stock) on the market for net proceeds of € 598.4 million and an after-tax gain of € 74.5 million on consolidation (€ 167.5 million in the separate financial statements).

After these sales, IFIL S.p.A. holds 118,000,000 shares equal to 1% of the ordinary capital stock of Intesa Sanpaolo S.p.A..

Purchases of treasury stock

Under the Program for the buyback of ordinary and savings treasury stock voted by the IFIL S.p.A. board of directors on February 18, 2008, during the period February 26, to August 18, 2008, purchases were made for 20,783,200 IFIL ordinary shares (2% of the class of stock) at the average price per share of € 4.8 totaling € 99.8 million, in addition to 917,000 IFIL savings shares (2.45% of the class of stock) at the average cost per share of € 4.3 totaling € 3.9 million, for a grand total of € 103.7 million (69.13% of the maximum disbursement of the € 150 million authorized for the buyback Program).

At December 31, 2008, IFIL S.p.A. held directly and indirectly the following treasury stock:

	Number	% of class of stock	Amount Per share (€)	Amount Total (€ ml)
Ordinary shares, held by IFIL S.p.A.	33,186,198	3.20	4.38	145.5
Ordinary shares, held by the subsidiary Soiem S.p.A.	810,262	0.08	3.41	2.8
Total ordinary shares held	33,996,460	3.28	4.36	148.3
Savings shares, held by IFIL S.p.A.	917,000	2.45	4.30	3.9
Total treasury stock	**34,913,460**	-		**152.2**

Such shares were canceled by EXOR S.p.A. after the merger.

Other transactions for the simplification of the group's structure

With a view toward simplifying the group's structure, the following transactions were entered into:

- on September 29, 2008, a decision was taken to put Ifilgroup Finance Limited, an Irish-registered company controlled 100% by Ifil Investissements S.A., into a voluntary wind-up;
- on November 7, 2008, a decision was taken to put Ifil Investment Holding, a Dutch-registered company controlled 100% by IFIL, into a voluntary wind-up. On the same day, Ifil Investment Holding transferred 224,194 Ifil Investissements S.A. shares which it held (20.184% of capital stock) to IFIL as an advance on the liquidation. After this transaction, IFIL directly holds 100% of the capital stock of Ifil Investissements.

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE APPROPRIATION OF THE PROFIT FOR THE YEAR

To the stockholders,

We invite you to approve the separate financial statements for the year ended December 31, 2008 and put forward the motion for the appropriation of profit of € 49,137,819 as follows:

€	
- 5% to the Legal Reserve	2,456,890.95
- to the 9,168,894 savings shares currently outstanding, a dividend of € 0.3121, for a maximum	2,861,611.82
- to the 71,441,160 preferred shares currently outstanding, a dividend of € 0.2248, for a maximum	16,059,972.77
- to the 160,259,496 ordinary shares currently outstanding, a dividend of € 0.1731, for a maximum	27,740,918.76
- to the Extraordinary Reserve, the remaining amount, for a minimum	18,424.70
Profit for the year 2008	**49,137,819.00**

If you approve the appropriation of profit for the year 2008, we also propose:

- to increase the Legal Reserve from € 35,107,182.95 to € 49,245,970.00, equal to one-fifth of the new capital stock of € 246,229,850.00, by using the Extraordinary Reserve for € 14,138,787.05;
- to use the Extraordinary Reserve for a maximum € 35,142,867.34 to distribute an additional dividend of € 0.1459 to the savings, preferred and ordinary shares currently outstanding.

The total dividends proposed, € 0.458 to the savings shares, € 0.3707 to the preferred shares and € 0.319 to the ordinary shares are payable to the shares that will be outstanding, therefore excluding those held directly by EXOR S.p.A., at the ex-dividend date.

Turin, March 25, 2009

On behalf of the Board of Directors
The Chairman
John Elkann

Separate Financial Statements
at December 31, 2008

EXOR S.p.A. (formerly IFI S.p.A.)
SEPARATE INCOME STATEMENT

Amounts in Euro	**Note**	**2008**	2007	Change
Investment income (charges)				
Dividends from investments	**9**	**72,729,524**	67,816,928	4,912,596
Gains on sales of investments		**0**	91,474	(91,474)
Impairment losses on investments		**(50,211)**	(48,002)	(2,209)
Net investment income		**72,679,313**	67,860,400	4,818,913
Financial income (expenses)				
Financial expenses from third parties	**10**	**(21,761,543)**	(12,117,681)	(9,643,862)
Financial expenses from related parties	**32**	**(1,456,474)**	0	(1,456,474)
Financial income from third parties	**11**	**6,443,384**	3,276,986	3,166,398
Financial income from related parties		**0**	15,026	(15,026)
Foreign exchange gains (losses)		**333**	(5)	338
Net financial expenses		**(16,774,300)**	(8,825,674)	(7,948,626)
Net general expenses				
Personnel costs	**12**	**(3,196,193)**	(2,665,754)	(530,439)
Purchases of goods and services from third parties	**13**	**(847,102)**	(874,246)	27,144
Purchases of goods and services from related parties	**32**	**(1,149,452)**	(1,093,895)	(55,557)
Other current operating expenses	**14**	**(1,781,679)**	(1,028,078)	(753,601)
Depreciation and amortization		**(2,158)**	(2,485)	327
		(6,976,584)	(5,664,458)	(1,312,126)
Revenues from third parties		**113**	268,578	(268,465)
Revenues from related parties	**32**	**209,277**	187,159	22,118
		209,390	455,737	(246,347)
Net general expenses		**(6,767,194)**	(5,208,721)	(1,558,473)
Profit before income taxes		**49,137,819**	53,826,005	(4,688,186)
Income taxes	**15**	**0**	646,561	(646,561)
Profit for the year		**49,137,819**	54,472,566	(5,334,747)

EXOR S.p.A. (formerly IFI S.p.A.)
SEPARATE BALANCE SHEET

Amounts in Euro	Note	12/31/2008	12/31/2007	Change
Non-current assets				
Investments accounted for at cost	16	**2,242,763,172**	2,226,877,516	15,885,656
Other financial assets	17	**403,540**	228,299	175,241
Property, plant and equipment		**650**	975	(325)
Intangible assets		**2,667**	0	2,667
Total Non-current assets		**2,243,170,029**	2,227,106,790	16,063,239
Current assets				
Cash and cash equivalents		**548,131**	166,046	382,085
Other financial assets	17	**256,540**	2,241,593	(1,985,053)
Tax receivables	18	**19,393,799**	18,970,639	423,160
Trade receivables from related parties	32	**87,438**	68,806	18,632
Other receivables	19	**3,987,687**	247,324	3,740,363
Total Current assets		**24,273,595**	21,694,408	2,579,187
Total Assets		**2,267,443,624**	2,248,801,198	18,642,426
Equity				
Capital stock	20	**163,251,460**	163,251,460	0
Capital reserves	21	**386,346,907**	386,346,907	0
Retained earnings and other reserves	22	**1,361,241,149**	1,313,173,550	48,067,599
Treasury stock	24	**(70,477,224)**	(70,477,224)	0
Profit for the year		**49,137,819**	54,472,566	(5,334,747)
Total Equity		**1,889,500,111**	1,846,767,259	42,732,852
Non-current liabilities				
Bank debt	25	**150,000,000**	100,000,000	50,000,000
Deferred tax liabilities	26	**3,332,804**	3,332,804	0
Provisions for employee benefits	27	**2,013,107**	2,145,488	(132,381)
Other payables	28	**188,810**	0	188,810
Total Non-current liabilities		**155,534,721**	105,478,292	50,056,429
Current liabilities				
Bank debt	25	**16,181,218**	294,322,692	(278,141,474)
Financial payables to related parties	32	**199,456,474**	0	199,456,474
Other financial liabilities	29	**5,459,740**	1,035,577	4,424,163
Trade payables to related parties	32	**230,713**	147,195	83,518
Trade payables to third parties		**188,638**	145,733	42,905
Tax payables		**143,515**	158,699	(15,184)
Other payables	28	**748,494**	745,751	2,743
Total Current liabilities		**222,408,792**	296,555,647	(74,146,855)
Total Equity and liabilities		**2,267,443,624**	2,248,801,198	18,642,426

EXOR S.p.A. (formerly IFI S.p.A.)
SEPARATE STATEMENT OF CHANGES IN EQUITY

Amounts in Euro	Capital stock	Capital reserves	Retained earnings and other reserves	Treasury stock	Profit for the year	Total Equity
Equity at January 1, 2007	**163,251,460**	**386,346,907**	**1,096,937,669**	**(70,477,224)**	**217,624,583**	**1,793,683,395**
Movements among reserves			217,624,583		(217,624,583)	0
Fair value changes to cash flow hedge derivatives			(1,315,155)			(1,315,155)
Actuarial gains (losses) recognized directly in equity			(89,832)			(89,832)
Dividends statute-barred			16,285			16,285
Profit for the year					54,472,566	54,472,566
Net changes during the year	**0**	**0**	**216,235,881**	**0**	**(163,152,017)**	**53,083,864**
Equity at December 31, 2007	**163,251,460**	**386,346,907**	**1,313,173,550**	**(70,477,224)**	**54,472,566**	**1,846,767,259**
Movements among reserves			54,472,566		(54,472,566)	0
Fair value changes to cash flow hedge derivatives			(6,685,515)			(6,685,515)
Actuarial gains (losses) recognized directly in equity			280,548			280,548
Profit for the year					49,137,819	49,137,819
Net changes during the year	**0**	**0**	**48,067,599**	**0**	**(5,334,747)**	**42,732,852**
Equity at December 31, 2008	**163,251,460**	**386,346,907**	**1,361,241,149**	**(70,477,224)**	**49,137,819**	**1,889,500,111**
Note	**20**	**21**	**22**	**24**		

EXOR S.p.A. (formerly IFI S.p.A.)
STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR 2008 AND 2007

Amounts in Euro	**2008**	2007
Gains (losses) recognized directly in cash flow hedge reserve	**(6,685,515)**	(1,315,155)
Actuarial gains (losses) recognized directly in equity	**280,548**	(89,832)
Income (expense) recognized directly in equity	**(6,404,967)**	(1,404,987)
Profit for the year	**49,137,819**	54,472,566
Total recognized income and expense	**42,732,852**	53,067,579

EXOR S.p.A. (formerly IFI S.p.A.)
SEPARATE STATEMENT OF CASH FLOWS

Amounts in Euro	Note	2008	2007
Cash and cash equivalents, at start of year		166,046	59,680,530
Cash flows from (used in) operating activities			
Profit for the year		49,137,819	54,472,566
Adjustments for:			
Gains on sales of investments		0	(91,474)
Depreciation and amortization		2,158	2,485
Accruals for (release of) for deferred taxes		0	(646,561)
Impairment losses on investments	16	50,211	48,002
Total adjustments		52,369	(687,548)
Change in working capital:			
Change in other financial assets, current and non-current		1,809,812	1,391,522
Changes in tax receivables		(423,160)	(209,351)
Change in trade receivables from related parties		(18,632)	98,033
Change in other receivables, current and non-current		(3,740,363)	254,419
Change in other payables, current and non-current		191,553	47,014
Change in other financial liabilities, current and non-current		4,424,163	232,191
Change in trade payables to related parties		83,518	(68,685)
Change in trade payables to third parties		42,905	22,186
Change in tax payables		(15,184)	(86,958)
Net change in provisions for employee benefits, excluding actuarial differences recognized in equity		148,168	245,690
Net change in working capital		2,502,780	1,926,061
Net cash flows from (used in) operating activities		51,692,968	55,711,079
Cash flows from (used in) investing activities			
Purchase of investments, net of dividends recognized as a reduction of the purchase price	16	(15,935,868)	(348,024,997)
Proceeds from disposal of investments and other securities		0	126,926
Net change in property, plant and equipment and intangible assets		(4,500)	(1,600)
Net cash flows from (used in) investing activities		(15,940,368)	(347,899,671)
Cash flows from (used in) financing activities			
Loans secured from related parties	32	199,456,474	0
Net change in bank debt, current and non-current		(228,141,474)	233,972,979
Change in fair value of cash flow hedge derivatives		(6,685,515)	(1,315,155)
Dividends statute-barred and other net changes		0	16,284
Net cash flows from (used in) financing activities		(35,370,515)	232,674,108
Net increase (decrease) in cash and cash equivalents		382,085	(59,514,484)
Cash and cash equivalents, at end of year		548,131	166,046

EXOR S.p.A. (formerly IFI S.p.A.)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information on the activities of the company

EXOR S.p.A. is the new name that IFI S.p.A. assumed on March 1, 2009, the effective date of the deed of merger by incorporation of the subsidiary IFIL S.p.A. signed on February 20, 2009.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy. The head office of the company is located in Turin, Italy, Corso Matteotti 26.
Since March 2, 2009, all three categories of EXOR shares (ordinary, preferred and savings) are traded on the Electronic Share Market of the Italian Stock Exchange. Previously, the ordinary capital stock was wholly owned by the parent, Giovanni Agnelli e C. S.a.p.az., and only the preferred shares were listed.

The assets of the company at December 31, 2008 are principally represented by the controlling investment in IFIL S.p.A., equal to 69.99% of ordinary capital stock.

Additional information is presented in the Report on Operations under “EXOR Group profile” and “Merger by incorporation of the subsidiary IFIL in IFI”.

2. General principles for the basis of presentation of the separate financial statements

Starting from the financial year 2006, the separate financial statements of EXOR S.p.A. have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and recognized by the European Community in accordance with Regulation 1606/2002 of the European Parliament and Council dated July 19, 2002. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The disclosure required by IFRS 1 – *First-time Adoption of IFRS*, relative to the effects of the transition to IFRS, was presented in a specific Appendix to the separate financial statements at December 31, 2006.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 dated July 27, 2006 and in Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

3. Formats of the separate financial statements and other information

The separate income statement is presented using a classification based on the nature of the revenues and expenses, with the presentation of investment income (charges) and financial income (expenses) taking preference since these items are characteristic of EXOR S.p.A.’s activities.

In the separate balance sheet, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

A specific section of the separate statement of changes in equity presents the total income and expense recognized directly as an increase or decrease of reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.
The Euro is the company's functional currency and presentation currency.

In the separate financial statements, the amounts are present in Euro.

The notes are expressed in thousands of Euro, unless otherwise indicated.

Major events in 2008 and in the first quarter of 2009, the main risks and uncertainties and the business outlook are presented in specific paragraphs of the Report on Operations.

4. Related party transactions, unusual and/or atypical transactions and significant nonrecurring events and transactions

The balance sheet and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 32.

With regard to the years 2008 and 2007, there are no significant nonrecurring events or transactions or unusual and/or atypical transactions that require mention pursuant to Consob Communication 6064293 dated July 28, 2006.

5. Significant accounting policies

General principle

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of certain available-for-sale financial instruments and those held for trading, as well as for the going concern assumption.
Despite operating in a difficult economic and financial environment, the directors have in fact assessed that no material uncertainties exist (as defined in paragraph 23 of IAS 1) about its ability to continue as a going concern.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. For EXOR S.p.A., this objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount, usually determined on the basis of the higher of the value in use and fair value.

At each balance sheet date, EXOR S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if necessary, the carrying amount is increased up to the cost of the investment.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.

If there is objective evidence of an impairment loss or a risk that the company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.

Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee. Following the changes in regulations for employee severance indemnities pursuant to Law 296 dated December 27, 2006 (Budget Law 2007) and later decrees and regulations, defined contribution plans include the portions of employee severance indemnity accruing from January 1, 2007. However, since EXOR S.p.A. has less than 50 employees, the employee severance indemnities are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to the supplementary pension fund.

Consequently, for those who transfer the entire amount accrued to the supplementary pension fund, the company records the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the company has the obligation to set aside the costs relating to the benefits guaranteed to its employees in service. The actuarial risk and the investment risk are thus substantially borne by the company.

Defined benefit plans, which include employee severance indemnities, taking into account what was described above, are measured by actuarial techniques using the Projected Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, EXOR S.p.A. has elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.

All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.

For defined benefit plans, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The amortized cost of a financial liability is the amount at which the financial liability was recognized initially net of principal repayments, increased or decreased by the total amortization on any difference between the initial amount and the maturity amount using the effective interest method.

The effective interest rate is a method for calculating the amortized cost of a financial liability and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated payments (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period, to the net carrying amount of the financial liability.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. EXOR S.p.A. designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.
When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.

- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when they are approved by the stockholders and only from the earnings generated after the acquisition of the investee company. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are reported as a deduction from the cost of the investment.

Dividends from available-for-sale investments are in any case recognized in the income statement.

Financial income and expenses are recognized according to the accrual principle on the basis of the effective rate of return.

Revenues from services are recognized by reference to the stage of completion of the service at the balance sheet date.

The expenses incurred by EXOR (and by the merged company IFIL) in 2008 have been recognized in “Current assets – Other receivables” and as a result do not impact the profit for the year. Such expenses together with those incurred in 2009, by EXOR and IFIL, will be charged directly as a deduction from additional paid-in capital which will be generated by recording the capital stock increase carried out to service the exchange ratio of the canceled IFIL shares.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line item under non-current assets or liabilities.

Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates particularly refer to the measurement of investments (impairments and writebacks). Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In this respect, the situation caused by the present economic and financial crisis has led to the need to make assumptions regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The line item most affected by these situations of uncertainty relates to the investment in the merged company IFIL S.p.A., accounted for at cost, for which, as described in Note 16, it is deemed that the conditions for conducting an impairment test of the investment do not exist at December 31, 2008.

6. Adoption of new accounting standards, amendments and interpretations issued by the IASB

Interpretations and amendments to standards effective from January 1, 2008 but not applicable to the company

The following interpretations and amendments, applicable for 2008, relate to matters that are not applicable to the company.

- IFRIC 12 – Service Concession Arrangements (applicable from January 1, 2008).
- IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset and Minimum Funding Requirements (applicable from January 1, 2008).
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures that would permit the reclassification of some non-derivative financial assets which are classified under the “fair value through profit or loss” category in particular circumstances. The amendment also permits the transfer of loans and receivables from the “available-for-sale” category to the “held to maturity” category where the company has the intention and ability to hold such instruments for a specific future period. Although this amendment applies from July 1, 2008, it has had no effect on the financial statements presented herein as none of the reclassifications permitted by the amendment were carried out by the company.

Accounting standards, amendments and interpretations for which the company has not elected early adoption.

On March 29, 2007, the IASB issued a revised version of IAS 23 – Borrowing costs. The standard is applicable from January 1, 2009. The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard will be applicable prospectively to borrowing costs relating to qualifying assets capitalized starting from January 1, 2009.

On September 6, 2007, the IASB issued a revised version of IAS 1 - Presentation of Financial Statements which applies from January 1, 2009. The revised standard requires an entity to present changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (meaning changes in comprehensive income) are required to be presented either in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Transactions with non-owners may not be presented in the statement of changes in equity.

Adoption of this standard will have no effect on the measurement of items in the financial statements.

On January 17, 2008, the IASB issued an amendment to IFRS 2 – Vesting Conditions and Cancellations which clarifies that for the purpose of share-based payments measurement, vesting conditions are service conditions and performance conditions only. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The company will apply this amendment retrospectively from January 1, 2009; no effects are expected from its adoption.

On May 22, 2008, the IASB issued an amendment to IFRS 1 – First Time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements which allows companies adopting IFRS for the first time from January 1, 2009 and electing to recognize investments in subsidiaries, associates and joint ventures in the separate financial statements at cost, to use one of the following methods:

- cost determined in accordance with IAS 27;
- revalued cost measured on a fair value basis at the date of transition to IFRS or the carrying amount of the investment at the date of transition measured in accordance with local GAAP.

The amendment requires that all dividends received from subsidiaries, joint ventures and associates must be recognized in the parent company's income statement when the right to receive those dividends is established. Revisions to IAS 36 – Impairment of Assets require that, when evaluating whether impairment exists, if an investee company has distributed a dividend, the following must be considered:

- whether the carrying amount of the investment in the separate financial statements exceeds the book value of that company's net assets (including any associated goodwill) as recognized in the consolidated financial statements;
- whether the dividend exceeds the comprehensive income of the investee for the period to which the dividends relate.

The amendments are applicable prospectively from January 1, 2009.

On May 22, 2008, the IASB issued a series of amendments to IFRS ("Improvements"); details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out amendments regarding changes in terminology or editorial changes which are likely to have minimal effects in terms of accounting and effects on the consolidated financial statements.

- IAS 1 – Presentation of Financial Statements (revised in 2007): this amendment, applicable from January 1, 2009, requires an entity to classify assets and liabilities arising from derivative financial instruments that are not classified as held for trading between current and non-current assets and liabilities. Adoption of this improvement will have no effect on the measurement of items in the financial statements.
- IAS 23 – Borrowing Costs: this amendment, applicable from January 1, 2009, revises the definition of borrowing costs.
- IAS 36 – Impairment of Assets: this amendment, applicable from January 1, 2009, requires additional disclosures to be made in the case in which an entity determines the recoverable amount of a cash-generating unit using discounted cash flows.

In November 2008, the IASB also issued IFRIC 17 – Distribution of Non-cash Assets to Owners, establishing that the determination of the value of the distribution of non-cash assets should consider their fair value when it becomes mandatory to record the relative payable to the stockholders.
The amendment is applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009.

In March 2009, the IASB issued an amendment to IFRS 7 – Financial Instruments: Disclosures which is applicable from January 1, 2010, or annual periods beginning on or after July 1, 2009. The amendment requires disclosure about the measurement of fair value (methods used and, if valuations techniques are used, the assumptions adopted in determining the fair value of each class of financial asset or liability) and the liquidity risk (analysis of the maturities of financial liabilities represented by derivatives or other liabilities).

Standards, amendments and interpretations not applicable by the company

The following standards, amendments and interpretations have also been issued but were not applicable to the company at the balance sheet date:

Improvements:

- IAS 16 – Property, Plant and Equipment: this amendment, applicable from January 1, 2009, requires an entity that in the course of its ordinary activities routinely sells items of property, plant and equipment that it has held for rental to others, to transfer such assets to inventories when they cease to be rented and become held for sale. As a consequence, the proceeds from the sale of such assets shall be recognized as revenue. Cash payments to manufacture or acquire assets held for rental to others or subsequently held for sale are cash flows from operating activities (and not from investing activities).
- IAS 19 – Employee Benefits: this amendment, applicable prospectively from January 1, 2009 to changes in benefits that occur after that date, clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognized immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. The Board also revised the definition of short-term employee benefits and long-term employee benefits and the definition of a return on plan assets, stating that this amount should be net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation).

- IAS 20 – Government Grants and Disclosure of Government Assistance: this amendment, applicable prospectively from January 1, 2009, states that the benefit of a government loan at a below-market rate of interest shall be treated as a government grant and then accounted for in accordance with IAS 20.
- IAS 28 – Investments in Associates, and IAS 31 – Investments in Joint Ventures: these amendments, applicable from January 1, 2009, require specific new disclosures to be made for investments in associates and joint ventures measured at fair value in accordance with IAS 39. IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation have accordingly also been amended.
- IAS 29 – Financial Reporting in Hyperinflationary Economies: the previous version of the standard did not reflect the fact that a number of assets and liabilities may or must be measured on the basis of a current value rather than historical value. This amendment, made in order to reflect this, is effective from January 1, 2009.
- IAS 40 – Investment Property: this amendment, applicable prospectively from January 1, 2009, states that property under construction falls within the scope of IAS 40 and not that of IAS 16.

Amendments:

- IAS 27 – Consolidated and Separate Financial Statements: this amendment, which applies prospectively from January 1, 2009, requires that investments recognized in the separate financial statements and measured in accordance with IAS 39 are subject to IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.
- IAS 32 – Financial Instruments: Presentation and to IAS 1 – Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation. These amendments require puttable financial instruments and instruments, or components of instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments. This amendment is effective prospectively from January 1, 2009.
- IAS 38 – Intangible Assets: this amendment, effective retrospectively from January 1, 2009, requires expenditure on advertising and promotional activities to be recognized in the income statement. Further, it states that expenditures incurred to provide future economic benefits to an entity, but where no intangible asset is recognized, must, for the supply of goods, be recognized as an expense when it has the right to access the goods. In the case of the supply of services, an entity shall recognize the expenditure as an expense when it receives the services. Moreover, the standard has been revised in order to allow entities to use the unit of production method for determining the amortization charge for an intangible asset with a finite useful life.
- IAS 39 – Financial Instruments: Recognition and Measurement: this amendment, effective from January 1, 2009, clarifies how to calculate the revised effective interest rate on ceasing fair value hedge accounting and notes additionally that the prohibition on the reclassification of financial instruments into or out of the fair value through profit or loss category after initial recognition should not prevent a derivative from being accounted for at fair value through profit or loss when it does not qualify for hedge accounting and vice versa.
- On July 31, 2008, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement which is to be applied retrospectively from January 1, 2010. The amendment clarifies how the existing principles underlying hedge accounting should be applied in particular situations.

Interpretations:

- IFRIC 13 – Customer Loyalty Programmes (applicable from January 1, 2009).
- IFRIC 15 – Agreements for the Construction of Real Estate (applicable from January 1, 2009 but not yet endorsed by the European Union).
- IFRIC 18 – Transfers of Assets from Customers (applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009).

7. Adoption of accounting policies following the merger by incorporation of the subsidiary IFIL S.p.A.

The transactions carried out by IFIL S.p.A. in the early months of 2009 will be recorded in the financial statements of EXOR beginning January 1, 2009 (that is also the effective date of the merger for tax purposes).
EXOR will change the following accounting policies that had been applied by IFIL. These refer to the most significant items in the IFIL financial statements that will flow into EXOR's 2009 financial statements as a result of the merger.

Available-for-sale investments and non-current other financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Upon disposal of the asset, the accumulated gains or losses recorded in equity are credited or debited to the income statement.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if necessary, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Employee benefits – Stock option plans

Stock option plans with underlying IFIL S.p.A. stock (now EXOR S.p.A. stock)

Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date.
In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.
The cost is recalculated each year based upon a revision of the above-indicated estimate.

The compensation component deriving from stock options plans with underlying IFIL S.p.A. stock but relating to employees of other group companies, under IFRIC 11, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees and consequently recorded as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Stock option plans with underlying stock of the subsidiary Alpitour S.p.A.

This is a stock option plan that requires a monetary payment equal to the increase in the value of the company. The fair value of the liability of the plan is re-measured at each reporting date until its extinction.

The cost is recognized in the income statement in “Other nonrecurring expenses” with a corresponding entry to “Other payables to related parties”.

If the payable to related parties decreases, the resulting income is recognized in the income statement in “Other nonrecurring income from related parties”.

8. Risk management

EXOR S.p.A. is not subject to either credit risk or direct currency risks.

Financing needs and cash flows are managed with the aim of optimizing financial resources. Outgoing cash flows from current operations are basically financed by dividends received. Liquidity risk could therefore arise only in respect of investment decisions in excess of cash availability or revocation of existing credit lines. In this sense, EXOR S.p.A., operates so that it has available credit lines, in part irrevocable, with expiration dates and amounts consistent with its requirements.

EXOR S.p.A. assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate. There were no derivative financial instruments put into place for speculative purposes during 2008; the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some of the existing loans.

COMMENTS ON THE PRINCIPAL LINE ITEMS IN THE SEPARATE INCOME STATEMENT

9. Dividends from investments

Dividends amount to € 72,730 thousand (€ 67,817 thousand in 2007) and include dividends collected from IFIL (€ 72,621 thousand) and Emittenti Titoli (€ 109 thousand). In 2007, dividends included those received from IFIL (€ 67,745 thousand) and Emittenti Titoli (€ 72 thousand).

10. Financial expenses from third parties

Financial expenses from third parties amount to € 21,762 thousand (€ 12,118 thousand in 2007) and include:

€ in thousands	2008	2007	Change
Interest expenses on bank debt	**17,166**	10,998	6,168
Bank commissions	**859**	1,087	(228)
Interest rate hedging charges on bank loans	**3,737**	30	3,707
Charges from discounting to present value	**0**	3	(3)
Total financial expenses from third parties	**21,762**	12,118	9,644

11. Financial income from third parties

This includes:

€ in thousands	2008	2007	Change
Interest income on receivables from:			
- tax authorities	**473**	501	(28)
- banks	**8**	232	(224)
Interest rate hedging income on bank loans	**5,946**	2,544	3,402
Other income	**16**	0	16
Total financial income from third parties	**6,443**	3,277	3,166

12. Personnel costs

These amount to € 3,196 thousand (€ 2,666 thousand in 2007) and show a total net increase of € 530 thousand, of which € 90 thousand is for termination benefit incentives and € 282 thousand for the accrual to the fund under Ministerial Decree 158 dated April 28, 2000.
Details are as follows:

€ in thousands	2008	2007	Change
Salaries	**1,533**	1,592	(59)
Social security contributions	**490**	466	24
Employee severance indemnities, other long-term benefit plans and defined benefit plans and payments of plan contributions	**605**	426	179
Termination benefit incentives	**90**	0	90
Accrual to the solidarity fund (M.D 158 dated 4/28/2000)	**282** (a)	0	282
Other personnel costs	**196**	182	14
Total personnel costs	**3,196**	2,666	530

(a) Additional information is presented in Note 28 “Non-current and current liabilities – Other payables”.

At the end of 2008, employees number 13 (14 at the end of 2007).
The average number of employees in 2008 was 14 (as in 2007), summarized by category as follows:

	2008	2007
Managers	**2**	2
Middle management	**4**	2
Clerical staff	**5**	7
Messengers	**3**	3
Average number of employees	**14**	14

Compensation policies
The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.

The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; the variable compensation is tied to objectives and rewards for the results of the work performed by that person both individually and in a team.

Further discretionary bonuses may be paid for exemplary performance in transactions which create value for the company.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans (extended in 2008 to employees and messengers by signing up for an insurance plan taken out with a leading insurance company) death and disability insurance coverage, loyalty bonuses and, where provided for, the use of a company car.

Additional information on employee benefits is presented in Note 27.

13. Purchases of goods and services from third parties

These amount to € 847 thousand and decreased by € 27 thousand compared to 2007 (€ 874 thousand). The main costs are indicated below:

€ in thousands	**2008**	2007	Change
Compensation:			
- Board of Statutory Auditors	**146**	146	0
- Supervisory Board	**6**	6	0
- Common representative of preferred stockholders	**3**	3	0
- Supplementary contribution	**5**	5	0
	160	160	0
Consulting	**317**	331	(14)
Office management	**147**	122	25
Insurance	**65**	62	3
Audit fees	**33**	32	1
Travel expenses, entertainment and transportation	**31**	55	(24)
Rentals	**18**	15	3
Bank expenses and fees	**12**	29	(17)
Other expenses	**64**	68	(4)
Total purchases of goods and services from third parties	**847**	874	(27)

14. Other current operating expenses

In 2008, these total € 1,782 thousand, of which € 1,058 thousand refers to non-deductible VAT (96% of the total). In 2007, these totaled € 1,028 thousand, of which € 272 thousand was for non-deductible VAT (87% of the total). The increase in non-deductible VAT (€ 786 thousand) is due to the invoicing in 2008 of the expenses relating to the merger by incorporation of IFIL.

Details are as follows:

€ in thousands	**2008**	2007	Change
Non-deductible VAT	**1,058**	272	786
Donations	**339**	329	10
Stockholders' meetings expenses	**155**	170	(15)
Securities listing fees	**70**	74	(4)
Publications of annual, first-half and quarterly financial statements	**61**	63	(2)
Association dues	**52**	56	(4)
Sundry	**47**	64	(17)
Total other current operating expenses	**1,782**	1,028	754

15. Income taxes

The taxable base calculated in accordance with tax laws did not generate any current income tax expense for the year 2008.

Since the probability of recovery against future taxable income currently is not assured, no deferred tax assets have been booked on the tax losses for the years 2004 to 2008 (€ 94 million, in total).

Details are as follows:

	2008		2007	
€ in millions	**Amount**	**Theoretical tax effect (27.5% rate)**	Amount	Theoretical tax effect (27.5% rate)
Tax losses carryforwards (for a maximum of 5 years)				
- year 2003			147	
- year 2004	**20**		20	
- year 2005	**33**		33	
- year 2006	**28**		28	
- year 2007	**11**		11	
- year 2008	**2**			
Total tax losses carried forward	**94**	**26**	239	66

Considering that the Irap taxable base is negative, the following tables show the reconciliation between pre-tax profit and taxable income for Ires purposes.

€ in millions	**2008**	2007
Pre-tax profit	**49**	54
Changes up (down):		
- non-deductible net financial expenses	**17**	0
- 95% of dividends received	**(69)**	(64)
- other, net	**1**	(1)
Loss for the year for tax purposes	**(2)**	(11)

The company has agreed the tax years up to December 31, 2003.

COMMENTS ON THE PRINCIPAL LINE ITEMS IN THE SEPARATE BALANCE SHEET

16. Non-current assets – Investments

Details of investments, which only include investments accounted for at cost, are as follows:

€ in thousands	**12/31/2008** **% of class of stock**	**Amount**	12/31/2007 % of class of stock	Amount	Change
Investments accounted for at cost					
IFIL S.p.A. (ordinary shares)	69.99	**2,236,103**	69.70	2,220,167	15,936
IFIL S.p.A. (savings shares)	4.99	**6,384**	4.99	6,384	0
		2,242,487		2,226,551	15,936
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Deutsche Morgan Grenfell Capital Italy S.A. (a)					
- Class A shares	0.66	**4**	0.66	53	(49)
- Class B shares	1.28	**0**	1.28	1	(1)
Total investments		**2,242,763**		2,226,877	15,886

(a) In a wind-up.

In January 2008, 2,950,000 IFIL ordinary shares (0.29% of the class of stock) were purchased on the market for an equivalent amount of € 15,936 thousand, net of dividends of € 295 thousand received on those same shares which were accounted for as a deduction from the purchase price.

An impairment loss was recorded on Deutsche Morgan Grenfell Capital Italy shares for a total of € 50 thousand on the basis of the equity of that company at December 31, 2007 in the latest approved financial statements.

Comparison between the carrying amounts and market prices of IFIL shares held at the end of 2008:

		Carrying amount		Market price December 30, 2008	
	Number	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
IFIL S.p.A.					
- ordinary shares	726,900,000	3.08	2,236,103	1.86	1,354,215
- savings shares	1,866,420	3.42	6,384	1.66	3,096
Total			**2,242,487**		**1,357,311**

The carrying amount of the investment in the listed company IFIL S.p.A. (merged on March 1, 2009) at the end of the year is € 885 million higher than its market price at the same date (€ 2,412 million lower at year-end 2007). The market prices of IFIL S.p.A.'s shares were particularly penalized although this does not correspond to the operating performance and financial condition of the company reflected in its 2008 consolidated financial statements. Given the fact that the results of the IFIL Group, which ended the year 2008 with a profit in both the consolidated (€ 445 million) and separate (€ 356 million) financial statements and that the attributable consolidated equity of the IFIL Group per share, € 5.46 at December 31, 2008, is higher than the carrying amount indicated above, and in consideration of the importance of the interest owned and the company's positioning in the stockholder structure, for which measurement at the market price (heavily influenced by the current economic situation) is not very representative, it is deemed that the conditions for conducting an impairment test of the investment held in IFIL S.p.A. do not exist at December 31, 2008.

Furthermore:

- there are no investments requiring the assumption of unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following details present the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006):

	Capital stock			IFI Investment					Equity	Profit
	Number of shares	Par value	Amount	Number of shares	% ownership of Cap. st.	% ownership of Cl. of st.	Carrying amount Per share (€)	Carrying amount €/000	€/000	€/000
IFIL S.p.A. - Turin									3,917,000 (a)	445,000 (a)
- ordinary shares	1,038,612,717	€ 1	1,038,612,717	726,900,000	67.56	69.99	3.08	2,236,103		
- savings shares	37,383,020	€ 1	37,383,020	1,866,420	0.17	4.99	3.42	6,384		
Total	1,075,995,737		1,075,995,737		67.73			2,242,487		

(a) Data taken from the consolidated financial statements at December 31, 2008.

17. Non-current and current assets – Other financial assets

Details are as follows:

	12/31/2008		12/31/2007	
€ in thousands	**Non-current**	**Current**	Non-current	Current
Fees for opening credit lines	**404**	**197**	228	154
Fair value of cash flow hedge derivatives	**0**	**0**	0	1,776
Accrued financial income from swaps	**0**	**60**	0	312
Total other financial assets	**404**	**257**	228	2,242

18. Current assets – Tax receivables

Tax receivables from the tax authorities refer to:

€ in thousands	**12/31/2008**	12/31/2007	Change
Receivables for prior years' taxes, refunds requested	**19,328**	18,855	473
Receivables for current and prior years' taxes, carried forward	**3**	63	(60)
VAT receivable	**63**	53	10
Total tax receivables	**19,394**	18,971	423

The change in receivables from the tax authorities for the year 2008 is summarized as follows:

€ in thousands	Refunds requested for IRES taxes	Carried forward for IRES taxes	VAT	Total
Balances at December 31, 2007	**18,855**	**63**	**53**	**18,971**
Used for compensation of withholdings	0	(63)	0	(63)
Interest earned during the year	473	0	0	473
Receivables generated during the year	0	3	10	13
Balances at December 31, 2008	**19,328**	**3**	**63**	**19,394**

19. Current assets – Other receivables

At December 31, 2008, these amount to € 3,988 thousand, of which € 3,939 thousand is for deferred expenses relating to the merger by incorporation of the subsidiary IFIL.

20. Equity – Capital stock

At December 31, 2008, the capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares (52.96% of capital stock) and 76,801,460 preferred shares (47.04% of capital stock) with a par value of € 1 each. The ordinary capital stock of the company is held entirely by Giovanni Agnelli e C. S.a.p.az. Only preferred shares are listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment).

On March 1, 2009, the capital stock of EXOR was increased from € 163,251,460 to € 246,229,850 through the issue of 73,809,496 ordinary shares and 9,168,894 savings shares, all with a par value of € 1, with dividend rights from January 1, 2008. Such shares were attributed to the stockholders of the merged company IFIL in a ratio of 0.265 EXOR ordinary shares for each IFIL ordinary share and 0.265 EXOR savings shares for each IFIL savings share.

Following the merger, the capital stock of EXOR amounts to € 246,229,850 and consists of 160,259,496 ordinary shares, 76,801,460 preferred shares and 9,168,894 savings shares, all with a par value of € 1.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the capital stock up to an amount of € 561,750,000.

The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the stockholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting stockholders' meetings). The savings shares do not have voting rights in the stockholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special stockholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year shall be appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of capital stock;
- the remaining profit, as dividends, unless otherwise resolved by the stockholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.
In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled, shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends on the dividends of the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within 5 years of the date they become payable will be statute-barred and become the property of the company and appropriated to the Extraordinary Reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of € 3.78 per each savings share;
- preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in an equal pro rata amount.

At December 31, 2008, capital stock includes € 1,325 thousand from transfers of revaluation reserves set up in the past which, in the event of distribution, would form part of the taxable income of the company.

The objectives identified by EXOR and the companies in the "Holdings System" are to create value for all stockholders, safeguard business continuity, diversify investments by sector and geography and support the growth of investment holdings.
EXOR thus aims to maintain an adequate level of capitalization which allows it to obtain a satisfactory economic return for its stockholders and guarantee economic access to external sources of financing.
EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of the investments and expected dividend flows from the operating holdings.
Although currently insignificant, a very prudent approach is adopted with regard to the use of financial leveraging.

21. Equity – Capital reserves

At December 31, 2008, the balance of € 386,347 thousand, unchanged compared to the end of the prior year, relates only to Additional paid-in capital.

22. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	**12/31/2008**	12/31/2007
Revaluation reserve Law 74, 2/11/1952	**157**	157
Revaluation reserve Law 576, 12/2/1975	**16,940**	16,940
Revaluation reserve Law 72, 3/19/1983	**64,265**	64,265
Legal reserve	**32,650**	32,650
Cash flow hedge reserve	**(4,910)**	1,776
Reserve for purchase of treasury stock	**200,000**	200,000
Extraordinary reserve	**1,051,808**	997,336
Retained earnings	**331**	50
Total retained earnings and other reserves	**1,361,241**	1,313,174

23. Equity reserves available and distributable

Disclosure required by art. 2427, 7-bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ in thousands	12/31/2008	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**386,347**	A,B,C	**386,347**
Extraordinary reserve	**458**	A,B,C	**458**
Earnings reserves:			
Revaluation reserve Law 74, 2/11/1952 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576, 12/2/1975 (b)	**16,940**	A,B,C	**16,940**
Revaluation reserve Law 72, 3/19/1983 (b)	**64,265**	A,B,C	**64,265**
Legal reserve	**32,650**	B	**0**
Cash flow hedge reserve	**(4,910)**		**0**
Reserve for purchase of treasury stock	**200,000**	A,B,C	**200,000**
Extraordinary reserve (c)	**1,051,350**	A,B,C	**980,873**
Retained earnings	**331**		**0**
Total	**1,747,588**		**1,649,040**

A: For capital increases B: For coverage of losses C: For distribution to stockholders

(a) Since the legal reserve is equal to one-fifth of capital stock at December 31, 2008, additional paid-in capital is available (art. 2431 of the Italian Civil Code).

(b) The revaluation reserves can be used for free increases of capital stock. If used to cover losses, they must be later replenished, if not, then no dividends can be distributed. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the stockholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is freely distributable except to the extent of the amount deriving from the reallocation of the reserve offsetting the stock in portfolio.

In the years 2005, 2006 and 2007, reserves were not used to absorb losses.

At December 31, 2008, tax-deferred reserves are recorded for a total of € 83,394 thousand, of which € 81,362 thousand relates to the monetary revaluation reserves and € 2,032 thousand to the legal reserve. In the event of distribution, these reserves would form part of the taxable income of the company.
In view of the unlikelihood of their distribution, no deferred taxes have been set aside in respect of such reserves.

At December 31, 2008, € 3,939 thousand of deferred expenses relating to the merger by incorporation of the subsidiary IFIL are recorded in current assets – other receivables. This amount is recorded, together with the costs incurred by IFIL, as a deduction from additional paid-in capital at March 1, 2009.

24. Equity – Treasury stock

At December 31, 2008, IFI S.p.A. directly held the following preferred shares of treasury stock:

		Amount		% of class
€ in thousands	Number	Per share (€)	Total (€ in thsd)	of stock
IFI – preferred shares	5,360,300	13.15	70,477	6.98

In 2008, there were no transactions involving preferred shares of treasury stock.

The ordinary session of the stockholders' meeting held on December 1, 2008, which revoked the previous May 14, 2008 resolution with effect on March 1, 2009, authorized the purchase of treasury stock for 18 months, pursuant to art. 2357 of the Italian Civil Code and art. 132 of Legislative Decree 58, for a maximum of 16 million shares, for a maximum amount of € 200 million.

25. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to € 150 million (€ 100 million at December 31, 2007). Interest rate swaps are in place to guarantee fixed interest rates on the entire amount; at December 31, 2008, the fair value on these contracts is negative for € 4.9 million. Bank debt is classified in non-current liabilities in relation to the residual period of the credit line granted and the duration of the relative hedging contracts.

The current portion of bank debt amounts to € 16.2 million (€ 294.3 million at December 31, 2007) and includes a loan for € 14 million due by January 2009 and bank overdrafts for the remaining amount (€ 2.2 million).

With regard to the periods in which the outgoing cash flows relating to interest rate swap contracts will reverse, reference should be made to Note 30.

At December 31, 2008, the company has credit lines for € 1,115.6 million, of which € 495.6 million is revocable and € 620 million is irrevocable. The expiration dates of the latter are as follows:

€ in millions	
Within 1 year	50
Between 2 and 3 years	405
Between 4 and 5 years	165
Total	**620**

The loan contracts relating to irrevocable lines of credit provide for commitments which are common practice in the sector for this type of debt. In particular, some of the main commitments included in certain contracts refer to the obligation of periodic disclosure, not setting up new real guarantees on the assets of the company without the prior consent of the creditors, the non-subordination of the loan, as well as, in some cases, compliance with financial ratios. Finally, there are clauses that could change the duration in the case of serious non-fulfillment such as, for example, failure to pay interest or when extremely important events arise such as a request to place the company under administration.

26. Non-current liabilities – Deferred tax liabilities

At December 31, 2008, deferred tax liabilities amount to € 3,333 thousand, unchanged compared to the prior year.

The deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investment held in the subsidiary IFIL.

27. Non-current liabilities – Provisions for employee benefits

The composition is as follows:

€ in thousands	**12/31/2008**	12/31/2007
Employee severance indemnities	**1,966**	1,918
Other provisions for employees	**47**	227
Total provisions for employee benefits	**2,013**	2,145

Details of the changes during 2008 and 2007 are as follows:

	2008			2007		
€ in thousands	**Employee severance indemnities**	**Other provisions for employees**	**Total**	Employee severance indemnities	Other provisions for employees	Total
Balance at beginning of year	**1,918**	**227**	**2,145**	1,746	64	1,810
Current service cost	**129**	**101**	**230**	113	35	148
Financial expenses	**83**	**3**	**86**	65	38	103
Contributions paid by employees			**0**	0	0	0
Actuarial (gains) losses	**5**	**(250)**	**(245)**	(2)	92	90
Benefits paid	**(169)**	**(34)**	**(203)**	(4)	(2)	(6)
Past service cost			**0**	0	0	0
(Gains) losses on curtailments and/or settlements			**0**	0	0	0
Plan changes			**0**	0	0	0
Balance at end of year	**1,966**	**47**	**2,013**	1,918	227	2,145

The analysis of employee benefits is as follows:

Employee severance indemnities

Employee severance indemnities represent the obligation due to employees by Italian law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee severance indemnities accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee severance indemnities which will be paid at the time and in relation to the termination of the employment relationship, at the currently-expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007, and require the payment of defined contributions to outside funds and entities which pay the health care benefits.

Pension plans

The company's pension plans are for employees categorized as managers and are covered by company agreements and regulations.

They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to outside funds that are legally separate and have autonomous assets.

The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee severance indemnity.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.

Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2008 and December 31, 2007, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2008	12/31/2007
Discount rate	**4.80%**	4.60%
Expected remuneration increase	**2.2-3.70%**	2-3.50%
Cost-of-living increase	**2.20%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

28. Non-current and current liabilities – Other payables

Details are as follows:

	12/31/2008		12/31/2007	
€ in thousands	**Non-current**	**Current**	Non-current	Current
Payables to INPS for solidarity fund under M.D. 158 dated 4/28/2000	**189**	**77**	0	28
Payables to employees	**0**	**317**	0	380
Payables for contributions	**0**	**202**	0	186
Fees payable to statutory auditors	**0**	**150**	0	150
Sundry	**0**	**2**	0	2
Total other payables	**189**	**748**	0	746

The Ministerial Decree 158 dated April 28, 2000 set up the “Solidarity fund for the support of the earnings, employment, reconversion and professional requalification of credit personnel”, which enjoys autonomous financial and asset management. The fund, in exceptional cases, issues checks to support the earnings of employees, on request of the employer and up to the date of entitlement to the retirement or old age pension, for employees who possess the requisites within a maximum period of 60 months from the date of termination of employment.

The payables relating to the above (€ 266 thousand in total, of which € 77 thousand is current and € 189 thousand is non-current) represent the extraordinary contribution that EXOR shall have to pay to cover the exceptional checks payable to former employees, including the relative contribution.

The difference of € 16 thousand between the total payable to INPS for the Solidarity Fund, equal to € 266 thousand, and the accrual recorded in the income statement (€ 282 thousand, please refer to Note 12 “Personnel Costs”) originated from discounting to present value the non-current portion which was credited to the income statement as financial income.

29. Current liabilities – Other financial liabilities

At December 31, 2008, these amount to € 5,460 thousand (€ 1,036 thousand at year-end 2007) and mainly include the measurement of swap contracts (€ 4,910 thousand) and other financial items (€ 550 thousand).

30. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 is presented as follows:

	12/31/2008		
€ in thousands	carrying amount	income	expenses
Financial assets			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges			
Investments held to maturity			
Loans and receivables	1,249		859
Available-for-sale assets	276	110	50
Total	**1,525**	**110**	**909**
Financial liabilities			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges	4,910	5,946	3,737
Amortized cost			
Debt	366,796	8	18,623
Total	**371,706**	**5,954**	**22,360**

	12/31/2007		
€ in thousands	carrying amount	income	expenses
Financial assets			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges	1,776	2,544	30
Investments held to maturity			
Loans and receivables	1,058	248	
Available-for-sale assets	327	163	48
Total	**3,161**	**2,955**	**78**
Financial liabilities			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges			
Amortized cost			
Debt	395,652		12,088
Total	**395,652**	**0**	**12,088**

Fair value of financial assets and liabilities and fair value estimation criteria

For EXOR S.p.A., the carrying amount of financial assets and liabilities approximates their fair value.

The fair value of trade receivables and payables and other current assets and liabilities due within the year is not significant as their accounting amount approximates fair value.

Credit risk

EXOR S.p.A. is not in effect subject to credit risk as the counterparts are mainly high-credit-quality leading banking institutions.

At December 31, 2008 and December 31, 2007, there are no financial assets past due and impaired and provisions for the impairment of receivables.

Liquidity risk

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.

The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent coupon rate with the bank counterpart was used for the projection of future maturities.

Flows relating to non-current and current bank debt are hedged by the interest rate swaps referred to in Note 25.

	2008					
€ in thousands	Within 6 months or until canceled	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	Total
Bank debt, non-current	3,521	3,482	157,233			164,236
Bank debt, current	16,181					16,181
Payables to related parties (a)	199,687					199,687
Trade payables to third parties	189					189
Derivatives designated as hedges	4,910					4,910
Total	**224,488**	**3,482**	**157,233**	**0**	**0**	**385,203**

(a) This refers to the subsidiary IFIL S.p.A. merged in 2009.

	2007					
€ in thousands	Within 6 months or until canceled	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	Total
Bank debt, non-current	2,422	2,422	109,723			114,567
Bank debt, current	296,756					296,756
Payables to related parties	147					147
Trade payables to third parties	146					146
Total	**299,471**	**2,422**	**109,723**	**0**	**0**	**411,616**

Outgoing flows from current operations are financed for the most part by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidations of assets or the receipt of suitable sources of financing that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk

EXOR S.p.A. is principally exposed to the following financial risks: currency, interest rate and price.

Currency risk
EXOR S.p.A. does not have either financial assets or liabilities denominated in currency other than Euro and is therefore not subject to direct currency risks.

Interest rate risk
The analysis of debt by interest rate shows that the rates are between 3% and 4% in 2008 (between 3.5% and 5.5% in 2007).

EXOR S.p.A. has some interest rate swap contracts in place at December 31, 2008, for a total notional amount of € 150 million. They are used to hedge the risk of fluctuations in interest rates on bank debt with a negative fair value equal to € 4,910 thousand.

A sensitivity analysis was performed on financial instruments exposed to interest rate risk at the balance sheet date. The analysis assumes that the exposure for floating-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the balance sheet date.

The effects of a change with an increase or decrease of 50 basis points in interest rates would be the following:

	12/31/2008		12/31/07	
€ in thousands	**income statement**	**balance sheet**	income statement	balance sheet
+50 bsp				
cash and cash equivalents/financing	**(1,079)**		(721)	
hedging instruments		**188**		417
-50 bsp				
cash and cash equivalents/financing	**1,079**		721	
hedging instruments		**(188)**		(440)

Price risk
EXOR S.p.A. is exposed only to the price risk deriving from its strategic investment in IFIL S.p.A., accounted for at cost, which, however, was merged with effect on March 1, 2009.

Sensitivity analysis for price risk
In view of the characteristics of the main investment of the company, a sensitivity analysis of the price risk would not be meaningful.

31. Fees to members of the board of directors and board of statutory auditors

(Art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)
All amounts in the following table are expressed in thousands of Euro.

Name	Post held	Term of office	Expiration of term of office (a)	Compensation for post held	Non-monetary benefits	Bonuses and other incentives	Other compensation (b)
Directors in office							
Elkann John	Chairman	1/1-12/31	2009				947
Teodorani-Fabbri Pio	Vice Chairman	1/1-12/31	2009	100			10
Marrone Virgilio	Chief Executive Officer	1/1-12/31	2009	100			
	General Manager	1/1-12/31	2009		17		582 (c)
Acutis Carlo	Director	1/1-12/31	2009				
Agnelli Andrea	Director	1/1-12/31	2009				77
Brandolini D'Adda Tiberto	Director	1/1-12/31	2009				722
Camerana Oddone	Director	1/1-12/31	2009				
Ferrero Ventimiglia Luca	Director	1/1-12/31	2009				
Gabetti Gianluigi	Director	1/1-12/31	2009	220			6,459 (d)
Grande Stevens Franzo	Director	1/1-12/31	2009				9
Marini Clarelli Francesco	Director	1/1-12/31	2009				
Nasi Andrea	Director	1/1-12/31	2009				
Rattazzi Lupo	Director	1/1-12/31	2009				40
Total Directors				**420**	**17**	**0**	**8,846**
Statutory Auditors in office							
Jona Celesia Lionello	Chairman	5/15-12/31	2009	42			
Ferrino Giorgio	Statutory Auditor	5/15-12/31	2009				
Piccatti Paolo	Statutory Auditor	5/15-12/31	2009				192
Total Statutory Auditors in office				**42**	**0**	**0**	**192**
Statutory Auditors no longer in office at December 31, 2008							
Ferrero Gianluca		1/1-5/15		62			13
Giorgi Giorgio		1/1-5/15		42			49
Total Statutory Auditors no longer in office at December 31, 2008				**104**	**0**	**0**	**62**

(a) The term of office expires in concurrence with the stockholders' meeting that will approve the financial statements for the year ended December 31, 2008.
(b) Fee for the posts held in companies of the group.
(c) Does not include € 77 thousand paid by Fiat S.p.A. not received but collected directly by IFI.
(d) Includes the special fee of € 5 million approved in favor of Mr Gabetti by the IFIL board of directors on May 13, 2008.

There are no key managers with strategic responsibilities in EXOR S.p.A..

The company also signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

In 2008, the chairman, John Elkann, did not receive any fee for his post. The fees of the directors Gianluigi Gabetti and Pio Teodorani-Fabbri are not linked to either the economic results of the company or targets set by the board of directors.
A part of the fees of the general manager, however, is tied to the economic results of the company and the attainment of specific targets.

Stock options granted to the directors and the general manager
(Art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)
At December 31, 2008, no stock option plan had been approved.

32. Transactions with related parties

The board of directors has adopted principles of conduct for carrying out transactions with related parties which are described in the Annual Report on Corporate Governance, available also on the website of the company (http://www.exor.com).

With regard to the year 2008, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.
Losses have not been recognized during the year for uncollectible or doubtful receivables in relation to amounts due from related parties.

A summary of the balance sheet and income statement balances generated by transactions with related parties carried out during 2008 is presented below. All amounts are expressed in thousands of Euro:

Counterpart	Trade receivables	Trade payables	Financial payables	
Giovanni Agnelli e C. S.a.p.az.	10			
G.A. Servizi S.r.l.		52		
IFIL S.p.A.	11	24	199,456	(a)
Soiem S.p.A.		118		
Fiat Group companies		36		
Other companies		1		
Directors	66			
Total transactions with related parties	**87**	**231**	**199,456**	
Total current assets	24,274			
Total current liabilities		222,409	222,409	
Ratio of total transactions with related parties to the total of the line items in the balance sheet %	**0.36%**	**0.10%**	**89.68%**	

The information regarding dividends received (€ 72,730 thousand), described in Note 9, represents almost all the income, net, received from investments.

Counterpart	Purchases of goods and services	Financial income	Revenues (c)
Giovanni Agnelli e C. S.a.p.az.			33
G.A. Servizi S.r.l.	2		
IFIL S.p.A.	68	1,456 (a)	33
Soiem S.p.A.	401 (b)		
Juventus Football Club S.p.A.	6		
Fiat Group companies	247		77
Alpitour Group companies	5		
Compensation to board members (c)			
- Chief executive officer	100 (d)		
- Vice chairman, for special mandates	100 (d)		
- Honorary chairman for special mandates	220 (d)		
Directors for services rendered			66
Total transactions with related parties	**1,149**	**1,456**	**209**
Total transactions with third parties	847	21,762	0
Total of the line items in the income statement	**1,996**	**23,218**	**209**
Ratio of total transactions with related parties to the total of the line items in the income statement %	**57.57%**	**6.27%**	**100.00%**

The most important transactions are commented below and are referenced to the notes in the preceding tables.

a) On October 10, 2008, the subsidiary IFIL granted an interest-bearing loan based on the 1-month Euribor with a spread of 0.1%. At the end of 2008, the debt, inclusive of accrued interest of € 1,456 thousand, amounts to € 199,456 thousand. Since this is a transaction between related parties, as established in the rules of Corporate Governance of the two companies, the transaction was approved beforehand by the respective boards of directors on October 10, 2008.
b) Purchases for goods and services from the subsidiary Soiem S.p.A., amounting to € 401 thousand, relate to the lease of the offices of the headquarters in Corso Matteotti 26, computer, telephone and logistics services.
c) Revenues from group companies derive from the performance of services and fees for the posts held by EXOR S.p.A. staff.
d) The fees to directors in 2008 amount to € 420 thousand. The preceding Note 31 presents the information required by art. 78 of Consob Regulation 11971, as amended by Resolution 15520 dated July 2006.

At December 31, 2008, Mr Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana shares between May 2009 and May 2013 at a price per share of € 20.46; moreover, Sequana has allocated 12,340 free shares to Mr Tiberto Brandolini d'Adda, which will be available from March 29, 2010.

Furthermore, in 2008, the director, Mr Franzo Grande Stevens, rendered professional services to Fiat S.p.A. for € 1 million (including acting as the secretary to the board of directors).

33. Fees paid to the audit firm

(art. 149 – duodecies of Consob Regulation 11971 dated May 14, 1999 and subsequent amendments)

The professional services rendered to EXOR S.p.A. by the audit firm in 2008 are the following:

€ in thousands	Party which rendered the service	Parent EXOR S.p.A.	Consolidated subsidiaries	**Total**
Type of services				
Audit	Deloitte & Touche S.p.A.	31	563	**594**
	Deloitte network		2,902	**2,902**
Total audit		31	3,465	**3,496**
Other services				
. attestation	Deloitte & Touche S.p.A.	28 (a)	7 (a)	**35**
	Deloitte network			
. other services	Deloitte & Touche S.p.A.		17 (b)	**17**
	Deloitte network			
Total other services		28	24	**52**
Total		**59**	**3,489**	**3,548**

(a) Confirmation of the financial ratios of IFIL Investments and limited review of the balance sheets of IFI and IFIL at June 30, 2008, prepared in accordance with art. 2501-quater of the Italian Civil Code.

(b) Agreed upon procedures regarding the completeness and the updating of the IFRS reporting package of the IFIL Group.

In addition, the fees for professional services paid to the Deloitte & Touche audit firm and its network by the Fiat Group (accounted for using the equity method in the consolidated financial statements of the EXOR Group) was € 22.9 million.

34. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below:

€ in thousands	**12/31/2008**	12/31/2007	Change
Cash and cash equivalents	**548**	166	382
Other financial assets from third parties, non-current	**404**	228	176
Other financial assets from third parties, current	**257**	2,242	(1,985)
Other financial liabilities to third parties, non-current	**(150,000)**	(100,000)	(50,000)
Current debt:			
- with related parties	**(199,456)**	0	(199,456)
- with third parties	**(21,641)**	(295,359)	273,718
Net financial position	**(369,888)**	(392,723)	22,835
- with related parties	**(199,456)**	0	(199,456)
- with third parties	**(170,432)**	(392,723)	222,291

35. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2008 were approved by the board of directors on March 25, 2009 which authorized their publication starting from March 31, 2009.

Turin, March 25, 2009

On behalf of the Board of Directors
The Chairman
John Elkann

EXOR

Consolidated Financial Statements
at December 31, 2008

EXOR GROUP (formerly IFI GROUP)
CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2008	2007	Change
Revenues	**10**	**2,664**	2,661	3
Other revenues from current operations	**11**	**35**	36	(1)
Purchases of raw materials and changes in inventories		**(884)**	(874)	(10)
Personnel costs	**12**	**(1,218)**	(1,190)	(28)
Costs for external services		**(425)**	(393)	(32)
Taxes and duties		**(12)**	(10)	(2)
Depreciation and amortization		**(85)**	(92)	7
Accruals to provisions and other expenses from current operations		**(78)**	(72)	(6)
Profit (loss) from current operations		**(3)**	66	(69)
Other nonrecurring income (expenses)	**13**	**(22)**	(28)	6
Operating profit (loss)		**(25)**	38	(63)
Gains on sales of investments		**86**	9	77
Cost of net debt		**(50)**	(41)	(9)
Other financial income (expenses)		**93**	123	(30)
Financial income (expenses)	**14**	**129**	91	38
Profit before income taxes		**104**	129	(25)
Income taxes	**15**	**(28)**	(43)	15
Profit (loss) of companies consolidated line-by-line		76	86	(10)
Share of the profit (loss) of companies accounted for by the equity method	**16**	**352**	587	(235)
Profit from continuing operations		**428**	673	(245)
Profit (loss) from discontinued operations or assets held for sale	**17**	**0**	(8)	8
Profit		**428**	665	(237)
of which Profit attributable to the equity holders of the parent		**302**	444	(142)
of which Profit attributable to the minority interest		**126**	221	(95)

Basic earnings attributable to the equity holders of the parent (€):	**18**			
- per ordinary share		**1.83**	2.79	(0.96)
- per savings share		**1.97**	n.a.	n.a.
- per preferred share		**1.88**	2.84	(0.96)

Basic earnings from continuing operations (€):	**18**			
- per ordinary share		**1.83**	2.82	(0.99)
- per savings share		**1.97**	n.a.	n.a.
- per preferred share		**1.88**	2.87	(0.99)

Diluted earnings attributable to the equity holders of the parent (€):	**18**			
- per ordinary share		**1.81**	n.a.	n.a.
- per savings share		**1.95**	n.a.	n.a.
- per preferred share		**1.86**	n.a.	n.a.

Diluted earnings from continuing operations (€):	**18**			
- per ordinary share		**1.81**	n.a.	n.a.
- per savings share		**1.95**	n.a.	n.a.
- per preferred share		**1.86**	n.a.	n.a.

EXOR GROUP (formerly IFI GROUP)
CONSOLIDATED BALANCE SHEET

€ in millions	Note	12/31/2008	12/31/2007	Change
Non-current assets				
Goodwill	**19**	**470**	410	60
Other intangible assets	**20**	**461**	456	5
Property, plant and equipment	**21**	**196**	195	1
Investments accounted for by the equity method	**22**	**3,253**	3,473	(220)
Other financial assets	**23**	**1,413**	2,675	(1,262)
Deferred tax assets	**35**	**17**	26	(9)
Other non-current assets	**24**	**93**	87	6
Total Non-current assets		**5,903**	7,322	(1,419)
Current assets				
Inventories, net		**3**	3	0
Trade receivables	**24**	**333**	445	(112)
Other receivables	**24**	**182**	207	(25)
Financial assets	**23**	**350**	160	190
Cash and cash equivalents	**25**	**975**	919	56
Total Current assets		**1,843**	1,734	109
Assets held for sale	**26**	**3**	3	0
Total Assets		**7,749**	9,059	(1,310)

Equity				
Attributable to the equity holders of the parent	**27**	**3,616**	4,161	(545)
Attributable to the minority interest	**29**	**1,810**	2,241	(431)
Total Equity		**5,426**	6,402	(976)
Non-current liabilities				
Provisions for employee benefits	**30**	**42**	45	(3)
Provisions for other liabilities and charges	**31**	**105**	101	4
Bonds and other debt	**34**	**1,292**	1,158	134
Deferred tax liabilities	**35**	**86**	82	4
Other non-current liabilities	**36**	**58**	101	(43)
Total Non-current liabilities		**1,583**	1,487	96
Current liabilities				
Provisions for employee benefits	**30**	**42**	113	(71)
Provisions for other liabilities and charges	**31**	**23**	14	9
Bonds and other debt	**34**	**113**	399	(286)
Trade payables	**36**	**326**	378	(52)
Other current liabilities	**36**	**236**	266	(30)
Total Current liabilities		**740**	1,170	(430)
Liabilities relating to assets held for sale		**0**	0	0
Total Equity and liabilities		**7,749**	9,059	(1,310)

EXOR GROUP (formerly IFI GROUP)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Retained earnings and other reserves	Gains (losses) recognized directly in equity	Profit for the year	Equity attributable to equity holders of the parent	Equity attributable to the minority interest	Total equity
Equity at January 1, 2007	**163**	**(70)**	**386**	**2,258**	**842**	**221**	**3,800**	**2,900**	**6,700**
Stock-based compensation				19			19	12	31
Capital stock transactions							0	41	41
Dividends distributed							0	(40)	(40)
Gains (losses) recognized directly in equity					6		6	(68)	(62)
Effect of Cushman & Wakefield Group acquisition on equity attributable to the minority interest							0	155	155
Effect of Sequana Group deconsolidation on equity attributable to the minority interest							0	(672)	(672)
Effect of IFI ownership percentage increase in IFIL				(61)			(61)	(281)	(342)
Change in scope of consolidation and other changes				(47)			(47)	(26)	(73)
Profit for the year						444	444	221	665
Movements in equity accounts				221		(221)	0		0
Total changes	0	0	0	132	6	223	361	(658)	(297)
Equity at December 31, 2007	**163**	**(70)**	**386**	**2,390**	**848**	**444**	**4,161**	**2,242**	**6,403**
Stock-based compensation				3			3	3	6
Dividends distributed							0	(34)	(34)
Gains (losses) recognized directly in equity					(820)		(820)	(385)	(1,205)
Effect of IFIL ownership percentage increase in the Fiat Group following treasury stock purchase				(22)			(22)	(9)	(31)
Effect of IFIL ownership percentage increase in the Cushman & Wakefield Group							0	(10)	(10)
Effect of IFIL ownership percentage increase in Sequana Group				1			1	1	2
Effect of IFI ownership percentage increase in IFIL following treasury stock purchase				(2)			(2)	(102)	(104)
Effect of IFI ownership percentage increase in IFIL				(3)			(3)	(15)	(18)
Change in scope of consolidation and other changes				(4)			(4)	(7)	(11)
Movements in equity accounts				444		(444)	0		0
Profit for the year						302	302	126	428
Total changes	0	0	0	417	(820)	(142)	(545)	(432)	(977)
Equity at December 31, 2008	**163**	**(70)**	**386**	**2,807**	**28**	**302**	**3,616**	**1,810**	**5,426**
Note	**27**	**27**		**27**	**27**			**29**	

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSE

€ in millions	**12/31/2008**	12/31/2007
Gains (losses) recognized directly in the cash flow hedge reserve	**(152)**	79
Transfer of fair value on cash flow hedge derivatives to income statement	**(84)**	(54)
Gains (losses) recognized directly in the reserve for changes in fair value of available-for-sale financial assets	**(427)**	(115)
Deferred taxes recognized in equity	**13**	33
Transfer of fair value to income statement	**0**	(37)
Reversal of the reserve for accumulated fair value on the stake in Intesa Sanpolo sold	**(415)**	0
Exchange gains (losses) recognized directly in the reserve for translation of foreign operations	**(108)**	(148)
Actuarial gains (losses) recognized directly in equity	**(32)**	121
Income (expense) recognized directly in equity	**(1,205)**	(121)
Profit attributable to the equity holders of the parent and the minority interest	**428**	665
Total recognized income and expense	**(777)**	544
- attributable to the equity holders of the parent	**(518)**	450
- attributable to the minority interest	**(259)**	94

EXOR GROUP (formerly IFI GROUP)
CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	2008	2007
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Profit attributable to the equity holders of the parent and the minority interest	**428**	665
Elimination of income and expenses not affecting cash:		
Share of the profit (loss) of companies accounted for by the equity method	**(352)**	(587)
Depreciation, amortization, impairments and accruals	**117**	110
(Gains) losses on disposals	**(101)**	(20)
Other (income) expenses	**17**	36
Current and deferred income taxes	**28**	43
Dividends collected from investments	**367**	126
Income taxes paid	**(16)**	(32)
Change in working capital	**(327)**	(5)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**161**	336
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	**(90)**	(87)
Proceeds from disposal of property, plant and equipment and intangible assets	**41**	39
Acquisition of the Cushman & Wakefield Group, net of cash acquired	**0**	(418)
Other investments in non-current financial assets by IFI, IFIL and the companies of the IFIL Holdings System	**(91)** (a)	(562)
Other investments in current financial assets made by companies consolidated line-by-line	**(37)**	(61)
Proceeds from disposal of 1.45% stake in Intesa Sanpaolo ordinary capital stock	**598**	0
Proceeds from the sales of non-current financial assets	**14**	27
Proceeds from disposal of 22% stake in the Sequana Group, net of cash deconsolidated	**0**	19
Other flows provided by (used in) investing activities	**(203)** (b)	752
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**232**	(291)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends paid by consolidated companies to the minority interest	**(34)**	(41)
New loans secured	**317**	1,233
Loans repaid	**(492)**	(322)
Net effect of securitization of the Alpitour Group trade receivables	**9**	9
Other flows used in financing activities	**(135)**	(253)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**(335)**	626
EFFECT OF CHANGE IN FOREIGN CURRENCIES	**(4)**	(7)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**54**	664
CASH AND CASH EQUIVALENTS, AT START OF THE YEAR	**919**	255
CASH AND CASH EQUIVALENTS, AT END OF THE YEAR	**973**	919
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**54**	664

(a) Of which € 58 million is for the subscription to Perfect Vision Limited convertible bonds, € 21 million for the subscription to a 17.03% stake in Banijay Holding and € 12 million for investments in NoCo B.

(b) These mainly refer to forms of investment of liquidity which are classified in cash and cash equivalents.

The reconciliation between cash and cash equivalents in the statement of cash flows and the corresponding line items in the balance sheet is presented in Note 25.

EXOR GROUP (formerly IFI GROUP)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

EXOR S.p.A. is the new name that IFI S.p.A. assumed on March 1, 2009, the effective date of the deed of merger by incorporation of the subsidiary IFIL S.p.A., signed on February 20, 2009.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy. The head office of the company is located in Turin, Italy, Corso Matteotti 26.
Since March 2, 2009, all three categories of EXOR shares (ordinary, preferred and savings) are traded on the Electronic Share Market of the Italian Stock Exchange. Previously, the ordinary capital stock was wholly owned by the parent, Giovanni Agnelli e C. S.a.p.az., and only the preferred shares were listed.

The assets of the company at December 31, 2008 are principally represented by the controlling investment in IFIL S.p.A., equal to 69.99% of ordinary capital stock.

Additional information is presented in the Report on Operations under “EXOR Group profile” and “Merger by incorporation of the subsidiary IFIL in IFI”.

2. Accounting policies used in the preparation of the consolidated financial statements

The 2008 consolidated financial statements have been prepared under the historical cost convention, adjusted as required for the measurement of certain financial instruments and under the going concern assumption. The Group companies, in fact, have assessed that, despite operating in a difficult economic and financial environment, no material uncertainties exist (as defined in paragraph 23 of IAS 1) about its ability to continue as a going concern.

The consolidated financial statements of the EXOR Group at December 31, 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The consolidated financial statements have also been drawn up in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

The consolidated financial statements of the EXOR Group are expressed in millions of Euro.

3. Format of the consolidated financial statements

The consolidated income statement is presented by nature of expense which is considered more representative than the presentation based on the function of expenses used by the operating companies consolidated line-by-line.

The consolidated balance sheet makes a distinction between current and non-current assets, in accordance with IAS 1.

The consolidated statement of changes in equity presents the total income and expense recognized directly as an increase and decrease of reserves in a specific section.

The consolidated statement of cash flows is presented using the indirect method. Income and expenses for the year are adjusted by the effects of non-monetary transactions, by past or future deferrals or accruals of operating collections or payments and by financial elements due to investment or financing activities.

The Euro is the functional currency and presentation currency of the Group.

4. Unusual and/or atypical transactions and significant nonrecurring events and transactions and related party transactions

Pursuant to Consob Communication 6064293 dated July 28, 2006, during 2008, there are no unusual and/or atypical transactions or significant nonrecurring events and transactions, also on the basis of information received from the companies of the Group, which are required to be disclosed as defined by that Communication.

Minor nonrecurring transactions are disclosed in Note 13.

The balance sheet and income statement balances originating from transactions with related parties are summarized and commented in Note 39.

5. Significant accounting policies

Consolidation

The companies in which the Group has the power to exercise control, directly or indirectly, by determining the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, attributing to the minority interest the share of equity and the net result.

The financial statements of subsidiaries as defined above are included in the consolidated financial statements from the date that control by the Group commences until the date that control ceases.

Pending possible amendments to IAS 27 proposed in the Exposure Draft ED 10 “Consolidated Financial Statements”, that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the EXOR Group has continued to exclude the Fiat Group, in which the subsidiary IFIL S.p.A. has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter.
However, in order to provide more meaningful disclosure, Note 42 presents consolidated pro-forma data as if the Fiat Group had been consolidated line-by-line.

The investment in the Fiat Group, the companies controlled and excluded from consolidation, the joint ventures, the associates and the other investments are accounted for by the equity method as stated according to the criteria indicated in “Investments in unconsolidated companies”.

The results of discontinued operations or assets held for sale which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs, as well as the gains (losses) on their sale.

The share of the equity and the results of operations attributable to the minority interest are disclosed separately. The minority interest in equity is determined on the basis of the fair value attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses in a consolidated subsidiary pertaining to the minority interest exceed the minority interest in the subsidiary's capital stock, the excess is charged to the Group, unless the minority interests are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profits be realized in the future, the minority interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

The effects of subscribing to capital stock increases when there are different issue prices for the various classes of stock are recognized as changes in equity.

Date of reference: investments are consolidated using the financial statements at December 31, the closing date of the parent, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of the parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, which fiscal year ends on October 31 of each year, is consolidated line-by-line on the basis of the consolidated financial statements ended on that date, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2007 and 2008, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions: intragroup balances and significant transactions and any unrealized gains and losses between companies consolidated line-by-line are eliminated. Unrealized gains and losses arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies. Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Business combinations

Acquisitions of companies and business segments are recorded using the purchase method of accounting. The cost of an acquisition is measured as the sum of the fair value (at the acquisition date) of the assets given (consideration paid), liabilities incurred or assumed and any equity instruments issued by the Group in exchange for the acquisition of the control of the acquired company, plus each cost directly attributable to the acquisition. The identifiable assets, liabilities and contingent liabilities of the company acquired, which meet the conditions for recognition under IFRS 3, are recognized at their fair value at the acquisition date, except for non-current assets (or groups of assets held for sale) which are classified as held for sale, in accordance with IFRS 5, and are recognized and measured at fair value net of selling costs.

Goodwill originating on acquisition is recognized in assets and recorded initially at cost, measured as the excess of the cost of acquisition over the Group's interest in the fair value of the recognized identifiable assets, liabilities and contingent liabilities. If this interest exceeds the cost of acquisition, the values are re-examined and if there is still an excess, it is recognized immediately in the income statement.

The share of the minority interest in the company acquired is recognized initially at the fair value of the assets, liabilities and contingent liabilities recognized.

Investments in unconsolidated companies

The investments in the Fiat Group and in associates (principally Sequana) are accounted for by the equity method in the attached consolidated financial statements. Under this method, such investments are stated at cost, increased or decreased by the Group's share of the changes of the post-acquisition movements in the net assets of the company and any impairment of the investment. When the Group's share of any losses in the unconsolidated companies exceeds its interest, the Group only recognizes the losses if it has assumed legal or constructive obligations or has made payments on behalf of these companies.

Any excess of the cost of acquisition over the Group's interest in the fair value of the assets, liabilities and contingent liabilities of the investees recorded at the date of acquisition is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment in accordance with IAS 36.

Intangible assets

Goodwill: in the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.

The excess of the cost of acquisition over the Group's interest in the fair value of those assets and liabilities is classified in the assets in the balance sheet. Goodwill relating to the minority interest of subsidiaries acquired is eliminated. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement at the date of acquisition.

On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.

In the context of IFRS first-time adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the acquisitions of businesses that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets when they are controlled by the enterprise, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value and writedowns for impairment losses. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually and more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Intangible assets with a finite useful life are amortized from the time they are ready for use on a straight-line basis over the estimated useful life.

Other intangible assets recognized following the acquisition of an enterprise are capitalized separately from goodwill if they meet the definition of intangible asset and if their fair value can be measured reliably. The costs of such intangible assets are represented by their fair value at the date of acquisition.

Amortization plans and any realizable value are reviewed at least annually.

Players' registration rights: are intangible assets with a finite useful life equal to the duration of the players' contracts. The players' registration rights are recorded at cost discounted to present value, including any incidental expenses.

Players' registration rights are amortized on a straight-line basis over the term of the contracts between the company and each individual player. The original amortization plan can be extended following the early renewal of the contract, starting from the same season in which the contract is renewed. For youth players registered as “giovani di serie”, amortization is taken over five years on a straight-line basis.

Players' registration rights are recognized on the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Players' registration rights also include sharing receivables and payables ex. art 102-bis of the N.O.I.F (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.)”.

Player sharing receivables represent the value of the simultaneous repurchase of 50% of the registration rights of the players sold. They are recognized at the adjusted cost and are not amortized as they are used by other companies. Player sharing receivables are written down when the estimated remaining useful life at the end of the sharing period is permanently below the amount recognized. Adjusted cost is the lower of the cost incurred originally under the legal form of agreement between the parties and the actual repurchase value.

Player sharing payables represent the value of the sale of 50% of the registration rights of the players sold. They are recognized at nominal value as a deduction from the value of the registration rights of the player sold to show the actual purchase value. As a result, the amortization of the players' registration rights sold relating to the player sharing agreement is calculated on that lower cost.

When there are indications of an impairment in the players' registration rights (for example, serious injury or significant losses from sales made subsequent to the reporting date) an impairment loss is recorded for the remaining carrying amount.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses, if any.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are current obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the structure is decommissioned which is recognized with a corresponding entry to a specific provision account.

Any capital investment grants are recorded in the balance sheet in liabilities and subsequently allocated systematically to the income statement in relation to the relative depreciation of the assets.

Borrowing costs associated with investments are generally charged to the income statement on an accrual basis.

Assets acquired under finance leases are recognized in property, plant and equipment with a corresponding entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if shorter than the useful life of the asset.

If an asset has significant components with different useful lives, these components are recorded and depreciated separately.

Subsequent purchase costs are capitalized only if they increase the future economic benefits of the assets to which they refer. All other costs are recognized in the income statement when incurred.

Property, plant and equipment are depreciated systematically using the straight-line method, from the time they are ready for use, over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment.

The estimated useful lives for the main categories of property, plant and equipment are as follows:

Buildings	from 10 to 40 years
Plant and machinery	from 5 to 20 years
Industrial equipment	from 5 to 20 years
Other assets	from 3 to 25 years

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Impairment losses

At every balance sheet date, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there are indications of impairment, the recoverable amount of those assets is estimated to determine the amount of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite life, including goodwill, are tested annually for impairment or whenever there are indications that the assets might be impaired.

The recoverable amount of the asset is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is lower than the relative carrying amount, the asset is reduced to the recoverable amount. An impairment loss is recognized in the income statement immediately unless the asset is represented by land or buildings other than investment property recognized at revalued amounts, in which case the loss is recognized in the respective revaluation reserve.

Where an impairment loss for assets other than goodwill subsequently no longer exists or has decreased, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized in the income statement immediately unless the asset is measured at revalued cost, in which case the reversal is made to the revaluation reserve.

Non-current other financial assets

Financial investments are recognized and reversed on the trade date if the purchase or sale of an investment is made through a contract which terms require the delivery according to the terms established by the reference market and are initially measured at fair value, increased by transaction costs.
Such financial investments are classified in the following categories: available-for-sale investments and securities and other financial assets held to maturity.

Available-for-sale investments: are measured at fair value which coincides, for listed investments, at the market price on the last day of the reporting period translated, if necessary, at the year-end exchange rate. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity should be reversed and recognized in the income statement. Given the limited number of available-for-sale investments, such evidence is assessed case by case. The reversal of such impairment losses are subsequently only made through equity. Upon disposal of the asset, the cumulative gains or losses previously recognized in a specific equity reserve are transferred to the income statement.

Dividends on investments held for sale are recognized in the income statement when the Group has the right to receive them.

Available-for-sale securities: represented by debt securities, are initially recognized at cost and subsequently measured at fair value. The difference is recognized in equity. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses, when the reasons which gave rise to them no longer exist, are reversed in the income statement but only up to the initial amount.

Securities and other financial assets: held to maturity are recognized and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is recognized initially net of principal repayments, decreased by the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Bonds with mandatory conversion into stock: are recognized by separating the bond component from the embedded derivative represented by the obligation to convert the bonds into the stock of the issuer at an established maturity date.
At initial recognition, the component represented by the bond is calculated by discounting the cash flows of the instrument to present value using the market rate of a non-convertible bond, recording the embedded derivative as the difference from the price paid.
Subsequently, the bond component is measured at amortized cost whereas the embedded derivative is measured at fair value with a corresponding entry to the income statement.

Current financial assets

Current financial assets include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if necessary, at the year-end exchange rate. The fair value adjustment of current financial assets is recorded with a corresponding entry in the income statement.

Cash and cash equivalents

Cash and cash equivalents represent highly liquid short-term financial investments which can be readily converted into cash and are subject to an insignificant risk of a change in their value.

Inventories

Inventories are stated at the lower of purchase or production cost and estimated realizable value determined using the weighted average cost method or FIFO (First In, First Out).

Inventories of finished and semifinished goods included direct costs of materials and labor and indirect variable and fixed overheads, excluding general and administrative expenses. The market price takes into account writedowns for inventory obsolescence.

Assets held for sale

Assets, or a group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year and are available for immediate sale in their current condition, are classified on specific lines on the balance sheet. If they represent significant sectors of activities, the relative results are shown separately in the income statement. In order to meet this condition, management must be committed to a plan to sell, which is highly probable of taking place within one year of classification in this category. The disclosure relating to the results of such assets, is shown separately also for the prior period.

Such assets are stated at the lower of the net carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement and, eventually, is reversed subsequently if the reasons for the impairment no longer exist, but only up to the initial amount. From the time the asset is recognized as an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer exist, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in the income statement.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.

If there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.

Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Receivables sold with recourse remain in the balance sheet of the assignor which records a payable to the buyer against collection and the financial expense to be incurred.

Receivables sold without recourse are only derecognized if it can be demonstrated that the risks and rewards relating to the asset have been effectively transferred to the assignee.
Consequently, all receivables sold which do not meet IAS 39 derecognition requirements remain in the Group financial statements even though they have been legally sold. A corresponding financial liability is recorded in the consolidated balance sheet in debt. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group balance sheet.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

The amortized cost of a financial liability is the amount at which the financial liability was recognized initially net of principal repayments, increased or decreased by the total amortization on any difference between the initial amount and the maturity amount using the effective interest method.

The effective interest rate is a method for calculating the amortized cost of a financial liability and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated payments (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period, at the net carrying amount of the financial liability.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. The Group designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.

- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Employee benefits – Pension plans

The companies of the Group offer their employees various forms of pension plans with specific characteristics that vary according to the law, the regulations and the practices in the countries in which they operate.

The pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans, contributions are paid to outside, legally separate entities with administrative autonomy, which free the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.
Consequently, the Group companies record the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Group companies have the obligation to set aside the costs relating to the benefits guaranteed to their employees in service and pay retired employees. The actuarial risk and the investment risk are thus substantially borne by the companies of the Group.
Defined benefit plans, which, for the Italian companies, include employee severance indemnities accrued to December 31, 2006, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of recognized income and expense.
All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.
For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.
Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid. The specific assumptions of each plan take into account the local economic conditions.

Defined benefit plans are in some cases covered by financial assets managed outside the Group companies. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities; in the reverse case, an asset is recognized.

The scheme for the employee severance indemnities of the Italian companies was considered a defined benefit plan up to December 31, 2006. The regulations for the employee severance indemnities scheme was modified by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations issued in the early months of 2007. In view of these changes and particularly with reference to companies with at least 50 employees, the employee severance indemnities scheme is now considered a defined benefit plan only for amounts accrued prior to January 1, 2007 (and not yet paid at the balance sheet date) whereas after that date it is considered a defined contribution plan. For Italian companies with less than 50 employees, the employee severance indemnities scheme remains a post-employment benefit under a defined benefit plan. The amount already accrued must be projected to estimate the amount payable upon termination of employment and subsequently discounted to present value using the Projected Unit Credit Method. This actuarial method is based upon demographic and financial assumptions in order to arrive at a reasonable estimate of the amount of benefits which had already been accrued for each employee based on his/her service life.

Using the actuarial calculation, a charge is made to the income statement to “Labor” for the current service cost which defines the amount of rights accrued during the year by the employee and to “Financial income (expenses)” for the interest cost which constitutes the figurative expense which the company would have incurred by securing a loan on the market equal to the amount of employee severance indemnities.

Employee benefits – Stock option plans

Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date. In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The cost is recalculated each year based upon a revision of the above-indicated estimate.

In accordance with IFRS 2, the Group has applied this standard to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

In the event the plans require a monetary payment equal to the increase in the value of shares of the enterprise, the fair value of the liability of the plan is re-measured at each reporting date until its extinction and the cost is recognized in the income statement.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the balance sheet date, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognized in the financial statements as the provision for other liabilities and charges expresses the best estimate of the monetary resources necessary to extinguish the current obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When the accrual is determined by using estimated cash flows to extinguish the obligation, the carrying amount is represented by the discounted present value of those cash flows.

Changes in estimates are recorded in the income statement in the period in which the change occurs.

The accruals mainly refer to restructuring expenses. An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or the details of the restructuring plan have been made public and that valid expectations of it have been raised.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

Current income taxes are calculated according to the tax laws in force in the countries in which the companies of the Group operate on the basis of the taxable income for the year. Taxable income is different from the income expressed in the consolidated financial statements in that it excludes costs and revenues that become taxable or deductible in other years and also excludes items which are never taxable or deductible.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes are recorded in deferred tax liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and tax payables in a specific line item under non-current assets or liabilities.

Current and deferred income taxes are recognized in the income statement except for those relating to items debited or credited directly in equity which are recognized directly in equity. With regard to business combinations, the tax effect is taken into consideration in determining the excess of the cost of acquisition over the fair value of the assets, liabilities and contingent liabilities, while no tax effect is attributed to the residual amount represented by goodwill.

Transactions in foreign currency and consolidation of foreign entities

The financial statements of each Group company are presented in the functional currency of the economic environment in which they operate. For purposes of the consolidated financial statements of the Group, the financial data of these companies is translated into Euro which is the currency of the parent and the presentation currency of the consolidated financial statements.

In the preparation of the financial statements of the individual companies of the Group, the transactions expressed in currencies other than the functional currency are recorded at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Non-monetary items are measured at historical cost and are not translated. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

For purposes of the presentation of the consolidated financial statements, the assets and liabilities of foreign companies with functional currencies different from the Euro and which are included in the scope of consolidation are translated using the exchange rate in effect at the balance sheet date (current exchange method). Items in the income statement and cash flows in the statement of cash flows are translated at the average exchange rate for the year. The translation differences resulting from the application of this method are classified in equity until the sale of the investment.
Goodwill and fair value adjustments generated by the acquisition of a foreign entity are recognized in the respective currency and translated at the year-end exchange rates.

Revenue recognition

Revenues are formed mainly by sales of services produced within the major business segments of the Group and are stated net of any adjusting items.

Revenues from services are recognized by reference to the stage of completion of the transaction at the balance sheet date and measured on the basis of the services rendered.

In particular, revenues are recognized in the main business segments as follows:

Cushman & Wakefield Group

The C&W Group's revenues are categorized into transaction services and non-transaction services. Non-transaction services include primarily capital market services and client solutions (financial advisory, asset management, valuation, corporate real estate services, and research). Fees related to transaction services are recognized as revenue at the time the related services are fully performed and the amount can be measured reliably, unless significant material future contingencies exist, in which case they are recognized when the contingency is resolved.
Asset management fees are recognized as revenue when earned, typically on a monthly basis as services are rendered.
Other revenues for fees related to non-transaction services are recognized when the assignment has been completed. Fees for ongoing professional services are recognized as revenue when earned, which is when services are rendered.
The C&W Group recognizes certain reimbursements (primarily salaries and related charges) mainly related to the facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Alpitour Group

Sales of tourist packages, airplane transportation services and brokering revenues are recognized based on the departure date.
Revenues for hotel services and services rendered in connection with the incoming sector are recognized in the income statement at the service performance date.
Premiums connected with reinsurance activities are recognized in the income statement on the client's departure date since the insurance coverage is strictly related to the travel package.

Juventus F.C.

Revenues from games, from radio and television rights and media income are recognized at the actual moment of the event (when the game is played). Revenues from season tickets are recognized when the tickets are paid even if payment is received at the end of the season preceding the season to which the tickets refer and are deferred on the accrual basis using the same principle (when the game is played).

Revenues from the performance of services (including sponsorships) are recognized on the basis of the stage of completion of the service or upon completion of the service.

Revenues are recorded net of returns, discounts and allowances.

Gains and losses from the sale of players' registration rights are recognized according the date affixed by the *National Professional League* giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Gains from the sale of players' registration rights, in which 50% is simultaneously repurchased, are adjusted for 50% of their amount in order to recognize in the income statement the income accrued for the portion of the deferred rights actually transferred through the sale. The remaining amount of the gain, instead, will only be realized upon termination of the player-sharing agreement when the player leaves the company. If there is a loss on the sale of the players' right which precedes the signing of the player-sharing contract, this loss, on the contrary, is not adjusted for IFRS purposes. This is due to the fact that the loss is comparable to the effect of an impairment test of the deferred right, under the assumption that the moment in time in which the right is disposed of represents the moment in which that loss arose.

EXOR Holdings System

Financial income is recognized according to the accrual principle on the basis of the effective rate of return.

Dividends from investments accounted for at cost are recognized in the income statement when they are approved and only from the earnings generated after the purchase of the investment holding. Instead, when the dividends are distributed from reserves generated before acquisition, the dividends are recognized as a deduction from the cost of the investment holding.

Dividends from available-for-sale investments and investments held for trading are recognized in the income statement upon approval of the appropriation.

Commission expenses

Commissions payable to brokers are recorded at the time the Cushman & Wakefield Group recognizes its brokerage commission revenues and are generally not paid until after the collection of the related commissions receivable.

Other nonrecurring income (expenses)

Other nonrecurring income (expenses) include the gains and/or the losses on the disposal of non-current assets other than discontinued operations or assets held for sale (the results of the latter are included in “Profit (loss) from discontinued operations or assets held for sale”). They may also include impairment losses on assets, restructuring costs, accruals and utilizations of provisions for liabilities.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders of the parent by the weighted average number of shares outstanding during the year, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit attributable to the equity holders of the parent is also adjusted to take into account the effects, net of taxes, of the conversion.

Basic and diluted earnings per share is calculated on the result from continuing operations and the result from discontinued operations or assets held for sale.

Segment information

Given the nature of the investments held through the subsidiary IFIL S.p.A., segment information coincides with the consolidated data of each operating subsidiary and associate holding company, each of which represents an investment in a primary reporting segment.

6. Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and assumptions are based on experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the income statement in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has led to the need to make assumptions about future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.
The following are the critical judgments and the key assumptions concerning the future that have been made in the process of applying the accounting policies and that may have the most significant effect on the amounts recognized in the consolidated financial statements or that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- the impairment test on goodwill and on the C&W Inc. Group trademarks which resulted in an impairment loss recorded for € 7 million ($9.5 million) at December 31, 2008 (see Note 19 to the consolidated financial statements);
- the impairment loss of € 7 million on the residual amount of the registration rights for the player Andrade, given that it will be impossible for the player to recover to play professionally due to a serious injury (please refer to Note 13 to the consolidated financial statements);
- the impairment loss of € 5 million on the video archives of Juventus F.C., carried out on the basis of the commercial exploitation plan and estimated cash and economic flows acquired and expected (please refer to Note 13 to the consolidated financial statements);
- the fair value adjustment to equity of the remaining investment in Intesa Sanpaolo which, at year-end 2008, showed an original purchase price in excess of the market price for € 55 million; this impairment loss, equal to 15%, was not considered objective evidence of an impairment at December 31, 2008 (please refer to Note 23 to the consolidated financial statements);
- other listed and unlisted investments accounted for at cost or fair value for which their measurement indicated no evidence of impairment.

Recoverable amount of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets and deferred tax assets. Each consolidated company periodically reviews the carrying amount of non-current assets held and used and assets that must be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows from the use or disposal of the asset, as established in company plans, and suitable discount rates in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the companies of the Group record an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the Group companies' most recent plans.

Pension plans and other post-employment benefits

Group companies sponsor pension plans and other health care plans in various countries. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group companies' actuarial consultants also use subjective factors such as resignations and mortality rates in making relevant estimates.

Contingent liabilities

The actions and claims against the companies of the Group are often the result of difficult and complex factual and legal issues, which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular action and claim, the jurisdiction and the differences in applicable law. The companies of the Group accrue a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed in the Notes.

7. Adoption of new accounting standards, amendments and interpretations issued by the IASB

Interpretations and amendments to standards effective from January 1, 2008 but not applicable to the Group

The following interpretations and amendments, applicable for 2008, relate to matters that are not applicable to the Group.

- IFRIC 12 – Service Concession Arrangements (applicable from January 1, 2008).
- IFRIC 14 – IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (applicable from January 1, 2008).
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures that would permit the reclassification of some non-derivative financial assets which are classified under the “fair value through profit or loss category” in particular circumstances. The amendment also permits the transfer of loans and receivables from the “available-for-sale” category to the “held to maturity” category where the entity has the intention and ability to hold such instruments for a specific future period. Although this amendment applies from July 1, 2008, it has had no effect on the financial statements presented herein as none of the reclassifications permitted by the amendment were carried out by the Group.

Accounting standards, amendments and interpretations not yet effective and not early adopted by the Group.

On November 30, 2006, the IASB issued IFRS 8 – Operating Segments that will become effective on January 1, 2009 and supersedes IAS 14 – Segment Reporting. The new standard requires the information provided in segment reporting to be based upon the components of the entity that management uses to make decisions about operational matters. The standard requires these operating segments to be identified on the basis of internal reports that are regularly reviewed by the entity's management in order to allocate resources to the segment and assess its performance. The adoption of this standard will have no effect on the measurement of items in the financial statements.

On March 29, 2007, the IASB issued a revised version of IAS 23 – Borrowing costs. The standard is applicable from January 1, 2009. The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The standard will be applicable prospectively to borrowing costs relating to qualifying assets capitalized starting from January 1, 2009.

On September 6, 2007, the IASB issued a revised version of IAS 1 – Presentation of Financial Statements which applies from January 1, 2009. The revised standard requires an entity to present changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (meaning changes in comprehensive income) are required to be presented either in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Transactions with non-owners may not be presented in the statement of changes in equity.
Adoption of this standard will have no effect on the measurement of items in the financial statements.

On January 10, 2008, the IASB issued a revised version of IFRS 3 – Business Combinations and an amended version of IAS 27 – Consolidated and Separate Financial Statements. The main changes that revised IFRS 3 will make to existing requirements are the elimination of the need to measure at fair value every asset and liability at each step in a step acquisition for the purpose of calculating a portion of goodwill. Instead, goodwill will be measured as the difference at acquisition date between the value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Moreover, for a business combination in which the acquirer achieves control without purchasing all of the acquiree, the remaining (non-controlling) equity interests are measured either at fair value or by using the method already provided in IFRS 3. The revised IFRS 3 also requires acquisition related costs to be recognized as expenses and the acquirer to recognize the obligation to make an additional payment (contingent consideration) as part of the business combination.
In the amended IAS 27, the IASB has added a requirement specifying that changes in a parent's interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions and recognized within equity. Moreover when a parent loses control of a subsidiary but retains an ownership interest it must initially measure any retained investment at fair value. At the date when control is lost, the difference between the fair value and the carrying amount of the retained interest must be recognized in profit or loss. Finally, the amendment to IAS 27 requires losses pertaining to non-controlling interests to be allocated to non-controlling interest equity, even if this results in the non-controlling interest having a deficit balance. The new rules will apply prospectively from January 1, 2010.

On January 17, 2008, the IASB issued an amendment to IFRS 2 – Vesting Conditions and Cancellations which clarifies that for the purpose of share-based payments measurement, vesting conditions are service conditions and performance conditions only. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply this amendment retrospectively from January 1, 2009; no effects are expected from its adoption.

On May 22, 2008, the IASB issued a series of amendments to IFRS ("Improvements"); details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out amendments regarding changes in terminology or editorial changes which are likely to have minimal effects in terms of accounting and effects on the consolidated financial statements.

- IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations: this amendment, applicable prospectively from January 1, 2010, requires an entity that is committed to a sale plan involving loss of control of a subsidiary to classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.
- IAS 1 – Presentation of Financial Statements (revised in 2007): this amendment, applicable from January 1, 2009, requires an entity to classify assets and liabilities arising from derivative financial instruments that are not classified as held for trading between current and non-current assets and liabilities. Adoption of this standard will have no effect on the measurement of items in the financial statements.
- IAS 16 – Property, Plant and Equipment: this amendment, applicable from January 1, 2009, requires an entity that in the course of its ordinary activities routinely sells items of property, plant and equipment that it has held for rental to others, to transfer such assets to inventories when they cease to be rented and become held for sale. As a consequence, the proceeds from the sale of such assets shall be recognized as revenue. Cash payments to manufacture or acquire assets held for rental to others or subsequently held for sale are cash flows from operating activities (and not from investing activities).
- IAS 19 – Employee Benefits: this amendment, applicable prospectively from January 1, 2009 to changes in benefits that occur after that date, clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognized immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. The Board also revised the definition of short-term employee benefits and long-term employee benefits and the definition of a return on plan assets, stating that this amount should be net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation).
- IAS 23 – Borrowing Costs: this amendment, applicable from January 1, 2009, revises the definition of borrowing costs.
- IAS 28 – Investments in Associates: this amendment, applicable from January 1, 2009 with prospective application also permitted, requires that for investments accounted for using the equity method a recognized impairment loss should not be allocated to any asset (and in particular to goodwill) that forms part of the carrying amount of the investment in the associate, but to the carrying amount of the investment overall. Accordingly, any reversal of that impairment loss is recognized in full.
- IAS 36 – Impairment of Assets: this amendment, applicable from January 1, 2009, requires additional disclosures to be made in the case in which an entity determines the recoverable amount of a cash-generating unit using discounted cash flows.
- IAS 38 – Intangible Assets: this amendment, applicable retrospectively from January 1, 2009, requires expenditure on advertising and promotional activities to be recognized in the income statement. Further, it states that expenditures incurred to provide future economic benefits to an entity, but where no intangible asset is recognized, must, for the supply of goods, be recognized as an expense when it has the right to access the goods. In the case of the supply of services, an entity shall recognize the expenditure as an expense when it receives the services. Moreover, the standard has been revised in order to allow entities to use the unit of production method for determining the amortization charge for an intangible asset with a finite useful life.
- IAS 39 – Financial Instruments: Recognition and Measurement: this amendment, applicable from January 1, 2009, clarifies how to calculate the revised effective interest rate on ceasing fair value hedge accounting and notes additionally that the prohibition on the reclassification of financial instruments into or out of the fair value through profit or loss category after initial recognition should not prevent a derivative from being accounted for at fair value through profit or loss when it does not qualify for hedge accounting and vice versa.

On July 31, 2008, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement which is to be applied retrospectively from January 1, 2010. The amendment clarifies how the existing principles underlying hedge accounting should be applied in particular situations.

In November 2008, the IASB also issued IFRIC 17 – Distribution of Non-cash Assets to Owners, establishing that the determination of the value of the distribution of non-cash assets should consider their fair value when it becomes mandatory to record the relative payable to the stockholders.

The amendment is applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009.

In March 2009, the IASB issued an amendment to IFRS 7 – Financial Instruments: Disclosures which is applicable from January 1, 2010, or annual periods beginning on or after July 1, 2009. The amendment requires disclosure about the measurement of fair value (methods used and, if valuations techniques are used, the assumptions adopted in determining the fair value of each class of financial asset or liability) and the liquidity risk (analysis of the maturities of financial liabilities represented by derivatives or other liabilities).

Standards, amendments and interpretations not applicable by the Group

The following standards (already applicable or applicable in the future), amendments and interpretations have also been issued, relating to matters that were not applicable to the Group at the date of the financial statements.

IAS 20 – Government Grants and Disclosure of Government Assistance: this amendment, applicable prospectively from January 1, 2009, states that the benefit of a government loan at a below-market rate of interest shall be treated as a government grant and then accounted for in accordance with IAS 20.

IAS 28 – Investments in Associates, and IAS 31 – Investments in Joint Ventures: these amendments, applicable from January 1, 2009, require specific new disclosures to be made for investments in associates and joint ventures measured at fair value in accordance with IAS 39. IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation have accordingly also been amended.

IAS 29 – Financial Reporting in Hyperinflationary Economies: the previous version of the standard did not reflect the fact that a number of assets and liabilities may or must be measured on the basis of a current value rather than historical value. This amendment, made in order to reflect this, is effective from January 1, 2009.

IAS 32 – Financial Instruments: Presentation and to IAS 1 – Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation: this amendment requires puttable financial instruments and instruments, or components of instruments that impose on an entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity instruments. This amendment is effective prospectively from January 1, 2009.

IAS 40 – Investment Property: this amendment, applicable prospectively from January 1, 2009, states that property under construction falls within the scope of IAS 40 and not that of IAS 16.

Interpretations:

- IFRIC 13 – Customer Loyalty Programmes (applicable from January 1, 2009).
- IFRIC 15 – Agreements for the Construction of Real Estate (applicable from January 1, 2009 but not yet endorsed by the European Union).
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation (issued on July 3, 2008). The main change expected to arise from this interpretation is the elimination of the possibility for an entity to apply hedge accounting for a hedge of the foreign exchange differences between the functional currency of a foreign operation and the presentation currency of the parent's consolidated financial statements. Moreover, the interpretation clarifies that in a hedge of a net investment in a foreign operation the hedging instrument may be held by any entity or entities within the group and that IAS 21 – The Effects of Changes in Foreign Exchange Rates shall be applied to determine the amount that needs to be reclassified from equity to profit or loss for the hedged item when an entity disposes of the investment. This interpretation, effective from January 1, 2009, had not yet been endorsed by the European Union at the date of these consolidated financial statements.
- IFRIC 18 – Transfers of Assets from Customers (applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009).

8. Change in the scope of consolidation

The changes in the scope of consolidation are presented below.

Cushman & Wakefield Group

In 2008, the C&W Group made some acquisitions for a total investment of $31 million (€ 22 million).
The total net fair value of the property, plant and equipment and intangible assets acquired amounts to $4.4 million (€ 3 million), while the goodwill recorded is equal to $33.2 million (€ 24 million).

Alpitour Group

In 2008, the group sold the entire investment in the subsidiary Kiwengwa Ltd (a company controlled 100% by Horizon Holidays S.A. and Alpiturismo Service of Tourism Lta) for a total equivalent amount of € 4 million. This transaction gave rise to a gain of approximately € 1 million on consolidation.
Moreover, two subsidiaries in the hotel sector were sold: Mediterranean Tourist Company S.A. and Blue Marine Tunisie S.A..
Società a Valore Sicuro S.r.l. was formed. This company is 100% controlled by Alpitour S.p.A., which conducts insurance brokerage activities under a project for the diversification and expansion of the range of insurance services offered directly to the end customer.

EXOR Holding System

With a view toward simplifying the Group's structure, the following transactions were entered into:

- on September 29, 2008, a decision was taken to put Ifilgroup Finance Limited, an Irish-registered company controlled 100% by Ifil Investissements S.A., into a voluntary wind-up;
- on November 7, 2008, a decision was taken to put Ifil Investment Holding, a Dutch-registered company controlled 100% by IFIL, into a voluntary wind-up. On the same day, Ifil Investment Holding transferred 224,194 Ifil Investissements S.A. shares which it held (20.184% of capital stock) to IFIL as an advance on the liquidation. After this transaction, IFIL directly holds 100% of the capital stock of Ifil Investissements.

Other information

With regard to the balance sheet at December 31, 2007 presented in these consolidated financial statements for comparison purposes, some reclassifications have been made to the data published at December 31, 2007 for a better reading of the balance sheet. Such reclassifications, moreover, do not have any effect on the profit or equity.

9. Segment information

Information by business segment and by geographical area, presented as set forth in IAS 14 – Segment Reporting, is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The primary reporting format consists of the business segments whereas the geographical areas make up the secondary reporting format. This distinction is based upon the nature of the risks and rewards inherent in the Group's activities and reflects the organizational structure.

The segment information presented by the EXOR Group agrees with the consolidated data of each subsidiary and associate holding company, every one of which represents an investment in a major business segment: C&W Group, Alpitour Group, Juventus Football Club, Fiat Group, Sequana Group and the EXOR Holdings System.
The segment information relating to continuing operations is presented in the following tables; the segment information relating to discontinued operations or assets held for sale is presented in Note 26.

The analysis of the income statement by business segment is as follows:

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	**Total**
2008							
Revenues	1,229	1,237	197			1	**2,664**
Operating profit (loss)	(10)	18	1			(34)	**(25)**
Financial income (expenses)	(6)	(4)	1			138	**129**
Income taxes	(4)	(11)	(8)			(5)	**(28)**
Profit (loss) of companies consolidated line-by-line	**(20)**	**3**	**(6)**			**99**	**76**
Share of the profit (loss) of companies accounted for by the equity method	(1)	1		467	(115)		**352**
Profit (loss) from discontinued operations or assets held for sale							**0**
Profit (loss)	**(21)**	**4**	**(6)**	**467**	**(115)**	**99**	**428**
Profit (loss) attributable to the equity holders of the parent	**(10)**	**2**	**(3)**	**327**	**(81)**	**67**	**302**
Profit (loss) attributable to the minority interest	**(11)**	**2**	**(3)**	**140**	**(34)**	**32**	**126**

€ in millions	Cushman & Wakefield Group (a)	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	**Total**
2007							
Revenues	1,259	1,236	165			1	**2,661**
Operating profit (loss)	74	21	(8)			(49)	**38**
Financial income (expenses)	(3)	1				93	**91**
Income taxes	(24)	(13)	(8)			2	**(43)**
Profit (loss) of companies consolidated line-by-line	47	9	(16)			46	**86**
Share of the profit of companies accounted for by the equity method	1			566	20		**587**
Loss from discontinued operations or assets held for sale					(8)		**(8)**
Profit (loss)	**48**	**9**	**(16)**	**566**	**12**	**46**	**665**
Profit (loss) attributable to the equity holders of the parent	**24**	**5**	**(7)**	**386**	**9**	**27**	**444**
Profit (loss) attributable to the minority interest	**24**	**4**	**(9)**	**180**	**3**	**19**	**221**

(a) The data refers to the period April 1 - December 31, 2007, after acquisition.

Segment assets are as follows:

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	Total
2008							
Assets							
Segment assets	1,104	277	260			21	**1,662**
Investments accounted for by the equity method		1		3,062	190		**3,253**
Other assets	108	115	38			2,570	**2,831**
Assets held for sale			3				**3**
Total assets	**1,212**	**393**	**301**	**3,062**	**190**	**2,591**	**7,749**
Liabilities							
Segment liabilities	309	235	163			24	**731**
Other liabilities	903	158	138			5,819	**7,018**
Total liabilities	**1,212**	**393**	**301**	**0**	**0**	**5,843**	**7,749**
Investments in property, plant and equipment and intangible assets	(31)	(18)	(55)				**(104)**
Amortization and depreciation	(42)	(15)	(27)			(1)	**(85)**
Impairment losses on assets	(7)		(12)				**(19)**
Cash flows							
Cash flows from operating activities	(44)	26	9			170	**161**
Cash flows from investing activities	(44)	(10)	(4)			290	**232**
Cash flows from financing activities	78	(24)	(1)			(388)	**(335)**

€ in millions	Cushman & Wakefield Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	Total
2007							
Assets							
Segment assets	973	315	255			62	**1,605**
Investments accounted for by the equity method	6	1		3,125	341		**3,473**
Other assets	230	129	26			3,593	**3,978**
Assets held for sale		3					**3**
Total assets	**1,209**	**448**	**281**	**3,125**	**341**	**3,655**	**9,059**
Liabilities							
Segment liabilities	411	265	147			32	**855**
Other liabilities	798	183	134			7,089	**8,204**
Total liabilities	**1,209**	**448**	**281**	**0**	**0**	**7,121**	**9,059**
Investments in property, plant and equipment and intangible assets	(27)	(16)	(61)			(1)	**(105)**
Amortization and depreciation	(48)	(17)	(27)				**(92)**
Impairment losses on assets		(6)	(1)				**(7)**
Other (accruals) releases of provisions	2	(3)					**(1)**
Other non-monetary costs			(15)				**(15)**
Cash flows							
Cash flows from operating activities	154	47	(16)			151	**336**
Cash flows from investing activities	(12)	4	(2)			(281)	**(291)**
Cash flows from financing activities	(60)	(17)	99			604	**626**

The following table presents an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2008			
Italy	1,265	473	70
Europe excluding Italy	457	426	10
United States	746	516	19
Rest of the world	196	247	5
Total at December 31, 2008	**2,664**	**1,662**	**104**

€ in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2007			
Italy	1,223	526	76
Europe excluding Italy	458	155	12
United States	787	779	12
Rest of the world	193	145	5
Total at December 31, 2007	**2,661**	**1,605**	**105**

10. Revenues

Details of revenues are as follows:

€ in millions	**2008**	2007	Change
Revenues from rendering tourist services	**1,237**	1,236	1
Real estate brokerage commissions	**779**	819	(40)
Revenues from property management activities (a)	**196**	149	47
Radio and television rights and media revenues	**137**	115	22
Revenues from financial consulting and property management services	**140**	200	(60)
Corporate real estate business consulting services and research	**110**	81	29
Revenues from sponsorships and advertising (b)	**43**	39	4
Revenues from season tickets and ticket office sales	**13**	9	4
Other services	**9**	13	(4)
Total revenues	**2,664**	2,661	3

(a) These are reimbursements for property management services rendered by the Cushman & Wakefield Group and received from the owners of the properties.

(b) Includes consideration (€ 13 million) for the July 1, 2007 – June 30, 2010 agreement between the Fiat Group and Juventus F.C. which gives the Fiat Group the right to exploit the images of Juventus F. C..

11. Other revenues from current operations

Details of other revenues from current operations are as follows:

€ in millions	**2008**	2007	Change
Gains on the sale of players' registration rights	**16**	19	(3)
Other income (a)	**18**	14	4
Operating grants	**1**	3	(2)
Total other revenues from current operations	**35**	36	(1)

(a) This mainly includes contributions for advertising and promotions, cost recoveries and other income of the Alpitour Group (€ 9 million) and insurance compensation and sundry income of Juventus F.C. (€ 7 million).

12. Personnel costs

Details of the composition of personnel costs are as follows:

€ in millions	**2008**	2007	Change
Salaries and wages	**(881)**	(898)	17
Employee costs relating to the property management activities of the Cushman & Wakefield Group (a)	**(196)**	(149)	(47)
Share of results paid to partners of the EMEA division of the Cushman & Wakefield Group	**(20)**	(48)	28
Social security contributions	**(52)**	(41)	(11)
Health insurance	**(30)**	(21)	(9)
Employee stock options	**(5)**	(12)	7
Other employee costs	**(21)**	(11)	(10)
Temp work costs	**(7)**	(5)	(2)
Employee severance indemnities expense	**(6)**	(5)	(1)
Total personnel costs	**(1,218)**	(1,190)	(28)

(a) The corresponding reimbursement by the owners of the properties is recorded in Revenues.

13. Other nonrecurring income (expenses)

Details are as follows:

€ in millions	**2008**	2007	Change
Impairment losses on assets	**(19)**	(9)	(10)
Net other income (expenses)	**(3)**	(19)	16
Total other nonrecurring income (expenses)	**(22)**	(28)	6

In 2008, impairments losses on assets were recognized by the subsidiaries Juventus F.C. (€ 12 million) and Cushman & Wakefield (€ 7 million) for:

- residual amount of the registration rights of the player Andrade, given that it will be impossible for the player to recover to play soccer professionally following a serious injury which occurred in July 2008, for € 7 million;
- video archives of Juventus F.C., carried out on the basis of the commercial exploitation plan and the estimated cash and economic flows acquired and expected, for € 5 million;
- goodwill recognized on the acquisition of the C&W Group in March 2007 (€ 7 million).

In 2008, net other income (expenses) comprise:

- income of € 8 million relating to the fair value change in the cash settled stock option plan approved on behalf of management of the subsidiary Alpitour;

- special fee on behalf of Mr Gabetti for € 5 million approved by the board of directors' meeting held on May 13, 2008;
- expenses for € 1 million relating to the penalty paid by the subsidiary Alpitour after it withdrew in advance from a rent contract on an Italian hotel structure;
- expenses associated with the C&W Group restructuring plan for € 6 million;
- € 2 million for the excess of IFIL's consolidated equity attributable to EXOR compared to the cost of IFIL shares purchased in January 2008;
- net expenses of Juventus F.C. for € 1 million, relating to the sale of Campi di Vinovo, formalized in 2007.

In 2007, impairment losses on assets included:

- the impairment loss of € 7 million, relating to the Juventus F.C. archives, carried out on the basis of the commercial exploitation plan and the estimated cash and economic flows acquired and expected;
- the impairment loss of € 2 million, regarding the design costs of the new Stadio delle Alpi that were capitalized in the past and are no longer recoverable in view of subsequent developments on the project.

In 2007, net other income (expenses) included:

- transaction costs and expenses incurred to close the dispute over the sale of La Rinascente for € 8 million;
- accrual for the current-year cost of € 13 million for the stock option plan approved for management of the subsidiary Alpitour;
- income of € 3 million from the reduction ruled by the Court of Appeals of Turin on the pecuniary administrative sanction imposed on IFIL S.p.A. by Consob;
- net loss from the sale of the investment in Campi di Vinovo, a company previously controlled by Juventus F.C., and the "Mondo Juve" business segment for € 1 million.

14. Financial income (expenses)

Details of the composition of financial income (expenses) are as follows:

€ in millions	2008	2007	Change
Gains (losses) on sales of investments:			
Intesa Sanpaolo (a)	**86**		86
Turismo&Immobiliare		1	(1)
Kelibia Beach S.A.		6	(6)
Gain on the contribution of the Fiorio Management business to AW Events S.r.l.		2	(2)
Net gains	**86**	9	77
Cost of net debt			
Income on current securities and cash and cash equivalents	**26**	33	(7)
Net income on exchange rate and interest rate hedging transactions	**4**	3	1
Exchange differences	**10**	(1)	11
Interest expenses on loan transactions	**(88)**	(73)	(15)
Commissions for unused credit lines	**(2)**	(3)	1
Total cost of net debt	**(50)**	(41)	(9)
Other financial income (expenses)			
Dividends received	**139** (b)	112	27
Interest income on other financial assets	**21**	12	9
Changes in the fair value of financial assets and liabilities	**(67)**	(1)	(66)
Total other financial income (expenses)	**93**	123	(30)
Financial income (expenses)	**129**	91	38

(a) Sale of 1.45% stake in ordinary capital stock.

(b) Received from Intesa Sanpaolo for € 110 million (unchanged compared to 2007), SGS for € 26 million and Gruppo Banca Leonardo for € 3 million (€ 2 million in 2007).

15. Income taxes

Details of income taxes recorded in the income statement are as follows:

€ in millions	**2008**	2007	Change
Current income taxes	**(27)**	(37)	10
Deferred income taxes	**(1)**	(6)	5
Total income taxes	**(28)**	(43)	15

In 2008, national income taxes are calculated at a rate of 27.5% on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in the various countries.

In 2007, current national income taxes were calculated at 33% and deferred income taxes at 27.5%.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge (IRES), calculated on the basis of the tax rate in effect in Italy, is the following:

€ in millions	**2008**	2007
Profit before income taxes	**104**	129
Current tax rate in Italy	**27.5%**	33%
Theoretical income taxes	**(29)**	(42)
Effective income taxes	**(28)**	(43)
Difference	**(1)**	1
The difference can be analyzed as follows:		
Tax effect of difference between foreign tax rates and the theoretical Italian tax rate	**(1)**	(2)
Effect of tax rate reduction on deferred income taxes		(2)
Tax effect of other permanent differences	**(17)**	(27)
Deferred tax benefits not recognized	**3**	25
Other differences	**14**	7
Difference	**(1)**	1

16. Share of the profit (loss) of companies accounted for by the equity method

Details are as follows:

€ in millions	**2008**	2007	Change
Fiat Group	**467** (a)	566 (a)	(99)
Sequana Group	**(115)**	20 (b)	(135)
Sundry Cushman & Wakefield Group companies	**(1)**	1	(2)
Sundry Alpitour Group companies	**1**	0	1
Total	**352**	587	(235)

(a) Includes net negative consolidation adjustments for € 7 million (-€ 1 million in 2007), mainly for the assignment of preferred dividends to the minority interest.

(b) Includes a positive consolidation adjustment for € 8 million for the writedown of goodwill on the AWA Group since it was partially amortized by IFIL in prior years.

For additional information on the companies accounted for by the equity method, reference should be made to Note 22.

17. Profit (loss) from discontinued operations or assets held for sale

In 2008, there were no discontinued operations.

In 2007, the loss from discontinued operations or assets held for sale was € 8 million and included the share of the profit of Sequana for the first half of 2007 (+€ 46 million) and the loss realized on the sale of the 22% stake in the same company (-€ 54 million).

18. Earnings per share

		2008	2007
Average number of ordinary shares (all outstanding)		**160,044,740**	86,450,000
Average number of savings shares (all outstanding)		**9,168,894**	-
Average number of preferred shares outstanding, net of treasury stock		**66,080,860**	71,441,160
Net earnings attributable to the equity holders of the parent	€ in ml	**435** (a)	444
Earnings attributable to ordinary shares	€ in ml	**293**	241
per ordinary share – basic	€	***1.831***	*2.790*
per ordinary share – diluted (c)	€	***1.810***	*n.a.*
Earnings attributable to savings shares	€ in ml	**18**	n.a.
per savings share – basic (b)	€	***1.970***	*n.a.*
per savings share – diluted (c)	€	***1.949***	*n.a.*
Earnings attributable to preferred shares	€ in ml	**124**	203
per preferred share – basic (b)	€	***1.882***	*2.842*
per preferred share – diluted (c)	€	***1.862***	*n.a.*
Earnings from continuing operations	€ in ml	**435**	449
Earnings from continuing operations attributable to ordinary shares	€ in ml	**293**	244
per ordinary share – basic	€	***1.831***	*2.823*
per ordinary share – diluted (c)	€	***1.810***	*n.a.*
Earnings from continuing operations attributable to savings shares	€ in ml	**18**	*n.a.*
per savings share – basic (b)	€	***1.970***	*n.a.*
per savings share – diluted (c)	€	***1.949***	*n.a.*
Earnings from continuing operations attributable to preferred shares	€ in ml	**124**	205
per preferred share – basic (b)	€	***1.882***	*2.875*
per preferred share – diluted (c)	€	***1.862***	*n.a.*
Earnings (loss) from discontinued operations and assets held for sale	€ in ml	**0**	(5)
Earnings (loss) from discontinued operations attributable to ordinary shares	€ in ml	*n.a.*	(5)
per ordinary share – basic	€	*n.a.*	*(0.056)*
per ordinary share – diluted	€	*n.a.*	n.a.
Earnings (loss) from discontinued operations and assets held for sale attributable to savings shares	€ in ml	*n.a.*	n.a.
per savings share – basic	€	*n.a.*	n.a.
per savings share – diluted	€	*n.a.*	n.a.
Earnings (loss) from discontinued operations and assets held for sale attributable to preferred shares	€ in ml	*n.a.*	n.a.
per preferred share – basic	€	*n.a.*	n.a.
per preferred share – diluted	€	*n.a.*	n.a.

(a) The earnings attributable to the equity holders of the parent (€ 302 million) are increased by the earnings attributable to the minority interest of IFIL (€ 133 million) in that the EXOR shares issued on March 1, 2009 to service the merger exchange ratio have dividend rights from the date of January 1, 2008.

(b) Number of shares coming from the capital stock increase, net of treasury stock.

(c) For purposes of the calculation of 2008 earnings per share, the number of ordinary shares outstanding was increased by the average number of "potentially dilutive" ordinary shares which could arise from a hypothetical exercise of stock options. Moreover, the earnings attributable to the Group were adjusted to take into account the dilutive effects arising from the theoretical exercise of stock options granted by subsidiaries and associates of the Group using their own equity instruments.

19. Goodwill

The composition of goodwill by business segment is as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Goodwill on 48,750,000 IFIL ordinary shares purchased in 2007	**68**	68	0
IFIL Group	**68**	68	0
Goodwill on the acquisition of the Cushman & Wakefield Group (Group's share)	**322**	284	38
Goodwill on other companies of the Cushman & Wakefield Group	**53**	31	22
C&W Group Inc	**375**	315	60
Jumboturismo S.A.	**11**	11	0
Altamarea V&H Compagnia Alberghiera S.p.A.	**8**	8	0
Viaggidea S.p.A.	**6**	6	0
AW Events S.r.l.	**2**	2	0
Alpitour Group	**27**	27	0
Net goodwill	**470**	410	60

The analysis of the changes in goodwill, referring entirely to the C&W Group in 2008, is as follows:

€ in millions	**12/31/2008**	12/31/2007
GROSS AMOUNT		
Opening balance	**414**	964
Changes		
Increases through business combinations:		
- Cushman & Wakefield Group (Group's share)	**0**	318
Goodwill on the purchase of IFIL ordinary shares		68
Increase in the initial goodwill of the Cushman & Wakefield Group as a result of the change in percentage of consolidation	**3**	3
Deconsolidation of the Sequana Group	**0**	(935)
Exchange differences	**19** (a)	(35)
Increases and other changes	**43**	31
Total changes	**65**	(550)
Closing balance	**479**	414
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	**(4)**	(204)
Changes		
Exchange differences		
Impairment losses recognized in the income statement (Group's share)	**(5)**	(1)
Deconsolidation of the Sequana Group		200
Other changes		1
Total changes	**(5)**	200
Closing balance	**(9)**	(4)
NET AMOUNT	**470**	410

(a) Of which € 17 million is due to the goodwill originating from the acquisition of the C&W Group Inc.

Goodwill recognized on the acquisition of the C&W Group Inc. is deemed representative of the aggregate of the future economic benefits from the investment and cannot be identified separately.

Impairment test on the goodwill and trademarks of the Cushman & Wakefield Group

The main assumptions used in the calculation of the impairment test are presented below.

For the purpose of impairment testing, the C&W Group allocates the goodwill and trademarks to the Cash-Generating Units (CGU) identified by geographical area, which represent the lowest level within the C&W Group at which these assets are monitored.

The carrying amount of goodwill and trademarks are allocated as follows:

€ in millions	Goodwill	Trademarks	Total
United States	192	94	286
Canada	30	17	47
Latin America	14	7	21
EMEA	107	56	163
Asia	32	9	41
	375	**183**	**558**

in millions	U.S. $	€
United States	130.4	94
Canada	23.5	17
Latin America	10.0	7
EMEA	78.4	56
Asia	12.7	9
Total Cushman & Wakefield Group trademarks	**255.0**	**183**

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. The impairment testing at December 31, 2008 for all CGUs is based on their estimated fair value less costs to sell.

The estimated fair value less costs to sell for each of the CGUs is determined by an independent expert. The valuation method required the determination of an indicated Total Invested Capital (TIC) amount using both the discounted cash flow method and the market approach methods, which were weighted 60% and 40%, respectively, in determining the indicated fair value of equity less costs to sell for each of the CGUs.

Discounted Cash Flow Method (DCF)

The fair value less costs to sell determined using the DCF method was weighted 60% in determining the final fair value less costs to sell for each of the CGUs. Under the discounted cash flow method, cash flows were projected for each of the CGUs based on their respective revenue and EBITDA assumptions, as outlined above, along with an estimate of a terminal year value, based on market assumptions. The 2009 revenue and EBITDA assumptions were developed in connection with the company's annual operating plan process, while the projections for 2010 through 2012 were based on the expected growth in those years relative to the 2009 annual plan.

Market Approach Method

The fair value less costs to sell determined under the market approach was weighted 40% in determining the final fair value less costs to sell for each of the CGUs. Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2008, 2009 and 2010, and then those fair values were weighted to calculate an indicated TIC value for each CGU. The multiple assumptions in these calculations were derived from data publicly available relating to the guideline companies, including information relating to their revenue and EBITDA historical performance as well as that expected in 2009 and in subsequent years.

The key assumptions used to estimate the fair values under both methods are as follows:

Assumptions	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	15.0%	15.5%	19.5%	17.8%	17.5%	18.8%
CGU specific risk	2.0%	2.0%	1.0%	1.0%	3.5%	3.0%
Tax rate	40.0%	36.5%	25.5%	28.0%	26.4%	30.4%
Working capital %	-1.5%	-1.5%	-1.5%	-1.5%	-1.5%	-1.5%
Long-term growth rate	3.0%	3.0%	4.0%	4.0%	3.0%	4.0%
Terminal value model	fading	fading	fading	fading	fading	fading
Competitive advantage period in years	3	3	3	3	3	5
2008 EBITDA multiple	9.0x	n/a	n/a	n/a	n/a	n/a
2009 EBITDA multiple	7.0x	8.5x	n/a	9.0x	8.5x	9.0x
2010 EBITDA multiple	6.0x	7.0x	8.0x	7.0x	6.3x	8.0x
General assumptions						
Control premium	25.0%					
Consolidated tax rate	33.5%					
Equity risk premium	7.1%					
Cost to sell	1.0%					

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity specific risk, country specific premiums, local cost of equity, the local statutory tax rate and debt to equity ratios. The CGU specific risk assumptions were determined after consideration of the execution risk of achieving the forecasted results for 2009 and beyond. The tax rates represent the statutory tax rates in the respective tax jurisdictions. The working capital percentage reflects recent experience and is in line with market participant levels, while the long-term growth rates were based on the estimated long-term gross domestic product and inflation. The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which it is estimated earnings growth will reduce to the stable long-term growth rate. The EBITDA multiples for 2008 through 2010 were determined through an assessment of our guideline company multiples and taking into account local market differences. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

In addition to the key assumptions outlined above, the Company developed assumptions with respect to its expected future revenue and EBITDA growth and normalized EBITDA and EBITDA margins, as follows:

UGC	2007	2008 (Partial year)	2009	2010	2011	2012
United States						
Revenue growth	n/a	n/a	3.6%	8.6%	9.1%	8.9%
EBITDA growth	n/a	n/a	55.7%	18.5%	22.1%	30.6%
Normalized EBITDA margin	9.1%	18.1%	10.2%	9.0%	10.1%	12.1%
EBITDA margin	9.3%	17.0%	8.3%	9.0%	10.1%	12.1%
Canada						
Revenue growth	n/a	n/a	-1.3%	10.0%	14.8%	14.8%
EBITDA growth	n/a	n/a	143.7%	34.0%	36.8%	35.1%
Normalized EBITDA margin	9.9%	3.4%	9.0%	11.0%	13.1%	15.4%
EBITDA margin	9.9%	3.4%	9.0%	11.0%	13.1%	15.4%
South America						
Revenue growth	n/a	n/a	-8.4%	10.0%	11.0%	12.0%
EBITDA growth	n/a	n/a	-8.4%	-18.0%	23.6%	30.0%
Normalized EBITDA margin	12.0%	13.8%	12.9%	9.6%	10.7%	12.4%
EBITDA margin	12.0%	13.8%	12.9%	9.6%	10.7%	12.4%
Mexico						
Revenue growth	n/a	n/a	-5.2%	10.0%	10.0%	10.0%
EBITDA growth	n/a	n/a	-61.8%	65.3%	15.8%	15.1%
Normalized EBITDA margin	1.1%	44.1%	8.7%	13.0%	13.7%	14.3%
EBITDA margin	1.1%	44.1%	8.7%	13.0%	13.7%	14.3%
Europe						
Revenue growth	n/a	n/a	-6.5%	10.5%	11.0%	6.0%
EBITDA growth	n/a	n/a	44.9%	42.8%	27.0%	15.0%
Normalized EBITDA margin	12.5%	24.2%	12.0%	14.0%	16.0%	17.3%
EBITDA margin	12.5%	24.2%	10.8%	14.0%	16.0%	17.3%
Asia						
Revenue growth	n/a	n/a	3.9%	15.0%	25.0%	30.0%
EBITDA growth	n/a	n/a	107.7%	17.4%	31.0%	54.4%
Normalized EBITDA margin	19.9%	19.1%	13.6%	13.9%	14.6%	17.3%
EBITDA margin	19.9%	19.1%	13.6%	13.9%	14.6%	17.3%

The resulting fair values less costs to sell and related carrying values of each of the CGUs as of the October 1, 2008 goodwill assessment date are as follows (in millions of U.S.$):

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Fair value less costs to sell	421.5	40.5	51.1	13.6	375.6	106.5
Book value of equity	431.0	37.6	32.7	7.1	322.1	83.9
	(9.5)	2.9	18.4	6.5	53.5	22.6

Due to the global credit market crisis in 2008 and the resulting impact on the business, which resulted in a significant decline in EBITDA in 2008 as compared to 2007 and the original planned results for 2008, combined with reduced expectations for 2009, the carrying amount of the United States CGU was determined to be higher than its recoverable amount and, therefore, an impairment loss of € 7 million ($9.5 million) was charged to the consolidated income statement of the Group for the year 2008 in “Other nonrecurring income (expenses)”. This impairment loss was completely allocated to goodwill on the 2007 acquisition of the C&W Group Inc. There were no such impairment losses on goodwill recorded in 2007.

The key assumptions used to determine the fair value less costs to sell represent C&W Group Inc.'s management’s best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

The estimated fair values less costs to sell are particularly sensitive to changes in the discount rate and revenue assumptions. For example:

- a 100 basis point increase in the discount rate would increase the impairment for the United States CGU by $26.4 million (€ 19 million); and
- a 10% decrease in future planned revenues would increase the impairment charge by $38.4 million (€ 27.6 million).

The fair value of the Canada CGU is more or less aligned to its carrying amount, therefore:

- a 150 basis point increase in the discount rate would cause the carrying value to exceed the recoverable amount and, therefore, cause an impairment $3 million (€ 2 million); and
- a 10% decrease in future planned revenues would cause the carrying value to exceed the recoverable amount and, therefore, cause an impairment of $3 million (€ 2 million).

C&W Group Inc. management does not believe that it is reasonably possible that a change in a key assumption on which it has based its determination of the CGU's recoverable amount would cause the CGU's carrying amount to exceed its recoverable amount.

20. Other intangible assets

The changes in other intangible assets are as follows:

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets in progress and advances	Total
Opening balance at December 31, 2006	**201**	**228**	**47**	**44**	**520**
Changes					
Increases	1	61	1	7	**70**
Increases through business combinations:					
- Cushman & Wakefield Group	194		172		**366**
- Other	4		17		**21**
Decreases		(36)	(2)		**(38)**
Exchange differences	(22)		(19)		**(41)**
Reclassification to "Assets held for sale"	(7)		(3)		**(10)**
Deconsolidation of the Sequana Group	(147)		(12)	(13)	**(172)**
Other changes and reclassifications	31	(20)	9	(38)	**(18)**
Total changes	54	5	163	(44)	**178**
Closing balance at December 31, 2007	**255**	**233**	**210**	**0**	**698**
Changes					
Increases		51	15		**66**
Decreases		(16)			**(16)**
Exchange differences	11		9		**20**
Other changes and reclassifications			(1)		**(1)**
Total changes	11	35	23	0	**69**
Closing balance at December 31, 2008	**266**	**268**	**233**	**0**	**767**
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at December 31, 2006	**(132)**	**(169)**	**(31)**	**0**	**(332)**
Changes					
Acquisitions through business combinations:					
- Other	(2)				**(2)**
Uses		26	1		**27**
Impairments	(7)				**(7)**
Amortization	(8)	(26)	(36)		**(70)**
Reclassification to "Assets held for sale"	7		3		**10**
Deconsolidation of the Sequana Group	103		9		**112**
Exchange differences	1		1		**2**
Other changes and reclassifications		20	(1)		**19**
Total changes	94	20	(24)	0	**90**
Closing balance at December 31, 2007	**(38)**	**(149)**	**(55)**	**0**	**(242)**
Changes					
Uses		7			**7**
Impairments	(5)	(7)			**(12)**
Amortization	(2)	(26)	(27)		**(55)**
Exchange differences	(1)		(3)		**(4)**
Total changes	(8)	(26)	(30)	0	**(64)**
Closing balance at December 31, 2008	**(46)**	**(175)**	**(85)**	**0**	**(306)**
NET AMOUNT					
At December 31, 2007	217	84	155	0	456
At December 31, 2008	**220**	**93**	**148**	**0**	**461**

The increase in intangible assets refers to the acquisition of players' registration rights by Juventus F.C. (€ 51 million), investments by the C&W Group (€ 14 million) and the Alpitour Group (€ 1 million).

Impairments of € 12 million are recognized by the subsidiary Juventus F.C. and included in “Other nonrecurring income (expenses)”; additional details are provided in Note 13.

At December 31, 2008, there are no commitments for the purchase of intangible assets.

In 2008, there are no research and development expenditures charged to the income statement.

Intangible assets completely amortized but still in use total € 23 million and refer to the concessions, licenses and trademarks of the Alpitour Group for € 16 million and other intangible assets for € 7 million.

“Concessions, licenses and trademarks” include:

– the amount attributed on acquisition of the C&W Group (March 2007) to the “Cushman & Wakefield” trademark, widely recognized by the market, for $255 million (€ 183 million at December 31, 2008).
  This trademark, which the C&W Group intends to renew continually, is classified as an asset with an “indefinite useful life” in that it will contribute to future cash flows indefinitely and is therefore not amortized but tested annually for impairment (Note 19).
– the government concession rights of the Alpitour Group, amortized over the duration of the original concessions.

Other intangible assets include the C&W Group's customer relationships (amortized over 16 years) and non-compete covenants (amortized over 4 years).

Players' registration rights are amortized on a straight-line basis over the period of the contracts; Juventus F.C. library products are assets with an indefinite life and are therefore tested for impairment.

21. Property, plant and equipment

The changes in property, plant and equipment are as follows:

€ in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Advances	**Total**
GROSS AMOUNT								
Opening balance at December 31, 2006	**57**	**460**	**22**	**1,864**	**216**	**57**	**0**	**2,676**
Changes								
Increases		2	2	12	33	20		**69**
Decreases		(6)		(7)	(28)			**(41)**
Reclassification to “Assets held for sale”	(1)	(18)	(1)	(8)	(9)	(1)		**(38)**
Deconsolidation of the Sequana Group	(35)	(348)		(1,844)	(161)	(63)		**(2,451)**
Increases through business combinations:								
- Cushman & Wakefield Group					45	2	1	**48**
- Other		4			6			**10**
Exchange differences		(2)		(9)	(5)	(1)		**(17)**
Other changes and reclassifications	(1)	(7)	(3)	2	18	(1)	(1)	**7**
Total changes	(37)	(375)	(2)	(1,854)	(101)	(44)	0	**(2,413)**
Closing balance at December 31, 2007	**20**	**85**	**20**	**10**	**115**	**13**	**0**	**263**
Changes								
Increases			2	1	27	7		**37**
Decreases					(5)			**(5)**
Reclassification to “Assets held for sale”						(2)		**(2)**
Change in scope of consolidation	(2)	(5)						**(7)**
Exchange differences					(5)	1		**(4)**
Other changes and reclassifications					1			**1**
Total changes	(2)	(5)	2	1	18	6	0	**20**
Closing balance at December 31, 2008	**18**	**80**	**22**	**11**	**133**	**19**	**0**	**283**
ACCUMULATED DEPRECIATION AND IMPAIRMENTS								
Opening balance at December 31, 2006	**(1)**	**(213)**	**(9)**	**(1,467)**	**(141)**	**0**	**0**	**(1,831)**
Changes								
Decreases					7			**7**
Reclassification to “Assets held for sale”		9	1	13	7			**30**
Deconsolidation of the Sequana Group	1	194		1,464	110	1		**1,770**
Increases through business combinations		(1)		1	(5)			**(5)**
Impairments						(2)		**(2)**
Impairment reversals		4		12	13			**29**
Depreciation		(9)	(3)	(36)	(26)			**(74)**
Exchange differences		1		8	1			**10**
Other changes and reclassifications		2	2		(5)	(1)		**(2)**
Total changes	1	200	0	1,462	102	(2)	0	**1,763**
Closing balance at December 31, 2007	**0**	**(13)**	**(9)**	**(5)**	**(39)**	**(2)**	**0**	**(68)**
Changes								
Decreases					2			**2**
Change in scope of consolidation		3						**3**
Depreciation		(3)	(2)	(1)	(24)			**(30)**
Exchange differences					6			**6**
Total changes	0	0	(2)	(1)	(16)	0	0	**(19)**
Closing balance at December 31, 2008	**0**	**(13)**	**(11)**	**(6)**	**(55)**	**(2)**	**0**	**(87)**
NET AMOUNT								
At December 31, 2007	20	72	11	5	76	11	0	195
At December 31, 2008	**18**	**67**	**11**	**5**	**78**	**17**	**0**	**196**

Increases in property, plant and equipment (€ 37 million) include investments made by the Alpitour Group (€ 16 million) mainly for restructuring work on the Hotel Donna Camilla Savelli in Rome and equipping the aircraft of Neos S.p.A., investments made by the C&W Group for € 17 million and those made by Juventus F.C. for € 4 million.

In 2008, no borrowing costs were capitalized. In 2007, the Alpitour Group had capitalized borrowing costs for € 1 million.

Commitments for the acquisition of property, plant and equipment amount to € 3 million at December 31, 2007 and relate to the C&W Group.

At December 31, 2008, the gross carrying amount of property, plant and equipment completely depreciated but still in use amounts to € 7 million (€ 19 million at December 31, 2007).

Finance lease contracts on property, plant and equipment

The carrying amount of property, plant and equipment includes € 19 million of assets leased under finance contracts at December 31, 2008 by Juventus F.C. for the Vinovo training center.

At December 31, 2007, the balance of € 22 million included the assets leased under finance contracts by Juventus Football Club S.p.A. and the Alpitour Group.

Leasing information is as follows:

€ in millions	Land and Buildings
Nominal amount at lease inception	22
Residual floating-rate lease debt, discounted to present value, at reporting date	17
Maturity of residual lease debt	
Within 1 year	2
Between 2 and 5 years	6
Beyond 5 years	9
	17

22. Investments accounted for by the equity method

Details are as follows:

	12/31/2008		12/31/2007		
€ in millions	% of investment	Carrying amount	% of investment	Carrying amount	Change
Fiat Group	**29.40**	**3,062**	29.01	3,125	(63)
Sequana Group	**26.91**	**190**	26.71	341	(151)
Sundry Cushman & Wakefield Group associates	**-**	**0**	-	6	(6)
Sundry Alpitour Group associates	**-**	**1**	-	1	0
		3,253		3,473	(220)

The analysis of the changes during the year is as follows:

€ in millions	12/31/2008	12/31/2007	Change
Opening balance	**3,473**	2,619	854
Increases	**0**	6	(6)
Decreases	**(5)**	(5)	0
Reclassification of the remaining interest in the Sequana Group		301	(301)
Share of profit (loss) of companies accounted for by the equity method (Note 16)	**352**	587	(235)
Translation differences	**(123)**	(42)	(81)
Dividends distributed	**(158)**	(80)	(78)
Fair value changes, cash flow hedges, actuarial gains (losses), share-based payments, recognized directly in equity	**(166)**	77	(243)
Transfer of fair value from cash flow hedges to income statement	**(84)**	0	(84)
Other movements	**(36)**	10	(46)
Total changes	**(220)**	854	(1,074)
Closing balance	**3,253**	3,473	(220)

Highlights of the Fiat Group are presented below (see also Note 42).

	Fiat Group	
€ in millions	**2008**	2007
Currency	**Euro**	Euro
Total assets	**61,772**	60,136
Current and non-current liabilities	**50,671**	48,857
Revenues	**59,380**	58,529
Profit attributable to the equity holders of the parent and the minority interest	**1,721**	2,054
Of which, attributable to the equity holders of the parent	**467**	566
Net financial position	**4,821**	1,764
Fair value of interest held by the Group based on stock market prices at the end of December	**1,600**	6,269

It should be pointed out that the carrying amount of the investment in the Fiat Group includes goodwill recognized at December 31, 2006 for € 33 million. The goodwill included in the consolidated financial statements of the Fiat Group amounts to € 3,489 million and was tested for impairment, evidencing an impairment of € 12 million.

Highlights of the Sequana Group are presented below.

	Sequana Group	
€ in millions	**2008**	2007
Currency	**Euro**	Euro
Total assets	**3,328**	3,862
Current and non-current liabilities	**2,614**	2,575
Revenues	**4,951**	4,077
Profit (loss) attributable to the equity holders of the parent and the minority interest	**(430)**	141
Of which, attributable to the equity holders of the parent	**(115)**	12
Net debt position	**791**	771
Fair value of interest held by the Group based on stock market prices at the end of December	**57**	290

Goodwill included in the consolidated financial statements of the Sequana Group amounts to € 630 million and was tested for impairment, evidencing an impairment of € 170 million.

23. Financial assets

The composition of financial assets is as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Non-current financial assets	**1,413**	2,675	(1,262)
Current financial assets	**350**	160	190
Total financial assets	**1,763**	2,835	(1,072)

Details are as follows:

	Non-current financial assets				Current financial assets	
€ in millions	**12/31/2008**	% held	12/31/2007	% held	**12/31/2008**	12/31/2007
Investments accounted for at fair value						
Intesa Sanpaolo S.p.A.	**297**	**1.00%**	1,565	2.45%	**0**	0
SGS S.A.	**869**	**15.00%**	957	15.00%	**0**	0
Gruppo Banca Leonardo S.p.A.	**88**	**9.76%**	82	9.82%	**0**	0
Banijay Holding S.A.S.	**21**	**17.03%**	0		**0**	
NoCo A LP (a)	**20**	**1.96%**	19	1.96%	**0**	0
Other investments at fair value	**1**		0		**0**	0
Total	**1,296**		2,623		**0**	0
Other investments accounted for at fair value						
NoCo B LP Fund	**24**		12		**0**	0
DLMD S Bonds	**13**		28		**0**	0
	37		40		**0**	0
Other investments accounted for at amortized cost						
Perfect Vision convertible bonds	**67**		0		**0**	0
Ocean Club Méditerranée bonds	**0**		5		**0**	0
	67		5		**0**	0
Other financial assets at fair value						
Security deposits	**8**		5		**0**	0
Credit instruments	**0**		0		**298**	104
Equity shares	**0**		0		**49**	48
	8		5		**347**	152
Other financial assets and financial receivables						
Derivative financial instruments	**4**		0		**1**	6
Receivables and other financial assets	**1**		2		**2**	2
	5		2		**3**	8
Total other investments and other financial assets	**117**		52		**350**	160
Total	**1,413**		2,675		**350**	160

(a) Includes goodwill of € 5 million originating from the acquisition of 100% of the capital stock of Ancom USA Inc by the subsidiary Ifil Investissements in 2007.

The original purchase cost of the remaining interest held in Intesa Sanpaolo is € 352 million (€ 2.982 per share); at December 31, 2008, the negative fair value adjustment recognized in equity amounts to € 55 million. Such reduction in value compared to the original cost, equal to 15%, is not considered objective evidence of its impairment at December 31, 2008.

The investment in SGS is measured at fair value on the basis of the market price at December 31, 2008, equal to CHF 1,100 per share, (at the CHF/Euro exchange rate of

1.485), with the unrealized gain of € 399 million recognized in equity. The original carrying amount of the investment in SGS is € 470 million.

The investment in Gruppo Banca Leonardo was adjusted to fair value using the “warrant equity method with excess capital”, where the Group is valued through attainment of a ROE sustainable in the long term in line with the ROE in 2007. The valuation was confirmed by a comparison with the valuation using market multiples.

Non-current financial assets include:

- Perfect Vision Limited convertible bonds, subscribed to by the subsidiary Ifil Investissements, yielding a fixed rate of 5% until conversion of the bonds in 2013, which will give Ifil Investissements a 40% equity stake in Vision Investment Management Limited.
  This is a compound financial instrument issued in U.S. dollars. The principal portion measured using amortized cost at December 31, 2008 is equal to € 67 million and the relative interest recognized in the income statement is € 2 million; the exchange differences resulting from the valuation using the year-end exchange rate recognized in the income statement amount to € 7 million. The embedded derivative was measured at fair value with a corresponding entry to the income statement for € 4 million.
- the bonds issued by DLMD, maturing on July 27, 2010, subscribed to in 2007 by the subsidiary Ifil Investissements as part of the operation for the sale of the 22% stake in Sequana to DLMD. Such bonds are guaranteed by 10,806,343 Sequana shares in addition to cash collateral of approximately € 7 million.
  In July 2008, certain clauses of the bonds were renegotiated as a result of which the bonds were subdivided into Senior and Junior bond portions. The redemption of the Junior portion, in exchange for a higher yield, is subordinate to that of the Senior portion. Ifil Investissements holds a nominal amount of € 27 million, of which € 12 million refers to the Senior portion and € 15 million to the Junior portion.
  At December 31, 2008, the Junior portion was prudently written down for the full nominal amount.

Current financial assets include:

- bonds, and other short-term financial instruments held by foreign subsidiaries of the Holdings System, which do not meet the conditions for classification as “Cash and cash equivalents”;
- equity shares and bonds held by IFIL S.p.A. for trading, listed on the major European and United States markets, measured at fair value based on market prices translated, where necessary, at year-end exchange rates, with recognition of the change in fair value in the income statement for € 11 million. Therefore, for the measurement of the securities, the company did not avail itself of the amendment, applicable from July 1, 2008, to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instrument: Disclosure;
- securities subscribed to by Alpitour (residual amount of € 36 million) as part of the securitization of trade receivables (for additional information, reference should be made to Note 39).

The analysis of changes during 2008 is as follows:

	Non-current financial assets		Current financial assets	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/2007
Opening balance	**2,675**	2,673	**160**	1,109
Increases	**91**	201	**617**	125
Decreases	**(521)**	(12)	**(363)**	(909)
Increases through business combination of the Cushman & Wakefield Group		2		
Fair value recognized in equity	**(422)**	(97)	**(4)**	
Reversal of the accumulated fair value on the stake sold in the investment in Intesa Sanpaolo	**(415)**			
Fair value recognized through the income statement	**(11)**		**(59)**	
Deconsolidation of the Sequana Group		(105)		(172)
Exchange differences	**8**	(1)		(1)
Change in the scope of consolidation		29		2
Other changes and reclassifications	**8**	(15)	**(1)**	6
Total changes	**(1,262)**	2	**190**	(949)
Closing balance	**1,413**	2,675	**350**	160

Increases in non-current financial assets (€ 91 million) refer to investments made by the subsidiary Ifil Investissements. They include:

- the subscription to Perfect Vision Limited convertible bonds for € 58 million;
- the investment in Banijay Holding S.A.S. (17.03% of capital stock) for € 21 million, as part of the total commitment assumed by Ifil Investissements for € 42 million;
- the investments in NoCo B for € 12 million.

Decreases in non-current financial assets (€ 521 million) refer to:

- sale of the 1.45% stake in Intesa Sanpaolo ordinary capital stock for € 513 million;
- reimbursement of Ocean Club Méditerranée bonds for € 5 million;
- reduction of interest-earning deposits of the Alpitour Group € 3 million.

At December 31, 2008, the negative change in the investment in Intesa Sanpaolo, equal to € 1,268 million, is the result of the reversal of the carrying amount (-€ 928 million) of the stake sold (1.45% of ordinary capital stock) and the adjustment of the remaining interest to fair value at the end of the year (-€ 340 million).
The reversal of the carrying amount of the interest sold (-€ 928 million) includes the original purchase cost of € 513 million and the accumulated fair value of € 415 million.

The negative change in "fair value recognized in equity" (-€ 422 million) comprises the fair value adjustment at year-end 2008 of the investments in Intesa Sanpaolo (-€ 340 million), SGS (-€ 87 million) and Gruppo Banca Leonardo (+€ 5 million).

The change in fair value recognized through the income statement includes the impairment loss on the Junior portion of the bonds issued by DLMD for € 15 million and the positive value on the embedded derivative for € 4 million separated from the Vision bonds.

Increases in current financial assets (€ 617 million) include investments in securities and investments held for trading made by the subsidiary IFIL S.p.A. (€ 398 million) and the subsidiary Ifil Investissements (€ 180 million) and securities subscribed to by the subsidiary Alpitour (€ 36 million) and other for € 3 million.

Decreases in current financial assets are the result of the realization of investments in which a part of the liquidity was temporarily invested. The remaining balance of liquidity is included in “Cash and cash equivalents”.

The fair value of current securities is calculated using the market price at the balance sheet date.

Non-current other financial assets, excluding investments, by maturity, are as follows:

€ in millions	**12/31/2008**	12/31/2007
Within 1 year	**1**	5
From 1 to 3 years	**15**	32
From 3 to 5 years	**76**	2
Beyond 5 years	**25**	13
Non-current other financial assets, excluding investments	**117**	52

24. Other assets

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Other non-current assets			
Commissions receivable	**10**	12	(2)
Receivables for disposals of property, plant and equipment and intangible assets	**10**	9	1
Other assets	**73**	66	7
Total other non-current assets	**93**	87	6
Other current assets			
Commissions receivable			
Gross amount of commissions receivable	**222**	307	(85)
Provision for impairment	**(11)**	(5)	(6)
	211	302	(91)
Trade receivables			
Gross amount of trade receivables	**144**	164	(20)
Provision for impairment	**(24)**	(24)	0
Trade receivables from related parties	**2**	3	(1)
	122	143	(21)
Total trade receivables	**333**	445	(112)
Other receivables			
Receivables for direct taxes	**72**	79	(7)
Receivables for indirect taxes	**6**	5	1
Receivables for disposals of property, plant and equipment and intangible assets	**24**	43	(19)
Other receivables	**79**	78	1
Other receivables from related parties	**1**	2	(1)
Total other receivables	**182**	207	(25)
Total other current assets	**515**	652	(137)
Total other non-current and current assets	**608**	739	(131)

Other assets include receivables from the sale of the remaining investment in Campi di Vinovo S.p.A. and the "Mondo Juve" business segment for € 34 million (€ 24 million presented in non-current assets and € 10 million in current receivables) by the subsidiary Juventus F. C. in addition to the receivable from Costruzioni Generali Gilardi S.p.A. for the sale of the investments in Campi di Vinovo S.p.A. for € 8 million (of which € 5 million presented in non-current assets and € 3 million in current receivables). The receivables due from Campi di Vinovo were discounted to present value based on an estimate of collections times (various installments from 2009 to 2013) and are guaranteed. If this guarantee is used it would mean that Juventus F.C. would develop the initiative on its own.

In 2008, Campi di Vinovo S.p.A. concluded the administrative procedures connected with the commercial permits, including the design modification envisaged by the contract sealed between Juventus F.C. and the buyer Costruzioni Generali Gilardi S.p.A. on July 26, 2007.
On December 22, 2008, Costruzioni Generali Gilardi S.p.A. notified Juventus F.C. that the other company with which it had signed an agreement for the development of the "Mondo Juve" commercial center indicated that it did not wish to execute the contract. As a result of the difficulty in executing the above contract, Costruzioni Generali Gilardi S.p.A. was not able to make the payment by December 31, 2008 as established in the agreements signed with Juventus F.C. on July 26, 2007 (€ 12.5 million). Following Costruzioni Generali Gilardi S.p.A.'s explicit request, on February 5, 2009, Juventus F.C. and Costruzioni Generali Gilardi S.p.A. then signed a private contract for the novation and integration of the previous agreements in order to change the payment terms of the installment due on December 31, 2008 as follows: € 4 million by February 20, 2009 (duly paid) and the remaining € 8.5 million by December 20, 2009, which can be extended by agreement between the parties upon payment of interest to Juventus F.C.. As for the other payment dates fixed in the July 26, 2007 contract (€ 12.5 million at the end of the first year after the commercial center is opened to the public and, in any case, no later than December 31, 2012, and € 17.4 million at the end of the second year after the opening of the commercial center to the public and, in any case, no later than December 31, 2013), these dates may be postponed if and when Costruzioni Generali Gilardi S.p.A. obtains the extension of the commercial permits relating to the initiative (currently expiring in 2013).

The breakdown of other assets by maturity is as follows:

€ in millions	Within1 year	From 2 to 5 years	Beyond 5 years	**Total**
Other non-current assets	2	89	2	**93**
Trade receivables and commissions receivable	333			**333**
Other receivables	121		61	**182**
Balances at December 31, 2008	**456**	**89**	**63**	**608**
Other non-current assets		80	7	**87**
Trade receivables and commissions receivable	445			**445**
Other receivables	188		19	**207**
Balances at December 31, 2007	**633**	**80**	**26**	**739**

25. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the statement of cash flows and the corresponding line items on the balance sheet is as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Cash and cash equivalents	**975**	919	56
Bank overdrafts and bank borrowings	**(2)**	0	(2)
Net cash and cash equivalents	**973**	919	54

Cash and cash equivalents include demand or short-term deposits and readily negotiable money market instruments and bonds; such investments are allocated over an appropriate number of counterparts, with the principal purpose of having investments which can readily be convertible into cash. The counterparts are chosen according to their creditworthiness and reliability.
However, in consideration of the current financial crisis, market conditions which might negatively affect normal operations of financial transactions cannot be excluded.

26. Assets held for sale

At December 31, 2008, assets held for sale amounting to € 3 million include the costs capitalized for the development of the commercial areas outside the Stadio Delle Alpi, following the preliminary contract signed between Juventus Football Club and Nordiconad Soc. Coop. for the purchase and sale of a business segment.

At December 31, 2007, assets held for sale amounting to € 3 million included property, plant and equipment of the companies Kiwengwa Ltd (€ 1 million) and Mediterranean Tourist Company (€ 2 million) held by the Alpitour Group which were sold in April 2008 for a total equivalent amount of € 7 million on the basis of a preliminary agreement signed in December. In addition, the investment in Semana S.r.l., held by Juventus Football Club (€ 30 thousand), was sold on March 4, 2008 to ESE S.p.A., which was already a stockholder of the company.

27. Equity

Equity attributable to the equity holders of the parent – Capital stock

At December 31, 2008, the capital stock, fully subscribed to and paid-in, amounts to € 163,251,460 and consists of 86,450,000 ordinary shares (52.96% of capital stock) and 76,801,460 (47.04% of capital stock) preferred shares all with a par value of € 1 each. The ordinary capital stock of the company is held entirely by Giovanni Agnelli e C. S.a.p.az.. Only preferred shares are listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment).

On March 1, 2009, the capital stock of EXOR was increased from € 163,251,460 to € 246,229,850 through the issue of 73,809,496 ordinary shares and 9,168,894 savings shares, all with a par value of € 1, with dividend rights from January 1, 2008. Such shares were attributed to the stockholders of the merged company IFIL in a ratio of 0.265 EXOR ordinary shares for each IFIL ordinary share and 0.265 EXOR savings shares for each IFIL savings share.

Following the merger, the capital stock of EXOR amounts to € 246,229,850 and consists of 160,259,496 ordinary shares, 76,801,460 preferred shares and 9,168,894 savings shares, all with a par value of € 1.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the capital stock up to an amount of € 561,750,000.

The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the stockholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting stockholders' meetings). The savings shares do not have voting rights in the stockholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special stockholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year shall be appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of capital stock;
- the remaining profit, as dividends, unless otherwise resolved by the stockholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.
In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled, shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.
The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends on the dividends of the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within 5 years of the date they become payable will be statute-barred and become the property of the company and appropriated to the Extraordinary Reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of € 3.78 per each savings share;
- preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in an equal pro rata amount.

The objectives identified by EXOR and the companies in the “Holdings System” are to create value for all stockholders, safeguard business continuity, diversify investments by sector and geography and support the growth of investment holdings.
EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for stockholders and guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings.
Although currently insignificant, a very prudent approach is adopted with regard to the use of financial leveraging.

Equity attributable to the equity holders of the parent – Retained earnings and other reserves and Gains (losses) recognized directly in equity

Details are as follows:

	Retained earnings				Gains (losses) recognized directly in equity				
€ in millions	Legal reserve	Other reserves and retained earnings	Reserve for stock-based compensation	Total	Reserve for translation differences	Fair value reserve	Cash flow hedge reserve	Reserve for actuarial gains(losses)	Total
Equity at January 1, 2007	**33**	**2,218**	**7**	**2,258**	**63**	**826**	**16**	**(63)**	**842**
Stock-based compensation			19	19					
Effect of fair value change to investments and securities						(74)			(74)
Deferred taxes on fair value change to investments and securities						25			25
Transfer of fair value to income statement						(25)			(25)
Fair value change to cash flow hedge derivatives							52		52
Transfer of fair value on cash flow hedges to income statement							(36)		(36)
Actuarial gains (losses) recognized in equity								79	79
Exchange gains (losses) on the translation of foreign operations					(71)				(71)
Deferred taxes recognized in equity					(1)			(1)	(2)
Effect of IFI ownership percentage increase in IFIL		(61)		(61)	5	59	1	(4)	61
Other changes		(47)		(47)	(2)	(2)		1	(3)
Movements in equity accounts		221		221					0
Total changes	0	113	19	132	(69)	(17)	17	75	6
Equity at December 31, 2007	**33**	**2,331**	**26**	**2,390**	**(6)**	**809**	**33**	**12**	**848**
Stock-based compensation			3	3					
Effect of fair value change to investments and securities						(299)			(299)
Deferred taxes on fair value change to investments and securities						8			8
Release of the fair value reserve due to disposal of investment in Intesa Sanpaolo						(294)			(294)
Changes in fair value of cash flow hedge derivatives							(108)		(108)
Transfer of fair value on cash flow hedge derivatives to income statement							(59)		(59)
Actuarial gains (losses) recognized in equity								(22)	(22)
Exchange gains (losses) on the translation of foreign operations					(74)				(74)
Deferred taxes recognized in equity			(1)	(1)	1			1	2
Effect of IFIL ownership percentage increase in the Fiat Group following treasury stock purchase		(22)		(22)	1				1
Effect of IFIL ownership percentage increase in the Sequana Group		1		1					
Effect of IFI ownership percentage increase in IFIL following treasury stock purchase		(3)	1	(2)		21	1	1	23
Effect of IFI ownership percentage increase in IFIL		(3)		(3)		3			3
Other changes		(6)	1	(5)					
Movements in equity accounts		444		444					
Total changes	0	411	4	415	(72)	(561)	(166)	(20)	(819)
Equity at December 31, 2008	**33**	**2,742**	**30**	**2,805**	**(78)**	**248**	**(133)**	**(8)**	**29**

Equity attributable to the equity holders of the parent – Treasury stock

At December 31, 2008, EXOR S.p.A. directly holds the following preferred treasury stock:

		Carrying amount		% of
	Number	Per share (€)	Total (€ml)	class
IFI – preferred shares	**5,360,300**	**13.15**	**70.5**	**6.98**

28. Stock option plans

At December 31, 2008, there are no stock option plans with underlying EXOR stock.

Stock option plans with underlying IFIL stock

The ordinary session of the IFIL stockholders' meeting held on May 13, 2008 approved a stock option plan for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the "Holdings System") who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options. At December 31, 2008, a total of 6,525,000 options had been granted to 17 key employees.

The Plan is aimed at attracting and retaining managerial resources who hold important positions in the company while at the same time involving them in achieving performance objectives and aligning the economic incentives to the value of the company for the stockholders. The vesting period of the options granted will start from May 14, 2014 to May 14, 2016 and precisely: the first part, equal to 25% of the options, will vest on May 14, 2014, the second part, again equal to 25% of the options, will vest on May 14, 2015 and the third part, equal to 50% of the options, will vest on May 14, 2016.

The exercise price of the options granted is € 5.291 and equal to the arithmetic average of the official stock market prices of IFIL ordinary shares recorded at Borsa Italiana S.p.A. in the month prior to the date of the stockholders' meeting that approved the Plan.

The Plan will be implemented by granting the recipients free options on treasury stock purchased by IFIL S.p.A. or by companies of the "Holdings System" in accordance with existing laws.

From an accounting standpoint, the plan represents an "equity-settled stock-based payment transaction" discussed under paragraph 10 and subsequent articles of IFRS 2 and requires that the fair value of the services received be measured in reference to the fair value of the equity instruments at the grant date.

The fair value of services received must be recorded during the option vesting period with a corresponding increase in equity.

The valuation was made by an independent expert assuming that the options would be exercised by May 15, 2016 using the Black-Scholes model based on the following parameters:

Valuation date	5/13/2008
IFIL stock price at grant date	€ 5.286
Exercise price	€ 5.291
Volatility calculated using a trend analysis model (%)	30.56%
Vesting period	8 years
Expected dividends (%)	2.15%
Risk-free interest rate	4.1114%
Turnover rate (%)	1%

The fair value of the 9,525,000 options granted was determined to be € 15,263 thousand, divided as follows:

€ in thousands	Number of options granted	Total cost	Cost referring to the year
Chief executive officer IFIL S.p.A.	3,000,000	4,807	376
Key employees IFIL S.p.A. (13)	4,425,000	7,091	554
Total IFIL S.p.A.	7,425,000	11,898	930
Key employees of Ifil Investissements S.A. and other subsidiaries in the Holdings System (4)	2,100,000	3,365	273
Total	**9,525,000**	**15,263**	**1,203**

The cost referring to the year amounts to € 1,203 thousand, of which € 376 thousand is classified as fees of the chief executive officer and € 827 thousand as personnel costs. The corresponding entry of € 1,203 thousand is recorded in the stock option reserve.
The plan will continue in EXOR S.p.A. with the underlying ordinary shares of the same company. The adjusted number of options granted is 2,524,125 and the adjusted exercise price is € 19.97.

Stock option plan with underlying Alpitour stock

On December 15, 2005, in execution of the resolution passed by the board of directors' meeting held on November 11, 2005, the Executive Committee of IFIL S.p.A. approved a stock option plan for two managers of the Alpitour Group designed to promote their loyalty to the IFIL Group and provide an incentive to develop and appreciate the investments of the IFIL Group in the tourism sector.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock.
After approval on the part of IFIL S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares to other managers who hold important operating positions equal to 4% of Alpitour's capital (now 1,418,000 shares).
The purchase options may be exercised, at one or more times, during the period between the dates of the approval of the 2006/2007 and 2008/2009 Alpitour financial statements at the price of € 2.24 per share, corresponding to the valuation of the Alpitour Group, equal to € 79.4 million, performed in December 2005 by a specially appointed expert.
IFIL S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of the appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every reporting date, until plan expiration.

At December 31, 2008, the fair value of each option right of the plan is estimated at € 2.07 for a total of € 8,075 thousand (€ 15,871 thousand at December 31, 2007) recorded in "Other current liabilities". The reduction of the liability from last year (€ 7,796 thousand) was recognized in the income statement in "Other nonrecurring income (expenses)", as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

Stock price at grant date (€)	(a)	2.24
Exercise price (€)	(a)	2.24
Underlying stock price at 12/31/2008 (€)	(b)	4.14
Estimated volatility (%)	(c)	48.05%
Remaining option life (months)	(d)	13
Estimated dividends (%)	(e)	0.00
Risk-free interest rate (%)	(f)	4.39%

(a) The exercise price of the options was assumed to be equal to the par value of one ordinary Alpitour S.p.A. share at the grant date, quantified on the basis of an estimate performed by an independent expert.

(b) The fair value of the underlying share (Alpitour S.p.A. ordinary share) at the date of reference of December 31, 2008, was quantified on the basis of an internal estimate prepared by applying valuation principles consistent with those used in December 2005 by the independent expert.

(c) The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour S.p.A..

(d) The expiration date of the options was established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2008/2009, fixed, conventionally, as January 31, 2010. At the date of reference of December 31, 2008, the options thus have a remaining life of 13 months (1 year and 1 month). The options vested at the end of the vesting period (January 31, 2008) and can be exercised from that date until the contractual expiration date (January 31, 2010).

(e) The application of the valuation model assumes the absence of the payment of dividends.

(f) The risk-free interest rate is assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
An assumption was also included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Cushman & Wakefield Group stock option plans

There are two separate stock option plans which are summarized in the following table: "Employee Stock Purchase Plan Options" and "Management Options":

	Employee Stock Purchase Plan			Management Options		
	Tranche 1	Tranche 2	Total	EBITDA	EBITDA Margin	Total
Date of board of directors' meeting	12/19/05	12/19/05		3/30/07	3/30/07	
Number of options granted	11,166	7,385	18,551	8,070	5,380	13,450
Grant date	12/14/05	06/29/06		4/1/07	4/1/07	
Vesting date	1/1/08	1/1/09		2008/2012	2008/2012	
Exercise price at grant date	$548	$782		$1.259	$1.259	
Term of options post-vesting	10 years	10 years		10 years	10 years	
Options forfeit prior to December 31, 2006	(938)		(938)			
Options assumed by C&W Group at April 1, 2007	10,228	7,385	17,613	8,070	5,380	13,450

The Employee Stock Purchase Plan options outstanding at December 31, 2008 have an exercise price in the range of $548 and $782 and an average remaining contractual life of approximately 7 years.

The Management Options outstanding at December 31, 2008 have an exercise price of $1,259 and an average remaining contractual life of approximately 8 years.

	2008			
	Employee Plan		Management Options	
	Number of shares	Average exercise price ($)	Number of shares	Average exercise price ($)
Outstanding at 1/1/2008	12,054	685.91	13,450	1,258.68
Granted during the period	-	-	2,195	1,251.17
Exercised during the period	(16)	548.02	-	1,258.68
Forfeited during the period	(302)	548.02	(950)	1,258.68
Cancelled during the period	(7,092)	782.39	(328)	1,258.68
Outstanding at 12/31/2008	4,644	782.39	14,367	1,279.41
Exercisable at 12/31/2008	4,644	548.02	1,092	1,258.68

	2007			
	Employee Plan		Management Options	
	Number of shares	Average exercise price ($)	Number of shares	Average exercise price ($)
Outstanding at 4/1/2007	17,613	646.29	13,450	1,258.68
Granted during the period	-	-	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	(597)	663.05		
Cancelled during the period	(4,962)	548.02		
Outstanding at 12/31/2007	12,054	685.91	13,450	1,258.68
Exercisable at 12/31/2007	4,962	548.02	-	-

In accordance with the provisions of IFRS 2, the appraisal was based on the Black-Scholes pricing model using the following assumptions:

	Employee Plan		Management Options	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Stock price at grant date ($)	578.68	906.73	1,190 – 1,332	1,298.87
Exercise price at grant date ($)	548.02	782.39	1,190 – 1,332	1,258.68
Estimated volatility (%)	35%	35%	40%	35%
Remaining option life (years)	6.5	6.5	10.0	10.0
Expected dividends (%)	1.20	1.22	n.a.	n.a.
Risk-free interest rate (%)	4.22%	5.12%	3.85 – 4.00	4.74

The volatility is based on the historical volatility of comparable public companies.
Because the C&W Group does not have historical exercise data, it used the midpoint between the vesting date and the contractual term to determine the expected term of the stock options.

During 2008, costs of € 5 million were capitalized for both stock option plans.

29. Equity attributable to the minority interest

		12/31/2008			12/31/2007		
€ in millions	%	**Capital and reserves**	**Profit (loss)**	**Total**	Capital and reserves	Profit (loss)	Total
IFIL Group	30	**1,684**	**126**	**1,810**	2,020	221	2,241

30. Provisions for employee benefits

The companies of the Group provide post-employment benefits for their active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group companies operate, the benefits generally being based on the employees' remuneration and years of service. Post-employment benefits are provided under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the Group companies pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contribution cost is recognized when the employee has rendered his/her service and this cost is recorded in the income statement in "Personnel costs".

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by a company, and sometimes by its employees, into a company, or fund, that is legally separate from the employer and from which the employee benefits are paid. Finally, the companies of the Group grant certain other long-term benefits to its employees; these benefits include those generally paid when an employee attains a certain level of seniority or when a specified event occurs. In this case the measurement of the obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Details of the provisions for employee benefits recognized in the financial statements at December 31, 2008 and 2007 are the following:

	Non-current part		Current part	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/2007
Employee severance indemnities	**24**	24	**2**	4
Pension plans	**13**	10	**0**	0
Total post-employment benefits	**37**	34	**2**	4
Other employee benefits	**5**	11	**40**	109
Total provisions for employee benefits	**42**	45	**42**	113

Post-employment benefits

Employee severance indemnities

Employee severance indemnities relating to the companies of the Group operating in Italy represent the obligation due to employees by law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee severance indemnities accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

In accordance with IAS 19 – Employee Benefits, the Italian companies of the Group have included employee severance indemnities in defined benefit plans and measure them with actuarial techniques using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, the parent EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements. These are described in Note 27 to the separate financial statements.

Pension plans

The C&W Group funds a certain number of defined contribution plans set up pursuant to the laws in force in the countries in which it operates.

The European partnership (C&W UK) also provides a form of hybrid pension plan (UK Plan) which has features of both defined contribution and defined benefit plans.

C&W UK ceased its contributions to the plan effective March 31, 2002 and, subject to certain transitional agreements, introduced a defined benefit plan for employees starting from that date.

Changes in the present value of post-employment benefit obligations and the fair value of assets servicing the plans during the course of the last two years are as follows:

€ in millions	Balance at 12/31/2007	Current service cost	Financial expenses	Actuarial gains (losses)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2008**
Present value of obligation:									
Employee severance indemnities	28	5		1	(4)			(4)	**26**
Pension plans	55		3	(2)	(1)		(13)		**42**
	83	5	3	(1)	(5)	0	(13)	(4)	**68**
Other post-employment benefits	0								**-**
Total post-employment benefits	83	5	3	(1)	(5)	0	(13)	(4)	**68**
Other long-term benefits	11	4			(10)				**5**
Other short-term benefits	109				(44)		2	(27)	**40**
	203	9	3	(1)	(59)	-	(11)	(31)	**113**
Of which:									
Funded plans (wholly or partly)	55								**42**
Unfunded plans	148								**71**

€ in millions	Balance at 12/31/2007	Expected return on assets	Contributions paid by company	Actuarial gains (losses)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2008**
Fair value of the plan assets:									
Pension plans	45	3	-	(11)	(1)		(10)	3	**29**
Total post-employment benefit plans	45	3	-	(11)	(1)	-	(10)	3	**29**
Total net liabilities at December 31, 2008	**158**	**6**	**3**	**10**	**(58)**	**-**	**(1)**	**(34)**	**84**

€ in millions	Balance at 12/31/2006 (a)	Current service cost	Financial expenses	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2007**
Present value of obligation:										
Employee severance indemnities	27	6		1	(7)	3	(1)	1	(2)	**28**
Pension plans	0		3	(6)	(1)	65		(6)		**55**
	27	6	3	(5)	(8)	68	(1)	(5)	(2)	**83**
Other post-employment benefits	0									**-**
Total post-employment benefits	27	6	3	(5)	(8)	68	(1)	(5)	(2)	**83**
Other long-term benefits	0	(2)				14		(1)		**11**
Other short-term benefits	0	95			(41)	61		(5)	(1)	**109**
	27	99	3	(5)	(49)	143	(1)	(11)	(3)	**203**
Balances - Sequana Group	117									
Balances in published financial statements	144									
Of which:										
Funded plans (wholly or partly)										**55**
Unfunded plans	27									**148**

€ in millions	Balance at 12/31/2006 (a)	Expected return on assets	Contributions paid by company	Actuarial gains (losses)	Benefits paid	Cushman & Wakefield Group acquisition	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2007**
Fair value of the plan assets:										
Pension plans		3			(1)	47		(4)		**45**
Total post-employment benefit plans	-	3	-	-	(1)	47	-	(4)	-	**45**
Total net liabilities at December 31, 2007	**27**	**96**	**3**	**(5)**	**(48)**	**96**	**(1)**	**(7)**	**(3)**	**158**

(a) The balances at December 31, 2006 are net of the amounts relating to the Sequana Group which was deconsolidated in 2007.

Post-employment benefits are calculated on the basis of the following actuarial assumptions:

	December 31, 2008		December 31, 2007	
	Employee severance indemnities	**Pension plans**	Employee severance indemnities	Pension plans
Discount rate		**6.00%**	4.6-4.7%	6.00%
Future salary increase (inflation included)	**2.2-3.7%**		2-3,5%	
Inflation rate	**2.20%**		2.00%	
Expected return on plan assets		**7.00%**		7.13%

The assumptions used for the calculation of pension funds are as follows:

- the discount rate is the rate of return at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid;
- the mortality rate is based on statistical tables;
- the expected return on plan assets servicing the plan is based on the total return of the portfolio and not the sum of the expected returns of the individual assets. This rate approximates the historical annual rate of the plan assets.

The “UK Plan” assets include marketable equity securities in both United Kingdom and United States companies and fixed-rate debt securities.
The investment policies and strategies for the plan assets are established to achieve a reasonable balance between risk, likely return and administration expenses, as well as to maintain funds at a level to meet minimum funding requirements. In order to ensure that an appropriate investment strategy is in place, an analysis of the plan’s assets and liabilities is completed periodically.

	Fair value of plan assets		Expected return	Fair value of plan assets		Expected return
	December 31, 2008		**2008**	December 31, 2007		2007
	Target in %	€ in millions	in %	Target in %	€ in millions	in %
Equity securities	**87.2%**	**11**	**6.00%**	87.2%	38	7.13%
Debt instruments	**7.5%**	**17**	**6.00%**	7.5%	5	7.13%
Cash	**5.3%**	**2**	**6.00%**	5.3%	2	7.13%

The estimated expense for contributions to be paid to the defined benefit plan in 2009 amounts to £ 1.5 million (€ 2 million).

The expected long-term rate of return on assets is 6.16% (7.13% in 2007). The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

The total amounts recognized in the income statement for post-employment benefits are the following:

€ in millions	**2008**	2007
Current service cost	**5**	6
Financial expenses	**3**	3
Expected return on plan assets	**(3)**	(3)
Losses (gains) on curtailments and/or settlements	**0**	(1)
Total (income) expenses for post-employment benefits	**5**	5

Other employee benefits

Other employee benefits, of which € 5 million is non-current and € 40 million is current, mainly include the liabilities of the C&W Group.

31. Provisions for other liabilities and charges

The composition of the provisions is as follows:

	Current portion		Non-current portion	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/007
Restructuring provisions	**3**	0	**0**	0
Other risks provisions	**14**	14	**99**	100
Tax provision	**6**	0	**6**	1
Total	**23**	14	**105**	101

During the fourth quarter of 2008, in response to the credit markets' impact on the global economy and the business, the C&W Group announced a number of cost cutting initiatives, including reductions in spending in a number of direct expense categories and a global reduction in workforce. These reduction efforts were necessary to improve the C&W Group's cost structure and its general operating efficiencies.
The C&W Group recorded an accrual for a restructuring charge of approximately € 5 million during the fourth quarter of 2008, primarily attributable to workforce reductions and other related benefits, and utilized the provision account for € 2 million.

The current portion of the other risks provisions (€ 14 million) includes amounts set aside for pending disputes of the C&W Group for € 11 million and the Alpitour Group for € 3 million.

The non-current portion of the other risks provision is due within five years.

Changes in the current and non-current provisions in 2008 and 2007 are as follows:

€ in millions	Balance at 12/31/2007	Accruals	Release of provisions used	Other changes	**Balance at 12/31/2008**
Restructuring provisions	0	5		(2)	**3**
Other risks provisions	114	21	(18)	(4)	**113**
Tax provision	1	4		7	**12**
	115	30	(18)	1	**128**
Effect on the income statement:					
Operating profit (loss) from current operations		24	(18)		
Other nonrecurring income (expenses)		6			

€ in millions	Balance at 12/31/2006	Accruals	Release of provisions used	Release of provisions not used	Sequana Group deconsolidation	Cushman & Wakefield Group acquisition	Other changes	**Balance at 12/31/2007**
Restructuring provisions	66	7	(14)		(76)		17	0
Fox River and DG IV disputes provisions	305	2	(6)	(42)	(256)		(3)	0
Ecological risks provisions	34	3	(2)	(1)	(34)			0
Other risks provisions	128	30	(9)	(11)	(30)	8	(2)	114
Tax provision	0			(1)		2		1
	533	42	(31)	(55)	(396)	10	12	115
Effect on the income statement:								
Operating profit (loss) from current operations		16	(13)	(2)				
Other nonrecurring income (expenses)		21	(18)	(43)				
Other financial income (expenses)		5		(10)				

32. Pending litigation

IFIL S.p.A. and subsidiaries in the "Holdings System"

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az on August 24, 2005

On February 21, 2006, Consob notified Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone as well as IFIL and Giovanni Agnelli e C. of its objections in respect of the start of a sanctionary proceeding under art. 187-septies of the Consolidated Law on Finance under the assumption that each of those individuals violated art. 187-ter, paragraph 1 (Market Manipulation) of the Consolidated Law on Finance in relation to the content of the press releases diffused by IFIL and Giovanni Agnelli e C. on August 24, 2005 and that the companies violated the responsibility of entities pursuant to art. 187-quinquies of the Consolidated Law on Finance and joint and several responsibility pursuant to art. 6, paragraph 3 of Law 689/1989.

On February 13, 2007, the Consob sanctionary measure (Resolution 15760) was notified which, at the conclusion of the proceeding, applied the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL and chairman of Giovanni Agnelli e C.) € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Franzo Grande Stevens (director of IFIL) € 2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and € 1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Virgilio Marrone (chief executive officer and general manager of IFI) € 500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to IFIL € 4.5 million;
- to Giovanni Agnelli e C. € 3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months;
- to Franzo Grande Stevens: for four months;
- to Virgilio Marrone: for two months.

The persons and companies involved in the sanctionary measure filed appeals with the Court of Appeals of Turin. In the opposing judgment, the Court of Appeals, in its decision of December 5, 2007, reduced the administrative sanctions from a total of € 16 million to € 6.3 million. The reduction for IFIL was from € 4.5 million to € 1 million and for Giovanni Agnelli e C. from a total of € 3 million to € 600 thousand and for Gianluigi Gabetti from a total of € 5 million to € 1.2 million in addition to a reduction of two months, from six to four months, in respect of the additional administrative suspension.

In July 2008, IFIL filed an appeal with the Court of Cassation against the ruling by the Court of Appeals of Turin. Appeals were also filed with the Court of Cassation by the other parties involved in the Consob sanctionary measure. In October 2008, Consob notified the company that it had filed a counter-appeal and an incidental appeal asking for the rejection of the main appeal and the cancellation of the reduction of the sanctions originally levied. Consob acted in the same manner against the other petitioners. In November 2008, IFIL filed a counter-appeal with the Court of Cassation against Consob's incidental appeal. The other parties referred to in Consob's incidental appeal also filed a counter-appeal with the Court of Cassation.

In the penal proceedings for the same press releases, on November 7, 2008, the Preliminary Hearing Judge of the Turin Court committed Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone to trial for the offense pursuant to art. 185 of the Consolidated Law on Finance, as well as IFIL and Giovanni Agnelli e C., as those responsible administratively under Legislative Decree 231/2001, setting a hearing for March 26, 2009.

Alpitour Group

In reference to the damages to the “Bravo Club” resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld.

Furthermore, in 2008, the case of the Alpitour Group versus INPS was settled.

Cushman & Wakefield Group

The C&W Group is a party to various matters in litigation. These matters generally relate to disputes and claims involving commission agreements, employment agreements, and other contractual matters.

The Group believes that while some of these matters may be ultimately resolved against it, such claims will not have a material effect on the financial position and results of operations of the Group.

Juventus F.C.

Almeida Gomes De Andrade's registration rights

On July 9, 2008, during a personalized training session at Pinzolo, the player Almeida Gomes De Andrade Jorge Manuel was the victim of another serious injury to his left knee (relapse of the fracture of the rotula) twice operated in the past season. A new osteosynthesis operation was thus needed. The post-surgery prognosis is a number of months.

Given the impossibility for the player to recover to play professionally, the Company has proceeded to fully write down the residual book value of the player's registration rights with a negative effect on income in the 2007/2008 financial year for € 7 million.

As a consequence of this, on August 8, 2008, the company sent a request to terminate the contract to the Arbitration Board of the National Professional League that organized the medical examination of the player, conducted on October 2, 2008, and confirmed the player's inability.

In November, in turn, the player resorted to the Arbitration Board to ask for the termination of the contract as Juventus had failed to pay the wages due while the arbitration process was pending, asking for the related damages. The company appeared, challenging the unfounded nature of the player's action.

The attempt at conciliation failed and the Arbitration Board must therefore give its ruling relating to the demands for contractual termination by the parties. The first hearing was held on February 13, 2009 and the following hearings were postponed. At the current time it is not possible to predict the outcome of this dispute.

Guardia di Finanza access

On July 3, 2008, the *Guardia di Finanza* entered company headquarters to conduct a general examination of substance as permitted by and pursuant to art. 32 and art. 33 of DPR 600/73, art. 51 and art. 52 of DPR 633/1972 and art. 35 of Law 4/1929, concerning the period from July 1, 2005 to the date of access for direct taxes and from January 1, 2006 to the date of access for VAT and other indirect taxes.

Moreover, following the company's involvement, pursuant to Legislative Decree 231 of 2001, in the proceedings pending at the Turin Courts for financial misrepresentation, the examination has also been extended to the years 2001/2002, 2003/2004 and 2004/2005, which would otherwise have been partly statute barred.
The examination is currently in progress.

VAT receivables on income from UEFA Champions League

Following resolution 174/E, on May 25, 2004, the Revenue Agency of Turin approved the right to the reimbursement of VAT regarding UEFA competitions for the 2000/2001 and 2001/2002 seasons for a total of € 5 million. Following this approval, the company proceeded to recognize the related receivable with a corresponding entry to extraordinary income. Part of the receivable was received in June 2004 for € 1.2 million.
The remaining amount of approximately € 4 million was sold without recourse to a factoring company in December 2004 and was derecognized from the balance sheet from that date. Of the total amount sold to the factoring company, the Revenue Agency later reimbursed the amount in installments for € 3 million. In July 2008, the Revenue Agency notified Juventus and the factoring company of its refusal to pay the last installment of € 2 million citing disputes over the justification of the request for reimbursement presented by Juventus. This refusal is in contrast with the original acknowledgment of the receivable in May 2004. On October 15, 2008, the company appealed together with the factoring company to the tax authorities to challenge the assertions of the Revenue Agency and in any case reserves the right to take any possible action to protect itself later in civil proceedings.
At this moment in time it is not possible to predict the outcome of this dispute.

Proceedings at the Turin Courts

In reference to the proceedings underway at the Turin Courts for financial representation, after the original filing of charges only against some former directors, on October 16, 2008, notification was received at the company office of the conclusion of inquiries and the filing of documents also against the company, held to be responsible under Legislative Decree 231 of 2001, limited to some transactions for the sale/purchase of football players. Given the lack of any organizational model, the company proposed the compromise of the payment of € 70,000.
In these same proceedings, on October 29, 2008, the judge for the preliminary investigations, at the request of the public prosecutors, decided instead to close the part of the inquiry regarding the sale of Campi di Vinovo S.p.A..
The preliminary hearing is currently in progress.

Proceedings at the Naples Courts

With regard to the proceedings in course in Naples (R.G. 276585/06), by order of March 24, 2009, the Courts, in upholding the appeals presented by the Juventus F.C. defense, ordered the “exclusion of all civil parties from the process” and consequently the loss of the effectiveness of the constitution of third-party liability”. Juventus F.C. is therefore definitely out of the case pending in Naples.

Como Calcio Bankruptcy

The bankruptcy of Como Calcio in June 2006 led to action brought against Juventus F.C. involving a claim for payment of € 1,580,000 allegedly still due to Como Calcio for the sale of the registration rights of the players Piccolo and Pederzoli.
Juventus F.C. appeared before the courts and requested that the liquidator's demands be rejected as the sum had already been paid and asked that Mr Preziosi be summoned to court so that Juventus could be relieved of responsibility and held unaccountable in the event of a judgment against it. The first hearing in the case was adjourned to March 12, 2008 so that Mr Preziosi could be summoned. Mr Preziosi was summoned and appeared and asked that the demands against him be rejected. The inquiry is closed and a hearing is scheduled to set out the conclusions on July 9, 2009.

33. Consolidated net financial position

The composition of the gross and net financial position of the consolidated companies is as follows:

€ in millions	Gross debt position	Financial assets	Net financial position (debt)/liquidty
EXOR S.p.A.	(171)	0	(171)
IFIL S.p.A. and the "Holdings System"	(973)	1,132	159
Cushman & Wakefield Group	(170)	62	(108)
Alpitour Group	(73)	107	34
Juventus Football Club S.p.A.	(17)	28	11
Total	**(1,404)**	**1,329**	**(75)**

In accordance with Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the EXOR Group is provided below:

€ in millions	**12/31/2008**	12/31/2007	Change
Non-current financial liabilities			
IFIL 2007/2017 bonds	**(745)**	(744)	(1)
IFIL 2006/2011 bonds	**(199)**	(200)	1
Debt	**(348)**	(214)	(134)
Total non-current financial liabilities	**(1,292)**	(1,158)	(134)
Non-current other financial assets	**4**	8	(4)
Non-current net financial position (A)	**(1,288)**	(1,150)	(138)
Current financial liabilities			
Debt	**(65)**	(347)	282
Current portion of medium/long-term debt	**(31)**	(52)	21
Derivative financial instruments	**(16)**	0	(16)
Total current financial liabilities	**(112)**	(399)	287
Current financial assets			
Bonds and equity shares held for trading	**347**	152	195
Derivative financial instruments	**1**	6	(5)
Receivables and other financial assets	**2**	2	0
Total current financial assets	**350**	160	190
Cash and cash equivalents	**975**	919	56
Current net financial position (B)	**1,213**	680	533
Consolidated net financial position (A+B)	**(75)**	(470)	395

34. Bonds and other debt

The composition is as follows:

	Non-current portion		Current portion	
€ in millions	**12/31/2008**	12/31/2007	**12/31/2008**	12/31/2007
IFIL bonds 2007/2017	**(745)**	(744)	**(22)**	(22)
IFIL bonds 2006/2011	**(199)**	(200)	**(1)**	(1)
Debt	**(348)**	(214)	**(74)**	(376)
Derivative financial instruments	**0**	0	**(16)**	0
Total bonds and other debt	**(1,292)**	(1,158)	**(113)**	(399)

The bonds issued by IFIL S.p.A. were admitted for trading on the Luxembourg Stock Exchange.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), disallowing a change of control and providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2008.

Standard & Poor's rated the two bond issues “BBB+”, in line with the current rating of IFIL S.p.A. long-term debt.

The 2007/2017 bonds were issued at a price equal to 99.554% of their face value with a 5.375% annual coupon which guarantees a return equal to the 10-year swap rate plus a spread of 80 basis points, at the time of issue.

The IFIL 2006/2011 bonds, issued on June 9, 2006 for a nominal amount of € 200 million, maturing June 9, 2011, pay interest at the 3-month Euribor rate plus a spread of 68 basis points.

Debt recorded in current and non-current liabilities for € 422 million (€ 59 million at December 31, 2007) includes debt of EXOR S.p.A. (€ 167 million), the C&W Group (€ 165 million), the Alpitour Group (€ 73 million) and Juventus F.C. (€ 17 million).

EXOR S.p.A.

With regard to EXOR S.p.A., non-current bank debt amounts to € 150 million (€ 100 million at December 31, 2007). In order to guarantee fixed interest rates, interest rate swap contracts were put into place for the full amount; at December 31, 2008, the fair value of such contracts is negative for € 5 million.

Bank debt is classified as non-current according to the remaining term of the line granted and the duration of the hedging contracts.

Current bank debt amounts to € 16 million (€ 294 million at December 31, 2007) and includes a loan of € 14 million due by January 2009 and bank overdrafts for the remaining amount of € 2 million.

Cushman & Wakefield Group

The debt of the C&W Group amounts to € 165 million (€ 73 million at December 31, 2007) and includes the following categories of debt:

- Senior Revolving Credit Facility secured on May 29, 2007 for $350 million. At December 31, 2008, the outstanding balance is $219 million (€ 157 million), of which $154 million (€ 111 million) at the average rate of 3.97%, $14.1 million (€ 10 million) at the average rate of 5.40% and $8.9 million (€ 6 million) at the average rate of 4.67%;
- Seller Note – Le Page for $5.5 million (€ 4 million) at a rate of 7%;
- Seller Note – Burnham for $2.5 million (€ 2 million).

The Senior Credit Facility is covered by four covenants to be maintained for the entire term of the credit facility including leverage ratios as defined in the contract.
The financial covenants have been complied with from the time the credit facility was secured until December 31, 2008.

Alpitour Group

The debt of the Alpitour Group totaling € 73 million (€ 103 million at December 31, 2007), comprises:

- debt relating to the securitization of trade receivables (€ 45 million);
- syndicated loan, coordinated by BNL and Efibanca (€ 23 million);
- CRS loan (€ 4 million) and other (€ 1 million).

The medium and long-term loan contracts state that the Alpitour Group must comply with the covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and Ebitda/net debt). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date.
At October 31, 2008, these ratios were fully within the limits established by the covenants.

Juventus F.C.

Debt of Juventus F.C. refers entirely to the debt with Unicredit Leasing S.p.A., formerly Locat S.p.A., for the lease of the Vinovo sports training center and other minor leases for € 17 million, of which € 9 million is due beyond 5 years.

Derivative financial instruments, equal to € 16 million, comprise some interest rate swap contracts put into place by IFIL S.p.A. to guarantee a fixed interest rate over the entire bond period 2006-2011 (the fair value at December 31, 2008 is negative for € 5 million), interest rate swap contracts put into place by EXOR S.p.A. on non-current debt (the fair value at December 31, 2008 is negative for € 5 million) as well as foreign exchange forward contracts put into place by the C&W Group to hedge possible changes in exchange rates on intercompany trading transactions (the fair value at December 31, 2008 is negative for € 6 million).

35. Deferred income taxes

The composition and the change in deferred tax assets is as follows:

€ in millions	Property, plant and equipment and intangible assets	Tax losses	Revenues taxed in prior years	Tax-deferred gains	Other	**Total**
Balance at December 31, 2007	2	6	9	0	9	**26**
Income taxes charged (reversed) to the income statement		(5)	(4)	(5)	6	**(8)**
Taxes relating to items credited to equity					(1)	**(1)**
Net other movements						**0**
Balance at December 31, 2008	**2**	**1**	**5**	**(5)**	**14**	**17**

€ in millions	Property, plant and equipment and intangible assets	Tax losses	Revenues taxed in prior years	Tax-deferred gains	Employee benefits	Deferred compensation plan	Other	**Total**
Balance at December 31, 2006	1	51	**12**	**3**	28	0	(48)	**47**
Deconsolidation of Sequana Group	(1)	(33)			(27)		41	**(20)**
Acquisition of the Cushman & Wakefield Group		2				25	20	**47**
Income taxes charged (reversed) to the income statement	(1)	(9)	(3)	(3)		(2)	8	**(10)**
Exchange differences		(1)				(2)	3	**0**
Net other movements	3	(3)			3		4	**7**
Reclassification to offset deferred tax liabilities		(1)			(4)	(21)	(19)	**(45)**
Balance at December 31, 2007	**2**	**6**	**9**	**0**	**0**	**0**	**9**	**26**

The composition and the change in deferred tax liabilities are as follows:

€ in millions	Property, plant and equipment	Intangible assets	Depreciation and tax charges	Fair Value	Deferred compensation plans	Employee benefits	Actuarial gains (losses)	Tax losses	Other	**Total**
Balance at December 31, 2007	(2)	(107)	7	(11)	21	4	3	1	2	**(82)**
Business combinations		(19)							2	**(17)**
Income taxes (charged) reversed to the income statement		7	(1)		(2)			1	2	**7**
Income taxes relating to items debited to equity				11		(3)	2	1	2	**13**
Exchange differences		(7)			1				1	**(5)**
Net other movements	1								(3)	**(2)**
Balance at December 31, 2008	**(1)**	**(126)**	**6**	**0**	**20**	**1**	**5**	**3**	**6**	**(86)**

€ in millions	Property, plant and equipment	Intangible assets	Depreciation and tax charges	Fair Value	Deferred compensation plans	Employee benefits	Actuarial gains (losses)	Tax losses	Other	**Total**
Balance at December 31, 2006	(81)	0	(30)	(49)	0	0	0	0	59	**(101)**
Deconsolidation of the Sequana Group	76		32	1					(48)	**61**
Acquisition of the Cushman & Wakefield Group		(128)							(7)	**(135)**
Income taxes (charged) reversed to the income statement	4	10	(2)						(1)	**11**
Income taxes relating to items debited to equity				37 (a)					(3)	**34**
Exchange differences	1	13								**14**
Net other movements	(2)	(2)							(7)	**(11)**
Reclassification to offset deferred tax assets			7		21	4	3	1	9	**45**
Balance at December 31, 2007	**(2)**	**(107)**	**7**	**(11)**	**21**	**4**	**3**	**1**	**2**	**(82)**

(a) Relating to taxes on the fair value of the investment in Intesa Sanpaolo S.p.A..

The analysis of unused tax loss carryforwards on which deferred tax assets have not been calculated is as follows:

	Taxable base				Estimated tax
€ in millions	Within 1 year	From 2 to 4 years	Beyond 4 years	Total	benefit
At December 31, 2008					
Current tax losses	154	413	572	1,139	311
At December 31, 2007					
Current tax losses	204	463	633	1,300	347

Deferred tax assets on tax losses are recognized to the extent that their recoverability is highly probable in the following year or in the medium term, taking into account the taxable income forecast in medium-term operating plans.

36. Other liabilities

Details of other liabilities are as follows:

€ in millions	**12/31/2008**	12/31/2007	Change
Other non-current liabilities			
Other non-current liabilities and other payables	**49**	93	(44)
Other non-current payables to related parties	**2**	1	1
Commissions payable	**6**	6	0
Deferred compensation plans	**1**	1	0
Total other non-current liabilities	**58**	101	(43)
Other current liabilities			
Trade payables			
Trade payables	**208**	234	(26)
Trade payables to related parties	**10**	10	0
	218	244	(26)
Commissions payable	**108**	134	(26)
Total trade payables	**326**	378	(52)
Other current liabilities			
Payables for direct taxes	**25**	17	8
Payables for indirect taxes	**13**	22	(9)
Payables to employees and similar	**56**	33	23
Payables on purchases of property, plant and equipment	**35**	29	6
Other payables	**91**	139	(48)
Other payables to related parties	**8**	18	(10)
Deferred compensation plans	**8**	8	0
Total other current liabilities	**236**	266	(30)
Total trade payables and other current liabilities	**562**	644	(82)
Total other non-current and current liabilities	**620**	745	(125)

For additional information on payables to related parties, reference should be made to Note 39.

Other non-current and current liabilities by maturity are as follows:

€ in millions	Within 1 year	From 2 to 5 years	Beyond 5 years	**Total**
Other non-current liabilities		47	11	**58**
Trade payables	326			**326**
Other current liabilities	236			**236**
Balances at December 31, 2008	**562**	**47**	**11**	**620**
Other non-current liabilities		91	10	**101**
Trade payables	378			**378**
Other current liabilities	266			**266**
Balances at December 31, 2007	**644**	**91**	**10**	**745**

37. Commitments

Details are as follows:

€ in millions	**12/31/2008**	12/31/2007
Commitments undertaken		
Sureties, guarantees of notes and other guarantees	**76**	137
Commitments for the purchase of investments and financial assets	**78**	71
Commitments for the purchase of property, plant and equipment	**0**	3
Goods on deposit with third parties	**1**	1
Commitments to make loans	**7**	0
Total commitments undertaken	**162**	212
Commitments received		
Sureties, guarantees, guarantees of notes and other guarantees	**158**	187
Other commitments	**59**	63
Total commitments received	**217**	250

Commitments by due date are as follows:

€ in millions	Until canceled	Within 6 months	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
At December 31, 2008							
Commitments undertaken	81	28	21	25		7	**162**
Commitments received		110	35	55	17		**217**
At December 31, 2007							
Commitments undertaken	81	60	29	37	5	0	**212**
Commitments received	0	177	41	4	28	0	**250**

Future minimum lease payments relating to operating leases are as follows:

€ in millions	From 0 to 6 months	Between 6 months and 1 year	From 2 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
At December 31, 2008	**48**	**44**	**143**	**98**	**116**	**449**
At December 31, 2007	28	28	81	51	58	246

In 2008, floating-rate lease contracts total € 17 million (€ 18 million in 2007). There are no fixed-rate leases.

Lease expenses recognized in the 2008 income statement amount to € 87 million (€ 75 million in 2007). They refer to lease contracts of the Alpitour Group which include leases of hotel complexes (€ 25 million) and dry-lease installments by the subsidiary Neos (€ 18 million), as well as installments paid by C&W Group for operating leases (€ 44 million).

Commitments undertaken at December 31, 2008 amount to € 162 million and mainly refer to sureties, guarantees of notes and other guarantees for € 76 million, as well as commitments for the purchase of investments and financial assets for € 78 million, and commitments to make loans for € 7 million.

Sureties, guarantees of notes and other guarantees (€ 76 million) mainly include sureties on behalf of suppliers of tourist services, financial offices and public entities provided by the Alpitour Group and other guarantees of the Alpitour Group for € 42 million, in addition to sureties of Juventus F.C. for € 34 million provided by leading credit institutions.

Commitments for the purchase of investments and other financial assets (€ 78 million) refer to commitments undertaken by the subsidiary Ifil Investissements, as follows:

- commitment for a maximum remaining investment of $46 million (€ 33 million) in the limited partnership NoCo B LP which groups a series of funds managed by Perella Weinberg Partners L.P.; as of December 31, 2008 Ifil Investissements S.A. has invested $16 million (€ 11 million);
- commitment to invest € 24 million in the Perella Weinberg Real Estate fund. As of December 31, 2008 Ifil Investissements has invested € 1 million;
- commitment for a further investment of € 21 million in Banijay Holding S.A.S..

Commitments to make loans refers to the commitment undertaken by C&W Group with its employees.

Commitments received amount to € 217 million and refer to sureties, guarantees, guarantees of notes and other guarantees for € 158 million (of which € 155 million is for sureties provided by third parties to Juventus F.C. and € 3 million for sureties provided by public entities and suppliers of tourist services to the Alpitour Group) and sales commitments of the Alpitour Group for € 59 million for travel bookings.

The main sureties relating to Juventus F.C. are as follows:

- surety of € 41 million provided by leading credit institutions on behalf of Sky Italia S.r.l. to guarantee the contract for the sale of television broadcasting rights for championship home games for the 2008/2009 season;
- surety of € 25 million issued by leading credit institutions in favor of Reti Televisive Italiane S.p.A. to guarantee the contract for the sale of television broadcasting rights for the championship home games for the 2008/2009 season;
- surety of € 42 million provided by Sportfive Italia on behalf of Sportfive S.p.A. to guarantee the commercial contract for the exclusive naming right, as well as some sponsor promotional rights, relating to the new stadium;
- other sureties for € 4 million.

Other guarantees received by Juventus F.C., for € 43 million, refer to guarantees for the receivable from Campi di Vinovo S.p.A. and notes.

Procedures for the identification and control of commitments

The information regarding commitments, in addition to all other data and information used for consolidation purposes, is transmitted to EXOR S.p.A. through the consolidation process of the IFIL Group under the responsibility of the legal representatives of the individual companies and the holding companies consolidated by IFIL that are required to prepare consolidated financial statements who sign a representation letter addressed to the parent.
On the basis of information known to EXOR S.p.A., no significant commitments have been omitted by the companies of the Group.

38. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows:

	December 31, 2008		
€ in millions	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	348		(55)
- designated initially			
Derivative instruments designated as hedges	1		
Investments held to maturity	8		
Loans and receivables (a)	1,603	47	(3)
Available-for-sale assets	1,319	214	
Total	**3,279**	**261**	**(58)**
Financial liabilities			
At fair value through profit or loss			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	16	8	(4)
Debt at amortized cost	970		(53)
Debt at cost	751		(34)
Total	**1,737**	**8**	**(91)**

(a) Includes cash and cash equivalents for € 975 million.

	December 31, 2007		
€ in millions	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	154	4	
- designated initially	0		
Derivative instruments designated as hedges	6		
Investments held to maturity	12		
Loans and receivables (a)	1,382	33	0
Available-for-sale assets	2,635	112	
Total	**4,189**	**149**	**0**
Financial liabilities			
At fair value through profit or loss			
- held for trading	0		
- designated initially	0		
Derivative instruments designated as hedges	0		
Debt at amortized cost	970		(32)
Debt at cost	963		(38)
Total	**1,933**	**0**	**(70)**

(a) Includes cash and cash equivalents for € 919 million.

Financial assets and liabilities for which the fair value can not be objectively determined and that are recorded at cost have not been included in the asset and liability categories indicated in IAS 39.

Fair value of financial assets and liabilities and the criteria for the estimation of fair value

Financial assets held for trading represented by listed securities are measured using the market price at year-end and the change in fair value is recognized in the income statement in financial income (expenses).

Available-for-sale financial assets represented by listed securities are measured at fair value using the market price at year-end and the unrealized gains or losses are recognized in equity. For additional information on the measurement of available-for-sale financial assets, reference should be made to Note 23.

Available-for-sale financial assets represented by unlisted securities may be measured by independent experts. To this end, it should be noted that the investment in Gruppo Banca Leonardo was aligned to fair value based on an estimate resulting from the application of the "warrant equity method with excess capital" measurement criteria.

For trade receivables and payables, moreover all due within one year, the fair value is not significant in that their carrying amount approximates fair value.

Derivative financial instruments are measured at fair value using the discounted cash flow method.

Risk management

EXOR S.p.A. and the companies of the Holdings System

EXOR S.p.A. is not exposed to credit risk since the counterparts are mainly represented by high-credit-quality leading banking institutions.

IFIL S.p.A. and the companies which form the Holdings System are exposed to credit risk insofar as they invest a portion of their cash in bonds issued by leading bank and corporate counterparts, that, in any case, are selected according to their credit worthiness. Instead, the relevant investments denominated in currencies other than the Euro, U.S. dollars in particular, are exposed to currency risks; in view of the permanent characteristics of such investments, transactions to hedge the risk of exchange rate fluctuations on those currencies were not put into place.

As far as liquidity risk is concerned, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are substantially financed by incoming flows from ordinary business activities.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, the subsidiary IFIL S.p.A. operates so that it has financial resources available by issuing bonds and acquiring irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

IFIL S.p.A. also assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate. The only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on one of the bonds issued.

Alpitour Group

The Alpitour Group regularly assesses its exposure to various types of risks and manages these risks using traditional and derivative instruments in accordance with its management and control policy. This policy does not allow the use of derivatives for speculative purposes but they are used for the management of fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

The Alpitour Group, and particularly the aviation division, is subject to the risk of fluctuations in fuel prices largely in connection with international political stability and other outside factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the fuel price risk exposure is hedged by commodity swaps and zero cost collars.
The exposure to exchange rate risks on commercial transactions in foreign currencies is mainly hedged by forward and zero cost collar contracts.
The exposure to interest rate risks on medium- and long-term loans is mainly hedged by interest rate swaps and zero cost collars.

Cushman & Wakefield Group

Credit risk exposure of the C&W Group is mainly influenced by the characteristics of each individual client. Other risk factors, including the default risk of the industry and country in which customers operate has less of an influence on credit risk. That depends on the type of services rendered and knowledge of the quality of the clients.

Juventus F.C.

Juventus F.C. does not have significant concentrations of credit risk and has appropriate procedures in place to minimize such risk exposure. Receivables from Italian soccer companies are guaranteed by the compensation mechanism of the National Professional League while receivables from foreign soccer companies are largely guaranteed by sureties or other guarantees.
A large part of Juventus F.C.'s transactions (sales and purchases) are in Euro; thus the company is not subject to fluctuations in exchange rates to any relevant degree.
The company manages liquidity risk by keeping the bank loans secured from leading credit institutions at levels that avert financial pressure situations and are sufficient to meet operating and investment needs.

Credit risk

Credit risk exposure is principally represented by trade receivables and the concentration of credit risk, however, is mitigated by a large number of counterparts.

Trade receivables are expressed in the financial statements net of the provision for impairment for the risk that counterparts will be unable to fulfill their contractual obligations, the creditworthiness of the customer and historical data.

Credit risk regarding the other financial assets of the Group, which include cash and cash equivalents, available-for-sale assets, receivables and some derivatives, have a maximum risk equal to the carrying amount of the assets in the case of the insolvency of the counterpart.

The amount of financial assets past due and not impaired, represented by trade receivables in the category "loans and receivables", is detailed as follows:

	Past due and not impaired						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2008							
Trade receivables	**1**	**20**	**5**	**7**	**3**	**0**	**36**

	Past due and not impaired						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2007							
Trade receivables	136	20	21	11	3	3	194

Movements in the provision for the impairment of receivables and other financial assets for the years 2008 and 2007 are as follows:

€ in millions	**12/31/2008**	12/31/2007
Beginning balance	**30**	23
Accruals	**9**	8
Uses	**(5)**	(6)
Acquisition of the Cushman & Wakefield Group	**0**	7
Exchange differences	**1**	1
Other changes	**0**	(3)
Ending balance	**35**	30

Information on the credit risk of the EXOR Group is presented below.

EXOR S.p.A. and the companies in the Holdings System

EXOR S.p.A. and the companies in the Holdings System are exposed to credit risk insofar as they invest a portion of their cash in bonds issued by leading bank and corporate counterparts, that are in any case selected according to their credit worthiness. At December 31, 2008 and December 31, 2007, there are no financial assets past due and not written down.

Alpitour Group

Transactions for the sale of receivables

At October 31, 2008, the balance relating to the monthly securitization program of trade receivables begun by the Alpitour Group in 2006 amounts to € 45 million. The securitization operation formalized by Alpitour S.p.A. with Banca Calyon in Milan provides for a revolving credit line which can be used on a monthly basis up to a net amount of € 55 million against the sale of the trade receivables. Furthermore, in accordance with the contract terms, in exchange for the monthly sale of receivables and the amount of utilization requested (monthly program), Alpitour is obliged to subscribe to short-term securities (30-day maturities) issued by a French-registered associate of the Calyon Group, the amount of which is determined on the basis of the quality of the receivables sold and the relative degree of concentration. At October 31, 2008, short-term securities were subscribed to for an amount of € 36 million against a monthly program of € 45 million; the net use of the securitization line at the year-end closing date is therefore equal to € 9 million against a credit line made available by Calyon for € 55 million.

The Alpitour Group does not have any particular concentrations of credit risk since its credit exposure is distributed over a large number of counterparts and customers.
Trade receivables are expressed net of the provision for receivables impairment which amounts to € 24 million at December 31, 2008 (€ 22 million at December 31, 2007).

Cushman & Wakefield Group

The credit risk of the C&W Group is represented by the carrying amount of financial assets recorded in cash and cash equivalents for $82.2 million (€ 59 million) and the carrying amount of trade receivables for $308 million (€ 221 million).
Trade receivables are expressed net of the provision for receivables impairment which amounts to $14.5 million (€ 10 million) at December 31, 2008.

Liquidity risk

The companies of the Group control the liquidity risk by planning investments of liquidity, monitoring the maturities of financial investments and financial assets and the expected cash flows from operations.
The residual contract maturities for all the financial liabilities which fall under the application of IAS 39 are indicated below.
The table has been prepared by allocating the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent fixed-rate coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of the hedging transactions.

	December 31, 2008					
	Nominal amount					
€ in millions	Within 6 months	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Bonds and non-current debt						
IFIL bonds 2017	(40)		(81)	(81)	(911)	**(1,113)**
IFIL bonds 2011	(4)	(4)	(214)			**(222)**
Debt	(3)	(4)	(182)	(164)	(9)	**(362)**
Derivative financial instruments	(29)	(13)		(5)		**(47)**
Bonds and current debt						
Current debt	(65)	(2)				**(67)**
Current portion of bonds	(6)	(3)				**(9)**
Payables to suppliers and commissions payable	(326)					**(326)**
Total	**(473)**	**(26)**	**(477)**	**(250)**	**(920)**	**(2,146)**

	December 31, 2007					
	Nominal amount					
€ in millions	Within 6 months	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Bonds and non-current debt						
IFIL bonds 2017	(40)		(81)	(81)	(951)	**(1,153)**
IFIL bonds 2011	(4)	(4)	(18)	(205)		**(231)**
Debt	(2)	(2)	(118)	(95)	(11)	**(228)**
Derivative financial instruments						**0**
Bonds and current debt						
Current debt	(347)	(2)				**(349)**
Current portion of bonds	(46)	(5)				**(51)**
Payables to suppliers and commissions payable	(377)					**(377)**
Total	**(816)**	**(13)**	**(217)**	**(381)**	**(962)**	**(2,389)**

Comments in respect of EXOR S.p.A. and the companies forming the Holdings System are presented below.

Outgoing flows from current operations are substantially financed by incoming flows from ordinary business and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to support operating and investment activities. In this sense, the EXOR Group operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2008, the EXOR Group has unused credit lines for € 2,615 million (€ 2,680 million at December 31, 2007).

Overall credit lines of the Alpitour Group total € 290 million, of which € 53 million is used for short-term financing and € 19 million for medium-term financing.

To supplement its internally generated cash flows and the maximum peak of seasonal cash flow demands which arise at the start of the second quarter of the year, the C&W Group secured a $350 million Senior Credit Facility on May 29, 2007. This facility will be used to support acquisition opportunities and fund seasonal cash flow requirements during the year.

The breakdown of maturities by credit line is as follows:

	December 31, 2008						
	Nominal amount						
€ in millions	Until canceled	Between 0 and 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Portion of credit lines utilized	34	5	3	211	175		**428**
Portion of credit lines not utilized	1,425		210	535	445		**2,615**
Total credit lines	**1,459**	**5**	**213**	**746**	**620**	**0**	**3,043**

	December 31, 2007						
	Nominal amount						
€ in millions	Until canceled	Between 0 and 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Portion of credit lines utilized	175	221	3		193		**592**
Portion of credit lines not utilized	1,309	174	100	375	722		**2,680**
Total credit lines	**1,484**	**395**	**103**	**375**	**915**	**0**	**3,272**

Market risk

The EXOR Group is principally exposed to exchange rate and interest rate risks, since the Group operates internationally in different currency areas and uses financial instruments which generate interest, in addition to price risks on equity shares and other listed financial assets.

Financial risks are managed by each subgroup in which the Group's activities are divided.

Exchange rate risk

An analysis of debt by currency is as follows:

€ in millions	EUR	GBP	USD	Other	**Total**
At December 31, 2008					
IFIL bonds 2007/2017	(767)				**(767)**
IFIL bonds 2006/2011	(200)				**(200)**
Debt	(279)	(35)	(113)	(11)	**(438)**
Total debt	**(1,246)**	**(35)**	**(113)**	**(11)**	**(1,405)**
At December 31, 2007					
IFIL bonds 2007/2017	(766)				**(766)**
IFIL bonds 2006/2011	(201)				**(201)**
Debt	(521)		(58)	(10)	**(589)**
Total debt	**(1,488)**	**0**	**(58)**	**(10)**	**(1,556)**

The Group is exposed to risks from fluctuations in exchange rates which can affect the results of operations and equity.

The transactions put into place by the companies of the Group to hedge the above currency positions are described below.

EXOR S.p.A. and the companies in the Holdings System

EXOR S.p.A: does not have either financial assets or liabilities denominated in currencies other than the Euro. Consequently, there is no direct currency risk.

IFIL S.p.A. does not have financial liabilities denominated in currencies other than the Euro. Some of the assets held for trading and cash and cash equivalents at December 31, 2008 (respectively, € 16 million and € 14 million) are denominated in currencies other than the Euro. These are securities held for trading and cash and cash equivalents which have both been adjusted to the year-end exchange rate.

The subsidiary Ifil Investissements is exposed to exchange rate risk on bonds issued by Perfect Vision Ltd. in U.S. dollars. A change in the exchange rate of the American currency against the Euro either up or down by 10% would have an effect on the result for € 7 million.

Alpitour Group

The Alpitour Group, since it operates internationally, is exposed to market risk from fluctuations in exchange rates.
Alpitour S.p.A. has forward contracts in place for a total nominal amount of € 5 million to manage the risk of fluctuations in exchange rates hedging the exposure in foreign currencies for the next year. The fair value of IRS at October 31, 2008 is estimated at a positive € 902 thousand.

Cushman & Wakefield Group

Exchange rate risk relating to the operations of the C&W Group is limited since the companies of the Group conduct their operations in their functional currency.
Exposure to currency risk can only come from intercompany commercial transactions. To mitigate this risk, in 2008 the Group has 32 forward exchange rate contracts outstanding on the main currencies to which it is exposed. The fair value of these financial instruments at December 31, 2008 is negative for $6,236 thousand (€ 4,481 thousand).
The exchange risk relating to debt is limited to the foreign currency debt referring to the portion of the Senior Revolving Credit Facility: in Euro for $14.1 million, in GBP for $42 million and in CAD for $14.9 million.
The C&W Group believes that the companies exposed to this risk will generate sufficient cash flows in the future to repay their debt, therefore, no hedging instruments have been put into place.

Sensitivity analysis for exchange rate risk

A sensitivity analysis at the balance sheet date has been carried out in respect of the financial instruments exposed to the exchange rate risk of the Eur/USD, Eur/GBP and risks referring to other currencies represented principally by trade receivables and payables, financial assets and derivative financial instruments of the Alpitour Group and the C&W Group.

Alpitour Group

The sensitivity analysis for the exchange risk of the Alpitour Group used the data of the financial statements at October 31, 2008 and is based on the following assumptions:

- the amount shown in the financial statements for financial assets and liabilities has been adjusted by applying a symmetrical percentage change of 10% to the year-end exchange rate;
- the amount of derivative financial instruments for the management of the fuel risk has been adjusted on the basis of a 5% increase or decrease in the price of fuel;

- for derivative financial instruments (forward purchase of U.S. dollars), the effects have been calculated assuming that the volatility of the markets is unchanged at year-end.

The Alpitour Group is exposed to exchange rate risk on financial assets for € 7 million and on financial liabilities for € 19 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would have an effect on the result for € 1.2 million and a positive effect on equity for € 0.7 million.

Cushman & Wakefield Group

The sensitivity analysis for the exchange rate risk of the C&W Group has been calculated by adjusting the amount shown in the financial statements for financial assets and liabilities by applying a symmetrical percentage change of 10% to the year-end exchange rate. The C&W Group is exposed to exchange rate risk on financial assets for € 167 million and on financial liabilities for € 111 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would affect equity by € 4 million.

Interest rate risk

The companies of the Group use external financial resources obtained in the form of financing and invest available liquidity in monetary and financial market instruments. Any change in market interest rates can affect the cost and yield of the various forms of financing, causing an impact on the level of the Group's financial expenses.
The interest rate risk is managed by the individual consolidated groups which establish the appropriate mix between fixed-rate and floating-rate financing using interest rate swaps and zero cost collars.

The fair value effect of the transactions hedging interest rate risk put into place by the consolidated companies is as follows:

€ in thousands	**12/31/2008**	12/31/2007	Change
IFIL S.p.A. and the Holdings System	**(5,119)**	3,938	(9,057)
EXOR S.p.A..	**(4,910)**	1,776	(6,686)
Alpitour Group	**13**	168	(155)
Total	**(10,016)**	5,882	(15,898)

EXOR and the companies in the Holdings System

EXOR S.p.A. has some interest rate swap contracts in place at December 31, 2008, for a notional amount of a total of € 150 million to hedge the risk of fluctuations in interest rates on bank debt with fair value for a negative € 4,910 thousand (positive for € 1,776 thousand at December 31, 2007).

IFIL S.p.A. has some interest rate swap contracts in place at December 31, 2008, for a notional amount of a total of € 200 million to hedge the risk of fluctuations in interest rates on the IFIL bonds 2006-2011 with fair value for a negative € 5,119 thousand (positive for € 3,938 thousand in 2007).

Alpitour Group

Alpitour S.p.A. has interest rate swap contracts and zero cost collars, for a notional amount of a total of € 15 million, to hedge the risk of fluctuations in interest rates on the syndicated loan secured on November 30, 2006. The fair value of these contracts at October 31, 2008 is estimated at a positive € 13 thousand (a positive € 168 thousand at October 31, 2007).

Juventus F.C.

Juventus F.C.'s debt mainly bears interest at floating rates. The company, however, does not believe it necessary to initiate procedures to limit the risks connected with the volatility of interest rates since any impact related to them is considered insignificant.

Cushman & Wakefield Group

The C&W Group is exposed to interest rate risks associated with the Revolving Credit Facility of $350 million. At this time, management has not put into place any form of hedging.

The fair value recorded in the cash flow hedge reserve refers to the hedge of cash flows relating to interest expenses on loans which will arise in the years 2009 to 2011 (approximately € 16 million for the years 2009 to 2010 and approximately € 5 million for the year 2011).

Analysis of debt by interest rate

The analysis of debt by interest rate at December 31, 2008 shows that the rates are mainly between 3% and 4% for € 278 million, between 4% and 5% for € 1,000 million, between 5% and 7.5% for € 115 million, with further debt for € 12 million considered at a 0 rate.
The analysis of debt by interest rate at December 31, 2007 showed that the rates were mainly between 4% and 5% for € 595 million and between 5% and 7.5% for € 958 million.

Sensitivity analysis for interest rate risk

A sensitivity analysis at the balance sheet date has been carried out in respect of financial instruments exposed to interest rate risk. In the case of floating-rate liabilities, the analysis assumes that the exposure at the end of the year remained constant for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the change in fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the balance sheet date. In determining the above effect, account is taken of the consequent impact on the reversal of the cash flow hedge reserve to the income statement.

An increase or decrease in the interest rates of 50 basis points, all other variables remaining constant, would produce a higher or lower pre-tax result of the Group for the year 2008 of € 4.6 million (€ 3.6 million in 2007); the cash flow hedge reserve would be higher or lower by € 0.2 million.

Price risk

EXOR and the companies in the Holdings System

EXOR and the Holdings System are exposed to price risk originating from investments in the capital stock of other companies held for trading or for strategic purposes, classified in the categories of available-for-sale and assets held for trading and current securities.

Alpitour Group

The Alpitour Group, particularly the aviation division, is subject to the risk of fluctuations in fuel prices that are largely associated with international political equilibrium and other outside factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Alpitour Group's margin. Price risk exposure is hedged by commodity swaps and zero cost collars with high standing Italian and international financial institutions. At October 31, 2008, the subsidiary Neos has commodity swaps and zero cost collars outstanding for a notional amount of € 13 million. The fair value of these hedges is an estimated positive value of € 154 thousand. At October 31, 2007, there were no contracts outstanding since they had been closed during the year.

Cushman & Wakefield Group

The C&W Group is exposed to equity price risk arising from available-for-sale equity securities held for meeting the European (EMEA) pension plan obligations. The investment decisions for this plan are made by the Trustees of the plan, based on consultation with the investment and actuarial advisors of the Trustees.

Sensitivity analysis for price risks

Considering price risk exposure at the balance sheet date, if the prices of securities are 5% higher or lower, the fair value reserve on available-for-sale assets recorded in equity would be € 60 million higher or lower and the amount of fair value recognized in the income statement on the securities and investments included in the category of assets held for trading and cash and cash equivalents would be € 15 million higher or lower.

Details are as follows:

€ in millions	2008			
	+5% change in price		-5% change in price	
Type of asset	Effect on result	Effect on equity	Effect on result	Effect on equity
Intesa Sanpaolo		15		(15)
SGS		44		(44)
Credit instruments and investment funds – non-current		1		(1)
Bonds	13		(13)	
Equity securities held for trading	2		(2)	
	15	**60**	**(15)**	**(60)**

€ in millions	2007			
	+5% change in price		-5% change in price	
Type of asset	Effect on result	Effect on equity	Effect on result	Effect on equity
Intesa Sanpaolo		78		(78)
SGS		48		(48)
Credit instruments and investment funds – non-current	1		(1)	
Bonds	3		(3)	
Equity securities held for trading	3		(3)	
Cash and cash equivalents	1		(1)	
	8	**126**	**(8)**	**(126)**

39. Intragroup and related party transactions

At December 31, 2008, the EXOR Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy which holds the entire ordinary capital stock.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, are eliminated in the consolidated financial statements of the EXOR Group and are therefore not presented in this note.

Related party transactions are carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Costs have not been recognized during the period for non-existent or doubtful liabilities in relation to amounts due from related parties.

The balance sheet and income statement balances generated by transactions carried out in 2008 with related parties, identified in accordance with IAS 24 and communicated by the companies of the Group, are summarized in the following tables. Transactions are indicated only if close to € 1 million, which is the unit of measure for the presentation of the consolidated figures of the EXOR Group.

€ in millions	Trade receivables	Trade payables	Investments	Other assets	Financial assets	Other liabilities	Costs	Revenues
Purchase of 14,538 Cushman & Wakefield shares by Ifil Investissements, from the same issuing company			12 (a)					
Directors for fees and professional services							(9) (b)	
Participants of Alpitour stock option plans 2005						(8)		8 (c)
Jumboturismo and other minor companies	2							
Alpitour Group Egypt for Tourism S.A.E.		(10)						1
Viajes Medymar S.L.				1				
Semana S.r.l.							(1)	
Fiat Group								13 (d)
Total IFIL Group	**2**	**(10)**	**12**	**1**	**0**	**(8)**	**(10)**	**22**

a) On June 27, 2008, the subsidiary Ifil Investissements purchased 14,538 C&W Group Inc. shares held as treasury stock by that company, for an investment of € 12 million.
b) Details are presented in Note 32 to the separate financial statements.
c) Income reflects the fair value change in the stock option plan approved by management of the subsidiary Alpitour.
d) Consideration for the July 1, 2007 – June 30, 2010 agreement between the Fiat Group and Juventus F.C. which gives the Fiat Group the right to exploit the images of Juventus F.C..

40. Fees to directors and statutory auditors

In 2008, the fees to the directors and statutory auditors of EXOR S.p.A., to perform their duties in the parent and also in other companies included in consolidation, are as follows:

€ in thousands	EXOR S.p.A.	Subsidiaries (a)	Total
Directors	1,002	7,496	8,498
Statutory Auditors	146	130	276
Total	**1,148**	**7,626**	**8,774**

(a) This does not include the fees paid by Fiat and its subsidiaries since the Fiat Group is not included in the scope of consolidation.

In 2007, fees amounted to € 3,290 thousand, of which € 1,150 thousand was paid by EXOR and € 2,140 thousand by the subsidiaries.

EXOR S.p.A. also signed a third-party liability insurance policy for the directors with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

In 2008, the chairman, John Elkann, did not receive any fee for his post. The fees of the directors Gianluigi Gabetti and Pio Teodorani-Fabbri are not linked to either the economic results of the company or targets set by the board of directors.
A part of the fees of the general manager, however, is tied to the economic results of the company and the attainment of specific targets.

At December 31, 2008, Mr Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana shares between May 2009 and May 2013 at a price per share of € 20.46; moreover, Sequana has allocated 12,340 of its shares free to Mr Tiberto Brandolini d'Adda, which will available from March 29, 2010.

Moreover, in 2008, the director, Franzo Grande Stevens, rendered professional services to Fiat S.p.A. for € 1 million (including acting as the secretary to the board of directors).

Additional information on fees, as requested by national law (Consob Regulation 11971 dated May 14, 1999 and later amendments), is provided in the Notes to the separate financial statements of EXOR S.p.A..

41. Employees

The breakdown of the average number of employees is provided as follows:

average number of employees	**2008**	2007
Breakdown by category		
Managers	**2,038**	1,526
Middle management and clerical staff	**11,310**	12,256
Pilots and flight attendants	**277**	259
Soccer players	**56**	54
Blue-collar	**4,204**	3,366
	17,885	17,461

42. Pro-forma consolidated data prepared by consolidating the Fiat Group line-by-line

Pending possible amendments to IAS 27 proposed in Exposure Draft ED 10 “Consolidated Financial Statements” that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the EXOR Group has continued to exclude the Fiat Group, in which the subsidiary IFIL S.p.A. has a 30.45% holding in ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter.

However, the pro-forma consolidated balance sheet, pro-forma consolidated income statement and the composition of the pro-forma consolidated net financial position prepared by consolidating the Fiat Group line-by-line are presented below.

EXOR Group – Pro-forma consolidated income statement prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated EXOR Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Pro-forma
Revenues	2,664	59,380	62,044		62,044
Other income (expenses)	35	(23)	12		12
Current operating costs	(2,702)	(55,995)	(58,697)		(58,697)
Profit (loss) from current operations	**(3)**	**3,362**	**3,359**	**0**	**3,359**
Gains on sales of investments		20	20		20
Restructuring costs and other nonrecurring income (expenses)	(22)	(410)	(432)		(432)
Operating profit (loss)	**(25)**	**2,972**	**2,947**	**0**	**2,947**
Gains on sales of investments	86		86		86
Other financial income (expenses)	43	(947)	(904)		(904)
Financial income (expenses)	129	(947)	(818)	0	(818)
Income taxes	(28)	(466)	(494)		(494)
Profit (loss) of companies consolidated line-by-line	**76**	**1,559**	**1,635**	**0**	**1,635**
Share of profit of the Fiat Group	467		467	(467)	0
Share of profit (loss) of other companies accounted for by the equity method	(115)	162	47		47
Profit from continuing operations	**428**	**1,721**	**2,149**	**(467)**	**1,682**
Profit (loss) from discontinued operations or assets held for sale		**0**	**0**		**0**
Profit	**428**	**1,721**	**2,149**	**(467)**	**1,682**
Attributable to the equity holders of the parent	**302**	**1,612**	**1,914**	**(1,612)**	**302**
Attributable to the minority interest	**126**	**109**	**235**	**1,145**	**1,380**

EXOR Group – Pro-forma consolidated balance sheet prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated EXOR Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Pro-forma
Non-current assets					
Goodwill	470	3,489	3,959		3,959
Other intangible assets	461	3,559	4,020		4,020
Property, plant and equipment	196	12,607	12,803		12,803
Investment in Fiat accounted for by the equity method	3,062		3,062	(3,062)	0
Investments accounted for by the equity method	191	1,899	2,090		2,090
Other financial assets	1,413	278	1,691		1,691
Leased assets	0	505	505		505
Deferred tax assets	17	2,386	2,403		2,403
Other non-current assets	93	120	213		213
Total Non-current assets	**5,903**	**24,843**	**30,746**	**(3,062)**	**27,684**
Current assets					
Inventories, net	3	11,346	11,349		11,349
Trade receivables	333	4,390	4,723	0	4,723
Receivables from financing activities	0	13,136	13,136		13,136
Other receivables, accruals and prepayments	182	3,370	3,552		3,552
Financial assets	350	967	1,317		1,317
Cash and cash equivalents	975	3,683	4,658		4,658
Total Current assets	**1,843**	**36,892**	**38,735**	**0**	**38,735**
Assets held for sale	**3**	**37**	**40**		**40**
Total Assets	**7,749**	**61,772**	**69,521**	**(3,062)**	**66,459**
Equity					
Equity attributable to the equity holders of the parent	3,616	10,354	13,970	(10,354)	3,616
Equity attributable to the minority interest	1,810	747	2,557	7,292	9,849
Total Equity	**5,426**	**11,101**	**16,527**	**(3,062)**	**13,465**
Current and non-current liabilities					
Provisions for employee benefits	84	3,366	3,450		3,450
Provisions for other liabilities and charges	128	4,778	4,906		4,906
Bonds and other debt	1,405	22,581	23,986		23,986
Deferred tax liabilities	86	170	256		256
Trade payables	326	13,258	13,584	**0**	13,584
Other liabilities, accruals and deferrals	294	6,516	6,810		6,810
Total Current and non-current liabilities	**2,323**	**50,669**	**52,992**	**0**	**52,992**
Liabilities relating to assets held for sale		**2**	**2**		**2**
Total Equity and liabilities	**7,749**	**61,772**	**69,521**	**(3,062)**	**66,459**

EXOR Group – Pro-forma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated EXOR Group	Consolidated Fiat Group	Consolidated Proforma
Cash and cash equivalents	975	3,860	4,835
Financial receivables	4	13,136	13,140
Other current financial assets	350	764	1,114
Debt	(444)	(21,379)	(21,823)
IFIL bonds 2006/2011	(199)		(199)
IFIL bonds 2007/2017	(745)		(745)
Other current financial liabilities	(16)	(1,202)	(1,218)
Consolidated net financial position	**(75)**	**(4,821)**	**(4,896)**

43. Translation of foreign currency financial statements

The principal exchange rates used for the translation of the 2008 and 2007 foreign currency financial statements and data to Euro are as follows:

	2008	2007
Year-end exchange rate		
British pound	**0.953**	0.733
U.S. dollar	**1.392**	1.472
Swiss franc	**1.485**	1.655
Average exchange rate		
British pound	**0.796**	0.684
U.S. dollar	**1.471**	1.370
Swiss franc	**1.587**	1.642

44. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2008 were approved by the board of directors on March 25, 2009 which authorized their publication starting from March 31, 2009.

Turin, March 25, 2009

On behalf of the Board of Directors
The Chairman
John Elkann

Attestation of the separate financial statements according to art. 154-bis, paragraph 5, of Legislative Decree 58/98

We, the undersigned, Carlo Barel di Sant'Albano, chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. (formerly IFI S.p.A.) attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2008.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002, in addition to the provisions enacted for the implementation of art. 9 of Legislative Decree 38/2005;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct representation of the financial conditions, results of operations and cash flows of the issuer;
- the Report on Operations includes a reliable operating and financial review of the issuer as well as a description of the main risks and uncertainties to which it is exposed.

Turin, March 25, 2009

Chief Executive Officer Carlo Barel di Sant'Albano	Manager responsible for the preparation of the financial reports Aldo Mazzia

Attestation of the consolidated financial statements according to art. 154-bis, paragraph 5, of Legislative Decree 58/98

We, the undersigned, Carlo Barel di Sant'Albano, chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. (formerly IFI S.p.A.) attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

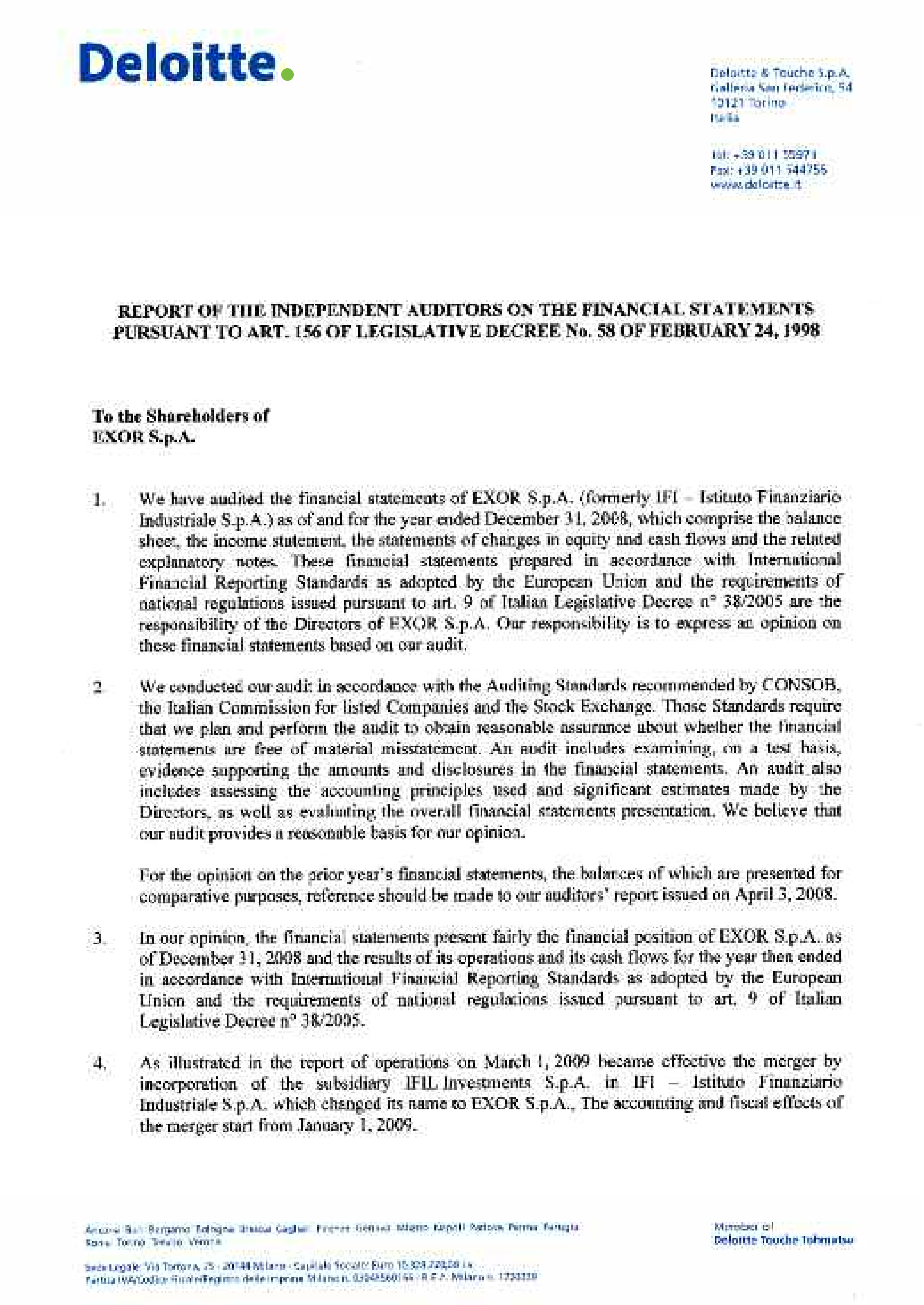
of the administrative and accounting procedures applied in the preparation of the consolidated financial statements at December 31, 2008.

We also attest that:

- the consolidated financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002, in addition to the provisions enacted for the implementation of art. 9 of Legislative Decree 38/2005;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct representation of the financial conditions, results of operations and cash flows of the issuer and the aggregate of the companies included in consolidation;
- the Report on Operations includes a reliable operating and financial review of the issuer and the aggregate of the companies included in consolidation as well as a description of the main risks and uncertainties to which they are exposed.

Turin, March 25, 2009

Chief Executive Officer Carlo Barel di Sant'Albano	Manager responsible for the preparation of the financial reports Aldo Mazzia



Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544755
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Shareholders of
EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. (formerly IFI – Istituto Finanziario Industriale S.p.A.) as of and for the year ended December 31, 2008, which comprise the balance sheet, the income statement, the statements of changes in equity and cash flows and the related explanatory notes. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on April 3, 2008.

3. In our opinion, the financial statements present fairly the financial position of EXOR S.p.A. as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. As illustrated in the report of operations on March 1, 2009 became effective the merger by incorporation of the subsidiary IFIL Investments S.p.A. in IFI – Istituto Finanziario Industriale S.p.A. which changed its name to EXOR S.p.A., The accounting and fiscal effects of the merger start from January 1, 2009.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Perugia
Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Partita IVA/Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239

Member of
Deloitte Touche Tohmatsu

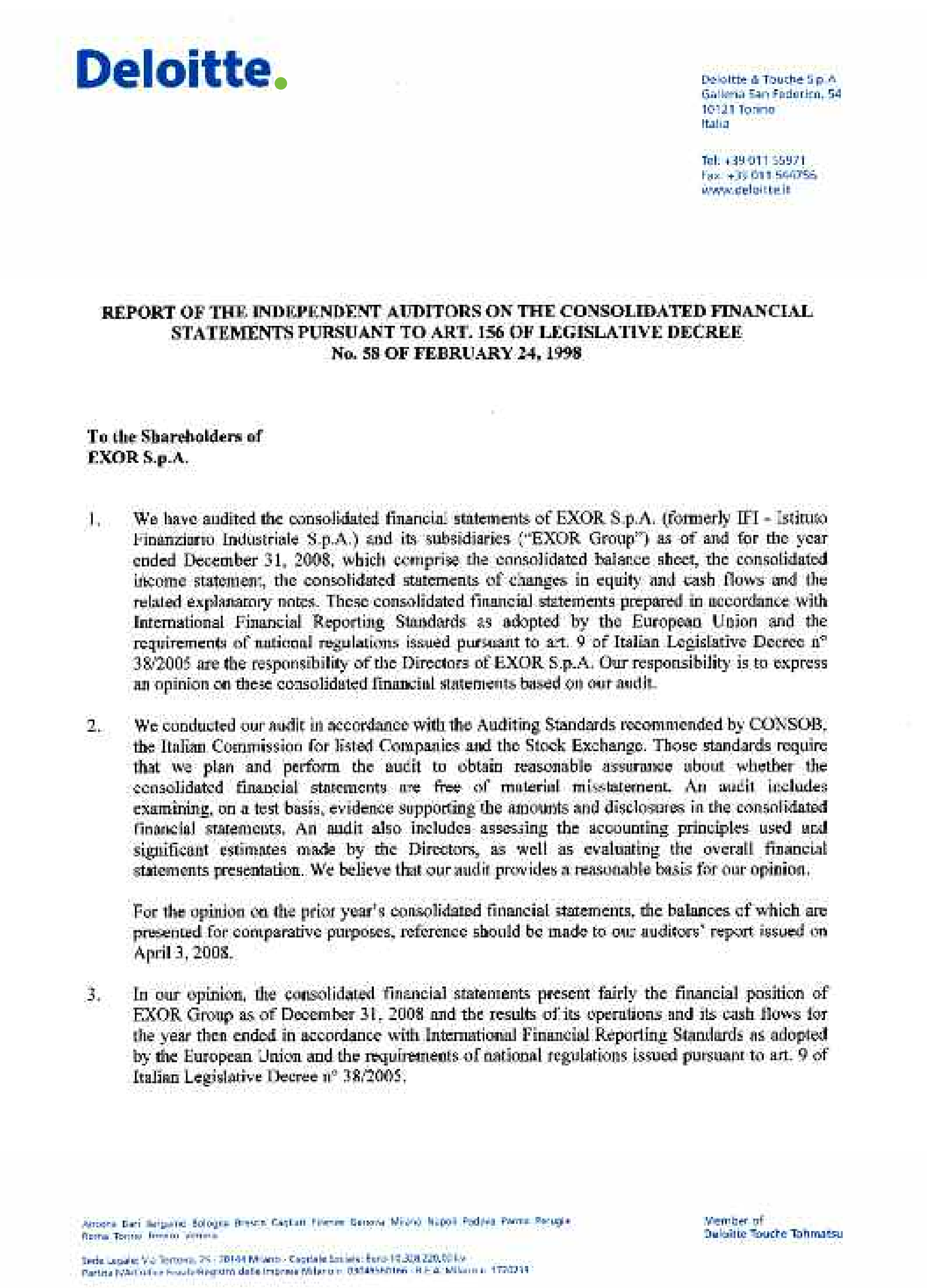
5. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession and recommended by CONSOB. In our opinion the report on operations is consistent with the financial statements of EXOR S.p.A. as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
March 30, 2009

This report has been translated into the English language solely for the convenience of international readers.



Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Shareholders of
EXOR S.p.A.

1. We have audited the consolidated financial statements of EXOR S.p.A. (formerly IFI - Istituto Finanziario Industriale S.p.A.) and its subsidiaries ("EXOR Group") as of and for the year ended December 31, 2008, which comprise the consolidated balance sheet, the consolidated income statement, the consolidated statements of changes in equity and cash flows and the related explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on April 3, 2008.

3. In our opinion, the consolidated financial statements present fairly the financial position of EXOR Group as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. For a better understanding of the consolidated financial statements, attention is drawn to the following information:

   (a) On March 1, 2009, became effective the merger by incorporation of the subsidiary IFIL Investments S.p.A. in IFI - Istituto Finanziario Industriale S.p.A., which changed its name to EXOR S.p.A.

   (b) EXOR Group, pending possible amendments to IAS 27 proposed in the Exposure Draft ED 10 "Consolidated Financial Statements", that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, has continued to exclude the Fiat Group, in which the subsidiary IFIL Investments S.p.A. had a 30.45% holding of ordinary capital stock, from line-by-line consolidation, consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter. However, in note 42 to the consolidated financial statements are presented the pro-forma consolidated financial data prepared consolidating line-by line the Fiat Group.

5. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations with the financial statements, as required by art. 156, paragraph 4-bis, letter d), of the Legislative Decree 58/98. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession and recommended by CONSOB. In our opinion the report on operations is consistent with the consolidated financial statements of the EXOR Group as of December 31, 2008.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
March 30, 2009

This report has been translated into the English language solely for the convenience of international readers.

BOARD OF STATUTORY AUDITORS' REPORT TO THE STOCKHOLDERS' MEETING HELD ON APRIL 27/28, 2009

Stockholders,

In compliance with art. 2429 of the Italian Civil Code and with art. 153 of Legislative Decree 58/1998, the board of statutory auditors reports on the scope and findings of the control activities carried out during the year 2008 – during the course of which began, among other things, the process leading, with effect on March 1, 2009, to the merger by incorporation of IFIL Investments and to the change of name to EXOR - also referring to and considering the work performed by the preceding standing members of the board of statutory auditors Mr Gianluca Ferrero and Mr Giorgio Giorgi until cessation of their term of office on May 15, 2008.

We have participated in the ten meetings of the board of directors, during which we were informed about the activities and the main operating, financial and balance sheet transactions completed or being undertaken by the company and its direct subsidiaries.

We have obtained assurance that the transactions which the company has approved and undertaken were in compliance with the law and with the company's bylaws, were based upon the principles of good administration, were not in conflict with any resolutions passed by the stockholders and were not in conflict of interest.

During the seven meetings we have held and from our meetings with the persons responsible for the main relevant corporate functions, with the manager responsible for the preparation of the financial reports and with the representatives of the audit firm – with whom we met on three occasions and whose work we have made use of - we consider that we have acquired the necessary information as to the company's compliance with the principles of diligent and proper administrative management.

Based on what we have ascertained and verified, we have concluded that the administrative and accounting system, conforming to the Model of corporate administrative and accounting control previously adopted by the company, was capable of representing correctly the company's affairs during the year 2008.

Further, as for our responsibilities, we have concluded that the company's organizational structure and internal control system were adequate in relation to its dimensions and activities in the same period.

With regard to the requirements of art. 114, paragraph 2 of Legislative Decree 58/1998, the directives imparted to the subsidiaries appear to us to be appropriate.

With regard to Corporate Governance, the directors noted in the specific report on the subject, indicating that IFI - Istituto Finanziario Industriale, now EXOR, had not adopted the Code of Self-discipline in view of the company's particular capital structure - no ordinary shares being listed since entirely held by Giovanni Agnelli e C. S.a.p.az. – considering the system adopted for Corporate Governance regulation to be suitable to the capital structure and sufficient to ensure transparency.

The board of statutory auditors concluded that the regulations and procedures in place, as ascertained and verified, were adequate to the purposes established for them by the directors.

Since, on March 1, 2009, the merger by incorporation of IFIL Investments in IFI Istituto Finanziario Industriale became effective and on that day the latter company changed its name to EXOR, the directors in a meeting held on March 2, 2009 – the first after the completion of the operation – adopted the rules of Corporate Governance described in the report, which rules, mutatis mutandis, as they observe in the report, are in line with those already in force in the merged IFIL Investments.

Bearing in mind the pre-existing corporate governance structure, so far as concerns our responsibilities, we take note that the directors have provided EXOR with the corporate governance model described in the Code of Self-discipline, related to the company's new characteristics and the increased scope of its operations and thereby with principles and rules of corporate governance which are stated to be in conformity with the aforesaid Code, setting out in the report to which we refer you for full information on the matter, the grounds for deviations from some of the Code's requirements.

With reference to the other matters identified by CONSOB in communication DEM/1025564 dated April 6, 2001, we observe the following:

- we have been regularly informed of matters falling under our jurisdiction;
- the periodic verifications and the tests to which we have subjected the company have not brought to light any atypical or unusual transactions with third parties, with related parties or with group companies such as might give rise to doubts about the correctness or completeness of the information in the financial statements, about the presence of conflicts of interest or about the safeguarding of the company's assets;
- the directors, in Note 32 to the separate financial statements, disclose the existence of and provide comments on the exchange of goods and services between EXOR, group companies and related parties, stating that for such transactions were carried out by reference to arm's length reciprocal economic gain;
- from the meetings with the auditors no significant facts or situations came to our attention which necessitated the performance of further controls on our part which we should report to you;
- we have not received nor had notice of any complaints under ex art. 2408 of the Italian Civil Code and petitions;
- in our contacts with the corresponding boards of the parent company and the subsidiary company no matters have been addressed which would require to be communicated;
- we have expressed the opinions required of us by law;
- by means of a letter dated February 19, 2009, Deloitte & Touche has informed us that:

  " (…) during 2008, IFI - Istituto Finanziario Industriale S.p.A. ("IFI" or the "company"), in addition to the engagement for the audits of the separate financial statements and the consolidated financial statements and for the limited audit of the consolidated half-year report (aggregate fees of Euro 31,320 for 404 hours exclusive of the hours and fees for the subsidiary companies whose audits are assigned separately) conferred to us the following engagements:

  - limited audit of the pro-forma data contained in the information document prepared by IFI in order to provide information about the merger by incorporation of the subsidiary IFIL Investments S.p.A. for the purposes of the requirements of art. 70 of the regulation for issuers approved by Consob Resolution 11971 of May 14, 1999 and subsequent amendments and additions, for a fee of Euro 26,000;
  - limited audit of the balance sheet position of IFI at June 30, 2008 prepared under the requirements of art. 2501-quater of the Italian Civil Code and drawn up in accordance with the International Financial Reporting Standard on interim financial reporting (IAS 34 – Interim Financial Reporting) for a fee of Euro 2,000.

  In the same year, no engagements were conferred to parties related to Deloitte & Touche S.p.A.(...)".

We have also examined the draft separate financial statements of EXOR which present a profit of Euro 49,137,819 illustrated by the directors in their Report on Operations and in the Notes.

The chief executive officer and the manager responsible for the preparation of the financial reports have issued the attestation required under art. 154-bis, paragraph 5 of Legislative Decree 58/1998.

In the closing meeting to review our respective activities relating to the year 2008, Deloitte & Touche, the appointed external auditors, illustrated to us their audit report dated March 30, 2009 which concludes as follows:

"(…) In our opinion, the separate financial statements present fairly the financial position of EXOR S.p.A. as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005. (…)",

in drawing attention to the merger.

On the basis of the information we obtained directly pertaining to the scope and structure and of the conclusions reached by Deloitte & Touche, we are of the view that the document may be approved together with the proposal for the appropriation of the profit for the year and the attribution of the further dividend to all the classes of stock.

Since the appointment of its board of statutory auditors ended on March 1, 2009 with the completion of the merger by incorporation, we have also examined the draft separate financial statements of IFIL Investments - prepared, in the analogous circumstances, by the directors of EXOR in their meeting on March 25 - which presents a profit of Euro 356,476,843 illustrated in the Report on Operations and in the Notes.

The chief executive officer and the manager responsible for the preparation of the financial reports of EXOR, also with respect to them, have issued the attestation required under art. 154-bis, paragraph 5 of Legislative Decree 58/1998.

Deloitte & Touche, appointed to perform the audit, illustrated to us their audit report dated March 30, 2009 which concludes as follows:

"(…) In our opinion, the separate financial statements present fairly the financial position of IFIL Investments S.p.A. as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005. (…)",

in drawing attention to the merger.

On the basis of the information we obtained directly pertaining to the scope and structure and of the conclusions reached by Deloitte & Touche, we are of the view that the document may be approved together with the proposal for the appropriation of the profit for the year.

We draw your attention to the requirement for appointments to be made to the company's bodies for the three-year period 2009-2011.

Turin, April 2, 2009

The Board of Statutory Auditors

Lionello Jona Celesia, Chairman
Giorgio Ferrino
Paolo Piccatti

BOARD OF STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2008

Stockholders,

We have taken note of the fact that in their meeting on March 25, 2009 the directors also prepared and approved the consolidated financial statements of the EXOR Group which present a consolidated profit of Euro 428 million, of which Euro 302 million is attributable to the equity holders of the parent, presented together with the Report on Operations, which, in its overall content, refers also to the separate financial statements.

The chief executive officer and the manager responsible for the preparation of the financial reports have issued the attestation required under art. 154-bis, paragraph 5 of Legislative Decree 58/1998.

In the closing meeting to review our respective activities relating to the year 2008, Deloitte & Touche, the appointed external auditors, illustrated to us their audit report dated March 30, 2009 which concludes as follows:

"(…) In our opinion, the consolidated financial statements present fairly the financial position of EXOR Group as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005. (…)",

drawing attention both to the merger by incorporation and to the continued exclusion from line-by-line consolidation of the FIAT Group for which, for completeness of information, pro-forma consolidated data is provided in Note 42.

We have also taken note of the fact that in their meeting held on March 25, 2009 the EXOR directors also prepared and approved the consolidated financial statements of the IFIL Investments Group since the term of office of the board of directors of this company ended on March 1, 2009 with the completion of its merger by incorporation into IFI – Istituto Finanziario Industriale.

The document presents a profit of Euro 438 million of which Euro 445 million is attributable to the equity holders of the parent, and is presented together with the Report on Operations which, in its overall content, refers also to the separate financial statements, and the specific Notes.

The chief executive officer and the manager responsible for the preparation of the financial reports of EXOR, also with respect to them, have issued the attestation required under art. 154-bis, paragraph 5 of Legislative Decree 58/1998.

Deloitte & Touche, appointed to perform the audit, illustrated to us their audit report dated March 30, 2009 which concludes as follows:

"(…) In our opinion, the consolidated financial statements present fairly the financial position of IFIL Group as of December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005. (…)",

drawing attention both to the merger by incorporation and to the continued exclusion from line-by-line consolidation of the FIAT Group for which, for completeness of information, pro-forma consolidated data is provided in Note 42.

Since the audit firm appointed to the financial audit has expressed its positive opinion under art. 156 of Legislative Decree 58 dated February 24, 1998 on both consolidated financial statements, further observations from ourselves do not appear necessary.

Turin, April 2, 2009

The Board of Statutory Auditors

Lionello Jona Celesia, Chairman
Giorgio Ferrino
Paolo Piccatti

Below is set out a list of the boards of directors and of statutory auditors on which, as of the date on which their report was issued, the members of the company's board of statutory auditors served in the other companies as defined in Booklet V, Title V, Chapter V, VI and VII of the Italian Civil Code, pursuant to art. 144 quinquiesdecies of the Regulation for Issuers (the financial year in which the appointment ends is indicated in brackets.).

Lionello Jona Celesia, chairman of the board of statutory auditors of: A.T.A.V. S.p.A. Autolinee Torinese Ast. Vigo (2009), Centro Servizi Vadò S.r.l. (2008), Flash S.p.A. (2010), Gestioni Contabili S.r.l. (2010), IBM Italia S.p.A. (2008), Iniziativa Piemonte S.p.A. now IP – Investimenti e Partecipazioni S.r.l. (2010), Lazard Investimenti S.r.l. (2009), Lazard & Co. S.r.l. (2008), Maggio 88 S.p.A. (2008), Penta Domus S.p.A. (2008), SE.ME. S.p.A. (2009), Sidever S.p.A. (2008); standing auditor of the board of statutory auditors of: Autostrada Torino Milano S.p.A.* (2010), Comital S.p.A. (2008), Gabriel Fiduciaria S.r.l. (2010), Giovanni Agnelli e C. S.a.p.az. (2008), Nomen Fiduciaria S.r.l. (2008), Nord Ovest Servizi S.p.A. (2010), Simon Fiduciaria S.p.A. (2010); chairman of the board of directors of: Banca del Piemonte S.p.A. (2009), Jona Società di Revisione S.p.A. (2010), Socotras S.p.A. (2009); member of the board of directors of: Centro Medico Interdisciplinare Sanitario – CE.MI.SA S.r.l. (2008).

Giorgio Ferrino, chairman of the board of statutory auditors of: Allamandi G. & F. S.p.A. (2008), Cartotecnica Chierese S.p.A. (2008), Con-Pak S.p.A. (2008), Ersel Asset Management Società di Gestione del Risparmio S.p.A. (2009), F.lli Carli S.p.A. (2010), Fincarta S.p.A. (2008), Industria e Finanza SGR S.p.A. (2008), Mignola S.A.P.A. (2009), V.I.R. S.p.A. (2010); standing auditor of the board of statutory auditors of: F.A.C.E.M. S.p.A. (2009), Fidersel S.p.A. (2009), G. B. Paravia & C. S.p.A. (2011), I.R.C.C. S.p.A. in liquidation (2009), Investimenti e Partecipazioni S.r.l. (2010), P.L.V. Produzioni Litografiche Varie S.r.l. (2009), Santander Consumer Bank S.p.A. (2008), U.B.I. Factor S.p.A. (2010); chairman of the board of directors of: Nomen Fiduciaria S.r.l. (2008), Simon Fiduciaria S.p.A. (2010), Sogefi Fiduciaria S.r.l. (2008); chief executive officer of: Immobiliare Santi S.r.l. (until revocation); sole director of: Fingesco S.r.l. (until revocation); member of the board directors of: Banca del Piemonte S.p.A. (2009).

Paolo Piccatti, chairman of the board of statutory auditors of: Eni Gas Transport Deutschland S.p.A. (2009), Fiat Partecipazioni S.p.A. (2011), Neos S.p.A. (2009); standing auditor of the board of statutory auditors of: Alpitour S.p.A. (2010), Banca Sella Holding S.p.A. (2008), Comau S.p.A. (2010), Fiat Group Automobiles S.p.A. (2011), Giovanni Agnelli e C. S.a.p.az. (2008), Istituto per la ricerca e la cura del cancro S.p.A. in liquidation (2009), Iveco S.p.A. (2010), Juventus F.C. S.p.A.* (2009), Lng Shipping S.p.A. (2009), Soiem S.p.A. (2008); member of the oversight committee of: Pan Electric S.p.A. under administration (until closing of the procedure) and Pan Electric Mediterranea S.p.A. under administration (until closing of the procedure).

* listed company

List of EXOR Group companies (formerly IFI Group) at December 31, 2008

As required by Consob Resolution 11971 dated May 14, 1999 as amended (Art. 126 of the Regulations), a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, is provided below.

Investments of EXOR consolidated on a line-by-line basis

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
EXOR S.p.A. (formerly IFI S.p.A.)	**ITALY**	**163,251,460**	**EUR**				
IFIL INVESTMENTS S.p.A.	ITALY	1,075,995,737	EUR	70.00	EXOR S.p.A. (formerly IFI S.p.A.)	67.729	69.988
					GIOVANNI AGNELLI E C. S.a. p.az.	2.896	3.000
					IFIL Investments S.p.A. (*)	3.169	3.195
					SOIEM S.p.A. (*)	0.075	0.078

(*) Voting suspended.

Investments of the "Holdings System" consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 70.001%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
COMPANIES OF THE HOLDINGS SYSTEM (Holding companies and services)							
IFIL INVESTISSEMENTS S.A.	LUXEMBOURG	166,611,300	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL INTERNATIONAL FINANCE L.T.D.	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED U.K.	UNITED KINGDOM	243,100	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL INVESTMENT HOLDING N.V. (a)	NETHERLANDS	960,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL GROUP FINANCE L.T.D. (a)	IRELAND	4,000,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL USA INC.	USA	1	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL ASIA LIMITED	HONG KONG CHINA (PEOPLE'S REP.)	1	HKD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
IFIL FRANCE SAS	FRANCE	50,000	EUR	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
ANCOM USA INC	USA	-	USD	100.00	IFIL INVESTISSEMENTS S.A.	100.000	100.000
C & W GROUP INC.	USA	7,116	USD	74.43	IFIL INVESTISSEMENTS S.A.	71.809	71.809
					C & W GROUP INC. (*)	3.522	3.522 (*)
SOIEM S.p.A.	ITALY	9,125,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
IFIL NEW BUSINESS S.r.l.	ITALY	20,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
OPERATING COMPANIES							
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EUR	100.00	IFIL INVESTMENTS S.p.A.	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	20,155,333	EUR	60.00	IFIL INVESTMENTS S.p.A.	60.001	60.001

(a) Company in a voluntary wind-up.
(*) Voting suspended.

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 52.102%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Real Estate Services							
BIGeREALESTATE, Inc.	USA	N/A	USD	77.400%	Cushman & Wakefield, Inc.	77.400%	77.400%
Buckbee Thorne & Co.	USA	37,500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Offshore Consulting, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W-Japan K.K.	JAPAN	200	YEN	100.000%	Cushman & Wakefield International Inc.	100.000%	100.000%
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Ltd.	99.000%	99.000%
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CHP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980%	99.980%
			CHP		Cushman & Wakefield of South America, Inc.	0.020%	0.020%
Cushman & Wakefield - Colombia Ltda	COLOMBIA	5,706,000	COP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895%	99.895%
					Cushman & Wakefield of South America, Inc.	0.105%	0.105%
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,200,000	BRL	98.000%	Cushman & Wakefield Holding Participacoes Ltda	98.000%	98.000%
Cushman & Wakefield - Argentina S.A.	ARGENTINA	3,344,930	ARS	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
			ARS		Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Peru S.A.	PERU	55,842	PEN	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Servicos Gerais Ltda.	BRAZIL	10,000	BRL	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	99.990%
					Cushman & Wakefield of South America, Inc.	0.010%	0.010%
Cushman & Wakefield Venezuela, S.A.	VENEZUELA	1,000,000	VEB	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000%	100.000%
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	50,000	EUR	99.800%	Cushman & Wakefield (France Holdings) SAS	99.800%	99.800%
				0.200%	Healey & Baker Limited	0.200%	0.200%
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	50,000	Polish Zloty	99.000%	Cushman & Wakefield Polska SP z.o.o.	99.000%	99.000%
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	500,000	AUD$	100.000%	Cushman & Wakefield Singapore Holdings Pte Limited	75.000%	75.000%
					Cushman & Wakefield Holding Pty Limited	25.000%	25.000%
Cushman & Wakefield (China) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited.	100.000%	100.000%
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield (Hellas) SA	GREECE	60,000	EUR	99.995%	Cushman & Wakefield (France Holdings) SAS	99.995%	99.995%
Cushman & Wakefield (HK) Limited.	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	Singapore dolla	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Shanghai) Co., Ltd.	CHINA	1,800,000	USD	100.000%	Cushman & Wakefield (China) Limited	100.000%	100.000%
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.000%	Cushman & Wakefield (UK) Services Ltd.	100.000%	100.000%
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Activ Consulting S.R.L.	ROMANIA	1,000	RON	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield First Nova Scotia ULC	99.900%	99.900%
					Cushman & Wakefield Second Nova Scotia ULC	0.100%	0.100%
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield of Asia Inc	99.990%	99.990%
					Cushman & Wakefield International Inc.	0.010%	0.010%
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.000%	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000%	100.000%
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXP	100.000%	Cushman & Wakefield of North America, Inc.	50.000%	50.000%
					Cushman & Wakefield of the Americas, Inc.	50.000%	50.000%
Cushman & Wakefield Eagle Advisors Limited	HONG KONG	10,000	HKDollar	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Holdings	Cayman Islands	50,000	USD	50.000%	Cushman & Wakefield Investors Asia Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Management Limited	Cayman Islands	50,000	USD	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eagle Partners	Cayman Islands	50,000	USD	50.000%	Cushman & Wakefield Eagle Holdings	50.000%	50.000%
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Ecuador S.A.	ECUADOR	840	USD	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield European Holdings, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Expertise SAS	FRANCE	37,000	EUR	100.000%	Cushman & Wakefield SAS	100.000%	100.000%
Cushman & Wakefield Finance Limited	UNITED KINGDOM	10,000	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	TURKEY	1,796	YTL		Cushman & Wakefield (France Holdings) SAS	89.800%	89.800%
		1	YTL		Healey & Baker Limited	0.050%	0.050%
		1	YTL		Cushman & Wakefield (EMEA) Limited	0.050%	0.050%
		1	YTL		Philip Ingleby	0.050%	0.050%
		1	YTL		Eric Van Dyck	0.050%	0.050%
		200	YTL		Ayse Cebe	10.000%	10.000%
Cushman & Wakefield GCHF	SINGAPORE	N/A	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Gestion, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Holdings, Inc.	USA	58,573	USD	100.000%	C & W Group Inc	100.000%	100.000%
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Hospitality srl	ITALY	9,000	EUR	100.00%	Cushman & Wakefield Hospitality Limited	90.000%	90.000%
		1,000			Marco Zalamena	10.000%	10.000%
Cushman & Wakefield India Private Limited	INDIA	336,447,800	Indian Rupee	100.000%	Cushman & Wakefield Mauritius Holdings, Inc.	99.990%	99.990%
					Cushman & Wakefield of Asia Limited	0.010%	0.010%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 52.102%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	100,000	Singapore dolla	60.000%	Cushman & akefield Singapore Holdings Pte Limited	60.000%	60.000%
					Property Advisory International Limited (BVI) (not a C&W entity)	40.000%	40.000%
Cushman & Wakefield International Finance Subsidiary, Inc	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	90.000%
Cushman & Wakefield International, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield Investors Asia Holdings	Cayman Islands	50,000	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield Investors SAS	FRANCE	25,443	EUR	100.000%	Cushman & Wakefield Investors Limited	100.000%	100.000%
Cushman & Wakefield Ireland Limited	IRELAND	1,000,000	EUR	100.000%	Cushman & Wakefield UK Limited Partnership	100.000%	100.000%
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	100,000	Korean Won	100.000%	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000%	100.000%
Cushman & Wakefield LePage Inc.	CANADA	11,000	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Cushman & Wakefield LLC	UKRAINE	50,500	UAH	100.000%	Cushman & Wakefield EMEA	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (UK) Limited	99.000%	99.000%
					Individual Equity Partners	1.000%	1.000%
Cushman & Wakefield Loan.Net, Inc.	USA	20	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.000%	Cushman & Wakefield State Street, Inc.	100.000%	100.000%
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Middle East) FZE	UNITED ARAB EMIRATES	1,000,000	USD	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Mortgage Brokerage, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Netherlands B.V.	NETHERLANDS	40,000	NLG	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arizona, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	979,152	USD	75.000%	Cushman & Wakefield of Asia, Inc.	75.000%	75.000%
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Colorado, Inc.	USA	800	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Delaware, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Georgia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Illinois, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Indiana, Inc.	USA	5	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Michigan, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Mississippi, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of North America, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Pennsylvania, Inc.	USA	14	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield of California, Inc.	100.000%	100.000%
Cushman & Wakefield of South America, Inc.	USA	100	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of the Americas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington, Inc.	USA	50	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Oy	FINLAND	2,500	EUR	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Polska SP z.o.o.	POLAND	135,588	Polish Zloty	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Property Management Services India Private Limited	INDIA	100,000	INR	100.000%	Cushman & Wakefield India Private Limited	99.980%	99.980%
					Sanjay Verma as nominee for C&W India Private Ltd	0.020%	0.020%
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAK REPUBLIC	N/A	EUR	100.000%	Cushman & Wakefield, s.r.o.	100.000%	100.000%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 52.102%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Cushman & Wakefield Real Estate Securities Research, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Residential Real Estate Advisor Ltd.	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield Residential Ltd	100.000%	100.000%
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	16,200,000	Pesos	100.000%	Cushman & Wakefield de Mexico, S.A. de C.V	99.990%	99.990%
					Cushman & Wakefield of the Americas, Inc.	0.010%	0.010%
Cushman & Wakefield SAS	FRANCE	42,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Securities, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	Singapore dolla	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefeild Sonnenblick Goldman of California Inc	USA	1	USD	100.000%	Cushman & Wakefield Sonnenblick -Goldman LLC	100.000%	100.000%
Cushman & Wakefield Sonnenblick- Goldman LLC	USA	N/A	USD	65.000%	Cushman & Wakefield Mortgage Brokerage, Inc.	65.000%	65.000%
					Steven A. Kohn	9.700%	9.700%
					Andrew S. Oliver	7.750%	7.750%
					Mark J. Gordon	7.750%	7.750%
					Robert B. Stiles	4.200%	4.200%
					Richard B. Swartz	2.800%	2.800%
					Douglas P. Hercher	2.800%	2.800%
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Stiles & Riabokobylko Management ZAO	RUSSIA	600	Roubles	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield Stiles & Riabokobylko OOO	RUSSIA	600	Roubles	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield, Inc.	98.000%	98.000%
					Cushman & Wakefield International Holdings Limited Partnership	2.000%	2.000%
Cushman & Wakefield V.O.F.	NETHERLANDS		EUR	99.000%	Cushman & Wakefield, Netherlands B.V.	99.000%	99.000%
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield (HK) Limited.	100.000%	100.000%
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	Singapore dolla	100.000%	Cushman & Wakefield (S) Pte Limited	100.000%	100.000%
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield, s. r. o.	CZECH REPUBLIC	100,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	80.000%	100.000%
					Cushman & Wakefield European Holdings, Inc.	20.000%	20.000%
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	80	USD	80.000%	Cushman & Wakefield/Premisys, Inc.	80.000%	80.000%
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.000%	Cushfield, Inc.	100.000%	100.000%
Cushman Investment & Development Corp	USA	5,000	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
Cushman Management Corporation	USA	1,000	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
Cushman Realty Corporation	USA	6,286	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman Realty Corporation of Colorado	USA	100	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Greater China Hospitality Fund L.P (GCHF)	Cayman Islands	N/A	USD	50.000%	Cushman & Wakefield Eagle Partners	50.000%	50.000%
New Cushman Pasadena Corp.	USA	100	USD	100.000%	Cushman Realty Corporation	100.000%	100.000%
SG Securities Holdings LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Sonnenblick- Goldman LLC	100.000%	100.000%
SG Real Estate Securities LLC	USA	N/A	USD	100.000%	SG Securities Holdings LLC	100.000%	100.000%
The Apartment Group LLC	USA	200	USD	100.000%	Cushman & Wakefield of Georgia, Inc.	100.000%	100.000%
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield International Real Estate Ltd	100.000%	100.000%
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	INDONESIA	5,000	IDR	98.000%	Cushman & Wakefield Indonesia Holdings Private Limited	98.000%	98.000%
	INDONESIA		IDR		Mhandadjaja Sulaiman	2.000%	2.000%
Assets Services							
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield LePage Inc.	99.000%	99.000%
					Cushman & Wakefield GP Inc	1.000%	1.000%
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Holding							
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Holding Participacoes Ltda	BRAZIL	16,423,500	BRR	99.990%	Cushman & Wakefield of South America, Inc.	99.990%	99.990%
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Thailand Limited.	THAILAND	8,000,000	THB	100.000%	Cushman & Wakefield of Asia Limited	99.980%	99.980%
					Michael Thompson	0.010%	0.010%
					Apisit Limlongwongse	0.010%	0.010%
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield (France Holdings) SAS	FRANCE	3,987,000	EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield International Holdings Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield European Holdings, Inc	75.2933%	75.293%
					Cushman & Wakefield of South America, Inc.	0.0001%	0.000%
					Cushman & Wakefield, Inc.	24.3050%	24.305%
					Cushman & Wakefield Gestion, Inc.	0.401%	0.401%
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	CANADA		CAD	100.000%	1012888 Ontario Limited	50.000%	50.000%
					808359 Ontario Limited	50.000%	50.000%
1012888 Ontario Limited	CANADA	NA	CAD	100.000%	Cushman & Wakefield LePage Inc.	100.000%	100.000%
808359 Ontario Limited	CANADA	NA	CAD	100.000%	Cushman & Wakefield LePage Inc.	100.000%	100.000%
Cushman & Wakefield Global Holdco Limited	UNITED KINGDOM		EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%

Investments of the Cushman & Wakefield Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 52.102%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Insurance							
Nottingham Indemnity, Inc.	USA	100,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
REIT management							
Cushman & Wakefield Investment Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Realty Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Business Support Management							
Cushman & Wakefield Facilities Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushfield Maintenance West Corp.	USA	1,000	USD	100.000%	Buckbee Thorne & Co.	100.000%	100.000%
Cushfield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield National Corporation	USA	5,100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%
Others							
Cushman & Wakefield (BVI) Inc	BRITISH VIRGIN ISLANDS	10,000	USD	100.000%	Cushman & Wakefield of Asia Limited	99.990%	99.990%
					Cushman & Wakefield International Inc.	0.010%	0.010%
Cushman & Wakefield Cleanings Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.990%	99.990%
					Cushman & Wakefield Second Nova Scotia ULC	0.010%	0.010%
Farrell & Anderson Pty Limited	AUSTRALIA		AUD	100.000%	Cushman & Wakefield (NSW) Pty Limited	100.000%	100.000%
Cushman & Wakefield (NSW) Pty Limited	AUSTRALIA		AUD	100.000%	Cushman & Wakefield (Australia) Pty Limited	100.000%	100.000%
Cushman & Wakefield Advisory Asia (India) Private Limited	INDIA		INR	99.000%	Cushman & Wakefield Capital Holdings (Asia)	99.000%	99.000%
				1.000%	Cushman & Wakefield Capital Asia Limited	1.000%	1.000%
Cushman & Wakefield Holding Pty Limited	AUSTRALIA	1	AUD	100.000%	Cushman & Wakefield Singapore Holdings Private Limited	100.000%	100.000%
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia, Inc.	100.000%	100.000%
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 70.001%)

Hotel management

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITOUR WORLD HOTELS & RESORTS S.p.A.	ITALY	140,385.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
HORIZON HOLIDAYS S.A. UNIPERSONAL	SPAIN	20,133,500.00	EUR	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
INVERSIONES LOS UVEROS S.A. DE C.V.	DOMINICAN REP.	200,000	DOP	99.700	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.700	99.700
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	100.000
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
NETRADE S.p.A.	ITALY	300,000.00	EUR	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EUR	100.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	100.000	100.000
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					HORIZON HOLIDAYS S.A. UNIPERSONAL	1.000	1.000

Insurance

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	2,500,000.00	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000

Distribution (Travel agency)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EUR	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000.00	CHF	100.000	WELCOME TRAVEL GROUP S.P.A.	100.000	100.000
WELCOME TRAVEL GROUP S.p.A.	ITALY	3,939,855.00	EUR	100.000	ALPITOUR S.P.A.	100.000	100.000

Incoming services

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	100,000	DOP	99.500	JUMBOTURISMO S.A. UNIPERSONAL	99.300	99.300
					JUMBO CANARIAS S.A. UNIPERSONAL	0.100	0.100
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.100	0.100
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	37,000.00	EUR	99.970	JUMBOTURISMO S.A. UNIPERSONAL	99.970	99.970
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EUR	100.000	ALPITOUR S.P.A.	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EUR	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO MOROCCO INCOMING S.A.	MOROCCO	400,000	MAD	99.700	JUMBOTURISMO S.A. UNIPERSONAL	99.700	99.700
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000

Tour operating

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
A W EVENTS Srl	ITALY	23,838.00	EUR	83.900	ALPITOUR S.p.A.	83.900	83.900

Airline

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
NEOS S.p.A.	ITALY	4,425,800.00	EUR	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP	0.000	0.000

Investments of the Holdings System accounted for by the equity method (percentage of EXOR Group consolidation: 70.001%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Holding companies and other companies							
SEQUANA S.A.	FRANCE	74,317,503.00	EUR	26.91	IFIL INVESTISSEMENTS S.A.	26.649	26.649
FIAT S.p.A. (a)	ITALY	6,377,262,975.00	EUR	29.40	FIAT S.p.A.	3.024	3.531
					IFIL INVESTMENTS S.p.A.	28.513	30.450

(a) The companies of the Fiat Group are presented separately.

Investments of the Cushman & Wakefield Group accounted for by the equity method (percentage of EXOR Group consolidation: 52.102%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
REAL ESTATE SERVICES							
Orvis/Cushman & Wakefield Ranch and Recreational Properties, LLC	USA	1,000	USD	50.000%	Cushman & Wakefield, Inc.	50.000%	50.000%
					The Orvis Company, Inc	50.000%	50.000%
Orvis/Cushman & Wakefield Ranch and Recreational Properties, Inc	USA			100.000%	Orvis/Cushman & Wakefield Ranch and Recreational Properties, LLC	100.000%	100.000%
ASSET SERVICES							
Corporate Occupier Solutions Limited	UNITED KINGDOM	100,000	GBP	50.000%	Cushman & Wakefield (EMEA) Limited.	50.000%	50.000%
Cushman & Wakefield Facility Management Services	CANADA	1,000	CAD	50.000%	Cushman & Wakefield FM Limited Partnership	50.000%	50.000%
		1,000	CAD		Arturus Realty Corporation	50.000%	50.000%

Investments of the Alpitour Group accounted for by the equity method (percentage of EXOR Group consolidation: 70.001%)

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	HORIZON HOLIDAYS S.A. UNIPERSONAL	49.000	49.000
VACANZEINITALIA S.p.A.	ITALY	300,000	EUR	50.000	ALPITOUR S.p.A	50.000	50.000
Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A	50.000	50.000
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EUR	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EUR	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EUR	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EUR	30.000	ALPITOUR S.p.A.	30.000	30.000

Significant investments of the "Holdings System"

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	% of interest held	% of voting rights
Holding companies and other companies						
INTESA SANPAOLO S.p.A.	ITALY	6,646,547,923	EUR	IFIL INVESTMENTS S.p.A.	1.000	0.996
GRUPPO BANCA LEONARDO S.p.A.	ITALY	303,201,927	EUR	IFIL INVESTISSEMENTS S.A.	9.759	11.205
SGS S.A.	SWITZERLAND	7,822,436	CHF	IFIL INVESTISSEMENTS S.A.	15.000	15.000
BANIJAY HOLDING S.A.S. (a)	FRANCE	1,247,500	EUR	IFIL INVESTISSEMENTS S.A.	17.034	17.172
NoCo A LP	USA	N.A.	USD	ANCOM USA INC	1.960 (b)	N.A.

(a) Purchased on May 30, 2008.
(b) Percentage holding in the limited partnership.

Significant investments of the Alpitour Group

Name	Country	Capital stock at 12/31/2008	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Distribution (Travel agency)							
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EUR	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EUR	-	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS ZANZIBAR LIMITED	TANZANIA	1,000,000.00	TZS	-	JUMBOTURISMO S.A. UNIPERSONAL	49.000	49.000
VALORE SICURO S.R.L.	ITALY	100,000.00	EUR	-	ALPITOUR S.p.A.	100.000	100.000

The companies of the Fiat Group

In the consolidated financial statements of the EXOR Group, the investment held through IFIL S.p.A. in the Fiat Group (20.58% of capital stock outstanding) is accounted for by the equity method (please refer to Notes 5 and 42 in the consolidated financial statements).

For purposes of complete disclosure, this appendix shows the investments of the Fiat Group as they are presented in the consolidated financial statements of the Fiat Group.

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Fiat Group Automobiles								
Fiat Group Automobiles S.p.A.	Turin	Italy	745,031,979	EUR	100.00	Fiat S.p.A.	100.000	
Abarth & C. S.p.A.	Turin	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis de Investimento SA	Betim	Brazil	439,658,836	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
Clickar Assistance S.R.L.	Turin	Italy	335,632	EUR	100.00	Fidis S.p.A.	100.000	
Customer Services Centre S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Fiat Auto Argentina S.A. *(business Fiat Group Automobiles)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Group Automobiles Belgium S.A.	99.839	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automotive Finance Co. Ltd.	Shanghai	People's Rep.of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	182,843,803	ARS	100.00	Fidis S.p.A.	100.000	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Belgium S.A.	Brussels	Belgium	13,600,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Germany AG	Frankfurt	Germany	82,650,000	EUR	100.00	Fiat Finance Netherlands B.V.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Johannesburg	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Finance Netherlands B.V.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Light Commercial Vehicles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Frankfurt	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	1,000,000	SKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Teamsys GmbH	Heilbronn	Germany	500,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Versicherungsdienst GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fidis S.p.A.	Turin	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
I.T.C.A. Produzione S.p.A.	Grugliasco	Italy	10,000,000	EUR	100.00	I.T.C.A. S.p.A.	100.000	
I.T.C.A. S.p.A.	Grugliasco	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	9,500,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Iveco Latin America Ltda	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
(business Fiat Group Automobiles)						Fiat Group Automobiles S.p.A.	49.000	
Lancia Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
SCDR (Switzerland) S.A. in liquidation	Schlieren	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
SCDR Automotive Limited	Slough Berkshire	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Turin	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe société par actions simplifiée	Paris	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	85.00	Fiat S.p.A.	85.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Charles Pozzi S.a.r.l.	Levallois-Perret	France	959,519	EUR	85.00	Ferrari West Europe S.A.	100.000	
Ferrari (Suisse) SA	Nyon	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	85.00	Ferrari International S.A.	100.000	
Ferrari Financial Services AG	Munich	Germany	1,777,600	EUR	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	76.50	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari GB Limited	Slough Berkshire	United Kingdom	50,000	GBP	85.00	Ferrari International S.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari International S.A.	Luxembourg	Luxembourg	13,112,000	EUR	85.00	Ferrari S.p.A.	99.999	
						Ferrari N.America Inc.	0.001	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	85.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	People's Rep.of China	2,100,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	3,000,000	USD	57.80	Ferrari S.p.A.	68.000	
Ferrari Maserati Cars Sales and Services (Shanghai) CO.,LTD	Shanghai	People's Rep.of China	2,500,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari West Europe S.A.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	85.00	Ferrari International S.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	85.00	Ferrari S.p.A.	90.000	
						Ferrari GE.D. S.p.A.	10.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	6,000,000	EUR	85.00	Ferrari International S .A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	534,430,906	EUR	89.26	Fiat Netherlands Holding N.V.	89.197	89.256
						CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	360,351,014	BRL	89.26	CNH Global N.V.	98.761	
						CNH Latin America Ltda.	1.239	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.26	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.26	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	People's Rep.of China	5,000,000	USD	89.26	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.26	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	U.S.A.	1	USD	89.26	CNH America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	89.26	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.26	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,250,000	USD	89.26	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH Global N.V.	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.26	CNH America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.26	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.26	New Holland Holding (Argentina) S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.26	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.26	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.26	CNH Global N.V.	100.000	
CNH Capital (Europe) plc	Osbertown	Ireland	38,100	EUR	89.26	CNH Capital plc	99.984	
						CNH Europe Holding S.A.	0.003	
						CNH Financial Services A/S	0.003	
						CNH Global N.V.	0.003	
						CNH Trade N.V.	0.003	
						CNH Capital U.K. Ltd	0.002	
						CNH Financial Services S.A.S.	0.002	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,248,874	AUD	89.26	CNH Australia Pty Limited	100.000	
CNH Capital Automotive Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital Benelux	Zedelgem	Belgium	61,500	EUR	89.26	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Calgary	Canada	1	CAD	89.26	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.26	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.26	CNH America LLC	100.000	
CNH Capital plc	Osbertown	Ireland	6,386,791	EUR	89.26	CNH Global N.V.	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.26	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	89.26	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.26	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.26	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	Luxembourg	53,000,000	USD	89.26	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.26	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Puteaux	France	50,860,641	EUR	89.26	CNH Global N.V.	98.888	
						CNH Capital Benelux	1.112	
CNH France S.A.	Morigny-Champigny	France	138,813,150	EUR	89.26	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	89.26	CNH Global N.V.	100.000	
CNH Italia S.p.A.	Modena	Italy	15,600,000	EUR	89.26	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	
CNH Latin America Ltda.	Contagem	Brazil	654,096,162	BRL	89.26	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	89.25	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.26	CNH Global N.V.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	89.26	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	89.26	CNH Europe Holding S.A.	99.980	
						CNH Italia S.p.A.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
CNH Services (Thailand) Limited	Bangkok	Thailand	10,000,000	THB	89.25	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	89.26	CNH Italia S.p.A.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	89.26	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	89.26	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	89.26	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	U.S.A.	1	USD	89.26	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	89.26	CNH Canada, Ltd.	100.000	
Harbin New Holland Tractors Co., Ltd.	Harbin	People's Rep.of China	2,859,091	USD	89.26	CNH Asian Holding Limited N.V.	99.000	
						CNH Europe Holding S.A.	1.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.55	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	58.02	New Holland Excavator Holdings LLC	65.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	89.26	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	89.26	CNH Australia Pty Limited	100.000	
New Holland Credit Australia Pty Limited	St. Marys	Australia	0	AUD	89.26	CNH Capital Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	89.26	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	89.26	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	89.64	CNH Asian Holding Limited N.V.	96.407	48.965
						Fiat Group Automobiles S.p.A.	3.593	51.035
New Holland Holding (Argentina) S.A.	Buenos Aires	Argentina	23,555,415	ARS	89.26	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	89.26	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	66.61	CNH Italia S.p.A.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	89.26	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	89.26	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	89.26	CNH Baumaschinen GmbH	100.000	
One Earth Receivables Limited	Osbertown	Ireland	100	EUR	89.26	CNH Capital plc	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	89.26	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep.of China	35,000,000	USD	53.55	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Ruckersdorf-Harmanns	Austria	35,000	EUR	89.26	CNH Osterreich GmbH	100.000	
Trucks and Commercial Vehicles								
Iveco S.p.A. (business Trucks and Commercial Vehicles)	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Afin Bohemia s.r.o.	Prague	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Bucarest	Romenia	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Bucarest	Romenia	618,960	RON	100.00	Afin Leasing AG	99.800	
						Afin Bohemia s.r.o.	0.050	
						Afin Bulgaria EAD	0.050	
						Afin Hungary Kereskedelmi KFT.	0.050	
						Afin Slovakia S.R.O.	0.050	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	1,200,000	SKK	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Ethiopia	12,000,000	ETB	70.00	Iveco S.p.A.	70.000	
AS Afin Baltica	Harjumaa	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH	90.000	
						Iveco S.p.A.	10.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L.	99.996	
						Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH	95.000	
						Iveco S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	1,200,000,000	HUF	90.71	Iveco España S.L.	90.709	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	6,123,391	AUD	100.00	Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Unterschliessheim	Germany	3,800,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	4,500,000	EUR	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Kartal/Istanbul	Turkey	4,000,000	TRY	99.96	Iveco S.p.A.	99.960	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco España S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L. (business Trucks and Commercial Vehicles)	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Est Sas	Hauconcourt	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L.	50.326	
						Iveco S.p.A.	49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Insurance Vostok LLC	Moscow	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Lugano	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG	99.020	
						Iveco S.p.A.	0.980	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
(business Trucks and Commercial Vehicles)						Fiat Group Automobiles S.p.A.	49.000	
Iveco Limited (business Trucks and Commercial Vehicles)	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
(business Trucks and Commercial Vehicles)						Fiat Netherlands Holding N.V.	46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Magirus Fire Fighting GmbH	99.764	
						Iveco S.p.A.	0.236	
Iveco Magirus Brandschutztechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG	90.032	
						Iveco S.p.A.	9.968	
Iveco Magirus Firefighting CAMIVA S.a.s. (societè par actions simplifièe)	Saint-Alban-Leysse	France	1,870,169	EUR	100.00	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	1,611,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norvegia	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Romania S.r.l.	Bucarest	Romenia	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Bratislava	Slovak Republic	200,000	SKK	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Wadewille	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. (business Trucks and Commercial Vehicles)	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	55,944,000	UAH	100.00	Iveco S.p.A.	100.000	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,498,644	VEF	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Cologne	Germany	3,017,000	EUR	100.00	Iveco Magirus AG	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Moscow	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
OOO Iveco Russia	Moscow	Russia	345,000	RUB	100.00	Afin Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Iveco S.p.A.	99.983	
						Iveco Nederland B.V.	0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France	50.000	
						Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000	
Seddon Atkinson Vehicles Ltd	Watford	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	
Société de Diffusion de Véhicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	214,763	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH in liquidation	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaires & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
FPT Powertrain Technologies								
Fiat Powertrain Technologies S.p.A.	Turin	Italy	525,000,000	EUR	100.00	Fiat S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
(business FPT Powertrain Technologies)						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies S.p.A.	4.994	
						CNH Italia S.p.A.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	96.42	Iveco S.p.A.	66.667	
						CNH Global N.V.	33.333	
Fiat Auto Argentina S.A. *(business FPT Powertrain Technologies)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Automoveis S.A. - FIASA *(business FPT Powertrain Technologies)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	3,400,000	PLN	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	150,000,000	EUR	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Iveco Participations S.A.	2.800	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
FPT RACING S.r.l.	Cusago	Italy	100,000	EUR	100.00	Fiat Powertrain Technologies S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Iveco España S.L. *(business FPT Powertrain Technologies)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Latin America Ltda *(business FPT Powertrain Technologies)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	51.000	
						Fiat Group Automobiles S.p.A.	49.000	
Iveco Limited *(business FPT Powertrain Technologies)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business FPT Powertrain Technologies)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A.	53.660	
						Fiat Netherlands Holding N.V.	46.340	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A.	60.000	
						Iveco France	40.000	
Iveco Motors of China Limited	Shanghai	People's Rep.of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
Iveco S.p.A. *(business FPT Powertrain Technologies)*	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Iveco Sweden A.B. *(business FPT Powertrain Technologies)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	People's Rep.of China	580,000,000	CNY	60.00	Fiat Powertrain Technologies S.p.A.	30.000	
						SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Components								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
Automotive Lighting Brotterode GmbH	Meiningen	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Saul	France	17,789,152	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Italia S.p.A.	Tolmezzo	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Cannock	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Ergom Automotive S.p.A.	Borgaro Torinese	Italy	10,000,000	EUR	99.99	Ergom Holding S.p.A.	100.000	
Ergom do Brasil Ltda	Itauna	Brazil	5,000,000	BRL	99.99	Ergom Automotive S.p.A.	100.000	
Ergom France S.A.S.	Limas	France	3,474,540	EUR	99.99	Ergom Holding S.p.A.	100.000	
Ergom Holding S.p.A.	Borgaro Torinese	Italy	10,000,000	EUR	99.99	Nuove Iniziative Finanziarie 2 S.r.l.	100.000	
Ergom Poland Sp. z o.o.	Sosnowiec	Poland	20,711,000	PLN	99.99	Ersi Poland S.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Ergom Automotive S.p.A.	85.000	
Ergomoulds Sp. z o.o.	Sosnowiec	Poland	63,554,000	PLN	99.99	Ersi Poland S.A.	100.000	
Ersi Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Ergom Automotive S.p.A.	100.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Industrie Plastica S.p.A.	Borgaro Torinese	Italy	1,000,000	EUR	99.99	Ergom Automotive S.p.A.	100.000	
Innomatec S.r.l.	Melfi	Italy	516,000	EUR	99.99	Ergom Automotive S.p.A.	95.000	
						Ergom Holding S.p.A.	5.000	
Kadron S/A	Maua	Brazil	2,622,229	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli After Market Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	Trappes	France	782,208	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket SL	Llinares del Valles	Spain	2,194,726	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Anhui	People's Rep.of China	24,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	São Paulo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	170,950,534	BRL	99.62	Magneti Marelli S.p.A.	99.628	99.964
Magneti Marelli Components B.V. in liquidation	Amsterdam	Netherlands	53,600,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Elektronische Systeme GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	638,476	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli Guangzhou Motor Vehicle Instruments Co. Limited	Guangzhou	People's Rep.of China	8,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Hellas A.E.	Athens	Greece	587,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	24,499,771	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Argentan	France	884,058	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.62	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Parts and Services S.p.A.	Corbetta	Italy	13,137,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain GmbH	Russelsheim	Germany	100,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	New Delhi	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Bratislava	Slovak Republic	3,200,000	SKK	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	51.000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
						Magneti Marelli Parts and Services S.p.A.	1.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	23,611,680	MXN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovak Republic	200,000	SKK	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	43,100,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	96.66	Magneti Marelli S.p.A.	96.665	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Nuove Iniziative Finanziarie 2 S.r.l.	Turin	Italy	100,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastiform A.S.	Bursa	Turkey	715,000	TRY	99.99	Ergom Automotive S.p.A.	97.000	
						Nuove Iniziative Finanziarie 2 S.r.l.	3.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	75,329,600	TRY	99.99	Magneti Marelli S.p.A.	100.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.p.A.	Pisticci	Italy	880,000	EUR	99.99	Ergom Holding S.p.A.	95.000	
						Ergom Automotive S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
						Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Fonderie du Poitou Fonte S.A.S.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	148,874,686	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Production Systems								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	103,165,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	U.S.A.	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Romania S.R.L.	Bihor	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau SA Body Systems (Pty) Ltd.	Uitenhage	South Africa	301	ZAR	100.00	Comau South Africa (Pty) Ltd.	100.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau South Africa (Pty) Ltd.	Uitenhage	South Africa	1,001,003	ZAR	100.00	Comau S.p.A.	100.000	
German Intec GmbH	Heilbronn	Germany	25,000	EUR	100.00	Comau Deutschland GmbH	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Comau S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Trappes	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Think Lux S.r.l.	Turin	Italy	50,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies								
Business Solutions S.p.A.	Turin	Italy	4,791,396	EUR	100.00	Fiat S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
(business Altre Attività)						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies S.p.A.	4.994	
						CNH Italia S.p.A.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.13	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	98.90	Fiat Group Automobiles S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Technologies S.p.A.	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
eSPIN S.p.A.	Turin	Italy	120,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FGI - Fiat Group International SA	Paradiso	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	85,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	76.663	
						Fiat Group Automobiles S.p.A.	23.337	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	Wilmington	U.S.A.	40,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
						Fiat S.p.A.	39.474	
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Turin	Italy	100,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Turin	Italy	356,158,302	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.36	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Iveco S.p.A.	6.000	
						Fiat S.p.A.	5.000	
						CNH Italia S.p.A.	3.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	98.32	Fiat S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	13.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	6.000	
						Comau S.p.A.	2.000	
						Ferrari S.p.A.	2.000	
						Fiat Group Purchasing S.r.l.	2.000	
						Fiat Powertrain Technologies S.p.A.	2.000	
						Fiat Services S.p.A.	2.000	
						Itedi-Italiana Edizioni S.p.A.	2.000	
						Magneti Marelli S.p.A.	2.000	
						Maserati S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Fiat Finance S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.22	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Iveco S.p.A.	12.000	
						CNH Italia S.p.A.	3.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies S.p.A.	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
KeyG Consulting S.p.A.	Turin	Italy	167,352	EUR	100.00	Fiat Services S.p.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	FGI - Fiat Group International SA	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
						Fiat Group Automobiles S.p.A.	17.288	
						Iveco S.p.A.	4.644	
						Fiat Powertrain Technologies S.p.A.	2.356	
						Magneti Marelli S.p.A.	1.862	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fiat Finance S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
						Fidis S.p.A.	0.325	
						CNH Italia S.p.A.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						I.T.C.A. Produzione S.p.A.	0.167	
						Astra Veicoli Industriali S.p.A.	0.103	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Ergom Automotive S.p.A.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Innomatec S.r.l.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Jointly-controlled entities accounted for using the proportional consolidation								
FPT Powertrain Technologies								
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Powertrain Technologies S.p.A.	50.000	
Jointly-controlled entities accounted for using the equity method								
Fiat Group Automobiles								
Fiat Group Automobiles Financial Services S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.999	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	50.000	
						Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Heilbronn	Germany	39,600,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Capital Danmark A/S	Glostrup	Denmark	14,154,000	DKK	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublin	Ireland	1,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spain	16,671,569	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Contracts Ltd	Slough Berkshire	United Kingdom	16,000,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Financial Services (Wholesale) Ltd.	Slough Berkshire	United Kingdom	3,500,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Auto Financial Services Limited	Slough Berkshire	United Kingdom	10,250,000	GBP	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	FGA Bank Germany GmbH	100.000	
Fiat Credit Belgio S.A.	Evere	Belgium	3,718,500	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.999	
Fiat Credit Hellas Commercial S.A. of Vehicles	Argyroupoli	Greece	600,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fiat Finance S.A.	Luxembourg	Luxembourg	12,200,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.997	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Insurance Consultants SA	Argyroupoli	Greece	60,000	EUR	49.99	Fiat Credit Hellas Commercial S.A. of Vehicles	99.975	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000	PLN	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Nederland B.V.	Utrecht	Netherlands	3,085,800	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
Fidis Retail Financial Services (Ireland) PLC	Dublin	Ireland	100,007	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	99.994	
Fidis Retail IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Paris	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Fiumicino	Italy	77,979,400	EUR	49.69	Fiat Group Automobiles Financial Services S.p.A.	99.384	
Savarent Società per Azioni	Turin	Italy	21,000,000	EUR	50.00	Fiat Group Automobiles Financial Services S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Limited *(business Fiat Group Automobiles)*	Ranjangaon	India	8,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	
MEKATRO Arastirma-Gelistirme ve Ticaret A.S.	Kocaeli	Turkey	150,000	TRY	36.72	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	97.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99. 000	
Powertrain India Pvt. Ltd. in liquidation	Mumbai	India	101,000	INR	50.00	Fiat India Automobiles Limited	100.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	São Pedro	Mexico	810,000	MXN	44.63	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.63	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	São Pedro	Mexico	160,050,000	MXN	44.63	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	São Pedro	Mexico	165,276,000	MXN	44.63	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	São Pedro	Mexico	200,050,000	MXN	44.63	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V.	São Pedro	Mexico	50,000,000	MXN	43.74	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	São Pedro	Mexico	375,000	MXN	44.63	CNH de Mexico SA de CV	99.999	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000	INR	44.63	CNH America LLC	50.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	44.63	Case LBX Holdings Inc.	50.000	
Megavolt L.P. L.L.L.P.	Wilmington	U.S.A.	500,000	USD	35.70	CNH America LLC	40.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.63	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	53,369,000	TRY	33.47	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles								
Iveco Fiat - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco Ltd.	Nanjing	China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep.of China	160,000,000	USD	50.00	Iveco S.p.A.	50.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	People's Rep.of China	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Fiat India Automobiles Limited *(business FPT Powertrain Technologies)*	Ranjangaon	India	8,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Amsterdam	Netherlands	1,000,000	EUR	50.00	Fiat Powertrain Technologies S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	New Delhi	India	250,000,000	INR	50.00	Magneti Marelli Motherson India Holding B.V.	100.000	
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	New Delhi	India	65,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	New Delhi	India	89,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
tema.mobility	Turin	Italy	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep.of China	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method								
Fiat Group Automobiles								
Alfa Romeo Inc.	Winter Garden	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000	USD	89.26	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	U.S.A.	371,000	USD	84.20	CNH America LLC	94.340	
Mid State New Holland, Inc.	Wilmington	U.S.A.	400,000	USD	78.10	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	62.19	CNH America LLC	69.680	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000	USD	60.51	CNH America LLC	67.790	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000	USD	89.26	CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	691,000	USD	89.26	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
						Iveco Latin America Ltda	0.010	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A.	99.992	
						Astra Veicoli Industriali S.p.A.	0.008	
FPT Powertrain Technologies								
European Engine Alliance EEIG in liquidation	Basildon	United Kingdom	450,000	GBP	96.42	Iveco S.p.A.	66.667	
						CNH U.K. Limited	33.333	
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Production Systems								
Comau AGS s.r.l.	Grugliasco	Italy	103,100	EUR	100.00	Comau S.p.A.	100.000	
Comau Sverige AB	Trollhattan	Sweden	5,000,000	SEK	100.00	Comau S.p.A.	100.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Orbassano	Italy	120,000	EUR	99.85	Fiat Group Automobiles S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	21.000	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep.of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 7 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost								
Fiat Group Automobiles								
CODEFIS Società consortile per azioni	Turin	Italy	120,000	EUR	68.50	Fiat Group Automobiles S.p.A.	51.000	
						CNH Capital plc	14.000	
						Iveco Partecipazioni Finanziarie S.r.l.	5.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Kragujevac	Serbia	300,000,000	EUR	67.00	Fiat Group Automobiles S.p.A.	67.000	
Fiat Automobiles Service Co. Ltd.	Nanjing	People's Rep.of China	10,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
G. Vico Handling S.r.l.	Pomigliano d'Arco	Italy	20,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Ferrari								
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	81.28	Ferrari S.p.A.	95.619	
Agricultural and Construction Equipment								
Case Construction Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Case Credit Wholesale Pty. Limited	St. Marys	Australia	0	AUD	89.26	CNH Australia Pty Limited	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	89.26	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	89.26	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	89.26	Case United Kingdom Limited	100.000	
Limited Liability Company "CNH Parts and Service Operations"	Moscow	Russia	54,000,000	RUB	89.26	CNH Global N.V.	100.000	
New Holland Agricultural Equipment S.p.A.	Turin	Italy	120,000	EUR	89.26	CNH Italia S.p.A.	100.000	
New Holland Construction Equipment S.p.A.	Turin	Italy	120,000	EUR	89.26	CNH Italia S.p.A.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	34.14	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Consorzio per la Formazione Commerciale Iveco-Coforma in liquidation	Turin	Italy	51,646	EUR	59.92	Iveco S.p.A.	50.000	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	10.000	
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000	USD	100.00	Iveco France	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH	74.000	
						Brandschutztechnik Gorlitz GmbH	1.000	
						Iveco Magirus Fire Fighting GmbH	1.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	370,500,000	RUB	43.83	Saveco Partecipazioni S.r.l.	50.518	
						Iveco S.p.A.	0.482	
Saveco Partecipazioni S.r.l.	Turin	Italy	6,900,000	EUR	85.80	Iveco S.p.A.	85.797	
FPT Powertrain Technologies								
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,000,000	USD	100.00	Fiat Powertrain Technologies S.p.A.	100.000	
Components								
Automotive Lighting Electroform Canada Inc.	Vancouver	Canada	1	CAD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Japan K.K.	Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Ergomec S.r.l. in liquidation	Borgaro Torinese	Italy	12,000	EUR	99.99	Ergom Holding S.p.A.	100.000	
Fast Buyer Middle East A.S.	Bursa	Turkey	350,230	TRY	95.59	Mako Elektrik Sanayi Ve Ticaret A.S.	98.900	
Magneti Marelli Automotive Components (India) Limited in liquidation	Pune	India	125,000,000	INR	99.99	Magneti Marelli Components B. V. in liquidazione	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Sete Lagoas	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
						Fiat do Brasil S.A.	0.100	
Magneti Marelli Electronic Systems (Asia) Limited	Hong Kong	People's Rep.of China	10,000	HKD	99.99	Magneti Marelli S.p.A.	99.990	
						Magneti Marelli France S.a.s.	0.010	
Magneti Marelli Japan K.K.	Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Parco Scientifico e Tecnologico della Basilicata - S.p.A. in liquidation	Pisticci	Italy	120,000	EUR	99.99	Ergom Holding S.p.A.	100.000	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.95	Magneti Marelli S.p.A.	99.956	
Sistemi Comandi Meccanici S.C.M. S.p.A.	Corbetta	Italy	1,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Production Systems								
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Milan	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Holding companies and Other companies								
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	97.37	Fiat Group Automobiles S.p.A.	46.000	
						CNH Global N.V.	23.000	
						Fiat Netherlands Holding N.V.	23.000	
						Business Solutions S.p.A.	2.000	
						Fiat S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.000	
						Comau S.p.A.	1.000	
						Magneti Marelli S.p.A.	1.000	
						Teksid S.p.A.	1.000	
Fiat Oriente S.A.E. in liquidation	Il Il Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
MC2 - Media Communications S.p.A.	Turin	Italy	219,756	EUR	51.00	Fiat Partecipazioni S.p.A.	51.000	
New Business 25 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 26 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 5 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Turin	Italy	120,000	EUR	98.85	Fiat Partecipazioni S.p.A.	77.822	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Fiat Group Automobiles S.p.A.	0.439	
						CNH Italia S.p.A.	0.220	
						Comau S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies S.p.A.	0.220	
						Fiat Services S.p.A.	0.220	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.220	
						Iveco S.p.A.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
Associated companies accounted for using the equity method								
Fiat Group Automobiles								
Utymat S.A.	Santa Margarita I Els Monjos	Spain	4,644,453	EUR	37.50	I.T.C.A. S.p.A.	37.500	
Ferrari								
Senator Software Gmbh	Munich	Germany	25,565	EUR	37.49	Ferrari Financial Services AG	49.000	
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.53	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.54	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	790,000	USD	44.63	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.85	CNH Global N.V.	20.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	882,147	CAD	38.79	CNH Canada, Ltd.	43.460	
New Holland Finance Ltd	Basingstoke	United Kingdom	2,900,001	GBP	43.74	CNH Global N.V.	49.000	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Uralaz Ltd.	Miass	Russia	65,255,056	RUB	33.33	Iveco S.p.A.	33.330	
Otoyol Sanayi A.S. in liquidation	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	People's Rep.of China	240,000,000	CNY	33.33	Iveco S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep.of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	50.00	Fiat Powertrain Technologies S.p.A.	25.000	
						FMA - Fabbrica Motori Automobilistici S.r.l.	25.000	
Components								
Endurance Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	120,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Publishing and Communications								
Società Editrice Mercantile - S.E.M. S.R.L.	Genoa	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies								
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497
Associated companies valued at cost								
Fiat Group Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Group Automobiles S .p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	Fiat Teamsys GmbH	49.000	
Turin Auto Private Ltd. in liquidation	Mumbai	India	43,300,200	INR	50.00	I.T.C.A. S.p.A.	50.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	28.33	Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment								
Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.57	CNH Italia S.p.A.	38.728	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Iveco S.p.A.	33.677	
Components								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Turin	Italy	40,000	EUR	24.25	Ergom Automotive S.p.A.	16.500	
						Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	18,000	EUR	33.33	Magneti Marelli S.p.A.	33.333	
Flexider S.p.A.	Turin	Italy	4,131,655	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Lavorazione Industriale Fili S.r.l. - "LIFI S.r.l."	Strada	Italy	1,530,000	EUR	20.00	Ergom Holding S.p.A.	20.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Istanbul	Turkey	2,400,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Publishing and Communications								
Le Monde Europe S.A.S.	Paris	France	5,024,274	EUR	48.44	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Ascai Servizi S.r.l. in liquidation	Rome	Italy	73,337	EUR	25.77	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	25.970	
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	36.90	Fiat Partecipazioni S.p.A.	25.899	
						Ergom Automotive S.p.A.	11.001	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.87	CNH Italia S.p.A.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
						Iveco S.p.A.	10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	49.45	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Naples	Italy	127,500	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
FMA-Consultoria e Negocios Ltda	São Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Innovazione Automotive e Metalmeccanica Scrl	Lanciano	Italy	115,000	EUR	24.30	Fiat Group Automobiles S.p.A.	17.391	
						C.R.F. Società Consortile per Azioni	6.957	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	24.86	Ferrari S.p.A.	16.364	
						CNH Italia S.p.A.	12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.82	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A. in liquidation	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	
Other companies valued at cost								
Agricultural and Construction Equipment								
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTL	9.87	CNH Polska Sp. z o.o.	11.054	

The companies of the Fiat Group

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Trucks and Commercial Vehicles								
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	
Components								
Editori Riuniti S.p.A. in liquidation	Rome	Italy	441,652	EUR	13.11	Ergom Holding S.p.A.	13.110	
Holding companies and Other companies								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	15.82	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.44	Elasis-Società Consortile per Azioni	5.319	
						C.R.F. Società Consortile per Azioni	5.213	
Consorzio Lingotto	Turin	Italy	9,612	EUR	16.90	Fiat Attività Immobiliari S.p.A.	11.500	
						Fiat S.p.A.	5.400	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.99	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A.	Turin	Italy	2,205,930	EUR	18.95	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Team Consorzio Italiano per la Trazione Elettrica Alternata Monofase in liquidation	Milan	Italy	45,900	EUR	11.11	Fiat Partecipazioni S.p.A.	11.111	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

EXOR

2009 Annual Report

Società per Azioni
Capital stock Euro 246,229,850 fully paid-in
Registered office in Turin - Corso Matteotti 26 – Turin Company Register No. 00470400011

2009 ANNUAL REPORT

Report on Operations

Separate Financial Statements of EXOR S.p.A. at December 31, 2009

Consolidated Financial Statements of the EXOR Group at December 31, 2009

The 2009 Annual Report is available on the website at: http://www.exor.com

---

This is an English translation of the Italian original document “Relazione Finanziaria 2009” approved by the EXOR S.p.A. board of directors on March 29, 2010 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian “Relazione Finanziaria 2009”.

Board of Directors

Chairman	John Elkann
Honorary Chairman	Gianluigi Gabetti
Vice Chairman	Pio Teodorani-Fabbri
Vice Chairman	Tiberto Brandolini d'Adda
Chief Executive Officer	Carlo Barel di Sant'Albano
Non-independent Directors	Andrea Agnelli
	Oddone Camerana
	Luca Ferrero Ventimiglia
	Franzo Grande Stevens
	Alessandro Nasi
	Lupo Rattazzi
Independent Directors	Victor Bischoff
	Eugenio Colucci
	Antonio Maria Marocco (Lead Independent Director)
	Christine Morin-Postel
	Giuseppe Recchi
	Antoine Schwartz
Secretary to the Board	Virgilio Marrone

Internal Control Committee

Eugenio Colucci (*Chairman*), Antonio Maria Marocco and Giuseppe Recchi

Compensation and Nominating Committee

Franzo Grande Stevens *(Chairman),* Victor Bischoff and Giuseppe Recchi

Strategy Committee

John Elkann *(Chairman)*, Carlo Barel di Sant'Albano, Victor Bischoff, Gianluigi Gabetti, Christine Morin-Postel and Antoine Schwartz

Board of Statutory Auditors

Chairman	Lionello Jona Celesia
Standing auditors	Giorgio Ferrino
	Paolo Piccatti
Alternate auditors	Lucio Pasquini
	Ruggero Tabone

Independent Auditors	Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the board of directors, the board of statutory auditors and the independent auditors will expire concurrently with the stockholders' meeting that will be held to approve the financial statements for the year ending December 31, 2011.

LETTER TO SHAREHOLDERS

Dear Shareholders,

2009 was a very significant year for our Company. First and foremost in March we were able to complete the merger between IFIL and IFI, the two historical holding companies listed on the Italian Stock Exchange, to create EXOR, a company now 47% held by the market and 53% by Giovanni Agnelli e C., the private company fully owned by my family.

One of my main priorities after taking over as Chairman of IFIL in May 2008 was to explore ways to simplify the ownership structure of my family's investments in order to provide greater clarity and alignment with the interests of all our shareholders.

The origins of EXOR date back to 1927 when my great great-grandfather, Senator Giovanni Agnelli, founded IFI to manage his shareholdings in Fiat as well as his other investments. Over the years IFI and IFIL (a company originally established in 1919 by a group of Piedmontese industrialists and subsequently acquired by IFI), along with IFINT (established in 1964 and later renamed Exor Group) pioneered our investment activities at home and internationally, in good times and in bad, providing the foundations of the Company you own.

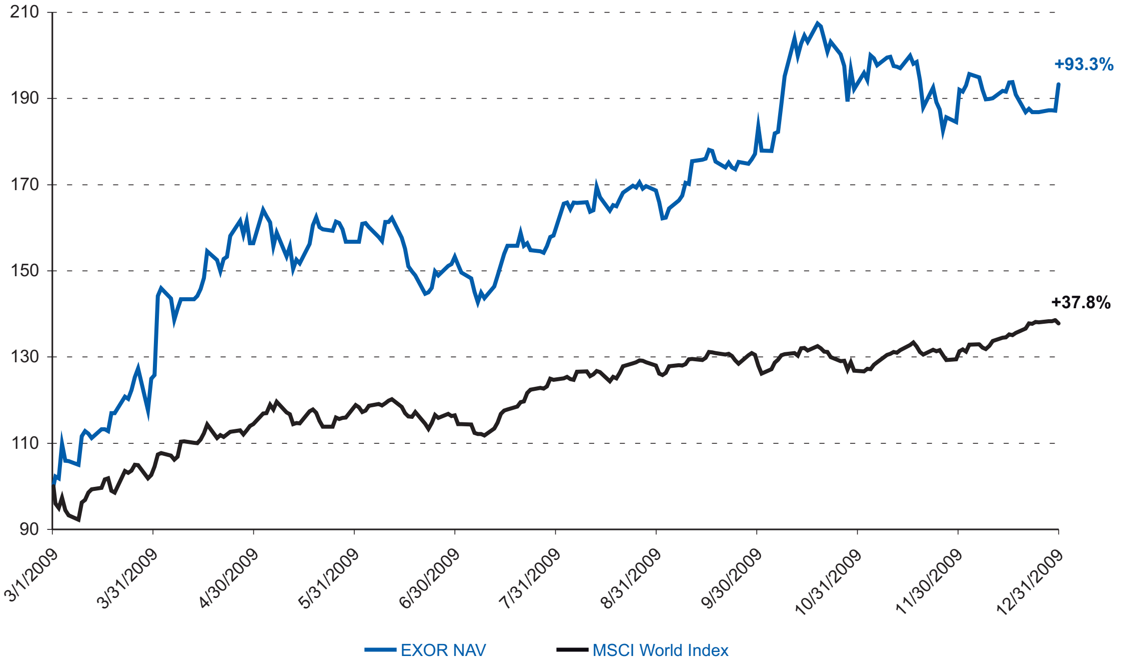
Today we look back proudly to the past but with our attention firmly focused on building the best long-term future for all of our shareholders.

How do we measure our performance?

I believe the best way to measure our performance is through the evolution of EXOR's NAV or Net Asset Value. This metric corresponds to the value of all of EXOR's investments and is determined as follows: we calculate the daily stock market values of our listed investments while for the private ones we rely on the annual appraisal values provided by Ernst & Young's independent experts specifically mandated for the purpose. The aggregate of these values is then adjusted for the Company's NFP, or Net Financial Position, which is defined as all financial assets less financial liabilities. To obtain the Net Asset Value, according to market practice we subtract our ordinary holding costs capitalized over a 10 year period.

€ millions	3/1/2009	**12/31/2009**	**Change**
Listed Investments	2,464	5,110	2,646
Private Investments	750	785	35
Investment Value	**3,214**	**5,895**	**2,681**
Financial liabilities	(1,157)	(1,131)	26
Financial assets	1,121	1,183	62
Net Financial Position	**(36)**	**52**	**88**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**–**
Net Asset Value	**2,968**	**5,737**	**2,769**

The NAV evolution is measured not only in absolute terms but also relative to the MSCI World Index as can be seen in the chart below. This index denominated in Euros - which is diversified by sector, currency and geography – is the most meaningful external benchmark for our NAV.



As the chart above shows, EXOR's 2009 NAV performance was very positive. This was primarily due to the strong stock market performance of Fiat, our single largest investment, and also to the market recovery that occurred during the year. We are well aware that starting this measurement in March 2009 as financial markets approached their low point has helped our performance.

When asked about what the market would do, John Pierpont Morgan used to say: “It will fluctuate.”
We know we have to live with volatility. Having this in mind, our objective is to make long-term investments and, as Warren Buffett says, “to be fearful when others are greedy, and be greedy when others are fearful.”

INVESTMENTS

Let me describe briefly how our investments performed in 2009. Last year the world economy faced the worst economic and especially manufacturing recession in sixty years. In this environment our investee companies reacted operationally by taking out costs and financially by preserving liquidity and refinancing themselves.

Fortunately, we did not have to undertake any capital increase to support them, and the large majority of them will distribute a dividend in 2010, having been able to achieve positive results.

We have decided to present our investments according to whether they are listed or private and to list them by value (in brackets is the percentage ownership).

LISTED INVESTMENTS

- **Fiat (30.45%)**
  An automotive company operating in cars, industrial vehicles, car components, agricultural and construction equipment.
  Fiat, our single largest investment, today accounts for more than half of EXOR's NAV. For Fiat, as for all companies operating in the automotive sector, 2009 was an extremely challenging year due to a significant fall in revenues. However, under the outstanding leadership of Sergio Marchionne and as a result of the extraordinary commitment shown by all those who work at Fiat, the company succeeded in generating cash and delivered an operating profit for the year. The most significant event during the 12 months was undoubtedly the agreement with Chrysler, which from the very beginning - and even more so today - represented a great opportunity for Fiat. The words of the President of the United States Barack Obama, who called Fiat the best partner for the re-launch of Chrysler, made us feel very proud and filled the organization with enormous determination to succeed.

- **SGS (15%)**
  A world leader in the verification, testing, control and certification business.
  In one of the most difficult periods in recent economic history SGS proved once more to be an exceptional business, capable of delivering a higher level of operating profitability with total revenues almost unchanged compared to the previous year. We are extremely encouraged by the results achieved by SGS and, above all, by the numerous opportunities that the market offers. Indeed, the demand for inspection, verification and certification services continues to grow steadily.

- **Juventus FC (60%)**
  One of the world’s most prestigious professional soccer clubs.
  Juventus has achieved financial stability, recording a net profit for 2009. It has made good progress both with the new stadium wholly owned by Juventus, where construction is proceeding on schedule, and with the development of the nursery for young talent that will produce tomorrow's champions. These key elements put Juventus in a position to compete at its best when the new UEFA rules on financial fair play come into effect. On the sporting front the season saw worse results than we originally hoped for, but I am confident that with time the required success which the club’s many fans all around the world deserve will be delivered.

- **Sequana (26.65%)**
  A European player in paper production and distribution.
  2009 represented an important turning point for Sequana. Operating in a highly competitive sector, in a very difficult year, the company returned to an operating profit in every division. Furthermore, Sequana’s debt was reduced largely due to Arjowiggins’s operating performance and to the improvement of Antalis’ working capital.

Private investments

- **Cushman & Wakefield (71.3%)**

  The largest private company operating in commercial real estate services.

  The global crisis in the commercial property market had a significant impact on all companies operating in the sector including Cushman & Wakefield, which faced a large drop in revenues. However, the company responded rapidly, reducing its costs significantly. I would like to thank Bruce Mosler for all he has accomplished and also to extend my best wishes to Glenn Rufrano who has now taken the helm as CEO. We have a great deal of confidence in Glenn's experience and in his ability to strengthen Cushman & Wakefield as the market recovers.

- **Alpitour (100%)**

  Italy's largest integrated tourism and leisure group.

  Despite the significant decline in sales in the tourism sector Alpitour closed the year with a net profit. Furthermore, in a challenging year the company was able to gain market share, strengthening its leadership position in the Italian tourism sector. If Alpitour has been able to do so, the credit goes to Daniel John Winteler and his team.

- **Gruppo Banca Leonardo (9.74%)**

  A pan-European bank specializing in advisory and wealth management businesses.

  In spite of a difficult year, Banca Leonardo maintained strong levels of profitability in its principal operating businesses.

  This was particularly the case in its Italian advisory and in its French wealth-management activities, where funds under management increased to the levels seen before the onset of the financial crisis.

- **Vision Investment Management (40%)**

  An asset management company specializing in funds of hedge funds in the Asian markets.

  The year under review was particularly testing for Vision, not only because of market conditions, but also as a result of the conduct of some hedge funds that negatively affected sentiment towards the industry as a whole. We remain convinced that the Asian wealth-management sector in which Vision operates is set to grow strongly over the coming years. Before the competitive pressures increase again Vision has an excellent opportunity to increase its market share.

- **Banijay Holding (17.03%)**

  A new player in European television production.

  Banijay spent 2009 operating in an environment characterized by an overall 15% decline in advertising revenues for the European broadcasters that are its largest clients. In this difficult context, Banijay continued to roll out its plans for growth both through the acquisition of companies in television production and content distribution as well as through the organic development of new formats. As a result of this rapid development Banijay has achieved primetime success in the French, German and Spanish markets.

- **Perella Weinberg Partners (1.96%)**
  A firm active in the advisory and wealth management businesses in the USA and Europe.
  2009 was a positive year for Perella Weinberg Partners. This was due to a number of high profile mandates including advisory roles with France Télécom on its acquisition of the Swiss operator Sunrise, and with Education Media & Publishing Group on the restructuring of its $8 billion debt. The bank's wealth management activities continued their healthy growth, more than doubling assets under management.

Our investments are led by highly talented individuals who generally have a large part of their personal wealth invested in these companies. This alignment of interests gives us even greater faith in the prospects of these businesses.

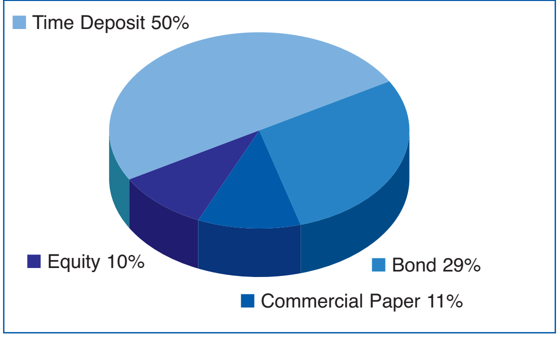
Net Financial Position

The Company's net financial position as of 31 December 2009 was €52 million. Gross debt totalled approximately €1.13 billion which consisted of two bonds (one of €200 million due in June 2011 and the other of €750 million due in June 2017) and bank debt of €150 million currently utilized and repayable within the next 12 months (EXOR has also €760 million of committed credit lines currently undrawn). To set against these financial liabilities EXOR had financial assets of approximately €1.18 billion.

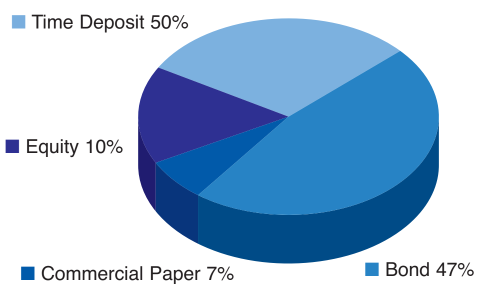
During the year we focused a great deal of attention on the management of our financial assets. In an environment of near-zero interest rates we increased our allocation to equities and bonds paying careful attention to risk.

We have also been actively monitoring the liquidity profile keeping in mind that our financial assets might be better deployed were an interesting long-term investment opportunity to emerge.

FINANCIAL ASSETS AS OF MARCH 1st, 2009



FINANCIAL ASSETS AS OF DECEMBER 31st, 2009



I wish to state clearly that we are committed to a conservative balance sheet structure and to deploying our financial assets with a high level of rigour.

2010

Whilst most economies are showing signs of a recovery, we expect it to be slow with activity picking up primarily in emerging markets, where I have spent a good deal of the past three months travelling, particularly in China, India and Brazil. Our investee companies are operating in these countries and are intent on doing more: this fills me with a good deal of confidence for our future.

But 2010 is likely to remain challenging and all our investee companies are working under this assumption. We believe a number of investment opportunities will present themselves during the current year. With Carlo Sant'Albano and the EXOR team we want to be ready to capture them, particularly in Europe and the United States (where it's easier for us to move), as long as they meet the following four criteria:

1) People: we like outstanding individuals, both as people and as professionals, who have a record of success and who "think and act like owners".

2) Financial results: we look for companies that have strong cash and earnings generating capacity and a sound financial structure.

3) Competitive positioning: we like companies that have a sustainable competitive advantage over the long term and that are already or are capable of becoming best-in-class in what they do.

4) Governance: we seek to be directly represented on the Boards of Directors of these companies, so we can closely monitor their performance and contribute to their development.

To these four investment criteria I would add one more condition which I believe is indispensable: the price must be right.

We will discuss further our financial statements and other important issues relating to EXOR at the Annual General Meeting which this year will take place on April 29 at the Unione Industriale di Torino.

If you have any matters you wish to raise during the shareholder meeting please send us a short email with your question to meeting@exor.com. The emails we receive will be summarized and grouped together by subject matter. During the course of the meeting we will answer as many questions as possible.

I look forward to welcoming you there.

John Elkann

EXOR GROUP PROFILE

EXOR S.p.A. is the new corporate name that IFI – Istituto Finanziario Industriale S.p.A. – assumed on March 1, 2009, the effective date of the deed of merger by incorporation of the subsidiary IFIL S.p.A., signed on February 20, 2009.
EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.08% of capital stock and, in particular, 59.1% of ordinary capital stock, 39.24% of preferred capital stock and 11.75% of savings capital stock.
Listed on the Italian Stock Exchange (since March 2, 2009, all classes of EXOR stock are traded on the Electronic Share Market), EXOR has a Net Asset Value of approximately € 5.7 billion. It is headquartered in Turin, Corso Matteotti 26.
EXOR is the majority stockholder of the Fiat Group. Balancing risks and expected returns, it invests for the medium- to long-term in various sectors, mainly in Europe, the United States and in the two main emerging markets of China and India.
EXOR's objective is to increase its Net Asset Value and outperform the Morgan Stanley Capital World Index (MSCI World).

The following are the main investments which, as a result of the merger of IFIL, now refer directly to EXOR.

Fiat (more than approximately 30% of ordinary and preferred capital stock and about 3% of savings capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). Founded in 1899, the Fiat Group operates in the sectors of automobiles (Fiat, Lancia, Alfa Romeo, Abarth, Ferrari, Maserati and Fiat Veicoli Commerciali), agricultural and construction equipment (Case and New Holland), trucks and commercial vehicles, buses and special-purpose vehicles (Iveco, Irisbus, Astra and Magirus) and components and production systems (Fiat Powertrain Technologies, Magneti Marelli, Teksid and Comau); it is also active in publishing and communications (La Stampa and Publikompass). Other sectors also offer financial services to the sales networks and the clientele in addition to rental services to customers. In June 2009, the Fiat Group and Chrysler Group LLC finalized the agreement for a global strategic alliance. This represents an important step toward positioning both Fiat and Chrysler among the leaders of the new generation of global automakers.

SGS (15% of capital stock) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with more than 56,000 employees and a network of more than 1,000 offices and laboratories throughout the world.

C&W Group (approximately 71% of capital stock) is the largest privately held company for real estate services. C&W Group has its headquarters in New York, where it was founded in 1917, and has 231 offices and about 13,000 employees in 58 countries.

Alpitour (100% of capital stock) is the largest integrated Italian tourism group. It operates with more than 3,500 employees and has 2.5 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Viaggidea, Villaggi Bravo, Volando, Karambola and Jeans), Hotels (Alpitour World Hotel & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group), Incentive & Eventi (A World of Events).

Juventus Football Club (60% of capital stock) is listed on the Electronic Share Market of the Italian Stock Exchange (Star Segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world.

Sequana (approximately 26.7% of capital stock) is a diversified French paper group, listed on the NYSE Euronext market with production and distribution activities operating through:
- **Arjowiggins** (100% holding), the world leader in the manufacture of high value-added paper products, on 4 continents with 6,300 employees and 27 production facilities;
- **Antalis** (100% holding), the leading European group in the distribution of paper and packaging products, with over 6,900 employees in 51 countries.

Gruppo Banca Leonardo (approximately 9.7% of capital stock) is a privately held and independent international investment bank offering a complete range of services in investment banking, wealth management, private equity and other activities connected with financial markets.

Vision Investment Management, founded in 2000, is one of the most important hedge fund managers specialized in Asian markets.
Five-year bonds issued by Perfect Vision were subscribed to in April 2008. The bonds give mandatory conversion into shares at maturity which will deliver a 40% stake in Vision Investment Management.

Banijay Holding (approximately 17% of capital stock with voting rights) is headquartered in Paris. The company is a new player in European TV production with a strategy aimed at rapid external growth through the acquisition of companies specialized in the production of TV formats and content for distribution via TV, Internet and mobile phones.

Perella Weinberg Partners is an independent company offering financial advisory and asset management services in the United States and Europe.

The following chart is updated to mid-March 2009 and presents the major sectors of business in which the Group has investment holdings. Percentage holdings refer to ordinary capital stock.

(a) EXOR also holds 30.09% of Fiat preferred capital stock and 2.93% of Fiat savings capital stock.
(b) Post-conversion of convertible bonds.
(c) Percentage interest held in the NoCo A LP limited partnership.

Key operating and financial data

EXOR Group – Consolidated Data – shortened (a) € in millions	**2009**	2008	Change
(Loss) Profit attributable to owners of the Parent	**(388.9)**	301.8	(690.7)
Share of earnings (losses) of holdings and dividends	**(278.6)**	475.5	(754.1)
Investments and other financial assets	**5,343.7**	5,288.7	55.0
Equity attributable to owners of the Parent	**5,305.4**	3,615.6	1,689.8
Consolidated net financial position of EXOR "Holdings System"	**51.6**	(11.5)	63.1

(a) The basis of preparation is presented in the following "Review of the consolidated results of the Exor Group - shortened".

Earnings per share (€) (a)	**2009**	2008	Change
(Loss) Profit attributable to owners of the Parent – basic:			
- ordinary shares	**(1.66)**	1.83	(3.49)
- preferred shares	**(1.61)**	1.88	(3.49)
- savings shares	**(1.35)**	1.97	(3.32)
(Loss) Profit attributable to owners of the Parent – diluted:			
- ordinary shares	**(1.66)**	1.81	(3.47)
- preferred shares	**(1.61)**	1.86	(3.47)
- savings shares	**(1.35)**	1.95	(3.30)
Equity attributable to owners of the Parent	**22.43**	22.62	(0.19)

(a) Details of the calculation are provided in Note 18 to the consolidated financial statements.

EXOR S.p.A. – Separate financial statement data € in millions	**2009**	2008	Change
Profit	**88.8**	49.1	39.7
Equity	**3,539.8**	1,889.5	1,650.3
Net financial position	**(412.1)**	(369.9)	(42.2)

The board of directors' meeting held on March 29, 2010 put forward a motion to the ordinary session of the stockholders' meeting called to approve the separate financial statements for the year ended December 31, 2009 for the distribution of the following dividends:

	Number of shares	**Dividends proposed**	
Class of stock	**outstanding** (a)	**Per share (€)**	**Total (€ ml)**
Ordinary	157,275,496	0.2700	42.5
Preferred	69,440,160	0.3217	22.3
Savings	8,949,094	0.3481	3.1
			67.9

(a) At March 29, 2010.

Dividends distributed by EXOR S.p.A. in 2009 from profit for the year ended December 31, 2008 are the following:

	Number of shares	**Dividends distributed**	
Class of stock	**outstanding**	**Per share (€)**	**Total (€ ml)**
Ordinary	160,147,496	0.3190	51.1
Preferred	71,368,160	0.3707	26.4
Savings	9,155,694	0.4580	4.2
			81.7

Net Asset Value

EXOR’s Net Asset Value (NAV) at December 31, 2009 is € 5,737 million, increasing € 2,769 million (+93.3%) compared to € 2,968 million at March 1, 2009 (the effective date of the merger of IFIL).

The composition and change in NAV during 2009 are the following:

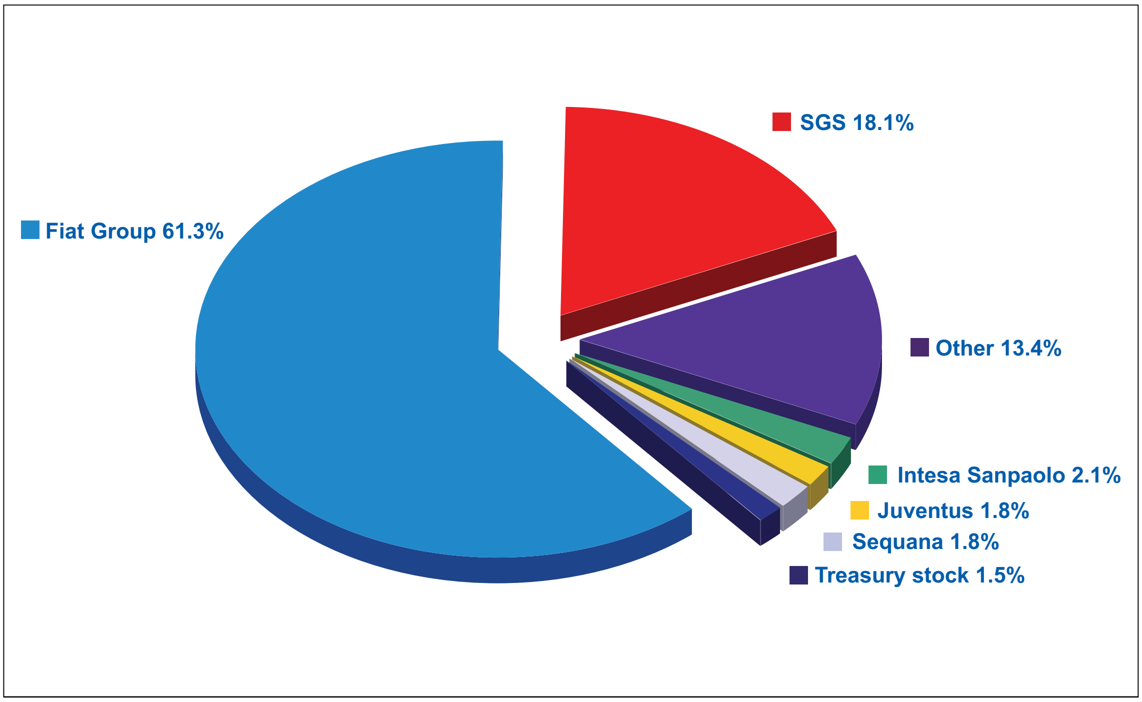
€ in millions	3/1/2009	3/31/2009	6/30/2009	9/30/2009	**12/31/2009**
Current value of listed investments	2,445	3,151	3,900	4,657	**5,022**
Current value of EXOR treasury stock	19	29	52	78	**88**
Current value of unlisted investments	750	751	761	757	**785**
Current value of investment portfolio	3,214	3,931	4,713	5,492	**5,895**
Financial liabilities	(1,157)	(1,162)	(1,143)	(1,145)	**(1,131)**
Financial assets	1,121	1,149	1,137	1,121	**1,183**
Consolidated net financial position of the EXOR Holdings System	(36)	(13)	(6)	(24)	**52**
Ordinary structure costs capitalized for 10 years	(210)	(210)	(210)	(210)	**(210)**
Net Asset Value (NAV)	2,968	3,708	4,497	5,258	**5,737**
% increase compared to March 1, 2009	-	24.9%	51.5%	77.2%	**93.3%**

The current value of the investment portfolio at December 31, 2009 has been calculated by valuing the listed investments in Fiat, Sequana, Intesa Sanpaolo, SGS, Juventus Football Club and EXOR treasury stock at the stock trading prices, and the unlisted other investment holdings and other investments at fair value determined by independent experts.

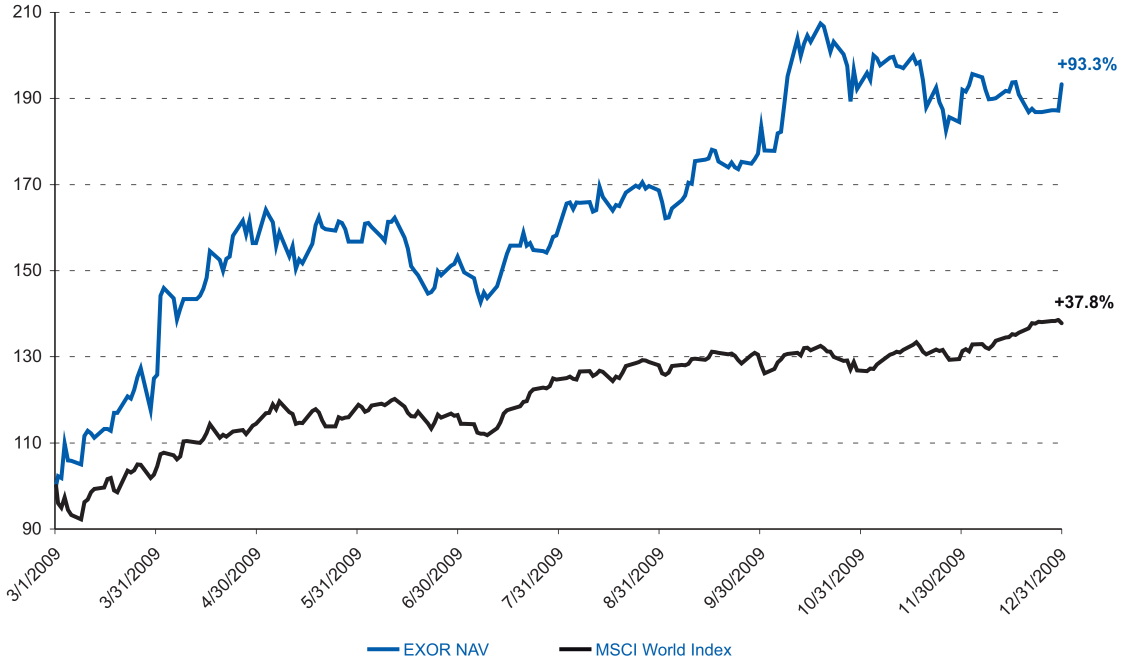
NAV is presented with the aim of aiding analysts and investors in forming their own assessments.

The following pie chart shows the composition of the current value of the investment portfolio (€ 5,895 million, in total) at December 31, 2009.
“Other” includes unlisted investments in C&W Group, Gruppo Banca Leonardo, Alpitour, Banijay Holding, DLMD, Vision, NoCo A and NoCo B and also sundry investments.

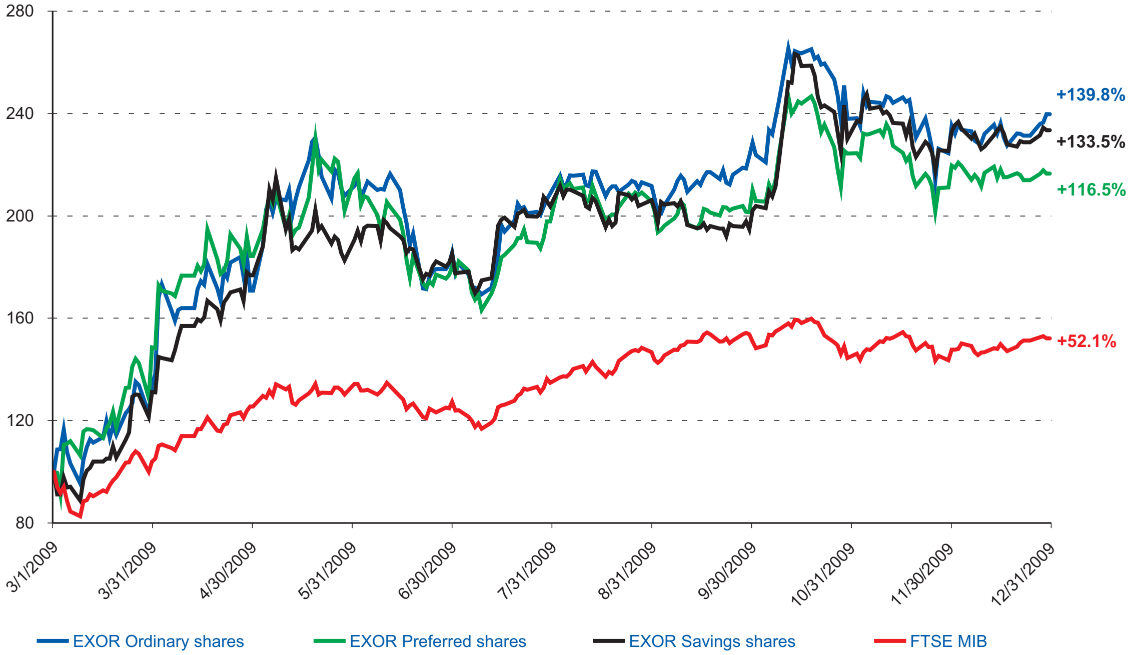
Investments denominated in Swiss francs and U.S. dollars are translated at the market trading rates of 1.4836 and 1.4406, respectively.



Change in NAV compared to MSCI Index (Morgan Stanley Capital World Index)



EXOR Stock Market Price Performance Compared to FTSE MIB Index



Stock Market Data	1/1/2010 2/28/2010	3/1/2009 12/31/2009
Ordinary share price (Euro):		
period-end	**11.10**	**13.50**
maximum	**14.03**	**15.06**
minimum	**10.94**	**5.41**
Preferred share price (Euro):		
period-end	**6.14**	**7.34**
maximum	**7.81**	**8.34**
minimum	**6.12**	**3.20**
Savings share price (Euro):		
period-end	**8.23**	**9.98**
maximum	**10.14**	**11.22**
minimum	**8.22**	**3.77**
Share volume traded during period: (a)		
ordinary (millions)	**13.0**	**91.9**
preferred (millions)	**9.5**	**80.1**
savings (millions)	**0.4**	**5.8**
Euro volume exchanges during period (Euro in millions): (b)		
ordinary	**158.0**	**1,067.0**
preferred	**65.3**	**536.5**
savings	**3.3**	**46.4**

(a) Sum of daily quantities traded during period.
(b) Sum of Euro volume (daily trading price multiplied by daily volume) traded during period.

Financial communications and investor relations

In 2009, EXOR continued to provide information to investors, financial analysts, as well as the national and international financial Press.

EXOR, at its first stockholders' meeting in April, held a conference call in which about 80 investors and financial analysts participated. The initiative, which the Company intends to propose annually as an opportunity for dialog with the markets, opened the way to providing important details on investment holdings, financial results and EXOR's objectives.

On March 1, 2009, the new corporate website www.exor.com went online and was later expanded and improved with content making consultation of the menu and comprehension of EXOR's activities easier and immediate.

References for corporate services in charge of communications and investor relations are:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.547660
ir@exor.com

CORPORATE GOVERNANCE

In its meeting of March 29, 2010, the EXOR S.p.A. board of directors' meeting approved, *inter alia*, the “Annual report on corporate governance and company's ownership structure” prepared in accordance with Legislative Decree 58, dated February 24, 1998, art. 123 bis, as integrated and amended (TUF – Consolidated Law on Finance).
This document was published with the 2009 Annual Report and is available on the website www.exor.com.

PRINCIPAL RISKS AND UNCERTAINTIES TO WHICH EXOR S.p.A. AND COMPANIES IN CONSOLIDATION ARE EXPOSED

Risks associated with general economic conditions

EXOR's earnings and financial position and those of its main subsidiaries are influenced by various macro-economic factors – including increases or decreases in gross national product, the level of consumer and business confidence, changes in interest rates on consumer loans, the cost of raw materials and the rate of unemployment – existing in the various countries in which they operate. During 2008, the global economy entered into a period of recession which continued to impact heavily on the first half of 2009. Conditions eased in the second half of the year, due in part to significant measures put in place by major governments and monetary authorities. The significant weakness in general economic conditions resulted in a sharp contraction in demand in the first half of 2009 in the sectors and markets in which EXOR and the main subsidiaries operate compared to the prior year's levels. This fall in volumes eased in the second half of the year.

However, despite measures put in place by governments and monetary authorities, or as a consequence of changes in such measures which reduce or eliminate their beneficial effects, should the current global economic weakness and consequent impact on demand for the products and services of the investment holdings continue in the future, the activities, strategy and future prospects of EXOR could be adversely affected with consequent negative impacts on its earnings and financial position.

Additionally, even in the absence of an economic recession or deterioration of credit markets, any macro-economic event - such as increases in energy prices, fluctuations in the price of commodities or other raw materials, adverse shifts in specific factors such as interest and currency rates, changes in government policy, outbreak of an epidemic or a contraction in infrastructure spending - potentially having negative consequences in the sectors in which EXOR and its main investment holdings operate, could have a material adverse effect on their activities and future prospects, as well as their earnings and financial position. Similar risks exist by virtue of the fact that some important investment holdings operate in sectors which have historically been highly cyclical and which tend to reflect the general performance of the economy, in certain cases even amplifying the effect.

Risks associated with EXOR's activities

EXOR conducts investment activities which involve normal risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the Company's objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the Company's earnings and financial position.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the Company's credit rating.

Any downgrade by the rating agencies could limit the Company's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.
Standard & Poor's has rated EXOR's debt BBB+/negative/A-2.

EXOR's policy and that of the companies in the Holdings System is to keep liquidity in demand or short-term deposits and readily negotiable money market instruments and bonds, allocating such investments over an appropriate number of counterparts, with the principal purpose of having investments which can readily be converted into cash.
The counterparts are chosen according to their creditworthiness and reliability.
However, in consideration of the current financial crisis, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the current value of its main holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A deterioration in the financial market condition and the earnings of the main holdings could affect EXOR's earnings and cash flows.

EXOR mainly operates through its investments in subsidiaries and associates in the motor vehicle market (Fiat Group), in real estate services (C&W Group), in paper (Sequana Group), in tourism (Alpitour Group) and in professional soccer (Juventus Football Club). As a result, EXOR is exposed to the typical risks of the markets and industries in which such holdings operate.

In March 2010, the investment in Fiat (equal to 30.45% of ordinary capital stock, 30.09% of preferred capital stock and 2.93% of savings capital stock) represented more than 60% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV method described on page 11.
Therefore, the performance of the Fiat Group has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates could have an adverse effect on earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.
EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which they set aside, if appropriate, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

The following paragraphs indicate the principal specific risks and uncertainties of the companies in consolidation (C&W Group, Alpitour and Juventus Football Club).

C&W Group

The operations of C&W Group are directly influenced by the general economic environment and the international and local real estate business and the political situations in the countries in which it operates.

The economic factors which influence operations are the general economic situation, employment levels, interest rates, access to credit to fund transactions and the effects of tax and regulatory policies.

Economic recession, increases in interest rates or declines in demand in the real estate sector could have an adverse effect on the earnings and financial position of C&W Group.

In addition, these adverse conditions would also affect commission expense, which varies in relation to the revenues of C&W Group. Brokers, in fact, are generally paid on the basis of commissions and compensation correlated to the group's revenues. Consequently, a negative effect on C&W Group's operating margins due to the deterioration of market conditions is partly offset by such a correlation.

Alpitour Group

The trend in demand for tourist packages is always acutely affected by outside factors such as political risks (conflicts, institutional changes, unilateral acts of government and terrorism), the international economic situation, natural disasters and health scares such as pandemics.

The international political situation, especially in situations of war and terrorist threats, could generate a contraction in demand for the services offered by the Alpitour Group. Areas located in developing countries or plagued by unstable political and social instability are clearly more exposed to this type of risk.

Another risk factor is caused by the ravages of weather such as tsunamis, hurricanes and earthquakes and pandemics or epidemics which could cause a sharp decline in demand for tourism services to the affected destinations.

A negative international economic environment could significantly impact the propensity of clients to purchase tourist packages, leading them to place more emphasis on primary needs.

The Alpitour Group (with the exception of incoming activities) operates mostly with Italian clientele in that the product offered features qualitative standards that mirror the expectations and requirements of Italian demand. Therefore, the business is strongly influenced by domestic economic conditions and the highly season nature of operations which means that the majority of revenues is concentrated in the summer season.

The typical activities of the Alpitour Group use services provided by third parties, mainly suppliers of air and hotel services and travel agencies, whether individual or part of networks. The risk that such services will not be rendered efficiently and without interruption could compromise the earnings of the Alpitour Group and damage its image.
The Alpitour Group, through its vertical integration, the presence of all the links in the tourism chain, the diversification of key suppliers and the specific sales policies geared to sustaining demand in the low season, believes that it can manage and minimize such risks.

The tourism sector is strongly anchored to information technology processes which cover the entire business cycle starting from the booking system. The risk of the interruption, even temporarily, of information systems could cause difficulties in operations and in supplying services to clients.

With continual updating and maintenance of its systems and designing specific disaster recovery plans, as well as commercial contracts with leading suppliers of substitute technologies, the Alpitour Group has undertaken the actions necessary to monitor and meet such risks.

Juventus Football Club

In the second half of the financial year 2009/2010, Juventus Football Club's earnings and financial position should not be significantly affected by the current economic crisis since most of its revenue items are tied to existing contracts. Nonetheless, if the weak and uncertain situation continues, the activities, strategies and prospects of the company could be negatively affected especially as concerns radio and TV rights (rights are currently being assigned for the 2010/2011 and 2011/2012 soccer season), sponsorships (negotiations are underway for the main sponsorship contract which expires on June 30, 2010) and relative expected revenues from the new stadium project now under construction, and also sales activities targeting team supporters.

Players' registration rights represent Juventus Football Club's productive factor. Sports activities are subject to risks connected with the physical condition of the players so that any injuries at any point in time could significantly affect the earnings and financial position of Juventus Football Club.

At the same time, given that the business also focuses on the commercial exploitation of the brand, trademark infringement by third parties is another risk Juventus Football Club faces. The arrival on the market of a large number of imitation goods bearing the Juventus Football Club trademark or the occurrence of events that may impair the market value of the trademark could have an adverse effect on its earnings and financial position.

Economic results are significantly affected, directly and indirectly, by the results achieved by the team in the various tournaments it plays in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top three teams in the Serie A Championships, while the fourth-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify for the tournament could have a significant adverse effect on the earnings and financial position of Juventus Football Club.

Fiat Group

In the consolidated financial statements of the EXOR Group, the investment in the Fiat Group is accounted for by the equity method (details are provided in Notes 5 and 42 to the consolidated financial statements). Therefore, the Fiat Group is not included among the companies in consolidation.

Nevertheless, to complete the information presented in this section, the 2009 Report on Operations of the Fiat Group expounded on the exposure to risks in connection with the following:

- general economic conditions
- financing requirements
- ratings
- fluctuations in currency and interest rates
- policy of targeted industrial alliances
- relationships with employees and suppliers
- management
- high level of competitiveness in the industries in which the group operates
- sales in international markets and exposure to changes in local conditions
- environmental policy and government regulations
- ability to offer innovative products
- emerging markets

Additional information is provided in the 2009 Report on Operations of the Fiat Group, to which reference can be made, also available on the website www.fiatgroup.com.

SIGNIFICANT EVENTS IN 2009

Merger by incorporation of the subsidiary IFIL in IFI

The deed of merger by incorporation of the subsidiary IFIL in IFI was signed on February 20, 2009. The deed established that the merger would be effective, pursuant to art. 2504-bis, paragraph 2 of the Italian Civil Code, from March 1, 2009 and that the transactions carried out by IFIL in the early months of 2009 would be recorded in the merging company's financial statements, also for tax purposes, pursuant to art. 172, paragraph 9 of D.P.R. 917/96, starting from January 1, 2009.

The registration of the deed of merger in the Companies Register of Turin took place on February 24, 2009.

IFI assumed the new name of “EXOR S.p.A.” from March 1, 2009. Previously, in January 2009, IFI had purchased the EXOR brand from Old Town S.A. (formerly EXOR Group S.A.), a subsidiary of Giovanni Agnelli e C., for a price of € 100 thousand.

The EXOR capital stock increase to service the exchange of shares was recognized at the fair value of the 73,809,496 ordinary shares and 9,168,894 savings shares issued, respectively equal to € 5.36 and € 3.86 corresponding to the opening stock market prices on March 2, 2009, the first day of market trading of those shares. Of the total of € 431 million, € 83 million was allocated to capital stock, corresponding to the par value, and € 348 million to additional paid-in capital.

EXOR's capital stock post-merger is therefore equal to € 246,229,850 subdivided in 160,259,496 ordinary shares (approximately 65%), 76,801,460 preferred shares (approximately 31.2%) and 9,168,894 non-convertible savings shares (approximately 3.8%), all with a par value of € 1 each and normal dividend rights.

The total expenses for the operation incurred in 2008 and 2009 by IFIL and EXOR amounted to approximately € 17 million; such expenses (referring to costs for financial advisers, legal fees, experts assigned by the court, stockholders' meetings, notary and audit and other minor charges) were recorded as a deduction from additional paid-in capital.

The ordinary, preferred and savings shares have been listed on the Electronic Share Market under the stock symbol EXOR since March 2, 2009. The IFIL ordinary and savings shares were withdrawn from trading on the Electronic Share Market on March 2, 2009.

Further details on the accounting and tax treatment of the merger are described in Note 2 to the separate financial statements of EXOR S.p.A. at December 31, 2009.

The Information Document on the merger and updates are available on the website www.exor.com.

Changes in the names of the companies in the Holdings System

Following the merger, as from March 2, 2009:

- the Luxembourg subsidiary, Ifil Investissements S.A., took the new name of EXOR S.A.;
- the Ireland subsidiary, Ifil International Finance Ltd, took the new name of EXOR Capital Ltd.;
- the subsidiary, IFIL USA Inc., took the new name of EXOR Inc.

As from March 27, 2009, the subsidiary, Ifil Asia Ltd, took the new name of EXOR Limited.

Credit line extended to C&W Group

In its meeting held on March 25, 2009, the EXOR S.p.A. board of directors approved a 3-year subordinated credit line for C&W Group for $50 million, drawn down at December 31, 2009 for $40 million (€ 27.8 million).

The transaction guarantees EXOR a return in line with market rates and its purpose is to provide the subsidiary with additional debt capacity and also to use such capacity to fund any investment opportunities. At expiration on May 30, 2012, in the event of non-payment, EXOR will have the right to convert the loan to shares of the subsidiary C&W Group Inc. at a price equal to the lowest of the valuations made quarterly by an independent third party over the period of the credit line, discounted by 30%.

Resolutions passed by the stockholders' and board of directors' meetings

The EXOR S.p.A. stockholders' meeting held on April 28, 2009 approved the 2008 separate financial statements of the merged company IFIL S.p.A. and those of EXOR S.p.A., resolving to distribute dividends of € 0.3190 per ordinary share, € 0.3707 per preferred share and € 0.4580 per savings share for a total maximum amount of € 81.7 million, of which € 46.6 million will be drawn from retained earnings and € 35.1 million (corresponding to € 0.1459 per each share of the three classes of stock) from the extraordinary reserve. The dividends are payable starting from May 14, 2009.
The stockholders' meeting also elected the board of directors and the board of statutory auditors for the years 2009, 2010 and 2011.

In the meeting held by the board of directors after the stockholders' meeting, the following appointments were made: John Elkann Chairman, Gianluigi Gabetti Honorary Chairman, Tiberto Brandolini d'Adda and Pio Teodorani-Fabbri Vice Chairmen and Carlo Barel di Sant'Albano Chief Executive Officer, conferring the relative powers. The board also appointed the members of the internal control committee, the compensation and nominating committee and the strategy committee as indicated on page 3 of this report.
In the meeting held on May 13, 2009, the board of directors decided to equally divide among its members the fee approved by the stockholders' meeting, amounting to € 170,000 per year. Furthermore, pursuant to art. 2389 of the Italian Civil Code, the board approved the annual fees which are disclosed in Note 40 to the separate financial statements of EXOR S.p.A. at December 31, 2009.

Sales of Intesa Sanpaolo ordinary shares

During 2009, EXOR S.p.A. sold 78,000,000 Intesa Sanpaolo ordinary shares (0.66% of the class) on the market for proceeds of € 217.2 million with a net loss of € 15.4 million on consolidation (net gain of € 21.7 million in the separate financial statements).
After these disposals, EXOR holds 40,000,000 Intesa Sanpaolo ordinary shares (0.34% of the class).

Buyback of treasury stock

Under the treasury stock buyback program approved by the board of directors on March 25, 2009, during 2009, EXOR purchased 2,550,000 ordinary shares (1.59% of the class) at an average cost per share of € 11.6 and a total of € 29.6 million, 1,605,000 preferred shares (2.09% of the class) at an average cost per share of € 6.67 and a total of € 10.7 million and also 208,400 savings shares (2.27% of the class) at an average cost per share of € 8.26 and a total of € 1.7 million. The overall investment amounts to € 42 million (about 84% of the total maximum amount of € 50 million stated in the program).

In October, the subsidiary Exor Services (formerly Soiem) sold 214,756 EXOR ordinary shares (0.13% of the class) previously held for proceeds of € 2.8 million.

Exor Services also reimbursed EXOR for the payment at one time made by IFIL for the carrying amount of its stock held by the subsidiary.

At December 31, 2009 EXOR S.p.A. holds the following treasury stock:

Class of stock	Number of shares	% of class	Carrying amount Per share (€)	Carrying amount Total (€ml)
ordinary	2,550,000	1.59	11.60	29.6
preferred	6,965,300	9.07	11.66	81.2
savings	208,400	2.27	8.26	1.7
				112.5

Subscriptions to Banijay Holding capital stock increases

On July 27, 2009, EXOR S.A. subscribed to 61,818 Banijay Holding shares for an equivalent amount of € 6.2 million and on December 2, 2009 another 60,101 shares for an equivalent amount of € 6 million for two distinctive capital increases.
Following these transactions, EXOR S.A. holds 334,419 Banijay Holding shares equal to 17.08% of capital stock and 17.17% of voting rights and has its own representative on the board of directors of the company. These investments are part of the commitment undertaken in May 2008 to invest a total of € 42.5 million in the company (of which € 33.5 million has already been paid).

Purchases of Fiat savings stock

In September and October, EXOR S.p.A. purchased 2,338,629 Fiat savings shares (2.93% of the class) from Fondazione Giovanni Agnelli for a total investment of € 13 million.
EXOR S.p.A. currently holds 332,587,447 Fiat ordinary shares (30.45% of the class), 31,082,500 Fiat preferred shares (30.09% of the class) and 2,338,629 Fiat savings shares (2.93% of the class). The investment represents 28.7% of current Fiat capital stock overall.

Other investments

As a result of investment commitments in the NoCo B L.P. limited partnership, which groups a series of funds managed by Perella Weinberg Partners L.P., during the year 2009, EXOR S.A. invested $2.7 million (€ 1.7 million) and € 1.9 million in the Perella Weinberg Real Estate I fund. Subsequently, following the liquidation of the Perella Weinberg Alpha Cap and ADS funds, the NoCo B L.P. limited partnership reimbursed EXOR S.A. a total equivalent amount of approximately $11.8 million (€ 8.2 million).

At December 31, 2009, the remaining investment commitments for NoCo B and the Perella Weinberg Real Estate I fund amount to US $55.4 million (€ 38.5 million) and € 22 million, respectively.

Transactions simplifying the Group's structure

With a view towards simplifying the Group's structure, the following transactions were entered into:

- on May 20, 2009, the voluntary wind-up was closed for Ifil Investment Holding, a Dutch-registered company, wholly-owned by EXOR S.p.A.; the wind-up was approved on November 7, 2008;
- on September 18, 2009, the voluntary wind-up was closed for Ifilgroup Finance Limited, an Irish-registered company wholly-owned by EXOR S.A.; the wind-up was approved on September 29, 2008;
- on November 4, 2009, the deed was signed for the merger by incorporation of Ifil New Business S.r.l. (a non-operating subsidiary wholly-owned by EXOR S.p.A.) in Exor Services S.c.p.a. (formerly Soiem S.p.A.).

Moreover, voluntary wind-ups are currently in progress for Eufin Investments, (approved on December 2, 2009) and IFIL France, both wholly-owned subsidiaries of EXOR S.A.

Finally, in January 2010, the subsidiary Soiem S.p.A. was transformed into a consortium company with shares and took the name of Exor Services S.c.p.a.. This transaction falls under the framework of concentrating some of the activities conducted on behalf of Group companies in Exor Services S.c.p.a. with the aim of achieving greater efficiency and lower costs.
In consideration of this, in November 2009, EXOR S.p.A. sold 0.25% of the company's capital stock to Giovanni Agnelli e C. for approximately € 29 thousand which corresponds to the value of the pro-rata share of equity.

Proceedings relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

With regard to the ruling opposing the administrative sanctions imposed by Consob, the Court of Cassation rejected the appeals filed. Therefore, the ruling by the Court of Appeals of Turin, which had reduced the sanctions, has been upheld.

As far as the penal proceedings before the Turin Court are concerned, the final discussion is coming to a close and the conclusion with a ruling is scheduled for April 22, 2010.

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2010

Buyback of treasury stock

Under the treasury stock buyback program approved by the board of directors on March 25, 2009, during the first quarter of 2010 EXOR purchased 434,000 ordinary shares (0.27% of the class) at an average cost per share of € 11.83 and a total of € 5.1 million, 396,000 preferred shares (0.52% of the class) at an average cost per share of € 6.67 and a total of € 2.6 million and also 11,400 savings shares (0.12% of the class) at an average cost per share of € 8.93 and a total of € 0.1 million. The overall investment for 2009 and 2010 amounts to € 49.9 million and essentially reaches the € 50 million maximum amount authorized for the buyback program.

EXOR currently holds the following treasury stock:

	Number	% of	Carrying amount	
Class	of shares	class	Per share (€)	Total (€ml)
ordinary	2,984,000	1.86	11.6	34.7
preferred	7,361,300	9.58	11.4	83.8
savings	219,800	2.40	8.3	1.8
				120.3

Sale of Intesa Sanpaolo stock

On January 15, 2010, EXOR S.p.A. sold 30,000,000 Intesa Sanpaolo ordinary shares (0.25% of the class) on the market for proceeds of € 90 million and a gain on consolidation of € 0.6 million (€ 14.8 million in the separate financial statements).
After these disposals, EXOR holds 10,000,000 Intesa Sanpaolo ordinary shares (about 0.09% of the class).

Dividends and distributions of reserves to be received

Dividends and distributions of reserves approved by certain investment holdings are as follows:

	Class of		Dividends			
Investment holding	stock	Number	Per share		Total (€ml)	
Fiat S.p.A.	ordinary	332,587,447	€	0.17	56.5	
Fiat S.p.A.	preferred	31,082,500	€	0.31	9.6	
Fiat S.p.A.	savings	2,338,629	€	0.325	0.8	
Alpitour S.p.A. (distribution of reserves)	ordinary	35,450,000	€	0.21	7.5	(a)
Total collections, Exor S.p.A.'s share					**74.4**	
SGS S.A.	ordinary	1,173,400	CHF	60.00	48.1	(b)
Sequana	ordinary	13,203,139	€	0.35	4.6	
Gruppo Banca Leonardo	ordinary	25,255,537	€	0.08	2.0	
Gruppo Banca Leonardo (distribution of reserves)	ordinary	25,255,537	€	1.00	25.3	(a)
Total collections, Exor S.p.A.'s share					**80.0**	

(a) The amounts will be recorded as a deduction from the carrying amount of the investments since they were drawn from capital reserves.
(b) CHF 70.4 million translated at the exchange rate of 1.4638.

Other investments

As a result of investment commitments in the NoCo B L.P. limited partnership, which groups a series of funds managed by Perella Weinberg Partners L.P., on January 28, 2010, EXOR S.A. invested another $9.3 million (€ 6.6 million) in the NoCo B L.P. limited partnership.

BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2010.

At the consolidated level, the year 2010 should show a significant improvement in economic results which, however, will largely depend upon the performance of the principal investment holdings. Their most recent forecasts are presented below.

Fiat Group

After a particularly difficult 2009, with uneven trading conditions across the Fiat Group's international scope of operations, 2010 is positioning itself as a year of transition and stabilization.

The Fiat Group expects all of its Sectors to improve performance over the prior year, with the exception of the Automobiles business, the performance of which will be impacted by the reduction of eco-incentive programs which underpin demand in Western Europe.

The Fiat Group's forecasts include a continuation of the rigorous cost containment action initiated as early as the latter part of 2008, and which were implemented vigorously throughout 2009.

The capital expenditure programs which formed part of the 2007-2010 industrial plan outlined to the financial community in November 2006 underwent a severe contraction in 2009, in response to the uncertainty of the demand function for the Fiat Group's various businesses and the tightening of credit markets. This contraction is expected to ease in 2010, with the resumption of a normalized level of capital commitments across all Sectors, yielding a 30% to 35% rise in expenditures over 2009.

Targets for the year are heavily influenced by the non-renewal of eco-incentives on new car purchases in Italy. In particular, the Fiat Group expects to close 2010 with:

- revenues of € 50 billion
- trading profit of € 1.1 to € 1.2 billion
- net profit near breakeven
- net industrial debt above € 5 billion

The Fiat Group will, in any event, have more than adequate resources to transition to what is expected to be a normalized trading environment in 2011 and later years.

While working on the achievement of its objectives, the Fiat Group will continue to implement its strategy of targeted alliances in order to optimize capital commitments and reduce risks.

On April 21, 2010, the Fiat Group will present its Strategic Business Plan 2010-2014.
On that occasion, besides presenting the market with its economic and financial targets for each sector, the Fiat Group will announce the policies that will guide the strategic development and the positioning of each of its businesses and the Group.

C&W Group

The measures taken in the last three months of 2008 and in 2009 to eliminate inefficiencies, to reduce expenses and to maintain strong financial discipline, particularly during the early stages of the global economic recovery, have positioned C&W Group well for 2010. The Group's return to year-over-year revenue growth in the fourth quarter of 2009 against the backdrop of improvement in general market conditions, provides confidence that the Group continues to leverage its brand premium and leadership position in major markets and select service disciplines to gain market share. With cost containment measures in place, C&W Group's focus on selectively recruiting and retaining the sector's premier talent in the world's major business districts, and its continued emphasis on the diversification of its services and geographic reach, the outlook is positive for stronger revenues and more stable earnings in 2010.

Alpitour Group

The ongoing climate of general uncertainty continues to inevitably weigh upon the tourism industry. The first few months of the new financial year were again hurt by the structural weakness in demand with the exception of the holiday period at the end of the year, the results of which are considered to be positive. Despite the market picture, during the early months of the new year, the sales of Tour Operating, which represents the core business of the Alpitour Group, displayed a growth in volumes of approximately 5% compared to the prior year.

As far as the economic forecast for the current year is concerned, at the market level, the winter season is still expected to show signs of some difficulties and a weak demand while evidence of a recovery and a return to a climate of trust are anticipated in conjunction with the start of the summer season. Given this situation, the goals of the Alpitour Group are to better the economic results reported in 2009 in terms of both profit and margins, to consolidate the return on invested capital and further improve the financial situation as well as reconfirm its position as market leader also from the standpoint of innovation.

Juventus Football Club

Trends in the second half of the 2009/2010 financial year will be adversely affected by the absence of income from the transfer of players' registration rights, lower proceeds from participating in European tournaments and also the effect of a lower number of games scheduled to be played in the second half.

Accordingly, on the basis of the information currently available and barring any extraordinary events, the company's financial year is expected to close with a limited negative net result.

Sequana Group

For 2010, Sequana's objective is to improve the operating margin, reduce costs and the Group's debt and report a higher operating profit than in 2009.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

The year 2009 shows a profit of € 88.8 million. In 2008, the last year ended previous to the merger of IFIL, EXOR had reported a profit of € 49.1 million. For purposes of comparison with the 2009 figures, a pro-forma income statement has been drawn up for 2008 (prepared by the aggregating the EXOR and IFIL income statements line by line and eliminating income and expenses arising from transactions between the two companies, mainly dividends distributed by IFIL to EXOR and expenses/income on the loan made by IFIL to EXOR) which shows a pro-forma profit for the year 2008 of € 333 million. The net reduction of € 244.2 million is due to lower dividends from investment holdings (-€ 135.7 million) and lower gains on the disposal of Intesa Sanpaolo stock (-€ 145.8 million) as well as lower net financial expenses (+€ 46.1 million) and net general expenses (+€ 0.8 million), higher net non-recurring expenses (-€ 12.4 million), higher other taxes and duties (-€ 0.3 million) and, lastly, the release of deferred tax liabilities to income (+€ 3.1 million).

The shortened income statement and statement of financial position, as well as comments on the most significant line items are presented below.

EXOR S.p.A. – Income Statement - Shortened

2008 (published)	€ in millions	Note	2009	2008 (pro-forma) (a)	Change
72.7	Dividends from investments	1	**120.0**	255.7	(135.7)
0.0	Gains on disposals of investments	2	**21.7**	167.5	(145.8)
(16.8)	Net financial expenses	3	**(19.4)**	(65.5)	46.1
(5.3)	Net general expenses	4	**(21.6)**	(22.4)	0.8
(0.4)	Non-recurring other income (expenses) and general expenses		**(11.5)**	0.9	(12.4)
(1.1)	Non-deductible VAT and other taxes and duties		**(3.5)**	(3.2)	(0.3)
49.1	**Profit before income taxes**		**85.7**	333.0	(247.3)
0.0	Income taxes		**3.1**	0.0	3.1
49.1	**Profit for the year**		**88.8**	333.0	(244.2)

(a) The basis of preparation is described in Note 4 to the separate financial statements of EXOR S.p.A. at December 31, 2009.

EXOR S.p.A. – Statement of Financial Position - Shortened

		12/31/2009		12/31/2008 (published)		
€ in millions	Note	**Amount**	**%**	Amount	%	Change
Investments	5	**3,950.6**	**83.8**	2,242.8	98.9	1,707.8
Other non-current financial assets		**71.7**	**1.5**	0.4	0.0	71.3
Current financial assets		**618.8**	**13.1**	0.8	0.0	618.0
Financial receivables from subsidiary		**28.2**	**0.6**	0.0	0.0	28.2
Tax receivables		**44.9**	**1.0**	19.4	0.9	25.5
Other current and non-current assets		**0.7**	**0.0**	4.1	0.2	(3.4)
Total Assets		**4,714.9**	**100.0**	2,267.5	100.0	2,447.4
Equity	6	**3,539.8**	**75.1**	1,889.5	83.3	1,650.3
Debt with subsidiary		**0.0**	**0.0**	199.5	8.8	(199.5)
Bonds		**944.9**	**20.0**	0.0	0.0	944.9
Current and non-current bank debt		**150.1**	**3.2**	166.2	7.3	(16.1)
Other current financial liabilities		**35.7**	**0.8**	5.5	0.2	30.2
Provisions and other current and non-current liabilities		**44.4**	**0.9**	6.8	0.3	37.6
Total Equity and Liabilities		**4,714.9**	**100.0**	2,267.5	100.0	2,447.4

1. Dividends from investments

In 2009, dividends from investments mainly include dividends collected from the subsidiary EXOR S.A. for € 120 million.

In 2008, this line item had included dividends (collected by IFIL) paid by Fiat (€ 145.4 million) and Intesa Sanpaolo (€ 110.2 million) and dividends received from Emittenti Titoli (€ 0.1 million).

2. Gains on disposals of investments

In 2009, the net gain of € 21.7 million is due to the sale of 78,000,000 Intesa Sanpaolo shares, equal to 0.66% of its ordinary capital stock. Proceeds on the sale total € 217.2 million.

In 2008, the net gain of € 167.5 million had referred to the sale, by IFIL, of 171,916,165 Intesa Sanpaolo shares, equal to 1.45% of its ordinary capital stock. Net proceeds had amounted to € 598.4 million.

3. Net financial expenses

Net financial expenses amount to € 19.4 million. This is a net reduction of € 46.1 million compared to 2008 (€ 65.5 million) due to higher financial income of € 22.1 million, lower financial expenses of € 27.4 million and higher exchange losses of € 3.4 million.

4. Net general expenses

Net general expenses total € 21.6 million and show a reduction of € 0.8 million compared to 2008 largely on account of lower personnel costs.

5. Investments

Details are as follows:

€ in millions	**12/31/2009**	12/31/2008	Change
Accounted for at cost			
IFIL S.p.A. (ordinary shares)		2,236.1	(2,236.1)
IFIL S.p.A. (savings shares)		6.4	(6.4)
	0.0	2,242.5	(2,242.5)
Fiat S.p.A. (ordinary shares)	**2,619.4**		2,619.4
Fiat S.p.A. (preferred shares)	**250.4**		250.4
Fiat S.p.A. (savings shares)	**13.0**		13.0
	2,882.8	0.0	2,882.8
EXOR S.A.	**746.7**		746.7
Alpitour S.p.A.	**100.0**		100.0
Juventus Football Club S.p.A.	**74.2**		74.2
Exor Services S.c.p.a. (formerly Soiem S.p.A.)	**10.0**		10.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	3,814.0	2,242.8	1,571.2
Available-for-sale investments			
Intesa Sanpaolo S.p.A. (ordinary shares)	**126.6**		126.6
Rho Immobiliare Fund	**10.0**	0.0	10.0
Total investments	**3,950.6**	2,242.8	1,707.8

The comparison between carrying amounts and market prices of shares held at the end of 2009 is as follows.

		Carrying amount		Market price December 30, 2009	
	Number	Per share (€)	Total (€ millions)	Per share (€)	Total (€ millions)
Fiat S.p.A.					
- ordinary shares	332,587,447	7.88	2,619.4	10.26	**3,412.3**
- preferred shares	31,082,500	8.06	250.4	5.99	**186.1**
- savings shares	2,338,629	5.58	13.0	6.29	**14.7**
			2,882.8		**3,613.1**
Intesa Sanpaolo S.p.A.	40,000,000	3.17	126.6	3.17	**126.6**
Juventus Football Club S.p.A.	120,934,166	0.61	74.2	0.89	**107.9**
Total			**3,083.6**		**3,847.6**

6. Equity

Equity at December 31, 2009 is € 3,539.8 million (€ 1,889.5 million at December 31, 2008). The positive change of € 1,650.3 million is detailed in the following table.
Further details are provided in the statement of changes in equity of the separate financial statements of EXOR S.p.A. at December 31, 2009.

€ in millions	
Equity at December 31, 2008	**1,889.5**
Fair value of EXOR S.p.A. capital increase to service the exchange of IFIL ordinary and savings shares held by non-controlling interests	431.0
Recognition of merger surplus	499.2
Recognition of exchange difference	747.0
Allocation of expenses relative to the merger	(17.1)
Fair value adjustments of investments net of deferred taxes	25.4
EXOR treasury stock purchases	(42.0)
Dividends distributed by EXOR S.p.A.	(81.7)
Other net changes	(0.3)
Profit for the year	88.8
Net change during the year	**1,650.3**
Equity at December 31, 2009	**3,539.8**

7. Net financial position

The balance is composed as follows:

	12/31/2009			12/31/2008		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets	**281.4**	**71.7**	**353.1**	0.3	0.4	0.7
Financial receivables from subsidiary	**28.2**	**0.0**	**28.2**			0.0
Cash and cash equivalents	**337.4**	**0.0**	**337.4**	0.5	0.0	0.5
Total financial assets	**647.0**	**71.7**	**718.7**	0.8	0.4	1.2
EXOR bonds 2007-2017	**(22.4)**	**(745.2)**	**(767.6)**			0.0
EXOR bonds 2006-2011	**(0.2)**	**(199.7)**	**(199.9)**			0.0
Bank debt and other financial liabilities	**(38.3)**	**(125.0)**	**(163.3)**	(21.6)	(150.0)	(171.6)
Debt with subsidiary					(199.5)	(199.5)
Total financial liabilities	**(60.9)**	**(1,069.9)**	**(1,130.8)**	(21.6)	(349.5)	(371.1)
Net financial position of Exor S.p.A.	**586.1**	**(998.2)**	**(412.1)**	(20.8)	(349.1)	(369.9)

The negative change of € 42.2 million in 2009 is due to the following flows:

€ in millions		
Net financial position at December 31, 2008		**(369.9)**
Net indebtedness of IFIL S.p.A. at December 31, 2008		(190.5)
Dividends received from investments		120.0
EXOR treasury stock purchases		(42.0)
- 2,550,000 ordinary shares (1.59% of the class)	(29.6)	
- 1,605,000 preferred shares (2.09% of the class)	(10.7)	
- 208,400 savings shares (2.27% of the class)	(1.7)	
Disposals		220.0
- Intesa Sanpaolo (0.66% of ordinary capital stock)	217.2	
- 214,756 EXOR ordinary shares (0.13% of the class) held by Exor Services (formerly Soiem)	2.8	
Investments		(23.0)
- Fiat, purchase of 2,338,629 savings shares (2.93% of the class)	(13.0)	
- Rho Immobiliare closed-end real estate fund shares	(10.0)	
Dividends distributed by EXOR S.p.A.		(81.7)
Other changes		
- Collection of receivables from the tax authorities		16.2
- Net general expenses (excluding the figurative cost of EXOR stock option plan)		(20.1)
- Non-recurring other income (expenses) and general expenses (excluding fair value adjustment of Alpitour stock option plan)		(7.3)
- Other taxes and duties		(3.5)
- Net financial income		(19.4)
- Expenses incurred for merger and other net changes		(10.9)
Net change during the year		**(42.2)**
Net financial position at December 31, 2009		**(412.1)**

8. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2009 and December 31, 2008 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit (Loss)		Equity	
€ in millions	**2009**	2008	**12/31/2009**	12/31/2008
Separate financial statements of EXOR S.p.A.	**89**	49	**3,540**	1,890
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**1,726**	2,314
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**512**	(841)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**(317)**	313	**(317)**	313
Elimination of dividends collected from consolidated companies and companies accounted for by the equity method	**(120)**		**(120)**	
Elimination of impairment charges and reversals of impairment charges on consolidated companies and companies accounted for by the equity method		(73)		(73)
Adjustments of gains/losses on disposals of investments	**(37)**	11	**(37)**	11
Other consolidation adjustments	**(4)**	2	**1**	2
Consolidated financial statements of the EXOR Group (attributable to owners of the Parent)	**(389)**	302	**5,305**	3,616

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

EXOR S.p.A., through the subsidiary EXOR S.A., holds some important investments and controls some companies which contribute to the Group's investment activities and financial resource management. These companies constitute, together with the services company, Exor Services (formerly Soiem), the so-called Holdings System (the complete list of these companies is presented below).

In order to facilitate the analysis of the equity and financial position and the results of operations of the Group, EXOR presents shortened consolidated financial statements (statement of financial position and income statement) prepared by applying the "shortened" consolidation criteria. Such shortened consolidated financial statements are presented along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year. The quarterly consolidated data is also presented in the shortened format in the quarterly reports at March 31 and September 30 of each year.
In the preparation of the shortened consolidated statement of financial position and income statement, the separate financial statements or accounting data drawn up in accordance with IFRS by the Parent and the subsidiaries in the Holdings System are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, Sequana, C&W Group, Alpitour and Juventus Football Club) are accounted for by the equity method, on the basis of their consolidated or separate (in the case of Juventus Football Club) financial statements or accounting data prepared in accordance with IFRS.

The following table shows the consolidation methods used for the investment holdings; after the merger of the subsidiary IFIL S.p.A., which took place on March 1, 2009, the percentage of consolidation is the same as the percentage of interest.

	12/31/2009	12/31/2008	
	% of consolidation	% of consolidation	% interest
Companies of the Holdings System consolidated line-by-line			
- IFIL Investments S.p.A. (merged on March 1, 2009)	**-**	100	70
- Exor S.A. (formerly Ifil Investissements S.A.) (Luxembourg)	**100**	100	70
- Exor Capital Limited (formerly Ifil International Finance Ltd) (Ireland)	**100**	100	70
- Exor Services S.c.p.a. (formerly Soiem S.p.A.) (Italy)	**99.75**	100	70
- Exor Inc. (formerly Ifil USA Inc.) (USA)	**100**	100	70
- Exor Limited (formerly Ifil Asia Ltd) (Hong Kong) (a)	**100**	100	70
- Ifil France S.a.s. (France) - in a wind-up	**100**	100	70
- Ancom USA Inc (USA)	**100**	100	70
- Ifil New Business S.r.l. (Italy) (b)	**-**	100	70
- Eufin Investments Unlimited (Great Britain) - in a wind-up	**100**	100	70
- Ifil Group Finance Ltd (Ireland) - wound up in 2009	**-**	100	70
Investments in operating subsidiaries and associates, accounted for by the equity method			
- Fiat Group	**29.59**	29.40	20.58
- Sequana Group	**26.84**	26.91	18.84
- C&W Group	**78.88** (c)	74.43	52.10
- Alpitour Group	**100**	100	70
- Juventus Football Club S.p.A.	**60**	60	42

(a) Dormant since January 31, 2010.
(b) Merged in Exor Services S.c.p.a. on November 4, 2009.
(c) Percentage calculated on issued capital stock, net of treasury stock held and net of the estimate of treasury stock purchases from non-controlling interests by C&W Group.

The EXOR Group closes the year 2009 with a loss of € 388.9 million; the year 2008 ended with a consolidated profit of € 435.4 million, of which € 301.8 million was attributable to owners of the Parent and € 133.6 million to non-controlling interests of the subsidiary IFIL (merged on March 1, 2009).
The negative change in the consolidated result of € 824.3 million is due to the net decrease in the results of investment holdings (-€ 655.3 million), the reduction in the net financial result (-€ 155.5 million) and other net changes (-€ 13.5 million).

The consolidated equity attributable to owners of the Parent at December 31, 2009 is € 5,305.4 million, with an increase of € 1,689.8 million compared to € 3,615.6 million at December 31, 2008. The positive change is mainly due to the merger by incorporation of the subsidiary IFIL (+€1,706.2 million) and the consolidated loss for the year 2009 (-€ 388.9 million); other net changes (+€ 372.5 million) are provided in Note 14.

The consolidated net financial position of the “Holdings System” at December 31, 2009 shows a positive balance of € 51.6 million and an increase of € 63.1 million compared to the negative balance at the end of 2008 (-€ 11.5 million). Further details are provided in Note 16.

The shortened consolidated **income statement** and consolidated **statement of financial position** and comments on the most significant line items are presented in this section.

EXOR GROUP – Consolidated Income statement - Shortened

€ in millions	Note	**2009**	2008	Change
Share of the profit (loss) of investments accounted for by the equity method	1	**(319.1)**	336.2	(655.3)
Net financial income (expenses):				
- Dividends from investments	2	**40.5**	139.3	(98.8)
- (Losses) Gains on disposals of investments	3	**(15.4)**	85.8	(101.2)
- Fair value adjustments to current and non-current financial assets	4	**(36.4)**	(67.2)	30.8
- Interest income and other financial income	5	**71.8**	73.5	(1.7)
- Interest and other financial expenses	6	**(78.5)**	(93.9)	15.4
Net financial income (expenses)		**(18.0)**	137.5	(155.5)
Net general expenses	7	**(28.8)**	(30.7)	1.9
Non-recurring other income (expenses) and general expenses	8	**(12.9)**	1.6	(14.5)
Other taxes and duties		**(4.0)**	(4.4)	0.4
Consolidated profit (loss) before income taxes		**(382.8)**	440.2	(823.0)
Income taxes		**(6.1)**	(4.8)	(1.3)
Consolidated profit (loss) attributable to:		**(388.9)**	435.4	(824.3)
- owners of the Parent		**(388.9)**	301.8	(690.7)
- non-controlling interests		**-**	133.6	(133.6)

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ in millions	Note	**12/31/2009**	12/31/2008	Change
Non-current assets				
Investments accounted for by the equity method	9	**3,810.1**	3,885.0	(74.9)
Other financial assets:				
- Investments measured at fair value	10	**1,332.4**	1,294.9	37.5
- Other investments	11	**200.8**	108.2	92.6
- Other financial assets		**0.4**	0.6	(0.2)
Goodwill	12	**0.0**	67.6	(67.6)
Other property, plant and equipment and intangible assets		**11.6**	11.7	(0.1)
Deferred tax assets		**0.0**	0.5	(0.5)
Total Non-current assets		**5,355.3**	5,368.5	(13.2)
Current assets				
Financial assets and cash and cash equivalents	16	**1,095.2**	1,132.5	(37.3)
Trade receivables and other receivables		**46.5**	71.1	(24.6)
Total Current assets		**1,141.7**	1,203.6	(61.9)
Total Assets		**6,497.0**	6,572.1	(75.1)
Equity				
Capital issued and reserves attributable to owners of the Parent	14	**5,305.4**	3,615.6	1,689.8
Attributable to non-controlling interests	14	**0.0**	1,706.2	(1,706.2)
Total Equity		**5,305.4**	5,321.8	(16.4)
Non-current liabilities				
Bonds and other debt	16	**1,102.1**	1,094.2	7.9
Provisions for employee benefits		**4.0**	4.6	(0.6)
Provisions for other liabilities and charges	15	**0.0**	81.6	(81.6)
Deferred tax liabilities and other liabilities		**1.7**	1.7	0.0
Total Non-current liabilities		**1,107.8**	1,182.1	(74.3)
Current liabilities				
Bank debt and other financial liabilities	16	**60.9**	50.5	10.4
Trade payables and other liabilities		**22.9**	17.7	5.2
Total Current liabilities		**83.8**	68.2	15.6
Total Equity and Liabilities		**6,497.0**	6,572.1	(75.1)

1. Share of the profit (loss) of investments accounted for by the equity method

In 2009, the share of the profit (loss) of investments accounted for by the equity method is a loss of € 319.1 million (a profit of € 336.2 million in 2008). The negative change of € 655.3 million reflects:

- an inversion of the result reported by the Fiat Group which led to a negative change of € 716.4 million;
- a return to a profit position by Sequana Group and Juventus Football Club which led to positive changes of € 120.7 million and € 7.6 million, respectively;
- an increase in the attributable loss of C&W Group (-€ 66.4 million);
- a reduction in the profit of the Alpitour Group which result in a negative change of € 0.8 million.

	Profit (Loss) (in millions)		EXOR's share (€ in millions)		
	2009	2008	**2009**	2008	Change
Fiat Group	€ **(837.8)**	€ 1,612.1	**(247.9)**	474.0	(721.9)
Consolidation adjustments			**(1.2)**	(6.7)	5.5
Total Fiat Group			**(249.1)**	467.3	(716.4)
Sequana Group	€ **20.0**	€ (428.4)	**5.4**	(115.3)	120.7
C&W Group	$ **(127.0)** (a)	$ (29.6) (b)	**(71.9)**	(15.0)	(56.9)
Consolidation adjustments			**(9.5)** (c)	0.0	(9.5)
Total C&W Group			**(81.4)**	(15.0)	(66.4)
Alpitour Group	€ **2.3**	€ 3.1	**2.3**	3.1	(0.8)
Juventus Football Club S.p.A.	€ **6.2**	€ (6.5)	**3.7**	(3.9)	7.6
Total			**(319.1)**	336.2	(655.3)

(a) Includes non-cash impairment charges for intangible assets (-$76.7 million), restructuring charges in connection with cost reduction actions (-$29.9 million), costs associated with the relocation of the company's New York headquarters (-$7.5 million) and related tax benefits (+$19.3 million).

(b) Includes non-cash impairment charges for intangible assets (-$10.9 million), restructuring charges in connection with cost reduction actions (-$7.8 million) and related tax benefits (+$3.1 million).

(c) Impairment charge for goodwill represented by acquisition costs incurred by EXOR S.A..

Comments on the operating performance of the investments accounted for by the equity method are presented in the following sections.

2. Dividends from investments

In 2009, dividends from investments amount to € 40.5 million and include dividends received from SGS for € 38.4 million, Gruppo Banca Leonardo for € 2 million (€ 26.2 million and € 2.8 million in 2008, respectively) and Emittenti Titoli for € 0.1 million (unchanged compared to 2008). In 2008, dividends had also been received from Intesa Sanpaolo S.p.A. for € 110.2 million.

3. (Losses) Gains on disposals of investments

In 2009, the line item includes the net loss of € 15.4 million realized on the disposal on the market of a 0.66% stake in Intesa Sanpaolo ordinary capital stock. Further details are provided in the following Note 10.

In 2008, this line item had included the net gain of € 85.8 million realized on the disposal on the market of a 1.45% stake in ordinary capital stock of Intesa Sanpaolo.

4. Fair value adjustments to current and non-current financial assets

In 2009, fair value adjustments amount to a negative € 36.4 million (a negative € 67.2 million in 2008) and include the impairment charge of € 35.9 million on the embedded derivative relating to the Vision convertible bonds, the impairment charge of

€ 9.2 million on the bonds issued by DLMD recorded in non-current financial assets (of which € 2.3 million relates to the Junior portion and € 6.9 million to the Senior portion) and net revaluations of € 8.7 million relating to current financial assets. Further details on the bonds issued by DLMD are provided in the following Note 11.
The net revaluations of current financial assets refer to equity securities and bonds held for trading by EXOR S.p.A. for € 2.1 million (-€ 11.1 million in 2008) and the subsidiary EXOR S.A. for € 6.6 million (-€ 41.2 million in 2008).
The fair value of current securities is calculated using market prices at the end of December 2009 translated, if appropriate, at the year-end exchange rates.

In 2008, net impairment charges had amounted to € 67.2 million, of which € 52.3 million related to current financial assets (equity securities and bonds held for trading by Ifil Investissements (now EXOR S.A.) for € 41.2 million and IFIL for € 11.1 million).
An impairment charge of € 14.9 million had also been recognized on the Junior portion of the DLMD bonds recorded in non-current financial assets.

5. Interest and other financial income

In 2009, interest and other financial income amounts to € 71.8 million (€ 73.5 million in 2008) and includes:

€ in millions	**2009**	2008	Change
Financial income on securities held for trading	**37.2**	9.5	27.7
Interest income on:			
- bonds	**24.3**	29.3	(5.0)
- receivables from banks	**3.6**	12.3	(8.7)
- receivables from the tax authorities	**1.1**	1.4	(0.3)
- C&W Group loan	**1.7**	0.0	1.7
Exchange gains	**2.5**	10.9	(8.4)
Interest from interest rate hedge	**1.3**	7.9	(6.6)
Other income	**0.1**	2.2	(2.1)
Total	**71.8**	73.5	(1.7)

6. Interest and other financial expenses

In 2009, interest and other financial expenses amount to € 78.5 million (€ 93.9 million in 2008) and include:

€ in millions	**2009**	2008	Change
EXOR bond interest expenses	**49.7**	51.6	(1.9)
Financial expenses on securities held for trading	**15.3**	18.8	(3.5)
Exchange losses	**3.7**	0.4	3.3
Interest from interest rate hedges	**5.4**	0.0	5.4
Bank interest and other financial expenses	**4.4**	23.1	(18.7)
Total	**78.5**	93.9	(15.4)

7. Net general expenses

In 2009, net general expenses amount to € 28.8 million; the decrease of € 1.9 million compared to the prior year (€ 30.7 million) is basically due to the reduction in personnel costs.
The line item includes the figurative cost of the EXOR stock option plan of € 1.9 million in 2009 and € 1.3 million in 2008.

8. Non-recurring other income (expenses) and general expenses

In 2009, the line item is a negative € 12.9 million (a positive € 1.6 million in 2008) and includes:

€ in millions	**2009**	2008	Change
Fair value adjustment to Alpitour stock option plan	**(4.2)**	7.8	(12.0)
Costs for directors and employees	**(5.1)**	(5.6)	0.5
Legal fees for defense in pending cases	**(2.8)**	(1.5)	(1.3)
Sundry other income (expenses)	**(0.8)**	0.9	(1.7)
Total	**(12.9)**	1.6	(14.5)

Costs for directors and employees amounting to € 5.1 million (€ 5.6 million in 2008) include the special indemnity relative to the termination of the employment relationship resolved in favor of the former chief executive officer and general manager of IFI S.p.A., Virgilio Marrone, for € 3.3 million and expenses relating to headcount reductions for € 1.8 million (€ 0.6 million in 2008). In 2008, these costs had also included the special fee of € 5 million voted in favor of Mr Gabetti by the IFIL board of directors on May 13, 2008.

Legal fees for defense in pending cases total € 2.8 million (€ 1.5 million in 2008) and mainly refer to expenses incurred for assistance in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 for € 2.6 million (€ 1.2 million in 2008).

Sundry other income (expenses) shows an expense balance of € 0.8 million in 2009 and an income balance of € 0.9 million in 2008. In 2009, the line item includes the cost of maintenance for the building owned by the subsidiary Exor Services of € 0.6 million and other expenses of € 0.2 million.
In 2008, the line item had included income arising from the excess of EXOR's share of IFIL's consolidated equity compared to the cost of IFIL shares purchased in January 2008 for € 2.3 million and also expenses incurred by EXOR S.A. for investment transactions for € 1.4 million.

9. Investments accounted for by the equity method

Details are as follows:

	Carrying amount at		
€ in millions	**12/31/2009**	12/31/2008	Change
Fiat Group	**3,057.0**	3,062.2	(5.2)
Sequana Group	**198.0**	189.9	8.1
C&W Group	**405.0**	482.5	(77.5)
Alpitour Group	**80.6**	84.2	(3.6)
Juventus Football Club S.p.A.	**69.5**	65.9	3.6
Others, in a wind-up	**0.0**	0.3	(0.3)
Total	**3,810.1**	3,885.0	(74.9)

10. Non-current other financial assets – Investments measured at fair value

Details are as follows:

€ in millions	12/31/2009 %	12/31/2009 Carrying amount	12/31/2008 %	12/31/2008 Carrying amount	Change
Intesa Sanpaolo S.p.A. (a)	0.34	**126.6**	1.00	297.2	(170.6)
SGS S.A. (a)	15.00	**1,068.5**	15.00	869.2	199.3
Gruppo Banca Leonardo S.p.A.	9.74	**84.7**	9.76	87.6	(2.9)
NoCo A LP	1.96 (b)	**19.0**	1.96 (b)	19.5	(0.5)
Banijay Holding S.A.S.	17.08	**33.6**	17.03	21.4	12.2
Total		**1,332.4**		1,294.9	37.5

(a) Based on the stock market price at year-end with recognition of unrealized gains and losses in equity.
(b) Percentage of interest in the limited partnership.

At December 31, 2009, the reduction in the investment in **Intesa Sanpaolo** of € 170.6 million is the result of the derecognition of the carrying amount (-€ 196.5 million) of the stake sold (0.66% of ordinary capital stock) and the adjustment of the residual interest to fair value at the end of the year (+€ 25.9 million).
The derecognition of the carrying amount of the stake sold (-€ 196.5 million) includes the ordinary purchase cost of € 232.6 million and the cumulative negative fair value of € 36.1 million.
The loss of € 15.4 million derives from the comparison between the net proceeds of € 217.2 million and the original cost of purchase of € 232.6 million. The cumulative negative fair value of € 36.1 million was recorded as an increase to the specific reserve in consolidated equity.
The stock market price per share of Intesa Sanpaolo ordinary shares at December 30, 2009 was € 3.165.
The original purchase cost of the residual amount of the investment in Intesa Sanpaolo is € 2.98 per share, for a total of € 119.3 million; at December 30, 2009, the net positive adjustment to fair value amounts to € 7.3 million.

The increase in the investment in **SGS** of € 199.3 million is the result of the fair value adjustment at December 31, 2009.
The per share market price of SGS stock at December 31, 2009 is equal to CHF 1,351, corresponding to € 910.62 at the exchange rate of 1.4836.
The original carrying amount of the investment in SGS is € 400.31 (CHF 593.9) per share, for a total of € 469.7 million; at December 31, 2009, the net positive adjustment to fair value (CHF 757.11 equal to € 510.32 per share) amounts to € 598.8 million.

The reduction in the investment in **Gruppo Banca Leonardo** is due to the negative adjustment to fair value of € 2.9 million. The estimate was made by an independent expert.

The increase in the investment in **Banijay Holding** of € 12.2 million is the result of the subscription to two capital stock increases by EXOR S.A. The estimate made by an independent expert confirmed that the fair value does not differ from the carrying value of the investment.

11. Non-current other financial assets – Other investments

Details are as follows:

€ in millions	**12/31/2009**	12/31/2008		Change
Other investments at fair value				
- NoCo B LP	**25.9**	23.8		2.1
- DLMD bonds	**6.3**	13.4		(7.1)
- RHO real estate fund shares	**10.0**	0.0		10.0
- Other	**4.2**	0.3		3.9
	46.4	37.5		8.9
Other investments at amortized cost				
- Perfect Vision Limited convertible bonds	**67.5**	70.7	(a)	(3.2)
- Other bonds held to maturity	**86.9**	0.0		86.9
	154.4	70.7		83.7
Total	**200.8**	108.2		92.6

(a) Including the embedded derivative of € 3.9 million, which, at December 31, 2009, has been written down for the entire amount.

In July 2008 and subsequently in July and December 2009, certain clauses were renegotiated for the **DLMD bond issue** which was subdivided into Senior and Junior bond portions. The redemption of the Junior portion, scheduled for 2010, in exchange for a higher yield, is subordinate to that of the Senior portion.

At December 31, 2009, EXOR S.A. holds a nominal amount of bonds for € 27.2 million, of which € 12.3 million represents Senior bonds and € 14.9 million Junior bonds. At December 31, 2008, an impairment charge had been recognized on the entire nominal amount of the Junior bonds. At December 31, 2009, further impairment charges were recognized for a total of € 9.2 million, of which € 2.3 million relates to accrued interest income on the Junior portion and € 6.9 million on the Senior portion, written down by an amount up to the market value at December 31, 2009 of the guarantee obtained.
The Senior portion that was not written down, equal to € 6.3 million, is guaranteed by EXOR S.A.'s share of the 10,806,343 Sequana shares guaranteeing, by contract, DLMD's entire bond issue and measured at the stock market price at December 31, 2009.

12. Goodwill

At December 31, 2008, goodwill had amounted to € 67.6 million and originated from purchases of IFIL stock in 2007.
Following the merger, the entire amount was recorded as a deduction from equity, consistently with the allocation of the exchange reserve to equity.

13. Comparison between carrying amounts and market prices of listed investments and other financial assets

Details are as follows:

				Market price			
		Carrying amount		12/30/2009		2/26/2010	
	Number	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Investments							
Fiat S.p.A.							
- ordinary shares	332,587,447	8.35	**2,777.9**	10.26	**3,412.3**	7.69	**2,557.6**
- preferred shares	31,082,500	8.35	**259.6**	5.99	**186.1**	4.73	**147.1**
- savings shares	2,338,629	8.35	**19.5**	6.29	**14.7**	5.00	**11.7**
	366,008,576	8.35	**3,057.0**	9.87	**3,613.1**	7.42	**2,716.4**
Sequana S.A.	13,203,139	14.99	**198.0**	7.98	**105.4** (a)	7.06	**93.1**
Juventus Football Club S.p.A.	120,934,166	0.57	**69.5**	0.89	**107.9**	0.86	**103.6**
Other financial assets							
Intesa Sanpaolo S.p.A. (ordinary)	40,000,000	3.17	**126.6**	3.17	**126.6**	2.59	**25.9** (b)
SGS S.A.	1,173,400	910.62	**1,068.5**	910.62	**1,068.5** (a)	982.38	**1,152.7**
Total			**4,519.6**		**5,021.5**		

(a) List price at December 31, 2009.
(b) Measurement of the remaining 10,000,000 ordinary shares in portfolio at the end of February.

14. Equity attributable to owners of the Parent and non-controlling interests

Details are as follows:

€ in millions	**12/31/2009**	12/31/2008	Change
Capital stock	**246.2**	163.3	82.9
Reserves	**5,171.7**	3,522.8	1,648.9
Treasury stock	**(112.5)**	(70.5)	(42.0)
Total equity attributable to owners of the Parent	**5,305.4**	3,615.6	1,689.8
Equity attributable to non-controlling interests	**0.0**	1,706.2	(1,706.2)
Total	**5,305.4**	5,321.8	(16.4)

Details of the composition and changes in treasury stock are presented in Significant Events in 2009 in this Report.

The change during the year is analyzed as follows:

€ in millions	Capital stock issued and reserves attributable to owners of the Parent	Attributable to non-controlling interests	Total
Equity at December 31, 2008	**3,615.6**	**1,706.2**	**5,321.8**
Fair value of EXOR S.p.A. capital increase to service the exchange of IFIL ordinary and savings shares held by non-controlling interests	431.0	(431.0)	0.0
Allocation to owners of the Parent of the interest of the former non-controlling interests of IFIL (a)	1,275.2	(1,275.2)	0.0
Allocation of expenses relative to the merger	(17.1)		(17.1)
Other changes connected with the merger	14.0		14.0
Derecognition of the cumulative negative fair value on the stake sold in Intesa Sanpaolo (Note 10)	36.1		36.1
Fair value adjustments on:			
- remaining investment in Intesa Sanpaolo (+€ 25.9 million, net of -€ 0.4 million of deferred taxes) (Note 10)	25.5		25.5
- investment in SGS S.A. (Note 10)	199.3		199.3
- NoCo B	6.5		6.5
- Gruppo Banca Leonardo (Note 10)	(2.9)		(2.9)
- Other	0.4		0.4
Treasury stock purchases	(42.0)		(42.0)
Sale of EXOR treasury stock by Exor Services	2.8		2.8
Attributable exchange differences on translating foreign operations (+€ 149.5 million) and other net changes shown in the equity of the investments consolidated and accounted for by the equity method (+€ 82 million)	231.5		231.5
Dividends distributed by EXOR S.p.A.	(81.6)		(81.6) (b)
Consolidated loss attributable to owners of the Parent	(388.9)		(388.9)
Net change during the year	**1,689.8**	**(1,706.2)**	**(16.4)**
Equity at December 31, 2009	**5,305.4**	**0.0**	**5,305.4**

(a) Difference between the fair value of the EXOR S.p.A. capital increase and the carrying amount of the consolidated equity of the IFIL Group attributable to non-controlling interests.

(b) Net of € 0.1 million of intragroup dividends.

15. Provisions for other liabilities and charges

At December 31, 2008, the provisions for other liabilities and charges amounted to € 81.6 million and were originally charged in 2003 for the reorganization of the Group.

Following the merger, this amount was recorded as an increase in equity, consistently with the accounting treatment followed when the provision was set up.

16. Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System at December 31, 2009 shows a positive balance of € 51.6 million and a positive change of € 63.1 million compared to a negative balance at year-end 2008 (-€ 11.5 million).

The balance is composed as follows:

	12/31/2009			12/31/2008		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets	**604.5**	**87.2**	**691.7**	312.4	0.6	313.0
Financial receivables from subsidiary	**28.2**	**0.0**	**28.2**	0.0	0.0	0.0
Cash and cash equivalents	**462.5**	**0.0**	**462.5**	820.1	0.0	820.1
Total financial assets	**1,095.2**	**87.2**	**1,182.4**	1,132.5	0.6	1,133.1
EXOR bonds 2007-2017	**(22.4)**	**(745.2)**	**(767.6)**	(22.4)	(744.7)	(767.1)
EXOR bonds 2006-2011	**(0.2)**	**(199.7)**	**(199.9)**	(0.6)	(199.5)	(200.1)
Bank debt and other financial liabilities	**(38.3)**	**(125.0)**	**(163.3)**	(27.4)	(150.0)	(177.4)
Total financial liabilities	**(60.9)**	**(1,069.9)**	**(1,130.8)**	(50.4)	(1,094.2)	(1,144.6)
Consolidated net financial position of the Holdings System	**1,034.3**	**(982.7)**	**51.6**	1,082.1	(1,093.6)	(11.5)

Current financial assets include equity securities listed in major international markets and listed bonds with maturities of more than three months issued by leading financial institutions. Such securities, if held for trading, are measured at fair value on the basis of the market price at year-end, translated, if appropriate, at year-end exchange rates, with a corresponding entry to income; if held to maturity, they are measured at amortized cost. Derivative financial instruments are also used.

Non-current financial assets include bonds issued by leading issuers and classified in other investments held-to-maturity, measured at amortized cost.

Financial receivables from subsidiaries include the amount drawn down by C&W Group on the credit line (for a maximum $50 million) extended by EXOR S.p.A. for € 28.2 million ($40 million) including accrued interest at the end of the year.

Cash and cash equivalents include demand deposits or short-term deposits and highly liquid money market instruments and bonds. Investments are spread over an appropriate number of counterparts since the primary objective is the ready conversion into cash. The counterparts are chosen according to their creditworthiness and reliability.

The positive change of € 63.1 million in 2009 is due to the following flows:

€ in millions		
Consolidated net financial position of the Holdings System at December 31, 2008		**(11.5)**
Dividends received from investments		40.5
- SGS S.A.	38.4	
- Gruppo Banca Leonardo S.p.A.	2.0	
- Emittenti Titoli S.p.A.	0.1	
EXOR treasury stock purchases		(42.0)
- 2,550,000 ordinary shares (1.59% of the class)	(29.6)	
- 1,605,000 preferred shares (2.09% of the class)	(10.7)	
- 208,400 savings shares (2.27% of the class)	(1.7)	
Disposals and reimbursements		228.2
- Intesa Sanpaolo (0.66% of ordinary capital stock)	217.2	
- 214,756 EXOR ordinary shares (0.13% of the class) held by Exor Services (formerly Soiem)	2.8	
- Reimbursements from NoCo B LP	8.2	
Investments		(42.4)
- Banijay Holding (subscription to capital stock increases)	(12.2)	
- Fiat, purchase of 2,338,629 savings shares (2.93% of the class)	(13.0)	
- Rho Immobiliare closed-end real estate fund shares	(10.0)	
- Investments in NoCo B LP	(3.6)	
- Other non-current financial assets, net	(3.6)	
Dividends distributed by EXOR S.p.A. (a)		(81.6)
Other changes		(39.6)
- Collection of receivables from the Italian tax authorities	16.2	
- Net general expenses (excluding the figurative cost of EXOR stock option plan)	(26.9)	
- Non-recurring other income (expenses) and general expenses (excluding fair value adjustment of the Alpitour stock option plan)	(8.7)	
- Other taxes and duties	(4.0)	
- Net financial income (b)	1.4	
- Expenses incurred for merger and other net changes	(17.6)	
Net change during the year		**63.1**
Consolidated net financial position of the Holdings System at December 31, 2009		**51.6**

(a) Net of € 0.1 million of intragroup dividends.

(b) Includes fair value adjustments to current and non-current financial assets (-€ 36.4 million), interest and other financial income (+€ 71.8 million), interest and other financial expenses (-€ 78.5 million) net of the fair value adjustment to DLMD bonds (€ 6 million) and Vision convertible bonds (€ 38.5 million) which are recorded in non-current financial assets and, consequently, are not included in the net financial position.

At December 31, 2009, EXOR S.p.A. has irrevocable credit lines for € 910 million, of which € 810 million due after December 31, 2010, as well as revocable credit lines for € 832 million.

On February 9, 2010, Standard & Poor's confirmed its rating of EXOR's long-term and short-term debt (respectively "BBB+" and "A-2") with a negative outlook.

17. Reconciliation between the consolidated net financial position of the Holdings System and the consolidated net financial position – line-by-line consolidation

€ in millions	**12/31/2009**	12/31/2008	Change
Consolidated net financial position of the Holdings System	**52**	(12)	64
Net financial position of investments consolidated line-by-line:			
- C&W Group	**(124)**	(108)	(16)
- Alpitour Group	**67**	34	33
- Juventus Football Club S.p.A.	**10**	11	(1)
Consolidated net financial position - line-by-line consolidation	**5**	(75)	80

The composition of the consolidated net financial position - line-by-line consolidation is presented in Note 33 to the consolidated financial statements of the EXOR Group.

18. Reconciliation between the shortened consolidated financial statements and the consolidated financial statements

The following table presents a reconciliation between the shortened consolidated financial statements and the consolidated financial statements prepared in accordance with IFRS.

The first column ("Shortened consolidation") presents the data that has been commented on in the preceding pages, reclassified according to the consolidated financial statement formats.

The second column ("Eliminations and consolidation adjustments") shows the adjustments necessary to eliminate the share of profit or loss and the carrying amount of the investments in C&W Group, Alpitour Group and Juventus Football Club (accounted for in the shortened consolidated financial statements by the equity method) in order to arrive at the line-by-line consolidation of their financial statements or accounting data, which is shown in the respective columns.

Reconciliation of the consolidated statement of financial position

€ in millions	Shortened consolidation	C&W Group	Alpitour Group	Juventus F.C.	Eliminations and consolidation adjustments	**EXOR Group consolidation**
Non-current assets						
Goodwill	0	414	27		(76)	**365**
Other intangible assets	0	299	31	129		**459**
Property, plant and equipment	12	42	104	40		**198**
Investments accounted for by the equity method	3,810		0		(555)	**3,255**
Other financial assets	1,533	4	2	1		**1,540**
Deferred tax assets	0	0	9			**9**
Other assets	0	27	7	37		**71**
Total Non-current assets	**5,355**	**786**	**180**	**207**	**(631)**	**5,897**
Current assets						
Inventories, net	0	0	2			**2**
Trade receivables	0	199	79	32		**310**
Other receivables	47	63	14	24		**148**
Financial assets	633	0	3		(28)	**608**
Cash and cash equivalents	462	52	90	26		**630**
Total Current assets	**1,142**	**314**	**188**	**82**	**(28)**	**1,698**
Assets held for sale						**0**
Total Assets	**6,497**	**1,100**	**368**	**289**	**(659)**	**7,595**
Equity						
Capital stock issued and reserves attributable to owners of the Parent	5,305	405	81	70	(555)	**5,305**
Attributable to non-controlling interests	0	110	4	46	(76)	**85**
Total Equity	**5,305**	**515**	**85**	**116**	**(631)**	**5,390**
Non-current liabilities						
Provisions for employee benefits	4	16	16			**36**
Provisions for other liabilities and charges	0	6	1	1		**8**
Bonds and other debt	1,102	168	12	13	(28)	**1,267**
Deferred tax liabilities	1	63				**64**
Other non-current liabilities	1	59	2	55		**117**
Total Non-current liabilities	**1,108**	**312**	**31**	**69**	**(28)**	**1,492**
Current liabilities						
Provisions for employee benefits	0	32				**32**
Provisions for other liabilities and charges	0	16	4	1		**21**
Bonds and other debt	61	8	17	2		**88**
Trade payables	4	124	195	19		**342**
Other current liabilities	19	93	36	82		**230**
Total Current liabilities	**84**	**273**	**252**	**104**	**0**	**713**
Liabilities relating to assets held for sale						**0**
Total Equity and Liabilities	**6,497**	**1,100**	**368**	**289**	**(659)**	**7,595**

Reconciliation of the consolidated income statement

€ in millions	Shortened consolidation	C&W Group	Alpitour Group	Juventus F.C.	Eliminations and consolidation adjustments	**EXOR Group consolidation**
Revenues	1	1,110	1,090	227	(1)	**2,427**
Other revenues from current operations	1		8	24		**33**
Purchases of raw materials and changes in inventories	0		(752)	(2)		**(754)**
Personnel costs	(15)	(890)	(106)	(139)		**(1,150)**
Costs for external services	(14)	(156)	(184)	(29)	1	**(382)**
Taxes and duties	(4)	(4)	(3)	0		**(11)**
Depreciation and amortization	(1)	(45)	(16)	(32)		**(94)**
Accruals to provisions and other expenses from current operations	(1)	(25)	(22)	(28)		**(76)**
Profit (Loss) from current operations	**(33)**	**(10)**	**15**	**21**	**0**	**(7)**
Impairment charges to assets	0	(55)	0	(3)	(10)	**(68)**
Non-recurring other income (expenses)	(13)	(21)	(3)	3	0	**(34)**
Operating profit (loss)	**(46)**	**(86)**	**12**	**21**	**(10)**	**(109)**
Gains (Losses) on disposals of other non-current financial assets	(15)					**(15)**
Cost of net debt	(13)	(15)	(3)	(1)	2	**(30)**
Other financial income (expenses)	10	1	1	(1)	(2)	**9**
Financial income (expenses)	**(18)**	**(14)**	**(2)**	**(2)**	**0**	**(36)**
Income taxes	(6)	11	(6)	(13)		**(14)**
Profit (Loss) of companies consolidated line-by-line	**(70)**	**(89)**	**4**	**6**	**(10)**	**(159)**
Share of the profit (loss) of investments accounted for by the equity method	(319)	(1)			76	**(244)**
Profit (Loss) from continuing operations	**(389)**	**(90)**	**4**	**6**	**66**	**(403)**
Profit (Loss) from discontinued operations or assets held for sale						**0**
Consolidated profit (loss) attributable to:	**(389)**	**(90)**	**4**	**6**	**66**	**(403)**
- owners of the Parent	**(389)**	**(72)**	**2**	**4**	**66**	**(389)**
- non-controlling interests	**0**	**(18)**	**2**	**2**	**0**	**(14)**

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob Regulation under Resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2008 (c)	Increase	Decrease	Held at 12/31/2009
Directors					
Gabetti Gianluigi	EXOR ordinary shares (a)	172,780			172,780
Sant'Albano Carlo	EXOR ordinary shares (a)	11,528			11,528
Marocco Antonio Maria	EXOR ordinary shares (a)	19,442			19,442
Teodorani-Fabbri Pio	EXOR preferred shares (b)	427,895			427,895
	EXOR ordinary shares (b)	124,285			124,285
	Fiat ordinary shares (b)	6,583			6,583
	Fiat savings shares (b)	5,720			5,720
Grande Stevens Franzo	EXOR preferred shares (a)	1			1
Ferrero Ventimiglia Luca	EXOR preferred shares (a)	1			1
Statutory Auditors					
Jona Celesia Lionello	EXOR ordinary shares (b)	208			208
Piccatti Paolo	Juventus ordinary shares (a)	540			540

(a) Direct holding.
(b) Indirect holding through spouse.
(c) IFIL ordinary shares held at December 31, 2008 have been indicated as EXOR ordinary shares, taking into account the exchange ratio of the merger.

It should be noted that a family member of the CEO, Carlo Sant'Albano, holds 7,685 EXOR ordinary shares.

There are no key managers with strategic responsibilities in EXOR S.p.A..

Direction and coordination

EXOR S.p.A. is not subject to direction and coordination of any other company or entity and is fully independent in the definition of its general strategic and operating guidelines. Pursuant to art. 2497 of the Italian Civil Code, the subsidiary Exor Services S.c.p.a. has identified EXOR S.p.A. as the entity which exercises direction and coordination.

Programming document on security

The Company has prepared the programming document on security on November 30, 2009 for the year 2009 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum security measures. The document has been drawn up by the person in charge of the treatment of the data.

Related party transactions

The statement of financial position balances and income statement transactions with related parties are disclosed in specific notes to the separate financial statements and the consolidated financial statements.

Information pertaining to personnel

The information is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE BY THE MAIN OPERATING SUBSIDIARIES AND ASSOCIATES AND RELEVANT SUBSIDIARIES OF THE HOLDINGS SYSTEM

(30.45% of ordinary capital stock, 30.09% of preferred capital stock and
2.93% of savings capital stock)

The consolidated results of the Fiat Group can be summarized as follows:

			Change	
€ in millions	**2009**	2008	Amount	%
Net revenues	**50,102**	59,564	(9,462)	(15.9)
Trading profit (loss)	**1,058**	3,362	(2,304)	(68.5)
Operating profit (loss)	**359**	2,972	(2,613)	(87.9)
Profit (loss) for the year	**(848)**	1,721	(2,569)	n.a.
Profit (loss) for the year attributable to owners of the Parent	**(838)**	1,612	(2,450)	n.a.

	Balance at		
€ in millions	**12/31/2009**	12/31/2008	Change
Total assets	**67,235**	61,772	5,463
Net debt	**15,898**	17,954	(2,056)
Equity attributable to owners of the Parent	**10,301**	10,354	(53)
No. of employees at year end	**190,014**	198,348	(8,334)

Net revenues of the FIAT Group for 2009 total € 50,102 million, down 15.9% year-on-year. The significant declines in demand experienced by all businesses in the first half (down 23.8% over the first half of 2008) reduced substantially during the second half (down 6.6% over 2008), as illustrated in the following analysis:

	Year		Change
€ million	**2009**	2008	%
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**28,351**	29,380	(3.5)
Agricultural and Construction Equipment (CNH-Case New Holland)	**10,107**	12,781	(20.9)
Trucks and Commercial Vehicles (Iveco)	**7,183**	10,894	(34.1)
Components & Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**10,327**	13,793	(25.1)
Other Businesses	**1,096**	1,394	(21.4)
Eliminations	**(6,962)**	(8,678)	-
Net revenues	**50,102**	59,564	(15.9)

In 2009, the **Automobiles** businesses have revenues of € 28,351 million, down 3.5% over 2008. **Fiat Group Automobiles** post revenues of € 26.3 billion, a 2.4% decrease over 2008, with 2,150,700 passenger cars and light commercial vehicles for the year delivered (in line with 2008). FGA closed the year with its highest ever fourth quarter revenues. Full year market share for passenger cars increased in Western Europe to 8.8% (+0.6 percentage points), with increases in Italy to 32.8% (+0.9 percentage points) and several other key markets. In Brazil, where overall demand rose 12.6%, Fiat maintained its leadership position, with an overall share of 24.5% in a market that grew 12.6%. In 2009, **Maserati** reports revenues of € 448 million, down 45.7% over the previous year. A total of 4,489 cars were delivered to the network during the year, representing a 48.7% year-on-year decrease attributable to the significant decline in demand in the company's reference markets. **Ferrari** has revenues of € 1,778 million, down 7.4% over 2008 due to lower sales volumes and a less favorable sales mix. A total of 6,235 vehicles were delivered to the network during the year, a decrease of 4.5% against an approximate 35% contraction for Ferrari's reference segment globally.

Agricultural and Construction Equipment (CNH) is down 20.9% to € 10.1 billion from 2008, reflecting the severe global construction equipment industry decline and weaker market conditions for the agricultural business (compared to record high 2008 levels, particularly for combines). CNH achieved share gains for higher-powered tractors in North America and for combines in Latin America. CNH market share improved for construction equipment in Latin America for both heavy vehicles and light vehicles.

Trucks and Commercial Vehicles (Iveco) report revenues of € 7.2 billion, down 34.1% year-over-year, with declines in vehicles delivery (-45.9% to 103,866 vehicles) reflecting the sharp market decline, particularly in Europe and in the heavy vehicles segment.

Components & Production Systems post revenues of € 10.3 billion, down 25.1% from 2008 reflecting the decline in volumes in all Sectors.

Trading profit (loss)

In 2009, the Group's full year **trading profit** is € 1,058 million, compared to € 3,362 million for 2008 (down 68.5%). Decisive cost containment measures helped mitigate the impact of revenue declines and contributed to the achievement of a 2.1% trading margin. An analysis of trading profit (loss) by Business/Sector is as follows.

€ million	**2009**	2008	Change
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**719**	1,102	(383)
Agricultural and Construction Equipment (CNH-Case New Holland)	**337**	1,122	(785)
Trucks and Commercial Vehicles (Iveco)	**105**	838	(733)
Components & Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**(40)**	402	(442)
Other Businesses and Eliminations	**(63)**	(102)	39
Total trading profit	**1,058**	3,362	(2,304)
Trading margin (%)	**2.1**	5.6	

Fiat Group Automobiles record a € 470 million trading profit for 2009 (trading margin of 1.8%) compared to € 691 million for 2008 (2.6% margin). The decrease is primarily attributable to weaker demand for light commercial vehicles which was partially offset by cost containment measures. **Maserati** has a 2009 trading profit of € 11 million (€ 72 million for 2008), with a realignment of production levels and rigorous cost containment measures partly offsetting the significant decline in volumes. **Ferrari** closes 2009 with a trading profit of € 238 million, compared to € 339 million for 2008. The year-on-year decrease reflects the negative impact of volumes and product mix (both particularly favorable in 2008), in addition to unfavorable currency movements. These negative effects were partially offset by efficiency gains achieved.

CNH has a trading profit of € 337 million for 2009, compared to € 1,122 million for 2008. Cost containment measures and positive pricing only partially offset the drastic volume declines in the construction equipment market.

Despite steep volume declines, **Iveco** delivers a trading profit of € 105 million for 2009 (€ 838 million for 2008) due to realignment of production levels and rigorous cost containment measures, as well as margin support from the after-sales activities, Latin America and special vehicles business.

Components & Production Systems report an aggregate trading loss of € 40 million, compared to a € 402 million trading profit for 2008. Significant cost containment measures were only able to partially compensate the negative performance for the year caused by a contraction in volumes.

Operating profit (loss)

Operating profit is € 359 million for 2009, compared to € 2,972 million for 2008. The decrease reflects lower trading profit (down € 2,304 million).

Net unusual expense of € 699 million (net unusual expense of € 390 million for 2008) consists of **restructuring costs** of € 312 million (€ 165 million for 2008) and **other unusual items** of € 391 million (€ 245 million for 2008) which includes writedowns by the Automobiles business of certain investments in platforms and architectures related to the strategic realignment with Chrysler Group LLC in addition to other asset impairment losses recognized by various Sectors of the Group as a consequence of the global economic crisis.

Net financial expense

Net financial expense totals € 753 million for 2009 (€ 947 million for 2008) and includes a € 117 million gain in the mark-to-market value of two stock option-related equity swaps (a € 263 million loss for 2008). Excluding the effect of those equity swaps, financial expense for the year increased € 186 million, primarily due to the higher level of debt existing during the year.

Profit (loss) before taxes

The Group records a **loss before taxes** of € 367 million for 2009 (profit before taxes of € 2,187 million for 2008). This reflects a significantly lower operating profit (down € 2,613 million) and a decrease in investment income (down € 135 million), which were partially compensated by lower net financial expense.

Income taxes

Income taxes total € 481 million for 2009 (€ 466 million for 2008), relating to the taxable income of companies operating outside Italy and employment-related current income taxes (IRAP).

Consolidated profit (loss) for the year

The **consolidated loss for the year** is € 848 million for 2009 (€ 267 million loss excluding the impact of unusual items), compared to a profit of € 1,721 million for 2008.

The **loss attributable to owners of the Parent** of the Fiat Group is € 838 million for 2009 (a profit of € 1,612 million for 2008).

Equity

Equity attributable to owners of the Parent of the Fiat Group at December 31, 2009 amounts to € 10,301 million. The net decrease of € 53 million compared to the balance at December 31, 2008 (€ 10,354 million) is mainly due to the effect of the loss for the year and the negative impact of dividends distributed, offset in part by the positive effect of exchange differences on translating foreign operations denominated in currencies other than Euro and the positive change in the cash flow hedge reserve.

Net debt

At December 31, 2009, **net debt** totals € 15,898 million, down € 2,056 million from the € 17,954 million at December 31, 2008.

Net industrial debt of the Group decreased € 1.5 billion to € 4.4 billion, driven primarily by rigorous working capital management, including significant destocking across all businesses. Liquidity at year-end stood at € 12.4 billion, guaranteeing the Group adequate resources to cover scheduled maturities well beyond 2011.

	Balance at		
€ million	12/31/2009	12/31/2008	Change
Financial payables	(28,527)	(21,379)	(7,148)
- Asset-backed financing	(7,086)	(6,663)	(423)
- Other	(21,441)	(14,716)	(6,725)
Current financial receivables from jointly-controlled financial services entities (a)	14	3	11
Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities	**(28,513)**	(21,376)	(7,137)
Other financial assets/liabilities (b)	172	(438)	610
Liquidity	12,443	3,860	8,583
Net debt	**(15,898)**	(17,954)	2,056
- Industrial Activities	**(4,418)**	(5,949)	1,531
- Financial Services	**(11,480)**	(12,005)	525

(a) Includes current financial amounts receivable from the joint venture FGA Capital.
(b) Includes assets and liabilities arising from the fair value recognition of derivative financial instruments.

(15% of capital stock through EXOR S.A.)

The highlights of the consolidated results of the SGS Group in 2009 are as follows:

			Change	
CHF in millions	**2009**	2008	Amount	%
Sales	**4,712**	4,818	(106)	-2.2
Operating profit	**794**	937	(143)	-15.3
Profit attributable to owners of the Parent	**566**	692	(126)	-18.2
Consolidated net financial position	**476**	248	228	n.s.

During 2009, the SGS Group recorded sales of CHF 4.71 billion, with an increase of 2.5% (at constant exchange rates) year-over-year.
All the divisions and geographical areas in which the Group operates registered stable or better trends in terms of sales except for the Minerals division (-10.4%) and Automotive division (-4.6%) which were hurt the most by the difficult economic situation.

Operating profit before non-recurring items rose to CHF 814 million (+0.5%) while operating profit is CHF 794 million, contracting CHF 143 million (-15.3%) compared to the prior year. The reduction is mainly due to the absence in 2009 of some non-recurring income that had been recorded in 2008.

Results according to the various business sectors are as follows:

	Sales		*Growth rate*	Operating profit		Operating margin	
CHF in millions	**2009**	2008		**2009**	2008	**2009**	2008
Business segments							
Agricultural Services	**356**	358	*(0.6%)*	**57**	56	***16.0%***	*15.6%*
Minerals Services	**536**	632	*(15.1%)*	**86**	116	***16.1%***	*18.3%*
Oil, Gas & Chemicals Services	**951**	985	*(3.4%)*	**146**	150	***15.4%***	*15.2%*
Life Science Services	**201**	204	*(1.5%)*	**28**	28	***13.9%***	*13.5%*
Consumer Testing Services	**789**	733	*7.6%*	**200**	170	***25.3%***	*23.2%*
Systems & Services Certification	**367**	367	*0.2%*	**78**	70	***21.1%***	*19.2%*
Industrial Services	**744**	739	*0.7%*	**103**	106	***13.9%***	*14.3%*
Environmental Services	**288**	296	*(2.9%)*	**34**	31	***11.7%***	*10.6%*
Automotive Services	**266**	293	*(9.0%)*	**42**	48	***15.9%***	*16.3%*
Governments & Institutions Services	**214**	212	*1.0%*	**39**	36	***18.4%***	*16.9%*
Total	**4,712**	4,818	*(2.2%)*	**814**	810	***17.3%***	*16.8%*

The profit attributable to owners of the Parent is CHF 566 million, decreasing 18.2% over 2008. This contraction is largely due to net non-recurring income of CHF 113 million that had been recorded in 2008 and relating to the collection of a receivable from the Philippine government.

The net financial position at December 31, 2009 is positive for CHF 476 million. During the course of 2009, net investments were made for CHF 209 million, two acquisitions for CHF 11 million, treasury stock sales for CHF 15 million and dividends were distributed for CHF 375 million.

Notwithstanding the difficulty in making forecasts in the current market scenario, the SGS Group expects to continue to grow also in 2010 from the standpoint of both revenues and profit.

(71.03% of capital stock through EXOR S.A.)

The figures presented and commented below are taken from accounting documents prepared in accordance with IFRS for purposes of consolidation of the Exor Group.

			Change	
$ in millions	**2009**	2008	Amount	%
Net revenues (Commission and service fee) **(A)**	**1,201.5**	1,501.6	(300.1)	-20.0
Reimbursed costs – managed properties and other costs **(B)**	**346.7**	331.8	14.9	4.5
Gross revenues, including reimbursed costs – managed properties and other costs **(A+B)**	**1,548.2**	1,833.4	(285.2)	-15.6
Loss attributable to owners of the Parent	**(127.0)**	(29.6)	(97.4)	n.s.
Profit (loss) attributable to non-controlling interests	**1.5**	(1.3)	2.8	n.s.
Net consolidated loss	**(125.5)**	(30.9)	(94.6)	n.s.

$ in millions	**12/31/2009**	12/31/2008	Change
Equity attributable to owners of the Parent	**786.7**	884.3	(97.6)
Consolidated net financial position	**(178.5)**	(150.2)	(28.3)

C&W Group's financial performance was adversely affected for the full-year 2009 by the continuation of the weaker economic environment that intensified at the end of 2008 and which marked a low for the commercial real estate sector in the first half of 2009 in terms of transaction activity on a global basis. C&W Group managed to mitigate the effects of the significant decrease in business activities on its financial performance through proactive and targeted cost management initiatives which were executed in late 2008 and throughout 2009. Due to stabilization and in some cases, modest improvements in the business environment for commercial real estate sales and leasing transactions, C&W Group's business activities increased in the fourth quarter 2009, as compared with the same period in 2008. The increase in activities resulted in fourth quarter 2009 net revenues of $410.4 million, which represented an increase of $40.6 million, or 11%, as compared with the corresponding period in 2008 ($369.8 million).

In 2009, C&W Group's **gross revenues** were $1,548.2 million, a decline of $285.2 million, or 15.6%, as compared with $1,833.4 million in 2008.
Net revenues decreased $300.1 million, or 20%, to $1,201.5 million, down from $1,501.6 million for the corresponding period in 2008.

Declines in gross revenues were primarily due to a decrease in revenues in the Americas and EMEA of $174.4 million and $105.8 million, respectively. In the Americas, the decrease was largely attributable to a decline in gross revenue of $135 million in the United States and $20.9 million in Canada. Asia Pacific experienced a decrease in gross revenue of $4.1 million, which was mitigated by the acquisition of Pacific Investment Corporation in the second half of 2009, which immediately increased the properties under management throughout Japan.

The following details present the breakdown of gross revenues and net revenues by geographical area.

			Change	
$ in milions	**2009**	2008	Amount	%
Americas	**1,117.7**	1,292.1	(174.4)	-13.5
EMEA	**343.6**	449.4	(105.8)	-23.5
Asia Pacific	**86.9**	91.0	(4.1)	-4.5
Corporate	**0.0**	0.9	(0.9)	n.s.
Gross revenues	**1,548.2**	1,833.4	(285.2)	-15.6
Americas	**808.0**	998.7	(190.7)	-19.1
EMEA	**323.3**	423.1	(99.8)	-23.6
Asia Pacific	**70.2**	78.9	(8.7)	-11.0
Corporate	**0.0**	0.9	(0.9)	n.s.
Net revenues	**1,201.5**	1,501.6	(300.1)	-20.0

The **Americas** region, including the United States, Canada and Latin America, accounts for 72% of gross revenues and 67% of net revenues for 2009 (gross revenues at $1,117.7 million, -14% compared with 2008; net revenues at $808 million, -19% compared with 2008).
EMEA accounts for 22% of gross revenues and 27% of net revenues (gross revenues at $343.6 million, -24% compared with 2008; net revenues at $323.3 million, -24% compared with 2008).
Asia Pacific accounts for 6% of gross revenues and 6% of net revenues (gross revenues at $86.9 million, -5% compared with 2008; net revenues at $70.2 million, -11% compared with 2008).

Among the firm's global service disciplines, the **Transaction Services** business represents 53% of total net revenues, followed by **Capital Markets** and **Client Solutions**, which comprise 24% and 21%, respectively.

Commission expense for 2009 decreased $117.3 million, or 24%, to $377.8 million, down from $495.1 million for 2008. The decrease is due primarily to a decrease in the United States of $100.2 million, driven by reductions in net revenues in an environment of slower transaction activity and changes to the performance targets for brokerage professionals, which reduced the commission rates payable to brokers earning under certain targets. These factors contributed to the decrease in commission expense as a percentage of net revenues in the United States to 49% in 2009 from 52% in 2008.

Total operating expenses for the year ended December 31, 2009 decreased by $82.8 million, or 8%, from $1,020.9 million for 2008 to $938.1 million for 2009. Total operating expenses for 2009 include certain non-recurring/incremental charges totaling $114.1 million, including non-cash impairment charges for intangible assets of $76.7 million, restructuring charges in connection with cost reduction actions of $29.9 million, and costs associated with the relocation of C&W Group's world headquarters of $7.5 million.
The 2008 total operating expenses included non-recurring/incremental charges totaling $18.7 million, including non-cash impairment charges for intangible assets and investments of $10.9 million and restructuring charges in connection with cost reduction actions of $7.8 million. Excluding the impact of the non-recurring/incremental charges in 2009 and 2008, the decrease in total operating expenses in 2009, as compared with 2008, is $178.2 million, or -18%.

The decrease in operating expenses in 2009 is due primarily to significant cost reduction initiatives that began in 2008 and continued throughout 2009, including decreases in employment and related discretionary expenses. The employment decreases were accomplished through the elimination of approximately 1,300 positions associated with the reduction of workforce initiatives taken in the fourth quarter of 2008 through 2009. Collectively, C&W Group's cost reduction initiatives referenced above are expected to reduce annual run-rate expenses by approximately $300 million.

C&W Group reported an operating loss (EBIT) of $114.4 million and $14.4 million in the years ended December 31, 2009 and 2008, respectively. The operating profit for both periods was adversely impacted by the non-recurring/incremental charges and the restructuring charges outlined above. In addition, the 2009 operating profit was negatively impacted by the relocation costs discussed above. Excluding the impact of these charges in both years, C&W Group's operating profit/(loss) (EBIT) would have been $(0.3) million in 2009 and $4.3 million in 2008.

For the year ended December 31, 2009, C&W Group incurred a net loss of $125.5 million, of which $127 million is attributable to the owners of the Parent, as compared with a net loss of $30.9 million, of which $29.6 million is attributable to the owners of the Parent, for the prior year. C&W Group's operating performance for the year was adversely impacted by the sharp fall in business activities, which negatively impacted net revenues and the significant level of non-recurring/incremental charges incurred, partially offset by the cost reduction initiatives, all as outlined above. In addition, $61.9 million of the $76.7 million in impairment charges for intangible assets relates to goodwill for which C&W Group receives no tax benefit. Excluding the after-tax effect of the non-recurring/incremental charges, the net losses attributable to the owners of the Parent for 2009 and 2008 would have been $32.2 million and $14 million, respectively.

As of December 31, 2009, C&W Group's net financial position is $(178.5) million, as compared to $(150.2) million at the end of December 2008. The year-over-year increase is primarily due to working capital requirements and the funding of C&W Group's cost reduction initiatives during 2009. Included in the $178.5 million above is $40 million that C&W Group borrowed against a $50 million 3-year subordinated credit line extended by EXOR in 2009. C&W Group used the credit line on two occasions in 2009, initially to meet financing needs and to provide flexibility for growth, and on the second occasion to lower its cost of borrowing by reducing C&W Group's leverage ratio and placing it in a lower tier of its bank debt interest rate pricing grid.

(100% of capital)

Alpitour World is an integrated business with a presence guaranteed by a broad network of specialized companies that follow the entire tourism chain step by step: from productive factors (Hotel and Aviation) to organization and aggregation of services, handled by the companies of the Tour Operating, Incoming and Incentive & Eventi division, all the way up to distribution in Italy through the Welcome Travel network of agencies, and abroad through Jumbo Tours and online via the Group's website www.alpitourworld.com.
With a client following in 2008/2009 that reached 2.5 million, the Alpitour Group, thanks to partnerships with an international profile, has a stable position as one of the top ten major European tourist operators.

Tour Operating is the core business of Alpitour World. With its established trademarks, Alpitour World is the undisputed market leader in Italy. The growth in the propensity of clients to use the internet not only for information purposes but also as a booking channel has led the Group to open a new travel channel with the www.alpitourworld.com platform and create a new tour operator, Jeans, exclusively targeting online clientele. The Group's leadership can be measured on various fronts, foremost among them being the pool of captured clientele: in the tour operating segment alone, Alpitour World has taken more than 800 thousand clients on vacation in the last year.

Through Alpitour World Hotels & Resorts, the Alpitour Group can count on a direct and qualified presence in the hotel sector. Alpitour World Hotels & Resorts, with its operating headquarters in Rome, offers a portfolio of 19 structures including hotels, villages and resorts, located in cities but also in some of the most beautiful tourist spots on the sea in Italy and around the world.

With Neos, a company controlled entirely by the Group, Alpitour World has its own fleet of planes able to reach world vacation destinations: five B737-800 and two B767-300ER aircraft for short/medium haul and also long haul flights. Cost optimization, high operating efficiency and strong integration with the Tour Operating division have allowed Neos to confront, without difficulty, a delicate time in the airplane industry which is particularly exposed to the negative consequences of the world economic crisis and competition from low cost airlines. Since 2009, Neos is the sole Italian airline to have winglet on all its aircraft, thus reducing fuel consumption and improving the environmental impact. Neos' operating headquarters are at Milan Malpensa, Bologna and Verona.

Direct control over accommodation services on many programmed destinations is a strong point for Alpitour World: a constant control over destinations gives Alpitour World a privileged role in relations with the business community and local services. In the incoming sector, the Group operates through Jumbo Tours, a company conceived in Spain in 1977 to manage accommodations/incoming services abroad which over the years has become one of the most prominent companies in the sector. Located in nine countries throughout the world, it operates B2B online sales with the Jumboonline.es platform which in 2008-2009 boasted more than 460,000 customers.

Welcome Travel Group is Alpitour World's agency network (882 agencies at October 31, 2009: 44 owned outright, 29 in partnerships and 809 affiliates). Created to build a point of reference for the domestic market in the distribution of tourist and business services, year after year Welcome Travel is affirming itself as one of the main distribution networks in Italy, offering its customers a wide range of services, from leisure to business.

A World of Events. MICE (Meeting, Incentive, Convention and Events) Sector is the segment of tourist offerings which is transitioning through its most important moment of change and development, although having suffered sharp fluctuations over the last few years. In this business area, Alpitour World can rely of the strength and experience of A World of Events, a company created in July 2007 by the merger of Francorosso Incentive and Fiorio Management, which counts among its clients important Italian and foreign companies and multinationals.

Earnings and financial highlights for the financial years 2008/2009 and 2007/2008 are as follows:

			Change	
€ in millions	**2008/2009**	2007/2008	Amount	%
Net sales	**1,090.2**	1,237.3	(147.1)	-11.9
Contribution margin	**197.9**	209.6	(11.7)	-5.6
EBITDA	**41.7**	43.7	(2.0)	-4.6
Profit from ordinary operations	**17.5**	21.8	(4.3)	-19.7
Profit attributable to owners of the Parent	**2.3**	3.0	(0.7)	-23.3

€ in millions	**10/31/2009**	10/31/2008	Amount
Equity attributable to owners of the Parent	**80.6**	84.2	(3.6)
Consolidated net financial position	**66.5**	33.6	32.9

The economic picture during the 2008-2009 financial year was marked by an economic and financial crisis which caused a notable contraction in consumption.
Despite the difficulties caused by this situation, which particularly hurt the tourist sector, the 2008-2009 financial year closed with sales of € 1,090.2 million compared to € 1,237.3 million in the prior year, registering, however, a better trend than market.
The contribution margin for the year is € 197.9 million (€ 209.6 million for the year ended October 31, 2008). As a percentage of sale, this is an improvement to 18.2% against 16.9% in the prior year. Notwithstanding an extremely challenging economic environment, the Alpitour Group put into place goal-oriented policies for rationalization and flexibility aimed at direct overheads and a reduction in structure costs as well as commercial policies geared to sustaining profit margins and sales, the combined effects of which made it possible to effectively contain and compensate the negative effects generated by a overall weak market.
EBITDA is basically in line with the prior year: € 41.7 million against € 43.7 million in the prior year. The EBITDA margin improved considerably from 3.5% to 3.8%.
The 2008-2009 profit from ordinary operations is € 17.5 million compared to € 21.8 million in the prior year. The consolidated profit attributable to the owners of the Parent is € 2.3 million compared to € 3 million in 2007/2008.

As for the financial position, there was a notable improvement in the consolidated net financial position which reached € 66.5 million, almost double that of € 33.6 million at October 31, 2008, even though investments were significant.

Consolidated sales by division of the Alpitour Group are as follows:

			Change	
€ in millions	**2008/2009**	2007/2008	Amount	%
Tour operating	**805.2**	872.9	(67.7)	-7.8
Hotel	**89.7**	98.9	(9.2)	-9.3
Aviation	**163.8**	151.0	12.8	8.5
Distribution	**30.8**	34.6	(3.8)	-11.0
Incoming	**212.2**	271.2	(59.0)	-21.8
Incentive & Eventi	**18.8**	35.2	(16.4)	-46.6
Total	**1,320.5**	1,463.8	(143.3)	-9.8
Elimination of intragroup transactions	**(230.3)**	(226.5)	(3.8)	1.7
Total	**1,090.2**	1,237.3	(147.1)	-11.9

Concerning the Tour Operating business, volumes contracted in the financial year 2008/2009 compared to the prior year by 5% (803 thousand passengers against 845 thousand in 2007/2008) and sales decreased by 7.8% owing to the difficult economic context. Moreover, demand for tourist services was adversely affected by extraordinary events such as the attack in Cairo and the terrorist assault perpetrated by ETA at Palma de Mallorca, both destinations which recorded a decline during the summer season. Another factor which penalized the tourism market came from the spread of the pandemic, better known as “swine flu”, which inevitably was a determining factor in consumers' destination choices to Mexico and the United States, further worsening the climate of confidence by final consumers towards trips in general.

At the same time, however, the decline in sales volumes registered by tour operating was considerably lower than that recorded by the market (-20%) and this enabled the Group to appreciably increase its share of the charter market.

With a view towards protecting its margins and maintaining sales at discounted prices at an ongoing level, the company has again launched early booking campaigns in which customers are offered lower rates. Such actions have indeed made it possible to optimize the costs and the risks related both to services on land and plane seat availability, besides producing benefits in the programming of operations.

Specific company policies geared to cutting back and adding flexibility to direct overheads and structure costs in addition to targeted commercial policies aimed at maintaining sales prices have allowed the group to limit and effectively confront the consequences generated by the market crisis.

The hotel sector in 2008/2009 recorded sales of € 89.7 million against € 98.9 million in the prior year, including € 39.2 million from tour operators of the group (€ 33.4 million in 2007/2008). The decrease in sales from last year (approximately -9.3%) is largely the result of the deconsolidation of “Villaggio Bravo Kiwengwa” (sold to others in January 2008) and the reduction in the number of Italian hotel structures owing to the expiration of leases and the early withdrawal from some rent contracts.

Specific actions which led to a review of the product portfolio, combined with policies to reduce costs, allowed the hotel division to defend and increase its margins against sales even in this exceedingly difficult market scenario.

The aviation division reported sales of € 163.8 million in 2008/2009 (€ 151 million in 2007/2008), including € 100 million with the group (€ 86.7 million in 2007/2008). The overall contraction in volumes, owing to the economic picture and the consequent weak tourist sector was fully compensated by the acquisition of traffic for ad hoc solutions and wet leases. Operations during the year also benefited from a new B737-800 which started operations on short/long hauls, further increasing seat availability.

As for the distribution sector, the consolidation of the coordination activities of the owned points of sale begun in prior years, the strengthening of franchising relations with affiliated agencies, together with strategic plans aimed at the rationalization and reorganization of the agency network, have partly offset the negative effect of the general slowdown in demand. In this scenario, in the year 2008/2009, the distribution sector reported sales of € 30.8 million (-10.8% compared to € 34.6 million in 2007/2008). Brokered sales volumes in 2008/2009 by the Welcome Travel agency network totaled approximately € 700 million.

The incoming sector posted sales of € 212.2 million in 2008/2009 (€ 271.2 million in 2007/2008), including € 75.4 million with the Alpitour Group (€ 87.7 million in the prior year). Such trends principally reflect the overall slowdown in demand for tourist services as a result of the negative economic situation which not only influenced the Italian market but also the markets of Northern Europe (Great Britain and Germany) which represent important markets for the Jumbo Tours Group. Such reduction in sales also contributed to the considerable decline in incoming activities in Italy as a destination.

The M.I.C.E. sector, headed by the company A World of Events, had sales of € 18.8 million in the year 2008/2009 (€ 35.2 million in the prior year). These results were adversely affected by the depressed economic picture which weighed heavily on the propensity of companies to invest in the M.I.C.E. sector.

(60% of capital stock)

The following data and comments are taken from the half-year report of Juventus Football Club S.p.A. at December 31, 2009.
Since Juventus Football Club's financial year ends on June 30 of every year and its activity is highly seasonal in nature, typical of the sector and particularly determined by the calendar of sport events, the data presented should not be construed as representing the basis for a full-year projection.

€ in millions	**I Half 2009/2010**	I Half 2008/2009	Change
Revenues	**134.7**	124.0	10.7
Operating income	**25.0**	17.8	7.2
Net income	**14.2**	14.6	(0.4)

€ in millions	**12/31/2009**	6/30/2009	Change
Shareholders' equity	**115.8**	101.8	14.0
Net financial position	**10.5**	25.6	(15.1)

Revenues for the first half of the financial year 2009/2010 total € 134.7 million. This is an increase of 8.6% compared to € 124 million in the first half of the prior financial year due mainly to higher income from radio and television rights recorded following a greater number of home games played in the Italian Championships during the six months and higher income from the UEFA Champions League.

Operating costs in the first half totaling € 95.4 million rose by 4.1% compared to € 91.6 million in the corresponding period of the prior financial year largely on account of higher expenses for the percentage share of radio and television rights and higher costs for players and technical staff.
Amortization and impairment losses on players' registration rights in the six months total € 16.7 million. This is an increase compared to € 13.9 million in the first half of 2008/2009 and is mostly due to the effect of investments and disposals made during the first phase of the Transfer Campaign 2009/2010 and the impact of the extension of the amortization of the registration rights of players' following the renewal of the relative contracts.
The other amortization, depreciation and impairment losses and accruals in the first half of the financial year 2009/2010 amount to € 0.7 million.

Non-recurring revenues in the first half have been recorded for € 3.1 million in respect of the disposal to the Nordiconad group of the commercial areas adjacent to the new stadium being built.

Operating income in the first half is € 25 million compared to € 17.8 million in the first half ended December 31, 2008 while net income amounts to € 14.2 million against € 14.6 million in the same period of the prior year.

Shareholders' equity at December 31, 2009 is € 115.8 million, an increase compared to € 101.8 million at June 30, 2009, attributable primarily to the net income for the period.

The net financial position at December 31, 2009 is positive for € 10.5 million and decreased from € 25.6 million at June 30, 2009 due to the effect of payments made for the first phase of the transfer campaign and investments for the building of the new stadium.

As regards significant events during the first half of the financial year 2009/2010 and significant events subsequent to December 31, 2009, the following is noted:

Stadium Project

During the first six months of the financial year, work continued according to schedule on the construction of the new stadium on the land formerly occupied by the Delle Alpi stadium. At December 31, 2009, the work already completed amounts to € 7.3 million or 10.4% of the total estimated construction cost alone (€ 70 million).

Campi di Vinovo S.p.A. sale

In reference to the sale to Costruzioni Generali Gilardi S.p.A. (hereafter "CGG") of the investment in Campi di Vinovo S.p.A. (hereafter "CdV") and the transfer to CdV of the commercial center business to be built on CdV's land, the transactions of which took place in the financial year 2007/2008, on December 22, 2009 Juventus Football Club and CGG signed a further private contract for the novation and integration of the March 31, 2006 contract for the sale of the Campi di Vinovo S.p.A. shares. The purpose of the contract was to review the contractual relations and obligations binding on the parties in light of the dispute pending between CGG and a third party company with which CGG had signed an agreement for the development of the commercial center. The new private agreement establishes that CdV will assume the liabilities originally estimated to be borne by Juventus Football Club with the public sector (€ 19.2 million) and also the commitment to sustain any costs for the construction of the Debouché junction on the southern Turin bypass. In consideration of this, the total remaining payments due to Juventus Football Club from CdV and/or CGG, in accordance with the March 31, 2006 agreement, as amended, have been reduced by € 19.2 million in respect of the installment due on December 20, 2009 and on subsequent installments.

Following the new agreements, Juventus Football Club will no longer have any commitment and/or liability towards the public sector. Accordingly, the relative provisions for risks and charges set aside in prior years for € 19.2 million have been released.

With signing of the new agreement, CGG, with the consent of Juventus Football Club, transferred its liability to Juventus Football Club to its parent, Finanziaria Gilardi S.p.A., together with the CdV shares. The remaining receivables from Finanziaria Gilardi S.p.A. and CdV for a total of € 17.2 million due December 31, 2013 are guaranteed by Campi di Vinovo S.p.A. shares pledged as collateral.

Transfer Campaign 2009/2010

The overall transactions finalized during the 2009/2010 Transfer Campaign led to an increase in capital invested of € 53 million. The economic impact of the gains and losses on the transfer of players' registration rights is a gain € 12.7 million, whereas temporary acquisitions and disposals of players' registration rights result in a loss of € 0.1 million on an annual basis.

The global financial effect, including capitalized expenses and implicit financial income and expenses on deferred collections and payments is a negative € 41.9 million.

SEQUANA

(26.65% of capital stock through EXOR S.A.)

In the particularly difficult market environment of 2009, the Sequana Group bettered its results and reached the targets outlined in the strategic plan: improvement of the operating margin, reduction of fixed overheads, continuation of the debt reduction policy and disposal of non-strategic businesses.

The highlights of the consolidated results of the Sequana Group in 2009 are as follows:

		2008		Change vs 2008
€ in millions	**2009**	Pro-forma (a)	Reported	Pro-forma
Net sales	**4,088**	4,842	4,951	(754)
Gross operating profit	**213**	212	221	1
Trading profit	**137**	128	136	9
Current profit	**73**	64	68	9
Profit (loss) attributable to owners of the Parent	**20**	(401)	(428)	421
Equity attributable to owners of the Parent	**738**	706	706	32
Consolidated net debt	**651**	791	791	(140)

(a) The 2008 pro-forma results were restated to take into account the 2009 sale of the Produits Promotionnels business of Antalis, and Antonin Rodet.

For purposes of a more meaningful comparison between the two years, the comments that follow and the changes in amount and percentage regarding the income statement figures in the table are calculated on the "Pro-forma" 2008 results on a like-for-like basis.

Sales in 2009 amount to € 4,088 million, decreasing 15.6% compared to 2008 and 13.5% at constant exchange rates, with an unfavorable exchange effect of € 117 million. Fixed overheads decreased € 93 million in 2009 (€ 161 million in two years).
Gross operating profit is stable at € 213 million compared to 2008 and the gross operating margin is 5.2%, an improvement compared to 4.4% in the prior year.
Current profit is € 137 million compared to € 128 million in 2008 (+7.5%) and the current margin is 3.4% (2.6% in 2008).
Trading profit is € 73 million, an improvement of € 9 million compared to 2008 (+14.5%). After non-recurring expenses of € 53 million (mainly charges for restructuring production and distribution activities and expenses relating to discontinued operations), the profit of the Sequana Group is € 20 million.

Consolidated net debt at December 31, 2009 is € 651 million compared to € 791 million at December 31, 2008. This is a reduction of € 81 million in the second half of 2009 and € 140 million for the entire year. The reduction in net debt is due to an improvement in results and in the management of working capital despite the absorption of resources for restructuring charges and the negative impact of businesses disposed of for a total of € 126 million.
The debt to equity ratio is 0.88 at December 31, 2009 compared to 1.13 at December 31, 2008.

In 2009, Sequana also accelerated the process to transform the group, changing from a holding company to an operating group, with the creation of a group executive committee which will enable decisions to be put into action more rapidly and contribute to the operating effectiveness of Antalis and Arjowiggins.

With a declining market in Europe of 10% in 2009, Antalis reported sales of € 2,790 million, contracting 14.6% compared to 2008 pro-forma sales (-11.3% at constant exchange rates). The exchange effect (mainly with regard to the British pound) was an unfavorable € 122 million in 2009.

Gross operating profit is € 96 million, down 16.4% compared to the prior year, while trading profit of € 75 million (-14.2% against 2008, -12.3% at constant exchange rates) shows a margin of 2.7%.
Following the disposal of Produits Promotionnels business, in 2009, Antalis, focused on its core business: the distribution of paper and packaging products.

With sharp reductions in the market of the majority of its businesses, Arjowiggins reported sales of € 1,534 million in 2009, a decrease of 15.2% compared to 2008 pro-forma sales (-15.4% at constant exchange rates). The development strategy in "green" paper (recycled paper) and in special paper enabled Arjowiggins to strengthen its leadership position in these market segments. The group also benefited in 2009 from greater commercial synergies between Antalis and Arjowiggins.

Gross operating profit amounts to € 128 million compared to € 113 million in 2008; the gross operating margin grew from 6.2% to 8.3%. Trading profit of € 74 million increased 30% from the prior year and the trading margin is 4.8%.
In 2009, Arjowiggins disposed of the Décor Asie and Carbonless paper businesses which had already been classified in assets held for sale at December 31, 2008.

EXOR S.A.

(100% of capital stock)

The highlights of the financial statements at December 31, 2009, prepared under the laws of Luxembourg, are as follows:

€ in millions	**2009**	2008	Change
Loss for the year	**(76.8)**	(13.8)	(63.0)
Equity	**2,258.9**	2,455.6	(196.7)
Non-current financial assets	**2,287.1**	2,511.5	(224.4)
Net financial position	**(26.1)**	(52.8)	26.7

The loss for the year 2009 is due to the impairment losses on financial assets for € 128.8 million. Such impairment losses refer to the investment held in C&W Group Inc. (€ 90.1 million), DLMD bonds (€ 9.2 million) and Perfect Vision bonds (€ 27.9 million), and also other financial assets (€ 1.6 million).

In 2008 as well, the loss had originated from impairment losses on financial assets for a total of € 64.6 million, of which € 15 million referred to DLMD bonds, € 49.5 million on equity shares recorded in current assets and € 0.1 million on other financial assets.

At December 31, 2009, non-current financial assets include the following investments and bonds:

	Number	**12/31/2009**			
€ in millions	of shares	**% of capital**	**Carrying amount**	12/31/2008	Change
SGS S.A.	1,173,400	**15.00**	**1,016.3**	1,016.3	0.0
Exor Capital Ltd	4,000,000	**100.00**	**464.0**	594.0	(130.0)
C&W Group Inc.	511,015	**71.03**	**405.0**	495.2	(90.2)
Sequana S.A.	13,203,139	**26.65**	**183.1**	183.1	0.0
Gruppo Banca Leonardo S.p.A.	25,255,537	**9.74**	**82.4**	82.4	0.0
Banijay Holding S.A.S.	334,419	**17.08**	**33.6**	21.4	12.2
NoCo B LP			**16.4**	22.9	(6.5)
Ancom USA	10	**100.00**	**9.9**	9.7	0.2
Exor Inc.	100	**100.00**	**0.6**	0.6	0.0
Other	-	**-**	**1.3**	0.4	0.9
Total investments			**2,212.6**	2,426.0	(213.4)
Other non-current financial assets	-	-	**74.5**	85.5	(11.0)
Total non-current financial assets			**2,287.1**	2,511.5	(224.4)

Exor Capital Ltd (Ireland)

(100% of capital stock through EXOR S.A.)

The highlights of the financial statements at December 31, 2009, prepared under the laws of Ireland, are as follows:

€ in millions	**2009**	2008	Change
Profit for the year	**0.0**	0.1	(0.1)
Equity	**465.0**	595.0	(130.0)
Non-current financial receivables from EXOR S.A.	**460.0**	590.0	(130.0)
Net financial position	**465.1**	595.0	(129.9)

EXOR Inc. (United States)

(100% of capital stock through EXOR S.A.)

The highlights of the financial statements at December 31, 2009, prepared under the laws of the United States, are as follows:

$ in thousands	**2009**	2008	Change
Profit for the year	**91.0**	224.4	(133.4)
Equity	**1,279.8**	1,188.8	91.0
Net financial position	**1,461.6**	431.4	1,030.2

Exor Services S.c.p.a.

(99.75% of capital stock)

The highlights of the financial statements at December 31, 2009 are as follows:

€ in millions	**2009**	2008	Change
(Loss) Profit for the year	**(1.1)**	0.3	(1.4)
Equity	**10.7**	11.7	(1.0)
Net financial position	**1.8**	0.9	0.9

The loss for the year 2009 is due to non-recurring expenses for employee termination incentives (€ 0.5 million) and for maintenance of the building owned by the company (€ 0.6 million) which, in accordance with the accounting policies for the preparation of IFRS financial statements have been charged in full to the income statement for the year.

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE APPROPRIATION OF PROFIT FOR THE YEAR

Dear Shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2009 and, considering that the legal reserve is equal to one-fifth of capital stock, we motion to appropriate the profit of € 88,822,747.37 as follows:

- to the 157,275,496 ordinary shares currently outstanding, dividends per share of € 0.27, equal to a maximum €	42,464,383.92
- to the 69,440,160 preferred shares currently outstanding, dividends per share of € 0.3217, equal to a maximum €	22,338,899.47
- to the 8,949,094 savings shares currently outstanding, dividends per share of € 0.3481, equal to a maximum €	3,115,179.62
- to the extraordinary reserve, the remaining amount, equal to a minimum of €	20,904,284.36
Profit for the year 2009	**88,822,747.37**

The dividends proposed are payable to the shares outstanding, excluding therefore, those directly held by EXOR S.p.A. at the ex-dividend date.

Turin, March 29, 2010

On behalf of the Board of Directors
The Chairman
John Elkann

Separate Financial Statements
at December 31, 2009

EXOR S.p.A. – INCOME STATEMENT

2008 (published)	Amounts in Euro	Note	**2009**	2008 (pro-forma) (a)	Change
	Investment income (charges)				
72,729,524	Dividends from investments	**9**	**120,029,226**	255,745,369	(135,716,143)
0	Gains on disposals of investments	**10**	**21,685,128**	167,468,287	(145,783,159)
(50,211)	Impairment losses on investments		**0**	(54,309)	54,309
72,679,313	**Net investment income**		**141,714,354**	423,159,347	(281,444,993)
	Financial income (expenses)				
(21,761,543)	Financial expenses from third parties	**11**	**(78,592,412)**	(105,971,161)	27,378,749
(1,456,474)	Financial expenses from related parties		**0**	0	0
6,443,384	Financial income from third parties	**12**	**56,838,661**	36,399,228	20,439,433
0	Financial income from related parties	**42**	**1,659,483**	0	1,659,483
333	Foreign exchange gains (losses)		**693,545**	4,069,840	(3,376,295)
(16,774,300)	**Net financial expenses**		**(19,400,723)**	(65,502,093)	46,101,370
	Net general expenses				
(2,824,141)	Personnel costs	**13**	**(8,724,229)**	(11,157,178)	2,432,949
(847,102)	Purchases of goods and services from third parties	**14**	**(4,500,372)**	(4,437,231)	(63,141)
(1,149,452)	Purchases of goods and services from related parties	**42**	**(8,373,087)**	(7,042,086)	(1,331,001)
(718,667)	Other operating expenses	**15**	**(578,274)**	(713,384)	135,110
(2,158)	Depreciation and amortization		**(8,656)**	(5,098)	(3,558)
(5,541,520)			**(22,184,618)**	(23,354,977)	1,170,359
113	Revenues from third parties		**231,027**	156,522	74,505
209,277	Revenues from related parties		**343,231**	797,641	(454,410)
209,390			**574,258**	954,163	(379,905)
(5,332,130)	**Net general expenses**		**(21,610,360)**	(22,400,814)	790,454
	Non-recurring other income (expenses) and general expenses				
(372,052)	Personnel costs	**16**	**(4,499,064)**	(624,052)	(3,875,012)
0	Purchases of goods and services from third parties	**17**	**(1,443,500)**	(1,215,990)	(227,510)
0	Purchases of goods and services from related parties	**42**	**(1,179,968)**	0	(1,179,968)
0	Other non-recurring operating expenses from third parties		**(237,534)**	0	(237,534)
0	Non-recurring other income (expenses) from related parties	**42**	**(4,157,685)**	2,795,801	(6,953,486)
(372,052)	**Non-recurring other income (expenses) and general expenses**		**(11,517,751)**	955,759	(12,473,510)
	Other taxes and duties				
(1,058,094)	Non-deductible VAT	**18**	**(3,515,086)**	(3,174,997)	(340,089)
(4,918)	Other taxes		**(7,680)**	(6,763)	(917)
(1,063,012)	**Other taxes and duties**		**(3,522,766)**	(3,181,760)	(341,006)
49,137,819	**Profit before income taxes**		**85,662,754**	333,030,439	(247,367,685)
0	**Income taxes**	**19**	**3,159,993**	(36,054)	3,196,047
49,137,819	**Profit for the year**		**88,822,747**	332,994,385	(244,171,638)

(a) The basis of presentation is disclosed in Note 4.

EXOR S.p.A. – STATEMENT OF COMPREHENSIVE INCOME

2008 (published)	Amounts in Euro	**2009**	2008 (pro-forma) (a)
(6,685,515)	Gains (Losses) on cash flow hedges	**(1,189,573)**	(15,742,646)
0	Gains (Losses) on fair value of available-for-sale financial assets	**24,853,200**	(836,553,683)
0	Deferred taxes on fair value changes to investments	**(343,662)**	11,498,357
280,548	Actuarial gains (losses)	**(105,514)**	386,479
(6,404,967)	**Total other comprehensive income**	**23,214,451**	(840,411,493)
49,137,819	Profit for the year	**88,822,747**	332,994,385
42,732,852	**Total comprehensive income**	**112,037,198**	(507,417,108)

(a) The basis of presentation is disclosed in Note 4.

Other comprehensive income is composed as follows:

Amounts in Euro	**2009**	2008 (pro-forma) (a)
Effective portion of gains (losses) on cash flow hedges arising during the year	**(2,652,080)**	(15,742,646)
Effective portion of gains (losses) on cash flow hedges reclassified to income statement	**1,462,507**	
Effective portion of gains (losses) on cash flow hedges	**(1,189,573)**	(15,742,646)
Gains (Losses) on fair value of available-for-sale financial assets arising during the year	**25,840,000**	(339,604,000)
Gains (Losses) on fair value of available-for-sale financial assets reclassified to income statement	**(986,800)**	(496,949,683)
Gains (Losses) on fair value of available-for-sale financial assets	**24,853,200**	(836,553,683)
Actuarial gains (losses) arising during the year	**(105,514)**	386,479
Actuarial gains (losses)	**(105,514)**	386,479
Income taxes relating to other comprehensive income	**(343,662)**	11,498,357
Total other comprehensive income, net of tax	**23,214,451**	(840,411,493)

(a) The basis of presentation is disclosed in Note 4.

The tax effect in 2009 is as follows:

Amounts in Euro	Gross amount	Tax (expense)/benefit	Net amount
Effective portion of gains (losses) on cash flow hedges	(1,189,573)	0	(1,189,573)
Gains (Losses) on fair value of available-for-sale financial assets	24,853,200	(343,662)	24,509,538
Actuarial gains (losses)	(105,514)	0	(105,514)
Total comprehensive income	**23,558,113**	**(343,662)**	**23,214,451**

EXOR S.p.A. – STATEMENT OF FINANCIAL POSITION

12/31/2008 (pro-forma) (a)	Amounts in Euro	**Note**	**12/31/2009**	12/31/2008 (published)	Change
	Non-current assets				
3,800,748,189	Investments accounted for at cost		**3,814,033,999**	2,242,763,172	1,571,270,827
297,242,000	Available-for-sale investments		**136,600,000**	0	136,600,000
4,097,990,189	Total Investments	**20**	**3,950,633,999**	2,242,763,172	1,707,870,827
0	Held-to-maturity financial instruments	**21**	**71,388,798**	0	71,388,798
599,999	Other financial assets		**320,259**	403,540	(83,281)
5,334	Intangible assets		**113,467**	2,667	110,800
971	Property, plant and equipment		**6,299**	650	5,649
1,291	Other receivables		**1,291**	0	1,291
4,098,597,784	**Total Non-current assets**		**4,022,464,113**	2,243,170,029	1,779,294,084
	Current assets				
0	Held-to-maturity financial instruments	**21**	**5,006,963**	0	5,006,963
170,498,715	Financial assets held for trading	**22**	**270,638,950**	0	270,638,950
411,946,474	Cash and cash equivalents	**23**	**337,355,303**	548,131	336,807,172
1,215,504	Other financial assets	**24**	**5,766,043**	256,540	5,509,503
62,583,093	Tax receivables	**25**	**44,899,508**	19,393,799	25,505,709
0	Financial receivables from related parties	**42**	**28,163,323**	0	28,163,323
0	Financial receivables from others		**21,580**	0	21,580
310,909	Trade receivables from related parties	**42**	**129,627**	87,438	42,189
7,562,440	Other receivables	**26**	**442,074**	3,987,687	(3,545,613)
654,117,135	**Total Current assets**		**692,423,371**	24,273,595	668,149,776
4,752,714,919	**Total Assets**		**4,714,887,484**	2,267,443,624	2,447,443,860
	Equity				
163,251,460	Capital stock	**27**	**246,229,850**	163,251,460	82,978,390
386,346,907	Capital reserves	**28**	**1,746,289,493**	386,346,907	1,359,942,586
1,909,577,220	Retained earnings and other reserves	**29**	**1,570,995,123**	1,361,241,149	209,753,974
1,178,009,135	Non-controlling interests in capital stock and reserves of the company being merged		**0**	0	0
(73,239,743)	Treasury stock	**31**	**(112,491,299)**	(70,477,224)	(42,014,075)
0	Profit for the year		**88,822,747**	49,137,819	39,684,928
3,563,944,979	**Total Equity**		**3,539,845,914**	1,889,500,111	1,650,345,803
	Non-current liabilities				
944,178,905	Non-convertible bonds	**33**	**944,884,266**	0	944,884,266
150,000,000	Bank debt	**34**	**125,000,000**	150,000,000	(25,000,000)
24,935,262	Deferred tax liabilities	**35**	**22,046,120**	3,332,804	18,713,316
4,293,009	Provisions for employee benefits	**36**	**3,239,961**	2,013,107	1,226,854
244,909	Other payables	**38**	**192,886**	188,810	4,076
1,123,652,085	**Total Non-current liabilities**		**1,095,363,233**	155,534,721	939,828,512
	Current liabilities				
16,515,694	Bank debt	**34**	**25,125,910**	16,181,218	8,944,692
0	Financial payables to related parties		**0**	199,456,474	(199,456,474)
34,001,448	Other financial liabilities	**37**	**35,724,895**	5,459,740	30,265,155
9,179,524	Payables to related parties	**42**	**12,574,562**	230,713	12,343,849
1,406,661	Trade payables to third parties		**2,610,973**	188,638	2,422,335
870,955	Tax payables		**665,785**	143,515	522,270
3,143,573	Other payables	**38**	**2,976,212**	748,494	2,227,718
65,117,855	**Total Current liabilities**		**79,678,337**	222,408,792	(142,730,455)
4,752,714,919	**Total Equity and Liabilities**		**4,714,887,484**	2,267,443,624	2,447,443,860

(a) The basis of presentation is disclosed in Note 4.

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

Amounts in Euro	Capital stock	Capital reserves	Treasury stock	Earnings reserve	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2007	**163,251,460**	**386,346,907**	**(70,477,224)**	**1,365,870,502**	**0**	**1,775,614**	**1,846,767,259**
Total comprehensive income				49,418,367		(6,685,515)	42,732,852
Net changes during the year	**0**	**0**	**0**	**49,418,367**	**0**	**(6,685,515)**	**42,732,852**
Equity at December 31, 2008	**163,251,460**	**386,346,907**	**(70,477,224)**	**1,415,288,869**	**0**	**(4,909,901)**	**1,889,500,111**
Changes due to the merger of IFIL							
- Recognition of EXOR shares held by Exor Services			(2,762,861)				(2,762,861)
- Reinstatement of IFIL S.p.A. reserves:							
. fair value reserve		(1,475,246)			1,475,246		0
. stock option reserve		(1,202,662)		1,202,662			0
. cash flow hedge reserve		5,119,196				(5,119,196)	0
- Recognition of merger surplus		499,198,763					499,198,763
- EXOR shares issued in share exchange							0
. 73,809,496 ordinary shares at € 5.36	73,809,496	321,809,403					395,618,899
. 9,168,894 savings shares at € 3.86	9,168,894	26,223,037					35,391,931
- Recognition of share exchange difference		746,997,492					746,997,492
- Allocation of expenses relating to IFIL merger		(17,093,570)					(17,093,570)
Reinstatement of tax-deferred reserves							
- Revaluation reserve Law 408/90		(243,894,287)		243,894,287			0
- Revaluation reserve Law 413/91		(2,586,032)		2,586,032			0
- Revaluation reserve Law 576/75		(15,167,583)		15,167,583			0
Dividends distributed to stockholders (€ 0.269 per ordinary share,							0
€ 0.3207 per preferred share, € 0.3471 per savings share)				(81,736,536)			(81,736,536)
Purchase of treasury stock		42,014,075	(42,014,075)	(42,014,075)			(42,014,075)
Dividends statute-barred				1,752			1,752
Sale of treasury stock held through subsidiary			2,762,861	(342)			2,762,519
Effect of wind-up of Ifil Investment Holding				20,028			20,028
Increase corresponding to figurative cost of EXOR stock option plan				1,924,263			1,924,263
Total comprehensive income				88,717,233	24,509,538	(1,189,573)	112,037,198
Net changes during the year	**82,978,390**	**1,359,942,586**	**(42,014,075)**	**229,762,887**	**25,984,784**	**(6,308,769)**	**1,650,345,803**
Equity at December 31, 2009	**246,229,850**	**1,746,289,493**	**(112,491,299)**	**1,645,051,756**	**25,984,784**	**(11,218,670)**	**3,539,845,914**
Note	**27**	**28**	**31**	**29**	**29**	**29**	

EXOR S.p.A. – STATEMENT OF CASH FLOWS

2008 (published)	Amounts in Euro	Note	**2009**	2008 (pro-forma) (a)
166,046	**Cash and cash equivalents, at start of year**		**411,946,475**	165,718,672
	Cash flows from (used in) operating activities			
49,137,819	**Profit for the year**		**88,822,747**	332,994,385
	Adjustments for:			
0	Gains on disposals of investments	**10**	**(21,685,128)**	(167,468,287)
2,158	Depreciation and amortization		**8,656**	5,098
0	Figurative cost of EXOR stock option plan		**1,487,217**	929,511
0	Expenses relating to IFIL merger		**(17,093,570)**	0
0	Release of deferred taxes		**(3,232,804)**	0
50,211	Impairment losses on investments	**19**	**0**	54,309
	Non-recurring other (income) expenses, accrued and not yet collected/paid		**4,157,685**	(7,795,801)
52,369	**Total adjustments**		**(36,357,944)**	(174,275,170)
	Change in working capital:			
1,809,812	Change in other financial assets, current and non-current		**(4,270,799)**	5,287,765
(423,160)	Change in tax receivables, excluding items adjusting profit for the year		**17,683,586**	3,496,089
(3,740,363)	Change in other receivables, current and non-current		**7,120,365**	(7,185,768)
4,424,163	Change in other financial liabilities, current and non-current		**1,723,447**	9,341,397
83,518	Change in trade payables and other payables to related parties, excluding items adjusting profit for the year		**(762,648)**	(1,510,033)
42,905	Change in trade payables to third parties		**1,204,310**	(674,740)
148,168	Net change in provisions for employee benefits, excluding actuarial differences recognized in equity		**(1,158,560)**	235,146
157,737	Other net changes in working capital		**(264,851)**	(923,075)
2,502,780	**Net change in working capital**		**21,274,850**	8,066,781
51,692,968	**Net cash flows from (used in) operating activities**		**73,739,653**	166,785,996
	Cash flows from (used in) investing activities			
(4,500)	Purchases of property, plant and equipment and intangible assets, net		**(122,419)**	(10,000)
0	Held-to-maturity financial instruments, current and non-current	**21**	**(76,395,761)**	0
0	Investments in current financial assets	**22**	**(100,140,235)**	(122,642,514)
0	Wind-up of investment		**192,689**	0
0	Disposal of investment	**10**	**217,201,341**	598,350,146
(15,935,868)	Investments in equity investments	**10**	**(23,042,781)**	(15,935,868)
(15,940,368)	**Net cash flows from (used in) investing activities**		**17,692,834**	459,761,764
	Cash flows from (used in) financing activities			
0	Change in financial receivables from related parties		**(28,163,323)**	0
199,456,474	Loans secured from related parties (or repaid)		**0**	0
0	Other changes in bonds		**705,361**	601,143
(228,141,474)	Net change in bank debt		**(16,389,784)**	(227,806,998)
(6,685,515)	Changes in fair value of cash flow hedge derivatives		**(1,189,573)**	(15,742,646)
0	Dividends distributed		**(81,736,536)**	(33,676,344)
0	Purchases of treasury stock	**31**	**(42,014,075)**	(103,695,112)
0	Sale of EXOR ordinary shares held by subsidiary		**2,762,519**	0
0	Dividends statute-barred and other net changes		**1,752**	0
(35,370,515)	**Cash flows from (used in) financing activities**		**(166,023,659)**	(380,319,957)
382,085	**Net income (decrease) in cash**		**(74,591,172)**	246,227,803
548,131	**Cash and cash equivalents, at end of year**		**337,355,303**	411,946,475

(a) The basis of presentation is disclosed in Note 4.

EXOR S.p.A. – NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information on the activities of the Company

EXOR S.p.A. is the new name that IFI S.p.A. assumed on March 1, 2009, the effective date of the deed of merger by incorporation of the subsidiary IFIL S.p.A. (the Merger).

EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Corso Matteotti 26. EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.08% of capital stock, specifically 59.11% of ordinary capital stock, 39.24% of preferred capital stock and 11.75% of savings capital stock.
Since March 2, 2009, EXOR's three classes of stock (ordinary, preferred and savings) are traded on the Electronic Share Market under the stock symbol EXOR.

Further information is provided in the Report on Operations under "EXOR Group Profile".

2. Merger accounting and tax aspects

On February 20, 2009, the deed of Merger was signed which established that the Merger would be effective for legal purposes, pursuant to art. 2504-bis, paragraph 2 of the Italian Civil Code, from March 1, 2009 and that the transactions carried out by IFIL in the early months of 2009 would be recorded in the EXOR financial statements, also for tax purposes, pursuant to art. 172, paragraph 9 of D.P.R. 917/96, starting from January 1, 2009.

The registration of the deed of Merger in the Companies Register of Turin occurred on February 24, 2009.

Further information on the Merger is provided in the Merger Information Document and the updates available on the website www.exor.com.

The accounting and tax treatment of the Merger is described below.

Accounting aspects

The Merger transaction was recorded and recognized in both the separate and consolidated financial statements of EXOR in accordance with Italian accounting principles and also IFRS.

On the basis of its economic nature, the Merger consisted of a reorganization of existing companies which did not result in transfers of control of these companies and which involved the acquisition of the stock held by the non-controlling interests of IFIL in exchange for EXOR capital stock.

As a result, this transaction was not within the scope of IFRS 3 - "Business Combinations".

In the absence of references to specific IFRS standards or interpretations, account was taken of the fact that IAS 1, paragraph 13, requires in general terms that the financial statements provide a reliable and faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria set out in IFRS Frameworks for assets, liabilities, income and expenses and that IAS 1, paragraph 15, establishes the obligation of selection, in accordance with the hierarchy stated in IAS 8, of the accounting principles suitable for reaching the overall objective of a reliable and faithful presentation.

Given the characterizing elements of the Merger transaction (absence of economic exchange with third parties and continuance of control), the Merger was recorded according to the guidelines of IAS 8, paragraph 10. Since the transaction, by its very nature, did not have significant effects on cash flows, the selection of accounting criteria favored policies appropriate for ensuring the continuity of the values.

The application of the policy of continuity of the values to the Merger transaction meant that importance was given to the pre-existence of the control relationship between the companies involved in the transaction (EXOR, the Parent surviving company and IFIL, the merged subsidiary), as well as the cost incurred by the surviving company for the acquisition of the investment in the merged company.

In other terms, the Merger with the nature of a restructuring has determined the convergence of the consolidated financial statements of EXOR towards the separate financial statements of EXOR post-Merger, thus bringing about the so-called "legal consolidation".

The entry of the assets from IFIL in the separate financial statements of EXOR did not result in higher current values of such assets compared to those expressed in the consolidated financial statements, or a higher goodwill, in that, as already described, the Merger did not involve any economic exchange with third parties or an acquisition in the economic sense.

With regard to the accounting treatment of the exchange of EXOR ordinary and savings shares assigned to the non-controlling interests of IFIL, which can be considered similar to an increase in the share ownership of IFIL under long-term control, according to literature on the subject of consolidated financial statements there are two theories:

- that of the "economic entity" which considers the group as an aggregate, and exchanges among stockholders as "equity transactions". If this theory is applied to the transactions originating the acquisition of further stock ownership after reaching control, then the difference between the cost of acquisition and the carrying amount of the non-controlling interests acquired should be allocated to equity of the group;
- that of the "parent company", which considers stockholders as non-controlling interests.
  If this theory is applied, the difference between the cost of acquisition and the carrying amount of the non-controlling interests acquired should be considered as goodwill.

EXOR has used the "economic entity" theory since it is consistent with the treatment which will be covered by the new version of IAS 27, paragraphs 30 and 31, on the subject of consolidated financial statements.

With regard to the accounting of the Merger in the separate financial statements of EXOR, the following is therefore noted.

The carrying amount of the investment in IFIL (€ 2,242.5 million) has been eliminated against the corresponding share of equity of IFIL (€ 2,741.7 million); the difference between such carrying amounts is the Merger urplus (€ 499.2 million) which has been recorded as an increase in the reserves of EXOR; finally, the Merger Surplus has been used to proportionally reinstate the IAS reserves and the tax-deferred reserves of IFIL as described in Note 29.

To service the exchange ratio (0.265 ordinary shares for one IFIL ordinary share and 0.265 savings shares for one IFIL savings share) EXOR has issued 73,809,496 ordinary shares and 9,168,894 savings shares of par value € 1 each with dividend rights at January 1, 2008.

Such EXOR capital stock increase (which represents the purchase of the non-controlling interests of IFIL) was recorded at the fair value of the 73,809,496 ordinary shares and

9,168,894 savings shares issued, respectively equal to € 5.36 per share and € 3.86 per share, corresponding to the opening market price on March 2, 2009, the first day the stocks were traded on the stock market. The total amount of € 431 million was allocated for € 83 million, corresponding to the par value, to capital stock, and for € 348 million to additional paid-in-capital. The difference between the fair value of the capital stock increase thus determined (€ 431 million) and IFIL's non-controlling interests' share of IFIL's equity (€ 1,178 million) has been recorded as an increase in the reserves of EXOR in "Share exchange difference" (€ 747 million). The share exchange difference has been proportionally used to reinstate the tax-deferred reserves of IFIL as described in Note 29.

In accordance with IAS 32, paragraph 35, the expenses incurred in 2008 and in 2009 by IFI and IFIL for the Merger (€ 17 million) have been recorded as a deduction from additional paid-in-capital.

Tax aspects

The Merger is effective for accounting purposes from January 1, 2009; consequently, the effective date for tax purposes is also the same under the retroactive clause pursuant to art. 172, paragraph 9 of D.P.R 917 dated December 22, 1986 (T.U.I.R).

In terms of the effects of tax imposition (art. 172 of T.U.I.R.), the Merger is fiscally a "neutral" transaction and there are no positive or negative components of income arising for the participating parties (IFI, IFIL and respective stockholders) since:

- the transfer of assets to EXOR did not result for IFIL in the realization of hidden gains or losses in the transferred assets or liabilities, nor the realization of goodwill;
- the shares, assets and rights received by EXOR were assumed by EXOR at the same tax amount and at the same other tax conditions (for example, the Participation Exemption regime for investments) which IFIL had;
- the Merger did not give rise to the realization of any taxable gains or deductible losses or the generation of revenues for IFIL's stockholders, whose stocks were exchanged. The Merger Surplus and the share exchange difference have no fiscal relevance for EXOR.

IFIL's tax-deferred reserves have been reinstated in the financial statements of EXOR according to the manner established by art. 172, paragraph 5 of T.U.I.R.

Pursuant to art. 172, paragraph 7, of T.U.I.R., the tax loss carryforwards of EXOR and IFIL have been brought forward and can be used for compensation purposes by EXOR.

3. General principles for the basis of presentation of the separate financial statements

Starting from the financial year 2006, the separate financial statements of EXOR S.p.A. have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and recognized by the European Community in accordance with Regulation 1606/2002 of the European Parliament and Council dated July 19, 2002. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The disclosure required by IFRS 1 – First-time Adoption of IFRS, relative to the effects of the transition to IFRS, was presented in a specific Appendix to the separate financial statements at December 31, 2006.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 dated July 27, 2006 and in Consob Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

4. Formats of the separate financial statements and other information

The separate income statement is presented using a classification based on the nature of the revenues and expenses, with the presentation of investment income (charges) and financial income (expenses) taking preference since these items are characteristic of EXOR S.p.A.'s activities.

Since the year 2009, in view of the significance of the amounts, Non-recurring other income (expenses) and general expenses are presented separately from net general expenses that are recurring. The line item includes any exceptional or non-recurring costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees, legal fees for defense and adjustments to liabilities for the Alpitour stock option plan. Moreover, other taxes and duties are also presented separately. The figures for 2008 have been appropriately reclassified for purposes of comparison.

In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

The statement of comprehensive income presents the total income and expense recognized in the income statement and increases or decreases in reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the Company's functional currency and presentation currency.

In the separate financial statements, the amounts are expressed in Euro.
The notes are expressed in thousands of Euro, unless otherwise indicated.
Significant events in 2009 and in the first quarter of 2010, the principal risks and uncertainties and the business outlook are presented in specific paragraphs of the Report on Operations.

Besides the figures for the year 2009 and those published for the year 2008, the separate financial statements also present the comparative pro-forma figures for 2008 which present the effects of the Merger as if it had taken place retroactively.

In the pro-forma statement of financial position and pro-forma income statement, the pro-forma figures for 2008 have been prepared according to the following criteria:

- the statements of financial position of EXOR and IFIL have been aggregated line by line;
- the treasury stock held by IFIL has been canceled (pro-forma 1 entry);
- the carrying amount of the investment held by EXOR in IFIL has been eliminated against the corresponding share of equity of IFIL and the difference has been recorded in the "Merger Surplus" (pro-forma 2 entry);
- the remaining share of the equity of IFIL has been shown in the "Non-controlling interests in capital stock and reserves of the company being merged" (pro-forma 3-entry);

– the receivable and payable balances on the loan extended by IFIL to IFI have been eliminated; the Merger Surplus has been reclassified to “Retained earnings and other reserves”; the carrying amount of the shares of the Parent held by Exor Services (formerly Soiem) has been recorded as an increase in “Shares held by EXOR” (pro-forma 4 entry);

– the income statements for the year 2008 of EXOR and IFIL have been aggregated line by line; the balances resulting from transactions between the two companies (dividends distributed by IFIL to EXOR, financial income (expenses) on the loan extended by IFIL to IFI, performance of services and recoveries of costs) have been eliminated (pro-forma 5 entry);

– the statements of cash flows and statements of comprehensive income for 2008 of EXOR and IFIL have been aggregated line by line; the changes resulting from transactions between the two companies (as described above) have been eliminated.

Pro-forma statement of financial position

Amounts in Euro	IFIL Statement of Financial Position at 12/31/2008	EXOR Statement of Financial Position at 12/31/2008	Pro-forma 1 entry	Pro-forma 2 entry	Pro-forma 3 entry	Pro-forma 4 entry	**Pro-forma EXOR Financial Position at 12/31/2008**
Non-current assets							
Investments accounted for at cost							
- IFIL ordinary shares	0	2,236,102,920		(2,236,102,920)			**0**
- IFIL savings shares	0	6,383,622		(6,383,622)			**0**
- Other	3,800,471,558	276,631					**3,800,748,189**
	3,800,471,558	2,242,763,173	0	(2,242,486,542)		0	**3,800,748,189**
Available-for-sale investments	297,242,000						**297,242,000**
Total Investments	4,097,713,558	2,242,763,173	0	(2,242,486,542)	0	0	**4,097,990,189**
Other financial assets	196,459	403,540					**599,999**
Intangible assets	2,667	2,667					**5,334**
Property, plant and equipment	321	650					**971**
Other receivables	1,291	0					**1,291**
Total Non-current assets	4,097,914,296	2,243,170,030	0	(2,242,486,542)	0	0	**4,098,597,784**
Current assets							
Financial assets held for trading	170,498,715	0					**170,498,715**
Cash and cash equivalents	411,398,343	548,131					**411,946,474**
Other financial assets	958,964	256,540					**1,215,504**
Tax receivables	43,189,295	19,393,798					**62,583,093**
Financial receivables from related parties	199,456,474	0				(199,456,474)	**0**
Trade receivables from related parties	223,471	87,438					**310,909**
Other receivables	3,574,753	3,987,687					**7,562,440**
Total Current assets	829,300,015	24,273,594	0	0	0	(199,456,474)	**654,117,135**
Total Assets	4,927,214,311	2,267,443,624	0	(2,242,486,542)	0	(199,456,474)	**4,752,714,919**
Equity							
Capital stock	1,075,995,737	163,251,460	(34,103,198)	(728,766,323)	(313,126,216)		**163,251,460**
Capital reserves	1,456,923,529	386,346,907	(115,279,666)	(938,431,583)	(403,212,280)		**386,346,907**
Retained earnings and other reserves	1,536,157,527	1,410,378,968		(1,074,486,888)	(461,670,639)	499,198,252	**1,909,577,220**
Treasury stock held by EXOR		(70,477,224)				(2,762,519)	**(73,239,743)**
Shares of the parent held by former Soiem	(2,762,519)					2,762,519	**0**
Treasury stock held by IFIL	(149,382,864)		149,382,864				**0**
Merger surplus	0			499,198,252		(499,198,252)	**0**
Non-controlling interests in capital stock and reserves of company being merged	0				1,178,009,135		**1,178,009,135**
Total Equity	3,916,931,410	1,889,500,111	0	(2,242,486,542)	0	0	**3,563,944,979**
Non-current liabilities							
Non-convertible bonds	944,178,905	0					**944,178,905**
Bank debt	0	150,000,000					**150,000,000**
Deferred tax liabilities	21,602,458	3,332,804					**24,935,262**
Provisions for employee benefits	2,279,902	2,013,107					**4,293,009**
Other payables	56,099	188,810					**244,909**
Total Non-current liabilities	968,117,364	155,534,721	0	0	0	0	**1,123,652,085**
Current liabilities							
Bank debt	334,476	16,181,218					**16,515,694**
Financial payables to related parties		199,456,474				(199,456,474)	**0**
Other financial liabilities	28,541,708	5,459,740					**34,001,448**
Trade and other payables to related parties	8,948,811	230,713					**9,179,524**
Trade payables to third parties	1,218,023	188,638					**1,406,661**
Tax payables	727,440	143,515					**870,955**
Other payables	2,395,079	748,494					**3,143,573**
Total Current liabilities	42,165,537	222,408,792	0	0	0	(199,456,474)	**65,117,855**
Total Equity and Liabilities	4,927,214,311	2,267,443,624	0	(2,242,486,542)	0	(199,456,474)	**4,752,714,919**

Pro-forma income statement

Amounts in Euro	IFIL Income Statement 2008	EXOR Income Statement 2008	Pro-forma 5 entry	**Pro-forma EXOR Income Statement 2008**
Investment income (charges)				
Dividends from investments	255,636,122	72,729,524	(72,620,277)	**255,745,369**
Gains on disposals of investments	167,468,287	0		**167,468,287**
Impairment losses on investments	(4,098)	(50,211)		**(54,309)**
Net investment income	423,100,311	72,679,313	(72,620,277)	**423,159,347**
Financial income (expenses)				
Financial expenses from third parties	(84,209,618)	(21,761,543)		**(105,971,161)**
Financial expenses from related parties	0	(1,456,474)	1,456,474	**0**
Financial income from third parties	29,955,844	6,443,384		**36,399,228**
Financial income from related parties	1,456,474	0	(1,456,474)	**0**
Foreign exchange gains (losses)	4,069,507	333		**4,069,840**
Net financial expenses	(48,727,793)	(16,774,300)	0	**(65,502,093)**
Net general expenses				
Personnel costs	(8,333,037)	(2,824,141)		**(11,157,178)**
Purchases of goods and services from third parties	(3,590,129)	(847,102)		**(4,437,231)**
Purchases of goods and services from related parties	(5,987,634)	(1,149,452)	95,000	**(7,042,086)**
Other current operating expenses	5,283	(718,667)		**(713,384)**
Depreciation and amortization	(2,940)	(2,158)		**(5,098)**
Revenues from third parties	156,409	113		**156,522**
Revenues from related parties	683,364	209,277	(95,000)	**797,641**
Net general expenses	(17,068,684)	(5,332,130)	0	**(22,400,814)**
Non-recurring other income (expenses) and general expenses				
Personnel costs	(252,000)	(372,052)		**(624,052)**
Purchases of goods and services from third parties	(1,215,990)			**(1,215,990)**
Purchases of goods and services from related parties	2,795,801	0		**2,795,801**
Non-recurring other income (expenses) and general expenses	1,327,811	(372,052)	0	**955,759**
Other taxes and duties	(2,118,748)	(1,063,012)		**(3,181,760)**
Profit before income taxes	356,512,897	49,137,819	(72,620,277)	**333,030,439**
Income taxes	(36,054)	0		**(36,054)**
Profit for the year	356,476,843	49,137,819	(72,620,277)	**332,994,385**

5. Related party transactions, unusual and/or atypical transactions and significant non-recurring events and transactions

Related party transactions

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 42.

Stock option plan with underlying Alpitour stock

At December 31, 2009, the liability for the stock option plan with underlying Alpitour stock amounts to € 12.2 million compared to € 8.1 million at December 31, 2008. The difference of € 4.1 million is charged to the income statement under “Non-recurring other expenses from related parties”. Further information is provided in Note 32.

Beside what has been indicated, there are no significant non-recurring events or transactions or significant unusual and/or atypical transactions to be reported as required by Consob Communication 6064293 dated July 28, 2006.

6. Significant accounting policies

General principle

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading, as well as for the going concern assumption.

Despite operating in a difficult economic and financial environment, the directors have in fact assessed that no material uncertainties exist (as defined in paragraph 25 of IAS 1) about its ability to continue as a going concern.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. This objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell.

At the end of each reporting period, EXOR S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if appropriate, the carrying amount is increased up to the cost of the investment.

Available-for-sale investments and non-current other financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses may not later be reversed through the income statement.

Upon disposal of the asset, the accumulated gains or losses recorded in equity are credited or debited to the income statement.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held-to-maturity securities

Held-to-maturity securities are non-derivative assets with fixed or determinable payments and fixed maturities that EXOR has the positive intention and ability to hold to maturity.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the Company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset was initially measured net of repayments of principal, decreased by the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method used for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.
If there is objective evidence of an impairment loss or a risk that the Company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.
Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans

Pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the Company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee. Following the changes in regulations for employee severance indemnities pursuant to Law 296 dated December 27, 2006 (Budget Law 2007) and later decrees and regulations, defined contribution plans include the portions of employee severance indemnity accruing from January 1, 2007. However, since EXOR S.p.A. has

less than 50 employees, employee severance indemnities are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to the supplementary pension fund.
Consequently, for those who transfer the entire amount accrued to the supplementary pension fund, the Company records the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Company has the obligation to set aside the costs relating to the benefits guaranteed to its employees in service. The actuarial risk and the investment risk are thus substantially borne by the Company.
Defined benefit plans, which include employee severance indemnities, taking into account what was described above, are measured by actuarial techniques using the Projected Unit Credit Method.
As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, EXOR has elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of comprehensive income.
All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.
For defined benefit plans, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.
Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.
Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Employee benefits – Stock option plans

Stock option plans with underlying EXOR stock

Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date.
In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component deriving from stock option plans with underlying EXOR stock but relating to employees in other companies of the Holdings System, under IFRIC 11, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees and consequently recorded as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Stock option plans with underlying stock of the subsidiary Alpitour

This is a stock option plan that requires a monetary payment equal to the increase in the value of the company. The fair value of the liability of the plan is re-measured at each reporting date until its extinction.
The cost is recognized in the income statement in “Non-recurring other expenses” with a corresponding entry to “Other payables to related parties”.
If the payable to related parties decreases, the resulting income is recognized in the income statement in “Non-recurring other income from related parties”.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. EXOR designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.
A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the Company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.
When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when they are approved by the stockholders.

Dividends from available-for-sale investments are in any case recognized in the income statement.

Financial income and expenses are recognized according to the accrual principle on the basis of the effective rate of return.

Revenues from services are recognized by reference to the stage of completion of the service at the end of the reporting period.

The expenses incurred for the Merger by EXOR and by the merged company IFIL in 2008 have been recognized in “Current assets – Other receivables” and, as a result, do not impact the profit for the year. Such expenses together with those incurred in 2009, by EXOR and IFIL, have been charged directly as a deduction from additional paid-in capital which originated from recording the capital stock increase carried out to service the exchange of the canceled IFIL shares.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line item under non-current assets or liabilities.

Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates particularly refer to the measurement of investments. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are investments accounted for at cost and available-for-sale investments.

In particular:

- the carrying amounts of listed investments accounted for at cost or fair value were lower than stock market prices at the end of 2009;
- for the other unlisted investments accounted for at cost or fair value, their measurement indicated no evidence of impairment.

No particular or significant issues have arisen, however, in relation to estimates used for the recognition of percentage of completion contract work in progress, employee benefits, taxes or provisions also taking into consideration their level of materiality.

7. Adoption of new accounting standards, amendments and interpretations issued by the IASB

<u>Accounting standards, amendments and interpretations to standards applied from January 1, 2009</u>

IAS 1 Revised – Presentation of Financial Statements. The revised version of the standard, applicable from January 1, 2009, requires an entity to present all changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (that is, changes in comprehensive income) are required to be presented either in a single statement of comprehensive income showing performance for the period or in two statements (a separate income statement and a statement of comprehensive income). In any event, transactions with non-owners may not be presented in the statement of changes in equity.

EXOR has adopted the revised standard retrospectively from January 1, 2009, electing to present all non-owner changes in two statements entitled respectively “separate income statement” and “separate statement of comprehensive income”. EXOR has consequently modified the presentation of its “statement of changes in equity”.

As part of its 2008 annual improvements project, the IASB published an amendment to IAS 1. The amendment, applicable from January 1, 2009, requires an entity to classify derivative financial instruments not held for trading between current and non-current assets and liabilities. The adoption of this amendment did not have any effect on the presentation of items in the financial statements.

Amendment to IFRS 7 – Financial Instruments: Disclosures. The amendment, effective from January 1, 2009, was issued in order to improve the disclosure requirements for fair value measurements and reinforce existing principles for disclosures concerning the liquidity risk associated with financial instruments. In particular, the amendment requires disclosures to be made that are based on a hierarchy of the inputs used in valuation techniques to measure fair value. The adoption of the amendment only affected the disclosures in the notes and had no effect on the recognition and measurement of items in the financial statements.

Amendment to IFRS 1 – First Time Adoption of International Financial Reporting Standards. The amendment allows companies adopting IFRS for the first time from January 1, 2009 and electing to recognize investments in subsidiaries, associates and joint ventures in the separate financial statements at cost, to use one of the following methods:

- cost determined in accordance with IAS 27;
- revalued cost, measured on a fair value basis at the date of transition to IFRS or the carrying amount of the investment at the date of transition measured in accordance with local GAAP.

In addition, the amendment to IAS 27 – Consolidated and Separate Financial Statements requires that all dividends received from subsidiaries, joint ventures and associates be recognized in the parent company's income statement when the right to receive those dividends is established regardless of whether they relate to profit arising before or after the date the interest was acquired. Revisions to IAS 36 – Impairment of Assets require that, when evaluating whether impairment exists, if an investee company has distributed a dividend, the following must be considered:

- whether the carrying amount of the investment in the separate financial statements exceeds the book value of that company's equity (including any associated goodwill) as recognized in the consolidated financial statements;
- whether the dividend exceeds the comprehensive income of the investee for the period to which the dividend relates.

The company adopted the amendment to IAS 27 prospectively from January 1, 2009. However, no accounting effects resulted from its application since the dividends recorded in the 2009 income statement have been distributed by subsidiaries which had not been the object of acquisition. In accordance with the amendment made to IAS 36, the new impairment indicators have been considered for purposes of the recognition of impairment losses, if any, on investments.

Amendment to IFRS 2 – Share-based payment: Vesting Conditions and Cancellations. For the purpose of measuring share-based payments, only service conditions and performance conditions may be considered vesting conditions.
The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

Improvement to IAS 19 – Employee Benefits. This amendment clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognized immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. The board also revised the definition of short-term employee benefits and long-term employee benefits and the definition of a return on plan assets, stating that this amount should be net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation). The amendment is applicable prospectively to changes in plans occurring on or after January 1, 2009, Improvement to IAS 28 – Investments in Associates, and IAS 31 – Investments in Joint Ventures. The amendments, applicable from January 1, 2009, require that for investments accounted for by the equity method a recognized impairment loss should not be allocated to the individual assets (and in particular goodwill) that form part of the carrying amount of the investment in the associate, but to the carrying amount of the investment overall. Accordingly any reversal of that impairment loss is recognized in full.

Specific additional disclosures are also required for investments in associates and joint ventures measured at fair value in accordance with IAS 39, correspondingly amending IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation.

Amendments and interpretations effective from January 1, 2009 but not applicable to EXOR

The following standards and interpretations have also been issued and are effective from January 1, 2009 and relate to matters that were not applicable to the Company at the date of the financial statements:

- Amendment to IAS 16 – Property, Plant and Equipment.
- Amendment to IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.
- IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance.
- IAS 38 – Intangible Assets.
- IAS 23 Revised – Borrowing costs.
- Improvement to IAS 28 – Investments in Associates and IAS 31 – Investments in Joint Ventures.
- Improvement to IAS 29 – Financial Reporting in Hyperinflationary Economies.
- Improvement to IAS 36 – Impairment of Assets.
- Improvement to IAS 39 – Financial Instruments: Recognition and Measurement.
- Improvement to IAS 40 – Investment Property.
- IFRIC 13 – Customer Loyalty Programmes.
- IFRIC 15 – Agreements for Construction of Real Estate.
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.

Accounting standards, amendments and interpretations not yet effective and not early adopted by the EXOR

On January 10, 2008, the IASB issued a revised version of IFRS 3 – Business Combinations and an amended version of IAS 27 – Consolidated and Separate Financial Statements. The main changes that revised IFRS 3 makes to existing requirements are the elimination of the need to measure every asset and liability at fair value at each stage in a step acquisition of subsidiaries. Goodwill is only to be measured on acquiring control, as the difference at acquisition date between the value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Moreover, for a business combination in which the acquirer achieves control without purchasing all of the acquiree, the remaining (non-controlling) equity interests are measured either at fair value or by using the method already provided previously in IFRS 3. The revised IFRS 3 also requires acquisition-related costs to be recognized as expenses and the acquirer to recognize the obligation to make an additional payment as part of the business combination (contingent consideration).

In the amended version of IAS 27, the IASB has added a requirement specifying that changes in a parent's interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions and recognized within equity. Moreover, when a parent loses control of a subsidiary but retains an ownership interest it must initially measure any retained investment at fair value. At the date when control is lost, the difference between the fair value and the carrying amount of the retained interest must be recognized in the income statement. Finally, the amendment to IAS 27 requires losses pertaining to non-controlling interests to be allocated to non-controlling interest equity, even if this results in the non-controlling interest having a deficit balance. The new rules will apply prospectively from January 1, 2010.

As part of its 2008 annual improvements project, the IASB issued an amendment to IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations. This amendment, to be applied prospectively from January 1, 2010, requires an entity that is committed to a sale plan involving loss of control of a subsidiary to classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.

On July 31, 2008, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement. This amendment, to be applied retrospectively from January 1, 2010, clarifies how to apply the standard for what can be designated as a hedged item in particular situations.

In November 2008, the IFRIC also issued interpretation IFRIC 17 – Distributions of Non-cash Assets to Owners. The interpretation clarifies that dividends payable should be measured at the fair value of the net assets to be distributed when it becomes mandatory to recognize the relative liability to the stockholders. Moreover, an entity should recognize the difference between the dividends paid and the carrying amount of the net assets used for payment in the income statement.
The interpretation is effective prospectively from January 1, 2010, for annual periods beginning on or after July 1, 2009.

On January 29, 2009, the IFRIC issued interpretation IFRIC 18 – Transfers of Assets from Customers (applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009). The interpretation clarifies the accounting treatment to be followed for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

On March 12, 2009, the IASB issued amendments to IFRIC 9 – Reassessment of Embedded Derivatives and to IAS 39 – Financial Instruments: Recognition and Measurement. The amendments allow entities to reclassify certain financial instruments out of the ‘fair value through profit or loss’ category in specific circumstances. The amendments clarify that on the reclassification of a financial asset out of the ‘fair value through profit or loss’ category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments are effective retrospectively from December 31, 2009; at the date of these financial statements, the European Union had yet to complete the endorsement process required for the amendments to be applicable.

On April 16, 2009, the IASB issued a series of amendments to IFRS (Improvements to IFRSs). Details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out any amendments regarding changes in terminology or editorial changes which are likely to have minimal effects on accounting and effects on the separate financial statements and amended standards or interpretations not applicable by EXOR.

- IFRS 2 – Share-based Payment. This amendment, applicable from January 1, 2010 (with early application permitted), clarifies that following the change made by IFRS 3 to the definition of a business combination, the contribution of a business on the formation of a joint venture and the combination of entities or businesses under common control do not fall within the scope of IFRS 2.
- IFRS 5 – Non-current Assets held for Sale and Discontinued Operations. This amendment, which shall be applied prospectively from January 1, 2010, clarifies that IFRS 5 and other IFRSs that specifically refer to non-current assets (or disposal groups) classified as held for sale or discontinued operations set out all the disclosures required in respect of those assets or operations.

- IAS 1 – Presentation of Financial Statements. This amendment, applicable from January 1, 2010 (with early application permitted), clarifies that an entity should classify a liability as current if it does not have unconditional right to defer the settlement for at least twelve months after the end of the year, even when there is an option by the counterpart that could require a settlement in the form of equity instruments.
- IAS 7 – Statement of Cash Flows. This amendment, applicable from January 1, 2010, clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities in the statement of cash flows; cash flows originating from expenditures that do not result in a recognized asset (as could be the case for advertising and promotional activities and staff training) must be classified as cash flows from operating activities.
- IAS 17 – Leasing. Following the changes, the general conditions required by IAS 17 for classifying a lease as a finance lease or an operating lease will also be applicable to the leasing of land, independent of whether the lease transfers ownership by the end of the lease term. Before these changes, the standard required the lease to be classified as an operating lease if ownership of the leased land was not transferred at the end of the lease term because land has an indefinite useful life. The amendment is applicable from January 1, 2010. At the date of adoption, the classification of all land elements of unexpired leases must be reassessed, with any lease newly classified as a finance lease to be recognized retrospectively.
- IAS 36 – Impairment of Assets. This amendment, applicable prospectively from January 1, 2010, states that each unit or group of units to which goodwill is allocated for the purpose of impairment testing shall not be larger than an operating segment as defined by paragraph 5 of IFRS 8 – Operating Segments before any aggregation on the basis of similar economic characteristics and other similarities as permitted by paragraph 12 of IFRS 8.
- IAS 38 – Intangible Assets. IFRS 3 (as revised in 2008). The revised IAS 38 states that if an intangible asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure its fair value reliably; amendments are made to IAS 38 to reflect that revision of IFRS 3. Moreover, these amendments clarify the valuation techniques commonly used to measure intangible assets at fair value when assets are not traded in an active market; in particular, such techniques include discounting the estimated future net cash flows from an asset, and estimating the costs the entity avoids by owning an intangible asset and not having to license it from another party in an arm’s length transaction or the costs to recreate or replace it (as in the cost approach). The amendment is applicable prospectively from January 1, 2010; if an entity applies the revised IFRS 3 for an earlier period it shall also apply this amendment.
- IAS 39 – Financial Instruments: Recognition and Measurement. This amendment restricts the non-applicability of IAS 39 under paragraph 2(g) of the standard to forward contracts between an acquirer and a selling stockholder to buy or sell an acquiree in a business combination at a future acquisition date when the completion of the business combination is not dependent on further actions of either party and only the passage of a normal period of time is required. Option contracts, whether or not currently exercisable, which allow one party to control the occurrence or non-occurrence of future events and on exercise will result in control of an entity are therefore included in the scope of IAS 39. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of interest income resulting from the prepayment of the loan shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, the amendment clarifies that the gains or losses on a hedged instrument must be reclassified from equity to profit or loss during the period that the hedged forecast cash flows affect profit or loss. The amendment is effective prospectively from January 1, 2010; early application is permitted.

- IFRIC 9 – Reassessment of Embedded Derivatives. This amendment is applicable prospectively from January 1, 2010 and excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in a business combination, a combination of entities or businesses under common control or the formation of a joint venture.

At the date of these financial statements, the European Union had yet to complete the endorsement process required for the improvements to be applicable.

In June 2009, the IASB issued an amendment to IFRS 2 – Share-based Payment: Group Cash-settled Share-based Payment Transactions. The amendment clarifies the scope of IFRS 2 and the interactions of IFRS 2 and other standards. In particular, it clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash; moreover, it clarifies that a ‘group’ has the same meaning as in IAS 27 – Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. In addition, the amendment clarifies that an entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognized in the consolidated financial statements. The amendment also incorporates guidance previously included in IFRIC 8 - Scope of IFRS 2 and in IFRIC 11 - IFRS 2 – Group and Treasury Share Transactions. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11. The amendment is effective from January 1, 2010; at the date of these financial statements, the European Union had yet to complete the endorsement process required for the amendment to be applicable.

On October 8, 2009, the IASB issued an amendment to IAS 32 – Financial Instruments: Classification of Rights Issues. The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.
The amendment is applicable retrospectively from January 1, 2011. The adoption of this amendment will not have any effect on the financial statements of the company.

On November 4, 2009, the IASB issued a revised version of IAS 24 – Related Party Disclosures. The revised IAS 24 simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after January 1, 2011. The revised standard had not yet been endorsed by the European Union at the date of these financial statements.

On November 12, 2009, the IASB issued a new standard IFRS 9 – Financial Instruments. The new standard addresses the classification and measurement of financial assets, having an effective date for adoption of January 1, 2013. The new standard represents the completion of the first part of a project to replace IAS 39. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. IFRS 9 also requires a single impairment method to be used. The new standard had not yet been endorsed by the European Union at the date of these financial statements.

On November 26, 2009, the IASB issued a minor amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for adoption of January 1, 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

On November 26, 2009, the IFRIC issued the interpretation IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the profit or loss for the period.
The amendment has an effective date for adoption of January 1, 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

8. Risk management

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2009 is represented by the carrying amount of financial assets presented in the financial statements. The Company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparts selected according to their creditworthiness.
EXOR does not have financial liabilities denominated in currencies other than Euro.
In its meeting held on March 25, 2009, the EXOR board of directors voted to extend a 3-year subordinated credit line for $50 million to C&W Group. The loan was partly drawn down by C&W Group for an amount of $40 million at December 31, 2009.
In order to protect itself from fluctuations in the €/USD on the loan, EXOR put into place forward sales contracts with leading credit institutions for the same amount and expiration date of the U.S. dollars to be received from C&W Group.

A part of the assets held for trading and cash are denominated in currencies other than Euro. Since these are securities held for trading and cash, both have been adjusted to the year-end exchange rate.

With regard to liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some of the existing loans received.

9. Dividends from investments

Dividends amount to € 120,029 thousand (€ 255,745 thousand in 2008) and have been received from the following companies:

€ in thousands	**2009**	2008 (pro-forma)
EXOR S.A.	**119,960**	0
Fiat S.p.A. - Ordinary shares	**0**	133,035
Fiat S.p.A. - Preferred shares	**0**	12,433
Intesa Sanpaolo S.p.A. - Ordinary shares	**0**	110,168
Emittenti Titoli S.p.A.	**69**	109
Total dividends	**120,029**	255,745

In 2008, dividends had been received from IFIL (€ 72,621 thousand) and Emittenti Titoli (€ 109 thousand) for a total of € 72,730 thousand.

10. Gains on disposals of investments

Gains on disposals of investments amount to € 21,685 thousand in 2009 and include the net gain of € 21,677 thousand from the sale of 78,000,000 Intesa Sanpaolo shares, equal to a 0.66% stake in ordinary capital stock. Net proceeds total € 217,172 thousand.

In 2008, gains on disposals of investments had included the net gain of € 167,468 thousand from the sale by IFIL of 171,916,165 Intesa Sanpaolo shares, equal to a 1.45% stake in ordinary capital stock. Net proceeds were € 598,350 thousand.

11. Financial expenses from third parties

These include:

€ in thousands	2009	2008 (pro-forma)	Change
Interest on bonds 2007/2017	**40,830**	40,414	416
Interest on bonds 2006/2011	**7,308**	11,162	(3,854)
Expenses on early closing of interest rate hedging transactions on 2006/2011 bonds	**1,568**	0	1,568
Interest expenses on bank debt	**2,811**	17,185	(14,374)
Bank commissions	**1,452**	2,137	(685)
Interest rate hedging expenses	**5,345**	3,737	1,608
Charges from discounting to present value	**12**	8	4
Financial expenses on securities held for trading:			
- Losses on stock trading	**9,058**	16,740	(7,682)
- Losses on put/call sales	**1,317**	260	1,057
- Fair value adjustments	**3,960**	14,312	(10,352)
- Other expenses	**4,931**	16	4,915
Total financial expenses from third parties	**78,592**	105,971	(27,379)

12. Financial income from third parties

This includes:

€ in thousands	2009	2008 (pro-forma)	Change
Interest income on receivables from:			
- tax authorities	**1,122**	1,381	(259)
- banks	**3,592**	12,241	(8,649)
Interest rate hedging income	**1,303**	7,889	(6,586)
Income on securities held for trading:			
- Gains on put/call sales	**15,549**	1,845	13,704
- Gains on stock trading	**14,008**	3,417	10,591
- Fair value adjustments	**6,085**	3,214	2,871
- Interest on fixed-rate securities	**8,925**	1,475	7,450
- Dividends	**2,041**	2,672	(631)
- Other income	**4,119**	2,235	1,884
Sundry income	**95**	30	65
Total financial income from third parties	**56,839**	36,399	20,440

13. Personnel costs

These amount to € 8,724 thousand (€ 11,157 thousand in 2008) and show a total net decrease of € 2,433 thousand.
Details are as follows:

€ in thousands	2009	2008 (pro-forma)	Change
Salaries	**5,139**	6,639	(1,500)
Social security contributions	**1,370**	1,755	(385)
Employee severance indemnities, other long-term benefit plans and defined benefit plans and payments of plan contributions	**616**	1,496	(880)
Figurative costs of EXOR stock option plan (a)	**886**	554	332
Other personnel costs (b)	**713**	713	0
Total personnel costs	**8,724**	11,157	(2,433)

(a) Information on the EXOR stock option plan is provided in Note 32.
(b) These costs include € 308 thousand (€ 281 thousand in 2008) of costs from related parties.

The decrease in salaries and social security contributions is mainly due to the reduction in the workforce and a different workforce composition.

In fact, in 2009, three managers and four employees left the Company; four employees were transferred to the subsidiary Soiem (now Exor Services) and three new employees were hired.

At the end of 2009, employees number 42 (50 at the end of 2008).
The average number of employees in 2009 was 42, summarized by category as follows:

	2009	2008 (pro-forma)
Managers	**11**	13
Middle management	**17**	17
Clerical staff	**11**	16
Messengers	**3**	7
Average number of employees	**42**	53

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.
The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; since 2009, variable compensation is discretionary; previously, it was liked to an evaluation system according to fixed objectives both individually and as a team.
Further discretionary bonuses may be paid for exemplary performance in transactions which create value for the Company.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided for, the use of a company car.
Further information on employee benefits is presented in Note 36.

14. Purchases of goods and services from third parties

These amount to € 4,500 thousand and increased by € 63 thousand compared to 2008 (€ 4,437 thousand). The main costs are indicated below:

€ in thousands	2009	2008 (proforma)	Change
Sundry consulting and services	**1,754**	1,573	181
Compensation to corporate boards	**387**	322	65
Travel, entertainment and transport expenses	**380**	390	(10)
Directors' liability insurance	**318**	290	28
Securities' listing fees	**215**	333	(118)
Notary fees	**190**	320	(130)
Bank and financial commissions	**171**	185	(14)
Publication and translation of financial reports	**171**	170	1
Office management	**161**	116	45
Rent	**151**	119	32
Rentals	**115**	66	49
Stockholders' meetings' fees	**100**	97	3
Audit fees (a)	**92**	109	(17)
Stationery and consumable office supplies	**64**	64	0
Books, newspapers, magazines and other publications	**59**	63	(4)
Sundry expenses	**172**	220	(48)
Total purchases of goods and services from third parties	**4,500**	4,437	63

(a) Includes out-of pocket expenses.

15. Other operating expenses

These total € 578 thousand (€ 713 thousand in 2008).
Details are as follows:

€ in thousands	2009	2008 (pro-forma)	Change
Donations	**344**	467	(123)
Consob supervisory contribution	**152**	130	22
Association dues	**60**	97	(37)
Sundry taxes and duties	**8**	11	(3)
Dividends statute-barred	**2**	0	2
Sundry expenses	**12**	8	4
Total other operating expenses	**578**	713	(135)

16. Non-recurring other income (expenses) and general expenses – Personnel costs

These amount to € 4,499 thousand (€ 624 thousand in 2008) and refer to the special indemnity relative to the termination of the employment relationship resolved in favor of the former chief executive officer and general manager of IFI S.p.A., Virgilio Marrone (€ 3,265 thousand), expenses relating to workforce reductions (€ 1,234 thousand), of which € 947 thousand is for termination incentives and € 287 thousand for accruals to the Redundancy Solidarity fund. Further details are provided in Note 38.

17. Non-recurring other income (expenses) and general expenses – Purchases of goods and services from third parties

These amount to € 1,444 thousand (€ 1,216 thousand in 2008) and refer to legal expenses incurred for assistance in the proceedings relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.

18. Other taxes and duties – Non-deductible VAT

Both in 2009 and in 2008 (pro-forma), prorated non-deductible VAT was 100%. Non-deductible VAT was € 3,515 thousand in 2009 and € 3,175 thousand in 2008. The particular significance of these amounts was determined by the invoicing of services rendered in relation to the Merger and the legal expenses for defense in proceedings in progress.

19. Income taxes

The income for tax purposes calculated by applying tax rules generates a taxable loss of about € 6 million. The income taxes recorded in the income statement (€ 73 thousand) refer to the separate income taxes of the CFC (Controlled Foreign Companies) paid in 2009.

In 2009, deferred taxes were released for € 3,233 thousand set aside in the past by IFI on the reversal of the impairment loss on IFIL stock since this amount was in excess owing to the cancellation of IFIL stock following the Merger.

Given that, currently, the probability of recovery against future taxable income is not assured, no deferred tax assets have been booked on the tax losses for the years 2005 to 2009 (€ 396 million, in total).

Details are as follows:

	2009				2008 (EXOR)	
€ in millions	**EXOR**	**IFIL**	**Total**	**Theoretical tax effect (27.5% rate)**	Amount	Theoretical tax effect (27.5% rate)
Tax losses carryforwards (for a maximum of 5 years)						
- year 2004 (a)					20	
- year 2005	**33**	**117**	**150**		33	
- year 2006	**29**	**135**	**164**		29	
- year 2007	**10**	**56**	**66**		10	
- year 2008	**3**	**7**	**10**		3	
- year 2009	**6**	**-**	**6**		0	
Total tax losses carried forward	**81**	**315**	**396**	**109**	95	26

(a) At December 31, 2009, the possibility of utilizing the part of tax losses referring to the year 2004 has expired.

Considering that the Irap taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for Ires purposes.

€ in millions	**2009**	2008
Pre-tax profit	**86**	49
Increases:		
- temporary differences (a)	**40**	17
- permanent differences	**6**	1
Total increases	**46**	18
Decreases:		
- 95% of dividends received	**(114)**	(69)
- 95% of the gain on the sale of the stake in Intesa Sanpaolo	**(20)**	
- deductions of permanent differences	**(4)**	0
- deductions of prior years' temporary differences (b)	**0**	(1)
Total decreases	**(138)**	(70)
Loss for the year for tax purposes	**(6)**	(3)

(a) Mainly includes non-deductible net interest expenses for the year.

(b) Includes fees and compensation referring to prior years paid this year and other expenses incurred in previous years and deductible for tax purposes in the current year.

For the years up to December 31, 2004, the ordinary deadline for tax utilization has expired.

20. Non-current assets – Investments

Details are as follows:

€ in thousands	**12/31/2009** **% of class of stock**	**Amount**	12/31/2008 % of class of stock	Amount	Change
Investments accounted for at cost					
Fiat S.p.A. (ordinary shares)	30.45	**2,619,379**	0.00	0	2,619,379
Fiat S.p.A. (preferred shares)	30.09	**250,401**	0.00	0	250,401
Fiat S.p.A. (savings shares)	2.93	**13,042**	0.00	0	13,042
		2,882,822		0	2,882,822
EXOR S.A.	100.00	**746,701**	0.00	0	746,701
Alpitour S.p.A.	100.00	**100,027**	0.00	0	100,027
Juventus Football Club S.p.A.	60.00	**74,231**	0.00	0	74,231
Exor Services S.c.p.a.	99.75	**9,981**	0.00	0	9,981
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Deutsche Morgan Grenfell Capital Italy S.A.					
- class A stock	0.00	**0**	0.66	4	(4)
- class B stock	0.00	**0**	1.28	0	0
IFIL S.p.A. (ordinary shares)	0.00	**0**	69.99	2,236,103	(2,236,103)
IFIL S.p.A. (savings shares)	0.00	**0**	4.99	6,384	(6,384)
Investments accounted for at cost		**3,814,034**		2,242,763	1,571,271
Available-for-sale investments					
Intesa Sanpaolo S.p.A. (ordinary shares)	0.34	**126,600**	0.00	0	126,600
RHO Immobiliare fund		**10,000**		0	10,000
Total available-for-sale investments		**136,600**		0	136,600
Total investments		**3,950,634**		2,242,763	1,707,871

The changes during the year are as follows:

€ in thousands	Balances at 12/31/2008	Changes during 2009 Merger	Increases	Decreases	**Balances at 12/31/2009**
Investments accounted for at cost					
Fiat S.p.A. (ordinary shares)	0	2,619,379			**2,619,379**
Fiat S.p.A. (preferred shares)	0	250,401			**250,401**
Fiat S.p.A. (savings shares)	0	0	13,042		**13,042**
	0	2,869,780	13,042	0	**2,882,822**
EXOR S.A.	0	746,264	437		**746,701**
Alpitour S.p.A.	0	100,027			**100,027**
Juventus Football Club S.p.A.	0	74,231			**74,231**
Exor Services S.c.p.a.	0	9,981	25	(25)	**9,981**
Ifil Investment Holding NV	0	164		(164)	**0**
Ifil New Business S.r.l.	0	25		(25)	**0**
Emittenti Titoli S.p.A.	272				**272**
Deutsche Morgan Grenfell Capital Italy S.A.					
- class A stock	4			(4)	**0**
- class B stock	0				**0**
IFIL S.p.A. (ordinary shares)	2,236,103	(2,236,103)			**0**
IFIL S.p.A. (savings shares)	6,384	(6,384)			**0**
Total investments accounted for at cost	2,242,763	1,557,985	13,504	(218)	**3,814,034**
Available-for-sale investments					
Intesa Sanpaolo S.p.A. (ordinary shares)	0	297,242	25,840	(196,482)	**126,600**
RHO Immobiliare fund	0		10,000		**10,000**
Total available-for-sale investments	0	297,242	35,840	(196,482)	**136,600**
Total investments	2,242,763	1,855,227	49,344	(196,700)	**3,950,634**

The changes during the year are described in the following paragraphs.

As a result of the Merger, EXOR took over the investments held by IFIL. Since the Merger was characterized by the absence of economic exchange with third parties and the continuance of control, the investments have been transferred at their same values, without the emergence of hidden gains or losses.
The carrying amount of the investment in IFIL held by IFI was eliminated against the corresponding share of accounting equity of IFIL; the difference that arose between the accounting values constitutes the Merger Surplus which was recognized as an increase in the reserves of EXOR.
During 2009, the investments were affected by the following transactions listed below:

Fiat S.p.A. (savings shares). In September and October 2009, EXOR S.p.A. purchased 2,338,629 Fiat savings shares (2.93% of the class) from Fondazione Giovanni Agnelli for a total investment of € 13,042 thousand at an average price per share of € 5.577. EXOR S.p.A. currently holds 332,587,447 Fiat ordinary shares (30.45% of the class), 31,082,500 Fiat preferred shares (30.09% of the class) and 2,338,629 Fiat savings shares (2.93% of the class). The investment represents 28.7% of current Fiat capital stock overall.

EXOR S.A. The investment in EXOR S.A. increased by € 437 thousand following the recognition of the portion of the EXOR S.p.A. stock option plan relating to employees of EXOR S.A. and subsidiaries.

Exor Services S.c.p.a. (formerly Soiem S.p.A.). In order to achieve greater efficiency in carrying out certain activities of an auxiliary nature on behalf of the Group, Soiem S.p.A. was transformed into a consortium company with shares. In consideration of this, in November 2009, EXOR sold 45,800 shares of the company to Giovanni Agnelli e C. at an average price per share of € 0.638 for a total of € 29 thousand, equal to the share of the value of equity of the company at that date. The transaction resulted in a gain of € 4 thousand.

With a view towards simplifying the Group's structure, in November 2009, Ifil New Business S.r.l. was merged in Exor Services S.c.p.a. (formerly Soiem S.p.A.). After the Merger, EXOR canceled the carrying amount of the investment in Ifil New Business (€ 25 thousand) and increased the carrying amount of the investment in Exor Services by the same amount against the shares issued by Exor Services to service the exchange for a nominal amount of € 20 thousand.

Other changes in investments accounted for at cost. In 2009, the voluntary wind-ups were closed for Ifil Investment Holding and Deutsche Morgan Grenfell Capital Italy SA. Consequently, the carrying values of these companies were eliminated.

Intesa Sanpaolo S.p.A. During 2009, 78,000,000 ordinary shares were sold for net proceeds of € 217,172 thousand and a gain of € 21,677 thousand. The derecognition of the carrying amount of the stake sold (€ 196,482 thousand) includes the original purchase cost of € 195,495 thousand and cumulative fair value of € 987 thousand.

The gain of € 21,677 thousand comes from the comparison between the net proceeds of € 217,172 thousand and the original purchase cost of € 195,495 thousand. The cumulative fair value on the stake sold, equal to € 987 thousand, was deducted from the specific reserve in equity.
The adjustment to fair value of the remaining shares at the end of the period, equal to € 25,840 thousand, has been recorded, net of deferred taxes, as an increase in the same reserve. The original purchase of the remaining stake of the investment in Intesa Sanpaolo, represented by 40,000,000 ordinary shares, is € 100,254 thousand (€ 2.506 per share).

At December 31, 2008, there were still 19,500,000 call options on Intesa Sanpaolo stock expiring in February 2009. At the established expiration date, the options were not exercised by the counterparts and therefore the premiums received at the date of sale of the options have been recognized as financial income from third parties (€ 301 thousand). In 2009, 25,000,000 put options on Intesa Sanpaolo shares were sold as were 80,600,000 call options on Intesa Sanpaolo shares; put options were also purchased on 10,000,000 Intesa Sanpaolo shares. The premiums received amounted to € 17,741 thousand; those paid € 2,983 thousand. The options exercised or closed in advance have generated financial income of € 8,574 thousand.

At December 31, 2009, there remained call options sold on 40,000,000 Intesa Sanpaolo shares expiring in January and March 2010 at a strike price of € 3 per share; the fair value adjustment of the options led to financial expenses of € 1,186 thousand. At the expiration date in January, the options were exercised with the consequent sale of the underlying shares.

<u>Rho Immobiliare fund.</u> In December 2009, EXOR purchased 400 shares of the closed-end Italian real estate mutual fund denominated “Rho Immobiliare – Fondo Comune di Investimento Immobiliare di tipo chiuso” for a total of € 10 million.

Comparison between the carrying amounts and market prices of listed investments:

		Carrying amount		Market price December 30, 2009		Market price February 26, 2010	
	Number	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
Fiat S.p.A.							
- ordinary shares	332,587,447	7.88	2,619,379	10.26	3,412,347	7.69	2,557,597
- preferred shares	31,082,500	8.06	250,401	5.99	186,091	4.73	147,082
- savings shares	2,338,629	5.58	13,042	6.29	14,717	5.00	11,686
			2,882,822		3,613,155		2,716,365
Intesa Sanpaolo S.p.A. (ord. sh.)	40,000,000	3.17	126,600	3.17	126,600	2.59	25,863 (a)
Juventus Football Club S.p.A.	120,934,166	0.61	74,231	0.89	107,873	0.86	103,641
Total			**3,083,653**		**3,847,628**		

(a) This refers to the measurement of 10,000,000 ordinary shares in portfolio at the end of February.

Furthermore:

- there are no investments requiring the assumption of unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006).

	Capital stock			EXOR investment					Equity	Profit
	Number of shares/quotas	Par value	Amount	Number of shares/quotas	% ownership of Cap. St.	% ownership of Cl. of st.	Carrying amount Per share €	Carrying amount €/000	€/000	(loss) €/000
Fiat S.p.A. - (Turin)										
- ordinary shares	1,092,247,485	€ 5	5,461,237,425	332,587,447	26.08	30.45	7.88	2,619,379		
- preferred shares	103,292,310	€ 5	516,461,550	31,082,500	2.44	30.09	8.06	250,401		
- savings shares	79,912,800	€ 5	399,564,000	2,338,629	0.18	2.93	5.58	13,042		
	1,275,452,595		6,377,262,975					2,882,822	10,300,376 (a)	(837,845) (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	100.00	672.25	746,701	2,258,873 (b)	(76,797) (b)
Alpitour S.p.A. - (Cuneo)	35,450,000	€ 0.5	17,725,000	35,450,000	100.00	100.00	2.82	100,027	80,622 (c)	2,287 (c)
Juventus Football Club S.p.A. (Turin)	201,553,332	€ 0.1	20,155,333	120,934,166	60.00	60.00	0.61	74,231	115,844 (d)	14,216 (d)
Exor Services S.c.p.a. - (Turin)	18,290,000	€ 0.5	9,145,000	18,244,200	99.75	99.75	0.55	9,981	10,713 (b)	(1,079) (b)

(a) Data taken from the consolidated financial statements at December 31, 2009.
(b) Data taken from the separate financial statements at December 31, 2009.
(c) Data taken from the consolidated financial statements at October 31, 2009.
(d) Data taken from the half-year report at December 31, 2009.

The higher carrying amount of the investment held in Alpitour S.p.A. compared to its consolidated net equity is not considered an impairment, also in the light of the valuation carried out through an independent appraisal.

21. Current and non-current assets – Held-to-maturity financial instruments

Details are as follows:

€ in thousands	**12/31/2009**	12/31/2008
Non-current assets	**71,389**	0
Current assets	**5,007**	0
Total	**76,396**	0

These are represented by bonds issued by leading counterparts. The bonds classified in non-current assets will be repaid between January 15, 2012 and July 30, 2012; those classified in current assets will be repaid on November 30, 2010.

The bonds are recorded and measured at amortized cost.

22. Current assets – Financial assets held for trading

Details are as follows:

€ in thousands	12/31/2009
Bonds	224,233
Equity shares	42,783
Call options	103
Futures contracts	3,520
Total	**270,639**

Equity shares and bonds are listed in the main European and United States markets. Such shares are measured at fair value at year end using the market price translated, if appropriate, at the year-end rate. Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

Options purchased are measured at fair value at year end using the market price of the listed underlying assets and the relative level of implicit volatility calculated according to the financial models normally recognized by the market; the options denominated in currencies other than Euro are translated at the year-end exchange rate. The contra-entry fair value adjustment is recognized in the income statement under financial income (expenses) from third parties.

23. Current assets – Cash and cash equivalents

Details are as follows:

€ in thousands	**12/31/2009**	12/31/2008	Change
Bank deposits	**53,355**	548	52,807
Time deposits	**284,000**	0	284,000
Total cash and cash equivalents	**337,355**	548	336,807

These represent current account bank balances in Euro and other currencies besides the Euro, repayable on demand, and liquid assets deposited at leading credit institutions due on February 9, 2010.

Cash and cash equivalents approximate fair value at year-end.

The associated credit risks should be considered limited since the counterparts are leading bank institutions.

24. Current assets – Other financial assets

These amount to € 5,766 thousand (€ 257 thousand at December 31, 2008) and are essentially composed of the portion of interest earned at December 31, 2009 on bonds in portfolio at that date.

25. Current assets – Tax receivables

Tax receivables from the tax authorities refer to:

€ in thousands	**12/31/2009**	12/31/2008	Change
Receivables for prior years' taxes, refunds requested	**43,135**	19,328	23,807
Receivables for current and prior years' taxes, carried forward	**1,764**	3	1,761
VAT receivable	**0**	63	(63)
Total tax receivables	**44,899**	19,394	25,505

The change in receivables from the tax authorities for the year 2009 is summarized as follows:

€ in thousands	Refunds requested	Carried forward	VAT	Total
Balances at December 31, 2008	19,328	3	63	19,394
Merger	38,877	4,312		43,189
Refunds received from the tax authorities	(16,192)			(16,192)
Used for compensation of withholdings and VAT payable		(516)	(63)	(579)
Infragroup sale		(3,362)		(3,362)
Receivables arising during the year (withholdings paid)		1,292		1,292
Interest earned during the year	1,122			1,122
IRES tax advance on CFC		35		35
Balances at December 31, 2009	**43,135**	**1,764**	**0**	**44,899**

26. Current assets – Other receivables

At December 31, 2009, these amount to € 442 thousand. At December 31, 2008, they had totaled € 3,988 thousand, of which € 3,939 thousand was for deferred expenses incurred in 2008 relating to the Merger.

In 2009, such expenses have been allocated together with those incurred in 2008 by the merged company IFIL (€ 3,405 thousand) as well as the expenses incurred in 2009 by EXOR and IFIL (€ 9,750 thousand) as a deduction from additional paid-in-capital for a total of € 17,094 thousand.

27. Equity

Capital stock

At December 31, 2009, the capital stock of EXOR, fully subscribed to and paid-in, amounts to € 246,229,850 and consists of 160,259,496 ordinary shares (65.09% of capital stock), 76,801,460 preferred shares (31.19% of capital stock) and 9,168,894 savings shares (3.72% of capital stock), all with a par value of € 1.

At December 31, 2009, capital stock includes € 1,342 thousand from transfers of revaluation reserves set up in the past by the merged company IFIL which, in the event of distribution, would form part of the taxable income of the Company.

On March 1, 2009, the capital stock of EXOR was increased from € 163,251,460 to € 246,229,850 through the issue of 73,809,496 ordinary shares and 9,168,894 savings shares, all with a par value of € 1, with dividend rights from January 1, 2008. Such shares were attributed to the stockholders of the merged company IFIL in a ratio of 0.265 EXOR ordinary shares for each IFIL ordinary share and 0.265 EXOR savings shares for each IFIL savings share.

The EXOR capital stock increase to service the exchange of the shares of the merged company IFIL was recognized at the fair value of the 73,809,496 ordinary shares and 9,168,894 savings shares issued, respectively equal to € 5.36 and € 3.86 corresponding to the opening stock market prices on March 2, 2009, the first day of market trading of these shares. Of the total of € 431 million, € 83 million was allocated to capital stock, corresponding to the par value, and € 348 million to additional paid-in capital.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the capital stock up to an amount of € 561,750,000.
The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the stockholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting stockholders' meetings). The savings shares do not have voting rights in the stockholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special stockholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of capital stock;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the stockholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a

preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.
In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.
The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends on the dividends of the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of € 3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount according to law.

The objectives identified by EXOR and the companies in the Holdings System are to create value for all stockholders, safeguard business continuity, diversify investments by sector and geography and support the growth of investment holdings.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for stockholders and guarantee economic access to external sources of financing.
EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings.
Although currently insignificant, a very prudent approach is adopted with regard to the use of financial leveraging.

28. Equity – Capital reserves

Details are as follows:

€ in thousands	**12/31/2009**	12/31/2008
Additional paid-in capital	**759,300**	386,347
Merger surplus	**396,829**	0
Share exchange difference	**590,160**	0
Total capital reserves	**1,746,289**	386,347

29. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	**12/31/2009**	12/31/2008
Revaluation reserve Law 408/90	**243,894**	0
Revaluation reserve Law 413/91	**2,586**	0
Revaluation reserve Law 74/52	**157**	157
Revaluation reserve Law 576/75	**32,107**	16,940
Revaluation reserve Law 72/83	**64,265**	64,265
Legal reserve	**49,246**	32,650
Fair value reserve	**25,985**	0
Stock option reserve	**3,127**	0
Cash flow hedge reserve	**(11,218)**	(4,910)
Reserve for purchase of treasury stock	**157,986**	200,000
Extraordinary reserve	**1,002,615**	1,051,808
Retained earnings	**245**	331
Total retained earnings and other reserves	**1,570,995**	1,361,241

Details of the restatement of IAS reserves and tax-deferred reserves of the merged company IFIL are as follows:

€ in thousands	Merger surplus	Share exchange difference	Total
Balances resulting from Merger entries	**499,198**	**746,997**	
Reinstatement of IAS reserves			
- Fair value reserve	(1,475)		(1,475)
- Stock option reserve	(1,203)		(1,203)
- Cash flow hedge reserve	5,119		5,119
Used for resintatement of IFIL tax-deferred reserves			
- Revaluation reserve Law 408/90	(104,810)	(139,084)	(243,894)
- Revaluation reserve Law 413/91		(2,586)	(2,586)
- Revaluation reserve Law 576/75		(15,167)	(15,167)
Balance at December 31, 2009	**396,829**	**590,160**	

30. Equity reserves available and distributable

Disclosures required by art. 2427, 7-bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ in thousands	**Balance at 12/31/2009**	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**647,982**	A,B,C	**647,982**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**87,611**	A,B,C	**87,611**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Legal reserve	**49,246**	B	**0**
Cash flow hedge reserve	**(11,218)**		**0**
Extraordinary reserve (c)	**1,002,157**	A,B,C	**889,666**
Paid-in-capital	**111,318**	A,B,C	**111,318**
Share exchange difference	**188,762**	A,B,C	**189,045**
Merger surplus	**309,218**	A,B,C	**307,986**
Retained earnings	**245**	A,B,C	**245**
Reserve for purchase of treasury stock	**157,986**	A,B,C	**157,986**
Stock option reserve	**3,127**		**0**
Fair value reserve	**25,985**		**0**
Total	**3,317,284**		**3,136,704**

A: For capital increases; B: For coverage of losses; C: For distribution to stockholders.

(a) Since the legal reserve is equal to one-fifth of capital stock, the reserve is distributable (art. 2431 of the Italian Civil Code).

(b) The revaluation reserves can be used for free increases of capital stock. If used to cover losses, they must be later replenished, if not, then no dividends can be distributed. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the stockholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is freely distributable except for the portion coming from the reallocation of the contra-entry reserve to treasury stock in portfolio.

In the years 2006, 2007 and 2008, reserves were not used to absorb losses.

At December 31, 2009, tax-deferred reserves are recorded for a total of € 345,041 thousand, of which € 343,009 thousand relates to monetary revaluation reserves and € 2,032 thousand to the legal reserve. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75 recorded for a total of € 261,647 thousand in equity of the merged company IFIL S.p.A., have been reinstated in the equity of EXOR S.p.A. by using part of the merger surplus reserve and the share exchange difference. Further details are provided in Note 29.

31. Equity – Treasury stock

Under the treasury stock buyback program approved by the EXOR S.p.A. board of directors on March 25, 2009, during 2009, purchases were made for 2,550,000 ordinary shares (1.59% of the class) at the average cost per share of € 11.60 and a total of € 29,584 thousand, 1,605,000 preferred shares (2.09% of the class) at the average cost per share of € 6.67 and a total of € 10,708 thousand, and also 208,400 savings shares (2.27% of the class) at the average cost per share of € 8.26 and a total of

€ 1,722 thousand. The overall investment amounts to € 42,014 thousand (approximately 84% of the maximum amount of € 50 million stated in the Program).

At December 31, 2009, EXOR S.p.A. held the following treasury stock:

	Number	Carrying amount		% of
	of shares	Per share (€)	Total (€ thsd)	class
Ordinary shares	2,550,000	11.60	29,584	1.59
Preferred shares	6,965,300	11.66	81,185	9.07
Savings shares	208,400	8.26	1,722	2.27
Balance at December 31, 2009	**9,723,700**		**112,491**	

Changes during the year are as follows:

		Amount	
	Number	Per share (€)	Total (€ thsd)
Ordinary shares			
Balance at December 31, 2008	0	0.00	0
Increase from merger due to shares held by Exor Services (formerly Soiem)	214,756	12.87	2,763
Purchases	2,550,000	11.60	29,584
Sale made by subsidiary Exor Services (formerly Soiem)	(214,756)	12.87	(2,763)
Balance at December 31, 2009	**2,550,000**	**11.60**	**29,584**
Preferred shares			
Balance at December 31, 2008	5,360,300	13.15	70,477
Purchases	1,605,000	6.67	10,708
Balance at December 31, 2009	**6,965,300**	**11.66**	**81,185**
Savings shares			
Balance at December 31, 2008	0	0.00	0
Purchases	208,400	8.26	1,722
Balance at December 31, 2009	**208,400**	**8.26**	**1,722**

32. Stock option plans

Stock option plans with underlying EXOR stock

The ordinary session of the IFIL stockholders' meeting held on May 13, 2008 had approved the stock option plan (Stock Option Plan IFIL 2008 - 2019) for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the Merger, the stock option plan was taken over by EXOR S.p.A.. Therefore, the EXOR S.p.A. board of directors held on March 2, 2009 made the adjustments to the stock option Plan resulting from Merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the Merger's exchange ratio.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. At the end of the reporting period, a total of 9,475,000 options have been granted to 17 people, including the chief executive officer, corresponding, on the basis of the exchange ratio, to 2,510,875 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on capital stock. The treasury stock held by IFIL, including those to service the Plan, were canceled and did not form part of the exchange ratio under the Merger in accordance with the law. The board of directors' meeting held on March 25, 2009 approved a plan to purchase treasury stock of the three classes partly to service the above stock option Plan.

The fair value of the 9,525,000 options granted was determined to be € 15,263 thousand, divided as follows:

€ in thousands	Number of options granted	Number of EXOR shares exercisable	Total cost	Cost referring to the year
Options granted originally:				
Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	4,807	601
Key employees EXOR S.p.A. (13)	4,425,000	1,172,625	7,091	886
Total EXOR S.p.A.	7,425,000	1,967,625	11,898	1,487
Key employees of EXOR S.A. and other subsidiaries in the Holdings System (4)	2,100,000	556,500	3,365	437
Total	**9,525,000**	**2,524,125**	**15,263**	**1,924**

In 2009, 50,000 options originally assigned to key employees of EXOR S.p.A. were forfeited. Therefore, at December 31, 2009 there are 9,475,000 options.

The adjusted exercise price is € 19.97 for each EXOR share.

The cost referring to the year amounts to € 1,487 thousand, of which € 601 thousand is classified as emoluments for the chief executive officer and € 886 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System was recognized as an increase in the amount of the investment in EXOR S.A. The corresponding entry for the total of € 1,924 thousand is recorded in the stock option reserve.

Stock option plan with underlying Alpitour stock

With reference to the stock option plan approved by IFIL S.p.A. for two managers of the Alpitour Group in December 2005, it should be noted that after the Merger, EXOR S.p.A. took over the relative commitments.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour’s capital stock.
After approval on the part of EXOR S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares to other managers who hold important operating positions equal to 4% of Alpitour’s capital (now 1,418,000 shares).
After reconfirmation of the positions of the two managers for another three years, the EXOR S.p.A. board of directors' meeting held on May 13, 2009 extended the period in which the options could be exercised to January 2013 (date of the approval of the Alpitour financial statements for the financial year 2011/2012 by the stockholders' meeting).
EXOR S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of an appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every reporting date, until plan expiration.

At December 31, 2009, the fair value of each option right of the plan is estimated at € 3.14 for a total of € 12,233 thousand (€ 8,075 thousand at December 31, 2008) recorded in "Other current liabilities with related parties". The increase in the liability compared to the prior year (€ 4,158 thousand) was recognized in the income statement in "Non-recurring other expenses from related parties" as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

1. The exercise price of the options has been assumed to be equal to the par value of one ordinary Alpitour share at the grant date, quantified on the basis of an estimate performed by an independent expert, equal to € 2.24.
2. The current price of an Alpitour ordinary share at the reference date of December 31, 2009 has been determined in € 4.98.
3. The last expiration date to exercise options has been established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2011/2012, fixed, conventionally, as January 31, 2013. At the date of reference of December 31, 2009, the options thus have a remaining life of 37 months (3 years and 1 month).
4. The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour.
5. The application of the valuation model assumes the absence of the payment of dividends.
6. The risk-free interest rate has been assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
7. An assumption has also been included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

33. Non-current liabilities – Non-convertible bonds

Details are as follows:

Issue date	Maturity date	Issue price	Coupon	Rate	Nominal amount (€/000)	Effect of amortized cost measurement (€/000)	**Balance** (€/000)
6/9/2006	6/9/20011	99.900	Quarterly	3-month Euribor + spread	200,000	270	**199,730**
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	750,000	4,846	**745,154**
Total					**950,000**	**5,116**	**944,884**

Following the Merger, EXOR became the universal successor of IFIL, as a result of which EXOR assumed, starting from the effective date of the Merger, all the assets and liabilities, rights and obligations of IFIL.

EXOR has therefore replaced IFIL as the issuer of the non-convertible bonds 2006/2011 and 2007/2017, both of which are traded on the Luxembourg Stock Exchange.

In order to guarantee fixed interest rates over the entire term of the 2006/2011 bonds, in previous years some interest rate swaps had been put into place on the full amount. During 2009, owing to changes in financial market conditions, such contracts were early terminated with a payment of € 8,260 thousand.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree) providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as

respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2009.
Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of the 2006/2011 and 2007/2017 bonds for a total of € 950 million.

Standard & Poor's rated the two bond issues "BBB+", in line with the current rating of EXOR S.p.A. long-term debt.

34. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to € 125 million (€ 150 million at December 31, 2008).

Bank debt is classified as non-current according to the remaining term of the line granted and the duration of the hedging contracts.

Current bank debt amounts to € 25.1 million (€ 16.2 million at December 31, 2008) and includes a loan of € 25 million due by the end of January 2010 and bank overdrafts for the remaining amount (€ 0.1 million).

In order to guarantee fixed interest rates, interest rate swaps were put into place on € 150 million; at December 31, 2009, the fair value of these contracts is negative for € 4.5 million.

With regard to the periods in which outgoing cash flows will reverse in relation to the interest rate swap contracts, reference should be made to Note 39.
At December 31, 2009, the Company has credit lines for € 1,742 million, of which € 832 million is revocable and € 910 million is irrevocable. The expiration dates of the credit lines are as follows:

€ in millions	
Within 1 year	100
Between 2 and 3 years	725
Between 4 and 5 years	85
Total	**910**

The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main commitments on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the Company without the consent of the creditor, non-subordination of the credit and, in some cases, compliance with financial ratios. Finally, clauses provide for early repayment in the event of serious non-fulfillment such as, for example, failure to pay interest or events that are especially detrimental such as bankruptcy.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of € 155 million.

35. Non-current liabilities – Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments held in Intesa Sanpaolo and Fiat.

The changes during the year are as follows:

€ in thousands	To equity	To income statement	Total
Balance at December 31, 2008			**3,333**
Increase as a result of Merger	21,603		**21,603**
Release as a result of partial sale of stake in Intesa Sanpaolo	(12)		**(12)**
Accrual for increase in fair value of remaining stake in Intesa Sanpaolo	355		**355**
Reversal of deferred taxes accrued by IFI on potential impairment reversal on investment in IFIL		(3,233)	**(3,233)**
Changes during the year	**21,946**	**(3,233)**	**18,713**
Balance at December 31, 2009			**22,046**

36. Non-current liabilities – Provisions for employee benefits

The composition is as follows:

€ in thousands	**12/31/2009**	12/31/2008
Employee severance indemnities	**3,071**	1,966
Other provisions for employees	**169**	47
Total provisions for employee benefits	**3,240**	2,013

Details of the changes during 2009 and 2008 are as follows:

	2009			2008		
€ in thousands	**Employee severance indemnities**	**Other provisions for employees**	**Total**	Employee severance indemnities	Other provisions for employees	Total
Balance at beginning of year	**1,966**	**47**	**2,013**	1,918	227	2,145
Merger	**2,158**	**122**	**2,280**			0
Current service cost	**315**	**10**	**325**	129	101	230
Financial expenses	**178**	**9**	**187**	83	3	86
Transfers to other companies	**(299)**	**(9)**	**(308)**			0
Actuarial (gains) losses		**1**	**1**	5	(250)	(245)
Benefits paid	**(1,247)**	**(11)**	**(1,258)**	(169)	(34)	(203)
Past service cost			**0**			0
(Gains) losses on curtailments and/or settlements			**0**			0
Plan changes			**0**			0
Balance at end of year	**3,071**	**169**	**3,240**	1,966	47	2,013

The analysis of employee benefits is as follows.

Employee severance indemnities

Employee severance indemnities represent the obligation due to employees by Italian law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee severance indemnities accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under Company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee severance indemnities which will be paid at the time and in relation to the termination of the employment relationship, at the currently expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007, and require the payment of defined contributions to outside funds and entities which pay the health care benefits.

Pension plans

The Company's pension plans are for employees categorized as managers and are covered by company agreements and regulations.
They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to outside funds that are legally separate and have autonomous assets.
The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee severance indemnity.
The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2009 and December 31, 2008, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2009	12/31/2008
Discount rate	**4.10%**	4.80%
Expected remuneration increase	**1.9-3.4%**	2.2-3.7%
Cost-of-living increase	**1.90%**	2.20%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

37. Current liabilities – Other financial liabilities

These refer to:

€ in thousands	**12/31/2009**	12/31/2008	Change
Bonds and loans – current portion (interest and hedges)	**22,965**	398	22,567
Fair value of cash flow hedge derivatives	**4,527**	4,910	(383)
Derivative financial instruments held for trading	**7,763**	0	7,763
Commissions on unused credit lines	**202**	152	50
Payables to stockholders and other debt	**268**	0	268
Total current other financial liabilities	**35,725**	5,460	30,265

38. Non-current and current liabilities – Other payables

These include:

	12/31/2009		12/31/2008	
€ in thousands	**Non-current**	**Current**	Non-current	Current
Payable to INPS for Solidarity Fund under D.M. 158 of 4/28/2000	**193**	**173**	189	77
Payable to employees	**0**	**1,810**	0	317
Contributions payable	**0**	**653**	0	202
Payable to statutory auditors for emoluments	**0**	**151**	0	150
Sundry	**0**	**189**	0	2
Total other payables	**193**	**2,976**	189	748

Under D.M. 158 dated April 28, 2000, a “Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector” has been set up at Inps which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 month from the date of cessation of the employment relationship.

The above liabilities (in total € 366 thousand, of which € 173 thousand is current and € 193 thousand non-current) represent the special contribution that EXOR will pay to cover the extraordinary benefits payable to former employees, including the related contribution.

39. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows:

	12/31/2009		
€ in thousands	carrying amount	income	expenses
Financial assets			
At fair value through profit or loss			
held for trading	270,639	50,726	19,230
designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	76,396	89	37
Loans and receivables	372,047	5,251	
Available-for-sale assets	136,600	21,677	
Total	**855,682**	**77,743**	**19,267**
Financial liabilities			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges	4,527	1,303	5,344
Amortized cost	944,884		49,706
Debt	181,324		4,263
Financial guarantees			
Total	**1,130,735**	**1,303**	**59,313**

	12/31/2008		
€ in thousands	carrying amount	income	expenses
Financial assets			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments			
Loans and receivables	1,249		859
Available-for-sale assets	276	110	50
Total	**1,525**	**110**	**909**
Financial liabilities			
At fair value through profit or loss			
held for trading			
designated initially			
Derivative instruments designated as hedges	4,910	5,946	3,737
Amortized cost			
Debt	366,796	8	18,623
Total	**371,706**	**5,954**	**22,360**

Fair value of financial assets and liabilities and fair value estimation criteria

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – listed prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of financial assets and liabilities measured at fair value at December 31, 2009:

€ in thousands	Note	**Level 1**	**Level 2**	**Level 3**	Total
Assets at fair value					
Non-current assets					
Available-for-sale investments		126,600		10,000	136,600
Current assets					
Financial assets held for trading		270,536	103		270,639
Total assets		**397,136**	**103**	**10,000**	**407,239**
Liabilities at fair value					
Current liabilities					
Other financial liabilities			12,290		12,290
Total liabilities		**0**	**12,290**	**0**	**12,290**

In 2009, there were no transfers from Level 1 to Level 2 or vice versa.
Available-for-sale investments classified in Level 3 refer to the purchase price of 400 shares of the closed-end Italian real estate mutual fund denominated "Rho Immobiliare – Fondo Comune di Investimento Immobiliare di tipo chiuso". The purchase was finalized in December 2009.

The fair value of listed securities in an active market is equal to the market price at the end of the reporting period.
For trade receivables and payables and other current assets and liabilities due within one year, the fair value is not significant in that their carrying amount approximates fair value.

Credit risk

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2009 is represented by the carrying amount of financial assets shown in the financial statements. Nevertheless, the Company seeks to mitigate such risk by investing a good part of its liquidity in securities issued by leading bank and corporate counterparts selected according to their creditworthiness.
At December 31, 2009 and December 31, 2008, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.

The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent fixed coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of hedging transactions.

	2009					
€ in thousands	Within 6 months or until canceled	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2011	1,397	1,397	201,397			204,191
EXOR bonds 2017	40,313		80,625	80,625	870,937	1,072,500
Non-current bank debt	3,013	27,993	100,268			131,274
Current bank debt	533	25,518				26,051
Trade payables and other payables to related parties	298					298
Trade payables and other payables to third parties	2,611					2,611
Derivative financial instruments designated as hedges	4,527					4,527
Total	**52,692**	**54,908**	**382,290**	**80,625**	**870,937**	**1,441,452**

	2008					
€ in thousands	Within 6 months or until canceled	Between 6 months and 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-current bank debt	3,521	3,482	157,233			164,236
Current bank debt	16,181					16,181
Payables to related parties (a)	199,687					199,687
Trade payables to third parties	189					189
Derivative financial instruments designated as hedges	4,910					4,910
Total	**224,488**	**3,482**	**157,233**	**0**	**0**	**385,203**

(a) These refer to the subsidiary IFIL S.p.A. merged in 2009.

Outgoing flows from current operations are financed for the most part by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidations of assets or the receipt of suitable sources of financing that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2009, the Company has credit lines for € 1,742 million, of which € 910 million are irrevocable.

The expiration dates of the credit lines are as follows:

€ in millions	Lines agreed	Of which, irrevocable
Within 1 year	932	100
Between 2 and 5 years	810	810
Total	**1,742**	**910**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

EXOR S.p.A. does not have financial liabilities denominated in currencies other than Euro.

A part of the assets held for trading and cash at December 31, 2009 for € 13,471 thousand and € 7,912 thousand, respectively, are denominated in currencies other than Euro. Since these are securities held for trading and cash, both are adjusted to year-end exchange rates.

EXOR S.p.A. has extended a U.S. dollar loan to C&W Group with an equivalent Euro amount, including interest, of € 28,163 thousand at December 31, 2009. The dollar flows which are expected to be received have been forward sold to leading banking counterparts in order to neutralize the risks associated with the fluctuation of the U.S. dollar exchange rate against the Euro.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 4% and 5.75% in 2009 (between 4% and 5.5% in 2008).

EXOR S.p.A. has some interest rate swap contracts in place at December 31, 2009, for a total notional amount of € 150 million for the purpose of managing exposure to fluctuations in interest rates on bank debt, with a fair value for a negative € 4,527 thousand.

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the end of the reporting period. The analysis assumes that the exposure for floating-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the end of the reporting period.

The effects of a change with an increase or decrease of 50 basis points in interest rates would be the following:

	12/31/2009		12/31/2008	
€ in thousands	**income statement**	**statement of financial position**	income statement	statement of financial position
+50 bsp				
cash and cash equivalents/financing	**827**		(1,079)	
hedging instruments		**193**		188
-50 bsp				
cash and cash equivalents/financing	**(827)**		1,079	
hedging instruments		**(186)**		(188)

Price risk

EXOR S.p.A. is exposed to price risk originating from investments in the capital stock of other companies held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost;
- available-for-sale investments;
- assets held for trading.

Sensitivity analysis for price risk

Considering price risk exposure at the end of the reporting period, if the prices of securities, classified as available-for-sale investments and assets held for trading are 5% higher or lower, the reserve for available-for-sale securities reserve recorded in equity would be € 6,830 thousand higher or lower and the amount recognized in the income statement would be € 13,532 thousand higher or lower.

40. Fees to members of the board of directors and board of statutory auditors

(art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)

All amounts in the following table are expressed in thousands of Euro.

Name	Post held	Term of office	Expiration of term of office	Fee for post held (a)	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
Elkann John	Chairman	1/1-12/31	2011	837			634
Gabetti Gianluigi	Honorary Chairman	1/1-12/31	2011	1,242	4		2
Teodorani-Fabbri Pio	Vice Chairman	1/1-12/31	2011	100			2
Barel di Sant'Albano Carlo (b)	Chief Executive Officer	3/2-12/31	2011	1,026	39		193
Agnelli Andrea	Director	1/1-12/31	2011				77
Bischoff Victor	Director	4/28-12/31	2011	40			
Brandolini D'Adda Tiberto	Director	1/1-12/31	2011				626
Camerana Oddone	Director	1/1-12/31	2011				
Colucci Eugenio	Director	4/28-12/31	2011	17			62 (c)
Ferrero Ventimiglia Luca	Director	1/1-12/31	2011				
Grande Stevens Franzo	Director	1/1-12/31	2011				2
Marocco Antonio Maria	Director	3/1-12/31	2011	15			4
Morin-Postel Christine	Director	4/28-12/31	2011	33			
Nasi Alessandro	Director	4/28-12/31	2011				169
Rattazzi Lupo	Director	1/1-12/31	2011				40
Recchi Giuseppe	Director	3/1-12/31	2011	21			2
Schwartz Antoine	Director	4/28-12/31	2011	33			
Total Directors in office				**3,364**	**43**	**0**	**1,813**
Directors no longer in office							
Marrone Virgilio	Director	1/1-4/28		2	6	3,265 (d)	242
	Chief Executive Officer	1/1-3/1		16			
Acutis Carlo	Director	1/1-4/28					
Marini Clarelli Francesco	Director	1/1-4/28					
Nasi Andrea	Director	1/1-4/28					
Saracco Claudio	Director	3/1-4/28		1			2
Total Directors no longer in office				**19**	**6**	**3,265**	**244**
Statutory Auditors							
Jona Celesia Lionello	Chairman		2011	62			42
Ferrino Giorgio	Statutory Auditor		2011	42			
Piccatti Paolo	Statutory Auditor		2011	42			192
Total Statutory Auditors				**146**	**0**	**0**	**234**

(a) The directors (Elkann, Gabetti, Teodorani-Fabbri, Sant'Albano, Brandolini d'Adda, Agnelli, Camerana, Ferrero Ventimiglia, Nasi, Rattazzi and Grande Stevens) have waived their right to the fee resolved by the stockholders' meeting for the post of director (€ 83 thousand) and instructed the Company to devolve such fees for charitable and cultural purposes.

(b) The director Sant'Albano has relinquished to EXOR the fees resolved by Fiat (€ 77,000) and Juventus Football Club (€ 17,500).

(c) Refers to the fee as chairman of the board of statutory auditors of the merged company IFIL S.p.A..

(d) Represents the special indemnity relating to the cessation of the employment relationship.

There are no key managers with strategic responsibilities in EXOR S.p.A..

The Company signed a third-party liability insurance policy with a group of insurance companies for a maximum claim per incident and per year of € 50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The proposals for the fees of the executive directors are formulated and approved directly by the board of directors which, after a review by the compensation and nominating committee, in accordance with art. 2389, paragraph 2, of the Italian Civil Code, has the power to establish the fees of directors vested with special responsibilities in accordance with the deed of incorporation.

In the meeting held on May 13, 2009, the board of directors decided to equally divide among its members the fee approved by the stockholders' meeting, amounting to € 170,000 per year, and, furthermore, pursuant to art. 2389 of the Italian Civil Code, approved the following annual fees:

- € 1,000,000 to the chairman John Elkann, in addition to health care coverage;
- € 1,000,000, besides all out-of-pocket travel expenses outside the municipality of residence, for the mandate for strategical coordination, to the honorary chairman Gianluigi Gabetti; he is also entitled to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a secretarial service and a car with driver also after the expiry of the term of office;
- € 1,250,000 to the chief executive officer, Carlo Barel di Sant'Albano, who is also entitled to the following:
    - a variable fee up to a maximum of € 1,250,000, 50% of which is linked to the increment in EXOR's NAV;
    - the use of an apartment in Turin made available by the company;
    - the use of two company cars, in addition to one used for company business;
    - death and permanent disability insurance coverage for professional or non-professional-related accidents;
    - health care coverage, the same as for company executives;
    - a sum equal to € 2,500,000, corresponding to two years' annual fixed fee for the post of chief executive officer, to be paid at the end of the term of office, except in the case of the reconfirmation of the post, voluntary resignation or failure to accept the reconfirmation of the post, termination for just cause or reaching pensionable age;
- € 100,000 to the vice chairman Pio Teodorani-Fabbri for the coordination and supervision activities of the Rome office;
- € 35,000 to the internal control committee (of which € 15,000 to the chairman and € 10,000 to each of the other two members);
- € 35,000 to the compensation and nominating committee (of which € 15,000 to the chairman and € 10,000 to each of the other two members);
- € 40,000 to each of the directors Victor Bischoff, Christine Morin-Postel and Antoine Schwartz as members of the strategy committee;
- € 100,000 to the secretary to the board of directors, Virgilio Marrone, in addition to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a company car.

The directors will also be reimbursed for the expenses incurred in carrying out the activities connected with their posts.

41. Stock options granted to directors

(art. 78 of Consob Regulation adopted by Resolution 11971 dated May 14, 1999 and subsequent amendments)

Name	Company	Options held at beginning of year			Options granted (exercised) during year			Options held at end of year		
		Number of options	Average exercise price	Exercise period (month/year)	Number of options	Average exercise price	Exercise period (month/year)	Number of options	Average exercise price	Exercise period (month/year)
Barel di Sant'Albano Carlo (a)	EXOR	3,000,000	19.97	5/16-12/19	0	0.00	0	3,000,000	19.97	5/16-12/19

(a) The average price was changed as a result of the Merger, from € 5.291 to € 19.97.

On November 3, 2006, under the stock option plan approved by the board of directors of Fiat S.p.A., Alessandro Nasi had been granted 15,000 options giving him the right to purchase a specific number of Fiat ordinary shares at a set price of € 13.37 per share. The plan is for a period of 8 years. The following is noted:

- 3,750 options are the only rights that vested and can be exercised;
- 3,750 options are forfeit since the plan performance targets were not met;
- the remaining 7,500 options could vest if the 2010 plan target is reached.

At December 31, 2009, therefore, 11,250 options remain which could be exercised from the first quarter of 2011 to November 2014.

On April 26, 2008, under the stock option plan approved by CNH Global NV for its employees and for those of the subsidiaries, Alessandro Nasi was granted 509 options (of which 338 can be exercised) at the grant price of $48.12 each. The rights may be exercised between January 2009 and January 2014.
In April 2009, Alessandro Nasi was granted another 8,659 options (of which 2,886 can be exercised) at the grant price $13.58 each. The options may be exercised between January 2010 and January 2015.

42. Transactions with related parties

The board of directors has adopted principles of conduct for carrying out transactions with related parties which are described in the Report on Corporate Governance, also available on the corporate website (http://www.exor.com).

With regard to the year 2009, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

With the exception of the comments made subsequently in respect of the loan extended to C&W Group, receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Losses have not been recognized during the year for uncollectible or doubtful receivables in relation to amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2009 is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Investments	Financial receivables	Trade receivables	Trade payables and other payables
Fondazione Agnelli (a)	13,042			
C&W Group (b)		28,163		
Holdings System			99	
Alpitour Group			3	12
Juventus Football Club S.p.A.			28	
Exor Services S.c.p.a.				170
Fiat Group				116
Directors for fees not yet collected				44
Grantees of Alpitour stock option plan (g)				12,233
Total transactions with related parties	**13,042**	**28,163**	**130**	**12,575**
Total investments	3,950,634			
Total current assets		692,423	692,423	
Total current liabilities				79,678
% incidence of total transactions with related parties to total of statement of financial position line items	**0.33%**	**4.07%**	**0.02%**	**15.78%**

Information regarding dividends received (€ 120,029 thousand) is provided in Note 9.

				Non-recurring other expenses	
Counterpart	Financial income	Purchases of goods and services	Revenues (d)	Purchases of goods and services	Other expenses
Exor Services S.c.p.a. (e)		3,303			
C&W Group (b)	1,659				
Holdings System			110		
Alpitour Group		101	10		
Juventus Football Club S.p.A.		24	28		
Fiat Group		409	77		
Giovanni Agnelli e C. S.a.p.az.			35		
Fees to Corporate Boards and Committees					
- Chairman		837			
- Chief executive officer (c)		1,976			
- Board of directors		132	83		
- Special fees to directors		1,342			
- Internal control committee		28			
- Compensation and nominating committee		28			
- Strategy committee		80			
- Directors' expense reimbursements		92			
Consulting (f)		21		1,180	
Grantees of Alpitour stock option plan (g)					4,158
Total transactions with related parties	**1,659**	**8,373**	**343**	**1,180**	**4,158**
Total transactions with third parties	56,839	4,500	231	1,444	238
Total of income statement line items	**58,498**	**12,873**	**574**	**2,624**	**4,396**
% incidence of total transactions with related parties to total of income statement line items	**2.84%**	**65.04%**	**59.76%**	**44.97%**	**94.59%**

The most important transactions are commented below with reference to the notes in the preceding tables.

a) Purchase of 2,338,629 Fiat savings shares from Fondazione Agnelli.
b) 3-year subordinated credit line extended to C&W Group for $50 million, drawn down for $40 million at December 31, 2009. Being a transaction between related parties, as established by the rules of Corporate Governance, the credit line was approved by the board of directors on March 25, 2009. The purpose of the loan is to provide the subsidiary with additional debt capacity and also to use such capacity to fund any investment opportunities. At expiration on May 30, 2012, in the event of non-payment, EXOR will have the right to convert the loan to shares of the subsidiary C&W Group Inc. at a price equal to the lowest of the valuations made quarterly by an independent third party over the period of the credit line, discounted by 30%. The counterparts have provided second-level guarantees to EXOR against the loan.
c) Of which € 16 thousand refers to Mr Marrone as chief executive officer of IFI for the period January 1 – February 28, 2009; € 601 thousand represents the figurative cost of the EXOR stock options granted to the chief executive officer; € 141 thousand refers to the rent of his residence, € 1,218 thousand represents the special emolument paid to the chief executive officer.
d) Compensation waived of corporate boards (€ 83 thousand), performance of services (€ 156 thousand), emoluments for posts on corporate boards (€ 104 thousand).
e) Purchases of goods and services by the subsidiary Exor Services S.c.p.a. for € 3,303 thousand relate to the lease of the offices of the headquarters in Corso Matteotti 26 and computer, telephone and logistics services.
f) Consulting services rendered to the Company by the director Franzo Grande Stevens who, during 2009, also rendered professional services to Fiat S.p.A. for € 1 million (also in respect of his position as secretary to the board of directors).
g) A liability of € 12,233 thousand is reported in other payables in respect of the beneficiaries of the Alpitour stock option plans approved at the end of 2005. The EXOR board of directors' meeting held on May 13, 2009 extended the option exercise period to January 2013 following the reconfirmation of the two managers for another three years. The increase in the payable compared to the prior year (€ 4,158 thousand) is reported in non-recurring other expenses from related parties.

At December 31, 2009, Mr Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana shares between May 2009 and May 2013 at a price per share of € 20.46; moreover, Sequana has allocated 12,340 free shares to Mr Tiberto Brandolini d'Adda, which will available from March 30, 2010.
In 2009, Sequana paid Mr Tiberto Brandolini d'Adda, chairman of the board of directors of the Company, a fee of € 297 thousand.

43. Guarantees, commitments and pending litigation

As concerns the proceedings relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Court of Cassation rejected the appeals; therefore, the ruling by the Court of Appeals of Turin which had reduced the sanctions has been upheld.
As for the penal proceedings before the Turin Court, the final discussion is coming to a close and the conclusion with a ruling is scheduled for April 22, 2010.

Further information is provided in the Notes to the consolidated financial statements.

44. Fees paid to the audit firm (art. 149 – *duodecies* of Consob Regulation 11971 dated May 14, 1999 and subsequent amendments)

The professional services rendered to the EXOR Group by the audit firm in 2009 are the following:

€ in thousands	Party which rendered the service	Parent EXOR S.p.A.	Consolidated subsidiaries	**Total**
Type of services				
Audit	Deloitte & Touche S.p.A.	90	396	**486**
	Deloitte network		3,835	**3,835**
Total audit		90	4,231	**4,321**
Other services				
. attestation	Deloitte & Touche S.p.A.	5 (a)		**5**
	Deloitte network			
. other services	Deloitte & Touche S.p.A.	50 (b)		**50**
	Deloitte network	35 (c)		**35**
Total other services		90	0	**90**
Total		**180**	**4,231**	**4,411**

(a) Confirmation of the financial ratios.
(b) Agreed upon procedures carried out regarding specific aspects of the internal control system over financial reporting (ICFR).
(c) Support in defining the Integrated Governance Model of Compliance.

In addition, the fees for professional services paid to the Deloitte & Touche audit firm and its network by the Fiat Group (accounted for using the equity method in the consolidated financial statements of the EXOR Group) were € 26.6 million.

45. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below.

€ in thousands	**12/312009**	12/312008	Change
Non-current held-to-maturity financial instruments	**71,389**	0	71,389
Cash and cash equivalents	**337,355**	548	336,807
Other non-current financial assets, with third parties	**320**	404	(84)
Other financial assets held for trading	**270,639**	0	270,639
Current held-to-maturity financial instruments	**5,007**	0	5,007
Financial receivables, with related parties	**28,163**	0	28,163
Other current financial assets, with third parties	**5,788**	257	5,531
Non-current debt, with third parties	**(1,069,884)**	(150,000)	(919,884)
Current debt:			
- with related parties	**0**	(199,456)	199,456
- with third parties	**(60,851)**	(21,641)	(39,210)
Net financial position	**(412,074)**	(369,888)	(42,186)
- with related parties	**28,163**	(199,456)	227,619
- with third parties	**(440,237)**	(170,432)	(269,805)

46. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2009 were approved by the board of directors on March 29, 2010 which authorized their publication starting from March 31, 2010.

Turin, March 29, 2010

On behalf of the Board of Directors
The Chairman
John Elkann

Attestation of the Separate Financial Statements According to art. 154-bis, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, Carlo Barel di Sant'Albano, chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2009.

We also attest that:

- the separate financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;
    - correspond to the amounts shown in the accounts, books and records;
    - provide a fair and correct representation of the financial conditions, results of operations and cash flows of the issuer;
- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, March 29, 2010

Chief Executive Officer Carlo Barel di Sant'Albano	Manager responsible for the preparation of the financial reports Aldo Mazzia

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Shareholders of
EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. as of and for the year ended December 31, 2009, which comprise the statement of financial position, the income statement, the statements of comprehensive income, changes in equity and cash flows and the related notes to the financial statements. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, whose data presented for comparative purposes have been reclassified to take account of the change in presentation of financial statements introduced by IAS 1, reference should be made to our auditors' report issued on March 30, 2009. In order to improve the comparative analysis, as explained in the paragraph "Formats of the separate financial statements and other information", the Directors have prepared the comparative 2008 pro-forma figures which retroactively present the effects of the merger by incorporation of IFIL. The procedures of pro-forma figures preparation and related disclosures included in the notes to financial statements have been audited by us for the purpose of expressing our opinion on the financial statements as of December 31, 2009.

3. In our opinion, the financial statements of EXOR S.p.A. as of December 31, 2009 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005; accordingly, they give true and fair view of the financial position of EXOR S.p.A. and the results of its operations and its cash flows for the year then ended.

4. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the financial statements of EXOR S.p.A. as of 31 December, 2009.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 1, 2010

Consolidated Financial Statements at December 31, 2009

EXOR GROUP – CONSOLIDATED INCOME STATEMENT

€ in millions	Note	2009	2008	Change
Revenues	10	**2,427**	2,681	(254)
Other revenues from current operations	11	**33**	35	(2)
Purchases of raw materials and changes in inventories		**(754)**	(884)	130
Personnel costs	12	**(1,150)**	(1,246)	96
Costs for external services		**(382)**	(411)	29
Taxes and duties		**(11)**	(12)	1
Depreciation and amortization		**(94)**	(85)	(9)
Accruals to provisions and other expenses from current operations		**(76)**	(78)	2
Loss from current operations		**(7)**	0	(7)
Impairment losses on assets	13	**(68)**	(19)	(49)
Non-recurring other income (expenses)	14	**(34)**	(6)	(28)
Operating loss		**(109)**	(25)	(84)
(Losses) Gains on disposals of investments		**(15)**	86	(101)
Cost of net debt		**(30)**	(50)	20
Other financial income (expenses)		**9**	93	(84)
Financial income (expenses)	15	**(36)**	129	(165)
(Loss) Profit before income taxes		**(145)**	104	(249)
Income taxes	16	**(14)**	(28)	14
(Loss) Profit of investments consolidated line-by-line		**(159)**	76	(235)
Share of the profit (loss) of investments accounted for by the equity method	17	**(244)**	352	(596)
(Loss) Profit from continuing operations		**(403)**	428	(831)
Profit (loss) from discontinued operations or assets held for sale		**0**	0	0
Consolidated (loss) profit:		**(403)**	428	(831)
Attributable to owners of the Parent		**(389)**	302	(691)
Attributable to non-controlling interests		**(14)**	126	(140)

Basic earnings attributable to owners of the Parent (€):	18			
- per ordinary share		**(1.66)**	1.83	(3.62)
- per savings share		**(1.35)**	1.97	(3.45)
- per preferred share		**(1.61)**	1.88	(3.62)

Basic earnings from continuing operations (€):	18			
- per ordinary share		**(1.66)**	1.83	(3.62)
- per savings share		**(1.35)**	1.97	(3.45)
- per preferred share		**(1.61)**	1.88	(3.62)

Diluted earnings attributable to owners of the Parent (€):	18			
- per ordinary share		**(1.66)**	1.81	(3.60)
- per savings share		**(1.35)**	1.95	(3.43)
- per preferred share		**(1.61)**	1.86	(3.60)

Diluted earnings from continuing operations (€):	18			
- per ordinary share		**(1.66)**	1.81	(3.60)
- per savings share		**(1.35)**	1.95	(3.43)
- per preferred share		**(1.61)**	1.86	(3.60)

EXOR GROUP – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ in millions	**2009**	2008
Profit (Loss) for the year (A)	**(403)**	428
Gains (Losses) on cash flow hedges	**(7)**	(14)
Gains (Losses) on fair value of available-for-sale financial assets	**266**	(840)
Gains (Losses) on exchange differences on translating foreign operations	**(2)**	15
Actuarial gains (losses)	**2**	(6)
Share of other comprehensive income of investments accounted for by the equity method	**227**	(375)
Income tax relating to components of other comprehensive income	**(1)**	16
Total other comprehensive income, net of tax (B)	**485**	(1,204)
Total comprehensive income A+B	**82**	(776)
Total comprehensive income attributable to:		
- owners of the Parent	**95**	(517)
- non-controlling interests	**(13)**	(259)

EXOR GROUP – CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Note	12/31/2009	12/31/2008	Change
Non-current assets				
Goodwill	**19**	**365**	470	(105)
Other intangible assets	**20**	**459**	461	(2)
Property, plant and equipment	**21**	**198**	196	2
Investments accounted for by the equity method	**22**	**3,255**	3,253	2
Other financial assets	**23**	**1,540**	1,413	127
Deferred tax assets	**34**	**9**	17	(8)
Other non-current assets	**24**	**71**	93	(22)
Total Non-current assets		**5,897**	5,903	(6)
Current assets				
Inventories, net		**2**	3	(1)
Trade receivables	**24**	**310**	333	(23)
Other receivables	**24**	**148**	182	(34)
Financial assets	**23**	**608**	350	258
Cash and cash equivalents	**25**	**630**	975	(345)
Total Current assets		**1,698**	1,843	(145)
Assets held for sale	**26**	**0**	3	(3)
Total Assets		**7,595**	7,749	(154)
Equity				
Capital stock issued and reserves attributable to owners of the Parent	**27**	**5,305**	3,616	1,689
Attributable to non-controlling interests	**27**	**85**	1,810	(1,725)
Total Equity		**5,390**	5,426	(36)
Non-current liabilities				
Provisions for employee benefits	**29**	**36**	42	(6)
Provisions for other liabilities and charges	**30**	**8**	105	(97)
Bonds and other debt	**33**	**1,267**	1,292	(25)
Deferred tax liabilities	**34**	**64**	86	(22)
Other non-current liabilities	**35**	**117**	58	59
Total Non-current liabilities		**1,492**	1,583	(91)
Current liabilities				
Provisions for employee benefits	**29**	**32**	42	(10)
Provisions for other liabilities and charges	**30**	**21**	23	(2)
Bonds and other debt	**33**	**88**	113	(25)
Trade payables	**35**	**342**	326	16
Other current liabilities	**35**	**230**	236	(6)
Total Current liabilities		**713**	740	(27)
Liabilities relating to assets held for sale	**26**	**0**	0	0
Total Equity and Liabilities		**7,595**	7,749	(154)

EXOR GROUP – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ in millions	Capital stock	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative reserve for exchange differences on translating foreign operations	Reserve for changes in fair value of available-for-sale financial assets	Actuarial gains (losses)	Cumulative share of investments accounted for using the equity method	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Equity at January 1, 2008	**163**	**(70)**	**386**	**2,834**	**4**	**(37)**	**804**	**2**	**75**	**4,161**	**2,242**	**6,403**
Stock-based compensation				3						3	3	6
Dividends distributed										0	(34)	(34)
Total comprehensive income				302	(12)	13	(557)	(3)	(260)	(517)	(259)	(776)
Effect of ownership percentage increase in C&W Group										0	(10)	(10)
Effect of ownership percentage increase in the Fiat Group following treasury stock purchase				(22)						(22)	(9)	(31)
Effect of percentage ownership increase in Sequana Group				1						1	1	2
Effect of percentage ownership increase in IFIL by IFI				(5)						(5)	(117)	(122)
Other changes				(6)						(6)	(7)	(13)
Total changes	0	0	0	274	(12)	13	(557)	(3)	(260)	(545)	(432)	(977)
Equity at December 31, 2008	**163**	**(70)**	**386**	**3,108**	**(8)**	**(24)**	**247**	**(1)**	**(185)**	**3,616**	**1,810**	**5,426**

€ in millions	Capital stock	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative reserve for exchange differences on translating foreign operations	Reserve for changes in fair value of available-for-sale financial assets	Actuarial gains (losses)	Cumulative share of investments accounted for using the equity method	Equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
Equity at December 31, 2008	**163**	**(70)**	**386**	**3,108**	**(8)**	**(24)**	**247**	**(1)**	**(185)**	**3,616**	**1,810**	**5,426**
Fair value of capital stock increase by Exor S.p.A. to service the exchange of IFIL ordinary and savings stock held by non-controlling interests (a)	83	0	348							431	(431)	0
Allocation to owners of the Parent of the interest of former non-controlling interests of IFIL (b)		(3)	0	1,267						1,264	(1,264)	0
Effects of the merger transaction on other comprehensive income (b)					(1)	(10)	102	0	(80)	11	(11)	0
Allocation of expenses relative to the merger				(17)						(17)		(17)
Other changes connected with the merger				14						14		14
Purchases of treasury stock		(42)	42	(42)						(42)		(42)
Sales of treasury stock		3								3		3
Dividends distributed				(82)						(82)	(2)	(84)
Total comprehensive income (loss)				(389)	(6)	(2)	265	1	227	95	(13)	82
Stock-based compensation				6						6	1	7
Effect of ownership percentage increase in C&W Group				2						2	(16)	(14)
Effect of ownership percentage increase in Sequana Group				(1)						(1)		(1)
Effect of ownership percentage increase in the Fiat Group following treasury stock purchase				7						7		7
Other changes				(2)						(2)	11	9
Total changes	83	(42)	390	763	(7)	(12)	367	1	147	1,689	(1,725)	(36)
Equity at December 31, 2009	**246**	**(112)**	**776**	**3,871**	**(15)**	**(36)**	**614**	**0**	**(38)**	**5,305**	**85**	**5,390**
Note	**27**	**27**			**27**	**27**	**27**	**27**	**27**		**27**	

(a) The EXOR capital stock increase to service the exchange of the shares of the merged company IFIL was recognized at the fair value of the 73,809,496 ordinary shares and 9,168,894 savings shares issued, equal to € 5.36 and € 3.86, respectively, corresponding to the opening stock market prices on March 2, 2009, the first day of market trading of these shares. Of the total of € 431 million, € 83 million was allocated to capital stock, corresponding to the par value, and € 348 million to additional paid-in capital.

(b) Non-controlling interests at December 31, 2008 had amounted to € 1,810 million, of which € 1,706 million represented the non-controlling interests of the IFIL Group. The difference of € 1,275 million between that amount and the fair value of the EXOR capital increase described above (€ 431 million) was allocated to owners of the Parent and then entries were made to eliminate the share of the reserves regarding cash flow hedges (-€ 1 million), exchange differences on translating foreign operations (-€ 10 million), changes in fair value of available-for-sale financial assets (+€ 102 million) and the share of comprehensive income of the investments accounted for using the equity method (-€ 80 million) previously recorded in the consolidated financial statements of the IFIL Group.

EXOR GROUP – CONSOLIDATED STATEMENT OF CASH FLOWS

€ in millions	2009	2008
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Consolidated (loss) profit	**(403)**	428
Elimination of income and expenses not affecting cash:		
Share of the profit (loss) of investments accounted for by the equity method	**244**	(352)
Depreciation, amortization, impairments and accruals	**177**	117
(Gains) losses on disposals, net	**3**	(101)
Other (income) expenses	**(20)**	17
Current and deferred income taxes	**14**	28
Dividends received from investments	**42**	367
Income taxes paid	**(19)**	(16)
Change in working capital	**77**	(327)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	**115**	161
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	**(122)**	(90)
Proceeds from disposal of property, plant and equipment and intangible assets	**37**	41
Other investments in non-current financial assets made by EXOR and other companies in the Holdings System	**(119)** (a)	(107)
Other investments in non-current financial assets made by companies consolidated line-by-line	**0**	(21)
Other investments in current financial assets made by EXOR and companies in the Holdings System	**(298)**	(198)
Disposal of Intesa Sanpaolo shares	**217**	598
Proceeds from disposals of non-current financial assets	**9**	14
Other cash flows from (used in) divestiture (investment) transactions	**(13)**	(5)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(289)**	232
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Dividends distributed by EXOR	**(82)**	0
Dividends paid by consolidated companies to non-controlling interests	**(2)**	(34)
Expenses correlated to the merger of IFIL	**17**	0
New loans secured	**192**	317
Loans repaid	**(252)**	(492)
Net purchases of treasury stock	**(39)**	0
Net effect of securitization of the Alpitour Group trade receivables	**5**	9
Other flows from (used in) financing activities	**(6)**	(135)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**(167)**	(335)
EFFECT OF CHANGE IN FOREIGN CURRENCIES	**(2)**	(4)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(343)**	54
CASH AND CASH EQUIVALENTS, AT START OF YEAR	**973**	919
CASH AND CASH EQUIVALENTS, AT END OF YEAR	**630**	973
NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS	**(343)**	54

(a) Of which €76 million is for the subscription of bonds, €13 million for the purchase of Fiat savings shares, €12 million for the subscription of the Banijay Holding capital stock increases, €4 million for investments in NoCo B, €10 million for the purchase of RHO Immobiliare real estate fund shares and €4 million for investments in other financial assets.

The reconciliation between cash and cash equivalents in the statement of cash flows and the corresponding line items in the statement of financial position is presented in Note 25.

EXOR GROUP – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information on the activities of the Group

EXOR S.p.A. is the new name that IFI S.p.A. assumed on March 1, 2009, the effective date of the deed of merger by incorporation of the subsidiary IFIL S.p.A. (the Merger).

EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Corso Matteotti 26. EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.08% of capital stock, specifically 59.11% of ordinary capital stock, 39.24% of preferred capital stock and 11.75% of savings capital stock.
Since March 2, 2009, EXOR's three classes of stock (ordinary, preferred and savings) are traded on the Electronic Share Market under the stock symbol EXOR.

Further information is provided in the Report on Operations under "EXOR Group Profile".

2. Accounting policies used in the preparation of the consolidated financial statements

The 2009 consolidated financial statements have been prepared under the historical cost convention, adjusted as required for the measurement of certain financial instruments, and under the going concern assumption. The Group companies, in fact, have assessed that, despite operating in a difficult economic and financial environment, no material uncertainties exist (as defined in paragraph 25 of IAS 1) about its ability to continue as a going concern.

The 2009 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and with the provisions implementing art. 9 of Legislative Decree 38/2005. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The consolidated financial statements have also been drawn up in accordance with the provisions contained in Consob Resolutions 15519 and 15520 and in Consob Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

The consolidated financial statements of the EXOR Group are expressed in millions of Euro.

3. Formats of the consolidated financial statements

The consolidated income statement is presented by nature of expense which is considered more representative than the presentation based on the function of expenses used by the operating companies consolidated line-by-line.

The consolidated statement of financial position makes a distinction between current and non-current assets, in accordance with IAS 1.

The consolidated statement of changes in equity has been modified according to the new version of IAS 1 (revised in 2007) and specifically presents owner changes in equity and in separate columns the individual income and expense items recognized directly in equity.

The statement of comprehensive income is presented separately.

The consolidated statement of cash flows is presented using the indirect method. Income and expenses for the year are adjusted by the effects of non-monetary transactions, by past or future deferrals or accruals of operating collections or payments and by financial elements due to investment or financing activities.

The Euro is the functional currency and presentation currency of the Group.

4. Unusual and/or atypical transactions and significant non-recurring events and transactions and related party transactions

Pursuant to Consob Communication 6064293 dated July 28, 2006, during 2009, there have been no unusual and/or atypical transactions or significant non-recurring events and transactions, also on the basis of information received from the companies of the Group, which are required to be disclosed as defined by that Communication.

Minor non-recurring transactions are disclosed in Note 14.

The statement of financial position and income statement balances originating from transactions with related parties are summarized and commented in Note 38.

5. Significant accounting policies

Consolidation

The companies in which the Group has the power to exercise control, directly or indirectly, by determining the financial and operating policies of an enterprise so as to gain benefits from its activities are consolidated line-by-line, attributing to the non-controlling interests the share of equity and the net result.

The financial statements of subsidiaries as defined above are included in the consolidated financial statements from the date that control by the Group commences until the date that control ceases.

Pending possible amendments to IAS 27 proposed in the Exposure Draft ED 10 "Consolidated Financial Statements", that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the EXOR Group has continued to exclude the Fiat Group, in which it has a 30.45% holding of ordinary capital stock, from line-by-line consolidation consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter.
However, in order to provide more meaningful disclosure, Note 41 presents pro-forma consolidated data as if the Fiat Group had been consolidated line-by-line.

The investment in the Fiat Group, the companies controlled and excluded from consolidation, the joint ventures, the associates and the other investments are accounted for according to the criteria indicated in "Investments in unconsolidated companies".

The results of discontinued operations or assets held for sale which meet the specific requirements of IFRS 5 are shown separately and correspond to the results achieved up to the time of disposal, after taxes and other direct attributable costs, as well as the gains (losses) on their sale.

The share of the equity and the results of operations attributable to the non-controlling interests are disclosed separately. The non-controlling interests in equity are determined on the basis of the fair value attributed to the assets and liabilities at the date of the acquisition of control, excluding any goodwill referring to them.

When losses in a consolidated subsidiary pertaining to the non-controlling interests exceed the non-controlling interests in the subsidiary's capital stock, the excess is charged to the Group, unless the non-controlling interests are expressly committed to reimbursing the losses, in which case the excess is recorded as an asset in the consolidated financial statements. If no such commitment is in place, should profits be realized in the future, the non-controlling interests' share of those profits will be attributed to the Group, up to the amount necessary to recover the losses previously absorbed by the Group.

The effects of subscribing to capital stock increases when there are different issue prices for the various classes of stock, and also increases and decreases of the non-controlling interests in subsidiaries, are recognized as changes in equity.

Date of reference: investments are consolidated using the financial statements at December 31, the closing date of the Parent, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of the Parent), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, which fiscal year ends on October 31 of each year, is consolidated line-by-line on the basis of the consolidated financial statements ended on that date, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2008 and 2009, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intragroup transactions: intragroup balances and significant transactions and any unrealized gains and losses between companies consolidated line-by-line are eliminated. Unrealized gains and losses arising from transactions with companies accounted for by the equity method are eliminated to the extent of the Group's interest in those companies. Intragroup losses are not eliminated if they are considered representative of an effective lower value of the asset sold.

Business combinations

Acquisitions of companies and business segments are recorded using the purchase method of accounting. The cost of an acquisition is measured as the sum of the fair value (at the acquisition date) of the assets given (consideration paid), liabilities incurred or assumed and any equity instruments issued by the Group in exchange for the acquisition of the control of the acquired company, plus each cost directly attributable to the acquisition. The identifiable assets, liabilities and contingent liabilities of the company acquired, which meet the conditions for recognition under IFRS 3, are recognized at their fair value at the acquisition date, except for non-current assets (or groups of assets held for sale) which are classified as held for sale, in accordance with IFRS 5, and are recognized and measured at fair value net of selling costs.

Goodwill originating on acquisition is recognized in assets and recorded initially at cost, measured as the excess of the cost of acquisition over the Group's interest in the fair value of the recognized identifiable assets, liabilities and contingent liabilities. If this interest exceeds the cost of acquisition, the values are re-examined and if there is still an excess, it is recognized immediately in the income statement.

The share of non-controlling interests in the company acquired is recognized initially at the fair value of the assets, liabilities and contingent liabilities recognized.

Investments in unconsolidated companies

The investments in the Fiat Group and in associates (principally Sequana) are accounted for by the equity method in the attached consolidated financial statements. Under this method, such investments are stated at cost, increased or decreased by the Group's share of the changes of the post-acquisition movements in the net assets of the company and any impairment of the investment. When the Group's share of any losses in the unconsolidated companies exceeds its interest, the Group only recognizes the losses if it has assumed legal or constructive obligations or has made payments on behalf of these companies.

Any excess of the cost of acquisition over the Group's interest in the fair value of the assets, liabilities and contingent liabilities of the investees recorded at the date of acquisition is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment in accordance with IAS 36.

Intangible assets

Goodwill: in the case of acquisitions of businesses, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value at the date of acquisition.
The excess of the cost of acquisition over the Group's interest in the fair value of those assets and liabilities is classified in the assets in the statement of financial position. Goodwill relating to the non-controlling interests of subsidiaries acquired is eliminated. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement at the date of acquisition.

On disposal of a part or the whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the residual amount of the related goodwill is included in the determination of the gain or loss on disposal.
In the context of IFRS first-time adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the acquisitions of businesses that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to being tested for impairment at that date.

Other intangible assets: purchased or internally-generated are recognized as assets in accordance with IAS 38 – Intangible Assets when they are controlled by the enterprise, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized systematically on a straight-line basis over their estimated useful lives, if these assets have finite useful lives, taking into account estimated realizable value and writedowns for impairment losses. Intangible assets with indefinite useful lives and those not yet in production are not amortized, but tested for impairment annually and more frequently, whenever there is an indication that the asset may be impaired. When, subsequently, there is an indication that an impairment loss may no longer exist or may have decreased, the carrying amount of the asset is increased up to the new estimated recoverable amount which cannot exceed the amount which would have been determined had no impairment loss been recognized. The reversal of an impairment loss is recognized immediately in the income statement.

Intangible assets with a finite useful life are amortized from the time they are ready for use on a straight-line basis over the estimated useful life.

Other intangible assets recognized following the acquisition of an enterprise are capitalized separately from goodwill if they meet the definition of intangible asset and if their fair value can be measured reliably. The costs of such intangible assets are represented by their fair value at the date of acquisition.

Amortization plans and any realizable value are reviewed at least annually.

Players' registration rights: are intangible assets with a finite useful life equal to the duration of the players' contracts signed with the players. The players' registration rights are recorded at cost discounted to present value, including any incidental expenses.

Players' registration rights are amortized on a straight-line basis over the term of the contracts between the company and each individual player. The original amortization plan can be extended following the early renewal of the contract, starting from the same season in which the contract is renewed. For youth players registered as “giovani di serie”, amortization is taken over five years on a straight-line basis.

Players' registration rights are recognized on the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Players' registration rights also include sharing receivables and payables ex. art 102-bis of the N.O.I.F (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.)”.

Player sharing receivables represent the value of the simultaneous repurchase of 50% of the registration rights of the players sold. They are recognized at the adjusted cost and are not amortized as they are used by other companies. Player sharing receivables are written down when the estimated remaining useful life at the end of the sharing period is permanently below the amount recognized. Adjusted cost is the lower of the cost incurred originally under the legal form of agreement between the parties and the actual repurchase value.

Player sharing payables represent the value of the sale of 50% of the registration rights of the players sold. They are recognized at nominal value as a deduction from the value of the registration rights of the player sold to show the actual purchase value. As a result, the amortization of the players' registration rights sold relating to the player sharing agreement is calculated on that lower cost.

When there are indications of an impairment in the players' registration rights (for example, serious injury or significant losses from disposals made subsequent to the reporting date) an impairment loss is recorded for the remaining carrying amount.

Property, plant and equipment

Property, plant and equipment are stated at purchase or production cost less accumulated depreciation and impairment losses, if any.

Purchase cost includes all directly attributable costs necessary to make the asset ready for use. When there are current obligations for decommissioning, the carrying amount includes the estimated costs (discounted to present value) to be incurred when the productive structure is decommissioned which is recognized with a corresponding entry to a specific provision account.

Any capital investment grants are recorded in the statement of financial position in liabilities and subsequently allocated systematically to the income statement in relation to the relative depreciation of the assets.

Borrowing costs associated with investments are, since January 1, 2009, capitalized and amortized over the useful life of the assets to which they refer.

Assets acquired under finance leases are recognized in property, plant and equipment with a corresponding entry to financial payables to lessors and depreciated on the basis indicated below. Whenever there is reasonable certainty that the asset will not be purchased at the end of lease, depreciation is taken over the period of the lease, if shorter than the useful life of the asset.
If an asset has significant components with different useful lives, these components are recorded and depreciated separately.

Subsequent purchase costs are capitalized only if they increase the future economic benefits of the assets to which they refer.
Costs for repairs and periodical maintenance are incurred to restore or maintain expected future economic benefits on the basis of the original estimate of the performance of the asset. Such costs are recorded in the income statement when incurred. Therefore, the carrying amount of a tangible asset does not include the periodical costs incurred to maintain an asset in service, such as the costs of labor, consumable materials and small parts to be replaced.

Property, plant and equipment are depreciated systematically using the straight-line method, from the time they are ready for use, over their estimated useful lives and taking into account estimated realizable value. The carrying amounts are periodically tested for impairment.

The estimated useful lives for the main categories of property, plant and equipment are as follows:

Buildings	from 20 to 50 years
Light constructions	5 years
Plant and machinery	from 3 to 10 years
Sports equipment	6 years
Health equipment	8 years
Aircraft maintenance equipment	8 years
Cruise liners	from 10 to 20 years
Aircraft equipment	8 years
Motor vehicles	from 4 to 8 years
Electronic and electrical office machines	from 3 to 6 years
Furniture, fixtures and ordinary office machines	from 4 to 8 years

The depreciation plan and the estimate of realizable value are reviewed annually.

The cost of land is recorded separately and is not depreciated since it has an indefinite life.

Impairment losses

At every end of the reporting period, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If there are indications of impairment, the recoverable amount of those assets is estimated to determine the amount of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with an indefinite life, including goodwill, are tested annually for impairment or whenever there are indications that the assets might be impaired.

The recoverable amount of the asset is the higher of fair value less costs to sell and the value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is lower than the relative carrying amount, the asset is reduced to the recoverable amount. An impairment loss is recognized in the income statement immediately unless the asset is represented by land or buildings other than investment property recognized at revalued amounts, in which case the loss is recognized in the respective revaluation reserve.

Where an impairment loss for assets other than goodwill subsequently no longer exists, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized in the income statement immediately unless the asset is measured at revalued cost, in which case the reversal is made to the revaluation reserve.

Non-current other financial assets

Financial investments are recognized and reversed on the trade date if the purchase or sale of an investment is made through a contract which terms require the delivery according to the terms established by the reference market and are initially measured at fair value, increased by transaction costs.

Such financial investments are classified in the following categories: available-for-sale investments and securities and other held-to-maturity financial assets.

Available-for-sale investments are measured at fair value which coincides, for listed investments, at the market price on the last day of the reporting period translated, if necessary, at the year-end exchange rate. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity should be reversed and recognized in the income statement. Given the limited number of available-for-sale investments, such evidence is assessed case by case. The reversal of such impairment losses are subsequently only made through equity. Upon disposal of the asset, the cumulative gains or losses previously recognized in a specific equity reserve are transferred to the income statement.

Available-for-sale securities represented by debt securities, are initially recognized at cost and subsequently measured at fair value. The difference is recognized in equity. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Such impairment losses, when the reasons which gave rise to them no longer exist, are reversed in the income statement but only up to the initial amount.

Held-to-maturity securities are non-derivative assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity.

It is not possible to classify any financial asset as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the Group's control, is non-recurring and could not have been reasonably anticipated by the Group.

The amortized cost of a financial asset is the amount at which the financial asset was initially measured net of repayments of principal, decreased by the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Bonds with mandatory conversion into stock are recognized by separating the bond component from the embedded derivative represented by the obligation to convert the bonds into the stock of the issuer at an established maturity date.

At initial recognition, the component represented by the bond is calculated by discounting the cash flows of the instrument to present value using the market rate of a non-convertible bond, recording the embedded derivative as the difference from the price paid.

Subsequently, the bond component is measured at amortized cost whereas the embedded derivative is measured at fair value with a corresponding entry to the income statement.

Current financial assets

Current financial assets include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if necessary, at the year-end exchange rate. The fair value adjustment of current financial assets is recorded with a corresponding entry to the income statement.

Cash and cash equivalents

Cash and cash equivalents represent highly liquid short-term financial investments which can be readily converted into cash and are subject to an insignificant risk of a change in their value.

Inventories

Inventories are stated at the lower of purchase or production cost and estimated realizable value determined using the weighted average cost method or FIFO (First In, First Out).

Inventories of finished and semifinished goods include direct costs of materials and labor and indirect variable and fixed overheads, excluding general and administrative expenses. The market value takes into account writedowns for inventory obsolescence.

Assets held for sale

Assets, or a group of assets and liabilities (that must not be offset), which are highly probable of being sold within the next year and are available for immediate sale in their current condition, are classified on specific lines in the statement of financial position. If they represent significant sectors of activities, the relative results are shown separately in the income statement. In order to meet this condition, management must be committed to a plan to sell, which is highly probable of taking place within one year of classification in this category. The disclosure relating to the results of such assets, is shown separately also for the prior period.

Such assets are stated at the lower of the net carrying amount and fair value less costs to sell. Any impairment loss that arises should be recorded in the income statement and, eventually, is reversed subsequently if the reasons for the impairment no longer exist, but only up to the initial amount. From the time the asset is recognized as an asset held for sale, amortization and depreciation cease. Financial expenses and expenses attributable to the liabilities of a disposal group classified as held for sale should continue to be recognized.

When the conditions which led to the recognition of an asset as held for sale no longer exist, it should be reclassified to non-current assets and stated at the lower of the carrying amount before being designated as held for sale and its recoverable amount at the date of the subsequent decision not to sell the asset; the difference is recognized in the income statement.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.

If there is objective evidence of an impairment loss or a risk that the Group will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.

Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Receivables sold with recourse remain in the statement of financial position of the assignor which records a payable to the buyer against collection and the financial expense to be incurred. Receivables sold without recourse are only derecognized if it can be demonstrated that the risks and rewards relating to the asset have been effectively transferred to the assignee.

Consequently, all receivables sold which do not meet IAS 39 derecognition requirements remain in the Group financial statements even though they have been legally sold. A corresponding financial liability is recorded in the consolidated statement of financial position under debt. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group statement of financial position.

Debt

Interest-bearing debt is recognized at cost which corresponds to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at the fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. The Group designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.

A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.

- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit and loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Employee benefits – Pension plans

The companies of the Group offer their employees various forms of pension plans with specific characteristics that vary according to the law, the regulations and the practices in the countries in which they operate.

Pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans, contributions are paid to outside, legally separate entities with administrative autonomy, which free the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee.
Consequently, the Group companies record the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Group companies have the obligation to set aside the costs relating to the benefits guaranteed to their employees in service and pay retired employees. The actuarial risk and the investment risk are thus substantially borne by the companies of the Group.

Defined benefit plans, which, for the Italian companies, include employee severance indemnities accrued to December 31, 2006, are measured by actuarial techniques using the Project Unit Credit Method.

As provided by the amendment to IAS 19 – Employee Benefits, issued by the IASB in December 2004, the Group elected to recognize actuarial gains and losses immediately in the period in which they arise, outside the income statement, in a statement of comprehensive income.

All cumulative actuarial gains and losses that existed at January 1, 2004 have been recognized in equity.

For defined benefit plans without plan assets, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.
Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid. The specific assumptions of each plan take into account the local economic conditions.
Defined benefit plans are in some cases covered by financial assets managed outside the Group companies. In those cases, the amount recognized in the financial statements for such liabilities corresponds to the difference between the present value of future services (actuarial liability) and the market value of the assets invested that are intended to cover the liability, increased by losses or decreased by unrecognized (or not yet recorded) gains and, in any case, taking into account the surplus cap limit for assets established by paragraph 58 of IAS 19. When the result of this calculation shows a net obligation it is recognized in a provision under liabilities; in the reverse case, an asset is recognized.

The scheme for the employee severance indemnities of the Italian companies was considered a defined benefit plan up to December 31, 2006. The regulations for the employee severance indemnities scheme was modified by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations issued in the early months of 2007. In view of these changes and particularly with reference to companies with at least 50 employees, the employee severance indemnities scheme is now considered a defined benefit plan only for amounts accrued prior to January 1, 2007 (and not yet paid at the end of the reporting period) whereas after that date it is considered a defined contribution plan. For Italian companies with less than 50 employees, the employee severance indemnities scheme remains a post-employment benefit under a defined benefit plan. The amount already accrued must be projected to estimate the amount payable upon termination of employment and subsequently discounted to present value using the Projected Unit Credit Method. This actuarial method is based upon demographic and financial assumptions in order to arrive at a reasonable estimate of the amount of benefits which had already been accrued for each employee based on his/her service life.
Using the actuarial calculation, a charge is made to the income statement to “Personnel costs” for the current service cost which defines the amount of rights accrued during the year by the employee and to “Financial income (expenses)” for the interest cost which constitutes the figurative expense which the company would have incurred by securing a loan on the market equal to the amount of employee severance indemnities.

Employee benefits – Stock option plans

Stock-based payments to employees are measured at the fair value of the equity instruments at the grant date. In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

In accordance with IFRS 2, this standard is applied to stock options granted after November 7, 2002 and not yet vested at the effective date of IFRS 2 (January 1, 2005).

In the event the plans require a monetary payment equal to the increase in the value of shares of the enterprise, the fair value of the liability of the plan is re-measured at each reporting date until its extinction and the cost is recognized in the income statement.

Provisions for other liabilities and charges

Provisions for other liabilities and charges refer to costs and expenses of a determinate nature which are certain or likely to be incurred but, at the end of the reporting period, are uncertain as to the amount or as to the date on which they will arise. Accruals are recorded when there is an obligation, legal or constructive, resulting from a past event, when it is probable that the use of resources will be required to satisfy the obligation and when a reliable estimate of the amount of the obligation can be made.

The amount recognized in the financial statements as the provision for other liabilities and charges expresses the best estimate of the monetary resources necessary to extinguish the current obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the accrual is determined by using estimated cash flows to extinguish the obligation, the carrying amount is represented by the discounted present value of those cash flows.

Changes in estimates are recorded in the income statement in the period in which the change occurs.

The accruals mainly refer to restructuring expenses. An accrual for restructuring operations is booked on condition that a detailed and formal restructuring plan has been approved and that the restructuring has begun or the details of the restructuring plan have been made public and that valid expectations of it have been raised.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific stockholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Income taxes

Current income taxes are calculated according to the tax laws in force in the countries in which the companies of the Group operate on the basis of the taxable income for the year. Taxable income is different from the income expressed in the consolidated financial statements in that it excludes costs and revenues that become taxable or deductible in other years and also excludes items which are never taxable or deductible.

Taxable temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes are recorded in deferred tax liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other receivables and tax payables in a specific line item under non-current assets or liabilities.

Current and deferred income taxes are recognized in the income statement except for those relating to items debited or credited directly in equity which are recognized directly in equity. With regard to business combinations, the tax effect is taken into consideration in determining the excess of the cost of acquisition over the fair value of the assets, liabilities and contingent liabilities, while no tax effect is attributed to the residual amount represented by goodwill.

Transactions in foreign currency and consolidation of foreign operations

The financial statements of each Group company are presented in the functional currency of the economic environment in which they operate. For purposes of the consolidated financial statements of the Group, the financial data of these companies is translated into Euro which is the currency of the Parent and the presentation currency of the consolidated financial statements.

In the preparation of the financial statements of the individual companies of the Group, the transactions expressed in currencies other than the functional currency are recorded at the exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Non-monetary items are measured at historical cost and are not translated. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

For purposes of the presentation of the consolidated financial statements, the assets and liabilities of foreign operations with functional currencies different from the Euro and which are included in the scope of consolidation are translated using the exchange rate in effect at the end of the reporting period (current exchange method). Items in the income statement and cash flows in the statement of cash flows are translated at the average exchange rate for the year. The translation differences resulting from the application of this method are classified in equity until the sale of the investment.
Goodwill and fair value adjustments generated by the acquisition of a foreign entity are recognized in the respective currency and translated at the year-end exchange rates.

Revenue recognition

Revenues are formed mainly by sales of services produced within the major business segments of the Group and are stated net of any adjusting items.
Revenues from services are recognized by reference to the stage of completion of the transaction at the statement of financial position date and measured on the basis of the services rendered.

In particular, revenues are recognized in the principal business segments as follows:

C&W Group

The C&W Group's revenues are categorized into transaction services and non-transaction services. Non-transaction services include primarily capital market services and client solutions (financial advisory, asset management, valuation, corporate real estate services, and research). Fees related to transaction services are recognized as revenue at the time the related services are fully performed and the amount can be measured reliably, unless significant material future contingencies exist, in which case they are recognized when the contingency is resolved.
Asset management fees are recognized as revenue when earned, typically on a monthly basis as services are rendered.
Other revenues for fees related to non-transaction services are recognized when the assignment has been completed. Fees for ongoing professional services are recognized as revenue when earned, which is when services are rendered.
The C&W Group recognizes certain reimbursements (primarily salaries and related charges) mainly related to the facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Alpitour Group

Sales of tourist packages, airplane transportation services and brokering revenues are recognized based on the departure date.

Revenues for hotel services and services rendered in connection with the incoming sector are recognized in the income statement at the service performance date.

Premiums connected with reinsurance activities are recognized in the income statement on the client's departure date since the insurance coverage is strictly related to the travel package.

Juventus Football Club

Revenues from games, from radio and television rights and media income are recognized at the actual moment of the event (when the game is played). Revenues from season tickets are recognized when the tickets are paid even if payment is received at the end of the season preceding the season to which the tickets refer and are deferred on the accrual basis using the same principle (when the game is played).

Revenues from the performance of services (including sponsorships) are recognized on the basis of the stage of completion of the service or upon completion of the service.

Revenues are recorded net of returns, discounts and allowances.

Gains and losses from the sale of players' registration rights are recognized according the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Gains from the sale of players' registration rights, in which 50% is simultaneously repurchased, are adjusted for 50% of their amount in order to recognize in the income statement the income accrued for the portion of the deferred rights actually transferred through the sale. The remaining amount of the gain, instead, will only be realized upon termination of the player-sharing agreement when the player leaves the company. If there is a loss on the sale of the players' right which precedes the signing of the player-sharing contract, this loss, on the contrary, is not adjusted for IFRS purposes. This is due to the fact that the loss is comparable to the effect of an impairment test of the deferred right, under the assumption that the moment in time in which the right is disposed of represents the moment in which that loss arose.

EXOR Holdings System

Financial income is recognized according to the accrual principle on the basis of the effective rate of return.

Dividends from investments accounted for at cost, from available-for-sale investments and from investments held for trading are recognized in the income statement upon approval of the appropriation.

Commission expenses

Commissions payable to brokers are recorded at the time C&W Group recognizes its brokerage commission revenues and are generally not paid until after the collection of the related commissions receivable.

Non-recurring other income (expenses)

Non-recurring other income (expenses) includes the gains and/or the losses on the disposal of non-current assets other than discontinued operations or assets held for sale (the results of the latter are included in “Profit (loss) from discontinued operations or assets held for sale”). They may also include impairment losses on assets, restructuring costs, accruals and utilizations of provisions for liabilities.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent by the weighted average number of shares outstanding during the year, excluding treasury stock. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The profit attributable to owners of the Parent is also adjusted to take into account the effects, net of taxes, of the conversion.
Basic and diluted earnings per share is calculated on the result from continuing operations and the result from discontinued operations or assets held for sale.

Segment information

Given the nature of the investments, the segment information coincides with the consolidated data of each operating subsidiary and associate holding company, each of which represents an investment in a primary reportable segment.

6. Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conforms to IFRS requires estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and assumptions are based on experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the income statement in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can be clearly neither estimated nor predicted.
The following are the critical judgments and the key assumptions concerning the future that have been made in the process of applying the accounting policies and that may have the most significant effect on the amounts recognized in the consolidated financial statements or that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- the impairment test on goodwill and internally development software of C&W Group which, at December 31, 2009, resulted in impairment charges, respectively, of $61.9 million (€44.4 million) and $14.8 million (€11 million). Further details on impairment testing are provided in Note 19;
- the impairment charge of €3 million on the video archives of Juventus Football Club, carried out on the basis of the commercial exploitation plan and estimated cash and economic flows acquired and expected. Further details are provided in Note 13;
- the impairment test on the investment in Gruppo Banca Leonardo which led to recognition of a negative fair value reserve of €3 million;
- the other listed and unlisted investments accounted for at cost or fair value for which their measurement indicated no evidence of impairment;
- the fair value measurements of the bonds issued by DLMD and the embedded derivative relating to the Perfect Vision convertible bonds which resulted, respectively, in impairment charges for €9 million and €36 million.

Recoverable amount of non-current assets

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets and deferred tax assets. Each consolidated company periodically reviews the carrying amount of non-current assets held and used and assets that must be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows from the use or disposal of the asset, as established in company plans, and suitable discount rates in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the companies of the Group record an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the Group companies' most recent plans.

Pension plans and other post-employment benefits

Group companies sponsor pension plans and other health care plans in various countries. Management uses several statistical and judgmental factors that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group companies' actuarial consultants also use subjective factors such as resignations and mortality rates in making relevant estimates.

Contingent liabilities

The actions and claims against the companies of the Group are often the result of difficult and complex factual and legal issues, which are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular action and claim, the jurisdiction and the differences in applicable law. The companies of the Group accrue a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed in the Notes.

7. Adoption of new accounting standards, amendments and interpretations issued by the IASB

Accounting standards, amendments and interpretations to standards applied from January 1, 2009

IAS 1 Revised – Presentation of Financial Statements. The revised version of the standard, applicable from January 1, 2009, requires an entity to present all changes in its equity resulting from transactions with owners in a statement of changes in equity. All non-owner changes (that is, changes in comprehensive income) are required to be presented either in a single statement of comprehensive income showing performance for the period or in two statements (a separate income statement and a statement of comprehensive income). In any event, transactions with non-owners may not be presented in the statement of changes in equity.

The Group has adopted the revised standard retrospectively from January 1, 2009, electing to present all non-owner changes in two statements entitled respectively “consolidated income statement” and “consolidated statement of comprehensive income” and has consequently modified the presentation of its “statement of changes in equity”.

As part of its 2008 annual improvements project, the IASB published an amendment to IAS 1. The amendment, applicable from January 1, 2009, requires an entity to classify derivative financial instruments not held for trading between current and non-current assets and liabilities. The adoption of this amendment did not have any effect on the presentation of items in the financial statements.

IAS 23 Revised – Borrowing Costs. The revised version of the standard removes the option, adopted by the Group until December 31, 2008, of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. As part of its 2008 annual improvements project the IASB also published an amendment to IAS 23 (Revised) in order to revise the definition of the borrowing costs to be capitalized. In accordance with the transition rules, the Group adopted the revised standard prospectively from January 1, 2009, capitalizing borrowing costs directly attributable to the acquisition, construction or production of qualifying assets for which it incurs expenditures, incurs borrowing costs or undertakes activities that are necessary to prepare the asset for its intended use or sale from January 1, 2009.

Amendment to IFRS 7 – Financial Instruments: Disclosures. The amendment, effective from January 1, 2009, was issued in order to improve the disclosure requirements for fair value measurements and reinforce existing principles for disclosures concerning the liquidity risk associated with financial instruments. In particular, the amendment requires disclosures to be made that are based on a hierarchy of the inputs used in valuation techniques to measure fair value. The adoption of the amendment only affected the disclosures in the notes and had no effect on the recognition and measurement of items in the financial statements.

Amendment to IFRS 1 – First Time Adoption of International Financial Reporting Standards. The amendment allows companies adopting IFRS for the first time from January 1, 2009 and electing to recognize investments in subsidiaries, associates and joint ventures in the separate financial statements at cost, to use one of the following methods:

- cost determined in accordance with IAS 27;
- revalued cost, measured on a fair value basis at the date of transition to IFRS or the carrying amount of the investment at the date of transition measured in accordance with local GAAP.

In addition, the amendment to IAS 27 – Consolidated and Separate Financial Statements requires that all dividends received from subsidiaries, joint ventures and associates be recognized in the parent company's income statement when the right to receive those dividends is established regardless of whether they relate to profit arising before or after the date the interest was acquired. Revisions to IAS 36 – Impairment of Assets require that, when evaluating whether impairment exists, if an investee company has distributed a dividend, the following must be considered:

- whether the carrying amount of the investment in the separate financial statements exceeds the book value of that company's equity (including any associated goodwill) as recognized in the consolidated financial statements;
- whether the dividend exceeds the comprehensive income of the investee for the period to which the dividend relates.

The company adopted the amendment to IAS 27 prospectively from January 1, 2009. However, no accounting effects resulted from its application in the consolidated financial statements since this impacts the separate financial statements.

Amendment to IFRS 2 – Share-based payment: Vesting Conditions and Cancellations. For the purpose of measuring share-based payments, only service conditions and performance conditions may be considered vesting conditions.
The amendment also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

Improvement to IAS 19 – Employee Benefits. This amendment clarifies the definition of positive/negative past service costs and states that in the case of a curtailment, only the effect of the reduction for future service shall be recognized immediately in the income statement, while the effect arising from past service periods shall be considered a negative past service cost. The Board also revised the definition of short-term employee benefits and long-term employee benefits and the definition of a return on plan assets, stating that this amount should be net of any costs for administering the plan (other than those included in the measurement of the defined benefit obligation). The amendment is applicable prospectively to changes in plans occurring on or after January 1, 2009.

Improvement to IAS 28 – Investments in Associates, and IAS 31 – Investments in Joint Ventures. The amendments, applicable from January 1, 2009, require that for investments accounted for by the equity method a recognized impairment loss should not be allocated to the individual assets (and in particular goodwill) that form part of the carrying amount of the investment in the associate, but to the carrying amount of the investment overall. Accordingly any reversal of that impairment loss is recognized in full.
Specific additional disclosures are also required for investments in associates and joint ventures measured at fair value in accordance with IAS 39, correspondingly amending IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation.

Amendments and interpretations effective from January 1, 2009 but not applicable to the Group

The following standards and interpretations have also been issued and are effective from January 1, 2009 and relate to matters that were not applicable to the Group at the date of the financial statements:

Amendment to IAS 16 – Property, Plant and Equipment.
Amendment to IAS 32 – Financial Instruments: Presentation and IAS 1 – Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.
IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance .
IAS 38 – Intangible Assets
Improvement to IAS 29 – Financial Reporting in Hyperinflationary Economies.
Improvement to IAS 36 – Impairment of Assets.
Improvement to IAS 39 – Financial Instruments: Recognition and Measurement.
Improvement to IAS 40 – Investment Property.
IFRIC 13 – Customer Loyalty Programmes.
IFRIC 15 – Agreements for Construction of Real Estate.
IFRIC 16 – Hedges of a Net Investment in a Foreign Operation.

Accounting standards, amendments and interpretations not yet effective and not early adopted by the Group

On January 10, 2008, the IASB issued a revised version of IFRS 3 – Business Combinations and an amended version of IAS 27 – Consolidated and Separate Financial Statements. The main changes that revised IFRS 3 makes to existing requirements are the elimination of the need to measure every asset and liability at fair value at each stage in a step acquisition of subsidiaries. Goodwill is only to be measured on acquiring control, as the difference at acquisition date between the value of any investment in the business held before the acquisition, the consideration transferred and the net assets acquired. Moreover, for a business combination in which the acquirer achieves control without purchasing all of the acquiree, the remaining (non-controlling) equity interests are measured either at fair value or by using the method already provided previously in IFRS 3. The revised IFRS 3 also requires acquisition-related costs to be recognized as expenses and the acquirer to recognize the obligation to make an additional payment as part of the business combination (contingent consideration).

In the amended version of IAS 27, the IASB has added a requirement specifying that changes in a parent's interest in a subsidiary that do not result in the loss of control must be accounted for as equity transactions and recognized within equity. Moreover, when a parent loses control of a subsidiary but retains an ownership interest it must initially measure any retained investment at fair value. At the date when control is lost, the difference between the fair value and the carrying amount of the retained interest must be recognized in the income statement. Finally, the amendment to IAS 27 requires losses pertaining to non-controlling interests to be allocated to non-controlling interest equity, even if this results in the non-controlling interest having a deficit balance. The new rules will apply prospectively from January 1, 2010.

As part of its 2008 annual improvements project, the IASB issued an amendment to IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations. This amendment, to be applied prospectively from January 1, 2010, requires an entity that is committed to a sale plan involving loss of control of a subsidiary to classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.

On July 31, 2008, the IASB issued an amendment to IAS 39 – Financial Instruments: Recognition and Measurement. This amendment, to be applied retrospectively from January 1, 2010, clarifies how to apply the standard for what can be designated as a hedged item in particular situations.

In November 2008, the IFRIC also issued interpretation IFRIC 17 – Distributions of Non-cash Assets to Owners. The interpretation clarifies that dividends payable should be measured at the fair value of the net assets to be distributed when it becomes mandatory to recognize the relative liability to the stockholders. Moreover, an entity should recognize the difference between the dividends paid and the carrying amount of the net assets used for payment in the income statement.
The interpretation is effective prospectively from January 1, 2010, for annual periods beginning on or after July 1, 2009.

On January 29, 2009, the IFRIC issued interpretation IFRIC 18 – Transfers of Assets from Customers (applicable from January 1, 2010, for annual periods beginning on or after July 1, 2009). The interpretation clarifies the accounting treatment to be followed for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

On March 12, 2009, the IASB issued amendments to IFRIC 9 – Reassessment of Embedded Derivatives and to IAS 39 – Financial Instruments: Recognition and Measurement. The amendments allow entities to reclassify certain financial instruments out of the ‘fair value through profit or loss’ category in specific circumstances. The amendments clarify that on the reclassification of a financial asset out of the ‘fair value through profit or loss’ category all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements. The amendments are effective retrospectively from December 31, 2009; at the date of these financial statements, the European Union had yet to complete the endorsement process required for the amendments to be applicable.

On April 16, 2009, the IASB issued a series of amendments to IFRS (Improvements to IFRSs). Details are provided in the following paragraphs of those identified by the IASB as resulting in accounting changes for presentation, recognition and measurement purposes, leaving out any amendments regarding changes in terminology or editorial changes which are likely to have minimal effects on accounting and effects on the separate financial statements and amended standards or interpretations not applicable to the Group.

- IFRS 2 – Share-based Payment. This amendment, applicable from January 1, 2010 (with early application permitted), clarifies that following the change made by IFRS 3 to the definition of a business combination, the contribution of a business on the formation of a joint venture and the combination of entities or businesses under common control do not fall within the scope of IFRS 2.

- IFRS 5 – Non-current Assets held for Sale and Discontinued Operations. This amendment, which shall be applied prospectively from January 1, 2010, clarifies that IFRS 5 and other IFRSs that specifically refer to non-current assets (or disposal groups) classified as held for sale or discontinued operations set out all the disclosures required in respect of those assets or operations.
- IAS 1 – Presentation of Financial Statements. This amendment, applicable from January 1, 2010 (with early application permitted), clarifies that an entity should classify a liability as current if it does not have unconditional right to defer the settlement for at least twelve months after the end of the year, even when there is an option by the counterpart that could require a settlement in the form of equity instruments.
- IAS 7 – Statement of Cash Flows. This amendment, applicable from January 1, 2010, clarifies that only expenditures that result in a recognized asset in the statement of financial position are eligible for classification as investing activities in the statement of cash flows; cash flows originating from expenditures that do not result in a recognized asset (as could be the case for advertising and promotional activities and staff training) must be classified as cash flows from operating activities.

  IAS 17 – Leasing. Following the changes, the general conditions required by IAS 17 for classifying a lease as a finance lease or an operating lease will also be applicable to the leasing of land, independent of whether the lease transfers ownership by the end of the lease term. Before these changes, the standard required the lease to be classified as an operating lease if ownership of the leased land was not transferred at the end of the lease term because land has an indefinite useful life. The amendment is applicable from January 1, 2010. At the date of adoption, the classification of all land elements of unexpired leases must be reassessed, with any lease newly classified as a finance lease to be recognized retrospectively.
- IAS 36 – Impairment of Assets. This amendment, applicable prospectively from January 1, 2010, states that each unit or group of units to which goodwill is allocated for the purpose of impairment testing shall not be larger than an operating segment as defined by paragraph 5 of IFRS 8 – Operating Segments before any aggregation on the basis of similar economic characteristics and other similarities as permitted by paragraph 12 of IFRS 8.
- IAS 38 – Intangible Assets: IFRS 3 (as revised in 2008). This states that if an intangible asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure its fair value reliably; amendments are made to IAS 38 to reflect that revision of IFRS 3. Moreover, these amendments clarify the valuation techniques commonly used to measure intangible assets at fair value when assets are not traded in an active market; in particular, such techniques include discounting the estimated future net cash flows from an asset, and estimating the costs the entity avoids by owning an intangible asset and not having to license it from another party in an arm’s length transaction or the costs to recreate or replace it (as in the cost approach). The amendment is applicable prospectively from January 1, 2010; if an entity applies the revised IFRS 3 for an earlier period it shall also apply this amendment.
- IAS 39 – Financial Instruments: Recognition and Measurement. This amendment restricts the non-applicability of IAS 39 under paragraph 2(g) of the standard to forward contracts between an acquirer and a selling stockholder to buy or sell an acquiree in a business combination at a future acquisition date when the completion of the business combination is not dependent on further actions of either party and only the passage of a normal period of time is required. Option contracts, whether or not currently exercisable, which allow one party to control the occurrence or non-occurrence of future events and on exercise will result in control of an entity are therefore included in the scope of IAS 39. The amendment also clarifies that embedded prepayment options whose exercise price compensates the lender for the loss of interest income resulting from the prepayment of the loan shall be considered closely related to the host debt contract and therefore not accounted for separately. Finally, the amendment clarifies that the gains or losses on a hedged instrument must be reclassified from equity to profit or loss during the period that the hedged forecast cash flows affect profit or loss.

The amendment is effective prospectively from January 1, 2010; early application is permitted.

- IFRIC 9 – Reassessment of Embedded Derivatives. This amendment is applicable prospectively from January 1, 2010 and excludes from the scope of IFRIC 9 embedded derivatives in contracts acquired in a business combination, a combination of entities or businesses under common control or the formation of a joint venture.

At the date of these financial statements, the European Union had yet to complete the endorsement process required for the improvements to be applicable.

In June 2009, the IASB issued an amendment to IFRS 2 – Share-based Payment: Group Cash-settled Share-based Payment Transactions. The amendment clarifies the scope of IFRS 2 and the interactions of IFRS 2 and other standards. In particular, it clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash; moreover, it clarifies that a 'group' has the same meaning as in IAS 27 - Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries. In addition, the amendment clarifies that an entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognized in the consolidated financial statements. The amendment also incorporates guidance previously included in IFRIC 8 - Scope of IFRS 2 and in IFRIC 11 – IFRS 2 - Group and Treasury Share Transactions. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11. The amendment is effective from January 1, 2010; at the date of these financial statements, the European Union had yet to complete the endorsement process required for the amendment to be applicable.

On October 8, 2009, the IASB issued an amendment to IAS 32 – Financial Instruments: Classification of Rights Issues. The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.
The amendment is applicable retrospectively from January 1, 2011. The adoption of this amendment will not have any effect on the financial statements of the Group.

On November 4, 2009, the IASB issued a revised version of IAS 24 - Related Party Disclosures. The revised IAS 24 simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after January 1, 2011. The revised standard had not yet been endorsed by the European Union at the date of these financial statements.

On November 12, 2009, the IASB issued a new standard IFRS 9 – Financial Instruments. The new standard addresses the classification and measurement of financial assets, having an effective date for adoption of January 1, 2013. The new standard represents the completion of the first part of a project to replace IAS 39. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. IFRS 9 also requires a single impairment method to be used. The new standard had not yet been endorsed by the European Union at the date of these financial statements.

On November 26, 2009, the IASB issued a minor amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for adoption of January 1, 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

On November 26, 2009, the IFRIC issued the interpretation IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in the profit or loss for the period.
The amendment has an effective date for adoption of January 1, 2011; the amendment had not yet been endorsed by the European Union at the date of these financial statements.

8. Change in the scope of consolidation

The changes in the scope of consolidation of the Group are presented below.

C&W Group

During 2009, there were no significant acquisitions of investment holdings.

Alpitour Group

During 2009, there were no significant acquisitions of investment holdings.

EXOR Holdings System

With a view towards simplifying the Group's structure, the following transactions took place:

- on May 20, 2009, the voluntary wind-up of Ifil Investment Holding, a Dutch-registered company, wholly-owned by EXOR S.p.A., approved on November 7, 2008, was closed;
- on September 18, 2009, the voluntary wind-up of Ifilgroup Finance Limited, an Irish-registered company, wholly-owned by EXOR S.A., approved on September 29, 2008, was closed.

Moreover, voluntary wind-ups are currently in progress for Eufin Investments, (approved on December 2, 2009) and IFIL France, both wholly-owned subsidiaries of EXOR S.A..

9. Segment reporting

Segment reporting, presented in accordance with IFRS 8 – Operating Segments (replacing IAS 14 – Segment Reporting), is prepared according to the same accounting policies adopted in the preparation and presentation of the consolidated financial statements of the Group.

The operating segments through which the EXOR Group carries out its activities are based on the internal reporting used by the Group's Chief Executive Officer to make strategic decisions. That reporting, which reflects the Group's current organizational structure, is prepared in accordance with the accounting policies described in "Consolidation" under "Significant Accounting Policies" above.

The EXOR Group presents information by business segment which coincides with the consolidated data of each subsidiary and associate holding company, every one of which represents an investment in a major business segment: C&W Group, Alpitour Group, Juventus Football Club, Fiat Group, Sequana Group and the EXOR Holdings System. As a result, the adoption of IFRS 8 – Operating Segments, applicable from January 1, 2009, does not require any changes from the previous information presented on the basis of IAS 14.
The segment information relating to continuing operations is presented in the following tables.

For an analysis of the performance of the various segments, please refer to the section "Review of Performance by the Main Operating Subsidiaries and Associates and Relevant Subsidiaries of the Holdings System" in the Report on Operations.

The income statement by operating segment is as follows:

€in millions	C&W Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	**Total**
2009							
Revenues	1,110	1,090	227			0	**2,427**
Operating profit (loss)	(86)	12	21			(56)	**(109)**
Financial income (expenses)	(14)	(2)	(2)			(18)	**(36)**
Income taxes	11	(6)	(13)			(6)	**(14)**
Profit (loss) of companies consolidated line-by-line	(89)	4	6			(80)	**(159)**
Share of the profit (loss) of investments accounted for by the equity method	(1)	0	0	(249)	5	0	**(244)**
Consolidated profit (loss) attributable to:	**(90)**	**4**	**6**	**(249)**	**5**	**(80)**	**(403)**
owners of the Parent	**(72)**	**2**	**4**	**(249)**	**5**	**(79)**	**(389)**
non-controlling interests	**(18)**	**2**	**2**	**0**	**0**	**(1)**	**(14)**

€in millions	C&W Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	**Total**
2008							
Revenues	1,246	1,237	197			1	**2,681**
Operating profit (loss)	(10)	18	1			(34)	**(25)**
Financial income (expenses)	(6)	(4)	1			138	**129**
Income taxes	(4)	(11)	(8)			(5)	**(28)**
Profit (loss) of companies consolidated line-by-line	(20)	3	(6)			99	**76**
Share of the profit (loss) of investments accounted for by the equity method	(1)	1		467	(115)		**352**
Profit (loss) from discontinued operations or assets held for sale							**0**
Consolidated profit (loss) attributable to:	**(21)**	**4**	**(6)**	**467**	**(115)**	**99**	**428**
owners of the Parent	**(10)**	**2**	**(3)**	**327**	**(81)**	**67**	**302**
non-controlling interests	**(11)**	**2**	**(3)**	**140**	**(34)**	**32**	**126**

Segment assets are as follows:

€in millions	C&W Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	Total
2009							
Assets							
Segment assets	311	265	262			15	**853**
Investments accounted for by the equity method				3,057	198		**3,255**
Other assets	789	103	27			2,568	**3,487**
Total assets	**1,100**	**368**	**289**	**3,057**	**198**	**2,583**	**7,595**
Liabilities and equity							
Segment liabilities	269	259	149			26	**703**
Other liabilities	831	109	140			5,812	**6,892**
Total liabilities	**1,100**	**368**	**289**	**0**	**0**	**5,838**	**7,595**
Investments in property, plant and equipment and intangible assets	(37)	(19)	(75)			0	**(131)**
Amortization and depreciation	(45)	(16)	(32)			(1)	**(94)**
Impairment losses on assets	(55)		(3)			(10)	**(68)**
Other (accruals) releases of provisions	(25)	(7)	0			16	**(16)**
Cash flows							
Cash flows from operating activities	22	51	38			4	**115**
Cash flows from investing activities	(34)	(15)	(39)			(201)	**(289)**
Cash flows from financing activities	5	(13)	(2)			(157)	**(167)**

€in millions	C&W Group	Alpitour Group	Juventus	Fiat Group	Sequana Group	EXOR Holdings System	Total
2008							
Assets							
Segment assets	1,104	277	260			21	**1,662**
Investments accounted for by the equity method		1		3,062	190		**3,253**
Other assets	108	115	38			2,570	**2,831**
Assets held for sale			3				**3**
Total assets	**1,212**	**393**	**301**	**3,062**	**190**	**2,591**	**7,749**
Liabilities							
Segment liabilities	309	235	163			24	**731**
Other liabilities	903	158	138			5,819	**7,018**
Total liabilities	**1,212**	**393**	**301**	**0**	**0**	**5,843**	**7,749**
Investments in property, plant and equipment and intangible assets	(31)	(18)	(55)				**(104)**
Amortization and depreciation	(42)	(15)	(27)			(1)	**(85)**
Impairment losses on assets	(7)		(12)				**(19)**
Cash flows							
Cash flows from operating activities	(44)	26	9			170	**161**
Cash flows from investing activities	(44)	(10)	(4)			290	**232**
Cash flows from financing activities	78	(24)	(1)			(388)	**(335)**

The following table presents an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

€in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2009			
Italy	1,182	471	91
Europe excluding Italy	367	158	3
United States	693	148	34
Rest of the world	185	76	3
Total at December 31, 2009	**2,427**	**853**	**131**

€in millions	Revenues	Segment assets	Investments in property, plant and equipment and intangible assets
2008			
Italy	1,265	473	70
Europe excluding Italy	463	426	10
United States	746	516	19
Rest of the world	207	247	5
Total at December 31, 2008	**2,681**	**1,662**	**104**

Lastly, in 2009 and 2008, there were no revenues realized with any one third-party customer for an amount of more than 10% of the revenues of the Group.

10. Revenues

Details of revenues are as follows:

€in millions	**2009**	2008	Change
Revenues from rendering tourist services	**1,090**	1,237	(147)
Real estate brokerage commissions	**460**	767	(307)
Revenues from property management activities (a)	**249**	225	24
Radio and television rights and media revenues	**160**	137	23
Revenues from financial consulting and property management services	**207**	140	67
Corporate real estate business consulting services and research	**183**	110	73
Revenues from sponsorships and advertising	**46**	43	3
Revenues from season tickets and ticket office sales	**15**	13	2
Other services	**17**	9	8
Total revenues	**2,427**	2,681	(254)

(a) These are reimbursements received from the owners of the properties for property management services rendered by C&W Group.

11. Other revenues from current operations

Details of other revenues from current operations are as follows:

€in millions	**2009**	2008	Change
Gains on the transfer of players' registration rights	**13**	16	(3)
Other income (a)	**19**	18	1
Operating grants	**1**	1	0
Total other revenues from current operations	**33**	35	(2)

(a) This mainly includes contributions for advertising and promotions, cost recoveries and other income of the Alpitour Group (€8 million) and insurance compensation and sundry income of Juventus Football Club (€10 million).

12. Personnel costs

Details of the composition of personnel costs are as follows:

€in millions	**2009**	2008	Change
Salaries and wages	**(757)**	(881)	124
Employee costs relating to C&W Group property management activities (a)	**(249)**	(225)	(24)
Share of results paid to partners of the EMEA division of C&W Group	**(25)**	(20)	(5)
Social security contributions	**(65)**	(52)	(13)
Health insurance	**(24)**	(30)	6
Employee stock options	**(4)**	(5)	1
Other employee costs	**(16)**	(20)	4
Temp work costs	**(4)**	(7)	3
Employee severance indemnities expense	**(6)**	(6)	0
Total personnel costs	**(1,150)**	(1,246)	96

(a) The corresponding reimbursement by the owners of the properties is recorded in Revenues.

13. Impairment losses on assets

In 2009, impairment losses of €68 million were recorded in respect of:

- goodwill relating to the acquisition of C&W Group for €54 million (of which €45 million is the Group's share) and other intangible assets of C&W Group for €11 million;
- video archives of Juventus Football Club for €3 million.

In 2008, impairment losses for €19 million had been recorded in respect of:

- residual amount of the registration rights of the player Andrade, given that it will be impossible for the player to recover to play soccer professionally following a serious injury which occurred in July 2008, for €7 million;
- video archives of Juventus Football Club, carried out on the basis of the commercial exploitation plan and the estimated cash and economic flows acquired and expected, for €5 million;
- goodwill recognized on the acquisition of C&W Group in March 2007 (€7 million).

14. Non-recurring other income (expenses)

Details of non-recurring other income (expenses) by group are as follows:

€ in millions	**2009**	2008	Change
Holdings System	**(13)**	2	(15)
C&W Group	**(21)**	(6)	(15)
Alpitour Group	**(3)**	(1)	(2)
Juventus Football Club	**3**	(1)	4
Non-recurring other income (expenses)	**(34)**	(6)	(28)

Holdings System

In 2009, net non-recurring other expenses are € 13 million (income in 2008 for € 2 million) and include:

€ in millions	**2009**	2008	Change
Fair value adjustment to the Alpitour stock option plan	**(4)**	8	(12)
Costs for directors and employees	**(5)**	(6)	1
Legal fees for defense in proceedings in progress	**(3)**	(1)	(2)
Sundry other income (expenses)	**(1)**	1	(2)
Total	**(13)**	2	(15)

Costs for directors and employees amounting € 5 million (€ 6 million in 2008) refer to the special indemnity relative to the termination of the employment relationship resolved in favor of the former chief executive officer and general manager of IFI S.p.A., Virgilio Marrone (€ 3 million), and expenses relating to workforce reductions for € 2 million (€ 1 million in 2008). In 2008, these costs had also included the special fee on behalf of Mr Gabetti for € 5 million approved by the IFIL board of directors' meeting held on May 13, 2008.

Legal fees for defense in proceedings in progress total € 3 million (€ 1 million in 2008) and mainly refer to expenses incurred for assistance in proceedings relating to the content of the press release issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.

C&W Group

These expenses total € 21 million (€ 6 million in 2008) and include charges in connection with the restructuring of C&W Group.

Alpitour Group

These expenses total € 3 million (expenses for € 1 million in 2008) and include the costs incurred by the Alpitour Group for implementing the rationalization and reorganization plans aimed at reducing and containing labor costs (€ 2 million) and expenses for penalties paid by the subsidiary Alpitour following the early withdrawal from lease contracts for Italian hotel structures and expenses for the settlement of a legal dispute, for a total of € 1 million (unchanged compared to 2008).

Juventus Football Club

The amount of € 3 million includes the positive economic effect of the sale to Ebano S.r.l., a company in the Nordiconad group, of the business segment relating to the commercial areas outside the new stadium.

15. Financial income (expenses)

Details of the composition of financial income (expenses) are as follows:

€ in millions	2009	2008	Change
Gain (loss) on disposal of stake in Intesa Sanpaolo	**(15)** (a)	86	(101)
Cost of net debt			
Income on current securities and cash and cash equivalents	**48**	26	22
Net gain on exchange rate and interest rate hedging transactions	**(5)**	4	(9)
Exchange differences	**(1)**	10	(11)
Interest expenses on loan transactions	**(71)**	(88)	17
Commissions for unused credit lines	**(1)**	(2)	1
Total cost of net debt	**(30)**	(50)	20
Other financial income (expenses)			
Dividends received	**41** (b)	139 (c)	(98)
Interest income on other financial assets	**6**	21	(15)
Changes in the fair value of financial assets and liabilities	**(38)** (d)	(67) (d)	29
Total other financial income (expenses)	**9**	93	(84)
Financial income (expenses)	**(36)**	129	(165)

(a) Sale of 0.66% stake in ordinary capital stock.
(b) Received from SGS for €38 million, Gruppo Banca Leonardo for €2 million and Alpitour Egypt for Tourism for €1 million.
(c) Received from Intesa Sanpaolo for €110 million, SGS for €26 million and Gruppo Banca Leonardo for €3 million.
(d) Includes negative fair value change on embedded derivative relating to Perfect Vision convertible bonds for -€36 million (positive for €4 million in 2008) and on DLMD bonds for -€9 million (-€15 million in 2008).

16. Income taxes

Details of income taxes recorded in the income statement are as follows.

€ in millions	2009	2008	Change
Current income taxes	**(27)**	(27)	0
Deferred income taxes	**13**	(1)	14
Total income taxes	**(14)**	(28)	14

In 2009, national income taxes are calculated at a rate of 27.5% on the estimated taxable income for the year. The income taxes for other jurisdictions are calculated at the enacted tax rates in the various countries.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge (IRES), calculated on the basis of the tax rate in effect in Italy, is the following:

€ in millions	2009	2008
Profit before income taxes	**(145)**	104
Current tax rate in Italy	**27.5%**	27.5%
Theoretical income taxes	**40**	(29)
Effective income taxes	**(14)**	(28)
Difference	**54**	(1)
The difference can be analyzed as follows:		
Tax effect of difference between foreign tax rates and the theoretical Italian tax rates	**(24)**	(1)
Effect of tax rate reduction on deferred income taxes	**0**	
Tax effect of other permanent differences	**54**	(17)
Deferred tax benefits not recognized	**4**	3
Other differences	**20**	14
Difference	**54**	(1)

17. Share of the profit (loss) of investments accounted for by the equity method

Details are as follows:

€ in millions	**2009**	2008	Change
Fiat Group	**(249)** (a)	467 (a)	(716)
Sequana Group	**5**	(115) (b)	120
Sundry C&W Group companies	**0**	(1)	1
Sundry Alpitour Group companies		1	(1)
Total	**(244)**	352	(596)

(a) Includes a positive consolidation adjustment for € 1 million (negative for € 7 million in 2008).

Further details on the companies accounted for by the equity method are provided in Note 22.

18. Earnings per share

		2009	2008
Average number of ordinary shares outstanding	number	**158,861,096**	160,044,740
Average number of savings shares outstanding	number	**9,058,702**	9,168,894
Average number of preferred shares outstanding	number	**70,641,243**	66,080,860
Net earnings attributable to owners of the Parent	€ in ml	**(389)**	435 (a)
Earnings attributable to ordinary shares	€ in ml	**(263)**	293
per ordinary share – basic	€	***(1.66)***	*1.831*
per ordinary share – diluted (b)	€	***(1.66)***	*1.810*
Earnings attributable to savings shares	€ in ml	**(12)**	18
per savings share – basic	€	***(1.35)***	*1.970*
per savings share – diluted (b)	€	***(1.35)***	*1.949*
Earnings attributable to preferred shares	€ in ml	**(114)**	124
per preferred share – basic	€	***(1.61)***	*1.882*
per preferred share – diluted (b)	€	***(1.61)***	*1.862*
Earnings from continuing operations	€ in ml	**(389)**	435
Earnings from continuing operations attributable to ordinary shares	€ in ml	**(263)**	293
per ordinary share – basic	€	***(1.66)***	*1.831*
per ordinary share – diluted (b)	€	***(1.66)***	*1.810*
Earnings from continuing operations attributable to savings shares	€ in ml	**(12)**	18
per savings share – basic	€	***(1.35)***	*1.970*
per savings share – diluted (b)	€	***(1.35)***	*1.949*
Earnings from continuing operations attributable to preferred shares	€ in ml	**(114)**	124
per preferred share – basic	€	***(1.61)***	*1.882*
per preferred share – diluted (b)	€	***(1.61)***	*1.862*

(a) For purposes of calculating earnings per share, consideration was given to the earnings attributable to owners of the Parent (€ 302 million) increased by the earnings attributable to the non-controlling interests of IFIL (€ 133 million) since the EXOR shares issued on March 1, 2009 to service the merger exchange had dividend rights from the date of January 1, 2008.

(b) For purposes of calculating 2008 earnings per share, the number of ordinary shares outstanding had been increased by the average number of "potentially dilutive" ordinary shares which could have arisen from a hypothetical exercise of stock options. Moreover, the earnings attributable to owners of the Parent had been adjusted to take into account the dilutive effects arising from the theoretical exercise of stock options granted by subsidiaries and associates of the Group using their own equity instruments.
In 2009, this effect is not taken into account because it is considered non-dilutive.

19. Goodwill

The composition of goodwill by business segment is as follows:

€ in millions	12/31/2009	12/31/2008	Change
Goodwill on 48,750,000 IFIL ordinary shares purchased in 2007	**0**	68	(68)
EXOR Group	**0**	68	(68)
Goodwill on the acquisition of C&W Group (Group's share)	**285**	322	(37)
Goodwill on other companies of C&W Group	**53**	53	0
C&W Group	**338**	375	(37)
Jumboturismo S.A.	**11**	11	0
Altamarea V&H Compagnia Alberghiera S.p.A.	**8**	8	0
Viaggidea S.p.A.	**6**	6	0
AW Events S.r.l.	**2**	2	0
Alpitour Group	**27**	27	0
Net goodwill	**365**	470	(105)

The analysis of the changes in goodwill in 2009, is as follows:

€ in millions	12/31/2009	12/31/2008
GROSS AMOUNT		
Opening balance	**479**	414
Changes		
Merger effect on goodwill on IFIL stock	**(68)**	
Increase in the initial goodwill of C&W Group as a result of the change in percentage of consolidation	**20**	3
Exchange differences	**(6)**	19
Increases and other changes	**(7)**	43
Total changes	**(61)**	65
Closing balance	**418**	479
ACCUMULATED IMPAIRMENT LOSSES		
Opening balance	**(9)**	(4)
Changes		
Exchange differences	**1**	
Impairment losses recognized in the income statement (Group's share)	**(45)**	(5)
Total changes	**(44)**	(5)
Closing balance	**(53)**	(9)
NET AMOUNT	**365**	470

Following the merger by incorporation of IFIL in EXOR, the goodwill arising from the purchases of IFIL stock in 2007 was recognized as a deduction from equity, consistently with the allocation of the exchange reserve to equity.

Goodwill recognized on the acquisition of C&W Group Inc. is deemed representative of the aggregate of the expected future economic benefits from the investment and cannot be identified separately.

C&W Group tests goodwill and other intangible assets with indefinite useful lives annually for impairment on October 1 or whenever events or circumstances indicate that the asset may be impaired.
Alpitour Group also tests property, plant and equipment, intangible assets, goodwill and marketing rights annually.

The main assumptions used in the calculation of the impairment test are as follows:

Impairment test on the goodwill and trademarks with an indefinite life of C&W Group

For the purpose of impairment testing, C&W Group allocates the goodwill and trademarks to Cash-Generating Units (CGU) identified by geographical regions, which represent the lowest level within C&W Group at which these assets are monitored.

The carrying amount of goodwill and trademarks before impairment charges in 2009 is allocated as follows:

	Goodwill (Group's share)		Trademarks		Total	
€ in millions	$	€	$	€	$	€
United States	252.6	185 (a)	130.4	91	383.0	276
Canada	50.0	35	23.5	16	73.5	51
Latin America	21.3	15	10.0	7	31.3	22
EMEA	165.8	115	78.4	54	244.2	169
Asia	46.3	32	12.7	9	59.0	41
	536.0	382	255.0	177	791.0	559

(a) Includes the expenses incurred by the EXOR Group for the acquisition of C&W Group equal to € 10 million.

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. The annual impairment assessment for all CGUs is based on the greater of its value in use or its estimated fair value less costs to sell.

The estimated fair value less costs to sell for each of the CGUs is determined through independent appraisal using both the discounted cash flow method and the market approach method, which were weighted in determining the fair value less costs to sell for each of the CGUs.

The key assumptions used to determine the fair value less costs to sell represent C&W Group management's best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

Discounted Cash Flow Method (DCF)

The fair value less costs to sell determined using the DCF method was weighted 50% in determining the final fair value less costs to sell for each of the CGUs. Under the discounted cash flow method, cash flows were projected for each of the CGUs based on their respective revenue and EBITDA assumptions, as outlined above, along with an estimate of a terminal year value, based on market assumptions and actualized with discount rates considered appropriate. In particular, 2010 revenue and EBITDA assumptions were developed in connection with C&W Group management's annual operating plan process, while the projections for 2011 through 2013 were based on the expected growth in those years relative to the 2010 annual plan.

Market Approach Method

The fair value less costs to sell determined under the market approach was weighted 50% in determining the final fair value less costs to sell for each of the CGUs. Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2009, 2010 and 2011. The multiple assumptions in these calculations were derived from data publicly available relating to the guideline companies, including information relating to their revenue and EBITDA historical performance as well as that expected in 2010 and in subsequent years.

The key assumptions used to estimate the fair values under both methods are as follows:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	14.0%	15.8%	19.3%	18.8%	16.0%	19.3%
CGU specific risk	2.0%	4.0%	3.0%	4.0%	3.0%	4.5%
Tax rate	40.0%	31.7%	34.0%	28.0%	27.0%	30.3%
Working capital %	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%	-1.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Terminal value model (Fading growth model)	fading	fading	fading	fading	fading	fading
2010 EBITDA multiple	10.3x	9.6x	7.2x	6.4x	8.1x	8.3x
2011 EBITDA multiple	8.7x	7.0x	5.1x	5.3x	6.7x	6.2x
General assumptions						
Control premium	15.0%					
Consolidated tax rate	33.5%					
Equity risk premium	6.0%					
Cost to sell	1.0%					

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity specific risk, country specific premiums, local cost of equity, the local statutory tax rate and debt to equity ratios.

The CGU specific risk assumptions were determined after consideration of the execution risk of achieving the forecasted results for 2010 and beyond.

The tax rates represent the statutory tax rates in the respective tax jurisdictions. The working capital percentage reflects recent experience of C&W Group and is in line with market participant levels, while the long-term growth rates were based on the estimated long-term gross domestic product and inflation.

The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which it is estimated earnings growth will reduce to the stable long-term growth rate.

The EBITDA multiples for 2010 and 2011 were determined through an assessment of the guideline company multiples and taking into account local market differences. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

In addition to the key assumptions outlined above, C&W Group developed assumptions with respect to its expected future revenue and normalized EBITDA growth and normalized EBITDA margins, as follows:

CGU	2009	2010	2011	2012	2013
United States					
Revenue growth	-17.6%	2.8%	9.7%	11.0%	10.0%
Normalized EBITDA growth (a)	61.30%	-10.6%	15.2%	29.9%	30.7%
Normalized EBITDA margin (a)	9.0%	7.8%	8.2%	9.6%	11.4%
Canada					
Revenue growth	-27.9%	10.9%	12.3%	14.5%	16.7%
Normalized EBITDA growth (a)	49.0%	62.3%	37.3%	24.9%	26.1%
Normalized EBITDA margin (a)	7.5%	11.0%	13.5%	14.7%	15.9%
South America					
Revenue growth	-25.7%	-3.4%	12.0%	12.0%	12.0%
Normalized EBITDA growth (a)	-28.5%	-21.1%	41.9%	23.6%	11.8%
Normalized EBITDA margin (a)	12.4%	10.2%	12.9%	14.2%	14.2%
Mexico					
Revenue growth	-36.8%	20.4%	9.7%	10.0%	10.0%
Normalized EBITDA growth (a)	-67.5%	94.0%	22.5%	18.4%	17.5%
Normalized EBITDA margin (a)	11.0%	17.8%	19.9%	21.4%	22.8%
Europe					
Revenue growth	-24.9%	0.0%	11.7%	9.0%	9.0%
Normalized EBITDA growth (a)	40.4%	30.0%	21.0%	13.9%	13.5%
Normalized EBITDA margin (a)	13.0%	16.9%	18.3%	19.2%	19.9%
Asia					
Revenue growth	-13.2%	7.1%	18.0%	18.0%	22.0%
Normalized EBITDA growth (a)	-13.6%	153.2%	34.4%	30.2%	27.0%
Normalized EBITDA margin (a)	6.8%	16.0%	18.3%	20.1%	21.0%

(a) Net of restructuring costs and non-recurring other expenses.

The resulting fair values less costs to sell and related carrying values of each of the CGUs as of the October 1, 2009 goodwill assessment date are as follows:

$ in millions	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA	Total
Fair value less costs to sell	350.0	33.0	44.0	13.0	425.0	97.0	962.0
Book value of equity	395.6	39.4	30.9	8.8	327.4	72.1	874.2
Difference $ in millions	(45.6)	(6.4)	13.1	4.2	97.6	24.9	87.8
Difference $ in millions	(32.7)	(4.6)	9.4	3.0	70.0	17.8	62.9

The assessment at October 1, 2009 showed that the carrying amounts of the United States and Canada CGUs were higher than their recoverable amounts by $45.6 million (€32.7 million) and $6.4 million (€4.6 million), respectively. Moreover, at June 30, 2009, the assessment made at that date had indicated an impairment for the United States CGU of $10 million (€7.5 million) and €10 million for the EXOR Group, due to expenses incurred for the acquisition.

Globally, the impairment charge recorded in 2009 by the EXOR Group is €54 million.

In 2008, an impairment charge on goodwill relating to the C&W Group acquisition had been recognized for €7 million.

The estimated fair values less costs to sell are particularly sensitive to changes in the discount rate and revenue assumptions. For example:

- a 100 basis point increase in the discount rate would increase the impairment charge for the United States CGU by $23 million (€16 million) and for the Canada CGU by $3 million (€2 million);
- a 10% decrease in future planned revenues would increase the impairment charge for the United States CGU by $67 million (€46.5 million) and for the Canada CGU by $8 million (€5.5 million).

C&W Group management does not believe for any of the other CGUs that it is reasonably possible that a change in a key assumption on which it has based its determination of the CGU's recoverable amount would cause the CGU's carrying amount to exceed its recoverable amount.

Impairment test on property, plant and equipment, intangible assets, goodwill and marketing rights of the Alpitour Group

The aggregate carrying amount of the CGUs analyzed amounts to €124 million compared to €136 million in the prior year. Such amounts include goodwill, marketing rights, government and state property concessions, hotel licenses and commercial goodwill for a total of €50 million (€52 million at October 31, 2008).

At October 31, 2009, the recoverable amount of each CGU determined using the two methods described above exceeds their carrying amount so no impairment charges were recognized for any goodwill or other non-current assets.

The Alpitour Group developed a sensitive analysis of the estimated recoverable amount using the discounted cash flow method. The Alpitour Group considers that the discount rate used to discount the cash flows of the CGU is a key parameter in estimating fair value and has determined that assuming an increase of 150 basis points in such rate, also taking into account the estimated realizable value, the carrying amount of the CGUs would not be higher than their recoverable amount.

20. Other intangible assets

The changes in other intangible assets are as follows.

€ in millions	Concessions, licenses and trademarks	Players' registration rights	Other intangible assets	Intangible assets under development and advances	**Total**
Opening balance at January 1, 2008	**255**	**233**	**210**	**0**	**698**
Changes					
Increases		51	15		**66**
Decreases		(16)			**(16)**
Exchange differences	11		9		**20**
Other changes and reclassifications			(1)		**(1)**
Total changes	11	35	23	0	**69**
Closing balance at December 31, 2008	**266**	**268**	**233**	**0**	**767**
Changes					
Increases	3	58	15	0	**76**
Decreases	0	(74)	(3)	0	**(77)**
Exchange differences	(7)	0	(6)	(1)	**(14)**
Other changes and reclassifications	0	0	(18)	20	**2**
Total changes	(4)	(16)	(12)	19	**(13)**
Closing balance at December 31, 2009	**262**	**252**	**221**	**19**	**754**
ACCUMULATED AMORTIZATION AND IMPAIRMENTS					
Opening balance at January 1, 2008	**(38)**	**(149)**	**(55)**	**0**	**(242)**
Changes					
Uses		7			**7**
Impairments	(5)	(7)			**(12)**
Amortization	(2)	(26)	(27)		**(55)**
Exchange differences	(1)		(3)		**(4)**
Total changes	(8)	(26)	(30)	0	**(64)**
Closing balance at December 31, 2008	**(46)**	**(175)**	**(85)**	**0**	**(306)**
Changes					
Uses	0	69	0	**0**	**69**
Impairments	(3)	0	0	(11)	**(14)**
Amortization	(3)	(31)	(29)	0	**(63)**
Exchange differences	0	0	2	0	**2**
Other changes and reclassifications	1	0	15	1	**17**
Total changes	(5)	38	(12)	(10)	**11**
Closing balance at December 31, 2009	**(51)**	**(137)**	**(97)**	**(10)**	**(295)**
NET CARRYING AMOUNT					
At December 31, 2008	220	93	148	0	461
At December 31, 2009	**211**	**115**	**124**	**9**	**459**

The increases in intangible assets (€76 million) refer to the acquisition of players' registration rights by Juventus Football Club (€58 million) and investments by C&W Group (€13 million) and the Alpitour Group (€5 million).

The decreases in intangible assets (€77 million) refer to the sale of players' registration rights by Juventus Football Club for €74 million and other assets by the Alpitour Group for €3 million.

Impairments of €14 million were recognized by C&W Group (€11 million) and Juventus Football Club (€3 million) and included in “Non-recurring other income (expenses)”; further details are provided in Note 13.

At December 31, 2009, there are no commitments for the purchase of intangible assets.

In 2009, there are no research and development expenditures charged to the income statement.

Intangible assets completely amortized but still in use total €23 million and refer to the concessions, licenses and trademarks of the Alpitour Group for €16 million and other intangible assets for €7 million.

Concessions, licenses and trademarks include:

- the amount attributed on acquisition of C&W Group (March 2007) to the “Cushman & Wakefield” trademark, widely recognized by the market, for $255 million (€177 million at December 31, 2009). This trademark, which C&W Group intends to renew continually, is classified as an asset with an “indefinite useful life” in that it will contribute to future cash flows indefinitely and is therefore not amortized but tested annually for impairment (Note 19);
- the government concession rights of the Alpitour Group, amortized over the duration of the original concessions.

Other intangible assets include C&W Group's customer relationships (amortized over 14 years) and non-compete covenants (amortized over 12 years).

Players' registration rights are amortized on a straight-line basis over the period of the contracts; Juventus Football Club library products are assets with an indefinite life and are therefore tested for impairment.

21. Property, plant and equipment

The changes in property, plant and equipment are as follows:

€in millions	Land	Buildings	Plant and machinery	Industrial equipment	Other assets	Construction in progress	Total
GROSS AMOUNT							
Opening balance at January 1, 2008	**20**	**85**	**20**	**10**	**115**	**13**	**263**
Changes							
Increases			2	1	27	7	**37**
Decreases					(5)		**(5)**
Reclassification to "Assets held for sale"						(2)	**(2)**
Change in scope of consolidation	(2)	(5)					**(7)**
Exchange differences					(5)	1	**(4)**
Other changes and reclassifications					1		**1**
Total changes	(2)	(5)	2	1	18	6	**20**
Closing balance at December 31, 2008	**18**	**80**	**22**	**11**	**133**	**19**	**283**
Changes							
Increases			1	1	35	17	**54**
Decreases			(1)	(2)	(17)		**(20)**
Exchange differences					1		**1**
Other changes and reclassifications			1		3	(13)	**(9)**
Total changes	0	0	1	(1)	22	4	**26**
Closing balance at December 31, 2009	**18**	**80**	**23**	**10**	**155**	**23**	**309**
ACCUMULATED DEPRECIATION AND IMPAIRMENTS							
Opening balance at January 1, 2008	**0**	**(13)**	**(9)**	**(5)**	**(39)**	**(2)**	**(68)**
Changes							
Decreases					2		**2**
Change in scope of consolidation		3					**3**
Depreciation		(3)	(2)	(1)	(24)		**(30)**
Exchange differences					6		**6**
Total changes	0	0	(2)	(1)	(16)	0	**(19)**
Closing balance at December 31, 2008	**0**	**(13)**	**(11)**	**(6)**	**(55)**	**(2)**	**(87)**
Changes							
Decreases			1	1	13		**15**
Depreciation		(3)	(2)	(1)	(25)		**(31)**
Exchange differences					(2)		**(2)**
Other changes and reclassifications					(6)		**(6)**
Total changes	0	(3)	(1)	0	(20)	0	**(24)**
Closing balance at December 31, 2009	**0**	**(16)**	**(12)**	**(6)**	**(75)**	**(2)**	**(111)**
NET CARRYING AMOUNT							
At December 31, 2008	18	67	11	5	78	17	196
At December 31, 2009	**18**	**64**	**11**	**4**	**80**	**21**	**198**

Increases in property, plant and equipment for €54 million include:

- betterments and work to bring the Alpitour Group hotel structures up to standards and restructuring of the "Sea Club" Village at Maayafushi (for a total of €5 million) and also betterments and restructuring of the Incoming sector offices (€1 million);
- equipping the Alpitour Group's aircraft, mainly chargeable to the new B737-800 (€7 million);
- costs incurred by Juventus Football Club for the construction of the new stadium (€15 million);
- other investments (€26 million), of which €24 million incurred by C&W Group.

Decreases totaling €20 million principally refer to disposals by C&W Group (€10 million) and the Alpitour Group (€7 million). The disposals by the Alpitour Group mostly refer to the sale (in June 2009) of the cruise ship “Lady Sophia” and other disposals as a result of the closing of some lease contracts for Italian hotel structures.

Other changes and reclassification under construction in progress relates to software developed internally by C&W Group and reclassified to intangible assets.

In 2009 and 2008, no borrowing costs were capitalized.

Commitments for the acquisition of property, plant and equipment amount to €4 million at December 31, 2009 and relate to the commitment undertaken by Juventus Football Club as part of a finance lease transaction.

At December 31, 2009, the gross carrying amount of property, plant and equipment completely depreciated but still in use amounts to €6 million (€7 million at December 31, 2008).

Finance lease contracts on property, plant and equipment

The carrying amount of property, plant and equipment at December 31, 2009 includes €22 million (€19 million) at December 31, 2008 of assets leased under finance contracts by Juventus Football Club for the Vinovo Training Center.

Leasing information is as follows:

	Land and Buildings	
€in millions	**2009**	2008
Nominal amount at lease inception	**22**	22
Residual floating-rate lease debt, discounted to present value, at reporting date	**16**	17
Maturity of residual lease debt		
Within 1 year	**2**	2
Between 2 and 5 years	**6**	6
Beyond 5 years	**8**	9
	16	17

The interest rate applied is the 3-month Euribor + a 1.2% spread.

In order to fund the work to expand and reorganize the Vinovo Training Center (the total cost of the work to December 31, 2009 amounts to €4 million), a total of €5 million will be added to the existing leasing contract with Unicredit Leasing S.p.A..

22. Investments accounted for by the equity method

Details are as follows:

	12/31/2009		12/31/2008		
€in millions	**Investment %**	**Carrying amount**	Investment %	Carrying amount	Change
Fiat Group	**29.59**	**3,057**	29.4	3,062	(5)
Sequana Group	**26.84**	**198**	26.91	190	8
Sundry C&W Group associates	**-**	**0**	-	0	0
Sundry Alpitour Group associates	**-**	**0**	-	1	(1)
		3,255		3,253	2

The analysis of the changes during the year is as follows:

€ in millions	12/31/2009	12/31/2008	Change
Opening balance	**3,253**	3,473	(220)
Decreases	**0**	(5)	5
Share of profit (loss) of companies accounted for by the equity method (Note 17)	**(244)**	352	(596)
Translation differences	**145**	(123)	268
Dividends distributed	**(7)**	(158)	151
Fair value changes, cash flow hedges, actuarial gains (losses), share-based payments, recognized directly in equity	**(24)**	(166)	142
Transfer of fair value from cash flow hedges to income statement	**101**	(84)	185
Other movements	**31**	(36)	67
Total changes	**2**	(220)	222
Closing balance	**3,255**	3,253	2

Highlights of the Fiat Group are presented below (see also Note 41).

	Fiat Group	
€ in millions	**2009**	2008
Currency	**Euro**	Euro
Total assets	**67,235**	61,772
Current and non-current liabilities	**56,120**	50,671
Revenues	**50,102**	59,380
Consolidated profit (loss)	**(848)**	1,721
of which, attributable to the EXOR Group	**(248)**	467
Net financial position	**(3,217)**	(4,821)
Fair value of interest held by the EXOR Group based on stock trading prices at the end of December	**3,613**	1,600

The carrying amount of the investment in the Fiat Group includes goodwill recognized for €33 million whereas goodwill included in the consolidated financial statements of the Fiat Group amounts to €2,776 million (€2,815 million at December 31, 2008). No impairment losses were recognized in 2009 (€12 million in 2008).

Highlights of the Sequana Group are presented below.

	Sequana Group	
€ in millions	**2009**	2008
Currency	**Euro**	Euro
Total assets	**2,875**	3,363
Current and non-current liabilities	**2,133**	2,649
Revenues	**4,088**	4,934
Consolidated profit (loss)	**19**	(430)
Of which, attributable to the EXOR Group	**5**	(115)
Net financial position	**651**	791
Fair value of interest held by the EXOR Group based on stock trading prices at the end of December	**105**	57

Goodwill included in the consolidated financial statements of the Sequana Group amounts to €635 million (€630 million at December 31, 2008) and was tested for impairment, resulting in an impairment loss of €4 million.

23. Financial assets

The composition of financial assets is as follows:

€ in millions	**12/31/2009**	12/31/2008	Change
Non-current financial assets	**1,540**	1,413	127
Current financial assets	**608**	350	258
Total financial assets	**2,148**	1,763	385

Details are as follows:

	Non-current financial assets				**Current financial assets**	
€ in millions	**12/31/2009**	% held	12/31/2008	% held	**12/31/2009**	12/31/2008
Investments at fair value						
Intesa Sanpaolo S.p.A.	**127**	**0.34%**	297	1.00%	**0**	0
SGS S.A.	**1,068**	**15.00%**	869	15.00%	**0**	0
Gruppo Banca Leonardo S.p.A.	**85**	**9.74%**	88	9.76%	**0**	0
Banijay Holding S.A.S.	**34**	**17.08%**	21	17.03%	**0**	
NoCo A LP (a)	**19**	**1.96%**	20	1.96%	**0**	0
Other investments at fair value	**4**		1		**0**	0
Total investments	**1,337**		1,296		**0**	0
Other investments at fair value						
NoCo B LP Fund	**26**		24		**0**	0
DLMD bonds	**6**		13		**0**	0
Real estate fund shares	**10**					
	42		37		**0**	0
Other investments at amortized cost						
Perfect Vision convertible bonds	**67**		67		**0**	0
Other bonds	**87**		0		**0**	0
	154		67		**0**	0
Other financial assets at fair value						
Security deposits	**5**		8		**0**	0
Bonds			0		**555**	298
Equity shares			0		**46**	49
	5		8		**601**	347
Other financial assets and financial receivables						
Derivative financial instruments	**1**		4		**1**	1
Financial receivables and other financial assets	**1**		1		**6**	2
	2		5		**7**	**3**
Total other investments and other financial assets	**203**		117		**608**	350
Total	**1,540**		1,413		**608**	350

(a) The carrying amount includes goodwill of € 5 million originating from the acquisition of 100% of the capital stock of Ancom USA Inc by the subsidiary Ifil Investissements in 2007.

The investment in **Intesa Sanpaolo** (€ 127 million) is measured at fair value on the basis of the stock market price at December 30, 2009 (€ 3.165 per share) with recognition of unrealized gains/losses in equity (€ 8 million).
The original purchase cost of the remaining stake held (0.34% of ordinary capital stock) is € 119 million (€ 2.98 per share).

The investment in **SGS** is measured at fair value (with recognition of the unrealized gains in equity) on the basis of the stock market price at December 31, 2009 equal to CHF 1,351 per share (corresponding to € 910.62, at the exchange rate of 1.4836), for a total of € 1,068 million. The original carrying amount of the investment in SGS is € 400.31 (CHF 593.9 per share) for a total of € 470 million. At December 31, 2009, the net positive fair value adjustment (CHF 757.11 equal to € 510.32 per share) amounts to a total of € 598 million.

The investment in **Gruppo Banca Leonardo** is measured at fair value for €85 million. The estimated fair value was determined by an independent expert using the "warrant equity method with excess capital", where the Group is valued through attainment of a ROE sustainable in the long term in line with the ROE in 2008. Such measurement is confirmed by a comparison with a valuation using market multiples.

The investment in **Banijay Holding** is measured at fair value for €34 million. The estimated fair value was determined by an independent expert using the "sum of the parts" method, summing the fair value of the investments held by Banijay Holding in Banijay Entertainment and in Euro Media Group (through the Barry & Co vehicle company). The fair value of the investment which Banijay Holding has in Banijay Entertainment, equal to its entire economic capital, was obtained through the application of the "Unlevered Discounted Cash Flow" method. The fair value of the investment which Banijay Holding has in Euro Media Group, equal to 17.17% of its entire economic capital, was obtained through the application of the simple balance sheet method.
This estimate confirms that the fair value does not differ from the carrying amount of the investment.

Non-current financial assets include:

- **Perfect Vision Limited convertible bonds,** subscribed to by the subsidiary EXOR S.A. in 2008, yielding a fixed rate of 5% until conversion of the bonds in 2013, which will give EXOR S.A. a 40% equity stake in Vision Investment Management Limited.
  At December 31, 2009, the bond principal measured at amortized cost is €67 million including interest capitalized in 2008 and 2009 for €5 million. The embedded derivative which in 2008 had a positive fair value adjustment of €4 million, in 2009 was adjusted to fair value with recognition in the income statement of a negative €36 million. Therefore, the value of the embedded derivative at December 31, 2009 is €32 million and is classified in non-current debt. In 2009, furthermore, in the income statement, negative exchange differences were recognized for €2 million on the measurement of the bonds at the year-end exchange rate and interest income of €3 million.
- In July 2008 and subsequently in July 2009 and in December 2009, certain clauses of the **bonds issued by DLMD** were renegotiated as a result of which the bonds were subdivided into Senior and Junior bond portions. The redemption of the Junior portion scheduled for 2010, in exchange for a higher yield, is subordinate to that of the Senior portion.
  At December 31, 2009 EXOR S.A. holds a nominal amount of bonds for €27 million, of which €12 million represents Senior bonds and €15 million Junior bonds. At December 31, 2008, an impairment loss was recognized on the Junior portion for its entire nominal amount. At December 31, 2009, additional impairment charges were recognized for interest capitalized for a total of €9 million, of which €2 million relates to the Junior portion and €7 million to the Senior portion, written down for an amount up to the market value at December 31, 2009 of the guarantee obtained.
  The Senior portion that was not written down, equal to €6 million, is guaranteed by EXOR S.A.'s share of the 10,806,343 Sequana shares used by contract to guarantee DLMD's bond issue and measured at the stock market price at December 31, 2009.
- Bonds issued by leading issuers and classified under other held-to-maturity investments, measured at amortized cost.

Current financial assets include:

- equity shares listed in major international markets and listed bonds with maturities beyond three months issued by leading issuers and held by the Holdings System for €598 million. Such securities, if held for trading, are measured at fair value, on the basis of the listed market price at year-end, translated, if appropriate, at year-end exchange rates, with a corresponding entry to income. Derivative financial instruments are also used;

– securities subscribed to by Alpitour measured at fair value (residual amount of €3 million) as part of the securitization of trade receivables.

The analysis of changes during 2009 is as follows:

	Non-current financial assets		Current financial assets	
€ in millions	**12/31/2009**	12/31/2008	**12/31/2009**	12/31/2008
Opening balance	**1,413**	2,675	**350**	160
Increases	**123**	91	**779**	617
Decreases	**(242)**	(521)	**(521)**	(363)
Fair value recognized in equity	**229**	(422)	**0**	(4)
Reversal of cumulative fair value on the stake sold in the investment in Intesa Sanpaolo	**36**	(415)		
Fair value through profit or loss	**(14)**	(11)	**10**	(59)
Exchange differences	**(3)**	8	**0**	
Other changes and reclassifications	**(2)**	8	**(10)**	(1)
Total changes	**127**	(1,262)	**258**	190
Closing balance	**1,540**	1,413	**608**	350

Non-current financial assets

Increases in non-current financial assets (€123 million) mainly refer to investments made by EXOR S.p.A. (€81 million) and by the subsidiary EXOR S.A. (€41 million).

Investments made by EXOR S.p.A. comprise:

- bonds measured at amortized cost for €71 million;
- RHO Immobiliare closed-end real estate fund shares for €10 million.

Investments made by EXOR S.A. comprise:

- subscription to two distinct capital increases of Banijay Holding for an equivalent amount of €12 million;
- bonds measured at amortized cost for €16 million;
- investments in NoCo B for €4 million;
- capitalized interest on Perfect Vision convertible bonds for €3 million and DLMD bonds for €2 million;
- investments in other financial assets for €4 million.

Decreases in non-current financial assets (€242 million) refer to:

- derecognition of the original purchase cost of Intesa Sanpaolo (€233 million) for the disposal of a 0.66% stake in ordinary capital stock;
- reimbursement, from the limited partnership NoCo B, of the Perella Weinberg Alpha Large Cap and ADS funds following their liquidation for €8 million,
- other decreases for €1 million.

At December 31, 2009, the net decrease in the investment in **Intesa Sanpaolo**, equal to €170 million, is the result of the derecognition of the stake sold in 2009 (-€196 million) which includes the original purchase cost of €232 million, net of the cumulative negative fair value of €36 million, and the adjustment of the remaining interest to fair value at year-end (€26 million).

At December 31, 2008, there were still call options sold on 19,500,000 Intesa Sanpaolo shares expiring in February 2009. At the set expiration date, the options were not exercised by the counterparts and so the premiums received at the date of the options' sale were recognized in financial income (€301 thousand).
In 2009, put options on 25,000,000 Intesa Sanpaolo shares and call options on 80,600,000 Intesa Sanpaolo shares were sold; put options on 10,000,000 Intesa Sanpaolo shares were also purchased. The premium received amounted to €18 million; those paid totaled €3 million. The options exercised or closed in advance generated financial income of €9 million.

At December 31, 2009, there are still call options sold on 40,000,000 Intesa Sanpaolo shares expiring in January and March 2010 with a strike price of €3 per share; a financial expense of €1 million was recorded for the adjustment of the options to fair value. In January 2010, the options were exercised with the consequent sale of the relative shares.

The positive change in "fair value recognized in equity" (+€229 million) comprises the fair value adjustment at the end 2009 of the investments in SGS (+€199 million), in the remaining stake in Intesa Sanpaolo (+€26 million), in Gruppo Banca Leonardo (-€3 million) and in the NoCo B fund (+€7 million).

The change in fair value through profit or loss (-€14 million) mainly refers to the additional impairment losses on the bonds issued by DLMD for €9 million and the embedded derivative on the Perfect Vision convertible bonds for €4 million. The additional impairment loss on the later bonds (€32 million) is discussed in Note 33.

Non-current other financial assets, excluding investments, by maturity, are as follows:

€in millions	**12/31/2009**	12/31/2008
Within 1 year	**6**	1
From 1 to 3 years	**79**	15
From 3 to 5 years	**82**	76
Beyond 5 years	**38**	25
Non-current other financial assets, excluding investments	**205**	117

Current financial assets

Increases in current financial assets (€779 million) include investments in securities and investments held for trading made by the Holdings System (€776 million) and also securities subscribed to by the subsidiary Alpitour (€3 million).

Decreases in current financial assets are the result of the realization of investments in which a part of the liquidity was temporarily invested. The remaining balance of liquidity is included in "Cash and cash equivalents".

The fair value of current securities is calculated using the market price at December 31, 2009.

24. Other assets

Details are as follows:

€in millions	**12/31/2009**	12/31/2008	Change
Other non-current assets			
Commissions receivable	**9**	10	(1)
Receivables for disposals of property, plant and equipment and intangible assets	**8**	10	(2)
Other assets	**54**	73	(19)
Total other non-current assets	**71**	93	(22)
Other current assets			
Commissions receivable			
Gross amount of commissions receivable	**212**	222	(10)
Provision for impairment	**(13)**	(11)	(2)
	199	211	(12)
Trade receivables			
Gross amount of trade receivables	**133**	144	(11)
Provision for impairment	**(25)**	(24)	(1)
Trade receivables from related parties	**3**	2	1
	111	122	(11)
Total trade receivables	**310**	333	(23)
Other receivables			
Receivables for direct taxes	**51**	72	(21)
Receivables for other taxes and duties	**4**	6	(2)
Receivables for disposals of property, plant and equipment and intangible assets	**21**	24	(3)
Other receivables	**71**	79	(8)
Other receivables from related parties	**1**	1	0
Total other receivables	**148**	182	(34)
Total other current assets	**458**	515	(57)
Total other non-current and current assets	**529**	608	(79)

Other assets include receivables of the subsidiary Juventus Football Club from Campi di Vinovo S.p.A. for the sale of the business segment relating to the "Mondo Juve - commercial center" for €10 million, from Finanziaria Gilardi S.p.A. for the sale of the investment in Campi di Vinovo S.p.A. for €7 million, advances paid to the City of Turin and incidental expenses already paid for the long-term lease of the Delle Alpi area for €12 million and receivables from Ebano S.r.l. for the sale of the business consisting of the commercial areas adjacent to the new stadium (€1 million). Such receivables, which are presented under non-current assets, have been adjusted by the amount of implicit income of €2 million on discounting the receivables.

The receivables from Campi di Vinovo S.p.A. and Finanziaria Gilardi S.p.A. (€17 million) are due in December 2013 and refer to the residual receivables due from Costruzioni Generali Gilardi S.p.A. on the sale of the investment in Campi di Vinovo S.p.A. and on the transfer of the business segment consisting of the commercial center to be built on Campi di Vinovo S.p.A. land. Such receivables are guaranteed by Campi di Vinovo S.p.A. shares pledged as collateral.

Campi di Vinovo sale

In reference to the sale to Costruzioni Generali Gilardi S.p.A. (hereafter "CGG") of the investment in Campi di Vinovo S.p.A. (hereafter "CdV") and the transfer to CdV of the commercial center business to be built on CdV's land, the transactions of which took place in the financial year 2007/2008, on December 18, 2009, CGG and CdV paid a total of €2 million to Juventus Football Club as an advance on the installment of the consideration (€8.5 million) for the above sale and transfer due December 20, 2009, as stated in the private supplementary agreement signed on February 5, 2009.

Furthermore, on December 22, 2009, Juventus Football Club and CGG signed a further private contract for the novation and integration of the March 31, 2006 contract for the sale of the Campi di Vinovo S.p.A. shares. The purpose of the contract was to review the contractual relations and obligations binding on the parties in light of the dispute pending between CGG and a third party company with which CGG had signed an agreement for the development of the commercial center. The new private agreement establishes that CdV will assume the liabilities originally estimated to be borne by Juventus Football Club with the public sector (€19.2 million) and also the commitment to sustain any costs for the construction of the Debouché junction on the southern Turin bypass. In consideration of this, the total remaining payments due to Juventus Football Club from CdV and/or CGG, in accordance with the March 31, 2006 agreement, as amended, have been reduced by €19.2 million distributed as follows: €6.5 million entirely covering the installment due on December 20, 2009, €12.5 million entirely covering the installment due on December 31, 2012 and the balance of €0.2 million from the €17.4 million installment due on December 31, 2013.

Following the new agreements, Juventus Football Club will no longer have any commitment and/or liability towards the public sector. Accordingly, the provisions for risks and charges set aside in prior years for €19.2 million have been released.

With signing of the new agreement, CGG, with the consent of Juventus Football Club, transferred its liability to Juventus Football Club to its parent, Finanziaria Gilardi S.p.A., together with the CdV investment. The residual €17.2 million receivables due from Finanziaria Gilardi S.p.A. and CdV on December 31, 2013 are guaranteed by the Campi di Vinovo S.p.A. shares pledged as collateral.

Sale of the commercial areas adjacent to the new stadium to the Nordiconad group

On December 1, 2009, the notarial deed was signed for the sale and transfer to Ebano S.r.l., a Nordiconad group company, of the business segment consisting of a part of the areas leased from the City of Turin, the project, and the related contracts, commercial licenses and building permits. The purpose of the sale is the construction of a new shopping center adjacent to the new stadium.

The consideration on the sale is €20.25 million, of which €13.5 million is for the long-term lease transferred, €1.4 million for the architectural project and €5.4 million in goodwill (including the value of the licenses, permits and contracts transferred). As part of the sale and transfer of the business segment, Ebano S.r.l. assumed €11 million in liabilities payable to the City of Turin. As a result, residual liabilities payable by Juventus Football Club to the City of Turin in relation to the balance of the long-term lease acquired total €1 million, which will be settled during the second half of the current financial year once the Building Permit for the commercial areas inside the stadium (east side) is issued.

Consequently, net proceeds on disposal of the business segment total €9.25 million, of which €8.25 million was collected upon signing the notarial deed. The outstanding €1 million will be collected after final inspection upon completion of the work, for which bank guarantees have been received.
In addition to the above, Ebano S.r.l. will assume €9.135 million in liabilities for infrastructure charges connected with the commercial areas, of which €2.9 million has already been paid to Juventus Football Club.

The sales transaction produced a gain of €3.1 million excluding the outstanding infrastructure liabilities accruing entirely to the current financial year.

The breakdown of other assets by maturity is as follows:

€in millions	Within 1 year	From 2 to 5 years	Beyond 5 years	**Total**
Other non-current assets	3	37	31	**71**
Trade receivables and commissions receivable	310			**310**
Other receivables	103		45	**148**
Balance at December 31, 2009	**416**	**37**	**76**	**529**
Other non-current assets	2	89	2	**93**
Trade receivables and commissions receivable	333			**333**
Other receivables	121		61	**182**
Balance at December 31, 2008	**456**	**89**	**63**	**608**

25. Cash and cash equivalents

The reconciliation of cash and cash equivalents in the statement of cash flows and the corresponding line items in the statement of financial position is as follows:

€in millions	**12/31/2009**	12/31/2008	Change
Cash and cash equivalents	**630**	975	(345)
Bank overdrafts and bank borrowings	**0**	(2)	2
Net cash and cash equivalents	**630**	973	(343)

Cash and cash equivalents include demand or short-term deposits and readily negotiable money market instruments and bonds; such investments are allocated over an appropriate number of counterparts since the primary purpose is having investments which can be readily converted into cash. The counterparts are chosen according to their creditworthiness and reliability.

26. Assets held for sale and Liabilities relating to assets held for sale

At December 31, 2009, there are no assets or liabilities classified as Assets held for sale or Liabilities relating to assets held for sale.

At December 31, 2008, assets held for sale amounting to €3 million included the costs capitalized for the development of the commercial areas outside the Delle Alpi Stadium, following the preliminary contract signed between Juventus Football Club and Nordiconad Soc. Coop.

27. Equity

Capital stock

At December 31, 2009, the capital stock of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of capital stock), 76,801,460 preferred shares (31.19% of capital stock) and 9,168,894 savings shares (3.72% of capital stock) all with a par value of €1 each.

At December 31, 2009, capital stock included €1,342 thousand of transfers from the revaluation reserve appropriated in the past by the merged company IFIL which, in the event of distribution, will form part of the taxable income of the Company.

On March 1, 2009, the capital stock of EXOR was increased from €163,251,460 to €246,229,850 through the issue of 73,809,496 ordinary shares and 9,168,894 savings shares, all with a par value of €1, with dividend rights from January 1, 2008. Such shares were attributed to the stockholders of the merged company IFIL in a ratio of 0.265 EXOR ordinary shares for each IFIL ordinary share and 0.265 EXOR savings shares for each IFIL savings share.

The EXOR capital stock increase to service the exchange of the shares of the merged company IFIL was recognized at the fair value of the 73,809,496 ordinary shares and 9,168,894 savings shares issued, respectively equal to €5.36 and €3.86 corresponding to the opening stock market prices on March 2, 2009, the first day of market trading of those shares. Of the total of €431 million, €83 million was allocated to capital stock, corresponding to the par value, and €348 million to additional paid-in capital.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the capital stock up to an amount of €561,750,000.

The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the stockholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting stockholders' meetings). The savings shares do not have voting rights in the stockholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special stockholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of capital stock;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the stockholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.

In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.

In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the result of operations, may resolve to pay interim dividends on the dividends of the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount according to law.

The objectives identified by EXOR and the companies in the Holdings System are to create value for all stockholders, safeguard business continuity, diversify investments by sector and geography and support the growth of investment holdings.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for stockholders and guarantee economic access to external sources of financing.
EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings.
Although currently insignificant, a very prudent approach is adopted with regard to the use of financial leveraging.

Other comprehensive income included in the statement of comprehensive income

The composition of “Other comprehensive income” included in the statement of comprehensive income is as follows:

€in millions	**2009**	2008
Effective portion of gains (losses) on cash flow hedges arising during the year	**(8)**	(14)
Effective portion of gains (losses) on cash flow hedges reclassified to income statement	**1**	0
Effective portion of gains (losses) on cash flow hedges	**(7)**	(14)
Gains (Losses) on fair value of available-for-sale financial assets arising during the year	**230**	(425)
Gains (Losses) on fair value of available-for-sale financial assets reclassified to income statement	**36**	(415)
Gains (Losses) on fair value of available-for-sale financial assets	**266**	(840)
Gains (Losses) on exchange differences on translating foreign operations arising during the year	**(2)**	16
Gains (Losses) on exchange differences on translating foreign operations reclassified to income statement	**0**	0
Gains (Losses) on exchange differences on translating foreign operations	**(2)**	16
Actuarial gains (losses) arising during the year	**2**	(6)
Actuarial gains (losses) reclassified to income statement		0
Actuarial gains (losses)	**2**	(6)
Share of other comprehensive income of entities accounted for using the equity method arising during the year	**126**	(292)
Share of other comprehensive income of entities accounted for using the equity method reclassified to income statement	**101**	(84)
Share of other comprehensive income of entities accounted for using the equity method	**227**	(376)
Income taxes relating to other comprehensive income	**(1)**	16
Total other comprehensive income, net of tax	**485**	(1,204)

The income tax effect relating to Other comprehensive income can be analyzed as follows:

	12/31/2009			12/31/2008		
€in millions	**Before tax amount**	**Tax benefit/ (expense)**	**Net-of-tax**	Before tax amount	Tax benefit/ (expense)	Net-of-tax
Gains (Losses) on cash flow hedges	**(7)**	**(1)**	**(8)**	(14)		(14)
Gains (Losses) on fair value of available-for-sale financial assets	**266**		**266**	(840)	11	(829)
Gains (Losses) on fair value of exchange differences on translating foreign operations	**(2)**		**(2)**	16	3	19
Actuarial gains (losses)	**2**		**2**	(6)	2	(4)
Share of other comprehensive income of entities accounted for using the equity method	**227**		**227**	(376)		(376)
Total other comprehensive income	**486**	**(1)**	**485**	(1,220)	16	(1,204)

Treasury stock

Under the treasury stock buyback program approved by the board of directors on March 25, 2009, during 2009, EXOR purchased 2,550,000 ordinary shares (1.59% of the class) at the average cost per share of €11.6 and a total of €29.6 million, 1,605,000 preferred shares (2.09% of the class) at the average cost per share of €6.67 and a total of €10.7 million, and also 208,400 savings shares (2.27% of the class) at the average cost per share of €8.26 and a total of €1.7 million. The overall investment amounts to €42 million (approximately 84% of the maximum amount of €50 million stated in the program).

In October, the subsidiary Exor Services (formerly Soiem) sold 214,756 EXOR ordinary shares (0.13% of the class) previously held for proceeds of €2.8 million.
Exor Services also reimbursed EXOR for the payment at one time made by IFIL for the carrying amount of its shares held by the subsidiary.

At December 31, 2009, EXOR S.p.A. held the following treasury stock:

Class	Number of shares	% of class	Carrying amount Per share (€)	Total (€ml)
ordinary	2,550,000	1.59	11.60	29.6
preferred	6,965,300	9.07	11.66	81.2
savings	208,400	2.27	8.26	1.7
				112.5

Non-controlling interests

Details are as follows:

		12/31/2009			12/31/2008		
€in millions	%	**Capital and reserves**	**Profit (Loss)**	**Total**	Capital and reserves	Profit (Loss)	Total
IFIL					1,573	133	1,706
C&W Group	21	**52**	**(18)**	**34**	61	(6)	55
Alpitour Group	(a)	**3**	**2**	**5**	4	1	5
Juventus Football Club S.p.A.	40	**44**	**2**	**46**	46	(2)	44
Total		**99**	**(14)**	**85**	1,684	126	1,810

(a) Non-controlling interests in subsidiaries of the Alpitour Group.

Non-controlling interests at December 31, 2008 had amounted to €1,810 million, of which €1,706 million represented the non-controlling interests of the IFIL Group. The difference of €1,275 million between that amount and the fair value of the EXOR capital increase described previously (€431 million) was allocated to owners of the Parent and then entries were made to eliminate the share of the reserves regarding cash flow hedges (-€55 million), exchange differences on translating foreign operations (-€33 million), changes in fair value of available-for-sale financial assets (+€103 million) and actuarial losses (-€4 million) previously recorded in the consolidated financial statements of the IFIL Group.

Non-controlling interests of C&W Group

At December 31, 2009, C&W Group is owned 71.03% (74.12% of capital stock outstanding) by EXOR and 28.97% (25.88% of capital stock outstanding) by its employees (the Minority Shareholders or non-controlling interests).
C&W Group has an agreement with the Minority Shareholders (the "Minority Shareholders Agreement" or "MSA") which outlines all the rights and obligations of C&W Group and the Minority Shareholders with respect to the ownership of the minority shares.
The Minority Shareholders Agreement provides C&W Group with the right to call for purchase, at its sole discretion beginning on the date a Minority Shareholder ceases to be an employee or independent contractor of C&W Group and ending on the first

anniversary date of the employment termination, of all or a portion of the shares held by the Minority Shareholder at the most recent appraised fair value of C&W Group stock as of the last day of the quarter in which the shares are called, with certain exceptions (the "Call Right").

Upon and subsequent to the third anniversary of EXOR's purchase of C&W Group (March 30, 2010), the Minority Shareholders Agreement provides each of the Minority Shareholders, who are no longer an employee or independent contractor of the Company, the right to require C&W Group to repurchase all, but not less than all, of the shares held by the Minority Shareholder at the most recent appraised fair value of C&W Group stock, with certain exceptions (the "Put Right").

Under the EXOR Shareholder Agreement (ESA), EXOR will cause C&W Group to use commercially reasonable efforts to provide liquidity to the Minority Shareholders following the fifth anniversary of EXOR's purchase of C&W Group at the then appraised fair value of C&W Group shares (the "Liquidity Event").

In addition, in the event of an initial public offering of C&W Group's stock (an "IPO") or sale of C&W Group under the ESA, EXOR and the Minority Shareholders have Drag-Along and Tag-Along Rights, respectively, with respect to the Minority shares.

If EXOR were to exercise its Drag-Along Rights, C&W Group may not exercise its Call Right, and the Minority Shareholders may not exercise their Put Right or Tag-Along rights.

Conversely, if the Minority Shareholders were to exercise their Tag-Along rights, C&W Group may not exercise its Call Right.

The Minority Shareholders' Put Right and Tag-Along Rights give control of the decision to receive cash or shares, in exchange for their Minority shares, to the Minority Shareholders if the shareholder ceases to be an employee or independent contractor of C&W Group before the occurrence of an IPO or sale of C&W Group.

According to IFRS 2 – Share-based payment, applicable in the circumstance, since the shares come from stock option plans, the Minority shares constitute a compound financial instrument comprising a liability component and an equity component.

To value the liability component, C&W Group estimated, based on historical employment attrition rates and related actual and expected stock repurchases, the extent to which the Minority Shareholders would cease to be employees or independent contractors of C&W Group and, therefore, exercise their Put Rights before the occurrence of an IPO or sale of C&W Group by EXOR.

As of December 31, 2009, the liability, which was estimated to be approximately $47 million (€ 33 million) at the then appraised fair value of C&W Group shares, was reclassified from additional paid-in capital within equity to liabilities in the consolidated statement of financial position.

Approximately $12 million (€ 8 million) was recorded within other current liabilities, which represents the expected cash outflow for Minority share repurchases in 2010. The balance of the liability of approximately $35 million (€ 25 million) was recorded within other non-current liabilities as of December 31, 2009.

While C&W Group did not record a liability for its estimated obligations to repurchase shares from Minority Shareholders in its financial statements prior to December 31, 2009, C&W Group determined that the effect of these obligations is not material to its financial statements for prior periods.

In its consolidated financial statements, EXOR maintained the same accounting treatment. Having recorded a part of the equity attributable to the Minority Shareholders of C&W Group, the number of C&W shares to be considered as equity outstanding is lower. For this reason, EXOR has consolidated C&W Group on the basis of an ownership percentage of 78.88%. Such percentage is calculated as a percentage of the number of C&W shares held by EXOR (511,015) to the capital issued by C&W Group (719,453) net of treasury stock held (30,003) and net of the shares held by the Minority Shareholders which are estimated will be purchased by C&W Group according to the agreements outlined above (41,620).

28. Stock option plans

Stock option plans with underlying EXOR stock

The ordinary session of the IFIL stockholders' meeting held on May 13, 2008 had approved the stock option plan IFIL 2008-2019 for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger, the stock option plan was taken over by EXOR S.p.A.. Therefore, the EXOR S.p.A. board of directors held on March 2, 2009 made the adjustments to the stock option Plan resulting from the merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the merger's exchange ratio.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. At the end of the reporting period, a total of 9,475,000 options have been granted to 17 people, including the chief executive officer, corresponding, on the basis of the exchange ratio, to 2,510,875 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on capital stock. The treasury stock held by IFIL, including those to service the Plan, were canceled and did not form part of the exchange ratio under the merger in accordance with the law. The EXOR board of directors' meeting held on March 25, 2009 approved a plan to purchase treasury stock of the three classes partly to service the above stock option Plan.

The fair value of the 9,525,000 options granted was determined to be €15,263 thousand, divided as follows:

€ in thousands	Number of options granted	Number of EXOR shares exercisable	Total cost	Cost referring to the year
Options granted originally:				
Chief Executive Officer, EXOR S.p.A.	3,000,000	795,000	4,807	601
Key employees, EXOR S.p.A. (13)	4,425,000	1,172,625	7,091	886
Total EXOR S.p.A.	7,425,000	1,967,625	11,898	1,487
Key employees of EXOR S.A. and other subsidiaries in the Holdings System (4)	2,100,000	556,500	3,365	437
Total	**9,525,000**	**2,524,125**	**15,263**	**1,924**

In 2009, 50,000 options originally assigned to key employees of EXOR S.p.A. were forfeited. Therefore, at December 31, 2009 there are 9,475,000 options.

The adjusted exercise price is €19.97 for each EXOR share.

The cost referring to the year amounts to €1,924 thousand, of which €601 thousand is classified as emoluments for the chief executive officer and €1,323 thousand as personnel costs. The corresponding entry of €1,924 thousand is recorded in the stock option reserve.

Stock option plan with underlying Alpitour stock

With reference to the stock option plan approved by IFIL S.p.A. for two managers of the Alpitour Group in December 2005, it should be noted that after the merger, EXOR S.p.A. took over the relative commitments.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's capital stock.
After approval on the part of EXOR S.p.A., the Alpitour S.p.A. board of directors may in the future grant purchase options on Alpitour shares to other managers who hold important operating positions equal to 4% of Alpitour's capital (now 1,418,000 shares).
After reconfirmation of the positions of the two managers for another three years, the EXOR S.p.A. board of directors' meeting held on May 13, 2009 extended the period in which the options could be exercised to January 2013 (date of the approval of the Alpitour financial statements for the financial year 2011/2012 by the stockholders' meeting).
EXOR S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of an appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every reporting date, until plan expiration.

At December 31, 2009, the fair value of each option right of the plan is estimated at €3.14 for a total of €12,233 thousand (€8,075 thousand at December 31, 2008) recorded in "Other current liabilities with related parties". The increase in the liability compared to the prior year (€4,158 thousand) was recognized in the income statement in "Non-recurring other expenses from related parties" as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

1. The exercise price of the options has been assumed to be equal to the par value of one ordinary Alpitour share at the grant date, quantified on the basis of an estimate performed by an independent expert, equal to €2.24.
2. The current price of an Alpitour ordinary share at the reference date of December 31, 2009 has been determined in €4.98.
3. The last expiration date to exercise options has been established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2011/2012, fixed, conventionally, as January 31, 2013. At the date of reference of December 31, 2009, the options thus have a remaining life of 37 months (3 years and 1 month).
4. The expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour.
5. The application of the valuation model assumes the absence of the payment of dividends.
6. The risk-free interest rate has been assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan.
7. An assumption has also been included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

C&W Group stock option plans

There are two separate stock option plans which are summarized in the following table: “Employee Stock Purchase Plan Options” and “Management Options”:

	Grant date	Number of options granted	Vesting date	Exercise price at grant date	Term of options	Outstanding at December 31, 2009
Employee Stock Purchase Plan						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	4,307
Tranche 2 (a)	6/29/2006	7,385	1/1/2009	$782	10 years	0
Total Employee Stock Purchase Plan		18,551				4,307
Management Options						
Non-performance based options	1/1/2008	74	2009	$1,318	10 years	0
Performance based options (Ebitda/Ebitda Margin)						
Tranche 1	4/1/2007	13,450	2007-2011	$1,259	10 years	10,672
Tranche 2	1/1/2008	321	2009	$1,318	10 years	0
Tranche 3	6/1/2008	850	2009-2011	$1,252	10 years	850
Tranche 4	6/30/2008	500	2009-2011	$1,252	10 years	500
Tranche 5	9/30/2008	225	2010-2012	$1,190	10 years	225
Tranche 6	11/1/2008	225	2010-2012	$1,190	10 years	225
Total		15,571				12,472
Total Management Options		15,645				12,472
Total Options		34,196				16,779

(a) Tranche 2 options were forfeited during 2008 as the performance condition was not met.

The Employee Stock Purchase Plan options outstanding at December 31, 2009 have an average exercise price of $548 and an average remaining contractual life of approximately 6 years.

The Management Options outstanding at December 31, 2009 have an exercise price of $1,183 and an average remaining contractual life of approximately 8 years.

	2009			
	Employee Stock Purchase Plan		Management Options	
	Number of shares	Weighted average exercise price ($)	Number of shares	Weighted average exercise price ($)
Outstanding at 1/1/2009	4,644	548.02	14,367	1,279.41
Granted during the period				
Exercised during the period	(42)	548.02		
Forfeited during the period	(295)	548.02	(182)	1,302.08
Cancelled during the period			(1,713)	1,296.21
Outstanding at 12/31/2009	**4,307**	**548.02**	**12,472**	**1,183.14**
Exercisable at 12/31/2009	**4,307**	**548.02**	**984**	**1,281.27**

	2008			
	Employee Stock Purchase Plan		Management Options	
	Number of shares	Weighted average exercise price ($)	Number of shares	Weighted average exercise price ($)
Outstanding at 1/1/2008	12,054	685.91	13,450	1,258.68
Granted during the period	-	-	2,195	1,251.17
Exercised during the period	(16)	548.02	-	1,258.68
Forfeited during the period	(302)	548.02	(950)	1,258.68
Cancelled during the period	(7,092)	782.39	(328)	
Outstanding at 12/31/2008	**4,644**	**782.39**	**14,367**	**1,279.41**
Exercisable at 12/31/2008	**4,644**	**548.02**	**1,092**	**1,258.68**

In accordance with the provisions of IFRS 2, the appraisal of the stock option plans was based on the Black-Scholes pricing model using the following assumptions:

	Employee Stock Purchase Plan	Management Options
	Tranche 1	Tranche 1 – Tranche 6
Stock price at grant date ($)	578.68	1.190 – 1.332
Exercise price at grant date ($)	548.02	1.190 – 1.332
Expected volatility (%)	35	35-40
Option life (years)	6.5	10.0
Expected dividends (%)	1.20	n.a.
Risk-free interest rate (%)	4.22	3.85 – 4.74

Volatility is based on the historical volatility of comparable public companies.
Because C&W Group does not have historical exercise data, it used the midpoint between the vesting date and the contractual term to determine the expected term of the stock options.

During 2009, costs of €7 million were capitalized for both stock option plans.

29. Provisions for employee benefits

The companies of the Group provide post-employment benefits for their active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group companies operate, the benefits generally being based on the employees' remuneration and years of service. Post-employment benefits are provided under defined contribution and/or defined benefit plans.

In the case of defined contribution plans, the Group companies pay contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The contribution cost is recognized when the employee has rendered his/her service and this cost is recorded in the income statement in "Personnel costs".

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions paid by a company, and sometimes by its employees, into a company, or fund, that is legally separate from the employer and from which the employee benefits are paid.
Finally, the companies of the Group grant certain other long-term benefits to its employees; these benefits include those generally paid when an employee attains a certain level of seniority or when a specified event occurs. In this case, the measurement of the obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Details of the provisions for employee benefits recognized in the financial statements at December 31, 2009 and 2008 are the following:

	Non-current part		Current part	
€ in millions	**12/31/2009**	12/31/2008	**12/31/2009**	12/31/2008
Employee severance indemnities	**20**	24	**4**	2
Pension plans	**13**	13	**0**	0
Total post-employment benefits	**33**	37	**4**	2
Other employee benefits	**3**	5	**28**	40
Total provisions for employee benefits	**36**	42	**32**	42

Post-employment benefits

Employee severance indemnities

Employee severance indemnities relating to the companies of the Group operating in Italy represent the obligation due to employees by law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee severance indemnities by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee severance indemnities accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee severance indemnities, beginning January 1, 2007, the calculation of employee severance indemnities, including the portion accruing, will be made according to the usual actuarial method.

In accordance with IAS 19 – Employee Benefits, the Italian companies of the Group have included employee severance indemnities under defined benefit plans and measure them with actuarial techniques using the Project Unit Credit Method.

Besides employee severance indemnities, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under company or individual supplementary agreements. These are described in Note 36 to the separate financial statements.

Pension plans

The C&W Group funds a certain number of defined contribution plans set up pursuant to the laws in force in the countries in which it operates.
The European partnership (C&W UK) also provides a form of hybrid pension plan (UK Plan) which has features of both defined contribution and defined benefit plans.

C&W UK ceased its contributions to the plan effective March 31, 2002 and, subject to certain transitional agreements, introduced a defined contribution plan for employees starting from that date.

Changes in the present value of post-employment benefit obligations and the fair value of assets servicing the plans during the course of the last two years are as follows:

€ in millions	Balance at 12/31/2008	Current service cost	Financial expenses	Actuarial losses (gains)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2009**
Present value of obligation:									
Employee severance indemnities	26	3	-	(1)	(4)	-	-	-	**24**
Pension plans	42		3	5	(1)	-	3	-	**52**
	68	3	3	4	(5)	0	3	0	**76**
Other post-employment benefits	0	-	-	-	-	-	-	-	**-**
Total post-employment benefits	68	3	3	4	(5)	0	3	0	**76**
Other long-term benefits	5	1	-	-	0	-	-	(3)	**3**
Other short-term benefits	40	42	-	-	(35)	-	(2)	(17)	**28**
	113	46	3	4	(40)	-	1	(20)	**107**
Of which:									
Funded plans (wholly or partly)	42								**52**
Unfunded plans	71								**55**

€ in millions	Balance at 12/31/2008	Expected return on assets	Contributions paid by company	Actuarial losses (gains)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2009**
Fair value of the plan assets:									
Pension plans	29	2	2	5	(1)	-	2	-	**39**
Total post-employment benefit plans	29	2	2	5	(1)	-	2	-	**39**
Total net liabilities at December 31, 2009	**84**	**44**	**1**	**(1)**	**(39)**	**-**	**(1)**	**(20)**	**68**

€ in millions	Balance at 12/31/2007	Current service cost	Financial expenses	Actuarial losses (gains)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2008**
Present value of obligation:									
Employee severance indemnities	28	5		1	(4)			(4)	**26**
Pension plans	55		3	(2)	(1)		(13)		**42**
	83	5	3	(1)	(5)	0	(13)	(4)	**68**
Other post-employment benefits	-								**-**
Total post-employment benefits	83	5	3	(1)	(5)	0	(13)	(4)	**68**
Other long-term benefits	11	4			(10)				**5**
Other short-term benefits	109				(44)		2	(27)	**40**
	203	9	3	(1)	(59)	-	(11)	(31)	**113**
Of which:									
Funded plans (wholly or partly)	55								**42**
Unfunded plans	148								**71**

€ in millions	Balance at 12/31/2007	Expected return on assets	Contributions paid by company	Actuarial losses (gains)	Benefits paid	Losses (gains) on curtailments and/or settlements	Exchange differences	Change in scope of consolidation and other changes	**Balance at 12/31/2008**
Fair value of the plan assets:									
Pension plans	45	3	-	(11)	(1)		(10)	3	**29**
Total post-employment benefit plans	45	3	-	(11)	(1)	-	(10)	3	**29**
Total net liabilities at December 31, 2008	**158**	**6**	**3**	**10**	**(58)**	**-**	**(1)**	**(34)**	**84**

Post-employment benefits are calculated on the basis of the following actuarial assumptions:

	December 31, 2009		December 31, 2008	
	Employee severance indemnities	**Pension plans**	Employee severance indemnities	Pension plans
Discount rate	**4.10%**	**6.00%**	4.80%	6.00%
Future salary increase (inflation included)	**1.9-3.4%**		2.2-3.7%	
Inflation rate	**1.90%**		2.20%	
Expected return on plan assets		**6.00%**		7.00%

The assumptions used for the calculation of pension funds are as follows:

- the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid;
- the mortality rate is based on statistical tables.

The "UK Plan" assets include marketable equity securities in both United Kingdom and United States companies and fixed-rate debt securities.
The investment policies and strategies for the plan assets are established to achieve a reasonable balance between risk, likely return and administration expenses, as well as to maintain funds at a level to meet minimum funding requirements. In order to ensure that an appropriate investment strategy is in place, an analysis of the plan's assets and liabilities is completed periodically.

	Fair value of plan assets		Expected return	Fair value of plan assets		Expected return
	December 31, 2009		**2009**	December 31, 2008		2008
	Target	Actual		Target	Actual	
Equity securities	**56.0%**	**42.4%**	**6.0%**	87.2%	37.5%	6.0%
Debt securities	**44.0%**	**55.5%**	**6.0%**	7.5%	56.1%	6.0%
Cash	**0.0%**	**2.1%**	**6.0%**	5.3%	6.4%	6.0%

The estimated expense for contributions to be paid to the defined benefit plan in 2010 amounts to £ 1.5 million (€2 million).

The expected long-term rate of return on assets is 6.33% (6.16% in 2008). The expected long-term rate of return is based on the sum of returns of individual asset categories expected to be achieved in the future. The return is based exclusively on historical returns, without adjustments.

The total amounts recognized in the income statement for post-employment benefits are the following:

€in millions	**2009**	2008
Current service cost	**3**	5
Financial expenses	**3**	3
Expected return on plan assets	**(2)**	(3)
Total (income) expenses for post-employment benefits	**4**	5

Other employee benefits

Other employee benefits, of which €3 million is non-current and €28 million is current, mainly include the liabilities of C&W Group.

30. Provisions for other liabilities and charges

The composition of provisions is as follows:

	Current portion		Non-current portion	
€ in millions	**12/31/2009**	12/31/2008	**12/31/2009**	12/31/2008
Restructuring provisions	**9**	3	**0**	0
Other risks provisions	**12**	14	**3**	99
Tax provision	**0**	6	**5**	6
Total	**21**	23	**8**	105

The current portion of the other risks provisions (€ 12 million) includes amounts set aside for pending disputes of C&W Group for € 7 million, the Alpitour Group for € 4 million and Juventus Football Club for € 1 million.

The non-current portion of the other risks provision is due within five years.

Changes in the current and non-current provisions in 2009 and 2008 are as follows:

€ in millions	Balance at 12/31/2008	Accruals	Release of provisions used	Other changes	**Balance at 12/31/2009**
Restructuring provisions	3	21	(15)	0	**9**
Other risks provisions	113	11	(28)	(81)	**15**
Tax provision	12	0	(7)	0	**5**
	128	32	(50)	(81)	**29**
Effect on the income statement:					
Operating profit (loss) from current operations		11	(12)		
Non-recurring other income (expenses)		21	(19)		
Other financial income (expenses)					

€ in millions	Balance at 12/31/2007	Accruals	Release of provisions used	Other changes	**Balance at 12/31/2008**
Restructuring provisions	0	5		(2)	3
Other risks provisions	114	21	(18)	(4)	113
Tax provision	1	4		7	12
	115	30	(18)	1	128
Effect on the income statement:					
Operating profit (loss) from current operations		24	(18)		
Non-recurring other income (expenses)		6			
Other financial income (expenses)					

In 2008, C&W Group, in response to the continuing economic crisis, had begun a plan to cut structure costs and particularly to reduce the workforce.
During 2009, C&W Group approved another plan of cost cutting initiatives and set aside a further € 21 million in the restructuring provision. The provision used in 2009 amounts to € 15 million.

The provision for other liabilities and charges created in 2003 as part of the execution of the reorganization plan of the Group (€ 81 million), after the merger by incorporation of IFIL in EXOR, was recorded as an increase of equity, consistently with the accounting treatment followed when the provision was set up.

The release of provisions used column under other risks provisions includes € 19 million originating from the private contract for novation and integration dated December 22, 2009 and signed by Juventus Football Club and Costruzioni Generali Gilardi S.p.A. under which Campi di Vinovo S.p.A. will assume the liabilities originally estimated to be borne by Juventus Football Club with the public sector. Further details are provided in Note 23.

31. Pending litigation

EXOR S.p.A. and subsidiaries in the Holdings System

Proceedings relative to the contents of the press releases issued by IFIL S.p.A. and Giovanni Agnelli e C. S.a.p.az. on August 24, 2005

On February 21, 2006, Consob advised Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone as well as IFIL and Giovanni Agnelli e C. of notification in respect of the start of a sanctionary proceeding under art. 187-*septies* of Consolidated Law on Finance under the assumption that each of those individuals violated art. 187-ter, paragraph 1 (Market Manipulation) of Consolidated Law on Finance in relation to the content of the press releases diffused by IFIL and Giovanni Agnelli e C. on August 24, 2005 and that the companies violated the responsibility of entities pursuant to art. 187-quinquies of the Consolidated Law on Finance and joint and several responsibility pursuant to art. 6, paragraph 3 of Law 689/1989.

On February 13, 2007, the Consob measure (Resolution 15760) was notified which, at the conclusion of the proceeding, applied the following pecuniary administrative sanctions:

- to Gianluigi Gabetti (chairman of IFIL and chairman of Giovanni Agnelli e C.) €2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and €2.5 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Franzo Grande Stevens (director of IFIL) €2 million in reference to the diffusion of the press release dated August 24, 2005 by the company IFIL and €1 million in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to Virgilio Marrone (chief executive officer and general manager of IFI) €500 thousand in reference to the diffusion of the press release dated August 24, 2005 by the company Giovanni Agnelli e C.;
- to IFIL €4.5 million;
- to Giovanni Agnelli e C. €3 million;

and the additional following administrative sanctions: temporary inability to assume positions of administration, direction and control in listed companies or in companies that are part of the same group of listed companies:

- to Gianluigi Gabetti: for six months;
- to Franzo Grande Stevens: for four months;
- to Virgilio Marrone: for two months.

The persons and companies involved in the sanctionary measure filed appeals with the Court of Appeals of Turin. In the opposing judgment, the Court of Appeals suspended the additional administrative sanctions, and in its decision of December 5, 2007 reduced the administrative sanctions levied from a total of €16 million to €6.3 million. The reduction for IFIL was from €4.5 million to €1 million and for Giovanni Agnelli e C. from a total of €3 million to €600 thousand and for Gianluigi Gabetti from a total of €5 million to €1.2 million in addition to a reduction of two months, from six to four months, in respect of the additional administrative suspension.

In July 2008, IFIL filed an appeal with the Court of Cassation against the ruling by the Court of Appeals of Turin. Appeals were also filed with the Court of Cassation by the other parties involved in the Consob sanctionary measure. In October 2008, Consob notified the company that it had filed a counter-appeal and an incidental appeal asking for the rejection of the main appeal and the cancellation of the reductions of the sanctions originally levied. Consob acted in the same manner against the other petitioners. In November 2008, IFIL filed a counter-appeal with the Court of Cassation against Consob's incidental appeal. The other parties referred to in Consob's incidental appeal also filed a counter-appeal with the Court of Cassation.

In the penal proceedings for the same press releases, on November 7, 2008, the Preliminary Hearing Judge of the Turin Court committed Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone to trial for the offense pursuant to art. 185 of the Consolidated Law on Finance, as well as IFIL and Giovanni Agnelli e C., as those responsible administratively under Legislative Decree 231/2001. The final discussion is coming to a close and the conclusion with a ruling is scheduled for April 22, 2010.

Alpitour Group

In reference to the damages to the "Bravo Club" resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld.

C&W Group

On January 3, 2010, a lawsuit seeking class action status was brought against Credit Suisse AG, Credit Suisse Securities (USA) LLC, Credit Suisse First Boston, Credit Suisse Cayman Island Branch and Cushman & Wakefield Inc. in connection with lending activities associated with the development of four luxury resorts, each located in the United States.

In connection with the financing that Credit Suisse provided on the developments, the C&W Group was engaged by Credit Suisse and others to prepare valuations.

The complaint alleges that Credit Suisse devised a "loan to own" scheme whereby it used artificially inflated appraisals prepared by C&W Group to justify making excessive loans which the developers were unable to service. Plaintiffs allege Credit Suisse and C&W Group violated various statutes under U.S. law. Plaintiffs claim $8 billion in economic damages and $16 billion in punitive damages.

Based on management's review of the facts, management believes the plaintiff's case against the Company is without merit. The Company intends to vigorously defend this matter.

Juventus Football Club

Guardia di Finanza access

On July 3, 2008, the *Guardia di Finanza* entered the Juventus Football Club headquarters to conduct a general examination of substance as permitted by and pursuant to art. 32 and art. 33 of DPR 600/73, art. 51 and art. 52 of DPR 633/1972 and art. 35 of Law 4/1929, concerning the period from July 1, 2005 to the date of access for direct taxes and from January 1, 2006 to the date of access for VAT and other indirect taxes.

Moreover, following the company's involvement, pursuant to Legislative Decree 231 of 2001, in the proceedings pending at the Turin Courts for financial misrepresentation, the examination has also been extended to the years 2001/2002, 2003/2004 and 2004/2005, which would otherwise have been partly statute barred.

On July 23, 2009, the Guardia di Finanza concluded the inspection regarding the annual returns from 2001/2002 to 2007/2008 (excluding 2002/2003), issuing the report on its findings on the same date. The report alleges violations, for significant amounts, of the tax regulations on some transactions concerning players' registration rights, the remuneration paid to agents for services rendered and other minor matters.

In January 2010, the former chairman, Giovanni Cobolli Gigli and the current chairman Jean-Claude Blanc were served with a summons by the Attorney General's Office of Turin to present their defense against findings of tax evasion with regard to VAT payable for the years 2005, 2006 and 2007. The summons was a formality following notification by the *Guardia di Finanza* of its audit report to the Attorney General's Office.

At the date of this Report, no assessment has been received from the Revenues Agency. The company and its delegated legal representatives maintain that Juventus has always observed the regulations in force and they will use the rights envisaged by the taxpayers' statute (Law 212/2000), conducting, if necessary, the company's defense in the manner and according to the times established by law.

VAT receivables on UEFA Champions League revenues

Following resolution 174/E, on May 25, 2004, the Revenues Agency of Turin had approved the right to the reimbursement of VAT regarding the UEFA tournaments played in the 2000/2001 and 2001/2002 seasons for a total of €5.4 million. Following this approval, the company proceeded to recognize the related receivable with a corresponding entry to extraordinary income. Part of the receivable was received in June 2004 for €1.2 million.

The remaining amount of approximately €4.2 million was sold without recourse to a factoring company in December 2004 and was derecognized from the statement of financial position from that date. Of the total amount sold to the factoring company, the Revenues Agency later reimbursed the amount in installments for €2.8 million. In July 2008, the Revenues Agency notified Juventus Football Club and the factoring company of its refusal to pay the last installment of about €1.4 million citing disputes over the justification of the request for reimbursement presented by Juventus Football Club. This refusal is in contrast with the original acknowledgment of the receivable in May 2004. On October 15, 2008, the company filed an appeal together with the factoring company in the tax court challenging the assertions of the Revenues Agency and in any case reserving the right to take any possible action to protect itself later in civil proceedings.

On July 17, 2009, notification was received that, following the hearing of May 21,2009, the appeal had been upheld by the Provincial Tax Tribunal of Turin.

On November 2, 2009, the Revenues Agency filed its appeal against this ruling.

On December 23, 2009, the company filed its defense, pending the setting of the hearing by the Regional Tax Tribunal.

Proceedings at the Turin Courts

In reference to the proceedings underway at the Turin Courts for financial misrepresentation, after the original filing of charges against only some former directors, on October 16, 2008, notification was received at the company office of the conclusion of inquiries and the filing of documents also against the company, held to be liable under Legislative Decree 231 of 2001, limited to some transactions for the sale/purchase of football players.

In these same proceedings, on October 29, 2008, the judge for the preliminary investigations, at the request of the public prosecutors, decided instead to close the part of the inquiry regarding the sale of Campi di Vinovo S.p.A.

On November 24, 2009, the former directors standing trial and Juventus Football Club, indicted as administratively liable under Legislative Decree 231/2001, were found not guilty and acquitted of charges of financial misrepresentation by the Court of Turin. Publication of the grounds for the ruling is pending.

Proceedings at the Naples Courts

With the ruling issued on October 20, 2009, based on the Court of Cassation decision issued October 9, 2009, the Court of Naples allowed some plaintiffs to file claims in the suit against Juventus Football Club. The company will present its case as laid down by law, confident of its solid grounds.

On December 14, 2009, the Court of Naples convicted, on first instance, the company's former chief executive officer of sports fraud and aiding and abetting crime, in a trial heard as a shortened proceeding. Publication of the grounds for the ruling is pending.

Como Calcio Bankruptcy

The bankruptcy of Como Calcio in June 2006 led to action brought against Juventus Football Club involving a claim for payment of €1,580,000 allegedly still due to Como Calcio for the sale of the registration rights of the players Piccolo and Pederzoli.
As a result of this claim, the company has set up a provision for same amount.
Juventus Football Club appeared before the courts and requested that the liquidator's demands be rejected as the sum had already been paid and asked that Mr Preziosi be summoned to court so that Juventus Football Club could be relieved of responsibility and held unaccountable in the event of a judgment against it. The first hearing in the case was adjourned to March 12, 2008 so that Mr Preziosi could be summoned. Mr Preziosi was summoned and appeared and asked that the demands against him be rejected. The preliminary hearing on the case is still in progress and it is expected that the sentence can be filed in the early months of 2010.

32. Consolidated net financial position

The composition of the gross and net financial position of the consolidated companies is as follows:

€ in millions	Gross debt	Financial assets	Net financial position (debt) cash
EXOR S.p.A. and the Holdings System	(1,131)	1,183	52
C&W Group	(177)	53	(124)
Alpitour Group	(28)	95	67
Juventus Football Club S.p.A.	(16)	26	10
Total	**(1,352)**	**1,357**	**5**

In accordance with Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of the EXOR Group is presented below:

€ in millions	**12/31/2009**	12/31/2008	Change
Non-current financial liabilities			
EXOR 2007/2017 bonds	**(745)**	(745)	0
EXOR 2006/2011 bonds	**(200)**	(199)	(1)
Debt	**(290)**	(348)	58
Total non-current financial liabilities	**(1,235)**	(1,292)	57
Non-current other financial assets	**90**	4	86
Non-current net financial position (A)	**(1,145)**	(1,288)	143
Current financial liabilities			
Debt	**(38)**	(65)	27
Current portion of medium/long-term debt and bonds	**(35)**	(31)	(4)
Derivative financial instruments	**(15)**	(16)	1
Total current financial liabilities	**(88)**	(112)	24
Current financial assets			
Bonds and equity shares held for trading	**601**	347	254
Derivative financial instruments	**0**	1	(1)
Receivables and other financial assets	**7**	2	5
Total current financial assets	**608**	350	258
Cash and cash equivalents	**630**	975	(345)
Current net financial position (B)	**1,150**	1,213	(63)
Consolidated net financial position (A+B)	**5**	(75)	80

33. Bonds and other debt

The composition is as follows:

	Non-current portion		Current portion	
€ in millions	**12/31/2009**	12/31/2008	**12/31/2009**	12/31/2008
EXOR 2007/2017 bonds	**(745)**	(745)	**(22)**	(22)
EXOR 2006/2011 bonds	**(200)**	(199)	**(1)**	(1)
Debt	**(290)**	(348)	**(50)**	(74)
Derivative financial instruments	**(32)**	0	**(15)**	(16)
Total bonds and other debt	**(1,267)**	(1,292)	**(88)**	(113)

The bonds issued by EXOR S.p.A. are traded on the Luxembourg Stock Exchange. The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (the obligation to extend any real present or future guarantees given as collateral on the assets of the issuer on other bonds and other credit instruments to these bonds to the same degree), disallowing a change of control and providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as observing a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2009.

Any change of control of EXOR would give bondholders the right to the early reimbursement of the Bonds 2006/2011 and 2007/2017 for a total of €950 million.

On February 9, 2010, Standard & Poor's confirmed its rating of EXOR’s long-term and short-term debt (respectively “BBB+” and “A-2”) with a negative outlook.

The 2007/2017 bonds, issued on June 12, 2007 for a nominal amount of €750 million, have an issue price equal to 99.554% of their nominal value with a 5.375% fixed annual coupon.

The EXOR 2006/2011 bonds issued on June 9, 2006 for a nominal amount of €200 million, maturing June 9, 2011, pay interest at the 3-month Euribor rate plus a spread of 68 basis points.
In order to guarantee fixed rate conditions for the entire period of the bonds 2006/2011, interest rate swaps had been put into place in previous years on the entire amount. In 2009, considering the changed conditions of the financial markets, such contracts were early terminated with a payment €8 million.

Debt recorded in current and non-current liabilities for €340 million (€422 million at December 31, 2008) includes the debt of EXOR S.p.A. (€150 million), C&W Group (€146 million), the Alpitour Group (€28 million) and Juventus Football Club (€16 million).

EXOR S.p.A.

With regard to EXOR S.p.A., non-current bank debt amounts to €125 million (€150 million at December 31, 2008). In order to guarantee fixed interest rates, interest rate swap contracts had been put into place for the full amount; at December 31, 2009 the fair value of such contracts is negative for €4 million (€5 million at December 31, 2008).
Bank debt is classified as non-current according to the remaining term of the line granted and the duration of the hedging contracts.
Current bank debt amounts to €25 million (€16 million at December 31, 2008).

The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main commitments on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor, non-subordination of the credit and, in some cases, compliance with financial ratios. Finally, clauses provide for early expiration in the event of serious non-fulfillment such as, for example, failure to pay interest or events that are especially detrimental such as bankruptcy.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €155 million.

C&W Group

The debt of C&W Group amounts to €146 million (€165 million at December 31, 2008) and mainly includes the following categories of debt:

- Senior Revolving Credit Facility for $350 million. At December 31, 2009, the outstanding balance is $199 million (€138 million), of which $137 million (€95 million) at the average rate of 4.59%, $39 million (€27 million) at the average rate of 5.33% $10 million (€7 million) at the average rate of 5.03% and $13 million (€ 9 million) at the average rate of 5.25%;
- Seller Note – Burnham for $2.5 million (€2 million);
- other debt for $10 million (€7 million).

The Senior Credit Facility is covered by numerous covenants to be maintained for the entire term of the credit facility including leverage ratios as defined in the contract.
The financial covenants have been complied with from the time the credit facility was secured until December 31, 2009.

Alpitour Group

The debt of the Alpitour Group totaling €28 million (€73 million at December 31, 2008), comprises:

- debt relating to the securitization of trade receivables (€8 million);
- syndicated loan, coordinated by BNL and Efibanca (€16 million);
- CRS loan (€3 million) and others (€1 million).

The medium and long-term loan contracts state that the Alpitour Group must comply with covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and Ebitda/net debt). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date. Such ratios have been fully complied with as at October 31, 2009.
The main changes are as follows:

- repayment of €45 million on Calyon loan which provides for the drawdown of a credit line against the sale of trade receivables and the subsequent drawdown of the same credit line for €8 million;
- repayment of periodical installments on the syndicated loan for €7 million and CRS loan for €1 million.

Juventus Football Club

Debt of Juventus Football Club refers entirely to the debt with Unicredit Leasing S.p.A. relating to the lease on the Vinovo Training Center and other minor leases for €16 million, of which €7 million is due beyond five years.

Non-current derivative financial instruments of the EXOR Group include the embedded derivative relating to the Perfect Vision Limited convertible bonds. The fair value recorded in the income statement in 2009 is negative for €32 million.

Current derivative financial instruments of the EXOR Group totaling €15 million include:

- interest rate swap contracts put into place by EXOR S.p.A. on non-current debt (the fair value at December 31, 2009 is negative for €4.5 million);
- foreign exchange forward contracts put into place by C&W Group to hedge possible changes in exchange rates on intercompany trading transactions (the fair value at December 31, 2009 is negative for €2 million);
- interest rate swap contracts put into place by Alpitour S.p.A. on syndicated and CRS loans and for the partial hedge of the securitization transactions with Calyon in respect of possible changes in interest rates (the fair value at December 31, 2009 is negative for €0.5 million).
- derivative financial instruments on equity shares held for trading by EXOR S.p.A. (the fair value at December 31, 2009 is negative for €8 million).

34. Deferred income taxes

As disclosed under “Significant Accounting Policies”, deferred tax assets and liabilities are offset where there is a legally enforceable right of offset, at the level of individual sector.

The composition and the change in deferred tax assets are as follows:

€in millions	Property, plant and equipment and intangible assets	Tax losses	Revenues taxed in prior years	Tax-deferred gains	Other	**Total**
Balance at December 31, 2008	2	1	5	(5)	14	**17**
Income taxes charged (reversed) to the income statement	1	(1)	(3)	0	(4)	**(7)**
Taxes relating to items credited to equity	0	0	0	0	1	**1**
Net other movements	0	0	0	0	(2)	**(2)**
Balance at December 31, 2009	**3**	**0**	**2**	**(5)**	**9**	**9**

€in millions	Property, plant and equipment and intangible assets	Tax losses	Revenues taxed in prior years	Tax-deferred gains	Other	**Total**
Balance at December 31, 2007	2	6	9	0	9	**26**
Income taxes charged (reversed) to the income statement		(5)	(4)	(5)	6	**(8)**
Taxes relating to items credited to equity					(1)	**(1)**
Net other movements						**0**
Balance at December 31, 2008	**2**	**1**	**5**	**(5)**	**14**	**17**

The composition and the change in deferred tax liabilities are as follows:

€in millions	Property, plant and equipment	Intangible assets	Depreciation and tax charges	Fair Value	Deferred compensation plans	Employee benefits	Actuarial gains (losses)	Tax losses	Other	**Total**
Balance at December 31, 2008	(1)	(126)	6	0	20	1	5	3	6	**(86)**
Income taxes (charged) reversed to the income statement	0	6	(7)		(2)	0	0	16	8	**21**
Income taxes relating to items debited to equity	0	0	0		0	0	(1)	0	(1)	**(2)**
Exchange differences	0	4	0		(1)	0	0	(1)	0	**2**
Net other movements	0	(1)	0	0	0	(1)	0	3	0	**1**
Balance at December 31, 2009	**(1)**	**(117)**	**(1)**	**0**	**17**	**0**	**4**	**21**	**13**	**(64)**

€in millions	Property, plant and equipment	Intangible assets	Depreciation and tax charges	Fair Value	Deferred compensation plan	Employee benefits	Actuarial gains (losses)	Tax losses	Other	**Total**
Balance at December 31, 2007	(2)	(107)	7	(11)	21	4	3	1	2	**(82)**
Business combinations		(19)							2	**(17)**
Income taxes (charged) reversed to the income statement		7	(1)		(2)			1	2	**7**
Income taxes relating to items debited to equity				11		(3)	2	1	2	**13**
Exchange differences		(7)			1				1	**(5)**
Net other movements	1								(3)	**(2)**
Balance at December 31, 2008	**(1)**	**(126)**	**6**	**0**	**20**	**1**	**5**	**3**	**6**	**(86)**

The analysis of unused tax loss carryforwards on which deferred tax assets have not been calculated is as follows:

	Taxable base				Estimated tax
€in millions	Within 1 year	From 2 to 4 years	Beyond 4 years	Total	benefit
At December 31, 2009					
Current tax losses	9	261	686	956	275
At December 31, 2008					
Current tax losses	154	413	572	1,139	311

Deferred tax assets on tax losses are recognized to the extent that their recoverability is highly probable in the following year or in the medium term, taking into account the taxable income forecast in medium-term operating plans.

35. Other liabilities

Details of other liabilities are as follows:

€in millions	**12/31/2009**	12/31/2008	Change
Other non-current liabilities			
Other non-current liabilities and other payables	**81**	49	32
Liabilities with Minority Shareholders of C&W Group (Note 27)	**25**		25
Other non-current payables to related parties	**2**	2	0
Commissions payable	**5**	6	(1)
Deferred compensation plans	**4**	1	3
Total other non-current liabilities	**117**	58	59
Other current liabilities			
Trade payables			
Trade payables	**247**	208	39
Trade payables to related parties	**1**	10	(9)
	248	218	30
Commissions payable	**94**	108	(14)
Total trade payables	**342**	326	16
Other current liabilities			
Payables for direct taxes	**37**	25	12
Payables for indirect taxes	**7**	13	(6)
Payables to employees and similar	**49**	56	(7)
Payables on purchases of property, plant and equipment	**37**	35	2
Other payables	**74**	91	(17)
Liabilities with Minority Shareholders of C&W Group (Note 27)	**8**		8
Other payables to related parties	**12**	8	4
Deferred compensation plans	**6**	8	(2)
Total other current liabilities	**230**	236	(6)
Total trade payables and other current liabilities	**572**	562	10
Total other non-current and current liabilities	**689**	620	69

Further details on payables to related parties are provided in Note 38.

Other non-current and current liabilities by maturity are as follows:

€in millions	Within 1 year	From 2 to 5 years	Beyond 5 years	**Total**
Other non-current liabilities	1	105	11	**117**
Trade payables	342			**342**
Other current liabilities	230			**230**
Balances at December 31, 2009	**573**	**105**	**11**	**689**
Other non-current liabilities		47	11	**58**
Trade payables	326			**326**
Other current liabilities	236			**236**
Balances at December 31, 2008	**562**	**47**	**11**	**620**

36. Commitments

Details are as follows:

€ in millions	**12/31/2009**	12/31/2008
Commitments undertaken		
Guarantees, note guarantees and other guarantees	**101**	76
Commitments for the purchase of investments and financial assets	**72**	78
Commitments for the purchase of property, plant and equipment	**4**	
Goods on deposit with third parties	**0**	1
Commitments to make loans	**6**	7
Other commitments undertaken	**1**	0
Total commitments undertaken	**184**	162
Commitments received		
Guarantees, deposits, note guarantees and other guarantees	**144**	158
Other commitments	**55**	59
Total commitments received	**199**	217

Commitments by due date are as follows:

€ in millions	Until canceled	Within 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
At December 31, 2009							
Commitments undertaken	95	20	25	22	14	8	**184**
Commitments received	0	119	5	58	17	0	**199**
At December 31, 2008							
Commitments undertaken	81	28	21	25		7	**162**
Commitments received		110	35	55	17		**217**

Future minimum lease payments relating to operating leases are as follows:

€ in millions	From 0 to 6 months	From 6 months to 1 year	From 2 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
At December 31, 2009	**43**	**42**	**169**	**95**	**215**	**564**
At December 31, 2008	48	44	143	98	116	449

Lease expenses recognized in the 2009 income statement amount to €92 million (€87 million in 2008). They refer to lease contracts of the Alpitour Group which include lease payments on hotel complexes (€21 million) and dry-lease payments by the subsidiary Neos (€19 million), as well as payments paid by C&W Group for operating leases (€52 million).

Guarantees, note guarantees and other guarantees, included in commitments undertaken (€101 million) mainly include guarantees on behalf of suppliers of tourist services, financial offices and public entities provided by the Alpitour Group and other guarantees of the Alpitour Group for €47 million, in addition to bank guarantees provided to Juventus Football Club for €54 million.

Commitments for the purchase of investments and other financial assets (€72 million) refer to commitments undertaken by the subsidiary Exor S.A. as follows:

- commitment to invest a maximum remaining $55 million (€38 million) in the limited partnership NoCo B LP which groups a series of funds managed by Perella Weinberg Partners L.P.; as of December 31, 2009, EXOR S.A. has invested $3 million

(€2 million) and has received reimbursements for $12 million (€8 million) following the liquidation of the Perella Weinberg Alpha Large Cap and ADS funds;
- commitment to invest €22 million in the Perella Weinberg Real Estate fund. As of December 31, 2009, Exor S.A. has invested €2 million;
- commitment to invest a further €9 million in Banijay Holding S.A.S.
- commitments subscribed to by EXOR S.A. on May 14, 2009 for $10 million, later reduced by $7 million in Pimco Talf Investment and Recovery Fund. At December 31, 2009, EXOR S.A. has invested $3.5 million (€3 million). The maximum remaining commitment is $3.5 million (€3 million).

Commitments for the purchase of property, plant and equipment refer to the commitment by Juventus Football Club on the finance lease in place with Unicredit Leasing S.p.A. for work to expand and reorganize the Vinovo Training Center.

Commitments to make loans refer to the commitment undertaken by C&W Group with its employees.

Commitments received amount to €199 million and refer to guarantees, deposits, note guarantees and other guarantees for €144 million (of which €141 million is for guarantees and other guarantees provided by third parties to Juventus Football Club and €3 million for guarantees provided by public entities and suppliers of tourist services to the Alpitour Group) and sales commitments of the Alpitour Group for €55 million for travel bookings.

The main guarantees provided by third parties to Juventus Football Club (€124 million) are as follows:

- guarantee of €41 million provided by leading credit institutions on behalf of Sky Italia S.r.l. to guarantee the contract granting television broadcasting rights for championship home games for the 2009/2010 season;
- guarantee of €26 million provided by leading credit institutions on behalf of Reti Televisive Italiane S.p.A. to guarantee the contract granting television broadcasting rights for the championship home games for the 2009/2010 season;
- guarantee of €42 million provided by Sportfive S.A. to guarantee part of the amounts regarding the commercial contract signed with Sportfive Italia S.r.l./Sportfive GmbH & Co. KG., for the naming and marketing rights for the new stadium;
- guarantee of €12 million provided by leading credit institutions on behalf of Associazione Temporanea di Imprese - Rosso, Gilardi, Consfer e Morganti to guarantee the contract for the construction of the new stadium;
- other guarantees for €3 million.

Other guarantees received by Juventus Football Club, for €17 million refer to pledges guaranteeing receivables from Campi di Vinovo S.p.A. and Finanziaria Gilardi S.p.A. in relation to the sales of the investment and subsequent novation and integration agreements.

Procedures for the identification and control of commitments

Information regarding commitments, in addition to all other data and information used for consolidation purposes, is transmitted to EXOR S.p.A. through the consolidation process under the responsibility of the legal representatives of the individual companies and/or the Groups consolidated by EXOR that are required to prepare a reporting package and who sign a representation letter addressed to the Parent.
On the basis of information known to EXOR S.p.A., no significant commitments have been omitted by the companies of the Group.

37. Additional information on financial instruments and financial risk management policies

Details of the carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows:

	December 31, 2009		
€in millions	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	607	44	
- designated initially			
Derivative instruments designated as hedges	0		
Investments held to maturity	93	2	
Loans and receivables (a)	1,024		(2)
Available-for-sale assets	1,373	25	
Total	**3,097**	**71**	**(2)**
Financial liabilities			
At fair value through profit or loss			
- held for trading	8		
- designated initially	32		32
Derivative instruments designated as hedges	7		
Debt at amortized cost	968		50
Debt at cost	688		28
Total	**1,703**	**0**	**110**

(a) Includes cash and cash equivalents for €630 million.

	December 31, 2008		
€in millions	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	348		(55)
- designated initially			
Derivative instruments designated as hedges	1		
Investments held to maturity	8		
Loans and receivables (a)	1,603	47	(3)
Available-for-sale assets	1,319	214	
Total	**3,279**	**261**	**(58)**
Financial liabilities			
At fair value through profit or loss			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	16	8	(4)
Debt at amortized cost	970		(53)
Debt at cost	751		(34)
Total	**1,737**	**8**	**(91)**

(a) Includes cash and cash equivalents for €975 million.

Financial assets and liabilities for which the fair value can not be objectively determined and that are recorded at cost have not been included in the asset and liability categories indicated in IAS 39.

Fair value of financial assets and liabilities and the criteria for the estimation of fair value

Financial assets held for trading represented by listed securities are measured using the stock market price at year-end and the change in fair value is recognized in the income statement in financial income (expenses).

Available-for-sale financial assets represented by listed securities are measured at fair value using the stock market price at year-end and the unrealized gains or losses are recognized in equity. Further details on the measurement of available-for-sale financial assets are provided in Note 26.

Available-for-sale financial assets represented by unlisted securities are measured by independent experts. To this end, the investments in Gruppo Banca Leonardo, Banijay Holding and the embedded derivative on the Perfect Vision convertible bonds were aligned to fair value based on an estimate by independent experts.

For trade receivables and payables, all of which are due within one year, the fair value is not significant in that their carrying amount approximates fair value.

Derivative financial instruments are measured at fair value using the discounted cash flow method.

Fair value hierarchy

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value.

The following levels are used in this hierarchy:

- Level 1 – listed prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of financial assets and liabilities measured at fair value at December 31, 2009:

€in millions	Note	12/31/2009	Level 1	Level 2	Level 3
Financial assets at fair value					
Available-for-sale investments at fair value		1,333	1,195	19	119
Other investments at fair value		45		6	39
Non-current derivative instruments		1		1	
Financial assets held for trading:					
- equity securities		46	46		
- bonds		543	455	3	85
Bonds included in cash and cash equivalents		39	39		
Total assets	**23**	**2,007**	**1,735**	**29**	**243**
Financial liabilities at fair value					
Non-current derivative instruments		(32)			(32)
Current derivative instruments		(15)		(15)	
Total liabilities	**33**	**(47)**	**0**	**(15)**	**(32)**

In 2009, there were no transfers from Level 1 to Level 2 or vice versa.

The following table provides an analysis of the changes in the financial assets and liabilities at fair value in Level 3 in 2009:

		Total gains and losses				
€in millions	12/31/2008	recognized in profit or loss	recognized in equity	Purchases	Sales	12/31/2009
Financial assets at fair value						
Available-for-sale investments	109		(3)	13		119
Bonds	52	(2)		41	(6)	85
Other investments at fair value	24		7	16	(8)	39
Derivative financial instruments	4	(4)				0
Total assets	189	(6)	4	70	(14)	243
Financial liabilities						
Derivative financial instruments	0	(32)				(32)
Total liabilities	0	(32)	0	0	0	(32)
Amount of gains and losses for the year included in income statement on assets and liabilities held to maturity		(38)				

In 2009, there were no transfers from Level 3 to other levels or vice versa.

Significant or insignificant changes in the parameters used to determine the fair value of the financial assets or liabilities included in Level 3 would not have material effects on the income statement or the statement of financial position of the EXOR Group.

Risk management

EXOR S.p.A. and the companies in the Holdings System

EXOR S.p.A. and the companies which form the Holdings System are exposed to credit risk in that they invest a portion of their cash in bonds issued by leading bank and corporate counterparts which, in any case, are selected according to their credit worthiness. Instead, the relevant investments denominated in currencies other than the Euro, U.S. dollars in particular, are exposed to currency risks; in view of the permanent characteristics of such investments, transactions to hedge the risk of exchange rate fluctuations on those currencies were not put into place.

As far as liquidity risk is concerned, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are substantially financed by incoming flows from ordinary business activities.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR S.p.A. operates so that it has financial resources available by issuing bonds and acquiring irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR S.p.A. also assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate. The only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on one of its bond issues.

Alpitour Group

The Alpitour Group regularly assesses its exposure to various types of risks and manages these risks using traditional and derivative instruments in accordance with its management and control policy. This policy does not allow the use of derivatives for speculative purposes but they are used for the management of fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

The Alpitour Group, and particularly the aviation division, is subject to the risk of fluctuations in fuel prices largely in connection with international political stability and other outside factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the fuel price risk exposure is hedged by commodity swaps and zero cost collars.
The exposure to exchange rate risks on commercial transactions in foreign currencies is mainly hedged by forward and knock-in forward contracts.
The exposure to interest rate risks on medium- and long-term loans is mainly hedged by interest rate swaps and zero cost collars.

C&W Group

Credit risk exposure of C&W Group is mainly influenced by the characteristics of each individual client. Other risk factors, including the default risk of the industry and country in which customers operate has less of an influence on credit risk. That depends on the type of services rendered and knowledge of the quality of the clients.

Juventus Football Club

Juventus Football Club does not have significant concentrations of credit risk and has appropriate procedures in place to minimize such risk exposure. Receivables from Italian soccer companies are guaranteed by the compensation mechanism of the National Professional League while receivables from foreign soccer companies are largely guaranteed by sureties or other guarantees.
A large part of Juventus Football Club's transactions (sales and purchases) are in Euro; thus the company is not subject to fluctuations in exchange rates to any relevant degree.
The company manages liquidity risk by keeping the bank loans secured from leading credit institutions at levels that avert financial pressure situations and are sufficient to meet operating and investment needs.

Credit risk

Credit risk exposure is principally represented by trade receivables and the concentration of credit risk, however, is mitigated by a large number of counterparts.

Trade receivables are expressed in the financial statements net of the provision for impairment for the risk that counterparts will be unable to fulfill their contractual obligations, the creditworthiness of the customer and historical data.

Credit risk regarding the other financial assets of the Group, which include cash and cash equivalents, available-for-sale assets, receivables and some derivatives, have a maximum risk equal to the carrying amount of the assets in the case of the insolvency of the counterpart.

The amount of financial assets past due and not written down, represented by trade receivables in the category "loans and receivables", is detailed as follows:

	Past due and not written down						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2009							
Trade receivables	**2**	**35**	**10**	**7**	**1**	**0**	**55**

	Past due and not written down						
€ in millions	30 days	30 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	more than 360 days	Total
2008							
Trade receivables	1	20	5	7	3	0	36

Movements in the provision for the impairment of receivables and other financial assets for the years 2009 and 2008 are as follows.

€ in millions	**12/31/2009**	12/31/2008
Beginning balance	**35**	30
Accruals	**8**	9
Uses	**(5)**	(5)
Exchange differences	**0**	1
Ending balance	**38**	35

Information on the credit risk of the EXOR Group is presented below.

EXOR S.p.A. and the companies in the Holdings System

The maximum credit risk to which EXOR S.p.A. is theoretically exposed at December 31, 2009 is represented by the carrying amounts stated for financial assets in the statement of financial position. However, the company tries to mitigate such risks by investing a good part of its cash in securities issued by leading bank and corporate counterparts that, in any case, are selected according to their credit worthiness.
At December 31, 2009 and December 31, 2008, there are no financial assets past due and not written down and provisions for receivables impairment.

Alpitour Group

Transactions for the sale of receivables

At October 31, 2009, the balance relating to the monthly securitization program of trade receivables begun by the Alpitour Group in 2006 amounts to €8 million. The securitization operation formalized by Alpitour S.p.A. with Banca Calyon in Milan provides for a revolving credit line which can be used on a monthly basis up to a net amount of €55 million against the sale of the trade receivables. Furthermore, in accordance with the contract terms, in exchange for the monthly sale of receivables and the amount of utilization requested (monthly program), Alpitour is obliged to subscribe to short-term securities (30-day maturities) issued by a French-registered associate of the Calyon Group, the amount of which is determined on the basis of the quality of the receivables sold and the relative degree of concentration. At October 31, 2009, under a monthly program of €8 million, short-term securities were subscribed to for an amount of €3 million; the net use of the securitization line at the year-end closing date is therefore equal to €5 million against a credit line made available by Calyon for €55 million.

The Alpitour Group does not have any particular concentrations of credit risk since its credit exposure is distributed over a large number of counterparts and customers.
Trade receivables are expressed net of the provision for receivables impairment which amounts to €24 million at December 31, 2009 (unchanged compared to December 31, 2008).

C&W Group

The credit risk of C&W Group is represented by the carrying amount of financial assets recorded in cash and cash equivalents for $74.8 million (€52 million) and the carrying amount of trade receivables for $300 million (€208 million).

Trade receivables are expressed net of the provision for receivables impairment which amounts to $19 million (€13 million) at December 31, 2009 ($14.5 million at December 31, 2008 equal to €10 million).

Liquidity risk

The companies of the Group control liquidity risk by planning investments of liquidity, monitoring the maturities of financial investments and financial assets and the expected cash flows from operations.

The residual contract maturities for all the financial liabilities which fall under the application of IAS 39 are indicated below.

The table has been prepared by allocating the remaining cash flows from existing contracts, including principal and interest; with regard to floating-rate loans, the most recent fixed coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of the hedging transactions.

	December 31, 2009					
	Nominal amount					
€in millions	Within 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Bonds and non-current debt						
EXOR bonds 2017	(40)	0	(81)	(81)	(871)	**(1,073)**
EXOR bonds 2011	(1)	(1)	(202)	0	0	**(204)**
Debt	(3)	(3)	(279)	(3)	(8)	**(296)**
Derivative financial instruments	0	0	0	(32)	0	**(32)**
Bonds and current debt						
Current debt	(29)	(31)	(5)	0	0	**(65)**
Payables to suppliers and commissions payable	(342)					**(342)**
Total	**(415)**	**(35)**	**(567)**	**(116)**	**(879)**	**(2,012)**

	December 31, 2008					
	Nominal amount					
€in millions	Within 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Bonds and non-current debt						
EXOR bonds 2017	(40)		(81)	(81)	(911)	**(1,113)**
EXOR bonds 2011	(4)	(4)	(214)			**(222)**
Debt	(3)	(4)	(182)	(164)	(9)	**(362)**
Derivative financial instruments	(29)	(13)		(5)		**(47)**
Bonds and current debt						
Current debt	(65)	(2)				**(67)**
Current portion of bonds	(6)	(3)				**(9)**
Payables to suppliers and commissions payable	(326)					**(326)**
Total	**(473)**	**(26)**	**(477)**	**(250)**	**(920)**	**(2,146)**

EXOR S.p.A. and the companies forming the Holdings System finance outgoing cash flows from current operations with incoming flows from ordinary business activities and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to support operating and investment activities. In this sense, the EXOR Group operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2009, the EXOR Group has unused credit lines for €2,026 million (€2,615 million at December 31, 2008).

Total credit lines of the Alpitour Group amount to €268 million (€290 million at December 31, 2008) of which committed credit lines stand at €194 million. These are drawn down by €27 million, of which €16 million for short-term financing and €11 million for medium-term financing.

To supplement its internally generated cash flows and the maximum peak of seasonal cash flow demands early in the second quarter of the year, C&W Group secured a $350 million Senior Credit Facility on May 29, 2007. This facility will be used to support acquisition opportunities and fund seasonal cash flow requirements during the year.

The breakdown of maturities by credit line is as follows:

	December 31, 2009						
	Nominal amount						
€in millions	Until canceled	From 0 to 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Portion of credit lines utilized	54	13	28	137	142	0	**374**
Portion of credit lines not utilized	999	0	152	690	185	0	**2,026**
Total credit lines	**1,053**	**13**	**180**	**827**	**327**	**0**	**2,400**

	December 31, 2008						
	Nominal amount						
€in millions	Until canceled	From 0 to 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Portion of credit lines utilized	34	5	3	211	175		**428**
Portion of credit lines not utilized	1,425		210	535	445		**2,615**
Total credit lines	**1,459**	**5**	**213**	**746**	**620**	**0**	**3,043**

Market risk

The EXOR Group is principally exposed to exchange rate and interest rate risks since the Group operates internationally in different currency areas and uses financial instruments which generate interest, in addition to price risks on equity shares and other listed financial assets.
Financial risks are managed by each subgroup in which the Group's activities are divided.

Currency risk

An analysis of debt by currency is as follows:

€in millions	EUR	GBP	USD	Other	**Total**
At December 31, 2009					
EXOR bonds 2007/2017	(745)				**(745)**
EXOR bonds 2006/2011	(200)				**(200)**
Debt	(231)	(1)	(165)	(13)	**(410)**
Total debt	**(1,176)**	**(1)**	**(165)**	**(13)**	**(1,355)**
At December 31, 2008					
EXOR bonds 2007/2017	(767)				**(767)**
EXOR bonds 2006/2011	(200)				**(200)**
Debt	(279)	(35)	(113)	(11)	**(438)**
Total debt	**(1,246)**	**(35)**	**(113)**	**(11)**	**(1,405)**

The Group is exposed to risks resulting from changes in exchange rates which can affect its earnings and equity.

The transactions put into place by the companies of the Group to hedge the above currency positions are described below.

EXOR S.p.A. and the companies in the Holdings System

EXOR S.p.A. does not have either financial assets or liabilities denominated in currencies other than Euro. Consequently, there is no direct currency risk. Some of the assets held for trading and cash at December 31, 2009 (respectively, €13 million and €8 million) are denominated in currencies other than Euro. These are securities held for trading and cash, both of which have been adjusted to the year-end exchange rate.

The subsidiary EXOR S.A. is exposed to exchange rate risk on bonds in U.S. dollars issued by Perfect Vision Ltd. (a total of $97 million) and on the embedded derivative (-$46.5 million). A 10% increase or decrease in the exchange rate of the United States currency against the Euro would have an effect on earnings of -€3 million or +€4 million, respectively.

Alpitour Group

The Alpitour Group, since it operates internationally, is exposed to market risk from fluctuations in exchange rates.

Alpitour S.p.A. has forward and forward knock contracts in place for a total notional amount of €25 million to manage the risk of fluctuations in exchange rates hedging the exposure in foreign currencies for the next year. The fair value of such hedges at October 31, 2009 is estimated at a negative €994 thousand (a positive €902 thousand at October 31, 2008).

C&W Group

Exchange rate risk relating to the operating activities of C&W Group is limited since the companies of the Group conduct their operations in their functional currency.

Exposure to currency risk can only come from intercompany commercial transactions. To mitigate this risk, in 2009, the Group had 54 exchange forward contracts on the main currencies to which it is exposed. The notional value of these financial instruments is $118 million (€81.8 million) with a negative fair value at December 31, 2009 for $2,343 thousand, or €1,626 thousand (a negative $6,236 thousand, or €4,481 thousand at December 31, 2008).

The exchange risk relating to debt is limited to the portion of the Senior Revolving Credit Facility: in Euro for $12.9 million ($14.1 million at December 31, 2008); in GBP for $38.8 million ($42 million at December 31, 2008) and in CAD for $16.2 million ($14.9 million at December 31, 2008).

C&W Group believes that the companies exposed to this risk will generate sufficient cash flows in the future to repay their debt, therefore, no hedging instruments have been put into place.

Sensitivity analysis for exchange rate risk

A sensitivity analysis at the end of the reporting period has been carried out in respect of the financial instruments exposed to the exchange rate risk of the EUR/USD, EUR/GBP and risks referring to other currencies represented principally by trade receivables and payables, financial assets and derivative financial instruments of the Alpitour Group and C&W Group.

Alpitour Group

The sensitivity analysis for the exchange risk of the Alpitour Group used the data of the financial statements at October 31, 2009 and is based on the following assumptions:

- the amount shown in the financial statements for financial assets and liabilities has been adjusted by applying a symmetrical percentage change of 10% to the year-end exchange rate;
- the amount of derivative financial instruments for the management of the fuel risk has been adjusted on the basis of a 5% increase or decrease in the price of fuel.

At October 31, 2009, there are no transactions hedging fluctuations in the price of fuel.

The Alpitour Group is exposed to exchange rate risk on trade receivables and financial assets for €17 million and on trade payables for €47 million.
A 10% increase or decrease in the major foreign currencies against the Euro would have a net effect on earnings with recognition of higher income or expenses for €0.5 million; a 10% increase or decrease in the exchange rate of the U.S. dollar against the Euro would have a negative effect or positive effect on equity of €2.3 million or €3.1 million, respectively.

C&W Group

The sensitivity analysis relative to the currency risk of C&W Group has been calculated by adjusting the amount shown in the financial statements for financial assets and liabilities by applying a symmetrical percentage change of 10% to the year-end exchange rate. C&W Group is exposed to exchange rate risk on financial assets for €159 million and on financial liabilities for €38 million.
A 10% increase or decrease in the exchange rates of the major foreign currencies against the Euro would affect equity by €12 million.

Interest rate risk

The companies of the Group use external financial resources obtained in the form of financing and invest available liquidity in monetary and financial market instruments. Any change in market interest rates can affect the cost and yield of the various forms of financing, causing an impact on the level of the Group's financial expenses.
The interest rate risk is managed by the individual consolidated groups which establish the appropriate mix between fixed-rate and floating-rate financing using interest rate swaps and zero cost collars.

The fair value effect of the transactions hedging interest rate risk put into place by the consolidated companies is as follows:

€in thousands	**12/31/2009**	12/31/2008	Change
EXOR S.p.A. and the Holdings System	**(4,527)**	(10,029)	5,502
Alpitour Group	**(2,911)**	13	(2,924)
Juventus Football Club	**(49)**		(49)
Total	**(7,487)**	(10,016)	2,529

EXOR and the companies in the Holdings System

EXOR S.p.A. has some interest rate swap contracts in place at December 31, 2009, for a notional amount of a total of €150 million to hedge the risk of fluctuations in interest rates on bank debt with a negative fair value for €4,527 thousand (negative for €4,910 thousand at December 31, 2008).

At December 31, 2008, there had been some interest rate swap contracts in place for a notional amount of a total of €200 million to hedge the risk of fluctuations in interest rates on the EXOR bonds 2006-2011 with a negative fair value of €5,119 thousand. At December 31, 2009, the negative fair value is €6,689 thousand and is still recorded in an equity reserve and will be recognized in the income statement when the bonds are repaid, in accordance with the Group's accounting policies.

Alpitour Group

Alpitour S.p.A. has interest rate swap contracts and zero cost collars, for a notional amount of a total of €16 million, to hedge the risk of fluctuations in interest rates on the syndicated loan secured on November 30, 2006, and interest rate swaps relating to the CRS loan for a notional amount of €3 million to partly cover the securitization in place with Calyon for a notional amount of €7 million expiring June 30, 2011. The fair value of these hedges at October 31, 2009 is estimated at a negative €451 thousand (a positive €13 thousand at October 31, 2008).

The subsidiary Neos has interest rate swap contracts for a residual notional amount of €41 million for the management of the interest rate risk on aircraft lease arrangements. The fair value of these hedges at October 31, 2009 is estimated at a negative €2,473 thousand.

Juventus Football Club

Juventus Football Club has adopted a policy to hedge the interest rate risk on two loans granted by leading credit institutions for the construction of the new stadium using derivative financial instruments.

At December 31, 2009, Juventus Football Club has the following:

- a CAP option for the management of interest rate risk on the €25 million loan with a positive fair value of €619 thousand. At December 31, 2009, the fair value change (€436 thousand) compared to the initial premium paid of €1,055 thousand was recognized in the income statement since the fair value of the option is entirely related to the time value of the transaction.
- an interest rate swap contract for the management of the interest rate risk on a €15 million loan with a negative fair value of €90 thousand, recognized in an equity reserve for the effective portion (90.1%) and in the income statement for the remaining portion (9.9%).

At December 31, 2009, neither loan has been used.

C&W Group

The C&W Group is exposed to interest rate risks associated with the Revolving Credit Facility of $350 million. At this time, management has not put into place any form of hedge.

The fair value of the EXOR Group recorded in the cash flow hedge reserve refers to the hedge of cash flows relating to loan interest expense which will arise in the years 2010 to 2011 (approximately €10 million for the year 2010 and approximately €2 million for the year 2011).

Analysis of debt by interest rate

The analysis of debt by interest rate at December 31, 2009 shows that the rates are mainly between 5% and 7.5% for €790 million; between 4% and 5% for €309 million; below 2% for €206 million; between 2% and 3% for €40 million; another €8 million of debt considered at a 0 rate.

The analysis of debt by interest rate at December 31, 2008 showed that the rates were mainly between 3% and 4% for €278 million; between 4% and 5% for €1,000 million; between 5% and 7.5% for €115 million; another €12 million of debt considered at a 0 rate.

Sensitivity analysis for interest rate risk

A sensitivity analysis at the end of the reporting period has been carried out in respect of financial instruments exposed to interest rate risk. In the case of floating-rate liabilities, the analysis assumes that the exposure at the end of the year remained constant for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the change in fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the end of the reporting period. In determining the above effect, account is taken of the consequent impact on the reversal of the cash flow hedge reserve to the income statement.

An increase or decrease in the interest rates of 50 basis points, all other variables remaining constant, would produce a higher or lower pre-tax result of the Group for the year 2009 of €0.6 million; the cash flow hedge reserve would be higher or lower by €1 million.

Price risk

EXOR and the companies in the Holdings System

EXOR and the Holdings System are exposed to price risk originating from investments in the capital stock of other companies held for trading or for strategic purposes, classified in the categories of available-for-sale and assets held for trading and assets included in cash and cash equivalents.

Alpitour Group

The Alpitour Group, particularly the aviation division, is subject to the risk of fluctuation in fuel prices that are largely associated with international political equilibrium and other outside factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Alpitour Group's margin. Price risk exposure is hedged by commodity swaps and zero cost collars with counterparts that are high standing Italian and international financial institutions. At October 31, 2009, there are no financial transactions in place for the management of exposure to fuel price risk. At October 31, 2008, the subsidiary Neos had commodity swaps and zero cost collars outstanding for a notional amount of €13 million. The fair value of these hedges is an estimated positive value of €154 thousand.

C&W Group

The C&W Group is exposed to equity price risk arising from available-for-sale equity securities held for meeting the European (EMEA) pension plan obligations. The investment decisions for this plan are made by the Trustees of the plan, based on consultation with the investment and actuarial advisers of the Trustees.

Sensitivity analysis for price risks

Considering price risk exposure at the end of the reporting period, if the prices of securities had been 5% higher or lower, the fair value reserve on available-for-sale assets recorded in equity would have been €62 million higher or lower and the amount of fair value recognized in the income statement on the bonds and investments included in the category of assets held for trading and cash and cash equivalents would be €32 million higher or lower.

Details are as follows:

€ in millions	2009			
	+5% change in price		-5% change in price	
Type of asset	Effect on earnings	Effect on equity	Effect on earnings	Effect on equity
Intesa Sanpaolo		6		(6)
SGS		54		(54)
Credit instruments and investment funds – non-current		2		(2)
Bonds	27		(27)	
Equity securities held for trading	3		(3)	
Cash and cash equivalents	2		(2)	
	32	**62**	**(32)**	**(62)**

€ in millions	2008			
	+5% change in price		-5% change in price	
Type of asset	Effect on earnings	Effect on equity	Effect on earnings	Effect on equity
Intesa Sanpaolo		15		(15)
SGS		44		(44)
Credit instruments and investment funds – non-current		1		(1)
Bonds	13		(13)	
Cash and cash equivalents	2		(2)	
	15	**60**	**(15)**	**(60)**

38. Intragroup and related party transactions

The EXOR Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, have been eliminated in the EXOR consolidated financial statements and consequently are not presented in this note.

Related party transactions have been carried out in accordance with existing laws on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and are settled in cash and guarantees have neither been granted nor received on them.

Costs have not been recognized during the period for non-existent or doubtful liabilities in relation to amounts due from related parties.

The statement of financial position and income statement balances generated by transactions carried out in 2009 with related parties, identified in accordance with IAS 24 and communicated by the companies of the Group, are summarized in the following tables. Transactions are indicated only if close to €1 million, which is the unit of measure for the presentation of the consolidated figures of the EXOR Group.

€ in millions	Investments	Trade receivables	Other assets	Other liabilities	Costs	Revenues	Non-current expenses
Fondazione Agnelli	13 (a)						
Directors for fees and professional services					5 (b)		
Special indemnity to the former chief executive officer and general manager of IFI S.p.A.							3 (c)
Recipients for Alpitour stock option plans 2005				12 (d)			4 (d)
Old Town						1	
Fiat Group companies		2			1	15 (e)	
Alpitour Group companies		1	1			1	
Total EXOR Group	**13**	**3**	**1**	**12**	**6**	**17**	**7**

a) Purchase of 2,338,629 Fiat savings shares from Fondazione Agnelli.
b) Fees to directors of EXOR S.p.A. (€4.5 million) and EXOR S.A. (€0.6 million) referring to 2009.
c) Special indemnity relating to termination of the employment relationship approved for the former chief executive officer and general manager of IFI S.p.A., Virgilio Marrone.
d) Liabilities relating to the beneficiaries of Alpitour stock option plans resolved at the end of 2005. The EXOR board of directors' meeting held on May 13, 2009 extended the period in which the option could be exercised to January 2013 following the reconfirmation of the positions held by the two managers for another three years. The increase in the liability compared to the prior year (€4 million) was presented in non-recurring other expenses.
e) Of which €12 million is for the consideration on the agreement from July 1, 2007 toJune 30, 2010 between the Fiat Group and Juventus Football Club which gives Fiat Group the right to exploit the Juventus Football Club's image and €3 million mainly for incentive, events and convention activities conducted by companies of the Alpitour Group for the Fiat Group.

39. Fees to directors and statutory auditors

In 2009, the fees to the directors and statutory auditors of EXOR S.p.A., to perform their duties in the Parent and also in other companies included in consolidation, are as follows:

€ in thousands	EXOR S.p.A.	Subsidiaries (a)	Total
Directors	6,649	1,028	7,677
Statutory Auditors	146	125	271
Total	**6,795**	**1,153**	**7,948**

(a) This does not include the fees paid by Fiat and its subsidiaries since the Fiat Group is not included in the scope of consolidation.

In the meeting held on May 13, 2009, the board of directors decided to equally divide among its members the fee approved by the stockholders' meeting, amounting to €170,000 per year, and, furthermore, pursuant to art. 2389 of the Italian Civil Code, approved the following annual fees:

- €1,000,000 to the chairman John Elkann, in addition to health care coverage;
- €1,000,000, besides all out-of-pocket travel expenses outside the municipality of residence, for the mandate for strategical coordination, to the honorary chairman Gianluigi Gabetti; he is also entitled to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a secretarial service and a car with driver also after the expiry of the term of office;
- €1,250,000 to the chief executive officer, Carlo Barel di Sant'Albano, who is also entitled to the following:
  - a variable fee up to a maximum of €1,250,000, 50% of which is linked to the increment in EXOR's NAV;
  - the use of an apartment in Turin made available by the company;
  - the use of two company cars, in addition to one used for company business;
  - death and permanent disability insurance coverage for professional or non-professional-related accidents;
  - health care coverage, the same as for company executives;
  - a sum equal to €2,500,000, corresponding to two years' annual fixed fee for the post of chief executive officer, to be paid at the end of the term of office, except in the case of the reconfirmation of the post, voluntary resignation or failure to accept the reconfirmation of the post, termination for just cause or reaching pensionable age;
- €100,000 to the vice chairman Pio Teodorani-Fabbri for the coordination and supervision activities of the Rome office;
- €35,000 to the internal control committee (of which €15,000 to the chairman and €10,000 to each of the other two members);
- €35,000 to the compensation and nominating committee (of which €15,000 to the chairman and €10,000 to each of the other two members);
- €40,000 to each of the directors Victor Bischoff, Christine Morin-Postel and Antoine Schwartz as members of the strategy committee;
- €100,000 to the secretary to the board of directors, Virgilio Marrone, in addition to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a company car.

The directors will also be reimbursed for the expenses incurred in carrying out the activities connected with their posts.

Additional information on fees, as requested by national law (Consob Regulation 11971 dated May 14, 1999 and later amendments), is provided in the Notes to the separate financial statements of EXOR S.p.A..

40. Employees

The breakdown of the average number of employees is provided as follows:

Average number of employees	**12/31/2009**	12/31/2008
Breakdown by category		
Managers	**1,270**	2,038
Middle management and clerical staff	**11,495**	11,310
Pilots and flight attendants	**289**	277
Soccer players	**61**	56
Blue-collar	**3,835**	4,204
	16,950	17,885

41. Pro-forma consolidated data prepared by consolidating the Fiat Group line-by-line

Pending possible amendments to IAS 27 proposed in Exposure Draft ED 10 “Consolidated Financial Statements” which should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, the EXOR Group has continued to exclude the Fiat Group, in which EXOR S.p.A. has a 30.45% holding in ordinary capital stock, from line-by-line consolidation, consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter.

However, in order to provide more meaningful disclosure, the pro-forma consolidated statement of financial position, pro-forma consolidated income statement and the composition of the pro-forma consolidated net financial position prepared by consolidating the Fiat Group line-by-line are presented below.

EXOR Group – Pro-forma consolidated income statement prepared by consolidating the Fiat Group line-by-line.

	Consolidated	Consolidated		Elimination	Consolidated
€ in millions	EXOR Group	Fiat Group	Aggregate	Fiat	Pro-forma
Revenues	2,427	50,102	52,529		52,529
Other income (expenses)	33	(89)	(56)		(56)
Current operating costs	(2,467)	(48,955)	(51,422)		(51,422)
(Loss) Profit from current operations	**(7)**	**1,058**	**1,051**	**0**	**1,051**
Gains on disposals of investments		4	4		4
Impairment losses, restructuring costs and non-recurring other income (expenses), net	(102)	(703)	(805)		(805)
Operating (loss) profit	**(109)**	**359**	**250**	**0**	**250**
Losses on disposals of investments	(15)		(15)		(15)
Other financial income (expenses)	(21)	(753)	(774)		(774)
Financial income (expenses)	(36)	(753)	(789)	0	(789)
Income taxes	(14)	(481)	(495)		(495)
(Loss) Profit of investments consolidated line-by-line	**(159)**	**(875)**	**(1,034)**	**0**	**(1,034)**
Share of (loss) of the Fiat Group	(249)		(249)	249	0
Share of the profit (loss) of other investments accounted for by the equity method	5	27	32		32
(Loss) Profit from continuing operations	**(403)**	**(848)**	**(1,251)**	**249**	**(1,002)**
Profit (Loss) from discontinued operations or assets held for sale	**0**	**0**	**0**		**0**
Consolidated (loss) profit:	**(403)**	**(848)**	**(1,251)**	**249**	**(1,002)**
Attributable to owners of the Parent	**(389)**	**(838)**	**(1,227)**	**838**	**(389)**
Attributable to non-controlling interests	**(14)**	**(10)**	**(24)**	**(589)**	**(613)**

EXOR Group – Pro-forma consolidated statement of financial position prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated EXOR Group	Consolidated Fiat Group	Aggregate	Elimination Fiat	Consolidated Pro-forma
Non-current assets					
Goodwill	365	3,437	3,802		3,802
Other intangible assets	459	3,762	4,221		4,221
Property, plant and equipment	198	12,945	13,143		13,143
Investment in Fiat accounted for by the equity method	3,057		3,057	(3,057)	0
Investments accounted for by the equity method	198	1,884	2,082		2,082
Other financial assets	1,540	275	1,815		1,815
Leased assets		457	457		457
Deferred tax assets	9	2,580	2,589		2,589
Other non-current assets	71	144	215		215
Total Non-current assets	**5,897**	**25,484**	**31,381**	**(3,057)**	**28,324**
Current assets					
Inventories, net	2	8,748	8,750		8,750
Trade receivables	310	3,649	3,959	0	3,959
Receivables from financing activities		12,695	12,695		12,695
Other receivables, accruals and prepayments	148	3,452	3,600		3,600
Financial assets	608	899	1,507		1,507
Cash and cash equivalents	630	12,226	12,856		12,856
Total Current assets	**1,698**	**41,669**	**43,367**	**0**	**43,367**
Assets held for sale	**0**	**82**	**82**		**82**
Total Assets	**7,595**	**67,235**	**74,830**	**(3,057)**	**71,773**
Equity					
Parent	5,305	10,301	15,606	(10,301)	5,305
Equity attributable to non-controlling interests	85	814	899	7,244	8,143
Total Equity	**5,390**	**11,115**	**16,505**	**(3,057)**	**13,448**
Current and non-current liabilities					
Provisions for employee benefits	68	3,447	3,515		3,515
Provisions for other liabilities and charges	29	4,985	5,014		5,014
Bonds and other debt	1,355	28,991	30,346		30,346
Deferred tax liabilities	64	152	216		216
Trade payables	342	12,295	12,637	**0**	12,637
Other liabilities, accruals and deferrals	347	6,242	6,589		6,589
Total Current and non-current liabilities	**2,205**	**56,112**	**58,317**	**0**	**58,317**
Liabilities relating to assets held for sale		**8**	**8**		**8**
Total Equity and Liabilities	**7,595**	**67,235**	**74,830**	**(3,057)**	**71,773**

EXOR Group – Pro-forma consolidated net financial position prepared by consolidating the Fiat Group line-by-line.

€ in millions	Consolidated EXOR Group	Consolidated Fiat Group	Consolidated Pro-forma
Cash and cash equivalents	630	12,443	13,073
Financial receivables	90	12,695	12,785
Other current financial assets	608	636	1,244
Debt	(290)	(28,527)	(28,817)
EXOR bonds 2006/2011	(200)		(200)
EXOR bonds 2007/2017	(745)		(745)
Other current financial liabilities	(88)	(464)	(552)
Consolidated net financial position	**5**	**(3,217)**	**(3,212)**

42. Translation of foreign currency financial statements

The principal exchange rates used for the translation of the 2009 and 2008 foreign currency financial statements to Euro are as follows:

	2009	2008
Year-end exchange rate		
British pound	**0.888**	0.953
U.S. dollar	**1.441**	1.392
Swiss franc	**1.484**	1.485
Average exchange rate		
British pound	**0.891**	0.796
U.S. dollar	**1.395**	1.471
Swiss franc	**1.510**	1.587

43. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2009 were approved on March 29, 2010 by the board of directors which authorized their publication starting from March 31, 2010.

Turin, March 29, 2010

On behalf of the Board of Directors
The Chairman
John Elkann

Attestation of the Consolidated Financial Statements According to art. 154-bis, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, Carlo Barel di Sant'Albano, chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the consolidated financial statements at December 31, 2009.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;
    - correspond to the amounts shown in the accounts, books and records;
    - provide a fair and correct representation of the financial conditions, results of operations and cash flows of the company and its consolidated subsidiaries;
- the Report on Operations includes a reliable operating and financial review of the issuer and the aggregate of the companies included in consolidation as well as a description of the principal risks and uncertainties to which they are exposed.

Turin, March 29, 2010

Chief Executive Officer
Carlo Barel di Sant'Albano

Manager responsible for the preparation
of the financial reports
Aldo Mazzia

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Shareholders of
EXOR S.p.A.

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries ("EXOR Group") as of and for the year ended December 31, 2009, which comprise the statement of financial position, the income statement, the statements of comprehensive income, changes in equity, and cash flows and the related notes to the consolidated financial statements. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data presented for comparative purposes have been reclassified to take account of the change in presentation of financial statements introduced by IAS 1, reference should be made to our auditors' report issued on March 30, 2009.

3. In our opinion, the consolidated financial statements of the EXOR Group as of December 31, 2009 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005; accordingly, they give true and fair view of the financial position of EXOR Group and the results of its operations and its cash flows for the year then ended.

4. For a better understanding of the consolidated financial statements, attention is drawn to the fact that EXOR Group, pending possible amendments to IAS 27 proposed in the Exposure Draft ED 10 "Consolidated Financial Statements", that should definitively clarify the criteria that will permit a verification of the presence of de facto control in accordance with IAS 27, has continued to exclude the Fiat Group, in which EXOR S.p.A. has a 30.45% holding in ordinary capital stock, from line-by-line consolidation, consistently with the method followed for the first-time adoption of IFRS and the preparation of the consolidated financial statements at December 31, 2005 and thereafter. However, in note 41 to the consolidated financial statements are presented the pro-forma consolidated financial data prepared consolidating line-by-line the Fiat Group.

5. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the consolidated financial statements of EXOR S.p.A. as of 31 December, 2009.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 1, 2010

BOARD OF STATUTORY AUDITORS' REPORT ON THE YEAR 2009 TO THE STOCKHOLDERS' MEETING HELD ON APRIL 29/30, 2010

Shareholders,

In the year 2009, as indicated by the directors in their report, the characterizing event was the merger by incorporation of the subsidiary IFIL.

The operation, on which a resolution was passed in 2008, in fact, was concluded on March 1, 2009 when the company also took its new corporate name.

In compliance with art. 2429 of the Italian Civil Code and with art. 153 of Legislative Decree 58/1998, we would like to summarize the contents and outcomes of the activities carried out during the year 2009.

We have participated in the seven meetings of the board of directors, during which we were informed about the activities and the main operating, financial and equity transactions completed or being undertaken by the company and its direct subsidiaries.

We have obtained assurance that the transactions which the company has approved and undertaken were in compliance with the law and with the company's bylaws, were based upon the principles of good administration, were not in conflict with any resolutions passed by the stockholders and were not in conflict of interest.

During the 12 meetings we have held and from our meetings with the manager responsible for the preparation of the financial reports, with the person in charge of internal control, with those responsible for the main relevant corporate functions pertinent to our work and with the representatives of the audit firm – with whom we have met on five occasions and whose results of work we have made use of – we consider that we have acquired the necessary information.

With regard to our responsibilities, we have concluded that:

- the administrative conduct was observant of the principles of diligence and correctness;
- the organizational structure and the internal control system were adequate in relation to the nature and dimensions of the activities carried out;
- the administrative and accounting system was capable of representing correctly the company's affairs, conforming to the existing model of administrative and accounting control;
- the directives imparted to the subsidiaries appear appropriate to the requirements of art. 114, paragraph 2 of Legislative Decree 58/1998,

With regard to Corporate Governance, it should be recalled that IFI – now EXOR – did not adopt the code of self-discipline, partly in view of the company's particular capital structure (unlisted ordinary shares entirely held by Giovanni Agnelli e C. S.a.p.az.), considering the system adopted for Corporate Governance regulation to be suitable to the capital structure and sufficient to ensure transparency. The board of statutory auditors concluded that the regulations and procedures in place were in any case adequate for those purposes.

The directors of EXOR, in the meeting held the day after the merger became effective for legal purposes, approved the Corporate Governance regulations described in their annual report on the subject, which illustrates both the principles and the requirements adopted, and how they should be respected, as we have noted, and those not adopted, explaining the reasons for such exceptions.

As far as our responsibilities are concerned, we can say that EXOR has adopted the model of corporate governance described.

We would like to mention that during the stockholders' meeting held on April 28, 2009, the stockholder Marco Geremia Carlo Bava referred to art. 2408 of the Italian Civil Code and registered grievances.

Given that the limits established by the second paragraph of the article in question have not been met with regard to the consistency of the stockholder's investment and excluding any urgency or serious nature of the matter in question, we have agreed to take account of his comments and have performed an in-depth analysis of the matter to reach the conclusions indicated below.

Concerning the grievance due to lack of a vote on the act of responsibility against the board of directors, we can observe that the stockholder, having only declared – in effect – as if it were that difficult to ask – did neither formulate an effective motion for a resolution nor follow through on his affirmation with a timely and formal request for a vote.

His intentions, therefore, were incomplete, and in any case not suitable to be the subject of a resolution because of the indefiniteness and vagueness due to the absence of motives.

As for the work of the stockholders' meetings, we believe that it has been conducted correctly and in accordance with the relative regulation.

With regard to the amount of the emoluments attributed to certain directors, we consider the relative resolutions in compliance with the law, based upon the collective valuation on the activity and on the commitment of the beneficiaries on behalf of EXOR.

As for the presentation of Fiat's accounting data and the question of its operations, these do not appear to be under the responsibility of this board of statutory auditors, regardless of their merits.

Finally, with respect to requests on the recent prices of Fiat stock, in our work we have not noted any censurable facts.

Therefore, we have not observed violations of the existing laws.

With reference to the other matters identified by CONSOB in communication DEM/1025564 dated April 6, 2001, we observe the following:

- we have been regularly informed of matters falling under our jurisdiction;
- the periodic verifications and the tests to which we have subjected the company have not brought to light any atypical or unusual transactions with third parties, with related parties or with group companies such as might give rise to doubts about the correctness or completeness of the information in the financial statements, about the presence of conflicts of interest or about the safeguarding of the company's assets;
- the directors, in Note 42 to the separate financial statements, disclose the existence of and provide comments on the exchange of goods and services between EXOR, group companies and related parties, stating that such transactions were carried out in accordance with existing laws and by reference to arm's length reciprocal economic gain;
- from the meetings with the auditors no significant facts or situations came to our attention which necessitated the performance of further controls on our part which we should report to you;
- we have not received or had notice of any complaints under art. 2408 of the Italian Civil Code besides those formulated in the last stockholders' meeting and we have not received or we have not been made aware of petitions;
- in our contacts with the board of statutory auditors of the parent no matters have been addressed which would require to be communicated;

- we have expressed the opinions required of us by law;
- by means of a letter dated March 31, 2010, Deloitte & Touche has informed us that:
  " (…) during 2009, EXOR S.p.A. ("EXOR" or the "Company"), in addition to the engagement for the audit of the separate financial statements, for the tests on duly keeping the accounting records and the correct recognition of the operating events in the accounting entries, for the audit of the consolidated financial statements and for the limited audit of the consolidated half-year report (aggregate fees of Euro 90,000 for a total of 1,143 hours excluding the hours and fees for the subsidiary companies whose audits are assigned separately) conferred to us the following engagements:
  - testing relative to the confirmation of the amount of the financial ratios required by the Information Memorandum dated June 6, 2006 relating to the issue by IFIL of "Floating Rate Notes due 2011" for Euro 200 million, for a fee of Euro 5,000.
  - Procedures agreed in reference to specific aspects relating to the internal control system over financial reporting ("ICFR") adopted by the EXOR Group for the year 2009, for a fee of Euro 50,000.

  During the same year, Deloitte ERS S.r.l., an associated firm of Deloitte & Touche S.p.A., performed methodological support activities for the EXOR Group for the definition of the Integrated Compliance Governance Model, for a fee of Euro 35,000 (...)".

We have also examined the draft separate financial statements of EXOR at December 31, 2009 which present a profit of Euro 88,822,747, the information illustrated by the directors in their Report on Operations, relative also to the consolidated financial statements of the EXOR Group at the same date, also formalized in the board of directors' meeting held on March 29, and the specific explanatory notes.

The chief executive officer and the manager responsible for the preparation of the financial reports have issued the attestation required under art. 154-bis, paragraph 5 of Legislative Decree 58/1998 with regard to both the separate financial statements and the consolidated financial statements of the Group.

In its report dated April 1, 2009, Deloitte & Touche, the appointed external auditors, illustrated their conclusions on the separate financial statements of the company as follows:

"(…) In our opinion, the separate financial statements present fairly the financial position of EXOR S.p.A. as of December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005. (…),
In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the financial statements of EXOR S.p.A. as of 31 December, 2009".

Similar conclusions by Deloitte & Touche are illustrated in its report on the consolidated financial statements of the Group and, for a better understanding of the same, draw attention, also this year, to the continued exclusion from line-by-line consolidation of the Fiat Group and to its pro-forma consolidated data prepared by consolidating line-by-line the Fiat Group which is any case presented.

On the basis of the information we obtained directly pertaining to the scope and structure and the conclusions reached by Deloitte & Touche, we are of the view that the separate financial statements of EXOR may be approved together with the proposal for the appropriation of the profit for the year, noting that the legal reserve is already equal to one-fifth of capital stock.

The board of directors, finally, requests authorization for the purchase of treasury stock, in the amount and according to the manner and the times established in the specific report.

As regards our competence, we observe that the motion conforms to existing law.

Turin, April 6, 2010

The Board of Statutory Auditors

Lionello Jona Celesia, Chairman

Giorgio Ferrino

Paolo Piccatti

Below is set out a list, in alphabetical order, of the boards of directors and of statutory auditors on which, as of the date on which this report was issued, the members of the company's board of statutory auditors served in the other companies as defined in Booklet V, Title V, Chapter V, VI and VII of the Italian Civil Code, pursuant to art. 144 *quinquiesdecies* of the Regulation for Issuers (the financial year in which the appointment ends is indicated in brackets).

Lionello Jona Celesia, chairman of the board of statutory auditors of: A.T.A.V. S.p.A. Autolinee Torinese Ast.Vigo (2009), Flash S.p.A. (2010), Gestioni Contabili S.r.l. (2010), Giovanni Agnelli e C. S.a.p.az. (2011), IBM Italia S.p.A. (2011), Iniziativa Piemonte S.p.A. now IP - Investimenti e Partecipazioni S.p.A. (2010), ITW Italy Holding S.r.l. (2011), Lazard Investiment S.r.l. (2009), Lazard & Co. S.r.l. (2011), Maggio 88 S.p.A. (2011), Penta Domus S.p.A. (2011), SE.ME. S.p.A. (2012), Sidever S.p.A. (2011); standing auditor of: Autostrada Torino-Milano S.p.A. (2010), Comital S.p.A. (2011), Gabriel Fiduciaria S.r.l. (2010), Nomen Fiduciaria S.r.l. (2011), Nord Ovest Servizi S.p.A. (2010), Simon Fiduciaria S.p.A. (2010); chairman of the board of directors of: Banca Del Piemonte S.p.A. (2009), Jona Società di Revisione S.p.A. (2010), Socotras S.p.A. (2009); director of: Centro Medico Interdisciplinare Sanitario - CE.MI.SA S.r.l. (2011).

Giorgio Ferrino, chairman of the board of statutory auditors of: Allamandi G. & F. S.p.A. (2011), Cartotecnica Chierese S.p.A. (2011), Con-Pak S.p.A. (2011), Ersel Asset Management S.G.R. S.p.A. (2009), Fincarta S.p.A. (2011), F.lli Carli S.p.A. (2010), Mignola S.A.p.A. (2009), V.I.R. S.p.A. (2010); standing auditor of: F.A.C.E.M. S.p.A. (2009), Fidersel S.p.A.; (2009), G.B. Paravia & C. S.p.A. (2011), I.R.C.C. S.p.A. in liquidation (2009), Investimenti e Partecipazioni S.r.l. (2010), P.L.V. Produzioni Litografiche Varie S.r.l. (2009), Santander Consumer Bank S.p.A. (2011), U.B.I. Factor S.p.A. (2010); chairman of the board of directors of: Nomen Fiduciaria S.r.l. (2011), Simon Fiduciaria S.p.A. (2010), Sofegi Fiduciaria S.r.l. (2011); chief executive officer of: Immobiliare Santi S.r.l. (until revocation); sole director of: FINGESCO S.r.l. (until revocation); director of: Banca del Piemonte S.p.A. (2009).

Paolo Piccatti, chairman of the board of statutory auditors of: Eni Gas Transport Deutschland S.p.A. (2009), Fiat Partecipazioni S.p.A. (2011), Juventus F.C. S.p.A. (2012); standing auditor of: Alpitour S.p.A. (2010), Banca Sella Holding S.p.A. (2011), Comau S.p.A. (2010), Exor Services S.C.p.A. (2011), Fiat Group Automobiles S.p.A. (2011), Giovanni Agnelli e C. S.A.p.A. (2011), Istituto per la ricerca e la cura del cancro S.p.A. in liquidation (2009), Iveco S.p.A. (2010), Lng Shipping S.p.A. (2009), Società Petrolifera Italiana – SPI S.p.A. (2011); member of the oversight committee of: Pan Electric S.p.A. (until closing of the procedure) and Pan Electric Mediterranea S.p.A. (until closing of the procedure).

List of EXOR Group Companies
at December 31, 2009

As required by Consob Resolution 11971 dated May 14, 1999, as amended (Art. 126 of the Regulations), a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, is provided below.

Investments of the Holdings System consolidated on a line-by-line basis

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
EXOR S.p.A.	ITALY	246,229,850	EURO				
COMPANIES OF THE HOLDINGS SYSTEM (Holding companies and services)							
EXOR S.A.	LUXEMBOURG	166,611,300	EURO	100.00	EXOR S.p.A.	100.000	100.000
EXOR CAPITAL L.T.D.	IRELAND	4,000,000	EURO	100.00	EXOR S.A.	100.000	100.000
EUFIN INVESTMENTS UNLIMITED U.K. (a)	UNITED KINGDOM	243,100	EURO	100.00	EXOR S.A.	100.000	100.000
EXOR INC.	USA	1	USD	100.00	EXOR S.A.	100.000	100.000
EXOR LIMITED (b)	HONG KONG CHINA (PEOPLE'S REP.)	1	HKD	100.00	EXOR S.A.	100.000	100.000
IFIL FRANCE SAS (a)	FRANCE	50,000	EURO	100.00	EXOR S.A.	100.000	100.000
ANCOM USA INC	USA	-	USD	100.00	EXOR S.A.	100.000	100.000
EXOR Services S.c.p.a. (formerly SOIEM S.p.A.)	ITALY	9,145,000	EURO	99.75	EXOR S.p.A.	99.750	99.750
					GIOVANNI AGNELLI & C. S.a.p.az.	0.250	0.250
OPERATING COMPANIES							
Real Estate							
C & W GROUP INC.	USA	7,116	USD	74.88	EXOR S.A.	71.030	71.030
					C & W GROUP INC. (*)	9.955	9.955 (*)
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EURO	100.00	EXOR S.p.A.	100.000	100.000
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	20,155,333	EURO	60.00	EXOR S.p.A.	60.001	60.001

(a) Company in a voluntary wind-up.
(b) Dormant company from January 31, 2010.
(*) Voting suspended.

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.88%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Real Estate Services							
BIGeREALESTATE, Inc.	USA	N/A	USD	71.620%	Cushman & Wakefield, Inc.	73.100%	73.100%
Buckbee Thorne & Co.	USA	75	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Offshore Consulting, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W-Japan K.K.	JAPAN	200	YEN	100.000%	Cushman & Wakefield International Inc.	100.000%	100.000%
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Ltd.	99.000%	99.000%
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CHP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980%	99.980%
					Cushman & Wakefield of South America, Inc.	0.020%	0.020%
Cushman & Wakefield - Colombia Ltda	COLOMBIA	5,706	COP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895%	99.895%
					Cushman & Wakefield of South America, Inc.	0.105%	0.105%
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,586,444	BRL	97.990%	Cushman & Wakefield International Holdings Limited Partnership	97.990%	97.990%
				2.010%	Celina Antunes	2.010%	2.010%
Cushman & Wakefield Negócios Imobiliários Ltda.	BRAZIL	775,000	BRL	99.990%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	99.990%
					Marina Cury	0.010%	0.010%
Cushman & Wakefield - Argentina S.A.	ARGENTINA	12,000	ARS	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Semco Peru S.A.	PERU	55,842	PEN	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield - Serviços Gerais Ltda.	BRAZIL	10,000	BRL	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	99.990%
					Cushman & Wakefield of South America, Inc.	0.010%	0.010%
Cushman & Wakefield Venezuela, S.A.	VENEZUELA	1,000	VEB	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000%	100.000%
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	500	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	100	Polish Zloty	99.000%	Cushman & Wakefield Polska SP z.o.o.	99.000%	99.000%
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	500,000	AUD$	100.000%	Cushman & Wakefield Singapore Holdings Pte Limited	75.000%	75.000%
					Cushman & Wakefield Holding Pty Limited	25.000%	25.000%
Cushman & Wakefield (China) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited.	100.000%	100.000%
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield (Hellas) SA	GREECE	20,000	EUR	99.995%	Cushman & Wakefield (France Holdings) SAS	99.995%	99.995%
Cushman & Wakefield (HK) Limited.	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	Singapore dollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Shanghai) Co., Ltd.	PEOPLE'S REP. OF CHINA	1800000	USD	100.000%	Cushman & Wakefield (China) Limited	100.000%	100.000%
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.000%	Cushman & Wakefield (UK) Services Ltd.	100.000%	100.000%
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	100.000%
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield First Nova Scotia ULC	99.900%	99.900%
					Cushman & Wakefield Second Nova Scotia ULC	0.100%	0.100%
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield of Asia Inc	99.989%	99.990%
					Cushman & Wakefield International Inc.	0.011%	0.010%
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.000%	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000%	100.000%
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXP	100.000%	Cushman & Wakefield of North America, Inc.	50.000%	50.000%
					Cushman & Wakefield of the Americas, Inc.	50.000%	50.000%
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Ecuador S.A.	ECUADOR	840	USD	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	95.000%
					Cushman & Wakefield of South America, Inc.	5.000%	5.000%
Cushman & Wakefield European Holdings, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Expertise SAS	FRANCE		EUR	100.000%	Cushman & Wakefield SAS	100.000%	100.000%
Cushman & Wakefield Finance Limited	UNITED KINGDOM	10,000	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	TURKEY		YTL		Cushman & Wakefield (France Holdings) SAS	89.800%	89.800%
			YTL		Healey & Baker Limited	0.050%	0.050%
			YTL		Cushman & Wakefield (EMEA) Limited	0.050%	0.050%
			YTL		Philip Ingleby	0.050%	0.050%
			YTL		Eric Van Dyck	0.050%	0.050%
			YTL		Ayse Cebe	10.000%	10.000%
Cushman & Wakefield LP Limited	SINGAPORE	N/A	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Luxembourg	LUXEMBOURG	12,500	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Gestion, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Holdings, Inc.	USA	585,728	USD	100.000%	C & W Group Inc	100.000%	100.000%
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Hospitality srl	ITALY	9,000	EUR	100.00%	Cushman & Wakefield Hospitality Limited	90.000%	90.000%
		1,000			Marco Zalamena	10.000%	10.000%

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.88%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Cushman & Wakefield India Private Limited	INDIA	33,644,780	Indian Rupee	100.000%	Cushman & Wakefield Mauritius Holdings, Inc.	99.990%	99.990%
					Cushman & Wakefield of Asia Limited	0.010%	0.010%
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	100,000	Singapore dollar	60.000%	Cushman & Wakefield Singapore Holdings Pte Limited	60.000%	60.000%
					Property Advisory International Limited (BVI) (not a C&W entity)	40.000%	40.000%
Cushman & Wakefield International Finance Subsidiary, Inc	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield International, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield Investors SAS	FRANCE	2,313	EUR	100.000%	Cushman & Wakefield Investors Limited	100.000%	100.000%
Cushman & Wakefield Ireland Limited	IRELAND	1,000,000	EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	750	Korean Won	100.000%	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000%	100.000%
Cushman & Wakefield Ltd.	CANADA	11,000	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Cushman & Wakefield LLC	UKRAINE	100	UAH	100.000%	Cushman & Wakefield EMEA Limited	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (UK) Limited	99.000%	99.000%
					Individual Equity Partners	1.000%	1.000%
Cushman & Wakefield Loan.Net, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.000%	Cushman & Wakefield State Street, Inc.	100.000%	100.000%
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefield (Middle East) FZE	UNITED ARAB EMIRATES	1	USD	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Mortgage Brokerage, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Netherlands B.V.	NETHERLANDS	400	NLG	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arizona, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	97,915,151	USD	59.710%	Cushman & Wakefield of Asia, Inc.	59.710%	59.710%
				25.000%	Cushman & Wakefield (BVI), Inc.	25.000%	25.000%
					Cushman & Wakefield (EMEA) Limited	15.290%	15.290%
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Colorado, Inc.	USA	800	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	80.000%
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Delaware, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Georgia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Illinois, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Indiana, Inc.	USA	5	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Michigan, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Mississippi, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of North America, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Pennsylvania, Inc.	USA	14	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield of California, Inc.	100.000%	100.000%
Cushman & Wakefield of South America, Inc.	USA	100	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.88%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Cushman & Wakefield of the Americas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	100.000%
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield of Washington, Inc.	USA	50	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Oy	FINLAND	10	EUR	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Polska SP z.o.o.	POLAND	1	Polish Zloty	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Property Management Services India Private Limited	INDIA	10,000	INR	100.000%	Cushman & Wakefield India Private Limited	99.980%	99.980%
					Sanjay Verma as nominee for C&W India Private Ltd	0.020%	0.020%
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAK REPUBLIC	N/A	EUR	100.000%	Cushman & Wakefield, s.r.o.	100.000%	100.000%
Cushman & Wakefield Real Estate Securities Research, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Residential Real Estate Advisor Ltd.	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield Residential Ltd	100.000%	100.000%
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	4	Pesos	100.000%	Cushman & Wakefield de Mexico, S.A. de C.V	99.990%	99.990%
					Cushman & Wakefield of the Americas, Inc.	0.010%	0.010%
Cushman & Wakefield SAS	FRANCE	2,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	100.000%
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	100.000%
Cushman & Wakefield Securities, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	Singapore dollar	100.000%	Cushman & Wakefield of Asia Limited	100.000%	100.000%
Cushman & Wakefeild Sonnenblick Goldman of California Inc	USA	100	USD	100.000%	Cushman & Wakefield Sonnenblick -Goldman LLC	100.000%	100.000%
Cushman & Wakefield Sonnenblick- Goldman LLC	USA	N/A	USD	65.000%	Cushman & Wakefield Mortgage Brokerage, Inc.	65.000%	65.000%
					Steven A. Kohn	9.700%	9.700%
					Andrew S. Oliver	7.750%	7.750%
					Mark J. Gordon	7.750%	7.750%
					Robert B. Stiles	4.200%	4.200%
					Richard B. Swartz	2.800%	2.800%
					Douglas P. Hercher	2.800%	2.800%
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Stiles & Riabokobylko Management ZAO	RUSSIA	12,000	Roubles	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield Stiles & Riabokobylko OOO	RUSSIA	12,000	Roubles	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	99.000%
					Cushman & Wakefield International, Inc.	1.000%	1.000%
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	98.000%	98.000%
					Cushman & Wakefield Global Holdco Limited	2.000%	2.000%
Cushman & Wakefield V.O.F.	NETHERLANDS	N/A	EUR	99.000%	Cushman & Wakefield, Netherlands B.V.	99.000%	99.000%
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	2	HKDollar	100.000%	Cushman & Wakefield (HK) Limited.	100.000%	100.000%
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	Singapore dollar	100.000%	Cushman & Wakefield (S) Pte Limited	100.000%	100.000%
Cushman & Wakefield (Vietnam) Limited	VIETNAM	4,000,000,000	VND	100.000%	Cushman & Wakefield Singapore Holdings Pte. Ltd.	100.000%	100.000%
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield Holdings, Inc.	100.000%	100.000%
Cushman & Wakefield, s. r. o.	CZECH REPUBLIC	100,000	EUR	80.000%	Cushman & Wakefield (France Holdings) SAS	80.000%	80.000%
				20.000%	Cushman & Wakefield Global Holdco Limited	20.000%	20.000%
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	80	USD	80.000%	Cushman & Wakefield/Premisys, Inc.	80.000%	80.000%
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.000%	Cushfield, Inc.	100.000%	100.000%
SG Securities Holdings LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Sonnenblick- Goldman LLC	100.000%	100.000%
SG Real Estate Securities LLC	USA	N/A	USD	100.000%	SG Securities Holdings LLC	100.000%	100.000%
The Apartment Group LLC	USA	200	USD	100.000%	Cushman & Wakefield of Georgia, Inc.	100.000%	100.000%
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	Forint	100.000%	Cushman & Wakefield International Real Estate Kft.	100.000%	100.000%
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	INDONESIA	5,000	IDR	98.000%	Cushman & Wakefield Indonesia Holdings Private Limited	98.000%	98.000%
	INDONESIA		IDR		Mhandadjaja Sulaiman	2.000%	2.000%
S. C. Cushman & Wakefield Romania S.R.L.	ROMANIA	100	RON	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	99.000%
					Healey & Baker Limited	1.000%	1.000%
Asset Services							
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.000%	99.000%
					Cushman & Wakefield GP Inc	1.000%	1.000%
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	100.000%
Cushman & Wakefield Asset Management, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Asset Management K.K.	JAPAN	11,900	JPY	100.000%	Cushman & Wakefield Investment Advisors K.K.	100.000%	100.000%
Holding							
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield Thailand Limited.	THAILAND	80,000	THB	100.000%	Cushman & Wakefield of Asia Limited	99.980%	99.980%
					Michael Thompson	0.010%	0.010%
					Apisit Limlongwongse	0.010%	0.010%

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.88%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	100.000%
Cushman & Wakefield (France Holdings) SAS	FRANCE	3,987,000	EUR	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	100.000%
Cushman & Wakefield International Holdings Limited Partnership	UNITED KINGDOM	N/A	EUR	100.000%	Cushman & Wakefield European Holdings, Inc	73.7607%	73.7606%
					Cushman & Wakefield of South America, Inc.	2.0356%	2.0356%
					Cushman & Wakefield, Inc.	23.8102%	23.8102%
					Cushman & Wakefield Gestion, Inc.	0.3935%	0.3935%
Cushman & Wakefield Property Tax Services Paralegal Professional Corporatio	CANADA	150	CAD	100.000%	Cushman & Wakefield Ltd.	100.000%	100.000%
1012888 Ontario Limited	CANADA	200	CAD	100.000%	Cushman & Wakefield Ltd.	100.000%	100.000%
808359 Ontario Limited	CANADA	200	CAD	100.000%	Cushman & Wakefield Ltd.	100.000%	100.000%
Cushman & Wakefield Global Holdco Limited	UNITED KINGDOM	1	EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	100.000%
Insurance							
Nottingham Indemnity, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
REIT management							
Cushman & Wakefield Investment Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Realty Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Business Support Management							
Cushman & Wakefield Facilities Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushfield Maintenance West Corp.	USA	100	USD	100.000%	Buckbee Thorne & Co.	100.000%	100.000%
Cushfield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.000%	C&W-Japan K.K.	100.000%	100.000%
Cushman & Wakefield National Corporation	USA	5,100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.C	0.004%	0.004%
Others							
Cushman & Wakefield (BVI) Inc	BRITISH VIRGIN ISLANDS	10,000	USD	100.000%	Cushman & Wakefield of Asia, Inc.	99.990%	99.990%
					Cushman & Wakefield International Inc.	0.010%	0.010%
Cushman & Wakefield Cleaning Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	100.000%
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.990%	99.990%
					Cushman & Wakefield Second Nova Scotia ULC	0.010%	0.010%
Farrell & Anderson Pty Limited	AUSTRALIA	96,000	AUD	100.000%	Cushman & Wakefield (NSW) Pty Limited	100.000%	100.000%
Cushman & Wakefield (NSW) Pty Limited	AUSTRALIA	4	AUD	100.000%	Cushman & Wakefield (Australia) Pty Limited	100.000%	100.000%
Cushman & Wakefield Advisory Asia (India) Private Limited	INDIA	9,900	INR	99.000%	Cushman & Wakefield Capital Holdings (Asia)	99.000%	99.000%
		100		1.000%	Cushman & Wakefield Capital Asia Limited	1.000%	1.000%
Cushman & Wakefield Holding Pty Limited	AUSTRALIA	1	AUD	100.000%	Cushman & Wakefield Singapore Holdings Private Limited	100.000%	100.000%
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004%	0.004%
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	MEXICO	50,000	Pesos	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	99.996%
					Cuahman & Wakefield de Mexico, S.A. de C.V.	0.004%	0.004%
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKDollar	100.000%	Cushman & Wakefield of Asia, Inc.	100.000%	100.000%
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKDollar	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	100.000%

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
ALPITOUR WORLD HOTELS & RESORTS S.P.A.	ITALY	140,385.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	100.000
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					JUMBOTURISMO S.A. UNIPERSONAL	1.000	1.000
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
LIDO ARENELLA di DI MAURO GIOVANNI Srl	ITALY	100,000.00	EURO	100.000	BLUMARIN HOTELS SICILIA S.p.A.	100.000	100.000
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	JUMBOTURISMO S.A. UNIPERSONAL	99.000	99.000
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	1.000
NETRADE S.P.A.	ITALY	300,000.00	EURO	100.000	ALPITOUR WORLD HOTELS & RESORTS S.p.A.	100.000	100.000
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	100.000
RENTHOTEL MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	96.000
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	50.000
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	99.000
					JUMBOTURISMO S.A. UNIPERSONAL	1.000	1.000
Insurance							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	2,500,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
Distribution (Travel agency)							
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	100.000
BLUE VIAGGI S.A.	SWITZERLAND	100,000.00	CHF	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	100.000
WELCOME TRAVEL GROUP S.p.A.	ITALY	3,939,855.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
Incoming services							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000.00	EGP	50.000	ALPITOUR S.p.A	50.000	50.000
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	70.000
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	1,000,000	DOP	99.990	JUMBOTURISMO S.A. UNIPERSONAL	99.990	99.990
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.010	0.010
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO TOURS FRANCE S.A.	FRANCE	37,000.00	EURO	99.940	JUMBOTURISMO S.A. UNIPERSONAL	99.940	99.940
JUMBO TOURS ITALIA S.r.l.	ITALY	78,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000.00	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	49.983
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	100.000	ALPITOUR ESPANA S.L. UNIPERSONAL	100.000	100.000
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000
JUMBO MOROCCO INCOMING S.A.	MOROCCO	400,000	MAD	99.850	JUMBOTURISMO S.A. UNIPERSONAL	99.850	99.850
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	98.000
VALORE SICURO S.r.l.	ITALY	100,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
Tour operating							
A W EVENTS S.r.l.	ITALY	23,838.00	EURO	83.900	ALPITOUR S.p.A.	83.900	83.900
WELLTOUR S.r.l.	ITALY	750,000.00	EURO	80.000	ALPITOUR S.p.A.	80.000	80.000
Aviation							
NEOS S.p.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A.	100.000	100.000
					WELCOME TRAVEL GROUP S.p.A.	0.000	0.000

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Holding companies and Other companies							
SEQUANA S.A.	FRANCE	74,317,503	EURO	26.84	EXOR S.A.	26.649	26.649
FIAT S.p.A. (a)	ITALY	6,377,262,975	EURO	29.59	FIAT S.p.A.	3.024	3.531 (*)
					EXOR S.p.A.	28.696	30.450

(a) The companies of the Fiat Group are presented separately.
(*) Voting suspended.

Investments of C&W Group accounted for by the equity method (percentage of EXOR Group consolidation: 78.88%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
REAL ESTATE SERVICES							
Orvis/Cushman & Wakefield Ranch and Recreational Properties, Inc	U SA			100.000%	Orvis/Cushman & Wakefield Ranch and Recreational Properties, LLC	100.000%	100.000%
ASSET SERVICES							
Corporate Occupier Solutions Limited	UNITED KINGDOM	180,100	GBP	50.000%	Cushman & Wakefield (EMEA) Limited.	50.000%	50.000%
Cushman & Wakefield Facility Management Services	CANADA		CAD	50.000%	Cushman & Wakefield FM Limited Partnership	50.000%	50.000%
					Cushman & Wakefield Ltd.	50.000%	50.000%

Investments of the Alpitour Group accounted for by the equity method (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000.00	MXP	49.000	JUMBOTURISMO S.A. UNIPERSONAL	49.000	49.000
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	28.629
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	50.000
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	50.000
PEMBA S.A.	SPAIN	510,809.20	EURO	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	25.000
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30.000	ALPITOUR S.p.A.	30.000	30.000

Significant investments of the Holdings System

Name	Country	Capital stock at 12/31/2009	Currency	Interest held by	% interest held	% of voting rights
Holding companies and Other companies						
GRUPPO BANCA LEONARDO S.p.A.	ITALY	303,631,527	EURO	EXOR S.A.	9.743	9.743
SGS S.A.	SWITZERLAND	7,822,436	CHF	EXOR S.A.	15.000	15.000
BANIJAY HOLDING S.A.S.	FRANCE	1,947,501	EURO	EXOR S.A.	17.084	17.172
NoCo A LP	USA	N.A.	USD	ANCOM USA INC	1.960 (a)	N.A.

(a) Percentage holding in the limited partnership.

Significant investments of the Alpitour Group

Name	Country	Capital stock at 12/31/2009	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Distribution (Travel agency)							
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	49.000	49.000
WELCOME TRAVEL SUD S.r.l.	ITALY	100,000.00	EURO	-	WELCOME TRAVEL GROUP S.p.A.	50.000	50.000
Incoming services							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	-	JUMBOTURISMO S.A. UNIPERSONAL	100.000	100.000

In the consolidated financial statements of the EXOR Group at December 31, 2009, the investment in the Fiat Group (29.59% of capital stock outstanding) is accounted for by the equity method (please refer to Notes 5 and 41 in the consolidated financial statements).

For purposes of complete disclosure, this appendix shows the investments of the Fiat Group as they are presented in the consolidated financial statements of the Fiat Group.

The companies of the Fiat Group

CONTROLLING COMPANY

Parent Company

Name	Registered Office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Fiat S.p.A.	Turin	Italy	6,377,262,975	EUR	--	--	--	--

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Fiat Group Automobiles

Name	Registered Office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Fiat Group Automobiles S.p.A.	Turin	Italy	745,031,979	EUR	100.00	Fiat S.p.A.	100.000	
Abarth & C. S.p.A.	Turin	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis S.A.	Betim	Brazil	321,680,112	BRL	100.00	Fidis S.p.A. Fiat Automoveis S.A. - FIASA	75.000 25.000	
Customer Services Centre S.r.l.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Turin	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A. Fiat Center Italia S.p.A.	99.000 1.000	
FGA Officine Automobilistiche Grugliasco S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Teamsys GmbH	Heilbronn	Germany	500,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
FGA Versicherungsservice GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG Rimaco S.A.	51.000 49.000	
Fiat Auto Argentina S.A. *(business Fiat Group Automobiles)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Dealer Financing SA	Brussels	Belgium	62,000	EUR	99.84	Fiat Group Automobiles Belgium S.A.	99.839	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	24,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Var S.r.l.	Turin	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Frankfurt	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Kragujevac	Serbia	300,000,000	EUR	66.67	Fiat Group Automobiles S.p.A.	66.672	
Fiat Automotive Finance Co. Ltd.	Shanghai	People's Rep.of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Turin	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Prague	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	193,401,833	ARS	100.00	Fidis S.p.A.	100.000	
Fiat Finance Netherlands B.V.	Amsterdam	Netherlands	690,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Belgium S.A.	Brussels	Belgium	24,100,000	EUR	100.00	Fiat Finance Netherlands B.V. Fiat Group Automobiles Switzerland S.A.	99.998 0.002	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Germany AG	Frankfurt	Germany	82,650,000	EUR	100.00	Fiat Finance Netherlands B.V. Fiat Group Automobiles Switzerland S.A.	99.000 1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublin	Ireland	5,078,952	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Johannesburg	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Finance Netherlands B.V. Fiat Group Automobiles Switzerland S.A.	99.998 0.002	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT NORTH AMERICA LLC	Wilmington	U.S.A.	0	USD	100.00	Fiat Group Automobiles S.p.A. Fiat Powertrain Technologies SpA Fiat Auto Poland S.A.	60.000 22.500 17.500	
Fiat Professional S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Frankfurt	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovack Republic	33,194	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Turin	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
I.T.C.A. Produzione S.p.A.	Grugliasco	Italy	10,000,000	EUR	100.00	I.T.C.A. S.p.A.	100.000	
I.T.C.A. S.p.A.	Grugliasco	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Turin	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Turin	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Brussels	Belgium	13,500,000	EUR	100.00	Fiat Group Automobiles Belgium S.A. Fiat Group Automobiles S.p.A.	99.988 0.012	
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Iveco Latin America Ltda *(business Fiat Group Automobiles)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L. Fiat Group Automobiles S.p.A.	51.000 49.000	
Lancia Automobiles S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR (Ireland) Limited	Dublin	Ireland	70,000	EUR	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
SCDR (Switzerland) S.A. in liquidation	Schlieren	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
SCDR Automotive Limited	Slough Berkshire	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Turin	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
(*) Targa Rent S.r.l.	Turin	Italy	310,000	EUR	100.00	Fidis S.p.A.	100.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Nyon	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	Paris	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	85.00	Fiat S.p.A.	85.000	
410 Park Display Inc.	New York	U.S.A.	100	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari (Suisse) SA in liquidation	Nyon	Switzerland	1,000,000	CHF	85.00	Ferrari S.p.A.	100.000	
Ferrari Deutschland GmbH	Wiesbaden	Germany	1,000,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Munich	Germany	1,777,600	EUR	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	76.50	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	U.S.A.	1,000	USD	76.50	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	85.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	85.00	Ferrari S.p.A.	100.000	

(*) Assets held for sale.

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	People's Rep.of China	2,100,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	3,000,000	USD	50.15	Ferrari S.p.A.	59.000	
Ferrari Maserati Cars Sales and Services (Shanghai) CO.,LTD	Shanghai	People's Rep.of China	2,500,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	Englewood Cliffs	U.S.A.	200,000	USD	85.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	Slough Berkshire	United Kingdom	50,000	GBP	85.00	Ferrari S.p.A.	100.000	
Ferrari San Francisco Inc.	Mill Valley	U.S.A.	100,000	USD	85.00	Ferrari N.America Inc.	100.000	
Ferrari West Europe S.A.S.	Levallois-Perret	France	280,920	EUR	85.00	Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	85.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	85.00	Ferrari S.p.A.	90.000	
						Ferrari GE.D. S.p.A.	10.000	
Société Française de Participations Ferrari - S.F.P.F. S.A.R.L.	Levallois-Perret	France	172,000	EUR	85.00	Ferrari S.p.A.	100.000	
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	534,494,995	EUR	89.25	Fiat Netherlands Holding N.V.	89.187	89.245
						CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	396,364,559	BRL	89.25	CNH Global N.V.	98.761	
						CNH Latin America Ltda.	1.239	
Bli Group Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	U.S.A.	1,000	USD	89.25	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	89.25	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	People's Rep.of China	5,000,000	USD	89.25	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	U.S.A.	5	USD	89.25	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	U.S.A.	1	USD	89.25	CNH America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	89.25	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlin	Germany	281,211	EUR	89.25	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,250,000	USD	89.25	CNH America LLC	100.000	
Case India Limited	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
Case New Holland Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH Global N.V.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Case New Holland Machinery (Harbin) Ltd.	Harbin	People's Rep.of China	2,859,091	USD	89.25	CNH Asian Holding Limited N.V.	99.000	
						CNH Europe Holding S.A.	1.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	89.25	CNH America LLC	100.000	
CNH Agriculture Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
CNH America LLC	Wilmington	U.S.A.	0	USD	89.25	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	89.25	New Holland Holding (Argentina) S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	89.25	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	89.25	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlin	Germany	61,355,030	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	27,268,300	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	89.25	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,249,000	AUD	89.25	CNH Australia Pty Limited	100.000	
CNH Capital Benelux NV	Zedelgem	Belgium	61,500	EUR	89.25	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Calgary	Canada	1	CAD	89.25	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	89.25	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Equipment Loan and Lease Facility LLC	Wilmington	U.S.A.	5,000	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital Insurance Agency Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	U.S.A.	0	USD	89.25	CNH America LLC	100.000	
CNH Capital RACES LLC	Wilmington	U.S.A.	1,000	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	89.25	CNH Global N.V.	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	89.25	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	89.25	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	89.25	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	Luxembourg	53,000,000	USD	89.25	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	89.25	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Morigny-Champigny	France	50,860,641	EUR	89.25	CNH Global N.V.	98.888	
						CNH Capital Benelux NV	1.112	
CNH France S.A.	Morigny-Champigny	France	138,813,150	EUR	89.25	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	89.25	CNH Global N.V.	100.000	

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Italia s.p.a.	Modena	Italy	15,600,000	EUR	89.25	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	
CNH Latin America Ltda.	Contagem	Brazil	847,210,015	BRL	89.25	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	89.24	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	89.25	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	89.25	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	89.25	CNH Europe Holding S.A.	99.980	
						CNH Italia s.p.a.	0.020	
CNH Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
CNH Reman LLC	Wilmington	U.S.A.	4,000,000	USD	44.62	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Bangkok	Thailand	10,000,000	THB	89.24	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	89.25	CNH Italia s.p.a.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	89.25	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	89.25	CNH Osterreich GmbH	100.000	
CNH Wholesale Receivables LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital America LLC	100.000	
Fiatallis North America LLC	Wilmington	U.S.A.	32	USD	89.25	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	U.S.A.	1	USD	89.25	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	89.25	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.55	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.52	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	U.S.A.	0	USD	58.01	New Holland Excavator Holdings LLC	65.000	
Limited Liability Company "CNH Parts and Service Operations"	Moscow	Russia	54,000,000	RUB	89.25	CNH Global N.V.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	89.25	CNH Global N.V.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	89.25	CNH Australia Pty Limited	100.000	
New Holland Credit Company, LLC	Wilmington	U.S.A.	0	USD	89.25	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	U.S.A.	0	USD	89.25	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	89.63	CNH Asian Holding Limited N.V.	96.407	48.965
						Fiat Group Automobiles S.p.A.	3.593	51.035
New Holland Holding (Argentina) S.A.	Buenos Aires	Argentina	23,555,415	ARS	89.25	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	London	United Kingdom	165,000,000	GBP	89.25	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	80,025,291	EUR	66.60	CNH Italia s.p.a.	74.625	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	89.25	CNH Global N.V.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
New Holland Tractor Ltd. N.V.	Antwerp	Belgium	9,631,500	EUR	89.25	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Berlin	Germany	25,565	EUR	89.25	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	89.25	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	People's Rep.of China	35,000,000	USD	53.55	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Ruckersdorf-Harmanns	Austria	35,000	EUR	89.25	CNH Osterreich GmbH	100.000	
Trucks and Commercial Vehicles								
Iveco S.p.A. *(business Trucks and Commercial Vehicles)*	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Afin Bohemia s.r.o.	Prague	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Bucharest	Romenia	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	200,000	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Bucharest	Romenia	77,163,680	RON	100.00	Afin Leasing AG Afin Bohemia s.r.o. Afin Bulgaria EAD Afin Hungary Kereskedelmi KFT. Afin Slovakia S.R.O.	99.800 0.050 0.050 0.050 0.050	
Afin Slovakia S.R.O.	Bratislava	Slovack Republic	39,833	EUR	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Ababa	Ethiopia	12,000,000	ETB	70.00	Iveco S.p.A.	70.000	
AS Afin Baltica	Harjumaa	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	100.00	Iveco Investitions GmbH Iveco S.p.A.	90.000 10.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco España S.L. Iveco Partecipazioni Finanziarie S.r.l.	99.996 0.004	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	100.00	Iveco Investitions GmbH Iveco S.p.A.	95.000 5.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	470,000,000	HUF	76.28	Iveco España S.L.	76.279	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	95.000 5.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	6,123,391	AUD	100.00	Iveco España S.L.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France Société Charolaise de Participations S.A.	99.983 0.017	
Irisbus Deutschland GmbH	Unterschliessheim	Germany	3,800,000	EUR	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Turin	Italy	4,500,000	EUR	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V. Iveco Nederland B.V.	75.000 25.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	12,879,000	TRY	99.96	Iveco S.p.A.	99.960	
Iveco Argentina S.A.	Cordoba	Argentina	130,237,793	ARS	100.00	Iveco España S.L. Astra Veicoli Industriali S.p.A.	99.000 1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Bayern GmbH	Nuremberg	Germany	742,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Capital SA	Paradiso	Switzerland	14,000,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Iveco S.p.A.	100.000	
Iveco España S.L. *(business Trucks and Commercial Vehicles)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Est Sas	Hauconcourt	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco España S.L. Iveco S.p.A.	50.326 49.674	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Iveco S.p.A.	100.000	
Iveco Insurance Vostok LLC	Moscow	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	100.00	Iveco Magirus AG Iveco S.p.A.	99.020 0.980	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda *(business Trucks and Commercial Vehicles)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L. Fiat Group Automobiles S.p.A.	51.000 49.000	
Iveco Limited *(business Trucks and Commercial Vehicles)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business Trucks and Commercial Vehicles)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A. Fiat Netherlands Holding N.V.	53.660 46.340	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	100.00	Iveco Magirus Fire Fighting GmbH Iveco S.p.A.	99.764 0.236	
Iveco Magirus Brandschutztechnik GmbH	Kainbach	Austria	1,271,775	EUR	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Iveco Magirus Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	100.00	Iveco Magirus AG Iveco S.p.A.	90.032 9.968	
Iveco Magirus Firefighting CAMIVA S.a.s. *(societè par actions simplifièe)*	Saint-Alban-Leysse	France	1,870,169	EUR	100.00	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Nederland B.V.	Breda	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	1,611,500	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlin	Germany	2,120,000	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Iveco S.p.A.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Iveco S.p.A.	99.995	
Iveco Partecipazioni Finanziarie S.r.l.	Turin	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations S.A.	Trappes	France	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited Iveco Limited	50.000 50.000	
Iveco Poland Ltd.	Warsaw	Poland	46,974,500	PLN	100.00	Iveco S.p.A.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.997 0.001	
Iveco Romania S.r.l.	Bucharest	Romenia	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Bratislava	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Vorna Valley - Midrand	South Africa	15,000,750	ZAR	100.00	Iveco S.p.A.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. *(business Trucks and Commercial Vehicles)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Iveco S.p.A.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	49,258,692	UAH	100.00	Iveco S.p.A.	100.000	
Iveco Venezuela C.A.	La Victoria	Venezuela	2,498,644	VEF	100.00	Iveco S.p.A.	100.000	
Iveco West Nutzfahrzeuge GmbH	Cologne	Germany	3,017,000	EUR	100.00	Iveco Magirus AG	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco España S.L.	100.000	
Officine Brennero S.p.A.	Trento	Italy	7,120,000	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Moscow	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
OOO Iveco Russia	Moscow	Russia	345,000	RUB	100.00	Afin Leasing AG	100.000	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Iveco S.p.A. Iveco Nederland B.V.	99.983 0.017	
S.C.I. La Méditerranéenne	Vitrolles	France	248,000	EUR	100.00	Iveco France Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	50.000 50.000	
Seddon Atkinson Vehicles Ltd	Watford	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco España S.L.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Turin	Italy	214,763	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Services GmbH in liquidation	Heilbronn	Germany	750,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lithuania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcelona	Spain	520,560	EUR	51.87	Iveco España S.L.	51.867	
FPT Powertrain Technologies								
Fiat Powertrain Technologies SpA	Turin	Italy	525,000,000	EUR	100.00	Fiat S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Iveco Participations S.A.	100.000	
C.R.F. Società Consortile per Azioni *(business FPT Powertrain Technologies)*	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Partecipazioni S.p.A.	52.061	
						Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Componentes Mecanicos S.A.	Barcelona	Spain	37,405,038	EUR	59.39	Iveco España S.L.	59.387	
European Engine Alliance S.c.r.l.	Turin	Italy	32,044,797	EUR	96.42	Iveco S.p.A.	66.667	
						CNH Global N.V.	33.333	
Fiat Auto Argentina S.A. *(business FPT Powertrain Technologies)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Automoveis S.A. - FIASA *(business FPT Powertrain Technologies)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	U.S.A.	1	USD	100.00	Iveco S.p.A.	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	2,000,000	USD	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	100,000,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	150,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France Iveco Participations S.A.	97.200 2.800	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Iveco España S.L. *(business FPT Powertrain Technologies)*	Madrid	Spain	121,612,116	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Latin America Ltda *(business FPT Powertrain Technologies)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco España S.L. Fiat Group Automobiles S.p.A.	51.000 49.000	
Iveco Limited *(business FPT Powertrain Technologies)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business FPT Powertrain Technologies)*	Ulm	Germany	50,000,000	EUR	100.00	Iveco S.p.A. Fiat Netherlands Holding N.V.	53.660 46.340	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	Iveco S.p.A. Iveco France	60.000 40.000	
Iveco Motors of China Limited in liquidation	Shanghai	People's Rep.of China	300,000	USD	100.00	Iveco S.p.A.	100.000	
Iveco S.p.A. *(business FPT Powertrain Technologies)*	Turin	Italy	369,500,000	EUR	100.00	Fiat S.p.A.	100.000	
Iveco Sweden A.B. *(business FPT Powertrain Technologies)*	Arlov	Sweden	600,000	SEK	100.00	Iveco S.p.A.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	People's Rep.of China	580,000,000	CNY	60.00	Fiat Powertrain Technologies SpA SAIC IVECO Commercial Vehicle Investment Company Limited	30.000 60.000	
Components								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
Automotive Lighting Brotterode GmbH	Brotterode	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	2,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Sault	France	17,789,152	EUR	99.99	Automotive Lighting Rear Lamps Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Italia S.p.A.	Venaria Reale	Italy	10,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Chadwell Heath	United Kingdom	15,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Ergom do Brasil Ltda	Itauna	Brazil	5,000,000	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Ergom Poland Sp. z o.o.	Sosnowiec	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidation	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V. Industrial Yorka de Tepotzotlan S.A. de C.V.	98.000 2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico City	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V. Industrial Yorka de Mexico S.A. de C.V.	99.000 1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A. Servicios Administrativos Corp. IPASA S.A.	99.998 0.002	
Industrie Plastica S.p.A.	Grugliasco	Italy	1,000,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli After Market Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	Trappes	France	782,208	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket SL	Llinares del Valles	Spain	2,194,726	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A. Magneti Marelli France S.a.s.	95.000 5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Wuhu	People's Rep.of China	24,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	Guangzhou	People's Rep.of China	8,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	São Paulo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	177,725,564	BRL	99.63	Magneti Marelli S.p.A.	99.643	99.966
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A. Magneti Marelli Argentina S.A.	95.000 5.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	638,476	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Magneti Marelli France S.a.s.	Nanterre	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli GmbH	Russelsheim	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Hellas A.E. in liquidation	Athens	Greece	587,000	EUR	99.99	Magneti Marelli Parts and Services S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	U.S.A.	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	24,499,771	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Argentan	France	884,058	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Parts and Services S.p.A.	Corbetta	Italy	13,137,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	New Delhi	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Bratislava	Slovack Republic	2,606,935	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	Sanford	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	51.000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
						Magneti Marelli Parts and Services S.p.A.	1.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	196,634,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovack Republic	6,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o.	Sosnowiec	Poland	4,310,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	New Delhi	India	130,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	96.66	Magneti Marelli S.p.A.	96.665	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Plastic Components and Modules Automotive S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Plastiform A.S.	Bursa	Turkey	715,000	TRY	99.99	Plastic Components and Modules Automotive S.p.A. Magneti Marelli S.p.A.	97.000 3.000	
Powertrain Mekanik Sanayi ve Ticaret Limited Sirketi	Demirtas-Bursa	Turkey	50,000	TRY	99.99	Magneti Marelli S.p.A. Mako Elektrik Sanayi Ve Ticaret A.S.	99.950 0.050	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A. Industrias Magneti Marelli Mexico S.A. de C.V.	99.990 0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidation	Pisticci	Italy	880,000	EUR	99.99	Plastic Components and Modules Holding S.p.A. Plastic Components and Modules Automotive S.p.A.	95.000 5.000	
TEA S.r.l.	Grugliasco	Italy	516,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A. Plastic Components and Modules Holding S.p.A.	95.000 5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Nanterre	France	44,940	EUR	99.99	Magneti Marelli S.p.A. Fiat Partecipazioni S.p.A.	65.020 34.980	
Metallurgical Products								
Teksid S.p.A.	Turin	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	148,874,686	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Frontera	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Production Systems								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau (Shanghai) Automotive Equipment Co. Ltd.	Shanghai	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
						Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	Luton	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	U.S.A.	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Holdings Corporation	New York	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
						Comau Deutschland GmbH	0.033	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
						Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Resources, Inc.	Southfield	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Romania S.R.L.	Bihor	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Moscow	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Comau S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Turin	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genoa	Italy	124,820	EUR	58.00	Itedi-Italiana Edizioni S.p.A.	58.004	
Editrice La Stampa S.p.A.	Turin	Italy	4,160,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	Trappes	France	18,600,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Publikompass S.p.A.	Milan	Italy	3,068,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Think Lux S.r.l.	Turin	Italy	50,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies								
Business Solutions S.p.A.	Turin	Italy	4,791,396	EUR	100.00	Fiat S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
C.R.F. Società Consortile per Azioni						Fiat Partecipazioni S.p.A.	52.061	
(business Other Activities)	Orbassano	Italy	45,000,000	EUR	99.28	Fiat Group Automobiles S.p.A.	17.478	
						Iveco S.p.A.	9.987	
						Magneti Marelli S.p.A.	7.490	
						Fiat Powertrain Technologies SpA	4.994	
						CNH Italia s.p.a.	2.497	
						Comau S.p.A.	2.497	
						Teksid S.p.A.	2.497	
						Ferrari S.p.A.	0.499	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.13	C.R.F. Società Consortile per Azioni	51.000	
						Automotive Lighting Rear Lamps Italia S.p.A.	24.500	
Deposito Avogadro S.r.l.	Turin	Italy	100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	98.90	Fiat Group Automobiles S.p.A.	51.000	
						C.R.F. Società Consortile per Azioni	27.933	
						CNH Italia s.p.a.	6.800	
						Fiat Powertrain Technologies SpA	5.000	
						Iveco S.p.A.	3.300	
						Comau S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
						Fiat Partecipazioni S.p.A.	1.450	
						Ferrari S.p.A.	1.100	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.250	
						Fiat S.p.A.	0.167	
FGI - Fiat Group International SA	Paradiso	Switzerland	100,000,000	CHF	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat Attività Immobiliari S.p.A.	Turin	Italy	85,700,000	EUR	100.00	Fiat Partecipazioni S.p.A.	76.663	
						Fiat Group Automobiles S.p.A.	23.337	
Fiat do Brasil S.A.	Nova Lima	Brazil	28,513,780	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	99.993	
						Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	Wilmington	U.S.A.	190,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
						Fiat S.p.A.	39.474	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Fiat Finance S.p.A.	Turin	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Turin	Italy	100,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Turin	Italy	600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Turin	Italy	356,158,302	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Warsaw	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Turin	Italy	3,600,000	EUR	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Turin	Italy	1,652,669	EUR	99.36	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Iveco S.p.A.	6.000	
						Fiat S.p.A.	5.000	
						CNH Italia s.p.a.	3.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.r.l.	Turin	Italy	300,000	EUR	98.32	Fiat S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	13.000	
						CNH Global N.V.	10.000	
						Iveco S.p.A.	6.000	
						Comau S.p.A.	2.000	
						Ferrari S.p.A.	2.000	
						Fiat Group Purchasing S.r.l.	2.000	
						Fiat Powertrain Technologies SpA	2.000	
						Fiat Services S.p.A.	2.000	
						Itedi-Italiana Edizioni S.p.A.	2.000	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
						Magneti Marelli S.p.A.	2.000	
						Maserati S.p.A.	2.000	
						Teksid S.p.A.	2.000	
						Fiat Finance S.p.A.	1.000	
						Fiat Partecipazioni S.p.A.	1.000	
Neptunia Assicurazioni Marittime S.A.	Lausanne	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Rimaco S.A.	Lausanne	Switzerland	350,000	CHF	100.00	FGI - Fiat Group International SA	100.000	
Risk Management S.p.A.	Turin	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Turin	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Turin	Italy	120,000	EUR	93.49	Fiat Partecipazioni S.p.A.	57.703	
						Fiat Group Automobiles S.p.A.	17.288	
						Iveco S.p.A.	4.644	
						Fiat Powertrain Technologies SpA	2.356	
						Magneti Marelli S.p.A.	1.863	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Irisbus Italia S.p.A.	0.622	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						C.R.F. Società Consortile per Azioni	0.535	
						New Holland Kobelco Construction Machinery S.p.A.	0.535	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fiat Finance S.p.A.	0.449	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
						Fidis S.p.A.	0.325	
						CNH Italia s.p.a.	0.237	
						Automotive Lighting Italia S.p.A.	0.233	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						FGA Officine Automobilistiche Grugliasco S.p.A.	0.167	
						Astra Veicoli Industriali S.p.A.	0.103	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	

The companies of the Fiat Group

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Fiat-Revisione Interna S.c.r.l.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Automotive Lighting Rear Lamps Italia S.p.A.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Attività Immobiliari S.p.A.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
						Plastic Components and Modules Automotive S.p.A.	0.022	
						TEA S.r.l.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Turin	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE PROPORTIONAL CONSOLIDATION								
FPT Powertrain Technologies								
Fiat-GM Powertrain Polska Sp. z o.o.	Bielsko-Biala	Poland	220,100,000	PLN	50.00	Fiat Powertrain Technologies SpA	50.000	
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD								
Fiat Group Automobiles								
FGA CAPITAL S.p.A.	Turin	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
						Fidis S.p.A.	25.000	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
FGA Bank Germany G.m.b.H.	Heilbronn	Germany	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Evere - Bruxelles	Belgium	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Glostrup	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Argyroupoli	Greece	600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Dublin	Ireland	100,007	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA CAPITAL LUX S.A.	Luxembourg	Luxembourg	12,200,000	EUR	50.00	FGA CAPITAL S.p.A.	99.997	
FGA Capital Netherlands B.V.	Lijnden	Netherlands	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublin	Ireland	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spain	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	Slough Berkshire	United Kingdom	10,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	Slough Berkshire	United Kingdom	16,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Argyroupoli	Greece	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	Slough Berkshire	United Kingdom	3,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Warsaw	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Warsaw	Poland	10,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Leasing Polska Sp. z o.o.	Warsaw	Poland	12,500,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Retail IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Trappes	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Turin	Italy	77,979,400	EUR	49.69	FGA CAPITAL S.p.A.	99.384	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Limited *(business Fiat Group Automobiles)*	Ranjangaon	India	12,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
G.E.I.E. Gisevel	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Paris	France	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	
MEKATRO Arastirma-Gelistirme ve Ticaret A.S.	Kocaeli	Turkey	150,000	TRY	36.72	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	97.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Paris	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	São Pedro	Mexico	810,000	MXN	44.62	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.62	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	São Pedro	Mexico	160,050,000	MXN	44.62	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	São Pedro	Mexico	165,276,000	MXN	44.62	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	São Pedro	Mexico	200,050,000	MXN	44.62	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	São Pedro	Mexico	50,000,000	MXN	43.73	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	São Pedro	Mexico	375,000	MXN	44.62	CNH de Mexico SA de CV	99.999	
L&T-Case Equipment Private Limited	Mumbai	India	240,100,000	INR	44.62	CNH America LLC	50.000	
LBX Company LLC	Wilmington	U.S.A.	0	USD	44.62	Case LBX Holdings Inc.	50.000	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.62	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	53,369,000	TRY	33.47	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles								
Iveco - Oto Melara Società consortile r.l.	Rome	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	Nanjing	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	People's Rep.of China	160,000,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	People's Rep.of China	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,315,500	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Fiat India Automobiles Limited *(business FPT Powertrain Technologies)*	Ranjangaon	India	12,749,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Amsterdam	Netherlands	1,000,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
Components								
Gestamp Marelli Autochasis S.L.	Barcelona	Spain	2,000,000	EUR	50.00	Sistemi Sospensioni S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	New Delhi	India	380,000,000	INR	50.00	Magneti Marelli Motherson India Holding B.V.	100.000	
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	

The companies of the Fiat Group

JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Magneti Marelli SKH Exhaust Systems Private Limited	New Delhi	India	95,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	Shanghai	People's Rep.of China	12,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	New Delhi	India	89,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
tema.mobility	Turin	Italy	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	People's Rep.of China	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD								
Fiat Group Automobiles								
Alfa Romeo Inc.	Winter Garden	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
F.A. Austria Commerz GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	U.S.A.	800,000	USD	89.25	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	U.S.A.	371,000	USD	84.19	CNH America LLC	94.340	
Mid State New Holland, Inc.	Wilmington	U.S.A.	400,000	USD	78.09	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	U.S.A.	250,000	USD	62.19	CNH America LLC	69.680	
Ridgeview New Holland Inc.	Wilmington	U.S.A.	534,000	USD	57.61	CNH America LLC	64.551	
Southside New Holland Tractor & Equipment, Inc.	Wilmington	U.S.A.	325,000	USD	89.25	CNH America LLC	100.000	
Sunrise Tractor & Equipment Inc.	Wilmington	U.S.A.	691,000	USD	89.25	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Financière Pegaso France S.A.	Trappes	France	260,832	EUR	100.00	Iveco España S.L.	100.000	
Iveco Colombia Ltda.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A. Iveco Latin America Ltda	99.990 0.010	
Iveco S.P.R.L.	Kinshasa	Congo (Dem. Rep. Congo)	340,235,000	CDF	100.00	Iveco S.p.A. Astra Veicoli Industriali S.p.A.	99.992 0.008	

The companies of the Fiat Group

SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	62,838,291	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Production Systems								
Comau AGS s.r.l.	Grugliasco	Italy	103,100	EUR	100.00	Comau S.p.A.	100.000	
Holding companies and Other companies								
Centro Studi sui Sistemi di Trasporto-CSST S.p.A.	Orbassano	Italy	120,000	EUR	99.85	Fiat Group Automobiles S.p.A.	49.000	
						Iveco S.p.A.	30.000	
						C.R.F. Società Consortile per Azioni	21.000	
Fast-Buyer S.p.A.	Turin	Italy	500,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat (China) Business Co., Ltd.	Beijing	People's Rep.of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Turin	Italy	300,000	EUR	99.22	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Iveco S.p.A.	12.000	
						CNH Italia s.p.a.	3.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
New Business 7 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 8 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	10,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	

SUBSIDIARIES VALUED AT COST

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Fiat Group Automobiles								
(*) CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Contagem	Brazil	4,375,687	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
CODEFIS Società consortile per azioni	Turin	Italy	120,000	EUR	68.49	Fiat Group Automobiles S.p.A.	51.000	
						CNH Capital U.K. Ltd	14.000	
						Iveco Partecipazioni Finanziarie S.r.l.	5.000	
FAS FREE ZONE Ltd. Kragujevac	Kragujevac	Serbia	500	EUR	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	

(*) Assets held for sale.

The companies of the Fiat Group

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
Fiat Automobiles Service Co. Ltd.	Nanjing	People's Rep.of China	10,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
G. Vico Handling S.r.l.	Pomigliano d'Arco	Italy	20,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Goldcup 5148 AB	Sundsvall	Sweden	100,000	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
New Business 19 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Ferrari								
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	80.14	Ferrari S.p.A.	94.286	
Agricultural and Construction Equipment								
Case Construction Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	U.S.A.	5	USD	89.25	CNH America LLC	100.000	
International Harvester Company	Wilmington	U.S.A.	1,000	USD	89.25	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	89.25	Case United Kingdom Limited	100.000	
New Holland Agricultural Equipment S.p.A.	Turin	Italy	120,000	EUR	89.25	CNH Italia s.p.a.	100.000	
New Holland Construction Equipment S.p.A.	Turin	Italy	120,000	EUR	89.25	CNH Italia s.p.a.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	34.14	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Altra S.p.A.	Genoa	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Consorzio per la Formazione Commerciale Iveco-Coforma in liquidation	Turin	Italy	51,646	EUR	59.92	Iveco S.p.A. Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	50.000 10.000	
Irisbus North America Limited Liability Company	Las Vegas	U.S.A.	20,000	USD	100.00	Iveco France	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	75.88	Iveco Magirus Brandschutztechnik GmbH Iveco Magirus Brandschutztechnik Gorlitz GmbH Iveco Magirus Fire Fighting GmbH	74.000 1.000 1.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	328,084,000	RUB	43.83	Saveco Partecipazioni S.r.l. Iveco S.p.A.	50.518 0.482	
Saveco Partecipazioni S.r.l.	Turin	Italy	6,900,000	EUR	85.80	Iveco S.p.A.	85.797	

The companies of the Fiat Group

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Components								
Automotive Lighting Electroform Canada Inc.	Vancouver	Canada	1	CAD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidation	Pune	India	125,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Sete Lagoas	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda Fiat do Brasil S.A.	99.900 0.100	
Magneti Marelli India Private Ltd	New Delhi	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	KohoKu-Ku-Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspensions USA LLC	Farmington Hills	U.S.A.	1,300,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Parco Scientifico e Tecnologico della Basilicata - S.p.A. in liquidation	Grugliasco	Italy	120,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.95	Magneti Marelli S.p.A.	99.956	
Sistemi Comandi Meccanici S.C.M. S.p.A.	Corbetta	Italy	1,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Metallurgical Products								
Magnesium Products of Italy S.r.l.	Verres	Italy	50,000	EUR	100.00	Teksid Aluminum S.r.l.	100.000	
Production Systems								
Comau U.K. Limited	Telford	United Kingdom	2,500	GBP	100.00	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Bareggio	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Publishing and Communications								
Nexta Srl	Rome	Italy	50,000	EUR	66.00	Itedi-Italiana Edizioni S.p.A.	66.000	
Holding companies and Other companies								
Fiat Common Investment Fund Limited	London	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Gra.De EEIG	Watford	United Kingdom	0	GBP	97.37	Fiat Group Automobiles S.p.A. CNH Global N.V. Fiat Netherlands Holding N.V. Business Solutions S.p.A. Fiat S.p.A. C.R.F. Società Consortile per Azioni Comau S.p.A. Magneti Marelli S.p.A. Teksid S.p.A.	46.000 23.000 23.000 2.000 2.000 1.000 1.000 1.000 1.000	
Fiat Oriente S.A.E. in liquidation	Cairo	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	

The companies of the Fiat Group

SUBSIDIARIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Fiat Partecipazioni India Private Limited	New Delhi	India	28,605,400	INR	100.00	Fiat Partecipazioni S.p.A.	99.825	
						Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Securos Ltda	Nova Lima	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	New Delhi	India	1,750,000	INR	99.22	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
New Business 27 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 28 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuova Immobiliare nove S.r.l.	Turin	Italy	20,897	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Nuove Iniziative Finanziarie 5 S.r.l.	Turin	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
OOO Sadi Rus	Nizhniy Novgorod	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
						Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Turin	Italy	120,000	EUR	98.85	Fiat Partecipazioni S.p.A.	77.822	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Fiat Group Automobiles S.p.A.	0.439	
						CNH Italia s.p.a.	0.220	
						Comau S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies SpA	0.220	
						Fiat Services S.p.A.	0.220	
						Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.220	
						Iveco S.p.A.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	

ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Fiat Group Automobiles

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Chrysler Group LLC	Wilmington	U.S.A.	0	USD	20.00	FIAT NORTH AMERICA LLC	20.000	
Utymat S.A.	Santa Margarita I Els Monjos	Spain	4,644,453	EUR	37.50	I.T.C.A. S.p.A.	37.500	

Ferrari

Name	Registered office	Country	Share capital	Currency	% of Group consoli- dation	Interest held by	% interest held	% of voting rights
Senator Software Gmbh	Munich	Germany	25,565	EUR	37.49	Ferrari Financial Services AG	49.000	

ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.53	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.53	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	U.S.A.	790,000	USD	44.62	CNH America LLC	50.000	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.85	CNH Global N.V.	20.000	
Medicine Hat New Holland Ltd.	Ottawa	Canada	861,783	CAD	38.92	CNH Canada, Ltd.	43.610	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Finance Holdings Limited	Basingstoke	United Kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
IVECO-AMT Ltd.	Miass	Russia	65,255,056	RUB	33.33	Iveco S.p.A.	33.330	
Otoyol Sanayi A.S. in liquidation	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Iveco S.p.A.	27.000	
V.IVE.RE Gruppo Europeo di Interesse Economico	Turin	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	
FPT Powertrain Technologies								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	People's Rep.of China	240,000,000	CNY	33.33	Iveco S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	People's Rep.of China	200,010,000	CNY	33.33	Iveco S.p.A.	33.330	
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Iveco S.p.A.	38.618	
Powertrain Industrial Services S.C.R.L. in liquidation	Turin	Italy	100,000	EUR	50.00	Fiat Powertrain Technologies SpA FMA - Fabbrica Motori Automobilistici S.r.l.	25.000 25.000	
Components								
Endurance Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	150,000,000	INR	49.99	Magneti Marelli S.p.A.	49.999	
Publishing and Communications								
Società Editrice Mercantile - S.E.M. S.R.L.	Genoa	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Turin	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and Other companies								
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milan	Italy	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497

The companies of the Fiat Group

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
ASSOCIATED COMPANIES VALUED AT COST								
Fiat Group Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Arese	Italy	1,020,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Fidis Rent GmbH	Frankfurt	Germany	50,000	EUR	49.00	FGA Teamsys GmbH	49.000	
Turin Auto Private Ltd. in liquidation	Mumbai	India	43,300,200	INR	50.00	I.T.C.A. S.p.A.	50.000	
Ferrari								
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	28.33	Ferrari S.p.A.	33.333	
Agricultural and Construction Equipment								
Consorzio Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.56	CNH Italia s.p.a.	38.728	
Farm FZCO	Jebel Ali	United Arab Emirates	6,600,000	AED	25.69	CNH Italia s.p.a.	28.788	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Libya	96,000,000	LYD	25.00	Iveco España S.L.	25.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Iveco S.p.A.	33.677	
Components								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Turin	Italy	40,000	EUR	24.25	Plastic Components and Modules Automotive S.p.A. Sistemi Sospensioni S.p.A.	16.500 7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	18,000	EUR	33.33	Magneti Marelli S.p.A.	33.333	
Flexider S.p.A.	Turin	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Bursa	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Publishing and Communications								
Le Monde Europe S.A.S.	Paris	France	5,024,274	EUR	48.44	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	Paris	France	7,327,930	EUR	27.28	La Stampa Europe SAS	27.277	
Holding companies and Other companies								
Ciosa S.p.A. in liquidation	Milan	Italy	516	EUR	25.00	Fiat Partecipazioni S.p.A.	25.000	

The companies of the Fiat Group

ASSOCIATED COMPANIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	36.90	Fiat Partecipazioni S.p.A. Plastic Components and Modules Automotive S.p.A.	25.899 11.001	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Turin	Italy	241,961	EUR	30.87	CNH Italia s.p.a. Fiat Group Automobiles S.p.A. Iveco S.p.A.	10.672 10.672 10.672	
Consorzio Prode	Naples	Italy	51,644	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scire	Pomigliano d'Arco	Italy	51,644	EUR	49.45	Elasis-Società Consortile per Azioni	50.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Naples	Italy	127,500	EUR	19.78	Elasis-Società Consortile per Azioni	20.000	
FMA-Consultoria e Negocios Ltda	São Paulo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Innovazione Automotive e Metalmeccanica Scrl	Lanciano	Italy	115,000	EUR	24.30	Fiat Group Automobiles S.p.A. C.R.F. Società Consortile per Azioni	17.391 6.957	
L.U.C.I. SRL	Amaro	Italy	10,000	EUR	25.92	Centro Ricerche Plast-Optica S.p.A.	34.500	
Maxus MC2 S.p.A.	Turin	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	Netherlands	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	24.86	Ferrari S.p.A. CNH Italia s.p.a.	16.364 12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	24.82	C.R.F. Società Consortile per Azioni	25.000	
Zetesis S.p.A. in liquidation	Milan	Italy	283,150	EUR	40.00	Fiat Partecipazioni S.p.A.	40.000	

OTHER COMPANIES VALUED AT COST

Agricultural and Construction Equipment

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Polagris S.A.	Pikieliszki	Lithuania	1,133,400	LTL	9.87	CNH Polska Sp. z o.o.	11.054	

Trucks and Commercial Vehicles

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Consorzio Spike	Genoa	Italy	90,380	EUR	15.00	Iveco S.p.A.	15.000	

Components

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Editori Riuniti S.p.A. in liquidation	Rome	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	

The companies of the Fiat Group

OTHER COMPANIES VALUED AT COST (continued)

Name	Registered office	Country	Share capital	Currency	% of Group consoli-dation	Interest held by	% interest held	% of voting rights
Holding companies and Other companies								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	15.82	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.44	Elasis-Società Consortile per Azioni C.R.F. Società Consortile per Azioni	5.319 5.213	
Consorzio Lingotto	Turin	Italy	9,612	EUR	16.90	Fiat Attività Immobiliari S.p.A. Fiat S.p.A.	11.500 5.400	
Consorzio Technapoli	Naples	Italy	1,626,855	EUR	10.99	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Milan	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A.	Turin	Italy	2,205,930	EUR	18.95	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milan	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	
Torino Zerocinque Trading S.p.A.	Milan	Italy	2,425,000	EUR	15.04	Fiat Partecipazioni S.p.A.	15.040	

2010 Annual Report

Società per Azioni
Capital Stock Euro 246,229,850, fully paid-in
Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00470400011

2010 ANNUAL REPORT

The 2010 Annual Report is available on the website at: http://www.exor.com

---

This is an English translation of the Italian original document “Relazione Finanziaria 2010” approved by the EXOR S.p.A. board of directors on March 28, 2011 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian “Relazione Finanziaria 2010”.

LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to report that 2010 saw EXOR's NAV or Net Asset Value (our preferred measure of the company's performance as described in last year's letter) increase by 45.8 % compared to the previous year.

€ millions	12/31/2009	**12/31/2010**	**Change** absolute	%
Listed Investments	5,110	7,435	2.325	+45.5%
Private Investments	785	1,096	311	+39.6%
Investment Value	**5,895**	**8,531**	**2,636**	**+44.7%**
Financial Liabilities	(1,131)	(1,266)	(135)	+11.9%
Financial Assets	1,183	1,309	126	+10.7%
Net Financial Position	**52**	**43**	**(9)**	**(17.3%)**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**-**	**-**
Net Asset Value	**5,737**	**8,364**	**2,627**	**+45.8%**

In relative terms EXOR's NAV outperformed the MSCI World Index by 28.6%.

	Annual percentage change		
Year	**1 - EXOR NAV**	**2 - MSCI Word Index**	**Relative results (1-2)**
2009	93.3	37.8	55.6
2010	45.8	17.2	28.6
Compounded annual rate	**61.8**	**24.3**	**37.5**

The clear highlight of 2010, and the event that made the single largest contribution to our performance, was the FIAT Group shareholders' decision, wholeheartedly supported by EXOR at the Fiat EGM, to divide their Group into two distinct listed entities: Fiat and Fiat Industrial.

This important development took effect on January 1st 2011 when the two companies started trading separately on the Milan Stock Exchange.

These businesses are now free to concentrate all their efforts on the development of their core businesses: automobiles for Fiat; and capital goods (i.e. light and commercial vehicles, trucks, agriculture and construction equipment) for Fiat Industrial.

Our belief is that this separation will help the market to understand better the nature and potential of these companies. This should translate into a higher valuation for the two standalone entities than they were able to command as one.

I am grateful to Sergio Marchionne for his role in making this important step happen with the support of the extraordinary team he leads. The rationale, the timing and the execution were just perfect.

We can't promise transactions like this every year, but when an opportunity of this scale arises we will do all we can to make it possible.

INVESTMENTS

Before describing briefly how our investments performed I would like to give you a quick overview of the backdrop we worked against last year.

2010 was the year in which the financial crisis morphed into a sovereign-debt crisis, shifting the centre of attention from the private to the public sector.

Concerns over the repayment of the public debt of Greece, Portugal, Ireland and Spain led to a substantial increase in the interest rates paid on sovereign borrowing by a number of countries, including Italy, and raised some doubts on the future of Europe's monetary union.

As a consequence of the crisis over sovereign debt, the Euro lost ground against many currencies. Meanwhile the US had to cope with a slowing pace of economic recovery and a high rate of unemployment. Quantitative Easing (QE), the Federal Reserve's monetary-policy response, weakened the dollar vis-à-vis the currencies of emerging markets and increased the price of gold. (We chose not to invest in gold because it's impossible for us to determine its intrinsic value).

In the latter part of the year, the world's largest economy began to show signs of a return to growth driven by improved consumer confidence, strong manufacturing output and rising exports. This is good news for us since we have the single largest exposure to the US economy.

Finally, in the developing world China's rise as an economic superpower continued. In 2010 it overtook Japan to become the world's second largest economy after the US. We don't do much business in China yet but this is something we are working hard to change over time.

2010 was a year of large currency swings. As well as thinking hard about the effect of this on our business ourselves we sought the advice of some of the wisest people we know on how to manage our foreign-exchange exposures. Taking their counsel into account we concluded that it is hard, if not impossible, for us to predict currency movements and that we would make terrible forex traders. Hence we decided for now not to manage our currency exposure.

As to our investments, we will present them according to whether they are listed or privately held and arrange them by value. The bracketed figure indicates our percentage ownership. For the purposes of this report we will exclude any investment worth less than € 50 million.

LISTED INVESTMENTS

- **Fiat (30.45%)**
  An automotive group operating in cars, car parts, commercial vehicles, trucks, agricultural and construction equipment.

  2010 closed with results ahead of its published targets. Revenues climbed more than 12% to € 56 billion and the Group reported a € 600 million profit. This was the year in which the alliance with Chrysler began to demonstrate its tangible value. The launch of the Fiat 500 in North America after a 27 year absence was a great example of the progress being made in the US.

  During the year Fiat invested significant time and effort in trying to reform the rules of engagement that underpin labor contracts in Italy. Progress has been made and the organization remains committed to change in order to compete more effectively in the marketplace.

- **SGS (15%)**
  The world leader in the verification, testing, control and certification business.

  Revenues were up 4.1% to CHF 4.8 billion and the operating income margin was at a record high of 17.8%. 2010 was an important year for SGS. It made ten acquisitions and 5,300 new employees joined the Group that now employs 64,000 people in 140 countries. The Company also launched its first non-convertible bond and was admitted to the Dow Jones sustainability index. SGS is an extraordinary business led by Chris Kirk and his team who have set very ambitious targets for themselves to be delivered by 2014. They want to increase revenues to CHF 8 billion of which around CHF 700 million would come via acquisitions, generate record margins of 20% and double operating income to CHF 1.6 billion. SGS has a driven and committed leadership team that has developed an impressive culture based on performance.

- **Sequana (28.24%)**
  A European paper production and distribution business.

  2010 ended more positively than 2009 did with a continuous effort to improve operations in a difficult environment characterized by weak demand and increased import costs. Sequana divested a number of businesses in order to concentrate on its core activities and further reduce its debt.

- **Juventus FC (60%)**
  One of the world’s most prestigious football franchises.

  During last season the club produced neither the on-field nor the financial results we expected. Juventus objective is to achieve the difficult balance between sporting results (which are fundamental) and financial equilibrium. I'm more confident about the future, since I've asked my cousin Andrea Agnelli to join as Chairman knowing he will lead the Club with vision and passion. The other good news is that the new stadium – which will be inaugurated next season – is a world class facility.

PRIVATE INVESTMENTS

- **Cushman & Wakefield (69.83%)**
  A global leader in commercial real-estate services.

  Revenues of $ 1.8 billion showed a double-digit increase in 2010. The Company restored profitability at the net income level and reduced debt by more than two-thirds. This is very encouraging for an organization with 13,000 people lead by Glenn Rufrano. We expect great things from them in order to capture profitably the growth we see in the commercial real-estate market around the world.

- **Alpitour (100%)**
  Italy’s largest integrated tourism and leisure group.

  In 2010 Alpitour confirmed its market leadership in the Italian tourism market and, most importantly, it closed the year with its best figures ever. I would like to congratulate Daniel J. Winteler, Fabrizio Prete and all the employees of Alpitour for their impressive achievements.

- **Gruppo Banca Leonardo (17.41%)**
  A pan-European bank operating in advisory and wealth-management businesses.

  Banca Leonardo decided last year to cease its direct investment activities so as to focus on its advisory and wealth management business. These areas continued to grow in 2010 while showing improved levels of profitability.

NEW INVESTMENTS

During 2010 we also made some small but significant investments that followed through on the interest in emerging markets I expressed in last year’s letter. By taking advantage of interesting opportunities in Brazil and India, we planted seeds for the future.

We acquired a stake in BTG Pactual, the “Goldman Sachs of Brazil”, which is run by André Esteves, an incredibly talented and energetic leader. We also made an investment in Café Coffee Day, the “Starbucks of India”, which operates 900 outlets in more than 100 cities. These are small investments but we believe they will grow and give us the opportunity to learn about these increasingly important countries.

In developed markets we provided capital for Almacantar, a venture focusing on London commercial real-estate, and became shareholders in The Economist, the weekly magazine brilliantly edited by John Micklethwait of which I’ve been a board member for some years. I can’t recommend a better publication for anyone wanting to gain a better understanding of our ever-changing world week after week. The business side is superbly run by Andrew Rashbass, the CEO, and his team. This is a highly profitable company in one of the world’s toughest industries.

We are well aware of the need to avoid over-diversification as well as over-concentration. As John Maynard Keynes put it “To carry one’s eggs in a great number of baskets without having time or opportunity to discover how many have holes in the bottom is the surest way of increasing risk and losses”. We will be vigilant in finding the right balance between the two extremes.

NET FINANCIAL POSITION

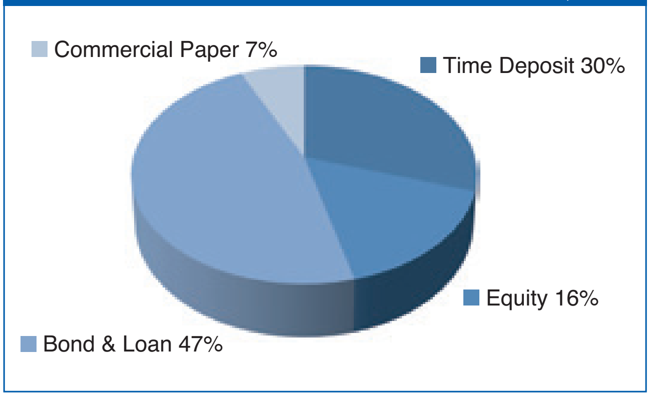
The company's net financial position as of 31 December 2010 was € 43 million. Gross debt was € 1,266 million, which consisted of two bonds (one of € 200 million due in June 2011 and the other of € 750 million due in June 2017) and utilized bank debt of € 316 million (EXOR also had € 725 million of undrawn committed credit lines). To set against these financial liabilities EXOR had financial assets of € 1,309 million.

We decided in 2010 to reduce our holdings of commercial papers and time deposits by more than doubling our equity exposure. We selected "large caps" primarily located in the US based on very simple value metrics: free cash flow, proven resilience during the crisis, growth prospects and, most importantly, price. Our largest position is in Mastercard and we have great faith in Ajay Banga and his team to lead this great business and manage its regulatory and market challenges.

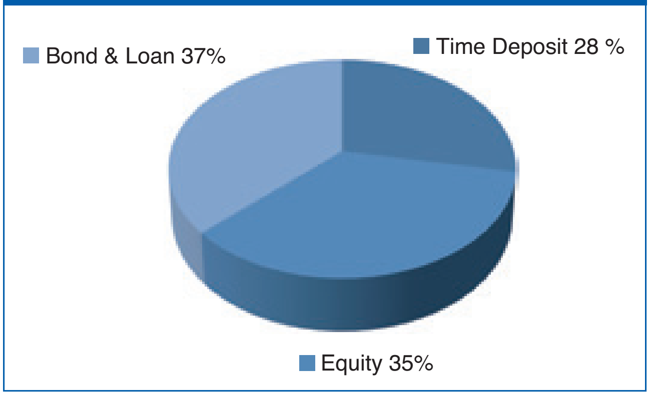
We made significant changes to our bond portfolio in order to avoid sovereign exposures and instead to just focus on corporate bonds, more than 65% of which are investment grade. At the same time we reduced our average duration to two years.

In 2010 we succeeded in generating returns on our financial assets (6.42%) that were higher than the costs of our financial liabilities (5.11%).

FINANCIAL ASSETS AS OF DECEMBER 31st, 2009



FINANCIAL ASSETS AS OF DECEMBER 31st, 2010



We continued to be very focused on our liquidity profile keeping in mind our view that our financial assets are waiting to be better deployed as and when the right long-term investment opportunity emerges. If the right investment were to present itself we would be ready to increase our net debt, but in doing so we would always limit it to less than 20% of our total assets. Since the value of these assets fluctuates (and unfortunately not always upwards), we will make sure we have an appropriate margin of safety.

2011

While I was preparing this letter I looked over many of the different views, predictions and ideas expressed when we entered 2011.

What we've actually experienced since the beginning of the year, and particularly the unfolding of events in North Africa and the tragedy in Japan, proves just how difficult it is to predict the future accurately. This goes to show how we must be prepared to manage the unexpected when it occurs and learn how to operate with unusual levels of uncertainty. We have great faith in our investee companies and their leaders to adapt and evolve in every environment.

I am a big believer of what Darwin discovered in the Galapagos, proving that the species most responsive to change will survive over apparently stronger or more intelligent competitors.

In seeking to embrace change we will continue to look for investments that meet the four criteria we described last year. We cannot promise results, especially like the ones achieved so far, but what I can promise is that:

1) We will invest only when we understand
2) We will choose based on talent
3) We will decide based on value
4) We will focus on the long-term

Thinking about the decade ahead I recalled a particularly inspiring quote, often attributed to Mark Twain.

"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."

I look forward to discussing the year's results and other matters regarding the company's business at our Shareholder Meeting, which will be held on April 28th, 2011 at the Unione Industriale di Torino, Via Vela, 17, starting at 10 00. As you may be aware, from this year and in line with the latest rules and regulations, shareholders also have the right in advance of the meeting to ask questions and receive answers by following the procedure set out on our web site www.exor.com. We have also decided to give non-shareholders the chance to raise questions by sending a short email to the following address: agm@exor.com; they will be grouped together, summarized by subject and answered during the meeting itself.

I hope to see as many of you as possible!

John Elkann

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Honorary Chairman	Gianluigi Gabetti
Vice Chairman	Pio Teodorani-Fabbri
Vice Chairman	Tiberto Brandolini d'Adda
Non-independent Directors	Andrea Agnelli
	Carlo Barel di Sant'Albano
	Oddone Camerana
	Luca Ferrero Ventimiglia
	Franzo Grande Stevens
	Sergio Marchionne
	Alessandro Nasi
	Lupo Rattazzi
Independent Directors	Victor Bischoff
	Eugenio Colucci (Lead Independent Director)
	Christine Morin-Postel
	Giuseppe Recchi
	Antoine Schwartz
Secretary to the Board	Virgilio Marrone

Internal Control Committee

Eugenio Colucci (*Chairman*), Victor Bischoff and Giuseppe Recchi

Compensation and Nominating Committee

Franzo Grande Stevens (*Chairman*), Victor Bischoff and Giuseppe Recchi

Strategy Committee

John Elkann (*Chairman*), Victor Bischoff, Gianluigi Gabetti, Sergio Marchionne, Christine Morin-Postel and Antoine Schwartz

Board of Statutory Auditors

Chairman	Lionello Jona Celesia
Standing auditors	Giorgio Ferrino
	Paolo Piccatti
Alternate auditors	Lucio Pasquini
	Ruggero Tabone
Independent Auditors	Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the board of directors, the board of statutory auditors and the independent auditors will expire concurrently with the shareholders' meeting that will be held to approve the financial statements for the year ending December 31, 2011.

EXOR GROUP PROFILE

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.164% of share capital and, in particular, 59.1% of ordinary share capital, 39.24% of preferred share capital and 12.36% of savings share capital.
Listed on the Italian Stock Exchange, EXOR has a Net Asset Value of approximately €8.4 billion at December 31, 2010. It is headquartered in Turin, Italy, Corso Matteotti 26.
EXOR is the majority stockholder of the Fiat Group and the Fiat Industrial Group. Balancing risks and expected returns, it invests for the medium- to long-term in various sectors, mainly in Europe, in the United States and in the two main emerging markets of China and India.
EXOR's objective is to increase its Net Asset Value and outperform the Morgan Stanley Capital World Index (MSCI).

The following are the main investments:

Fiat (30.45% of ordinary share capital, 30.09% of preferred share capital and 2.93% of savings share capital) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). Founded in 1899, the Fiat Group today is a global industrial group focused in the automobile sector. It manufactures cars for the mass market under the Fiat, Lancia, Alfa Romeo, Fiat Professional brands and luxury cars under the Ferrari and Maserati brands. The Group also operates in the components segment through Magneti Marelli, Teksid and Fiat Powertrain Technologies and in the production systems sector through Comau. Thanks partly to the alliance with Chrysler, Fiat now has a productive and commercial base of sufficient size to be a world competitive manufacturer.

Fiat Industrial (30.45% of ordinary share capital, 30.09% of preferred share capital and 2.93% of savings share capital) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment). Created in January 2011 from the demerger from Fiat S.p.A., the Fiat Industrial Group operates through businesses that are all major international players in the sectors of trucks, commercial vehicles, buses, special vehicles (Iveco), tractors, agricultural and construction equipment (CNH – Case New Holland), in addition to engines and transmissions for those vehicles and engines for marine applications (FPT Industrial).

SGS (15.00% of share capital) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with more than 64,000 employees and a network of more than 1,250 offices and laboratories throughout the world.

C&W Group (approximately 69.83% of share capital) is the largest privately held company for real estate services. C&W Group has its headquarters in New York, where it was founded in 1917, and has 230 offices and about 13,000 employees in 60 countries.

Alpitour (100% of share capital) is the largest integrated Italian tourism group. It operates with more than 3,000 employees and has 2.7 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Viaggidea, Villaggi Bravo, Volando, Karambola and Jeans), Hotels (Alpitour World Hotel & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group), Incentive & Eventi (A World of Events).

Juventus Football Club (60.00% of share capital) is listed on the Electronic Share Market of the Italian Stock Exchange (Star Segment). Founded in 1897, it is one of the most prominent professional soccer teams in the world.

Sequana (28.24% of share capital) is a diversified French paper group, listed on the NYSE Euronext market, with production and distribution activities operating through:

- **Arjowiggins** (100% holding), the world leader in the manufacture of high value-added paper products, on 4 continents with 6,100 employees and 27 production facilities;
- **Antalis** (100% holding), the leading European group in the distribution of paper and packaging products, with over 6,700 employees in 54 countries.

Gruppo Banca Leonardo (17.41% of share capital) is a privately held and independent international investment bank offering a complete range of services in investment banking, wealth management and other areas linked to financial markets.

Vision Investment Management, founded in 2000, is one of the most important hedge fund managers specialized in Asian markets.
Five-year bonds issued by Perfect Vision are subscribed to in April 2008. The bonds give mandatory conversion into shares at maturity which will deliver about a 42.5% stake in Vision Investment Management.

Banijay Holding (17.09% of share capital with voting rights) is headquartered in Paris. The company is a new player in TV production through a network of companies specialized in the production and distribution of multimedia content.

Perella Weinberg Partners is an independent company offering financial advisory and asset management services in the United States and Europe.

Almacantar (54.98% of share capital and voting rights) is a company operating in the real estate sector which aims to capitalize on commercial investment and development opportunities, mainly in the market for offices, in London and Paris.

The following chart is updated to mid-March 2010 and presents the major sectors of business in which the Group has investment holdings. Percentage holdings refer to ordinary share capital.

(a) EXOR also holds 30.09% of preferred share capital and 2.93% of savings share capital.
(b) Post-conversion of convertible bonds.
(c) Percentage interest held in the NoCo A LP limited partnership.

Key operating and financial data

EXOR Group – Consolidated Data – Shortened (a) € in millions	**2010**	2009	Change
Profit (Loss) attributable to Owners of the Parent	**136.7**	(388.9)	525.6
Share of earnings (losses) of holdings and dividends	**183.3**	(278.5)	461.8
Investments and other non-current financial assets	**6,260.8**	5,343.7	917.1
Capital stock issued and reserves attributable to Owners of the Parent	**6,074.9**	5,305.4	769.5
Consolidated net financial position of EXOR "Holdings System"	**42.6**	51.6	(9.0)

(a) The basis of preparation is presented in the following "Review of the Consolidated Results of the EXOR Group - Shortened".

Earnings per share (€) (a)	**2010**	2009	Change
Profit (Loss) attributable to Owners of the Parent – basic:			
- ordinary shares	**0.57**	(1.66)	2.23
- preferred shares	**0.62**	(1.61)	2.23
- savings shares	**0.64**	(1.35)	1.99
Profit (Loss) attributable to Owners of the Parent – diluted:			
- ordinary shares	**0.56**	(1.66)	2.22
- preferred shares	**0.61**	(1.61)	2.22
- savings shares	**0.64**	(1.35)	1.99
Capital stock issued and reserves attributable to Owners of the Parent	**26.25**	22.43	3.82

(a) Details of the calculation are provided in note 13 to the consolidated financial statements.

EXOR S.p.A. – Separate Financial Statement Data € in millions	**2010**	2009	Change
Profit	**151.8**	88.8	63.0
Equity	**3,552.5**	3,539.8	12.7
Net financial position	**(273.9)**	(412.1)	138.2

The board of directors' meeting held on March 28, 2011 put forward a motion to the ordinary session of the shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2010 for the payment of the following dividends:

	Number of shares	**Dividends proposed**	
Class of stock	**outstanding** (a)	**Per share (€)**	**Total (€ ml)**
Ordinary	156,149,996	0.31	48.4
Preferred	66,561,676	0.3617	24.1
Savings	8,747,199	0.3881	3.4
			75.9

(a) At March 28, 2011.

Dividends paid by EXOR S.p.A. in 2010 from profit for the year ended December 31, 2009 are the following:

	Number of shares	**Dividends paid**	
Class of stock	**outstanding**	**Per share (€)**	**Total (€ ml)**
Ordinary	157,245,496	0.27	42.5
Preferred	69,307,160	0.3217	22.3
Savings	8,945,934	0.3481	3.1
			67.9

NET ASSET VALUE

EXOR's Net Asset Value (NAV) at December 31, 2010 amounts to €8,364 million, increasing €2,627 million (+45.8%) compared to €5,737 million at December 31, 2009 and €5,396 million compared to March 1, 2009, the effective date of the incorporation of IFIL S.p.A..

The composition and the change in NAV are the following.

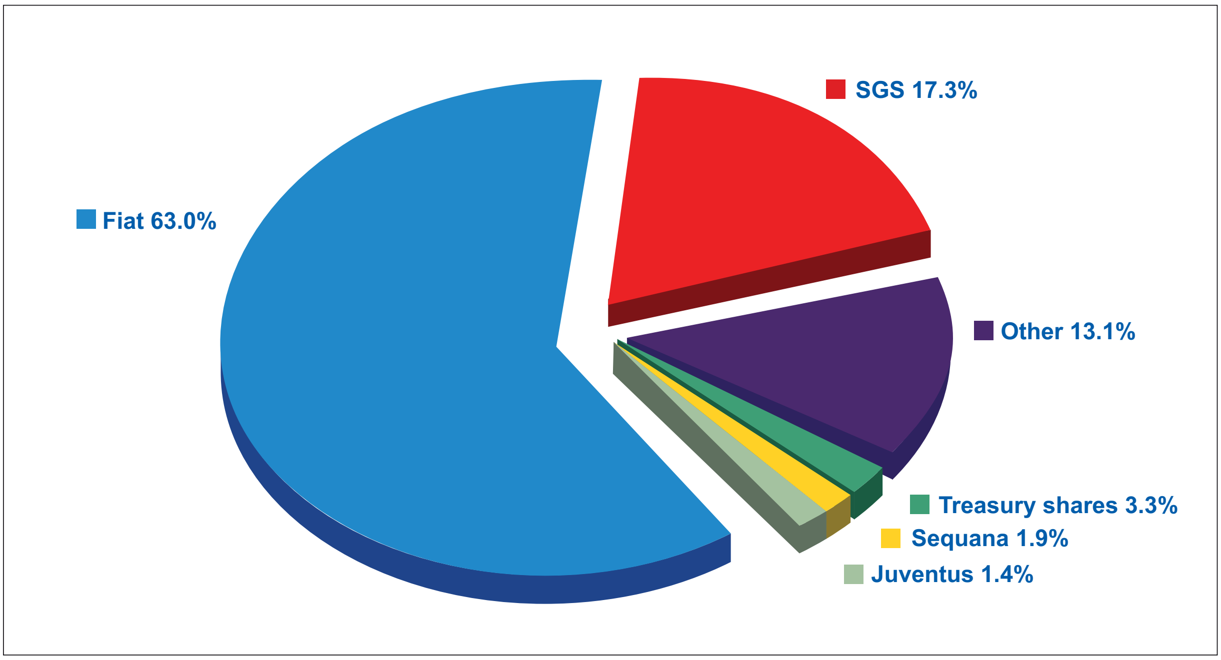
€ in millions	**3/1/2009**	**12/31/2009**	**12/31/2010**	**Change vs 12/31/2009**	
				Amount	**%**
Listed investments	2,464	5,110	7,435	2,325	45.5%
Private investments	750	785	1,096	311	39.6%
Investment value	**3,214**	**5,895**	**8,531**	**2,636**	**44.7%**
Financial Liabilities	(1,157)	(1,131)	(1,266)	(135)	11.9%
Financial Assets	1,121	1,183	1,309	126	10.7%
Net Financial Position	**(36)**	**52**	**43**	**(9)**	**-17.3%**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**(210)**	**-**	**-**
Net Asset Value	**2,968**	**5,737**	**8,364**	**2,627**	**45.8%**

The investment value at December 31, 2010 has been calculated by valuing the listed investments in Fiat, Sequana, SGS, Juventus Football Club at stock trading prices, and the private other investment holdings and other investments at fair value determined annually by independent experts. EXOR ordinary, preferred and savings treasury stock is measured at stock trading prices, except ordinary shares to service the stock option plan, which are measured at the option exercise price (since it is lower than the stock trading price).

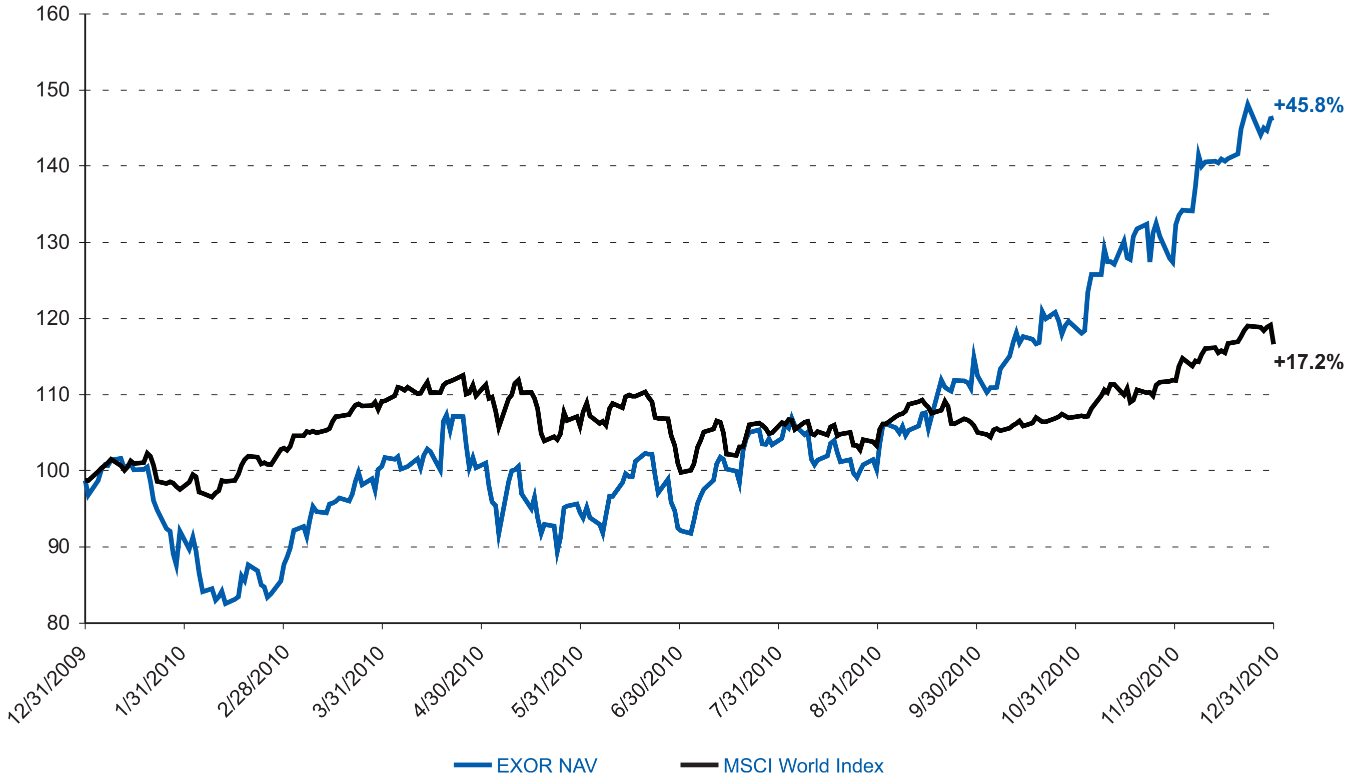
NAV is presented with the aim of aiding analysts and investors in forming their own assessments.

The following pie chart shows the composition of the investment value at December 31, 2010 (€8,531 million). "Other" includes the remaining investment in Intesa Sanpaolo, measured at the stock trading price, and the private investments in C&W Group, Gruppo Banca Leonardo, Alpitour, Banijay Holding, Vision, Almacantar, NoCo A and NoCo B and also sundry investments.

Investments denominated in Swiss francs, U.S. dollars and pound sterling are translated at the market trading rates of 1.2504, 1.3362 and 0.86075, respectively.



Change in NAV compared to MSCI Index (Morgan Stanley Capital World Index)



Stock Market Data	1/1/2011 2/28/2011	1/1/2010 12/31/2010
Ordinary share price (Euro):		
period-end	22.08	24.24
maximum	25.70	25.00
minimum	21.64	10.94
Preferred share price (Euro):		
period-end	17.41	18.42
maximum	19.93	18.68
minimum	16.69	6.12
Savings share price (Euro):		
period-end	16.40	18.17
maximum	18.92	18.60
minimum	15.93	8.22
Share volume traded during period: (a)		
ordinary (millions)	43.3	165.7
preferred (millions)	10.4	90.3
savings (millions)	1.3	4.9
Euro volume exchanges during period (in millions): (b)		
ordinary	1,017.6	2,688.4
preferred	191.0	956.7
savings	23.4	64.5

(a) Sum of daily quantities traded during period.

(b) Sum of Euro volume (daily trading price multiplied by daily volume) traded during period.

Financial Communications and Investor Relations

In order to ensure complete and updated information on its objectives and developments in corporate-related events, EXOR in 2010 continued its relationships with financial analysts, as well as the national and international financial Press.

The market diffusion of the first Message from the Chairman of EXOR was an occasion for sharing the Company's vision on its development plans with the general public and inaugurating a tradition which is destined to become a point of reference also in years to come.

Besides one-to-one contacts organized regularly with the Investor Relations and Media Offices, some information meetings were organized expressly dedicated to EXOR bondholders, aimed at providing an updated picture on the activities and the prospects of the Company.

Moreover, in April – on the occasion of the shareholders' meeting – a conference call was held which gathered together about one hundred people between analysts and investors. The appointment, which every year closes the day dedicated by EXOR to its stakeholders, allowed top management to give a detailed illustration of the performance of its investment holdings, especially unlisted holdings.

References for corporate services in charge of media and investor relations are:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.547660
ir@exor.com

CORPORATE GOVERNANCE

In its meeting held on March 28, 2011, the board of directors approved the “Annual Report on Corporate Governance” prepared in accordance with art. 123 bis of Legislative Decree 58 dated February 24, 1998, with amendments and additions (TUF – Consolidated Law on Finance).
This document was published with this 2010 Annual Report and is posted on the corporate website at: www.exor.com.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.p.A. AND ITS PRINCIPAL INVESTMENT HOLDINGS ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial position of EXOR and its principal holdings are influenced by various macro-economic factors – including increases or decreases in gross national product, the level of consumer and business confidence, changes in interest rates on consumer credit, the cost of raw materials and the rate of unemployment – within the various countries in which it operates.

For example, the global economic recession in 2008 and the first half of 2009 had a negative impact on the principal holdings. Weak economic conditions resulted in a significant decline in demand for most of their products and services. In 2010, demand levels for the automobiles business in Europe also reflected the absence of significant measures previously put in place by major governments and monetary authorities. In general, the sectors in which the principal investment holdings operate have historically been subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for or supply of products and services sold by them in any of the markets in which they operates.

Moreover, certain major economies are still in recession or have recently suffered periods of low growth or economic stagnation. These conditions or the return to economic recession in markets that have recently recovered could ultimately affect the industrial development of many businesses. There can be no certainty that measures taken by governments and monetary authorities will be successful in re-establishing the conditions necessary for sustainable economic growth. As such, uncertainty remains as to the global economic outlook and some national economies could experience extended periods of slow economic growth or recession.

Additionally, even in the absence of slow growth or recession, other economic circumstances – such as increases in energy prices, fluctuations in prices of raw materials or contractions in infrastructure spending – could have negative consequences for the industries in which the principal investment holdings operate and, together with the other factors referred to previously, could have a material adverse effect on their business prospects, earnings and/or financial position.

RISKS ASSOCIATED WITH THE ACTIVITIES OF EXOR

EXOR conducts investment activities which involve typical risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the Company's objectives pursued or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the Company's earnings and financial position.
The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the Company's credit rating.

Any downgrade by the rating agencies could limit the Company's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.

Standard & Poor's has confirmed EXOR's long-term and short-term debt ratings (respectively, BBB+ and A-2) with a negative outlook.

EXOR's policy and that of the companies in the Holdings System is to keep liquidity in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, allocating such investments over an appropriate number of counterparts, with the principal purpose of having investments which can readily be converted into cash. The counterparts are chosen according to their creditworthiness and reliability.
However, in consideration of the current international financial market situation, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A worsening of the financial market conditions and the earnings of the principal investment holdings could affect EXOR's earnings and cash flows.

EXOR mainly operates through its investments in subsidiaries and associates in the automobile market (Fiat Group), in Agricultural and Construction Equipment (Fiat Industrial Group from January 2011), in real estate services (C&W Group), in paper (Sequana Group), in tourism (Alpitour Group) and in professional soccer (Juventus Football Club). As a result, EXOR is exposed to the typical risks of the markets and industries in which such subsidiaries and associates operate.

At December 31, 2010, the investment in Fiat (equal to 30.45% of ordinary share capital, 30.09% of preferred share capital and 2.93% of savings share capital) represented more than 60% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5.
Therefore, the performance of the Fiat Group, and, prospectively, the Fiat Industrial Group, has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates could have an adverse effect on earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.
EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which they set aside, if appropriate, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (Fiat Group, C&W Group, Alpitour and Juventus Football Club).

FIAT GROUP

Following is a brief description of risks and uncertainties that could potentially have a significant impact on the activities of Fiat Group post Demerger and those of Fiat Industrial Group. Here, the term "Group" refers indistinctly to each of the two groups. Factors distinctive to each of the two groups are then reported separately. Other risks and uncertainties, which are currently unforeseeable or considered to be unlikely, could also have a significant influence on the operating performance, financial position and future prospects of Fiat S.p.A. and Fiat Industrial S.p.A. and their respective groups.

Fiat Group - Risks associated with financing requirements

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place to ensure that adequate levels of working capital and liquidity are maintained, any declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with fluctuations in currency, interest and credit risk

The Group, which operates in numerous markets worldwide, is naturally exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the difference in geographic distribution between the Group's manufacturing activities and its commercial activities, resulting in cash flows from exports denominated in currencies that differ from those associated with production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for financing customers and dealers. Moreover, liquidity for Industrial Activities was also principally invested in variable-rate or short-term financial instruments. The Financial Services companies operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage risks associated with fluctuations in currency and interest rates through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's Financial Services activities are also subject to the risk of insolvency of dealers and end customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through the credit approval policies applied to dealers and end customers.

Fiat Group - Risks associated with relationships with employees and suppliers

In many countries where the Group operates, Group employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production units and reductions in personnel. The laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. The Group's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and the agreement of the labor unions. Industrial action by employees could have an adverse impact on the Group's business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies outside the Group. Some of these companies are highly unionized. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates (even if to a lesser extent for the Fiat Industrial Group) and although this offers economic benefits in terms of cost reduction, it also means that the Group is reliant on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with management

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with the high level of competition in the industries in which the Group operates

Substantially all of the Group's revenues are generated in the automobile industry, which is highly competitive and encompasses the production and distribution of passenger cars, agricultural and construction equipment, trucks and commercial vehicles and the related components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors in Europe and Latin America and from other international groups and various local agricultural and construction equipment manufacturers and distributors and the related components suppliers in Europe, North America and Latin America. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered.

Competition, particularly in pricing, has increased significantly in the Group's many industry sectors in recent years. In addition, partly as a result of the contraction in demand for automobiles, global production capacity for the car industry significantly exceeds current demand. This overcapacity, combined with high levels of competition and weakness of major economies, could intensify pricing pressures.

Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on its business prospects, earnings and/or financial position.

Fiat Group - Risks associated with selling in international markets and exposure to changes in local conditions

A significant portion of the Group's existing activities are conducted and located outside of Italy and the Group expects that revenues from sales outside Italy – and, more generally, outside of the European Union – will account for an increasing portion of total revenues. The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on repatriation of funds; and/or
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one of these areas (which may vary from country to country in which the Group operates) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with environmental and other government regulation

The Group's products and activities are subject to numerous environmental laws and regulations (local, national and international) which are becoming increasingly stringent in many countries in which it operates (particularly in the European Union). Such regulations govern, among other things, products – with requirements for emissions of polluting gases, reduced fuel consumption and safety becoming increasingly stricter – and industrial plants – with requirements for emissions, treatment of waste and water and prohibitions on soil contamination. To comply with such regulations, the Group employs considerable resources and expects it will continue to incur substantial costs in the future.

In addition, government initiatives to stimulate consumer demand for products sold by the Fiat Group post Demerger, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures is unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

Fiat Group - Risks associated with the ability to offer innovative products

The success of the Group's businesses depends on their ability to maintain or increase share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new models to market, could result in reduced market share, having a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with operating in emerging markets

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). The Group's exposure to these countries has increased in recent years, as has the number and importance of such joint ventures and cooperation agreements. Economic and political developments in these markets, including economic crises or political instability, have had and could in future have a material adverse effect on the Group's business prospects, earnings and/or financial position.

FIAT GROUP POST DEMERGER - RISKS FACTORS AND UNIQUE UNCERTAINTIES

Risks associated with the activities of Fiat Group post Demerger being concentrated in the Automobiles and automobile components sector

Pursuant to the Demerger, Fiat S.p.A. transferred its shareholdings in companies operating in the Agricultural and Construction Equipment, and the Trucks and Commercial Vehicles sectors to Fiat Industrial S.p.A., together with the "Industrial & Marine" business line of FPT Powertrain Technologies. Consequently, Fiat S.p.A.'s principal activities are the Automobiles and the automobile-related components & production systems businesses that include Fiat Group Automobiles, Ferrari, Maserati, Magneti Marelli, Teksid and Comau, in addition to the "Passenger & Commercial Vehicles" business line of FPT Powertrain Technologies. By contrast to the profile of Fiat Group prior to December 31, 2010, the future earnings of Fiat Group post Demerger will, therefore, be determined by the financial performance of those businesses only.

In the Automobiles business, sales to end customers are cyclical and subject to changes in the general condition of the economy, the readiness of end customers to buy and their ability to obtain financing and the possible introduction of measures by governments to stimulate demand. The sector is also subject to constant renewal of the product offering through frequent launches of new models. A negative trend in the Automobiles business could have a material adverse impact on the business prospects, earnings and/or financial position of the Fiat Group post Demerger.

Fiat Group post Demerger - Risks associated with the policy of targeted industrial alliances

The Group has engaged in the past, and may engage in the future, in significant corporate transactions such as mergers, acquisitions, joint ventures and restructurings, the success of which is difficult to predict. In particular, although Fiat Group holds a 25% interest in Chrysler Group LLC and has signed agreements for the establishment of a global strategic alliance, there can be no assurance that this alliance will function as intended or produce the expected benefits.

There can be no assurance that Fiat Group post Demerger will succeed in achieving the synergies, cost savings, expansions in its product offerings or other benefits expected from the strategic alliance with Chrysler Group LLC or any other transaction.

The failure of any significant strategic alliance, joint venture or other similar transaction could have an adverse effect on the business prospects, earnings and/or financial position of Fiat Group post Demerger.

Fiat Group post Demerger - Risks associated with credit ratings

The ability to access the capital markets or other forms of financing and the related costs are dependent, amongst other things, on the Group's credit ratings. The Fiat Group's official rating is representative of the rating assigned by each of the major rating agencies.
Specifically, Fitch assigned a BB+ rating with a negative outlook. Moody's assigned a Ba1 rating con a negative outlook. Standard & Poor's assigned a BB+ rating with a negative outlook.

Any further downgrades could increase the Group's cost of capital and potentially limit its access to sources of financing with a consequent material adverse effect on the Group's business prospects, earnings and/or financial position.

FIAT INDUSTRIAL GROUP - RISK FACTORS AND UNIQUE UNCERTAINTIES

Risks associated with the activities of the Fiat Industrial Group post Demerger being concentrated in the Agricultural and Construction Equipment, Trucks and Commercial Vehicles and the Industrial & Marine FPT Powertrain Technologies sectors

Pursuant to the Demerger, Fiat S.p.A. transferred its shareholdings in companies operating in the Agricultural and Construction Equipment and also the Trucks and Commercial Vehicles sectors to Fiat Industrial S.p.A., together with the "Industrial & Marine" business line of FPT Powertrain Technologies. Consequently, from the effective date of the merger, the principal activities of Fiat Industrial will be those relating to such businesses. Therefore, the future earnings of Fiat Industrial will reflect the performance of such activities.

Fiat Industrial Group - Risks associated with the capital goods market

More than other sectors, producers in the capital goods sector, such as CNH, Iveco and FPT Industrial are subject to:

- the condition of financial markets, in particular, the ability to access the securitization market and prevailing interest rates in that market. In North America, in particular, CNH makes considerable use of asset-backed securitization to fund financing offered to dealers and end customers. Negative conditions in the financial markets, and the asset-backed securitization market in particular, could have a significant impact on the Group's business prospects, earnings and/or financial position;
- cyclicality, which can cause sudden declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

Fiat Industrial Group - Risks associated with the agricultural and construction equipment markets

Performance of the agricultural equipment market is influenced, in particular, by factors such as

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises;
- the demand for food products;
- agricultural policies, including aid and subsidies to agricultural enterprises, provided by major governments and/or supranational organizations.

In addition, unfavorable climactic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on the decision to buy agricultural equipment and, consequently, on Fiat Industrial Group’s revenues.

Performance of the construction equipment market is influenced, in particular, by factors such as:
- public infrastructure spending;
- new residential/non-residential construction.

The above factors can significantly influence the demand for agricultural and construction equipment and, therefore, the financial results of the Fiat Industrial Group.

Fiat Industrial Group - Risks associated with the credit rating

The ability to access the capital markets or other forms of financing and the related costs are dependent, amongst other things, on the Group’s credit ratings.

On January 5, 2011, Moody's Investors Service assigned Fiat Industrial S.p.A. a Corporate Family Rating of Ba1 with a stable outlook.

On February 24, 2011, Standard & Poor’s Rating Services rated Fiat Industrial S.p.A.’s long-term debt BB+ with a negative outlook.

Any downgrades could increase the Group’s cost of capital and potentially limit its access to sources of financing with a consequent material adverse effect on the Group’s business prospects, earnings and/or financial position.

C&W GROUP

The operations of C&W Group are directly influenced by the general economic environment and the international and local real estate business and the political situations in the countries in which it operates.

The economic factors which influence operations are the general economic situation, employment levels, interest rates, access to credit to fund transactions and the effects of tax and regulatory policies.

Economic recession, increases in interest rates or declines in demand in the real estate sector could have an adverse effect on the earnings and financial position of C&W Group.

In addition, these adverse conditions would also affect commission expense, which varies in relation to the revenues of C&W Group. Brokers, in fact, are generally paid on the basis of commissions and compensation correlated to the Group's revenues. Consequently, a negative effect on the Group's operating margins due to the deterioration of market conditions is partly offset by such a correlation.

ALPITOUR GROUP

Alpitour Group - General risks

The trend in demand for tourist packages is always acutely influenced by outside factors such as political risks (conflicts, institutional changes, unilateral acts of government and terrorism), the international economic situation, natural disasters and health scares (e.g. pandemics).

The international political situation, especially in situations of war and terrorist threats, could generate a contraction in demand for the Alpitour Group's services. Areas located in developing countries or plagued by unstable political and social instability are clearly more exposed to this type of risk.

Another risk factor is caused by the ravages of weather such as tsunamis, hurricanes, earthquakes, volcanic eruptions as well as pandemics or epidemics which could cause a sharp decline in demand for tourism services to the affected destinations.

A negative international economic environment could significantly affect the propensity of clients to purchase tourist packages, leading them to place more emphasis on primary needs.

Alpitour Group - Risks typical of the tourism sector

The Alpitour Group (with the exception of incoming activities) operates mostly with Italian clientele in that the product offered features qualitative standards that mirror the expectations and needs of Italian demand. Therefore, the business is strongly influenced by domestic economic conditions, interest rates, taxes, uncertainty over future economic prospects and the shift towards other goods and services in spending choices. Moreover, the fall in consumption after the slowdown in economic growth could lead to a considerable decline the number of passengers.

The style and habits of the Italian clientele mean that the economic performance of the tourism sector is highly seasonal and for the most part revenues are concentrated in the summer season.

The typical activities of the Alpitour Group use services provided by third parties, mainly suppliers of air and hotel services and travel agencies, whether individual or part of networks. The risk that such services will not be rendered efficiently and without interruption could compromise the earnings of the Alpitour Group and damage its image.

The Alpitour Group, because of its vertical integration, the presence of all the links in the tourism chain, the diversification of key suppliers and specific sales policies aimed at sustaining demand in the low season, believes that it can manage and minimize such risks.

Alpitour Group - Risks relating to information technology processes

The tourism sector is firmly anchored to information technology processes which cover the entire business cycle starting from the booking system. The risk of the interruption, even temporarily, of information systems could cause difficulties in operations and in supplying services to clients
By continually updating and maintaining its systems and designing specific disaster recovery plans, as well as holding commercial contracts with leading suppliers of substitute technologies, the Alpitour Group has all the means necessary to monitor and meet such risks.

Alpitour Group - Financial risks

Alpitour Group is exposed to financial risks such as credit risk, liquidity risk, exchange rate risk, interest rate risk and fuel price fluctuations.

The exposure to credit risk is an innate risk of the Group's activities and is mainly represented by the amount of trade receivables. The concentration of credit risk, however, is mitigated by the fact that exposure is spread over a large number of counterparts and customers, as well as by bank guarantees obtained to safeguard against greater exposure. Trade receivables are recognized in the financial statements net of writedowns calculated on the risk of non-fulfillment by the counterparts, determined by considering information available on the clients' solvency and historical data.

The Alpitour Group is subject to liquidity risk which may arise as a result of difficulties in obtaining loans to support operating activities at the appropriate times. Cash flows, financing needs and the liquidity of the group companies are monitored and managed centrally by the group treasury function with the aim of ensuring an effective and efficient management of financial resources. In order to keep refinancing costs to a minimum and ensure that the necessary cash flows are obtained on a timely basis according to the group's operating needs, the central treasury function secures sufficient credit lines.
To this end, the only committed lines and loans outstanding for €168.1 million are considerably higher than the group's financial needs.

The Alpitour Group is exposed to market risk from exchange rate fluctuations, especially the U.S. dollar, since it operates on an international level. The Alpitour Group uses loans and financing transactions to support its operating requirements. The Alpitour Group, and, in particular, the tour operating division, based on the conditions in the contracts for the purchase of air transport services, is exposed to risks of fluctuation in fuel prices mainly in association with international political stability and other outside factors.
The Alpitour Group regularly assesses its exposure to the various types of risk and manages such risks through the use of traditional instruments and derivatives according to its management and control policy. This policy does not allow activities of a speculative nature and the use of derivatives is reserved for exposure to fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.
Exposure to exchange rate risk on commercial transaction in foreign currency is hedged mainly by forward, forward knock-in and zero cost collar contracts. Exposure to interest rate risk on medium/long-term loans is mostly hedged by interest rate swaps and zero costs collars.

Finally, exposure to the risk of fluctuations in fuel prices is hedged by commodity swaps and zero cost collars.
The counterparts of such contracts are leading Italian and international financial institutions with high ratings.
As regards the exchange rate risk and the price fluctuation risk of oil, according to the sales contract conditions of tourist packages, the organizers of the trip have the right to adjust the sales prices for the increase in the costs of the services generated by these two variables.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks connected to general economic conditions (industry risk)

In the short term, Juventus' earnings and financial position are not influenced significantly by overall economic conditions given that most the Company's revenue items stem from long-term contracts. Nonetheless, if the weakness and uncertainty of the Italian and European economy should become long-term, the activities, strategies and prospects of the Company could be adversely affected in particular as concerns radio and TV rights, sponsorships and expected revenues from the new Stadium project, currently under construction, and also sales activities targeted at team supporters.

Juventus Football Club - Risks connected to activities (strategies and operational process risk)

Players' registration rights represent the Company's factor of production. Sports activities are subject to risks connected to physical health and condition. Injuries and accidents, therefore, could potentially have a significant impact at any time on the Company's earnings and financial position.

At the same time, given that the business also focuses on the commercial exploitation of the brand, trademark infringement by third parties is another risk the Company faces. The arrival on the market of a large number of imitation goods bearing the Company's trademark or the occurrence of events that may impair the market value of the trademark could have an adverse effect on its earnings and financial position.

Finally, there are risks connected with supporter behavior which may result in fines, sanctions or other punishments being levied on the company and indirect damages to the club's image which may lead to lower stadium turnout and lower merchandising sales.

Juventus Football Club - Risks connected to the Transfer Campaign (strategic process risk)

The Company's business and financial performance are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. Difficulty in correlating individual transactions to the mid-term plan and the annual sports management guidelines could potentially have an adverse impact on the Company’s financial position and income statement. Moreover, having a squad of players that does not meet the technical and tactical requirements of the trainer and the strategic needs of the sporting director raises the risk of not being able to optimize the playing side, bringing unexpected costs (amortization charges, players' wages).

Juventus Football Club - Risks connected with failure to qualify for sports tournaments (strategic process risk)

The Company’s financial performance is significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top three ranking teams in the Serie A Championship, while the fourth-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify for the tournament, even where due to a reduction in the number of participating teams, would potentially have an adverse impact on the Company’s financial position and income statement.

Juventus Football Club - Risks connected to the dependence on radio and television rights (strategic process risk)

The Company’s revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold. New rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds, applicable starting from the 2010/2011 financial year (introduced by Legislative Decree 9 of January 9, 2008), have reduced and may further reduce Juventus’ revenues, bringing a significant impact on the financial position, income statement and cash flows of Juventus.

Juventus Football Club - Risks connected to the sponsorship market (industry risk)

The financial market crisis and resulting economic recession have had repercussions for sports sponsorships, as sponsors today prefer to shorten the time horizon of the promotional/advertising investments they undertake. The effect of this shift in the market in the short term has been to lower the proportion of long-term sponsorship revenues compared to the past. If the economic crisis should continue, growth in sponsorship revenues may fall below expectations, with the result that Juventus’ financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks connected to the new Stadium investment (strategic and operational process risk)

The main risks connected to the construction of the new Stadium concern the completion of works to schedule, planned by and no later than June 2011, and, to a lesser extent, the sale of “sky boxes” and VIP stand seats as forecast by the Company. At present, the potential impact of the economic crisis on the Company’s financial position and cash flows raised through the sale of the seats cannot be forecast.

Juventus Football Club - Risks connected to funding requirements (industry risk)

Numerous factors affect Juventus’ financial position. These include the fulfillment of sports and business objectives, as well as trends in general economic conditions and in the markets in which the Company operates.

Juventus satisfies its funding needs for day-to-day operations and planned investments through cash flows raised through its operating activities, cash and cash equivalents, and bank credit facilities. Despite the current market situation, the Company expects to continue generating the funding it requires through its operating activities.

In accordance with the Company’s risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. In addition to this, the Company holds its cash and cash equivalents as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the adverse situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded, which would give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks connected to fluctuations in interest rates and exchange rates (financial process risk)

Juventus uses various forms of funding to assure the cash flows needed for its business. These include credit lines for cash advances and credit commitments, financial leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. The Company has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates. Despite these hedges, sudden changes in interest rates could potentially have an adverse impact on the Company's financial position and income statement.

Juventus conducts almost all its purchase and sale transactions in Euro. As a result, the Company is not exposed in any significant way to the risk of exchange rate fluctuations.

Juventus Football Club - Risks connected to the outcome of pending litigation (compliance risk)

With the assistance of its legal advisors, the company constantly manages and monitors all pending litigation and, on the basis of the predicable outcome, when necessary, proceeds to make accruals in specific provisions.

On the basis of pending litigation, future negative effects, both significant and insignificant, on Juventus' financial position, income statement and cash flows cannot be excluded.

SIGNIFICANT EVENTS IN 2010

Sale of Intesa Sanpaolo shares

On January 15, 2010, EXOR S.p.A. sold 30 million Intesa Sanpaolo ordinary shares (0.25% of ordinary share capital) in the market for proceeds of €90 million and a consolidated gain of €0.6 million.
EXOR still holds 10 million Intesa Sanpaolo ordinary shares (approximately 0.08% of ordinary share capital).

Investment commitment in Almacantar

On April 16, 2010, EXOR S.A. signed a commitment agreement to invest €100 million in Almacantar, a new company operating in the real estate sector.
Founded by Mike Hussey and Neil Jones, two real estate professionals who between them have a strong and successful track record in the European real estate sector, Almacantar aims to capitalize on commercial real estate investment and commercial development opportunities, primarily in the market for offices, in London and Paris.
Following the agreements sealed with EXOR S.A. and with the other shareholders, Almacantar will have €150 million at its disposal to commence its investment strategy.
The agreement also provides that EXOR S.A. will invest another €50 million subject to raising additional capital from new shareholders.
On April 28, 2010, EXOR S.A. subscribed to 10 million Almacantar Class A preferred shares (63.75% of the capital and voting rights) for a total par value of €10 million, initially paying in 25%, the minimum established by law, for a sum of €2.5 million. The remaining €7.5 million was paid in March 2011.

On August 9, 2010, following a share capital increase by Almacantar for €2.5 million, directed to the entry of a new stockholder which fully subscribed to the capital increase, EXOR S.A.'s stake in the capital and voting rights of the company decreased from 63.75% to 54.98%.

Resolutions by the ordinary session of the shareholders' meeting

The ordinary session of the EXOR S.p.A. shareholders' meeting held on April 29, 2010 approved the separate financial statements for the year 2009 and resolved to distribute dividends of €0.27 for each ordinary share, €0.3217 for each preferred share and €0.3481 for each savings share for a maximum total of €67.9 million. The dividends became payable on May 27, 2010.

The shareholders' meeting also resolved to renew the authorization for the purchase and disposal of treasury stock for 18 months up to a maximum of 38 million ordinary and/or preferred and/or savings shares for a maximum disbursement of €450 million.

Treasury stock transactions

Under the treasury stock buyback Programs approved by the board of directors on March 25, 2009 and on May 11, 2010, during 2010, EXOR purchased 1,559,500 ordinary shares (0.97% of the class) at an average cost per share of €14.45 for a total of €22.5 million, 3,274,484 preferred shares (4.26% of the class) at an average cost per share of €10.02 for a total of €32.8 million, and also 213,295 savings shares (2.33% of the class) at an average cost per share of €11.70 for a total of €2.5 million. The total investment in treasury stock amounted to €57.8 million.
Currently EXOR S.p.A. holds the following treasury stock:

		% of class	Carrying amount	
Class of stock	Number of shares	stock	Per share (€)	Total (€ ml)
ordinary	4,109,500	2.56	12.68	52.1
preferred	10,239,784	13.33	11.13	114.0
savings	421,695	4.60	10.00	4.2
				170.3

Subscription to Banijay Holding share capital increase

On May 28, 2010, EXOR S.A. subscribed to 17,171 new Banijay Holding shares for an equivalent amount of €1.7 million.

Following this transaction, EXOR S.A. holds 351,590 Banijay Holding shares equal to 17.09% of share capital and 17.17% of voting rights.

This investment is part of the total commitment of €42.5 million (of which €35.3 million has already been paid) undertaken in May 2008 and directed towards financially supporting Banijay Holding's medium-term development plan.

Investment commitments with the Jardine Matheson Group and Rothschild

On June 9, 2010, EXOR S.A. signed an agreement in which it agreed to commit up to $100 million together with the Jardine Matheson Group and Rothschild in private equity investments in India and China.

As a result of this partnership with these two highly experienced and successful international groups, EXOR will be strongly placed to capture both medium- and long-term investment opportunities in regions with high growth potential across a wide range of sectors.

The partnership, which has $250 million of initial investment capital at its disposal, intends to invest alongside entrepreneurs, corporations and other private equity houses in the midcap segment.

According to the agreement, all the partners will work together to define the partnership's investment and development strategy and identify opportunities, making each investment decision on a unanimous basis. At September 30, 2010, EXOR S.A. made its first investment of €2.8 million.

Renewal of the Sequana shareholders' agreement between EXOR S.A. and DLMD and the DLMD loan restructuring agreement

On July 21, 2010, EXOR S.A. and DLMD, a family investment company controlled by Pascal Lebard (general manager of Sequana), renewed the shareholders' agreement signed in 2007 regarding their investment in Sequana. The pact is for a period of one year and is renewable for successive one-year periods unless terminated.

The pact aims to ensure the coordination of Sequana's shareholders along the lines of the governance model that had been adopted in 2007.

According to the pact, the Sequana board of directors will be composed of ten members. Of these, three will be put forward by EXOR S.A. – including the chairman of the board, Tiberto Brandolini d'Adda – and two will be proposed by DLMD, including the general manager, Pascal Lebard. The remaining five independent directors will be proposed by common agreement between the parties.

At the same time, the debt assumed by DLMD in July 2007, when DLMD acquired the stake in Sequana, was restructured on the basis of an agreement reached with the lenders (The Royal Bank of Scotland, BNP Paribas and EXOR S.A.).

As established in the DLMD debt restructuring agreement, on July 30, 2010, the debt payable to EXOR S.A. was full extinguished against the transfer to EXOR S.A. of 790,190 Sequana shares owned by DLMD (equal to 1.59% of capital). At December 31, 2010, EXOR S.A. and DLMD hold, respectively, 28.24% and 20.22% of Sequana's capital.

Investment in BTG Pactual

On December 6, 2010, an agreement was sealed between BTG Pactual (the premier company in the investment banking sector and one of the leaders in investment management in Brazil) and a consortium of top international investors for the subscription to new BTG Pactual shares representing 18.6% of its capital for an investment of approximately $1.8 billion. EXOR S.A. joined the consortium through the acquisition of investments in Copacabana Prince Partecipações and in BTG Investments with an investment of €19 million, with the aim of making an attractive investment and seizing new investment opportunities in Brazil.

Investment in The Economist

In December 2010, EXOR S.A. purchased 1,140,000 The Economist Newspaper Limited ordinary shares from RIT Capital Partners at a price per share of GBP 21.65 for a total of GBP 24,681,000 (€29.2 million).
At December 31, 2010, EXOR S.A. holds 1,190,000 ordinary shares of the company, equal to 4.722% of capital.

Other investments

As a result of commitments to invest in the NoCo B L.P. limited partnership, which groups a series of funds managed by Perella Weinberg Partners L.P., during 2010 EXOR S.A. invested $18.6 million (€13.7 million) in the NoCo B L.P. limited partnership and €5 million in the Perella Weinberg Real Estate I fund.
Moreover, EXOR S.A. obtained reimbursements from the NoCo B L.P. partnership for $1.4 million (€1.1 million).
At December 31, 2010, the investment commitments in NoCo B and in the Perella Weinberg Real Estate I fund amounted, respectively, to $38.4 million (€28.7 million) and €17 million.

In December 2010, EXOR S.A. signed a commitment agreement for an investment in BDT Capital Partners Fund I, LP for a total amount of $28.6 million; the first payment was for $6.6 million (€5 million).
At December 31, 2010, the remaining investment commitment in BDT Capital Partners Fund I, LP is therefore $22 million (€16.5 million).

Transactions regarding Gruppo Banca Leonardo

On May 31, 2010, EXOR S.A. collected its share of the partial extraordinary distribution of paid-in capital equal to €27.3 million (€1.08 for each of the 25,255,537 Gruppo Banca Leonardo S.p.A. shares held at that date). This amount was deducted from the carrying amount of the investment.

On November 18, 2010, EXOR S.A. purchased 12,627,769 Gruppo Banca Leonardo S.p.A. ordinary shares (4.86% of capital) from a stockholder for an investment of €30 million.

After such transaction, EXOR S.A. held 37,883,306 Gruppo Banca Leonardo S.p.A. ordinary shares equal to 14.57% of its capital.

Criminal cases relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

On December 21, 2010, the Turin Court, first criminal section composed of a collegiate body, ruled in absolute favor of the defendants, Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone, fully acquitting them because the fact did not exist and deeming also inexistent ex art. 66 Legislative Decree 231/2001 the administrative offense disputed against IFIL S.p.A. (merged by EXOR S.p.A.) and Giovanni Agnelli e C. S.a.p.az..

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2011

Demerger of Fiat activities to Fiat Industrial

During 2010, the Fiat Group initiated and completed a strategic project to separate the Agricultural and Construction Equipment (CNH) and Trucks and Commercial Vehicles (Iveco) activities, as well as the “Industrial & Marine” business line of FPT Powertrain Technologies, from the Automobile and Automobile-related Components and Production Systems activities, which include the sectors Fiat Group Automobiles, Maserati, Ferrari, Magneti Marelli, Teksid, Comau and the “Passenger & Commercial Vehicles” business line of FPT Powertrain Technologies.

The separation of those businesses, in the form of their partial proportional demerger from Fiat S.p.A. and transfer to Fiat Industrial S.p.A., resulted in the creation of the Fiat Industrial Group on January 1, 2011 (consisting of CNH, Iveco and FPT Industrial). From the same date, Fiat Group post Demerger is comprised of Fiat Group Automobiles, Maserati, Ferrari, Fiat Powertrain, Magneti Marelli, Teksid and Comau. On January 3, 2011, Fiat Industrial S.p.A.’s shares began trading on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A..

For every Fiat S.p.A. ordinary, preferred and savings share held, EXOR S.p.A. received a Fiat Industrial S.p.A. share of the corresponding class of stock.

Dividends and distribution of reserves to be received

The following table shows the dividends and the distribution of reserves already approved by some of the investment holdings.

Holding	Class of stock	Number of shares	Dividends Per share	Dividends Total (€/ml)	
Fiat S.p.A.	ordinary	332,587,447	€ 0.09	29.9	
Fiat S.p.A.	preferred	31,082,500	€ 0.31	9.6	
Fiat S.p.A.	savings	2,338,629	€ 0.31	0.7	
Alpitour S.p.A. (distribution of reserves)	ordinary	35,450,000	€ 0.28	10.0	(a)
Total EXOR S.p.A.'s share to be received				**50.2**	
SGS S.A.	ordinary	1,173,400	CHF 65.00	59.8	(b)
Sequana	ordinary	13,993,329	€ 0.40	5.6	
Gruppo Banca Leonardo	ordinary	37,883,306	€ 0.12	5.5	
Total EXOR S.A.'s share to be received				**70.9**	

(a) The amount will be recognized as a deduction of the carrying amount of the investment since the distribution is by withdrawal from paid-in capital.
(b) CHF 76.3 million converted at the rate of 1.2748.

Transactions regarding Gruppo Banca Leonardo

In March 2011, EXOR S.A. purchased a total of 7,576,662 Gruppo Banca Leonardo S.p.A. ordinary shares (2.91% of capital) from three different shareholders at a price per share of €2.38 for a total of €18 million.

EXOR S.A. today holds 45,459,968 Gruppo Banca Leonardo S.p.A. ordinary shares equal to 17.41% of its capital.

Changes in corporate positions, relative compensation and organizational structure

In the meeting held on February 11, 2011, the EXOR board of directors named John Elkann chief executive officer in addition to his post as chairman of the board.

Carlo Barel di Sant'Albano has left the position of chief executive officer and has been appointed chairman of the subsidiary Cushman & Wakefield.

Tobias Brown has been appointed Chief Investment Officer with responsibility for all of EXOR's investment activities.

Alessandro Nasi has been named head of EXOR's U.S. activities.

On March 31, 2011, the chief administration officer and manager responsible for the preparation of the corporate financial reports, Aldo Mazzia, will leave EXOR to take up operational positions at the subsidiary Juventus F.C..

The chief financial officer, Enrico Vellano, has taken overall responsibility for EXOR's support functions and has been named the manager responsible for the preparation of the corporate financial reports as from April 1, 2011.

Based on the motion put forward by the Compensation and Nominating Committee, the board of directors voted to increase Mr Elkann's annual compensation from €1 million to €2 million by virtue of the new operational roles he has assumed within the Company.

On the same date, the board of directors took note that, as a result of Mr Sant'Albano's resignation from the post of chief executive officer, he relinquished the 3,000,000 option rights granted to him under the EXOR Stock Option Plan 2008-2019. Moreover, since this is a voluntary resignation, he will not be entitled to the indemnity of €2.5 million in the event of the expiry of his term of office.
The board of directors also voted to maintain Mr Sant'Albano's existing insurance coverage and the use of the Company's apartment in Turin until December 31, 2011.

Finally, the board of directors, on the basis of the motion submitted by the Compensation and Nominating Committee, voted to grant Mr Elkann, by virtue of the new operational roles assumed by him, 3,000,000 options, corresponding to 795,000 EXOR ordinary shares under the EXOR Stock Option Plan 2008-2019.

BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2011.

At the consolidated level, the year 2011 should show a further improvement in earnings which, however, will largely depend upon the performance of the principal investment holdings. Their most recent forecasts are presented below.

Fiat Group

The Fiat Group recently confirmed the 2011-14 Plan and financial targets set out in the presentation to the financial community in April 2010. In particular, the 2011 targets for Fiat Group post Demerger are as follows:

- revenues of approximately €37 billion;
- trading profit between €0.9 and €1.2 billion;
- net profit at around €0.3 billion;
- net industrial debt between €1.5 and €1.8 billion;
- capex in the range of €4 to €4.5 billion.

Fiat Industrial Group

The Fiat Industrial Group 2011-2014 Plan includes targets for the year 2011 of revenues of approximately €22 billion, a trading profit of €1.3 billion and net industrial debt of €1.9 billion.

C&W Group

In late 2010, the C&W Group board of directors approved a new Strategic Plan that focuses on four areas: create a highly coordinated and aligned global organization, provide a consistent service mix across markets, client prioritization and a focus on operational efficiencies.
C&W Group believes that with strong revenue growth, a profitable finish to 2010, momentum in the market and the economic trending in the Group's favor, the Strategic Plan provides the strong foundation for the Group in 2011 and beyond to build a more powerful and cohesive organization than ever before.

Alpitour Group

As concerns economic forecasts, the start of the current year was characterized by various outside factors which could negatively affect expected results, particularly the "shark" alarm at Sharm El sheik, the attack at the Coptic Christian Church of Alexandria in Egypt on January 1, 2011 and the popular uprisings that exploded in North Africa. Such events could condition the choices of consumers as regards the products Egypt and Tunisia, primary destinations in terms of both volumes and margins.
At market level, the winter season is predicted to continue to be marked by some difficulties and a weak demand, while signs of a recovery and a return to a climate of confidence are likely to coincide with the summer season.

In this scenario, the Alpitour Group aims to increase sales and its market share, better the economic results reported in 2010, raise the return on invested capital and further improve the financial situation. The Alpitour Group also intends to reconfirm itself as the market leader not only in size but also from the standpoint of innovation.

Juventus Football Club

The 2010/2011 economic performance will be adversely affected by the Club's failure to qualify for the UEFA Champions League. This will produce lower revenues from European competitions and lower sales revenues in addition to the effects stemming from the coming into force of the new regulations on television rights.

Therefore, on the basis of information currently available and in the absence of any extraordinary events, Juventus Football Club is expected to close the 2010/2011 financial year with a significant loss.

Sequana Group

For the full-year 2011, taking into account the different current forecasts on the evolution of the prices of raw materials and the internal actions already begun, Sequana expects to report a higher operating profit compared to 2010.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closes the year 2010 with a profit of €151.8 million, increasing €63 million compared to the profit of €88.8 million in 2009. The increase is due primarily to higher net income from investments (+€66.3 million for dividends received and net gains) and lower net financial expenses (+€4.3 million) which are partly offset by the increase in non-recurring expenses (-€5.8 million) and other net changes (-€1.8 million).

The income statement and statement of financial position, as well as comments on the most significant line items are presented below.

EXOR S.p.A. – Income Statement

€ in millions	Note	2010	2009	Change
Dividends from investments	1	**197.8**	120.0	77.8
Gains on disposals and writedowns of investments	2	**10.2**	21.7	(11.5)
Net financial expenses	3	**(15.1)**	(19.4)	4.3
Net general expenses	4	**(22.5)**	(21.6)	(0.9)
Non-recurring other income (expenses) and general expenses	5	**(17.3)**	(11.5)	(5.8)
Non-deductible VAT and other indirect taxes and duties		**(1.2)**	(3.5)	2.3
Profit before income taxes		**151.9**	85.7	66.2
Income taxes		**(0.1)**	3.1	(3.2)
Profit for the year		**151.8**	88.8	63.0

EXOR S.p.A. – Statement of Financial Position

		12/31/2010		12/31/2009		
€ in millions	Note	Amount	%	Amount	%	Change
Investments	6	**3,838.7**	**78.8**	3,950.6	83.8	(111.9)
Other non-current financial assets		**138.2**	**2.8**	71.7	1.5	66.5
Current financial assets		**815.8**	**16.8**	618.8	13.1	197.0
Financial receivables from subsidiaries		**30.6**	**0.6**	28.2	0.6	2.4
Tax receivables		**45.7**	**1.0**	44.9	1.0	0.8
Other current and non-current assets		**0.8**	**0.0**	0.7	0.0	0.1
Total Assets		**4,869.8**	**100.0**	4,714.9	100.0	154.9
Equity	7	**3,552.5**	**72.9**	3,539.8	75.1	12.7
Bonds		**945.6**	**19.4**	944.9	20.0	0.7
Current and non-current bank debt		**281.1**	**5.8**	150.1	3.2	131.0
Other current financial liabilities		**31.8**	**0.7**	35.7	0.8	(3.9)
Provisions and other current and non-current liabilities		**58.8**	**1.2**	44.4	0.9	14.4
Total Equity and Liabilities		**4,869.8**	**100.0**	4,714.9	100.0	154.9

1. Dividends from investments

In 2010, dividends from investments amount to €197.8 million and include dividends collected from Fiat for €66.9 million, Intesa Sanpaolo for €0.8 million, Emittenti Titoli for €0.1 million and, lastly, from EXOR S.A. for €130 million, of which €33 million in cash and €97 million corresponding to the fair value of financial instruments transferred to EXOR S.p.A.

In 2009,dividends of €120 million mainly came from EXOR S.A. alone.

2. Gains on disposals and writedowns of investments

In 2010, the gain of €14.8 million relates to the sale of 30 million Intesa Sanpaolo ordinary shares (0.25% of ordinary share capital), with proceeds of €90 million, as well as the writedown of €4.6 million to align the carrying amount (€2.506 per share) of the remaining 10 million Intesa Sanpaolo shares to the stock trading price at December 31, 2010 (€2.042).

In 2009, the net gain of €21.7 million was due to the sale of 78 million Intesa Sanpaolo shares (0.66% of its ordinary share capital), with proceeds of €217.2 million.

3. Net financial expenses

Net financial expenses amount to €15.1 million in 2010. This is a net reduction of €4.3 million compared to 2009 (€19.4 million).

4. Net general expenses

Net general expenses total €22.5 million and show an increase of €0.9 million compared to 2009 (€21.6 million).

5. Non-recurring other income (expenses) and general expenses

In 2010 and 2009, these are net expense balances, respectively, for €17.3 million and €11.5 million. They include:

€ in millions	**2010**	2009
Fair value adjustment to the Alpitour stock option plan	**(9.7)**	(4.2)
Expenses arising on employee reduction plan	**(2.9)**	(4.5)
Fees for defense in legal cases	**(4.3)**	(2.6)
Sundry other income (expenses)	**(0.4)**	(0.2)
	(17.3)	(11.5)

The fair value adjustment to the Alpitour stock option plan of €9.7 million in 2010 represents the current year cost to align the payable to beneficiaries to the fair value estimated by an independent expert at December 31, 2010. Further information is provided in note 26 to the separate financial statements.

In 2010, the expenses arising on the employee reduction plan of EXOR S.p.A. and the subsidiary Exor Services amount to €2.9 million. In 2009, besides this type of expense (equal to €1.2 million), the line item included the extraordinary indemnity relative to the termination of the employment relationship resolved in favor of the former chief executive officer and general management of IFI S.p.A., Virgilio Marrone, for €3.3 million.

Fees for defense in legal cases are equal to €4.3 million (€2.6 million in 2009) and refer to the fees incurred for legal assistance in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005.

Sundry other income (expenses) shows a net expense balance of €0.4 million in 2010 mainly deriving from the estimated expenses (€0.3 million) in connection with the early liquidation of FIA, proposed by EXOR since it is anticipated that there will no longer be a plurality of beneficiaries and with the aim of reducing administrative costs.

6. Investments

Details are as follows:

€ in millions	**12/31/2010**	12/31/2009	Change
Accounted for at cost			
Fiat S.p.A. (ordinary shares)	**2,619.4**	2,619.4	0.0
Fiat S.p.A. (preferred shares)	**250.4**	250.4	0.0
Fiat S.p.A. (savings shares)	**13.0**	13.0	0.0
	2,882.8	2,882.8	0.0
EXOR S.A.	**747.1**	746.7	0.4
Alpitour S.p.A.	**92.5**	100.0	(7.5)
Juventus Football Club S.p.A.	**74.2**	74.2	0.0
Exor Services S.c.p.a.	**10.0**	10.0	0.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	3,806.9	3,814.0	(7.1)
Available-for-sale investments			
Intesa Sanpaolo S.p.A. (ordinary shares)	**20.4**	126.6	(106.2)
Rho Immobiliare Fund	**11.4**	10.0	1.4
	31.8	136.6	(104.8)
Total investments	**3,838.7**	3,950.6	(111.9)

The comparison between carrying amounts and stock trading prices of shares held at the end of 2010 is as follows.

		Carrying amount		Stock trading price December 30, 2010	
	Number	Per share (€)	Total (€ millions)	Per share (€)	Total (€ millions)
Fiat S.p.A.					
- ordinary shares	332,587,447	7.876	2,619.4	15.082	**5,016.1**
- preferred shares	31,082,500	8.056	250.4	10.846	**337.1**
- savings shares	2,338,629	5.577	13.0	10.804	**25.3**
			2,882.8		**5,378.5**
Juventus Football Club S.p.A.	120,934,166	0.614	74.2	0.956	**115.6**
Intesa Sanpaolo S.p.A. (ordinary shares)	10,000,000	2.042	20.4	2.042	**20.4**
Total			**2,977.4**		**5,514.5**

7. Equity

Equity at December 31, 2010 is €3,552.5 million (€3,539.8 million at December 31, 2009). The positive change of €12.7 million is detailed in the following table.

Further details are provided in the statement of changes in equity of the separate financial statements of EXOR S.p.A. at December 31, 2010.

€ in millions	
Equity at December 31, 2009	**3,539.8**
Dividends paid	(67.9)
EXOR treasury stock buybacks	(57.8)
Reversal of the fair value reserve on Intesa Sanpaolo stock, net of deferred taxes	(25.0)
Other net changes	11.6
Profit for the year	151.8
Net change during the year	**12.7**
Equity at December 31, 2010	**3,552.5**

8. Net financial position

At December 31, 2010, the net financial position is a negative €273.9 million and an improvement of €138.2 million compared to a negative €412.1 million at the end of 2009. The balance is composed as follows:

	12/31/2010			12/31/2009		
€ in millions	Current	Non-current	Total	Current	Non-current	Total
Financial assets	**596.0**	**138.2** (a)	**734.2**	281.4	71.7 (a)	353.1
Financial receivables from subsidiary	**30.6**	**0.0**	**30.6**	28.2	0.0	28.2
Cash and cash equivalents	**219.8**	**0.0**	**219.8**	337.4	0.0	337.4
Total financial assets	**846.4**	**138.2**	**984.6**	647.0	71.7	718.7
EXOR bonds 2007-2017	**(22.4)**	**(745.7)**	**(768.1)**	(22.4)	(745.2)	(767.6)
EXOR bonds 2006-2011	**(200.1)**	**0.0**	**(200.1)**	(0.2)	(199.7)	(199.9)
Bank debt and other financial liabilities	**(240.3)**	**(50.0)**	**(290.3)**	(38.3)	(125.0)	(163.3)
Total financial liabilities	**(462.8)**	**(795.7)**	**(1,258.5)**	(60.9)	(1,069.9)	(1,130.8)
Net financial position of EXOR S.p.A.	**383.6**	**(657.5)**	**(273.9)**	586.1	(998.2)	(412.1)

(a) These are bonds issued by leading counterparts and listed on active and regulated markets which the Company intends, and is able to hold, until their natural reimbursement date as an investment for a part of its available cash, in order to ensure a constant flow of financial income that could be considered attractive. This designation was decided in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide in that sense. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The positive change of €138.2 million in 2010 is due to the following cash flows:

€ in millions		
Net financial position at December 31, 2009		**(412.1)**
Dividends and reimbursement of reserves received from the investment holdings		205.3
- Exor S.A.	130.0	
- Fiat S.p.A.	66.9	
- Intesa Sanpaolo S.p.A.	0.8	
- Emittenti Titoli	0.1	
- Alpitour S.p.A. (reimbursement of reserves)	7.5	
EXOR treasury stock purchases		(57.8)
- 1,559,500 ordinary shares (0.97% of the class)	(22.5)	
- 3,274,484 preferred shares (4.26% of the class)	(32.8)	
- 213,295 savings shares (2.33% of the class)	(2.5)	
Sale of 30 million Intesa Sanpaolo ordinary shares (0.25% of ordinary capital stock)		90.0
Dividends paid by EXOR S.p.A.		(67.9)
Other changes		(31.4)
- Net general expenses (excluding the figurative cost of EXOR stock option plan)	(20.9)	
- Non-recurring other income (expenses) and general expenses (excluding fair value adjustment of Alpitour stock option plan)	(7.6)	
- Indirect taxes and duties	(1.2)	
- Net financial expenses	(15.1)	
- Other net changes	13.4	
Net change during the year		**138.2**
Net financial position at December 31, 2010		**(273.9)**

9. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and the equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2010 and December 31, 2009 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit (Loss)		Equity	
€ in millions	**2010**	2009	**12/31/2010**	12/31/2009
Separate financial statements of EXOR S.p.A.	**152**	89	**3,553**	3,540
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**1,765**	1,726
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**771**	512
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**206**	(317)	**206**	(317)
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(202)**	(120)	**(202)**	(120)
Adjustments of gains/losses on disposals of investments and writedowns	**(19)**	(37)	**(19)**	(37)
Other consolidation adjustments		(4)	**1**	1
Consolidated financial statements of the EXOR Group (attributable to Owners of the Parent)	**137**	(389)	**6,075**	5,305

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

Through the subsidiary EXOR S.A., EXOR S.p.A. holds some important investments and controls some companies which contribute to the Group's investment activities and financial resource management. These companies constitute, together with Exor Services (a services company), the so-called Holdings System (the complete list of these companies is presented below).

In order to facilitate the analysis of the financial position and the results of operations of the Group, EXOR presents shortened consolidated financial statements (statement of financial position and income statement) prepared by applying the "shortened" consolidation criteria. Such shortened consolidated financial statements are presented along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year. The consolidated data is also presented in the shortened format in the quarterly reports at March 31 and September 30 of each year.

In the preparation of the shortened consolidated statement of financial position and income statement, the separate financial statements or accounting data drawn up in accordance with IFRS by EXOR S.p.A. and by the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat, C&W Group, Alpitour, Juventus Football Club and Sequana) are accounted for by the equity method on the basis of their consolidated financial statements or separate financial statements (in the case of Juventus Football Club) or accounting data prepared in accordance with IFRS. The investment in Almacantar (acquired on April 28, 2010) is stated at cost since the company was not yet fully operational at December 31, 2010.

The following table shows the consolidation and valuation methods of the investment holdings.

	% of consolidation	
	12/31/2010	12/31/2009
Companies of the Holdings System consolidated line-by-line (a)		
- Exor S.A. (Luxembourg)	**100**	100
- Exor Capital Limited (Ireland)	**100**	100
- Exor Services S.c.p.a. (Italy)	**99.62**	99.75
- Exor Inc. (USA)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor LLC (USA)	**99.80**	-
Investments in operating subsidiaries and associates, accounted for by the equity method		
- Fiat Group	**29.59**	29.59
- Sequana Group	**28.37**	26.84
- C&W Group	**78.56** (b)	78.88 (b)
- Alpitour Group	**100**	100
- Juventus Football Club S.p.A.	**60**	60

(a) The list does not include companies in a wind-up and/or wound-up during 2009 and 2010.

(b) The percentage is calculated on issued share capital, net of treasury stock held and net of the estimate of treasury stock purchases from non-controlling interests to be made by C&W Group.

The EXOR Group closes the year 2010 with a consolidated profit of €136.7 million; the year 2009 ended with a consolidated loss of €388.9 million. The positive change amounts to €525.6 million and is due to the improvement in the results of the investment holdings (+€452.3 million), the increase in net financial income (expenses) (+€61.5 million) and other net changes (+€11.8 million).

At December 31, 2010, the consolidated equity attributable to Owners of the Parent is €6,074.9 million, with a net increase of €769.5 million compared to €5,305.4 million at the end of 2009. Further details are provided in note 11.

The consolidated net financial position of the Holdings System at December 31, 2010 is a positive balance of €42.6 million, with a negative change of €9 million compared to the positive balance of €51.6 million at the end of 2009. Additional details are provided in note 12.

The shortened consolidated **income statement** and **statement of financial position** and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - Shortened

€ in millions	Note	2010	2009	Change
Share of the profit (loss) of investments accounted for by the equity method	1	**133.2**	(319.1)	452.3
Dividends from investments	2	**50.1**	40.6	9.5
Gains (losses) on disposals of investments and writedowns, net	3	**(8.8)**	(15.4)	6.6
Financial income (expenses):				
- Interest and other financial income	4	**132.5**	71.7	60.8
- Interest and other financial expenses	4	**(107.7)**	(78.5)	(29.2)
- Fair value adjustments to current and non-current financial assets	4	**(6.5)**	(36.4)	29.9
Net financial income (expenses)		**18.3**	(43.2)	61.5
Net general expenses	5	**(26.6)**	(28.8)	2.2
Non-recurring other income (expenses) and general expenses	6	**(19.9)**	(12.9)	(7.0)
Indirect taxes and duties		**(2.0)**	(4.0)	2.0
Profit (Loss) before income taxes		**144.3**	(382.8)	527.1
Income taxes		**(7.6)**	(6.1)	(1.5)
Profit (Loss) attributable to Owners of the Parent		**136.7**	(388.9)	525.6

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ in millions	Note	**12/31/2010**	12/31/2009	Change
Non-current assets				
Investments accounted for by the equity method	7	**4,227.1**	3,810.1	417.0
Other financial assets:				
- Investments measured at fair value	8	**1,686.7**	1,333.5	353.2
- Other investments	9	**346.8**	199.7	147.1
- Other financial assets		**0.2**	0.4	(0.2)
Other property, plant and equipment and intangible assets		**11.8**	11.6	0.2
Total Non-current assets		**6,272.6**	5,355.3	917.3
Current assets				
Financial assets and cash and cash equivalents	12	**1,116.9**	1,095.2	21.7
Tax receivables and other receivables		**48.4**	46.5	1.9
Total Current assets		**1,165.3**	1,141.7	23.6
Total Assets		**7,437.9**	6,497.0	940.9
Capital issued and reserves attributable to Owners of the Parent	11	**6,074.9**	5,305.4	769.5
Non-current liabilities				
Bonds and other debt	12	**847.1**	1,102.1	(255.0)
Provisions for employee benefits		**3.2**	4.0	(0.8)
Deferred tax liabilities and other liabilities		**5.0**	1.7	3.3
Total Non-current liabilities		**855.3**	1,107.8	(252.5)
Current liabilities				
Bonds, bank debt and other financial liabilities	12	**470.3**	60.9	409.4
Other liabilities		**37.4**	22.9	14.5
Total Current liabilities		**507.7**	83.8	423.9
Total Equity and Liabilities		**7,437.9**	6,497.0	940.9

1. Share of the profit (loss) of investments accounted for by the equity method

In 2010, the share of the profit (loss) of investments accounted for by the equity method is a profit of €133.2 million (a loss of €319.1 million in 2009). The positive change of €452.3 million reflects the improvement in the results of almost all the investment holdings, particularly the return to a profit position of the Fiat Group and the C&W Group; as regards Juventus F.C., the negative change is due to its failure to qualify for the Champions League 2010/2011, expenses to renew the first team and lower revenues due to the effects stemming from the new system for sharing the revenues on television rights.

	Profit (Loss) (in millions)				EXOR's share (€ in millions)		
		2010		2009	**2010**	2009	Change
Fiat Group	€	**520.0**	€	(837.8)	**153.9**	(247.9)	401.8
Consolidation adjustments					**(9.7)**	(1.2)	(8.5)
Share in the Fiat Group's result					**144.2**	(249.1)	393.3
C&W Group	$	**13.1**	$	(127.0) (a)	**7.8**	(71.9)	79.7
Consolidation adjustments					**0.0**	(9.5) (b)	9.5
Share in C&W Group's result					**7.8**	(81.4)	89.2
Alpitour Group	€	**10.9**	€	2.3	**10.9**	2.3	8.6
Juventus Football Club S.p.A.	€	**(64.7)**	€	6.2	**(38.8)**	3.7	(42.5)
Sequana Group	€	**32.1**	€	20.0	**9.1**	5.4	3.7
Total					**133.2**	(319.1)	452.3

(a) Includes non-cash impairment charges for intangible assets (-$76.7 million), restructuring charges in connection with structure cost reduction actions (-$29.9 million) and costs associated with the relocation of the company's New York headquarters (-$7.5 million) and related tax benefits (+$19.3 million).

(b) Impairment charge for goodwill represented by acquisition costs incurred by EXOR S.A..

Comments on the operating performance by the main operating subsidiaries and associates are presented in the following sections of the report.

2. Dividends from investments

In 2010, dividends from investments amount to €50.1 million and include dividends collected from SGS for €49.1 million (€38.4 million in 2009), Intesa Sanpaolo for €0.8 million, Emittenti Titoli for €0.1 million (unchanged compared to 2009) and The New Economist Newspaper for €0.1 million (unchanged compared to 2009). In 2009, dividends had also been received from Gruppo Banca Leonardo for €2 million.

The distribution of reserves by Alpitour (€7.5 million) and Gruppo Banca Leonardo (€27.3 million) are accounted for as a deduction from the carrying amounts of the investments.

3. Gains (Losses) on disposals of investments and writedowns, net

In 2010, the line item includes the net gain of €0.6 million realized on the disposal on the market of a 0.25% stake in Intesa Sanpaolo ordinary share capital, as well as the writedown of €9.4 million to align the carrying amount (€2.98 per share) of the remaining 10 million Intesa Sanpaolo shares to the stock trading price at December 30, 2010 (€2.042 per share).

In 2009, this line item had included the net loss of €15.4 million realized on the disposal on the market of a 0.66% stake in Intesa Sanpaolo ordinary share capital.

4. Financial income (expenses)

In 2010, net financial income is €18.3 million. In 2009, net financial expenses were €43.2 million. Details of the composition of the balance are as follows:

€ in millions	2010	2009	Change
Interest and other financial income			
Financial income on securities held for trading	**81.7**	37.2	44.5
Interest income on:			
- bonds	**30.3**	24.3	6.0
- receivables from banks	**1.7**	3.6	(1.9)
- receivables from the tax authorities	**0.7**	1.1	(0.4)
- C&W Group loan	**2.9**	1.7	1.2
Exchange gains	**14.3**	2.5	11.8
Interest from interest rate hedge	**0.4**	1.3	(0.9)
Other income	**0.5**	0	0.5
Interest and other financial income	**132.5**	71.7	60.8
Interest and other financial expenses			
EXOR bond interest expenses	**(48.6)**	(49.7)	1.1
Financial expenses on securities held for trading	**(42.3)**	(15.3)	(27.0)
Exchange losses	**(6.6)**	(3.7)	(2.9)
Interest from interest rate hedges	**(5.4)**	(5.4)	0.0
Bank interest and other financial expenses	**(4.8)**	(4.4)	(0.4)
Interest and other financial expenses	**(107.7)**	(78.5)	(29.2)
Fair value adjustments to current and non-current financial assets			
Positive adjustments	**26.5**	15.0	11.5
Negative adjustments	**(33.0)**	(51.4)	18.4
Fair value adjustments to current and non-current financial assets	**(6.5)**	(36.4)	29.9
Financial income (expenses)	**18.3**	(43.2)	61.5

In 2010, fair value adjustments are negative for €6.5 million (negative for €36.4 million in 2009) and include the impairment charge on the embedded derivative relating to the Vision convertible bonds for €16.7 million (-€35.9 million in 2009), the reversal of the impairment charge on the remaining receivables due from DLMD for €1.6 million, subsequently sold in July 2010 (in 2009, this asset had been written down by €9.2 million), as well as net revaluations to equity shares and bonds held for trading €8.6 million (€8.7 million in 2009).

Considering only the assets and liabilities included in the consolidated net financial position of the Holdings System (see note 12), there is a net financial income balance for €25.8 million (net financial expense balance for €1.7 million in 2009).
Details are as follows:

€ in millions	2010	2009	Change
Interest and other financial income	122.4	65.7	56.7
Interest and other financial expenses	(105.2)	(76.1)	(29.1)
Fair value adjustment of current and non-current assets	8.6	8.7	(0.1)
Financial income (expense) balance generated by the financial position	**25.8**	(1.7)	27.5

5. Net general expenses

In 2010, net general expenses amount to €26.6 million; the decrease of €2.2 million compared to the balance in the prior year (€28.8 million) is due to higher cost recoveries from subsidiaries (-€3.4 million) and higher costs for €1.2 million (of which €0.5 million for compensation to directors).
Net general expenses include the figurative cost of the EXOR stock option plan for about €2 million (€1.9 million in 2009).

6. Non-recurring other income (expenses) and general expenses

In 2010, this line item is a negative €19.9 million (a negative €12.9 million in 2009) and includes:

€ in millions	**2010**	2009	Change
Fair value adjustment to Alpitour stock option plan	(9.7)	(4.2)	(5.5)
Expenses arising on employee reduction plan	(2.9)	(5.1)	2.2
Fees for defense in legal cases	(4.8)	(2.8)	(2.0)
Costs connected with the measurement/execution of investment projects	(2.0)	0.0	(2.0)
Sundry other income (expenses)	(0.5)	(0.8)	0.3
Total	**(19.9)**	(12.9)	(7.0)

The fair value adjustment to the Alpitour stock option plan of €9.7 million in 2010 represents the current year cost to align the payable to beneficiaries to the fair value estimated by an independent expert at December 31, 2010. Further information is provided in note 26 to the separate financial statements.

In 2010, the expenses arising on the employee reduction plan of EXOR S.p.A. and the subsidiary Exor Services amount to €2.9 million. In 2009, besides this type of expense (equal to €1.8 million), the line item included the extraordinary indemnity relative to the termination of the employment relationship resolved in favor of the former chief executive officer and general management of IFI S.p.A., Virgilio Marrone, for €3.3 million.

In 2010, the fees for defense in legal cases are equal to €4.8 million (€2.8 million in 2009) and refer to the fees incurred in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005 for €4.2 million (€2.8 million in 2009), and also other legal fees for €0.6 million.

Sundry other income (expenses) shows a net expense balance of €0.5 million in 2010 (€0.8 million in 2009). In 2010, the line item mainly includes the estimate of expenses in connection with the early liquidation of FIA (€0.3 million) proposed by EXOR since it is anticipated that there will no longer be a plurality of beneficiaries and with the aim of reducing administrative costs, as well as other expenses of €0.2 million.
In 2009, the line item had included the maintenance costs for the building owned by the subsidiary Exor Services of €0.6 million and other expenses of €0.2 million.

7. Investments accounted for by the equity method

Details are as follows:

€ in millions	Carrying amount 12/31/2010	Carrying amount 12/31/2009	Change
Fiat Group	**3,421.9**	3,057.0	364.9
C&W Group	**448.4**	405.0	43.4
Sequana Group	**230.9**	198.0	32.9
Alpitour Group	**83.8**	80.6	3.2
Juventus Football Club S.p.A.	**30.7**	69.5	(38.8)
Almacantar S.A. (a)	**10.0**	0.0	10.0
Jardine Rothschild Asia Capital Ltd (b)	**1.4**	0.0	1.4
Total	**4,227.1**	3,810.1	417.0

(a) The investment in Almacantar, purchased on April 28, 2010, is maintained at the cost of €10 million, which corresponds to the increase in share capital subscribed to, of which the minimum was paid in by law (25%, equal to €2.5 million). The remaining stake to be paid (€7.5 million) is recognized in financial payables.

(b) This investment, purchased on September 30, 2010, is maintained at cost.

8. Other non-current financial assets – Investments measured at fair value

Details are as follows:

	12/31/2010		12/31/2009		
€ in millions	%	Carrying amount	%	Carrying amount	Change
SGS S.A.	15.00	**1,472.4**	15.00	1,068.5	403.9
Gruppo Banca Leonardo S.p.A.	14.57	**87.4**	9.74	84.7	2.7
Banijay Holding S.A.S.	17.09	**38.6**	17.08	33.6	5.0
Intesa Sanpaolo S.p.A.	0.08	**20.4**	0.34	126.6	(106.2)
The Economist Newspaper Ltd	4.72	**29.9**	0.20	1.1	28.8
NoCo A LP	2.00 (a)	**19.0**	1.96 (a)	19.0	0.0
Copacabana Prince Participações S.A. (b)	1.62	**15.2**	-	0.0	15.2
BTG Investments LP (b)	0.26	**3.8**	-	0.0	3.8
Total		**1,686.7**		1,333.5	353.2

(a) Percentage interest in the limited partnership, stated at cost.

(b) Stated at cost since it was purchased at the end of 2010.

The increase in the investment in **SGS** of €403.9 million is due to the adjustment to fair value at December 30, 2010.
The stock trading price per share of SGS stock at December 30, 2010 is CHF 1,569 corresponding to €1,254.8 at the exchange rate of 1.2504.
The original carrying amount of the investment in SGS is €469.7 million; at December 31, 2010, the net positive adjustment to fair value recognized in equity amounts to €1,002.7 million.

The net increase in the investment in **Gruppo Banca Leonardo** is determined by the purchases of a further 12,627,769 ordinary shares (4.86% of share capital), with an investment of €30 million, and by the recognition of the reimbursement of reserves as a deduction from the carrying amount of the investment for €27.3 million.

The increase in the investment in **Banijay Holding** for €5 million comes from the subscription of new shares by Exor S.A. for an equivalent amount of €1.7 million and the positive adjustment to fair value for €3.3 million with recognition in equity.

At December 31, 2010, the reduction in the investment in **Intesa Sanpaolo** of €106.2 million is mainly due to the sale of 30 million shares (0.25% of ordinary share capital) for net proceeds of €90 million and a net

gain of €0.6 million. The derecognition of the carrying amount (-€95 million) of the stake sold includes the original purchase cost of €89.4 million and the cumulative positive fair value change of €5.6 million; the latter was recognized as a deduction from a specific reserve in consolidated equity. The remaining stake has been aligned to the stock trading price at December 30, 2010 (€2,042 per share) generating a total impairment charge recognized in the income statement for €9.4 million.
In fact, it was deemed that the stock trading price, consistently below the original cost, represented objective evidence of an impairment loss.

On December 6, 2010, EXOR S.A. invested in **Copacabana Prince Participações** (€15.2 million) and **BTG Investments** (€3.8 million) as part of the agreement sealed between BTG Pactual and a consortium of leading international investors.

9. Other non-current financial assets – Other investments

Details are as follows:

€ in millions	12/31/2010	12/31/2009	Change
Investments at fair value			
- NoCo B LP	**48,3**	25,9	22,4
- DLMD bonds	**0,0**	6,3	(6,3)
- RHO real estate fund shares	**11,4**	10,0	1,4
- Other	**18,0**	3,1	14,9
	77,7	45,3	32,4
Investments at amortized cost			
- Perfect Vision Limited convertible bonds	**76,1**	67,5	8,6
- Other bonds held to maturity	**191,6**	86,9	104,7
	267,7	154,4	113,3
Other investments	**1,4**	0,0	1,4
Total	**346,8**	199,7	147,1

As established in the DLMD bond restructuring agreement, on July 30, 2010, DLMD sold 790,190 Sequana shares to EXOR S.A. These are equal to 1.59% of capital, representing EXOR S.A.'s share of the 10,806,343 Sequana shares pledged by contract to guarantee the entire DLMD bond issue. The stock was purchased at the July 29, 2010 stock trading price (€10.90 per share for a total of €8.6 million) and the purchase price, as established in the contract, was paid by EXOR with the partial write-off of the receivable from DLMD which at June 30, 2010 had been revalued up to the market value of the 790,190 Sequana shares purchased.
On the same date, EXOR S.A. sold the remaining receivable (Senior portion and Junior portion) to DLMD shareholders for €1.

10. Comparison between carrying amounts and stock trading prices of listed investments and other listed financial assets

	Number of shares	Carrying amount		Stock trading price 12/30/2010	
		Per share (€)	Total (€ ml)	Per share (€)	Total (€ ml)
Fiat S.p.A.					
- ordinary shares	332,587,447	9.35	**3,109.4**	15.08	**5,016.1**
- preferred shares	31,082,500	9.35	**290.6**	10.85	**337.1**
- savings shares	2,338,629	9.35	**21.9**	10.80	**25.3**
	366,008,576		**3,421.9**		**5,378.5**
Sequana S.A.	13,993,329	16.50	**230.9**	11.66	**163.2**
Juventus Football Club S.p.A.	120,934,166	0.25	**30.7**	0.96	**115.6**
SGS S.A.	1,173,400	1,254.80	**1,472.4**	1,254.80	**1,472.4**
Intesa Sanpaolo S.p.A.	10,000,000	2.04	**20.4**	2.04	**20.4**
Total			**5,176.3**		**7,150.1**

11. Capital issued and reserves attributable to Owners of the Parent

Details are as follows:

€ in millions	12/31/2010	12/31/2009	Change
Capital stock	**246.2**	246.2	0.0
Reserves	**5,999.0**	5,171.7	827.3
Treasury stock	**(170.3)**	(112.5)	(57.8)
Total	**6,074.9**	5,305.4	769.5

Details of the changes during the year are as follows:

€ in millions	
Balance at December 31, 2009	**5,305.4**
Derecognition of the cumulative positive fair value on the stake sold and on the remaining stake in Intesa Sanpaolo (note 8)	(7.4)
Fair value adjustments to investment holdings and other financial assets (note 8):	
- SGS S.A.	403.9
- NoCo B	4.7
- Banijay Holding	3.4
- Other financial assets	1.6
Treasury stock buybacks	(57.8)
Attributable exchange differences on translating foreign operations (+€ 285.8 million) and other net changes recorded in equity, shown by the investments consolidated and accounted for by the equity method (+€ 66.5 million)	352.3
Dividends paid by EXOR S.p.A.	(67.9)
Consolidated profit attributable to Owners of the Parent	136.7
Net change during the year	**769.5**
Balance at December 31, 2010	**6,074.9**

Treasury stock

Under the treasury stock buyback Programs approved by the board of directors on March 25, 2009 and on May 11, 2010, in 2010, EXOR purchased 1,559,500 ordinary shares (0.97% of the class) at the average cost per share of €14.45 for a total of €22.5 million, 3,274,484 preferred shares (4.26% of the class) at the average cost per share of €10.02 for a total of €32.8 million, and also 213,295 savings shares (2.33% of the class) at the average cost per share of €11.70 for a total of €2.5 million. The total investment amounts to €57.8 million.

At December 31, 2010, EXOR S.p.A. holds the following treasury stock:

Class of stock	Number of shares	% of class	Carrying amount Per share (€)	Carrying amount Total (€ ml)
ordinary	4,109,500	2.56	12.68	52.1
preferred	10,239,784	13.33	11.13	114.0
savings	421,695	4.60	10.00	4.2
				170.3

12. Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System at December 31, 2010 shows a positive balance of €42.6 million and a negative change of €9 million compared to the balance at the end of 2009 (+€51.6 million).

The balance is composed as follows:

	12/31/2010			12/31/2009		
€ in millions	**Current**	**Non-current**	**Total**	Current	Non-current	Total
Financial assets	**724.8**	**191.7**	**916.5**	604.5	87.2	691.7
Financial receivables from subsidiaries	**30.6**	**0.0**	**30.6**	28.2	0.0	28.2
Cash and cash equivalents	**361.5**	**0.0**	**361.5**	462.5	0.0	462.5
Total financial assets	**1,116.9**	**191.7**	**1,308.6**	1,095.2	87.2	1,182.4
EXOR bonds 2007-2017	**(22.4)**	**(745.7)**	**(768.1)**	(22.4)	(745.2)	(767.6)
EXOR bonds 2006-2011	**(200.1)**	**0.0**	**(200.1)**	(0.2)	(199.7)	(199.9)
Financial payables to subsidiaries	**(7.5)**	**0.0**	**(7.5)**	0.0	0.0	0.0
Bank debt and other financial liabilities	**(240.3)**	**(50.0)**	**(290.3)**	(38.3)	(125.0)	(163.3)
Total financial liabilities	**(470.3)**	**(795.7)** (a)	**(1,266.0)**	(60.9)	(1,069.9) (a)	(1,130.8)
Consolidated net financial position of the Holdings System	**646.6**	**(604.0)**	**42.6**	1,034.3	(982.7)	51.6

(a) Does not include the negative fair value of €51.4 million on the embedded derivative relating to Perfect Vision convertible bonds (€32.2 million at December 31, 2009).

Current financial assets include equity securities listed in major international markets, listed bonds issued by leading financial institutions and mutual funds. Such financial instruments, if held for trading, are measured at fair value on the basis of the market price at year-end, translated, if appropriate, at the year-end exchange rates, with recognition of the fair value in profit or loss; if held-to-maturity, they are measured at amortized cost. Derivative financial instruments are also used.

Non-current financial assets include bonds issued by leading counterparts and listed on active and regulated markets which the Group intends, and is able to hold, until their natural reimbursement date as an investment for a part of its available cash, in order to ensure a constant flow of financial income that could be considered attractive, considered interesting. This designation was decided in accordance with IAS 39, paragraph 9.

Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide in that sense. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Financial receivables from subsidiaries include the amount drawn down by C&W Group on the credit line (for a maximum of $50 million) extended by EXOR S.p.A., for €30.6 million ($40 million) inclusive of interest accrued to the end of the year.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties since the primary objective is having investments which can readily be converted into cash. The counterparts are chosen according to their creditworthiness and reliability.

Financial payables to subsidiaries of €7.5 million refer to the amount due to Almacantar for the capital increase subscribed to but not yet paid at December 31, 2010.

The negative change of €9 million is due to the following flows:

€ in millions		
Consolidated net financial position of the Holdings System at December 31, 2009		**51.6**
Dividends received from investments		121.5
- Fiat S.p.A.	66.9	
- SGS S.A.	49.1	
- Sequana S.A.	4.6	
- Intesa Sanpaolo S.p.A.	0.8	
- Emittenti Titoli S.p.A.	0.1	
Reimbursements of reserves by investment holdings		36.0
- Gruppo Banca Leonardo	27.3	
- Alpitour S.p.A.	7.5	
- NoCo A LP	1.2	
Sale of 30,000,000 Intesa Sanpaolo ordinary shares (0.25% of ordinary capital stock)		90.0
EXOR treasury stock buybacks		(57.8)
- 3,274,484 preferred shares (4.26% of the class)	(32.8)	
- 1,559,500 ordinary shares (0.97 of the class)	(22.5)	
- 213,295 savings shares (2.33% of the class)	(2.5)	
Investments		(125.5)
- Gruppo Banca Leonardo (4.86% of capital stock)	(30.0)	
- The Economist Newspaper (4.72% of capital stock)	(29.2)	
- Almacantar (54.98% of capital stock and voting rights)	(10.0) (a)	
- NoCo B LP (net of the relative reimbursements) and Perella	(17.6)	
- Copacabana Prince Participaçoes S.A. (1.62% of capital stock)	(15.2)	
- BTG Investments	(3.8)	
- Sequana S.A. (1.59% of ordinary capital stock), net of sale of DLMD bonds	(0.2)	
- Banijay Holding (subscription to capital increase)	(1.7)	
- Other minor investments	(17.8)	
Dividends paid by EXOR S.p.A.		(67.9)
Other changes		
- Net general expenses (excluding the figurative cost of the EXOR stock option plan)		(24.6)
- Non-recurring other income (expenses) and general expenses (excluding the fair value adjustment to the Alpitour stock option plan)		(10.2)
- Indirect taxes and duties		(2.0)
- Net financial income (b)		25.8
- Income taxes paid		(7.5)
- Other net changes		13.2
Net change during the year		**(9.0)**
Consolidated net financial position of the Holdings System at December 31, 2010		**42.6**

(a) Of which €2.5 million is already paid in and €7.5 million is recorded in financial payables.

(b) Includes interest and other financial income (+€132.5 million), interest and other financial expenses (-€107.7 million), fair value adjustments to current and non-current financial assets (-€6.5 million) net of positive fair value adjustments to DLMD bonds (€2.4 million), negative fair value adjustments to Vision convertible bonds (€10.6 million) and interest income on the receivables from the tax authorities (€0.7 million), which are recorded, respectively, in non-current financial assets and other receivables and, consequently, are not included in the net financial position.

At December 30, 2010, EXOR S.p.A. has irrevocable credit lines for €850 million, of which €395 million is due after December 31, 2011, as well as revocable credit lines for approximately €708 million.

On December 17, 2010, Standard & Poor's confirmed its rating of EXOR’s long-term and short-term debt (respectively “BBB+” and “A-2”) with a negative outlook.

OTHER INFORMATION

Investments held by directors and statutory auditors

(Art. 79 of Consob Regulation under Resolution 11971 dated May 14, 1999 and subsequent amendments)

		Number of shares			
Name	Company	Held at 12/31/2009	Increase	Decrease	Held at 12/31/2010
Directors					
Gabetti Gianluigi	EXOR ordinary shares (a)	172,780			172,780
Sant'Albano Carlo	EXOR ordinary shares (a)	11,528			11,528
Agnelli Andrea	Juventus ordinary shares (a)	7,713			7,713
Teodorani-Fabbri Pio	EXOR preferred shares (b) EXOR ordinary shares (b) Fiat ordinary shares (b) Fiat savings shares (b)	427,895 124,285 6,583 5,720			427,895 124,285 6,583 5,720
Grande Stevens Franzo	EXOR preferred shares (a)	1			1
Ferrero Ventimiglia Luca	EXOR preferred shares (a)	1			1
Statutory Auditors					
Jona Celesia Lionello	EXOR ordinary shares (b)	208			208
Piccatti Paolo	Juventus ordinary shares (a)	540			540

(a) Direct holding.
(b) Indirect holding through spouse.

It should be noted that a family member of Carlo Sant'Albano holds 7,685 EXOR ordinary shares.

There are no key managers with strategic responsibilities in EXOR S.p.A..

Direction and coordination

EXOR S.p.A. is not subject to the direction and coordination of any other company or entity and is fully independent in the definition of its general strategic and operating guidelines.
Pursuant to art. 2497 of the Italian Civil Code, the subsidiary Exor Services S.c.p.a. has identified EXOR S.p.A. as the entity which exercises direction and coordination.

Programming document on security

The Company has prepared the programming document on security on March 31, 2010 for the year 2010 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum security measures. The document has been drawn up by the person in charge of the treatment of the data.

Related party transactions

Information and balances related to transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel

The information is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE BY THE MAIN OPERATING SUBSIDIARIES AND ASSOCIATES AND RELEVANT SUBSIDIARIES IN THE HOLDINGS SYSTEM

(30.45% of ordinary share capital, 30.09% of preferred share capital and 2.93% of savings share capital)

Introduction - Demerger of Fiat activities to Fiat Industrial

During 2010, the Fiat Group initiated and completed a strategic project to separate the Agricultural and Construction Equipment (CNH sector) and Trucks and Commercial Vehicles (Iveco sector) activities, as well as the "Industrial & Marine" business line of FPT Powertrain Technologies (FPT Industrial sector), from the Automobile and Automobile-related Components and Production Systems activities, which include the sectors Fiat Group Automobiles, Maserati, Ferrari, Magneti Marelli, Teksid, Comau and the "Passenger & Commercial Vehicles" business line of FPT Powertrain Technologies (Fiat Powertrain sector).

The separation of those businesses, in the form of their demerger from Fiat S.p.A. and transfer to Fiat Industrial S.p.A. (the "Demerger"), resulted in the creation of the Fiat Industrial Group (consisting of CNH, Iveco and FPT Industrial) on January 1, 2011. From the same date, Fiat Group post Demerger is comprised of Fiat Group Automobiles, Maserati, Ferrari, Fiat Powertrain, Magneti Marelli, Teksid and Comau. On January 3, 2011, Fiat Industrial S.p.A.'s shares began trading on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A..

As the transaction took effect on January 1, 2011, the consolidated financial statements for the year ended December 31, 2010 relate to Fiat Group pre Demerger (hereinafter the Fiat Group). Moreover, in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, as the Demerger became highly probable in December, all businesses to be transferred to the new Fiat Industrial Group are classified and presented as Discontinued Operations in the Fiat Group consolidated financial statements. That presentation has resulted in the following:

- for both 2010 and 2009 (the latter presented for comparative purposes), all revenues and costs relating to Discontinued Operations are reported in the Income Statement as Profit (Loss) from Discontinued Operations;

- all current and non-current assets relating to Discontinued Operations at December 2010 have been reclassified in the statement of Financial Position as Assets Held for Sale and Discontinued Operations;

- all liabilities (excluding equity) relating to Discontinued Operations at December 2010 have been reclassified in the Statement of Financial Position as Liabilities Held for Sale and Discontinued Operations;

- for both 2010 and 2009 (the latter presented for comparative purposes), all cash flows arising from Discontinued Operations have been presented in the Statement of Cash Flows as separate line items under cash flows from operating, investing and financing activities.

In other words, the Fiat Group consolidated financial statements are based on the full consolidation of subsidiaries that are to remain within the scope of operations of Fiat Group post Demerger (i.e., Continuing Operations) and those that will be transferred to Fiat Industrial Group (i.e., Discontinued Operations), with separate presentation for each group of activities.

The consolidated results of the Fiat Group can be summarized as follows:

€ in millions	**2010**	2009	Change
Net revenues	**56,258**	50,102	6,156
Trading profit (loss)	**2,204**	1,058	1,146
Operating profit (loss)	**2,009**	359	1,650
Profit (loss) for the year	**600**	(848)	1,448
Profit (loss) for the year attributable to Owners of the Parent	**520**	(838)	1,358

	Balance at		
€ in millions	**12/31/2010**	12/31/2009	Change
Total assets	**73,442**	67,235	6,207
Net debt	**14,932**	15,898	(966)
Equity attributable to Owners of the Parent	**11,544**	10,301	1,243

Net revenues

Net revenues of the Fiat Group for 2010 total €56,258 million, a 12.3% increase over 2009, when overall trading conditions were particularly weak.

Net revenues according to the Continuing Operations of the Fiat Group (Fiat post Demerger) and Discontinued Operations (Fiat Industrial) are as follows:

€ in millions	**2010**	2009	Change %
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**30,130**	28,351	6.3
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**10,865**	8,789	23.6
Other Businesses (Publishing, Holding Companies and Other)	**1,159**	1,047	10.7
Eliminations	**(6,274)**	(5,503)	
Total Continuing Operations	**35,880**	32,684	9.8
Agricultural and Construction Equipment (CNH/Case New Holland)	**11,906**	10,107	17.8
Trucks and Commercial Vehicles (Iveco)	**8,307**	7,183	15.6
FPT Industrial	**2,415**	1,580	52.8
Eliminations and Other	**(1,286)**	(902)	
Total Discontinued Operations	**21,342**	17,968	18.8
Eliminations between Continuing and Discontinued Operations	**(964)**	(550)	
Total Fiat Group	**56,258**	50,102	12.3

Continuing Operations post revenues of €35,880 million (+9.8%). In 2010, the Automobiles business record revenues of €30,130 million (+6.3%): increased sales of light commercial vehicles, and by Ferrari and Maserati, in addition to positive currency effects, more than offset the decline in passenger cars for Fiat Group Automobiles, following the phase-out of eco-incentives in major European markets. Components and Production Systems achieve a 23.6% increase in revenues to €10,865 million on the back of higher demand. Discontinued Operations record revenues of €21,342 million, up 18.8% over 2009, with significant volume recoveries for all businesses.

Trading profit (loss)

The Fiat Group posts 2010 trading profit of €2,204 million (€1,058 million for 2009). Trading profit for Continuing Operations is €1,112 million (trading margin: 3.1%), compared to €736 million for 2009 (trading margin: 2.3%). Discontinued Operations report a trading profit of €1,092 million (trading margin: 5.1%), up from €322 million for 2009 (trading margin: 1.8%). Overall, the improvements are driven by higher volumes, with the exception of passenger cars for FGA, better product mix and continued focus on costs and industrial efficiencies.

€ in millions	**2010**	2009	Change %
Automobiles (Fiat Group Automobiles, Maserati, Ferrari)	**934**	719	215
Components and Production Systems (FPT, Magneti Marelli, Teksid, Comau)	**249**	89	160
Other Businesses (Publishing, Holding Companies and Other)	**(71)**	(72)	1
Total Continuing Operations	**1,112**	736	376
Trading margin (%)	**3.1%**	2.3%	
Agricultural and Construction Equipment (CNH/Case New Holland)	**755**	337	418
Trucks and Commercial Vehicles (Iveco)	**270**	105	165
FPT Industrial	**65**	(131)	196
Eliminations and Other	**2**	11	(9)
Total Discontinued Operations	**1,092**	322	770
Trading margin (%)	**5.1%**	1.8%	
Total Fiat Group	**2,204**	1,058	1,146

Operating profit (loss)

For 2010, the Fiat Group records operating profit of €2,009 million (€359 million in 2009), which includes €195 million (€699 million in 2009) mainly due to restructuring costs (€176 million), inclusive of related asset write-offs.

Operating profit for Continuing Operations is €992 million (€378 million for 2009): the increase reflects the improvement in trading profit (+€376 million) and a reduction in net unusual expense (€120 million for 2010 compared with a €358 million charge for 2009). Operating profit for Discontinued Operations is €1,017 million: the increase over the €19 million loss for 2009 is due to improved trading performance (+€770 million) and a reduction in net unusual expense (€75 million for 2010 compared to a €341 million charge for 2009).

Net gains on the disposal of investments of the Fiat Group total €15 million, with €12 million attributable to Continuing Operations, including €10 million relating to the accounting impact of the acquisition of the remaining 50% in Fiat-GM Powertrain Polska. Discontinued Operations account for €3 million, primarily related to the gain on the disposal of the interest in the joint venture LBX Company LLC by the Agricultural and Construction Equipment sector.

Restructuring costs for the Fiat Group total €176 million (€312 million in 2009). For Continuing Operations, restructuring costs of €118 million primarily relate to Fiat Group Automobiles (€90 million) and Magneti Marelli (€26 million). For Discontinued Operations, restructuring costs total €58 million and primarily relate to FPT Industrial (€33 million) and Iveco (€19 million).

The Fiat Group reports other unusual expense of €34 million in 2010 (€391 million for 2009), €14 million of which is attributable to Continuing Operations. For Discontinued Operations, other unusual income (expense) is a negative €20 million.

Profit (loss) for the year

Net financial expense for 2010 totals €905 million for the Fiat Group (€753 million for 2009) with the increase primarily due to the cost of maintaining a higher level of liquidity. For Continuing Operations, net financial expense is €400 million (€352 million for 2009) and includes a €111 million gain in the mark-to-market value of two stock option-related equity swaps (a €117 million gain for 2009). For Discontinued Operations, net financial expense totals €505 million (€401 million for 2009).

Investment income of the Fiat Group totals €178 million, up from the €27 million figure for 2009 mainly due to an increase in earnings for joint venture companies. For Continuing Operations, investment income totals €114 million (€77 million in 2009). For Discontinued Operations, investment income is €64 million (loss of €50 million in 2009).

The Fiat Group records profit before taxes of €1,282 million (loss before taxes of €367 million for 2009), €706 million of which relates to Continuing Operations (profit before taxes of €103 million for 2009); Discontinued Operations close 2010 with a profit before taxes of €576 million, compared to a loss before taxes of €470 million for 2009.

Income taxes for 2010 for the Fiat Group total €682 million (€481 million for 2009), of which €90 million for IRAP (€99 million for 2009) and €8 million for taxes relating to prior periods (€24 million for 2009) with the remainder relating to the taxable income of companies operating outside Italy. For Continuing Operations, income taxes total €484 million (€448 million for 2009) and for Discontinued Operations, they come to €198 million (€33 million for 2009).

For 2010, the Fiat Group records a profit of €600 million (loss of €848 million for 2009), €222 million for Continuing Operations (loss of €345 million for 2009) and €378 million for Discontinued Operations (loss of €503 million for 2009).

Profit attributable to Owners of the Parent of the Fiat Group for 2010 is €520 million (loss of €838 million for 2009), €179 million for Continuing Operations (loss of €374 million for 2009) and €341 million for Discontinued Operations (loss of €464 million for 2009).

Equity attributable to Owners of the Parent

Equity attributable to Owners of the Parent of the Fiat Group at December 31, 2010 amounts to €11,544 million, with a net increase of €1,243 million compared to the balance at December 31, 2009.

Net debt

At December 31, 2010, consolidated net debt of the Fiat Group totals €14,932 million, down €966 million over the €15,898 million figure at December 31, 2009. Excluding currency translation differences, net debt falls €1,790 million for the year, with cash generated from operating activities more than offsetting investment needs (principally capital expenditure for the period and portfolio increases for the financial services companies) and dividend payments.

The split in net industrial debt between Continuing Operations and Discontinued Operations, which takes into account the effects deriving from the demerger on January 1, 2011, is €2,753 million and €12,179 million, respectively.

During 2010, net industrial debt for Fiat Group pre Demerger decreases €1,976 million to €2,442 million.

€ in millions	Balance at 12/31/2010	Balance at 12/31/2009	Change
Financial payables	**(31,008)**	(28,527)	(2,481)
- Asset-backed financing	**(8,854)**	(7,086)	(1,768)
- Other	**(22,154)**	(21,441)	(713)
Current financial receivables from jointly-controlled financial services entities (a)	**12**	14	(2)
Financial payables, net of intersegment balances and current financial receivables from jointly-controlled financial services entities	**(30,996)**	(28,513)	(2,483)
Other financial assets (liabilities) (b)	**202**	172	30
Liquidity	**15,862**	12,443	
- Current securities	**209**	217	(8)
- Cash and cash equivalents	**15,653**	12,226	3,427
Net debt	**(14,932)**	(15,898)	966
- Industrial Activities	**(2,442)**	(4,418)	1,976
- Financial Services	**(12,490)**	(11,480)	(1,010)

(a) Includes current financial receivables from the joint venture FGA Capital.
(b) Includes the positive and negative fair value of derivative financial instruments.

Subsequent events

On January 10, Fiat increased its stake in Chrysler Group LLC from 20% to 25% following achievement of the first of the three Performance Events (i.e., attainment of US regulatory approval and a commitment to produce an engine based on Fiat's FIRE family in the USA) stipulated in the alliance agreement.

On February 9, Moody's Investors Service completed the review of Fiat S.p.A.'s rating which was put under observation for a possible downgrade initiated on July 21, 2010. Fiat S.p.A.'s long-term debt rating was affirmed at Ba1 and its short-term rating at "Not Prime". The outlook is negative.

On February 11, Fiat Powertrain and Penske Corporation reached an agreement for the purchase, by Fiat Powertrain, of Penske Corporation's 50% stake in VM Motori S.p.A. The agreement is subject to the customary clearance by the relevant competition authorities. VM Motori, headquartered in Cento (Italy), is a long-established company specialized in the design and manufacture of diesel engines based on proprietary technology. Pursuant to the agreement, VM Motori will be subject to the joint control of Fiat Powertrain and GM (which acquired a 50% interest in the company in September 2007).

On February 15, during a meeting at the Unione Industriale di Torino, Fiat presented a plan for the relaunch of activities at the Officine Automobilistiche Grugliasco (formerly Carrozzeria Bertone), which has been inactive for several years. The plan centers around a €500 million investment (to begin in the second half of 2011) for production of a new E-segment Maserati for international distribution. Start of production is planned for December 2012.

SGS

(15% of share capital through EXOR S.A.)

The highlights of the consolidated results of the SGS Group in 2010 are as follows:

			Change	
CHF in millions	**12/31/2010**	12/31/2009	Amount	%
Sales	**4,757**	4,712	45	1.0
Operating profit	**836**	794	42	5.3
Profit attributable to Owners of the Parent	**588**	566	22	3.9
Consolidated net financial position	**259**	476	(217)	(45.6)

During 2010, the SGS Group recorded sales of CHF 4.8 billion, with an increase of 4.1% year-over-year (at comparable exchange rates).
All the divisions and geographical areas in which the Group operates registered stable or better trends in terms of sales except for the Automotive division (-26.7%) which was negatively affected by the end of the concession for the mandatory auto test relating to the Irish market, which occurred in January 2010.

Operating profit before non-recurring items rose to CHF 848 million (+3.1%), while operating profit is CHF 836 million, increasing CHF 42 million (+5.3%) compared to the prior year (partly due to the absence of certain non-recurring expenses which had been recorded in 2009 for CHF 20 million).

Results according to the various business sectors are as follows

	Sales		*Growth*	Operating profit		Operating margin	
CHF in millions	**2010**	2009	*rate*	**2010**	2009	**2010**	2009
Sectors							
Agricultural Services	**344**	356	*(3.4%)*	**54**	57	***15.7%***	*16.1%*
Minerals Services	**616**	536	*14.9%*	**118**	87	***19.2%***	*16.3%*
Oil, Gas & Chemicals Services	**957**	951	*0.6%*	**149**	149	***15.6%***	*15.7%*
Life Science Services	**194**	200	*(3.2%)*	**29**	29	***15.0%***	*14.5%*
Consumer Testing Services	**821**	790	*3.9%*	**212**	201	***25.8%***	*25.4%*
Systems & Services Certification	**386**	367	*5.1%*	**82**	78	***21.2%***	*21.1%*
Industrial Services	**738**	744	*(0.8%)*	**97**	104	***13.1%***	*14.0%*
Environmental Services	**278**	288	*(3.2%)*	**30**	34	***10.8%***	*11.7%*
Automotive Services	**195**	266	*(26.7%)*	**36**	44	***18.5%***	*16.3%*
Governments & Institutions Services	**229**	214	*6.8%*	**41**	39	***17.9%***	*18.4%*
Total	**4,757**	4,712	*1.0%*	**848**	822	***17.8%***	*17.4%*

The profit attributable to owners of the Parent is CHF 588 million, increasing 3.9% over 2009.

The net financial position at December 31, 2010 is positive for CHF 259 million. During the course of 2010, net investments were made for CHF 250 million, 10 acquisitions for CHF 339 million, treasury stock sales for CHF 85 million and dividends paid out for CHF 455 million.

The SGS Group expects to continue to grow in 2011 from the standpoint of both revenues and operating profit despite the significant investments forecast to support business development.

(69.83% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for the year ended December 31, 2010, prepared in accordance with IFRS, unless otherwise noted.

			Change	
$ in millions	2010	2009	Amount	%
Net revenues (Commission and service fee) **(A)**	**1,399.6**	1,209.8	189.8	15.7
Reimbursed costs – managed properties and other costs **(B)**	**359.7**	341.7	18.0	5.3
Gross revenues (A+B)	**1,759.3**	1,551.5	207.8	13.4
Operating income (loss)	**51.6**	(114.5)	166.1	n.s.
EBITDA	**92.8**	18.9	73.9	n.s.
Income (loss) attributable to Owners of the Parent	**13.1**	(127.0)	140.1	n.s.
U.S. GAAP results (*)				
EBITDA	**107.3**	28.4	78.9	n.s.
Income (loss) attributable to Owners of the Parent	**25.7**	(115.8)	141.5	n.s.

$ in millions	12/31/2010	12/31/2009	Change
Equity attributable to owners of the Parent	**762.7**	739.7	23.0
Consolidated net financial position	**(52.2)**	(178.5)	126.3

* The difference between the IFRS and U.S. GAAP measures of EBITDA and Income (loss) attributable to Owners of the Parent is primarily due to the accounting for compensation-related taxes and charges and the non-controlling interests' put option rights, in addition to certain income tax adjustments for the Income (loss) difference.

C&W Group's 2010 performance resulted in year-over-year double-digit revenue growth driven by strong operating execution through its leadership position in major markets worldwide.

This revenue growth, combined with continued discipline on operating expenses, resulted in an improvement of $140.1 million in income attributable to Owners of the Parent to $13.1 million for the year ended December 31, 2010, as compared with a loss attributable to Owners of the Parent of $127.0 million for the prior year, as reported under International Financial Reporting Standards ("IFRS").

As reported under accounting principles generally accepted in the United States of America ("U.S. GAAP"), the Company's income attributable to Owners of the Parent increased $141.5 million to $25.7 million for the year ended December 31, 2010, as compared with a loss attributable to Owners of the Parent of $115.8 million for 2009.

Gross revenues increased $207.8 million, or 13.4%, to $1,759.3 million for the year ended December 31, 2010, as compared with $1,551.5 million for the year ended December 31, 2009. The impact from foreign exchange accounted for $6.7 million, or 0.4 percentage points, of the year-over-year increase.

Net revenues increased $189.8 million, or 15.7%, to $1,399.6 million for the year ended December 31, 2010, as compared with $1,209.8 million for the year ended December 31, 2009. The impact from foreign exchange accounted for $6.7 million, or 0.6 percentage points, of the year-over-year increase.

The following presents the breakdown of gross and net revenues by geographical area:

			Change	
$ in millions	**2010**	2009	Amount	%
Americas	**1,282.3**	1,120.7	161.6	14.4
EMEA	**360.8**	343.8	17.0	4.9
Asia	**116.2**	87.0	29.2	33.6
Gross revenues	**1,759.3**	1,551.5	207.8	13.4
Americas	**969.6**	816.0	153.6	18.8
EMEA	**335.2**	323.5	11.7	3.6
Asia	**94.8**	70.3	24.5	34.9
Net revenues	**1,399.6**	1,209.8	189.8	15.7

The Americas region, including the United States, Canada and Latin America, comprised 72.9% and 69.3% of gross and net revenues, respectively, for the year ended December 31, 2010, as compared with 72.2% and 67.4% of gross and net revenues, respectively, for the year ended December 31, 2009.

EMEA, which includes Europe, the Middle East and Africa, comprised 20.5% and 23.9% of gross and commission and net revenues, respectively, for the year ended December 31, 2010, as compared with 22.2% and 26.7% of gross and net revenues, respectively, for 2009.

For the same period, Asia comprised 6.6% and 6.8% of gross and net revenues, respectively, as compared with 5.6% and 5.8% of gross and net revenues, respectively, for the prior year.

For the full year 2010, C&W Group's global primary service lines, including Leasing, Corporate Occupier & Investor Services, Valuation & Advisory and Capital Markets, comprised 55.1%, 19.2%, 11.1% and 13.3% of net revenues, respectively, as compared with 53.1%, 22.1%, 12.7% and 11.2%, respectively, for the full year 2009.

From a service line perspective, the improved net revenue performance for the year ended December 31, 2010 was primarily driven by increases in Leasing and Capital Markets revenues of $129.1 million, or 20.1%, and $51.3 million, or 38.0%, respectively. The increase in Leasing revenues was driven by increased activity, particularly in major business districts worldwide. Capital Markets revenues benefited from the increased availability of credit and capital allotted to real estate investments.

Due to the increase in revenues, commission expense increased $92.2 million, or 24.4%, to $470.0 million for the year ended December 31, 2010, as compared with $377.8 million for the year ended December 31, 2009.

The increase in commission expense is primarily attributable to an increase in the U.S. of $73.5 million, or 22.3%, to $403.4 million in the year ended December 31, 2010, as compared with $329.9 million for 2009. The increase in commission expense in the U.S. is primarily driven by the increases in Leasing and Capital Markets revenues of 21% and 58%, respectively, for 2010, as compared with the prior year.
Commission expense as a percentage of net revenues in the U.S. increased to 50.5% for 2010, as compared with 49.1% for 2009.

Costs of services sold increased $8.6 million, or 15.5%, to $64.2 million for the full year 2010, as compared with $55.6 million for the full year 2009. The increase of $8.6 million is primarily attributable to increases in Latin America and Asia Pacific of $6.9 million and $2.3 million, respectively, partially offset by a decrease in Canada of $0.5 million.

Operating expenses decreased $77.1 million, or 8.7%, to $813.8 million for the year ended December 31, 2010, as compared with $890.9 million for 2009. Excluding the impact from foreign exchange, operating expenses decreased $83.6 million, or 9.4%.
The decrease is primarily driven by reductions in impairment charges on intangible assets and restructuring expenses, which declined $76.7 million and $26.9 million, respectively. There were no impairment charges in 2010 due to improved business conditions, and restructuring expenses decreased to $3.0 million due to the fact

that substantially all of the planned restructuring actions were taken in 2009. In addition, the decrease in operating expenses is also due to reductions in facilities, professional fees, depreciation and amortization, telephone and technology, and employment expenses of $12.5 million, $11.4 million, $6.8 million, $3.6 million and $3.1 million, respectively. These reductions in operating expenses were partially offset by an increase in incentive compensation expense of $62.0 million, as the Group returned to a more normal level of profitability in 2010.

The strong revenue performance, combined with continued discipline surrounding operating expenses and other factors mentioned above, drove a significant improvement in C&W Group's operating results.
For the full year, operating income improved by $166.1 million to income of $51.6 million for 2010, as compared with an operating loss of $114.5 million for the prior year. The prior year's operating loss included non-recurring/incremental charges including non-cash impairment charges for intangible assets of $76.7 million, restructuring charges in connection with cost reduction actions of $29.9 million, and costs associated with the relocation of the Group's world headquarters of $7.5 million.

C&W Group's results led to significantly improved earnings before interest, income taxes, depreciation and amortization ("EBITDA"), net financial position and leverage ratio.

For 2010, C&W Group's EBITDA increased $73.9 million to $92.8 million, as compared with EBITDA of $18.9 million for 2009.

C&W Group's net financial position improved by $126.3 million (+70.8%) to a negative $52.2 million as of December 31, 2010, as compared with a negative $178.5 million as of December 31, 2009.

(100% of share capital)

The sole company in Italy that covers the entire chain of the tourist sector, Alpitour World is the market leader in organized travel. Tour Operating, Hotel, Incoming, Aviation, Distribution and Incentive ed Eventi form Alpitour World, a group today synonymous with 360-degree tourism.

Alpitour World's premier role in Italian tourism can not only be found in the numbers of its clients and sales but also in its constant attention to quality, the continual search for product innovation, the evolution of its organization model and its choice of partners with international acclaim.
In order to confront an ever increasingly volatile market and one that presents new challenges surpassing those of the past, Alpitour World has stepped up the study and design of vacation formats to interpret the evolution of the tastes of its customers. Among the strategies undertaken is also that of protecting and developing market niches that can guarantee new business opportunities as opposed to traditional activities. Moreover, in 2009, a development plan was launched to conquer the top position in the Independent Travellers segment, through the Alpitourworld.com platform.

With over 2.7 million customers in fiscal year 2009/2010 and thanks to specially selected international partnerships, the Group has for years been consistently in the list of the top 10 tour operators in Europe.

The financial highlights for the fiscal years 2009/2010 and 2008/2009 are as follows (note that the fiscal year closes on October 31 of each year):

			Change	
€ in millions	**2009/2010**	2008/2009	Amount	%
Net sales	**1,227.1**	1,090.2	136.9	12.6
Contribution margin	**208.6**	197.9	10.7	5.4
EBITDA	**50.4**	41.7	8.7	20.9
Profit from ordinary operations	**27.5**	17.5	10.0	57.4
Profit attributable to Owners of the Parent	**10.9**	2.3	8.7	n.s.
Equity attributable to Owners of the Parent	**83.8**	80.6	3.1	
Consolidated net financial position	**89.6**	66.5	23.2	

The economic picture in fiscal 2009/2010 is marked by an overall contraction of the tourism market, which last year had already recorded highly negative results. Moreover, the Iceland volcano cloud caused severe repercussions on the sector and, for the Alpitour Group, this led to additional operating costs of €4 million.

Despite the difficulty spawned by this scenario, 2009/2010 closes with sales of €1,227.1 million compared to €1,090.2 million in the prior year, recording an increase of 12.6%.

EBITDA records a decisive growth over the prior year, reaching €50.4 million against €41.7 million in the prior year, signaling an increase of 20.9%. The EBITDA margin rose appreciable from 3.8% to 4.1%.
The profit attributable to Owners of the Parent is €10.9 million compared to €2.3 million in 2008/2009.

As for the financial position, indicators reconfirm the decisive progress which marked the last five years: the consolidated net financial position at October 31, 2010 reaches approximately €90 million (€66.5 million at October 31, 2009), thanks to cash flows during the year which generated more than €23 million in cash, notwithstanding the continuation of the investment plan and the payment of dividends for €7.5 million.

Consolidated sales by division of the Alpitour Group are as follows:

€ in millions	2009/2010	2008/2009	Change	
			Amount	%
Tour Operating	**917.0**	805.2	111.8	13.9
Hotel	**81.2**	89.7	(8.5)	-9.5
Aviation	**183.0**	163.8	19.2	11.7
Distribution	**30.6**	30.8	(0.2)	-0.6
Incoming	**226.2**	212.2	14.0	6.6
Incentive e Grandi Eventi	**28.2**	18.8	9.4	49.7
Total	**1,466.2**	1,320.5	145.6	11.0
Elimination of intragroup transactions	**(239.0)**	(230.3)	(8.7)	3.8
Total	**1,227.1**	1,090.2	136.9	12.6

The Tour Operating business, in fiscal 2009/2010, displays a considerable increase in volumes compared to the prior year: the number of passengers, in fact, grew to about 908 thousand against 803 thousand in 2008/2009 (+13.1%). Sales, which also include revenues from reinsurance, consequently followed the same trend and settled at €917 million (€805.2 million in 2008/2009), increasing 13.9%

Also contributing to the growth of volumes and sales is the newly-formed company Welltour which in March began the sale of tourist packages to the principal destinations of the Mediterranean (Italy, Greece, Croatia, and the Balearic Islands) and Africa (Egypt and Tunisia), recording sales of approximately €37.8 million and approximately 46 thousand passengers up to October 31, 2010.

Specific company policies aimed at cutting back and adding flexibility to direct overheads and structure costs, as well as sales polices geared to maintaining catalog sales prices and protecting margins, made it possible to limit and effectively counter the consequences generated by the continuing market crisis. EBITDA for the year to October 31, 2010 is €15.6 million with an EBITDA margin of 1.7%. Welltour’s start-up costs and also higher reprotection costs following Iceland’s volcanic eruption also took a toll on the EBITDA; if such effects are not considered, EBITDA would be approximately €21.4 million (€17.2 million for the year ended October 31, 2009) with an EBITDA margin of 2.4% (2.1% in 2008/2009).

In 2009/2010, the Hotel Sector recorded sales of €81.2 million compared to €89.7 million in the prior year, including €34.6 million from tour operating of the Group (€39.2 million for the year ended October 31, 2009). The decrease in sales (-9.5%) can largely be ascribed to the effects of the economic crisis in addition to the reduction in the number of hotel structures in Italy as a result of early withdrawal from some lease contracts (Hotel Abi d’Oru and Capo Boi).

Margins, in terms of both the percentage and the amount, have been strongly affected by the reduction in sales and a policy anchored to discounted prices aimed at sustaining sales and occupancy, as well as the impact of the eruption of the Iceland volcano which in April and May caused a notable fall in foreign tourists in the city of Rome. In this environment, where all the major Italian hotel chains recorded enormous difficulties and losses, the Group’s hotel division immediately put in place actions and policies geared to cutting costs and revising the product portfolio in order to limit and partly compensate for the effects of the challenging market situation.

The Aviation Division, headed by the airline company Neos, reported sales of €183 million in fiscal 2009/2010 (€163.8 million in 2008/2009), of which €103.7 million with the Group (€100 million for the year ended October 31, 2009). The structural weakness in demand, which marked the tourism sector in 2009/2010, was more than compensated by the acquisition of traffic for *ad hoc* operations and by wet lease outs which enabled Neos to post 11.7% higher sales.

In 2009/2010, Neos operated with a fleet of five B737-800 aircraft employed on short-medium hauls in the Mediterranean, Egypt and Africa regions and with two B767–300 aircraft used on long hauls. The number of passengers was 958 thousand versus 847 thousand in 2008/2009.

Neos, again in 2009/2010, achieved important operating results thanks both to the ability to attain the highest levels of aircraft utilization and to focused sales policies and cost cuts: EBITDA for the year is €23.4 million (€12.9 million for the year ended October 31, 2009). This is a gain of 80.8% over 2008/2009; the EBITDA margin consequently rose to 12.8% from 7.9% in the previous year.

The Distribution Sector, which operates through the "Welcome Travel" travel agencies, controls a network of 984 agencies (of which 38 owned, 22 partnerships and 924 affiliates), 102 agencies more than at October 31, 2009.

The consolidation of the coordination activities of the owned points of sale begun in prior years, the strengthening of franchising relations with affiliated agencies, together with strategic plans aimed at accelerating the rationalization and reorganization of the agency network, have allowed the distribution division to effectively offset the negative effects of the general slowdown in demand linked to the persisting difficult economic scenario. In this particular context, the sector reported sales of €30.6 million (€30.8 million in 2008/2009) and an intermediate volume, referring to the entire network, of approximately €800 million. The above actions, together with an attentive policy rationalizing and cutting variable overheads and structure costs, allowed the operating margin to grow: EBITDA increased from €1.3 million to €3.1 million and as result of this improvement, the EBITDA margin rose to 10% in 2009/2010 from 4.1% in 2008/2009.

The Incoming Sector (Jumbo Tours Group) recorded sales of €226.2 million in 2009/2010 (of which €83.5 million with the Alpitour Group), showing an increase (+6.6%) compared to the prior year (€212.2 million). The number of passengers managed grew 13.9% over 2008/2009. Moreover, the "Jumbo on line" portal dedicated to B2B sales posted revenues of €93.3 million in 2009/2010 (€72 million in 2008/2009), with the number of customers managed at 619 thousand (460 thousand in the prior year).

By employing sales polices aimed at protecting margins, combined with actions geared to cutting costs, the incoming sector maintained satisfactory operating margins during the year: EBITDA improved to €2.9 million (€2.2 million in 2008/2009), with the EBITDA margin at 1.3% (1% in 2008/2009). However, the EBITDA margin would have been 1.7% for 2009/2010 (1.4% in 2008/2009) had the sales been excluded for all the services, carried out mainly for the tour operator of the group, for which the incoming division, operating as the correspondent at the destination, invoices without any margin, principally for hotel services, since it is paid in the form of a handling fee.

The M.I.C.E. Sector, headed by the company AW Events, registered sales for the year of €28.2 million (€18.8 million in the prior year). The sector was able to take advantage of and fully exploit the recovery in demand which in the prior year had been severely depressed by the economic crisis.

As early as the prior year, AW Events put in place an intensive strategic revision of its business (consolidating the Events division which records a higher margin) and the operating development policies aimed at reaching a leadership role in the medium term in the Italian market. The implementation of these actions made it possible to expand the reference market and to protect the percentage margin thanks partly to its contractual leverage over principal suppliers. Owing to these actions, EBITDA improved significantly compared to the prior year, in terms of the amount (a profit of €0.8 million in 2009/2010, a loss of €1 million in 2008/2009) and the EBITDA margin (2.8% in 2009/2010 versus -5.6% in the prior year).

At the beginning of February 2011, an agreement was sealed between Alpitour S.p.A. and Costa Crociere S.p.A. so that the latter could invest in Welcome Travel with a 50% stake. The agreement, subject to normal regulatory authorizations, proposes to continue the development and growth of the Welcome Travel network.

(60.00% of share capital)

The following data are taken from the half-year report of Juventus Football Club S.p.A. at December 31, 2010. Since Juventus Football Club's financial year ends on June 30 of every year and its activity is highly seasonal in nature, typical of the sector and particularly determined by the calendar of sport events, the interim data presented should not be construed as representing the basis for a full-year projection.

	I Half		
€ in millions	**2010/11**	2009/10	Change
Revenues	**88.8**	125.0	(36.2)
Operating income (loss)	**(37.7)**	25.0	(62.7)
Net income (loss)	**(39.5)**	14.2	(53.7)

€ in millions	**12/31/2010**	6/30/2010	Change
Shareholders' equity	**51.1**	90.3	(39.2)
Net financial position	**(56.8)**	6.4	(63.3)

Revenues for the first half of the financial year 2010/2011 total €88.8 million. This is a decrease of 29% compared to €125 million in the first half of the prior financial year due mainly to lower revenues from participation in UEFA competitions, lower game receipts and revenues from the sale of media rights for the Championship following the coming into force of the new regulations on the centralized sale of television rights, as well as the different time distribution of games.
Income from players' registration rights amount to €14.3 million compared to €13.6 million in the first half of 2009/2010.

Operating costs in the first half of 2010/2011 amount to €100.1 million, increasing 16.8% compared to €85.7 million in the corresponding period of 2009/2010. This is largely due to higher one-off incentive payments made to players leaving the company and higher costs for the temporary acquisition of players' registration rights. The latter are included in the costs for the management of players' rights which grew to €8 million from €2.2 million in the same period of the prior year).

The operating loss and net loss for the first half of 2010/2011 are €37.7 million and €39.5 million, respectively, compared to operating income and net income of €25 million and €14.2 million, respectively, in the corresponding period of the prior year.

Shareholders' equity at December 31, 2010 is €51.1 million, decreasing from €90.3 million at June 30, 2010, whereas the net financial position is a negative balance of €56.8 million compared to a positive balance of €6.4 million at June 30, 2010, decreasing principally because of payments made during the first half for the construction of the new Stadium.

Transfer campaign

The various operations completed in the first and second phases of the Transfer Campaign 2010/2011 entailed a total increase in the capital invested of €26.3 million. In the course of the Transfer Campaign, option rights were also underwritten for the definitive purchase of some soccer players (to be exercised by the end of the 2010/2011 soccer season) which could, if exercised, entail an overall investment of €58.3 million during the financial year 2011/2012.
The economic impact of the gains and losses from the disposal of players' registration rights is positive for €16.3 million. The temporary acquisitions and disposals of players' registration rights determines a net negative effect on an annual basis of €10.6 million The overall financial effect, including implicit finance expenses and income on deferred receipts and payments is a negative €21.3 million.

New Stadium

Construction work on the new Stadium continued in the first six months of the financial year and at December 31, 2010 amounted to €58 million, equal to 66% of the costs envisaged for the construction already contracted. With reference to the financing of the new Stadium, during the same period, the *Istituto per il Credito Sportivo* disbursed a second and third installment, respectively for €7.5 million and €10 million, on the first loan of €50 million. The total sum thus disbursed so far is €30 million.

SEQUANA

(28.24% of share capital through EXOR S.A.)

The highlights of the consolidated results of the Sequana Group in 2010 are as follows:

€ in millions	**2010**	2009	Change
Net sales	**4,333**	4,088	245
Gross operating profit	**224**	213	11
Trading profit	**148**	137	11
Current profit	**61**	73	(12)
Profit attributable to Owners of the Parent	**32**	20	12
Equity attributable to Owners of the Parent	**814**	738	76
Consolidated net debt	**674**	651	23

Net sales in 2010 amount to €4,333 million, increasing 6% compared to 2009 (+2.5% at comparable exchange rates), thanks particularly to the policy of increasing prices applied in both the distribution business and the manufacturing activities in all segments of the market and countries (except for the United States).

Gross operating profit is €224 million (+5.5% compared to 2009) and the gross operating margin is 5.2%, in line with the previous year.
Trading profit is €148 million versus €137 million in 2009 (+7.7%) and the trading profit margin is 3.4%.
The current profit is €61 million, decreasing €12 million compared to 2009 when deferred tax benefits were benefits. After non-recurring expenses (mainly restructuring expenses of Antalis) for €29 million, the profit attributable to Owners of the Parent is €32 million.

Consolidated net debt at December 31, 2010 is equal to €674 million compared to €651 million at December 31, 2009.

The Sequana board of directors will put forward a motion to the shareholders' meeting on May 19 to pay out dividends of €0.40 per share.

As regards the distribution business, in 2010, Antalis records an increase in trading profit of 17.8% to €88 million compared to €75 million in 2009, raising the trading margin to 3% (+0.3 percentage points). Arjowiggins instead displays a 3.3% increase in trading profit to €76 million, against €74 million in 2009, with a stable margin at 4.4%.

As part of its strategy, in 2010, Sequana has continued to focus on distribution activities, in which Antalis is the European leader and to participate in the process to consolidate the market also by aiming at the leadership position with Arjowiggins' production activities.

Arjowiggins is in the process of finalizing the sale of the production facilities of Arches (France) and Dettingen (Germany) to the Swedish Munksjö group, while Antalis has sold its activities of Antalis Office Supplies in Spain and of Firmo in Portugal at the beginning of 2011.
The amount of the sales realized by Sequana totals more than €120 million (in terms of the enterprise value of the companies sold) and reflects the value of its activities; these sales will contribute to a reduction in the group's debt with a positive impact in the first quarter of 2011 of approximately €100 million.

EXOR S.A.

(100% of share capital)

The highlights of the financial statements at December 31, 2010, prepared under the laws of Luxembourg, are as follows:

€ in millions	**2010**	2009	Change
Profit (loss) for the year	**79.2**	(76.8)	156.0
Equity	**2,208.0**	2,258.9	(50.9)
Non-current financial assets	**2,306.0**	2,287.1	18.9
Net financial position	**(43.2)**	(26.1)	(17.1)

The profit for the year 2010 comes from dividends on investments (€53.9 million) and financial income (€55.5 million), net of impairments of financial assets (€14.7 million).

The loss for the year 2009 is due to the impairment losses on financial assets for €128.8 million. Such impairment losses refer to the investment held in C&W Group Inc. (€90.1 million), DLMD bonds (€9.2 million) and Perfect Vision bonds (€27.9 million) as well as other financial assets (€1.6 million).

At December 31, 2010, non-current financial assets include the following investments and bonds:

	Number	**12/31/2010**			
	of shares	**% of capital**	**Carrying amount**	12/31/2009	Change
SGS S.A.	1,173,400	**15.00**	**1,016.3**	1,016.3	0.0
Exor Capital Ltd	4,000,000	**100.00**	**354.0**	464.0	(110.0)
C&W Group Inc.	511,015	**69.82**	**405.0**	405.0	0.0
Sequana S.A.	13,993,329	**28.24**	**191.7**	183.1	8.6
Gruppo Banca Leonardo S.p.A.	37,883,306	**14.57**	**85.1**	82.4	2.7
Banijay Holding S.A.S.	351,590	**17.08**	**35.3**	33.6	1.7
NoCo B Lp			**29.2**	16.4	12.8
The Economist Newspaper Ltd	1,190,000	**4.72**	**30.3**	1.1	29.2
Copacabana Prince Partecipações	33,465,401	**1.61**	**15.2**	-	-
Exor LLC		**99.80**	**11.7**	-	-
Almacantar	10,000,000	**54.98**	**10.0**	-	-
Ancom USA	10	**100.00**	**9.9**	9.9	0.0
BTG Investments L.P.	6,217,617	**0.26**	**3.8**	-	-
Exor Inc.	100	**100.00**	**1.2**	0.6	0.6
Other			**1.4**	0.2	1.2
Total investments			**2,200.1**	2,212.6	(12.5)
Other non-current financial assets			**105.9**	74.5	31.4
Total non-current financial assets			**2,306.0**	2,287.1	18.9

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE PAYMENT OF DIVIDENDS

Dear Shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2010 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit of €151,861,007.71 as follows:

- to the 156,149,996 ordinary shares currently outstanding, dividends equal to €0.31 per share, equal to a maximum	€	48,406,498.76
- to the 66,561,676 preferred shares currently outstanding, dividends equal to €0.3617 per share, equal to a maximum	€	24,075,358.21
- to the 8,747,199 savings shares currently outstanding, dividends equal to €0.3881 per share, equal to a maximum	€	3,394,787.93
- to the Reserve for net unrealized exchange gains (art. 2426, para. 8 bis, of the Italian Civil Code)	€	538,769.37
- to the Extraordinary Reserve, the remaining amount, equal to a minimum	€	75,445,593.44
Profit for the year 2010	**€**	**151,861,007.71**

The dividends proposed, equal to a maximum of €75,876,644.90, are payable to the shares outstanding, thus excluding those directly held by EXOR S.p.A. on May 23, 2011, the ex-dividend date. The payment of dividends will begin on May 26, 2011.

Turin, March 28, 2011

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Separate Financial Statements

at December 31, 2010

EXOR S.p.A. – INCOME STATEMENT

€	Note	2010	2009	Change
Investment income (expenses)				
Dividends from investments	1	**197,783,916**	120,029,226	77,754,690
Gains on disposals of investments	2	**14,810,751**	21,685,128	(6,874,377)
Impairment losses on investments	3	**(4,643,487)**	0	(4,643,487)
Net investment income		**207,951,180**	141,714,354	66,236,826
Financial income (expenses)				
Financial expenses from third parties	4	**(112,618,583)**	(78,592,412)	(34,026,171)
Financial income from third parties	5	**90,896,038**	56,838,661	34,057,377
Financial income from related parties	36	**2,872,693**	1,659,483	1,213,210
Gains (losses) on exchange	6	**3,799,599**	693,545	3,106,054
Net financial expenses		**(15,050,253)**	(19,400,723)	4,350,470
Net general expenses				
Personnel costs	7	**(8,812,938)**	(8,724,229)	(88,709)
Purchases of goods and services from third parties	8	**(4,440,141)**	(4,308,004)	(132,137)
Purchases of goods and services from related parties	36	**(9,278,993)**	(8,565,456)	(713,537)
Other operating expenses	9	**(462,309)**	(578,274)	115,965
Depreciation and amortization		**(9,055)**	(8,655)	(400)
		(23,003,436)	(22,184,618)	(818,818)
Revenues from third parties		**63,962**	231,027	(167,065)
Revenues from related parties	36	**482,351**	343,231	139,120
		546,313	574,258	(27,945)
Net general expenses		**(22,457,123)**	(21,610,360)	(846,763)
Non-recurring other income (expenses) and general expenses				
Personnel costs	10	**(2,944,599)**	(4,499,064)	1,554,465
Purchases of goods and services from third parties	11	**(3,067,524)**	(1,443,500)	(1,624,024)
Purchases of goods and services from related parties	36	**(1,182,094)**	(1,179,968)	(2,126)
Non-recurring other operating expenses from third parties	12	**(400,000)**	(237,534)	(162,466)
Non-recurring other income (expenses) from related parties	36	**(9,747,938)**	(4,157,685)	(5,590,253)
Non-recurring other income (expenses) and general expenses		**(17,342,155)**	(11,517,751)	(5,824,404)
Indirect taxes and duties				
Non-deductible VAT	13	**(1,204,291)**	(3,515,086)	2,310,795
Other indirect taxes		**(5,759)**	(7,680)	1,921
Indirect taxes and duties		**(1,210,050)**	(3,522,766)	2,312,716
Profit before income taxes		**151,891,599**	85,662,754	66,228,845
Income taxes	14	**(30,591)**	3,159,993	(3,190,584)
Profit for the year		**151,861,008**	88,822,747	63,038,261

EXOR S.p.A. – STATEMENT OF COMPREHENSIVE INCOME

€	**2010**	2009
Gains/(losses) on cash flow hedges	**9,135,120**	(1,189,573)
Gains/(losses) on fair value of available-for-sale financial assets	**(24,953,882)**	24,853,200
Income taxes relating to components of Other comprehensive income	**342,126**	(343,662)
Actuarial gains/(losses)	**20,861**	(105,514)
Total other comprehensive income, net of tax	**(15,455,775)**	23,214,451
Profit for the year	**151,861,008**	88,822,747
Total comprehensive income	**136,405,233**	112,037,198

EXOR S.p.A. – STATEMENT OF FINANCIAL POSITION

€	Note	**12/31/2010**	12/31/2009	Change
Non-current assets				
Investments accounted for at cost	15	**3,806,958,518**	3,814,033,999	(7,075,481)
Available-for-sale investments	15	**31,812,171**	136,600,000	(104,787,829)
Total Investments		**3,838,770,689**	3,950,633,999	(111,863,310)
Held-to-maturity financial instruments	16	**138,093,789**	71,388,798	66,704,991
Other financial assets		**104,641**	320,259	(215,618)
Intangible assets		**106,735**	113,467	(6,732)
Property, plant and equipment		**4,427**	6,299	(1,872)
Other receivables		**1,291**	1,291	0
Total Non-current assets		**3,977,081,572**	4,022,464,113	(45,382,541)
Current assets				
Held-to-maturity financial instruments	16	**0**	5,006,963	(5,006,963)
Financial assets held for trading	17	**589,217,779**	270,638,950	318,578,829
Cash and cash equivalents	18	**219,795,393**	337,355,303	(117,559,910)
Other financial assets	19	**6,780,879**	5,766,043	1,014,836
Tax receivables	20	**45,677,637**	44,899,508	778,129
Financial receivables from related parties	36	**30,592,975**	28,163,323	2,429,652
Financial receivables from others		**0**	21,580	(21,580)
Trade receivables from related parties	36	**215,425**	129,627	85,798
Other receivables		**454,958**	442,074	12,884
Total Current assets		**892,735,046**	692,423,371	200,311,675
Total Assets		**4,869,816,618**	4,714,887,484	154,929,134
Equity				
Share capital	21	**246,229,850**	246,229,850	0
Capital reserves	22	**1,746,289,493**	1,746,289,493	0
Retained earnings and other reserves	23	**1,578,461,200**	1,570,995,123	7,466,077
Treasury shares	25	**(170,327,086)**	(112,491,299)	(57,835,787)
Profit for the year		**151,861,008**	88,822,747	63,038,261
Total Equity		**3,552,514,465**	3,539,845,914	12,668,551
Non-current liabilities				
Non-convertible bonds	27	**745,699,834**	944,884,266	(199,184,432)
Bank debt	28	**50,000,000**	125,000,000	(75,000,000)
Deferred tax liabilities	29	**21,703,995**	22,046,120	(342,125)
Provisions for employee benefits	30	**2,634,915**	3,239,961	(605,046)
Other payables	32	**809,738**	192,886	616,852
Total Non-current liabilities		**820,848,482**	1,095,363,233	(274,514,751)
Current liabilities				
Non-convertible bonds	27	**199,918,170**	0	199,918,170
Bank debt	28	**231,094,658**	25,125,910	205,968,748
Other financial liabilities	31	**31,824,520**	35,724,895	(3,900,375)
Trade payables and other payables to related parties	36	**23,860,517**	12,725,622	11,134,895
Trade payables to third parties		**4,424,549**	2,610,973	1,813,576
Tax payables		**905,733**	665,785	239,948
Other payables	32	**4,425,524**	2,825,152	1,600,372
Total Current liabilities		**496,453,671**	79,678,337	416,775,334
Total Equity and Liabilities		**4,869,816,618**	4,714,887,484	154,929,134

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury shares	Earnings reserve	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2008	**163,251,460**	**386,346,907**	**(70,477,224)**	**1,415,288,869**	**0**	**(4,909,901)**	**1,889,500,111**
Changes due to the merger of IFIL							
- Recognition of EXOR shares held by Exor Services			(2,762,861)				(2,762,861)
- Reinstatement of IFIL S.p.A. reserves:							
. fair value reserve		(1,475,246)			1,475,246		0
. stock option reserve		(1,202,662)		1,202,662			0
. cash flow hedge reserve		5,119,196				(5,119,196)	0
- Recognition of merger surplus		499,198,763					499,198,763
- EXOR shares issued in share exchange							0
. 73,809,496 ordinary shares at € 5.36	73,809,496	321,809,403					395,618,899
. 9,168,894 savings shares at € 3.86	9,168,894	26,223,037					35,391,931
- Recognition of share exchange difference		746,997,492					746,997,492
- Allocation of expenses relating to IFIL merger		(17,093,570)					(17,093,570)
Replenishment of tax-deferred reserves							
- Revaluation reserve Law 408/90		(243,894,287)		243,894,287			0
- Revaluation reserve Law 413/91		(2,586,032)		2,586,032			0
- Revaluation reserve Law 576/75		(15,167,583)		15,167,583			0
Dividends paid to shareholders (€ 0.319 per ordinary share,							0
€ 0.3707 per preferred share, € 0.4580 per savings share)				(81,736,536)			(81,736,536)
Purchase of treasury shares		42,014,075	(42,014,075)	(42,014,075)			(42,014,075)
Dividends statute-barred				1,752			1,752
Sale of treasury shares held through subsidiary			2,762,861	(342)			2,762,519
Effect of wind-up of Ifil Investment Holding				20,028			20,028
Increase corresponding to figurative cost of EXOR stock option plan				1,924,263			1,924,263
Total comprehensive income				88,717,233	24,509,538	(1,189,573)	112,037,198
Net changes during the year	**82,978,390**	**1,359,942,586**	**(42,014,075)**	**229,762,887**	**25,984,784**	**(6,308,769)**	**1,650,345,803**
Equity at December 31, 2009	**246,229,850**	**1,746,289,493**	**(112,491,299)**	**1,645,051,756**	**25,984,784**	**(11,218,670)**	**3,539,845,914**
Dividends paid to shareholders (€ 0.27 per ordinary share,							
€ 0.3217 per preferred share, € 0.3481 per savings share)				(67,866,477)			(67,866,477)
Purchase of treasury shares			(57,835,787)				(57,835,787)
Dividends statute-barred				1,592			1,592
Increase corresponding to figurative cost of EXOR stock option plan				1,963,989			1,963,989
Total comprehensive income				151,881,870	(24,611,756)	9,135,120	136,405,234
Net changes during the year	**0**	**0**	**(57,835,787)**	**85,980,974**	**(24,611,756)**	**9,135,120**	**12,668,551**
Equity at December 31, 2010	**246,229,850**	**1,746,289,493**	**(170,327,086)**	**1,731,032,730**	**1,373,028**	**(2,083,550)**	**3,552,514,465**
Note	21	22	25	23	23	23	

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2010	2009
Cash and cash equivalents, at start of year		**337,355,303**	411,946,475
Cash flows from (used in) operating activities			
Profit for the year		**151,861,008**	88,822,747
Adjustments for:			
Gains on disposals of investments	2	**(14,810,751)**	(21,685,128)
Quota in kind of dividends collected by Exor S.A.	1	**(96,952,623)**	0
Effective portion of losses on cash flows hedges reclassified to income statement	4	**9,653,616**	5,609,442
Depreciation and amortization		**9,055**	8,656
Figurative cost of EXOR stock option plan	26	**1,526,941**	1,487,217
Expenses relating to IFIL merger		**0**	(17,093,570)
Release of deferred taxes		**0**	(3,232,804)
Impairment losses on investments	3	**4,643,487**	0
Non-recurring other (income) expenses, accrued and not yet collected/paid		**10,147,938**	4,157,685
Total adjustments		**(85,782,337)**	(30,748,502)
Change in working capital:			
Change in other financial assets, current and non-current	19	**(799,218)**	(4,270,799)
Change in tax receivables, excluding items adjusting profit for the year	20	**(778,129)**	17,683,586
Change in trade receivables from related parties		**(85,798)**	0
Change in other receivables, current and non-current		**(12,883)**	7,120,365
Change in other financial receivables		**21,580**	0
Change in other payables, current and non-current	32	**1,817,224**	0
Change in other financial liabilities, current and non-current	31	**575,432**	7,225,165
Change in trade payables and other payables to related parties, excluding items adjusting profit for the year		**1,386,957**	(762,648)
Change in trade payables to third parties		**1,813,576**	1,204,310
Change in taxes payable		**239,948**	0
Net change in provisions for employee benefits, excluding actuarial differences recognized in equity		**(584,185)**	(1,158,560)
Other net changes in working capital		**0**	(264,851)
Net change in working capital		**3,594,504**	26,776,568
Net cash flows from (used in) operating activities		**69,673,175**	84,850,813
Cash flows from (used in) investing activities			
Purchases of property, plant and equipment		**(450)**	(122,419)
Held-to-maturity financial instruments, current and non-current	16	**(61,698,028)**	(76,395,761)
Investments in current financial assets	17	**(221,626,206)**	(100,140,235)
Partial distribution of Alpitour reserves	15	**7,500,000**	0
Wind-up of investment		**0**	192,689
Disposal of investment	15	**90,013,740**	217,201,341
Investments in equity investments		**0**	(23,042,781)
Net cash flows from (used in) investing activities		**(185,810,944)**	17,692,834
Cash flows from (used in) financing activities			
Change in financial receivables from related parties	36	**(2,429,652)**	(28,163,323)
Other changes in bonds		**733,738**	705,361
Net change in bank debt	28	**130,968,748**	(16,389,784)
Changes in fair value of cash flow hedge derivatives	31	**4,994,303**	(12,300,733)
Dividends distributed		**(67,866,477)**	(81,736,536)
Purchases of treasury stock	25	**(57,835,787)**	(42,014,075)
Sale of EXOR ordinary shares held by subsidiary		**0**	2,762,519
Dividends statute-barred and other net changes		**1,592**	1,752
Cash flows from (used in) financing activities		**(1,422,141)**	(177,134,819)
Net increase (decrease) in cash		**(117,559,910)**	(74,591,172)
Cash and cash equivalents, at end of year		**219,795,393**	337,355,303

EXOR S.p.A. – NOTES TO THE SEPARATE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE COMPANY

EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Corso Matteotti 26. EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.164% of share capital, specifically 59.10% of ordinary share capital, 39.24% of preferred share capital and 12.36% of savings share capital.
EXOR's three classes of stock (ordinary, preferred and savings) are traded on the Electronic Share Market under the stock symbol EXOR since March 2, 2009.

Further information is provided in the Report on Operations under "EXOR Group Profile".

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Beginning from the financial year 2006, the separate financial statements of EXOR S.p.A. have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and recognized by the European Community in accordance with Regulation 1606/2002 of the European Parliament and Council dated July 19, 2002. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The disclosure required by IFRS 1 – *First-time Adoption of IFRS*, relative to the effects of the transition to IFRS, was presented in a specific Appendix to the separate financial statements at December 31, 2006.

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 dated July 27, 2006 and in Consob Communication 6064293 dated July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

Formats of the separate financial statements and other information

The separate income statement is presented using a classification based on the nature of the revenues and expenses, with the presentation of investment income (expenses) and financial income (expenses) taking preference since these items are characteristic of EXOR S.p.A.'s activities.

Since the year 2009, in view of the significance of the amounts, Non-recurring other income (expenses) and general expenses are presented separately from net general expenses that are recurring. The line item includes any exceptional or non-recurring costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees, defendant legal fees and adjustments to liabilities for the Alpitour stock option plan. Moreover, indirect taxes and duties are also presented separately.

In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

The statement of comprehensive income presents the total income and expenses recognized in the income statement and increases or decreases in reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the Company's functional currency and presentation currency.

In the separate financial statements, the amounts are expressed in Euro.
In the notes, unless otherwise indicated, the data are expressed in thousands of Euro.
Significant events in 2010 and in the first quarter of 2011, the principal risks and uncertainties and the business outlook are presented in specific paragraphs of the Report on Operations.

Related party transactions, unusual and/or atypical transactions and significant non-recurring events and transactions

Related party transactions

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 36.

Stock option plan linked to Alpitour shares

At December 31, 2010, the liabilities of the stock option plan linked to Alpitour shares amounts to €21.9 million compared to €12.2 million at December 31, 2009. The difference of €9.7 million was charged to the income statement under “Non-recurring other expenses from related parties”. Further information is provided in Note 26.

Beside what has been indicated, there are no significant non-recurring events or transactions or significant unusual and/or atypical transactions to be reported as required by Consob Communication 6064293 dated July 28, 2006.

General principle

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading, as well as on the going concern assumption.
Despite operating in a difficult economic and financial environment, the directors have in fact assessed that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. This objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell.
At the end of each reporting period, EXOR S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if appropriate, the carrying amount is increased up to the cost of the investment.

Available-for-sale investments and non-current other financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Impairment losses recognized in the income statement may not later be reversed through the income statement.
Upon disposal of the asset, the accumulated gains or losses recorded in equity are credited or debited to the income statement.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held-to-maturity securities

Held-to-maturity securities are non-derivative assets with fixed or determinable payments and fixed maturities that EXOR has the positive intention and ability to hold to maturity.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the Company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset was initially measured net of repayments of principal, decreased by the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method used for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.
If there is objective evidence of an impairment loss or a risk that the Company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.
Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Treasury shares

The cost of any treasury shares purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury shares in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans

Pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the Company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee. Following the changes in regulations for employee leaving entitlement pursuant to Law 296 dated December 27, 2006 (Budget Law 2007) and later decrees and regulations, defined contribution plans include the portions of employee leaving entitlement accruing from January 1, 2007. However, since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to the supplementary pension fund.

Consequently, for those who transfer the entire amount accrued to the supplementary pension fund, the Company records the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Company has the obligation to set aside the costs relating to the benefits guaranteed to its employees in service. The actuarial risk and the investment risk are thus substantially borne by the Company.

Defined benefit plans, which include employee leaving entitlements, taking into account what was described above, are measured by actuarial techniques using the Projected Unit Credit Method.

All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.

For defined benefit plans, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Employee benefits – Stock option plans

Stock option plans linked to EXOR shares

Share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component deriving from stock option plans linked to EXOR shares but relating to employees in other companies of the Holdings System, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees and consequently recorded as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Stock option plans linked to shares of the subsidiary Alpitour

This is a stock option plan that requires a monetary payment equal to the increase in the value of the company.

The fair value of the liability of the plan is re-measured at each reporting date until its extinction.

The cost is recognized in the income statement in “Non-recurring other expenses” with a corresponding entry to “Other payables to related parties”.

If the payable to related parties decreases, the resulting income is recognized in the income statement in “Non-recurring other income from related parties”.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. EXOR designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.
A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the Company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.
When financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established.

Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.

Revenues from services are recognized by reference to the stage of completion of the service at the end of the reporting period.

The expenses incurred for the Merger were recognized in “Current assets – Other receivables” and, as a result, did not impact the profit for the year 2009. Such expenses were recorded directly as a deduction from additional paid-in capital which originated from recording the share capital increase carried out to service the exchange of the shares of the merged company canceled.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates particularly refer to the measurement of investments.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement or in equity in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are investments accounted for at cost and available-for-sale investments.

In particular:

- the carrying amounts of listed investments accounted for at cost or fair value were lower than or corresponding to the stock market prices at the end of 2010;
- for the other unlisted investments accounted for at cost or fair value, their measurement indicated no evidence of impairment.

No critical or significant issues have arisen, however, in relation to the estimates used for employee benefits, taxes or provisions, also taking into consideration their level of materiality.

Adoption of new accounting standards, amendments and interpretations issued by the IASB

Accounting standards, amendments and interpretations effective from January 1, 2010 but not applicable to the Company

The following amendments, improvements and interpretations, effective from January1, 2010, relate to issues that were not applicable to the Company at the date of these financial statements, but which may have an impact on the accounting treatment of future transactions or arrangements:

- IFRS 3 (2008) – *Business Combinations*.
- IAS 27 (2008) – *Consolidated and Separate Financial Statements*.
- Improvement to IFRS 5 (2008) – *Non-current Assets Held for Sale and Discontinued Operations*.
- Amendments to IAS 28 – *Investments in Associates* and IAS 31 – *Interests in Joint Ventures* consequent to the amendments to IAS 27.
- Improvements to IAS/IFRS (2009).
- Amendment to IFRS 2 – *Share based Payment:* Group Cash-settled Share-based Payment Transactions.
- IFRIC 17 – *Distributions of Non-cash Assets to Owners*.
- IFRIC 18 – *Transfers of Assets from Customers*.
- Amendment to IAS 39 – *Financial Instruments: Recognition and Measurement:* Eligible Hedged items.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

On October 8, 2009, the IASB issued an amendment to IAS 32 – *Financial Instruments: Presentation* on "Classification of rights issues", which addresses accounting for rights issues (rights, options or warrants) denominated in a currency other than an issuer's functional currency. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights are classified as equity regardless of the currency in which the exercise price is denominated. The amendment is applicable retrospectively from January 1, 2011. Adoption of this amendment is not expected to have any impact on the Company's financial statements.

On November 4, 2009, the IASB issued a revised version of IAS 24 – *Related Party Disclosures* that simplifies the disclosure requirements for transactions with government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after January 1, 2011. Adoption of this standard will have no effect on the measurement of items in the financial statements and with regard to the disclosure for related parties.

On November 12, 2009, the IASB issued IFRS 9 – *Financial Instruments*, which was amended on October 28, 2010. The new standard, effective from January 1, 2013, represents completion of the first phase of a project to replace IAS 39 and introduces new requirements for classifying and measuring financial assets and liabilities and derecognition of financial assets. For financial assets, the standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value – replacing the many different rules in IAS 39 – which is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. For financial liabilities, on the other hand, the principal change relates to the recognition of changes in fair value of financial liabilities measured at fair value through profit or loss, when such changes are due to changes in the credit risk of the liability. According to the new standard, these changes must be recognized in other comprehensive income rather than through profit or loss. At the date of these financial statements, the new standard had not yet been endorsed by the European Union.

On November 26, 2009, the IASB issued a minor amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement*. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits an entity to treat the benefit of such early payment as an asset. The amendment has an effective date of January 1, 2011. Adoption of this amendment is not expected to have any impact on the Company's financial statements.

On November 26, 2009, IFRIC issued the interpretation IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments* that provides guidance on how to account for the extinguishment of a financial liability through the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and initial measurement of the equity instruments issued is recognized in profit or loss for the period.
The interpretation is applicable from January 1, 2011. Adoption of this interpretation is not expected to have any impact on the Company's financial statements.

On May 6, 2010, the IASB issued a set of amendments to IFRSs ("Improvements to IFRSs") that are applicable from January 1, 2011. Set out below are those that may lead to changes in the presentation, recognition or measurement of items in the financial statements, excluding those that only relate to changes in terminology or editorial changes having a limited accounting effect and those that affect standards or interpretations that are not applicable to the Company:

- IFRS 7 – *Financial Instruments: Disclosures*: this amendment emphasizes the interaction between the qualitative and quantitative disclosures required by the standard concerning the nature and extent of risks arising from financial instruments. This should help users of financial statements to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. In addition, the disclosure requirement relating to financial assets that are past due or impaired, but whose term has been renegotiated, and to the fair value of collateral has been removed.

- IAS 1 – *Presentation of Financial Statements*: the amendment requires the reconciliation in the changes of each component of equity to be presented in the notes or in the primary statements.

At the date of these financial statements, application of these amendments had not yet been endorsed by the European Union.

On October 7, 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*, applicable for reporting periods commencing on or after July 1, 2011. The amendments allow users of financial statements to improve their understanding of transfers of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfers are undertaken around the end of a reporting period. At the date of these financial statements, application of these amendments had not yet been endorsed by the European Union.

On December 20, 2010, the IASB issued a minor amendment to IAS 12 – *Income taxes*, requiring an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. As a result of this amendment, SIC 21 – *Income Taxes – Recovery of Revalued Non-Depreciable Assets* will no longer apply. The amendment is applicable from January 1, 2012. At the date of these financial statements, the amendment had not yet been endorsed by the European Union.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2010 is represented by the carrying amount of financial assets presented in the financial statements. The Company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparts selected according to their creditworthiness.

In its meeting held on March 25, 2009, the EXOR board of directors voted to extend a 3-year subordinated credit line for $50 million to the subsidiary C&W Group. The loan was partly drawn down by C&W Group for an amount of $40 million at December 31, 2010.

In order to protect itself from fluctuations in the EUR/USD on the loan, EXOR put into place forward sales contracts with leading credit institutions for the same amount and expiration date of the U.S. dollars to be received from C&W Group.

A part of the assets held for trading, cash and financial liabilities are denominated in currencies other than Euro. Since these are securities held for trading, cash and derivative financial instruments they have been adjusted to the year-end exchange rate.

With regard to liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on some of the loans received.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS OF THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €197,784 thousand (€120,029 thousand in 2009) and were received from the following companies:

€ in thousands	2010	2009
EXOR S.A.	**130,000**	119,960
Fiat S.p.A. - Ordinary shares	**56,540**	0
Fiat S.p.A. - Preferred shares	**9,636**	0
Fiat S.p.A. - Savings shares	**760**	
Intesa Sanpaolo S.p.A. - Ordinary shares	**800**	0
Emittenti Titoli S.p.A.	**48**	69
Total dividends	**197,784**	120,029

The payment of dividends voted by the Exor S.A. shareholders' meeting on November 23, 2010 includes a quota in kind represented by mutual funds in U.S. dollars. The amount of such financial instruments was determined on the basis of the NAV measurement at October 31, 2010 performed by HSBC and Citibank (€96,953 thousand). The remaining amount of dividends was paid in cash (€33,047 thousand).

2. Gains on disposals of investments

Gains on disposals of investments amount to €14,811 thousand in 2010 and derive from the sale of 30 million Intesa Sanpaolo shares (0.25% of ordinary share capital), with net proceeds of €90,000 thousand.

In 2009, the gains amounted to €21,685 thousand and basically came from the sale of 78 million Intesa Sanpaolo shares, equal to 0.66% of ordinary share capital. Net proceeds totaled €217,172 thousand, with a net gain of €21,677 thousand.

3. Impairment losses on investments

Impairment losses on investments amount to €4,643 thousand and represent the alignment of the remaining 10 million Intesa Sanpaolo ordinary shares to the stock trading price at December 30, 2010.
In fact, it is deemed that the stock trading price, consistently below the original carrying amount, represented objective evidence of an impairment loss.

4. Financial expenses from third parties

These include:

€ in thousands	2010	2009	Change
Interest on bonds 2007/2017	**40,859**	40,830	29
Interest on bonds 2006/2011	**3,115**	7,308	(4,193)
Interest rate hedge expenses	**5,442**	5,345	97
Expenses on early closing of interest rate hedge transactions on 2006/2011 bonds	**4,659**	1,568	3,091
Interest expenses on bank debt	**2,201**	2,811	(610)
Bank commissions	**1,465**	1,452	13
Charges from discounting to present value	**10**	12	(2)
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	**18,827**	9,190	9,637
- Fair value adjustments	**15,430**	3,960	11,470
- Losses on put/call sales	**6,466**	1,317	5,149
- Other expenses	**14,145**	4,799	9,346
Total financial expenses from third parties	**112,619**	78,592	34,027

5. Financial income from third parties

This includes:

€ in thousands	2010	2009	Change
Interest income on receivables from:			
- Banks	**1,531**	3,592	(2,061)
- Tax authorities	**740**	1,122	(382)
Interest income and other income on held-to-maturity securities	**9,335**	2,691	6,644
Interest rate hedge income	**448**	1,303	(855)
Income on securities held for trading:			
- Gains on share and bond trading	**27,153**	14,766	12,387
- Gains on put/call sales	**20,160**	15,549	4,611
- Fair value adjustments	**13,365**	6,085	7,280
- Dividends	**8,114**	2,041	6,073
- Interest on fixed-rate securities	**7,339**	6,322	1,017
- Other income	**2,674**	3,361	(687)
Income on discounting to present value	**37**	7	30
Total financial income from third parties	**90,896**	56,839	34,057

6. Gains (losses) on exchange

Details are as follows:

€ in thousands	2010	2009	Change
Losses on exchange			
- realized	**(2,887)**	(947)	(1,940)
- unrealized	**(89)**	(233)	144
	(2,976)	(1,180)	(1,796)
Gains on exchange			
- realized	**6,149**	1,715	4,434
- unrealized	**627**	159	468
	6,776	1,874	4,902
Total gains (losses) on exchange	**3,800**	694	3,106

7. Personnel costs

These amount to €8,813 thousand (€8,724 thousand in 2009) and show a total net increase of €89 thousand. Details are as follows:

€ in thousands	2010	2009	Change
Salaries	**5,192**	5,139	53
Social security contributions	**1,329**	1,370	(41)
Employee leaving entitlement, other long-term benefit plans and defined benefit plans and payments of plan contributions	**577**	616	(39)
Figurative costs of EXOR stock option plan (a)	**926**	886	40
Other personnel costs (b)	**789**	713	76
Total personnel costs	**8,813**	8,724	89

(a) Information on the EXOR stock option plan is provided in Note 26.
(b) These costs include €342 thousand (€308 thousand in 2009) of costs from related parties.

At the end of 2010, employees number 42 (42 at the end of 2009).
The average number of employees in 2010 was 42, summarized by category as follows:

	2010	2009
Managers	**11**	11
Middle management	**17**	17
Clerical staff	**11**	11
Messengers	**3**	3
Average number of employees	**42**	42

The employee reduction plan continued into 2010 for EXOR S.p.A. and the subsidiary Exor Services; this resulted in five employees leaving the Company in the early months of 2011. Further details are provided in Notes 10 and 32.

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.
The fixed compensation is connected to the responsibilities of the person's role, the level of individual expertise and the experience acquired; since 2009, variable compensation is discretionary; previously, it was linked to an evaluation system according to fixed objectives both individually and as a team.
Further discretionary bonuses may be paid for exemplary performance in transactions which create value for the Company.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.
Further information on employee benefits is presented in Note 30.

8. Purchases of goods and services from third parties

These amount to €4,440 thousand and increased by €132 thousand compared to 2009 (€4,308 thousand). The main costs are indicated below:

€ in thousands	2010	2009	Change
Sundry consulting and services	**2,131**	1,754	377
Travel, entertainment and transport expenses	**469**	478	(9)
Directors' liability insurance	**333**	318	28
Bank and financial commissions	**186**	171	15
Notary fees	**171**	190	(19)
Office management	**158**	161	(3)
Publication and translation of financial reports	**129**	171	(42)
Compensation to corporate boards	**119**	97	22
Securities' listing fees	**110**	215	(105)
Rent	**107**	151	(44)
Audit fees (a)	**102**	92	10
Stockholders' meetings' fees	**99**	100	(1)
Books, newspapers, magazines and other publications	**45**	59	(14)
Rentals	**39**	115	(76)
Stationery and consumable office supplies	**35**	64	(29)
Sundry expenses	**207**	172	35
Total purchases of goods and services from third parties	**4,440**	4,308	132

(a) Includes out-of pocket expenses.

9. Other operating expenses

These total €462 thousand (€578 thousand in 2009).
Details are as follows:

€ in thousands	2010	2009	Change
Donations	**329**	344	(15)
Association dues	**69**	60	9
Consob supervisory contribution	**48**	152	(104)
Indirect taxes and duties	**5**	8	(3)
Dividends statute-barred	**2**	2	0
Sundry expenses	**9**	12	(3)
Total other operating expenses	**462**	578	(116)

10. Non-recurring other income (expenses) and general expenses – Personnel costs

These amount to €2,945 thousand (€4,499 thousand in 2009).
Details are as follows:

€ in thousands	2010	2009	Change
Special indemnity relative to the termination of the employment relationship resolved in favor of the former chief executive officer and general manager of IFI S.p.A., Virgilio Marrone	**0**	3,265	(3,265)
Employee termination incentives	**1,098**	947	151
Redundancy Solidarity fund (DM 158/2000)	**1,847**	287	1,560
	2,945	4,499	(1,554)

In 2010, non-recurring expenses (€2,945 thousand) include expenses only related to the employee reduction plan for EXOR S.p.A. and the subsidiary Exor Services. The latter fully recharged EXOR for the expenses incurred on the basis of the agreed plan.
Further details on the Redundancy Solidarity Fund are provided in Note 32.

11. Non-recurring other income (expenses) and general expenses – Purchases of goods and services from third parties and from related parties

These amount to €4,250 thousand, of which €3,068 thousand refers to third parties and €1,182 thousand to related parties (Note 36). In 2009, these expenses amounted to €2,623 thousand, of which €1,443 thousand referred to third parties and €1,180 thousand to related parties. In both years, these expenses were mainly for fees incurred for legal assistance in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.

12. Non-recurring other expenses from third parties

In 2010, these expenses amount to €400 thousand and mainly relate to the provision for expenses (€300 thousand) connected with the early liquidation of FIA, proposed by EXOR since it is anticipated that there will no longer be a plurality of beneficiaries and with the aim of reducing administrative costs.

13. Indirect taxes and duties – Non-deductible VAT

Both in 2010 and in 2009, the prorated non-deductible VAT was 100%. Non-deductible VAT was €1,204 thousand in 2010 and €3,515 thousand in 2009. The particular significance of these amounts was determined by the invoicing of services rendered in relation to the Merger (for 2009 only) and legal fees for the defense for cases in progress.

14. Income taxes

The taxable bases for IRES and IRAP taxes for 2010 could be recalculated if, by May 31, 2011, the change introduced by Legislative Decree 225, art. 2, paragraph 28, of December 29, 2010, converted into Law on February 26, 2011, is applied. According to the law, the difference between tax and statutory taxable income could be reduced pursuant to changes possibly introduced to Legislative Decree 38, art. 2, paragraph 26 of February 28, 2005 by the same Legislative Decree 225/2010.

Bearing this in mind, the income for tax purposes calculated by applying tax rules generates a taxable income of about €4.9 million, against which tax loss carryforwards were used relating to the year 2005. The income taxes recorded in the income statement (€31 thousand) refer to the separate income taxes of the CFC (Controlled Foreign Companies) paid in 2010.

In 2009, deferred taxes were released for €3,233 thousand set aside in the past by IFI on the reversal of the impairment loss on IFIL shares since this amount was in excess owing to the cancellation of IFIL shares following the Merger.

Given that, currently, the probability of recovery against future taxable income is not assured, no deferred tax assets have been booked on the tax losses for the years 2006 to 2010 (€246 million, in total).

Details are as follows:

	2010		2009			
€ in millions	**EXOR**	**Theoretical tax effect (27.5% rate)**	EXOR	IFIL	Total	Theoretical tax effect (27.5% rate)
Tax losses carryforwards (for a maximum of 5 years):						
- year 2005 (a)			33	117	150	
- year 2006	**164**		29	135	164	
- year 2007	**66**		10	56	66	
- year 2008	**10**		3	7	10	
- year 2009	**6**		6	-	6	
Total tax losses carried forward	**246**	**68**	81	315	396	109

(a) At December 31, 2010, the possibility of utilizing the remaining tax losses referring to the year 2005 has expired.

Considering that the Irap taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for Ires purposes.

€ in millions	2010	2009
Pre-tax profit	**152**	86
Increases:		
- temporary differences (a)	**41**	40
- permanent differences	**19**	6
Total increases	**60**	46
Decreases:		
- 95% of dividends received	**(188)**	(114)
- 95% of the gain on the sale of the stake in Intesa Sanpaolo	**(14)**	(20)
- deductions of permanent differences	**(5)**	(4)
Total decreases	**(207)**	(138)
Taxable income (loss)	**5**	(6)
Use of tax loss carryforwards	**(5)**	0

(a) Mainly includes non-deductible net interest expenses for the year.

For the years up to December 31, 2005, the ordinary deadline for tax utilization has expired.

15. Non-current assets – Investments

Details are as follows:

	12/31/2010		12/31/2009		
€ in thousands	% of class of shares	Amount	% of class of shares	Amount	Change
Investments accounted for at cost					
Fiat S.p.A. (ordinary shares)	30.45	**2,619,379**	30.45	2,619,379	0
Fiat S.p.A. (preferred shares)	30.09	**250,401**	30.09	250,401	0
Fiat S.p.A. (savings shares)	2.93	**13,042**	2.93	13,042	0
		2,882,822		2,882,822	0
EXOR S.A.	100.00	**747,138**	100.00	746,701	437
Alpitour S.p.A.	100.00	**92,527**	100.00	100,027	(7,500)
Juventus Football Club S.p.A.	60.00	**74,231**	60.00	74,231	0
Exor Services S.c.p.a.	99.62	**9,968**	99.75	9,981	(13)
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**3,806,958**		3,814,034	(7,076)
Available-for-sale investments					
Intesa Sanpaolo S.p.A. (ordinary shares)	0.08	**20,420**	0.34	126,600	(106,180)
RHO Immobiliare fund		**11,392**		10,000	1,392
Total available-for-sale investments		**31,812**		136,600	(104,788)
Total investments		**3,838,770**		3,950,634	(111,864)

The changes during the year are as follows:

	Balances at	Change in 2010			**Balances at**
€ in thousands	12/31/2009	Increases	Decreases	Impairments	**12/31/2010**
Investments accounted for at cost					
Fiat S.p.A. (ordinary shares)	2,619,379				**2,619,379**
Fiat S.p.A. (preferred shares)	250,401				**250,401**
Fiat S.p.A. (savings shares)	13,042				**13,042**
	2,882,822	0	0		**2,882,822**
EXOR S.A.	746,701	437			**747,138**
Alpitour S.p.A.	100,027		(7,500)		**92,527**
Juventus Football Club S.p.A.	74,231				**74,231**
Exor Services S.c.p.a.	9,981		(13)		**9,968**
Emittenti Titoli S.p.A.	272				**272**
Investments accounted for at cost	3,814,034	437	(7,513)		**3,806,958**
Available-for-sale investments					
Intesa Sanpaolo S.p.A. (ordinary shares)	126,600		(101,537)	(4,643)	**20,420**
RHO Immobiliare fund	10,000	1,392			**11,392**
Total available-for-sale investments	136,600	1,392	(101,537)	(4,643)	**31,812**
Total investments	3,950,634	1,829	(109,050)	(4,643)	**3,838,770**

The changes during the year are described in the following paragraphs.

Exor S.A. The investment in Exor S.A. increased by €437 thousand after recording the portion of the EXOR S.p.A. stock option plan relating to employees of Exor S.A. and subsidiaries.

Intesa Sanpaolo S.p.A. In 2010, 30,000,000 ordinary shares were sold for net proceeds of €90,000 thousand and a gain of €14,810 thousand. The derecognition of the carrying amount of the stake sold (€94,950 thousand) includes the original purchase cost of €75,190 thousand and cumulative positive fair value of €19,760 thousand. The gain of €14,810 thousand comes from the comparison between the net proceeds of €90,000 and the original purchase cost of €75,190 thousand. The cumulative positive fair value on the stake sold, equal to €19,760 thousand, was deducted from a specific reserve in equity.

The remaining 10,000,000 Intesa Sanpaolo ordinary shares was aligned to the stock trading price on December 30, 2010 (€2.042 per share) generating a total writedown of €4,643 thousand. In fact, it is deemed that the stock trading price, consistently below the original carrying amount, represented objective evidence of an impairment loss.

At December 31, 2009, there were still call options sold on 40,000,000 Intesa Sanpaolo shares expiring in January and March 2010 at a strike price of €3 per share. At the established expiration date, 30,000,000 options were exercised with the consequent sale of the underlying shares, as described above. Therefore the premiums received, adjusted to fair value at December 31, 2009, were recognized as financial income from third parties (€5,042 thousand).

The remaining 10,000,000 options were not exercised and thus generated financial income of €2,721 thousand.

The increase in the RHO Immobiliare Fund of €1,392 thousand is due to the fair value increase in the quota certified by the Fund's own manager.

Comparison between the carrying amounts and trading prices of listed investments:

		Carrying amount		Trading price December 30, 2010	
	Number	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
Fiat S.p.A.					
- ordinary shares	332,587,447	7.88	2,619,379	15.08	5,016,084
- preferred shares	31,082,500	8.06	250,401	10.85	337,121
- savings shares	2,338,629	5.58	13,042	10.80	25,266
			2,882,822		5,378,471
Juventus Football Club S.p.A.	120,934,166	0.61	74,231	0.96	115,613
Intesa Sanpaolo S.p.A.	10,000,000	2.04	20,420	2.04	20,420
Total			**2,977,473**		**5,514,504**

Furthermore:

- there are no investments requiring the assumption of unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006).

	Capital stock			EXOR investment					Equity	Profit
					% ownership of		Carrying amount			(loss)
	Number of shares	Par value	Amount	Number of shares	Sh. cap.	Cl. of sh.	Per share €	€/000	€/000	€/000
Fiat S.p.A. - (Turin)										
- ordinary shares	1,092,247,485	€ 5	5,461,237,425	332,587,487	26.08	30.45	7.88	2,619,379		
- preferred shares	103,292,310	€ 5	516,461,550	31,082,500	2.44	30.09	8.06	250,401		
- savings shares	79,912,800	€ 5	399,564,000	2,338,629	0.18	2.93	5.58	13,042		
	1,275,452,595		6,377,262,975					2,882,822	11,544,000 (a)	179,000 (a)
Exor S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	100.00	672.65	747,138	2,208,247 (b)	79,374 (b)
Alpitour S.p.A. - (Cuneo)	35,450,000	0.5	17,725,000	35,450,000	100.00	100.00	2.61	92,527	88,696 (c)	10,947 (c)
Juventus Football Club S.p.A. - (Turin)	201,553,332	0.1	20,155,333	120,934,166	60.00	60.00	0.61	74,231	51,109 (d)	(39,495) (d)
Exor Services S.c.p.a. - (Turin)	9,145,000	€ 1	9,145,000	9,110,650	99.62	99.62	1.09	9,968	10,729 (b)	9 (b)

(a) Data taken from the consolidated financial statements at December 31, 2010.
(b) Data taken from the separate financial statements at December 31, 2010.
(c) Data taken from the consolidated financial statements at October 31, 2010.
(d) Data taken from the half-year financial report at December 31, 2010.

The higher carrying amount of the investment held in Alpitour S.p.A. compared to its consolidated equity is not considered an impairment, also in the light of the valuation carried out through an independent appraisal.
The higher carrying amount of the investment held in Juventus F.C. compared to its equity is not considered an impairment, also in the light of its stock market value.

16. Current and non-current assets – Held-to-maturity financial instruments

Details are as follows:

€ in thousands	12/31/2010	12/31/2009
Non-current assets	**138,094**	71,389
Current assets	**0**	5,007
Total	**138,094**	76,396

These are represented by bonds issued by leading counterparts. The bonds classified in non-current assets will be repaid between January 15, 2012 and January 31, 2017.
The bonds are recorded and measured at amortized cost.

17. Current assets – Financial assets held for trading

Details are as follows:

€ in thousands	12/31/2010	12/31/2009	Change
Equity shares	**351,755**	42,783	308,972
Bonds	**136,114**	224,233	(88,119)
Mutual funds	**95,827**	0	95,827
Futures contracts	**5,023**	3,520	1,503
Put options	**417**	0	417
Call options	**82**	103	(21)
Total	**589,218**	270,639	318,579

Equity shares and bonds are listed in the main European and United States markets. Such shares are measured at fair value at year-end using the market price translated, if appropriate, at the year-end rate. Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

Mutual funds are measured at year-end at fair value using the value determined by the deposit banks of the funds themselves. The banks have measured the funds on the basis of the preliminary NAV at December 31, 2010, since it is the measurement closest to the preparation date of the financial statements. The fair value adjustment is recorded as an offsetting entry in the income statement under financial income (expenses) from third parties.

The futures contracts are measured at year-end on the basis of their fair value using the relative market listing. The fair value adjustment is recorded as an offsetting entry in the income statement under financial income (expenses) from third parties.

Options purchased are measured at fair value at year-end using the market price of the listed underlying assets and the relative level of implicit volatility calculated according to the financial models generally recognized by the market; the options denominated in currencies other than Euro are translated at the year-end exchange rate. The offsetting entry to the fair value adjustment is recognized in the income statement under financial income (expenses) from third parties.

18. Current assets – Cash and cash equivalents

Details are as follows:

€ in thousands	12/31/2010	12/31/2009	Change
Bank deposits	**59,795**	53,355	6,440
Time deposits	**160,000**	284,000	(124,000)
Total cash and cash equivalents	**219,795**	337,355	(117,560)

These represent current account bank balances in Euro and other currencies besides the Euro, repayable on demand, and liquid assets deposited at leading credit institutions due on March 24, 2011.

Cash and cash equivalents approximate fair value at year-end.

The associated credit risks should be considered limited since the counterparts are leading bank institutions.

19. Current assets – Other financial assets

These amount to €6,781 thousand (€5,766 thousand at December 31, 2009) and are essentially composed of the portion of interest earned at December 31, 2010 on bonds in portfolio at that date.

20. Current assets – Tax receivables

Tax receivables from the tax authorities refer to:

€ in thousands	12/31/2010	12/31/2009	Change
Receivables for prior years' taxes, refunds requested	**43,876**	43,135	741
Receivables for current and prior years' taxes, carried forward	**1,802**	1,764	38
Total tax receivables	**45,678**	44,899	779

The change in receivables from the tax authorities for the year 2010 is summarized as follows:

€ in thousands	Refunds requested	Carried forward	Total
Balances at December 31, 2009	43,135	1,764	44,899
Used for compensation of withholdings and VAT payable		(543)	(543)
Infragroup sale		(513)	(513)
Receivables arising during the year (withholdings paid)		1,094	1,094
Interest earned during the year	741		741
Balances at December 31, 2010	**43,876**	**1,802**	**45,678**

21. Equity

Share capital

At December 31, 2010, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of share capital), 76,801,460 preferred shares (31.19% of share capital) and 9,168,894 savings shares (3.72% of share capital), all with a par value of €1.

At December 31, 2010, share capital includes €1,342 thousand from transfers of revaluation reserves set up in the past by the merged company IFIL which, in the event of distribution, would form part of the taxable income of the Company.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the share capital up to an amount of €561,750,000.

The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the shareholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting shareholders' meetings). The savings shares do not have voting rights in the shareholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special shareholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.

In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.
The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends on the dividends of the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount according to law.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for shareholders and guarantee economic access to external sources of financing.
EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings.
Although currently insignificant, a very prudent approach is adopted with regard to the use of financial leveraging.

22. Equity – Capital reserves

Details are as follows:

€ in thousands	**12/31/2010**	12/31/2009
Additional paid-in capital	**759,300**	759,300
Merger surplus	**396,829**	396,829
Share exchange difference	**590,160**	590,160
Total capital reserves	**1,746,289**	1,746,289

23. Equity – Retained earnings and other reserves

Details are as follows:

€ in thousands	12/31/2010	12/31/2009
Revaluation reserve Law 408/90	**243,894**	243,894
Revaluation reserve Law 413/91	**2,586**	2,586
Revaluation reserve Law 74/52	**157**	157
Revaluation reserve Law 576/75	**32,107**	32,107
Revaluation reserve Law 72/83	**64,265**	64,265
Legal reserve	**49,246**	49,246
Fair value reserve	**1,373**	25,985
Stock option reserve	**5,034**	3,127
Cash flow hedge reserve	**(2,083)**	(11,218)
Reserve for purchase of treasury stock	**400,041**	157,986
Extraordinary reserve	**781,518**	1,002,615
Retained earnings	**323**	245
Total retained earnings and other reserves	**1,578,461**	1,570,995

The composition of Other comprehensive income, as included in the statement of comprehensive income is as follows:

€	2010	2009
Effective portion of gains/(losses) on cash flow hedges arising during the year	**(518,496)**	(6,799,015)
Effective portion of gains/(losses) on cash flow hedges reclassified to profit or loss	**9,653,616**	5,609,442
Effective portion gains/(losses) on cash flow hedges	**9,135,120**	(1,189,573)
Gains/(losses) on fair value of available-for-sale financial assets arising during the year	**1,392,171**	25,840,000
Gains/(losses) on fair value of available-for-sale financial assets reclassified to profit or loss	**(26,346,053)**	(986,800)
Gains/(losses) on fair value of available-for-sale financial assets	**(24,953,882)**	24,853,200
Actuarial gains (losses) arising during the year	**20,861**	(105,514)
Actuarial gains (losses)	**20,861**	(105,514)
Income taxes relating to components of Other comprehensive income	**342,126**	(343,662)
Total other comprehensive income directly in equity, net of tax	**(15,455,775)**	23,214,451

The tax effect in 2010 is as follows:

€	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	9,135,120		9,135,120
Gains (losses) on fair value of available-for-sale financial assets	(24,953,882)	342,126	(24,611,756)
Actuarial gains (losses)	20,861		20,861
Total other comprehensive income	**(15,797,901)**	**342,126**	**(15,455,775)**

24. Equity reserves available and distributable

Disclosures required by art. 2427, 7-bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ in thousands	Balance at 12/31/2010	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**647,982**	A,B,C	**647,982**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**87,611**	A,B,C	**87,611**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Legal reserve	**49,246**	B	**0**
Cash flow hedge reserve	**(2,083)**		**0**
Extraordinary reserve (c)	**781,060**	A,B,C	**610,733**
Paid-in-capital	**111,318**	A,B,C	**111,318**
Share exchange difference	**188,762**	A,B,C	**188,762**
Merger surplus	**309,218**	A,B,C	**309,218**
Retained earnings	**323**	A,B,C	**323**
Reserve for purchase of treasury stock	**400,041**	A,B,C	**400,041**
Stock option reserve	**5,034**		**0**
Fair value reserve	**1,373**		**0**
Total	**3,324,750**		**3,100,853**

A: For capital increases; B: For coverage of losses; C: For distribution to shareholders.

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2010, the reserve is distributable (art. 2431 of the Italian Civil Code).
(b) The revaluation reserves can be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury shares. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.
(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury shares in portfolio.

In the years 2007, 2008 and 2009, reserves were not used to absorb losses.

At December 31, 2010, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €343,009 thousand relates to monetary revaluation reserves and €2,032 thousand to the legal reserve; if distributed they form part of the taxable income of the Company. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in equity of the merged company IFIL S.p.A., were replenished at December 31, 2009 in the equity of EXOR S.p.A. by using part of the merger surplus reserve and the share exchange difference.

25. Equity – Treasury shares

Under the treasury shares buyback program approved by the board of directors on March 25, 2009 and May 11, 2010, during 2010, purchases were made by EXOR for 1,559,500 ordinary shares (0.97% of the class) at the average cost per share of €14.45 and a total of €22.5 million, 3,274,484 preferred shares (4.26% of the class) at the average cost per share of €10.02 and a total of €32.8 million, and also 213,295 savings shares (2.33% of the class) at the average cost per share of €11.70 and a total of €2.5 million. The overall investment amounts to €57,836 thousand.

At December 31, 2010, EXOR S.p.A. held the following treasury shares:

	Number	Carrying amount		% of
	of shares	Per share (€)	Total (€ thsd)	class
Ordinary shares	4,109,500	12.68	52,124	2.56
Preferred shares	10,239,784	11.13	113,985	13.33
Savings shares	421,695	10.00	4,218	4.60
Balance at December 31, 2010	**14,770,979**		**170,327**	

Changes during the year are as follows:

		Amount	
	Number	Per share (€)	Total (€ thsd)
Ordinary shares			
Balance at December 31, 2009	2,550,000	11.60	29,584
Purchases	1,559,500	14.45	22,540
Balance at December 31, 2010	**4,109,500**	**12.68**	**52,124**
Preferred shares			
Balance at December 31, 2009	6,965,300	11.66	81,185
Purchases	3,274,484	10.02	32,800
Balance at December 31, 2010	**10,239,784**	**11.13**	**113,985**
Savings shares			
Balance at December 31, 2009	208,400	8.26	1,722
Purchases	213,295	11.70	2,496
Balance at December 31, 2010	**421,695**	**10.00**	**4,218**

26. Stock option plans

Stock option plans linked to EXOR shares (S.O.E.)

The ordinary session of the IFIL shareholders' meeting held on May 13, 2008 had approved the stock option plan (Stock Option Plan IFIL 2008 - 2019) for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the Merger, the stock option plan was taken over by EXOR S.p.A.. Therefore, the EXOR S.p.A. board of directors held on March 2, 2009 made the adjustments to the stock option Plan resulting from Merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the Merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury shares purchased by the Company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital. The May 11, 2010 board of directors' meeting approved a treasury shares buyback program for the three classes of stock also aimed at servicing the above stock option plan.

An analysis of the changes in the stock options granted is as follows:

Number	Options granted	Ordinary shares linked to plan	Beneficiaries
Original grant	9,525,000	2,524,125	18
Granted in 2010	200,000	53,000	1
Options forfeited	(175,000)	(46,375)	(4)
Situation at December 31, 2010	**9,550,000**	**2,530,750**	**15**

The fair value of the 9,550,000 options outstanding at December 31, 2010 was determined to be €15,670 thousand, divided as follows:

€ in thousands	Number of options granted	EXOR ordinary shares linked to the plan	Total cost	Cost referring to the year
Chief Executive Officer, EXOR S.p.A.	3,000,000	795,000	4,807	601
Key employees, EXOR S.p.A. (10)	4,450,000	1,179,250	7,498	926
Total EXOR S.p.A.	7,450,000	1,974,250	12,305	1,527
Key employees of Exor S.A. and other subsidiaries in the Holdings System (4)	2,100,000	556,500	3,365	
Total	**9,550,000**	**2,530,750**	**15,670**	**1,527**

The cost referring to the year amounts to €1,527 thousand, of which €601 thousand is classified as emoluments for the chief executive officer and €926 thousand as personnel costs. The cost relating to key employees of Exor S.A. and other companies in the Holdings System was recognized as an increase in the amount of the investment in Exor S.A. The corresponding entry for the total of €1,964 thousand is recorded in the stock option reserve.

Stock option plan linked to Alpitour shares

With reference to the stock option plan approved by IFIL S.p.A. for two managers of the Alpitour Group in December 2005, it should be noted that after the merger, EXOR S.p.A. took over the relative commitments.

The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's share capital.
After reconfirmation of the positions of the two managers for another three years, the EXOR S.p.A. board of directors' meeting held on May 13, 2009 extended the period in which the options could be exercised to January 2013 (date of the approval of the Alpitour financial statements for the financial year 2011/2012 by the shareholders' meeting).
EXOR S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of an appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and, therefore, the options of the plan, at every reporting date, until plan expiration.

At December 31, 2010, the fair value of the option rights of the plan was estimated at a total of €21,981 thousand (€12,233 thousand at December 31, 2009) recorded in "Current other payables to related parties". The increase in the liability compared to the prior year (€9,748 thousand) was recognized in the income statement in "Non-recurring other expenses from related parties" as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

- the exercise price of the options has been assumed to be equal to the par value of one ordinary Alpitour share at the grant date, quantified on the basis of an estimate performed by an independent expert, equal to €2.24;
- the last expiration date to exercise options has been established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2011/2012, fixed, conventionally, as January 31, 2013. At the date of reference of December 31, 2010, the options thus have a remaining life of 25 months (2 years and 1 month);
- the expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour;
- the risk-free interest rate has been assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan;
- an assumption has also been included in the “binomial” model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Upon authorization by EXOR S.p.A., the board of directors of Alpitour S.p.A. may grant future purchase options on Alpitour shares equal to 4% of its capital (now 1,418,000 shares) to other managers in key operating positions.

27. Current and non-current liabilities – Non-convertible bonds

The bonds June 9, 2011 were reclassified to current liabilities since they will expire shortly. Details are as follows:

Issue date	Maturity date	Issue price	Coupon	Rate	Nominal amount (€/000)	Effect of amortized cost measurement (€/000)	**Balance** (€/000)
6/9/2006	6/9/20011	99.900	Quarterly	3-month Euribor + spread	200,000	(82)	**199,918**
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	750,000	(4,300)	**745,700**

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and providing for periodic disclosure. The 2006/2011 bonds also establish other commitments such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2010.

Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of the 2006/2011 and 2007/2017 bonds for a total of €950 million.

Standard & Poor's rated the two bond issues “BBB+”, in line with the current rating of EXOR S.p.A. long-term debt.

28. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to €50 million (€125 million at December 31, 2009).

The bank debt at December 31, 2009 (€125 million) became due and the relative interest rate swaps terminated in 2010.

Bank debt is classified as non-current according to the remaining term of the credit lines extended.

Current bank debt amounts to €231.1 million (€25.1 million at December 31, 2009) and includes two loans for €75 million due in December 2011, credit lines drawn down for €155.6 million and bank overdrafts for a remaining €0.5 million.
In order to guarantee fixed interest rates, an interest rate swap was put in place on €25 million; at December 31, 2010, the fair value of these contracts is negative for €52 thousand.
With regard to the periods in which outgoing cash flows will reverse in relation to the interest rate swap contracts, reference should be made to Note 33.

At December 31, 2010, the Company has credit lines for €1,557.7 million, of which €707.7 million is revocable and €850 million is irrevocable. The expiration dates of the credit lines are as follows:

€ in millions	
Within 1 year	455
From 2 to 3 years	395
Total	**850**

The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main commitments on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the Company without the consent of the creditor, non-subordination of the credit and, in some cases, compliance with financial ratios. Finally, clauses provide for early repayment in the event of serious non-fulfillment such as, for example, failure to pay interest or events that are especially detrimental such as bankruptcy.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €355 million.

29. Non-current liabilities – Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments held in RHO Immobiliare Fund and Fiat.
The changes during the year are as follows:

€ in thousands	To equity	To income statement	**Total**
Balance at December 31, 2009			**22,046**
Release as a result of the partial sale of the Intesa Sanpaolo investment	(271)		**(271)**
Reversal of the impairment loss on the Intesa Sanpaolo investment to historical cost	(90)		**(90)**
Accrual against the fair value increase in the Rho Immobiliare Fund	19		**19**
Changes during the year	**(342)**	**0**	**(342)**
Balance at December 31, 2010			**21,704**

30. Non-current liabilities – Provisions for employee benefits

The composition is as follows:

€ in thousands	12/31/2010	12/31/2009
Employee leaving entitlements	**2,572**	3,071
Other provisions for employees	**63**	169
Total provisions for employee benefits	**2,635**	3,240

Details of the changes during 2010 and 2009 are as follows.

	2010			2009		
€ in thousands	Employee leaving entitlements	Other provisions for employees	Total	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**3,071**	**169**	**3,240**	1,966	47	2,013
Increase due to merger with IFIL S.p.A.			**0**	2,158	122	2,280
Current service cost	**247**	**10**	**257**	315	10	325
Financial expenses	**123**	**7**	**130**	178	9	187
Transfers to other companies				(299)	(9)	(308)
Actuarial (gains) losses	**(67)**	**(35)**	**(102)**		1	1
Benefits paid	**(870)**	**(20)**	**(890)**	(1,247)	(11)	(1,258)
Balance at end of year	**2,504**	**131**	**2,635**	3,071	169	3,240

The analysis of employee benefits is as follows:

Employee leaving entitlements

Employee leaving entitlements represent the obligation due to employees by Italian law (amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee leaving entitlements by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee leaving entitlements beginning January 1, 2007, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.

Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under Company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the currently expected retirement age, on the basis of existing legislation, at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007, and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans

The Company's pension plans are for employees categorized as managers and are covered by Company agreements and regulations.

They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.

The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.

Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2010 and December 31, 2009, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2010	12/31/2009
Discount rate	**4.30%**	4.10%
Expected remuneration increase	**1.9-3.4%**	1.9-3.4%
Cost-of-living increase	**1.90%**	1.90%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

31. Current liabilities – Other financial liabilities

These refer to:

€ in thousands	**12/31/2010**	12/31/2009	Change
Bonds and loans – current portion (interest and hedges)	**22,863**	22,965	(102)
Fair value of cash flow hedge derivatives	**52**	4,527	(4,475)
Derivative financial instruments held for trading	**8,417**	7,763	654
Commissions on unused credit lines	**222**	202	20
Payables to stockholders and other debt	**270**	268	2
Total current other financial liabilities	**31,824**	35,725	(3,901)

32. Current and non-current liabilities – Other payables

They include:

	12/31/2010		12/31/2009	
€ in thousands	Non-current	Current	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**810**	**532**	193	173
Payable to employees		**2,631**	0	1,810
Contributions payable		**623**	0	653
Sundry		**640**	0	189
Total other payables	**810**	**4,426**	193	2,825

Under M.D. 158 dated April 28, 2000, a "Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector" has been set up at INPS which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.

The above liabilities (in total €1,342 thousand, of which €532 thousand is current and €810 thousand non-current) represent the special contribution that EXOR will pay to cover the extraordinary benefits payable to former employees, including the related contribution.

33. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows.

	12/31/2010		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss	589,218	58,645	48,166
- held for trading			
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	138,094	9,335	236
Loans and receivables	257,274	4,403	
Available-for-sale assets	31,812	15,610	4,643
Total	**1,016,398**	**87,993**	**53,045**
Financial liabilities			
At fair value through profit or loss			
- held for trading	8,417	20,160	6,466
- designated initially			
Derivative instruments designated as hedges	52	448	5,442
Amortized cost	945,618		48,632
Debt	304,451		3,667
Financial guarantees			
Total	**1,258,538**	**20,608**	**64,207**

	12/31/2009		
€ in thousands	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	270,639	32,574	17,913
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	76,396	2,691	37
Loans and receivables	372,047	5,251	
Available-for-sale assets	136,600	21,677	
Total	**855,682**	**62,193**	**17,950**
Financial liabilities			
At fair value through profit or loss			
- held for trading	7,763	15,549	1,317
- designated initially			
Derivative instruments designated as hedges	4,527	1,303	5,344
Amortized cost	944,884		49,706
Debt	173,561		4,263
Financial guarantees			
Total	**1,130,735**	**16,852**	**60,630**

Fair value of financial assets and liabilities and fair value estimation criteria

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – listed prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of financial assets and liabilities measured at fair value at December 31, 2010.

€ in thousands	Level 1	Level 2	Level 3	**Total**
Assets at fair value				
Non-current assets	0	0	0	0
Available-for-sale investments	20,420	0	11,392	31,812
Current assets	0	0	0	0
Financial assets held for trading	492,891	499	95,827	589,217
Total assets	**513,311**	**499**	**107,219**	**621,029**
Liabilities at fair value				
Current liabilities	0	0	0	0
Other financial liabilities	0	8,469	0	8,469
Total liabilities	**0**	**8,469**	**0**	**8,469**

In 2010, there were no transfers from Level 1 to Level 2 or vice versa. Available-for-sale investments classified in Level 3 refer to the fair value at June 30, 2010 (most recent available data) of the 400 shares of the closed-end Italian real estate mutual fund denominated “Rho Immobiliare – Fondo Comune di Investimento Immobiliare di tipo chiuso”.

The reconciliation of the opening and closing balances of available-for-sale investments classified in Level 3 for the determination of fair value is the following:

€ in thousands	
Balance at December 31, 2009	10,000
Total gains(losses) credited directly to equity during the year	1,392
Balance at December 31, 2010	**11,392**

The fair value of listed securities in an active market is equal to the market price at the balance sheet date.

For trade receivables and payables and other current assets and liabilities due within one year, the fair value is not significant in that their carrying amount approximates fair value.

Credit risk

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2010 is represented by the carrying amount of financial assets shown in the financial statements. Nevertheless, the Company seeks to mitigate such risk by investing a good part of its liquidity in securities issued by leading bank and corporate counterparts selected according to their creditworthiness.
At December 31, 2010 and December 31, 2009, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.
The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of hedge transactions.

	2010					
€ in thousands	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2011	201,709					**201,709**
EXOR bonds 2017	40,313	0	120,938	80,625	790,312	**1,032,188**
Non-current bank debt	278	278	50,186			**50,742**
Current bank debt	142,968	75,699				**218,667**
Trade payables and other payables to related parties	1,786					**1,786**
Trade payables and other payables to third parties	4,425					**4,425**
Trading and derivative financial instruments designated as hedges	8,469					**8,469**
Total	**399,948**	**75,977**	**171,124**	**80,625**	**790,312**	**1,517,986**

	2009					
€ in thousands	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2011	1,397	1,397	201,397			**204,191**
EXOR bonds 2017	40,313		80,625	80,625	870,937	**1,072,500**
Non-current bank debt	3,013	27,993	100,268			**131,274**
Current bank debt	533	25,518				**26,051**
Trade payables and other payables to related parties	298					**298**
Trade payables and other payables to third parties	2,611					**2,611**
Trading or derivative financial instruments designated as hedges	4,527					**4,527**
Total	**52,692**	**54,908**	**382,290**	**80,625**	**870,937**	**1,441,452**

Outgoing flows from current operations are financed for the most part by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidations of assets or the receipt of suitable sources of financing that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2010, the Company has credit lines for €1,557.7 million, of which €850 million are irrevocable.

The expiration dates of the credit lines are as follows:

€ in millions	Lines extended	Of which, irrevocable
Within 1 year	1,162.7	455.0
From 2 and 5 years	395.0	395.0
Total	**1,557.7**	**850.0**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

A part of the assets held for trading and cash at December 31, 2010 for €280,408 thousand and €21,732 thousand, respectively, are denominated in currencies other than Euro. A part of financial liabilities (€227 thousand) are also denominated in currencies other than Euro. Since these are securities held for trading and cash, both are adjusted to year-end exchange rates.

EXOR S.p.A. has extended a U.S. dollar loan to C&W Group for an equivalent Euro amount, including interest, of €30,593 thousand at December 31, 2010. The U.S. dollar flows which are expected to be received have been forward sold to leading banking counterparts in order to neutralize the risks associated with the fluctuation of the U.S. dollar exchange rate against the Euro.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 1.1% and 5.75% in 2010 (between 4% and 5.75% in 2009).

EXOR S.p.A. has one interest rate swap contract in place at December 31, 2010, for a total notional amount of €25 million for the purpose of managing exposure to fluctuations in interest rates on bank debt, with a fair value for a negative €52 thousand.

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the preparation date of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points is applied;
- for interest rate swaps: the fair value is recalculated applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the end of the reporting period.

The effects of a change with an increase or decrease of 50 basis points in interest rates would be the following:

	12/31/2010		12/31/2009	
€ in thousands	**income statement**	**equity**	income statement	equity
+50 bsp				
cash and cash equivalents/financing	**(1,031)**		827	
hedging instruments		**9**		193
-50 bsp				
cash and cash equivalents/financing	**1,031**		(827)	
hedging instruments		**(10)**		(186)

Price risk

EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost;
- available-for-sale investments;
- assets held for trading.

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale investments and assets held for trading are 5% higher or lower, the available-for-sale securities reserve would be €70 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €29,461 thousand higher or lower.

34. Emoluments to members of the board of directors and board of statutory auditors

(art. 78 of Consob Regulation 11971 dated May 14, 1999, as amended)

All amounts in the following table are expressed in Euro.

Name	Post held	Term of office	Expiration of term of office	Emolument for post held (a)	Non-monetary benefits	Bonuses and other incentives	Other compensation
Directors in office							
John Elkann	Chairman	1/1 - 12/31	2011	1,000,000			588,747
Gianluigi Gabetti	Honorary Chairman	1/1 - 12/31	2011	1,000,000	3,560		
Pio Teodorani-Fabbri	Vice Chairman	1/1 - 12/31	2011	100,000			
Carlo Barel di Sant'Albano (b)	Chief Executive Officer	1/1 - 12/31	2/11/2011	1,250,000	38,236	500,000	930
Tiberto Brandolini d'Adda	Vice Chairman	1/1 - 12/31	2011				615,000
Andrea Agnelli	Director	1/1 - 12/31	2011				347,296
Oddone Camerana	Director	1/1 - 12/31	2011				
Lupo Rattazzi	Director	1/1 - 12/31	2011				40,000
Alessandro Nasi	Director	1/1 - 12/31	2011				283,595
Luca Ferrero Ventimiglia	Director	1/1 - 12/31	2011				
Franzo Grande Stevens	Director	1/1 - 12/31	2011				
Victor Bischoff	Director	1/1 - 12/31	2011	66,250			
Eugenio Colucci	Director	1/1 - 12/31	2011	25,000			
Sergio Marchionne	Director	5/12 - 12/31	2011	25,000			3,473,299
Christine Morin-Postel	Director	1/1 - 12/31	2011	50,000			
Giuseppe Recchi	Director	1/1 - 12/31	2011	30,000			
Antoine Schwartz	Director	1/1 - 12/31	2011	50,000			
Total Directors in office				**3,596,250**	**41,796**	**500,000**	**5,348,867**
Directors no longer in office							
Antonio Maria Marocco	Director	1/1 - 5/11		7,500			
Total Directors no longer in office				**7,500**	**0**	**0**	**0**
Statutory Auditors							
Lionello Jona Celesia	Chairman	1/1 - 12/31	2011	62,250			
Giorgio Ferrino	Statutory Auditor	1/1 - 12/31	2011	41,500			
Paolo Piccatti	Statutory Auditor	1/1 - 12/31	2011	41,500			164,572
Total Statutory Auditors				**145,250**	**0**	**0**	**164,572**

(a) The directors (Elkann, Gabetti, Teodorani-Fabbri, Sant'Albano, Brandolini d'Adda, Agnelli, Camerana, Ferrero Ventimiglia, Marchionne, Nasi, Rattazzi and Grande Stevens) have waived their right to the emolument resolved by the shareholders' meeting for the post of director (€131 thousand) and instructed the Company to donate such fees for charitable and cultural purposes.

(b) The director Sant'Albano waived the emoluments resolved by Fiat (€65,000) and Juventus Football Club (€17,500) in favor of EXOR.

There are no key managers with strategic responsibilities in EXOR S.p.A..

The Company signed a third-party liability insurance policy with a group of insurance companies for a maximum claim per incident and per year of €50 million for coverage in the event of requests for reparation of non-fraudulent acts.

The proposals for the emoluments of the executive directors are formulated and approved directly by the board of directors which, after a review by the compensation and nominating committee, in accordance with art. 2389, paragraph 2, of the Italian Civil Code, has the power to establish the fees of directors vested with special responsibilities in accordance with the deed of incorporation.

In its meeting held on May 13, 2009, the board of directors decided to equally divide among its members the compensation approved by the shareholders' meeting, amounting to €170,000 per year. Furthermore, pursuant to art. 2389 of the Italian Civil Code, the board approved the following annual compensation:

- €1,000,000 to the chairman John Elkann, in addition to health care coverage;
- €1,000,000, besides all out-of-pocket travel expenses outside the municipality of residence, for the mandate for strategical coordination, to the honorary chairman Gianluigi Gabetti; he is also entitled to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a secretarial service and a car with driver also after the expiry of the term of office;
- €1,250,000 to the chief executive officer, Carlo Barel di Sant'Albano, who is also entitled to the following:
  - a variable fee up to a maximum of €1,250,000, 50% of which is partially linked to the increment in EXOR's NAV;
  - the use of an apartment in Turin made available by the Company;
  - the use of two company cars, in addition to one used for company business;
  - death and permanent disability insurance coverage for professional or non-professional related accidents;
  - health care coverage, the same as for company executives;
  - a sum equal to €2,500,000, corresponding to two years' annual fixed fee for the post of chief executive officer, to be paid at the end of the term of office, except in the case of the reconfirmation of the post, voluntary resignation or failure to accept the reconfirmation of the post, termination for just cause or reaching pensionable age;
- €100,000 to the vice chairman Pio Teodorani-Fabbri for the coordination and supervision activities of the Rome office;
- €35,000 to the internal control committee (of which €15,000 to the chairman and €10,000 to each of the other two members);
- €35,000 to the compensation and nominating committee (of which €15,000 to the chairman and €10,000 to each of the other two members);
- €40,000 to each member of the strategy committee;
- €100,000 to the secretary of the board of directors, Virgilio Marrone, in addition to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a company car.

The directors will also be reimbursed for the expenses incurred in carrying out the activities connected with their posts.

It should also be noted that in its meeting of February 11, 2011, the EXOR board of directors appointed John Elkann as chief executive officer in addition to his position as chairman and that Carlo Barel di Sant'Albano relinquished his position as chief executive office and assumed the position of chairman of the subsidiary Cushman & Wakefield.

In its meeting of March 28, 2011, the board of directors approved certain changes to the compensation of the directors which became necessary as a result of the changes in the positions held within the Company. Further details are provided in the Report on Operations under “Significant events in the first quarter of 2011”.

35. Stock options and stock grants awarded to directors

(art. 78 of Consob Regulation 11971 dated May 14, 1999, as amended)

Stock option

Name Post held	Shares linked to plan	Options held at beginning of year			Options awarded (expired) during year			Options held at end of year		
		Number of options	Average exercise price	Exercise period (month/year)	Number of options	Average exercise price	Exercise period (month/year)	Number of options	Average exercise price	Exercise period (month/year)
Barel di Sant'Albano Carlo (a)										
EXOR CEO	EXOR	3,000,000	19.97	16/5-19/12	0	0.00	0	3,000,000	19.97	16/5-19/12
Sergio Marchionne (b) (c) (d)										
EXOR director and Fiat CEO	FIAT	19,420,000	9.64	10/11-16/11	(2,500,000)			16,920,000	9.09	10/11-16/11
Alessandro Nasi										
EXOR director	FIAT	11,250	13.37	11/2-14/11	(7,500)	13.37		3,750	13.37	11/2-14/11
	CNH	509	$48.12	9/1-14/1		$48.12		509	$48.12	9/1-14/1
	CNH	8,659	$13.58	10/1-15/1		$13.58		8,659	$13.58	10/1-15/1
	CNH				15,842	$31.69	11/2-16/2	15,842	$31.69	11/2-16/2

(a) The average exercise price was modified as a result of the Merger from €5.291 to €19.97.

(b) The options awarded in 2004 were 1/3 exercisable only when pre-set performance targets were met. These targets were met in 2008, rendering the entire 2004 plan of 10,670,000 stock options completely vested in 2008. In March 2009, the shareholders' meeting approved the extension of the exercise period, having it start on January 1, 2011 and end on January 1, 2016.

(c) Half of the options awarded in 2006 (5,000,000) were exercisable only when pre-set performance were met; only the first tranche (that is, 25%) of these rights vested. The exercise period starts upon the approval of the 2010 financial statements and ends in November 2014.

(d) The options expired during the year include both options expired and non-vested option during the year.

The features of the stock option plans are described in the following paragraphs:

- Stock option plans linked to EXOR shares, Note 26 of the EXOR separate financial statements;
- Stock option plans linked to FIAT and CNH shares, Note 24 of the EXOR consolidated financial statements.

Stock Grants

Name	Company	Stock grants held at beginning of year		Stock grants awarded (expired) during year		Stock grants held at end of year	
		Number of options	Exercise period (month/year)	Number of options	Exercise period (month/year)	Number of options	Exercise period (month/year)
Sergio Marchionne	FIAT	2,000,000	2/11	2,000,000	2/12	4,000,000 (a)	1/12
Alessandro Nasi	CNH			75,000 (b)		75,000	2/13-2/15
	CNH			5,000 (c)		5,000	9/11-9/13

(a) After the resolution passed by the board of directors' meeting held on February 18, 2011, all the rights are subject only to the continuation of professional relationships with the Fiat Group until the end of 2011. Further information is provided in Note 24 of the EXOR consolidated financial statements.

(b) The rights are subject to reaching pre-set performance targets and vest in three equal amounts on a cumulative basis in the third, fourth and fifth year of the plan, within the dates of December 31, 2012, 2013 and 2014, respectively.

(c) These shares are restricted awards to key manager in the Company. These shares vest in three years up to September 30, 2013 in equal amounts.

36. Transactions with related parties

The board of directors' meeting held on November 12, 2010 adopted the "Procedures for Transactions with Related Parties" pursuant to Consob Regulation 17221 dated March 12, 2010, which went into effect on January 1, 2011. Such procedures are described in the Annual report on Corporate Governance, also available on the corporate website (http://www.exor.com).

With regard to the year 2010, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

With the exception of the comments made subsequently in respect of the loan extended to C&W Group, receivables and payables are not guaranteed and are settled in cash. Guarantees have neither been granted nor received.

Losses have not been recognized during the year for uncollectible or doubtful receivables in relation to amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2010 is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Investments	Financial receivables	Trade receivables	Trade payables and other payables
Giovanni Agnelli e C. S.a.p.az.			11	
Fondazione Agnelli (a)	13			
C&W Group (b)		30,593		
Holdings System			159	1,653
Alpitour Group				1
Juventus Football Club S.p.A.			29	
Exor Services S.c.p.a.				
Fiat Group				131
Directors for emoluments not yet collected				8
Directors and statutory auditors for other receivables			16	
Statutory auditors for emoluments to be received				86
Beneficiaries of Alpitour stock option plan (g)				21,981
Total transactions with related parties	**13**	**30,593**	**215**	**23,860**
Total investments	3,838,771			
Total current assets		892,735	892,735	
Total current liabilities				496,454
% incidence of total transactions with related parties to total of statement of financial position line items	**0.00%**	**3.43%**	**0.02%**	**4.81%**

Information regarding dividends received (€197,784 thousand) is provided in Note 1.

				Other non-recurring expenses	
Counterpart	Financial income	Purchases of goods and services	Revenues (d)	Purchases of goods and services	Other expenses
Exor Services S.c.p.a. (e)		3,762			
C&W Group (b)	2,873				
Holdings Systems			160		
Alpitour Group		4			
Juventus Football Club S.p.A.		19	29		
Fiat Group		308	65		
Giovanni Agnelli e C. S.a.p.az.			35		
Sequana			44		
Emoluments to corporate boards and committees					
- Chairman		1,000			
- Chief executive officer (c)		2,460			
- Board of directors		170	131		
- Special fees to directors		1,100			
- Internal control committee		35			
- Compensation and nominating committee		35			
- Strategy committee		145			
- Directors' expense reimbursements		96			
- Board of statutory auditors		145			
- Cost recoveries from statutory auditors			5		
- Directors for other revenues			13		
Consulting (f)				1,182	
Beneficiaries of Alpitour stock option plan (g)					9,748
Total transactions with related parties	**2,873**	**9,279**	**482**	**1,182**	**9,748**
Total transactions with third parties	90,896	4,440	64	3,068	400
Total of income statement line items	**93,769**	**13,719**	**546**	**4,250**	**10,148**
% incidence of total transactions with related parties to total of income statement line items	**3.06%**	**67.64%**	**88.28%**	**27.81%**	**96.06%**

The most important transactions are commented below with reference to the notes in the preceding tables.

a) Carrying amount of 11,450 Exor Services shares (0.125% of capital) sold at €14 thousand.
b) 3-year subordinated credit line extended to C&W Group for $50 million, drawn down for $40 million at December 31, 2010, after approval by the board of directors on March 25, 2009. The purpose of the loan is to provide the subsidiary with additional debt capacity and also to use such capacity to fund any investment opportunities. At expiration on May 30, 2012, in the event of non-payment, EXOR will have the right to convert the loan to shares of the subsidiary C&W Group Inc. at a price equal to the lowest of the valuations made quarterly by an independent third party over the period of the credit line, discounted by 30%. The counterparts have provided second-level guarantees to EXOR against the loan.
c) €601 thousand represents the figurative cost of EXOR stock options granted to the chief executive officer; €109 thousand refers to the rent of the chief executive officer's home; €1,250 thousand represents the emolument paid to the chief executive officer and €500 thousand is his variable compensation.
d) Compensation waived by the corporate boards (€131 thousand), performance of services (€213 thousand), emoluments for posts on corporate boards (€138 thousand).
e) Purchases of goods and services by the subsidiary Exor Services S.c.p.a. for €3,762 thousand relate to the lease of the offices of the headquarters in Corso Matteotti 26 and computer, telephone and logistics services. The amount does not include the expenses deriving from the employee reduction plan which has been fully recharged to EXOR S.p.A. and recorded in "Non-recurring other income (expenses) and general expenses – Personnel costs".
f) Consulting services rendered to the Company by the director Franzo Grande Stevens who, during 2010, also rendered professional services to Fiat S.p.A. for €1 million (also in respect of his position as secretary to the board of directors).
g) A liability of €21,981 thousand is reported in other payables in respect of the beneficiaries of the Alpitour stock option plans approved at the end of 2005. The EXOR board of directors' meeting held on May 13, 2009 extended the option exercise period to January 2013 following the reconfirmation of the two managers for another three years. The increase in the payable compared to the prior year (€9,748 thousand) is reported in non-recurring other expenses from related parties.

At December 31, 2010, Tiberto Brandolini d'Adda holds 304,153 options to subscribe or purchase the same number of Sequana shares between May 2009 and May 2013 at a price per share of €20.46; moreover, Sequana has allocated 12,340 bonus shares to Tiberto Brandolini d'Adda, which became available from March 30, 2010.
In 2010, Sequana paid Tiberto Brandolini d'Adda, chairman of the board of directors of the company, a fee of €303 thousand.

37. Guarantees, commitments and pending litigation

On December 21, 2010, the Turin Court, first criminal section composed of a collegiate body, ruled in absolute favor of the defendants, Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone, fully acquitting them because the fact did not exist and deeming also inexistent ex art. 66 of Legislative Decree 231/2001 the administrative offense disputed against IFIL S.p.A. (merged by EXOR S.p.A.) and Giovanni Agnelli e C. S.a.p.az..

38. Fees charged by the independent auditors (art. 149 – *duodecies* of art. 78 of Consob Regulation 11971 dated May 14, 1999, as amended)

The professional services provided to the EXOR Group by the independent auditors in 2010 are the following:

€ in thousands	Service Provider	Parent EXOR S.p.A.		Consolidated subsidiaries	**Total**
Type of services					
Audit	Deloitte & Touche S.p.A.	91		9,005	**9,096**
	Deloitte network			16,029	**16,029**
Total audit		91		25,034	**25,125**
Other services					
. attestation	Deloitte & Touche S.p.A.	5	(a)	1,355	**1,360**
	Deloitte network			100	**100**
. other services	Deloitte & Touche S.p.A.	68	(b)	739	**807**
	Deloitte network	29	(c)	1,212	**1,241**
Total other services		102		3,406	**3,508**
Total		**193**		**28,440**	**28,633**

(a) Confirmation of financial ratios.
(b) Agreed upon procedures carried out regarding specific aspects of the internal control system on financial reporting (ICFR).
(c) Support in designing the Compliance Integrated Governance Model.

39. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below.

€ in thousands	12/312010	12/312009	Change
Non-current held-to-maturity financial instruments (a)	**138,094**	71,389	66,705
Cash and cash equivalents	**219,795**	337,355	(117,560)
Non-current other financial assets, with third parties	**105**	320	(215)
Other financial assets held for trading	**589,218**	270,639	318,579
Current held-to-maturity financial instruments	**0**	5,007	(5,007)
Financial receivables from related parties	**30,593**	28,163	2,430
Current other financial assets, with third parties	**6,781**	5,788	993
Non-current debt, with third parties	**(795,700)**	(1,069,884)	274,184
Current debt with third parties	**(462,838)**	(60,851)	(401,987)
Net financial position	**(273,952)**	(412,074)	138,122
- with related parties	**30,593**	28,163	2,430
- with third parties	**(304,545)**	(440,237)	135,692

(a) These are bonds issued by leading counterparts listed on active and open markets which the Company, intends, and is able to hold, until their natural reimbursement date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide in that sense. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

40. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2010 were approved by the board of directors on March 28, 2011 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, within the timeframe set by law.

Turin, March 28, 2011

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements according to art. 154-bis, Paragraph 5, of Legislative Decree 58/98

We, the undersigned John Elkann, chairman and chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2010.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a true and fair view of the financial conditions, results of operations and cash flows of the issuer;

- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, March 28, 2011

The Chairman and CEO
John Elkann

Manager responsible for the preparation
of the financial reports
Aldo Mazzia

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. as of and for the year ended December 31, 2010, which comprise the statement of financial position, the income statement, the statements of comprehensive income, changes in equity and cash flows and the related notes to the financial statements. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 1, 2010.

3. In our opinion, the financial statements of EXOR S.p.A. as of December 31, 2010 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position of EXOR S.p.A. and the results of its operations and its cash flows for the year then ended.

4. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the financial statements of EXOR S.p.A. as of 31 December, 2010.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 5, 2011

This report has been translated into the English language solely for the convenience of international readers.

Consolidated Financial Statements

at December 31, 2010

EXOR GROUP – CONSOLIDATED INCOME STATEMENT (*)

Published 2009 (a)	€ in millions	Note	2010	Restated (b) 2009	Change
2,434	Net revenues	1	**58,985**	52,520	6,465
(2,173)	Cost of sales	2	**(50,216)**	(45,434)	(4,782)
(257)	Selling, general and administrative costs	3	**(5,009)**	(4,537)	(472)
0	Research and development costs	4	**(1,431)**	(1,398)	(33)
(20)	Other income (expense)	5	**(156)**	(109)	(47)
(16)	**Trading profit/(loss)**		**2,173**	1,042	1,131
0	Gains (losses) on the disposal of investments	6	**15**	4	11
(22)	Restructuring costs	7	**(178)**	(334)	156
(71)	Other unusual income (expense)	8	**(57)**	(462)	405
(109)	**Operating profit/(loss)**		**1,953**	250	1,703
(80)	Financial income (expense)	9	**(912)**	(828)	(84)
	Result from investments:				
(244)	- Share of profit/(loss) of companies accounted for using the equity method	10	**200**	23	177
44	- Other income (expense) from investments	10	**36**	53	(17)
(200)	Result from investments		**236**	76	160
(389)	**Profit/(loss) before taxes**		**1,277**	(502)	1,779
(14)	Income taxes	11	**(706)**	(495)	(211)
(403)	**Profit/(loss) from continuing operations**		**571**	(997)	1,568
0	**Profit/(loss) from discontinued operations**		**0**	0	0
(403)	**Profit/(loss)**		**571**	(997)	1,568
	Profit/(loss) attributable to:				
(389)	**- Owners of the Parent**		**137**	(389)	526
(14)	- Non-controlling interests		**434**	(608)	1,042
	Earnings (loss) per share	13			
	Basic earnings/(loss) attributable to Owners of the Parent (€):				
(1.66)	- per ordinary share		0.57	(1.66)	2.23
(1.35)	- per savings share		0.64	(1.35)	1.99
(1.61)	- per preferred share		0.62	(1.61)	2.23
	Basic earnings/(loss) from continuing operations (€):				
(1.66)	- per ordinary share		0.57	(1.66)	2.23
(1.35)	- per savings share		0.64	(1.35)	1.99
(1.61)	- per preferred share		0.62	(1.61)	2.23
	Diluted earnings/(loss) attributable to Owners of the Parent (€):				
(1.66)	- per ordinary share		0.56	(1.66)	2.22
(1.35)	- per savings share		0.64	(1.35)	1.99
(1.61)	- per preferred share		0.61	(1.61)	2.22
	Diluted earnings/(loss) from continuing operations (€):				
(1.66)	- per ordinary share		0.56	(1.66)	2.22
(1.35)	- per savings share		0.64	(1.35)	1.99
(1.61)	- per preferred share		0.61	(1.61)	2.22

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated income statement are presented in the specific income statement format provided in the following pages and are further described in Note 35.

(a) Reclassified according to the new consolidated income statement format adopted in 2010 following the line-by-line consolidation of the Fiat Group.
(b) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

2009	€ in millions	2010	2009
Published			Restated (a)
(403)	**PROFIT/(LOSS) (A)**	**571**	**(997)**
(7)	Gains/(losses) on cash flow hedges	**179**	389
266	Gains/(losses) on fair value of available-for-sale financial assets	**402**	268
(2)	Gains/(losses) on exchange differences on translating foreign operations	**816**	508
229	Share of other comprehensive income of entities accounted for using the equity method	**114**	(49)
(1)	Income tax relating to components of Other comprehensive income	**3**	(47)
485	**TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)**	**1,514**	**1,069**
82	**TOTAL COMPREHENSIVE INCOME (A)+(B)**	**2,085**	**72**
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
95	Owners of the Parent	**891**	95
(13)	Non-controlling interests	**1,194**	(23)

(a) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

Published (a) 12/31/2009	€ in millions	Note	12/31/2010	Restated (b) 12/31/2009	Change
	Non-current assets				
824	Intangible assets	14	**8,795**	8,056	739
198	Property, plant and equipment	15	**13,721**	13,143	578
	Investments and other financial assets:				
3,255	- Investments accounted for using the equity method	16	**2,375**	2,082	293
1,540	- Other investments and financial assets	16	**2,303**	1,815	488
4,795	Total Investments and other financial assets		**4,678**	3,897	781
0	Leased assets	17	**492**	457	35
0	Defined benefit plan assets		**185**	144	41
9	Deferred tax assets	11	**2,902**	2,589	313
71	Other non-current assets		**69**	71	(2)
5,897	**Total Non-current assets**		**30,842**	28,357	2,485
	Current assets				
2	Inventories	18	**8,345**	8,750	(405)
310	Trade receivables	19	**4,370**	3,957	413
0	Receivables from financing activities	19	**13,774**	12,695	1,079
6	Other financial receivables	19	**7**	6	1
51	Current tax receivables	19	**958**	725	233
97	Other current assets	19	**2,576**	2,875	(299)
	Current financial assets:				
43	- Current investments	20	**376**	89	287
555	- Current securities	20	**582**	772	(190)
4	- Other financial assets	21	**610**	640	(30)
602	Total Current financial assets		**1,568**	1,501	67
630	Cash and cash equivalents	22	**16,188**	12,856	3,332
1,698	**Total Current assets**		**47,786**	43,365	4,421
0	**Total Assets held for sale**	23	**79**	82	(3)
7,595	**Total Assets**		**78,707**	71,804	6,903
	Equity	24			
5,305	Issued capital and reserves attributable to Owners of the Parent		**6,075**	5,305	770
85	Non-controlling interests		**9,121**	8,158	963
5,390	**Total Equity**		**15,196**	13,463	1,733
	Provisions				
57	Employee benefits	25	**3,839**	3,504	335
28	Other provisions	26	**5,506**	5,013	493
85	**Total Provisions**		**9,345**	8,517	828
	Debt	27			
0	Asset backed financing		**8,854**	7,086	1,768
1,308	Other debt		**23,572**	22,749	823
1,308	**Total Debt**		**32,426**	29,835	2,591
	Other liabilities				
51	Other financial liabilities	21	**469**	515	(46)
343	Trade payables	28	**13,666**	12,637	1,029
12	Current tax payables		**700**	389	311
64	Deferred tax liabilities	11	**255**	216	39
342	Other liabilities	29	**6,650**	6,224	426
812	**Total Other liabilities**		**21,740**	19,981	1,759
0	**Total Liabilities held for sale**	23	**0**	8	(8)
7,595	**Total Equity and Liabilities**		**78,707**	71,804	6,903

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific statement of financial position format provided in the following pages and are further described in Note 35.

(a) Reclassified according to the new consolidated statement of financial position format adopted in 2010 following the line-by-line consolidation of the Fiat Group.

(b) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – CONSOLIDATED STATEMENT OF CASH FLOWS (*)

2009 Published (a)	€ in millions	Note	2010	2009 Restated (b)
973	**A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR REPORTED IN THE FINANCIAL STATEM**	22	**12,856**	973
	Cash and cash equivalents of the Fiat Group			3,684
973	**B) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR**		**12,856**	4,657
	C) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:			
(403)	Profit/(loss)		**571**	(997)
94	Amortization and depreciation (net of vehicles sold under buy-back commitments and leased assets		**2,954**	2,767
	(Gains) losses on disposal of:			
(18)	Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments		**(13)**	(32)
15	Investments		**(16)**	6
	Other non-cash items:			
67	Writedowns of assets		**312**	549
59	Gains (losses) arising from the fair value measurements of financial assets and other non-cash item		**(72)**	(58)
44	Dividends received		**177**	95
	Change in provisions		**399**	93
	Change in deferred taxes		**(169)**	(184)
	Change in items due to buy-back commitments	36	**44**	(58)
	Change in operating lease items		**26**	(41)
268	Change in working capital		**2,046**	2,588
126	**TOTAL**		**6,259**	4,728
	D) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
	Investments in:			
(122)	Amortization and depreciation (net of vehicles sold under buy-back commitments and leased assets)		**(3,865)**	(3,507)
	Investments in consolidated subsidiaries		**(176)**	(3)
	Other investments		**(126)**	(102)
(129)	Investments in financial assets made by EXOR and by subsidiaries in the Holdings System		**(230)**	(129)
	Proceeds from the sale of:			
37	Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**98**	124
	Investments in consolidated subsidiaries		**(2)**	16
	Other investments		**33**	5
226	Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**102**	226
(8)	Net change in receivables from financing activities		**(263)**	873
(288)	Change in current securities		**19**	(315)
	Other changes		**182**	(31)
(284)	**TOTAL**		**(4,228)**	(2,843)
	E) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
0	New issuance of bonds		**1,132**	4,917
0	Repayment of bonds		**(1,572)**	(526)
191	Issuance of other medium-term borrowings		**2,254**	3,370
(253)	Repayment of other medium-term borrowings		**(2,115)**	(1,610)
4	Net change in other financial payables and other financial assets/liabilities		**1,541**	87
0	Increases in share capital by subsidiaries		**1**	13
(39)	(Purchase) sale of treasury shares		**(58)**	(39)
(82)	Dividends paid by EXOR S.p.A.		**(68)**	(82)
(2)	Dividends paid by subsidiaries		**(174)**	(29)
(2)	Other changes		**(5)**	(5)
(183)	**TOTAL**		**936**	6,096
(2)	Translation exchange differences		**365**	218
(343)	**F) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS**		**3,332**	8,199
630	**G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	22	**16,188**	12,856

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the specific statement of cash flows format provided in the following pages.

(a) Reclassified according to the new consolidated statement of cash flows format adopted in 2010 following the line-by-line consolidation of the Fiat Group.

(b) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

€ in millions	Share capital	Treasury shares	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Fair value reserve	Cumulative share of OCI of entities consolidated under the equity method	Total Owners of the Parent	Non-controlling interests	Total
Equity at January 1, 2009 (published financial statements)	**163**	**(70)**	**386**	**3,108**	**(8)**	**(24)**	**247**	**(186)**	**3,616**	**1,810**	**5,426**
Fair value of capital increase by EXOR S.p.A. to service the exchange of IFIL ordinary and savings shares held by former Non-controlling interests (a)	83		348						431	(431)	0
Allocation of the interests of former Non-controlling interests of IFIL to Owners of the Parent (b)		(3)		1,267					1,264	(1,264)	0
Effects of the merger transaction on other comprehensive income (b)					(1)	(10)	102	(80)	11	(11)	0
Allocation of expenses relative to the merger				(17)					(17)		(17)
Other changes connected with the merger				14					14		14
Equity at January 1, 2009 post merger	**246**	**(73)**	**734**	**4,372**	**(9)**	**(34)**	**349**	**(266)**	**5,319**	**104**	**5,423**
Effect of consolidation of the Fiat Group at January 1, 2009					(167)	(30)		197	0	8,057	8,057
Equity at January 1, 2009 restated	**246**	**(73)**	**734**	**4,372**	**(176)**	**(64)**	**349**	**(69)**	**5,319**	**8,161**	**13,480**
Changes in equity for 2009											
Capital increases									0	13	13
Purchase of treasury stock		(42)	42	(42)					(42)	(1)	(43)
Sale of treasury stock		3							3		3
Dividends paid				(82)					(82)	(21)	(103)
Total comprehensive income for the year				(389)	97	144	266	(23)	95	(23)	72
Share-based payments				6					6	1	7
Effect of the change in the percentage ownership of consolidated companies (c)				9					9	(36)	(27)
Effect of the change in the percentage ownership of companies accounted for using the equity method				(1)					(1)		(1)
Other changes				(2)					(2)	64	62
Total changes	0	(39)	42	(501)	97	144	266	(23)	(14)	(3)	(17)
Equity at December 31, 2009	**246**	**(112)**	**776**	**3,871**	**(79)**	**80**	**615**	**(92)**	**5,305**	**8,158**	**13,463**
Changes in equity for 2010											
Share-based payments				15					15	14	29
Purchase of treasury shares		(58)							(58)		(58)
Capital increases									0	1	1
Dividends paid				(68)					(68)	(169)	(237)
Total comprehensive income for the year				137	60	248	405	41	891	1,194	2,085
Effect of the change in the percentage ownership of consolidated companies (d)				(26)					(26)	(63)	(89)
Effect of the change in the percentage ownership of companies accounted for using the equity method				3					3		3
Other changes				13					13	(14)	(1)
Total changes	0	(58)	0	74	60	248	405	41	770	963	1,733
Equity at December 31, 2010	**246**	**(170)**	**776**	**3,945**	**(19)**	**328**	**1,020**	**(51)**	**6,075**	**9,121**	**15,196**
Note	**24**	**24**								**24**	

(a) The EXOR share capital increase to service the exchange of the shares of the merged company IFIL was recognized at the fair value of the 73,809,496 ordinary shares and 9,168,894 savings shares issued, equal to €5.36 and €3.86, respectively, corresponding to the opening stock trading prices on March 2, 2009, the first day of market trading of these shares. Of the total of €431 million, €83 million was allocated to share capital, corresponding to the par value, and €348 million to additional paid-in capital.

(b) Non-controlling interests at December 31, 2008 had amounted to €1,810 million, of which €1,706 million represented the non-controlling interests of the IFIL Group. The difference of €1,275 million between that amount and the fair value of the EXOR capital increase described above (€431 million) was allocated to Owners of the Parent and then entries were made to eliminate the share of the reserves regarding cash flow hedges (-€1 million), exchange differences on translating foreign operations (-€10 million), changes in fair value of available-for-sale financial assets (+€102 million) and the share of comprehensive income of the investments accounted for using the equity method (-€80 million) previously recorded in the consolidated financial statements of the IFIL Group.

(c) Of which €7 million relates to the Fiat Group and €2 million to C&W Group.

(d) Of which €24 million relates to the Fiat Group and €2 million to C&W Group.

EXOR GROUP – CONSOLIDATED INCOME STATEMENT

pursuant to Consob Resolution 15519 of July 27, 2006

€ in millions	Note	2010 Total	2010 Of which Related parties	Restated (a) 2009 Total	Restated (a) 2009 Of which Related parties
Net revenues	1	**58,985**	2,826	52,520	2,063
Cost of sales	2	**(50,216)**	(3,722)	(45,434)	(3,049)
Selling, general and administrative costs	3	**(5,009)**	(159)	(4,537)	(117)
Research and development costs	4	**(1,431)**	(8)	(1,398)	
Other income (expense)	5	**(156)**	37	(109)	29
Trading profit/(loss)		**2,173**		1,042	
Gains (losses) on disposal of investments	6	**15**		4	
Restructuring costs	7	**(178)**		(334)	
Other unusual income (expense)	8	**(57)**		(462)	
Operating profit/(loss)		**1,953**		250	
Financial income (expense)	9	**(912)**	(37)	(828)	(67)
Result from investments:					
- Share of profit/(loss) of companies accounted for using the equity method	10	**200**	200	23	23
- Other income (expense) from investments	10	**36**	41	53	48
Result from investments		**236**		76	
Profit/(loss) before taxes		**1,277**		(502)	
Income taxes	11	**(706)**		(495)	
Profit/(loss) from continuing operations		**571**		(997)	
Profit/(loss) from discontinued operations		**0**		0	
Profit/(loss)		**571**		(997)	
Profit/(loss) attributable to:					
- Owners of the Parent		**137**		(389)	
- Non-controlling interests		**434**		(608)	

(a) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ in millions	Note	12/31/2010		Restated (a) 12/31/2009	
		Total	Of which Related parties (Note 35)	Total	Of which Related parties (Note 35)
Non-current assets					
Intangible assets	14	**8,795**		8,056	
Property, plant and equipment	15	**13,721**		13,143	
Investments and other financial assets:					
- Investments accounted for using the equity method	16	**2,375**	**2,386**	2,082	2,082
- Other investments and financial assets	16	**2,303**	**116**	1,815	95
Total Investments and other financial assets		**4,678**		3,897	
Leased assets	17	**492**		457	
Defined benefit plan assets		**185**		144	
Deferred tax assets	11	**2,902**		2,589	
Other non-current assets		**69**		71	
Total Non-current assets		**30,842**		28,357	
Current assets					
Inventories	18	**8,345**	**28**	8,750	10
Trade receivables	19	**4,370**	**623**	3,957	595
Receivables from financing activities	19	**13,774**	**129**	12,695	120
Other financial receivables	19	**7**		6	
Current tax receivables	19	**958**		725	
Other current assets	19	**2,576**	**77**	2,875	66
Current financial assets:					
- Current investments	20	**376**		89	
- Current securities	20	**582**		772	
- Other financial assets	21	**610**		640	52
Total Current financial assets		**1,568**		1,501	
Cash and cash equivalents	22	**16,188**		12,856	651
Total Current assets		**47,786**		43,365	
Total Assets held for sale	23	**79**	**65**	**82**	58
Total Assets		**78,707**		71,804	
Equity	24				
Issued capital and reserves attributable to Owners of the Parent		**6,075**		5,305	
Non-controlling interests		**9,121**		8,158	
Total Equity		**15,196**		13,463	
Provisions					
Employee benefits	25	**3,839**	**21**	3,504	30
Other provisions	26	**5,506**	**49**	5,013	50
Total Provisions		**9,345**		8,517	
Debt	27				
Asset backed financing		**8,854**	**320**	7,086	486
Other debt		**23,572**	**241**	22,749	658
Total Debt		**32,426**		29,835	
Other liabilities					
Other financial liabilities	21	**469**		515	49
Trade payables	28	**13,666**	**1,127**	12,637	883
Current tax payables		**700**	**1**	389	
Deferred tax liabilities	11	**255**		216	
Other liabilities	29	**6,650**	**157**	6,224	196
Total Other liabilities		**21,740**		19,981	
Total Liabilities held for sale	23	**0**		8	1
Total Equity and Liabilities		**78,707**		71,804	

(a) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – CONSOLIDATED STATEMENT OF CASH FLOWS

pursuant to Consob Resolution 15519 of July 27, 2006

		2010		2009 (Restated) (a)	
€ in millions	Note	Total	Of which Related parties	Total	Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	22	**12,856**		4,657	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:					
Profit/(loss)		**571**		(997)	
Amortization and depreciation (net of vehicles sold under buy-back commitments and leased		**2,954**		2,767	
(Gains) losses on disposal of:					
Property plant and equipment and intangible assets (net of vehicles sold under		**(13)**		(32)	
buy-back commitments and leased assets)		**(16)**		6	
Other non-cash items:					
Writedowns of assets		**312**	**17**	549	6
Gains (losses) arising from the fair value measurements of financial assets and other non-cash items		**(72)**		(58)	
Dividends received		**177**	**175**	95	92
Change in provisions		**399**	**(9)**	93	8
Change in deferred taxes		**(169)**		(184)	
Change in items due to buy-back commitments	36	**44**	**(9)**	(58)	
Change in operating lease items		**26**		(41)	
Change in working capital		**2,046**	**124**	2,588	(126)
TOTAL		**6,259**	**298**	4,728	(20)
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:					
Investments in:					
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and leased assets)		**(3,865)**		(3,507)	
Investments in consolidated subsidiaries		**(176)**		(3)	
Other investments		**(126)**	**(115)**	(102)	(62)
Other non-current financial assets		**0**		0	
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System		**(230)**		(129)	
Proceeds from the sale of:					
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments		**98**		124	
Investments in consolidated subsidiaries		**(2)**		16	
Other investments		**33**		5	
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**102**		226	
Net change in receivables from financing activities		**(263)**	**(17)**	873	(22)
Change in current securities		**19**		(315)	
Other changes		**182**		(31)	
TOTAL		**(4,228)**	**(132)**	(2,843)	(84)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:					
New issuance of bonds		**1,132**		4,917	
Repayment of bonds		**(1,572)**		(526)	
Issuance of other medium-term borrowings		**2,254**		3,370	
Repayment of other medium-term borrowings		**(2,115)**		(1,610)	
Net change in other financial payables and other financial assets/liabilities		**1,541**	**(39)**	87	319
Increases in capital stock by subsidiaries		**1**		13	
(Purchase) sale of treasury shares		**(58)**		(39)	
Dividends paid by EXOR S.p.A.		**(68)**	**(36)**	(82)	(42)
Dividends paid by subsidiaries		**(174)**		(29)	
Other changes		**(5)**		(5)	
TOTAL		**936**	**(75)**	6,096	277
Translation exchange differences		**365**		218	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**3,332**		8,199	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	22	**16,188**		12,856	

(a) Prepared by consolidating the Fiat Group line-by-line for purposes of comparison.

EXOR GROUP – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.164% of share capital and, in particular, 59.1% of ordinary share capital, 39.24% of preferred share capital and 12.36% of savings share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Corso Matteotti 26.
Through its investment in subsidiaries, EXOR is principally present in the following sectors: Automobile and Auto-related Components (Fiat Group), Agricultural and Construction equipment and Trucks and Commercial Vehicles (Fiat Industrial Group, since the January 2011 demerger and transfer, which has been described in depth in the Report on Operations), real estate services (C&W Group), tourism (Alpitour Group) and professional soccer (Juventus Football Club).
Further information is provided in the Report on Operations under "EXOR Group Profile".

It should be noted that EXOR S.p.A. is the name that the former company IFI S.p.A. assumed on March 1, 2009, the effective date of the merger by incorporation of the subsidiary IFIL S.p.A. (hereinafter the "Merger").

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the EXOR Group at December 31, 2010 have been prepared in accordance with the International Financial Reporting Standards (the "IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and with the provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

The 2010 consolidated financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in a continuingly difficult economic and financial environment, the Group companies' assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about their ability to continue as a going concern.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the function and presentation currency of the Group.

Consolidation of the Fiat Group

Upon first-time adoption of IFRS and the preparation of the financial statements for the years 2005 to 2009, EXOR excluded the Fiat Group from line-by-line consolidation and accounted for its investment (approximately 30% of ordinary share capital) using the equity method.
This method has been adopted and maintained consistently in the consolidated financial statements for the years indicated while waiting for the definitive clarification of the criteria to permit verification of de facto control and the related accounting treatment in accordance with IAS 27 – *Consolidated and Separate Financial Statements* then in effect.

The current interpretation of de facto control, based also on the latest version of the Staff Draft posted to the IASB website on September 29, 2010 of the forthcoming IFRS 10 - "*Consolidated Financial Statements*", requires line-by-line consolidation pursuant to IAS 27 to be extended to companies in which the investor holds the majority of voting rights and the size of such majority, combined with the dispersion of the votes of the other vote holders, gives the investor the power to direct the investee's operating and financial policies in such a manner for them to be considered subsidiaries to be consolidated line-by-line. On such bases, believing that the suppositions existed, also in light of EXOR's incidence in the capital present and voting in recent

shareholders' meetings of Fiat S.p.A., EXOR has consolidated the Fiat Group line-by-line in its consolidated financial statements starting from the year 2010 and restated the consolidated financial statements for the year 2009 presented for comparative purposes.
Therefore, in the consolidated financial statements, besides the data for the year 2010 and those published in 2009, the 2009 restated data in which the Fiat Group is consolidated line-by-line is presented for comparative purposes. It should be noted that the January 1, 2009 statement of financial position restated on a line-by-line consolidation basis is not presented because of the impracticality of obtaining such data in a timely manner.

The line-by-line consolidation of the Fiat Group did not cause any change in the previously published data relating to the consolidated result for the year 2009 and the consolidated equity at December 31, 2009 attributable to the Owners of the Parent EXOR in that the investment in the Fiat Group was accounted for using the equity method which synthetically produces the same effect on the results mentioned above as line-by-line consolidation.

The following are reconciliations between the 2009 published and restated consolidated income statements and statements of financial position

EXOR GROUP – RESTATED CONSOLIDATED FINANCIAL STATEMENT

€ in millions	Consolidated Exor Group (published) (a)	Consolidated Fiat Group	Aggregate	Elimination Fiat Group	Consolidated Exor Group (restated) (b)
Net revenues	2,434	50,102	52,536	(16)	52,520
Cost of sales	(2,173)	(43,261)	(45,434)		(45,434)
Selling, general and administrative costs	(257)	(4,296)	(4,553)	16	(4,537)
Research and development costs	0	(1,398)	(1,398)		(1,398)
Other income (expense)	(20)	(89)	(109)		(109)
Trading profit/(loss)	**(16)**	**1,058**	**1,042**		**1,042**
Gains (losses) on the disposal of investments	0	4	4		4
Restructuring costs	(22)	(312)	(334)		(334)
Other unusual income (expense)	(71)	(391)	(462)		(462)
Operating profit/(loss)	**(109)**	**359**	**250**		**250**
Financial income (expense)	(80)	(753)	(833)	5	(828)
Result from investments:					
- Share of profit/(loss) of companies accounted for using the equity method	(244)	18	(226)	249	23
- Other income (expense) from investments	44	9	53		53
Result from investments	(200)	27	(173)	249	76
Profit/(loss) before taxes	**(389)**	**(367)**	**(756)**	**254**	**(502)**
Income taxes	(14)	(481)	(495)		(495)
Profit/(loss) from continuing operations	**(403)**	**(848)**	**(1,251)**	**254**	**(997)**
Profit/(loss) from discontinued operations	0	0	0		0
Profit/(loss)	**(403)**	**(848)**	**(1,251)**	**254**	**(997)**
Profit/(loss) attributable to:					
- Owners of the Parent	**(389)**	**(838)**	**(1,227)**	**838**	**(389)**
- Non-controlling interests	(14)	(10)	(24)	(584)	(608)

(a) Reclassified according to the new consolidated income statement format adopted in 2010 following the consolidation of the Fiat Group.
(b) Prepared by consolidating the Fiat Group for purposes of comparison.

EXOR GROUP – RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ in millions	Consolidated Exor Group (published) (a)	Consolidated Fiat Group	Aggregate	Elimination Fiat Group	Consolidated Exor Group (restated) (b)
Non-current assets					
Intangible assets	824	7,199	8,023	33	8,056
Property, plant and equipment	198	12,945	13,143		13,143
Investments and other financial assets:					
- Investments accounted for using the equity method	3,255	1,884	5,139	(3,057)	2,082
- Other investments and financial assets	1,540	275	1,815		1,815
Total Investments and other financial assets	4,795	2,159	6,954	(3,057)	3,897
Leased assets	0	457	457		457
Defined benefit plan assets	0	144	144		144
Deferred tax assets	9	2,580	2,589		2,589
Other non-current assets	71	0	71		71
Total Non-current assets	**5,897**	**25,484**	**31,381**	**(3,024)**	**28,357**
Current assets					
Inventories	2	8,748	8,750		8,750
Trade receivables	310	3,649	3,959	(2)	3,957
Receivables from financing activities	0	12,695	12,695		12,695
Other financial receivables	6	0	6		6
Current tax receivables	51	674	725		725
Other current assets	97	2,778	2,875		2,875
Current financial assets:					
- Current investments	43	46	89		89
- Current securities	555	217	772		772
- Other financial assets	4	636	640		640
Total Current financial assets	602	899	1,501		1,501
Cash and cash equivalents	630	12,226	12,856		12,856
Total Current assets	**1,698**	**41,669**	**43,367**	**(2)**	**43,365**
Total Assets held for sale	0	82	82		82
Total Assets	**7,595**	**67,235**	**74,830**	**(3,026)**	**71,804**
Equity					
Issued capital and reserves attributable to Owners of the Parent	5,305	10,301	15,606	(10,301)	5,305
Non-controlling interests	85	814	899	7,259	8,158
Total Equity	**5,390**	**11,115**	**16,505**	**(3,042)**	**13,463**
Provisions					
Employee benefits	57	3,447	3,504		3,504
Other provisions	28	4,985	5,013		5,013
Total Provisions	**85**	**8,432**	**8,517**		**8,517**
Debt					
Asset backed financing	0	7,086	7,086		7,086
Other debt	1,308	21,441	22,749		22,749
Total Debt	**1,308**	**28,527**	**29,835**		**29,835**
Other liabilities					
Other financial liabilities	51	464	515		515
Trade payables	343	12,295	12,638	(1)	12,637
Current tax payables	12	377	389		389
Deferred tax liabilities	64	152	216		216
Other liabilities	342	5,865	6,207	17	6,224
Total Other liabilities	**812**	**19,153**	**19,965**	**16**	**19,981**
Total Liabilities held for sale	**0**	**8**	**8**		**8**
Total Equity and Liabilities	**7,595**	**67,235**	**74,830**	**(3,026)**	**71,804**

(a) Reclassified according to the new consolidated statement of financial position format adopted in 2010 following the consolidation of the Fiat Group.
(b) Prepared by consolidating the Fiat Group line-by-line for comparative purposes.

Format of the financial statements

As a result of consolidating the Fiat Group line-by-line, beginning in 2010, the EXOR Group presents an income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than based on their nature, as the Fiat Group, the main subsidiary, believes that this provides information that is more relevant. The format selected is that used for managing the business and for management reporting purposes by Fiat Group and is consistent with international practice in the automotive sector. In this income statement, in which the classification of expenses is based on their function, the Trading profit/(loss) is reported specifically as part of Operating profit/(loss) and separate from the income and expense resulting from the non-recurring operations of the business, such as Gains (losses) on the disposal of investments, Restructuring costs and any Other income (expense) defined as unusual and of a similar nature to these items. By doing this, it is believed that the Group's actual performance from normal trading operations may be measured in a better way, while disclosing specific details of unusual income and expenses.

Consequently, the definition of unusual transaction adopted by the EXOR Group differs from that provided in the Consob Communication of July 28, 2006, under which unusual and abnormal transactions are those which, because of their significance or importance, the nature of the parties involved, the object of the transaction or the methods of determining the transfer price or the timing of the event (close to the year-end), may give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of an entity's assets or the protection of non-controlling interests.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1. In more detail, both companies carrying out industrial activities and those carrying out financial activities in the Fiat Group are consolidated in the EXOR Group's financial statements. The investment portfolios of financial services companies of the Fiat Group are included in current assets, as the investments will be realized in their normal operating cycle. The financial services companies of the Fiat Group, though, obtain funds only partially from the market: the remaining are obtained from Fiat S.p.A. through the Fiat Group's treasury companies (included in industrial companies), which lend funds both to industrial companies and to financial services companies as the need arises. This financial service structure within the Fiat Group means that any attempt to separate current and non-current debt in the consolidated statement of financial position cannot be meaningful, also at the EXOR level. Suitable disclosure of the due dates of liabilities is moreover provided in the notes.

The statement of cash flows is presented using the indirect method.

The other subsidiaries operating mainly in the services sector (Alpitour Group and C&W Group) as well as Juventus Football Club, EXOR and the other companies in the Holdings System have provided their data according to such formats for the consolidation reporting purposes of the EXOR Group.

In connection with the requirements of the Consob Resolution 15519 of July 27, 2006 as to the format of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Basis of consolidation

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are combined in the consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the net assets of consolidated subsidiaries and non-controlling interests in the profit or loss of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and income statement respectively. Losses applicable to non-controlling interests which exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Subsidiaries that are either dormant or generate a negligible volume of business, are not consolidated. Their impact on the Group's assets, liabilities, financial position and profit/(loss) attributable to the Owners of the Parent is immaterial.

The effects arising from the subscription of capital increases at different issue prices for different classes of stocks, as well as the increases/decreases in the interests held in subsidiaries, are recognized in equity.

Jointly controlled entities

Jointly controlled entities are enterprises over whose activities the Group has joint control, as defined in IAS 31 – *Interests in Joint Ventures*. The consolidated financial statements include the Group's share of the earnings of jointly controlled entities using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence, but not control or joint control, over the financial and operating policies, as defined in IAS 28 – *Investments in Associates*. The consolidated financial statements include the Group's share of the earnings of associates using the equity method, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's balance sheet, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or are impaired, when the cumulative gains and losses previously recognized in other comprehensive income are recognized in the income statement of the period.
Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from these investments are included in other income (expense) from investments.

Transactions eliminated on consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are recorded in the relevant functional currency of the foreign entity and are translated using the period end exchange rate.

The principal exchange rates used in 2010 and 2009 to translate into Euro the financial statements prepared in currencies other than the Euro were as follows:

	Average 2010	**At December 31, 2010**	Average 2009	At December 31, 2009
U.S. dollar	**1.326**	**1.336**	1.395	1.441
Pound sterling	**0.858**	**0.861**	0.891	0.888
French franc	**1.380**	**1.250**	1.510	1.484
Polish zloty	**3.995**	**3.975**	4.328	4.105
Brazilian real	**2.331**	**2.218**	2.767	2.511
Argetine peso	**5.183**	**5.303**	5.201	5.473

In the context of IFRS First-time Adoption, the cumulative translation difference arising from the consolidation of foreign operations outside the Euro zone was set at nil, as permitted by IFRS 1; gains or losses on subsequent disposal of any foreign operation only include accumulated translation differences arising after January 1, 2004.

Business combinations

Business combinations are accounted for by applying the acquisition method. Under this method, the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at that date, except for the following which are measured in accordance with the relevant standard:

- deferred tax assets and liabilities;
- assets and liabilities relating to employee benefit arrangements;
- liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree;
- assets (or disposal Groups) that are classified as held for sale.

Goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interest is initially measured either at fair value or at the non-controlling interest’s proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis.

Any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Changes in the equity interest in the acquiree that have been recognized in Other comprehensive income in prior reporting periods are reclassified to profit or loss as if the interest had been disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete in the consolidated financial statements. Those provisional amounts are adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date which, if known, would have affected the amounts recognized at that date.

Business combinations that took place prior to January 1, 2010 were accounted for in accordance with the previous version of IFRS 3.

Date of reference

The investments are consolidated using the financial statements at December 31, the closing date of EXOR, which covers a 12-month period, or accounting data prepared as of the same date (when the closing date differs from that of EXOR), adjusted, where necessary, to conform with the accounting principles of the Group. The Alpitour Group, which fiscal year ends on October 31 of each year, is consolidated line-by-line on the basis of the consolidated financial statements ended on that date, since it is impossible to obtain the consolidated accounting data at December 31, on a timely basis without disproportionate expense. Between November 1 and December 31, 2009 and 2010, there were no significant transactions or events which would have required adjustments to the consolidated financial statements of the Alpitour Group. This treatment is allowed by IAS 27 – *Consolidated and Separate Financial Statements*.

Intangible assets

Goodwill

Goodwill arising on business combinations is initially measured at cost as established at the acquisition date, as defined in the paragraph "Business combinations".
Goodwill, if any, relating to the non-controlling interests' share of subsidiaries acquired under the previous version of IFRS 3 are eliminated.

Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On disposal of part or whole of a business which was previously acquired and which gave rise to the recognition of goodwill, the remaining amount of the related goodwill is included in the determination of the gain or loss on disposal. In the event of the sale of non-controlling quotas, goodwill is not modified.

In the context of IFRS First-time Adoption, the Group elected not to apply IFRS 3 – *Business Combinations* retrospectively to the business combinations that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to impairment testing at that date.

Development

Development costs for vehicle project production (cars, trucks, buses, agricultural and construction equipment, related components, engines, and production systems) are recognized as an asset if and only if both of the following conditions are met: that development costs can be measured reliably and that technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process.

Capitalized development costs are amortized on a systematic basis from the start of production of the related product over the product‘s estimated average life, as follows:

	No. of years
Cars	4-5
Trucks and Buses	8
Agricultural and Construction Equipment	5
Engines	8-10
Components and Production Systems	3-5

All other development costs are expensed as incurred.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of acquired trademarks which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

Players’ registration rights

Players' registration rights are intangible assets with a finite useful life equal to the duration of the players' contracts signed with the players. The players' registration rights are recorded at cost discounted to present value, including any incidental expenses.

Players' registration rights are amortized on a straight-line basis over the term of the contracts between the company and each individual player. The original amortization plan can be extended following the early renewal of the contract, starting from the same season in which the contract is renewed. For youth players registered as “giovani di serie”, amortization is taken over five years on a straight-line basis.

Players' registration rights are recognized on the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Players' registration rights also include “sharing receivables and payables ex. art 102-bis of the N.O.I.F. (Internal Organizational Rules issued by the Italian Soccer Federation – F.I.G.C.)”.

Player sharing receivables represent the value of the simultaneous repurchase of 50% of the registration rights of the players sold. They are recognized at the adjusted cost and are not amortized as they are used by other companies. Player sharing receivables are written down when the estimated remaining useful life at the end of the sharing period is permanently below the amount recognized. Adjusted cost is the lower of the cost incurred originally under the legal form of agreement between the parties and the actual repurchase value.

Player sharing payables represent the value of the sale of 50% of the registration rights of the players sold. They are recognized at nominal value as a deduction from the value of the registration rights of the player sold to show the actual purchase value. As a result, the amortization of the players' registration rights sold relating to the player sharing agreement is calculated on that lower cost.

When there are indications of an impairment in the players' registration rights (for example, serious injury or significant losses from disposals made subsequent to the reporting date) an impairment loss is recorded for the remaining carrying amount.

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives, if these assets have finite useful lives.
Other intangible assets acquired as part of the acquisition of a business are capitalized separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost

Property, plant and equipment are stated at acquisition or production cost and are not revalued.

Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Property, plant and equipment also include vehicles sold with a buy-back commitment, which are recognized according to the method described in the paragraph Revenue recognition if the buy-back commitment originates from the Trucks and Commercial Vehicles sector.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statement as a debt. The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Fiat Group Depreciation rate		C&W Group Depreciation rate		Alpitour Group Depreciation rate		Juventus F.C. Depreciation rate		Holdings System Depreciation rate	
%	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Buildings	2.5%	10.0%			2.0%	10.0%	3.0%	10.0%		
Plant and machinery	5.0%	20.0%			10.0%	30.0%	10.0%	19.0%	3.0%	20.0%
Industrial and commercial equipment	15.0%	25.0%			7.5%	25.0%				
Other assets	10.0%	33.0%	14.0%	33.0%	5.0%	30.0%	12.0%	25.0%	12.0%	20.0%

Land is not depreciated.

Leased assets

Leased assets include vehicles leased to retail customers by the Group's leasing companies under operating lease arrangements. They are stated at cost and depreciated at annual rates of between 20% and 33%.
When such assets cease to be rented and become held for sale, the Group reclassifies their carrying amount to Inventories.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – *Borrowing Costs*), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized and amortized over the useful life of the class of assets to which they refer.
All other borrowing costs are expensed when incurred.

Impairment of assets

The Group reviews, at least annually, the recoverability of the carrying amount of intangible assets (including capitalized development costs) and property, plant and equipment, in order to determine whether there is any indication that those assets have suffered an impairment loss. If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount. An intangible asset with an indefinite useful life is tested for impairment annually or more frequently, if there is an indication that the asset may be impaired.
Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of fair value less disposal costs and its value in use. In assessing its value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets other than goodwill subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39, include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities (stocks, credit instruments and other forms of liquid investments, derivative financial instruments for trading) and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents.

In particular, cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents; current securities include both available-for-sale and held for trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Measurement

Investments in unconsolidated companies classified as non-current financial assets are accounted for as described in the section Basis of consolidation.

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*.
Bonds with mandatory conversion into stock are recognized by separating the bond component from the embedded derivative represented by the obligation to convert the bonds into the stock of the issuer at an established maturity date.
At initial recognition, the component represented by the bond is calculated by discounting the cash flows of the instrument to present value using the market rate of a non-convertible bond, recording the embedded derivative as the difference from the price paid.
Subsequently, the bond component is measured at amortized cost whereas the embedded derivative is measured at fair value with a corresponding entry to the income statement.
Current financial assets and held-to-maturity securities are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs.

Subsequent to initial recognition, available-for-sale and held for trading financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques e.g. discounted cash flow analysis based on market information available at the balance sheet date.

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement. Gains and losses arising from changes in the fair value of held for trading financial instruments are included in the income statement for the period.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), held-to-maturity securities and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or have an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or Group of assets may be impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Except for derivative instruments, financial liabilities are measured at amortized cost using the effective interest method.
Financial assets and liabilities hedged by derivative instruments are measured in accordance with hedge accounting principles applicable to fair value hedges.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

All derivative financial instruments are measured in accordance with IAS 39 at fair value.
When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- *Fair value hedges* – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement.

- *Cash flow hedges* – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. The cumulative gain or loss is removed from other comprehensive income and recognized in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately.

- *Hedges of a net investment* – If a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income. The cumulative gain or loss is reclassified from other comprehensive income to profit or loss on the disposal of the foreign operation.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the income statement.

Sales of receivables

The Group sells a significant part of its financial, trade and tax receivables through either securitization programs or factoring transactions.

A securitization transaction entails the sale of a portfolio of receivables to a securitization vehicle. This special purpose entity finances the purchase of the receivables by issuing asset-backed securities (i.e. securities whose repayment and interest flow depend upon the cash flow generated by the portfolio). Asset-backed securities are divided into classes according to their degree of seniority and rating: the most senior classes are placed with investors on the market; the junior class, whose repayment is subordinated to the senior classes, is normally subscribed for by the seller. The residual interest in the receivables retained by the seller is therefore limited to the junior securities it has subscribed for. In accordance with SIC 12 – Consolidation – Special Purpose Entities (SPE), all securitization vehicles are included in the scope of consolidation, because the subscription of the junior asset-backed securities by the seller entails its control in substance over the SPE.

Furthermore, factoring transactions may be with or without recourse to the seller; certain factoring agreements without recourse include deferred purchase price clauses (i.e. the payment of a minority portion of the purchase price is conditional upon the full collection of the receivables), require a first loss guarantee of the seller up to a limited amount or imply a continuing significant exposure to the receivables cash flow. These kinds of transactions do not meet IAS 39 requirements for asset derecognition, since the risks and rewards have not been substantially transferred.

Consequently, all receivables sold through both securitization and factoring transactions which do not meet IAS 39 derecognition requirements are recognized as such in the Group financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as Asset-backed financing. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group statement of financial position.

Inventories

Inventories of raw materials, semifinished products and finished goods, (including assets leased out under operating leases and assets sold under a buy-back commitment that are held for sale) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of construction contracts is based on the stage of completion determined as the proportion that cost incurred to the balance sheet date bears to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they become known.

Assets and liabilities held for sale and Discontinued operations

Non-current assets and disposal Groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal Group) is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal Groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Employee benefits

Pension plans

Employees of the Group participate in several defined benefit and/or defined contribution pension plans in accordance with local conditions and practices in the countries in which the Group operates.

The Group's obligation to fund defined benefit pension plans and the annual cost recognized in the income statement are determined on an actuarial basis using the projected unit credit method. Following the consolidation of the Fiat Group, the EXOR Group adopted the “corridor approach”, meaning that the portion of net cumulative actuarial gains and losses which exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of plan assets at the end of the previous year is amortized over the average remaining service lives of the employees. The effects of the adoption of the corridor approach on the EXOR Group are not significant. In the context of IFRS First-time Adoption, the Group elected to recognize all cumulative actuarial gains and losses that existed at January 1, 2004, even though it had decided to use the corridor approach for subsequent actuarial gains and losses.

The post-employment benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses, arising from the application of the corridor method and unrecognized past service cost, reduced by the fair value of plan assets. Any net asset resulting from this calculation is recognized at the lower of its amount and the total of any cumulative unrecognized net actuarial losses and past service cost, and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

If changes are made to a plan that alter the benefits due for past service or if a new plan is introduced regarding past service then past service costs are recognized in the income statement on a straight-line basis over the average period remaining until the benefits become vested. If a change is made to a plan that significantly reduces the number of employees who are members of the plan or that alters the conditions of the plan such that employees will no longer be entitled to the same benefits for a significant part of their future service, or if such benefits will be reduced, the profit or loss arising from such changes is immediately recognized in the income statement.

All other costs and income arising from the measurement of pension plan provisions are allocated to costs by function in the income statement, except for interest cost on unfunded defined benefit plans which is reported as part of financial expenses.
Costs arising from defined contribution plans are recognized as an expense in the income statement as incurred.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

The scheme underlying the employee leaving entitlements in Italy of the Italian Group companies (the TFR) was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the “2007 Finance Law”) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the consolidated financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

Equity compensation plans

Some companies of the Group provide additional benefits to certain members of senior management and employees through equity compensation plans (stock option plans and stock grants). In accordance with IFRS 2 – *Share-based Payment*, these plans represent a component of recipient remuneration. The compensation expense, corresponding to the fair value of the instruments at the grant date, is recognized in the income statement on a straight-line basis over the period from the grant date to the vesting date, with the offsetting credit recognized directly in equity. Any subsequent changes to fair value do not have any effect on the initial measurement.

In the event the plans require a monetary payment equal to the increase in the value of the shares or quotas of the related companies, the fair value of the liability of the plan is re-measured at each reporting date until its extinction and the change is recognized in the income statement.

Provisions

The Group records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury shares

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Revenue recognition

Fiat Group

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably. Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognized at the time of the initial sale.

Revenues from the sale of products are recognized when the risks and rewards of ownership of the goods are transferred to the customer, the sales price is agreed or determinable and receipt of payment can be assumed: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales. New vehicle sales with a buy-back commitment are not recognized at the time of delivery but are accounted for as operating leases when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment are accounted for as assets in Inventories if the sale originates from the Fiat Group Automobiles business (agreements with normally a short-term buy-back commitment); and are accounted for in property, plant and equipment, if the sale originates from the Commercial Vehicles business (agreements with normally a long-term buy-back commitment). The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. The initial sale price received is recognized as an advance payment (liability). The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease. Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to Inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.
Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals and interest income from financial services companies.

C&W Group

C&W Group recognizes revenues rendered for the services lines including: Leasing, Capital Markets, Corporate Occupier and Investor Services, Valuation & Advisory and Corporate Real Estate Business Consulting Services.
Revenues under Leasing (real estate sales and leases) are recognized when executed and the amount can be measured reliably, unless significant material future contingencies exist, in which case they are recognized when the contingency is resolved.
Revenues of Capital Markets are recognized when the contract is closed.
Revenues of Corporate Occupier & Investor Solutions are recognized as the services are being rendered.
Revenues for Valuation & Advisory and Global Business Consulting activities are recognized when the service has been completed or as the services are being rendered.
The C&W Group recognizes certain reimbursements (primarily salaries and related charges) mainly related to the facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Alpitour Group

Sales of tourist packages, airplane transportation services and brokering revenues are recognized based on the clients' departure date.
Revenues for hotel services and services rendered in connection with the incoming sector are recognized in the income statement at the service performance date.
Premiums connected with reinsurance activities are recognized in the income statement on the client's departure date since the insurance coverage is strictly related to the travel package.

Juventus Football Club
Revenues from games, from radio and television rights and media revenues are recognized at the actual moment of the event (when the game is played). Revenues from season tickets are recognized when the tickets are paid even if payment is received at the end of the season preceding the season to which the tickets refer and are deferred on the accrual basis using the same principle (when the game is played).
Revenues from the performance of services (including sponsorships) are recognized on the basis of the stage of completion of the service or upon completion of the service.
Revenues are recorded net of returns, discounts and allowances.
Gains and losses from the sale of players' registration rights are recognized according to the date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.
Gains from the sale of players' registration rights, in which 50% is simultaneously repurchased, are adjusted for 50% of their amount in order to recognize in the income statement the income accrued for the portion of the deferred rights actually transferred through the sale. The remaining amount of the gain, instead, will only be realized upon termination of the player-sharing agreement when the player leaves the company. If there is a loss on the sale of the players' right which precedes the signing of the player sharing contract, this loss, on the contrary, is not adjusted for IFRS purposes. This is due to the fact that the loss is comparable to the effect of an impairment test of the deferred right, under the assumption that the moment in time in which the right is disposed of represents the moment in which that loss arose.

Cost of sales

Fiat Group
Cost of sales comprises the manufacturing cost of products and the acquisition cost of purchased merchandise which have been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer. Revenues from the sale of extended warranties and maintenance contracts are recognized over the period during which the service is provided.

Expenses which are directly attributable to the financial services businesses, including the interest expense related to the financing of financial services businesses as a whole and charges for risk provisions and writedowns, are reported in cost of sales.

C&W Group
Cost of sales includes expenses that are directly attributable to the generation of revenues. An example is employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties.

Alpitour Group
The types of costs included in cost of sales by the Alpitour Group are divided by business sector:
- Tour Operating: ground service costs, flights and transportation and other costs connected with performing tourist services, commissions paid to travel agencies, personnel costs relating to the product, advertising and promotion strictly connected to promotional activities involving the product, printing and shipment of catalogs, provision relating to the technical reserve connected with reinsurance activities and travel vouchers and commercial exchange differences;
- Hotel: all the operating costs connected with hotel activities, personnel relating to management of the hotels and resorts, amortization of marketing rights, amortization and lease installments relating to hotel resorts, commercial exchange differences, local taxes and local taxes on structures;
- Aviation: airport services, landing and fly-over fees net of recoveries, fuel costs and catering services, maintenance costs and aircraft management, dry leases and wet leases, cost of personnel assigned to manage the aircraft, depreciation of aircraft, exchange differences and hedge effects on fuel and leases;

- Distribution: organized trip purchases, costs for the computer network, over-commissions, operating costs linked to the management of agencies, cost of agency personnel, travel agency lease payments and depreciation of owned travel agencies;
- Incoming: costs for hotel services, costs relating to excursions and tours, rent of means of transport and personnel costs.

Juventus Football Club

Cost of sales mainly includes the costs of registered personnel, amortization and writedowns of players' registration rights, operating and maintenance costs of sports facilities, as well as all the costs incurred for sports events.

Research and development costs

This item includes research costs, development costs not eligible for capitalization and the amortization of development costs recognized as assets in accordance with IAS 38.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies already used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized in other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses. Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the consolidated financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the periods in which temporary differences reverse or expire.

Dividends

Dividends payable by the Group are reported as a movement in equity in the period in which they are approved by shareholders in their annual general meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to owners of the parent entity assignable to the various classes of shares by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all dilutive potential shares.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In this respect the situation caused by the profound economic and financial crisis which began in 2008 has led to the need to make assumptions regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are the allowances for doubtful accounts receivable and inventories, non-current assets (tangible and intangible assets), the residual values of vehicles leased out under operating lease arrangements or sold with buy-back clauses, pension funds and other post-employment benefits, and deferred tax assets.

The following are the critical judgments and the key assumptions concerning the future that the Group companies have made in the process of applying the Group accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fiat Group - Allowance for doubtful accounts

The allowance for doubtful accounts reflects the estimate of losses inherent in the wholesale and retail credit portfolio. This allowance is based on the Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, this could lead to a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Fiat Group - Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects the estimate of the loss in value expected by the Group, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Fiat Group - Recoverability of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets. The Group reviews the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. This review is performed using estimates of future cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to its most recent business forecasts.

In view of the present economic and financial situation, the Fiat Group has the following considerations in respect of its future prospects:

- In the current situation, when preparing figures for the consolidated financial statements for the year ended December 31, 2010 and more specifically when carrying out impairment testing of tangible and intangible assets, the various sectors of the Group have taken into account their performance for 2011 as forecast in the budgets of the post-demerger Fiat Group and the Fiat Industrial Group, with assumptions and results consistent with the statements made in the section Significant events subsequent to the year end and outlook. In addition, for subsequent years they have taken into account the forecasts and targets included in the Fiat Group's 2010-2014 Strategic Plan presented to the financial community on April 21, 2010. These forecasts did not indicate the need to recognize any significant impairment losses.
- In addition, should the assumptions underlying the forecast deteriorate further the following is noted:

    - The Group's tangible assets and intangible assets with a finite useful life (which essentially regard development costs) relate to models or products having a high technological content in line with the latest environmental laws and regulations, which consequently renders them competitive in the present economic situation, especially in the more mature economies in which particular attention is placed on the eco-sustainability of those types of products. As a result, therefore, despite the fact that the automotive sector is one of the markets most affected by the crisis in the immediate term, it is considered highly probable that the life cycle of these products can be lengthened to extend over the period of time involved in a slower economic recovery, in this way allowing the Group to achieve sufficient earnings flows to cover the investments, albeit over a longer timescale.
    - Around 61% of capitalized goodwill relates to the CNH business and around 27% to Ferrari. In the case of the goodwill relating to the CNH business (€1,794 million at December 31, 2010), detailed analyses using various methodologies were carried out to test its recoverability; the underlying considerations are described in Note 14. As concerns Ferrari, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount will continue to be recoverable, even in the event of economic and market conditions which remain difficult.

Fiat Group - Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment

The Group reports assets rented to customers or leased to them under operating leases as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognized as sales at the time of delivery but are accounted for as operating leases if it is probable that the vehicle will be bought back. The Group recognizes income from such operating leases on a straight-line basis over the term of the lease. Depreciation expense for assets subject to operating leases is recognized on a straight-line basis over the lease term in amounts necessary to reduce the cost of an asset to its estimated residual value at the end of the lease term. The estimated residual value of leased assets is calculated at the lease inception date on the basis of published industry information and historical experience.

Realization of the residual values is dependent on the Group's future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating leases. More specifically the Group recognized further writedowns in 2009, in addition to those usually made on the basis of historical trends in residual values, to take account of the sudden deterioration in the used vehicle market over the final part of 2008 and throughout the whole of 2009. The used vehicle market was carefully monitored throughout 2010 to ensure that writedowns were properly determined. It cannot however be excluded that additional writedowns may be needed if market conditions should deteriorate even further.

Fiat Group - Sales allowances

At the later of the time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. There may be numerous types of incentives available at any particular time. The determination of sales allowances requires estimates based on different factors.

Fiat Group - Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. These estimates are based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims.

Fiat Group - Pension and other post-retirement benefits

Group companies sponsor pension and other post-retirement benefits in various countries. The Group's main defined benefit plans are to be found in the United Kingdom, Germany and Italy, as well as the United States, particularly in the CNH Group companies. Several statistical and judgmental factors are used that attempt to anticipate future events in calculating the expense, the liability and the assets related to these plans. These factors include assumptions about the discount rate, expected return on plan assets, rate of future compensation increases and health care cost trend rates. In addition, the Group's actuarial consultants also use subjective factors such as withdrawal and mortality rates in making relevant estimates. Regarding the discount rate, in 2010 yields of high quality corporate bonds were not subject to the same level of volatility as in 2008. It cannot be excluded, though, that future significant changes in the yields of corporate bonds may lead to effects on liabilities and unrecognized actuarial gains and losses, taking into account however any simultaneous changes in the returns of plan assets where these may exist.

Fiat Group - Realization of deferred tax assets

At December 31, 2010, the Group had deferred tax assets and theoretical tax benefits arising from tax loss carryforwards of €7,767 million, of which €2,855 million is not recognized in the financial statements. The corresponding totals at December 31, 2009 were €7,784 million and €3,307 million, respectively. These valuation allowances have been recorded to reduce deferred tax assets to the amount that it believes it is probable will be recovered. In making these adjustments, consideration has been given to figures from budgets and forecasts consistent with those used for impairment testing. Moreover, the adjustments that have been recognized are considered to be sufficient to protect against the risk of a further deterioration of the assumptions in these forecasts, taking account of the fact that the net deferred assets accordingly recognized relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a situation in which the time needed to exit from the crisis and for an economic recovery to occur extends beyond the term implicit in the above-mentioned estimates.

Fiat Group - Contingent liabilities

The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, legal counsel and certain other experts are consulted on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Holdings System and the other subsidiaries

The following are the critical judgments made in respect of the Holdings System and the other subsidiaries:

- the impairment test conducted by an independent expert on the investment in Banijay Holding and the embedded derivative relating to the Perfect Vision convertible bonds led to the recognition of a positive fair value reserve of €3 million and an impairment charge of €17 million, respectively;
- the other listed and unlisted investments accounted for at cost or at fair value that were assessed, also supported by an independent expert, gave no indications of impairment;
- the impairment test carried out on the goodwill of C&W Group did not indicate an impairment.

Accounting principles, amendments and interpretations adopted from January 1, 2010

The Group adopted the following standards, amendments and interpretations from January 1, 2010.

IFRS 3 (2008) – Business Combinations

In accordance with the transitional provision of the Standard the Group adopted IFRS 3 (revised in 2008) – *Business Combinations*, prospectively, to business combinations for which the acquisition date is on or after January 1, 2010. The main changes to IFRS 3 concern the accounting treatment of step acquisition, the possibility of measuring the non-controlling interests in a partial acquisition at fair value, the recognition of acquisition-related costs as period expenses and the recognition at the acquisition date of any contingent consideration included in the arrangements.

Step acquisitions of a subsidiary

In the case of step acquisitions IFRS 3 (2008) states that a business combination occurs only in respect of the transaction that gives one entity control of another. At that time, the identifiable net assets of the acquiree are measured at fair value and any non-controlling interest is measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets (a method already permitted under the previous version of IFRS 3).

An equity interest previously held in the acquiree and accounted for under IAS 39 – *Financial Instruments: Recognition and Measurement,* or under IAS 28 – *Investments in Associates*, or under IAS 31 – *Interests in Joint Ventures* is treated as if it were disposed of and acquired at fair value at the acquisition date. Accordingly, it is remeasured to its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Moreover, any changes in the value of the equity interest that were previously recognized in Other comprehensive income are reclassified from equity to profit or loss as if they had been disposed of. Goodwill, or the gain from a bargain purchase, arising from the acquisition of control in a subsidiary is measured as the consideration transferred to obtain control, plus the amount of non-controlling interest (using either option), plus the fair value of previously held non-controlling equity interest, less the fair value of the identifiable net assets of the acquiree.

Under the previous version of the standard controlling interests achieved in stages were dealt with as a series of separate transactions with goodwill recognized as the sum of the goodwill arising on these transactions.

As described in the Scope of consolidation section below on June 30, 2010 the Fiat Group acquired the remaining 50% of the joint venture Fiat GM Powertrain Polska (an investment that had been accounted for in the Fiat Group's consolidated financial statements using proportionate consolidation), thereby obtaining 100% control. The Group accounted for this transaction as the step acquisition of a subsidiary.

Acquisition-related costs

Under IFRS 3 (2008) acquisition-related costs are recognized as an expense in the periods in which the costs are incurred. Under the previous version of the Standard, these costs were included in the acquisition cost of the net assets of the acquired entity. Applying this change to the acquisition of the remaining 50% interest in Fiat GM Powertrain Polska in 2010 led to the recognition of acquisition related costs whose amount is not significant.

Recognition of contingent consideration

Under IFRS 3 (2008) contingent consideration is recognized as part of the consideration transferred in exchange for the acquiree's net assets, measured at its acquisition date fair value. Similarly, where the purchase agreement includes a right to the return of previously-transferred consideration if specified conditions are met, that right to return is classified as an asset by the acquirer. Subsequent changes in this fair value are recognized as adjustments to the original accounting for the acquisition if they come from additional information obtained by the acquirer and occur within 12 months of the acquisition date. All other changes in the fair value of the contingent consideration are recognized in profit or loss.

Under the previous version of the Standard contingent consideration was recognized at the acquisition date only if payment was probable and it could be measured reliably. Any subsequent adjustments to contingent consideration were recognized against goodwill. No effects arose from this change in accounting standard as far as the acquisition of the remaining 50% of the joint venture Fiat GM Powertrain Polska in 2010 is concerned.

The above changes in accounting principles deriving from the adoption of IFRS 3 (2008) did not have significant accounting effects in the current year.

IAS 27 (2008) – Consolidated and Separate Financial Statements

The revisions to IAS 27 principally affect the accounting for transactions and events that result in a change in the Group's interest in its subsidiaries and the attribution of a subsidiary's losses to non-controlling interests. In accordance with the relevant transitional provisions, the Group adopted these changes to IAS 27 prospectively. The adoption of the revised standard has affected the accounting of certain increases and decreases in the Group's ownership interest in its subsidiaries.

IAS 27 (2008) specifies that once control has been obtained, further transactions whereby the parent entity acquires additional equity interests from non-controlling interests, or disposes of equity interests without losing control are transactions with owners and therefore shall be accounted for as equity transactions. It follows that the carrying amounts of the controlling and non-controlling interests must be adjusted to reflect the changes in their relative interests in the subsidiary and any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent. There is no consequential adjustment to the carrying amount of goodwill and no gain or loss is recognized in profit or loss. Costs associated with these transactions are recognized in equity in accordance with IAS 32 paragraph 35.

In prior years, in the absence of a specific principle or interpretation, if the Group purchased a non-controlling interest in a subsidiary that it already controlled and recognized any excess of the acquisition cost over the carrying amount of the assets and liabilities acquired as goodwill (the "Parent entity extension method"). If it disposed of a non-controlling interest without losing control, however, the Group recognized any difference between the carrying amount of assets and liabilities of the subsidiary and the consideration received in profit or loss.

In 2010, following the adoption of the above change, the Fiat Group recognized a reduction of €81 million directly in equity in relation to the exercising of the 5% call option on Ferrari S.p.A., as well as in respect of a series of minor acquisitions and sales of non-controlling interests in subsidiaries.

Standards, amendments and interpretations effective from January 1, 2010 but not applicable to the Group

The following amendments, improvements and interpretations have also been issued and are effective from January 1, 2010; these relate to matters that were not applicable to the Group at the date of these financial statements but which may affect the accounting for future transactions or arrangements:

- Improvement 2008 to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*.
- Amendments to IAS 28 – *Investments in Associates* and to IAS 31 – *Interests in Joint Ventures* consequential to the amendment to IAS 27.
- Improvements to IAS/IFRS (2009).
- Amendments to IFRS 2 – *Share based Payment*: Group Cash-settled Share-based Payment Transactions.

- IFRIC 17 – *Distributions of Non-cash Assets to Owners*.
- IFRIC 18 – *Transfers of Assets from Customers*.
- Amendment to IAS 39 – *Financial Instruments: Recognition and Measurement*: Eligible Hedged items.

Accounting principles, amendments and interpretations not yet applicable and not early adopted by the Group

On October 8, 2009, the IASB issued an amendment to IAS 32 – *Financial Instruments: Presentation*, Classification of Rights Issues in order to address the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, provided certain conditions are met, the amendment requires such rights issues to be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is effective retrospectively from January 1, 2011; when applied this amendment is not expected to lead to significant effects on the Group's financial statements.

On November 4, 2009, the IASB issued a revised version of IAS 24 – *Related Party Disclosures* that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after January 1, 2011. Application of this amendment is not expected to have any significant effects on the measurement of items in the Group's financial statements.

On November 12, 2009, the IASB issued a new standard IFRS 9 – *Financial Instruments* that was amended on October 28, 2010. The new standard, having an effective date for mandatory adoption of January 1, 2013, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities and for the derecognition of financial assets. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognized in other comprehensive income and are not subsequently reclassified to the Income statement. The new standard had not yet been endorsed by the European Union at the date of these financial statements.

On November 26, 2009, the IASB issued a minor amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement*. The amendment applies when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The amendment has an effective date for mandatory adoption of January 1, 2011. Application of this amendment is not expected to have any significant effects on the Group's financial statements.

On November 26, 2009, the IFRIC issued the interpretation IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments* that provides guidance on how to account for the extinguishment of a financial liability by the issue of equity instruments. The interpretation clarifies that when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially, then the entity's equity instruments issued to a creditor are part of the consideration paid to extinguish the financial liability and are measured at their fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments issued is included in profit or loss for the period. The interpretation has an effective date for mandatory adoption of January 1, 2011. Application of this interpretation is not expected to have any significant effects on the Group's financial statements.

On May 6, 2010, the IASB issued a set of amendments to IFRSs ("Improvements to IFRSs") that are applicable from January 1, 2011; set out below are those that will lead to changes in the presentation, recognition or measurement of financial statement items, excluding those that only regard changes in terminology or editorial changes having a limited accounting effect and those that affect standards or interpretations that are not applicable to the Group:

- IFRS 3 (2008) – *Business Combinations*: this amendment clarifies that the components of non-controlling interests that do not entitle their holders to a proportionate share of the entity's net assets must be measured at fair value or as required by the applicable accounting standards. For example, therefore, stock options granted to employees must be measured in accordance with the requirements of IFRS 2 in the case of a business combination, while the equity portion of a convertible debt instrument must be measured in accordance with IAS 32. In addition, the Board goes into further detail on the question of share-based payment plans that are replaced as part of a business combination by adding specific guidance to clarify the accounting treatment.

- IFRS 7 – *Financial Instruments: Disclosures*: this amendment emphasizes the interaction between the qualitative and quantitative disclosures required by the standard concerning the nature and extent of risks arising from financial instruments. This should assist users of financial statements to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial statements. In addition, the disclosure requirement concerning financial assets that are past due or impaired but whose terms have been renegotiated, and that relating to the fair value of collateral have been eliminated.

- IAS 1 – *Presentation of Financial Statements*: the amendment requires the reconciliation in the changes of each component of equity to be presented in the notes or in the primary statements.

- IAS 34 – *Interim Financial Reporting*: by using a series of examples certain clarifications are provided concerning the additional disclosures that must be presented in interim financial reports.

Application of these improvements is not expected to have any significant effects on the Group's financial statements.

On October 7, 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*. Entities are required to apply the amendments for annual periods beginning on or after July 1, 2011.The amendments will allow users of financial statements to improve their understanding of transfers of financial assets, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of a transfer transaction is undertaken at the end of a reporting period. The amendments had not yet been endorsed by the European Union at the date of these financial statements.

On December 20, 2010, the IASB issued amendments to IFRS 1 – *First-time Adoption of International Financial Reporting Standards*. The first amendment replaces references to a fixed date of "January 1, 2004" with the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. These amendments are effective from July 1, 2011. The amendments had not yet been endorsed by the European Union at the date of these financial statements.

On December 20, 2010, the IASB issued amendments to IAS 12 – *Income Taxes* that require an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. As a result of the amendments, SIC-21 – *Income Taxes – Recovery of Revalued Non-Depreciable Assets* no longer applies. These amendments are effective from January 1, 2012. The amendments had not yet been endorsed by the European Union at the date of these financial statements.

CHANGES IN THE SCOPE OF CONSOLIDATION

As described in the preceding paragraph "Consolidation of the Fiat Group", to which reference should be made for additional information, starting from the year 2010, EXOR has consolidated the Fiat Group line-by-line. Additionally, it should be recalled that the previously-mentioned demerger of the Fiat Group, effective on January 1, 2011, is considered a "business combination involving entities under common control" and, as such, is outside the scope of application of IFRS 3 and IFRIC 17. Accordingly, in the 2011 consolidated financial statements for Fiat S.p.A. post-demerger and Fiat Industrial S.p.A., the opening positions for items in the statement of financial position will be equivalent to the carrying amounts reported in the consolidated financial statements of Fiat Group prior to demerger (as a whole), without generating any effect on the scope of consolidation at the level of the EXOR Group. Consequently, the amounts relating to the business to be transferred to Fiat Industrial published in the consolidated financial statements of Fiat S.p.A. as Discontinued operations as set out in IFRS 5 have been reclassified for purposes of presenting the Fiat Group as a whole in the 2010 EXOR consolidated financial statements (Fiat Group as a whole).

As for the **Alpitour Group, C&W Group** and the **Holdings System,** in 2010 there were no significant changes in the scope of consolidation.

With regard to the **Fiat Group,** in 2010 the following changes took place in the scope of consolidation:

- On February 1, 2010, the sale of Targa Rent S.r.l., a subsidiary of the Fiat Group Automobiles sector, was completed; this investment was already classified as assets held for sale at December 31, 2009.

- The equally held joint venture GAC Fiat Automobiles Co. Ltd. was formed in the first quarter of 2010 to manufacture engines and cars for the Chinese market.

- In the second quarter of 2010, the CNH sector acquired 50% of LLC CNH – KAMAZ Industry, an equally held joint venture set up to manufacture agricultural and construction machinery in the Russian Federation.

- In the second quarter of 2010, the Agricultural and Construction Equipment sector completed the sale of the investment in the joint venture LBX Company LLC.

- On June 30, 2010, the Fiat Group acquired the remaining 50% of the joint venture Fiat Powertrain Polska Sp. z.o.o. (ex Fiat GM Powertrain Polska), thereby obtaining 100% control. The 50% interest acquired was consolidated on a line-by-line basis effective January 1, 2010. The transaction resulted in the recognition of a gain on the aggregation of €10 million.

- Certain subsidiaries in the Components sector whose total assets and revenues are not material to the Group have been consolidated on a line-by-line basis during 2010.

- During the third quarter of 2010, the call option on the 5% of Ferrari S.p.A. share capital held by Mubadala Development Company PJSC was exercised.

- In the fourth quarter of 2010, the Fiat Group Automobiles sector acquired TCA Tecnologia en Componentes Automotivos SA, a company located in the Brazilian state of Pernambuco, measured at cost.

- During the fourth quarter of 2010, the Components sector incorporated the companies Magneti Marelli d.o.o. Kragujevac and Plastic Components and Modules Fuel Tanks S.p.A., both recognized at cost

1. Net revenues

Net revenues may be analyzed as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations**	**Consolidated EXOR Group**
Sales of goods	51,755						51,755
Rendering of services:							
- Tourism			1,227			(4)	1,223
- Capital Market		141					141
- Corporate Occupier & Investor Services		202					202
- Valuation Advisory		117					117
- Global Consulting		14					14
- Commissions on leasing		582					582
- Other services	2,405				2	(2)	2,405
Interest income from customers and other financial income of financial services companies of the Fiat Group	950						950
Contract revenues	733						733
Rents on assets sold with a buy-back commitment	226						226
Rents on operating leases	150						150
Reimbursements of costs for property management services rendered by C&W Group on behalf of the clientele		271					271
Television and radio rights and media revenues				104			104
Sponsorships and advertising				44		(7)	37
Season tickets and ticket office sales				11			11
Other	39			24	3	(2)	64
Total Net revenues 2010	**56,258**	**1,327**	**1,227**	**183**	**5**	**(15)**	**58,985**
Sales of goods	45,958						45,958
Rendering of services:							
- Tourism			1,090			(4)	1,086
- Capital Market		97					97
- Corporate Occupier & Investor Services		190					190
- Valuation Advisory		111					111
- Global Consulting		8					8
- Commissions on leasing		461					461
- Other services	2,496				2		2,498
Interest income from customers and other financial income of financial services companies of the Fiat Group	918						918
Contract revenues	258						258
Rents on assets sold with a buy-back commitment	271						271
Rents on operating leases	167						167
Reimbursements of costs for property management services rendered by C&W Group on behalf of the clientele		245					245
Television and radio rights and media revenues				141			141
Sponsorships and advertising				46		(12)	34
Season tickets and ticket office sales				18			18
Other	34			25			59
Total Net revenues 2009	**50,102**	**1,112**	**1,090**	**230**	**2**	**(16)**	**52,520**
Change in amount	**6,156**	**215**	**137**	**(47)**	**3**	**1**	**6,465**
Change in percentage	**12.3%**	**19.3%**	**12.6%**	**-20.4%**	**n.s.**	**n.a.**	**12.3%**

2. Cost of sales

Cost of sales comprises the following:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Eliminations	Consolidated EXOR Group
Cost of sales	46,875	1,157	1,119	203	(1)	49,353
Interest cost and other financial expenses from financial services companies	863					863
Cost of sales 2010	**47,738**	**1,157**	**1,119**	**203**	**(1)**	**50,216**
Cost of sales	42,457	993	997	184	(1)	44,630
Interest cost and other financial expenses from financial services companies	804					804
Cost of sales 2009	**43,261**	**993**	**997**	**184**	**(1)**	**45,434**
Change in amount	**4,477**	**164**	**122**	**19**	**0**	**4,782**
Change in percentage	**10.3%**	**16.5%**	**12.2%**	**10.3%**	**n.a.**	**10.5%**

3. Selling, general and administrative costs

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations and adjustments	Consolidated EXOR Group
2010							
Selling, general and administrative costs	**4,742**	**126**	**79**	**31**	**45**	**(14)**	**5,009**
2009							
Selling, general and administrative costs	4,296	115	76	25	40	(15)	4,537
Change in amount	**446**	**11**	**3**	**6**	**5**	**1**	**472**
Change in percentage	**10.4%**	**9.6%**	**3.9%**	**24.0%**	**12.5%**	**n.a.**	**10.4%**

Fiat Group

Selling costs comprises mainly marketing, advertising, and sales personnel costs.

General and administrative costs comprise mainly expenses for administration which are not attributable to sales, production and research and development functions.

C&W Group

Selling costs comprises mainly advertising costs.

General and administrative costs comprise mainly expenses for administration which are not attributable to the sales functions.

Alpitour Group

Selling, general and administrative costs include principally personnel costs relating to staff functions, insurance, advertising and promotion, consulting and emoluments to boards.

Juventus FC
General and administrative expenses include mainly the expenses associated with non-registered personnel and general administrative expenses not attributable to the sales functions.

Holdings System
The general expenses of the Holdings System comprise mainly personnel, consulting and sundry services.

4. Research and development costs

In 2010, research and development costs are incurred entirely by the Fiat Group and equal to €1,431 million (€1,398 million in 2009). They comprise all the research and development costs not recognized as assets amounting to €654 million (€646 million in 2009), the writedown of costs previously capitalized of €42 million (€47 million in 2009) and the amortization of capitalized development costs of €735 million (€705 million in 2009). New expenditures for capitalized costs in 2010 incurred by the Fiat Group are €1,282 million (€1,046 million in 2009).

5. Other income (expense)

This item consists of income arising from trading operations which is not attributable to the sale of goods and services (such as royalties and other income from licenses and know-how), net of miscellaneous operating costs which cannot be allocated to specific functional areas, such as indirect taxes and duties, and charges for various provisions not attributable to other items of cost of sales or selling, general and administrative costs.

6. Gains (losses) on the disposal of investments

Gains (losses) on the disposal of investments refer to the Fiat Group and amount to €15 million in 2010 (€4 million in 2009). They mainly comprise the gain on the acquisition of the remaining 50% of the joint venture Fiat GM Powertrain Polska (€10 million) and the gains realized on the sale of the investment in the joint venture LBX Company LLC.

7. Restructuring costs

Restructuring costs amount to €178 million in 2010 and refer to the Fiat Group for €176 million and C&W Group for €2 million. In 2009, restructuring costs totaled €334 million and related to the Fiat Group for €312 million and C&W Group for €22 million.

8. Other unusual income (expense)

In 2010, net other unusual expense amount to €57 million (€462 million in 2009).
The breakdown by sector is as presented below.

Holdings System
In 2010, net other unusual expenses total €7 million and include principally legal expenses deriving from the cases relating to the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 for €5 million (€3 million in 2009), as well as investment acquisition costs for €2 million.
In 2009, the net balance had also included the writedown of goodwill on the acquisition of C&W Group (€10 million) represented by the acquisition costs incurred by EXOR S.A..

C&W Group

In 2010, net other unusual expenses amount to €7 million ($9 million) and represent the minority shareholders' put option liability through profit and loss deriving from the "Minority Shareholders Agreement".

In 2009, net other unusual expenses were €55 million and included €44 million for the goodwill impairment charge on the acquisition of C&W Group and €11 million for other intangible asset impairments.

Alpitour Group

This item includes costs incurred by the Alpitour Group to implement the rationalization and reorganization plan aimed at reducing labor costs by €1 million (€2 million in 2009) as well as expenses for penalties paid by Alpitour as a result of its early withdrawal from rent contracts and for settlement of disputes for a total of €1 million (€1 million in 2009).

It also includes the charge to the provision for reinsurance claims set aside by the subsidiary Alpitour Reinsurance for the reinsurance of risks.

Juventus FC

Net other unusual expenses stand at €7 million as a result of the settlement agreement reached with the Regional Tax Revenue Office following access by the *Guardia di Finanza* which ended on July 23, 2009.

In 2009, the balance had included the writedown of €3 million on the video archives and €3 million of other income on the sale of the business segment relating to the commercial areas outside the new stadium to Ebano S.r.l., a company in the Nordiconad Group.

Fiat Group

Net other unusual expenses amount to €34 million in 2010. In 2009, the same item consisted of net expenses of €391 million which included the effects of writedowns of €104 million of certain investments in platforms and architectures made by the Automobiles business in relation to the strategic realignment with the Chrysler business, accessory costs of €41 million relating to the acquisition of the interest in Chrysler, other non-recurring charges and costs for the writedown of assets recognized by the Group as the result of the global economic crisis of which €173 million refers to the Iveco Sector.

9. Financial income (expense)

In addition to the items included in the specific lines of the income statement, Net financial income (expense) in 2010 and 2009 also includes the interest income from customers and other financial income of financial services companies included in net revenues for and interest cost and other financial expenses from financial services companies included in cost of sales.

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated EXOR Group
Interest income from banks	134				2		136
Interest income from securities	7	1			30		38
Commission income	1						1
Sundry interest income and other financial income	133	2		1	4	(3)	137
Total Interest income and other financial income	275	3		1	36	(3)	312
Interest income from customers and other financial income of financial services companies	950						950
Gains on disposals of securities	10				53		63
Gains on disposals of investments					1		1
Total Financial income	1,235	3		1	90	(3)	1,326
(Less) Interest income from customers and other financial income of financial services companies	(950)						(950)
Financial income 2010 excluding financial services companies	**285**	**3**		**1**	**90**	**(3)**	**376**
Interest expenses on bonds	814				49		863
Interest expenses from banks	305	13	1		2		321
Interest expenses on trade payables	7						7
Commission expenses	15						15
Interest cost and other financial expenses	566	3	1	2	8	(3)	577
Total Interest cost and other financial expenses	1,707	16	2	2	59	(3)	1,783
Writedowns of financial assets	310				17		327
Losses on disposal of securities	12				23		35
Financial expenses on employee benefits	125						125
Total Interest and other financial expenses	**2,154**	**16**	**2**	**2**	**99**	**(3)**	**2,270**
Net income (expenses) from derivative financial instruments and exchange differences	**101**			**(2)**	**20**		**119**
Total Financial expense	**2,053**	**16**	**2**	**4**	**79**	**(3)**	**2,151**
financial expenses of financial services companies	**(863)**						**(863)**
Financial expense 2010 excluding financial services companies	**1,190**	**16**	**2**	**4**	**79**	**(3)**	**1,288**
Net financial income (expense) 2010 excluding financial services companies	**(905)**	**(13)**	**(2)**	**(3)**	**11**	**0**	**(912)**

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated Exor Group
Interest income from banks	62			1	4		67
Interest income from securities	9		2		24		35
Commission income	1						1
Sundry interest income and other financial income	81	1		4	4	(2)	88
Total Interest income and other financial income	153	1	2	5	32	(2)	191
Interest income from customers and other financial income of financial services companies	918						918
Gains on disposals of securities	7				15		22
Total Financial income	1,078	1	2	5	47	(2)	1,131
(Less) Interest income from customers and other financial income of financial services companies	(918)						(918)
Financial income 2009 excluding financial services companies	**160**	**1**	**2**	**5**	**47**	**(2)**	**213**
Interest expenses on bonds	511				50		561
Interest expenses from banks	323	13	5		3		344
Interest expenses on trade payables	4						4
Commission expenses	19						19
Interest cost and other financial expenses	580	1		6	7	(6)	588
Total Interest cost and other financial expenses	1,437	14	5	6	60	(6)	1,516
Writedowns of financial assets	194				45		239
Losses on disposal of securities	12				9		21
Losses on disposals of investments					15		15
Financial expenses on employment benefits	160						160
Total Interest and other financial expenses	1,803	14	5	6	129	(6)	1,951
Net income (expenses) from derivative financial instruments and exchange differences	86				20		106
Total Financial expense	1,717	14	5	6	109	(6)	1,845
financial expenses of financial services companies	(804)						(804)
Financial expense 2009 excluding financial services companies	**913**	**14**	**5**	**6**	**109**	**(6)**	**1,041**
Net financial income (expense) 2009 excluding financial services companies	**(753)**	**(13)**	**(3)**	**(1)**	**(62)**	**4**	**(828)**

Financial income (expense) of the **Fiat Group** include net financial income of €111 million (€117 million in 2009) arising from the equity swaps on Fiat shares, relating to certain stock option plans.

Financial income (expense) of the **Holdings System** in 2010 include:

- the gain of €1 million realized on the sale of a 0.25% interest in Intesa Sanpaolo (in 2009 losses of €15 million on the sale of a 0.65% interest in Intesa Sanpaolo);
- the negative fair value change on the embedded derivative relating to the Perfect Vision bonds for €17 million (€36 million in 2009). In 2009, there was also a negative fair value change on bonds issued by DLMD for €9 million.

10. Result from investments

€ in millions	**2010**	2009	Change
Share of the profit/(loss) of companies accounted for using the equity method			
- Sequana Group	**9**	5	4
- Sundry Fiat Group companies	**190**	18	172
- Sundry C&W Group companies	**1**	0	1
Share of the profit/(loss) of companies accounted for using the equity method	**200**	23	177
Dividends from Companies in the Holdings System			
- SGS S.A.	**49**	38	11
- Intesa Sanpaolo	**1**	0	1
- Gruppo Banca Leonardo	**0**	2	(2)
Dividends from companies in the Holdings System	**50**	40	10
Dividends from investments	**8**	7	1
Other income from investments	**8**	3	5
Impairment reversals (losses)	**(24)**	3	(27)
Charges for risk provision on investments	**(6)**		(6)
Result from investments	**236**	76	160

The item impairment reversals (losses) includes the impairment charge of €9 million to align the carrying amount (€2.98 per share) of the remaining 10 million Intesa Sanpaolo shares to the stock trading price at December 30, 2010 (€2.042 per share). In fact, it was deemed that the share trading price, consistently below the original carrying amount, represented objective evidence of an impairment loss.

11. Income taxes

Income taxes recognized in the income statement consist of the following:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus	Holdings System	Consolidated EXOR Group
Current taxes:						
- IRAP	90		4	4		98
- Other taxes	739	13	4		7	763
Total Current taxes	**829**	**13**	**8**	**4**	**7**	**861**
Deferred taxes for the period:						
- IRAP	(21)					(21)
- Other taxes	(134)	(9)		1		(142)
Total Deferred taxes	**(155)**	**(9)**		**1**		**(163)**
Taxes relating to prior periods	**8**					8
Total Income taxes 2010	**682**	**4**	**8**	**5**	**7**	**706**
Current taxes:						
- IRAP	99		4	5		108
- Other taxes	545	10	2		6	563
Total Current taxes	**644**	**10**	**6**	**5**	**6**	**671**
Deferred taxes for the period:						
- IRAP	(33)					(33)
- Other taxes	(154)	(21)		8		(167)
Total Deferred taxes	**(187)**	**(21)**		**8**		**(200)**
Taxes relating to prior periods	**24**					**24**
Total Income taxes 2009	**481**	**(11)**	**6**	**13**	**6**	**495**

Overall, the increase in the charge for current and deferred taxes of the Fiat Group in 2010 with respect to 2009 is due mainly to an increase in the taxable profits of non-Italian companies, partially offset by the recognition of deferred tax assets of a non-recurring nature.

Taxes relating to prior periods include the cost arising from certain disputes with the tax authorities.

The reconciliation between the tax charges recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

€ in millions	**2010**	2009
Theoretical income taxes	**351**	(138)
Tax effect of permanent differences	**2**	85
Taxes relating to prior years	**8**	24
Effect of difference between foreign tax rates and the theoretical Italian tax rate	**121**	40
Effect of deferred tax assets not recognized in prior years	**(64)**	0
Effect of deferred tax assets not recognized and write-off of deferred tax assets	**178**	434
Use of tax losses for which no deferred tax assets were recognized	**(21)**	(64)
Other differences	**54**	39
Current and deferred income tax recognized in the financial statements, excluding IRAP	**629**	420
IRAP (current and deferred)	**77**	75
Current and deferred income tax recognized in the financial statements	**706**	495

Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, in order to render the reconciliation between income taxes recognized and theoretical income taxes more meaningful, IRAP tax is not taken into consideration; theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2010 and 2009) to profit/(loss) before taxes.

Permanent differences in the above reconciliations include the tax effect of non-taxable income of €162 million in 2010 (€131 million in 2009) and of non-deductible costs of €164 million in 2010 (€216 million in 2009).

Reconciling items relating to deferred tax assets in 2010 gave rise to total tax expense of €93 million resulting from the decision not to recognize assets deriving from temporary differences and tax losses arising during the year of €178 million, partially offset by income deriving from the recognition of previously unrecognized deferred tax assets of €64 million and the effect of utilizing tax losses of €21 million for which deferred tax assets had not been recognized in previous years. In 2009, the effect was a negative €370 million.

Other differences in the above reconciliation include unrecoverable withholding tax of the Fiat Group of €89 million (€57 million in 2009).

Net deferred tax assets at December 31, 2010 consist of deferred tax assets, net of deferred tax liabilities, which have been offset where possible by the individual consolidated companies. The net balance of deferred tax assets and deferred tax liabilities may be analyzed as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Holdings System**	**Consolidated EXOR Group**
Deferred tax assets	**2,889**	**4**	**9**		2,902
Deferred tax liabilities	**(187)**	**(67)**		**(1)**	(255)
Total 2010	**2,702**	**(63)**	**9**	**(1)**	**2,647**
Deferred tax assets	2,580		9		2,589
Deferred tax liabilities	(152)	(63)		(1)	(216)
Total 2009	**2,428**	**(63)**	**9**	**(1)**	**2,373**

The increase in net deferred tax assets, as analyzed in the following table, is mainly due to:

- the recognition of deferred tax assets of €164 million, arising from temporary differences and tax losses that arose during the year, net of the effect of recognizing or writing off deferred tax assets relating to prior years;
- the corresponding tax effect of items recorded directly in equity amounting to €7 million;
- positive exchange rate differences, change in the scope of consolidation and other changes amounting to €103 million.

Deferred tax assets, net of deferred tax liabilities may be analyzed by source as follows:

€ in millions	12/31/2009	Recognized in income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	**12/31/2010**
Deferred tax assets arising from:						
- Taxed provisions	1,787	138		(1)	90	**2,014**
- Inventories	333	8			6	**347**
- Taxed allowances for doubtful accounts	207	23		1	16	**247**
- Provision for employee benefits	447	(38)	2		34	**445**
- Intangible assets	462	184				**646**
- writedowns of financial assets	159	9			2	**170**
- Measurement of derivative financial instruments	31		8		7	**46**
- Other	529	(56)	2	14	2	**491**
Total Deferred tax assets	3,955	268	12	14	157	**4,406**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(527)	22		(6)	(28)	**(539)**
- Deferred tax on gains on disposal	(7)	(146)				**(153)**
- Capital investment grants	(6)	2				**(4)**
- Provision for employee benefits	(24)					**(24)**
- Capitalization of development costs	(910)	28		(3)	(20)	**(905)**
- Other	(710)	37	(5)	(13)	(30)	**(721)**
Total Deferred tax liabilities	(2,184)	(57)	(5)	(22)	(78)	**(2,346)**
Theoretical tax benefit arising from tax loss carryforwards	4,186	(514)		4	40	**3,716**
Adjustments for assets whose recoverability is not probable	(3,584)	467		15	(27)	**(3,129)**
Total Deferred tax assets, net of Deferred tax liabilities	2,373	164	7	11	92	**2,647**

The decision to recognize deferred tax assets is taken for each company by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits arising from deductible temporary differences (€4,406 million at December 31, 2010 and €3,955 million at December 31, 2009), and tax loss carryforwards (€3,716 million at December 31, 2010 and €4,186 million at December 31, 2009), have been reduced by €3,129 million at December 31, 2010 and by €3,584 million at December 31, 2009.

As concerns the Fiat Group, deferred tax assets net of deferred tax liabilities include tax benefits arising from unused tax losses of €1,315 million at December 31, 2010 (€1,259 million at December 31, 2009). At December 31, 2010, further tax benefits arising from unused tax losses of €2,124 million (€2,635 million at December 31, 2009) have not been recognized.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries of the Fiat Group, since the Fiat Group and the Fiat Industrial Group are able to control the timing of the distribution of these reserves and it is probable that they will not be distributed in the foreseeable future.

The totals of deductible and taxable temporary differences and accumulated tax losses at December 31, 2010, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiry, are as follows:

		Year of expiry					
€ in millions	**Total at 12/31/2010**	2011	2012	2013	2014	Beyond 2014	Unlimited / indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	**13,608**	4,004	1,551	1,575	1,436	5,041	1
- Taxable temporary differences	**(7,236)**	(1,687)	(1,131)	(1,063)	(841)	(2,435)	(79)
- Tax losses	**12,805**	1,417	484	240	399	2,316	7,949
- Temporary differences and tax losses for which deferred tax assets have not been recognized	**(10,632)**	(1,983)	(718)	(339)	(564)	(2,570)	(4,458)
Temporary differences and tax losses relating to State taxation	**8,545**	1,751	186	413	430	2,352	3,413
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	**6,748**	1,503	775	743	697	3,030	
- Taxable temporary differences	**(3,836)**	(829)	(635)	(627)	(381)	(1,364)	
- Tax losses	**1,042**	12	10	10	11	274	725
- Temporary differences and tax losses for which deferred tax assets have not been recognized	**(1,133)**	(88)	(21)	(9)	4	(408)	(611)
Temporary differences and tax losses relating to local taxation	**2,821**	598	129	117	331	1,532	114

12. Other information by nature

In 2010, the income statement includes personnel costs of €8,945 million (€7,969 million in 2009).

An analysis of the average number of employees by category is provided as follows:

	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Consolidated EXOR Group
Managers	2,243	1,983	51	11	14	4,302
White-collar	58,042	7,343	1,394	78	54	66,911
Blue-collar and hotel staff	136,438	2,285	1,372	5	1	140,101
Pilots and flight attendants			256			256
FIGC registered personnel (soccer players, coaches and other technical staff)				66		66
Average number of employees 2010	**196,723**	**11,611**	**3,073**	**160**	**69**	**211,636**
Managers	2,333	1,193	51	11	16	3,604
White-collar	57,805	10,003	1,363	71	56	69,298
Blue-collar and hotel staff	130,513	2,369	1,462	4	1	134,349
Pilots and flight attendants			289			289
FIGC registered personnel (soccer players, coaches and other technical staff)				61		61
Average number of employees 2009	190,651	13,565	3,165	147	73	207,601
Personnel costs included in income statement € in millions						
- 2010	**7,634**	**1,033**	**107**	**143**	**28**	**8,945**
- 2009	6,810	890	106	139	24	7,969

13. Earnings/(loss) per share

		2010	2009
Average number of ordinary shares outstanding	number	**157,016,246**	158,861,096
Average number of savings shares outstanding	number	**8,873,796**	9,058,702
Average number of preferred shares outstanding	number	**68,350,179**	70,641,243
Earnings/(loss) for the period attributable to Owners of the Parent	€ in millions	**137**	(389)
Earnings/(loss) attributable to ordinary shares	€ in millions	**89**	(263)
per ordinary share – basic	€	***0.57***	*(1.66)*
per ordinary share – diluted (a)	€	***0.56***	*(1.66)*
Earnings/(loss) attributable to savings shares	€ in millions	**6**	(12)
per savings share – basic	€	***0.64***	*(1.35)*
per savings share – diluted (a)	€	***0.64***	*(1.35)*
Earnings/(loss) attributable to preferred shares	€ in millions	**42**	(114)
per preferred share – basic	€	***0.62***	*(1.61)*
per preferred share – diluted (a)	€	***0.61***	*(1.61)*
Earnings/(loss) from continuing operations	€ in millions	**137**	(389)
Earnings/(loss) from continuing operations attributable to ordinary shares	€ in millions	**89**	(263)
per ordinary share – basic	€	***0.57***	*(1.66)*
per ordinary share – diluted (a)	€	***0.56***	*(1.66)*
Earnings/(loss) from continuing operations attributable to savings shares	€ in millions	**6**	(12)
per savings share – basic	€	***0.64***	*(1.35)*
per savings share – diluted (a)	€	***0.64***	*(1.35)*
Earnings/(loss) from continuing operations attributable to preferred shares	€ in millions	**42**	(114)
per preferred share – basic	€	***0.62***	*(1.61)*
per preferred share – diluted (a)	€	***0.61***	*(1.61)*

(a) In 2010, the earnings/(loss) attributable to Owners of the Parent was adjusted to take into account the dilutive effects of the theoretical exercise of the plan for stock options granted by subsidiaries and associates of the Group using their own equity instruments.

In 2009, this effect was not considered because it was anti-dilutive.

14. Intangible assets

An analysis of intangible assets, by sector, is as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Adjustments**	**Consolidated EXOR Group**
Goodwill	2,928	451	27		33	(84) (a)	3,355
Trademarks and other intangible assets with indefinite useful lives	177	191	4	16			388
Development costs externally acquired	1,400						1,400
Development costs internally generated	2,744						2,744
Patents, concessions and licenses externally	336	11	14				361
Other intangible assets externally acquired	320	87	11				418
Advances and intangible assets in progress externally acquired	12	17					29
Players' registration rights	0			100			100
Total net carrying amount of Intangible assets at 12/31/2010	**7,917**	**757**	**56**	**116**	**33**	**(84)**	**8,795**
Goodwill	2,776	415	27		33	(77) (a)	3,174
Trademarks and other intangible assets with indefinite useful lives	165	178	4	14			361
Development costs externally acquired	1,342						1,342
Development costs internally generated	2,251						2,251
Patents, concessions and licenses externally	359	15	16				390
Other intangible assets externally acquired	295	98	11				404
Advances and intangible assets in progress externally acquired	11	8					19
Players' registration rights	0			115			115
Total net carrying amount of Intangible assets at 12/31/2009	7,199	714	58	129	33	(77)	8,056

(a) Elimination of goodwill relating to the quota of C&W Group's Minority Shareholders.

Trademarks and other intangible assets with indefinite useful lives include the amount allocated on acquisition of C&W Group (March 2007) to the "Cushman & Wakefield" trademark, widely recognized by the market, for $255 million (€191 million at December 31, 2010). C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment.

Other intangible assets include C&W Group's customer relationships (amortized over 14 years) and non-compete covenants (amortized over 12 years).

Patents, concessions and licenses externally acquired of the Alpitour Group include mainly the government concession rights for the use of the Maldivian islands (€11 million) amortizable over the duration of the government concessions, and also the commercial goodwill paid on the acquisition of 100% of the share capital of Lido Arenella in 2009.

Trademarks and other intangible assets with indefinite useful lives of Juventus Football Club comprise principally the economic utilization of the historical archives of the Juventus Football Club television images (Library). These are considered assets with indefinite useful lives since the historical library of television images is expected to support itself over time with the possibility of endless use.
The Juventus library is tested annually for impairment on the basis of estimated future cash flows from the commercial contracts for their exploitation.

In 2010 and 2009, the changes in the gross carrying amount of intangible assets were as follows:

€ in millions	12/31/2009	Additions	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2010
Goodwill	3,884					225	**4,109**
Trademarks and other intangible assets with indefinite useful lives	419	2				28	**449**
Development costs externally acquired	3,343	357	(19)			17	**3,698**
Development costs internally generated	4,504	926	(8)			111	**5,533**
Patents, concessions and licenses externally acquired	1,358	81	(4)	3		30	**1,468**
Other intangible assets externally acquired	1,080	88	(49)	3		58	**1,180**
Advances and intangible assets in progress externally acquired	39	20				(6)	**53**
Players' registration rights	252	51	(85)			0	**218**
Total gross carrying amount of Intangible assets	14,879	1,525	(165)	6		463	**16,708**

€ in millions	12/31/2008	Additions	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2009
Goodwill	3,997					(113)	3,884
Trademarks and other intangible assets with indefinite useful lives	430					(11)	419
Development costs externally acquired	2,990	307	(21)			67	3,343
Development costs internally generated	3,756	739	(40)			49	4,504
Patents, concessions and licenses externally acquired	1,263	84	(11)	(1)	(3)	26	1,358
Other intangible assets externally acquired	1,027	70	(16)	(2)		1	1,080
Advances and intangible assets in progress externally acquired	48	7				(16)	39
Players' registration rights	268	58	(74)			0	252
Total gross carrying amount of Intangible assets	13,779	1,265	(162)	(3)	(3)	3	14,879

In 2010 and in 2009, changes in accumulated amortization and impairment losses were as follows:

€ in millions	12/31/2009	Amortization	Impairment losses	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2010
Goodwill	710						44	**754**
Trademarks and other intangible assets with indefinite useful lives	58	1					2	**61**
Development costs externally acquired	2,001	301	10	(19)			5	**2,298**
Development costs internally generated	2,253	434	32	(5)			75	**2,789**
Patents, concessions and licenses externally acquired	968	129		(4)	1		13	**1,107**
Other intangible assets externally acquired	676	109	6	(49)			20	**762**
Advances and intangible assets in progress externally acquired	20		4					**24**
Players' registration rights	137	34		(53)				**118**
Total accumulated amortization and impairment of Intangible assets	6,823	1,008	52	(130)	1		159	**7,913**

€ in millions	12/31/2008	Amortization	Impairment losses	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2009
Goodwill	680		54				(24)	710
Trademarks and other intangible assets with indefinite useful lives	56		3				(1)	58
Development costs externally acquired	1,646	286	50				19	2,001
Development costs internally generated	1,771	419	64	(32)			31	2,253
Patents, concessions and licenses externally acquired	844	135		(6)	(1)	(3)		968
Other intangible assets externally acquired	587	96		(10)	(2)		5	676
Advances and intangible assets in progress externally acquired	10		10					20
Players' registration rights	175	31		(69)				137
Total accumulated amortization and impairment of Intangible assets	5,769	967	181	(117)	(3)	(3)	30	6,823

In 2010 and in 2009, changes in the net carrying amount of intangible assets were as follows:

€ in millions	12/31/2009	Additions	Disposals	Impairment losses	Amortization	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	**12/31/2010**
Goodwill	3,174							181	**3,355**
Trademarks and other intangible assets with indefinite useful lives	361	2			(1)			26	**388**
Development costs externally acquired	1,342	357		(10)	(301)			12	**1,400**
Development costs internally generated	2,251	926	(3)	(32)	(434)			36	**2,744**
Patents, concessions and licenses externally acquired	390	81			(129)	2		17	**361**
Other intangible assets externally acquired	404	88		(6)	(109)	3		38	**418**
Advances and intangible assets in progress externally acquired	19	20		(4)				(6)	**29**
Players' registration rights	115	51	(32)		(34)				**100**
Total net carrying amount of Intangible assets	8,056	1,525	(35)	(52)	(1,008)	5		304	**8,795**

(€ milioni)	12/31/2008	Additions	Disposals	Impairment losses	Amortization	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31//2009
Goodwill	3,317			(54)				(89)	3,174
Trademarks and other intangible assets with indefinite useful lives	374			(3)				(10)	361
Development costs externally acquired	1,344	307	(21)	(50)	(286)			48	1,342
Development costs internally generated	1,985	739	(8)	(64)	(419)			18	2,251
Patents, concessions and licenses externally acquired	419	84	(5)		(135)			27	390
Other intangible assets externally acquired	440	70	(6)		(96)			(4)	404
Advances and intangible assets in progress externally acquired	38	7		(10)				(16)	19
Players' registration rights	93	58	(5)		(31)				115
Total net carrying amount of Intangible assets	8,010	1,265	(45)	(181)	(967)	0	0	(26)	8,056

Foreign exchange gains of €310 million in 2010 principally reflect the appreciation of the US dollar and the Brazilian real against the Euro. Foreign exchange gains of €9 million in 2009 principally reflect the appreciation of the Brazilian real against the Euro, partially offset by the depreciation of the US dollar against the Euro.

Goodwill, trademarks and intangible assets with indefinite useful lives

Goodwill is allocated to the EXOR Group's cash-generating units identified as each consolidated Group.
The following table presents the allocation of goodwill across the sectors. The following table shows this allocation:

€ in millions	12/31/2010	12/31/2009	Change
Agricultural and Construction Equipment	**1,794**	1,662	132
Ferrari	**786**	786	0
Production Systems (Comau)	**135**	125	10
Components	**121**	118	3
Trucks and Commercial Vehicles	**52**	56	(4)
Metallurgical Products	**18**	18	0
Fiat Group Automobiles	**18**	10	8
Fiat Powertrain	**2**	1	1
FPT Industrial	**2**		2
Fiat Group (as a whole)	**2,928**	2,776	152
C&W (goodwill on the acquisition of the C&W Group - Group's share)	**308**	285	23
Subsidiaries of C&W Group	**59**	53	6
C&W Group	**367**	338	29
Jumbo Turismo	**11**	11	0
Altamarea V&H Compagnia Alberghiera	**8**	8	0
Viaggidea	**6**	6	0
AW Events	**2**	2	0
Alpitour Group	**27**	27	0
Fiat shares purchased in 2006 from EXOR S.p.A.	**33**	33	0
Holdings System	**33**	33	0
Total Goodwill	**3,355**	3,174	181

Fiat Group

The recoverable amount of the cash-generating units to which goodwill and other intangible assets with an indefinite useful life have been allocated is determined on the basis of their value in use, defined as the discounted value of the expected future operating cash flows at a rate of return that incorporates the risks associated with the particular cash-generating units as of the valuation date. The discounted cash flows approach is dependent on several critical management assumptions, including estimates of future sales growth, gross margins, operating costs, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate).

With reference to the Agricultural and Construction Equipment sector, the following should be noted. In particular, from 2006 to 2009, the Agricultural and Construction Equipment sector managed its business according to the trademark: Case IH and New Holland for agricultural equipment and Case and New Holland Construction for construction equipment, as well as Financial Services. In 2010, the sector began to manage its business according to Agricultural Equipment, Construction Equipment and Financial Services. CNH therefore identified three cash-generating units according to this new structure: Agricultural Equipment, Construction Equipment and Financial Services.

More in particular, for Ferrari, the cash-generating unit corresponds to the sector as a whole, while in Comau goodwill has been allocated to the System, Pico and Service businesses. In those sectors, the cash-generating unit recoverable amount is determined on the basis of their value in use defined as the discounted value of the expected future operating cash flows resulting from the estimates included in the 2010-2014 strategic plan of the sector, extrapolated for later years on the basis of medium- to long-term growth rates depending on the detailed nature of the operations and the extent to which they are differentiated and on the forecasts made by the individual sector to which the cash-generating units belong. These cash flows are then discounted using rates that take account of current market assessments of the time value of money and the specific risks inherent in individual cash-generating units.

The recoverable amount of the Ferrari and Comau cash-generating units and of the respective goodwill is the value in use and is determined on the basis of the following assumptions:

	2010		2009	
	Terminal value growth rate	**Discount rate before taxes**	Terminal value growth rate	Discount rate before taxes
Ferrari	**2%**	**8.3%**	2%	10.4%
Production Systems (Comau)	**2%**	**9.0%**	0%	9.0%

The recoverable amount of the cash-generating unit to which the Ferrari sector goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of economic and market conditions which remain difficult.

In the Comau sector, the sensitivity analysis was carried out on the residual goodwill, which is mainly allocated to the Pico cash-generating unit, but no matters arose to indicate that this may be significantly impaired.

The results obtained for the other sectors of the Fiat Group as a whole and related sensitivity analyses also confirmed the absence of significant impairment losses.

The cash-generating units to which goodwill has been allocated consist of the following product lines:

€ in millions	**Amount allocated to goodwill at December 31, 2010**
Agricultural equipment	1,280
Construction equipment	419
Financial Services	95
Total	**1,794**

To determine the recoverable amount of these cash-generating units, the sector relied on discounted cash flows and, as a further method, on market multiples. In particular, the sector used the discounted cash flows approach as the primary approach for measuring the value in use of the Equipment Operations businesses while using the total asset market multiples approach as the primary approach for measuring the fair value of the Financial Services reporting unit.

Expected cash flows used under this method are developed in conjunction with the budgeting and forecasting process of the sector and represent the most likely amounts and timing of future cash flows based on the long range plan of CNH. The long range plan, which is updated annually and is reviewed by the senior management of CNH, includes, among other things, the expected benefits of planned manufacturing and product development actions as well as expectations regarding product pricing, market share and commodity costs, consistent with the assumptions reflected in the Fiat Group's 2010-2014 Strategic Plan. The sector uses eight years of expected cash flows as management believes that this period generally reflects the underlying market cycles for its businesses.

The discount rates used in the discounted cash flows approach are an estimate of the rate of return that a market participant would expect of each cash-generating unit. To select an appropriate rate for discounting the future earnings stream, a review was made of short-term interest rates and the yields of long-term corporate and government bonds, as well as the typical capital structure of companies in the industry. The discount rates used for each cash-generating unit were suitably increased to take account of the risk inherent in the cash flow projections, as well as the risk level that would be perceived by a market participant. Considering the above mentioned factors, the following discount rates before taxes as of December 31, 2010 were selected by CNH:

	2010	2009
Agricultural equipment	**17.0%**	20.8%-21.1%
Construction equipment	**17.4%**	19.2%

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate selected in 2010 and 2009 for the Agricultural equipment cash-generating unit was 1% and that selected for the Construction equipment cash-generating unit was 2%.

The total asset market multiples were utilized in determining the fair value of the Financial Services reporting unit under the market approach. CNH used the market approach as the primary approach to measure the fair value of the Financial Services reporting unit as it derives value based primarily on the assets under management. The market approach measures fair value based on prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Under this approach, CNH makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear that no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same or similar line of business or be subject to similar financial and business risks, including the opportunity for growth.

Revenue and EBITDA market multiples were utilized in determining the fair value of the Equipment Operations cash-generating units as a secondary approach to further supporting the discounted cash flow approach. Because the market approach does not evaluate the CNH cash-generating units' projected cash flows, the sector believes the market approach enables verification of the implied multiples derived from the discounted cash flows approach using market benchmarks. CNH management identified comparable companies by reviewing all publicly traded companies operating in the CNH lines of business. The comparable companies used were determined based on an evaluation of all relevant factors, including whether the companies were subject to similar financial and business risks.

The fair values of each of the three cash-generating units calculated using the above methods in any case exceeded their carrying amounts and their values determined using the discounted cash flow method.

The results obtained for the Trucks and Commercial Vehicles sector and related sensitivity analyses also confirmed the absence of significant impairment losses.
Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by Fiat Group management based on past performance and expectations of developments in the markets in which the Group operates. Estimating the recoverable amount of cash-generating units requires discretion and the use of estimates by management. The Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the Fiat Industrial Group.

C&W Group
Goodwill recognized on the acquisition of C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment and cannot be identified separately.
C&W Group tests goodwill and other intangible assets with indefinite useful lives annually for impairment on October 1 or whenever events or circumstances indicate that the asset may be impaired.

For the purpose of impairment testing, goodwill and trademarks with indefinite useful lives are allocated to the C&W Group's cash-generating units, which are identified as the geographic regions, since these represent the lowest level within C&W Group at which such assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks at December 31, 2010 are as follows:

(in millions)	Goodwill (Group's share)		Trademarks		Total	
	$	€	$	€	$	€
United States	210.7	158	130.4	98	341.1	255
Canada	47.9	36	23.5	18	71.4	53
Latin America	21.2	16	10.0	7	31.2	23
EMEA	163.3	122	78.4	59	241.7	181
Asia	46.7	35	12.7	10	59.4	44
At December 31, 2010	**489.8**	**367**	**255.0**	**191**	**744.8**	**557**
United States	252.6	185	130.4	91	383.0	276
Canada	50.0	35	23.5	16	73.5	51
Latin America	21.3	15	10.0	7	31.3	22
EMEA	165.8	115	78.4	54	244.2	169
Asia	46.3	32	12.7	9	59.0	41
At December 31, 2009	**536.0**	**382**	**255.0**	**177**	**791.0**	**559**

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. The annual impairment assessment for all CGUs was based on the estimated fair value less costs to sell.
The estimated fair value less costs to sell for each of the cash-generating units was determined through independent appraisal using both the discounted cash flow and the market approach methods, which were weighted equally in determining the fair value less costs to sell for each of the CGUs.

The key assumptions used to determine the fair value less costs to sell represent C&W Group management's best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

Discounted Cash Flow Method

The fair value less costs to sell determined under the discounted cash flow method was weighted 50% in determining the final fair value less costs to sell for each of the CGUs. Under the discounted cash flow method, cash flows were projected for each of the CGUs based on their respective revenue and EBITDA assumptions, as outlined above, along with an estimate of a terminal year value, all of which was present-valued based on the discount rate assumption. In particular, 2010 revenue and EBITDA assumptions by C&W Group's management were based on the 2010 annual operating plan, while the 2011 – 2015 revenue and EBITDA assumptions were developed in connection with the Strategic Plan.

Market Approach Method

The fair value less costs to sell determined under the market approach was weighted 50% in determining the final fair value less costs to sell for each of the CGUs. Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2010, 2011 and 2012. The multiple assumptions in these calculations were derived from data publicly available relating to C&W Group's guideline companies, including information relating to their revenue and EBITDA historical performance as well as that expected in 2011 and in subsequent years.

The key assumptions to determine the estimated fair value less costs to sell for the 2010 annual impairment assessment, with both methods, are the following:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	15.0%	15.8%	17.0%	15.8%	13.3%	17.5%
CGU specific risk	3.5%	4.5%	2.5%	1.5%	3.0%	4.0%
Tax rate	40.0%	31.5%	31.7%	30.0%	21.3%	32.7%
Working capital %	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Terminal value model (Fading growth model)	Fading	Fading	Fading	Fading	Fading	Fading
2011 EBITDA multiple	8.7x	11.9x	10.6x	7.2x	10.4x	10.0x
2012 EBITDA multiple	7.4x	8.6x	7.4x	7.2x	8.5x	8.0x
General assumptions						
Control premium	15.0%					
Consolidated tax rate	33.1%					
Equity risk premium	6.0%					
Cost to sell	1.0%					

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity specific risk, country specific premiums, local cost of equity, the local statutory tax rate and debt to equity ratios. The CGU specific risk assumptions were determined after consideration of the execution risk of achieving the forecasted results for 2011 and beyond.

The tax rates represent the statutory tax rates in the respective tax jurisdictions. The working capital percentage reflects C&W Group's recent experience and is in line with market participant levels, while the long-term growth rates were based on the estimated long-term gross domestic product growth and inflation. The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which earnings growth is estimated will reduce to the stable long-term growth rate.

The EBITDA multiples for 2011 and 2012 were determined through an assessment of comparable company multiples and taking into account local market differences. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

In addition to the key assumptions outlined above, C&W Group developed assumptions with respect to its expected future revenue and Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA growth as follows:

CGU	2010	2011	2012	2013	2014	2015
United States						
Revenues	731.7	809.9	897.1	1,005.7	1,117.2	1,219.1
Adjusted EBITDA	62.6	67.0	82.1	111.0	139.6	162.9
Adjusted EBITDA margin	8.6%	8.3%	9.2%	11.0%	12.5%	13.4%
Adjusted EBITDA growth	n.a.	6.9%	22.6%	35.2%	25.7%	16.7%
Canada						
Revenues	69.9	74.8	80.2	86.1	93.2	101.1
Adjusted EBITDA	5.0	4.0	5.7	7.0	9.1	11.3
Adjusted EBITDA margin	7.1%	5.4%	7.1%	8.1%	9.7%	11.1%
Adjusted EBITDA growth	n.a.	-18.8%	42.4%	22.1%	29.6%	24.3%
South America						
Revenues	333.5	379.7	426.0	472.4	524.6	579.6
Adjusted EBITDA	50.6	48.5	58.9	71.8	85.2	96.9
Adjusted EBITDA margin	15.2%	12.8%	13.8%	15.2%	16.2%	16.7%
Adjusted EBITDA growth	n.a.	-4.2%	21.5%	21.8%	18.7%	13.8%
Mexico						
Revenues	78.4	89.5	101.7	112.9	122.0	131.4
Adjusted EBITDA	7.7	7.7	10.5	15.2	19.0	22.1
Adjusted EBITDA margin	9.8%	8.6%	10.3%	13.5%	15.5%	16.8%
Adjusted EBITDA growth	n.a.	-0.3%	37.4%	44.6%	24.6%	16.8%
Europe						
Revenues	11.3	13.8	14.7	15.7	16.9	18.0
Adjusted EBITDA	1.3	1.3	1.3	1.5	1.9	2.2
Adjusted EBITDA margin	11.6%	9.1%	8.5%	9.7%	11.0%	12.0%
Adjusted EBITDA growth	n.a.	-4.1%	0.1%	21.2%	21.8%	16.2%
Asia						
Revenues	85.6	102.9	125.8	149.6	172.8	199.9
Adjusted EBITDA	11.8	13.3	16.6	22.1	28.0	35.3
Adjusted EBITDA margin	13.8%	12.9%	13.2%	14.7%	16.2%	17.7%
Adjusted EBITDA growth	n.a.	12.3%	24.8%	32.9%	27.0%	26.1%

The resulting fair values and related carrying values of each of the CGUs as of the October 1, 2010 impairment assessment date were as follows:

$ in millions	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA	TOTAL
At December 31, 2010							
Fair value less costs to sell	570.0	42.0	61.0	11.0	490.0	138.0	1,312.0
Book value of equity	361.8	30.1	44.2	7.4	305.0	87.3	835.8
Difference in $ millions	208.2	11.9	16.8	3.6	185.0	50.7	476.2
Difference in € millions	157.0	9.0	12.7	2.7	139.5	38.2	359.2
At December 31, 2009							
Fair value less costs to sell	350.0	33.0	44.0	13.0	425.0	97.0	962.0
Book value of equity	395.6	39.4	30.9	8.8	327.4	72.1	874.2
Difference in $ millions	(45.6)	(6.4)	13.1	4.2	97.6	24.9	87.8
Difference in € millions	(32.7)	(4.6)	9.4	3.0	70.0	17.8	62.9

At December 31, 2010, the fair value exceeds carrying value sufficiently; for this reason, C&W Group does not believe that it is reasonably possible that a change in a key assumption on which management has based its determination of the CGU's recoverable amount would cause impairment.

In 2009, the impairment test had indicated an impairment of the United States and Canadian CGUs for $45.6 million (€32.7 million) and $6.4 million (€4.6 million), respectively. Moreover, at June 30, 2009, the assessment made at that date had indicated an impairment for the United States CGU of $10 million (€7.5 million) and €10 million at the level of the EXOR Group, due to expenses incurred for the acquisition.
Globally, the impairment charge recorded in 2009 by the EXOR Group amounted to €54 million.

Alpitour Group

The Alpitour Group tests property, plant and equipment, intangible assets, goodwill and marketing rights annually for impairment.

The aggregate carrying amount of the CGUs analyzed amounts to €121 million compared to €124 million in the prior year.

At October 31, 2010, the recoverable amount of each CGU exceeded the relative carrying amount so no impairment charges were recognized on any goodwill or other non-current assets.
The Alpitour Group developed a sensitivity analysis of the estimated recoverable amount using the discounted cash flow method. The Alpitour Group considers that the discount rate used for this method to discount the cash flows of the CGU is a key parameter in estimating fair value and has determined that assuming an increase of 150 basis points in such rate, also taking into account the estimated realizable value, the carrying amount of the CGUs would not be higher than their recoverable amount.

Development costs

The amortization and impairment losses of development costs are reported in the income statement as research and development costs and other unusual income (expense) in the income statement of the Fiat Group.

To test for impairment, the Group allocates the development costs to cash-generating units and assesses their recoverable amount together with the correlated tangible assets, determining the value in use with the discounted cash flow method.

15. Property, plant and equipment

Details are as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Consolidated EXOR Group**
Land	573		7	5 (a)	6	591
Owned industrial buildings	2,866		45	1	4	2,916
Industrial buildings leased under finance leases	56			17		73
Total Industrial buildings	2,922		45	18	4	2,989
Owned plant, machinery and equipment	7,082		9		1	7,092
Plant, machinery and equipment leased under finance leases	311			2		313
Total Plant, machinery and equipment	7,393		9	2	1	7,405
Assets sold with a buy-back commitment	871					871
Owned other tangible assets	558	37	50	1	1	647
Other tangible assets leased under finance leases	3					3
Total Other tangible assets	561	37	50	1	1	650
Advances and tangible assets in progress	1,137	1		77		1,215
Total net carrying amount of Property, plant and equipment at 12/31/2010	**13,457**	**38**	**111**	**103**	**12**	**13,721**
Land	603		7	5 (a)	6	621
Owned industrial buildings	2,746		47		4	2,797
Industrial buildings leased under finance leases	59			13		72
Total Industrial buildings	2,805		47	13	4	2,869
Owned plant, machinery and equipment	6,510		11		1	6,522
Plant, machinery and equipment leased under finance leases	236			2		238
Total Plant, machinery and equipment	6,746		11	2	1	6,760
Assets sold with a buy-back commitment	910					910
Owned other tangible assets	495	41	38	1	1	576
Other tangible assets leased under finance leases	9					9
Total Other tangible assets	504	41	38	1	1	585
Advances and tangible assets in progress	1,377	1	1	19		1,398
Total net carrying amount of Property, plant and equipment at 12/31/2009	**12,945**	**42**	**104**	**40**	**12**	**13,143**

(a) Under a finance lease.

In 2010 and 2009, changes in the gross carrying amount of Property, plant and equipment were as follows:

€ in millions	12/31/2009	Additions	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	**12/31/2010**
Land	630	2	(4)	0	14	0	(42)	**600**
Owned industrial buildings	5,373	98	(11)	14	161	0	188	**5,823**
Industrial buildings leased under finance leases	90	5	(1)	0	0	0	0	**94**
Total Industrial buildings	5,463	103	(12)	14	161	0	188	**5,917**
Owned plant, machinery and equipment	27,352	1,100	(552)	180	627	0	781	**29,488**
Plant, machinery and equipment leased under finance leases	359	107	0	0	1	0	17	**484**
Total Plant, machinery and equipment	27,711	1,207	(552)	180	628	0	798	**29,972**
Assets sold with a buy-back commitment	1,218	344	(139)	0	6	0	(262)	**1,167**
Owned other tangible assets	1,990	249	(201)	9	57	0	43	**2,147**
Other tangible assets leased under finance leases	14	1	(1)	0	0	0	(5)	**9**
Total Other tangible assets	2,004	250	(202)	9	57	0	38	**2,156**
Advances and tangible assets in progress	1,417	790	(14)	7	50	0	(1,017)	**1,233**
Total gross carrying amount of Property, plant and equipment	38,443	2,696	(923)	210	916	0	(297)	**41,045**

€ in millions	12/31/2008	Additions	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2009
Land	613			5	9		3	630
Owned industrial buildings	4,962	146	(32)	19	146		132	5,373
Industrial buildings leased under finance leases	91		(1)	8			(8)	90
Total Industrial buildings	5,053	146	(33)	27	146		124	5,463
Owned plant, machinery and equipment	25,862	1,097	(678)	4	675		392	27,352
Plant, machinery and equipment leased under finance leases	334	38	(1)	(3)			(9)	359
Total Plant, machinery and equipment	26,196	1,135	(679)	1	675		383	27,711
Assets sold with a buy-back commitment	1,362	244	(153)		12		(247)	1,218
Owned other tangible assets	1,870	223	(185)		44		38	1,990
Other tangible assets leased under finance leases	8	6						14
Total Other tangible assets	1,878	229	(185)		44		38	2,004
Advances and tangible assets in progress	1,285	740	(9)		84		(683)	1,417
Total gross carrying amount of Property, plant and equipment	**36,387**	**2,494**	**(1,059)**	**33**	**970**		**(382)**	**38,443**

In 2010 and 2009, Changes in accumulated depreciation and impairment losses were as follows:

€ in millions	12/31/2009	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	**12/31/2010**
Land	9		2	(2)		1		(1)	**9**
Owned industrial buildings	2,576	184	59	(9)	7	74		16	**2,907**
Industrial buildings leased under finance leases	18	3		(1)				1	**21**
Total Industrial buildings	2,594	187	59	(10)	7	74		17	**2,928**
Owned plant, machinery and equipment	20,830	1,551	73	(542)	92	400		(8)	**22,396**
Plant, machinery and equipment leased under finance leases	121	44				1		5	**171**
Total Plant, machinery and equipment	20,951	1,595	73	(542)	92	401		(3)	**22,567**
Assets sold with a buy-back commitment	308	131	26	(74)		2		(95)	**296**
Owned other tangible assets	1,414	156	4	(104)	(2)	34		(2)	**1,500**
Other tangible assets leased under finance leases	5	1							**6**
Total Other tangible assets	1,419	157	4	(104)	(2)	34		(2)	**1,506**
Advances and tangible assets in progress	19		4					(5)	**18**
Total accumulated depreciation and impairment of Property, plant and equipment	**25,300**	**2,070**	**168**	**(734)**	**97**	**512**	**0**	**(89)**	**27,324**

€ in millions	12/31/2008	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2009
Land	6			(1)		1		3	9
Owned industrial buildings	2,338	157	21	(22)	(4)	75		11	2,576
Industrial buildings leased under finance leases	19	3		(1)				(3)	18
Total Industrial buildings	2,357	160	21	(23)	(4)	75		8	2,594
Owned plant, machinery and equipment	19,581	1,446	126	(647)	(10)	462		(128)	20,830
Plant, machinery and equipment leased under finance leases	83	42		(1)	(3)				121
Total Plant, machinery and equipment	19,664	1,488	126	(648)	(13)	462		(128)	20,951
Assets sold with a buy-back commitment	300	135	31	(81)		4		(81)	308
Owned other tangible assets	1,327	150	8	(92)	(3)	29		(5)	1,414
Other tangible assets leased under finance leases	4	1							5
Total Other tangible assets	1,331	151	8	(92)	(3)	29		(5)	1,419
Advances and tangible assets in progress	17		16	(2)				(12)	19
Total accumulated depreciation and impairment of Property, plant and equipment	**23,675**	**1,934**	**202**	**(847)**	**(20)**	**571**	**0**	**(215)**	**25,300**

In 2010 and 2009, changes in the net carrying amount of Property, plant and equipment were as follows:

€ in millions	12/31/2009	Additions	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2010
Land	621	2		(2)	(2)		13		(41)	**591**
Owned industrial buildings	2,797	98	(184)	(59)	(2)	7	87		172	**2,916**
Industrial buildings leased under finance leases	72	5	(3)						(1)	**73**
Total Industrial buildings	2,869	103	(187)	(59)	(2)	7	87		171	**2,989**
Owned plant, machinery and equipment	6,522	1,100	(1,551)	(73)	(10)	88	227		789	**7,092**
Plant, machinery and equipment leased under finance leases	238	107	(44)						12	**313**
Total Plant, machinery and equipment	6,760	1,207	(1,595)	(73)	(10)	88	227		801	**7,405**
Assets sold with a buy-back commitment	910	344	(131)	(26)	(63)		4		(167)	**871**
Owned other tangible assets	576	249	(156)	(4)	(97)	11	23		45	**647**
Other tangible assets leased under finance leases	9	1	(1)		(1)				(5)	**3**
Total Other tangible assets	585	250	(157)	(4)	(98)	11	23		40	**650**
Advances and tangible assets in progress	1,398	790		(4)	(14)	7	50		(1,012)	**1,215**
Total net carrying amount of Property, plant and equipment	13,143	2,696	(2,070)	(168)	(189)	113	404	0	(208)	**13,721**

€ in millions	12/31/2008	Additions	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2009
Land	607				1	5	8			621
Owned industrial buildings	2,624	146	(157)	(21)	(10)	23	71		121	2,797
Industrial buildings leased under finance leases	72		(3)			8			(5)	72
Total Industrial buildings	2,696	146	(160)	(21)	(10)	31	71		116	2,869
Owned plant, machinery and equipment	6,281	1,097	(1,446)	(126)	(31)	14	213		520	6,522
Plant, machinery and equipment leased under finance leases	251	38	(42)						(9)	238
Total Plant, machinery and equipment	6,532	1,135	(1,488)	(126)	(31)	14	213		511	6,760
Assets sold with a buy-back commitment	1,062	244	(135)	(31)	(72)		8		(166)	910
Owned other tangible assets	543	223	(150)	(8)	(93)	3	15		43	576
Other tangible assets leased under finance leases	4	6	(1)							9
Total Other tangible assets	547	229	(151)	(8)	(93)	3	15		43	585
Advances and tangible assets in progress	1,268	740		(16)	(7)		84		(671)	1,398
Total net carrying amount of Property, plant and equipment	**12,712**	**2,494**	**(1,934)**	**(202)**	**(212)**	**53**	**399**	**0**	**(167)**	**13,143**

At December 31, 2010, the Group had contractual commitments for the purchase of property, plant and equipment amounting to €858 million (€666 million at December 31, 2009).

Additions of €2,696 million in 2010 relate for €2,604 million to the Fiat Group, for €20 million to the Alpitour Group, for €64 million to Juventus Football Club and for €8 million to the C&W Group.

During 2010, the Group reviewed the recoverable amount of certain buildings, plant, machinery and industrial equipment in order to take into consideration restructuring plans drawn up for certain businesses. This assessment led to the recognition of impairment losses for €168 million (€202 million in 2009). Such

impairment losses relate to the Fiat Group for €167 million, of which €101 million is recognized in trading profit/loss and €66 million in restructuring costs.
In 2010, the column other changes includes the reclassification of the prior year balances for advances and tangible assets in progress to the appropriate categories when the assets were effectively acquired and put into operation, as well as the reclassification to inventories of assets sold with a buy-back commitment and held-for-sale until the agreement expiry date amounting to €167 million in 2010 (€165 million in 2009).

In 2010, the column change in the scope of consolidation, showing an overall increase of €113 million, mainly reflects the line-by-line consolidation of the Fiat Powertrain Polska Sp. z.o.o. In 2009, the column change in the scope of consolidation, showing an overall increase of €53 million, mainly reflected the line-by-line consolidation of the entity Fiat Automobiles Serbia Doo Kragujevac.

In 2010, exchange gains of €404 million principally reflect the appreciation of the U.S. dollar, the Brazilian real and the Polish zloty against the Euro. In 2009, exchange gains of €399 million reflect the appreciation of the Brazilian real against the Euro, partially offset by the depreciation of the U.S. dollar and the Argentine peso against the Euro.

16. Investments and other financial assets

Details are as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Consolidated EXOR Group**
Investments accounted for using the equity method	2,144				231	2,375
Investments at fair value with changes directly in equity	17				1,698	1,715
Investments at cost	74				11	85
Total Investments	2,235				1,940	4,175
Non-current financial receivables	108	4	6	2	2	122
Other securities	47				334	381
Total Investments and other financial assets at 12/31/2010	**2,390**	**4**	**6**	**2**	**2,276**	**4,678**
Investments accounted for using the equity method	1,884				198	2,082
Investments at fair value with changes directly in equity	21				1,334	1,355
Investments at cost	76					76
Total Investments	1,981				1,532	3,513
Non-current financial receivables	138	3	2	1	1	145
Other securities	40				199	239
Total Investments and other financial assets at 12/31/2009	**2,159**	**3**	**2**	**1**	**1,732**	**3,897**

Investments

Changes in investments in 2010 are set out below:

€ in millions	12/31/2009	Revaluations (writedowns)	Fair value changes recognized in equity	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Disposals and other changes	**12/31/2010**
Investments in unconsolidated subsidiaries								
- FIAT Group	69	(6)		34	(5)	3	(11)	**84**
- Holdings System	0			10				**10**
	69	(6)		44	(5)	3	(11)	**94**
Investments in jointly-controlled entities								
- FIAT Group	1,431	176		98		51	(95)	**1,661**
	1,431	176		98		51	(95)	**1,661**
Investments in associates								
- FIAT Group	441	11				23	(12)	**463**
- Holdings System	198	9		10		13	2	**232**
	639	20		10		36	(10)	**695**
Investments in other companies								
- FIAT Group	40	(5)	(4)				(4)	**27**
- Holdings System	1,334	(9)	405	91		1	(124)	**1,698**
	1,374	(14)	401	91		1	(128)	**1,725**
Total Investments	3,513	176	401	243	(5)	91	(244)	**4,175**

Changes in investments in 2009 are set out below:

€ in millions	12/31/2008	Revaluations (writedowns)	Fair value changes recognized in equity	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Disposals and other changes	12/31/2009
Investments in unconsolidated subsidiaries								
- FIAT Group	57	1		11	2		(2)	69
	57	1		11	2		(2)	69
Investments in jointly-controlled entities								
- FIAT Group	1,377	67		51		(12)	(52)	1,431
	1,377	67		51		(12)	(52)	1,431
Investments in associates								
- FIAT Group	512	(46)		1		(9)	(17)	441
- C&W Group	0	(1)					1	0
- Alpitour Group	1				(1)			0
- Holdings System	190	5				17	(14)	198
	703	(42)		1	(1)	8	(30)	639
Investments in other companies								
- FIAT Group	38	(1)	3					40
- Holdings System	1,295	36	222	13		(1)	(231)	1,334
	1,333	35	225	13	0	(1)	(231)	1,374
Total Investments	**3,470**	**61**	**225**	**76**	**1**	**(5)**	**(315)**	**3,513**

Fiat Group

Revaluations and writedowns consist of the Group's share of the profit or loss for the year of investments accounted for using the equity method for €190 million (€18 million in 2009). In 2010 and in 2009, this item also includes impairment losses recognized during the period for investments accounted for using the cost method.

In 2010, the reduction of €5 million in the change in the scope of consolidation (€2 million in 2009) reflects the line-by-line consolidation of certain minor subsidiaries.

In 2010, acquisitions and capitalizations amount to €132 million (€63 million in 2009) of which €34 million (€48 million in 2009) relates to the capital increase made by the 50/50 jointly controlled entity Fiat India Automobiles Private Limited and €50 million relating to the capital increase made by the 50/50 jointly controlled entity GAC Fiat Automobiles C. Ltd.. The item also refers to the capitalizations of other, minor, companies.

The column Disposals and other changes, showing a reduction of €122 million, consists of a decrease of €94 million as the result of the distribution of dividends by companies accounted for using the equity method (of which €26 million received by FGA Capital), other minor decreases of €36 million, the positive changes of €5 million in the cash flow hedge reserve of Tofas Turk Otomobil Fabrikasi A.S. and of €3 million in the cash flow hedge reserve of FGA Capital.

In 2009, Disposals and other changes, showing a reduction of €71 million, consisted of a decrease of €53 million as the result of the distribution of dividends by companies accounted for using the equity method.

Holdings System

Revaluations and writedowns consist of the Group's share of the profit of Sequana, accounted for using the equity method, for €9 million (€5 million in 2009). This item also includes impairment losses of €9 million recognized to adjust the carrying amount on the remaining Intesa Sanpaolo shares to stock market prices at December 30, 2010.

Positive fair value adjustments recognized in equity total €405 million (€222 million in 2009) and include the fair value adjustment relating to the investments in SGS for €404 million and Banijay Holding for €3 million, as well the derecognition of the positive fair value relating to the investment in Intesa Sanpaolo for €2 million.

In 2010, acquisitions and capitalization amounting to €111 million (€13 million in 2009) include acquisitions of investments made by the subsidiary Exor S.A. Further details are provided in the details that follow.

In 2010, disposals and other changes, showing a reduction of €122 million (€245 million in 2009), consist mainly of the derecognition of the carrying amount of the interest in Intesa Sanpaolo sold for €96 million (€232 million in 2009) and the decrease deriving from the share of the reserves reimbursed by Gruppo Banca Leonardo to Exor S.A. for €27 million.

An analysis of investments is as follows:

Fiat Group

The item Investments in jointly controlled entities comprises the following:

€ in millions	12/31/ 2010		12/31/2009	
	% of interest	€ in millions	% of interest	€ in millions
FGA Capital S.p.A.	50.0	700	50.0	643
Tofas - Turk Otomobil Fabrikasi Tofas A.S.	37.9	304	37.9	241
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.0	150	50.0	137
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	50.0	95	50.0	105
Società Europea Veicoli leggeri - Sevel S.p.A.	50.0	99	50.0	95
Turk Traktor Ve Ziraat Makineleri A.S.	37.5	79	37.5	49
GAC Fiat Automobiles Co. Ltd	50.0	50	-	-
SAIC Iveco Commercial Vehicle Investment Company Limited	50.0	45	50.0	43
Fiat India Automobiles Private Limited	50.0	42	50.0	21
New Holland HFT Japan Inc.	50.0	33	50.0	23
CNH de Mexico SA de CV	50.0	21	50.0	16
Transolver Finance Establecimiento Financiero de Credito S.A.	50.0	5	50.0	8
LBX Company LLC	-	-	50.0	16
Other		38		34
Total Investments in jointly-controlled entities		**1,661**		1,431

The item Investments in associates comprises the following:

€ in millions	Fiat Group (as a whole)	
	% of interest	€ in millions
Iveco Finance Holdings Limited	49.0	115
Rizzoli Corrlere della Sera MediaGroup S.p.A.	10.1	101
Kobelco Construction Machinery Co. Ltd.	20.0	124
CNH Capital Europe S.a.s.	49.9	66
Al-Ghazi Tractors Ltd.	43.2	22
Other		35
Total Investments in associates at 12/31/2010		**463**

€ in millions	Fiat Group (as a whole)	
	% of interest	€ in millions
Iveco Finance Holdings Limited	49.0	127
Rizzoli Corrlere della Sera MediaGroup S.p.A.	10.1	108
Kobelco Construction Machinery Co. Ltd.	20.0	88
CNH Capital Europe S.a.s.	49.9	63
Al-Ghazi Tractors Ltd.	43.2	17
Other		38
Total Investments in associates at 12/31/2009		**441**

Rizzoli Corriere della Sera MediaGroup S.p.A. is a listed company in which Fiat is one of the major shareholders, is represented on the board of directors and is a party to a shareholder agreement. As a result the company is classified as an associate. In order to account for this investment using the equity method in the consolidated financial statements of Fiat at December 31, 2010, reference was made to its most recent published financial statements being its Interim Management Statements at September 30, 2010, as those to be issued for 2010 will be published subsequent to the publication of the consolidated financial statements of the Fiat Group.

At December 31, 2010, the item investments, whose carrying amount is measured at fair value with changes recognized directly in Other comprehensive income, includes the investment in Assicurazioni Generali S.p.A. of €3 million (€3 million at December 31, 2009); the item includes also the investment of €14 million in Fin. Priv. S.r.l. (€18 million at December 31, 2009)

Investment in Chrysler

The original investment in Chrysler held by the Fiat Group continues to be carried at nil at December 31, 2010 as an investment in an associate accounted for using the equity method. Under paragraphs 29 and 30 of IAS 28, the Fiat Group is not required to recognize the share of any losses of the associate for as long as Chrysler remains an associate, that is, carried at nil in the financial statements as it has no obligation in respect of those losses. If Chrysler subsequently reports profits, the Fiat Group may only recognize these once its share of the profits equals the share of losses not recognized in prior periods.

For completeness, it is noted that having reached one of the predetermined so called Performance Events envisaged in the Chrysler-Fiat strategic alliance agreements, on January 10, 2011 Fiat received without consideration an additional interest of 5% in Chrysler, and therefore its total holding in Chrysler is currently equal to 25%. Further details about the Fiat Group's rights relating to the investment in Chrysler may be found in Note 30.

Holdings System

The investments of the Holdings System are as follows:

	12/31/2010		12/31/2009		
	% of interest	**€ in millions**	% of interest	€ in millions	Change
Investments accounted for using the equity method					
Sequana Group	**28.24**	**231**	26.65	198	33
Total Investments accounted for using the equity method		**231**		198	33
Investments measured at fair value with offsetting entry to equity					
- Intesa Sanpaolo S.p.A.	**0.08**	**20**	0.34	127	(107)
- SGS S.A.	**15.00**	**1,472**	15.00	1,068	404
- Gruppo Banca Leonardo S.p.A.	**14.57**	**87**	9.74	85	2
- Banijay Holding S.A.S.	**17.09**	**39**	17.08	34	5
- NoCo A LP	**2.00**	**19**	1.96	19	0
- Copacabana Prince Participaçoes S.A.	**1.62**	**15**	-	0	15
- BTG Investments LP	**-**	**4**	-	0	4
- The Economist Newspaper Ltd	**4.72**	**30**	0.20	1	29
- Other		**12**		0	12
Total Investments measured at fair value with offsetting entry to equity		**1,698**		1,334	364
Investments measured at cost					
Almacantar S.A.	**54.98**	**10**	-		10
Jardine Rothschild Asia Capital Ltd	**33.33**	**1**	-		1
Total Investments measured at cost		**11**			11
Non-current securities					
Securities measured at fair value with offsetting entry to equity					
- NoCo B LP		**48**		26	22
- Units of Immobiliare RHO Fund		**11**		10	1
- Other		**7**		3	4
Securities measured at fair value with offsetting entry to equity					
- DLMD bonds		**0**		6	(6)
Held-to-maturity securities at amortized cost					
- Perfect Vision Limited convertible bonds		**76**		67	9
- Other bonds		**192**		87	105
Total Securities		**334**		199	135
Non-current financial receivables		**2**		1	1
Investments and other financial assets of the Holdings System		**2,276**		**1,732**	**544**

Investments measured at fair value with offsetting entry to equity

At December 31, 2010, the changes were as follows:

The increase in the investment in **SGS** of €404 million is due to the fair value adjustment at December 30, 2010 based on the per share trading price of SGS stock at December 30, 2010 equal to CHF 1,569 (corresponding to €1,254.8 at the exchange rate of 1.2504).

The net increase in the investment in **Gruppo Banca Leonardo** is determined by the purchases of a further 12,627,769 ordinary shares (4.86% of share capital), with an investment of €30 million, and by the recognition of the reimbursement of reserves as a deduction from the carrying amount of the investment for €27 million.

The increase in the investment in **Banijay Holding** for €5 million comes from the subscription of new shares by Exor S.A. for an equivalent amount of €2 million and the positive fair value adjustment of €3 million.

At December 31, 2010, the reduction in the investment in **Intesa Sanpaolo** of €107 million is mainly due to the sale of 30 million shares (0.25% of ordinary capital stock) for net proceeds of €90 million and a net gain of €1 million. The derecognition of the carrying amount (-€95 million) of the interest sold includes the original purchase cost of €89 million and the cumulative positive fair value change of €6 million; the latter was recognized as a deduction from the statement of comprehensive income. The remaining stake has been aligned to the stock trading price at December 30, 2010 (€2.042 per share) generating a total impairment charge recognized in the income statement for €9 million.
In fact, it was deemed that the stock trading price, consistently below the original cost, represented objective evidence of an impairment loss.

At December 31, 2009, there were still call options sold on 40,000,000 Intesa Sanpaolo shares expiring in January and March 2010 at a strike price of €3 per share. At the established expiration date, 30,000,000 options were exercised with the consequent sale of the underlying shares, as described above. Therefore the premiums received, adjusted to fair value at December 31, 2009, were recognized as financial income (€5,042 thousand).
The remaining 10,000,000 options were not exercised and thus generated financial income of €2,721 thousand.

On December 6, 2010, Exor S.A. invested in **Copacabana Prince Participações** (€15 million) and **BTG Investments** (€4 million) as part of the agreement sealed between BTG Pactual and a consortium of leading international investors.

Investments measured at cost

The investment in **Almacantar** was acquired on April 28, 2010 by subscription to preferred shares and payment of the minimum allowed by law (25% of capital, equal to €2.5 million).

The **Jardine Rothschild** investment was acquired on September 30, 2010 as part of the agreement between Exor S.A., the Jardine Matheson Group and Rothschild.

Securities measured at fair value with offsetting entry to equity

The increase is due to the investments in **NoCo B** made in 2010, net of the relative reimbursements, for a total of €18 million and the positive fair value adjustment of €4 million.

The increase in the share of the **RHO Immobiliare Fund**, (€1 million) is due to the positive fair value adjustment certified by the Fund's own manager.

Held-to-maturity securities

Held-to-maturity securities include:

- **Perfect Vision Limited converting bonds**, subscribed in 2008 by Exor S.A., yielding a fixed 5% rate up to the established conversion date in 2013, which will deliver a quota of shares equal to 42.5% of the capital of Vision Investment Management Limited.
  At December 31, 2010, the share of capital, measured at amortized cost, is equal to €76 million, including interest capitalized from 2008 to 2010 of €9 million. The positive change of €9 million is determined by the capitalization of interest income for the year 2010 of €3 million and the gain on the exchange difference of about €6 million. The embedded derivative recorded in financial payables amounts to €51 million and the negative fair value adjustment of €17 million is recognized in the 2010 income statement;
- **bonds** issued by leading counterparts and quoted on active and open markets which the Holdings System intends, and is able to hold, until their natural reimbursement date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income.

Holdings System

The key consolidated data of the Sequana Group is as follows:

€ in millions	**12/31/2010**	12/31/2009
Total assets	**2,988**	2,875
Current and non-current liabilities	**2,174**	2,133
Revenues	**4,333**	4,088
Result	**32**	19
Of which EXOR's share	**9**	5
Net financial debt	**674**	651
Fair value of EXOR's share based on the trading price at the end of December	**163**	105

Goodwill included in the Sequana Group consolidated statements amounts to €643 million (€635 million at December 31, 2009). In 2010, no impairment charges were recognized (€4 million in 2009).

Listed investments

At December 31, 2010, the stock trading prices of investments in listed jointly controlled entities and listed associates of the Fiat Group are as follows:

€ in millions	**Carrying amount 12/31/2010**	**Trading price 12/31/2010**
Tofas - Turk Otomobil Fabrikasi Tofas A.S.	**304**	**728**
Rizzoli Corriere della Sera MediaGroup S.p.A.	**101**	**79**
Turk Traktor Ve Ziraat Makineleri A.S.	**79**	**227**
Al-Ghazi Tractors Ltd.	**22**	**37**
Total Listed investments	**506**	**1,071**

At December 31, 2010, the stock trading prices of listed investments of the Holdings System are as follows:

€ in millions	**Carrying amount 12/31/2010**	**Trading price 12/31/2010**
SGS S.A.	**1,472**	**1,472**
Sequana S.A.	**231**	**163**
Intesa Sanpaolo S.p.A.	**20**	**20**
Total Listed investments	**1,723**	**1,655**

17. Leased assets

The Fiat Group leases out assets, mainly their own products, as part of their financial services businesses of the sectors Trucks and Commercial Vehicles and the Agricultural and Construction Equipment.
This item changed as follows in 2010 and 2009:

€ in millions	12/31/2009	Additions	Depreciation	Translation differences	Disposals and other changes	**12/31/2010**
Gross carrying amount	632	291		55	(304)	**674**
Depreciation and impairment	(175)		(95)	(13)	101	**(182)**
Net carrying amount of Leased assets 2010	457	291	(95)	42	(203)	**492**

€ in millions	12/31/2008	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2009
Gross carrying amount	674	219		3	(264)	632
Depreciation and impairment	(169)		(91)		85	(175)
Net carrying amount of Leased assets 2009	**505**	**219**	**(91)**	**3**	**(179)**	**457**

At December 31, 2010, minimum lease payments from non-cancellable operating leases amount to €216 million (€178 million at December 31, 2009) and fall due as follows:

€ in millions	**12/31/2010**	12/31/2009
Within one year	**98**	83
Between one and five years	**116**	94
Beyond five years	**2**	1
Total Minimum lease payments	**216**	**178**

18. Inventories

€ in millions	**12/31/2010**	12/31/2009
Raw materials, supplies and finished goods	**8,198**	8,671
Gross amount due from customers for contract work	**147**	79
Total Inventories	**8,345**	**8,750**

There were no inventories pledged as security at December 31, 2010 and 2009.

At December 31, 2010, total Inventories amount to €8,345 million and mainly refer to the Fiat Group (€8,341 million).

Fiat Group

Assets sold with a buy-back commitment by Fiat Group Automobiles sector amount to €637 million at December 31, 2010 and assets which are no longer subject to operating lease arrangements or buy-back commitments and are held for sale by Trucks and Commercial Vehicles and Agricultural and Construction Equipment sectors amount to €159 million at December 31, 2010.

At December 31, 2010, Inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €2,698 million (€2,958 million at December 31, 2009), referring to the Fiat Group.

The amount of inventory writedowns recognized as an expense during 2010 is €489 million (€664 million in 2009). Amounts recognized as income from the reversal of writedowns on items sold during the year were not significant.

The majority of the amount due from customers for contract work relates to the Production Systems sector and can be analyzed as follows:

€ in millions	**12/31/2010**	12/31/2009
Aggregate amount of costs incurred and recognized profits (less recognized losses) to date	**1,245**	1,056
Less: Progress billings	**(1,203)**	(1,058)
Construction contracts, net of advances on contract work	**42**	**(2)**
Gross amount due from customers for contract work as an asset	**147**	79
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	**(105)**	(81)
Construction contracts, net of advances on contract work	**42**	**(2)**

At December 31, 2010 and 2009, the amount of retentions by customers on contract work in progress was not significant.

19. Current receivables and Other current assets

The composition of the caption is as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations**	**Consolidated EXOR Group**
Trade receivables	4,050	227	81	14		(2)	4,370
Receivables from financing activities	13,774						13,774
Other financial receivables	0				38	(31)	7
Current tax receivables	905	7	1		45		958
Other current assets:							
- Other current receivables	2,186	45	12	25	2	(1)	2,269
- Accrued income and prepaid expenses	276	22		8	1		307
	2,462	67	12	33	3	(1)	2,576
Total Current receivables and Other current assets at December 31, 2010	**21,191**	**301**	**94**	**47**	**86**	**(34)**	**21,685**
Trade receivables	3,649	199	79	32		(2)	3,957
Receivables from financing activities	12,695						12,695
Other financial receivables	0				34	(28)	6
Current tax receivables	674	4	2		45		725
Other current assets:							
- Other current receivables	2,529	40	12	21	1		2,603
- Accrued income and prepaid expenses	249	19		3	1		272
	2,778	59	12	24	2	0	2,875
Total Current receivables and Other current assets at December 31, 2009	**19,796**	**262**	**93**	**56**	**81**	**(30)**	**20,258**

The analysis by due date (excluding accrued income and prepaid expenses) at December 31, 2010 is the following:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated EXOR Group
Trade receivables							
- Due within one year	3,980	227	81	14		(2)	4,300
- Due between one and five years	70						70
- Due beyond five years	0						0
	4,050	227	81	14		(2)	4,370
Receivables from financing activities							
- Due within one year	8,744						8,744
- Due between one and five years	4,808						4,808
- Due beyond five years	222						222
	13,774						13,774
Other financial receivables							
- Due within one year	0				38	(31)	7
Current tax receivables							
- Due within one year	782	7	1				790
- Due between one and five years	38						38
- Due beyond five years	85				45		130
	905	7	1		45		958
Other current receivables							
- Due within one year	1,679	45	12	25	2	(1)	1,762
- Due between one and five years	476						476
- Due beyond five years	31						31
	2,186	45	12	25	2	(1)	2,269
Total current receivables							
- Due within one year	15,185	279	94	39	40	(34)	15,603
- Due between one and five years	5,392						5,392
- Due beyond five years	338				45		383
Total Current receivables at December 31, 2010	**20,915**	**279**	**94**	**39**	**85**	**(34)**	**21,378**

The analysis by due date (excluding accrued income and prepaid expenses) at December 31, 2009 was the following:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations**	**Consolidated EXOR Group**
Trade receivables							
- Due within one year	3,573	199	79	32		(2)	3,881
- Due between one and five years	73						73
- Due beyond five years	3						3
	3,649	199	79	32		(2)	3,957
Receivables from financing activities							
- Due within one year	8,002						8,002
- Due between one and five years	4,428						4,428
- Due beyond five years	265						265
	12,695						12,695
Other financial receivables							
- Due within one year	0				34	(28)	6
Current tax receivables							
- Due within one year	540	4	2				546
- Due between one and five years	37						37
- Due beyond five years	97				45		142
	674	4	2		45		725
Other current receivables							
- Due within one year	1,480	40	12	21	1		1,554
- Due between one and five years	991						991
- Due beyond five years	58						58
	2,529	40	12	21	1		2,603
Total current receivables							
- Due within one year	13,595	243	93	53	35	(30)	13,989
- Due between one and five years	5,529						5,529
- Due beyond five years	423				45		468
Total Current receivables at December 31, 2009	**19,547**	**243**	**93**	**53**	**80**	**(30)**	**19,986**

At December 31, 2010, total current receivables include receivables sold and financed through both securitization and factoring transactions of €8,089 million (€6,588 million at December 31, 2009) by the Fiat Group which do not meet IAS 39 derecognition requirements. These receivables are recognized as such in the Group financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as asset-backed financing (see Note 27).

Trade receivables

Trade receivables of the EXOR Group amount to €4,370 million at December 31, 2010. The total balance increased by €413 million compare to December 31, 2009.
Trade receivables are shown net of allowances for doubtful accounts of €499 million at December 31, 2010 (€561 million at December 31, 2009). Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2010:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Consolidated EXOR Group**
Allowances for doubtful accounts at December 31, 2009	524	13	24			561
Provision	96	3	4	1		104
Use and other changes	(162)	(8)	(3)			(173)
Change in the scope of consolidation	7					7
Allowances for doubtful accounts at December 31, 2010	**465**	**8**	**25**	**1**		**499**

The carrying amount of trade receivables is considered to be in line with their fair value.
At December 31, 2010, trade receivables of €8 million of the Fiat Group were pledged as security for loans obtained (€14 million at December 31, 2009).

Receivables from financing activities of the Fiat Group

Receivables from financing activities include the following:

€ in millions	**12/31/2010**	12/31/2009
Retail financing	**6,950**	6,239
Finance leases	**1,055**	1,110
Dealer financing	**5,581**	5,108
Supplier financing	**48**	102
Current financial receivables from jointly controlled financial services entities	**12**	14
Financial receivables from companies under joint control, associates and unconsolidated subsidiaries	**49**	55
Other	**79**	67
Total Receivables from financing activities	**13,774**	**12,695**

Total receivables from financing activities of the Fiat Group increased by €1,079 million over the preceding year. Excluding translation exchange gains, arising mainly from the depreciation of the Euro against the U.S. dollar, the Australian dollar, the Canadian dollar and the Brazilian real, and writedowns, the item increased by €259 million due to the rise in volumes financed in Brazil, net of the gradual settlement of the loans disbursed in Brazil which fell under the scope of debt relief programs (see Note 33).

Receivables from jointly controlled financial services entities include financial receivables by the FGA Capital Group.

Receivables from financing activities of the Fiat Group are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2010, the allowance amounts to €595 million (€450 million at December 31, 2009). Changes in the allowance accounts during the year are as follows:

€ in millions	12/31/2009	Provision	Use and other changes	**12/31/2010**
Retail financing	230	192	(91)	**331**
Finance leases	80	22	1	**103**
Dealer financing	90	52	(27)	**115**
Supplier financing	4		(2)	**2**
Other	46		(2)	**44**
Total allowance on Receivables from financing	**450**	**266**	**(121)**	**595**

Finance lease receivables mainly relate to vehicles of the Trucks and Commercial Vehicles and Agricultural and Construction Equipment sectors of the Fiat Group leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rate implicit in total finance lease receivables varies depending on prevailing market interest rates.

The item may be analyzed as follows stated gross of an allowance of €103 million at December 31, 2010 (€80 million at December 31, 2009):

€ in millions	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	540	674	100	1,314
Less: unrealized interest income	(54)	(82)	(20)	(156)
Present value of future minimum lease payments at December 31, 2010	**486**	**592**	**80**	**1,158**
Receivables for future minimum lease payments	560	731	76	1,367
Less: unrealized interest income	(61)	(104)	(12)	(177)
Present value of future minimum lease payments at December 31, 2009	**499**	**627**	**64**	**1,190**

No contingent rents were recognized as finance leases during 2010 or 2009 and unguaranteed residual values at December 31, 2010 and 2009 are not significant.

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from sector to sector and from country to country, although payment terms range from two to six months.

The fair value of receivables from financing activities at December 31, 2010 amounts to €13,959 million (€12,876 million at December 31, 2009). These fair values have been calculated using a discounted cash flow method based on the following discount rates, adjusted where necessary to take account of the specific insolvency risk of the underlying financial instrument.

in %	EUR	USD	GBP	CAD	AUD	BRL	PLN
Interest rate for six months	1.23	0.46	1.05	1.46	5.18	11.62	4.16
Interest rate for one year	1.51	0.78	1.51	1.78	5.20	12.04	4.43
Interest rate for five years	2.56	2.22	2.67	2.61	5.89	12.21	5.47

Other current assets

An analysis of other current assets is as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations**	**Consolidated EXOR Group**
Other tax receivables for VAT and other indirect taxes	1,239	1	5	3			1,248
Receivables from employees	66	10					76
Accrued income and prepaid expenses	276	22		8	1		307
Other	881	34	7	22	2	(1)	945
Total Other current assets 12/31/2010	**2,462**	**67**	**12**	**33**	**3**	**(1)**	**2,576**
Other tax receivables for VAT and other indirect taxes	1,595	3	4	1			1,603
Receivables from employees	67	9					76
Accrued income and prepaid expenses	249	19		3	1		272
Other	867	28	8	20	1		924
Total Other current assets 12/31/2009	**2,778**	**59**	**12**	**24**	**2**	**0**	**2,875**

At the balance sheet date, the carrying amount of other current assets is considered to be in line with fair value.

At December 31, 2010, other current assets of the Fiat Group also include an amount of €88 million (€593 million at December 31, 2009) due from the tax authorities relating to eco-incentives in Italy; the Group will be able to recover this balance by offsetting it against future payments due to the tax authorities.

At December 31, 2010, other current assets of the Alpitour Group include receivables from insurance companies of €3 million.

At December 31, 2010, other current assets of Juventus Football Club comprise receivables from soccer clubs from the sale of players.

20. Current investments and securities

The item consists mainly of short-term or marketable equity shares or bonds which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents. In particular:

€ in millions	Fiat Group (as a whole)	Alpitour Group	Holdings System	Consolidated EXOR Group
Equity shares held for trading	34		342	376
Bonds available for sale	62			62
Bonds and mutual funds held for trading	147	3	370	520
Total bonds and mutual funds	209	3	370	582
Investments and current securities at December 31, 2010	**243**	**3**	**712**	**958**
Equity shares held for trading	46		43	89
Held to maturity securities (amortized cost)	0		11	11
Bonds available for sale	53			53
Bonds and mutual funds held for trading	164	3	541	708
Total bonds and mutual funds	217	3	552	772
Investments and current securities at December 31, 2009	**263**	**3**	**595**	**861**

Current investments and securities include equity shares listed on major international markets, bonds issued by leading issuers and mutual funds. Such financial instruments, if held for trading, are measured at fair value, with recognition of the fair value in the income statement; if held to maturity, they are measured at amortized cost.

21. Other financial assets and Other financial liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date. Specifically:

	12/31/2010		12/31/2009	
€ in millions	**Positive fair value**	**Negative fair value**	Positive fair value	Negative fair value
FIAT Group				
Fair value hedges				
Interest rate risk - Interest rate swaps	**235**	**(18)**	244	(51)
Interest rate and currency risk - Combined interest rate and currency swaps	**15**		59	
Total Fair value hedges	**250**	**(18)**	303	(51)
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	**129**	**(191)**	140	(177)
Interest rate risk - Interest rate swaps	**60**	**(87)**	59	(101)
Interest rate and currency risk - Combined interest rate and currency swaps	**5**		31	
Other derivatives	**2**		6	
Total Cash flow hedges	**196**	**(278)**	236	(278)
Derivatives for trading	**158**	**(106)**	97	(135)
Total FIAT Group	**604**	**(402)**	636	(464)
C&W Group				
Fair value hedges				
Currency risks	**1**	**(2)**		(2)
Total C&W Group	**1**	**(2)**		(2)
Alpitour Group				
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options		**(1)**		(1)
Interest rate risk - Interest rate swaps		**(4)**		(3)
Alpitour Group		**(5)**		(4)
Holdings System				
Cash flow hedges				
Interest rate risk - Interest rate swaps				(5)
Derivatives for trading	**5**	**(60)**	4	(40)
Total Holdings System	**5**	**(60)**	4	(45)
Total Other financial assets (liabilities)	**610**	**(469)**	640	(515)

Fiat Group

The fair value of derivative financial instruments is determined by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;

- the fair value of currency options is determined using valuation techniques based on the Black-Scholes model or binomial models and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);

- the fair value of interest rate swaps and forward rate agreements is determined by using the discounted cash flow method;

- the fair value of derivative financial instruments acquired to hedge interest rate risk and currency risk is determined using the exchange rates prevailing at the balance sheet date and the discounted cash flow method;

- the fair value of equity swaps is determined using market prices at the balance sheet date;

- the fair value of derivatives hedging commodity price risk is determined by using the discounted cash flow method, taking the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates).

The overall increase in Other financial assets, from €636 million at December 31, 2009 to €604 million at December 31, 2010 and in Other financial liabilities from €464 million at December 31, 2009 to €402 million at December 31, 2010 is mostly due to changes in exchange rates and interest rates during the year, and to a positive fair value arising from the equity swaps on Fiat S.p.A. ordinary shares (€107 million).

As this item consists principally of hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivatives for trading consist principally of the following types:

- derivatives (mostly currency based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level;

- derivatives relating to Fiat shares (equity swaps) which are described further below;

- an embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

Holdings System
EXOR S.p.A. also assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate. Specifically, only one type of derivative financial instrument, interest rate swap, has been used to manage fluctuations in interest rate risks on bank debt.

Alpitour Group
The Alpitour Group regularly assesses its exposure to various types of risks and manages these risks using traditional and derivative instruments in accordance with its management and control policy. This policy does not allow the use of derivatives for speculative reasons but they are used for the management of fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

The Alpitour Group, and particularly the aviation division, is subject to the risk of fluctuations in fuel prices largely in connection with international political stability and other external factors. Since fuel is a primary factor in air transport, price fluctuations could have a significant impact on the Group's margin and, consequently, the exposure to fuel price risk is hedged by commodity swaps and zero cost collars.
The exposure to exchange rate risks on commercial transactions in foreign currencies is mainly hedged by forward and knock-in forward contracts.
The exposure to interest rate risks on medium- and long-term loans is mainly hedged by interest rate swaps and zero cost collars.

At December 31, 2010 and 2009, the notional amount of outstanding derivative financial instruments is as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Consolidated EXOR Group
Currency risk management	12,561	103	23	0	0	12,687
Interest rate risk management	12,540	0	55	114	25	12,734
Interest rate and currency risk management	1,005	0	0	0	0	1,005
Other derivative financial instruments	232	0	0	0	76	308
Total notional amount at December 31, 2010	**26,338**	**103**	**78**	**114**	**101**	**26,734**
Currency risk management	9,189	82	25	0	0	9,296
Interest rate risk management	13,368	0	67	15	150	13,600
Interest rate and currency risk management	933	0	0	0	0	933
Other derivative financial instruments	244	0	0	0	67	311
Total notional amount at December 31, 2009	**23,734**	**82**	**92**	**15**	**217**	**24,140**

Fiat Group

At December 31, 2010, the notional amount of other derivative instruments consists of:

- For €204 million (€204 million at December 31, 2009), the notional amount of the two equity swaps, renewed in 2010 and expiring in 2011, arranged to hedge the risk of an increase in the Fiat share price above the exercise price of the stock options granted to the chief executive officer in 2004 and 2006 (see Note 24). At December 31, 2010, the equity swaps have a total positive fair value of €115 million (a positive fair value of €8 million at December 31, 2009). Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are defined as trading derivative financial instruments. Following the demerger these equity swaps make reference to the performance of the stock market value of the basket of shares made up of the Fiat S.p.A. share and the Fiat Industrial S.p.A. share.

- For €14 million (€14 million at December 31, 2009), the notional amount of the derivative embedded in a bond with a return linked to inflation rates, as well as the notional amount of the related hedging derivative, which converts the exposure to floating rate.

- For €14 million (€26 million at December 31, 2009), the notional amount of derivatives linked to commodity prices hedging specific exposures arising from supply agreements. Under these agreements, there is a regular updating of the prices on the basis of the performance in the quoted prices of the raw material.

C&W Group

The notional amount at December 31, 2010, $137 million (€103 million) refers to exchange forwards used by C&W Group to hedge currency risk on commercial transactions. At December 31, 2010, the fair value was a negative $1.4 million, equal to €1 million ($2.3 million, equal to €1.6 million at December 31, 2009).

Alpitour Group

The notional amount includes:
- forward knock contracts for a total notional amount of €23 million to manage the risk of changes in the currency rates to hedge exposure in foreign currency for the following year. The fair value of these hedges at October 31, 2010 is estimated at a negative €944 thousand (a negative €994 thousand at October 31, 2009);
- interest rate swap and zero cost collars for a total notional amount of €19 million to manage the risk of changes in the interest rates on loans. The fair value of these hedges at October 31, 2010 is estimated at a negative €214 thousand (a negative €451 thousand at October 31, 2009);

- interest rate swap contracts put in place by the subsidiary Neos for a total residual notional amount of €36 million to manage interest rate risk on aircraft lease transactions. The fair value of these hedges at October 31, 2010 is estimated at a negative €3,726 thousand (a negative €2,473 thousand at October 31, 2009).

Juventus FC

The notional amount at December 31, 2010 refers to:

- "CAP" option contracts to manage the risk of changes in the interest rates on two loan contracts for a total of €60 million put in place with Istituto per il Credito Sportivo for the construction of the new stadium. At December 31, 2010, the positive fair value change in the two options (€177 thousand) is recognized in the income statements since the fair value of the option can be ascribed entirely to the time value of the transaction;
- interest rate swap contracts put in place on April 13, 2010 to hedge the pre-amortization interest rate on the loan for a total of €54 million secured from Istituto per il Credito Sportivo for the construction of the new stadium and to hedge the interest rate on the finance lease with Unicredit Leasing S.p.A. relating to the Vinovo Training Center. The fair value is a negative €381 thousand.

Holdings System

The notional amount of the financial instruments to manage the interest rate risk includes the notional amount of an interest rate contract put in place by EXOR S.p.A. on the amount of the loan of €25 million in order to guarantee the fixed rate for the entire duration of the loan. At December 31, 2010, the fair value is a negative €52 thousand.

At December 31, 2009, EXOR S.p.A. had in place interest rate swap contracts on € 150 million of debt, of which € 125 million expired in 2010.

The notional amount of other derivative financial instruments relates to the embedded derivative relating to the Perfect Vision Limited convertible bonds. The fair value at December 31, 2010 is a negative €51 million.

The following table provides an analysis by due date of outstanding derivative financial instruments at December 31, 2010 based on their notional amounts:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Consolidated EXOR Group**
Currency risk management						
- Due within one year	11,685	103	23			11,811
- Due between one and five years	876					876
	12,561	103	23			12,687
Interest rate risk management						
- Due within one year	5,427		8	101	25	5,561
- Due between one and five years	5,090		30	6		5,126
- Due beyond five years	2,023		17	7		2,047
	12,540		55	114	25	12,734
Interest rate and currency risk management						
- Due beyond five years	1,005					1,005
	1,005					1,005
Other derivative financial instruments						
- Due within one year	218					218
- Due between one and five years	0				76	76
- Due beyond five years	14					14
	232				76	308
Total notional amount at December 31, 2010	**26,338**	**103**	**78**	**114**	**101**	**26,734**

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Consolidated EXOR Group**
Currency risk management						
- Due within one year	8,652	82	25			8,759
- Due between one and five years	537					537
	9,189	82	25			9,296
Interest rate risk management						
- Due within one year	2,776				125	2,901
- Due between one and five years	9,163		49	15	25	9,252
- Due beyond five years	1,429		18			1,447
	13,368		67	15	150	13,600
Interest rate and currency risk management						
- Due beyond five years	933					933
	933					933
Other derivative financial instruments						
- Due within one year	230					230
- Due between one and five years	0				67	67
- Due beyond five years	14					14
	244				67	311
Total notional amount at December 31, 2009	**23,734**	**82**	**92**	**15**	**217**	**24,140**

Cash flow hedges

€ in millions	Fiat Group (as a whole)	Holdings System	Consolidated EXOR Group
Currency risk			
Increase (Decrease) in net revenues	(91)		(91)
Decrease (Increase) in cost of sales	(112)		(112)
Financial income (expenses)	(48)		(48)
Result from investments	(5)		(5)
Interest rate risk			
Decrease (Increase) in cost of sales	(44)		(44)
Result from investments	(7)		(7)
Financial income (expenses)	(5)	(10)	(15)
Commodities price risk			
Decrease (Increase) in cost of sales	5		5
Taxes - income (expenses)	65		65
Ineffectiveness - overhedges	(19)		(19)
Net gains (losses) on cash flow hedges recognized in the income statement 2010	**(261)**	**(10)**	**(271)**
Currency risk			
Increase (Decrease) in net revenues	(15)		(15)
Decrease (Increase) in cost of sales	(350)		(350)
Financial income (expenses)	71		71
Interest rate risk			
Decrease (Increase) in cost of sales	(16)		(16)
Result from investments	3		3
Financial income (expenses)	(17)	(6)	(23)
Commodities price risk			
Decrease (Increase) in cost of sales	(5)		(5)
Taxes - income (expenses)	11		11
Ineffectiveness - overhedges	8		8
Net gains (losses) on cash flow hedges recognized in the income statement 2009	**(310)**	**(6)**	**(316)**

In reference to existing derivative financial instruments put in place, the EXOR Group reversed from other comprehensive income to the income statement previously recognized losses of €271 million in 2010 (losses of €316 million in 2009) net of the tax effect.

Fiat Group

The effects arising on the income statement mainly refer to the management of the currency risk and, to a lesser extent, to the hedges relating to the debt of the Group's financial companies and Group treasury.

The policy of the Group for managing currency risk normally requires that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. As a result, it is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in income, mainly during the following year.
The interest rate and currency derivatives treated as cash flow hedges were entered into by the North American treasury for the purpose of hedging the bond issued in Euros and maturing in 2017; the amount recorded in the cash flow hedge reserve will be recognized in income according to the timing of the flows of the underlying bond.

Where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. The cumulative gain or loss is removed from other comprehensive income and recognized in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the Income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized at the same time as the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the Income statement immediately.

The ineffectiveness of cash flow hedges of the Fiat Group was not material in 2010 or 2009.
In 2010, there was an overall negative economic effect of €19 million (positive effect of €8 million in 2009) to the Fiat Group from hedges of assets and liabilities which subsequently turned out to be in excess of the future flows being hedged (overhedges); the impact was mainly due to the loss of certain exposures to interest rate risk.

Fair value hedges

The gains and losses arising from the valuation of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ in millions	**Fiat Group (as a whole)**
Currency risk	
Net gains (losses) on qualifying hedges	(50)
Fair value changes in hedged items	50
Interest rate risk	
Net gains (losses) on qualifying hedges	26
Fair value changes in hedged items	(26)
Net gains (losses) on fair value hedges recognized in the income statement 2010	**0**
Currency risk	
Net gains (losses) on qualifying hedges	22
Fair value changes in hedged items	(22)
Interest rate risk	
Net gains (losses) on qualifying hedges	(15)
Fair value changes in hedged items	17
Net gains (losses) on fair value hedges recognized in the income statement 2009	**2**

For the Fiat Group, the ineffective portion of transactions treated as fair value hedges in 2010 was not significant (gains of €2 million in 2009).

22. Cash and cash equivalents

Cash and cash equivalents include:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Consolidated EXOR Group
Cash in hand and at banks and post offices	10,930	59	92	5	67	11,153
Cash with a pre-determined use	694					694
Money market securities	4,029	18			294	4,341
Total Cash and cash equivalents at 12/31/2010	**15,653**	**77**	**92**	**5**	**361**	**16,188**
Cash in hand and at banks and post offices	9,422	51	90	26	218	9,807
Cash with a pre-determined use	530					530
Money market securities	2,274	1			244	2,519
Total Cash and cash equivalents at 12/31/2009	**12,226**	**52**	**90**	**26**	**462**	**12,856**

Amounts shown are readily convertible into cash and are subject to an insignificant risk of changes in value. The carrying amount of cash and cash equivalents is considered to be in line with their fair value at the balance sheet date.

Cash with a pre-determined use of the Fiat Group mainly consists of amounts whose use is restricted to the repayment of the debt relating to securitizations classified as Asset-backed financing.

The credit risk associated with cash and cash equivalents is considered not significant, because it mainly relates to deposits spread across primary national and international financial institutions.

23. Assets and liabilities held for sale

At December 31, 2010, assets and liabilities held for sale include some properties and buildings of the Fiat Group Automobiles Sectors and the amount of an investment in a minor company in Brazil which was classified as held for sale at the acquisition date.

At December 31, 2009, such items, besides those mentioned previously, also comprised the amount of some properties and buildings of the Comau and Agricultural and Construction Equipment sectors and also TargaRent S.r.l. sold in the first quarter of 2010.

24. Equity

Share capital

At December 31, 2010, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of share capital), 76,801,460 preferred shares (31.19% of share capital) and 9,168,894 savings shares (3.72% of share capital) all with a par value of €1 each.

At December 31, 2009, share capital included €1,342 thousand of transfers from the revaluation reserve appropriated in the past by the merged company IFIL which, in the event of distribution, will form part of the taxable income of the company.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the share capital up to an amount of €561,750,000.

The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the shareholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting shareholders' meetings). The savings shares do not have voting rights in the shareholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special shareholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.

In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.

In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.

The board of directors, during the year and since believes it possible and opportune on the basis of the operating results, may resolve to pay an interim dividend for the year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for shareholders and guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings.

Dividends paid

Dividends paid by EXOR S.p.A. for the years 2009 and 2008 are analyzed as follows.

		Proposed dividends	
Class of shares	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	157,245,496	0.27	42.5
Preferred shares	69,307,160	0.3217	22.3
Savings shares	8,945,934	0.3481	3.1
Dividends paid in 2010 referring to the year 2009			67.9

		Dividends proposed	
Class of shares	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	160,147,496	0.319	51.1
Preferred shares	71,368,160	0.3707	26.4
Savings shares	9,155,694	0.458	4.2
Dividends paid in 2009 referring to the year 2008			81.7

Treasury shares

Under the treasury shares buyback program approved by the board of directors on March 25, 2009 and May 11, 2010, during 2010, EXOR purchased 1,559,500 ordinary shares (0.97% of the class) at the average cost per share of €14.45 and total of €23 million, 3,274,484 preferred shares (4.26% of the class) at the average cost per share of €10.02 and total of €33 million, and also 213,295 savings shares (2.33% of the class) at the average cost per share of €11.70 and total of €2 million. The overall investment amounts to €58 million.

At December 31, 2010 EXOR S.p.A. held the following treasury shares:

		% of	Carrying amount	
Class of shares	Number of shares	class	Per share (€)	Total (€ ml)
Ordinary shares	4,109,500	2.56	12.68	52
Preferred shares	10,239,784	13.33	11.13	114
Savings shares	421,695	4.60	10.00	4
				170

Other comprehensive income

Other comprehensive income may be analyzed as follows:

€ in millions	**2010**	2009
Effective portion of gains/(losses) on cash flow hedges arising during the year	**(145)**	61
Effective portion of gains/(losses) on cash flow hedges reclassified to profit or loss	**324**	328
Effective portion gains/(losses) on cash flow hedges	**179**	389
Gains/(losses) on fair value of available-for-sale financial assets arising during the year	**402**	268
Gains/(losses) on fair value of available-for-sale financial assets reclassified to profit or loss	**0**	0
Gains/(losses) on fair value of available-for-sale financial assets	**402**	268
Exchange gains/(losses) on exchange differences on translating foreign operations arising during the year	**816**	509
Exchange gains/(losses) on exchange differences on translating foreign operations reclassified to profit or loss		(1)
Exchange gains/(losses) on exchange differences on translating foreign operations	**816**	508
Share of Other comprehensive income of entities accounted for using the equity method arising during the year	**98**	(44)
Share of Other comprehensive income of entities accounted for using the equity method reclassified to profit or loss	**16**	3
Share of Other comprehensive income of entities accounted for using the equity method	**114**	(41)
Income taxes relating to components of Other comprehensive income	**3**	(47)
Total Other comprehensive income, net of tax	**1,514**	1,077

The tax effect relating to other comprehensive income may be analyzed as follows:

€ in millions	2010 Pre-tax balance	2010 Tax benefit (expense)	2010 Net balance	2009 Pre-tax balance	2009 Tax benefit (expense)	2009 Net balance
Effective portion of gains/(losses) on cash flow hedges	**179**	**3**	**182**	389	(46)	343
Gains/(losses) on fair value of available-for-sale financial	**402**		**402**	268		268
Gains/(losses) on exchange differences on translating foreign operations	**816**		**816**	508	(1)	507
Share of Other comprehensive income of entities accounted for using the equity method	**114**		**114**	(41)		(41)
Total Other comprehensive income	**1,511**	**3**	**1,514**	1,124	(47)	1,077

Non-controlling interests

An analysis of non-controlling interests is as follows:

€ in millions	12/31/2010 %	12/31/2010 Capital and reserves	12/31/2010 Profit / (loss)	12/31/2010 Total	12/31/2009 %	12/31/2009 Capital and reserves	12/31/2009 Profit / (loss)	12/31/2009 Total
Fiat Group	**70.4%**	**8,598**	**457**	**9,055**	70.4%	8,666	(593)	8,073
C&W Group	**21.4%**	**38**	**2**	**40**	21.1%	52	(18)	34
Alpitour Group	**-**	**4**	**1**	**5**	-	4	1	5
Juventus Football Club S.p.A.	**40%**	**47**	**(26)**	**21**	40%	44	2	46
Total		**8,687**	**434**	**9,121**		8,766	(608)	8,158

Non-controlling interests of C&W Group

At December 31, 2010, the capital issued by C&W Group is owned 69.83% (74.86% of capital outstanding) by EXOR and 30.17% (25.14% of capital outstanding) by its employees (the "Minority Shareholders").
C&W Group has an agreement with the Minority Shareholders (the "Minority Shareholders Agreement" or "MSA") which outlines all the rights and obligations of C&W Group and the Minority Shareholders with respect to the ownership of the minority shares.

According to IFRS 2 – *Share-based Payment* which is applicable in the circumstance, since the shares come from stock option plans, the non-controlling shares constitute a compound financial instrument comprising a liability component and an equity component.
To value the liability component, the C&W Group estimated, based on historical employment attrition rates and related actual and expected stock repurchases the extent to which the Non-controlling Shareholders would cease to be employees or independent contractors of C&W Group and, therefore, exercise their Put Rights before the occurrence of an IPO or sale of C&W by EXOR.

At December 31, 2010, the liability was estimated to be $40 million (€30 million); at December 31, 2009, the liability was estimated to be $47 million (€33 million). The estimates take into account the most recent appraised fair value of the C&W Group shares. The estimated cash disbursement for the purchase of the shares held by the Non-controlling shareholders in 2011 amounts to $33 million, equal to €25 million ($12 million, equal to €8 million at December 31, 2009).

Details of the change in liabilities are the following:

	$ in millions	€ in millions
Balance at December 31, 2009	**47**	**33**
Used to purchase shares	(16)	(12)
Adjustments to the income statement	9	7
Translation difference		2
Balance at December 31, 2010	**40**	**30**

Moreover, having recorded a part of the equity attributable to the Minority Shareholders of C&W Group as a liability, the number of C&W Group shares to be considered as equity outstanding is lower. For this reason, EXOR has consolidated C&W Group on the basis of an ownership percentage of 78.5581%. Such percentage is calculated as a percentage of the number of C&W Group shares held by EXOR (511,015) to the capital issued by C&W Group (731,850) net of treasury stock held (49,174) and net of the shares held by the Minority Shareholders which are estimated will be purchased by C&W Group according to the agreements outlined above (32,183).

Share-based compensation

Stock option plans linked to EXOR shares (S.O.E.)

The ordinary session of the IFIL shareholders' meeting held on May 13, 2008 had approved the stock option plan IFIL 2008-2019 for the chief executive officer, Carlo Barel di Sant'Albano, for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares, and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who were or would be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger, the stock option plan was taken over by EXOR S.p.A.. Therefore, the EXOR S.p.A. board of directors held on March 2, 2009 made the adjustments to the stock option plan resulting from the merger, particularly adjusting the ratio between the number of options and the number of shares linked to the plan and the exercise price on the basis of the merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The stock option plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by companies in the Holdings System in accordance with existing laws. The plan does not provide for the issue of new shares so there are no dilutive effects on share capital. The May 11, 2010 board of directors' meeting approved a treasury shares buyback program for the three classes of stock also aimed at servicing the above stock option plan.

An analysis of the changes in the stock options granted is as follows:

Number	Options granted	Ordinary shares exercisable	Beneficiaries
Original grant	9,525,000	2,524,125	18
Granted in 2010	200,000	53,000	1
Options forfeited	(175,000)	(46,375)	(4)
Situation at December 31, 2010	**9,550,000**	**2,530,750**	**15**

The fair value of the 9,550,000 options outstanding at December 31, 2010 was determined to be €15,670 thousand, divided as follows:

€ in thousands	Number of options granted	Number of EXOR ordinary shares exercisable	Total cost	Cost referring to the year
Chief Executive Officer, EXOR S.p.A.	3,000,000	795,000	4,807	601
Key employees, EXOR S.p.A. (10)	4,450,000	1,179,250	7,498	926
Total EXOR S.p.A.	7,450,000	1,974,250	12,305	1,527
Key employees of EXOR S.A. and other subsidiaries in the Holdings System (4)	2,100,000	556,500	3,365	437
Total	**9,550,000**	**2,530,750**	**15,670**	**1,964**

The cost referring to the year amounts to €1,964 thousand, of which €601 thousand is classified as emoluments for the chief executive officer and €1,363 thousand as personnel costs. The offsetting entry of €1,964 thousand is recorded in the stock option reserve.

Stock option plan linked to Alpitour shares

With reference to the stock option plan approved by IFIL S.p.A. for two managers of the Alpitour Group in December 2005, it should be noted that after the merger, EXOR S.p.A. took over the relative commitments. The plan calls for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, D.J. Winteler, and the general manager, F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's share capital.

After reconfirmation of the positions of the two managers for another three years, the EXOR S.p.A. board of directors' meeting held on May 13, 2009 extended the period in which the options could be exercised to January 2013 (date of the approval of the Alpitour financial statements for the financial year 2011/2012 by the shareholders' meeting).

EXOR S.p.A. and the managers of Alpitour S.p.A., finally, exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that will have been purchased by the same managers; the exercise price will be established on the basis of an appraisal which will be performed using the same valuation principles applied in the December 2005 valuation.

From an accounting standpoint, the plan is a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires the liability of the plan to be measured at fair value and therefore the options of the plan, at every reporting date, until plan expiration.

At December 31, 2010, the fair value of the option rights of the plan was estimated at a total of €21,981 thousand (€12,233 thousand at December 31, 2009) and is recorded in “Other liabilities”. The increase in the liability compared to the prior year (€9,748 thousand) was recognized in the income statement under “Selling, general and administrative expenses” as the portion relating to the current year.

The estimate was performed by an independent expert who applied a binomial model of valuation to the options based on the following parameters:

- the exercise price of the options has been assumed to be equal to the par value of one ordinary Alpitour share at the grant date, quantified on the basis of an estimate performed by an independent expert, equal to €2.24;
- the last expiration date to exercise the options has been established as the date of the approval of the Alpitour S.p.A. financial statements for the year 2011/2012, fixed, conventionally, as January 31, 2013. At the date of reference of December 31, 2010, the options thus have a remaining life of 25 months (2 years and 1 month);
- the expected volatility has also been determined by referring to the historical volatility, measured over a period consistent with the remaining life of the shares in the plan, of a sample of listed companies operating in the same sector as Alpitour;
- the risk-free interest rate has been assumed to be equal to the return on government securities having a residual life consistent with the expiration of the options in the plan;

- an assumption has also been included in the "binomial" model for the early exercise of the option rights during the period between the end of the vesting period and contractual expiration date of the options.

Upon authorization by EXOR S.p.A., the board of directors of Alpitour S.p.A. may grant future purchase options on Alpitour shares equal to 4% of its capital (now 1,418,000 shares) to other managers in key operating positions.

C&W Group stock option plans

There are two separate stock option plans which are summarized in the following table: "Employee Stock Purchase Plan Options" and "Management Options":

	Grant date	Number of options granted	Vesting date	Exercise price at grant date	Term of options	Outstanding at December 31, 2010
Employee Stock Purchase Plan						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	**3,975**
Tranche 2 (a)	6/29/2006	7,385	1/1/2009	$782	10 years	**0**
Total Employee Stock Purchase Plan		18,551				3,975
Management Options						
Non-performance based options						
Grant 1	3/22/2010	20,000	2010-2015	$1,175	10 years	**20,000**
Grant 2	11/1/2010	292	2010-2015	$1,465	10 years	**292**
Grant 3	12/1/2010	374	2010-2014	$1,465	10 years	**374**
		20,666				**20,666**
Performance based options (Ebitda/Ebitda Margin)						
Tranche 1	4/1/2007	13,450	2007-2011	$1,259	10 years	**6,032**
Tranche 2	1/1/2008	321	2009	$1,318	10 years	**0**
Tranche 3	6/1/2008	850	2009-2011	$1,252	10 years	**850**
Tranche 4	6/30/2008	500	2009-2011	$1,252	10 years	**500**
Tranche 5	9/30/2008	225	2010-2012	$1,190	10 years	**225**
Tranche 6	11/1/2008	225	2010-2012	$1,190	10 years	**225**
Total		15,571				**7,832**
Total Management Options		**36,237**				**28,498**
Total Options		**54,788**				**32,473**

(a) Tranche 2 options were forfeited during 2008 as the performance condition was not met.

The Employee Stock Purchase Plan options outstanding at December 31, 2010 and 2009 have an average exercise price of $548 and an average remaining contractual life of approximately 5 and 6 years, respectively.

The Management Options outstanding at December 31, 2010 and 2009 have an exercise price of $1,207 and $1,183, respectively, and an average remaining contractual life of approximately 8 years.

	12/31/2010			
	Employee Stock Purchase Plan		Management Options	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1/1/2010	**4,307**	**$548.02**	**12,472**	**$1,183.14**
Granted during the period			**20,666**	**$1,184.34**
Exercised during the period	**(68.5)**	**$548.02**		
Forfeited during the period	**(263.5)**	**$548.02**		
Cancelled during the period			**(4,640)**	**$1,291.18**
Outstanding at 12/31/2010	**3,975**	**$548.02**	**28,498**	**$1,207.40**
Exercisable at 12/31/2010	**3,975**	**$548.02**	**984**	**$1,281.27**

	12/31/2009			
	Employee Stock Purchase Plan		Management Options	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1/1/2009	4,644	$548.02	14,367	$1,279.41
Granted during the period				
Exercised during the period	(42)	$548.02		
Forfeited during the period	(295)	$548.02	(182)	$1,302.08
Cancelled during the period			(1,713)	$1,296.21
Outstanding at 12/31/2009	**4,307**	**$548.02**	**12,472**	**$1,183.14**
Exercisable at 12/31/2009	**4,307**	**$548.02**	**984**	**$1,281.27**

On March 22, 2010, the C&W Group granted 20,000 options to an executive. The first 4,000 stock options are scheduled to vest on March 21, 2011 and 4,000 stock options are scheduled to vest each year thereafter through March 21, 2015. The stock options have a 10-year term (March 22, 2020) and an exercise price based on the C&W Group's December 31, 2009 stock price of $1,175. The value of the stock options was calculated using the Black-Scholes pricing model.

On November 1, 2010, C&W Group granted 292 options to an executive. The first 73 stock options are scheduled to vest on January 1, 2012 and 73 stock options are scheduled to vest each year thereafter through January 1, 2015.

On December 1, 2010, C&W Group granted 374 options to an executive. The first 124 stock options are scheduled to vest on January 1, 2012 and the remaining 125 stock options are scheduled to vest each year through January 1, 2014.

Both stock option grants have a 10-year terms with the exercise prices based on C&W Group's September 30, 2010 stock price of $1,465. The value of the stock options for both grants was calculated using the Black-Scholes pricing model.

The expenses recorded in 2010 for all three new stock option grants is $4.2 million (€3 million).

In 2010, 4,640 stock options were cancelled (relating to a stock option plan issued in 2007 for an executive for an original 5,000 options) since the performance criteria were not met. Under the new agreement, the C&W Group granted 3,400 restricted shares to the executive, which vest as follows: 1,250 shares vested on January 1, 2010, 2,150 shares will vest in three equal installments in the three years starting from December 31, 2010. Of those shares, 1,250 depend on the achievement of certain performance objectives agreed to by the executive.

The grant date price per share was $1,110.

Following the changes in the agreement, the incremental fair value of the vested awards amounted to $0.1 million and was recorded as an expense in the income statement.

The unvested awards expense will be recorded over the remaining vesting period.

In accordance with the new award of stock options, C&W Group recorded expenses totaling $1.5 million (€1 million) for the year ended December 31, 2010.

In accordance with the provisions of IFRS 2, the appraisal of the stock option plans was based on the Black Scholes pricing model using the following assumptions:

	Employee Stock Purchase Plan	Management Options
	Tranche 1	Tranche 1 – Tranche 6
Stock price at grant date	$578.68	$1,175-$1,465
Exercise price at grant date	$548.02	$1,190-$1,465
Expected volatility (%)	35	35-47.5
Option life (years)	6.5	10
Expected dividends (%)	1.2	n.a.
Risk-free interest rate (%)	4.22	1.67%-4.74%

Volatility was based on the historical volatility of two public peer companies.
Because C&W Group does not have historical exercise data, it used the midpoint between the vesting date and the contractual term to determine the expected term of the stock options.

In 2010, total expenses were recorded for €9 million for all the stock option plans (€7 million in 2009).

Fiat Group stock option plans
At December 31, 2010 and at December 31, 2009, the following share-based compensation plans relating to managers of Group companies or certain members of the board of directors of Fiat S.p.A. were in place.

Stock option plans linked to Fiat S.p.A. ordinary shares

The stock option plans approved by the board of directors of Fiat S.p.A. prior to 2002 had all fully expired at December 31, 2010. The contractual terms of plans which expired during the year are as follows:

Plan	Beneficiary	Grant date	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options May 2002 (expired)	Former Chairman of Fiat S.p.A.	May 14, 2002	January 1, 2010	12.699	1,000,000	January 1, 2005	100%
Stock Options September 2002 (expired)	Managers	September 12, 2002	September 12, 2010	10.397	6,100,000	September 12, 2003	25%
						September 12, 2004	25%
						September 12, 2005	25%
						September 12, 2006	25%

On July 26, 2004, the board of directors granted Sergio Marchionne, as a part of his variable compensation as chief executive officer, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share, exercisable from June 1, 2008 to January 1, 2011. In each of the first three years following the grant date, the CEO acquired the right to purchase, beginning June 1, 2008, a maximum of 2,370,000 shares annually. As of June 1, 2008, he also acquired the right to exercise, effective from that date, the remaining options on 3,560,000 shares as predetermined performance objectives for the reference period had been met. On March 27, 2009, shareholders considered it to be a priority interest for the Group to adopt changes to the plan which would reinstate its retention capability and approved a new vesting period which depended solely on the requirement for the CEO to remain in office, deferring the exercise of these options until January 1, 2011 and extending the exercise period until January 1, 2016, with all the other conditions remaining unaltered.

At December 31, 2010 the features of the stock option plan are as follows:

Plan	Beneficiary	Date of amendment	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options							
July 2004 (modified)	Chief Executive Officer	March 27, 2009	January 1, 2016	6.583	10,670,000	December 31, 2010	100%

On November 3, 2006, the board of directors of Fiat S.p.A. approved (subject to the subsequent approval of shareholders in general meeting, which was given on April 5, 2007) an eight year stock option plan, which granted certain managers of the Group and the chief executive officer of Fiat S.p.A. the right to purchase a specific number of Fiat S.p.A. ordinary shares at a fixed price of €13.37 each. More specifically, the 10,000,000 options granted to employees and the 5,000,000 options granted to the chief executive officer had a vesting period of four years, with an equal number vesting each year, were subject to achieving certain predetermined profitability targets (Non-Market Conditions or "NMC") in the reference period and may be exercised from the date on which the 2010 financial statements are approved. The remaining 5,000,000 options granted to the chief executive officer of Fiat S.p.A. also had a vesting period of four years with an equal number vesting each year and may be exercised from November 2010. The ability to exercise the options is additionally subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held.

The contractual terms of the 2006 plan are as follows:

Plan	Beneficiary	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options November, 2006	Chief Executive Officer	November 3, 2014	13.37	5,000,000	November, 2007	25%
					November, 2008	25%
					November, 2009	25%
					November, 2010	25%
Stock Options November, 2006	Chief Executive Officer	November 3, 2014	13.37	5,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC
Stock Options November, 2006	Managers	November 3, 2014	13.37	10,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC

As explained in greater detail in the section "Amendments to the stock option plans and stock grant plans of Fiat S.p.A. arising from the demerger" which follows, vesting conditions for each plan, whether they consisted in the continuation of a professional relationship with the Fiat Group or in the achievement of specific performance objectives, expired on December 31, 2010. With specific reference to options granted under the 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche (i.e. 25%) of those rights have vested as the profitability targets established in 2006 for the 3-year period 2008-2010 were not met. As a result, the remaining 75% did not.

On February 26, 2008, the board of directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by shareholders in their annual general meeting on March 31, 2008, by which an overall maximum of 4 million financial instruments could be assigned on a periodic basis until 2010 in the form of stock options and/or stock appreciation rights. The plan had the aim of attracting and retaining managers in key roles who had been hired or promoted following the granting of the stock option plan of November 3, 2006 or who had assumed greater responsibilities since the granting of the 2006 plan, and has the features of that plan in terms of performance, vesting and exercise rights. Implementing the first grant under this program on July 23, 2008, the board of directors assigned 1,418,500 stock options having an exercise price of €10.24 and a vesting period of three years that was subject to achieving certain predetermined profitability targets (Non-Market Conditions or “NMC”) in the reference period and together with rights exercisable from the date on which the 2010 financial statements are approved. As these profitability targets had not been met at December 31, 2010, none of the rights granted to employees vested.

The contractual terms of the 2008 plan were as follows:

Plan	Beneficiary	Expiry date	Strike price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options	Manager	November 3, 2014	10.24	1,418,500	1st Quarter 2009 (*)	18%*NMC
July 2008					1st Quarter 2010 (*)	41%*NMC
(forfeited)					1st Quarter 2011 (*)	41%*NMC

A summary of the terms of the stock option plans outstanding at December 31, 2010 is as follows:

	Managers’ compensation			Compensation as board member		
Exercise price (€)	**Options outstanding at 12/31/2010**	Options outstanding at 12/31/2009	**Average remaining contractual life (years)**	**Options outstanding at 12/31/2010**	Options outstanding at 12/31/2009	**Average remaining contractual life (years)**
6.583	-	-	-	10,670,000	10,670,000	5
10.24		956,530		-	-	-
10.397		845,000		-	-	-
12.699	-	-	-		500,000	-
13.37	2,101,250	6,536,875	3.8	6,250,000	8,750,000	3.8
Total	**2,101,250**	8,338,405		**16,920,000**	19,920,000	

Changes during the year were as follows:

	Managers’ compensation		Compensation as board member	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding at the beginning of the year	**8,338,405**	**12.71**	**19,920,000**	**9.72**
Granted	-	-	-	-
Forfeited	(5,447,155)	12.79	(2,500,000)	13.37
Exercised	-	-	-	-
Expired	(790,000)	10.397	(500,000)	12.699
Outstanding at December 31, 2010	**2,101,250**	**13.37**	**16,920,000**	**9.09**
Exercisable at December 31, 2010	**-**	**-**	**5,000,000**	**13.37**
Exercisable at December 31, 2009	**845,000**	**10.397**	**500,000**	**12.699**

The options forfeited during the year consist of unvested options regarding employees who have left the Group and options not vesting during the year due to the fact that certain non-market conditions were not reached for the November 2006 and July 2008 plans.

The Group recognized a total nominal cost of €4.9 million in the 2010 income statement for plans outstanding at December 31, 2010 (net income of €7 million in 2009 following the revision of the probability that subsequent tranches will vest).

Granting of ordinary shares of Fiat S.p.A. without payment

On February 23, 2009, the board of directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by shareholders in their annual general meeting on March 27, 2009, based on the granting of rights which, subject to the achievement of predetermined performance targets (*Non-Market Conditions or "NMC"*) for 2009 and 2010 and the continuation of the professional relationship with the Group, provided for 2 million Fiat S.p.A. ordinary shares to be granted to the CEO of Fiat S.p.A. without payment. Under this plan the rights vested in a single tranche on the approval of the Group's 2010 consolidated financial statements by the board of directors and the number of shares granted is determined as 25% of the rights granted in the event of reaching the 2009 targets and 100% of the rights granted in the event of reaching the 2010 targets. The Group's predetermined profitability targets relating to 2009 were reached.

On March 26, 2010, shareholders in general meeting introduced a pure retention component of 2 million additional rights into the Plan on the proposal of the board of directors; the vesting of these rights is subject to the sole condition that the CEO's professional relationship with the Group continues until the approval of the 2011 consolidated financial statements. Moreover, the term of the original plan was also extended until the approval of the 2011 consolidated financial statements and the targets for 2010 and 2011 were redefined.

At December 31, 2010, the contractual terms of the plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Stock Grant 2009 (revised)	Chief Executive Officer	4,000,000	1st Quarter 2010 (*)	500,000 (**)
			1st Quarter 2011 (*)	375,000*NMC (**)
			1st Quarter 2012 (*)	1,125,000*NMC (**)
			1st Quarter 2013 (*)	2,000,000 (**)

On February 18, 2011, the board of directors, having consulted the Compensation Committee, verified the vesting of 375,000 rights based on the achievement of the predetermined operating targets and, in light of the extraordinary transactions occurring during the year, also voted to make vesting of the remaining rights, which was dependent on the achievement of 2011 operating targets, conditional only on the continuation of a professional relationship with the Group until the end of 2011.

As required by IFRS 2 the Fiat Group calculated the total incremental fair value arising from this change to the plan, which amounted to €19 million. This incremental fair value is being recognized in the income statement over the residual vesting period of the plan together with the fair value already calculated at the grant date and determined in 2009. The incremental fair value was calculated on the basis of the price of the Fiat S.p.A. ordinary share at the date of the change, which was €9.75 per share. A total nominal cost of €12.4 million was recognized in the income statement for this plan in 2010 (€6 million in 2009).

Amendments to the stock option plans and stock grant plans of Fiat S.p.A. arising from the demerger

With regard to the above incentive plans and in consideration of the proposed demerger, the board of directors, which met on July 21, 2010, confirmed the continuation of the share-based incentive plans the Group had in place, and voted to adopt, subject to the demerger becoming effective and on the basis of the powers delegated to it by the shareholders' meeting, the appropriate amendments necessary to ensure that these plans fulfill the objectives for which they were adopted, even subsequent to the demerger, while at the same time avoiding a revision of those plans that, even though fully legitimate, might appear to dilute the intended alignment of the interests of management with those of the Company and its shareholders.

More specifically, applying the rules of the respective plans, the Board approved to realign the plans with respect to the shares underlying the stock options and stock grants in strict relation to the allotment ratio applicable for the demerger and to allow employees leaving Fiat S.p.A. and joining Fiat Industrial S.p.A to retain their existing rights.

Those entitled to stock options or stock grants will, therefore, receive one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each right they hold, with the option exercise price (for stock option plans) and the free granting of shares (for the stock grant plan) remaining unchanged.

For the stock option plans, vesting conditions for each plan, whether these be the continuation of a professional relationship with the Group or the achievement of specific performance objectives, will expire on December 31, 2010, prior to the effective date of the demerger.

Similarly, under the stock grant plan the participant will be entitled to receive free of charge one Fiat ordinary share and one Fiat Industrial ordinary share for each right held, subject to the original conditions of the continuation of a professional relationship with the Group and/or achievement of specific performance objectives for 2010 and 2011, consistent with the 2010-2014 Business Plan. The 2011 performance objectives will consist of the portion relating to the post-demerger Fiat Group of the objectives originally established as part of the total objectives for the pre-demerger Fiat Group.

All stock option and stock grant plans, with the exception of the portion of the 2006 Plan relating to managers for which a capital increase was approved, will be serviced by the treasury shares held by Fiat S.p.A. and the ordinary shares of Fiat Industrial that will be allotted to Fiat S.p.A. without payment as a result of the demerger.

As the original conditions of the Plans allowed for amendments where there were extraordinary transactions impacting Fiat S.p.A.'s share capital, a determination of the incremental fair value potentially resulting from such amendments is not required.

Stock Option plans linked to CNH Global N.V. ordinary shares

In the Agricultural and Construction equipment sector, CNH Global N.V. (“CNH”) has granted share-based compensation to directors, officers and employees which are linked to shares and which have the following terms.

CNH Global N.V. outside Directors’ Compensation Plan (“CNH Directors’ Plan”)

This plan provides for the payment of the following to independent outside members of the CNH Global N.V. board of directors in the form of cash, and/or common shares of CNH, and/or options to purchase common shares of CNH:

- an annual retainer fee of $100,000;
- an Audit Committee membership fee of $20,000;
- a Corporate Governance and Compensation Committee membership fee of $15,000;
- an Audit Committee chair fee of $35,000;
- a Corporate Governance and Compensation Committee chair fee of $25,000.

Each quarter the independent outside directors elect the form of payment of ¼ of their Fees. If the elected form is common shares, the independent outside director will receive as many common shares as equal to the amount of Fees the director elects to forego, divided by the fair market value of a CNH Global N.V. common share. Common shares issued vest immediately upon grant, but cannot be sold for a period of six months. If the elected form is options, the outside director will receive as many options as the amount of Fees that the director elects to forego, multiplied by four and divided by the fair market value of a common share, such fair market value being equal to the average of the highest and lowest sale price of a CNH Global N.V. common share on the last trading day of the New York Stock Exchange preceding the start of each quarter. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director. The Corporate Governance and Compensation Committee has recommended and the board of directors of CNH has approved a proposed amendment to the CNH Directors' Plan. Pursuant to the proposed amendment, all directors will be eligible to receive compensation under the CNH Director's Plan provided that the director is not receiving salary or other employment compensation for current employment services provided to CNH Global N.V or Fiat Industrial Group. The proposed amendment is subject to shareholder approval at the next annual meeting (scheduled for March 29, 2011).

Prior to 2007, CNH also issued automatic option awards, which vest after the third anniversary of the grant date.

At December 31, 2010 and 2009, there were 693,914 and 700,058 common shares, respectively reserved for issuance under the CNH Directors' Plan. Outside directors do not receive benefits upon termination of their service as directors.

A summary of outstanding stock options under the CNH Directors' Plan at December 31, 2010 and 2009 is as follows:

	At December 31, 2010		At December 31, 2009	
Exercise price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	Number of options outstanding	Weighted average remaining contractual life (in years)
10.22 – 16.00			26,063	9.2
16.01 – 26.00	29,076	6.7	30,612	7.2
26.01 – 40.00	44,188	6.4	40,295	6.6
40.01 – 56.00	11,162	7.1	11,162	8.1
56.01 – 66.54	6,414	6.9	9,287	5.5
Total	**90,840**		117,419	

Changes during the year under the CNH Directors' Plan are as follows:

	2010		2009	
	Number of options	**Average exercise price (in $)**	Number of options	Average exercise price (in $)
Outstanding at the beginning of the year	**117,419**	**27.54**	92,508	31.01
Granted	12,904	26.73	29,661	15.51
Forfeited	-	-	-	-
Exercised	(36,610)	15.61	(4,000)	9.23
Expired	(2,873)	59.17	(750)	77.05
Outstanding at the end of the year	**90,840**	**31.24**	117,419	27.54
Exercisable at the end of the year	**117,419**	**31.24**	117,419	27.54

The CNH Equity Incentive Plan (the "CNH EIP")

The plan provides for grants of various types of awards on specific performance targets for the sector linked to the IFRS results of CNH, to officers and employees of CNH Global N.V. and its subsidiaries. As of December 31, 2010, CNH has reserved 15,900,000 shares for the CNH EIP (15,900,000 shares at December 31, 2009). The plan envisages stock options and share incentives as described below.

Stock option plans

Prior to 2006, certain stock option grants were issued which vest rateably over four years from the grant date and expire after ten years. Additionally, certain performance-based options, which had an opportunity for accelerated vesting tied to the attainment of specified performance criteria were issued; however, the performance criteria were not achieved. In any event, vesting of these performance-based options occurred seven years from the grant date. All options granted prior to 2006 have a contract life of ten years.

Except as noted below, the exercise prices of all options granted under the CNH EIP are equal to or greater than the fair market value of CNH Global N.V. common shares on the respective grant dates. During 2009 and 2001, CNH granted stock options with an exercise price less than the quoted market price of CNH common shares at the date of grant. The exercise price of these grants was based upon the average closing price of CNH common shares on the New York Stock Exchange for the thirty-day period preceding the date of grant.

Beginning in 2006, CNH began to issue awards under plans providing performance-based stock options, performance-based shares, and cash. In April 2010, CNH granted approximately 1.5 million performance-based stock options (at target award levels) under the CNH EIP. One-third of the options vested in February 2011 following the approval of 2010 results by the board of directors which met in February 2011. The remaining options will vest equally on the first and second anniversary of the initial vesting date. As the CNH's 2010 results exceeded the target performance levels, it is expected that 2.9 million of these options will vest. Options granted under the CNH EIP in 2010 have a contractual life of five years from the initial vesting date.

The following table summarizes outstanding stock options under the CNH EIP:

	At December 31, 2010			At December 31, 2009	
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Average exercise price (in $)**	Number of options outstanding	Average exercise price (in $)
13.58 – 19.99	1,536,464	4	13.66	2,243,243	13.7
20.00 – 29.99	53,333	1.2	21.20	186,760	21.2
30.00 – 39.99	3,734,654	4.4	33.00	1,256,178	37.21
40.00 – 68.85	464,520	2.9	49.33	646,654	52.80
Total	**5,788,971**			4,332,835	

Changes during the period in all CNH stock option plans are as follows:

	2010		2009	
	Number of shares	Average exercise price (in $)	Number of shares	Average exercise price (in $)
Outstanding at the beginning of the year	**4,332,835**	**26.67**	2,718,109	40.82
Granted	2,888,625	31.69	4,144,800	13.58
Forfeited	(324,494)	31.91	(2,404,528)	18.06
Exercised	(992,535)	20.69	(8,136)	18.65
Expired	(115,460)	68.85	(117,410)	68.85
Outstanding at the end of the year	**5,788,971**	**29.07**	4,332,835	26.67
Exercisable at the end of the year	**1,431,524**	**36.40**	1,488,840	37.81

Performance Share Grants

Under the CNH EIP, performance-based shares may also be granted to select key employees and executive officers. CNH establishes the period and conditions of performance for each award. Performance-based shares vest upon the attainment of specified performance objectives.

In September 2010, CNH granted approximately 2 million performance-based, non-vested share awards under the CNH EIP. These performance shares will vest in three equal installments if specified targets are achieved on a cumulative basis during the three-, four- and five-year periods ending December 31, 2012, 2013 and 2014. The fair value of this award is $34.74 per share.

CNH granted performance-based, non-vested share awards under the Top Performance Plan ("TPP") in 2006 through 2009. Vesting of the TPP performance shares was dependent on achievement of specified targets by 2010. In 2006 and 2007, CNH recognized expense for TPP awards based on an assumption that the specified performance targets would be achieved in 2009. In 2008, CNH determined achievement of these performance targets to be improbable and CNH reversed all previously recognized stock-based compensation expense for an amount of €7 million ($11 million). Achievement of the performance targets did not occur in either 2009 or 2010 and these awards were forfeited. CNH did not recognize any stock-based compensation expense related to TPP awards in 2009 or 2010.

The following table reflects performance-based share activity under the CNH EIP:

	2010		2009	
	Number of shares	Weighted average grant date fair value (in $)	Number of shares	Weighted average grant date fair value (in $)
Non-vested at the beginning of the year	**1,349,000**	**31.22**	1,870,500	31.28
Granted	2,027,000	34.74	25,000	11.83
Forfeited	(1,359,000)	31.25	(546,500)	30.52
Vested	-	-	-	-
Non-vested at the end of the year	**2,017,000**	**34.74**	1,349,000	31.22

Restricted Share Grants

In September 2010, CNH granted 302,000 restricted share awards to selected key employees under the CNH EIP. Restricted shares vest in three equal installments over a three-year period ending September 30, 2013. The fair value of this award is $34.74.

The following table reflects restricted share activity under the CNH EIP:

	12/31/2010	
	Number of shares	**Weighted average grant date fair value (in $)**
Non-vested at the beginning of the year	-	-
Granted	326,000	34.56
Forfeited	(2,000)	34.74
Vested	(8,000)	32.35
Non-vested at the end of the year	**316,000**	**34.62**

As of December 31, 2010, there were 4,992,271 CNH Global N.V. common shares (8,332,115 CNH Global N.V. common shares at December 31, 2009) available for issue under the CNH EIP.

The Black-Scholes pricing model was used to calculate the fair value of stock options by the CNH – Case New Holland sector. The weighted-average assumptions used under the Black-Scholes pricing model were as follows:

	2010		2009	
	Directors' Plan	**Equity Incentive Plan**	Directors' Plan	Equity Incentive Plan
Option life (years)	5.0	3.73	5.0	3.73
shares (%)	66.9	74.1	62.9	70.6
Expected dividend yield (%)	0.6	0.5	0.8	0.7
Risk-free interest rate (%)	2.0	1.9	2.2	1.6

Based on this model, the weighted-average fair values of stock options awarded by CNH for the years ended December 31, 2010 and 2009 were as follows:

(in $)	**2010**	2009
Directors' Plan	**14.6**	8.03
EIP	**16.1**	9.03

The total cost recognized in the 2010 income statement for all share-based compensation linked to CNH Global N.V. ordinary shares amounts to €26 million (€10 million in 2009).

Stock option plan linked to Ferrari S.p.A. ordinary shares

Under this scheme, certain employees of Ferrari S.p.A. on the one hand and the chairman and the chief executive officer of the company at the time on the other had the option to acquire respectively 207,200 and 184,000 Ferrari S.p.A. ordinary shares at a price of €175 per share. Under the scheme the options could be exercised until December 31, 2010, wholly or partially, and in part were subject to the listing of the company. As the conditions for the plans to vest were not met, the stock option rights granted did not vest.

Cash-settled share-based payments of the Fiat Group

Various entities belonging to the former joint venture with General Motors reached agreements with certain employees in 2001, 2002, 2003 and 2004 over four cash-settled share-based payment schemes entitled Stock Appreciation Rights (SAR) plans. Under these plans, certain of the Group's employees involved had the right to receive a payment corresponding to the increase in price between the grant date and the exercise date of Fiat S.p.A. ordinary shares. The 2001 and 2002 plans have already expired. In accordance with IFRS 2, the Group measures the liability arising from cash-settled share-based payment transactions at fair value at each reporting date and each settlement date; the changes in the fair value of these liabilities are recognized in the income statement for the period. With reference to the 70,644 rights outstanding at that date, the liability arising at December 31, 2010 was €0.7million (€0.5 million at December 31, 2009). Moreover, 30,192 rights that were still outstanding at December 31, 2010 were no longer so at the date of these financial statements following the expiry of the 2003 plan. Finally, as a consequence of the demerger, from January 1, 2011, the residual Stock Appreciation Rights were converted to the right to receive a payment corresponding to the increase in price between the grant date and the exercise date of the sum of the prices of the Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares.

25. Provisions for employee benefits

Group companies provide post-employment benefits for their active employees and for retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service and can take the form of either deferred contribution and/or deferred benefit plans.

In the case of defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The entity recognize the contribution cost when the employee has rendered his service and includes this cost by function in cost of sales, selling, general and administrative costs and research and development costs.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid. Benefits are generally payable under these plans after the completion of employment. The plans are classified by the Group on the basis of the type of benefit provided as follows: reserve for employee leaving entitlements in Italy (TFR), pension plans, health care plans and other.

Finally, the companies of the Group grant certain other long-term benefits to its employees; these benefits include those generally paid when an employee attains a certain level of seniority or when a specified event occurs. In this case, the measurement of the obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Reserve for Employee leaving entitlements in Italy ("TFR")

Employee severance indemnities relating to the companies of the Group operating in Italy represent the obligation due to employees by law (recently amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the changes made to the regulations for employee leaving entitlement by Law 296 dated December 27, 2006 (Budget Law 2007) and subsequent decrees and regulations, the item reflects the Group's residual obligation entitlement accruing up to December 31, 2006 for companies with more than 50 employees, and accrued over the employee's working life for other companies to be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit post-employment plan.

For those employees who did not elect the transfer of the accrued portion of employee leaving entitlement, beginning January 1, 2007, the calculation of employee leaving entitlement, including the portion accruing, will be made according to the usual actuarial method.

Holdings System

Health care plans

Health care, historical offered to management staff, since the end of 2007 has been extended to all employees and defined benefit contributions are paid to external funds which pay the health claims.

Pension plans

Pension plans are addressed to employees who hold the status of manager and are regulated by company agreements and rules.
Pension plans can be either “defined benefit” or “defined contribution” and require the payment of contributions to external, legally independent fund with asset management autonomy.
The plans provide for a contribution by the employer and a contribution by the employee, which can also come from the conferral of a part of the employee’s severance entitlement.
Contributions payable are included in “Other liabilities”; the cost for the year is accrued on the basis of the service rendered by the employee and is recorded in selling, general and administrative expenses.

Other benefits

Other benefits include, for example, loyalty bonuses which can apply to all employees.
Loyalty bonuses are accrued and paid when a specific number of years of service has been reached (25, 30, 35 and 40 years).

C&W Group

Pension plans

The C&W Group funds a certain number of defined contribution plans set up pursuant to the laws in force in the countries in which it operates.
The European partnership (C&W UK) also provides a form of hybrid pension plan (UK Plan) which has features of both defined contribution and defined benefit plans.

C&W UK ceased its contributions to the plan effective March 31, 2002 and, subject to certain transitional agreements, introduced a defined contribution plan for employees starting from that date.

The assumptions used for the calculation of pension funds are as follows:

- the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid;
- the mortality rate is based on statistical tables.

The “UK Plan” assets include marketable equity securities in both United Kingdom and United States companies and fixed-rate debt securities.
The investment policies and strategies for the plan assets are established to achieve a reasonable balance between risk, likely return and administration expenses, as well as to maintain funds at a level to meet minimum funding requirements. In order to ensure that an appropriate investment strategy is in place, an analysis of the plan’s assets and liabilities is completed periodically.

The estimated expense for contributions to be paid to the defined benefit plan in 2011 amounts to $2.3 million (about €2 million).
The expected long-term rate of return on the assets is 6.05% (6.33% in 2009). The expected long-term rate of return is based on the sum of returns of individual asset categories. The historical returns have been considered for purposes of the estimate of long-term returns.

Fiat Group

Pension plans

The item pension plans consists principally of the obligations of Group companies operating in the United States (mainly to those in the CNH – Case New Holland sector) and in the United Kingdom towards certain employees and former employees of the Group. Under these plans, a contribution is generally made to a separate fund (trust) which independently administers the plan assets. The Group’s funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements prescribed by the laws and regulations of each individual country. Prudently, the Group makes discretionary contributions in addition to the funding requirements. If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned could not be required to contribute to the plan in respect of a minimum performance requirement as long as the fund is in surplus.

The investment strategy for these assets depends on the features of the plan and on the maturity of the obligations. Typically long-term plan benefit obligations are funded by investing mainly in equity securities, as they are expected to achieve long-term growth while exceeding inflation; short and medium-term plan benefit obligations are funded by investing in fixed income securities, which are less volatile.

In the United Kingdom the Group participates among others in a plan financed by various entities belonging to the Group, called the “Fiat Group Pension Scheme”. Under this plan, participating employers make contributions on behalf of their active employees (active), retirees, and employees who have left the Group but have not yet retired (deferred).

Health care plans

The item health care plans comprise obligations for health care and life insurance plans granted to employees of the Group working in the United States and Canada (mostly relating to the CNH – Case New Holland sector). These plans generally cover employees retiring on or after reaching the age of 55 who have had at least 10 years of service. CNH United States salaried and non-represented hourly and Canada employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for health care and life insurance benefits under the CNH plans. Until December 31, 2006, these plans were fully unfunded; starting in 2007, the Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American health care plans.

Other

The item Other includes loyalty bonuses, which are due to employees who reach a specified seniority and are generally settled when an employee leaves the company; and for French entities, the *Indemnité de départ à la retraite*, a plan similar to the Italian TFR. These schemes are unfunded.

Provisions for employee benefits at December 31, 2010 and 2009 are as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Holdings System**	**Consolidated EXOR Group**
Post-employment benefits:					
Employee leaving entitlements in Italy	1,054	4	16	3	1,077
Pension Plans	603	14			617
Health care plans	861				861
Other	244				244
Total Post-employment benefits	2,762	18	16	3	2,799
Other provisions for employees	776	72			848
Other long-term employee benefits	183	9			192
Total Provision for employee benefits at 12/31/2010	**3,721**	**99**	**16**	**3**	**3,839**
Defined benefit plan assets	174				174
Total Defined benefits plan assets at 12/31/2010	**174**				**174**
Post-employment benefits:					
Employee leaving entitlements in Italy	1,086	4	16	4	1,110
Pension Plans	611	12			623
Health care plans	844				844
Other	242				242
Total Post-employment benefits	2,783	16	16	4	2,819
Other provisions for employees	504	18			522
Other long-term employee benefits	160	3			163
Total Provision for employee benefits at 12/31/2009	**3,447**	**37**	**16**	**4**	**3,504**
Defined benefit plan assets	132				132
Total Defined benefits plan assets at 12/31/2009	**132**				**132**

The item Other provisions for employees consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months of the end of the period in which the employees render the related service.

In 2010 and in 2009, changes in other provisions for employees and in other long-term employee benefits are as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Consolidated EXOR Group
Other provisions for employees at 12/31/2009	504	18	522
Provision	542	83	625
Utilization	(269)	(25)	(294)
Change in the scope of consolidation and other changes	(1)	(4)	(5)
Other provisions for employees at 12/31/2010	**776**	**72**	**848**
Other long-term employee benefits at 12/31/2009	160	3	163
Provision	32	5	37
Utilization	(15)	0	(15)
Change in the scope of consolidation and other changes	6	1	7
Other long-term employee benefits at 12/31/2010	**183**	**9**	**192**
Total at 12/31/2010	**959**	**81**	**1,040**
Other provisions for employees at 12/31/2008	329	40	369
Provision	363	42	405
Utilization	(152)	(35)	(187)
Change in the scope of consolidation and other changes	(36)	(29)	(65)
Other provisions for employees at 12/31/2009	**504**	**18**	**522**
Other long-term employee benefits at 12/31/2008	169	5	174
Provision	11	1	12
Utilization	(20)	0	(20)
Change in the scope of consolidation and other changes	0	(3)	(3)
Other long-term employee benefits at 12/31/2009	**160**	**3**	**163**
Total at 12/31/2009	**664**	**21**	**685**

Post-employment benefits and other long-term employee benefits are calculated on the basis of the following assumptions:

	At December 31, 2010				At December 31, 2009			
(in %)	**Italy**	**USA**	**UK**	**Other**	Italy	USA	UK	Other
Discount rate	**from 3.6 to 4.3**	**5.2**	**from 5.2 to 5.3**	**4.5**	from 3.9 to 5.02	5.5	from 5.75 to 6.08	5.5
Future salary increase	**3.26**	**n/a**	**3.5**	**2.2**	4.02	n/a	3.50	3.0
Inflation rate	**2.0**	**n/a**	**3.5**	**2.1**	2.0	n/a	3.50	2.0
Weighted average, initial health care cost trend rate	**n/a**	**8**	**n/a**	**n/a**	n/a	9.0	n/a	n/a
Weighted average, ultimate health care cost trend rate	**n/a**	**5**	**n/a**	**n/a**	n/a	5.0	n/a	n/a
Expected return on plan assets	**n/a**	**8**	**from 6.05 to 7**	**n/a**	n/a	8.0	from 6.33 to 7	n/a

Fiat Group

Assumed discount rates are used in measurements of pension and postretirement benefit obligations and interest cost components of net periodic cost. The Group selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date.

The assumed health care trend rate represents the rate at which health care costs are assumed to increase. Rates are determined based on the Agricultural and Construction Equipment sector specific experience, consultation with actuaries and outside consultants, and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of health care cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services.

The expected long-term rate of return on plan assets reflects management's expectations on long-term average rates of return on funds invested to provide for benefits included in the projected benefit obligations. The expected return is based on the outlook for inflation, fixed income returns, and equity returns, while also considering asset allocation and investment strategy, premiums for active management to the extent asset classes are actively managed and plan expenses. Return patterns and correlations, consensus return forecasts and other relevant financial factors are analyzed to check for reasonability and appropriateness.

The amounts recognized in the statement of financial position for post-employment benefits for the EXOR Group at December 31, 2010 and 2009 are as follows:

	Employee leaving entitlements in Italy		Pension plans		Health care plans		Other	
€ in millions	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009
Present value of funded obligations			**2,217**	1,916	**815**	754		
Fair Value of plan assets			**(2,093)**	(1,836)	**(56)**	(46)		
Difference			**124**	80	**759**	708		
Present value of unfunded obligations	**1,032**	1,025	**751**	705	**44**	40	**278**	258
Unrecognized actuarial gains (losses)	**45**	85	**(434)**	(299)	**50**	86	**(17)**	(5)
Unrecognized past service cost					**8**	10	**(17)**	(11)
Unrecognized assets			**2**	5				
Net liability	**1,077**	1,110	**443**	491	**861**	844	**244**	242
Amounts at year end:								
liabilities	**1,077**	1,110	**617**	623	**861**	844	**244**	242
assets			**(174)**	(132)				
Net liability	**1,077**	1,110	**443**	491	**861**	844	**244**	242

The amounts recognized in the income statement for defined benefit plans in 2010 are as follows:

€ in millions	Employee leaving entitlements in Italy	Pension plans	Health care plans	Other
Current service cost	1	28	7	15
Interest costs	32	148	44	11
Expected return on plan assets		(137)	(4)	
Net actuarial losses (gains) not recognized	(1)	30	(2)	
Past service costs		3	(41)	1
Paragraph 58 adjustment		1		
Losses (gains) on curtailments and settlements				(4)
Total costs (gains)	**32**	**73**	**4**	**23**
Actual return on plan assets	**n/a**	**172**	**6**	**n/a**

Changes in the present value of post-employment obligations are as follows:

	Employee leaving entitlements in Italy		Pension plans		Health care plans		Other	
€ in millions	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009
Present value of obligation at the beginning of the year	**1,025**	**1,088**	**2,621**	**2,309**	**794**	**848**	**258**	**288**
Current service cost	**3**	2	**27**	23	**7**	6	**15**	13
Interest costs	**32**	55	**148**	145	**44**	52	**11**	14
Contribution by plan participants			**3**	4	**4**	3		
Actuarial losses (gains) generated	**45**	(18)	**185**	260	**43**	(36)	**13**	(2)
Exchange rate differences			**131**	39	**64**	(23)	**2**	
Benefits paid	**(117)**	(107)	**(173)**	(162)	**(59)**	(51)	**(32)**	(31)
Past service cost			**3**		**(38)**	(10)	**7**	(19)
Change in the scope of consolidation	**44**	(2)	**21**				**4**	(1)
Losses (gains) on curtailments				4		4	**4**	(2)
Losses (gains) on settlements				(2)			**(2)**	
Other changes		7	**2**	1		1	**(2)**	(2)
Present value of obligation at the end of the year	**1,032**	1,025	**2,968**	2,621	**859**	794	**278**	258

The changes to the health care plans stated in the obligation and in the composition of defined benefit plan expenses in 2010 mainly relate to the health care plans in North America for the Agricultural and Construction Equipment sector of the Fiat Group.

Changes in the fair value of plan assets servicing the pension plans and health care plans are as follows:

	Pension plans		Health care plans	
€ in millions	**12/31/2010**	12/31/2009	**12/31/2010**	12/31/2009
Fair value of plan assets at the beginning of the year	**1,836**	1,583	**46**	39
Expected return on plan assets	**137**	115	**4**	3
Actuarial gains (losses) generated	**40**	127	**2**	6
Exchange rate differences	**110**	42	**4**	(2)
Contribution by employer	**104**	115	**55**	48
Contribution by plan participants	**3**	4	**4**	3
Benefits paid	**(160)**	(149)	**(59)**	(51)
Change in the scope of consolidation	**20**			
Gains (losses) on settlements		(2)		
Other changes	**3**	1		
Fair value of plan assets at the end of the year	**2,093**	1,836	**56**	46

As discussed earlier, the Fiat Group, and in particular the companies of the CNH – Case New Holland sector, began making contributions on a voluntary basis in 2007 to a separate and independently managed fund established to finance the North American health care plans.

Plan assets for post-employment benefits and health-care benefits mainly consist of listed equity instruments and fixed income securities; plan assets do not include treasury shares of the companies or properties occupied by Group companies. Plan assets may be summarized as follows:

(in %)	**Fiat Group (as a whole)**	**C&W Group**
At December 31, 2010		
Third party equity instruments	40	43
Third party debt instruments	47	54
Properties occupied by third parties	1	0
Other assets	12	3
At December 31, 2009		
Third party equity instruments	37	42
Third party debt instruments	50	56
Properties occupied by third parties	1	0
Other assets	12	2

Assumed health care cost trend rates have a significant effect on the amount recognized in the 2010 income statement. A one percentage point change in assumed health care cost trend rates would have the following effects:

€ in millions	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	5	4
Effect on defined benefit obligation	78	66

The present value of the defined benefit obligations, the fair value of plan assets and the surplus or deficit of the plans at the end of 2010 and 2009 are as follows:

€ in millions	At December 31, 2010	At December 31, 2009
Present value of obligation:		
Employee leaving entitlements in Italy	**1,032**	1,025
Pension plans	**2,968**	2,621
Health care plans	**859**	794
Others	**278**	258
Fair value of plan assets:		
Pension plans	**2,093**	1,836
Health care plans	**56**	46
Surplus (deficit) of the plan:		
Employee leaving entitlements in Italy	**1,032**	1,025
Pension plans	**875**	785
Health care plans	**803**	748
Others	**278**	258

The best estimate of expected contribution to pension and health care plans for 2011 is €91 million and €60 million, respectively.

26. Other provisions

Changes in other provisions are as follows:

€ in millions	12/31/2009	Charge	Utilization	Release to income	Other changes	12/31/2010
Group	1,479	1,316	(1,100)	(107)	84	**1,672**
Restructuring provision						
- FIAT Group	359	115	(171)	(12)	4	**295**
- C&W Group	9	2	(8)	0	1	**4**
	368	117	(179)	(12)	5	**299**
Investment provision						
- FIAT Group	50				(1)	**49**
- Holdings System	0				3	**3**
	50	0	0	0	2	**52**
Other risks						
- FIAT Group	3,097	3,718	(3,253)	(208)	108	**3,462**
- C&W Group	12	5	(5)		2	**14**
- Alpitour Group	4	3	(3)			**4**
- Juventus	3					**3**
	3,116	3,726	(3,261)	(208)	110	**3,483**
Total Other provisions	5,013	5,159	(4,540)	(327)	201	**5,506**

Fiat Group

The effect of discounting these provisions, €28 million in 2010, has been wholly included in other changes together with exchange gains of €186 million.

The warranty provision represents management's best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a larger recall of vehicles. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.

At December 31, 2010, the restructuring provision comprises the estimated amount of benefits payable to employees on termination in connection with restructuring plans amounting to €205 million, other costs for exiting activities amounting to €28 million and other costs totaling €62 million. The total balance relates to the restructuring programs of the sectors Fiat Group Automobiles for €88 million, Components for €48 million, Fiat Powertrain for €17 million, Production Systems for €10 million, Metallurgical Products for €7 million, FPT Industrial for €53 million, Agricultural and Construction Equipment for €24 million, Trucks and Commercial Vehicles for €16 million and other sectors for €32 million.

The restructuring provision at December 31, 2009 comprised the estimated amount of benefits payable to employees on termination in connection with restructuring plans amounting to €294 million, other costs for exiting activities amounting to €32 million and other costs totaling €33 million. Taken overall, the balance had related to the restructuring programs of the sectors Fiat Group Automobiles for €101 million, Components for €73 million, Agricultural and Construction Equipment for €50 million, FPT Powertrain Technologies for €63 million, Trucks and Commercial Vehicles for €17 million, Production Systems for €15 million, Metallurgical Products for €9 million and other sectors for €31 million.

C&W Group

In 2008, C&W Group, in response to the continuing economic crisis, had begun a plan to cut structure costs and particularly to reduce the workforce.

During 2009, C&W Group approved another plan of cost cutting initiatives and set aside a further €21 million in the restructuring provision. In 2010, the amount provided is €2 million and the amount used totals €8 million.

The provision for other risks represents the amounts set aside principally in connection with contractual and commercial risks and disputes. The more significant balances of these provisions are as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Consolidated EXOR Group
Sales incentives	1,015				1,015
Legal proceedings and other disputes	787	4			791
Commercial risks	708	10			718
Environmental risks	71				71
Indemnities	60				60
Other reserves for risk and charges	821		4	3	828
Total Other risks at 12/31/2010	**3,462**	**14**	**4**	**3**	**3,483**
Sales incentives	829				829
Legal proceedings and other disputes	743	5			748
Commercial risks	677	7			684
Environmental risks	71				71
Indemnities	53				53
Other reserves for risk and charges	724		4	3	731
Total Other risks at 12/31/2009	**3,097**	**12**	**4**	**3**	**3,116**

A description of these follows:

Fiat Group

- Sales incentives - this provision relates to sales incentives that are offered on a contractual basis to the Group's dealer networks, primarily on the basis that dealers will achieve a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on the information available regarding the sales made by the dealers during the calendar year. The provision also includes sales incentives such as cash rebates announced by the Group and provided by dealers to customers, for which the dealers are reimbursed. The Group records this provision when it is probable that the incentive will be provided and the Group's inventory is sold to its dealers. The Group estimates this provision based on the expected use of these rebates with respect to the volume of vehicles that has been sold to the dealers.

- Legal proceedings and other disputes - this provision represents management's best estimate of the liability to be recognized with regard to:

    - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes).
    - Legal proceedings involving claims with active and former employees.
    - Legal proceedings involving different tax authorities.

None of these provisions is individually significant. Each Group company recognizes a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the probable liability, each Group company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the Group and others in similar situations and the Group's intentions with regard to further action in each proceeding. The Group's consolidated provision combines these individual provisions established by each of the Group's companies.

- Commercial risks - this provision includes the amount of obligations arising in connection with the sale of products and services such as maintenance contracts. An accrual is recorded when the expected costs to complete the services under these contracts exceed the revenues expected to be realized.

- *Environmental risks* – This provision represents management's best estimate of the Group's probable environmental obligations. Amounts included in the estimate comprise direct costs to be incurred by the Fiat Group post-Demerger and the Fiat Industrial Group in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.

- *Indemnities* - the provision for indemnities relates to contractual indemnities provided by the Group in connection with divestitures carried out in 2010 and prior years. These liabilities primarily arise from indemnities relating to contingent liabilities in existence at the time of the sale, as well as those covering any possible breach of the representations and warranties provided in the contract and, in certain instances, environmental or tax matters. These provisions were determined estimating the amount of the expected outflow of resources, taking into consideration the relevant level of probability of

27. Debt

Debt by due date:

A breakdown of debt and an analysis by due date at December 31, 2010 is as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated EXOR Group
Asset-backed financing							
- Due within one year	5,275						5,275
- Due between one and five years	3,544						3,544
- Due beyond five years	35						35
Asset-backed financing	**8,854**						**8,854**
Bonds							
- Due within one year	2,728				200		2,928
- Due between one and five years	5,935						5,935
- Due beyond five years	2,409				746		3,155
Total	11,072				946		12,018
Borrowings from banks							
- Due within one year	4,821		1		231		5,053
- Due between one and five years	3,978	87	9		50		4,124
- Due beyond five years	226						226
Total	9,025	87	10		281		9,403
Payables represented by securities							
- Due within one year	217						217
- Due between one and five years	147						147
Total	364						364
Other							
- Due within one year	1,135	1		18	31	(1)	1,184
- Due between one and five years	258	30		15		(30)	273
- Due beyond five years	300			30			330
Total	1,693	31		63	31	(31)	1,787
Total Other debt							
- Due within one year	8,901	1	1	18	462	(1)	9,382
- Due between one and five years	10,318	117	9	15	50	(30)	10,479
- Due beyond five years	2,935			30	746		3,711
Total Other debt	**22,154**	**118**	**10**	**63**	**1,258**	**(31)**	**23,572**
Total Debt							
- Due within one year	14,176	1	1	18	462	(1)	14,657
- Due between one and five years	13,862	117	9	15	50	(30)	14,023
- Due beyond five years	2,970			30	746		3,746
Total Debt at 12/31/2010	**31,008**	**118**	**10**	**63**	**1,258**	**(31)**	**32,426**

A breakdown of debt and an analysis by due date at December 31, 2009 is as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations**	**Consolidated EXOR Group**
Asset-backed financing							
- Due within one year	4,536						4,536
- Due between one and five years	2,535						2,535
- Due beyond five years	15						15
Asset-backed financing	**7,086**						**7,086**
Bonds							
- Due within one year	1,451						1,451
- Due between one and five years	7,189				200		7,389
- Due beyond five years	2,757				745		3,502
Total	11,397				945		12,342
Borrowings from banks							
- Due within one year	3,531	6	16		25		3,578
- Due between one and five years	4,553	140	12		125		4,830
- Due beyond five years	310						310
Total	8,394	146	28		150		8,718
Payables represented by securities							
- Due within one year	229						229
- Due between one and five years	155						155
Total	384						384
Other							
- Due within one year	864			2	23		889
- Due between one and five years	137	28		6		(28)	143
- Due beyond five years	265			8			273
Total	1,266	28		16	23	(28)	1,305
Total Other debt							
- Due within one year	6,075	6	16	2	48		6,147
- Due between one and five years	12,034	168	12	6	325	(28)	12,517
- Due beyond five years	3,332			8	745		4,085
Total Other debt	**21,441**	**174**	**28**	**16**	**1,118**	**(28)**	**22,749**
Total Debt							
- Due within one year	10,611	6	16	2	48		10,683
- Due between one and five years	14,569	168	12	6	325	(28)	15,052
- Due beyond five years	3,347			8	745		4,100
Total Debt at 12/31/2009	**28,527**	**174**	**28**	**16**	**1,118**	**(28)**	**29,835**

Fiat Group

Asset-backed financing represents the amount of financing received through both securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under receivables from financing activities (Note 19).

At December 31, 2010, total Debt had increased by €2,481 million. Excluding exchange differences, which led to an increase in debt of approximately €1.4 billion, and excluding changes in the scope of consolidation, this increase amounted to €994 million.

There was an increase of approximately €1,213 million in asset backed financing, excluding exchange differences. This increase reflects improved market accessibility conditions for securitizations.
The rise in other debt includes among other things the recognition of debt of €122 million arising from exercising the call option on 5% of Ferrari share capital.

The major bond issues outstanding at December 31, 2010 are as follows:

	Currency	Face of outstanding bonds (in millions)	Coupon	Maturity	(€ in millions)
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A. (1)	€	1,300	6.750%	May 25, 2011	1,300
Fiat Finance and Trade Ltd S.A. (1)	€	123	(2)	(2)	123
Fiat Finance and Trade Ltd S.A. (3)	€	1,000	5.625%	November 15, 2011	1,000
Fiat Finance and Trade Ltd S.A. (3)	€	1,250	9.000%	July 30, 2012	1,250
Fiat Finance and Trade Ltd S.A. (3)	€	200	5.750%	December 18, 2012	200
Fiat Finance and Trade Ltd S.A. (3)	€	1,250	7.625%	September 15, 2014	1,250
Fiat Finance and Trade Ltd S.A. (3)	€	1,500	6.875%	February 13, 2015	1,500
Fiat Finance North America Inc. (3)	€	1,000	5.625%	June 12, 2017	1,000
Others (4)					33
Total Global Medium Term Notes					**7,656**
Other bonds:					
Fiat Finance and Trade Ltd S.A. (3)	€	1,000	6.625%	February 15, 2013	1,000
Case New Holland Inc.	$	1,000	7.750%	September 1, 2013	748
CNH America LLC	$	254	7.250%	January 15, 2016	190
Case New Holland Inc.	$	1,500	7.875%	December 1, 2017	1,123
Total Other bonds					**3,061**
Hedging and amortized cost measurement effect					**355**
Total Bonds					**11,072**

(1) Bonds listed on the Mercato Obbligazionario Telematico of the Italian Stock Exchange (EuroMot) and on the Luxembourg Stock Exchange.

(2) "Fiat Step-Up Amortizing 2001-2011" bonds repayable at face value in five equal annual installments each for 20% of the total issued (€617 million) due beginning from the sixth year (November 7, 2007) by reducing the face value of each bond outstanding by one-fifth. The last installment will be repaid on November 7, 2011. The bonds pay coupon interest equal to: 4.40% in the first year (November 7, 2002), 4.60% in the second year (November 7, 2003), 4.80% in the third year (November 7, 2004), 5.00% in the fourth year (November 7, 2005), 5.20% in the fifth year (November 7, 2006), 5.40% in the sixth year (November 7, 2007), 5.90% in the seventh year (November 7, 2008), 6.40% in the eighth year (November 7, 2009), 6.90% in the ninth year (November 7, 2010) and 7.40% in the tenth year (November 7, 2011).

(3) Bond listed on the Irish Stock Exchange.

(4) Bonds with amounts outstanding equal to or less than the equivalent of €50 million.

The decrease of €441 million in 2010 (excluding exchange rate differences) in bonds is mainly due to:

- the repayment on maturity of a bond having a face value of €1,000 million issued by Fiat Finance and Trade Ltd S.A. in 2000 as part of the Global Medium Term Notes programme;

- the repayment on maturity of the fourth fixed annual installment of approximately €123 million of the "Fiat Step-up amortizing" bond (issued under the Global Medium Term Notes Programme);

- the repayment of other bonds falling due in the amount of approximately €71 million;

- the issue by Case New Holland Inc. of a bond having a nominal value of $1,500 million, maturing in 2017 and paying a fixed coupon of 7.875%, at a price of 99.32% of its nominal value;

- the early repayment of a bond with nominal of $500 million (originally due in 2014) made by Case New Holland Inc..

The bonds issued by the Group are governed by different terms and conditions according to their type as follows:

- Global Medium Term Note (GMTN Programme): a maximum of €15 billion may be used under this Program, of which notes of approximately €7.7 billion have been issued to date; the Program is guaranteed by Fiat S.p.A. The issuers taking part in the program include, among others, Fiat Finance and Trade Ltd. S.A. for an amount outstanding of €6.7 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion;

- other bonds: these refer to a bond issued by Fiat Finance and Trade Ltd. S.A. having a face value of €1 billion, issued at par in 2006, bearing fixed interest at 6.625% and repayable on February 15, 2013;

- a bond issued by Case New Holland Inc., having a nominal value of $1 billion at a price of 97.062%, falling due in 2013 and bearing fixed interest at a rate of 7.75%, payable semi-annually;

- bond issued by CNH America LLC for a total amount outstanding of $254 million and repayable in 2016.

The unaudited prospectuses and offering circulars, or their abstracts, relating to the principal bond issues are available at www.fiatspa.com under “Investor Relations – Financial Reports” and at www.fiatindustrial.com under “Investor Relations – Financial Reports”.
Most of the bonds issued by the Group impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group. Such covenants include: (i) negative pledge clauses which require that bonds benefit from any existing or future pledges of assets of the issuer and/or Fiat S.p.A. granted in connection with other bonds or debt securities having the same ranking; (ii) *pari passu* clauses, under which no obligations ranking senior to the bonds in question may be assumed; (iii) periodic disclosure obligations; (iv) for certain bond issues, cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group; and, (v) other clauses that are generally applicable to securities of a similar type.

The Group intends to repay the issued bonds in cash at due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Committed credit lines expiring after 12 months available to Fiat Group post-demerger amounting to approximately €1.9 billion had been fully used at December 31, 2010.

In order to provide the Fiat Industrial Group with adequate funds, new syndicated committed credit facilities for a total of €4.2 billion were finalized during the year. These facilities were made available to Fiat Industrial Group treasuries in January 2011 once the demerger had become effective.

More specifically these relate to:

- a three-year revolving credit facility of €2 billion;

- a one-year loan of €2.2 billion (extendable for a further year at the discretion of Fiat Industrial), which is intended to be repaid on the basis of new bond issues.

In addition, the Fiat Industrial Group treasuries benefit from the transfer of bilateral bank credit facilities (previously available to Fiat Group treasuries) of over €1 billion.

Holdings System

At December 31, 2010, the debt of the Holdings System totaling €1,258 million presents a net increase of €140 million, of which €131 million refers to the Parent EXOR, deriving for €75 million from the extinguishment of debt which reached maturity, for €50 million from a new bank-secured loan and for €156 million from credit lines drawn down.
The debt payable to Almacantar of €8 million is also included for the quota of the capital increase subscribed by Exor S.A. and not paid in at December 31, 2010.

An analysis of EXOR S.p.A. bonds outstanding at December 31, 2010 is as follows:

Issue date	Maturity date	Issue price	Coupon	Rate	Face value (€ ml)	Amortized cost measurement effect (€ ml)	**Balance** (€ ml)
6/9/2006	6/9/2011	99.900	Quarterly	3-month Euribor + spread	200	(0)	**200**
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	750	(4)	**746**

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses which require that bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking and provide for periodic disclosure. The 2006/2011 bonds also establish other commitments such as observing a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2010.
Any change of control of EXOR would give bondholders the right to the early repayment of the Bonds 2006/2011 and 2007/2017 for a total of €950 million.

Standard & Poor's rated the two bond issues “BBB+”, in line with its current rating of EXOR S.p.A.’s long-term debt.

At December 31, 2010, EXOR S.p.A. had credit lines for €1,558 million. Of that amount €708 million is revocable and €850 million is irrevocable (of which €455 million is due by December 31, 2011 and €395 million by December 31, 2013).
The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main commitments on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor, non-subordination of the credit and, in some cases, compliance with financial ratios. Finally, clauses provide for early expiration in the event of serious non-fulfillment such as, for example, failure to pay interest or events that are especially detrimental such as bankruptcy.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €355 million.

Alpitour Group

The debt of the Alpitour Group totaling €10 million (€28 million at December 31, 2009), comprises a three-year loan of €8 million secured in July 2010 from Mediobanca expiring with a one-time payment in July 2013, bearing interest at a variable rate based on the 6-month Euribor. The Alpitour Group also has a residual five-year loan of €2 million secured in June 2007 from the bank C.R.S. expiring in June 2012, bearing interest at a variable rate based on the Euribor.
The medium and long-term loan contracts state that the Alpitour Group must comply with covenants calculated on consolidated equity, economic and financial data (mainly net debt/equity and net debt/Ebitda). In view of the seasonal nature of the business, these ratios, as established by the relevant contracts, are calculated on an annual basis at the year-end closing date.

The main changes are as follows:

- early termination of the securitization operation put in place during the financial year 2005/2006 (€8 million);
- early reimbursement of the remaining balance of the syndicated loan (coordinated by BNL and Efibanca) (€16 million);
- new loan secured from Mediobanca (€8 million);
- reimbursement of periodical installments on the C.R.S. loan (€1 million).

At December 31, 2010, the Alpitour Group had credit lines for a total of €244 million (€268 million at December 31, 2009), of which committed credit lines total €168 million (€26 million due within one year next year and €142 million due beyond next year).

Juventus FC

The debt of Juventus FC amounting to €63 million comprises the debt due to Unicredit Leasing S.p.A. for the Vinovo Training Center lease transaction and other minor leases for €19 million, the debt due to Istituto per il Credito Sportivo for the new stadium loan for €30 million and the debt payable to banking institutions for bank accounts that were opened for €14 million.

At December 31, 2010, Juventus FC had credit lines for €210 million, of which €84 million was drawn down.

C&W Group

Debt of C&W Group refers for €87 million (€146 million at December 31, 2009) to the amount drawn down on the original $350 million Senior Revolving Credit Facility.

EXOR Group debt by interest rate

The annual interest rates and the nominal currencies of debt at December 31, 2010 are as follows:

€ in millions	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	8,099	6,797	2,503			17,399
U.S. dollar	5,282	612	1,871	5		7,770
Brazilian real	883	919	426	1,843	151	4,222
Canadian dollar	1,459	7				1,466
Australian dollar	22	803				825
Polish zloty	140	58	12			210
Chinese renminbi	156	126				282
Argentine peso	0			22	46	68
British pound	65	5				70
Other	98		1	12	3	114
Total Debt at 12/31/2010	**16,204**	**9,327**	**4,813**	**1,882**	**200**	**32,426**

Debt with annual nominal interest rates in excess of 12.5% relates principally to the companies of the Fiat Group operating in Argentina and Brazil.

For further information on the management of interest rate and currency risk reference should be made to the previous section Risk Management and to Note 33.

The fair value of outstanding debt of the EXOR Group at December 31, 2010 amounts approximately to €48,708 million. The fair value of debt at December 31, 2009 amounted approximately to €44,612 million. These amounts have been determined using the quoted market price of financial instruments, if available, or discounting the related future cash flows and using the interest rates suitably adjusted to take account of the Group’s current creditworthiness.

At December 31, 2010, the **Fiat Group** had outstanding finance lease agreements for certain property, plant and equipment whose overall net carrying amount, €370 million (€304 million at December 31, 2009), was included in property, plant and equipment (Note 15).

At December 31, 2010, **Juventus** had five finance lease agreements with Unicredit Leasing S.p.A. regarding the Vinovo Training Center, furniture, fixtures and sundry equipment for a total of €27 million.

Minimum future lease payments

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Juventus F.C.**	**Consolidated EXOR Group**
Due within one year	54		2	56
Due between one and five years	128	1	8	137
Due beyond five years	149		8	157
Present value of minimum lease payments at 12/31/2010	**331**	**1**	**18**	**350**
Due within one year	46	1	1	48
Due between one and five years	103		5	108
Due beyond five years	119		8	127
Present value of minimum lease payments at 12/31/2009	**268**	**1**	**14**	**283**

Fiat Group

Finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Finally, debt secured by mortgages on assets amounts to €412 million at December 31, 2010, of which €331 million is due to creditors for the above mentioned assets acquired under finance leases. At December 31, 2009, debt secured by mortgages on assets amounted to €358 million, of which €268 million is due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €517 million at December 31, 2010 (€446 million at December 31, 2009). In addition, at December 31, 2010 the Group's assets include current receivables and cash with a pre-determined use to settle asset-backed financing of €8,854 million. At December 31, 2009, the total amount of such asset-backed financing was €7,086 million.

Net financial position

In compliance with the Consob Regulation issued on July 28, 2006 and in conformity with the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses" issued on February 10, 2005, the net financial position of the Group is as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated EXOR Group
At 12/31/2010							
Non-current securities (held to maturity)					192		192
Non-current financial receivables and other financial assets				2			2
Non-current assets				**2**	**192**		**194**
Cash and cash equivalents	15,653	77	92	5	361		16,188
Current securities (held for trading)	209		3		712		924
Liquidity	**15,862**	**77**	**95**	**5**	**1,073**		**17,112**
Receivables from financing activities	13,774						13,774
- of which: From jointly-controlled financial services entities	*12*						*12*
Other current financial receivables					38	(31)	7
Other financial assets	604	1			5		610
Debt	(31,008)	(118)	(10)	(63)	(1,258)	31	(32,426)
Other financial liabilities	(402)	(2)		(1)	(8)		(413)
Net financial position at 12/31/2010	**(1,170)**	**(42)**	**85**	**(57)**	**42**	**0**	**(1,142)**
At 12/31/2009							
Non-current securities (held to maturity)					87		87
Non-current financial receivables and other financial assets			2				2
Non-current assets			**2**		**87**		**89**
Cash and cash equivalents	12,226	52	90	26	462		12,856
Current securities (securities held for trading)	217		3		595		815
Liquidity	**12,443**	**52**	**93**	**26**	**1,057**		**13,671**
Receivables from financing activities	12,695						12,695
- of which: From jointly-controlled financial services entities	*14*						*14*
Other current financial receivables					34	(28)	6
Other financial assets	636				4		640
Debt	(28,527)	(174)	(28)	(16)	(1,118)	28	(29,835)
Other financial liabilities	(464)	(2)			(12)		(478)
Net financial position at 12/31/2009	**(3,217)**	**(124)**	**67**	**10**	**52**	**0**	**(3,212)**

The net financial position of C&W Group and the Alpitour Group is adjusted to exclude non-current financial assets (deposits and receivables) in order to comply with the Consob Regulation.

Non-current securities (held-to-maturity) of the Holdings System include bonds issued by leading counterparts and listed on active and open markets which it intends, and is able to hold, until their natural reimbursement date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

The item receivables from financing activities includes the entire portfolio of the financial services entities of the Fiat Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

28. Trade payables

An analysis by due date of trade payables is as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated EXOR Group
Due within one year	13,239	157	214	33	5	(2)	13,646
Due between one and five years	10	8					18
Due beyond five years	2						2
Trade payables at 12/31/2010	**13,251**	**165**	**214**	**33**	**5**	**(2)**	**13,666**
Due within one year	12,281	124	192	19	4	(2)	12,618
Due between one and five years	13	5					18
Due beyond five years	1						1
Trade payables at 12/31/2009	**12,295**	**129**	**192**	**19**	**4**	**(2)**	**12,637**

The carrying amount of trade payables is considered in line with their fair value at the balance sheet date.

29. Other liabilities

An analysis of other liabilities is as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations and adjustments	Consolidated EXOR Group
Advances on buy-back agreements	1,832						1,832
Indirect tax payables	1,372	17	2		1		1,392
Accrued expenses and deferred income	1,146	31		7	1		1,185
Payables to personnel	459	15	13		3		490
Social security payables	439		4	1	3		447
Amounts due to customers for contract work (Note	105						105
Liabilities with Minority Shareholders of C&W		30					30
Deferred compensation plans of C&W Group		4					4
Other	897	67	21	139	24	17	1,165
Total Other liabilities at 12/31/2010	**6,250**	**164**	**40**	**147**	**32**	**17**	**6,650**
Advances on buy-back agreements	1,885						1,885
Indirect tax payables	1,082	12	2		1		1,097
Accrued expenses and deferred income	1,078	30		15	1		1,124
Payables to personnel	468	14	11		2		495
Social security payables	423	1	4		1		429
Amounts due to customers for contract work (Note	81						81
Liabilities with Minority Shareholders of C&W Group		33					33
Deferred compensation plans of C&W Group		10					10
Other	848	59	20	112	14	17	1,070
Total Other liabilities at 12/31/2009	**5,865**	**159**	**37**	**127**	**19**	**17**	**6,224**

Fiat Group

The item advances on buy-back agreements refers to agreements entered into by the Group during the year or which still remain effective at the balance sheet date. The balance at December 31, 2010 refers for €822 million to assets included in inventories and for €1,010 million to assets included in property, plant and equipment. The item advances on buy-back agreements represents the following:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

The carrying amount of other current liabilities is considered in line with their fair value.

An analysis of other current liabilities (excluding accrued expenses and deferred income) by due date is as follows:

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations and adjustments**	**Consolidated EXOR Group**
At December 31, 2010							
- Due within one year	3,905	82	39	118	30	17	4,191
- Due between one and five years	1,163	47	1	22	1		1,234
- Due beyond five years	36	4					40
	5,104	**133**	**40**	**140**	**31**	**17**	**5,465**
At December 31, 2009							
- Due within one year	3,859	63	37	62	18	17	4,056
- Due between one and five years	891	55		50			996
- Due beyond five years	37	11					48
	4,787	**129**	**37**	**112**	**18**	**17**	**5,100**

30. Guarantees granted, commitments and contingent liabilities

An analysis of guarantees granted, commitments and contingent liabilities is as follows:

€ in millions	**12/31/2010**	12/31/2009	Change
Commitments undertaken			
Guarantees, note guarantees and other guarantees	110	101	9
Commitments for the purchase of investments and financial assets	237	72	165
Commitments for the purchase of property, plant and equipment	858	670	188
Commitments to make loans	2	6	(4)
Other commitments undertaken	1	1	0
Total commitments undertaken	**1,208**	850	358
Commitments received			
Guarantees, deposits, note guarantees and other guarantees	64	127	(63)
Other commitments	74	72	2
Total commitments received	**138**	199	(61)

The item guarantees, note guarantees and other guarantees included under commitments undertaken (€110 million) comprises mainly guarantees on behalf of suppliers of tourist services, financial offices and public entities received by the Alpitour Group and other guarantees of the Alpitour Group for €41 million, in addition to bank guarantees received by Juventus Football Club for €69 million.

Commitments for the purchase of investments and other financial assets total €237 million (€72 million at December 31, 2009) and refer to commitments undertaken by the subsidiary Exor S.A. as follows:

- investment commitment for a residual maximum amount of $38 million (€29 million) in the NoCo B LP limited partnership which Groups a series of funds managed by Perella Weinberg Partners L.P.; at December 31, 2010, Exor S.A. invested $18 million (€14 million) and received reimbursements for $1.4 million (€1 million);
- investment commitment in the Perella Weinberg Real Estate for €17 million. At December 31, 2010, Exor S.A. invested € 5 million;
- investment commitment for another €7 million in Banijay Holding S.A.S.;
- investment commitment for a residual €90 million in Almacantar. In 2010, Exor S.A. invested €10 million for the subscription of 63.75% of the capital and voting rights, reduced to 54.98% of the capital and voting rights;
- investment commitment for $96 million (€72 million) in the joint venture with the Jardine Matheson Group and Rothschild;
- purchase commitment for 0.97% of the capital of Banca Leonardo da Silvano Toti Holding S.p.A. for a total of €6 million. In 2010, Exor S.A. purchased 4.86% of the capital for an equivalent amount of €30 million;
- investment commitment for another $22 million, (€16 million) in BDT Capital Partner. The first investment made in 2010 in BDT Capital Partners amounted to $6.6 million (€5 million).

The commitments to make loans refer to the commitment undertaken by C&W Group with its employees.

The commitments to make loans amount to €138 million and refer to guarantees, sureties, note guarantees and other guarantees for €64 million (of which €61 million refers to guarantees and other guarantees provided by third parties to Juventus Football Club and €3 million to guarantees provided by public entities and suppliers of tourist services to Alpitour Group) and sale commitments of the Alpitour Group for €53 million relating to travel bookings.

The main guarantees provided by third parties to Juventus Football Club (€61 million) are as follows:

- guarantee of €42 million received from Sportfive S.A. to guarantee part of the fee relating to the commercial contract entered into with Sportfive Italia S.r.l./Sportfive GmbH & Co. KG., for the naming and marketing rights of the new stadium;
- guarantee of €12 million received from leading credit institutions on behalf of the Temporary Association of Companies - Rosso, Gilardi, Consfer and Morganti to guarantee the contracts for the construction of the new stadium;
- other guarantees for €7 million.

Other guarantees received by Juventus Football Club, for €17 million refer to pledges guaranteeing receivables from Campi di Vinovo S.p.A. and Finanziaria Gilardi S.p.A. in relation to the sale of the investment and subsequent novation and integration agreements.

Guarantees granted of the Fiat Group

At December 31, 2010, the Group had provided guarantees on the debt or commitments of third parties or jointly controlled entities and associates totaling €706 million. At December 31, 2009, the Fiat Group had provided guarantees for an amount of €593 million.

Commitments of the Fiat Group deriving from contractual agreements

The Fiat Group has important commitments and rights deriving from outstanding agreements, summarized in the following.

Teksid

Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%.

In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other redressement procedure;

- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;

- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as increased by a given interest rate;

- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Chrysler Group LLC

With specific reference to the Fiat call options under the Chrysler-Fiat strategic alliance Agreements, Fiat, holding 20% of Chrysler at the date of the closing of the Alliance agreements, had the right - conditioned upon the achievement of three separate Performance Events - to receive without consideration up to a further 15% interest in Chrysler. These rights are valued at zero in the consolidated statement of financial position at December 31, 2010, consistently with the accounting for the original 20% investment in Chrysler.

In particular, the first Performance Event occurs when Chrysler receives regulatory approval for an engine based on the Fiat FIRE family for manufacture in U.S. and Chrysler commits to production. Chrysler received the required governmental approvals and achieved this Performance Event on January 10, 2011 by delivering to the U.S. Treasury a letter in which it irrevocably committed to begin production of the FIRE engine in the U.S. Fiat currently holds 25% of Chrysler Group LLC.

The second Performance Event will occur when Chrysler records aggregate revenues of $1.5 billion or more outside NAFTA and enters into one or more franchise agreements regarding the distribution in the Latin America region of Chrysler products. Finally, Fiat will receive the third tranche of 5% interest in Chrysler when Chrysler receives regulatory approval for a vehicle based on Fiat platform or vehicle technology with at least 40 combined miles per gallon and commits to commercial assembly in the United States.

In addition to these rights, for any Performance Event that has not occurred by January 2013, Fiat may acquire the associated 5% equity tranches through a primary call option (the "Alternative Call Option"). Fiat also has a second primary call option (the "Incremental Equity Call Option") to acquire up to a further 16% of Chrysler's equity, subject to a limit on Fiat's ownership at 49.9% prior to full repayment of the U.S. Treasury and Canadian government loans. Fiat may exercise these two call options from January 2013 to June 2016. The Incremental Equity Call Option may not be exercised until the Chrysler aggregate principal of the two loans falls below approximately $4 billion. Fiat may exercise the Alternative Call Option or the Incremental Equity Call Option prior to January 1, 2013 if the loans granted by the U.S. Treasury and the Government of Canada have been repaid and any other related commitment terminated. Fiat also holds two secondary call options to purchase a portion of the membership interest held by the VEBA Trust, and the entirety of the membership interest held by the U.S. Treasury at exercise prices determined in a manner consistent with those described below.

The consideration to be paid for the exercise of these options is determined on the basis of a defined market-based EBITDA multiple (average multiple of reference automakers, not to exceed the then Fiat multiple), applied to Chrysler reported "Modified EBITDA" for the most recent four quarters, less Net Industrial Debt. In the event that at the time of exercise Chrysler is a listed company, such consideration will be based on a volume-weighted average price per share of Chrysler common stock. The Incremental Equity Call Option is recognized in the consolidated statement of financial position on a fair value basis at zero, as the exercise price is not fixed but rather will be based on market values of underlying assets at exercise.

Iveco Finance Holdings Limited

Since 2005, Financial Services activities for Iveco in Western Europe have been managed by Iveco Finance Holdings Limited (IFHL), the joint venture with Barclays Group in which Iveco holds a 49% stake and Barclays a 51% stake. This joint venture provides support for the sector's European sales activities through dealer and end customer financing in France, Germany, Italy and the United Kingdom, and Barclays provides funding up to a maximum of €3.5 billion. The agreements relating to this joint venture contain provisions that are standard for such contracts in relation to management of the company, covenants and default clauses. Under the agreements signed in 2010, the parties stipulated that the joint venture would terminate on May 31, 2012. As is usual for contracts of this type, on that date Iveco will acquire from Barclays Group, and Barclays Group will sell, the interest it holds in that joint venture for a consideration based on the book value of equity. In addition, Iveco is responsible for ensuring repayment of any funding provided to the joint venture by Barclays which is outstanding at that date (which could take place through replacement funding from one or more new lenders or other mechanism). Iveco is evaluating strategic options in relation to this joint venture, including the potential selection of new partners.

Sales of receivables of the Fiat Group

The Fiat Group has discounted receivables and bills without recourse having due dates after December 31, 2010 amounting to €4,624 million, which refer to trade receivables and other receivables for €3,643 million and receivables from financing for €981 million. These amounts include receivables, mainly from the sales network, sold to jointly-controlled financial services companies (FGA Capital) for €2,376 million and to associate financial service companies (Iveco Finance Holdings Limited, controlled by Barclays) for €390 million.

At December 31, 2009, the Fiat Group had discounted receivables and bills without recourse having due dates after that date for a total of €4,611 million. Of this, €3,679 million related to trade receivables and other receivables and €932 million related to receivables from financing. These amounts included receivables, mainly from the sales network, sold to jointly-controlled financial services companies (FGA Capital) for €2,530 million and receivables, mainly from the sales network, sold to associate financial service companies (Iveco Finance Holdings, controlled by Barclays) for €440 million.

Operating lease contracts

At December 31, 2010, the total future minimum lease payments under non-cancellable lease contracts are as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Consolidated EXOR Group
Due within one year	75	53	37		165
Due between one and five years	162	143	120		425
Due beyond five years	145	171	46		362
Future minimum lease payments under operating lease agreements at 12/31/2010	**382**	**367**	**203**		**952**
Due within one year	77	48	37	1	163
Due between one and five years	171	142	126		439
Due beyond five years	154	177	44		375
Future minimum lease payments under operating lease agreements at 12/31/2009	**402**	**367**	**207**	**1**	**977**

During 2010, the Group has recorded costs for lease payments of €167 million (€180 million during 2009).

Operating lease contract relate to contracts entered into by:

- Fiat Group for the use of properties and machinery for an average term of about 10-20 and 3-5 years, respectively;
- C&W Group for the use of properties (term of 15 years) and office equipment;
- Alpitour Group for the use of the aircraft under dry lease and wet lease arrangements.

Pending litigation and contingent liabilities

Fiat Group

As a global company with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters. The outcome of any current or future proceedings cannot be predicted with certainty. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results. At December 31, 2010, contingent liabilities estimated by the Group amount to approximately €167 million (approximately €111 million at December 31, 2009), for which no provisions have been recognized since an outflow of resources is not considered to be probable. Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €17 million (€20 million at December 31, 2009) have been estimated but not recognized.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognizes specific provisions for this purpose.

Furthermore, in connection with significant asset divestitures carried out in prior years, the Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2010, potential obligations with respect to these indemnities were approximately €859 million (approximately €879 million at December 31, 2009). Against these obligations, provisions of €60 million (€52 million December 31, 2009) have been made which are classified as other provisions. The Group has provided certain other indemnifications that do not limit potential payment; it is not possible to estimate a maximum amount of potential future payments that could result from claims made under these indemnities.

Furthermore, the question relating to the participation of certain Fiat Group companies, belonging to the CNH and Iveco sectors, in the Oil-for-Food program was concluded in 2008 through two settlement agreements signed with the SEC and US Department of Justice (DOJ). The Fiat Group closed the matter with these authorities by executing a settlement agreement in 2008. This settlement agreement with the DOJ requires the Fiat Group (and, after the demerger, the Fiat Industrial Group) to satisfy certain obligations such as continuing its cooperating with the DOJ and maintaining an adequate Foreign Corrupt Practices Act prevention program.

Since January 2011, Iveco is subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of commercial vehicles in the European Union in relation to possible anti-competitive behavior. The investigation covers several Member States of the European Union. The Group is cooperating fully with the European Commission and, since the investigation is at a very preliminary stage, it is not possible to assess the effects that the investigation may have on the Group, if any.

EXOR S.p.A. and companies in the Holdings System

On December 21, 2010, the Turin Court, first criminal section composed of a collegiate body, ruled in absolute favor of the defendants, Gianluigi Gabetti, Franzo Grande Stevens and Virgilio Marrone, fully acquitting them because the fact did not exist and also deeming inexistent the administrative offense disputed against IFIL S.p.A. (merged by EXOR S.p.A.) and Giovanni Agnelli e C. S.a.p.az. under ex art. 66 of Legislative Decree 231/2001.

Alpitour Group

In reference to the damages to the Bravo Club tourist resort in Zanzibar caused by the fire in January 2001, a case is pending before the competent authorities in Tanzania to establish the compensation for damages due from Royal Insurance. During 2005, Royal Insurance was sentenced, in the judgment of first instance, to pay the damages requested in addition to interest and legal fees. The insurance company appealed this decision and the case is now being judged in the second instance. Based on available information, it is believed that there is reasonable certainty that the judgment of the first instance will be upheld.

C&W Group

On January 3, 2010, a lawsuit seeking class action status was brought against Credit Suisse AG, Credit Suisse Securities LLC (USA), Credit Suisse First Boston, Credit Suisse Cayman Island Branch and Cushman & Wakefield Inc. in connection with lending activities associated with the development of four luxury resorts, each located in the United States.

In connection with the financing that Credit Suisse provided on the developments, the C&W Group was engaged by Credit Suisse and others to prepare valuations.

The complaint alleges that Credit Suisse devised a “loan to own” scheme whereby it used artificially inflated appraisals prepared by C&W Group to justify making excessive loans which the developers were unable to service.

Plaintiffs allege Credit Suisse and C&W Group violated various statutes under U.S. law. Plaintiffs claim $8 billion in economic damages and $16 billion in punitive damages.

C&W Group believes the plaintiff’s case is without merit and intends to vigorously defend this matter.

Juventus Football Club

Guardia di Finanza access

On December 7, 2010, the Regional Tax Revenues Department – Major Taxpayers Office notified the Company about an assessment with a proposal to compromise and an invitation to appear.

In view of the risks related to the potential tax litigation and while maintaining that Juventus has always conducted its business according to the law and in good faith as demonstrated on several occasions by the competent courts, whose decisions have become final, the Company has accepted the offer in compromise, signing a settlement agreement on December 14, 2010 that does not enter into the merits of the dispute and will require a payment of €7.4 million, which has been recorded in other unusual income (expense).

VAT receivables on UEFA Champions League revenues

With reference to the dispute in process regarding the refusal by the Tax Revenues Agency to refund the VAT receivable of €1.4 million (assigned without recourse to a factoring company in 2004 and therefore, no longer included with assets) in relation to the UEFA tournaments played in the 2000/2001 football season, the Tax Revenues Agency filed an appeal on November 12, 2010 with the Court of Cassation against the second instance ruling in favor of Juventus. The Company filed its defense brief on January 4, 2011.

Case before the Turin Court

On November 24, 2009, in the case before the Court of Turin for financial misrepresentation, the former directors standing trial and Juventus Football Club, held to be liable under Legislative Decree 231 of 2001, were found not guilty and acquitted of charges of financial misrepresentation by the Court of Turin,.

On April 2, 2010, the Attorney General's office lodged an appeal (notified on April 8, 2010) against the ruling to acquit former directors of Juventus Football Club, handed down by the trial judge on November 24, 2009. As no notification of appeal has been served on the Company, its acquittal under the ruling handed down on November 24, 2009 is final.

On September 23, 2010, under the mandate conferred to the board of directors on June 28, 2010, the company, before the competent bodies, asked for a discontinuance of an action presented on January 17, 2007 against person or persons unknown.

Case before the Naples Court

With the ruling issued on October 20, 2009, based on the Court of Cassation decision issued October 9, 2009, the Court of Naples allowed some plaintiffs to file claims in the suit against Juventus Football Club. The company will present its case as laid down by law, confident of its solid grounds.

On December 14, 2009, the Court of Naples convicted, on first instance, the company's former chief executive officer of sports fraud and aiding and abetting crime, in a trial heard as a shortened proceeding. At this time, no new claims have been notified to the company.

Como Calcio bankruptcy

On February 17/22, 2011 a settlement agreement was reached with the liquidators of Como Calcio (also signed by Enrico Preziosi) who in June 2006 had taken legal action against Juventus to collect payment of €1.58 million in fees that Como Calcio claimed were still owing on the definitive transfer of the registration rights of the footballers Piccolo and Perderzoli. The same claim was renewed by the liquidators in October 2010 appealing against the bankruptcy ruling of the Court of First Instance. The Company has provisions allocated for this risk covering the amount claimed.

Following the settlement agreement, which entailed a payout of €0.2 million, the dispute can definitively be considered closed. Accordingly, in the third quarter of 2010/2011, Juventus will release the remaining €1.38 million in provisions to income.

31. Segment reporting

EXOR S.p.A. and the companies in the Holdings System mainly invest in equity investments and financial market investments. Through its subsidiaries, EXOR Group is present over a wide range of sectors, particularly Automobiles (Fiat Group), Agricultural and Construction Equipment (which from January 2011 is headed by the Fiat Industrial Group), real estate services (C&W Group), tourism (Alpitour Group) and professional soccer (Juventus F.C.).

For this reason, the EXOR Group has chosen to present segment reporting according to IFRS 8 – *Operating Segments* (replacing IAS 14 – *Segment Reporting*), which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: Fiat Group, C&W Group, Alpitour Group, Juventus Football Club and the Holdings System.
The segment reporting relating to continuing activities is therefore presented in the following consolidated income statement and statement of financial position which gives the data of each Group and subsidiary mentioned above.
Such statements serve to highlight the contribution of each of the Groups and Companies to the formation of the consolidated data of the EXOR Group.

Further analyses on the performance of the various segments is presented in the “Review of Performance by the Main Operating Subsidiaries and Associates and Relevant Subsidiaries in the Holdings System” in the Report on Operations.

€ in millions	**Fiat Group (as a whole)**	**C&W Group**	**Alpitour Group**	**Juventus F.C.**	**Holdings System**	**Eliminations**	**Consolidated EXOR Group**
12/31/2010							
Non-current assets							
Intangible assets	7,917	757	56	116	33	(84)	8,795
Property, plant and equipment	13,457	38	111	103	12		13,721
Investments and other financial assets	2,390	4	6	2	2,276		4,678
Leased assets, defined benefit plan assets, deferred tax assets and other non-current assets	3,566	28	17	37			3,648
	27,330	**827**	**190**	**258**	**2,321**	**(84)**	**30,842**
Current assets							
Receivables and other current assets	29,532	301	98	47	86	(34)	30,030
Current financial assets	847	1	3		717		1,568
Cash and cash equivalents	15,653	77	92	5	361		16,188
	46,032	**379**	**193**	**52**	**1,164**	**(34)**	**47,786**
Provisions	9,199	117	20	3	6		9,345
Debt	31,008	118	10	63	1,258	(31)	32,426
Other liabilities	20,774	398	263	193	98	14	21,740

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations	Consolidated EXOR Group
12/31/2009							
Non-current assets							
Intangible assets	7,199	713	58	129	33	(109)	8,056
Property, plant and equipment	12,945	42	104	40	12		13,143
Investments and other financial assets	2,159	3	2	1	1,732		3,897
Leased assets, defined benefit plan assets, deferred tax assets and other non-current assets	3,181	27	16	37			3,261
	25,484	**785**	**180**	**207**	**1,777**	**(109)**	**28,357**
Current assets							
Receivables and other current assets	28,544	262	95	56	81	(30)	29,008
Current financial assets	899		3		599		1,501
Cash and cash equivalents	12,226	52	90	26	462		12,856
	41,669	**314**	**188**	**82**	**1,142**	**(30)**	**43,365**
Provisions	8,432	58	20	3	4		8,517
Debt	28,527	174	28	16	1,118	(28)	29,835
Other liabilities	19,153	352	235	155	71	15	19,981

Details of the income statement by operating segment for 2010 and 2009 are as follows:

€ in millions	Fiat Group (as a whole)	C&W Group	Alpitour Group	Juventus F.C.	Holdings System	Eliminations and adjustments	Consolidated EXOR Group
2010							
Net revenues	56,258	1,327	1,227	183	5	(15)	58,985
Operating profit/(loss)	2,009	28	22	(58)	(49)	1	1,953
Interest income	246	2	1		36	(3)	282
Interest expense	1,056	16	2	1	56	(3)	1,128
Amortization, depreciation and impairment charges	3,296	44	21	42	26		3,429
Share of profit/(loss) of companies accounted for using the equity method	190	1			9		200
Income taxes	682	4	8	5	7		706
2009							
Net revenues	50,102	1,112	1,090	230	2	(16)	52,520
Operating profit/(loss)	359	(86)	11	21	(55)		250
Interest income	135	1	2		32	(3)	167
Interest expense	846	15	5	1	58	3	928
Amortization, depreciation and impairment charges	3,138	100	16	35	10		3,299
Share of profit/(loss) of companies accounted for using the equity method	18				5		23
Income taxes	481	(11)	6	13	6		495

32. Information by geographical area

The following table presents an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and the investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

The Group has its registered office in Italy. Revenues earned from external customers may be analyzed as follows:

€ in millions	**2010**	2009	Change
FIAT Group (as a whole)			
Italy	**11,907**	12,744	(837)
United States	**5,413**	4,573	840
Brazil	**11,896**	8,825	3,071
Poland	**1,363**	1,567	(204)
France	**4,018**	4,030	(12)
Germany	**3,897**	4,138	(241)
Spain	**1,706**	1,342	364
UK	**1,857**	1,807	50
Turkey	**1,446**	999	447
China	**1,013**	714	299
Rest of the world	**11,742**	9,363	2,379
Total FIAT Group	**56,258**	**50,102**	**6,156**
C&W Group			
Italy	**18**	15	3
United States	**834**	694	140
Canada	**64**	48	16
South America	**55**	48	7
Mexico	**14**	14	0
EMEA (excluding Italy)	**254**	231	23
Asia-Pacific	**88**	62	26
Total C&W Group	**1,327**	**1,112**	**215**
Alpitour Group			
Italy	**1,055**	935	120
Spain	**129**	124	5
Rest of the world	**39**	28	11
Total Alpitour Group	**1,223**	**1,087**	**136**
Juventus F.C. S.p.A.			
Italy	**176**	217	(41)
Rest of the world			
Total Juventus F.C. S.p.A.	**176**	**217**	**(41)**
Holdings System			
Italy	**0**	1	(1)
Rest of the world	**1**	1	0
Total Holdings System	**1**	**2**	**(1)**
Total revenues	**58,985**	**52,520**	**6,465**

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts) located in Italy and in the rest of the world totaled €25,356 million (€23,759 million at December 31, 2009) and may be analyzed as follows:

€ in millions	12/31/2010	12/31/2009	Change
Fiat Group (as a whole)			
Italy	**11,272**	11,419	(147)
United States	**3,292**	2,986	306
Brazil	**2,848**	2,307	541
Poland	**1,657**	1,288	369
France	**950**	918	32
Germany	**650**	669	(19)
Spain	**572**	581	(9)
China	**484**	383	101
Other	**2,376**	2,031	345
Total Fiat Group	**24,101**	22,582	1,519
C&W Group			
United States	**403**	386	17
EMEA	**252**	248	4
Canada	**67**	63	4
South America	**31**	31	0
Asia	**62**	61	1
Total C&W Group	**815**	789	26
Alpitour Group			
Italy	**128**	121	7
Spain	**15**	15	0
Rest of the world	**31**	34	(3)
Total Alpitour Group	**174**	170	4
Juventus F.C. S.p.A.			
Italy	**255**	207	48
Total Juventus F.C. S.p.A.	**255**	207	48
Holdings System			
Italy	**11**	11	0
Total Holdings System	**11**	11	0
Total Non-current assets	**25,356**	23,759	1,597

33. Information on financial risks

Information on the financial risks to which the individual operating sectors are exposed is presented below.

Holdings System

EXOR S.p.A. and the companies which form the Holdings System are exposed to credit risk in that they invest a portion of their cash in bonds issued by leading bank and corporate counterparts which, in any case, are selected according to their credit worthiness. Instead, the relevant investments denominated in currencies other than the Euro, U.S. dollars in particular, are exposed to currency risks; in view of the permanent characteristics of such investments, transactions to hedge the risk of exchange rate fluctuations on those currencies were not put into place.
As far as liquidity risk is concerned, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are substantially financed by incoming flows from ordinary business activities.

EXOR S.p.A. also assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate. The only derivative financial instruments used to manage fluctuations in interest rate risks were interest rate swaps on bank debt.

Credit risk

At December 31, 2010 and December 31, 2009, there are no financial assets past due and not written down and provisions for doubtful accounts.

Liquidity risk

EXOR S.p.A. and the companies that form the Holdings System finance outgoing cash flows from current operations with the incoming flows from ordinary business activities and cash resources.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used or to fund operating and investment activities. In this sense, EXOR and the companies in the Holdings System operate so that it has irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk

EXOR and the companies that form the Holdings System are principally exposed to exchange rate and interest rate risks and use financial hedging instruments consistently with the policies for the management of risks adopted by each, in addition to price risks on equity shares and other listed financial assets.

Currency risk

Some of the assets held for trading and cash by EXOR S.p.A. at December 31, 2010 (respectively, €280 million and €22 million) are denominated in currencies other than Euro. These are securities held for trading and cash, both of which have been adjusted to the year-end exchange rate. There is also a part of financial liabilities (€227 thousand) denominated in currencies other than Euro. Since these are securities held for trading and cash, both have been adjusted to the rate prevailing at year end.

The subsidiary Exor S.A. is exposed to exchange rate risk on bonds in U.S. dollars issued by Perfect Vision Ltd. (a total of $102 million) and on the embedded derivative (-$69 million). A 10% increase or decrease in the exchange rate of the United States currency against the Euro would have an effect on the result of -€2 million or +€3 million, respectively.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would product a negative effect on the result of €38 million (of which -€43 million on financial assets and +€5 million on financial liabilities); whereas an unfavorable change of 10% would have a positive effect on the result of €47 million (of which +€53 million on financial assets -€6 million on financial liabilities.

Interest rate risk

EXOR S.p.A. is exposed to interest rate risk associated with bank debt and uses interest rate swaps to mitigate such risk.

Sensitivity analysis – interest rate risk

A hypothetical 10% change in the interest rates would have a net effect on the result of €1 million.

Price risks

The Holdings System is exposed to price risk originating from available-for-sale equity investments, securities held to maturity and from equity shares and bonds held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if the prices of securities, classified as equity investments available-for-sale and assets held for trading had been 5% higher or lower, the fair value reserve recorded in equity would have been €88 million higher or lower and the amount of fair value recognized in the income statement on securities held for trading would have been €36 million higher or lower.

Details are as follows:

€ in millions	**2010**			
	Change in price + 5%		**Change in price - 5%**	
	Effect on the result	**Effect on equity**	**Effect on the result**	**Effect on equity**
SGS S.A.		74		(74)
Gruppo Banca Leonardo S.p.A.		4		(4)
Other investments available for sale		7		(7)
Mutual funds		3		(3)
Equity securities held for trading	17		(17)	
Bonds held for trading	19		(19)	
	36	**88**	**(36)**	**(88)**

C&W Group

Credit risk

C&W Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Other risk factors, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of the financial assets recorded in cash and cash equivalents for $102.7 million (€76.9 million) and commissions receivable $322.1 million (€241 million); at December 31, 2009, the carrying amount of financial assets recorded in cash and cash equivalents was $74.8 million (€52 million) and the carrying amount of commissions receivable was $300 million (€208 million).

Commissions receivable are presented net of the allowance for doubtful accounts which, at December 31, 2010, amount to $11 million, or €8 million ($19 million at December 31, 2009, or €13 million).

At December 31, 2010, C&W Group has receivables past due and not subject to individual writedown for $303 million (€227 million). Receivables past due less than one month amount to $245 million (€184 million); receivables past due more than one month total $58 million (€43 million).

At December 31, 2009, receivables past due and not subject to individual writedown were $287 million (€199 million). Receivables past due less than one month amounted to $255 million (€177 million); receivables past due more than one month totaled $32 million (€22 million).

Liquidity risk

In order to support the cash flows generated internally and the maximum peak of cash flow demands early in the second quarter of the year, on May 29, 2007, C&W Group secured a $350 million Senior Revolving Credit Facility. This loan aims to provide capital for seasonal needs and acquisition financing.

Currency risk

C&W Group's foreign currency risk from operating activities is low since the Group entities predominantly execute their operating activities in their respective functional currencies.

The exposure to credit risk can only derive from intercompany commercial transactions; in 2010, to mitigate such risks, the Group had 60 exchange forward financial derivative contracts on the major currencies to which it is exposed. At December 31, 2010, the notional amount of such instruments in U.S. dollars is equal to $137 million (€103 million) and the fair value was a negative $1.4 million, or about €1 million ($2.3 million, or €1.6 million at December 31, 2009).

The currency risk relating to financial payables is limited to the quota of the Senior Revolving Credit Facility: in Euro for $4 million ($12.9 million at December 31, 2009); in GBP for $6.2 million ($38.8 million at December 31, 2009) and in $ CAD for $10 million ($16.2 million at December 31, 2009).

C&W Group believes that the legal entities which own the debt will generate sufficient cash flows in the future to repay their own debts, therefore hedge instruments were not used.

Sensitivity analysis – currency risk

A 10% change in the main currencies against the U.S. dollar would produce a net effect on the result of $160 thousand (€121 thousand).

Interest rate risk

C&W Group is exposed to interest rate risk associated with the $350 million Revolving Credit Facility. At this time, management has not put in place any type of hedge.

Sensitivity analysis – Interest rate risk

For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.

A change of 100 basis points in interest rates, assuming that all other variables remain constant, would produce a higher or lower effect on the result for the year ended December 31, 2010 of $2.7 million (€2.1 million).

Alpitour Group

Alpitour Group regularly assesses its exposure to various types of risk and manages such risks using traditional and derivative instruments according to its management and control policy. Under such policy speculative type activities are not allowed and derivative financial instruments are used for the management of exposure to fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

The Alpitour Group does not have a specific concentration of credit risk since its credit exposure is spread over a large number of counterparts and customers.
Trade receivables are shown net of the allowance for receivables writedown which, at December 31, 2010, amounts to €24 million (an amount substantially unchanged compared to December 31, 2009). The allowance account is calculated on the basis of the risk of non-fulfillment by the counterparts, determined by considering both available information on the solvency of the customers and historical data.
At October 31, 2010, the Alpitour Group has receivables which are past due but not subject to individual writedown for an amount of €11 million, of which €2 million is past due less than one month. At December 31, 2009, such receivables amounted to €17 million, of which €2 million was past due less than one month.

The sensitivity analyses by the Alpitour Group were carried out on the basis of the financial statement data at October 31 2010.

Sensitivity analysis – currency risk and fuel price

The Alpitour Group is exposed to currency risk on commercial and financial assets for €17 million and on commercial payables and financial instruments for €49 million. A change in the currency rates of the main foreign currencies against the Euro of an increase or decrease of 10% would produce a net effect on the result with recognition of higher income or expenses of €1 million; a change in the currency rate of the U.S. dollar against the Euro would produce a negative/positive effect on equity of €2.2 million.
At October 31, 2010, there are no outstanding transactions hedging the risk of fuel price fluctuations.

Sensitivity analysis – interest rate

A hypothetical change of 10% in the interest rate would produce a net effect on equity of €0.2 million based on the fair value of the derivative financial instruments.

Juventus FC

Juventus Football Club does not have a significant concentration of credit risk and has appropriate procedures in place to minimize the exposure to such risk. Receivables from Italian soccer companies are guaranteed by the compensation mechanism of the National Professional League while receivables from foreign soccer companies are largely guaranteed by sureties or other guarantees.
Almost all of Juventus Football Club's transactions (sales and purchases) are in Euro; thus the company is not subject to fluctuations in exchange rates to any relevant degree.
The company manages liquidity risk by keeping the bank loans secured from leading credit institutions at levels that avert financial pressure situations and are sufficient to meet operating and investment needs.
At December 31, 2010, Juventus Football Club has receivables past due and subject to individual writedown for €1 million (€0.4 million at December 31, 2009) and receivables past due and not subject to individual writedown for €5 million, of which €4 million is past due less than one month. At December 31, 2009, such receivables amounted to €7 million, of which €5 million was past due less than one month.

Interest rate risk

Juventus Football Club has adopted a policy to hedge the risks of fluctuation in the interest rates on two loans received from leading banking institutions for the construction of the new stadium of the sports facilities using derivative financial instruments.

Fiat Group
The Group is exposed to the following financial risks connected with its operations:

- credit risk, regarding its normal business relations with customers and dealers, and its financing activities;

- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;

- market risk (principally relating to exchange rates and interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interest. The Group is also exposed to the risk of changes in the price of certain listed shares.

The Group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance and take the necessary actions to mitigate them.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

The quantitative data reported in the following do not have any predictive value, in particular the sensitivity analysis on market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk
The maximum credit risk to which the Group is theoretically exposed at December 31, 2010 is represented by the carrying amounts stated for financial assets in the statement of financial position and the nominal value of the guarantees provided on liabilities or commitments to third parties as discussed in Note 30.

Dealers and final customers are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of cars, commercial vehicles and agricultural and construction equipment. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

Balances which are objectively uncollectible either in part or for the whole amount are written down on a specific basis if they are individually significant. The amount of the writedown takes into account an estimate of the recoverable cash flows and the date of receipt, the costs of recovery and the fair value of any guarantees received. Impairment losses are recognized for receivables which are not written down on a specific basis, determined on the basis of historical experience and statistical information.

Receivables for financing activities amounting to €13,774 million at December 31, 2010 contain balances totaling €68 million, which have been written down on an individual basis. Of the remainder, balances totaling €279 million are past due by up to one month, while balances totaling €826 million are past due by more than one month. In the case of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such. At December 31, 2009, balances of €60 million had been written down on an individual basis out of Receivables for financing activities of the Fiat Group totaling €12,695 million. Of the remainder, balances totaling €426 million were past due by up to one month, while balances totaling €918 million were past due by more than one month.

Trade receivables and other receivables amounting to €6,236 million at December 31, 2010 contain balances totaling €90 million which have been written down on an individual basis. Of the remainder, balances totaling €311 million are past due by up to one month, while balances totaling €526 million are past due by more than one month. At December 31, 2009 balances totaling €67 million had been written down on an individual basis out of trade receivables and other receivables of the Fiat Group totaling €6,178 million. Of the remainder, balances totaling €280 million were past due by up to one month, while balances totaling €568 million were past due by more than one month.

The decrease in the past due component in receivables from financing activities is partially attributable to the gradual collection of loans granted by Banco CNH Capital S.A. as part of the development/subsidized loans program for agriculture of the Brazilian development agency managed through Banco Nacional de Desenvolvimento Economico e Social ("BNDES"). These receivables fell under the scope of the general debt relief programs that were implemented from time to time by the Brazilian government between 2005 and 2008 to support an agricultural industry going through a difficult period. With the rescheduling programs now at an end, the company has taken all the measures necessary to collect installments falling due, adjusting the level of its loan allowances in relation to the extent to which the overdue balances are being repaid. Total rescheduled outstanding loans issued by Banco CNH Capital amount to approximately 1.2 billion reais (approximately €0.5 billion) at December 31, 2010, representing a decrease of approximately 0.8 billion reais over December 31, 2009; Banco CNH Capital had a net overdue balance with its customers of approximately 0.9 billion reais (approximately €0.4 billion), representing a decrease of approximately 0.2 billion reais over December 31, 2009. Although the continual reschedulings of the recent past have contributed to an increase in the uncertainty as to the timing and means by which customers will make repayment, the amounts provided are considered sufficient to cover the residual credit risk. In the meantime, the BNDES has continued its financial support for the company and the subsidized loan programs.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce the liquidity risk, as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence on the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

Management of the Fiat Group believes that the funds currently available, in addition to those funds that will be generated from operating and financing activities, will enable the Fiat Group post-demerger and the Fiat Industrial Group to satisfy the requirements resulting from their investing activities and their working capital needs and to fulfill their obligations to repay their debts at their natural due date.

Currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit/(loss) of that company. In 2010, the total trade flows exposed to currency risk amounted to the equivalent of about 27% of sales.

- The principal exchange rates to which the Group is exposed are the following:

    - EUR/USD, relating to sales in dollars made by Italian companies (in particular Ferrari and Maserati) to the North American market and to other markets in which the US dollar is the trading currency, the production/purchases of the CNH – Case New Holland sector in the Euro area and to sales in dollars made by Iveco;

    - EUR/GBP, EUR/CHF, in relation to sales on the UK and Swiss markets and purchases made by the CNH sector in the Euro area;

    - EUR/PLN, EUR/TRY, relating to manufacturing costs incurred in Poland and Turkey for products sold in the Euro area;

    - USD/BRL and EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows;

    - USD/AUD, mainly in relation to sales made by the CNH sector in Australia;

    - USD/GBP, in relation to the production/purchases of the CNH sector in the UK.

    Taken overall, trade flows exposed to changes in these exchange rates in 2010 made up approximately 84% of the exposure of the Fiat Group to currency risk from trade transactions.

    Taken overall trade flows exposed to changes in these exchange rates in 2010 made up approximately 69% of the Fiat Industrial Group of the exposure to currency risk from trade transactions.

- It is the Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.

- Group companies may find themselves with trade receivables or payables denominated in a currency different from the money of account of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from the money of account. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's money of account.

- Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, Canada, the United Kingdom, Switzerland, the Czech Republic, Brazil, Poland, Turkey, India, China, Argentina and South Africa. As the Group's reference currency is the Euro, the income statements of those countries are converted into Euro using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.

- The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euro which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the item Cumulative Translation Adjustments reserve, included in Other Comprehensive income (see Note 24).

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2010 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

Sensitivity analysis – currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at December 31, 2010 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €614 million. The potential loss in fair value of derivative financial instruments held for currency risk management at December 31, 2009 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €544 million for the Fiat Group as a whole.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Group.

The financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit/(loss) of those companies and the Group as a whole.

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit/(loss).

Sensitivity analysis – interest rate risk

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Group consist principally of part of the portfolio of the financial services companies (basically customer financing and finance leases) and part of debt (including subsidized loans and bonds).

With respect to Fiat Group post-demerger, the potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2010, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €49 million. With reference to the companies that will form part of the Fiat Industrial Group, the potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2010, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €22 million. For the Fiat Group, the potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2009 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates would have been approximately €70 million.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

With respect to Fiat Group post-demerger, a hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2010, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €3 million. With reference to the companies that will form part of the Fiat Industrial Group, a hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2010, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €9 million.
With respect to the Fiat Group, a hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2009, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €11 million.

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risks on derivative financial instruments

The Group holds derivative financial instruments, whose value is linked to the price of listed shares (predominately equity swaps on Fiat shares and after the demerger, on a basket of Fiat S.p.A. and Fiat Industrial S.p.A .share).

Although these transactions were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS. As a consequence, the variability of the underlying values could have an effect on the Group's net profit/(loss).

In addition, the Group has entered into derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – price risk

As for the companies of the Fiat Group post-demerger, in the event of a hypothetical, unfavorable, and instantaneous change of 10% in the underlying values, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2010 linked to the Fiat share price would have been approximately €32 million (€21 million at December 31, 2009). The increase over the previous year is due to the different price of the share at the end of the year (which is used as a basis for the simulation).

As for the companies of the Fiat Group post-demerger, in the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2010 linked to commodity prices would have been approximately €1 million. With reference to the companies that will form part of the Fiat Industrial Group, in the event of a hypothetical, unfavorable, and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2010 linked to commodity prices would not have been significant. For the Fiat Group, in the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2009 linked to commodity prices would have been approximately €3 million.

34. Fair value hierarchy

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – quoted prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of the financial assets and liabilities at December 31, 2010 and measured at fair value.

€ in millions	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	16	1,510	19	186	1,715
Non-current securities	16	28		78	106
Current securities	20	62			62
Financial assets at fair value held-for-trading:					
Current investments	20	376			376
Current securities	20	424		96	520
Other financial assets	21	5	605		610
Securities readily converted into cash (due within 3 months) measured at fair value	22	4			4
Total Assets at 12/31/ 2010		**2,409**	**624**	**360**	**3,393**
Other financial liabilities	21		(414)	(55)	(469)
Total Liabilities at 12/31/2010			**(414)**	**(55)**	**(469)**

In 2010, there were no transfers from Level 1 to Level 2 or vice versa.

The following table provides changes in Level 3 in 2010:

€ in millions	Balance at 12/31/2009	Gains (losses) recognized in income statement	Gains (losses) recognized in equity	Increase (decrease)	**Balance at 12/31/2010**
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	119		3	64	**186**
Non-current securities	66		6	6	**78**
Financial assets at fair value held for trading:					
Current investments	85	11			**96**
Total Assets	**270**	**11**	**9**	**70**	**360**
Other financial liabilities	(51)	(2)		(2)	**(55)**
Total Liabilities	**219**	**9**	**9**	**68**	**305**

In 2010, there were no transfers from Level 3 to other levels or vice versa.

35. Related party transactions

The EXOR Group is directly controlled by Giovanni Agnelli e C. S.a.p.az., a company registered in Italy.

The transactions between the company and its consolidated subsidiaries, which are related parties of the same company, have been eliminated in the EXOR consolidated financial statements and consequently are not presented in this note.

Related party transactions have been carried out in accordance with existing laws on the basis of reciprocal economic gain.

Costs have not been recognized during the period for non-existent or doubtful liabilities in relation to amounts due from related parties.

The effects on the consolidated income statement of the Group for the years 2010 and 2009 are as follows:

		of which: with related parties					
€ in millions	Total 2010	Unconsolidated subsidiaries	Jointly controlled entities	Associated companies	Other related parties	Total related parties	Effect on total (%)
Net revenues	58,985	21	2,322	482	1	2,826	**4.8%**
Cost of sales	50,216	71	3,182	385	84	3,722	**7.4%**
Selling, general and administrative costs	5,009	17	20	39	83	159	**3.2%**

		of which: with related parties					
€ in millions	Total 2009	Unconsolidated subsidiaries	Jointly controlled entities	Associated companies	Other related parties	Total related parties	Effect on total (%)
Net revenues	52,520	27	1,745	289	2	2,063	3.9%
Cost of sales	45,434	31	2,825	125	68	3,049	6.7%
Selling, general and administrative costs	4,537	19	24	15	59	117	2.6%

The main effects on the consolidated statement of financial position at December 31, 2010 and 2009 are as follows:

		of which: with related parties					
€ in millions	Total 2010	Unconsolidated subsidiaries	Jointly controlled entities	Associates	Other related parties	Total related parties	Effect on total (%)
Other investments and non-current financial assets	2,303	60	39	17		116	**5.0%**
Inventories	8,345		1	27		28	**0.3%**
Trade receivables	4,370	50	409	164		623	**14.3%**
Current receivables from financing activities	13,774	48	63	18		129	**0.9%**
Current tax receivables	958						**0.0%**
Other current assets	2,576	6	34	37		77	**3.0%**
Receivables and other current financial assets	1,575						**0.0%**
Cash and cash equivalents	16,188						**0.0%**
Asset-backed financing	8,854		92	228		320	**3.6%**
Other debt	23,572	45	147	49		241	**1.0%**
Other financial liabilities	469						**0.0%**
Trade payables	13,666	28	838	231	30	1,127	**8.2%**
Other current liabilities	6,650	6	101	19	31	157	**2.4%**

		of which: with related parties					
€ in millions	Total 2009	Unconsolidated subsidiaries	Jointly controlled entities	Associates	Other related parties	Total related parties	Effect on total (%)
Other investments and non-current financial assets	1,815	39	39	17		95	5.2%
Inventories	8,750			10		10	0.1%
Trade receivables	3,957	33	469	93		595	15.0%
Current receivables from financing activities	12,695	51	62	2	5	120	0.9%
Current tax receivables	725						
Other current assets	2,875	6	36	2	22	66	2.3%
Receivables and other current financial assets	1,507				52	52	3.5%
Cash and cash equivalents	12,856				651	651	5.1%
Asset-backed financing	7,086		96	216	174	486	6.9%
Other debt	22,749	40	209	38	371	658	2.9%
Other financial liabilities	515				49	49	9.5%
Trade payables	12,637	25	793	39	26	883	7.0%
Other current liabilities	6,224	4	166	5	21	196	3.1%

Transactions with jointly controlled entities

These transactions, which refer solely to the Fiat Group, affected revenues, cost of sales, trade receivables and payables, current receivables from financing activities, asset backed-financing and other financial payables. The effects arising on the financial statements are set out below.

Net revenues

These transactions consist principally of sales of motor vehicles, components, including engines and gearboxes, production systems and the provision of services, to the following companies:

€ in millions	**2010**	2009
Tofas-Turk Otomobil Fabrikasi Tofas A.S., for the sale of motor vehicles	1,152	835
Società Europea Veicoli Leggeri-Sevel S.p.A., for the sale of engines, other components and production systems	701	475
Fiat India Automobiles Limited, for the provision of services, recharges of research costs and the sale of materials	73	113
Iveco Oto Melara Società consortile, for the sale of vehicles and special transport	123	97
FGA Capital for the sale of motor vehicles	103	86
CNH de Mexico de CV, for the sale of agricultural and construction equipment	46	36
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme, for the sale of engines and other components and production systems	32	30
Turk Traktor Ve Ziraat Makineleri A.S., for the sale of agricultural and construction equipment	26	19
SAIC IVECO Commercial Vehicle Investment Company Limited for technical services	23	2
New Holland HFT Japan Inc., for the sale of agricultural and construction equipment	14	23
Other	29	29
Total Net revenues from jointly-controlled entities	**2,322**	1,745

Cost of sales

These transactions have taken place principally with the following companies:

€ in millions	**2010**	2009
Società Europea Veicoli Leggeri-Sevel S.p.A., for the purchase of motor vehicles	1,318	1,106
Tofas - Turk Otomobil Fabrikasi Tofas A.S., for the purchase of motor vehicles	1,230	991
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme, for the purchase of motor vehicles	329	427
Turk Traktor Ve Ziraat Makineleri A.S., for the purchase of agricultural equipment	169	137
FGA Capital, for charges on the sale of receivables and the purchase of motor vehicles	72	106
Fiat India Automobiles Limited, for the purchase of engines	34	22
Other	30	36
Total Cost of sales for purchases from jointly-controlled entities	**3,182**	2,825

Trade receivables

These relate to receivables resulting from the revenues discussed above and those arising from the Group’s trade relationships with FGA Capital S.p.A., which mostly regard the sales of vehicles leased out by FGA Capital S.p.A. in turn under operating or finance lease arrangements. In particular:

€ in millions	2010	2009
Fiat India Automobiles Limited	104	170
Tofas - Turk Otomobil Fabrikasi Tofas A.S.	90	83
FGA Capital	96	83
Iveco - Oto Melara Società consortile	52	66
Società Europea Veicoli Leggeri-Sevel S.p.A.	33	47
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	1	2
Other	33	18
Total Current trade receivables due to jointly-controlled entities	**409**	469

Trade payables

These relate to payables resulting from the costs discussed above and those arising from the Group’s trade relationships with FGA Capital S.p.A. In particular:

€ in millions	2010	2009
Società Europea Veicoli Leggeri-Sevel S.p.A.	466	290
Tofas - Turk Otomobil Fabrikasi Tofas A.S.	220	250
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	51	113
FGA Capital	53	80
Turk Traktor Ve Ziraat Makineleri A.S.	28	
Other	20	60
Total Trade payables due to jointly-controlled entities	**838**	793

Current receivables from financing activities

This item, amounting to €63 million at December 31, 2010 (€62 million at December 31, 2009), mainly relates to receivables of the Group financial services companies due from jointly controlled entities.

Other current assets

This item, amounting to €34 million at December 31, 2010 (€36 million at December 31, 2009), relates mostly to other receivables of €26 million due from FGA Capital (€31 million at December 31, 2009).

Asset-backed financing

This item, amounting to €92 million at December 31, 2010 (€96 million at December 31, 2009), relates to amounts due to FGA Capital for sales of receivables which do not qualify as sales under IAS 39.

Other debt

This item, amounting to €147 million at December 31, 2010 (€209 million at December 31, 2009), includes €144 million (€96 million at December 31, 2009) of other payables of a financial nature due to FGA Capital.

Transactions with associates of the EXOR Group

These transactions mainly affected revenues, trade receivables and asset backed-financing and other financial payables. The effects arising on the financial statements are set out as follows.

Net revenues

These transactions consist principally of sales of motor vehicles and components, including engines and gearboxes, production systems, and the provision of services, to the following companies of the Fiat Group:

€ in millions	**2010**	2009
Iveco Finance Holdings Limited (a subsidiary of the Barclays group), for the sale of industrial vehicles leased out by the associate	126	74
Chrysler, for the sale of components and production systems	195	31
To-dis S.r.l., for the sale of publishing products and other	49	55
Other	112	128
Total Net Revenues from associates	**482**	288

Cost of sales

These transactions consist principally of the purchase of vehicles by the following companies:

€ in millions	**2010**	2009
Chrysler, for the purchase of vehicles	226	
Other	159	125
Total Cost of sales from associates	**385**	125

Trade receivables

This item, amounting to €164 million at December 31, 2010 (€93 million at December 31, 2009), refers mainly to receivables of the companies of the Fiat Group (€161 million).

Asset-backed financing

This item, amounting to €228 million at December 31, 2010 (€216 million at December 31, 2009), includes amounts due to Iveco Finance Holding Limited for sales of receivables which do not qualify as sales under IAS 39.

Transactions with other related parties

Fiat Group

The principal transaction in this category relates to an amount of €84 million (€68 million in 2009) classified in cost of sales; included in this balance is the purchase of steel from the Corus Group, which is part of the Tata Group, for an amount of €59 million (€41 million in 2009). In 2010 the amount includes the purchase of goods of €19 million (€18 million in 2009) for the high range and deluxe upholstery of the Group's automobiles from Poltrona Frau S.p.A., a company listed on the Italian Stock Exchange in which the chairman of the board of directors of Fiat S.p.A. at the time, Luca Cordero di Montezemolo, holds an indirect investment.

The selling, general and administrative costs include the emoluments to directors, statutory auditors and key management.

In the statement of financial position at December 31, 2009, this item also included deposits, financial payables and the fair value of derivative financial instruments arising from transactions with companies of the Crédit Agricole Group, which was no longer a related party in 2010.

Holdings System

The principal transactions are recorded in liabilities and in selling, general and administrative expenses and refer to the liability payable to the beneficiaries of the Alpitour stock option plans authorized at the end of 2005 for €22 million (€12 million in 2009). The increase of €10 million in the liability is recorded in general and administrative expenses.

General and administrative expenses include the emoluments to directors and statutory auditors.

C&W Group

In 2010, C&W Group purchased 320 shares from directors at an average price of $1,120 per share. During the year ended December 31, 2009, the C&W Group repurchased 1,247 shares from directors at an average price of $1,219 per share.

Emoluments to directors, statutory auditors and key management of EXOR

In 2010, the fees of the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent including those in other consolidated companies, are as follows:

€ in thousands	**EXOR S.p.A.**	**Subsidiaries**	**Total**
Directors	4,104	5,391	**9,495**
Statutory Auditors	146	165	**311**
Total	4,250	5,556	**9,806**

In 2009, the emoluments to the directors and statutory auditors amounted to €7,948 thousand of which €6,795 thousand was paid by EXOR S.p.A. and €1,153 thousand by subsidiaries.

In EXOR S.p.A., there are no key management personnel.

The company took out a directors' liability policy with a Group of insurance companies for a maximum per claim and per year of €50 million to cover the directors against compensation for non-fraudulent acts.

The proposals for the compensation of the executive directors are formulated and approved directly by the board of directors which, after an examination by the Compensation and Nominating Committee, in conformity with art. 2389, paragraph 2 of the Italian Civil Code, has the power to establish the compensation of the directors invested with special duties as set out in the bylaws.

In its meeting held on May 13, 2009, the board of directors decided to equally divide among its members the compensation approved by the shareholders' meeting, amounting to €170,000 per year. Furthermore, pursuant to art. 2389 of the Italian Civil Code, the board approved the following annual compensation:

- €1,000,000 to the chairman John Elkann, in addition to health care coverage;
- €1,000,000, besides all out-of-pocket travel expenses outside the municipality of residence, for the mandate for strategical coordination, to the honorary chairman Gianluigi Gabetti; he is also entitled to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a secretarial service and a car with driver also after the expiry of the term of office;
- €1,250,000 to the chief executive officer, Carlo Barel di Sant'Albano, who is also entitled to the following:
    - a variable fee up to a maximum of €1,250,000, 50% of which is partially linked to the increment in EXOR's NAV;
    - the use of an apartment in Turin made available by the company;
    - the use of two company cars, in addition to one used for company business;
    - death and permanent disability insurance coverage for professional or non-professional-related accidents;
    - health care coverage, the same as for company executives;
    - a sum equal to €2,500,000, corresponding to two years' annual fixed fee for the post of chief executive officer, to be paid at the end of the term of office, except in the case of the reconfirmation of the post, voluntary resignation or failure to accept the reconfirmation of the post, termination for just cause or reaching pensionable age;
- €100,000 to the vice chairman Pio Teodorani-Fabbri for the coordination and supervision activities of the Rome office;
- €35,000 to the Internal Control Committee (of which €15,000 to the chairman and €10,000 to each of the other two members);

- €35,000 to the Compensation and Nominating Committee (of which €15,000 to the chairman and €10,000 to each of the other two members);
- €40,000 to each member of the Strategy Committee;
- €100,000 to the secretary to the board of directors, Virgilio Marrone, in addition to death and permanent disability insurance coverage for professional or non-professional-related accidents and the use of a company car.

The directors will also be reimbursed for the expenses incurred in carrying out the activities connected with their posts.

It should also be noted that in its meeting of February 11, 2011, the EXOR board of directors appointed John Elkann as chief executive officer in addition to his position as chairman and that Carlo Barel di Sant'Albano relinquished his position as chief executive office and assumed the position of chairman of the subsidiary Cushman & Wakefield.

In its meeting of March 28, 2011, the board of directors approved certain changes to the compensation of the directors which became necessary as a result of the changes in the positions held within the company. Further details are provided in the Report on Operations under "Significant events in the first quarter of 2011".

36. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – *Statement of Cash Flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.

Cash flows from (used in) operating activities derive mainly from the Group's main revenue producing activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit/(loss) for the year, are included under operating activities in a single line item which includes changes in working capital, capital expenditures, depreciation and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows from operating lease transactions are included under operating activities in a single line item which includes capital expenditures, depreciation, impairment losses and changes in inventories.

Overall, Cash flows for income tax payments net of refunds in 2010 amount to €745 million (€464 million in 2009).

Overall, interest of €1,841 million was paid in 2010 and interest of €1,248 million was received in 2010 (interest of €1,443 million was paid in 2009 and interest of €1,051 million was received in 2009).

Cash flows from (used in) investing activities represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Only expenditures resulting in an asset recognized in the balance sheet are classified as investing activities in the statement of cash flows.

Finally, on June 10, 2009, the Fiat Group acquired an initial 20% interest in Chrysler without the payment of cash: this transaction was therefore not included in the statement of cash flows for 2009, other than for the effects arising from the payment of the transaction costs arising from the acquisition (legal expenses, financial fees, etc.).

37. Non-recurring transactions and transactions resulting from unusual and/or abnormal operations

The Group did not perform any significant non-recurring transactions or transactions resulting from unusual and/or abnormal operations in 2010 as such are defined by the Consob Communication of July 28, 2006.

38. Subsequent events

Reference should be made to the Report on Operations 2010.

39. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2010 were approved on March 28, 2011 by the board of directors which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, within the timeframe set by law.

Turin, March 28, 2011

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Consolidated Financial Statements According to art. 154-bis, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, chairman and chief executive officer, and Aldo Mazzia, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application,

of the administrative and accounting procedures applied in the preparation of the consolidated financial statements at December 31, 2010.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;
    - correspond to the amounts shown in the accounts, books and records;
    - provide a true and fair view of the financial condition, results of operations and cash flows of the company and its consolidated subsidiaries;
- the Report on Operations includes a reliable operating and financial review of the issuer and the aggregate of the companies included in consolidation as well as a description of the principal risks and uncertainties to which they are exposed.

Turin, March 28, 2011

The Chairman and CEO
John Elkann

Manager responsible for the preparation
of the financial reports
Aldo Mazzia

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
EXOR S.p.A.

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries ("EXOR Group") as of and for the year ended December 31, 2010, which comprise the statement of financial position, the income statement, the statements of comprehensive income, changes in equity, and cash flows and the related notes to the consolidated financial statements. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data presented for comparative purposes have been reclassified according to the presentation adopted after the line by line consolidation of Fiat Group, reference should be made to our auditors' report issued on April 1, 2010. In addition, as illustrated in the paragraph "Consolidation of the Fiat Group" of the notes to the consolidated financial statements, the directors of the company restated in specific columns of the financial statements the 2009 data in which the Fiat Group is consolidated line-by-line. These restatements of comparative data and related disclosures included in the notes to the consolidated financial statements have been audited by us for the purpose of expressing our opinion on the consolidated financial statements as of December 31, 2010.

3. In our opinion, the consolidated financial statements of the EXOR Group as of December 31, 2010 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give true and fair view of the financial position of EXOR Group and the results of its operations and its cash flows for the year then ended.

4. As illustrates by the Directors in the paragraph "Consolidation of the Fiat Group" of the notes to the consolidated financial statements, the current interpretation of de facto control, based also on the latest version of the Staff Draft posted to the IASB website on September 29, 2010 of the forthcoming IFRS 10 - "*Consolidated Financial Statements*", requires line-by-line consolidation pursuant to IAS 27 to be extended to companies in which the investor holds the majority of voting rights and the size of such majority, combined with the dispersion of the votes of the other vote holders, gives the investor the power to direct the investee's operating and financial policies in such a manner for them to be considered subsidiaries to be consolidated line-by-line. On such bases, believing that the suppositions existed, also in light of EXOR's incidence in the capital present and voting in recent shareholders' meetings of Fiat S.p.A., EXOR has consolidated the Fiat Group line-by-line in its consolidated financial statements starting from the year 2010 and restated the consolidated financial statements for the year 2009 presented for comparative purposes.

5. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the consolidated financial statements of EXOR S.p.A. as of 31 December, 2010.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 5, 2011

This report has been translated into the English language solely for the convenience of international readers.

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING ON THE YEAR 2010

Dear Shareholders,

In summarizing the contents and results of our activities during the year, we would first of all like to call your attention to the most important transactions that affected earnings and equity carried out by the directors and described in depth in their Report on Operations, including:

- the sale of Intesa Sanpaolo shares for proceeds of €90 million with a gain of €600 thousand on consolidation;
- the investment commitment of €100 million by Exor S.A. in Almacantar;
- the buyback of treasury shares for a total of slightly under €58 million;
- the investment commitment of €100 million by Exor S.A. for private equity initiatives in India and China with Jardine Matheson and Rothschild;
- the investment of €19 million by Exor S.A. for the subscription of new BTG Pactual shares;
- the purchase by Exor S.A. of The Economist Newspaper Limited ordinary shares for slightly over € 29 million;
- the purchase by Exor S.A. of Gruppo Banca Leonardo S.p.A. ordinary shares for €30 million.

We confirm that these, in addition to other investments which have already been made, comply with the law and the bylaws, are based on principles of proper administration, agree with the resolutions of the shareholders' meetings and produce no conflicts of interest.

We have participated in the five meetings of the board of directors, during which we were informed about the activities and the main operating, financial and equity transactions completed or being undertaken by the company and its direct subsidiaries; we have ensured that at least one person has attended each of the six meetings of the internal control committee, formed by three independent directors.

During the course of the activities carried out in our 10 meetings, we have also obtained information:

- from the manager responsible for the preparation of the financial reports;
- from the person in charge of internal control about the activities of the oversight body required by Legislative Decree 231/2001, of which we have now reviewed the annual report dated March 21, 2011;
- from those in charge of the principal corporate functions, to the extent of our responsibilities;
- from the firm of independent auditors, in five meetings, for the required exchange of information, thus integrating the information obtained at the meetings of the internal control committee, both with regard to the provisions of art. 19 of Legislative Decree 39/2010, also in respect of its independence and to use the results of its work.

The results of our work have again led us to conclude that:

- the administrative conduct was observant of the principles of diligence and correctness;
- the organizational structure and the internal control system were adequate in relation to the nature and scope of the activities carried out;
- the administrative and accounting system was capable of representing correctly the company's affairs, conforming to the existing model of administrative and accounting control;
- the directives, according to art. 114, paragraph 2 of Legislative Decree 58/1998, were appropriately conveyed to the subsidiaries.

As far as our responsibilities are concerned, we can state that EXOR adopts the corporate governance model in which the directors describe the principles and the requirements adopted, and the manner in which they should be observed, as we have noted, and those not adopted, explaining the reasons for such exceptions, in their annual report on Corporate Governance, reviewed by Deloitte & Touche, pursuant to art. 123 bis of Legislative Decree 58/1998.

We confirm that we have ascertained the continuance of the profiles needed to guarantee our independence and that the board of directors has verified the existence of indispensable requirements of those of its members who hold that position.

With reference to the other matters identified by CONSOB in communication DEM/1025564 dated April 6, 2001, we observe the following:

- we have been regularly informed of matters falling under our jurisdiction;
- the periodic verifications and the tests to which we have subjected the company have not brought to light any atypical or unusual transactions with third parties, with related parties or with group companies such as might give rise to doubts about the correctness or completeness of the information in the financial statements, about the presence of conflicts of interest or about the safeguarding of the company's assets;
- the directors, in Note 36 to the separate financial statements, disclose the existence of and provide comments on the exchange of goods and services between EXOR, group companies and related parties, stating that such transactions were carried out in accordance with existing laws and by reference to arm's length reciprocal economic gain; we would also mention that EXOR has adopted, on November 12, 2010, with effect on January 1, 2011, the procedure for transactions with related parties, posting the procedure on its website;
- from the meetings with the auditors no significant facts or situations came to our attention which necessitated the performance of further controls on our part which we should report to you;
- we have not received or had notice of any complaints under ex art. 2408 of the Italian Civil Code and we have not received or we have not been made aware of petitions;
- in our contacts with the board of statutory auditors of the parent no matters have been addressed which would require to be communicated;
- our supervisory activities did not indicate any matters to report;
- we have expressed the opinions required of us by law and formulated the proposal, giving reasons thereto, for the appointment of the audit firm for the nine years 2012-2020;
- by means of a letter dated March 28, 2011, Deloitte & Touche has informed us that:
  "(...) The services other than the audit of the separate financial statements, the tests ascertaining that the accounting records are duly kept and the correction recognition of the operating events in the accounting entries, the audit of the consolidated financial statements and the limited audit of the consolidated half-year financial report (aggregate fees of €90,000 for a total of 1,143 hours) provided during the period indicated above to EXOR S.p.A. by the audit firm (writing this letter) and by other entities in the relative Network, determined on the basis of the information made available to us are indicated as follows (excluding hours and fees of the subsidiaries of the EXOR Group, which engagements are conferred independently):
    - testing relative to the confirmation of the amount of the financial ratios required by the Information Memorandum dated June 6, 2006 relating to the issue by IFIL of "Floating Rate Notes due 2011" for €200 million, for a fee of €5,000.
    - Tests in relation to the possible placement of bonds with institutional investors, for a fee of €12,000.
    - Procedures agreed in reference to specific aspects relating to the internal control system over financial reporting ("ICFR") adopted by the EXOR Group for the year 2010, for a fee of €30,000.
    - Analysis and testing of non-recurring accounting issues, for a fee of €26,000.
    - Methodological support to EXOR Group in designing the Compliance Integrated Governance Model, for a fee of €28,500 (work carried out by Deloitte ERS S.r.l.) (…)".

In the same letter, Deloitte & Touche also noted:

> "(…) As the audit firm charged with the legal audit of the separate financial statements for the year ended December 31, 2010 of EXOR S.p.A. and the consolidated financial statements of EXOR Group, we confirm that, on the basis of the information received to date and the tests carried out, taking into account the regulatory and professional principles that govern audit activities, during the period from January 1, 2010 to today's date, there were no situations that came to our attention that would have compromised our independence or causes for incompatibility pursuant to articles 10 and 17 of Legislative Decree 39/2010 and the relative provision for implementation.(…)".

As to the separate draft financial statements of EXOR at December 31, 2010, which show a profit of €151,861,008, we have reviewed the structure, the approach and the information illustrated by the directors in their Report on Operations, relating also to the consolidated financial statements of the EXOR Group at the same date, also formalized in the board of directors' meeting of March 28, 2011 and the notes thereto.

The chairman and chief executive office and the manager responsible for the preparation of the corporate reports have issued an attestation as set forth in art. 154 bis, paragraph 5, of Legislative Decree 58/1998 on both the separate and consolidated financial statements of the Group.

Deloitte & Touche, charged with the audit, in its report dated April 5, 2011, expresses the following conclusions with regard to the separate financial statements of the company.

> "(...) In our opinion, the separate financial statements of EXOR S.p.A. at December 31, 2010 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position, of the results of operations and of the cash flows of EXOR S.p.A. for the year then ended. (...)
>
> In our opinion, the Report on Operation and the information reported in compliance with art. 123 bis of Italian Legislative Decree 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the separate financial statements of EXOR S.p.A. at December 31, 2010. (…)".

Similar conclusions by Deloitte & Touche are illustrated in its report on the consolidated financial statements of the Group, in which your attention is drawn to, for a more meaningful understanding of the same, to the consolidation of the Fiat Group on a line-by-line basis, considering the suppositions thereto to exist.

On the basis of the information we obtained directly pertaining to the scope and structure and the conclusions reached by Deloitte & Touche, we are of the view that the separate financial statements of EXOR may be approved together with the proposal for the appropriation of the profit for the year, noting that the legal reserve is already equal to one-fifth of capital stock.

Finally, in observing that the agenda of the next shareholders' meeting regards, besides the annual 2010 financial statements, also:

- the board of directors;
- the purchase and disposal of treasury shares;
- the appointment for the legal audit of the financial statements for the years 2012-2020;
- the amendment to some articles of the bylaws and the title to the seventh article of the same;

we confirm, as far as is necessary, that the reports prepared on this subject by the board of directors illustrates the arguments and puts forward the resolutions in accordance with existing law, and reports the justified proposal of the board of statutory auditors for the conferral of the appointment of the audit firm.

Turin, April 5, 2011

The Board of Statutory Auditors

Lionello Jona Celesia, Chairman

Giorgio Ferrino

Paolo Piccatti

List of EXOR Group Companies
at December 31, 2010

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations), a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, subdivided by business segment, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
EXOR S.p.A.	ITALY	246,229,850	EURO				
SUBSIDIARIES							
Holding companies and Other companies							
EXOR S.A.	LUXEMBOURG	166,611,300	EURO	100.00	EXOR S.p.A.	100.000	
EXOR CAPITAL LTD	IRELAND	4,000,000	EURO	100.00	EXOR S.A.	100.000	
EXOR INC.	USA	1	USD	100.00	EXOR S.A.	100.000	
EXOR LIMITED (a)	HONG KONG CHINA (PEOPLE'S REP.)	1	HKD	100.00	EXOR S.A.	100.000	
ANCOM USA INC	USA	-	USD	100.00	EXOR S.A.	100.000	
EXOR LLC	USA	-	USD	99.80	EXOR S.A.	99.800	
EXOR Services S.c.p.a. (formerly SOIEM S.p.A.)	ITALY	9,145,000	EURO	99.63	EXOR S.p.A.	99.625	
					GIOVANNI AGNELLI & C. S.a.p.az.	0.25	
Automobiles, Components and Production Systems, Agricultural and Construction Equipment, Engines and Powertrains							
FIAT S.p.A. (a)	ITALY	6,377,262,975	EURO	29.59	EXOR S.p.A.	28.696	30.450
					FIAT S.p.A.	3.024	3.531 (*)
Real Estate Services							
C&W GROUP INC.	USA	7,318	USD	78.56	EXOR S.A.	69.825	
					C&W GROUP INC.	6.719	(*)
Tourism and Hotel activities							
ALPITOUR S.p.A.	ITALY	17,725,000	EURO	100.00	EXOR S.p.A.	100.000	
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	20,155,333	EURO	60.00	EXOR S.p.A.	60.001	

(a) Dormant company.
(*) Voting suspended.

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

FIAT GROUP POST DEMERGER

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Fiat Group Automobiles							
Fiat Group Automobiles S.p.A.	Italy	745,031,979	EURO	100.00	Fiat S.p.A.	100.000	
Abarth & C. S.p.A.	Italy	1,500,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Italy	120,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis S.A.	Brazil	337,261,783	BRL	100.00	Fidis S.p.A.	75.000	
					Fiat Automoveis S.A. - FIASA	25.000	
Customer Services Centre S.r.l.	Italy	2,500,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Italy	10,400	EURO	100.00	Fiat Group Automobiles S.p.A.	99.000	
					Fiat Center Italia S.p.A.	1.000	
FGA Investimenti S.p.A.	Italy	2,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Officine Automobilistiche Grugliasco S.p.A.	Italy	500,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Versicherungsservice GmbH	Germany	26,000	EURO	100.00	Fiat Group Automobiles Germany AG	51.000	
					Rimaco S.A.	49.000	
Fiat Auto Argentina S.A. *(business Fiat Group Automobiles)*	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Poland S.A.	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Var S.r.l.	Italy	7,370,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Germany	8,700,000	EURO	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Italy	120,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Serbia	300,000,000	EURO	66.67	Fiat Group Automobiles S.p.A.	66.672	
Fiat Automotive Finance Co. Ltd.	People's Rep.of China	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Italy	2,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	223,129,357	ARS	100.00	Fidis S.p.A.	100.000	
Fiat Finance Netherlands B.V.	Netherlands	690,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	France	235,480,520	EURO	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Austria GmbH	Austria	37,000	EURO	100.00	Fiat Finance Netherlands B.V.	98.000	
					FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Belgium	26,100,000	EURO	100.00	Fiat Finance Netherlands B.V.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Denmark A/S	Denmark	55,000,000	DKK	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Germany AG	Germany	82,650,000	EURO	100.00	Fiat Finance Netherlands B.V.	99.000	
					Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Greece	62,033,499	EURO	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Ireland Ltd.	Ireland	5,078,952	EURO	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles Japan K.K.	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Netherlands	5,672,250	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Portugal	1,000,000	EURO	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Spain	8,079,280	EURO	100.00	Fiat Finance Netherlands B.V.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Sweden	10,000,000	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	United Kingdom	44,600,000	GBP	100.00	Fiat Finance Netherlands B.V.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT NORTH AMERICA LLC	U.S.A.	0	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Germany	25,000	EURO	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Slovak Republic	33,194	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	France	2,977,680	EURO	100.00	Fiat France	99.997	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Italian Automotive Center S.A.	Belgium	13,500,000	EURO	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
					Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village Ltd.	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Portugal	50,000	EURO	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Spain	1,454,420	EURO	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Italy	120,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Italy	276,640,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR (Ireland) Limited	Ireland	70,000	EURO	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
SCDR (Switzerland) S.A. in liquidation	Switzerland	100,000	CHF	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
SCDR Automotive Limited	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000	EURO	100.00	Fiat Group Automobiles S.p.A.	100.000	
Maserati							
Maserati S.p.A.	Italy	40,000,000	EURO	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000	EURO	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000	EURO	100.00	Maserati S.p.A.	100.000	
Ferrari							
Ferrari S.p.A.	Italy	20,260,000	EURO	(*) 90.00	Fiat S.p.A.	85.000	
410 Park Display Inc.	U.S.A.	100	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000	EURO	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600	EURO	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000	EURO	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Italy	11,570,000	EURO	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep.of China	2,100,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	People's Rep.of China	3,000,000	USD	53.10	Ferrari S.p.A.	59.000	
Ferrari Maserati Cars Sales and Services (Shanghai) CO.,LTD	People's Rep.of China	2,500,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	U.S.A.	200,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000	EURO	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1,000,000	CHF	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000	EURO	90.00	Ferrari S.p.A.	90.000	
					Ferrari GE.D. S.p.A.	10.000	
(*) Includes impact of exercise of call option on 5% of Ferrari S.p.A. shares							
Fiat Powertrain							
Fiat Powertrain Technologies SpA	Italy	525,000,000	EURO	100.00	Fiat S.p.A.	100.000	
Fiat Auto Argentina S.A. *(business Fiat Powertrain)*	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Powertrain)*	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Polska Sp. z o.o.	Poland	220,100,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	People's Rep.of China	10,000,000	EURO	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Poland	100,000,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Italy	150,000,000	EURO	100.00	Fiat Powertrain Technologies SpA	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Components							
Magneti Marelli S.p.A.	Italy	254,325,965	EURO	99.99	Fiat S.p.A.	99.990	100.000
Automotive Lighting Brotterode GmbH	Germany	7,270,000	EURO	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000	EURO	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Ergom do Brasil Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Ergom Soffiaggio S.r.l.	Italy	45,900	EURO	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
					Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
					Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Industrie Plastica S.p.A.	Italy	1,000,000	EURO	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000	EURO	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	France	782,208	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket SL	Spain	2,194,726	EURO	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Brazil	177,725,564	BRL	99.63	Magneti Marelli S.p.A.	99.643	99.966
Magneti Marelli Conjuntos de Escape S.A.	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli do Brasil Industria e Comercio SA	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Spain	781,101	EURO	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Poland	15,000,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli France S.a.s.	France	42,672,960	EURO	99.99	Magneti Marelli S.p.A.	99.999	
					Ufima S.A.S.	0.001	
Magneti Marelli GmbH	Germany	200,000	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Hellas A.E. in liquidation	Greece	587,000	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	U.S.A.	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Spain	24,499,771	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	France	884,058	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovak Republic	7,000,000	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd in liquidation	United Kingdom	10,000	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	52.000	
					Magneti Marelli Cofap Autopecas Ltda	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	206,834,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
					Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovak Republic	30,006,639	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z o.o. in liquidation	Poland	4,310,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspensions USA LLC	U.S.A.	1,300,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	India	260,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Turkey	16,500,000	TRY	96.65	Powertrain Mekanik Sanayi ve Ticaret Anonim Sirketi	96.665	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EURO	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000	EURO	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
Plastiform A.S.	Turkey	715,000	TRY	99.99	Plastic Components and Modules Automotive S.p.A.	97.000	
					Magneti Marelli S.p.A.	3.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Powertrain Mekanik Sanayi ve Ticaret Anonim Sirketi	Turkey	50,000	TRY	99.99	Magneti Marelli S.p.A.	99.800	
					Iveco Arac Sanayi VE Ticaret A.S.	0.050	
					Mako Elektrik Sanayi Ve Ticaret A.S.	0.050	
					Plastiform A.S.	0.050	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.050	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Italy	37,622,179	EURO	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidation	Italy	880,000	EURO	99.99	Plastic Components and Modules Holding S.p.A.	95.000	
					Plastic Components and Modules Automotive S.p.A.	5.000	
TEA S.r.l.	Italy	516,000	EURO	99.99	Plastic Components and Modules Automotive S.p.A.	95.000	
					Plastic Components and Modules Holding S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	France	44,940	EURO	99.99	Magneti Marelli S.p.A.	65.020	
					Fiat Partecipazioni S.p.A.	34.980	
Metallurgical Products							
Teksid S.p.A.	Italy	71,403,261	EURO	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	100.000	
Fonderie du Poitou Fonte S.A.S.	France	26,958,464	EURO	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550	EURO	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000	EURO	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Brazil	148,874,686	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro De Mexico Arrendadora S.A. de C.V.	Mexico	497,690,000	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	418,874,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Production Systems							
Comau S.p.A.	Italy	48,013,959	EURO	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
					Comau do Brasil Industria e Comercio Ltda.	44.690	
					Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Germany	1,330,000	EURO	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	29,312,653	BRL	100.00	Comau S.p.A.	99.999	
					Fiat do Brasil S.A.	0.001	
Comau Estil Unl.	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000	EURO	100.00	Comau S.p.A.	100.000	
Comau Inc.	U.S.A.	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau Pico Holdings Corporation	U.S.A.	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
					Comau S.p.A.	0.033	
Comau Pico Mexico S.de R.L. de C.V.	Mexico	3,000	MXN	100.00	Comau S.p.A.	99.967	
					Comau Deutschland GmbH	0.033	
Comau Pico Pitex S.de R.L. C.V.	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
					Comau S.p.A.	0.033	
Comau Pico Trebol S.de R.L. de C.V.	Mexico	3,000	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	99.967	
					Comau S.p.A.	0.033	
Comau Poland Sp. z o.o.	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Resources, Inc.	U.S.A.	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau Romania S.R.L.	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Spain	250,000	EURO	100.00	Comau S.p.A.	100.000	
Publishing and Communications							
Itedi-Italiana Edizioni S.p.A.	Italy	5,980,000	EURO	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Italy	124,820	EURO	88.00	Itedi-Italiana Edizioni S.p.A.	88.000	
Editrice La Stampa S.p.A.	Italy	4,160,000	EURO	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
La Stampa Europe SAS	France	1,278,750	EURO	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Nexta Srl	Italy	50,000	EURO	66.00	Itedi-Italiana Edizioni S.p.A.	66.000	
Publikompass S.p.A.	Italy	3,068,000	EURO	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Holding companies and Other companies							
Business Solutions S.p.A.	Italy	4,791,396	EURO	100.00	Fiat S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	75.000	
					Fiat Partecipazioni S.p.A.	20.000	
					Fiat Powertrain Technologies SpA	5.000	
Centro Ricerche Plast-Optica S.p.A.	Italy	1,033,000	EURO	75.50	C.R.F. Società Consortile per Azioni	51.000	
					Automotive Lighting Italia S.p.A.	24.500	
Deposito Avogadro S.r.l.	Italy	100,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
Elasis-Società Consortile per Azioni	Italy	20,000,000	EURO	100.00	Fiat Group Automobiles S.p.A.	70.567	
					C.R.F. Società Consortile per Azioni	27.933	
					Fiat Partecipazioni S.p.A.	1.500	
Fiat Argentina S.A.	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
					Fiat do Brasil S.A.	9.029	
					SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
					Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Brazil	37,158,349	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
					Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
					Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	251,494,000	EURO	100.00	Fiat Finance S.p.A.	99.993	
					Fiat Finance Canada Ltd.	0.007	
Fiat Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance et Services S.A.	France	3,700,000	EURO	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	U.S.A.	190,090,010	USD	100.00	Fiat Finance S.p.A.	60.526	
					Fiat S.p.A.	39.474	
Fiat Finance S.p.A.	Italy	224,440,000	EURO	100.00	Fiat S.p.A.	100.000	
Fiat Gestione Partecipazioni S.p.A.	Italy	369,500,000	EURO	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Germany	200,000	EURO	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Italy	100,000,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	France	7,700	EURO	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Italy	600,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Spain	2,797,054	EURO	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Italy	500,000	EURO	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Italy	361,054,062	EURO	100.00	Fiat S.p.A.	98.644	
					Fiat Group Automobiles S.p.A.	1.356	
Fiat Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Belgium	62,000	EURO	100.00	Fiat U.K. Limited	99.960	
					Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Italy	3,600,000	EURO	100.00	Business Solutions S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Italy	1,652,669	EURO	99.36	Fiat Partecipazioni S.p.A.	51.000	
					Fiat Group Automobiles S.p.A.	25.500	
					Iveco S.p.A.	6.000	
					Fiat S.p.A.	5.000	
					CNH Italia s.p.a.	3.000	
					Teksid S.p.A.	2.000	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					Editrice La Stampa S.p.A.	1.500	
					Fiat Services S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
Fiat Switzerland SA	Switzerland	1,100,000	CHF	100.00	Fiat S.p.A.	100.000	
Fiat U.K. Limited	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	U.S.A.	16,830,000	USD	100.00	Fiat S.p.A.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Fiat-Revisione Interna S.c.r.l.	Italy	300,000	EURO	98.38	Fiat S.p.A.	51.000	
					Fiat Group Automobiles S.p.A.	13.000	
					CNH Global N.V.	10.000	
					Iveco S.p.A.	6.000	
					Comau S.p.A.	2.000	
					Ferrari S.p.A.	2.000	
					Fiat Group Purchasing S.r.l.	2.000	
					Fiat Powertrain Technologies SpA	2.000	
					Fiat Services S.p.A.	2.000	
					Itedi-Italiana Edizioni S.p.A.	2.000	
					Magneti Marelli S.p.A.	2.000	
					Maserati S.p.A.	2.000	
					Teksid S.p.A.	2.000	
					Fiat Finance S.p.A.	1.000	
					Fiat Partecipazioni S.p.A.	1.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Rimaco S.A.	Switzerland	350,000	CHF	100.00	Fiat S.p.A.	100.000	
Risk Management S.p.A.	Italy	120,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000	EURO	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000	EURO	93.56	Fiat Partecipazioni S.p.A.	57.724	
					Fiat Group Automobiles S.p.A.	17.288	
					Iveco S.p.A.	4.644	
					Fiat Powertrain Technologies SpA	2.356	
					Magneti Marelli S.p.A.	1.863	
					Fiat S.p.A.	0.751	
					Comau S.p.A.	0.729	
					Ferrari S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					Irisbus Italia S.p.A.	0.622	
					Fiat Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	
					C.R.F. Società Consortile per Azioni	0.535	
					New Holland Kobelco Construction Machinery S.p.A.	0.535	
					Fiat Servizi per l'Industria S.c.p.a.	0.503	
					Fiat Finance S.p.A.	0.449	
					Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	0.449	
					Fidis S.p.A.	0.325	
					Automotive Lighting Italia S.p.A.	0.255	
					CNH Italia s.p.a.	0.237	
					Editrice La Stampa S.p.A.	0.233	
					Elasis-Società Consortile per Azioni	0.233	
					FGA Officine Automobilistiche Grugliasco S.p.A.	0.167	
					Astra Veicoli Industriali S.p.A.	0.103	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
					Fiat Group Purchasing S.r.l.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Fiat-Revisione Interna S.c.r.l.	0.061	
					Fiat Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Itedi-Italiana Edizioni S.p.A.	0.039	
					Maserati S.p.A.	0.039	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
					Risk Management S.p.A.	0.039	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Easy Drive S.r.l.	0.022	
					Fiat Auto Var S.r.l.	0.022	
					Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
					Plastic Components and Modules Automotive S.p.A.	0.022	
					TEA S.r.l.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

COMPANIES THAT WILL BECOME PART OF THE FIAT INDUSTRIAL GROUP

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Agricultural and Construction Equipment							
CNH Global N.V.	Netherlands	536,824,395	EURO	88.86	Fiat Netherlands Holding N.V.	88.800	88.857
					CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Brazil	433,919,523	BRL	88.86	CNH Global N.V.	98.761	
					CNH Latin America Ltda.	1.239	
Bli Group Inc.	U.S.A.	1,000	USD	88.86	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	U.S.A.	1,000	USD	88.86	Bli Group Inc.	100.000	
Case Brazil Holdings Inc.	U.S.A.	1,000	USD	88.86	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1	CAD	88.86	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	5,000,000	USD	88.86	CNH Global N.V.	100.000	
Case Credit Holdings Limited	U.S.A.	5	USD	88.86	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1	USD	88.86	CNH America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5	USD	88.86	CNH America LLC	100.000	
Case Equipment International Corporation	U.S.A.	1,000	USD	88.86	CNH America LLC	100.000	
Case Europe S.a.r.l.	France	7,622	EURO	88.86	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211	EURO	88.86	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000	USD	88.86	CNH America LLC	100.000	
Case India Limited	U.S.A.	5	USD	88.86	CNH America LLC	100.000	
Case International Marketing Inc.	U.S.A.	5	USD	88.86	CNH America LLC	100.000	
Case LBX Holdings Inc.	U.S.A.	5	USD	88.86	CNH America LLC	100.000	
Case New Holland Inc.	U.S.A.	5	USD	88.86	CNH Global N.V.	100.000	
Case New Holland Machinery (Harbin) Ltd.		2,859,091	USD	88.86	CNH Asian Holding Limited N.V.	99.000	
	People's Rep.of China				CNH Europe Holding S.A.	1.000	
Case United Kingdom Limited	United Kingdom	3,763,618	GBP	88.86	CNH America LLC	100.000	
CNH Administradora de Serviços Ltda.	Brazil	100,000	BRL	88.86	Banco CNH Capital S.A.	99.900	
					CNH Latin America Ltda.	0.100	
CNH America LLC	U.S.A.	0	USD	88.86	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Argentina	29,611,105	ARS	88.86	New Holland Holding (Argentina) S.A.	80.654	
					CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Belgium	34,594,401	EURO	88.86	CNH Global N.V.	100.000	
CNH Australia Pty Limited	Australia	306,785,439	AUD	88.86	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Germany	61,355,030	EURO	88.86	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Belgium	27,268,300	EURO	88.86	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Canada	28,000,100	CAD	88.86	CNH Global N.V.	100.000	
CNH Capital America LLC	U.S.A.	0	USD	88.86	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	Australia	83,249,000	AUD	88.86	CNH Australia Pty Limited	100.000	
CNH Capital Benelux NV	Belgium	61,500	EURO	88.86	CNH Global N.V.	98.999	
					CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Canada	1	CAD	88.86	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Canada	1	CAD	88.86	Case Credit Holdings Limited	99.500	
					CNH Canada, Ltd.	0.500	
CNH Capital Equipment Loan and Lease Facility LLC	U.S.A.	5,000	USD	88.86	CNH Capital America LLC	100.000	
CNH Capital Finance LLC	U.S.A.	5,000	USD	88.86	Case Credit Holdings Limited	100.000	
CNH Capital Insurance Agency Inc.	U.S.A.	5	USD	88.86	CNH Capital America LLC	100.000	
CNH Capital LLC	U.S.A.	0	USD	88.86	CNH America LLC	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	0	USD	88.86	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0	USD	88.86	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	United Kingdom	10,000,001	GBP	88.86	CNH Capital Benelux NV	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842	MXN	88.86	CNH America LLC	100.000	
CNH Danmark A/S	Denmark	12,000,000	DKK	88.86	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Germany	18,457,650	EURO	88.86	CNH Baumaschinen GmbH	90.000	
					CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	U.S.A.	1,000	USD	88.86	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	53,000,000	USD	88.86	CNH Global N.V.	100.000	
CNH Financial Services A/S	Denmark	500,000	DKK	88.86	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Germany	1,151,000	EURO	88.86	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	France	50,860,641	EURO	88.86	CNH Global N.V.	98.888	
					CNH Capital Benelux NV	1.112	
CNH France S.A.	France	138,813,150	EURO	88.86	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Switzerland	100,000	CHF	88.86	CNH Global N.V.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CNH Italia s.p.a.	Italy	15,600,000	EURO	88.86	CNH Osterreich GmbH	75.000	
					CNH Global N.V.	25.000	
CNH Latin America Ltda.	Brazil	847,210,015	BRL	88.86	CNH Global N.V.	85.658	
					Case Brazil Holdings Inc.	12.557	
					Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Spain	21,000,000	EURO	88.86	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	Austria	2,000,000	EURO	88.86	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Poland	162,591,660	PLN	88.86	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798	EURO	88.86	CNH Europe Holding S.A.	99.980	
					CNH Italia s.p.a.	0.020	
CNH Receivables LLC	U.S.A.	0	USD	88.86	CNH Capital America LLC	100.000	
CNH Reman LLC	U.S.A.	4,000,000	USD	44.43	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Thailand	10,000,000	THB	88.86	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Italy	10,400	EURO	88.86	CNH Italia s.p.a.	100.000	
CNH Trade N.V.	Netherlands	50,000	EURO	88.86	CNH Global N.V.	100.000	
CNH U.K. Limited	United Kingdom	91,262,275	GBP	88.86	CNH Osterreich GmbH	100.000	
CNH Wholesale Receivables LLC	U.S.A.	0	USD	88.86	CNH Capital America LLC	100.000	
CNH-KAMAZ Commercial B.V.	Netherlands	18,000	EURO	88.86	CNH Global N.V.	100.000	
Fiatallis North America LLC	U.S.A.	32	USD	88.86	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1	USD	88.86	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776	GBP	88.86	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	U.S.A.	1,000	USD	88.86	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Uzbekistan	0	USD	45.32	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Uzbekistan	0	USD	53.32	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Uzbekistan	0	USD	45.32	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Uzbekistan	0	USD	45.32	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	U.S.A.	0	USD	57.76	New Holland Excavator Holdings LLC	65.000	
Limited Liability Company "CNH Parts and Service Operations"	Russia	54,000,000	RUB	88.86	CNH Global N.V.	100.000	
MBA AG	Switzerland	4,000,000	CHF	88.86	CNH Global N.V.	100.000	
New Holland Credit Company, LLC	U.S.A.	0	USD	88.86	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	U.S.A.	0	USD	88.86	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	89.26	CNH Asian Holding Limited N.V.	96.407	48.965
					Fiat Group Automobiles S.p.A.	3.593	51.035
New Holland Holding (Argentina) S.A.	Argentina	23,555,415	ARS	88.86	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	106,328,601	GBP	88.86	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	Italy	110,025,936	EURO	72.46	CNH Italia s.p.a.	81.544	
New Holland Ltd	United Kingdom	1,000,000	GBP	88.86	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Belgium	9,631,500	EURO	88.86	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565	EURO	88.86	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	U.S.A.	1,000	USD	88.86	CNH America LLC	100.000	
Receivables Credit II Corporation	Canada	1	CAD	88.86	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	35,000,000	USD	53.32	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Austria	35,000	EURO	88.86	CNH Osterreich GmbH	100.000	
Trucks and Commercial Vehicles							
Iveco S.p.A.	Italy	200,000,000	EURO	100.00	Fiat S.p.A.	100.000	
Afin Bohemia s.r.o.	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Romenia	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Bulgaria	200,000	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Austria	1,500,000	EURO	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Romenia	77,163,680	RON	100.00	Afin Leasing AG	99.800	
					Afin Bohemia s.r.o.	0.050	
					Afin Bulgaria EAD	0.050	
					Afin Hungary Kereskedelmi KFT.	0.050	
					Afin Slovakia S.R.O.	0.050	
Afin Slovakia S.R.O.	Slovak Republic	39,833	EURO	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	12,000,000	ETB	70.00	Fiat Netherlands Holding N.V.	70.000	
AS Afin Baltica	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000	EURO	100.00	Iveco S.p.A.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838	EURO	100.00	Iveco Investitions GmbH	90.000	
					Fiat Gestione Partecipazioni S.p.A.	10.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
F. Pegaso S.A.	Spain	993,045	EURO	100.00	Iveco España S.L.	99.996	
					Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Fiat Industrial Finance France S.A.	France	1,000,000	EURO	100.00	Fiat Netherlands Holding N.V.	99.998	
Heuliez Bus S.A.	France	9,000,000	EURO	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565	EURO	100.00	Iveco Investitions GmbH	95.000	
					Fiat Gestione Partecipazioni S.p.A.	5.000	
Ikarus Egyedi Autobusz GY	Hungary	46,280,000	HUF	89.09	Iveco España S.L.	89.088	
Industrial Vehicles Center Hainaut S.A.	Belgium	600,000	EURO	100.00	S.A. Iveco Belgium N.V.	95.000	
					Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	United Kingdom	200,000	GBP	100.00	Iveco España S.L.	100.000	
Irisbus Australia Pty. Ltd.	Australia	6,123,391	AUD	100.00	Iveco España S.L.	100.000	
Irisbus Benelux Ltd.	Luxembourg	594,000	EURO	100.00	Iveco France	99.983	
					Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Germany	3,800,000	EURO	100.00	Iveco España S.L.	100.000	
Irisbus Italia S.p.A.	Italy	4,500,000	EURO	100.00	Iveco España S.L.	100.000	
IVC Brabant N.V. S.A.	Belgium	800,000	EURO	100.00	S.A. Iveco Belgium N.V.	75.000	
					Iveco Nederland B.V.	25.000	
Iveco (Schweiz) AG	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	12,879,000	TRY	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Argentina S.A.	Argentina	130,237,793	ARS	100.00	Iveco España S.L.	99.000	
					Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Austria	6,178,000	EURO	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000	EURO	100.00	Iveco Magirus AG	100.000	
Iveco Capital SA	Switzerland	14,000,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Contract Services Limited	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000	DKK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco España S.L.	Spain	121,612,116	EURO	100.00	Fiat Netherlands Holding N.V.	100.000	
Business Trucks and Commercial Vehicles							
Iveco Est Sas	France	2,005,600	EURO	100.00	Iveco France	100.000	
Iveco France	France	92,856,130	EURO	100.00	Iveco España S.L.	50.326	
					Fiat Netherlands Holding N.V.	49.674	
Iveco Holdings Limited	United Kingdom	47,000,000	GBP	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Germany	2,556,459	EURO	100.00	Iveco Magirus AG	99.020	
					Fiat Gestione Partecipazioni S.p.A.	0.980	
Iveco L.V.I. S.a.s.	France	503,250	EURO	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	100.000	
Business Trucks and Commercial Vehicles							
Iveco Limited	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Business Trucks and Commercial Vehicles							
Iveco Magirus AG	Germany	50,000,000	EURO	100.00	Fiat Netherlands Holding N.V.	88.340	
					Fiat Gestione Partecipazioni S.p.A.	6.000	
Business Trucks and Commercial Vehicles					Iveco S.p.A.	5.660	
Iveco Magirus Brandschutztechnik GmbH	Germany	6,493,407	EURO	100.00	Iveco Magirus Fire Fighting GmbH	99.764	
					Fiat Gestione Partecipazioni S.p.A.	0.236	
Iveco Magirus Brandschutztechnik GmbH	Austria	1,271,775	EURO	95.00	Iveco Magirus Brandschutztechnik GmbH	95.000	
Iveco Magirus Brandschutztechnik Gorlitz GmbH	Germany	511,292	EURO	88.00	Iveco Magirus Brandschutztechnik GmbH	88.000	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857	EURO	100.00	Iveco Magirus AG	90.032	
					Fiat Gestione Partecipazioni S.p.A.	9.968	
Iveco Magirus Firefighting CAMIVA S.a.s. (societè par actions simplifièe)	France	1,870,169	EURO	100.00	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Nederland B.V.	Netherlands	4,537,802	EURO	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500	EURO	100.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730	EURO	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000	EURO	100.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000	NOK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046	TRY	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l.	Italy	50,000,000	EURO	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
					Iveco Limited	50.000	
Iveco Poland Ltd.	Poland	46,974,500	PLN	100.00	Fiat Netherlands Holding N.V.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000	EURO	100.00	Fiat Netherlands Holding N.V.	99.997	
					Astra Veicoli Industriali S.p.A.	0.001	
Iveco Romania S.r.l.	Romenia	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Slovak Republic	6,639	EURO	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750	ZAR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900	EURO	100.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. *(business Veicoli Industriali)*	Sweden	600,000	SEK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Trucks Australia Limited	Australia	47,492,260	AUD	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692	UAH	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	2,498,644	VEF	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000	EURO	100.00	Iveco Magirus AG	100.000	
Mediterranea de Camiones S.L.	Spain	48,080	EURO	100.00	Iveco España S.L.	99.875	
					Fiat Netherlands Holding N.V.	0.125	
Officine Brennero S.p.A.	Italy	2,833,830	EURO	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
OOO Iveco Russia	Russia	868,545,000	RUB	100.00	Fiat Netherlands Holding N.V.	99.960	
					Afin Leasing AG	0.040	
S.A. Iveco Belgium N.V.	Belgium	6,000,000	EURO	100.00	Fiat Netherlands Holding N.V.	99.983	
					Iveco Nederland B.V.	0.017	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	France	2,370,000	EURO	100.00	Iveco España S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400	EURO	100.00	Iveco France	100.000	
Transolver Service S.A.	Spain	610,000	EURO	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Italy	214,763	EURO	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Lithuania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	France	1,067,500	EURO	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560	EURO	51.87	Iveco España S.L.	51.867	
FPT Industrial							
FPT Industrial S.p.A.	Italy	100,000,000	EURO	100.00	Fiat S.p.A.	100.000	
2 H Energy S.A.S.	France	2,000,000	EURO	100.00	Fiat Industrial Finance France S.A.	100.000	
Componentes Mecanicos S.A.	Spain	37,405,038	EURO	100.00	Iveco España S.L.	100.000	
European Engine Alliance S.c.r.l.	Italy	32,044,797	EURO	96.29	FPT Industrial S.p.A.	66.667	
					CNH Global N.V.	33.333	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1	USD	100.00	FPT Industrial S.p.A.	100.000	
FPT - Powertrain Technologies France S.A.	France	73,444,960	EURO	100.00	Iveco France	97.200	
					Fiat Industrial Finance France S.A.	2.800	
Iveco España S.L. *(business FPT Industrial)*	Spain	121,612,116	EURO	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Latin America Ltda *(business FPT Industrial)*	Brazil	334,720,744	BRL	100.00	Iveco España S.L.	100.000	
Iveco Limited *(business FPT Industrial)*	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business FPT Industrial)*	Germany	50,000,000	EURO	100.00	Fiat Netherlands Holding N.V.	88.340	
					Fiat Gestione Partecipazioni S.p.A.	6.000	
					Iveco S.p.A.	5.660	
Iveco Motorenforschung AG	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
Iveco Sweden A.B. *(business FPT Industrial)*	Sweden	600,000	SEK	100.00	Fiat Netherlands Holding N.V.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000	CNY	60.00	FPT Industrial S.p.A.	30.000	
					SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Holding companies and Other companies							
Fiat Industrial Finance Europe S.A.	Luxembourg	50,000,000	EURO	100.00	Fiat Industrial Finance S.p.A.	100.000	
Fiat Industrial Finance North America Inc.	U.S.A.	0	USD	100.00	Fiat Industrial Finance S.p.A.	100.000	
Fiat Industrial Finance S.p.A.	Italy	100,000,000	EURO	100.00	Fiat S.p.A.	100.000	
Fiat Industrial S.p.A.	Italy	120,000	EURO	100.00	Fiat S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Netherlands	2,610,397,295	EURO	100.00	Fiat S.p.A.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.56%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Real Estate Services							
BIGeREALESTATE, Inc.	USA	N/A	USD	71.620%	Cushman & Wakefield, Inc.	73.100%	
Buckbee Thorne & Co.	USA	37,500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
C & W Offshore Consulting, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	MXN	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004%	
C & W-Japan K.K.	JAPAN	200	YEN	100.000%	Cushman & Wakefield International Inc.	100.000%	
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Ltd.	99.000%	
Cushman & Wakefield - Argentina S.A.	ARGENTINA	3,344,930	ARS	99.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	94.000%	
					Cushman & Wakefield of South America, Inc.	5.000%	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CLP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980%	
					Cushman & Wakefield of South America, Inc.	0.020%	
Cushman & Wakefield - Colombia Ltda	COLOMBIA	5,706,000	COP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895%	
					Cushman & Wakefield of South America, Inc.	0.105%	
Cushman & Wakefield - Semco Peru S.A.	PERU	55,842	PEN	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000%	
					Cushman & Wakefield of South America, Inc.	5.000%	
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	50,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	
Cushman & Wakefield (China) Limited	HONG KONG	2	HKD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited.	100.000%	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	GREECE	60,000	EUR	99.995%	Cushman & Wakefield (France Holdings) SAS	99.995%	
Cushman & Wakefield (HK) Limited.	HONG KONG	100	HKD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield (Middle East) FZE	UNITED ARAB EMIRATES	1,000,000	USD	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield (NSW) Pty Limited	AUSTRALIA	4	AUD	100.000%	Cushman & Wakefield (Australia) Pty Limited	100.000%	
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	SGD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield (Shanghai) Co., Ltd.	PEOPLE'S REP. OF CHINA	1,800,000	USD	100.000%	Cushman & Wakefield (China) Limited	100.000%	
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.000%	Cushman & Wakefield (UK) Services Ltd.	100.000%	
Cushman & Wakefield (Vietnam) Limited	VIETNAM	4,000,000,000	VND	100.000%	Cushman & Wakefield Singapore Holdings Pte. Ltd.	100.000%	
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	80	USD	80.000%	Cushman & Wakefield/Premisys, Inc.	80.000%	
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.000%	Cushfield, Inc.	100.000%	
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,586,444	BRL	97.990%	Cushman & Wakefield International Holdings Limited Partnership	97.990%	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.000%	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000%	
Cushman & Wakefield Corporate Finance Limited	UNITED KINGDOM	10,000	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXP	100.000%	Cushman & Wakefield of North America, Inc.	50.000%	
					Cushman & Wakefield of the Americas, Inc.	50.000%	
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Expertise SAS	FRANCE	37,000	EUR	100.000%	Cushman & Wakefield SAS	100.000%	
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	TURKEY	1,796	TRY	89.900%	Cushman & Wakefield (France Holdings) SAS	89.800%	
		1	TRY		Healey & Baker Limited	0.050%	
		1	TRY		Cushman & Wakefield (EMEA) Limited	0.050%	
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield Hospitality srl	ITALY	9,000	EUR	90.00%	Cushman & Wakefield Hospitality Limited	90.000%	
Cushman & Wakefield India Private Limited	INDIA	336,447,800	INR	100.000%	Cushman & Wakefield Mauritius Holdings, Inc.	99.990%	
					Cushman & Wakefield of Asia Limited	0.010%	
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	96.670%	
					Cushman & Wakefield Residential Limited	3.330%	
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	
Cushman & Wakefield Investors - Americas, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Investors SAS	FRANCE	25,443	EUR	100.000%	Cushman & Wakefield Investors Limited	100.000%	
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	100,000	KRW	100.000%	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000%	
Cushman & Wakefield LLC	UKRAINE	50,500	UAH	100.000%	Cushman & Wakefield EMEA	99.000%	
					Healey & Baker Limited	1.000%	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.56%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Limited	99.000%	
Cushman & Wakefield Loan.Net, Inc.	USA	20	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Ltd.	CANADA	11,000	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	
Cushman & Wakefield Luxembourg	LUXEMBOURG	12,500	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.000%	Cushman & Wakefield State Street, Inc.	100.000%	
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Mortgage Brokerage, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Negócios Imobiliários Ltda.	BRAZIL	775,000	BRL	99.990%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	
Cushman & Wakefield Netherlands B.V.	NETHERLANDS	40,000	NLG	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Arizona, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Colorado, Inc.	USA	800	USD	80.000%	Cushman & Wakefield, Inc.	80.000%	
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Delaware, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Georgia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Illinois, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Indiana, Inc.	USA	5	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Michigan, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Mississippi, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of North America, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Pennsylvania, Inc.	USA	14	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield of California, Inc.	100.000%	
Cushman & Wakefield of South America, Inc.	USA	100	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Washington, Inc.	USA	50	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield OOO	RUSSIA	600	RUB	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	
					Cushman & Wakefield International, Inc.	1.000%	
Cushman & Wakefield Oy	FINLAND	2,500	EUR	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield Polska SP z.o.o.	POLAND	135,588	PLN	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Property Management Services India Private Limited	INDIA	100,000	INR	99.980%	Cushman & Wakefield India Private Limited	99.980%	
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	HUF	100.000%	Cushman & Wakefield International Real Estate Kft	100.000%	
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAK REPUBLIC	N/A	EUR	100.000%	Cushman & Wakefield, s.r.o.	100.000%	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	CANADA		CAD	100.000%	Cushman & Wakefield Ltd.	100.000%	
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield SAS	FRANCE	42,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	
Cushman & Wakefield Securities, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield - Serviços Gerais Ltda.	BRAZIL	10,000	BRL	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	
					Cushman & Wakefield of South America, Inc.	0.010%	
Cushman & Wakefeild Sonnenblick Goldman of California Inc	USA	1	USD	100.000%	Cushman & Wakefield Sonnenblick -Goldman LLC	100.000%	
Cushman & Wakefield Sonnenblick- Goldman LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Mortgage Brokerage, Inc.	100.000%	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.56%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield European Holdings, Inc.	100.000%	
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Stiles & Riabokobylko Management ZAO	RUSSIA	600	RUB	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	
					Cushman & Wakefield International, Inc.	1.000%	
Cushman & Wakefield Thailand Limited	THAILAND	8,000,000	THB	99.980%	Cushman & Wakefield of Asia Limited	99.980%	
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield International Holdings Limited Partnership	98.000%	
					Cushman & Wakefield Global Holdco Limited	2.000%	
Cushman & Wakefield V.O.F.	NETHERLANDS		EUR	99.000%	Cushman & Wakefield, Netherlands B.V.	99.000%	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	2	HKD	100.000%	Cushman & Wakefield (HK) Limited.	100.000%	
Cushman & Wakefield Venezuela, S.A.	VENEZUELA	1,000,000	VEB	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000%	
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	SGD	100.000%	Cushman & Wakefield (S) Pte Limited	100.000%	
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	50,000	PLN	99.000%	Cushman & Wakefield Polska SP z.o.o.	99.000%	
Cushman & Wakefield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield Holdings, Inc.	100.000%	
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	16,200,000	MXN	100.000%	Cushman & Wakefield de Mexico, S.A. de C.V	99.990%	
					Cushman & Wakefield of the Americas, Inc.	0.010%	
Cushman & Wakefield, s. r. o.	CZECH REPUBLIC	100,000	EUR	80.000%	Cushman & Wakefield (France Holdings) SAS	80.000%	
				20.000%	Cushman & Wakefield Global Holdco Limited	20.000%	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	INDONESIA	5,000	IDR	98.000%	Cushman & Wakefield Indonesia Holdings Private Limited	98.000%	
S.C. Cushman & Wakefield Romania S.R.L.	ROMANIA	1,000	RON	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	
					Healey & Baker Limited	1.000%	
SG Real Estate Securities LLC	USA	N/A	USD	100.000%	SG Securities Holdings LLC	100.000%	
SG Securities Holdings LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Sonnenblick- Goldman LLC	100.000%	
The Apartment Group LLC	USA	200	USD	100.000%	Cushman & Wakefield of Georgia, Inc.	100.000%	
Asset Services							
Cushman & Wakefield Asset Management K.K.	JAPAN	11,900	JPY	100.000%	Cushman & Wakefield Investment Advisors K.K.	100.000%	
Cushman & Wakefield Asset Management, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Facilities Management Services	CANADA	1,000	CAD	100.000%	Cushman & Wakefield FM Limited Partnership	50.000%	
					Cushman & Wakefield Ltd.	50.000%	
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.000%	
					Cushman & Wakefield GP Inc	1.000%	
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	
Holding							
Cushman & Wakefield (BVI) Inc	BRITISH VIRGIN ISLANDS	10,000	USD	100.000%	Cushman & Wakefield of Asia, Inc.	99.990%	
					Cushman & Wakefield International Inc.	0.010%	
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield (France Holdings) SAS	FRANCE	7,910,207	EUR	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield of Asia Inc	99.990%	
					Cushman & Wakefield International Inc.	0.010%	
Cushman & Wakefield European Holdings, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Finance Subsidiary LLC	USA	29,018,000.00	USD		Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	
Cushman & Wakefield Gestion, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Global Holdco Limited	UNITED KINGDOM		EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	
Cushman & Wakefield Holdings, Inc.	USA	58,573	USD	100.000%	C & W Group Inc	100.000%	
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	100,000	SGD	60.000%	Cushman & Wakefield Singapore Holdings Pte Limited	60.000%	
Cushman & Wakefield International Finance Subsidiary, Inc	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield International Holdings Limited Partnership	UNITED KINGDOM	N/A	EUR	100.000%	Cushman & Wakefield European Holdings, Inc	63.653%	
					Cushman & Wakefield of South America, Inc.	13.798%	
					Cushman & Wakefield, Inc.	22.172%	
					Cushman & Wakefield Gestion, Inc.	0.377%	
Cushman & Wakefield International, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	979,152	USD	59.710%	Cushman & Wakefield of Asia, Inc.	59.710%	
				25.000%	Cushman & Wakefield (BVI), Inc.	25.000%	
					Cushman & Wakefield (EMEA) Limited	15.290%	
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of the Americas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	SGD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.56%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Insurance							
Nottingham Indemnity, Inc.	USA	100,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
REIT management							
Cushman & Wakefield Investment Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Realty Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Business Support Management							
Cushman & Wakefield Facilities Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushfield Maintenance West Corp.	USA	1,000	USD	100.000%	Buckbee Thorne & Co.	100.000%	
Cushfield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.000%	C&W-Japan K.K.	100.000%	
Cushman & Wakefield National Corporation	USA	5,100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Others							
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	500,000	AUD	100.000%	Cushman & Wakefield Singapore Holdings Pte Limited	75.000%	
					Cushman & Wakefield Holding Pty Limited	25.000%	
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield Advisory Asia (India) Private Limited	INDIA		INR	99.000%	Cushman & Wakefield Capital Holdings (Asia)	99.000%	
				1.000%	Cushman & Wakefield Capital Asia Limited	1.000%	
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield First Nova Scotia ULC	99.900%	
					Cushman & Wakefield Second Nova Scotia ULC	0.100%	
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKD	100.000%	Cushman & Wakefield of Asia, Inc.	100.000%	
Cushman & Wakefield Cleaning Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Holding Pty Limited	AUSTRALIA	1	AUD	100.000%	Cushman & Wakefield Singapore Holdings Private Limited	100.000%	
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	
Cushman & Wakefield Ireland Limited	IRELAND	1,000,000	EUR	100.000%	Cushman & Wakefield International Holdings Limited Partnership	100.000%	
Cushman & Wakefield LP Limited	GRAND CAYMAN	N/A	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.990%	
					Cushman & Wakefield Second Nova Scotia ULC	0.010%	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	MEXICO	50,000	MXN	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004%	
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	MXN	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004%	

Investments of the Alpitour Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Hotel management

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	
ALPITOUR WORLD HOTELS & RESORTS S.p.A.	ITALY	140,385.00	EURO	100.000	ALPITOUR S.p.A.	100.000	
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	
					JUMBOTURISMO S.A. UNIPERSONAL	1.000	
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	
LIDO ARENELLA di DI MAURO GIOVANNI Srl	ITALY	100,000.00	EURO	100.000	BLUMARIN HOTELS SICILIA S.p.A.	100.000	
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	JUMBOTURISMO S.A. UNIPERSONAL	99.000	
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	
NETRADE S.p.A.	ITALY	300,000.00	EURO	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	
					JUMBOTURISMO S.A. UNIPERSONAL	1.000	

Distribution (Travel agency)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EURO	100.000	WELCOME TRAVEL GROUP S.p.A.	100.000	
BLUE VIAGGI S.A.	SWITZERLAND	100,000.00	CHF	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
WELCOME TRAVEL GROUP S.p.A.	ITALY	3,939,855.00	EURO	100.000	ALPITOUR S.P.A.	100.000	

Incoming services

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP.	1,000,000	DOP	99.990	JUMBOTURISMO S.A. UNIPERSONAL	99.990	
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.010	
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EURO	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
JUMBO TOURS FRANCE S.A.	FRANCE	37,000.00	EURO	99.940	JUMBOTURISMO S.A. UNIPERSONAL	99.940	
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EURO	100.000	ALPITOUR S.p.A	100.000	
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
JUMBO MOROCCO INCOMING S.A.	MOROCCO	400,000	MAD	99.850	JUMBOTURISMO S.A. UNIPERSONAL	99.850	
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	

Tour operating

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A	50.000	
WELLTOUR Srl	ITALY	750,000.00	EURO	80.000	ALPITOUR S.p.A.	80.000	

Insurance

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	2,500,000.00	EURO	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
VALORE SICURO S.R.L.	ITALY	100,000.00	EURO	100.000	ALPITOUR S.p.A.	100.000	

MICE

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
AW EVENTS Srl	ITALY	23,838.00	EURO	83.900	ALPITOUR S.p.A.	83.900	

Aviation

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
NEOS S.p.A.	ITALY	4,425,800.00	EURO	100.000	ALPITOUR S.p.A.	100.000	

Investments of the Holdings System accounted for by the equity method

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Holding companies and Other companies							
ASSOCIATED COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD							
SEQUANA S.A.	FRANCE	74,317,503	EURO	28.37	EXOR S.A.	28.244	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.59%)

FIAT GROUP POST DEMERGER

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method							
Fiat Group Automobiles							
FGA CAPITAL S.p.A.	Italy	700,000,000	EURO	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	France	3,000,000	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	France	11,360,000	EURO	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Austria	5,000,000	EURO	50.00	FGA CAPITAL S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Germany	39,600,000	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EURO	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Greece	1,200,000	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Portugal	10,000,000	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Ireland	132,562	EURO	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Netherlands	3,085,800	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Ireland	1,000,000	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Spain	25,145,299	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Spain	26,671,557	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	United Kingdom	50,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	United Kingdom	19,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Portugal	500,300	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Greece	60,000	EURO	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Austria	40,000	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Poland	12,500,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	United Kingdom	20,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Poland	10,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	France	8,954,581	EURO	50.00	FC France S.A.	99.998	
FL Location SNC	France	76,225	EURO	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Italy	77,979,400	EURO	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Limited	India	16,849,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
(business Fiat Group Automobiles)							
G.E.I.E. Gisevel	France	15,200	EURO	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	France	15,200	EURO	50.00	Fiat France	50.000	
GAC FIAT Automobiles Co. Ltd.	Turkey	900,000,000	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
(business Fiat Group Automobiles)							
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
MEKATRO Arastirma-Gelistirme ve Ticaret A.S.	Turkey	150,000	TRY	36.72	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	97.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000	EURO	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	France	80,325,000	EURO	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
Fiat Powertrain							
Fiat India Automobiles Limited	India	16,849,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
(business Fiat Powertrain)							
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Netherlands	1,000,000	EURO	50.00	Fiat Powertrain Technologies SpA	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
GAC FIAT Automobiles Co. Ltd.	Turkey	900,000,000	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
(business Fiat Powertrain)							
Components							
Endurance Magneti Marelli Shock Absorbers (India) Private Limited	India	289,999,980	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	India	600,000,000	INR	49.99	Magneti Marelli Motherson India Holding B.V.	63.333	100,000
					Magneti Marelli S.p.A.	18.330	0,000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,000,000	EURO	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	95,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	Turkey	12,000,000	EURO	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50,000
tema.mobility	Italy	850,000	EURO	50.00	Magneti Marelli S.p.A.	50.000	
Metallurgical Products							
Hua Dong Teksid Automotive Foundry Co. Ltd.	Turkey	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method							
Fiat Group Automobiles							
Alfa Romeo Inc.	U.S.A.	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
F.A. Austria Commerz GmbH	Austria	37,000	EURO	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
Italcar SA	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Components							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Holding companies and Other companies							
Fabbrica Italia Pomigliano S.p.A.	Italy	200,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fast-Buyer S.p.A.	Italy	500,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat (China) Business Co., Ltd.	Turkey	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Financière Pegaso France S.A.	France	260,832	EURO	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Italy	300,000	EURO	99.54	Fiat Partecipazioni S.p.A.	54.000	
					Fiat Group Automobiles S.p.A.	16.000	
					Fiat Gestione Partecipazioni S.p.A.	12.000	
					Comau S.p.A.	3.000	
					Fiat Powertrain Technologies SpA	3.000	
					Fiat S.p.A.	3.000	
					Fiat Services S.p.A.	3.000	
					Magneti Marelli S.p.A.	3.000	
					Teksid S.p.A.	3.000	
Iveco Motors of China Limited in liquidation	Turkey	300,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Iveco S.P.R.L.	Congo (Dem. Rep. Congo)	1	CDF	100.00	Fiat Gestione Partecipazioni S.p.A.	99.992	
					Astra Veicoli Industriali S.p.A.	0.008	
New Business 8 S.r.l.	Italy	50,000	EURO	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Argentina	150,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidation	Italy	9,544,080	EURO	99.79	Fiat Partecipazioni S.p.A.	99.785	
Associated companies accounted for using the equity method							
Fiat Group Automobiles							
Chrysler Group LLC	U.S.A.	0	USD	20.00	FIAT NORTH AMERICA LLC	20.000	
Utymat S.A.	Spain	4,644,453	EURO	37.50	FGA Investimenti S.p.A.	37.500	
Fiat Powertrain							
Haveco Automotive Transmission Co. Ltd.	Turkey	200,010,000	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.330	
Publishing and Communications							
Società Editrice Mercantile - S.E.M. S.R.L.	Italy	3,000,000	EURO	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Italy	510,000	EURO	45.00	Editrice La Stampa S.p.A.	45.000	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.59%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Holding companies and Other companies							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Turkey	240,000,000	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.333	
Iveco-Motor Sich, Inc.	Ukraine	26,568,000	UAH	38.62	Fiat Gestione Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	Fiat Gestione Partecipazioni S.p.A.	27.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Italy	762,019,050	EURO	10.09	Fiat S.p.A.	10.093	10,497

COMPANIES THAT WILL BECOME PART OF THE FIAT INDUSTRIAL GROUP

Name	Registered Office	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method							
Agricultural and Construction Equipment							
Case Mexico S.A. de C.V.	Mexico	810,000	MXN	44.43	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000	EURO	44.43	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000	MXN	44.43	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000	MXN	44.43	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	200,050,000	MXN	44.43	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000	MXN	43.54	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000	MXN	44.43	CNH de Mexico SA de CV	99.999	
L&T-Case Equipment Private Limited	India	240,100,000	INR	44.43	CNH America LLC	50.000	
LLC CNH-KAMAZ Industry	Russia	60,081,800	RUB	44.43	CNH Global N.V.	50.000	
New Holland HFT Japan Inc.	Japan	240,000,000	JPY	44.43	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Turkey	53,369,000	TRY	33.32	CNH Global N.V.	37.500	
Trucks and Commercial Vehicles							
Iveco - Oto Melara Società consortile r.l.	Italy	40,000	EURO	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Italy	3,000,000	EURO	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	160,000,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	People's Rep.of China	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	9,814,931	EURO	50.00	Fiat Netherlands Holding N.V.	50.000	
Subsidiaries accounted for using the equity method							
Agricultural and Construction Equipment							
CNH-KAMAZ Industrial B.V.	Netherlands	18,000	EURO	88.86	CNH Global N.V.	100.000	
Farmers New Holland Inc.	U.S.A.	800,000	USD	88.86	CNH America LLC	100.000	
Jackson New Holland, Inc.	U.S.A.	371,000	USD	83.83	CNH America LLC	94.340	
LLC CNH-KAMAZ Commerce	Russia	20,408	RUB	45.32	CNH Global N.V.	51.000	
Mid State New Holland, Inc.	U.S.A.	400,000	USD	77.75	CNH America LLC	87.500	
Northside New Holland Inc.	U.S.A.	250,000	USD	61.92	CNH America LLC	69.680	
Ridgeview New Holland Inc.	U.S.A.	534,000	USD	55.88	CNH America LLC	62.884	
Sunrise Tractor & Equipment Inc.	U.S.A.	691,000	USD	88.86	CNH America LLC	100.000	
Trucks and Commercial Vehicles							
Iveco Colombia S.a.s.	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
					Iveco Latin America Ltda	0.010	
Associated companies accounted for using the equity method							
Agricultural and Construction Equipment							
Al-Ghazi Tractors Ltd	Pakistan	214,682,226	PKR	38.36	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	France	88,482,297	EURO	44.34	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	U.S.A.	790,000	USD	44.43	CNH America LLC	50.000	
Farm FZCO	United Arab Emirates	6,600,000	AED	25.58	CNH Italia s.p.a.	28.788	
Kobelco Construction Machinery Co. Ltd.	Japan	16,000,000,000	JPY	17.77	CNH Global N.V.	20.000	
Trucks and Commercial Vehicles							
GEIE V.IV.RE	France	0	EURO	50.00	Iveco S.p.A.	50.000	
Iveco Finance Holdings Limited	United Kingdom	1,000	EURO	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
IVECO-AMT Ltd.	Russia	65,255,056	RUB	33.33	Fiat Netherlands Holding N.V.	33.330	
V.IVE.RE Gruppo Europeo di Interesse Economico	Italy	0	EURO	50.00	Iveco S.p.A.	50.000	

Investments of C&W Group accounted for by the equity method (percentage of EXOR Group consolidation: 78.56%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
ASSET SERVICES							
Corporate Occupier Solutions Limited	UNITED KINGDOM	180,100	GBP	50.000%	Cushman & Wakefield (EMEA) Limited.	50.000%	

Investments of the Alpitour Group accounted for by the equity method (percentage of EXOR Group consolidation: 100%)

Name	Country	Share capital at 12/31/2010	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	JUMBOTURISMO S.A. UNIPERSONAL	49.000	
Incoming services							
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EURO	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EURO	30.000	ALPITOUR S.p.A.	30.000	
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	
PEMBA S.A.	SPAIN	510,809.20	EURO	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EURO	30.000	ALPITOUR S.p.A.	30.000	

Investments of the Holdings System valued at cost

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Real Estate						
SUBSIDIARIES VALUED AT COST						
ALMACANTAR S.A. (a)	LUXEMBOURG	18,187,500	EURO	EXOR S.A.	54.983	
ASSOCIATED COMPANIES VALUED AT COST						
JARDINE ROTHSCHILD ASIA CAPITAL LTD (b)	MAURITIUS	5,790,000	USD	EXOR S.A.	33.333	

(a) Purchased on April 28, 2010; the company is stated at cost.
(b) Purchased on September 30, 2010, the company is stated at cost.

Investments of Fiat Group valued at cost

FIAT GROUP POST DEMERGER

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost						
Fiat Group Automobiles						
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda. (*)	Brazil	4,375,687	BRL	Fiat Automoveis S.A. - FIASA	100.000	
CODEFIS Società consortile per azioni	Italy	120,000	EURO	Fiat Group Automobiles S.p.A.	51.000	
				CNH Capital U.K. Ltd	14.000	
				Iveco Partecipazioni Finanziarie S.r.l.	5.000	
FAS FREE ZONE Ltd. Kragujevac	Serbia	500	EURO	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Spain	30,051	EURO	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Portugal	15,000	EURO	Fiat Group Automobiles Portugal, S.A.	80.000	
Fiat Automobiles Service Co. Ltd.	People's Rep.of China	10,000,000	EURO	Fiat Group Automobiles S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000	GBP	Fiat Group Automobiles UK Ltd	100.000	
TCA - Tecnologia em Componentes Automotivos SA	Brazil	18,640,185	BRL	Fiat Automoveis S.A. - FIASA	100.000	
Ferrari						
Ferrari (Suisse) SA in liquidation	Switzerland	0	CHF	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000	EURO	Ferrari S.p.A.	94.286	
Components						
Automotive Lighting Japan K.K.	Japan	10,000,000	JPY	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidation	India	125,000,000	INR	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Brazil	1,000	BRL	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
				Fiat do Brasil S.A.	0.100	
Magneti Marelli d.o.o. Kragujevac, Kosovska 4	Serbia	500	EURO	Magneti Marelli S.p.A.	100.000	
Parco Scientifico e Tecnologico della Basilicata - S.p.A. in liquidation	Italy	120,000	EURO	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Fuel Tanks S.p.A.	Italy	120,000	EURO	Plastic Components and Modules Automotive S.p.A.	100.000	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000	TRY	Magneti Marelli S.p.A.	99.956	
Sistemi Comandi Meccanici S.C.M. S.p.A.	Italy	1,800,000	EURO	Magneti Marelli S.p.A.	100.000	
Publishing and Communications						
Comau U.K. Limited	United Kingdom	2,500	GBP	Comau S.p.A.	100.000	
Consorzio Fermag in liquidation	Italy	144,608	EURO	Comau S.p.A.	68.000	
Holding companies and Other companies						
Fiat Common Investment Fund Limited	United Kingdom	2	GBP	Fiat U.K. Limited	100.000	
Fiat Gra.De EEIG	United Kingdom	0	GBP	Fiat Group Automobiles S.p.A.	46.000	
				CNH Global N.V.	23.000	
				Fiat Netherlands Holding N.V.	23.000	
				Business Solutions S.p.A.	2.000	
				Fiat S.p.A.	2.000	
				C.R.F. Società Consortile per Azioni	1.000	
				Comau S.p.A.	1.000	
				Magneti Marelli S.p.A.	1.000	
				Teksid S.p.A.	1.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	France	37,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400	INR	Fiat Partecipazioni S.p.A.	99.825	
				Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Seguros Ltda	Brazil	365,525	BRL	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
New Business 27 S.r.l.	Italy	50,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
New Business 28 S.r.l.	Italy	50,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
New Business 29 S.r.l.	Italy	50,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
New Business 30 S.r.l.	Italy	50,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
New Business 31 S.r.l.	Italy	50,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
New Business 32 S.r.l.	Italy	50,000	EURO	Fiat Partecipazioni S.p.A.	100.000	
OOO Sadi Rus	Russia	2,700,000	RUB	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
				Fiat Services Polska Sp. z o.o.	10.000	

Investments of Fiat Group valued at cost

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Italy	120,000	EURO	Fiat Partecipazioni S.p.A.	77.822	
				Fiat S.p.A.	18.003	
				Editrice La Stampa S.p.A.	0.439	
				Fiat Group Automobiles S.p.A.	0.439	
				CNH Italia s.p.a.	0.220	
				Comau S.p.A.	0.220	
				Ferrari S.p.A.	0.220	
				Fiat Finance S.p.A.	0.220	
				Fiat Powertrain Technologies SpA	0.220	
				Fiat Services S.p.A.	0.220	
				Iveco S.p.A.	0.220	
				Magneti Marelli S.p.A.	0.220	
				Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
				Teksid S.p.A.	0.220	
Associated companies valued at cost						
Fiat Group Automobiles						
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000	EURO	Fiat Group Automobiles S.p.A.	30.000	
Fidis Rent GmbH	Germany	50,000	EURO	Fiat Group Automobiles Germany AG	49.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200	INR	FGA Investimenti S.p.A.	50.000	
Ferrari						
Iniziativa Fiorano S.r.l.	Italy	90,000	EURO	Ferrari S.p.A.	33.333	
Senator Software Gmbh	Germany	25,565	EURO	Ferrari Financial Services AG	49.000	
Components						
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000	EURO	Plastic Components and Modules Automotive S.p.A.	16.500	
				Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Italy	18,000	EURO	Magneti Marelli S.p.A.	33.333	
Flexider S.p.A.	Italy	4,080,000	EURO	Magneti Marelli S.p.A.	25.000	
Mars Seal Private Limited	India	400,000	INR	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000	TRY	Magneti Marelli S.p.A.	28.000	
Publishing and Communications						
Le Monde Europe S.A.S.	France	5,024,274	EURO	La Stampa Europe SAS	48.443	
Le Monde Presse S.A.S.	France	7,327,930	EURO	La Stampa Europe SAS	27.277	
Holding companies and Other companies						
Ciosa S.p.A. in liquidation	Italy	516	EURO	Fiat Partecipazioni S.p.A.	25.000	
Consorzio Parco Industriale di Chivasso	Italy	51,650	EURO	Fiat Partecipazioni S.p.A.	27.000	
				Plastic Components and Modules Automotive S.p.A.	10.900	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Italy	241,961	EURO	CNH Italia s.p.a.	10.672	
				Fiat Gestione Partecipazioni S.p.A.	10.672	
				Fiat Group Automobiles S.p.A.	10.672	
Consorzio Prode	Italy	51,644	EURO	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scuola Superiore per l'Alta Formazione Universitaria Federico II in liquidation	Italy	127,500	EURO	Elasis-Società Consortile per Azioni	20.000	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	Fiat do Brasil S.A.	50.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000	EURO	Fiat Group Automobiles S.p.A.	17.391	
				C.R.F. Società Consortile per Azioni	6.957	
L.U.C.I. SRL	Italy	10,000	EURO	Centro Ricerche Plast-Optica S.p.A.	34.500	
Maxus MC2 S.p.A.	Italy	219,756	EURO	Fiat Partecipazioni S.p.A.	20.000	
MB Venture Capital Fund I Participating Company F N.V.	Netherlands	50,000	EURO	Fiat Partecipazioni S.p.A.	45.000	
Nuova Didactica S.c. a r.l.	Italy	112,200	EURO	Ferrari S.p.A.	16.364	
				CNH Italia s.p.a.	12.273	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000	EURO	C.R.F. Società Consortile per Azioni	25.000	
Zastava-Kamioni D.O.O.	Serbia	1,673,505,893	RSD	Fiat Gestione Partecipazioni S.p.A.	33.677	
Zetesis S.p.A. in liquidation	Italy	283,150	EURO	Fiat Partecipazioni S.p.A.	40.000	
Other companies valued at cost						
Components						
Editori Riuniti S.p.A. in liquidation	Italy	441,652	EURO	Plastic Components and Modules Holding S.p.A.	13.110	
Holding companies and Other companies						
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Italy	225,000	EURO	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Italy	83,445	EURO	Elasis-Società Consortile per Azioni	5.319	
				C.R.F. Società Consortile per Azioni	5.213	
Consorzio Lingotto	Italy	9,612	EURO	Fiat Partecipazioni S.p.A.	11.500	
				Fiat S.p.A.	5.400	
Consorzio Spike	Italy	90,380	EURO	Fiat Gestione Partecipazioni S.p.A.	15.000	
Consorzio Technapoli	Italy	1,626,855	EURO	Elasis-Società Consortile per Azioni	11.110	
Ercole Marelli & C. S.p.A. in liquidation	Italy	9,633,000	EURO	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A. in liquidation	Italy	2,205,930	EURO	Fiat Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Italy	20,000	EURO	Fiat S.p.A.	14.285	

(*) Assets held for sale.

Investments of Fiat Group valued at cost

COMPANIES THAT WILL BECOME PART OF THE FIAT INDUSTRIAL GROUP

Name	Registered Office	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost						
Agricultural and Construction Equipment						
Case Construction Equipment, Inc.	U.S.A.	1,000	USD	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000	USD	CNH America LLC	100.000	
Fermec North America Inc.	U.S.A.	5	USD	CNH America LLC	100.000	
International Harvester Company	U.S.A.	1,000	USD	CNH America LLC	100.000	
J.I. Case Company Limited	United Kingdom	2	GBP	Case United Kingdom Limited	100.000	
New Holland Agricultural Equipment S.p.A.	Italy	120,000	EURO	CNH Italia s.p.a.	100.000	
New Holland Australia Pty Ltd	Australia	1	AUD	CNH Australia Pty Limited	100.000	
New Holland Construction Equipment S.p.A.	Italy	120,000	EURO	CNH Italia s.p.a.	100.000	
RosCaseMash	Russia	0	RUB	Case Equipment Holdings Limited	38.250	51,000
Trucks and Commercial Vehicles						
Altra S.p.A.	Italy	516,400	EURO	Iveco S.p.A.	100.000	
Irisbus North America Limited Liability Company	U.S.A.	20,000	USD	Iveco France	100.000	
Iveco Finland OY	Finland	100,000	EURO	Fiat Netherlands Holding N.V.	100.000	
M.R. Fire Fighting International S.A.	Romania	35,000,000	RON	Iveco Magirus Brandschutztechnik GmbH	74.000	
				Iveco Magirus Brandschutztechnik Gorlitz GmbH	1.000	
				Iveco Magirus Fire Fighting GmbH	1.000	
OOO "CABEKO"	Russia	270,625,000	RUB	Saveco Partecipazioni S.r.l.	50.520	99,059
				OOO "CABEKO"	49.000	0,000
				Fiat Gestione Partecipazioni S.p.A.	0.480	0,941
Saveco Partecipazioni S.r.l.	Italy	1,682,028	EURO	Iveco S.p.A.	100.000	
Associated companies valued at cost						
Agricultural and Construction Equipment						
Consorzio Nido Industria Vallesina	Italy	53,903	EURO	CNH Italia s.p.a.	38.728	
Trucks and Commercial Vehicles						
Sotra S.A.	Ivory Coast	3,000,000,000	XOF	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000	LYD	Iveco España S.L.	25.000	
Other companies valued at cost						
Agricultural and Construction Equipment						
Polagris S.A.	Lithuania	1,133,400	LTL	CNH Polska Sp. z o.o.	11.054	

Investments of C&W Group valued at cost

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
REAL ESTATE SERVICES						
Emptoris - Facilities Work	USA	1,000	USD	Cushman & Walefield Inc	0.230%	

Investments of the Alpitour Group valued at cost

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Distribution (Travel agency)						
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EURO	WELCOME TRAVEL GROUP S.p.A.	49.000	
WELCOME TRAVEL SUD S.r.l.	ITALY	100,000.00	EURO	WELCOME TRAVEL GROUP S.p.A.	50.000	
Incoming services						
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EURO	JUMBOTURISMO S.A. UNIPERSONAL	100.000	

Significant investments of the Holdings System

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Holding companies and Other companies						
BANIJAY HOLDING S.A.S.	FRANCE	2,057,501	EUR	EXOR S.A.	17.088	17.172
BTG INVESTMENTS LP	BERMUDAS	1,025,037	USD	EXOR S.A.	0.259	
BTG PACTUAL PARTICIPATIONS LTD	BERMUDAS	10	USD	EXOR S.A.	0.002	0.126
COPACABANA PRINCE PARTECIPACOES S.A.	BRAZIL	2,072,177,640	BRL	EXOR S.A.	1.615	
GRUPPO BANCA LEONARDO S.p.A.	ITALY	304,446,476	EUR	EXOR S.A.	14.572	
NoCo A LP (a)	USA	N.A.	USD	ANCOM USA INC	2.000	N.A.
THE ECONOMIST NEWSPAPER LIMITED	UNITED KINGDOM	1,260,005	GBP	EXOR S.A.	4.722	
SGS S.A.	SWITZERLAND	7,822,436	CHF	EXOR S.A.	15.000	

(a) Percentage holding in the limited partnership.

Investments of Almacantar

Name	Country	Share capital at 12/31/2010	Currency	Interest held by	% interest held	% of voting rights
Real Estate						
ALMACANTAR LIMITED	UNITED KINGDOM	2,000,000.00	GBP	ALMACANTAR SA	100.000	
ALMACANTAR S.à.r.l.	FRANCE	100,000.00	EURO	ALAMCANTAR SA	100.000	

EXOR

2011 Annual Report

Società per Azioni
Capital Stock Euro 246,229,850, fully paid-in
Registered office in Turin - Corso Matteotti 26 - Turin Company Register No. 00470400011

2011 ANNUAL REPORT

The 2011 Annual Report is available on the corporate website at: http://www.exor.com

---

This is an English translation of the Italian original document “Relazione Finanziaria 2011” approved by the EXOR S.p.A. board of directors on April 6, 2012 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian “Relazione Finanziaria 2011”

Dear shareholders,

EXOR's Net Asset Value, or NAV, decreased by 24.4% in 2011, underperforming the MSCI World Index denominated in Euros - the benchmark against which we measure our performance - by 19.9%.

EXOR'S NET ASSET VALUE (NAV)

€ millions	12/31/2010	12/31/2011	Change absolute	Change percentage
Listed Investments	7,435	5,655	(1,780)	-23.9%
Private Investments	1,096	1,201	105	+9.6%
Investment Value	**8,531**	**6,856**	**(1,675)**	**-19.6%**
Financial Liabilities	(1,266)	(1,142)	124	-9.8%
Financial Assets	1,309	816	(493)	-37.7%
Net Financial Position	**43**	**(326)**	**(369)**	**n.a.**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**-**	**-**
Net Asset Value	**8,364**	**6,320**	**(2,044)**	**-24.4%**

Despite our negative 2011 NAV performance we strongly believe that the quality of the companies we own and the ability of their leaders will allow EXOR's NAV to continue to outperform the MSCI World Index over the long term.

EXOR'S NAV PERFORMANCE vs. THE MSCI WORLD INDEX

Annual percentage change

Year	1 - EXOR NAV	2 - MSCI World Index Euro	Relative results (1-2)
2009	93.3	37.8	55.5
2010	45.8	17.2	28.6
2011	-24.4	-4.5	-19.9
Compounded annual rate	**30.6**	**16.5**	**14.1**

Note: data in 2009 starts from March 1st, the date befor EXOR's listing on the Milan stock exchange.

I think it's appropriate to give a brief overview of the challenging 2011 macroeconomic environment, especially in Europe. The sovereign debt crisis spread from Greece to other southern European countries, significantly increasing the cost of borrowing for the likes of Spain and Italy.

Had these two countries defaulted, with a stock of sovereign debt in excess of €2.5 trillion, it probably would have marked the end of the Euro as a common currency. A hard-won Europe-wide solution that balances fiscal austerity and solidarity mechanisms has helped restore confidence in the Euro zone. Italy has been crucial in this process, with the new government moving rapidly to implement structural reforms to ensure the sustainability of its sovereign debt, and it is now playing a proactive role in redesigning the governance of the European Union. These actions have been critical to restoring Europe's credibility with the global capital markets.

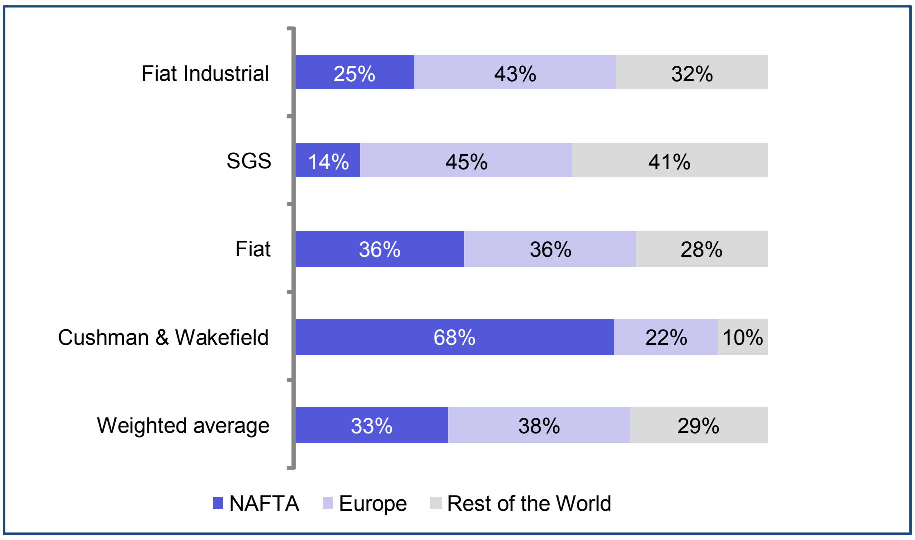
Jean Monnet said that "Europe will be forged in crises, and will be the sum of the solutions adopted for those crises". It is my hope and wish that in a few years, the sovereign debt crisis will come to be seen as having encouraged the necessary steps towards a more unified, stable and, most importantly, competitive Europe. The recent crisis has made clear that monetary union alone is insufficient; a true European Union will only be complete once this is complemented by common fiscal policies, greater solidarity among member states, and a shared financial discipline. Euro zone economies are already linked irreversibly, and I am more convinced than ever that European citizens are heading toward a more integrated political Europe.

Outside Europe the economic outlook in 2011 was mixed. News from the United States was mostly positive with activity increasing throughout the year, marking the end of the recession that began back in 2008. Unemployment has declined and the housing cycle should have reached a bottom, but debt level and government spending remain high. In many emerging countries, on the other hand, economic growth slowed during 2011, but it still remains high, about 6% on average.

Before moving on to our investments, I would like to address two important misperceptions, and in so doing to provide a clearer context in which to judge our NAV performance. I will do this by referencing data from our four largest investments (Fiat Industrial, SGS, FIAT-Chrysler and Cushman & Wakefield), which combined represent 83.5% of EXOR's Investment Value.

First, given our historical roots, it's easy to understand why some may perceive EXOR to be a predominantly European company. And had we decided to benchmark EXOR's NAV performance against the DJ Eurostoxx 50 Index or the FTSE MIB Index, our 2011 performance would have looked significantly better (we underperformed the DJ Eurostoxx 50 Index by just 7.3% and outperformed the FTSE MIB Index by 0.8%). Nevertheless, we have deliberately chosen to benchmark ourselves against the global MSCI World Index given our determination to build a truly global investment company. Our revenue diversification, aimed at achieving an established presence in the NAFTA region (USA, Canada and Mexico) along with a sizeable exposure to emerging markets, has now reached an advanced stage. In 2011 62% of the combined revenues of EXOR's largest investments was generated outside of Europe. Our geographic revenue mix was particularly well balanced, with 33% of revenues generated in the NAFTA region, 38% in Europe and 29% in the Rest of the World (mainly from Latin America and Asia Pacific). By this measure the United States of America is by far our single largest market, accounting for 27% of revenues.

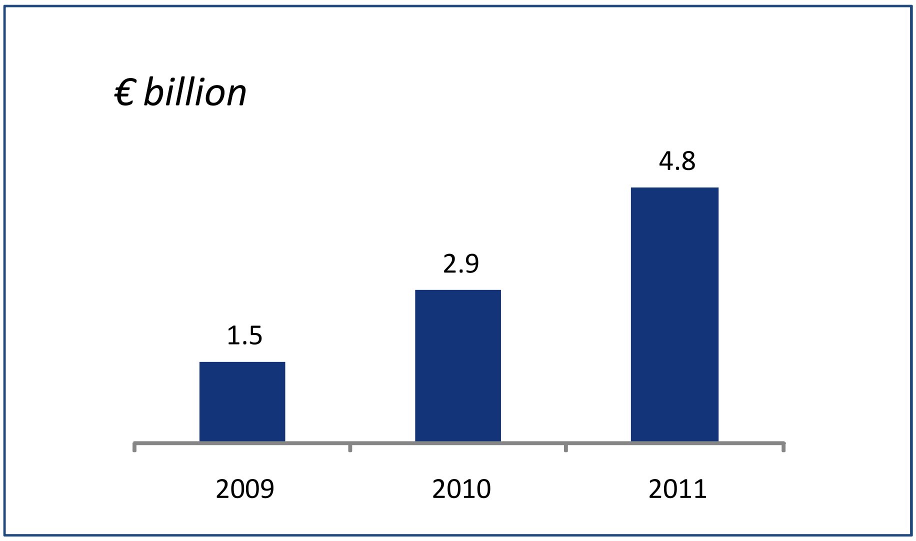
EXOR'S LARGEST INVESTMENTS REVENUES BREAKDOWN – 2011



There is still a noticeable mismatch in perceptions of where our shares happen to be listed and where our businesses actually generate their revenues and profits. A mismatch that also affects other listed European equities and therefore offers potentially interesting investment opportunities.

Second, mainly as a result of our sizeable investment in FIAT-Chrysler (and FIAT Industrial, from this year), we are perceived to be a highly cyclical company. While it is undeniable that some of our investments are significantly exposed to economic cycles (and indeed benefit when cycles rise), their financials proved to be extremely resilient in 2011, which was not a cyclically strong year. The leadership teams of our portfolio companies have been able to improve the economics of their businesses even in the most extreme of macroeconomic contexts: the aggregate adjusted Earnings Before Interest and Taxes (EBIT) of our four largest investments was €4.8 billion in 2011, an increase of 215% over 2009. All four companies contributed to this result and, more importantly, all of them are working hard to increase further their EBIT in 2012.

EXOR'S LARGEST INVESTMENTS
2009-2011 ADJUSTED EBIT EVOLUTION



INVESTMENTS

In this year's letter I would like to describe in greater detail EXOR's four largest investments and their performance. I will address them in order of value.

FIAT Industrial
(30.45% ownership interest; 34.9% of EXOR's Investment Value)

On January 1, 2011, FIAT Industrial began its life as the third largest business in the global capital goods industry by revenues. With 67,000 employees, the group includes CNH (agricultural and construction equipment), IVECO (trucks and commercial vehicles) and FPT Industrial (industrial and marine engines).

FIAT Industrial celebrated its first anniversary at year end with a strong set of results: on revenues of €24.3 billion Fiat Industrial generated an adjusted EBIT of €1.7 billion, well above guidance and ahead of the 2010 results (+14% in revenues terms, +54% for adjusted EBIT). Strong cash flow generation enabled a 35% reduction in net debt to €1.2 billion, and the Board's confidence was reflected in its decision to distribute €240 million in dividends in its first year as a stand-alone business.

2011 was a year of intense activity:

- CNH announced €400 million in investments in three major plants in Argentina, China and Brazil, where it will build some of the world's most powerful and technologically advanced tractors, combines and construction equipment to satisfy demand in these fast-growing areas of the world;
- IVECO launched the New Daily in Turin, the eighth generation of the Light Commercial Vehicles that just over 30 years from launch have sold more than 2.5 million units. At Auto Shanghai IVECO's joint venture, NAVECO, unveiled the new Yuejin Ouka to serve the growing Chinese Light Commercial Vehicles segment. IVECO also found time to take first and second place in the 33rd Dakar race, the world's most famous rally;

- FPT Industrial consolidated its leadership with several major developments in the Engine and Transmissions space, supplying not only Fiat Industrial's needs but also external customers, which account for 33% of its revenues.

The company has strength and depth in management, with competent CEOs heading each of the three businesses. I'm confident that, with the Industrial Executive Council and the benefit of Sergio Marchionne's leadership, they will deliver even greater results in the future.

FIAT Industrial was included in the Dow Jones Sustainability Index (for both the World and Europe) in its first year of operation, and it ranked as Industry Leader in the industrial engineering sector. As shareholders, we are pleased with these achievements as we encourage our companies to manage their businesses according to the best sustainability criteria.

During 2011 FIAT Industrial's Board of Directors proposed to shareholders the conversion of the Company's preference and savings shares into ordinary shares with the aim of streamlining the company's capital structure, benefiting all shareholders through a simplified ownership and the enhanced liquidity of the Company's shares.

SGS
(15% ownership interest;
21.9% of EXOR's Investment Value)

SGS is the world leader in verification, testing, control and certification. Since its founding in 1878, the company has been dedicated to making sure that what we eat, wear, trade, etc. meets the necessary standards.

SGS is a wonderful business, with more than 70,000 employees around the globe lead by Chris Kirk and the Operations Council (whose 24 members are drawn from the different businesses, geographies and main business functions). Thanks to their great work, SGS maintained its profitability and margins even during periods of economic contraction. We are fortunate indeed to be major owners of such a business, and we are determined to seize every opportunity to develop SGS's activities.

Despite a very challenging global trading environment during 2011, SGS delivered an increase in revenue on a constant currency basis of 13.7%, generating a total of CHF 4.8 billion. This was achieved through solid organic revenue growth of 10.5% and was attributable to increases in activity across most geographic areas and businesses, primarily in the Minerals, Consumer Testing, Industrial and Environmental businesses.

Acquisitions continued to be an essential part of SGS's growth plan, enabling the company to leverage its global capabilities and further consolidate its position as a world leader in its field. A record twenty-two acquisitions were completed in 2011, allowing SGS to grow six existing businesses in twelve countries, adding new expertise, faster access to new and emerging markets and, most importantly, highly qualified and talented individuals.

Adjusted EBIT increased by 10.7% in 2011 on a constant currency basis to CHF 815 million. Thanks to its strong cash flow generation, SGS has been a significant source of income for us, with its attractive dividend policy that has provided more than €210 million to EXOR since 2009.

FIAT

(30.47% ownership interest;
18.9% of EXOR's Investment Value)

2011 changed FIAT SpA forever. The spinoff of the capital goods businesses into FIAT Industrial, combined with the increase in FIAT's participation in Chrysler from 20% to 58.5%, allowed FIAT-Chrysler to act as a single company focused on being one of the leading car manufacturers in the world with 197,000 employees and annual shipments of four million vehicles.

As Benjamin Disraeli said: “The secret of success is consistency of purpose.” And if you add great leadership, you have dramatically improved your chances of success. We are fortunate indeed to have Sergio Marchionne leading FIAT-Chrysler. He has worked wonders with the Group Executive Council, the top 22 leaders of the organization.

2011 was a year of many achievements. Revenues climbed to €60 billion, adjusted EBIT reached roughly €2.4 billion, and net industrial debt was in line with guidance at €5.5 billion whilst maintaining a high level of liquidity (ca. €21 billion).

These results are testament to the benefits of FIAT-Chrysler operating as “one firm”, something that can also be seen with the FIAT “500” model now on the streets of North America and the Chrysler products “300-Thema”, “Voyager” and “Freemont” riding the highways of Europe under the Lancia and FIAT brands.

Important labor agreements were reached in Italy during the year, with a new contract allowing for greater flexibility, while on October 26 the UAW ratified a new national four-year labor agreement with Chrysler Group.

Environment and safety continued to be priorities in 2011, with FIAT confirming its position as eco-leader for the fourth consecutive year in Europe and the Chrysler Group products seeing eleven vehicles named “Top Safety Pick for 2012” in December.

We are convinced that the FIAT-Chrysler journey has just begun and we will continue to harvest its fruits in the years to come.

As with FIAT Industrial, during 2011 the FIAT Board of Directors proposed a further simplification to shareholders with the conversion of the Company’s preference and savings shares into FIAT ordinary shares.

Cushman & Wakefield
(69.5% ownership interest;
7.8% of EXOR's Investment Value)

A global leader in commercial real estate services in which EXOR has a 78.3% economic interest, Cushman & Wakefield (C&W) opened for business in 1917 to serve the growing need for commercial real estate created by Manhattan's booming economic activity. This continues today, and the Company is a leader in what has grown to be one of the world's most important markets. Over the decades it has expanded all around the globe, but with a clear focus on big cities such as London, Sao Paolo, Hong Kong and many more.

2011 represented C&W's first full year under CEO Glenn Rufrano. Glenn got off to a good start, meeting his targets throughout the year, working hard on the operations, and also making strategic hires and targeted acquisitions to expand the Company's geographic footprint. These moves have contributed to a balanced business platform designed to provide consistent, high quality service to C&W's global clients.

The Company experienced significant revenue growth in all geographic regions and improved its year-on-year operating performance. It generated US$2 billion in revenue, implying year-on-year growth of 13.4%, which drove a 25% improvement in adjusted EBIT to $65 million.

C&W's strong performance in 2011 was due, in part, to the successful execution of a number of high profile transactions on behalf of clients in all regions, including the sale of Capital Square in Singapore for $715 million, enhancing the firm's brand in that region. Prominent among C&W's other transactions was the €100 million acquisition of two buildings in Dublin, Ireland on behalf of Google, the largest investment in Dublin since 2007. In New York the firm arranged financing for the largest property acquisition of the year at 1633 Broadway.

C&W also executed some of the world's most important office leases, including the largest lease in the U.S. for Shell Oil involving 1.2 million square feet in Texas; the largest lease in Belgium, covering 495,000 square feet, to the European Commission; and the largest lease in New York: one million square feet for Condé Nast at One World Trade Center.

These accomplishments are illustrative of the great work being done by the leadership team and Cushman and Wakefield’s 14,000 employees, all of whom are focused on improving on last year’s results in 2012.

The balance of our investments (approximately 16% of Investment Value) had a mixed year, with a return in aggregate of minus 16%.

The good news came from Banca Leonardo, which performed well in its investment banking and private banking activities, with the former generating revenues of €87 million (a year-on-year increase of 70%) and the latter continuing to generate positive Net New Money inflows during the year. In the wider context, which saw Banca Leonardo withdraw from the asset management business and increase its focus on independent private banking, the company made an advantageous sale of its controlling interest in the French asset management company DNCA, generating a capital gain of €73 million.

Gerardo Braggiotti has proven to be a good steward of our capital, as the bank continued distributing its excess capital to shareholders whilst maintaining a solid capital base (Tier 1 ratio of 39% as of the 2011 year end).

There was, however, less good news from Sequana where weak paper demand, pricing pressure in the market and increased raw material costs led to a net loss of €77 million in 2011. The significant decline in EBIDTA at Arjowiggins, Sequana's paper manufacturing division, from €112 million in 2010 to €50 million in 2011, led to debt covenants being breached at the end of the year. The company is currently negotiating the amendment and extension of its existing credit facilities.

As I signaled last year, we want to reduce the number of small investments in order to concentrate on a few larger ones. We could, however, contemplate investing smaller amounts under two circumstances:

- A minority stake in a good business at attractive valuations with which we would be proud to be associated. *The Economist*, where we own 5%, is a good example of this principle;
- A business venture that starts small but has the potential to grow to be a larger company. Almacantar, a London (UK) property business where we are the largest shareholder, is well placed to develop in this way.

NEW INVESTMENTS

In 2011 we invested some €368 million in what we know really well.

First of all, we invested in EXOR shares through a buyback program. We strongly believe in the fundamentals of our current investments, so what could be better than to buy them at a discount through our own company shares?

We also decided to increase our interests in FIAT Industrial and FIAT-Chrysler. We are confident in their long term perspectives and the market gave us an opportunity to buy them at what we believe to be interesting prices.

Finally we allocated more capital to Almacantar, which is developing well under Mike Hussey's leadership. This facilitated the acquisition of interests in two real estate projects in London's West End: the Centre Point building and Marble Arch Tower.

NET FINANCIAL POSITION

The Company’s net financial position as of December 31, 2011 was negative by €326 million. Gross debt decreased to €1,142 million, consisting of two bonds (one of €750 million due in 2017 and the other of €83 million due in 2031), utilized bank debt of €200 million, and €109 million of accrued interest and other financial liabilities. (EXOR also has €490 million of undrawn committed credit lines.)

The change in our net financial position in 2011 was entirely attributable to the allocation of capital to new investments, as EXOR achieved positive ordinary cash flow at the holding company level.

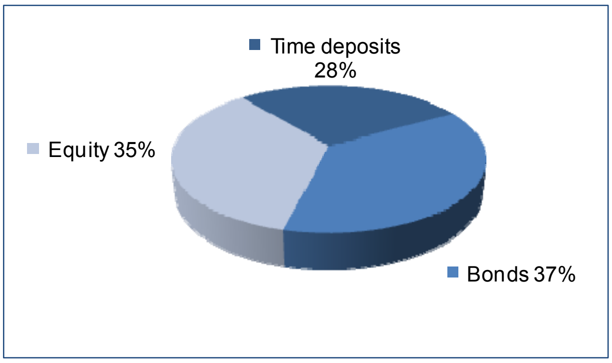
During 2011 the company repaid a €200 million bond and was able to issue through a private placement a ¥10 billion (€83 million) bond maturing in 2031. The issuance of this bond in the Japanese institutional market, the first in EXOR’s history, is an encouraging sign of our ability and desire to be more present in the global capital markets.

We decided in 2011 to diversify our financial assets by increasing exposure to US corporate bonds and to commercial paper, while decreasing our exposure to European corporate and financial institution issuance by 22% and 16% respectively. We continued to avoid sovereign debt, preferring to own corporate debt for now.

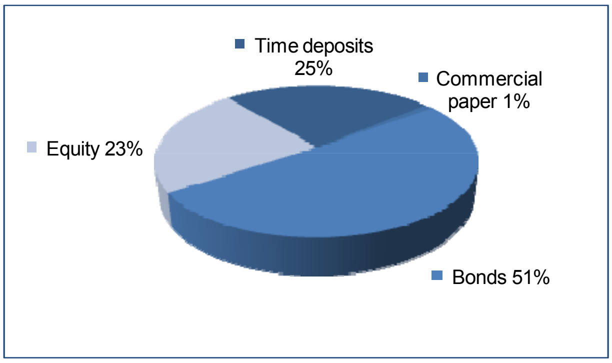
Our exposure to equities, consisting of a concentrated portfolio of selected “large- cap” companies which we started building in 2010, produced positive returns in 2011. Our largest position and star performer has been Mastercard, which during the year benefited from greater clarity in the US debit card regulatory environment and improved consumer spending patterns in the US. We also built a position in Microsoft, a company which we concluded was attractively priced considering its strong competitive advantages, resilience and cash flow generation.

Due to the fact that we decided to maintain a strong liquidity profile (consisting of time deposits, commercial paper and short duration investment grade bonds), our return on financial assets of 3.33% was below the 4.69% cost of our financial liabilities.

FINANCIAL ASSETS AS OF DECEMBER 31st, 2010



FINANCIAL ASSETS AS OF DECEMBER 31st, 2011



In November 2011, S&P confirmed EXOR's long term and short term debt ratings (respectively "BBB+" and "A-2"), and raised the outlook from "negative" to "stable". We view our rating affirmation, and most of all the improvement of its outlook, as recognition of the quality and solidity of our investments as well as the financial discipline we apply in the management of your company.

2012

The new year began with a renewal of positive sentiment regarding the future, and many of the worries with which 2011 ended seemed to fade away. This led to greater optimism in the world's capital markets, with equities rallying and the ability to issue debt significantly improved.

This scenario exceeded my own expectations as 2011 closed. While such a positive development is welcome, I consider it appropriate to remain cautious, particularly while consumption data, especially in the EU, remains weak. As the Romanian dramatist Eugène Ionesco said, "you can only predict things after they have happened," and with this limitation in mind we welcome the turn for the better without getting carried away by it.

Nevertheless, what we can say confidently about 2012 is that it will be a year of continuous simplification for our organization and our investments. I am convinced: for us, simpler is better.

I look forward to discussing the 2011 results and other matters regarding the Company's business at our Shareholders' Meeting to be held on May 29 at the Juventus Stadium, which was inaugurated this season. I very much look forward to meeting our shareholders at this venue, which is one of the newest and most advanced football arenas in Europe. It has made Juventus, of which we own 64%, the only team in Italy to have such a "real asset" on its balance sheet.

We will continue with the arrangement we began last year that has proven popular with shareholders by making it possible to ask questions in advance of the meeting by following the procedure set out on our web site www.exor.com. Non-shareholders will also have the chance to raise questions by sending a short email to the following address: agm@exor.com. The latter will be grouped together, summarized by subject and answered during the meeting itself.

John Elkann

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Honorary Chairman	Gianluigi Gabetti
Vice Chairman	Pio Teodorani-Fabbri
Vice Chairman	Tiberto Brandolini d'Adda
Non-independent Directors	Andrea Agnelli
	Carlo Barel di Sant'Albano
	Oddone Camerana
	Luca Ferrero Ventimiglia
	Franzo Grande Stevens
	Sergio Marchionne
	Alessandro Nasi
	Lupo Rattazzi
Independent Directors	Victor Bischoff
	Eugenio Colucci (Lead Independent Director)
	Christine Morin-Postel
	Giuseppe Recchi
	Antoine Schwartz
Secretary to the Board	Gianluca Ferrero

Internal Control Committee

Eugenio Colucci (*Chairman*), Victor Bischoff and Giuseppe Recchi

Compensation and Nominating Committee

Franzo Grande Stevens (*Chairman*), Victor Bischoff and Giuseppe Recchi

Strategy Committee

John Elkann (*Chairman*), Victor Bischoff, Gianluigi Gabetti, Sergio Marchionne, Christine Morin-Postel and Antoine Schwartz

Board of Statutory Auditors

Chairman	Lionello Jona Celesia
Regular auditors	Giorgio Ferrino
	Paolo Piccatti
Alternate auditors	Lucio Pasquini
	Ruggero Tabone
Independent Auditors	Deloitte & Touche S.p.A.

Expiry of the terms of office

The terms of office of the board of directors, the board of statutory auditors and the independent auditors will expire concurrently with the shareholders' meeting that will approve these financial statements.

EXOR GROUP PROFILE

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.16% of share capital and, specifically, 59.10% of ordinary capital, 39.24% of preferred capital and 12.36% of savings capital.
Listed on the Italian Stock Exchange, EXOR has a Net Asset Value of more than €6 billion at December 31, 2011. The Company is headquartered in Turin, Italy, Via Nizza 250.
EXOR invests for the long-term, mainly in Europe, in the United States and in the main emerging markets.
EXOR's objective is to increase its Net Asset Value and outperform the Morgan Stanley Capital World Index (MSCI) in Euro.

The following are its main investments:

Fiat Industrial (30.45% of ordinary share capital, 30.09% of preferred share capital and 21.69% of savings share capital and with Fiat also holding 3.1% of ordinary share capital) is listed on the Electronic Share Market (Mercato Telematico Azionario) of the Italian Stock Exchange (Blue Chip segment) managed by Borsa Italiana. Created in January 2011 from the demerger from Fiat, Fiat Industrial operates through businesses that are all major international players in the sectors of trucks, commercial vehicles, buses, special vehicles (with Iveco), tractors, agricultural and construction equipment (with CNH – Case New Holland), in addition to engines and transmissions for those vehicles and engines for marine applications (FPT Industrial).

SGS (15.00% of share capital) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with more than 70,000 employees and a network of more than 1,350 offices and laboratories throughout the world.

Fiat (30.47% of ordinary share capital, 30.09% of preferred share capital and 23.59% of savings share capital) is listed on the Electronic Share Market of the Italian Stock Exchange (Blue Chip segment) managed by Borsa Italiana. Founded in 1899, the Fiat Group today is an international group with a clear focus in the automobile sector that designs, produces and sells cars for the mass market under the Fiat, Lancia, Alfa Romeo, Abarth, Fiat Professional brands and luxury cars under the Ferrari and Maserati brands. Its portfolio has recently been expanded to include the Jeep, Chrysler, Dodge and Ram brands, with models produced in North America now being distributed in Europe through the new Lancia-Chrysler and Jeep sales networks, which together count more than 1,000 dealers. Fiat is also active in the components sector through Magneti Marelli, Teksid and Fiat Powertrain Technologies and the production systems sector, through Comau.

C&W Group (69.48% of share capital) is the largest privately held company for real estate services. C&W Group has its headquarters in New York, where it was founded in 1917, and has 243 offices and about 14,000 employees in 60 countries.

Almacantar (36.29% of share capital) is a company active in the real estate sector which realizes commercial investment and development opportunities, mainly in the offices market in London.

Gruppo Banca Leonardo (17.40% of share capital) is a privately held and independent international investment bank offering a complete range of services in investment banking, wealth management and other areas linked to financial markets.

Juventus Football Club (63.77% of share capital) is listed on the Electronic Share Market of the Italian Stock Exchange. Founded in 1897, it is one of the most prominent professional football teams in the world.

Sequana (28.24% of share capital) is a French diversified paper group, listed on the NYSE Euronext market, with production and distribution activities operating through:

- **Arjowiggins** (100% holding), the world leader in the production of high value-added paper products, on 4 continents with over 5,200 employees and 25 production facilities;
- **Antalis** (100% holding), the leading European group in the distribution of paper products and packaging, with over 6,000 employees in 45 countries.

Perella Weinberg Partners (2.00% interest in the limited partnership NoCo A) is an independent company that offers financial advisory and asset management services in the United States and Europe.

Banijay Holding (17.09% of share capital) is headquartered in Paris. The company is a new player in TV production through a network of companies specialized in the production and distribution of multimedia content.

The Economist Newspaper (4.72% of share capital) is a company with its center of operations in London and head of the editorial group that publishes The Economist, a weekly magazine that with a global circulation of more than one million copies represents one of the most important sources of analysis in the international business world.

Alpitour (*) (100% of share capital) is the largest integrated Italian tourism group. It operates with about 3,000 employees and has 3.1 million customers across all areas of the tourism business: Tour Operating (Alpitour, Francorosso, Villaggi Bravo, Viaggidea, Karambola, Volando, Jeans and Welltour), Hotels (Alpitour World Hotels & Resorts), Incoming (Jumbo Tours), Aviation (Neos), Distribution (Welcome Travel Group, with a 50% stake and Bravo Net – HP vacanze).

Vision Investment Management (*) (approximately 42.50% of capital post-conversion), founded in 2000, is one of the most important hedge fund managers specialized in Asian markets.

The following chart is updated to the end of March 2012 and presents the major sectors of business in which the Group has investments. Percentage holdings refer to ordinary share capital.

(a) EXOR also holds 30.09% of preferred share capital and 23.59% of savings share capital.

(b) EXOR also holds 30.09% of preferred share capital and 21.69% of savings share capital. Fiat also holds 3.1% of ordinary share capital.

(c) Post-conversion of convertible bonds.

(d) Percentage interest held in the limited partnership NoCo A LP.

(e) Interest equal to 78.31.

(*) As described in “Significant events in 2011” and “Significant events in the first quarter of 2012”, contracts were signed for the sale of the investments in Alpitour and in Vision Investment Management, subject to conditions precedent which will occur in the first half of 2012.

Key operating and financial data

EXOR Group – Consolidated Data – Shortened (a)

2010 Published	€ million	2011	2010 Restated (b)	Change
136.7	Profit attributable to owners of the parent	**504.2**	136.7	367.5
183.3	Share of earnings (losses) of investments and dividends	**600.7**	172.4	428.3
6,260.8	Investments and other non-current financial assets	**6,764.7**	6,260.8	503.9
6,074.9	Capital stock issued and reserves attributable to owners of the parent	**6,403.4**	6,074.9	328.5
42.6	Consolidated net financial position of EXOR "Holdings System"	**(325.8)**	42.6	(368.4)

(a) The basis of preparation is presented in the following "Review of the Consolidated Results of the EXOR Group - Shortened".
(b) Prepared by reclassifying the share of the Alpitour Group's result to "Profit (loss) from Discontinued Operations".

Earnings per share (€) (a)	2011	2010	Change
Profit attributable to owners of the parent – basic:			
- ordinary shares	**2.17**	0.57	1.60
- preferred shares	**2.23**	0.62	1.61
- savings shares	**2.25**	0.64	1.61
Profit attributable to owners of the parent – diluted:			
- ordinary shares	**2.16**	0.56	1.60
- preferred shares	**2.21**	0.61	1.60
- savings shares	**2.24**	0.64	1.60
Capital stock issued and reserves attributable to owners of the parent	**28.19**	26.25	1.94

(a) Further details on the calculation of basic and diluted earnings per share are provided in Note 13 to the consolidated financial statements.

EXOR S.p.A. – Separate Financial Statement Data

€ million	2011	2010	Change
Profit	**58.7**	151.8	(93.1)
Equity	**3,445.4**	3,552.5	(107.1)
Net financial position	**(448.5)**	(273.9)	(174.6)

The board of directors' meeting held on April 6, 2012 put forward a motion to the ordinary shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2011 for the payment of the following dividends:

Class of shares	**Number of shares outstanding** (a)	**Dividends proposed** **Per share (€)**	 **Total (€ ml)**
Ordinary	153,530,496	0.335	51.4
Preferred	65,110,776	0.3867	25.2
Savings	8,503,189	0.4131	3.5
			80.1

(a) At April 6, 2012.

Dividends paid by EXOR S.p.A. in 2011 from profit for the year ended December 31, 2010 are the following:

Class of shares	**Number of shares**	**Dividends paid** **Per share (€)**	 **Total (€ ml)**
Ordinary	156,149,996	0.31	48.4
Preferred	66,561,676	0.3617	24.1
Savings	8,747,199	0.3881	3.4
			75.9

NET ASSET VALUE

The Net Asset Value (NAV) at December 31, 2011 is €6,320 million, decreasing €2,044 million (-24.4%) from €8,364 million at December 31, 2010.

The composition and change in NAV are the following.

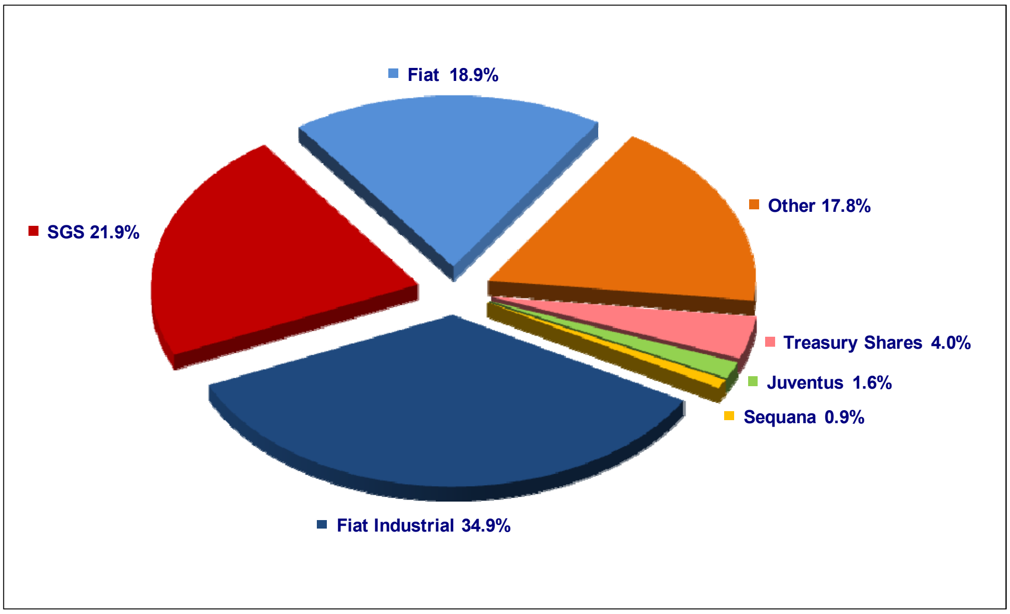
€ millions	03/01/2009	12/31/2010	12/31/2011	Change vs	12/31/2010
				Amount	%
Listed Investments	2,464	7,435	5,655	(1,780)	-23.9%
Private Investments	750	1,096	1,201	105	9.6%
Investment Value	**3,214**	**8,531**	**6,856**	**(1,675)**	**-19.6%**
Financial Liabilities	(1,157)	(1,266)	(1,142)	124	-9.8%
Financial Assets	1121	1,309	816	(493)	-37.7%
Net Financial Position	**(36)**	**43**	**(326)**	**(369)**	**n.a.**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**(210)**	**-**	**-**
Net Asset Value	**2,968**	**8,364**	**6,320**	**(2,044)**	**-24.4%**

The investment value at December 31, 2011 has been calculated by valuing the listed investments held in Fiat Industrial, SGS, Fiat, Sequana, Juventus Football Club at trading prices, and other investments and private investment holdings at fair value determined annually by independent experts. EXOR ordinary, preferred and savings treasury stock is measured at share trading prices, except ordinary shares used to service the stock option plan, which are measured at the option exercise price if lower than the share trading price.

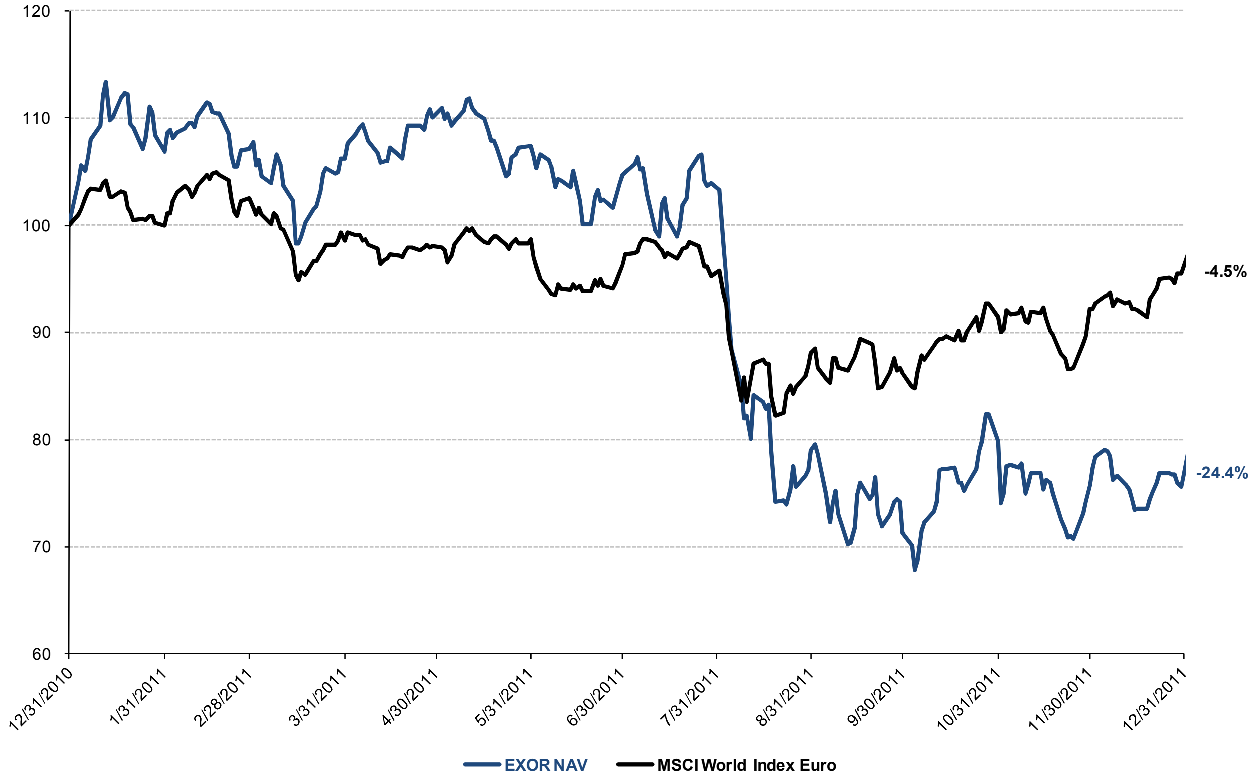
NAV is presented with the aim of aiding analysts and investors in forming their own assessments.

The following pie chart shows the composition of the value of investments at December 31, 2011 (€6,856 million).
"Other" includes the private investments in C&W Group, Alpitour, Almacantar, Gruppo Banca Leonardo, Banijay Holding, The Economist Newspaper, Vision, NoCo A and Perella Weinberg Funds and also sundry investments.

Investments denominated in Swiss francs, U.S. dollars and Pounds sterling are translated at the market trading rates of 1.2156, 1.2939 and 0.8353 respectively.



Change in NAV compared to MSCI Index (Morgan Stanley Capital World Index) in Euro



Stock Market Data	**1/1/2012 2/29/2012**	**1/1/2011 12/31/2011**
Ordinary share price (Euro):		
period-end	18.92	15.29
maximum	19.26	25.70
minimum	15.54	13.64
Preferred share price (Euro):		
period-end	16.18	14.01
maximum	16.71	21.28
minimum	14.34	12.43
Savings share price (Euro):		
period-end	15.17	12.89
maximum	15.74	20.23
minimum	13.22	10.91
Average share volume traded during period:		
ordinary	471,886	753,643
preferred	34,213	152,247
savings	7,493	25,963
Euro average daily volume exchanges during period: (a)		
ordinary	8,288,158	14,722,231
preferred	542,972	2,561,855
savings	110,374	409,770

(a) Average daily value (daily trading price by daily volume) handled by Borsa Italian during the period.

In 2011, relations with financial analysts, with retail and institutional investors and with the Italian and international financial press were conducted by EXOR with the aim of promoting transparent and precise information. This has progressed above all because of periodic financial reporting and, particularly, the contents of the Letter to Shareholders: a letter that over the course of the years has become a firm point of reference for communicating with the financial market as well as a privileged occasion for sharing the fundamental elements of the company's strategy with the general public

The Investor Relations and Media Offices illustrated what's new at EXOR, investment portfolio changes and financial results and are available for one-on-one meetings to expand on specific topics.

In April 2011 – on the occasion of the shareholders' meeting – a traditional conference call was set up which during the years has gathered together a growing number of analysts and investors.

The appointment, which every year closes the day dedicated to its stakeholders, allowed EXOR's top management to give a detailed illustration of the performance of its subsidiaries and associates, especially those that are unlisted.

Finally, during the last few weeks of the year, EXOR designed an "Interactive Annual Report" project which will be added to the company's website www.exor.com. The aim is to offer, starting from this Annual Report 2011, another tool that will make it possible to more quickly and effectively consult the Report on Operations.

Below are references for the corporate services in charge of media and investor relations:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.5090260
ir@exor.com

CORPORATE GOVERNANCE

In its meeting held on April 6, 2012, the board of directors approved the "Annual Report on Corporate Governance" prepared in accordance with art. 123 bis of Legislative Decree 58 dated February 24, 1998, with amendments and additions (TUF – Consolidated Law on Finance).
This document was published with this 2011 Annual Report and is posted on the corporate website at: www.exor.com.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.p.A. AND ITS PRINCIPAL SUBSIDIARIES ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial position of EXOR and its principal investment holdings are particularly influenced by the general state of the economy in the countries in which they operates and by the variables which affect performance, including increases or decreases in gross national product, access to credit, the level of consumer and business confidence, the cost of raw materials and the rate of unemployment.

The global economic recession in 2008 and in the first part of 2009 had a negative impact on the principal investment holdings. Currently, the weak economic situation in Europe and Italy elicits a great deal of uncertainty over the industrial and economic future of the eurozone; concerns persist regarding the overall global stability of the region and the suitability of the euro as a single currency. In particular, considerable attention is being given to the sovereign debt of some countries in the European Union and their ability to cope with future financial commitments regardless of the actions taken by individual governments and the European and international monetary authorities to meet debt obligations and the risk of default.

In general, the sectors in which the principal investment holdings operate have historically been subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty of predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for or supply of products and services sold by them in any of the markets in which they operate.

Moreover, the markets in which the principal companies operate are exposed to variations in energy and raw material prices or a possible reduction in infrastructure investments.

Accordingly, particular circumstances could have a material adverse effect on the earnings and/or financial position and business prospects of the investment holdings.

RISKS ASSOCIATED WITH EXOR'S ACTIVITIES

EXOR carries out investment activities which involve typical risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the Company's objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the Company's earnings and financial position.
The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the Company's credit rating.

Any downgrade by the rating agencies could limit the Company's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.
Standard & Poor's has confirmed EXOR's long-term and short-term debt ratings (respectively, BBB+ and A-2) modifying the outlook from negative to stable.

EXOR's policy and that of the companies in the Holdings System is to keep liquidity available in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, allocating such investments over an appropriate number of counterparties, with the principal purpose of having

investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.
However, in consideration of the current international financial market situation, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A worsening of the financial market conditions and the earnings of the principal investment holdings could affect EXOR's earnings and cash flows.

EXOR operates through its investments in subsidiaries and associates in Agricultural and Construction Equipment (Fiat Industrial Group), in the automobile market (Fiat Group), in real estate services (C&W Group), in real estate (Almacantar Group), in paper (Sequana Group), in tourism (Alpitour Group) and in professional football (Juventus Football Club). As a result, EXOR is exposed to risks typical of the markets and industries in which such subsidiaries and associates operate.

At the same date, EXOR also holds an investment in SGS (15% of capital) for an equivalent amount of €1,501 million, equal to 21.9% of EXOR’s investment portfolio. Accordingly, EXOR is exposed to risks typical of the market in which such company operates.

At December 31, 2011, the investments in Fiat Industrial (30.45% of ordinary share capital, 30.09% of preferred share capital and 18.15% of savings share capital) and in Fiat (30.47% of ordinary share capital, 30.09% of preferred share capital and 14.08% of savings share capital) represented, respectively, 34.9% and 18.9% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5.

Therefore, the performance of the Fiat Industrial Group and the Fiat Group has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates could have an adverse effect on earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.
EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which they set aside, if appropriate, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (Fiat Industrial Group, Fiat Group, C&W Group, Juventus Football Club and Alpitour Group).

FIAT INDUSTRIAL GROUP

Fiat Industrial Group – Risks connected with global financial markets and general economic conditions

The Group’s earnings and financial position may be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, the cost of commodities or other raw materials – which exist in the various countries in which it operates.

For example, the on-going effects of the global economic recession that began in 2008, including the eurozone crisis, continue to have a negative impact on the earnings of companies within the Group. Weak economic conditions resulted in a significant decline in demand for most of the products produced by the Group. Demand in the capital goods sector, in particular, is highly correlated to the economic cycle and can be subject to even greater levels of volatility. Disruption in global financial markets or any continuation of economic recession could ultimately affect the industrial development of many businesses, including those of the Group.

In Europe, despite measures taken by several governments, international and supranational organizations and monetary authorities to provide financial assistance to eurozone member states of the European Union in economic difficulty and to face the possibility of default by certain European countries on their sovereign debt obligations, concerns persist regarding the debt burden of certain eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency (or, in more extreme circumstances, the possible dissolution of the euro entirely), given the diverse economic and political circumstances in individual eurozone member states. Such potential developments could adversely affect the businesses and operations of the Group. Although the Group considers dissolution of the euro and disruption of the European Monetary Union a highly unlikely scenario, and although the Group’s diversified product portfolio and international presence lessens its dependence on a single market and exposure to economic conditions or political instability in any one country or region, its businesses are nonetheless sensitive to changes in economic conditions. Accordingly, the present global credit and financial crisis, as well as the failure of European and international rescue packages could have a material adverse effect on the Group’s business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with financing requirements

The Group’s future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place to ensure that adequate levels of working capital and liquidity are maintained, any declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with the credit rating of Fiat Industrial S.p.A.

On January 5, 2011, Moody’s Investors Service assigned Fiat Industrial S.p.A. a Ba1 Corporate Family Rating and a short-term “Not Prime” rating, with stable outlook. On February 24, 2011, Standard & Poor’s Rating Services confirmed Fiat Industrial’s long-term rating of BB+ with negative outlook, assigned on November 4, 2010, and a short-term rating of B.

The ability to access the capital markets or other forms of financing and the related costs are dependent, amongst other things, on the Group’s credit ratings. Any further downgrades could increase the Group’s cost of capital and potentially limit its access to sources of financing with a consequent material adverse effect on the Group’s business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with fluctuations in currency, interest and credit risk

The Group, which operates in numerous markets worldwide, is naturally exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the difference in geographic distribution between the Group's manufacturing activities and its commercial activities, resulting in cash flows from exports denominated in currencies that differ from those associated with production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for financing customers and dealers. The Financial Services companies operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, however, sudden fluctuations in currency or interest rates could have an adverse effect on the Group’s business prospects, earnings and/or financial position.
The Group's Financial Services activities are also subject to the risk of insolvency of dealers and end customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and end customers.

Fiat Industrial Group - Risks associated with relationships with employees and suppliers

In many countries where the Group operates, Group employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. The Group’s ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and the agreement of the labor unions. Industrial action by employees could have an adverse impact on the Group’s business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies outside the Group. Some of these companies are highly unionized. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates and although this offers economic benefits in terms of cost reduction, it also means that the Group is more reliant on its suppliers and is exposed to the possibility that difficulties, including of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risk associated with increase in costs, disruption of supply or shortage of raw materials

Fiat Industrial uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices for these raw materials fluctuate and at times in recent periods, prices have increased significantly in response to changing market conditions. Fiat Industrial seeks to manage this exposure, but it may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group’s operating costs and could reduce profitability if the increased costs will not be offset by changes in product prices. In addition, certain raw materials are sourced only from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of Group’s control and the control of its suppliers. For instance, the recent earthquake and tsunami in Japan have negatively affected commodity markets, and any similar future event may have severe and unpredictable effects on the price of certain raw materials in the future. As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its products.
Any interruption in the supply or any increase in the cost of raw materials, parts and components could negatively impact Group’s ability to achieve growth in product sales and improved profitability.

Fiat Industrial Group - Risks associated with management

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with the high level of competition in the industries in which the Group operates

Substantially all of the Group's revenues are generated in highly competitive sectors that include the production and distribution of agricultural and construction equipment, trucks and commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers of trucks and commercial vehicles in Europe and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, North America and Latin America. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly in pricing, has increased significantly in the Group's areas of activity in recent years. Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on its business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with selling in international markets and exposure to changes in local conditions

A significant portion of the Group's existing activities are conducted and located outside of Italy and the Group expects that revenues from sales outside Italy – and, more generally, outside of the European Union – will account for an increasing portion of total revenues. The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on repatriation of funds; and/or
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one of these areas (which may vary from country to country in which the Group operates) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with environmental and other government regulation

The Group's products and activities are subject to numerous environmental laws and regulations (local, national and international) which are becoming increasingly stringent in many countries in which it operates (particularly in the European Union). Such regulations govern, among other things, products – with requirements for emissions of polluting gases, reduced fuel consumption and safety becoming increasingly stricter – and industrial plants – with requirements for emissions, treatment of waste and water and prohibitions on soil contamination becoming increasingly stricter. To comply with such regulations, the Group employs considerable resources and expects it will continue to incur substantial costs in the future.

In addition, government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures is unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

Fiat Industrial Group - Risks associated with the ability to offer innovative products

The success of the Group's businesses depends on their ability to maintain or increase share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group’s principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, could result in reduced market share, having a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with operating in emerging markets

The Group operates in a number of emerging markets, both directly (e.g., Brazil, Argentina and India) and through joint ventures and other cooperation agreements (e.g., Turkey, China and Russia). The Group’s exposure to these countries has increased in recent years, as has the number and importance of such joint ventures and cooperation agreements. Economic and political developments in these markets, including economic crises or political instability, have had and could in future have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with the capital goods market

More than other sectors, producers in the capital goods sector, such as CNH and Iveco are subject to:

- the condition of financial markets, in particular, the ability to access the securitization market and prevailing interest rates in that market. In North America, in particular, CNH makes considerable use of asset-backed securitization to fund financing offered to dealers and end customers. Negative conditions in the financial markets, and the asset-backed securitization market in particular, could have a significant impact on the Group's business prospects, earnings and/or financial position;
- cyclicality, which can cause sudden declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

Fiat Industrial Group - Risks associated with the agricultural and construction equipment markets

Performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises;
- the demand for food products;
- agricultural policies, including aid and subsidies to agricultural enterprises, provided by major governments and/or supranational organizations.

In addition, unfavorable climactic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on the decision to buy agricultural equipment and, consequently, on the Group’s revenues.

Performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending;
- new residential/non-residential construction.

The above factors can significantly influence the demand for agricultural and construction equipment and, consequently, the Group's financial results.

FIAT GROUP

Following is a brief description of main risks and uncertainties that could potentially have a significant impact on the activities of Fiat S.p.A and its subsidiaries, that since June 2011 include Chrysler. Other risks and uncertainties, which are currently unforeseeable or considered to be unlikely, could also have a significant influence on the operating performance, financial position and future prospects of Fiat Group

Fiat Group - Risks associated with global financial markets and general economic conditions

The Group’s earnings and financial position may be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, the cost of commodities or other raw materials and the rate of unemployment – within the various countries in which it operates.

For example, the global economic recession in 2008 and the first half of 2009 had a negative impact on the Group's earnings. Weak economic conditions resulted in a significant decline in demand for most of the Group's products. The current economic weakness in the eurozone, including Italy, casts serious uncertainty on the possible evolution of the economic activity in this region in the foreseeable future. In Europe, despite the measures taken by several governments, international and supranational organizations and monetary authorities to provide financial assistance to euro area member states of the European Union in economic difficulty and to face the possibility of default by certain European countries on their sovereign debt obligations, concerns persist regarding the debt burden of certain eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency (or, in more extreme circumstances, the possible dissolution of the euro entirely), given the diverse economic and political circumstances in individual member states of the eurozone. These potential developments could adversely affect the businesses and operations of the Group.

Following the acquisition of control of Chrysler in 2011, nearly 45% of Group's on-going revenues are generated in the NAFTA region. Substantially all of Chrysler's vehicles sales occur in North America (U.S. and Canada). Although Chrysler is seeking to increase the proportion of its vehicle sales outside of North America (directly or through Fiat), it anticipates that its results of operations will continue to depend substantially on vehicle sales in the principal North American markets, particularly the U.S. Any significant deterioration in the economic conditions in the U.S. and/or Canada may consequently adversely affect Fiat Group's result of operations, financial position and cash flows.

In general, the sector in which the Group operates has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for or supply of products sold by the Group in any of the markets in which it operates.

Additionally, even in the absence of slow growth or recession, other economic circumstances – such as increases in energy prices, fluctuations in prices of raw materials or contractions in infrastructure spending – could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with the high level of competition and cyclicality of the automobile industry

Substantially all of the Group's revenues are generated in the automobile industry, which is highly competitive and encompasses the production and distribution of passenger cars, light commercial vehicles and the related components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North and Latin America. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered.

Competition, particularly in pricing, has increased significantly in the Group's industry sector in recent years. In addition, partly as a result of the contraction in demand for automobiles, global production capacity for the car industry significantly exceeds current demand. This overcapacity, combined with high levels of competition and weakness of major economies, could intensify pricing pressures.

Fiat has a relatively high proportion of fixed costs and may have significant limitations on the ability to reduce fixed costs by closing facilities and/or reducing labor expenses. Fiat's competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidized financing or leasing programs, offering option package discounts, price rebates or other sales incentives, or by reducing vehicle prices in certain markets. In addition, manufacturers in countries which have lower production costs have announced that they intend to export lower-cost automobiles to established markets. These actions have had, and could continue to have, a negative impact on Fiat's vehicle pricing, market share, and operating results. Offering desirable vehicles that appeal to customers can mitigate the risks of stiffer price competition, while offer of vehicles that are perceived to be less desirable (whether in terms of price, quality, styling, safety, or other attributes) can exacerbate these risks.

In the Automobiles business, sales to end customers are cyclical and subject to changes in the general condition of the economy, the readiness of end customers to buy and their ability to obtain financing and the possible introduction of measures by governments to stimulate demand. The sector is also subject to constant renewal of the product offering through frequent launches of new models. A negative trend in the automobiles business could have a material adverse impact on the business prospects, earnings and/or financial position of the Fiat Group.
Should the Group be unable to adapt effectively to external market conditions, this could have a material adverse effect on its business prospects, earnings and/or financial position.

Fiat Group - Risks associated with the ability to offer innovative products

The success of the Group's businesses depends, among other things, on their ability to maintain or increase their share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, a failure to develop and offer innovative products that compare favorably to those of the Group’s principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new models to market, could result in reduced market share, having material adverse effects on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with the policy of targeted industrial alliances

The Group has engaged in the past, and may engage in the future, in significant corporate transactions such as mergers, acquisitions, joint ventures and restructurings, the success of which is difficult to predict. There can be no assurance that any such significant corporate transaction which might occur in the future will not encounter administrative, technical, industrial, operational, regulatory, political, financial or other difficulties (including difficulties related to control and coordination among different shareholders or business partners) and thus fail to produce the benefits expected of it. The failure of any significant strategic alliance, joint venture, merger or similar transaction could have an adverse effect on the Group’s business prospects, earnings and/or financial position.

Fiat Group – Risks associated with the alliance with Chrysler

The acquisition of a controlling interest in Chrysler and the related alliance is intended to provide both Fiat and Chrysler with a number of long-term benefits, including sharing new vehicle platforms and powertrain technologies, as well as procurement benefits, management services and global distribution opportunities. The alliance is also intended to facilitate both parties penetration in several international markets where the companies’ products would be attractive to consumers, but where one of the parties does not have significant penetration.
The ability to realize the benefits of the alliance is critical for Fiat and Chrysler to compete with their competitors. If the parties are unable to convert the opportunities presented by the alliance into long-term commercial benefits, either by improving sales of our vehicles and service parts, reducing costs or both, the Group’s financial condition and results of operations will be materially adversely affected.

Additionally, any adverse development in the Chrysler investment and the related alliance could have a material adverse effect on the Group’s business prospects, financial condition and results of operations. Therefore, if the investment and the related alliance do not bring their intended benefits or changes in circumstances at Fiat or Chrysler occur, there may be a material adverse effect on the Group’s business prospects, financial condition and results of operations.

Fiat Group - Risks associated with selling in international markets and exposure to changes in local conditions

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on repatriation of funds; and/or
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one of these areas (which may vary from country to country in which the Group operates) could have a material adverse effect on the Group’s business prospects, earnings and/or financial position.

Fiat Group - Risks associated with operating in emerging markets

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). The Group’s exposure to these countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic and political developments in emerging markets, including economic crises or political instability, have had and could in the future have material adverse effects on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with relationships with employees and suppliers

In many countries where the Group operates, Group employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production units and reductions in personnel. The laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. The Group’s ability to reduce personnel or implement other permanent or temporary redundancy measures may be subject to government approvals and the agreement of the labor unions. Industrial action by employees could have an adverse impact on the Group’s business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies outside the Group. Some of these companies are highly unionized. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates and although this offers economic benefits in terms of cost reduction, it also means that the Group is reliant on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risk associated with increase in costs, disruption of supply or shortage of raw materials

Fiat uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices for these raw materials fluctuate and at times in recent periods, these commodity prices have increased significantly in response to changing market conditions. Fiat seeks to manage this exposure, but it may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group’s operating costs and could reduce profitability if the increased costs will not be offset by changes in vehicle prices. In addition, certain raw materials are sourced only from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of Group’s control and the control of its suppliers. For instance, the recent earthquake and tsunami in Japan have negatively affected commodity markets, and any similar event may have severe and unpredictable effects on the price of certain raw materials in the future. As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles.

Any interruption in the supply or any increase in the cost of raw materials, parts and components could negatively impact Group’s ability to achieve growth in vehicle sales and improved profitability.

Fiat Group - Risks associated with environmental and other government regulation

The Group’s products and activities are subject to numerous environmental laws and regulations (local, national and international) which are becoming increasingly stringent in many countries in which it operates (particularly in the European Union). Such regulations govern, among other things, products – with requirements relating to emissions of polluting gases, reduced fuel consumption and safety becoming increasingly strict – and industrial plants – with requirements for emissions, treatment of waste and water and prohibitions on soil contamination. In order to comply with such laws and regulations, the Group employs considerable resources and expects it will continue to incur substantial costs in the future.

In addition, government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have material adverse effects on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with management

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. The loss of any senior executive, manager or other key employees without an adequate replacement or the inability to attract, retain and incentivize senior executive managers, other key employees or new qualified personnel could therefore have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with financing requirements

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure levels of working capital and liquidity are maintained, further declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have material adverse effects on the Group's business prospects, earnings and/or financial position.

Fiat Group - Risks associated with Fiat indebtedness as a result of the acquisition of Chrysler's control

Even after the acquisition of control by Fiat, Chrysler continues to manage financial matters, including funding and cash management, separately. Additionally, Fiat has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of Chrysler, nor does it have any commitment to provide funding to Chrysler in the future.

In any case, certain bonds issued by Fiat include provisions that may be affected by circumstances related to Chrysler. In particular these bonds include cross-default clauses which may accelerate Fiat's obligation to repay its bonds in the event that a "material subsidiary" of Fiat fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. As a result of Fiat's acquisition of control over Chrysler, Chrysler Group LLC is a "material subsidiary" and certain of its subsidiaries may become material subsidiaries of Fiat within the meaning of those bonds. Therefore, the cross-default provision could require early repayment of the Fiat bonds in the event Chrysler's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by Chrysler of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

Fiat Group - Risks associated with Fiat's credit rating

The ability to access the capital markets or other forms of financing and the related costs are dependent, amongst other things, on the Group's credit ratings. Following downgrades by the major rating agencies in the first quarter of 2009 and during 2011, Fiat is currently rated below investment grade, with ratings on its long-term debt of Ba2 (Ba3 for senior unsecured bonds) from Moody's Investors Service Inc., BB with Credit Watch Negative from Standard & Poor's Ratings Services (a subsidiary of The McGraw-Hill Companies, Inc.), and BB from Fitch Ratings Ltd., the outlook is negative in all three cases. The rating agencies review their ratings at least annually and, as such, the assignment of new ratings to Fiat during 2012 cannot be excluded. It is not currently possible to predict the timing or outcome of any rating review. Any further downgrades would increase Fiat's cost of capital and potentially limit its access to sources of financing with a consequent material adverse effect on Fiat's business prospects, financial condition and/or results of operations.

Chrysler has been assigned a corporate credit rating of B2 (with a positive outlook) by Moody's Investor Service and B+ (with a stable outlook) by Standard & Poor's. Because Chrysler is more highly leveraged and has a lower corporate credit rating than Fiat, it is possible that consolidation of Chrysler's financial information into Fiat's financial information could result in a rating review of Fiat and potentially a lower credit rating.

Fiat Group - Risks associated with restrictions arising out from Chrysler’s debt instruments

In connection with the refinancing transactions finalized at the end of May 2011, Chrysler entered into a credit agreement for the senior secured credit facilities (including a revolving facility) and an indenture for two series of secured senior notes. These debt instruments include covenants that restrict Chrysler’s ability to make certain distributions, prepay other debt, encumber assets, incur additional indebtedness, engage in certain business combinations, or undertake various other business activities.

The credit agreement governing the senior secured credit facility and the indenture governing the secured senior notes contain restrictive covenants that limit Chrysler’s ability to, among other things:

- incur or guarantee additional secured indebtedness;
- pay dividends or make distributions or purchase or redeem capital stock;
- make certain other restricted payments;
- incur liens;
- sell assets;
- enter into sale and lease-back transactions;
- enter into transactions with affiliates (as defined in the relevant contractual documents), including Fiat; and
- effect a consolidation, amalgamation or certain merger or change of control (except for the acquisition of control by Fiat).

These restrictive covenants could have an adverse effect on Chrysler’s business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In addition, the Senior Credit Facilities contain, and future indebtedness may contain, other and more restrictive covenants and also prohibit Chrysler from prepaying certain of their indebtedness. The Senior Credit Facilities require Chrysler to maintain borrowing base collateral coverage and a liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and any of the other indebtedness of Chrysler or result in cross-default under certain of its indebtedness.

Furthermore, the indenture governing the VEBA Trust Note limits the ability of Chrysler’s subsidiaries to incur debt.

If Chrysler is unable to comply with all of these covenants, it may be in default, which could result in the acceleration of its outstanding indebtedness and foreclosure on mortgaged properties. In this case, Chrysler may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. In any case, even if new financing is made available to Chrysler in such circumstances, it may not be available on acceptable terms.

In addition, compliance with certain of these covenants could restrict Chrysler’s ability to take certain actions that its management believes are in Chrysler’s best long-term interests.

Should Chrysler be unable to undertake strategic initiatives due to the covenants provided for by the above instruments, Fiat business prospects, financial condition and/or results of operations could be harmed.

Fiat Group - Risks associated with fluctuations in currency, interest and credit risk

The Group, which operates in numerous markets worldwide, is naturally exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the difference in geographic location between the Group's manufacturing activities and its commercial activities, resulting in cash flows from exports denominated in currencies that differ from those associated with production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for financing customers and dealers. Moreover, liquidity for industrial activities was also principally invested in variable-rate or short-term financial instruments. The Financial Services companies normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage risks associated with fluctuations in currency and interest rates through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's Financial Services activities are also subject to the risk of insolvency of dealers and end customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through the credit approval policies applied to dealers and end customers.

Risks associated with the availability of adequate financing for Chrysler's dealers and retail customers

In the United States and Canada, Chrysler's dealers enter into wholesale financing arrangements to purchase vehicles from Chrysler and retail customers use a variety of finance and lease programs to acquire vehicles. Insufficient availability of financing to dealers and retail customers contributed to sharp declines in Chrysler's vehicle sales during 2008, and was one of the key factors leading to Chrysler's bankruptcy filing.

Chrysler's lack of a captive finance company may increase the risk that dealers and retail customers will not have access to sufficient financing on acceptable terms and may adversely affect vehicle sales in the future. Furthermore, most of Chrysler's competitors operate and control their own captive finance companies: as a result, they may be better able to implement financing programs designed principally to maximize vehicle sales in a manner that optimizes profitability for them and their captive finance companies on an aggregate basis. Since Chrysler's ability to compete also depend on access to appropriate sources of financing for dealers and retail customers, its lack of a captive finance company could adversely affect its results of operations. In addition, unless financing arrangements other than for retail purchase continue to be developed and offered by banks to retail customers in Canada, Chrysler's lack of a captive finance company could present a competitive disadvantage in Canada, since banks are restricted by law from providing retail lease financing in Canada.

In connection with the 2009 restructuring of the U.S. automotive industry, and with the assistance of the U.S. Treasury, Chrysler entered into an auto finance relationship with Ally Financial Inc. (hereafter "Ally"); the agreement with Ally extends through April 20, 2013, with automatic one year renewals unless either party elects not to renew. Ally historically was the captive finance company of General Motors Company, one of Chrysler's main competitors.

Pursuant to this agreement, Ally is neither obligated to provide financing to dealers, nor is Ally required to fund a certain number of vehicle sales or leases for customers. On the other hand, Chrysler must offer all subvention programs to Ally, and it is required to ensure that Ally finances a specified minimum percentage of the units sold by Chrysler in North America under rate subvention programs in which it elects to participate.

Chrysler expects Ally to provide services comparable to those Ally provides to its other strategic business partners, including General Motors. Nevertheless, Chrysler's ability to fully realize the value of their relationship with Ally may be adversely affected by a number of factors, including General Motors' historic and ongoing relationship with Ally, and General Motors' current equity ownership in Ally.

To the extent that Ally is unable or unwilling to provide sufficient financing at competitive rates to Chrysler's dealers and retail customers, and dealers and retail customers do not otherwise have sufficient access to such financing. As a result, Chrysler's vehicle sales and market share may suffer, which would adversely affect its and Fiat's financial condition and/or results of operations.

Fiat Group - Risks associated with Chrysler’s pension plans

Chrysler’s defined benefit pension plans are currently underfunded and its pension funding obligations may increase significantly if investment performance of plan assets does not keep pace with increases in obligations. These funding obligations may increase based upon the future returns on the assets placed in trusts for these plans, the level of interest rates used to determine funding levels, the level of benefits provided for by the plans, investment decisions that do not achieve adequate returns and any changes in applicable law related to funding requirements.

Chrysler’s defined benefit pension plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and hedge funds. Due to the complexity and magnitude of certain of their investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy, and an inherent divergence in objectives between the ability to manage risk in the short term and inability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to Chrysler’s defined benefit pension plans, as well as the investment strategy for the plans, Chrysler is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under the defined benefit pension plans. Interest rate increases generally will result in a decline in the value of fixed income securities while reducing the present value of the obligations. Conversely, interest rate decreases will increase the value of fixed income securities, partially offsetting the related increase in the present value of the obligations.

If the total values of the assets held by Chrysler’s defined benefit plans fall and/or the returns on these assets underperform the relevant assumptions, Chrysler pension expenses and contributions could increase and, as a result, could materially adversely affect the Group’s financial condition and/or results of operations. If Chrysler fails to make required minimum funding contributions, it could be subjected to reportable event disclosure to the Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of funding deficiency.

If Fiat’s ownership in Chrysler were to exceed 80%, Fiat may become subject to certain US legal requirements making it secondarily responsible for any funding shortfall in certain of Chrysler’s pension plans in the event Chrysler were to become insolvent. Chrysler’s organizational documents contain certain protections designed to ensure that Fiat will not inadvertently become subject to these obligations.

C&W GROUP

The following is a summary of the risks and uncertainties that could potentially have a significant impact on the activities of C&W Group, Inc. (C&W). Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

C&W – Risk associated with general economic conditions

Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of our service lines.

C&W – Risks associated with adverse developments in the credit markets

Our Capital Markets service line is sensitive to credit cost and availability as well as marketplace liquidity. Disruptions in the credit markets may adversely affect our business of providing advisory services to owners, investors and occupiers of real estate in connection with the leasing, disposition and acquisition of property.

C&W – Risks associated with our "Credit Facility"

Our credit agreement imposes operating and other restrictions on C&W and many of its subsidiaries. These restrictions affect, and in many respects limit or prohibit, various activities including financing of ongoing operations, strategic acquisitions, investments, payment of dividends, distributions on or repurchases of capital stock.

C&W – Risks associated with the seasonality of our business

A significant portion of our revenue is seasonal, which can affect our ability to compare our financial condition and consolidated results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused our revenue, operating income, net income and cash flows from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. The seasonality of our business makes it more difficult to determine during the course of the year whether planned results will be achieved, and thus to adjust to changes in conditions.

C&W – Risks associated with the impairment of our goodwill and other intangible assets

A significant and sustained decline in our future cash flows, a significant adverse change in the economic environment or slower revenue and EBITDA growth rates could result in the recognition of goodwill or other intangible asset impairment charges, which could materially adversely affect our results of operations.

C&W – Risks associated with non-U.S. dollar currency fluctuations

Our revenue from non-U.S. operations is denominated primarily in the local currency where the associated revenue was earned while the functional currency of C&W is the U.S. dollar. During 2011, approximately 39% of our gross revenue was transacted in non-U.S. currencies. Over time, fluctuations in the value of the U.S. dollar relative to the other currencies in which we may generate earnings could adversely affect our business, financial condition and operating results.

C&W – Risks associated with litigation and damage to our professional reputation as a result of litigation allegations and negative publicity.

C&W and its licensed employees are subject to regulatory and other obligations. Failure to fulfill these obligations could subject us or our employees to litigation from parties for whom we provided services. Some of these litigation risks may be mitigated by insurance we maintain in amounts we believe are appropriate.

C&W – Risks associated with significant competitors and potential future competitors, some of which may have greater financial and operational resources than we do

C&W competes across a variety of business disciplines within the commercial real estate services industry. Although many of its competitors are local or regional firms and are substantially smaller than C&W, some of these competitors are larger on a local or regional basis. We are also subject to competition from other large national and multi-national firms that have similar service competencies to ours. In general, there can be no assurance that we will be able to compete effectively, to maintain current fee levels or margins, or maintain or increase our market share.

C&W – Risks associated with operations in many jurisdictions with complex and varied tax regimes

Operates in many jurisdictions with complex and varied tax regimes, and subject to different forms of taxation resulting in a variable effective tax rate. Disagreements with the tax authorities could have an adverse effect on our results of operations.

C&W – Risks associated with the failure to maintain and protect our intellectual property or the infringement of the intellectual property rights of third parties

Our business depends, in part, on our ability to identify and protect proprietary information and other intellectual property (such as our trademark, client lists and information, business methods and research). Our inability to detect unauthorized use or take appropriate or timely steps to enforce our rights may have an adverse effect on our business.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks associated with general economic conditions (industry risk)

In the short term, Juventus' earnings and financial position are not influenced significantly by overall economic conditions given that most of Juventus' revenue items stem from long-term contracts. Nonetheless, if the weakness and uncertainty of the Italian and European economy should become long-term, the activities, strategies and prospects of Juventus Football Club may be adversely affected in particular as concerns radio and TV rights, sponsorships, revenues from the new Stadium and also sales activities targeted at team supporters.

Juventus Football Club - Risks associated with activities (strategies and operational process risk)

Players' registration rights represent Juventus Football Club's factor of production. Sports activities are subject to risks connected to physical health and fitness. Injuries and accidents, therefore, can potentially have a significant impact at any time on Juventus Football Club's earnings and financial position.

At the same time, given that the business also focuses on the commercial exploitation of the brand, trademark infringement by third parties is another risk Juventus Football Club faces. The arrival on the market of a large number of imitation goods bearing Juventus Football Club's trademark or the occurrence of events that may impair the market value of the trademark would have an adverse effect on its earnings and financial position.

Finally, there are risks connected with supporter behavior which may result in fines, sanctions or other punishments being levied on Juventus Football Club and indirect damages to the club's image which may lead to lower stadium turnout and lower merchandising sales.

Juventus Football Club - Risks associated with the Transfer Campaign (strategic process risk)

Juventus Football Club's earnings and financial position are significantly affected by the acquisitions and disposals made as part of Transfer Campaigns. Difficulty in correlating individual transactions to the development plan and to the annual sports management guidelines could potentially have an adverse impact on Juventus Football Club's financial position and income statement. Moreover, having a squad of players that does not meet the technical and tactical requirements of the trainer and the strategic needs of the sporting director raises the risk of not being able to optimize the playing side, bringing unexpected or excessive costs (amortization charges, players' wages).

Juventus Football Club - Risks associated with failure to qualify for sports tournaments (strategic process risk)

Juventus Football Club's earnings are significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top two ranking teams in the Serie A Championship, while the third-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify for the tournament, even where due to a reduction in the number of participating teams, as well as failure to obtain UEFA licensing, would potentially have an adverse impact on Juventus Football Club's earnings and financial position.

Juventus Football Club - Risks associated with the dependence on radio and television rights (strategic process risk)

Juventus Football Club's revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold. New rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds, applicable starting from the 2010/2011 financial year (introduced by Legislative Decree 9 of January 9, 2008) have reduced and may further reduce Juventus' revenues, bringing a significant impact on Juventus' earnings, financial position and cash flows.

Juventus Football Club - Risks associated with the sponsorship market (industry risk)

The current economic situation has had repercussions for sports sponsorships, as sponsors today prefer to shorten the time horizon of the promotional/advertising investments they undertake. The effect of this shift in the market in the short term has been to lower the proportion of long-term sponsorship revenues compared to the past. If the economic crisis should continue, growth in sponsorship revenues may fall below expectations, with possible consequent impacts on Juventus' earnings, financial position and cash flows.

Juventus Football Club - Risks associated with the new Stadium investment (strategic and operational process risk)

Starting with the 2011/2012 season, Juventus became the first Serie A team to own its own stadium. This means that Juventus Football Club now has responsibility for the stadium with the consequent risks associated with the structure of the stadium and management of the surrounding public areas used for parking. Management of the new stadium and public parking areas during events may lead to unexpected costs, including due to damage or vandalism beyond Juventus' control. However, these are risks common to all football clubs.

Juventus Football Club - Risks associated with funding requirements (industry risk)

Numerous factors affect Juventus' financial position. These include the fulfillment of sports and business objectives, as well as trends in general economic conditions and in the markets in which Juventus Football Club operates.

Based on the Development Plan for the years 2011/2012 – 2015/2016 approved by the board of directors' meeting held on June 23, 2011 and the share issue proposed to back the Plan, Juventus intends to meet its funding requirement and planned investments from cash flows from operations and prudent use of bank credit facilities.

In accordance with its risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. In addition to this, Juventus Football Club holds its cash and cash equivalents as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the adverse situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded and may give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks associated with fluctuations in interest rates and exchange rates (financial process risk)

Juventus uses various forms of funding to assure the cash flows needed for its business. These include credit lines for cash advances and credit commitments, financial leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. Juventus Football Club has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates. Despite these hedges, sudden changes in interest rates could potentially have an adverse impact on Juventus Football Club's financial position and income statement.

Juventus conducts almost all its purchase and sale transactions in Euro. As a result, it is not exposed in any significant way to the risk of exchange rate fluctuations.

Juventus Football Club - Risks associated with the outcome of pending litigation (compliance risk)

With the assistance of its legal advisors, Juventus constantly manages and monitors all pending litigation and, on the basis of the predicable outcome, when necessary, makes accruals in specific provisions.

On the basis of pending litigation, future negative effects, both significant and insignificant, on Juventus' earnings, financial position and cash flows cannot be excluded.

ALPITOUR GROUP

Alpitour Group - General risks

The trend in demand for tourist packages is always acutely influenced by outside factors such as political risks (conflicts, institutional changes, unilateral acts of government and terrorism), the international economic situation, natural disasters and health scares (e.g. pandemics).

The international political situation, especially in situations of war and terrorist threats, could generate a contraction in demand for the Alpitour Group’s services. Areas located in developing countries or plagued by unstable political and social instability are clearly more exposed to this type of risk.

Another risk factor is caused by the ravages of weather such as tsunamis, hurricanes, earthquakes, volcanic eruptions as well as pandemics or epidemics which could cause a sharp decline in demand for tourism services to the affected destinations.

A negative international economic environment could significantly affect the propensity of clients to purchase tourist packages, leading them to place more emphasis on primary needs.

Alpitour Group - Risks typical of the tourism sector

The Alpitour Group (with the exception of incoming activities) operates mostly with Italian clientele in that the product offered features qualitative standards that mirror the expectations and needs of Italian demand. Therefore, the business is strongly influenced by domestic economic conditions, interest rates, taxes, uncertainty over future economic prospects and the shift towards other goods and services in spending choices. Moreover, the fall in consumption after the slowdown in economic growth may lead to a considerable decline in the number of passengers.

The style and habits of the Italian clientele mean that the earnings of the tourism sector are highly seasonal and for the most part revenues are concentrated in the summer season.

The typical activities of the Alpitour Group use services provided by third parties, mainly suppliers of air and hotel services and travel agencies, whether individual or part of networks. The risk that such services will not be rendered efficiently and without interruption may compromise the earnings of the Alpitour Group and damage its image.

The Alpitour Group, because of its vertical integration, its presence in all the links of the tourism chain, the diversification of key suppliers and specific sales policies aimed at sustaining demand in the low season, believes that it can manage and minimize such risks.

Alpitour Group - Risks relating to information technology processes

The tourism sector is firmly anchored to information technology processes which cover the entire business cycle starting from the booking system. The risk of the interruption, even temporarily, of information systems could cause difficulties in operations and in supplying services to clients

By continually updating and maintaining its systems and designing specific disaster recovery plans, as well as holding commercial contracts with leading suppliers of substitute technologies, the Alpitour Group has all the means necessary to monitor and meet such risks.

Alpitour Group - Financial risks

Alpitour Group is exposed to financial risks such as credit risk, liquidity risk, exchange rate risk, interest rate risk and fuel price fluctuations.

The exposure to credit risk is an innate risk of the Group’s activities and is mainly represented by the amount of trade receivables. The concentration of credit risk, however, is mitigated by the fact that exposure is spread over a large number of counterparties and customers, as well as by bank guarantees obtained to safeguard against greater exposure. Trade receivables are recognized in the financial statements net of writedowns calculated on the risk of non-fulfillment by the counterparties, determined by considering information available on the clients’ solvency and historical data.

The Alpitour Group is subject to liquidity risk which may arise as a result of difficulties in obtaining loans to support operating activities at the appropriate times. Cash flows, financing needs and the liquidity of the group companies are monitored and managed centrally by the group treasury function with the aim of ensuring an effective and efficient management of financial resources. In order to keep refinancing costs to a minimum and ensure that the necessary cash flows are obtained on a timely basis according to the group's operating needs, the central treasury function secures sufficient credit lines.

The Alpitour Group is exposed to market risk from exchange rate fluctuations, especially the U.S. dollar, since it operates on an international level. The Alpitour Group uses loans and financing transactions to support its operating requirements. The change in interest rates may have an impact on earnings. The Alpitour Group, and, in particular, the tour operating division, based on the conditions in the contracts for the purchase of air transport services, is exposed to risks of fluctuation in fuel prices mainly in association with international political stability and other outside factors.

The Alpitour Group regularly assesses its exposure to the various types of risk and manages such risks through the use of traditional instruments and derivatives according to its management and control policy. This policy does not allow activities of a speculative nature and the use of derivatives is reserved for exposure to fluctuations in exchange rates, interest rates and fuel prices for hedging purposes.

Exposure to exchange rate risk on commercial transactions in foreign currency is hedged mainly by forward, forward knock-in and plain vanilla call option contracts. Exposure to interest rate risk on medium/long-term loans is mostly hedged by interest rate swaps and zero costs collars.

Finally, exposure to the risk of fluctuations in fuel prices is hedged by commodity swaps.

The counterparties of such contracts are leading Italian and international financial institutions with high ratings.

As regards the exchange rate risk and the price fluctuation risk of oil, according to the sales contract conditions of tourist packages, the organizers of the trip have the right to adjust the sales prices for the increase in the costs of the services generated by these two variables.

SIGNIFICANT EVENTS IN 2011

Demerger of Fiat activities and transfer to Fiat Industrial

During 2010, the Fiat Group initiated and completed a strategic project to separate the Agricultural and Construction Equipment (CNH sector) and Trucks and Commercial Vehicles (Iveco) activities, as well as the "Industrial & Marine" business line of FPT Powertrain Technologies (FPT Industrial sector) from the Automobile and Automobile-related Components and Production Systems activities, which include the sectors Fiat Group Automobiles, Maserati, Ferrari, Magneti Marelli, Teksid, Comau and the Passenger & Commercial Vehicles business line of FPT Powertrain Technologies.

The separation of those businesses, in the form of their partial proportional demerger from Fiat S.p.A. and transfer to Fiat Industrial S.p.A. resulted in the creation of the new Fiat Industrial Group (consisting of CNH, Iveco and FPT Industrial) on January 1, 2011. From the same date until the date of the consolidation of Chrysler, discussed later in the report, the Fiat Group post-demerger is comprised of Fiat Group Automobiles, Maserati, Ferrari, Fiat Powertrain, Magneti Marelli, Teksid and Comau. On January 3, 2011, Fiat Industrial S.p.A. shares began trading on the Electronic Share Market managed by Borsa Italiana S.p.A.

For every Fiat S.p.A. ordinary, preferred and savings share held EXOR S.p.A. received one Fiat Industrial S.p.A. share of the corresponding class of shares.

Changes in corporate positions, relative compensation and organizational structure

In the meeting held on February 11, 2011, the EXOR board of directors named John Elkann chief executive officer in addition to his role as chairman of the board. Carlo Barel di Sant'Albano resigned from the position of chief executive officer.

On March 31, 2011, the chief administration officer and manager charged with preparing the company's corporate financial reports, Mr Aldo Mazzia, left EXOR to take up operational positions in the subsidiary Juventus Football Club and was replaced by the chief financial officer, Mr Enrico Vellano, in the role of the manager responsible for the preparation of the corporate financial reports beginning April 1, 2011.

Based on the proposal by the Compensation and Nominating Committee, the board of directors in its meeting held on March 28, 2011 voted to increase the annual compensation of Mr Elkann from €1 million to €2 million by virtue of the new operational positions he has assumed within the Company.

On the same date, the board of directors took note that, as a result of Mr Sant'Albano's resignation as chief executive officer, he relinquished the 3,000,000 option rights granted to him under the EXOR Stock Option Plan 2008-2019. Moreover, since this was a voluntary resignation, he will not be entitled to the indemnity of €2.5 million on the expiry of his term of office. The board of directors also voted to maintain Mr Sant'Albano's existing insurance coverage and the use of the Company's apartment in Turin until December 31, 2011. Finally, the board of directors, in accordance with the motion submitted by the Compensation and Nominating Committee, voted to grant Mr Elkann, by virtue of the new operational positions he was conferred, 3,000,000 options, corresponding to 795,000 EXOR ordinary shares, under the EXOR Stock Option Plan 2008-2019.

Investments in Gruppo Banca Leonardo

In March 2011, EXOR S.A. purchased a total of 7,576,662 Gruppo Banca Leonardo S.p.A. ordinary shares (2.90% of share capital) at a price per share of €2.38 for a total of €18 million. EXOR S.A. now holds 45,459,968 Gruppo Banca Leonardo S.p.A. ordinary shares equal to 17.40% of its capital.

Subscription to Almacantar share capital increases

In the second quarter of 2011, Almacantar carried out a number of share capital increases. On June 20, 2011, Almacantar voted to adopt the British Pound sterling as its functional currency and converted its share capital accordingly. At this date, EXOR S.A. holds a 36.29% stake (54.98% at December 31, 2010) for a total investment of £100.3 million (€113.9 million), of which £40.3 million (€48.3 million) is still payable.

EXOR S.A.'s commitments to subscribe to further Almacantar capital increases are considered to have been met according to the agreements reached on April 16, 2010, as modified on June 15, 2011.

Resolutions passed by the shareholders' meeting

The April 28, 2011 EXOR shareholders' meeting approved the separate financial statements for the year 2010 and resolved to pay dividends of €0.31 per ordinary share, €0.3617 per preferred share and €0.3881 per savings share for a total maximum amount of €75.9 million. The dividends became payable starting on May 26, 2011.

The same shareholders' meeting also confirmed Mr Sergio Marchionne as a director of the Company. The shareholders' meeting also voted to renew the authorization for the purchase, also through subsidiaries and for the next 18 months, of the three classes of EXOR shares for a maximum number that is not to exceed the limit established by law. Finally, the meeting gave its approval, based on the proposal put forward by the board of statutory auditors, to the appointment of Reconta Ernst & Young S.p.A. as the auditors for the years 2012-2020 for the audit of the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the EXOR Group.

EXOR bond issue

On May 9, 2011, out of a total amount of €1 billion authorized by the board of directors on March 28, 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion (about €83 million). The bonds will pay 2.80% interest in Japanese yen and the term is 20 years. The exchange risk on the bonds is hedged by a cross currency swap. The cost in Euro after this transaction is equal to 6.012% per year.

Sale of the building located in Turin, Corso Matteotti 26, and merger by incorporation of EXOR Services S.c.p.a. in EXOR S.p.A.

In June 2011, the subsidiary EXOR Services S.c.p.a. finalized the sale of the building in Corso Matteotti 26 for a price of €18.2 million. The transaction generated a gain of €7.1 million.

On November 24, 2011, having fulfilled its mission upon the sale of the above building, the merger deed was signed for the incorporation of EXOR Services S.c.p.a. in EXOR S.p.A., with effect for legal purposes from December 1, 2011 and accounting and tax purposes from January 1, 2011.

Repayment of the loan extended to C&W Group

On June 27, 2011, C&W Group completely repaid the credit line extended by EXOR S.p.A. for a maximum amount of $50 million.

Exercise of options linked to Alpitour shares

On July 14, 2011, the recipients of the stock option plan linked to Alpitour shares exercised the option rights for all the shares granted in the past.

In accordance with the supplementary agreement sealed between the parties on June 10, 2011, the fair value of the options, paid to the two recipients, was equal to €21.1 million, basically in line with the amount accrued in the financial statements at December 31, 2010.

Buyback of treasury stock

Under the buyback Programs for treasury stock approved by the board of directors on May 12, 2011 and August 29, 2011, during 2011, EXOR purchased 2,619,500 ordinary shares (1.63% of the class) at an average cost per share of €16.15 for a total of €42.3 million, 1,450,900 preferred shares (1.89% of the class) at an average cost per share of €15.72 for a total of €22.8 million, and also 244,010 savings shares (2.66% of the class) at an average cost per share of €14.60 for a total of €3.6 million. The entire investment in 2011 amounted to €68.7 million.

At December 31, 2011, EXOR S.p.A. held the following treasury stock:

Class of shares	Number of shares	% of class	Carrying amount Per share (€)	Carrying amount Total (€ ml)
Ordinary	6,729,000	4.20	14.03	94.4
Preferred	11,690,684	15.22	11.70	136.8
Savings	665,705	7.26	11.69	7.8
				239.0

Payment against the future capital increase by Juventus Football Club S.p.A.

The Juventus Football Club S.p.A. extraordinary shareholders' meeting held on October 18, 2011 approved the capital increase for a total of €120 million proposed by the board of directors' meeting held on June 23, 2011. The capital increase aims to provide Juventus with the financial resources necessary to absorb the loss for the financial year 2010/2011 and implement the strategies set out in the Development Plan for the financial years 2011/2012 – 2015/2016.

On September 23, 2011, EXOR S.p.A. paid in its share (60% of Juventus' capital), amounting to €72 million, of the capital increase approved by the Juventus Football Club shareholders' meeting, against the future increase in share capital, to ensure that Juventus will continue functioning as a going concern. Furthermore, it also confirmed its commitment to subscribe to a quota in excess of its option rights, for a maximum amount of €9 million, corresponding to the interest held by LAFICO (7.5% of capital).

Also on the same date, Juventus extinguished the line of credit for €70 million extended by EXOR on June 23, 2011 with the early repayment of the loan, for a total of €47.6 million, including accrued interest.

Relocation of EXOR S.p.A.'s headquarters

As of September 19, 2011, the headquarters of the Company was moved to Via Nizza 250, Turin.

Simplification of the capital structure of Fiat S.p.A. and Fiat Industrial S.p.A. and increases in the investments in the two companies

On October 27, 2011, the boards of directors of Fiat S.p.A. and Fiat Industrial S.p.A. resolved to propose to the shareholders the conversion of their companies' preferred and savings shares into ordinary shares.

EXOR S.p.A. confirmed the intention to maintain its investment in Fiat and Fiat Industrial above the tender offer threshold, even after the conversion and operated on regulated markets according to the need and in keeping with the procedures established by existing law, also with regard to the obligations of communication.

Further information on the operations for the conversion of Fiat S.p.A.'s and Fiat Industrial S.p.A.'s share capital is provided under the "Review of performance of the operating subsidiaries and associates in the Holdings System".

In November and December EXOR S.p.A. purchased on the stock market 300,000 Fiat ordinary shares (0.03% of the class) 8,916,670 Fiat savings shares (11.16% of the class) and 12,164,441 Fiat Industrial savings shares (15.22% of the class), for a total equivalent amount, respectively, of €1.2 million, €29.9 million and €54.2 million.

Following these transactions, at December 31, 2011 EXOR S.p.A. held:

- 332,887,447 Fiat ordinary shares (30.47% of the class), 31,082,500 Fiat preferred shares (30.09% of the class) and 11,255,299 Fiat savings shares (14.08% of the class);
- 332,587,447 Fiat Industrial ordinary shares (30.45% of the class), 31,082,500 Fiat Industrial preferred shares (30.09% of the class) and 14,503,070 Fiat Industrial savings shares (18.15% of the class).

Sale of Alpitour S.p.A.

On December 23, 2011, EXOR reached an agreement for the sale of the investment in Alpitour S.p.A. for €225 million. The buyers are two closed-end private equity funds owned by Wise SGR S.p.A. and J. Hirsch & Co., along with other financial partners including Network Capital Partners. The buyers will carry out the transaction through SEAGULL S.r.l., a special purpose vehicle incorporated and capitalized for the purpose.

According to the agreement, EXOR will receive cash consideration of €210 million, in addition to a deferred payment of €15 million plus interest. The final total consideration will also take into account a performance-related earn-out payment to be calculated on the eventual sale by the investors of their majority interest in Alpitour.
The transaction will result in a gain for EXOR in the separate financial statements of approximately €140 million which will be recorded during 2012.
EXOR will acquire a 10% interest in the vehicle company for €10 million and will also benefit pro rata from any increase in value creation by the company.

Agreement for the sale of the Mandatory Convertible Perfect Vision Bonds

On December 23, 2011, EXOR S.A. signed a contract for the sale of the Mandatory Convertible Perfect Vision Bonds to Vision Investment Management. The contract calls for a price in cash of €9.4 million on the basis of the estimated value at December 31, 2011, as well as warrants which will give EXOR S.A. the right to subscribe to 20% of Vision Investment Management's capital in the future.
The closing of the transaction, subject to the occurrence of several conditions precedent including the issue of authorizations by the competent authorities, is expected to take place by the end of June 2012.

Criminal case relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

Subsequent to filing the motivations for the acquittal verdict, the Public Prosecutor's Office of Turin, by act of notification to the Company on June 3, 2011, lodged an immediate appeal under ex art. 569 of the Code of Criminal Procedure to the Supreme Court of Cassation. The hearing in the Court of Cassation is set for May 11, 2012.

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2012

Subscription to Juventus' capital increase and purchase of option rights

In January 2012, EXOR S.p.A. subscribed to its entire share of Juventus Football Club's capital increase, corresponding to 483,736,664 new shares, for a total of €72 million, paid on September 23, 2011.
Moreover, in January 2012, EXOR purchased 9,485,117 option rights offered on the stock market for an outlay of €67 thousand, subscribing to the corresponding 37,940,468 shares for an equivalent amount of €5.6 million (3.765% of share capital). EXOR S.p.A. currently holds 642,611,298 shares, equal to 63.77% of Juventus Football Club's share capital.

Increase in Fiat and Fiat Industrial investments

During the first quarter of 2012, EXOR S.p.A. purchased on the stock market 7,597,613 Fiat savings shares (9.51% of the class) and 2,826,170 Fiat Industrial savings shares (3.54% of the class) for a total equivalent amount, respectively, of €30.8 million and €16 million.

As of today's date, pre-conversion of preferred and savings shares to ordinary shares, EXOR S.p.A. in total holds 30% of Fiat S.p.A. share capital and 29.87% of Fiat Industrial S.p.A. share capital divided in the following share classes:

- 332,887,447 Fiat ordinary shares (30.47% of the class), 31,082,500 Fiat preferred shares (30.09% of the class) and 18,852,912 Fiat savings shares (23.59% of the class);
- 332,587,447 Fiat Industrial ordinary shares (30.45% of the class), 31,082,500 Fiat Industrial preferred shares (30.09% of the class) and 17,329,240 Fiat Industrial savings shares (21.69% of the class).

In early April 2012, the extraordinary shareholders' meetings and the special shareholders' meetings of Fiat S.p.A. and Fiat Industrial S.p.A. approved the mandatory conversion of the preferred and savings shares of their respective companies into ordinary shares.

Dividends and distributions of reserves to be received during 2012

The following table shows the dividends and the distributions of reserves already approved by some of the subsidiaries and associates:

Holding	Class of shares	Number of shares		Dividends Per share	 Total (€/ml)
Fiat Industrial S.p.A.	ordinary	332,587,447	€	0.185	61.5
Fiat Industrial S.p.A.	preferred	31,082,500	€	0.185	5.8
Fiat Industrial S.p.A.	savings	17,329,240	€	0.2315	4.0
					71.3
Fiat S.p.A.	preferred	31,082,500	€	0.217	6.7
Fiat S.p.A.	savings	18,852,912	€	0.217	4.1
					10.8
Total EXOR S.p.A.'s share to be received					**82.1**
SGS. S.A.	ordinary	1,173,400	CHF	65	63.2 (a)
Gruppo Banca Leonardo S.p.A.	ordinary	45,459,968	€	0.681 (b)	30.9 (b)
Total EXOR S.A.'s share to be received					**94.1**

(a) CHF 76.3 million converted at the rate of 1.20670.
(b) Of which €26.4 million (€0.581 per share) will be recognized as a deduction from the carrying amount of the investment since the distribution is by withdrawal from paid-in capital.

Finalization of the transaction for the sale of the subsidiary Alpitour S.p.A.

On March 13, 2012, EXOR and SEAGULL S.r.l. added an addendum to the December 23, 2011 agreement which, besides establishing a higher remuneration on the deferred price, calls for a commitment from EXOR to purchase from the Alpitour Group a building used as a hotel for an amount of €26 million.
The property will be leased to the Alpitour Group and will guarantee EXOR a return linked to the results of the building's management, with a minimum guaranteed payment. EXOR is assured of the possibility of selling the building to third parties without any contractual restriction.
The closing of the transaction is expected to take place in April 2012.

EXOR Incentive Plan

Today, the EXOR board of directors approved a new Incentive Plan pursuant to art. 114 bis of Legislative Decree 58/1999 which will be submitted to the shareholders' meeting of May 29, 2012 for approval.

The Plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to approximately 30 recipients which will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to the continuation of the professional relationship with the Company and with the Companies in the Holdings System;
- under the second part of the Plan, denominated "Company Performance Stock Option", a total of 3 million option rights will be granted to the recipients which will allow them to purchase a corresponding number of EXOR ordinary shares during the vesting period from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance targets and the continuation of the professional relationship with the Company and with the Companies in the Holdings System. The performance target will be considered to have been reached when the annual variation in EXOR's NAV will be higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of the Borsa Italiana trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The chairman and chief executive office of the Company, Mr John Elkann, is the recipient of the Company Performance Stock Option and will receive 750,000 option rights. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, which hold key positions in the company organization.

The employee recipients of the Incentive Plan will be identified by the chairman and chief executive officer of EXOR S.p.A. The Plan will be serviced by treasury stock and therefore will not have a dilutive effect since there will be no issue of new shares. The information document relating to the Plan will be made available to the public within the time frame established by law.

FUTURE OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2012.

At the consolidated level, the year 2012 should show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. Their most recent forecasts are presented below.

Fiat Industrial Group

On the back of the Group's performance to date and expectations of continuing strong trading conditions across all sectors, especially CNH, in occasion of the presentation of the 2011 financial results, Fiat Industrial set 2012 guidance as follows:
- Revenues of approximately €25 billion;
- Trading profit between €1.9 billion and €2.1 billion;
- Net profit of approximately €0.9 billion;
- Net industrial debt between €1.0 billion and 1.2 billion;
- Cash and cash equivalents in excess of €4 billion;
- Capital expenditures between €1.2 billion and €1.4 billion.

Fiat Group

Fiat-Chrysler remains fully committed to the strategic direction laid out in the 5-year plans presented by Chrysler in November 2009 for Chrysler and April 2010 for Fiat.

Having reviewed the economic and trading conditions in the four operating regions that encompass the activities of Fiat-Chrysler, it confirms the expectations of performance in North America, Latin America and Asia-Pacific.

Recent events in the last 12 months, and more particularly in the last semester of 2011, have cast doubt on the volume assumptions governing the overall market and our own development plans for Europe up to 2014.

The level of uncertainty regarding economic activity in the eurozone in the foreseeable future has made specific point projections of financial performance unreliable.

As a result, the Group has provided guidance for 2012 in terms of ranges, from continuing depressed trading conditions in Europe to a gradual stabilization and recovery at the very end of 2012.

As a consequence, Fiat-Chrysler's 2012 full year guidance is as follows:
- Revenues above €77 billion;
- Trading profit between €3.8 to €4.5 billion;
- Net profit between €1.2 to €1.5 billion;
- Net industrial debt between €5.5 to €6 billion.

As events unfold throughout the remainder of the year, the Group expects to fully articulate the effect of the eurozone economic climate on its 2014 plan when releasing the third-quarter 2012 results.

C&W Group

For C&W Group, 2011 was marked by strategic hires, targeted acquisitions and the expansion of its geographic footprint. These moves have set the stage in balancing the platform to provide consistent and quality services to its global clients.

As C&W remains focused on achieving its goals it looks forward to 2012 expecting continued revenue and EBITDA growth. While there is caution regarding the global economy, including the European debt crisis that has slowed C&W's performance during the last quarter of 2011, the firm believes that the 2012 economic landscape should strengthen during the second half as underlying economic fundamentals come to the fore, and the real estate markets improve as a result.

Almacantar

Almacantar, after the purchase of the first two buildings in 2011, will continue in 2012 to manage these investments, ready to seize new investment opportunities in the real estate market in the center of London, which is expected to be stable owing to the effect of demand by institutional investors, the steady demand for rentals and the availability of supply in the real estate market.

In 2011, the Group reported a loss but has also increased its net assets following the purchase of its first two buildings.

The Group expects to show a profit in 2012 thanks to revenues generated by the two properties for the full year.

Juventus Football Club

Though lower than in 2010/2011, a significant loss is still expected in 2011/2012 in that it is negatively affected by the failure to participate in the UEFA Champions League, substantially stagnant media revenues due to the centralized sale of television and radio rights and the economic impact of the campaign to renew the bench of First Team players. However revenues will further benefit from the opening of the new stadium owned directly by the company.

Sequana Group

Given the prevailing economic and financial uncertainty, demand for printing and writing papers should continue to decline in 2012, particularly in the first half of the year.

Actual figures for the first two months of the year for both distribution and production confirm this outlook, as the lack of visibility hits corporate marketing and communication budgets.

Arjowiggins' specialty businesses (particularly eco-friendly papers, Security and Medical/Hospital segments) should benefit from robust demand. On the distribution side, growth in Packaging and Visual Communications and in emerging markets should continue apace.

Raw material prices should fall compared to 2011 despite continuing volatility in the business environment. This has already happened with prices for pulp – aside from a moderate increase expected in March – and waste paper and cotton prices. However, prices for energy and chemical products will remain at high levels.

Consequently, Sequana expects to deliver in 2012 an operating performance (EBITDA) ahead of 2011.

Alpitour Group

As regards the economic forecasts for 2011/2012, a year still laboring under difficulties and weak demand, the Alpitour Group has set itself the goal of increasing sales volumes and consolidating the positive earnings and financial results achieved in the last few years.

Such goals however will be subject to market recovery and an upturn in consumer demand, in addition to a return to a peaceful political situation in the entire North Africa region, especially in the Egypt and Tunisia destinations.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closed the year 2011 with a profit of €58.7 million (€151.8 million in 2010).

The reduction was due primarily to lower dividends received from subsidiaries and associates (-€26.1 million), the impairment recorded on the subsidiary Juventus Football Club (-€56.2 million), the loss realized on the sale of the investment in Intesa Sanpaolo (-€8 million compared to the net gain of €10.2 million realized in 2010), higher net financial expenses (-€12.6 million), higher indirect taxes and duties (€0.8 million), higher income taxes for the year (-€1.5 million), countered by lower recurring expenses (€2.6 million) and higher net non-recurring income (+€19.7 million which among other things includes the gain realized by the merged EXOR Services on the sale of the building at Corso Matteotti 26 for €7.1 million).
On November 24, 2011, the merger deed was signed for the incorporation of EXOR Services in EXOR S.p.A. EXOR Services, a wholly-owned subsidiary, carried out – mainly in the interests of companies of the Group – organization and management of IT systems, telephone and data activities and management of the building at Corso Matteotti 26. Considering the characteristics of the merged company and the nature of the transaction for the sale of building, EXOR has not deemed it necessary to prepare a pro-forma income statement and a statement of financial position for 2010. However, it should be noted that the transactions entered into by EXOR Services for the first eleven months of 2011 were recorded in the EXOR financial statements as from January 1, 2011.

The income statement and statement of financial position, as well as comments on the most significant line items are presented below.

EXOR S.p.A. – Condensed Income Statement

€ million	Note	2011	2010	Change
Dividends from investments	1	**171.7**	197.8	(26.1)
Gains (losses) on disposals and impairments of investments	2	**(64.2)**	10.2	(74.4)
Net financial expenses	3	**(27.7)**	(15.1)	(12.6)
Net general expenses	4	**(19.9)**	(22.5)	2.6
Non-recurring other income (expenses) and general expenses	5	**2.4**	(17.3)	19.7
Non-deductible VAT and other indirect taxes and duties		**(2.0)**	(1.2)	(0.8)
Profit before income taxes		**60.3**	151.9	(91.6)
Income taxes		**(1.6)**	(0.1)	(1.5)
Profit for the year		**58.7**	151.8	(93.1)

EXOR S.p.A. – Condensed Statement of Financial Position

		12/31/2011		12/31/2010		
€ million	Note	Amount	%	Amount	%	Change
Investments	6	**3,817.2**	**83.6**	3,838.7	78.8	(21.5)
Other non-current financial assets		**115.8**	**2.5**	138.2	2.8	(22.4)
Current financial assets		**529.6**	**11.6**	815.8	16.8	(286.2)
Financial receivables from subsidiaries		**0.0**	**0.0**	30.6	0.6	(30.6)
Tax receivables		**25.1**	**0.5**	45.7	1.0	(20.6)
Other current and non-current assets		**1.8**	**0.0**	0.8	0.0	1.0
Non-current assets held for sale	7	**82.5**	**1.8**	0.0	0.0	82.5
Total Assets		**4,572.0**	**100.0**	4,869.8	100.0	(297.8)
Equity	8	**3,445.4**	**75.3**	3,552.5	72.9	(107.1)
Bonds		**845.8**	**18.5**	945.6	19.4	(99.8)
Current and non-current bank debt		**200.0**	**4.4**	281.1	5.8	(81.1)
Other current financial liabilities		**48.1**	**1.1**	31.8	0.7	16.3
Provisions and other current and non-current liabilities		**32.7**	**0.7**	58.8	1.2	(26.1)
Total Equity and Liabilities		**4,572.0**	**100.0**	4,869.8	100.0	(297.8)

1. **Dividends from investments**

In 2011, dividends from investments amount to €171.7 million and include dividends collected from Fiat for €40.3 million, Intesa Sanpaolo for €0.8 million, Rho Immobiliare Fund for €0.5 million, Emittenti Titoli for €0.1 million and, lastly, from EXOR S.A. for €130 million, of which €38.5 million in cash and €91.5 million corresponding to the fair value of financial instruments transferred to EXOR S.p.A.

In 2010, dividends of €197.8 million came from Fiat for €66.9 million, Intesa Sanpaolo for €0.8 million, Emittenti Titoli for €0.1 million and, lastly, from EXOR S.A. for €130 million, of which €33 million in cash and €97 million corresponding to the fair value of financial instruments transferred to EXOR S.p.A.

2. **Gains (losses) on disposals and impairments of investments**

In 2011, gains (losses) on disposals and impairments of investments include the loss of €8.0 million on the sale of the remaining 12,857,142 Intesa Sanpaolo shares (0.08% of ordinary share capital) with proceeds of €16.4 million and the impairment of €56.2 million taken up on the investment in Juventus Football Club.

3. **Net financial expenses**

Net financial expenses amount to €27.7 million in 2011. This is a net increase of €12.6 million compared to 2010 (€15.1 million).

4. **Net general expenses**

Net general expenses total €19.9 million and show a decrease of €2.6 million compared to 2010 (€22.5 million).

5. **Non-recurring other income (expenses) and general expenses**

The line item is an income balance of €2.4 million in 2011 (an expense balance of €17.3 million in 2010).

Details are as follows:

€ million	2011	2010
Gain on sale of building	**7.1**	0
Fair value adjustment of the Alpitour stock option plan	**0.9**	(9.7)
Expenses arising on employee reduction plan	**(4.7)**	(2.9)
Fees for defense in legal cases	**(0.7)**	(4.3)
Sundry other income (expenses)	**(0.2)**	(0.4)
	2.4	(17.3)

The gain on the sale of the building in Corso Matteotti 26 was realized by the merged EXOR Services.

In 2011, the fair value adjustment of the Alpitour stock option plan is positive and represents the difference between the amount paid to the recipients and the amount payable at December 31, 2010.

In 2011, the expenses arising on the employee reduction plan of EXOR S.p.A. and the merged EXOR Services amount to €4.7 million (€2.9 million in 2010).

Fees for defense in legal cases are equal to €0.7 million (€4.3 million in 2010) and refer to the fees incurred for legal assistance in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005.

Sundry other income (expenses) shows a net expense balance of €0.2 million in 2011 relating to the expenses incurred for the transfer of the corporate headquarters from Corso Matteotti 26 to Via Nizza 250. In 2010, the net expense balance amounted to €0.4 million and referred primarily to the expense accruals in connection with the early liquidation of Fondo Integrativo Aziendale.

6. Investments

Details are as follows:

€ million	12/31/2011	12/31/2010	Change
Accounted for at cost			
Fiat Industrial S.p.A. (ordinary shares)	**1,482.7**	0.0	1,482.7
Fiat Industrial S.p.A. (preferred shares)	**130.6**	0.0	130.6
Fiat Industrial S.p.A. (savings shares)	**61.0**	0.0	61.0
	1,674.3	0.0	1,674.3
Fiat S.p.A. (ordinary shares)	**1,137.9**	2,619.4	(1,481.5)
Fiat S.p.A. (preferred shares)	**119.8**	250.4	(130.6)
Fiat S.p.A. (savings shares)	**36.1**	13.0	23.1
	1,293.8	2,882.8	(1,589.0)
EXOR S.A.	**746.5**	747.1	(0.6)
Alpitour S.p.A.	**0.0**	92.5	(92.5)
Juventus Football Club S.p.A.	**90.0**	74.2	15.8
Exor Services S.c.p.a.	**0.0**	10.0	(10.0)
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	3,804.9	3,806.9	(2.0)
Available-for-sale investments			
Intesa Sanpaolo S.p.A. (ordinary shares)	**0.0**	20.4	(20.4)
RHO Immobiliare Fund	**12.3**	11.4	0.9
	12.3	31.8	(19.5)
Total investments	**3,817.2**	3,838.7	(21.5)

The comparison between carrying amounts and trading prices of shares held at the end of 2011 is as follows:

			Carrying amount		Trading price December 30, 2011		
	Number		Per share (€)	Total (€ million)	Per share (€)		Total (€ million)
Fiat Industrial S.p.A.							
- ordinary shares	332,587,447		4.46	1,482.7	6.57		**2,186.1**
- preferred shares	31,082,500		4.20	130.6	4.55		**141.5**
- savings shares	14,503,070		4.20	61.0	4.73		**68.6**
				1,674.3			**2,396.2**
Fiat S.p.A.							
- ordinary shares	332,887,447		3.42	1,137.9	3.5		**1,166.1**
- preferred shares	31,082,500		3.85	119.8	3.04		**94.5**
- savings shares	11,255,299		3.21	36.1	3.21		**36.1**
				1,293.8			**1,296.7**
Juventus Football Club S.p.A.	604,670,830	(a)	0.1488	90.0	0.1534	(b)	**92.8**
Total				**3,058.1**			**3,785.7**

(a) Theoretical number of shares post-subscription of the quota of capital increase.
(b) Trading price on January 18, 2012, the first day of listing post-capital increase.

7. Non-current assets held for sale

In accordance with IFRS 5, following the process for the valuation of the company, the investment in Alpitour S.p.A. was reclassified and recognized at the carrying amount (€82.5 million) since it is below its realizable value (€225 million).

8. Equity

Equity at December 31, 2011 is €3,445.4 million (€3,552.5 million at December 31, 2010). The negative change of €107.1 million is detailed in the following table.
Further details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2011.

€ million	
Equity at December 31, 2010	**3,552.5**
Dividends paid	(75.9)
EXOR treasury stock buybacks	(68.7)
Other net changes	(21.2)
Profit for the year	58.7
Net change during the year	**(107.1)**
Equity at December 31, 2011	**3,445.4**

9. Net financial position

At December 31, 2011, the net financial position is a negative €448.5 million compared to a negative €273.9 million at the end of 2010, with the negative balance increasing €174.6 million. The balance is composed as follows:

	12/31/2011			12/31/2010		
€ million	Current	Non/ current	Total	Current	Non/ current	Total
Financial assets	**435.3** (a)	**115.7** (a)	**551.0**	596.0	138.2 (a)	734.2
Financial receivables from subsidiary	**0.0**	**0.0**	**0.0**	30.6	0.0	30.6
Cash and cash equivalents	**94.2**	**0.0**	**94.2**	219.8	0.0	219.8
Total financial assets	**529.5**	**115.7**	**645.2**	846.4	138.2	984.6
EXOR bonds 2011-2031	**(0.7)**	**(99.5)**	**(100.2)**	0.0	0.0	0.0
EXOR bonds 2007-2017	**(22.4)**	**(746.2)**	**(768.6)**	(22.4)	(745.7)	(768.1)
EXOR bonds 2006-2011	**0.0**	**0.0**	**0.0**	(200.1)	0.0	(200.1)
Bank debt and other financial liabilities	**(24.9)**	**(200.0)**	**(224.9)**	(240.3)	(50.0)	(290.3)
Total financial liabilities	**(48.0)**	**(1,045.7)**	**(1,093.7)**	(462.8)	(795.7)	(1,258.5)
Net financial position of EXOR S.p.A.	**481.5**	**(930.0)**	**(448.5)**	383.6	(657.5)	(273.9)

(a) Of which €77 million is included in the current portion and €114.9 million in the non-current portion. They relate to bonds issued by leading counterparties, listed on active regulated markets which the Company intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash, in order to ensure a constant attractive flow of financial income. This designation was decided in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The negative change of €174.6 million in 2011 is due to the following cash flows:

€ million		
Net financial position at December 31, 2010		**(273.9)**
Dividends and reimbursement of reserves received from the investment holdings		181.7
- Exor S.A.	130.0	
- Fiat S.p.A.	40.3	
- Intesa Sanpaolo S.p.A.	0.8	
- Emittenti Titoli	0.1	
- Rho Immobiliare Fund	0.5	
- Alpitour S.p.A. (reimbursement of reserves)	10.0	
EXOR treasury stock purchases		(68.7)
- 2,619,500 ordinary shares (1.63% of the class)	(42.3)	
- 1,450,900 preferred shares (1.89% of the class)	(22.8)	
- 244,010 savings shares (2.66% of the class)	(3.6)	
Purchase of shares and subscription of capital increases		
Purchases:		(161.2)
- 12,164,441 Fiat Industrial S.p.A. savings shares (15.22% of the class)	(54.2)	
- 300,000 Fiat S.p.A. ordinary shares (0.03% of the class)	(1.2)	
- 8,916,670 Fiat S.p.A. savings shares (11.16% of the class)	(29.9)	
Capital increases:		
- Intesa Sanpaolo	(3.9)	
- Juventus Football Club	(72.0)	
Sale of 12,857,142 Intesa Sanpaolo ordinary shares (0.08% of ordinary capital)		16.4
Sale of building in Corso Matteotti 26		18.2
Dividends paid by EXOR S.p.A.		(75.9)
Other changes		(85.1)
- Net general expenses (excluding the figurative cost of the EXOR stock option plan)	(18.2)	
- Non-recurring other income (expenses) and general expenses (excluding fair value adjustment of Alpitour stock option plan)	(5.6)	
- Indirect taxes and duties	(2.0)	
- Net financial expenses	(27.7)	
- Alpitour stock option payment	(21.1)	
- Other net changes	(10.5) (a)	
Net change during the year		**(174.6)**
Net financial position at December 31, 2011		**(448.5)**

(a) Other net changes include the valuation of interest rate swaps on loans for -€23.7 million and the variation of non-financial receivables and payables for +€13.2 million.

10. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2011 and December 31, 2010 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 dated July 28, 2006.

	Profit (Loss)		Equity	
€ million	**2011**	**2010**	**12/31/2011**	**12/31/2010**
Separate financial statements of EXOR S.p.A.	**59**	**152**	**3,445**	**3,553**
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**2,522**	1,765
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**(28)**	771
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**514**	206	**514**	206
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(176)**	(202)	**(176)**	(202)
Adjustments of gains/losses on disposals of investments and writedowns	**108**	(19)	**108**	(19)
Other consolidation adjustments	**(1)**		**18**	1
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**504**	**137**	**6,403**	**6,075**

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

Through the subsidiary EXOR S.A., EXOR S.p.A. holds some important investments and controls some companies which contribute to the Group's investment activities and financial resource management. These companies constitute the so-called Holdings System (the complete list of these companies is presented below).

It should be noted that the merger by incorporation of EXOR Services S.c.p.a. in EXOR S.p.A. was concluded with effect on December 1, 2011.

EXOR presents annual consolidated financial statements (statement of financial position and income statement) prepared by applying the "shortened" consolidation criteria. Such shortened statements, in order to facilitate the analysis of the financial position and the results of operations of the Group, are also presented along with the half-year condensed consolidated financial statements and in the interim reports at March 31 and September 30 of each year.

In the preparation of the shortened consolidated statement of financial position and income statement, the separate financial statements or accounting data drawn up in accordance with IFRS by EXOR S.p.A. and by the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat Industrial, Fiat, C&W Group, Almacantar, Sequana, Juventus Football Club and Alpitour) are accounted for using the equity method on the basis of their consolidated financial statements or separate financial statements (in the case of Juventus Football Club) or accounting data prepared in accordance with IFRS.

Following the start of a process for the valuation of the subsidiary Alpitour, which began in the first quarter of 2011 and culminated on December 23, 2011 when a preliminary agreement was reached for its sale, the subsidiary was reclassified beginning June 30, 2011 to non-current assets held for sale, as established by IFRS 5, since it represents a separate major line of the EXOR Group's business. Accordingly, EXOR's share of the equity in the Alpitour Group, at the above reclassification date, was recorded in "Non-current assets held for sale" in the statement of financial position, while the share of the Alpitour Group's result was reclassified to a separate line of the income statement "Profit (loss) from Discontinued Operations". Moreover, the income statement for the year 2010 was restated for purposes of comparison.
Since the sales contract sealed on December 23, 2011 is subject to conditions precedent, the accounting treatment adopted beginning June 30, 2011 was also maintained for December 31, 2011, in accordance with IFRS 5.

The following table shows the consolidation and valuation methods of the investment holdings:

	% of consolidation	
	12/31/2011	12/31/2010
Companies in the Holdings System consolidated line-by-line (a)		
- Exor S.A. (Luxembourg)	**100**	100
- Exor Capital Limited (Ireland)	**100**	100
- Exor Inc. (USA)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor LLC (USA)	**99.80**	99.80
Investments in operating subsidiaries and associates, accounted for by the equity method		
- Fiat Industrial Group	**30.56**	29.59 (b)
- Fiat Group	**30.33**	29.59 (b)
- C&W Group (c)	**78.31**	78.56
- Juventus Football Club S.p.A.	**60**	60
- Sequana Group	**28.43**	28.37
- Almacantar Group	**36.30**	54.98 (d)

(a) The list does not include companies in a wind-up and/or wound-up during 2010.
(b) Percentage restated for comparative purposes.
(c) The percentage is calculated on issued share capital, net of treasury stock held and net of the estimate of treasury stock purchases from non-controlling interests to be made by C&W Group.
(d) Measured at cost since it was non-operational.

The EXOR Group closes the year 2011 with a consolidated profit of €504.2 million; the year 2010 ended with a consolidated profit of €136.7 million. The increase of €367.5 million stems from better results by subsidiaries and associates (+€396.2 million), higher dividends from investment holdings (+€32.1 million) offset in part by lower net financial income (expenses) (-€54.1 million) and other net changes (-€6.7 million),

The consolidated equity attributable to owners of the parent stands at €6,403.4 million at December 31, 2011 with a net increase of €328.5 million compared to €6,074.9 million at the end of 2010. Further details are provided in note 12.

The consolidated net financial position of the Holdings System at December 31, 2011 is a negative €325.8 million. This is a negative change of €368.4 million compared to the end of 2010, equal to a positive balance of €42.6 million, deriving principally from investments made during the course of the year.
Further details are provided in note 13.

The shortened consolidated **income statement** and **statement of financial position** and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - Shortened

€ million	Note	**2011**	2010 Restated	Change
Share of the profit (loss) of investments accounted for by the equity method	1	**518.5**	122.3	396.2
Dividends from investments	2	**82.2**	50.1	32.1
Gains (losses) on disposals of investments and impairments, net	3	**(8.0)**	(8.8)	0.8
Net financial income (expenses)	4	**(35.8)**	18.3	(54.1)
Net general expenses	5	**(26.4)**	(26.6)	0.2
Non-recurring other income (expenses) and general expenses	6	**(1.6)**	(19.9)	18.3
Indirect taxes and duties		**(2.3)**	(2.0)	(0.3)
Profit before income taxes		**526.6**	133.4	393.2
Income taxes	7	**(10.6)**	(7.6)	(3.0)
Profit (loss) from Discontinued Operations		**(11.8)** (a)	10.9	(22.7)
Profit attributable to owners of the parent		**504.2**	136.7	367.5

(a) Referring to the first six months of 2011.

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ million	Note	12/31/2011	12/31/2010	Change
Non-current assets				
Investments accounted for by the equity method	8	**4,822.6**	4,227.1	595.5
Other financial assets:				
- Investments measured at fair value	9	**1,717.4**	1,686.7	30.7
- Other investments	10	**223.7**	346.8	(123.1)
- Other financial assets		**1.0**	0.2	0.8
Other property, plant and equipment and intangible assets		**0.7**	11.8	(11.1)
Total Non-current assets		**6,765.4**	6,272.6	492.8
Current assets				
Financial assets and cash and cash equivalents	13	**701.0**	1,116.9	(415.9)
Tax receivables and other receivables		**27.5**	48.4	(20.9)
Total Current assets		**728.5**	1,165.3	(436.8)
Non-current assets held for sale	11	**70.3**	0.0	70.3
Total Assets		**7,564.2**	7,437.9	126.3
Capital issued and reserves attributable to Owners of the Parent	12	**6,403.4**	6,074.9	328.5
Non-current liabilities				
Bonds and other debt	13	**1,045.8**	847.1	198.7
Provisions for employee benefits		**2.2**	3.2	(1.0)
Deferred tax liabilities, other liabilities and provisions		**6.5**	5.0	1.5
Total Non-current liabilities		**1,054.5**	855.3	199.2
Current liabilities				
Bonds, bank debt and other financial liabilities	13	**96.3**	470.3	(374.0)
Other payables		**10.0**	37.4	(27.4)
Total Current liabilities		**106.3**	507.7	(401.4)
Total Equity and Liabilities		**7,564.2**	7,437.9	126.3

1. Share of the profit (loss) of investments accounted for using the equity method

In 2011, the share of the profit (loss) of investments accounted for using the equity method is a profit of €518.5 million (a profit of €122.3 million in 2010). The positive change of €396.2 million principally reflects better results reported by the subsidiaries Fiat Industrial Group and Fiat Group (which benefited from unusual income deriving from the acquisition of control of the Chrysler Group).

	Profit (Loss) (in millions)				EXOR's share (€ million)				
		2011		2010	**2011**		2010		Change
Fiat Industrial Group	€	**624.0**	€	341.0	**189.8**	(a)	100.9	(b)	88.9
Fiat Group	€	**1,334.0**	€	179.0	**398.4**	(a)	43.3	(b)	355.1
C&W Group	$	**14.9**	$	13.1	**8.3**		7.8		0.5
Almacantar Group (c)	£	**(4.3)**		n.a.	**(1.8)**		n.a.		(1.8)
Juventus Football Club S.p.A.	€	**(90.5)**	€	(64.7)	**(54.3)**		(38.8)		(15.5)
Sequana Group	€	**(77.0)**	€	32.1	**(21.9)**		9.1		(31.0)
Total					**518.5**		122.3		396.2

a) Including consolidation adjustments.
b) Data restated for purposes of comparison, including consolidation adjustments.
c) Measured at cost in 2010 since it was non-operational.

For comments on the review of performance of the operating subsidiaries and associates, please refer to the next sections.

2. Dividends from investments

In 2011, dividends from investments amount to €82.2 million and included dividends received from SGS for €59.4 million (€49.1 million in 2010), Gruppo Banca Leonardo for €19.1 million, The Economist Newspaper for €2.1 million (€0.1 million in 2010) and other investment holdings for €1.6 million (€0.9 million in 2010).

The distribution of reserves received from Alpitour for €10 million was recorded as a deduction from the carrying amount of the investment.

3. Gains (losses) on disposals of investments and impairments, net

In 2011, gains (losses) on disposals of investments and impairments, net, refer to the loss of €8 million realized on the sale on the stock market of the remaining 12,857,142 Intesa Sanpaolo shares (0.08% of ordinary share capital).

In 2010, the line item included the net gain of €0.6 million realized on the sale of the 0.25% stake in Intesa Sanpaolo ordinary share capital, as well as the impairment charge of €9.4 million to align the carrying amount (€2.98 per share) of the remaining 10 million Intesa Sanpaolo shares to the trading price at December 30, 2010 (€2.042 per share).

4. Net financial income (expenses)

In 2011, the net financial expenses balance is €35.8 million (a net financial income balance of €18.3 million in 2010). Details of the composition of net financial income (expenses) are as follows:

€ million	2011	2010	Change
Interest and other financial income			
Income and dividends on securities held for trading (a)	84.2	81.7	2.5
Income on non-current securities and other investments	2.1	0.2	1.9
Interest income on:			
- bonds	27.9	30.3	(2.4)
- receivables from banks	3.4	1.7	1.7
- receivables from the tax authorities	0.7	0.7	0.0
- loans extended to subsidiaries (b)	1.6	2.9	(1.3)
Exchange gains	8.6	14.3	(5.7)
Income from interest rate hedges	0	0.4	(0.4)
Other financial income	0.1	0.3	(0.2)
Interest and other financial income	**128.6**	132.5	(3.9)
Interest and other financial expenses			
EXOR bond interest expenses	(47.8)	(48.6)	0.8
Financial expenses on securities held for trading (a)	(52.6)	(42.3)	(10.3)
Exchange losses	(12.8)	(6.6)	(6.2)
Expenses from interest rate hedges	(2.2)	(5.4)	3.2
Bank interest and other financial expenses	(10.3)	(4.8)	(5.5)
Interest and other financial expenses	**(125.7)**	(107.7)	(18.0)
Fair value adjustments to current and non-current financial assets			
Positive adjustments	5.3	26.5	(21.2)
Negative adjustments	(44.0)	(33.0)	(11.0)
Fair value adjustments to current and non-current financial assets	**(38.7)**	(6.5)	(32.2)
Financial income (expenses)	**(35.8)**	18.3	(54.1)

(a) Principally includes realized gains/losses.
(b) Relating to C&W Group for €1.3 million (€2.9 million in 2010) and Juventus Football Club for €0.3 million.

In 2011, the fair value adjustments of non-current financial assets include the writedown of Vision convertible bonds for €19.6 million to adjust the carrying amount to the price under the sales agreement signed between EXOR S.A. and Vision Investment Management Ltd. on December 23, 2011.

In 2010, the net fair value adjustments were negative for €6.5 million and principally comprised the impairment charge on the embedded derivative relative to Vision convertible bonds for €16.7 million and the reversal of the impairment charge for €1.6 million on the remaining receivables due from DLMD, subsequently sold in July 2010.

Considering only the assets and liabilities included in the balance of the net financial position of the Holdings System (see note 13), there is a net financial expenses balance of €23.3 million (a net financial income balance of €25.8 million in 2010).

Details are as follows:

€ million	2011	2010	Change
Interest and other financial income	119.8	122.4	(2.6)
Interest and other financial expenses	(124.0)	(105.2)	(18.8)
Fair value adjustments of current and non-current assets	(19.1)	8.6	(27.7)
Financial income (expenses) balance generated by the financial position	**(23.3)**	25.8	(49.1)

5. Net general expenses

In 2011, net general expenses amount to €26.4 million, basically in line with 2010.

During 2010, EXOR had benefited from the income on consulting services rendered to the subsidiary C&W Group for €3.8 million. Such amount decreased to €0.5 million in 2011.

The balance includes the figurative cost of the EXOR stock option plan for about €1.7 million (€2 million in 2010). Details of the main items are as follows:

€ million	2011	2010	Change
Personnel costs	**(11.2)**	(14.8)	3.6
Compensation to and other costs relating to directors	**(6.4)**	(5.6)	(0.8)
Purchases of goods and services	**(7.8)**	(8.9)	1.1
Other operating expenses	**(2.9)** (a)	(3.0)	0.1
Revenues and cost recoveries	**1.9**	5.7	(3.8)
Total	**(26.4)**	(26.6)	0.2

(a) Principally includes expenses connected with the management of the investments of the subsidiary EXOR S.A. for €2.2 million.

6. Non-recurring other income (expenses) and general expenses

In 2011, this line item is a negative €1.6 million with a net decrease of €18.3 million compared to 2010 (€19.9 million). Details are as follows:

€ million	2011	2010	Change
Fair value adjustment of Alpitour stock option plan	**0.9**	(9.7)	10.6
Expenses connected with employee reduction plan	**(8.3)**	(2.9)	(5.4)
Expenses incurred for defense in legal cases	**(0.8)**	(4.8)	4.0
Expenses connected with the valuation/execution of investment projects	**(0.3)**	(2.0)	1.7
Gain on the sale of the building by merged company Exor Services	**7.1**	0.0	7.1
Sundry other income (expenses)	**(0.2)**	(0.5)	0.3
Total	**(1.6)**	(19.9)	18.3

In 2011, the fair value adjustment of the Alpitour stock option plan is positive for €0.9 million and represents the difference between the amount paid to the recipients and the amount payable at December 31, 2010.

In 2011, the expenses connected with employee reduction plan refer to EXOR and the merged company EXOR Services for €4.7 million (€2.9 million in 2010) and a foreign subsidiary for €3.6 million.

In 2011, the fees incurred for defense in legal cases are equal to €0.8 million and mainly refer to the fees incurred for legal assistance in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005 (€4.3 million in 2010).

Sundry other income (expenses) shows the expenses incurred for the transfer of the corporate headquarters from Corso Matteotti 26 to Via Nizza 250.

In 2010, the balance was -€0.5 million and included expenses in connection with the early liquidation of Fondo Integrativo Aziendale (€0.3 million), and other expenses of €0.2 million.

7. Income taxes

Income taxes show an expense of €10.6 million (€7.6 million in 2010) and include mainly the 15% withholding tax at source recorded on the dividends received from SGS of €8.9 million (€7.4 million in 2010) and deferred income taxes of the parent EXOR of €1.6 million.

8. Investments accounted for using the equity method

Details are as follows:

€ million	Carrying amount at			Change
	12/31/2011	12/31/2010		
Fiat Group	**1,298.9**	1,083.4	(a)	215.5
Fiat Industrial Group	**2,724.5**	2,338.5	(a)	386.0
C&W Group	**471.5**	448.4		23.1
Sequana Group	**190.3**	230.9		(40.6)
Almacantar Group	**116.9**	10.0	(b)	106.9
Juventus Football Club S.p.A.	**19.1**	30.7		(11.6)
Other (c)	**1.4**	1.4		0.0
Alpitour Group (d)	**-**	83.8		(83.8)
Total	**4,822.6**	4,227.1		595.5

(a) Data reclassified for purposes of comparison.
(b) Measured at cost since it was not fully operational.
(c) Measured at cost.
(d) Reclassified to non-current assets held for sale beginning June 30, 2011.

9. Other non-current financial assets – Investments measured at fair value

Details are as follows:

€ million	12/31/2011		12/31/2010		Change
	%	Carrying amount	%	Carrying amount	
SGS S.A.	15.00	**1,501.0**	15.00	1,472.4	28.6
Gruppo Banca Leonardo S.p.A.	17.40	**105.2**	14.57	87.4	17.8
Banijay Holding S.A.S.	17.09	**40.1**	17.09	38.6	1.5
The Economist Newspaper Ltd	4.72	**31.9**	4.72	29.9	2.0
BTG Pactual (a)	0.26	**22.5**	0.26	19.0	3.5
NoCo A L.P.	2.00 (b)	**16.7**	2.00 (b)	19.0	(2.3)
Intesa Sanpaolo	-	**0.0**	0.08	20.4	(20.4)
Total		**1,717.4**		1,686.7	30.7

(a) Investment made at the end of 2010 through the acquisition of investments in Copacabana Prince Participações S.A. and BTG Investments LP. At December 31, 2011, the increase of €3.5 million derives from the fair value adjustment (with recognition in equity).
(b) Percentage stake in the limited partnership, measured at cost.

The increase in the investment in **SGS**, equal to €28.6 million, is attributable to the fair value adjustment at December 30, 2011. The trading price per SGS share at December 30, 2011 was CHF 1,555, equal to €1,279.2 at the year-end exchange rate of 1.2156. The original carrying amount of the investment in SGS was €469.7 million; at December 31, 2011 the net positive fair value adjustment recognized in equity amounted to €1,031.3 million.

The increase in the investment in **Gruppo Banca Leonardo** is due to purchases of another 7,576,662 ordinary shares (2.90% of share capital) for a total of €18 million net of the negative fair value adjustment for €0.2 million (with recognition in equity).

The increase in the investment in **Banijay Holding** is attributable to the positive fair value adjustment for €1.5 million (with recognition in equity).

The decrease in the **NoCo A** limited partnership derives from the reimbursement of the share of reserves for €2.6 million and the positive exchange differences on translating foreign operations for €0.3 million.

10. Other non-current financial assets – Other investments

Details are as follows:

€ million	12/31/2011		12/31/2010	Change	
Investments measured at fair value					
- Perella Weinberg funds	**70.0**		48.3	21.7	
- RHO Immobiliare Fund	**12.4**		11.4	1.0	
- Other	**25.6**		18.0	7.6	
	108.0		77.7	30.3	
Investments measured at amortized cost					
- Perfect Vision Limited convertible bonds	**0.0**	(a)	76.1	(76.1)	
- Other bonds held to maturity	**114.4**		191.6	(77.2)	(b)
	114.4		267.7	(153.3)	
Other investments	**1.3**		1.4	(0.1)	
Total	**223.7**		346.8	(123.1)	

(a) Reclassified to non-current assets held for sale.
(b) Reclassified to current financial assets.

The net increase in the **Perella Weinberg Funds,** equal to €21.7 million, is attributable to investments made in NoCo B LP and in the Perella Weinberg Real Estate I Fund, respectively, for €7.3 million and €14.1 million, offset in part by reimbursements for €4 million and by the positive fair value adjustment for €4.3 million (with recognition in equity).
At December 31, 2011, the remaining investment commitments in NoCo B LP and in the Perella Weinberg Real Estate I Fund amount, respectively, to $34 million (€26.3 million) and €2.9 million.

11. Non-current assets held for sale

Non-current assets held for sale include:

- the EXOR Group's share of the **Alpitour Group's** net equity at June 30, 2011 for €60.9 million, reclassified to "Non-current assets held for sale" following the start of a process for its valuation, not yet concluded at December 31, 2011 since the agreement for its sale sealed on December 23, 2011 is subject to conditions precedent which will occur during the first six months of 2012;
- the valuation of **Perfect Vision convertible bonds** and the **embedded derivative instrument** (€9.4 million) carried out on the basis on the criteria established in the agreement signed on December 23, 2011 by EXOR S.A. and Vision Investment Ltd.

12. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2011	12/31/2010	Change
Share capital	**246.2**	246.2	0.0
Reserves	**6,396.2**	5,999.0	397.2
Treasury stock	**(239.0)**	(170.3)	(68.7)
Total	**6,403.4**	6,074.9	328.5

Details of the changes during the year are as follows:

€ million	
Balance at December 31, 2010	**6,074.9**
Fair value adjustments of investments and other financial assets:	
- SGS S.A. (note 9)	28.6
- Perella Weinberg Funds (not 10)	4.3
- BTG Pactual (note 9)	3.5
- Other financial assets	10.1
Purchases of treasury stock	(68.7)
Attributable exchange differences on translating foreign operations (+€ 26.5 million) and other net changes recorded in equity, shown by the investments consolidated and accounted for using the equity method (-€ 104.1 million)	(77.6)
Dividends paid by EXOR S.p.A.	(75.9)
Profit attributable to owners of the parent	504.2
Net change during the year	**328.5**
Balance at December 31, 2011	**6,403.4**

Details of the composition and changes in treasury stock are presented under "Significant events in 2011" in this Report on Operations.

13. Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System at December 31, 2011 shows a negative balance of €325.8 million and a negative change of €368.4 million compared to the balance at the end of 2010 (+€42.6 million). The balance is composed as follows:

	12/31/2011			12/31/2010				
€ million	Current	Non current	Total	Current		Non current		Total
Financial assets	**485.6**	**115.3**	**600.9**	724.8		191.7		916.5
Financial receivables from subsidiaries	**0.0**	**0.0**	**0.0**	30.6	(a)	0.0		30.6
Cash and cash equivalents	**215.4**	**0.0**	**215.4**	361.5		0.0		361.5
Total financial assets	**701.0**	**115.3**	**816.3**	1,116.9		191.7		1,308.6
EXOR bonds 2011-2031	**(0.7)**	**(99.5)**	**(100.2)**	0.0		0.0		0.0
EXOR bonds 2007-2017	**(22.4)**	**(746.3)**	**(768.7)**	(22.4)		(745.7)		(768.1)
EXOR bonds 2006-2011	**0.0**	**0.0**	**0.0**	(200.1)		0.0		(200.1)
Financial payables to associates	**(48.3)**	**0.0**	**(48.3)**	(7.5)		0.0		(7.5)
Bank debt and other financial liabilities	**(24.9)**	**(200.0)**	**(224.9)**	(240.3)		(50.0)		(290.3)
Total financial liabilities	**(96.3)**	**(1,045.8)**	**(1,142.1)**	(470.3)		(795.7)	(b)	(1,266.0)
Consolidated net financial position of the Holdings System	**604.7**	**(930.5)**	**(325.8)**	646.6		(604.0)		42.6

(a) Included the receivable from C&W Group for the amount drawn down on the credit facility granted by EXOR S.p.A.
(b) Does not include the negative fair value of €51.4 million on the embedded derivative relating to Perfect Vision convertible bonds.

Current financial assets include equity securities and bonds issued by leading issuers, both of which are listed on active regulated markets, and collective investment instruments. Such financial securities, if held for trading, are measured at fair value on the basis of the trading price at year end, translated, if appropriate, at the year-end exchange rates, with recognition of the fair value in profit or loss; if held-to-maturity, they are measured at amortized cost. Derivative financial instruments are also used for the management of current financial assets.

Non-current financial assets include bonds issued by leading counterparties and listed on active regulated markets which the Group intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties since the primary objective is having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.

EXOR bonds 2011-2031 were issued at the beginning of May 2011 for Japanese yen 10 billion and at the same time hedged in Euro, for a total equivalent amount of approximately €83 million, in order to eliminate the exchange risk. The bonds pay a 2.80% coupon in Japanese yen. The exchange risk is hedged by a cross currency swap which pays EXOR in Japanese yen both interest and, at maturity, principal. The cost in Euro is thus equal to 6.012% per year.

Financial payables to associates of €48.3 million refer to the payable to Almacantar S.A. for the share of share capital subscribed but not yet paid.

The negative change of €368.4 million is due to the following flows:

€ million		
Net financial position of the Holdings System at December 31, 2010		**42.6**
Dividends from investment holdings		128.1
- SGS S.A.	59.4	
- Fiat S.p.A.	40.3	
- Sequana S.A.	5.6	
- Gruppo Banca Leonardo S.p.A.	19.1	
- The New Economist	2.1	
- Intesa Sanpaolo S.p.A.	0.8	
- BTG Pactual	0.7	
- Emittenti Titoli S.p.A.	0.1	
Reimbursements of reserves from investment holdings		12.6
- Alpitour S.p.A.	10.0	
- NoCo A L.P.	2.6	
EXOR S.p.A. buybacks of treasury stock		(68.7)
- 2,619,500 ordinary shares (1.63% of the class)	(42.3)	
- 1,450,900 preferred shares (1.89% of the class)	(22.8)	
- 244,010 savings shares (2.66% of the class)	(3.6)	
Investments		(298.9)
- Almacantar S.A. (purchase of 71,549 shares and subscription of 91,194,000 shares)	(103.9) (a)	
- Juventus Football Club S.p.A. (payment against future capital increase)	(72.0)	
- Fiat Industrial S.p.A. (15.22% of savings capital)	(54.2)	
- Fiat S.p.A. (11.16% of savings capital and 0.03% of ordinary capital)	(31.1)	
- Gruppo Banca Leonardo S.p.A. (2.90% of share capital)	(18.0)	
- NoCo B L.P. and Perella Weinberg Real Estate I	(17.1)	
- BDT Capital Partners Fund I L.P.	(2.6)	
Sales		30.7
- Building in Corso Matteotti 26	18.2	
- Intesa Sanpaolo S.p.A. (remaining stake), net of increase for subscription of capital increase	12.5	
Dividends paid by EXOR S.p.A.		(75.9)
Other changes		(96.3)
- Net general expenses (excluding the figurative cost of EXOR stock option plan)	(24.7)	
- Non-recurring other income (expenses) and general expenses	(9.6)	
- Indirect taxes and duties	(2.1)	
- Net financial expenses (b)	(23.3)	
- Income taxes paid	(9.2)	
- Payment of Alpitour stock options	(21.1)	
- Other net changes	(6.3) (c)	
Net change during the year		**(368.4)**
Consolidated net financial position of the Holdings System at December 31, 2011		**(325.8)**

(a) Of which €59.2 million is already paid in.

(b) Includes interest income and other financial income (+€128.6 million), interest expenses and other financial expenses (-€125.7 million), fair value adjustments of current and non-current financial assets (-€38.7 million) net of negative fair value adjustments of Vision convertible bonds (+€15.2 million) and other income on non-current financial assets (-€2.7 million) therefore, not included in the balance of the net financial position.

(c) Principally refers to the parent EXOR and includes the measurement of interest rate swaps on loans for -€23.7 million and the change in non-financial receivables and payables for +€13.2 million.

At December 31, 2011, EXOR S.p.A. has irrevocable credit lines for €690 million, of which €420 million is due after December 31, 2012, as well as revocable credit lines for approximately €615 million.

On November 23, 2011, Standard & Poor's affirmed EXOR's long-term and short-term debt ratings (respectively "BBB+" and "A-2") and raised the outlook from "negative" to "stable".

OTHER INFORMATION

Direction and coordination

EXOR S.p.A. is not subject to the direction and coordination of any other company or entity and is fully independent in the definition of its general strategic and operating guidelines.

Programming document on security

The Company has prepared the programming document on security on March 31, 2011 for the year 2011 according to the provisions of Legislative Decree 196 dated June 30, 2003, attachment B – technical specifications regarding minimum security measures. The document has been drawn up by the person in charge of the processing of the data.

Related party transactions

Information and balances related to transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel

The information is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES IN THE HOLDINGS SYSTEM

(30.45% of ordinary share capital, 30.09% of preferred share capital and 21.69% of saving share capital. Fiat also holds 3.1% of share capital)

The main consolidated results of the Fiat Industrial Group in 2011 are as follows:

€ million	Year 2011	2010	Change
Net revenues	**24,289**	21,342	2,947
Trading profit (loss)	**1,686**	1,092	594
Operating profit (loss)	**1,629**	1,017	612
Profit (loss)	**701**	378	323
Profit (loss) attributable to owners of the parent	**624**	341	283

€ million	Balance at 12/31/2011	12/31/2010
Total consolidated assets	**38,643**	34,291
Net (debt) / cash	**(14,549)**	(12,179)
-of which: Net (debt) / cash of the Industrial Activities	**(1,239)**	(1,900)
Equity attributable to owners of the parent	**4,555**	3,987

Net revenues of the Group are up 13.8% to €24.3 billion, with double digit growth for all sectors.

€ million	Year 2011	2010	Change %
Agricultural and Construction Equipment (CNH)	**13,896**	11,906	16.7
Trucks and Commercial Vehicles (Iveco)	**9,562**	8,307	15.1
FPT Industrial	**3,220**	2,415	33.3
Eliminations	**(2,389)**	(1,286)	
Net revenues	**24,289**	21,342	13.8

Agricultural and Construction Equipment (CNH) posted revenues of €13.9 billion, up 16.7% year-over-year (+22.5% in USD terms), with significant volume increases across the board and, for Agricultural Equipment, a more favorable product mix. Agricultural equipment sales were up 17% for the year, with continued positive share performance for tractors in Europe and in the high horsepower tractor segment in North America, benefiting from demand for Tier 4A/Stage IIIB compliant equipment, as well as combines in North America and in the Asia-Pacific region. Construction Equipment sales were 25% higher with growth recorded in all regions; worldwide share performance is in line with the market for both the light and heavy segments.

Trucks and Commercial Vehicles (Iveco) reported a 15.1% increase in revenues to €9.6 billion, reflecting a substantial improvement in demand in most major Western European markets, although with signs of a slowdown in the second half, and continued positive trading conditions in Latin America. Total deliveries (including buses and special vehicles) increased 18.3% for the year to 153,384 vehicles, with the light segment up 19.6%, medium up 24.0% and heavy up 21.0%. By region, deliveries increased 12.3% in Western Europe, 28.9% in Latin America and 25.8% in Eastern Europe.

Powertrain (FPT Industrial) business achieved revenues of €3.2 billion, up 33.3% on the back of strong growth in volumes to both Group companies and external customers.

Trading profit (loss)

Trading profit was €1,686 million for the year (trading margin 6.9%), up 54.4% over the €1,092 million profit for 2010 (trading margin 5.1%), primarily on the strength of higher volumes for all sectors.

	Year		Change
€ million	**2011**	2010	
Agricultural and Construction Equipment (CNH)	**1,154**	755	399.0
Trucks and Commercial Vehicles (Iveco)	**490**	270	220.0
FPT Industrial	**107**	65	42.0
Eliminations and Other	**(65)**	2	
Trading profit	**1,686**	1,092	594.0
Trading margin (%)	**6.9**	**5.1**	

CNH recorded strong performance with trading profit at €1,154 million (€755 million in 2010) and trading margin at 8.3% (6.3% in 2010), as a result of higher volumes, a more favorable mix and improved net pricing.

Iveco reported a €490 million trading profit (€270 million in 2010), with trading margin up 1.8 percentage points to 5.1%, primarily on the strength of higher volumes and production cost optimization.

FPT Industrial posted trading profit of €107 million, compared to €65 million in 2010, principally reflecting volume growth for the year. Trading margin is 0.6 percentage points higher at 3.3%.

Operating profit (loss)

The Group closed 2011 with an **operating profit** of €1,629 million (€1,017 million in 2010). The €612 million increase reflects higher trading profit (+€594 million) and lower net unusual expense (€57 million vs. €75 million in 2010), consisting of €95 million in restructuring provisions recognized by Iveco, net of €38 million in non-recurring income.

Profit (loss) for the year

Net financial expenses totaled €546 million for the year, compared to €505 million in 2010, which included a €45 million one-off charge. Excluding that charge, net financial expenses were up €86 million over the prior year due to a higher opening debt level deriving from the demerger debt allocation (€2.5 billion) and the substantial cost of carry associated with maintaining excess liquidity.

Profit before taxes was €1,169 million, compared to €576 million for 2010. The increase reflects the improved operating result (+€612 million) and higher income from investments (+€22 million), net of the €41 million increase in net financial expense.

Income taxes totaled €468 million (€198 million for 2010), mainly related to taxable income of companies operating outside Italy and employment-related taxes (IRAP) in Italy (€29 million). The effective tax rate of 40% was in line with expectations.

Net profit was €701 million, up significantly over the €378 million profit for 2010.

Profit attributable to owners of the parent in 2011 was €624 million (€341 million for 2010).

Equity

Equity attributable to owners of the parent of Fiat Industrial at December 31, 2011 amounted to €4,555 million compared to €3,987 million at December 31, 2010.

Net debt

At December 31, 2011, **consolidated net debt** totaled €14,549 million (€12,179 million at December 31, 2010) During 2011, net industrial debt totaling €1,239 million decreased 37% compared to €1,900 million at year-end 2010, due to strong operating performance by all sectors.

	Balance at		
€ million	12/31/2011	12/31/2010	Change
Debt	**(20,217)**	(18,695)	(1,522)
- Asset-backed financing	(9,479)	(8,321)	(1,158)
- Debt payable to Fiat Group post Demerger		(5,626)	5,626
- Other debt	(10,738)	(4,748)	(5,990)
Financial receivables from Fiat Group post Demerger		2,865	(2,865)
Debt, net of financial receivables from Fiat Group post demerger	**(20,217)**	(15,830)	(4,387)
Other financial assets (liabilities) (2)	**(39)**	(59)	20
Cash, cash equivalents and current securities	**5,707**	3,710	1,997
Net debt (1)	**(14,549)**	(12,179)	(2,370)
- Of which Industrial Activities	**(1,239)**	(1,900)	661
- Of which Financial Services (1)	**(13,310)**	(10,279)	(3,031)

(1) At December 31, 2011, includes impact of consolidation (on a line-by-line basis) of Iveco Finance Holdings Limited, a joint venture with Barclays in relation to which a termination agreement was signed at the end of December.
(2) Includes the positive and negative fair value of derivative financial instruments.

Significant events

On January 1, 2011 (the effective date of the demerger of activities from Fiat S.p.A. to Fiat Industrial S.p.A.), Fiat Industrial began operations as a separate and independent entity. On January 3, shares in Fiat Industrial S.p.A. began trading on the Mercato Telematico Azionario managed by Borsa Italiana S.p.A.

On January 5, 2011, Moody's Investors Service assigned Fiat Industrial S.p.A. a Ba1 Corporate Family Rating and a short-term "Not Prime" rating, with stable outlook. On February 24, Standard & Poor's Rating Services confirmed Fiat Industrial's long-term rating of BB+ with negative outlook, assigned on November 4, 2010, and a short-term B rating.

In September, in its first year as a listed company, Fiat Industrial S.p.A. entered both the Dow Jones Sustainability (DJSI) World and Europe indexes, ranking as Industry Leader in both. The company achieved a score of 81/100 compared to an average of 49/100 for all companies in its sector (Industrial Engineering) evaluated by SAM (the sustainability investment group). The prestigious DJSI World and DJSI Europe equity indexes only admit those companies judged best-in-class in managing their businesses sustainably, from an economic as well as social and environmental perspective. Sustainability is a key element in Fiat Industrial's strategic approach. In the Carbon Disclosure Project's Italy 100 Report, Fiat Industrial was included in the Carbon Disclosure Leadership Index (CDLI) at the top of the "Industrials" sector. It was assigned a score of 84/100 for the level of disclosure on issues linked to climate change and a "B" grade (on a scale from E-worst to A-best) for climate change mitigation.

On September 30, the company confirmed its decision to withdraw from Confindustria (the Italian employers' federation) with effect from January 1, 2012. On December 13, the company announced the signing of a new collective agreement with the majority of trade unions, which is applicable to all Fiat Industrial employees in Italy with effect from January 1, 2012.

On October 27, the Board of Directors of Fiat Industrial S.p.A. approved a proposal to Shareholders for the conversion of the company's preferred and savings shares into Fiat Industrial ordinary shares. If the proposal is approved, all savings and preferred shares will be converted into ordinary shares for the purpose of simplifying the company's capital structure and governance. Preferred and savings shares will retain any economic rights with respect to the 2011 financial year. Ordinary shares resulting from the conversion would be eligible for dividends (to the extent declared) with respect to the 2012 financial results.

CNH

During the year, the Group undertook a number of significant initiatives as part of its global development strategy. At the end of March, CNH Global N.V. acquired full ownership of L&T – Case Equipment Private Limited, a 50/50 joint venture established in 1999 with Larsen & Toubro Limited to manufacture and sell construction and building equipment in India. The company (renamed Case New Holland Construction Equipment India Private Limited), which employs around 600 people, operates a production facility in Pithampur in Madhya Pradesh and has a distribution network of 56 dealers and 144 outlets. This investment is an important step in CNH's long-term commitment to consolidating its construction equipment business in India and other export markets.

In April, CNH announced plans to produce combines and tractors in Argentina for the Latin American market. An initial amount of over $100 million will be invested in new production lines and expansion of the Fiat Industrial site in Cordoba, Argentina, and the new plant will generate some 600 direct and 1,500 indirect jobs. At the new facility, CNH, for both of its agricultural brands, will produce the most powerful class of advanced, high-productivity combines, as well as specialized tractors for vineyards and orchards, which CNH does not currently produce in Latin America. These machines will be equipped with locally-produced FPT Industrial engines.

In October, CNH announced a strategic alliance with Semeato, leader in agricultural equipment and attachments in the Brazilian market, specialized in no-till grain seeding technologies. Under the strategic partnership, the two companies will collaborate in a variety of areas, further strengthening CNH's leadership in Latin America. Semeato products will be sold under the Semeato, Case IH and New Holland Agriculture brands through their respective dealer networks. Also in October, CNH entered into an agreement with De Lage Landen, a subsidiary of Rabobank, for the provision of retail financing to customers in the Russian Federation under the CNH Capital brand. The program has become operational from the beginning of 2012 and will be run by a dedicated sales team working closely with four CNH brands – Case IH, New Holland Agriculture, New Holland Construction and Case Construction Equipment – and their dealers and customers.

On December 23, CNH has announced an initial investment of $90 million to build a new manufacturing plant in Harbin, in the Heilongjiang Province, northeast China. The new facility will produce high horsepower tractors, combine harvesters and other machinery featuring advanced technology and will expand the Group's manufacturing base in China, where it currently assembles high horsepower tractors and other agricultural equipment in Harbin, and operates a manufacturing plant dedicated to low and medium horsepower tractors in Shanghai.

IVECO

In May, Iveco and FPT Industrial announced their readiness to meet the new Euro VI regulation by means of a unique Selective Catalytic Reduction (SCR) technology, which will be introduced on the two new Cursor and Tector engine ranges for heavy-duty trucks and buses. The new engines, equipped with FPT Industrial "SCR only" technology, will feature optimized combustion and after-treatment systems to retain Iveco's class leading vehicle fuel economy with enhanced environmental performance attributable to breakthrough patented control technology which achieves very high NOx conversion efficiency (over 95% versus 80-85% of best competitors).

On September 19, Fiat Industrial Village was inaugurated in Turin. The Group's first ever multi-functional center, it has been designed to showcase the products of CNH, Iveco and FPT Industrial, as well as selling and providing after-sales and financial services for those products. The new facility has a surface area of more than 74,000 m^2, of which 23,000 m^2 is covered, with a large showroom for exhibiting vehicles and powertrain systems.

In December, Irisbus Italia S.p.A. (Iveco sector) signed a collective agreement with national and local trade unions, enabling closure of the Valle Ufita plant and recourse to the extraordinary temporary layoff benefit scheme for all 658 employees for a period of 2 years, commencing January 1, 2012. During the year, Iveco also closed a bus plant in Barcelona.

During the fourth quarter of 2011, the Group formalized procedures for orderly termination of Iveco Finance Holdings Limited ("IFHL"), the joint venture with Barclays, which manages the financial services activities (retail and dealer) for Iveco in Italy, Germany, France, the UK and Switzerland. The agreement with the joint venture partner contains an undertaking from Iveco to purchase the 51% interest held by Barclays, subject to receipt of the necessary regulatory approvals, on or before May 31, 2012 at a contractually agreed price (approximately €119 million), in addition to providing funding for IFHL's activities from January 1, 2012. For retail financing activities, the funding arrangements will be as follows: securitization with Barclays of the portfolio existing at December 31, 2011; vendor program agreements with BNP-Paribas in Germany and France for new financing generated from January 1, 2012; arrangement with Intesa Sanpaolo to fund the future portfolio in Italy; and, direct funding of the portfolio in Switzerland and the UK. For dealer financing activities, funding will be provided through a 3-year pan-European securitization program arranged with Barclays.

.

(30.47% of ordinary share capital, 30.09% of preferred share capital and 23.59% of savings share capital)

The main consolidated results of Fiat-Chrysler in 2011 are as follows:

	Year		
€ million	**2011** (*)	2010	Change
Net revenues	**59,559**	35,880	23,679
Trading profit (loss)	**2,392**	1,112	1,280
Operating profit (loss)	**3,336**	992	2,344
Profit (loss)	**1,651**	222	1,429
Profit (loss) attributable to owners of the parent	**1,334**	520 (**)	814

(*) Following the acquisition of an incremental 16% ownership interest in Chrysler (fully diluted), in addition to potential voting rights associated with options that became exercisable thereafter, Chrysler's financial results were consolidated by Fiat from June 1, 2011.
(**) Profit pre-Demerger.

	Balance at	
€ million	**12/31/2011**	12/31/2010
Total consolidated assets	**80,031**	73,442 (*)
Net (debt) / cash	**(8,998)**	(2,753) (**)
- of which: Net (debt) / cash of the Industrial Activities	**(5,529)**	(542) (**)
Equity attributable to owners of the parent	**8,727**	11,544 (*)

(*) Amounts referred to the Fiat Group pre-Demerger.
(**) The amounts take into account the effect of the Demerger of Fiat Industrial on January 1, 2011.

Net revenues for the Group for 2011 totaled €59.6 billion. Excluding Chrysler, revenues were €37.4 billion, gaining 4.2% compared to 2010.

	Year		
€ million	**2011**	2010	Change %
Automobiles (Fiat Group Automobiles, Chrysler, Maserati, Ferrari)	**52,967**	30,130	75.8
Components and Production Systems (Magneti Marelli, Fiat Powertrain (*), Teksid, Comau)	**11,965**	10,865	10.1
Other Businesses	**1,083**	1,159	(6.6)
Eliminations	**(6,456)**	(6,274)	
Net revenues	**59,559**	35,880	66.0

(*) Includes the activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies sector.

Fiat Group Automobiles (FGA) posted revenues of approximately €28 billion in 2011, in line with 2010, with 2,032,900 passenger cars and light commercial vehicles shipped (-2.4% over the prior year). The 7.6% increase in light commercial vehicle volumes for the year did not fully offset the 4.6% decline in passenger car shipments, which were impacted by continuing weak demand in Italy. In Brazil, FGA shipped a record total of 772,700 vehicles (+1.5% over 2010).

Chrysler reported revenues of €23.6 billion for the 7 months from June-December on worldwide vehicle shipments of 1,190,000 (2,011,000 for the full year, up 26% year-over-year).

For **Luxury and Performance brands**, Ferrari posted revenues of €2.3 billion, up 17.3% over 2010, while revenues for Maserati were €588 million, in line with the prior year.

Components & Production Systems had revenues of approximately €12 billion, a 10.1% increase over 2010, with all sectors posting solid growth for the year. For Magneti Marelli, revenues were up 8.5% to €5.9 billion.

Trading profit (loss)

Trading profit for 2011 totaled €2,392 million, with trading margin at 4.0%. Excluding Chrysler, trading profit was €1,047 million (€1,112 million for 2010), with trading margin at 2.8% (3.1% for 2010).

	Year		
€ million	**2011**	2010	Change
Automobiles (Fiat Group Automobiles, Chrysler, Maserati, Ferrari)	**2,127**	934	1,193
Components and Production Systems (Magneti Marelli, Fiat Powertrain (*), Teksid, Comau)	**348**	249	99
Other businesses and Eliminations	**(83)**	(71)	(12)
Trading profit	**2,392**	1,112	1,280
Trading margin (%)	**4.0**	**3.1**	

(*) Fiat Powertrain includes activities of the Passenger & Commercial Vehicles business line of the former FPT Powertrain Technologies.

Fiat Group Automobiles posted a full-year trading profit of €430 million (€607 million for 2010). Efficiencies in purchasing and World Class Manufacturing only partially offset volume declines for passenger cars in Europe and higher advertising costs related to new model launches, in addition to higher R&D expenditure for future products.

Chrysler reported €1,345 million in trading profit for the period June-December, with the continued positive trend in volume, mix and price from new vehicle launches driving market share gains in both the U.S. and Canada. Trading margin benefited from a low amortization charge for R&D, with current spending relating to products still in development.

Luxury and Performance brands benefited from higher volumes: Ferrari posted a trading profit of €312 million (€303 million for 2010), while Maserati was up 67% to €40 million.

Components & Production Systems reported full-year trading profit of €348 million (+40% over 2010), with Magneti Marelli nearly double at €181 million (€98 million for 2010).

Operating profit (loss)

Operating profit for 2011 was €3,336 million, including positive net unusuals of €944 million. Unusual income totaled €2,121 million, of which €2,017 million related to the fair value re-measurement of the 30% ownership interest held in Chrysler prior to the acquisition of control and of the right to receive an additional 5% ownership interest following achievement by Chrysler of the third Performance Event (which occurred in early January 2012). Unusual expense totaled €1,177 million, of which €963 million relating to Fiat excluding Chrysler (including €673 million in non-cash charges) largely attributable to the impact on Fiat's businesses of the strategic realignment with Chrysler's manufacturing and commercial activities, further accelerated following the increase of Fiat's ownership interest, and to one-off charges mainly related to the realignment of certain minor activities of the Group.

Chrysler's June-December 2011 operating profit of €1,200 million includes €220 million in unusual expenses recognized in relation to an upward revaluation or "step up" of its inventories associated with the recognition of assets acquired and liabilities assumed at fair value at the date of acquisition of control. Due to rapid inventory turnover, this amount was fully written off (recognized as a one-off non-cash charge) in June.

Profit (loss)

Net financial expenses for 2011 totaled €1,282 million. Excluding Chrysler, net financial expenses were €796 million (€400 million in 2010). Net of the result from the marking-to-market of the two Fiat stock option-related equity swaps (€108 million loss for 2011, compared to €111 million gain for 2010), net financial expense for Fiat excluding Chrysler increased by €177 million over the prior year (from €511 to €688 million), reflecting higher cost of carry in 2011 and a non-recurring gain in 2010.

Profit before taxes was €2,185 million. Excluding Chrysler, profit before taxes totaled €1,470 million (€706 million for 2010). The €764 million increase mainly reflected a €1,209 million positive difference in net unusual items, partially offset by higher net financial expense.

Income taxes totaled €534 million. Excluding Chrysler, income taxes were €464 million (€484 million for 2010) and related primarily to taxable income of companies operating outside Italy and employment-related taxes in Italy.

Net profit for the full year was €1,651 million (€222 million for 2010). Excluding Chrysler, unusuals and the mark-to-market of the two Fiat stock option-related equity swaps, the net result was break-even, compared with €231 million for 2010.

Profit attributable to owners of the parent in 2011 amounted to €1,334 million, compared to €520 million in 2010.

Equity

Equity attributable to owners of the parent Fiat S.p.A. at December 31, 2011 totaled €8,727 million compared to €11,544 million at December 31, 2010 (Fiat Group pre demerger).

Net debt

At December 31, 2011, consolidated **net debt** totaled €8,898 million, up €6,145 million from €2,753 million at December 31, 2010. Excluding Chrysler (consolidated from June), net debt of the Fiat Group increased €3,065 million to €5,818 million.

Net industrial debt at year end was €5.5 billion. For Fiat excluding Chrysler, net debt was €2.4 billion, up from €0.5 billion at year-end 2010. Excluding consideration paid for the acquisition of additional interests in Chrysler and negative non-cash items related to financial market conditions, net industrial debt for Fiat excluding Chrysler was around €0.7 billion, well below original guidance.

	Balance at		
€ million	**12/31/2011**	12/31/2010 (*)	Change
Debt	**(26,772)**	(20,804)	(5,968)
- Asset-backed financing	(710)	(533)	(177)
- Debt payable to Fiat Industrial		(2,865)	2,865
- Other debt	(26,062)	(17,406)	(8,656)
Financial receivables from Fiat Industrial		5,626	(5,626)
Current financial receivables from jointly-controlled financial services companies	**21**	12	9
Debt, net of current financial receivables from jointly-controlled financial services companies	**(26,751)**	(15,166)	(11,585)
Other financial assets (liabilities)	**128**	261	(133)
Cash and cash equivalents	**17,725**	12,152	5,573
Net (debt)/cash	**(8,898)**	(2,753)	(6,145)
- Industrial Activities	**(5,529)**	(542)	(4,987)
- Financial Services	**(3,369)**	(2,211)	(1,158)

(*) Includes impacts of the Demerger of Fiat Industrial which took effect January 1, 2011.

Significant events

During 2011, Fiat took several major steps forward in the integration with Chrysler and increased its stake from the initial 20% established in the alliance agreement to the current 58.5%.

The three “Performance Events” established in the Amended and Restated LLC Operating Agreement were achieved in January, April and at the beginning of 2012, each resulting in Fiat receiving an additional 5% interest (15% in total) in Chrysler.

In May, concurrent with Chrysler's debt refinancing and repayment in full of all loans from the U.S. and Canadian governments, Fiat (through Fiat North America LLC, a wholly-owned subsidiary) paid $1,268 million to Chrysler for the exercise of its Incremental Equity Call Option and received 261,225 newly-issued Class A Membership Interests in Chrysler, representing 16% of the Chrysler membership interests on a fully-diluted basis.

In July, following receipt of the required regulatory approvals, Fiat purchased the 6% interest (fully diluted) held in Chrysler by the U.S. Treasury for a cash consideration of $500 million. In addition, the U.S. Treasury assigned Fiat its rights under the Equity Recapture Agreement for a cash consideration of $75 million, $15 million of which was paid to Canada in accordance with the agreement between the U.S. Treasury and Canada. Also in July, Fiat acquired the Canadian government’s 1.5% interest (fully diluted) in Chrysler for a cash consideration of $125 million.

Consistent with the objective of operational integration between Fiat and Chrysler, Fiat announced a new organizational structure for the Group Executive Council, effective from September 2011.

During the year, the Group continued its development of targeted alliances, including the extension to 2019 of the SevelSud JV in Italy (between Fiat Group Automobiles and PSA Peugeot Citroën) for the manufacture of light commercial vehicles and finalization of an agreement for Fiat Powertrain to supply its 120 hp 1.6 MultiJet II diesel engine to Suzuki for the new SX4, further extending the long-standing partnership between the two groups.

In June, Fiat Powertrain completed the acquisition of a 50% interest in VM Motori S.p.A., a company specialized in design and production of diesel engines, now jointly controlled with General Motors. The transaction gave Fiat Powertrain access to several advanced products and applications, including a newly developed V6 turbodiesel.

In October, Fiat confirmed plans to install the latest version of one of its three main architectures at the Mirafiori plant for production of a Jeep® SUV, as well as continuing production of the Alfa Romeo MiTo. In addition, a new gasoline direct injection turbo engine will be developed for Alfa Romeo and production launch is planned for early 2013 at the FMA plant in Pratola Serra, Italy.

On September 30, the company confirmed its decision to withdraw from Confindustria (the Italian employers’ federation) with effect from January 1, 2012. On December 13, the company announced the signing of a new collective agreement with the majority of trade unions, which is applicable to all Fiat employees in Italy with effect from January 1, 2012.

On October 26, the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) ratified a new national four-year labor agreement with Chrysler Group.

During 2011, Fiat Finance and Trade Ltd. (a wholly-owned subsidiary of Fiat S.p.A.) issued three bonds – under the Global Medium Term Note program guaranteed by Fiat S.p.A. – for a total of €2.5 billion. In addition, Fiat obtained €250 million in financing from the European Investment Bank (EIB) for R&D activities in Italy and a 3-year €1.95 billion syndicated credit facility.

During 2011, Standard&Poor’s, Fitch Ratings and Moody’s Investors Service, reviewed and lowered Fiat S.p.A.’s long term rating by 1 notch, currently BB for S&P and Fitch and Ba2 for Moody’s. The outlook is negative in all three cases.

On October 27, the Board of Directors of Fiat S.p.A. resolved to propose to the shareholders the conversion of the company's preferred and savings shares into Fiat ordinary shares. If approved by the required shareholders' meetings, the proposal will cause the conversion into ordinary shares of all the savings and preferred shares and will streamline the capital structure and simplify the governance structure of the company through the elimination of classes of securities that traded at significant discounts to the ordinary shares and with sustained low trading volumes. The Board of Directors will propose an exchange ratio for the conversion equal to 0.850 ordinary shares for each Preferred Share and to 0.875 ordinary shares for each Savings Share. Preferred shares and savings shares will retain any economic rights with respect to the 2011 financial year. The ordinary shares issued after the conversions would be eligible for dividends (to the extent declared) with respect to the 2012 financial results. The ordinary shares issued after the conversions would be eligible for dividends (to the extent declared) with respect to the 2012 financial results.

In September, for the third consecutive year, Fiat S.p.A. has been recognized as a sustainability leader with its inclusion in the Dow Jones Sustainability World and Dow Jones Sustainability Europe indexes. Fiat received the maximum score (94/100), together with BMW. Later that month, it also entered the Global 500 Carbon Disclosure Leadership Index (CDLI) and Carbon Performance Leadership Index (CPLI) established by the Carbon Disclosure Project. In December, the company was made a member of the ASPI Eurozone® index, recognized as one of the leading sustainability indexes.

CUSHMAN & WAKEFIELD

(69.48% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for the year ended December 31, 2011, prepared in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

			Change	
US$ million	2011	2010	Amount	%
Commission and service fee revenues (Net Revenues) **(A)**	**1,572.3**	1,399.6	172.7	12.3
Reimbursed costs - managed properties and other costs **(B)**	**423.4**	359.8	63.6	17.7
Gross revenues (A+B)	**1,995.7**	1,759.4	236.3	13.4
EBITDA	**111.1**	92.8	18.3	19.7
Operating income	**64.5**	51.6	12.9	25.0
Income attributable to owners of the parent	**14.9**	13.1	1.8	13.7
U.S. GAAP results (*)				
EBITDA	**109.4**	107.3	2.1	2.0
Income attributable to owners of the parent	**19.0**	25.7	(6.7)	(26.1)

(*) The difference between income attributable to owners of the parent, as determined under IFRS, and income attributable to owners of the parent, as determined under U.S. GAAP, is primarily due to the accounting for compensation-related taxes and charges, the non-controlling interests' put option rights and income taxes. The difference between the EBITDA under IFRS, as discussed below, and the EBITDA under U.S. GAAP is attributable to those same items, excluding the income tax impacts.

$ million	12/31/2011	12/31/2010	Change
Equity attributable to owners of the parent	**779.1**	762.7	16.4
Consolidated net financial position	**9.0**	(52.2)	61.2

In 2011, C&W Group made strides on major initiatives global alignment of management, providing a consistent service mix, restructruring its credit facilities, continued reduction of debt and making strategic hires. These moves have set the stage in balancing the platform to provide consistent and quality services to its global clients.

C&W Group experienced significant revenue growth in all geographic regions and all service lines and improved year-over-year operating performance. C&W Group generated $2.0 billion in revenue, representing year-over-year revenue growth of 13.4%, which drove a 25.0% year-over-year improvement in operating income, while EBITDA increased 19.7% for 2011, as compared with 2010.

For the year ended December 31, 2011, gross revenues, which include reimbursed costs - managed properties and other costs, increased $236.3 million, or 13.4%, to $1,995.7 million, as compared with $1,759.4 million for 2010. The impact from foreign exchange accounted for $23.8 million.

Commission and service fee revenues, which exclude reimbursed costs - managed properties and other costs, increased $172.7 million, or 12.3%, to $1,572.3 million for the year ended December 31, 2011, as compared with $1,399.6 million for 2010. The impact from foreign exchange accounted for $21.8 million.

The following presents the breakdown of gross and commission and service fee revenues by geographical area:

$ million	2011	2010	Change Amount	%
Americas	**1,425.8**	1,282.4	143.4	11.2
EMEA	**434.7**	360.8	73.9	20.5
Asia	**135.2**	116.2	19.0	16.4
Gross revenues	1,995.7	1,759.4	236.3	13.4
Americas	**1,100.2**	969.6	130.6	13.5
EMEA	**361.9**	335.2	26.7	8.0
Asia	**110.2**	94.8	15.4	16.2
Commission and service fee revenues	1,572.3	1,399.6	172.7	12.3

The Americas region, including the United States, Canada and Latin America, comprised 71.4% and 70.0% of gross and commission and service fee revenues, respectively, for the year ended December 31, 2011, as compared with 72.9% and 69.3% of gross and commission and service fee revenues, respectively, for 2010.

EMEA, which includes Europe, the Middle East and Africa, comprised 21.8% and 23.0% of gross and commission and service fee revenues, respectively, for the year ended December 31, 2011, as compared with 20.5% and 23.9% of gross and commission and service fee revenues, respectively, for 2010.

For same period, Asia comprised 6.8% and 7.0% of gross and commission and service fee revenues, respectively, as compared with 6.6% and 6.8% of gross and commission and service fee revenues, respectively, for the same period in the prior year.

For the full year 2011, C&W Group's global service lines, including Leasing, Corporate Occupier & Investor Services, Capital Markets, Valuation & Advisory and Global Business Consulting comprised 53.3%, 20.5%, 14.0%, 10.8% and 1.4% of commission and service fee revenues, respectively, as compared with 55.5%, 19.2%, 13.3%, 11.1% and 0.9%, respectively, for the full year 2010.

From a service line perspective, the improved commission and service fee revenue performance for the year ended December 31, 2011 was primarily driven by increases in Leasing, Corporate Occupier & Investor Services ("CIS") and Capital Markets revenues of $62.1 million, or 8.0%, $54.7 million, or 20.4% and $33.6 million, or 18.0%, respectively. The increase in Leasing revenues was driven by increased activity, particularly in major business districts in the U.S., Latin America and Canada. The CIS increase in revenue was primarily driven by increases in the Facilities Management and Property Management segments of the business, primarily in the Americas and EMEA. CIS revenues also included revenue from Corporate Occupier Solutions Limited ("COS"), relating to which the remaining 50% ownership interest was acquired on April 30, 2011. Capital Markets (except for EMEA where revenues were negatively impacted due to the sovereign debt issues in Europe) benefited from the increased availability of credit and capital allotted to real estate investments, primarily in the U.S.

Commission expense increased $55.9 million, or 11.9%, to $525.9 million for the year ended December 31, 2011, as compared with $470.0 million for 2010. Foreign exchange increased commission expense by $2.0 million, or 0.4 percentage points.
Commission expense as a percentage of commission and service fee revenues in the U.S. decreased to 50.1% for the full year 2011, as compared with 50.5% a year ago.

Cost of services sold increased $27.6 million, or 43.0%, to $91.8 million for the year ended December 31, 2011, as compared with $64.2 million for the full year 2010. Foreign exchange increased cost of services sold by $2.7 million, or 4.2 percentage points. The increase of $27.6 million is driven by increases in EMEA, Latin America and Asia of $12.5 million, $10.9 million and $5.0 million, respectively, primarily due to higher CIS revenues, an increase in employment related costs and the acquisition of the remaining 50% ownership interest in COS in April 2011.

Total operating expenses increased $76.3 million, or 9.4%, to $890.1 million for the year ended December 31, 2011, as compared with $813.8 million for the full year 2010. Foreign exchange increased operating expenses by $15.7 million, or 1.9 percentage points. Excluding foreign exchange, operating expenses increased $60.6 million, or 7.4%.
This increase, which is less as a percentage than the percentage growth in revenue, was primarily driven by increases in employment expenses and other operations-related costs in support of C&W Group's strategic growth initiatives.

C&W Group's other expenses, net decreased $11.8 million, or 81.4%, to $2.7 million for 2011, as compared with $14.5 million for 2010, which was largely attributable to a decrease in management fees and a favorable variance related to the non-controlling shareholder put liability.

As a result of the above factors, C&W Group's performance in the full-year 2011 led to improved year-over-year EBITDA and operating results (operating results exclude other expenses, net). For the year ended December 31, 2011, C&W Group's EBITDA increased $18.3 million, or 19.7%, to $111.1 million, as compared with $92.8 million for full-year 2010. At the operating income level, C&W Group's operating results improved $12.9 million, or 25.0%, to operating income of $64.5 million for the year ended December 31, 2011, as compared with operating income of $51.6 million for the full-year 2010.

Interest expense decreased $7.3 million, or 39.2%, to $11.3 million for the current year, as compared with $18.6 million for 2010, which was due primarily to lower interest rates resulting from C&W Group's debt refinancing and lower average debt levels.

With the year-over-year improvements in EBITDA, operating income, other expenses, net and interest expense, C&W Group's pre-tax income increased $32.0 million, to $50.5 million for 2011, as compared with $18.5 million for 2010. Despite this improvement, income attributable to owners of the parent improved by only $1.8 million, or 13.7%, to $14.9 million for the year ended December 31, 2011, as compared with $13.1 million for 2010, as reported under IFRS.
The 2011 results were negatively impacted by an increase in income tax expense of $30.3 million to $35.6 million for the year ended December 31, 2011, as compared with $5.3 million for 2010, representing an increase in C&W Group's reported tax rate to 70.5% for the current year, as compared with 28.6% for the prior year. On a comparative basis, the 2011 reported rate was negatively impacted by a year-over-year increase in discrete period and other net charges and the generation of a higher mix of C&W Group's earnings in the U.S., which are taxed at higher rates.

As reported under accounting principles generally accepted in the United States of America ("U.S. GAAP"), C&W Group's income attributable to owners of the parent decreased $6.7 million, or 26.1%, to $19.0 million for the year ended December 31, 2011, as compared with income attributable to owners of the parent of $25.7 million for the prior year.
Similar to IFRS, the 2011 results were negatively impacted by an increase in income tax expense of $22.9 million to $30.4 million for the year ended December 31, 2011, as compared with $7.5 million for 2010, representing an increase in C&W Group's reported tax rate to 61.5% for the current year, as compared with 22.6% for the prior year. The year-over-year increase in the reported rate is primarily attributable to the same reasons driving the IFRS reported rate, as outlined above, excluding the tax impacts relating to the non-controlling shareholder put liability and stock-based compensation, as these only impact C&W Group's IFRS results.

C&W Group's strong operating performance for full-year 2011 drove strong cash flow and debt reduction, as reflected in the Group's net financial position (defined principally as cash less debt), which improved by $61.2 million to a positive $9.0 million (principally cash in excess of debt) as of December 31, 2011, as compared with a negative $52.2 million (principally debt in excess of cash) a year ago. During the second quarter of 2011, C&W Group refinanced its existing $350 million senior secured revolving credit and $50 million EXOR subordinated facilities with a new five-year $350 million senior secured revolving credit facility and a five-year $150 million senior secured term loan. In addition to expanding its borrowing capacity, the new arrangement reflects more favorable borrowing terms, including interest rates, collateral packages and expanded geographic borrowings.

As C&W remains focused on achieving its goals as it looks forward to 2012 expecting continued revenue and EBITDA growth. While there is caution regarding the global economy, including the European debt crisis, that has slowed C&W's performance during the last quarter of 2011, the firm believes that the 2012 economic landscape should strengthen during the second half as underlying economic fundamentals come to the fore, and the real estate markets improve as a result.

Significant events

Significant events during 2011 include the following:

- C&W advised Google on its acquisition of two buildings in Dublin. The transaction was in excess of €100 million and was the largest investment transaction in Dublin since 2007.
- C&W arranged the $715 million sale of Capital Square, a 386,000-square-foot, class-A office building in Singapore.
- C&W arranged a 1 million-square-foot lease at One World Trade Center in lower Manhattan, New York on behalf of The Port Authority of New York and New Jersey to Conde Nast, arranged a 900,000-square-foot lease for Nomura Holdings at Worldwide Plaza in Manhattan, New York and completed the year's largest office lease through its representation of Shell Oil Company in its 1.2 million square foot renewal in Houston.

C&W 's Corporate Occupier & Investor Services service line had major wins in landing the global accounts of Harley Davidson, Ernst & Young and New York Life and in its expansion of services with United Technologies.

C&W was named winner of CoreNet Global's 2011 Sustainable Leadership Award for its corporate initiative known as the Cushman & Wakefield Environmental Challenge, named No. 1 brokerage firm in Manhattan, New York according to a ranking by Real Estate Forum magazine and the Top Property Manager in New York by Crain's New York Business.

almacantar

(36.29% of share capital through EXOR S.A.)

Almacantar made real estate investments of significant size in the central London area in the first half of 2011.

The consolidated results of the Almacantar Group in 2011 are the following:

£ million	Year 2011
Net rental revenues	**6.9**
Loss for the year	**(4.3)**

£ million	12/31/2011
Net assets	**268.9**
Net financial position	**(20.6)**

The data relating to the previous period are not reported since the company became fully operational in the first half of 2011.

In 2011, the **net assets** of the Almacantar Group went from £0.99 million to £268.9 million. This figure reflects the first property investments made by the company funded by capital increases and bank loans.

The Almacantar Group made two real estate investments during the period, Centre Point and Marble Arch Tower, both located in the West End of London. These are mixed-use buildings (office and commercial use). The purchases were completed in April and June 2011, with investments, respectively, of £122 million and £80 million. In October 2011, Almacantar sold an interest equal to 25% of the capital of Centre Point to another investor.

The **net rental revenues** from the buildings amounting to £6.9 million were more than offset by financial expenses and administrative costs generating, in 2011, a loss of £4.3 million.
This result includes the negative fair value adjustments of the property investments for £1 million and derivative financial instruments for £2 million; net of such adjustments, the loss for the year 2011 would have been £1.2 million.

At December 31, 2011, the company's share capital amounted to £275.7 million, of which £110.8 million was still to be paid by the shareholders.

The **net financial position** was a negative £20.6 million and consisted of bank debt of £88.1 million net of cash and financial receivables of £67.5 million.

In 2012 the company will focus its attention on the above initiatives while continuing to evaluate possible new investment opportunities.

(63.77% of share capital)

The following are Juventus Football Club S.p.A.'s results for the first half of the financial year 2011/2012:

€ million	Half I 2011/2012	Half I 2010/2011	Change
Revenues	**85.4**	88.8	(3.4)
Operating loss	**(31.8)**	(37.7)	5.9
Loss before taxes	**(33.9)**	(38.4)	4.5
Loss for the period	**(34.6)**	(39.5)	4.9

€ million	12/31/2011	6/30/2011	Change
Shareholders' equity	**31.8**	(5.0)	36.8
Net financial position	**(125.1)**	(121.2)	3.9

Interim data cannot be construed as representing the basis for a full-year projection.

For a correct interpretation of the six-month data it should be noted that Juventus' financial year does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season.
Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by the calendar of sports events and the two phases of the football players' Transfer Campaign.

The **loss in the first half of the 2011/2012 financial year** is €34.6 million, against a loss of €39.5 million in the same period of the prior year. The positive change of €4.9 million is mainly due to higher ticket sales (+€8.6 million), higher revenues from sponsorships (+€3.7 million), lower costs related to players and technical staff (+€4.4 million), lower expenses related to players' management (+€6.5 million) and the absence of non-recurring expenses (+€7.4 million). These changes are partially offset by lower income from television rights and media income (-€8.2 million), lower revenues from players' registration rights (-€7.2 million), higher amortization of players' registration rights (-€5.9 million) and higher amortization on other assets (-€3.6 million).

Revenues in the first half of 2011/2012 total €85.4 million. This is a decrease of 3.8% compared to €88.8 million in the first half of 2010/2011.

The amount of revenues from television rights recognized in the first half of the 2010/2011 financial year came from an estimate carried out prior to the ruling on the so-called "catchment area" dispute, only resolved in July 2011 with an additional penalization of the revenues estimated by Juventus, totaling around €9.8 million, entirely recognized in the fourth quarter of the 2010/2011 financial year. As a result of this penalization, the television rights of the first half of the 2010/2011 financial year would have been €4.1 million less.

Shareholders' equity at December 31, 2011 is €31.8 million, an increase compared to the negative balance of €5 million at June 30, 2011 owing to the payment made by the parent EXOR S.p.A. against the future increase in capital (+€72 million), the loss for the period (-€34.6 million) and adjustments to the cash flow hedge reserve (-€0.6 million).

The **Net financial position** at December 31, 2011 is a negative €125.1 million compared to the negative balance of €121.2 million at June 30, 2011. The negative change of €3.9 million is primarily due to investments for the new stadium of €36 million and net disbursements relating to the Transfer Campaign of €38.6 million, partly offset by the payment of €72 million by EXOR S.p.A. against a future capital increase.

Significant events

2011/2012 Transfer Campaign – first phase

The in-depth upgrading of the First Team that had already begun last year, continued in the first phase of the 2011/2012 Transfer Campaign. This led to various disposals and significant investments to complete the changeover of the team and raise the quality level.

The operations completed in the first phase of the Transfer Campaign 2011/2012, held in Italy from July 1, to August 31, 2011 (and up to September 5, 2011 only for some foreign markets) entailed a total increase in the capital invested of €85.3 million deriving from acquisitions for €91 million and disposals for €5.7 million (net book value of the registration rights sold).

The net gains generated by the disposals came to €5.6 million. Moreover, the temporary acquisitions and disposals produced net revenues for €1.5 million year-over-year.

The overall net financial commitment (including additional expenses capitalized and implicit financial expenses and revenues on deferred receipts and payments) amounts to €79.2 million, divided as follows: €35.8 million in the financial year 2011/2012, €22.6 million in the financial year 2012/13 and €20.8 million in the financial year 2013/14.

2011/2012 season ticket campaign

A total of 24,526 season tickets were sold for 2011/2012 season, including Premium Seats, for revenues of €15.1 million, including additional services.

Compared to the 2010/2011 football season, a 63.5% increase was recorded in the number of season tickets and a 190.4% increase in terms of revenues.

Inauguration of the new stadium

With the inauguration of the new stadium on September 8, 2011, the most important property investment in Juventus Football Club’s history was completed and a new phase opened up in which Juventus, for now, is the only Club in Italy to have its own stadium built to the highest modern architectural standards.

Final distribution of loans contracted with Istituto per il Credito Sportivo

On October 25, 2011, Istituto per il Credito Sportivo disbursed the last tranches, for a total of €15 million, of the loans granted for the construction of the new stadium. Therefore, the two loans (for a total of €60 million) are being amortized from November 1, 2011 over 12 years at a fixed rate equal to the IRS 6-year rate (recorded on October 21, 2011) plus 220 bps, and therefore, equal to 4.383%. The loan will also benefit from an interest rate subsidy, determined according to prevailing law.

Line of credit granted by the parent company EXOR S.p.A. and payment against the share capital increase

Starting on July 1, 2011, the parent EXOR S.p.A. granted the company a €70 million line of credit for to be used for cash needs until December 30, 2011, the date originally scheduled for the completion of the capital increase transaction. Specifically, the contract included the following economic conditions:

- *Amount and due date*: maximum of €70 million to be repaid by the due date of December 30, 2011.
- *Drawdowns*: drawdowns of one or more tranches for a minimum amount of €5 million.
- *Settlement and payment of interest*: interest settled and paid monthly at the end of each calendar month.
- *Interest rate*: interest rate revisable monthly and equal to the 1-month Euribor rate plus a 2% spread.
- *Early repayment*: without any penalty, with Juventus having the option to repay all or part of the amount drawn down giving notice of two business days; minimum repayment amount equal to €5 million.
- *Revocation*: without any penalty, with EXOR having the option to request repayment of all or part of the amount drawn down, giving notice of two bank business days.

The transaction fell under Juventus' ordinary operations and was finalized at arm's length; among other things the interest rate on the EXOR line of credit matched that of one of the major lines of credit granted by a bank.

After approving the financial statements at June 30, 2011, which closed with a loss of €95.4 million that completely eroded shareholders' equity, EXOR S.p.A. paid in €72 million on September 23, 2011 against a future issue of share capital to ensure that Juventus operated as a going concern.

Thus on the same date Juventus extinguished the line of credit granted by EXOR S.p.A., repaying the total amount drawn down up to that date, amounting to €47.5 million; the interest expenses generated by the transaction totaled €0.3 million.

Resolutions by the ordinary and extraordinary shareholders’ meetings

The shareholders' meeting held on October 18, 2011 approved the financial statements at June 30, 2011 and motioned to cover the relative loss of €95.4 million by:

- full use of reserves for €70.3 million, recorded in the financial statements as at June 30, 2011;
- reduction of share capital for €20 million, upon elimination of the par value of the shares, to the minimum required amount for limited liability companies, equal to €120,000;
- use of the share premium reserve which will be replenished following the share capital increase for a maximum of €120 million approved by the same shareholders' meeting held on October 18, 2011, for the remaining €5.1 million.

On December 15, 2011, following issue of Consob’s approval to publish the Prospectus relating to the subscription rights and admission to listing of the shares from the issue for the capital increase for a maximum of €120 million (the "Offering"), the board of directors decided to implement the share capital increase through the dematerialization of a maximum 806,213,328 new no par value ordinary shares with the same characteristics as those in circulation and regular rights (July 1, 2011). The shares were offered as an option to shareholders, at the issue price of €0.1488 per ordinary share, of which €0.1388 is share premium, in a ratio of 4 new ordinary shares for every 1 ordinary share held for a total maximum equivalent amount of €119,964,543.21 including share premium.

Capital increase results

On January 30, 2012 the option offering was completed with the entire subscription of the new ordinary shares of Juventus Football Club S.p.A. related to the share capital increase of €119,964,543.21 approved by the extraordinary shareholders' meeting held on October 18, 2011.

In the period between December 19, 2011 and January 18, 2012, a total of 176,124,107 subscription rights was exercised and thus 704,496,428 new shares were subscribed, equal to 87.4% of the total shares offered (806,213,328), for an overall equivalent amount of €104,829,068.49.

The 25,429,225 unexercised option rights were completely sold on the stock market between January 23 and January 27, 2012, in accordance with article 2441, paragraph 3 of the Italian Civil Code. On January 30, 2012, 24,520,798 rights were exercised to subscribe 98,083,192 new shares, at a unit price of €0.1488, of which €0.1388 for share premium, for a total value of €14,594,778.97 (of which 34,306,760 new shares were subscribed by EXOR S.p.A. for an equivalent amount of €5,104,845.89).

The remaining 3,633,708 new shares, corresponding to 908,427 unexercised rights, were subscribed by the shareholder EXOR S.p.A. based on commitments already undertaken, for an equivalent amount of €540,695.75.

Thus the new share capital of Juventus Football Club S.p.A. totals €8,182,133.28 and is represented by 1,007,766,600 no par ordinary shares.

SEQUANA

(28.24% of share capital through EXOR S.A.)

The highlights of the consolidated results of the Sequana Group in 2011 are as follows:

€ million	12/31/2011	Pro-forma 12/31/2010 (a)	Change
Net sales	**3,944**	4,016	(72)
Gross operating profit	**135**	206	(71)
Recurring operating income	**89**	135	(46)
Recurring net income	**30**	51	(21)
Profit attributable to owners of the parent	**(77)**	32	(109)
Equity attributable to owners of the parent	**669**	814	(145)
Consolidated net debt	**609**	674	(65)

(a) The pro-forma results take into account the disposals of the Décor and Abrasifs activities of Arjowiggins and the office supply activities of Antalis sold in 2011.

2011 operating performance is characterized by lower volumes in a declining market and higher raw material costs. Sales of the Sequana Group in 2011 amounted to €3,944 million, down by 1.8% pro forma (-1.4% at constant exchange rates), despite the sharp reduction in volumes of printing and writing papers, in distribution (-8%) and manufacturing (-7%). This slight decrease in value reflects the positive impact of price increases applied in the first half of 2010, healthy demand for banknote paper and good growth in Antalis' non-paper businesses.

EBITDA came in at €135 million, decreasing -34.5% pro forma compared to the prior year, mainly on account of much higher raw material and energy costs over 2010 (negative impact of €62 million for Arjowiggins in 2011). The EBITDA margin was 3.4% (-1.7 points).

Recurring operating income is €89 million, including gains €25 million from changes to pension plans (mainly in the UK), down by €46 million pro forma (-33.9%); the operating margin is 2.3% (-1.0 points).

Recurring net income was €30 million, decreasing 41.2%, compared to €51 million in the prior year. The change is due to net non-recurring expenses of -€108 million (mainly due to the impairment taken on Arjowiggins for €61 million and restructuring costs for €38 million). The loss attributable to owners of the parent was -€77 million, equal to diluted earnings per share of -€1.57.

Consolidated **net debt** at December 31, 2011 decreased by €65 million to €609 million, compared to €674 million at December 31, 2010. The reduction was due to the favorable impact of €96 million from the sale of Arjowiggins Décor and Abrasifs activities and Antalis Office Supplies.

The Sequana board of directors will put forward a motion at the next shareholders' meeting recommending not to pay dividends for 2011. The Group signed an agreement of February 24, 2012 with the creditor banks to set up the terms and conditions for the renewal of credit lines until June 30, 2014.

Antalis

In 2011, Antalis had to contend with sharply reduced demand for printing and writing papers in Europe. Strict management of the commercial policy and customer risk exacerbated the decline in volumes and resulted in a slight loss of market share in Europe. On the other hand, demand was healthy in non-paper businesses (Packaging and Visual Communications) and in all markets outside Europe.

Despite the sharp drop in volumes (-8%), sales were down only slightly (-1.4%) from 2010 pro forma, to €2,759 million (a reduction of -1.6% at constant exchange rates), which reflected the favorable impact of the selling price increases implemented by Antalis in 2010 and 2011.

EBITDA came in at €101 million, down 8.1% from 2010 pro forma. Antalis managed to limit the EBITDA decline thanks to the combined impacts of selling price increases implemented in 2010 and 2011, a proactive gross margin protection policy, an improved product mix due to the growing contribution of the Packaging and Visual Communications businesses, and a tight rein on overheads. Recurring operating income (including gains of €8 million arising on pension plans) amounted to €83 million (-3.4% pro forma from 2010), while the operating margin remained stable at 3.0%.

Antalis refocused on its core business with the sale of its retail and wholesale Office Supplies activities in Spain and Portugal for an enterprise value of €26 million and increasing its sales by approximately €50 million thanks to its acquisition of Ambassador in the UK and Pack 2000 in Germany, making it the UK's second-largest distributor of packaging products and solutions

Arjowiggins

2011 saw a sharp drop in demand for graphic papers used in the printing and writing segments in Europe and the US, particularly in the second half of the year. Consequently, the selling price increases announced before the summer by all industry players and scheduled for the second half of 2011 could not be implemented. Specialty businesses performed well overall, particularly the Security business (banknotes and security solutions), spurred by robust demand.

Volumes declined by 7% over the prior year and sales were 1.6% lower than 2010 pro forma to €1,465 million (down 0.3% at constant exchange rates). EBITDA decreased €50 million, down from €112 million in 2010 pro forma. Besides the adverse impact of declining volumes, Arjowiggins also had to contend with much higher raw material prices than in 2010, particularly pulp, cotton (used to produce banknote paper), waste paper, latex and starch. Over the year as a whole, higher raw material and energy costs had a negative €62 million impact on earnings.
Recurring operating income came in at €22 million (including a gain of €17 million arising on a pension plan in the UK), down €44 million from 2010 pro forma.

Faced with a very tough market environment, Arjowiggins continued to reduce overheads and to adjust its production capacity to the changing demand. Three paper machines were shut, in France, Denmark and Argentina. In addition, Arjowiggins sold its Decor and Abrasives business to the Swedish group Munksjö in March 2011 and its Moulin du Roy mill to French group Hamelin in June 2011, for a total enterprise value of €99 million.

(100% of share capital)

The Alpitour Group was consolidated on the basis of the first half 2011 data, pursuant to IFRS 5, as described in the “Review of the consolidated results of the EXOR Group – Shortened” in this report.

The consolidated results of the Alpitour Group reported for the first half of the financial year 2010/2011 (November 1, 2010 – April 30, 2011) can be summarized as follows:

€ million	Half I		
	2011	2010 Restated (a)	Change
Net revenues	**368.5**	362.4	6.1
EBITDA	**(10.8)**	(15.5)	4.7
Loss from ordinary operations	**(21.7)**	(25.5)	3.8
Loss attributable to owners of the parent	**(11.8)**	(25.7)	13.9

€ million	**4/30/2011**	10/31/2010 Restated	Change
Equity attributable to owners of the parent	**60.9**	83.8	(22.9)
Net financial position	**9.4** (b)	87.0	(77.6)

(a) The revenues and costs relating to the distribution division have been reclassified pursuant to IFRS 5.
(b) Before payment of reserves to EXOR for €10 million.

Below is a summary of the operating performance of the Alpitour Group to October 31, 2011.

The sole company in Italy covering the entire tourism chain, Alpitour World is the market leader for organized travel, with a strong position also in the independent traveler segment through the Alpitourworld.com platform. The Alpitour World business unit comprises Tour Operating, Hotel, Incoming and Aviation.

The Alpitour Group’s offering spans five continents, with more than 200 destinations, operating directly with its own offices in numerous countries besides Italy: Cape Verde, Egypt, France, Ireland, Maldives, Morocco, Mexico, Portugal, Dominican Republic, Spain, Tanzania and Tunisia.
Corporate offices are in Turin but more than 3,000 employees work in the offices in Cuneo (registered office), Milan, Malpensa, Verona, Padua, Bologna, Genoa, Rome, Naples, Palma de Maiorca and in the branches and assistance centers found the world over.

With over 3.1 million clients in 2011 and its carefully chosen international partnerships, Alpitour World has for years consistently held the post of the 1° tourist group in Italy and is among the top ten European tourist operators.

The financial highlights for the fiscal years 2010/2011 and 2009/2010 are as follows (note that the fiscal year closes on October 31 of each year):

€ million	**2010/2011**	2009/2010 Restated (a)	Change Amount	 %
Net revenues	**1,142.3**	1,183.2	(40.9)	-3.5
Contribution margin	**183.2**	190.0	(6.8)	-3.6
EBITDA	**47.3**	46.5	0.8	1.7
Profit from ordinary operations	**19.7**	25.8	(6.1)	-23.7
Profit attributable to owners of the parent	**17.3**	10.9	6.3	57.9
Equity attributable to owners of the parent	**92.8**	83.8	9.0	
Consolidated net financial position	**111.7**	86.8	24.9	

(a) The Distribution and M.I.C.E. divisions have been reclassified as set out in IFRS 5.

Compared to past years, the consolidated accounting data at October 31, 2011 reflects the effects of the following extraordinary transactions:

- the company Welcome Travel Group S.p.A. and its subsidiaries (the Distribution business unit) have been accounted for using the equity method instead of being consolidated line-by-line following the sale of a 50% stake to Costa Crociere S.p.A.;
- the company AW Events (M.I.C.E. business unit) was deconsolidated after the sale of the entire investment during the year.

The data relating to the financial year 2009/2010 have been restated for a better comparison with the financial year 2010/2011.

The economic crisis which marked both 2009 and 2010 has continued to distress the major western economies in 2011 so that, starting in summer, future growth prospects waned even further. As a consequence, in this scenario, the tourism market has continued to display a very weak demand, a particular sensitivity by clients to prices, a sign of reduced spending capacity and a strong propensity of the final client to book at the last minute.

Net revenues of Alpitour World, compared to the prior year, recorded a reduction of 3.5% to €1,142.3 million. This result should nevertheless be considered positive when taken from the standpoint of the difficult general economic panorama and the crisis in demand which can be found in all the countries of Mediterranean Africa, first among them Egypt and Tunisia. In such scenario, sales recorded a decline compared to the prior year in the tour operating division and the hotel division, compensated in part by the gains made in the aviation and incoming divisions.

Consolidated EBITDA in 2011/2012 remained in line at €47.3 million (€46.5 million in 2009/2010); the EBITDA margin for the period thus recorded an improvement to 4.1% from 3.9%. This performance principally reflects the effects of the sales policies designed to protect margins, as well as the positive outcomes of the actions aimed at reducing and containing variable and structure costs.

The profit attributable to owners of the parent was €17.3 million, against a corresponding profit of €10.9 million in 2009/2010; such results were affected by accruals for the year and higher amortization and depreciation charges besides the economic performance described for EBITDA.

The net financial position of the Group also significantly improved during the period from €89.6 million at the end of the previous year to €111.7 million at October 31, 2011. This change came from the combined effect of cash flows during the year, the improvement in net working capital and also the financial effect of the receipt of €12.2 million following the sale of the 50% stake in Welcome Travel Group to Costa Crociere S.p.A., the receipt of €4.6 million on the sale of AW Events to third parties and the partial distribution of €10 million of the share premium reserve to the parent EXOR in July.

Sales of the divisions of the Alpitour Group are analyzed below:

		2009/2010	Change	
€ million	**2010/2011**	Restated	Amount	%
Tour operating	**825.8**	917.1	(91.3)	-10.0
Hotel	**75.9**	81.2	(5.3)	-6.5
Aviation	**222.7**	183.0	39.8	21.7
Incoming	**251.1**	226.2	24.9	11.0
Total	**1,375.5**	1,407.4	(31.9)	-2.3
Elimination of intragroup transactions	**(233.2)**	(224.2)	(9.0)	4.0
Total	**1,142.3**	1,183.2	(40.9)	-3.5

The **Tour Operating** division, in 2010/2011, reported a decrease in volumes compared to the prior year: the number of passengers, in fact, arrived at 786 thousand, compared to 908 thousand in 2009/2010 (-13.4%). Sales, which also include the reinsurance sales of Alpitour Reinsurance, consequently followed the same trend and settled at €825.8 million (€917.1 million in 2009/2010), down 10.0%. The lower reduction in sales compared

to volumes was due to a different sales mix, which highlighted a decline to destinations in the countries of North Africa to the benefit of destinations exhibiting higher average sales prices.
Specific company policies aimed at cutting back and adding flexibility to direct overheads (particularly empty/full hotel commitments) and structure costs, as well as sales polices geared to maintaining catalog sales prices and protecting margins, made it possible to limit and effectively counter the consequences generated by the continuing market crisis and by the reduction in sales owing to political tensions in Mediterranean Africa. The contribution margin for the year to October 31, 2011 was €54.3 million (vs. €58.6 million in the prior year), or 6.6% of sales (6.4% in 2009/2010). EBITDA stood at €13.9 million with an EBITDA margin of 1.7%, reflecting the margin in the prior year.

In 2010/2011 the **Hotel** sector posted sales of €75.9 million against €81.2 million in the prior year. Of that amount €31.0 million was generated with the tour operators of the Group (€34.6 million to October 31, 2010).
Sales performance can mainly be ascribed to the closing of some lease contracts due to the early withdrawal from some leisure-type hotels (Villaggio “Floriana”, Villaggio “Nova Siri” and Hotel “Marina Club”) and city hotels (Hotel Ritz & Regent in Rome), decided under the plan for the restructuring of the product portfolio of the hotel division. This reduction was only partly offset by the favorable effects of the opening of the Hotel Oriente in Bari in September 2010.
Despite the combined effect of actions and policies aimed at reducing costs and revisiting the product portfolio in order to limit and compensate both the effects of the difficult market situation and the increase in certain productive factors, the hotel division posted a lower contribution margin compared to the prior year (€41.8 million to October 31, 2011 vs. €45.8 million to October 31, 2010), or 55.0% of sales (56.4% in 2009/2010). Instead EBITDA for the year is basically in line with the prior year in terms of margin (approximately 5.6%), displaying a slight contraction in terms of amount (€4.2 million to October 31, 2011, compared to €4.6 million to October 31, 2010).

The **Aviation** division headed by the Neos airline company, in 2010/2011, reported sales of €222.7 million (€183.0 million in 2009/2010), of which €115.8 million was with the Group (€103.4 million to October 31, 2010). The sales trend and the number of passengers carried was especially impacted by a different sales mix featuring, in 2010/2011, an expanded charter business with the Group and third-party operators and a reduction in wet lease out business which posted considerably lower revenues than the charter business. In fact, it should be noted that the sales prices of the wet lease business are based on certain limited cost components (lease, crew, maintenance and insurance) while other important costs (first of all fuel) are directly borne by the client airline. With a growth in sales of approximately €40 million, the number of passengers carried in the year 2010/2011 was about 957 thousand as opposed to 958 thousand in the previous year.
Neos managed to achieve important operating results thanks to its ability to attain the maximum level of aircraft utilization and to vigilant commercial policies and cost containment. The contribution margin during the period reached €66.4 million compared to €66.1 million in 2009/2010. EBITDA for the period, benefiting from the positive effects of cutbacks in operating costs (mainly aircraft lease and employee costs), showed an improvement of €2 million over the prior year (€25.4 million to October 31, 2011 against €23.4 million to October 31, 2010). The EBITDA margin fell to 11.4% from 12.8% in the previous year: 2009/2010 in fact posted a high level of wet lease outs with average sales prices below those of the charter business but with a better margin.

The **Incoming** sector (Jumbo Tours Group) in 2010/2011 reported sales of €251.1 million (of which €83.2 million came from the Alpitour Group), highlighting an increase (+11.0%) over the prior year (€226.2 million, of which €83.3 million from the Alpitour Group). Even with the impact of outside factors such as the effects of the continuing negative economic environment, the Jumbo Tours Group managed to consolidate its volumes through decisive sales policies and a considerable jump in demand to the Canary Islands, the Balearic Islands and Cape Verde destinations as a result of the unrest in North Africa, recording an increase in the number of passengers managed by about 29.0% compared to October 31, 2010.
The traffic by third-party operators in the period contributed a volume of 1,901 thousand passengers (1,406 thousand to October 31, 2010) and accounted for about 88.7% of the total volumes managed by the incoming division. A decisive contribution came from the 2010/2011 start-up of incoming operations on behalf of the “El Corte Inglés” Spanish operator, as well as the consolidation of the already-operating activities with “Hotel 4 U” (Thomas Cook Group), which gave the Jumbo Tours Group the exclusive for incoming for the management of their client traffic. As for volumes coming from the Alpitour Group’s tour operator, 243 thousand passengers were recorded this year, compared to 256 thousand in 2009/2010: this trend was impacted by the

decrease in clients to Tunisia and Morocco destinations compensated in part only by the increases to the Balearic Islands and the Canary Islands.
Incoming's contribution margin in fact reached €17.5 million, improving over the €16.2 million reported in the prior year. EBITDA in the period displayed a similar improvement reaching €3.7 million (€2.9 million to October 31, 2010), with an EBITDA margin of 1.5% (1.3% in the year 2009/2010).

Significant events

Sale of the 50% stake in Welcome Travel Group: in February 2011, an agreement was sealed between Alpitour S.p.A. and the company Costa Crociere S.p.A. directed to the entry of the leading cruise line company in Italy as a shareholder of Welcome Travel Group S.p.A. with a 50% interest. The aim of the partnership is to develop and grow the distribution network with a view towards continually improving services to the final clientele. The operation obtained the approval of the antitrust authority and was concluded in April 2011. The acquisition by Costa Crociere S.p.A. of the investment in Welcome Travel Group S.p.A. came at a total price of €16.3 million and was completed through the purchase of shares (for a price of €14.7 million) and through the subscription of a reserved capital increase (for €1.6 million); a part of the price of the shares (equal to €2.5 million) was in the form of an earn out payable within 24 months of the conclusion of the operation, once pre-fixed targets are reached.

Sale of the investment in AW Events S.r.l.: in July 2011, Alpitour S.p.A. and the company Alessandro Rosso Incentive S.p.A. signed an agreement for the sale of the entire investment in AW Events S.r.l. (in which Alpitour S.p.A. holds an 83.9% stake). The investment was sold at a total price of €5.5 million (of which €4.6 million is the Alpitour Group's share) and operation was finalized on September 15, 2011.

New office in Turin: the project for the new head office of the Alpitour Group was announced in September 2011 and all the employees of the current offices of Turin and Cuneo will be in Turin starting from the second half of 2012. The new office will make it possible to obtain cost savings, a considerable improvement in terms of effectiveness and efficiency and will also ensure stability and business continuity, as well as new opportunities for professional growth and development.

.

EXOR S.A.

(100% of share capital)

The highlights of the financial statements of EXOR S.A. at December 31, 2011, prepared under the laws of Luxembourg, are as follows:

€ million	**12/31/2011**	12/31/2010	Change
Profit for the year	**59.2**	79.2	(20.0)
Equity	**2,137.2**	2,208.0	(70.8)
Investments and other non-current financial assets	**2,258.1**	2,306.0	(47.9)
Net financial position	**(118.8)**	(43.2)	(75.6)

The profit for the year 2011 comes from dividends from investments for +€86.9 million (+€53.9 million in 2010), net financial income for +€12.7 million (+€54 million in 2010), net of impairments of financial assets for -€20.9 million (-€14.7 million in 2010) and net other expenses for -€19.5 million (-€14 million in 2010).

At December 31, 2011, non-current financial assets include the following:

	Number	**12/31/2011**			
	of shares	**% of capital**	**Carrying amount**	12/31/2010	Change
SGS S.A.	1,173,400	15	1,016.3	1,016.3	0.0
Exor Capital Ltd	4,000,000	100	234.0	354.0	(120.0)
C&W Group Inc.	511,015	69.48	405.0	405.0	0.0
Sequana S.A.	13,993,329	28.244	190.3	191.7	(1.4)
Almacantar S.A.	100,080,355	36.303	113.9	10.0	103.9
Gruppo Banca Leonardo S.p.A.	45,459,968	17.404	103.2	85.1	18.1
Banijay Holding S.A.S.	351,590	17.088	35.3	35.3	0.0
The Economist Newspaper Ltd	1,190,000	4.722	30.3	30.3	0.0
Copacabana Prince Partecipações S.A.	33,465,401	1.615	15.2	15.2	0.0
Exor LLC	-	99.8	11.7	11.7	0.0
Ancom USA	10	100	9.9	9.9	0.0
BTG Investments L.P.	6,217,617	0.259	3.8	3.8	0.0
Exor Inc.	100	100	1.2	1.2	0.0
Other			1.4	1.4	0.0
Total investments			**2,171.5**	**2,170.9**	**0.6**
Other non-current financial assets			86.6	135.1	(48.5)
Total investments and non-current financial assets			**2,258.1**	**2,306.0**	**(47.9)**

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE PAYMENT OF DIVIDENDS

Dear Stockholders,

We invite you to approve the separate financial statements for the year ended December 31, 2011 and, considering that the legal reserve is equal to one-fifth of capital stock, we motion to appropriate the profit of €58,690,739.29 as follows:

- to the 153,530,496 ordinary shares currently outstanding, dividends equal to €0.335 per share, equal to a maximum	€	51,432,716.16
- to the 65,110,776 preferred shares currently outstanding, dividends equal to €0.3867 per share, equal to a maximum	€	25,178,337.08
- to the 8,503,189 savings shares currently outstanding, dividends equal to €0.4131 per share, equal to a maximum	€	3,512,667.38
for a maximum payment of	€	80,123,720.62

to be drawn from the profit for the year up to an amount of €58,690,739.29 and from the Extraordinary Reserve for the remaining amount of a maximum €21,432,981.33

The dividends proposed are payable to the shares outstanding, thus excluding those directly held by EXOR S.p.A. on June 18, 2012, the ex-dividend date. The payment of dividends will begin on June 21, 2012.

Turin, April 6, 2012

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

EXOR

Separate Financial Statements

at December 31, 2011

EXOR S.p.A. - INCOME STATEMENT

€	Note	2011	2010	Change
Investment income (expenses)				
Dividends from investments	1	171,733,163	197,783,916	(26,050,753)
Gains (losses) on disposals of investments	2	(7,963,474)	14,810,751	(22,774,225)
Impairment losses on investments	3	(56,235,535)	(4,643,487)	(51,592,048)
Net investment income		107,534,154	207,951,180	(100,417,026)
Financial income (expenses)				
Financial expenses from third parties	4	(135,021,073)	(112,618,583)	(22,402,490)
Financial income from third parties	5	108,667,018	90,896,038	17,770,980
Financial income from related parties	37	1,591,712	2,872,693	(1,280,981)
Gains (losses) on exchange	6	(2,989,282)	3,799,599	(6,788,881)
Net financial expenses		(27,751,625)	(15,050,253)	(12,701,372)
Net general expenses				
Personnel costs	7	(7,734,021)	(8,812,938)	1,078,917
Purchases of goods and services from third parties	8	(6,040,066)	(4,440,141)	(1,599,925)
Purchases of goods and services from related parties	37	(6,202,680)	(9,278,993)	3,076,313
Other operating expenses	9	(674,982)	(462,309)	(212,673)
Depreciation and amortization		(58,585)	(9,055)	(49,530)
		(20,710,334)	(23,003,436)	2,293,102
Revenues from third parties		210,647	63,962	146,685
Revenues from related parties	37	647,034	482,351	164,683
		857,681	546,313	311,368
Net general expenses		(19,852,653)	(22,457,123)	2,604,470
Non-recurring other income (expenses) and general expenses				
Personnel costs	10	(4,748,593)	(2,944,599)	(1,803,994)
Purchases of goods and services from third parties	11	(8,325)	(3,067,524)	3,059,199
Purchases of goods and services from related parties	37	(703,086)	(1,182,094)	479,008
Non-recurring income from third parties	12	7,086,033	0	7,086,033
Non-recurring income from related parties	37	900,090	0	900,090
Non-recurring other operating expenses from third parties	13	(163,569)	(400,000)	236,431
Non-recurring other expenses from related parties	37	0	(9,747,938)	9,747,938
Non-recurring other income (expenses) and general expenses		2,362,550	(17,342,155)	19,704,705
Indirect taxes and duties				
Non-deductible VAT	14	(1,936,966)	(1,204,291)	(732,675)
Other indirect taxes		(63,449)	(5,759)	(57,690)
Indirect taxes and duties		(2,000,415)	(1,210,050)	(790,365)
Profit before income taxes		60,292,011	151,891,599	(91,599,588)
Income taxes	15	(1,601,272)	(30,591)	(1,570,681)
Profit for the year		58,690,739	151,861,008	(93,170,269)

EXOR S.p.A. - STATEMENT OF COMPREHENSIVE INCOME

€	2011	2010
Gains/(losses) recognized directly in cash flow hedge reserve	**(23,723,367)**	9,135,120
Gains/(losses) recognized in fair value reserve	**976,276**	(24,953,882)
Income taxes relating to components of other comprehensive income	**(13,424)**	342,126
Actuarial gains/(losses)	**(123,135)**	20,861
Total other comprehensive income, net of tax	**(22,883,650)**	(15,455,775)
Profit for the year	**58,690,739**	151,861,008
Total comprehensive income	**35,807,089**	136,405,233

EXOR S.p.A. - STATEMENT OF FINANCIAL POSITION

€	Note	12/31/2011	12/31/2010	Change
Non-current assets				
Investments accounted for at cost	16	**3,804,831,389**	3,806,958,518	(2,127,129)
Available-for-sale investments	16	**12,368,447**	31,812,171	(19,443,724)
Total Investments		**3,817,199,836**	3,838,770,689	(21,570,853)
Held-to-maturity financial instruments	17	**114,855,368**	138,093,789	(23,238,421)
Other financial assets		**877,625**	104,641	772,984
Intangible assets		**101,664**	106,735	(5,071)
Property, plant and equipment		**172,249**	4,427	167,822
Other receivables		**2,081**	1,291	790
Total Non-current assets		**3,933,208,823**	3,977,081,572	(43,872,749)
Current assets				
Held-to-maturity financial instruments	17	**77,035,125**	0	77,035,125
Financial assets held for trading	18	**349,749,017**	589,217,779	(239,468,762)
Cash and cash equivalents	19	**94,243,148**	219,795,393	(125,552,245)
Other financial assets	20	**8,134,038**	6,780,879	1,353,159
Tax receivables	21	**25,144,323**	45,677,637	(20,533,314)
Financial receivables from related parties	37	**21,274**	30,592,975	(30,571,701)
Financial receivables from third parties		**403,637**	0	403,637
Trade receivables from related parties	37	**415,497**	215,425	200,072
Other receivables	22	**1,135,384**	454,958	680,426
Total Current assets		**556,281,443**	892,735,046	(336,453,603)
Non-current assets held for sale	23	**82,526,558**	0	82,526,558
Total Assets		**4,572,016,824**	4,869,816,618	(297,799,794)
Equity				
Share capital	24	**246,229,850**	246,229,850	0
Capital reserves	25	**1,746,955,814**	1,746,289,493	666,321
Retained earnings and other reserves	26	**1,632,563,244**	1,578,461,200	54,102,044
Treasury stock	28	**(239,005,324)**	(170,327,086)	(68,678,238)
Profit for the year		**58,690,739**	151,861,008	(93,170,269)
Total Equity		**3,445,434,323**	3,552,514,465	(107,080,142)
Non-current liabilities				
Non-convertible bonds	30	**845,774,013**	745,699,834	100,074,179
Bank debt	31	**200,000,000**	50,000,000	150,000,000
Deferred tax liabilities	32	**23,875,349**	21,703,995	2,171,354
Provisions for employee benefits	33	**2,232,248**	2,634,915	(402,667)
Other payables	35	**921,683**	809,738	111,945
Total Non-current liabilities		**1,072,803,293**	820,848,482	251,954,811
Current liabilities				
Non-convertible bonds		**0**	199,918,170	(199,918,170)
Bank debt	31	**0**	231,094,658	(231,094,658)
Other financial liabilities	34	**48,054,792**	31,824,520	16,230,272
Trade payables and other payables to related parties	37	**966,771**	23,860,517	(22,893,746)
Trade payables to third parties		**1,231,495**	4,424,549	(3,193,054)
Tax payables		**647,291**	905,733	(258,442)
Other payables	35	**2,878,859**	4,425,524	(1,546,665)
Total Current liabilities		**53,779,208**	496,453,671	(442,674,463)
Total Equity and Liabilities		**4,572,016,824**	4,869,816,618	(297,799,794)

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury stock	Earnings reserves	Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2009	**246,229,850**	**1,746,289,493**	**(112,491,299)**	**1,556,229,009**	**88,822,747**	**25,984,784**	**(11,218,670)**	**3,539,845,914**
Reclassification 2009 profit				88,822,747	(88,822,747)			0
Dividends paid to shareholders (€ 0.27 per ordinary share, € 0.3217 per preferred share, € 0.3481 per savings share)				(67,866,477)				(67,866,477)
Purchase of treasury stock			(57,835,787)					(57,835,787)
Dividends statute-barred				1,592				1,592
Increase corresponding to figurative cost of EXOR stock option plan				1,963,989				1,963,989
Total comprehensive income				20,862	151,861,008	(24,611,756)	9,135,120	136,405,234
Net changes during the year	0	0	(57,835,787)	22,942,713	63,038,261	**(24,611,756)**	**9,135,120**	**12,668,551**
Equity at December 31, 2010	**246,229,850**	**1,746,289,493**	**(170,327,086)**	**1,579,171,722**	**151,861,008**	**1,373,028**	**(2,083,550)**	**3,552,514,465**
Reclassification 2010 profit				151,861,008	(151,861,008)			0
Dividends paid to shareholders (€ 0.31 per ordinary share, € 0.3616 per preferred share, € 0.3881 per savings share)				(75,876,645)				(75,876,645)
Purchase of treasury stock			(68,678,238)					(68,678,238)
Dividends statute-barred				2,265				2,265
Increase corresponding to figurative cost of EXOR stock option plan				999,066				999,066
Changes deriving from the merger of Exor Services		666,321						666,321
Total comprehensive income				(123,135)	58,690,739	962,852	(23,723,367)	35,807,089
Net changes during the year	**0**	**666,321**	**(68,678,238)**	**76,862,559**	**(93,170,269)**	**962,852**	**(23,723,367)**	**(107,080,142)**
Equity at December 31, 2011	**246,229,850**	**1,746,955,814**	**(239,005,324)**	**1,656,034,281**	**58,690,739**	**2,335,880**	**(25,806,917)**	**3,445,434,323**
Note	24	25	28	26		26	26	

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2011	2010
Cash and cash equivalents at start of year		**219,795,393**	337,355,303
Cash flows from (used in) operating activities			
Profit for the year		**58,690,739**	151,861,008
Adjustments for:			
Gains on disposals of investments	2	**7,963,474**	(14,810,751)
Gains on the sale of the building by EXOR Services		**(7,086,033)**	0
Quota in kind of dividends collected by Exor S.A.	1	**(89,864,870)**	(96,952,623)
Effective portion of losses on cash flows hedges reclassified to income statement	4	**4,250,768**	9,653,616
Depreciation and amortization		**58,585**	9,055
Figurative cost of EXOR stock option plan	29	**1,666,936**	1,526,941
Expenses relating to merger of EXOR Services		**(24,802)**	0
Deferred income taxes released by the merged EXOR Services		**(840,497)**	0
Impairment losses on investments	3	**56,235,535**	4,643,487
Losses (Gains) on sale of property, plant and equipment		**(29,230)**	0
Non-recurring other (income) expenses, accrued and not yet collected/paid		**(900,090)**	10,147,938
Total adjustments		**(28,570,224)**	(85,782,337)
Cash deriving from the merger of EXOR Services		**291,913**	0
Change in working capital:			
Change in other financial assets, current and non-current	20	**(2,126,143)**	(799,218)
Change in tax receivables, excluding items adjusting profit for the year	21	**20,533,314**	(778,129)
Change in trade receivables from related parties		**(200,072)**	(85,798)
Change in other receivables, current and non-current		**(681,216)**	(12,883)
Change in other financial receivables		**(403,637)**	21,580
Change in other payables, current and non-current	35	**(1,434,720)**	1,817,224
Change in other financial liabilities, current and non-current	34	**(9,525,073)**	575,432
Change in trade payables and other payables to related parties, excluding items adjusting profit for the year		**(21,993,657)**	1,386,957
Change in trade payables to third parties		**(3,193,056)**	1,813,576
Change in taxes payable		**(258,442)**	239,948
Change in deferred tax liabilities, excluding taxes accrued in equity		**2,157,930**	0
Net change in provisions for employee benefits, excluding actuarial differences recognized in equity		**(525,800)**	(584,185)
Net change in working capital		**(17,358,659)**	3,594,504
Net cash flows from (used in) operating activities		**12,761,856**	69,673,175
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(28,748)**	(450)
Held-to-maturity financial instruments, current and non-current	17	**36,068,166**	(61,698,028)
Current financial assets	18	**239,468,762**	(221,626,206)
Partial distribution of Alpitour paid-in capital	16	**10,000,000**	7,500,000
Sale of building by EXOR Services		**18,200,000**	0
Disposal of investments	16	**16,367,954**	90,013,740
Investment acquisitions	16	**(3,911,427)**	0
Net cash flows from (used in) investing activities		**316,164,707**	(185,810,944)
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**30,571,701**	(2,429,652)
Issue of bonds 2011/2031 in Yen		**99,498,358**	0
Repayment of bonds 2006/2011		**(199,918,170)**	0
Other changes in bonds		**575,822**	733,738
Net change in bank debt	31	**(81,094,658)**	130,968,748
Changes in fair value of cash flow hedge derivatives		**(2,218,790)**	(4,994,303)
Dividends paid		**(75,876,645)**	(67,866,477)
Purchases of treasury stock	28	**(68,678,238)**	(57,835,787)
(Purchase) sale of ownership interests in subsidiaries)		**(157,340,452)**	0
Dividends statute-barred and other net changes		**2,264**	1,592
Cash flows from (used in) financing activities		**(454,478,808)**	(1,422,141)
Net increase (decrease) in cash		**(125,552,245)**	(117,559,910)
Cash and cash equivalents at end of year		**94,243,148**	219,795,393

EXOR S.p.A. – NOTES TO THE SEPARATE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE COMPANY

EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250. EXOR is one of the leading investment companies in Europe. It is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.164% of share capital: specifically 59.10% of ordinary share capital, 39.24% of preferred share capital and 12.36% of savings share capital.
EXOR's three classes of stock (ordinary, preferred and savings) are traded on the Electronic Share Market of the Italian Stock Exchange.

Further information is provided in the Report on Operations under “EXOR Group Profile”.

Accounting and tax treatment of the Merger of EXOR Services in EXOR

On November 24, 2011, the Merger deed was signed for the incorporation of EXOR Services in EXOR S.p.A. EXOR Services, a wholly-owned subsidiary, carried out – mainly in the interests of companies of the Group – services that included the organization and management of IT systems, telephone and data activities and management of the building at Corso Matteotti 26. The deed established that the Merger would be effective for legal purposes, pursuant to art. 2504 bis, paragraph 2, of the Italian Civil Code, as from December 1, 2011 and that the transactions entered into by EXOR Services in the first eleven months of 2011 would be recorded in the EXOR financial statements, also for tax purposes, pursuant to art. 172, paragraph 9, of D.P.R. 917/96, as from January 1, 2011.

The Merger was recorded in the Turin Company Register on November 28, 2011.

The accounting and tax aspects of the Merger are described below.

Accounting treatment

The Merger was accounted for and recognized in both the separate and consolidated financial statements EXOR by referring not only to Italian principles but also to IFRS.
The economic nature of the Merger consisted of a reorganization of existing entities which did not result in the transfer of control.

Therefore, this operation is excluded from the application of IFRS 3 - “Business Combinations”.

In the absence of reference to a specific IFRS standard or interpretation, account was taken that IAS 1, paragraph 13, requires in general terms that the financial statements provide a reliable and faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, costs and revenues set out in the IFRS Framework and that IAS 1, paragraph 15 requires an entity to select, in agreement with the hierarchy established by IAS 8, and apply accounting principles suitable for reaching the general objective of reliable and fair presentation.

Given the elements defining the Merger transaction (absence of economic exchange with third party economies and continuation of control) the Merger was accounted for according to the guidelines of IAS 8, paragraph 10. Since the transaction, because of its nature, does not have a significant effect on cash flows, the accounting treatment chosen gave preference to principles suitable for ensuring the continuity of the values.

Applying the principle of the continuation of the values in the Merger transaction meant to give relevance to the pre-existing relationship of control between the companies involved in the transaction (EXOR, the merging company, and EXOR Services, the merged subsidiary) as well as the cost incurred by the merging company for the acquisition of the investment in the merged company.

The inclusion of the net assets from EXOR Services in the separate financial statements of EXOR did not involve the emergence of a higher fair value of such assets compared to those expressed in the consolidated

financial statements or a higher goodwill, as already explained, since there was no economic exchange with third parties or an acquisition in the economic sense.
As for the accounting treatment of the Merger in the separate financial statements of EXOR, the carrying amount of the investment held in EXOR Services (€10,037.6 thousand) was eliminated against the accounting net equity of EXOR Services (€10,728.7 thousand); the difference between these carrying amounts formed the merger surplus (€691.1 thousand) which was recorded as an increase in the equity reserves of EXOR.

In accordance with IAS 32, paragraph 35, the expenses incurred by EXOR for the Merger (€25 thousand) were recorded as a deduction from additional paid-in capital.

Tax treatment

The accounting impact of the Merger is effective from January 1, 2011; consequently, the tax impact is also effective from that date applying the retroactive clause provided by art. 172, paragraph 9 of D.P.R. 917 of 12/22/1986 (T.U.I.R.).

With regard to income taxes (art. 172 del T.U.I.R.), the Merger is "neutral" so there are no positive or negative components of income for the parties in the Merger since:

- the transfer of the net assets to EXOR did not result for EXOR Services in the realization of hidden gains or losses in the assets and liabilities transferred or goodwill;
- the assets and rights received by EXOR were assumed at the same tax value and at the same other tax conditions which EXOR Services had;
- the Merger did not result in the realization of any taxable gains or deductible losses.
  The merger surplus does not have tax implications for EXOR.

In accordance with art. 172, paragraph 7, of T.U.I.R. the previous years' tax losses of EXOR and EXOR Services have been carried forward and can be used by EXOR.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Beginning from the financial year 2006, the separate financial statements of EXOR S.p.A. have been prepared in conformity with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and recognized by the European Community in accordance with Regulation 1606/2002 of the European Parliament and Council dated July 19, 2002. The designation IFRS also includes all valid International Accounting Standards (IAS), as well as all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC).

The separate financial statements have also been prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 of July 27, 2006 and in Consob Communication 6064293 of July 28, 2006, pursuant to art. 9, paragraph 3, of Legislative Decree 38 dated February 28, 2005.

Formats of the separate financial statements and other information

The separate income statement is presented using a classification based on the nature of the revenues and expenses, with the presentation of investment income (expenses) and financial income (expenses) taking preference since these items are characteristic of EXOR S.p.A.'s activities.

Since the year 2009, in view of the significance of the amounts, "Non-recurring other income (expenses) and general expenses" are presented separately from "Net general expenses that are recurring". The line item includes any exceptional or non-recurring costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees, defendant legal fees and adjustments to liabilities for the Alpitour stock option Plan. Moreover, indirect taxes and duties are also presented separately.

In the separate statement of financial position, the "current/non-current" distinction has been adopted for the presentation of assets and liabilities.

The statement of comprehensive income presents the total income and expenses recognized in the income statement and increases or decreases in reserves.
The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the Company's functional currency and presentation currency.

In the separate financial statements, the amounts are expressed in Euro.
In the notes, unless otherwise indicated, the data are expressed in thousands of Euro.
Significant events in 2011 and in the first quarter of 2012, the main risks and uncertainties and the business outlook are presented in specific paragraphs of the Report on Operations.

Related party transactions, unusual and/or atypical transactions and significant non-recurring events and transactions

Related party transactions

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 37.

Stock option plan linked to Alpitour shares

At December 31, 2011, the liabilities of the stock option plan linked to Alpitour shares, amounting to €21.9 million at December 31, 2010, show a nil balance.
Further information is provided in Note 29.

Beside what has been indicated, there are no significant non-recurring events or transactions or significant unusual and/or atypical transactions to be reported as required by Consob Communication 6064293 dated July 28, 2006.

General principle

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading, as well as on the going concern assumption.
Despite operating in a difficult economic and financial environment, the directors have in fact assessed that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Investments accounted for at cost

Investments in subsidiaries and associates are stated at cost and tested for impairment if, and only if, there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. This objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell.
At the end of each reporting period, EXOR S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is re-measured and, if appropriate, the carrying amount is increased up to the cost of the investment.

Available-for-sale investments and non-current other financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. Unrealized gains and losses are recognized directly in equity, net of the relevant deferred tax effect. If there is objective evidence that the asset is impaired, the cumulative loss that was recognized directly in equity is reversed and recognized in the income statement. Impairment losses recognized in the income statement may not later be reversed through the income statement.

Upon disposal of the asset, the accumulated gains or losses recorded in equity are credited or debited to the income statement.

Non-current assets held for sale

In accordance with IFRS 5, non-current assets held for sale are recorded in the financial statements at the lower of the carrying amount and fair value net of selling costs. A writedown, if any, is recognized in the income statement.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held-to-maturity securities

Held-to-maturity securities are non-derivative assets with fixed or determinable payments and fixed maturities that EXOR has the positive intention and ability to hold to maturity.

Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the Company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset was initially measured net of repayments of principal, decreased by the total amortization of any difference between the initial amount and the maturity amount using the effective interest method, less any writedown (made directly or through the use of an accrual) for impairment or uncollectibility.

The effective interest rate is a method used for calculating the amortized cost of a financial asset and allocating the interest over the period of reference. The effective interest rate is the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Receivables and payables

Receivables are initially recognized at their nominal amount which substantially coincides with fair value.

If there is objective evidence of an impairment loss or a risk that the Company will not be able to collect the contractual amount (principal and interest) at the contractually agreed dates, a provision is set aside which corresponds to the difference between the asset's carrying amount and the present value of estimated recoverable future cash flows, discounted at the effective interest rate.

Payables are initially recognized at their nominal amount, reduced by expenses incurred to assume them and increased by interest expense due, if any. Payables are subsequently measured at amortized cost using the effective interest method.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits – Pension plans

Pension plans are currently either defined contribution or defined benefit plans.

Under defined contribution plans the Company pays contributions to outside, legally separate entities with administrative autonomy, which frees the employer from any subsequent obligation as the outside entity assumes the commitment to pay what is due to the employee. Following the changes in regulations for employee leaving entitlement pursuant to Law 296 dated December 27, 2006 (the 2007 Finance Law) and later decrees and regulations, the defined contribution plans include the portions of employee leaving entitlement accruing from January 1, 2007. Since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to a supplementary pension fund.

Consequently, for those who transfer the entire amount accrued to a supplementary pension fund, the Company records the contribution paid as an expense and no additional obligation is recognized.

Defined benefit plans include post-employment benefits, other than those under defined contribution plans. Under defined benefit plans, the Company has the obligation to set aside the costs relating to the benefits guaranteed to its employees in service. The actuarial risk and the investment risk are thus substantially borne by the Company.

Defined benefit plans, which include employee leaving entitlements, taking into account what was described above, are measured by actuarial techniques using the Projected Unit Credit Method.

All cumulative actuarial gains and losses that existed at January 1, 2005 have been recognized in equity.

For defined benefit plans, the expenses relating to the increase in the present value of the obligation, due to the fact that the payment date of the benefits is nearing, are recognized in financial expenses.

Payments relative to defined contribution plans are recognized as an expense in the income statement as incurred.

Defined benefit plans may be unfunded or they may be wholly or partly funded by contributions paid by the employer and the employee plan participants to an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid.

The liability for defined benefit plans is calculated on an individual basis and takes into account life expectancy, personnel turnover, salary changes, revaluation of the yields, inflation and the present value of the amounts to be paid.

Employee benefits – Stock option plans

Stock option plans linked to EXOR shares

Share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

In accordance with IFRS 2 – Share-based Payment, the full amount of the fair value of stock options at the grant date is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component deriving from stock option plans linked to EXOR shares but relating to employees in other companies of the Holdings System, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees and consequently recorded as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Stock option plans linked to shares of the subsidiary Alpitour

This is a stock option plan that requires a monetary payment equal to the increase in the value of the company. The fair value of the liability of the plan is re-measured at each reporting date until its extinction.
The cost is recognized in the income statement in “Non-recurring other expenses” with a corresponding entry to “Other payables to related parties”. If the payable to related parties decreases, the resulting income is recognized in the income statement in “Non-recurring other income from related parties”.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments and hedge relationships

Derivative financial instruments are recognized initially at fair value at the date the contracts are entered into and are subsequently measured at fair value at year-end. The resulting gains or losses are recognized in the income statement immediately, unless the derivative is designated and is effective as a hedging instrument, in which case the times for recognition in the income statement depend upon the nature of the hedge relationship. EXOR designates certain derivatives as fair value hedges of certain assets or liabilities recognized in the financial statements or as cash flow hedges of certain highly probable forecast transactions.
A derivative is classified as a non-current asset or liability if the maturity date of the instrument is beyond 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are classified as current assets or liabilities.

Financial instruments qualify for hedge accounting only when there is formal designation and documentation, including the Company's risk management objective and strategy, and the hedge, verified periodically, is highly effective.

- Fair value hedge: where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from re-measuring the hedging instrument at fair value is recognized in the income statement, together with the change in fair value of the hedged item. The gain or loss from the change in fair value of the hedging instrument is recognized on the same line of the income statement as the hedged item.
- Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability in cash flows of a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective portion of any gain or loss of the derivative financial instrument is recognized directly in equity. The cumulative gain or loss is removed from equity and recognized in the income statement at the same time in which the hedged transaction affects the income statement. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in equity and is recognized in the income statement at the same time the related transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in equity is recognized in the income statement immediately.

If the conditions of IAS 39 are not met, the transactions, even if they have been set up for the purpose of managing risk exposure, are classified and measured as trading transactions. In that case, the difference from fair value is recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established.

Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.

Revenues from services are recognized by reference to the stage of completion of the service at the end of the reporting period.

Dividends in kind are measured at the fair value of the underlying securities at the payment date.

The expenses incurred for the Merger were charged directly to "Additional paid-in capital" in the year in which the Merger became effective. The expenses sustained in the years before the Merger became effective were recorded in "Current assets – Other receivables" when incurred and subsequently recorded as a deduction from "Additional paid-in capital" when the Merger became effective.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements are recognized in the income statement.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity, in which case the related income tax effect is recognized directly in equity.

Temporary differences between the amounts of assets and liabilities in the financial statements and the corresponding amounts for tax purposes give rise to temporarily deferred tax liabilities on the taxable temporary differences recorded in a specific provision in liabilities. Deferred tax assets relating to the carryforward of unused tax losses, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Principal sources of uncertainty in making financial statement estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement or in equity in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are investments accounted for at cost and available-for-sale investments.

In particular:

- the carrying amounts of listed investments accounted for at cost or fair value, were lower than or corresponding to the trading prices at the end of 2011;
- for the other unlisted investments accounted for at cost, their measurement indicated no evidence of impairment.

No critical or significant issues have arisen, however, in relation to the estimates used for employee benefits, taxes or provisions, also taking into consideration their level of materiality.

Adoption of new accounting standards, amendments and interpretations issued by the IASB

Accounting standards, amendments and interpretations adopted from January 1, 2011

On November 4, 2009, the IASB issued a revised version of IAS 24 - Related Party Disclosures that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. Application of this amendment did not have any effect on the measurement of items in the financial statements and had only limited effects on the disclosures for related party transactions.

Accounting standards, amendments and interpretations effective from January 1, 2011 but not applicable to the Company

The following amendments, improvements and interpretations, effective from January 1, 2011, relate to issues that were not applicable to the Company at the date of these financial statements, but which may have an impact on the accounting treatment of future transactions or arrangements:

- An amendment to IAS 32 - Financial Instruments: Presentation, Classification of Rights Issues.
- An amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.
- Improvements to IAS/IFRS (2010).

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

Except for the amendments to IFRS 7 – Financial Instruments: Disclosures issued on October 7, 2011 described below, the European Union had not yet completed its endorsement process for these standards and amendments at the date of these consolidated financial statements.

On November 12, 2009, the IASB **issued a new standard IFRS 9** – Financial Instruments that was subsequently amended. This standard, having an effective date for mandatory adoption of January 1, 2015 retrospectively, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognized in Other comprehensive income and are not subsequently reclassified to profit or loss.

On December 20, 2010, the IASB issued **a minor amendment to IAS 12** – Income taxes requiring an entity to measure the deferred tax relating to investment properties measured at fair value under the presumption that the carrying amount of deferred assets will be recovered through continuing use or through sale.
As a result of this amendment, SIC 21 – Income Taxes – Recovery of Revalued Non-Depreciable Assets no longer applies. The amendment is effective retrospectively from January 1, 2012.

On May 12, 2011, the IASB **issued IFRS 10** – Consolidated Financial Statements replacing SIC-12 – Consolidation-Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (which has been renamed Separate Financial Statements and addresses the accounting treatment of investments in separate financial statements, without however substantial changes to the preceding version). The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively from January 1, 2013.

On May 12, 2011, the IASB **issued IFRS 11** – Joint Arrangements superseding IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly-controlled Entities - Non-Monetary Contributions by Venturers. The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form, and defines rules for treatment of joint operations in the separate financial statements. The standard is effective retrospectively from January 1, 2013.

On May 12, 2011, the IASB **issued IFRS 13** – Fair Value Measurement, clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The standard is effective prospectively from January 1, 2013.

On June 16, 2011, the IASB **issued an amendment to IAS 1** – Presentation of Financial Statements requiring companies to group together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendment is applicable for periods beginning on or after July 1, 2012.

On June 16, 2011, the IASB issued an **amended version of IAS 19** – Employee Benefits. The amendments make improvements to the previous version by eliminating the option to defer the recognition of gains and losses, known as the "corridor method", and by requiring the whole of the fund's deficit or surplus to be presented in the statement of financial position, the components of cost relating to service and net interest to be recognized in profit or loss and actuarial gains and losses arising from the remeasurement of assets and liabilities at each balance sheet date to be recognized in other comprehensive income. The amendments also introduce the requirement for additional disclosures to be provided in the notes. The amended version of IAS 19 is applicable on a retrospective basis from January 1, 2013.

On December 16, 2011, the IASB issued certain **amendments to IAS 32** – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively.

On December 16, 2011, the IASB issued certain **amendments to IFRS 7** – Financial Instruments: Disclosures. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after January 1, 2013. The required disclosures should be provided retrospectively.

Finally, on October 7, 2010, the IASB issued **amendments to IFRS 7** – Financial Instruments: Disclosures, applicable for annual periods beginning on or after July 1, 2011. The amendments will enable users of financial statements to improve their understanding of transfers (derecognition) of financial assets, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets ("continuing involvement"). The amendments also require additional disclosures if a disproportionate amount of a transfer transaction is undertaken at the end of a reporting period. Application of this amendment is not expected to have any effects on the measurement of items in the financial statements.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2011 is represented by the carrying amount of financial assets presented in the financial statements. The Company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

With regard to the issue of non-convertible bonds for Japanese yen 10 billion during 2011, to protect itself against fluctuations in the €/Yen exchange rate, a cross currency swap was put in place with a leading credit institution as a result of which the EXOR will pay a fixed rate of 6.012% on the face value in euro (about €83 million) for the entire term of the loan

Some of the assets held for trading, cash and financial liabilities are denominated in currencies other than Euro. Since these are securities held for trading, cash and derivative financial instruments they have been adjusted to the year-end exchange rate.
Derivative instruments have been put in place to reduce the risk of currency fluctuation on a portion of the assets held for trading.

With regard to liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the risks associated with fluctuations in interest rate are only managed using derivative financial instrument denominated interest rate swaps on some of the loans received.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS OF THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amounted to €171,733 thousand (€197,784 thousand in 2010) and were received from the following companies:

€ thousand	2011	2010
EXOR S.A.	**130,000**	130,000
Fiat S.p.A. - Ordinary shares	**29,933**	56,540
Fiat S.p.A. - Preferred shares	**9,636**	9,636
Fiat S.p.A. - Savings shares	**725**	760
Intesa Sanpaolo S.p.A. - Ordinary shares	**800**	800
Rho Immobiliare Fund	**582**	0
Emittenti Titoli S.p.A.	**57**	48
Total dividends	**171,733**	197,784

The EXOR S.A. shareholders' meeting held on December 20, 2011 approved the payment of dividends which includes a payment in kind (€91,545 thousand) represented by:

- listed bonds measured at market value as of December 20, 2011;
- interest accrued on the bonds up to the date of the transfer of the bonds.

The remaining amount of dividends was paid in cash (€38,455 thousand).

2. Gains (losses) on disposals of investments

Losses on disposals of investments amount to €7,963 thousand in 2011 and derive from the sale of remaining 12,857,142 Intesa Sanpaolo shares (0.08% of ordinary share capital), with net proceeds of €16,368 thousand.

In 2010, the gains amounted to €14,811 thousand and derived from the sale of 30 million Intesa Sanpaolo shares (0.25% of ordinary share capital), with net proceeds of €90,000 thousand.

3. Impairment losses on investments

Impairment losses on investments amount to €56,236 thousand and represent the alignment of the carrying amount of the investment in Juventus Football Club to the per share value of the subscription to its share capital increase (€0.1488).

4. Financial expenses from third parties

These include:

€ thousand	2011	2010	Change
Interest on bonds 2007/2017	**40,889**	40,859	30
Interest on bonds 2006/2011	**1,667**	3,115	(1,448)
Interest on bonds 2011/2031	**3,235**	-	3,235
Interest rate hedge expenses	**2,219**	5,442	(3,223)
Expenses on early closing of interest rate hedge transactions on 2006/2011 bonds	**2,032**	4,659	(2,627)
Interest expenses on bank debt	**7,147**	2,201	4,946
Bank commissions	**1,659**	1,465	194
Charges from discounting to present value	**49**	10	39
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	**27,834**	18,827	9,007
- Fair value adjustments	**22,947**	15,430	7,517
- Losses on put/call sales	**10,262**	6,466	3,796
- Other expenses (a)	**15,081**	14,145	936
Total financial expenses from third parties	**135,021**	112,619	22,402

(a) Other expenses include, among other things, €9,807 thousand of losses on forward contracts and €3,828 thousand of losses on other derivative financial instruments. In 2010, other expenses had consisted mainly of expenses on futures contracts.

5. Financial income from third parties

This includes:

€ thousand	2011	2010	Change
Interest income on receivables from:			
- Banks	**3,379**	1,531	1,848
- Tax authorities	**727**	740	(13)
Interest income and other income on held-to-maturity securities	**10,686**	9,335	1,351
Interest rate hedge income	**-**	448	(448)
Income on securities held for trading:			
- Gains on share and bond trading	**54,181**	27,153	27,028
- Gains on put/call sales	**13,177**	20,160	(6,983)
- Fair value adjustments	**5,289**	13,365	(8,076)
- Dividends	**5,476**	8,114	(2,638)
- Interest on fixed-rate securities	**4,941**	7,339	(2,398)
- Other income (a)	**10,786**	2,674	8,112
Income on discounting to present value	**25**	37	(12)
Total financial income from third parties	**108,667**	90,896	17,771

(a) Other income includes income from futures contracts for €2,372 thousand and income on other derivative instruments for €8,401 thousand. In 2010, the amount of €2,674 thousand referred to income from futures contracts.

6. Gains (losses) on exchange

Details are as follows:

€ thousand	2011	2010	Change
Losses on exchange			
- realized	**(7,856)**	(2,887)	(4,969)
- unrealized	**-**	(89)	89
	(7,856)	(2,976)	(4,880)
Gains on exchange			
- realized	**4,867**	6,149	(1,282)
- unrealized	**-**	627	(627)
	4,867	6,776	(1,909)
Total Gains (losses) on exchange	**(2,989)**	3,800	(6,789)

7. Personnel costs

These amount to €7,734 thousand (€8,813 thousand in 2010) and show a total net decrease of €1,079 thousand. Details are as follows:

€ thousand	2011	2010	Change
Salaries	**4,427**	5,192	(765)
Social security contributions	**1,400**	1,329	71
Employee leaving entitlement, other long-term benefit plans and defined benefit plans and payments of plan contributions	**448**	577	(129)
Figurative costs of EXOR stock option plan (a)	**725**	926	(201)
Other personnel costs (b)	**734**	789	(55)
Total personnel costs	**7,734**	8,813	(1,079)

(a) Information on the EXOR stock option plan is provided in Note 29.
(b) These costs include €322 thousand (€342 thousand in 2010) of costs from related parties.

At the end of 2011, employees number 40 (42 at the end of 2010).
The average number of employees in 2011 was 47, summarized by category as follows:

	2011	2010
Managers	**7**	10
Middle management	**19**	18
Clerical staff	**16**	11
Messengers	**5**	3
Average number of employees	**47**	42

The average headcount in 2011 comprises employees of the merged company EXOR Services (10 employees). The employee reduction plan also continued into 2011; this resulted in 16 employees leaving the Company. Further details are provided in Note 10.
Considering the personnel costs incurred by EXOR Services in 2010 (€1,226 thousand), the cost reduction in 2011 over 2010 is equal to about 23%.

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.
The fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired; since 2009, variable compensation is discretionary.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.
Further information on employee benefits is presented in Note 33.

8. Purchases of goods and services from third parties

These amount to €6,040 thousand and increased by €1,600 thousand compared to 2010 (€4,440 thousand). The increase of €1,600 thousand is basically due to the reclassification of the costs of the merged EXOR Services (€1,870 thousand) which last year had been recorded in the line item "Purchases of goods and services from related parties which consequently decreased by about €3,647 thousand.

The principal costs are indicated below:

€ thousand	2011	2010	Change
Sundry consulting and services	**2,014**	2,131	(117)
Computer system	**743**	50	693
Office management	**683**	158	525
Directors' liability insurance	**333**	333	0
Telephone and postal expenses	**326**	13	313
Compensation to corporate boards	**234**	119	115
Notary fees	**232**	171	61
Bank and financial commissions	**193**	186	7
Rentals	**188**	39	149
Securities' listing fees	**187**	110	77
Travel, entertainment and transport expenses	**180**	469	(289)
Sundry expenses	**158**	144	14
Publication and translation of financial reports	**145**	129	16
Shareholders' meetings' fees	**126**	99	27
Rent	**112**	107	5
Audit fees (a)	**111**	102	9
Stationery and consumable office supplies	**41**	35	6
Books, newspapers, magazines and other publications	**34**	45	(11)
Total purchases of goods and services from third parties	**6,040**	4,440	1,600

(a) Includes out-of pocket expenses.

9. Other operating expenses

These total €675 thousand (€462 thousand in 2010).

Details are as follows:

€ thousand	2011	2010	Change
Donations	**436**	329	107
Consob supervisory contribution	**72**	48	24
Association dues	**68**	69	(1)
Indirect taxes and duties	**10**	5	5
Dividends statute-barred	**2**	2	0
Sundry expenses	**87**	9	78
Total other operating expenses	**675**	462	213

10. Non-recurring other income (expenses) and general expenses – Personnel costs

These amount to €4,749 thousand (€2,945 thousand in 2010).

Details are as follows:

€ thousand	2011	2010	Change
Employee termination incentives	**4,393**	1,098	3,295
Redundancy Solidarity fund (DM 158/2000)	**356**	1,847	(1,491)
	4,749	2,945	1,804

Further details on the Redundancy Solidarity Fund are provided in Note 35.

11. Non-recurring other income (expenses) and general expenses – Purchases of goods and services from third parties and from related parties

These amount to €711 thousand, of which €8 thousand refers to third parties and €703 thousand to related parties (Note 37). In 2010, these expenses amounted to €4,250 thousand, of which €3,068 thousand referred to third parties and €1,182 thousand to related parties. In both years, these expenses mainly consisted of fees incurred for legal assistance in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.

12. Non-recurring other income from third parties

This amounts to €7,086 thousand and represents the gain realized on the sale of the building in Corso Matteotti 26 by the merged company EXOR Services.

13. Non-recurring other expenses from third parties

In 2011, these expenses amount to €164 thousand and refer to the transfer of the corporate headquarters from Corso Matteotti 26 to Via Nizza 250.

In 2010, these expenses came €400 thousand and mainly related to the provision for expenses (€300 thousand) in connection with the early liquidation of the Supplementary Company Fund proposed by EXOR since it is anticipated that there will no longer be a plurality of recipients and with the aim of reducing administrative costs.

14. Indirect taxes and duties – Non-deductible VAT

Both in 2011 and in 2010, the prorated non-deductible VAT was 100%. Non-deductible VAT was €1,937 thousand in 2011 (of which €359 thousand related to the merged company EXOR Services) and €1,204 thousand in 2010.

The particular significance of these amounts is determined by fees invoiced for legal assistance in the cases in progress and services rendered in relation to the project for the sale of the subsidiary Alpitour S.p.A.

15. Income taxes

The taxable income calculated by applying tax rules generates a negative taxable income of approximately €30.9 million. The income taxes recorded in the income statement (€284 thousand) refer to the separate income taxes of the CFC (Controlled Foreign Companies) paid in 2011.

In 2011, deferred taxes were also recorded for €2,158 thousand on the tax deferred four-fifths of the gain realized on the sale of the building in Corso Matteotti 26, net of the release of deferred taxes of €840 thousand by the merged EXOR Services. On this gain, the Company reserves the possibility of re-setting the deferral period as allowed by tax laws when the tax return is filed in September 2012.

Given that, currently, the probability of recovery against future taxable income is not assured, no deferred tax assets have been booked on the tax losses for the years 2007 to 2011 (€278 million, in total) and on the deductible temporary differences represented mainly by the cash flow hedge reserve.

It should be noted that, following the introduction of changes in the law allowing IRES tax losses to be carried forward (Law 111 dated July 15, 2011), tax losses may now be carried forward without a five-year time limitation but there is a limit on the amount that may offset equal to 20% of the income for period.

Details are as follows:

	2011				2010	
€ million	EXOR	EXOR Services	Total	Theoretical tax effect (27.5% rate)	EXOR	Theoretical tax effect (27.5% rate)
Tax losses carried forward:						
- year 2006	**164**		164		164	
- year 2007	**66**		66		66	
- year 2008	**10**		10		10	
- year 2009	**6**	**1**	7		6	
- year 2010	**-**				-	
- year 2011	**31**	**-**	31		-	
Total tax losses carried forward	**277**	**1**	**278**	**76**	246	68

Considering that the IRAP taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for IRES purposes.

€ million	2011	2010
Pre-tax profit	**60**	152
Increases:		
- impairment loss on Juventus	**56**	
- losses on the sale of Intesa Sanpaolo shares	**8**	
- temporary differences (a)	**41**	41
- permanent differences	**4**	19
Total increases	**109**	60
Decreases:		
- 95% of dividends received	**(163)**	(188)
- 95% of the gain on the sale of the stake in Intesa Sanpaolo	**0**	(14)
- 80% of the gain on the sale of the building	**(8)**	
- deductions on temporary differences	**(28)**	
- deductions of permanent differences	**(1)**	(5)
Total decreases	**(200)**	(207)
Taxable income (loss)	**(31)**	5
Use of tax loss carryforwards	**-**	(5)

(a) Mainly includes non-deductible net interest expenses for the year.

For the years up to December 31, 2006, the ordinary period of limitation for tax purposes has expired.

16. Non-current assets – Investments

Details are as follows:

	12/31/2011		12/31/2010		
€ thousand	% of class of shares	Amount	% of class of shares	Amount	Change
Investments accounted for at cost					
Fiat Industrial S.p.A. (ordinary shares)	30.45	**1,482,667**		-	1,482,667
Fiat Industrial S.p.A. (preferred shares)	30.09	**130,606**		-	130,606
Fiat Industrial S.p.A. (savings shares)	18.15	**60,974**		-	60,974
		1,674,247			1,674,247
Fiat S.p.A. (ordinary shares)	30.47	**1,137,933**	30.45	2,619,379	(1,481,446)
Fiat S.p.A. (preferred shares)	30.09	**119,795**	30.09	250,401	(130,606)
Fiat S.p.A. (savings shares)	14.08	**36,138**	2.93	13,042	23,096
		1,293,866		2,882,822	(1,588,956)
EXOR S.A.	100.00	**746,471**	100.00	747,138	(667)
Alpitour S.p.A.	-	**-**	100.00	92,527	(92,527)
Juventus Football Club S.p.A.	60.00	**89,975**	60.00	74,231	15,744
Exor Services S.c.p.a.	-	**-**	99.62	9,968	(9,968)
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**3,804,831**		3,806,958	(2,127)
Available-for-sale investments					
Intesa Sanpaolo S.p.A. (ordinary shares)	-	**-**	0.08	20,420	(20,420)
Immobiliare Fund		**12,368**		11,392	976
Total available-for-sale investments		**12,368**		31,812	(19,444)
Total investments		**3,817,199**		3,838,770	(21,571)

The changes during the year are as follows:

	Balances at	Change in 2011			**Balances at**
€ thousand	12/31/2010	Increases	Decreases	Other changes	**12/31/2011**
Investments accounted for at cost					
Fiat Industrial S.p.A. (ordinary shares)	-	-	-	1,482,667	**1,482,667**
Fiat Industrial S.p.A. (preferred shares)	-	-	-	130,606	**130,606**
Fiat Industrial S.p.A. (savings shares)	-	54,193	-	6,781	**60,974**
	-	54,193	-	1,620,054	**1,674,247**
Fiat S.p.A. (ordinary shares)	2,619,379	1,221	-	(1,482,667)	**1,137,933**
Fiat S.p.A. (preferred shares)	250,401	-	-	(130,606)	**119,795**
Fiat S.p.A. (savings shares)	13,042	29,877	-	(6,781)	**36,138**
	2,882,822	31,098	-	(1,620,054)	**1,293,866**
EXOR S.A.	747,138	132	(799)	-	**746,471**
Alpitour S.p.A.	92,527	-	(10,000)	(82,527)	**-**
Juventus Football Club S.p.A.	74,231	71,980	-	(56,236)	**89,975**
Exor Services S.c.p.a.	9,968	69	(10,037)	-	**-**
Emittenti Titoli S.p.A.	272	-	-	-	**272**
Investments accounted for at cost	3,806,958	157,472	(20,836)	(138,763)	**3,804,831**
Available-for-sale investments					
Intesa Sanpaolo S.p.A. (ordinary shares)	20,420	3,911	(24,331)	-	**-**
Immobiliare Fund	11,392	976	-	-	**12,368**
Total available-for-sale investments	31,812	4,887	(24,331)	-	**12,368**
Total investments	3,838,770	162,359	(45,167)	(138,763)	**3,817,199**

The changes during the year are described in the following paragraphs.

Fiat Industrial S.p.A. and Fiat S.p.A.

During 2010, the Fiat Group initiated and completed a strategic project to separate the Agricultural and Construction Equipment (CNH sector) and Trucks and Commercial Vehicles (Iveco sector) activities, as well as the "Industrial & Marine" business line of FPT Powertrain Technologies (FPT Industrial) from the Automobile and Automobile-related Components and Production Systems activities, which include the sectors Fiat Group Automobiles, Maserati, Ferrari, Magneti Marelli, Teksid, Comau and the Passenger & Commercial Vehicles business line of FPT Powertrain Technologies.

The separation of those businesses, in the form of their partial proportional demerger from Fiat S.p.A. and transfer to Fiat Industrial S.p.A. resulted in the creation of the Fiat Industrial Group (consisting of CNH, Iveco and FPT Industrial) on January 1, 2011. From the same date the Fiat Group post-demerger is comprised of Fiat Group Automobiles, Maserati, Ferrari, Fiat Powertrain, Magneti Marelli, Teksid and Comau. On January 3, 2011, Fiat Industrial S.p.A. shares began trading on the Electronic Share Market managed by Borsa Italiana S.p.A.

For every Fiat S.p.A. ordinary, preferred and savings share held, EXOR S.p.A. received one Fiat Industrial S.p.A. share of the corresponding class of shares.

The "Other changes" column in the previous table shows the effects of the partial proportional demerger of Fiat S.p.A., for each class of shares. The separation of the carrying amount of the Fiat S.p.A. shares pre demerger between the amounts attributable to Fiat S.p.A. post-Demerger and Fiat Industrial was calculated on the basis of the proportion of the opening prices on January 3, 2011, the first day of trading of Fiat S.p.A. and Fiat Industrial S.p.A. shares.

In 2011, EXOR S.p.A. also carried out the following transactions in Fiat Industrial S.p.A. and Fiat S.p.A. shares:

- purchase of 12,164,441 Fiat Industrial S.p.A. savings shares for an outlay of €54,193 thousand;
- purchase of 300,000 Fiat S.p.A. ordinary shares for an outlay of €1,221 thousand;
- purchase of 8,916,670 Fiat S.p.A. savings shares for an outlay of €29,877 thousand.

EXOR S.A. The investment increased by €132 thousand following recognition of the 2011 share of the EXOR S.p.A. stock option plan for employees of EXOR S.A. and subsidiaries. In addition, stock options originally granted to employees of EXOR S.A. subsidiaries were forfeit when they left the Group. The cost of such stock options in (€800 thousand), which had increased the value of the investment in previous years, was consequently reversed.

Alpitour S.p.A. The reduction in the investment (€10,000 thousand) is due to the distribution of additional paid-in capital approved by Alpitour.
Subsequently, the remaining carrying amount of the investment was reclassified to "Non-current assets held for sale" after an agreement was reached for the sale of Alpitour S.p.A. for an equivalent amount of €225 million.

Juventus Football Club S.p.A. The Juventus Football Club S.p.A. extraordinary shareholders' meeting held on October 18, 2011 approved the capital increase for a total of €120 million proposed by the board of directors' meeting held on June 23, 2011. The capital increase aims to provide Juventus with the financial resources necessary to absorb the loss for the financial year 2010/2011 and implement the strategies set out in the Development Plan for the financial years 2011/2012 – 2015/2016.
On September 23, 2011, EXOR S.p.A. paid in its share (60% of Juventus' capital equal to €71,980 thousand) against a future increase in share capital to ensure that Juventus will continue functioning as a going concern. Furthermore, it also confirmed its commitment to subscribe to a quota in excess of its option rights, for a maximum amount of €9 million, corresponding to the interest held by LAFICO (7.5% of capital).
The per share carrying amount of the investment in Juventus, prior to the payment against a future increase in capital (€0.614), in view of what was described before, was adjusted to the per share subscription price (€0.1488). This resulted in an impairment charge for a total of €56,236 thousand.
Considering the above commitments, in January 2012, besides its share, EXOR purchased 9,485,117 option rights for an outlay of €67 thousand, subscribing to the corresponding 37,940,468 shares for an investment of €5.646 thousand (3.765% of share capital). EXOR currently holds 642,611,298 shares, equal to 63.77% of Juventus Football Club's share capital.

EXOR Services S.c.p.a. The value of the investment was written off following the merger by incorporation of the company. The merger generated for EXOR a surplus of €691 thousand, representing the difference between the equity of the merged company and its carrying amount.

Intesa Sanpaolo S.p.A. In 2011, EXOR S.p.A. subscribed to its share of the capital increase of Intesa Sanpaolo S.p.A. (€3,911 thousand). Afterwards, the entire investment was sold for proceeds of €16,368 thousand and a loss of €7,963 thousand.
At December 31, 2010, there were put options sold on 25,000,000 Intesa Sanpaolo shares.
In February 2011, EXOR sold additional call options on 10,000,000 Intesa Sanpaolo shares.
In 2011, EXOR early closed all the above options realizing a net gain of €724 thousand.

The increase in the RHO Immobiliare Fund of €976 thousand reflects the increase in fair value in the quota as certified by the Fund's own manager.

Comparison between the carrying amounts and trading prices of listed investments:

		Carrying amount		Trading price December 30, 2011	
	Number	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
Fiat Industrial S.p.A.					
- ordinary shares	332,587,447	4.46	1,482,667	6.57	2,186,097
- preferred shares	31,082,500	4.20	130,606	4.55	141,519
- savings shares	14,503,070	4.20	60,974	4.73	68,585
			1,674,247		2,396,201
Fiat S.p.A.					
- ordinary shares	332,887,447	3.42	1,137,933	3.50	1,166,105
- preferred shares	31,082,500	3.85	119,795	3.04	94,522
- savings shares	11,255,299	3.21	36,138	3.21	36,118
			1,293,866		1,296,745
Juventus Football Club S.p.A.	604,670,830 (a)	0.1488	89,975	0.1534 (b)	92,756
Total			**3,058,088**		**3,785,702**

(a) Theoretical number of shares post-subscription of EXOR's share of the capital increase.
(b) Trading price on January 18, 2012, first day of listing post-capital increase.

Furthermore:

- there are no investments requiring the assumption of unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 dated July 28, 2006).

	Share capital			EXOR investment					Equity	Profit (loss)
	Number of shares	Par value	Amount	Number of shares	% ownership of Sh. cap.	% ownership of Cl. Of sh.	Carrying amount Per share €	Carrying amount €/000	€/000	€/000
Fiat Industrial S.p.A. - (Turin)										
- ordinary shares	1,092,327,485	€ 1.50	1,638,491,228	332,587,447	26.07	30.45	4.46	1,482,667		
- preferred shares	103,292,310	€ 1.50	154,938,465	31,082,500	2.44	30.09	4.20	130,606		
- savings shares	79,912,800	€ 1.50	119,869,200	14,503,070	1.14	18.15	4.20	60,974		
	1,275,532,595		1,913,298,893					1,674,247	4,555,000 (a)	624,000 (a)
Fiat S.p.A. - (Turin)										
- ordinary shares	1,092,680,610	€ 3.50	3,824,382,135	332,887,447	26.09	30.47	3.42	1,137,933		
- preferred shares	103,292,310	€ 3.50	361,523,085	31,082,500	2.44	30.09	3.85	119,795		
- savings shares	79,912,800	€ 3.50	279,694,800	11,255,299	0.88	14.08	3.21	36,138		
	1,275,885,720		4,465,600,020					1,293,866	8,727,000 (a)	1,334,000 (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	100.00	672.05	746,470	2,137,220 (b)	59,185 (b)
Juventus Football Club S.p.A. (Turin)	1,007,766,660 (d)		8,182,133	604,670,830 (d)	60.00	60.00	0.15	89,975	31,826 (c)	(90,547) (c)

(a) Data taken from the consolidated financial statements at December 31, 2011.
(b) Data taken from the separate financial statements at December 31, 2011.
(c) Data taken from the half-yearly financial report at December 31, 2011.
(d) Number of shares post-capital increase.

The higher carrying amount of the investment held in Fiat Industrial is not indicative of an impairment, also in light of its stock market value and expected cash flows, taken from the Plan approved by the company.

The higher carrying amount of the investment held in Juventus Football Club compared to its equity is not considered an indicator of an impairment, also in the light of its stock market value. Moreover, its equity at December 31, 2011 takes into account the payment by EXOR against a future increase in capital, but not the share of the capital increase paid in January 2012 by the minority shareholders (€42.3 million) or the further investment of €5.6 million subscribed by EXOR.

17. Current and non-current assets – Held-to-maturity financial instruments

Details are as follows:

€ thousand	12/31/2011	12/31/2010
Non-current assets	**114,855**	138,094
Current assets	**77,035**	0
Total	**191,890**	138,094

These are represented by bonds issued by leading counterparties. The bonds classified in non-current assets will be repaid between September 15, 2014 and January 31, 2017; the bonds classified in current assets are repayable by the end of 2012.
The bonds are recorded and measured at amortized cost.

18. Current assets – Financial assets held for trading

Details are as follows:

€ thousand	12/31/2011	12/31/2010	Change
Equity shares	**104,177**	341,516	(237,339)
Bonds	**109,691**	136,114	(26,423)
Mutual funds	**135,881**	106,066	29,815
Futures contracts	**-**	5,023	(5,023)
Put options	**-**	417	(417)
Call options	**-**	82	(82)
Total	**349,749**	589,218	(239,469)

Equity shares and bonds are listed in the main European and United States markets. Such shares are measured at fair value at year-end using the market price translated, if appropriate, at the year-end rate. Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.
Mutual funds are measured at year-end at fair value using the last price available obtained on the basis of the NAV of the funds themselves.
The fair value adjustment is recorded as an offsetting entry in the income statement under financial income (expenses) from third parties.
The futures contracts are measured at year-end on the basis of their fair value using the relative market price. The fair value adjustment is recorded as an offsetting entry in the income statement under financial income (expenses) from third parties.
Options purchased are measured at fair value at year-end using the market price of the listed underlying assets and the relative level of implicit volatility calculated according to the financial models generally recognized by the market; the options denominated in currencies other than Euro are translated at the year-end exchange rate. The offsetting entry to the fair value adjustment is recognized in the income statement under financial income (expenses) from third parties.

19. Current assets – Cash and cash equivalents

Details are as follows:

€ thousand	12/31/2011	12/31/2010	Change
Bank deposits	**94,243**	59,795	34,448
Time deposits	**-**	160,000	(160,000)
Total cash and cash equivalents	**94,243**	219,795	(125,552)

These represent current account bank balances in Euro and other currencies besides the Euro, repayable on demand.
Cash and cash equivalents are adjusted to fair value at year-end.
The associated credit risks should be considered limited since the counterparties are leading bank institutions.

20. Current assets – Other financial assets

These amount to €8,134 thousand (€6,781 thousand at December 31, 2010) and are essentially composed of the portion of interest earned at December 31, 2011 on bonds in portfolio at that date and the measurement of the swap contract linked to the issue of bonds in Japanese yen.

21. Current assets – Tax receivables

Tax receivables from the tax authorities refer to:

€ thousand	12/31/2011	12/31/2010	Change
Receivables for prior years' taxes, refunds requested	**21,199**	43,876	(22,677)
Receivables for current and prior years' taxes, carried forward	**3,945**	1,802	2,143
Total tax receivables	**25,144**	45,678	(20,534)

The change in receivables from the tax authorities during 2011 is summarized as follows:

€ thousand	Refunds requested	Carried forward	Total
Balances at December 31, 2010	43,876	1,802	45,678
Receivables reimbursed during the year	(23,022)		(23,022)
Used for compensation of withholdings and VAT payable		(505)	(505)
Tax balance		(42)	(42)
From merger by incorporation of EXOR Services (IRAP)		42	42
CFC separate tax advance		289	289
Receivables arising during the year (withholdings paid)		2,359	2,359
Interest earned during the year	345	0	345
Balances at December 31, 2011	**21,199**	**3,945**	**25,144**

22. Current assets – Other receivables

Current assets – Other receivables amount to €1,135 thousand at December 31, 2011 (€455 thousand at December 31, 2010), of which €658 thousand refers to deferred expenses incurred in 2011 on the sale of Alpitour.

Such expenses will be recorded together with the costs incurred in 2012 as a reduction of the gain on the sale of Alpitour.

23. Non-current assets held for sale

As set forth in IFRS 5, following the process for the valuation of the company, the investment held in Alpitour S.p.A. was reclassified to non-current assets held for sale.

The buyers are two closed-end private equity funds owned by Wise SGR S.p.A. and J. Hirsch & Co., along with other financial partners including Network Capital Partners. The buyers will carry out the transaction through SEAGULL S.r.l., a special purpose vehicle incorporated and capitalized for the purpose. EXOR will receive cash consideration of €210 million, in addition to a deferred payment of €15 million plus interest. The final total consideration will also take into account a performance-related earn-out payment to be calculated on the eventual sale by the investors of their majority interest in Alpitour. The transaction will result in a gain for EXOR in the separate financial statements of approximately €140 million. EXOR will acquire a 10% interest in the vehicle company for €10 million and will also benefit pro rata from any increase in value creation by the company.

On March 13, 2012, EXOR and SEAGULL S.r.l. added an addendum to the December 23, 2011 agreement which, besides establishing a higher remuneration, calls for a commitment from EXOR to purchase from the Alpitour Group a building used as a hotel for €26 million.

The property will be leased to the Alpitour Group and will guarantee EXOR a return linked to the results of the building's management, with a minimum guaranteed payment. EXOR is assured of the possibility of selling the building to third parties without any contractual restriction.

The closing of the transaction is expected to take place in April 2012.

The investment in Alpitour S.p.A. at December 31, 2011 is recorded, in accordance with IFRS 5, at the carrying amount (€82,527 thousand) since it is below its realizable value (€225,000 thousand).

24. Equity - Share capital

At December 31, 2011, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of share capital), 76,801,460 preferred shares (31.19% of share capital) and 9,168,894 savings shares (3.72% of share capital), all with a par value of €1.

At December 31, 2011, share capital included €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the Company.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the share capital up to an amount of €561,750,000.
The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the shareholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting shareholders' meetings). The savings shares do not have voting rights in the shareholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special shareholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.
In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.
The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount according to law.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for shareholders and guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

25. Equity – Capital reserves

Details are as follows:

€ thousand	12/31/2011	12/31/2010
Additional paid-in capital	**759,275**	759,300
Merger surplus	**397,521**	396,829
Share exchange difference	**590,160**	590,160
Total capital reserves	**1,746,956**	1,746,289

26. Equity – Retained earnings and other reserves

Details are as follows:

€ thousand	12/31/2011	12/31/2010
Revaluation reserve Law 408/90	**243,894**	243,894
Revaluation reserve Law 413/91	**2,586**	2,586
Revaluation reserve Law 74/52	**157**	157
Revaluation reserve Law 576/75	**32,107**	32,107
Revaluation reserve Law 72/83	**64,265**	64,265
Legal reserve	**49,246**	49,246
Fair value reserve	**2,336**	1,373
Stock option reserve	**3,854**	5,034
Cash flow hedge reserve	**(25,807)**	(2,083)
Reserve for purchase of treasury stock	**381,322**	400,041
Extraordinary reserve	**876,224**	781,518
Retained earnings	**2,379**	323
Total retained earnings and other reserves	**1,632,563**	1,578,461

The composition of "Other comprehensive income" recognized directly in equity included in the statement of comprehensive income is as follows:

€ thousand	2011	2010
Effective portion of gains/(losses) on cash flow hedges arising during the year	**(27,974)**	(519)
Effective portion of gains/(losses) on cash flow hedges reclassified to profit or loss	**4,251**	9,654
Effective portion gains/(losses) on cash flow hedges	**(23,723)**	9,135
Gains/(losses) on fair value of available-for-sale financial assets arising during the year	**976**	1,392
Gains/(losses) on fair value of available-for-sale financial assets reclassified to profit or loss	**0**	(26,346)
Gains/(losses) on fair value of available-for-sale financial assets	**976**	(24,954)
Actuarial gains/(losses) arising during the year	**(123)**	21
Actuarial gains/(losses)	**(123)**	21
Income tax effect relating to components of Other comprehensive income	**(13)**	342
Total Other comprehensive income, net of tax	**(22,883)**	(15,456)

The tax effect in 2011 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	(23,723)		(23,723)
Gains (losses) on fair value of available-for-sale financial assets	976	(13)	963
Actuarial gains (losses)	(123)		(123)
Total Other comprehensive income	**(22,870)**	**(13)**	**(22,883)**

27. Equity reserves available and distributable

Disclosures required by art. 2427, 7-bis of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ thousand	Balance at 12/31/2011	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**605,943**	A,B,C	**605,943**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**88,303**	A,B,C	**88,303**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**875,766**	A,B,C	**636,761**
Paid-in-capital	**153,332**	A,B,C	**153,332**
Share exchange difference	**188,762**	A,B,C	**188,762**
Merger surplus	**309,218**	A,B,C	**309,218**
Retained earnings	**2,379**	A,B,C	**2,379**
Reserve for purchase of treasury stock	**381,322**	A,B,C	**381,322**
Stock option reserve	**3,854**	-	**-**
Cash flow hedge reserve	**(25,807)**	-	**-**
Fair value reserve	**2,336**	-	**-**
Total	3,379,519		3,110,885

A: For capital increases; B: For coverage of losses; C: For distribution to shareholders.

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2011, the reserve is distributable (art. 2431 of the Italian Civil Code).
(b) The revaluation reserves may be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.
(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury stock in portfolio.

In the years 2008, 2009 and 2010, reserves were not used to absorb losses.

At December 31, 2011, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €343,009 thousand relates to monetary revaluation reserves and €2,032 thousand to the legal reserve; if distributed they form part of the taxable income of the Company. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in equity of the merged company IFIL S.p.A., were replenished at December 31, 2009 in the equity of EXOR S.p.A. by using part of the merger surplus reserve and the share exchange difference.

28. Equity – Treasury stock

Under the treasury stock buyback program approved by the board of directors on May 12, 2011 and August 29, 2011 (which provide for a total maximum disbursement of €100 million) during 2011 purchases were made by EXOR for 2,619,500 ordinary shares (1.63% of the class) at the average cost per share of €16.15 for a total of €42.3 million, 1,450,900 preferred shares (1.89% of the class) at the average cost per share of €15.72 for a total of €22.8 million, and also 244,010 savings shares (2.66% of the class) at the average cost per share of €14.60 for a total of €3.6 million. The overall investment amounted to €68,678 thousand.

At December 31, 2011, EXOR S.p.A. held the following treasury stock:

	Number of shares	Carrying amount Per share (€)	Carrying amount Total (€ thsd)	% of class
Ordinary shares	6,729,000	14.03	94,430	4.20
Preferred shares	11,690,684	11.70	136,794	15.22
Savings shares	665,705	11.69	7,781	7.26
Balance at December 31, 2011			**239,005**	

Changes during the year were as follows:

	Number	Amount Per share (€)	Amount Total (€ thsd)
Ordinary shares			
Balance at December 31, 2010	4,109,500	12.68	52,124
Purchases	2,619,500	16.15	42,306
Balance at December 31, 2011	**6,729,000**	**14.03**	**94,430**
Preferred shares			
Balance at December 31, 2010	10,239,784	11.13	113,985
Purchases	1,450,900	15.72	22,809
Balance at December 31, 2011	**11,690,684**	**11.70**	**136,794**
Savings shares			
Balance at December 31, 2010	421,695	10.00	4,218
Purchases	244,010	14.60	3,563
Balance at December 31, 2011	**665,705**	**11.69**	**7,781**

29. Stock option plans

Stock option plans linked to EXOR shares

Stock option plans linked to EXOR shares (S.O.E.)

The IFIL ordinary shareholders' meeting held on May 13, 2008 had approved the stock option plan (Stock Option Plan IFIL 2008 - 2019) for the chief executive officer pro-tempore for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who are or will be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger of IFIL in EXOR, the stock option plan was taken over by EXOR S.p.A. The EXOR S.p.A. board of directors' meeting held on March 2, 2009 however had made changes to the stock option Plan resulting from Merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the Merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by Companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

After relinquishing the powers conferred to him by the board of directors, Mr Carlo Barel di Sant'Albano voluntarily relinquished the 3,000,000 option rights granted to him under the above Plan. The board of directors' meeting held on March 28, 2011 then allocated to the chairman and chief executive officer, Mr John Elkann, in virtue of his new operational role, 3,000,000 options corresponding to 795,000 EXOR ordinary shares.

An analysis of the changes in the stock options granted is as follows:

	Number of options granted		Number of ordinary shares exercisable	Number of recipients
Balance at December 31, 2010	**9,550,000**		**2,530,750**	**15**
Granted in 2011	3,000,000		795,000	1
Options forfeited	(5,625,000)	(a)	(1,490,625)	(2)
Balance at December 31, 2011	**6,925,000**		**1,835,125**	**14**

(a) Of which 3,000,000 options relating to Mr Sant'Albano.

The total cost of the 6,925,000 options outstanding at December 31, 2011 is equal to €12,915 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and chief executive officer, EXOR S.p.A.	3,000,000	795,000	6,329	942
Key employees (at the grant date) of EXOR S.p.A. (10)	3,325,000	881,125	5,625	725
Total EXOR S.p.A.	6,325,000	1,676,125	11,954	1,667
Key employees (at the grant date) of EXOR S.A. and other subsidiaries in the Holdings System (3)	600,000	159,000	961	132
Total	**6,925,000**	**1,835,125**	**12,915**	**1,799**

The cost referring to the year amounts to €1,667 thousand, of which €942 thousand is classified as compensation to the chairman and chief executive officer and €725 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System (€132 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A. The offsetting entry for the total of €1,799 thousand was recorded in the stock option reserve.

Stock option plan linked to Alpitour shares

On July 14, 2011, the recipients of the stock option plan linked to Alpitour shares exercised the option rights for all the shares granted in the past.

The plan called for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, Mr D.J. Winteler, and the general manager, Mr F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's share capital.
After reconfirmation of the positions of the two managers for another three years, the EXOR S.p.A. board of directors' meeting held on May 13, 2009 extended the period in which the options could be exercised to January 2013 (date of the approval of the Alpitour financial statements for the financial year 2011/2012 by the shareholders' meeting).
EXOR S.p.A. and the managers of Alpitour S.p.A., finally, had exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that would have been purchased by the same managers.

From an accounting standpoint, the plan was a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires measurement at fair value of the liability of the plan and, therefore, the options of the plan, at every reporting date, until plan expiration.
In accordance with the supplementary agreement sealed between the parties on June 10, 2011, the fair value of the options, paid to the two beneficiaries, was set at about €21 million, with a positive change of €900 thousand.

30. Non-current liabilities – Non-convertible bonds

Details are as follows:

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Face value (000)	Equivalent amount (€/000)	Effect of cost measurement (€/000)	**Balance (€/000)**
9/5/2011	9/5/2031	100.000	Semiannually	Fixed 2.80% (a)	Yen	10,000,000 (b)	99,800	(302)	**99,498**
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	€	750,000	750,000	(3,724)	**746,276**
Total									**845,774**

(a) Equivalent fixed rate in Euro 6.012%.
(b) Face value of Japanese yen 10 billion at the December 31, 2011 exchange rate equal to yen/€100.20.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and providing for periodic disclosure. The 2011/2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2011.

Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of both bonds.

Standard & Poor's rated the two bond issues "BBB+", in line with the current rating of EXOR S.p.A. long-term debt.

31. Current and non-current liabilities – Bank debt

Non-current bank debt amounts to €200 million (€50 million at December 31, 2010).

Bank debt is classified as non-current according to the remaining term of the secured credit lines.

The current portion of bank debt shows a zero balance at December 31, 2011 (€231.1 million at December 31, 2010).

At December 31, 2011, the Company has credit lines for €1,305.3 million, of which €615.3 million is revocable and €690 million is irrevocable. The expiration dates of the credit lines are as follows:

€ million	
Within 1 year	270
From 2 to 5 years	420
Total	**690**

The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main commitments on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the Company without the consent of the creditor and non-subordination of the credit line. Finally, clauses provide for early repayment in the event of serious default such as, for example, failure to pay interest or events that are especially detrimental such as insolvency proceedings.

In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €375 million.

32. Non-current liabilities – Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments held in Immobiliare Fund and Fiat and from the tax deferral of four-fifths of the gain realized on the sale of the building in Corso Matteotti 26 by the merged EXOR Services. On this gain, the Company reserves the possibility of re-setting the deferral period as allowed by tax laws when the tax return is filed in September 2012.

The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2010			**21,704**
Tax deferral on four-fifths of the gain on the sale of the building in Corso Matteotti 26		2,158	**2,158**
Accrual on the fair value increase in the RHO Immobiliare Fund	13		**13**
Changes during the year	**13**	**2,158**	**2,171**
Balance at December 31, 2011			**23,875**

33. Non-current liabilities – Provisions for employee benefits

The composition is as follows:

€ thousand	**12/31/2011**	12/31/2010
Employee leaving entitlements	**2,135**	2,572
Other provisions for employees	**97**	63
Total provisions for employee benefits	**2,232**	2,635

Details of the changes during 2011 and 2010 are as follows.

	2011			2010		
€ thousand	**Employee leaving entitlements**	**Other provisions for employees**	**Total**	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**2,572**	**63**	**2,635**	3,071	169	3,240
Increase due to merger by incorporation of EXOR Services	**515**	**27**	**542**	-	-	-
Current service cost	**284**	**10**	**294**	247	10	257
Financial expenses	**144**	**9**	**153**	123	7	130
Transfers to other companies	**-**	**-**	**-**	-	-	-
Actuarial (gains) losses	**-**	**(28)**	**(28)**		(102)	(102)
Benefits paid	**(1,360)**	**(4)**	**(1,364)**	(869)	(21)	(890)
Balance at end of year	**2,155**	**77**	**2,232**	2,572	63	2,635

The analysis of employee benefits is as follows.

Employee leaving entitlements

Employee leaving entitlements represent the obligation due to employees by Italian law (amended by Law 296/06) that has accrued and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the change made to the regulations for employee leaving entitlements by Law 296 dated December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee leaving entitlements beginning January 1, 2007, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.

Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans, defined benefit and defined contribution pension plans) under Company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the currently expected retirement age, on the basis of existing legislation when the agreement was signed in December 1999: at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans

The pension plans are for employees categorized as managers and are covered by Company agreements and regulations.

They can be "defined benefit" or "defined contribution" plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.

The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.

Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2011 and December 31, 2010, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2011	12/31/2010
Discount rate	**4.60%**	**4.30%**
Expected remuneration rate	**2.0-3.50%**	**1.9-3.4%**
Cost-of-living increase	**2.00%**	**1.90%**

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

34. Current liabilities – Other financial liabilities

These refer to:

€ thousand	12/31/2011	12/31/2010	Change
Bonds and loans – current portion (interest and hedges)	**25,348**	22,863	2,485
Fair value of cash flow hedge derivatives	**10,511**	52	10,459
Derivative financial instruments held for trading	**11,457**	8,417	3,040
Commissions on unused credit lines	**301**	222	79
Payables to shareholders and other financial payables	**438**	270	168
Total current other financial liabilities	**48,055**	31,824	16,231

35. Current and non-current liabilities – Other payables

They include:

	12/31/2011		12/31/2010	
€ thousand	Non-current	Current	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**921**	820	810	532
Payable to employees	**-**	1,306	-	2,631
Contributions payable	**-**	510	-	623
Sundry	**-**	243	-	640
Total other payables	**921**	**2,879**	810	4,426

Under Ministerial Decree 158 dated April 28, 2000, a “Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector” has been set up at INPS which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.

The above liabilities (in total €1,741 thousand, of which €820 thousand is current and €921 thousand non-current) represent the special contribution that EXOR will pay to cover the extraordinary benefits payable to former employees, including the related contribution.

36. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows.

	12/31/2011		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	349,749	81,456	65,894
- designated initially	-	-	-
Derivative instruments designated as hedges	1,680	-	-
Held-to-maturity investments	191,890	10,686	304
Loans and receivables	103,137	9,055	7,520
Available-for-sale assets	12,368	1,383	7,963
Total	**658,824**	**102,580**	**81,681**
Financial liabilities			
At fair value through profit or loss			
- held for trading	11,457	13,177	10,262
- designated initially	-	-	-
Derivative instruments designated as hedges	10,511	-	2,219
Amortized cost	845,774	-	47,823
Debt	226,189	-	8,806
Financial guarantees	-	-	-
Total	**1,093,931**	**13,177**	**69,110**

	12/31/2010		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss	589,218	58,645	48,166
- held for trading	-	-	-
- designated initially	-	-	-
Derivative instruments designated as hedges	-	-	-
Held-to-maturity investments	138,094	9,335	236
Loans and receivables	257,274	4,403	-
Available-for-sale assets	31,812	15,610	4,643
Total	**1,016,398**	**87,993**	**53,045**
Financial liabilities			
At fair value through profit or loss			
- held for trading	8,417	20,160	6,466
- designated initially			
Derivative instruments designated as hedges	52	448	5,442
Amortized cost	945,618	-	48,632
Debt	304,451	-	3,667
Financial guarantees			
Total	**1,258,538**	**20,608**	**64,207**

Fair value of financial assets and liabilities and fair value estimation criteria

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – listed prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of financial assets and liabilities measured at fair value at December 31, 2011.

€ thousand	Level 1	Level 2	Level 3 (a)	**Total**
Assets at fair value				
Non-current assets	-	-	-	-
Available-for-sale investments	-	-	12,368	12,368
Current assets	-	-	-	-
Financial assets held for trading	213,868	-	135,881	349,749
Other financial assets	-	1,136	-	1,136
Total assets	**213,868**	**1,136**	**148,249**	**363,253**
Liabilities at fair value				
Current liabilities	-	-	-	-
Other financial liabilities	-	21,968	-	21,968
Total liabilities	**-**	**21,968**	**-**	**21,968**

(a) This refers to the Rho Immobiliare Fund (€12,368 thousand) and to mutual funds (€135,881 thousand) whose value is determined by an independent third party.

In 2011, there were no transfers from Level 1 to Level 2 or vice versa.

Details regarding the changes in Level 3 are the following:

€ thousand	Balance at 12/31/2010	Gains (losses) recognized in profit or loss	Gains (losses) recognized in equity	Increase	Decrease	**Balance at 12/31/2011**
Available-for-sale investments	11,392		976			12,368
Financial assets held for trading	106,066	(4,453)		143,175	(108,907)	135,881
Total assets	117,458	(4,453)	976	143,175	(108,907)	**148,249**

The fair value of listed securities in an active market is equal to the market price at the balance sheet date.

For trade receivables and payables and other current assets and liabilities due within one year, the fair value is not significant in that their carrying amount approximates fair value.

Credit risk

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2011 is represented by the carrying amount of financial assets shown in the financial statements. Nevertheless, the Company seeks to mitigate such risk by investing a good part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

At December 31, 2011 and December 31, 2010, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.

The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of hedge transactions.

	2011					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2031	2,506	2,506	12,530	10,024	151,030	**178,596**
EXOR bonds 2017	40,313	-	120,939	830,626	-	**991,878**
Non-current bank debt	3,828	3,828	22,969	203,353	-	**233,978**
Current bank debt	-	-	-	-	-	**-**
Trade payables and other payables to related parties	102	-	-	-	-	**102**
Trade payables and other payables to third parties	1,231	-	-	-	-	**1,231**
Trading and derivative financial instruments designated as	21,968	-	-	-	-	**21,968**
Total	**69,948**	**6,334**	**156,438**	**1,044,003**	**151,030**	**1,427,753**

	2010					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	Total
Non-convertible bonds						
EXOR bonds 2011	201,709	-	-	-	-	**201,709**
EXOR bonds 2017	40,313	-	120,938	80,625	790,312	**1,032,188**
Non-current bank debt	278	278	50,186	-	-	**50,742**
Current bank debt	142,968	75,699	-			**218,667**
Trade payables and other payables to related parties	1,786	-	-	-	-	**1,786**
Trade payables and other payables to	4,425	-	-	-	-	**4,425**
Trading and derivative financial instruments designated as hedges	8,469	-	-	-	-	**8,469**
Total	**399,948**	**75,977**	**171,124**	**80,625**	**790,312**	**1,517,986**

Outgoing flows from current operations are financed for the most part by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or the receipt of suitable sources of financing that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

At December 31, 2011, the Company has credit lines for €1,305.3 million, of which €690 million are irrevocable.

The expiration dates of the credit lines are as follows:

€ million	Lines extended	Of which, irrevocable
Within 1 year	885.3	270.0
From 2 to 5 years	420.0	420.0
Total	**1,305.3**	**690.0**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

A part of the assets held for trading and cash at December 31, 2011 (€186,460 thousand and €41,217 thousand respectively) respectively, are denominated in currencies other than Euro. Since these are securities held for trading and cash, both are adjusted to year-end exchange rates.

Out of a total amount of €1 billion authorized by the board of directors' meeting held on March 28, 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion. The 20-year bonds pay a 2.80% coupon in Japanese yen.
To protect itself against fluctuations in the €/Yen exchange rate, a cross currency swap on the bonds was put in place with a leading credit institution as a result of which the Company will pay a fixed rate of 6.012% on the face value in euro (about €83 million) for the entire term of the loan.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 1.091% and 6.012% in 2011 (between 1.1% and 5.75% in 2010).
EXOR S.p.A. has one interest rate swap contract in place at December 31, 2011, for a total notional amount of €200 million, for the purpose of managing exposure to fluctuations in interest rates on bank debt, with a fair value for a negative €10,511 thousand.

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the preparation date of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 bsp is applied;
- for interest rate swaps: the fair value is recalculated applying a parallel and symmetrical shift of 50 bsp to the current interest rate curve at the end of the reporting period.

The effects of a change with an increase or decrease of 50 bsp in interest rates would be the following:

	12/31/2011		12/31/2010	
€ thousand	**Income statement**	**Equity**	Income statement	Equity
+50 bsp				
cash and cash equivalents/financing	**93**		**(1,031)**	
hedging instruments		**2,382**		**9**
-50 bsp				
cash and cash equivalents/financing	**(93)**		**1,031**	
hedging instruments		**(1,640)**		**(10)**

Price risk

EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost;
- available-for-sale investments;
- assets held for trading.

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale investments and assets held for trading are 5% higher or lower, the available-for-sale securities reserve would be €618 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €17,487 thousand higher or lower.

37. Transactions with related parties

The board of directors' meeting held on November 12, 2010, pursuant to Consob Regulation 17221 dated March 12, 2010, adopted the "Procedures for Transactions with Related Parties", which went into effect on January 1, 2011 and is posted on the Company's website at www.exor.com. Such procedures are described in the Annual report on Corporate Governance, also available on the corporate website.

With regard to the year 2011, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

With the exception of the comments made subsequently in respect of the loan extended to C&W Group and repaid during 2011, receivables and payables are not guaranteed and are settled in cash.

Losses have not been recognized during the year on uncollectible or doubtful receivables in relation to amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2011 is presented below. All amounts are expressed in thousands of Euro.

Counterpart	Investments	Financial receivables	Trade receivables	Trade payables and other payables
Giovanni Agnelli e C. S.a.p.az.	46 (a)		11	
Fondazione Agnelli	23 (b)		2	
Holdings System			123	
Alpitour Group				1
Juventus Football Club S.p.A.	71,980 (l)	21	59	
Fiat Group			110	101
Directors for consulting services rendered				703 (e)
Directors for emoluments not yet collected				70
Directors for expense reimbursements				6
Directors and statutory auditors for other receivables			110	
Statutory auditors for emoluments to be received				86
Total transactions with related parties	**72,049**	**21**	**415**	**967**
Total investments	3,817,200			
Total current assets		556,281	556,281	
Total current liabilities				53,779
% incidence of total transactions with related parties to total of statement of financial position line items	**1.89%**	**0.00%**	**0.07%**	**1.80%**

Information regarding dividends received (€171,733 thousand) is provided in Note 1.

Counterparty	Financial income	Purchases of goods and services	Revenues (d)	Other non-recurring expenses Purchases of goods and services	Non-recurring income
C&W Group	1,307 (i)				
Holdings Systems			123		
Alpitour Group		2			
Juventus Football Club S.p.A.	285 (h)	32	61		
Fiat Group		370	138		
Giovanni Agnelli e C. S.a.p.az.			37		
Sequana S.A.			43		
Fondazione Agnelli			13		
Emoluments to corporate boards and committees					
- Chairman (g)		2,830			
- Chief Executive Officer (c)		1,224			
- Board of directors		170	135		
- Special fees to directors		1,100			
- Internal control committee		35			
- Compensation and nominating committee		35			
- Strategy committee		160			
- Directors' expense reimbursements		71			
- Board of statutory auditors		174			
- Cost recoveries from statutory auditors			3		
- Directors for other revenues			94		
Consulting (e)				703	
Recipients of Alpitour stock option plan (f)					900
Total transactions with related parties	**1,592**	**6,203**	**647**	**703**	**900**
Total transactions with third parties	108,667	6,040	211	8	7,086
Total of income statement line items	**110,259**	**12,243**	**858**	**711**	**7,986**
% incidence of total transactions with related parties to total of income statement line items	**1.44%**	**50.67%**	**75.41%**	**98.87%**	**11.27%**

The most important transactions are commented below, in reference to the notes in the preceding tables.

a) Carrying amount of 22,900 EXOR Services shares (0.25% of capital) purchased, for purposes of the incorporation, at €46 thousand.
b) Carrying amount of 11,450 EXOR Services shares (0.125% of capital) purchased, for purposes of the incorporation, at €23 thousand.
c) €83 thousand for the rent of the residence of the chief executive officer Mr Carlo Barel di Sant'Albano in office until February 10, 2011; €141 thousand represents the special compensation due to him and €1 million his variable compensation.
d) Compensation waived by the corporate boards (€135 thousand), performance of services (€372 thousand), compensation for posts on corporate boards (€140 thousand).
e) Consulting services rendered to the Company by the director Franzo Grande Stevens.
f) Lower payments made on the settlement of the debt to the recipients of the Alpitour stock option plan.
g) €1,888 thousand represents the special compensation paid to the chairman and the chief executive officer and €942 thousand the figurative cost of the EXOR stock option granted to him.
h) From July to September 2011, EXOR extended a loan to the subsidiary Juventus Football Club bearing interest calculated at the 1-month Euribor plus a 2% spread. Since this is a related party transaction, as established by EXOR S.p.A.'s corporate governance regulations, the transaction was approved beforehand by the board of directors on June 23, 2011. This loan yielded financial income of €285 thousand.
i) The 3-year subordinated facility (loan and the relative subordinated credit line) of $50 million extended to C&W Group was closed in June 2011. When the loan was repaid, the second level guarantees given to EXOR were also closed.
l) Payment against a future increase in share capital to Juventus Football Club to guarantee its functioning as a going concern.

The information regarding compensation to the directors and statutory auditors of the company, also through subsidiaries, is contained in the Compensation Report according to art. 123-ter of the TUF.

38. Guarantees, commitments and pending litigation

Subsequent to filing the reasons for the acquittal verdict in the criminal proceedings relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Public Prosecutor's Office of Turin, by act of notification to the Company on June 3, 2011, lodged an immediate appeal under ex art. 569 of the Code of Criminal Procedure to the Supreme Court of Cassation. The hearing in the Court of Cassation is set for May 11, 2012.

39. Fees charged by the independent auditors (art. 149 – *duodecies* of Consob Regulation 11971 dated May 14, 1999, as amended)

The professional services provided to the EXOR Group by the independent auditors in 2011 are the following:

€ thousand	Service Provider	Parent EXOR S.p.A.		Consolidated subsidiaries	Total
Type of services					
Audit	Deloitte & Touche S.p.A.	94		4,810	**4,904**
	Deloitte network			15,765	**15,765**
Total audit		94		20,575	**20,669**
Other services					
. attestation	Deloitte & Touche S.p.A.	3	(a)	541	**544**
	Rete Deloitte			145	**145**
. other services	Deloitte & Touche S.p.A.	58	(b)	512	**570**
	Deloitte network	239	(c)	1,277	**1,516**
Total other services		300		2,475	**2,775**
Total		**394**		**23,050**	**23,444**

(a) Confirmation of financial ratios.
(b) Agreed upon procedures carried out in relation to the line-by-line consolidation of the Fiat Group.
(c) Support in the analysis of statements and data relating to the realization of investments and support in designing the Compliance Integrated Governance Model.

40. Net financial position

In accordance with the provisions of Consob Communication 6064293 dated July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below.

€ thousand	12/31/2011	12/31/2010	Change
Non-current held-to-maturity financial instruments (a)	**114,855**	138,094	(23,239)
Cash and cash equivalents	**94,243**	219,795	(125,552)
Non-current other financial assets, with third parties	**878**	105	773
Other financial assets held for trading	**349,749**	589,218	(239,469)
Current held-to-maturity financial instruments	**77,035**	-	77,035
Financial receivables from third parties	**404**	-	404
Financial receivables from related parties	**21**	30,593	(30,572)
Current other financial assets, with third parties	**8,134**	6,781	1,353
Non-current financial payables, with third parties	**(1,045,774)**	(795,700)	(250,074)
Current financial payables with third parties	**(48,055)**	(462,838)	414,783
Net financial position	**(448,510)**	(273,952)	(174,558)
- with related parties	**21**	30,593	(30,572)
- with third parties	**(448,531)**	(304,545)	(143,986)

(a) These are bonds issued by leading counterparties listed on active and open markets which the Company, intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

41. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2011 were approved by the board of directors on April 6, 2012 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, within the timeframe set by law.

Turin, April 6, 2012

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements according to art. 154-bis, Paragraph 5, of Legislative Decree 58/98

We, the undersigned Mr John Elkann, chairman and chief executive officer, and Mr Enrico Vellano, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, also pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2011.

We also attest that:

- the separate financial statements:

  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a true and fair view of the financial conditions, results of operations and cash flows of the issuer;

- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, April 6, 2012

The Chairman and CEO
John Elkann

Manager responsible for the preparation
of the Company's financial reports
Enrico Vellano

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENTS PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. as of and for the year ended December 31, 2011, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes to the financial statements. These financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 5, 2011.

3. In our opinion, the financial statements of EXOR S.p.A. as of December 31, 2011 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. as of and for the year then ended.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova
Palermo Parma Roma Torino Treviso Verona

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

4. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the financial statements of EXOR S.p.A. as of and for the year ended December 31, 2011.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 16, 2012

This report has been translated into the English language solely for the convenience of international readers.

EXOR

Consolidated Financial Statements

at December 31, 2011

CONSOLIDATED INCOME STATEMENT (*)

Published 2010	€ million	Note	2011	Restated (a) 2010	Change
58,985	Net revenues	1	**84,359**	57,762	26,597
(50,216)	Cost of sales	2	**(71,096)**	(49,097)	(21,999)
(5,009)	Selling, general and administrative costs	3	**(7,259)**	(4,930)	(2,329)
(1,431)	Research and development costs	4	**(1,872)**	(1,431)	(441)
(156)	Other income (expenses)	5	**(125)**	(152)	27
2,173	**Trading profit/(loss)**		**4,007**	2,152	1,855
15	Gains (losses) on the disposal of investments	6	**35**	15	20
(178)	Restructuring costs	7	**(199)**	(178)	(21)
(57)	Other unusual income (expenses)	8	**1,039**	(54)	1,093
1,953	**Operating profit/(loss)**		**4,882**	1,935	2,947
(912)	Financial income (expenses)	9	**(1,877)**	(910)	(967)
	Result from investments:				
200	- Share of profit/(loss) of investments accounted for using the equity method	10	**219**	200	19
36	- Other income (expenses) from investments	10	**56**	36	20
236	Result from investments		**275**	236	39
1,277	**Profit/(loss) before taxes**		**3,280**	1,261	2,019
(706)	Income taxes	11	**(1,038)**	(698)	(340)
571	**Profit/(loss) from continuing operations**		**2,242**	563	1,679
0	**Profit/(loss) from Discontinued Operations**	23	**(13)**	8	(21)
571	**Profit/(loss)**		**2,229**	571	1,658
	Profit/(loss) attributable to:				
137	- Owners of the parent		**504**	137	367
434	- Non-controlling interests		**1,725**	434	1,291

Published 2010	€ million	Note	2011	Restated (a) 2010	Change
	Earnings/(Loss) per share	13			
	Basic earnings/(loss) attributable to owners of the parent (€):				
0.57	- per ordinary share		2.17	0.57	1.60
0.64	- per savings share		2.25	0.64	1.61
0.62	- per preferred share		2.23	0.62	1.61
	Basic earnings/(loss) from continuing operations (€):				
0.57	- per ordinary share		2.23	0.54	1.69
0.64	- per savings share		2.31	0.61	1.70
0.62	- per preferred share		2.29	0.59	1.70
	Basic earnings/(loss) from Discontinued Operations (€):				
n.a.	- per ordinary share		(0.06)	0.03	(0.09)
n.a.	- per savings share		(0.06)	0.03	(0.09)
n.a.	- per preferred share		(0.06)	0.03	(0.09)
	Diluted earnings/(loss) attributable to owners of the parent (€):				
0.56	- per ordinary share		2.16	0.56	1.60
0.64	- per savings share		2.24	0.64	1.60
0.61	- per preferred share		2.21	0.61	1.60
	Diluted earnings/(loss) from continuing operations (€):				
0.56	- per ordinary share		2.22	0.53	1.69
0.64	- per savings share		2.30	0.61	1.69
0.61	- per preferred share		2.27	0.58	1.69
	Diluted earnings/(loss) from Discontinued Operations (€):				
n.a.	- per ordinary share		(0.06)	0.03	(0.09)
n.a.	- per savings share		(0.06)	0.03	(0.09)
n.a.	- per preferred share		(0.06)	0.03	(0.09)

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of transactions with related parties on the consolidated income statement are presented in a specific income statement format provided on the following pages and are further described in Note 35.

(a) Prepared by reclassifying the revenues and costs of the Alpitour Group to Profit /(loss) from Discontinued Operations, for purposes of comparison.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	2011	2010
PROFIT/(LOSS) (A)	**2,229**	**571**
Gains/(losses) on cash flow hedges	**(227)**	179
Gains/(losses) on fair value of available-for-sale financial assets	**40**	402
Gains/(losses) on exchange differences on translating foreign operations	**391**	816
Share of other comprehensive income of entities accounted for using the equity method	**(32)**	114
Income tax relating to components of Other comprehensive income	**21**	3
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)	**193**	**1,514**
TOTAL COMPREHENSIVE INCOME (A)+(B)	**2,422**	**2,085**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**487**	891
Non-controlling interests	**1,935**	1,194

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€ million	Note	12/31/2011	12/31/2010	Change
Non-current assets				
Intangible assets	14	**22,970**	8,795	14,175
Property, plant and equipment	15	**25,157**	13,721	11,436
Investments and other financial assets:				
- Investments accounted for using the equity method	16	**2,500**	2,375	125
- Other investments and financial assets	16	**2,759**	2,303	456
Total Investments and other financial assets		**5,259**	4,678	581
Leased assets	17	**603**	492	111
Defined benefit plan assets	25	**312**	185	127
Deferred tax assets	11	**2,862**	2,902	(40)
Other non-current assets		**63**	69	(6)
Total Non-current assets		**57,226**	30,842	26,384
Current assets				
Inventories	18	**13,988**	8,345	5,643
Trade receivables	19	**4,321**	4,370	(49)
Receivables from financing activities	19	**17,861**	13,774	4,087
Other financial receivables	19	**8**	7	1
Current tax receivables	19	**1,093**	958	135
Other current assets	19	**3,196**	2,576	620
Current financial assets:				
- Current investments	20	**137**	376	(239)
- Current securities	20	**640**	582	58
- Other financial assets	21	**677**	610	67
Total Current financial assets		**1,454**	1,568	(114)
Cash and cash equivalents	22	**23,494**	16,188	7,306
Total Current assets		**65,415**	47,786	17,629
Assets held for sale	23	**389**	79	310
Total Assets		**123,030**	78,707	44,323
Equity	24			
Issued capital and reserves attributable to owners of the parent		**6,403**	6,075	328
Non-controlling interests		**13,568**	9,121	4,447
Total Equity		**19,971**	15,196	4,775
Provisions				
Employee benefits	25	**9,084**	3,839	5,245
Other provisions	26	**11,092**	5,506	5,586
Total Provisions		**20,176**	9,345	10,831
Debt	27			
Asset backed financing		**10,177**	8,854	1,323
Other debt		**38,113**	23,572	14,541
Total Debt		**48,290**	32,426	15,864
Other liabilities				
Other financial liabilities	21	**611**	469	142
Trade payables	28	**21,514**	13,666	7,848
Current tax payables		**899**	700	199
Deferred tax liabilities	11	**955**	255	700
Other liabilities	29	**10,380**	6,650	3,730
Total Other liabilities		**34,359**	21,740	12,619
Liabilities held for sale	23	**234**	0	234
Total Equity and Liabilities		**123,030**	78,707	44,323

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of transactions with related parties on the consolidated statement of financial position are presented in a specific statement of financial position format provided on the following pages and are further described in Note 35.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

2010 Published	€ million	Note	2011	2010 Restated (a)
12,856	**A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR**	22	**16,188**	12,856
	B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:			
571	Profit/(loss) from continuing operations		**2,242**	563
2,954	Amortization and depreciation (net of vehicles sold under buy-back commitments and leased assets)		**4,118**	2,937
	(Gains) losses on disposal of:			
(13)	Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**5**	(13)
(16)	Investments		**(27)**	(16)
240	Other non-cash items	36	**(781)**	236
177	Dividends received		**253**	177
399	Change in provisions		**70**	399
(169)	Change in deferred taxes		**95**	(169)
44	Change in items due to buy-back commitments	36	**(22)**	44
26	Change in operating lease items		**(40)**	26
2,046	Change in working capital		**1,619**	2,020
	Cash flows from (used in) the operating activities of Discontinued Operations	(b)	**(82)**	55
6,259	**TOTAL**		**7,450**	6,259
	C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
	Investments in:			
(3,865)	Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and leased assets)		**(6,666)**	(3,843)
(176)	Investments in consolidated subsidiaries		**(29)**	(52)
(126)	Other investments		**(124)**	(126)
0	Cash and cash equivalents from the consolidation of Chrysler, net of the consideration paid to acquire a further 16% stake		**5,624**	0
(230)	Investments in financial assets made by EXOR and by subsidiaries in the Holdings System		**(126)**	(230)
	Proceeds from the sale of:			
98	Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**354**	98
(2)	Investments in consolidated subsidiaries		**15**	(2)
33	Other investments		**18**	33
102	Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**36**	102
(263)	Net change in receivables from financing activities		**(2,270)**	(263)
19	Change in current securities		**219**	19
182	Other changes		**(10)**	182
	Cash flows from (used in) the investing activities of Discontinued Operations	(b)	**7**	(22)
(4,228)	**TOTAL**		**(2,952)**	(4,104)
	D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
1,132	New issuance of bonds		**5,156**	1,132
(1,572)	Repayment of bonds		**(2,648)**	(1,572)
2,254	Issuance of other medium-term borrowings		**4,838**	2,249
(2,115)	Repayment of other medium-term borrowings		**(5,635)**	(2,089)
1,541	Net change in other debt and other financial assets/liabilities		**1,266**	1,541
1	Increases in share capital by subsidiaries		**41**	1
(58)	(Purchase) sale of treasury stock		**(69)**	(58)
(68)	Dividends paid by EXOR S.p.A.		**(76)**	(68)
(174)	Dividends paid by subsidiaries		**(149)**	(172)
	(Purchase)/sale of ownership interests in subsidiaries		**(524)**	(124)
(5)	Other changes		**(12)**	3
	Cash flows from (used in) the financing activities of Discontinued Operations	(b)	**13**	(31)
936	**TOTAL**		**2,201**	812
365	Translation exchange differences		**626**	365
3,332	**E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS**		**7,325**	3,332
16,188	**F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR**		**23,513**	16,188
	of which: Cash and cash equivalents included as Assets held for sale		19	92
16,188	**G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR**	22	**23,494**	

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of transactions with related parties on the consolidated statement of cash flows are presented in a specific statement of cash flows format provided on the following pages.

(a) Prepared by reclassifying the cash flows of the Alpitour Group to Discontinued Operations, for purposes of comparison.

(b) Details of cash flows from (used in) operating activities, investing activities and financing activities of Discontinued Operations are presented in the section “Assets and liabilities held for sale and Discontinued Operations” (Note 23).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Fair value reserve	Cumulative share of OCI of entities consolidated under the equity method	Total owners of the parent	Non-controlling interests	Total
Equity at January 1, 2010	**246**	**(112)**	**776**	**3,871**	**(79)**	**80**	**615**	**(92)**	**5,305**	**8,158**	**13,463**
Changes in equity for 2010											
Share-based payments				15					15	14	29
Purchase of treasury shares		(58)							(58)		(58)
Capital increases									0	1	1
Dividends paid				(68)					(68)	(169)	(237)
Total comprehensive income for the year				137	60	248	405	41	891	1,194	2,085
Effect of the change in the percentage ownership of consolidated companies(a)				(26)					(26)	(63)	(89)
Effect of the change in the percentage ownership of companies accounted for using the equity method				3					3		3
Other changes				13					13	(14)	(1)
Total changes	0	(58)	0	74	60	248	405	41	770	963	1,733
Equity at December 31, 2010	**246**	**(170)**	**776**	**3,945**	**(19)**	**328**	**1,020**	**(51)**	**6,075**	**9,121**	**15,196**
Changes in equity for 2011											
Share-based payments				12					12	9	21
Purchase of treasury shares		(69)							(69)		(69)
Capital increases									0	41	41
Dividends paid				(76)					(76)	(149)	(225)
Total comprehensive income for the year				504	(79)	23	44	(5)	487	1,935	2,422
Effect of the change in the percentage ownership of consolidated companies(b)				(28)		8			(20)	(558)	(578)
Non-controlling interests deriving from the consolidation of Chrysler									0	3,112	3,112
Other changes				(6)					(6)	57	51
Total changes	0	(69)	0	406	(79)	31	44	(5)	328	4,447	4,775
Equity at December 31, 2011	**246**	**(239)**	**776**	**4,351**	**(98)**	**359**	**1,064**	**(56)**	**6,403**	**13,568**	**19,971**
Note	**24**	**24**								**24**	

(a) Of which €24 million relates to the Fiat Group and €2 million to C&W Group.
(b) Of which -€7 million relates to the Fiat Group, -€20 million to the Fiat Industrial Group and -€1 million to C&W Group.

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	Nota 35	2011 Total	2011 of which Related parties	2010 Restated (a) Total	2010 Restated (a) of which Related parties
Net revenues		**84,359**	**3,439**	57,762	2,826
Cost of sales		**(71,096)**	**(4,161)**	(49,097)	(3,644)
Selling, general and administrative costs		**(7,259)**	**(99)**	(4,930)	(116)
Research and development costs		**(1,872)**	**(3)**	(1,431)	(8)
Other income (expenses)		**(125)**	**28**	(152)	37
Trading profit/(loss)		**4,007**		2,152	
Gains (losses) on the disposal of investments		**35**	**1**	15	
Restructuring costs		**(199)**		(178)	
Other unusual income (expenses)		**1,039**		(54)	
Operating profit/(loss)		**4,882**		1,935	
Financial income (expense)		**(1,877)**	**(47)**	(910)	(37)
Result from investments:					
- Share of the profit/(loss) of companies accounted for using the equity method		**219**	**219**	200	200
- Other income (expenses) from investments		**56**	**38**	36	41
Result from investments		**275**		236	
Profit/(loss) before taxes		**3,280**		1,261	
Income taxes		**(1,038)**		(698)	
Profit/(loss) from continuing operations		**2,242**		563	
Profit/(loss) from Discontinued Operations		**(13)**	**(13)**	8	8
Profit/(loss)		**2,229**		571	
Profit/(loss) attributable to:					
- Owners of the parent		**504**		137	
- Non-controlling interests		**1,725**		434	

(a) Prepared by reclassifying the revenues and costs of the Alpitour Group to Profit/(loss) from Discontinued Operations, for purposes of comparison.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ million		12/31/2011		12/31/2010	
	Nota 35	Total	of which Related parties	Total	of which Related parties
Non-current assets					
Intangible assets		**22,970**		8,795	
Property, plant and equipment		**25,157**		13,721	
Investments and other financial assets:					
- Investments accounted for using the equity method		**2,500**	**2,500**	2,375	2,375
- Other investments and financial assets		**2,759**	**60**	2,303	116
Total Investments and other financial assets		**5,259**		4,678	
Leased assets		**603**		492	
Defined benefit plan assets		**312**		185	
Deferred tax assets		**2,862**		2,902	
Other non-current assets		**63**		69	
Total Non-current assets		**57,226**		30,842	
Current assets					
Inventories		**13,988**	**1**	8,345	28
Trade receivables		**4,321**	**439**	4,370	623
Receivables from financing activities		**17,861**	**154**	13,774	129
Other financial receivables		**8**		7	
Current tax receivables		**1,093**		958	
Other current assets		**3,196**	**43**	2,576	77
Current financial assets:					
- Current investments		**137**		376	
- Current securities		**640**		582	
- Other financial assets		**677**		610	
Total Current financial assets		**1,454**		1,568	
Cash and cash equivalents		**23,494**		16,188	
Total Current assets		**65,415**		47,786	
Assets held for sale		**389**	**359**	79	65
Total Assets		**123,030**		78,707	
Equity					
Issued capital and reserves attributable to owners of the parent		**6,403**		6,075	
Non-controlling interests		**13,568**		9,121	
Total Equity		**19,971**		15,196	
Provisions					
Employee benefits		**9,084**	**6**	3,839	5
Other provisions		**11,092**	**27**	5,506	49
Total Provisions		**20,176**		9,345	
Debt					
Asset backed financing		**10,177**	**92**	8,854	320
Other debt		**38,113**	**215**	23,572	241
Total Debt		**48,290**		32,426	
Other liabilities					
Other financial liabilities		**611**		469	
Trade payables		**21,514**	**1,210**	13,666	1,103
Current tax payables		**899**		700	1
Deferred tax liabilities		**955**		255	
Other liabilities		**10,380**	**139**	6,650	156
Total Other liabilities		**34,359**		21,740	
Liabilities held for sale		**234**	**234**	0	
Total Equity and Liabilities		**123,030**		78,707	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

	2011		2010 (Restated) (a)	
€ million	Total	of which Related parties	Total	of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	16,188		12,856	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:				
Profit/(loss) for the year from continuing operations	**2,242**		563	
Amortization and depreciation (net of vehicles sold under buy-back commitments and leased assets)	**4,118**		2,937	
(Gains) losses on disposal of:				
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and leased assets)	**5**		(13)	
Investments	**(27)**		(16)	
Other non-cash items:	**(781)**		236	17
Dividends received	**253**	**227**	177	175
Change in provisions	**70**		399	(9)
Change in deferred taxes	**95**		(169)	
Change in items due to buy-back commitments	**(22)**		44	(9)
Change in operating lease items	**(40)**		26	
Change in working capital	**1,619**	**327**	2,020	124
Cash flows from (used in) the operating activities of Discontinued Operations	**(82)**		55	
TOTAL	7,450	554	6,259	298
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments and leased assets)	**(6,666)**		(3,843)	
Amortization and depreciation (net of vehicles sold under buy-back commitments and leased assets)	**(29)**		(52)	
Investments in consolidated subsidiaries	**(124)**	**(75)**	(126)	(115)
Cash and cash equivalents from consolidation of Chrysler, net of consideration paid for the additional 16% ownership interest	**5,624**		0	
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	**(126)**	**(104)**	(230)	
Proceeds from the sale of:				
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitmen	**354**		98	
Investments in consolidated subsidiaries	**15**		(2)	
Other investments	**18**		33	
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System	**36**		102	
Net change in receivables from financing activities	**(2,270)**	**(56)**	(263)	(17)
Change in current securities	**219**		19	
Other changes	**(10)**		182	
Cash flows from (used in) the investing activities of Discontinued Operations	**7**		(22)	
TOTAL	(2,952)	(235)	(4,104)	(132)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
New issuance of bonds	**5,156**		1,132	
Repayment of bonds	**(2,648)**		(1,572)	
Issuance of other medium-term borrowings	**4,838**		2,249	
Repayment of other medium-term borrowings	**(5,635)**		(2,089)	
Net change in other debt and other financial assets/liabilities	**1,266**	**(68)**	1,541	(39)
Increases in share capital by subsidiaries	**41**		1	
(Purchase) sale of treasury shares	**(69)**		(58)	
Dividends paid by EXOR S.p.A.	**(76)**	**(41)**	(68)	(36)
Dividends paid by subsidiaries	**(149)**		(172)	
(Purchase)/sale of ownership interests in subsidiaries	**(524)**		(124)	
Other changes	**(12)**		3	
Cash flows from (used in) the financing activities of Discontinued Operations	**13**		(31)	
TOTAL	2,201	(109)	812	(75)
Translation exchange differences	**626**		365	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	7,325		3,332	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23,513		16,188	
of which: Cash and cash equivalents included as Assets held for sale and Discontinued Operations	**19**		92	
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23,494			

(a) Prepared by reclassifying the cash flows of the Alpitour Group to Discontinued Operations, for purposes of comparison.

EXOR GROUP – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of the leading investment companies in Europe. It is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.16% of share capital, in particular, 59.10% of ordinary share capital, 39.24% of preferred share capital and 12.36% of savings share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the functional and presentation currency of the Group.

Further information is provided in the Report on Operations under “EXOR Group Profile”.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies applied in the preparation of the consolidated financial statements

The consolidated financial statements of the EXOR Group at December 31, 2011 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union, as well as the provisions implementing article 9 of Legislative Decree 38/2005. The designation “IFRS” also includes all valid International Accounting Standards (“IAS”), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee (“IFRIC”) and before that the Standing Interpretations Committee (“SIC”).

The 2011 consolidated financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in an economic and financial environment that continues to be difficult, the Group’s assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the integration process being undertaken by the Fiat Group with Chrysler and its industrial and financial flexibility.

Consolidation of the Fiat and Fiat Industrial Groups

Upon first-time adoption of IFRS and the preparation of the financial statements for the years 2005 to 2009, EXOR excluded the Fiat Group from line-by-line consolidation and accounted for its investment (approximately 30% of ordinary share capital) using the equity method.
This method was adopted and maintained consistently in the consolidated financial statements for the years indicated while waiting for the definitive clarification of the criteria to permit verification of de facto control and the related accounting treatment in accordance with IAS 27 – Consolidated and Separate Financial Statements then in effect.

Starting from the consolidation of the consolidated financial statements for the year ended December 31, 2010, based also on the version of the Staff Draft posted to the IASB website on September 29, 2010 of IFRS 10 - “Consolidated Financial Statements”, which requires line-by-line consolidation, pursuant to IAS 27, to be extended to companies in which the investor holds the majority of voting rights and the size of such majority, combined with the dispersion of the votes of the other vote holders, gives the investor the power to direct the investees’ operating and financial policies in such a manner for them to be considered subsidiaries to be consolidated line-by-line and believing that the suppositions existed, also in light of EXOR’s incidence in the capital present and voting in recent shareholders’ meetings of Fiat S.p.A., EXOR consolidated the Fiat Group line-by-line in its consolidated financial statements and restated the consolidated financial statements for the year 2009 presented for comparative purposes.
This accounting treatment was confirmed by the new accounting standard IFRS 10 – Consolidated Financial Statements issued by the IASB on May 12, 2011 that will replace SIC-12 Consolidation – Special Purpose Entities and part of IAS 27 – Consolidated and Separate Financial Statements, which will be renamed Separate Financial Statements and will set the standards to be applied in accounting for investments in subsidiaries, jointly controlled entities, and associates in separate financial statements. The new standard builds on existing

principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is applicable from January 1, 2013.

It should be recalled that the partial and proportional demerger of Fiat S.p.A. to Fiat Industrial S.p.A., effective on January 1, 2011, was considered a business combination involving entities or businesses under common control and was outside the scope of the application of IFRS 3 and IFRIC 17. Accordingly, the consolidated financial statements for Fiat S.p.A. post-demerger and Fiat Industrial S.p.A. for the year 2011 have been prepared under the going concern assumption without generating any effect on the scope of consolidation at the level of the EXOR Group.

As a result of the demerger, in accordance with IFRS 8, the businesses which were transferred to Fiat Industrial S.p.A. are no longer reflected in the Fiat Group operating segment but are shown separately in a new operating segment denominated Fiat Industrial Group. The comparative figures at December 31, 2010 and for the year 2010 presented in the consolidated financial statements have been restated accordingly.

With regard to the Fiat Group, the data at December 31, 2010, presented for comparative purposes, are post-demerger values, unless otherwise indicated.

Reclassification of the Alpitour Group to Assets and liabilities held for sale

Following the start of a process for the valuation of the subsidiary Alpitour begun in the first quarter of 2011 and concluded on December 23, 2011 when a preliminary agreement was reached for its sale, all the assets and liabilities of the Alpitour Group were reclassified, in accordance with IFRS 5, to Assets and liabilities held for sale, beginning June 30, 2011; the items of the income statement, instead, were reclassified to Discontinued Operations since the Alpitour Group represents an important separate business segment for the EXOR Group. The income statement for the year ended December 31, 2010 was restated for purposes of comparison.
Since the contract for sale signed on December 23, 2011 is subject to conditions precedent, the accounting treatment in accordance with IFRS 5, adopted beginning June 30, 2011, was retained in the financial statements at December 31, 2011.

The following is a reconciliation between the 2010 published and restated income statements:

€ million	Consolidated Exor Group (published)	Reclassification of Alpitour Group	Alpitour elimination	Consolidated Exor Group (restated) (b)
Net revenues	58,985	(1,227)	4	57,762
Cost of sales	(50,216)	1,119	0	(49,097)
Selling, general and administrative costs	(5,009)	79	0	(4,930)
Research and development costs	(1,431)	0	0	(1,431)
Other income (expenses)	(156)	4	0	(152)
Trading profit/(loss)	**2,173**	**(25)**	**4**	**2,152**
Gains (losses) on the disposal of investments	15	0	0	15
Restructuring costs	(178)	0	0	(178)
Other unusual income (expenses)	(57)	3	0	(54)
Operating profit/(loss)	**1,953**	**(22)**	**4**	**1,935**
Financial income (expenses)	(912)	2	0	(910)
Result from investments:				
- Share of profit/(loss) of companies accounted for using the equity method	200	0	0	200
- Other income (expense) from investments	36	0	0	36
Result from investments	236	0	0	236
Profit/(loss) before taxes	**1,277**	**(20)**	**4**	**1,261**
Income taxes	(706)	8	0	(698)
Profit/(loss) from continuing operations	**571**	**(12)**	**4**	**563**
Profit/(loss) from Discontinued Operations	0	12	(4)	8
Profit/(loss)	**571**	**0**	**0**	**571**
Profit/(loss) attributable to:				
- Owners of the parent	**137**	**0**	**0**	**137**
- Non-controlling interests	434	0	0	434

(a) Reclassification of the revenues and costs of the Alpitour Group to Profit (loss) from Discontinued Operations, for purposes of comparison.

Format of the consolidated financial statements

The EXOR Group presents an income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method"), rather than based on their nature, as this is believed to provide information that is more relevant. The format selected is that used for managing the business and for management reporting purposes by the Fiat and Fiat Industrial Groups and is consistent with international practice in the automotive and capital goods sectors. In this income statement, in which the classification of expenses is based on their function, the Trading profit (loss) is reported specifically as part of Operating profit/(loss) and separate from the income and expense resulting from non-recurring transactions in the ordinary course of operations, such as Gains (losses) on the sale of investments, Restructuring costs and any Other income (expenses) defined as unusual and of a similar nature to these items. By doing this, it is believed that the Group's actual performance from normal trading operations may be measured in a better way, while disclosing specific details of unusual income and expenses.

Consequently, the definition of unusual transactions adopted by the EXOR Group differs from that provided in the Consob Communication of July 28, 2006, under which unusual and abnormal transactions are those which, because of their significance or importance, the nature of the parties involved, the object of the transaction or the methods of determining the transfer price or the timing of the event (close to the year-end), may give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the safeguarding of an entity's assets or the protection of non-controlling interests.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1. In more detail, both companies carrying out industrial activities and those carrying out financial activities in the Fiat and Fiat Industrial Groups are consolidated in the EXOR Group's financial statements. The investment portfolios of financial services companies of the Fiat and Fiat Industrial Groups are included in current assets, as the investments will be realized in their normal operating cycle. The financial services companies of the Fiat and Fiat Industrial Groups, though, obtain funds only partially from the market: the remaining are obtained from Fiat S.p.A. and Fiat Industrial S.p.A. through their treasury companies (included in industrial companies), which lend funds both to industrial companies and to financial services companies as the need arises. As for the Fiat Group, Chrysler, on the other hand continues to remain separate from a financial management standpoint and manages its treasury services (including cash management and financing activities) on its own, obtaining funds on the market and managing cash directly. This financial service structure within the Fiat and Fiat Industrial Groups means that any attempt to separate current and non-current debt in the consolidated statement of financial position cannot be meaningful, also at the EXOR level. Suitable disclosure as to the due date of liabilities is however provided in the notes.

The statement of cash flows is presented using the indirect method.

The other subsidiaries operating mainly in the services sector (Alpitour Group and C&W Group) as well as Juventus Football Club and the other companies in the Holdings System have provided their data according to such formats for the consolidation reporting purposes of the EXOR Group. For the definition of "Holdings System, see "Review of the consolidated results of the EXOR Group – Shortened" in the Report on Operations.

In connection with the requirements of Consob Resolution 15519 of July 27, 2006 as to the formats of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Basis of consolidation

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – Consolidated and Separate Financial Statements. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are combined in the consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the net assets of consolidated subsidiaries and non-controlling interests in the profit or loss of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and income statement respectively. Losses applicable to non-controlling interests which exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the Equity attributable to owners of the parent and Non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the book value of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any profits or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to profit or loss or transferred directly to retained earnings depending on the applicable IFRS). The fair value of any investment retained in the former subsidiary is measured in accordance with IAS 39, IAS 28 or IAS 31, depending on the type of investment.

Jointly controlled entities

Jointly controlled entities are enterprises in which the Group has contractually agreed sharing of control or for which a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in jointly controlled entities are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence, as defined in IAS 28 – Investments in Associates, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's balance sheet, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in Other comprehensive income until the assets are sold or are impaired, when the cumulative gains and losses previously recognized in equity are recognized in the income statement of the period.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from Investments in other companies are included in Other income (expenses) from investments.

Transactions eliminated on consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the functional currency and translated at the exchange rate at the acquisition date. These balances are translated at subsequent balance sheet dates at relevant exchange rate.

The principal exchange rates used to translate the 2011 and 2010 financial statements of foreign companies prepared in currencies other than the Euro were as follows:

	At December 31, 2011		At December 31, 2010	
	Average	At 12/31/2011	Average	At 12/31/2010
U.S. dollar	**1.392**	**1.294**	1.326	1.336
British pound	**0.868**	**0.835**	0.858	0.861
Swiss franc	**1.233**	**1.216**	1.380	1.250
Polish zloty	**4.121**	**4.458**	3.995	3.975
Brazilian real	**2.327**	**2.416**	2.331	2.218
Argentine peso	**5.742**	**5.561**	5.183	5.303

In the context of IFRS First-time adoption, the cumulative translation difference arising from the consolidation of foreign operations outside the eurozone was set at nil, as permitted by IFRS 1; any gains or losses on the subsequent disposal of any foreign operations therefore only include the accumulated translation differences arising since January 1, 2004.

Business Combinations

Business combinations are accounted for by applying the acquisition method. Under this method:

- the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred;
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree and assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard;
- goodwill is measured as the excess of the aggregate of the consideration transferred in the business

combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain;

- non-controlling interest is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction basis;
- any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date;
- when a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in income statements. Changes in the equity interest in the acquiree that have been recognized in Other comprehensive income in prior reporting periods are reclassified to profit or loss as if the interest had been disposed;
- if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete in the consolidated financial statements. Those provisional amounts are adjusted during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date which, if known, would have affected the amounts recognized at that date.
  Business combinations that took place prior to January 1, 2010 were accounted for in accordance with the previous version of IFRS 3.

Date of reference

The investments are consolidated using the financial statements at December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group. This treatment is allowed by IAS 27 – Consolidated and Separate Financial Statements.

Intangible assets

Goodwill

Goodwill arising on business combinations is initially measured at cost as established at the acquisition date, as defined in the above paragraph. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.

In the context of IFRS First-time adoption, the Group elected not to apply IFRS 3 – Business Combinations retrospectively to the business combinations that occurred before January 1, 2004; as a consequence, goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous Italian GAAP amounts, subject to impairment testing at that date.

Development costs

Development costs for vehicle project production and related components, engines, and production systems (trucks, buses, agricultural and construction equipment and engines) are recognized as an asset if and only if both of the following conditions are met: that development costs can be measured reliably and that technical

feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process.
Capitalized development costs are amortized on a systematic basis from the start of production of the related product over the product‘s estimated average life, as follows:

	Number of years	
	Fiat	Fiat Industrial
Vehicles	3-5	
Trucks and Buses		4-8
Agricultural and Construction Equipment		5
Engines	8-10	8-10
Components and Production Systems	3-5	

All other development costs are expensed as incurred.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of acquired brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

Players’ registration rights

Players' registration rights are intangible assets with a finite useful life equal to the duration of the players' contracts that were signed with the individual players. The players' registration rights are recorded at cost discounted to present value, including any incidental expenses.
Players' registration rights are amortized on a straight-line basis over the term of the contracts between the company and each individual player. The original amortization plan can be extended following the early renewal of the contract, starting from the same season in which the contract is renewed. For “registered young players”, amortization is taken over five years on a straight-line basis.
Players' registration rights are recognized on the enforceability date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date as indicated by the Italian Soccer Federation for international transfers.
When there are indications of an impairment in the players' registration rights (for example, serious injury or significant losses from disposals made subsequent to the reporting date, as well as market and contractual conditions which actually prevent the sale of players no longer compatible with the technical program), an impairment loss is recorded for the remaining carrying amount.

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – Intangible Assets, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives. Other intangible assets acquired as part of the acquisition of a business are capitalized separately from goodwill if their fair value can be measured reliably.

Property, plant and equipment

Cost

Property, plant and equipment are stated at acquisition or production cost.
Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a debt. The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

%	Buildings	Plant and machinery	Equipment	Other assets
Minimum depreciation rate:				
Fiat	2.0%	3.0%	3.0%	5.0%
Fiat Industrial	2.5%	6.3%	6.3%	10.0%
C&W Group				14.0%
Alpitour	2.0%	10.0%	7.5%	5.0%
Juventus F.C.	3.0%	10.0%		12.0%
Holdings System		3.0%		12.0%
Maximum depreciation rate:				
Fiat	10.0%	33.0%	33.0%	33.0%
Fiat Industrial	10.0%	20.0%	20.0%	25.0%
C&W Group				33.0%
Alpitour	10.0%	30.0%	25.0%	30.0%
Juventus F.C.	10.0%	19.0%		25.0%
Holdings System		20.0%		20.0%

Land is not depreciated.

Leased assets

Leased assets include vehicles leased to retail customers under operating lease arrangements. They are stated at cost and depreciated at annual rates of between 7% and 20% by the Fiat Group and between 20% and 33% by the Fiat Industrial Group. When such assets cease to be rented and become held for sale, the Group reclassifies their carrying amount to Inventories.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – Borrowing Costs), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized and amortized over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Impairment of assets

The Group reviews, at least annually, the recoverability of the carrying amount of intangible assets (including capitalized development costs) and property, plant and equipment, in order to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that the asset may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount that is the higher of fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets, other than goodwill and other intangible assets with indefinite useful lives subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in profit or loss immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39, include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents. In particular, Cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value. Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents; current securities include both available-for-sale and held for trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Measurement

Investments in unconsolidated companies classified as non-current financial assets are accounted for as described in the paragraph – Investments in other companies.

Non-current financial assets other than investments, as well as current financial assets and financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*.

Current financial assets and held-to-maturity securities are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs.

Subsequent to initial recognition, available-for-sale and held for trading financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques e.g. discounted cash flow analysis based on market information available at the balance sheet date.

Gains and losses on available-for-sale financial assets are recognized directly in Other comprehensive income until the financial asset is disposed or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in Other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement. Gains and losses arising from changes in the fair value of held for trading financial instruments are included in the income statement for the period.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), held-to-maturity securities and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is included in the income statement for the period.

Except for derivative instruments, financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities hedged against changes in fair value (fair value hedge) are measured in accordance with hedge accounting principles: gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks (primarily concerning commodities and securities). In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

All derivative financial instruments are measured in accordance with IAS 39 at fair value.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedges – Where a derivative financial instrument is designated as a hedge of the exposure to changes in fair value of a recognized asset or liability that is attributable to a particular risk and could affect the income statement, the gain or loss from remeasuring the hedging instrument at fair value is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is recognized in the income statement.
- Cash flow hedges – Where a derivative financial instrument is designated as a hedge of the exposure to variability in future cash flows of a recognized asset or liability or a highly probable forecasted transaction and could affect the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognized directly in Other comprehensive income. The cumulative gain or loss is removed from Other comprehensive income and recognized in the income statement at the same time as the economic effect arising from the hedged item affects income. The gain or loss associated with a hedge or part of a hedge that has become ineffective is recognized in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in Other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- Hedges of a net investment – If a derivative financial instrument is designated as a hedging instrument for a net investment in a foreign operation, the effective portion of the gain or loss on the derivative financial instrument is recognized in Other comprehensive income. The cumulative gain or loss is reclassified from Other comprehensive income to profit or loss on the disposal of the foreign operation.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the income statement.

Sales of receivables

The Group sells certain of its financial, trade and tax receivables, mainly through factoring transactions. Factoring transactions may be with or without recourse to the seller; certain factoring agreements without recourse include deferred purchase price clauses (i.e. the payment of a minority portion of the purchase price is conditional upon the full collection of the receivables), require a first loss guarantee of the seller up to a limited amount or imply a continuing significant exposure to the cash flows of the sold receivables. These kinds of transactions do not meet IAS 39 requirements for assets derecognition, since the risks and rewards have not been substantially transferred.

Consequently, all receivables sold through factoring transactions which do not meet IAS 39 derecognition requirements are recognized as such in the Group financial statements even though they have been legally sold; a corresponding financial liability is recorded in the consolidated statement of financial position as Asset-backed financing. Gains and losses relating to the sale of such assets are not recognized until the assets are removed from the Group statement of financial position.

Inventories

Inventories of raw materials, semi-finished products and finished goods, (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of construction contracts is based on the stage of completion determined as the proportion that cost incurred to the balance sheet date bears to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they become known.

Assets and liabilities held for sale and Discontinued Operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Employee benefits

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the Group attributes benefits to periods in which the obligation to provide post-employment benefits arise. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to available market price of the assets; where no market price is available, the fair value of plan assets is estimated using a valuation technique.

Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and the actual result, together with the effects of changes in actuarial assumptions. In measuring the defined benefit liability the Group recognizes the portion of net cumulative actuarial gains and losses that exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of plan assets at the end of the previous year. That portion is amortized over the average remaining service lives of the employees who are covered by the plan (the “corridor method”).

The liability for employee benefits recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for deferred actuarial gains and losses arising from the application of the corridor method and unrecognized past service cost, reduced by the fair value of plan assets. Any net asset resulting from this calculation is recognized at the lower of the amount arising from this calculation and the total of any unrecognized net actuarial losses, unrecognized past service costs and the present value of any refunds available and reductions in future contributions to the plan.

If changes are made to a plan that alter the benefits due for past service or if a new plan is introduced regarding past service then past service costs are recognized in profit or loss on a straight-line basis over the average period remaining until the benefits vest. If a change is made to a plan that significantly reduces the number of employees who are members of the plan or that alters the conditions of the plan such that employees will no longer be entitled to the same benefits for a significant part of their future service, or if such benefits will be reduced, the profit or loss arising from such changes is immediately recognized in the income statement.

All other costs and income arising from the measurement of pension plan provisions are allocated by function in the income statement, except for interest cost on unfunded defined benefit plans which is reported as part of Financial expenses.

Costs arising from defined contribution plans are recognized as an expense as incurred.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for pension plans.

Until December 31, 2006 the scheme underlying the Employee leaving entitlements of the Italian Group companies was classified as a defined benefit plan. The legislation regarding this scheme was amended by Law 296 of December 27, 2006 (the “2007 Finance Law”) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan for those benefits accruing prior to January 1, 2007 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

Share-based compensation plans

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the benefit with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in profit or loss, with a corresponding increase or decrease in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in profit or loss.

Provisions

The Group records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Fiat Group

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably. Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognized at the time of the initial sale.

Revenues from the sale of products are recognized when the risks and rewards of ownership of the goods are transferred to the customer, the sales price is agreed or determinable and receipt of payment can be assumed: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales. New vehicle sales with a buy-back commitment are not recognized at the time of delivery but are accounted for as operating leases when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment are accounted for as Inventories. The difference between the carrying amount (corresponding to the manufacturing cost) and the estimated resale value (net of reconditioning costs) at the end of the buy-back period is recognized in the income statement on a straight-line basis over the contract term. The initial sale price received is recognized in liabilities as a down payment. The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease. The proceeds from the sale of such assets are recognized as Revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals and interest income from financial services companies.

Fiat Industrial Group

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably. Revenues are stated net of discounts, allowances, settlement discounts and rebates, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognized at the time of the initial sale.

Revenues from the sale of products are recognized when the risks and rewards of ownership of the goods are transferred to the customer, the sales price is agreed or determinable and receipt of payment can be assumed: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales. New vehicle sales with a buy-back commitment are not recognized at the time of delivery but are accounted for as operating leases when it is probable that the vehicle will be bought back. More specifically, vehicles sold with a buy-back commitment from the Trucks and Commercial Vehicles sector are accounted for as Property, plant and equipment because agreements have usually a long-term buy-back commitment. The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same period. The initial sale price received is recognized as an advance payment (liability). The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease. Assets sold under a buy-back commitment that are initially recognized in Property, plant and equipment are reclassified to Inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as Revenues.

Revenues from construction contracts are recognized by reference to the stage of completion.

Revenues from the sale of extended warranties and maintenance contracts are recognized over the period during which the service is provided.

Revenues also include lease rentals and interest income from financial services companies.

C&W Group

C&W Group recognizes revenues rendered for the services lines including: Leasing, Capital Markets, Corporate Occupier and Investor Services, Valuation & Advisory and Corporate Real Estate Business Consulting Services.
Revenues under Leasing (real estate sales and leases) are recognized when executed and the amount can be measured reliably, unless significant material future contingencies exist, in which case they are recognized when the contingency is resolved.
Revenues of Capital Markets are recognized when the contract is closed.
Revenues of Corporate Occupier & Investor Solutions are recognized as the services are being rendered.
Revenues for Valuation & Advisory and Global Business Consulting activities are recognized when the service has been completed or as the services are being rendered.
The C&W Group recognizes certain reimbursements (primarily salaries and related charges) mainly related to the facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Alpitour Group

Sales of tourist packages, airplane transportation services and brokering revenues are recognized based on the clients' departure date.
Revenues for hotel services and services rendered in connection with the incoming sector are recognized in the income statement at the service performance date.
Premiums connected with reinsurance activities are recognized in the income statement on the client's departure date since the insurance coverage is strictly related to the travel package.

Juventus Football Club

Revenues from games, from radio and television rights and media revenues are recognized at the actual moment of the event (when the game is played). Revenues from season tickets are recognized when the tickets are paid even if payment is received at the end of the season preceding the season to which the tickets refer and are deferred on the accrual basis using the same principle (when the game is played).
Revenues from the performance of services (including sponsorships) are recognized on the basis of the stage of completion of the service or upon completion of the service.
Revenues are recorded net of returns, discounts and allowances.
Gains and losses from the sale of players' registration rights are recognized according to the enforceability date affixed by the National Professional League giving execution to the contracts for national transfers and the transfer date indicated by the Italian Soccer Federation for international transfers.

Cost of sales

Fiat Group

Cost of sales comprises the manufacturing cost of products and the acquisition cost of purchased merchandise which have been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer. Revenues from the sale of extended warranties and maintenance contracts are recognized over the period during which the service is provided.
Expenses which are directly attributable to the financial services businesses, including the interest expense related to the financing of financial services businesses as a whole and charges for risk provisions and writedowns, are reported in cost of sales.

Fiat Industrial Group

Cost of sales comprises the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all production overheads. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories. Cost of sales also includes freight and insurance costs relating to deliveries to dealer and agency fees in the case of direct sales.

Cost of sales also includes provisions made to cover the estimated cost of product warranties at the time of sale to dealer networks or to the end customer.

Expenses which are directly attributable to the financial services businesses, including the interest expense related to the financing of financial services businesses as a whole and charges for risk provisions and writedowns, are reported in cost of sales.

C&W Group

Cost of sales includes expenses that are directly attributable to the generation of revenues. An example is employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties.

Alpitour Group

The types of costs included in cost of sales by the Alpitour Group are divided by business sector:

- Tour Operating: ground service costs, flights and transportation and other costs connected with performing tourist services, commissions paid to travel agencies, personnel costs relating to the product, advertising and promotion strictly connected to promotional activities involving the product, printing and shipment of catalogs, provision relating to the technical reserve connected with reinsurance activities and travel vouchers and commercial exchange differences;
- Hotel: all the operating costs connected with hotel activities, personnel relating to management of the hotels and resorts, amortization of marketing rights, amortization and lease installments relating to hotel resorts, commercial exchange differences, local taxes and local taxes on structures;
- Aviation: airport services, landing and fly-over fees net of recoveries, fuel costs and catering services, maintenance costs and aircraft management, dry leases and wet leases, cost of personnel assigned to manage the aircraft, depreciation of aircraft, exchange differences and hedge effects on fuel and leases;
- Distribution: organized trip purchases, costs for the computer network, over-commissions, operating costs linked to the management of agencies, cost of agency personnel, travel agency lease payments and depreciation of owned travel agencies;
- Incoming: costs for hotel services, costs relating to excursions and tours, rent of means of transport and personnel costs.

Juventus Football Club

Cost of sales mainly includes the costs of technical staff, amortization and writedowns of players' registration rights, operating and maintenance costs of sports facilities, as well as all the costs incurred for sports events.

Research and development costs

This item includes research costs, development costs not eligible for capitalization and the amortization and any impairment losses of development costs recognized as assets in accordance with IAS 38.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies already used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to Other comprehensive income, in which case the related income tax effect is recognized in other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the consolidated financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carryforward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the periods in which temporary differences reverse or expire.

Dividends

Dividends payable by the Group are reported as a movement in equity in the period in which they are approved by shareholders in their annual general meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to owners of the parent entity assignable to the various classes of shares by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all dilutive potential shares.

Use of estimates

The consolidated financial statements are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant.

In this respect, the situation caused by the continuing difficulties of the economic and financial environment, in particular in the eurozone, led to the need to make assumptions regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise in the future which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted. The main items affected by these situations of uncertainty are non-current assets (tangible and intangible assets), the residual values of vehicles leased out under operating lease arrangements or sold with buy-back clauses, incentives, sales allowances, product warranties, deferred tax assets, provision for employee benefits, allowances for inventories and contingent liabilities.

The estimates and underlying assumptions are reviewed periodically and continuously by the Group. If the items considered in this process perform differently, then the actual results could differ from the estimates, which would accordingly require adjustment. The effects of any changes in estimate are recognized in profit or loss in the period in which the adjustment is made if it only affects that period, or in the period of the adjustment and future periods if it affects both current and future periods.

The following are the critical measurement processes and key assumptions used by the Group in applying IFRSs which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future.

Fiat Group - Business combinations

As discussed below in the Section – “Fiat Group – Acquisition of control of Chrysler and subsequent acquisition of non-controlling interests”, in accordance with the requirements of IFRS 3 in these financial statements the Group has recognized the identifiable assets acquired, the identifiable liabilities assumed (with certain exceptions as specified in the standard), and the non-controlling interests in Chrysler Group LLC at their respective fair values at the date of acquisition of control and has calculated the goodwill resulting from the operation as the residual balance with respect to such amounts. These values were calculated through a complex process of estimating the identifiable assets and liabilities and the fair value of Chrysler, which was completed on December 31, 2011; this process was based on assumptions which are believed to be reasonable and realistic with respect to the information available at the date of the acquisition of control and which have affected the value at which the assets, liabilities, non-controlling interests and goodwill are recognized as well as the amount of income and expense for the period.

Fiat Group - Recoverability of non-current assets

Non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business plans.

In respect of the future expected cash flows used in this analysis, in view of the current difficult economic and financial situation, the various sectors of the Group have taken into consideration their expected performance for 2012, for which the assumptions and results are consistent with the statements made in the section – Significant events subsequent to the year end and outlook. In addition, for the plans of subsequent years they have made prudent revisions to their respective original plans to take account of a still difficult economic and financial situation, characterized by a level of uncertainty regarding economic activity, especially in the eurozone. Future expected cash flows also consider the effects of the process for the strategic realignment of the manufacturing and commercial activities of Fiat with those of Chrysler, which accelerated further in 2011 following the acquisition of the control of Chrysler, as well as the realignment of certain minor activities. On the basis of these considerations, the Group recognized impairment losses in 2011 on goodwill, development costs and other tangible assets mainly in the sectors Fiat Group Automobiles, Comau, and Magneti Marelli (see Notes 14 and 15).

The estimates and assumptions used as part of that analysis reflect the current state of the Group’s available knowledge as to the expected future development of the business of the various sectors and are based on a realistic assessment of the future development of the markets and the car industry, which remain subject to a high degree of uncertainty due to the continuation of the economic and financial crisis and its effects on that industry. Although current Group estimates do not indicate any other situations concerning possible impairment losses on non-current assets, any different developments in the economic environment or Group performance could result in amounts that differ from the original estimates, needing the carrying amount of certain non-current assets being adjusted.

Fiat Group - Recoverability of deferred tax assets

At December 31, 2011, the Fiat Group had deferred tax assets on deductible temporary differences and theoretical tax benefits arising from tax loss carryforwards of €9,202 million, of which €4,363 million is not recognized in the financial statements. The corresponding totals at December 31, 2010 were €5,212 million and €2,170 million, respectively. The Group has recorded these valuation allowances to reduce deferred tax assets to the amount that it believes it is probable will be recovered. In making these adjustments, management has taken into consideration figures from budgets and forecasts consistent with those used for impairment testing and discussed in the preceding paragraph relating to the recoverable amount of non-current assets. Moreover, the adjustments that have been recognized are considered to be sufficient to protect against the risk of a further deterioration of the assumptions in these forecasts, taking account of the fact that the net deferred assets accordingly recognized relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a situation in which the time needed to exit from the crisis and for an economic recovery to occur extends beyond the term implicit in the above-mentioned estimates.

Fiat Group - Pension plans and other post-retirement benefits

Employee benefit liabilities with the related assets, costs and net interest expense are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net liability or net asset. The actuarial method takes into consideration parameters of a financial nature such as the discount rate and the expected long term rate of return on plan assets, the growth rate of salaries and the growth rates of health care costs and the likelihood of potential future events by using demographic assumptions such as mortality rates, dismissal or retirement rates.

In particular, the discount rates selected are based on yields and yield curves of high quality corporate bonds in the relevant market. The expected returns on plan assets are determined considering various inputs from a range of advisors concerning long-term capital market returns, inflation, current bond yields and other variables, adjusted for any specific aspects of the asset investment strategy. Salary growth rates reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in health care costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

As a result of adopting the corridor method for the recognition of the actuarial gains and losses arising from the valuation of employee benefit liabilities and assets (see the above paragraph - Employee benefits), the effects resulting from revising the estimates of the above parameters are not recognized in the statement of financial position and income statement when they arise. The disclosure of the effects of changes in estimates is discussed in Note 25.

Fiat Group - Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the loss in value expected by the Group, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Fiat Group - Incentives

At the later of time of sale or the time an incentive is announced to dealers, the Group records the estimated cost of sales allowances in the form of dealer and customer incentives as a reduction of revenue. There are numerous types of incentives used in the Group, which may also depend on the time they are granted; for this reason several factors are used to estimate the amount of incentives and a change in any one of these factors could have a significant effect on the amount of revenue recognized.

Fiat Group - Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. The estimate of the provision is based on historical information concerning the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims.

Fiat Group - Contingent liabilities

The Group makes a provision for pending disputes and legal proceedings when it is considered probable that there will be an outflow of funds and when the amount of the losses arising from such can be reasonably estimated. If an outflow of funds becomes possible but the amount cannot be estimated, the matter is disclosed in the notes. The Group is the subject of legal and tax proceedings covering a range of matters which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the outflow of funds which will result from such disputes with any certainty. Moreover, the cases and claims against the Group often derive from complex and difficult legal issues which are subject to a different degree of uncertainty, including the facts and circumstances of each particular case, the jurisdiction and the different laws involved. In the normal course of business the Group monitors the stage of pending legal procedures and consults with legal counsel and experts on legal and tax matters. It is therefore possible that the provisions for the Group's legal proceedings and litigation may vary as the result of future developments of the proceedings in progress.

Fiat Industrial Group - Allowance for doubtful accounts

The allowance for doubtful accounts reflects management's estimate of losses inherent in the wholesale and retail credit portfolio. This allowance is based on the Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, this could lead to a further deterioration in the financial situation of the Group's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Fiat Industrial Group - Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the loss in value expected by the Group, and has been determined on the basis of past experience and historical and expected future trends in the used vehicle market. A worsening of the economic and financial situation could cause a further deterioration in conditions in the used vehicle market compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

Fiat Industrial Group - Recoverability of non-current assets (including goodwill)

Non-current assets include property, plant and equipment, intangible assets (including goodwill), investments and other financial assets. Management reviews the carrying value of non-current assets held and used and that of assets to be disposed of when events and circumstances warrant such a review. Management performs this review using estimates of future cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. If the carrying amount of a non-current asset is considered impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to its most recent business forecasts.

In view of the present economic and financial situation, the Group has the following considerations in respect of its future prospects:

- In this context, when preparing figures for the consolidated financial statements for the year ended December 31, 2011 and more specifically when carrying out impairment testing of tangible and intangible assets, the various sectors of the Group took into account their performance for 2012 as forecast in the budgets of the Fiat Industrial Group, with assumptions and results consistent with the statements made in the section Significant events subsequent to the year end and outlook. In addition, for subsequent years they took into account the forecasts and targets included in the Fiat Group's 2010-2014 Strategic Plan presented to the financial community on April 21, 2010, as prudently revised down, if necessary, for expected changes in market conditions. These forecasts did not indicate the need to recognize any significant impairment losses.

In addition, should the assumptions underlying the forecast deteriorate further the following is noted:

- the Group's tangible assets and intangible assets with a finite useful life (which essentially regard development costs) relate to models or products having a high technological content in line with the latest environmental laws and regulations, which consequently renders them competitive in the present economic situation, especially in the more mature economies in which particular attention is placed on the eco-sustainability of those types of products. As a result, therefore, despite the fact that the capital goods sector (in particular, commercial vehicles and construction equipment in certain specific geographical areas) is one

of the markets most affected by the crisis in the immediate term, it is considered highly probable that the life cycle of these products can be lengthened to extend over the period of time involved in a slower economic recovery, in this way allowing the Group to achieve sufficient earnings flows to cover the investments, albeit over a longer timescale;
- around 97% of capitalized goodwill relates to the CNH business amounting to €1,872 million at December 31, 2011. Detailed analyzes using various methodologies were carried out to test its recoverability; the underlying considerations are described in Note 14.

Fiat Industrial Group - Residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment

The Group reports assets rented to customers or leased to them under operating leases as tangible assets. Furthermore, new vehicle sales with a buy-back commitment are not recognized as sales at the time of delivery but are accounted for as operating leases if it is probable that the vehicle will be bought back. The Group recognizes income from such operating leases on a straight-line basis over the term of the lease. Depreciation expense for assets subject to operating leases is recognized on a straight-line basis over the lease term in amounts necessary to reduce the cost of an asset to its estimated residual value at the end of the lease term. The estimated residual value of leased assets is calculated at the lease inception date on the basis of published industry information and historical experience.

Realization of the residual values is dependent on the Group's future ability to market the assets under the then-prevailing market conditions. The Group continually evaluates whether events and circumstances have occurred which impact the estimated residual values of the assets on operating leases. The used vehicle market was carefully monitored throughout 2011 to ensure that writedowns were properly determined. It cannot however be excluded that additional writedowns may be needed if market conditions should deteriorate even further.

Fiat Industrial Group - Sales allowances

At the later time of sale or the time an incentive is announced to dealers, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. There may be numerous types of incentives available at any particular time. The determination of sales allowances requires management estimates based on different factors.

Fiat Industrial Group - Product warranties

The Group makes provisions for estimated expenses related to product warranties at the time products are sold. Management establishes these estimates based on historical information on the nature, frequency and average cost of warranty claims. The Group seeks to improve vehicle quality and minimize warranty expenses arising from claims.

Fiat Industrial Group - Pension and other post-retirement benefits

Group companies sponsor pension and other post-retirement benefits in various countries, mainly in the United States, in the United Kingdom and in Germany.

Employee benefit liabilities and the related assets and the costs and net interest expense connected with them are measured on an actuarial basis which requires the use of estimates and assumptions to determine the net liability or net asset for the Group. The actuarial method takes into consideration parameters of a financial nature such as the discount rate, the expected rate of return on plan assets, the growth rate of salaries and the growth rate of health care costs and takes into consideration the likelihood of potential future events by using parameters of a demographic nature such as mortality rates and dismissal or retirement rates. In particular, the discount rates selected are based on yields or yield curves of high quality corporate bonds in the relevant market. The expected returns on plan assets are determined on the basis of expectations for long-term capital market returns, inflation, current bond yields and other variables, adjusted for any specific aspects of the asset investment strategy. Trends in health care costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends. Salary growth rates reflect the Group's long-term actual expectation in the reference market and inflation trends. Changes in any of these assumptions may have an effect on future contributions to the plans.

The effects resulting from revising the estimates for the above parameters are not recognized in the statement of financial position and income statement when they arise but are recognized using the "corridor method" adopted by the Group: a detailed explanation of the way in which the method for recognizing the actuarial gains and losses arising from the measurement of the liabilities and assets relating to employee benefits works may be found in the Employee benefits section above.

In this situation it cannot be excluded that significant future changes in the yields of corporate bonds or in the other actuarial assumptions referred to above may lead to effects on the liability and the unrecognized actuarial gains and losses, also taking into account however any simultaneous changes in the returns on any plan assets.

Fiat Industrial Group - Realization of deferred tax assets

At December 31, 2011, the Fiat Industrial Group had deferred tax assets and theoretical tax benefits arising from tax loss carry forwards of €1,588 million, of which €502 million is not recognized in the financial statements. The corresponding totals at December 31, 2010 were €2,555 million and €685 million, respectively. Management has recorded these valuation allowances to reduce deferred tax assets to the amount that it believes it is probable will be recovered. In making these adjustments, management has taken into consideration figures from budgets and forecasts consistent with those used for impairment testing and discussed in the preceding paragraph relating to the recoverable amount of non-current assets. Moreover, the adjustments that have been recognized are considered to be sufficient to protect against the risk of a further deterioration of the assumptions in these forecasts, taking account of the fact that the net deferred assets accordingly recognized relate to temporary differences and tax losses which, to a significant extent, may be recovered over a very long period, and are therefore consistent with a situation in which the time needed to exit from the crisis and for an economic recovery to occur extends beyond the term implicit in the above-mentioned estimates.

Fiat Industrial Group - Contingent liabilities

The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Holdings System and other subsidiaries

The critical measurement processes of the Holdings System refer mainly to the measurement of investments and certain financial assets whose fair value is determined by independent third-party appraisals.
For the C&W Group, the critical measurement processes relate to the impairment testing of goodwill, trademarks and other assets with indefinite useful lives. At December 31, 2011, based on the impairment test on goodwill performed by C&W Group no impairment charges were required.

Accounting principles, amendments and interpretations adopted from January 1, 2011

On November 4, 2009, the IASB issued a revised version of IAS 24 - Related Party Disclosures that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. Application of this amendment did not have any significant effects on the measurement of items in the Group's financial statements and had only limited effects on the disclosures for related party transactions provided in these consolidated financial statements.

Standards, amendments and interpretations effective from January 1, 2011 but not applicable to the Group

The following amendments, improvements and interpretations have also been issued and are effective from January 1, 2011; these relate to matters that were not applicable to the Group at the date of these consolidated financial statements but which may affect the accounting for future transactions or arrangements:

- An amendment to IAS 32 - Financial Instruments: Presentation, Classification of Rights Issues.
- An amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.
- Improvements to IAS/IFRS (2010).

Standards, amendments and interpretations not yet applicable and not early adopted by the Group

Except for the amendments to IFRS 7 – Financial Instruments: Disclosures issued on October 7, 2011 described below, the European Union had not yet completed its endorsement process for these standards and amendments at the date of these consolidated financial statements:

- on November 12, 2009, the IASB issued a new standard IFRS 9 – Financial Instruments that was subsequently amended. This standard, having an effective date for mandatory adoption of January 1, 2015 retrospectively, represents the completion of the first part of a project to replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. The most significant effect of the standard regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Under the new standard these changes are recognized in Other comprehensive income and are not subsequently reclassified to profit or loss;
- on December 20, 2010, the IASB issued an amendment to IAS 12 – Income Taxes which clarifies the accounting for deferred tax relating to investment properties measured at fair value. The amendment introduces the presumption that the carrying amount of deferred taxes relating to investment properties measured at fair value under IAS 40 will be recovered through sale. As a result of the amendments, SIC-21 – Income Taxes – Recovery of Revalued Non-Depreciable Assets no longer applies. These amendments are effective retrospectively from January 1, 2012;
- on May 12, 2011, the IASB issued IFRS 10 – Consolidated Financial Statements replacing SIC-12 – Consolidation-Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (which has been renamed Separate Financial Statements and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively from January 1, 2013. The EXOR Group, as previously indicated, has used this standard to interpret the notion of de facto control for purposes of the application of IAS 27, currently in effect;
- on May 12, 2011, the IASB issued IFRS 11 – Joint Arrangements superseding IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly-controlled Entities - Non-Monetary Contributions by Venturers. The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form and requires a single method to account for interests in jointly-controlled entities, the equity method. The standard is effective retrospectively from January 1, 2013. Following the issue of the new standard, IAS 28 – Investments in Associates has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the effective date of the standard);
- on May 12, 2011, the IASB issued IFRS 12 – Disclosure of Interests in Other Entities, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The standard is effective for annual periods beginning after January 1, 2013;
- on May 12, 2011, the IASB issued IFRS 13 – Fair Value Measurement, clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value

measurement or the presentation of disclosures based on fair value. The standard is effective prospectively from January 1, 2013;

- on June 16, 2011, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring companies to group together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendment is applicable for periods beginning on or after July 1, 2012;
- on June 16, 2011, the IASB issued an amended version of IAS 19 – Employee Benefits. The amendments make improvements to the previous version by eliminating the option to defer the recognition of gains and losses, known as the "corridor method", and by requiring the whole of the fund's deficit or surplus to be presented in the statement of financial position, the components of cost relating to service and net interest to be recognized in profit or loss and actuarial gains and losses arising from the remeasurement of assets and liabilities at each balance sheet date to be recognized in other comprehensive income. In addition, the return on assets included in net interest costs must now be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. The amendments also introduce the requirement for additional disclosures to be provided in the notes. The amended version of IAS 19 is applicable on a retrospective basis from January 1, 2013;
- on December 16, 2011, the IASB issued certain amendments to IAS 32 – Financial Instruments: Presentation to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively;
- on December 16, 2011, the IASB issued certain amendments to IFRS 7 – Financial Instruments: Disclosures. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The required disclosures should be provided retrospectively.

Finally, on October 7, 2010, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures. The amendments will enable users of financial statements to improve their understanding of transfers ("derecognition") of financial assets, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of a transfer transaction is undertaken at the end of a reporting period. Entities are required to apply the amendments for annual periods beginning on or after July 1, 2011. Application of this amendment is not expected to have any effects on the measurement of items in the financial statements.

SCOPE OF CONSOLIDATION

During 2011, the following changes took place in the scope of consolidation of the Group compared to December 31, 2010.

Fiat Group

The following changes took place in the scope of consolidation, in addition to those relating to the demerger:

- on May 24, 2011, Fiat subscribed to an additional 16% (on a fully diluted basis) (1) of the capital of Chrysler Group LLC, ("Chrysler") increasing its interest to 46% (on a fully diluted basis) and thus gaining control of Chrysler under IAS 27. This operation is described below in the next Section – "Fiat Group - Acquisition of control of Chrysler and subsequent acquisition of non-controlling interests";
- on June 29, 2011, the acquisition of a 50% interest in VM Motori Group was finalized; this is a joint venture with General Motors and Fiat Powertrain specializing in the production of auto engines, industrial engines and spare parts. The interest was consolidated using the equity method from that date.

Fiat Industrial Group

On March 31, 2011, CNH Global N.V. increased its interest to 100% in L&T – Case Equipment Private Limited (subsequently renamed Case New Holland Construction Equipment India Private Limited), an equally held joint

---

(1) This percentage gives effect to the dilution of the Class A Interests held by all members (including Fiat) arising from the occurrence of the final Performance Event (or "Class B Event") contemplated by the organizational document of Chrysler (the "Ecological Event"). The additional interest without giving effect to the final Class B Event is 17.23%, which will be diluted to 16% upon the occurrence of the Ecological Event.

venture established in 1999 with Larsen & Toubro Limited to manufacture and sell construction and building equipment in India.
As a consequence of the amendments made to the contractual agreements between Iveco and Barclays concerning the joint venture Iveco Finance Holdings Limited (IFHL), formalized in the fourth quarter of 2011, the Fiat Industrial Group consolidated the assets and liabilities of the investment on a line-by-line basis at December 31, 2011; the resulting accounting effects are discussed in the section below - Line-by-line consolidation of the investment in Iveco Finance Holding Limited.

C&W Group

On April 28, 2011, C&W Group acquired full ownership of Corporate Occupier Solutions, Ltd, a joint venture formed with EC Harris in 2006. Due to the fact that C&W Group already had 50% ownership interest in COS, C&W was required to write-up its investment to fair value as of the purchase date, which resulted in the recognition of a gain of approximately $0.5 million (€0.4 million). Additionally, in purchase accounting, C&W Group recorded both net current liabilities and goodwill of $4.4 million (€3.2 million); those provisional amounts could be subject to further analysis and possible adjustment within 12 months of the transaction, as established by IFRS 3.
On September 30, 2011, Cushman & Wakefield entered into a transaction with NorthMarq Real Estate Services LLC ("NMRES") whereby C&W contributed substantially all of the assets and liabilities of Cushman & Wakefield Minnesota, Inc. to NMRES in exchange for a profit interest in NMRES equal to 15%.
This transaction represents a strategic alliance by C&W to partner with a leading real estate services firm in the upper Mid-West, thereby leveraging Cushman & Wakefield's reputation in the State of Minnesota and the City of Minneapolis, which are home to many Fortune 500 corporations.

BUSINESS COMBINATIONS

Fiat Group - Acquisition of control of Chrysler and subsequent acquisition of non-controlling interests

As discussed above, on 24 May 2011 (the "Acquisition date"), Fiat acquired an additional 16% (on a fully-diluted basis) of the ownership interest of Chrysler, increasing its interest to 46% (on a fully-diluted basis). As a result of the potential voting rights associated with options that became exercisable on that date, Fiat was deemed to have acquired control of Chrysler under IAS 27 – *Consolidated and Separate Financial Statements*. Accordingly, Chrysler has been consolidated on a line-by-line basis by Fiat with effect from that date (for practical purposes, June 1, 2011).

At December 31, 2010, Fiat held 200,000 Class B membership interests in Chrysler representing a 20% ownership interest. Those membership interests were granted to Fiat, pursuant to the Chrysler Group Amended and Restated LLC Operating Agreement, forming part of the broader strategic alliance entered into between Fiat and Chrysler in 2009, as consideration for technology contributed. No cash consideration was required under the agreement.
Under the Chrysler Group Amended and Restated LLC Operating Agreement, Fiat was granted the opportunity of increasing its ownership interest in Chrysler by a further 15% (with the number of Class B membership interests remaining unchanged at 200,000) subject to the occurrence of three specific events (the "Performance Events"). The Performance Events are as follows:

- Technology Event: regulatory approval to produce an engine in the U.S. based on Fiat's Fully Integrated Robotised Engine, or FIRE, family (or another engine agreed to by Fiat and the U.S. Treasury) and Chrysler Group's irrevocable commitment to begin commercial production of the engine;
- Distribution Event: Chrysler Group's (a) achievement of cumulative revenues, subsequent to June 10, 2009, of $1.5 billion or more attributable to sales outside the NAFTA Region, (b) execution of distribution agreement term sheets covering (i) at least 90% of Fiat Group Automobiles dealers in the European Union and providing for pooling of Chrysler Group vehicle fleets for EU CO2 emissions compliance and (ii) at least 90% of Fiat Group Automobiles dealers in Brazil, in each case pursuant to which such dealers will have the right to carry one or more Chrysler Group products, and (iii) execution of a technology license agreement that compensates Chrysler Group for use of its technology by Fiat outside of the NAFTA Region; and
- Ecological Event: requires the development of a vehicle by Chrysler Group based on a Fiat platform or vehicle technology that has a verified unadjusted combined fuel economy of at least 40 miles per gallon and Chrysler Group's irrevocable commitment to begin assembly of such a vehicle in commercial quantities in a production facility in the U.S.

Following the occurrence of the Technology Event and the Distribution Event, the rights associated with Fiat's Class B membership interests increased from 20% to 25% in January 2011 and from 25% to 30% in April 2011, respectively. Assignment of these additional ownership interests did not require payment of any cash consideration by Fiat or commitment to fund Chrysler in the future.

Under the organizational documents, Fiat was also granted the following additional call options on Class A membership interests in Chrysler that at the date of this document have been exercised or have lapsed:

- Alternative Call Option: At any time prior to June 30, 2016, Fiat was granted the option to acquire additional Class A membership interests in Chrysler Group in lieu of the interests to be acquired for the third Class B Event if such event had not yet occurred. This alternative call option ceased to have effect after the achievement of the Ecological Event in early January 2012.
- Incremental Equity Call Option: Pursuant to which Fiat was entitled to acquire additional Class A membership interests enabling it to increase its ownership interest in Chrysler by up to 16% (fully-diluted) in the aggregate. This option was only exercisable provided that the sum of the outstanding principal and unfunded commitments arising from the U.S. Treasury loans and the Export Development Canada loans did not exceed approximately $4 billion. The Incremental Equity Call Option was originally exercisable during the period from January 1, 2013 to June 30, 2016. However, Fiat could exercise the option prior to January 1, 2013 if the government loans referred to above were repaid in full. In addition, prior to full repayment of those loans Fiat's total ownership interest in Chrysler could not exceed 49.9%.
- UST Call Option: Pursuant to which Fiat was entitled to purchase the entire interest held in Chrysler by the U.S. Treasury, exercisable for a period of 12 months following the full repayment by Chrysler of the U.S. Treasury loans. Prior to a Chrysler Group Initial Public Offering ("IPO"), the exercise price was to be based on the equity value of Chrysler agreed between Fiat and the U.S. Treasury or, absent agreement, a price established by the average of the closest values determined by two of three investment banks appointed by the parties. If an IPO had occurred, the price was to be based on the trading price for Chrysler's common stock.

The price of the membership interests acquired in connection with the exercise of the Alternative Call Option or the Incremental Equity Call Option is dependent on whether or not a Chrysler Group IPO has been completed at the time the option is exercised. If a Chrysler Group IPO has not occurred, the exercise price for both of these options would be determined using a defined market-based multiple, not to exceed Fiat's multiple, applied to Chrysler Group's reported EBITDA for the most recent four quarters, less net industrial debt. If exercised contemporaneously with a Chrysler Group IPO, the exercise price for both options would be equal to the Chrysler Group IPO price. Subsequent to a Chrysler Group IPO, the exercise price would be determined by reference to a volume-weighted average price per share of Chrysler Group's common stock.

As described above on May 24, 2011 Fiat exercised the Incremental Equity Call Option concurrently with Chrysler's repayment of its loans to the U.S. Treasury and Export Development Canada which was achieved through Chrysler's refinancing in the market, the utilization of available liquidity and the $1,268 million cash consideration Chrysler received from Fiat in connection with the subscription of 261,225 Class A membership interests, representing a 16% ownership interest in Chrysler on a fully-diluted basis, and increased its interest to 46% (on a fully-diluted basis). As a result of the potential voting rights associated with options that became exercisable on that date, Fiat was deemed to have acquired control of Chrysler under IAS 27 – Consolidated and Separate Financial Statements. Accordingly Chrysler has been consolidated on a line-by-line basis by Fiat with effect from that date.

On July 21, 2011, Fiat acquired all of the Class A membership interests in Chrysler Group held by the U.S. Treasury, which represented approximately 6.031% of the fully-diluted ownership interest in Chrysler Group, for cash consideration of $500 million. On that same date, Fiat also acquired the U.S. Treasury's rights under the Equity Recapture Agreement between the U.S. Treasury and the VEBA Trust in exchange for cash consideration of $75 million, $15 million of which was paid to the Canadian government pursuant to a separate arrangement between the U.S. Treasury and Canadian government.

On July 21, 2011, Fiat acquired all of the Class A membership interests in Chrysler Group held by the Canadian government, which represented approximately 1.508% of the fully-diluted ownership interest in Chrysler Group, for cash consideration of $125 million

As a result of these transactions Fiat's ownership interest in Chrysler Group at December 31, 2011 was 53.5% (on a fully-diluted basis). The acquisition of these additional non-controlling interests has been accounted for within equity.

Finally, in January 2012 Fiat announced that Chrysler had achieved the third and final Performance Event (the "Ecological Event") contemplated by the Chrysler Group Amended and Restated LLC Operating Agreement, increasing Fiat's ownership interest in Chrysler Group to 58.5%. The assignment of these additional ownership interests did not require Fiat to pay any cash consideration. The increase in the membership interest will be recognized in the consolidated financial statements of Fiat in 2012.

At the date of this Annual report Fiat holds the following options and rights:

- VEBA Trust Call Option: The VEBA Trust has granted Fiat a call option on a portion of the Class A membership interests held by the VEBA Trust. This call option is exercisable from July 1, 2012 to June 30, 2016, provided that it covers 40% of the current interests issued to the VEBA Trust and may be exercised for no more than 8% of such membership interests in any six month period. The determination of the exercise price of this option is the same described for the Alternative Call Option and for the Incremental Equity Call Option;
- The Equity Recapture Agreement: which provides Fiat the rights to the economic benefit associated with the membership interests held by the VEBA Trust once the VEBA trust receives proceeds, including certain distributions, in excess of $4.25 billion plus 9% per annum from January 1, 2010 ("Threshold Amount"). Once the VEBA Trust receives the Threshold Amount, any additional proceeds payable to the VEBA Trust for the Chrysler membership interest and any membership interest retained by the VEBA Trust are to be transferred to Fiat for no further consideration. In addition, Fiat has the right to acquire VEBA Trust's entire membership interest in Chrysler at a price equivalent to the specified Threshold amount, less any proceeds already received by the VEBA Trust on that interest (see the Note 30).

In accordance with paragraph AG81 of IAS 39 – *Financial Instruments: recognition and measurement*, both of these have been recognized in the Consolidated financial statements at cost, since (i) the variability in the range of reasonable fair value estimates is significant for these instruments and (ii) the probabilities that are used to weight the various estimates in the range of fair values cannot be reasonably established and used in estimating fair value.

Accounting effect of the acquisition of control

The acquisition of the control of Chrysler represents a business combination achieved in stages and falls under the scope of IFRS 3 - Business Combinations. The accounting treatment for the business combination is as follows (effects in dollars translated into Euros using the exchange rate of 1.4385 at the Acquisition date):

- the previously held 30% ownership interest in Chrysler initially recognized at zero by Fiat was remeasured at fair value at the date on which control was acquired and the resulting gain of €1,729 million ($2,487 million) has been recognized in profit or loss under Unusual income/(expense). For the purpose of establishing the fair value of Chrysler in order to calculate that gain, given that no active market price for Chrysler shares was available, in accordance with IFRS 3 it was deemed reasonable to use the equity value of $8,290 million (€5,763 million) for Chrysler implied in the price agreed between Fiat and the U.S. Treasury in early June 2011 for exercising the call option on the U.S. Treasury's 6.031% ownership interest (on a fully-diluted basis) in Chrysler. This value does not differ significantly from that obtained from the exercise price of the Incremental Equity Call Option;
- the identifiable assets acquired and identifiable liabilities assumed, as detailed below, have been measured at their acquisition date fair value, with the exception of certain contingent liabilities existing prior to acquisition whose value was not determinable, deferred taxes and certain obligations associated with employee benefits, all of which were recognized in accordance with the applicable standard, as required by IFRS 3; this measurement process has been completed in December 2011 as follows:

	At the acquisition date	
	($ million)	€ million
Assets		
Intangible assets	5,059	3,517
Property, plant and equipment	13,863	9,637
Investments and other financial assets	435	302
Leased assets	331	230
Defined benefit plan assets	90	63
Deferred tax assets	65	45
Total Non-current assets	**19,843**	**13,794**
Inventories	5,651	3,928
Trade receivables	1,765	1,227
Receivables from financing activities	21	15
Current tax receivables	123	86
Other current assets	993	690
Current financial assets	127	88
Cash and cash equivalents	9,358	6,505
Total Current assets	**18,038**	**12,539**
Assets held for sale	-	-
Total assets acquired (a)	**37,881**	**26,333**
Provisions	14,159	9,843
Debt	13,659	9,495
Other financial liabilities	112	78
Trade payables	8,298	5,769
Current tax payables	21	15
Deferred tax liabilities	772	536
Other current liabilities	5,029	3,496
Liabilities held for sale	-	-
Total liabilities assumed (b)	**42,050**	**29,232**
Net assets acquired (liabilities assumed) (a)-(b)	**(4,169)**	**(2,899)**

During completion of the accounting for this acquisition in December 2011, the provisional amounts of deferred tax liabilities and net liabilities assumed reported in the Group's half-year report at June 30, 2011 were reduced by $814 million (€567 million) to reflect the final determination of the deferred tax liabilities arising from the business combination, which took into account that Chrysler Group LLC is a limited liability company taxed as a partnership. In addition, certain amounts previously presented as Provisions and Other liabilities were retrospectively reclassified for a more consistent representation of the items in the consolidated financial statements;

- Non-controlling interests of 54% on a fully-diluted basis, were recognized at €3,112 million ($4,477 million) at the Acquisition date, based on the above-stated equity value of Chrysler of $8,290 million (€5,763 million) in accordance with paragraph 19 (a) of IFRS 3;
- Goodwill arising from the acquisition was determined at the end of the measurement period as follows:

		At the acquisition date	
		$ million	€ million
Consideration paid for the acquisition of the additional 16% ownership interest	+	1,268	881
Fair value of the previously held ownership interest (30%)	+	2,487	1,729
Value attributed to non-controlling interests	+	4,477	3,112
Net assets acquired /(net liabilities assumed)	-	(4,169)	(2,899)
Goodwill	**=**	**12,401**	**8,621**

The goodwill is primarily attributable to the favorable earnings expectations for Chrysler, set out in the 2010-2014 business plan presented in November 2009 by Chrysler and validated by subsequent results, in addition to synergies achievable through increased integration with Fiat. The final amount for goodwill reflects the above-mentioned measurement period adjustment of $814 million (€567 million) to the provisional amounts for deferred tax liabilities;

- Fiat's contractual right to receive an additional 5% ownership interest in Chrysler on the occurrence of the Ecological Event, previously recognized in the Consolidated financial statements at zero, was recognized under Other investments and financial assets at fair value at the date of acquisition of control. The resulting gain of €288 million ($415 million) has been recognized in the income statement as Unusual income/(expense). Fair value was also based on the above-stated fair value of Chrysler's equity of $8,290 million (€5,763 million);
- the consideration paid excludes costs relating to the acquisition of control totaling approximately €5 million, which have been recognized in profit or loss as Unusual income/(expense);
- the consideration paid for this acquisition and the related net cash flows were as follows:

	At the acquisition date	
	($ million)	€ million
Consideration paid	1,268	881
Consideration due	-	-
Total Consideration paid	**1,268**	**881**
Net cash outflows/(inflows) on acquisition:		
Consideration paid	1,268	881
Cash and cash equivalents acquired	(9,358)	(6,505)
Total Net cash outflows/(inflows) on acquisition	**(8,090)**	**(5,624)**

At the acquisition date, with respect of the amount of the identifiable assets acquired, the receivables, which principally consisted of trade receivables had a fair value of $1,765 million (€1,227 million) and had gross contractual amounts of $1,850 million (€1,286 million), of which $85 million (€59 million) were expected to be uncollectible.

Chrysler is subject to various legal proceedings, claims and governmental investigations pending on a wide range of topics, including: vehicle safety; emissions and fuel economy; dealer, supplier and other contractual relationships; intellectual property rights; and product warranties and environmental matters where the risk of loss is not probable. These contingent liabilities were not recognized as their acquisition date fair value could not be reliably measured due to the uncertainty in the timing and the amount, or ranges of amounts, at which these contingencies may ultimately be settled. Other matters, where the risk of loss is probable and the timing and amount of potential obligation is reliably estimable, have been recognized at their acquisition date fair value as a component of Provision.

- Finally, in 2011 the acquired business contributed net revenues to Fiat Group of €22,465 million and a profit of €645 million (of which €291 attributable to non-controlling interests) respectively.
- Had the acquisition of control of Chrysler under IAS 27 taken place on January 1, 2011, assuming that Chrysler had also repaid its U.S. Treasury and Canadian government loans and completed the concurrent refinancing on that date, Fiat Group would have reported net revenues of approximately €75 billion and a Profit of approximately €2 billion in 2011.

Fiat Industrial Group - Line-by-line consolidation of the investment in Iveco Finance Holding Limited

During the fourth quarter of 2011, the Group determined the means by which the joint venture with Barclays in Iveco Finance Holdings Limited (IFHL), which manages financial services activities (retail and dealer) for Iveco in Italy, Germany, France, the UK and Switzerland, would be mutually terminated. This agreement contains an undertaking from Iveco to purchase the 51% interest held by Barclays, subject to receipt of the necessary regulatory approvals, by May 31, 2012 at a contractually agreed price (approximately €119 million), in addition to providing funding for IFHL's activities from January 1, 2012. For retail financing activities, the funding arrangements will be as follows: securitization with Barclays of the portfolio existing at December 31, 2011; vendor program agreements with BNP-Paribas in Germany and France for new financing generated from January 1, 2012; arrangement in Italy with Intesa Sanpaolo to fund the future portfolio; and direct funding of the portfolio in Switzerland and the UK. For dealer financing activities, funding will be provided through a three-year pan-European securitization program arranged with Barclays.

As discussed in the section Scope of consolidation, as a result of the agreements with Barclays reached at the end of December 2011, the Group has consolidated the assets and liabilities of the investment in IFHL on a line-by-line basis at December 31, 2011.

From an accounting standpoint this transaction has been treated as a business combination achieved in stages in accordance with IFRS 3 - *Business Combinations*. The accounting effects of this transaction were as follows:

- The 49% interest previously held in IFHL as an associate has been recognized at fair value at the Acquisition date (identified as December 31, 2011) and the income of €1 million resulting from measuring it in this way has been included in Other unusual income/(expenses).
- The identifiable assets acquired and liabilities assumed have been provisionally recognized at their carrying amounts in the consolidated financial statements of IFHL at December 31, 2011, prior to finalizing their fair value at the Acquisition date. These amounts are set out below:

€ million	At the acquisition date
Intangible assets	3
Property, plant and equipment	-
Investments and other financial assets	-
Leased assets	5
Defined benefit plan assets	-
Deferred tax assets	48
Total Non-current assets	**56**
Inventories	17
Trade receivables	76
Receivables from financing activities	2,613
Current tax receivables	1
Other current assets	22
Current financial assets	-
Cash and cash equivalents	30
Total Current assets	**2,759**
Assets held for sale	-
Total assets acquired (a)	**2,815**
Provisions	8
Debt	2,432
Other financial liabilities	-
Trade payables	106
Current tax payables	-
Deferred tax liabilities	23
Other current liabilities	21
Liabilities held for sale	-
Total liabilities assumed (b)	**2,590**
Net assets acquired (liabilities assumed) (a)-(b)	**225**

As required by IFRS 3, the above provisional amounts are subject to review and possible adjustment within the 12 months following the acquisition.

- The transaction led to the recognition of goodwill of €9 million, calculated in the following way:

€ million		At the date of acquisition
Consideration due for the purchase of the remaining interest of 51%	+	119
Fair value of the previously-held interest (49%)	+	115
Amount assigned to non-controlling interests	+	-
Less: Net assets acquired	-	225
Goodwill	**=**	**9**

- The recognition of goodwill is based on the favorable earnings prospects of the business forming part of the transaction, also given the fact that in this way Iveco has recovered the possibility of fully benefiting from the profitability of the financial services activity in Western Europe, of which it previously enjoyed only 49% since the joint venture held the exclusive management rights to this activity.
- The costs connected with the acquisition, amounting to approximately €1 million, have been excluded from the consideration paid and have been recognized as a period expense in Other unusual income/(expenses).
- The consideration to be paid for this business combination is set out below, together with the resulting cash flows:

€ million	At the date of acquisition
Consideration due	119
Consideration deferred	(119)
Total consideration paid	**0**
Cash outflows:	
Cash and cash equivalents paid	-
Cash and cash equivalents received	(30)
Total cash flows paid/(received)	**(30)**

- At the acquisition date, the identifiable assets acquired and liabilities assumed of IFHL include trade receivables of €76 million and receivables from financing activities of €2,613 million. The gross amounts due in respect of receivables from financing activities are €2,703 million, of which €90 million, are considered of doubtful recovery.

- IFHL is exposed to various legal risks and is party to certain litigation for which the likelihood of losses in not considered probable. These contingent liabilities were not recognized at the Acquisition date since, as stated above, the determination of their fair value was not yet complete. Contingent liabilities arising from other issues for which the likelihood of losses is probable and for which it is possible to estimate the timing and amount of a possible outflow of funds have been recognized at their carrying amount in the consolidated financial statements of IFHL at December 31, 2011 and classified as Provisions.

- Only the balance sheet of the acquired business has been consolidated on a line-by-line basis at December 31, 2011; if the acquisition had taken place with effect from January 1, 2011, the Group's net revenues the year would have increased by €154 million, while the net profit for the year would have decreased by €6 million.

1. Net revenues

Net revenues by sector of business may be analyzed as follows:

€ million	**Fiat**	**Fiat Industrial**	**C&W Group**	**Juventus F.C.**	**Holdings System**	**Eliminations and Adjustments**	**Consolidated Exor**
Sales of goods	55,751	22,732				(782)	**77,701**
Rendering of services:							
- Capital Market			158				**158**
- Corporate Occupier & Investor Services			232			(1)	**231**
- Valuation & Advisory			122				**122**
- Corporate Real Estate Business Consulting Services			15				**15**
- Commissions on leasing			602				**602**
- Other services	2,140	530			1	(288)	**2,383**
Interest income from customers and other financial income of financial services companies of the Fiat Group and Fiat Industrial Group	235	680				(13)	**902**
Contract revenues	977						**977**
Lease installments for assets sold with a buy-back commitment and for operating leases	255	334				1	**590**
Reimbursements of costs for property management services rendered by C&W Group on behalf of the clientele			304				**304**
Television and radio rights and media revenues				81			**81**
Sponsorships and advertising				47		(1)	**46**
Season tickets and ticket office sales				20		(1)	**19**
Other	201	13		21		(7)	**228**
Total Net revenues 2011	**59,559**	**24,289**	**1,433**	**169**	**1**	**(1,092)**	**84,359**
Sales of goods	32,752	19,728				(725)	**51,755**
Rendering of services:							
- Capital Market			141				**141**
- Corporate Occupier & Investor Services			202				**202**
- Valuation & Advisory			117				**117**
- Corporate Real Estate Business Consulting Services			14				**14**
- Commissions on leasing			582				**582**
- Other services	2,163	486			2	(246)	**2,405**
Interest income from customers and other financial income of financial services companies of the Fiat Group and Fiat Industrial Group	186	781				(17)	**950**
Contract revenues	708					22	**730**
Lease installments for assets sold with a buy-back commitment and for operating leases	46	330					**376**
Reimbursements of costs for property management services rendered by C&W Group on behalf of the clientele			271				**271**
Television and radio rights and media revenues				104			**104**
Sponsorships and advertising				44		(7)	**37**
Season tickets and ticket office sales				11			**11**
Other	25	17		24	3	(2)	**67**
Total Net revenues 2010	**35,880**	**21,342**	**1,327**	**183**	**5**	**(975)**	**57,762**
Change in amount	23,679	2,947	106	(14)	(4)	(117)	26,597
Change in percentage	66.0%	13.8%	8.0%	-7.7%	n.s.	n.a.	46.1%

2. Cost of sales

Cost of sales comprises the following:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Eliminations and Adjustments	Consolidated Exor
Cost of sales	50,556	19,309	1,227	212	(1,071)	**70,233**
Interest cost and other financial expenses from financial services companies	148	729			(14)	**863**
Cost of sales 2011	**50,704**	**20,038**	**1,227**	**212**	**(1,085)**	**71,096**
Cost of sales	30,611	17,218	1,157	203	(955)	**48,234**
Interest cost and other financial expenses from financial services companies	107	761			(5)	**863**
Cost of sales 2010	**30,718**	**17,979**	**1,157**	**203**	**(960)**	**49,097**
Change in amount	19,986	2,059	70	9	(125)	21,999
Change in percentage	65.1%	11.5%	6.1%	4.4%	n.a.	44.8%

3. Selling, general and administrative costs

A breakdown by sector is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
2011							
Selling, general and administrative costs	**5,047**	**2,002**	**153**	**34**	**37**	**(14)**	**7,259**
2010							
Selling, general and administrative costs	2,956	1,793	126	31	45	(21)	**4,930**
Change in amount	2,091	209	27	3	(8)	7	2,329
Change in percentage	70.7%	11.7%	21.4%	9.7%	-17.8%	n.a.	47.2%

Selling costs mainly consist of marketing, advertising, and sales personnel costs; general and administrative costs mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

A breakdown by sector is as follows:

€ million	Fiat	Fiat Industrial	Consolidated Exor
Research and development costs not recognized as assets	737	342	**1,079**
Amortization of capitalized development costs	4		**4**
Write-down of costs previously capitalized	626	163	**789**
Research and development costs 2011	**1,367**	**505**	**1,872**
Research and development costs not recognized as assets	398	256	**654**
Amortization of capitalized development costs	39	3	**42**
Writedown of costs previously capitalized	576	159	**735**
Research and development costs 2010	**1,013**	**418**	**1,431**
Change in amount	354	87	441
Change in percentage	35.0%	20.8%	30.8%

In 2011, new development costs were capitalized for €1,438 million (€886 million in 2010) by the Fiat Group and €400 million (€396 million in 2010) by the Fiat Industrial Group.

5. Other income (expenses)

This item consists of income arising from trading operations which is not attributable to the sale of goods and services (such as royalties and other income from licenses and know-how), net of miscellaneous operating costs which cannot be allocated to specific functional areas, such as indirect taxes and duties, and accruals for various provisions not attributable to other items of Cost of sales or Selling, general and administrative costs.

6. Gains (losses) on the disposal of investments

Gains (losses) on the disposal of investments amount to a €35 million in 2011 and include an amount of €25 million for the accounting effects arising from the acquisition of the remaining 50% interest in the joint venture L&T – Case Equipment Private Limited joint venture. In 2010, gains (losses) on the disposal of investments amounted to €15 million and consisted mainly of the accounting effects arising from the acquisition of the remaining 50% in the joint venture Fiat GM Powertrain Polska (€10 million) and the gain realized on the sale of the investment in the joint venture LBX Company LLC.

7. Restructuring costs

Restructuring costs in 2011 amount to €199 million (€178 million in 2010) and relate to the Fiat Group for €102 million (€118 million in 2010), to the Fiat Industrial Group for €95 million (€58 million in 2010) and to the C&W Group for €2 million (unchanged compared to 2010).

8. Other unusual income (expenses)

Other unusual income (expenses) by sector of business may be analyzed as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus	Holdings System	Consolidated Exor
Other unusual income (expenses) 2011	**1,025**	**12**	**2**			**1,039**
Other unusual income (expenses) 2010	**(14)**	**(20)**	**(7)**	**(6)**	**(7)**	**(54)**
Change	1,039	32	9	6	7	1,093

Fiat Group

Other unusual income amounts to €2,100 million in 2011. Of this, €1,729 million relates to the gain resulting from the measurement at fair value of the investment of 30% in Chrysler held before the acquisition of control and €288 million to the valuation of the right to receive an additional ownership interest of 5% following the occurrence of the Ecological Event, as discussed in the Section – "Fiat Group – Acquisition of control of Chrysler" and subsequent acquisition of non-controlling interests. In 2011, Other unusual income also includes a gain of €69 million on Other post-employment benefits arising from a plan amendment associated with a Chrysler legal services plan which will terminate in 2013.

Other unusual expenses, amounting to €1,075 million in 2011, includes €220 million relating to the revaluation of the inventories of Chrysler on initial consolidation as the consequence of measuring the identifiable assets acquired and identifiable liabilities assumed at fair value; this item was recognized as an expense in the income statement in June as a result of the rapid turnover of inventories. The amount of €855 million arising from the other sectors (mainly Fiat Group Automobiles) is principally the result of the process for the strategic realignment of the manufacturing and commercial activities of Fiat with those of Chrysler, which accelerated further following the acquisition of control, as well as the realignment of certain minor activities. Writedowns in the above-mentioned amount, which arise from the updating of the economic valuations and estimates made during the year, consist of the writedown of goodwill by €224 million and of development costs by €161 million as discussed in further detail in Note 14, and the writedown of certain other assets of €302 million.

Fiat Industrial Group

In 2011 Other unusual income mainly includes the release to income of a provision for risks no longer existing in connection with a minor investee sold in 2011.

C&W Group

Unusual income (expenses) in 2011 represent the favorable variance in the minority shareholders' put liability recorded in income; in 2010, the variance was unfavorable.

Holdings System

Unusual income (expenses) in 2011 mainly includes unusual income for the difference between the amount paid to the recipients of the Alpitour stock option plan and the amount of the liability at December 31, 2010, equal to €1 million, and also expenses incurred for legal assistance in the cases relating to the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 for €1 million (€5 million in 2010).

In 2010, this line item included expenses connected with investment acquisition costs for €2 million.

9. Financial income (expenses)

In addition to the items included in the specific lines of the income statement, Net financial income (expenses) also includes the interest income from customers and other financial income of financial services companies included in Net revenues for €902 million in 2011 (€950 million in 2010) and Interest cost and other financial charges from financial services companies included in Cost of sales for €863 million in 2011 (unchanged compared to 2010).

€ million	**Fiat**	**Fiat Industrial**	**C&W Group**	**Juventus F.C.**	**Holdings System**	**Eliminations and Adjustments**	**Consolidated Exor**
Interest income from banks	211	19			3		**233**
Interest income from securities	8		2		28		**38**
Sundry interest income and other financial income	133	57	1	1	2	(88)	**106**
Total Interest income and other financial income	352	76	3	1	33	(88)	**377**
Interest income from customers and other financial income of financial services companies	235	680				(13)	**902**
Gains on disposal of securities	2				57		**59**
Gains on disposal of current investments					6		**6**
Total Financial income	589	756	3	1	96	(101)	**1,344**
(Less) Interest income from customers and other financial income of financial services companies	(235)	(680)				13	**(902)**
Financial income, 2011 excluding financial services companies	**354**	**76**	**3**	**1**	**96**	**(88)**	**442**
Interest expenses on bonds	818	309			48		**1,175**
Interest expenses from banks	249	171	9	1	7		**437**
Interest expenses on trade payables	5	5					**10**
Commission expenses	10	6				(1)	**15**
Interest cost and other financial expenses	506	501	2	3	5	(102)	**915**
Total Interest and other financial expenses	1,588	992	11	4	60	(103)	**2,552**
Writedowns of financial assets	43	302			20		**365**
Losses on disposal of securities	11				29		**40**
Losses on disposal of investments					8		**8**
Interest costs on employee benefits	96	68					**164**
Total Interest and other financial expenses	**1,738**	**1,362**	**11**	**4**	**117**	**(103)**	**3,129**
Net income (expenses) from derivative financial instruments and exchange rate	46	(11)	0	0	24	(6)	53
Total Financial expenses	**1,784**	**1,351**	**11**	**4**	**141**	**(109)**	**3,182**
(Less) Interest expenses and other financial expenses of financial services companies	(148)	(729)	**0**	0	0	14	(863)
Financial expenses 2011, excluding financial services companies	**1,636**	**622**	**11**	**4**	**141**	**(95)**	**2,319**
Net financial income (expenses) 2011, excluding financial services companies	**(1,282)**	**(546)**	**(8)**	**(3)**	**(45)**	**7**	**(1,877)**

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Interest income from banks	125	9			2		**136**
Interest income from securities	7		1		30		**38**
Commission income	1						**1**
Sundry interest income and other financial income	365	68	2	1	4	(303)	**137**
Total Interest income and other financial income	498	77	3	1	36	(303)	**312**
Interest income from customers and other financial income of financial services companies	186	781				(17)	**950**
Gains on disposal of securities	10				53		**63**
Gains on disposal of investments					1		**1**
Total Financial income	694	858	3	1	90	(320)	**1,326**
(Less) Interest income from customers and other financial income of financial services	(186)	(781)				17	**(950)**
Financial income 2010, excluding financial services companies	**508**	**77**	**3**	**1**	**90**	**(303)**	376
Interest expenses on bonds	668	146			49		**863**
Interest expenses from banks	126	179	13		2		**320**
Interest expenses on trade payables	3	4					**7**
Commission expenses	7	8					**15**
Interest cost and other financial expenses	290	581	3	2	8	(308)	**576**
Total Interest and other financial expenses	1,094	918	16	2	59	(308)	**1,781**
Writedowns of financial assets	57	253			17		**327**
Losses on disposal of securities	12				23		**35**
Interest costs on employee benefits	50	75					**125**
Total Interest and other financial expenses	1,213	1,246	16	2	99	(308)	**2,268**
Net income (expenses) from derivative financial instruments and exchange rate differences	(198)	97		2	(20)		**(119)**
Total Financial expense	1,015	1,343	16	4	79	(308)	**2,149**
(Less) Interest expenses and other financial expenses of financial services companies	(107)	(761)				5	**(863)**
Financial expenses 2010, excluding financial services companies	**908**	**582**	**16**	**4**	**79**	**(303)**	1,286
Net financial income (expenses) 2010, excluding financial services companies	**(400)**	**(505)**	**(13)**	**(3)**	**11**	**0**	**(910)**

Fiat Group

Net financial expenses in 2011 include the net financial expenses of Chrysler of €486 million (of which interest costs on employee benefit provisions of €54 million), and net financial expenses of €108 million arising from the equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares relating to certain stock option plans (for further details see Note 21). Net financial expense of €400 million in 2010 included net income of €117 million arising from equity swaps on Fiat shares relating to the above stock option plans.

Holdings System

In 2011, the Writedowns of financial assets for €20 million refer to the measurement of Perfect Vision convertible bonds and the embedded derivative instrument on the basis of the criteria established in the agreement signed on December 23, 2011 by EXOR S.A. and Vision Investment Ltd.

10. Result from investments

Details are as follows:

€ million	2011	2010	Change
Share of the profit/(loss) of investments accounted for using the equity method			
- Sequana Group	**(22)**	9	(31)
- Almacantar Group (a)	**(2)**	0	(2)
- Sundry Fiat Group companies	**146**	120	26
- Sundry Fiat Industrial Group companies	**97**	70	27
- Sundry C&W Group companies	**0**	1	(1)
Share of the profit/(loss) of investments accounted for using the equity method	**219**	200	19
Dividends from companies in the Holdings System			
- SGS S.A.	**59**	49	10
- Gruppo Banca Leonardo	**19**	0	19
- The New Economist	**2**	0	2
- Other companies	**2**	1	1
Dividends from companies in the Holdings System	**82**	50	32
Dividends from investments	**8**	8	0
Other income from investments	**0**	8	(8)
Impairment reversals (losses)	**(34)**	(24)	(10)
Charges to provisions on investments	**0**	(6)	6
Result from investments	**275**	236	39

(a) Measured at cost at December 31, 2010, since it was non-operational.

11. Income taxes

Income taxes recognized in the consolidated income statement are the following:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Consolidated Exor
Current taxes:						
- IRAP	72	34	0	2	0	**108**
- Other taxes	519	322	14	0	9	**864**
Total Current taxes	**591**	**356**	**14**	**2**	**9**	**972**
Deferred taxes for the period:						
- IRAP	(8)	(5)	0	0	0	**(13)**
- Other taxes	(17)	118	11	(1)	1	**112**
Total Deferred taxes	**(25)**	**113**	**11**	**(1)**	**1**	**99**
Taxes relating to prior periods	(32)	(1)	0	0	0	(33)
Total Income taxes 2011	**534**	**468**	**25**	**1**	**10**	**1,038**
Current taxes:						
- IRAP	71	19	0	4	0	**94**
- Other taxes	558	181	13	0	7	**759**
Total Current taxes	**629**	**200**	**13**	**4**	**7**	**853**
Deferred taxes for the period:						
- IRAP	(21)		0	0	0	**(21)**
- Other taxes	(127)	(7)	(9)	1	0	**(142)**
Total Deferred taxes	**(148)**	**(7)**	**(9)**	**1**	**0**	**(163)**
Taxes relating to prior periods	3	5	0	0	0	8
Total Income taxes 2010	**484**	**198**	**4**	**5**	**7**	**698**

Fiat Group

The decrease in the charge for current taxes in 2011 compared to 2010 is due mainly to a decrease in the taxable profits of non-Italian companies, partially offset by increased taxes arising from the consolidation of Chrysler (€73 million).

The income for taxes relating to prior periods mainly relates to benefits arising from the favorable outcome of certain tax proceedings.

The effective tax rate of the Fiat Group for 2011 (excluding current and deferred IRAP) was 21.5% (effective tax rate of 61.5% in 2010).

Fiat Industrial Group

Overall, the increase in the charge for current taxes in 2011 with respect to 2010 is due mainly to an increase in the taxable profits of non-Italian companies.

Taxes relating to prior periods include the costs arising from certain disputes with tax authorities net of the income resulting from the various provisions.

The effective tax rate for 2011 (excluding current and deferred IRAP) was 37.5% (effective tax rate of 31% in 2010).

C&W Group

C&W Group recorded income tax expense of €25 million for the year ended December 31, 2011, representing a reported income tax rate of approximately 70.5%, which is 35.5 percentage points higher than the U.S. statutory rate of 35% and 41.9 percentage points higher than the prior year reported tax rate of 28.6%.

Driving up the full-year reported rate are the impacts from the non-controlling shareholders' put liability and stock-based compensation, State taxes net of Federal benefit, loss-making companies for which no tax benefit is recorded, the recording of certain discrete tax adjustments and other items.

The reconciliation between the tax charge recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

€ million	2011	2010
Theoretical income taxes	**899**	349
Tax effect of permanent differences	**(33)**	1
Chrysler	**(555)**	0
Taxes relating to prior years	**(33)**	8
Effect of difference between foreign tax rates and the theoretical Italian tax rate	**156**	121
Effect of deferred tax assets not recognized in prior years	**(82)**	(64)
Effect of deferred tax assets not recognized and write-off of deferred tax assets	**490**	178
Use of tax losses for which no deferred tax assets were recognized	**(61)**	(18)
Other differences	**162**	49
Current and deferred income tax recognized in the financial statements, excluding IRAP	**943**	624
IRAP (current and deferred)	**95**	74
Current and deferred income tax recognized in the financial statements	**1,038**	698

Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, in order to render the reconciliation between income taxes recognized and theoretical income taxes more meaningful, IRAP tax is not taken into consideration; theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2011 and in 2010) to profit/(loss) before taxes.

Permanent differences in the above reconciliation include the tax effect of non-taxable income of €362 million in 2011 (€917 million in 2010) and of non-deductible costs of €302 million in 2011 (€164 million in 2010).

In 2011, the tax effect of non-taxable income recognized on the acquisition of control of Chrysler arises from the fair value measurement of the 30% interest in Chrysler prior to the acquisition of control and the right to receive an additional 5%, as discussed in Note 8, which has not been recognized as it relates to temporary differences on the investment and other financial assets that are controlled by the Group whose reversal is not deemed to be probable in the foreseeable future.

Other differences in the above reconciliation include unrecoverable withholding tax of the Fiat Group for €73 million (€74 million in 2010) and the Fiat Industrial Group for €27 million (€20 million in 2010).

Moreover, theoretical income taxes include €490 million (€178 million in 2010) arising from unrecognized deferred tax assets on temporary differences and tax losses arising during the year and the writedown of deferred tax assets recognized in previous periods, partially offset by the recognition of deferred tax income on previously unrecognized deductible temporary differences and tax losses for €82 million (€64 million in 2010).

The deferred tax asset balance at December 31, 2011 consists of the deferred tax assets less the deferred tax liabilities, where these may be offset, of the individual consolidated companies. The net balance of Deferred tax assets and Deferred tax liabilities may be analyzed as follows:

€ million	**Fiat**	**Fiat Industrial**	**C&W Group**	**Alpitour (a)**	**Juventus F.C.**	**Holdings System**	**Consolidated Exor**
Deferred tax assets	1,690	1,167	5		0	0	**2,862**
Deferred tax liabilities	(760)	(111)	(79)		(2)	(3)	**(955)**
Total 2011	**930**	**1,056**	**(74)**	**0**	**(2)**	**(3)**	**1,907**
Deferred tax assets	1,678	1,211	4	9			**2,902**
Deferred tax liabilities	(135)	(52)	(67)			(1)	**(255)**
Total 2010	**1,543**	**1,159**	**(63)**	**9**	**0**	**(1)**	**2,647**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

The decrease of €613 million in net deferred tax assets of the Fiat Group is mainly due to the following:

- the change in the scope of consolidation arising from the acquisition of control of Chrysler and the subsequent acquisition of further membership interests in Chrysler, which led to the recognition of net deferred tax liabilities of €562 million;
- the recognition of deferred tax assets on the temporary differences and tax losses arising during the year less the effects arising from the recognition/write-off of deferred tax assets relating to prior years, amounting to €25 million;
- the direct recognition in equity of net deferred tax assets of €15 million.

The decrease of €103 in net deferred tax assets million of the Fiat Industrial Group is due to the following:

- €113 million recorded in the income statement for the utilization, net of valuation allowances, of deferred tax assets/liabilities recognized on temporary differences and tax losses arising during the year;
- €6 million relating to the negative tax effect of items recognized directly in equity;
- €4 million relating to foreign exchange differences (-€27 million) and other changes (€31million).

Deferred tax assets, net of Deferred tax liabilities may be analyzed by source as follows:

€ million	12/31/2010	Recognized in income statement	Charged to equity	Changes in the scope of consolidation	Translation differences and other changes	12/31/2011
Deferred tax assets arising from:						
- Taxed provisions	2,014	245		1,369	131	**3,759**
- Inventories	347	(8)				**339**
- Taxed allowances for doubtful accounts	247	(39)		29	(7)	**230**
- Provision for employee benefits	445	(78)	(1)	1,234	138	**1,738**
- Intangible assets	646	(4)		1	(3)	**640**
- Writedowns of financial assets	170	57		(1)		**226**
- Measurement of derivative financial instruments	46	1	23		1	**71**
- Other	491	2		302	23	**818**
Total Deferred tax assets	4,406	176	22	2,934	283	**7,821**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(539)	(313)		(1,068)	(121)	**(2,041)**
- Deferred tax on gains on disposal	(153)	135				**(18)**
- Capital investment grants	(4)	1				**(3)**
- Provision for employee benefits	(24)	(6)		1	(12)	**(41)**
- Capitalization of development costs	(905)	(140)			8	**(1,037)**
- Other	(721)	37	(2)	(973)	(98)	**(1,757)**
Total Deferred tax liabilities	(2,346)	(286)	(2)	(2,040)	(223)	**(4,897)**
Theoretical tax benefit arising from tax loss carryforwards	3,716	307	0	91	26	**4,140**
Adjustments for assets whose recoverability is not probable	(3,129)	(294)	0	(1,542)	(192)	**(5,157)**
Total Deferred tax assets, net of Deferred tax liabilities	2,647	(97)	20	(557)	(106)	**1,907**

The decision to recognize Deferred tax assets is taken for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits arising from deductible temporary differences (€7,821 million at December 31, 2011 and €4,406 million at December 31, 2010), and tax loss carryforwards (€4,140 million at December 31, 2011 and €3,716 million at December 31, 2010), have been reduced for a total of €5,157 million at December 31, 2011 (reduced for €3,129 million at December 31, 2010).

As concerns the Fiat Group, deferred tax assets net of deferred tax liabilities include tax benefits arising from unused tax losses of €783 million at December 31, 2011 (€1,012 million at December 31, 2010). At December 31, 2011, further tax benefits arising from unused tax losses amounting to €2,432 million have not been recognized (€1,569 million at December 31, 2010).

As concerns the Fiat Industrial Group, Deferred tax assets, net of Deferred tax liabilities, include €268 million at December 31, 2011 (€303 million at December 31, 2010) of tax benefits arising from tax loss carryforwards. At December 31, 2011, a further tax benefit of €368 million (€555 million at December 31, 2010) arising from tax loss carryforwards has not been recognized.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries of the EXOR Group, since the EXOR Group is able to control the timing of the distribution of these reserves and it is probable that they will not be distributed in the foreseeable future.

In particular, regarding the Italian entities of the Fiat Group, despite a tax loss for 2011 in the tax consolidation, the Group continued to recognize deferred tax assets on the basis of the future taxable income expected to arise in the Italian tax consolidation in the period considered and as a consequence of changes in Italian tax law in 2011 by which there is now no limit to the period for which the Group's prior year tax losses can be carried forward. Deferred tax assets arising from Italian companies amount to

€1,033 million at December 31, 2011, decreased with respect to the balance at December 31, 2010 (€1,083 million).

The totals of deductible and taxable temporary differences and accumulated tax losses at December 31, 2011, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiry, are as follows:

		Year of expiry					
€ million	**Total at 12/31/2011**	2012	2013	2014	2015	Beyond 2015	Unlimited / indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	**23,341**	6,775	2,645	2,514	2,478	8,780	149
- Taxable temporary differences	**(15,985)**	(2,193)	(1,936)	(1,838)	(1,751)	(6,423)	(1,844)
- Tax losses	**14,778**	132	148	179	965	2,707	10,647
- Temporary differences and tax losses for which deferred tax assets have not been recognized	**(17,331)**	(1,907)	(822)	(753)	(1,488)	(3,957)	(8,404)
Temporary differences and tax losses relating to State taxation	**4,803**	2,807	35	102	204	1,107	548
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	**19,259**	3,875	2,544	2,454	2,374	7,967	45
- Taxable temporary differences	**(13,585)**	(2,376)	(2,174)	(2,065)	(1,971)	(4,919)	(80)
- Tax losses	**2,164**	11	26	16	612	833	666
- Temporary differences and tax losses for which deferred tax assets have not been recognized	**(6,187)**	(507)	(424)	(396)	(959)	(3,244)	(657)
Temporary differences and tax losses relating to local taxation	**1,651**	1,003	(28)	9	56	637	(26)

12. Other information by nature

In 2011, the income statement includes personnel costs of €10,912 million (€8,872 million in 2010).

An analysis of the average number of employees by category is provided as follows:

	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Consolidated Exor
Managers	2,283	844	1,376	12	10	**4,525**
White-collars	54,944	21,177	5,172	89	49	**81,431**
Blue-collars	138,177	42,411	6,833	6	1	**187,428**
FIGC registered personnel (football players, coaches and other technical staff)				76		**76**
Average number of employees 2011	**195,404**	**64,432**	**13,381**	**183**	**60**	**273,460**
Managers	1,452	791	1,983	11	14	**4,251**
White-collars	38,537	19,505	4,333	78	54	**62,507**
Blue-collars	95,092	41,346	5,295	5	1	**141,739**
FIGC registered personnel (football players, coaches and other technical staff)				66		**66**
Average number of employees 2010	135,081	61,642	11,611	160	69	**208,563**
Personnel costs included in income statement (€ million)						
- 2011	**6,320**	**3,296**	**1,142**	**135**	**19**	**10,912**
- 2010	4,767	2,867	1,067	143	28	**8,872**

13. Earnings per share

Published 2010			**2011**	Restated (a) 2010
157,016,246	Average number of ordinary shares outstanding	number	**155,229,079**	157,016,246
8,873,796	Average number of savings shares outstanding	number	**8,644,901**	8,873,796
68,350,179	Average number of preferred shares outstanding	number	**65,983,984**	68,350,179
137	Earnings/(loss) for the period attributable to owners of the parent	€ million	**504**	137
89	Earnings/(loss) attributable to ordinary shares	€ million	**338**	89
0.57	*per ordinary share – basic*	€	***2.17***	*0.57*
0.56	*per ordinary share – diluted (a)*	€	***2.16***	*0.56*
6	Earnings/(loss) attributable to savings shares	€ million	**19**	6
0.64	*per savings share – basic*	€	***2.25***	*0.64*
0.64	*per savings share – diluted (a)*	€	***2.24***	*0.64*
42	Earnings/(loss) attributable to preferred shares	€ million	**147**	42
0.62	*per preferred share – basic*	€	***2.23***	*0.62*
0.61	*per preferred share – diluted (a)*	€	***2.21***	*0.61*
137	Earnings/(loss) from continuing operations	€ million	**517**	129
89	Earnings/(loss) from continuing operations attributable to ordinary shares	€ million	**346**	84
0.57	*per ordinary share – basic*	€	***2.23***	*0.54*
0.56	*per ordinary share – diluted (a)*	€	***2.22***	*0.53*
6	Earnings/(loss) from continuing operations attributable to savings shares	€ million	**20**	5
0.64	*per savings share – basic*	€	***2.31***	*0.61*
0.64	*per savings share – diluted (a)*	€	***2.30***	*0.61*
42	Earnings/(loss) from continuing operations attributable to preferred shares	€ million	**151**	40
0.62	*per preferred share – basic*	€	***2.29***	*0.59*
0.61	*per preferred share – diluted (a)*	€	***2.27***	*0.58*
	Earnings (loss) from Discontinued Operations	€ million	**(13)**	8
n.a.	Earnings (loss) from Discontinued Operations attributable to ordinary shares	€ million	**(9)**	5
	per ordinary share – basic	€	***(0.06)***	*0.03*
	per ordinary share – diluted (b)	€	***(0.06)***	*0.03*
n.a.	Earnings (loss) from Discontinued Operations attributable to savings shares	€ million	**(1)**	1
	per savings share – basic	€	***(0.06)***	*0.03*
	per savings share – diluted (b)	€	***(0.06)***	*0.03*
n.a.	Earnings (loss) from Discontinued Operations attributable to preferred shares	€ million	**(3)**	2
	per preferred share – basic	€	***(0.06)***	*0.03*
	per preferred share – diluted (b)	€	***(0.06)***	*0.03*

(a) Prepared by reclassifying the revenues and costs of the Alpitour Group to Profit/(loss) from Discontinued Operations, for purposes of comparison

(b) The earnings/(loss) attributable to owners of the parent was adjusted to take into account the dilutive effects of the theoretical exercise of the stock option plans granted by subsidiaries and associates of the Group using their own equity instruments.

14. Intangible assets

A breakdown of Intangible assets by sector is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Goodwill	10,443	1,937	465			33	(90) (b)	**12,788**
Brands, trademarks and other intangible assets with indefinite useful lives	2,770	180	197		16			**3,163**
Development costs externally acquired	1,561	318						**1,879**
Development costs internally generated	1,959	1,160						**3,119**
Patents, concessions and licenses externally acquired	1,277	170						**1,447**
Other intangible assets externally acquired	190	144	107					**441**
Players' registration rights					133			**133**
Total net carrying amount of Intangible assets at 12/31/2011	**18,200**	**3,909**	**769**	**0**	**149**	**33**	**(90)**	**22,970**
Goodwill	1,080	1,848	451	27		33	(84) (b)	**3,355**
Brands, trademarks and other intangible assets with indefinite useful lives	3	174	191	4	16			**388**
Development costs externally acquired	1,127	273						**1,400**
Development costs internally generated	1,782	962						**2,744**
Patents, concessions and licenses externally acquired	157	179	11	14				**361**
Other intangible assets externally acquired	201	131	104	11				**447**
Players' registration rights					100			**100**
Total net carrying amount of Intangible assets at 12/31/2010	**4,350**	**3,567**	**757**	**56**	**116**	**33**	**(84)**	**8,795**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.
(b) Mainly includes the elimination of goodwill relating to the quota of C&W Group's Minority Shareholders.

In 2011 and 2010, the changes in the gross carrying amount of intangible assets were as follows:

€ million	12/31/2010	Additions	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2011
Goodwill	4,109	3	(2)	8,653	(27)	1,052	**13,788**
Brands, trademarks and other intangible assets wit	449	1		2,489	(4)	291	**3,226**
Development costs externally acquired	3,698	749	(2)			46	**4,491**
Development costs internally generated	5,533	1,088	(15)			(123)	**6,483**
Patents, concessions and licenses externally acquired	1,468	135	(35)	1,036	(50)	117	**2,671**
Other intangible assets externally acquired	1,233	101	(14)	20	(18)	6	**1,328**
Players' registration rights	218	92	(41)			(1)	**268**
Total gross carrying amount of Intangible assets	**16,708**	**2,169**	**(109)**	**12,198**	**(99)**	**1,388**	**32,255**

€ million	12/31/2009	Additions	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2010
Goodwill	3,884					225	**4,109**
Brands, trademarks and other intangible assets wit	419	2				28	**449**
Development costs externally acquired	3,343	357	(19)			17	**3,698**
Development costs internally generated	4,504	926	(8)			111	**5,533**
Patents, concessions and licenses externally acquired	1,358	81	(4)	3		30	**1,468**
Other intangible assets externally acquired	1,119	108	(49)	3		52	**1,233**
Players' registration rights	252	51	(85)			0	**218**
Total gross carrying amount of Intangible assets	**14,879**	**1,525**	**(165)**	**6**		**463**	**16,708**

In 2011 and in 2010, changes in accumulated amortization and impairment losses were as follows:

€ million	12/31/2010	Amortization	Impairment losses	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2011
Goodwill	754		224				22	**1,000**
Brands, trademarks and other intangible assets with indefinite useful lives	61						2	**63**
acquired	2,298	293	38				(17)	**2,612**
Development costs internally generated	2,789	495	127	(13)			(34)	**3,364**
Patents, concessions and licenses externally acquired	1,107	185		(29)	(3)	(38)	2	**1,224**
Other intangible assets externally acquired	786	113	2	(11)		(14)	11	**887**
Players' registration rights	118	41	5	(29)				**135**
Total accumulated amortization and impairment of Intangible assets	**7,913**	**1,127**	**396**	**(82)**	**(3)**	**(52)**	**(14)**	**9,285**

€ million	12/31/2009	Amortization	Impairment losses	Disposals	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2010
Goodwill	710						44	**754**
Brands, trademarks and other intangible assets with indefinite useful lives	58	1					2	**61**
acquired	2,001	301	10	(19)			5	**2,298**
Development costs internally generated	2,253	434	32	(5)			75	**2,789**
Patents, concessions and licenses externally acquired	968	129		(4)	1		13	**1,107**
Other intangible assets externally acquired	696	109	10	(49)			20	**786**
Players' registration rights	137	34		(53)				**118**
Total accumulated amortization and impairment of Intangible assets	**6,823**	**1,008**	**52**	**(130)**	**1**		**159**	**7,913**

In 2011 and in 2010, changes in the net carrying amount of intangible assets were as follows:

€ million	12/31/2010	Additions	Disposals	Impairment losses	Amortization	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2011
Goodwill	3,355	3	(2)	(224)		8,653	(27)	1,030	**12,788** (1)
Brands, trademarks and other intangible assets with indefinite useful lives	388	1				2,489	(4)	289	**3,163**
Development costs externally acquired	1,400	749	(2)	(38)	(293)			63	**1,879**
Development costs internally generated	2,744	1,088	(2)	(127)	(495)			(89)	**3,119**
Patents, concessions and licenses externally acquired	361	135	(6)		(185)	1,039	(12)	115	**1,447**
Other intangible assets externally acquired	447	101	(3)	(2)	(113)	20	(4)	(5)	**441**
Players' registration rights	100	92	(12)	(5)	(41)			(1)	**133**
Total net carrying amount of Intangible assets	**8,795**	**2,169**	**(27)**	**(396)**	**(1,127)**	**12,201**	**(47)**	**1,402**	**22,970**

(1) Including the non-controlling interests' share of goodwill recognized by Fiat from the acquisition of Chrysler.

€ million	12/31/2009	Additions	Disposals	Impairment losses	Amortization	Change in the scope of consolidation	Reclassified to/from Assets held for sale	Translation differences and other changes	12/31/2010
Goodwill	3,174							181	**3,355**
Brands, trademarks and other intangible assets with indefinite useful lives	361	2			(1)			26	**388**
Development costs externally acquired	1,342	357		(10)	(301)			12	**1,400**
Development costs internally generated	2,251	926	(3)	(32)	(434)			36	**2,744**
Patents, concessions and licenses externally acquired	390	81			(129)	2		17	**361**
Other intangible assets externally acquired	423	108		(10)	(109)	3		32	**447**
Players' registration rights	115	51	(32)		(34)				**100**
Total net carrying amount of Intangible assets	**8,056**	**1,525**	**(35)**	**(52)**	**(1,008)**	**5**	**0**	**304**	**8,795**

Goodwill

Goodwill is allocated to the EXOR Group's cash-generating units, identified as each consolidated Group, on the basis each Group's methods and assumptions in accordance with IAS 36. The following table shows this allocation:

€ million	12/31/2011	12/31/2010	Change
Chrysler	**9,585**		9,585
Ferrari	**786**	786	0
Components	**51**	121	(70)
Metallurgical Products	**11**	18	(7)
Fiat Group Automobiles	**8**	18	(10)
Fiat Powertrain	**2**	2	0
Production Systems	**0**	135	(135)
Fiat	**10,443**	1,080	9,363
Agricultural and Construction Equipment	**1,872**	1,794	78
Trucks and Commercial Vehicles	**61**	52	9
FPT Industrial	**1**	2	(1)
Fiat Industrial	**1,934**	1,848	86
C&W (goodwill on the acquisition of the C&W Group - Group's share)	**316**	308	8
Subsidiaries of C&W Group	**62**	59	3
C&W Group	**378**	367	11
Jumbo Turismo		11	(11)
Altamarea V&H Compagnia Alberghiera		8	(8)
Viaggidea		6	(6)
AW Events		2	(2)
Alpitour (a)	**0**	27	(27)
Fiat shares purchased in 2006 by EXOR S.p.A.	**19**	19	0
Fiat Industrial shares from the demerger	**14**	14	0
Holdings System	**33**	33	0
Total Goodwill	**12,788**	3,355	9,433

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Fiat Group

The goodwill generated from the acquisition of Chrysler, representing approximately 92% of the Group's total goodwill at December 31, 2011, has been allocated, together with the Brands, to the cash-generating unit corresponding to the Chrysler sector. The estimate of the cash-generating unit's value in use for this purpose is based on the following assumptions:

- The expected future cash flows from Chrysler's 2010-2014 business plan, which was made public on November 4, 2009, and expected future cash flows for 2015 consistent with those projections. This business plan, whose 2010-2011 targets Chrysler has already achieved, and its further projection to 2015, represent management's best estimate of the future operating performance of the cash-generating unit during the period under consideration. These expected future cash flows relate to the cash-generating unit in its current condition and exclude any estimate of future cash flows that may arise from future restructuring plans or other structural changes.
- The expected future cash flows have been estimated in U.S. dollars, namely the currency in which the cash flows will be generated, taking into consideration the markets in which Chrysler principally operates, and then discounted using a discount rate appropriate for that currency.
- The expected future cash flows cover a 4 year period and include a normalized terminal value used to indicate a synthetic estimate of future results beyond the time period explicitly considered. Based upon the business environment in which Chrysler operates, a long-term growth rate of 2% to 3% is considered reasonable. However, for purposes of estimating value in use in this context, the terminal value has been calculated using a conservative long-term growth rate (g) assumption of 0%.
- As a basic assumption, post-tax expected future cash flows are discounted at a 9.7% post-tax discount rate, which reflects the current market assessment of the time value of money for the considered period and the risks specific to the cash-generating unit under consideration. The discount rate was calculated by referring to the weighted average cost of capital determined using the Capital Asset Pricing Model ("CAPM") technique in which the risk free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analyzing a group of comparable companies operating in the automotive sector. The Group also performed sensitivity analyzes compared to this basic assumption assuming various scenarios of increasing risk premiums. Even when the discount rate was increased from 9.7% to 13% and the 0% long-term growth rate assumption was maintained, the recoverable amount of the cash-generating unit still exceeded the carrying amount.

For the Ferrari sector, the cash-generating unit corresponds to the sector as a whole and the expected future cash flows are the operating cash flows taken from the estimates included in the 2012 budget and the forecast for business performance, made in a prudent manner, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 2%. These cash flows were then discounted using a post-tax discount rate of 8.7%. The recoverable amount of the cash-generating unit to which the Ferrari sector goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of difficult economic and market conditions.

Finally, given that impairment indicators existed during the year, the Group tested the recoverability of the net carrying amount of certain goodwill allocated to the Pico, System, and Comau Mexico cash-generating units of the Comau sector and other minor cash-generating units of the Magneti Marelli, Fiat Group Automobiles and Metallurgical Products sectors. The recoverable amount was estimated by calculating their value in use, meaning the present value of an estimate of future cash flows based on operating cash flows derived from the respective 2010-2014 strategic plans, suitably revised by management to take account of expected developments and also the integration of Fiat with Chrysler, extrapolated to subsequent years and discounted using a rate substantially aligned with that used at December 31, 2010, which took into consideration the specific risk of the individual cash-generating units. These revised economic valuations and estimates led to the writedown of goodwill by €224 million, fully recognized in the income statement in 2011 under Other unusual income (expenses). The impairment loss recognized related to the Comau sector for €130 million, to the Magneti Marelli sector for €69 million and to the Fiat Group Automobiles sector for €17 million. In the Magneti Marelli and Teksid sectors the same impairment testing led to the writedown of assets included in Property, plant and equipment (see Note 15).

Fiat Industrial Group

The vast majority of goodwill, representing approximately 97% of the total, relates to the Agricultural and Construction Equipment sector, where the cash-generating units considered for the testing of the recoverability of the goodwill are generally the product lines of the sectors themselves.

The cash generating units to which goodwill has been allocated consist of the following product lines:

€ million	Amount allocated to goodwill at December 31, 2011
Agricultural equipment	**1,315**
Construction equipment	**458**
Financial Services	**99**
Total	**1,872**

To determine the recoverable amount of these cash-generating units the sector utilized two valuation techniques: the income approach and the market approach.

The income approach is a valuation technique used to convert future expected cash flows to a present value. The sector used the income approach to measure the value in use of the Equipment Operations reporting units. The sector believes the income approach provides the best measure of value in use for Equipment Operations reporting units as this approach considers factors unique to each of reporting units and related long range plans that may not be comparable to other companies and that are not yet publicly available. The income approach is dependent on several critical management assumptions, including estimates of future sales growth, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions are based on an assessment of the risks inherent in the future cash flows of the respective reporting units. The following discount rates before taxes as of December 31, 2011 were selected by CNH:

	2011	2010
Agricultural equipment	**18.8%**	17.0%
Construction equipment	**17.0%**	17.4%

Expected cash flows used under this method are developed in conjunction with the budgeting and forecasting process of the sector and represent the most likely amounts and timing of future cash flows based on the long range plan of CNH. The long range plan, which is updated annually and is reviewed by the senior management of CNH, includes, among other things, the expected benefits of planned manufacturing and product development actions as well as expectations regarding product pricing, market share and commodity costs, consistent with the assumptions reflected in the Fiat Group's 2010-2014 Strategic Plan as prudently revised down, if necessary, for expected changes in market conditions. The sector uses eight years of expected cash flows as management believes that this period generally reflects the underlying market cycles for its businesses.

A terminal value is included at the end of the projection period used in the discounted cash flow analyzes in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate selected in 2011 and 2010 for the Agricultural Equipment cash-generating unit was 1% and that selected for the Construction Equipment cash generating unit was 2%.

The market approach measures the fair value of the cash-generating units based on prices generated by market transactions involving identical or comparable assets or liabilities. CNH used the market approach to measure the fair value of the Financial Services reporting unit as it derives value based primarily on the assets under management. Under this approach, CNH makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear that no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same or similar line of business or be subject to similar financial and business risks, including the opportunity for growth. The guideline company method of the market approach provides an indication of fair value by relating the equity or invested capital (debt plus equity) of guideline companies to various measures of their earnings and cash flow, then applying such multiples to the business being valued.

At December 31, 2011, the recoverable amounts of each of the three cash-generating units and assets with indefinite useful life calculated using the above methods substantially exceeded the respective carrying values.

The results obtained for the Trucks and Commercial Vehicles sector and related sensitivity analyzes also confirmed the absence of significant impairment losses.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by management based on past performance and expectations of developments in the markets in which the Group operates. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the Group.

C&W Group - Goodwill and intangible assets with indefinite useful lives

Goodwill recognized on the acquisition of C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment not susceptible of separate identification.

Goodwill and other intangible assets with indefinite useful lives are tested by C&W Group annually for impairment on October 1 or whenever events or circumstances indicate that the asset may be impaired.

For the purpose of impairment testing, goodwill and trademarks with indefinite useful lives are allocated to C&W Group's cash-generating units, which are identified as the geographic regions, since these represent the lowest level within C&W Group at which such assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks at December 31, 2011 are as follows:

in million	Goodwill (Group's share)		Trademarks		Total	
	$	€	$	€	$	€
United States	207.3	160	130.4	101	337.7	261
Canada	46.5	36	23.5	18	70.0	54
South America	17.8	14	8.0	6	25.8	20
Mexico	3.3	3	2.0	1	5.3	4
EMEA	167.1	129	78.4	61	245.5	190
Asia Pacific	46.6	36	12.7	10	59.3	46
At December 31, 2011	**488.6**	**378**	**255.0**	**197**	**743.6**	**575**
United States	210.7	158	130.4	98	341.1	256
Canada	47.9	36	23.5	18	71.4	54
South America	17.8	13	8.0	6	25.8	19
Mexico	3.4	3	2.0	1	5.4	4
EMEA	163.3	122	78.4	59	241.7	181
Asia Pacific	46.7	35	12.7	10	59.4	45
At December 31, 2010	**489.8**	**367**	**255.0**	**191**	**744.8**	**558**

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. The annual impairment assessment for all CGUs, with the exception of the U.S. and Asia (which were based on the estimated fair value less costs to sell) was based on value in use.

Fair value less costs to sell

The estimated fair value less costs to sell for each of the CGU's was determined with assistance from an independent appraisal firm using both the income approach (discounted cash flow method) and the market approach methods, which were weighted in determining the fair value less costs to sell.

To determine the estimated fair value less costs to sell for the 2011 annual impairment assessment, both the discounted cash flow and the market approach methods required a number of key assumptions, including the following:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	14.0%	14.5%	15.5%	14.0%	15.5%	15.5%
Entity specific risk	1.0%	3.0%	0.5%	0.0%	2.0%	2.5%
Region specific risk	1.5%	0.0%	3.2%	2.3%	1.6%	1.8%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Fading period growth rate	6.0%	6.0%	7.0%	4.0%	7.0%	10.0%
2011 EBITDA multiple	7.1x	11.6x	10.0x	5.3x	15.6x	12.7x
2012 EBITDA multiple	8.2x	11.6x	8.8x	9.1x	10.2x	11.0x
Tax Rate	32.9% to 39.8%	17.5% to 26.4%	27.7% to 38.9%	16.7% to 28.6%	14.7% to 20.1%	32.8% to 35.3%
General assumptions						
Terminal value model	Fading					
Competitive advantage period (years)	3					
Control premium	15.0%					
Equity risk premium	6.0%					
Cost to sell	2.0%					
		Q4 2011	FY 2012	FY 2013	FY 2014	FY 2015
Net working capital (% of revenue)		-4.1%	0.1%	-0.2%	-0.5%	-0.8%

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity and country specific risk premiums, regional cost of equity, the regional statutory tax rate and debt to equity ratios.

The region specific risk premiums were determined based on various country risk premiums that were weighted by revenue per country. The working capital requirement by CGU under both fair value less costs to sell and value in use are based on the projected net working capital levels as a percentage of revenue for the C&W Goup on a consolidated basis, which are then allocated by CGU based on revenue.

The long-term growth rates were based on the long-term outlook for the CGUs relative to the industry and the respective economies as a whole.

The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which C&W Group estimates earnings growth will reduce to the stable long-term growth rate.

The EBITDA multiples for 2011 and 2012 were determined through an assessment of the guideline company multiples and taking into account local market differences. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

In addition to the key assumptions outlined above, C&W Group developed assumptions with respect to its expected future revenue and normalized EBITDA growth and normalized EBITDA margins used in the discounted cash flow method.

Discounted Cash Flow Method

The fair value less costs to sell determined under the discounted cash flow method was weighted 40% in determining the final fair value less costs to sell for each of the CGUs. Under the discounted cash flow method, cash flows were projected for each of the CGUs based on their respective revenue and EBITDA assumptions, as outlined above, along with an estimate of a terminal year value, all of which was discounted back to October 1, 2011, C&W's annual goodwill assessment date, based on the discount rate assumption. The fourth quarter 2011 revenue and EBITDA assumptions were based upon the fourth quarter forecast, while the 2012 – 2015 revenue and EBITDA assumptions were developed in connection with C&W Group's Strategic Plan.

The discounted cash flow method utilized was substantially the same as that used in 2010.

Market Approach Method

The fair value less costs to sell determined under the market approach was weighted 60% in determining the final fair value less costs to sell for each of the CGUs. Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2011 and 2012, and then those fair values were weighted to calculate an indicated total invested capital value for each CGU. The multiple assumptions in these calculations were derived from data publicly available relating to our guideline companies, including information relating to their revenue and EBITDA historical performance as well that expected in 2012.

Value in use

To determine the value in use for the 2011 annual impairment assessment, the discounted cash flow method required a number of key assumptions, including the following:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	13.5%	12.0%	15.0%	14.0%	13.5%	13.5%
2011 EBITDA multiple	6.6x	14.0x	13.9x	9.3x	10.3x	8.1x
2012 EBITDA multiple	6.2x	11.4x	8.9x	8.9x	10.0x	8.1x
General assumptions						
Terminal value model	Constant (Gordon Growth Formula)					

The following assumptions were the same as those indicated above for the fair value less costs to sell assessment: region specific risk; long-term growth rate; control premium; equity risk premium; net working capital (% of revenue), costs to sell and tax rates.

Recoverable amount

The resulting fair values less costs to sell, values in use and related carrying values of each of the CGUs as of the October 1, 2011 impairment assessment date were as follows:

$ million	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA	TOTAL
At December 31, 2011							
Fair value less costs to sell	550.0	50.0	60.0	10.0	390.0	150.0	1,210.0
Value in use	410.0	70.0	80.0	10.0	490.0	120.0	1,180.0
Recoverable amount (A)	550.0	70.0	80.0	10.0	490.0	150.0	1,350.0
Book value of equity (B)	415.5	29.0	48.1	3.0	290.8	86.0	872.4
(Impaired) / Not impaired (A) - (B) in $ million	134.5	41.0	31.9	7.0	199.2	64.0	477.6
(Impaired) / Not impaired (A) - (B) in € million	96.6	29.5	22.9	5.0	143.1	46.0	343.1

C&W Group performed the annual assessment as of October 1, 2011 and, based on that assessment, no impairment charge was required in the consolidated statement of operations for the year ended December 31, 2011.

The key assumptions used to determine the fair value less costs to sell and the value in use represent management's best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

C&W Group's estimated fair values less costs to sell and values in use are particularly sensitive to changes in the discount rate and revenue assumptions. However C&W Group believe that any reasonably possible change in the key assumptions on which the recoverable amount of each of the CGUs is based would not cause the CGU'S carrying amount to exceed its recoverable amount.

Sensitivity analysis

Following the completion of C&W Group's actual financial results for the fourth quarter of 2011 and its operating plan for the year ending December 31, 2012, management, assisted by an independent appraisal firm, performed a sensitivity analysis that confirmed the results obtained in its annual goodwill impairment assessment as of October 1, 2011, as outlined above.

Brands and other intangible assets with indefinite useful lives

As for the Fiat Group, brands arise almost exclusively from the Chrysler sector. The amount of €2,770 million at December 31, 2011 mainly comprises the net carrying amount of the brands Chrysler, Dodge, Ram, Jeep and Mopar. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they were classified as intangible assets with indefinite useful lives.

The recoverable amount of brands is tested annually and the Group recognizes an impairment loss if the carrying amount of the brand exceeds its fair value. For the purpose of impairment testing the Brands are allocated to the Chrysler cash-generating unit; the principal assumptions used in the calculation of the value in use of this cash-generating-unit are discussed below.

The item "Brands, trademarks and other intangible assets with indefinite useful lives" includes the amount allocated on acquisition of C&W Group (March 2007) to the "Cushman & Wakefield" trademark, widely recognized by the market, for $255 million (€197 million at December 31, 2011). C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment (in the goodwill table above).

The item "Brands, trademarks and other intangible assets with indefinite useful lives" of Juventus Football Club comprises principally the economic utilization of the historical archives of the Juventus Football Club television images (Library). These are considered assets with indefinite useful lives since the historical library of television images is expected to support itself over time with the possibility of endless use.

The Juventus library is tested annually for impairment on the basis of estimated future cash flows from the commercial contracts for their exploitation.

Development costs

Development costs refer to the Fiat Group and the Fiat Industrial Group.

Fiat Group

Additions of €1,603 million in 2011 relate to the sectors Fiat Group Automobiles, Chrysler and Magneti Marelli.

In 2011 the Group wrote down certain development costs by €165 million. This was made necessary mainly by an assessment of the effects of a convergence towards the use of a reduced number of platforms common to Fiat and Chrysler, which were accelerated in the period following the acquisition of control of Chrysler. Of this amount, €4 million has been recognized as development costs and €161 million as Other unusual income (expenses) in the income statement.

Foreign exchange gains of €72 million in 2011 principally reflect the appreciation of the US Dollar against the Euro, partially offset by the devaluation of the Brazilian Real and the Polish Zloty against the Euro. Foreign exchange gains of €100 million in 2010 principally reflected changes in the US Dollar and the Brazilian Real rates against the Euro.

The amortization of development costs are reported in the income statement as Research and development costs.

Fiat Industrial Group

The amortization of development costs and impairment losses are reported in the income statement as Research and development costs.

Development costs recognized as assets are attributed to cash-generating units and are tested for impairment together with the related tangible fixed assets, using the discounted cash flow method for determining their recoverable amount.

15. Property, plant and equipment

Details are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Land	719	210			5 (b)		(1)	**933**
Owned industrial buildings	3,939	987			104		(9)	**5,021**
Industrial buildings leased under finance leases	43	12			16			**71**
Total Industrial buildings	3,982	999	0	0	120	0	(10)	**5,092**
Owned plant, machinery and equipment	9,268	1,554			29		(1)	**10,850**
Plant, machinery and equipment leased under finance leases	254	37			1		1	**293**
Total Plant, machinery and equipment	9,522	1,591	0	0	30	0	0	**11,143**
Assets sold with a buy-back commitment		1,031			0			**1,031**
Owned other tangible assets	3,893	164	41		6	1	(1)	**4,104**
Other tangible assets leased under finance leases		2	0		0		1	**3**
Total Other tangible assets	3,893	166	41	0	6	1	0	**4,107**
Advances and tangible assets in progress	2,669	180	2		1		(1)	**2,851**
Total net carrying amount of Property, plant and equipment at 12/31/2011	**20,785**	**4,177**	**43**	**0**	**162**	**1**	**(12)**	**25,157**
Land	365	208		7	5 (b)	6		**591**
Owned industrial buildings	1,967	899		45	1	4		**2,916**
Industrial buildings leased under finance leases	47	9			17			**73**
Total Industrial buildings	2,014	908	0	45	18	4		**2,989**
Owned plant, machinery and equipment	5,588	1,494		9		1		**7,092**
Plant, machinery and equipment leased under finance leases	275	36			2			**313**
Total Plant, machinery and equipment	5,863	1,530	0	9	2	1		**7,405**
Assets sold with a buy-back commitment	0	871						**871**
Owned other tangible assets	416	142	37	50	1	1		**647**
Other tangible assets leased under finance leases	0	3						**3**
Total Other tangible assets	416	145	37	50	1	1		**650**
Advances and tangible assets in progress	943	194	1		77			**1,215**
Total net carrying amount of Property, plant and equipment at 12/31/2010	**9,601**	**3,856**	**38**	**111**	**103**	**12**	**0**	**13,721**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.
(b) Under a finance lease.

In 2011 and 2010, changes in the gross carrying amount of Property, plant and equipment were as follows:

€ million	12/31/2010	Additions	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2011
Land	600	24	(12)	304	22	(7)	12	**943**
Owned industrial buildings	5,823	314	(48)	1,870	79	(73)	161	**8,126**
Industrial buildings leased under finance leases	94	1	(2)				(1)	**92**
Total Industrial buildings	5,917	315	(50)	1,870	79	(73)	160	**8,218**
Owned plant, machinery and equipment	29,488	1,701	(921)	3,200	(213)	(23)	1,030	**34,262**
Plant, machinery and equipment leased under finance leases	484	46	(111)		(3)		(1)	**415**
Total Plant, machinery and equipment	29,972	1,747	(1,032)	3,200	(216)	(23)	1,029	**34,677**
Assets sold with a buy-back commitment	1,167	533	(132)		1		(248)	**1,321**
Owned other tangible assets	2,147	634	(283)	3,149	351	(96)	258	**6,160**
Other tangible assets leased under finance leases	9	1						**10**
Total Other tangible assets	2,156	635	(283)	3,149	351	(96)	258	**6,170**
Advances and tangible assets in progress	1,233	1,825	(73)	1,201	123		(1,448)	**2,861**
Total gross carrying amount of Property, plant and equipment	41,045	5,079	(1,582)	9,724	360	(199)	(237)	**54,190**

€ million	12/31/2009	Additions	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2010
Land	630	2	(4)	0	14	0	(42)	**600**
Owned industrial buildings	5,373	98	(11)	14	161	0	188	**5,823**
Industrial buildings leased under finance leases	90	5	(1)	0	0	0	0	**94**
Total Industrial buildings	5,463	103	(12)	14	161	0	188	**5,917**
Owned plant, machinery and equipment	27,352	1,100	(552)	180	627	0	781	**29,488**
Plant, machinery and equipment leased under finance leases	359	107	0	0	1	0	17	**484**
Total Plant, machinery and equipment	27,711	1,207	(552)	180	628	0	798	**29,972**
Assets sold with a buy-back commitment	1,218	344	(139)	0	6	0	(262)	**1,167**
Owned other tangible assets	1,990	249	(201)	9	57	0	43	**2,147**
Other tangible assets leased under finance leases	14	1	(1)	0	0	0	(5)	**9**
Total Other tangible assets	2,004	250	(202)	9	57	0	38	**2,156**
Advances and tangible assets in progress	1,417	790	(14)	7	50	0	(1,017)	**1,233**
Total gross carrying amount of Property, plant and equipment	**38,443**	**2,696**	**(923)**	**210**	**916**	**0**	**(297)**	**41,045**

In 2011 and 2010, Changes in accumulated depreciation and impairment losses were as follows:

€ million	12/31/2010	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2011
Land	9		1						**10**
Owned industrial buildings	2,907	260	34	(30)	(3)	(43)	(23)	3	**3,105**
Industrial buildings leased under finance leases	21	3		(1)				(2)	**21**
Total Industrial buildings	2,928	263	34	(31)	(3)	(43)	(23)	1	**3,126**
Owned plant, machinery and equipment	22,396	1,952	295	(909)	11	(339)	(15)	21	**23,412**
Plant, machinery and equipment leased under finance leases	171	34	4	(85)		(1)		(1)	**122**
Total Plant, machinery and equipment	22,567	1,986	299	(994)	11	(340)	(15)	20	**23,534**
Assets sold with a buy-back commitment	296	135	11	(64)				(88)	**290**
Owned other tangible assets	1,500	737	2	(177)		47	(49)	(4)	**2,056**
Other tangible assets leased under finance leases	6	1							**7**
Total Other tangible assets	1,506	738	2	(177)		47	(49)	(4)	**2,063**
Advances and tangible assets in progress	18		1					(9)	**10**
Total accumulated depreciation and impairment of Property, plant and equipment	**27,324**	**3,122**	**348**	**(1,266)**	**8**	**(336)**	**(87)**	**(80)**	**29,033**

€ million	12/31/209	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2010
Land	9		2	(2)		1		(1)	**9**
Owned industrial buildings	2,576	184	59	(9)	7	74		16	**2,907**
Industrial buildings leased under finance leases	18	3		(1)				1	**21**
Total Industrial buildings	2,594	187	59	(10)	7	74		17	**2,928**
Owned plant, machinery and equipment	20,830	1,551	73	(542)	92	400		(8)	**22,396**
Plant, machinery and equipment leased under finance leases	121	44				1		5	**171**
Total Plant, machinery and equipment	20,951	1,595	73	(542)	92	401		(3)	**22,567**
Assets sold with a buy-back commitment	308	131	26	(76)		2		(95)	**296**
Owned other tangible assets	1,414	156	4	(104)	(2)	34		(2)	**1,500**
Other tangible assets leased under finance leases	5	1							**6**
Total Other tangible assets	1,419	157	4	(104)	(2)	34		(2)	**1,506**
Advances and tangible assets in progress	19		4					(5)	**18**
Total accumulated depreciation and impairment of Property, plant and equipment	**25,300**	**2,070**	**168**	**(734)**	**97**	**512**	**0**	**(89)**	**27,324**

In 2011 and 2010, changes in the net carrying amount of Property, plant and equipment were as follows:

€ million	12/31/2010	Additions	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2011
Land	591	24		(1)	(12)	304	22	(7)	12	**933**
Owned industrial buildings	2,916	314	(260)	(34)	(18)	1,873	122	(50)	158	**5,021**
Industrial buildings leased under finance leases	73	1	(3)		(1)				1	**71**
Total Industrial buildings	2,989	315	(263)	(34)	(19)	1,873	122	(50)	159	**5,092**
Owned plant, machinery and equipment	7,092	1,701	(1,952)	(295)	(12)	3,189	126	(8)	1,009	**10,850**
Plant, machinery and equipment leased under finance leases	313	46	(34)	(4)	(26)		(2)			**293**
Total Plant, machinery and equipment	7,405	1,747	(1,986)	(299)	(38)	3,189	124	(8)	1,009	**11,143**
Assets sold with a buy-back commitment	871	533	(135)	(11)	(68)		1		(160)	**1,031**
Owned other tangible assets	647	634	(737)	(2)	(106)	3,149	304	(47)	262	**4,104**
Other tangible assets leased under finance leases	3	1	(1)							**3**
Total Other tangible assets	650	635	(738)	(2)	(106)	3,149	304	(47)	262	**4,107**
Advances and tangible assets in progress	1,215	1,825		(1)	(73)	1,201	123		(1,439)	**2,851**
Total net carrying amount of Property, plant and equipment	**13,721**	**5,079**	**(3,122)**	**(348)**	**(316)**	**9,716**	**696**	**(112)**	**(157)**	**25,157**

€ million	12/31/2009	Additions	Depreciation	Impairment losses	Disposals	Change in the scope of consolidation	Translation differences	Reclassified to/from Assets held for sale	Other changes	12/31/2010
Land	621	2	0	(2)	(2)	0	13	0	(41)	**591**
Owned industrial buildings	2,797	98	(184)	(59)	(2)	7	87	0	172	**2,916**
Industrial buildings leased under finance leases	72	5	(3)	0	0	0	0	0	(1)	**73**
Total Industrial buildings	2,869	103	(187)	(59)	(2)	7	87	0	171	**2,989**
Owned plant, machinery and equipment	6,522	1,100	(1,551)	(73)	(10)	88	227	0	789	**7,092**
Plant, machinery and equipment leased under finance leases	238	107	(44)	0	0	0	0	0	12	**313**
Total Plant, machinery and equipment	6,760	1,207	(1,595)	(73)	(10)	88	227	0	801	**7,405**
Assets sold with a buy-back commitment	910	344	(131)	(26)	(63)	0	4	0	(167)	**871**
Owned other tangible assets	576	249	(156)	(4)	(97)	11	23	0	45	**647**
Other tangible assets leased under finance leases	9	1	(1)	0	(1)	0	0	0	(5)	**3**
Total Other tangible assets	585	250	(157)	(4)	(98)	11	23	0	40	**650**
Advances and tangible assets in progress	1,398	790	0	(4)	(14)	7	50	0	(1,012)	**1,215**
Total net carrying amount of Property, plant and equipment	**13,143**	**2,696**	**(2,070)**	**(168)**	**(189)**	**113**	**404**	**0**	**(208)**	**13,721**

Additions of €5,079 million in 2011 refer for €3,925 million to the Fiat Group, for €1,069 million to the Fiat Industrial Group, for €66 million to Juventus Football Club, for €15 million to C&W Group and for €4 million to the Alpitour Group.

Additions by Juventus Football Club mainly include the costs incurred for the “Juventus Stadium”, for the demolition of the old “Stadio delle Alpi” and complete reconstruction, including designing and infrastructure charges, as well as plant, equipment and other assets to service the stadium.

Additions of €2,696 million in 2010 referred for €1,854 million to the Fiat Group, for €750 million to the Fiat Industrial Group, for €20 million to the Alpitour Group, for €64 million to Juventus Football Club and for €8 million to the C&W Group.

During 2011, the Group reviewed the recoverable amount of certain buildings, plant, machinery and industrial equipment in order to take into consideration restructuring plans drawn up for certain businesses. This assessment led to the recognition of impairment losses for €348 million (€168 million in 2010). Such impairment losses refer to the Fiat Group for €323 million, of which €302 million is recognized in Other unusual income (expenses) and to the Fiat Industrial Group for €26 million.

The column Other changes in 2011, consists of the reclassification of the prior year balances for advances and tangible assets in progress to the respective categories when the assets were effectively acquired and put into operation, as well as the reclassification to inventories of assets sold with a buy-back commitment and held-for-sale until the agreement expiry date (€26 million).

In 2011, the overall increase of €9,716 million in Change in the scope of consolidation mainly reflects the consolidation of Chrysler. In 2010, the overall increase in this item mainly reflected the line-by-line consolidation of Fiat Powertrain Polska Sp.z o.o.

In 2011, exchange gains of €696 million reflect the appreciation of the US Dollar against the Euro from the end of May when Chrysler was consolidated for the first time, partially offset by the depreciation of the Brazilian Real and the Polish Zloty against the Euro.
In 2010, exchange gains of €404 million principally reflect the appreciation of the US Dollar, the Brazilian Real and the Polish Zloty against the Euro.

As for property, plant and equipment pledged as collateral, the following is noted:

Fiat Group
At December 31, 2011, property, plant and equipment of the Fiat Group excluding Chrysler pledged as collateral comprises land and industrial buildings pledged as security for debt for €50 million (€128 million at December 31, 2010); plant and machinery for €260 million (€282 million at December 31, 2010) and other assets for €7 million (unchanged compared to December 31, 2010) pledged as security for debt and other commitments which mainly relate to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the corresponding recognition of a financial lease payable
The amount of property plant and equipment of the Chrysler sector at December 31, 2011 is €11,050 million. Substantially all the Property, plant and equipment of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for Chrysler's outstanding debt.
At December 31, 2011, the Fiat Group had contractual commitments for the purchase of Property, plant and equipment amounting to €965 million (€697 million at December 31, 2010).

Fiat Industrial Group
At December 31, 2011, land and industrial buildings of the Group pledged as security for debt amounted to €45 million (€9 million at December 31, 2010); plant and machinery pledged as security for debt and other commitments amounted to €68 million (€36 million at December 31, 2010) and other assets pledged as security for debt and other commitments totaled €2 million (€3 million at December 31, 2010); these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a financial lease payable.
At December 31, 2011, the Group had contractual commitments for the acquisition of property, plant and equipment amounting to €104 million (€161 million at December 31, 2010).

Juventus Football Club
At December 31, 2011, Juventus Football Club has real estate mortgaged for a loan from the Istituto per il Credito Sportivo for the construction of the new stadium, for a maximum value of €120 million.

16. Investments and other financial assets

Details are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Investments in jointly controlled entities	1,400	360						**1,760**
Investments in associates	131	244				307		**682**
Investments in subsidiaries	48	10						**58**
Investments accounted for using the equity method	1,579	614	0	0	0	307	0	**2,500**
Investments at fair value with changes directly in Other comprehensive income	116					1,735	(104)	**1,747**
Investments at fair value with changes directly in profit or loss	149						(149)	
Investments at fair value	265		0	0	0	1,735	(253)	**1,747**
Investments in jointly controlled entities	20					1	(17)	**4**
Investments in associates	17		3				(10)	**10**
Investments in subsidiaries	18	1					(1)	**18**
Investments at cost	55	1	3	0	0	1	(28)	**32**
Total Investments	1,899	615	3			2,043	(281)	**4,279**
Non-current financial receivables	334	51	5		4	2	(48)	**348**
Other securities	427					205		**632**
Total Investments and other financial assets at 12/31/2011	**2,660**	**666**	**8**	**0**	**4**	**2,250**	**(329)**	**5,259**
Investments in jointly controlled entities	1,323	338						**1,661**
Investments in associates	117	331				231		**679**
Investments in subsidiaries	25	10						**35**
Investments accounted for using the equity method	1,465	679	0	0	0	231	0	**2,375**
Investments at fair value with changes directly in Other comprehensive income	17					1,698		**1,715**
Investments at fair value with changes directly in profit or loss								**0**
Investments at fair value	17	0	0	0	0	1,698	0	**1,715**
Investments in jointly controlled entities	4	11				1		**16**
Investments in associates	10							**10**
Investments in subsidiaries	48	1				10		**59**
Investments at cost	62	12	0	0	0	11	0	**85**
Total Investments	1,544 (b)	691				1,940		**4,175**
Non-current financial receivables	62	46	4	6	2	2		**122**
Other securities	47					334		**381**
Total Investments and other financial assets at 12/31/2010	**1,653**	**737**	**4**	**6**	**2**	**2,276**		**4,678**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

(b) Does not take into consideration the assignation of Fiat Industrial shares which Fiat S.p.A. received, without consideration, equal to the treasury stock it held in portfolio, since the demerger took effect on January 1, 2011.

Investments

Changes in investments in 2011 are set out below:

€ million	12/31/2010	Revaluations (writedowns)	Fair value changes recognized in equity	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Disposals and other changes	12/31/2011
Investments accounted for using the equity method	2,375	219	0	182	(56)	(17)	(203)	**2,500**
Investments at fair value	1,715	0	35	18	0	1	(22)	**1,747**
Investments at cost	85	(34)	0	18	(27)	1	(11)	**32**
Total Investments	**4,175**	**185**	**35**	**218**	**(83)**	**(15)**	**(236)**	**4,279**

Changes in investments in 2010 are set out below:

€ million	12/31/2009	Revaluations (writedowns)	Fair value changes recognized in equity	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Disposals and other changes	12/31/2010
Investments accounted for using the equity method	2,082	200	0	120	(1)	88	(114)	**2,375**
Investments at fair value	1,355	(9)	401	91	0	0	(123)	**1,715**
Investments at cost	76	(15)	0	32	(4)	2	(6)	**85**
Total Investments	**3,513**	**176**	**401**	**243**	**(5)**	**90**	**(243)**	**4,175**

Revaluations and writedowns, equal to €185 million, include the share of the profit or loss of investments accounted for using the equity method and the impairment losses recognized during the period for the investments valued at cost.

The Fair value changes recognized in equity increased €35 million (€401 million in 2010) and include adjustments to fair value made principally to the investments SGS for €29 million and other investments in the Holdings System for €11 million.

In 2011, Acquisitions and capitalizations amount to €218 million (€243 million in 2010), of which €94 million relating to the Fiat Group, €122 million to the Holdings System and €2 million to the C&W Group.

The acquisitions of the Holdings System include investments made by the subsidiary EXOR S.A. in the Almacantar Group (€104 million) and in Gruppo Banca Leonardo (€18 million).

Changes in the scope of consolidation show a decrease of €83 million (decrease of €5 million in 2010) and comprise mainly €35 million arising from the effects of consolidating V.M. Motori, a joint venture acquired by the Fiat Group on June 29, 2011, using the equity method, €26 million relating to other investments of Chrysler, as well as the line-by-line consolidation in the Fiat Industrial Group and of the associate Iveco Finance Holdings Limited per -€115 million and the effects due to the line-by-line consolidation of L&T – Case Equipment Private Limited per -€10 million.

Disposals and other changes decreased €236 million and mainly consist of the reduction of €167 million as the result of the distribution of dividends by investments accounted for using the equity method (of the Fiat Group: €40 million by the joint venture Tofas-Turk Otomobil Fabrikasi A.S. and €50 million by the joint venture FGA Capital; of the Fiat Industrial Group: €57 million; and of the Holdings System: €6 million the Sequana Group), the negative changes of €23 million in the cash flow hedge reserve of Tofas Turk Otomobil Fabrikasi A.S., as well as the sale of the remaining interest in IntesaSanpaolo for €20 million.
In 2010, the dividends received from Tofas-Turk Otomobil Fabrikasi A.S., FGA Capital and the Sequana Group amounted to €25 million, €26 million and €5 million respectively. The changes in the cash flow

hedge reserve of Tofas Turk Otomobil Fabrikasi A.S. and FGA Capital were positive for €5 million and €3 million, respectively.

Details of the investments are presented below.

Fiat Group

The item Investments in jointly controlled entities comprises the following:

	12/31/2011		12/31/2010	
€ million	% of interest	€ million	% of interest	€ million
FGA Capital S.p.A.	**50.0**	**725**	50.0	700
Tofas - Turk Otomobil Fabrikasi A.S.	**37.9**	**272**	37.9	304
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	**50.0**	**89**	50.0	95
Società Europea Veicoli leggeri - Sevel S.p.A.	**50.0**	**100**	50.0	99
GAC Fiat Automobiles Co. Ltd	**50.0**	**108**	50.0	50
Fiat India Automobiles Private Limited	**50.0**	**23**	50.0	42
VM Motori S.p.A.	**50.0**	**38**		
Other		**45**		33
Total Investments in jointly controlled entities		**1,400**		1,323

Investments in associates are the following:

	12/31/2011		12/31/2010	
€ million	% of interest	€ million	% of interest	€ million
Rizzoli Corriere della Sera MediaGroup S.p.A.	10.1	99	10.1	101
Other		32		20
Total Investments in associates		**131**		**121**

Rizzoli Corriere della Sera MediaGroup S.p.A. is a listed company in which Fiat is one of the major shareholders, is represented on the board of directors and is a party to a shareholder agreement. As a result the company is classified as an associate. In order to account for this investment using the equity method, reference was made to the company's most recent published financial statements, being its "Interim Management Statements at 30 September 2011", since those to be issued for 2011 will only be available after the publication of the consolidated financial statements of the Fiat Group.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as standby letters of credit and other agreements. The increase over December 31, 2010 is mainly due to the consolidation of Chrysler.

Other securities and other financial assets

Other securities and other financial assets include €321 million ($415 million) relating to the value of Fiat's contractual right to receive an additional 5% ownership interest in Chrysler upon the occurrence of the Ecological Event in early January 2012, and relating to the value of the contractual rights arising from the acquisition of the Equity Recapture Agreement for €58 million ($75 million).

Fiat Industrial Group

The item Investments in jointly controlled entities comprises the following:

€ million	12/31/2011		12/31/2010	
	% of interest	**€ million**	% of interest	€ million
Naveco (Nanjing Iveco Motor Co.) Ltd.	**50.0**	**169**	50.0	150
Turk Traktor Ve Ziraat Makineleri A.S.	**37.5**	**87**	37.5	79
SAIC Iveco Commercial Vehicle Investment Company Limited	**50.0**	**37**	50.0	45
New Holland HFT Japan Inc.	**50.0**	**42**	50.0	33
CNH de Mexico SA de CV	**50.0**	**19**	50.0	21
Transolver Finance Establecimiento Financiero de Credito S.A.	**50.0**	**4**	50.0	5
Other		**2**		5
Total Investments in jointly controlled entities		**360**		338

The item Investments in associates comprises the following:

€ million	12/31/2011		12/31/2010	
	% of interest	**€ million**	% of interest	€ million
Kobelco Construction Machinery Co. Ltd.	20.0	145	20.0	124
CNH Capital Europe S.a.s.	49.9	69	49.9	66
Al -Ghazi Tractors Ltd.	43.2	24	43.2	22
Iveco Finance Holdings Limited	-	0	49.0	115
Other		6		15
Total Investments in associates		**244**		**342**

At December 31, 2011, no non-current financial receivables had been pledged as security for loans (€40 million at December 31, 2010).

Holdings System

The investments of the Holdings System are as follows:

	12/31/2011		12/31/2010		
	% of interest	€ million	% of interest	€ million	Change
Investments accounted for using the equity method					
Sequana Group	**28.24**	**190**	28.24	231	(41)
Almacantar Group (a)	**36.3**	**117**		0	117
Total Investments accounted for using the equity method		**307**		231	76
Investments at fair value with changes directly in equity					
- SGS S.A.	**15.00**	**1,501**	15.00	1,472	29
- Gruppo Banca Leonardo S.p.A.	**17.40**	**105**	14.57	87	18
- Banijay Holding S.A.S.	**17.09**	**40**	17.09	39	1
- The Economist Newspaper Ltd	**4.72**	**32**	4.72	30	2
- Copacabana Prince Participacoes S.A.	**1.62**	**18**	1.62	15	3
- NoCo A LP	**2.00**	**17**	2.00	19	(2)
- BTG Investments LP	**0.26**	**5**	0.26	4	1
- Other		**17**		12	5
- Intesa Sanpaolo S.p.A.	**-**	**0**	0.08	20	(20)
Total Investments at fair value with changes in equity		**1,735**		1,698	37
Investments at cost					
Almacantar Group (a)	**-**	**0**	54.98	10	(10)
Jardine Rothschild Asia Capital Ltd	**33.33**	**1**	33.33	1	0
Total Investments at cost		**1**		11	(10)
Non-current securities					
Securities at fair value with changes in equity					
- Perella Weinberg Funds		**70**		48	22
- Immobiliare RHO Fund		**12**		11	1
- Other		**9**		7	2
Held-to-maturity securities at amortized cost					
- Perfect Vision Limited convertible bonds		**0**		76	(76)
- Other bonds		**114**		192	(78)
Total Non-current securities		**205**		334	(129)
Non-current financial receivables		**2**		2	0
Investments and other financial assets of the Holdings System		**2,250**		2,276	(26)

(a) In 2010, the investment was measured at cost since it was not entirely operational.
(b) Reclassified to Assets and liabilities held for sale.

Investments at fair value with changes in equity

At December 31, 2011, the changes were as follows:

The investment in SGS increased €29 million due to the fair value adjustment at December 30, 2011. The SGS per share trading price at December 30, 2011 was equal to CHF 1,555, or €1,279.2, based on the year-end exchange rate of 1.2156. The carrying amount of the investment in SGS is €470 million; at December 31, 2011, the net positive fair value adjustment recognized in equity was €1,031 million.

The investment in Gruppo Banca Leonardo increased as a result of purchases of additional 7,576,662 ordinary shares (2.90% of share capital) with a total investment of €18 million, net of the negative fair value adjustment of €0.2 million (with recognition in equity).

The estimation of fair value was calculated by an independent expert who applied the Dividend Discount Model of valuation using the Excess of Capital variation, considered by doctrine and professional practice the method most appropriate where there is a business plan which explicitly predicts the estimated future dividend pay-out.
In prior years, the Warrant Equity Method with Excess of Capital valuation criterion was applied since at the time of estimation a business plan which explicitly indicated the flows of expected future dividends was not available.

For purposes of illustration and as a comparison with 2010, the independent expert also determined the value of Gruppo Banca Leonardo using the same previous valuation method; the resulting value of €105 million is line with the measurement obtained using the Dividend Discount Model.

The increase in the investment in Banijay Holding is as a result of the positive change in fair value of €1 million (with recognition in equity).

The investment in Intesa Sanpaolo decreased due to the sale of the entire investment represented by 12,857,142 shares, after EXOR subscribed to its share of the capital increase for €4 million.
At December 31, 2010, there were still put options sold on 25,000,000 Intesa Sanpaolo shares.
In February 2011, EXOR sold additional call options on 10,000,000 Intesa Sanpaolo shares.
During 2011, EXOR early closed all the above options and realized a net gain of €0.7 million.

Securities at fair value with changes in equity

The Perella Weinberg Funds increased by a net €22 million attributable to investments made in NoCo B LP and in the Perella Weinberg Real Estate I Fund, respectively, of €8 million and of €14 million, offset in part by reimbursements of €4 million and the positive fair value adjustment of €4 million (with recognition in equity).
At December 31, 2011 the remaining investment commitments in NoCo B L.P. and in the Perella Weinberg Real Estate I Fund amount, respectively, to $34 million (€26 million) and €3 million.

The Immobiliare RHO Fund increased €1 million owing to the positive fair value adjustment certified by the same Fund manager.

Held-to-maturity securities

These comprise bonds issued by leading counterparts and quoted on active and open markets which the Holdings System intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such securities are recognized and measured at amortized cost.

The key consolidated data of the Sequana Group and of the Almacantar Group are as follows.

Sequana Group

€ million	12/31/2011	12/31/2010
Total assets	**2,711**	2,988
Current and non-current liabilities	**2,041**	2,174
Revenues	**3,944**	4,117
Profit (loss)	**(77)**	32
Of which EXOR's share	**(22)**	9
Net financial debt	**609**	674
Fair value of EXOR's share based on the trading price at the end of December	**60**	163

Almacantar Group

	12/31/2011 £ million	12/31/2011 € million
Property revenues	**6.9**	**8**
Profit (loss)	**(4.3)**	**(5)**
Of which EXOR's share	**(1.6)**	**(2)**
Net financial position	**(20.6)**	**(25)**

Listed investments

At December 31, 2011, the stock market values of listed investments are as follows:

€ million	Carrying amount 12/31/2011	Trading price 12/31/2011
Fiat		
Tofas - Turk Otomobil Fabrikasi A.S.	**272**	**278**
Rizzoli Corriere della Sera MediaGroup S.p.A.	**99**	**52**
Total Fiat	**371**	**330**
Fiat Industrial		
Turk Traktor Ve Ziraat Makineleri A.S.	**87**	**277**
Al -Ghazi Tractors Ltd.	**24**	**31**
Total Fiat Industrial	**111**	**308**
Holdings System		
Sequana S.A.	**190**	**60**
Total Holdings System	**190**	**60**
Total Listed investments	**672**	**698**

17. Leased assets

Details by sector are as follows:

€ million	Fiat	Fiat Industrial	Consolidated Exor
At December 31, 2011			
Leased assets	**45**	**558**	**603**
At December 31, 2010			
Leased assets	**-**	**492**	**492**

The Fiat Industrial Group and in particular the sectors Trucks and Commercial Vehicles and the Agricultural and Construction Equipment lease out assets, mainly their own products, as part of their financial services businesses.

This item changed as follows in 2011 and 2010:

€ million	12/31/2010	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2011
Gross carrying amount	674	296		18	(245)	**743**
Depreciation and impairment	(182)		(90)	(4)	91	**(185)**
Net carrying amount of Leased assets 2011	**492**	**296**	**(90)**	**14**	**(154)**	**558**

€ million	12/31/2009	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2010
Gross carrying amount	632	291	0	55	(304)	**674**
Depreciation and impairment	(175)	0	(95)	(13)	101	**(182)**
Net carrying amount of Leased assets 2010	**457**	**291**	**(95)**	**42**	**(203)**	**492**

At December 31, 2011, minimum lease payments from non-cancellable operating leases amount to €186 million (€216 million at December 31, 2010) and fall due as follows:

€ million	12/31/2011	12/31/2010
Within one year	**86**	98
Between one and five years	**99**	116
Beyond five years	**1**	2
Total Minimum lease payments	**186**	216

18. Inventories

The breakdown by sector is presented below:

€ million	Fiat	Fiat Industrial	Alpitour (a)	Consolidated Exor
Raw materials, supplies and finished goods	7,555	4,707		**12,262**
Assets sold with a buy-back commitment	1,394	142		**1,536**
Gross amount due from customers for contract work	174	16		**190**
Total Inventories at December 31, 2011	**9,123**	**4,865**	**0**	**13,988**
Raw materials, supplies and finished goods	3,671	3,727	4	**7,402**
Assets sold with a buy-back commitment	637	159		**796**
Gross amount due from customers for contract work	135	12		**147**
Total Inventories at December 31, 2010	**4,443**	**3,898**	**4**	**8,345**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Fiat Group

Excluding the changes resulting from the initial consolidation of Chrysler, totaling €3,050 million, Inventories rose by €834 million during 2011 (€750 million at unchanged exchange rates) mainly in connection with the development of new production and sales activities in North America and Latin America.

At December 31, 2011, Inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €1,343 million (€1,482 million at December 31, 2010).

The amount of inventory writedowns recognized as an expense during 2011 is €528 million (€432 million in 2010). Amounts recognized as income from the reversal of writedowns on items sold during the year were not significant.

The amount of inventories of the Chrysler sector at December 31, 2011 is €4,170 million. Substantially all of the inventories of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for debt outstanding.

Fiat Industrial Group

At December 31, 2011, Inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €961million (€1,216 million at December 31, 2010).

The amount of inventory writedowns recognized as an expense during 2011 is €84 million (€57 million in 2010). Amounts recognized as income from the reversal of writedowns on items sold during the year were not significant.

There were no inventories pledged as security at December 31, 2011 and 2010.

The amount due from customers for contract work mainly relates to the Production Systems sector of the Fiat Group can be analyzed as follows:

€ million	**Fiat**	**Fiat Industrial**	**Consolidated Exor**
At December 31, 2011			
Aggregate amount of costs incurred and recognized profits (less recognized losses) to date	1,294	26	**1,320**
Less: Progress billings	(1,230)	(11)	**(1,241)**
Construction contracts, net of advances on contract work	**64**	**15**	**79**
Gross amount due from customers for contract work as an asset	174	16	**190**
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(110)	(1)	**(111)**
Construction contracts, net of advances on contract work	**64**	**15**	**79**
At December 31, 2010			
Aggregate amount of costs incurred and recognized profits (less recognized losses) to date	1,233	12	**1,245**
Less: Progress billings	(1,203)	0	**(1,203)**
Construction contracts, net of advances on contract work	**30**	**12**	**42**
Gross amount due from customers for contract work as an asset	135	12	**147**
Less: Gross amount due to customers for contract work as a liability included in Other current liabilities	(105)	0	**(105)**
Construction contracts, net of advances on contract work	**30**	**12**	**42**

At December 31, 2011 and at December 31, 2010, the amount of retentions by customers on contract work in progress was not significant.

19. Current receivables and Other current assets

The composition of Current receivables and Other current assets is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Trade receivables	2,625	1,562	242		16		(124)	**4,321**
Receivables from financing activities	3,968	13,946					(53)	**17,861**
Other financial receivables						8		**8**
Current tax receivables	369	685	14			25		**1,093**
Other current assets:								
- Other current receivables	1,710	902	32		31	2	(37)	**2,640**
- Accrued income and prepaid expenses	378	151	23		4			**556**
	2,088	1,053	55	0	35	2	(37)	**3,196**
Total Current receivables and Other current assets at December 31, 2011	**9,050**	**17,246**	**311**	**0**	**51**	**35**	**(214)**	**26,479**
Trade receivables	2,367	1,839	227	81	14		(158)	**4,370**
Receivables from financing activities	2,866	10,908						**13,774**
Other financial receivables						38	(31)	**7**
Financial receivables from Fiat Industrial	5,626						(5,626)	**0**
Financial receivables from Fiat		2,865					(2,865)	**0**
Current tax receivables	353	618	7	1		45	(66)	**958**
Other current assets:								
- Other current receivables	1,526	797	45	12	25	2	(138)	**2,269**
- Accrued income and prepaid expenses	118	158	22		8	1		**307**
	1,644	955	67	12	33	3	(138)	**2,576**
Total Current receivables and Other current assets at December 31, 2010	**12,856**	**17,185**	**301**	**94**	**47**	**86**	**(8,884)**	**21,685**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Trade receivables

Trade receivables of the EXOR Group amount to €4,321 million at December 31, 2011 and decreased €49 million compared to December 31, 2010.

Trade receivables are shown net of allowances for doubtful accounts of €529 million at December 31, 2011 (€499 million at December 31, 2010). Changes in these allowances, which are calculated on the basis of historical losses on receivables, were as follows in 2011:

€ million	At December 31, 2010	Provision	Uses and other changes	Change in the scope of consolidation	At December 31, 2011
Allowances for doubtful accounts at 12/31/2011	**499**	**142**	**(112)**	**0**	**529**
Allowances for doubtful accounts at 12/31/2010	**561**	**104**	**(173)**	**7**	**499**

The carrying amount of Trade receivables is considered in line with their fair value.

The amount of trade receivables of the Chrysler sector at December 31, 2011 is €667 million. Substantially all the trade receivables of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for debt outstanding. For the Fiat Group excluding Chrysler, trade receivables of €1 million were pledged as security for loans obtained (€8 million at December 31, 2010.

Receivables from financing activities of the Fiat Group

Receivables from financing activities include the following:

€ million	12/31/2011	12/31/2010
Dealer financing	**2,360**	1,724
Retail financing	**1,107**	731
Finance leases	**310**	243
Supplier financing	**51**	48
Financial receivables from jointly controlled financial services entities	**21**	12
Financial receivables from jointly controlled entities, associates and unconsolidated subsidiaries	**61**	49
Other	**58**	59
Total Receivables from financing activities	**3,968**	**2,866**

Receivables from financing activities increased by €1,102 million over the period. Excluding translation exchange losses of €125 million (arising mainly from the devaluation of the Brazilian Real exchange rate against the Euro) and changes resulting from consolidation of Chrysler, totaling €15 million, the item increased by €1,212 million, due to the increase in financing activities of the Group's financial services companies outside Europe.

Financial receivables from jointly controlled financial services companies include current financial receivables due from the FGA Capital group.

Receivables from financing activities of the Fiat Group are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2011, the allowance amounts to €101 million (€102 million at December 31, 2010). Changes in the allowance accounts during the year are as follows:

€ million	12/31/2010	Provision	Use and other changes	12/31/2011
Retail financing	21	17	(4)	**34**
Finance leases	9	1	(1)	**9**
Dealer financing	26	12	(13)	**25**
Supplier financing	2			**2**
Other	44		(13)	**31**
Total allowance on Receivables from financing activities	**102**	**30**	**(31)**	**101**

The fair value of receivables from financing activities at December 31, 2011 amounts to approximately €3,956 million (€2,869 million at December 31, 2010). These fair values have been calculated using a discounted cash flow method based on the following discount rates, adjusted where necessary to take account of the specific insolvency risk of the underlying financial instrument.

in %	EUR	USD	GBP	CAD	AUD	BRL	PLN
Interest rate for six months	1.62	0.81	1.38	1.45	4.43	10.16	5.00
Interest rate for one year	1.95	1.13	1.87	1.65	3.88	10.04	4.88
Interest rate for five years	1.73	1.23	1.57	1.46	4.31	10.74	4.81

Finance lease receivables refer to vehicles leased out under finance lease arrangements by the Fiat Group Automobiles and Ferrari sectors. The interest rate implicit in the lease is determined at the contract date for the whole of the lease term and is in line with market rates.

This item may be analyzed as follows, gross of an allowance of €9 million at December 31, 2011 (€9 million at December 31, 2010):

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	110	216	9	**335**
Less: unrealized interest income	(5)	(11)	0	**(16)**
Present value of future minimum lease payments at December 31, 2011	**105**	**205**	**9**	**319**
Receivables for future minimum lease payments	75	177	6	**258**
Less: unrealized interest income	(3)	(2)	(1)	**(6)**
Present value of future minimum lease payments at December 31, 2010	**72**	**175**	**5**	**252**

No contingent rents were recognized as finance leases during 2011 or 2010 and unguaranteed residual values at December 31, 2011 and 2010 are not significant.

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from sector to sector and from country to country, although payment terms range from two to six months.

Receivables from financing activities of the Fiat Industrial Group

€ million	12/31/2011	12/31/2010
Retail financing	**6,985**	6,219
Dealer financing	**5,243**	3,857
Finance leases	**1,619**	812
Other	**99**	20
Total Receivables from financing activities	**13,946**	**10,908**

Total Receivables from financing activities increased by €3,038 million over the period, mainly due to the line-by-line consolidation of Iveco Finance Holdings Limited for €2,082 million and an increase in Dealer and Retail financing in the CNH sector in North America for €654 million. Changes in exchange rates, mainly between the Euro and the Australian Dollar, the Canadian Dollar and the US Dollar, led to an increase of €136 million, partially offset by the depreciation in the Euro/Real exchange rate.

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2011, the allowance amounts to €564 million (€493 million at December 31, 2010). Changes in the allowance accounts during the years considered are as follows:

€ million	12/31/2010	Provision	Use and other changes	12/31/2011
Retail financing	310	161	(263)	**208**
Finance leases	94	90	79	**263**
Dealer financing	89	22	(18)	**93**
Total allowance on Receivables from financing activities	**493**	**273**	**(202)**	**564**

The fair value of receivables from financing activities at December 31, 2011 amounts to €14,325 million (€11,090 million at December 31, 2010) and has been calculated using a discounted cash flow method based on the following discount rates, adjusted, where necessary, to take account of the specific risk of insolvency of the underlying financial instrument.

in %	EUR	USD	GBP	CAD	AUD	BRL	PLN
Interest rate for six months	1.62	0.81	1.38	1.45	4.43	10.16	5.00
Interest rate for one year	1.95	1.13	1.87	1.65	3.88	10.04	4.88
Interest rate for five years	1.73	1.23	1.57	1.46	4.31	10.74	4.81

Finance lease receivables mainly relate to vehicles of Trucks and Commercial Vehicles and Agricultural and Construction Equipment sectors leased out under finance lease arrangements. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term. The average interest rates implicit in total finance lease receivables vary depending on prevailing market interest rates.
The item may be analyzed as follows stated gross of an allowance of €263 million at December 31, 2011 (€94 million at December 31, 2010):

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	1,100	1,189	29	2,318
Less: unrealized interest income	(168)	(265)	(3)	(436)
Present value of future minimum lease payments at December 31, 2011	**932**	**924**	**26**	**1,882**
Receivables for future minimum lease payments	465	496	94	1,055
Less: unrealized interest income	(51)	(79)	(19)	(149)
Present value of future minimum lease payments at December 31, 2010	**414**	**417**	**75**	**906**

No contingent rents were recognized as finance lease during 2011 or 2010 and unguaranteed residual values at December 31, 2011 and 2010 are not significant.

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from sector to sector and from country to country, although payment terms range from two to six months.

Other current assets

Other current assets amount to €3,196 million (€2,576 million at December 31, 2010) and mainly consist of Other tax receivables for VAT and other indirect taxes of €1,417 million, Receivables from employees of €85 million and Accrued income and prepaid expenses of €556 million. The carrying amount of Other current assets is considered to be in line with fair value.

At December 31, 2011, other receivables in Other current assets of Juventus Football Club comprise receivables from football clubs arising from the sale of players for €20 million.

At December 31, 2010, Other current assets included an amount of €88 million due from the tax authorities relating to eco-incentives in Italy.

The analysis of current receivables (excluding accrued income and prepaid expenses by due date at December 31, 2011 and December 31, 2010) is the following:

	At 12/31/2011				At 12/31/2010			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Trade receivables	4,253	67	1	**4,321**	4,300	70		**4,370**
Receivables from financing activities	11,524	6,242	95	**17,861**	8,744	4,808	222	**13,774**
Other financial receivables	8			**8**	7			**7**
Current tax receivables	975	42	76	**1,093**	790	38	130	**958**
Other current receivables	2,106	489	45	**2,640**	1,762	476	31	**2,269**
Total current receivables	**18,866**	**6,840**	**217**	**25,923**	15,603	5,392	383	**21,378**

The item Receivables from financing activities includes the entire portfolio of the financial services entities of the Fiat Group and the Fiat Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

20. Current investments and securities

The item consists mainly of short-term securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents. In particular:

€ million	Fiat	Fiat Industrial	Alpitour (a)	Holdings System	Consolidated Exor
Equity shares held for trading	33			104	**137**
Bonds held-to-maturity				77	**77**
Bonds available-for-sale	52	68			**120**
Bonds and mutual funds held for trading	147			296	**443**
Total bonds and mutual funds	199	68		373	**640**
Investments and current securities at December 31, 2011	**232**	**68**		**477**	**777**
Equity shares held for trading	34			342	**376**
Bonds held-to-maturity					
Bonds available-for-sale	38	24			**62**
Bonds and mutual funds held for trading	147		3	370	**520**
Total bonds and mutual funds	185	24	3	370	**582**
Investments and current securities at December 31, 2010	**219**	**24**	**3**	**712**	**958**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Holdings System

Current investments and securities include equity shares listed on major international markets, bonds issued by leading issuers and mutual funds. Such financial assets, if held for trading, are measured at fair value on the basis of the market price at the end of the year or using the value determined by an independent third party in the case of mutual funds, translated, where applicable, at year-end exchange rates, with recognition of the fair value in the income statement; if held to maturity, they are measured at amortized cost. Derivative financial instruments are used in the management of current financial instruments.

Fiat Industrial Group

This item includes investments of about €62 million in Brazilian sovereign bonds. These securities, known as LTFs (*Letra Financeira do Tesouro*), have maturities between 2013 and 2015, bear interest at a variable rate and may be readily traded as they are listed on liquid markets.

21. Other financial assets and Other financial liabilities

These items consist of derivative financial instruments measured at fair value at December 31, 2011. Specifically:

	12/31/2011		12/31/2010	
€ million	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fiat				
Fair value hedges				
Interest rate risk - Interest rate swaps	**216**		226	(7)
Interest rate and currency risk - Combined interest rate and currency swaps	**1**	**(2)**	15	
Total Fair value hedges	**217**	**(2)**	241	(7)
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	**91**	**(258)**	81	(109)
Interest rate risk - Interest rate swaps		**(5)**	56	(78)
Interest rate and currency risk - Combined interest rate and currency swaps			5	
Commodities price risk - Commodities swaps	**1**	**(42)**	2	
Total Cash flow hedges	**92**	**(305)**	144	(187)
Derivatives for trading	**174**	**(122)**	131	(61)
Cash Collateral	**74**			
Total Fiat	**557**	**(429)**	516	(255)
Fiat Industrial				
Fair value hedges				
Interest rate risk - Interest rate swaps	**54**	**(2)**	9	(11)
Total Fair value hedges	**54**	**(2)**	9	(11)
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	**32**	**(102)**	48	(82)
Interest rate risk - Interest rate swaps	**0**	**(27)**	4	(9)
Other derivatives		**(1)**		
Total Cash flow hedges	**32**	**(130)**	52	(91)
Derivatives for trading	**32**	**(25)**	27	(45)
Total Fiat Industrial	**118**	**(157)**	88	(147)
C&W Group				
Fair value hedges				
Currency risks		**(2)**	1	(2)
Cash flow hedges				
Interest rate risk - Interest rate cap	**1**			
Total C&W Group	**1**	**(2)**	1	(2)
Alpitour Group				
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options				(1)
Interest rate risk - Interest rate swaps				(4)
Alpitour Group (a)	**0**	**0**	0	(5)
Juventus F.C.				
Cash flow hedges				
Interest rate risk - Interest rate swaps	**0**	**(1)**		
Total Juventus F.C.	**0**	**(1)**	**0**	**0**
Holdings System				
Cash flow hedge				
Interest rate risk - Interest rate swaps	**1**	**(11)**		
Derivatives for trading		**(11)**	5	(60)
Total Holdings System	**1**	**(22)**	5	(60)
Total Other financial assets (liabilities)	**677**	**(611)**	610	(469)

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

The fair value of derivative financial instruments is determined by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is determined using valuation techniques based on the Black-Scholes model or binomial models and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is determined by using the discounted cash flow method;
- the fair value of derivative financial instruments acquired to hedge interest rate risk and currency risk is determined using the exchange rates prevailing at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is determined by using the discounted cash flow method, taking market parameters at the balance sheet date where available (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

Fiat Group

The overall change in Other financial assets from €516 million at December 31, 2010 to €557 million at December 31, 2011 and in Other financial liabilities from €255 million at December 31, 2010 to €429 million at December 31, 2011 is mostly due to fluctuations in exchange rates, in interest rates and in commodity prices during the year, and to the change in the scope of consolidation arising from the acquisition of Chrysler and the change in fair value of the equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares.

As this item consists principally of hedging derivative financial instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivatives for trading consist principally of the following types:

- derivative contracts entered for hedging purposes which do not qualify for hedge accounting;
- derivatives (equity swaps) on Fiat S.p.A. and Fiat Industrial S.p.A. shares which are described below;
- an embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

The cash collateral relates to Chrysler derivative contracts.

Fiat Industrial Group

The overall increase in Other financial assets from €88 million at December 31, 2010 to €118 million at December 31, 2011, and in Other financial liabilities from €147 million at December 31, 2010 to €157 million at December 31, 2011 is mostly due to changes in exchange rates and interest rates during the year.

As this item consists principally of hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivatives for trading consist principally of derivatives (mostly currency based derivatives) acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges at Group level.

Holdings System

Other financial assets represent the positive fair value of a cross currency swap contract to hedge exchange risk on the non-convertible bonds in Japanese yen issued in May 2011 by EXOR S.p.A.

Other financial liabilities include the negative fair value of €11 million relating to interest rate swap contracts put in place by EXOR S.p.A. on bank debt and also derivatives for trading of €11 million.

At December 31, 2011 and 2010, the notional amount of the outstanding derivative financial instruments of the EXOR Group, is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Consolidated Exor
Currency risk management	10,279	6,800	112			83	**17,274**
Interest rate risk management	8,407	3,971	97		17	200	**12,692**
Interest rate and currency risk management	652					83	**735**
Commodity price risk management	690	20					**710**
Other derivative financial instruments	168						**168**
Total notional amount at December 31, 2011	**20,196**	**10,791**	**209**	**0**	**17**	**366**	**31,579**
Currency risk management	8,183	4,378	103	23			**12,687**
Interest rate risk management	9,407	3,133		55	114	25	**12,734**
Interest rate and currency risk management	1,005						**1,005**
Other derivative financial instruments	230	2				76	**308**
Total notional amount at December 31, 2010	**18,825**	**7,513**	**103**	**78**	**114**	**101**	**26,734**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Fiat Group

At December 31, 2011, the notional amount of Other derivative financial instruments consists of:

- For €154 million (€204 million at December 31, 2010), the notional amount of four equity swaps, renewed in 2011 and expiring in 2012, arranged to hedge the risk of an increase in the prices of Fiat S.p.A. and Fiat Industrial S.p.A. shares above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 24). The notional amount is linked to the vested stock options. At December 31, 2011, the equity swaps have a total positive fair value of €18 million (a positive fair value of €115 million at December 31, 2010). Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are defined as trading derivative financial instruments.
- For €14 million (€14 million at December 31, 2010), the notional amount of the derivative embedded in a bond with a return linked to inflation rates, as well as the notional amount of the related hedging derivative, which converts the exposure to floating rate.

Fiat Industrial Group

At December 31, 2011, the notional amount of Other derivative financial instruments consists of: the notional amount of derivatives linked to commodity prices hedging specific exposures arising from supply agreements. Under these agreements there is a regular updating of the prices on the basis of trends in the quoted prices of the raw material.

C&W Group

The notional value as of December 31, 2011 refers:

- for €112 million ($145 million), to forward contracts used by C&W Group to mitigate foreign currency exposure related to intercompany transactions with a fair value liability of a net $1.4 million, or €1.1 million at December 31, 2011 ($1 million, or €1 million at December 31, 2010);
- for €97 million ($125 million), to an Interest Rate Cap entered into by C&W Group on August 15, 2011 and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%. As of December 31, 2011, the fair value of this interest rate cap amounted to €1 million and was reflected as an asset.

During the year ended December 31, 2011, net losses of €0.4 million ($0.6 million) were recorded to other comprehensive loss and accumulated under the cash flow hedging reserve.

There was no hedge ineffectiveness for the year ended December 31, 2011.

Juventus Football Club

The notional amount at December 31, 2011 of €17 million refers to an interest rate swap contract entered into on April 11, 2011 to hedge the interest rate applicable to the finance lease with Unicredit Leasing S.p.A. relative to the Vinovo Training Center. The negative fair value is €0.6 million (€0.4 million in 2010).

At December 31, 2010, there were also CAP option contracts to manage the risk of changes in interest rates on two loan contracts for a total of €60 million, entered into with Istituto per il Credito Sportivo for the construction of the new Stadium. At December 31, 2010, the positive fair value change in the two options (€0.2 million) was recognized in profit or loss since the fair value of the option was entirely due to the time value of the transaction.

Holdings System

The notional amount of the financial instruments to manage interest rate risk includes:

- interest swap contracts entered into by EXOR S.p.A. on loans of €200 million to guarantee a fixed rate for the entire period of the loans. At December 31, 2011, the fair value is negative for €11 million. At December 31, 2010, EXOR S.p.A. had in place an interest rate swap contract on the loan of €25 million;
- a cross currency swap contract on the non-convertible bonds in Japanese yen (about €83 million) entered in May 2011 by EXOR S.p.A. to hedge currency risk. At December 31, 2011, the fair value is positive for €1 million.
- Forward currency sales contracts, for €83 million; the fair value at December 31, 2011 is negative for €11 million.

The following table provides an analysis by due date of outstanding derivative financial instruments at December 31, 2011 based on their notional amounts:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Consolidated Exor
Currency risk management							
- Due within one year	9,272	6,633	112			83	**16,100**
- Due between one and five years	1,007	167					**1,174**
	10,279	6,800	112	0	0	83	**17,274**
Interest rate risk management							
- Due within one year	3,277	1,362			2		**4,641**
- Due between one and five years	3,380	1,746	97		6	200	**5,429**
- Due beyond five years	1,750	863			9		**2,622**
	8,407	3,971	97	0	17	200	**12,692**
Interest rate and currency risk management							
- Due beyond five years	652					83	**735**
	652	0	0	0	0	83	**735**
Commodities price risk management							
- Due within one year	641	20					**661**
- Due between one and five years	49						**49**
	690	20	0	0	0	0	**710**
Other derivative financial instruments							
- Due within one year	154						**154**
- Due beyond five years	14						**14**
	168	0	0	0	0	0	**168**
Total notional amount at 12/31/2011	**20,196**	**10,791**	**209**	**0**	**17**	**366**	**31,579**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

The following table provides an analysis by due date of outstanding derivative financial instruments at December 31, 2010 based on their notional amounts:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour	Juventus F.C.	Holdings System	Consolidated Exor
Currency risk management							
- Due within one year	7,444	4,241	103	23			11,811
- Due between one and five years	739	137					876
	8,183	4,378	103	23			12,687
Interest rate risk management							
- Due within one year	4,593	834		8	101	25	5,561
- Due between one and five years	3,426	1,664		30	6		5,126
- Due beyond five years	1,388	635		17	7		2,047
	9,407	3,133		55	114	25	12,734
Interest rate and currency risk management							
- Due beyond five years	1,005						1,005
	1,005	0					1,005
Other derivative financial instruments							
- Due within one year	216	2					218
- Due between one and five years	0	0				76	76
- Due beyond five years	14	0					14
	230	2				76	308
Total notional amount at December 31, 2010	**18,825**	**7,513**	**103**	**78**	**114**	**101**	**26,734**

Cash flow hedges

€ million	Fiat	Fiat Industrial	Holdings System	Consolidated Exor
Currency risk				
Increase (Decrease) in net revenues	65	(13)		**52**
Decrease (Increase) in cost of sales	(36)	25		**(11)**
Financial income (expenses)	(19)	(9)		**(28)**
Result from investments	23			**23**
Interest rate risk				
Decrease (Increase) in cost of sales	(4)	(18)		**(22)**
Result from investments	(5)			**(5)**
Financial income (expenses)	(2)	(2)	(2)	**(6)**
Commodities price risk				
Decrease (Increase) in cost of sales	(3)			**(3)**
Taxes - income (expenses)	(3)	3		**0**
Ineffectiveness - overhedges	(3)			**(3)**
Net gains (losses) on cash flow hedges recognized in the income statement 2011	**13**	**(14)**	**(2)**	**(3)**
Currency risk				
Increase (Decrease) in net revenues	(64)	(27)		**(91)**
Decrease (Increase) in cost of sales	(83)	(29)		**(112)**
Financial income (expenses)	(19)	(29)		**(48)**
Result from investments	(5)			**(5)**
Interest rate risk				
Decrease (Increase) in cost of sales	(8)	(36)		**(44)**
Result from investments	(7)			**(7)**
Financial income (expenses)	(5)		(10)	**(15)**
Commodities price risk				
Decrease (Increase) in cost of sales	5			**5**
Taxes - income (expenses)	37	28		**65**
Ineffectiveness - overhedges	(19)			**(19)**
Net gains (losses) on cash flow hedges recognized in the income statement 2010	**(168)**	**(93)**	**(10)**	**(271)**

In reference to existing derivative financial instruments put in place, during 2011 the EXOR Group reversed from Other comprehensive income to profit or loss a portion of the previously recognized losses equal to €3 million (losses equal to €271 million in 2010) net of the tax effect.

Fiat Group

The effects recognized in profit or loss mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and the cash flows that are exposed to an interest rate risk.

The policy of the Group for managing currency risk normally requires that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. It is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in income, mainly during the following year.

The interest rate and currency derivatives treated as cash flow hedges were entered into by the North American treasury for the purpose of hedging the bond issued in Euros and maturing in 2017; the amount recorded in the cash flow hedge reserve will be recognized in income according to the timing of the flows of the underlying bond.

The ineffectiveness of cash flow hedges was not material in 2011 or 2010.

Fiat Industrial Group

The effects arising on the income statement mainly refer to the management of the currency risk and, to a lesser extent, to the hedges relating to the debt of the Group's financial companies and Group treasury.

The policy of the Group for managing currency risk normally requires that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. As a result, it is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in income, mainly during the following year.

The ineffectiveness of cash flow hedges was not material in 2011 or 2010.

The total economic effect of hedges which subsequently turned out to be in excess of the future flows being hedged (overhedges) was not material in 2011 or 2010.

Fair value hedges

The gains and losses arising from the valuation of interest rate and currency derivatives financial instruments (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ million	Fiat	Fiat Industrial	Consolidated Exor
Currency risk			
Net gains (losses) on qualifying hedges	(19)		**(19)**
Fair value changes in hedged items	19		**19**
Interest rate risk			
Net gains (losses) on qualifying hedges	24	51	**75**
Fair value changes in hedged items	(26)	(51)	**(77)**
Net gains (losses) on fair value hedges recognized in the income statement 2011	**(2)**	**0**	**(2)**
Currency risk			
Net gains (losses) on qualifying hedges	(50)		**(50)**
Fair value changes in hedged items	50		**50**
Interest rate risk			
Net gains (losses) on qualifying hedges	15	11	**26**
Fair value changes in hedged items	(15)	(11)	**(26)**
Net gains (losses) on fair value hedges recognized in the income statement 2010	**0**	**0**	**0**

The ineffective portion of transactions treated as fair value hedges was not material in 2011 or 2010.

22. Cash and cash equivalents

A breakdown by sector is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Cash in hand and at banks and post offices	9,382	4,441	114		1	107	(6)	**14,039**
Cash with a pre-determined use	1	728						**729**
Money market securities	8,143	470	18			109	(14)	**8,726**
Total Cash and cash equivalents at 12/31/2011	**17,526**	**5,639**	**132**	**0**	**1**	**216**	**(20)**	**23,494**
Cash in hand and at banks and post offices	8,407	2,523	59	92	5	67		**11,153**
Cash with a pre-determined use	10	684						**694**
Money market securities	3,550	479	18			294		**4,341**
Total Cash and cash equivalents at 12/31/2010	**11,967**	**3,686**	**77**	**92**	**5**	**361**	**0**	**16,188**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Amounts shown are readily convertible into cash and are subject to an insignificant risk of changes in value. The carrying amount of cash and cash equivalents is in line with the fair value at the balance sheet date.

Cash and cash equivalents of the Fiat Group includes cash and cash equivalents related to Chrysler for €7,420 million.

Cash and cash equivalents of the Fiat Industrial Group include principally liquidity intended to service the debt relating to the securitizations classified in asset-backed financing.

The credit risk associated with cash and cash equivalents is considered not significant, because it mainly relates to deposits spread across primary national and international financial institutions.

23. Assets and liabilities held for sale and Discontinued Operations

At December 31, 2011, Assets and liabilities held for sale are as follows:

€ million	Fiat	Fiat Industrial	Alpitour	Holdings System	Consolidated EXOR
Other intangible assets			48		**48**
Property, plant and equipment	6	15	107		**128**
Investments and other financial assets	60		8	9	**77**
Inventories			6		**6**
Trade receivables			66		**66**
Cash and cash equivalents			19		**19**
Other intangible assets			45		**45**
Total Assets at 12/31/2011	**66**	**15**	**299**	**9**	**389**
Provisions			(4)		**(4)**
Trade payables			(125)		**(125)**
Other current liabilities			(56)		**(56)**
Other			(49)		**(49)**
Total Liabilities at 12/31/2011	**0**	**0**	**(234)**		**(234)**
Other intangible assets					
Property, plant and equipment	3	11			**14**
Investments and other financial assets	65				**65**
Trade receivables					**0**
Total Assets at 12/31/2010	**68**	**11**	**0**		**79**
Provisions					**0**
Trade payables					**0**
Other current liabilities					**0**
Other					**0**
Total Liabilities at 12/31/2010	**0**	**0**	**0**		**0**

Assets and liabilities held for sale of the Fiat Group include the investment in a small company in Brazil, which was classified as held for sale on acquisition, together with certain properties allocated to the Other businesses.

At December 31, 2011 Assets and liabilities held for sale of the Fiat Industrial Group mainly include certain CNH buildings and factories, already classified as held for sale at December 31, 2010.

Assets and liabilities held for sale of the Alpitour Group include all the assets and liabilities of the Alpitour Group reclassified, in accordance with IFRS 5, following the start of a process for the valuation of the subsidiary Alpitour begun in the first quarter of 2011 and concluded on December 23, 2011 when a preliminary agreement was reached for its sale. Since the contract for sale is subject to conditions precedent, the accounting treatment in accordance with IFRS 5, adopted beginning June 30, 2011, was retained in the financial statements at December 31, 2011.

Details of the income statement amounts referring to the Alpitour Group reported in Discontinued Operations are as follows:

€ million	2011 (a)	2010
Net revenues	**367**	1,223
Cost of sales	**(353)**	(1,119)
Selling, general and administrative costs	**(37)**	(79)
Other income (expenses)	**(1)**	(4)
Trading profit/(loss)	**(24)**	**21**
Gains (losses) on the disposal of investments	**11**	
Other unusual income (expenses)	**(3)**	(3)
Operating profit/(loss)	**(16)**	**18**
Financial income (expenses)	**0**	(2)
Share of profit/(loss) of companies accounted for using the equity method	**(2)**	0
Profit/(loss) before taxes	**(18)**	**16**
Income taxes	**5**	(8)
Profit/(loss) from Discontinued Operations	**(13)**	**8**
Profit/(loss) from Discontinued Operations attributable to:		
- Owners of the parent	(14)	7
- Non-controlling interests	1	1

(a) Referring to the first six months of the year.

Details of cash flows presented in the statement of cash flows as Discontinued Operations, referring to the Alpitour Group, are as follows:

€ million	2011 (a)	2010
A) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR OF DISCONTINUED OPERATIONS		
Profit/(loss) from Discontinued Operations	**(13)**	8
Amortization and depreciation (net of vehicles sold under buy-back commitments and leased assets)	**8**	17
(Gains) losses on disposal of non-current assets	**(11)**	0
Other non-cash items	**2**	4
Change in deferred taxes	**(7)**	0
Change in working capital	**(61)**	26
TOTAL	**(82)**	55
B) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS		
Investments in Property plant and equipment and Intangible assets	**(5)**	(22)
Proceeds from the disposal of Property plant and equipment and Intangible assets	**12**	0
TOTAL	**7**	(22)
C) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS		
Issuance of other medium-term borrowings	**17**	5
repayment of medium-term borrowings	**0**	(26)
Net change in other financial payables and other financial assets/liabilities	**(2)**	
Dividends paid by subsidiaries	**(1)**	(2)
Other changes	**(1)**	(8)
TOTAL	**13**	(31)

(a) Referring to the first six months of the year.

The assets held for sale of the Holdings System include the valuation of the Perfect Vision convertible bonds and the embedded instrument (previously recorded, respectively, in financial assets and liabilities), carried out on the basis of criteria set out in the sales agreement signed on December 23, 2011 by EXOR S.A. and Vision investment Ltd.

24. Equity

Share capital

At December 31, 2011, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of share capital), 76,801,460 preferred shares (31.19% of share capital) and 9,168,894 savings shares (3.72% of share capital), all with a par value of €1 each.

At December 31, 2011, share capital included €2,667 thousand of transfers from the revaluation reserve appropriated in the past which, in the event of distribution, will form part of the taxable income of the Company.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the share capital up to an amount of €561,750,000.

The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the shareholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting shareholders' meetings). The savings shares do not have voting rights in the shareholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special shareholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.

In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.

In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay an interim dividends for the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and becomes the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount, according to law.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for shareholders and guarantee economic access to external sources of financing.

Dividends paid

Dividends paid by EXOR S.p.A. referring to the years 2010 and 2009 are analyzed as follows:

		Dividends paid	
Category	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	156,149,996	0.31	**49**
Preferred shares	66,561,676	0.3617	**24**
Savings shares	8,747,199	0.3881	**3**
Dividends paid in 2011 referring to the year 2010			**76**

		Dividends paid	
Category	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	157,245,496	0.27	43
Preferred shares	69,307,160	0.3217	22
Savings shares	8,945,934	0.3481	3
Dividends paid in 2010 referring to the year 2009			**68**

Treasury stock

Under the treasury stock buyback program approved by the board of directors on May 12, 2011 and August 29, 2011, during 2011, EXOR purchased 2,619,500 ordinary shares (1.63% of the class) at the average cost per share of €16.15 for a total of €42 million, 1,450,900 preferred shares (1.89% of the class) at the average cost per share of €15.72 for a total of €23 million, and also 244,010 savings shares (2.66% of the class) at the average cost per share of €14.60 for a total of €4 million. The overall investment in 2011 amounted to €69 million.

At December 31, 2011 EXOR S.p.A. held the following treasury stock:

		% of the	Carrying amount	
Category	Number of shares	class	Per share (€)	Total (€ million)
ordinary shares	6,729,000	4.20%	14.03	**94**
preferred shares	11,690,684	15.22%	11.70	**137**
savings shares	665,705	7.26%	11.69	**8**
				239

Other comprehensive income

The composition of Other comprehensive income in the statement of comprehensive income is the following:

€ million	12/31/2011	12/31/2010
Effective portion of gains/(losses) on cash flow hedges arising during the year	**(249)**	(145)
Effective portion of gains/(losses) on cash flow hedges reclassified to profit or loss	**22**	324
Effective portion gains/(losses) on cash flow hedges	**(227)**	179
Gains/(losses) on fair value of available-for-sale financial assets arising during the year	**41**	402
Gains/(losses) on fair value of available-for-sale financial assets reclassified to profit or loss	**(1)**	0
Gains/(losses) on fair value of available-for-sale financial assets	**40**	402
Exchange gains/(losses) on exchange differences on translating foreign operations arising during the year	**391**	816
Exchange gains/(losses) on exchange differences on translating foreign operations reclassified to profit or loss	**0**	
Exchange gains/(losses) on exchange differences on translating foreign operations	**391**	816
Share of Other comprehensive income of entities accounted for using the equity method arising during the year	**(13)**	98
Share of Other comprehensive income of entities accounted for using the equity method reclassified to profit or loss	**(19)**	16
Other comprehensive income of entities accounted for using the equity method	**(32)**	114
Tax effect relating to components of Other comprehensive income	**21**	3
Total Other comprehensive income, net of tax	**193**	1,514

The tax effect relating to components of Other comprehensive income may be analyzed as follows:

	12/31/2011			12/31/2010		
€ million	Pre-tax balance	Tax benefit (expense)	Net balance	Pre-tax balance	Tax benefit (expense)	Net balance
Effective portion of gains/(losses) on cash flow hedges	**(227)**	21	(206)	179	3	182
Gains/(losses) on fair value of available-for-sale financial assets	40		40	402		402
Gains/(losses) on exchange differences on translating foreign operations	391		391	816		816
Share of Other comprehensive income of entities accounted for using the equity method	(32)		(32)	114		114
Total Other comprehensive income	**172**	**21**	**193**	1,511	3	1,514

Non-controlling interests

Details are as follows:

	12/31/2011			
€ million	%	Capital and reserves	Profit / (loss)	Total
Fiat	69.7%	8,526	1247	**9,773**
Fiat Industrial	69.4%	3,222	511	**3,733**
C&W Group	21.7%	43	2	**45**
Alpitour	-	3	1	**4**
Juventus Football Club S.p.A.	40%	49	(36)	**13**
Total		**11,843**	**1,725**	**13,568**

Non-controlling interests of C&W Group

As of December 31, 2011, the capital issued by C&W Group is owned 69.48% (78.31% of capital outstanding net of treasury stock and shares with a put option by the minority shareholders) by EXOR and 30.52% (21.7% of capital outstanding) by C&W Group's employees (the non-controlling shareholders or non-controlling interests).

C&W Group has an agreement with the Non-controlling Shareholders (the "Minority Shareholders Agreement" or "MSA") which outlines all the rights and obligations of C&W Group and the Non-controlling Shareholders with respect to the ownership of the non-controlling shares.

Under IFRS 2 – Share-based Payment, applicable in the circumstance, since the shares come from stock option plans, the non-controlling shares constitute a compound financial instrument comprising a liability component and an equity component.

To value the liability component, C&W Group estimated, based on historical employment attrition rates and related actual and expected stock repurchases, the extent to which the Non-controlling Shareholders would cease to be employees or independent contractors of C&W and, therefore, exercise their Put Rights before the occurrence of an IPO or sale of C&W by EXOR.

As of December 31, 2011, the liability was estimated to be approximately $19.7 million (€15 million); at December 31, 2010, the liability was estimated to be $40.2 million (€30 million). The estimates take into account the most recent appraised fair value of C&W Group shares.

Details of the change in the liability are the following:

	$ million	€ million
Balance at December 31, 2010	**40**	**30**
Used to purchase shares	(17)	(12)
Adjustments to the income statement	(3)	(2)
Translation difference		(1)
Balance at December 31, 2011	**20**	**15**

Moreover, having recorded a part of the equity attributable to the Non-controlling shareholders of C&W Group as a liability, the number of C&W Group shares to be considered as equity outstanding is lower. For this reason, EXOR has consolidated C&W Group on the basis of an ownership percentage of 78.31%. Such percentage is calculated as a percentage of the number of C&W Group shares held by EXOR (511,015) to the capital issued by C&W Group (735,434) net of treasury stock held (66,446) and net of the shares held by the Non-controlling shareholders which are estimated will be purchased by C&W Group according to the agreements outlined above (16,464).

Share-based compensation

Stock option plans linked to EXOR shares (S.O.E.)

The IFIL ordinary shareholders' meeting held on May 13, 2008 had approved the IFIL Stock Option Plan 2008-2019 for the chief executive officer pro-tempore for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares, and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who were or would be regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger of IFIL in EXOR, the stock option plan was taken over by EXOR S.p.A. The EXOR S.p.A. board of directors held on March 2, 2009 had however made changes to the stock option plan resulting from the merger, particularly adjusting the ratio between the number of options and the number of shares linked to the plan and also the exercise price on the basis of the merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by companies in the Holdings System in accordance with existing laws. The plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

After relinquishing the powers conferred to him by the board of directors, Mr Carlo Barel di Sant'Albano voluntarily relinquished the 3,000,000 option rights granted to him under the above Plan. The board of directors' meeting held on March 28, 2011 then allocated to the chairman and chief executive officer, Mr John Elkann, by virtue of his new operational role, 3,000,000 options corresponding to 795,000 EXOR ordinary shares.

An analysis of the changes in the stock options granted is as follows:

	Number of options granted	Number of ordinary shares exercisable	Number of recipients
Balance at December 31, 2010	9,550,000	2,530,750	15
Grants	3,000,000	795,000	1
Options forfeit	(5,625,000)	(1,490,625)	(2)
Balance at December 31, 2011	**6,925,000**	**1,835,125**	**14**

The cost of the 6,925,000 options outstanding at December 31, 2011 was determined to be €12,915 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	6,329	942
Key employees (at grant date) of EXOR S.p.A. (10)	3,325,000	881,125	5,625	725
Total EXOR S.p.A.	6,325,000	1,676,125	11,954	1,667
Key managers (at grant date) of EXOR S.A. and other subsidiaries in the Holdings System (3)	600,000	159,000	961	132
Total	**6,925,000**	**1,835,125**	**12,915**	**1,799**

The cost referring to the year amounts to €1,799 thousand of which €942 thousand is classified as emoluments for the chairman and chief executive officer and €857 thousand as personnel costs. The offsetting entry of €1,799 thousand was recorded in the stock option reserve.

Stock option plan linked to Alpitour shares

On July 14, 2011, the recipients of the stock option plan linked to Alpitour shares exercised the option rights on the total shares granted in the past.

The plan called for purchase options on Alpitour shares to be granted to the chairman and chief executive officer, Mr D.J. Winteler, and the general manager, Mr F. Prete, respectively, equal to 6% (2,127,000 shares) and 5% (1,772,500 shares) of Alpitour's share capital.

After reconfirmation of the positions of the two managers for another three years, the EXOR S.p.A. board of directors' meeting held on May 13, 2009 extended the period in which the options could be exercised to January 2013 (date of the approval of the Alpitour financial statements for the financial year 2011/2012 by the shareholders' meeting).

EXOR S.p.A. and the managers of Alpitour S.p.A., finally, had exchanged reciprocal purchase and sale options, exercisable during the same above period, on Alpitour shares that would have been purchased by the same managers.

From an accounting standpoint, the plan was a cash-settled stock-based payment transaction subject to paragraph 30 and subsequent paragraphs of IFRS 2, which requires measurement at fair value of the liability of the plan and, therefore, the options of the plan, at every reporting date, until plan expiration.

In accordance with the supplementary agreement sealed between the parties on June 10, 2011, the fair value of the options, paid to the two beneficiaries, was set at about €21 million, with a positive change of €0.9 million between the amount paid and the liability at December 31, 2010.

C&W Group stock option plans

C&W Group has two separate stock option plans: Employee Stock Purchase Plan Options and Management Options carried over since 2007, and two new incentive plans launched in 2011: Equity Incentive Plan and Long Term Incentive Plan for Employees. All plans, except the Long Term Incentive Plan for Employees, which is cash-settled, are deemed to meet the requirements to be classified as an equity award.

"Equity Incentive Plan" (EIP)

In December 2010, C&W Group approved the Cushman & Wakefield Equity Incentive Plan ("EIP").

In accordance with the terms of the plan, awards may be granted to any employee, member of the board of directors or independent contractor based on prior performance and/or a demonstrated potential for future long-term value and performance at the discretion of the Compensation Committee of the board of directors. Each non-qualified option converts into one share of C&W Group's common stock on exercise and the options carry neither rights to dividends nor voting rights. Options vesting may be based on continued service or achievement of specified performance criteria, or a combination of both. In the case of a restricted stock award, the recipient may pay a purchase price at the time the award is granted, in which case the purchase price and the form and timing of payment shall be specified in an agreement in addition to the vesting provisions and other applicable terms.

"Long Term Incentive Plan for Employee" (LTIE)

In January 2011, C&W Group established the Cushman & Wakefield Long Term Incentive Plan for Employees ("LTIE") to attract, retain and reward designated employees and drive the performance of C&W Group on a global basis.

The plan is intended to constitute a "bonus program" for awards that may be granted to high performing agents, brokers, appraisers and key salaried employees to align their interests with the successful global operations of the company. Awards distributed under the LTIE include phantom stock units indexed to the value of C&W Group's stock and will be paid in cash, or, in very limited cases and at the discretion of the company, in shares, based on the fair value of C&W Group's stock. The awards generally vest ratably over a three year period (one-third each year).

“Employee Stock Purchase Plan Options”

In connection with the Employee Stock Purchase Plan (the “Employee Plan”), employees could purchase shares or convert existing shares into new shares. For each four shares acquired, either through purchase or conversion, the employee was granted one option to purchase an additional share at the fair value of such shares on the date of the option grant. The options have a service requirement of three years and are deemed to meet the requirements to be classified as an equity award. At the grant date, the options and underlying shares were valued by an independent appraisal using the Black-Scholes option pricing model. The resulting option value was multiplied by the number of options outstanding to determine the total cost of the options.

“Management Options”

From April 1, 2008 through 2011, certain executives of C&W Group were granted stock options classified as EBITDA Options and EBITDA Margin Options. The options are performance based and the exercise price for all options was equal to the share price at the grant date. The EBITDA Options will vest over the terms of the employment contracts if certain EBITDA targets are achieved. For each executive, there are a base number of options, and an additional number of Target 1 and Target 2 options. The options are deemed to meet the requirements to be classified as an equity award; the estimated fair value of the stock option awards is computed using the Black-Scholes model.

The table below summarizes the data referring to the stock option plans:

	Grant date	Number of options granted	Vesting date	Exercise price at grant date	Term of options	**Outstanding at December 31, 2011**
Employee Stock Purchase Plan Options						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	**3,685**
Tranche 2 (a)	6/29/2006	7,385	1/1/2009	$782	10 years	**0**
Total Employee Stock Purchase Plan Options		18,551				3,685
Management Options						
Non-performance based options						
Grant 1	3/22/2010	20,000	2011-2015	$1,175	10 years	**20,000**
Grant 2	11/1/2010	292	2012-2015	$1,465	10 years	**292**
Grant 3	12/1/2010	374	2012-2014	$1,465	10 years	**374**
Grant 4	3/3/2011	16,000	2012-2015	$1,510	10 years	**16,000**
Total Non-performance based options		36,666				**36,666**
Performance based options (EBITDA/EBITDA Margin)						
Tranche 1	4/1/2007	13,450	2007-2011	$1,259	10 years	**5,504**
Tranche 3	6/1/2008	850	2009-2011	$1,252	10 years	**850**
Tranche 4	6/30/2008	500	2009-2011	$1,252	10 years	**500**
Tranche 5	9/30/2008	225	2010-2012	$1,190	10 years	**225**
Tranche 6	11/1/2008	225	2010-2012	$1,190	10 years	**225**
Total Performance based options		15,250				**7,304**
Total Management Options		51,916				43,970
Total Stock Option Plan		70,467				47,655

(a) Tranche 2 options were canceled during 2008 as the performance condition was not met.

The Employee Stock Purchase Plan Options outstanding at December 31, 2011 and 2010 have a weighted average exercise price of $548 and weighted average remaining contractual lives of approximately 4 and 5 years, respectively.

The Management Options outstanding at December 31, 2011 and 2010 have weighted average exercise prices of $1,210 and $1,207, respectively, and weighted average remaining contractual lives of approximately 8 and 7 years, respectively.

The changes are as follows:

	12/31/2011			
	Employee Stock Purchase Plan		Management Options	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1/1/2011	**3,975**	**$548.02**	**28,498**	**$1,207.40**
Granted during the period			**16,000**	**$1,510.00**
Exercised during the period	**(80)**	**$548.02**		
Forfeited during the period	**(210)**	**$548.02**		
Cancelled during the period			**(528)**	**$1,291.18**
Outstanding at 12/31/2011	**3,685**	**$548.02**	**43,970**	**$1,209.61**
Exercisable at 12/31/2011	**3,685**	**$548.02**	**4,984**	**$1,195.98**

	12/31/2010			
	Employee Stock Purchase Plan		Management Options	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1/1/2010	4,307	$548.02	12,472	$1,183.14
Granted during the period			20,666	$1,184.34
Exercised during the period	(69)	$548.02		
Forfeited during the period	(263)	$548.02		
Cancelled during the period			(4,640)	$1,291.18
Outstanding at 12/31/2010	**3,975**	**$548.02**	**28,498**	**$1,207.40**
Exercisable at 12/31/2010	**3,975**	**$548.02**	**984**	**$1,281.27**

On March 3, 2011, C&W Group signed an agreement with an executive and granted him 16,000 stock options. Under this agreement 25% of the unvested options become vested on each March 2nd of years 2012 through 2015, provided the executive is actively employed for each contract year. The stock options have a 10-year term (March 3, 2021) and an exercise price based on C&W Group's December 31, 2010 stock price of $1,510 per share. The gross value of the options of $11.4 million was calculated using the Black-Scholes pricing model.

On March 22, 2010, C&W Group granted 20,000 stock options to an executive. The vesting period for the first 4,000 options is on the day prior to the first anniversary of the grant date (March 21, 2011), and the remaining stock options vest in multiples of 4,000 on each of the subsequent anniversaries thereafter (until March 21, 2015). The stock options have a 10-year term (March 22, 2020) and an exercise price based on C&W Group's December 31, 2009 stock price of $1,175 per share. The value of the stock options was calculated using the Black-Scholes pricing model.

On November 1, 2010, C&W Group granted 292 options to an executive. The first 73 stock options are scheduled to vest on January 1, 2012 and 73 stock options are scheduled to vest each year thereafter through January 1, 2015.
On December 1, 2011, C&W Group granted 374 options to an executive. The first 124 stock options are scheduled to vest on January 1, 2012 and the remaining 125 stock options are scheduled to vest each year through January 1, 2014.
Both stock option grants have a 10-year term with the exercise prices based on C&W Group's September 30, 2011 stock price of $1,465. The value of the stock options for both grants was calculated using the Black-Scholes pricing model.

Compensation expense recorded in 2011 and 2010 for the graded vesting of stock options was $8.7 million (€6 million) and $4.2 million (€3 million), respectively.

As required by IFRS 2, the fair value of services received in return for share options granted is based on the fair value of share options granted, which was based on the Black-Scholes option pricing model using the following assumptions:

	Employee Stock Purchase Plan	Management Options
Share price	$578.68	$1,175-$1,510
Exercise price	$548.02	$1,190-$1,510
Expected volatility (%)	35	35-47.5
Option life (years)	6.5	10
Expected dividends (%)	1.2	n.a.
Risk-free interest rate (%)	4.22	1.67%-4.74%

Volatility was based on the historical volatility over the expected term of the options and the implied volatility of two public peer companies.

Due to the lack of historical data, C&W Group used the midpoint between the vesting date and the contractual term to determine the expected term.

The risk free interest rate was calculated using traded zero coupon U.S. Treasury bonds with the same maturity as the grant's expected term.

In 2011, total expenses were recorded for $13.0 million (€9 million) for all the share-based payment plans ($11.6 million or €9 million in 2010).

Restricted Stock

A summary of the status of C&W Group's non-vested shares as of December 31, 2011 and 2010, and changes during the years ended December 31, 2011 and 2010 are presented below:

	12/31/2011		12/31/2010	
	Number of shares	**Weighted average grant date fair value**	Number of shares	Weighted average grant date fair value
Outstanding at 1/1/2011	**8,642**	**$1,215**	17,476	$996
Granted during the period	**2,688**	**$1,530**	7,046	$1,197
Vested during the period	**(2,468)**	**$1,263**	(14,775)	$946
Forfeited during the period	**(80)**	**$1,250**	(1,106)	$1,248
Outstanding at 12/31/2011	8,782	$1,297	8,642	$1,215

During 2011, C&W Group granted 1,414 restricted shares to brokers and senior management employees under the EIP.

In 2010, the company entered into an agreement with an executive that supersedes a previous agreement from 2007. Under the previous agreement, 5,000 performance-based stock options were granted. The new agreement effectively cancelled 4,640 of those stock options where the performance criteria were not met or the shares were scheduled to vest at a later date. Under the new agreement, C&W Group granted 3,400 restricted shares to the executive, which vest as follows: 1,250 shares vested immediately on January 1, 2010, 2,150 shares vest in three equal installments on the day prior to the first, second and third anniversaries of the grant date, with 1,250 of those shares also pending the achievement of certain performance objectives agreed to by the executive.

The grant date price per share was $1,110.

The exchange of the legacy agreement for a new award required C&W Group to record the incremental fair value of the vested shares as compensation expense on the date of the modification of the agreement for $0.1 million.

The unvested awards compensation expense is being recorded over the remaining vesting period.

In accordance with the graded vesting for the new award, C&W Group recorded compensation expenses of $0.7 (€0.5 million) and $1.5 million (€1 million) for the years ended December 31, 2011, and 2010, respectively.

Fiat Group stock option plans

At December 31, 2011 and 2010, the following share-based compensation plans relating to managers of Group companies or Chief Executive Officer of Fiat S.p.A. were in place.

Stock option plans linked to Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares

On July 26, 2004, the Board of Directors granted the Chief Executive Officer, as a part of his variable compensation in that position, options to purchase 10,670,000 Fiat S.p.A. ordinary shares at a price of €6.583 per share, exercisable from June 1, 2008 to January 1, 2011. In each of the three years following the grant date, the Chief Executive Officer acquired the right to purchase, beginning June 1, 2008, a maximum of 2,370,000 shares annually. As of June 1, 2008, he also acquired the right to exercise, effective from that date, the remaining options on 3,560,000 shares as predetermined performance objectives for the reference period had been met. On March 27, 2009, Shareholders considered it to be a priority interest for the Group to adopt changes to the plan which would restore its retention capability and approved a new vesting period which depended solely on the requirement for the Chief Executive Officer to remain in office, deferring the vesting of these options until December 31, 2010 and extending the exercise period until January 1, 2016, with all the other conditions remaining unaltered. Finally, taking into consideration the proposed Demerger and by applying the rules of the respective plans, on July 21, 2010 the Board approved to realign the plan with respect to the shares underlying the plan in strict relation to the allotment ratio applicable for the Demerger and to allow the beneficiary to receive one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each original option, with the option exercise price remaining unchanged.

At December 31, 2011 the features of the stock option plan are as follows:

Plan	Beneficiary	Date of amendment	Expiry date	*Strike* price (€)	Number of options granted	Vesting date	Vesting portion
Stock Options							
July 2004 (modified)	Chief Executive Officer	March 27, 2009	January 1, 2016	6.583	10,670,000	December 31, 2010	100%

On November 3, 2006 the Board of Directors of Fiat S.p.A. approved (subject to the subsequent approval of Shareholders in general meeting, which was given on April 5, 2007) an eight year stock option plan, which granted certain managers of the Group and the Chief Executive Officer of Fiat S.p.A. the right to purchase a specific number of Fiat S.p.A. ordinary shares at a fixed price of €13.37 each. More specifically, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer had a vesting period of four years, with an equal number vesting each year, were subject to achieving certain predetermined profitability targets (Non-Market Conditions or “NMC”) in the reference period and may be exercised from the date on which the 2010 financial statements are approved. The remaining 5,000,000 options granted to the Chief Executive Officer of Fiat S.p.A. also had a vesting period of four years with an equal number vesting each year and may be exercised from November 2010. The ability to exercise the options is additionally subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. Finally, with regard to the above incentive plans and in consideration of the proposed Demerger, by applying the rules of the respective plans, on July 21, 2010 the Board approved to realign the plan with respect to the shares underlying the plan in strict relation to the allotment ratio for the Demerger and to allow the beneficiary to receive one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each original option, with the option exercise price remaining unchanged.

The contractual terms of the plan are as follows:

Plan	**Beneficiary**	**Expiry date**	***Strike price (€)***	**Number of options granted**	***Vesting date***	**Vesting portion**
Stock Option s November, 2006	Chief Executive Officer	November 3, 2014	13.37	5,000,000	November, 2007	25%
					November, 2008	25%
					November, 2009	25%
					November, 2010	25%
Stock Options November, 2006	Chief Executive Officer	November 3, 2014	13.37	5,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC
Stock Options November, 2006	Managers	November 3, 2014	13.37	10,000,000	1st Quarter 2008 (*)	25%*NMC
					1st Quarter 2009 (*)	25%*NMC
					1st Quarter 2010 (*)	25%*NMC
					1st Quarter 2011 (*)	25%*NMC

(*) On approval of the prior year's consolidated financial statements; subject to continuation of the professional relationship.

With specific reference to options granted under the November 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche of those rights have vested as the profitability targets originally established for the 3-year period 2008-2010 were not met.

A summary of the terms of the stock option plans outstanding at December 31, 2011 is as follows:

	Managers' compensation			**Compensation to the Chief Executive Officer**		
Exercise price (€)	**Options outstanding at 12/31/2011**	Options outstanding at 12/31/2010	**Average remaining contractual life (years)**	**Options outstanding at 12/31/2011**	Options outstanding at 12/31/2010	**Average remaining contractual life (years)**
6.583	-	-	-	10,670,000	10,670,000	4
13.370	1,636,875	2,101,250	2.8	6,250,000	6,250,000	2.8
Total	**1,636,875**	2,101,250		**16,920,000**	16,920,000	

The movements during the year are as follows:

	Managers' compensation		**Compensation to the Chief Executive Officer**	
	Number of options	**Average exercise price (€)**	**Number of options**	**Average exercise price (€)**
Outstanding at the beginning of the year	**2,101,250**	**13.37**	**16,920,000**	**9.09**
Granted	-	-	-	-
Forfeited		13.37	-	-
Exercised	(433,125)	-	-	-
Expired	(31,250)	13.37	-	-
Outstanding at December 31, 2011	**1,636,875**	**13.37**	**16,920,000**	**9.09**
Exercisable at December 31, 2011	**1,636,875**	13.37	**16,920,000**	**9.09**
Exercisable at December 31, 2010	-	-	**5,000,000**	13.37

As they were already fully vested at December 31, 2010, the above stock option plans did not lead to any nominal cost for 2011. In 2010 the Group recognized a total nominal cost of €4.9 million in the income statement for plans outstanding.

Granting of ordinary shares of Fiat S.p.A. and Fiat Industrial S.p.A. without payment

On February 23, 2009, the Board of Directors of Fiat S.p.A. passed an incentive plan which was subsequently approved by Shareholders in their annual general meeting on March 27, 2009, based on the granting of rights which, subject to the achievement of predetermined performance targets (*Non-Market Conditions or "NMC"*) for 2009 and 2010 and the continuation of the professional relationship with the Group, provided for 2 million Fiat S.p.A. ordinary shares to be granted to the Chief Executive Officer of Fiat S.p.A. without payment. Under this plan the rights vested in a single tranche on the approval of the Group's 2010 consolidated financial statements by the Board of Directors and the number of shares granted was determined as 25% of the rights granted in the event of reaching the 2009 targets and 100% of the rights granted in the event of reaching the 2010 targets. The Group's predetermined profitability targets relating to 2009 were reached.

On March 26, 2010 Shareholders in general meeting introduced a pure retention component of 2 million additional rights into the Plan on the proposal of the Board of Directors; the vesting of these rights is subject to the sole condition that the Chief Executive Officer's professional relationship with the Group continues until the approval of the 2011 Consolidated financial statements. Moreover, the term of the original plan was also extended until the approval of the 2011 Consolidated financial statements and the targets for 2010 and 2011 were redefined.

Subsequently, taking into consideration the proposed Demerger and applying the rules of the respective plans, at its meeting on July 21, 2010 the Board of Directors approved the alignment of the type of shares underlying the plan in strict relation to the allotment ratio applicable for the Demerger. The beneficiaries of the stock grant rights will therefore receive one ordinary Fiat S.p.A. share and one ordinary Fiat Industrial S.p.A. share for each right held, with the free granting of shares remaining unchanged and subject to the original conditions of the continuation of a professional relationship with the Group and/or achievement of specific performance objectives for 2010 and 2011, consistent with the 2010-2014 Business Plan. And in particular the portion of the objectives relating to the post-Demerger Fiat Group as originally established as part of the total objectives for the pre-Demerger Fiat Group. Finally, on February 18, 2011, after consultation with the Compensation Committee, the Board of Directors verified the vesting of 375,000 rights following the achievement of the assigned operating targets and, in the light of the extraordinary transactions occurring during the year, in addition voted to make vesting of the remaining rights, which was dependent on the achievement of 2011 performance objectives, conditional only on the continuation of a professional relationship with the Group until the end of 2011.

Following the vesting of the rights granted under the plan, at January 1, 2012, the beneficiary was assigned with 4,000,000 of Fiat S.p.A. ordinary shares and 4,000,000 of Fiat Industrial S.p.A. ordinary shares.

At December 31, 2011, the contractual terms of the plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Stock Grant 2009	Chief Executive Officer	4,000,000 Fiat S.p.A. shares	1st Quarter 2010 (*)	500,000 (**)
(revised)		4,000,000 Fiat Industrial S.p.A. shares	1st Quarter 2011 (*)	375,000 * NMC (**)
			January 1, 2012	1,125,000 (**)
			January 1, 2012	2,000,000 (**)

(*) On approval of the prior year's consolidated financial statements.
(**) Subject to remaining in the position until January 1, 2012.

A total nominal cost of €12 million was recognized in the income statement for this plan in 2011 (€12.4 million in 2010).

Finally, on February 22, 2012, on the basis of a proposal from the Compensation Committee, the Board of Directors of Fiat S.p.A. voted to adopt a Long Term Incentive Plan, in the form of stock grants. Plan beneficiaries will be approximately 300 executives in key positions that have a significant impact on business results, excluding employees of Chrysler Group LLC who are covered by a separate plan. This plan will be submitted for Shareholder approval at the General Meeting called on April 4, 2012.

The first part of the Plan (the "Company Performance LTI") provides for the allocation of a maximum 14 million rights subject to achievement of pre-established performance objectives, for the period January 1, 2012 to December 31, 2014, and continuation of an employment relationship with the Group. The second part of the Plan (the "Retention LTI") provides for allocation of a maximum 17 million rights to be assigned in three cycles: the first award would occur in 2012 (with vesting over the 2012-2015 period), the second in 2013 (with vesting over the 2013-2016 period) and the third in 2014 (with vesting over the 2014-2017 period). The rights will be awarded on the basis of individual performance and vesting will be

subject to continuation of a professional relationship with the Group. The CEO is a beneficiary of the Retention LTI and will receive 7 million rights under that Plan.
The Plan will be serviced with treasury shares.

Restricted Stock Unit Plans issued by Chrysler Group LLC

During 2009 the U.S. Treasury's Office of the Special Master for Troubled Asset Relief Program Executive Compensation (the "Special Master") and the Compensation Committee of Chrysler approved the Chrysler Group LLC Restricted Stock Unit Plan ("RSU Plan"), which authorized the issuance of Restricted Stock Units ("RSUs") to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair market value of one Chrysler unit, as defined in the RSU plan. The fair value of each RSU is based on the fair value of the membership interests of Chrysler.

RSUs granted to employees generally vest if the participant is continuously employed by Chrysler through the third anniversary of the grant date. For certain RSUs granted to employees in 2009 and in 2010, vesting occurs at the later of (i) the participant's continuous employment through the third anniversary of the grant date and (ii) the date on which a Chrysler IPO complete.

Further, during 2009 Chrysler established the ("Directors' RSU Plan"). For non-employee directors, RSUs vest ratably, in one-third increments on the anniversary of the Director's service date, over a period of three years. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, Chrysler has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.

The liability from the vast majority of these awards is classified as Other liabilities (Note 29). The liability is remeasured and adjusted to fair value at each reporting date The expense recognized for these awards during the period June-December 2011 approximated €2 million.

Deferred Phantom shares issued by Chrysler Group LLC

During 2009 the Special Master approved the Chrysler Group LLC Deferred Phantom Share Plan ("DPS Plan") which authorized the issuance of phantom shares of the company ("Phantom Shares"). Under the DPS Plan, Phantom Shares are granted to certain key employees as well as the Chief Executive Officer. The Phantom Shares vest immediately on the grant date and will be settled in cash. Chrysler will begin making payments of certain of these awards in the first quarter of 2012.

The expense recognized in connection with these plans during the seven-month period June-December 2011 approximated €3 million.

Fiat Industrial Group stock option plans

Stock Option plans linked to CNH Global N.V. ordinary shares

In the Agricultural and Construction Equipment sector, CNH Global N.V. has granted share-based compensation to directors, officers and employees which are linked to shares and which have the following terms.

CNH Global N.V. Directors' Compensation Plan ("CNH Directors' Plan")

This plan provides for the payment of the following to eligible members of the CNH Global N.V. Board in the form of cash, and/or common shares of CNH, and/or options to purchase common shares of CNH, provided that such members do not receive salary or other employment compensation from Fiat Industrial S.p.A., CNH Global N.V., Fiat S.p.A., and their subsidiaries and affiliates:

- an annual retainer fee of $100,000;
- an Audit Committee membership fee of $20,000;
- a Corporate Governance and Compensation Committee membership fee of $15,000;
- an Audit Committee chair fee of $35,000; and
- a Corporate Governance and Compensation Committee chair fee of $25,000.

Each quarter of the CNH Director's Plan year, the eligible directors elect the form of payment of their Fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of Fees the director elects to forego, divided by the fair market value of a CNH Global N.V. common share. Common shares issued vest immediately upon grant, but cannot be sold for a period of six months. If the elected form is options, the eligible director will receive as many options as the amount of Fees that the director elects to forego, multiplied by four and divided by the fair market value of a common share, such fair market value being equal to the average of the highest and lowest sale price of a CNH Global N.V. common share on the last trading day of the New York Stock Exchange preceding the start of each quarter. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

At December 31, 2011 and 2010, there were 690,993 and 693,914 common shares, respectively reserved for issuance under the CNH Directors' Plan. Directors eligible to receive compensation under the CNH Directors' Plan do not receive benefits upon termination of their service as directors.

A summary of outstanding stock options under the CNH Directors' Plan at December 31, 2011 and 2010 is as follows:

	At December 31, 2011		At December 31, 2010	
Exercise price (in $)	**Options outstanding**	**Weighted average remaining contractual life (in years)**	Options outstanding	Weighted average remaining contractual life (in years)
17.28 – 26.00	11,656	4.2	29,076	6.7
26.01 – 40.00	35,913	5.4	44,188	6.4
40.01 – 56.00	11,162	6.1	11,162	7.1
56.01 – 66.41	6,414	5.9	6,414	6.9
Total	**65,145**		90,840	

A summary of outstanding stock options under the CNH Directors' Plan at December 31, 2011 and 2010 is as follows:

	2011		2010	
	Number of options	**Weighted average exercise price (in $)**	Number of options	**Weighted average exercise price (in $)**
Outstanding at the beginning of the year	**90,840**	**31.24**	117,419	27.54
Granted	3,101	37.09	12,904	26.73
Exercised	(28,796)	24.28	(36,610)	15.61
Expired	-	-	(2,873)	59.17
Outstanding at the end of the year	**65,145**	**34.59**	90,840	31.24
Exercisable at the end of the year	**65,145**	**34.59**	90,840	31.24

CNH Equity Incentive Plan ("CNH EIP")

The plan provides for grants of various types of awards on specific performance targets for the sector linked to the IFRS results of CNH, to officers and employees of CNH and its subsidiaries. As of December 31, 2011, CNH has reserved 25,900,000 shares for the CNH EIP (15,900,000 shares at December 31, 2010). The plan envisages stock options and share incentives as described below.

Stock option plan

Beginning in 2006, CNH began to issue performance-based stock options under the CNH EIP. In April 2011, CNH granted approximately 1 million performance-based stock options (at target award levels) under the CNH EIP. As CNH's 2011 results exceeded the target performance levels, approximately 1.8 million of these options were granted. One-third of the options vested in February 2012 following the approval of 2011 results by the CNH Board of Directors. The remaining options will vest equally on the first and second anniversary of the initial vesting date. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.

Options granted prior to 2006 have a contract life of ten years. However, the number of shares outstanding for these grants was immaterial as of December 31, 2011 and these shares are expected to expire in early 2012.

The following table summarizes outstanding stock options under the CNH EIP:

	At December 31, 2011			At December 31, 2010	
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in $)**	Number of options outstanding	Weighted average exercise price (in $)
13.58 – 19.99	965,672	3.0	13.65	1,536,464	13.66
20.00 – 29.99	27,896	0.2	21.20	53,333	21.20
30.00 – 39.99	2,913,085	3.7	32.65	3,734,654	33.00
40.00 – 57.30	2,218,760	4.8	47.60	464,520	49.33
Total	**6,125,413**			5,788,971	

Changes during the period in all CNH stock option plans are as follows:

	2011		2010	
	Number of shares	**Weighted average exercise price (in $)**	Number of shares	Weighted average exercise price (in $)
Outstanding at the beginning of the year	**5,788,971**	**29.07**	4,332,835	26.67
Granted	1,813,557	47.20	2,888,625	31.69
Forfeited	(269,379)	28.77	(324,494)	31.91
Exercised	(1,181,765)	24.44	(992,535)	20.69
Expired	(25,971)	39.54	(115,460)	68.85
Outstanding at the end of the year	**6,125,413**	**35.02**	5,788,971	29.07
Exercisable at the end of the year	**1,895,828**	**33.49**	1,431,524	36.40

Performance Share Grants

Under the CNH EIP, performance-based shares may also be granted to selected key employees and executive officers. CNH establishes the period and conditions of performance for each award. Performance-based shares vest upon the attainment of specified performance objectives.

In September 2010, CNH granted approximately 2 million performance-based share awards under the CNH EIP. These performance shares will vest in three equal installments if specified performance targets are achieved on a cumulative basis during the three, four and five-year periods ending December 31, 2012, 2013 and 2014. The fair value of this award is $34.74 per share. In 2011, CNH granted 154,000 additional shares which are subject to the same vesting condition and periods as the 2010 award. The weighted average fair value of the award is $39.10 per share.

CNH granted performance-based share awards under the Top Performance Plan ("TPP") in 2006 through 2009. Vesting of the TPP performance shares was dependent on achievement of specified targets by 2010. Achievement of the performance targets was not achieved in either 2009 or 2010 and these awards were forfeited. CNH did not recognize any share-based compensation expense related to TPP awards in 2009 or 2010.

The following table reflects performance-based share activity under the CNH EIP:

	2011		2010	
	Number of shares	**Weighted average grant date fair value (in $)**	Number of shares	Weighted average grant date fair value (in $)
Non-vested at the beginning of the year	**2,017,000**	**34.74**	1,349,000	31.22
Granted	154,000	39.10	2,027,000	34.74
Forfeited	(151,000)	34.74	(1,359,000)	31.25
Non-vested at the end of the year	**2,020,000**	**35.07**	2,017,000	34.74

Restricted Share Grants

In 2011, CNH granted 272,750 restricted share awards to selected key employees under the CNH EIP, of which 269,000 shares were granted in September 2011. The restricted share awards in September 2011 will vest in three equal installments over a three-year period ended 30 September 2014 and have a fair value of $26.65 per share.

The following table reflects restricted share activity under the CNH EIP:

	2011		2010	
	Number of shares	**Weighted average grant date fair value (in $)**	Number of shares	Weighted average grant date fair value (in $)
Non-vested at the beginning of the year	**316,000**	**34.62**	-	-
Granted	272,750	26.91	326,000	34.56
Forfeited	(17,122)	34.74	(2,000)	34.74
Vested	(101,359)	34.58	(8,000)	32.35
Non-vested at the end of the year	**470,269**	**30.15**	316,000	34.62

As of December 31, 2011, there were 13,112,372 CNH Global N.V. common shares (4,992,271 CNH Global N.V. common shares at December 31, 2010) available for issuance under the CNH EIP.

The Black-Scholes pricing model was used to calculate the fair value of stock options by the CNH sector. The weighted-average assumptions used under the Black-Scholes pricing model were as follows:

	2011		2010	
	Directors' Plan	***Equity Incentive Plan***	*Directors' Plan*	*Equity Incentive Plan*
Option life (years)	5.0	3.81	5.0	3.73
Price volatility of CNH Global N.V. shares (%)	70.4	75.1	66.9	74.1
Expected dividend yield (%)	0.4	0.3	0.6	0.5
Risk-free interest rate (%)	1.0	1.4	2	1.9

Based on this model, the weighted-average fair values of stock options awarded by CNH for the years ended December 31, 2011 and 2010 were as follows:

(in $)	**2011**	2010
Directors' Plan	**20.96**	14.60
EIP	**26.24**	16.10

The total cost recognized in the 2011 income statement for all share-based compensation linked to CNH Global N.V. ordinary shares amounts to €45 million (€26 million in 2010).

Stock grant plans linked to Fiat Industrial S.p.A. ordinary shares

The meeting of the Board of Directors held on February 22 2012, on the basis of a proposal from the Nominating, Compensation and Sustainability Committee, voted to submit for Shareholders' approval the adoption of a Long Term Incentive Plan.

The Plan, which takes the form of stock grants, is intended to ensure the involvement and retention of individuals who are key to the Group's continued development by aligning their interests with those of shareholders through the allocation of rights which, subject to the achievement of pre-established performance objectives and/or continuation of a professional relationship with the Group, entitle beneficiaries to receive an equivalent number of Fiat Industrial S.p.A. ordinary shares.

The first part of the Plan is the Company Performance Long Term Incentive ("Company Performance LTI") and provides for the allocation of a maximum 3 million rights - subject to the achievement of pre-established financial performance objectives for the performance period starting January 1, 2012 and ending December 31, 2014, and continuation of a professional relationship with the Group.

The second part of the Plan is the Retention Long Term Incentive - ("Retention LTI") with an allocation of a maximum of 3 million rights, whose award is subject to certain level of individual performance and that will vest subject to continuation of a professional relationship with the Group. Under the Plan, it is envisaged that the company will assign three different cycles of Retention LTI: the first award would occur in 2012 (and it will vest over the 2012-2015 period), the second in 2013 (and it will vest over 2013-2016 period) and the third in 2014 (and it will vest over the 2014-2017 period).

The Chairman of the Company, Sergio Marchionne, is beneficiary of both parts of the Plan and will receive 1 million of rights under the Company Performance Plan and 1.1 million of rights under the first cycle of the Retention LTI. The other beneficiaries of the Plan will be approximately one hundred and fifty executives of the Group holding key positions that have a significant impact on business results and will be selected by the Chairman. The Plan will not include employees of CNH as CNH Global N.V. already adopts similar equity-based incentive schemes. The Plan will be serviced with treasury shares and therefore, as no shares are to be issued, there will be no dilutive effects.

25. Provisions for employee benefits

Group companies provide post-employment benefits for their active employees and for retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates, the benefits generally being based on the employees' remuneration and years of service and can take the form of either deferred contribution and/or deferred benefit plans.

In the case of defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations. The entity recognizes the contribution cost when the employee has rendered his service and includes this cost by function in cost of sales, selling, general and administrative costs and research and development costs.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer and from which the employee benefits are paid. Benefits are generally payable under these plans after the completion of employment. The plans are classified by the Group on the basis of the type of benefit provided as follows: reserve for employee leaving entitlements in Italy, pension plans, health care plans and other.

Finally, the companies of the Group grant certain other long-term benefits to its employees; these benefits include those generally paid when an employee attains a certain level of seniority or when a specified event occurs. In this case, the measurement of the obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Fiat Group

Pension benefits

Group companies sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain employees (hourly and salaried) in the United States, Canada and Mexico and certain employees and retirees in the UK. Benefits are based on a fixed rate for each year of service. Additionally, contributory benefits are provided to certain salaried employees. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during the five consecutive years in which the employee's salary was highest in the fifteen years preceding retirement.

Liabilities arising from these plans are usually funded by contributions made by the employer and, at times by the employees, into a separate company or fund which independently administers the plan assets and from which the employee benefits are paid. The Group's funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements prescribed by the laws and regulations of each individual country. Prudently, the Group makes discretionary contributions in addition to the funding requirements. If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned may not be required to contribute to the plan as long as the fund is in surplus.

The investment strategies and objectives for pension assets consider liability hedging and investment return targets. The investment objectives are to minimize the volatility of the value of the pension assets relative to pension liabilities and to ensure pension assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset−liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk−adjusted returns that, in total, lower asset volatility relative to the liabilities. In order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income investments.

All assets are actively managed by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Sources of potential risk in the pension plan assets relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset−liability matching. The fixed income target asset allocation partially matches the bond−like and long−dated nature of the pension liabilities. Interest rate increases generally will result in a decline in fixed income assets while reducing the present value of the liabilities. Conversely, interest rate decreases will increase fixed income assets, partially offsetting the related increase in the liabilities.

In the United Kingdom the Group participates among others in a pension plan financed by various entities belonging to the Group, called the "Fiat Group Pension Scheme". Under this plan, participating employers make contributions on behalf of their active employees, retirees, and employees who have left the Group but have not yet retired.

Health care and life insurance plans

Liabilities arising from these plans comprise obligations for health care and life insurance plans granted to employees and to retirees of the Group working in the United States and Canada and relating to the Chrysler sector. These plans are unfunded.

Reserve for Employee leaving entitlements

Until December 31, 2006 the scheme underlying the Employee leaving entitlements in Italy of the Italian Group companies was classified as a defined benefit plan. The legislation regarding this scheme was amended by Law 296 of December 27, 2006 (the "2007 Finance Law") and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined

benefit plan for those benefits accruing prior to January 1, 2007 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.
The provision for Employee leaving entitlements in Italy consists of the residual obligation for the benefit due to employees of Italian companies until December 31, 2006, having more than 50 employees and accrued over the employee's working life for the others and settled when an employee leaves. Under certain conditions the entitlement may be partially advanced to an employee during its working life. This is an unfunded defined benefit plan.

Other post-employment benefits

Other post-employment benefits includes loyalty bonuses, which are due to employees who reach a specified period of service and are generally settled when an employee leaves the company; for French entities there is the *Indemnité de depart à la retraite*, a plan similar to the Italian employee leaving entitlements. These schemes are unfunded.

Fiat Industrial Group

Health care plans

The item Health care plans comprise obligations for health care and insurance plans granted to employees of the Group working in the United States and Canada (relating to CNH). These plans generally cover employees retiring on or after reaching the age of 55 who have had at least 10 years of service. CNH United States salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement health care and life insurance benefits under the CNH plans. Until December 31, 2006 these plans were fully unfunded; starting in 2007, the Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American health care plans.

Pension plans

The item Pension plans consists principally of the obligations of the CNH sector companies operating in the United States and in the United Kingdom and the obligations of the Trucks and Commercial Vehicles sector operating in Germany (towards certain employees and former employees of the Group) and in the United Kingdom. Under these plans, a contribution is generally made to a separate fund (trust) which independently administers the plan assets. The Group's funding policy is to contribute amounts to the plan equal to the amounts required to satisfy the minimum funding requirements prescribed by the laws and regulations of each individual country. Prudently the Group makes discretionary contributions in addition to the funding requirements. If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned could not be required to contribute to the plan in respect of a minimum performance requirement as long as the fund is in surplus.
The investment strategy for these assets depends on the features of the plan and on the maturity of the obligations. Typically long-term plan benefit obligations are funded by investing mainly in equity securities, as they are expected to achieve long-term growth while exceeding inflation; short and medium-term plan benefit obligations are funded by investing in fixed income securities, which are less volatile.

Reserve for Employee leaving entitlements

The Reserve for employee leaving entitlements consists of the residual obligation for employee leaving entitlements which was required until December 31, 2006 under Italian legislation to be paid to employees of Italian companies with more than 50 employees when leaving the company, and accrued over the employee's working life for other companies. This provision is settled to retiree employees and may be partially paid in advance if certain conditions are met. This is an unfunded defined benefit post-employment plan.

Other

The item Other includes loyalty bonuses, which are due to employees who reach a specified seniority and are generally settled when an employee leaves the company; and for French entities, the *Indemnité de depart à la retraite*, a plan similar to the Italian employee leaving entitlement. These schemes are unfunded.

C&W Group

Benefit plans

The C&W Group funds a certain number of defined contribution plans according to the laws in force in the countries in which it operates.
The European partnership (C&W UK) operates a form of hybrid pension plan (UK Plan) which includes characteristics of both defined contribution and defined benefit plans.

C&W UK formally gave notice to freeze the UK Plan effective March 31, 2002 and, subject to certain transitional agreements, to introduce a defined contribution plan for employees starting from that date.

Key assumptions used in the measurement of pension funds are as follows:

- the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid;
- the mortality rate is based on published statistics and mortality tables.

C&W Group made $3.3 million (€2.6 million) and $2.3 million (€1.7 million) in contributions to the UK Plan during the years ended December 31, 2011 and 2010, respectively. The company has agreed with the trustees of the plan to contribute £1.5 million annually through December 31, 2021 to reduce the deficit in the plan, as necessary.

The expected expense for defined benefit plans for 2012 amounts to $2.3 million (approximately €2 million).
The expected long-term rate of return on assets is 5.47% at December 31, 2011 (December 31, 2010: 6.05%) and is based on the sum of returns of individual asset categories expected to be achieved in the future. Historical returns were considered in estimating the long-term rate of return.

Holdings System

Reserve for Employee leaving entitlements in Italy

Employee leaving entitlements represent the obligation established by Italian legislation (amended by Law 296/06) accrued on behalf of employees and which will be paid upon termination of employment. In certain circumstances, a portion of the indemnity may be paid as an advance during the employee's service life. This is an unfunded defined benefit plan, considering the benefits almost entirely accrued, with the sole exception of the revaluation.

After the changes made to the regulations for employee leaving entitlement by Law 296 of December 27, 2006 (the "2007 Finance Law) and subsequent decrees and regulations, the employee leaving entitlements accrued from January 1, 2007, for those who have so elected, were transferred to a supplementary pension fund chosen by the employees and therefore falling under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee leaving entitlement, beginning January 1, 2007, the calculation of employee leaving entitlement, including the portion accruing, will be made according to the usual actuarial method.

Health care plans

Health care plans, historical offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds which pay the health claims.

Pension plans

Pension plans are addressed to employees who hold the status of manager and are regulated by company agreements and rules.
Pension plans can be either "defined benefit" or "defined contribution" and require the payment of contributions to external, legally independent funds with asset management autonomy.
The Plans provide for a contribution by the employer and a contribution by the employee, which can also come from the conferral of a part of the employee's severance entitlement.

Contributions payable are included in “Other liabilities”; the cost for the year is accrued on the basis of the service rendered by the employee and is recorded in selling, general and administrative expenses.

Other benefits

Other benefits include loyalty bonuses which can apply to all employees.

Loyalty bonuses are accrued and paid when a specific number of years of service has been reached (25, 30, 35 and 40 years).

The main assumptions used to determine pension benefits and other post-employment benefits were as follows:

Fiat Group

Pension benefits

	At December 31, 2011			At December 31, 2010		
(in %)	**USA**	**Canada and Mexico**	**UK**	USA	Canada and Mexico	UK
Discount rate	**5.0**	**4.1**	**5.1**	5.2	n/a	5.2
Future salary increase	**3.8**	**3.5**	**2.7**	n/a	n/a	3.5
Inflation rate	**n/a**	**n/a**	**2.7**	n/a	n/a	3.5
Weighted average, ultimate healthcare cost trend rate	**7.5**	**7.0**	**7.0**	8.0	n/a	7.0

Other benefits

	At December 31, 2011			At December 31, 2010		
(in %)	**USA**	**Canada and Mexico**	**Italy**	USA	Canada and Mexico	Italy
Discount rate	**5.1**	**4.2**	**4.4**	5.2	n/a	4.2
Future salary increase	**n/a**	**2.7**	**3.2**	n/a	n/a	3.3
Inflation rate	**n/a**	**n/a**	**2.0**	n/a	n/a	2.0
Weighted average, ultimate healthcare cost trend rate	**5.0**	**3.7**	**n/a**	8.0	n/a	n/a

The discount rates are used in measuring the obligation and the interest component of net period cost. The Group selects these rates on the basis of the yields on high-quality fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.

The expected long-term rates of return on plan assets reflect the Group’s expectations on long-term rates of return on invested funds. The expected rates are based on estimates made by various consultants for long-term returns on the capital markets and on the outlook for inflation and bond yields, and also by taking into account asset make-up and the Group’s investment strategy.

The annual rate of increase in the cost of health care benefits in the United States was assumed to be 8.5% in 2011. The annual rate was assumed to decrease gradually to 5.0% after 2017 and remain at that level thereafter. The annual rate of increase in the cost of health care benefits in Canada was assumed to be 3.7% in 2011. The annual rate was assumed to remain at 3.7% thereafter.

Assumed health care cost trend rates have a significant effect on the amount recognized in profit or loss. A one percentage point change in assumed health care cost trend rates would have the following effects:

€ million	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	2	(2)
Effect on defined benefit obligation	52	(44)

Fiat Industrial Group

	At December 31, 2011				At December 31, 2010			
(in %)	Italy	USA	UK	Germany	Italy	USA	UK	Germany
Discount rate	**4.52**	**4.60**	**5.00**	**4.70**	4.20	5.20	5.20	4.20
Future salary increase	**3.15**	**n/a**	**3.50**	**3.00**	3.26	n/a	3.50	3.00
Inflation rate	**2.00**	**n/a**	**3.25**	**n/a**	2.00	n/a	3.50	n/a
Weighted average, initial health care cost trend rate	**n/a**	**7.50**	**n/a**	**n/a**	n/a	8.00	n/a	n/a
Weighted average, ultimate health care cost trend rate	**n/a**	**5.00**	**n/a**	**n/a**	n/a	5.00	n/a	n/a
Expected long term rate of return on plan assets	**n/a**	**7.75**	**6.75**	**4.25**	n/a	8.00	7.00	4.25

Assumed discount rates are used in measurements of pension and post-retirement benefit obligations and interest cost components of net periodic cost. The Group selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date.

The assumed health care trend rate represents the rate at which health care costs are assumed to increase. Rates are determined based on the Agricultural and Construction Equipment sector specific experience, consultation with actuaries and outside consultants, and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration for CNH's U.S. assumptions. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of health care cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services.

The expected long-term rate of return on plan assets reflects management's expectations on long-term average rates of return on funds invested to provide for benefits included in the projected benefit obligations. The expected return is based on the outlook for inflation, fixed income returns and equity returns, while also considering asset allocation and investment strategy, premiums for active management to the extent asset classes are actively managed and plan expenses. Return patterns and correlations, consensus return forecasts and other relevant financial factors are analyzed to check for reasonability and appropriateness.

Assumed health care cost trend rates have a significant effect on the amount recognized by the Fiat Industrial Group in the 2011 income statement. A one percentage point change in assumed health care cost trend rates would have the following effects:

€ million	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	6	(4)
Effect on defined benefit obligation	104	(79)

C&W Group

The expected long-term rate of return on the assets is 5.47% at December 31, 2011 (6.05% at December 31, 2010).

The amounts recognized in the statement of financial position for post-employment benefits at December 31, 2011 and 2010 are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Holdings System	Eliminations and Adjustments	Consolidated Exor
Post-employment benefits:							
Employee leaving entitlements in Italy	793	200	3		2		**998**
Pension plans	2,863	468	8				**3,339**
Health care plans	1,922	881					**2,803**
Other	145	134					**279**
Total Post-employment benefits	5,723	1,683	11		2		**7,419**
Other provisions for employees	1,006	323	88			(121)	**1,296**
Other long-term employee benefits	297	64	8				**369**
Total Provision for employee benefits at 12/31/2011	**7,026**	**2,070**	**107**	**0**	**2**	**(121)**	**9,084**
Defined benefit plan assets	85	215					**300**
Total Defined benefits plan assets at 12/31/2011	**85**	**215**	**0**	**0**	**0**	**0**	**300**
Post-employment benefits:							
Employee leaving entitlements in Italy	846	208	4	16	3		**1,077**
Pension plans	128	475	14				**617**
Health care plans	2	859					**861**
Other	113	131					**244**
Total Post-employment benefits	1,089	1,673	18	16	3	0	**2,799**
Other provisions for employees	491	285	72				**848**
Other long-term employee benefits	124	59	9				**192**
Total Provision for employee benefits at 12/31/2010	**1,704** (b)	**2,017**	**99**	**16**	**3**		**3,839**
Defined benefit plan assets	8	166					**174**
Total Defined benefits plan assets at 12/31/2010	**8**	**166**	**0**	**0**	**0**	**0**	**174**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

(b) Does not take into account the liability for share-based payment plans generated by the adjustment of the underlying stock option and stock grants plans as a result of the demerger which took effect on January 1, 2011.

The item Other provisions for employees consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months of the end of the period in which the employees render the related service.

The amounts recognized in the statement of financial position for post-employment benefits for the EXOR Group at December 31, 2011 and 2010 are as follows:

	Employee leaving entitlements in Italy		Pension plans		Health care plans		Other	
€ million	**12/31/2011**	12/31/2010	**12/31/2011**	12/31/2010	**12/31/2011**	12/31/2010	**12/31/2011**	12/31/2010
Present value of funded obligations			**27,019**	2,217	**853**	815		
Fair value of plan assets			**(21,904)**	(2,093)	**(62)**	(56)		
Difference			**5,115**	124	**791**	759		
Present value of unfunded obligations	**959**	1,032	**661**	751	**2,116**	44	**303**	278
Unrecognized actuarial gains (losses)	**39**	45	**(2,737)**	(434)	**(108)**	50	**(8)**	(17)
Unrecognized past service cost					**4**	8	**(16)**	(17)
Unrecognized assets				2				
Net liability	**998**	1,077	**3,039**	443	**2,803**	861	**279**	244
Amounts at year end:								
Liabilities	**998**	1,077	**3,339**	617	**2,803**	861	**279**	244
Assets			**(300)**	(174)				
Net liability	**998**	1,077	**3,039**	443	**2,803**	861	**279**	244

The amounts recognized in the income statement for defined benefit plans in 2011 are as follows:

€ million	**Employee leaving entitlements in Italy**	**Pension plans**	**Health care plans**	**Other**
Current service cost	2	139	14	15
Interest costs	26	785	98	12
Expected return on plan assets		(935)	(4)	
Net actuarial losses (gains) not recognized		26	(4)	1
Past service costs			(3)	(69)
Paragraph 58 adjustment		1		
Losses (gains) on curtailments and settlements		36		
Total costs (gains)	**28**	**52**	**101**	**(41)**
Actual return on plan assets	n/a	172	6	n/a

Changes in the present value of post-employment obligations are as follows:

	Employee leaving entitlements in Italy		Pension plans		Health care plans		Other	
€ million	**12/31/2011**	12/31/2010	**12/31/2011**	12/31/2010	**12/31/2011**	12/31/2010	**12/31/2011**	12/31/2010
Present value of obligation at the beginning of the year	**1,032**	1,025	**2,968**	2,621	**859**	794	**278**	258
Change in the scope of consolidation	**4**	44	**20,944**	21	**1,754**		**102**	4
Current service cost	**2**	3	**139**	27	**14**	7	**15**	15
Interest costs	**26**	32	**785**	148	**98**	44	**12**	11
Contribution by plan participants			**7**	3	**9**	4		
Actuarial losses (gains) generated	**6**	45	**1,636**	185	**150**	43	**(6)**	13
Exchange rate differences			**2,317**	131	**218**	64	**3**	2
Benefits paid	**(93)**	(117)	**(1,138)**	(173)	**(137)**	(59)	**(31)**	(32)
Past service cost				3		(38)	**(69)**	7
Losses (gains) on curtailments								4
Losses (gains) on settlements			**36**		**2**			(2)
Other changes	**(18)**		**(14)**	2	**2**		**(1)**	(2)
Present value of obligation at the end of the year	**959**	1,032	**27,680**	2,968	**2,969**	859	**303**	278

The changes to the health care plans presented in both the movements of the obligation and in the composition of the defined benefit plan expenses in 2011 were mainly related to the health care plans in North America for the Agricultural and Construction Equipment sector of the Fiat Industrial Group.

Changes in the fair value of plan assets servicing pension plans and health care plans are as follows:

	Pension plans		Health care plans	
€ million	12/31/2011	12/31/2010	12/31/2011	12/31/2010
Fair value of plan assets at the beginning of the year	**2,093**	1,836	**56**	46
Change in the scope of consolidation	**18,324**	20	**26**	
Expected return on plan assets	**935**	137	**4**	4
Actuarial gains (losses) generated	**(532)**	40	**7**	2
Exchange rate differences	**1,886**	110	**3**	4
Contribution by employer	**306**	104	**44**	55
Contribution by plan participants	**8**	3	**4**	4
Benefits paid	**(1,123)**	(160)	**(55)**	(59)
Gains (losses) on settlements			**(27)**	
Other changes	**7**	3		
Fair value of plan assets at the end of the year	**21,904**	2,093	**62**	56

Change in the scope of consolidation mainly relates to the initial acquisition of control of Chrysler by the Fiat Group. As required under IFRS 3 – *Business Combinations,* in measuring assets acquired and liabilities assumed of Chrysler, Fiat recognized the assets and liabilities from post-employment benefits of Chrysler at the present value of the obligation less the fair value of any plan assets, including all actuarial gains and losses and past service costs that arose before the acquisition date.

For the year ended December 31, 2011, the actuarial losses arising from calculating the present value of the obligation mainly arose from a reduction in the discount rates used by Chrysler at the end of the seven-month period June-December 2011 compared to those used at the date of acquisition of control and from certain changes to the mortality tables made by the Chrysler sector in North America.

In 2011 a net gain of €69 million shown in Other post-employment benefits relates to a plan amendment associated with the termination of the Chrysler legal services plan in 2013. This gain has been included in the income statement within Other unusual income. The losses on settlements for Pension plan of €36 million is a special early retirement cost.

As discussed earlier, The Fiat Industrial Group, and in particular the companies of the CNH sector, began making contributions on a voluntary basis in 2007 to a separate and independently managed fund established to finance the North American health care plans.

Plan assets for pension and health care plans mainly consist of listed equity instruments, fixed income securities, cash in hand and other types of investments; plan assets do not include treasury shares of Fiat Industrial S.p.A. or properties occupied by Group companies. Plan assets may be summarized as follows:

(in %)	Fiat	Fiat Industrial	C&W Group
At December 31, 2011			
Equity securities	25	35	37
Debt investments	43	51	56
Properties occupied by third parties	0	1	0
Other assets	32	13	7
At December 31, 2010			
Equity securities	44	40	43
Debt investments	38	49	54
Properties occupied by third parties	1	1	0
Other assets	17	10	3

As for the Fiat Group, equity securities are invested broadly in U.S., developed international and emerging market equity securities. Debt investments are fixed income investments which comprise primarily long duration U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies debt securities diversified by sector, geography and through a wide range of market capitalization. Other assets include private equity, real estate and hedge funds. Private equity investments include those in limited partnership that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally.

Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification. Plan assets do not include treasury shares of Fiat S.p.A. or properties occupied by Group companies.
Provided that the above plan assets are measured at fair value at December 31, 2011 there was no exposure to sovereign debt securities which might have suffered impairment losses.

The present value of the defined benefit obligations, the fair value of plan assets and the surplus or deficit of the plans for 2011 and 2010 are as follows:

€ million	**At December 31, 2011**	At December 31, 2010
Present value of obligation:		
Employee leaving entitlements in Italy	**959**	1,032
Pension plans	**27,680**	2,968
Health care plans	**2,969**	859
Others	**303**	278
Fair value of plan assets:		
Pension plans	**21,904**	2,093
Health care plans	**62**	56
Surplus (deficit) of the plan:		
Employee leaving entitlements in Italy	**959**	1,032
Pension plans	**5,776**	875
Health care plans	**2,907**	803
Others	**303**	278

The best estimate of expected contributions to pension benefits and health care and other plans for 2012 is €598 million, €208 million and €5 million, respectively.

In 2011 and in 2010, changes in Other provisions for employees and in Other long-term employee benefits were as follows:

€ million	Beginning balance	Provision	Utilization	Change in the scope of consolidation and other changes	Closing balance
At December 31, 2011					
Other provisions for employees	848	728	(619)	339	**1,296**
Other long-term employee benefits	192	28	(41)	190	**369**
Total	**1,040**	**756**	**(660)**	**529**	**1,665**
At December 31, 2010					
Other provisions for employees	522	625	(294)	(5)	**848**
Other long-term employee benefits	163	37	(15)	7	**192**
Total	**685**	**662**	**(309)**	**2**	**1,040**

26. Other provisions

Details by sector are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Consolidated Exor
At December 31, 2011							
Warranty provision	3,530	776					**4,306**
Restructuring provision	340	91	1				**432**
Investment provision	24					3	**27**
Other risks	4,704	1,603	15		5		**6,327**
Total Other provisions	**8,598**	**2,470**	**16**	**0**	**5**	**3**	**11,092**
At December 31, 2010							
Warranty provision	970	702					**1,672**
Restructuring provision	202	93	4				**299**
Investment provision	26	23				3	**52**
Other risks	2,022	1,440	14	4	3		**3,483**
Total Other provisions	**3,220**	**2,258**	**18**	**4**	**3**	**3**	**5,506**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Changes in Other provisions are as follows:

€ million	Beginning balance	Provision	Utilization	Release to income	Other changes	Change in the scope of consolidation	Closing balance
At December 31, 2011							
Warranty provision	1,672	2,106	(1,723)	(229)	223	2,257	**4,306**
Restructuring provision	299	178	(152)	(39)	(4)	150	**432**
Investment provision	52				(25)	0	**27**
Other risks	3,483	7,172	(6,650)	(289)	207	2,404	**6,327**
Total Other provisions	**5,506**	**9,456**	**(8,525)**	**(557)**	**401**	**4,811**	**11,092**
At December 31, 2010							
Warranty provision	1,479	1,316	(1,100)	(107)	84		**1,672**
Restructuring provision	368	117	(179)	(12)	5		**299**
Investment provision	50				2		**52**
Other risks	3,116	3,726	(3,261)	(208)	110		**3,483**
Total Other provisions	**5,013**	**5,159**	**(4,540)**	**(327)**	**201**	**0**	**5,506**

Fiat Group

The effect of discounting these provisions, €11 million in 2011 has been included in Other changes together with translation gains of €425 million.

The warranty provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate has been calculated considering the Group's past experience and specific contractual terms. The provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which is estimated by making an assessment of the historical occurrence of defects on a case-by-case basis.

The restructuring provision at December 31, 2011 consists of termination benefits of €208 million (€162 million in 2010) payable to employees in connection with restructuring plans, manufacturing rationalization costs and other costs of respectively €26 million (€27 million 2010) and €106 million (€13 million in 2010).

Fiat Industrial Group

In 2011, the positive effect of exchange rate differences amounts to €13 million (€95 million in 2010).

The warranty and technical assistance provision represents management's best estimate of commitments given by the Group for contractual, legal or constructive obligations arising from product warranties given for a specified period of time which begins at the date of delivery to the customer. This estimate has been calculated considering past experience and specific contractual terms. This provision also includes management's best estimate of the costs that are expected to be incurred in connection with product

defects that could result in a larger recall of vehicles. This provision for risks is developed through an assessment of reported damages or returns on a case-by-case basis.
The restructuring provision comprises the estimated amount of benefits payable to employees on termination in connection with restructuring plans amounting to €72 million at December 31, 2011 (€43 million at December 31, 2010), other costs for exiting activities amounting to €2 million at December 31, 2011 (€1 million at December 31, 2010) and other costs totaling €17 million at December 31, 2011 (€49 million at December 31, 2010).

The provision for other risks represents the amounts provided by the individual companies of the Group principally in connection with contractual and commercial risks and disputes.

Details of this item are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Consolidated Exor
Sales incentives	2,288	848				3,136
Legal proceedings and other disputes	608	286	5			899
Commercial risks	400	352	10			762
Environmental risks	41	35				76
Indemnities	66					66
Other reserves for risk and charges	1,301	82			5	1,388
Total Other risks at 12/31/2011	**4,704**	**1,603**	**15**		**5**	**6,327**
Sales incentives	378	637				1,015
Legal proceedings and other disputes	535	252	4			791
Commercial risks	277	431	10			718
Environmental risks	33	38				71
Indemnities	60					60
Other reserves for risk and charges	739	82		4	3	828
Total Other risks at 12/31/2010	**2,022**	**1,440**	**14**	**4**	**3**	**3,483**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

These provisions refer to:

Fiat Group

- Sales incentives - this provision relates to sales incentives that are offered on a contractual basis to the Group's dealer networks, primarily on the basis that dealers will achieve a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on the information available regarding the sales made by the dealers during the calendar year. The provision also includes sales incentives such as cash rebates announced by the Group and provided by dealers to customers, for which the dealers are reimbursed. The Group records this provision when it is probable that the incentive will be provided and the Group's inventory is sold to its dealers. The Group estimates this provision based on the expected use of these rebates with respect to the volume of vehicles that has been sold to the dealers.
- Legal proceedings and other disputes - this provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes).
  - Legal proceedings involving claims with active and former employees.
  - Legal proceedings involving different tax authorities.

  None of these provisions is individually significant. Each Group company recognizes a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the liability, each Group company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the Group and others in similar situations and the Group's intentions with regard to further action in each proceeding. Fiat's consolidated provision combines these individual provisions established by each of the Group's companies.

  - Commercial risks - This provision includes the amount of obligations arising in connection with the sale of products and services such as maintenance contracts. An accrual is recorded when the expected costs to complete the services under these contracts exceed the revenues expected to be realized.
  - Environmental risks – This provision represents management's best estimate of the Group's probable environmental obligations. Amounts included in the estimate comprise direct costs to be incurred by the Fiat Group in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.
  - Indemnities - the provision for indemnities relates to contractual indemnities provided by the Group in connection with divestitures carried out in 2011 and prior years. These liabilities primarily arise from indemnities relating to contingent liabilities in existence at the time of the sale, as well as those covering any possible breach of the representations and warranties provided in the contract and, in certain instances, environmental or tax matters. These provisions were determined estimating the amount of the expected outflow of resources, taking into consideration the relevant level of probability of occurrence.

Fiat Industrial Group

- Sales incentives - these provisions relate to sales incentives that are offered on a contractual basis to the dealer networks, primarily on the basis of the dealers achieving a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on the information available regarding the sales made by the dealers during the calendar year.
- Legal proceedings and other disputes - this provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual, patent or antitrust disputes).
  - Legal proceedings involving claims with active and former employees.
  - Legal proceedings involving different tax authorities.

  None of these provisions is individually significant. Each Group's company recognizes a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the probable liability, each Group's company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the company and others in similar situations and the company's intentions with regard to further action in each proceeding. Fiat Industrial's consolidated provision combines these individual provisions established by each of the Group's companies.
- Commercial risks - this provision includes the amount of obligations arising in connection with the sale of products and services such as maintenance contracts. An accrual is recorded when the expected costs to complete the services under these contracts exceed the revenues expected to be realized.
- Environmental risks – this provision represents management's best estimate of the Group's probable environmental obligations. Amounts included in the estimate comprise direct costs to be incurred in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.

27. Debt

Details of debt and an analysis by due date is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustment	Consolidated Exor
Debt at December 31, 2011								
Asset-backed financing	710	9,479					(12)	**10,177**
Other debt								
Bonds	11,684	4,886				846		**17,416**
Borrowings from banks	7,583	5,548	126		54	200		**13,511**
Payables represented by securities	4,957	90						**5,047**
Other	1,838	214	3		76	74	(66)	**2,139**
Total Other debt	26,062	10,738	129	0	130	1,120	(66)	**38,113**
Total Debt at 12/31/2011	**26,772**	**20,217**	**129**	**0**	**130**	**1,120**	**(78)**	**48,290**
Debt at December 31, 2010								
Asset-backed financing	533	8,321						**8,854**
Other debt								
Bonds	9,019	2,053				946		**12,018**
Borrowings from banks	6,657	2,368	87	10	14	281		**9,417**
Payables represented by securities	247	117						**364**
Other	1,483	210	31		49	31	(31)	**1,773**
Payables to the Fiat Industrial Group	2,865						(2,865)	**0**
Payables to the Fiat Group		5,626					(5,626)	**0**
Total Other debt	20,271	10,374	118	10	63	1,258	(8,522)	**23,572**
Total Debt at 12/31/2010	**20,804**	**18,695**	**118**	**10**	**63**	**1,258**	**(8,522)**	**32,426**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Fiat Group

Asset-backed financing represents the amount of financing received through both securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under Current receivables and other current assets (Note 19). Asset-backed financing increased by €177 million in 2011; this includes the effect of the consolidation of Chrysler (€93 million at the Acquisition date).

The increase in Other debt by €8,656 million in 2011 is mainly due to the initial consolidation of Chrysler's debt (€9,402 million at the Acquisition date). Excluding the consolidation of the Chrysler debt, Other debt fell by €746 million (a decrease of approximately €1,500 million at unchanged exchange rates). The Group issued new bonds for €2,500 million during the year and repaid bonds on maturity for €2,448 million. Medium and long-term borrowings and credit lines that were repaid (or transferred to the Fiat Industrial treasuries as a result of the Demerger) amount to €3,895 million; while medium and long-term loans obtained by the Group during the year amounted to €2,149 million.

In addition, during the year, Fiat closed a syndicated credit line amounting to €1,950 million which is currently available only to the Fiat Group excluding Chrysler. This credit line was undrawn at December 31, 2011.

At December 31, 2010, Other debt included among other things the debt of €122 million arising from exercising the call option on 5% of Ferrari share capital.

For further information on the management of interest rate and currency risk reference should be made to the Note 33.

The fair value of Debt at December 31, 2011 amounts approximately to €25,239 million (approximately €18,391 million at December 31, 2010). These amounts have been determined using the quoted market price of financial instruments, if available, or discounting the related future cash flows and using the interest rates stated in Note 19, suitably adjusted to take account of the Group's current creditworthiness.

At December 31, 2011, debt secured on assets of the Fiat Group excluding Chrysler amounts to €372 million, of which €281 million due to creditors for the above mentioned assets acquired under finance leases. At December 31, 2010, Debt secured by encumbrances on assets amounted to €324 million, of which €286 million due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €318 million at December 31, 2011 (€425 million at December 31, 2010).

At December 31, 2011, debt secured on assets of Chrysler amounts to €5,751 million, and includes €4,780 million relating to the principal amount of the Secured Senior Notes and the Senior Secured credit Facility described below, €205 million due to creditors for assets acquired under finance leases and other debt and financial commitments, principally government loans, for €766 million.

In addition, at December 31, 2011 the Group's assets include current receivables to settle asset-backed financing of €679 million (€533 million at December 31, 2010) (see Note 19).

The bond issues outstanding at December 31, 2011 are as follows:

	Currency	Face of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (in € million)
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A. (1)	€	1,250	9.000%	July 30, 2012	1,250
Fiat Finance and Trade Ltd S.A. (1)	€	200	5.750%	December 18, 2012	200
Fiat Finance and Trade Ltd S.A. (1)	€	900	6.125%	July 8, 2014	900
Fiat Finance and Trade Ltd S.A. (1)	€	1,250	7.625%	September 15, 2014	1,250
Fiat Finance and Trade Ltd S.A. (1)	€	1,500	6.875%	February 13, 2015	1,500
Fiat Finance and Trade Ltd S.A. (1)	€	1,000	6.375%	April 1, 2016	1,000
Fiat Finance North America Inc. (1)	€	1,000	5.625%	June 12, 2017	1,000
Fiat Finance and Trade Ltd S.A. (1)	€	600	7.375%	July 9, 2018	600
Other (2)					7
Total Global Medium Term Notes					**7,707**
Other bonds:					
Fiat Finance and Trade Ltd S.A. (1)	€	1,000	6.625%	February 15, 2013	1,000
Chrysler Group LLC (Secured Senior Notes) (3)	$	1,500	8.000%	June 15, 2019	1,159
Chrysler Group LLC (Secured Senior Notes) (3)	$	1,700	8.250%	June 15, 2021	1,314
Total Other bonds					**3,473**
Hedging and amortized cost measurement effect					**504**
Total Bonds					**11,684**

(1) Bonds for which a listing on the Irish Stock Exchange was obtained.

(2) Bonds with amounts outstanding equal to or less than the equivalent of €50 million.

(3) The Secured Senior Notes were issued at par on May 24, 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On December 29, 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the Secured Senior Notes outstanding for notes having substantially identical terms as those originally issued and the same principal amount but will not contain restrictions on transfer. The offer to exchange the Secured Senior Notes expired on February 1, 2012. Substantially all of the Notes were tendered for New Secured Senior Notes.

Changes in bonds during 2011 are mainly due to:

- the repayment on maturity of bonds having a nominal value of €1,300 million and of €1,000 million issued by Fiat Finance and Trade Ltd S.A. in 2001 and 2006 respectively as part of the Global Medium Term Notes Programme;
- the repayment on maturity of a zero coupon bond having a nominal value of €25 million issued by Fiat Finance and Trade Ltd S.A. in 2001 as part of the Global Medium Term Notes;
- the repayment on maturity of the last annual installment of €123 million nominal of the Fiat Step-Up Amortizing bond issued by Fiat Finance and Trade Ltd S.A. in 2001;
- the issue by Fiat Finance and Trade Ltd. S.A. as part of the Global Medium Term Notes Programme of a note, having a principal of €1,000 million, due in April 2016 and bearing fixed interest of 6.375%; a €900 million note due in July 2014 bearing fixed interest of 6.125% and a €600 million note due in July 2018 bearing fixed interest of 7.375%. All these notes were issued at par.
- the inclusion of Chrysler in the scope of consolidation, which resulted in the recognition of the notes issued by Chrysler (the "Chrysler Secured Senior Notes") having a nominal value of $1,500 and $1,700 million due in 2019 and in 2021 respectively.

The bonds issued by the Fiat Group excluding Chrysler are governed by different terms and conditions according to their type as follows:

- Global Medium Term Note (GMTN Programme): a maximum of €15 billion may be used under this Program, of which notes of approximately €7.7 billion have been issued to date; the Program is guaranteed by Fiat S.p.A. The issuers taking part in the program include, among others, Fiat Finance and Trade Ltd. S.A. for an amount outstanding of €6.7 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion.
- Other bonds: these refer to a bond issued by Fiat Finance and Trade Ltd. S.A. having a nominal value of €1 billion, issued at par, bearing fixed interest at 6.625% and repayable on February 15, 2013.

The Fiat Group intends to repay the bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. in cash at maturity by utilizing available liquid resources. In addition, the companies in the Fiat Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Chrysler may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed:

- prior to June 15, 2015, the 2019 Notes will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make−whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2019 Notes, at a redemption price equal to 108 percent of the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2015, the 2019 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104 percent of the principal amount of the 2019 Notes being redeemed for the twelve months beginning June 15, 2015, decreasing to 102 percent for the year beginning June 15, 2016 and to par on and after June 15, 2017;
- prior to June 15, 2016, the 2021 Notes will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make−whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2021 Notes, at a redemption price equal to 108.25 percent of the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2016, the 2021 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125 percent of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.75 percent for the year beginning June 15, 2017, to 101.375 percent for the year beginning June 15, 2018 and to par on and after June 15, 2019.

The bonds issued by Fiat Finance and Trade ltd. S.A. and by Fiat Finance North America Inc. impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group. Such covenants include: (i) negative pledge clauses which require that bonds benefit from any existing or future pledges of assets of the issuer and/or Fiat S.p.A. granted in connection with other bonds or debt securities having the same ranking; (ii) *pari passu* clauses, under which no obligations ranking senior to the bonds in question may be assumed; (iii) periodic disclosure obligations; (iv) for bond issued under the Global Medium Term Notes programme, cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group's main entities; and, (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants can lead to the early repayment of the notes. In addition, the agreements for the bonds guaranteed by Fiat S.p.A. contain clauses which could lead to requirement to make early repayment if there is a change of the controlling shareholder of Fiat S.p.A. which leads to a resulting downgrading by the ratings agencies.

In addition, the indenture of the Secured Senior Notes issued by Chrysler Group LLC includes negative covenants related to Chrysler's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions on the company's capital stock or repurchase the company's capital stock; (ii) make restricted payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganization. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in principal amount of the notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

Chrysler's Secured Senior Notes are secured by liens junior to the Senior Credit Facilities on substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

Borrowing from banks

At December 31, 2011, the item Borrowings from banks includes for €2,333 million a $3 billion term loan ("Tranche B Term Loan") that is repayable in quarterly installments of principal amount of $7.5 million, with the remaining balance of $2,827.5 million due in May 2017.

Medium/Long term committed credit lines (expiring after twelve months) currently available to Fiat Group excluding Chrysler amount to approximately €3 billion at December 31, 2011, of which €2 billion were undrawn. This amount does not include credit lines to fund scheduled investments of the Group's operating entities with residual expiry after twelve months, of which €0.5 million was still undrawn at December 31, 2011.

The new €1.95 billion new syndicated credit facility of Fiat contains typical covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and EBITDA/Net Interest ratios related to industrial activities) and negative pledge, pari passu, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to fund the Group's investments.

In addition the above new syndicated credit facility above, currently contemplate limits to the capability to extend guarantees or loans to Chrysler and submit the increase of Fiat shareholding in Chrysler above the 60% threshold to the previous testing of the Net Debt/EBITDA ratio.

At December 31, 2011, Chrysler has secured revolving credit facility ("Revolving Credit Facility") amounting to $1.3 billion (€1 billion), fully undrawn at that date and maturing in May 2016.

Chrysler's senior credit facilities, which include the above mentioned Tranche B Term Facility and the Revolving Credit Facility, are secured by a senior priority security interest in substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

The senior secured credit agreement includes negative covenants, including but not limited to, (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) the ability to make restricted payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Secured Credit agreement requires Chrysler to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Facility), as well as a minimum liquidity of $3.0 billion, which includes any undrawn amounts on the Revolving Credit Facility.

The senior secured credit agreement contains a number of events of default related to (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross−default with certain other debt and hedging agreements and (vi) the failure to pay certain material judgments.

Payables represented by securities

At December 31, 2011, the item Payables represented by securities includes the VEBA Trust Note of €3,908 million, which represents Chrysler's financial liability to the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW") Retiree Medical Benefits Trust ("VEBA Trust") having a face value of $4,836 million (€3,738 million). This financial liability was recognized by Chrysler in connection with the settlement of obligations related to postretirement healthcare benefits for certain UAW retirees. The VEBA Trust Note has an implied interest rate of 9.0% and requires annual payments of principal and interest through July 15, 2023.

At December 31, 2011, Chrysler's Payables represented by securities also includes the Canadian Health Care Trust Notes totaling €820 million, which represents Chrysler's financial liability to the Canadian Health Care Trust arising from the settlement of postretirement health care benefits for represented employees, retirees and dependents of Chrysler Canada Inc.'s National Automobile, Aerospace, Transportation and General Workers Union of Canada ("CAW"). These notes were issued in four tranches maturing between 2012 and 2024.

Fiat Industrial Group

The item Asset-backed financing represents the amount of financing received through both securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position.

There was an increase of approximately €929 million in asset backed financing, excluding exchange differences. This increase mainly reflects the increase in dealer and retail financing in the CNH Sector and the line-by-line consolidation of Iveco Finance Holdings Limited.

During the year, Other debt had increased, net of exchange differences, by €457 million. This increase is mainly due to the issue of new bonds, an increase in Borrowings from banks and the line-by-line consolidation of Iveco Finance Holdings Limited, and was partially offset by the repayment of outstanding debt payable to the Fiat Group post Demerger at December 31, 2010.

The bond issues outstanding at December 31, 2011 are the following:

	Currency	Face of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (in € million)
Global Medium Term Notes:					
Fiat Industrial Finance Europe S.A. (1)	€	1,000	5.250%	March 11, 2015	1,000
Fiat Industrial Finance Europe S.A. (1)	€	1,200	6.250%	March 9, 2018	1,200
Total Global Medium Term Notes					**2,200**
Other bonds:					
Case New Holland Inc.	$	1,000	7.750%	September 1, 2013	773
CNH America LLC	$	254	7.250%	January 15, 2016	197
CNH Capital LLC	$	500	6.250%	November 1, 2016	386
Case New Holland Inc.	$	1,500	7.875%	December 1, 2017	1,159
Total Other bonds					**2,515**
Hedging and amortized cost measurement effect					**171**
Total Bonds					**4,886**

(1) Bond listed in the Irish Stock Exchange.

More specifically the following bonds were issued during 2011:

- a bond issued at par by Fiat Industrial Finance Europe S.A. as part of the Global Medium Term Notes Programme, having a nominal value of €1,000 million, falling due in 2015 and bearing fixed interest at a rate of 5.250%;
- a bond issued at par by Fiat Industrial Finance Europe S.A. as part of the Global Medium Term Notes Programme, having a nominal value of €1,200 million, falling due in 2018 and bearing fixed interest at a rate of 6.250%.
- a bond issued by CNH Capital LLC having a nominal value of $500 million (equivalent to €386 million), maturing in 2016 and paying a fixed coupon of 6.250%, at a price of 100% of its nominal value, payable semi-annually.

The bonds issued by the Group are governed by different terms and conditions according to their type; more specifically these are as follows, in addition to the above-mentioned bonds issued in 2011:

- bond issued by Case New Holland Inc., having a nominal value of $1 billion at a price of 97.062%, falling due in 2013 and bearing fixed interest at a rate of 7.75%, payable semi-annually;
- bond issued by CNH America LLC for a total amount outstanding of $254 million and repayable in 2016;
- bond issued by Case New Holland Inc. having a nominal value of $1,500 million, maturing in 2017 and paying a fixed coupon of 7.875%, at a price of 99.32% of its nominal value.

The bonds issued by the Group contain commitments of the issuer, and in certain cases of Fiat Industrial S.p.A. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledge, pari passu and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the agreements for the bonds guaranteed by Fiat Industrial S.p.A. contain clauses which could lead to early repayment if there is a change of control of Fiat Industrial S.p.A. associated with a downgrading by a ratings agency.

The Group intends to repay the issued bonds in cash at due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Available committed credit lines expiring after twelve months amount to €1.6 billion at December 31, 2011. Of these credit lines, the €2 billion syndicated credit facility of Fiat Industrial, guaranteed by the parent company and available for €1.5 million at December 31, 2011, envisages typical covenants for contracts of this type and size, such as financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios) and negative pledge, pari passu, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans.

At December 31, 2011 there were no breaches of the above commitments.

The fair value of Debt at December 31, 2011 amounts to €20,157 million (€18,895 million at December 31, 2010), determined using the quoted market price of financial instruments, if available, or the related future cash flows. The amount is calculated using the interest rates stated in Note 19, suitably adjusted to take account of the Group's current creditworthiness.

C&W Group

On June 29, 2011, C&W Group refinanced its existing $350 million Senior Secured Revolving Credit and the total $50 million EXOR subordinated facilities with a new five-year $350 million Senior Secured Revolving Credit Facility and a five-year $150 million Senior Secured Term Loan. In addition to expanding its borrowing capacity, the new arrangement reflects more favorable borrowing terms, including interest rates, collateral packages and expanded geographic borrowings. Proceeds were used to repay the amounts outstanding under the previously existing $350 million facility and the loan extended by EXOR.

Security under the facilities is provided by major subsidiaries and consists of assets and stock pledges.

At December 31, 2011, C&W Group's outstanding balance on the Credit Facility was $170.0 million (€131 million), comprising the following: $150.0 million (€116 million) of U.S. dollar (USD)-denominated debt, with a weighted average interest rate of 2.56%, $11.2 million (€8 million) of Australian dollar (AUD)-denominated debt, with a weighted average interest rate of 6.78% and $8.8 million (€7 million) of Canadian dollar (CAD)-denominated debt, with a weighted average interest rate of 3.30%.

At December 31, 2011, C&W Group's debt amounts to €129 million (€87 million at December 31, 2010, net of the facility extended by EXOR of €31 million) and includes the outstanding balance on the "Credit Facility" for $170 million (€131 million), finance lease liabilities of $4.6 million (€4 million) as well as the carrying value of the deferred financing costs of $7.4 million (€6 million) accounted for, in accordance with IFRS, as a reduction of debt.

At December 31, 2010, C&W Group's outstanding balance on the Senior Revolving Credit Facility was €87 million of the original $350 million.

Juventus Football Club

The debt of Juventus Football Club amounting to €130 million comprises the debt due to Unicredit Leasing S.p.A. for the Vinovo Training Center lease transaction and other minor leases for €17 million, the debt due to Istituto per il Credito Sportivo for the new stadium loan for €58 million and the debt payable to banking institutions for bank accounts that were opened for €55 million.

At December 31, 2011, Juventus Football Club had credit lines for €220 million, utilized for a total of €157 million, of which €103 million for guarantees provided to third parties and €54 million for overdrafts. Further information is provided in Note 30.

Holdings System

The debt of the Holdings System at December 31, 2011 amounting to €1,120 million decreased €138 million, of which €139 million refers to the Parent, EXOR. The main changes are as follows:

- repayment of EXOR 2006/2011 bonds, for €200 million;
- issue of EXOR 2011/2031 non-convertible bonds, for Japanese yen 10 billion;
- new bank loan secured with leading credit institutions, for €150 million;
- minor use of credit lines, for €156 million;
- extinguishment of loans at maturity, for €75 million.

The debt payable to Almacantar S.A. of €48 million is also included for the share of the capital increase subscribed by EXOR S.A. and not yet paid at December 31, 2011 (€8 million at December 31, 2010).
An analysis of EXOR S.p.A. bonds outstanding at December 31, 2011 is as follows:

Issue date	Maturity	Issue price	Coupon	Rate	Currency	Nominal amount (in million)	Amortized cost measurement effect € million	Balance € million
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375%	€	750	(4)	746
5/9/2011	5/9/2031	100.000	Semiannual	fixed 2.80% (a)	Yen	10,000	-	100
								846

(a) Equivalent fixed rate in Euro is 6.012%.
(b) Nominal amount is Japanese yen 10 billion, aligned with the exchange rate at December 31, 2011, equal to Yen/€100.20.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and providing for periodic disclosure. The 2011/2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2011.
Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of both bonds (2011/2013 and 2007/2017).
Standard & Poor's rated the two bond issues "BBB+", in line with the current rating of EXOR S.p.A. long-term debt.

EXOR bonds 2011-2031 were issued at the beginning of May 2011 for Japanese yen 10 billion and at the same time hedged in Euro, for a total equivalent amount of approximately €83 million, in order to eliminate the exchange risk. The bonds pay a 2.80% coupon in Japanese yen. The exchange risk is hedged by a cross currency swap which pays EXOR in Japanese yen both interest and, at maturity, principal. The cost in Euro is thus equal to 6.012% per year.

At December 31, 2011, EXOR S.p.A. had credit lines for €1,305 million, of which €615 million is revocable and €690 million is irrevocable (of which €270 million expires in December 31, 2012 and €420 million beyond that date), drawn down by €200 million.

The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of practices in the sector for this type of debt. In particular, some of the major commitments on certain contracts require periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without consent of the creditor, non-subordination of the facility and, in some cases, compliance with financial ratios. Finally, clauses provide for early repayment in the event of serious default such as, for example, failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of irrevocable credit lines for a total of €375 million.

EXOR Group debt by due date

An analysis of debt by due date at December 31, 2011 and at December 31, 2010 is as follows:

	At December 31, 2011				At December 31, 2010			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Asset-backed financing	6,741	3,402	34	**10,177**	5,275	3,544	35	8,854
Other debt								
Bonds	2,121	8,756	6,539	**17,416**	2,928	5,935	3,155	12,018
Borrowings from banks	4,866	5,695	2,950	**13,511**	5,067	4,124	226	9,417
Payables represented by securities	498	1,089	3,460	**5,047**	217	147	0	364
Other	1,115	509	515	**2,139**	1,170	273	330	1,773
Total Other debt	8,600	16,049	13,464	**38,113**	9,382	10,479	3,711	23,572
Total Debt	**15,341**	**19,451**	**13,498**	**48,290**	**14,657**	**14,023**	**3,746**	**32,426**

EXOR Group debt by interest rate

The annual interest rates and the nominal currencies of debt at December 31, 2011 are as follows:

€ million	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	10,151	8,097	2,509	99		**20,856**
U.S. dollar	6,890	3,163	8,230	12	195	**18,490**
Brazilian real	1,356	918	603	1,150	191	**4,218**
Canadian dollar	1,332	76	670			**2,078**
Australian dollar	4	811				**815**
Polish zloty	10	208	11			**229**
Chinese renminbi	1	433	59			**493**
Argentine peso	2		88		80	**170**
British pound	220	12				**232**
Other	133	114	445	1	16	**709**
Total Debt at 12/31/2011	**20,099**	**13,832**	**12,615**	**1,262**	**482**	**48,290**

Debt with annual nominal interest rates in excess of 12.5% relates principally to the companies of the Fiat and Fiat Industrial Groups operating in Argentina and Brazil.

Further information on the management of interest rate and currency risk is provided in Note 33.

The fair value of outstanding debt of the EXOR Group at December 31, 2011 amounts to approximately €46,771 million. The fair value of debt at December 31, 2010 amounted to approximately €33,298 million. These amounts have been determined using the quoted market price of financial instruments, if available, or discounting the related future cash flows and using the interest rates suitably adjusted to take account of the Group's current creditworthiness.

Minimum future lease payments

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Consolidated Exor
Due within one year	58	5	1	2	**66**
Due between one and five years	217	18	2	15	**252**
Due beyond five years	211	25			**236**
Present value of minimum lease payments at 12/31/2011	**486**	**48**	**3**	**17**	**554**
Due within one year	47	7		2	**56**
Due between one and five years	110	18	1	8	**137**
Due beyond five years	129	20		8	**157**
Present value of minimum lease payments at 12/31/2010	**286**	**45**	**1**	**18**	**350**

As discussed in Note 15, Finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Fiat Group
At December 31, 2011 the Fiat Group excluding Chrysler had outstanding financial lease agreements for certain Property, plant and equipment whose overall net carrying amount totals €297 million (Note 15). At December 31, 2010 the corresponding balance was €322 million.

Fiat Industrial Group
At December 31, 2011 the Group had outstanding financial lease agreements for certain property, plant and equipment whose net carrying amount totaling €51 million (€48 million at December 31, 2010) is included in the item Property, plant and equipment (Note 15).

Debt secured by mortgages on assets of the Group amounts to €113 million at December 31, 2011 (€88 million at December 31, 2010), of which €48 million (€45 million at December 31, 2010) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €119 million at December 31, 2011 (€92 million at December 31, 2010). In addition, it is recalled that the Group's assets include current receivables and cash with a pre-determined use to settle asset-backed financing of €9,479 million at December 31, 2011 (€8,321 million at December 31, 2010).

Juventus Football Club
At December 31, 2011, Juventus Football Club had two finance lease contracts with Unicredit Leasing S.p.A. regarding the Vinovo Training Center and the relative furniture and fixtures for a total of €17 million.

Net financial position

In compliance with the Consob Communication of July 28, 2006 and in conformity with the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses" issued on February 10, 2005, the net financial position of the EXOR Group at December 31, 2011 is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
At 12/31/2011								
Non-current securities (held to maturity)						114		**114**
Non-current financial receivables and other financial assets					4	1		**5**
Non-current assets	**0**	**0**	**0**	**0**	**4**	**115**	**0**	**119**
Cash and cash equivalents	17,526	5,639	132		1	216	(20)	**23,494**
Cash and cash equivalents included in Assets held for sale				19				**19**
Investments and current securities (held for trading)	199	68				477		**744**
Investments and current securities (held for trading) included in Assets held for sale				3				**3**
Liquidity	**17,725**	**5,707**	**132**	**22**	**1**	**693**	**(20)**	**24,260**
Receivables from financing activities	3,968	13,946					(53)	**17,861**
- of which: from jointly-controlled financial services entities	*21*							***21***
Other current financial receivables						8		**8**
Other current financial receivables included in Assets held for sale				1				**1**
Other financial assets	557	118	1			1		**677**
Debt	(26,772)	(20,217)	(129)		(130)	(1,120)	78	**(48,290)**
Debt included in Liabilities held for sale				(28)				**(28)**
Other financial liabilities	(429)	(157)	(2)		(1)	(22)	0	**(611)**
Net financial position at 12/31/2011	**(4,951)**	**(603)**	**2**	**(5)**	**(126)**	**(325)**	**5**	**(6,003)**
At 12/31/2010								
Non-current securities (held to maturity)						192		**192**
Non-current financial receivables and other financial assets					2			**2**
Non-current assets					**2**	**192**		**194**
Cash and cash equivalents	11,967	3,686	77	92	5	361		**16,188**
Current securities (held for trading)	185	24		3		712		**924**
Liquidity	**12,152**	**3,710**	**77**	**95**	**5**	**1,073**		**17,112**
Receivables from financing activities	2,866	10,908						**13,774**
- of which: from jointly-controlled financial services entities	*12*							***12***
Financial receivables from Fiat Industrial	5,626						(5,626)	**0**
Financial receivables from Fiat		2,865					(2,865)	**0**
Other current financial receivables						38	(31)	**7**
Other financial assets	516	88	1			5		**610**
Debt	(20,804)	(18,695)	(118)	(10)	(63)	(1,258)	8,522	**(32,426)**
Other financial liabilities	(255)	(147)	(2)		(1)	(8)		**(413)**
Net financial position at 12/31/2010	**101**	**(1,271)**	**(42)**	**85**	**(57)**	**42**	**0**	**(1,142)**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

The item receivables from financing activities includes the entire portfolio of the financial services entities of the Fiat Group and the Fiat Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

The net financial position of C&W Group and the Alpitour Group is adjusted to exclude non-current financial assets (deposits and receivables) in order to comply with the Consob Communication.

Non-current securities (held-to-maturity) of the Holdings System include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

28. Trade payables

An analysis by due date of trade payables is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Due within one year	16,402	5,043	193		31	1	(189)	**21,481**
Due between one and five years	13	7	8					**28**
Due beyond five years	3	2						**5**
Trade payables at 12/31/2011	**16,418**	**5,052**	**201**	**0**	**31**	**1**	**(189)**	**21,514**
Due within one year	9,352	4,072	157	214	33	5	(187)	**13,646**
Due between one and five years	6	4	8					**18**
Due beyond five years	1	1						**2**
Trade payables at 12/31/2010	**9,359**	**4,077**	**165**	**214**	**33**	**5**	**(187)**	**13,666**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

The carrying amount of trade payables is considered in line with their fair value at the balance sheet date.

29. Other liabilities

An analysis of other liabilities is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Total Other liabilities at 12/31/2011	**7,538**	**2,495**	**155**		**198**	**9**	**(15)**	**10,380**
Total Other liabilities at 12/31/2010	**3,998**	**2,423**	**164**	**40**	**147**	**32**	**(154)**	**6,650**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

Details are as follows:

€ million	At 12/31/2011	At 12/31/2010	Change
Advances on buy-back agreements	**2,664**	1,832	832
Indirect tax payables	**1,658**	1,392	266
Accrued expenses and deferred income	**2,137**	1,185	952
Payables to personnel	**937**	490	447
Social security payables	**489**	447	42
Amounts due to customers for contract work (Note 18)	**111**	105	6
Liabilities with Minority Shareholders of C&W Group	**15**	30	(15)
Other	**2,369**	1,169	1,200
Total Other liabilities at 12/31/2011	**10,380**	6,650	3,730

The item Advances on buy-back agreements refers to agreements entered into by the Fiat Group and the Fiat Industrial Group during the year or which still remain effective at the balance sheet date and they related to assets included in Property, plant and equipment. The item Advances on buy-back agreements represents the following:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Deferred income also includes the revenues not yet recognized in relation to the separately-priced extended warranties and service contracts offered by the Chrysler sector. These revenues will be recognized in profit or loss over the contract period in proportion to the costs expected to be incurred based on historical information.

The carrying amount of Other liabilities is considered in line with their fair value.

An analysis by due date of Other liabilities of the EXOR Group (excluding Accrued expenses and deferred income) is as follows:

	At December 31, 2011				At December 31, 2010			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	6,763	1,392	88	8,243	4,191	1,234	40	5,465

30. Guarantees granted, commitments and contingent liabilities

Guarantees granted of the Fiat Group

At December 31, 2011 the Group had pledged guarantees on the debt or commitments of third parties totaling €40 million (€35 million at December 31, 2010), as well as guarantees of €30 million on related party debt (€16 million at December 31, 2010).

With reference to Chrysler, in accordance with the terms of the Ally Auto Finance Operating Agreement ("Ally Agreement"), Ally provides wholesale and retail financing to dealers and retail customers in the U.S., Canada and Mexico. Chrysler subsidizes interest rates or cash payments required at the inception of the financing arrangement, as a customer incentive, a practice known as "subvention." The agreement with Ally is not exclusive. Ally provides consumer and dealer financing to other manufacturers and Chrysler's dealers and retail customers obtain financing, including some subvented financing, from other financing sources. Under the agreement, however, Chrysler must offer all subvention programs to Ally, and is required to ensure that Ally finances a specified minimum percentage of the vehicles it sells in North America under rate subvention programs in which it elects to participate. In addition, Chrysler may, from time to time, offer lease products to retail customers through Ally, but Ally is not obligated to offer lease products. Under the Ally Agreement, Chrysler is required to repurchase Ally-financed dealer inventory, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer's franchise agreement (including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally). These obligations exclude vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.

As of December 31, 2011, the maximum potential amount of future payments required to be made to Ally under this guarantee was approximately €5.7 billion and was based on the aggregate repurchase value of eligible vehicles financed by Ally in Chrysler's U.S. and Canadian dealer stock. If vehicles are required to be repurchased under this arrangement, the total exposure would be reduced to the extent the vehicles are able to be resold to another dealer.

The Ally Agreement is effective through April 30, 2013, with automatic one-year renewals unless either party elects not to renew.

Guarantees granted of the Fiat Industrial Group

At December 31, 2011, the Group has provided guarantees on the debt or commitments of third parties or jointly controlled and associated entities totaling €612 million (€655 million at December 31, 2010).

In addition, at December 31, 2011 Fiat Industrial S.p.A. replaced Fiat S.p.A. in the guarantees issued by the latter in the interest of Banco CNH Capital S.A. - Brazil for loans made by *Banco Nacional de Desenvolvimento Econômico e Social* (BNDES) and by *Agência Especial de Financiamento Industrial* (FINAME) to Banco CNH Capital S.A.

Other commitments and important contractual rights of the Fiat Group

The Fiat Group has important commitments and rights deriving from outstanding agreements, summarized in the following.

Teksid

Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%.

In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other redressement procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Chrysler

Following the occurrence of the Ecological Event in early January 2012, at the date of this Annual report Fiat holds a 58.5% membership interest in Chrysler; the remaining 41.5% is held by the VEBA Trust, the fund that provides health benefits to the employees of Chrysler who are no longer in service. In addition Fiat is the holder of the VEBA Trust Call Option, pursuant to which it is entitled to acquire 40% of the membership interests originally issued to the VEBA Trust, provided that Fiat is entitled to purchase no more than 8% of such membership interests in any six-month period. This option may be exercised from 1 July 2012 to June 30, 2016. For the VEBA Trust Call Option, prior to a Chrysler IPO the exercise price is to be determined using a defined market-based multiple (the average multiple of certain automotive manufacturers, not to exceed the trading multiple for Fiat) applied to Chrysler's EBITDA for the four recent quarters less Chrysler's net industrial debt. If there has been a Chrysler IPO, the price is to be based on the trading price for Chrysler's ordinary shares.

In addition, on July 21, 2011 the U.S. Treasury assigned Fiat its rights under the Equity Recapture Agreement. The Equity Recapture Agreement provides Fiat the rights to the economic benefit associated with the membership interests held by the VEBA Trust once the VEBA Trust receives proceeds, including certain distributions, in excess of $4.25 billion plus interest of 9% per annum from January 1, 2010 ("Threshold Amount"). Once the VEBA Trust receives the Threshold Amount, any additional proceeds payable to the VEBA trust for Chrysler membership interest and any membership interest retained by the VEBA Trust are to be transferred to Fiat for no further consideration. In addition, Fiat has the right to acquire VEBA Trust's entire membership interest in Chrysler at a price equivalent to the specified Threshold Amount, less any proceeds already received by the VEBA Trust on that interest. These rights have been recognized in the Group's Statement of Financial Position at €58 million ($75 million).

If the VEBA Trust seeks to transfer its membership interests, it must provide notice to Fiat and Fiat will have an irrevocable non−transferable first option to purchase all or a portion of the offered securities at the same price and on the same terms and conditions as those negotiated by the VEBA Trust.

VM Motori

Following the acquisition of the 50% interest in the VM Motori group, the Fiat Group is party to a put and call agreement with General Motors under which two years after the date of this acquisition Fiat will have the right to buy the residual interest in VM Motori from General Motors. Furthermore, General Motors has a put option to sell its interest in VM Motori to Fiat if certain conditions occur.

Commitments of Juventus Football Club S.p.A.

Commitments of Juventus include guarantees received from leading credit institutions for €103 million to guarantee the payables arising from the acquisition of players' registration rights (€79 million), the construction and completion of infrastructures for the new stadium (€22 million) and other commitments (€2 million).

Commitments of the Holdings System

The commitments for €125 million (€237 million at December 31, 2010) undertaken by the subsidiary EXOR S.A. relate to the acquisition of investments and other financial assets. Details are as follows:

- investment commitment for a residual maximum amount of $34 million (€26 million) in the NoCo B LP limited partnership which groups a series of funds managed by Perella Weinberg Partners L.P. At December 31, 2011 EXOR S.A. had invested €7 million and received reimbursements for €4 million;
- investment commitment in the Perella Weinberg Real Estate Fund for €3 million. At December 31, 2011 EXOR S.A. had invested €14 million;
- investment commitment of another €7 million in Banijay Holding S.A.S.;
- investment commitment in the joint venture with the Jardine Matheson Group and Rothschild for $96 million (€75 million);
- investment commitment of another $18 million, or €14 million, in BDT Capital Partners.

Sales of receivables by the Fiat Group

The Group has discounted receivables and bills without recourse having due dates beyond December 31, 2011 amounting to €3,858 million (€3,524 million at December 31, 2010), which refer to trade receivables and other receivables for €3,031 million (€2,761 million at December 31, 2010) and financial receivables for €827 million (€763 million at December 31, 2010). The amount includes receivables, mostly due from the sales network, sold to jointly-controlled financial services companies (FGA Capital) for €2,495 million (€2,376 million at December 31, 2010).

Sales of receivables by the Fiat Industrial Group

The Group has discounted receivables and bills without recourse having due dates beyond December 31, 2011 amounting to €980 million (€1,239 million at December 31, 2010, with due dates beyond that date), which refer to trade receivables and other receivables for €897 million (€1,021 million at December 31, 2010) and financial receivables for €83 million (€218 million at December 31, 2010). At December 31, 2010 these amounts included receivables, mostly due from the sales network, sold to associate financial services companies (Iveco Finance Holdings Limited) for €390 million.

Operating lease contracts

At December 31, 2011, the total future minimum lease payments under non-cancellable lease contracts are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Consolidated Exor
Due within one year	136	41	46		**223**
Due between one and five years	325	86	133		**544**
Due beyond five years	227	35	150		**412**
Future minimum lease payments under operating lease agreements at 12/31/2011	**688**	**162**	**329**	**0**	**1,179**
Due within one year	34	41	53	37	**165**
Due between one and five years	91	71	143	120	**425**
Due beyond five years	99	46	171	46	**362**
Future minimum lease payments under operating lease agreements at 12/31/2010	**224**	**158**	**367**	**203**	**952**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

During 2011, the Group has recorded costs for lease payments of €214 million (€167 million during 2010).

Operating lease contracts relate to contracts entered into by:

- Fiat Group for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively;
- Fiat Industrial Group for the right to use industrial buildings and equipment with an average term of about 10-20 years and 3-5 years, respectively;
- C&W Group for the lease of buildings (15 year lease term) and office equipment.

Pending litigation and contingent liabilities

EXOR S.p.A.

Subsequent to filing the motivations for the acquittal verdict in the criminal case relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Public Prosecutor's Office of Turin, by act of notification to the Company on June 3, 2011, lodged an immediate appeal under ex art. 569 of the Code of Criminal Procedure to the Supreme Court of Cassation. The hearing in the Court of Cassation is set for May 11, 2012.

Fiat Group

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationship, intellectual property rights. The outcome of any current or future proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

At December 31, 2011, contingent liabilities estimated by the Group for which no provisions have been recognized since an outflow of resources is not considered to be probable and for which a reliable estimate can be made amount to approximately €100 million (approximately €131 million at December 31, 2010). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €14 million (€17 million at December 31, 2010) have been estimated but not recognized.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognizes specific provisions for this purpose (see Note 26).

Furthermore, in connection with significant asset divestitures carried out in prior years, the Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2011, potential obligations with respect to these indemnities were approximately €430 million (approximately €859 million at December 31, 2010). Against these obligations, at December 31, 2011 provisions of €66 million (€60 million December 31, 2010) have been made which are classified as Other provisions. The Group has provided certain other indemnifications that do not limit potential payment; it is not possible to estimate a maximum amount of potential future payments that could result from claims made under these indemnities.

Fiat Industrial Group

As a global company with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters. The outcome of any current or future proceedings cannot be predicted with certainty. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group financial position and results. At December 31, 2011, contingent liabilities estimated by the Group amount to approximately €41 million (approximately €36 million at December 31, 2010), for which no provisions have been recognized since an outflow of resources is not considered probable at the present moment. Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €2 million have been estimated but not recognized.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognizes specific provision for this purpose.

Since January 2011, Iveco, as well as some other competitors, has been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of commercial vehicles in the European Union in relation to possible anti-competitive behavior. The Office of Fair Trading is carrying out a similar investigation in Britain. It is not possible at the present moment to predict when and in what way these investigations will be concluded.

C&W Group

On January 3, 2010, a lawsuit seeking class action status was brought against Cushman & Wakefield Inc. along with Credit Suisse in connection with lending activities associated with the development of four luxury resorts, each located in the United States.

In connection with the financing that Credit Suisse provided on the developments, C&W was engaged by Credit Suisse and others to prepare valuations.

The complaint alleges that Credit Suisse devised a “loan to own” scheme whereby it used artificially inflated appraisals prepared by C&W to justify making excessive loans which the plaintiff homeowners were unable to service.

Plaintiffs allege Credit Suisse and C&W violated various statutes under U.S. law. Plaintiffs claim a total amount of $24 billion in damages.

Since then, certain of the claims against C&W have since been dismissed, which has significantly reduced the alleged damage claims. The plaintiff homeowners have re-filed the remaining claims in addition to two new consumer claims. Additionally, two principals of the resort developers filed to intervene in the suit and bring claims, allegedly similar to those brought initially by the homeowners.

C&W Group believes that all of the claims are without merit and continues to defend against these claims vigorously.

Juventus Football Club

FIGC decision of July 18, 2011

On August 11, 2011, Juventus Football Club filed a request with the National Sports Arbitration Court ("TNAS") of the Italian Olympic Games Committee for arbitration against the Italian Football Federation and F.C. Internazionale to repeal the decision made by the Italian Football Federation on July 18, 2011 in relation to the complaint submitted by Juventus on May 10, 2010.

At the hearing on September 9, 2011 the President of TNAS declared its competence in sports matters and referred the parties to the Regional Administrative Court for damages. With its subsequent provision on September 13, 2011 TNAS appointed three members of the Arbitration Board. A hearing was held on November 4, 2011 to discuss the competence, upon which TNAS reserves the right to make the final decision. Subsequently TNAS declared its incompetence with arbitration which was duly challenged by Juventus Football Club, for the purposes of a null judgment, with appeal submitted to the Court of Appeals of Rome at the hearing on July 30, 2012, served on the F.I.G.C. and Football Club Internazionale Milano S.p.A. on February 10, 2012.

On September 2, 2011 the company filed a complaint with UEFA Executive Committee, UEFA General Secretary and UEFA Control and Disciplinary Body in relation to the fairness of the Italian Football Federation's actions. As a result, on October 14, 2011, UEFA asked the FIGC to take a position on the statements made by the company no later than October 19, 2011. On November 8, 2011 UEFA closed the investigation stating that it had performed the following pre-trail investigation: “Inspector and F.I.G.C. Answer”. The company submitted an urgent petition to access the acts which it considers fundamental for proving its motives.

Juventus Football Club has also submitted an appeal, served on November 15, 2011, to the competent Regional Administration Court for Lazio asking for a sentence of unjust damages resulting from the illegal exercise of administration activity and failure to exercise obligatory activity in relation to the following administrative acts:

- resolution of the Federal Council of F.I.G.C. on July 18, 2011;
- failure of the Federal Council to adopt an express non-judicial revocation of FIGC Extraordinary Commissioner on July 26, 2006 assigning the Italian Championship to Football Club Internazionale Milano for the 2005/2006 Championship;
- provision of the FIGC Extraordinary Commissioner on July 26, 2006 assigning the Italian Championship to Football Club Internazionale Milano for the 2005/2006 championship.

The company also asked for cancellation as necessary and where authorized, for the sole purposes of compensation for damages, of the challenged administrative provisions.

The FIGC started proceedings with an act filed with the court on December 2, 2011, objecting to the inadmissibility of the appeal and asking for its rejection as ungrounded.

It is currently not possible to make predictions regarding the outcome of the case.

Referral to the National Disciplinary Commission

On February 22, 2012 the FIGC's Federal Attorney made the referrals public, including against some former Company directors and, in relation to only two cases, against Juventus Football Club S.p.A. The referrals involved player buying and selling activities and related transactions with managers and agents. Since a date for the hearing has not been set and the investigative documents are not available, it is not possible to make any predictions on the outcome of the case.

Dispute regarding VAT receivables on UEFA Champions League revenues

In terms of the dispute with the Revenue Agency, regarding the refusal to refund the VAT receivable of €1.4 million in relation to the UEFA tournaments played in the 2000/2001 football season, a date still needs to be set for a hearing before the Supreme Court of Cassation, which should make a ruling on the appeal against the second instance ruling in favor of Juventus.

Proceedings at the Court of Naples

In terms of the criminal proceedings pending before the Court of Naples against the former director and general manager of Juventus Football Club Mr Luciano Moggi, the company, following the order issued on October 20, 2009, was deemed liable and civil claimants have the right to make claims for compensation for damages.

It should be noted that on November 8, 2011 the Court of Naples sentenced Mr Luciano Moggi to 5 years and 4 months and rejected the claims for damages against Juventus Football Club grounded on its liability.

On February 6, 2012 the grounds for the ruling were filed and are under analysis. However, the inexistence of any form of objective liability by the company has been confirmed.

CONSOB audit
On October 20, 2011, CONSOB initiated an audit with a view to acquiring the documents relating to:
a) the following line items in the annual financial statements at June 30, 2011:

- expenses from players’ registration rights;
- amortization and writedowns of players’ registration rights;
- other amortization, provisions and release of provisions;
- other non-recurring revenues and costs.

b) reasons and uses of the credit facility granted by the parent EXOR S.p.A.

The inspection was concluded on February 22, 2012.

Investigation by the Attorney's Office of Turin on the construction of the new stadium
On October 20, 2011, the company, Juventus Football Club, learned of an investigation being conducted against the independent contractors it hired to inspect the new stadium. The company, which is the plaintiff in these proceedings - and as such has already filed an appearance - has established the safety and security of the stadium, which is already open and operating, by filing appropriate technical documentation at the mayor's office, the Prefecture, and the Attorney General's Office.

31. Segment reporting

EXOR S.p.A. and the companies in the Holdings System mainly invest in equity investments and financial market investments. Through its subsidiaries, EXOR Group is present in a very diversified range of sectors, particularly Automobiles (Fiat Group), Agricultural and Construction Equipment (which from January 2011 is headed by the Fiat Industrial Group), real estate services (C&W Group) and professional soccer (Juventus Football Club).
For this reason, the EXOR Group has chosen to disclose its information by operating segment according to IFRS 8 – Operating Segments (replacing IAS 14 – Segment Reporting), which coincides with the consolidated data of each subsidiary holding company, each one of which represents an investment in a major business segment: Fiat Group, Fiat Industrial Group, C&W Group, Juventus Football Club and the Holdings System.
As far as the consolidated data of the subsidiary Alpitour is concerned, for the reasons indicated previously, all the revenue and cost items have been reclassified beginning June 30, 2011, to “Profit (loss) from Discontinued Operations” since the Alpitour Group represents an important separate business segment.
The information by sector relating to continuing activities is therefore presented in the following consolidated income statement and statement of financial position which gives the data of each Group and subsidiary mentioned above.

The Income statement by segment for 2011 and 2010 is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System (b)	Eliminations and Adjustments	Consolidated Exor
2011								
Segment revenues	59,559	24,289	1,433		169	1	(1,092)	**84,359**
Revenues from transactions with other operating segments	(663)	(425)	(1)		(2)	(1)	1,092	**0**
Revenues from external customers	58,896	23,864	1,432		167	0	0	**84,359**
Trading profit/(loss)	2,392	1,686	44		(86)	(30)	1	**4,007**
Unusual income/(expense)	944	(57)	0		0	0	(12)	**875**
Operating profit/(loss)	3,336	1,629	44		(86)	(30)	(11)	**4,882**
Financial income/(expense)	(1,282)	(546)	(8)		(3)	(45)	7	**(1,877)**
Share of profit/(loss) of companies accounted for using the equity method	146	97	0		0	(24)	0	**219**
Other profit/(loss) from investments	(15)	(11)	0		0	82	0	**56**
Result from investments	131	86	0		0	58	0	**275**
Profit/(loss) before taxes	2,185	1,169	36		(89)	(17)	(4)	**3,280**
Income taxes	(534)	(468)	(25)		(1)	(10)	0	**(1,038)**
Profit/(loss) from Continuing Operations	1,651	701	11		(90)	(27)	(4)	**2,242**
Profit/(loss) from Discontinued Operations			0	(13)	0	0	0	**(13)**
Profit (loss) for the year	1,651	701	11		(90)	(27)	(17)	**2,229**
Amortization, depreciation and impairment charges	(3,358)	(666)	(35)		(35)	0		**(4,094)**
Goodwill impairment	(224)		0		0	0		**(224)**
Other impairments losses and other non-cash items	(6,443)	(3,507)	(12)		(24)	(128)		**(10,114)**
Reversal of impairment losses	1		0		0	0		**1**

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System (b)	Eliminations and Adjustments	Consolidated Exor
2010								
Segment revenues	35,880	21,342	1,327		183	7	(977)	**57,762**
Revenues from transactions with other operating segments	(592)	(373)			(8)	(4)	977	**0**
Revenues from external customers	35,288	20,969	1,327		175	3	0	**57,762**
Trading profit/(loss)	1,112	1,092	37		(50)	(42)	3	**2,152**
Unusual income/(expense)	(120)	(75)	(9)		(7)	(7)	1	**(217)**
Operating profit/(loss)	992	1,017	28		(57)	(49)	4	**1,935**
Financial income/(expense)	(400)	(505)	(13)		(3)	11	0	**(910)**
Share of profit/(loss) of companies accounted for using the equity method	120	70	1		0	133	(124)	**200**
Other profit/(loss) from investments	(6)	(6)			0	49	(1)	**36**
Result from investments	114	64	1		0	182	(125)	**236**
Profit/(loss) before taxes	706	576	16		(60)	144	(121)	**1,261**
Income taxes	(484)	(198)	(4)		(5)	(7)	0	**(698)**
Profit/(loss) from Continuing Operations	222	378	12		(65)	137	(121)	**563**
Profit/(loss) from Discontinued Operations	378			8			(378)	**8**
Profit (loss) for the year	600	378	12		(65)	137	(499)	**571**
Amortization, depreciation and impairment charges	(2,186)	(665)	(44)		(36)	0		**(2,931)**
Goodwill impairment	0	0	0		0	0	0	**0**
Other impairments losses and other non-cash items	(2,127)	(3,241)	(13)		(7)	(28)	0	**(5,416)**
Reversal of impairment losses	3	0	0		0	0	0	**3**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.
(b) Does not include the share of profit/(loss) from investments consolidated line-by-line.

Total Assets by segment at December 31, 2011 and at December 31, 2010 are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Alpitour (a)	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
At December 31, 2011								
Segment operating assets	58,922	32,335	1,125		393	2,045	(262)	**94,558**
of which:								
investments in associates and jointly controlled companies accounted for using the equity method	*1,579*	*614*				*307*		***2,500***
Increase in non-current assets other than financial instruments, deferred tax assets and assets benefitting employees	*5,670*	*1,097*	*36*		*167*	*146*	*(93)*	***7,023***
Income tax assets	2,058	1,852	18			25		**3,953**
Receivables from financing activities, financial receivables, other receivables and non-current securities	895	103	17		4	215	(51)	**1,183**
Cash and cash equivalents, current securities and other financial assets	18,156	4,353	132		1	701	(18)	**23,325**
Other assets			3		8			**11**
Total Assets	**80,031**	**38,643**	**1,295**	**0**	**406**	**2,986**	**(331)**	**123,030**
Segment operating liabilities	42,842	26,767	476		233	17	(105)	**70,230**
Income tax liabilities	1,244	873	84		11	3		**2,215**
Financial liabilities and other financial liabilities	23,685	5,592	131		130	1,142	(66)	**30,614**
Total Liabilities	**67,771**	**33,232**	**691**	**0**	**374**	**1,162**	**(171)**	**103,059**
At December 31, 2010								
Segment operating assets	26,769	27,911	1,102	271	300	1,955	(380)	**57,928**
of which:								
investments in associates and jointly controlled companies accounted for using the equity method	*1,465*	*679*				*231*		***2,375***
Increase in non-current assets other than financial instruments, deferred tax assets and assets benefitting employees	*3,147*	*899*	*20*	*22*	*124*	*112*		***4,324***
Income tax assets	2,031	1,829	10	10		46	(66)	**3,860**
Receivables from financing activities, financial receivables, other receivables and non-current securities	273	70	14	5	2	335	(1)	**698**
Cash and cash equivalents, current securities and other financial assets	12,380	5,111	78	95	5	1,117	(2,569)	**16,217**
Other assets	31,989			1	3		(31,989)	**4**
Total Assets	**73,442**	**34,921**	**1,204**	**382**	**310**	**3,453**	**(35,005)**	**78,707**
Segment operating liabilities	23,251	22,463	441	279	194	37	(3,315)	**43,350**
Income tax liabilities	514	703	71	4	0	2	(3)	**1,291**
Financial liabilities and other financial liabilities	12,922	7,011	121	11	63	1,311	(2,569)	**18,870**
Other liabilities	24,294	0					(24,294)	**0**
Total Liabilities	**60,981**	**30,177**	**633**	**294**	**257**	**1,350**	**(30,181)**	**63,511**

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

32. Information by geographical area

The following table presents an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and the investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets.

The Group's parent has its registered office in Italy. Revenues earned from external customers may be analyzed as follows:

€ million	2011	2010	Change
FIAT			
Italy	**9,079**	9,491	(412)
United States, Canada, Mexico	**21,421**	1,267	20,154
Brazil	**9,654**	9,059	595
Poland	**928**	1,056	(128)
France	**2,145**	2,213	(68)
Germany	**3,127**	2,707	420
Spain	**998**	1,010	(12)
UK	**1,278**	1,255	23
Turkey	**1,357**	1,247	110
China	**1,553**	598	955
Rest of the world	**7,356**	5,385	1,971
Total FIAT	**58,896**	35,288	**23,608**
FIAT Industrial			
Italy	**2,433**	2,416	17
United States, Canada, Mexico	**6,106**	5,247	859
Brazil	**2,905**	2,837	68
Poland	**377**	307	70
France	**2,166**	1,805	361
Germany	**1,285**	1,190	95
Spain	**661**	696	(35)
UK	**713**	602	111
Turkey	**343**	199	144
China	**480**	415	65
Rest of the world	**6,395**	5,255	1,140
Total FIAT Industrial	**23,864**	20,969	**2,895**
C&W Group			
Italy	**21**	18	3
United States	**874**	834	40
Canada	**68**	64	4
Latin America	**81**	69	12
EMEA (excluding Italy)	**291**	254	37
Asia	**97**	88	9
Total C&W Group	**1,432**	1,327	**105**
Juventus F.C.			
Italy	**167**	175	(8)
Total Juventus F.C.	**167**	175	**(8)**
Holdings System			
Rest of the world		3	(3)
Total Holdings System		**3**	**(3)**
Total revenues	**84,359**	57,762	**26,597**

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights under insurance contracts of the Group) located in Italy and in the rest of the world totaled €53,646 million (€27,568 at December 31, 2010) and may be analyzed as follows:

€ million	12/31/2011	12/31/2010	Change
Fiat			
Italy	**9,559**	9,490	69
United States, Canada, Mexico	**25,165**	257	24,908
Brazil	**2,463**	2,412	51
Poland	**1,511**	1,612	(101)
France	**322**	331	(9)
Germany	**170**	157	13
Spain	**272**	90	182
China	**463**	180	283
Other	**977**	966	11
Total Fiat	**40,902**	15,495	25,407
Fiat Industrial			
Italy	**1,889**	1,782	107
United States	**3,291**	3,035	256
Brazil	**483**	436	47
Poland	**336**	45	291
France	**704**	619	85
Germany	**550**	493	57
Spain	**475**	482	(7)
China	**320**	304	16
Other	**1,198**	1,410	(212)
Total Fiat Industrial	**9,246**	8,606	640
C&W Group			
United States	**352**	369	(17)
EMEA	**228**	221	7
Canada	**60**	59	1
Latin America	**28**	27	1
Asia	**58**	56	2
Total C&W Group	**726**	732	(6)
Alpitour			
Italy		128	(128)
Spain		15	(15)
Rest of the world		31	(31)
Total Alpitour (a)	**0**	174	(174)
Juventus F.C.			
Italy	**312**	255	57
Total Juventus F.C.	**312**	255	57
Holdings System			
Italy	**138**	140	(2)
United States	**34**	30	4
Luxembourg	**117**	10	107
Rest of the world	**2,171**	2,126	45
Total Holdings System	**2,460**	2,306	154
Total Non-current assets	**53,646**	27,568	26,078

(a) Reclassified to Assets and liabilities held for sale beginning June 30, 2011.

33. Information on financial risks

Information on the financial risks to which the individual operating sectors are exposed is presented below.

Fiat Group

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- finance market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interest. The Group is also exposed to the risk of changes in the price of certain commodities and of certain listed shares.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis, discussed in Note 25.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following do not have any predictive value, in particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty, as well as concentration risks.

The Group's credit risk differs in relation to the activities carried out. In particular, dealer financing and operating and financial lease activities that are carried out through the Group's financial services companies are exposed both to the direct risk of default and the deterioration of the creditworthiness of the counterparty, while the sale of vehicles and spare parts is mostly exposed to the direct risk of default of the counterparty. These risks are however mitigated by the fact that collection exposure is spread across a large number of counterparties and customers. Taken overall, however, the credit risk regarding the Group's trade receivables and receivables from financing activities is concentrated in the European Union and Latin America markets for the Fiat Group Automobiles sector and in the North American market for the Chrysler sector.

In order to test for impairment, significant receivables from corporate customers and receivables for which collectability is at risk are assessed individually, while receivables from end customers or small business customers are grouped into homogeneous risk categories. A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all the amounts due specified in the contractual terms. Objective evidence may be provided by the following factors: significant financial difficulties of the counterparty, the probability that the counterparty will be involved in an insolvency procedure or will default on its installment payments, the restructuring or renegotiation of open items with the counterparty, changes in the payment status of one or more debtors included in a specific risk category and other contractual breaches. The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2011 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 30.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of cars, whose amount depends on the amount of the asset sold. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

Receivables for financing activities amounting to €3,968 million at December 31, 2011 contain balances totaling €5 million, which have been written down on an individual basis. Of the remainder, balances totaling €70 million are past due by up to one month (€42 million at December 31, 2010), while balances totaling €62 million are past due by more than one month (€92 million at December 31, 2010). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and Other receivables amounting to €4,335 million at December 31, 2011 contain balances totaling €78 million which have been written down on an individual basis. Of the remainder, balances totaling €314 million are past due by up to one month (€164 million at December 31, 2010), while balances totaling €313 million are past due by more than one month (€341 million at December 31, 2010). The increase over the previous year in the amounts past due up to one month arises mainly from the consolidation of Chrysler.

Provided that Current securities and Cash and cash equivalents are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2011 which might lead to significant repayment risk.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets, necessitate giving special attention to the management of liquidity risk. In that sense measures taken to generate funds through operations and to maintain a conservative level of available liquidity are an important factor for ensuring operational flexibility and addressing strategic challenges over the next few years.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payment, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal. The operating cash flows, main funding operations and liquidity of the Fiat Group excluding Chrysler are centrally managed in the Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds on the financial markets by means which may assume different technical forms.

Chrysler manages the cash generated by its operations and coverage of its funding requirements independently. In this respect Fiat has pledged no guarantee, commitment or similar obligation in relation to any of Chrysler's financing obligations, nor has it assumed any kind of obligation or commitment to fund Chrysler in the future.

Details of the repayment structure of the Group's financial assets and liabilities are provided in Note 19 - Current Receivables and Other current assets and Note 27 - Debt. Details of the repayment structure of derivative financial instruments are provided in Note 21.

The Group believes that the funds currently available to the treasuries of Fiat and Chrysler, in addition to those that will be generated from operating and financing activities, will enable the Fiat Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

Finance market risks

Currency risk

As a multinational group that has operations throughout the world, the Group is exposed to market risks from fluctuations in foreign currency exchange and interest rates. In addition, the Group is exposed to market risks in terms of the commodity prices associated with business operations. The Group is also exposed to the risk of a change in the price of certain shares.

The Group exposure to currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to finance market risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, and interest rate swaps and combined interest rate and currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
- the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Exposure to changes in the price of commodities is generally hedged by using commodity swaps.

Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 21.

Quantitative information on currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit/(loss) of that company. In 2011, the total trade flows exposed to currency risk amounted to the equivalent of 10% of the Group's turnover.
- The principal exchange rates to which the Group is exposed are the following:
  - USD/CAD, relating to sales in Canadian dollars made by Chrysler in Canada;
  - EUR/USD, relating to sales in US dollars made by Italian companies (in particular Ferrari and Maserati) to the North American market and to other markets in which the US dollar is the trading currency;
  - EUR/GBP, EUR/CHF, USD/MXN, USD/VEF in relation to sales in the UK, Swiss, Mexican and Venezuelan markets;
  - EUR/PLN, EUR/TRY, relating to manufacturing costs incurred in Poland and Turkey for products sold in the Euro area;

  - USD/BRL, EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows. Taken overall trade flows exposed to changes in these exchange rates in 2011 made up approximately 80% of the exposure to currency risk from trade transactions.
- It is the Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Group companies may find themselves with trade receivables or payables denominated in a currency different from the money of account of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from the money of account. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's money of account.
- Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, Brazil, Canada, Poland, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.
- The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the item Cumulative Translation Adjustments reserve, included in Other Comprehensive income.

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2011 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at December 31, 2011 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €625 million (€457 million at December 31, 2010). The increase is mainly due to the inclusion of Chrysler in the analysis.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Quantitative information on interest rate risk

The manufacturing companies and treasuries of the Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit/(loss) of those companies and the Group as a whole.

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit/(loss).

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2011, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €140 million (€49 million at December 31, 2010). The increase is mainly due to the inclusion of Chrysler in the analysis.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2011, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €10 million (€3 million at December 31, 2010).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Quantitative information on commodity price risk

The Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials or other commodities used in its normal operations.

In connection with the commodity price derivative contracts outstanding at December 31, 2011, a hypothetical, unfavorable and instantaneous change of 10% in the price of the commodities at that date would have caused a fair value loss of €58 million; the corresponding figure at December 31, 2010 was €1 million. The increase is essentially related to the use of commodity price derivatives by Chrysler.

Quantitative information on other risks on derivative financial instruments

As described in Note 21, the Group holds derivative financial instruments, whose value is linked to the price of listed shares (predominately equity swaps on Fiat shares and after the Demerger, on Fiat S.p.A. and Fiat Industrial S.p.A. shares). Although these transactions were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS. As a consequence, the variability of the underlying values could have an effect on the Group's net profit/(loss).

In the event of a hypothetical, unfavorable, and instantaneous change of 10% in the underlying values, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2011 linked to the Fiat S.p.A. and Fiat Industrial S.p.A. share price would have been approximately €17 million (€32 million at December 31, 2010). The decrease over the previous year is due to the different price of the share at the end of the year (which is used as a basis for the simulation) and to the lower notional amount outstanding.

Fiat Industrial Group

The Group is exposed to the following financial risks connected with its operations:

- credit risk, regarding its normal business relations with customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- market risk (principally relating to exchange rates, interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interest.

As described in the Report on Operations, the Group constantly monitors the financial risks to which it is exposed, in order to detect those risks in advance and take the necessary actions to mitigate them.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group.

The quantitative data reported in the following do not have any predictive value. In particular the sensitivity analysis on market risks does not to reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

The maximum credit risk to which the Group is theoretically exposed at December 31, 2011 is represented by the carrying amounts stated for financial assets in the statement of financial position and the nominal value of the guarantees provided on liabilities or commitments to third parties as discussed in Note 30.

Dealers and final customers are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of commercial vehicles and agricultural and construction equipment. These guarantees are further strengthened where possible by reserve of title clauses or specific guarantees on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

Balances which are objectively uncollectible either in part or for the whole amount are written down on a specific basis if they are individually significant. The amount of the writedown takes into account an estimate of the recoverable cash flows and the date of receipt, the costs of recovery and the fair value of any guarantees received. Impairment losses are recognized for receivables which are not written down on a specific basis, determined on the basis of historical experience and statistical information.

Receivables for financing activities amounting to €13,946 million at December 31, 2011 (€10,908 million at December 31, 2010) contains balances totaling €54 million (€63 million at December 31, 2010) which have been written down on an individual basis. Of the remainder, balances totaling €320 million (€237 million at December 31, 2010) are past due by up to one month, while balances totaling €510 million are past due by more than one month (€734 million at December 31, 2010). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and Other receivables totaling €2,464 million at December 31, 2011 (€2,636 million at December 31, 2010) contains, balances totaling €56 million (€49 million at December 31, 2010) have been written down on an individual basis. Of the remainder, balances totaling €145 million (€147 million at December 31, 2010) are past due by up to one month, while balances totaling €151 million (€185 million at December 31, 2010) are past due by more than one month.

The significant decrease in the past due component in receivables from financing activities is partially attributable to the gradual collection of loans granted by Banco CNH Capital S.A. as part of the development/subsidized loans program for agriculture of the Brazilian development agency managed through *Banco Nacional de Desenvolvimento Economico e Social* (“BNDES”). These receivables fell under the scope of the general debt relief programs that were implemented from time to time by the Brazilian government between 2005 and 2008 to support an agricultural industry going through a difficult period. With the rescheduling programs now at an end, the company has taken all the measures necessary to collect installments falling due, adjusting the level of its loan allowances in relation to the extent to which the overdue balances are being repaid. Total rescheduled outstanding loans issued by Banco CNH Capital S.A. amount to approximately 0.5 billion Reais (approximately €0.2 billion) at December 31, 2011, representing a decrease of approximately 0.7 billion Reais over December 31, 2010; Banco CNH Capital S.A. had a net overdue balance with its customers of approximately 0.3 billion Reais (approximately €0.1 billion), representing a decrease of approximately 0.6 billion Reais over December 31, 2010. During the year, approximately 0.5 billion Reais (approximately €0.2 billion) Reais were written off by Banco CNH Capital S.A. Although the continual reschedulings of the recent past have contributed to an increase in the uncertainty as to the timing and means by which customers will make repayment, the amounts provided are considered sufficient to cover the residual credit risk. In the meantime, the BNDES has continued its financial support for the company and the subsidized loan programmes.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

Continuing the process applied for years by the Fiat Group, the Fiat Industrial Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce the liquidity risk, as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining an adequate level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence on the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

Details as to the repayment structure of the Group's financial assets and liabilities are provided in Note 19 Current Receivables and in Note 27 Debt. Details of the repayment structure of derivative financial instruments are provided in Note 21.

Management believes that the funds currently available, in addition to those funds that will be generated from operating and financing activities, will enable the Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

Currency risk

The Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit/(loss) of that company. In 2011, the total trade flows exposed to currency risk amounted to the equivalent of 18% of the Group's turnover (15% in 2010). The principal exchange rates to which the Group is exposed are the following:
  - EUR/USD, in relation to the production/purchases of the CNH sector in the Euro area and to sales in dollars made by Iveco;
  - EUR/GBP, predominately in relation to sales made by Iveco on the UK market and purchases made by the CNH sector in the Euro area;
  - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
  - USD/AUD, mainly in relation to sales made by the CNH sector in Australia;
  - USD/GBP, in relation to the production/purchases of the CNH sector in the UK.

  Taken overall trade flows exposed to changes in these exchange rates in 2011 made up approximately 66% of the exposure to currency risk from trade transactions.
- It is the Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Group companies may find themselves with trade receivables or payables denominated in a currency different from the money of account of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.

- Certain of the Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the Group's reference currency is the Euro, the income statements of those countries are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.
- The assets and liabilities of consolidated companies whose functional currency is different from the Euros may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the item Cumulative Translation Adjustments reserve, included in Other Comprehensive income.

The Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2011 in the nature or structure of exposure to currency risk or in the Group's hedging policies.

Sensitivity analysis – currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at December 31, 2011 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro, amounts to approximately €175 million (€157 million at December 31, 2010). The valuation model for currency options assumes that market volatility at year end remains unchanged.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit/(loss) of those companies and the Group as a whole.

In order to manage these risks, the Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit/(loss).

Sensitivity analysis – Interest rate risk

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2011 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €9 million (approximately €22 million at December 31, 2010). The reduced effect compared to 2010 is due to a decrease in the reference rates taken for the analysis.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2011, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €4 million (approximately €9 million at December 31, 2010). The decrease over 2010 reflects the reduced level of debt and the lower level of interest rates used in the analysis.
This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risks on derivative financial instruments

The Group has entered derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis - Other risks

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2011 linked to commodity prices would amount to €2 million (not significant at December 31, 2010).

C&W Group

Credit risk

C&W Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Other risk factors, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of the financial assets recorded in cash and cash equivalents for $170.4 million (€132 million) and commissions receivable for $332.1 million (€257 million); at December 31, 2010, the carrying amount of financial assets recorded in cash and cash equivalents was $102.7 million (€177 million) and the carrying amount of commissions receivable was $322.1 million (€241 million).
Commissions receivable are presented net of the allowance for impairment which, at December 31, 2011, amounts to $12 million, or €10 million ($11 million at December 31, 2010, or €8 million).

At December 31, 2011, C&W Group has receivables past due and not subject to individual writedown for $313 million (€242 million). Receivables past due less than one month amount to $250 million (€193 million) and receivables past due more than one month total $63 million (€49 million).
At December 31, 2010, receivables past due and not subject to individual writedown were $303 million (€227 million). Receivables past due less than one month amounted to $245 million (€184 million) and receivables past due more than one month totaled $58 million (€43 million).

Liquidity risk

In order to support the cash flows generated internally and the maximum peak of cash flow demands early in the second quarter of the year, on June 29, 2011, C&W Group refinanced its existing $350 million Senior Secured Revolving Credit and the total $50 million EXOR subordinated facilities with a new five-year $350 million Senior Secured Revolving Credit Facility and a five-year $150 million Senior Secured Term Loan. In addition to expanding its borrowing capacity, the new arrangement reflects more favorable borrowing terms, including interest rates, collateral packages and expanded geographic borrowings. Proceeds were used to repay the amounts outstanding under the previously existing $350 million facility and the loan extended by EXOR.

Currency risk

C&W Group assesses foreign currency risks from operating as low because the Group entities predominantly execute their operating activities in their respective functional currencies.
The Group utilizes certain derivative financial instruments to mitigate its foreign currency exposures primarily related to the outstanding intercompany loan balances. At December 31, 2011, to mitigate such risks, the Group had 42 foreign exchange forward contracts on the major currencies to which it is exposed.

At December 31, 2011, the notional amount of such instruments in U.S. dollars is equal to $145 million (€112 million). At December 31, 2010 the notional amount was $137 million (€103 million). The fair value liability is $1.4 million, or about €1 million, in line with 2010.
The currency risk relating to debt is limited to the quota of the Senior Secured Revolving Credit Facility: in $AUD for $11 million and in $CAD for €9 million. At December 31, 2010, the currency risk in Euros was for $4 million, in GBP for $6.2 million and in $CAD for €10 million.
At December 31, 2011, C&W Group believes that the legal entities which own the debt will generate sufficient cash flows in the future to repay their own debts. Based on this, Group has decided that there is no true exposure to hedge changes in foreign currency as it relates to these liabilities.

Sensitivity analysis – currency risk
A 10% strengthening of the USD against the main currencies at December 31, 2011 would have increased (decreased) net income by $105 thousand (€75 thousand) and equity by $2 million (€1.5 million).

Interest rate risk
C&W Group is exposed to interest rate risk associated with the $350 million Senior Secured Revolving Credit Facility. C&W Group monitors market conditions and has reviewed possible strategies, such as interest rate swaps and caps, to mitigate this variability. In August 2011, Group entered into an interest rate cap and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%.

Sensitivity analysis – Interest rate risk
For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.
A change of 100 basis points in interest rates at the December 31, 2011 reporting date would have increased (decreased) profit or loss by $1.9 million (€1.4 million) or $2.4 million (€1.8 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Juventus Football Club
Juventus Football Club does not have a significant concentration of credit risk and has appropriate procedures in place to minimize the exposure to such risk. Receivables from Italian football companies are guaranteed by the clearing house system of the National Professional League while receivables from foreign football companies are largely guaranteed by bank guarantees or other guarantees.
Almost all of Juventus Football Club's transactions (sales and purchases) are in Euro; thus the company is not subject to fluctuations in exchange rates to any relevant degree.
The company manages liquidity risk by keeping the bank loans secured from leading credit institutions at levels that avert financial pressure situations and invests temporarily available liquidity in demand deposits or short-term deposits with a suitable number of different banks, to ensure prompt availability of the funds.
At December 31, 2011, Juventus Football Club does not have receivables past due subject to individual writedown (€1 million at December 31, 2010) and receivables past due but not subject to individual writedown amount to €4 million, of which €2 million is past due less than one month. At December 31, 2010, such receivables amounted to €5 million, of which €4 million was past due less than one month.

Interest rate risk
Juventus Football Club has adopted a policy hedging the risks of fluctuation in the interest rates on two loans received from leading banking institutions for the construction of the new Stadium using derivative financial instruments.

Sensitivity analysis – Interest rate risk
A hypothetical change in the interest rates of 10% would have an effect on the profit/(loss) of €0.4 million.

Holdings System

EXOR S.p.A. and the companies which form the Holdings System are exposed to credit risk in that they invest a portion of their cash in bonds issued by leading bank and corporate counterparts that are nevertheless selected according to their creditworthiness. Instead, the most important investments denominated in currencies other than the Euro, in particular U.S. dollars, are exposed to currency risks; in view of the permanent characteristics of such investments, transactions to hedge the risk of exchange rate fluctuations on those currencies were not put into place.
They are also exposed to currency and interest rate fluctuations which are hedged by financial instruments consistent with the management risk policy adopted by each.

In particular, EXOR S.p.A. has assessed and managed exposure to interest rate risk consistently with its management policy and used derivative financial instruments to fix a part of its loans payable at a pre-set rate, especially for variations in interest rates and the risk management activities have regarded only interest rate swaps used on bank debt and the bonds in Japanese yen.

Credit risk

EXOR S.p.A.'s maximum theoretical exposure to credit risk at December 31, 2011 is the carrying amount of the financial assets recorded in the financial statements. Nonetheless, the Company seeks to mitigate such risk by investing a good part of its available cash in top corporate and bank securities issued by primary counterparts chosen according to their creditworthiness.
At December 31, 2011 and December 31, 2010, there are no financial assets past due and not written down and provisions for doubtful accounts.

Liquidity risk

EXOR S.p.A. and the companies that form the Holdings System finance outgoing cash flows from current operations with incoming flows from ordinary business activities and cash resources.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR and the companies in the Holdings System operate so that they have irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Currency risk

Some of the assets held for trading and cash by EXOR S.p.A. at December 31, 2011 (respectively €186 thousand and €41 thousand) are denominated in currencies other than Euro.
These are securities held for trading and cash, both of which have been adjusted to the year-end exchange rate.
EXOR S.p.A., the parent, is exposed to the currency risk on the non-convertible bonds in Japanese yen issued in 2011. The bonds carry a fixed rate in yen of 2.80% and have a term of 20 years.
In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, a cross currency swap was put in place by EXOR as a result of which the Company will pay a fixed rate of 6.012% on the face amount of the bonds in euro (about €83 million) for the entire term of the bonds.
The subsidiary EXOR S.A. is exposed to exchange rate risk on bonds in U.S. dollars issued by Perfect Vision Ltd. and the embedded derivative instrument which, at December 31, 2011, are recorded in non-current assets held for sale, measured according to the criteria established by the sales agreement signed on December 23, 2011.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would product a negative effect on profit/(loss) of €23 million (of which €22 million on financial assets and 1 million on financial liabilities); whereas an unfavorable change of 10% would have a positive effect on profit/(loss) of €26 million (of which €25 million on financial assets and €1 million on financial liabilities).

Moreover, a favorable 10% change in the yen exchange rate, relating to the EXOR bonds, against the Euro, would have a negative effect on equity of €9 million, while an unfavorable 10% would have a positive effect of €11 million.

Interest rate risk

At December 31, 2011, EXOR S.p.A. has interest swap contracts in place for a nominal amount of a total €200 million to manage the risks of changes in interest rates on bank debt.

Sensitivity analysis – Interest rate risk

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balances sheet date.

A hypothetical 10% change in the interest rates would have a net effect on equity of €0.2 million and on profit/(loss) of €0.1 million.

Price risks

The Holdings System is exposed to price risk originating from available-for-sale equity investments, securities held to maturity and from equity shares and bonds held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if the prices of securities, classified as available-for-sale equity investments and assets held for trading had been 5% higher or lower, the fair value reserve recorded in equity would have been €91 million higher or lower and the amount of fair value recognized in profit or loss on securities held for trading would have been €20 million higher or lower.

Details are as follows:

€ million	2011			
	Change in price + 5%		Change in price - 5%	
	Effect on profit/(loss)	Effect on equity	Effect on profit/(loss)	Effect on equity
SGS S.A.		75		(75)
Gruppo Banca Leonardo S.p.A.		5		(5)
Other investments available-for-sale		6		(6)
Mutual funds		5		(5)
Equity securities held for trading	5		(5)	
Bonds held for trading	15		(15)	
	20	**91**	**(20)**	**(91)**

34. Fair value hierarchy

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – quoted prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of the financial instruments measured at fair value at December 31, 2011.

€ million	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	16	1,530	17	200	**1,747**
Investments at fair value with changes through profit or loss	16				
Non-current securities	16	33		102	**135**
Current securities	20	120			**120**
Financial assets at fair value held-for-trading:					
Current investments	20	137			**137**
Current securities	20	257		186	**443**
Other financial assets	21		602	1	**603**
Securities readily converted into cash (due within 3 months) measured at fair value	22	5			**5**
Total Assets at 12/31/2011		**2,082**	**619**	**489**	**3,190**
Other financial liabilities	21		(583)	(28)	**(611)**
Total Liabilities at 12/31/2011			**(583)**	**(28)**	**(611)**

In 2011, there were no transfers from Level 1 to Level 2 or vice versa.

The following table presents changes in Level 3 in 2011:

€ million	Balance at 12/31/2010	Gains (losses) recognized through profit or loss	in equity	Increase (decrease)	Balance at 12/31/2011
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	186		5	9	**200**
Investments at fair value with changes through profit or loss					
Non-current securities	78		5	19	**102**
Financial assets at fair value held for trading:					
Current investments	106	(4)		84	**186**
Other financial assets				1	**1**
Total Assets	370	(4)	10	113	**489**
Other financial liabilities	(55)	(21)		48	**(28)**
Total Liabilities	**315**	**(25)**	**10**	**161**	**461**

In 2011, there were no transfers from Level 3 to other levels or vice versa.

35. Related party transactions

The Group enters in transactions with unconsolidated subsidiaries, jointly controlled entities, associates and other related parties, at market conditions that are considered normal in the respective markets, taking account of the characteristics of the goods or services involved.

Pursuant to IAS 24, parties related to EXOR Group are entities and individuals capable of exercising control, joint control or significant influence on the EXOR Group and its subsidiaries, companies belonging to the Giovanni Agnelli Group including unconsolidated subsidiaries, associates or joint ventures of the Fiat Group, the Fiat Industrial Group, C&W Group, the Alpitour Group, the Almacantar Group, the Sequana Group and Juventus. In addition, members of the EXOR Group's board of directors, board of statutory auditors and executives with key responsibilities in the EXOR Group and their families are also considered related parties.

Transactions undertaken by the Group with unconsolidated subsidiaries, jointly controlled entities, associates and other related parties are primarily transactions of a commercial nature that have had an impact on revenues, cost of sales, and trade payables/receivables.

The most significant financial transactions with related parties generated, for the Fiat Group, receivables from financing activities of the financial services companies due from jointly controlled entities and asset-backed financing relating to amounts due principally to FGA Capital for sales of receivables which do not qualify for derecognition under IAS 39.

In accordance with IAS 24, transactions with related parties also include compensation to directors, statutory auditors and executives with key responsibilities.

The effects of such transactions on the consolidated income statements in 2011 and 2010 are as follows:

	2011				2010			
€ million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
Total jointly controlled entities	2,844	3,553	33	(38)	2,322	3,182	20	(29)
Total associates	548	526	11	(11)	482	385	39	(10)
Total other related parties	0	10	32	0	1	6	40	0
Total unconsolidated subsidiaries	47	72	23	2	21	71	17	2
Total of which related parties	**3,439**	**4,161**	**99**	**(47)**	**2,826**	**3,644**	**116**	**(37)**
Total	**84,359**	**71,096**	**7,259**	**(1,877)**	**57,762**	**49,097**	**4,930**	**(910)**
Effect on total (%)	**4.1%**	**5.9%**	**1.4%**		**4.9%**	**7.4%**	**2.4%**	

The main details are as follows:

Fiat Group

€ million	2011 Net revenues	2011 Cost of sales	2011 Selling, general and administrative costs	2011 Financial income (expenses)	2010 Net revenues	2010 Cost of sales	2010 Selling, general and administrative costs	2010 Financial income (expenses)
Tofas - Turk Otomobil Fabrikasi A.S.	1,257	1,289	10		1,152	1,230	3	
Società Europea Veicoli Leggeri-Sevel S.p.A.	465	1,603			362	1,318	4	
FGA Capital	207	80	14	(34)	101	72	13	(31)
Fiat India Automobiles Limited	42	14			73	34		3
GAC Fiat Automobiles Co Ltd	42	3						
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	32	265			32	329		
VM Motori Group		115						
Other	4	4			10	12		
Total jointly controlled entities	**2,049**	**3,373**	**24**	**(34)**	**1,730**	**2,995**	**20**	**(28)**
Chrysler Group (a)	165	310			195	226	29	
To-dis S.r.l.	51	3			49			
Other	2	0	10			5	8	
Total associates	**218**	**313**	**10**	**0**	**244**	**231**	**37**	**0**
Crédit Agricole Group								
Other		6	18		1	3	23	
Total other related parties	**0**	**6**	**18**	**0**	**1**	**3**	**23**	**0**
Total unconsolidated subsidiaries	**38**	**71**	**21**	**2**	**19**	**71**	**17**	**2**
Total of which related parties	**2,305**	**3,763**	**73**	**(32)**	**1,994**	**3,300**	**97**	**(26)**

(a) The revenues and cost of sales relating to Chrysler Group and its associates refer in 2011 to the first five months and in 2010 to the full half year.

Fiat Industrial Group

€ million	2011 Net revenues	2011 Cost of sales	2010 Net revenues	2010 Cost of sales
Società Europea Veicoli Leggeri-Sevel S.p.A.	401		339	
Iveco Oto Melara Società consortile	136		123	
SAIC IVECO Commercial Vehicle Investment Company Limited	44		23	
CNH de Mexico de CV	58		46	
New Holland HFT Japan Inc.	38		14	
Turk Traktor Ve Ziraat Makineleri A.S.	43	153	26	169
Other	75	27	21	18
Total jointly controlled entities	**795**	**180**	**592**	**187**
Iveco Finance Holdings Limited	202	45	126	63
IVECO-AMT Ltd	68		13	
Kobelco Construction Machinery Co. Ltd.	48	164	50	91
Truck & Bus Company	12		49	
Other	0	4	0	
Total associates	**330**	**213**	**238**	**154**
Other	0	4	0	3
Total other related parties	**0**	**4**	**0**	**3**
Total unconsolidated subsidiaries	**9**	**1**	**2**	
Total of which related parties	**1,134**	**398**	**832**	**344**

The main effects on the consolidated statement of financial position at December 31, 2011 and at December 31, 2010 are as follows:

€ million	At December 31, 2011 Trade receivables	At December 31, 2011 Trade payables	At December 31, 2011 Other current assets	At December 31, 2011 Other current liabilities	At December 31, 2010 Trade receivables	At December 31, 2010 Trade payables	At December 31, 2010 Other current assets	At December 31, 2010 Other current liabilities
Total jointly controlled entities	306	1,138	34	111	409	838	34	101
Total associates	93	49	1	24	164	231	37	19
Total other related parties	0	5	0	1	0	6	0	30
Total unconsolidated subsidiaries	40	18	8	3	50	28	6	6
Total of which related parties	**439**	**1,210**	**43**	**139**	**623**	**1,103**	**77**	**156**
Total	**4,321**	**21,514**	**3,196**	**10,380**	**4,370**	**13,666**	**2,576**	**6,650**
Effect on total (%)	**10.2%**	**5.6%**	**1.3%**	**1.3%**	**14.3%**	**8.1%**	**3.0%**	**2.3%**

The main details are as follows.

Fiat Group

€ million	At December 31, 2011 Trade receivables	Trade payables	Other current assets	Other current liabilities	At December 31, 2010 Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas - Turk Otomobil Fabrikasi A.S.	26	262			90	220		
Società Europea Veicoli Leggeri-Sevel S.p.A.	44	615	12	10	28	466	5	3
FGA Capital	63	104	19	80	96	52	26	49
Fiat India Automobiles Limited	102	6	2		104		2	
GAC Fiat Automobiles Co Ltd	18	3						
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	1	35			1	51		
VM Motori Group	0	34						
Other	4	2	1		7	9	1	1
Total jointly controlled entities	**258**	**1,061**	**34**	**90**	**326**	**798**	**34**	**53**
Chrysler Group	10	5			96	184	36	16
Other	10	6		24	2	6		3
Total associates	**20**	**11**	**0**	**24**	**98**	**190**	**36**	**19**
Total other related parties	**0**	**4**			**0**	**5**	**0**	**8**
Total unconsolidated subsidiaries	**36**	**13**	**8**	**3**	**35**	**20**	**6**	**6**
Total of which related parties	**314**	**1,089**	**42**	**117**	**459**	**1,013**	**76**	**86**

Fiat Industrial Group

€ million	At December 31, 2011 Trade receivables	Trade payables	At December 31, 2010 Trade receivables	Trade payables
Iveco Oto Melara Società consortile	21		52	
Turk Traktor Ve Ziraat Makineleri A.S.		63		28
Other	27	14	31	12
Total jointly controlled companies	**48**	**77**	**83**	**40**
Total associates	**73**	**38**	**63**	**39**
Total other related parties	**0**	**1**		**1**
Total unconsolidated subsidiaries	**4**	**5**	**15**	**1**
Total of which related parties	**125**	**121**	**161**	**81**

An analysis of the effects of related party transactions on asset and liability items of a financial nature at December 31, 2011 and December 31, 2010 is as follows:

€ million	At December 31, 2011 Current receivables from financing activities	Asset-backed financing	Other debt	At December 31, 2010 Current receivables from financing activities	Asset-backed financing	Other debt
Total jointly controlled entities	114	92	123	63	92	147
Total associates	2	0	52	18	228	49
Total unconsolidated subsidiaries	38	0	40	48	0	45
Total of which related parties	**154**	**92**	**215**	**129**	**320**	**241**
Total	**17,861**	**10,177**	**38,113**	**13,774**	**8,854**	**23,572**
Effect on total (%)	**0.9%**	**0.9%**	**0.6%**	**0.9%**	**3.6%**	**1.0%**

The main details are as follows.

Fiat Group

	At December 31, 2011			At December 31, 2010		
€ million	Current receivables from financing activities	Asset-backed financing	Other debt	Current receivables from financing activities	Asset-backed financing	Other debt
Società Europea Veicoli Leggeri-Sevel S.p.A.	45			14		2
FGA Capital	32	92	118	12	92	144
Others	37			37		
Total jointly controlled companies	**114**	**92**	**118**	**63**	**92**	**146**
Chrysler Group	2	0	4	17		
Totale associates	**2**	**0**	**4**	**17**		**0**
Totale unconsolidated subsidiaries	**38**	**0**	**40**	**45**		**32**
Total of which related parties	**154**	**92**	**162**	**125**	**92**	**178**

Fiat Industrial Group

Asset-backed financing to associates of the Fiat Industrial Group, amounting to €219 million at December 31, 2010, relates to amounts due to Iveco Finance Holdings Limited for sales of receivables which did not qualify as sales under IAS 39.

Other debt to associates amounting to €49 million at December 31, 2010 consisted mainly of other payables of a financial nature due to Iveco Finance Holdings Limited.

Holdings System

Other debt to associates amounting to €48 million at December 31, 2011 (€8 million at December 31, 2010) refer to the amount payable to Almacantar S.A. for the share of capital increases already subscribed by EXOR S.A. but not yet paid at December 31, 2011.

Commitments and guarantees with related parties of the Fiat Group

The other guarantees granted in favor of related parties at December 31, 2011 and December 31, 2010 are as follows:

€ million	At 12/31/2011	At 12/31/2010
Total jointly controlled entities	**8**	4
Total other related parties and Fiat Industrial Group	**10**	0
Total unconsolidated subsidiaries	**12**	12
Total of which related parties	**30**	**16**

Commitments and guarantees with related parties of the Fiat Industrial Group

At December 31, 2011, the Group had pledged guarantees on commitments of the jointly controlled entity Iveco - Oto Melara Società consortile for an amount of €217 million (€232 million at December 31, 2010).

Emoluments to directors, statutory auditors and key management of EXOR

In 2011, compensation to the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent and in other consolidated companies, are as follows:

€ thousand	EXOR S.p.A.	Subsidiaries	Total
Directors	6,844	28,557	**35,401**
Statutory Auditors	153	181	**334**
Total 2011	6,997	28,738	**35,735**

This amount includes the notional compensation cost arising from the stock grants and stock options granted to the directors.

There are no key management personnel in EXOR S.p.A.

36. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – Statement of Cash Flows, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.

Cash flows from (used in) operating activities derive mainly from the Group's main revenue producing activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit/(loss) for the year, are included under operating activities in a single line item which includes changes in working capital, capital expenditures, depreciation and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows from operating lease transactions are included under operating activities in a single line item which includes capital expenditures, depreciation, impairment losses and changes in inventories.

For 2011, Other non-cash items (a negative balance of €781 million) include the reversal of the following non-cash items:

- unusual income totaling €2,017 million arising from remeasurement of the 30% interest previously held in Chrysler and Fiat's right to receive an additional 5% on the occurrence of the final Performance Event, which took place in early January 2012;
- impairment losses on assets amounting to €800 million.

In total, cash flows for income tax payments net of refunds in 2011 amount to €858 million (€745 million in 2010).

Overall, interest of €2,456 million was paid and interest of €1,414 million was received in 2011 (interest of €1,841 million was paid and interest of €1,248 million was received in 2010).

The item Cash and cash equivalents from the consolidation of Chrysler, net of consideration paid for the additional 16% ownership interest, consists of the cash and cash equivalents arising from the consolidation of Chrysler at the Acquisition date amounting to €6,505 million net of the consideration paid for the acquisition of the additional 16% ownership interest, amounting to €881 million ($1,268 million), as explained in further detail in the Section – "Fiat Group – Acquisition of control of Chrysler and subsequent acquisition of non-controlling interests".

Finally, following the occurrence of the Technology Event and the Distribution Event, the rights associated with Fiat's Class B membership interests increased to 25% in January 2011 and to 30% in April 2011 without the payment of cash: these transactions have therefore not been included in the Statement of cash flows. The purchases in 2011 of the additional 6.031% and 1.508% fully-diluted ownership interests in Chrysler from the U.S. Treasury and the Canadian government, at respective prices of $500 million and $125 million (€351 million and €87 million, respectively), have been classified under (Purchase)/sale of ownership interests in subsidiaries.

EXOR S.p.A. purchased Fiat S.p.A. and Fiat Industrial S.p.A. shares in 2011, respectively, for €31 million €54 million, reported in the same item.

Comparative amounts relating mainly to the acquisition of the 5% interest in Ferrari S.p.A. in 2010 have been reclassified on a consistent basis.

37. Non-recurring transactions

Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any significant non-recurring operations in 2011, as defined in that Communication, other than the acquisition of the control of Chrysler by the Fiat Group as discussed above.

38. Transactions resulting from unusual and/or abnormal operations

Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any unusual and/or abnormal operations in 2011, as defined in that Communication.

39. Subsequent events

Reference should be made to the Report on Operations 2011.

40. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2011 were approved on April 6, 2012 by the board of directors which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, within the timeframe set by law.

Turin, April 6, 2012

On behalf of the Board of Directors
The Chairman and Chief Executive Officer
John Elkann

Attestation of the Consolidated Financial Statements According to art. 154-bis, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, Mr John Elkann, chairman and chief executive officer, and Mr Enrico Vellano, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree 58 dated February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application,

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at December 31, 2011.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards, endorsed by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, dated July 19, 2002;
    - correspond to the amounts shown in the Company's accounts, books and records;
    - provide a true and fair view of the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries;
- the Report on Operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Turin, April 6, 2012

The Chairman and Chief Executive Officer John Elkann	Manager responsible for the preparation of the Company's financial reports Enrico Vellano

Deloitte.

Deloitte & Touche S.p.A.
Galleria San Federico, 54
10121 Torino
Italia

Tel: +39 011 55971
Fax: +39 011 544756
www.deloitte.it

REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

**To the Shareholders of
EXOR S.p.A.**

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries ("EXOR Group") as of and for the year ended December 31, 2011, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes to the consolidated financial statements. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005 are the responsibility of the Directors of EXOR S.p.A. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 5, 2011. As illustrated in the paragraph "Reclassification of the Alpitour Group to Assets and liabilities held for sale" of the notes to the consolidated financial statements, the Directors of the Company have restated the 2010 income statement and statement of cash flows by reclassifying Alpitour Group data to Discontinued Operations, since it represents an important separate business segment for the EXOR Group. In addition, as illustrated in the paragraph "Consolidation of Fiat and Fiat Industrial Groups", as a result of the partial and proportional demerger of Fiat S.p.A. to Fiat Industrial S.p.A., the Directors of the Company have restated in the notes to the consolidated financial statements the comparative data as of December 31, 2010 of the businesses which were transferred to Fiat Industrial S.p.A., that consequently are no longer reflected in the "Fiat Group" operating segment but are shown separately in a new operating segment denominated "Fiat Industrial Group". These restatements of comparative data and related disclosures included in the notes to the consolidated financial statements have been audited by us for the purpose of expressing our opinion on the consolidated financial statements as of and for the year ended December 31, 2011.

3. In our opinion, the consolidated financial statements of the EXOR Group as of December 31, 2011 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n. 38/2005; accordingly, they give a true and fair view of the financial position, the results of operations and the cash flows of the EXOR Group as of and for the year then ended.

4. The Directors of EXOR S.p.A. are responsible for the preparation of the report on operations and the annual report on Corporate Governance in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on Corporate Governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on Corporate Governance are consistent with the consolidated financial statements of the EXOR Group as of and for the year ended December 31, 2011.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Riccomagno
Partner

Turin, Italy
April 16, 2012

This report has been translated into the English language solely for the convenience of international readers.

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING ON THE ACTIVITIES CARRIED OUT DURING THE YEAR 2011

Shareholders,

In summarizing the contents and results of our activities during the year, we would first of all like to call your attention to the assumption by the chairman also of the role of chief executive officer and the changes in the organizational structure and in certain key management positions and then present a description the most important transactions that affected earnings and equity carried out by the directors and described in depth in their Report on Operations, including:

- the purchase of GRUPPO BANCA LEONARDO ordinary shares for approximately €18 million, with a consequent increase in the ownership interest to 17.40% of its capital;
- the completion of EXOR S.A.'s investment commitments in in ALMACANTAR, with a payment of only slightly more than €48 million remaining;
- the issue of non-convertible bonds of Japanese yen 10 billion, for approximately €83 million out of the total amount of €1 billion approved on March 28, 2011;
- the sale of the building in Corso Matteotti – the former headquarters – by EXOR SERVICES and its merger, with legal effect from December 1, 2011 and accounting and tax effect from January 1, 2011;
- the buyback of treasury stock – ordinary, preferred and savings – for a total amount of slightly less than €69 million;
- the disbursement to/repayment by JUVENTUS of a credit facility of €70 million, utilized only in part;
- payment to JUVENTUS of EXOR's share of approximately €72 million against a future share capital increase – resolved by the shareholders' meeting held in October 2011 and formalized in January 2012 – and the commitment to subscribe to LAFICO's share for another approximate €9 million;
- purchases of 300,000 ordinary shares and 8,916,670 savings shares of FIAT and 12,164,441 savings shares of FIAT INDUSTRIAL for a total investment of just over €85 million under the plan for the simplification of their capital structure subsequent to the partial proportional demerger of the former to the latter, with legal effect on January 1;
- agreement for the sale of Alpitour for €225 million, besides contract transaction costs, later supplemented in March 2012.

We confirm that these, in addition to other transactions completed, comply with the law and the bylaws, are based on principles of proper administration, agree with the resolutions of the shareholders' meetings and produce no conflicts of interest.

We have participated in the seven meetings of the board of directors, during which we were informed about the activities carried out and the main operating, financial and equity transactions completed or being undertaken by the company and its direct subsidiaries and the four meetings of the internal control committee, formed by three independent directors.

We have supervised the application of the Regulation issued by CONSOB as regards related party transaction and the consequent procedure, adopted by the company on November 12, 2010, in effect from January 1, 2011, which can be consulted on the company's website.

During the course of the activities carried out in our 11 meetings, we have also obtained information:

- from the chief administration officer and the chief financial officer, who took over the role of the manager responsible for preparing the company's financial reports;
- from the person in charge of internal control, also about the activities of the oversight body required by Legislative Decree 231/2001, of which we have reviewed the annual report;
- from those in charge of the principal corporate functions, to the extent of our responsibilities;
- from the audit firm, both to use the results of its work, in implementing the required exchange of information, and with regard to the provisions of art. 19 of Legislative Decree 39/2010, also in respect of its independence, reiterated to us by letter dated April 5, 2012:

> "(…) As the audit firm charged with the audit of the separate financial statements for the year ended December 31, 2010 of EXOR S.p.A. and the consolidated financial statements of EXOR Group, we confirm that, on the basis of the information received to date and the tests carried out, taking into account the regulatory and professional principles that govern audit activities, during the period from January 1, 2011 to today's date, there were no situations that came to our attention that would have compromised our independence or causes for incompatibility pursuant to articles 10 and 17 of Legislative Decree 39/2010 and the relative provision for implementation.(…)".

The results of our work have again led us to conclude that:

- the administrative conduct was observant of the principles of diligence and correctness;
- the organizational structure and the internal control system were adequate in relation to the nature and scope of the activities carried out;
- the administrative and accounting system was capable of representing correctly the company's affairs, conforming to the existing model of administrative and accounting control;
- the directives, according to art. 114, paragraph 2 of Legislative Decree 58/1998, were appropriately conveyed to the subsidiaries.

As far as our responsibilities are concerned, we can state that EXOR adopts the corporate governance model in which the directors describe the principles and the requirements adopted, and the manner in which they should be observed, as we have noted, and those not adopted, explaining the reasons for such exceptions, in their annual report on Corporate Governance, reviewed by Deloitte & Touche, pursuant to art. 123 *bis* of Legislative Decree 58/1998.

We have reviewed the application of the valuation criteria followed by the board in reaching a favorable conclusion as to the independence of the directors qualified as such and the self-assessment process carried out as regards the adequacy of the composition and the functioning of the board in relation to the company's needs, where there are diversified professional qualifications and competences, and again ascertained the continuance of the profiles needed to guarantee our independence.

With reference to the matters specifically identified by CONSOB in the initial communication DEM/1025564 dated April 6, 2001, we observe that:

- we have been regularly informed of matters falling under our jurisdiction;
- we have not noted atypical or unusual transactions with third parties, with related parties or with group companies such as might give rise to doubts about the correctness or completeness of the information in the financial statements, about the presence of conflicts of interest or about the safeguarding of the company's assets;
- the directors, in Note 37 to the separate financial statements, disclose the existence of and provide

comments on the exchange of goods and services between EXOR, group companies and related parties, stating that such transactions were carried out in accordance with existing laws and by reference to arm's length reciprocal economic gain;

- from the meetings with the auditors no significant facts or situations came to our attention which necessitated the performance of further controls on our part which we should report to you;
- we have not received or had notice of any complaints under ex art. 2408 of the Italian Civil Code and we have not received or we have not been made aware of petitions;
- we did not deem it necessary to have meetings with the boards of statutory auditors of subsidiaries;
- our supervisory activities did not indicate any matters to report;
- we have expressed the opinions required of us by law;
- by means of the above-mentioned letter dated April 5, 2012, DELOITTE & TOUCHE has informed us that:

> "(...) The services other than the audit of the separate financial statements, the tests ascertaining that the accounting records are duly kept and the correct recognition of the operating events in the accounting entries, the audit of the consolidated financial statements and the limited audit of the consolidated half-year financial report (aggregate fees of €94,000 for a total of 1,143 hours) provided during the period indicated above to EXOR S.p.A. by the audit firm (writing this letter) and by other entities in the relative Network, determined on the basis of the information made available to us are indicated as follows (excluding hours and fees of the subsidiaries of the EXOR Group, which engagements are conferred independently):
>
> - testing relative to the confirmation of the amount of the financial ratios required by the Information Memorandum dated June 6, 2006 relating to the issue by IFIL of “Floating Rate Notes due 2011” for €200 million, for a fee of €2,500.
> - Review and in-depth analysis of non-recurring accounting issues relating to the line-by-line consolidation of the Fiat Group, for a fee of €58,000.
> - Support provided in the review of statements and data relating to the sale of the Alpitour Group, for a fee of €220,000 (work performed by Deloitte FAS S.p.A.).
> - Methodological support to EXOR Group in designing the Compliance Integrated Governance Model, for a fee of €19,000 (work carried out by Deloitte ERS S.r.l.) (…)”.

We have reviewed the structure and the approach of the separate financial statements at December 31, 2011, which show a profit of €58,690,739, and the information illustrated by the directors in their Report on Operations, relating also to the consolidated financial statements of the EXOR Group at the same date, also formalized in the board of directors’ meeting of April 6 and the notes thereto.

The chairman and chief executive office and the manager responsible for preparing the company’s financial reports have issued an attestation as set forth in art. 154 *bis*, paragraph 5, of Legislative Decree 58/1998 on both the separate and consolidated financial statements of the Group.

DELOITTE & TOUCHE, charged with the audit, in its report dated April 16, 2012, expresses the following conclusions with regard to the separate financial statements of the company:

> "(...) In our opinion, the separate financial statements of EXOR S.p.A. at December 31, 2011 comply with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree 38/2005; accordingly, they give a true and fair view of the financial position, of the results of operations and of the cash flows of EXOR S.p.A. for the year then ended. (...)
>
> In our opinion, the Report on Operations and the information reported in compliance with art. 123 *bis* of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) presented in the

annual report on the company's corporate governance and ownership structure are consistent with the separate financial statements of EXOR S.p.A. at December 31, 2011. (…)".

Similar conclusions are described by DELOITTE & TOUCHE in its report on the consolidated financial statements.

On the basis of the information we obtained directly pertaining to the scope and structure and the conclusions reached by Deloitte & Touche, we are of the view that the separate financial statements of EXOR may be approved together with the proposal for the appropriation of the profit for the year, noting that the legal reserve is already equal to one-fifth of share capital.
Finally, in observing that the agenda of the next shareholders' meeting regards, besides the annual 2011 financial statements, also:

- the incentive plan pursuant to article 114 *bis* of Legislative Decree 58/1998;
- the compensation report pursuant to article 123 *ter* of Legislative Decree 58/1998;
- the appointments to the company boards:
- determination of the number of board members and relative compensation;
- appointment of the board of directors;
- appointment of the board of statutory auditors;
- determination of the fees of the board of statutory auditors;
- the purchase and disposal of treasury shares;

we confirm, as far as is necessary, that the reports prepared on these subjects by the board of directors illustrates the arguments and puts forward the resolutions in accordance with existing law.

Turin, April 17, 2012

The Board of Statutory Auditors

Lionello Jona Celesia, Chairman

Giorgio Ferrino

Paolo Piccatti

List of EXOR Group Companies
at December31, 2011

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations) a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – *Operating Segment*, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock at 12/31/2011	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
EXOR S.p.A.	ITALY	246,229,850	EUR				
Subsidiaries consolidated on a line-by-line basis							
Holding companies							
EXOR S.A.	LUXEMBOURG	166,611,300	EUR	100.00	EXOR S.p.A.	100.000	
EXOR CAPITAL Limited	IRELAND	4,000,000	EUR	100.00	EXOR S.A.	100.000	
EXOR INC.	USA	1	USD	100.00	EXOR S.A.	100.000	
EXOR LIMITED (a)	HONG KONG (REP.POP.)	1	HKD	100.00	EXOR S.A.	100.000	
ANCOM USA INC	USA	N/A	USD	100.00	EXOR S.A.	100.000	
EXOR LLC	USA	N/A	USD	99.80	EXOR S.A.	99.800	
FIAT S.p.A.	ITALY	4,465,600,020	EUR	30.33	EXOR S.p.A.	29.409	30.465
					FIAT S.p.A.	3.023	3.530 (*)
FIAT INDUSTRIAL S.p.A.	ITALY	1,913,298,892.50	EUR	30.56	EXOR S.p.A.	29.648	30.448
					FIAT S.p.A.	2.682	3.132
Real estate services							
C&W GROUP INC.	USA	735,434.00	USD	78.31	EXOR S.A.	69.485	
					C&W GROUP INC.	9.035	(*)
Tourism and Hotel activities							
ALPITOUR S.p.A. (b)	ITALY	17,725,000	EUR	100.00	EXOR S.p.A.	100.000	
Football club							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	20,155,333	EUR	60.00	EXOR S.p.A.	60.001	

(a) Dormant company.
(b) Reclassified in Assets held for sale.
(*) Voting suspended.

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Fiat Group Automobiles								
Fiat Group Automobiles S.p.A.	Torino	Italy	745,031,979	EUR	100.00	Fiat S.p.A.	100.000	
Abarth & C. S.p.A.	Torino	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Banco Fidis S.A.	Betim	Brazil	337,261,783	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	75.000	
						Fiat Gestione Partecipazioni S.p.A.	20.000	
						Fiat Powertrain Technologies SpA	5.000	
Customer Services Centre S.r.l.	Torino	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Torino	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Elasis-Società Consortile per Azioni	Pomigliano d'Arco	Italy	20,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	70.000	
						C.R.F. Società Consortile per Azioni	27.933	
						Fiat Gestione Partecipazioni S.p.A.	1.500	
						Fiat Powertrain Technologies SpA	0.317	
						Fiat Information Technology, Excellence and Methods S.p.A.	0.250	
Fabbrica Italia Pomigliano S.p.A.	Pomigliano d'Arco	Italy	50,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FGA Investimenti S.p.A.	Torino	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Officine Automobilistiche Grugliasco S.p.A.	Torino	Italy	500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Versicherungsservice GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fiat Auto Argentina S.A. *(business Fiat Group Automobiles)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	109,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Auto Var S.r.l.	Torino	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Francoforte	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Kragujevac	Serbia	304,500,000	EUR	66.67	Fiat Group Automobiles S.p.A.	66.670	
Fiat Automotive Finance Co. Ltd.	Shanghai	China (Rep. Popolare)	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Group Automobiles)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Torino	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Praga	Czek Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	244,414,453	ARS	100.00	Fidis S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles S.p.A.	98.000	
						FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Auderghem	Belgium	26,100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Germany AG	Francoforte	Germany	82,650,000	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,033,499	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublino	Ireland	5,078,952	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Johannesburg	South Africa	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Kista	Sweden	10,000,000	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Magyarorszag Kereskedelmi KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT NORTH AMERICA LLC	Wilmington	USA	0	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Professional S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Francoforte	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	33,194	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Torino	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Torino	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Torino	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Auderghem	Belgium	13,500,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
SCDR Automotive Limited	Slough Berkshire	United Kingdom	50,000	GBP	100.00	Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	Torino	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
TCA - Tecnologia em Componentes Automotivos SA	Jaboatao do Guararapes	Brazil	42,840,185	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Chrysler Group LLC	Wilmington	USA	0	USD	53.50	FIAT NORTH AMERICA LLC	53.500 (*)	
0847574 British Columbia ULC	Vancouver	Canada	0	CAD	53.50	New CarCo Acquisition Canada Ltd.	100.000	
Auburn Hills Mezzanine LLC	Wilmington	USA	100	USD	53.50	CHRYSLER GROUP REALTY COMPANY LLC	100.000	
Auburn Hills Owner LLC	Wilmington	USA	100	USD	53.50	Auburn Hills Mezzanine LLC	100.000	
Auto Die LLC	Wilmington	USA	10,000,000	USD	53.50	Chrysler Group LLC	100.000	
CG EC2 LLC	Wilmington	USA	0	USD	53.50	CG EC1 LLC	100.000	
CG Venezuela UK Holdings Limited	Slough Berkshire	United Kingdom	100	GBP	53.50	Chrysler Group LLC	100.000	
Chrysler & Jeep Vertriebsgesellschaft mbH	Berlino	Germany	25,600	EUR	53.50	Chrysler Deutschland GmbH	100.000	
Chrysler (Hong Kong) Automotive Ltd.	Hong Kong	China (Rep. Popolare)	10,000,000	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Argentina S.R.L.	Buenos Aires	Argentina	29,335,170	ARS	53.50	Chrysler Group LLC	98.000	
						Chrysler Group Minority LLC	2.000	
Chrysler Asia Pacific Investment Ltd.	Shanghai	China (Rep. Popolare)	4,500,000	CNY	53.50	Chrysler (Hong Kong) Automotive Ltd.	100.000	
Chrysler Australia Pty. Ltd.	Mulgrave	Australia	143,629,774	AUD	53.50	Chrysler Group LLC	100.000	
Chrysler Austria GmbH	Vienna	Austria	4,300,000	EUR	53.50	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS doo Beograd	Belgrado	Serbia	2,161,151	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Belgium Luxembourg SA	Bruxelles	Belgium	28,262,700	EUR	53.50	Chrysler Group LLC	99.998	
						Chrysler Group Minority LLC	0.002	
Chrysler Canada Cash Services Inc.	Toronto	Canada	1,000	CAD	53.50	Chrysler Group LLC	100.000	
Chrysler Canada Inc.	Windsor	Canada	0	CAD	53.50	0847574 British Columbia ULC	100.000	
Chrysler Cayman Investments Ltd.	Grand Cayman	Cayman Island	50,000	USD	53.50	Chrysler Group LLC	100.000	
Chrysler Chile Importadora Ltda	Santiago	Cile	41,800,000	CLP	53.50	Chrysler Group LLC	99.990	
						Chrysler Group Minority LLC	0.010	
Chrysler Czech Republic s.r.o.	Praga	Czek Republic	55,932,000	CZK	53.50	Chrysler Group LLC	99.964	
						Chrysler Group Minority LLC	0.036	
Chrysler Danmark ApS	Glostrup	Denmark	1,000,000	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler de Mexico S.A. de C.V.	Santa Fe	Mexico	238,621,186	MXN	53.50	Chrysler Mexico Holding, S. de R.L. de C.V.	99.960	
						Chrysler Group Minority LLC	0.040	
Chrysler de Venezuela LLC	Wilmington	USA	132,474,694	USD	53.50	Chrysler Group LLC	100.000	
Chrysler Deutschland GmbH	Berlino	Germany	20,426,200	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Espana S.L.	Alcalá De Henares	Spain	16,685,690	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler France S.A.S.	Trappes	France	460,000	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Group (China) Sales Ltd.	Pechino	China (Rep. Popolare)	10,000,000	CNY	53.50	Chrysler (Hong Kong) Automotive Ltd.	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
CHRYSLER GROUP DO BRASIL COMERCIO DE VEICULOS Ltda.	San Paolo	Brazil	31,517,999	BRL	53.50	Chrysler Group LLC	99.999	
						Chrysler Group Minority LLC	0.001	
Chrysler Group Egypt Limited	New Cairo	Egypt	240,000	EGP	53.50	Chrysler Group LLC	99.000	
						Chrysler Group Minority LLC	1.000	
CHRYSLER GROUP INTERNATIONAL LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
Chrysler Group Middle East FZ-LLC	Dubai	United arabian emirates	300,000	AED	53.50	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler Group Minority LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	Wilmington	USA	168,769,528	USD	53.50	Chrysler Group LLC	100.000	
Chrysler Group Service Contracts LLC	Wilmington	USA	100,000,000	USD	53.50	Chrysler Group LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
CHRYSLER GROUP VANS LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
Chrysler India Automotive Private Ltd.	Chennai	India	99,990	INR	53.50	Chrysler Netherlands Distribution B.V.	99.990	
						CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler International GmbH	Stuttgard	Germany	25,000	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Investment Holdings LLC	Wilmington	USA	173,350,999	USD	53.50	Chrysler Group LLC	100.000	
Chrysler Italia S.r.l.	Roma	Italy	100,000	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Japan Co., Ltd.	Tokyo	Japan	100,000,000	JPY	53.50	Chrysler Group LLC	100.000	
Chrysler Jeep International S.A.	Saint-Lambrechts-Woluwe	Belgium	1,860,000	EUR	53.50	Chrysler Group LLC	99.998	
						Chrysler Group Minority LLC	0.002	
Chrysler Korea, Ltd.	Seoul	South Korea	32,639,200,000	KRW	53.50	Chrysler Group LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Windsor	Canada	100	CAD	53.50	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Windsor	Canada	100	CAD	53.50	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Windsor	Canada	0	CAD	53.50	Chrysler Canada Inc.	99.990	
						Chrysler Lease Receivables 1 Inc.	0.005	
						Chrysler Lease Receivables 2 Inc.	0.005	
Chrysler Management Austria GmbH	Gossendorf	Austria	75,000	EUR	53.50	Chrysler Austria GmbH	100.000	
Chrysler Mexico Holding, S. de R.L. de C.V.	Santa Fe	Mexico	3,377,922,033	MXN	53.50	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.900	
						CarCo Intermediate Mexico LLC	0.100	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Amsterdam	Netherlands	0	EUR	53.50	Chrysler Investment Holdings LLC	99.990	
						Chrysler Group Minority LLC	0.010	
Chrysler Nederland B.V.	Utrecht	Netherlands	19,000	EUR	53.50	Chrysler Group LLC	100.000	
Chrysler Netherlands Distribution B.V.	Amsterdam	Netherlands	90,000	EUR	53.50	Chrysler Netherlands Holdings Cooperatie U.A.	100.000	
Chrysler Polska sp.zo.o.	Varsavia	Poland	30,356,000	PLN	53.50	Chrysler Group LLC	100.000	
Chrysler Russia SAO	Mosca	Russia	574,665,000	RUB	53.50	Chrysler Group LLC	99.999	
						Chrysler Group Minority LLC	0.001	
Chrysler South Africa (Pty) Limited	Centurion	South Africa	200	ZAR	53.50	Chrysler Group LLC	100.000	
Chrysler South East Asia Pte. Ltd.	Singapore	Singapore	3,010,513	SGD	53.50	Chrysler Group LLC	100.000	
Chrysler Sweden AB	Kista	Sweden	100,000	SEK	53.50	Chrysler Group LLC	100.000	
Chrysler Switzerland GmbH	Schlieren	Switzerland	2,000,000	CHF	53.50	Chrysler Group LLC	100.000	
Chrysler UK Limited	Slough Berkshire	United Kingdom	46,582,132	GBP	53.50	Chrysler Group LLC	100.000	
CPK Interior Products Inc.	Windsor	Canada	1,000	CAD	53.50	Chrysler Canada Inc.	100.000	
Global Engine Manufacturing Alliance LLC	Wilmington	USA	300,000	USD	53.50	Chrysler Group LLC	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	Shanghai	China (Rep. Popolare)	5,000,000	USD	53.50	Chrysler Asia Pacific Investment Ltd.	100.000	
New CarCo Acquisition Canada Ltd.	Toronto	Canada	0	CAD	53.50	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Toronto	Canada	0	CAD	53.50	Chrysler Group LLC	100.000	
Operadora G.C. S.A. de C.V.	Santa Fe	Mexico	99,999	MXN	53.50	Chrysler Mexico Holding, S. de R.L. de C.V.	99.999	
						Chrysler de Mexico S.A. de C.V.	0.001	

(*) This percentage gives effect to the dilution of the Class A Interests held by all members (including Fiat) arising from the occurrence of the final Performance Event contemplated by the Chrysler Group Amended and Restated LLC Operating Agreement (the "Ecological Event"). The ownership interest without giving effect to this final Event is 44.7%. Following the occurrence of the Ecological Event in early January 2012 the non-controlling interest is now 41.462%.

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Schlieren	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Tokyo	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	Englewood Cliffs	USA	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	Parigi	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	90.00	Fiat S.p.A.	90.000	
410 Park Display Inc.	Englewood Cliffs	USA	100	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Central / East Europe GmbH	Wiesbaden	Germany	1,000,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Monaco	Germany	1,777,600	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Tokyo	Japan	50,000	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	USA	1,000	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	China (Rep. Popolare)	2,100,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	3,000,000	USD	53.10	Ferrari S.p.A.	59.000	
Ferrari N.America Inc.	Englewood Cliffs	USA	200,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	Slough Berkshire	United Kingdom	50,000	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	Levallois-Perret	France	172,000	EUR	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	90.00	Ferrari S.p.A.	100.000	
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	90.00	Ferrari S.p.A.	90.000	
						Ferrari GE.D. S.p.A.	10.000	
Components								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
ABC Industria, Comercio, Importacao e Exportacao de Componentes Automotivos Ltda	Sao Bernardo do Campo	Brazil	1,000	BRL	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	99.900	
						Magneti Marelli Cofap Autopecas Ltda	0.100	
Automotive Lighting Brotterode GmbH	Brotterode	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	USA	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Sault	France	1,524,768	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czek Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Chadwell Heath	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
Ergom do Brasil Ltda	Itauna	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidazione	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Industrial Yorka de Mexico S.A. de C.V.	Città del Mexico	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Città del Mexico	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Industrie Plastica S.p.A.	Grugliasco	Italy	1,000,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket S.a.s.	Trappes	France	782,208	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	Changsha	China (Rep. Popolare)	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Wuhu	China (Rep. Popolare)	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Kragujevac	Serbia	1,500,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	Guangzhou	China (Rep. Popolare)	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	San Paolo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	177,725,564	BRL	99.63	Magneti Marelli S.p.A.	99.643	99.966
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac, Kosovska 4	Kragujevac	Serbia	13,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli France S.a.s.	Trappes	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli GmbH	Russelsheim	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	USA	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	Nuova Delhi	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	Shanghai	China (Rep. Popolare)	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	KohoKu-Ku-Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Motopropulsion France SAS	Argentan	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	USA	40,223,205	USD	99.63	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Magneti Marelli Powertrain U.S.A. LLC	Sanford	USA	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Racing Ltd in liquidazione	Basildon	United Kingdom	10,000	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A. Magneti Marelli Cofap Autopecas Ltda	52.000 48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	206,834,874	BRL	99.99	Magneti Marelli S.p.A. Automotive Lighting Reutlingen GmbH	66.111 33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A. Servicios Administrativos Corp. IPASA S.A.	99.998 0.002	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovak Republic	60,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Suspension Systems Poland Sp. z.o.o. in liquidazione	Sosnowiec	Poland	4,310,000	PLN	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspensions USA LLC	Farmington Hills	USA	1,300,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	Nuova Delhi	India	260,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Mako Elektrik Sanayi Ve Ticaret A.S.	Osmangazi Bursa	Turkey	16,500,000	TRY	99.94	Powertrain Mekanik Sanayi ve Ticaret Anonim Sirketi	100.000	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malesia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Plastic Components and Modules Automotive S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Fuel Tanks S.p.A.	Grugliasco	Italy	120,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Sosnowiec	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
Plastiform A.S.	Bursa	Turkey	715,000	TRY	99.99	Plastic Components and Modules Automotive S.p.A. Magneti Marelli S.p.A.	97.000 3.000	
Powertrain Mekanik Sanayi ve Ticaret Anonim Sirketi	Bursa	Turkey	50,000	TRY	99.94	Magneti Marelli S.p.A. Mako Elektrik Sanayi Ve Ticaret A.S. Plastiform A.S. Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	99.800 0.050 0.050 0.050	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A. Industrias Magneti Marelli Mexico S.A. de C.V.	99.990 0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidazione	Pisticci	Italy	880,000	EUR	99.99	Plastic Components and Modules Holding S.p.A. Plastic Components and Modules Automotive S.p.A.	95.000 5.000	
TEA S.r.l.	Grugliasco	Italy	516,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A. Plastic Components and Modules Holding S.p.A.	95.000 5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Trappes	France	44,940	EUR	99.99	Magneti Marelli S.p.A. Fiat Gestione Partecipazioni S.p.A.	65.020 34.980	
Fiat Powertrain								
Fiat Powertrain Technologies SpA	Torino	Italy	525,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Auto Argentina S.A. *(business Fiat Powertrain)*	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Automoveis S.A. - FIASA *(business Fiat Powertrain)*	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	China (Rep. Popolare)	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	269,037,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
FMA - Fabbrica Motori Automobilistici S.r.l.	Pratola Serra	Italy	150,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Metallurgical products								
Teksid S.p.A.	Torino	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V. Teksid Inc.	99.800 0.200	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	176,387,013	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	716,088,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	USA	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Production systems								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
Autodie International, Inc.	Grand Rapids	USA	1,000	USD	100.00	Comau Pico Holdings Corporation	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	Kunshan	China (Rep. Popolare)	3,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	Shanghai	China (Rep. Popolare)	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	China (Rep. Popolare)	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A. Comau do Brasil Industria e Comercio Ltda. Fiat Argentina S.A.	55.280 44.690 0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	77,566,653	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	Luton	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	USA	21,457	USD	100.00	Comau Pico Holdings Corporation	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A. Comau Deutschland GmbH	99.990 0.010	
Comau Pico Holdings Corporation	New York	USA	100	USD	100.00	Comau S.p.A.	100.000	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	17,181,062	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	62,204,118	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	16,168,211	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Comau Romenia S.R.L.	Oradea	Romenia	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Mosca	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	
Publishing and Communications								
Itedi-Italiana Edizioni S.p.A.	Torino	Italy	5,980,000	EUR	100.00	Fiat S.p.A.	100.000	
BMI S.p.A.	Genova	Italy	124,820	EUR	88.00	Itedi-Italiana Edizioni S.p.A.	88.000	
Editrice La Stampa S.p.A.	Torino	Italy	7,700,000	EUR	100.00	Itedi-Italiana Edizioni S.p.A.	100.000	
Nexta Srl	Torino	Italy	50,000	EUR	66.00	Itedi-Italiana Edizioni S.p.A.	66.000	
Publikompass S.p.A.	Milano	Italy	3,068,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Holding companies and Other companies								
Deposito Avogadro S.p.A.	Torino	Italy	5,100,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Nova Lima	Brazil	37,158,349	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	100.000	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	Wilmington	USA	190,090,010	USD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance S.p.A.	Torino	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gestione Partecipazioni S.p.A.	Torino	Italy	614,071,587	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Torino	Italy	100,000,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Torino	Italy	600,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Torino	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	Trappes	France	37,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Torino	Italy	148,679,554	EUR	100.00	Fiat S.p.A.	96.707	
						Fiat Group Automobiles S.p.A.	3.293	
Fiat Polska Sp. z o.o.	Varsavia	Poland	25,500,000	PLN	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Torino	Italy	3,600,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Torino	Italy	1,652,669	EUR	90.70	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Fiat S.p.A.	5.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	USA	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.p.a.	Torino	Italy	300,000	EUR	84.00	Fiat S.p.A.	71.000	
						Fiat Group Automobiles S.p.A.	13.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Neptunia Assicurazioni Marittime S.A.	Losanna	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Rimaco S.A.	Losanna	Switzerland	350,000	CHF	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Torino	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Torino	Italy	120,000	EUR	86.44	Fiat Gestione Partecipazioni S.p.A.	58.152	
						Fiat Group Automobiles S.p.A.	16.017	
						Magneti Marelli S.p.A.	1.863	
						Fiat Powertrain Technologies SpA	1.314	
						Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	0.833	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						C.R.F. Società Consortile per Azioni	0.535	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fabbrica Italia Pomigliano S.p.A.	0.417	
						Fiat Finance S.p.A.	0.406	
						Fidis S.p.A.	0.325	
						Automotive Lighting Italia S.p.A.	0.255	
						Editrice La Stampa S.p.A.	0.233	
						Elasis-Società Consortile per Azioni	0.233	
						FGA Officine Automobilistiche Grugliasco S.p.A.	0.167	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Fiat-Revisione Interna S.c.p.a.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Itedi-Italiana Edizioni S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Customer Services Centre S.r.l.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
						Plastic Components and Modules Automotive S.p.A.	0.022	
						TEA S.r.l.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Torino	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.56%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	539,710,247	EUR	88.38	Fiat Netherlands Holding N.V.	88.325	88.382
						CNH Global N.V.	0.065	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	433,919,523	BRL	88.38	CNH Global N.V.	53.513	
						CNH Capital U.K. Ltd	45.816	
						CNH Latin America Ltda.	0.671	
Bli Group Inc.	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	USA	1,000	USD	88.38	Bli Group Inc.	100.000	
Blue Leaf Insurance Company	Burlington	USA	250,000	USD	88.38	CNH America LLC	100.000	
Case Brazil Holdings Inc.	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	88.38	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	China (Rep. Popolare)	5,000,000	USD	88.38	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	USA	5	USD	88.38	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	USA	1	USD	88.38	CNH America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	USA	5	USD	88.38	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	88.38	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlino	Germany	281,211	EUR	88.38	CNH America LLC	100.000	
CASE IH Machinery Trading (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	2,250,000	USD	88.38	CNH America LLC	100.000	
Case India Limited	Wilmington	USA	5	USD	88.38	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	USA	5	USD	88.38	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	USA	5	USD	88.38	CNH America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	Mumbai	India	300,000,000	INR	86.79	CNH America LLC	50.000	
						New Holland Fiat (India) Private Limited	50.000	
Case New Holland Inc.	Wilmington	USA	5	USD	88.38	CNH Global N.V.	100.000	
Case New Holland Machinery (Harbin) Ltd.	Harbin	China (Rep. Popolare)	6,779,091	USD	88.38	CNH Asian Holding Limited N.V.	99.000	
						CNH Europe Holding S.A.	1.000	
Case United Kingdom Limited	Basildon	United kingdom	3,763,618	GBP	88.38	CNH America LLC	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	Shanghai	China (Rep. Popolare)	2,000,000	USD	88.38	CNH Global N.V.	100.000	
CNH Administradora de Serviços Ltda.	Curitiba	Brazil	100,000	BRL	88.38	Banco CNH Capital S.A.	99.900	
						CNH Latin America Ltda.	0.100	
CNH America LLC	Wilmington	USA	0	USD	88.38	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	29,611,105	ARS	88.38	New Holland Holding (Argentina) S.A.	80.654	
						CNH Latin America Ltda.	19.346	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	88.38	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	306,785,439	AUD	88.38	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlino	Germany	61,355,030	EUR	88.38	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	372,115,574	EUR	88.38	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	88.38	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	USA	0	USD	88.38	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	83,249,000	AUD	88.38	CNH Australia Pty Limited	100.000	
CNH Capital Benelux NV	Zedelgem	Belgium	15,061,500	EUR	88.38	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Insurance Agency Ltd.	Calgary	Canada	1	CAD	88.38	CNH Capital Canada Ltd.	100.000	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	88.38	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Equipment Loan and Lease Facility LLC	Wilmington	USA	5,000	USD	88.38	CNH Capital America LLC	100.000	
CNH Capital Finance LLC	Wilmington	USA	5,000	USD	88.38	Case Credit Holdings Limited	100.000	
CNH Capital Insurance Agency Inc.	Wilmington	USA	5	USD	88.38	CNH Capital America LLC	100.000	
CNH Capital LLC	Wilmington	USA	0	USD	88.38	CNH America LLC	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	Wilmington	USA	0	USD	88.38	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	USA	0	USD	88.38	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United kingdom	10,000,001	GBP	88.38	CNH Capital Benelux NV	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	88.38	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	88.38	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	88.38	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
CNH Europe Holding S.A.	Luxembourg	Luxembourg	100,000,000	USD	88.38	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	88.38	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	88.38	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Morigny-Champigny	France	50,860,641	EUR	88.38	CNH Global N.V.	98.888	
						CNH Capital Benelux NV	1.112	
CNH France SAS	Morigny-Champigny	France	427,965,450	EUR	88.38	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	88.38	CNH Global N.V.	100.000	
CNH Italy s.p.a.	Torino	Italy	15,600,000	EUR	88.38	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.56%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
CNH Latin America Ltda.	Contagem	Brazil	847,210,015	BRL	88.38	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	88.38	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	88.38	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	88.38	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	88.38	CNH Europe Holding S.A.	99.980	
						CNH Italy s.p.a.	0.020	
CNH Receivables LLC	Wilmington	USA	0	USD	88.38	CNH Capital America LLC	100.000	
CNH Reman LLC	Wilmington	USA	4,000,000	USD	44.19	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Bangkok	Tailandia	10,000,000	THB	88.38	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	88.38	CNH Italy s.p.a.	100.000	
CNH Trade N.V.	Amsterdam	Netherlands	50,000	EUR	88.38	CNH Global N.V.	100.000	
CNH U.K. Limited	Basildon	United kingdom	91,262,275	GBP	88.38	CNH Osterreich GmbH	100.000	
CNH Wholesale Receivables LLC	Wilmington	USA	0	USD	88.38	CNH Capital America LLC	100.000	
CNH-KAMAZ Commercial B.V.	Amsterdam	Netherlands	35,300	EUR	45.08	CNH Global N.V.	51.000	
CNH-KAMAZ Industrial B.V.	Amsterdam	Netherlands	36,002	EUR	44.19	CNH Global N.V.	50.000	
Farmpower Pty Limited	St. Marys	Australia	360	AUD	88.38	CNH Australia Pty Limited	100.000	
Fiat Switzerland SA	Paradiso	Switzerland	100,000	CHF	88.38	CNH International S.A.	100.000	
Fiatallis North America LLC	Wilmington	USA	32	USD	88.38	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	USA	1	USD	88.38	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United kingdom	3,291,776	GBP	88.38	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
JV Uzcaseagroleasing LLC	Tashkent	Uzbekistan	0	USD	45.08	Case Credit Holdings Limited	51.000	
JV UzCaseMash LLC	Tashkent	Uzbekistan	0	USD	53.03	Case Equipment Holdings Limited	60.000	
JV UzCaseService LLC	Tashkent	Uzbekistan	0	USD	45.08	Case Equipment Holdings Limited	51.000	
JV UzCaseTractor LLC	Tashkent	Uzbekistan	0	USD	45.08	Case Equipment Holdings Limited	51.000	
Kobelco Construction Machinery America LLC	Wilmington	USA	0	USD	57.45	New Holland Excavator Holdings LLC	65.000	
Limited Liability Company "CNH Parts and Service Operations"	Mosca	Russia	54,000,000	RUB	88.38	CNH Global N.V.	100.000	
LLC CNH-KAMAZ Commerce	Naberezhnye Chenly	Russia	20,408	RUB	45.08	CNH-KAMAZ Commercial B.V.	100.000	
LLC CNH-KAMAZ Industry	Naberezhnye Chenly	Russia	60,081,800	RUB	44.19	CNH-KAMAZ Industrial B.V.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	88.38	CNH Global N.V.	100.000	
New Holland Credit Company, LLC	Wilmington	USA	0	USD	88.38	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	USA	0	USD	88.38	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	85.21	CNH Asian Holding Limited N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Buenos Aires	Argentina	23,555,415	ARS	88.38	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	Basildon	United kingdom	106,328,601	GBP	88.38	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	45,359,732	EUR	84.60	CNH Italy s.p.a.	95.716	
New Holland Ltd	Basildon	United kingdom	1,000,000	GBP	88.38	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Anversa	Belgium	9,631,500	EUR	88.38	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Berlino	Germany	25,565	EUR	88.38	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	USA	1,000	USD	88.38	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	88.38	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	China (Rep. Popolare)	35,000,000	USD	53.03	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Ruckersdorf-Harmanns	Austria	35,000	EUR	88.38	CNH Osterreich GmbH	100.000	
Trucks and Commercial Vehicles								
Iveco S.p.A.	Torino	Italy	200,000,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Afin Bohemia s.r.o.	Praga	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Broker de Asigurare - Reasigurare S.r.l.	Bucarest	Romania	25,000	RON	100.00	Afin Leasing Ifn s.a.	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	15,505,500	BGN	100.00	Afin Leasing AG	100.000	
Afin Hungary Kereskedelmi KFT.	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Leasing Ifn s.a.	Bucarest	Romania	120,284,560	RON	100.00	Afin Leasing AG	99.800	
						Afin Bohemia s.r.o.	0.050	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.56%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
						Afin Slovakia S.R.O.	0.050	
Afin Slovakia S.R.O.	Bratislava	Slovak Republic	39,833	EUR	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Etiopia	12,000,000	ETB	70.00	Fiat Netherlands Holding N.V.	70.000	
AS Afin Baltica	Harjumaa	Estonia	800,000	EEK	100.00	Afin Leasing AG	100.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Espana S.L.	99.996	
						Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Heuliez Bus S.A.	Rorthais	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	46,280,000	HUF	89.09	Iveco Espana S.L.	89.088	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	Watford	United kingdom	7,200,000	GBP	100.00	Iveco Espana S.L.	100.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	6,123,391	AUD	100.00	Iveco Espana S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	
Irisbus Deutschland GmbH	Unterschleissheim	Germany	3,800,000	EUR	100.00	Iveco Espana S.L.	100.000	
Irisbus Italy S.p.A.	Torino	Italy	4,500,000	EUR	100.00	Iveco Espana S.L.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	12,879,000	TRY	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Argentina S.A.	Buenos Aires	Argentina	130,237,793	ARS	100.00	Iveco Espana S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Bayern GmbH	Norimberga	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital SA	Paradiso	Switzerland	14,000,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Contract Services Limited	Watford	United kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Espana S.L. *(business Veicoli Industriali)*	Madrid	Spain	121,612,116	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Est Sas	Hauconcourt	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finland OY	Espoo	Finland	100,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
						Fiat Netherlands Holding N.V.	49.674	
Iveco Holdings Limited	Watford	United kingdom	47,000,000	GBP	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Insurance Vostok LLC	Mosca	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda *(business Veicoli Industriali)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited *(business Veicoli Industriali)*	Watford	United kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business Veicoli Industriali)*	Ulm	Germany	50,000,000	EUR	94.00	Fiat Netherlands Holding N.V.	88.340	
						Iveco S.p.A.	5.660	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Iveco Magirus Brandschutztechnik GmbH	Kainbach	Austria	1,271,775	EUR	84.43	Iveco Magirus Brandschutztechnik GmbH	100.000	
Iveco Magirus Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	84.43	Iveco Magirus Brandschutztechnik GmbH	100.000	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Magirus Firefighting CAMIVA S.a.s. (societè par actions simplifièe)	Saint-Alban-Leysse	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Nederland B.V.	Andelst	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.56%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	Trappes	France	45,730	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlino	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norway	18,600,000	NOK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l.	Torino	Italy	50,000,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Pension Trustee Ltd	Watford	United kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Varsavia	Poland	46,974,500	PLN	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Fiat Netherlands Holding N.V.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Romania S.r.l.	Bucarest	Romania	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Bratislava	Slovak Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Vorna Valley - Midrand	South Africa	15,000,750	ZAR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. *(business Veicoli Industriali)*	Arlov	Sweden	600,000	SEK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	49,258,692	UAH	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Venezuela C.A.	La Victoria	Venezuela	3,985,803	VEF	100.00	Fiat Netherlands Holding N.V.	62.688	
						Iveco S.p.A.	37.312	
Iveco West Nutzfahrzeuge GmbH	Düsseldorf	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Espana S.L.	99.875	
						Fiat Netherlands Holding N.V.	0.125	
Officine Brennero S.p.A.	Trento	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Afin Leasing Vostok LLC	Mosca	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
OOO Iveco Russia	Mosca	Russia	868,545,000	RUB	100.00	Fiat Netherlands Holding N.V.	99.960	
						Afin Leasing AG	0.040	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Fiat Netherlands Holding N.V.	99.983	
						Iveco Nederland B.V.	0.017	
Seddon Atkinson Vehicles Ltd	Watford	United kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Transolver Service S.p.A.	Torino	Italy	214,763	EUR	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
UAB Afin Baltica (Lithuania)	Vilnius	Lituania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcellona	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	
FPT Industrial								
FPT Industrial S.p.A.	Torino	Italy	100,000,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Fiat Industrial Finance France S.A.	100.000	
Componentes Mecanicos S.A.	Barcellona	Spain	1,135,037	EUR	100.00	Iveco Espana S.L.	100.000	
European Engine Alliance S.c.r.l.	Torino	Italy	32,044,797	EUR	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	USA	1	USD	100.00	FPT Industrial S.p.A.	100.000	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Fiat Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Buenos Aires	Argentina	59,686,936	ARS	99.54	FPT Industrial S.p.A.	96.000	
						CNH Argentina S.A.	4.000	
Iveco Espana S.L. *(business FPT Industrial)*	Madrid	Spain	121,612,116	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Latin America Ltda *(business FPT Industrial)*	Vila da Serra	Brazil	334,720,744	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited *(business FPT Industrial)*	Watford	United kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG *(business FPT Industrial)*	Ulm	Germany	50,000,000	EUR	94.00	Fiat Netherlands Holding N.V.	88.340	
						Iveco S.p.A.	5.660	
Iveco Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
Iveco Sweden A.B. *(business FPT Industrial)*	Arlov	Sweden	600,000	SEK	100.00	Fiat Netherlands Holding N.V.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	China (Rep. Popolare)	580,000,000	CNY	60.00	FPT Industrial S.p.A.	30.000	
						SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.56%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Holdings Companies and Other companies								
Fiat Industrial Finance Europe S.A.	Luxembourg	Luxembourg	50,000,000	EUR	100.00	Fiat Industrial Finance S.p.A.	100.000	
Fiat Industrial Finance France S.A.	Trappes	France	1,000,000	EUR	100.00	Fiat Netherlands Holding N.V.	99.998	
Fiat Industrial Finance North America Inc.	Wilmington	USA	25,000,000	USD	100.00	Fiat Industrial Finance S.p.A.	100.000	
Fiat Industrial Finance S.p.A.	Torino	Italy	100,000,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Associated Companies consolidated on a line-by-line basis under IFRS								
Trucks and Commercial Vehicles								
Iveco Capital Limited	Watford	United kingdom	3,000,100	GBP	49.00	Iveco Finanziaria S.p.A.	100.000	
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	49.00	Iveco Finanziaria S.p.A.	100.000	
Iveco Finance GmbH	Heilbronn	Germany	75,775,000	EUR	49.00	Iveco Finanziaria S.p.A.	100.000	
Iveco Finance Holdings Limited	Basingstoke	United kingdom	1,000	EUR	49.00	Iveco Partecipazioni Finanziarie S.r.l.	49.000	
Iveco Finanziaria S.p.A.	Torino	Italy	220,000,000	EUR	49.00	Iveco Finance Holdings Limited	100.000	
Transolver Finance S.A.	Trappes	France	9,468,219	EUR	49.00	Iveco Finanziaria S.p.A.	100.000	
Transolver Services S.A.	Trappes	France	38,000	EUR	49.00	Iveco Finanziaria S.p.A.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.31%)

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Real Estate Services							
BIGeREALESTATE, Inc.	USA	N/A	USD	73.100%	Cushman & Wakefield, Inc.	73.100%	
Buckbee Thorne & Co.	USA	37,500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
C & W Offshore Consulting, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	MXN	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004%	
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Ltd.	99.000%	
Cushman & Wakefield - Argentina S.A.	ARGENTINA	3,344,930	ARS	99.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	94.000%	
					Cushman & Wakefield of South America, Inc.	5.000%	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CLP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980%	
					Cushman & Wakefield of South America, Inc.	0.020%	
Cushman & Wakefield - Colombia Ltda	COLOMBIA	5,706,000	COP	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895%	
					Cushman & Wakefield of South America, Inc.	0.105%	
Cushman & Wakefield - Serviços Gerais Ltda.	BRAZIL	10,000	BRL	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	
					Cushman & Wakefield Luxembourg Holdings S.à.r.l.	0.010%	
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	50,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited.	100.000%	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	GREECE	60,000	EUR	99.995%	Cushman & Wakefield (France Holdings) SAS	99.995%	
Cushman & Wakefield (HK) Limited	HONG KONG	100	HKD	100.000%	Cushman & Wakefield of Asia Limited	99.000%	
					Cushman & Wakefield of Asia Inc.	1.000%	
Cushman & Wakefield (Middle East) FZE	UNITED ARABIAN EMIRATES	1,000,000	USD	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield (NSW) Pty Limited	AUSTRALIA	4	AUD	100.000%	Cushman & Wakefield (Australia) Pty Limited	100.000%	
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	SGD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield (Shanghai) Co., Ltd.	CHINA	1,800,000	CNY	100.000%	Cushman & Wakefield (China) Limited	100.000%	
Cushman & Wakefield (Vietnam) Limited	VIETNAM	4,000,000,000	VND	100.000%	Cushman & Wakefield Singapore Holdings Pte. Ltd.	100.000%	
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	80	USD	100.000%	Cushman & Wakefield/Premisys, Inc.	80.000%	
					Cushman & Wakefield, Inc.	20.000%	
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.000%	Cushfield, Inc.	100.000%	
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.000%	Cushman & Wakefield Management Services (UK) Limited	100.000%	
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,586,444	BRL	97.990%	Cushman & Wakefield Luxembourg Holdings S.à.r.l	97.990%	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.000%	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000%	
Cushman & Wakefield Corporate Finance Limited	UNITED KINGDOM	10,000	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXN	100.000%	Cushman & Wakefield of North America, Inc.	50.000%	
					Cushman & Wakefield of the Americas, Inc.	50.000%	
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Expertise SAS	FRANCE	37,000	EUR	100.000%	Cushman & Wakefield SAS	100.000%	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	TURKEY	1,798	TRY	89.900%	Cushman & Wakefield (France Holdings) SAS	89.800%	
					Healey & Baker Limited	0.050%	
					Cushman & Wakefield (EMEA) Limited	0.050%	
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield India Private Limited	INDIA	336,447,800	INR	100.000%	Cushman & Wakefield Mauritius Holdings, Inc.	99.990%	
					Cushman & Wakefield of Asia Limited	0.010%	
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	96.670%	
					Cushman & Wakefield Residential Limited	3.330%	
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	
Cushman & Wakefield Investors - Americas, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Investors SAS	FRANCE	25,443	EUR	100.000%	Cushman & Wakefield Investors Limited	100.000%	
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.000%	C&W-Japan K.K.	100.000%	
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	100,000	KRW	100.000%	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000%	
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	99.000%	Cushman & Wakefield (UK) Limited	99.000%	
Cushman & Wakefield Loan.Net, Inc.	USA	20	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Ltd.	CANADA	11,000	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	
Cushman & Wakefield Luxembourg	LUXEMBOURG	12,500	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.000%	Cushman & Wakefield State Street, Inc.	100.000%	
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Negócios Imobiliários Ltda.	BRAZIL	775,000	BRL	99.990%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990%	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.31%)

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Arizona, Inc.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Colorado, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Delaw are, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Georgia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Illinois, Inc.	USA	1	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Indiana, Inc.	USA	5	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Michigan, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Mississippi, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Pennsylvania, Inc.	USA	14	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield of California, Inc.	100.000%	
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield of Washington, Inc.	USA	50	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield OOO	RUSSIA	8 788 898.90	RUR	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	
					Cushman & Wakefield International, Inc.	1.000%	
Cushman & Wakefield Peru S.A.	PERU'	166,416	PEN	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.800%	
					Cushman & Wakefield of South America, Inc.	0.200%	
Cushman & Wakefield Polska SP z.o.o.	POLAND	135,588	PLN	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Property Management Services India Private Limited	INDIA	100,000	INR	99.980%	Cushman & Wakefield India Private Limited	99.980%	
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	HUF	100.000%	Cushman & Wakefield International Real Estate Kft	100.000%	
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAK REPUBLIC	N/A	EUR	100.000%	Cushman & Wakefield, s.r.o.	100.000%	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Ltd.	100.000%	
Cushman & Wakefield Regional, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield SAS	FRANCE	42,000	EUR	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Securities, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefeild Sonnenblick Goldman of California Inc	USA	1	USD	100.000%	Cushman & Wakefield Sonnenblick -Goldman LLC	100.000%	
Cushman & Wakefield Sonnenblick- Goldman LLC	USA	N/A	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Stiles & Riabokobylko Management ZAO	RUSSIA	600	RUB	100.000%	Cushman & Wakefield (France Holdings) SAS	99.000%	
					Cushman & Wakefield International, Inc.	1.000%	
Cushman & Wakefield Thailand Limited	THAILANDIA	8,000,000	THB	99.999%	Cushman & Wakefield of Asia Limited	99.999%	
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000%	
					Cushman & Wakefield Global Holdco Limited	2.000%	
Cushman & Wakefield V.O.F.	NETHERLAND	N/A	EUR	99.000%	Cushman & Wakefield, Netherlands B.V.	99.000%	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	2	HKD	100.000%	Cushman & Wakefield (HK) Limited.	100.000%	
Cushman & Wakefield Venezuela, S.A.	VENEZUELA	1,000,000	VEB	100.000%	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000%	
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	SGD	100.000%	Cushman & Wakefield (S) Pte Limited	100.000%	
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	50,000	PLN	99.000%	Cushman & Wakefield Polska SP z.o.o.	99.000%	
Cushman & Wakefield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield Holdings, Inc.	100.000%	
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	16,200,000	MXN	100.000%	Cushman & Wakefield de Mexico, S.A. de C.V	99.994%	
					Cushman & Wakefield of the Americas, Inc.	0.006%	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.31%)

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Cushman & Wakefield, s. r. o.	CZECH REPUBLIK	100,000	EUR	80.000%	Cushman & Wakefield (France Holdings) SAS	80.000%	
				20.000%	Cushman & Wakefield Global Holdco Limited	20.000%	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	INDONESIA	5,000	IDR	98.000%	Cushman & Wakefield Indonesia Holdings Private Limited	98.000%	
S.C. Cushman & Wakefield Romania S.R.L.	ROMANIA	1,000	RON	100.000%	Cushman & Wakefield (EMEA) Limited	99.000%	
					Healey & Baker Limited	1.000%	
SG Real Estate Securities LLC	USA	N/A	USD	100.000%	SG Securities Holdings LLC	100.000%	
SG Securities Holdings LLC	USA	N/A	USD	100.000%	Cushman & Wakefield Sonnenblick- Goldman LLC	100.000%	
The Apartment Group LLC	USA	200	USD	100.000%	Cushman & Wakefield of Georgia, Inc.	100.000%	
Asset Services							
Cushman & Wakefield Asset Management K.K.	JAPAN	11,900	JPY	100.000%	Cushman & Wakefield Investment Advisors K.K.	100.000%	
Cushman & Wakefield Asset Management, Inc.	USA	1,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Facilities Management Services	CANADA	1,000	CAD	100.000%	Cushman & Wakefield FM Limited Partnership	50.000%	
					Cushman & Wakefield Ltd.	50.000%	
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.000%	
					Cushman & Wakefield GP Inc	1.000%	
Holding							
C & W-Japan K.K.	JAPAN	200	YEN	100.000%	Cushman & Wakefield International Inc.	100.000%	
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	500,000	AUD	100.000%	Cushman & Wakefield Singapore Holdings Pte Limited	92.420%	
					Cushman & Wakefield Holding Pty Limited	7.580%	
Cushman & Wakefield (BVI) Inc	BRITISH VIRGIN ISLANDS	10,000	USD	100.000%	Cushman & Wakefield of Asia Limited.	99.990%	
					Cushman & Wakefield International Inc.	0.010%	
Cushman & Wakefield (China) Limited	HONG KONG	2	HKD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield (France Holdings) SAS	FRANCE	7,910,207	EUR	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.000%	Cushman & Wakefield Global Holdco Limited	100.000%	
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield First Nova Scotia ULC	99.900%	
					Cushman & Wakefield Second Nova Scotia ULC	0.100%	
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield of Asia Inc	99.990%	
					Cushman & Wakefield International Inc.	0.010%	
Cushman & Wakefield Dutch Holdings Cooperatie W.A	NETHERLAND	N/A	EUR	100.000%	Cushman & Wakefield, Inc.	97.810%	
					Cushman & Wakefield of South America Inc	2.190%	
Cushman & Wakefield Finance Subsidiary LLC	USA	29,018,000	USD		Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	
Cushman & Wakefield Global Holdco Limited	UNITED KINGDOM	N/A	EUR	100.000%	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000%	
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	100.000%	
Cushman & Wakefield Holding Pty Limited	AUSTRALIA	1	AUD	100.000%	Cushman & Wakefield Singapore Holdings Private Limited	100.000%	
Cushman & Wakefield Holdings, Inc.	USA	58,573	USD	100.000%	C & W Group Inc	100.000%	
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	100,000	SGD	60.000%	Cushman & Wakefield Singapore Holdings Pte Limited	60.000%	
Cushman & Wakefield Industrial Dutch Holdings B.V.	NETHERLAND	18,000	EUR	100.000%	Cushman & Wakefield Dutch Holdings Cooperatie W.A	100.000%	
Cushman & Wakefield International Finance Subsidiary, Inc	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield International, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Ireland Limited	IRELAND	1,000,000	EUR	100.000%	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000%	
Cushman & Wakefield Luxembourg Holdings S.à.r.l	LUXEMBOURG	12,500	EUR	100.000%	Cushman & Wakefield Industrial Dutch Holdings B.V.	100.000%	
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.000%	Cushman & Wakefield Canada Limited Partnership	99.990%	
					Cushman & Wakefield Second Nova Scotia ULC	0.010%	
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	979,152	USD	59.710%	Cushman & Wakefield of Asia, Inc.	59.710%	
				25.000%	Cushman & Wakefield (BVI), Inc.	25.000%	
				15.290%	Cushman & Wakefield (EMEA) Limited	15.290%	
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of North America, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of South America, Inc.	USA	100	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield of the Americas, Inc.	USA	200	USD	100.000%	Cushman & Wakefield International, Inc.	100.000%	
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.000%	Cushman & Wakefield International Finance Subsidiary, Inc.	100.000%	
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	SGD	100.000%	Cushman & Wakefield of Asia Limited	100.000%	
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Insurance							
Nottingham Indemnity, Inc.	USA	100,000	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
REIT management							
Cushman & Wakefield Realty Advisors, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.31%)

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Business Support Management							
Corporate Occupier Solutions (Greece) Monoprosopi E.P.E	GREECE	N/A	EUR	100.000%	Cushman & Wakefield Facilities Management Trading Limited	100.000%	
Corporate Occupier Solutions Romania SRL	ROMANIA	200	RON	100.000%	Cushman & Wakefield Facilities Management Trading Limited	95.000%	
					Cushman & Wakefield Facilities Management Limited	5.000%	
Corporate Occupier Solutions Sweden AB	SWEDEN	100,000	SEK	100.000%	Cushman & Wakefield Facilities Management Trading Limited	100.000%	
Cushman & Wakefield Facilities Management Denmark Aps	DENMARK	N/A	DKK	100.000%	Cushman & Wakefield Facilities Management Trading Limited	100.000%	
Cushman & Wakefield Facilities Management France SARL	FRANCE	8,000	EUR	100.000%	Cushman & Wakefield Facilities Management Trading Limited	100.000%	
Cushman & Wakefield Facilities Management Ireland Limited	IRELAND	100	EUR	100.000%	Cushman & Wakefield Facilities Management Trading Limited	100.000%	
Cushman & Wakefield Facilities Management Limited	UNITED KINGDOM	8,030	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield Facilities Management SPRL	BELGIUM	18,550	EUR	100.000%	Cushman & Wakefield Facilities Management Trading Limited	100.000%	
Cushman & Wakefield Facilities Management Trading Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield Facilities Management Limited	100.000%	
Cushman & Wakefield Facilities Management, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushfield Maintenance West Corp.	USA	1,000	USD	100.000%	Buckbee Thorne & Co.	100.000%	
Cushfield, Inc.	USA	100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.000%	C&W-Japan K.K.	100.000%	
Cushman & Wakefield National Corporation	USA	5,100	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Others							
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	N/A	GBP	100.000%	Cushman & Wakefield (EMEA) Limited	100.000%	
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.000%	Cushman & Wakefield (UK) Services Ltd.	100.000%	
Cushman & Wakefield Advisory Asia (India) Private Limited	INDIA	N/A	INR	99.000%	Cushman & Wakefield Capital Holdings (Asia)	99.000%	
				1.000%	Cushman & Wakefield Capital Asia Limited	1.000%	
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKD	100.000%	Cushman & Wakefield of Asia, Inc.	100.000%	
Cushman & Wakefield Cleaning Services, Inc.	USA	200	USD	100.000%	Cushman & Wakefield, Inc.	100.000%	
Cushman & Wakefield Investments LLP	UNITED KINGDOM	306,000	GBP	51.000%	Cushman & Wakefield Ireland Limited	51.000%	
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	
Cushman & Wakefield LP Limited	GRAND CAYMAN	N/A	USD	100.000%	Cushman & Wakefield Capital Holdings (Asia)	100.000%	
Cushman & Wakefield Netherlands B.V.	NETHERLAND	40,000	NLG	100.000%	Cushman & Wakefield (France Holdings) SAS	100.000%	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	MEXICO	50,000	MXN	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004%	
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	MXN	100.000%	Cushman & Wakefield, S. de RL de C.V.	99.996%	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004%	
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.000%	Cushman & Wakefield, Inc.	100.000%	

Investments of Alpitour Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100.00%)

Name	Country	Capital Stock at 12/31/2011	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Hotel management							
ALPITOUR ESPANA S.L. UNIPERSONAL	SPAIN	22,751,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	PORTUGAL	2,494,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
ALPITOUR WORLD HOTELS & RESORTS S.P.A.	ITALY	140,385.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
BLUMARIN DE IMPORTAÇAO, SOCIEDAD UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	100.000	
BLUMARIN HOTELS, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	2,500,000	CVE	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
BLUMARIN HOTELS SICILIA S.p.A.	ITALY	38,000,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
D.I. RESORTS PRIVATE LTD	MALDIVES	100,000	MVR	100.000	ALPITOUR S.p.A.	99.000	
					JUMBOTURISMO S.A. UNIPERSONAL	1.000	
EL-MASRIEN FOR HOTELS AND SHIPPING CONSTRUCTION	EGYPT	4,000,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	
HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	PORTUGAL	5,000.00	EUR	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	EGYPT	4,536,000	EGP	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	
LIDO ARENELLA di DI MAURO GIOVANNI Srl	ITALIA	100,000	EUR	100.000	BLUMARIN HOTELS SICILIA S.p.A.	100.000	
KIWENGWA STRAND HOTEL LTD.	TANZANIA	1,480,000,000	TZS	100.000	JUMBOTURISMO S.A. UNIPERSONAL	99.000	
					ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	1.000	
NETRADE S.P.A.	ITALY	300,000.00	EUR	100.000	ALPITOUR WORLD HOTELS & RESORTS S.P.A.	100.000	
ORIENT SHIPPING FOR FLOATING HOTELS	EGYPT	1,450,000	EGP	100.000	ITALIAN EGYPTIAN COMPANY FOR TOURISTIC INVESTMENT (S.A.E.)	100.000	
RENTHOTEL TRAVEL SERVICE S.A. UNIPERSONAL	SPAIN	1,562,860	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
RIVIERA AZUL S.A. DE C.V.	MEXICO	50,000	MXP	96.000	HARROW TRADING E INVESTIMENTOS SOCIEDADE UNIPESSOAL LDA	96.000	
S.T. RESORTS PRIVATE LTD.	MALDIVES	100,000	MVR	50.000	ALPITOUR S.p.A.	50.000	
STAR RESORT & HOTELS COMPANY PVT LTD.	MALDIVES	1,000,000	MVR	100.000	ALPITOUR S.p.A.	99.000	
					JUMBOTURISMO S.A. UNIPERSONAL	1.000	
Distribution (travel agency)							
BLUE VIAGGI S.A.	SWITZERLAND	100,000.00	CHF	100.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	100.000	
Incoming							
CONSORCIO TURISTICO PANMEX S.A. DE C.V.	MEXICO	50,000	MXP	70.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	70.000	
JUMBO CANARIAS S.A. UNIPERSONAL	SPAIN	180,300.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
JUMBO TOURS DOMINICANA S.A.	DOMINICAN REP	1,000,000	DOP	99.990	JUMBOTURISMO S.A. UNIPERSONAL	99.990	
					JUMBO TOURS ESPANA S.L. UNIPERSONAL	0.010	
JUMBO TOURS ESPANA S.L. UNIPERSONAL	SPAIN	904,505.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
JUMBO TOURS FRANCE S.A.	FRANCE	37,000.00	EUR	99.940	JUMBOTURISMO S.A. UNIPERSONAL	99.940	
JUMBO TOURS MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	
JUMBO TOURS TUNISIE S.A.	TUNISIA	105,000	TUD	49.983	JUMBOTURISMO S.A. UNIPERSONAL	49.983	
JUMBOTURISMO S.A. UNIPERSONAL	SPAIN	364,927.20	EUR	100.000	ALPITOUR S.p.A	100.000	
JUMBOTURISMO CABO VERDE, Agencia de Viagens e Turismo, SOCIEDADE UNIPESSOAL, S.A.	CAPE VERDE	5,000,000	CVE	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
JUMBO MOROCCO INCOMING S.A.	MOROCCO	400,000	MAD	99.850	JUMBOTURISMO S.A. UNIPERSONAL	99.850	
PROMOTORA DE SERVICIOS TURISTICOS DE ESPANA EN MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	98.000	JUMBOTURISMO S.A. UNIPERSONAL	98.000	
Tour operating							
ALPITOUR GROUP EGYPT FOR TOURISM S.A.E.	EGYPT	2,000,000	EGP	50.000	ALPITOUR S.p.A	50.000	
WELLTOUR Srl	ITALY	750,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
Insurance							
ALPITOUR REINSURANCE COMPANY LIMITED	IRELAND	2,500,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
VALORE SICURO S.R.L.	ITALY	100,000.00	EUR	100.000	ALPITOUR S.p.A.	100.000	
Aviation							
NEOS S.P.A.	ITALY	4,425,800.00	EUR	100.000	ALPITOUR S.p.A.	100.000	

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock at 12/31/2011	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies accounted for by the equity method							
Holding							
SEQUANA S.A.	FRANCE	74,317,503	EUR	28.24	EXOR S.A.	28.244	
Real Estate							
ALMACANTAR S.A.	LUXEMBOURG	275,679,445	GBP	36.30	EXOR S.A.	36.303	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method								
Fiat Group Automobiles								
FGA CAPITAL S.p.A.	Torino	Italy	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	France	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	Trappes	France	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A. Fidis S.p.A.	50.000 25.000	
FGA Bank Germany GmbH	Heilbronn	Germany	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Auderghem	Belgio	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Glostrup	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Argyroupoli	Greece	1,200,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Alges	Portugal	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Dublino	Ireland	132,562	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Lijnden	Netherlands	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublino	Ireland	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spain	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spain	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	Slough Berkshire	United Kingdom	50,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	Slough Berkshire	United Kingdom	19,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Alges	Portugal	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Argyroupoli	Greece	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Varsavia	Poland	12,500,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	Slough Berkshire	United Kingdom	20,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Varsavia	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance Polska Sp. z o.o.	Varsavia	Poland	10,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	Trappes	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Trappes	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Torino	Italy	77,979,400	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Istanbul	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.418	
Fiat India Automobiles Limited *(business Fiat Group Automobiles)*	Ranjangaon	India	19,199,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
G.E.I.E. Gisevel	Parigi	France	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Parigi	France	15,200	EUR	50.00	Fiat France	50.000	
GAC FIAT Automobiles Co. Ltd. *(business Fiat Group Automobiles)*	Changsha	China (Rep. Popolare)	1,800,000,000	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	100.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turkey	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi Tofas A.S.	99.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italy	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Parigi	France	80,325,000	EUR	50.00	Fiat France	50.000	
Tofas-Turk Otomobil Fabrikasi Tofas A.S.	Levent	Turkey	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
Components								
Endurance Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	618,999,980	INR	50.00	Magneti Marelli S.p.A.	50.000	
JCMM Automotive d.o.o. Beograd, Francuska 27	Belgrado	Serbia	500	EUR	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	Nuova Delhi	India	970,000,000	INR	50.00	Magneti Marelli Motherson India Holding B.V. Magneti Marelli S.p.A.	39.175 30.412	100.000 0.000
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	Nuova Delhi	India	95,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	Shanghai	China (Rep. Popolare)	12,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	Nuova Delhi	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
tema.mobility	Torino	Italy	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	Zhenjiang-Jangsu	China (Rep. Popolare)	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Fiat Powertrain								
Fiat India Automobiles Limited *(business Fiat Powertrain)*	Ranjangaon	India	19,199,279,000	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Amsterdam	Netherlands	250,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
GAC FIAT Automobiles Co. Ltd. *(business Fiat Powertrain)*	Changsha	China (Rep. Popolare)	1,800,000,000	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
VM Motori S.p.A.	Cento	Italy	21,008,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
VM North America Inc.	Auburn Hills	USA	1,000	USD	50.00	VM Motori S.p.A.	100.000	
Metallurgical Products								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	China (Rep. Popolare)	385,363,550	CNY	42.40	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method								
Fiat Group Automobiles								
Alfa Romeo Inc.	Orlando	USA	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Egypt Industrial Company SAE	Giza	Egypt	50,000,000	EGP	80.40	Fiat Group Automobiles S.p.A.	80.400	
Fiat Auto Egypt S.A.E.	Giza	Egypt	5,000,000	EGP	79.60	Fiat Auto Egypt Industrial Company SAE	99.000	
GESTIN POLSKA Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Casablanca	Morocco	28,000,000	MAD	99.94	Fiat Group Automobiles Maroc S.A.	99.986	
Motor Village Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Chrysler								
AC Austro Car Handelsgesellschaft mbh & Co.	Vienna	Austria	0	EUR	53.50	Chrysler Austria GmbH	100.000	
Alhambra Chrysler Jeep Dodge, Inc. in liquidazione	Wilmington	USA	1,272,700	USD	53.50	Chrysler Group LLC	100.000	
Bessemer Chrysler Jeep Dodge, Inc. in liquidazione	Wilmington	USA	3,590,000	USD	53.50	Chrysler Group LLC	100.000	
CG EC1 LLC	Wilmington	USA	0	USD	53.50	Chrysler Group LLC	100.000	
Chrysler Group Taiwan Sales Ltd.	Taipei	China Naz. Taiwan	229,500,000	TWD	27.29	Chrysler Group LLC	51.000	
Chrysler Jeep Ticaret S.A.	Istanbul	Turkey	5,357,000	TRY	53.46	Chrysler Group LLC	99.920	
Downriver Dodge, Inc.	Wilmington	USA	604,886	USD	53.50	Chrysler Group LLC	100.000	
Gulfgate Dodge, Inc.	Wilmington	USA	1,258,306	USD	53.50	Chrysler Group LLC	100.000	
Gwinnett Automotive Inc.	Wilmington	USA	3,505,019	USD	53.50	Chrysler Group LLC	100.000	
La Brea Avenue Motors, Inc.	Wilmington	USA	7,373,800	USD	53.50	Chrysler Group LLC	100.000	
McKinney Dodge, Inc.	Wilmington	USA	2,858,463	USD	53.50	Chrysler Group LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	Wilmington	USA	1,014,700	USD	53.50	Chrysler Group LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	Wilmington	USA	675,400	USD	53.50	Chrysler Group LLC	100.000	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.33%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries accounted for using the equity method								
Components								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brazil	75,720,716	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Holding companies and Other companies								
Fabbrica Italia Mirafiori S.p.A.	Torino	Italy	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fast-Buyer S.p.A.	Torino	Italy	500,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat (China) Business Co., Ltd.	Pechino	China (Rep. Popolare)	3,000,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Financière Pegaso France S.A. société en liquidation	Trappes	France	260,832	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Torino	Italy	300,000	EUR	99.54	Fiat Gestione Partecipazioni S.p.A.	66.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
Iveco Motors of China Limited in liquidazione	Shanghai	China (Rep. Popolare)	300,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Iveco S.P.R.L.	Kinshasa	Congo (Rep. Dem. Congo)	1	CDF	99.99	Fiat Gestione Partecipazioni S.p.A.	99.992	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	150,000	ARS	99.96	Rimaco S.A.	99.960	
Sistemi Ambientali S.p.A. in liquidazione	Rivoli	Italy	9,544,080	EUR	99.79	Fiat Partecipazioni S.p.A.	99.785	
Associated companies accounted for using the equity method								
Fiat Group Automobiles								
Utymat S.A.	Santa Margarita I Els Monjos	Spain	4,644,453	EUR	37.50	FGA Investimenti S.p.A.	37.500	
Chrysler								
Arab American Vehicles Company S.A.E.	Il Cairo	Egypt	6,000,000	USD	26.22	Chrysler Group LLC	49.000	
Global Engine Alliance LLC	Wilmington	USA	1,500,000	USD	17.83	Chrysler Group LLC	33.330	
Fiat Powertrain								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	China (Rep. Popolare)	240,000,000	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	China (Rep. Popolare)	200,010,000	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.330	
Publishing and Communications								
Società Editrice Mercantile - S.E.M. S.R.L.	Genova	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Torino	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Holding companies and other companies								
Iveco-Motor Sich, Inc.	Zaporozhye	Ukraine	26,568,000	UAH	38.62	Fiat Gestione Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidazione	Samandira-Kartal/Istanbul	Turkey	52,674,386	TRY	27.00	Fiat Gestione Partecipazioni S.p.A.	27.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milano	Italy	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497

Investments of Fiat Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.56%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries accounted for using the equity method								
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	USA	800,000	USD	88.38	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	USA	371,000	USD	83.38	CNH America LLC	94.340	
Mid State New Holland, Inc.	Wilmington	USA	400,000	USD	77.33	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	USA	250,000	USD	61.58	CNH America LLC	69.680	
Ridgeview New Holland Inc.	Wilmington	USA	534,000	USD	50.80	CNH America LLC	57.472	
Sunrise Tractor & Equipment Inc.	Wilmington	USA	691,000	USD	88.38	CNH America LLC	100.000	
Trucks and Commercial Vehicles								
Carrosserie Iveco Provence E.u.r.l.	Vitrolles	France	10,000	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Colombia S.a.s.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A. Iveco Latin America Ltda	99.990 0.010	
Iveco Participations s.a.s.	Trappes	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Provence Cars et Bus E.u.r.l.	Vitrolles	France	15,000	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Provence Location E.u.r.l.	Trappes	France	48,000	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Provence s.a.s.	Trappes	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
La Garde Chaberte S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s. Iveco France	99.500 0.500	
Le Logis De Villeneuve S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s. Iveco France	99.500 0.500	
Les Estroublans 2 S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s. Iveco France	99.500 0.500	
Les Estroublans de Vitrolle S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s. Iveco France	99.500 0.500	
Les Paluds D`Aubagne S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s. Iveco France	99.500 0.500	
Provence Distribution Services S.a.r.l.	Aix les Milles	France	400,000	EUR	100.00	Iveco Participations s.a.s.	100.000	
Puget Les Plaines S.C.I.	Trappes	France	132,631	EUR	100.00	Iveco Provence s.a.s. Iveco France	99.885 0.115	
Jointly-controlled entities accounted for using the equity method								
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	San Pedro	Mexico	810,000	MXN	44.19	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	44.19	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	San Pedro	Mexico	160,050,000	MXN	44.19	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	San Pedro	Mexico	165,276,000	MXN	44.19	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	San Pedro	Mexico	200,050,000	MXN	44.19	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	San Pedro	Mexico	50,000,000	MXN	43.31	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	San Pedro	Mexico	375,000	MXN	44.19	CNH de Mexico SA de CV	99.999	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	44.19	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	53,369,000	TRY	33.14	CNH Osterreich GmbH	37.500	
Trucks and Commercial Vehicles								
Iveco - Oto Melara Società consortile r.l.	Roma	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Cagliari	Italy	3,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Torino	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	Nanjing	China (Rep. Popolare)	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	China (Rep. Popolare)	160,000,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	China (Rep. Popolare)	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	9,814,931	EUR	50.00	Fiat Netherlands Holding N.V.	50.000	
Associated companies accounted for using the equity method								
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,226	PKR	38.15	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	44.10	CNH Global N.V.	49.900	
Employers Health Initiatives LLC	Wilmington	USA	790,000	USD	44.19	CNH America LLC	50.000	
Farm FZCO	Jebel Ali	United Arabian Emirates	6,600,000	AED	25.44	CNH Italia s.p.a.	28.788	
Kobelco Construction Machinery Co. Ltd.	Tokyo	Japan	16,000,000,000	JPY	17.68	CNH Global N.V.	20.000	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
IVECO-AMT Ltd.	Miass	Russia	65,255,056	RUB	33.33	Fiat Netherlands Holding N.V.	33.330	
V.IVE.RE Gruppo Europeo di Interesse Economico	Torino	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	

Investments of C&W Group accounted for by the equity method (percentage of EXOR Group consolidation: 78.31%)

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method							
Others							
SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	LUXEMBOURG	125,000	EUR	50.000%	Cushman & Wakefield Investors (Finance) Limited	50.000%	
SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	LUXEMBOURG	222,000	EUR	50.000%	SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	100.000%	
PURetail Paris rue d'Amsterdam S.à r.l.	LUXEMBOURG	12,500	EUR	50.000%	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000%	
PURetail Düsseldorf Kasernenstr 1 GmbH	GERMANY	25000	EUR	50.000%	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000%	

Investments of Alpitour Group accounted for by the equity method (percentage of EXOR Group consolidation: 100.00%)

Name	Country	Capital Stock at 12/31/2011	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method							
AGENZIA VIAGGI SAUGO S.r.l.	ITALY	20,938.00	EUR	50.000	WELCOME TRAVEL GROUP S.p.A.	100.000	
WELCOME TRAVEL GROUP S.P.A.	ITALY	17,147,216	EUR	50.000	ALPITOUR S.P.A.	50.000	
Associated companies accounted for using the equity method							
Hotel management							
BLUE DIVING MEXICO S.A. DE C.V.	MEXICO	50,000	MXP	49.000	JUMBOTURISMO S.A. UNIPERSONAL	49.000	
Incoming							
HOY VIAJAMOS S.A.	SPAIN	732,032.74	EUR	28.629	JUMBOTURISMO S.A. UNIPERSONAL	28.629	
ITALO HISPANA DE INVERSIONES S.L.	SPAIN	3,005.06	EUR	30.000	ALPITOUR S.p.A.	30.000	
JUMBO TOURS CARIBE S.A.	MEXICO	50,000	MXP	50.000	JUMBOTURISMO S.A. UNIPERSONAL	50.000	
PANAFRICAN SERVICE S.A.R.L.	TUNISIA	10,500	TND	50.000	ALPITURISMO SERVICES OF TOURISM, SOCIEDADE UNIPESSOAL, LDA	50.000	
PEMBA S.A.	SPAIN	510,809.20	EUR	25.000	JUMBOTURISMO S.A. UNIPERSONAL	25.000	
VIAJES MEDYMAR S.L.	SPAIN	60,101.21	EUR	30.000	ALPITOUR S.p.A.	30.000	

Investments of the Holdings System valued at cost

Name	Country	Capital Stock at 12/31/2011	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies valued at cost							
JARDINE ROTHSCHILD ASIA CAPITAL (MAURITIUS) LTD	MAURITIUS	5,790,000	USD	33.33	EXOR S.A.	33.333	

Investments of Fiat Group valued at cost

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost								
Fiat Group Automobiles								
0914098 BC Unlimited Liability Company	Vancouver	Canada	1,000	USD	100.00	FIAT NORTH AMERICA LLC	100.000	
CANADA CH INVESTMENT CORPORATION	Toronto	Canada	0	CAD	100.00	0914098 BC Unlimited Liability Company	100.000	
(**) CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Contagem	Brazil	25,007,977	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
CODEFIS Società consortile per azioni	Torino	Italy	120,000	EUR	51.00	Fiat Group Automobiles S.p.A.	51.000	
Consorzio Servizi Balocco	Torino	Italy	10,000	EUR	91.37	Fiat Group Automobiles S.p.A.	77.800	
						Ferrari S.p.A.	5.300	
						Fiat Powertrain Technologies SpA	4.500	
						Maserati S.p.A.	2.800	
						Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Kragujevac	Serbia	500	EUR	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Torino	Italy	1,682,028	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal. S.A.	80.000	
Fiat Automobiles Service Co. Ltd.	Nanjing	China (Rep. Popolare)	10,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	138,018,750	RUB	100.00	FGA Russia S.r.l.	99.059	
						Fiat Gestione Partecipazioni S.p.A.	0.941	
Chrysler								
Banbury Road Motors Limited	Slough Berkshire	United Kingdom	1,000	GBP	53.50	Chrysler UK Limited	100.000	
CarCo Intermediate Mexico LLC	Wilmington	USA	1	USD	53.50	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CG Co-Issuer Inc.	Wilmington	USA	100	USD	53.50	Chrysler Group LLC	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	Wilmington	USA	0	USD	53.50	CNI CV	100.000	
Chrysler Netherlands Holdings Cooperatie U.A.	Amsterdam	Netherland	0	EUR	53.50	CNI CV	99.000	
						CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler Receivables 1 Inc.	Windsor	Canada	100	CAD	53.50	Chrysler Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Windsor	Canada	100	CAD	53.50	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Windsor	Canada	0	CAD	53.50	Chrysler Canada Inc.	99.990	
						Chrysler Receivables 1 Inc.	0.005	
						Chrysler Receivables 2 Inc.	0.005	
Chrysler UK Pension Trustee Limited	Slough Berkshire	United Kingdom	1	GBP	53.50	Chrysler UK Limited	100.000	
CNI CV	Amsterdam	Netherland	0	EUR	53.50	Chrysler Group LLC	99.000	
						Chrysler Group Minority LLC	1.000	
Fundacion Chrysler de Mexico I.A.P.	Santa Fe	Mexico	0	MXN	53.50	Chrysler de Mexico S.A. de C.V.	100.000	
The Chrysler Foundation	Bingham Farms	USA	0	USD	53.50	Chrysler Group LLC	100.000	
Ferrari								
Ferrari (Suisse) SA in liquidazione	Nyon	Switzerland	0	CHF	90.00	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	84.86	Ferrari S.p.A.	94.286	
Components								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidazione	Pune	India	125,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Itauna	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
						Fiat do Brasil S.A.	0.100	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.95	Magneti Marelli S.p.A.	99.956	
Production Systems								
Consorzio Fermag in liquidazione	Bareggio	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Holding companies and other companies								
Fiat Common Investment Fund Limited	Londra	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Oriente S.A.E. in liquidazione	Il Cairo	Egypt	50,000	EGP	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	Nuova Delhi	India	28,605,400	INR	100.00	Fiat Gestione Partecipazioni S.p.A.	99.825	
						Fiat Group Purchasing S.r.l.	0.175	
Fiat Services d.o.o. Kragujevac. Kosovska 4. Kragujevac	Kragujevac	Serbia	150,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fides Corretagens de Seguros Ltda	Belo Horizonte	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidazione	Nuova Delhi	India	1,750,000	INR	99.54	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
Subsidiaries valued at cost								
New Business 27 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 28 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 29 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 30 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 31S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 32 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 33 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 34 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
OOO Sadi Rus	Nizhniy Novgorod	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
						Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Torino	Italy	120,000	EUR	97.51	Fiat Gestione Partecipazioni S.p.A.	76.722	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Comau S.p.A.	0.220	
						Fabbrica Italia Pomigliano S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies SpA	0.220	
						Fiat Services S.p.A.	0.220	
						Fiat Servizi per l'Industria S.c.p.a.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
						Teksid S.p.A.	0.220	
						Fiat Group Automobiles S.p.A.	0.219	

(**) Assets held for sale

Investments of Fiat Group valued at cost

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Associated companies valued at cost								
Fiat Group Automobiles								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidazione	Arese	Italy	20,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Consorzio Prode	Napoli	Italy	51,644	EUR	20.00	Elasis-Società Consortile per Azioni	20.000	
Consorzio Scuola Superiore per l`Alta Formazione Universitaria Federico II in liquidazione	Napoli	Italy	127,500	EUR	20.00	Elasis-Società Consortile per Azioni	20.000	
Fidis Rent GmbH	Francoforte	Germany	50,000	EUR	49.00	Fiat Group Automobiles Germany AG	49.000	
Innovazione Automotive e Metalmeccanica Scrl	Lanciano	Italy	115,000	EUR	24.35	Fiat Group Automobiles S.p.A.	17.391	
						C.R.F. Società Consortile per Azioni	6.957	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	3.59	Fiat Group Automobiles S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidazione	Mumbai	India	43,300,200	INR	50.00	FGA Investimenti S.p.A.	50.000	
Chrysler								
United States Council for Automotive Research LLC	Southfield	USA	100	USD	17.83	Chrysler Group LLC	33.330	
Ferrari								
Senator Software Gmbh	Monaco	Germany	25,565	EUR	39.69	Ferrari Financial Services AG	49.000	
Components								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Torino	Italy	40,000	EUR	24.25	Plastic Components and Modules Automotive S.p.A.	16.500	
						Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Flexider S.p.A.	Torino	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
L.U.C.I. SRL	Amaro	Italy	10,000	EUR	26.05	Centro Ricerche Plast-Optica S.p.A.	34.500	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Bursa	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Holding companies and Other companies								
ANFIA Automotive S.c.r.l.	Torino	Italy	20,000	EUR	25.00	C.R.F. Società Consortile per Azioni	5.000	
						Elasis-Società Consortile per Azioni	5.000	
						Fiat Group Automobiles S.p.A.	5.000	
						Fiat Powertrain Technologies SpA	5.000	
						Magneti Marelli S.p.A.	5.000	
Consorzio Parco Industriale di Chivasso	Chivasso	Italy	51,650	EUR	37.90	Fiat Partecipazioni S.p.A.	27.000	
						Plastic Components and Modules Automotive S.p.A.	10.900	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidazione	Torino	Italy	241,961	EUR	21.34	Fiat Gestione Partecipazioni S.p.A.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
FMA-Consultoria e Negocios Ltda	San Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Torino	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
MB Venture Capital Fund I Participating Company F N.V.	Amsterdam	Netherland	50,000	EUR	45.00	Fiat Partecipazioni S.p.A.	45.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Fiat Gestione Partecipazioni S.p.A.	33.677	
Other companies valued at cost								
Fiat Group Automobiles								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	16.00	Elasis-Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	83,445	EUR	10.53	Elasis-Società Consortile per Azioni	5.319	
						C.R.F. Società Consortile per Azioni	5.213	
Consorzio Technapoli	Napoli	Italy	1,626,855	EUR	11.11	Elasis-Società Consortile per Azioni	11.110	
Ferrari								
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	14.73	Ferrari S.p.A.	16.364	
Components								
Editori Riuniti S.p.A. in liquidazione	Roma	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
Holding companies and Other companies								
Consorzio Lingotto	Torino	Italy	9,612	EUR	16.90	Fiat Partecipazioni S.p.A.	11.500	
						Fiat S.p.A.	5.400	
Ercole Marelli & C. S.p.A. in liquidazione	Milano	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A. in liquidazione	Torino	Italy	2,205,930	EUR	18.95	Fiat Gestione Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milano	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	

Investments of Fiat Industrial Group valued at cost

Name	Registered office	Country	Capital stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries valued at cost								
Agricultural and Construction Equipment								
Case Construction Equipment, Inc.	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	USA	5	USD	88.38	CNH America LLC	100.000	
International Harvester Company	Wilmington	USA	1,000	USD	88.38	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	88.38	Case United Kingdom Limited	100.000	
New Holland Agricultural Equipment S.p.A.	Torino	Italy	120,000	EUR	88.38	CNH Italia s.p.a.	100.000	
New Holland Australia Pty Ltd	St. Marys	Australia	1	AUD	88.38	CNH Australia Pty Limited	100.000	
New Holland Construction Equipment S.p.A.	Torino	Italy	120,000	EUR	88.38	CNH Italia s.p.a.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	33.81	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Altra S.p.A.	Genova	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
M.R. Fire Fighting International S.A.	Brasov	Romenia	35,000,000	RON	64.17	Iveco Magirus Brandschutztechnik GmbH	74.000	
						GmbH	1.000	
						Iveco Magirus Fire Fighting GmbH	1.000	
MVPC LLC	Mosca	Russia	10,000	RUB	50.00	OOO Iveco Russia	50.000	
Holdings companies and Other companies								
New Industrial Business 1 s.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
New Industrial Business 2 s.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
New Industrial Business 3 s.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Associated companies valued at cost								
Agricultural and Construction Equipment								
Consorzio Nido Industria Vallesina	Ancona	Italy	53,903	EUR	34.23	CNH Italia s.p.a.	38.728	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Costa D'Avorio	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Lybia	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
Other comapnies valued at cost								
Agricultural and Construction Equipment								
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidazione	Torino	Italy	241,961	EUR	9.43	CNH Italia s.p.a.	10.672	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	10.85	CNH Italia s.p.a.	12.273	
Polagris S.A.	Pikieliszki	Lituania	1,133,400	LTL	9.77	CNH Polska Sp. z o.o.	11.054	
Holdings companies and Other companies								
CODEFIS Società consortile per azioni	Torino	Italy	120,000	EUR	17.37	CNH Capital U.K. Ltd	14.000	
						Iveco Partecipazioni Finanziarie S.r.l.	5.000	
Fiat-Revisione Interna S.c.p.a.	Torino	Italy	300,000	EUR	16.00	Fiat Industrial S.p.A.	16.000	

Investments of C&W Group valued at cost

Name	Country	Capital Stock at 12/31/2011	Currency	Interest held by	% of interest held	% of voting rights
Other investments valued at cost						
REAL ESTATE SERVICES						
NorthMarq Real Estate Services, LLC	USA	N/A	USD	Cushman & Wakefield of Minnesota, Inc.	12%	

Investments of Alpitour Group valued at cost

Name	Country	Capital Stock at 12/31/2011	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost							
Incoming							
CALOBANDE S.L. UNIPERSONAL	SPAIN	453,755.00	EUR	100.000	JUMBOTURISMO S.A. UNIPERSONAL	100.000	
Associated companies valued at cost							
Distribution (Travel agency)							
AIRPORTS & TRAVEL S.r.l.	ITALY	50,000.00	EUR	24.500	WELCOME TRAVEL GROUP S.p.A.	49.000	
WELCOME TRAVEL SUD S.R.L.	ITALY	100,000.00	EUR	25.000	WELCOME TRAVEL GROUP S.p.A.	50.000	

Significant investments of the Holdings System

Name	Country	Capital Stock at 12/31/2011	Currency	Interest held by	% of interest held	% of voting rights
Holding companies						
BANIJAY HOLDING S.A.S.	FRANCE	2,057,501	EUR	EXOR S.A.	17.088	
GRUPPO BANCA LEONARDO S.p.A.	ITALY	305,673,133	EUR	EXOR S.A.	17.404	
SGS S.A.	SWITZERLAND	7,822,436	CHF	EXOR S.A.	15.000	

EXOR

2012 Annual Report

Società per Azioni
Share capital Euro 246,229,850, fully paid-in
Registered office in Turin, Italy – Via Nizza 250 - Turin Company Register No. 00470400011

2012 ANNUAL REPORT

Letter to shareholders

Report on Operations

The 2012 Annual Report is available on the corporate website at: www.exor.com

---

This is an English translation of the Italian original document “Relazione Finanziaria 2012” approved by the EXOR S.p.A. board of directors on April 16, 2013 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian “Relazione Finanziaria 2012”.

Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 20.6% in 2012 outperforming the MSCI World Index denominated in euros – the benchmark against which we measure our performance – by 9.2%.

The swings in our performance by this measure over the past two years have been significant but one of the benefits of having permanent capital is that we are able to withstand this kind of volatility.

As Ben Graham teaches us: "Real investment risk is measured not by the percent that a stock may decline in price in relation to the general market in a given period, but by the danger of a loss of quality and earning power through economic change or deterioration in management".

EXOR NAV PERFORMANCE vs. THE MSCI WORLD INDEX (in Euros)

	Annual percentage change		
Year	**1 - EXOR NAV**	**2 - MSCI World Index Euro**	**Relative results (1-2)**
2009	93.3	37.8	55.5
2010	45.8	17.2	28.6
2011	-24.4	-4.5	-19.9
2012	20.6	11.4	9.2
Compounded annual rate	**27.9**	**15.1**	**12.8**

Note: data in 2009 starts from March 1st, the date befor EXOR's listing on Borsa Italiana.

To increase further the transparency of our reporting we changed the way we present our NAV last year. Here's the new format:

EXOR NET ASSET VALUE (NAV)

€ millions	12/31/2011	**12/31/2012**	Change	
			absolute	percentage
Gross Asset Value	**7,672**	**9,178**	**1,506**	**+19.6%**
Gross Debt	**(1,142)**	**(1,388)**	**(246)**	**+21.5%**
Ordinary holding costs over 10 years	**(210)**	**(170)**	**40**	**-19.0%**
Net Asset Value	**6,320**	**7,620**	**1,300**	**+20.6%**

We now provide three components: our Gross Asset Value (GAV), which is the sum of all of our assets; our Gross Debt, which represents all our financial liabilities; and our Ordinary Holding Costs (which is the sum of our running costs over ten years, net of our tax rate).

Our costs have decreased thanks to the steps we have taken to simplify our business, the latter being the principal objective we set ourselves for 2012.

Let’s now look at the progress we made on this during the year.

SIMPLIFICATION

To start with, we divested three companies (Alpitour, BTG Pactual and Vision) and we exited the JRE Partnership, focused on private equity investments in China and India. We also reduced our ownership in Sequana from 28.4% to 18.74%.

The aggregate result has been positive. The star performer was our investment in the Brazilian investment bank BTG Pactual, which delivered an Internal Rate of Return of 21%.

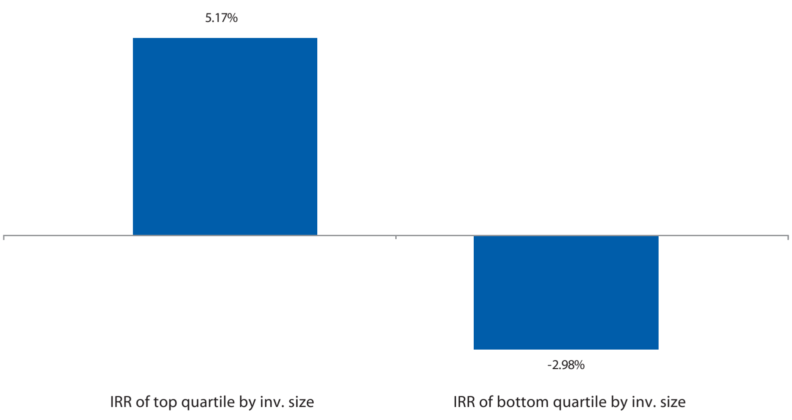
Yet the year was not without its disappointments: we agreed to sell the mandatory convertible bond we held in Vision, a Hong Kong-based asset management firm. In exchange we received €7.4 million in cash plus warrants to subscribe for 20% of the company’s capital.

In 2008 we invested €58.1 million in what was at the time a successful Asia-focused asset management business with great economics. But when the external environment in which the firm operated suddenly changed, because of the global financial crisis, the business immediately suffered. Back in 2008, Vision was managing US$1.2 billion and producing US$18 million of net income; today it manages just US$400 million and is running at breakeven, even after a very rigorous program that reduced annual costs from US$14 million to US$4 million.

This has been an expensive lesson, but the new owners’ strong captive distribution network in Mainland China - combined with Jerry Wang’s leadership - may yet alleviate some of the pain through our warrants.

All of the above steps were taken to reduce the number of our smaller investments and focus on a few large ones. Recent third party research[1] has highlighted how the smaller holdings in a major investment portfolio can markedly dilute overall performance since, as the amount of capital allocated per investment declines, the quality of communication and management attention tend to decrease, leading to underperformance.

SMALL INVESTMENTS ARE A DRAG TO LARGE FUNDS' PERFORMANCE [1]



(1) Humphery-Jenner M., "PE Fund Size, Investment Size, and Value Creation", 2012. Sample of 1,222 funds from 1985

But our simplification efforts were not restricted to our smaller investments: Fiat Industrial and Fiat-Chrysler also proposed to streamline their capital structures by converting preferred and saving shares into a single class of ordinary stock. As shareholders we fully supported this proposal at the respective EGMs resulting in a clearer ownership and governance structure for both companies.

In November Fiat Industrial and CNH entered into a definitive agreement to merge the two companies into a newly incorporated Dutch-registered entity to be listed in New York with a secondary listing in Milan.

This important merger aims to:

- simplify the existing shareholder structure of Fiat Industrial, with its 88% stake in CNH, thereby moving to reduce an unwarranted holding discount;
- integrate all the businesses (CNH's agricultural and construction equipment, IVECO's truck and commercial vehicles and FTP Industrial's powertrain applications) to create the world's third largest capital goods company by revenues; and
- improve the combined company's overall credit profile.

Finally we did not spare ourselves from efforts to slim down and to simplify, devoting significant time and effort to rethinking EXOR's organization. We closed our branch offices around the world so as to concentrate our presence in a single location in order to be fewer and closer.

We redesigned our internal processes to make them simpler and more effective. Much of the credit for this goes to our CFO Enrico Vellano who led this initiative that has enabled us to reduce our operating costs over the last few years by some 20%.

We also strengthened our team with the arrival of Shahriar Tadjbakhsh as our new COO. Following an international upbringing Shahriar pursued a career first as a lawyer and then as a banker. After 25 years advising clients, he decided to jump the fence and try the real thing, working closely with me on our investments.

Our efforts to bring greater clarity and focus will continue, while always keeping in mind Albert Einstein's advice: "*Everything should be made as simple as possible, but not simpler*".

GROSS ASSET VALUE (GAV)

Let me now describe in more detail the four components of our GAV as summarized in the table below:

EXOR GROSS ASSET VALUE (GAV)

€ millions	12/31/2011	**12/31/2012**
Investments	6,473	7,533
Financial Investments	108	462
Cash and Cash Equivalents	816	862
Treasury shares	275	321
Gross Asset Value	**7,672**	**9,178**

INVESTMENTS (82.1 % of GAV)

This line represents the principal allocation of our assets. Let's focus on our big four, which represent 76% of GAV: that is to say investments in companies where we are the controlling or the largest shareholder and are actively involved in the businesses' development through our presence on the board.

Fiat Industrial

(30.01% ownership; 33% of GAV)

Despite a very intense year in corporate finance terms, the seventeen members of the Group Executive Council and the Group's 68,257 employees did not lose any of their focus and delivered strong results with revenues of €25.8 billion (+6% versus 2011) and adjusted EBIT of €2.1 billion (+23%).

These numbers were largely driven by the Agricultural Equipment Business thanks not just to volume but also to pricing and a better product mix. This compensated for weaker conditions in the other businesses, in particular in trucks and construction equipment.

2012 was a year of significant investment as management continued to lay a solid foundation for the company's future. Capital expenditure increased by 36%, mainly targeted on meeting emissions compliance standards and geographic expansion primarily in China, India and Argentina.

R&D spending grew by 21% and R&D headcount increased by 12% in order to bolster product leadership, for which the company received a raft of recognitions during the year.

New Holland Agriculture won six awards for innovation in North America, "Best of Specialized" in Europe and "Best Innovation" in Brazil. Meanwhile Case IH won the "Top of Mind" award in Latin America, the new Iveco Stralis received the prestigious "International Truck of the Year" title in Europe and the Naveco Chaoyue was named "Truck of the Year" in China.

The Powertrain business rose to the challenge introducing its "HIe SCR" technology one year ahead of the relevant regulations. It also enabled the powerboat record between New York and Bermuda to be broken by over four hours.

I'm confident in the prospects of this great company under the leadership of Rich Tobin, who has worked in a range of roles in our world including as CFO of SGS, as CFO of CNH and latterly as CEO of CNH. For the past 20 years Rich has learned, working alongside Sergio Marchionne, the culture of performance and accountability which he has fully embraced.

SGS

(15% ownership; 21.4% of GAV)

Chris Kirk, the operations council and the 75,000 employees of SGS once again delivered a great set of results.

They increased revenues by 16.3% over the previous year to CHF 5.6 billion, while adjusted EBIT reached CHF 941 million, resulting in a margin of 16.9%.

Cash flow remained strong at CHF 800 million, enabling the company to fund capital investments and acquisitions and to maintain a healthy dividend policy.

SGS is deep into its 2010-2014 business plan, a plan which aims to diversify the business further from pure trade-related activities into upstream services that are less dependent on volumes and often provide higher value-added for customers. The safety and quality issues that recently surfaced in the toy and food industries highlight the importance and the potential of this strategic move.

SGS has proven its abilities in acquiring and integrating companies. In 2012 it completed eighteen acquisitions in seven business lines in eleven different countries, contributing some CHF 212 million in additional revenues. These kinds of deals are small in scale; but they tend to integrate more easily than larger businesses and their valuations are more attractive.

I'm encouraged by how hard everyone at SGS is working to meet their 2014 targets.

Fiat-Chrysler

(30.05% ownership; 15.7% of GAV)

2012 was the best year in Fiat-Chrysler's more than 100-year history.

Revenues reached €84 billion and adjusted EBIT was €3.8 billion, while worldwide shipments reached 4.2 million vehicles.

These results were achieved despite the extreme market conditions in Europe where we have to go back to 1995 to find such a low level of activity. Italy was particularly badly hit, registering last year only as many cars as in 1979 (1.4 million).

Achieving these results against a highly challenging backdrop demonstrates just how deep the transformation of Fiat-Chrysler has been, with less than 10% of revenues now generated in Italy compared with around 50% a decade ago.

This success is attributable to Sergio Marchionne's leadership. As CEO he has been disciplined in preserving capital, refraining from making investments in new products when conventional wisdom urged just the opposite. John Maynard Keynes reminds us that, "*Worldly wisdom teaches that it is better for reputation to fail conventionally than to succeed unconventionally*". Sergio's acute awareness of the risks of such wisdom has served Fiat-Chrysler well.

Which is why instead of conventionally closing factories and cutting jobs, Fiat-Chrysler has not given up on Europe and has decided to utilize most of its Italian manufacturing footprint and workforce to produce premium cars under its prestigious Italian brands Maserati and Alfa Romeo … a carefully conceived plan but not one for the fainthearted.

On the other side of the Atlantic - both in the NAFTA region and in Latin America - the company achieved new highs. In Asia 2012 was also a year of notable success with growth of 40% (yes, the base was low, but the news is encouraging all the same).

Every day the 215,000 employees of Fiat-Chrysler grow closer, making the company's future brighter.

CUSHMAN & WAKEFIELD®

Cushman & Wakefield
(69.19% ownership; 5.9% of GAV)

In 2012, in a still-uneven recovery across the global real estate markets, C&W managed to continue to grow and improve its profitability. Commission and service fee revenue of $1,597m were up 4% and reported EBITDA of $128m was up 15%. While management continued to invest and build the business for the future, it also took decisive action on costs to improve margins.

This was also a year of high-profile transactions with the largest industrial lease in the UK for Sainsbury's, the largest office lease in San Francisco for Salesforce.com, the largest retail transaction in New York City for H&M's biggest store in the world, as well as flagship stores for Burberry in Hong Kong.

After a couple of difficult years following the Lehman bankruptcy, and with a new leadership team in place, the company has stabilized. It is now in a position to realize its potential as the broader economy recovers. Its teams have been reinforced (1,700 professionals were hired worldwide during the year), substantial investments have been made in systems and IT, and the overall business has today a much broader base of recurring revenues.

C&W has weathered the storm well. It enhanced its value primarily thanks to the strength of its brand, the limited use of leverage in the business and the effective yet measured approach taken to cost-control. The business has achieved a CAGR in revenue in 2009-12 of 9.7% and consistent margin expansion throughout the same period (600bps+ of EBITDA).

C&W is the number three global player in its sector with strong brand recognition and is one of the few in the business with a truly global and complete services platform, underpinned by a solid and widespread US leasing activity.

The company is continuing to build on its traditional strengths, further balancing its business with a higher proportion of more stable, high-value-added revenues, more cross-selling and a better balance with the transactional side of its activities. At the same time it pursued selective geographic expansion focused on attractive growth areas around the world.

We are glad to be shareholders of this leading global business, which has attractive long-term industry dynamics and great potential.

Our remaining investments, which represent just 6.1% of GAV, turned in better performances despite flat revenues in 2012. Illustrated below are the most significant of these with a weighted average of revenues and EBIT look-through, listed by value.

€ millions	Exor Ownership (as of 31 Dec. 2012)	REVENUES			EBIT		
Company		2011	2012	Growth	2011	2012	Growth
Juventus	63.77%	109.7	136.3	26.6	(58.8)	(26.3)	32.5
Almacantar	36.29%	3.0	6.4	3.4	0.5	19.6	19.1
Banca Leonardo	17.40%	26.9	25.5	(1.4)	4.2	5.0	0.8
Sequana	18.74%	739.1	721.9	(17.2)	16.7	10.5	(6.2)
Banijay	17.09%	44.6	50.0	5.4	5.4	6.6	1.2
Economist	4.72%	19.1	19.6	0.5	3.5	3.7	0.2
TOTAL		**942.4**	**959.7**	**17.3**	**(28.5)**	**19.1**	**47.6**

Notes: Juventus Fiscal Year closes on June 30, Economist Fiscal Year closes on March 31st

Revenues and EBIT are weighted on 2012 Exor ownership. In EBIT calculation, Banca Leonardo is included with Operating Income figures

As I mentioned in last year's letter, we will be selective in adding any further smaller investments to our portfolio, and if we do, it will be in the form of:

- A minority stake at an attractive valuation, in a good business with which we would be proud to be associated. The Economist, where we own 5%, is a good example of this principle.
- A business venture that starts small but has the potential to grow to be a larger company. Almacantar, a London property business where we are the largest shareholder, is well placed to develop in this way.

Last but not least, it was particularly pleasing when in May 2012 Juventus FC won the Italian "Serie A" soccer championship with thirty wins on the pitch, making it by far the team in the league with the most victories.

Our applause goes to Andrea Agnelli, the club's leadership team, the coach and the players, all of whom have worked wonderfully together to build a unique winning culture that is the core strength of this company. Not forgetting of course the precious support of the club's fans especially in the new Juventus Stadium (where the team ended the 2011-2012 season without a single defeat). The challenge is to translate the good news on the pitch into improved financial results.

FINANCIAL INVESTMENTS (5% of GAV)

We have defined Financial Investments as all our equity and credit investments, direct or indirect through funds, in which we have no active role apart from deciding when to buy or sell.

We have increased the resources available to this area primarily through disposals. The majority remained invested in credit instruments, but we have increased our equity exposure to 45%, mostly to US companies where we continue to see value.

CASH AND CASH EQUIVALENTS (9.4% of GAV)

Cash is cash, and Cash Equivalents are investments that can be turned into cash quickly with minimal impact on market prices.

We manage directly most of these resources, around 20% of them being allocated to specialized funds. The largest part (40% on average) was invested in Time Deposit, and we were very disciplined on counterparty risk diversification.

For the rest, we remained cautious on sovereign debt, holding only exposure to corporate credit and we kept very short maturities (end 2013, at the latest).

TREASURY SHARES (3.5% of GAV)

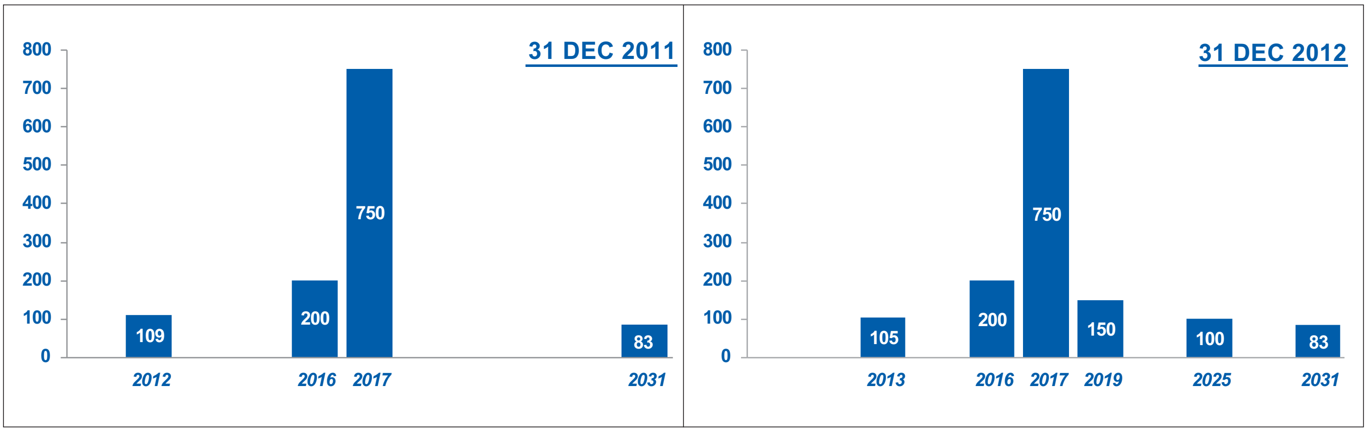
We have continued to buy our own shares that present an attractive investment opportunity because of the discount to our NAV. Our buyback program also allows us to optimize our capital structure and gives us the benefit of the potentially positive evolution in the underlying investments.

GROSS DEBT

Your company's Gross Debt increased by €246 million to €1,388 million as a result of the opportunity we identified to raise long-term debt through private placements.

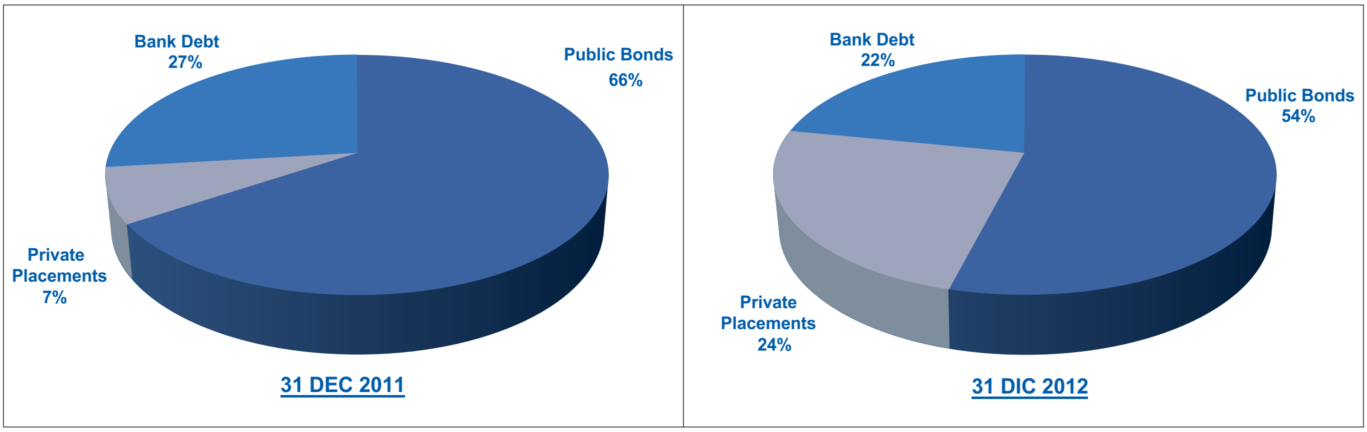
We began in May 2011 to evaluate this form of financing as an alternative to bank debt or public issues of securities. We closed two deals between October and December 2012 for €150 million and €100 million with 2019 and 2025 maturities, respectively, at what we consider fair yields of 4.75% and 5.25%.

MATURITY SCHEDULE



We decided to increase our Gross Debt because we judged that the current low interest rate environment was interesting, even though we had no specific funding requirement and have €530 million of committed credit lines that were signed in previous years. Often money is there when you don't need it only to disappear just when you do. As a friend who is a banker once told me, quoting Mark Twain, "*A banker is a fellow who lends you his umbrella when the sun is shining but wants it back the minute it begins to rain*". So we decided actively to mitigate that risk.

But the extension of our average maturities came at a price, as our average cost of debt rose from 4.69% in 2011 to 5.06% in 2012.



Our ordinary cash flow (calculated as cash dividends received netted against dividends paid out, net financial expenses and net general expenses) was positive in 2012. This is a particularly important measure for us and we have been able so far to maintain it in positive territory.

2013

We survived 2012 in spite of the Maya prediction and we will work hard to do the same in 2013.

The world continues to be in a state of flux and many of its crises have yet to be resolved. The Chinese word for “crisis” is composed of two characters: one (“wēi”) represents danger while the other (“jī”) stand for "crucial point" or "opportunity." Our Board and its new independent directors, Giuseppina Capaldo, Mina Gerowin, Jay Y. Lee and Mike Volpi, will contribute to make us concentrate on the latter.

As we entered 2013 we continued our determined pursuit of simplicity with the approval of the streamlining of EXOR’s capital structure, converting the preferred and savings shares into ordinary stock. We pushed ahead with further investments, including an increased commitment in Almacantar which is growing successfully: it already owns the two ends of Oxford Street, Marble Arch and Center Point, and has plenty of exciting projects in development.

On 24 January 2003, my grandfather Giovanni Agnelli left us. As we approached the tenth anniversary of his passing I came across the following quote from him:

“*Groups like ours typically go through three stages in their development: a time of strength, a time of privilege and a time of vanity. For me the first is the only one that counts.*”

We will keep his words in mind, as we evolve and adapt to our changing world.

I would be happy to discuss with you the 2012 results and any other relevant aspect of our business at our Shareholder Meeting to be held on May 30. The venue this year will be the Fiat Industrial Village, the 23,000 square meter showroom located in Turin that displays all the branded products of Fiat Industrial: tractors, excavators, trucks, engines and much more. At the end of the meeting, if you have the time don't rush away because you will have the opportunity to test for yourself some of our trucks on the Village's 1.2 km test track with the help of a professional driver.

As always, let me remind you that it is possible to ask questions in advance of the meeting by following the procedure set out on our web site www.exor.com. Non-shareholders will also have the chance to raise questions by sending a short email to the following address: agm@exor.com. The latter will be grouped together, summarized by subject and answered during the meeting.

I look forward to seeing you at the Fiat Industrial Village!

John Elkann

Honorary Chairmen

	Gianluigi Gabetti Pio Teodorani-Fabbri

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli Vittorio Avogadro di Collobiano Luca Ferrero Ventimiglia Sergio Marchionne Lupo Rattazzi Eduardo Teodorani-Fabbri
Independent Directors	Victor Bischoff Giuseppina Capaldo (Lead Independent Director) Mina Gerowin Jae Yong Lee Giuseppe Recchi Michelangelo Volpi
Secretary to the Board	Gianluca Ferrero

Internal Control and Risk Committee

Giuseppina Capaldo (*Chairman*), Victor Bischoff and Giuseppe Recchi

Compensation and Nominating Committee

Victor Bischoff (*Chairman*), Giuseppina Capaldo and Mina Gerowin

Strategy Committee

John Elkann (*Chairman*), Victor Bischoff, Mina Gerowin, Sergio Marchionne, Jae Yong Lee and Michelangelo Volpi

Board of Statutory Auditors

Chairman	Sergio Duca
Regular auditors	Nicoletta Paracchini Paolo Piccatti
Alternate auditors	Giorgio Ferrino Ruggero Tabone

Independent Auditors	Reconta Ernst & Young S.p.A.

Expiry of the terms of office

The terms of office of the board of directors and the board of statutory auditors will expire concurrently with the shareholders' meeting that will approve the 2014 annual financial statements.
The term of office of the independent auditors will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

EXOR GROUP PROFILE AND KEY DATA

EXOR is one of Europe’s leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of share capital and, specifically, 59.10% of ordinary capital, 39.24% of preferred capital and 18.45% of savings capital.
Listed on Borsa Italiana’s Stock Exchange with a Net Asset Value of €7.6 billion at December 31, 2012, EXOR is headquartered in Turin, Italy.
EXOR invests in global companies in various sectors, mainly in Europe and in the United States with a long-term time frame.
EXOR’s objective is to increase its Net Asset Value and outperform the MSCI World Index in Euro.

The following are the EXOR Group’s investments:

(a) In addition, Fiat holds 2.8% of share capital.
(b) Ownership interest equal to 78.95%.

Fiat Industrial (30.01% of share capital. Fiat also holds 2.8% of share capital) is listed on Borsa Italiana’s electronic exchange (MTA) and is included in the FTSE MIB Index. Created in January 2011 from the demerger from Fiat, Fiat Industrial operates through businesses that are all major international players in the sectors of trucks, commercial vehicles, buses, coaches and special vehicles (with Iveco), tractors, agricultural and construction equipment (with CNH – Case New Holland), in addition to engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). At December 31, 2012, the Fiat Industrial Group had 64 factories and 68,257 employees throughout the world.

SGS (15.00% of share capital) is a Swiss company listed on the Virt-x market. Founded in 1878, the company is today the global leader in verification, inspection, control and certification activities with more than 75,000 employees and a network of over 1,500 offices and laboratories throughout the world.

Fiat (30.05% of share capital) is listed on Borsa Italiana’s electronic exchange (MTA) and is included in the FTSE MIB Index. Founded in 1899, Fiat is today an industrial group with a global reach also through the integration with Chrysler. Focused in the auto industry, it designs, produces and sells vehicles under the Fiat, Lancia, Alfa Romeo, Fiat Professional, Abarth, Jeep, Chrysler, Dodge and Ram brands with four operating regions for these mass-market car brands - NAFTA (U.S., Canada and Mexico), LATAM (Central and South America), APAC (Asia Pacific) and EMEA (Europe, the Middle East and Africa). In addition there are others operating with a global remit – Ferrari and Maserati (luxury and performance cars) and Magneti Marelli, Teksid and Comau (components and production systems for the automotive industry). At December 31, 2012, the Fiat Group had 158 factories and 214,836 employees throughout the world.

C&W Group (69.19% of share capital) is a world leader in real estate services. C&W Group has its headquarters in New York, where it was founded in 1917. It currently has 253 offices and more than 14,000 employees in 60 countries.

JUVENTUS	almacantar	Gruppo Banca Leonardo	SEQUANA	Banijay Group	The Economist
63.77%	36.29%	17.40%	18.74%	17.09%	4.72%

Juventus Football Club (63.77% of share capital) is listed on Borsa Italiana’s electronic exchange (MTA). Founded in 1897, it is one of the most prominent professional football teams in the world.

Almacantar (36.29% of share capital) is a company active in the real estate sector and realizes commercial investment and development opportunities, for offices and residential units, situated in London.

Gruppo Banca Leonardo (17.40% of share capital) is a privately held and independent international investment bank offering a complete range of services in investment banking, wealth management and other areas linked to financial markets.

Sequana (18.74% of share capital) is a French diversified paper group, listed on the NYSE Euronext market in Paris, with production and distribution activities through Arjowiggins and Antalis.

Banijay Holding (17.09% of share capital) is headquartered in Paris. The company is a new player in TV production through a network of companies specialized in the production and distribution of multimedia content.

The Economist Newspaper (4.72% of share capital) is a company with its center of operations in London and head of the editorial group that publishes The Economist, a weekly magazine that with a global circulation of more than one million copies represents one of the most important sources of analysis in the international business world.

EXOR Group – Consolidated Data – Shortened (a) € million	**2012**	2011	Change
Profit attributable to owners of the parent	**398.2**	504.2	(106.0)
Share of earnings (losses) of investments and dividends	**461.9**	600.7	(138.8)
Investments and other non-current financial assets	**7,801.6**	6,764.7	1,036.9
Issued capital and reserves attributable to owners of the parent	**7,164.4**	6,403.4	761.0
Consolidated net financial position of EXOR's "Holdings System"	**(525.9)**	(325.8)	(200.1)

(a) The basis of preparation is presented in the following "Review of the Consolidated Results of the EXOR Group - Shortened".

Earnings per share (€) (a)	**2012**	2011	Change
Profit attributable to owners of the parent – basic:			
- ordinary shares	**1.74**	2.17	(0.43)
- preferred shares	**1.79**	2.23	(0.44)
- savings shares	**1.81**	2.25	(0.44)
Profit attributable to owners of the parent – diluted:			
- ordinary shares	**1.73**	2.16	(0.43)
- preferred shares	**1.78**	2.21	(0.43)
- savings shares	**1.80**	2.24	(0.44)
Issued capital and reserves attributable to owners of the parent	**31.54**	28.19	3.35

(a) Further details on the calculation of basic and diluted earnings per share are provided in Note 13 to the consolidated financial statements.

EXOR S.p.A. - Separate Financial Statement Data € million	**2012**	2011	Change
Profit	**150.5**	58.7	91.8
Equity	**3,519.6**	3,445.4	74.2
Net financial position	**(718.9)**	(448.5)	(270.4)

The board of directors' meeting held on April 16, 2013 put forward a motion to the ordinary shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2012 for the payment of the following dividends:

		Dividends proposed	
Class of shares	**Number of shares outstanding** (a)	**Per share (€)**	**Total (€ ml)**
Ordinary	150,395,496	0.335	50.4
Preferred	64,791,776	0.3867	24.9
Savings	8,333,089	0.4131	3.4
			78.7

(a) At April 16, 2013.

Dividends paid by EXOR S.p.A. in 2012 from profit for the year ended December 31, 2011 are the following:

		Dividends paid	
Class of shares	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary	153,530,496	0.335	51.4
Preferred	65,110,776	0.3867	25.2
Savings	8,503,189	0.4131	3.5
			80.1

NET ASSET VALUE

EXOR's Net Asset Value (NAV) at December 31, 2012 was €7,620 million. This is an increase of €1,300 million (20.6%) from €6,320 million at December 31, 2011.

The composition and change in NAV are the following.

€ million	03/01/2009 (a)	12/31/2011	12/31/2012	Change vs 12/31/2011	
				Amount	%
Investments	2,921	6,473	7,533	1,060	+16.4%
Financial investments	274	108	462	354	+327.8%
Cash and cash equivalents	1,121	816	862	46	+5.6%
Treasury shares	19	275	321	46	+16.7%
Gross Asset Value	**4,335**	**7,672**	**9,178**	**1,506**	**+19.6%**
Gross Debt	**(1,157)**	**(1,142)**	**(1,388)**	**(246)**	**+21.5%**
Ordinary holding costs capitalized over 10 years	**(210)**	**(210)**	**(170)**	**40**	**-19.0%**
Net Asset Value (NAV)	**2,968**	**6,320**	**7,620**	**1,300**	**+20.6%**

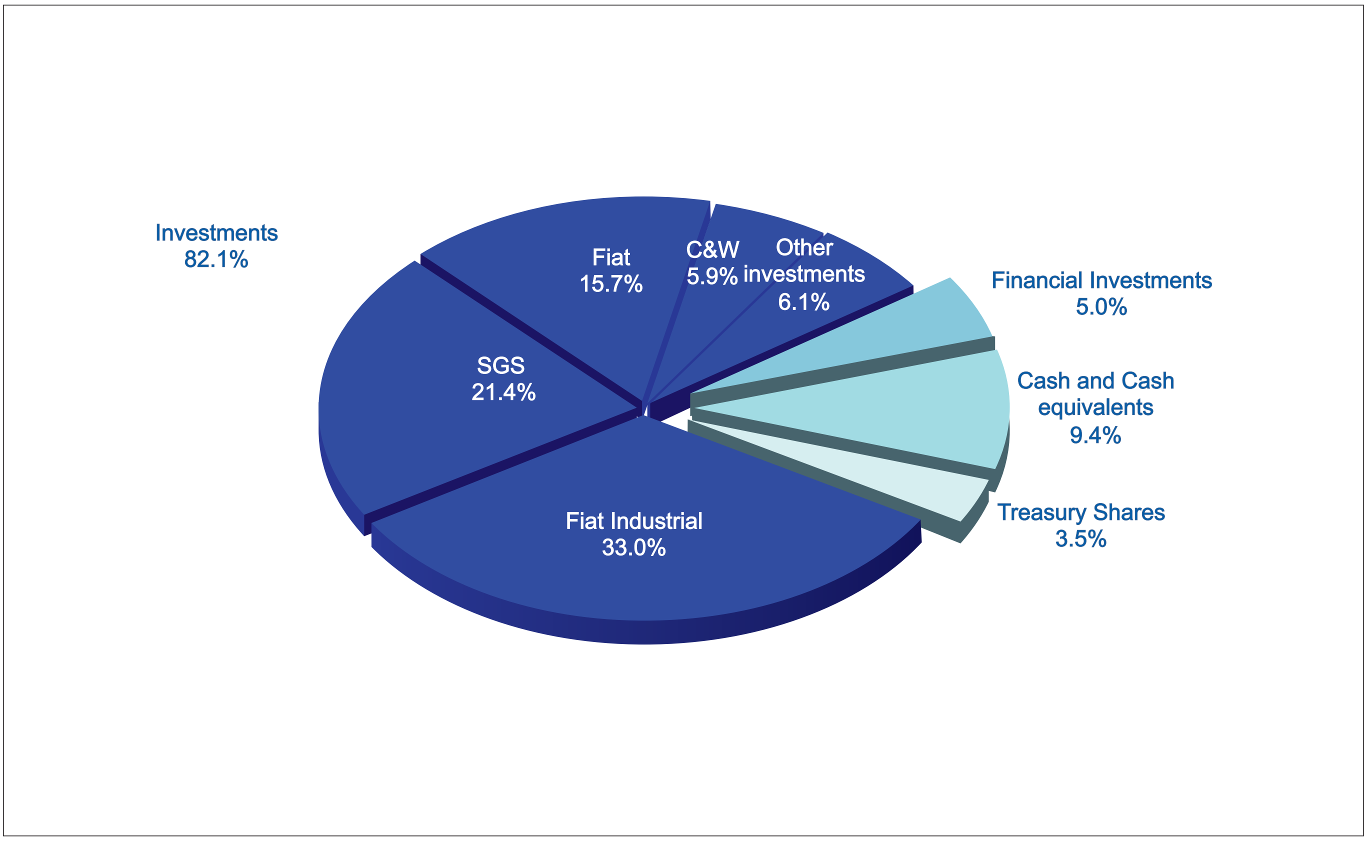
(a) Effective date of the IFI-IFIL merger.

The gross asset value at December 31, 2012 has been calculated by valuing listed investments and other equity shares at trading prices, and other private investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. EXOR ordinary, preferred and savings treasury shares are measured at share trading prices, except ordinary shares used to service the stock option plans, which are measured at the option exercise price if lower than the share trading price and the shares granted to recipients of the stock grant component of the new incentive plan approved on May 29, 2012 by the shareholders' meeting. The latter are deducted from the total number of treasury shares.

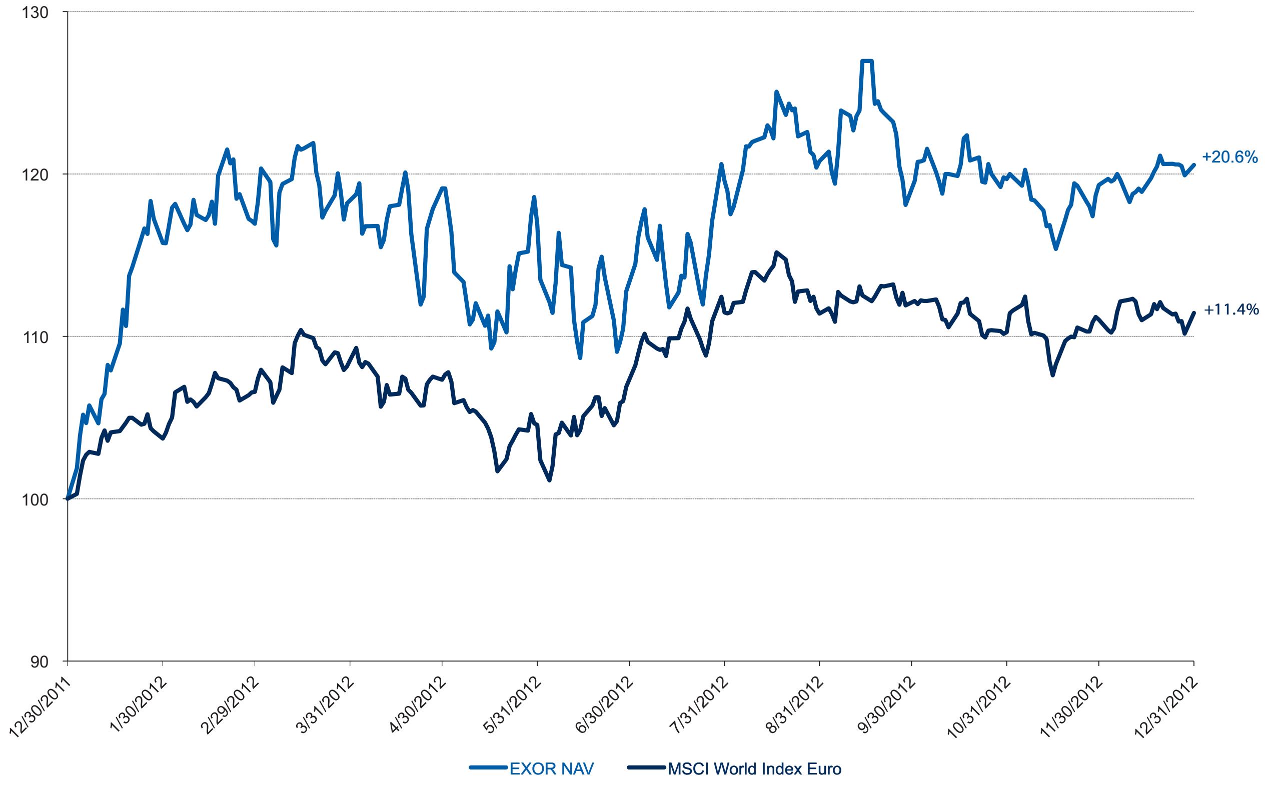
NAV is presented with the aim of aiding analysts and investors in forming their own assessments.

The following pie chart shows the composition of the gross asset value at December 31, 2012 (€9,178 million).
"Other investments" include the investments in Juventus Football Club, Almacantar, Gruppo Banca Leonardo, Sequana, Banijay Holding, The Economist Newspaper and also sundry investments.

Investments denominated in Swiss francs, U.S. dollars and Pounds sterling are translated to Euro at the market exchange rates at December 31, 2012 of 1.2072, 1.3194 and 0.8161, respectively.



Change in NAV compared with MSCI World Index in Euro



Stock Market Data	**1/1/2013 2/28/2013**	**1/1/2012 12/31/2012**
Ordinary share price (Euro):		
period-end	21.3265	19.0005
maximum	22.3849	21.2786
minimum	19.3853	15.5379
Preferred share price (Euro):		
period-end	20.9407	16.6917
maximum	22.0517	17.4589
minimum	16.9248	13.7510
Savings share price (Euro):		
period-end	21.3190	16.6917
maximum	22.1658	17.4853
minimum	17.1143	12.5479
Average daily share volume traded during period:		
ordinary	476,133	365,487
preferred	83,205	31,254
savings	48,802	11,063
Euro average daily value of exchanges during period (in Euro): (a)		
ordinary	10,170,808	6,653,768
preferred	1,711,371	492,037
savings	1,004,062	168,112

(a) Average daily value (daily trading price by daily volume) handled by Borsa Italiana during the period.

Financial communication promoted by EXOR regarding the main corporate events of the Company continued during 2012 with the aim of ensuring precise and comprehensive information and delivering data and updates in response to the need to keep the national and international financial community (institutional investors in the stock and bond markets, retail investors and the financial press) informed on a daily basis.

Multiple forms of communication are used, including institutional documentation (financial statements, interim reports and corporate presentations), press releases and also dedicated meetings with analysts and investors organized on request. Moreover, the annual Letter addressed to the Shareholders has made it possible to share the analyses on the Company's investments and provide indications as to EXOR's long-term strategy.

In May, the shareholders' meeting and the conference call stand out as privileged moments of dialogue with management.

Finally, communication via web has continued to be aimed at improving the usefulness of information in the Italian and English languages by implementing new tools such as the Company's interactive financial statements, stepping up the mailing service and enhancing the sections of the corporate website www.exor.com dedicated to investors.

The offices for media and investor relations can also be contacted at the following:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.5090260
ir@exor.com

CORPORATE GOVERNANCE

In its meeting held on April 16, 2013 the EXOR S.p.A. board of directors also approved the "Report on the Company's Corporate Governance and Ownership Structure" written in accordance with Legislative Decree 58 of February 24, 1998 art. 123 *bis*, as subsequently integrated and amended (TUF – Consolidated Law on Finance).
The Report was published with the 2012 Annual Report and is available on the website www.exor.com.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.P.A. AND ITS CONSOLIDATED SUBSIDIARIES ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial position of EXOR and its principal investment holdings are particularly influenced by the general state of the economy in the countries in which they operates and by the variables which affect performance, including increases or decreases in gross national product, access to credit, the level of consumer and business confidence, the cost of raw materials and the rate of unemployment.

The complex global economic situation negatively affected the earnings of the principal investment holdings. Currently, the weak economic state of affairs in Europe and Italy elicits a great deal of uncertainty over the industrial and economic future of the Eurozone; concerns persist regarding the overall global stability of the region and the suitability of the euro as a single currency. In particular, considerable attention is still being given to the sovereign debt of some countries in the European Union and their ability to cope with future financial commitments regardless of the actions taken by individual governments and the European and international monetary authorities to meet debt obligations and the risk of default.

In general, the sectors in which the principal investment holdings operate have historically been subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty of predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for or supply of products and services sold by them in any of the markets in which they operate.

Moreover, the markets in which the principal companies operate are exposed to variations in energy and raw material prices or a possible reduction in infrastructure investments.

Accordingly, particular circumstances could have a material adverse effect on the earnings, business prospects and financial position of the investment holdings.

RISKS ASSOCIATED WITH EXOR'S ACTIVITIES

EXOR carries out investment activities which involve typical risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the Group's objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the Group's earnings and financial position.
The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the Group's credit rating

Any downgrade by the rating agencies could limit the Group's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.
Standard & Poor's has confirmed EXOR's long-term and short-term debt ratings (respectively, BBB+ and A-2), with a stable outlook.

EXOR's policy and that of the companies in the so-called Holdings System is to keep liquidity available in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, allocating such investments over an appropriate number of counterparties, with the principal purpose of having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.
However, in consideration of the current international financial market situation, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A worsening of the financial market conditions and the earnings of the principal investment holdings could affect EXOR's earnings and cash flows.

EXOR operates through its investments in subsidiaries and associates in Agricultural and Construction Equipment (Fiat Industrial Group), in the automobile market (Fiat Group), in real estate services (C&W Group), in real estate (Almacantar Group) and in professional football (Juventus Football Club). As a result, EXOR is exposed to risks typical of the markets and industries in which such subsidiaries and associates operate.

At the same date, EXOR also holds an investment in SGS (15% of capital) for an equivalent amount of €1,969.3 million, equal to 21.4% of EXOR’s investment portfolio. Accordingly, EXOR is exposed to risks typical of the market in which such company operates.

At December 31, 2012, the investments in Fiat Industrial (30.01% of ordinary share capital) and in Fiat (30.05% of share capital) represented, respectively, 33.0% and 15.7% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5. Therefore, the performance of the Fiat Industrial Group and the Fiat Group has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates could have an adverse effect on earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.
EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which they set aside, if appropriate, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

EXOR and its subsidiaries and associates are taxed on income in Italy and outside Italy; during the course of ordinary activities they may be subject to controls by Italian and foreign tax authorities. Even though the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on earnings.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (Fiat Industrial Group, Fiat Group, C&W Group and Juventus Football Club).

FIAT INDUSTRIAL GROUP

Fiat Industrial Group - Risks associated with general economic conditions

The Fiat Industrial Group's earnings and financial position are and will continue to be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices and the cost of commodities or other raw materials – which exist in the various countries in which it operates.

Financial conditions in several regions continue to place significant economic pressures on existing and potential customers, including the Group's dealer networks. As a result, some customers may delay or cancel plans to purchase Fiat Industrial's products and services and may not be able to fulfill their obligations to the Group in a timely fashion. Additionally, the Group's suppliers may be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to the Group, which could result in product delays, increased accounts receivable, defaults and inventory challenges. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the Euro currency), which is at risk of being impacted by sovereign debt defaults and other severe pressures on the banking system in European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, other governments may continue to implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key regions, the demand for the Group's products and services would likely decrease and the Group's results of operations, financial position and cash flows could be materially and adversely affected.

In addition, a decline in equity market values could cause many companies, including the Group, to carefully evaluate whether certain intangible assets, such as goodwill, have become impaired. The factors that the Group evaluates to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on the Group's financial position and results of operations.

Fiat Industrial Group - Risks associated with financing requirements

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place to ensure that adequate levels of working capital and liquidity are maintained, further declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself having to seek additional financing and/or refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with the credit rating of Fiat Industrial S.p.A.

On January 5, 2011, Moody's Investors Service assigned Fiat Industrial a Ba1 Corporate Family Rating and a short-term "Not Prime" rating, with stable outlook. On February 24, 2011 Standard & Poor's Rating Services confirmed a long-term rating of BB+ with negative outlook, in line with the preliminary rating issued on November 4, 2010, and a short-term rating of B. On March 22, 2012, Standard & Poor's upgraded its outlook from negative to stable and confirmed Fiat Industrial's long-term rating of BB+ and short-term rating of B.

In addition to other factors, the ability to access capital markets and the related costs are highly dependent on the Group's credit rating. Any downgrade by rating agencies could increase the Group's cost of capital and potentially limit its access to sources of financing with a consequent material adverse effect on its business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with fluctuations in currency, interest and credit risk

The Group, which operates in numerous markets worldwide, is naturally exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the difference in geographic distribution between the Group's manufacturing activities and its commercial activities, resulting in cash flows from exports denominated in currencies that differ from those associated with production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for financing customers and dealers. The Group's financial services companies operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, however, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's Financial Services activities are also subject to the risk of insolvency of dealers and end customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and end customers.

Fiat Industrial Group - Risks associated with the agricultural and construction equipment, and truck and commercial vehicles markets

Performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories
- the profitability of agricultural enterprises
- the demand for food products
- agricultural policies, including aid and subsidies to agricultural enterprises, provided by major governments and/or supranational organizations

In addition, unfavorable climactic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on the decision to buy agricultural equipment and, consequently, on the Group's revenues.
Performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending
- new residential and non-residential construction

Performance of the trucks and commercial vehicle market is influenced, in particular, by factors such as:

- changes in global market conditions including changes in levels of business investments and sales of commodities
- public infrastructure spending

The above factors could significantly influence the demand for agricultural and construction equipment, as well as for trucks and commercial vehicles, and, consequently, the Group's financial results.

Fiat Industrial Group - Risks associated with relationships with employees and suppliers

In many countries where the Group operates, Group employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. The Group's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and the agreement of the labor unions where such laws and agreements are applicable. Industrial action by employees could have an adverse impact on the Group's business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies external to the Group. Some of those companies are highly unionized. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates and although this offers economic benefits in terms of cost reduction, it also means that the Group is more reliant on its suppliers and is exposed to the possibility that difficulties, including of a financial or industrial relations nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with increases in costs, disruption of supply or shortage of raw materials

The Group relies upon key suppliers for certain raw materials, parts and components. The Group cannot guarantee that it will be able to maintain appropriate supply arrangements with these suppliers or otherwise assure access to raw materials, parts and components. In some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. Adverse financial conditions and natural disasters, such as the March 2011 earthquake and tsunami in Japan, could cause some of the Group's suppliers to face severe financial hardship and disrupt the Group's access to critical raw materials, parts and components. Any disruption to or shortage of supply of raw materials, parts and components could negatively impact the Group's costs of production, the Group's ability to fulfill orders, the Group's ability to achieve growth in product sales and the profitability of the Group's business.

Certain companies in the Group use a variety of raw materials in their businesses including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices for these raw materials fluctuate and at times in recent periods prices have increased significantly in response to changing market conditions. The Group will seek to manage this exposure, but it may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs were not offset by changes in product prices.

Fiat Industrial Group - Risks associated with the CNH's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, the first phase of CNH's global alliance with Kobelco Construction Machinery Co., Ltd. expired and CNH entered a new phase of the relationship. CNH will continue to be able to purchase whole goods from Kobelco as well as component parts to continue to manufacture excavators, based upon Kobelco technology, in CNH's plants until at least December 31, 2017. With the end of the first phase of the global alliance, CNH and Kobelco will terminate their co-ownership of certain companies formed in connection with the global alliance. In addition, the territorial sales and marketing restrictions under the global alliance will expire. While the Group expects a smooth transition with respect to implemented changes, a failure to realize such a transition and anticipated benefits could have a material adverse effect upon the Group's construction product lines, construction equipment distribution network, financial position and results of operations.

Fiat Industrial Group - Risks associated with management

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel, including any loss of members of senior management or employees that could occur in connection with the proposed Transaction, could therefore have an adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with the high level of competition in the industries in which the Group operates

Substantially all of the Group's revenues are generated in highly competitive sectors that include the production and distribution of agricultural and construction equipment, trucks and commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers of trucks and commercial vehicles in Europe and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, North America and Latin America. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly in pricing, has increased significantly in the Group's areas of activity in recent years. Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on its business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with environmental and other government regulation

The Group's products and activities are subject to numerous environmental laws and regulations (local, national and international) which are becoming increasingly stringent in many countries in which it operates. Such regulations govern, among other things, products – with requirements for reduced emissions of polluting gases, reduced fuel consumption and safety becoming increasingly stricter – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination becoming increasingly stricter. To comply with such regulations, the Group employs considerable resources and expects it will continue to incur substantial costs in the future.

In addition, government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenue generation. The terms, size and duration of such government measures is unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

Fiat Industrial Group - Risks associated with the ability to offer innovative products

The success of the Group's businesses depends on their ability to maintain or increase share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, could result in reduced market share, having a material adverse effect on the Group's business prospects, earnings and/or financial position.

Fiat Industrial Group - Risks associated with operating in emerging markets

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share, and operate profitably, in emerging market countries, such as Brazil, Russia, India, China, Argentina and Turkey. In addition, the Group could increase its use of component suppliers in these markets. The Group's implementation of these strategies will involve a significant investment of capital and other resources and entail various risks. For example, the Group may encounter difficulties in obtaining necessary government approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products. The Group may face challenges as a result of the pervasiveness of corruption and other irregularities in business practices in certain regions. Some of these emerging market countries also may be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flow.

Fiat Industrial Group - Risks associated with the capital goods market

More than other sectors, producers in the capital goods sector, such as CNH and Iveco, are subject to:

- the condition of financial markets, in particular, the ability to access the securitization market and prevailing interest rates in that market. In North America, in particular, CNH makes considerable use of asset-backed securitization to fund financing offered to dealers and end customers. Negative conditions in the financial markets, and the asset-backed securitization market in particular, could have a significant impact on the Group's business prospects, earnings and/or financial position
- cyclicality, which can cause sudden declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

Fiat Industrial Group - Risks associated with the Group's defined benefit pension plans and other post-employment obligations

At December 31, 2012, Fiat Industrial's defined benefit pension plans and other post-employment benefits had an underfunded status of approximately €1,857 million. This amount included defined benefit pension plans and other post-employment benefits obligations of €801 million for plans that the Group is not currently required to fund. Changes in applicable law could affect the funding requirements in the future.

The funded status of Fiat Industrial's defined benefit pension and post-employment benefit plans is subject to many factors. To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flow from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets will vary due to market factors. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

Fiat Industrial Group - Risks associated with the global nature of the Group's activities

Some of those risks include:

- changes in laws, regulations and policies that affect:
  - import and export duties and quotas
  - currency restrictions
  - the design, manufacture and sale of the Group's products, including, for example, engine emissions regulations
  - interest rates and the availability of credit to the Group's dealers and customers
  - property and contract rights
  - where and to whom products may be sold
  - taxes
- regulations from changing world organization initiatives and agreements
- changes in the dynamics of the industries and markets in which the Group operates
- varying and unpredictable customer needs and desires
- varying and unexpected actions of the Group's competitors
- labor disruptions
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Brazil
- war, civil unrest, and terrorism.

Fiat Industrial Group - Risks associated with the Demerger of activities from Fiat S.p.A. and transfer to Fiat Industrial S.p.A.

Under Italian law, following the Demerger, Fiat Industrial continues to be liable jointly with Fiat for liabilities of Fiat that arose prior to effectiveness of the Demerger and were still outstanding at that date. This statutory liability is limited to the value of the net assets attributed to Fiat Industrial in the Demerger and will survive until the liabilities of Fiat existing as of the Demerger will be satisfied in full. Furthermore, Fiat Industrial may be responsible jointly with Fiat in relation to tax liabilities, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. Such potential liabilities, like all other liabilities of Fiat Industrial, will be assumed by the company that becomes successor to Fiat Industrial following the Merger.

Fiat Industrial Group - Risks associated with pending legal proceedings

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations and other legal proceedings that arise in the ordinary course of its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain and although such lawsuits are not expected individually to have a material adverse effect on the Group's financial position or its profitability, such lawsuits could have, in the aggregate, a material adverse effect on the Group's consolidated financial position, cash flows, results of operations or profitability.

Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

Fiat Industrial Group - Risks associated with financial services

Credit risk

Fundamental to any organization that extends credit is the credit risk associated with customers. The creditworthiness of each customer, rates of delinquency, repossessions and net losses on customer loans are impacted by many factors, including:

- relevant industry and general economic conditions
- the availability of capital
- changes in interest rates
- the experience and skills of the customer's management team
- commodity prices
- political events
- weather
- the value of the collateral securing the extension of credit.

A deterioration in the quality of the Group's financial assets, an increase in delinquencies or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's financial services businesses. These risks become more acute in any economic slowdown or recession due to decreased demand for (or the availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, foreclosures and losses. In such circumstances, the Group's loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.

When loans default and the Group's financial services businesses repossess collateral securing the repayment of a loan, its ability to recover or mitigate losses by selling the collateral is subject to the market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as trucks and commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as trucks and commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as trucks and commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group's financial position, results of operations and cash flow.

Funding risk

The Group's financial services business has traditionally relied upon the asset-backed securitization ("ABS") market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to the Group's financial services business. From mid-2007 through 2009, events occurred in the global financial market, including the weakened financial condition of several major financial institutions, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected the Group's ability to sell receivables on a favorable or timely basis. Similar conditions in the future would have an adverse impact on the Group's financial position and results of operations. As the Group's financial services businesses finance a significant portion of the Group's sales of equipment, to the extent such financial services businesses are unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, additional reserve support has been added to certain previously-issued ABS transactions. Such optional support may be required to maintain credit ratings assigned to transactions if loss experiences are higher than anticipated. The need to provide additional reserve support could have an adverse effect on the Group's financial position, results of operations and cash flow.

Repurchase risk

In connection with the Group's ABS transactions, the Group makes customary representations and warranties regarding the assets being securitized, as disclosed in the related offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group's trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flow.

Regulatory risk

The operations of the Group's financial services businesses are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also subject to various laws and judicial and administrative decisions and interpretations imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements
- establish maximum interest rates, finance and other charges
- regulate customers' insurance coverage
- require disclosure to customers
- govern secured and unsecured transactions
- set collection, foreclosure, repossession and claims handling procedures and other trade practices
- prohibit discrimination in the extension of credit and administration of loans
- regulate the use and reporting of information related to a borrower

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or applicable laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect the Group's financial services businesses and the Group's financial position and results of operations.

Fiat Industrial Group - Risks associated with the significant outstanding indebtedness of the Group

The extent of the Group's indebtedness could have important consequences to its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes
- the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by current volatility in the financial markets resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of the combined entity. However, certain of the circumstances and risks described may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved in full or at all.

Fiat Industrial Group - Risks associated with covenants in the Group's debts agreements

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of companies in the Group to, among other things:

- incur additional debt
- make certain investments
- enter into certain types of transactions with affiliates
- sell certain assets or merge with or into other companies
- use assets as security in other transactions
- enter into sale and leaseback transactions

MAIN RISKS AND UNCERTAINTIES ASSOCIATED WITH THE FIAT INDUSTRIAL-CNH MERGER (THE "TRANSACTION")

Fiat Industrial Group - Risks associated with the Exchange Ratios

The Exchange Ratios set out in the Merger Agreement will not be adjusted for changes in the value of CNH common shares or the value of Fiat Industrial ordinary shares, or for changes in the relative value of the businesses of CNH or Fiat Industrial. If the value of CNH common shares relative to the value of Fiat Industrial ordinary shares increases or decreases (or the value of CNH business increases or decreases relative to the value of the Fiat Industrial business) prior to the effectiveness of the Merger, the market value of the NewCo's common shares that shareholders receive in the Merger may be higher or lower than the then-current relative values of their shares.

Fiat Industrial Group - Risks associated with the potential opposition of creditors

Pursuant to Article 2503 of the Italian Civil Code, the Fiat Industrial Merger cannot take effect until sixty days after the last registration required under Article 2502-*bis*, without prejudice to all other forms of protection guaranteed to creditors under the Italian Civil Code.

Fiat Industrial Group - Risks associated with directors and executive officers of Fiat Industrial and CNH having interests in relation to the Transaction that may differ from those of other Fiat Industrial or CNH shareholders

Some of Fiat Industrial's directors who recommend that Fiat Industrial shareholders vote in favor of the Fiat Industrial Merger Plan and the transactions contemplated thereby, could express interests that may be different from those of other shareholders of Fiat Industrial and CNH. The receipt of compensation or other benefits in connection with the Merger may influence these persons in making their recommendation that Fiat Industrial shareholders vote in favor of approval of the merger plan and the transactions contemplated thereby. Some of Fiat Industrial's executive officers also have benefit arrangements that could result in them having an interest in the Mergers.

Fiat Industrial Group - Risk associated with costs related to the Transaction

NewCo, Fiat Industrial and CNH have incurred, and expect to continue to incur, significant costs in connection with the Merger, including the fees of their respective professional advisors. In addition, Fiat Industrial may be obligated to pay in the aggregate up to €325,000,000 to shareholders that exercise statutory cash exit rights and to Fiat Industrial's creditors following their possible opposition to the Merger. NewCo, Fiat Industrial and CNH may incur unanticipated costs associated with the transaction and the listing of NewCo's common shares. Unanticipated costs may have an adverse impact on the results of operations of NewCo following the effectiveness of the Merger.

Fiat Industrial Group - Risks associated with the high-low voting structure to be adopted by NewCo

Fiat Industrial shareholders and CNH shareholders that are present or represented by proxy at the applicable extraordinary general meeting approving the Merger (regardless of how they vote) and continue to hold their Fiat Industrial ordinary shares and/or CNH common shares from the record date of the applicable extraordinary general meeting until the effectiveness of the Fiat Industrial Merger or the CNH Merger may elect to receive one special voting share in addition to each NewCo common share received in the Merger. In addition, following the Merger, persons who hold NewCo common shares for an uninterrupted period of at least three years may also elect to receive one special voting share in addition to each NewCo share held, provided that such shares have been registered in the Loyalty Register upon application by the relevant holder.

If Fiat Industrial and CNH shareholders holding a significant number of Fiat Industrial ordinary shares and/or CNH common shares elect to receive special voting shares in connection with the Merger or come to hold special voting shares after the Merger, or if NewCo shareholders holding a significant number of NewCo common shares for an uninterrupted period of at least three years elect to receive special voting shares, a relatively large proportion of the voting power in NewCo could be concentrated in some shareholders.

Fiat Industrial Group - Risks associated with the conditions precedent to the Transaction

Pursuant to the merger agreement, following shareholder approval, the effectiveness of the Merger will be subject to satisfaction or (to the extent permissible by law) waiver of the merger conditions. Execution of each merger will also be conditional on completion of the other. As such, there can be no guarantee at this stage that the Transaction will actually take place. Following the approval of the Merger by the Fiat Industrial shareholders, in the event that Fiat Industrial or CNH considers waiving certain of the Merger conditions, shareholder approval of any such waiver may not be required or sought.

Fiat Industrial Group - Risks associated with agreements that contain change of control clauses

Fiat Industrial and CNH are a party to joint ventures, supply agreements, license agreements, financing and other agreements and instruments, some of which contain provisions that may be triggered by the Merger, such as default provisions, termination provisions, acceleration provisions and/or mandatory repurchase provisions.

In addition, other agreements of Fiat Industrial and CNH may require the payment of fees in connection with the envisaged transaction. If Fiat Industrial or CNH is unable to obtain any necessary waiver or consent, the operation of the above provisions may cause the loss of significant contractual rights and benefits, the termination of joint venture agreements, supply agreements, licensing agreements or may require the renegotiation of financing agreements and/or the payment of significant fees. Investors cannot be assured that NewCo will be able to negotiate new agreements on terms as favorable as those that Fiat Industrial and CNH had, or at all.

Fiat Industrial Group - Risks associated with the tax implications of the Transaction

The tax implications of the transaction are under evaluation. The main tax risks arising from the Transaction are related to an exit tax issue and continuation of the tax consolidation in Italy.
The Merger is tax-neutral with respect to the Fiat Industrial S.p.A. assets that will remain connected with the Italian permanent establishment, but will result in the realization of capital gains or losses on those Fiat Industrial S.p.A. assets that are not connected with the Italian permanent establishment, giving rise to an exit tax. Under the proposed structure, only the Italian investments of Fiat Industrial S.p.A. will remain connected to an Italian permanent establishment.

As a consequence of the Transaction, a mandatory ruling request should be submitted to the Italian tax authorities in order to ensure continuity of the Fiscal Unit currently in place between Fiat Industrial and Fiat Industrial’s Italian subsidiaries. It is possible that the carried-forward tax losses generated by the Fiscal Unit could not be used to offset any exit gain or the future taxable income of the Fiscal Unit. No deferred tax assets have been accrued in relation to the above carried-forward tax losses.

FIAT GROUP

Fiat Group - Risks associated with global financial markets and general economic conditions

The Group's earnings and financial position may be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, the cost of commodities or other raw materials and the rate of unemployment – within the various countries in which it operates.

Beginning in 2008, global financial markets experienced severe disruptions, resulting in a material deterioration of the global economy. The global economic recession in 2008 and 2009, which affected essentially all regions and all business sectors, resulted in a sharp decline in demand for automobiles. Although 2010, 2011 and 2012 showed signs of a slow-paced global economic recovery, the overall global economic outlook remains uncertain.

In Europe, despite the measures taken by several governments, international and supranational organizations and monetary authorities to provide financial assistance to Eurozone member states and to recapitalize certain European banks in economic difficulty and to prevent the possibility of default by certain European countries on their sovereign debt obligations, concerns persist regarding the debt burden of certain Eurozone countries, including Italy, and their ability to meet future financial obligations, as well as the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual member states of the Eurozone. These ongoing concerns could have a detrimental impact on the global economic recovery, as well as on the financial condition of European institutions, which could result in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. In addition, widespread austerity measures in Europe and in any other countries in which the Group operates could continue to adversely affect consumer confidence, purchasing power and spending, which could adversely affect the Group's business prospects, earnings and financial position.

In addition, the lower pace of expansion is currently seen not only in advanced economies, but also in major emerging countries, such as China, Brazil and India. In addition to weaker export business, lower domestic demand also led to a slowing economy in these countries. All these potential developments could adversely affect the businesses and operations of the Group.

Following the acquisition of control of Chrysler in 2011, more than 50% of the Group's revenues are generated in the NAFTA region. A large portion of Chrysler's vehicle sales occur in North America (the U.S. and Canada). Although Chrysler is seeking to increase the proportion of its vehicle sales outside of North America (directly or through Fiat), it is expected that its results of operations will continue to depend substantially on vehicle sales in the principal North American markets, particularly the U.S. Any significant deterioration in the economic conditions in the U.S. and/or Canada may consequently adversely affect the Fiat Group's results of operations, financial position and cash flows.

In general, the sector in which the Group operates has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which it operates.

Additionally, even in the absence of slow growth or recession, other economic circumstances – such as increases in energy prices, fluctuations in prices of raw materials or contractions in infrastructure spending – could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with the high level of competition and cyclicality of the automobile industry

Substantially all of the Group's revenues are generated in the automobile industry, which is highly competitive and encompasses the production and distribution of passenger cars, light commercial vehicles and the related components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North and Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing,

fuel economy, reliability, safety, customer service and financial services offered.
Competition, particularly in pricing, has increased significantly in the Group's industry sector in recent years. In addition, partly as a result of the contraction in demand for automobiles, global production capacity for the car industry significantly exceeds current demand. This overcapacity, combined with high levels of competition and weakness of major economies, could intensify pricing pressures.

Fiat has a relatively high proportion of fixed costs and may have significant limitations on its ability to reduce fixed costs by closing facilities and/or reducing labor expenses. Fiat's competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidized financing or leasing programs, offering option package discounts, price rebates or other sales incentives, or by reducing vehicle prices in certain markets. In addition, manufacturers in countries which have lower production costs have announced that they intend to export lower-cost automobiles to established markets. These actions have had, and could continue to have, a negative impact on Fiat's vehicle pricing, market share, and operating results. Offering desirable vehicles that appeal to customers can mitigate the risks of increased price competition, while offering vehicles that are perceived to be less desirable (whether in terms of price, quality, styling, safety, or other attributes) can exacerbate these risks.

Changes in vehicle sales volumes can have a disproportionately large effect on Fiat's profitability because of the high level of fixed costs. In addition, the Group generally receives payments from vehicle sales to dealers within a few days of shipment from the assembly plants, whereas there is a lag between the time when parts and materials are received from suppliers and when Fiat pays for such parts and materials. As a result, the Group tends to operate with working capital supported by these payment terms, and periods of decline in vehicle sales therefore have a significant negative impact on cash flow and liquidity as the Group continues to pay suppliers during a period in which it receives reduced proceeds from vehicle sales. If vehicle sales were to decline to levels significantly below expected levels due to financial crisis, renewed recessionary conditions, changes in consumer confidence, geopolitical events, limited access to financing or other factors, the Group's financial condition and results of operations would be substantially adversely affected.

In the automobiles business, sales to end customers are cyclical and subject to changes in the general condition of the economy, the readiness of end customers to buy and their ability to obtain financing and the possible introduction of measures by governments to stimulate demand. The sector is also subject to constant renewal of product offerings through frequent launches of new models. A negative trend in the automobile business or the Group's inability to adapt effectively to external market conditions could have a material adverse impact on the business prospects, earnings and financial position of the Fiat Group.

Fiat Group - Risks associated with selling in international markets and exposure to changes in local conditions

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions
- import and/or export restrictions
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on repatriation of funds, and/or
- introduction of more stringent laws and regulations

Unfavorable developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with operating in emerging markets

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). In Brazil, the Group retains its position as the market leader, providing a key contribution to the Group's performance in terms of revenues and profitability. The Group's exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic and political developments in Brazil and other emerging markets, including economic crises or political instability, have had and could in the future have material adverse effects on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with the ability to enrich the Group's product portfolio and offer innovative products

The success of the Group's businesses depends, among other things, on their ability to maintain or increase their share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. On 30 October 2012, the Group outlined its strategic direction in response to the continued crisis in the European car industry, which includes leveraging its historical premium brand heritage (Alfa Romeo and Maserati), re-aligning its product portfolio and repositioning the business for the future. In order to regain profitability in the EMEA region, the Group intends to shift a significant portion of its product portfolio towards higher margin vehicles and to utilize the EMEA production base to develop the Group's global brands (Alfa Romeo, Maserati, Jeep and the Fiat 500 Family).

A failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors, with particular regard to the upper-end of the product range, in terms of price, quality, functionality and features, or delays in bringing strategic new models to the market, could impair the Group's strategy, which would have a material adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with the policy of targeted industrial alliances

The Group has engaged in the past, and may engage in the future, in significant corporate transactions such as mergers, acquisitions, joint ventures and restructurings, the success of which is difficult to predict. There can be no assurance that any such significant corporate transaction which might occur in the future will not encounter administrative, technical, industrial, operational, regulatory, political, financial or other difficulties (including difficulties related to control and coordination among different shareholders or business partners) and thus fail to produce the benefits expected of it. The failure of any significant strategic alliance, joint venture, merger or similar transaction could have an adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - Risk associated with the integration with Chrysler

The acquisition of a controlling interest in Chrysler and the related integration of the two businesses are intended to provide both Fiat and Chrysler with a number of long-term benefits, including sharing new vehicle platforms and powertrain technologies, as well as procurement benefits, management services and global distribution opportunities. The integration is also intended to facilitate both parties' penetration in several international markets where the companies' products would be attractive to consumers, but where one of the parties does not have significant market penetration.

The ability to realize the benefits of the integration is critical for Fiat and Chrysler to compete with their competitors. If the parties are unable to convert the opportunities presented by the integration into long-term commercial benefits, either by improving sales of vehicles and service parts, reducing costs or both, the Group's financial condition and results of operations may be materially adversely affected.

As a result, any adverse development for Chrysler and the related integration could have a material adverse effect on the Group's business prospects, financial condition and results of operations. Therefore, if the integration does not bring the intended benefits or changes in circumstances at Fiat or Chrysler occur, there may be a material adverse effect on the Group's business prospects, financial condition and results of operations.

Fiat Group - Risks associated with relationships with employees and suppliers

In many countries where the Group operates, Group employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production units and reductions in personnel. The laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and strategically repositioning its business activities. The Group's ability to reduce personnel or implement other permanent or temporary redundancy measures may be subject to government approvals and the agreement of the labor unions. Industrial action by employees could have an adverse impact on the Group's business activities.

Furthermore, the Group purchases raw materials and components from a large number of suppliers and relies on services and products provided by companies outside the Group. Some of these companies are highly unionized. Close collaboration between a manufacturer and its suppliers is common in the industries in which the Group operates and although this offers economic benefits in terms of cost reduction, it also means that the Group is reliant on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - Risk associated with increase in costs, disruption of supply or shortage of raw materials

Fiat uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium, rhodium and energy. The prices for these raw materials fluctuate and at times in recent periods, these commodity prices have increased significantly in response to changing market conditions. Fiat seeks to manage this exposure, but substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices. In addition, certain raw materials are sourced only from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside the Group's control and the control of its suppliers. For instance, the earthquake and tsunami in Japan in 2011 negatively affected commodity markets, and any similar event may have severe and unpredictable effects on the price of certain raw materials in the future. As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles.

Any interruption in the supply or any increase in the cost of raw materials, parts and components could negatively impact the Group's ability to achieve growth in vehicle sales and improved profitability.

Fiat Group - Risks associated with environmental and other government regulation

The Group's products and activities are subject to numerous environmental laws and regulations (local, national and international) which are becoming increasingly stringent in many countries in which it operates (particularly in the European Union). Such regulations govern, among other things, products – with requirements relating to emissions of polluting gases, reduced fuel consumption and safety becoming increasingly strict – and industrial plants – with requirements for emissions, treatment of waste and water and prohibitions on soil contamination. In order to comply with such laws and regulations, the Group employs considerable resources and expects it will continue to incur substantial costs in the future.

In addition, government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have material adverse effects on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with management

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. The loss of any senior executive, manager or other key employees without an adequate replacement or the inability to attract, retain and incentivize senior executive managers, other key employees or new qualified personnel could therefore have a material adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with financing requirements

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure levels of working capital and liquidity are maintained, further declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have material adverse effects on the Group's business prospects, earnings and financial position.

Fiat Group - Risks associated with Fiat indebtedness as a result of the acquisition of control of Chrysler

Even after the acquisition of control by Fiat, Chrysler continues to manage financial matters, including funding and cash management, separately. Additionally, Fiat has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of Chrysler, nor does it have any commitment to provide funding to Chrysler in the future.

In any case, certain bonds issued by Fiat include provisions that may be affected by circumstances related to Chrysler. In particular these bonds include cross-default clauses which may accelerate Fiat's obligation to repay its bonds in the event that a "material subsidiary" of Fiat fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of its obligations. As a result of Fiat's acquisition of control over Chrysler, Chrysler Group LLC is a "material subsidiary" and certain of its subsidiaries may become material subsidiaries of Fiat within the meaning of those bonds. Therefore, the cross-default provision could require early repayment of the Fiat bonds in the event Chrysler's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by Chrysler of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

Fiat Group - Risks associated with Fiat's credit rating

The ability to access the capital markets or other forms of financing and the related costs are dependent, amongst other things, on the Group's credit ratings. Following downgrades by the major rating agencies, Fiat is currently rated below investment grade, with corporate credit ratings of Ba3 (being B1 the senior unsecured rating) with negative outlook from Moody's Deutschland GmbH ("Moody's") , BB- with a stable outlook from Standard & Poor's Credit Market Services Italy S.r.l. ("S&P"), and BB with negative outlook from Fitch Ratings España S.A.U. ("Fitch").

The rating agencies review their ratings at least annually and, as such, the assignment of new ratings to Fiat during 2013 cannot be excluded. It is not currently possible to predict the timing or outcome of any rating review. Any further downgrade may increase Fiat's cost of capital and potentially limit its access to sources of financing with a consequent material adverse effect on Fiat's business prospects, financial condition and results of operations.

Chrysler has been assigned a corporate credit rating of B1 (with a stable outlook) by Moody's Investors Service and B+ (with a stable outlook) by Standard & Poor's Ratings Services. Because Chrysler has a lower corporate credit rating than Fiat, it is possible that further integration between Fiat and Chrysler could result in a rating review of Fiat and potentially a lower credit rating.

Fiat Group - Risks associated with restrictions arising out of Chrysler's debt instruments

In connection with the refinancing transactions finalized at the end of May 2011, Chrysler entered into a credit agreement for the senior secured credit facilities (including a revolving facility) and an indenture for two series of secured senior notes. These debt instruments include covenants that restrict Chrysler's ability to make certain distributions, prepay other debt, encumber assets, incur additional indebtedness, engage in certain business combinations, or undertake various other business activities.

The credit agreement governing the senior secured credit facility and the indenture governing the secured senior notes contain restrictive covenants that limit Chrysler's ability to, among other things:

- incur or guarantee additional secured indebtedness
- pay dividends or make distributions or purchase or redeem capital stock
- make certain other restricted payments
- incur liens
- transfer and sell assets
- enter into sale and lease-back transactions
- enter into transactions with affiliates (as defined in the relevant contractual documents), including Fiat, and
- effect a consolidation, amalgamation or certain merger or change of control (except for the acquisition of control by Fiat).

These restrictive covenants could have an adverse effect on Chrysler's business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In addition, the Senior Credit Facilities contain, and future indebtedness may contain, other and more restrictive covenants and also prohibit Chrysler from prepaying certain of its indebtedness. The Senior Credit Facilities require Chrysler to maintain borrowing base collateral coverage and a liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and any of the other indebtedness of Chrysler or result in cross-default under certain of its indebtedness.

Furthermore, the indenture governing the VEBA Trust Note limits the ability of Chrysler's subsidiaries to incur debt.

If Chrysler is unable to comply with all of these covenants, it may be in default, which could result in the acceleration of its outstanding indebtedness and foreclosure on mortgaged properties. In this case, Chrysler may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. In any case, even if new financing is made available to Chrysler in such circumstances, it may not be available on acceptable terms.

In addition, compliance with certain of these covenants could restrict Chrysler's ability to take certain actions that its management believes are in Chrysler's best long-term interests.

Should Chrysler be unable to undertake strategic initiatives due to the covenants provided for by the above instruments, Fiat's business prospects, financial condition and results of operations could be adversely affected.

Fiat Group - Risks associated with fluctuations in currency and interest rates and credit risk

The Group, which operates in numerous markets worldwide, is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the difference in geographic location between the Group's manufacturing activities and its commercial activities, resulting in cash flows from sales denominated in currencies that differ from those associated with purchases or production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for financing customers and dealers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Financial Services companies normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage risks associated with fluctuations in currency and interest rates through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have a material adverse effect on the Group's business prospects, earnings and financial position.

The Group's Financial Services activities are also subject to the risk of insolvency of dealers and end customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through the credit approval policies applied to dealers and end customers.

Fiat Group - Risks associated with the availability of adequate financing for Chrysler's dealers and retail customers

In the United States and Canada, Chrysler's dealers enter into wholesale financing arrangements to purchase vehicles from Chrysler and retail customers use a variety of finance and lease programs to acquire vehicles. Insufficient availability of financing to dealers and retail customers contributed to sharp declines in Chrysler's vehicle sales during 2008, and was one of the key factors leading to Chrysler's bankruptcy filing.

Chrysler's lack of a captive finance company may increase the risk that dealers and retail customers will not have access to sufficient financing on acceptable terms and may adversely affect vehicle sales in the future. Furthermore, most of Chrysler's competitors operate and control their own captive finance companies: as a result, they may be better able to implement financing programs designed principally to maximize vehicle sales in a manner that optimizes profitability for them and their captive finance companies on an aggregate basis. Since Chrysler's ability to compete also depends on access to appropriate sources of financing for dealers and retail customers, its lack of a captive finance company could adversely affect its results of operations. In addition, unless financing arrangements other than for retail purchase continue to be developed and offered by banks to retail customers in Canada, Chrysler's lack of a captive finance company could present a competitive disadvantage in Canada, since banks are restricted by law from providing retail lease financing in Canada.

In connection with the 2009 restructuring of the U.S. automotive industry, and with the assistance of the U.S. Treasury, Chrysler entered into an “Auto Finance Operating Agreement” with Ally Financial Inc. (hereafter “Ally”); the agreement with Ally extends through April 30, 2013, with automatic one year renewals unless either party elects not to renew. Ally historically was the captive finance company of General Motors Company, one of Chrysler’s main competitors. On April 25, 2012, Chrysler notified Ally of its election not to renew the above-mentioned agreement.

On February 6, 2013, Chrysler signed a 10-year private-label agreement, subject to early termination in certain circumstances, with Santander Consumer USA Inc. to provide a full range of wholesale and retail financing services to Chrysler and Fiat customers and dealers which will be provided under the Chrysler Capital brand name. The new financing service is scheduled to launch May 1, 2013. Under the agreement, Santander Consumer USA Inc. has also provided Chrysler with consideration in the form of a non-refundable upfront payment which is payable prior to the launch of the new financing service, as well as on-going revenue sharing opportunities and commitments with respect to available funding, approval and penetration rates, price competitiveness and certain exclusivity rights. Santander Consumer USA Inc. will bear the risk of loss on loans contemplated by the agreement and the parties will share in any residual gains and losses in respect of consumer leases, subject to specific provisions including caps on Chrysler’s participation in gains and losses contained in the Master Agreement. Ally Financial Inc. will continue to provide financial services to Chrysler and Fiat customers and dealers until April 30, 2013.

To the extent that Chrysler Capital is unable or unwilling to provide sufficient financing at competitive rates to Chrysler’s and Fiat’s dealers and retail customers, and dealers and retail customers do not otherwise have sufficient access to such financing, Chrysler’s and Fiat’s vehicle sales and market share may suffer, which would adversely affect the Group’s business prospects, earnings and financial position.

Fiat Group - Risks associated with Chrysler’s pension plans

Chrysler’s defined benefit pension plans are currently underfunded and its pension funding obligations may increase significantly if investment performance of plan assets does not keep pace with any increases in benefit payment obligations and Chrysler does not make additional contributions to offset these impacts. Mandatory funding obligations may increase based upon lower than anticipated returns on plan assets whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, and any changes in applicable law related to funding requirements. Chrysler’s defined benefit pension plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments. To determine the appropriate level of funding and contributions to the defined benefit pension plans, as well as the investment strategy for the plans, Chrysler is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities while reducing the present value of the obligations. Conversely, interest rate decreases will increase the value of investments in fixed income securities, partially offsetting the related increase in the present value of the obligations.

Chrysler is required to re-measure the discount rate annually and did so at December 31, 2012, resulting in an increase in the pension obligations. Any reduction in investment returns or the value of plan assets, or any increase in the present value of obligations may increase pension expenses and required contributions, and as a result constrain liquidity and materially adversely affect the financial condition and results of operations. If Chrysler fails to make required minimum funding contributions, it could be subjected to reportable event disclosure to the Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency.

If Fiat’s ownership in Chrysler were to exceed 80%, Fiat may become subject to certain US legal requirements making it secondarily responsible for any funding shortfall in certain of Chrysler’s pension plans in the event Chrysler were to become insolvent. Chrysler’s organizational documents contain certain protections designed to ensure that Fiat will not inadvertently become subject to these obligations.

C&W Group

The following is a summary of the risks and uncertainties that could potentially have a significant impact on the activities of C&W Group, Inc. (C&W). Additional risks and uncertainties not presently known to C&W or that C&W currently believes to be immaterial may also adversely affect C&W’s business.

C&W – Risks associated with general economic conditions

C&W’s success depends, in part, on the basic strength of the real estate markets in which C&W operates. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of C&W’s business lines.

These economic conditions can result in a general decline in acquisition, disposition and leasing activity, increase in credit cost and lack of credit availability, as well as a general decline in the value of commercial real estate and rents, which in turn can reduce revenue from property management and valuation fees and commissions derived from property sales, leasing and financing activities and increase volatility of certain business lines, such as capital markets, that generate fees based on the timing, size and pricing of transactions. The performance of the real estate markets depends upon many factors, almost all of which are beyond C&W’s control. Any prolonged downturn in the real estate markets could have a significant adverse effect on C&W’s ability to generate revenue and profits and on C&W’s business as a whole.

C&W – Risks associated with C&W’s credit facility

C&W's credit agreement imposes operating and other restrictions on C&W and many of its subsidiaries which may limit or prohibit various activities including: financing ongoing operations, strategic acquisitions, investments, paying dividends or making distributions on or repurchases of capital stock. The credit facility is guaranteed by the main assets of C&W Group. Failure to meet payments or other obligations under C&W’s credit agreement (financial covenants) could lead to increased interest rates.

C&W – Risks associated with seasonality

A significant portion of C&W's revenue is seasonal which can affect C&W's ability to compare financial condition and consolidated results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused revenue, operating income, net income and cash flows from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. The seasonality of C&W's business makes it more difficult to determine during the course of the year whether C&W’s business expectations will be achieved, and to adjust timely to changes in conditions.

C&W – Risks associated with the impairment of C&W’s goodwill and other intangible assets

In connection with EXOR's acquisition of Cushman & Wakefield, Inc. in 2007 and as a result of subsequent acquisitions, C&W has significant goodwill and other intangible assets on its books. A significant and sustained decline in future cash flows, a significant adverse change in the economic environment or slower revenue and EBITDA growth rates could result in the recognition of goodwill or other intangible asset impairment charges.

C&W – Risks associated with currency fluctuation

C&W's revenue from non-U.S. operations is denominated primarily in the local currency where the associated revenue was earned while the reporting currency of C&W is the U.S. dollar. Over time, fluctuations in the value of the U.S. dollar relative to the other currencies in which we generate earnings could adversely affect C&W's business, financial condition and operating results. In addition, constantly changing currency exposures and the volatility of currency exchange rates may make it more difficult to perform period-to-period comparisons of reported results of operations.

C&W – Risks associated with litigation

C&W's licensed employees and the licensed employees of C&W's global subsidiaries are subject to statutory due diligence, disclosure and standard-of-care obligations. Failure to fulfill these obligations could result in litigation with clients. In addition, C&W hires and supervises third-party contractors to provide certain services for C&W's managed properties. Depending on the terms of the contracts with C&W's clients, C&W may be subject to claims resulting from actions of such third-party contractors that it does not control. Any material claim or litigation could divert senior management's attention and delay implementation of C&W's business strategy, which could ultimately harm C&W's financial condition and results of operations. Some of these litigation risks may be mitigated by insurance maintained by C&W in amounts it believes are appropriate.

C&W – Risks associated with competition

C&W competes across a variety of business disciplines within the commercial real estate services industry. Although many of its competitors are local or regional firms and are substantially smaller than C&W, some of these competitors are larger on a local or regional basis. We are also subject to competition from other large national and multi-national firms that have similar service competencies to C&W. In general, there can be no assurance that we will be able to compete effectively, to maintain current fee levels or margins, or maintain or increase C&W's market share.

C&W - Risks associated with ability to attract and retain qualified and experienced employees

C&W's continued success is highly dependent upon the efforts of its executive officers and other key employees. If any of C&W's key employees leave and C&W is unable to quickly hire and integrate a qualified replacement, C&W's business, financial condition and results of operations may suffer. In addition, the growth of C&W's business is largely dependent upon C&W's ability to attract and retain qualified personnel in all areas of C&W's business, including brokerage and property management personnel, and competition for key employees among C&W and its competitors is intense. If C&W is unable to attract and retain qualified personnel, C&W's growth may be limited and its business and operating results could suffer.

C&W – Risks associated with operations in multiple jurisdictions with complex and varied tax regimes

C&W operates in many jurisdictions with complex and varied tax regimes and is subject to different forms of taxation resulting in a variable effective tax rate. Adverse tax filings, failure to adequately support tax positions, non-compliance with tax regulations, errors in tax preparation and disagreements with the tax authorities on the application of tax law and tax claims arising from tax audits may result in the disqualification of tax positions taken, tax penalties and could have an adverse effect on C&W's results of operations.

C&W – Risks associated with the protection of C&W's intellectual property

C&W's business depends, in part, on C&W's ability to identify and protect proprietary information and other intellectual property such as C&W's trade and service marks, domain names, client lists and information, business methods and research. C&W's inability to detect unauthorized use or take appropriate or timely steps to enforce C&W's intellectual property rights may have an adverse effect on our business and lead to claims against Cushman & Wakefield.

C&W - Risks associated with non-compliance with policies and Global Code of Business Conduct

The global nature of C&W's business makes it challenging to communicate the importance of adherence to our policies and Global Code of Business Conduct, to monitor and enforce compliance with its provisions on a worldwide basis and to ensure local compliance with US and UK laws that apply globally in some circumstances (e.g. the Foreign Corrupt Practices Act, the Patriot Act and the UK Bribery Act). Breaches of our Global Code of Conduct could have a material adverse effect.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks associated with general economic conditions

Overall, Juventus' financial position, income statement and cash flows are affected by general economic conditions. However, despite the fact that most of the company's income items are tied to long-term contracts, if the situation of weakness and uncertainty which characterizes the Italian and European economy lengthens significantly, the activities, strategies and prospects of the company may be negatively affected, particularly in terms of the radio and television rights market, sponsorships, revenues for the new stadium and all sales activities targeting supporters.

Juventus Football Club - Risks associated with the sponsorship market

From a general viewpoint, the crisis which has hit financial markets in recent years and the consequent ongoing recession are affecting the market of sports sponsorships which currently has a narrower timeframe of promotional and advertising investments made by partner companies. The effect of this shift in the market in the short term has been to lower the proportion of long-term sponsorship revenues compared with the past. If the economic crisis should continue, growth in sponsorship revenues may fall below our expectations, with the result that Juventus' financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks associated with the ability to attract "human capital"

Achieving sports and economic results depends on the ability to attract and keep top quality managers, players and technical staff and, therefore, requires payment of salaries in line with those of the main competitors in Italy and Europe. The inability to keep "key people" may have a negative impact on the actual ability to manage and on the Club's growth prospects.

Juventus Football Club - Risks associated with funding requirements

Numerous factors affect Juventus' financial position. In particular, these include the fulfillment of sports and business objectives, as well as trends in general economic conditions and in the markets in which the company operates. In accordance with the company's risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. In addition to this, the Company holds its cash and cash equivalents as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the adverse situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded, which would give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks associated with business sector

Players' registration rights represent the company's main factor of production. Sports activities are subject to risks connected to players' physical health and fitness. Injuries and accidents, therefore, can potentially have a significant impact at any time on the company's financial position and income statement.

In addition, given that the business also focuses on the commercial exploitation of the trademark, trademark infringement by third parties is another risk the company faces. The arrival on the market of a large number of imitation goods bearing the Juventus trademark or the occurrence of events that may impair the market value of the trademark would potentially have an adverse impact on the company's financial position, income statement and cash flows.

Finally, the Company is exposed to risks connected with supporter behavior, which may result in fines, sanctions or other punishments being levied on Juventus, and indirect damages to the Club's image, which may lead to lower stadium turnout and lower merchandising sales.

Juventus Football Club - Risks associated with the Transfer Campaign

The company's business and financial performance are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared with the Development Plan and guidelines related to sports management defined annually could result in negative impacts on the company's financial situation. Moreover, having a squad of players that do not meet the technical and tactical requirements of the trainer and the strategic needs of the sporting director raises the risk of not being able to optimize the playing side, bringing unexpected or excessive costs, amortization charges and players' wages.

Juventus Football Club - Risks related to relations with footballers

Like all its main competitors, the company has been faced with a significant increase in salaries and bonuses for footballers in recent years as well as in the cost of players' registration rights. If the value of footballers were to continue increasing at a significant rate, purchasing the registration rights for new players could become more problematic, especially if the value of the Club's footballers to sell did not increase proportionately.

It cannot be excluded that these trends may continue in future years, affecting the company's strategy and the dynamic management of its playing assets, and may have negative effects on the company's financial position, income statement and cash flows, as well as on its activities, strategies and prospects.

For the relations in question, it is important to underline the risk connected with a failure of footballers who are no longer part of the Company's technical program to accept transfers with the consequent incurring of costs for unexpected or excessive amortization charges and players wages, a risk that all football clubs have in common.

Juventus Football Club - Risks associated with radio and television rights

The company's revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold. New rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds, have reduced Juventus' revenues on a national level, bearing a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market as well as a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from centralized and collective sale of radio and television rights may lead to an additional significant reduction of revenues in the future with negative impact on Juventus' financial position, income statement and cash flows.

Moreover, in recent years live streaming and piracy on Internet have caused and continue to cause the loss of income for TV broadcasters which could lead them to change the investments in the sector with a negative impact on Juventus' financial position, income statement and cash flows.

Juventus Football Club - Risks associated with management of the company-owned stadium

Starting with the 2011/2012 season, Juventus became the first Serie A team to own its own stadium. This means that the company is now responsible for it with the consequent risks related to the structure of the stadium and management of the surrounding public areas used for parking. Activities at the Juventus Stadium could be suspended following natural disasters and other events beyond the company's control with consequent negative impacts on Juventus' financial position, income statement and cash flows.

Management of the new stadium and public parking areas during events may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Lastly, a reduction of supporters and played matches would have a negative effect on Juventus' financial position, income statement and cash flows.

Juventus Football Club - Risks associated with fluctuations in interest rates and exchange rates

Juventus uses various forms of funding to assure the cash flow needed for its business. These include credit lines for cash advances and credit commitments, financial leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. The company has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates to finance medium-long term investments. Despite this, sudden changes in interest rates could potentially have an adverse impact on the company's financial position and income due to higher financial expenses on short-term borrowing.

Juventus conducts almost all its purchase and sale transactions in euro. As a result, the company is not exposed in any significant way to the risk of exchange rate fluctuations.

Juventus Football Club - Risks associated with the missed qualification for sports tournaments

The company's financial performance is significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top two ranking teams in the *Serie A* Championship, while the third-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify for the tournament, even where due to a reduction in the number of participating sides, as well as failure to obtain the UEFA license, including in light of the new so-called "Financial Fair Play" rules, could potentially have an adverse impact on the company's financial position and income statement.

Juventus Football Club - Risks associated with Financial Fair Play

The UEFA Executive Committee recently approved the European-wide introduction of a licensing system for the admission of football clubs to the club competitions that it organizes (UEFA Champions League, UEFA Europe League and UEFA Supercup). Based on this system, only football clubs which prove they satisfy the sporting, infrastructure, personnel and administrative, legal and financial criteria, along with the required title are allowed to participate in European competitions and thus obtain the so-called "UEFA License". The UEFA Club Licensing manual also incorporates Financial Fair Play Regulations.

Financial Fair Play is based on the break-even principle, according to which the clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs. A short description is given below of the man financial-economic and equity parameters applied by UEFA for admission to its competitions. As of the 2013/2014 Football Season, each club will be required to show it has:

- financial statements certified by an independent auditor demonstrating that the club is a going concern;
- non-negative equity;
- no overdue payables towards football clubs, employees, and/or social/tax authorities;
- a positive break-even result, demonstrating compliance with the break-even rule, for the two years preceding the entry into force of the new UEFA regulations (i.e., for the 2011/2012 and 2012/2013 football seasons) or, for future applicants, for the three consecutive years preceding the club's application for a UEFA License.

It is not possible to predict if in the future these requirements (or new requirements approved in the meantime) will be complied with, nor can it be excluded that clubs may be required to have additional funding to meet the requirements needed for the UEFA License. If the company is not able to meet the above requirements, it may be excluded from participation in European competitions, bearing an adverse impact on its financial position and income statement.

Juventus Football Club - Risks associated with Transfer Campaign regulations for the sector

Under the internal organizational rules (NOIF) issued by the Italian Football Federation (FIGC), Italian football clubs are required to file a series of accounts and financial documents with the supervisory commission COVISOC, including a “VP/FD report” stating the club’s value of production as a ratio of its financial debt. In accordance with the aforementioned regulations, a minimum ratio requirement is set annually by the Federal Council of the FIGC, at the advice of the COVISOC. In the event of non-compliance with the minimum ratio requirement at March 31 and September 30, any acquisitions by the non-compliant club of players’ registration rights will be suspended unless the full cost of the acquisition is covered by: a) the disposal of players to other FIGC clubs, via sale contracts filed previously or together with the acquisition agreement; b) an increase in equity, raised via payments to a future share issue account, or via the issue of new share capital, or via deferred and non-interest bearing shareholder loans. It is not possible to predict whether the requirement (or any other requirements and criteria introduced in the future) might be breached, bearing an impact on operations.

Juventus Football Club - Risks associated with the outcome of pending litigation

With the assistance of its legal advisers, the company manages and constantly monitors all current disputes and, on the basis of the outcome that can be predicted for them, proceeds, when necessary, with the allocation of specific risk provisions.

Future negative effects, both minor and major, on Juventus’ financial position, income statement and cash flows cannot be excluded on the basis of the current disputes.

SIGNIFICANT EVENTS IN 2012

Subscription to Juventus' capital increase and purchase of option rights

In January 2012 EXOR S.p.A. subscribed to its entire share of Juventus Football Club's capital increase, corresponding to 483,736,664 new shares, for a total of €72 million, which had already been paid on September 23, 2011 against a future increase in share capital.

Moreover, in January 2012, EXOR purchased 9,485,117 rights offered on the stock market for an outlay of €67 thousand, subscribing to the corresponding 37,940,468 shares for an equivalent amount of €5.6 million (3.765% of share capital). EXOR S.p.A. currently holds 642,611,298 shares, equal to 63.77% of Juventus Football Club's share capital.

Increase in the investment in Fiat and Fiat Industrial

During the first quarter of 2012 EXOR S.p.A. purchased on the market 7,597,613 Fiat savings shares (9.51% of the class) and 2,826,170 Fiat Industrial savings shares (3.54% of the class) for a total equivalent amount, respectively, of €30.8 million and €16 million, before the conversion of preferred and savings shares into ordinary shares proposed by the meetings of the boards of directors of Fiat S.p.A. and Fiat Industrial S.p.A. on February 22, 2012.

On May 21, 2012, the resolution passed by the special shareholders' meetings of Fiat S.p.A. and Fiat Industrial S.p.A. was implemented for the mandatory conversion of all preferred and savings shares into ordinary shares of the respective companies.

Following the completion of both conversions, EXOR held 375,803,870 Fiat S.p.A. ordinary shares and 366,908,896 Fiat Industrial S.p.A. ordinary shares corresponding to 30.05% and 30.01% of share capital, respectively.

In addition, in early July EXOR exercised the rights to buy Fiat Industrial S.p.A. ordinary shares resulting from the withdrawal rights exercised by Fiat Industrial S.p.A. shareholders who had not approved the conversion of the preferred and savings shares into ordinary shares. EXOR purchased 19,004 ordinary shares for a total equivalent amount of €113 thousand.

After this purchase EXOR holds 366,927,900 Fiat Industrial ordinary shares, or 30.01% of share capital.

Sale of the subsidiary Alpitour S.p.A. and purchase of the Arenella hotel property

The sale of Alpitour S.p.A. to Seagull S.p.A., a subsidiary controlled by two closed-end private equity funds owned by Wise SGR S.p.A. and J.Hirsch & Co., in addition to other financial investors, was completed on April 20, 2012.

The consideration on the sale was €225 million, which included the deferred price (Deferred Price) of €15 million, plus interest. The final total consideration will also take into account a performance-related earn-out payment to be calculated on the eventual sale by the investors of their majority interest in Alpitour.

At the same time of the sale, EXOR committed to purchase from Alpitour Group a hotel for consideration of €26 million. The transaction for the purchase of the Arenella property was finalized on October 10, 2012; the purchase did not require a cash outlay since the equivalent amount of the purchase was compensated with a part of the price on the sale transaction.

The property was leased to the Alpitour Group, guaranteeing EXOR a return linked to the results of the building's management, with a minimum guaranteed payment.

In the period after the purchase, objections were raised on the part of the buyer regarding events that took place prior to the sale of Alpitour S.p.A.

Certain objections were definitely resolved by reducing the deferred price by €1.1 million and recognizing expenses for the same amount; for some others, which will presumably be settled during 2013, expenses are estimated at €3.5 million.

Finally, EXOR acquired an approximate 10% interest in Seagull S.p.A. for €10 million.

The sale of Alpitour S.p.A. to Seagull S.p.A. generated a net gain for EXOR in the separate financial statements of €135.9 million (€157.5 million on consolidation).

Partial sale of the investment in BTG Pactual

As part of the process for listing Banco BTG Pactual, on April 30, 2012 EXOR S.A. sold 87% of its investment in the BTG Pactual Group, originally equal to €19 million.
The transaction led to an approximate 20% return on the interest sold and brought EXOR S.A. a total gain of €5.2 million.

Appointment of EXOR's Chief Operating Officer

On May 4, 2012 EXOR appointed Shahriar Tadjbakhsh Chief Operating Officer (COO) of the Company with effect from June.
The COO works closely with the Chairman and Chief Executive Officer John Elkann in the management of EXOR's investment portfolio that - in line with announcements – is increasingly focused on a smaller number of companies of global scale and relevance.
Based in Turin, the COO works alongside Managing Directors, Mario Bonaccorso and Alessandro Nasi, who are both focused on EXOR's investment activities.
The current Chief Financial Officer, Enrico Vellano, was confirmed as the manager in charge of all EXOR's corporate support functions.

Resolutions by the shareholders' meeting held on May 29 2012

The EXOR shareholders' meeting held on May 29, 2012 approved the separate financial statements at December 31, 2011 and approved the payment of dividends equal to €0.335 for each ordinary share, €0.3867 for each preferred share and €0.4131 for each savings share, for a total maximum amount of €80.1 million. The declared dividends are payable to shares outstanding, thus excluding shares held directly by EXOR S.p.A. at the June 18, 2012 ex-dividend date; dividends will be paid beginning June 21, 2012.

The same shareholders' meeting appointed the 15 members of the EXOR board of directors for the year 2012 to 2014:
Victor Bischoff (independent director), Andrea Agnelli, Vittorio Avogadro di Collobiano, Tiberto Brandolini d'Adda, Giuseppina Capaldo (independent director), John Elkann, Luca Ferrero Ventimiglia, Mina Gerowin (independent director), Jae Yong Lee (independent director), Sergio Marchionne, Alessandro Nasi, Lupo Rattazzi, Giuseppe Recchi (independent director), Eduardo Teodorani-Fabbri and Michelangelo Volpi (independent director).

The shareholders' meeting also appointed the board of statutory auditors composed of Sergio Duca (Chairman), Nicoletta Paracchini and Paolo Piccatti (regular auditors); Giorgio Ferrino and Ruggero Tabone were appointed alternate auditors.
The board of directors meeting held on the same date confirmed John Elkann as Chairman and Chief Executive Officer and Tiberto Brandolini d'Adda as Vice Chairman, appointing Alessandro Nasi as Vice Chairman. The board then appointed Pio Teodorani Fabbri as Honorary Chairman, joining the current Honorary Chairman Gianluigi Gabetti.
The Supervisory Body was also confirmed pursuant to Legislative Decree 231/2001 and is composed of Sergio Duca, Giuseppe Zanalda and Fernando Massara.
Enrico Vellano was confirmed as the manager in charge of the preparation of the Company's financial reports.

The shareholders' meeting passed a resolution for the renewal of the authorization for the purchase and disposal of shares, put forward by the board of directors on April 6, 2012. Such authorization allows the Company to purchase on the market, for 18 months from the shareholders' resolution, ordinary and/or preferred and/or savings shares, for a maximum number such as not to exceed the limit established by law, for a maximum outlay of €450 million. On the same date, the board of directors approved a new buyback program which provides for a maximum outlay of €50 million to be carried out by November 29, 2013, the date of expiration of the resolution referred to above.

The shareholders' meeting then approved the new Incentive Plan pursuant to art. 114 *bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.
The plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to approximately 30 recipients; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the Company and with the Companies in the Holdings System;

- under the second part of the Plan, denominated “Company Performance Stock Options”, a total of 3 million options will be granted to the recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR’s NAV will be higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana’s trading prices for EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the Company, John Elkann, is the recipient of the Company Performance Stock Options and received 750,000 options.

The employee recipients of the Incentive Plan will be identified by the Chairman and Chief Executive Officer of EXOR S.p.A. The Plan will be serviced by treasury stock and therefore will not have a dilutive effect since there will be no issue of new shares.

Further details on the grants relating to the two stock option plans are described in the section “Review of the Consolidated Results of the EXOR Group – Shortened” and in the notes.

Investment in The Black Ant Value Fund

On June 1, 2012 EXOR finalized a €300 million investment in an Irish-registered fund managed for EXOR by The Black Ant Group LLP, which principally invests in equity and credit instruments. The investment has a time frame of five years.

Investment in Paris Orléans

In June 2012 EXOR S.A. acquired a 2.09% stake in Paris Orléans (1.66% of the voting rights) for an equivalent amount of €25 million. The interest was acquired through a tender offer launched by the parent Rothschild Concordia S.A.S. on Paris Orléans.

Partial subscription to Sequana’s capital increase and dissolution of the EXOR-DLMD shareholders’ agreement

Following the €150 million capital increase launched by Sequana S.A. in June 2012 in order to accelerate its development plan, EXOR S.A. partially exercised its rights, ceding its unexercised rights to the French government-controlled Strategic Investment Fund (FSI) for an equivalent amount of €3.5 million.

As a result of these transactions, EXOR S.A. now holds an 18.74% stake in Sequana. The holding is now diluted to below 20% consistently with the strategy to simplify and reduce its minor investments.

At the same time, EXOR S.A. ended the shareholders’ agreement signed with DLMD on July 21, 2010.

These transactions generated a net loss of €147.4 million on consolidation.

Investment in Almacantar

On August 3 and on December 17, 2012 EXOR S.A. paid respectively £5.5 million (€6.9 million) and £3.6 million (€4.1 million) against the residual amount due on Almacantar S.A.’s capital increase that was fully subscribed to in 2011 but not completely paid.

Issue of EXOR bonds 2012-2019

On October 16, 2012, EXOR completed the issue of non-convertible bonds for €150 million, maturing October 16, 2019, through a private placement to qualified institutional investors.

The bonds, listed on the Main Regulated Market of the Luxembourg Stock Exchange, were assigned a rating of BBB+ by Standard & Poor’s and pay a fixed annual coupon of 4.750% (effective yield to maturity is 5.073%).

Issue of EXOR bonds 2012-2025

On December 7, 2012, EXOR. completed the issue of non-convertible bonds for €100 million, maturing January 31, 2025, through a private placement to a qualified institutional investor. Net proceeds from the placement total approximately €97.8 million.

The bonds, listed on the Main Regulated Market of the Luxembourg Stock Exchange, pay a fixed annual coupon of 5.250% and were rated BBB+ by Standard & Poor's.

Agreement with CNH Global N.V.

With regard to the merger transaction between the companies Fiat Industrial S.p.A. and CNH Global N.V., on December 11, 2012 EXOR S.p.A. announced that it had signed an agreement with CNH Global N.V. in which it committed to vote all of its Fiat Industrial shares in favor of the merger transaction, in confirmation of what was announced on November 26, 2012.

The agreement will terminate on approval of the merger resolutions by the shareholders' meetings of the interested companies.

Termination of investment commitments with the Jardine Matheson Group and Rothschild

On December 21, 2012, EXOR S.A., the Jardine Matheson Group and Rothschild reached a conclusive agreement to cancel all remaining commitments under the original June 9, 2010 agreement, as well as dissolve the partnership itself.

Criminal case relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

The acquittal judgment reached by the Court of Turin on December 21, 2010 with respect to the defendants Gianluigi Gabetti, Franzo Grande Stevens, Virgilio Marrone and the companies IFIL (now EXOR) and Giovanni Agnelli e C., was appealed to the Supreme Court of Cassation, *inter alia,* by the Public Prosecutor's Office of Turin, with an act of notification to the Company on June 3, 2011. In the ruling handed down after the hearing on June 20, 2012, the Supreme Court partially reversed the Court of Turin's decision, transferring the case to the Turin Court of Appeals for judgment of the second instance regarding Gianluigi Gabetti, Franzo Grande Stevens and the companies EXOR and Giovanni Agnelli e C., completely acquitting Virgilio Marrone. The judgment issued by the Court of Appeals on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C.

The judgments on the positions of Gianluigi Gabetti and Franzo Grande Stevens are still pending.

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2013

Appointment of the common representative of the holders of EXOR preferred shares

On January 15, 2013, the EXOR preferred shares shareholders' meeting appointed Oreste Cagnasso as the preferred shareholders' common representative for the next three-year period 2013-2015.

Dividends and distribution of reserves to be received during 2013

The dividends and distribution of reserves already approved by some investment holdings are presented below.

.

	Class of	Number of		Dividends		
Holding	shares	shares		Per share	Total (€/ml)	
Fiat Industrial S.p.A.	ordinary	366,927,900	€	0.225	82.6	
EXOR share to be received					**82.6**	
SGS. S.A.	ordinary	1,173,400	CHF	58	55.7	(a)
Gruppo Banca Leonardo S.p.A.	ordinary	45,459,968	€	0.120	5.5	
EXOR S.A.'s share to be received					**61.2**	

(a) CHF 68.1 million translated at the rate of 1.2209.

Mandatory conversion of EXOR's preferred and savings shares

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 resolved to propose to the shareholders the conversion of the Company's preferred and savings shares into ordinary shares.

The proposed conversion is intended to streamline the capital structure of the Company, creating conditions for greater transparency, and simplify the governance structure. In addition, the conversion will eliminate classes of securities that have had very limited trading volumes, replacing them with ordinary shares, whose liquidity will be enhanced through the transaction, to the benefit of all shareholders.

The proposals were approved by the special meetings of the preferred and savings shareholders and the extraordinary session of the general meeting of the shareholders held, respectively, on March 19, 2013 and March 20, 2013.

Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) will be entitled to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. The consideration to be paid to the withdrawing shareholders will be equal to €16.972 for each preferred share and €16.899 for each savings share. These values have been calculated to correspond, according to applicable laws, exclusively to the arithmetic average of the closing prices recorded on the stock market during the six months period prior to the issuance of such notice.

The conversion of each class of shares will be conditional upon the cash amount to be paid by the Company pursuant to article 2437-quater of the Italian Civil Code to the withdrawing shareholders not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits is exceeded for any given class, the conversion of both classes of shares will nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes does not exceed €100 million.

Sale of the Perfect Vision Mandatory Convertible Bonds

On March 8, 2013, EXOR S.A. concluded the sale of the Perfect Vision Mandatory Convertible Bonds to Vision Investment Management for an equivalent amount of $9.7 million (€7.4 million). At December 31, 2012, the price of the bonds was adjusted to the above sales price and an impairment loss was recorded for €1.9 million.

Buyback of treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified by the board of directors' meeting on February 11, 2013, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the period January 1, to April 16, 2013, EXOR purchased 3,135,000 ordinary shares (1.96% of the class) at the average price per share of €21.86 for a total of €68.5 million, 719,000 preferred shares (0.94% of the class) at the average price per share of €21.55 for a total of €15.5 million, in addition to 170,100 savings shares (1.86% of the class) at the average price per share of €21.79 for a total of €3.7 million. The overall investment was €87.7 million.

Investment in Almacantar

On April 4, 2013, EXOR S.A. paid Almacantar £8 million (€9.4 million) against the remaining amount due on Almacantar S.A.'s capital increase that was fully subscribed to in 2011 but not completely paid.

BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2013.

At the consolidated level, the year 2013 should show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. Their most recent forecasts formulated and reported in their financial reports at December 31, 2012 are presented below.

Fiat Industrial Group

On the back of the Group's performance to date and expectations of continuing strong trading conditions across all sectors, especially CNH, Fiat Industrial is setting 2013 guidance as follows:

- revenues up 5%;
- trading margin between 8.3% and 8.5%;
- net industrial debt between €1.1 billion and €1.4 billion.

Fiat Group

At the end of the third quarter of 2012, the Fiat Group outlined its strategic direction in response to the continued crisis in the European car industry, which was brought to a head by the wider economic crisis. At the same time, the Fiat Group also gave an updated financial plan for 2013-2014. Market conditions in the NAFTA, LATAM and APAC regions continue to support the financial projections for 2013 and, while the European market still presents significant levels of uncertainty, the Group confirms its guidance for 2013 in line with the updated plan as follows:

- revenues in the €88 billion - €92 billion range;
- trading profit in the €4 billion - €4.5 billion range;
- net profit in the €1.2 billion - €1.5 billion;
- net industrial debt of approximately €7 billion.

C&W Group

Under difficult market conditions and while still investing in the firm's growth initiatives, C&W was able to complete 2012 with an increase in year-over-year net revenues and EBITDA growth of 1.6% and 14.9%, respectively, with a positive trend demonstrated by the fourth quarter 2012 activity. Cushman & Wakefield's management team remains focused on enhancing market share in key markets around the globe and looks forward to taking advantage of its strong brand and the optimism for further economic recovery in 2013.

Almacantar

During the first quarter of 2013, Almacantar will continue to focus on activities to successfully obtain building permits during the year for Marble Arch Tower and Centre Point and to maximize income generation in the period before the start of building works. The London real estate market should remain stable due to the continuous demand for rental space and activity by institutional investors. Almacantar believes there are further opportunities to increase value in the real estate market.

As anticipated, Almacantar reported a profit for the year ended December 31, 2012. Positive results are expected to continue into the first quarter of 2013 due to the rental revenues generated by properties currently owned.

Juventus Football Club

The forecast for the 2012/2013 financial year is for a loss, although with a significant improvement over the previous year due to the fact that the negative economic effects (amortization and salaries) resulting from the renewal process for the First Team bench are partially offset by revenues from the participation in the UEFA Champions League and further moderate increases in revenues from the stadium and television and radio rights. Furthermore, the team's performance in the season finals may still have considerable impact on the results of the financial year.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closed the year 2012 with a profit of €150.5 million (€58.7 million in 2011).

The increase in the profit for the year is due to the gain realized on the sale of Alpitour (€135.9 million) compared with the loss realized in 2011 on the sale of the investment in Intesa Sanpaolo (€8 million) and the impairment loss on the subsidiary Juventus Football Club (€56.2 million), lower recurring expenses and non-deductible VAT (€1.2 million), the positive change in taxes (€2.1 million) net of lower dividends received from investments (-€88.9 million), higher net financial expenses (-€20.8 million) and lower net non-recurring income (-€1.9 million).

The separate condensed income statement and statement of financial position, as well as comments on the most significant line items are presented below.

EXOR S.p.A. – Condensed Income Statement

€ million	Note	2012	2011	Change
Dividends from investments	1	**82.8**	171.7	(88.9)
Gains (losses) on disposals and impairments of investments	2	**135.9**	(64.2)	200.1
Net financial expenses	3	**(48.5)**	(27.7)	(20.8)
Net general expenses	4	**(19.1)**	(19.8)	0.7
Non-recurring other income (expenses) and general expenses	5	**0.4**	2.3	(1.9)
Non-deductible VAT and other taxes and duties		**(1.5)**	(2.0)	0.5
Profit before income taxes		**150.0**	60.3	89.7
Income taxes		**0.5**	(1.6)	2.1
Profit for the year		**150.5**	58.7	91.8

EXOR S.p.A. - Condensed Statement of Financial Position

		12/31/2012		12/31/2011		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available for sale	6	**4,252.6**	**86.7**	3,817.3	83.6	435.3
Other non-current financial assets		**125.4**	**2.6**	115.8	2.5	9.6
Current financial assets		**518.1**	**10.6**	529.6	11.6	(11.5)
Financial receivables from subsidiaries		**1.8**	**0.0**	0.0	0.0	1.8
Tax Receivables		**4.5**	**0.1**	25.1	0.5	(20.6)
Other current and non-current assets		**1.4**	**0.0**	1.7	0.0	(0.3)
Non-current assets held for sale		**0.0**	**0.0**	82.5	1.8	(82.5)
Total Assets		**4,903.8**	**100.0**	4,572.0	100.0	331.8
Equity	7	**3,519.6**	**71.8**	3,445.4	75.3	74.2
Bonds		**1,079.5**	**22.0**	845.8	18.5	233.7
Current and non-current bank debt		**200.0**	**4.1**	200.0	4.4	0.0
Other current financial liabilities		**70.3**	**1.4**	48.1	1.1	22.2
Provisions and other current and non-current liabilitie		**34.4**	**0.7**	32.7	0.7	1.7
Total Equity and Liabilities		**4,903.8**	**100.0**	4,572.0	100.0	331.8

1. Dividends from investments

In 2012, dividends from investments amount to €82.8 million and include dividends collected from Fiat Industrial for €71.3 million, Fiat for €10.8 million, Rho Immobiliare Fund for €0.7 million and Emittenti Titoli (€35 thousand).

In 2011, dividends of €171.7 million came from Fiat for €40.3 million, Intesa Sanpaolo for €0.8 million, Rho Immobiliare Fund for €0.5 million, Emittenti Titoli for €0.1 million and from EXOR S.A. for €130 million.

2. Gains (losses) on disposals and impairments of investments

In 2012, gains (losses) on disposals and impairments of investments include the gain of €135.9 million relating to the sale of Alpitour with proceeds of €225 million, of which €15 million for the Deferred Price and €26 million for the consideration on a building complex purchased in October 2012.

3. Net financial expenses

Net financial expenses amount to €48.5 million in 2012. This is a net increase of €20.8 million compared with 2011 (€27.7 million).

4. Net general expenses

Net general expenses total €19.1 million and decreased €0.7 million compared with 2011 (€19.8 million).

5. Non-recurring other income (expenses) and general expenses

The net balance of income of €0.4 million relates to non-recurring revenues for the year net of the costs for the employee reduction plan, fees incurred for defense in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005 and tax consulting fees.

6. Investments and other financial assets available-for-sale

Details are as follows:

€ million	12/31/2012	12/31/2011	Change
Accounted for at cost			
Fiat Industrial S.p.A. (ordinary shares)	**1,690.3**	1,482.7	207.6
Fiat Industrial S.p.A. (preferred shares)	**0.0**	130.6	(130.6)
Fiat Industrial S.p.A. (savings shares)	**0.0**	61.0	(61.0)
	1,690.3	1,674.3	16.0
Fiat S.p.A. (ordinary shares)	**1,324.7**	1,137.9	186.8
Fiat S.p.A. (preferred shares)	**0.0**	119.8	(119.8)
Fiat S.p.A. (savings shares)	**0.0**	36.1	(36.1)
	1,324.7	1,293.8	30.9
EXOR S.A.	**746.6**	746.5	0.1
Juventus Football Club S.p.A.	**95.7**	90.0	5.7
Arenella Immobiliare S.r.l.	**26.0**	0.0	26.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	3,883.6	3,804.9	31.8
Available-for-sale investments			
The Black Ant Value Fund	**323.3**	0.0	323.3
RHO Immobiliare Fund	**11.8**	12.4	(0.6)
Alpitour S.p.A. (ex Seagull S.p.A.)	**10.0**	0.0	10.0
Other	**23.9**	0.0	23.9
	369.0	12.4	356.6
Total	**4,252.6**	3,817.3	435.3

The comparison between carrying amounts and trading prices of shares held at the end of 2012 is as follows.

		Carrying amount		Trading price December 28, 2012	
	Number	Per share (€)	Total (€ million)	Per share (€)	Total (€ million)
Fiat Industrial S.p.A.	366,927,900	4.61	1,690.3	8.26	**3,029.0**
Fiat S.p.A.	375,803,870	3.52	1,324.7	3.79	**1,424.3**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.212	**136.2**
Total			**3,110.7**		**4,589.5**

7. Equity

Equity at December 31, 2012 is €3,519.6 million (€3,445.4 million at December 31, 2011).
The positive change of €74.2 million is detailed in the following table.
Further details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2012.

€ million	
Equity at December 31, 2011	**3,445.4**
Dividends paid	(80.1)
Other net changes	3.8
Profit for the year	150.5
Net change during the year	**74.2**
Equity at December 31, 2012	**3,519.6**

8. Net financial position

At December 31, 2012, the net financial position is a negative €718.9 million increasing from €448.5 million at the end of 2011, with a negative change of €270.64 million. The balance is composed as follows:

	12/31/2012			12/31/2011		
€ million	Current	Non current	Total	Current	Non current	Total
Financial assets	**180.2**	**110.4** (a)	**290.6**	435.3 (a)	115.7 (a)	551.0
Financial receivables from subsidiary	**1.8**	**0.0**	**1.8**	0.0	0.0	0.0
Cash and cash equivalents	**338.5**	**0.0**	**338.5**	94.2	0.0	94.2
Total financial assets	**520.5**	**110.4**	**630.9**	529.5	115.7	645.2
EXOR bonds 2011-2031	**(0.7)**	**(87.7)**	**(88.4)**	(0.7)	(99.5)	(100.2)
EXOR bonds 2018-2025	**(0.4)**	**(97.7)**	**(98.1)**	0.0	0.0	0.0
EXOR bonds 2012-2019	**(1.5)**	**(147.2)**	**(148.7)**	0.0	0.0	0.0
EXOR bonds 2007-2017	**(22.4)**	**(746.9)**	**(769.3)**	(22.4)	(746.2)	(768.6)
Bank debt and other financial liabilities	**(45.3)**	**(200.0)**	**(245.3)**	(24.9)	(200.0)	(224.9)
Total financial liabilities	**(70.3)**	**(1,279.5)**	**(1,349.8)**	(48.0)	(1,045.7)	(1,093.7)
Net financial position of EXOR S.p.A.	**450.2**	**(1,169.1)**	**(718.9)**	481.5	(930.0)	(448.5)

(a) Of which €109.5 million at December 31, 2012 (€77 million current and €114.9 million non-current at December 31, 2011) relates to bonds issued by leading counterparties, listed on active and open markets which the Company intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash, in order to ensure a constant attractive flow of financial income. This designation was decided in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The negative change of €270.4 million in 2012 is due to the following cash flows:

€ million		
Net financial position at December 31, 2011		**(448.5)**
Dividends received from investment holdings		82.8
- Fiat Industrial S.p.A.	71.3	
- Fiat S.p.A.	10.8	
- Emittenti Titoli	0.0 (a)	
- Rho Immobiliare Fund	0.7	
Investments		(362.7)
- Fiat Industrial S.p.A.	(16.1)	
- Fiat S.p.A.	(30.8)	
- Seagull S.p.A. (now Alpitour S.p.A.)	(10.0)	
- Arenella Immobiliare S.r.l.	(0.1)	
- The Black Ant Value Fund	(300.0)	
- Juventus Football Club S.p.A.	(5.7)	
Sale of Alpitour S.p.A.		182.0
Dividends paid by EXOR S.p.A.		(80.1)
Other changes		(92.4)
- Net general expenses (excluding the figurative cost of EXOR's stock option plans)	(16.0)	
- Non-recurring other income (expenses) and general expenses	0.4	
- Indirect taxes and duties	(1.5)	
- Net financial expenses	(49.3)	
- Collection of receivables from the tax authorities	20.5	
- Other net changes	(46.5) (b)	
Net change during the year		**(270.4)**
Net financial position at December 31, 2012		**(718.9)**

(a) Equal to €35 thousand.

(b) Other net changes include the reclassification of current and non-current assets (€24.2 million), the valuation of interest rate swaps on loans for -€21.1 million and the variation of non-financial receivables and payables for -€1.2 million.

9. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2012 and December 31, 2011 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 of July 28, 2006.

	Profit (Loss)		Equity	
€ million	**2012**	2011	**12/31/2012**	12/31/2011
Separate financial statements of EXOR S.p.A.	**150**	59	**3,520**	3,445
Difference between the carrying amounts of investments and corresponding equity at the end of the prior year			**2,958**	2,522
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**445**	(28)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**300**	514	**300**	514
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(84)**	(176)	**(84)**	(176)
Adjustments of gains/losses on disposals and impairments of investments	**34**	108	**34**	108
Other consolidation adjustments	**(2)**	(1)	**(9)**	18
Consolidated financial statements of the EXOR Group (attributable to the owners of the parent)	**398**	504	**7,164**	6,403

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

Through the subsidiary EXOR S.A., EXOR holds some important investments and controls some companies which contribute to the Group's investment and financial resource management activities. These companies constitute the so-called Holdings System (the complete list of these companies is presented below).

EXOR presents annual consolidated financial statements (statement of financial position and income statement) prepared by applying the "shortened" consolidation criteria. Such shortened-form financial statements, in order to facilitate the analysis of the financial position and the results of operations of the Group, are also presented along with the half-year condensed consolidated financial statements and in the interim reports at March 31 and September 30 of each year.

In the preparation of the shortened-form consolidated statement of financial position and income statement, the financial statements or accounting data drawn up in accordance with IFRS by EXOR and by the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (Fiat Industrial, Fiat, C&W Group, Juventus Football Club, Almacantar, and Arenella Immobiliare) are accounted for using the equity method on the basis of their consolidated financial statements or separate financial statements (in the case of Juventus Football Club) or accounting data prepared in accordance with IFRS.

Following its partial subscription to the €150 million capital increase by Sequana S.A., in the first half of 2012 EXOR S.A.'s investment in that company decreased from 28.24% to 18.74%.
As a result of the above, and consistently with IAS 28, from June 30, 2012 EXOR S.A recorded the investment in assets available-for-sale and measured it at fair value in accordance with IAS 39 since the requisites for accounting for the investment using the equity method were no longer applicable. At June 30, 2012 the transaction generated a loss on consolidation recorded in a specific line of the income statement, in accordance with the reference accounting policies, determined by the first-time application of fair value measurement and by the reduction of EXOR's ownership interest. Beginning July 1, 2012, the change in fair value is recorded in equity.
The results of operations of Sequana for the first half of 2012 are shown in the income statement under "Share of the profit (loss) of investments accounted for using the equity method" since the capital increase, giving rise to the new classification, was finalized on June 27, 2012.

The following table shows the consolidation and valuation methods of the investment holdings.

	% of consolidation	
	12/31/2012	12/31/2011
Companies in the Holdings System consolidated line-by-line		
- Exor S.A. (Luxembourg)	**100**	100
- Exor Capital Limited (Ireland)	**100**	100
- Exor Inc. (USA)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor LLC (USA) (a)	-	99.80
Investments in operating subsidiaries and associates, accounted for by the equity method		
- Fiat Industrial Group	**30.88**	30.56
- Fiat Group	**30.91**	30.33
- C&W Group (b)	**78.95**	78.31
- Juventus Football Club S.p.A.	**63.77**	60
- Almacantar Group	**36.29**	36.30
- Arenella Immobiliare S.r.l (c)	**100**	-
- Sequana Group	**-**	28.43

(a) Company wound up on December 27, 2012.
(b) The percentage is calculated on issued share capital, net of treasury stock held and net of the estimate of treasury stock purchases from non-controlling interests to be made by C&W Group.
(c) Company engaged in the lease and management of buildings acquired on October 10, 2012 as part of the sale of the subsidiary Alpitour.

The EXOR Group ended the year 2012 with a consolidated profit of €398.2 million; 2011 closed with a consolidated profit of €504.2 million. The decrease of €106 million is due to a reduction in the share of the results of subsidiaries and associates (-€128.6 million), a decrease in dividends from investments (-€10.2 million), an increase in net financial expenses (-€6.4 million), compensated in part by the increase in net gains realized during the year (+€15.8 million) and other net positive changes (+€23.4 million).

The share of the profit (loss) of investments decreased €128.6 million due to the reduction in the profit reported by the Fiat Group which in 2011 had benefited from the acquisition of control of Chrysler (EXOR's share was €306.6 million), partially compensated by the significant improvement in the profit (loss) of other investments.

The consolidated equity attributable to the owners of the parent amounts to €7,164.4 million at December 31, 2012, with a net increase of €761 million compared with €6,403.4 million at the end of 2011. Further details are provided in note 10.

The negative balance of the consolidated net financial position of the Holdings System at December 31, 2012 is €525.9 million, with a negative change of €200.1 million compared with the negative balance of €325.8 million at year-end 2011. Further details are provided in note 11.

The shortened consolidated **income statement** and **statement of financial position** and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - Shortened

€ million	Note	2012	2011	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**389.9**	518.5	(128.6)
Dividends from investments	2	**72.0**	82.2	(10.2)
Gains (losses) on disposals and impairments of investments, net	3	**7.8**	(8.0)	15.8
Net financial income (expenses)	4	**(42.2)**	(35.8)	(6.4)
Net general expenses	5	**(24.5)**	(26.3)	1.8
Non-recurring other income (expenses) and general expenses	6	**(2.5)**	(1.7)	(0.8)
Other taxes and duties		**(1.7)**	(2.3)	0.6
Profit before income taxes		**398.8**	526.6	(127.8)
Income taxes		**(0.6)**	(10.6) (a)	10.0
Profit (loss) from Discontinued Operations		**-**	(11.8) (b)	11.8
Profit attributable to owners of the parent		**398.2**	504.2	(106.0)

(a) Refers principally to the 15% withholding taxes on dividends received from SGS (€8.9 million), not due in 2012.
(b) Share of the loss of the Alpitour Group referring to the first six months of 2011.

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ million	Note	12/31/2012		12/31/2011	Change
Non-current assets					
Investments accounted for using the equity method	7	**5,005.3**		4,822.6	182.7
Other financial assets:					
- Investments measured at fair value	8	**2,236.3**		1,734.6	501.7
- Other investments	9	**544.4**		206.5	337.9
- Other financial assets		**15.6**	(a)	1.0	14.6
Other property, plant and equipment and intangible assets		**0.3**		0.7	(0.4)
Total Non-current assets		**7,801.9**		6,765.4	1,036.5
Current assets					
Financial assets and cash and cash equivalents	11	**752.0**		701.0	51.0
Tax receivables and other receivables		**5.8**		27.5	(21.7)
Total Current assets		**757.8**		728.5	29.3
Non-current assets held for sale		**7.4**	(b)	70.3	(62.9)
Total Assets		**8,567.1**		7,564.2	1,002.9
Issued capital and reserves attributable to owners of the parent	10	**7,164.4**		6,403.4	761.0
Non-current liabilities					
Bonds and other financial debt	11	**1,279.5**		1,045.8	233.7
Provisions for employee benefits		**2.4**		2.2	0.2
Deferred tax liabilities, other liabilities and provisions for risk		**6.4**	(c)	6.5	(0.1)
Total Non-current liabilities		**1,288.3**		1,054.5	233.8
Current liabilities					
Bonds, bank debt and other financial liabilities	11	**108.5**		96.3	12.2
Other liabilities		**5.9**		10.0	(4.1)
Total Current liabilities		**114.4**		106.3	8.1
Total Equity and Liabilities		**8,567.1**		7,564.2	1,002.9

(a) Includes mainly the financial receivable by EXOR from Alpitour for €14.7 million, which is the remaining balance of the Deferred Price on the sale of Alpitour (€15 million), inclusive of interest capitalized during the year (€0.8 million) calculated using an annual 8% interest rate and adjusted by expenses (€1.1 million) for the settlement of certain disputes that arose with the buyer in the period subsequent to acquisition and relating to events prior to the sale by EXOR. This receivable is not included in the net financial position balance.

(b) Relates to the measurement of Perfect Vision convertible bonds and the embedded derivative instrument, carried out on the basis of the criteria set out in the sales agreement signed on December 23, 2011 by EXOR S.A. and Vision Investment Management Ltd., subsequently modified in the early months of 2013.

(c) Includes the estimate of expenses for €3.5 million provided for the disputes which arose with the Alpitour buyer in the period subsequent to acquisition and relating to events prior to the sale by EXOR, which presumably will be settled during 2013.

1. Share of the profit (loss) of investments accounted for using the equity method

In 2012, the share of the profit (loss) of investments accounted for using the equity method is a profit of €389.9 million (a profit of €518.5 million in 2011). The negative change of €128.6 million reflects the reduction in the profit reported by the Fiat Group which in 2011 had benefited from unusual income deriving principally from the acquisition of control of Chrysler (EXOR's share was €306.6 million), offset in part by the significant improvement in the results of the other investments.

	Profit (Loss) million				EXOR's share (€ millions)		
		2012		2011	**2012**	2011	Change
Fiat Industrial Group	€	**810.0**	€	624.0	**250.3** (a)	189.8 (a)	60.5
Fiat Group	€	**348.0**	€	1,334.0	**103.0** (a)	398.4 (a)	(295.4)
C&W Group	$	**43.2**	$	14.9	**26.5**	8.3	18.2
Juventus Football Club S.p.A.	€	**(2.8)**	€	(90.5)	**(1.7)**	(54.3)	52.6
Almacantar Group	£	**31.1**	£	(4.3)	**13.9**	(1.8)	15.7
Sequana Group	€	**(6.9)** (b)	€	(77.0)	**(1.9)** (b)	(21.9)	20.0
Arenella Immobiliare S.r.l.	€	**(0.2)**		-	**(0.2)**	-	(0.2)
Total					**389.9**	518.5	(128.6)

a) Includes consolidation adjustments.
b) The loss and EXOR's share refers to the first six months of 2012.

For comments on the Review of the Performance of the Operating Subsidiaries and Associates, please refer to the next sections.

2. Dividends from investments

In 2012, dividends from investments amount to €72 million (€82.2 million in 2011) and include dividends received from SGS for €63.2 million (€59.4 million in 2011), Gruppo Banca Leonardo for €4.6 million (€19.1 million in 2011) and other investment holdings for €4.2 million (€3.7 million in 2011).

3. Gains (losses) on disposals and impairments of investments, net

The gains on disposals and impairments of investments, net amount to €7.8 million. Details are as follows:

€ million	**2012**	2011	Change
Sale of Alpitour	**157.5** (a)	0.0	157.5
Loss on Sequana transaction	**(147.4)** (b)	0.0	(147.4)
Banco BTG Pactual	**5.2**	0.0	5.2
Other	**(7.5)**	(8.0)	0.5
Total	**7.8**	(8.0)	15.8

(a) Equal to the difference between the equivalent amount of the proceeds of €225 million and the carrying amount at June 30, 2011 of €60.9 million, net of the expenses incurred on the sale of €6.6 million (of which €4.6 million relates to the costs for the disputes arising between EXOR and Alpitour subsequent to the sale of the investment).
(b) Of which -€103.8 million is for the fair value adjustment, -€50.6 million for the diluting effect on capital and +€7 million for other consolidation adjustments.

4. Net financial income (expenses)

In 2012, the balance of net financial expenses is €42.2 million (a balance of net financial expenses of €35.8 million in 2011). Details of the composition of net financial income (expenses) are as follows:

€ million	2012	2011	Change
Interest and other financial income			
Income and dividends on securities held for trading (a)	15.6	84.2	(68.6)
Income on non-current securities and other investments	4.0	2.1	1.9
Interest income on:			
- bonds	16.0	26.3	(10.3)
- receivables from banks	6.4	5.0	1.4
- receivables from the tax authorities	0.0	0.7	(0.7)
- loans	0.0	1.6 (b)	(1.6)
Exchange gains	1.7	8.6	(6.9)
Other financial income	1.0	0.1	0.9
Interest and other financial income	**44.7**	128.6	(83.9)
Interest and other financial expenses			
EXOR bond interest expenses	(47.9)	(47.8)	(0.1)
Financial expenses on securities held for trading (a)	(38.6)	(52.6)	14.0
Exchange losses	(3.6)	(12.8)	9.2
Expenses for interest rate hedges	(3.5)	(2.2)	(1.3)
Bank interest and other financial expenses	(7.3)	(10.3)	3.0
Interest and other financial expenses	**(100.9)**	(125.7)	24.8
Fair value adjustments to current and non-current financial assets			
Positive adjustments	16.0	5.3	10.7
Negative adjustments	(2.0) (c)	(44.0) (c)	42.0
Fair value adjustments to current and non-current financial assets	**14.0**	(38.7)	52.7
Net financial income (expenses)	**(42.2)**	(35.8)	(6.4)

(a) Includes mainly realized gains/losses.
(b) Relates to the C&W Group for €1.3 million and Juventus Football Club for €0.3 million.
(c) Includes the impairment loss recorded on the Vision convertible bonds of €1.9 million (€19.6 million in 2011) to adjust the carrying amount to the sales price in the sales agreement signed between EXOR S.A. and Vision Investment Management Ltd. on December 23, 2011 and subsequently modified in the early months of 2013.

Considering only the assets and liabilities included in the consolidated net financial position balance of the Holdings System (see note 11), net financial expenses total €44.7 million (net financial expenses of €23.3 million in 2011).

Details are as follows:

€ million	2012	2011	Change
Interest and other financial income	40.1	119.8	(79.7)
Interest and other financial expenses	(100.7)	(124.0)	23.3
Fair value adjustments of current and non-current financial assets	15.9	(19.1)	35.0
Net financial income (expenses) generated by the financial position	**(44.7)**	(23.3)	(21.4)

5. Net general expenses

In 2012, net general expenses amount to €24.5 million, with a decrease of €1.8 million compared with the prior year (€26.3 million).
The balance includes the nominal cost of the EXOR stock incentive plans for a total of €3.3 million (€1.7 million in 2011). The increase of €1.6 million derives mainly from the new grants awarded during 2012 under the EXOR 2008-2019 Stock Option Plan and the new Incentive Plan approved on May 29, 2012. Further details are provided in the section on equity in note 10.

Details of the main items of net general expenses are as follows:

€ million	2012		2011		Change
Personnel costs	**(11.9)**		(11.2)		(0.7)
Compensation to and other costs relating to directors	**(5.1)**		(6.4)		1.3
Purchases of goods and services	**(6.3)**		(7.7)		1.4
Other operating expenses, net of revenues and cost recoveries	**(1.2)**	(a)	(1.0)	(a)	(0.2)
Total	**(24.5)**		(26.3)		1.8

(a) Includes principally expenses connected with the management of the investments of the subsidiary EXOR S.A. for €0.9 million (€2.2 million in 2011).

6. Non-recurring other income (expenses) and general expenses

In 2012, the net expense balance is €2.5 million with a net increase of €0.8 million compared with 2011 (-€1.7 million). Details are as follows:

€ million	2012		2011		Change
Expenses connected with employee reduction plan	**(1.1)**		(8.3)		7.2
Expenses incurred for defense in legal cases	**(1.1)**	(a)	(0.8)		(0.3)
Expenses connected with the valuation/execution of investment projects	**(0.6)**		(0.3)		(0.3)
Sundry other income (expenses)	**0.3**		7.7	(b)	(7.4)
Total	**(2.5)**		(1.7)		(0.8)

(a) Of which €0.2 million was incurred for the defense in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.

(b) Includes mainly the gain on the sale of the building realized by the merged company EXOR Services (€7.1 million) and the gain on the fair value change of the Alpitour stock option plan (€0.9 million).

7. Investments accounted for using the equity method

Details are as follows:

	Carrying amount at			
€ million	12/31/2012		12/31/2011	Change
Fiat Industrial Group	**1,438.2**		1,298.9	139.3
Fiat Group	**2,865.4**		2,724.5	140.9
C&W Group	**494.0**		471.5	22.5
Juventus Football Club S.p.A.	**48.3**		19.1	29.2
Almacantar Group	**133.5**		116.9	16.6
Arenella Immobiliare S.r.l.	**25.9**		-	25.9
Sequana Group	**-**	(a)	190.3	(190.3)
Other	**-**		1.4	(1.4)
Total	**5,005.3**		4,822.6	182.7

(a) Reclassified, starting from June 30, 2012, to investments measured at fair value.

8. Other non-current financial assets – Investments measured at fair value

Details are as follows:

€ million	12/31/2012		12/31/2011		Change
	%	Carrying amount	%	Carrying amount	
SGS S.A.	15.00	**1,969.3**	15.00	1,501.0	468.3
Gruppo Banca Leonardo S.p.A.	17.40	**75.0**	17.40	105.2	(30.2)
Sequana S.A. Group	18.74	**38.6**	-	-	38.6
Banijay Holding S.A.S.	17.09	**37.8**	17.09	40.1	(2.3)
The Economist Newspaper Ltd	4.72	**35.5**	4.72	31.9	3.6
NoCo A L.P.	2.00 (a)	**16.5**	2.00 (a)	16.7	(0.2)
Alpitour S.p.A. (formerly Seagull S.p.A.) (b)	9.85	**10.0**		-	10.0
Other		**53.6**		39.7	13.9
Total		**2,236.3**		1,734.6	501.7

(a) Percentage ownership interest in the limited partnership, measured at cost.
(b) Company resulting from the merger of Seagull S.p.A. with and in Alpitour S.p.A., finalized on August 8, 2012.

The increase in the investment in SGS amounting to €468.3 million is attributable to the fair value adjustment at December 30, 2012. The trading price per SGS share at December 28, 2012 was CHF 2,026, equal to €1,678.26 at the year-end exchange rate of 1.2072. The original carrying amount of the investment in SGS is €469.7 million; at December 31, 2012 the net positive fair value adjustment recognized in equity amounts to €1,499.6 million.

The decrease in the investment in Gruppo Banca Leonardo is determined by the reimbursement of capital accounted for as a reduction of the carrying amount of the investment for €26.4 million and the negative fair value adjustment for €3.8 million (with recognition in equity).

The investment in Sequana was reclassified at June 30, 2012 to investments measured at fair value, for an amount of €48.1 million, determined on the basis of the trading price on the same date.
The year-end adjustment was carried out using the trading price per share on December 31, 2012 (€8.24 per share). Whereas the difference between the fair value at June 30, 2012 and the value of EXOR's share of equity at the same date was recognized in income pursuant to IAS 28 with regard to the first-time application of fair value measurement, the negative change in fair value in the second half of 2012 (€9.5 million) was recognized in equity pursuant to IAS 39.

The decrease in the investment in Banijay Holding is attributable to the negative fair value adjustment for €2.3 million (with recognition in equity).

The increase in the investment in The Economist Newspaper Ltd. is due to the positive fair value adjustment for €3.6 million (with recognition in equity).

9. Other non-current financial assets – Other investments

Details are as follows:

€ million	12/31/2012	12/31/2011	Change
Investments measured at fair value			
- The Black Ant Value Fund	**323.3**	-	323.3
- Perella Weinberg funds	**83.2**	70.0	13.2
- Immobiliare RHO Fund	**11.8**	12.4	(0.6)
- Other	**16.9**	8.4	8.5
	435.2	90.8	344.4
Investments measured at amortized cost			
- Other bonds held to maturity	**109.2**	114.4	(5.2)
Other investments	**0.0**	1.3	(1.3)
Total	**544.4**	206.5	337.9

On June 1, 2012 EXOR finalized the €300 million investment (€323.3 million based on the value of the shares at December 31, 2012) in an Irish-registered fund managed by The Black Ant Group LLP, which principally invests in equity and credit instruments. The investment has a time frame of five years.

The net increase in the Perella Weinberg Funds, equal to €13.2 million, is attributable to investments made in NoCo B LP for €18.5 million and by the positive fair value adjustment for €5.7 million (with recognition in equity), offset in part by reimbursements for €11 million. At December 31, 2012, the remaining investment commitments in NoCo B L.P. and in the Perella Weinberg Real Estate I Fund amount, respectively, to $ 13.8 million (€10.5 million) and €2.9 million.

10. Issued capital and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2012	12/31/2011	Change
Share capital	**246.2**	246.2	0.0
Reserves	**7,157.2**	6,396.2	761.0
Treasury stock	**(239.0)**	(239.0)	0.0
Total	**7,164.4**	6,403.4	761.0

Details of the changes during the year are as follows:

€ million	
Balance at December 31, 2011	**6,403.4**
Fair value adjustments of investments and other financial assets:	
- SGS S.A. (note 8)	468.3
- The Black Ant Value Fund, (net of deferred taxes for € 0.3 million) (note 9)	23.0
- Perella Weinberg Funds (note 9)	5.7
- Other investments and other financial assets	(10.3)
Measurement of EXOR S.p.A.'s derivative financial instruments	(21.1)
Attributable exchange differences on translating foreign operations (-€145 million) and other net changes recorded in equity, shown by the investments consolidated and accounted for by the equity (+€ 122.3 million)	(22.7)
Dividends paid by EXOR S.p.A.	(80.1)
Profit attributable to owners of the parent	398.2
Net change during the year	**761.0**
Balance at December 31, 2012	**7,164.4**

Treasury stock

At December 31, 2012, EXOR S.p.A. held the following treasury stock, unchanged compared with December 31, 2011:

		% of	Carrying amount	
Class of shares	Number of shares	class	Per share (€)	Total (€ ml)
Ordinary	6,729,000	4.20	14.03	94.4
Preferred	11,690,684	15.22	11.70	136.8
Savings	665,705	7.26	11.69	7.8
				239.0

EXOR S.p.A. stock option and stock grant plans

The changes in EXOR's stock option plans during 2012 are commented below.

Under the EXOR 2008-2019 Stock Option Plan 848,000 options were granted to a new recipient corresponding to 224,720 EXOR ordinary shares and 350,000 options were forfeited relating to three recipients corresponding to a 92,750 EXOR ordinary shares. At December 31, 2012, 7,423,000 options were outstanding corresponding to 1,967,095 ordinary shares. The cost referring to the year is €2.1 million (of which

€1.2 million is classified as compensation to the Chairman and Chief Executive Officer and €0.9 million as personnel costs).
On May 29, 2012, the EXOR shareholders' meeting approved the new long-term incentive plan: the Long-Term Stock Grant and the Company Performance Stock Option.
Under the first component denominated "Long-Term Stock Grant", 347,456 options were granted to thirty-one recipients. The cost referring to the period, recorded in personnel costs, was €0.4 million.
Under the second component denominated "Company Performance Stock Option", 750,000 rights were granted to the Chairman and Chief Executive Officer and another 1,760,732 options to ten recipients. The cost for the period is €0.8 million (of which €0.3 million is classified as compensation to the Chairman and Chief Executive Officer and €0.5 million as personnel costs).

11. Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System at December 31, 2012 shows a negative balance of €525.9 million and a negative change of €200.1 million compared with the balance at the end of 2011 (-€325.8 million). The balance is composed as follows:

	12/31/2012			12/31/2011		
€ million	**Current**	**Non current**	**Total**	Current	Non current	Total
Financial assets	**235.8**	**110.1**	**345.9**	485.6	115.3	600.9
Financial receivables from subsidiaries	**1.8**	**0.0**	**1.8**	0.0	0.0	0.0
Cash and cash equivalents	**514.4**	**0.0**	**514.4**	215.4	0.0	215.4
Total financial assets	**752.0**	**110.1**	**862.1**	701.0	115.3	816.3
EXOR bonds	**(25.0)**	**(1,079.5)**	**(1,104.5)**	(23.1)	(845.8)	(868.9)
Financial payables to associates	**(38.3)**	**0.0**	**(38.3)**	(48.3)	0.0	(48.3)
Bank debt and other financial liabilities	**(45.2)**	**(200.0)**	**(245.2)**	(24.9)	(200.0)	(224.9)
Total financial liabilities	**(108.5)**	**(1,279.5)**	**(1,388.0)**	(96.3)	(1,045.8)	(1,142.1)
Consolidated net financial position of the "Holdings System"	**643.5**	**(1,169.4)**	**(525.9)**	604.7	(930.5)	(325.8)

Current financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial securities, if held for trading, are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement. Derivative financial instruments are also used for the management of current financial assets.

Non-current financial assets include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Financial receivables from subsidiaries of €1.8 million refer to the amount drawn by the subsidiary Arenella Immobiliare S.r.l. on the loan made to it by EXOR, for a maximum amount of €5 million, due on December 31, 2013.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties since the primary objective is having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.

Bonds issued by EXOR are detailed as follows:

							Balance at December 31 (a)	
Issue date	Maturit date	Issue price	Coupon	Rate (%)	Currency	Nominal amount (in millions)	2012 (€ million)	2011
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375	€	750.0	(769.3)	(768.7)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750	€	150.0	(148.7)	0.0
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250	€	100.0	(98.1)	0.0
5/9/2011	5/9/2031 (b)	100.000	Semiannual	fixed 2.80	Yen	10,000.0	(88.4)	(100.2)
							(1,104.5)	**(868.9)**

(a) Including the current portion.
(b) To protect itself against currency fluctuations, a cross currency swap was put in place as a result of which EXOR pays a fixed rate of 6.012% per year.

Financial payables to associates of €38.3 million refer to the payable to Almacantar S.A. for the share of the capital increase subscribed by EXOR S.A. in 2011, but not yet paid.

Bank debt and other financial liabilities (non-current and current portion) consist of loans secured from leading banking institutions.

The negative change of €200.1 million is due to the following flows:

€ million		
Consolidated net financial position of the Holdings System at December 31, 2011		**(325.8)**
Dividends from investment holdings		156.1
- Fiat Industrial S.p.A.	71.3	
- SGS S.A.	63.2	
- Fiat S.p.A.	10.8	
- Gruppo Banca Leonardo S.p.A.	4.6	
- C&W Group	2.0	
- The Economist Newspaper Ltd	2.4	
- Other	1.8	
Reimbursement of capital		
- Gruppo Banca Leonardo S.p.A.		26.4
Disposals		209.4
- Alpitour S.p.A.	182.0 (a)	
- Banco BTG Pactual S.A.	21.7	
- Other	5.7	
Investments		(438.5)
- The Black Ant Value Fund	(300.0)	
- Fiat S.p.A.	(30.8)	
- Fiat Industrial S.p.A.	(16.1)	
- Other	(91.6) (b)	
Dividends paid by EXOR S.p.A.		(80.1)
Other changes		(73.4)
- Net general expenses (excluding the nominal cost of EXOR stock option plan)	(21.2)	
- Non-recurring other income (expenses) and general expenses	(2.5)	
- Net financial expenses	(44.7) (c)	
- Other taxes and duties	(2.8)	
- Other net changes	(2.2) (d)	
Net change during the year		**(200.1)**
Consolidated net financial position of the Holdings System at December 31, 2012		**(525.9)**

(a) The net equivalent amount of the proceeds on the sale is equal to €225 million (€223.2 million net of incidental expenses); the difference of €41 million compared with the amount received of €184 million (€182 million net of incidental expenses paid) is represented by €15 million of non-current financial receivables (the Deferred Price) and €26 million of the current financial receivable (receivable compensated on October 10, 2012 with the purchase of the Arenella property). The receivable of €15 million is not included in the net financial position balance. See also note (a) on page 45 of this report.

(b) Includes principally the investments in Paris Orléans S.A. for €25 million, Sequana S.A. for €17.7 million and Alpitour S.p.A. (formerly Seagull S.p.A.) for €10 million.

(c) Includes interest income and other financial income (+€44.7 million), interest expenses and other financial expenses (-€100.9 million), fair value adjustments of current and non-current financial assets (+€14 million) net of the negative fair value adjustment of Vision convertible bonds (+€1.9 million) and other income (expenses) on non-current financial assets (-€4.4 million) therefore, not comprised in the balance of the net financial position.

(d) Refers mainly to the parent EXOR S.p.A. and includes the measurement of interest rate and cross currency swaps on outstanding loans for -€21.1 million and the reimbursement of tax receivables from the tax authorities for €20.5 million.

At December 31, 2012, EXOR S.p.A. has irrevocable credit lines for €530 million, of which €425 million is due after December 31, 2013, as well as revocable credit lines for approximately €615 million.
Standard & Poor's has confirmed EXOR's long-term and short-term debt ratings (respectively, BBB+ and A-2), with a stable outlook.

12. Effects on the statement of financial position and the income statements prepared in shortened form as a result of the application of the amendment to IAS 19 - *Employee Benefits*

EXOR will apply an amendment to IAS 19 – *Employee benefits*, issued by the IASB on June 16, 2011, which modifies the recognition rules for defined benefit plans, retrospectively, beginning from 2013. Accordingly, in 2013, the statement of financial position and income statement data will be restated for purposes of comparison, with the consequent restatement of the opening statement of financial position at January 1, 2012 and the statement of financial position at December 31, 2012 and income statement for 2012, prepared in shortened form, as if the amendment had always been applied.

At the date of these financial statements, the details that follow present the effects on the statement of financial position at January 1, 2012 determined on the basis of the first-time application of the amendment to IAS 19 – *Employee benefits*, in addition to the effects on the statement of financial position at December 31, 2012 and the income statement for 2012. The same are attributable to the Fiat Industrial, Fiat and C&W Groups.

The effect on the statement of financial position as a result of the adoption of the revised standard would have generated a reduction in the consolidated equity of the EXOR Group of €0.5 billion at January 1, 2012 and €1 billion at December 31, 2012.

The effect on the income statement as a result of the adoption of the revised standard would have determined a reduction in consolidated profit (loss) attributed to the owners of the parent of €0.1 billion in 2012.

€ billion	**1/1/2012**	Effects of application of IAS 19	**1/1/2012 Restatement**	**12/31/2012 Reported**	Effects of application of IAS 19	**12/31/2012 Restatement**
Issued capital and reserves attributable to owners of the parent	**6.4**	(0.5)	**5.9**	**7.2**	(1.0)	**6.2**
Issued capital and reserves attributable to owners of the parent	n.a.	n.a.	**n.a.**	0.4	(0.1)	**0.3**

Under "Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group" in the notes, further details are provided on the main adjustments resulting from the amendment to IAS 19 – *Employee benefits*.

OTHER INFORMATION

Direction and coordination

EXOR S.p.A. is not subject to the direction and coordination of any other company or entity and is fully independent in the decisions regarding its general strategic and operating guidelines.

Related party transactions

Information and balances referring to transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel

The information is reported in the notes to the separate and consolidated financial statements.

REVIEW OF THE PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES IN THE HOLDINGS SYSTEM

(30.01% of share capital
Fiat also holds 2.8% of share capital)

The main consolidated results of the Fiat Industrial Group for 2012 are as follows:

	Year		
€ million	**2012**	2011	Change
Net revenues	**25,785**	24,289	1,496
Trading profit (loss)	**2,079**	1,686	393
Operating profit (loss)	**1,862**	1,629	233
Profit (loss) for the year	**921**	701	220
Profit (loss) attributable to owners of the parent	**810**	624	186

	At	
€ million	**12/31/2012**	12/31/2011
Total assets	**38,937**	38,643
Net (debt)/cash	**(15,994)**	(14,549)
- of which: Net industrial (debt)/cash	**(1,642)**	(1,239)
Equity attributable to owners of the parent	**4,935**	4,555

Net revenues

The Fiat Industrial Group reported **2012 revenues** up 6.2% to €25.8 billion, with continued robust performance for the Agricultural Equipment business driving top-line growth.

	Year		
€ million	**2012**	2011	Change %
Agricultural and Construction Equipment (CNH)	**16,056**	13,896	15.5
Trucks and Commercial Vehicles (Iveco)	**8,924**	9,562	(6.7)
FPT Industrial	**2,933**	3,220	(8.9)
Eliminations and other	**(2,128)**	(2,389)	
Net revenues	**25,785**	24,289	6.2

Agricultural and Construction Equipment (CNH) posted revenues of €16.1 billion, an increase of 15.5% over the prior year (+6.7% in US dollar terms), as solid global demand for Agricultural Equipment more than offset the negative effects of the more difficult trading conditions in the Construction Equipment segment. Net sales for the Agricultural Equipment business were up 20% over 2011 (+10% in US dollar terms), driven by increased volumes, positive net pricing, and favorable product mix. Worldwide Agricultural Equipment market share performance was in line with the market for both tractors and combines. For the Construction Equipment business, net sales increased 6% (-3% in US dollar terms), as the modest industry recovery in North America did not offset the continued demand slowdown in the other geographic regions. CNH's worldwide Construction Equipment market share was stable, with gains in Latin America.

Trucks and Commercial Vehicles (Iveco) reported €8.9 billion in revenues, a 6.7% decline over 2011 reflecting further deterioration in economic conditions in several major European markets and weaker demand in Latin America. Total deliveries (including buses and special vehicles) decreased 10.7% year-over-year to 137,028 vehicles, with the light segment down 11.8%, medium down 21.6% and heavy down 6.0%. By region, deliveries were down 21.1% in Western Europe and 21.8% in Latin America, but up 21.9% in Eastern Europe and 36.4% in Rest of World markets.

The **Powertrain business (FPT Industrial)** closed the year with revenues of €2.9 billion, representing an 8.9% decrease over 2011 that was attributable to the contraction in market demand in the road diesel engines.

Trading profit (loss)

Trading profit came in at €2,079 million for **2012**, an increase of €393 million (+23.3%) over €1,686 million in 2011. Group trading margin was higher at 8.1% (6.9% for 2011), with both CNH and FPT Industrial posting strong gains and Iveco holding comparable trading margin despite the negative effect of unit volume deliveries.

	Year		Change
€ million	**2012**	2011	
Agricultural and Construction Equipment (CNH)	**1,566**	1,154	412
Trucks and Commercial Vehicles (Iveco)	**469**	490	(21)
FPT Industrial	**142**	107	35
Eliminations and other	**(98)**	(65)	(33)
Trading profit	**2,079**	1,686	393
Trading margin (%)	**8.1**	**6.9**	

CNH recorded a strong performance, with trading profit increasing 36% to €1,566 million for the year (€1,154 million for 2011) and trading margin at 9.8% (8.3% for 2011). Increased volumes and positive net pricing in both segments compensated for increases in selling, general and administrative expenditures and R&D expense, primarily related to significant investments in new products and Tier 4 engine emissions compliance programs.

Iveco closed the year with a trading profit of €469 million (€490 million for 2011). The decrease over the prior year, which was primarily attributable to the reduction in volumes, was largely offset by benefits deriving from cost reduction measures. Trading margin was slightly up over the prior year at 5.3% (5.1% for 2011).

FPT Industrial reported trading profit of €142 million, compared with €107 million for 2011. Despite the contraction in volumes, there was a significant improvement in trading margin (+1.5 p.p. to 4.8%) resulting from efficiencies achieved during the year and the absence of the one-off costs recognized in 2011 in relation to production start-ups.

Operating profit (loss)

Operating profit was €1,862 million for the year, an increase of €233 million over 2011 (€1,629 million). The €393 million increase in trading profit was partially offset by higher net unusual expenses (€217 million versus €57 million for 2011), which primarily consisted of €167 million in restructuring costs for Iveco and a €38 million loss realized by CNH in connection with the termination of its strategic alliance with Kobelco.

Profit (loss) for the year

Net financial expense totaled €458 million in 2012, compared with €546 million for 2011. The improvement was primarily attributable to a reduction in funding costs and lower foreign exchange losses.

Profit before taxes €1,485 million, compared with €1,169 million for 2011. The increase primarily reflects a €233 million improvement in operating profit together with an €88 million decrease in net financial expense.

Income taxes totaled €564 million (€468 million for 2011) and mainly related to taxable income of companies operating outside Italy. The effective tax rate of 38% was in line with expectations.

The Fiat Industrial Group closed 2012 with a **net profit** of €921 million (€701 million for 2011).

Profit attributable to owners of the parent was €810 million in 2012, compared with €624 million for the same period in 2011.

Equity

Equity attributable to owners of the parent of Fiat Industrial at December 31, 2012 was €4,935 million compared with December 31, 2011 (€4,555 million).

Net debt

Consolidated net debt was €15,994 million at December 31, 2012 (€14,549 million at December 31, 2011). **Net industrial debt** totaled €1,642 million at December 31, 2012, an increase of €403 million over year-end 2011 (€1,239 million), with cash flows from operating activities more than offset by the significant level of capital expenditure, mainly related to capacity expansion for CNH and engine emissions compliance programs. In addition, there were dividend payments of more than €0.4 billion for the year (including €0.2 billion distributed to the minority shareholders of CNH Global N.V.).

€ million	At **12/31/2012**	 12/31/2011	Change
Debt	**(20,633)**	(20,217)	(416)
- Asset backed financing	(9,708)	(9,479)	(229)
- Other debt	(10,925)	(10,738)	(187)
Other financial assets (liabilities) (1)	**24**	(39)	63
Cash and cash equivalents and current securities	**4,615**	5,707	(1,092)
Net debt	**(15,994)**	**(14,549)**	(1,445)
Industrial Activities	**(1,642)**	(1,239)	(403)
Financial Services	**(14,352)**	(13,310)	(1,042)

(1) Includes the fair value of derivative financial instruments.

Significant events

On May 21, 2012, following the resolution adopted by shareholders in an extraordinary general meeting held on April 5, 2012, Fiat Industrial S.p.A. completed the mandatory conversion of all 103,292,310 preference shares and 79,912,800 savings shares into 130,241,397 ordinary shares at a conversion ratio of 0.700 ordinary shares per preference share and 0.725 ordinary shares per savings share. From that date, Fiat Industrial ordinary shares only were traded on the MTA, and the Company's share capital totaled €1,919,433,144.74, consisting of 1,222,568,882 shares with a par value of €1.57 each

Following completion of negotiations between Fiat Industrial and the Special Committee formed by CNH Global N.V.'s board of directors, on November 26th, Fiat Industrial and CNH Global ("CNH") announced that they had entered into a definitive merger agreement. Under the terms of that agreement, Fiat Industrial and CNH will merge into a newly-incorporated Dutch company ("NewCo") with Fiat Industrial shareholders receiving one NewCo share for each Fiat Industrial share held and CNH shareholders receiving 3.828 NewCo shares for each CNH share held. As also established in the agreement, on December 28, 2012, CNH paid minority shareholders a cash dividend of $10 per CNH share. Based on market values on November 16, 2012, the trading day prior to the announcement of Fiat Industrial's final offer, the cash dividend together with the 3.828 NewCo common shares offered for each CNH share represents a 25.6% premium over the implied value of Fiat Industrial's initial offer. In addition, CNH minority shareholders benefited from the dividend being paid prior to completion of the merger. The transaction will be subject to the customary closing conditions, including a cap on the exercise of withdrawal rights by Fiat Industrial shareholders and opposition rights by Fiat Industrial creditors of €325 million in aggregate. The merger is also subject to the approval of shareholders of both Fiat Industrial and CNH. As 88% shareholder of CNH, Fiat Industrial has stipulated that it will vote its CNH shares in favor of the merger. NewCo will adopt a loyalty voting structure. Shareholders of each company that are present or represented by proxy at the respective shareholder meetings to approve the merger transaction, and continue to hold their shares until the effective date of the merger, may elect to receive common shares registered in a special segment of NewCo's share register entitling them to two votes per share. Following completion of the merger, a loyalty mechanism will also exist for new shareholders who may earn a double vote by holding the shares continuously for a period of at least three years. The purpose of this structure is to facilitate a stable shareholder base and reward long-term share ownership, while allowing the Group enhanced flexibility to pursue strategic opportunities in the future.

On November 12, 2012 Fiat Industrial S.p.A. announced establishment of the Group Executive Council (GEC), the highest executive decision making body outside of the board of directors, with the objective of enhancing the operational integration of Fiat Industrial S.p.A. and CNH Global N.V.

In October, Iveco and Larimar Group, a leading South African public transport operator and bus bodybuilder, signed an agreement for establishment of a joint venture for the manufacture of trucks and buses in South Africa. The agreement underpins Iveco's strategy of manufacturing globally, while tailoring products to local needs. The new company, to be held 60% by Iveco, will assemble light, medium and heavy commercial vehicles, as well as front-engine and low-floor city buses, at its plant located in the suburbs of Pretoria. Production is scheduled to commence in the second half of 2013 with the Eurocargo range.

On December 26, 2012 as a result of an ongoing strategic review of its construction equipment business, CNH announced that it is moving into the next phase of its business relationship with Kobelco Construction Machinery Co., Ltd. The non-exclusive licensing and supply agreements that took effect January 1, 2013 will allow CNH to pursue a global strategy leveraging the industry-leading technologies and resources available to it as part of the Fiat Industrial Group. The new business relationship includes the unwinding of all joint ventures between the parties.

(30.05% of share capital)

The main consolidated results of the Fiat Group in 2012 are as follows:

€ million	Year 2012	Year 2011 (a)	Change
Net revenues	**83,957**	59,559	24,398
Trading profit	**3,814**	2,392	1,422
EBIT	**3,677**	3,467	210
Profit for the year	**1,411**	1,651	(240)
Profit attributable to owners of the parent	**348**	1,334	(986)

(a) Includes Chrysler from June 1, 2011.

€ million	At 12/31/2012	At 12/31/2011
Total assets	**82,119**	80,031
Net debt	**(9,600)**	(8,898)
- of which: Net industrial debt	**(6,545)**	(5,529)
Equity attributable to owners of the parent	**9,059**	8,727

Net revenues

For 2012, Fiat Group **revenues** totaled approximately €84 billion, increasing 12% over the prior year on a pro-forma(*) basis (+8% at constant exchange rates).

	Year			Change %	
€ million	2012	2011	2011 pro-forma (a)	over 2011	over 2011 pro-forma
NAFTA (mass-market brands)	**43,521**	19,830	33,800	n.s.	28.8
LATAM (mass-market brands)	**11,062**	10,562	11,068	4.7	(0.1)
APAC (mass-market brands)	**3,128**	1,513	2,086	n.s.	50.0
EMEA (mass-market brands)	**17,800**	19,591	20,078	(9.1)	(11.3)
Luxury and Performance Brands (Ferrari, Maserati)	**2,898**	2,699	2,699	7.4	7.4
Components (Magneti Marelli, Teksid, Comau)	**8,030**	8,122	8,122	(1.1)	(1.1)
Other	**979**	1,068	1,068	(8.3)	(8.3)
Eliminations and adjustments	**(3,461)**	(3,826)	(3,972)	(9.5)	(12.9)
Net revenues	**83,957**	59,559	74,949	41.0	12.0

(a) Pro-forma calculated by including Chrysler results as if consolidated from January 1, 2011.

In the **Mass-market brands** there were strong year-over-year increases in NAFTA (+29% or 19% at constant exchange rates) and APAC (+50%). LATAM remained strong, while EMEA declined 11% on the back of a continued deterioration in European demand, particularly in Italy.

Luxury and Performance brands posted an approximate 7% increase in revenues to €2.9 billion, mainly driven by growth in North America and Asia Pacific.

For **Components**, revenues were substantially in line with 2011 at €8 billion.

Trading profit

Trading profit was €3,814 million, a year-over-year increase of 18% on a pro-forma basis (+11% at constant exchange rates). The NAFTA region increased €1 billion to €2,693 million, driven by strong volume growth, positive pricing and favorable currency translation. LATAM performed to expectations and posted €1,063 million of trading profit maintaining double-digit trading margin despite a 25% decrease compared with the prior year, mainly attributable to cost inflation, pricing pressure and unfavorable currency translation impacts, only partially offset by higher volumes and efficiency gains. APAC reported €260 million, nearly double the prior year. EMEA recorded a loss of €704 million, with cost containment actions only partially mitigating the impact of reduced volumes and pricing pressures. Growth for Luxury and Performance brands continued, with trading profit increasing €40 million to €392 million. Components contributed €176 million.

EBIT

EBIT was €3,677 million. Net of unusuals, there was a year-over-year increase of 17% on a pro-forma basis. For 2012, net unusuals of €244 million primarily related to the write-down of the investment in SevelNord, as well as provisions for restructuring and for disputes relating to operations terminated in prior years. For mass-market brands, EBIT by region was as follows: NAFTA €2,741 million, LATAM €1,032 million, and APAC €255 million. EMEA reported a €738 million loss (€544 million net of unusuals), compared with an €897 million loss in 2011 (€353 million net of unusuals).

	Year			Change	
€ million	**2012**	2011	2011 pro-forma (a)	over 2011	over 2011 pro-forma
NAFTA (mass-market brands)	**2,741**	1,087	1,770	1,654	971
LATAM (mass-market brands)	**1,032**	1,331	1,385	(299)	(353)
APAC (mass-market brands)	**255**	63	119	192	136
EMEA (mass-market brands)	**(738)**	(941)	(897)	203	159
Luxury and Performance Brands (Ferrari, Maserati)	**392**	358	358	34	34
Components (Magneti Marelli, Teksid, Comau)	**167**	(110)	(110)	277	277
Other	**(149)**	(108)	(108)	(41)	(41)
Eliminations and adjustments	**(23)**	1,787 (b)	1,788 (b)	(1,810)	(1,811)
EBIT	**3,677**	3,467	4,305	210	(628)

(a) Pro-forma calculated by including Chrysler results as if consolidated from January 1, 2011.
(b) Includes €2,017 million unusual income from measurement of the stake in Chrysler upon acquisition of control, net of the related revaluation of Chrysler's inventories of €220 million which was recognized in the income statement in June.

Profit for the year

Net financial expense for 2012 totaled €1,641 million. Excluding Chrysler, net financial expense was €825 million, compared with €796 million for 2011. Net of the impact of the mark-to-market of the Fiat stock option-related equity swaps (a €34 million gain for 2012 and €108 million loss for 2011), net financial expenses increased by €171 million, mainly reflecting higher net debt levels.

Profit before taxes was €2,036 million. Excluding Chrysler, there was a loss of €621 million, compared with a profit of €1,470 million in 2011. Net of unusuals, the loss was €360 million, compared with a profit of €381 million in 2011; the €741 million difference reflects a €692 million reduction in trading profit and €29 million increase in net financial expense.

Income taxes totaled €625 million. Excluding Chrysler, income taxes were €420 million and related primarily to the taxable income of companies operating outside Europe and employment-related taxes in Italy.

Net profit for 2012 was €1,411 million. Excluding Chrysler, there was a net loss of €1,041 million, compared with a €1,006 million profit for 2011; excluding unusual items, the loss totaled €780 million compared with a €106 million loss for 2011.

Profit attributable to owners of the parent amounted to €348 million (€1,334 million in 2011).

Equity

Equity attributable to owners of the parent at December 31, 2012 amounted to €9,059 million compared with €8,727 million at December 31, 2011.

Net debt

At December 31, 2012, consolidated **net debt** totaled €9,600 million, up €702 million over €8,898 million at the beginning of the year. Excluding the Chrysler Group, net debt of the Fiat Group increased €2,285 million over December 31, 2011 to €8,103 million.

Net industrial debt for the Group at December 31, 2012 was €6.5 billion, an increase of €1.0 billion for the year. For Fiat excluding Chrysler, the €2.6 billion increase in net industrial debt was driven by the net loss, negative change in working capital and capital expenditure on new products: as a result, net industrial debt increased to €5.0 billion. Chrysler reported positive cash flow of €1.6 billion, thus reducing its net industrial debt to €1.5 billion, despite increased capital expenditure of €4.3 billion.

	At		
€ million	**12/31/2012**	12/31/2011	Change
Debt	**(27,889)**	(26,772)	(1,117)
- Asset-backed financing	(449)	(710)	261
- Other debt	(27,440)	(26,062)	(1,378)
Current financial receivables from jointly-controlled (a)	**58**	21	37
Gross debt	**(27,831)**	**(26,751)**	**(1,080)**
Other financial assets (liabilities) (b)	**318**	128	190
Cash and cash equivalents and current securities	**17,913**	17,725	188
Net debt	**(9,600)**	**(8,898)**	**(702)**
Industrial Activities	**(6,545)**	(5,529)	(1,016)
Financial Services	**(3,055)**	(3,369)	314

(a) Includes current financial receivables from the FGA Capital Group.
(b) Includes fair value of derivative financial instruments.

Significant events

On January 5, 2012, Fiat announced achievement of the “Ecological Event” (3rd Performance Event established in Chrysler Group’s Amended and Restated LLC Operating Agreement), leading to a further 5% increase of its interest in Chrysler. Fiat currently has a 58.5% ownership interest in Chrysler and the UAW Retiree Medical Benefits Trust (VEBA Trust or VEBA) owns the remaining 41.5%.

On April 27, 2012, Standard & Poor’s lowered its rating on Fiat S.p.A.’s long-term debt from “BB” to “BB-“ with a stable outlook. The short-term rating was confirmed at “B”.

On May 2 2012, Fiat and Tata agreed that management control of Fiat’s commercial and distribution activities in India would be handed over to a separate Fiat Group company to enable greater focus on development of the Fiat brand. A new network is being developed progressively and the existing Fiat-franchised Tata dealers will be encouraged to form the basis of that network.

On May 21, 2012, the Company completed the mandatory conversion of all preference and savings shares into Fiat ordinary shares pursuant to the shareholder resolution of April 4, 2012. As a result of the conversion, Company share capital increased to €4,476,441,927.34, consisting of 1,250,402,773 shares with a par value of €3.58 each.

On June 28, 2012, a ceremony was held at the Fiat-GAC plant in Changsha, China, to celebrate completion of the new factory and rollout of the Fiat Viaggio, the first Fiat model produced in China by the joint venture.

On July 3, 2012, Fiat notified VEBA of Fiat’s intention to exercise its option to purchase a portion of VEBA’s ownership interest in Chrysler (equivalent to 3.3% of Chrysler’s equity). On September 26, 2012, Fiat announced that Fiat North America (a wholly-owned subsidiary) was seeking judgment from the Delaware Court of Chancery confirming the purchase price to be paid for the stake, as the parties had not reached an agreement on the purchase price.

On January 3, 2013, Fiat notified VEBA of Fiat's exercise of its option to purchase a second tranche of the interest held in Chrysler Group LLC by VEBA (representing a further 3.3% of Chrysler's equity). In the event these pending transactions are completed as contemplated, Fiat will hold 65.17% of the outstanding equity in Chrysler.

On July 26, 2012, Fiat Group Automobiles S.p.A. (FGA) and PSA Peugeot Citroën signed an agreement for the transfer of FGA's shareholding in the SevelNord joint venture to PSA Peugeot Citroën on or before December 31, 2012. SevelNord will continue to produce LCVs for the two groups until the end of 2016. The agreement does not impact on other co-operation agreements between FGA and PSA Peugeot Citroën, including the Sevel joint venture located in Val di Sangro (Italy), which will continue as per current contracts.

On September 13, 2012, for the fourth consecutive year, Fiat S.p.A. was included in the Dow Jones Sustainability Indexes (DJSI) World and Europe, receiving a score of 91/100 compared with an overall average of 74/100 for companies in the Automobiles sector evaluated by SAM, the specialists in sustainability investing. Membership in the prestigious DJSI World and DJSI Europe equity indexes is limited to companies judged best-in-class in terms of their economic, as well as environmental and social performance.

On October 10, 2012, Moody's lowered Fiat S.p.A.'s Corporate Family Rating from "Ba2" to "Ba3" and, in accordance with their methodology, the ratings on notes issued by Fiat Finance & Trade Ltd. S.A. and Fiat Finance North America, Inc. were also lowered from "Ba3" to "B1". The outlook of both ratings agencies is negative.

On November 7, 2012, Fiat's Pomigliano D'Arco plant was awarded the prestigious "Automotive Lean Production 2012" award in the OEM category, based on the evaluation of a committee of experts selected by the German magazine *Automobil Produktion* and a leading consultancy firm.

On December 20, 2012, at the Fiat plant in Melfi, Chairman John Elkann and CEO Sergio Marchionne – with Prime Minister Monti in attendance – presented plans for the production of a new Jeep brand vehicle and a new Fiat brand vehicle beginning in 2014. Following an investment program of more than €1 billion, Melfi will be one of the most advanced car assembly plants in the world equipped with the very latest technologies and managed according to World Class Manufacturing standards.

On January 9, 2013, Chrysler Group announced that it had received a demand from the VEBA pursuant to the Shareholder Agreement, seeking registration of approximately 16.6% of Chrysler Group's outstanding equity interests currently owned by VEBA.

On January 18, 2013, Fiat Group Automobiles S.p.A. (FGA) and Mazda Motor Corporation (Mazda) signed a final agreement for the development and manufacture of a new roadster for the Mazda and Alfa Romeo brands based on Mazda's next-generation MX-5 rear-wheel-drive architecture. Each model will be powered by proprietary engines unique to the respective brands. Both vehicles will be manufactured at the Mazda plant in Hiroshima, Japan. Production of the Alfa Romeo model is scheduled to begin in 2015.

On February 25, 2013, Fitch Ratings downgraded Fiat S.p.A.'s long-term debt rating from "BB" to "BB-", with a negative outlook.

(69.19% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for year ended December 31, 2012, prepared in accordance with International Financial Reporting Standards ("IFRS"), unless otherwise noted.

			Change	
US$ million	**2012**	2011	Amount	%
Net revenues (Commission and service fee) **(A)**	**1,597.0**	1,572.3	24.7	1.6
Reimbursed costs - managed properties and other costs	**453.1**	423.4	29.7	7.0
Gross revenues (A+B)	**2,050.1**	1,995.7	54.4	2.7
EBITDA	**127.7**	111.1	16.6	14.9
Operating income	**79.1**	64.5	14.6	22.6
~~Loss~~ Income attributable to owners of the parent	**43.2**	14.9	28.3	n.s.

US$ million	**12/31/2012**	12/31/2011	Change
Equity attributable to owners of the parent	**825.6**	779.1	46.5
Consolidated net financial position	**(87.4)**	9.0	(96.4)

In 2012 C&W continued to increase market share by enhancing the firm's delivery of consistent, high-quality service to its clients in key markets across the globe, and pursued expansion into key locations to fill out strategic service line and regional needs.

As part of its strategic initiatives, C&W is focused on enhancing its recurring revenue streams, as evidenced in the Corporate Occupier & Investor Services ("CIS") business' revenue growth of 16.7% in the U.S. for full-year 2012, as compared with 2011, and its winning 435 million square feet of new and renewal business in 2012, including significant assignments.

Additionally, CIS's acquisition of the third-party client services business of Cousins Properties will provide enhanced client support capabilities in two key, strategic growth areas, including Dallas and Atlanta.

In addition to the CIS-related wins, the following are some of the other successes C&W Group achieved across its regions and service lines during 2012:

- Completed the two largest office leases in San Francisco to date. Represented Salesforce.com in the lease of 401,786 square feet in San Francisco's Financial District, the largest long-term office lease signed in the area in more than a decade, and represented Hudson Pacific Properties Inc. in the 250,000-square-foot office lease to Square Inc.;
- Advised the iconic British brand Burberry on the pre-lease of 127,000 square feet of office space in one of Central London's largest leases for this year;
- Arranged a $610 million sale of Boston's 100 Federal Street Tower on behalf of Bank of America, which represents one of the largest property sales transactions in the U.S. this year;
- Completed two of the largest transactions in Hong Kong this year, including the sale of Monetary Court in Jardine Lookout and the sale of Kowloon Commercial Centre in Kowloon;
- Acquired its third asset for the PURetail Fund - a 100 percent occupied retail property in France;
- Ranked No. 3 in National Real Estate Investor's Top Brokerages survey;
- Won the Real Estate Board of New York's Most Ingenious Deal of the Year Award for arranging Conde Nast's one million-square-foot office lease at One World Trade Center on behalf of the Port Authority of New York and New Jersey;
- Arranged the $230 million senior mortgage loan for 100 Church Street, a 1.05-million-square-foot office building in Manhattan;
- As part of its global alignment initiative, C&W reinforced its commitment to the iDesk by establishing the Asia iDesk in New York to drive an increase in cross-border transactions and enhance its ability to service clients across markets more efficiently and effectively;
- Advised The Crown Estate on the £87 million purchase of BAFTA Headquarters in London;
- Opened new offices in Brisbane, Australia; Ahmadabad, India; Ulaanbaatar, Mongolia; Manila, Philippines and added an office in Shanghai; along with four Alliance firms in the U.S. and one in Canada;

- Symantec renewed C&W's contract to provide Transaction Management, Project Management, Facilities Management, and Property Management for its 5 million-square-foot global portfolio;
- Represented ownership of 75 Rockefeller Plaza in a 99-year, triple-net lease to RXR Realty in Manhattan;
- Arranged the €302 million sale of Junction LP's UK retail portfolio;
- Completed the largest industrial deal in the UK in the last two years – Sainsbury's lease of more than one million square feet at Prologis' Daventry International Rail Freight Terminal; and
- Represented H&M in a high-profile lease at 4 Times Square in Manhattan and in the lease of its biggest store in the world at 589 Fifth Avenue, the largest Midtown Manhattan retail transaction of 2012.

With respect to its financial performance for 2012, gross revenue, which includes reimbursed costs – managed properties and other costs, increased $54.4 million, or 2.7%, or 4.7% excluding the impact of foreign exchange, to $2,050.1 million, as compared with $1,995.7 million for the same period in the prior year, while net revenues increased $24.7 million, or 1.6%, or 3.8% excluding the impact of foreign exchange, to $1,597.0 million for the year ended December 31, 2012, as compared with $1,572.3 million for the prior year, despite the slow transactional activity due to the continued global economic uncertainty that existed throughout 2012. The growth in net revenues and the reduction in operating expenses partially offset by an increase in cost of services sold and slightly higher commission expense drove a year-over-year increase in C&W Group's EBITDA of $16.6 million to $127.7 million, as compared with $111.1 million in the prior year. This positive growth and a reduction in interest expense, other expenses, net and income tax expense led to an improvement in the income attributable to owners of the parent of $28.3 million to $43.2 million for the full-year 2012, as compared with $14.9 million for the prior year.

The following presents the breakdown of full-year gross and commission and service fee revenues by geographical area.

					Change	
US$ million	2012		2011		Amount	%
Americas	1,484.2	72.4%	1,425.8	71.4%	58.4	4.1
EMEA	424.3	20.7%	434.7	21.8%	(10.4)	(2.4)
Asia	141.6	6.9%	135.2	6.8%	6.4	4.7
Gross revenues	**2,050.1**	**100.0%**	1,995.7	100.0%	54.4	2.7
Americas	1,135.9	71.1%	1,100.2	70.0%	35.7	3.2
EMEA	347.2	21.7%	361.9	23.0%	(14.7)	(4.1)
Asia	113.9	7.2%	110.2	7.0%	3.7	3.4
Net revenues	**1,597.0**	**100.0%**	1,572.3	100.0%	24.7	1.6

During 2012, C&W Group's global service lines, including Leasing, CIS, Capital Markets, Valuation & Advisory (V&A) and Global Business Consulting comprised 52.5%, 21.5%, 13.6%, 11.3% and 1.1% of commission and service fee revenues, respectively, as compared with 53.3%, 20.5%, 14.0%, 10.8% and 1.4%, respectively, for 2011.

Commission and service fee revenue experienced positive growth across all regions, with the exception of EMEA, which reported a decline, primarily due to the ongoing challenging economic and market conditions.

From a service line perspective, the year-over-year growth in commission and service fee revenue was driven by continued CIS performance throughout 2012, with the largest increase in the Americas, where revenue increased by $21.2 million, or 11.4%, continued growth in the V&A business, also led by the Americas region, which increased $10.1 million, or 8.4%, modest growth in Leasing and essentially flat revenues in Capital Markets, with the Leasing and Capital Markets year-over-year performance being largely attributable to a strong finish in the fourth quarter of 2012 despite the negative impact from foreign exchange and slow transactional activity resulting from the continued global economic uncertainty that existed throughout 2012. These increases were partially offset by a decline in Global Business Consulting, primarily in the U.S., due to the merger of the Business Consulting segment of Global Business Consulting into the Capital Markets service line effective January 1, 2012.

Commission expense increased $20.9 million, or 4.0%, to $546.8million for the full-year 2012, as compared with $525.9 million for 2011, while commission expense as a percentage of commission and service fee revenues increased to 34.2%, up 0.8 percentage points from 33.4% for the prior year. Foreign exchange decreased commission expense by $0.5 million, or 0.1 percentage points.

Cost of services sold increased $10.2 million, or 11.1%, to $102.0 million for the year ended December 31, 2012, as compared with $91.8 million in 2011, primarily due to higher CIS revenues. Foreign exchange had the impact of reducing the increase in cost of services sold by $10.1 million, or 11.0 percentage points. The increase in cost of services sold was driven by increases in Latin America, the U.S., Canada and EMEA of $6.7 million, or 10.2%, $2.7 million, or 79.4%, $0.6 million, or 85.7%, and $0.4 million, or 2.9%, respectively, partially offset by a decrease in Asia Pacific of $0.2 million, or 2.4%. The increase in Latin America was also attributable to the recognition of $3.0 million relating to the recording of certain contingencies in Brazil.

Operating expenses for the full-year 2012 decreased $21.0 million, or 2.4%, to $869.1 million, as compared with $890.1 million for the prior year. Foreign exchange had the impact of reducing operating expenses by $19.2 million, or 2.2 percentage points. The decrease in operating expenses was primarily due to the impact from foreign exchange, lower incentive compensation expenses, professional services fees and restructuring costs due to the termination in 2011 of the Planning and Hospitality teams in the UK and the recognition in 2012 of a non-recurring reduction in expenses in connection with the Company's profit sharing arrangement in Europe, partially offset by higher employment expenses, largely driven by merit increases, higher headcounts, higher severance costs primarily in the EMEA and U.S regions and the recognition in 2012 of employee benefit plan non-recurring charges in the Asia Pacific region, and an overall increase in other costs to support the Company's strategic growth initiatives.

At the operating income level, C&W Group's operating income increased by $14.6 million, or 22.6%, to $79.1 million for the full-year 2012, as compared with operating income of $64.5 million for the prior year.

Other expenses, net (which are not included in operating results) decreased $1.6 million, or 59.3%, to $1.1 million for the full-year 2012, as compared with $2.7 million for the prior year, primarily due to higher other miscellaneous income of $5.5 million, largely attributable to a $2.7 million non-recurring gain in the current year and non-recurring charges of $3.0 million in the prior year period, higher dividend income of $0.8 million from NorthMarq Real Estate Services LLC, a venture formed by Group in September 2011, lower management fees of $0.8 million and lower foreign exchange losses of $0.6 million, partially offset by an unfavorable variance related to the non-controlling shareholders put option liability of $6.1 million.

Interest expense, net decreased $2.7 million, or 23.9%, to $8.6 million, for the year ended December 31, 2012, as compared with $11.3 million for 2011, primarily due to the recognition in the prior year of interest expense of $1.1 million related to non-recurring charges and the full-year effect of lower interest rates in 2012 resulting from the refinancing of our Credit Facility at the end of the second quarter of 2011, partially offset by $1.5 million of interest expense in 2012 related to certain contingencies in Brazil.

The increase in operating income and the reductions in other expenses, net and interest expense drove an increase in C&W Group's pre-tax income of $18.9 million, or 37.4%, to $69.4 million for the full-year 2012, as compared with $50.5 million for the prior year.

The income tax provision decreased $9.3 million, or 26.1%, to $26.3 million for the full-year 2012, as compared with $35.6 million for the prior year, primarily due to certain non-recurring income tax net benefits, partially offset by an increase in pre-tax income.

As a result of the above factors, the income attributable to owners of the parent increased by $28.3 million to $43.2 million for the full-year 2012, as compared with $14.9 million for the prior year.

C&W Group's net financial position decreased $96.4 million to a negative $87.4 million (principally debt in excess of cash) as of December 31, 2012, as compared with a positive $9.0 million (principally cash in excess of debt) as of December 31, 2011. The decrease is primarily due to a year-over-year increase in working capital, excluding cash and debt, caused primarily by the increase in fourth-quarter revenue in 2012 and the timing of cash receipts and disbursements at the current year-end and an increase in 2012 spending on acquisitions.

Under difficult market conditions and while still investing in the firm's growth initiatives, C&W was able to complete 2012 with an increase in year-over-year net revenues and EBITDA growth of 1.6% and 14.9%, respectively, with a positive trend demonstrated by the fourth quarter 2012 activity.

Cushman & Wakefield's management team remains focused on enhancing market share in key markets around the globe and looks forward to taking advantage of its strong brand and the optimism for further economic recovery in 2013.

(63.77% of share capital)

The results for the first half of the financial year 2012/2013 of Juventus Football Club S.p.A. are as follows:

€ million	**Half I 2012/2013**	Half I 2011/2012	Change
Revenues	**149.4**	85.4	64.0
Operating costs	**101.9**	91.3	10.6
Operating income (loss)	**17.3**	(31.8)	49.1
Net income (loss) for the period	**11.3**	(34.6)	45.9

Interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the six-month data it should be noted that Juventus' financial year does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season.
Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by participation in football competitions in Europe, particularly the UEFA Champions League, the calendar of sports events and the two phases of the football players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the economic components; in addition, some revenues items are collected in a period different from the recognition period.

	At		
€ million	**12/31/2012**	6/30/2012	Change
Shareholders' equity	75.7	64.6	11.1
Net financial debt	149.6	127.7	21.9

Continuing the trend of solid improvement in the economic performance, the first half of 2012/2013 financial year ended with a **net income** of €11.3 million, posting a positive change of €45.9 million against the loss of €34.6 million registered in the same period a year earlier
The positive change is the result of the €64 million increase in revenues (+74.9% compared with the same period of the previous year), of which €2.8 million was due to television income related to the UEFA Champions League, a small increase in operating costs of €10.6 million (+11.6% compared with the first half of 2011/2012 financial year), as well as other net negative changes of €7.5 million. These include higher amortization of players' registration rights (€1.1 million), higher net provisions (€3.6 million), higher net financial expenses (€1.4 million) and finally, lower amortization of other fixed assets (€0.4 million).

Revenues for the first half of 2012/2013, totaling €149.4 million, show a 74.9% increase compared with the figure of €85.4 million in the first half of 2011/2012.

Operating costs in the first half of the 2012/2013 financial year amounted to €101.9 million, increasing by 11.6% compared with €91.3 million for the same period of the previous financial year.

Shareholders' equity at December 31, 2012 amounted to €75.7 million, registering an increase compared with the balance of €64.6 million at June 30, 2012, mainly due to the profit of the period.

Net financial debt at December 31, 2012 totaled €149.6 million (€127.7 million at June 30, 2012). The increase in net financial debt of €21.9 million was caused by changes in investments (-€43.7 million), operations (+€24.8 million), and other net changes (-€3 million).

Significant events in the first half of 2012/2013

Football season

On August 11, 2012, the First Team won the fifth Italian Super Cup in its history.

In December 2012, the First Team qualified for the round of sixteen of the UEFA Champions League 2012/2013, ranking in first place in its round.

2012/2013 Transfer Campaign – first phase

Transactions concluded in the first phase of the 2012/2013 Transfer Campaign, conducted from July 1 to August 31, 2012 (and until September 6 on some foreign markets), increased total invested capital by €47.4 million, as a result of acquisitions totaling €63 million and disposals totaling €15.6 million (net book value of rights disposed).

Transactions generated net gains equal to €4.9 million. In addition, temporary acquisitions and disposals added a net €0.8 million in gains to the income statement.

The net total financial commitment, distributed over three years, came to €43.1 million and includes capitalized auxiliary expenses and financial income and expenses implicit in deferred receipts and payments.

2012/2013 Season Ticket Campaign

The Season Ticket Campaign for the 2012/2013 season officially closed with the subscription of all the 27,400 season passes available, for net revenues of €19.8 million, including Premium Seats and additional services.

Sales compared with the 2011/2012 football season recorded an increase of 11.7% in the number of season tickets and an increase of 30.3% in net revenues.

New Jeep Sponsorship

Following a three year agreement signed on July 23, 2012, the Fiat Group became the sole Juventus jersey sponsor for all competitions, against a fixed total payment of €35 million, as well as the supply of group vehicles. In the current football season, the Jeep logo is on the jerseys.

The Continassa Project

On July 24, 2012, Juventus and the City of Turin signed an agreement, updating the preliminary agreement made on June 11, 2010.

On December 22, 2012, the City of Turin Council approved Partial Variation no. 277 to the General Master Plan (G.M.P.) in force and the redevelopment proposal for the Continassa Area, adjacent to the Juventus Stadium, and currently seriously run-down and abandoned.

As a result, Juventus will acquire a renewable long-term lease from the City of Turin, for a period of 99 years, on a portion of the Continassa Area, equal to 180,000 square meters ("Juventus Area"), and the related Gross Floor Area (GFA) totaling 33,000 square meters, to house the new Training and Media Centre for the First Team, tourism and hotel establishments, entertainment activities, private residences as well as businesses, restaurants and support services.

The price, as identified in the report by the expert assigned by the City of Turin, has been set at €11.7 million, which assigns a value of about €355 per square meter of GFA (totaling 33,000 square meters) and €65 per square meter for the long-term lease (totaling 180,000 square meters). Juventus has already paid the City of Turin advances of €7.5 million; the remaining €4.2 million will be paid by December 31, 2013.

A GFA of 5,000 square meters, already acquired by Juventus, will also be transferred to the Juventus Area, for the construction of premises to house Juventus' headquarters.

Resolutions of the ordinary shareholders' meeting held on October 26, 2012

The shareholders' meeting on October 26, 2012 approved the financial statements at June 30, 2012, which reported a loss of €48.7 million that was covered through the use of the share premium reserve. As a result, no dividends were deliberated.

The shareholders' meeting also decided that the board of directors would consist of 10 members for the years 2012/2013, 2013/2014 and 2014/2015, appointing the directors Andrea Agnelli, Maurizio Arrivabene (independent director), Giulia Bongiorno (independent director), Paolo Garimberti (independent director), Assia Grazioli Venier (independent director), Giuseppe Marotta, Aldo Mazzia, Pavel Nedved, Enrico Vellano and Camillo Venesio (independent director).

The board of statutory auditors composed by Paolo Piccatti (Chairman), Silvia Lirici and Roberto Longo (auditors) was also appointed. Nicoletta Paracchini and Roberto Petrignani were appointed as deputy auditors.

The shareholders' meeting assigned the engagement, upon recommendation by the board of statutory auditors, for the audit of the financial statements for the financial years 2012/2013-2020/2021 to Reconta Ernst & Young S.p.A.

Lastly, the shareholders' meeting approved the remuneration report pursuant to Article 123-ter of Legislative Decree 58/98.

Resolutions of the board of directors' meeting held on October 26, 2012

The board of directors meeting held at the end of the Shareholders' Meeting confirmed the appointment of Andrea Agnelli as Chairman and Giuseppe Marotta and Aldo Mazzia as Chief Executive Officers. Special tasks were also assigned to Pavel Nedved, in the sports and commercial sector, and to Paolo Garimberti for the Juventus Museum.

The board appointed the executive committee delegating it some of its powers. The members of the committee are Andrea Agnelli (Chairman), and after the satisfaction of the requirements of independence of the directors Maurizio Arrivabene, Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier and Camillo Venesio, the board also appointed the following Committees:

- *Remuneration and Appointments Committee* composed by Paolo Garimberti (Chairman), Camillo Venesio and Maurizio Arrivabene;
- *Control and Risk Committee* composed by Camillo Venesio (Chairman), Maurizio Arrivabene and Assia Grazioli Venier.

The Supervisory Body was also appointed, pursuant to Legislative Decree 231/2001, composed of Alessandra Borelli, Paolo Claretta Assandri and Guglielmo Giordanengo.

Significant events subsequent to December 31, 2012

Transfer Campaign – second phase

The transactions finalized in the second phase of the 2012/2013 Transfer Campaign will lead to a total increase in invested capital of €3.8 million. Disposals will generate net gains equal to €3.3 million.

The net total financial commitment (including capitalized auxiliary expenses as well as financial income and expenses implicit on deferred receipts and payments) will come to €0.9 million, distributed as follows: €0.4 million in the second half of the 2012/2013 financial year and €0.5 million in the 2013/2014 financial year.

The transactions finalized in the first and second phases of the 2012/2013 Transfer Campaign will lead to a total increase in invested capital of €51.2 million resulting from acquisitions for €66.9 million and disposals for €15.7 million (net book value of disposed rights).

The net gains generated by the disposals total €8.2 million. In addition, temporary acquisitions and disposals added a net €0.8 million in gains to the income statement.

The net total financial commitment (including capitalized auxiliary expenses as well as financial income and expenses implicit on deferred receipts and payments) comes to €44 million, distributed as follows: €26.8 million in the 2012/2013 financial year, €8.8 million in the 2013/2014 financial year, and €8.4 million in the 2014/2015 financial year.

(36.29% of share capital through EXOR S.A.)

The main consolidated income figures for the Almacantar Group in 2012 are as follows:

£ million	**2012**	2011	Change
Net property income	**14.3**	6.9	7.4
Operating profit	**44.2**	1.1	43.1
Profit (loss) after tax	**33.7**	(4.3)	38.0
Profit (loss) attributable to owners of the parent	**31.1**	(4.3)	35.4

Almacantar reported a profit of £33.7 million for the year ended December 31, 2012. This includes an unrealized gain from the positive fair value alignment of its three investment properties of £34.0 million.
Almacantar's profit for 2012 after adjusting for various non-recurring items, primarily the unrealized gain arising from the year-end revaluation of the group's investment properties, is £3.6 million.

A significant proportion of income arises under leases with fixed rental levels. Most leases have a remaining period of several years. However, it is expected that rebuilding of the Centre Point and Marble Arch Tower properties will begin in 2014 and 2015 respectively. At that time, annual income from those properties is likely to decline, before the increase in the value of the properties is realized after completion of the building work.

The group's finance expense of £6.9 million in 2012 largely comprises interest expense on bank borrowings which are secured on the properties. A substantial level (87%) of bank interest expense is fixed under interest-rate swap agreements.

Key consolidated balance sheet figures for the Almacantar Group at December 31, 2012 are as follows:

£ million	**12/31/2012**	12/31/2011	Change
Investment properties	**396.2**	230.1	166.1
Net assets	**321.2**	287.4	33.8
Bank debt	**(147.4)**	(88.1)	(59.3)
Cash	**31.5**	67.5	(36.0)
Net financial position	**(115.9)**	(20.6)	(95.3)

A large part of the cash was utilized in July 2012 to acquire CAA House. At that time, additional bank debt of £60 million was incurred, and cash of £38 million was paid out.

At December 31, 2012, the share capital of Almacantar amounted to £276 million, of which £86 million was not yet called for payment by the shareholders.

At the same date Almacantar holds the following properties:

Centre Point
Centre Point is a well-known building of 34 stories in central London close to the districts of Soho, Bloomsbury and Covent Garden. It was built in the 1960s and has legal protection as a building of special architectural interest.

Almacantar applied for a building permit to convert the Centre Point tower into exclusive apartments of a very high standard. In September 2012, the application was refused largely because of delay in obtaining authorization from the relevant government authorities. A revised application is being prepared. It is anticipated that the building work will commence in 2014. At that time, the building will temporarily cease to generate income, and additional bank borrowings will be obtained, for a period of between two and three years.

Marble Arch Tower
Marble Arch Tower is situated on a prominent site in central London overlooking Hyde Park.

The building currently comprises offices, other commercial occupiers, and a cinema. Almacantar is working with an architect to design a mixed-use building, including high quality residential apartments. Construction work is expected to commence in 2015.

CAA House
In July 2012 Almacantar completed the purchase of CAA House. This property is also in the center of London, and is leased by a British government agency.

Almacantar will continue its strategy of increasing the value of existing investments, in particular by applying for permission to undertake construction work. In addition, a limited number of new property investments in central London will be sought, which have the potential for Almacantar to use its real estate skills to transform and add long-term value.

ARENELLA IMMOBILIARE S.r.l.

(100% of share capital through EXOR)

On October 10, 2012 Arenella Immobiliare purchased a hotel property located near Syracuse in Sicily from Blumarin Hotels Sicilia S.p.A. (a wholly-owned subsidiary of Alpitour S.p.A.).

On the same date, Arenella Immobiliare leased the building complex to the same Blumarin Hotels Sicilia for a period of nine years for the period November 1, 2012 – October 31, 2021.

The business purpose of the company is the purchase, management, administration, exchange and sale of properties and building complexes and the non-finance lease of the same.

The value of the property, acquired for €26 million, was increased by the notary costs and the taxes relative to the acquisition of the hotel complex for €1.2 million; after depreciation of the building, the balance at December 31, 2012 is €27 million.

The income statement figures for 2012 are not significant since the Company began the lease and management of the hotel property in October 2012. The year ended with a loss of €0.2 million and derives mainly from the building lease installments for the months of November and December net of operating costs.

EXOR S.A.

(100% of share capital)

The highlights of the financial statements of EXOR S.A. at December 31, 2012, prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2012	12/31/2011	Change
(Loss) profit for the year	**(105.8)**	59.2	(165.0)
Equity	**2,031.4**	2,137.2	(105.8)
Investments and other non-current financial assets	**2,171.1**	2,258.1	(87.0)
Net financial position	**(138.7)**	(118.8)	(19.9)

The year 2012 closed with a loss of €105.8 million. The negative change of €165 million compared with the profit reported in the prior year (€59.2 million) is attributable to the adjustment of the investment in Sequana S.A. to market value at December 31, 2012 which generated an impairment loss of €165.9 million, lower dividends from investments of €12.9 million, higher net financial expenses of €11.6 million, all partially compensated by net positive other changes of €25.4 million.

At December 31, 2012, non-current financial assets include the following:

	Number of	12/31/2012			
	shares	% of capital	Carrying amount	12/31/2011	Change
SGS S.A.	1,173,400	15	1,016.3	1,016.3	0.0
Exor Capital Ltd	4,000,000	100	320.0	234.0	86.0
C&W Group Inc.	511,015	69.19	405.0	405.0	0.0
Almacantar S.A.	100,080,355	36.29	113.9	113.9	0.0
Gruppo Banca Leonardo S.p.A.	45,459,968	17.40	76.8	103.2	(26.4)
Sequana S.A.	4,685,844	18.74	38.6	190.3	(151.7)
Banijay Holding S.A.S.	351,590	17.09	35.3	35.3	0.0
The Economist Newspaper Ltd	1,190,000	4.72	30.4	30.3	0.1
Other			38.6	43.2	(4.6)
Total investments			**2,074.9**	2,171.5	(96.6)
Other non-current financial assets			96.2	86.6	9.6
Total investments and other non-current financial assets			**2,171.1**	2,258.1	(87.0)

MOTION FOR THE APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND THE PAYMENT OF DIVIDENDS

Dear shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2012 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit for the year of €150,494,557.63 as follows:

-	to the 150,395,496 ordinary shares currently outstanding, dividends equal to €0.335 per share, equal to a maximum	€	50,382,491.16
-	to the 64,391,776 preferred shares currently outstanding, dividends equal to €0.3867 per share, equal to a maximum	€	24,900,299.78
-	to the 8,333,089 savings shares currently outstanding, dividends equal to €0.4131 per share, equal to a maximum	€	3,442,399.07
-	to the Extraordinary Reserve, the remaining amount, equal to a minimum of	€	71,769,367.62
Profit for the year 2012		**€**	**150,494,557.63**

The dividends proposed, equal to a maximum €78,725,190.01, will become payable on June 27, 2013 (June 24 stock market ex-dividend date) and will be paid to the shares on record as of June 26, 2013.

Turin, April 16, 2013

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Separate Financial Statements

at December 31, 2012

EXOR S.p.A. - INCOME STATEMENT

€	Note	2012	2011	Change
Investment income (expenses)				
Dividends from investments	1	**82,803,666**	171,733,163	(88,929,497)
Gains (losses) on disposals of investments	2	**135,911,562**	(7,963,474)	143,875,036
Impairment losses on investments	3	**0**	(56,235,535)	56,235,535
Net investment income		**218,715,228**	107,534,154	111,181,074
Financial income (expenses)				
Financial expenses from third parties	4	**(97,433,372)**	(135,021,073)	37,587,701
Financial income from third parties	5	**48,325,821**	108,667,018	(60,341,197)
Financial income from related parties	38	**3,487**	1,591,712	(1,588,225)
Gains (losses) on exchange	6	**640,519**	(2,989,282)	3,629,801
Net financial expenses		**(48,463,545)**	(27,751,625)	(20,711,920)
Net general expenses				
Personnel costs	7	**(8,844,659)**	(7,999,060)	(845,599)
Purchases of goods and services from third parties	8	**(4,596,331)**	(5,696,871)	1,100,540
Purchases of goods and services from related parties	38	**(5,300,124)**	(6,202,680)	902,556
Other operating expenses	9	**(815,119)**	(674,982)	(140,137)
Depreciation and amortization		**(56,520)**	(58,585)	2,065
		(19,612,753)	(20,632,178)	1,019,425
Revenues from third parties		**10,662**	210,647	(199,985)
Revenues from related parties	38	**486,857**	647,034	(160,177)
		497,519	857,681	(360,162)
Net general expenses		**(19,115,234)**	(19,774,497)	659,263
Non-recurring other income (expenses) and general expenses	10	**413,319**	2,284,394	(1,871,075)
Indirect taxes				
Non-deductible VAT	11	**(1,517,861)**	(1,936,966)	419,105
Other indirect taxes		**(10,455)**	(63,449)	52,994
Indirect taxes		**(1,528,316)**	(2,000,415)	472,099
Profit before income taxes		**150,021,452**	60,292,011	89,729,441
Income taxes	12	**473,106**	(1,601,272)	2,074,378
Profit for the year		**150,494,558**	58,690,739	91,803,819

EXOR S.p.A. - STATEMENT OF COMPREHENSIVE INCOME

€	**2012**	2011
Gains/(losses) recognized directly in cash flow hedge reserve	**(21,114,905)**	(23,723,367)
Gains/(losses) recognized in fair value reserve	**22,367,333**	976,276
Deferred taxes on changes in fair value of investments	**(311,751)**	(13,424)
Actuarial gains/(losses) recognized directly in equity	**(425,090)**	(123,135)
Total Other comprehensive income, net of tax	**515,587**	(22,883,650)
Profit for the year	**150,494,558**	58,690,739
Total comprehensive income	**151,010,145**	35,807,089

EXOR S.p.A. - STATEMENT OF FINANCIAL POSITION

€	Note	12/31/2012	12/31/2011	Change
Non-current assets				
Investments accounted for at cost	13	3,883,634,263	3,804,831,389	78,802,874
Available-for-sale financial assets	13	368,948,261	12,368,447	356,579,814
Total		4,252,582,524	3,817,199,836	435,382,688
Held-to-maturity financial instruments	14	109,498,361	114,855,368	(5,357,007)
Other financial assets	15	15,654,703	877,625	14,777,078
Intangible assets		112,954	101,664	11,290
Property, plant and equipment		152,838	172,249	(19,411)
Other receivables		1,901	2,081	(180)
Total Non-current assets		4,378,003,281	3,933,208,823	444,794,458
Current assets				
Held-to-maturity financial instruments	14	0	77,035,125	(77,035,125)
Financial assets held for trading	16	176,458,157	349,749,017	(173,290,860)
Cash and cash equivalents	17	338,375,314	94,243,148	244,132,166
Other financial assets	15	3,337,208	8,134,038	(4,796,830)
Tax receivables	18	4,532,812	25,144,323	(20,611,511)
Financial receivables from related parties	38	1,753,487	21,274	1,732,213
Financial receivables from third parties		553,151	403,637	149,514
Trade receivables from related parties	38	332,646	415,497	(82,851)
Other receivables	19	500,724	1,135,384	(634,660)
Total Current assets		525,843,499	556,281,443	(30,437,944)
Non-current assets held for sale	20	0	82,526,558	(82,526,558)
Total Assets		4,903,846,780	4,572,016,824	331,829,956
Equity				
Share capital	21	246,229,850	246,229,850	0
Capital reserves	22	1,746,955,814	1,746,955,814	0
Retained earnings and other reserves	23	1,614,923,627	1,632,563,244	(17,639,617)
Treasury stock	25	(239,005,324)	(239,005,324)	0
Profit for the year		150,494,558	58,690,739	91,803,819
Total Equity		3,519,598,525	3,445,434,323	74,164,202
Non-current liabilities				
Non-convertible bonds	27	1,079,497,095	845,774,013	233,723,082
Bank debt	28	200,000,000	200,000,000	0
Deferred tax liabilities	29	23,647,617	23,875,349	(227,732)
Provisions for employee benefits	30	2,394,918	2,232,248	162,670
Provisions for risks and charges	31	3,500,000	0	3,500,000
Other payables	35	461,902	921,683	(459,781)
Total Non-current liabilities		1,309,501,532	1,072,803,293	236,698,239
Current liabilities				
Other financial liabilities	32	70,301,544	48,054,792	22,246,752
Trade payables and other payables to related parties	38	117,959	966,771	(848,812)
Trade payables to third parties	33	1,034,975	1,231,495	(196,520)
Tax payables	34	1,034,563	647,291	387,272
Other payables	35	2,257,659	2,878,859	(621,200)
Bank debt	28	23	0	23
Total Current liabilities		74,746,723	53,779,208	20,967,515
Total Equity and Liabilities		4,903,846,780	4,572,016,824	331,829,956

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury stock	Earnings reserves	Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2010	**246,229,850**	**1,746,289,493**	**(170,327,086)**	**1,579,171,722**	**151,861,008**	**1,373,028**	**(2,083,550)**	**3,552,514,465**
Reclassification 2010 profit				151,861,008	(151,861,008)			0
Dividends paid to shareholders (€ 0.31 per ordinary share,								
€ 0.3617 per preferred share, € 0.3881 per savings share)				(75,876,645)				(75,876,645)
Purchase of treasury stock			(68,678,238)					(68,678,238)
Dividends statute-barred				2,265				2,265
Increase corresponding to figurative cost of EXOR stock option plan				999,066				999,066
Changes deriving from the merger of Exor Services		666,321						666,321
Total comprehensive income				(123,135)	58,690,739	962,852	(23,723,367)	35,807,089
Equity at December 31, 2011	**246,229,850**	**1,746,955,814**	**(239,005,324)**	**1,656,034,281**	**58,690,739**	**2,335,880**	**(25,806,917)**	**3,445,434,323**
Reclassification 2011 profit				58,690,739	(58,690,739)			0
Dividends paid to shareholders (€ 0.335 per ordinary share,				(80,123,720)				(80,123,720)
€ 0.3867 per preferred share, € 0.4131 per savings share)								0
Dividends statute-barred				1,852				1,852
Increase corresponding to figurative cost of EXOR stock option plan				3,275,925				3,275,925
Total comprehensive income				(425,090)	150,494,558	22,055,582	(21,114,905)	151,010,145
Net changes during the year	**0**	**0**	**0**	**(18,580,294)**	**91,803,819**	**22,055,582**	**(21,114,905)**	**74,164,202**
Equity at December 31, 2012	**246,229,850**	**1,746,955,814**	**(239,005,324)**	**1,637,453,987**	**150,494,558**	**24,391,462**	**(46,921,822)**	**3,519,598,525**
Note	21	22	25	23		23	23	

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2012	2011
Cash and cash equivalents, at start of year		**94,243,148**	219,795,393
Cash flows from (used in) operating activities			
Profit for the year		**150,494,558**	58,690,739
Adjustments for:			
(Gains) losses on disposals of investments	2	**(135,911,562)**	7,963,474
Gains on sale of building by EXOR Services		**0**	(7,086,033)
Quota of dividends in kind collected by EXOR S.A.		**0**	(89,864,870)
statement	4	**3,505,452**	4,250,768
Depreciation and amortization		**56,520**	58,585
Nominal cost of EXOR stock option plan	26	**3,124,537**	1,666,936
Expenses relating to merger of EXOR Services		**0**	(24,802)
Deferred income taxes released		**(539,483)**	(840,497)
Impairment losses on investments		**0**	56,235,535
Losses (Gains) on sale of property, plant and equipment		**(126)**	(29,230)
Non-recurring other (income) expenses, accrued and not yet collected/paid		**0**	(900,090)
Total adjustments		**(129,764,662)**	(28,570,224)
Cash deriving from the merger of EXOR Services			291,913
Change in working capital:			
Other financial assets, current and non-current	15	**(9,980,248)**	(2,126,143)
Tax receivables, excluding items adjusting profit for the year	18	**20,611,511**	20,533,314
Trade receivables from related parties		**82,851**	(200,072)
Other receivables, current and non-current		**634,840**	(681,216)
Other financial receivables		**(149,514)**	(403,637)
Other payables, current and non-current	35	**(1,080,981)**	(1,434,720)
Other financial liabilities, current and non-current	32	**1,131,847**	(9,525,073)
Trade payables and other payables to related parties, excluding items adjusting profit for the year		**(848,812)**	(21,993,657)
Trade payables to third parties		**(196,520)**	(3,193,056)
Taxes payable		**387,272**	(258,442)
Deferred tax liabilities, excluding taxes accrued in equity		**0**	2,157,930
Provisions for employee benefits, excluding actuarial differences recognized in equity		**(262,420)**	(525,800)
Provisions for risks and charges	31	**3,500,000**	
Net change in working capital		**13,829,826**	(17,358,659)
Net cash flows from (used in) operating activities		**34,559,722**	12,761,856
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(61,141)**	(28,748)
Held-to-maturity financial instruments, current and non-current	14	**82,392,132**	36,068,166
Current financial assets	15	**173,290,860**	239,468,762
Partial distribution of Alpitour paid-in capital		**0**	10,000,000
Sale of building by EXOR Services		**0**	18,200,000
Disposal of investments	13	**218,438,120**	16,367,954
Investment acquisitions	13	**(334,199,612)**	(3,911,427)
Net cash flows from (used in) investing activities		**139,860,359**	316,164,707
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**(1,732,213)**	30,571,701
Issue of bonds 2012/2019		**147,170,389**	0
Issue of bonds 2012/2025		**97,709,870**	0
Issue of bonds 2011/2031 in Yen		**0**	99,498,358
Repayment of bonds 2006/2011		**0**	(199,918,170)
Other changes in bonds		**(11,157,178)**	575,822
Net change in bank debt		**23**	(81,094,658)
Changes in fair value of cash flow hedge derivatives		**(3,505,452)**	(2,218,790)
Dividends paid		**(80,123,720)**	(75,876,645)
Purchases of treasury stock		**0**	(68,678,238)
(Purchase) sale of further ownership interests in subsidiaries)	13	**(78,651,486)**	(157,340,452)
Dividends statute-barred and other net changes		**1,852**	2,264
Cash flows from (used in) financing activities		**69,712,085**	(454,478,808)
Net increase (decrease) in cash		**244,132,166**	(125,552,245)
Cash and cash equivalents, at end of year		**338,375,314**	94,243,148

EXOR S.p.A. – NOTES TO THE SEPARATE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE COMPANY

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.39% % of share capital: specifically, 59.10% of ordinary share capital, 39.24% of preferred share capital and 18.45% of savings share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

Further information is provided in the Report on Operations under "EXOR Group Profile and Key Data".

SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements

The separate financial statements of the EXOR S.p.A. at December 31, 2012 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and Council of July 19, 2002, in addition to provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The separate financial statements are also prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 of July 27, 2006 and in Consob Communication 6064293 of July 28, 2006, pursuant to article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.
The financial statements are prepared on the going concern assumption as the directors have in fact assessed that despite operating in a difficult economic and financial environment no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Accounting principles, amendments and interpretations adopted from January 1, 2012

On October 7, 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*, adopted by the Company from January 1, 2012. The amendments will allow users of financial statements to improve their understanding of transfers (derecognition) of financial assets, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of a transfer transaction is undertaken at the end of a reporting period. The application of these amendments had no effect on the disclosures presented in this Annual Report or on the measurement of the related items.

Accounting standards, amendments and interpretations effective from January 1, 2012 but not applicable to the Company

The following amendment, effective from January 1, 2012, relates to matters that were not applicable to the Company at the date of this Annual Report, but may affect the accounting for future transactions or arrangements:

- On December 20, 2010, the IASB issued a minor amendment to IAS 12 – *Income Taxes* which clarifies the accounting for deferred tax relating to investment properties measured at fair value. The amendments introduce the presumption that the carrying amount of deferred taxes relating to investment properties measured at fair value under IAS 40 will be recovered through sale. As a result of the amendment, SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* no longer applies. The amendment is effective retrospectively for annual periods beginning on or after January 1, 2012.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

On May 12, 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* replacing SIC-12 – *Consolidation-Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (subsequently reissued as IAS 27 – *Separate Financial Statements* which addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles and establishes criteria for determining a new model of control applicable to all entities, including special purpose entities. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after January 1, 2014. As of the date of this Annual Report, the Company is evaluating the effects, if any, from the adoption of the new standard

On May 12, 2011, the IASB issued IFRS 11 – *Joint Arrangements* superseding IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities Non-monetary Contributions by Venturers.* The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly controlled entities, the equity method. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after January 1, 2014. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly controlled entities in its scope of application, from the effective date of the standard. No effect on the Company's financial statements is expected from the adoption of this standard.

On May 12, 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities*, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated entities. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after January 1, 2014. As of the date of this Annual Report, the Company is evaluating the effects, if any, from the adoption of the new standard.

On May 12, 2011, the IASB issued IFRS 13 – *Fair Value Measurement,* clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The standard is applicable prospectively from January 1, 2013. No significant effect on the Company's financial statements is expected from the adoption of this standard.

On June 16, 2011, the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* requiring companies to group together items within Other comprehensive income that may be reclassified to the income statement. The amendment is applicable from periods beginning on or after July 1, 2012. The application of this amendment will not have any significant effect on the measurement of items in the Company's financial statements.

On June 16, 2011, the IASB issued an amended version of IAS 19 – *Employee Benefits* applicable retrospectively for the year beginning January 1, 2013. The amendment modifies the requirements for recognizing defined benefit plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the statement of financial position, the introduction of net interest expense and the classification of net interest expense arising from defined benefit plans. In detail:

- *Recognition of the plan deficit or surplus:* the amendment removes the previous option of being able to defer actuarial gains and losses under the off balance sheet "corridor method", requiring these to be recognized directly in Other comprehensive income. In addition, the amendment requires the immediate recognition of past service costs in profit or loss.

- *Net financial expense*: The concepts of interest expense and expected return on plan assets are replaced by the concept of net interest expense on the net plan deficit or surplus on defined benefit plans, which consists of:
    - the interest expense calculated on the present value of the liability for defined benefit plans,
    - the interest income arising from the valuation of the plan assets, and
    - the interest expense or income arising from any limits to the recognition of the plan surplus.

Net interest expense is calculated for all the above components by using the discount rate applied for valuing the obligation for defined benefit plans at the beginning of the period. In accordance with the current version of IAS 19, the expected return on assets is calculated using a long-term rate of return.

- *Classification of net interest expense*: In accordance with the new definition of net interest expense set out in the standard, net interest expense on defined benefit plans will be recognized as Financial income (expenses) in the income statement. Under the current version of IAS 19, the Company recognizes all income and expenses arising from the measurement of funded pension plan assets and liabilities in operating costs by function, whereas the financial component of unfunded defined benefit plans (Other post-employment benefits) is included in Financial income (expenses).

The adoption of this amendment will not produce any effect from the standpoint of the measurement of the financial statement items.

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are applicable retrospectively for annual periods beginning on or after January 1, 2014.

On December 16, 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures.* The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The amendments are effective for annual and interim periods beginning on or after January 1, 2013. Disclosure is to be provided retrospectively. No significant effect on the Company's financial statements is expected from the adoption of this amendment.

At the date of the Annual Report, the European Union had not yet concluded the endorsement process of the following standards and amendments:

- On November 12, 2009, the IASB issued *IFRS 9 – Financial Instruments*; this standard was subsequently amended. The new standard, applicable retrospectively from January 1, 2015, represents completion of the first phase of a project to replace IAS 39 and introduces new requirements for classification and measurement of financial assets and financial liabilities. For financial assets, the standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value – replacing the many different rules in IAS 39 – which is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. For financial liabilities, the principal change relates to the recognition of changes in fair value for financial instruments measured at fair value through profit or loss, where those changes are due to changes in the liability's credit risk. Under the new standard, these changes must be presented in Other comprehensive income rather than through profit or loss.

- On May 17, 2012, the IASB issued a set of amendments to the IFRS ("*Annual Improvements to IFRS – 2009-2011 Cycle*") that are applicable retrospectively from January 1, 2013. Following is a description of those amendments that will lead to changes in the presentation, recognition or measurement of items in the financial statements, excluding those that only relate to changes in terminology or editorial changes with limited accounting impacts and those relating to standards or interpretations that are not applicable to the Company:

- IAS 1 – *Presentation of financial statements*: the amendment clarifies how comparative information should be presented when an entity changes accounting policies or carries out a retrospective restatement or reclassification and when an entity provides comparative information that is additional to the minimum information required.
- IAS 16 – *Property, plant and equipment:* the amendment clarifies that items such as spare parts, stand-by equipment and servicing equipment, shall be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment, otherwise such items should be classified as inventory.
- IAS 32 – *Financial instruments: Presentation*: the amendment eliminates an inconsistency between IAS 12 – *Income Taxes* and IAS 32 concerning the recognition of tax arising from distributions to shareholders, and establishes that such tax is to be recognized in profit or loss when the distribution relates to income originally recognized in profit or loss.

Format of the separate financial statements

EXOR S.p.A. presents the separate income statement using a classification based on the nature of the revenues and expenses, with the presentation of investment income (expenses) and financial income (expenses) taking preference since these items are characteristic of the Company's activities. In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

Since the year 2009, in view of the significance of the amounts, Non-recurring other income (expenses) and general expenses are presented separately from Net general expenses that are recurring. The line item includes any exceptional or non-recurring costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees and defendant legal fees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total income and expenses recognized in the income statement and increases or decreases in reserves.
The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 38.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the Company's functional currency and presentation currency.

In the separate financial statements, the amounts are expressed in Euro.
In the notes, unless otherwise indicated, the data are expressed in thousands of Euro.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.
Subsidiaries are enterprises controlled by the Company, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.
Associates are enterprises over which the Company has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies.
Investments in other companies include non-current financial assets and not destined for trading.

Under the cost method, investments are tested for impairment whenever there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. This objective evidence is a significant and prolonged decline in the market prices to below cost of a directly and indirectly owned subsidiary or associate, together with its continuing negative operating performance. In these cases, the impairment is determined as the difference between the carrying amount of the investment and its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell.
At the end of each reporting period, EXOR S.p.A. assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. A

significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence. In these cases, the recoverable amount of the investment is remeasured and, if appropriate, the carrying amount is increased up to the cost of the investment.

When the Company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company. When, subsequently, the impairment loss no longer exists or decreased, a reversal is recognized in the income statement up to the cost of the investment.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in Other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in Other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held-to-maturity financial assets

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that EXOR has the positive intention and ability to hold to maturity.

Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the Company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Except for derivative instruments, other financial assets are recognized initially at cost, which generally coincides with acquisition cost net of incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist

Intangible assets

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis in five years over their estimated useful lives, if the assets have a finite useful life.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Property, plant and equipment are stated at acquisition or production cost, net of accumulated depreciation and impairment losses.

Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.

The assets are depreciated using the following rates:

Class	Depreciation rate
Telephone equipment	20%
Furniture	12%
Sundry equipments	15%
Office machines	20%

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Non-current assets held for sale

Assets and liabilities held for sale are classified as such if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or liability is available for immediate sale in its present condition.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the Company attributes benefits to periods in which the obligation to provide post-employment benefits arises. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to the available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and the actual result, together with the effects of changes in actuarial assumptions and are recognized in the year incurred in equity.

The liability for employee benefits recognized in the statement of financial position represents the present value of the defined benefit obligation and unrecognized past service cost, reduced by the fair value of plan assets. Any net asset resulting from this calculation is recognized at the lower of the amount arising from this calculation and the total of any unrecognized net actuarial losses, unrecognized past service costs and the present value of any refunds available and reductions in future contributions to the plan.

If changes are made to a plan that alter the benefits due for past service or if a new plan is introduced regarding past service then past service costs are recognized in profit or loss on a straight-line basis over the average period remaining until the benefits vest. If a change is made to a plan that significantly reduces the number of employees who are members of the plan or that alters the conditions of the plan such that employees will no longer be entitled to the same benefits for a significant part of their future service, or if such benefits will be reduced, the profit or loss arising from such changes is immediately recognized in the income statement.

All costs and income arising from the measurement of pension plan provisions are allocated by function in the income statement, except for interest cost on unfunded defined benefit plans which is reported as part of financial expenses.

The scheme underlying the Employee leaving entitlements of Italian companies was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the 2007 Finance Law) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

Since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to a supplementary pension fund.

Consequently, for those who transfer the entire amount accrued to a supplementary pension fund, the Company records the contribution paid as an expense and no additional obligation is recognized.

Post-employment plans other than pensions

The Company provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement. The compensation component arising from stock option plans linked to shares of EXOR S.p.A., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in profit or loss.

Provisions

The Company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of Company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.
Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received net of directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.
Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement.
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in Other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in Other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- *Hedge of a net investment* (hedge of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.
Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.
Revenues from the performance of services are recognized over the period in which the services will be provided.

Costs are recorded on the accrual basis.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to Other comprehensive income, in which case the related income tax effect is recognized directly in Other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the separate financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carryforward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.

The critical measurement processes and key assumptions used by the Company in applying IFRS which may have significant effects on the amounts recognized in the separate financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments and available-for-sale financial assets.

Instead, there are no critical or significant issues in relation to the estimates used for employee benefits, taxes or provisions, in view of their limited level of materiality.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR S.p.A. at December 31, 2012 is represented by the carrying amount of financial assets presented in the financial statements. The Company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

With regard to the issue of non-convertible bonds for Japanese yen 10 billion during 2011, to protect itself against fluctuations in the €/Yen exchange rate, a cross currency swap was put in place with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face value in euro (about €83 million) for the entire term of the loan.

Some available-for-sale financial assets, assets held for trading, cash and financial liabilities are denominated in currencies other than Euro and have been adjusted to the year-end exchange rate.

With regard to liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing non-revocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the risks associated with fluctuations in interest rate are only managed using derivative financial instrument denominated interest rate swaps on some of the loans received.

EXOR is subject to income taxes in Italy; during the course of its ordinary operations EXOR may also be subject to controls by the Italian tax authorities. Even though the Company considers that the tax estimates are reasonable, any disputes related thereto may have an adverse effect on the earnings.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS OF THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €82,804 thousand (€171,733 thousand in 2011) and were received from the following companies:

€ thousand	2012	2011
Fiat Industrial S.p.A.	**71,291**	-
Fiat S.p.A.	**10,836**	40,294
EXOR S.A.	**-**	130,000
Rho Immobiliare Fund	**642**	582
Other	**35**	857
Total dividends	**82,804**	171,733

2. Gains (losses) on disposals of investments

The agreement for the sale of Alpitour S.p.A. to Seagull S.p.A. was concluded on April 20, 2012.
The consideration on the sale was €225 million, which included the deferred price (Deferred Price) of €15 million, plus interest. The final total consideration will also take into account a performance-related earn-out payment to be calculated on the eventual sale by the investors of their majority interest.
At the same time of the sale, EXOR committed to purchase from Alpitour Group a hotel for consideration of €26 million. The transaction for the purchase of the Arenella property was finalized on October 10, 2012; the purchase did not require a cash outlay since the equivalent amount of the purchase was compensated with a part of the price on the sale transaction.
In the period after the purchase, objections were raised on the part of the buyer regarding events that took place prior to the sale of Alpitour S.p.A. Certain objections were definitely resolved by a reduction of €1.1 million in the deferred price and the recognition of expenses by EXOR for the same amount; for some others, which will presumably be settled during 2013, expenses are estimated at €3.5 million.
Finally, EXOR acquired an approximate 10% interest in Seagull S.p.A. for €10 million.
The sale of Alpitour S.p.A. generated a net gain of €135,912 thousand.

In 2011, the losses amounted to €7,963 thousand and derived from the sale of the remaining 12,857,142 Intesa Sanpaolo shares, with net proceeds of €16,368 thousand.

3. Impairment losses on investments

In 2012, there are no impairment losses on investments; in 2011 they amounted to €56,236 thousand and represented the alignment of the carrying amount of the investment in Juventus Football Club to the per share value of the subscription to its share capital increase (€0.1488).

4. Financial expenses from third parties

These include:

€ thousand	2012	2011	Change
Interest on bonds	**47,889**	45,791	2,098
Interest on bank debt	**5,079**	7,147	(2,068)
Interest rate hedge expenses	**3,522**	2,219	1,303
Bank commissions	**1,665**	1,659	6
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	**36,160**	27,834	8,326
- Fair value adjustments	**124**	22,947	(22,823)
- Losses on put/call sales	**0**	10,262	(10,262)
- Other expenses (a)	**2,994**	15,130	(12,136)
Expenses on early closing of interest rate hedge transactions on 2006/2011 bonds	**-**	2,032	(2,032)
Total financial expenses from third parties	**97,433**	135,021	(37,588)

(a) Other expenses include, among other things, €2,429 thousand of losses on forward contracts (€9,807 thousand in 2011).

5. Financial income from third parties

This includes:

€ thousand	2012	2011	Change
Interest income and other income on held-to-maturity securities	**13,156**	10,686	2,470
Interest income on receivables from banks and tax authorities	**5,381**	4,106	1,275
Income on securities held for trading:			
- Gains on shares and bonds trading	**3,094**	54,181	(51,087)
- Gains on put/call sales	**11,313**	13,177	(1,864)
- Fair value adjustments	**10,443**	5,289	5,154
- Dividends	**256**	5,476	(5,220)
- Interest on fixed-rate securities	**2,820**	4,941	(2,121)
- Other income (a)	**987**	10,786	(9,799)
Interest from others (b)	**845**	-	845
Sundry income	**31**	25	6
Total financial income from third parties	**48,326**	108,667	(60,341)

(a) Other income consists of income from forward rate contracts. In 2011 the amount of €10,786 thousand referred to income from forward rate contracts for €2,372 thousand and gains on other derivative instruments for €8,401 thousand.

(b) Interest from others refers to interest income earned from April 19 to December 31, 2012 on the €15 million Deferred Price relating to the sale of Alpitour S.p.A.

6. Gains (losses) on exchange

Gains (losses) on exchange:

€ thousand	2012	2011	Change
Losses on exchange, realized	**(140)**	(7,856)	7,716
Gains on exchange, realized	**780**	4,867	(4,087)
Total Gains (losses) on exchange	**640**	(2,989)	3,629

7. Personnel costs

These amount to €8,845 thousand (€7,999 thousand in 2011) and show a total net increase of €846 thousand. Details are as follows:

€ thousand	2012	2011	Change
Salaries and expenses for similar services	**5,289**	4,692	597
Social security contributions	**1,113**	1,400	(287)
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	**270**	448	(178)
Nominal cost of EXOR long-term incentive plans (a)	**1,621**	725	896
Other personnel costs (b)	**552**	734	(182)
Total personnel costs	**8,845**	7,999	846

(a) Information on the EXOR stock option plan is provided in Note 26.
(b) These costs include €219 thousand (€322 thousand in 2011) of costs referring to related parties.

At the end of 2012, employees number 35 (40 at the end of 2011).
The average number of employees in 2012 was 37, summarized by category as follows:

	2012	2011
Managers	**4**	7
Middle management	**18**	19
Clerical staff	**11**	16
Messengers	**4**	5
Average number of employees	**37**	47

The net change of €50 thousand in personnel costs (salaries, social security contributions, employee leaving entitlement and other personnel costs) is due to the effect of the employee reduction plan net of the costs for the integration of new professional staff.
The increase of €896 thousand relating to the nominal costs of EXOR long-term incentive plans is due to the introduction of the EXOR 2012 new incentive plan and the relative grants made during 2012.

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.
The fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired; since 2009, variable compensation is discretionary.
The additional benefits, mainly in reference to personnel with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.
Further information on employee benefits is presented in Note 30.

8. Purchases of goods and services from third parties

These amount to €4,596 thousand and decreased €1,101 thousand compared with 2011 (€5,697 thousand).

The principal costs are indicated below:

€ thousand	2012	2011	Change
Sundry consulting and services	**1,606**	1,671	(65)
Computer system	**521**	743	(222)
Directors' liability insurance	**348**	333	15
Travel, entertainment and transport expenses	**292**	180	112
Notary fees	**224**	232	(8)
Telephone and postal expenses	**213**	326	(113)
Bank and financial commissions	**173**	193	(20)
Securities' listing fees	**166**	187	(21)
Shareholders' meetings' fees	**164**	126	38
Compensation to control bodies, excluding the board of statutory auditors	**125**	234	(109)
Sundry costs (a)	**764**	1,472	(708)
Total purchases of goods and services from third parties	**4,596**	5,697	(1,101)

(a) For 2011, sundry costs included €683 thousand of costs relating to the management of the corporate headquarters in Corso Matteotti 26.

9. Other operating expenses

These total €815 thousand (€675 thousand in 2011).
Details are as follows:

€ thousand	2012	2011	Change
Donations	**668**	436	232
Sundry expenses	**147**	239	(92)
Total other operating expenses	**815**	675	140

10. Non-recurring other income (expenses) and general expenses

The balance of net other income amounting to €413 thousand relates to non-recurring income for the year net of the costs for employee reduction plans, legal defense fees in the cases relating to the content of the press release issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 and tax consulting fees.

11. Indirect taxes – Non-deductible VAT

Both in 2012 and in 2011, the prorated non-deductible VAT was 100%. Non-deductible VAT was €1,518 thousand in 2012 and €1,937 thousand in 2011.

12. Income taxes

The taxable income calculated by applying tax rules generates a negative taxable income of approximately €24.5 million. The tax benefit recorded in the income statement (€473 thousand) refers to the release of deferred taxes (€539 thousand) relating to the taxation for the year on one-fifth of the gain realized in 2011 on the sale of the building in Corso Matteotti 26, deferred over five years, net of other taxes due.
Deferred tax assets have not been booked on tax losses (€300 million, in total) or on the deductible temporary differences represented mainly by the cash flow hedge reserve given that, currently, the probability of recovery against future taxable income is not assured,.

Considering that the IRAP taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for IRES purposes.

€ million	2012	2011
Pre-tax profit	**150**	60
Increases:		
- impairment loss on Juventus	**-**	56
- losses on the sale of Intesa Sanpaolo shares	**-**	8
- 1/5 of the gain on the sale of the building realized in 2011	**2**	-
- temporary differences (a)	**35**	41
- permanent differences	**1**	4
Total increases	**38**	109
Decreases:		
- 95% of dividends received	**(78)**	(163)
- 95% of the gain on the sale of Alpitour	**(128)**	-
- 80% of the gain on the sale of the building	**-**	(8)
- deductions of temporary differences	**(1)**	(28)
- deductions of permanent differences	**(5)**	(1)
Total decreases	**(212)**	(200)
Taxable income (loss)	**(24)**	(31)

(a) Mainly includes non-deductible net interest expenses for the year.

For the years up to December 31, 2007, the ordinary terms of the statute of limitation for tax purposes have expired.

13. Investments accounted for at cost and available-for-sale financial assets

Details are as follows:

	12/31/2012		12/31/2011		
€ thousand	% of class of shares	Amount	% of class of shares	Amount	Change
Investments accounted for at cost					
Fiat Industrial S.p.A. (ordinary shares)	30.01	**1,690,342**	30.45	1,482,667	207,675
Fiat Industrial S.p.A. (preferred shares)		**-**	30.09	130,606	(130,606)
Fiat Industrial S.p.A. (savings shares)		**-**	18.15	60,974	(60,974)
		1,690,342		1,674,247	16,095
Fiat S.p.A. (ordinary shares)	30.05	**1,324,660**	30.47	1,137,933	186,727
Fiat S.p.A. (preferred shares)		**-**	30.09	119,795	(119,795)
Fiat S.p.A. (savings shares)		**-**	14.08	36,138	(36,138)
		1,324,660		1,293,866	30,794
EXOR S.A.	100.00	**746,622**	100.00	746,471	151
Juventus Football Club S.p.A.	63.77	**95,688**	60.00	89,975	5,713
Arenella Immobiliare S.r.l.	100.00	**26,050**	-	-	26,050
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	-
Investments accounted for at cost		**3,883,634**		3,804,831	78,803
Available-for-sale financial assets					
The Black Ant Value Fund		**323,296**	-	-	323,296
RHO Immobiliare Fund		**11,758**		12,368	(610)
Alpitour S.p.A. (formerly Seagull S.p.A.)	9.85	**10,000**	-	-	10,000
Other		**23,894**	-	-	23,894
Total available-for-sale financial assets		**368,948**		12,368	356,580
Total		**4,252,582**		3,817,199	435,383

The changes during the year are as follows:

	Balances at	Changes in 2012			**Balances at**
€ thousand	12/31/2011	Increases	Decreases	Other changes	**12/31/2012**
Investments accounted for at cost					
Fiat Industrial S.p.A. (ordinary shares)	1,482,667	113	-	207,562	**1,690,342**
Fiat Industrial S.p.A. (preferred shares)	130,606	-	-	(130,606)	**0**
Fiat Industrial S.p.A. (savings shares)	60,974	15,982	-	(76,956)	**0**
	1,674,247	16,095	-	-	**1,690,342**
Fiat S.p.A. (ordinary shares)	1,137,933	-	-	186,727	**1,324,660**
Fiat S.p.A. (preferred shares)	119,795	-	-	(119,795)	**0**
Fiat S.p.A. (savings shares)	36,138	30,794	-	(66,932)	**0**
	1,293,866	30,794	-	-	**1,324,660**
EXOR S.A.	746,471	151	-	-	**746,622**
Juventus Football Club S.p.A.	89,975	5,713	-	-	**95,688**
Arenella Immobiliare S.r.l.	0	26,050	-	-	**26,050**
Emittenti Titoli S.p.A.	272	-	-	-	**272**
Investments accounted for at cost	3,804,831	78,803	-	-	**3,883,634**
Available-for-sale financial assets					
The Black Ant Value Fund	-	300,013	-	23,283	**323,296**
RHO Immobiliare Fund	12,368	-	-	(610)	**11,758**
Alpitour S.p.A. (formerly Seagull S.p.A.)	-	10,000	-	-	**10,000**
Other	-	24,199	-	(305)	**23,894**
Total available-for-sale financial assets	12,368	334,212	-	22,368	**368,948**
Total	3,817,199	413,015	-	22,368	**4,252,582**

The changes during the year are described below.

Investments accounted for at cost

Fiat Industrial S.p.A. During the first quarter of 2012 EXOR S.p.A. purchased on the market 2,826,170 Fiat Industrial savings shares (3.54% of the class) for a total equivalent amount of €15,982 thousand, pre-conversion of preferred and savings shares into ordinary shares proposed by the board of directors of Fiat Industrial S.p.A. on February 22, 2012.
On May 21, 2012 following the resolution adopted by shareholders of Fiat Industrial S.p.A. in an extraordinary meeting, the procedure commenced for the mandatory conversion of all preferred and savings shares into ordinary shares.
Following the completion of the conversion, EXOR held 366,908,896 Fiat Industrial S.p.A. ordinary shares corresponding to 30.01% of the share capital.
In addition, in early July, EXOR exercised the rights to buy Fiat Industrial S.p.A. ordinary shares resulting from the withdrawal rights exercised by Fiat Industrial S.p.A. shareholders who had not approved the conversion of preferred and savings shares into ordinary shares. EXOR purchased 19,004 ordinary shares for a total equivalent amount of €113 thousand. At December 31, 2012 EXOR holds 366,927,900 Fiat Industrial S.p.A. ordinary shares.

Fiat S.p.A. During the first quarter of 2012 EXOR S.p.A. purchased on the market 7,597,613 Fiat savings shares (9.51% of the class) for a total amount of €30,794 thousand, pre-conversion of preferred and savings shares into ordinary shares proposed by the board of directors of Fiat S.p.A. on February 22, 2012.
On May 21, 2012 following the resolution adopted by Fiat S.p.A. shareholders in an extraordinary meeting, the procedure commenced for the mandatory conversion of all preferred and savings shares into ordinary shares.
Following the completion of the conversion, EXOR holds 375,803,870 Fiat S.p.A. ordinary shares equal to 30.05% of the share capital.

Juventus Football Club S.p.A. In January 2012 EXOR S.p.A. subscribed to its entire share of Juventus Football Club's capital increase, corresponding to 483,736,664 new shares, for a total of €71,980 thousand; the amount had been paid on September 23, 2011 against the future capital increase.

Moreover, in the same month, EXOR purchased 9,485,117 rights for an outlay of €67 thousand, subscribing to the corresponding 37,940,468 shares for an investment of €5,646 thousand (3.765% of share capital). EXOR thus holds 642,611,298 shares, equal to 63.77% of Juventus Football Club's share capital.

Arenella Immobiliare S.r.l.

On July 13, 2012 EXOR's commitment, arising as part of the sale of Alpitour S.p.A, to purchase the Lido di Arenella property from the Alpitour Group was transferred to Arenella Immobiliare. On October 10, 2012 Arenella Immobiliare concluded the purchase of this hotel complex for €26 million. The transaction did not generate a cash outlay since the payable contracted by Arenella Immobiliare for the purchase of the property was compensated with the financial receivable of the same amount (the deferred price component relating to the sale of Alpitour) due by EXOR from Alpitour which became a receivable due by EXOR from the subsidiary following the transaction. On December 19, 2012 EXOR subscribed to the Arenella Immobiliare capital increase by waiving its receivable from the company.

The purchased complex was leased to the Alpitour Group and guarantees EXOR a return linked to the results of the building's management, with a minimum guaranteed lease payment of €1,250 thousand.

EXOR S.A. The investment increased by €151 thousand after accounting for the 2012 share of the long-term incentive plans relating to employees of EXOR S.A. and its subsidiaries.

A comparison between the carrying amounts and trading prices of listed investments:

		Carrying amount		Trading price December 28, 2012	
	Number	Per share (€)	Total (€ thsd)	Per share (€)	Total (€ thsd)
Fiat Industrial S.p.A.	366,927,900	4.61	1,690,342	8.26	3,028,990
Fiat S.p.A.	375,803,870	3.53	1,324,660	3.79	1,424,296
Juventus Football Club S.p.A.	642,611,298	0.15	95,688	0.212	136,234
Total			**3,110,690**		**4,589,520**

Furthermore:

- there are no equity investments requiring the assumption of an unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no equity investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 of July 28, 2006).

	Share capital			EXOR investment				Equity	Profit (loss)
	Number of shares	Par value	Amount	Number of shares/quotas	% ownership of Sh. cap.	Carrying amount Per share €	Carrying amount €/000	€/000	€/000
Fiat Industrial S.p.A. - (Turin)	1,222,568,882	€ 1.57	1,919,433,145	366,927,900	30.01	4.61	1,690,342	4,935,375 (a)	810,091 (a)
Fiat S.p.A. - (Turin)	1,250,402,773	€ 3.58	4,476,441,927	375,803,870	30.05	3.53	1,324,660	9,059,443 (a)	348,150 (a)
EXOR S.A. (Luxembourg)	1,110,742	150.00	166,611,300	1,110,742	100.00	672.18	746,622	2,031,409 (b)	105,811 (b)
Juventus Football Club S.p.A.(Turin)	1,007,766,660		8,182,133	642,611,298	63.77	0.15	95,688	75,746 (c)	2,750 (c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	25,892 (b)	(151) (b)

(a) Data taken from the consolidated financial statements at December 31, 2012. This data does not include the effect of the reduction on equity, equal to €0.3 billion for Fiat Industrial S.p.A. and €2.9 billion for Fiat S.p.A., deriving from the adoption of IAS 19 revised, applied retrospectively from January 1, 2013.

(b) Data taken from the separate financial statements at December 31, 2012.

(c) Data taken from the half-yearly financial report at December 31, 2012.

Available-for-sale financial assets

The Black Ant Value Fund. On June 1, 2012 EXOR finalized a €300 million investment in an Irish-registered fund which principally invests in equity and credit instruments. The investment has a time frame of five years. The increase in the value of the fund of €23,283 thousand is due to the fair value adjustment at December 31, 2012.

The decrease in the RHO Immobiliare Fund of €610 thousand reflects the fair value adjustment of the carrying amount at the year end.

Seagull S.p.A. (now Alpitour S.p.A.)
Under the agreements for the sale of Alpitour, EXOR acquired for €10 million a 9.85% stake in Seagull S.p.A. which, on August 10, 2012, merged its subsidiary Alpitour S.p.A. The investment value, classified in available-for sale financial assets, is representative of fair value at December 31, 2012.

14. Held-to-maturity financial instruments - current and non-current

Details are as follows:

€ thousand	12/31/2012	12/31/2011
Non-current assets	**109,498**	114,855
Current assets	**-**	77,035
Total	**109,498**	191,890

These are represented by bonds issued by leading counterparties with maturities between 2014 and 2017. The bonds are recorded and measured at amortized cost.

15. Other financial assets – current and non-current

Other financial assets – non-current total €15,655 thousand and consist mainly of the Deferred Price receivable from Alpitour S.p.A. (formerly Seagull S.p.A.) equal to €14,750 thousand, being the remaining balance of the price relating to the sale of Alpitour (€15,000 million), inclusive of interest capitalized during the year (€845 thousand) calculated using an annual 8% interest rate. The receivable was adjusted by €1,095 thousand for the settlement of certain disputes that arose with the buyer subsequent to acquisition. This receivable is not included in the net financial position balance.

Other financial assets – current total €3,337 thousand (€8,134 thousand at December 31, 2011) and consist principally of accrued interest at December 31, 2012 on bonds in portfolio and time deposits.

16. Financial assets held for trading

Details are as follows:

€ thousand	12/31/2012	12/31/2011	Change
Bonds	**62,986**	109,691	(46,705)
Mutual funds	**113,472**	135,881	(22,409)
Equity shares	**-**	104,177	(104,177)
Total	**176,458**	349,749	(173,291)

These assets are measured at year-end at fair value using the market price translated, where appropriate, at the year-end rate.
Mutual funds are measured at year-end at fair value using the most recent price available.
Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

17. Cash and cash equivalents

Details are as follows:

€ thousand	12/31/2012	12/31/2011	Change
Bank deposits	**111,375**	94,243	17,132
Time deposits	**227,000**	-	227,000
Total cash and cash equivalents	**338,375**	94,243	244,132

These represent current account bank balances in Euro and other currencies besides the Euro, repayable on demand and cash deposited at leading credit institutions.
The associated credit risks should be considered limited since the counterparties are leading bank institutions.

18. Tax receivables

Tax receivables from the tax authorities refer to:

€ thousand	12/31/2012	12/31/2011	Change
Receivables for prior years' taxes, refunds requested	**555**	21,199	(20,644)
Receivables for current and prior years' taxes, carried forward	**3,978**	3,945	33
Total tax receivables	**4,533**	25,144	(20,611)

The change in receivables from the tax authorities during 2012 is summarized as follows:

€ thousand	Refund requested	Carried forward	Total
Balances at December 31, 2011	21,199	3,945	25,144
Receivables reimbursed by tax authorities	(20,489)	-	(20,489)
Used for compensation of withholdings and VAT payable, net	-	(514)	(514)
Tax balance	-	(66)	(66)
Sale of receivables to Group companies	-	(606)	(606)
IRPEF tax advance on leaving entitlement revaluation	-	6	6
Receivables arising during the year (withholdings paid)	-	1,213	1,213
Interest earned during the year	1	-	1
Other changes	(156)	-	(156)
Balances at December 31, 2012	**555**	**3,978**	**4,533**

19. Other receivables – current

Other receivables amount to €501 thousand and mainly refer to prepaid insurance premiums (€421 thousand).

20. Non-current assets held for sale

The balance at the prior year-end included the investment in Alpitour S.p.A. On April 20, 2012, the agreement was concluded for the sale of the investment to Seagull S.p.A.

21. Share capital

At December 31, 2012, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of share capital), 76,801,460 preferred shares (31.19% of share capital) and 9,168,894 savings shares (3.72% of share capital), all with a par value of €1.
At December 31, 2012, share capital included €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the Company.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the share capital up to an amount of €561,750,000.
The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the shareholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting shareholders' meetings). The savings shares do not have voting rights in the shareholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special shareholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.
In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.
The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of stock shall have any balance remaining in a proportional amount according to law.

EXOR thus aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for shareholders and guarantee economic access to external sources of financing.
EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and dividend flows from the operating holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

Mandatory conversion of EXOR’s preferred and savings shares

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 resolved to propose to the shareholders the conversion of the Company’s preferred and savings shares into ordinary shares.
The proposed conversion is intended to streamline the capital structure and governance of the Company, creating conditions for greater transparency. In addition, the conversion will eliminate classes of securities that have had very limited trading volumes, replacing them with ordinary shares, whose liquidity will be enhanced through the transaction, benefiting all shareholders.
The proposals were approved by the special meetings of the preferred and savings shareholders and the extraordinary session of the general meeting of the shareholders held, respectively, on March 19 and March 20, 2103.
Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) will be entitled to exercise withdrawal rights for a fifteen-day period following the registration of the

approved resolutions with the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. The consideration to be paid to the withdrawing shareholders will be equal to €16.972 for each preferred share and €16.899 for each savings share. These values have been calculated to correspond, according to applicable laws, exclusively to the arithmetic average of the closing prices recorded on the stock market during the six months period prior to the issuance of such notice.

The conversion of each class of shares will be conditional upon the cash amount to be paid by the Company pursuant to article 2437-quater of the Italian Civil Code to the withdrawing shareholders not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits is exceeded for any given class, the conversion of both classes of shares will nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes does not exceed €100 million.

22. Equity – Capital reserves

Details are as follows:

€ thousand	12/31/2012	12/31/2011
Additional paid-in capital	**759,275**	759,275
Merger surplus	**397,521**	397,521
Share exchange difference	**590,160**	590,160
Total capital reserves	**1,746,956**	1,746,956

23. Retained earnings and other reserves

Details are as follows:

€ thousand	12/31/2012	12/31/2011
Revaluation reserve Law 408/90	**243,894**	243,894
Revaluation reserve Law 413/91	**2,586**	2,586
Revaluation reserve Law 74/52	**157**	157
Revaluation reserve Law 576/75	**32,107**	32,107
Revaluation reserve Law 72/83	**64,265**	64,265
Legal reserve	**49,246**	49,246
Fair value reserve	**24,391**	2,336
Stock option reserve	**6,847**	3,854
Cash flow hedge reserve	**(46,922)**	(25,807)
Reserve for purchase of treasury stock	**450,000**	381,322
Extraordinary reserve	**786,115**	876,224
Retained earnings	**2,237**	2,379
Total retained earnings and other reserves	**1,614,923**	1,632,563

The composition of Other comprehensive income recognized directly in equity included in the statement of comprehensive income is as follows.

€ thousand	2012	2011
Effective portion of gains/(losses) on cash flow hedges arising during the year	**(24,620)**	(27,974)
Effective portion of gains/(losses) on cash flow hedges reclassified to profit or loss	**3,505**	4,251
Effective portion gains/(losses) on cash flow hedges	**(21,115)**	(23,723)
Gains/(losses) on the remeasurement of available-for-sale financial assets arising during the year	**22,367**	976
Gains/(losses) on the remeasurement of available-for-sale financial assets reclassified to profit or	**-**	-
Gains/(losses) on remeasurement of available-for-sale financial assets	**22,367**	976
Actuarial gains/(losses) arising during the year	**(425)**	(123)
Actuarial gains/(losses) arising during the year	**(425)**	(123)
Tax effect relating to components of Other comprehensive income	**(312)**	(13)
Total Other comprehensive income, net of tax	**515**	(22,883)

The tax effect in 2012 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	(21,115)		(21,115)
Gains (losses) on remeasurement of available-for-sale financial assets	22,367	(312)	22,055
Actuarial gains (losses)	(425)		(425)
Total Other comprehensive income	**827**	**(312)**	**515**

24. Equity reserves available and distributable

Disclosures required by art. 2427, 7-*bis* of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ thousand	**Balance at 12/31/2012**	Possibility of use	**Amount available**
Capital reserves:			
Additional paid-in capital (a)	**605,943**	A,B,C	**605,943**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**88,303**	A,B,C	**88,303**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**785,657**	A,B,C	**546,652**
Paid-in-capital	**153,332**	A,B,C	**153,332**
Share exchange difference	**188,762**	A,B,C	**188,762**
Merger surplus	**309,218**	A,B,C	**309,218**
Retained earnings	**2,237**	A,B,C	**2,237**
Reserve for purchase of treasury stock	**450,000**	A,B,C	**450,000**
Stock option reserve	**6,847**	-	**-**
Cash flow hedge reserve	**(46,922)**	-	**-**
Fair value reserve	**24,391**	-	**-**
Total	**3,361,879**		**3,089,312**

A: For capital increases B: For coverage of losses C: For distribution to shareholders

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2012, the reserve is distributable (art. 2431 of the Italian Civil Code).

(b) The revaluation reserves may be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury stock in portfolio.

In the years 2009, 2010 and 2011, no reserves were used to absorb losses.

At December 31, 2012, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €343,009 thousand relates to monetary revaluation reserves and €2,032 thousand to the legal reserve; if distributed they form part of the taxable income of the Company. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in equity of the merged company IFIL S.p.A., were replenished at December 31, 2009 in the equity of EXOR S.p.A. by using part of the merger surplus reserve and the share exchange difference.

25. Treasury stock

During 2012 there were no purchases and/or disposals of treasury stock.

At December 31, 2012, EXOR held the following treasury stock:

	Number of shares	Carrying amount Per share (€)	 Total (€ thsd)	% of class
Ordinary shares	6,729,000	14.03	94,430	4.20
Preferred shares	11,690,684	11.70	136,794	15.22
Savings shares	665,705	11.69	7,781	7.26
Balance at December 31, 2011			**239,005**	

26. Long-term incentive plans

Stock option plan 2008-2019

The IFIL ordinary shareholders' meeting held on May 13, 2008 had approved the stock option plan (Stock Option Plan IFIL 2008 - 2019) for the Chief Executive Officer pro-tempore for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who were or would have been regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger of IFIL in EXOR, the stock option plan was taken over by EXOR S.p.A. The EXOR S.p.A. board of directors’ meeting held on March 2, 2009 however had made changes to the stock option Plan resulting from the Merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the Merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by Companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

The board of directors’ meeting held on March 28, 2011 then granted the Chairman and Chief Executive Officer, John Elkann, by virtue of his new operational role, 3,000,000 options corresponding to 795,000 EXOR ordinary shares.

In July 2012, under this plan, another 848,000 options were granted corresponding to 224,720 EXOR ordinary shares.

An analysis of the changes in the stock options granted under the EXOR plan 2008 – 2019 is as follows:

	Number of options granted	Number of ordinary shares exercisable	Number of recipients
Balance at December 31, 2011	**6,925,000**	**1,835,125**	**14**
Granted in 2012	848,000	224,720	1
Options forfeited	(350,000)	(92,750)	(3)
Balance at December 31, 2012	**7,423,000**	**1,967,095**	**12**

The total cost of the 7,423,000 options outstanding at December 31, 2012 is equal to €13,017 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and chief executive officer, EXOR S.p.A.	3,000,000	795,000	6,329	1,235
Key employees (at the grant date) of EXOR S.p.A. and other similar staff (8)	3,823,000	1,013,095	5,630	708
Total EXOR S.p.A.	6,823,000	1,808,095	11,959	1,943
Key employees (at the grant date) of EXOR S.A. and other subsidiaries in the Holdings System (3)	600,000	159,000	1,058	132
Total	**7,423,000**	**1,967,095**	**13,017**	**2,075**

The cost referring to the year amounts to €2,075 thousand of which €1,235 thousand is classified as compensation to the Chairman and Chief Executive Officer and €708 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System (€132 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A. The offsetting entry for the total of €2,075 thousand was recorded in the stock option reserve.

Long-term incentive plan

The EXOR shareholders' meeting held on May 29, 2012 approved a new Incentive Plan pursuant to art. 114 *bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The plan is intended as an instrument for long-term incentive and is in two parts: the first is a *stock grant* and the second is a *stock option*:

- under the first part of the Plan, denominated "*Long-Term Stock Grant*", a total of 400,000 rights will be granted to approximately 30 recipients; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the Company and with the Companies in the Holdings System. In 2012, 347,456 options were granted under this plan to 31 employees.
- under the second part of the Plan, denominated "*Company Performance Stock Options*", a total of 3 million options will be granted to the recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR's NAV will be higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the Company, John Elkann, is the recipient of the Company Performance Stock Options and received 750,000 options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and will be identified as the Chairman and Chief Executive Officer of EXOR S.p.A. In 2012, 1,760,732 options were granted to 10 recipients.

The Plans are serviced by treasury stock and therefore do not have a dilutive effect since there will be no issue of new shares.

The "*Long Term Stock Grant*" is composed as follows:

€ thousand	**Number of options granted**	**Total cost of Plan**	**Cost referring to the year**
EXOR S.p.A. employees and other similar staff (30)	339,456	6,081	396
EXOR S.A. employee (1)	8,000	155	7
Total	**347,456**	**6,236**	**403**

The cost referring to the year for this plan amounts to €403 thousand of which €396 thousand is classified as personnel costs. The cost relating to the employee of EXOR S.A. (€7 thousand) is recognized as an increase in the carrying amount of the investment held in EXOR S.A. The contra-entry for a total of €403 thousand was recorded in the specific equity reserve.

The composition of the "*Company Performance Stock Option*" of May 2012 is as follows:

€ thousand	**Number of options granted**	**Total cost of Plan**	**Cost referring to the year**
Chairman and chief executive officer, EXOR S.p.A.	750,000	2,708	268
Key employees (at the grant date) of EXOR S.p.A. and other similar staff (9)	1,720,732	6,102	517
Total EXOR S.p.A.	2,470,732	8,810	785
Key employees (at the grant date) of EXOR S.A. (1)	40,000	142	12
Total	**2,510,732**	**8,952**	**797**

The cost referring to the year for this plan amounts to €797 thousand, of which €268 thousand is classified as compensation to the Chairman and Chief Executive Officer and €517 thousand as personnel costs. The cost relating to key employee of EXOR S.A. (€12 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A. The offsetting entry for the total of €797 thousand was recorded in the stock option reserve.

27. Non-convertible bonds

Details are as follows:

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Face value (000)		Equivalent amount (€/000)	Effect of cost measurement (€/000)	**Balance (€/000)**
06/12/2007	06/12/2017	99.554	Annually	Fixed 5.375%	€	750,000		750,000	(3,117)	**746,883**
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.75%	€	150,000		150,000	(2,830)	**147,170**
12/07/2012	01/31/2025	97.844	Annually	Fixed 5.25%	€	100,000		100,000	(2,290)	**97,710**
05/09/2011	05/09/2031	100.000	Semiannually	Fixed 2.80% (a)	Yen	10,000,000	(b)	88,020	(286)	**87,734**
Total										**1,079,497**

(a) Equivalent fixed rate in Euro is 6.012%.
(b) Face value of Japanese yen 10 billion at the December 31, 2012 exchange rate is equal to yen/€113.61.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and providing for periodic disclosure. The 2011/2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as, for example, failure to pay interest. These covenants were complied with at December 31, 2012.

Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of both bonds.
Standard & Poor's rated the two bond issues "BBB+", in line with the current rating of EXOR S.p.A. long-term debt.

28. Bank debt – current and non-current

Non-current bank debt amounts to €200 million, (unchanged compared with December 31, 2011).
Bank debt is classified as non-current according to the remaining term of the secured credit lines.
At December 31, 2012, the Company has credit lines for €1,145.3 million, of which €615.3 million is revocable and €530 million is irrevocable. The expiration dates of the credit lines are as follows:

€ million	
Within 1 year	105
From 2 to 5 years	425
Total	**530**

The loan contracts relating to irrevocable credit lines provide for commitments to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main commitments on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the Company without the consent of the creditor and non-subordination of the credit line. Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

29. Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments held as "available-for-sale" (The Black Ant Value Fund, Rho Immobiliare Fund and Alpitour), Fiat Industrial, Fiat and the tax-deferral of three-fifths of the gain realized in 2011 on the sale of the building in Corso Matteotti 26.
The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2011			**23,875**
Tax deferral of three-fifths of gain on the sale of the building in Corso Matteotti 26	-	(539)	**(539)**
Provision (release) relating to the fair value increase (decrease) of:			
- The Black Ant Value Fund	320	-	**320**
- Rho Immobiliare Fund	(8)	-	**(8)**
Changes during the year	**312**	**(539)**	**(227)**
Balance at December 31, 2012			**23,648**

30. Provisions for employee benefits

The composition is as follows:

€ thousand	**12/31/2012**	12/31/2011
Employee leaving entitlements	**2,275**	2,135
Other provisions for employees	**120**	97
Total provisions for employee benefits	**2,395**	2,232

Details of the changes during 2012 and 2011 are as follows.

€ thousand	2012 Employee leaving entitlements	2012 Other provisions for employees	2012 Total	2011 Employee leaving entitlements	2011 Other provisions for employees	2011 Total
Balance at beginning of year	**2,135**	**97**	**2,232**	2,572	63	2,635
Current service cost	**163**	**7**	**170**	284	10	294
Financial expenses	**93**	**6**	**99**	144	9	153
Transfers to other companies	**-**	**-**	**-**	-	-	-
Actuarial (gains) losses	**301**	**40**	**341**	-	(8)	(8)
Benefits paid	**(417)**	**(30)**	**(447)**	(1,380)	(4)	(1,384)
Increase due to merger by incorporation of EXOR Services	**-**	**-**	**-**	515	27	542
Balance at end of year	**2,275**	**120**	**2,395**	2,135	97	2,232

The analysis of employee benefits is as follows.

Employee leaving entitlements

The provision for employee leaving entitlements represents benefits payable to employees under Italian law (amended by Law 296/06) accrued and which will be paid to employees when they leave the Company. Under certain conditions, employees may receive a partial advance on those benefits when they are still in the Company's employ. This is an unfunded defined benefit plan, as the benefits have already been almost entirely earned, with the sole exception of the revaluation.

After the changes made to the regulations for employee leaving entitlements by Law 296 of December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee leaving entitlements beginning January 1, 2007, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.
Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans and defined contribution pension plans) under Company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the currently expected retirement age, on the basis of existing legislation when the agreement was signed in December 1999: at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, compared with and in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans

The pension plans are for employees categorized as managers and are covered by Company agreements and regulations.
They are defined contribution plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.

The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.
The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits
Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information
The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2012 and December 31, 2011, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2012	12/31/2011
Discount rate	**3.20%**	4.60%
Expected remuneration increase rate	**2.0-3.50%**	2.0-3.50%
Cost-of-living increase	**2.00%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

31. Provisions for risks and charges

These provisions amount to €3.5 million and include the estimate for the disputes between EXOR and the Alpitour Group which arose in the period subsequent to its sale. These disputes in any case will not involve a cash disbursement by EXOR but a reduction in the Deferred Price. Moreover, the expenses for EXOR will not exceed the amount of the Deferred Price (€13,905 thousand at December 31, 2012).

32. Other financial liabilities

These refer to:

€ thousand	**12/31/2012**	12/31/2011	Change
Bonds and loans – current portion (interest and hedges)	**27,134**	25,348	1,786
Fair value of cash flow hedge derivatives	**42,270**	10,511	31,759
Derivative financial instruments held for trading	**-**	11,457	(11,457)
Commissions on unused credit lines	**486**	301	185
Payables to shareholders and other financial payables	**412**	438	(26)
Total current other financial liabilities	**70,302**	48,055	22,247

33. Trade payables to third parties

These amount to €1,035 thousand and refer to trade payables due within one year.

34. Tax payables

These total €1,034 thousand and mainly refer for Irpef withholding taxes payable.

35. Other payables – current and non-current

This includes:

	12/31/2012		12/31/2011	
€ thousand	**Non-current**	**Current**	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**462**	**452**	921	820
Payable to employees	**-**	**1,006**	-	1,306
Contributions payable	**-**	**514**	-	510
Sundry	**-**	**285**	-	243
Total other payables	**462**	**2,257**	921	2,879

Under Ministerial Decree 158 of April 28, 2000, a "Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector" was set up at INPS which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.

The above liabilities (in total €914 thousand, of which €452 thousand is current and €462 thousand non-current) represent the special contribution that EXOR will pay to cover the extraordinary benefits payable to former employees, including the related contribution.

36. Additional information on financial instruments and financial risk management policies

The carrying amounts and the relative income (expenses) originating from each category of asset and liability classified in accordance with IAS 39 are presented as follows.

	12/31/2012		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	176,458	16,612	36,411
- designated initially	-	-	-
Derivative instruments designated as hedges	-	987	2,429
Held-to-maturity investments	109,498	13,156	411
Loans and receivables	360,177	7,053	-
Available-for-sale assets	368,948	642	-
Total	**1,015,081**	**38,450**	**39,251**
Financial liabilities			
At fair value through profit or loss			
- held for trading	-	11,314	-
- designated initially	-	-	-
Derivative instruments designated as hedges	42,270	17	3,522
Amortized cost	1,079,497	-	47,889
Debt	228,072	-	6,744
Financial guarantees	-	-	-
Total	**1,349,839**	**11,331**	**58,155**

	12/31/2011		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through profit or loss			
- held for trading	349,749	81,456	65,894
- designated initially	-	-	-
Derivative instruments designated as hedges	1,680	-	-
Held-to-maturity investments	191,890	10,686	304
Loans and receivables	103,137	9,055	7,520
Available-for-sale assets	12,368	1,383	7,963
Total	**658,824**	**102,580**	**81,681**
Financial liabilities			
At fair value through profit or loss			
- held for trading	11,457	13,177	10,262
- designated initially	-	-	-
Derivative instruments designated as hedges	10,511	-	2,219
Amortized cost	845,774	-	47,823
Debt	226,189	-	8,806
Financial guarantees	-	-	-
Total	**1,093,931**	**13,177**	**69,110**

Fair value of financial assets and liabilities and fair value estimation criteria

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – listed prices in active markets for the assets or liabilities being measured
- Level 2 – inputs other than listed prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market
- Level 3 – inputs that are not based on observable market data

The following table provides an analysis under this hierarchy of financial assets and liabilities measured at fair value at December 31, 2012.

€ thousand	Level 1	Level 2	Level 3 (a)	**Total**
Assets at fair value				
Non-current assets	-	-	-	-
Available-for-sale financial assets	23,894		345,054	368,948
Current assets	-	-	-	-
Financial assets held for trading	62,986	-	113,472	176,458
Other financial assets	-	-	-	0
Total assets	**86,880**	**0**	**458,526**	**545,406**
Liabilities at fair value				
Current liabilities	-	-	-	-
Other financial liabilities	-	42,270	-	42,270
Total liabilities	**-**	**42,270**	**-**	**42,270**

(a) This refers to the The Black Ant Value Fund (€323,296 thousand), the Rho Immobiliare Fund (€11,758 thousand), the Alpitour S.p.A. investment (formerly Seagull S.p.A. - €10 thousand) and mutual funds (€113,472 thousand).

In 2012, there were no transfers from Level 1 to Level 2 or vice versa.

Details regarding changes in Level 3 are the following:

€ thousand	Balance at 12/31/2011	Gains (losses) recognized in		Increase	Decrease	**Balance at 12/31/2012**
		income statement	equity			
Available-for-sale investments	12,368		22,673	310,013		345,054
Financial assets held for trading	135,881	7,276		584	(30,269)	113,472
Total assets	148,249	7,276	22,673	310,597	(30,269)	**458,526**

The fair value of listed securities in an active market is equal to the market price at the balance sheet date.

For trade receivables and payables and other current assets and liabilities due within one year, the fair value is not significant in that their carrying amount approximates fair value.

37. Information on financial risks

Credit risk

At December 31, 2012, EXOR S.p.A.'s maximum nominal exposure to credit risk consisted of the carrying amount of financial assets shown in the financial statements. Nevertheless, the Company seeks to mitigate such risk by investing a good part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

At December 31, 2012 and December 31, 2011, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

Outgoing flows from current operations are financed mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or the receipt of suitable sources of funding that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.
The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterpart was used for the projection of future maturities, taking into account the effect of hedge transactions.

	2012					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2017	40,313		120,938	790,312		**951,563**
EXOR bonds 2019		7,125	21,375	14,250	157,125	**199,875**
EXOR bonds 2025	789		15,750	10,500	136,750	**163,789**
EXOR bonds 2031	2,506	2,506	15,036	10,024	146,019	**176,091**
Non-current bank debt	3,828	3,828	218,666			**226,322**
Current bank debt	23					**23**
Trade payables and other payables to related parties	40					**40**
Trade payables and other payables to third parties	1,035					**1,035**
Trading and derivative financial instruments designated as hedges	42,270					**42,270**
Total	**90,804**	**13,459**	**391,765**	**825,086**	**439,894**	**1,761,008**

	2011					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2017	40,313	-	120,939	830,626	-	**991,878**
EXOR bonds 2031	2,506	2,506	12,530	10,024	151,030	**178,596**
Non-current bank debt	3,828	3,828	22,969	203,353	-	**233,978**
Current bank debt	-	-	-	-	-	**-**
Trade payables and other payables to related parties	102	-	-	-	-	**102**
Trade payables and other payables to third parties	1,231	-	-	-	-	**1,231**
Trading and derivative financial instruments designated as hedges	21,968	-	-	-	-	**21,968**
Total	**69,948**	**6,334**	**156,438**	**1,044,003**	**151,030**	**1,427,753**

At December 31, 2012, the Company has credit lines for €1,145.3 million, of which €530 million is irrevocable.

The expiration dates of the credit lines are as follows:

€ million	Lines extended	Of which, irrevocable
Within 1 year	720.3	105.0
From 2 to 5 years	425.0	425.0
Total	**1,145.3**	**530.0**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€23,894 thousand), financial assets held for trading and cash at December 31, 2012 (€56,404 thousand and €214 thousand respectively) are denominated in currencies other than Euro. All securities are adjusted to year-end exchange rates.
In 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion. The 20-year bonds pay a 2.80% coupon in Japanese yen.
To protect itself against fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap on the bonds with a leading credit institution as a result of which the Company will pay a fixed rate of 6.012% on the face value in euro (about €83 million) for the entire term of the loan.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.108% and 6.012% in 2012 (between 1.091% and 6.012% in 2011).
EXOR S.p.A. has interest rate swap contracts in place at December 31, 2012, for a total notional amount of €200 million and a basis swap contract for a nominal amount of €50 million, for the purpose of managing exposure to fluctuations in interest rates on bank debt, with a negative fair value of €14,664 thousand.

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the preparation date of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points was applied
- for interest rate swaps: the fair value was remeasured applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the reporting date

The effects of an increase or decrease of 50 basis points in the interest rates would be the following:

	12/31/2012		12/31/2011	
€ thousand	**Income statement**	**Equity**	Income statement	Equity
+50 bsp				
cash and cash equivalents/financing	**-**		-	
hedging instruments		**4,559**		2,382
-50 bsp				
cash and cash equivalents/financing	**-**		-	
hedging instruments		**(3,718)**		(1,640)

Price risk

EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost
- available-for-sale financial assets
- financial assets held for trading

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets and financial assets held for trading had been 5% higher or lower, the available-for-sale securities reserve would be €18,447 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €8,822 thousand higher or lower.

38. Transactions with related parties

The board of directors' meeting held on November 12, 2010, pursuant to Consob Regulation 17221 of March 12, 2010, adopted the "Procedures for Transactions with Related Parties", which went into effect on January 1, 2011 and are posted on the Company's website at www.exor.com. Such procedures are described in the Annual Report on Corporate Governance, also available on the corporate website.

With regard to the year 2012, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and will be settled in cash.

Losses have not been recognized during the year on uncollectible or doubtful receivables on amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2012 is presented below. All amounts are expressed in thousands of Euro.

Counterparty	Investments	Financial receivables	Trade receivables	Trade payables and other payables
Fiat Partecipazioni	50 (a)			
Giovanni Agnelli e C. S.a.p.az.			12	
Arenella Immobiliare S.r.l.		1,753 (b)	36	
Fondazione Agnelli			15	
Sistema Holdings			134	
Juventus Football Club S.p.A.	5,646 (d)		24	
Fiat Group			2	40
Directors for compensation to be receivaed				35
Directors and statutory auditors for other receivables			110	
Statutory auditors for compensation to be received				43
Total transactions with related parties	**5,696**	**1,753**	**333**	**118**
Total investments	4,252,583			
Total current assets		525,843	525,843	
Total current liabilities				74,747
% incidence of total transactions with related parties to total of statement of financial position line items	**0.13%**	**0.33%**	**0.06%**	**0.16%**

Information regarding dividends received (€82,804 thousand) is provided in Note 1.

Counterparty	Financial income	Purchases of goods and services	Revenues (c)
Holdings Systems			149
Alpitour Group			
Juventus Football Club S.p.A.		33	24
Fiat Group		712	19
Giovanni Agnelli e C. S.a.p.az.			40
Fondazione Agnelli			15
Arenella Immobiliare S.r.l.	3 (b)		15
Compensation for the directors, corporate boards and committees			
- Chairman (e)		3,503	
- Board of directors		158	109
- Special fees to directors		453	
- Internal control committee		35	
- Compensation and nominating committee		35	
- Strategy committee		183	
- Directors' expense reimbursements		43	
- Board of statutory auditors		145	
- Cost recoveries from statutory auditors			9
- Directors for other revenues			107
Total transactions with related parties	**3**	**5,300**	**487**
Total transactions with third parties	48,326	4,596	11
Total of income statement line items	**48,329**	**9,896**	**498**
% incidence of total transactions with related parties to total of income statement line items	**0.01%**	**53.56%**	**97.79%**

The most important transactions are commented below and refer to the notes in the preceding summary tables:

a) Acquisition price (100% of capital) of Arenella Immobiliare S.r.l.
b) In October 2012 EXOR granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum €5 million due on December 31, 2013, bearing interest calculated at the 3-month Euribor plus a 1% spread. At December 31, 2012 the loan amounted to €1,753 thousand, including financial income earned for €3 thousand.
c) Compensation waived by the corporate boards (€109 thousand), performance of services (€335 thousand), compensation for posts on corporate boards (€43 thousand).
d) Subscription of additional portion of Juventus Football Club capital increase (3.77%).
e) €2 million represents the special compensation and €1,503 thousand relates to the nominal cost of the EXOR stock option due the Chairman and the Chief Executive Officer.

The information regarding compensation to the directors and statutory auditors of the company, also through subsidiaries, is contained in the Compensation Report according to art. 123-ter of the TUF.

39. Guarantees, commitments and pending litigation

The acquittal judgment reached by the Court of Turin on December 21, 2010 with respect to the defendants Gianluigi Gabetti, Franzo Grande Stevens, Virgilio Marrone and the companies IFIL (now EXOR) and Giovanni Agnelli e C., was appealed to the Supreme Court of Cassation, *inter alia,* by the Public Prosecutor's Office of Turin, with an act of notification to the Company on June 3, 2011. In the ruling handed down after the hearing on June 20, 2012, the Supreme Court partially reversed the Court of Turin's decision, transferring the case to the Turin Court of Appeals for judgment of the second instance regarding Gianluigi Gabetti, Franzo Grande Stevens and the companies EXOR and Giovanni Agnelli e C., completely acquitting Virgilio Marrone. The judgment issued by the Court of Appeals on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C.

The judgments on the positions of Gianluigi Gabetti and Franzo Grande Stevens are still pending.

40. Fees charged by the independent auditors (art. 149 – *duodecies* of Consob Regulation 11971 of May 14, 1999, as amended)

The professional services provided to EXOR S.p.A. by the independent auditors in 2012 are the following:

€ thousand	Service provider	EXOR S.p.A.	
Type of services			
Audit	Reconta Ernst & Young S.p.A.	28	
Other services	Reconta Ernst & Young S.p.A.	30	(a)
Total		**58**	

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the 2012 bond issues of €150 million and €100 million.

41. Net financial position

In accordance with the provisions of Consob Communication 6064293 of July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below.

€ thousand	12/31/2012	12/31/2011	Change
Non-current held-to-maturity financial instruments (a)	**109,498**	114,855	(5,357)
Cash and cash equivalents	**338,375**	94,243	244,132
Non-current other financial assets, with third parties	**905**	878	27
Other financial assets held for trading	**176,458**	349,749	(173,291)
Current held-to-maturity financial instruments	**-**	77,035	(77,035)
Financial receivables from third parties	**553**	404	149
Financial receivables from related parties	**1,753**	21	1,732
Current other financial assets, with third parties	**3,337**	8,134	(4,797)
Non-current financial payables, with third parties	**(1,279,497)**	(1,045,774)	(233,723)
Current financial payables with third parties	**(70,302)**	(48,055)	(22,247)
Net financial position	**(718,920)**	(448,510)	(270,410)
- with related parties	**1,753**	21	1,732
- with third parties	**(720,673)**	(448,531)	(272,142)

(a) These are bonds issued by leading counterparties listed on active and open markets which the Company, intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

42. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2012 were approved by the board of directors on April 16, 2013 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 16, 2013

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, also pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2012.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, of July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a true and fair view of the financial conditions, results of operations and cash flows of the issuer;

- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, April 16, 2013

The Chairman and CEO
John Elkann

Manager responsible for the preparation
of the Company’s financial reports
Enrico Vellano

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
Corso Vittorio Emanuele II, 83
10128 Torino

Tel. (+39) 011 5161611
Fax (+39) 011 5612554
www.ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1 We have audited the financial statements of EXOR S p.A. as of 31 December 2012 and for the year then ended comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole may be relied upon. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior year which are presented for comparative purposes, reference should be made to the report issued by another auditor dated 16 April 2012

3. In our opinion, the financial statements of EXOR S.p.A. at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art 9 of Legislative Decree n. 38/2005 accordingly they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. for the year then ended

4. The Directors of EXOR S.p.A are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governance" of EXOR S.p.A.'s website Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n 58/1998, paragraph 1 letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1 letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the financial statements of EXOR S.p.A. at 31 December 2012.

Turin, 17 April 2013

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti Partner

Consolidated Financial Statements

at December 31, 2012

CONSOLIDATED INCOME STATEMENT (*)

€ million	Note	2012	2011	Change
Net revenues	1	**110,671**	84,359	26,312
Cost of sales	2	**(93,093)**	(71,096)	(21,997)
Selling, general and administrative costs	3	**(9,102)**	(7,259)	(1,843)
Research and development costs	4	**(2,395)**	(1,872)	(523)
Other income (expenses)	5	**(144)**	(125)	(19)
Trading profit (loss)		**5,937**	4,007	1,930
Result from investments:				
- Share of profit (loss) of investments accounted for using the equity method		**192**	219	(27)
- Other income (expenses) from investments		**73**	56	17
Result from investments	6	**265**	275	(10)
Gains (losses) on the disposal of investments	7	**(118)**	35	(153)
Restructuring costs	8	**(181)**	(199)	18
Other unusual income (expenses)	9	**(155)**	1,039	(1,194)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**5,748**	5,157	591
Financial income (expenses)	10	**(2,156)**	(1,877)	(279)
Profit (loss) before taxes		**3,592**	3,280	312
Income taxes	11	**(1,215)**	(1,038)	(177)
Profit (loss) from continuing operations		**2,377**	2,242	135
Profit (loss) from Discontinued Operations		**0**	(13)	13
Profit (loss)		**2,377**	2,229	148
Profit (loss) attributable to:				
- Owners of the parent		**398**	504	(106)
- Non-controlling interests		**1,979**	1,725	254

Earnings (Loss) per share	13			
Basic earnings (loss) attributable to owners of the parent (€):				
- per ordinary share		1.74	2.17	(0.44)
- per savings share		1.81	2.25	(0.44)
- per preferred share		1.79	2.23	(0.44)
Basic earnings (loss) from continuing operations (€):				
- per ordinary share		1.74	2.23	(0.50)
- per savings share		1.81	2.31	(0.50)
- per preferred share		1.79	2.29	(0.50)
Basic earnings (loss) from Discontinued Operations (€):				
- per ordinary share		n.a.	(0.06)	n.a.
- per savings share		n.a.	(0.06)	n.a.
- per preferred share		n.a.	(0.06)	n.a.
Diluted earnings (loss) attributable to owners of the parent (€):				
- per ordinary share		1.73	2.16	(0.44)
- per savings share		1.80	2.24	(0.44)
- per preferred share		1.78	2.21	(0.43)
Diluted earnings (loss) from continuing operations (€):				
- per ordinary share		1.73	2.22	(0.50)
- per savings share		1.80	2.30	(0.50)
- per preferred share		1.78	2.27	(0.49)
Diluted earnings (loss) from Discontinued Operations (€):				
- per ordinary share		n.a.	(0.06)	n.a.
- per savings share		n.a.	(0.06)	n.a.
- per preferred share		n.a.	(0.06)	n.a.

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated income statement are presented in the specific income statement provided on the following pages and are further described in Note 41

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	**2012**	2011
PROFIT (LOSS) (A)	**2,377**	**2,229**
Gains (losses) on cash flow hedges	**211**	(227)
Gains (losses) on fair value of available-for-sale financial assets	**482**	40
Gains (losses) on exchange differences on translating foreign operations	**(596)**	391
Share of other comprehensive income of entities accounted for using the equity method	**27**	(32)
Income tax relating to components of Other comprehensive income	**(33)**	21
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX (B)	**91**	**193**
TOTAL COMPREHENSIVE INCOME (A)+(B)	**2,468**	**2,422**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**818**	487
Non-controlling interests	**1,650**	1,935

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€ million	Note	12/31/2012	12/31/2011	Change
Non-current assets				
Goodwill, brands trademarks and other intangible assets with indefinite useful lives	14	**15,659**	15,951	(292)
Other intangible assets	15	**8,668**	7,019	1,649
Property, plant and equipment	16	**26,858**	25,157	1,701
Investments and other financial assets:				
- Investments accounted for using the equity method	17	**2,108**	2,500	(392)
- Other investments and financial assets	17	**3,295**	2,759	536
Total Investments and other financial assets		**5,403**	5,259	144
Leased assets	18	**624**	603	21
Defined benefit plan assets	31	**362**	312	50
Deferred tax assets	11	**2,824**	2,862	(38)
Other non-current assets		**89**	63	26
Total Non-current assets		**60,487**	57,226	3,261
Current assets				
Inventories	19	**14,133**	13,988	145
Trade receivables	20	**4,303**	4,321	(18)
Receivables from financing activities	21	**18,938**	17,861	1,077
Other financial receivables	22	**4**	8	(4)
Current tax receivables	23	**553**	1,093	(540)
Other current assets	24	**3,368**	3,196	172
Current financial assets:				
- Current investments	26	**32**	137	(105)
- Current securities	26	**492**	640	(148)
- Other financial assets	27	**641**	677	(36)
Total Current financial assets		**1,165**	1,454	(289)
Cash and cash equivalents	28	**22,813**	23,494	(681)
Total Current assets		**65,277**	65,415	(138)
Assets held for sale	29	**87**	389	(302)
Total Assets		**125,851**	123,030	2,821
Equity	30			
Issued capital and reserves attributable to owners of the parent		**7,164**	6,403	761
Non-controlling interests		**14,504**	13,568	936
Total Equity		**21,668**	19,971	1,697
Provisions				
Employee benefits	31	**8,594**	9,084	(490)
Other provisions	32	**11,466**	11,092	374
Total Provisions		**20,060**	20,176	(116)
Financial debt	33			
Asset backed financing		**10,149**	10,177	(28)
Other financial debt		**39,929**	38,113	1,816
Total Financial Debt		**50,078**	48,290	1,788
Other liabilities				
Other financial liabilities	27	**342**	611	(269)
Trade payables	34	**21,423**	21,514	(91)
Current tax payables		**467**	899	(432)
Deferred tax liabilities	11	**1,042**	955	87
Other liabilities	35	**10,771**	10,380	391
Total Other liabilities		**34,045**	34,359	(314)
Liabilities held for sale	29	**0**	234	(234)
Total Equity and Liabilities		**125,851**	123,030	2,821

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific statement of financial position provided on the following pages and are further described in Note 41.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

€ million	Note	2012	2011
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	28	**23,494**	16,188
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:			
Profit (loss) from continuing operations		**2,377**	2,242
Amortization and depreciation	15-16	**4,952**	4,118
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**(8)**	5
Investments		**119**	(27)
Other non-cash items	42	**214**	(781)
Dividends received		**268**	253
Change in provisions		**169**	70
Change in deferred taxes		**22**	95
Change in items due to buy-back commitments	42	**(168)**	(22)
Change in operating lease items	42	**(99)**	(40)
Change in working capital		**321**	1,619
Cash flows from (used in) operating activities of Discontinued Operations		**0**	(82)
TOTAL		**8,167**	7,450
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	15-16	**(9,022)**	(6,666)
Investments in consolidated subsidiaries		**0**	(29)
Other investments		**(28)**	(124)
Cash and cash equivalents from the consolidation of Chrysler, net of the consideration paid to acquire a further 16% stake		**0**	5,624
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	17	**(390)**	(126)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		**147**	354
Investments in consolidated subsidiaries			15
Other investments		**65**	18
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**322**	36
Net change in financial receivables		**(1,796)**	(2,270)
Net change in current securities		**170**	219
Other changes		**(38)**	(10)
Cash flows from (used in) investing activities of Discontinued Operations		**0**	7
TOTAL		**(10,570)**	(2,952)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
New issuance of bonds	33	**3,364**	5,156
Repayment of bonds	33	**(1,450)**	(2,648)
Issuance of other medium-term borrowings	33	**4,255**	4,838
Repayment of other medium-term borrowings	33	**(3,536)**	(5,635)
Net change in other debt and other financial assets/liabilities	33	**98**	1,266
Increases in share capital by subsidiaries		**73**	41
(Purchase) sale of treasury stock		**0**	(69)
Dividends paid by EXOR S.p.A.		**(80)**	(76)
Dividends paid by subsidiaries		**(450)**	(149)
(Purchase) sale of ownership interests in subsidiaries	42	**(47)**	(524)
Other changes		**(9)**	(12)
Cash flows from (used in) financing activities of Discontinued Operations		**0**	13
TOTAL		**2,218**	2,201
Translation exchange differences		**(496)**	626
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**(681)**	7,325
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**22,813**	23,513
of which: Cash and cash equivalents included as Assets held for sale and Discontinued Operations		0	19
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	28	**22,813**	23,494

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in a specific statement of cash flows format provided on the following pages.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Cumulative share of OCI of companies accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at January 1, 2011	**246**	**(170)**	**776**	**3,945**	**(19)**	**328**	**1,020**	**(51)**	**6,075**	**9,121**	**15,196**
Changes in equity for 2011											
Share-based payments				12					12	9	21
Purchase of treasury stock		(69)							(69)		(69)
Capital increases									0	41	41
Dividends paid				(76)					(76)	(149)	(225)
Total comprehensive income for the year				504	(79)	23	44	(5)	487	1,935	2,422
Effect of the change in the percentage ownership of consolidated companies (a)				(28)		8			(20)	(558)	(578)
Non-controlling interests deriving from the consolidation of Chrysler									0	3,112	3,112
Other changes				(6)					(6)	57	51
Total changes	0	(69)	0	406	(79)	31	44	(5)	328	4,447	4,775
Equity at December 31, 2011	**246**	**(239)**	**776**	**4,351**	**(98)**	**359**	**1,064**	**(56)**	**6,403**	**13,568**	**19,971**
Changes in equity for 2012											
Share-based payments				16					16	17	33
Purchase of treasury stock									0		0
Capital increases									0	40	40
Dividends paid				(80)					(80)	(452)	(532)
Total comprehensive income for the year				398	48	(157)	482	47	818	1,650	2,468
Effect of the change in the percentage ownership of consolidated companies (b)				42	(1)	9			50	(339)	(289)
Effect of the change in the percentage ownership of companies accounted for using the equity method				(46)					(46)		(46)
Other changes				3					3	20	23
Total changes	0	0	0	333	47	(148)	482	47	761	936	1,697
Equity at December 31, 2012	**246**	**(239)**	**776**	**4,684**	**(51)**	**211**	**1,546**	**(9)**	**7,164**	**14,504**	**21,668**
Note	**30**	**30**								**30**	

(a) Of which €7 million relates to the Fiat Group, -€20 million relates to the Fiat Industrial Group and -€1 million to the C&W Group.

(b) Of which €29 million relates to the Fiat Group, €23 million relates to the Alpitour Group, -€6 million relates to the Fiat Industrial Group, €4 million relates to the C&W Group, -€3 million relates to Juventus and -€5 million to other minor investments.

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution 15519 of July 27, 2006

		2012		2011	
€ million	Note 41	Total	Of which Related parties	Total	Related parties
Net revenues		**110,671**	**3,078**	84,359	3,439
Cost of sales		**(93,093)**	**(3,920)**	(71,096)	(4,161)
Selling, general and administrative costs		**(9,102)**	**(102)**	(7,259)	(99)
Research and development costs		**(2,395)**	**(9)**	(1,872)	(3)
Other income (expenses)		**(144)**	**13**	(125)	28
Trading profit (loss)		**5,937**		4,007	
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		**192**	**192**	219	219
- Other income (expenses) from investments		**73**	**66**	56	54
Result from investments		**265**		275	
Gains (losses) on the disposal of investments		**(118)**		35	1
Restructuring costs		**(181)**		(199)	
Other unusual income (expenses)		**(155)**		1,039	
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**5,748**		5,157	
Financial income (expenses)		**(2,156)**	**(27)**	(1,877)	(47)
Profit (loss) before taxes		**3,592**		3,280	
Income taxes		**(1,215)**		(1,038)	
Profit (loss) from continuing operations		**2,377**		2,242	
Profit (loss) from Discontinued Operations		**0**		(13)	(13)
Profit (loss)		**2,377**		2,229	
Profit (loss) attributable to:					
- Owners of the parent		**398**		504	
- Non-controlling interests		**1,979**		1,725	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ million		12/31/2012		12/31/2011	
	Note 41	Total	Of which Related parties	Total	Of which Related parties
Non-current assets					
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives		**15,659**		15,951	
Other intangible assets		**8,668**		7,019	
Property, plant and equipment		**26,858**		25,157	
Investments and other financial assets:					
- Investments accounted for using the equity method		**2,108**	**2,108**	2,500	2,500
- Other investments and financial assets		**3,295**	**69**	2,759	60
Total Investments and other financial assets		**5,403**		5,259	
Leased assets		**624**		603	
Defined benefit plan assets		**362**		312	
Deferred tax assets		**2,824**		2,862	
Other non-current assets		**89**		63	
Total Non-current assets		**60,487**		57,226	
Current assets					
Inventories		**14,133**	**1**	13,988	1
Trade receivables		**4,303**	**409**	4,321	439
Receivables from financing activities		**18,938**	**193**	17,861	154
Other financial receivables		**4**		8	
Current tax receivables		**553**		1,093	
Other current assets		**3,368**	**24**	3,196	43
Current financial assets:					
- Current investments		**32**		137	
- Current securities		**492**		640	
- Other financial assets		**641**		677	
Total Current financial assets		**1,165**		1,454	
Cash and cash equivalents		**22,813**		23,494	
Total Current assets		**65,277**		65,415	
Assets held for sale		**87**	**54**	389	359
Total Assets		**125,851**		123,030	
Equity					
Issued capital and reserves attributable to owners of the parent		**7,164**		6,403	
Non-controlling interests		**14,504**		13,568	
Total Equity		**21,668**		19,971	
Provisions					
Employee benefits		**8,594**	**7**	9,084	6
Other provisions		**11,466**	**18**	11,092	27
Total Provisions		**20,060**		20,176	
Financial debt					
Asset backed financing		**10,149**	**56**	10,177	92
Other financial debt		**39,929**	**169**	38,113	215
Total Financial Debt		**50,078**		48,290	
Other liabilities					
Other financial liabilities		**342**		611	
Trade payables		**21,423**	**1,060**	21,514	1,210
Current tax payables		**467**		899	
Deferred tax liabilities		**1,042**		955	
Other liabilities		**10,771**	**144**	10,380	139
Total Other liabilities		**34,045**		34,359	
Liabilities held for sale		**0**		234	234
Total Equity and Liabilities		**125,851**		123,030	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	2012 Total	2012 Of which Related parties	2011 Total	2011 Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	23,494		16,188	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:				
Profit (loss) for the year from continuing operations	2,377		2,242	
Amortization and depreciation	4,952		4,118	
(Gains) losses on disposal of:				
Property, plant and equipment and intangible assets	(8)		5	
Investments	119		(27)	
Other non-cash items:	214		(781)	
Dividends received	268	235	253	227
Change in provisions	169		70	
Change in deferred taxes	22		95	
Change in items due to buy-back commitments	(168)	2	(22)	
Change in items due to operating lease transactions	(99)		(40)	
Change in working capital	321	(122)	1,619	327
Cash flows from (used in) operating activities of Discontinued Operations	0		(82)	
TOTAL	8,167	115	7,450	554
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets	(9,022)		(6,666)	
Investments in consolidated subsidiaries	0		(29)	
Other investments	(28)	(24)	(124)	(75)
Cash and cash equivalents from consolidation of Chrysler, net of consideration paid for the additional 16% ownership interest	0		5,624	
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	(390)		(126)	(104)
Proceeds from the sale of:				
Property, plant and equipment and intangible assets	147		354	
Investments in consolidated subsidiaries	0		15	
Other investments	65	1	18	
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System	322		36	
Net change in financial receivables	(1,796)	(39)	(2,270)	(56)
Change in current securities	170		219	
Other changes	(38)		(10)	
Cash flows from (used in) investing activities of Discontinued Operations	0		7	
TOTAL	(10,570)	(62)	(2,952)	(235)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
New issuance of bonds	3,364		5,156	
Repayment of bonds	(1,450)		(2,648)	
Issuance of other medium-term borrowings	4,255		4,838	
Repayment of other medium-term borrowings	(3,536)		(5,635)	
Net change in other debt and other financial assets/liabilities	98	(71)	1,266	(68)
Increases in share capital by subsidiaries	73		41	
(Purchase) sale of treasury stock	0		(69)	
Dividends paid by EXOR S.p.A.	(80)	(44)	(76)	(41)
Dividends paid by subsidiaries	(450)		(149)	
(Purchase) sale of ownership interests in subsidiaries	(47)		(524)	
Other changes	(9)		(12)	
Cash flows from (used in) financing activities of Discontinued Operations	0		13	
TOTAL	2,218	(115)	2,201	(109)
Translation exchange differences	(496)		626	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(681)		7,325	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	22,813		23,513	
of which: Cash and cash equivalents included as Assets held for sale and Discontinued Operations	0		19	
G) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	22,813		23,494	

EXOR GROUP - NOTES

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.16% of share capital and, specifically, 59.10% of ordinary capital, 39.24% of preferred capital and 12.36% of savings capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

EXOR S.p.A. and its subsidiaries (the Group) operate in the sectors of automobiles, agricultural and construction equipment, commercial vehicles, real estate services and professional football.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the functional and presentation currency of the Group.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of the EXOR Group at December 31, 2012 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, as well as the provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The 2012 consolidated financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in an economic and financial environment that continues to be difficult, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, in view also of the integration process being undertaken by the Fiat Group with Chrysler, and its industrial and financial flexibility.

Accounting principles, amendments and interpretations adopted from January 1, 2012

On October 7, 2010, the IASB issued amendments to IFRS 7 – *Financial Instruments: Disclosures*, adopted by the Group from January 1, 2012. The amendments will allow users of financial statements to improve their understanding of transfers (derecognition) of financial assets, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of a transfer transaction is undertaken at the end of a reporting period. The application of these amendments had no significant effect on the disclosures presented in this Annual Report or on the measurement of the related items. In this regard, reference should be made to Note 25 – Transfers of financial assets, under Receivables and Other current assets.

Accounting standards, amendments and interpretations effective from January 1, 2012 but not applicable to the Group

The following amendment, effective from January 1, 2012, relates to matters that were not applicable to the Group at the date of this Annual Report, but may affect the accounting for future transactions or arrangements.

- On December 20, 2010, the IASB issued a minor amendment to IAS 12 – *Income Taxes* which clarifies the accounting for deferred tax relating to investment properties measured at fair value. The amendments introduce the presumption that the carrying amount of deferred taxes relating to investment properties measured at fair value under IAS 40 will be recovered through sale. As a result of the amendment, SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* no longer applies. The amendment is effective retrospectively for annual periods beginning on or after January, 1 2012.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group

On May 12, 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* replacing SIC-12 – *Consolidation-Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (subsequently reissued as IAS 27 – *Separate Financial Statements* which addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles and establishes criteria for determining a new model of control applicable to all entities, including special purpose entities. The standard provides additional guidance for situations where control may be difficult to determine. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after January 1, 2014. The EXOR Group used this standard for the interpretation of *di facto* control for purposes of the application of IAS 27 currently in force.

On May 12, 2011, the IASB issued IFRS 11 – *Joint Arrangements* superseding IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities Non-monetary Contributions by Venturers.* The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly controlled entities, the equity method. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after January 1, 2014. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly controlled entities in its scope of application, from the effective date of the standard. As of the date of this Annual Report, the Group is evaluating the effects, if any, from the adoption of the new standard.

On May 12, 2011, the IASB issued IFRS 12 – *Disclosure of Interests in Other Entities*, a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated entities. The standard is effective retrospectively, at the latest for annual reporting periods beginning on or after January 1, 2014. As of the date of this Annual Report, the Group is evaluating the effects, if any, from the adoption of the new standard.

On May 12, 2011, the IASB issued IFRS 13 – *Fair Value Measurement,* clarifying the determination of the fair value for the purpose of the financial statements and applying to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. The standard is applicable prospectively from January 1, 2013. No significant effect on the Group's financial statements is expected from the adoption of this standard.

On June 16, 2011, the IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* requiring companies to group together items within Other comprehensive income that may be reclassified to the income statement. The amendment is applicable from periods beginning on or after July 1, 2012. The application of this amendment will not have any significant effect on the measurement of items in the Group's financial statements.

On June 16, 2011, the IASB issued an amended version of IAS 19 – *Employee Benefits* applicable retrospectively for the year beginning January 1, 2013. The amendment modifies the requirements for recognizing defined benefit plans and termination benefits. The main changes concerning defined benefit plans regard the recognition of the entire plan deficit or surplus in the statement of financial position, the introduction of net interest expense and the classification of net interest expense arising from defined benefit plans. In detail:

- *Recognition of the plan deficit or surplus:* the amendment removes the previous option of being able to defer actuarial gains and losses under the off balance sheet "corridor method", requiring these to be recognized directly in Other comprehensive income. In addition, the amendment requires the immediate recognition of past service costs in profit or loss.
- *Net financial expense*: The concepts of interest expense and expected return on plan assets are replaced by the concept of net interest expense on the net plan deficit or surplus on defined benefit plans, which consists of:
  - the interest expense calculated on the present value of the liability for defined benefit plans,
  - the interest income arising from the valuation of the plan assets, and
  - the interest expense or income arising from any limits to the recognition of the plan surplus.

Net interest expense is calculated for all the above components by using the discount rate applied for valuing the obligation for defined benefit plans at the beginning of the period. In accordance with the current version of IAS 19, the expected return on assets is calculated using a long-term rate of return.

- *Classification of net interest expense*: In accordance with the new definition of net interest expense set out in the standard, net interest expense on defined benefit plans will be recognized as Financial income (expenses) in the income statement. Under the current version of IAS 19, the Group recognizes all income and expenses arising from the measurement of funded pension plan assets and liabilities in operating costs by function, whereas the financial component of unfunded defined benefit plans (Other post employment benefits) is included in Financial income (expenses).

In accordance with the transition rules of IAS 19, paragraph 173, the Group will apply this amendment retrospectively from January 1, 2013, adjusting the opening statement of financial position at January 1, 2012 and the income statement for 2012 as if the IAS 19 amendments had always been applied. At the date of these consolidated financial statements, the Group estimated that the effect of the adoption as of January 1, 2012 of the revised standard would result in the recognition of an increase in the liability for employee benefits of approximately €2.7 billion and approximately €5.1 billion at December 31, 2011 and December 31, 2012, respectively, and a decrease in net equity (Other comprehensive gains and losses) of approximately €2.6 billion and approximately €5.1 billion at the same dates. In the income statement, as a result of recognizing the net interest expense and classifying it in Financial income (expenses), instead of recognizing the financial expenses and the expected return of the assets, classified in Operating costs, the Group estimates a decrease in profit for 2012 of approximately €0.5 billion, of which approximately €0.2 billion lower trading profit and approximately €0.3 billion higher financial expense. Due to the tax position of the entities involved, current or deferred tax effects are expected to be negligible.

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are applicable retrospectively for annual periods beginning on or after January 1, 2014.

On December 16, 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures.* The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The amendments are effective for annual and interim periods beginning on or after January 1, 2013. Disclosure is to be provided retrospectively. No significant effect on the Group's financial statements is expected from the adoption of this amendment.

At the date of the Annual Report, the European Union had not yet concluded the endorsement process of the following standards and amendments:

- On November 12, 2009, the IASB issued *IFRS 9 – Financial Instruments*; this standard was subsequently amended. The new standard, applicable retrospectively from January 1, 2015, represents completion of the first phase of a project to replace IAS 39 and introduces new requirements for classification and measurement of financial assets and financial liabilities. For financial assets, the standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value – replacing the many different rules in IAS 39 – which is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. For financial liabilities, the principal change relates to the recognition of changes in fair value for financial instruments measured at fair value through profit or loss, where those changes are due to changes in the liability's credit risk. Under the new standard, these changes must be presented in Other comprehensive income rather than through profit or loss.
- On May 17, 2012, the IASB issued a set of amendments to the IFRS ("Annual Improvements to IFRS – 2009-2011 Cycle") that are applicable retrospectively from January 1, 2013. Following is a description of those amendments that will lead to changes in the presentation, recognition or measurement of items in the financial statements, excluding those that only relate to changes in terminology or editorial changes with limited accounting impacts and those relating to standards or interpretations that are not applicable to the Group:
  - IAS 1 – *Presentation of financial statements*: the amendment clarifies how comparative information should be presented when an entity changes accounting policies or carries out a retrospective restatement or reclassification and when an entity provides comparative information that is additional to the minimum information required.
  - IAS 16 – *Property, plant and equipment:* the amendment clarifies that items such as spare parts, stand-by equipment and servicing equipment, shall be recognized in accordance with IAS 16 when they meet the definition of property, plant and equipment, otherwise such items should be classified as inventory.
  - IAS 32 – *Financial instruments: Presentation*: the amendment eliminates an inconsistency between IAS 12 – *Income Taxes* and IAS 32 concerning the recognition of tax arising from distributions to shareholders, and establishes that such tax is to be recognized in profit or loss when the distribution relates to income originally recognized in profit or loss.

Scope of consolidation

The consolidated financial statements of EXOR include the companies over which EXOR exercises control, as set out in IAS 27 - *Consolidated and Separate Financial Statements*, or from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern the financial and operating policies. The companies included in the scope of consolidation at December 31, 2012 are the following:

Company	Country	Percentage of consolidation	Consolidation method
Ancom USA Inc.	USA	100.00%	Line-by-line
C&W Group Inc.	USA	78.95%	Line-by-line
EXOR Capital Ltd	Ireland	100.00%	Line-by-line
EXOR Inc.	USA	100.00%	Line-by-line
EXOR S.A.	Luxembourg	100.00%	Line-by-line
Fiat S.p.A.	Italy	30.91%	Line-by-line
Fiat Industrial S.p.A.	Italy	30.88%	Line-by-line
Arenella Immobiliare S.r.l.	Italy	100.00%	Line-by-line
Juventus Football Club S.p.A.	Italy	63.77%	Line-by-line

Amounts reported in the consolidated income statement and in the consolidated statement of cash flows for the year 2011 include the data for Chrysler for the period June 1 to December 31, 2011.

Change in the scope of consolidation

In 2012, there were no significant changes in the scope of consolidation.

Business combinations during the year

In 2012, there were no new business combinations. The business combinations effected in the previous year are described below.

Demerger from Fiat S.p.A. and transfer to Fiat Industrial S.p.A.

The Demerger took place on January 1, 2011 and was considered a business combination involving entities or businesses under common control and was outside the scope of the application of IFRS 3 and IFRIC 17. Accordingly, the consolidated financial statements for Fiat S.p.A. post-demerger and Fiat Industrial S.p.A. for the year 2011 have been prepared under the going concern assumption without generating any effect on the scope of consolidation at the level of the EXOR Group.

Investment in Chrysler

On May 24, 2011, Fiat acquired an additional 16% ownership interest (fully diluted) in Chrysler Group LLC (Chrysler), increasing its total interest to 46% (fully diluted). In consideration of the potential voting rights associated with options held by Fiat that also became exercisable on that date, under IAS 27 – *Consolidated and Separate Financial Statements*, Fiat was deemed to have acquired control of Chrysler. Accordingly, Chrysler was fully consolidated by Fiat from that date (for practical purposes June 1, 2011). As a result of these transactions, at December 31, 2011 Fiat held a 53.5% fully-diluted ownership interest in Chrysler.

In January 2012, however, Fiat announced that the “Ecological Event” (Third performance event established in the Chrysler Group Amended and Restated LLC Operating Agreement) had been achieved, leading to a further 5% increase of its holding in Chrysler, without the payment of cash. At December 31, 2012 Fiat had a 58.5% ownership interest in Chrysler.

At the date of this Annual Report, Fiat holds the following options and rights*:*

- *The Veba Trust Call Option*: the VEBA Trust granted Fiat a 40% call option on a portion of the Class A membership interests held by the VEBA Trust. This call option is exercisable from July 1, 2012 to June 30, 2016, and covers up to 40% of the membership interests currently held by the VEBA Trust, less any membership interests previously transferred under the Equity Recapture Agreement described below, and may be exercised for no more than 8% of such membership interests in any six month period. The price of the membership interests acquired in connection with the exercise of the VEBA Trust Call Option is dependent on whether or not a Chrysler Group Initial Public Offering ("IPO") has been completed at the time the option is exercised. If a Chrysler Group IPO has not occurred, the exercise price for this option is determined using a defined market-based multiple, not to exceed Fiat's multiple, applied to Chrysler Group's reported EBITDA for the most recent four quarters, less net industrial debt. If exercised contemporaneously with a Chrysler Group IPO, the exercise price is equal to the Chrysler Group IPO price. Subsequent to a Chrysler Group IPO, the exercise price is determined by reference to a volume-weighted average price per share of Chrysler Group's common stock. On July 3, 2012, Fiat notified VEBA of Fiat's exercise of its option to purchase a portion of VEBA's ownership interest in Chrysler. That tranche represents approximately 3.3% of Chrysler's outstanding equity. On September 26, 2012, Fiat announced that Fiat North America (a wholly-owned subsidiary) was seeking a declaratory judgment from the Delaware Court of Chancery to confirm the price to be paid for the stake, since the parties had not reached an agreement on the purchase price. On January 3, 2013, Fiat notified VEBA of the exercise of its option to purchase a second tranche of the interest held in Chrysler Group LLC by VEBA, representing approximately 3.3% of Chrysler's outstanding equity. In the event that these pending transactions are completed as contemplated, Fiat will hold approximately 65.17% of the outstanding equity in Chrysler.

- The Equity Recapture Agreement: which provides Fiat the rights to the economic benefit associated with the membership interests held by the VEBA Trust once the VEBA Trust receives proceeds, including certain distributions, in excess of $4.25 billion plus 9% per annum from January 1, 2010 ("Threshold Amount"). Once the VEBA Trust receives the Threshold Amount, any additional proceeds payable to the VEBA Trust for the Chrysler membership interests and any membership interests retained by the VEBA Trust are to be transferred to Fiat for no further consideration. In addition, Fiat has the right to acquire VEBA Trust's entire membership interest in Chrysler at a price equivalent to the specified Threshold Amount, less any proceeds already received by the VEBA Trust on that interest (see Note 36).

In accordance with paragraph AG81 of IAS 39 – Financial Instruments: recognition and measurement, both of these have been recognized in the consolidated financial statements at cost, since (i) the variability in the range of reasonable fair value estimates is significant for these instruments and (ii) the probabilities that are used to weight the various estimates in the range of fair values cannot be reasonably established and used in estimating fair value.

Acquisition of Iveco Capital Limited

During the fourth quarter of 2011, the Fiat Industrial Group established the means for carrying out a mutual dissolution of the joint venture with Barclays, IFHL, renamed Iveco Capital Limited during 2012.

In consideration of the agreements entered into with Barclays at the end of December 2011, the Fiat Industrial Group accounted for its investment in Iveco Capital Limited at December 31, 2011 by consolidating the company's statement of financial position on a line-by-line basis at that date; the identifiable assets acquired and the identifiable liabilities assumed were provisionally recognized at their carrying amounts in the consolidated financial statements of Iveco Capital Limited at December 31, 2011 while waiting for the calculation of the fair value of certain items at the acquisition date (identified as December 31, 2011) to be completed. This measurement process was completed during the third quarter of 2012 and led to the conclusion that the provisional values represent their fair value at the acquisition date, except for an insignificant change in debt (€1 million) with a corresponding change in goodwill.

It should be recalled that only the statement of financial position of the acquired business was consolidated on a line-by-line basis at December 31, 2011; if the acquisition had taken place with effect from January 1, 2011, the Fiat Industrial Group's net revenues for that year would have increased by €154 million, while the net profit for that year would have decreased by €6 million.

Format of the consolidated financial statements

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the “cost of sales” method), rather than their nature, as it is more representative of the format used for internal reporting and management purposes by the Fiat and Fiat Industrial Groups and is consistent with international practice in the automotive and capital goods sectors.

Beginning 2012, following the progressive implementation of the new organizational structure of the Fiat sector, the EXOR Group began to assess the performance of its operating segments on the basis of Trading profit, and also on the basis of Earnings before Interest and Taxes (EBIT), and has also decided to report this result as a separate line item in the income statement in place of Operating profit. The comparative amounts have been restated accordingly. EBIT consists of Trading profit (loss), Result from investments, and Other income (expense) classified as unusual and was deemed more appropriate than Operating profit as an indicator of performance for the Group and its operating segments, as it also takes into account the Result from investments.

Trading profit, on the other hand, which remains unchanged, reflects the result from normal operating activities before taking account of the Result from investments and unusual items such as Gains (losses) on the disposal of investments, Restructuring costs and Other income (expense) classified as unusual.

The definition “unusual” adopted by the EXOR Group differs from the definition provided in the Consob Communication of July 28, 2006, under which unusual and/or abnormal transactions are those which – because of their significance or materiality, the nature of the counterparty, the object of the transaction, the method for determination of the transfer price or the timing of the event (e.g., close to year end) – could give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the proper safeguarding of corporate assets or protection of non-controlling interests.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1. More specifically, the EXOR Group’s consolidated financial statements include both industrial companies and financial services companies that are part of the Fiat and Fiat Industrial Groups.
The investment portfolios of financial services companies of the two groups are included in current assets, as the investments will be realized in their normal operating cycle. However, financial services companies only obtain a portion of their funding from the market: the remainder is obtained from Fiat S.p.A. and Fiat Industrial S.p.A. through their treasury companies (included under industrial activities), which provide funding both to industrial companies and financial services companies in the groups, as the need arises. With regard to the Fiat Group, Chrysler, on the other hand, continues to remain separate from a financial management standpoint and manages its own treasury services, obtaining funding from the market and managing cash directly. This financial service structure within the Fiat and Fiat Industrial Groups means that any attempt to separate current and non-current debt in the consolidated statement of financial position would not be meaningful, also at the EXOR level. Suitable disclosure as to the due date of liabilities is however provided in the notes.

The statement of cash flows is presented using the indirect method.

The other subsidiaries have prepared their data for purposes of the EXOR Group’s consolidated financial statements consistently with the classification and presentation indicated above.

In connection with the requirements of Consob Resolution 15519 of July 27, 2006 relating to the format of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Basis of consolidation

Subsidiaries

Subsidiaries are enterprises controlled by the Group, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests in the net assets of consolidated subsidiaries and non-controlling interests in the profit or loss of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the Equity attributable to owners of the parent and Non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any profits or losses recognized in Other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to profit or loss or transferred directly to retained earnings depending on the applicable IFRS). The fair value of any investment retained in the former subsidiary is measured in accordance with IAS 39, IAS 28 or IAS 31, depending on the type of investment.

Jointly controlled entities

Jointly controlled entities are enterprises in which the Group has contractually agreed sharing of control or for which a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in jointly controlled entities are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in Other comprehensive income until the assets are sold or impaired, at which time the cumulative gains and losses previously recognized in Other comprehensive income are recognized in the income statement.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from Investment in other companies are included in Other income (expenses) from investments.

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Transactions eliminated on consolidation and consolidation of foreign entities

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the functional currency and translated at the exchange rate at the acquisition date. These balances are subsequently translated at the exchange rate at the balance sheet date.

The principal exchange rates used in 2012 and 2011 to translate the foreign currency financial statements of foreign entities are the following:

	At December 31, 2012		At December 31, 2011	
	Average	**At 12/31/2012**	**Average**	**At 12/31/2011**
U.S. dollar	**1.285**	**1.319**	1.392	1.294
British pound	**0.811**	**0.816**	0.868	0.835
Swiss franc	**1.205**	**1.207**	1.233	1.216
Polish zloty	**4.185**	**4.074**	4.121	4.458
Brazilian real	**2.508**	**2.704**	2.327	2.416
Argentine peso	**5.836**	**6.478**	5.742	5.561
Serbian dinar	**113.120**	**113.718**	101.978	104.858

Business combinations

Business combinations are accounted for by applying the acquisition method. Under this method:

- the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets acquired and liabilities assumed by the Group and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in the income statement as incurred;
- at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at that date, except for deferred tax assets and liabilities, assets and liabilities relating to employee benefit arrangements, liabilities or equity instruments relating to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree and assets (or disposal groups) that are classified as held for sale, which are measured in accordance with the relevant standard;
- goodwill is measured as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, of the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the income statement as a gain from a bargain purchase;
- the Non-controlling interest, at the acquisition date, is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The selection of the measurement method is made on a transaction-by-transaction;

- any contingent consideration arrangement in the business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in the business combination in order to determine goodwill. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are recognized retrospectively, with corresponding adjustments to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which may not exceed one year from the acquisition date) about facts and circumstances that existed as of the acquisition date;
- when a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss, if any, is recognized in the income statement. Changes in the equity interest in the acquiree that have been recognized in Other comprehensive income in prior reporting periods are reclassified to the income statement as if the interest had been disposed;
- if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete in the consolidated financial statements. Those provisional amounts are adjusted during the above-mentioned measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date which, if known, would have affected the amounts recognized at that date;
  Business combinations that took place prior to January 1, 2010 were accounted for in accordance with the previous version of IFRS 3.

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any other direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of acquired trademarks which have no legal, contractual, competitive, economic or other factors that limit their useful lives.
Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.
Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably, there is the intention, the availability of financial resources and the technical ability to complete the assets and make it available for use or sale, and it can be demonstrated that the assets will be able to generate future economic benefits. Research and development costs which do not meet the above criteria are recognized in the income statement when incurred. Capitalized development costs are amortized on a systematic basis from the start of production of the related product over the product's estimated life, and on average as follows:

	number of years
Vehicles	3-12
Trucks and Buses	4-8
Agricultural and Construction Equipment	5
Engines	8-10
Components and Production Systems	2-15

- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the Company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimate useful lives. The other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment are stated at acquisition or production cost.

Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a debt. The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Investment properties, that is, buildings held to earn rentals and/or for capital appreciation, are measured initially at cost and subsequently at fair value. To the extent that a resulting increase on the remeasurement at fair value reverses a previous impairment loss for that property, the increase is recognized in the income statement; any remaining part of the increase is recorded in Other comprehensive income. A resulting decrease is recognized in the income statement. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognized in Other comprehensive income and reduces the revaluation surplus within equity.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2.5%-10%
Plant, machinery and equipment	3%-33%
Other assets	5%-33%

Land is not depreciated.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – *Borrowing Costs*), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized and amortized over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Impairment of assets

The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired. Goodwill and Intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount that is the higher of fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in in the income statement immediately.

Financial assets

Presentation

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39, include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other current financial assets (which include derivative financial instruments stated at fair value as assets), as well as cash and cash equivalents. In particular, Cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value. Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents; current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value as liabilities), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Cash

Cash is recorded at nominal value.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*

The classification of financial assets in the following categories determines the subsequent measurement which is the following:

a) financial assets held for trading - HFT
b) investments held to maturity – HTM
c) loans and receivables – L&R
d) available-for-sale financial assets – AFS

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), held-to-maturity securities and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in Other comprehensive income until the financial asset is disposed of or is determined to be impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges. Loans and financial payables are subsequently measured at amortized cost using the effective interest rate method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedge) are measured in accordance with hedge accounting principles (reference should be made to the next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks (primarily concerning commodities and securities). All derivative financial instruments are measured in accordance with IAS 39 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement.
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in Other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in Other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- *Hedge of a net investment* (hedge of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement

Sales of receivables

The Group sells certain of its financial, trade and tax receivables, mainly through factoring transactions. Factoring transactions may be with or without recourse to the seller; certain factoring agreements without recourse include deferred payment clauses (i.e. the payment of a minor part of the purchase price is conditional upon the full collection of the receivables), requiring a first loss guarantee, meaning that the transferor takes priority participation in the losses, or require a significant exposure to the cash flows arising from the sold receivables to be retained. These types of transactions do not meet IAS 39 requirements for asset derecognition, since the risks and rewards have not been substantially transferred. Consequently, for all receivables sold through factoring transactions which do not meet IAS 39 derecognition requirements the Group continues to recognize the receivables even though they have been legally sold; a corresponding financial liability of the same amount is recorded in the consolidated statement of financial position under Asset-backed financing. The gains and losses arising from the sale of these assets are only recognized when the assets are derecognized in the Group's statement of financial position.

Inventories

Inventories of raw materials, semi-finished products and finished goods, (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of construction contracts is based on the stage of completion determined as the proportion that cost incurred to the balance sheet date bears to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they become known.

Assets and liabilities held for sale and Discontinued Operations

Assets and liabilities held for sale and Discontinued Operations are classified as such if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of their carrying amounts and fair value less costs to sell.

Employee benefits

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the Group attributes benefits to periods in which the obligation to provide post-employment benefits arises. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to the available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

Actuarial gains and losses comprise the effects of differences between the previous actuarial assumptions and the actual result, together with the effects of changes in actuarial assumptions. In measuring the defined benefit liability, the Group recognizes the portion of net cumulative actuarial gains and losses that exceeds the greater of 10% of the present value of the defined benefit obligation and 10% of the fair value of plan assets at the end of the previous year. That portion is amortized over the average remaining service lives of the employees who are covered by the plan (the “corridor method”).

The liability for employee benefits recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for deferred actuarial gains and losses arising from the application of the corridor method and unrecognized past service cost, reduced by the fair value of plan assets. Any net asset resulting from this calculation is recognized at the lower of the amount arising from this calculation and the total of any unrecognized net actuarial losses, unrecognized past service costs and the present value of any refunds available and reductions in future contributions to the plan.

If changes are made to a plan that alter the benefits due for past service or if a new plan is introduced regarding past service then past service costs are recognized in profit or loss on a straight-line basis over the average period remaining until the benefits vest. If a change is made to a plan that significantly reduces the number of employees who are members of the plan or that alters the conditions of the plan such that employees will no longer be entitled to the same benefits for a significant part of their future service, or if such benefits will be reduced, the profit or loss arising from such changes is immediately recognized in the income statement.

All other costs and income arising from the measurement of pension plan provisions are allocated by function in the income statement, except for interest cost on unfunded defined benefit plans which is reported as part of financial expenses.

Costs arising from defined contribution plans are recognized as an expense as incurred.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

The scheme underlying the Employee leaving entitlements in Italy of the Italian Group companies was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the 2007 Finance Law) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the consolidated financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan.

Share-based compensation plans

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the benefit with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in profit or loss, with a corresponding increase or decrease in equity.
Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in profit or loss.

Provisions

The Group records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.
Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenues are recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably.

Revenues are stated net of discounts, allowances and returns, as well as costs for sales incentive programs, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognized at the time of the initial sale.
Revenues also include lease rentals and interest income from financial services companies.

Revenues from the sale of products are recognized when the risks and rewards of ownership of the goods are transferred to the customer, the sales price is agreed or determinable and receipt of payment can be assumed: this corresponds generally to the date when the vehicles are made available to non-group dealers, or the delivery date in the case of direct sales.
Vehicle sales with a buy-back commitment are accounted for as operating leases when it is probable that the vehicle will be bought back: vehicles sold with a buy-back commitment are accounted for as Inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as Property, plant and equipment because agreements usually have a long-term buy-back commitment. The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment. The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in Property, plant and equipment are reclassified to Inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as Revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenue for real estate services is recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured. C&W Group recognizes certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations as revenue when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Cost of sales

The costs are recognized on the accrual basis.

Cost of sales comprises the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties.

Expenses which are directly attributable to the financial services businesses, including the interest expense related to the financing of financial services businesses as a whole and charges for risk provisions and writedowns, are reported in cost of sales.

Cost of sales also includes expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies already used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into consolidation tax credit entitlement.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to Other comprehensive income, in which case the related income tax effect is recognized in other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the consolidated financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized. Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset. Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the periods in which temporary differences reverse or expire.

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders' meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all dilutive potential shares.

Use of estimates

The consolidated financial statements are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant. Actual results could differ from those estimates also in view of the situation caused by the persisting difficulties of the economic and financial environment in the Eurozone which led to the need to make assumptions regarding future performance which are characterized by significant levels of uncertainty.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the income statement in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions used by the Group in applying IFRS which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts;
- realization of deferred tax assets which take into consideration figures from budgets and forecasts consistent with those used for the impairment testing relating to the recoverable amount of non-current assets;
- pension plans and other post-retirement benefits;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;
- estimated costs for product warranties;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts.

1. Net revenues

Net revenues amount to €110,671 million in 2012 (€84,359 million in 2011) and may be analyzed as follows:

€ million	2012	%	2011 (a)	%	Change
Sales of goods	103,668	93.7%	77,701	92.1%	25,967
Construction contract work in progress	1,072	1.0%	977	1.2%	95
Interest income from customers and other financial income of financial services companies	1,594	1.4%	1,432	1.7%	162
Other services	2,383	2.2%	2,383	2.8%	0
Interest income from customers and other financial income of financial services companies	1,050	0.9%	902	1.1%	148
Lease installments on operating leases and buy-backs	563	0.5%	590	0.7%	(27)
Television and radio rights and media revenues	145	0.1%	81	0.1%	64
Sponsorships and advertising	30	0.0%	46	0.1%	(16)
Season tickets and ticket office sales	54	0.0%	19	0.0%	35
Other	112	0.1%	228	0.3%	(116)
Total Net revenues	**110,671**	**100.0%**	**84,359**	**100.0%**	26,312

(a) Amounts reported for 2011 include the consolidation of Chrysler from June 1, 2011.

In 2012, revenues refer to the Fiat Group for €83,281 million (€58,896 million in 2011), Fiat Industrial Group for €25,525 million (€23,864 million in 2011), C&W Group for €1,594 million (€1,432 million in 2011) and Juventus Football Club for €270 million (€167 million in 2011).

2. Cost of sales

Cost of sales amounts to €93,093 million in 2012 (€71,096 million in 2011) and comprises the following:

€ million	2012	2011	Change
Cost of sales	92,279	70,233	22,046
Interest cost and other financial expenses from financial services companies	814	863	(49)
Total cost of sales	**93,093**	**71,096**	21,997

The contribution by segment is presented in Note 37.

3. Selling, general and administrative costs

Selling, general and administrative costs amount to €9,102 million in 2012 (€7,259 in 2011).
Selling costs mainly consist of marketing, advertising, and sales personnel costs.
General and administrative costs mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

Research and development costs include the following:

€ million	2012	2011	Change
Research and development costs not recognized as assets	1,519	1,079	440
Writedown of costs previously capitalized	57	4	53
Amortization of capitalized development costs	819	789	30
Total Research and development costs	**2,395**	**1,872**	523

5. Other income (expenses)

Other net expenses amounting to €144 million in 2012 (net expenses of €125 million in 2011) consist of miscellaneous operating costs not attributable to specific functional areas, such as accruals to miscellaneous provisions and indirect taxes and duties, net of other income which is not attributable to the typical sales and services operations of the Group.

6. Result from investments

Details are as follows:

€ million	2012	2011	Change
Share of the profit (loss) of investments accounted for using the equity method	**192**	219	(27)
Other income from investments			
Dividends from investments	**80**	90	(10)
Other income (expenses) from investments	**0**	0	0
Impairment reversals (losses)	**(1)**	(34)	33
Charges to provisions on investments	**(6)**		(6)
Total other income (expenses) from investments	**73**	56	17
Total Result from investments	**265**	**275**	(10)

7. Gains (losses) on the disposal of investments

Gains (losses) on the disposal of investments amount to a loss of €118 million in 2012 and include:

- the gain on the sale of the investment in Alpitour for €158 million;
- the loss on the investment in Sequana S.A. for €147 million following the €150 million capital increase launched by Sequana S.A. and partially subscribed by EXOR S. A., as a result of which its investment in the company decreased from 28.24% to 18.74%, with the consequent classification of Sequana in Available-for-sale financial assets and its measurement at fair value;
- the writedown of the investment in Sevelnord Société Anonyme for €91 million following its reclassification to Assets held for sale and subsequent measurement at fair value;
- the loss on the sale of the 20% interest in Kobelco Construction Machinery Co. Ltd. for €38 million.

In 2011, Gains (losses) on the disposal of investments amounted to a gain of €35 million and included an amount of €25 million for the accounting effects arising from the acquisition of the remaining 50% interest in the joint venture L&T – Case Equipment Private Limited.

8. Restructuring costs

In 2012, Restructuring costs amount to €181 million. They refer to the Fiat Industrial Group for €166 million, mainly relating to Iveco, and the Fiat Group for €15 million, relating to the EMEA region for €43 million, the Component and Production System operating segment and Other Activities for €20 million. The item is net of the release of restructuring provisions previously made by the NAFTA region for €48 million.
Restructuring costs in 2011 amounted to €199 million and related to the restructuring costs of the Fiat Group for €102 million and Fiat Industrial Group for €95 million.

9. Other unusual income (expenses)

Other unusual expenses amount to €155 million in 2012 and include net expenses of the Fiat Group for €138 million, consisting mainly of costs arising from disputes relating to operations terminated in prior years, the termination of the Sevelnord Société Anonyme joint venture and the process of rationalizing relationships with certain suppliers, in addition to the expenses of the Fiat Industrial Group for €13 million principally for costs for the rationalization of strategic suppliers.

Other unusual income amounted to €1,039 million in 2011. Of this, net unusual income of €1,025 million related to the Fiat Group principally for the acquisition of control and the consolidation of the Chrysler Group and €12 million to the Fiat Industrial Group largely arising from the release to income of a provision for risks that was no longer required, in connection with a minor investee sold in 2011.

10. Financial income (expenses)

In addition to the items included in the specific lines of the income statement, net financial income (expenses) also includes the income from financial services companies included in Net revenues for €1,050 million in 2012 (€902 million in 2011) and interest cost and other financial charges from financial services companies included in Cost of sales for €814 million in 2012 (€863 million in 2011).

€ million	2012	2011	Change
Interest income from banks	187	233	(46)
Interest income from securities	32	38	(6)
Sundry interest income and other financial income	103	106	(3)
Total Interest income and other financial income	322	377	(55)
Interest income from customers and other financial income of financial services companies	1,050	902	148
Gains on disposal of securities	8	59	(51)
Gains on disposals of investments	5	0	5
Gains on disposal of current investments	1	6	(5)
Total Financial income	1,386	1,344	42
(Less) Interest income from customers and other financial income of financial services companies	(1,050)	(902)	(148)
Financial income, excluding financial services companies	**336**	**442**	**(106)**
Interest expenses on bonds	1,291	1,175	116
Interest expenses from banks	560	437	123
Interest expenses on trade payables	5	10	(5)
Commission expenses	30	15	15
Interest cost and other financial expenses	1,030	915	115
Total Interest and other financial expenses	2,916	2,552	364
Writedowns of financial assets	221	365	(144)
Losses on disposal of securities	46	40	6
Losses on disposal of investments	8	8	
Interest costs on employee benefits	211	164	47
Total Interest and other financial expenses	**3,402**	**3,129**	**273**
Net (income) expenses from derivative financial instruments and exchange rate differences	(96)	53	(149)
Total Financial expenses	**3,306**	**3,182**	**124**
(Less) Interest expenses and other financial expenses of financial services companies	(814)	(863)	**49**
Financial expenses, excluding financial services companies	**2,492**	**2,319**	**173**
Net financial income (expenses), excluding financial services companies	**(2,156)**	**(1,877)**	**(279)**

11. Income taxes

Income taxes recognized in the income statement consist of the following:

€ million	2012	2011	Change
Current taxes:			
- IRAP (Italy)	90	108	(18)
- Other taxes	1,081	864	217
Total Current taxes	**1,171**	**972**	199
Deferred taxes for the period:			
- IRAP (Italy)	24	(13)	37
- Other taxes	11	112	(101)
Total Deferred taxes	**35**	**99**	(64)
Taxes relating to prior periods	9	(33)	42
Total Income taxes	**1,215**	**1,038**	177

The increase in Total income taxes in 2012 compared with 2011 is mainly due to the combined effect of the consolidation of Chrysler for the full year and the improvement in its results, partially offset by the decrease in income taxes arising from the lower taxable profits of certain other non-Italian companies, in addition to an increase in the taxable profits of non-Italian companies of the Fiat Industrial Group.

Taxes relating to prior periods include the costs arising from certain disputes with tax authorities net of adjustments to the related provisions for taxes.

In 2011, Income taxes also included non-recurring income relating to benefits arising from the recovery of prior year income taxes.

The effective tax rate of the Group for 2012 (excluding current and deferred IRAP) was 30.7% (effective tax rate of 28.8% in 2011).

The reconciliation between the tax charges recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

€ million	2012	2011
Theoretical income taxes	**988**	899
Tax effect of permanent differences	**(166)**	(33)
Tax effect of non-taxable income recognized on the acquisition of control of Chrysler	**-**	(555)
Taxes relating to prior years	**9**	(33)
Effect of difference between foreign tax rates and the theoretical Italian tax rate	**240**	156
Effect of deferred tax assets not recognized in prior years	**(543)**	(82)
Effect of deferred tax assets not recognized and writedown of previous years' deferred tax assets	**495**	490
Use of tax losses for which no deferred tax assets were recognized	**0**	(61)
Other differences	**78**	162
Current and deferred income tax recognized in the financial statements, excluding IRAP	**1,101**	943
IRAP (current and deferred)	**114**	95
Current and deferred income tax recognized in the financial statements	**1,215**	1,038

Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, in order to render the reconciliation between income taxes recognized and theoretical income taxes more meaningful, IRAP tax is not taken into consideration; theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2012 and in 2011) to profit (loss) before taxes.

Permanent differences in the above reconciliation include the tax effect of non-deductible costs of €309 million in 2012 (€302 million in 2011) and of non-taxable income of €475 million in 2012 (€917 million in 2011 that includes for €190 million the effect deriving from the transfer of the taxable income generated in the U.S. by Chrysler Group LLC to its minority shareholders due to the "tax transparency" of the company. In 2011 the tax effect of non-taxable income recognized on the acquisition of control of Chrysler arose from the fair value measurement of the 30% interest in Chrysler prior to the acquisition of control and the right to receive an additional 5%, which had not been recognized as it relates to temporary differences on the investment and other financial assets that are controlled by the Group whose reversal was not deemed to be probable in the foreseeable future.

In addition, the difference between theoretical income taxes and the tax charge recognized in the financial statements includes a benefit of €543 million (€82 million in 2011) deriving from deductible temporary differences and tax losses for which no deferred tax assets had been recognized in previous years, partially offset by the negative effects of €495 million (€490 million in 2011) deriving from unrecognized deferred tax assets on temporary differences and tax losses originated during the year and the writedown of deferred tax assets recognized in previous periods.
Other differences in the above reconciliation include unrecoverable withholding tax of the Fiat Group of €95 million (€73 million in 2011) and of the Fiat Industrial Group of €26 million (€27 million in 2011).

At December 31, 2012, the deferred tax asset balance consists of the deferred tax assets less the deferred tax liabilities, where these may be offset, of the individual consolidated companies.

The amounts stated in the statement of financial position are as follows:

€ million	**2012**	**2011**	Change
Deferred tax assets	2,824	2,862	(38)
Deferred tax liabilities	(1,042)	(955)	(87)
Total	**1,782**	**1,907**	(125)

In 2012, the decrease of €125 million in net deferred tax assets is mainly due to the following:

- for €2 million, the change in the scope of consolidation;
- for €36 million, the effect recorded in the income statement of the utilization, net of provisions, of deferred tax assets/liabilities recognized on temporary differences and tax losses;
- for €19 million, the recognition of net deferred tax assets directly in equity;
- for €68 million, the effect of negative translation differences and other changes.

Deferred tax assets, net of deferred tax liabilities may be analyzed by source as follows:

€ million	**12/31/2011**	**Recognized in income statement**	**Recognized in equity**	**Changes in the scope of consolidation**	**Translation differences and other changes**	**12/31/2012**
Deferred tax assets arising from:						
- Taxed provisions	3,759	227		1	(366)	**3,621**
- Inventories	339	44			18	**401**
- Taxed allowances for doubtful accounts	230	31			(11)	**250**
- Provision for employee benefits	1,738	(89)			(307)	**1,342**
- Intangible assets	640	(46)				**594**
- Impairment of financial assets	226	(5)		1		**222**
- Measurement of derivative financial instruments	71	(15)	(2)	(1)	(25)	**28**
- Other	818	(6)	1	38	851	**1,702**
Total Deferred tax assets	7,821	141	(1)	39	160	**8,160**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(2,041)	17		(1)	346	**(1,679)**
- Deferred tax on gains on disposal	(18)	9				**(9)**
- Capital investment grants	(3)				3	
- Provision for employee benefits	(41)	(2)			1	**(42)**
- Capitalization of development costs	(1,037)	(212)			(267)	**(1,516)**
- Other	(1,757)	(75)	(18)	(1)	116	**(1,735)**
Total Deferred tax liabilities	(4,897)	(263)	(18)	(2)	199	**(4,981)**
Theoretical tax benefit arising from tax loss carryforwards	4,140	423	0	(31)	(176)	**4,356**
Adjustments for assets whose recoverability is not probable	(5,157)	(337)	0	(8)	(251)	**(5,753)**
Total Deferred tax assets, net of Deferred tax liabilities	1,907	(36)	(19)	(2)	(68)	**1,782**

The decision to recognize deferred tax assets is taken for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. For this reason, the total theoretical future tax benefits arising from deductible temporary differences (€8,160 million at December 31, 2012 and €7,821 million at December 31, 2011) and tax loss carryforwards (€4,356 million at December 31, 2012 and €4,140 million at December 31, 2011) have been reduced by €5,753 million at December 31, 2012 and by €5,157 million at December 31, 2011.

As concerns the Fiat Group, at December 31, 2012 deferred tax assets, net of deferred tax liabilities, include tax benefits arising from unused tax losses of €929 million (€783 million at December 31, 2011). At December 31, 2012, further tax benefits of €2,470 million (€2,432 million at December 31, 2011) arising from unused tax losses have not been recognized.

As concerns the Fiat Industrial Group, deferred tax assets, net of deferred tax liabilities, include €215 million at December 31, 2012 (€268 million at December 31, 2011) of tax benefits arising from tax loss carryforwards. At December 31, 2012, further tax benefits of €411 million (€368 million at December 31, 2011) arising from tax loss carryforwards have not been recognized.

The totals of deductible and taxable temporary differences and accumulated tax losses at December 31, 2012, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiry, are as follows:

		Year of expiry					
€ million	**Total at 12/31/2012**	**2013**	**2014**	**2015**	**2016**	**Beyond 2016**	**Unlimited / indeterminable**
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	**24,550**	7,501	2,782	2,611	2,665	8,954	37
- Taxable temporary differences	**(14,217)**	(1,461)	(2,060)	(1,931)	(1,918)	(5,257)	(1,590)
- Tax losses	**15,187**	121	87	52	312	2,396	12,219
- Temporary differences and tax losses for which deferred tax assets have not been recognized	**(19,584)**	(2,345)	(898)	(771)	(685)	(3,638)	(11,247)
Temporary differences and tax losses relating to State taxation	**5,936**	3,816	(89)	(39)	374	2,455	(581)
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	**18,993**	3,758	2,456	2,331	2,258	8,176	14
- Taxable temporary differences	**(12,430)**	(1,582)	(1,389)	(1,332)	(1,352)	(5,250)	(1,525)
- Tax losses	**2,052**	24	21	15	14	925	1,053
- Temporary differences and tax losses for which deferred tax assets have not been recognized	**(7,242)**	(895)	(818)	(804)	(780)	(3,118)	(827)
Temporary differences and tax losses relating to local taxation	**1,373**	1,305	270	210	140	733	(1,285)

Deferred taxes have not been provided on the undistributed earnings of subsidiaries of the Group, except in cases where it is probable they will be distributed in the foreseeable future.

12. Other information by nature of expenses

In 2012 the income statement includes personnel costs of €13,044 million (€10,912 million in 2011).

An analysis of the average number of employees by category is as follows:

	2012	**2011**	Change
Managers	6,111	4,525	1,586
White-collars	85,616	81,431	4,185
Blue-collars	195,529	187,428	8,101
FIGC registered personnel (football players, coaches and other technical staff)	87	76	11
Average number of employees	**287,343**	**273,460**	13,883
Personnel costs included in income statement (€ million)	**13,044**	**10,912**	2,132

13. Earnings (loss) per share

		2012	2011
Average number of ordinary shares outstanding	number	**153,530,496**	155,229,079
Average number of savings shares outstanding	number	**8,503,189**	8,644,901
Average number of preferred shares outstanding	number	**65,110,776**	65,983,984
Earnings (loss) for the period attributable to owners of the parent	€ million	**398**	504
Earnings (loss) attributable to ordinary shares	€ million	**266**	338
per ordinary share – basic	€	***1.74***	*2.17*
per ordinary share – diluted (a)	€	***1.73***	*2.16*
Earnings (loss) attributable to savings shares	€ million	**16**	19
per savings share – basic	€	***1.81***	*2.25*
per savings share – diluted (a)	€	***1.80***	*2.24*
Earnings (loss) attributable to preferred shares	€ million	**116**	147
per preferred share – basic	€	***1.79***	*2.23*
per preferred share – diluted (a)	€	***1.78***	*2.21*
Earnings (loss) from continuing operations	€ million	**398**	517
Earnings (loss) from continuing operations attributable to ordinary shares	€ million	**266**	346
per ordinary share – basic	€	***1.74***	*2.23*
per ordinary share – diluted (a)	€	***1.73***	*2.22*
Earnings (loss) from continuing operations attributable to savings shares	€ million	**16**	20
per savings share – basic	€	***1.81***	*2.31*
per savings share – diluted (a)	€	***1.80***	*2.30*
Earnings (loss) from continuing operations attributable to preferred shares	€ million	**116**	151
per preferred share – basic	€	***1.79***	*2.29*
per preferred share – diluted (a)	€	***1.78***	*2.27*
Earnings (loss) from Discontinued Operations	€ million	**n.a.**	(13)
Earnings (loss) from Discontinued Operations attributable to ordinary shares	€ million	**n.a.**	(9)
per ordinary share – basic	€	**n.a.**	*(0.06)*
per ordinary share – diluted (a)	€	**n.a.**	*(0.06)*
Earnings (loss) from Discontinued Operations attributable to savings shares	€ million	**n.a.**	(1)
per savings share – basic	€	**n.a.**	*(0.06)*
per savings share – diluted (a)	€	**n.a.**	*(0.06)*
Earnings (loss) from Discontinued Operations attributable to preferred shares	€ million	**n.a.**	(3)
per preferred share – basic	€	**n.a.**	*(0.06)*
per preferred share – diluted (a)	€	**n.a.**	*(0.06)*

(a) The earnings (loss) attributable to owners of the parent was adjusted to take into account the dilutive effects of the theoretical exercise of the stock option granted by subsidiaries and associates of the Group using their own equity instruments.

14. Goodwill, Brands and trademarks and Other intangible assets with indefinite useful lives

The changes in 2012 are the following:

	12/31/2011	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2012
Goodwill						
Original cost	13,788	3			(266)	13,525
Accumulated impairment losses	(1,000)				18	(982)
Net carrying amount	12,788	3	0	0	(248)	12,543
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,226	0			(62)	3,164
Accumulated impairment losses	(63)				15	(48)
Net carrying amount	3,163	0	0	0	(47)	3,116
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	15,951	3	0	0	(295)	15,659

Net foreign exchange effects in 2012 arose mainly from changes in the US Dollar and Brazilian real/Euro rate.

The changes in 2011 were the following:

	12/31/2010	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2011
Goodwill						
Original cost	4,109	3	8,653		1,023	13,788
Accumulated impairment losses	(754)		0	(224)	(22)	(1,000)
Net carrying amount	3,355	3	8,653	(224)	1,001	12,788
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	449	1	2,489		287	3,226
Accumulated impairment losses	(61)				(2)	(63)
Net carrying amount	388	1	2,489	0	285	3,163
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	3,743	4	11,142	(224)	1,286	15,951

The increases in Goodwill and Trademarks in 2011 arose from the acquisition of the control of Chrysler and its subsequent consolidation.
The Impairment loss recognized in 2011 mainly related to Production Systems (€130 million) and Components (€69 million).

Goodwill

Goodwill is allocated to the EXOR Group's cash-generating units, identified by each Group consolidated by EXOR, on the basis of its methods and assumptions in accordance with IAS 36. The following table shows this allocation:

€ million	12/31/2012	12/31/2011	Change
Chrysler	**-**	9,585	(9,585)
NAFTA	**7,661**		7,661
APAC	**1,012**		1,012
LATAM	**482**		482
EMEA	**217**		217
Ferrari	**786**	786	0
Components	**51**	51	0
Other activities	**21**	21	0
Fiat	**10,230**	10,443	(213)
Agricultural and Construction Equipment	**1,840**	1,872	(32)
Trucks and Commercial Vehicles	**63**	61	2
FPT Industrial	**1**	1	0
Fiat Industrial	**1,904**	1,934	(30)
C&W (goodwill on the acquisition of the C&W Group - Group's share)	**313**	316	(3)
Subsidiaries of C&W Group	**63**	62	1
C&W Group	**376**	378	(2)
Fiat S.p.A.	**19**	19	0
Fiat Industrial S.p.A.	**14**	14	0
Holdings System	**33**	33	0
Total Goodwill	**12,543**	12,788	(245)

Fiat Group

Goodwill of the Fiat Group consists principally of goodwill resulting from the acquisition of the control of Chrysler for €9,372 million (€9,585 million at December 31, 2011) and the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at December 31, 2011).

Goodwill is allocated to the Fiat Group's cash-generating units that are expected to benefit from synergies of the business combination that generated it.

As of December 31, 2011, goodwill related to the acquisition of control of Chrysler was fully allocated to the Chrysler reporting segment. Effective September 1, 2011, the Fiat Group undertook significant organizational changes, including the operations of the mass market brands. The mass market brands were previously reported under the sectors of Fiat Group Automobiles, Fiat Powertrain and Chrysler. The mass market brands are now being attributed to four geographical regions. Effective January 1, 2012, the reporting segments have been revised to reflect the new structure of the Fiat Group and the goodwill related to the former Chrysler reporting segment has been reallocated to the applicable regions.

From an operating standpoint, substantially all of Chrysler's industrial and product development asset base is located in NAFTA while the other regions manage the distribution of Chrysler Group vehicles in their respective markets with the exception of limited assembly activity of certain Chrysler Group vehicles in LATAM.

On January 1, 2012, goodwill was reallocated to each region based on the relative value of the total invested capital of each region that comprised the former Chrysler operating segment.

In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each cash-generating unit ("CGU") to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

Goodwill allocated to NAFTA represents approximately 75% of the Fiat Group's total goodwill. Additionally, almost all of the carrying amount of the Group's brand names recognized in intangible assets pertains to the NAFTA region. The estimate of the NAFTA CGU's value in use for purposes of performing the annual impairment test was based on the following assumptions:

- the expected future cash flows for the NAFTA region covering the period from 2013 through 2016. These cash flows represent management's best estimate of the future operating performance of the CGU during the period under consideration. The expected future cash flows relate to the CGU in its current condition and exclude any estimate of future cash flows that may arise from future restructuring plans or other structural changes;
- the expected future cash flows have been estimated in U.S. Dollars, and discounted using a discount rate appropriate for that currency;
- the expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered. Based upon the business environment in which the NAFTA CGU operates, a long-term growth rate of 2% to 3% is considered reasonable. However, for purposes of estimating value in use in this context, the terminal value has been calculated using a conservative long-term growth rate (g) assumption of 0%;
- post-tax expected future cash flows were discounted using a post-tax Weighted Average Cost of Capital ("WACC") of 8.3%. The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration. The WACC was calculated using the Capital Asset Pricing Model ("CAPM") technique in which the risk free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analyzing a group of comparable companies operating in the automotive sector. Additionally, to prudently consider the uncertainty of the current economic environment and future market conditions, the cost of equity component of the WACC was progressively increased by a 50 basis point risk premium for the years 2014 through 2016 and by 300 basis points in the terminal period.
- In addition to the analysis described above, the Fiat Group also performed a sensitivity analysis increasing the base WACC assumptions described above by 1%. After performing this sensitivity analysis, the recoverable amount of the CGU still exceeded the carrying amount;
- Impairment tests for other regions to which the Chrysler goodwill was reallocated were based on the

expected future cash flows for the respective regions covering the period from 2013 through 2016. The assumptions used to determine the WACCs, the risk premiums and to perform the sensitivity analyses were consistent with those described above for the NAFTA region. Cash flows were measured in U.S. Dollars and base WACCs of 9.1%, 11.5% and 10.4% were used for the APAC, LATAM and EMEA regions respectively. After performing the sensitivity analyses, the recoverable amount of the APAC, LATAM and EMEA CGUs still exceeded their carrying amounts.

For the Ferrari sector, the CGU corresponds to the sector as a whole and the expected future cash flows are the operating cash flows taken from the estimates included in the 2013 budget and the expected business performance, made in a prudent manner, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 2%. These cash flows were then discounted using a post-tax discount rate of 8.05%. The recoverable amount of the CGU to which the Ferrari sector goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of difficult economic and market conditions.

Fiat Industrial Group

The vast majority of goodwill, representing approximately 96% of the total, relates to CNH, where the cash-generating units considered for the testing of the recoverability of the goodwill are generally the product lines.

To determine the recoverable amount of these cash-generating units CNH uses multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach.

Under the income approach, CNH calculates the recoverable amount of a cash-generating unit based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements, and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units. The following discount rates before taxes as of December 31, 2012 were selected by CNH:

	2012	2011
Agricultural equipment	**18.0%**	18.8%
Construction equipment	**13.7%**	17.0%
Financial services	**19.7%**	n.a.

Expected cash flows used under the income approach are developed in conjunction with CNH budgeting and forecasting processes. CNH uses eight years of expected cash flows as management believes that this period generally reflects the underlying market cycles for its businesses. Under the market approach, CNH estimates the recoverable amount of the Agricultural and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using the carrying amount and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for Agricultural Equipment cash-generating unit was 1% in 2012 and 2011, respectively, for Construction Equipment was 3% and 2% in 2012 and 2011, respectively. The terminal value growth rate for Financial

Services was 1.5% in 2012, while income approach was only used as a secondary approach to further support the market approach in 2011.

As of December 31, 2012, the estimated recoverable amount, calculated using the above method, of the Agricultural Equipment and Financial Services cash-generating units, substantially exceeded the respective carrying values. The Construction Equipment cash-generating unit's excess of recoverable amount over carrying value was approximately 7%. A 1.2% increase in the discount rate, holding all other assumptions constant, or a further decline in market demand for construction equipment, particularly in emerging markets and Europe, could result in an impairment loss in future reporting periods.
The results obtained for Iveco and related sensitivity analyses also confirmed the absence of impairment losses to be recognized.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by the Fiat Industrial Group's management based on past performance and expectations of developments in the markets in which the Fiat Industrial Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The Fiat Industrial Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the Fiat Industrial Group.

C&W Group

Goodwill recognized on the acquisition of C&W Group and other acquisitions by C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment not susceptible of separate identification.
Goodwill and other intangible assets with an indefinite useful life are not amortized, but are tested by C&W Group for impairment annually, at October 1st, or more frequently if events or changes in circumstances indicate that they might be impaired

For the purpose of impairment testing, goodwill and trademarks are allocated to C&W Group's cash-generating units, which are identified as the geographic regions, as the geographic regions for C&W Group represent (1) the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and (2) the lowest level within C&W Group at which these assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill, brands and trademarks with an indefinite life allocated to each CGU at December 31, 2012 are as follows:

(€ million)	Goodwill (Group's share + non-controlling interests)	Trademarks	Total
United States	194	99	293
Canada	45	18	63
Latin America	17	6	23
Mexico	3	2	5
EMEA	158	59	217
Asia Pacific	42	10	52
At December 31, 2012	**459**	**194**	**653**
United States	196	101	261
Canada	44	18	54
Latin America	18	6	20
Mexico	3	1	4
EMEA	162	61	190
Asia Pacific	42	10	46
At December 31, 2011	**465**	**197**	**575**

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. In connection with the annual impairment assessment, the value in use exceeded the fair value less costs to sell for the CGUs Canada, Latin America, Mexico, EMEA and Asia, with the exception of the U.S. where the fair value less costs to sell was higher than the value in use.

As part of our annual assessment, the estimated value in use and fair value less costs to sell for each of the CGUs were determined with assistance from an independent appraisal firm.

Assumptions applying to both value in use and fair value less costs to sell

The region specific risk premiums were determined based on various country risk premiums that were weighted by revenue per country. The change in debt-free net working capital was determined based on the consolidated projected balance sheets, which was then allocated by CGU based on revenue.
The long-term growth rates were based on the long-term outlook for the CGUs relative to the industry and the respective economies as a whole.
In addition, the C&W Group's projected cash flow information used in the discounted cash flow method was developed through assumptions with respect to its expected future revenue and EBITDA margins, related cash taxes, capital expenditures and broker retention (value in use and fair value less costs to sell) and broker acquisition (fair value less costs to sell only).

Value in use

To determine the value in use for the 2012 annual impairment assessment, the discounted cash flow method required a number of key assumptions as follows:

	USA	CANADA	SOUTH AMERICA	MEXICO	EMEA	ASIA
Specific CGU assumptions						
Discount rate	11.5%	11.5%	14.0%	13.5%	12.5%	13.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Region specific risk premium	0.0%	0.0%	2.8%	2.3%	1.1%	1.6%
General assumptions						
	Q4 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Change in debt-free net working capital (as a % of revenue)	-3.5%	-2.6%	-1.8%	-1.4%	-0.8%	-0.6%
Terminal value model	Constant (Gordon Growth Formula)					

Discounted Cash Flow Method

Under the discounted cash flow method, cash flows were projected for each of the CGUs, as outlined above, along with an estimate of a terminal year value, all of which was discounted back to October 1, 2012, the Company's annual goodwill assessment date, based on the discount rate assumption. The fourth quarter 2012 revenue and EBITDA assumptions were based upon the Company's most recent forecast available as of the assessment date (the "October" full-year 2012 forecast), while the 2013 – 2017 revenue, EBITDA, cash taxes, capital expenditure and broker acquisition/retention cash flow assumptions were developed in connection with the Company's Annual Operating and Strategic Plans.

The discounted cash flow method utilized was substantially the same as that used in 2011.

Fair value less costs to sell

The valuation methodology to determine the fair value less costs to sell of each CGU is based on a weighting of the indicated total invested capital (“TIC”) amounts as determined under both the income approach (discounted cash flow method) and the market approach methods.

To determine the estimated fair value less costs to sell for the 2012 annual impairment assessment, both the discounted cash flow and the market approach methods required a number of key assumptions, including the projected cash flow information and the following for each of the CGUs:

	USA	CANADA	SOUTH AMERICA	MEXICO	EMEA	ASIA
Specific CGU assumptions						
Discount rate	11.5%	11.5%	15.0%	13.5%	13.0%	13.5%
Entity specific risk premium	0.0%	0.0%	1.0%	0.0%	0.5%	0.5%
Region specific risk premium	0.0%	0.0%	2.8%	2.3%	1.1%	1.6%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
2012 EBITDA multiple	7.5x	8x	7.2x	6.5x	n/a	n/a
2013 EBITDA multiple	6.5x	7.0x	6.4x	5.7x	n/a	7.6x
2014 EBITDA multiple	n/a	n/a	n/a	n/a	6.0x	n/a
General assumptions						
Terminal value model	Fading					
Competitive advantage period (years)	3					
Control premium	15.0%					
Equity risk premium	6.0%					
Cost to sell	2.0%					
	Q4 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Change in debt-free net working capital (as a % of revenue)	-3.5%	-2.6%	-1.8%	-1.4%	-0.8%	-0.6%

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity and region specific risk premiums, regional cost of debt, the region specific tax rates and debt to equity ratios.

The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which we estimate earnings growth will reduce to the stable long-term growth rate.

The EBITDA multiples for 2012 and 2013 were determined through an assessment of our guideline company multiples and taking into account local country adjustments. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

Market Approach Market

Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2012 and 2013 (2014 for Europe), and then those fair values were weighted to calculate an indicated TIC value for each CGU. The multiple assumptions in these calculations were derived from data publicly available relating to our guideline companies, including information relating to their revenue and EBITDA historical performance as well that expected in 2013 and 2014.

Recoverable amount

C&W Group performed the annual assessment as of October 1, 2012, and, based on that assessment, no impairment charge was required in the consolidated statement of operations for the year ended December 31, 2012.

C&W Group’s key assumptions used to determine the value in use and fair value less costs to sell represent management’s best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

The estimated values in use and fair values less costs to sell are particularly sensitive to changes in the discount rate and the projected cash flow information assumptions. However, C&W Group believes that any reasonably possible change in the key assumptions on which the recoverable amount of each of the CGUs is based would not cause the CGU’S carrying amount to exceed its recoverable amount.

Brands, trademarks and other intangible assets with indefinite useful lives

Details of Brands, trademarks and other intangible assets with indefinite useful lives are the following:

€ million	**12/31/2012**	12/31/2011	Change
Fiat Group	**2,717**	2,770	(53)
Fiat Industrial Group	**176**	180	(4)
C&W Group	**193**	197	(4)
Juventus F.C.	**30**	16	14
Total Trademarks and other intangible assets with indefinite useful lives	**3,116**	3,163	(47)

With regard to the **Fiat Group**, brands arise almost exclusively from the NAFTA region. The amount of €2,717 million at December 31, 2012 (€2,770 million at December 31, 2011) mainly comprises the net carrying amount of the brands Chrysler, Jeep, Dodge, Ram and Mopar. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they were classified as intangible assets with indefinite useful lives.

The carrying amount of brands is tested annually and the Fiat Group recognizes an impairment loss if the carrying amount exceeds the recoverable amount. The principal assumptions used in the calculation of the value in use of the NAFTA cash-generating unit are presented above.

With regard to the **Fiat Industrial Group**, Trademarks and Other intangible assets with indefinite useful lives are mainly attributable to CNH and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units without the need for any recognition of impairment.

With regard to **C&W Group,** Brands, trademarks and other intangible assets with indefinite useful lives" include the amount allocated on acquisition of C&W Group (March 2007) to the "Cushman & Wakefield" trademark, widely recognized by the market, for €193 million at December 31, 2012. C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment.

15. Other intangible assets

In 2012, changes in the Other intangible assets are as follows:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2011						
Original cost	4,491	6,483	2,671	1,328	268	15,241
Accumulated amortization and impairment	(2,612)	(3,364)	(1,224)	(887)	(135)	(8,222)
Net carrying amount	**1,879**	**3,119**	**1,447**	**441**	**133**	**7,019**
Changes during the year (original cost)						
Additions	1,646	1,026	208	134	77	3,091
Disposals	(4)	(66)	(35)	(41)	(57)	(203)
Change in the scope of consolidation	(58)	(37)	0	0	0	(95)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(104)	(39)	(31)	(30)	(5)	(209)
Total	**1,480**	**884**	**142**	**63**	**15**	**2,584**
Changes during the year (accumulated amortization and impairment)						
Amortization	(300)	(519)	(253)	(114)	(48)	(1,234)
Impairment losses	(19)	(38)	0	(1)	0	(58)
Disposals	0	52	34	35	41	162
Change in the scope of consolidation	57	38	0	0	0	95
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	45	23	16	16	0	100
Total	**(217)**	**(444)**	**(203)**	**(64)**	**(7)**	**(935)**
Balance at December 31, 2012						
Original cost	5,971	7,367	2,813	1,391	283	17,825
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(951)	(142)	(9,157)
Net carrying amount	**3,142**	**3,559**	**1,386**	**440**	**141**	**8,668**

In 2012, new development costs were capitalized for €2,672 million.

In 2012, the Group wrote down certain development costs by €57 million. In 2012, the writedown has been totally recognized as Trading profit (loss).

Foreign exchange losses of €114 million in 2012 principally reflect the depreciation of the US Dollar and Brazilian Real against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro.

The amortization of development costs are reported in the income statement as Research and development costs.

The next note presents an in-depth analysis of the recoverable amount of non-current assets of the EMEA region of the Fiat Group.

In 2011, changes in other intangible assets were as follows:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2010						
Original cost	3,698	5,533	1,468	1,233	218	12,150
Accumulated amortization and impairment	(2,298)	(2,789)	(1,107)	(786)	(118)	(7,098)
Net carrying amount	**1,400**	**2,744**	**361**	**447**	**100**	**5,052**
Changes during the year (original cost)						
Additions	749	1,088	135	101	92	2,165
Disposals	(2)	(15)	(35)	(14)	(41)	(107)
Change in the scope of consolidation	0	0	1,036	20	0	1,056
Reclassified to/from assets held for sale	0	0	(50)	(18)	0	(68)
Translation differences and other changes	46	(123)	117	6	(1)	45
Total	**793**	**950**	**1,203**	**95**	**50**	**3,091**
Changes during the year (accumulated amortization and impairment)						
Amortization	(293)	(495)	(185)	(113)	(41)	(1,127)
Impairment losses	(38)	(127)	0	(2)	(5)	(172)
Disposals	0	13	29	11	29	82
Change in the scope of consolidation	0	0	3	0	0	3
Reclassified to/from assets held for sale	0	0	38	14	0	52
Translation differences and other changes	17	34	(2)	(11)	0	38
Total	**(314)**	**(575)**	**(117)**	**(101)**	**(17)**	**(1,124)**
Balance at December 31, 2011						
Original cost	4,491	6,483	2,671	1,328	268	15,241
Accumulated amortization and impairment	(2,612)	(3,364)	(1,224)	(887)	(135)	(8,222)
Net carrying amount	**1,879**	**3,119**	**1,447**	**441**	**133**	**7,019**

In 2011, new development costs were capitalized for €1,838 million.

In 2011, the Group wrote down certain development costs by €165 million. Of this amount, €4 million was recognized in Trading profit (loss) and €161 million as Other unusual income (expenses) in the income statement.

16. Property, plant and equipment

In 2012, changes in Property, plant and equipment are as follows:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2011							
Original cost	943	8,218	34,677	1,321	6,170	2,861	54,190
Accumulated depreciation and impairment	(10)	(3,126)	(23,534)	(290)	(2,063)	(10)	(29,033)
Net carrying amount	**933**	**5,092**	**11,143**	**1,031**	**4,107**	**2,851**	**25,157**
Changes during the year (original cost)							
Additions	28	480	2,135	542	1,009	2,284	6,478
Disposals	(9)	(82)	(1,115)	(56)	(134)	(10)	(1,406)
Change in the scope of consolidation	0	1	(69)	0	1	0	(67)
Translation differences and other changes	(10)	(95)	(381)	0	(115)	(111)	(712)
Reclassified to/from assets held for sale	0	12	0	0	0	0	12
Other changes	5	167	1,218	(246)	(65)	(1,504)	(425)
Total	**14**	**483**	**1,788**	**240**	**696**	**659**	**3,880**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(332)	(2,273)	(169)	(1,107)	0	(3,881)
Impairment losses	0	(2)	(51)	(15)	0	(1)	(69)
Disposals	0	46	1,076	39	111	0	1,272
Change in the scope of consolidation	0	(1)	61	0	0	0	60
Translation differences and other changes	0	29	200	4	52	0	285
Reclassified to/from assets held for sale	0	(7)	0	0	0	0	(7)
Other changes	0	11	12	96	42	0	161
Total	**0**	**(256)**	**(975)**	**(45)**	**(902)**	**(1)**	**(2,179)**
Balance at December 31, 2012							
Original cost	957	8,701	36,465	1,561	6,866	3,520	58,070
Accumulated depreciation and impairment	(10)	(3,382)	(24,509)	(335)	(2,965)	(11)	(31,212)
Net carrying amount	**947** (a)	**5,319** (b)	**11,956** (c)	**1,226**	**3,901** (d)	**3,509**	**26,858**

(a) Of which €5 million under a finance lease.
(b) Of which €64 million under a finance lease.
(c) Of which €297 million under a finance lease.
(d) Of which €1 million under a finance lease.

Additions of €6,478 million mainly refer to the car mass market operations of the Fiat Group for €5,149 million and CNH and Iveco of the Fiat Industrial Group for €1,280 million.

In 2012, exchange losses of €427 million mainly reflect the depreciation of the US Dollar and the Brazilian Real against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro. In 2011, exchange gains of €696 million reflected the appreciation of the US Dollar against the Euro from the end of May when Chrysler was consolidated for the first time by the Fiat Group, partially offset by the depreciation of the Brazilian Real and the Polish Zloty against the Euro.

In 2012, Other changes mainly consist of the reclassification of the prior year balances for Advances and tangible assets in progress to the appropriate categories when the assets were effectively acquired and put into operation service, as well as the reclassification to Inventory of Assets sold with a buy-back commitment that are held for sale at the agreement expiry date.

In 2011, changes in Property, plant and equipment were as follows:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2010							
Original cost	600	5,917	29,972	1,167	2,156	1,233	41,045
Accumulated depreciation and impairment	(9)	(2,928)	(22,567)	(296)	(1,506)	(18)	(27,324)
Net carrying amount	**591**	**2,989**	**7,405**	**871**	**650**	**1,215**	**13,721**
Changes during the year (original cost)							
Additions	24	315	1,747	533	635	1,825	5,079
Disposals	(12)	(50)	(1,032)	(132)	(283)	(73)	(1,582)
Change in the scope of consolidation	304	1,870	3,200	0	3,149	1,201	9,724
Translation differences and other changes	22	79	(216)	1	351	123	360
Reclassified to/from assets held for sale	(7)	(73)	(23)	0	(96)	0	(199)
Other changes	12	160	1,029	(248)	258	(1,448)	(237)
Total	**343**	**2,301**	**4,705**	**154**	**4,014**	**1,628**	**13,145**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(263)	(1,986)	(135)	(738)	0	(3,122)
Impairment losses	(1)	(34)	(299)	(11)	(2)	(1)	(348)
Disposals	0	31	994	64	177	0	1,266
Change in the scope of consolidation	0	3	(11)	0	0	0	(8)
Translation differences and other changes	0	43	340	0	(47)	0	336
Reclassified to/from assets held for sale	0	23	15	0	49	0	87
Other changes	0	(1)	(20)	88	4	9	80
Total	**(1)**	**(198)**	**(967)**	**6**	**(557)**	**8**	**(1,709)**
Balance at December 31, 2011							
Original cost	943	8,218	34,677	1,321	6,170	2,861	54,190
Accumulated depreciation and impairment	(10)	(3,126)	(23,534)	(290)	(2,063)	(10)	(29,033)
Net carrying amount	**933** (a)	**5,092** (b)	**11,143** (c)	**1,031**	**4,107** (d)	**2,851**	**25,157**

(a) Of which €6 million under finance lease.
(b) Of which €71 million under finance lease.
(c) Of which €293 million under finance lease.
(d) Of which €3 million under finance lease.

Additions of €5,079 million in 2011 referred for €3,925 million to Chrysler, Fiat Group Automobiles, Magneti Marelli and Fiat Powertrain, for €1,069 million to the Fiat Industrial Group, for €66 million to Juventus F.C. and for €15 million to C&W Group. Additions by Juventus Football Club mainly included the costs incurred for the "Juventus Stadium" (including designing, infrastructure charges, demolition of the old "Stadio delle Alpi"), as well as plant, equipment and other assets to service the stadium.

In 2011, the Group had recognized impairment losses of €302 million, classified as Other unusual income (expenses), following the review of the recoverable amount of certain fixed assets and in connection with the process for the strategic realignment of manufacturing and commercial activities between Fiat and Chrysler.

In 2011, the overall increase of €9,716 million in the Change in the scope of consolidation mainly had reflected the consolidation of Chrysler.

At December 31, 2012, Property, plant and equipment of the Fiat Group excluding Chrysler reported as pledged as collateral for loans, mainly relates to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the corresponding recognition of a financial lease payable. They are as follows:

€ million	**12/31/2012**	12/31/2011
Land and industrial buildings pledged as security for debt	31	50
Plant and machinery pledged as security for debt and other commitments	259	260
Other assets pledged as security for debt and other commitments	6	7
Property plant and equipment pledged as security for debt	**296**	317

The amount of Property, plant and equipment of Chrysler at December 31, 2012 is €12,069 million (€11,050 million at December 31, 2011). Substantially all the Property, plant and equipment of Chrysler Group LLC and its U.S. subsidiary guarantors are pledged as securities for certain Chrysler's outstanding debt.

At December 31, 2012, land and industrial buildings of the Fiat Industrial Group pledged as security for debt amounted to €67 million (€45 million at December 31, 2011); plant and machinery pledged as security for debt and other commitments amounted to €72 million (€68 million at December 31, 2011) and other assets pledged as security for debt and other commitments totaled €1 million (€2 million at December 31, 2011); these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a financial lease payable.

Moreover, at December 31, 2012 real estate mortgaged for a loan from the Istituto per il Credito Sportivo for the construction of the new stadium amounts to a maximum value of €120 million.

At December 31, 2012, the Group had contractual commitments for the purchase of Property, plant and equipment amounting to €1,158 million (€1,069 million at December 31, 2011).

Recoverability of non-current assets of the Fiat Group

In view of the persisting difficult economic and financial situation in Europe, the Fiat Group assessed the recoverability of the carrying value at December 31, 2012 for the Net Capital Employed pertaining to the EMEA car mass market operations. Given the strategy announced on October 30, 2012, to redeploy the industrial assets in EMEA to produce a renewed product portfolio focused on upper-end segments and international brands, it was considered reasonable to use cash flow projections for the period 2013-2018. These were discounted at a base 13.14% pre-tax Weighted Average Cost of Capital (WACC) and the long term growth rate was prudently assumed to be 0%. Sensitivities were performed simulating two different scenarios: a) WACC was increased by 1% for 2017 and 2% for 2018 and for Terminal Value; b) cash flows were reduced by estimating the impact of a 10% decrease in the European car market demand for 2016-2018 as compared with the base assumptions. In all cases the recoverable amount of the net assets continue to be higher than their carrying amount. Furthermore an analysis on specific classes of assets was also performed leading to the recognition of a €108 million impairment loss in 2012 mainly related to Development costs and Tangible assets (see Notes 15 and 16). In 2011, a total of €713 million of impairment losses were recognized regarding Goodwill, Development costs and Tangible assets mainly in the car mass market operations in EMEA and the Components and Production Systems segments.

17. Investments and other financial assets

Details are as follows:

€ million	12/31/2012	12/31/2011	Change
Investments in jointly controlled entities	**1,778**	1,760	18
Investments in associates	**294**	682	(388)
Investments in subsidiaries	**35**	58	(23)
Investments accounted for using the equity method	**2,108**	2,500	(392)
Investments at fair value with changes directly in Other comprehensive income	**2,249**	1,747	502
Investments at fair value with changes directly in income statement			
Investments at fair value	**2,249**	1,747	502
Investments in jointly controlled entities	**7**	4	3
Investments in associates	**8**	10	(2)
Investments in subsidiaries	**23**	18	5
Investments at cost	**38**	32	6
Total Investments	**4,395**	4,279	116
Non-current financial receivables	**344**	348	(4)
Other securities	**664**	632	32
Total Investments and other financial assets	**5,403**	5,259	144

Investments

Changes in Investments in 2012 are set out below:

€ million	12/31/2011	Revaluations (Impairment losses)	Fair value changes recognized in equity	Acquisitions and capitalizations	Change in the scope of consolidation	Disposals	Reclassified to Assets held for sale	Translation differences and other changes	12/31/2012
Investments accounted for using the equity method	2,500	138	0	46	(10)	(158)	(91)	(317)	**2,108**
Investments at fair value	1,747	(104)	456	35	0	(34)	0	149	**2,249**
Investments at cost	32	(1)	0	3	5	(5)	0	4	**38**
Total Investments	**4,279**	**33**	**456**	**84**	**(5)**	**(197)**	**(91)**	**(164)**	**4,395**

Revaluations/(Impairment losses), equal to €33 million, include the share of the profit or loss of investees accounted for using the equity method and the impairment losses recognized during the period on investments measured at cost. The loss of €147 million is also recognized on the Sequana operation and described in the following paragraphs.

The fair value changes recognized in equity show a gain of €456 million and include the positive fair value adjustment of the SGS investment for €468 million and a fair value loss relating to other minor investments for €12 million.

Acquisitions and capitalizations for €84 million include the partial subscription by EXOR S.A. of Sequana S.A.'s capital increase for €21 million, the investment in Paris Orléans for €25 million, the purchase of a 9.85% interest in Alpitour (formerly Seagull S.p.A.) by EXOR S.p.A. for €10 million, in addition to other acquisitions and capitalizations by the Fiat Group for €28 million.

Disposals amounting to €197 million consist of €128 million arising from the sale of the 20% interest in Kobelco Construction Machinery Co., Ltd., the decrease of €20 million as a result of the liquidation of some minor investments, as well as €49 million on the disposal of minor investments.

Translation differences and Other changes consisting of a net decrease of €164 million mainly relate to the payment of dividends by companies accounted for using the equity method for €169 million (of which €40 million was received from FGA Capital and €41 million from Tofas-Turk Otomobil Fabrikasi A.S.), the reimbursement as a result of the reduction of Gruppo Banca Leonardo capital for €26 million, other decreases for €5 million, partly compensated by the increase from the reclassification of a listed financial asset for €24 million and the positive changes in the cash flow hedge reserve of Tofas-Turk Otomobil Fabrikasi A.S. for €12 million.

Investments in jointly controlled entities comprise the following:

	12/31/2012		12/31/2011	
	% of interest	**€ million**	% of interest	€ million
Fiat Group				
FGA Capital S.p.A.	**50.0**	**771**	50.0	725
Tofas - Turk Otomobil Fabrikasi A.S.	**37.9**	**329**	37.9	272
Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme (*)	**50.0**	**-**	50.0	89
Società Europea Veicoli leggeri - Sevel S.p.A.	**50.0**	**103**	50.0	100
GAC Fiat Automobiles Co. Ltd	**50.0**	**90**	50.0	108
Fiat India Automobiles Limited	**50.0**	**35**	50.0	23
VM Motori S.p.A.	**50.0**	**38**	50.0	38
Other		**53**		45
Total Fiat Group		**1,419**		1,400
Fiat Industrial Group				
Naveco (Nanjing Iveco Motor Co.) Ltd.	**50.0**	**169**	50.0	169
Turk Traktor Ve Ziraat Makineleri A.S.	**37.5**	**104**	37.5	87
SAIC Iveco Commercial Vehicle Investment Company Limited	**50.0**	**19**	50.0	37
New Holland HFT Japan Inc.	**50.0**	**35**	50.0	42
CNH de Mexico SA de CV	**50.0**	**22**	50.0	19
Transolver Finance Establecimiento Financiero de Credito S.A.	**50.0**	**7**	50.0	4
Other		**3**		2
Total Fiat Industrial Group		**359**		360
Total Investments in jointly controlled entities		**1,778**		1,760

(a) Investment reclassified in 2012 to Assets held for sale.

At December 31, 2011, Investments also included the investment in Sevelnord Société Anonyme carried at €89 million. This investment, carried at €91 million at June 30, 2012, was reclassified to Assets held for sale and measured at fair value.

Investments in associates comprise the following:

	12/31/2012		12/31/2011	
	% of interest	**€ million**	% of interest	€ million
Fiat Group				
Rizzoli Corriere della Sera MediaGroup S.p.A.	10.1	28	10.1	99
Other		30		32
Total Fiat Group		**58**		131
Fiat Industrial Group				
Kobelco Construction Machinery Co. Ltd.	0.0	0	20.0	145
CNH Capital Europe S.a.s.	49.9	73	49.9	69
Al -Ghazi Tractors Ltd.	43.2	24	43.2	24
Other		6		6
Total Fiat Industrial Group		**103**		244
Holdings System				
Sequana Group (a)		0	28.2	190
Almacantar Group		133	36.3	117
Total Holdings System		**133**		307
Total Investments in associates		**294**		**682**

(a) Measured at fair value and recognized in the reserves in equity beginning June 30, 2012.

Rizzoli Corriere della Sera MediaGroup S.p.A. is a listed company in which Fiat is one of the major shareholders, is represented on the board of directors and is a party to a shareholder agreement. As a result the company is classified as an associate. In order to account for this investment using the equity method, reference was made to the company's most recent published financial statements, being its "Interim Management Statements at September 30, 2012", since those to be issued for 2012 will only be available after the publication of the consolidated financial statements of the Fiat Group. The reduction of the carrying amount in 2012 for €71 million reflects the portion of the loss reported by the associate as a consequence of the impairment loss recognized on its assets in Spain.

With regard to the investment in the Almacantar Group, the key figures for 2012 are the following:

	12/31/2012 £ million	12/31/2012 € million
Net property income	**14.3**	**18**
Profit (loss) attributable to owners of the parent	**31.1**	**38**
Of which EXOR's share	**11.3**	**14**
Net financial position	**(115.9)**	**(142)**

Investments at fair value with changes directly in equity are as follows:

	12/31/2012		12/31/2011		Change
€ million	% of interest	€ million	% of interest	€ million	
SGS S.A.	**15.00**	1,969	15.00	1,501	468
Gruppo Banca Leonardo S.p.A.	**17.40**	75	17.40	105	(30)
Sequana Group	**18.74**	39			39
Banijay Holding S.A.S.	**17.09**	38	17.09	40	(2)
The Economist Newspaper Ltd	**4.72**	36	4.72	32	4
Other		92		69	23
Investments at fair value with changes directly in equity		**2,249**		**1,747**	**502**

The increase in the investment in SGS amounting to €468 million is attributable to the fair value adjustment at December 30, 2012. The trading price per SGS share at December 28, 2012 was CHF 2,026, equal to €1,678.26 at the year-end exchange rate of 1.2072. The original carrying amount of the investment in SGS is €470 million; at December 31, 2012 the net positive fair value adjustment recognized in equity amounts to €1,500 million.

The decrease in the investment in Gruppo Banca Leonardo is due to the reimbursement of capital accounted for as a reduction of the carrying amount of the investment for €26 million and the negative fair value adjustment for €4 million (with recognition in Other comprehensive income).

With reference to the investment in Sequana, EXOR S.A. partially subscribed to the €150 million capital increase by that company, reducing its investment from 28.24% to 18.74%. The holding is now diluted to below 20%, consistently with the strategy to simply and reduce its minor investments.

The investment in Sequana was reclassified at June 30, 2012 to investments measured at fair value, for an amount of €48 million, determined on the basis of the trading price on the same date. The year-end adjustment was carried out using the trading price per share on December 31, 2012 (€8.24 per share). Whereas the difference between the fair value at June 30, 2012 and the value of EXOR's share of equity at the same date was recognized in income pursuant to IAS 28 with regard to the first-time application of fair value measurement, the negative change in fair value in the second half of 2012 (€10 million) was recognized in reserves in equity pursuant to IAS 39.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as standby letters of credit and other agreements.

Other securities

- Other securities amount to €664 million (€632 million at December 31, 2011) and mainly include:
- for €323 million the value of an Irish-registered fund managed by Black Ant Group LLC, which principally invests in equity and credit instruments. The investment was concluded on June 1, 2012 and has a time frame of five years. At December 31, 2012 the fair value adjustment recorded in reserves in equity is a gain of €23 million;
- for €109 million the value of bonds issued by leading counterparties listed on open and regulated markets with the intention of holding them until their natural repayment date. Such bonds are recognized and measured at amortized cost;
- for €83 million the value of the investment in Perella Weinberg Funds (€70 million at December 31, 2011);
- for €57 million (€58 million at December 31, 2011) the amount paid for the contractual rights arising from the acquisition of the Equity Recapture Agreement by the Fiat Group;
- for €12 million the value of the investment in the Immobiliare RHO Fund, whose fair value is certified by the Fund manager.

At December 31, 2011, Other securities and other financial assets had also included €320 million relating to the fair value of Fiat's contractual right to receive an additional 5% ownership interest in Chrysler upon the occurrence of the Ecological Event, which took place in early January 2012. As a consequence, this financial asset was derecognized and Non-controlling interests were reduced by €359 million, with the Equity attributable to owners of the parent increased for the difference.

18. Leased assets

Changes in leased assets in 2012 and 2011 are as follows:

€ million	12/31/2011	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2012
Gross carrying amount	803	381	0	(6)	(362)	**816**
Depreciation and impairment	(200)	0	(112)	1	119	**(192)**
Net carrying amount of Leased assets 2012	**603**	**381**	**(112)**	**(5)**	**(243)**	**624**

€ million	12/31/2010	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2011
Gross carrying amount	674	296	0	22	(189)	**803**
Depreciation and impairment	(182)	0	(62)	(5)	49	**(200)**
Net carrying amount of Leased assets 2011	**492**	**296**	**(62)**	**17**	**(140)**	**603**

The Fiat Group and the Fiat Industrial Group lease out assets, mainly their own products, as part of the financial services businesses of the Iveco and CNH sectors. Such assets are depreciated at rates of between 20% and 33%.

19. Inventories

Inventories are composed of the following:

€ million	12/31/2012	12/31/2011	Change
Raw materials, supplies and finished goods	12,809	12,262	547
Assets sold with a buy-back commitment and leases	1,122	1,536	(414)
Gross amount due from customers for contract work	202	190	12
Total Inventories at December 31, 2012	**14,133**	**13,988**	145

Inventories of the Fiat Group amount to €9,295 million (€9,123 million at December 31, 2011) and inventories of the Fiat Industrial Group total €4,843 million (€4,865 million at December 31, 2011).
At December 31, 2012, Inventories of the Fiat Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments and are held for sale for €170 million (€142 million at December 31, 2011).

At December 31, 2012, Inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to realize the sale) amounting to €2,397 million (€2,304 million at December 31, 2011).

The amount of inventory writedowns recognized as an expense during 2012 is €695 million (€612 million in 2011). Amounts recognized as income from the reversal of writedowns on items sold during the year were not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2012	12/31/2011	Change
Aggregate amount of costs incurred and recognized profits (less recognized losses) to date	202	190	12
Less: Progress billings	(174)	(111)	(63)
Construction contracts, net of advances on contract work	**28**	**79**	**(51)**

20. Trade receivables

Trade receivables amount to €4,303 million at December 31, 2012 and decreased by €18 million compared with €4,321 million at December 31, 2011.

The analysis of trade receivables by due date is as follows:

€ million	12/31/2012	12/31/2011	Change
Due within one year	4,248	4,253	(5)
Due between one and five years	55	67	(12)
Due beyond five years	0	1	(1)
Total trade receivables	**4,303**	**4,321**	(18)

Trade receivables are shown net of allowances for doubtful accounts of €526 million at December 31, 2012 (€529 million at December 31, 2011), determined on the basis of historical losses on receivables. Changes in the allowance accounts during 2012 are as follows:

€ million	12/31/2011	Provision	Use and other changes	12/31/2012
Allowances for doubtful accounts	**529**	**93**	**(96)**	**526**

The carrying amount of Trade receivables is considered in line with their fair value.

21. Receivables from financing activities

Receivables from financing activities include the following:

€ million	12/31/2012	12/31/2011	Change
Dealer financing	**8,193**	7,564	629
Retail financing	**8,743**	8,091	652
Finance leases	**1,644**	1,928	(284)
Supplier financing	**12**	50	(38)
Financial receivables from jointly controlled financial services companies	**57**	21	36
Financial receivables from jointly controlled entities, associates and unconsolidated subsidiaries	**63**	62	1
Other	**226**	145	81
Total Receivables from financing activities	**18,938**	**17,861**	**1,077**

At December 31, 2012 Receivables from financing activities increased by €1,077 million over the period, mainly due to an increase in receivables from retail financing in CNH in the United States and in receivables from dealer financing in Iveco in Europe and in CNH in the United States and Brazil. Changes in exchange rates, mainly between the Euro and the US dollar and the Brazilian real, led to a decrease of €527 million.

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2012 the allowance amounts to €692 million (€662 million at December 31, 2011). Changes in the allowance accounts during the year considered are as follows:

€ million	12/31/2011	Provision	Use and other changes	12/31/2012
Retail financing	242	88	(65)	**265**
Finance leases	272	3	(14)	**261**
Dealer financing	117	36	(18)	**135**
Supplier financing	2	0	(1)	**1**
Other	29	1	0	**30**
Total allowance on Receivables from financing activities	**662**	**128**	**(98)**	**692**

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from sector to sector and from country to country, although payment terms range from two to six months.

Receivables for retail financing by the Fiat Industrial Group amount to €7,628 million and by the Fiat Group for €1,115 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the Fiat Group (Performance and Luxury Brands operating segment) and the Fiat Industrial Group (Iveco and CNH). The interest rate implicit in the lease is determined at the contract date for the whole of the lease term and is in line with market rates.

These receivables are stated gross of an allowance of €261 million at December 31, 2012 (€272 million at December 31, 2011) and may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	941	1,375	47	**2,363**
Less: unrealized interest income	(165)	(292)	(12)	**(469)**
Present value of future minimum lease payments at December 31, 2012	**776**	**1,083**	**35**	**1,894**
Receivables for future minimum lease payments	1,210	1,405	38	**2,653**
Less: unrealized interest income	(173)	(276)	(3)	**(452)**
Present value of future minimum lease payments at December 31, 2011	**1,037**	**1,129**	**35**	**2,201**

No contingent rents were recognized as finance leases during 2012 or 2011 and unguaranteed residual values at December 31, 2012 and 2011 are not significant.

Financial receivables from jointly controlled financial services companies include current financial receivables due from the FGA Capital group.

The analysis of receivables from financing activities is the following:

€ million	12/31/2012	12/31/2011	Change
Due within one year	12,113	11,524	589
Due between one and five years	6,720	6,242	478
Due beyond five years	105	95	10
Total Receivables from financing activities	**18,938**	**17,861**	1,077

The fair value of receivables from financing activities at December 31, 2012 was €19,275 million (€18,281 million at December 31, 2011) which has been calculated using a discounted cash flow method based on the following discount rates, adjusted, where necessary, to take account of the specific risk of insolvency of the underlying financial instrument.

in %	EUR	USD	GBP	CAD	AUD	BRL	PLN
Interest rate for six months	0.32	0.30	0.67	1.30	2.90	7.08	3.79
Interest rate for one year	0.33	0.32	0.67	1.33	2.79	7.12	3.41
Interest rate for five years	0.77	0.85	1.02	1.71	3.31	8.15	3.33

22. Other financial receivables

At December 31, 2012 Other financial receivables amount to €4 million (€8 million at December 31, 2011) and are due within the year.

23. Current tax receivables

At December 31, 2012 Current tax receivables amount to €553 million (€1,093 million at December 31, 2011). The analysis by due date is the following:

€ million	12/31/2012	12/31/2011	Change
Due within one year	436	975	(539)
Due between one and five years	49	42	7
Due beyond five years	68	76	(8)
Total Current tax receivables	**553**	**1,093**	(540)

24. Other current assets

Other current assets amount to €3,368 million (€3,196 million at December 31, 2011) and mainly consist of Other tax receivables for VAT and other indirect taxes for €1,531 million, Receivables from employees for €131 million and Accrued income and prepaid expenses for €557 million. The carrying amount of Other current assets is considered to be in line with fair value.

The analysis of current receivables (excluding accrued income and prepaid expenses, by due date at December 31, 2012 and December 31, 2011) is the following:

€ million	12/31/2012	12/31/2011	Change
Due within one year	2,341	2,106	235
Due between one and five years	409	489	(80)
Due beyond five years	61	45	16
Total Other current receivables	**2,811**	**2,640**	171

25. Transfers of financial assets

The transfer of financial assets mainly refers to the Fiat Group and the Fiat Industrial Group.

The Fiat Group transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.
At December 31, 2012, the carrying amount of transferred financial assets not derecognized and the related liabilities was as follows:

				At December 31, 2012
€ million	Trade receivables	Receivables from financing activities	Other financial receivables	Total
Carrying amount of the assets transferred and not derecognized	9	405	35	**449**
Carrying amount of the related liabilities	(9)	(405)	(35)	**(449)**

At December 31, 2012, the **Fiat Group** has receivables and bills due after that date transferred without recourse and accordingly derecognized for €3,631 million (€3,858 million at December 31, 2011). The transfers are related to trade receivables and other receivables for €2,932 million (€3,031 million at December 31, 2011) and financial receivables for €699 million (€827 million at December 31, 2011). These amounts include receivables for €2,179 million (€2,495 million at December 31, 2011), mainly due from the sales network, transferred to jointly controlled financial services companies (FGA Capital).
At December 31, 2011, Total Current receivables included receivables sold and financed through factoring transactions for €710 million which did not meet IAS 39 derecognition requirements.

The **Fiat Industrial Group** transfers a number of its financial, trade and tax receivables under securitization programs or factoring transactions.
At December 31, 2012, the carrying amount of such transferred assets and the related liability and the respective fair values are as follows:

				At December 31, 2012
€ million	Trade receivables	Receivables from financing activities	Other financial receivables	Total
Carrying amount of assets	543	8,998	745	**10,286**
Carrying amount of the related liabilities	(543)	(8,420)	(745)	**(9,708)**
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	543	9,208	745	**10,496**
Fair value of the liabilities	(543)	(8,480)	(745)	**(9,768)**
Net position	0	728	0	**728**

Other financial assets also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

At December 31, 2011 receivables sold and financed through both securitization and factoring transactions which do not meet IAS 39 derecognition requirements totaled €8,377 million and were included in Current receivables. For completeness of information, it is recalled that the Fiat Industrial Group has discounted receivables and bills without recourse having due dates after December 31, 2012 amounting to €763 million (€980 million at December 31, 2011, with due dates after that date), which refer to trade receivables and other receivables for €708 million (€897 million at December 31, 2011) and financial receivables for €55 million (€83 million at December 31, 2011).

26. Current financial assets

The composition is as follows:

€ million	**12/31/2012**	12/31/2011	Change
Current investments	32	137	(105)
Bonds held-to-maturity		77	(77)
Bonds available-for-sale	87	120	(33)
Bonds and mutual funds held for trading	405	443	(38)
Current securities	492	640	(148)
Other financial assets	641	677	(36)
Total Current financial assets	**1,165**	**1,454**	**(289)**

Current securities mainly consist of short-term or marketable securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents of the Fiat Group (€256 million) and the Holdings System (€232 million).

At December 31, 2011 “Bonds available-for-sale” included Banco CNH Capital S.A. investments in Brazilian sovereign bonds for €62 million, sold during 2012.

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

27. Other financial assets and Other financial liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date. Specifically:

	12/31/2012		12/31/22011	
€ million	**Positive fair value**	**Negative fair value**	Positive fair value	Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	189	(3)	270	(2)
Currency risks	1	(1)		(2)
Interest rate and currency risk - Combined interest rate and currency swaps	1	(1)	1	(2)
Other derivatives				
Total Fair value hedges	**191**	**(5)**	271	(6)
Cash flow hedge				
Currency risks - Forward contracts, Currency swaps and Currency options	139	(117)	123	(360)
Interest rate risk - Interest rate swaps		(54)		(44)
Interest rate risk - Interest rate caps			1	
Interest rate and currency risk - Combined interest rate and currency swaps	7	(36)	1	
Commodities price risk - Commodities swaps	10	(6)	1	(42)
Other derivatives				(1)
Total Cash flow hedges	**156**	**(213)**	126	(447)
Derivatives for trading	276	(124)	206	(158)
Cash collateral	18		74	
Total Other financial assets (liabilities)	**641**	**(342)**	677	(611)

The fair value of derivative financial instruments is calculated by using market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;

- the fair value of forward contracts and currency swaps is calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is calculated using appropriate valuation techniques and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is calculated using the discounted cash flow method;
- the fair value of derivatives hedging interest rate risk and currency risk is calculated using the exchange rate at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is calculated using the discounted cash flow method, taking (if available) the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in Other financial assets (from €677 million at December 31, 2011 to €641 million at December 31, 2012) and in Other financial liabilities (from €611 million at December 31, 2011 to €342 million at December 31, 2012), is mostly due to changes in exchange rates, interest rates and in commodity prices during the year, and to the change in fair value of the equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. ordinary shares.

As this item consists principally of derivative hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivatives for trading consist principally of the following types:
- derivatives acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges;
- derivatives (equity swaps) on Fiat S.p.A. and Fiat Industrial S.p.A. shares which are described below;
- an embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative;

The cash collateral relates to Chrysler derivative contracts.

At December 31, 2012, the notional amount of outstanding derivative financial instruments is as follows:

€ million	12/31/2012	12/31/2011	Change
Currency risk management	17,651	17,274	377
Interest rate risk management	9,947	12,692	(2,745)
Interest rate and currency risk management	1,202	735	467
Commodities price risk management	500	710	(210)
Other derivative financial instruments	168	168	0
Total notional amount	**29,468**	31,579	(2,111)

At December 31, 2012, the notional amount of Other derivative financial instruments consists of:
- for €154 million (€154 million at December 31, 2011) the notional amount of four equity swaps, renewed in 2012 and due in 2013, entered into in order to hedge the risk of an increase in the prices of Fiat S.p.A. and Fiat Industrial S.p.A. shares above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 30). At December 31, 2012, the equity swaps have a total positive fair value of €50 million (a positive fair value of €18 million at December 31, 2011). Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS and accordingly are defined as trading derivative financial instruments.
- For €14 million (€14 million at December 31, 2011), the notional amount of an embedded derivative in a bond issue in which the yield is determined as a function of trend in the inflation rate and related hedging derivative, which converts the exposure to floating rate.
- For €5 million the notional amount of Other derivative financial instruments consists of the notional amount of derivatives linked to commodity prices hedging specific exposures arising from supply agreements. Under these agreements there is a regular updating of the prices on the basis of trends in the quoted prices of the raw material.

The following table provides an analysis by due date of outstanding derivative financial instruments based on their notional amounts:

€ million	12/31/2012	12/31/2011	Change
Currency risk management			
- Due within one year	16,175	16,100	75
- Due between one and five years	1,476	1,174	302
	17,651	17,274	377
Interest rate risk management			
- Due within one year	1,664	4,641	(2,977)
- Due between one and five years	6,686	5,429	1,257
- Due beyond five years	1,597	2,622	(1,025)
	9,947	12,692	(2,745)
Interest rate and currency risk management			
- Due between one and five years	1,118		1,118
- Due beyond five years	84	735	(651)
	1,202	735	467
Commodities price risk management			
- Due within one year	466	661	(195)
- Due between one and five years	34	49	(15)
	500	710	(210)
Other derivatives			
- Due within one year	154	154	0
- Due between one and five years		14	(14)
- Due beyond five years	14		14
	168	168	0
Total notional amount	**29,468**	**31,579**	**(2,111)**

Cash flow hedges

In respect of derivative financial instruments, in 2012 the Group reclassified losses of €194 million (losses of €3 million in 2011), net of the tax effect, from other comprehensive income to the following lines of the income statement:

€ million	12/31/2012	12/31/2011	Change
Currency risk			
Increase (Decrease) in Net revenues	(135)	52	(187)
Decrease (Increase) in Cost of sales	(21)	(11)	(10)
Financial income (expenses)	19	(28)	47
Result from investments	(12)	23	(35)
Interest rate risk			
Decrease (Increase) in cost of sales	(15)	(22)	7
Result from investments	(5)	(5)	0
Financial income (expenses)	(11)	(6)	(5)
Commodities price risk			
Decrease (Increase) in cost of sales	(40)	(3)	(37)
Taxes - income (expenses)	26		26
Ineffectiveness - overhedges	0	(3)	3
Net gains (losses) on cash flow hedges recognized in the income statement	**(194)**	**(3)**	**(191)**

The effects recorded in the income statement mainly refer to currency risk management and, to a lesser extent, to the hedges relating to commodity price risk management and the hedge of the debt of the Fiat Group's and the Fiat Industrial Group's financial companies and cash flows exposed to interest rate risk.

The policies of the Group for managing currency risk normally require that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. It is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in income, mainly during the following year.

The ineffectiveness of cash flow hedges was not material in 2012 or 2011.

Fair value hedges

The gains and losses arising from the measurement of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized using fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ million	12/31/2012	12/31/2011	Change
Currency risk			
Net gains (losses) on qualifying hedges	14	(19)	33
Fair value changes in hedged items	(14)	19	(33)
Interest rate risk			
Net gains (losses) on qualifying hedges	13	75	(62)
Fair value changes in hedged items	(11)	(77)	66
Net gains (losses) on fair value hedges recognized in the income statement	**2**	**(2)**	**4**

The ineffective portion of transactions treated as fair value hedges was a positive amount of 2 million in 2012 (negative amount of 2 million in 2011).

28. Cash and cash equivalents

Cash and cash equivalents consist of:

€ million	12/31/2012	12/31/2011	Change
Cash in hand and at banks and post offices	11,594	14,039	(2,445)
Cash with a pre-determined use	679	729	(50)
Money market securities	10,540	8,726	1,814
Total Cash and cash equivalents	**22,813**	**23,494**	(681)

These amounts include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.

The carrying amount of cash and cash equivalents is in line with their fair value at the balance sheet date.

The composition of cash and cash equivalents by segment is presented in Note 33.

29. Assets and liabilities held for sale and Discontinued Operations

At December 31, 2012, Assets and liabilities held for sale are as follows:

€ million	12/31/2012	12/31/2011	Change
Other intangible assets	0	48	(48)
Property, plant and equipment	26	128	(102)
Investments and other financial assets	61	77	(16)
Inventories	0	6	(6)
Trade receivables	0	66	(66)
Cash and cash equivalents	0	19	(19)
Other intangible assets	0	45	(45)
Total Assets	**87**	**389**	**(302)**
Provisions	0	4	(4)
Trade payables	0	125	(125)
Other current liabilities	0	56	(56)
Other	0	49	(49)
Total Liabilities	**0**	**234**	**(234)**

Assets and Liabilities held for sale consist of an investment in a minor company in Brazil held by the Fiat Group, which was classified as held for sale on acquisition, the investment in Sevelnord Société Anonyme, together with certain properties allocated to the Components and Production System operating segment, in addition to buildings and factories owned by CNH and Iveco.

At December 31, 2011, Assets held for sale included all the assets and liabilities of the Alpitour Group reclassified, in accordance with IFRS 5, following the start of a process for the valuation of the subsidiary Alpitour begun in the first quarter of 2011 and concluded on December 23, 2011 when a preliminary agreement was reached for its sale, concluded on April 20, 2012.

30. Equity

Share capital

At December 31, 2012, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 160,259,496 ordinary shares (65.09% of share capital), 76,801,460 preferred shares (31.19% of share capital) and 9,168,894 savings shares (3.72% of share capital), all with a par value of €1 each.

At December 31, 2012, share capital included €2,667 thousand of transfers from the revaluation reserve appropriated in the past which, in the event of distribution, will form part of the taxable income of the Company.

The directors have the right, for a period of five years from the date of the resolution passed on May 14, 2008, to increase, one or more times, also in divisible form, the share capital up to an amount of €561,750,000.
The ordinary and preferred shares are registered shares while the savings shares can either be registered or bearer shares, as elected by the shareholders, or as set out by law. The preferred shares have voting rights only for the resolutions set forth in art. 2365 of the Italian Civil Code and the second paragraph of art. 13 of the bylaws (regulations for conducting shareholders' meetings). The savings shares do not have voting rights in the shareholders' meetings. Pursuant to art. 146 of Legislative Decree 58/98, the savings shares have voting rights in the special shareholders' meetings of the holders of savings shares.

Pursuant to art. 27 of the bylaws, the profit of each year is appropriated as follows:
- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting, in accordance with the applicable provisions, taking into account that, in the order of priority (i) the savings shares shall be entitled to a preference dividend, cumulative according to the following second paragraph, equal to 31.21% of their par value and a dividend higher than that of the ordinary shares equal to 7.81% of the same par value, and (ii) the preferred shares shall be entitled to a preference dividend and higher than that of the ordinary shares by 5.17% of their par value, which is not cumulative from one year to the next.

When in any one year, the dividends attributed to the savings shares are lower than that indicated above, the difference shall be added to the preference dividend of the next two years.
In the event the ordinary and/or savings shares are delisted, the preference dividend and the dividend higher than that of the ordinary shares to which the savings shares are entitled shall automatically be increased to the extent that they are equal to, respectively, 32.15% and 8.75%.
In the event of the distribution of reserves, the savings shares shall have the same rights as the other shares.
The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 28 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the Extraordinary reserve.

In accordance with art. 30 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed in the following order of priority:

- savings shares shall have a pre-emptive right up to the amount of €3.78 per each savings share;
- the holders of preferred shares shall have a pre-emptive right up to the par value of the same shares;
- ordinary shares shall have up to the par value of the same shares;
- all three classes of shares shall have any balance remaining in a proportional amount, according to law.

EXOR aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for shareholders and guarantee economic access to external sources of financing.

Dividends paid

Dividends paid by EXOR S.p.A. referring to the years 2011 and 2010 are analyzed as follows:

		Dividends paid	
Class	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	153,530,496	0.335	**51**
Preferred shares	65,110,776	0.3867	**25**
Savings shares	8,503,189	0.4131	**4**
Dividends paid in 2012 referring to the year 2011			**80**

		Dividends paid	
Class	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	156,149,996	0.31	**49**
Preferred shares	66,561,676	0.3617	**24**
Savings shares	8,747,199	0.3881	**3**
Dividends paid in 2011 referring to the year 2010			**76**

Treasury stock

At December 31, 2012 EXOR S.p.A. held the following treasury stock, unchanged compared with December 31, 2011:

		% of the	Carrying amount	
Class	Number of shares	class	Per share (€)	Total (€ million)
Ordinary shares	6,729,000	4.20%	14.03	**94**
Preferred shares	11,690,684	15.22%	11.70	**137**
Savings shares	665,705	7.26%	11.69	**8**
				239

Mandatory conversion of EXOR's preferred and savings shares

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 resolved to propose to the shareholders the conversion of the Company's preferred and savings shares into ordinary shares.

The proposed conversion is intended to streamline the capital structure of the Company, creating conditions for greater transparency, and simplify the governance structure. In addition, the conversion will eliminate classes of securities that have had very limited trading volumes, replacing them with ordinary shares, whose liquidity will be enhanced through the transaction, to the benefit of all shareholders.

The proposals were approved by the special meetings of the preferred and savings shareholders and the extraordinary session of the general meeting of the shareholders held, respectively, on March 19, 2013 and March 20, 2013.

Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) will be entitled to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. The consideration to be paid to the withdrawing shareholders will be equal to €16.972 for each preferred share and €16.899 for each savings share. These values have been calculated to correspond, according to applicable laws, exclusively to the arithmetic average of the closing prices recorded on the stock market during the six months period prior to the issuance of such notice.

The conversion of each class of shares will be conditional upon the cash amount to be paid by the Company pursuant to article 2437-quater of the Italian Civil Code to the withdrawing shareholders not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits is exceeded for any given class, the conversion of both classes of shares will nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes does not exceed €100 million.

Other comprehensive income

Other comprehensive income in the statement of comprehensive income is composed as follows:

€ million	**12/31/2012**	12/31/2011
Effective portion of gains/(losses) on cash flow hedges arising during the year	**(1)**	(249)
Effective portion of gains/(losses) on cash flow hedges reclassified to profit or loss	**212**	22
Effective portion of gains/(losses) on cash flow hedges	**211**	(227)
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	**488**	41
Gains (losses) on fair value of available-for-sale financial assets reclassified to profit or loss	**(6)**	(1)
Gains (losses) on remeasurement of available-for-sale financial assets	**482**	40
Exchange gains (losses) on translating foreign operations arising during the year	**(592)**	391
Exchange gains (losses) on translating foreign operations reclassified to profit or loss	**(4)**	
Exchange gains (losses) on translating foreign operations	**(596)**	391
Share of Other comprehensive income of entities accounted for using the equity method arising during the year	**(47)**	(13)
Share of Other comprehensive income of entities accounted for using the equity method reclassified to profit or loss	**74**	(19)
Other comprehensive income of entities accounted for using the equity method	**27**	(32)
Tax effect relating to components of Other comprehensive income	**(33)**	21
Total Other comprehensive income, net of tax	**91**	193

The tax effect relating to Other comprehensive income may be analyzed as follows:

	12/31/2012			12/31/2011		
€ million	**Pre-tax balance**	**Tax benefit (expense)**	**Net balance**	Pre-tax balance	Tax benefit (expense)	Net balance
Effective portion of gains (losses) on cash flow hedges	211	(33)	178	(227)	21	(206)
Gains (losses) on remeasurement of available-for-sale financial assets	482		482	40		40
Exchange gains (losses) on translating foreign operations	(596)		(596)	391		391
Share of Other comprehensive income of entities accounted for using the equity method	27		27	(32)		(32)
Total Other comprehensive income	**124**	**(33)**	**91**	172	21	193

Non-controlling interests

Details are as follows.

	12/31/2012			
€ million	**%**	**Capital and reserves**	**Profit (loss)**	**Total**
Fiat S.p.A.	69.09%	9,161	1,292	**10,453**
Fiat Industrial S.p.A.	69.12%	3,296	679	**3,975**
C&W Group Inc.	21.05%	42	7	**49**
Juventus Football Club S.p.A.	36.23%	26	1	**27**
Total		**12,525**	**1,979**	**14,504**

Share-based compensation

<u>EXOR S.p.A. stock option plans</u>

EXOR S.p.A. approved the "EXOR Stock Option Plan EXOR 2008-2019" in 2008 and the "Long-term Incentive Plan" in 2012.

EXOR Stock Option plan 2008-2019

An analysis of the changes in the stock options granted is as follows:

	Number of options	Number of ordinary shares exercisable	Number of recipients
Balance at December 31, 2011	6,925,000	1,835,125	14
Granted in 2012	848,000	224,720	1
Forfeited	(350,000)	(92,750)	(3)
Balance at December 31, 2012	**7,423,000**	**1,967,095**	**12**

The total cost of the 7,423,000 options outstanding at December 31, 2012 is €13,017 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	6,329	1,235
Key employees (at grant date) of EXOR S.p.A. (8)	3,823,000	1,013,095	5,630	708
Total EXOR S.p.A.	6,823,000	1,808,095	11,959	1,943
Key managers (at grant date) of EXOR S.A. and other subsidiaries in the Holdings System (3)	600,000	159,000	1,058	132
Total	**7,423,000**	**1,967,095**	**13,017**	**2,075**

The cost referring to the year was classified for €1,235 thousand as compensation to the Chairman and Chief Executive Officer and for €840 thousand as personnel costs with a contra-entry to the stock option reserve.

Long Term Incentive Plans

The EXOR shareholders' meeting held on May 29, 2012 approved the new Incentive Plan pursuant to art. 114 *bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The plan is intended as an instrument for long-term incentive and is in two parts with the first being a stock grant and the second a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to approximately 30 recipients; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the Company and with the Companies in the Holdings System. Under this plan in 2012, 347,456 options were granted to 31 employees.
- under the second part of the Plan, denominated "Company Performance Stock Options", a total of 3 million options will be granted to recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR's NAV will be higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the Company, John Elkann, is the recipient of the Company Performance Stock Options and received 750,000 options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and will be identified by the Chairman and Chief Executive Officer of EXOR S.p.A. During 2012, 1,760,732 options were granted to 10 recipients.

The "Long-Term Stock Grant" is composed as follows:

€ thousand	Number of rights granted	Total cost of Plan	Cost referring to the year
EXOR S.p.A. employees and similar staff (30)	339,456	6,081	396
EXOR S.A. employees (1)	8,000	155	7
Total	**347,456**	**6,236**	**403**

The May 2012 "Company Performance Stock Option" is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chief Executive Officer EXOR S.p.A.	750,000	2,708	268
Key employees (at grant date) of EXOR S.p.A. and similar staff (9)	1,720,732	6,102	517
Total EXOR S.p.A.	2,470,732	8,810	785
Key managers (at grant date) of EXOR S.A. (1)	40,000	142	12
Total	**2,510,732**	**8,952**	**797**

The cost referring to the year is classified for €268 thousand as compensation to the Chief Executive Officer and €529 thousand as personnel costs with a contra-entry to the stock option reserve.

C&W Group stock option plans

Cushman & Wakefield has two separate stock option plans, the “Employee Stock Purchase Plan Option” and “Management Option” plans that have been in place since 2007, and two additional incentive plans, the “Equity Incentive Plan” and “Long-Term Incentive Plan for Employees”.

The awards under these plans, except for awards under the Long-Term Incentive Plan for Employees, which are cash-settled, are deemed to meet the requirements to be classified as equity awards.

“Equity Incentive Plan” (EIP)

In December 2010, the Company approved the Cushman & Wakefield Equity Incentive Plan (“EIP”)”. In accordance with the terms of the plan, awards may be granted to any employee, member of the board of directors or independent contractor based on prior performance and/or a demonstrated potential for future long-term value at the discretion of the Compensation Committee of the board of directors. Each non-qualified option converts into one share of the Company’s common stock on exercise and the options carry neither rights to dividends nor voting rights Options vesting may be based on continued service or achievement of specified performance criteria, or a combination of both. In the case of a restricted stock award, the recipient may pay a purchase price at the time the award is granted, in which case the purchase price and the form and timing of payment shall be specified in an agreement in addition to the vesting provisions and other applicable terms.

“Long Term Incentive Plan for Employee” (LTIE)

In January 2011, the Cushman & Wakefield Long-Term Incentive Plan for Employees (“LTIE”) was approved to attract, retain and reward designated employees and drive the performance of the Company on a global basis. In accordance with the terms of the plan, awards may be granted to high performing agents, brokers, appraisers and key salaried employees to align their interests with the successful global operations of the Company. Awards distributed under the LTIE include phantom stock units, which will be indexed to the value of the Company’s stock and paid in cash, or, in very limited cases and at the discretion of the Company, in shares, based on the fair value of the Company’s stock. The awards generally vest ratably over a four year period, including a measurement year.

“Employee Stock Purchase Plan Options”

In connection with the Employee Stock Purchase Plan (the “Employee Plan”), employees could purchase shares or convert existing shares into new shares. For each four shares acquired, either through purchase or conversion, the employee was granted one option to purchase an additional share at the fair value of such shares on the date of the option grant. The options have a service requirement of three years and are deemed to meet the requirements to be classified as an equity award. At the grant date, the options and underlying shares were valued by an independent appraisal using the Black-Scholes option pricing model. The resulting option value was multiplied by the number of options outstanding to determine the total cost of the options.

“Management Options”

From April 1, 2008 through 2011, certain executives of C&W Group were granted stock options classified as EBITDA Options and EBITDA Margin Options. The options are performance based and the exercise price for all options was equal to the share price at the grant date. The EBITDA Options will vest over the terms of the employment contracts if certain EBITDA targets are achieved. For each executive, there are a base number of options, and an additional number of Target 1 and Target 2 options. The options are deemed to meet the requirements to be classified as an equity award; the estimated fair value of the stock option awards is computed using the Black-Scholes model.

The table below summarizes all stock option plans:

	Grant date	Number of options granted	Vesting date or period	Exercise price at grant date	Term of options	Outstanding at December 31, 2012
Employee Stock Purchase Plan Options						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	**3,512**
Tranche 2 (a)	6/29/2006	7,385	1/1/2009	$782	10 years	**0**
Total Employee Stock Purchase Plan Options		18,551				**3,512**
Management Options						
Non-performance based options						
Grant 1	3/22/2010	20,000	2011-2015	$1,175	10 years	**20,000**
Grant 2	11/1/2010	292	2012-2015	$1,465	10 years	**292**
Grant 3	12/1/2010	374	2012-2014	$1,465	10 years	**374**
Grant 4	3/3/2011	16,000	2012-2015	$1,510	10 years	**16,000**
Total non-performance based options		36,666				**36,666**
Performance based options (EBITDA and EBITDA Margin)						
Tranche 1 (b)	4/1/2007	13,450	2007-2011	$1,259	10 years	**840**
Tranche 3 (b)	6/1/2008	850	2009-2011	$1,252	10 years	
Tranche 4 (b)	6/30/2008	500	2009-2011	$1,252	10 years	
Tranche 5 (b)	9/30/2008	225	2010-2012	$1,190	10 years	
Tranche 6 (b)	11/1/2008	225	2010-2012	$1,190	10 years	
Total performance based options		15,250				**840**
Total Management Options		**51,916**				**37,506**
Total Options		**70,467**				**41,018**

(a) Tranche 2 options were cancelled by forfeiture during 2008 as the performance condition was not met.
(b) Tranche 3, 4, 5, 6 and 4,664 options of Tranche 1 were cancelled by forfeiture during 2012 as performance conditions were not met.

The Employee Stock Purchase Plan Options outstanding at December 31, 2012 and 2011 have a weighted average exercise price of $548.02, and weighted average remaining contractual lives of about 3 years and 4 years, respectively. The Management Options outstanding at December 31, 2012 and 2011 have weighted average exercise prices of $1,325.40 and $1,209.61, respectively, and weighted average remaining contractual lives of about 7 years and 8 years, respectively.

The Company recorded total compensation expense of $10.5 million (€8 million) in 2012 ($13.0 million equal to €9 million in 2011) for all its share-based payment plans, of which $10.3 million ($13.0 million in 2011) arising from plans accounted for as equity-settled share-based payment transactions.

Restricted Stock
At December 31, 2012, the number of outstanding non-vested shares of the restricted stock plans is 8,595 (8,782 at December 31, 2011).

Fiat Group stock option plans
The following share-based compensation plans relating to managers of Group companies and the Chief Executive Officer of Fiat S.p.A. were in place at December 31, 2012 and 2011.

Stock option plans linked to Fiat S.p.A. and Fiat Industrial S.p.A. underlying ordinary shares
A summary of the terms of the stock option plans outstanding at 31 December 2012 is as follows:

	Managers			**Chief Executive Officer**		
Exercise price (€)	**Options outstanding at 12/31/2012**	Options outstanding at 12/31/2011	**Average remaining contractual life (years)**	**Options outstanding at 12/31/2012**	Options outstanding at 12/31/2011	**Average remaining contractual life (years)**
6.583	-	-	-	10,670,000	10,670,000	3
13.370	1,575,875	1,636,875	1.8	6,250,000	6,250,000	1.8
Total	**1,575,875**	1,636,875		**16,920,000**	16,920,000	

As they were already fully vested at December 31, 2010, the above stock option plans did not lead to any nominal cost for 2012 and 2011; the stock options may be exercised up to 2014 and 2016, respectively.

Stock Grant plans linked to Fiat S.p.A. and Fiat Industrial S.p.A ordinary shares

At the beginning of 2012 the Fiat Chief Executive Officer was assigned with 4,000,000 of Fiat S.p.A. ordinary shares and 4,000,000 of Fiat Industrial S.p.A. ordinary shares.

On April 4, 2012, the General Shareholders Meeting resolved to approve the adoption of a Long Term Incentive Plan (the “Retention LTI”), in the form of stock grants.

Under this Plan, the Company attributed the Chief Executive Officer with 7 million rights, representative of an equal number of Fiat S.p.A. ordinary shares. The rights will vest ratably, one third on February 22, 2013, one third on February 2, 2014 and one third on February 22, 2015, subject to the requirement that Mr. Marchionne remains in office.

The Plan is to be serviced through treasury stock without issuing new shares. The Company has the right to substitute, in whole or in part, shares vested under the Plan with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on the date of vesting fulfillment.

At December 31, 2012, the contractual terms of the Plan were therefore as follows:

Plan	**Beneficiary**	**Number of shares**	**Vesting date**	**Vesting portion**
Retention (LTI)	Chief Executive Officer	7,000,000 Fiat S.p.A.	February 22, 2013	2,333,333
			February 22, 2014	2,333,333
			February 22, 2015	2,333,333

In 2012, a nominal cost of €9 million was recognized in the income statement for this plan.

Restricted Stock Unit Plans by Chrysler Group LLC

During 2009, the U.S. Treasury’s Office of the Special Master for Troubled Asset Relief Program Executive Compensation (the “Special Master”) and the Compensation Committee of Chrysler approved the Chrysler Group LLC Restricted Stock Unit Plan (“RSU Plan”), which authorized the issuance of Restricted Stock Units (“RSUs”) to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair market value of one Chrysler unit, as defined in the RSU plan. The fair value of each RSU is based on the fair value of the membership interests of Chrysler. RSUs granted to employees generally vest if the participant is continuously employed by Chrysler through the third anniversary of the grant date.

Further, during 2009 Chrysler established the Chrysler Group LLC 2009 Directors' Restricted Stock Unit Plan ("Directors' RSU Plan"). In April 2012, the Compensation Committee amended and restated the Chrysler Group LLC 2009 Directors’ Restricted Stock Unit Plan to allow grants having a one year vesting term to be granted on an annual basis. Prior to the change, Director RSUs were granted at the beginning of a three-year performance period and vested in three equal tranches on the first, second, and third anniversary of the date of grant, subject to the participant remaining a member of the Chrysler board of directors on each vesting date. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, Chrysler has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.

The liability from the vast majority of these awards is classified as Other liabilities (Note 35). The liability is remeasured and adjusted to fair value at each reporting date. The expense recognized for these awards for the year ended December 31, 2012 and during the seven month period from June to December 2011 approximated €28 million and €2 million, respectively.

Deferred Phantom Shares by Chrysler Group LLC

During 2009 the Special Master approved the Chrysler Group LLC Deferred Phantom Share Plan ("DPS Plan") which authorized the issuance of phantom shares of the company ("Phantom Shares"). Under the DPS Plan, Phantom Shares were granted to certain key employees as well as to the Chief Executive Officer in connection with his role as a member of the Chrysler Group board of directors. The grant to the Chief Executive Officer was economically identical to the RSUs issued to the other members of the Chrysler Group board except that it was issued under the DPS Plan to comply with certain structural requirements applicable under Troubled Asset Relief Program ("TARP"). The Phantom Shares vested immediately on the grant date and will be settled in cash. Chrysler began making payments of certain of these awards during the first quarter of 2012. The expense recognized in connection with these plans during the year ended December 31, 2012 and during the seven-month period from June to December 2011 approximated €2 million and €3 million, respectively.

Changes impacting Compensation of Chrysler Group LLC beginning in 2012

In February 2012, the Compensation Committee adopted the 2012 Long-Term Incentive Plan (the "2012 LTIP"). The 2012 LTIP covers senior Chrysler Group executives (other than the Chief Executive Officer). It is designed to retain talented professionals and reward their performance through annual grants of phantom equity in the form of restricted share units ("LTIP RSUs") and performance share units ("PSUs"). LTIP RSUs may be granted annually, while PSUs are generally granted at the beginning of a three-year performance period. The Compensation Committee has discretion to grant additional PSU awards during the three-year performance period. The LTIP RSUs vest over three years in one-third increments on the anniversary of their grant date, while the PSUs vest at the end of the three-year performance period only if Chrysler meets or exceeds certain three-year cumulative company performance targets. If Chrysler does not fully achieve these targets, the PSUs will be deemed forfeited. Once vested, LTIP RSUs and PSUs will be settled in cash or, in the event Chrysler conducts an IPO, in cash or shares of publicly traded stock, at the Compensation Committee's discretion. Settlement will be made as soon as practicable after vesting, but in any case no later than March 15 of the year following vesting. The expense recognized in connection with these plans during the year ended December 31, 2012 was €24 million.

Fiat Industrial Group stock option plans

Stock Option plans linked to CNH Global N.V. common shares

CNH Global N.V. ("CNH") has granted share-based compensation to directors, officers and employees which are linked to shares and which have the following terms.

CNH Global N.V. Directors' Compensation Plan ("CNH Directors' Plan")

This plan provides for the payment of the following to eligible members of the CNH Global N.V. board in the form of cash, and/or common shares of CNH, and/or options to purchase common shares of CNH, provided that such members do not receive salary or other employment compensation from Fiat Industrial S.p.A., CNH Global N.V., Fiat S.p.A., and their subsidiaries and affiliates:

- an annual retainer fee of $100,000;
- an Audit Committee membership fee of $20,000;
- a Corporate Governance and Compensation Committee membership fee of $15,000;
- an Audit Committee chair fee of $35,000; and
- a Corporate Governance and Compensation Committee chair fee of $25,000.

Each quarter of the CNH Director's Plan year, the eligible directors elect the form of payment of their Fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of Fees the director elects to forego, divided by the fair market value of a CNH Global N.V. common share. Common shares issued vest immediately upon grant, but cannot be sold for a period of six months. If the elected form is options, the eligible director will receive as many options as the amount of Fees that the director elects to forego, multiplied by four and divided by the fair market value of a common share, such fair market value being equal to the average of the highest and lowest sale price of a CNH Global N.V. common share on the last trading day of the New York Stock Exchange preceding the start of each quarter. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

At December 31, 2012 and 2011, there were 682,747 and 690,993 common shares, respectively reserved for issuance under the CNH Directors' Plan. Directors eligible to receive compensation under the CNH Directors' Plan do not receive benefits upon termination of their service as directors.

CNH Equity Incentive Plan ("CNH EIP")

This plan provides for grants of various types of awards on specific performance targets for the sector linked to the IFRS results of CNH to officers and employees of CNH Global N.V. and its subsidiaries. As of December 31, 2012 and December 31, 2011, CNH has reserved 25,900,000 shares for the CNH EIP. The plan envisages stock options and share incentives as described below.

Stock option plan

CNH began to issue performance-based stock options under the CNH EIP in 2006. In September 2012, CNH granted approximately 700 thousand performance-based stock options (at target award levels) under the CNH EIP. As CNH's 2012 results exceeded the target performance levels, approximately one million of these options were granted overall. One-third of the options vested in February 2013 following the approval of 2012 results of CNH by the board of directors of CNH. The remaining options will vest equally on the first and second anniversary of the initial vesting date. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.

The following table summarizes outstanding stock options under the CNH EIP at December 31, 2012:

	At December 31, 2012			At December 31, 2011	
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in $)**	Number of options outstanding	Weighted average exercise price (in $)
13.58 – 19.99	188,990	2.1	13.58	965,672	13.65
20.00 – 29.99				27,896	21.20
30.00 – 39.99	1,238,684	3.1	31.84	2,913,085	32.65
40.00 – 57.30	3,187,443	4.1	45.39	2,218,760	47.60
Total	**4,615,117**			6,125,413	

Performance Share Grants

Under the CNH EIP, performance-based shares may also be granted to selected key employees and executive officers. CNH establishes the period and conditions of performance for each award. Performance-based shares vest upon the attainment of specified performance objectives.

In 2012, CNH issued several grants of performance-based shares throughout the year. These shares will cliff vest in February 2015 based on their respective performance targets. The total number of shares granted is 135,938 with a weighted average fair value $40.67 per share.

In 2011, CNH granted 154,000 performance-based share awards under the CNH EIP. The weighted average fair value of the awards is $39.10. These performance shares are based on the same performance targets which are designated on a cumulative basis for the three-, four- and five-year periods ended December 31, 2012, 2013, and 2014. The first tranche of the performance shares vested in February 2013 following the achievement of the performance targets for the three years ended December 31, 2012. The remaining shares will vest in two equal tranches if respective performance targets for those tranches are achieved.

Restricted Share Grants

CNH granted 188,933 and 272,750 restricted share units to selected key employees under CNH EIP with a weighted average fair value of $43.64 and $26.91 per share, respectively, in 2012 and 2011. Restricted shares vest in three equal installments over three years starting from the grant date.

As of December 31, 2012, there were 12,072,126 CNH Global N.V. common shares (13,112,372 CNH Global N.V. common shares at December 31, 2011) available for issuance under the CNH EIP.

The total cost recognized in the 2012 income statement for all share-based compensation linked to CNH Global N.V. common shares amounts to €46 million (€45 million in 2011).

Stock grant plans linked to Fiat Industrial S.p.A. ordinary shares

In the General Meeting held on April 5, 2012, shareholders approved the adoption of a Long Term Incentive Plan articulated in two components (Company Performance LTI and Retention LTI) taking the form of stock grants.

According to the Plan, the Company has granted the Chairman 1 million rights as part of the Company Performance LTI and 1.1 million rights as part of the Retention LTI.

In the case of the Retention LTI, one third of the rights vest on each of February 22, 2013, February 22, 2014 and February 22, 2015, on condition that Mr. Marchionne remains Chairman.

The rights to the Company Performance LTI will vest on condition that predetermined financial performance targets for the period from January 1, 2012 to December 31, 2014 are met and on condition that the recipient remains in office up to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors; the rights shall be exercised in a single installment subsequent to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors.

The Plan does not envisage the issue of any new shares and will be served by treasury stock. The Company may additionally replace, wholly or in part, the free of charge granting of the shares with the payment of a sum of money whose amount is based on the official price of the shares recorded by Borsa Italiana at the vesting date.

At December 31, 2012, the contractual terms of the Long Term Incentive Plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Company Performance LTI	Chairman	1,000,000	1st quarter 2015 (*)	1,000,000
Retention LTI	Chairman	1,100,000	February 22, 2013	366,667
			February 22, 2014	366,667
			February 22, 2015	366,666

The total cost recognized in the 2012 income statement for Stock grant plans linked to Fiat Industrial S.p.A. ordinary shares amounts to €6.2 million.

31. Provisions for employee benefits

This note refers to provisions for employee benefits determined in accordance with IAS 19 - Employee Benefits issued in February 1998 and subsequent amendments; for the effects relating to the adoption of the amendment to IAS 19 issued in June 2011, reference should be made to the Note - Accounting standards and amendments not yet applicable and not early adopted by the Group. Indications on estimated impacts deriving from an adoption of the new rules from January 1, 2012 are in any case provided hereinafter to improve comprehension.

A detail of provisions for employee benefits at December 31, 2012 is as follows:

€ million	12/31/2012	12/31/2011	Change
Post-employment benefits:			
Employee leaving entitlements in Italy	959	998	(39)
Pension plans	3,133	3,339	(206)
Health care plans and life insurance	2,728	2,803	(75)
Other post-employment benefits	283	279	4
Total Post-employment benefits	7,103	7,419	(316)
Other provisions for employees	1,086	1,296	(210)
Other long-term employee benefits	405	369	36
Total Provision for employee benefits	**8,594**	9,084	(490)
Defined benefit plan assets	351	300	51
Total Defined benefits plan assets	**351**	300	51

Provisions for employee benefits consist of the benefits which will be provided post-employment such as pensions, health care plans and life insurance and the benefits which will be provided during an employee's working life.

Post-employment benefits

The Group provides post-employment benefits for their active employees and retirees either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, health care plans and life insurance, employee leaving entitlements in Italy and other post-employment benefits.

Provision for Employee leaving entitlements in Italy

The employee leaving entitlements consist of the residual obligation for employee leaving entitlements which was required until December 31, 2006 under Italian legislation to be paid to employees of Italian companies with more than 50 employees when leaving the company, and accrued over the employee's working life for other companies. This provision is settled to retiree employees and may be partially paid in advance if certain conditions are met. This is an unfunded defined benefit post-employment plan.

Health care plans and life insurance

Health care plans comprises obligations for health care and insurance plans granted to employees and to retirees of Chrysler working in the United States and Canada (unfunded plans) and CNH. CNH United States salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement health care and life insurance benefits under the CNH plans. Until December 31, 2006 these plans were fully unfunded; starting in 2007, the Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance health care plans.

Other post-employment benefits

Other post-employment benefits includes loyalty bonuses, which are due to employees who reach a specified seniority and are generally settled when an employee leaves the company; for French entities the Indemnité de depart à la retraite is a plan similar to the Italian employee leaving entitlements. These schemes are unfunded.

Pension plans

Group companies sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain employees (hourly and salaried) primarily in the United States, Canada and Mexico and certain employees and retirees in the UK and Germany and refer mainly to employees of Chrysler and CNH. Benefits are based on a fixed rate for each year of service. Additionally, contributory benefits are provided to certain salaried employees. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during the five consecutive years in which the employee's salary was highest in the fifteen years preceding retirement.

Liabilities arising from these plans are usually funded by contributions made by the employer and, at times by the employees, into a separate company or fund which independently administers the plan assets and from which the employee benefits are paid.

The investment strategies and objectives for pension assets consider liability hedging and investment return targets. The investment objectives are to minimize the volatility of the value of the pension assets relative to pension liabilities and to ensure pension assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset−liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk−adjusted returns that, in total, lower asset volatility relative to the liabilities. In order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income investments.

All assets are actively managed by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Sources of potential risk in the pension plan assets relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset−liability matching. The fixed income target asset allocation partially matches the bond−like and long−dated nature of the pension liabilities. Interest rate increases generally will result in a decline in fixed income assets while reducing the present value of the liabilities. Conversely, interest rate decreases will increase fixed income assets, partially offsetting the related increase in the liabilities.

The amounts recognized in the statement of financial position for **post-employment benefits** at December 31, 2012 and 2011 are as follows:

€ million	Employee leaving entitlements in Italy 12/31/2012	Employee leaving entitlements in Italy 12/31/2011	Pension plans 12/31/2012	Pension plans 12/31/2011	Health care plans 12/31/2012	Health care plans 12/31/2011	Other 12/31/2012	Other 12/31/2011
Present value of funded obligations			**29,158**	27,019	**859**	853		
Fair value of plan assets			**(22,081)**	(21,904)	**(69)**	(62)		
Difference			**7,077**	5,115	**790**	791		
Present value of unfunded obligations	**997**	959	**507**	661	**2,333**	2,116	**343**	303
Unrecognized actuarial gains losses	**(38)**	39	**(4,797)**	(2,737)	**(397)**	(108)	**(37)**	(8)
Unrecognized past service cost			**(5)**		**2**	4	**(23)**	(16)
Unrecognized assets								
Net liability	**959**	998	**2,782**	3,039	**2,728**	2,803	**283**	279
Amounts at year end:								
Liabilities	**959**	998	**3,133**	3,339	**2,728**	2,803	**283**	279
Assets			**(351)**	(300)				
Net liability	**959**	998	**2,782**	3,039	**2,728**	2,803	**283**	279
Actuarial losses to be recognized upon adoption of IAS 19 Revised	**38**	-	**4,802**	-	**395**	-	**60**	-
Net liability to be recognized at January 1, 2013 under IAS 19 Revised	**997**	-	**7,584**	-	**3,123**	-	**343**	-

The Group estimated that the adoption effect as of January 1, 2012 of the revised standard would lead to an increase in the liability for employee benefits of approximately €2.7 billion and approximately €5.1 billion at December 31, 2011 and 2012, respectively, and a decrease in net equity (other comprehensive gains and losses) of approximately €2.7 billion and approximately €5.1 billion at the same dates. Such amounts are expressed net of the related tax effect of €0.1 and €0.2 billion in 2011 and 2012, respectively.

For the year ended December 31, 2012, the actuarial losses arising from calculating the present value of the obligation mainly had arisen from a reduction in the discount rates used by Chrysler as compared with the discount rate used for the year ended December 31, 2011, which was partially offset by the actual return on plan assets during the year.

For the year ended December 31, 2011, the actuarial losses mainly had arisen from a reduction in the discount rates used by Chrysler at the end of the seven-month period June-December 2011 compared with those used at the date of acquisition of control and from certain changes to the mortality tables made by Chrysler in North America.

The amounts recognized in the income statement for defined benefit obligations in 2012 are as follows:

€ million	**Employee leaving entitlements in Italy**	**Pension plans**	**Health care plans**	**Other**
Current service cost	6	289	29	15
Interest costs	23	1,318	143	12
Expected return on plan assets		(1,564)	(5)	
Recognized actuarial losses (gains)		58		2
Past service costs		3	(7)	
Paragraph 58 adjustment				
Losses (gains) on curtailments and settlements				(1)
Total costs (gains)	**29**	**104**	**160**	**28**
Actual return on plan assets	n/a	2,066	9	n/a

With regard to the measurement of the obligation and the interest component of net period cost, the discount rates are selected on the basis of the yields on high-quality fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.
With regard to the measurement of the assets servicing the Plans, the expected long-term rate of return on plan assets assumptions is developed using a consistent approach across all plans. This approach primarily considers various inputs from a range of advisors for long-term capital market returns, inflation, bond yields and other variables, adjusted for specific aspects of our investment strategy adopted by the Group.

The assumptions used by the companies of the Group in the measurement of the liabilities and assets relating to employee benefits are determined on the basis of the specific experience of the various segments in which the companies operates, consultation with actuaries and outside consultants, and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration. The main assumptions used are described below:

With reference to the **Fiat Group**, the main assumptions used to determine the net liability for pension benefits were as follows:

	At December 31, 2012			At December 31, 2011		
(in %)	**USA**	**Canada and Mexico**	**UK**	USA	Canada and Mexico	UK
Discount rate	**4.0**	**3.9**	**4.6**	5.0	4.1	5.1
Future salary increase	**3.0**	**3.5**	**3.0**	3.8	3.5	2.7
Inflation rate	**n/a**	**n/a**	**3.0**	n/a	n/a	2.7
Weighted average ultimate healthcare cost trend rate	**7.5**	**7.0**	**7.0**	7.5	7.0	7.0

The main assumptions used to determine the net liability for other post-employments benefits were as follows:

	At December 31, 2012			At December 31, 2011		
(in %)	**USA**	**Canada and Mexico**	**Italy**	USA	Canada and Mexico	Italy
Discount rate	**4.1**	**3.9**	**3.4**	5.1	4.2	4.4
Future salary increase	**n/a**	**2.7**	**2.5**	n/a	2.7	3.2
Inflation rate	**n/a**	**n/a**	**2.0**	n/a	n/a	2.0
Weighted average ultimate healthcare cost trend rate	**8.0**	**3.7**	**n/a**	5.0	3.7	n/a

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for 2012 was 8.0%. The annual rate was assumed to decrease gradually to 5.0% after 2017 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for 2012 was 3.7%. The annual rate was assumed to remain at 3.7% thereafter.

The assumed health care cost trend rate has a significant effect on the amounts reported for post-employment health care and life insurance benefits. A one percentage point change in the assumed health care cost trend rate for U.S. and Canada combined would have the following effects as of December 31, 2012:

€ million	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	4	(3)
Effect on defined benefit obligation	63	(53)

With reference to the **Fiat Industrial Group**, post-employment benefits and other long-term employee benefits are calculated on the basis of the following main assumptions:

	At December 31, 2012				At December 31, 2011			
(in %)	**Italy**	**USA**	**UK**	**Germany**	Italy	USA	UK	Germany
Discount rate	**3.62**	**3.80**	**4.20**	**3.00**	4.52	4.60	5.00	4.70
Future salary increase	**2.48**	**n/a**	**3.25**	**3.00**	3.15	n/a	3.50	3.00
Inflation rate	**2.00**	**n/a**	**3.00**	**n/a**	2.00	n/a	3.25	n/a
Weighted average, initial healthcare cost trend rate	**n/a**	**7.00**	**n/a**	**n/a**	n/a	7.50	n/a	n/a
Weighted average, ultimate healthcare cost trend rate	**n/a**	**5.00**	**n/a**	**n/a**	n/a	5.00	n/a	n/a
Expected return on plan assets	**n/a**	**7.5(a) - 7.25 (b)**	**6.75**	**4.25**	n/a	7.75	6.75	4.25

(a) Expected return on plan assets for pension plans.
(b) Expected return on plan assets for health care plans.

The assumed health care trend rate represents the rate at which health care costs are assumed to increase. Rates are determined based on CNH's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration for CNH's U.S. assumptions. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of health care cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services.

Assumed health care cost trend rates have a significant effect on the amount recognized in the 2012 financial statements. A one percentage point change in assumed health care cost trend rates would have the following effects:

€ million	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service costs and interest cost	6	(4)
Effect on defined benefit obligation	118	(89)

With reference to **C&W Group,** the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Assumptions regarding future mortality are based on published statistics and mortality tables. The expected long-term rate of return on assets is 5.21% at December 31, 2012 (December 31, 2011: 5.47%) and is based on the sum of returns of individual asset categories expected to be achieved in the future. Historical returns were considered in estimating the long-term rate of return.

Changes in the present value of post-employment obligations are as follows:

€ million	Employee leaving entitlements in Italy		Pension plans		Health care plans		Other	
	12/31/2012	12/31/2011	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011	**12/31/2012**	12/31/2011
Present value of obligation at the beginning of the year	**959**	1,032	**27,680**	2,968	**2,969**	859	**303**	278
Change in the scope of consolidation	**4**	4	**10**	20,944		1,754		102
Current service cost	**6**	2	**289**	139	**29**	14	**15**	15
Interest costs	**23**	26	**1,318**	785	**143**	98	**12**	12
Contribution by plan participants			**13**	7	**5**	9		
Actuarial losses (gains) generated	**87**	6	**2,710**	1,636	**311**	150	**35**	(6)
Exchange rate differences			**(402)**	2,317	**(55)**	218	**2**	3
Benefits paid	**(81)**	(93)	**(1,948)**	(1,138)	**(205)**	(137)	**(28)**	(31)
Past service cost			**9**		**(6)**		**7**	(69)
Losses (gains) on curtailments			**(1)**				**(2)**	
Losses (gains) on settlements			**1**	36		2		
Other changes	**(1)**	(18)	**(14)**	(14)	**1**	2	**(1)**	(1)
Present value of obligation at the end of the year	**997**	959	**29,665**	27,680	**3,192**	2,969	**343**	303

Change in the scope of consolidation occurred in 2011 related to the initial acquisition of control of Chrysler by the Fiat Group. As required under IFRS 3 – Business Combinations, in measuring assets acquired and liabilities assumed of Chrysler, Fiat recognized the assets and liabilities from post-employment benefits of Chrysler at the present value of the obligation less the fair value of any plan assets, including all actuarial gains and losses and past service costs that arose before the acquisition date.

Changes in the fair value of assets servicing pension plans and health care plans are as follows:

€ million	**Pension plans**		**Health care plans**	
	12/31/2012	12/31/2011	**12/31/2012**	12/31/2011
Fair value of plan assets at the beginning of the year	**21,904**	2,093	**62**	56
Change in the scope of consolidation	**13**	18,324		26
Expected return on plan assets	**1,564**	935	**5**	4
Actuarial gains (losses) generated	**502**	(532)	**5**	7
Exchange rate differences	**(287)**	1,886	**(2)**	3
Contribution by employer	**312**	306	**54**	44
Contribution by plan participants	**12**	8	**5**	4
Benefits paid	**(1,924)**	(1,123)	**(60)**	(55)
Gains (losses) on settlements				(27)
Other changes	**(15)**	7		
Fair value of plan assets at the end of the year	**22,081**	21,904	**69**	62

Plan assets for pension plans and health care plans mainly consist of listed equity securities, debt investments of fixed income securities, cash and other types of investments; plan assets do not include treasury stock of the companies or properties occupied or used by the Group.

Plan assets may be summarized as follows:

(in %)	**Fiat**	**Fiat Industrial**	**C&W Group**
At December 31, 2012			
Equity securities	22	31	41
Debt investments	48	51	57
Properties occupied by third parties	-	1	0
Other assets	30	17	3
At December 31, 2011			
Equity securities	25	35	37
Debt investments	43	51	56
Properties occupied by third parties	-	1	0
Other assets	32	13	7

As for the Fiat Group, equity securities are invested broadly in U.S., developed international and emerging market equity securities. Debt investments are fixed income investments which comprise primarily long duration U.S. Treasury and global government bonds, as well as U.S. developed international and emerging market companies debt securities diversified by sector, geography and through a wide range of market capitalization. Other assets include private equity, real estate and hedge funds. Private equity investments include those in limited partnership that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

Provided that the above plan assets are measured at fair value at December 31, 2012 there was no exposure to sovereign debt securities which might have suffered impairment losses.

The best estimate of expected contributions to pension benefits and health care and life insurance plans for 2013 is as follows:

€ million	**2013**	**2012**
Pension plans	878	600
Health care plans	208	208
Other	5	5
Total expected contributions	**1,091**	**813**

Employer contributions to funded pension plans of Chrysler are expected to be €757 million in 2013, of which €486 million (€399 million to U.S. plans and €87 million to Canadian plans) represents the discretionary contributions and €271 million (€5 million to U.S. plans and e €266 million to Canadian plans) will be made to satisfy minimum funding requirement.

Other long-term employee benefits and other provisions for employees

In 2012 and in 2011 changes in Other provisions for employees and in Other long-term employee benefits were as follows:

€ million	Beginning balance	Provision	Utilization	Change in the scope of consolidation and other changes	Ending balance
At December 31, 2012					
Other provisions for employees	1,296	1,137	(1,203)	(144)	**1,086**
Other long-term employee benefits	369	71	(37)	2	**405**
Total	**1,665**	**1,208**	**(1,240)**	**(142)**	**1,491**
At December 31, 2011					
Other provisions for employees	848	728	(619)	339	**1,296**
Other long-term employee benefits	192	28	(41)	190	**369**
Total	**1,040**	**756**	**(660)**	**529**	**1,665**

Other provisions for employees consists of the best estimate at the balance sheet date of short-term employee benefits payable by the Group within twelve months of the end of the period in which the employees render the related service.

Other long-term employee benefits represent the obligation for those benefits which are due to employees who have completed a determined length of service or when a specified event occurs; the liability incorporates the probability of payment and the time period over which the payment will be made.

32. Other provisions

Changes in Other provisions are as follows:

€ million	Beginning balance	Provision	Utilization	Release to income	Translation differences	Other changes	Closing balance
At December 31, 2012							
Warranty and technical assistance provision	4,306	2,591	(2,204)	(215)	(60)	1	**4,419**
Restructuring provision	432	209	(171)	(65)		(9)	**396**
Investment provision	27		(3)		(1)	(5)	**18**
Other risks	6,327	11,245	(10,431)	(391)	(88)	(29)	**6,633**
Total Other provisions	**11,092**	**14,045**	**(12,809)**	**(671)**	**(149)**	**(42)**	**11,466**

The warranty provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for our vehicles. The provision also includes management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which is estimated by making an assessment of the historical occurrence of defects on a case-by-case basis.

The restructuring provision at December 31, 2012 consists of termination benefits payable to employees in connection with restructuring plans for €311 million (€280 million in 2011), manufacturing rationalization costs and other costs respectively for €21 million (€28 million in 2011) and €63 million (€123 million in 2011). These provisions are related to the car mass market operations for €178 million, Components and Production Systems for €40 million, Iveco for €117 million, CNH for €10 million, FPT Industrial for €7 million and Other activities for €43 million.

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual and commercial risks and disputes.

Details of this item are as follows:

€ million	12/31/2012	12/31/2011	Change
Sales incentives	3,531	3,136	395
Legal proceedings and other disputes	883	899	(16)
Commercial risks	730	762	(32)
Environmental risks	70	76	(6)
Indemnities	62	66	(4)
Other reserves for risk and charges	1,357	1,388	(31)
Total Other risks	**6,633**	**6,327**	306

A description of these follows:

- Sales incentives – this provision relates to sales incentives that are offered on a contractual basis to the Group's dealer networks, primarily on the basis of agreements that dealers will achieve a specific cumulative level of sales transactions during the calendar year. This provision is estimated based on the information available regarding the sales made by the dealers during the calendar year. The provision also includes sales incentives such as cash rebates announced by the Group and provided by dealers to customers, for which the dealers are reimbursed. The Group records this provision when it is probable that the incentive will be provided and the Group's inventory is sold to its dealers. The Group estimates this provision based on the expected use of these rebates with respect to the volume of vehicles that has been sold to the dealers.
- Legal proceedings and other disputes - this provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - Legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes).
  - Legal proceedings involving claims with active and former employees.
  - Legal proceedings involving different tax authorities.

None of these provisions is individually significant. Each Group company recognizes a provision for legal proceedings when it is deemed probable that the proceedings will result in an outflow of resources. In determining their best estimate of the liability, each Group company evaluates their legal proceedings on a case-by-case basis to estimate the probable losses that typically arise from events of the type giving rise to the liability. Their estimate takes into account, as applicable, the views of legal counsel and other experts, the experience of the Group and others in similar situations and the Group's intentions with regard to further action in each proceeding.

- Commercial risks – this provision includes the amount of obligations arising in connection with the sale of products and services such as maintenance contracts. An accrual is recorded when the expected costs to complete the services under these contracts exceed the revenues expected to be realized.
- Environmental risks – this provision represents management's best estimate of the Group's probable environmental obligations. Amounts included in the estimate comprise direct costs to be incurred by the Fiat Group in connection with environmental obligations associated with current or formerly owned facilities and sites. This provision also includes costs related to claims on environmental matters.
- Indemnities - the provision for indemnities relates to contractual indemnities provided by the Group in connection with divestitures. These liabilities primarily arise from indemnities relating to contingent liabilities in existence at the time of the sale, as well as those covering any possible breach of the representations and warranties provided in the contract and, in certain instances, environmental or tax matters. These provisions were determined estimating the amount of the expected outflow of resources, taking into consideration the relevant level of probability of occurrence.
- Other provisions for risks and charges – relating to the Fiat Group for €1,258 million, includes, among others, the estimated product liability costs arising from personal injuries alleged to be the result of product defects. The valuation of the provision is actuarially determined on an annual basis based on, among other factors, the number of vehicles sold and product liability claims incurred.

33. Financial debt

Details of financial debt are as follows:

€ million	12/31/2012	12/31/2011	Change
Asset-backed financing	10,149	10,177	(28)
Other financial debt:			
Bonds	19,220	17,416	1,804
Borrowings from banks	13,709	13,511	198
Payables represented by securities	5,011	5,047	(36)
Other financial debt	1,989	2,139	(150)
Total Other Financial debt	39,929	38,113	1,816
Total Financial Debt	**50,078**	**48,290**	1,788

During 2012 the Group issued bonds for €3,364 million and repaid €1,450 million at maturity; the medium-/long-term loans and credit facility repaid at maturity amount to €3,536 million, whereas during the year the Group secured new medium-/long-term financing for €4,255 million.

Asset-backed financing

Asset-backed financing represents the amount of financing received through securitization and factoring transactions which does not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under Current receivables and other current assets (see Note 25).

In addition, at December 31, 2012 the Group's assets include current receivables and cash to settle asset-backed financing for €10,149 million (€10,177 million at December 31, 2011) (see Note 25).

Bonds

The bond issues outstanding at December 31, 2012 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (in € million)
Bonds issued by the Fiat Group					
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A.	€	900	6.125%	July 8, 2014	900
Fiat Finance and Trade Ltd S.A.	€	1,250	7.625%	September 15, 2014	1,250
Fiat Finance and Trade Ltd S.A.	€	1,500	6.875%	February 13, 2015	1,500
Fiat Finance and Trade Ltd S.A.	CHF	425	5.000%	September 7, 2015	352
Fiat Finance and Trade Ltd S.A.	€	1,000	6.375%	April 1, 2016	1,000
Fiat Finance and Trade Ltd S.A.	€	1,000	7.750%	October 17, 2016	1,000
Fiat Finance and Trade Ltd S.A.	CHF	400	5.250%	November 23, 2016	331
Fiat Finance and Trade Ltd S.A.	€	850	7.000%	March 23, 2017	850
Fiat Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000
Fiat Finance and Trade Ltd S.A.	€	600	7.375%	July 9, 2018	600
Other					7
Total Global Medium Term Notes					**8,790**
Other bonds:					
Fiat Finance and Trade Ltd S.A.	€	1,000	6.625%	February 15, 2013	1,000
Chrysler Group LLC (Secured Senior Notes) (1)	$	1,500	8.000%	June 15, 2019	1,137
Chrysler Group LLC (Secured Senior Notes) (1)	$	1,700	8.250%	June 15, 2021	1,288
Total Other bonds					**3,425**
Hedging effect and amortized cost valuation					**501**
Total Bonds issued by the Fiat Group					**12,716**
Bonds issued by the Fiat Industrial Group					
Global Medium Term Notes:					
Fiat Industrial Finance Europe S.A.	€	1,000	5.250%	March 11, 2015	1,000
Fiat Industrial Finance Europe S.A.	€	1,200	6.250%	March 9, 2018	1,200
Total Global Medium Term Notes					**2,200**
Other bonds:					
Case New Holland Inc.	$	1,000	7.750%	September 1, 2013	758
CNH Capital LLC	$	750	3.875%	November 1, 2015	568
CNH America LLC	$	254	7.250%	January 15, 2016	193
CNH Capital LLC	$	500	6.250%	November 1, 2016	379
Case New Holland Inc.	$	1,500	7.875%	November 1, 2017	1,137
Total Other bonds					**3,035**
Hedging effect and amortized cost valuation					**189**
Total Bonds issued by the Fiat Industrial Group					**5,424**
Bonds issued by EXOR S.p.A.					
Bonds 2007-2017	€	750	fixed 5.375%	June 12, 2017	747
Bonds 2012-2019	€	150	fixed 4.75%	October 16, 2019	147
Bonds 2012-2025	€	100	fixed 5.25%	January 21, 2025	98
Bonds 2011-2031	Yen	10,000	fixed 2.80%	May 9, 2031	88
Total Bonds issued by EXOR S.p.A.					**1,080**
Total Bonds					**19,220**

(1) The Secured Senior Notes of Chrysler were issued at par on May 24, 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On December 29, 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the "Secured Senior Notes" outstanding for notes having substantially identical terms as those originally issued and the same principal amount but will not contain restrictions on transfer. The offer to exchange the "Secured Senior Notes" expired on February 1, 2012. Substantially all of the Notes were tendered for "Secured Senior Notes".

Bonds issued by the Fiat Group

Changes in bonds during 2012 are mainly due to:

- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 5.00% notes at par having a principal of CHF 425 million and due September 2015;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 7.00% notes at par having a principal of €850 million and due March 2017;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 7.75% notes at par having a principal of €600 million and due October 2016;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of guaranteed 5.25% notes at par having a principal of CHF 400 million and due November 2016;
- as the result of the reopening of the €600 million 7.75% notes issue due October 2016, as part of the Global Medium Term Notes Programme, Fiat Finance and Trade Ltd S.A. has issued a further €400 million of notes with an issue price of 101.116% and a yield to maturity of 7.40%, increasing the total principal amount of the bond to €1 billion;
- the repayment on maturity of a bond having a nominal value of €1,250 million issued by Fiat Finance and Trade Ltd S.A. in 2009 as part of the Global Medium Term Notes Programme;
- the repayment on maturity of a bond having a nominal value of €200 million issued by Fiat Finance and Trade Ltd S.A. in 2009 as part of the Global Medium Term Notes Programme.

Following the repayment on February 15, 2013 of the bond issued by Fiat Finance and Trade Ltd. S.A. having a nominal value of €1 billion, bearing fixed interest at 6.625%, the bonds issued by the Fiat Group excluding Chrysler are currently governed by the terms and conditions of the Global Medium Term Note Programme (GMTN Programme). A maximum of €15 billion may be used under this Program, of which notes of approximately €8.8 billion have been issued to December 31, 2012; the Program is guaranteed by Fiat S.p.A. The issuers taking part in the program include, among others, Fiat Finance and Trade Ltd. S.A. for an amount outstanding of €7.8 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion.

Whereas Chrysler remains separate from the rest of the Fiat Group from a financial management standpoint and manages its own treasury services, obtaining funding from the market and managing cash directly, Fiat intends to repay the bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. in cash at maturity by utilizing available liquid resources. The companies in the Fiat Group may from time to time buy back bonds on the market that have been issued by the Fiat Group, also for purposes of their cancellation.
Such buybacks, if made, depend upon market conditions, the financial situation of the Fiat Group and other factors which could affect such decision.

Chrysler may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed:

- Prior to June 15, 2015, the 2019 Secured Senior Notes (2019 Notes) will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make−whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2019 Notes, at a redemption price equal to 108% of the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2015, the 2019 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104% of the principal amount of the 2019 Notes being redeemed for the twelve months beginning June 15, 2015, decreasing to 102% for the twelve months beginning June 15, 2016 and to par on and after June 15, 2017.
- Prior to June 15, 2016, the 2021 Secured Senior Notes (2021 Notes) will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make−whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2021 Notes, at a redemption price equal to 108.25% of the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2016, the 2021 Notes are redeemable at redemption

the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125% of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.75% for the year beginning June 15, 2017, to 101.375% for the year beginning June 15, 2018 and to par on and after June 15, 2019.

The bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Fiat Group. Such covenants include: (i) negative pledge clauses which require that, in case any present and future security interest upon assets of the issuer and/or Fiat S.p.A. is granted in connection with other bonds or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding bonds; (ii) *pari passu* clauses, under which the bonds rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or Fiat S.p.A.; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Fiat Group's main entities; and, (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants can lead to the early repayment of the notes. In addition, the agreements for the bonds guaranteed by Fiat S.p.A. contain clauses which could lead to the obligation to make early repayment if there is a change of the controlling shareholder of Fiat S.p.A. which leads to a resulting downgrading by the ratings agencies.

In addition, the indenture of the Secured Senior Notes issued by Chrysler Group LLC includes negative covenants which limited Chrysler's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions on the Company's capital stock or repurchase the Company's capital stock; (ii) make certain payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganization. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in principal amount of the notes outstanding under one of the Senior Secured Notes series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

Chrysler's Senior Secured Notes are secured by liens junior to the Senior Credit Facilities on substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

Bonds issued by the Fiat Industrial Group

More specifically, during 2012 CNH Capital LLC issued a bond at par having a nominal value of $750 million, falling due in 2015 and bearing fixed interest at a rate of 3.875%, payable semi-annually.

The bonds issued by the Fiat Industrial Group are governed by different terms and conditions according to their type; more specifically these are as follows, in addition to the above-mentioned bond issued in 2012:

- a bond issued at par by Fiat Industrial Finance Europe S.A. as part of the Global Medium Term Notes Program, having a nominal value of €1,000 million, falling due in 2015 and bearing fixed interest at a rate of 5.250%;
- a bond issued at par by Fiat Industrial Finance Europe S.A. as part of the Global Medium Term Notes Program, having a nominal value of €1,200 million, falling due in 2018 and bearing fixed interest at a rate of 6.250%;
- a bond issued at par by CNH Capital LLC having a nominal value of $500 million, falling due in 2016 and bearing fixed interest at a rate of 6.250%, payable semi-annually;
- a bond issued by Case New Holland Inc. at a price of 97.062% of its nominal value of $1 billion, falling due in 2013 and bearing fixed interest at a rate of 7.75%, payable semi-annually;
- a bond issued by CNH America LLC for a total amount outstanding of $254 million, falling due in 2016;
- a bond issued by Case New Holland Inc. at a price of 99.32% of its nominal value of $1,500 million, falling due in 2017 and bearing fixed interest at a rate of 7.875%.

The bonds issued by the Fiat Industrial Group contain commitments of the issuer, and in certain cases commitments of Fiat Industrial S.p.A. in its capacity as guarantor, which are typical of international practice for bond issues of this type, such as in particular, negative pledges, *pari passu* and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the agreements for the bonds guaranteed by Fiat Industrial S.p.A. contain clauses which could lead to early repayment if there is a change of control of Fiat Industrial S.p.A. associated with a downgrading by a ratings agency.

The Fiat Industrial Group intends to repay the issued bonds in cash at due date by utilizing available liquid funds. In addition, Fiat Industrial Group companies may from time to time buy back bonds on the market that have been issued by the Fiat Industrial Group, also for the purposes of cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Fiat Industrial Group and other factors which could affect such decisions.

Bonds issued by EXOR S.p.A.

During 2012 EXOR S.p.A. issued, through private placements with qualified investors, non-convertible EXOR 2012/2019 bonds for €150 million, due October 16, 2019, and non-convertible EXOR 2012/2025 bonds for €100 million, due January 31, 2025; both bonds were admitted to listing on the Main Regulated Market of the Luxembourg Stock Exchange.

The bonds issued by EXOR S.p.A. contain covenants that are standard international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future security interest on assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and periodic disclosure obligations. The 2011/2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Breach of these covenants allows the bondholders to ask for the immediate repayment of the bonds. Standard events of serious default are envisaged such as failure to pay interest. Finally, a change of control, if any, of EXOR would give the bondholders the right to ask for early repayment of the bonds.

Credit lines

Medium/Long-term committed credit lines, **of the Fiat Group**, (expiring after twelve months) currently available to the treasury companies of Fiat Group excluding Chrysler amount to approximately €2.8 billion at December 31, 2012, of which approximately €2 billion was undrawn. This amount does not include committed credit lines available to fund scheduled investments of the Fiat Group excluding Chrysler operating entities with residual maturity after twelve months, of which €1.5 billion was still undrawn at December 31, 2012.

The €1.95 billion syndicated credit facility of Fiat contains typical covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and EBITDA/Net Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to fund the Fiat Group's investments.

In addition, the above syndicated credit facility currently contemplates limits to the capability to extend guarantees or loans to Chrysler and increase Fiat's shareholding in Chrysler above the 60% threshold conditional to prior testing of the Net Debt/EBITDA ratio.

At December 31, 2012, Chrysler has secured revolving credit facility ("Revolving Credit Facility") amounting to approximately €1 billion ($1.3 billion), fully undrawn at that date and maturing in May 2016.

Chrysler's senior credit facilities, which include the above mentioned Tranche B Term Facility and the Revolving Credit Facility, are secured by a senior priority security interest on substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

The senior secured credit agreement includes negative covenants, many of which are typical of market practices, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Secured Credit Agreement requires Chrysler to maintain a minimum ratio of "borrowing

base" to "covered debt" (as defined in the Facility), as well as a minimum liquidity of $3.0 billion, which includes any undrawn amounts on the Revolving Credit Facility.
The senior secured credit agreement contains a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross−default with certain other debt and hedging agreements and (vi) the failure to pay certain material judgments.

Available committed credit lines, **of the Fiat Industrial Group**, expiring after twelve months, amount to €1.6 billion at December 31, 2012. Of these credit lines, the €2 billion syndicated credit facility of Fiat Industrial, guaranteed by the parent company and available for €1 million at December 31, 2012, envisages typical covenants for contracts of this type and size, such as financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to industrial activities) and negative pledges, *pari passu,* cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans.

The credit lines available to **C&W Group** are a 5-year "Senior Secured Revolving Credit Facility" for $350 million and a long-term 5-year guaranteed "Term Loan" for $150 million. Security is provided by guarantees on C&W Group's business and stock pledges by the major subsidiaries.
The credit lines require compliance with covenants generally applicable to contracts of a similar type.

At December 31, 2012, **Juventus Football Club** has credit lines for €269 million.

EXOR S.p.A.'s credit lines at December 31, 2012 amount to €1,145 million, of which €615 million is revocable and €530 million is irrevocable (€105 million expires in December 31, 2013 and €425 million beyond that date).

The loan contracts relating to irrevocable credit lines provide for compliance with commitments that are typical of the practices in the sector for this type of debt. Specifically, some of the major commitments on certain contracts require periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without consent of the creditor, non-subordination of the facility and, in some cases, compliance with financial ratios. Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of irrevocable credit lines for a total of €325 million.

Borrowing from banks

At December 31, 2012, borrowings from banks amount to €13,709 million and refer:

- for €8,139 million to the Fiat Group (€7,583 million at December 31, 2011) of which €2,265 million (€2,333 million at December 31, 2011) relates to loans obtained by Chrysler through a $3 billion guaranteed term loan ("Tranche B Term Loan") that is repayable in quarterly installments of principal amount of $7.5 million, with the remaining balance of $2,827.5 million due in May 2017;
- for €5,174 million (€5,548 million at December 31, 2011) to the Fiat Industrial Group;
- for €131 million (€129 million at December 31, 2011) to C&W Group principally for the outstanding balance of the Credit Facility" ($178.8 million equal to €135 million);
- for €48 million to Juventus Football Club;
- for €200 million to EXOR S.p.A.

Payables represented by securities

At December 31, 2012, Payables represented by securities includes:

- for €3,863 million (€3,908 million at December 31, 2011), the VEBA Trust Note, which represents Chrysler's financial liability to the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America (“UAW”) Retiree Medical Benefits Trust (“VEBA Trust”) having a face value of $4,874 million (€3,694 million). This financial liability was recognized by Chrysler in connection with the settlement of obligations related to postretirement healthcare benefits for certain UAW retirees. The VEBA Trust Note has an implied interest rate of 9.0% and requires annual payments of principal and interest through July 15, 2023.
- for €864 million (€820 million at December 31, 2011), which represents Chrysler’s financial liability to the Canadian Health Care Trust arising from the settlement of postretirement health care benefits for represented employees, retirees and dependents of Chrysler Canada Inc.’s National Automobile, Aerospace, Transportation and General Workers Union of Canada (“CAW”). These notes were issued in four tranches maturing up to 2024.

Other financial debt

Other financial debt is analyzed by sector as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Other at December 31, 2012	1,712	189	4	106	66	(88)	**1,989**
Other at December 31, 2011	1,838	214	3	76	74	(66)	2,139
Change	(126)	(25)	1	30	(8)	(22)	(150)

At December 31, 2012, payables for finance leases included in “Other” of Total Debt amount to €527 million and may be analyzed as follows:

€ million	12/31/2012	12/31/2011	Change
Due within one year	80	66	14
Due between one and five years	220	252	(32)
Due beyond five years	227	236	(9)
Present value of minimum lease payments	**527**	**554**	**(27)**

As discussed in Note 16, finance lease payables also relate to suppliers’ assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Debt secured by assets

At December 31, 2012, debt secured by assets of the **Fiat Group** excluding Chrysler amounts to €363 million (€372 million at December 31, 2011), of which €276 million (€281 million at December 31, 2011) due to creditors for the above mentioned assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €296 million at December 31, 2012 (€318 million at December 31, 2011).

At December 31, 2012, debt secured by assets of Chrysler amounts to €5,530 million (€5,751 million at December 31, 2011), and includes €4,665 million (€4,780 million at December 31, 2011) relating to the principal amount of the Secured Senior Notes and the Senior Secured Credit Facility (the “Tranche B Term Loan” and the “Revolving Credit Facility”, which at December 31, 2012 was undrawn), €183 million (€205 million at December 31, 2011) was due to creditors for assets acquired under finance leases and other debt and financial commitments for €682 million (€766 million at December 31, 2011).

Debt secured by mortgages on assets of the **Fiat Industrial Group** amounts to €112 million at December 31, 2012 (€113 million at December 31, 2011), of which €49 million (€48 million at December 31, 2011) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €143 million at December 31, 2012 (€119 million at December 31, 2011).

Debt secured by assets of **C&W Group** amounts to €379 million ($500 million) at December 31, 2012 and refers to the "Revolving Credit Facility" and the "Term Loan", drawn for €136 million ($178.8 million).

Group debt by due date

An analysis of debt by due date at December 31, 2012 and at December 31, 2011 is as follows:

	At December 31, 2012				At December 31, 2011			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Asset-backed financing	5,587	4,531	31	**10,149**	6,741	3,402	34	10,177
Other financial debt:								
Bonds	2,272	12,383	4,565	**19,220**	2,121	8,756	6,539	17,416
Borrowings from banks	5,046	7,736	927	**13,709**	4,866	5,695	2,950	13,511
Payables represented by securities	637	1,237	3,137	**5,011**	498	1,089	3,460	5,047
Other	1,086	420	483	**1,989**	1,115	509	515	2,139
Total Other financial debt	9,041	21,776	9,112	**39,929**	8,600	16,049	13,464	38,113
Total Financial debt	**14,628**	**26,307**	**9,143**	**50,078**	**15,341**	**19,451**	**13,498**	**48,290**

Group debt by interest rate

The annual interest rates and the nominal currencies of debt at December 31, 2012 are as follows:

€ million	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	11,312	7,907	2,254	97		**21,570**
U.S. dollar	7,362	2,993	8,065	15	218	**18,653**
Brazilian real	1,281	1,901	1,098	89	6	**4,375**
Canadian dollar	1,402	82	725			**2,209**
Australian dollar	679	121				**800**
Swiss franc	12	684				**696**
Mexican peso			459			**459**
Chinese renminbi	4	410	5			**419**
Polish zloty	15	215		11		**241**
British pound	237					**237**
Argentine peso	0		64	5	156	**225**
Danish krone	32					**32**
Other	47	87	1	9	18	**162**
Total Debt at 12/31/2012	**22,383**	**14,400**	**12,671**	**226**	**398**	**50,078**

For further information on the management of interest rate and currency risk reference should be made to Note 39.

The fair value of outstanding debt of the Group at December 31, 2012 amounts to approximately €41,527 million. The fair value of debt at December 31, 2011 amounted to approximately €46,771 million. These amounts have been determined using the quoted market price of financial instruments, if available, or discounting the related future cash flows and using the interest rates suitably adjusted to take account of the Group's current creditworthiness.

Net financial position

In compliance with Consob Communication issued on July 28, 2006 and in conformity with the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses" issued on February 10, 2005, the Net financial position of the Group at December 31, 2012 is as follows:

€ million	12/31/2012	12/31/2011	Change
Non-current securities (held to maturity)	109	114	(5)
Non-current financial receivables and other financial assets	5	5	0
Non-current assets	114	119	(5)
Cash and cash equivalents	22,813	23,494	(681)
Cash and cash equivalents included in Assets held for sale		19	(19)
Investments and current securities (held for trading)	492	744	(252)
Investments and current securities (held for trading) included in Assets held for sale		3	(3)
Liquidity	23,305	24,260	(955)
Receivables from financing activities	18,938	17,861	1,077
- of which: from jointly-controlled financial services entities	*58*	*21*	*37*
Other current financial receivables	4	8	(4)
Other current financial receivables included in Assets held for sale		1	(1)
Other financial assets	641	677	(36)
Financial debt	(50,078)	(48,290)	(1,788)
Financial debt included in Liabilities held for sale		(28)	28
Other financial liabilities	(342)	(611)	269
Net financial position	**(7,418)**	**(6,003)**	**(1,415)**

An analysis of the net financial position by segment is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
At 12/31/2012							
Non-current securities (held to maturity)					109		**109**
Non-current financial receivables and other financial assets				4	1		**5**
Non-current assets	**0**	**0**	**0**	**4**	**110**	**0**	**114**
Cash and cash equivalents	17,657	4,611	64	1	514	(34)	**22,813**
Investments and current securities (held for trading)	256	4			232		**492**
Liquidity	**17,913**	**4,615**	**64**	**1**	**746**	**(34)**	**23,305**
Receivables from financing activities	3,727	15,237				(26)	**18,938**
- of which: from jointly-controlled financial services entities	*58*						***58***
Other current financial receivables					4		**4**
Other financial assets	519	121	1				**641**
Financial debt	(27,889)	(20,633)	(135)	(154)	(1,346)	79	**(50,078)**
Other financial liabilities	(201)	(97)	(1)	(1)	(42)	0	**(342)**
Net financial position at 12/31/2012	**(5,931)**	**(757)**	**(71)**	**(150)**	**(528)**	**19**	**(7,418)**
At 12/31/2011							
Non-current securities (held to maturity)					114		**114**
Non-current financial receivables and other financial assets				4	1		**5**
Non-current assets				**4**	**115**		**119**
Cash and cash equivalents	17,526	5,639	132	1	216	(20)	**23,494**
Cash and cash equivalents included in Assets held for sale						19 (a)	**19**
Current securities (held for trading)	199	68			477		**744**
Investments and current securities (held for trading) included in Assets held for sale						3 (a)	**3**
Liquidity	**17,725**	**5,707**	**132**	**1**	**693**	**2**	**24,260**
Other current financial receivables	3,968	13,946				(53)	**17,861**
- of which: from jointly-controlled financial services entities	*21*						***21***
Other current financial receivables					8		**8**
Other current financial receivables included in Assets held for sale						1 (a)	**1**
Other financial assets	557	118	1		1		**677**
Financial debt	(26,772)	(20,217)	(129)	(130)	(1,120)	78	**(48,290)**
Financial debt included in Liabilities held for sale						(28) (a)	**(28)**
Other financial liabilities	(429)	(157)	(2)	(1)	(22)		**(611)**
Net financial position at 12/31/2011	**(4,951)**	**(603)**	**2**	**(126)**	**(325)**	**0**	**(6,003)**

(a) Figures refer to the Alpitour Group.

Receivables from financing activities include the entire portfolio of the financial services companies of the Fiat Group and the Fiat Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

The net financial position of C&W Group is adjusted to exclude non-current financial assets (deposits and receivables) in order to comply with the Consob Communication.

Non-current securities (held-to-maturity) of the Holdings System include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

34. Trade payables

Details by sector are as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
Trade payables at 12/31/2012	16,558	4,843	167	15	1	(161)	21,423
Trade payables at 12/31/2011	16,418	5,052	201	31	1	(189)	21,514
Change	140	(209)	(34)	(16)	0	28	(91)

An analysis by due date of trade payables is as follows:

€ million	12/31/2012	12/31/2011	Change
Due within one year	21,402	21,481	(79)
Due between one and five years	20	28	(8)
Due beyond five years	1	5	(4)
Trade payables	**21,423**	**21,514**	**(91)**

The carrying amount of Trade payables is considered in line with their fair value.

35. Other liabilities

Details are as follows:

€ million	At 12/31/2012	At 12/31/2011	Change
Advances on buy-back agreements	**2,271**	2,664	(393)
Indirect tax payables	**1,634**	1,658	(24)
Accrued expenses and deferred income	**2,351**	2,137	214
Payables to personnel	**972**	937	35
Social security payables	**512**	489	23
Amounts due to customers for contract work (Note 19)	**174**	111	63
Other	**2,857**	2,384	473
Total Other liabilities at 12/31/2012	**10,771**	10,380	391

Advances on buy-back agreements refers to agreements entered into by the Group during the year or which still remain effective at the balance sheet date. They refer to assets included in Property, plant and equipment and Inventories. Advances on buy-back agreements represents the following:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Indirect tax payables include other taxes on commercial transactions accrued by the Brazilian subsidiary FIASA for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court against its claim alleging the regime of double taxation. In March 2007, FIASA received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the company's position. Since it is a preliminary decision and that the full amount may be required in payment to the tax authorities at any time, the difference between the tax payments calculated provisionally on the basis of the preliminary court decision and the full amount determined as required by the legislation still in force is recognized as a liability. Timing for the Supreme Court decision is not predictable.

Deferred income also includes the revenues not yet recognized in relation to the separately-priced extended warranties and service contracts offered by Chrysler. These revenues will be recognized in profit or loss over the contract period in proportion to the costs expected to be incurred based on historical information.

The carrying amount of Other liabilities is considered in line with their fair value.
An analysis of Other liabilities (excluding Accrued expenses and deferred income) by due date is as follows:

	At 12/31/2012				At 12/31/2011			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	6,852	1,416	152	8,420	6,763	1,392	88	8,243

36. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the Fiat Group

At December 31, 2012 the Fiat Group had pledged guarantees on the debt or commitments of third parties totaling €50 million (€40 million at December 31, 2011), as well as guarantees of €25 million on related party debt (€30 million at December 31, 2011).

With reference to Chrysler, in accordance with the terms of the Ally Auto Finance Operating Agreement ("Ally Agreement"), Ally provides wholesale and retail financing to Chrysler's dealers and retail customers in the U.S. and Canada in accordance with its usual and customary lending standards. Chrysler's agreement with Ally is not exclusive. Ally provides consumer and dealer financing to other manufacturers. Chrysler's dealers and retail customers also obtain financing from other financing sources.
From time to time, Chrysler works with Ally and certain other lenders to subsidize interest rates or cash at the inception of a financing arrangement to incentivize customers to purchase Chrysler vehicles, a practice known as "subvention." Under the Ally agreement, Chrysler must first offer all subvention programs to Ally, and is required to ensure that Ally finances a specified minimum percentage of the vehicles Chrysler sells in North America under rate subvention programs in which it elects to participate. Chrysler may, from time to time, offer lease products to retail customers through Ally, but Ally is not obligated to offer lease products. Under the Ally Agreement, Chrysler is required to repurchase Ally-financed dealer inventory, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer's franchise agreement, including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally. These obligations exclude vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.

As of December 31, 2012, the maximum potential amount of future payments required to be made to Ally under this guarantee was approximately €6.2 billion and was based on the aggregate repurchase value of eligible vehicles financed by Ally in Chrysler's U.S. and Canadian dealer stock. If vehicles are required to be repurchased under this arrangement, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2012, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. The estimates are based on historical experience.

The Ally Agreement is effective through April 30, 2013, with automatic one-year renewals unless either party elects not to renew. Chrysler has notified Ally of its election not to renew the Ally Agreement for an additional term. On February 6, 2013, Chrysler signed a 10-year private-label agreement, subject to early termination in certain circumstances, with Santander Consumer USA Inc. to provide a full range of wholesale and retail financing services to Chrysler and Fiat customers and dealers which will be provided under the Chrysler Capital brand name. The new financing service is scheduled to launch May 1, 2013. Under the agreement, Santander Consumer USA Inc. has also provided Chrysler with consideration in the form of a non-refundable upfront payment which is payable prior to the launch of the new financing service, as well as on-going revenue sharing opportunities and commitments with respect to available funding, approval and penetration rates, price competitiveness and certain exclusivity rights. Santander Consumer USA Inc. will bear the risk of loss on loans contemplated by the agreement and the parties will share in any residual gains and losses in respect of consumer leases, subject to specific provisions including caps on Chrysler's participation in gain and losses contained in the Master Agreement. Ally Financial Inc. will continue to provide financial services to Chrysler and Fiat customers and dealers until April 30, 2013.

Other Repurchase Obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, Chrysler is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer's franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage.

As of December 31, 2012, the maximum potential amount of future payments required to be made in accordance with these other wholesale financing arrangements was approximately €246 million and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer's stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2012, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. The estimates are based on historical experience.

Guarantees pledged by the Fiat Industrial Group

At December 31, 2012, the Fiat Industrial Group had pledged guarantees on the debt or commitments of third parties or jointly controlled and associated entities totaling €486 million (€612 million at December 31, 2011).

Commitments arising from important contractual agreement

The Fiat Group has important commitments and rights deriving from outstanding agreements, summarized in the following.

Teksid

Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%.

In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other redressment procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Chrysler

As a result of the occurrence of the Ecological Event in early January 2012, at the date of this Annual report, Fiat holds a 58.5% membership interest in Chrysler; the remaining 41.5% is held by the VEBA Trust, the fund that provides certain health benefits to former employees of Chrysler. In addition Fiat is the holder of the VEBA Trust Call Option, pursuant to which it is entitled to acquire 40% of the Class A membership interests currently held by the VEBA Trust, provided that Fiat is entitled to purchase no more than 8% of such membership interests in any six-month period. This option may be exercised from July 1, 2012 to June 30, 2016. For the VEBA Trust Call Option, prior to a Chrysler IPO, the exercise price is determined using a defined market-based multiple (the average multiple of a basket of certain automotive manufacturers, not to exceed the trading multiple for Fiat) applied to Chrysler's EBITDA for the four most recent quarters less Chrysler's net industrial debt. If there has been a Chrysler IPO, the price is to be based on the trading price for Chrysler's ordinary shares. On July 3, 2012, Fiat notified VEBA of Fiat's exercise of its option to purchase a portion of VEBA's ownership interest in Chrysler. That tranche represents approximately 3.3% of Chrysler's outstanding equity. On September 26, 2012, Fiat announced that Fiat North America (a wholly-owned subsidiary) was seeking a declaratory judgment from the Delaware Court of Chancery to confirm the price to be paid for the stake, since the parties had not reached an agreement on the purchase price. On January 3, 2013, Fiat notified VEBA of its exercise of its option to purchase a second tranche of the interest held in Chrysler Group LLC by VEBA, representing approximately 3.3% of Chrysler's outstanding equity. In the event the transactions are completed as contemplated, Fiat will hold 65.17% of the outstanding equity in Chrysler.

In addition, on July 21, 2011 the U.S. Treasury assigned Fiat its rights under the Equity Recapture Agreement. The Equity Recapture Agreement provides Fiat the rights to the economic benefit associated with the membership interests held by the VEBA Trust held in Chrysler once the VEBA Trust receives proceeds, including certain distributions, in excess of $4.25 billion plus interest of 9% per annum from January 1, 2010 ("Threshold Amount"). Once the VEBA Trust receives the Threshold Amount, any additional proceeds payable to the VEBA trust for Chrysler membership interest and any membership interest retained by the VEBA Trust are to be transferred to Fiat for no further consideration. In addition, Fiat has the right to acquire VEBA Trust's entire membership interest in Chrysler at a price equivalent to the specified Threshold Amount, less any proceeds already received by the VEBA Trust on that interest. These rights have been recognized in the Fiat Group's Statement of Financial Position at €57 million ($75 million).

If the VEBA Trust seeks to transfer its membership interests in Chrysler, it must provide notice to Fiat and Fiat will have an irrevocable non−transferable first option to purchase all or a portion of the offered securities at the same price and on the same terms and conditions as those negotiated by the VEBA Trust.

In accordance with paragraph AG81 of IAS 39 – Financial Instruments: recognition and measurement, both the options and rights have been recognized in the Consolidated financial statements at cost, since (i) the variability in the range of reasonable fair value estimates is significant for these instruments and (ii) the probabilities that are used to weight the various estimates in the range of fair values cannot be reasonably established and used in estimating fair value.

VM Motori

Following the acquisition of the 50% interest in the VM Motori group, the Fiat Group is party to a put and call agreement with General Motors under which two years after the date of this acquisition Fiat will have the right to buy the residual interest in VM Motori from General Motors. Furthermore, General Motors has a put option to sell its interest in VM Motori to Fiat if certain conditions occur.

Commitments of C&W Group

C&W Group has commitments in connection with contracts to obtain certain services in the normal course of business. Some of these contractual obligations have a remaining term in excess of one year. At December 31, 2012, the aggregate amount of the required payments in connection with such obligations totals $12 million (€9 million).

Commitments of Juventus Football Club S.p.A.

Commitments of Juventus include guarantees received from leading credit institutions for €92 million to guarantee the payables resulting from the acquisition of players' registration rights (€85 million), the construction and realization of infrastructure costs for the new stadium (€1 million) and other commitments (€6 million).

Commitments of the Holdings System

The commitments of the Holdings System refer to those undertaken by the subsidiary EXOR S.A. in connection with the acquisition of investments and other financial assets for €47 million (€125 million at December 31, 2011). Details are as follows:

- investment commitment for a residual maximum amount of $14 million (€11 million) in the NoCo B LP limited partnership which groups a series of funds managed by Perella Weinberg Partners L.P.;
- investment commitment in the Perella Weinberg Real Estate Fund for €3 million;
- investment commitment of a further €7 million in Banijay Holding S.A.S.;
- investment commitment of a further $35 million, or €26 million, in BDT Capital Partners.

On December 21, 2012, EXOR S.A., the Jardine Matheson Group and Rothschild reached a conclusive agreement to cancel all remaining commitments under the original June 9, 2010 agreement.

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2012 the total future minimum lease payments under non-cancellable lease contracts are as follows:

€ million	12/31/2012	12/31/2011	Change
Due within one year	253	223	30
Due between one and five years	621	544	77
Due beyond five years	432	412	20
Future minimum lease payments under operating lease agreements	**1,306**	**1,179**	**127**

During 2012, the Group has recorded costs for lease payments of €284 million (€214 million in 2011).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships, intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

EXOR S.p.A

The acquittal judgment reached by the Court of Turin on December 21, 2010 with respect to the defendants Gianluigi Gabetti, Franzo Grande Stevens, Virgilio Marrone and the companies IFIL (now EXOR) and Giovanni Agnelli e C., was appealed to the Supreme Court of Cassation, *inter alia,* by the Public Prosecutor's Office of Turin, with an act of notification to the Company on June 3, 2011. In the ruling handed down after the hearing on June 20, 2012, the Supreme Court partially reversed the Court of Turin's decision, transferring the case to the Turin Court of Appeals for judgment of the second instance regarding Gianluigi Gabetti, Franzo Grande Stevens and the companies EXOR and Giovanni Agnelli e C., completely acquitting Virgilio Marrone. The judgment issued by the Court of Appeals on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C.
The judgments on the positions of Gianluigi Gabetti and Franzo Grande Stevens are still pending.

Fiat Group

At December 31, 2012, contingent liabilities estimated by the Group for which no provisions have been recognized since an outflow of resources is not considered to be probable and for which a reliably estimate can be made amount to approximately €100 million (approximately €100 million at December 31, 2011). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €16 million (€14 million at December 31, 2011) have been estimated but not recognized.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Fiat Group recognizes specific provisions for this purpose (see Note 32).

Furthermore, in connection with significant asset divestitures carried out in prior years, the Fiat Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2012, potential obligations with respect to these indemnities were approximately €430 million (approximately €430 million at December 31, 2011). Against these obligations, at December 31, 2012, the Fiat Group provisions of €62 million (€66 million December 31, 2011) have been made which are classified as Other provisions. The Fiat Group has provided certain other indemnifications that do not limit potential payment; it is not possible to estimate a maximum amount of potential future payments that could result from claims made under these indemnities.

Fiat Industrial Group

At December 31, 2012, contingent liabilities estimated by the Fiat Industrial Group amount to approximately €39 million (approximately €41 million at December 31, 2011), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2012, no contingent assets and expected reimbursements have been estimated in connection with these contingent liabilities, while contingent assets and expected reimbursements of €2 million were estimated but not recognized at December 31, 2011.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Fiat Industrial Group recognizes specific provisions for this purpose.

Starting January 2011, Iveco and certain of its competitors have been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of commercial vehicles in the European Union in relation to possible anti-competitive behavior. It is not possible at the present moment to predict when and in what way these investigations will be concluded.

Under Italian law, as a consequence of the Demerger, Fiat Industrial continues to be liable jointly with Fiat for payables of Fiat S.p.A. (Fiat) that arose prior to the effective date of the Demerger and were still outstanding at that date. This statutory liability is limited to the value of the net assets attributed to Fiat Industrial in the Demerger and will survive until such liabilities of Fiat existing as of the Demerger will be satisfied. At the time of the Demerger (January 1, 2011) Fiat S.p.A. had outstanding liabilities for bonds and others totaling approximately €15 billion, €9 billion of which due to bonds. At the date of this report, those liabilities decreased to approximately €4.6 billion, €3.8 billion of which due to bonds. Furthermore, Fiat Industrial may be responsible jointly with Fiat in relation to tax payables, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. Such potential liabilities, like all other liabilities of Fiat Industrial, will be assumed by the company that becomes successor to Fiat Industrial following the Merger. Fiat Industrial evaluated as extremely remote the risk of Fiat S.p.A.'s insolvency and therefore no specific provision has been accrued in respect of the above mentioned joint-liabilities.

C&W Group

In January 2010, C&W, along with Credit Suisse, was sued in a class action lawsuit alleging, among other things, claims of RICO, fraud and negligence in connection with C&W's performance of valuation services. The suit alleged that C&W conspired with Credit Suisse, which permitted Credit Suisse to earn loan fees and ultimately foreclose on the developments at below market values, thus damaging the plaintiff homeowners in the developments that were secured by the loans through reduced property values. Certain of the claims against C&W have since been dismissed, including the claims of RICO and conspiracy, fraud and negligent misrepresentation (with individual exceptions) as well as breach of fiduciary duty and consumer claims. The claims that currently remain against C&W are tortious interference and negligence. The hearing on class certification is scheduled for April, 2013.

In July 2011, two principals of the resort developers filed to intervene in the suit and bring claims against C&W and Credit Suisse, alleging similar claims to those made by the homeowners. The District Judge ultimately denied the motion of the principals to intervene. In anticipation of this denial, in February 2012, one of those principals filed suit in Colorado, bringing allegations which include, among other things, claims of RICO, common law fraud, and common law conspiracy. C&W's motion to dismiss this action has been fully briefed and awaits the Court's ruling.

C&W believes that all of the claims in both actions are without merit and continues to defend against these claims vigorously. Although the ultimate liability for these matters cannot be determined, based upon information currently available, management believes that the ultimate resolution of such claims and litigation will not have a material adverse effect on its business or financial statements.

Juventus Football Club

On October 20, 2011, the Juventus Football Club learned of an investigation being conducted against the independent contractors it hired to inspect the new Stadium. The company, which is the plaintiff in these proceedings - and as such has already filed an appearance - has established the safety and security of the stadium, which is already open and operating, by filing appropriate technical documentation at the mayor's office, the Prefecture, and the Attorney General's Office.

37. Segment reporting

EXOR S.p.A. and the companies in the Holdings System mainly invest in equity investments and financial market investments. Through its subsidiaries, the EXOR Group is present in a diversified range of sectors, particularly Automobiles (Fiat Group), Agricultural and Construction Equipment (Fiat Industrial Group from January 2011), real estate services (C&W Group) and professional football (Juventus Football Club).

For this reason the EXOR Group has chosen to disclose its information by segment according to IFRS 8 – Operating Segments (replacing IAS 14 – Segment Reporting), which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: Fiat Group, Fiat Industrial Group, C&W Group, Juventus Football Club and the Holdings System.

The income statement by segment in 2012 is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
2012							
Segment revenues	83,957	25,785	1,596	278	1	(946)	**110,671**
Revenues from transactions with other operating segments	(676)	(260)	(2)	(8)		946	
Revenues from external customers	83,281	25,525	1,594	270	1		**110,671**
Cost of sales	71,474	20,925	1,384	242		(932)	**93,093**
Operating profit (loss)	3,814	2,079	63	8	(27)		**5,937**
Share of profit (loss) of companies accounted for using the equity method	94	86			390	(378)	**192**
Other profit (loss) from investments	13	(5)			72	(7)	**73**
Total result from investments	107	81			462	(385)	**265**
Unusual income (expenses)	(244)	(217)	(2)		9		**(454)**
EBIT	3,677	1,943	61	8	444	(385)	**5,748**
Financial income (expenses)	(1,641)	(458)	(7)	(6)	(45)	1	**(2,156)**
Profit (loss) before taxes	2,036	1,485	54	2	399	(384)	**3,592**
Income taxes	(625)	(564)	(21)	(5)	(1)	1	**(1,215)**
Profit (loss) for the year	1,411	921	33	(3)	398	(383)	**2,377**

The income statement by segment in 2011 is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated Exor
2011							
Segment revenues	59,559	24,289	1,433	169	1	(1,092)	**84,359**
Revenues from transactions with other operating segments	(663)	(425)	(1)	(2)	(1)	1,092	**0**
Revenues from external customers	58,896	23,864	1,432	167	0	0	**84,359**
Cost of sales	50,704	20,038	1,227	212	0	(1,085)	**71,096**
Operating profit (loss)	2,392	1,686	44	(86)	(30)	1	**4,007**
Share of profit (loss) of companies accounted for using the equity method	146	97			519	(543)	**219**
Other profit (loss) from investments	(15)	(11)			82		**56**
Total result from investments	131	86	0	0	601	(543)	**275**
Unusual income (expenses)	944	(57)	0	0	0	(12)	**875**
EBIT	3,467	1,715	44	(86)	571	(554)	**5,157**
Financial income (expenses)	(1,282)	(546)	(8)	(3)	(45)	7	**(1,877)**
Profit (loss) before taxes	2,185	1,169	36	(89)	526	(547)	**3,280**
Income taxes	(534)	(468)	(25)	(1)	(10)	0	**(1,038)**
Profit (loss) from Continuing Operations	1,651	701	11	(90)	516	(547)	**2,242**
Profit (loss) after tax from Discontinued Operations			0	0	0	(13) (a)	**(13)**
Profit (loss) for the year	1,651	701	11	(90)	516	(560)	**2,229**

(a) Amounts relating to the Alpitour Group.

The statement of financial position by segment at December 31, 2012 and 2011 is as follows:

€ million	Fiat	Fiat Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustment	Consolidated Exor
At December 31, 2012							
Intangible assets and property, plant and equipment	41,345	8,746	797	334	0	(37)	**51,185**
Investments and other financial assets	2,290	531	8	4	7,802	(5,232)	**5,403**
Other non-current assets	1,842	1,964	47	44	0	2	**3,899**
Inventories	9,295	4,843	0	0	0	(5)	**14,133**
Receivables and other current assets	8,828	18,092	342	91	12	(199)	**27,166**
Current financial assets	807	125	1		232	0	**1,165**
Cash and cash equivalents	17,657	4,611	64	1	514	(34)	**22,813**
Assets held for sale	55	25	0	0	7	0	**87**
Total Assets	**82,119**	**38,937**	**1,259**	**474**	**8,567**	**(5,505)**	**125,851**
Equity	13,173	5,722	627	76	7,164	(5,094)	**21,668**
Provisions	15,484	4,589	100	6	6	(125)	**20,060**
Financial debt	27,889	20,633	135	154	1,346	(79)	**50,078**
Trade payables and other liabilities	25,573	7,993	397	238	51	(207)	**34,045**
Liabilities held for sale	0	0	0	0	0	0	**0**
Total Equity and Liabilities	**82,119**	**38,937**	**1,259**	**474**	**8,567**	**(5,505)**	**125,851**
At December 31, 2011							
Intangible assets and property, plant and equipment	38,985	8,086	812	312	0	(68)	**48,127**
Investments and other financial assets	2,660	666	8	4	6,765	(4,844)	**5,259**
Other non-current assets	1,832	1,940	30	38	0	0	**3,840**
Inventories	9,123	4,865	0	0	0	0	**13,988**
Receivables and other current assets	9,050	17,246	311	51	35	(214)	**26,479**
Current financial assets	789	186	1		478	0	**1,454**
Cash and cash equivalents	17,526	5,639	132	1	216	(20)	**23,494**
Assets held for sale	66	15	0		70	238	**389**
Total Assets	**80,031**	**38,643**	**1,294**	**406**	**7,564**	**(4,908)**	**123,030**
Equity	12,260	5,411	604	32	6,403	(4,739)	**19,971**
Provisions	15,624	4,540	124	4	5	(121)	**20,176**
Financial debt	26,772	20,217	129	130	1,120	(78)	**48,290**
Trade payables and other liabilities	25,375	8,475	437	240	36	(204)	**34,359**
Liabilities held for sale	0	0	0	0	0	234	**234**
Total Equity and Liabilities	**80,031**	**38,643**	**1,294**	**406**	**7,564**	**(4,908)**	**123,030**

38. Information by geographical area

The following table presents an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the segment assets and the investments in property, plant and equipment and intangible assets on the basis of the geographical location of the assets broken down according to the significance of the individual segments.

The Group's parent has its registered office in Italy. Revenues earned from external customers may be analyzed as follows:

€ million	2012	2011	Change
FIAT			
Italy	**7,097**	9,079	(1,982)
United States, Canada, Mexico	**45,166**	21,421	23,745
Brazil	**9,648**	9,654	(6)
Poland	**821**	928	(107)
France	**1,900**	2,145	(245)
Germany	**3,144**	3,127	17
Spain	**827**	998	(171)
UK	**1,418**	1,278	140
Turkey	**1,236**	1,357	(121)
China	**2,695**	1,553	1,142
Rest of the world	**9,329**	7,356	1,973
Total FIAT	**83,281**	58,896	**24,385**
FIAT Industrial			
Italy	**2,028**	2,433	(405)
United States	**5,904**	4,889	1,015
Brazil	**2,747**	2,905	(158)
France	**2,158**	2,166	(8)
Canada	**1,424**	1,144	280
Germany	**1,287**	1,285	2
Australia	**955**	825	130
UK	**754**	713	41
Argentina	**550**	538	12
Spain	**537**	661	(124)
Poland	**447**	377	70
Rest of the world	**6,734**	5,928	806
Total FIAT Industrial	**25,525**	23,864	**1,661**
C&W Group			
Italy	**18**	21	(3)
United States	**973**	874	99
Canada	**83**	68	15
Latin America	**99**	81	18
EMEA (excluding Italy)	**311**	291	20
Asia	**110**	97	13
Total C&W Group	**1,594**	1,432	**162**
Juventus F.C.			
Italy	**270**	167	103
Total Juventus F.C.	**270**	167	**103**
Holdings System			
Rest of the world	1		1
Total Holdings System	**1**		**1**
Total revenues	**110,671**	84,359	**26,312**

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group) located in Italy and in the Rest of the world total €56,203 million (€53,008 at December 31, 2011) and may be analyzed as follows:

€ million	12/31/2012	12/31/2011	Change
Fiat			
Italy	**9,572**	9,305	267
United States, Canada, Mexico	**26,733**	25,165	1,568
Brazil	**2,306**	2,463	(157)
Poland	**1,455**	1,511	(56)
France	**204**	322	(118)
Germany	**140**	170	(30)
China	**273**	272	1
Serbia	**985**	463	522
Other	**1,231**	977	254
Total Fiat	**42,899**	40,648	2,251
Fiat Industrial			
Italy	**2,029**	1,889	140
United States	**3,416**	3,291	125
Brazil	**506**	483	23
Canada	**356**	336	20
France	**776**	704	72
Germany	**562**	550	12
Spain	**577**	475	102
China	**316**	320	(4)
Other	**1,287**	1,198	89
Total Fiat Industrial	**9,825**	9,246	579
C&W Group			
United States	**353**	352	1
EMEA	**219**	228	(9)
Canada	**60**	60	0
Latin America	**28**	28	0
Asia	**57**	58	(1)
Total C&W Group	**717**	726	(9)
Juventus F.C.			
Italy	**333**	312	21
Total Juventus F.C.	**333**	312	21
Holdings System			
Italy	**145**	138	7
United States	**16**	34	(18)
Luxembourg	**133**	117	16
Europe	**2,094**	1,723	371
Rest of the World	**41**	64	(23)
Total Holdings System	**2,429**	2,076	353
Total Non-current assets	**56,203**	53,008	3,195

39. Information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates and interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interests. The Group is also exposed to the risk of changes in the price of certain commodities, of some investments in listed and unlisted equity securities and in investment funds.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 31).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following do not have any predictive value, in particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty, as well as concentration risks.

A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors: significant financial difficulties of the counterparty, the probability that the counterparty will be involved in an insolvency procedure or will default on its installment payments, the restructuring or renegotiation of open items with the counterparty, changes in the payment status of one or more debtors included in a specific risk category and other contractual breaches. The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of cars, commercial vehicles and agricultural and construction equipment, whose amount depends on the amount of the assets sold. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2012 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 36.

Fiat Group

Taken overall, the credit risk regarding the Fiat Group's trade receivables and receivables from financing activities is concentrated in the European Union and Latin America markets for Fiat excluding Chrysler and in the North American market for Chrysler.

Receivables for financing activities relating to the Fiat Group, amounting to €3,727 million at December 31, 2012 contain balances totaling €7 million (€5 million at December 31, 2011), which have been written down on an individual basis. Of the remainder, balances totaling €107 million are past due by up to one month (€70 million at December 31, 2011), while balances totaling €62 million are past due by more than one month (€62 million at December 31, 2011). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and Other receivables amounting to €4,478 million at December 31, 2012 contain balances totaling €39 million (€78 million at December 31, 2011) which have been written down on an individual basis. Of the remainder, balances totaling €216 million are past due by up to one month (€314 million at December 31, 2011), while balances totaling €307 million are past due by more than one month (€313 million at December 31, 2011).
Provided that Current securities and Cash and cash equivalents are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2012 which might lead to significant repayment risk for the Fiat Group.

Fiat Industrial Group

Receivables for financing activities relating to the Fiat Industrial Group, amounting to €15,237 million at December 31, 2012 (€13,946 million at December 31, 2011) include balances totaling €54 million (€54 million at December 31, 2011) that have been written down on an individual basis. Of the remainder, balances totaling €355 million (€320 million at December 31, 2011) are past due by up to one month, while balances totaling €566 million are past due by more than one month (€510 million at December 31, 2011). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.
Trade receivables and Other receivables totaling €2,406 million at December 31, 2012 (€2,464 million at December 31, 2011) include balances totaling €58 million (€56 million at December 31, 2011) that have been written down on an individual basis. Of the remainder, balances totaling €168 million (€145 million at December 31, 2011) are past due by up to one month, while balances totaling €126 million (€151 million at December 31, 2011) are past due by more than one month.

C&W Group

C&W Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of Group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of the financial assets recorded in cash and cash equivalents for $84.2 million (€64 million) and commissions receivable for $372.2 million (€282 million); at December 31, 2011 the carrying amount of financial assets recorded in cash and cash equivalents was $170.4 million (€132 million) and the carrying amount of commissions receivable was $331.4 million (€256 million).
Commissions receivable are presented net of the allowance for impairment losses which, at December 31, 2012, amounts to $12 million, or €9 million ($12 million at December 31, 2011, or €10 million).

At December 31, 2012, C&W Group has receivables past due and not subject to individual writedown for $372 million (€282 million). Receivables past due less than one month amount to $225 million (€171 million), and receivables past due more than one month total $147 million (€111 million).
At December 31, 2011, receivables past due and not subject to individual writedown were $332 million (€257 million). Receivables past due less than one month amounted to $250 million (€193 million) and receivables past due more than one month totaled $82 million (€63 million).

Juventus Football Club

Juventus Football Club does not have a significant concentration of credit risk and has adopted suitable procedures to minimize its exposure to such risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by *Lega Nazionale Professionisti Serie A*; receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs; fees receivable under contracts for television rights are indirectly secured by *Lega Nazionale Professionisti Serie A* through a minimum guarantee agreement with the advisor Infront Italy S.r.l.
At December 31, 2012, Juventus Football Club has receivables past due and not subject to individual writedown for €9 million. Receivables past due one month amount to €8 million, receivables past due less than one month amount to €1 million.
At December 31, 2011, Juventus Football Club did not have receivables past due and subject to individual writedown.

Holdings System

EXOR S.p.A.'s maximum theoretical exposure to credit risk at December 31, 2012 is represented by the carrying amount of the financial assets recorded in the financial statements. The Company seeks to mitigate such risk by investing a good part of its available cash in primary corporate and bank securities issued by leading counterparts selected according to their creditworthiness.

At December 31, 2012 and December 31, 2011, there were no financial assets past due and not written down and provisions for doubtful accounts.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets, necessitate giving special attention to the management of liquidity risk. In that sense measures taken to generate funds through operations and to maintain a conservative level of available liquidity are an important factor for ensuring operational flexibility and addressing strategic challenges over the next few years.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal.

Details as to the repayment structure of the Group's financial assets and liabilities are provided in Note 21 – Receivable from financing activities and in Note 33 - Debt. Details of the repayment structure of derivative financial instruments are provided in Note 27.

Fiat Group

The operating cash flows, main funding operations and liquidity of the Fiat Group excluding Chrysler are centrally managed in the Fiat Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds on the financial markets by means which may assume different technical forms.

Chrysler manages the cash generated by its operations and coverage of its funding requirements independently. In this respect Fiat has pledged no guarantee, commitment or similar obligation in relation to any of Chrysler's financing obligations, nor has it assumed any kind of obligation or commitment to fund Chrysler in the future.

The Fiat Group believes that the funds currently available to the treasuries of Fiat and Chrysler, in addition to those that will be generated from operating and financing activities, will enable the Fiat Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

Fiat Industrial Group

The Fiat Industrial Group believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the Fiat Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

C&W Group

In order to support the maximum cash flow demands that peak early in the second quarter of the year and acquisition financing, C&W Group uses a five-year $350 million Senior Secured Revolving Credit Facility and a five-year $150 million Senior Secured Term Loan.

Holdings System

EXOR S.p.A. and the companies that form the Holdings System finance outflows of cash from current operations with incoming flows from ordinary business activities and cash resources.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR operates so that it has irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Financial market risks

Currency risk, interest rate risk, price risk of commodities, shares and investment funds

As a multinational group that has operations throughout the world, the Group is exposed to various financial market risks such as the risk from fluctuations in foreign currency exchange and interest rates. In addition, the Group is exposed to market risks in terms of the commodity price associated with business operations. The Group is exposed to the risk of a change in the price of certain shares and investment funds.

The Group's exposure to currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit (loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to finance market risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly currency swaps, and interest rate swaps and combined interest rate and currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
- the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Exposure to changes in the price of commodities is generally hedged by using commodity swaps.

Counterparties to these agreements are major and diverse financial institutions.

Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 27.

The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in Cumulative translation adjustment reserve, in Other comprehensive income (see Note 30).

Fiat Group

Currency risk

The Fiat Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- where a Fiat Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the Trading profit (loss) of that company. In 2012, the total trade flows exposed to currency risk amounted to the equivalent of approximately 10% of the Group's turnover.
- The principal exchange rates to which the Fiat Group is exposed are the following:
    - USD/CAD, relating to sales in Canadian Dollars made by Chrysler in Canada;
    - EUR/USD, relating to sales in US Dollars made by Italian companies (in particular, companies belonging to the Performance and Luxury Brands operating segment) and to sales in Euro made by Chrysler;
    - GBP, AUD, MXN, CHF, CNY, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Chinese, Argentinian and Venezuelan markets;
    - PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
    - USD/BRL, EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows.

    Taken overall trade flows exposed to changes in these exchange rates in 2012 made up approximately 85% of the exposure to currency risk from trade transactions.
- It is the Fiat Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Fiat Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from the functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Fiat Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the Fiat Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.
- The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euro which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in Cumulative translation adjustment reserve, in Other comprehensive income.

The Fiat Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2012 in the nature or structure of exposure to currency risk or in the Fiat Group's hedging policies.

Sensitivity analysis - currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at December 31, 2012 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €690 million (€625 million at December 31, 2011).

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the Fiat Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, Fiat Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Fiat Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt. Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the Trading profit (loss) of those companies and the Fiat Group as a whole.

In order to manage these risks, the Fiat Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit (loss).

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Fiat Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis - interest rate risk

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2012, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €100 million (€140 million at December 31, 2011). The change over the previous year is mainly attributable to interest rate levels used as the basis for sensitivity analysis.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2012, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused an increase in net expenses before taxes, on an annual basis, of approximately €10 million (approximately €10 million at December 31, 2011).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Commodity price risk

The Fiat Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials used in its normal operations.

Sensitivity analysis - commodity price risk

In connection with the commodity price derivative contracts outstanding at December 31, 2012, a hypothetical, unfavorable and instantaneous change of 10% in the price of the commodities at that date would have caused a fair value loss of approximately €51 million (approximately €58 million at December 31, 2011).

Other risks of derivative financial instruments

The Fiat Group holds derivative financial instruments, whose value is linked to the price of listed shares (equity swaps on Fiat S.p.A. and Fiat Industrial S.p.A. shares). Although these transactions were entered into for hedging purposes, they do not qualify for hedge accounting under IFRS. As a consequence, the variability of the underlying values could have an effect on the Fiat Group's net profit (loss).

Sensitivity analysis - other risks on derivative instruments

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying values, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2012 linked to the Fiat and Fiat Industrial share price would have been approximately €20 million (€17 million at December 31, 2011). The change over the previous year is due to the different price of the share at the end of the year (which is used as a basis for the simulation).

Fiat Industrial Group

Currency risk

The Fiat Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where Fiat Industrial Group incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the trading profit/(loss) of that company. In 2012, the total trade flows exposed to currency risk amounted to the equivalent of 18% of the Fiat Industrial Group's turnover (18% in 2011). The principal exchange rates to which the Fiat Industrial Group is exposed are the following:
  - EUR/USD, in relation to the production/purchases of CNH in the Euro area and to sales in dollars made by Iveco;
  - EUR/GBP, predominately in relation to sales made by Iveco on the UK market and purchases made by CNH in the Euro area;
  - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
  - USD/AUD, mainly in relation to sales made by CNH in Australia;
  - USD/GBP, in relation to the production/purchases of CNH in the UK.

  Taken overall trade flows exposed to changes in these exchange rates in 2012 made up approximately 70% of the exposure to currency risk from trade transactions.
- It is the Fiat Industrial Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Fiat Industrial Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Fiat Industrial Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the Fiat Industrial Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the Fiat Industrial Group's reference currency is the Euro, the income statements of those countries are converted into Euro using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.
- The assets and liabilities of consolidated companies whose functional currency is different from the Euro may acquire converted values in Euro which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the Cumulative translation adjustments reserve, in Other comprehensive income.

The Fiat Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There were no substantial changes in 2012 in the nature or structure of exposure to currency risk or in the Fiat Industrial Group's hedging policies.

Sensitivity analysis - currency risk

The potential loss in fair value of derivative financial instruments held by the Fiat Industrial Group for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) at December 31, 2012 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro, amounts to approximately €184 million (€175 million at December 31, 2011). Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the Fiat Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, the Fiat Industrial Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost and return of the various forms of financing, including the sale of receivables, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Fiat Industrial Group.

The financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the Trading profit (loss) of those companies and Fiat Industrial Group as a whole.

In order to manage these risks, the Fiat Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit (loss).

Sensitivity analysis - interest rate risk

In assessing the potential impact of changes in interest rates, the Fiat industrial Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the Fiat Industrial Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2012 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €7 million (approximately €9 million at December 31, 2011). The reduced effect compared with 2011 is due to a decrease in the reference rates taken for the analysis.

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2012, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused an increase in net expenses before taxes, on an annual basis, of approximately €1 million (approximately €4 million at December 31, 2011). The decrease over 2011 reflects the lower level of interest rates used in the analysis.

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Commodity price risk

The Fiat Industrial Group has entered into derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis - commodity price risk

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2012 linked to commodity prices would have been not significant (€2 million at December 31, 2011).

Holdings System

Currency risk

A part of EXOR S.p.A.'s available-for-sale assets (€24 million), assets held for trading (€56 million) and cash (€0.2 million) at December 31, 2012 are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.

The currency risk to which EXOR S.p.A. is exposed regards non-convertible bonds in Japanese yen issued in 2011 for yen 10 billion. The bonds carry a fixed rate in yen of 2.80% and have a term of 20 years.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, a cross currency swap was put in place by EXOR with a leading credit institution as a result of which the Company will pay a fixed rate of 6.012% on the face amount of the bonds in euro (about €83 million) for the entire term of the bonds.

The currency risk to which the subsidiary EXOR S.A. is exposed refers to bonds in U.S. dollars issued by Perfect Vision Ltd. and the embedded derivative instrument which, at December 31, 2012, are presented in non-current assets held for sale (measured according to the criteria established by the sales agreement signed on December 23, 2012 and subsequently integrated in the early months of 2013), as well as cash and other assets, held mainly in U.S. dollars.

Sensitivity analysis - currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit (loss) of €18 million (of which €17 million on financial assets and 1 million on financial liabilities) and on equity of €9 million; whereas an unfavorable change of 10% would have a positive effect on profit (loss) of €22 million (of which €21 million on financial assets and €1 million on financial liabilities) and on equity of €13 million.

The effect of a change in exchange rates on equity is mainly attributable to the bonds in yen issued by EXOR S.p.A.: a favorable 10% change in the yen exchange rate against the Euro would have a negative effect on equity of €8 million and an unfavorable 10% change would have a positive effect of €10 million.

Interest rate risk

At December 31, 2012, EXOR S.p.A. has interest swap contracts in place for a nominal amount of €200 million and a basis swap contract for a nominal value of €50 million to manage the risk arising from fluctuations in interest rates on bank debt and bonds in yen.

EXOR S.p.A. has assessed and managed its exposure to fluctuations in interest rates consistently with its management policies and used derivative financial instruments to fix a part of the loans obtained at a set interest rate.

Sensitivity analysis - Interest rate risk

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balances sheet date.

A hypothetical 10% change in interest rates would have an effect on equity of €0.7 million and on profit (loss) of €0.2 million.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments, investment funds and financial assets held for trading.

Sensitivity analysis - price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments and other investments and assets held for trading had been 5% higher/lower, the fair value reserve recorded in equity would have been €134 million higher/lower and the amount of fair value recognized in profit or loss on securities held for trading would have been €12 million higher/lower.

Details are as follows:

€ million	2012			
	Change in price + 5%		Change in price - 5%	
Nature of activity	Effect on profit (loss)	Effect on equity	Effect on profit (loss)	Effect on equity
SGS S.A.		98		(98)
Gruppo Banca Leonardo S.p.A.		4		(4)
Available-for-sale other investments		10		(10)
Investment funds		22		(22)
Equity securities held for trading				
Bonds held for trading	12		(12)	
	12	**134**	**(12)**	**(134)**

C&W Group

Currency risk

C&W Group assesses the general foreign currency risk as low because the Group entities predominantly execute their operating activities in their respective functional currencies.

To mitigate its foreign currency exposures primarily arising from intercompany transactions the Group in 2012 utilized foreign exchange forward contacts on the major currencies to which it is exposed. As of December 31, 2012, the approximate U.S. dollar amount was $189 million (€143 million) with a net liability fair value of less than $0.1 million. As of December 31, 2011, the approximate U.S. dollar notional amount was $145 million (€112 million) with a fair value liability of a net $1.4 million (approximately €1 million).

The currency risk relating to debt is limited to the quota of the Senior Secured Revolving Credit Facility principally: in $AUD for $15 million, in $CAD for $7 million, in EUR for $11 million and in $HKD for $5 million. As of December 31, 2011, the currency risk was in $AUD for $11 million and in $CAD for $9 million.

As of December 31, 2012, C&W Group believes that the legal entities exposed to such risk will generate sufficient cash flows in the future to repay their own debts and decided that there is no true exposure to hedge changes in foreign currency as it relates to these liabilities.

Sensitivity analysis - currency risk

A 10% strengthening of the U.S. dollar against the relevant foreign currencies at December 31, 2012 would have increased net income by $137 thousand (€107 thousand) and equity by approximately $4 million (€2.8 million).

Interest rate risk

C&W Group is exposed to interest rate risk associated with the $350 million Senior Secured Revolving Credit Facility. C&W Group monitors market conditions and has reviewed possible strategies, such as interest rate swaps and caps, to mitigate this variability. In August 2011, C&W Group entered into an interest rate cap and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%.

Sensitivity analysis - interest rate risk

For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.

An increase or decrease of 100 basis points in interest rates, assuming that all other variables remain constant, would have decreased net income by $2 million (€1.6 million) or increased net income by $0.7 million (€0.6 million).

Juventus Football Club

Interest rate risk

To hedge against the risk of fluctuations in interest rates, Juventus Football Club has adopted a specific policy and undertaken hedging transactions on the medium-long term loan by purchasing derivative financial instruments. At December 31, 2012, Juventus Football Club holds an interest rate swap put in place on April 11, 2011 to hedge the interest on a lease with Unicredit Leasing; the negative change in fair value is €0.1 million.

Sensitivity analysis - interest rate risk

A hypothetical change in the interest rates of 10% would have an effect of €0.5 million on the profit (loss).

40. Fair value measurement by hierarchy level

IFRS 7 requires financial instruments recognized in the statement of financial position at fair value to be classified on the basis of a hierarchy that reflects the significance of the inputs used in determining fair value. The following levels are used in this hierarchy:

- Level 1 – quoted prices in active markets for the assets or liabilities being measured;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) on the market;
- Level 3 – inputs that are not based on observable market data.

The following table provides an analysis under this hierarchy of the financial instruments measured at fair value at December 31, 2012.

€ million	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	16	2,074	16	159	**2,249**
Non-current securities	16	48		447	**495**
Current securities	20	87			**87**
Financial assets at fair value held-for-trading:					
Current investments	20	32			**32**
Current securities	20	236		169	**405**
Other financial assets	21		614	9	**623**
Securities readily converted into cash (due within 3 months) measured at fair value	22	5			**5**
Total Assets at 12/31/2012		**2,482**	**630**	**784**	**3,896**
Other financial liabilities	21		(340)	(2)	**(342)**
Total Liabilities at 12/31/2012			**(340)**	**(2)**	**(342)**

In 2012, there were no transfers from Level 1 to Level 2 or vice versa.

The following table presents the changes in Level 3 in 2012:

		Gains (losses) recognized			
€ million	Balance at 12/31/2011	through profit or loss	in equity	Increase (decrease)	Balance at 12/31/2012
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	200		5	(46)	**159**
Non-current securities	102		32	313	**447**
Financial assets at fair value held for trading:					
Current investments	186	13		(30)	**169**
Other financial assets	1			8	**9**
Total Assets	489	13	37	245	**784**
Other financial liabilities	(28)	(28)	40	14	**(2)**
Total Liabilities	**461**	**(15)**	**77**	**259**	**782**

In 2012, there were transfers from Level 3 to Level 1 for approximately €22 million.

41. Related party transactions

The Group carries out transactions with unconsolidated subsidiaries, jointly controlled entities, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24, the related parties of the EXOR Group are entities and individuals capable of exercising control, joint control or significant influence over the EXOR Group and its subsidiaries, companies belonging to the Giovanni Agnelli Group, and unconsolidated subsidiaries, associates or joint ventures of the Fiat Group, the Fiat Industrial Group, C&W Group, the Alpitour Group, the Almacantar Group, the Sequana Group and Juventus. In addition, members of the EXOR Group board of directors, board of statutory auditors and key executives with strategic responsibilities of the EXOR Group and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, jointly controlled entities, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

The most significant financial transactions with related parties generated receivables from financing activities of the Fiat Group's financial services companies due from jointly controlled entities and asset-backed financing relating to amounts due to FGA Capital for the sale of receivables which do not qualify for derecognition under IAS 39.

In accordance with IAS 24, transactions with related parties also include compensation payable to directors, statutory auditors and key executives.

The effects of transactions with related parties recognized in the 2012 and 2011 consolidated income statements are as follows:

€ million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
2012				
Total jointly controlled entities	2,775	3,616	27	(32)
Total associates	266	181	8	1
Total other related parties	1	23	37	0
Total unconsolidated subsidiaries	36	100	30	4
Total of which related parties	**3,078**	**3,920**	**102**	**(27)**
Total of item in financial statements	**110,671**	**93,093**	**9,102**	**(2,156)**
Effect on total (%)	**2.8%**	**4.2%**	**1.1%**	
2011				
Total jointly controlled entities	2,844	3,553	33	(38)
Total associates	548	526	11	(11)
Total other related parties	0	10	32	0
Total unconsolidated subsidiaries	47	72	23	2
Total of which related parties	**3,439**	**4,161**	**99**	**(47)**
Total of item in financial statements	**84,359**	**71,096**	**7,259**	**(1,877)**
Effect on total (%)	**4.1%**	**5.9%**	**1.4%**	

The main details transactions are the following:

Fiat Group

	2012				**2011**			
€ million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
Tofas - Turk Otomobil Fabrikasi A.S.	1,115	1,227	4		1,257	1,289	10	
Società Europea Veicoli Leggeri-Sevel S.p.A.	470	1,526			465	1,603		
FGA Capital Group	200	82	12	(28)	207	80	14	(34)
Fiat India Automobiles Limited	38		1		42	14		
GAC Fiat Automobiles Co Ltd	147				42	3		
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	24	218			32	265		
VM Motori Group		215				115		
Other	9	4	0		4	4		
Total jointly controlled entities	**2,003**	**3,272**	**17**	**(28)**	**2,049**	**3,373**	**24**	**(34)**
Chrysler Group (a)					165	310		
To-dis S.r.l.	48	2			51	3		
Arab American Vehicles Company S.A.E.	24							
Other	6	1	7		2	0	10	
Total associates	**78**	**3**	**7**	**0**	**218**	**313**	**10**	**0**
Total other related parties		**16**	**17**		**0**	**6**	**18**	**0**
Total unconsolidated subsidiaries	**36**	**99**	**27**	**3**	**38**	**71**	**21**	**2**
Total of which related parties	**2,117**	**3,390**	**68**	**(25)**	**2,305**	**3,763**	**73**	**(32)**

(a) The revenues and cost of sales relating to the Chrysler group in 2011 refer to the first five months.

	2012		2011	
€ million	Net revenues	Cost of sales	Net revenues	Cost of sales
Iveco Oto Melara Società Consortile	92		136	
CNH de Mexico de CV	76	71	58	
Turk Traktor Ve Ziraat Makineleri A.S.	68	263	43	153
New Holland HFT Japan Inc.	52		38	
SAIC IVECO Commercial Vehicle Investment Company Limited	27		44	
Società Europea Veicoli Leggeri-Sevel S.p.A.	375		401	
Other	81	10	75	27
Total jointly controlled entities	**771**	**344**	**795**	**180**
IVECO-AMT Ltd	115		68	
Kobelco Construction Machinery Co. Ltd.	60	174	48	164
Truck & Bus Company	12		12	
Iveco Capital Limited			202	45
Other		4	0	4
Total associates	**187**	**178**	**330**	**213**
Total other related parties	**0**	**6**	**0**	**4**
Total unconsolidated subsidiaries	**0**	**1**	**9**	**1**
Total of which related parties	**958**	**529**	**1,134**	**398**

The principal effects of transactions with related parties on the consolidated statement of financial position at December 31, 2012 and at December 31, 2011 are as follows:

€ million	Trade receivables	Trade payables	Other current assets	Other liabilities	Current receivables from financing activities	Asset-backed financing	Other debt
at December 31, 2012							
Total jointly controlled entities	302	1,017	18	115	127	56	103
Total associates	78	13	1	27	0	0	42
Total other related parties	0	12	1	0	-	-	-
Total unconsolidated subsidiaries	28	18	4	1	66	0	24
Total of which related parties	**408**	**1,060**	**24**	**143**	**193**	**56**	**169**
Total of item in financial statements	**4,303**	**21,423**	**3,368**	**10,771**	**18,938**	**10,149**	**39,929**
Effect on total (%)	**9.5%**	**4.9%**	**0.7%**	**1.3%**	**1.0%**	**0.6%**	**0.4%**
at December 31, 2011							
Total jointly controlled entities	306	1,138	34	111	114	92	123
Total associates	93	49	1	24	2	0	52
Total other related parties	0	5	0	1			
Total unconsolidated subsidiaries	40	18	8	3	38	0	40
Total of which related parties	**439**	**1,210**	**43**	**139**	**154**	**92**	**215**
Total of item in financial statements	**4,321**	**21,514**	**3,196**	**10,380**	**17,861**	**10,177**	**38,113**
Effect on Total (%)	**10.2%**	**5.6%**	**1.3%**	**1.3%**	**0.9%**	**0.9%**	**0.6%**

The main details are the following:

Fiat Group

€million	Trade receivables	Trade payables	Other current assets	Other liabilities	Current receivables from financing activities	Asset-backed financing	Other debt
At December 31, 2012							
Tofas - Turk Otomobil Fabrikasi A.S.	32	257		2			
Società Europea Veicoli Leggeri-Sevel S.p.A.	23	396	3	5	24		4
FGA Capital Group	64	147	12	85	88	56	96
Fiat India Automobiles Limited	96	5	2				
GAC Fiat Automobiles Co Ltd	23	4					
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	1	55					
VM Motori Group		20					
Other	7	17	1		5		0
Total jointly controlled entities	**246**	**901**	**18**	**92**	**117**	**56**	**100**
Arab American Vehicles Company S.A.E.	11	3					
Global Engine Alliance LLC					0	0	4
Other	29	4		27			
Total associates	**40**	**7**	**0**	**27**	**0**	**0**	**4**
Total other related parties	**0**	**10**		**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**24**	**15**	**4**	**1**	**66**		**20**
Total of which related parties	**310**	**933**	**22**	**120**	**183**	**56**	**124**
At December 31, 2011							
Tofas - Turk Otomobil Fabrikasi A.S.	26	262					
Società Europea Veicoli Leggeri-Sevel S.p.A.	44	615	12	10	45		
FGA Capital Group	63	104	19	80	32	92	118
Fiat India Automobiles Limited	102	6	2				
GAC Fiat Automobiles Co Ltd	18	3					
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme	1	35					
VM Motori Group	0	34					
Other	4	2	1		37		
Total jointly controlled entities	**258**	**1,061**	**34**	**90**	**114**	**92**	**118**
Arab American Vehicles Company S.A.E.	10	5					
Global Engine Alliance LLC					2		4
Other	10	6		24			
Total associates	**20**	**11**	**0**	**24**	**2**	**0**	**4**
Total other related parties	**0**	**4**	**0**	**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**36**	**13**	**8**	**3**	**38**		**40**
Total of which related parties	**314**	**1,089**	**42**	**117**	**154**	**92**	**162**

Fiat Industrial Group

	December 31, 2012		**December 31, 2011**	
€ million	Trade receivables	Trade payables	Trade receivables	Trade payables
Iveco Oto Melara Società Consortile	23		21	
Turk Traktor Ve Ziraat Makineleri A.S.		55		63
Other	32	60	27	14
Total jointly controlled entities	**55**	**115**	**48**	**77**
Total associates	**38**	**6**	**73**	**38**
Total other related parties	**0**	**2**		**1**
Total unconsolidated subsidiaries	**4**	**3**	**4**	**5**
Total of which related parties	**97**	**126**	**125**	**121**

Holdings System

Other debt due to associates amounting to €38 million at December 31, 2012 (€48 million at December 31, 2011) refers to the amount payable to Almacantar S.A. for the share of capital increases already subscribed by EXOR S.A. but not yet paid at December 31, 2012.

Commitments and guarantees with related parties of the Fiat Group

Other guarantees pledged in favor of related parties at December 31, 2012 and December 31, 2011 are as follows:

€ million	**At 12/31/2012**	At 12/31/2011
Total jointly controlled entities	**5**	8
Total other related parties and the Fiat Industrial Group	**7**	10
Total unconsolidated subsidiaries	**13**	12
Total of which related parties	**25**	**30**

Commitments and guarantees with related parties of the Fiat Industrial Group

At December 31, 2012 the Fiat Industrial Group had pledged guarantees on commitments of the jointly controlled entity Iveco - Oto Melara Società consortile for an amount of €215 million (€213 million at December 31, 2011).

Compensation to directors, statutory auditors and key executives of EXOR

In 2012, compensation to the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	**EXOR S.p.A.**	**Subsidiaries**	**Total**
Directors	4,279	32,903	**37,182**
Statutory Auditors	145	269	**414**
Total 2012	4,424	33,172	**37,596**
Total 2011	6,997	28,738	**35,735**

This amount includes the nominal compensation cost arising from the stock grants and stock options granted to the directors.

There are no key executives in EXOR S.p.A.

42. Explanatory notes to the Statement of Cash Flows

The Statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – Statement of Cash Flows, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item Translation exchange differences.
Cash flows from (used in) operating activities mostly derive from the Group's industrial activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in Profit (loss) for the year, are included under operating activities in a single line item which includes changes in working capital arising from these transactions, capital expenditures, depreciation and amortization and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, amortization, impairment losses and changes in inventories.

In 2012, Other non-cash items (positive for €214 million) mainly include the reversal of impairment losses on fixed assets and of the share of the profit or loss of investees accounted for using the equity method.

In 2011, Other non-cash items (a negative balance of €781 million) included the reversal of the following non-cash items:

- unusual income totaling €2,017 million arising from remeasurement of the 30% interest previously held in Chrysler and Fiat's right to receive an additional 5% on the occurrence of the final Performance Event, which took place in the early days of 2012;
- impairment losses on property, plant and equipment and other intangible assets amounting to €800 million;
- the unusual expenses of €220 million arising on the revaluation of the inventories of Chrysler on initial consolidation as the consequence of measuring the identifiable assets acquired and identifiable liabilities assumed at fair value, recognized in profit or loss for the period;
- the other unusual income of about €69 million resulting from changes in Other post-employment benefits in Chrysler in North America.

Cash flows for income tax payments net of refunds amount to €1,031 million in 2012 (€858 million in 2011).

Interest of €2,619 million was paid and interest of €1,435 million was received in 2012 (interest of €2,456 million was paid in 2011 and interest of €1,414 million was received in 2011).

Finally, following occurrence of the Ecological Event, the rights associated with Fiat's Class B Membership Interests increased from 30% to 35% in January 2012 without the payment of cash; this transaction was therefore not included in the Statement of cash flows for 2012.

The purchases of Fiat S.p.A. and Fiat Industrial S.p.A. shares in 2012 by EXOR S.p.A., respectively, for €31 million and €16 million, were reported in "(Purchase) sale of ownership interest in subsidiaries".

43. Information required under art. 149-duodecies of Consob's "Regulation for Issuers"

The following table, prepared in accordance with Article 149-*duodecies* of Consob's "Regulation for Issuers" by, reports fees related to 2012 for audit and other services provided by the independent auditors and members of their network.

€ thousand	Service Provider	Entity		2012 fees
Audit	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		58
	Reconta Ernst & Young S.p.A.	Subsidiaries	(1)	7,319
	Reconta Ernst & Young Network	Subsidiaries		12,030
Attestation	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	(2)	30
	Reconta Ernst & Young S.p.A.	Subsidiaries	(3)	1,074
	Reconta Ernst & Young Network	Subsidiaries	(2)	172
Other services	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		-
	Reconta Ernst & Young S.p.A.	Subsidiaries		195
	Reconta Ernst & Young Network	Subsidiaries	(4)	3,393
Total Reconta Ernst & Young S.p.A. and network				**24,271**
Audit	Deloitte & Touche	Subsidiaries	(5)	8,230

1) Includes fees for €3,053 thousand for the ISA 600 audit procedures on the Chrysler Group LLC reporting package consolidated into Fiat S.p.A.
2) Fees mainly for the issuance of Comfort Letters connected with bond issues.
3) Attestation related to the review of Internal Control over Financial Reporting.
4) Review of some aspects of the internal control system and Tax related activities.
5) Audit of 2012 Chrysler Group consolidated financial statements.

44. Non-recurring transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any significant non-recurring operations in 2012.

45. Transactions resulting from unusual and/or abnormal operations

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any unusual and/or abnormal operations in 2012 as defined in that Communication (for the definition of these see the Section – Format of the financial statements).

46. Subsequent events

Reference should be made to the Report on Operations 2012.

47. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2012 were approved on April 16, 2013 by the board of directors, which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 16, 2013

On behalf of the Board of Directors
The Chairman and Chief Executive Officer
John Elkann

Attestation of the Consolidated Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, manager responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at December 31, 2012.

We also attest that:

- the consolidated financial statements at December 31, 2012:
    - have been prepared in accordance with applicable International Financial Reporting Standards, as endorsed by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council of July 19, 2002;
    - correspond to the amounts shown in the Company's accounts, books and records;
    - provide a true and fair view of the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries;

- the Report on Operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Turin, April 16, 2013

The Chairman and Chief Executive Officer
John Elkann

Manager responsible for the preparation
of the Company's financial reports
Enrico Vellano

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
Corso Vittorio Emanuele II, 83
10128 Torino

Tel. (+39) 011 5161611
Fax (+39) 011 5612554
www.ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1 We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries, (the "EXOR Group") as of 31 December 2012 and for the year then ended, comprising the conssoliated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the consolidated financial statements of the prior year which are presented for comparative purposes, reference should be made to the report issued by another auditor dated 16 April 2012

3 In our opinion, the consolidated financial statements of the EXOR Group at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the EXOR Group for the year then ended.

4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governace" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1 letters c), d), f), l), m) and paragraph 2 letter b) in the Report on Corporate Governance, as required by law For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1 letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the consolidated financial statements of the EXOR Group at 31 December 2012.

Turin, 17 April 2013

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, Partner

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U.
Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING ON THE ACTIVITIES CARRIED OUT DURING THE YEAR 2012

Shareholders,

Having been appointed at the meeting of shareholders held on May 29, 2012, we summarize the contents and results of our activities carried out during 2012, after first recalling the transactions of major economic and financial significance entered into, also by EXOR S.A., duly described in the directors' report on operations; these include the subscription to the Juventus capital increase, the increase in the investments in Fiat and Fiat Industrial, the sale of Alpitour and the related purchase of the Arenella real estate property, the investment in The Black Ant Value Fund, the partial subscription to the capital increase by Sequana and the dissolution of the related shareholders agreement and the issue of two non-convertible bonds.

As part of our activities we have:

- attended meetings of the Board, in the course of which the directors informed us of the company's activities and operations on which we obtained information as to their compliance with the law, the company's by-laws and the shareholder resolutions and as to the steps taken to identify conflicts of interests and to avoid the consequent critical situations;
- confirmed, in the aspects for which we have competence, the suitability of the organizational structure and internal control system in relation to the company's dimensions, activities and management of identified risks;
- obtained information about the observance of the principles of diligent and correct management and confirmed, in the context of financial reporting, the capacity to present correctly the company's operations, through meetings with the manager responsible for the financial reports who together with the Chairman and Chief Executive Officer made the attestation under art. 154-*bis* paragraph 5 of Legislative Decree 58/1998, and also meetings with the heads of certain functions including with the person responsible for the system of internal control and subsequently with the Head of Internal Audit who took over this responsibility and with the supervisory body responsible for overseeing the organizational model pursuant to Legislative Decree 231/2001 of which body the Chairman of the Board of Statutory Auditors is a member;
- found the system of internal control to be effective, also taking note of the favorable outcome of the assessments made by the competent committee, by the Supervisory Body and by the independent auditors;
- reviewed the application of the valuation criteria used by the Board in reaching a positive conclusion as to the independence of the directors who qualify themselves as such as well as the self-assessment process applied to the question of the adequacy of the composition and operation of the Board with regard to the company's requirements for professional expertise and diversity of expertise;
- made the assessments necessary to conclude that the independence requirements have been met for each of the statutory auditors;
- overseen the application of the CONSOB regulations on related party transactions and the consequent corporate procedure which is available for consultation on the company's website www.exor.com; only active in this regard was the compensation and nominating committee, which has competence for the directors' additional compensation, considered of minor significance, whereas the other matters are within the competence of the internal control and risk committee;
- held, also pursuant to art. 19 of Legislative Decree 39/2010, periodic meetings with Reconta Ernst & Young, for the purposes of following the execution of the plan of audit activities and the performance of these activities, of monitoring the auditors' independence of which we obtained confirmation again on April 15, 2013 and about which we have no reservations and of effecting the exchange of information on our respective activities and of making use of the related findings;
- met on March 1, 2013 the members of the Board of Statutory Auditors of the subsidiary Fiat Industrial.

In accordance with the requirements of the CONSOB Communication of April 6, 2001 we also report under the following headings.

Transactions having a significant economic and financial impact
The directors have given a summary of the characteristics of the more significant transactions carried out.
Similarly, they have reported and commented on the existence of transactions with group companies and with related parties, indicating that such transactions were carried out, after determining the reciprocal economic benefits, applying the norms and conditions considered normal for the respective markets, bearing in mind the nature of the goods and services concerned.

Atypical or unusual transactions and adequacy of related disclosure by directors
The Board of Statutory Auditors has not identified any significant transactions with related parties, with third parties or with group companies which are atypical or unusual by virtue of their content, nature, scale or timing.

Emphasis paragraphs included in the report of the independent auditors
Reconta Ernst & Yong has not formulated any emphasis paragraphs.

Complaints pursuant to art. 2408 of the Italian Civil Code
With reference to the May 29, 2012 shareholders' meeting, the shareholder Bava, referring to art. 2048 of the Italian Civil Code, has made the following complaints: failure to attach to the minutes of the meeting the requests submitted prior to the meeting - and the responses - being a violation of the norms on participation at meetings of shareholders and the equality of rights of citizens and shareholders; unlawful admission of non-shareholder third parties to the meeting and allowing them to submit questions.
We have undertaken some activity on this matter and find that we are not in agreement with the complaints; indeed: while also observing that the first alleged item was not at that time the subject of regulation, we point out that the president communicated the receipt of a multiplicity of questions from two shareholders and stated that copies of the same and of the responses were at the disposition of interested parties; we consider the contested participation at the meeting - to which those present consented and which for some time has been an established practice for listed companies - did not damage the interests of any party.

Matters for investigation
We have not received indications of matters for investigation either directly or through the company

Engagements assigned to the independent auditors and related costs
The activities assigned to Reconta Ernst & Young and the related fees have been disclosed by the directors in an appendix to the annual financial report and were confirmed by the auditors to us in a note dated April 15, 2013

> "(…) (a) the audit of the separate and the consolidated financial statements at December 31, 2012 and verification during the course of the year of proper accounting procedures and accurate recording of transactions in the accounting records for €51 thousand;
> (b) limited audit of the condensed half-year financial statements at June 30, 2012 of EXOR Group for €7 thousand;
> (c) attestation services relating to the comfort letter on the issue of bonds for, in total, €30 thousand.(…)."

Engagements assigned to parties related to the independent auditors
In the same note the auditors also indicated:

> "(…) We also confirm that no other separate activity has been undertaken and that no fees have been billed to EXOR S.p.A. by other firms in the Ernst & Young network. (…)"

Opinions issued by the Board of Statutory Auditors
We expressed opinions both on the compensation and on the additional compensation for directors holding specific assignments and attributes and on the compensation to the supervisory body, on the issue of non-convertible bonds and on the professional requirements for confirmation of the manager responsible for the company's financial reports and for the nomination of the head of internal audit whose duties are performed with external methodological and operational support.

Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors
The directors have held seven Board meetings and the Board of Statutory Auditors nine meetings of which five prior to our nomination, the Internal Control and Risk Committee five sessions – to which, in relation to the provisions of Legislative Decree 39/2010, we have always attended, as did the preceding statutory auditors - the Compensation and Nomination Committee two sessions and the Strategy Committee two sessions.

Principles of correct management
We confirm that we have not identified transactions which do not comply with the company's corporate business purpose, are in conflict of interests or are such as to compromise the financial integrity of the company or anyhow are manifestly imprudent or reckless.

Organizational structure
We confirm our view that the organizational structure is adequate to the circumstances in the areas within our competence.

System of internal control
We recall the substantial reliability of the system of internal control, also considering the results of the mentioned activities in this area of other parties, of which we have taken note.

Reliability of the administrative and accounting system
We confirm that the administrative and accounting system appears capable of recording and reporting the company's affairs.

Directives to subsidiaries
Appropriate directives have been given to subsidiary companies as required under art. 114 paragraph 2 of Legislative Decree 58/1998.

Significant matters arising from meetings with the independent auditors
In our meetings with Reconta Ernst & Young no significant events or issues have been referred to us which have necessitated the performance of further controls on our part which we should report to you and in their report on the fundamental matters arising from the audit they have confirmed that they did not identify significant failings in the system of internal control.

Compliance with the Corporate Governance Code for Italian listed companies
The directors have summarized the principles and implementation criteria with which, obviously, we are familiar, applied by EXOR in order to comply with the recommendations of the Code, affirming the effective observance of the same in the Annual Report on Corporate Governance which was also subjected to analysis by Reconta Ernst & Young, pursuant to art. 123-*bis* of Legislative Decree 58/1998.

Activities of the Supervisory Body
We have monitored the work of the supervisory body which considers the control over the organizational model to be adequately applied based on the level of implementation of the norms and procedures established for the purposes of preventing the relevant offenses.

Conclusions from our oversight activities
In our oversight activities we did not find any critical matters to report.

Recommendations to be submitted to shareholders
We do not consider it necessary to submit any recommendations.

We have reviewed the structure and the approach of the draft financial statements at December 31, 2012 which show a profit of €150,494,558, of the report on operations relating also to the consolidated financial statements of the group, and of the explanatory notes.

Reconta Ernst & Young, charged with the audit, in their report dated April 17, 2013 have expressed the following conclusions:

> "(...) In our opinion, the financial statements of EXOR S.p.A. at December 31, 2012 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 Legislative Decree 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. for the year then ended.
> (…) In our opinion, the report on operations and the information presented in compliance with art. 123 *bis* of Legislative Decree 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance are consistent with the financial statements of EXOR S.p.A. at December 31, 2012. (…)".

Similar conclusions are expressed by Reconta Ernst & Young in their report on the consolidated financial statements.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

Finally, with reference to the matters on the agenda of the next shareholders' meeting other than those concerned with the annual financial statements, we confirm, to the extent required, that the reports prepared on such matters by the Board of Directors illustrate the matters adequately and put forward resolutions which comply with the law.

Turin, April 17, 2013

The Board of Statutory Auditors

Sergio Duca, Chairman

Nicoletta Paracchini

Paolo Piccatti

List of EXOR Group Companies
at December 31, 2012

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations) a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – *Operating Segment*, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by line basis

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Parent company							
EXOR S.p.A.	ITALY	246,229,850	EUR		GIOVANNI AGNELLI E C. SAPAZ	51.164	59.096
					EXOR S.P.A.	7.751	4.199 (*)
Subsidiaries consolidated on a line-by-line basis							
Holdings							
EXOR S.A.	LUXEMBOURG	166,611,300	EUR	100.00	EXOR S.p.A.	100.000	
EXOR CAPITAL Limited	IRELAND	4,000,000	EUR	100.00	EXOR S.A.	100.000	
EXOR INC.	USA	1	USD	100.00	EXOR S.A.	100.000	
EXOR LIMITED (a)	HONG KONG	1	HKD	100.00	EXOR S.A.	100.000	
ANCOM USA INC	USA	0.10	USD	100.00	EXOR S.A.	100.000	
FIAT S.p.A.	ITALY	4,476,441,927.34	EUR	30.91	EXOR S.p.A.	30.055	
					FIAT S.p.A.	2.765	(*)
FIAT INDUSTRIAL S.p.A.	ITALY	1,919,433,144.74	EUR	30.88	EXOR S.p.A.	30.013	
					FIAT S.p.A.	2.799	
					FIAT INDUSTRIAL S.p.A.	0.001	(*)
Real estate services							
C&W GROUP INC.	USA	7,370.05	USD	78.95	EXOR S.A.	69.188	
					C&W GROUP INC.	11.240	(*)
Leasure and other							
JUVENTUS FOOTBALL CLUB S.p.A.	ITALY	8,182,133.28	EUR	63.77	EXOR S.p.A.	63.766	
ARENELLA IMMOBILIARE S.R.L.	ITALY	150,000	EUR	100.00	EXOR S.p.A.	100.000	

(a) Company wound up on February 22, 2013.
(*) Voting suspended.

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Business Auto:Car Mass - Market Brands								
NAFTA								
0847574 B.C. Unlimited Liability Company	Vancouver	Canada	1	CAD	58.54	New CarCo Acquisition Canada Ltd.	100.000	
Auburn Hills Mezzanine LLC	Wilmington	USA	100	USD	58.54	CHRYSLER GROUP REALTY COMPANY LLC	100.000	
Auburn Hills Owner LLC	Wilmington	USA	100	USD	58.54	Auburn Hills Mezzanine LLC	100.000	
Autodie LLC	Wilmington	USA	10,000,000	USD	58.54	Chrysler Group LLC	100.000	
CG EC2 LLC	Wilmington	USA	0	USD	58.54	CG EC1 LLC	100.000	
Chrysler Canada Cash Services Inc.	Toronto	Canada	1,000	CAD	58.54	Chrysler Group LLC	100.000	
Chrysler Canada Inc.	Windsor	Canada	0	CAD	58.54	0847574 B.C. Unlimited Liability Company	100.000	
Chrysler de Mexico S.A. de C.V.	Santa Fe	Mexico	238,621,186	MXN	58.54	Chrysler Mexico Holding, S. de R.L. de C.V.	99.996	
						Chrysler Group Minority LLC	0.004	
CHRYSLER GROUP AUTO TRANSPORT LLC	Wilmington	USA	100	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group LLC	Wilmington	USA	0	USD	58.54	FIAT NORTH AMERICA LLC	58.538	
Chrysler Group Minority LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	Wilmington	USA	168,769,528	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group Service Contracts LLC	Wilmington	USA	100,000,000	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP VANS LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Investment Holdings LLC	Wilmington	USA	173,350,999	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Windsor	Canada	0	CAD	58.54	Chrysler Canada Inc.	99.990	
						Chrysler Lease Receivables 1 Inc.	0.005	
						Chrysler Lease Receivables 2 Inc.	0.005	
Chrysler Mexico Holding, S. de R.L. de C.V.	Santa Fe	Mexico	3,377,922,033	MXN	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.900	
						CarCo Intermediate Mexico LLC	0.100	
CPK Interior Products Inc.	Windsor	Canada	1,000	CAD	58.54	Chrysler Canada Inc.	100.000	
Global Engine Manufacturing Alliance LLC	Wilmington	USA	300,000	USD	58.54	Chrysler Group LLC	100.000	
New CarCo Acquisition Canada Ltd.	Toronto	Canada	1,000	CAD	58.54	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Toronto	Canada	1,000	CAD	58.54	Chrysler Group LLC	100.000	
Operadora G.C. S.A. de C.V.	Santa Fe	Mexico	99,999	MXN	58.54	Chrysler Mexico Holding, S. de R.L. de C.V.	99.999	
						Chrysler de Mexico S.A. de C.V.	0.001	
LATAM								
Banco Fidis S.A.	Betim	Brazil	428,660,600	BRL	100.00	Fidis S.p.A.	75.000	
						Fiat Automoveis S.A. - FIASA	25.000	
Chrysler Argentina S.R.L.	Buenos Aires	Argentina	29,335,170	ARS	58.54	Chrysler Group LLC	98.000	
						Chrysler Group Minority LLC	2.000	
Chrysler Chile Importadora Ltda	Santiago	Chile	41,800,000	CLP	58.54	Chrysler Group LLC	99.990	
						Chrysler Group Minority LLC	0.010	
Chrysler de Venezuela LLC	Wilmington	USA	132,474,694	USD	58.54	CG Venezuela UK Holdings Limited	100.000	
CHRYSLER GROUP DO BRASIL COMERCIO DE VEICULOS Ltda.	San Paolo	Brazil	31,517,999	BRL	58.54	Chrysler Group LLC	100.000	
Fiat Auto Argentina S.A.	Buenos Aires	Argentina	476,464,366	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Buenos Aires	Argentina	109,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Automoveis S.A. - FIASA	Betim	Brazil	1,069,492,850	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Buenos Aires	Argentina	272,285,370	ARS	100.00	Fidis S.p.A.	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Campo Largo	Brazil	197,792,500	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
TCA - Tecnologia em Componentes Automotivos SA	Jaboatao do Guararapes	Brazil	70,840,185	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
APAC								
Chrysler (Hong Kong) Automotive Limited	Hong Kong	China (Rep. Popolare)	10,000,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Asia Pacific Investment Co. Ltd.	Shanghai	China (Rep. Popolare)	4,500,000	CNY	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler Australia Pty. Ltd.	Mulgrave	Australia	143,629,774	AUD	58.54	Chrysler Group LLC	100.000	
Chrysler Group (China) Sales Co. Ltd.	Pechino	China (Rep. Popolare)	10,000,000	EUR	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler India Automotive Private Limited	Chennai	India	99,990	INR	58.54	Chrysler Netherlands Distribution B.V.	99.990	
						CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler Japan Co., Ltd.	Tokyo	Japan	100,000,000	JPY	58.54	Chrysler Group LLC	100.000	
Chrysler Korea, Ltd.	Seoul	South Korea	32,639,200,000	KRW	58.54	Chrysler Group LLC	100.000	
Chrysler South East Asia Pte. Ltd.	Singapore	Singapore	3,010,513	SGD	58.54	Chrysler Group LLC	100.000	
Fiat Automotive Finance Co. Ltd.	Shanghai	China (Rep. Popolare)	500,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FIAT GROUP AUTOMOBILES INDIA Private Limited	Mumbai	India	112,100,000	INR	100.00	Fiat Group Automobiles S.p.A.	99.990	
						FGA Investimenti S.p.A.	0.010	
Fiat Group Automobiles Japan K.K.	Minatu-Ku. Tokyo	Japan	420,000,000	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	Shanghai	China (Rep. Popolare)	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	Shanghai	China (Rep. Popolare)	5,000,000	USD	58.54	Chrysler Asia Pacific Investment Co. Ltd.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Business Auto:Car Mass - Market Brands								
EMEA								
Abarth & C. S.p.A.	Torino	Italy	1,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Orbassano	Italy	45,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	75.000	
						Fiat Gestione Partecipazioni S.p.A.	20.000	
						Fiat Powertrain Technologies SpA	5.000	
CG Venezuela UK Holdings Limited	Slough Berkshire	United Kingdom	100	GBP	58.54	Chrysler Group LLC	100.000	
Chrysler & Jeep Vertriebsgesellschaft mbH	Berlino	Germany	25,600	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Chrysler Austria GmbH	Vienna	Austria	4,300,000	EUR	58.54	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Belgrado	Serbia	500	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Belgium Luxembourg NV/SA	Bruxelles	Belgium	28,262,700	EUR	58.54	Chrysler Group LLC	99.998	
						Chrysler Group Minority LLC	0.002	
Chrysler Czech Republic s.r.o.	Praga	Czech Republic	55,932,000	EUR	58.54	Chrysler Group LLC	99.964	
						Chrysler Group Minority LLC	0.036	
Chrysler Danmark ApS	Glostrup	Denmark	1,000,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Deutschland GmbH	Berlino	Germany	20,426,200	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Espana S.L.	Alcalá De Henares	Spain	16,685,690	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler France S.A.S.	Trappes	France	460,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Group Egypt Limited	New Cairo	Egypt	240,000	EGP	58.54	Chrysler Group LLC	99.000	
						Chrysler Group Minority LLC	1.000	
Chrysler Group Middle East FZ-LLC	Dubai	United Arabian Emirates	300,000	AED	58.54	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler International GmbH	Stoccarda	Germany	25,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Italia S.r.l.	Roma	Italy	100,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Jeep International S.A.	Bruxelles	Belgium	1,860,000	EUR	58.54	Chrysler Group LLC	99.998	
						Chrysler Group Minority LLC	0.002	
Chrysler Management Austria GmbH	Gossendorf	Austria	75,000	EUR	58.54	Chrysler Austria GmbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Amsterdam	Netherlands	0	EUR	58.54	Chrysler Investment Holdings LLC	99.990	
						Chrysler Group Minority LLC	0.010	
Chrysler Nederland B.V.	Utrecht	Netherlands	19,000	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Netherlands Distribution B.V.	Amsterdam	Netherlands	90,000	EUR	58.54	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler Polska Sp. z o.o.	Varsavia	Poland	30,356,000	PLN	58.54	Chrysler Group LLC	100.000	
Chrysler Russia SAO	Mosca	Russia	574,665,000	RUB	58.54	Chrysler Group LLC	99.999	
						Chrysler Group Minority LLC	0.001	
Chrysler South Africa (Pty) Limited	Centurion	South Africa Republic	200	ZAR	58.54	Chrysler Group LLC	100.000	
Chrysler Sweden AB	Kista	Sweden	100,000	SEK	58.54	Chrysler Group LLC	100.000	
Chrysler Switzerland GmbH	Schlieren	Switzerland	2,000,000	CHF	58.54	Chrysler Group LLC	100.000	
Chrysler UK Limited	Slough Berkshire	United Kingdom	46,582,132	GBP	58.54	Chrysler Group LLC	100.000	
Customer Services Centre S.r.l.	Torino	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Torino	Italy	10,400	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Center Italia S.p.A.	1.000	
Fabbrica Italia Pomigliano S.p.A.	Pomigliano d'Arco	Italy	50,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FGA Austro Car GmbH	Vienna	Austria	35,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
FGA Investimenti S.p.A.	Torino	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Versicherungsservice GmbH	Heilbronn	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
						Rimaco S.A.	49.000	
Fiat Auto Poland S.A.	Bielsko-Biala	Poland	660,334,600	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Var S.r.l.	Torino	Italy	7,370,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Francoforte	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Kragujevac	Serbia	30,703,528,514	RSD	66.67	Fiat Group Automobiles S.p.A.	66.670	
Fiat Center (Suisse) S.A.	Meyrin	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Torino	Italy	2,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Praga	Czech Republic	1,000,000	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	Trappes	France	235,480,520	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles S.p.A.	98.000	
						FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Auderghem	Belgium	14,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Central and Eastern Europe KFT.	Budapest	Hungary	150,000,000	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Business Auto:Car Mass - Market Brands								
EMEA								
Fiat Group Automobiles Denmark A/S	Glostrup	Denmark	55,000,000	DKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Germany AG	Francoforte	Germany	82,650,000	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
						Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Argyroupoli	Greece	62,783,499	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Ireland Ltd.	Dublino	Ireland	5,078,952	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Casablanca	Morocco	1,000,000	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Lijnden	Netherlands	5,672,250	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Alges	Portugal	1,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles S.p.A.	Torino	Italy	770,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	Bryanston	South Africa Republic	640	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Alcalá De Henares	Spain	8,079,280	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
						Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Kista	Sweden	10,000,000	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Schlieren	Switzerland	21,400,000	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	Slough Berkshire	United Kingdom	44,600,000	GBP	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Torino	Italy	100,000,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
FIAT NORTH AMERICA LLC	Wilmington	USA	0	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Bielsko-Biala	Poland	269,037,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies SpA	Torino	Italy	525,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Professional S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Francoforte	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Bratislava	Slovak Republic	33,194	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Torino	Italy	250,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Torino	Italy	1,250,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Torino	Italy	2,500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	Trappes	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Auderghem	Belgium	10,000,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
						Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village Ltd.	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Alges	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Alcalá De Henares	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Mecaner S.A.	Urdùliz	Spain	3,000,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Motor Village Austria GmbH	Vienna	Austria	37,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
Officine Maserati Grugliasco S.p.A.	Torino	Italy	500,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Melfi	Italy	276,640,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidazione	Torino	Italy	100,000	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Business Auto:Performance and Luxury Brands								
Ferrari								
Ferrari S.p.A.	Modena	Italy	20,260,000	EUR	90.00	Fiat S.p.A.	90.000	
410 Park Display Inc.	Englewood Cliffs	USA	100	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Central / East Europe GmbH	Wiesbaden	Germany	1,000,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Monaco	Germany	1,777,600	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Tokyo	Japan	130,450,000	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Modena	Italy	5,100,000	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	Wilmington	USA	1,000	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Modena	Italy	11,570,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Tokyo	Japan	160,050,000	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	Shanghai	China (Rep. Popolare)	2,100,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	3,000,000	USD	53.10	Ferrari S.p.A.	59.000	
Ferrari N.America Inc.	Englewood Cliffs	USA	200,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	Slough Berkshire	United Kingdom	50,000	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	Levallois-Perret	France	172,000	EUR	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Meyrin	Switzerland	1,000,000	CHF	90.00	Ferrari S.p.A.	100.000	
Iniziativa Fiorano S.r.l.	Modena	Italy	90,000	EUR	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Scarperia	Italy	10,000,000	EUR	90.00	Ferrari S.p.A.	90.000	
						Ferrari GE.D. S.p.A.	10.000	
Maserati								
Maserati S.p.A.	Modena	Italy	40,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Schlieren	Switzerland	250,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Wiesbaden	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	Slough Berkshire	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Components and Produtcion System								
Marelli								
Magneti Marelli S.p.A.	Corbetta	Italy	254,325,965	EUR	99.99	Fiat S.p.A.	99.990	100.000
ABC Industria, Comercio, Importacao e Exportacao de Componentes Automotivos Ltda	Sao Bernardo do Campo	Brazil	1,000	BRL	99.99	Magneti Marelli Cofap Companhia Fabricadora de Pecas	99.900	
						Magneti Marelli Cofap Autopecas Ltda	0.100	
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Città del Messico	Mexico	3,000	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
						Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Brotterode	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Venaria Reale	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	Farmington Hills	USA	25,001,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Rjiasan	Russia	36,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Polska Sp. z o.o.	Sosnowiec	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	Saint Julien du Sault	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	El Marques Queretaro	Mexico	50,000	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Reutlingen	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Jihlava	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	Chadwell Heath	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Amaro	Italy	1,033,000	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	Changchun	China (Rep. Popolare)	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Ergom do Brasil Ltda	Itauna	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Ergom Soffiaggio S.r.l.	Leno	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidazione	Corbetta	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	Anhui	China (Rep. Popolare)	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrial Yorka de Mexico S.A. de C.V.	Città del Messico	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
						Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Città del Messico	Mexico	50,000	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
						Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli After Market Parts and Services S.p.A.	Corbetta	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Heilbronn	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Katowice	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Buenos Aires	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	Changsha	China (Rep. Popolare)	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	Wuhu	China (Rep. Popolare)	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	Guangzhou	China (Rep. Popolare)	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	Guangzhou	China (Rep. Popolare)	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	San Paolo	Brazil	7,554,539	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Companhia Fabricadora de Pecas	Santo Andre	Brazil	46,284,200	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Buenos Aires	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
						Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac	Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Hortolandia	Brazil	40,568,427	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Llinares del Valles	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli Exhaust Systems Polska Sp. z o.o.	Sosnowiec	Poland	15,000,000	PLN	99.99	Automotive Lighting Polska Sp. z o.o.	100.000	
Magneti Marelli France S.a.s.	Trappes	France	42,672,960	EUR	99.99	Magneti Marelli S.p.A.	99.999	
						Ufima S.A.S.	0.001	
Magneti Marelli GmbH	Russelsheim	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	Wixom	USA	10	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Santpedor	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	Haryana	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	Shanghai	China (Rep. Popolare)	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	KohoKu-Ku-Yokohama	Japan	60,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Bursa	Turkey	50,005	TRY	99.93	Magneti Marelli S.p.A.	99.840	
						PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
						Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Components and Produtcion System								
Marelli								
Magneti Marelli Motopropulsion France SAS	Argentan	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	Wilmington	USA	40,223,205	USD	99.99	Magneti Marelli Cofap Companhia Fabricadora de Pecas	100.000	
Magneti Marelli of Tennessee LLC	Auburn Hills	USA	1,300,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Powertrain (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain India Private Limited	Haryana	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Bratislava	Slovak Republic	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	Sanford	USA	25,000,000	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Città del Messico	Mexico	3,000	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Buenos Aires	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	52.000	
						Magneti Marelli Cofap Autopecas Ltda	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Contagem	Brazil	206,834,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
						Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Tepotzotlan	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
						Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Bratislava	Slovak Republic	70,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	Johannesburg	South Africa Republic	1,950,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Bielsko-Biala	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	Haryana	India	390,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Bayan Lepas	Malesia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
Plastic Components and Modules Automotive S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Grugliasco	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Sosnowiec	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Sosnowiec	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Bursa	Turkey	715,000	TRY	99.93	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Col. Chapultepec	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
						Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Corbetta	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidazione	Pisticci	Italy	880,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	95.000	
						Plastic Components and Modules Automotive S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Chihuahua	Mexico	50,000	MXN	99.99	Automotive Lighting LLC	100.000	
Ufima S.A.S.	Trappes	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
						Fiat Gestione Partecipazioni S.p.A.	34.980	
Teksid								
Teksid S.p.A.	Torino	Italy	71,403,261	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Frontera	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	99.800	
						Teksid Inc.	0.200	
Fonderie du Poitou Fonte S.A.S.	Ingrandes-sur-Vienne	France	26,958,464	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Cacia	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Carmagnola	Italy	5,000,000	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Betim	Brazil	202,602,013	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Frontera	Mexico	716,088,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	Wilmington	USA	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Skoczow	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
Comau								
Comau S.p.A.	Grugliasco	Italy	48,013,959	EUR	100.00	Fiat S.p.A.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	Kunshan	China (Rep. Popolare)	3,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	Shanghai	China (Rep. Popolare)	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	Shanghai	China (Rep. Popolare)	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Buenos Aires	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
						Comau do Brasil Industria e Comercio Ltda.	44.690	
						Fiat Argentina S.A.	0.030	
Comau Canada Inc.	Windsor	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Boblingen	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Betim	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	Luton	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	Trappes	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Inc.	Southfield	USA	100	USD	100.00	Comau S.p.A.	100.000	
Comau India Private Limited	Pune	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
						Comau Deutschland GmbH	0.010	
Comau Pico Iaisa S.de R.L. de C.V.	Tepotzotlan	Mexico	17,181,062	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Pico Mexico S.de R.L. de C.V.	Tepotzotlan	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Pico Pitex S.de R.L. C.V.	Tepotzotlan	Mexico	62,204,118	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Pico Trebol S.de R.L. de C.V.	Tepotzotlan	Mexico	16,168,211	MXN	100.00	Comau Pico Mexico S.de R.L. de C.V.	100.000	
Comau Poland Sp. z o.o.	Bielsko-Biala	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Oradea	Romania	10,315,170	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Mosca	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
						Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Madrid	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau U.K. Limited	Telford	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Other activities: Holding companies and other companies								
BMI S.p.A.	Genova	Italy	124,820	EUR	88.00	Editrice La Stampa S.p.A.	88.000	
Deposito Avogadro S.p.A.	Torino	Italy	5,100,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Editrice La Stampa S.p.A.	Torino	Italy	5,700,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Buenos Aires	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
						Fiat do Brasil S.A.	9.029	
						SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
						Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Nova Lima	Brazil	42,212,488	BRL	100.00	Fiat Partecipazioni S.p.A.	99.998	
						Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Nova Lima	Brazil	2,469,701	BRL	100.00	Fiat Finance S.p.A.	99.994	
						Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Lussemburgo	Luxembourg	251,494,000	EUR	100.00	Fiat Finance S.p.A.	60.003	
						Fiat S.p.A.	39.997	
Fiat Finance et Services S.A.	Trappes	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance Canada Ltd.	Calgary	Canada	10,099,885	CAD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance North America Inc.	Wilmington	USA	190,090,010	USD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance S.p.A.	Torino	Italy	224,440,000	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Gestione Partecipazioni S.p.A.	Torino	Italy	614,071,587	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Ulm	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	Trappes	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Bielsko-Biala	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Torino	Italy	600,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Madrid	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Torino	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	Trappes	France	37,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Torino	Italy	150,679,554	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Varsavia	Poland	25,500,000	PLN	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Zedelgem	Belgium	62,000	EUR	100.00	Fiat U.K. Limited	99.960	
						Fiat Services S.p.A.	0.040	
Fiat Services d.o.o. Kragujevac	Kragujevac	Serbia	15,047,880	RSD	100.00	Fiat Services S.p.A.	100.000	
Fiat Services Polska Sp. z o.o.	Bielsko-Biala	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Torino	Italy	3,600,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Torino	Italy	1,652,669	EUR	90.70	Fiat Partecipazioni S.p.A.	51.000	
						Fiat Group Automobiles S.p.A.	25.500	
						Fiat S.p.A.	5.000	
						Teksid S.p.A.	2.000	
						C.R.F. Società Consortile per Azioni	1.500	
						Comau S.p.A.	1.500	
						Editrice La Stampa S.p.A.	1.500	
						Fiat Services S.p.A.	1.500	
						Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	Basildon	United Kingdom	750,000	GBP	100.00	Fiat Services S.p.A.	100.000	
Fiat U.S.A. Inc.	New York	USA	16,830,000	USD	100.00	Fiat S.p.A.	100.000	
Fiat-Revisione Interna S.c.p.a.	Torino	Italy	300,000	EUR	84.00	Fiat S.p.A.	71.000	
						Fiat Group Automobiles S.p.A.	13.000	
Neptunia Assicurazioni Marittime S.A.	Losanna	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Nexta Srl	Torino	Italy	50,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Publikompass S.p.A.	Milano	Italy	3,068,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Rimaco S.A.	Losanna	Switzerland	350,000	CHF	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Torino	Italy	120,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Bielsko-Biala	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Torino	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	

Investments of Fiat Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Other activities: Holding companies and other companies								
SIRIO - Sicurezza Industriale Società consortile per azioni	Torino	Italy	120,000	EUR	86.44	Fiat Gestione Partecipazioni S.p.A.	58.048	
						Fiat Group Automobiles S.p.A.	16.017	
						Magneti Marelli S.p.A.	1.841	
						Fiat Powertrain Technologies SpA	1.314	
						Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	0.833	
						C.R.F. Società Consortile per Azioni	0.768	
						Fiat S.p.A.	0.751	
						Comau S.p.A.	0.729	
						Ferrari S.p.A.	0.729	
						Teksid S.p.A.	0.664	
						Fiat Services S.p.A.	0.593	
						Sistemi Sospensioni S.p.A.	0.551	
						Teksid Aluminum S.r.l.	0.540	
						Fiat Servizi per l'Industria S.c.p.a.	0.503	
						Fabbrica Italia Pomigliano S.p.A.	0.417	
						Fiat Finance S.p.A.	0.406	
						Fidis S.p.A.	0.325	
						Editrice La Stampa S.p.A.	0.273	
						Automotive Lighting Italia S.p.A.	0.255	
						Officine Maserati Grugliasco S.p.A.	0.167	
						Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
						Fiat Group Purchasing S.r.l.	0.103	
						Fiat Partecipazioni S.p.A.	0.103	
						Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
						Plastic Components and Modules Automotive S.p.A.	0.065	
						Fiat-Revisione Interna S.c.p.a.	0.061	
						Fiat Center Italia S.p.A.	0.045	
						Abarth & C. S.p.A.	0.039	
						Maserati S.p.A.	0.039	
						Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
						Risk Management S.p.A.	0.039	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
						Magneti Marelli After Market Parts and Services S.p.A.	0.037	
						Customer Services Centre S.r.l.	0.022	
						Easy Drive S.r.l.	0.022	
						Fiat Auto Var S.r.l.	0.022	
						Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
						i-FAST Automotive Logistics S.r.l.	0.020	
						i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Torino	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.88%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Agricultural and Construction Equipment								
CNH Global N.V.	Amsterdam	Netherlands	545,602,754	EUR	87.43	Fiat Netherlands Holding N.V.	87.371	87.427
						CNH Global N.V.	0.064	0.000
Banco CNH Capital S.A.	Curitiba	Brazil	433,919,523	BRL	87.43	CNH Global N.V.	53.513	
						CNH Capital U.K. Ltd	45.816	
						CNH Latin America Ltda.	0.671	
Bli Group Inc.	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	Wilmington	USA	1,000	USD	87.43	Bli Group Inc.	100.000	
Blue Leaf Insurance Company	Burlington	USA	250,000	USD	87.43	CNH America LLC	100.000	
Case Brazil Holdings Inc.	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Calgary	Canada	1	CAD	87.43	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	Shanghai	China (Rep. Popolare)	14,000,000	USD	87.43	CNH Global N.V.	100.000	
Case Credit Holdings Limited	Wilmington	USA	5	USD	87.43	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	Wilmington	USA	1	USD	87.43	CNH America LLC	100.000	
Case Equipment Holdings Limited	Wilmington	USA	5	USD	87.43	CNH America LLC	100.000	
Case Equipment International Corporation	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
Case Europe S.a.r.l.	Le Plessis-Belleville	France	7,622	EUR	87.43	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Berlino	Germany	281,211	EUR	87.43	CNH America LLC	100.000	
Case India Limited	Wilmington	USA	5	USD	87.43	CNH America LLC	100.000	
Case International Marketing Inc.	Wilmington	USA	5	USD	87.43	CNH America LLC	100.000	
Case LBX Holdings Inc.	Wilmington	USA	5	USD	87.43	CNH America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	Mumbai	India	240,100,000	INR	85.86	CNH America LLC	50.000	
						New Holland Fiat (India) Private Limited	50.000	
Case New Holland Inc.	Wilmington	USA	5	USD	87.43	CNH Global N.V.	100.000	
Case New Holland Machinery (Harbin) Ltd.	Harbin	China (Rep. Popolare)	30,000,000	USD	87.43	CNH Asian Holding Limited N.V.	99.920	
						CNH Europe Holding S.A.	0.080	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	2,250,000	USD	87.43	CNH America LLC	100.000	
Case United Kingdom Limited	Basildon	United Kingdom	3,763,618	GBP	87.43	CNH America LLC	100.000	
CNH (China) Management Co., Ltd.	Shanghai	China (Rep. Popolare)	12,000,000	USD	87.43	CNH Global N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	Shanghai	China (Rep. Popolare)	2,000,000	USD	87.43	CNH Global N.V.	100.000	
CNH Administradora de Serviços Ltda.	Curitiba	Brazil	100,000	BRL	87.43	Banco CNH Capital S.A.	99.900	
						CNH Latin America Ltda.	0.100	
CNH America LLC	Wilmington	USA	0	USD	87.43	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Buenos Aires	Argentina	100,246,105	ARS	87.43	New Holland Holding (Argentina) S.A.	76.176	
						CNH Latin America Ltda.	23.824	
CNH Asian Holding Limited N.V.	Zedelgem	Belgium	34,594,401	EUR	87.43	CNH Global N.V.	100.000	
CNH Australia Pty Limited	St. Marys	Australia	293,408,692	AUD	87.43	CNH Global N.V.	100.000	
CNH Baumaschinen GmbH	Berlino	Germany	61,355,030	EUR	87.43	CNH Europe Holding S.A.	100.000	
CNH Belgium N.V.	Zedelgem	Belgium	372,115,574	EUR	87.43	CNH Europe Holding S.A.	100.000	
CNH Canada, Ltd.	Toronto	Canada	28,000,100	CAD	87.43	CNH Global N.V.	100.000	
CNH Capital America LLC	Wilmington	USA	0	USD	87.43	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	St. Marys	Australia	70,675,693	AUD	87.43	CNH Australia Pty Limited	100.000	
CNH Capital Benelux NV	Zedelgem	Belgium	55,628,856	EUR	87.43	CNH Global N.V.	98.999	
						CNH Capital U.K. Ltd	1.001	
CNH Capital Canada Ltd.	Calgary	Canada	1	CAD	87.43	Case Credit Holdings Limited	99.500	
						CNH Canada, Ltd.	0.500	
CNH Capital Equipment Loan and Lease Facility LLC	Wilmington	USA	5,000	USD	87.43	CNH Capital America LLC	100.000	
CNH Capital Finance LLC	Wilmington	USA	5,000	USD	87.43	Case Credit Holdings Limited	100.000	
CNH Capital LLC	Wilmington	USA	0	USD	87.43	CNH America LLC	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	Wilmington	USA	0	USD	87.43	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	Wilmington	USA	0	USD	87.43	CNH Capital America LLC	100.000	
CNH Capital U.K. Ltd	Basildon	United Kingdom	10,000,001	GBP	87.43	CNH Capital Benelux NV	100.000	
CNH Componentes, S.A. de C.V.	Queretaro	Mexico	135,634,842	MXN	87.43	CNH America LLC	100.000	
CNH Danmark A/S	Hvidovre	Denmark	12,000,000	DKK	87.43	CNH Europe Holding S.A.	100.000	
CNH Deutschland GmbH	Heilbronn	Germany	18,457,650	EUR	87.43	CNH Baumaschinen GmbH	90.000	
						CNH Europe Holding S.A.	10.000	
CNH Engine Corporation	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
CNH Europe Holding S.A.	Lussemburgo	Luxembourg	100,000,000	USD	87.43	CNH Global N.V.	100.000	
CNH Financial Services A/S	Hvidovre	Denmark	500,000	DKK	87.43	CNH Global N.V.	100.000	
CNH Financial Services GmbH	Heilbronn	Germany	1,151,000	EUR	87.43	CNH Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	Morigny-Champigny	France	50,860,641	EUR	87.43	CNH Global N.V.	98.888	
						CNH Capital Benelux NV	1.112	
CNH France	Morigny-Champigny	France	427,965,450	EUR	87.43	CNH Europe Holding S.A.	100.000	
CNH International S.A.	Paradiso	Switzerland	100,000	CHF	87.43	CNH Global N.V.	100.000	
CNH Italia s.p.a.	Torino	Italy	15,600,000	EUR	87.43	CNH Osterreich GmbH	75.000	
						CNH Global N.V.	25.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.88%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Agricultural and Construction Equipment								
CNH Latin America Ltda.	Contagem	Brazil	1,037,711,513	BRL	87.43	CNH Global N.V.	85.658	
						Case Brazil Holdings Inc.	12.557	
						Case Equipment International Corporation	1.785	
CNH Maquinaria Spain S.A.	Coslada	Spain	21,000,000	EUR	87.43	CNH Europe Holding S.A.	99.999	
CNH Osterreich GmbH	St. Valentin	Austria	2,000,000	EUR	87.43	CNH Global N.V.	100.000	
CNH Polska Sp. z o.o.	Plock	Poland	162,591,660	PLN	87.43	CNH Belgium N.V.	100.000	
CNH Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Carnaxide	Portugal	498,798	EUR	87.43	CNH Europe Holding S.A.	99.980	
						CNH Italia s.p.a.	0.020	
CNH Receivables LLC	Wilmington	USA	0	USD	87.43	CNH Capital America LLC	100.000	
CNH Reman LLC	Wilmington	USA	4,000,000	USD	43.71	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Bangkok	Tailandia	10,000,000	THB	87.42	CNH Services S.r.l.	99.997	
CNH Services S.r.l.	Modena	Italy	10,400	EUR	87.43	CNH Italia s.p.a.	100.000	
CNH U.K. Limited	Basildon	United Kingdom	91,262,275	GBP	87.43	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	Wilmington	USA	0	USD	87.43	CNH Capital America LLC	100.000	
CNH-KAMAZ Commercial B.V.	Amsterdam	Netherlands	35,300	EUR	44.59	CNH Global N.V.	51.000	
CNH-KAMAZ Industrial B.V.	Amsterdam	Netherlands	36,002	EUR	43.71	CNH Global N.V.	50.000	
Farmpower Pty Limited	St. Marys	Australia	360	AUD	87.43	CNH Australia Pty Limited	100.000	
Fiat Switzerland SA	Paradiso	Switzerland	100,000	CHF	87.43	CNH International S.A.	100.000	
Fiatallis North America LLC	Wilmington	USA	32	USD	87.43	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	Wilmington	USA	1	USD	87.43	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	Basildon	United Kingdom	3,291,776	GBP	87.43	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
Kobelco Construction Machinery America LLC	Wilmington	USA	0	USD	56.83	New Holland Excavator Holdings LLC	65.000	
Limited Liability Company "CNH Parts and Service Operations"	Mosca	Russia	54,000,000	RUB	87.43	CNH Global N.V.	100.000	
LLC CNH-KAMAZ Commerce	Khimki	Russia	20,408	RUB	44.59	CNH-KAMAZ Commercial B.V.	100.000	
LLC CNH-KAMAZ Industry	Naberezhnye Chenly	Russia	60,081,800	RUB	43.71	CNH-KAMAZ Industrial B.V.	100.000	
MBA AG	Bassersdorf	Switzerland	4,000,000	CHF	87.43	CNH Global N.V.	100.000	
New Holland Credit Company, LLC	Wilmington	USA	0	USD	87.43	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	Wilmington	USA	0	USD	87.43	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	84.29	CNH Asian Holding Limited N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Buenos Aires	Argentina	23,555,415	ARS	87.43	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	Basildon	United Kingdom	106,328,601	GBP	87.43	CNH Europe Holding S.A.	100.000	
New Holland Kobelco Construction Machinery S.p.A.	San Mauro Torinese	Italy	12,396,363	EUR	86.70	CNH Italia s.p.a.	99.172	
New Holland Ltd	Basildon	United Kingdom	1,000,000	GBP	87.43	CNH Global N.V.	100.000	
New Holland Tractor Ltd. N.V.	Anversa	Belgium	9,631,500	EUR	87.43	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Berlino	Germany	25,565	EUR	87.43	CNH Baumaschinen GmbH	100.000	
Pryor Foundry Inc.	Oklahoma City	USA	1,000	USD	87.43	CNH America LLC	100.000	
Receivables Credit II Corporation	Calgary	Canada	1	CAD	87.43	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	Shanghai	China (Rep. Popolare)	35,000,000	USD	52.46	CNH Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Ruckersdorf-Harmannsdorf	Austria	35,000	EUR	87.43	CNH Osterreich GmbH	100.000	
Uzcaseagroleasing LLC	Tashkent	Uzbekistan	5,000,000	USD	44.59	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Tashkent	Uzbekistan	15,000,000	USD	52.46	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Tashkent	Uzbekistan	5,000,000	USD	44.59	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Tashkent	Uzbekistan	15,000,000	USD	44.59	Case Equipment Holdings Limited	51.000	
Trucks and Commercial Vehicles								
Iveco S.p.A.	Torino	Italy	200,000,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Afin Bohemia s.r.o.	Praga	Czech Republic	1,000,000	CZK	100.00	Afin Leasing AG	100.000	
Afin Bulgaria EAD	Sofia	Bulgaria	310,110	BGN	100.00	Iveco FS Holdings Limited	100.000	
Afin Leasing AG	Vienna	Austria	1,500,000	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Slovakia S.R.O.	Bratislava	Slovacchia	39,833	EUR	100.00	Afin Leasing AG	100.000	
Afin Trade Bulgaria Eood	Sofia	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Addis Abeba	Etiopia	12,000,000	ETB	70.00	Fiat Netherlands Holding N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Piacenza	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Effe Grundbesitz GmbH	Ulm	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Madrid	Spain	993,045	EUR	100.00	Iveco Espana S.L.	99.996	
						Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Heuliez Bus S.A.	Mauléon	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Ulm	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Ikarus Egyedi Autobusz GY	Budapest	Hungary	46,300,000	HUF	89.09	Iveco Espana S.L.	89.093	
Industrial Vehicles Center Hainaut S.A.	Charleroi	Belgium	600,000	EUR	100.00	S.A. Iveco Belgium N.V.	95.000	
						Iveco Nederland B.V.	5.000	
Irisbus (U.K.) Ltd	Watford	United Kingdom	7,200,000	GBP	100.00	Iveco Espana S.L.	100.000	
Irisbus Australia Pty. Ltd.	Dandenong	Australia	6,253,391	AUD	100.00	Iveco Espana S.L.	100.000	
Irisbus Benelux Ltd.	Leudelange	Luxembourg	594,000	EUR	100.00	Iveco France	99.983	
						Société Charolaise de Participations S.A.	0.017	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.88%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Trucks and Commercial Vehicles								
Irisbus Italia S.p.A.	Torino	Italy	4,500,000	EUR	100.00	Iveco S.p.A.	100.000	
IVC Brabant N.V. S.A.	Groot	Belgium	800,000	EUR	100.00	S.A. Iveco Belgium N.V.	75.000	
						Iveco Nederland B.V.	25.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	Shanghai	China (Rep. Popolare)	50,000,000	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Kloten	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	12,879,000	TRY	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Argentina S.A.	Buenos Aires	Argentina	130,237,793	ARS	100.00	Iveco Espana S.L.	99.000	
						Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Vienna	Austria	6,178,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Bayern GmbH	Norimberga	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Bucarest	Romania	25,000	RON	100.00	Iveco Capital Leasing IFN S.A.	100.000	
Iveco Capital Leasing IFN S.A.	Bucarest	Romania	774,364,557	RON	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Limited	Watford	United Kingdom	1,000	EUR	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Russia LLC	Mosca	Russia	50,000,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco Capital SA	Paradiso	Switzerland	14,000,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Contract Services Limited	Watford	United Kingdom	17,000,000	GBP	100.00	Iveco Partecipazioni Finanziarie S.r.l.	100.000	
Iveco Czech Republic A.S.	Vysoke Myto	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Glostrup	Denmark	501,000	DKK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Espana S.L. *(business Veicoli Industriali)*	Madrid	Spain	121,612,116	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Est Sas	Hauconcourt	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finance AG	Kloten	Switzerland	1,500,000	CHF	100.00	Iveco Capital Limited	100.000	
Iveco Finance GmbH	Heilbronn	Germany	75,775,000	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finance Limited	Watford	United Kingdom	3,000,100	GBP	100.00	Iveco Capital Limited	100.000	
Iveco Finanziaria S.p.A.	Torino	Italy	145,000,000	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finland OY	Espoo	Finland	100,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco France	Vénissieux	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
						Fiat Netherlands Holding N.V.	49.674	
Iveco FS Holdings Limited	Watford	United Kingdom	1,000	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Holdings Limited	Watford	United Kingdom	47,000,000	GBP	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Insurance Vostok LLC	Mosca	Russia	740,000	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Paradiso	Switzerland	30,800,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Investitions GmbH	Ulm	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	Saint Priest	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda *(business Veicoli Industriali)*	Vila da Serra	Brazil	366,180,646	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited *(business Veicoli Industriali)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Ulm	Germany	50,000,000	EUR	94.00	Fiat Netherlands Holding N.V.	88.340	
(business Veicoli Industriali)						Iveco S.p.A.	5.660	
Iveco Magirus Brandschutztechnik GmbH	Ulm	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Iveco Magirus Brandschutztechnik GmbH	Kainbach	Austria	1,271,775	EUR	84.43	Iveco Magirus Brandschutztechnik GmbH	100.000	
Iveco Magirus Brandschutztechnik Gorlitz GmbH	Gürlitz	Germany	511,292	EUR	84.43	Iveco Magirus Brandschutztechnik GmbH	100.000	
Iveco Magirus Fire Fighting GmbH	Weisweil	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Magirus Firefighting CAMIVA S.a.s. (societè par actions simplifièe)	Saint-Alban-Leysse	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Iveco Magyarorszag Kereskedelmi KFT	Budapest	Hungary	24,000,000	HUF	100.00	Afin Leasing AG	100.000	
Iveco Nederland B.V.	Andelst	Netherlands	4,537,802	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Hamburg	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	Trappes	France	45,730	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Berlino	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Voyenenga	Norvegia	18,600,000	NOK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Samandira-Kartal/Istanbul	Turkey	15,060,046	TRY	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l.	Torino	Italy	50,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations s.a.s.	Trappes	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	Watford	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
						Iveco Limited	50.000	
Iveco Poland Ltd.	Varsavia	Poland	46,974,500	PLN	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Vila Franca de Xira	Portugal	15,962,000	EUR	100.00	Fiat Netherlands Holding N.V.	99.997	
						Astra Veicoli Industriali S.p.A.	0.001	
Iveco Provence s.a.s.	Trappes	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Romania S.r.l.	Bucarest	Romania	17,500	RON	100.00	Afin Leasing AG	100.000	
Iveco Slovakia, s.r.o.	Bratislava	Slovac Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	Vorna Valley - Midrand	Southafrica Republic	15,000,750	ZAR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Mannheim-Neckarau	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. *(business Veicoli Industriali)*	Arlov	Sweden	600,000	SEK	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Trucks Australia Limited	Dandenong	Australia	47,492,260	AUD	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Ukraine LLC	Kiev	Ukraine	49,258,692	UAH	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Venezuela C.A.	La Victoria	Venezuela	3,985,803	VEF	100.00	Fiat Netherlands Holding N.V.	62.688	
						Iveco S.p.A.	37.312	
Iveco West Nutzfahrzeuge GmbH	Düsseldorf	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	

Investments of Fiat Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.88%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis								
Trucks and Commercial Vehicles								
La Garde Chaberte S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
						Iveco France	0.500	
Le Logis De Villeneuve S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
						Iveco France	0.500	
Les Estroublans 2 S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
						Iveco France	0.500	
Les Estroublans de Vitrolle S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
						Iveco France	0.500	
Les Paluds D`Aubagne S.C.I.	Trappes	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
						Iveco France	0.500	
Mediterranea de Camiones S.L.	Valencia	Spain	48,080	EUR	100.00	Iveco Espana S.L.	99.875	
						Fiat Netherlands Holding N.V.	0.125	
Officine Brennero S.p.A.	Trento	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Mosca	Russia	868,545,000	RUB	100.00	Fiat Netherlands Holding N.V.	99.960	
						Afin Leasing AG	0.040	
Puget Les Plaines S.C.I.	Trappes	France	132,631	EUR	100.00	Iveco Provence s.a.s.	99.885	
						Iveco France	0.115	
S.A. Iveco Belgium N.V.	Groot	Belgium	6,000,000	EUR	100.00	Fiat Netherlands Holding N.V.	99.983	
						Iveco Nederland B.V.	0.017	
Seddon Atkinson Vehicles Ltd	Watford	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	Vénissieux	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	Trappes	France	7,022,400	EUR	100.00	Iveco France	100.000	
Transolver Finance S.A.	Trappes	France	9,468,219	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Transolver Service S.A.	Madrid	Spain	610,000	EUR	100.00	Iveco FS Holdings Limited	99.984	
						Iveco Espana S.L.	0.016	
Transolver Services S.A.	Trappes	France	38,000	EUR	99.76	Iveco Capital Limited	99.760	
UAB Iveco Capital Baltic	Vilnius	Lituania	138,500	LTL	100.00	Afin Leasing AG	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	La Garenne	France	1,067,500	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Barcellona	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	
FPT Industrial								
FPT Industrial S.p.A.	Torino	Italy	100,000,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
2 H Energy S.A.S.	Fécamp	France	2,000,000	EUR	100.00	Fiat Industrial Finance France S.A.	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	Shanghai	China (Rep. Popolare)	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	Wilmington	USA	1	USD	100.00	FPT Industrial S.p.A.	100.000	
FPT - Powertrain Technologies France S.A.	Garchizy	France	73,444,960	EUR	100.00	Iveco France	97.200	
						Fiat Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Buenos Aires	Argentina	107,270,267	ARS	100.00	FPT Industrial S.p.A.	96.000	
						FPTI Representacao Comercial de Motores Automotivos Ltda	4.000	
FPT Motorenforschung AG	Arbon	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
FPTI Representacao Comercial de Motores Automotivos Ltda	Nova Lima	Brazil	1,872,472	BRL	100.00	FPT Industrial S.p.A.	100.000	
Iveco Espana S.L. *(business FPT Industrial)*	Madrid	Spain	121,612,116	EUR	100.00	Fiat Netherlands Holding N.V.	100.000	
Iveco Latin America Ltda *(business Veicoli Industriali)*	Vila da Serra	Brazil	366,180,646	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited *(business Veicoli Industriali)*	Watford	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Ulm	Germany	50,000,000	EUR	94.00	Fiat Netherlands Holding N.V.	88.340	
(business FPT Industrial)						Iveco S.p.A.	5.660	
Iveco Sweden A.B. *(business FPT Industrial)*	Arlov	Sweden	600,000	SEK	100.00	Fiat Netherlands Holding N.V.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	Chongqing	China (Rep. Popolare)	580,000,000	CNY	60.00	FPT Industrial S.p.A.	30.000	
						SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Holdings Companies and Other companies								
Fiat Industrial Finance Europe S.A.	Lussemburgo	Luxembourg	50,000,000	EUR	100.00	Fiat Industrial Finance S.p.A.	100.000	
Fiat Industrial Finance France S.A.	Trappes	France	1,000,000	EUR	100.00	Fiat Netherlands Holding N.V.	99.998	
Fiat Industrial Finance North America Inc.	Wilmington	USA	25,000,000	USD	100.00	Fiat Industrial Finance S.p.A.	100.000	
Fiat Industrial Finance S.p.A.	Torino	Italy	100,000,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Fiat Netherlands Holding N.V.	Amsterdam	Netherlands	2,610,397,295	EUR	100.00	Fiat Industrial S.p.A.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.95%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-ny-line basis							
Real Estate Services							
BIGeREALESTATE, Inc.	USA	226,236	USD	93.52	Cushman & Wakefield, Inc.	93.519	
Buckbee Thorne & Co.	USA	37,500	USD	100.00	Cushman & Wakefield, Inc.	100.000	
C & W Offshore Consulting, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
C & W Operacion Inmobiliaria, S.A.de C.V.	MEXICO	50,000	MXN	100.00	Cushman & Wakefield, S. de RL de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
C & W-Japan K.K.	JAPAN	200	YEN	100.00	Cushman & Wakefield International Inc.	100.000	
Cushman & Wakefield	UNITED KINGDOM	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield - Argentina S.A.	ARGENTINA	1,446,108	ARS	99.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000	
					Cushman & Wakefield of South America, Inc.	5.000	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	CHILE	315,163,132	CLP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980	
					Cushman & Wakefield of South America, Inc.	0.020	
Cushman & Wakefield - Colombia Ltda	COLOMBIA	5,706,000	COP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895	
					Cushman & Wakefield of South America, Inc.	0.105	
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	PORTUGAL	50,000	EUR	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield (7 Westferry Circus) Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield Management Services (UK) Limited	100.000	
Cushman & Wakefield (City) Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield (EMEA) Limited.	100.000	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	GREECE	60,000	EUR	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield (HK) Limited.	HONG KONG	100	HKD	100.00	Cushman & Wakefield of Asia Limited	99.000	
					Cushman & Wakefield of Asia Inc.	10.000	
Cushman & Wakefield (Middle East) FZE	UNITED ARABIAN EMIRATES	1,000,000	USD	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield (NSW) Pty Limited	AUSTRALIA	3,836,824	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (QLD) Pty Ltd	AUSTRALIA	1	AUD	100.00	Cushman & Wakefield (Australia) Pty Ltd	100.000	
Cushman & Wakefield (S) Pte. Limited	SINGAPORE	20	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (Shanghai) Co., Ltd.	CHINA	1,800,000	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield (VIC) Pty Ltd	AUSTRALIA	1	AUD	100.00	Cushman & Wakefield (Australia) Pty Ltd	100.000	
Cushman & Wakefield (Vietnam) Limited	VIETNAM	4,000,000,000	VND	100.00	Cushman & Wakefield Singapore Holdings Pte. Ltd.	100.000	
Cushman & Wakefield (Warwick Court) Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield Management Services (UK) Limited	100.000	
Cushman & Wakefield/PREMISYS Colorado, Inc.	USA	100	USD	100.00	Cushman & Wakefield/Premisys, Inc.	80.000	
					Cushman & Wakefield, Inc.	20.000	
Cushman & Wakefield/PREMISYS, Inc.	USA	97	USD	100.00	Cushfield, Inc.	100.000	
Cushman & Wakefield 111 Wall, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield 1180, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Asset Management Italy S.r.l.	ITALY	10,000	EUR	100.00	Cushman & Wakefield Management Services (UK) Limited	100.000	
Cushman & Wakefield Consultoria Imobiliaria Ltda	BRAZIL	2,586,444	BRL	97.99	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	PORTUGAL	N/A	EUR	100.00	Cushman & Wakefield Sociedade de Mediacao Imobilaria, Lda	100.000	
Cushman & Wakefield Corporate Finance Limited	UNITED KINGDOM	10,000	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield de Mexico, S.A. de C.V	MEXICO	100,000	MXP	100.00	Cushman & Wakefield of North America, Inc.	50.000	
					Cushman & Wakefield of the Americas, Inc.	50.000	
Cushman & Wakefield Eastern, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Expertise SAS	FRANCE	37,000	EUR	100.00	Cushman & Wakefield SAS	100.000	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	TURKEY	50,000	TRY	99.80	Cushman & Wakefield (France Holdings) SAS	99.800	
					Healey & Baker Limited	0.050	
					Cushman & Wakefield (EMEA) Limited	0.050	
Cushman & Wakefield Global Services, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Hospitality Limited	UNITED KINGDOM	2	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield India Private Limited	INDIA	28,529,610	INR	100.00	Cushman & Wakefield Mauritius Holdings, Inc.	99.990	
					Cushman & Wakefield of Asia Limited	0.010	
Cushman & Wakefield International Investment Advisors, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International Real Estate Kft.	HUNGARY	3,000,000	HUF	100.00	Cushman & Wakefield (France Holdings) SAS	96.667	
					Cushman & Wakefield Residential Limited	3.333	
Cushman & Wakefield Investment Advisors K.K.	JAPAN	200	YEN	100.00	C&W-Japan K.K.	100.000	
Cushman & Wakefield Investors - Americas, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Investors (Finance) Limited	UNITED KINGDOM	36,000	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Investors Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Investors SAS	FRANCE	25,443	EUR	100.00	Cushman & Wakefield Investors Limited	100.000	
Cushman & Wakefield K.K.	JAPAN	200	YEN	100.00	C&W-Japan K.K.	100.000	
Cushman & Wakefield Korea Ltd.	SOUTH KOREA	100,000	KRW	100.00	Cushman & Wakefield Singapore Holdings Pte. Limited	100.000	
Cushman & Wakefield LLP	UNITED KINGDOM	N/A	GBP	99.00	Cushman & Wakefield (UK) Limited	99.000	
Cushman & Wakefield Loan.Net, Inc.	USA	20	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Ltd.	CANADA	11,000	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Luxembourg S.à r l.	LUXEMBOURG	12,500	EUR	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield Management Corporation	USA	100,000	USD	100.00	Cushman & Wakefield State Street, Inc.	100.000	
Cushman & Wakefield Management Services (UK) Limited	UNITED KINGDOM	500	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Negócios Imobiliários Ltda.	BRAZIL	775,000	BRL	99.99	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000	
Cushman & Wakefield of Alabama, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arizona, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arkansas, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of California, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Colorado, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.95%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-ny-line basis							
Real Estate Services							
Cushman & Wakefield of Connecticut, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Delaware, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Europe, Inc.	USA	200	USD	100.00	Cushman & Wakefield International, Inc.	100.000	
Cushman & Wakefield of Florida, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Georgia, Inc.	USA	6,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Illinois, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Indiana, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Kentucky, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Long Island, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Maryland, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Massachusetts, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Michigan, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Minnesota, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Mississippi, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Missouri, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Nevada, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Hampshire, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Jersey, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New York, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of North Carolina, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Ohio, Inc.	USA	500	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oklahoma, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oregon, Inc.	USA	1,010	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Pennsylvania, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of San Diego, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield of California, Inc.	100.000	
Cushman & Wakefield of Tennessee, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Texas, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Virginia, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington D.C., Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington, Inc.	USA	500	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield One Court Square Cleaning, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield OOO	RUSSIA	8,788,898.90	RUR	100.00	Cushman & Wakefield (France Holdings) SAS	99.000	
					Cushman & Wakefield International, Inc.	10.000	
Cushman & Wakefield Peru S.A.	PERU	166,416	PEN	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.800	
					Cushman & Wakefield of South America, Inc.	0.200	
Cushman & Wakefield Philippines Inc	FILIPPINE	8,250,000	PHP	99.95	Cushman & Wakefield of Asia Inc	100.000	
Cushman & Wakefield Polska SP z.o.o.	POLAND	135,588	PLN	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield Property Management Services India Private Limited	INDIA	100,000	INR	100.00	Cushman & Wakefield India Private Limited	100.000	
Cushman & Wakefield Property Management Services Ltd	HUNGARY	3,000,000	HUF	100.00	Cushman & Wakefield International Real Estate Kft	100.000	
Cushman & Wakefield Property Services Slovakia, s.r.o	SLOVAC REPUBLIC	N/A	EUR	100.00	Cushman & Wakefield, s.r.o.	100.000	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	CANADA	100	CAD	100.00	Cushman & Wakefield Ltd.	N/A	
Cushman & Wakefield Regional, Inc.	USA	1	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Residential Limited	UNITED KINGDOM	1,000	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield SAS	FRANCE	42,000	EUR	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield Securities, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield - Serviços Gerais Ltda.	BRAZIL	10,000	BRL	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
					Cushman & Wakefield Luxembourg Holdings S.à.r.l.	0.010	
Cushman & Wakefield State Street, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Taiwan Limited	TAIWAN	500,000	TWD	100.00	Cushman & Wakefield (HK) Limited.	100.000	
Cushman & Wakefield Thailand Limited	THAILANDIA	8,000,000	THB	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield V.O.F.	NETHERLAND	N/A	EUR	100.00	Cushman & Wakefield, Netherlands B.V.	N/A	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	HONG KONG	17,000,000	HKD	100.00	Cushman & Wakefield (HK) Limited.	100.000	
Cushman & Wakefield Venezuela, S.A.	VENEZUELA	1,000,000	VEB	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000	
Cushman & Wakefield VHS Pte Limited	SINGAPORE	1	SGD	100.00	Cushman & Wakefield (S) Pte Limited	100.000	
Cushman & Wakefield Western, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Zarzadzanie SP z.o.o.	POLAND	50,000	PLN	99.00	Cushman & Wakefield Polska SP z.o.o.	99.000	
Cushman & Wakefield, Inc.	USA	0.01	USD	100.00	Cushman & Wakefield Holdings, Inc.	100.000	
Cushman & Wakefield, S. de R.L.de C.V.	MEXICO	16,200,000	MXN	100.00	Cushman & Wakefield de Mexico, S.A. de C.V	99.994	
					Cushman & Wakefield of the Americas, Inc.	0.006	
Cushman & Wakefield, s. r. o.	CZECH REPUBLIK	100,000	EUR	80.00	Cushman & Wakefield (France Holdings) SAS	80.000	
				20.00	Cushman & Wakefield Global Holdco Limited	20.000	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	INDONESIA	5,000	IDR	98.00	Cushman & Wakefield Indonesia Holdings Private Limited	98.000	
S.C. Cushman & Wakefield Romania S.R.L.	ROMANIA	1,000	RON	100.00	Cushman & Wakefield (EMEA) Limited	99.000	
					Healey & Baker Limited	10.000	
The Apartment Group LLC	USA	200	USD	100.00	Cushman & Wakefield of Georgia, Inc.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.95%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-ny-line basis							
Asset Services							
Cushman & Wakefield Asset Management K.K.	JAPAN	11,900	JPY	100.00	Cushman & Wakefield Investment Advisors K.K.	100.000	
Cushman & Wakefield Asset Management, Inc.	USA	1	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Facilities Management Services	CANADA	1,000	CAD	100.00	Cushman & Wakefield FM Limited Partnership	50.000	
					Cushman & Wakefield Ltd.	50.000	
Cushman & Wakefield FM Limited Partnership	CANADA	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.000	
					Cushman & Wakefield GP Inc	10.000	
Holding							
Cushman & Wakefield (BVI) Inc	BRITISH VIRGIN ISLANDS	100	USD	100.00	Cushman & Wakefield of Asia Limited.	100.000	
Cushman & Wakefield (EMEA) Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (France Holdings) SAS	FRANCE	7,910,207	EUR	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (UK) Services Ltd.	UNITED KINGDOM	15,398,538	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Capital Holdings (Asia)	BELGIUM	18,550	EUR	100.00	Cushman & Wakefield of Asia Inc	99.990	
					Cushman & Wakefield International Inc.	0.010	
Cushman & Wakefield Dutch Holdings Cooperatie W.A	NETHERLAND	N/A	EUR	100.00	Cushman & Wakefield, Inc.	97.810	
					Cushman & Wakefield of South America Inc	2.190	
Cushman & Wakefield Global Holdco Limited	UNITED KINGDOM	1	EUR	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000	
Cushman & Wakefield Holdings, Inc.	USA	0.01	USD	100.00	C & W Group Inc	100.000	
Cushman & Wakefield Indonesia Holdings Pte Ltd	SINGAPORE	603,740	SGD	60.00	Cushman & Wakefield Singapore Holdings Pte Limited	60.000	
Cushman & Wakefield Industrial Dutch Holdings B.V.	NETHERLAND	18,000	EUR	100.00	Cushman & Wakefield Dutch Holdings Cooperatie W.A	100.000	
Cushman & Wakefield International Finance Subsidiary, LLC	USA	1	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Luxembourg Holdings S.à.r.l	LUXEMBOURG	12,600	EUR	100.00	Cushman & Wakefield Industrial Dutch Holdings B.V.	100.000	
Cushman & Wakefield Mauritius Holdings, Inc.	MAURITIUS	500,000	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield of Asia Limited	BRITISH VIRGIN ISLANDS	979,152	USD	100.00	Cushman & Wakefield of Asia, Inc.	59.710	
					Cushman & Wakefield (BVI), Inc.	25.000	
					Cushman & Wakefield (EMEA) Limited	15.290	
Cushman & Wakefield of Asia, Inc.	USA	200	USD	100.00	Cushman & Wakefield International, Inc.	100.000	
Cushman & Wakefield of the Americas, Inc.	USA	100	USD	100.00	Cushman & Wakefield International, Inc.	100.000	
Cushman & Wakefield Singapore Holdings Pte. Limited	SINGAPORE	1,000	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Healey & Baker Limited	UNITED KINGDOM	2	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Insurance							
Nottingham Indemnity, Inc.	USA	100,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
REIT management							
Cushman & Wakefield Realty Advisors, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Support Management							
Cushman & Wakefield Facilities Management (Greece) Monoprosopi EPE	GREECE	18,000	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management AB	SVEZIA	100,000	SEK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Denmark Aps	DENMARK	125	DKK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management France SARL	FRANCE	8,000	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Ireland Limited	IRELAND	100	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Limited	UNITED KINGDOM	10	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Facilities Management Romania SRL	ROMANIA	200	RON	100.00	Cushman & Wakefield Facilities Management Trading Limited	95.000	
					Cushman & Wakefield Facilities Management Limited	5.000	
Cushman & Wakefield Facilities Management SPRL	BELGIUM	18,550	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Trading Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield Facilities Management Limited	100.000	
Cushman & Wakefield Facilities Management, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Building Management Services							
Cushfield Maintenance Corp.	USA	10	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushfield Maintenance West Corp.	USA	1,000	USD	100.00	Buckbee Thorne & Co.	100.000	
Cushfield, Inc.	USA	100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Asset Services Y.K.	JAPAN	60	JPY	100.00	C&W-Japan K.K.	100.000	
Cushman & Wakefield National Corporation	USA	5,100	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Others							
Cushman & Wakefield (Australia) Pty Limited	AUSTRALIA	6,600,000	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	92.424	
					Cushman & Wakefield Holding Pty Limited	7.576	
Cushman & Wakefield (China) Limited	HONG KONG	2	HKD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (Properties) Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield (Resources) Limited	UNITED KINGDOM	1	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield (UK) Ltd.	UNITED KINGDOM	15,398,536	GBP	100.00	Cushman & Wakefield (UK) Services Ltd.	100.000	
Cushman & Wakefield Advisory Asia (India) Private Limited	INDIA	5,000,000	INR	99.00	Cushman & Wakefield Capital Holdings (Asia)	99.000	
				1.00	Cushman & Wakefield Capital Asia Limited	1.000	
Cushman & Wakefield Canada Limited Partnership	CANADA	N/A	CAD	100.00	Cushman & Wakefield First Nova Scotia ULC	99.900	
					Cushman & Wakefield Second Nova Scotia ULC	0.100	
Cushman & Wakefield Capital Asia (HK) Limited	HONG KONG	100,000,000	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Capital Asia Limited	HONG KONG	100	HKD	100.00	Cushman & Wakefield of Asia, Inc.	100.000	
Cushman & Wakefield Cleaning Services, Inc.	USA	200	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield First Nova Scotia ULC	CANADA	37,803,970	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield GP Inc.	CANADA	100	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Holding Pty Limited	AUSTRALIA	1	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield Investments LLP	UNITED KINGDOM	130,138	GBP	51.00	Cushman & Wakefield Luxembourg Holdings S.à r.l.	51.000	
Cushman & Wakefield Investors Asia Ltd	HONG KONG	100,000,000	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 78.95%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Subsidiaries consolidated on a line-ny-line basis							
Others							
Cushman & Wakefield LP Limited	GRAND CAYMAN	N/A	USD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Netherlands B.V.	NETHERLAND	40,000	NLG	100.00	Cushman & Wakefield (France Holdings) SAS	100.000	
Cushman & Wakefield New Canada Limited Partnership	CANADA	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.990	
					Cushman & Wakefield Second Nova Scotia ULC	0.010	
Cushman & Wakefield of North America, Inc.	USA	100	USD	100.00	Cushman & Wakefield International, Inc.	100.000	
Cushman & Wakefield of South America, Inc.	USA	1,000	USD	100.00	Cushman & Wakefield International, Inc.	100.000	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	MEXICO	50,000	MXN	100.00	Cushman & Wakefield, S. de RL de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004	
Cushman & Wakefield Second Nova Scotia ULC	CANADA	100	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield Servicios, S.A. de C.V	MEXICO	50,000	MXN	100.00	Cushman & Wakefield, S. de RL de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V.	0.004	
Cushman & Wakefield Spain Limited	UNITED KINGDOM	1,000	GBP	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield U.K. Limited Partnership	UNITED KINGDOM	N/A	GBP	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000	
					Cushman & Wakefield Global Holdco Limited	2.000	

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock at 12/31/2012	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies accounted for by the equity method							
Real Estate							
ALMACANTAR S.A.	LUXEMBOURG	275,748,848	GBP	36.29	EXOR S.A.	36.294	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Jointly-controlled entities accounted for by the equity method								
Business Auto: Car Mass - Market brands								
APAC								
Fiat India Automobiles Limited	Ranjangaon	India	17,951,596,600	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
GAC FIAT Automobiles Co. Ltd.	Changsha	Cina (Rep. Popolare)	1,800,000,000	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
EMEA								
FGA CAPITAL S.p.A.	Torino	Italia	700,000,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	Trappes	Francia	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	Trappes	Francia	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Vienna	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
						Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Heilbronn	Germania	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Auderghem	Belgio	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Glostrup	Danimarca	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Argyroupoli	Grecia	1,200,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Alges	Portogallo	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Dublino	Irlanda	132,562	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Lijnden	Paesi Bassi	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Dublino	Irlanda	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Alcalá De Henares	Spagna	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Alcalá De Henares	Spagna	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	Slough Berkshire	Regno Unito	50,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	Slough Berkshire	Regno Unito	19,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Alges	Portogallo	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Argyroupoli	Grecia	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Vienna	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Varsavia	Polonia	24,384,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	Slough Berkshire	Regno Unito	20,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Varsavia	Polonia	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Schlieren	Svizzera	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	Trappes	Francia	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	Trappes	Francia	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Torino	Italia	77,979,400	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Istanbul	Turchia	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	Amsterdam	Paesi Bassi	250,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
FIAT POWERTRAIN TECHNOLOGIES SOLLERS Limited Liability Company	Zavolzhje	Russia	10,000	RUB	50.00	FIAT POWERTRAIN TECHNOLOGIES SOLLERS Investment Company B.V.	100.000	
G.E.I.E. Gisevel	Parigi	Francia	15,200	EUR	50.00	Fiat France	50.000	
G.E.I.E.-Sevelind	Parigi	Francia	15,200	EUR	50.00	Fiat France	50.000	
Koc Fiat Kredi Tuketici Finansmani A.S.	Istanbul	Turchia	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
PLATFORM Arastirma Gelistirme Tasarim ve Ticaret A.S.	Bursa	Turchia	1,000,000	TRY	37.48	Tofas-Turk Otomobil Fabrikasi A.S.	99.000	
Società Europea Veicoli Leggeri-Sevel S.p.A.	Atessa	Italia	68,640,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
(*) Société Européenne de Véhicules Légers du Nord-Sevelnord Société Anonyme	Parigi	Francia	80,325,000	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Levent	Turchia	500,000,000	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
VM Motori S.p.A.	Cento	Italia	21,008,000	EUR	50.00	Fiat Powertrain Technologies SpA	50.000	
VM North America Inc.	Auburn Hills	Stati Uniti	1,000	USD	50.00	VM Motori S.p.A.	100.000	
Components and Production Systems								
Marelli								
JCMM Automotive d.o.o.	Belgrado	Serbia	1,223,910,473	RSD	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	Nuova Delhi	India	1,150,000,000	INR	50.00	Magneti Marelli S.p.A.	33.478	0.000
						Magneti Marelli Motherson India Holding B.V.	33.043	100.000
Magneti Marelli Motherson India Holding B.V.	Amsterdam	Paesi Bassi	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	Nuova Delhi	India	95,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	Haryana	India	100,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	Shanghai	Cina (Rep. Popolare)	12,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	Nuova Delhi	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
tema.mobility in liquidazione	Torino	Italia	850,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	Zhenjiang-Jangsu	Cina (Rep. Popolare)	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Teksid								
Hua Dong Teksid Automotive Foundry Co. Ltd.	Zhenjiang-Jangsu	Cina (Rep. Popolare)	385,363,500	CNY	42.40	Teksid S.p.A.	50.000	

(*) Assets held for sale

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.91%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries accounted for by the equity method								
Business Auto: Car Mass - Market brands								
NAFTA								
Alhambra Chrysler Jeep Dodge, Inc.	Wilmington	Stati Uniti	1,272,700	USD	58.54	Chrysler Group LLC	100.000	
Bessemer Chrysler Jeep Dodge, Inc.	Wilmington	Stati Uniti	3,590,000	USD	58.54	Chrysler Group LLC	100.000	
CG EC1LLC	Wilmington	Stati Uniti	0	USD	58.54	Chrysler Group LLC	100.000	
Downriver Dodge, Inc.	Wilmington	Stati Uniti	604,886	USD	58.54	Chrysler Group LLC	100.000	
Gwinnett Automotive Inc.	Wilmington	Stati Uniti	3,505,019	USD	58.54	Chrysler Group LLC	100.000	
La Brea Avenue Motors, Inc.	Wilmington	Stati Uniti	7,373,800	USD	58.54	Chrysler Group LLC	100.000	
McKinney Dodge, Inc.	Wilmington	Stati Uniti	2,858,463	USD	58.54	Chrysler Group LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	Wilmington	Stati Uniti	1,014,700	USD	58.54	Chrysler Group LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	Wilmington	Stati Uniti	675,400	USD	58.54	Chrysler Group LLC	100.000	
APAC								
Chrysler Group Taiwan Sales Ltd.	Taipei	Cina Naz. Taiwan	229,500,000	TWD	29.85	Chrysler Group LLC	51.000	
EMEA								
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Vienna	Austria	0	EUR	100.00	FGA Austro Car GmbH	100.000	
Alfa Romeo Inc.	Orlando	Stati Uniti	3,000,000	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Chrysler Jeep Ticaret A.S.	Istanbul	Turchia	5,357,000	TRY	58.49	Chrysler Group LLC	99.920	
GESTIN POLSKA Sp. z o.o.	Bielsko-Biala	Polonia	500,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Casablanca	Marocco	4,000,000	MAD	99.85	Fiat Group Automobiles Maroc S.A.	99.900	
Sirio Polska Sp. z o.o.	Bielsko-Biala	Polonia	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Components and Production Systems								
Marelli								
Cofap Fabricadora de Pecas Ltda	Santo Andre	Brasile	75,720,716	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Magneti Marelli Shock Absorbers (India) Private Limited	Pune	India	768,999,990	INR	99.99	Magneti Marelli S.p.A.	100.000	
Other activities: Holding companies and other companies								
Fabbrica Italia Mirafiori S.p.A.	Torino	Italia	200,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat (China) Business Co., Ltd.	Pechino	Cina (Rep. Popolare)	3,000,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	Torino	Italia	300,000	EUR	99.54	Fiat Gestione Partecipazioni S.p.A.	66.000	
						Fiat Group Automobiles S.p.A.	16.000	
						Comau S.p.A.	3.000	
						Fiat Powertrain Technologies SpA	3.000	
						Fiat S.p.A.	3.000	
						Fiat Services S.p.A.	3.000	
						Magneti Marelli S.p.A.	3.000	
						Teksid S.p.A.	3.000	
Iveco Motors of China Limited in liquidazione	Shanghai	Cina (Rep. Popolare)	300,000	USD	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Buenos Aires	Argentina	150,000	ARS	99.96	Rimaco S.A.	99.960	
Business Auto: Car Mass - Market brands								
NAFTA								
Global Engine Alliance LLC	Wilmington	Stati Uniti	1,500,000	USD	19.51	Chrysler Group LLC	33.330	
APAC								
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	Hangzhou	Cina (Rep. Popolare)	348,999,999	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	Zhajiang	Cina (Rep. Popolare)	200,010,000	CNY	33.33	Fiat Gestione Partecipazioni S.p.A.	33.330	
EMEA								
Arab American Vehicles Company S.A.E.	Il Cairo	Egitto	6,000,000	USD	28.68	Chrysler Group LLC	49.000	
Utymat S.A.	Santa Margarita I Els Monjos	Spagna	4,644,453	EUR	37.50	FGA Investimenti S.p.A.	37.500	
Other activities: Holding companies and other companies								
Iveco-Motor Sich, Inc.	Zaporozhye	Ucraina	26,568,000	UAH	38.62	Fiat Gestione Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidazione	Samandira-Kartal/Istanbul	Turchia	52,674,386	TRY	27.00	Fiat Gestione Partecipazioni S.p.A.	27.000	
Rizzoli Corriere della Sera MediaGroup S.p.A.	Milano	Italia	762,019,050	EUR	10.09	Fiat S.p.A.	10.093	10.497

Investments of Fiat Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.88%)

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Jointly-controlled entities accounted for using the equity method								
Agricultural and Construction Equipment								
Case Mexico S.A. de C.V.	San Pedro Garza Garcia	Mexico	810,000	MXN	43.71	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Zedelgem	Belgium	1,100,000	EUR	43.71	CNH Global N.V.	50.000	
CNH Comercial, SA de C.V.	San Pedro Garza Garcia	Mexico	160,050,000	MXN	43.71	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	San Pedro Garza Garcia	Mexico	165,276,000	MXN	43.71	CNH Global N.V.	50.000	
CNH Industrial S.A. de C.V.	San Pedro Garza Garcia	Mexico	200,050,000	MXN	43.71	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	San Pedro Garza Garcia	Mexico	50,000,000	MXN	42.84	CNH Global N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	San Pedro Garza Garcia	Mexico	375,000	MXN	43.71	CNH de Mexico SA de CV	99.999	
New Holland HFT Japan Inc.	Sapporo	Japan	240,000,000	JPY	43.71	CNH Global N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Ankara	Turkey	53,369,000	TRY	32.79	CNH Osterreich GmbH	37.500	
Trucks and Commercial Vehicles								
Iveco - Oto Melara Società consortile r.l.	Roma	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Cagliari	Italy	3,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Torino	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	Nanjing	China (Rep. Popolare)	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	Shanghai	China (Rep. Popolare)	160,000,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	Chongqing	China (Rep. Popolare)	500,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Madrid	Spain	16,315,347	EUR	50.00	Fiat Netherlands Holding N.V.	50.000	
Subsidiaries accounted for using the equity method								
Agricultural and Construction Equipment								
Farmers New Holland Inc.	Wilmington	USA	800,000	USD	87.43	CNH America LLC	100.000	
Jackson New Holland, Inc.	Wilmington	USA	371,000	USD	82.48	CNH America LLC	94.340	
Mid State New Holland, Inc.	Wilmington	USA	400,000	USD	76.50	CNH America LLC	87.500	
Northside New Holland Inc.	Wilmington	USA	250,000	USD	60.92	CNH America LLC	69.680	
Trucks and Commercial Vehicles								
Iveco Colombia S.a.s.	Santa Fe' de Bogota	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
						Iveco Latin America Ltda	0.010	
Associated companies accounted for using the equity method								
Agricultural and Construction Equipment								
Al-Ghazi Tractors Ltd	Karachi	Pakistan	214,682,225	PKR	37.74	CNH Global N.V.	43.169	
CNH Capital Europe S.a.S.	Puteaux	France	88,482,297	EUR	43.63	CNH Global N.V.	49.900	
Farm FZCO	Jebel Ali	United Arabian Emirates	6,600,000	AED	25.17	CNH Italia s.p.a.	28.788	
Trucks and Commercial Vehicles								
GEIE V.IV.RE	Boulogne	France	0	EUR	50.00	Iveco S.p.A.	50.000	
IVECO-AMT Ltd.	Miass	Russia	65,255,056	RUB	33.33	Fiat Netherlands Holding N.V.	33.330	
V.IVE.RE Gruppo Europeo di Interesse Economico	Torino	Italy	0	EUR	50.00	Iveco S.p.A.	50.000	

Investments of C&W Group accounted for by the equity method (percentage of EXOR Group consolidation: 78.95%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
JOINTLY-CONTROLLDED ACCOUNTED FOR USING THE EQUITY METHOD							
Others							
SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	LUXEMBOURG	125,000	EUR	50.00	Cushman & Wakefield Investors (Finance) Limited	50.00	
SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	LUXEMBOURG	1,081,693	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	100.00	
PURetail Düsseldorf Kasernenstr 1 GmbH	GERMANY	25,000	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.00	
PURetail Paris rue d'Amsterdam S.à r.l.	LUXEMBOURG	12,500	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.00	
PURetail Dijon rue de la Liberté S.à r.l. (Luxembourg)	LUXEMBOURG	12,500	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.00	
PURetail Dijon rue de la Liberté SCI (France)	FRANCE	10,760,000	EUR	N/A	PURetail Dijon rue de la Liberté S.à r.l. (Luxembourg)	100.00	
PURetail Linköping Däckeln 3 AB (Sweden)	SWEDEN	50,000	SEK	N/A	PURetail Sweden AB	100.00	
PURetail Linköping Dahlian 20 AB (Sweden)	SWEDEN	50,000	SEK	N/A	PURetail Sweden AB	100.00	
PURetail Linköping Domaren 13 AB (Sweden)	SWEDEN	50,000	SEK	N/A	PURetail Sweden AB	100.00	
PURetail Paris rue d'Amsterdam SCI (France)	FRANCE	10,509,000	EUR	N/A	PURetail Paris rue d'Amsterdam S.à r.l.	100.00	
PURetail Sweden AB (Sweden)	SWEDEN	50,000	SEK	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.00	

Investments of Fiat Group valued at cost

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost								
Business Auto: Car Mass - Market brands								
NAFTA								
CarCo Intermediate Mexico LLC	Wilmington	USA	1	USD	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CG Co-Issuer Inc.	Wilmington	USA	100	USD	58.54	Chrysler Group LLC	100.000	
CG MID LLC	Wilmington	USA	0	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	Wilmington	USA	0	USD	58.54	CNI CV	100.000	
Chrysler Receivables 1 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Windsor	Canada	100	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Windsor	Canada	0	CAD	58.54	Chrysler Canada Inc.	99.990	
						Chrysler Receivables 1 Inc.	0.005	
						Chrysler Receivables 2 Inc.	0.005	
Fundacion Chrysler, I.A.P.	Santa Fe	Mexico	0	MXN	58.54	Chrysler de Mexico S.A. de C.V.	100.000	
Superstition Springs MID LLC	Wilmington	USA	0	USD	58.54	CG MID LLC	100.000	
The Chrysler Foundation	Bingham Farms	USA	0	USD	58.54	Chrysler Group LLC	100.000	
LATAM								
(*) CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Contagem	Brazil	25,007,977	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
EMEA								
Banbury Road Motors Limited	Slough Berkshire	United Kingdom	100	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Amsterdam	Netherlands	0	EUR	58.54	CNI CV	99.000	
						CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	Slough Berkshire	United Kingdom	1	GBP	58.54	Chrysler UK Limited	100.000	
CNI CV	Amsterdam	Netherlands	0	EUR	58.54	Chrysler Group LLC	99.000	
						Chrysler Group Minority LLC	1.000	
CODEFIS Società consortile per azioni	Torino	Italy	120,000	EUR	51.00	Fiat Group Automobiles S.p.A.	51.000	
Consorzio Servizi Balocco	Torino	Italy	10,000	EUR	91.37	Fiat Group Automobiles S.p.A.	77.800	
						Ferrari S.p.A.	5.300	
						Fiat Powertrain Technologies SpA	4.500	
						Maserati S.p.A.	2.800	
						Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Kragujevac	Serbia	2,281,603	RSD	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Torino	Italy	1,682,028	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Alcalá De Henares	Spain	30,051	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Auto Marketing Institute (Portugal) ACE	Alges	Portugal	15,000	EUR	80.00	Fiat Group Automobiles Portugal, S.A.	80.000	
Fiat Motor Sales Ltd	Slough Berkshire	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Nizhniy Novgorod	Russia	283,165,038	RUB	100.00	FGA Russia S.r.l.	99.541	
						Fiat Group Automobiles S.p.A.	0.459	
Business Auto:Performance and Luxury Brands								
Ferrari								
Ferrari Australasia Pty Limited	Lane Cove	Australia	2,000,100	AUD	90.00	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Maranello	Italy	105,000	EUR	84.99	Ferrari S.p.A.	94.438	
Components and Production Systems								
Marelli								
Automotive Lighting Japan K.K.	KohoKu-Ku-Yokohama	Japan	10,000,000	JPY	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidazione	Pune	India	125,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Itauna	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
						Fiat do Brasil S.A.	0.100	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Bursa	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Comau								
Consorzio Fermag in liquidazione	Bareggio	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Other activities: Holding companies and other companies								
Fiat Common Investment Fund Limited	Londra	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Danismanlik Ve Temsilcilik Limited Sirketi	Istanbul	Turkey	120,000	TRY	100.00	Fiat Gestione Partecipazioni S.p.A.	99.979	
						Fiat Partecipazioni S.p.A.	0.021	
Fiat Oriente S.A.E. in liquidazione	Il Cairo	Egypt	50,000	EGP	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	Nuova Delhi	India	28,605,400	INR	100.00	Fiat Gestione Partecipazioni S.p.A.	99.825	
						Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Seguros Ltda	Belo Horizonte	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidazione	Nuova Delhi	India	1,750,000	INR	99.54	Isvor Fiat Società consortile di sviluppo e addestramento industriale per Azioni	100.000	
New Business 28 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 29 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 30 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 31 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 32 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 33 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
New Business 34 S.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Gestione Partecipazioni S.p.A.	100.000	
OOO Sadi Rus	Nizhniy Novgorod	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
						Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Torino	Italy	120,000	EUR	97.51	Fiat Gestione Partecipazioni S.p.A.	76.722	
						Fiat S.p.A.	18.003	
						Editrice La Stampa S.p.A.	0.439	
						Comau S.p.A.	0.220	
						Fabbrica Italia Pomigliano S.p.A.	0.220	
						Ferrari S.p.A.	0.220	
						Fiat Finance S.p.A.	0.220	
						Fiat Powertrain Technologies SpA	0.220	
						Fiat Services S.p.A.	0.220	
						Fiat Servizi per l'Industria S.c.p.a.	0.220	
						Magneti Marelli S.p.A.	0.220	
						Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
						Teksid S.p.A.	0.220	
						Fiat Group Automobiles S.p.A.	0.219	

(*) Assets held for sale.

Investments of Fiat Group valued at cost

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Associated companies valued at cost								
Business Auto: Car Mass - Market brands								
NAFTA								
United States Council for Automotive Research LLC	Southfield	USA	100	USD	19.51	Chrysler Group LLC	33.330	
EMEA								
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidazione	Arese	Italy	20,000	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Consorzio Prode	Napoli	Italy	51,644	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Consorzio Scuola Superiore per l`Alta Formazione Universitaria Federico II in liquidazione	Napoli	Italy	127,500	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Fidis Rent GmbH	Francoforte	Germany	50,000	EUR	49.00	Fiat Group Automobiles Germany AG	49.000	
Innovazione Automotive e Metalmeccanica Scrl	Santa Maria Imbaro	Italy	115,000	EUR	24.52	Fiat Group Automobiles S.p.A.	17.391	
						C.R.F. Società Consortile per Azioni	6.957	
						Sistemi Sospensioni S.p.A.	0.174	
New Holland Fiat (India) Private Limited	Mumbai	India	12,485,547,400	INR	3.59	Fiat Group Automobiles S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Trento	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidazione	Mumbai	India	43,300,200	INR	50.00	FGA Investimenti S.p.A.	50.000	
Business Auto:Performance and Luxury Brands								
Ferrari								
Senator Software Gmbh	Monaco	Germany	25,565	EUR	39.69	Ferrari Financial Services AG	49.000	
Components and Production Systems								
Marelli								
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Torino	Italy	40,000	EUR	24.25	Plastic Components and Modules Automotive S.p.A.	16.500	
						Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Modugno	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Flexider S.p.A.	Torino	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
L.U.C.I. SRL	Amaro	Italy	11,600	EUR	26.03	Centro Ricerche Plast-Optica S.p.A.	34.483	
Mars Seal Private Limited	Mumbai	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Bursa	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Other activities: Holding companies and other companies								
ANFIA Automotive S.c.r.l.	Torino	Italy	20,000	EUR	25.00	C.R.F. Società Consortile per Azioni	10.000	
						Fiat Group Automobiles S.p.A.	5.000	
						Fiat Powertrain Technologies SpA	5.000	
						Magneti Marelli S.p.A.	5.000	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidazione	Torino	Italy	241,961	EUR	21.34	Fiat Gestione Partecipazioni S.p.A.	10.672	
						Fiat Group Automobiles S.p.A.	10.672	
FMA-Consultoria e Negocios Ltda	San Paolo	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Torino	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Chivasso	Italy	10,000	EUR	36.70	Fiat Partecipazioni S.p.A.	25.800	
						Plastic Components and Modules Automotive S.p.A.	10.900	
Società Editrice Mercantile - S.E.M. S.R.L.	Genova	Italy	3,000,000	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Torino	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Zastava-Kamioni D.O.O.	Kragujevac	Serbia	1,673,505,893	RSD	33.68	Fiat Gestione Partecipazioni S.p.A.	33.677	
Other companies valued at cost								
Business Auto: Car Mass - Market brands								
EMEA								
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Fisciano	Italy	225,000	EUR	16.00	C.R.F. Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Rotondella	Italy	90,131	EUR	11.57	C.R.F. Società Consortile per Azioni	5.787	
						Fiat Group Automobiles S.p.A.	5.787	
Consorzio Technapoli	Napoli	Italy	1,626,855	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
Business Auto:Performance and Luxury Brands								
Ferrari								
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	14.73	Ferrari S.p.A.	16.364	
Components and Production Systems								
Marelli								
Editori Riuniti S.p.A. in liquidazione	Roma	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
Other activities: Holding companies and other companies								
Consorzio Edicola Italiana	Milano	Italy	60,000	EUR	16.67	Editrice La Stampa S.p.A.	16.667	
Consorzio Lingotto	Torino	Italy	9,612	EUR	17.90	Fiat Partecipazioni S.p.A.	12.500	
						Fiat S.p.A.	5.400	
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Bari	Italy	150,000	EUR	13.33	C.R.F. Società Consortile per Azioni	6.667	
						Magneti Marelli S.p.A.	6.667	
Ercole Marelli & C. S.p.A. in liquidazione	Milano	Italy	9,633,000	EUR	13.00	Fiat Partecipazioni S.p.A.	13.000	
Expo 2000 - S.p.A. in liquidazione	Torino	Italy	2,205,930	EUR	18.95	Fiat Gestione Partecipazioni S.p.A.	18.949	
Fin.Priv. S.r.l.	Milano	Italy	20,000	EUR	14.29	Fiat S.p.A.	14.285	

Investments of Fiat Industrial Group valued at cost

Name	Registered office	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
Subsidiaries valued at cost								
Agricultural and Construction Equipment								
Case Construction Equipment, Inc.	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
Employers Health Initiatives LLC	Wilmington	USA	790,000	USD	87.43	CNH America LLC	100.000	
Fermec North America Inc.	Wilmington	USA	5	USD	87.43	CNH America LLC	100.000	
International Harvester Company	Wilmington	USA	1,000	USD	87.43	CNH America LLC	100.000	
J.I. Case Company Limited	Basildon	United Kingdom	2	GBP	87.43	Case United Kingdom Limited	100.000	
New Holland Agricultural Equipment S.p.A.	Torino	Italy	120,000	EUR	87.43	CNH Italia s.p.a.	100.000	
New Holland Construction Equipment S.p.A.	Torino	Italy	120,000	EUR	87.43	CNH Italia s.p.a.	100.000	
RosCaseMash	Saratov	Russia	0	RUB	33.44	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles								
Altra S.p.A.	Genova	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
K2012173554 (South Africa) (Pty) Ltd	Cape Town	Rep. Sudafricana	1,000	ZAR	100.00	Iveco South Africa (Pty) Ltd.	100.000	
MVPC LLC	Mosca	Russia	10,000	RUB	50.00	OOO Iveco Russia	50.000	
FPT Industrial								
Componentes Mecanicos S.A.	Barcellona	Spain	1,135,037	EUR	100.00	Iveco Espana S.L.	100.000	
Holdings Companies and Other companies								
F.I. Holding N.V.	Amsterdam	Netherlands	45,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
FI CBM Holdings N.V.	Amsterdam	Netherlands	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
New Industrial Business 1 s.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
New Industrial Business 2 s.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
New Industrial Business 3 s.r.l.	Torino	Italy	50,000	EUR	100.00	Fiat Industrial S.p.A.	100.000	
Associated companies valued at cost								
Agricultural and Construction Equipment								
Consorzio Nido Industria Vallesina	Ancona	Italy	53,903	EUR	33.86	CNH Italia s.p.a.	38.728	
Trucks and Commercial Vehicles								
Sotra S.A.	Abidjan	Costa D'Avorio	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Tajoura	Lybia	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
Other companies valued at cost								
Agricultural and Construction Equipment								
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidazione	Torino	Italy	241,961	EUR	9.33	CNH Italia s.p.a.	10.672	
Nuova Didactica S.c. a r.l.	Modena	Italy	112,200	EUR	10.73	CNH Italia s.p.a.	12.273	
Polagris S.A.	Pikieliszki	Lituania	1,133,400	LTL	9.66	CNH Polska Sp. z o.o.	11.054	
Holdings Companies and Other companies								
CODEFIS Società consortile per azioni	Torino	Italy	120,000	EUR	17.24	CNH Capital U.K. Ltd	14.000	
						Iveco Partecipazioni Finanziarie S.r.l	5.000	
Fiat-Revisione Interna S.c.p.a.	Torino	Italy	300,000	EUR	16.00	Fiat Industrial S.p.A.	16.000	

Investments of C&W Group valued at cost

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
Other investment valued at cost							
Real Estate Services							
NorthMarq Real Estate Services, LLC	USA	N/A	USD	12.00	Cushman & Wakefield of Minnesota, Inc.	12.00	

Significant investments of the Holdings System

Name	Country	Capital Stock at 12/31/2012	Currency	Interest held by	% of interest held	% of voting rights
Others and holdings						
JARDINE ROTHSCHILD ASIA CAPITAL (MAURITIUS) LTD	MAURITIUS	90,000	USD	EXOR S.A.	18.833	
SEQUANA S.A.	FRANCE	225,084,348	EUR	EXOR S.A.	18.736	
BANIJAY HOLDING S.A.S.	FRANCE	2,057,501	EUR	EXOR S.A.	17.088	17.172
GRUPPO BANCA LEONARDO S.p.A.	ITALY	100,000,000	EUR	EXOR S.A.	17.404	
SGS S.A.	SWITZERLAND	7,822,436	CHF	EXOR S.A.	15.000	

2013 Annual Report

Società per Azioni
Share capital Euro 246,229,850, fully paid-in
Registered office in Turin, Italy – Via Nizza 250 - Turin Company Register No. 00470400011

2013 ANNUAL REPORT

Letter to Shareholders

Report on Operations

The 2013 Annual Report is available on the corporate website at: www.exor.com

---

This is an English translation of the Italian original document “Relazione Finanziaria 2013” approved by the EXOR S.p.A. board of directors on April 9, 2014 which has been prepared solely for the convenience of the reader. The version in Italian takes precedence and for complete information about EXOR S.p.A. and the Group, reference should be made to the full original report in Italian “Relazione Finanziaria 2013”.

Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 16.2% in 2013, underperforming by 2.5% the MSCI World Index denominated in Euros – the benchmark against which we measure our performance - which at year-end reached its 2007 heights.

With this as context, I think it is interesting to highlight that the market value of Fiat and CNH Industrial, which together represent 51% of our Gross Asset Value and will determine most of our performance, closed the year 40% below the historical high of the Fiat Group's total value on July, 9th 2007, before the demerger of the capital goods businesses that now form part of CNH Industrial and before Fiat became involved in Chrysler. The combined entity (Fiat + CNH Industrial) in 2013 almost doubled its revenues and grew its trading profit by 66% compared to Fiat Group's figures in 2007. So, despite our NAV's 2013 underperformance versus our benchmark, we have reasons to be confident that valuations will catch up with underlying results in the years to come.

EXOR NAV PERFORMANCE vs. THE MSCI WORLD INDEX (in Euros)

	Annual percentage change		
Year	1 - EXOR NAV	2 - MSCI World Index Euro	Relative results (1-2)
2009	93.3	37.8	55.5
2010	45.8	17.2	28.6
2011	-24.4	-4.5	-19.9
2012	20.6	11.4	9.2
2013	16.2	18.7	-2.5
Compounded annual rate	**25.4**	**15.9**	**9.5**

Note: data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana

EXOR NET ASSET VALUE (NAV)

€ millions	12/31/2012	12/31/2013	Change absolute	Change percentage
Gross Asset Value	9,178	10,313	1,135	+12.4%
Gross Debt	(1,388)	(1,291)	97	-7.0%
Ordinary holding costs over 10 years	(170)	(170)	-	-
Net Asset Value	7,620	8,852	1,232	+16.2%

The most significant event for our company in 2013 was the €2 billion disposal to GBL (Groupe Bruxelles Lambert) of the entire stake in SGS, the world leader in verification, testing, control and certification. The transaction resulted in a €1.5 billion capital gain for EXOR which, together with the €360 million of dividends received over time, implies a five-fold cash-on-cash return on the investment we made 14 years ago.

We were delighted with the results of our investment in SGS and feel lucky to have been involved with the Company for many years.

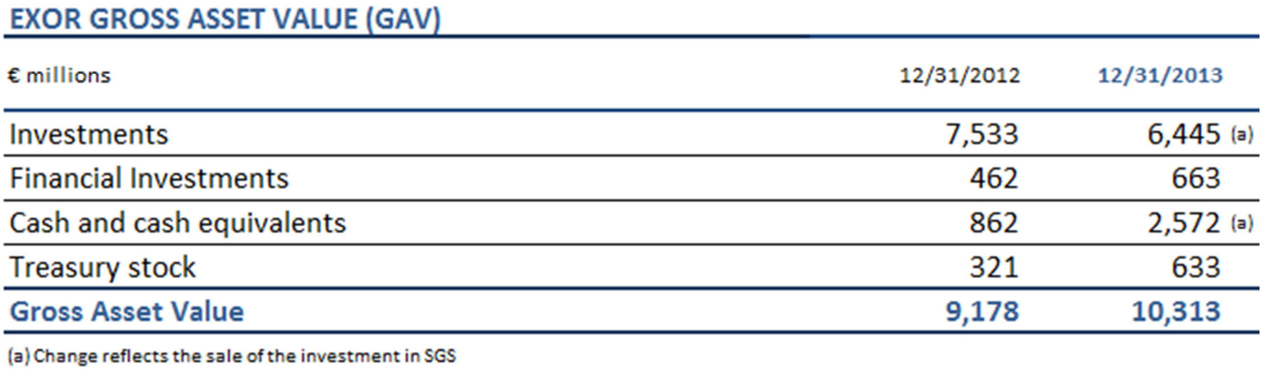
As Thomas Jefferson said “I am a great believer in luck and I find the harder I work the more I have of it”. This explains well the success of SGS under the leadership of Sergio Marchionne (who ran SGS prior to becoming CEO of Fiat) and of his successor, Chris Kirk, who, together with the Operating Council and its associates, has worked extremely hard to obtain outstanding results.

At the time of our initial investment in SGS in 2000, the company’s revenues and operating income stood at CHF2.4 billion and CHF154 million respectively. Thanks to the relentless focus of its leadership on operational improvement and strong revenue growth, SGS has today become the global leader in its business with revenue rising to CHF5.8 billion (largely through organic growth) and operating income of CHF977 million.

We are confident that, under the stewardship of the Desmarais, Frère and von Finck families, the company will continue on its journey.

GROSS ASSET VALUE

Let me now describe in more detail the four components of our Gross Asset Value (GAV) as summarized in the table below:



EXOR GROSS ASSET VALUE (GAV)

€ millions	12/31/2012	12/31/2013
Investments	7,533	6,445 (a)
Financial Investments	462	663
Cash and cash equivalents	862	2,572 (a)
Treasury stock	321	633
Gross Asset Value	**9,178**	**10,313**

(a) Change reflects the sale of the investment in SGS

INVESTMENTS (62.5 % of GAV)

This line represents the principal component of our assets, so let's focus on the big three investments that represent 56.6% of our GAV.

CNH Industrial

(27.18% ownership; 29.4% of GAV)

In 2013, we said farewell to the old Fiat Industrial and welcomed the newly-created CNH Industrial. After having simplified its capital structure in 2012 by converting multiple classes of shares to just one, Fiat Industrial merged with CNH, in which it already had an 88% controlling stake, last September. The resulting entity, CNH Industrial, added a New York listing to its historical presence on the Milan stock exchange.

All of the group's capital-goods businesses – agricultural equipment, construction equipment, trucks, commercial vehicles and industrial engines – now sit under a single corporate umbrella, a move we believe will bring operational synergies and swifter decision-making.

2013 was a solid year for CNH Industrial, substantially in line with 2012 on a constant currency basis: revenues came in at €25.8 billion; adjusted EBIT was €2 billion; and net industrial debt was reduced to €1.6 billion. The contribution of the Agricultural Equipment business accounted for the lion's share of overall profits (around €1.5 billion), whereas the Construction Equipment and the Trucks and Commercial Vehicles businesses faced some challenges. The former was mostly affected by lower volumes (with no loss in market share though), the latter was affected by a negative market product-mix and tough price competition, primarily in southern Europe.

We're pleased to see that product leadership remains at the core of CNH Industrial's development: a significant R&D investment of €934 million was implemented by its 6,300 professionals across 48 research sites. In 2013, the company inaugurated a new product development center in Harbin (China). It is the largest facility of its kind in China and will help CNH Industrial develop advanced agricultural machinery products tailored to the needs of what will likely become the world's largest agricultural market.

In the past twelve months a number of awards were won by CNH Industrial products across all the businesses. Just to mention a few: Case Construction received a prestigious recognition in North America, as one of "Most Innovative Product of 2013" for its SR210 skid steer loader. Case IH was named "Most Desired Brand" in the category "Agricultural Machinery" in Brazil by the country's automotive and capital equipment Association FENABRAVE. At the same time, in Europe the New Holland Six Model T8 Auto Command Series Tractors were named "Machine of the Year 2014".

No less important were milestones like the 250,000th tractor manufactured in the Greater Noida Plant in India or the production of the six millionth engine in the Foggia Plant in Italy.

The range of activities and the geographic spread of this business are very broad, but despite its complexity there is every reason to believe it can join the leading competitors in its markets over time.

You will have the opportunity to learn more about how Rich Tobin, his leadership team and their 71,200 associates intend to get there when they present CNH Industrial's business plan on May 8.

Fiat-Chrysler

(30.05% ownership; 21.6% of GAV)

2013 was a good year at Fiat.

The company shipped 4.4 million vehicles, of which 2.2 million were in the NAFTA region, where the company recorded 45 and 49 consecutive months of year-on-year sales gains in the U.S. and Canada, respectively. Revenues climbed to €86.7 billion, adjusted EBIT reached €3.4 billion and net industrial debt was better than stated guidance at €6.6 billion while maintaining a high level of liquidity at €19.7 billion.

Fiat deployed €7.4 billion in capital expenditures last year, part of which was dedicated to the first stages of the €1 billion initiative to prepare the manufacturing plant in Melfi, Italy, to host production of the Jeep Renegade and its sister vehicle, the 500X. This is tangible proof of Fiat's commitment to utilize its Italian, state-of-the-art manufacturing capacity and expertise. Also, the first shoots of Fiat's "premium" strategy have begun to appear with the successful launches of the Maserati Quattroporte at the Detroit Auto Show in January and its little sister, the new Ghibli, at the Shanghai Show in May. (The U.S. and China were Maserati's largest markets in 2013.) Maserati shipped roughly 15,000 cars in 2013, 150% more than in 2012.

These are very encouraging signs for what has generally been met with a lot of skepticism. As the philosopher Schopenhauer said: "All truth passes through three stages: first it is ridiculed, second it is violently opposed, third it is accepted as being self- evident."

But those were not the only landmark achievements for Fiat during the year: Jeep established its all-time global sales record of 732,000 vehicles thanks to the introduction of the new Cherokee and great commercial success of the new Grand Cherokee. With the recent addition of the small Renegade to its line-up, Jeep has set itself the ambitious target of exceeding one million shipments in 2014.

Finally, Ferrari improved its results with a bold decision of selling fewer cars to maintain a high level of exclusivity and increase their value over the time: while reducing its unit sales, it set new records for revenues and profits. Furthermore, on February 18, 2014 a leading London-based brand valuation consultancy confirmed Ferrari as the world's Most Powerful Brand.

Cushman & Wakefield

(68.46% ownership; 5.6% of GAV)

Cushman & Wakefield delivered double-digit revenue and operating income growth in 2013. Gross revenue increased 21.9% to a record $2.5 billion, compared with $2.1 billion a year before. Adjusted EBITDA and adjusted income attributable to owners of the parent as measured under U.S. GAAP (which is the more analogous metric when comparing C&W to its listed competitors) increased 10.5% to $145 million and 60.4% to $46.2 million, respectively.

Growth was spread across all service lines. Commission and service fee revenue for Corporate Occupier & Investor Services increased 24.1% on a record figure for global property under management, which exceeded 1 billion square feet for the first time and included a number of notable wins from world-class organizations such as Citigroup, DLF and British Airways. Also in 2013, C&W acquired the Singapore-based Project Solution Group, which now makes them a project-management market leader in Asia Pacific. Commission and service fee revenue for Capital Markets increased 22.7% on record global investment sales transaction volumes, with a number of high-profile assignments including mandates for the London Stock Exchange, 113 Argyle Street in Hong Kong and 101 Murray Street in New York City. Commission and service fee revenue for the firm's Valuation & Advisory group increased 13.3% and the value of appraisals exceeded $1 trillion for the second consecutive year and set an all-time record.

Last year the firm also underwent a leadership change. In June, the firm's President & CEO stepped down and Carlo Sant'Albano stepped in and led the firm as interim CEO, doing a great job. Before the year-end, the firm announced the appointment of Edward C. Forst as President & CEO following his tenure at Goldman Sachs & Co. as Global Co-Head of the Investment Management Division and a member of its management committee.

I look forward to working closely with Ed and the great professionals of the firm. I am confident that under his leadership Cushman & Wakefield will accelerate its growth while improving its financial performance. An exciting phase is starting for C&W as it heads towards its centennial in 2017. As owners we are strongly committed to its success.

Our remaining investments, which represent just 5.9% of GAV, turned in better overall performance in 2013 in terms of operating profits.

Almacantar is the largest of these.

As you may recall from last year's letter, I highlighted Almacantar as a prime example of a *small* investment with strong potential. We are delighted that it is starting to deliver on this early promise and is making material progress against its objective of becoming a leading player at the high end of the London real-estate market. We confirmed our confidence in Mike Hussey and his team in 2013 by subscribing to a new round of investment in which we contributed €58 million to further expand the product portfolio with the acquisition – amongst others – of 125 Shaftesbury Avenue, Almacantar's fourth major purchase in London's West End, and the 25% share that the company did not already own in the Centre Point building.

Mike and his team have so far demonstrated their ability to identify large London properties with high potential: the value of the Marble Arch Tower investment has already grown by 50% and Centre Point by 26%. London real estate both for commercial and residential usage has benefited from strong demand as it is perceived today as the "Global Capital City" with limited supply of new space, especially in the West End. All the same, this is the property and development business, where values can be volatile and returns must be measured on realizations, not estimates. Nevertheless, so far we are encouraged by the early results.

Last but not least, it's certainly worth celebrating the fact that in May 2013, Juventus FC won Italy's "Serie A" soccer championship for a second year in a row, further strengthening its leadership position as the team with the highest number of victories in history of the Italian league.

The good news for shareholders is the correlation between results on the field and revenues, which have increased by 33% to €284 million. Even more encouraging is the fact that revenues increased by more than the club's operating costs, which were up by 10%.

FINANCIAL INVESTMENTS (6.4% of GAV)

Our Financial Investments returned 18.2% on average in 2013.

The largest holding is represented by the Black Ant Fund, which delivered a return of +23%. During the course of the year the fund increased its exposure to equities over credit.

In the second and third quarters we increased our financial investments by buying single equity names, mainly based in the U.S. and in the financial sector. Overall, our new direct investments - a concentrated list of stocks - returned nearly the same as the set of third-party managed funds in our portfolio and at year-end constituted almost one third of our Financial Investments by value.

CASH AND CASH EQUIVALENT (25.0% of GAV)

The amount of cash and cash equivalents on our books increased meaningfully in June, after we received the €2.004 billion proceeds from the sale of SGS. At year-end these assets constituted our second largest "investment" after our holding in CNH Industrial.

We had constantly in mind the contribution that various uses of our cash could make to our NAV performance and we have carefully analyzed the possibility of passively exposing part of this cash to the trend of our benchmark through a variety of financial instruments.

Despite the low interest-rate environment, we ultimately decided to put a higher priority on capital preservation and to adhere to our investment discipline of deploying capital only when convinced of the single opportunity and not be constrained by benchmarks.

As Warren Buffett reminds us, "the trick is, when there is nothing to do, do nothing".

Throughout the year we therefore stuck to a prudent asset allocation policy to reach reasonable return targets while maintaining high liquidity and a low risk profile: we allocated 74% to time deposits, 18% to third-party funds and the rest to direct investment in corporate credit issuances.

Our time deposit holdings yielded 1.21%, or a 108bp spread over the 2013 average one-month EURIBOR rate, while funds and corporate credit together returned 3.90% for a total overall return of 1.90%.

TREASURY SHARES (6.1% of GAV)

The conversion of preferred and savings shares has been a milestone move to simplify our capital structure and eliminate classes of securities that had very limited trading volumes, replacing them with ordinary shares, whose liquidity has been enhanced through the transaction.

In 2013 we bought back €105.1 million of shares. This resulted in a current overall ownership of 23.883.746 issued shares at an average cost of €14.41.

As I mentioned in the past, we view buybacks in the context of capital allocation and as a way to invest in something we know. We will continue to buy back stock at attractive prices.

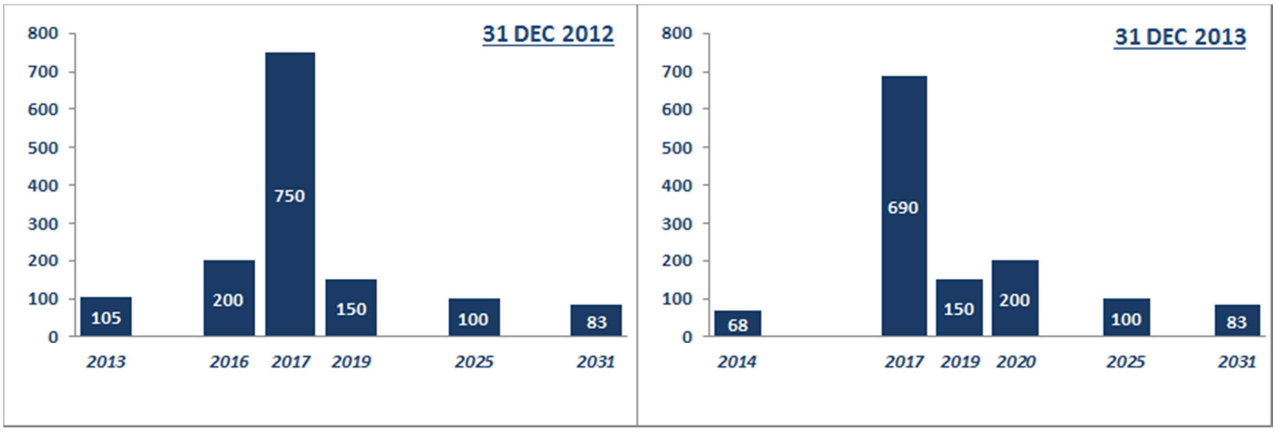
We have been buying in recent years because we felt our investments were compelling and our discount to NAV was high: in 2013, however, our discount halved from the 40% range to around 20%.

Today EXOR’s average discount is in line with the major European multi-sector holding companies and our share price has recently reached its all-time high. Therefore we continue to test our assumptions for carrying out further buybacks by constantly monitoring expected returns versus our existing portfolio, our cost of debt and the available alternative investment opportunities.

GROSS DEBT

The overall amount of EXOR’s debt was slightly reduced in 2013 from €1.388 billion to €1.291 billion, with its average cost essentially unchanged at 5.05%, versus 5.06% in 2012.

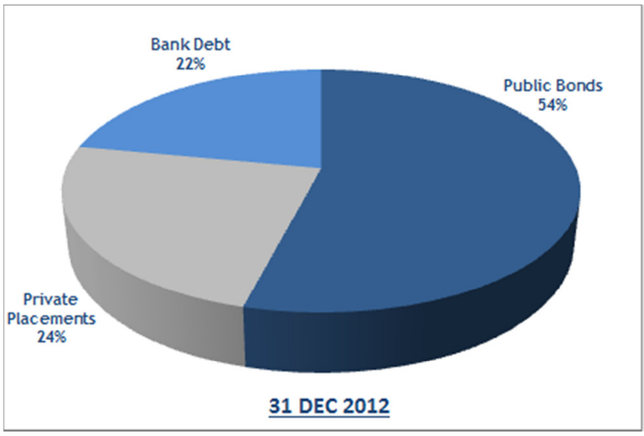
MATURITY SCHEDULE

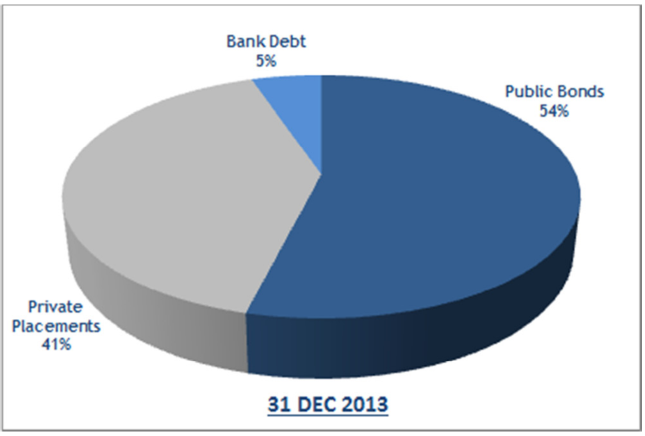


As you can see from the charts above, we replaced €200 million of drawn committed credit lines maturing in 2016 with €200 million of notes maturing in 2020, placed with institutional investors.

In the context of EXOR's latest private placement (November 2013), we repurchased - and then cancelled before the year-end - €60 million of 2017 public bonds in order to reduce the principal repayment due three years from now.

Our aim in 2013 was to continue to secure long-term financing, taking advantage of the current attractive interest rate environment, and also to spread our borrowings across smaller principal amounts and a broader range of maturities.





We have progressively changed our funding mix, mostly through private placements, reducing our bank debt. However, financial flexibility has value and borrowing under lines of credit rather than funded debt gives us the flexibility to draw down funds when and if needed. For this purpose we have in place €425 million of committed credit lines.

Bob Hope said it well when he noted that “a bank is a place that will lend you money if you can prove that you don't need it”.

2014

We had a great start of the year with the announcement on 1st January of the acquisition by Fiat of the remaining stake in Chrysler from the VEBA trust for $3.650 billion.

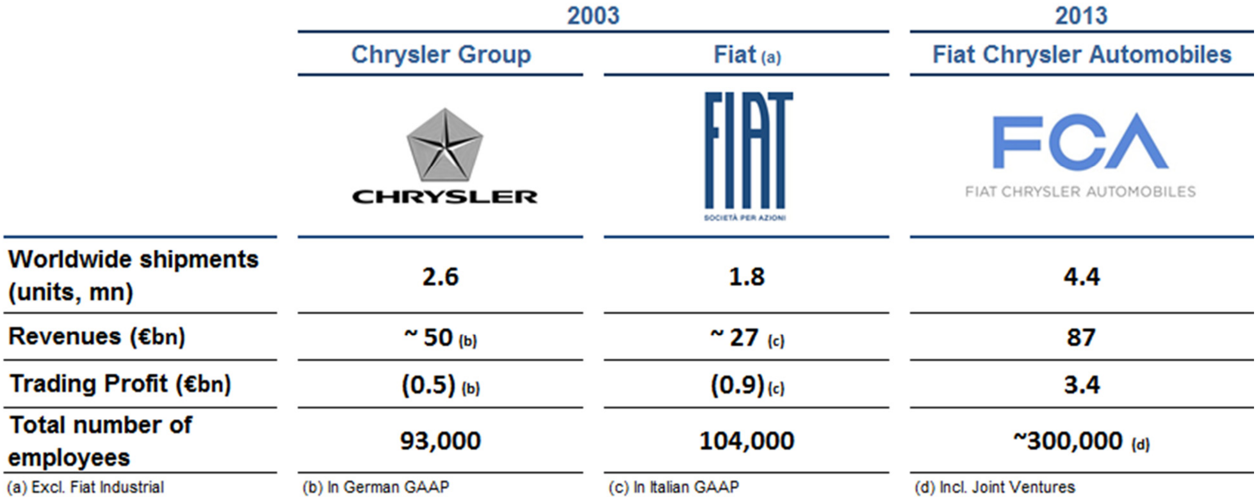
As von Clausewitz observed, “if a leader is filled with high ambition and if he pursues his aims with audacity and strength of will, he will reach them in spite of obstacles.”

This characterizes well Sergio Marchionne's leadership of Chrysler since the first announcement of Fiat's involvement in the company on April, 30, 2009.

With the support of the Presidential Task Force on the Auto Industry, a new chapter in Fiat's and Chrysler's history started and we have been on an incredible five-year journey since then: from 1 million cars sold by Chrysler back then to 2.6 million last year and from initial losses of $8.2 billion to a profit of $2.8 billion in 2013.

In 2014 a new chapter is beginning with the creation of FCA - Fiat Chrysler Automobiles - which will become the seventh largest auto manufacturer in the world by revenues. It will have a complete line up of products and will be present in every major market.

I have put together in the table below the key numbers that illustrate where the two companies were ten years ago and where they are today.



	2003		2013
	Chrysler Group	Fiat (a)	Fiat Chrysler Automobiles
Worldwide shipments (units, mn)	2.6	1.8	4.4
Revenues (€bn)	~ 50 (b)	~ 27 (c)	87
Trading Profit (€bn)	(0.5) (b)	(0.9) (c)	3.4
Total number of employees	93,000	104,000	~300,000 (d)

(a) Excl. Fiat Industrial

(b) In German GAAP

(c) In Italian GAAP

(d) Incl. Joint Ventures

What is interesting is how, despite the fact that in aggregate Chrysler and Fiat were selling the same number of cars ten years ago and employed fewer people, they were losing money. Together now they are profitable and that's the tangible proof of the benefit of their union.

And this is just the beginning. In the same way that CNH Industrial and Cushman & Wakefield will shortly map out their plans for the future, on May 6th you will be able to hear more about the exciting future of FCA and its 300,000 employees when the company presents its business plan in Detroit.

We are positive about the prospects for our investments. If they were to require additional capital for further, profitable development, we would be more than happy to provide it.

This year we will be holding our Shareholder Meeting on May 22 at the Giovanni Agnelli Plant in Grugliasco, near Turin, a plant that was inaugurated in 2013. Today 2,100 people are working there, building the great Maseratis that are now being sold all around the world.

This will also be an opportunity to celebrate the centenary of the brand, which was founded by the Maserati Brothers in Bologna in 1914.

We hope you will take the time to tour the plant and see how much care and precision goes into making these wonderful automobiles.

As always, let me remind you that it is possible to ask questions in advance of the Shareholders' Meeting by following the procedure set out on our web site www.exor.com. Non-shareholders will also have the chance to raise questions by sending a short email to the following address: agm@exor.com. The latter will be grouped together, summarized by subject and answered during the meeting.

I look forward to seeing you at a busy Maserati plant!

John Elkann

Honorary Chairmen

Gianluigi Gabetti
Pio Teodorani-Fabbri

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Vittorio Avogadro di Collobiano
	Luca Ferrero Ventimiglia
	Sergio Marchionne
	Lupo Rattazzi
	Eduardo Teodorani-Fabbri
Independent Directors	Victor Bischoff
	Giuseppina Capaldo (Lead Independent Director)
	Mina Gerowin
	Jae Yong Lee
	Giuseppe Recchi
	Michelangelo Volpi
Secretary to the Board	Gianluca Ferrero

Internal Control and Risk Committee

Giuseppina Capaldo (*Chairman*), Victor Bischoff and Giuseppe Recchi

Compensation and Nominating Committee

Victor Bischoff (*Chairman*), Giuseppina Capaldo and Mina Gerowin

Strategy Committee

John Elkann (*Chairman*), Victor Bischoff, Mina Gerowin, Sergio Marchionne, Jae Yong Lee and Michelangelo Volpi

Board of Statutory Auditors

Chairman	Sergio Duca
Regular auditors	Nicoletta Paracchini
	Paolo Piccatti
Alternate auditors	Giorgio Ferrino
	Ruggero Tabone

Independent Auditors

Reconta Ernst & Young S.p.A.

Expiry of terms of office

The terms of office of the board of directors and the board of statutory auditors will expire concurrently with the shareholders' meeting that will approve the 2014 annual financial statements.
The term of office of the independent auditors will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

EXOR GROUP PROFILE AND KEY DATA

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of ordinary share capital, after the conversion of all the preferred and savings shares into ordinary shares on June 24, 2013.
Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of approximately €9 billion at December 31, 2013, EXOR is headquartered in Turin, Italy.
EXOR makes long-term investments focused on global companies in diversified sectors, mainly in Europe and in the United States.
EXOR's objective is to increase its Net Asset Value and outperform the MSCI World Index in Euro.

The EXOR Group's investments are the following:

(a) EXOR holds 40.22% of the voting rights. In addition, Fiat holds a 2.52% stake and 3.72% of the voting rights.
(b) Stake equal to 82.40%.

CNH Industrial (27.18% stake. 2.52% stake also held by Fiat) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA) managed by Borsa Italiana and is included in the FTSE MIB Index. Operational since September 29, 2013 when the merger between Fiat Industrial S.p.A. and CNH Global N.V. was completed, CNH Industrial's goal is the strategic development of its business. The large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial a global leader in the capital goods segment. Through its brands, the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the family of Case and New Holland brands), in addition to a broad range of powertrain applications (FPT Industrial). Each of the CNH Industrial Group's brands is a prominent international player in the respective industrial segment. CNH Industrial is present in 190 countries giving it a unique competitive position across its 12 brands, 62 manufacturing plant, 48 research and development centers and more than 71,000 employees.

Fiat (30.05% of share capital) is listed on Borsa Italiana's MTA and is included in the FTSE MIB Index. Founded in 1899, Fiat is today an industrial group with a global reach also through the integration with Chrysler. Fiat is an international auto group engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. The Group designs, engineers, manufactures, distributes and sells vehicles for the mass market under the Fiat, Alfa Romeo, Lancia, Abarth and Fiat Professional brands and Chrysler brands such as Chrysler, Jeep, Dodge and Ram brand vehicles and vehicles with the SRT (Street and Racing Technology team) vehicle performance designation, as well as

luxury cars under the Ferrari and Maserati brands. Fiat also operates in the components sector, through Magneti Marelli and Teksid, and in the production systems sector, through Comau and in after-sales services and products under the Mopar brand name. The Group's operations relating to mass market brands of passenger cars, light commercial vehicles and related parts and services are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).
At December 31, 2013 Fiat has 159 factories and 225,587 employees throughout the world.

C&W Group (68.46% of share capital) is a world leader in commercial real estate services. C&W Group has its headquarters in New York, where it was founded in 1917. It currently has approximately 250 offices and more than 16,000 employees in 60 countries.

almacantar	JUVENTUS	Gruppo Banca Leonardo	Banijay Group	The Economist
38.29%	63.77%	17.37%	17.09%	4.72%

Almacantar (38.29% of share capital) is a company engaged in the real estate sector in commercial investment and development opportunities, for offices and residential units, situated in London.

Juventus Football Club (63.77% of share capital) is listed on Borsa Italiana's MTA. Founded in 1897, it is one of the most prominent professional football teams in the world.

Gruppo Banca Leonardo (17.37% of share capital) is a privately held and independent international investment bank offering a complete range of advisory and private banking services and other areas connected to the financial markets.

Banijay Holding (17.09% of share capital) is headquartered in Paris. The company is a new player in TV production through a network of companies specialized in the production and distribution of multimedia content.

The Economist Group (4.72% of share capital) is a company with its center of operations in London and head of the editorial group that publishes *The Economist*, a weekly magazine that with a global circulation of more than one million copies represents one of the most important sources of analysis in the international business world.

EXOR Group – Consolidated Data – Shortened (a) € million	**2013**	2012 (b)	Change
Profit attributable to owners of the parent	**2,084.5**	298.3	1,786.2
Share of earnings (losses) of investments and dividends	**615.8**	362.0	253.8
Investments and non-current other financial assets	**5,764.0**	6,806.0	(1,042.0)
Issued capital and reserves attributable to owners of the parent	**6,947.4**	6,168.8	778.6
Consolidated net financial position of EXOR's "Holdings System"	**1,281.2**	(525.9)	1,807.1

(a) The basis of preparation is presented in the following "Review of the Consolidated Results of the EXOR Group - Shortened".
(b) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported in the income statement and statement of financial position for 2012 have been restated for comparative purposes as required by IAS 1.

Earnings per share (€) (a)	**2013**	2012 (b)	Change
Profit attributable to owners of the parent – basic:			
- ordinary shares	**9.34**	1.30	8.04
- preferred shares	**-**	1.35	(1.35)
- savings shares	**-**	1.37	(1.37)
Profit attributable to owners of the parent – diluted:			
- ordinary shares	**9.33**	1.29	8.04
- preferred shares	**-**	1.34	(1.34)
- savings shares	**-**	1.37	(1.37)
Issued capital and reserves attributable to owners of the parent	**31.25**	27.16	4.09

(a) Further details on the calculation of basic and diluted earnings per share are provided in Note 13 to the consolidated financial statements.
(b) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported in the income statement and statement of financial position for 2012 have been restated for comparative purposes as required by IAS 1.

EXOR S.p.A. - Separate Financial Statement Data € million	**2013**	2012	Change
Profit	**92.7**	150.5	(57.8)
Equity	**3,434.0**	3,519.6	(85.6)
Net financial position	**(474.2)**	(718.9)	244.7

The board of directors' meeting held on April 9, 2014 put forward a motion to the ordinary shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2013 for the payment of dividends per share of €0.335 for a total of €74.5 million to the 222,346,104 ordinary shares outstanding at the same date.

Dividends paid by EXOR S.p.A. in 2013 from profit for the year ended December 31, 2012 are the following:

		Dividends paid	
Class of shares	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary	149,739,639	0.335	50.2
Preferred	64,287,376	0.3867	24.9
Savings	8,319,089	0.4131	3.4
			78.5

NET ASSET VALUE

At December 31, 2013 EXOR's Net Asset Value (NAV) is €8,852 million. This is a €1,232 million increase (+16%) over €7,620 million at December 31, 2012.

The composition and change in NAV are the following:

€ millions	**01/03/2009** (a)	**31/12/2012**	**31/12/2013**	**Change vs 12/31/2012**	
				Amount	**%**
Investments	2,921	7,533	6,445	(1,088)	-14%
Financial investments	274	462	663	201	+44%
Cash and cash Equivalents	1,121	862	2,572	1,710	+198%
Treasury stock	19	321	633	312	+97%
Gross Asset Value	**4,335**	**9,178**	**10,313**	**1,135**	**+12%**
Gross Debt	**(1,157)**	**(1,388)**	**(1,291)**	**97**	**-7%**
Ordinary holding costs over ten years	**(210)**	**(170)**	**(170)**	**-**	**-**
Net Asset Value (NAV)	**2,968**	**7,620**	**8,852**	**1,232**	**+16%**

(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

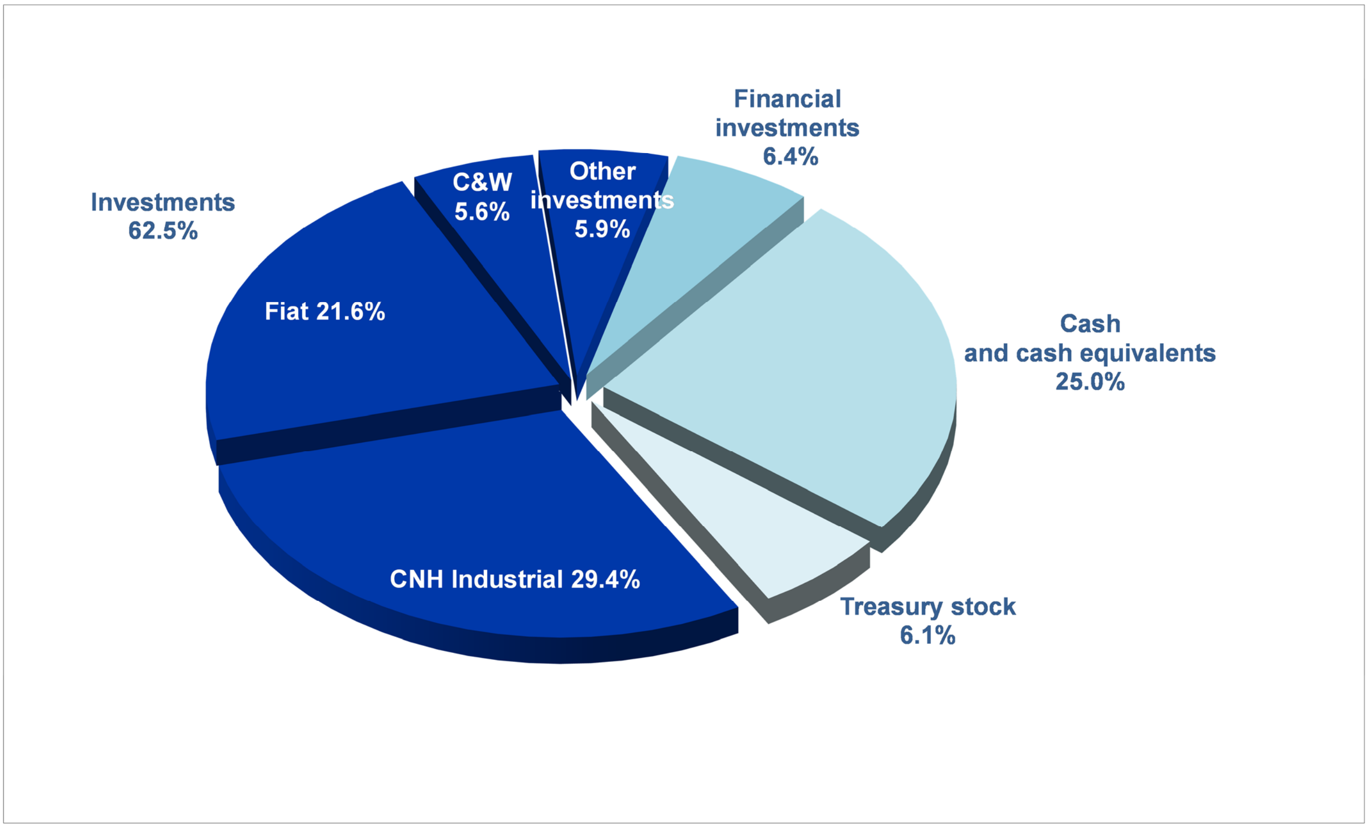
The gross asset value at December 31, 2013 has been calculated by valuing listed investments and other equity shares at trading prices, other private equity investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. Bonds held to maturity are measured at amortized cost. EXOR treasury stock is measured at share trading prices, except ordinary shares used to service Stock Option Plans, which are measured at the option exercise price if lower than the share trading price and the shares granted to recipients of the stock grant component of the new Incentive Plan approved on May 29, 2012 by the shareholders' meeting. The latter are deducted from the total number of treasury shares.

The decrease in "Investments" from December 31, 2012 is due to the sale of the investment in SGS which is compensated in part by the increase in Fiat market value. The sale led to an increase in "Cash and cash equivalents".

NAV is presented with the aim of aiding analysts and investors in forming their own assessments.

The following pie chart shows the composition of gross asset value at December 31, 2013 (€10,313 million).
"Other investments" include the investments in Almacantar, Juventus Football Club, Gruppo Banca Leonardo, Banijay Holding, The Economist Group, in addition to minor sundry investments.

Investments denominated in U.S. dollars and Pounds sterling are translated to Euro at the official exchange rates at December 31, 2013 of 1.3791 and 0.8337, respectively.



Change in NAV compared to the MSCI World Index in Euro

Stock Market Data	**1/1/2014 2/28/2014**	**1/1/2013 12/31/2013**
Ordinary share price (Euro):		
period-end	29.44	28.91
maximum	30.73	29.97
minimum	28.05	19.39
Preferred share price (Euro) (b):		
period-end	n.a.	24.57
maximum	n.a.	24.96
minimum	n.a.	16.92
Savings share price (Euro) (b):		
period-end	n.a.	24.59
maximum	n.a.	25.07
minimum	n.a.	17.11
Average daily share volume traded during period:		
ordinary	352,083	426,848
preferred (b)	n.a.	70,779
savings (b)	n.a.	24,720
Euro average daily value of exchanges during period (in Euro): (a)		
ordinary	10,451,509	10,557,255
preferred (b)	n.a.	1,550,554
savings (b)	n.a.	527,687

(a) Average daily value (daily trading price by daily volume) handled by Borsa Italiana during the period of reference.
(b) Data available up to the last day of trading before conversion into ordinary shares (which took place on June 24, 2013).

Financial communication promoted by EXOR regarding its most important corporate events continued during 2013 with the aim of ensuring precise and comprehensive information and delivering data and updates on a daily basis in response to requests expressed by various national and international operators (institutional investors in the stock and bond markets, retail investors and the financial press).

The publication of the Letter to Shareholders which for four years now constitutes an occasion to communicate aimed, in particular, at the financial community, offers an opportunity to sum up the performance of the main investments and, in general, EXOR's development strategy. Both topics were covered in greater detail during the conference call with investors and financial analysts at the end of the annual general meeting of the shareholders in May.

Finally, during the first quarter of 2014, a new and enhanced version of the corporate website www.exor.com was released which incorporates the interactive version of the corporate financial statements on-line.

The offices for media and investor relations can also be contacted at the following:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.5090260
ir@exor.com

CORPORATE GOVERNANCE

In its meeting held on April 9, 2014 the EXOR S.p.A. board of directors also approved the "Report on the Company's Corporate Governance and Ownership Structure" written in accordance with Legislative Decree 58 of February 24, 1998 art. 123-*bis*, as subsequently integrated and amended (TUF – Consolidated Law on Finance). The Report was published with the 2013 Annual Report and is available on the website www.exor.com.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.p.A. AND ITS CONSOLIDATED SUBSIDIARIES ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial position of EXOR and its principal investment holdings are particularly influenced by the general state of the economy in the countries in which they operates and by the variables which affect performance, including increases or decreases in gross national product, access to credit, the level of consumer and business confidence, the cost of raw materials and the rate of unemployment.

The principal sectors of business are also subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends.

In terms of severity, duration and scope, the recent financial crisis has caused the most severe economic recession of these last decades, both in the Eurozone and in a large part of the advanced economies. At present, economic growth and international trade are occurring at a moderate pace and irregularly across geographical areas.
Moreover, the evolution of world monetary and financial market conditions and the associated uncertainties, especially in emerging markets, could adversely affect present economic conditions.

The principal risks associated with a slowdown in the markets in which the subsidiaries and associates currently operate comprise increases in energy prices and fluctuations in raw materials or possible contractions in infrastructure spending; in addition, in the euro area, unemployment, although tending to stabilize, remains at high levels, and a slow or in inefficient implementation of structural reforms and budget adjustments in the public and private sector will continue to hamper the pace of the recovery.

Therefore, it is not possible to provide any indication about the future trends of the above factors and variables which could nevertheless adversely affect the demand for products and services, earnings, business prospects or the financial situations of EXOR and its subsidiaries and associates.

RISKS ASSOCIATED WITH EXOR'S ACTIVITIES

EXOR carries out investment activities which involve typical risks such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of the Group's objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments such as unexpected costs or liabilities could have an adverse effect on the Group's earnings and financial position.
The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the Group's credit rating.

Any downgrade by the rating agencies could limit the Group's ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings and financial position.
Standard & Poor's has confirmed EXOR's long-term and short-term debt ratings, respectively, at 'BBB+' and 'A-2', with a stable outlook.

EXOR's policy and that of the companies in the so-called Holdings System is to keep liquidity available in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, allocating such investments over an appropriate number of counterparties, with the principal purpose of having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.
However, in consideration of the current international financial market situation, market conditions which might negatively affect the normal operations of financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A worsening of the financial market conditions and the earnings of the principal investment holdings could affect EXOR's earnings and cash flows.

EXOR operates through its investments in subsidiaries and associates in Agricultural and Construction Equipment (CNH Industrial Group), in the automobile market (Fiat Group), in real estate services (C&W Group), in real estate (Almacantar Group) and in professional football (Juventus Football Club). As a result, EXOR is exposed to risks typical of the markets and industries in which such subsidiaries and associates operate.

At December 31, 2013, the investments in CNH Industrial (40.22% of share capital) and in Fiat (30.05% of share capital) represented, respectively, 29.4% and 21.6% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5. Therefore, the performance of the CNH Industrial Group and the Fiat Group has a very significant impact on EXOR's earnings and financial position.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates could have an adverse effect on earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.
EXOR and its subsidiaries and associates are exposed to risks connected with the outcome of pending litigation for which they set aside, if appropriate, specific risk provisions. However, negative effects on the earnings and financial position of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

EXOR and its subsidiaries and associates are taxed on income in Italy and outside Italy; during the course of ordinary activities they may be subject to controls by Italian and foreign tax authorities. Even though the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on earnings.

The following paragraphs indicate the main specific risks and uncertainties of the companies in consolidation (CNH Industrial Group, Fiat Group, C&W Group and Juventus Football Club).

CNH INDUSTRIAL GROUP

Risks related to the business, strategy and operations

CNH Industrial Group - Global economic conditions impact the business of CNH Industrial and its subsidiaries

The Group’s earnings and financial position are, and will continue to be, influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, and the cost of commodities or other raw materials – which exist in the various countries in which the Group operates, it being understood that such macroeconomic factors vary from time to time and their effect on the Group’s earnings and financial position cannot be specifically and singularly assessed and/or isolated.

Financial conditions in several regions continue to place significant economic pressures on existing and potential customers, including the Group’s dealer networks. As a result, some dealers and customers may delay or cancel plans to purchase the Group’s products and services and may not be able to fulfill their obligations to the Group in a timely fashion. Further, the Group’s suppliers may be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to the Group. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the euro currency at least in its current geography and overall structure), which is at risk of being impacted by sovereign debt levels (and government taxing and spending actions to address such issues) and other severe pressures on the banking system in certain European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, other governments may continue to implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key regions, the demand for the Group’s products and services would likely decrease and the Group’s results of operations, financial position and cash flows could be materially and adversely affected.

In addition, the continuation of adverse market conditions in certain businesses in which the Group participates could cause many companies, including the Group, to carefully evaluate whether certain intangible assets have become impaired. The factors that the Group would evaluate to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on the Group’s financial position and results of operations.

CNH Industrial Group - The Group is exposed to political, economic and other risks as a result of operating a global business

The Group manufactures and sells its products and offers its services on several continents and in numerous countries around the world. Given the global nature of the Group’s activities, the Group is exposed to risks affecting any worldwide markets operator, including those related to:

- changes in (and possibly conflicting) laws, regulations and policies that affect, among other things:
- import and export duties and quotas;
    - currency restrictions;
    - the design, manufacture and sale of the Group’s products, including, for example, engine emissions regulations;
    - interest rates and the availability of credit to the Group’s dealers and customers;
    - property and contractual rights;
    - where and to whom products may be sold;
    - taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which the Group operates;
- varying and unpredictable needs and desires of customers;
- varying and unexpected actions of the Group’s competitors;
- labor disruptions;
- disruption in the supply of raw materials and components;
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Brazil;
- war, civil unrest and terrorism.

Unfavorable developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

CNH Industrial Group - CNH Industrial is subject to extensive anti-corruption and antitrust laws and regulations

CNH Industrial's worldwide operations must comply with all applicable laws, which may include the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act or other anti-corruption laws, as well as antitrust regulations. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. Antitrust regulations prohibit or limit various types of conduct, agreements or other arrangements entered into by the company and its subsidiaries. Recently, there has been a substantial increase in the global enforcement of anti-corruption and antitrust laws. CNH Industrial is committed to ongoing compliance with the applicable regulations, and has a compliance program in place designed to reduce the likelihood of potential violations of such laws. However, violations of these laws could result in criminal or civil sanctions and an adverse effect on CNH Industrial's reputation, business, results of operations and financial position.

CNH Industrial Group - Difficulty in obtaining financing or refinancing existing debt could impact the Group's financial performance

The Group's future performance will depend on, among other things, its ability to repay or finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. A further decline in revenues could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent, among other things, on the credit ratings of the Group. CNH Industrial is currently rated below investment grade, with ratings on its long-term debt of "BB+" (with a stable outlook) and a short-term rating of "B" from Standard & Poor's Rating Services ("S&P"), and a "Ba1" corporate family rating with a stable outlook from Moody's Investors Service, Inc. ("Moody's"). Rating agencies may review their ratings, and any downgrade would increase the Group's cost of capital, could potentially limit its access to sources of financing and could have a material adverse effect on its business prospects, earnings and/or financial position.

CNH Industrial Group - The Group is subject to risks associated with exchange rate fluctuations, interest rate changes and other market risks

The Group operates in numerous markets worldwide and is accordingly exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in the geographic distribution between the Group's manufacturing and commercial activities, resulting in cash flows from exports denominated in currencies different from those associated with production activities.

The Group uses various forms of financing to cover the funding requirements of its industrial activities and for financing offered to customers and dealers. The Group's financial services companies implement a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, future potential changes in interest rates can result in increases or decreases in revenues, finance costs and margins, which cannot be currently foreseen and quantified.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group's business prospects, earnings and/or financial position.

The Group's financial services activities are also subject to the risk of insolvency of dealers and customers, as well as unfavorable economic conditions in markets where these activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and customers. In addition, the Group's financial services activities are subject to laws and government actions that may, among other things, prevent the Group's financial services subsidiaries from enforcing legal rights and remedies.

CNH Industrial Group - The Group faces risks associated with its relationships with employees

In many countries where the Group operates, Group employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. Therefore, the Group's ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Industrial action by employees could also have an adverse impact on the Group's business activities.

CNH Industrial Group - Reduced demand for equipment would reduce the Group's sales and profitability

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises;
- the demand for food products;
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations as well as alternative fuel mandates.

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on the Group's revenues.

The performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending;
- new residential and non-residential construction.

The performance of the trucks and commercial vehicles market is influenced, in particular, by factors such as:

- changes in global market conditions, including changes in levels of business investment and sales of commodities;
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for trucks and commercial vehicles, and consequently, the Group's financial results.

Although the Group's business has not been influenced predominantly by any of the above factors individually, certain of the above factors have occurred in the past or may occur in the future (taking into account the global nature of the Group's activities).

CNH Industrial Group - The Group depends on key suppliers for certain raw materials, parts and components

The Group relies upon key suppliers for certain raw materials, parts and components. The Group cannot guarantee that it will be able to maintain appropriate supply arrangements with these suppliers or otherwise ensure access to raw materials, parts and components. In some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. Adverse financial conditions and natural disasters, such as the March 2011 earthquake and tsunami in Japan, have in the past, and could in the future, cause some of the Group's suppliers to face severe financial hardship and disrupt the Group's access to critical raw materials, parts and components. Any disruption or shortage in the supply of raw materials, parts and components could negatively impact the Group's costs of production, its ability to fulfill orders, its ability to achieve growth in product sales and the profitability of the Group's business.

Certain companies within the Group use a variety of raw materials in their businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate and, at times in recent periods, prices have increased significantly in response to changing market conditions. The Group seeks to manage this exposure, but it may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs were not offset by changes in product prices.

CNH Industrial Group - Competitive activity, or failure by the Group to respond to actions by competitors, could adversely affect results of operations

Substantially all of the Group's revenues are generated in highly competitive sectors that include the production and distribution of agricultural and construction equipment, trucks and commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers and distributors of trucks and commercial vehicles in Europe, Asia and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, Asia, North America and Latin America. Certain of the Group's global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain Company's product offerings. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or the Group's failure to price its products competitively could adversely affect our business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industry that has resulted in larger and potentially stronger competitors in the Company's markets. These markets are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the Group's areas of activity in recent years. Should the Group be unable to adapt effectively to external market conditions, this could have an adverse effect on the Group's business prospects, earnings and/or financial position.

CNH Industrial Group - Costs of ongoing compliance with, and failure to comply with, environmental laws and regulations could have an adverse effect on the Group's results of operations

The Group's products and activities are subject to numerous local, national and international environmental laws and regulations, which are becoming increasingly stringent in many countries in which it operates. Such regulations govern, among other things, products – with requirements on emissions of polluting gases, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws and regulations, the Group invests considerable research and development resources and expects it will continue to incur substantial costs in the future. Failure to comply with such laws and regulations would impact the products the Group sells and/or the markets in which such products are sold, which could adversely affect the Group's financial position, results of operations and cash flows.

CNH Industrial Group - A decrease in government incentives may adversely affect the Group's results

Government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group's revenues. The terms, size and duration of such government actions are unpredictable and outside of the Group's control. Any adverse change in government policy relating to these initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position. For example, on December 31, 2013, the additional first-year "50% bonus" depreciation and increased expensing of property under Internal Revenue Code section 179 expired in the U.S. tax law. This could have an adverse effect on the Group's business prospects in the U.S.

CNH Industrial Group - The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on their ability to maintain or increase their market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

CNH Industrial Group - The Group's existing operations and expansion plans in emerging markets could entail significant risks

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share, and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, Venezuela and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and entail various risks. For example, the Group may encounter difficulties in obtaining the necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as opposed to products manufactured and commercialized by international and domestic competitors. The emerging markets countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flow. The emerging markets economies may also be subject to a further slow-down in gross domestic product expansion and/or be impacted by domestic currency volatility, potential hyperinflationary conditions and/or increase of public debt.

CNH Industrial Group - Risks associated with the defined benefit pension plans and other post-employment obligations

At December 31, 2013, CNH Industrial's defined benefit pension plans and other post-employment benefits had an underfunded status of €1,656 million which is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust"). Consequently, the funded status is subject to many factors.

To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flows from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. In recent years these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

CNH Industrial Group - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group's dealers carry inventories of finished products as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, financial position and results of operations.

CNH Industrial Group - Adverse economic conditions could place a financial strain on the Group's dealers and adversely affect the Group's operating results

Global economic conditions continue to place financial stress on many of the Group's dealers. Dealer financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing the Group's equipment. Accordingly, additional financial strains on members of the Group's dealer network resulting from current or future economic conditions could adversely impact the Group's sales, financial position and results of operations.

CNH Industrial Group - The Group may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on the Groups' results of operations

A principal purpose of the Merger is to create a single class of liquid stock which, among other things, provides CNH Industrial with additional alternatives for funding future acquisitions and strategic alliances. The Group has engaged in the past, and may engage in the future, in mergers, acquisitions or enter into, expand or exit from strategic alliances which could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives. Such risks include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances;
- problems in retaining customers and integrating operations, services, personnel and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

CNH Industrial Group - Risks associated with the termination of CNH Global's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("Kobelco") terminated by mutual consent their global alliance (consisting of industrial arrangements and a number of jointly-owned companies) in the construction equipment business. The agreements regulating the dissolution of the alliance provide that, starting from January 1, 2013 until December 31, 2017, the Group will be entitled to purchase components and parts from the Kobelco group on a non-exclusive basis in order to continue to manufacture excavators based upon Kobelco's technology in the Group's plants. Moreover, starting from December 31, 2012, the territorial sales and marketing restrictions limiting the right of the Kobelco group to distribute its excavators in certain significant markets (such as the Americas and Europe) expired. Similar restrictions which applied to the Group's construction equipment activities expired in the Asia/Pacific region on July 31, 2013. While the Group expects a smooth transition with respect to implemented changes, commercial issues (such as, by way of example, the weakening of the distributorship network and the subsequent loss of market share) or industrial issues (such as, by way of example, difficulties in maintaining quality standards or inability to source certain components currently provided by the Kobelco group) could have a material adverse effect upon the Group's construction equipment product lines, construction equipment distribution network, financial position and results of operations.

CNH Industrial Group - The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The companies within the Group are involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations and other legal proceedings that arise in the ordinary course of its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on the Group's financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's consolidated financial position, cash flows, results of operations or profitability. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

CNH Industrial Group - The agricultural equipment industry is highly seasonal, which causes the Group's results of operations and levels of working capital to fluctuate significantly

Farmers traditionally purchase agricultural equipment in the spring and fall, the main planting and harvesting seasons. The Group's agricultural equipment business net sales and results of operations have historically been highest in the second quarter, reflecting the spring selling season in the Northern hemisphere, and lowest in the third quarter, when many of the Group's production facilities experience summer shut-down periods, especially in Europe. Seasonal conditions also affect the Group's construction equipment business, but to a lesser extent than its agricultural equipment business. The Group's agricultural equipment business production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments, which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because the Group spreads its production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because the Group spreads production throughout the year. If retail demand is expected to exceed production capacity for a quarter, then the Group may schedule higher production in anticipation of the expected retail demand. Often, the Group anticipates that spring-selling season demand may exceed production capacity in that period and schedules higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. Thus, the Group's working capital and dealer inventories are generally at their highest levels during the February to May period and decline towards the end of the year, as both the Group's and its dealers' inventories are typically reduced.

To the extent the Group's production levels (and timing) do not correspond to retail demand, it may have too much or too little inventory, which could have an adverse effect on the Group's financial position and results of operations.

CNH Industrial Group - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The indentures governing the majority of the Group's outstanding public indebtedness, and other credit agreements to which companies within the Group are a party, contain typical covenants that restrict the ability of companies within the Group to, among other things:

- incur additional indebtedness;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;

- use assets as security in other transactions;
- enter into sale and leaseback transactions.

Although CNH Industrial does not believe any of these covenants presently materially restrict its operations, a breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations and financial condition. These consequences may include the acceleration of amounts outstanding under certain of the Group's credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by the Group's lenders, refusal by the Group's lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries.

CNH Industrial Group - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and limit its financial and operating flexibility

As of December 31, 2013, the Group had an aggregate of €21,714 million (including €17,087 million relating to financial services companies) of consolidated gross indebtedness, and its equity was €5,556 million, including non-controlling interests. The extent of the Group's indebtedness could have important consequences for its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage;
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its businesses;
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of CNH Industrial. However, certain of the circumstances and risks described above may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved.

CNH Industrial Group - Risks related to increased information technology security threats

The Group relies upon information technology systems and networks in connection with a variety of business activities, and the Group collects and stores sensitive data. Increased information technology security threats and more sophisticated computer crime, including advanced persistent threats, pose a risk to the security of its systems and networks and the confidentiality, availability and integrity of its data.

In order to manage such risks, the Group implemented its Information Security System, an integrated set of policies, processes, methodologies, teams and technologies aimed at ensuring appropriate protection of the Group's data. The Information Security System has to be constantly aligned with evolving cyber threat scenarios in order for it to be effective. Recent security initiatives included in the group's Information Security Roadmap concern Product Development Data Loss Prevention, Data Classification (both structured and unstructured data) and Laptop Encryption. Actions are also in progress to increase the Group's capability to prevent, detect, and react to malicious data leakage attempts.

Despite the Group's efforts, a failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect its reputation, competitive position, businesses and results of operations. In addition, such breaches in security could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further data protection measures.

CNH Industrial Group - The loss of members of senior management could have an adverse effect on the business of the Group

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of business. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group's business prospects, earnings and/or financial position.

Risks related to financial services activities

The Group offers a wide range of financial services and products to dealers and customers. In particular, and by way of example, the principal financial services offered by the Agricultural and Construction Equipment Segment are represented by the retail financing for the purchase or lease of new and used Segment equipment and wholesale financing to dealers, while the principal financial services offered by the Trucks and Commercial Vehicles Segment to customers are represented by lease and retail financing for the purchase of new and used Segment vehicles.
In light of the above, the following risks associated with the Group's financial services activities should be considered.

CNH Industrial Group - Credit risk

Fundamental to any organization that extends credit is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- interest rates (and changes in the applicable rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather;
- the value of the collateral securing the extension of credit.

Deterioration in the quality of the Group's financial assets, an increase in delinquencies or defaults, or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's financial services businesses. These risks become more acute in an economic slowdown or recession due to decreased demand for (or availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, defaults, insolvencies, foreclosures and losses. In such circumstances, the Group's loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.
When loans default and the Group's financial services businesses repossess collateral securing the repayment of a loan, its ability to recover or mitigate losses by selling the collateral is subject to the current market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as trucks and commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as for trucks and commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as for trucks and commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group's financial position and results of operations.

CNH Industrial Group - Funding risk

The Group's financial services businesses have traditionally relied upon the asset-backed securitization ("ABS") market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to the Group's financial services businesses. From mid-2007 through 2009, events occurred in the global financial market, including the weakened financial condition of several major financial institutions, problems related to subprime mortgages and other financial assets, the devaluation of various assets in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected the Group's ability to sell receivables on a favorable or timely basis. Similar conditions in the future would have an adverse impact on the Group's financial position and results of operations.

As the Group's financial services businesses finance a significant portion of the Group's sales of equipment, to the extent such financial services businesses are unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, additional reserve support was added to certain previously-issued ABS transactions. Such optional support may, in the future, be required to maintain credit ratings assigned to transactions if loss experiences are higher than anticipated. The need to provide additional reserve support could have an adverse effect on the Group's financial position, results of operations and cash flows.

CNH Industrial Group - Repurchase risk

In connection with the Group's ABS transactions, the Group makes customary representations and warranties regarding the assets being securitized, as disclosed in the relevant offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group's trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flows.

CNH Industrial Group - Regulatory risk

The operations of the Group's financial services businesses are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also subject to various laws, as well as to judicial and administrative decisions and interpretations, imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosures to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans;
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or applicable laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect the Group's financial services businesses and the Group's financial position and results of operations.

CNH Industrial Group - Potential Impact of the Dodd-Frank Act

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), including the many implementing regulations yet to be released, may substantially affect the origination, servicing and securitization programs of the Groups' financial services businesses. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations. While the Group will continue to monitor these developments and their impact upon its access to the ABS market, these and future SEC regulations may impact the Group's ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect its financial position, results of operations and cash flows.

Other risks

CNH Industrial Group - CNH Industrial intends to operate in a manner to be treated as resident in the UK for tax purposes, but other tax authorities may treat it as being tax resident elsewhere

CNH Industrial is not incorporated in the UK; therefore, in order to be resident in the UK for tax purposes its central management and control must be located (in whole or in part) in the UK. The test of central management and control is largely a question of fact based on all the circumstances. Even if CNH Industrial's "central management and control" is in the UK, it would not be treated as UK-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the UK; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Even if CNH Industrial's central management and control are in the UK, CNH Industrial would normally be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because it is incorporated in the Netherlands. Nevertheless, the UK and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-UK tax treaty), that CNH Industrial will be regarded as solely resident in the UK provided that it operates as planned and provides evidence of its operations to the UK and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn and in that case the Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

Residence of CNH Industrial for Italian tax purposes is also largely a question of fact and based on all circumstances. For Italian tax purposes, a rebuttable presumption of residence in Italy may apply under Italian tax legislation. However, CNH Industrial has a management and organizational structure such that it should be deemed resident in the UK from its initial incorporation for the purposes of the Italy-UK tax treaty. Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organizational structure, there can be no assurance that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, it would be subject to corporate income tax in Italy and may be required to comply with withholding tax and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial Group - The Group's businesses may be affected by unfavorable weather conditions, climate change or natural disasters

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group's agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as regional floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group's agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, equipment failures, power outages or other unexpected events could result in physical damage to and complete or partial closure of one or more of the Group's **manufacturing** facilities or distribution centers, temporary or long-term disruption in the supply of component products from some local and international suppliers, disruption in the transport of the Group's products to dealers and customers and delay in delivery of the products to distribution centers. Existing insurance arrangements may not provide protection for all of the costs that may arise from such events.

CNH Industrial Group - Changes in demand for food and alternate energy sources could impact the Group's revenues

Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which directly affect sales of agricultural equipment. While higher commodity prices will benefit the Group's crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they raise, with corresponding changes in equipment demands.

Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for the Group's equipment and result in higher research and development costs related to equipment fuel standards.

CNH Industrial Group - The Group is subject to negative conditions in the financial markets and the cyclicality of the capital goods sector

More than other sectors, producers in the capital goods sector are subject to:

- the condition of financial markets, in particular, the ability to access the ABS market and prevailing interest rates in that market. In North America, in particular, the Group makes considerable use of ABS transactions to fund financing offered to dealers and customers. Adverse conditions in the financial markets, and the ABS market in particular, could have a significant impact on the Group's business prospects, earnings and/or financial position;

- cyclicality, which can cause sudden (and sometimes material) declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility**.**

CNH Industrial Group - CNH Industrial, as successor to Fiat Industrial S.p.A. (“Fiat Industrial”), is jointly liable with Fiat S.p.A. (“Fiat”), for certain obligations

Fiat Industrial was formed as a result of the demerger of Fiat S.p.A. in favor of Fiat Industrial S.p.A. (the “Demerger”). CNH Industrial, as successor to Fiat Industrial, continues to be liable jointly with Fiat for any liabilities of Fiat that arose prior to effectiveness of the Demerger and that remained unsatisfied at the effective date of the Demerger in the event that Fiat fails to satisfy such liabilities. The statutory liability assumed by CNH Industrial is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until all the liabilities of Fiat existing as of the Demerger are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with Fiat in relation to tax liabilities, even if such liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. CNH Industrial estimates that the liabilities of Fiat that were outstanding as of December 31, 2013 for which CNH Industrial may be held jointly liable as described above in the event that Fiat fails to satisfy such obligations amount to approximately €4.2 billion.

FIAT GROUP

Fiat Group - The Group's profitability depends on reaching certain minimum vehicle sales volumes. If vehicle sales deteriorate, the Group's results of operations and financial condition will suffer

The Group's success requires it to achieve certain minimum vehicle sales volumes. As is typical for an automobile manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. Moreover, the Group tends to operate with negative working capital and the Group generally receives payments from vehicle sales to dealers within a few days of shipment from the assembly plants, whereas there is a lag between the time when parts and materials are received from suppliers and when the Group pays for such parts and materials; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity as the Group continues to pay suppliers during a period in which it receives reduced proceeds from vehicle sales. If vehicle sales do not increase, or if they were to fall short of assumptions, due to financial crisis, renewed recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, the Group's financial condition and results of operations would be materially adversely affected.

Fiat Group – The businesses of the Group are affected by global financial markets and general economic and other conditions over which it has no control

The Group's earnings and financial position may be influenced by various macroeconomic factors — including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, energy prices, the cost of commodities or other raw materials and the rate of unemployment — within the various countries in which it operates.

Beginning in 2008, global financial markets have experienced severe disruptions, resulting in a material deterioration of the global economy. The global economic recession in 2008 and 2009, which affected most regions and business sectors, resulted in a sharp decline in demand for automobiles. Although more recently the Group has seen signs of recovery in certain regions, the overall global economic outlook remains uncertain.

In Europe, in particular, despite measures taken by several governments and monetary authorities to provide financial assistance to certain Eurozone countries and to avoid default on sovereign debt obligations, concerns persist regarding the debt burden of several countries. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, have led to further pressure on economic growth and to new periods of recession. These ongoing concerns could have a detrimental impact on the global economic recovery, as well as on the financial condition of European institutions, which could result in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. In addition, widespread austerity measures in many countries in which the Group operates could continue to adversely affect consumer confidence, purchasing power and spending, which could adversely affect the Group's financial condition and results of operations.

Following the Group's acquisition of control of Chrysler and subsequent acquisition of 100 percent of Chrysler, a majority of the Group's revenues are generated in the NAFTA region. Although economic recovery in North America has been slower and less robust than many economic experts predicted, vehicle sales in North America have experienced significant growth from their 2009-2010 trough. However, this recovery may not be sustained or may be limited to certain classes of vehicles. In addition, the recovery may be partially attributable to the pent-up demand and average age of vehicles in North America following the extended economic downturn so there can be no assurances that improvements in general economic conditions or employment levels will lead to corresponding increases in vehicle sales. As a result, North America may experience limited growth or declines in vehicle sales in the future.

In addition, slower expansion is also being experienced in major emerging countries, such as China, Brazil and India. In addition to weaker export business, lower domestic demand also led to a slowing economy in these countries. All these potential developments could adversely affect the financial condition and results of operations of the Group.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which it operates.

In addition to slow economic growth or recession, other economic circumstances — such as increases in energy prices and fluctuations in prices of raw materials or contractions in infrastructure spending — could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's financial condition and results of operations.

Fiat Group - The Group’s future performance depends on its ability to enrich the Group’s product portfolio and offer innovative products

The success of the Group’s businesses depends, among other things, on their ability to maintain or increase their share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that are attractive to customers and provide adequate profitability. It generally takes two years or more to design and develop a new product, and a number of factors may lengthen that schedule. Because of this product development cycle and the various elements that may contribute to consumers’ acceptance of new vehicle designs, including competitors’ product introductions, fuel prices, general economic conditions and changes in styling preferences, an initial product concept or design that the Group believes will be attractive may not result in a production model that will generate sales in sufficient quantities and at high enough prices to be profitable. A failure to develop and offer innovative products that compare favorably to those of the Group’s principal competitors, in terms of price, quality, functionality and features, with particular regard to the upper-end of the product range, or delays in bringing strategic new models to the market, could impair the Group’s strategy, which would have a material adverse effect on the Group’s financial condition and results of operations. Additionally, the Group’s high proportion of fixed costs, both due to its significant investment in property, plant and equipment as well as the requirements of its collective bargaining agreements, which limit its flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for its vehicles.

Fiat Group - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of its competitors

Substantially all of the Group’s revenues are generated in the automobile industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and the related components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered, and many of the Group’s competitors are better capitalized with larger market shares.

Competition, particularly in pricing, has increased significantly in the Group’s industry in recent years. In addition, partly as a result of lower growth in demand for automobiles, global automobile production capacity significantly exceeds current demand. This overcapacity, combined with high levels of competition and weakness of major economies, has intensified and may further intensify pricing pressures.

The Group’s competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. In addition, manufacturers in countries which have lower production costs have announced that they intend to export lower-cost automobiles to established markets. These actions have had, and could continue to have, a negative impact on the Group’s vehicle pricing, market share, and operating results.

In the automotive business, sales to end-customers are cyclical and subject to changes in the general condition of the economy, the readiness of end-customers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automobiles business or the Group’s inability to adapt effectively to external market conditions could have a material adverse impact on the financial condition and results of operations of the Group.

Fiat Group - The Group may be unsuccessful in efforts to expand the international reach of some of its brands that the Group believes have global appeal and reach

The Group’s growth strategies include significant investments designed to expand several brands believed to have global appeal into new markets. That includes pursuing extension of the Jeep brand into Asia and Latin America and reintroduction of the Alfa Romeo brand into North America. This will require significant investments in production facilities and in distribution networks in these markets. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, the Group may be unable to earn a sufficient return on these investments and this could have a material adverse impact on the financial condition and results of operations of the Group.

Fiat Group - Fiat's current credit rating is below investment grade and any further deterioration may significantly affect the Group's funding and prospects

The Group's ability to access the capital markets or other forms of financing and the related costs depend, among other things, on the Group's credit ratings. Following downgrades by the major rating agencies, Fiat is currently rated below investment grade.

The rating agencies review these ratings regularly and, accordingly, new ratings may be assigned to Fiat during 2014. It is not currently possible to predict the timing or outcome of any ratings review. Any downgrade may increase the Group's cost of capital and potentially limit its access to sources of financing, with a consequent material adverse effect on the Group's business prospects, earnings and financial position.

In addition, the ratings agencies separately review and rate Chrysler on a stand-alone basis and it is possible that Fiat's credit ratings may not benefit from any improvements in Chrysler's credit ratings or that a deterioration in Chrysler's credit ratings could result in a negative rating review of Fiat.

Fiat Group - The Group may not be able to realize anticipated benefits from any acquisitions and challenges associated with strategic alliances may have an adverse impact on the Group's results of operations

The Group may engage in acquisitions or enter into, expand or exit from strategic alliances which could involve risks that may prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives. Such risks could include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances;
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

Fiat Group - The Group may not achieve the expected benefits from the integration with Chrysler

The acquisition of 100% of the equity in Chrysler and the related integration of the two businesses is intended to provide the Group with a number of long-term benefits, including allowing new vehicle platforms and powertrain technologies to be shared across a larger volume, as well as procurement benefits, management services and global distribution opportunities, particularly the extension of brands into new markets. The integration is also intended to facilitate penetration of key brands in several international markets where the Group believes products would be attractive to consumers, but where they currently do not have significant market penetration.

The ability to realize the benefits of the integration is critical for the Group to compete with other automakers. If the Group is unable to convert the opportunities presented by the integration into long-term commercial benefits, either by improving sales of vehicles and service parts, reducing costs or both, the Group's financial condition and results of operations may be materially adversely affected.

As a result, any adverse development for Chrysler or Fiat, or the failure of the Group to achieve the intended benefits of the related integration could have a material adverse effect on the Group's business prospects, financial condition and results of operations.

Fiat Group - The Group's business operations may be impacted by various types of claims, lawsuits, and other contingent obligations

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations and other legal proceedings including those that arise in the ordinary course of its business.

The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain, and although such lawsuits are not expected individually to have a material adverse effect on the Group's financial position or its results of operations, such lawsuits could have, in the aggregate, a material adverse effect on the Group's financial condition or results of operations. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

Fiat Group - The Group may be exposed to shortfalls in Chrysler's pension plans

Chrysler's defined benefit plans are currently underfunded and its pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. Chrysler's defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to its defined benefit plans, as well as the investment strategy for the plans, Chrysler is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in investment returns or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect Chrysler's financial condition and results of operations. If Chrysler fails to make required minimum funding contributions, it could be subjected to reportable event disclosure to the Pension Benefit Guaranty Corporation[1] as well as interest and excise taxes calculated based upon the amount of any funding deficiency.

With Fiat's ownership in Chrysler now exceeding 80%, Fiat may become subject to certain US legal requirements making it secondarily responsible for a funding shortfall in certain of Chrysler's pension plans in the event these pension plans were terminated and Chrysler were to be insolvent.

Fiat Group - The Group may not be able to provide adequate access to financing for its dealers and retail customers

The Group's dealers enter into wholesale financing arrangements to purchase vehicles to hold in inventory and retail customers use a variety of finance and lease programs to acquire vehicles.

Unlike many of its competitors, the Group does not own and operate its own finance company dedicated solely to its operations. Instead it has elected to partner with specialized financing services providers through joint ventures and commercial agreements. The Group's lack of a captive finance company may increase the risk that dealers and retail customers will not have access to sufficient financing on acceptable terms which may adversely affect the Group's vehicle sales in the future. Furthermore, many of the Group's competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their captive finance companies on an aggregate basis. Since the Group's ability to compete depends on access to appropriate sources of financing for dealers and retail customers, its lack of a captive finance company could adversely affect its results of operations.

Any independent financing services provider will face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of the Group's competitors as well as liquidity issues relating to other investments. Furthermore, they may also subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to the Group's dealers and retail customers.

Additionally, if consumer interest rates increase substantially or if financing service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not be able to obtain financing to purchase or lease the Group's vehicles.

To the extent that a financing services provider is unable or unwilling to provide sufficient financing at competitive rates to the Group's dealers and consumers, such dealers and consumers may not have sufficient access to financing to purchase or lease the Group's vehicles. As a result, the Group's vehicle sales and market share may suffer, which would adversely affect the Group's financial condition and results of operations.

---

[1] The Pension Benefit Guaranty Corporation (PBGC) is an independent agency of the United States government that was created by the Employee Retirement Income Security Act of 1974 (ERISA) to encourage the continuation and maintenance of voluntary private-sector defined benefit pension plans.

Fiat Group - Vehicle sales depend heavily on affordable interest rates for vehicle financing

In certain regions, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. To the extent that interest rates rise, generally market rates for new vehicle financing are expected to rise as well which may make the Group's vehicles less affordable to consumers or steer consumers to less expensive vehicles, adversely affecting the Group's financial condition and results of operations. Furthermore, because Group's customers may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of Group's competitors.

Fiat Group - Limitations on the Group's liquidity and access to funding may limit its ability to execute its business plan and improve its business, financial condition and results of operations

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible recourse to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. Any limitations on the Group's liquidity, due to decreases in vehicle sales, the amount of or restrictions in the Group's existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact the Group's ability to execute its business plan and impair its financial condition and results of operations. In addition, any actual or perceived limitations of the Group's liquidity may limit the ability or willingness of counterparties, including dealers, customers, suppliers and financial service providers, to do business with the Group, which may adversely affect the Group's financial condition and results of operations.

Fiat Group - The Group's ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

The Group is continuing to implement a number of cost reduction and productivity improvement initiatives in automotive operations, for example, by increasing the number of vehicles that are based on common platforms, reducing dependence on sales incentives offered to dealers and consumers, leveraging purchasing capacity and volumes between Fiat and Chrysler and implementing World Class Manufacturing, or WCM, principles. The Group's future success depends upon its ability to implement these initiatives successfully throughout its operations. In addition, while some of the productivity improvements are within its control, others depend on external factors, such as commodity prices, supply capacity limitations, or trade regulation. These external factors may make it more difficult to reduce costs as planned, and the Group may sustain larger than expected production expenses, materially affecting its business and results of operations. Furthermore, reducing costs may prove difficult due to the need to introduce new and improved products in order to meet consumer expectations.

Fiat Group - Product recalls may result in direct costs and loss of vehicle sales that could have material adverse effects on Group's business

From time to time, the Group has been required to recall vehicles to address performance, compliance or safety-related issues. The costs the Group incurs to recall vehicles typically include the cost of replacement parts and labor to remove and replace the problem parts, and may substantially depend on the nature of the remedy and the number of vehicles affected. Product recalls may also harm the Group's reputation and may cause consumers to question the safety or reliability of its products. Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition or results of operations. Moreover, if the Group faces consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of its vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, its reputation may also be harmed and the Group may lose future vehicle sales.

Fiat Group – Failure to maintain adequate financial and management processes and controls could lead to errors in the financial reporting, which could harm the Group's business reputation

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of a drive toward common global systems, the Group is extending the current finance, procurement, and capital project and investment management systems to new areas of operations. As appropriate, the Group continues to modify the design and documentation of internal control processes and procedures relating to the new systems to simplify and automate many of its previous processes. The Group's management believes that the implementation of this system will continue to improve and enhance internal controls over financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting.

Fiat Group - The Group is subject to risks relating to international markets and exposure to changes in local conditions

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds. In particular, current regulations limit the Group ability to access and transfer liquidity out of Venezuela to meet demands in other countries and also subject the Group to increased risk of devaluation or other foreign exchange losses. In December 2010 and February 2013, the Venezuelan government announced devaluations of the official Venezuelan Bolivar (VEF)-USD exchange rate, which resulted in devaluation of the Group VEF denominated balances;
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one of these areas (which may vary from country to country) could have a material adverse effect on the Group's financial condition and results of operations.

Fiat Group - Developments in emerging market countries may adversely affect the Group's business

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). In Brazil, in recent years the Group has been the market leader, which has provided a key contribution to the Group's performance in terms of revenues and profitability. The Group's exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic and political developments in Brazil and other emerging markets, including economic crises or political instability, have had and could in the future have material adverse effects on the Group's financial condition and results of operations.

The Group continues to increase its presence in emerging markets such as China and India through a series of partnerships. In 2013, the Group entered into a joint venture with Guangzhou Automobile Group Co., Ltd (GAC Group) for the production of engines and passenger cars for the Chinese market, as well as securing exclusive distribution of Fiat branded cars in China. The Group has also entered into a joint venture with TATA Motors for the production of C-segment cars, engines and transmissions in India. Maintaining and strengthening its position in these emerging markets is a key component of the Group's global growth strategy. However, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers, the automotive market, both in China and India, is highly competitive. As these markets continue to grow, the Group anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will act aggressively to protect or increase their market share. Increased competition may result in price reductions, reduced margins and the Group's inability to gain or hold market share.

Fiat Group - Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced GHG emissions, may have a significant effect on how the Group does business and may adversely affect the Group's results of operations

In order to comply with government regulations related to fuel economy and emissions standards, the Group must devote significant financial and management resources, as well as vehicle engineering and design attention to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future and these costs could be difficult to pass through to customers, which could result in limitations on the types of vehicles the Group sells and where it can sell them, which could have a material adverse impact on the financial condition and results of operations of the Group.

Government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of revenues. The size and duration of such government measures are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have material adverse effects on the Group's business prospects, earnings and financial position.

Fiat Group - Labor laws and labor unions could impact the ability of the Group to increase the efficiency of its operations

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or protected by applicable labor relations regulations that may restrict the Group's ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions may impede the Group's ability to restructure its business successfully to compete more effectively, especially with those automakers whose employees are not represented by unions or are subject to less stringent regulations.

Fiat Group - Amounts required to develop and commercialize vehicles incorporating sustainable technologies for the future are significant, as are the barriers that still limit the mass-market potential of such vehicles

The Group's product strategy is driven by the objective of achieving sustainable mobility by reducing the environmental impact of vehicles over their entire life cycle. The Group therefore intends to continue investing capital resources to develop new sustainable technology. It aims to increase the use of alternative fuels, such as natural gas, by continuing to offer a complete range of dual-fuel passenger cars and commercial vehicles. Additionally, it plans to continue developing alternative propulsion systems, particularly for vehicles driven in urban areas (such as the zero-emission Fiat 500e).

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and in particular electric vehicles. In some other cases the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by the Group and by suppliers. There can be no assurance that these advances will occur in a timely or feasible way, that the funds that the Group has budgeted for these purposes will be adequate, or that it will be able to establish its right to these technologies. Further, the Group's competitors and others are pursuing similar technologies and other competing technologies and there can be no assurance that they will not acquire similar or superior technologies sooner than it does or on an exclusive basis or at a significant price advantage.

Fiat Group - The Group depends on its relationships with suppliers

The Group purchases raw materials and components from a large number of suppliers and depends on services and products provided by companies outside the Group. Close collaboration between a manufacturer and its suppliers is common in the automotive industry and although this offers economic benefits in terms of cost reduction, it also means that the Group depends on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's financial condition and results of operations.

Fiat Group - Risks associated with increases in costs, disruptions of supply or shortages of raw materials

The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate and at times in recent periods, these commodity prices have increased significantly in response to changing market conditions. The Group seeks to manage this exposure, but it may not be successful in hedging its exposure to these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices. In addition, certain raw materials are sourced only from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. For instance, natural disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to tight credit markets or other financial distress, natural or man-made disasters, or production difficulties. The Group will continue to work with suppliers to monitor potential shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues; however, there can be no assurances that these events will not have an adverse effect on its production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact the Group's ability to achieve its vehicle sales objectives and profitability. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle sales objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, may result in a material impact on the Group's financial condition and results of operations.

Fiat Group - The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of the Group's manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for financing customers and dealers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Group's financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect revenues, finance costs and margins.

The Group seeks to manage risks associated with fluctuations in currency and interest rates through financial hedging instruments. Despite such hedges being in place, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations.

The Group's financial services activities are also subject to the risk of insolvency of dealers and end-customers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite the Group's efforts to mitigate such risks through the credit approval policies applied to dealers and end-customers, there can be no assurances that the Group will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

Fiat Group - The Group's success largely depends on the ability of its current management team to operate and manage effectively

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of the business. The loss of any senior executive, manager or other key employees without an adequate replacement or the inability to attract, retain and incentivize senior executive managers, other key employees or new qualified personnel could therefore have a material adverse effect on the Group's business prospects, earnings and financial position.

Fiat Group - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and limit its financial and operating flexibility

The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage;
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business.

These risks may be exacerbated by volatility in the financial markets, particularly those resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the corporate reorganization announced in January 2014 is the expected reduction in funding costs over time due to improved debt capital markets positioning of the combined entity. However, certain of the circumstances and risks described may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved in full or at all.

Even after the acquisition by Fiat, Chrysler continues to manage financial matters, including funding and cash management, separately. Additionally, Fiat has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of Chrysler, nor does it have any commitment to provide funding to Chrysler in the future.

Furthermore, certain bonds issued by Fiat include covenants that may be affected by circumstances related to Chrysler. In particular, these bonds include cross-default clauses which may accelerate the relevant issuer's obligation to repay its bonds in the event that a "material subsidiary" of Fiat fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Chrysler Group LLC is a "material subsidiary" and certain of its subsidiaries may become material subsidiaries of Fiat within the meaning of those bonds. Therefore, the cross-default provision could require early repayment of the Notes or those bonds in the event Chrysler's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by Chrysler of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

In addition, one of Fiat's existing revolving credit facilities, expiring in July 2016, provides for some limits on Fiat's ability to provide financial support to Chrysler.

Fiat Group - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions;
- enter into sale and leaseback transactions.

Fiat Group - Risk associated with restrictions arising out of Chrysler's debt instruments

Chrysler is party to a credit agreement for certain senior secured credit facilities and an indenture for two series of secured senior notes. These debt instruments include covenants that restrict Chrysler's ability to make certain distributions or purchase or redeem capital stock, prepay other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities.

In particular, in January 2014, Chrysler paid a distribution of $1.9 billion to its members. With certain exceptions, further distributions will be limited to 50 percent of Chrysler's consolidated net income (as defined in the agreements) from the period from January 2012 until the end of the most recent fiscal quarter, less the amount of the January 2014 distribution.

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In addition, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants and also prohibit Chrysler from prepaying certain of its indebtedness. The senior credit facilities require Chrysler to maintain borrowing base collateral coverage and a liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and any of the other indebtedness of Chrysler or result in cross-default under certain of its indebtedness.

If Chrysler is unable to comply with these covenants, its outstanding indebtedness may become due and payable and creditors may foreclose on pledged properties. In this case, Chrysler may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. Even if new financing is made available to Chrysler in such circumstances, it may not be available on acceptable terms.

In addition, compliance with certain of these covenants could restrict Chrysler's ability to take certain actions that its management believes are in Chrysler's and the Group's best long-term interests.

Should Chrysler be unable to undertake strategic initiatives due to the covenants provided for by the above instruments, the Group's business prospects, financial condition and results of operations could be adversely impacted.

C&W Group

The following is a summary of the risks and uncertainties that could potentially have a significant impact on the activities of C&W Group, Inc. (C&W).
Additional risks and uncertainties not presently known to C&W or that C&W currently believes to be immaterial may also adversely affect C&W's business.

C&W – Risks associated with general economic conditions

C&W's success depends, in part, on the basic strength of the real estate markets in which C&W operates. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of C&W's business lines.
These economic conditions can result in a general decline in acquisition, disposition and leasing activity, increase in credit cost and lack of credit availability, as well as a general decline in the value of commercial real estate and rents, which in turn can reduce revenue from property management and valuation fees and commissions derived from property sales, leasing and financing activities and increase volatility of certain business lines, such as capital markets, that generate fees based on the timing, size and pricing of transactions. The performance of the real estate markets depends upon many factors, almost all of which are beyond C&W's control. Any prolonged downturn in the real estate markets could have a significant adverse effect on C&W's ability to generate revenue and profits and on C&W's business as a whole.

C&W – Risks associated with C&W's credit facility

C&W's credit agreement imposes operating and other restrictions on C&W and many of its subsidiaries which may limit or prohibit various activities including: financing ongoing operations, strategic acquisitions, investments, paying dividends or making distributions on or repurchases of capital stock. The credit facility is guarantee by the main assets of C&W Group. Failure to meet payments or other obligations under C&W's credit agreement (financial covenants) could lead to increased interest rates.

C&W – Risks associated with seasonality

A significant portion of C&W's revenue is seasonal which can affect C&W's ability to compare financial condition and consolidated results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused revenue, operating income, net income and cash flows from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. The seasonality of C&W's business makes it more difficult to determine during the course of the year whether C&W's business expectations will be achieved, and to adjust timely to changes in conditions.

C&W – Risks associated with the impairment of C&W's goodwill and other intangible assets

In connection with EXOR's acquisition of Cushman & Wakefield, Inc. in 2007 and as a result of subsequent acquisitions, C&W has significant goodwill and other intangible assets on its books. A significant and sustained decline in future cash flows, a significant adverse change in the economic environment or slower revenue and EBITDA growth rates could result in the recognition of goodwill or other intangible asset impairment charges.

C&W – Risks associated with currency fluctuation

C&W's revenue from non-U.S. operations is denominated primarily in the local currency where the associated revenue was earned while the reporting currency of C&W is the U.S. dollar. Over time, fluctuations in the value of the U.S. dollar relative to the other currencies in which earnings are generated could adversely affect C&W's business, financial condition and operating results. In addition, constantly changing currency exposures and the volatility of currency exchange rates may make it more difficult to perform period-to-period comparisons of reported results of operations.

C&W – Risks associated with litigation

C&W's licensed employees and the licensed employees of C&W's global subsidiaries are subject to statutory due diligence, disclosure and standard-of-care obligations. Failure to fulfill these obligations could result in litigation from parties who purchased, sold or leased properties C&W brokered or managed, as well as any party who may have relied on a valuation by C&W. In addition, C&W hires and supervises third-party contractors to provide certain services for C&W's managed properties. Depending on the terms of the contracts with C&W's clients, C&W may be subject to claims resulting from actions of such third-party contractors that it does not control. Any material claim or litigation could divert senior management's attention and delay implementation of C&W's business strategy, which could ultimately harm C&W's financial condition and results of operations. Some of these litigation risks may be mitigated by insurance maintained by C&W in amounts it believes are appropriate.

C&W – Risks associated with competition

C&W competes across a variety of business disciplines within the commercial real estate services industry. Although many of its competitors are local or regional firms and are substantially smaller than C&W, some of these competitors are larger on a local or regional basis. C&W is also subject to competition from other large national and multi-national firms that have similar service competencies to C&W. In general, there can be no assurance that C&W will be able to compete effectively, to maintain current fee levels or margins, or maintain or increase C&W's market share.

C&W - Risks associated with ability to attract and retain qualified and experienced employees

C&W's continued success is highly dependent upon the efforts of its executive officers and other key employees. If any of C&W's key employees leave and C&W is unable to quickly hire and integrate a qualified replacement, C&W's business, financial condition and results of operations may suffer. In addition, the growth of C&W's business is largely dependent upon C&W's ability to attract and retain qualified personnel in all areas of C&W's business, including brokerage and property management personnel, and competition for key employees among C&W and its competitors is intense. If C&W is unable to attract and retain qualified personnel, C&W's growth may be limited and its business and operating results could suffer.

C&W – Risks associated with operations in multiple jurisdictions with complex and varied tax regimes

C&W operates in many jurisdictions with complex and varied tax regimes and is subject to different forms of taxation resulting in a variable effective tax rate. Adverse tax filings, failure to adequately support tax positions, non-compliance with tax regulations, errors in tax preparation and disagreements with the tax authorities on the application of tax law and tax claims arising from tax audits may result in the disqualification of tax positions taken, tax penalties and could have an adverse effect on C&W's results of operations.

C&W – Risks associated with the protection of C&W's intellectual property

C&W's business depends, in part, on C&W's ability to identify and protect proprietary information and other intellectual property such as C&W's trade and service marks, domain names, client lists and information, business methods and research. C&W's inability to detect unauthorized use or take appropriate or timely steps to enforce C&W's intellectual property rights may have an adverse effect on business and lead to claims against C&W.

C&W - Risks associated with non-compliance with policies and Global Code of Business Conduct

The global nature of C&W's business makes it challenging to communicate the importance of adherence to C&W's policies and Global Code of Business Conduct, to monitor and enforce compliance with its provisions on a worldwide basis and to ensure local compliance with US and UK laws that apply globally in some circumstances (e.g. the Foreign Corrupt Practices Act, the Patriot Act and the UK Bribery Act). Breaches of C&W's Global Code of Conduct could have a material adverse effect.

C&W – Risks associated with the security of C&W's information and technology networks, including personally identifiable and client information

C&W collects and stores sensitive data such as personally identifiable information of C&W's employees, clients and other third parties. The secure processing, maintenance and transmission of this information is critical to C&W's operations. Despite C&W's security measures, C&W's information technology systems may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Such events could expose C&W to liability, damage C&W's reputation and adversely affect revenues and competitive position. Additionally, C&W increasingly relies on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over C&W's data. Such third parties may also be vulnerable to security breaches and compromised security systems, which could adversely affect C&W's reputation.

In order to manage such risks, C&W has recently deployed a third-party Managed Security Service to monitor activity and provide alerts of risky events, a third-party application vulnerability assessment service to monitor client-facing, public-facing, and internal web application vulnerabilities, and a risk assessment program for information technology related service providers. C&W is currently taking steps to increase its ability to prevent, detect, and react to malicious activity intended to misappropriate C&W's data or computing resources.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks associated with general economic conditions

Overall, Juventus' financial position, income statement and cash flows are affected by general economic conditions. However, despite the fact that most of the company's income items are tied to long-term contracts, if the situation of weakness and uncertainty which characterizes the Italian and European economy lengthens significantly, the activities, strategies and prospects of the company may be negatively affected, particularly in terms of the radio and television rights market, sponsorships, revenues from the stadium and all sales activities targeting supporters.

Juventus Football Club - Risks associated with the sponsorship market

From a general viewpoint, the crisis which has hit financial markets in recent years and the consequent ongoing recession are affecting the market of sports sponsorships which currently has a narrower timeframe of promotional and advertising investments made by partner companies. The effect of this shift in the market in the short term has been to lower the proportion of long-term sponsorship revenues compared with the past. If the economic crisis should continue, growth in sponsorship revenues may fall below expectations, with the result that Juventus' financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks associated with the ability to attract "human capital"

Achieving sports and economic results depends on the ability to attract and keep top quality managers, players and technical staff and, therefore, requires payment of salaries in line with those of the main competitors in Italy and Europe. The inability to keep "key people" may have a negative impact on the actual ability to manage and on the Club's growth prospects.

Juventus Football Club - Risks associated with funding requirements

Numerous factors affect Juventus' financial position. In particular, these include the fulfillment of sports and business objectives, as well as trends in general economic conditions and in the markets in which the company operates. In accordance with the company's risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. In addition to this, the company holds its cash and cash equivalents as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the adverse situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded, which would give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks associated with business sector

Players' registration rights represent the company's main factor of production. Sports activities are subject to risks connected to players' physical health and fitness. Injuries and accidents, therefore, can potentially have a significant impact at any time on the company's financial position and income statement.

In addition, given that the business also focuses on the commercial exploitation of the trademark, trademark infringement by third parties is another risk the company faces. The arrival on the market of a large number of imitation goods bearing the Juventus trademark or the occurrence of events that may impair the market value of the trademark would potentially have an adverse impact on the company's financial position, income statement and cash flows. Finally, the company is exposed to risks connected with supporter behavior, which may result in fines, sanctions or other punishments being levied on Juventus, and indirect damages to the Club's image, which may lead to lower stadium turnout and lower merchandising sales.

Juventus Football Club - Risks associated with the Transfer Campaign

The company's business and financial performance are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared with the Development Plan and guidelines related to sports management defined annually could result in negative impacts on the company's financial situation. Moreover, having a squad of players that do not meet the technical and tactical requirements of the trainer and the strategic needs of the sporting director raises the risk of not being able to optimize the playing side, bringing unexpected or excessive costs, amortization charges and players' wages.

Juventus Football Club - Risks related to relations with footballers

Like all its main competitors, the company has been faced with a significant increase in salaries and bonuses for footballers in recent years as well as in the cost of players' registration rights. If the value of footballers were to continue increasing at a significant rate, purchasing the registration rights for new players could become more problematic, especially if the value of the Club's footballers to sell did not increase proportionately.

It cannot be excluded that these trends may continue in future years, affecting the company's strategy and the dynamic management of its playing assets, and may have negative effects on the company's financial position, income statement and cash flows, as well as on its activities, strategies and prospects.
For the relations in question, it is important to underline the risk connected with a failure of footballers who are no longer part of the company's technical program to accept transfers with the consequent incurring of costs for unexpected or excessive amortization charges and players wages, a risk that all football clubs have in common.

Juventus Football Club – Risks associated with any unlawful behavior of registered players

As current sports regulations hold football clubs liable for certain behavior of its players, the possibility that the company may be fined by sports bodies in the future, for facts beyond its control, with negative effects that may also be significant on the financial position and performance, cannot be ruled out.

Juventus Football Club - Risks associated with radio and television rights

The company’s revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold. New rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds, have reduced Juventus’ revenues on a national level, bearing a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market as well as a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from centralized and collective sale of radio and television rights may lead to an additional significant reduction of revenues in the future with negative impact on Juventus' financial position, income statement and cash flows.
Moreover, in recent years live streaming and piracy on Internet have caused and continue to cause the loss of income for TV broadcasters which could lead them to change the investments in the sector with a negative impact on Juventus' financial position, income statement and cash flows.

Juventus Football Club – Risks associated with digital media

The company has adopted appropriate procedures and rules of conduct to manage media relations. However, as digital media have become more commonplace, the possibility of an improper use of these procedures and rules by some registered players and/or their relatives, relatives by marriage and attorneys-in-fact, as well as the publication of contents by third parties in general, having a negative impact on the image of the company, its directors, executives and/or registered players, with consequent negative effects on the financial position and performance, cannot be ruled out.

Juventus Football Club - Risks associated with management of the company-owned stadium

Starting with the 2011/2012 season, Juventus became the first *Serie* A team to own its own stadium. This means that the company is now responsible for it with the consequent risks related to the structure of the stadium and management of the surrounding public areas used for parking. Activities at the Juventus Stadium could be suspended following natural disasters and other events beyond the company's control with consequent negative impacts on Juventus' financial position, income statement and cash flows.
Management of the new stadium and public parking areas during events may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Lastly, a reduction of supporters and played matches would have a negative effect on Juventus' financial position, income statement and cash flows.

Juventus Football Club – Risks associated with the no-fault liability of football clubs

Under current regulations, football clubs have a no-fault liability in relation to certain acts of their registered players and fans that may result in sports sanctions and/or monetary fines for the clubs and players. In this regard, despite adopting procedures considered necessary to avoid the infringement of these regulations, the company cannot rule out the possibility that facts may occur beyond its control that result in sanctions (including suspension from the field, fines and bans from competitions), and that cause concern among fans at the stadium, reducing their number with a possible reduction in ticket sales and extraordinary costs, nor can it evaluate the sports, economic and financial-related consequences that may arise. Following these events, the need to consolidate security measures during home matches could arise, with additional costs and expense for the safety of fans and company insurance, and with consequent negative effects on the financial position and performance of the company, as well as its operations, strategies and prospects.

Juventus Football Club - Risks associated with fluctuations in interest rates and exchange rates

Juventus uses various forms of funding to assure the cash flow needed for its business. These include credit lines for cash advances and credit commitments, financial leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. The company has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates to finance medium-long term investments. Despite this, sudden changes in interest rates could potentially have an adverse impact on the company's financial position and income due to higher financial expenses on short-term borrowing.

Juventus conducts almost all its purchase and sale transactions in euro. As a result, the company is not exposed in any significant way to the risk of exchange rate fluctuations.

Juventus Football Club - Risks associated with the missed qualification for sports tournaments

The company's financial performance is significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top two ranking teams in the *Serie A* Championship, while the third-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify for the tournament, even where due to a reduction in the number of participating sides, as well as failure to obtain the UEFA license, including in light of the new so-called "Financial Fair Play" rules, could potentially have an adverse impact on the company's financial position and income statement.

Juventus Football Club - Risks associated with Financial Fair Play

The UEFA Executive Committee recently approved the European-wide introduction of a licensing system for the admission of football clubs to the club competitions that it organizes (UEFA Champions League, UEFA Europe League and UEFA Supercup). Based on this system, only football clubs which prove they satisfy the sporting, infrastructure, personnel and administrative, legal and financial criteria, along with the required title are allowed to participate in European competitions and thus obtain the so-called "UEFA License". The UEFA Club Licensing manual also incorporates Financial Fair Play Regulations.

Financial Fair Play is based on the break-even principle, according to which the clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs. A short description is given below of the man financial-economic and equity parameters applied by UEFA for admission to its competitions. As of the 2013/2014 Football Season, each club will be required to show it has:

- financial statements certified by an independent auditor demonstrating that the club is a going concern;
- non-negative equity;
- no overdue payables towards football clubs, employees, and/or social/tax authorities;
- a positive break-even result, demonstrating compliance with the break-even rule, for the two years preceding the entry into force of the new UEFA regulations (i.e., for the 2011/2012 and 2012/2013 football seasons) or, for future applicants, for the three consecutive years preceding the club's application for a UEFA License.

The company has obtained the UEFA license to play in European championships for the 2013/2014 football season, however it is not possible to predict if in the future these requirements (or new requirements approved in the meantime) will be complied with, nor can it be excluded that clubs may be required to have additional funding to meet the requirements needed for the UEFA License. If the company is not able to meet the above requirements, it may be excluded from participation in European competitions, bearing an adverse impact on its financial position and income statement.

Juventus Football Club - Risks associated with the outcome of pending litigation

With the assistance of its legal advisers, the company manages and constantly monitors all current disputes and, on the basis of the outcome that can be predicted for them, proceeds, when necessary, with the allocation of specific risk provisions.

Future negative effects, both minor and major, on Juventus' financial position, income statement and cash flows cannot be excluded on the basis of the current disputes.

Juventus Football Club – Risks associated with tax litigation

Considering the specific nature of the football industry and in particular of the transactions regulating the Transfer Campaign, which are interpreted in different ways by football clubs and the Financial Administration, claims could be made by the Financial Administration in the future, even concerning a significant amount, with adverse effects on the company's financial position and performance.

SIGNIFICANT EVENTS IN 2013

Appointment of the common representative of the holders of EXOR preferred shares

On January 15, 2013, the shareholders' meeting of EXOR preferred shares appointed Oreste Cagnasso as the preferred shareholders' common representative.

Mandatory conversion of preferred and savings shares

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 put forward a motion to the shareholders to convert the Company's preferred and savings shares into ordinary shares.

The conversion had the intention of simplifying the capital structure and governance of the Company, creating conditions for greater transparency and eliminating the classes of shares that had very limited trading volumes, replacing them with ordinary shares, which, thanks to the conversion, will benefit from greater liquidity and create advantages for all shareholders.

The proposals were approved by the special meetings of the preferred and savings shareholders and the general meeting of the shareholders (in extraordinary session) respectively on March 19, and March 20, 2013.

Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) were able to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. On May 3, 2013, at the end of the withdrawal period, EXOR announced that the conditions precedent, approved by the shareholders' meeting on March 20, 2013, were satisfied. This shareholders' meeting, in fact, had resolved that the conversion of each class of shares would be conditional upon the cash amount to be paid by the Company pursuant to article 2437-*quater* of the Italian Civil Code for exercise of the withdrawal rights not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits was exceeded for any given class, the conversion of both classes of shares would nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes did not exceed €100 million.

The conversions were executed on June 24, 2013, following the ex-dividend date for the 2012 dividends.

As from that same date, the share capital of EXOR S.p.A. is composed of 246,229,850 ordinary shares of par value €1 each for a total of €246,229,850.

Purchases of treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83.3 million, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €17.8 million, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4 million. The overall investment was €105.1 million.

On December 31, 2013, following the mandatory conversion of the preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344.1 million.

Investment in Almacantar

On April 4, 2013 and May 2, 2013 EXOR S.A. paid in to Almacantar respectively £8 million (€9.4 million) and £4 million (€4.7 million) against the remaining amount due on the capital increase by Almacantar S.A. that was fully subscribed to in 2011 but had not been entirely paid.

On July 5, 2013, EXOR S.A. paid in to Almacantar the remaining balance of £19.2 million (€22.3 million).

In order to ensure additional financial resources for new investments, on July 11, 2013 EXOR S.A. subscribed to a new capital increase for an equivalent amount of £50 million (€57.9 million). Following this transaction, EXOR S.A. holds approximately 38.29% of Almacantar S.A. share capital.

Resolutions passed by the May 30, 2013 shareholders' meeting

The EXOR shareholders' meeting held May 30, 2013 approved the payment of dividends, unchanged from the prior year, of €0.335 for each ordinary share, €0.3867 for each preferred share and €0.4131 for each savings shares, for a total maximum amount of €78.5 million. The declared dividends were payable beginning June 27, 2013.

The same shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and passed the resolution to renew the authorization for the purchase and disposal of EXOR treasury stock. Under the authorization the Company may purchase and sell on the market, for 18 months from the date of the shareholders' resolution, ordinary and/or preferred and/or savings shares for a maximum number such as not to exceed the limit set by law, for a maximum disbursement of €450 million. Therefore, the authorization for the purchase and disposal of treasury stock approved by the shareholders' meeting on May 29, 2012 for the part not used is considered revoked and subsequently modified and integrated on March 20, 2013.

Finally, the shareholders' meeting approved, pursuant to articles 2443 and 2420-*ter* of the Italian Civil Code, the renewal of the five-year authorization to increase share capital, at one or more times, also in divisible form, up to a maximum nominal amount of €500 million and to issue, at one or more times, bonds convertible into shares up to a maximum of €1 billion.

Sale of investment in SGS S.A.

On June 10, 2013 EXOR S.A. finalized the agreement signed on June 2, 2013 for the sale of its entire investment in SGS S.A. (15% of share capital) to Serena S.à.r.l., a wholly-owned subsidiary of Groupe Bruxelles Lambert (GBL) at a price per share of CHF 2,128, for a total equivalent amount of more than €2 billion.
The sale forms part of the strategy of continual portfolio evaluation and optimization; the proceeds will be used to take advantage of new investment opportunities consistently with EXOR's investment strategy.
EXOR realized a net gain on the sale at consolidated level of €1,534 million.

Fiat Industrial and CNH Global merger

The deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial N.V. and the deed for the merger of CNH Global N.V. with and into CNH Industrial N.V. were executed on September 27 and 28, 2013, respectively. The integration of these two companies was completed on September 29, 2013.
At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios. In particular, Fiat Industrial shareholders received one CNH Industrial common share for each Fiat Industrial ordinary share held and CNH Global shareholders received 3.828 CNH Industrial common shares for each CNH Global common share held.
CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares in connection with the closing of the merger. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares.
On September 30, 2013 CNH Industrial N.V. common shares began trading on the New York Stock Exchange and the MTA managed by Borsa Italiana S.p.A.

EXOR with its 366,927,900 Fiat Industrial ordinary shares received 366,927,900 CNH Industrial common shares and the same number of special voting shares. At December 31, 2013 EXOR thus holds directly a 27.18% stake and 40.22% of the voting rights.

EXOR 2013-2020 bond issue and cancellation of a part of the EXOR 2007/2017 bond issue

On November 12, 2013 EXOR issued non-convertible bonds for €200 million maturing November 12, 2020 through a private placement to institutional investors.
The bonds, admitted to listing on the Regulated Market of the Luxembourg Stock Exchange, were rated 'BBB+' by Standard & Poor's. The bonds were issued at a price of 99.053% and pay a fixed annual coupon of 3.375%.
Net proceeds will be used for EXOR's general corporate purposes and in order to extend the average maturity of its debt.

Following purchases on the market for a nominal €60 million of its outstanding €750 million 5.375% bonds due 2017 listed on Luxembourg Stock Exchange, EXOR had completed the cancellation of a nominal amount of bonds for the same amount on December 17, 2013.
As a result of the cancellation, the outstanding aggregate nominal amount of the bonds is now €690 million.

Criminal case relative to the contents of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005

The Court of Appeals, in its decision handed down on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C.
On December 17, 2013, the Italian Supreme Court annulled the February 21, 2013 judgment of the Turin Court of Appeal on the positions of Gianluigi Gabetti and Franzo Grande Stevens, without referring the case back to the lower court for a re-hearing, on the grounds that the offense is now statute-barred.

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2014

Dividends and distribution of reserves to be received during 2014

The dividends and distributions of reserves already resolved by some investment holdings are presented below:

	Class of	Number of		Dividends	
Holding	shares	shares		Per share	Total (€/ml)
CNH Industrial N.V.	common	366,927,900	€	0.2	73.4
EXOR's share to be received					**73.4**
Gruppo Banca Leonardo S.p.A.	ordinary	45,459,968	€	0.12	5.5
EXOR S.A.'s share to be received					**5.5**

BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2014.

At the consolidated level, the year 2014 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. Their most recent forecasts formulated and reported in their financial reports at December 31, 2013 are presented below.

CNH Industrial Group

Projected improvements by the CNH Industrial Group in operating performances in the Trucks and Commercial Vehicles and Construction Equipment businesses, coupled with continued industrial efficiencies, are expected to offset the projected decline in unit demand of agricultural equipment forecasted for 2014. Accordingly, CNH Industrial is setting its 2014 guidance as follows:

- revenues flat to up 5%;
- trading margin between 7.8% and 8.2%;
- net industrial debt between €1.5 billion and €1.7 billion.

Fiat Group

As already announced and now increasingly relevant following the acquisition of the minority stake in Chrysler previously held by the VEBA Trust, the Fiat Group will be presenting an updated business plan in early May 2014 that will give increased visibility of the Fiat Group's strategic direction and execution priorities. Notwithstanding that process, the Fiat Group indicates the following guidance for 2014:

- revenues approximately €93 billion;
- trading profit approximately €3.6 to €4.0 billion;
- net income approximately €0.6 to €0.8 billion, with EPS to improve from approximately €0.10 (ex-unusuals) to approximately €0.44 - €0.60. Includes increased deferred tax charge of approximately €0.5 billion due to the recognition of net deferred tax assets at year-end 2013 related to Chrysler.
- net industrial debt €9.8 billion to €10.3 billion. Guidance for net industrial debt includes cash outflows for the purchase of the remaining 41.5% minority stake in Chrysler Group LLC from the VEBA trust (€2.7 billion) on January 21, 2014, in addition to the impact of the adoption of IFRS 11 – *Joint Arrangements*, effective January 1, 2014, of approximately €0.3 billion).

C&W Group

Despite continued soft economic conditions in many emerging markets, Cushman & Wakefield delivered double-digit revenue and operating income growth for full-year 2013, while still investing in the firm's growth initiatives. Business momentum picked up across the company's global platform translating into increased activity and stronger pipelines of transactions and assignments. This is a reflection of a more confident business environment, as well as the focus and drive of Cushman & Wakefield's professionals.

Looking ahead, Cushman & Wakefield expects activity to improve further in 2014 and remains focused on enhancing market share in key markets around the globe.

Almacantar

During the final quarter of 2013, Almacantar continued to focus on activities to move Centre Point towards a start on site and a planning application was submitted for the Marble Arch Tower and Edgware Road scheme. Almacantar plans to maximize income generation in the period before the start of redevelopment.

It is Almacantar's intention to further expand the portfolio and a range of investment opportunities are being reviewed.

The London real estate market should remain stable due to the strong demand for rental space and activity by institutional investors.

The company expects to report a profit for the year 2014.

Juventus Football Club

During the first phase of the 2013/2014 Transfer Campaign Juventus made significant investments to further strengthen the First Team bench, and increase its competitiveness.

At present, it is possible that the resulting increase in costs relating to sports management may not be fully offset by increases in revenues due to the elimination from the UEFA Champions League.

Moreover, the First Team's progress in the UEFA Europa League tournament under way and the optimization actions that will be implemented could contribute to possible significant reductions in the loss for the present year which is currently forecast to exceed the loss for the 2012/2013 financial year.

In the second half of the 2013/2014 financial year, operations will, in any event, be focused on the objective of continuing to improve the financial performance achieved during the previous two financial years.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closed the year 2013 with a profit of €92.7 million (€150.5 million in 2012).

The negative change is due to lower gains (2013 includes the gain on the sale of The Black Ant Value Fund to the subsidiary EXOR S.A., whereas 2012 comprised the gain on the sale of the investment in Alpitour), higher recurring and non-recurring general expenses (€6 million), higher net financial expenses (€11.8 million) and higher income tax charges (€6.3 million), net of higher dividends received from investments (€20 million).

The separate condensed income statement and statement of financial position, as well as comments on the most significant line items are presented below.

EXOR S.p.A. - Condensed Income Statement

€ million	Note	2013	2012	Change
Dividends from investments	1	**102.8**	82.8	20.0
Gains (losses) on disposals and impairments of investments	2	**82.2**	135.9	(53.7)
Net financial income (expenses)	3	**(60.3)**	(48.5)	(11.8)
Net general expenses	4	**(22.8)**	(19.1)	(3.7)
Non-recurring other income (expenses) and general expenses	5	**(1.9)**	0.4	(2.3)
Non-deductible VAT and other taxes and duties		**(1.6)**	(1.5)	(0.1)
Profit before income taxes		**98.4**	150.0	(51.6)
Income taxes		**(5.7)**	0.5	(6.2)
Profit for the year		**92.7**	150.5	(57.8)

EXOR S.p.A. - Condensed Statement of Financial Position

		12/31/2013		12/31/2012		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available-for-sale	6	**3,930.8**	**83.0**	4,252.6	86.7	(321.8)
Other non-current financial assets		**94.2**	**2.0**	125.4	2.6	(31.2)
Current financial assets		**702.7**	**14.9**	518.1	10.6	184.6
Financial receivables from subsidiaries		**1.0**	**0.0**	1.8	0.0	(0.8)
Tax Receivables		**6.0**	**0.1**	4.5	0.1	1.5
Other current and non-current assets		**1.2**	**0.0**	1.4	0.0	(0.2)
Total Assets		**4,735.9**	**100.0**	4,903.8	100.0	(167.9)
Equity	7	**3,434.0**	**72.6**	3,519.6	71.8	(85.6)
Bonds		**1,228.5**	**25.9**	1,104.5	22.5	124.0
Current and non-current bank debt		**0.0**	**0.0**	200.0	4.1	(200.0)
Other current financial liabilities		**33.7**	**0.7**	45.3	0.9	(11.6)
Provisions and other current and non-current liabilities		**39.7**	**0.8**	34.4	0.7	5.3
Total Equity and Liabilities		**4,735.9**	**100.0**	4,903.8	100.0	(167.9)

1. Dividends from investments

In 2013 dividends from investments amount to €102.8 million and include dividends received from CNH Industrial for €82.6 million, EXOR S.A. for €20 million, Rho Immobiliare Fund for €0.1 million and Emittenti Titoli (€0,1 million).

In 2012 dividends from investments amounted to €82.8 million and included dividends collected from Fiat ndustrial for €71.3 million, Fiat for €10.8 million, Rho Immobiliare Fund for €0.7 million and Emittenti Titoli (€35 thousand).

2. Gains (losses) on disposals and impairments of investments

In 2013, gains (losses) on disposals and impairments of investments include the gain of €87.2 million relating to the sale of The Black Ant Value Fund to the subsidiary EXOR S.A., net of price adjustments relating to the sale of Alpitour in 2012.

In 2012, this line item included the gain on the sale of the investment in Alpitour.

3. Net financial income (expenses)

Net financial expenses amount to €60.3 million in 2013 and show a net increase of €11.8 million from 2012 (€48.5 million). The increase is mainly due to a different mix in the debt structure, the increase in cash and non-recurring expenses for a total of €18.2 million. The non-recurring expenses refer to the early closing of the interest rate hedging instruments on non-current loans of €200 million and losses on the partial cancellation (for a nominal €60 million) of the non-convertible 2007/2017 bonds.

4. Net general expenses

Net general expenses total €22.8 million (€18.2 million net of the notional cost of the EXOR stock option plan) and increased €3.7 million (€2.2 million net of the notional cost of the EXOR stock option plan) compared to the amount in 2012 of €19.1 million (€16 million net of the notional cost of the EXOR stock option plan).

5. Non-recurring other income (expenses) and general expenses

The net balance of non-recurring expenses of €1.9 million relates to legal fees incurred for defense in the cases relating to the content of the press releases issued by IFIL and by Giovanni Agnelli e C. on August 24, 2005 and tax consulting fees.

6. Investments and other financial assets held-for-sale

€ million	12/31/2013	12/31/2012	Change
Investments accounted for at cost			
CNH Industrial N.V.	**1,690.3**	1,690.3	0.0
Fiat S.p.A.	**1,324.7**	1,324.7	0.0
EXOR S.A.	**746.4**	746.6	(0.2)
Juventus Football Club S.p.A.	**95.7**	95.7	0.0
Arenella Immobiliare S.r.l.	**26.0**	26.0	0.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	3,883.4	3,883.6	(0.2)
Financial assets available-for-sale			
The Black Ant Value Fund	**0.0**	323.3	(323.3)
Rho Immobiliare Fund	**11.7**	11.8	(0.1)
Other	**35.7**	33.9	1.8
	47.4	369.0	(321.6)
Total	**3,930.8**	4,252.6	(321.8)

The decrease compared to December 31, 2012 is principally the result of the sale of The Black Ant Value Fund to the subsidiary EXOR S.A.

A comparison between the carrying amounts and trading prices of the listed investments is as follows:

		Carrying amount		Trading price December 30, 2013	
	Number	Per share (€)	Total (€ million)	Per share (€)	Total (€ million)
CNH Industrial N.V.	366,927,900	4.61	1,690.3	8.273	**3,035.6**
Fiat S.p.A.	375,803,870	3.52	1,324.7	5.926	**2,227.0**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.225	**144.6**
Total			**3,110.7**		**5,407.2**

7. Equity

Equity at December 31, 2013 is €3,434 million (€3,519.6 million at December 31, 2012). The negative change of €85.6 million is summarized in the following table:

€ million	
Equity at December 31, 2012	**3,519.6**
Dividends paid	(78.5)
Purchase of treasury stock	(105.1)
Other net changes	5.3
Profit for the year	92.7
Net change during the year	**(85.6)**
Equity at December 31, 2013	**3,434.0**

Further details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2013.

8. Net financial position

The net financial position at December 31, 2013 is a negative €474.2 million, an improvement of €244.7 million compared to a negative €718.9 million at the end of 2012.
The balance is composed as follows:

	12/31/2013			12/31/2012		
€ million	Current	Non current	Total	Current	Non current	Total
Financial assets (a)	**117.3**	**83.9**	**201.2**	180.2	110.4	290.6
Financial receivables from subsidiary	**1.0**	**0.0**	**1.0**	1.8	0.0	1.8
Cash and cash equivalents	**585.7**	**0.0**	**585.7**	338.5	0.0	338.5
Total financial assets	**704.0**	**83.9**	**787.9**	520.5	110.4	630.9
EXOR bonds 2011-2031	**(0.7)**	**(68.8)**	**(69.5)**	(0.7)	(87.7)	(88.4)
EXOR bonds 2018-2025	**(4.8)**	**(97.8)**	**(102.6)**	(0.4)	(97.7)	(98.1)
EXOR bonds 2013-2020	**(0.9)**	**(198.0)**	**(198.9)**	0.0	0.0	0.0
EXOR bonds 2012-2019	**(1.5)**	**(147.5)**	**(149.0)**	(1.5)	(147.2)	(148.7)
EXOR bonds 2007-2017	**(20.7)**	**(687.8)**	**(708.5)**	(22.4)	(746.9)	(769.3)
Bank debt and other financial liabilities	**(33.6)**	**0.0**	**(33.6)**	(45.3)	(200.0)	(245.3)
Total financial liabilities	**(62.2)**	**(1,199.9)**	**(1,262.1)**	(70.3)	(1,279.5)	(1,349.8)
Net financial position of EXOR S.p.A.	**641.8**	**(1,116.0)**	**(474.2)**	450.2	(1,169.1)	(718.9)

(a) The amount of €25.7 million in the current portion and €83.5 million in the non-current portion (in 2012 the non-current portion was €109.5 million) relates to bonds issued by leading counterparties, listed on active and open markets which the Company intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash, in order to ensure a constant attractive flow of financial income. This designation was decided in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide.
Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements.
There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The net positive change of €244.7 million in 2013 is described in the following table:

€ million		
Net financial position at December 31, 2012		**(718.9)**
Dividends received from investment holdings		102.8
- CNH Industrial N.V.	82.6	
- EXOR S.A.	20.0	
- Emittenti Titoli	0.1	
- Rho Immobiliare Fund	0.1	
Sale of The Black Ant Value Fund		387.3
Treasury stock purchases		(105.1)
Dividends paid by EXOR S.p.A.		(78.5)
Other changes		(61.8)
- Net general expenses (excluding the notional cost of EXOR's stock option plans)	(18.2)	
- Non-recurring other income (expenses) and general expenses	(1.9)	
- Indirect taxes and duties	(7.8)	
- Net financial expenses	(61.2) (a)	
- Other net changes	27.3 (b)	
Net change during the year		**244.7**
Net financial position at December 31, 2013		**(474.2)**

(a) Does not include €0.9 million of interest income on the financial receivable from Alpitour, not included in the net balance of the net financial position.
(b) Includes the valuation of interest rate swaps on loans for €26.6 million and other net changes for €0.7 million.

9. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2013 and December 31, 2012 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 of July 28, 2006.

	Profit (Loss)		Equity	
€ million	**2013**	2012	**12/31/2013**	12/31/2012
Separate financial statements of EXOR S.p.A.	**93**	150	**3,434**	3,520
Effect of the application of the amendment to IAS 19 - Employee Benefits		(100)		996
Difference between the carrying amounts of investments and the corresponding equity at the end of the prior year			**2,649**	1,494
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**(1,128)**	18
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**2,182**	300	**2,182**	200
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(105)**	(84)	**(105)**	(84)
Adjustments of gains/losses on disposals and impairments of investments	**(85)**	34	**(85)**	34
Other consolidation adjustments	**0**	(2)		(9)
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**2,085**	298	**6,947**	6,169

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP – SHORTENED

Through the subsidiary EXOR S.A., EXOR holds some important investments and controls some companies which contribute to the Group's investment and financial resource management activities. These companies constitute the so-called Holdings System (the complete list of these companies is presented below).

EXOR presents annual consolidated financial statements (statement of financial position and income statement) prepared by applying the "shortened" consolidation criterion. In accordance with this criterion, the separate financial statements or accounting data drawn up in accordance with IFRS by EXOR and by the subsidiaries in the "Holdings System" are consolidated line-by-line; the investments in the operating subsidiaries and associates (CNH Industrial, Fiat, C&W Group, Juventus Football Club, Almacantar and Arenella Immobiliare) are accounted for using the equity method on the basis of their consolidated financial statements or accounting data or separate financial statements (in the case of Juventus Football Club and Arenella Immobiliare) drawn up in accordance with IFRS.

Such shortened form financial statements, in order to facilitate the analysis of the financial position and cash flows, as well as the results of operations of the Group, are also presented along with the half-year condensed consolidated financial statements and the interim reports at March 31 and September 30 of each year.

Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures previously reported in the income statement for 2012 and in the statement of financial position at January 1, 2012 and December 31, 2012, have been restated for comparative purposes as required by IAS 1.
The effects of the restatements on the statement of financial position and the income statement are attributable to CNH Industrial Group, Fiat Group and C&W Group. Compared to the data reported in the statement of financial position at December 31, 2012, the application of the amendment generated a reduction in equity at January 1, 2012 and at December 31, 2012, respectively, of €467.5 million and €995.6 million. Compared to the data reported in the income statement for 2012 the reduction in profit was €99.9 million (due to the reduction in the share of the profit (loss) of investments accounted for using the equity method).

It should be noted that the data relating to CNH Industrial Group refer to the Group after the merger between Fiat Industrial and CNH Global, completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and therefore the results presented in the Report on Operations relating to the share of profit (loss) of investments and the value of the investment (measured using the equity method) are consistent and comparable with those previously reported by the EXOR Group. Nevertheless, in the context of this transaction, the stake held in the investment decreased from 30.88% to 27.96% following the entry of the minority shareholders of CNH Global
This reduction had no effect on the measurement criteria for the CNH Industrial Group since *de facto* control was retained.
As far as the accounting effects of the dilution are concerned, these are represented by a change between the attributable equity of owners of the parent and the non-controlling interests; in particular, there was a net increase in the equity reserves attributable to owners of the parent of approximately €40 million because of the different accounting equity value of the companies participating in the merger as compared with the market values considered for the purpose of the exchange ratios.
Since the merger was completed at the end of the third quarter, the share of the profit recorded in the income statement was calculated on the basis of 30.88% (the pre-merger consolidation percentage) for the first nine months of 2013 and at 27.96% for the fourth quarter of 2013.

The following table shows the consolidation and valuation methods of the investment holdings.

	% of consolidation		
	12/31/2013		12/31/2012
Companies in the Holdings System consolidated line-by-line			
- Exor S.A. (Luxembourg)	**100**		100
- Exor Capital Limited (Ireland)	**100**		100
- Exor Inc. (USA)	**100**		100
- Ancom USA Inc. (USA)	**100**		100
- Exor N.V. (the Netherlands)	**100**		-
Investments in operating subsidiaries and associates, accounted for using the equity method			
- CNH Industrial Group (a)	**27.96**	(b)	30.88
- Fiat Group	**30.90**		30.91
- C&W Group (c)	**82.40**		78.95
- Almacantar Group	**38.29**		36.29
- Juventus Football Club S.p.A.	**63.77**		63.77
- Arenella Immobiliare S.r.l.	**100**		100

(a) Resulting from the merger of Fiat Industrial and CNH Global completed on September 29, 2013.
(b) The 2.9% reduction arises from the merger of Fiat Industrial and CNH Global with and in CNH Industrial.
(c) The percentage is calculated on issued share capital, net of treasury stock held and net of the estimate of treasury stock purchases from non-controlling interests to be made by C&W Group.

The EXOR Group ends the year 2013 with a consolidated profit of €2,084.5 million; the year 2012 closed with a consolidated profit of €298.3 million. The positive change of €1,786.2 million derives principally from higher net gains realized during 2013 of €1,520.4 million (of which €1,534 million relates to the sale of the entire investment in SGS), the increase in the share of the results of investments of €264.1 million and the reduction in net financial expenses of €12 million, compensated in part by lower dividends from investments (-€10.3 million).

The consolidated equity attributable to owners of the parent amounts to €6,947.4 million at December 31, 2013, with a net increase of €778.6 million compared to €6,168.8 million at the end of 2012. Further details are provided in note 10.

The positive balance of the consolidated net financial position of the Holdings System at December 31, 2013 is €1,281.2 million, with an increase of €1,807.1 million compared to the negative balance of €525.9 million at year-end 2012. Further details are provided in note 11.

The shortened consolidated **income statement** and **statement of financial position** and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - Shortened

€ million	Note	2013	2012 (a)	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**554.1**	290.0	264.1
Dividends from investments	2	**61.7**	72.0	(10.3)
Gains (losses) on disposals and impairments of investments, net	3	**1,528.2**	7.8	1,520.4
Net financial income (expenses)	4	**(30.2)**	(42.2)	12.0
Net general expenses	5	**(26.0)**	(24.5)	(1.5)
Non-recurring other income (expenses) and general expenses	6	**(3.6)**	(2.5)	(1.1)
Other taxes and duties		**(1.8)**	(1.7)	(0.1)
Profit before income taxes		**2,082.4**	298.9	1,783.5
Income taxes		**2.1**	(0.6)	2.7
Profit attributable to owners of the parent		**2,084.5**	298.3	1,786.2

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures previously reported in the income statement for 2012 have been restated for comparative purposes as required by IAS 1.

EXOR GROUP – Consolidated Statement of Financial Position - shortened

1/1/2012 (a)	€ million	Note	12/31/2013		12/31/2012 (a)		Change
	Non-current assets						
4,355.1	Investments accounted for using the equity method	7	**4,809.9**		4,009.7		800.2
	Other financial assets:						
1,734.6	- Investments measured at fair value	8	**367.8**		2,236.3		(1,868.5)
206.5	- Other investments	9	**572.9**		544.4		28.5
1.0	- Other financial assets		**10.9**	(b)	15.6	(b)	(4.7)
0.7	Other property, plant and equipment and intangible assets		**0.2**		0.3		(0.1)
6,297.9	**Total Non-current assets**		**5,761.7**		6,806.3		(1,044.6)
	Current assets						
701.0	Financial assets and cash and cash equivalents	11	**2,488.0**		752.0		1,736.0
27.5	Tax receivables and other receivables		**7.5**		5.8		1.7
728.5	**Total Current assets**		**2,495.5**		757.8		1,737.7
70.3	**Non-current assets held for sale**		**0.0**		7.4		(7.4)
7,096.7	**Total Assets**		**8,257.2**		7,571.5		685.7
5,935.9	**Capital issued and reserves attributable to owners of the parent**	10	**6,947.4**		6,168.8		778.6
	Non-current liabilities						
1,045.8	Bonds and other financial debt	11	**1,199.9**		1,279.5		(79.6)
2.2	Provisions for employee benefits		**2.3**		2.4		(0.1)
6.5	Deferred tax liabilities, other liabilities and provisions for risk		**7.3**	(c)	6.4	(c)	0.9
1,054.5	**Total Non-current liabilities**		**1,209.5**		1,288.3		(78.8)
	Current liabilities						
96.3	Bonds, bank debt and other financial liabilities	11	**90.8**		108.5		(17.7)
10.0	Other liabilities		**9.5**		5.9		3.6
106.3	**Total Current liabilities**		**100.3**		114.4		(14.1)
7,096.7	**Total Equity and Liabilities**		**8,257.2**		7,571.5		685.7

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures previously reported in the statement of financial position at January 1, 2012 and December 31, 2012 have been restated for comparative purposes as required by IAS 1.

(b) Includes mainly the financial receivable by EXOR from Alpitour for €10 million, which is the remaining balance of the Deferred Price on the sale of Alpitour (€15 million), inclusive of interest capitalized at December 31, 2013 (€1.7 million) and adjusted by expenses (€6.7 million) for the settlement of certain disputes that arose with the buyer in the period subsequent to acquisition and relating to events prior to the sale by EXOR. This receivable is not included in the net financial position balance.

(c) Includes the estimate of expenses for €2.9 million (€3.5 million at December 31, 2012) provided for the disputes which arose with the Alpitour buyer in the period subsequent to the sale.

1. Share of the profit (loss) of investments accounted for using the equity method

In 2013 the share of the profit (loss) of investments accounted for using the equity method is a profit of €554.1 million. The positive change of €264.1 million compared to the balance in 2012 (€290 million) principally reflects the increase in the profit reported by the Fiat Group (€265.8 million) and the Almacantar Group (€23.6 million), offset in part by the decrease in the results of the other investments for a total of € 25.3 million.

	Profit (Loss) (million)				EXOR's share (€ million)		
		2013		2012	**2013**	2012	Change
CNH Industrial Group (a)	€	**789,0**	€	791,0	**238,3** (b)	244,5	(6,2)
Fiat Group (a)	€	**904,0** (c)	€	44,0	**274,7**	8,9	265,8
C&W Group	$	**28,7**	$	43,2	**17,8**	26,5	(8,7)
Juventus Football Club S.p.A. (d)	€	**(22,4)**	€	(2,8)	**(14,3)**	(1,7)	(12,6)
Almacantar Group	£	**83,3**	£	31,1	**37,5**	13,9	23,6
Arenella Immobiliare S.r.l.	€	**0,1**	€	(0,2)	**0,1**	(0,2)	0,3
Sequana Group	€	**-**	€	(6,9)	**-**	(1,9)	1,9
Total					**554,1**	290,0	264,1

(a) Includes consolidation adjustments.
(b) The percentage of profit of CNH Industrial considers that the merger between Fiat Industrial and CNH Global was completed on September 29, 2013; it therefore includes a percentage equal to 30.88% of the profit of CNH Industrial Group to September 30, 2013 for €190.1 million and a percentage equal to 27.96% of the profit for the fourth quarter of 2013 for €48.2 million.
(c) The profit of the Fiat Group (€1,951 million including the profit attributable to non-controlling interests) comprises €1,500 million from the recognition of net deferred tax assets related to Chrysler.
(d) The loss results from the accounting data prepared for the company's consolidation by EXOR and refers to the period January 1 to December 31, 2013

For comments on the Review of Performance of the Operating Subsidiaries and Associates, please refer to the next sections.

2. Dividends from investments

In 2013 dividends from investments amount to €61.7 million (€72 million in 2012) and include dividends received from SGS for €55.7 million (€63.2 million in 2012), Gruppo Banca Leonardo for €2.3 million (€4.6 million in 2012) and other investment holdings for €3.7 million (€4.2 million in 2012).

3. Gains (losses) on disposals and impairments of investments, net

The gains (losses) on disposals and impairments of investments, net, amount to €1,528.2 million. Details are as follows:

€ million	**2013**	2012	Change
Sales:			
- SGS	**1,534.0** (a)	-	1,534.0
- Alpitour	**(5.0)** (b)	157.5 (c)	(162.5)
- Other	**(0.8)**	(2.3)	1.5
Sequana, dilution on share increase	**0.0**	(147.4) (d)	147.4
Total	**1,528.2**	7.8	1,520.4

(a) Determined by recording the balance of the available-for-sale financial assets fair value reserve relating to SGS in the income statement at the date of finalizing the sale (€1,575.2 million), net of the negative difference of €41.2 million between the fair value of the investment determined at the same date on the basis of its market price (€2,044.9 million) and the sales price agreed between the parties (€2,003.7 million, net of expenses of €0.1 million incurred on the sale).
(b) Reduction in the Deferred Price on the sale of Alpitour regarding certain disputes that arose with the buyer.
(c) Equal to the difference between the proceeds on the sale of €225 million, net of expenses incurred for the transaction of €6.6 million (of which €4.6 million relates to the costs surrounding the disputes that arose between EXOR and Alpitour subsequent to the sale of the investment), and the carrying amount at June 30, 2011 of €60.9 million.
(d) Of which -€103.8 million is for the fair value adjustment, -€50.6 million for the dilutive effect on capital and +€7 million for other consolidation adjustments.

4. Net financial income (expenses)

In 2013 the balance of net financial expenses is €30.2 million (a net financial expense balance of €42.2 million in 2012). Details on the composition of the balance of net financial income (expenses) are as follows:

€ million	2013	2012	Change
Interest and other financial income			
Income on non-current securities and other investments	**18.4** (b)	4.0	14.4
Income on securities held for trading (a)	**4.0**	15.6	(11.6)
Interest income on:			
- receivables from banks	**16.6**	6.4	10.2
- bonds	**11.2**	16.0	(4.8)
- receivables from the tax authorities	**0.3**	0.0	0.3
Exchange gains	**4.5**	1.7	2.8
Other financial income	**1.4**	1.0	0.4
Interest and other financial income	**56.4**	44.7	11.7
Interest and other financial expenses			
EXOR bond interest expenses	**(59.8)**	(47.9)	(11.9)
Expenses for interest rate hedges	**(15.5)** (d)	(3.5)	(12.0)
Loss on cancellation of EXOR 2007 - 2017 bonds	**(6.5)**	0.0	(6.5)
Exchange losses	**(5.1)**	(3.6)	(1.5)
Bank interest and other financial expenses	**(4.7)**	(7.0)	2.3
Financial expenses on securities held for trading (a)	**(1.8)**	(38.6)	36.8
Expenses on non-current securities and other investments	**(1.0)** (c)	(0.3)	(0.7)
Interest and other financial expenses	**(94.4)**	(100.9)	6.5
Fair value adjustments to current and non-current financial assets			0.0
Positive adjustments	**8.8** (e)	16.0	(7.2)
Negative adjustments	**(1.0)**	(2.0)	1.0
Fair value adjustments to current and non-current financial assets	**7.8**	14.0	(6.2)
Net financial income (expenses)	**(30.2)**	(42.2)	12.0

(a) Includes mainly realized gains and losses.
(b) Includes the net gain realized on the redemption of the NoCo B Fund for €17.1 million.
(c) Includes the net loss realized on the redemption of the Perella Weinberg Real Estate I Fund for €0.3 million.
(d) Includes non-recurring expenses of €11.7 million on the early closing of the interest rate hedging transactions on loans for a total of €200 million.
(e) Includes the credit risk adjustment component recorded in the income statement relating to the valuation of the cross currency swap in accordance with IFRS 13 for €1.6 million.

Considering only the assets and liabilities included in the balance of the consolidated net financial position of the Holdings System (see note 11) the balance of net financial expenses is €49 million (a net financial expense balance of €44.7 million in 2012).

Details are as follows:

€ million	2013	2012	Change
Interest and other financial income	**36.8**	40.1	(3.3)
Interest and other financial expenses	**(93.6)**	(100.7)	7.1
Fair value adjustments of current and non-current financial assets	**7.8**	15.9	(8.1)
Net financial income (expenses) generated by the financial position	**(49.0)** (a)	(44.7)	(4.3)

(a) Includes non-recurring expenses of €18.2 million.

5. Net general expenses

In 2013 net general expenses amount to €26 million, with an increase of €1.5 million compared to the prior year (€24.5 million).
The balance includes the notional cost of the EXOR stock option plans for a total of €4.7 million (€3.3 million in 2012). The increase of €1.4 million is due to the introduction of the Long Term Incentive Plan approved on May 29, 2012 and recognized when the grants were awarded in July and September 2012 and for the full year 2013.

Details of the main items of net general expenses are as follows:

€ million	2013	2012	Change
Personnel costs	**(13.9)**	(11.9)	(2.0)
Compensation to and other costs relating to directors	**(5.3)**	(5.1)	(0.2)
Purchases of goods and services	**(6.0)**	(6.3)	0.3
Other operating expenses, net of revenues and cost	**(0.8)**	(1.2)	0.4
Total	**(26.0)**	(24.5)	(1.5)

6. Non-recurring other income (expenses) and general expenses

Details of the main items are as follows:

€ million	2013	2012	Change
Expenses incurred for defense in legal cases	**(1.0)**	(1.1)	0.1
Costs connected with investment transactions	**(0.4)**	(0.6)	0.2
Other	**(2.2)**	(0.8)	(1.4)
Total	**(3.6)**	(2.5)	(1.1)

7. Investments accounted for using the equity method

Details are as follows:

	Carrying amount at		
€ million	12/31/2013	12/31/2012	Change
CNH Industrial Group	**1,410.2**	1,343.5	66.7
Fiat Group	**2,634.1**	1,977.0	657.1
C&W Group	**480.5**	481.5	(1.0)
Almacantar Group	**225.1**	133.5	91.6
Juventus Football Club S.p.A.	**34.1**	48.3	(14.2)
Arenella Immobiliare S.r.l.	**25.9**	25.9	0.0
Total	**4,809.9**	4,009.7	800.2

8. Other non-current financial assets – Investments measured at fair value

These are available-for-sale investments. Details are as follows:

	12/31/2013		12/31/2012		
€ million	%	Carrying amount	%	Carrying amount	Change
Gruppo Banca Leonardo S.p.A.	17.37	**76.0**	17.40	75.0	1.0
Banijay Holding S.A.S.	17.09	**37.0**	17.09	37.8	(0.8)
The Economist Group	4.72	**37.0**	4.72	35.5	1.5
Sequana S.A.	17.38	**24.8**	18.74	38.6	(13.8)
NoCo A L.P.	2.00 (a)	**16.0**	2.00 (a)	16.5	(0.5)
SGS S.A.	-	**-**	15.00	1,969.3	(1,969.3)
Other		**177.0** (b)		63.6 (b)	113.4
Total		**367.8**		2,236.3	(1,868.5)

(a) Percentage ownership interest in the limited partnership, measured at cost.
(b) Includes €173.5 million relating to listed investments (€52.6 million at December 31, 2012).

The increase in the investment in Gruppo Banca Leonardo is due to the positive fair value adjustment of €4.2 million (with recognition in the reserves in equity) compensated in part by the reimbursement of reserves recorded as a reduction of the carrying amount of the investment for €3.2 million.

The decrease in the investment in Banijay Holding is the result of the negative fair value adjustment of €0.8million (with recognition in the reserves in equity).

The increase in the investment in The Economist Group derives from the positive fair value adjustment of €1.5million (with recognition in the reserves in equity).

The decrease in the investment in Sequana comes mainly from the negative fair value adjustment totaling €11 million, on the basis of the trading price at December 31, 2013 (€5.7 per share). During the year 337,844 shares (approximately 1.4% of capital) were also sold for a total equivalent amount of €2.1 million and a net loss recorded of €1.3 million. At December 31, 2013 the negative adjustment to fair value recognized in equity amounts to €19.8 million.

The reduction in the investment in SGS is due to the sale of the entire stake held (1,173,400 shares, equal to 15% of share capital) to Serena S.à.r.l.; the agreement was finalized on June 10, 2013. The agreed per share price was CHF 2,128 for an equivalent amount of €2,003.7 million (net of expenses on the sale of €0.1 million); the net gain at consolidated level was €1,534 million generated by the reclassification to the income statement of the available-for-sale financial assets fair value reserve of €1,575.2 million, net of the negative difference of €41.2 million between the fair value of the investment determined at the date of finalizing the transaction on the basis of the investment's market price (€2,044.9 million) and the sales price agreed between the parties (€2,003.7 million).
The investment in SGS, which at December 31, 2012 included the original purchase cost of €469.7 million and the positive adjustment to fair value recorded in equity of €1,499.6 million, was further increased by €75.6 million to bring the investment value in line with the trading price at May 31, 2013 (the date preceding the sale) equal to CHF 2,162 per share (€1,742.7 per share at the EUR-CHF exchange rate of 1.2406). The fair value reserve recorded in equity at May 31, 2013 thus amounted to €1,575.2 million and, when the transaction was finalized, it was reclassified to the income statement as established by IAS 39.

9. Non-current other financial assets – Other investments

These are financial assets available-for-sale and held to maturity. Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Investments measured at fair value			
- The Black Ant Value Fund	**381.6**	323.3	58.3
- Perella Weinberg Funds	**46.5**	83.2	(36.7)
- Rho Immobiliare Fund	**11.7**	11.8	(0.1)
- Other funds	**49.6**	16.9	32.7
	489.4	435.2	54.2
Investments measured at amortized cost			
- Other bonds held to maturity	**83.5**	109.2	(25.7) (a)
Total	**572.9**	544.4	28.5

(a) Reclassified to current financial assets.

As established in the agreements and taking into account the positive performance of The Black Ant Value Fund in 2012, during the first quarter of 2013, 150,000 shares were redeemed for an equivalent amount of €16.2 million, with a gain of €1.2 million. This decrease was more than compensated by the positive fair value alignment of €74.5 million at December 31, 2013 (with recognition in equity).

The net decrease in the Perella Weinberg Funds, equal to €36.7 million, was due principally to the redemptions of the NoCo B and Perella Weinberg Real Estate I funds, respectively for $51.4 million (€38.5 million) and €2.4 million, purchases during the period of €2.1 million and the positive adjustment to fair value of €2.1 million. The net gain realized is equal to €16.8 million.

At December 31, 2013 the positive adjustment to fair value recognized in equity amounts to €6.5 million. The remaining investment commitments in NoCo B L.P. and in the Perella Weinberg Real Estate I Fund total, respectively, $6.6 million (€4.8 million) and €8.4 million.

10. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Share capital	**246.2**	246.2	0.0
Reserves	**7,045.3**	6,161.6	883.7
Treasury stock	**(344.1)**	(239.0)	(105.1)
Total	**6,947.4**	6,168.8	778.6

Details of the changes during the year are as follows:

€ million	
Balance at December 31, 2012 - reported	**7,164.4**
Effect arising from the application of the amendment to IAS 19 - Employee benefits	**(995.6)**
Balance at December 31, 2012	**6,168.8**
Fair value adjustments of investments and other financial assets:	
- SGS S.A. (note 8)	75.6
- The Black Ant Value Fund (note 9)	74.5
- Perella Weinberg Funds (note 9)	2.1
- Other investments and other financial assets	17.4
Transfer of fair value to income statement	
- SGS S.A. (note 8)	(1,575.2)
- Perella Weinberg Funds (note 9)	(16.8)
- The Black Ant Value Fund (note 9)	(1.2)
- Other investments	(0.4)
Measurement of EXOR S.p.A.'s derivative financial instruments	26.6
Treasury stock purchases	(105.1)
Attributable exchange differences on translating foreign operations (-€395.1 million) and other net changes recorded in equity, shown by EXOR S.p.A., its subsidiaries and the investments consolidated and accounted for using the equity method (+€670.2 million)	275.1
Dividends paid by EXOR S.p.A.	(78.5)
Profit attributable to owners of the parent	2,084.5
Net change during the year	**778.6**
Balance at December 31, 2013	**6,947.4**

Treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83.3 million, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €17.8 million, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4 million. The overall investment was €105.1 million.

On December 31, 2013, following the mandatory conversion of the preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344.1 million.

11. Consolidated net financial position of the Holdings System

At December 31, 2013 the consolidated net financial position of the Holdings System is a positive €1,281.2 million and a positive change of €1,807.1 million compared to the balance at year-end 2012 (-€525.9 million) deriving mainly from the sale of the entire investment in SGS for proceeds of €2,003.7 million. The balance is composed as follows:

	12/31/2013			12/31/2012		
€ million	Current	Non current	Total	Current	Non current	Total
Financial assets	**581.7**	**83.9**	**665.6**	235.8	110.1	345.9
Financial receivables from third parties and Group companies	**6.1**	**0.0**	**6.1**	1.8	0.0	1.8
Cash and cash equivalents	**1,900.2**	**0.0**	**1,900.2**	514.4	0.0	514.4
Total financial assets	**2,488.0**	**83.9**	**2,571.9**	752.0	110.1	862.1
EXOR bonds	**(28.6)**	**(1,199.9)**	**(1,228.5)**	(25.0)	(1,079.5)	(1,104.5)
Financial payables to associates	**(28.5)**	**0.0**	**(28.5)**	(38.3)	0.0	(38.3)
Bank debt and other financial liabilities	**(33.7)**	**0.0**	**(33.7)**	(45.2)	(200.0)	(245.2)
Total financial liabilities	**(90.8)**	**(1,199.9)**	**(1,290.7)**	(108.5)	(1,279.5)	(1,388.0)
Consolidated net financial position of the "Holdings System"	**2,397.2**	**(1,116.0)**	**1,281.2**	643.5	(1,169.4)	(525.9)

Current financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial assets, if held for trading, are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement. They also include the current portion of bonds held to maturity.

Non-current financial assets include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
These financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties since the primary objective is having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.

Bonds issued by EXOR are analyzed as follows:

Issue date	Maturity date	Issue price	Coupon	Rate (%)	Currency	Nominal amount (in millions)	Balance at (a) 12/31/2013 (€ million)	Balance at (a) 12/31/2012 (€ million)
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375	€	690.0 (b)	(708.3)	(769.3)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750	€	150.0	(149.0)	(148.7)
11/12/2013	11/12/2020	99.053	Annual	fixed 3.375	€	200.0	(198.9)	0.0
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250	€	100.0	(102.7)	(98.1)
5/9/2011	5/9/2031 (c)	100.000	Semiannual	fixed 2.80	Yen	10,000.0	(69.6)	(88.4)
							(1,228.5)	(1,104.5)

(a) Includes the current portion.
(b) The reduction €60 million from the original amount of €750 million is due to the cancellation of a portion of the bonds.
(c) To protect itself against currency fluctuations, a hedging transaction was put in place using a cross currency swap as a result of which EXOR pays a fixed rate in Euro of 6.012% per year.

Financial payables to associates of €28.5 million refer to the payable to Almacantar S.A. for the share of the capital increase subscribed by EXOR S.A. in July 2013, but not yet paid.

Bank debt and other financial liabilities (non-current and current portion) consist of loans secured from leading banking institutions and the measurement of cash flow hedges.

The net positive change of €1,807.1 million in 2013 is described in the following table:

€ million			
Consolidated net financial position of the Holdings System at December 31, 2012		**(525.9)**	
Dividends from investment holdings		146.3	
- SGS	55.7		
- CNH Industrial	82.6		
- Gruppo Banca Leonardo	2.3		
- The Economist Group	2.3		
- C&W Group	2.0		
- Other	1.4		
Reimbursement of reserves		4.6	
- Gruppo Banca Leonardo	3.2		
- Other	1.4		
EXOR S.p.A. treasury stock purchases		(105.1)	
- ordinary shares	(83.3)		
- preferred shares	(17.8)		
- savings shares	(4.0)		
Investments		(182.8)	
- Almacantar	(57.9)		
- Other investments in listed companies and investment funds	(124.9)		
Sales/Redemptions/Reimbursements		2,070.7	
- SGS	2,003.7		
- Noco B	38.8		
- The Black Ant Value Fund	16.2		
- Other	12.0		
Dividends paid by EXOR S.p.A.		(78.5)	
Other changes			
- Net general expenses (excluding the nominal cost of EXOR stock option plan)		(21.3)	
- Non-recurring other income (expenses) and general expenses		(3.6)	
- Net financial expenses		(49.0)	(a) (b)
- Other taxes and duties		3.4	(c)
- Other net changes		22.4	(d)
Net change during the year		**1,807.1**	
Consolidated net financial position of the Holdings System at December 31, 2013		**1,281.2**	

(a) Includes interest income and other financial income (+€56.4 million), interest expenses and other financial expenses (-€94.4 million), fair value adjustments of current and non-current financial assets (+€7.8 million), net of the net gain realized on the redemption of Perella Weinberg Funds for €16.8 million and income on non-current financial assets (-€2 million), therefore, not included in the balance of the net financial position.

(b) Includes non-recurring expenses of €18.2 million (of which €11.7 million relates to the early closing of the interest rate hedge transaction on loans for a total of €200 million and €6.5 million relating to the loss on the cancellation of the EXOR 2007/2017 bonds).

(c) Includes the refund of the 15% tax withholdings (€9.2 million) on dividends received from SGS in 2011.

(d) Includes primarily the increase in value of the interest rate swaps on loans for +€26.6 million and the change in non-financial receivables and payables for +€1.5 million.

At December 31, 2013 EXOR S.p.A. has undrawn irrevocable credit lines due after December 31, 2014 for €425 million, as well as undrawn revocable credit lines for over €595 million.
EXOR's long-term and short-term debt rating assigned by Standard & Poor's is respectively 'BBB+' and 'A-2' with a "stable" outlook.

OTHER INFORMATION

Direction and coordination

EXOR S.p.A. is not subject to the direction and coordination of any other company or entity and is fully independent in the decisions regarding its general strategic and operating guidelines.

Related party transactions

Information and balances referring to transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel

Information pertaining to personnel is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES

(27.18% stake
Fiat also holds a 2.52% stake)

The main consolidated figures of the CNH Industrial Group for 2013 are as follows:

€ million	Year 2013	 2012 (1)	 Change
Net revenues	**25,778**	25,785	(7)
Trading profit/(loss)	**1,985**	2,063	(78)
Operating profit/(loss)	**1,868**	1,846	22
Profit/(loss) for the year	**917**	900	17
Profit/(loss) attributable to owners of the parent	**789**	791	(2)

€ million	At 12/31/2013	 12/31/2012 (1)
Total assets	**40,941**	38,861
Net (debt)/cash	**(16,888)**	(15,994)
- of which: Net industrial (debt) / cash	**(1,592)**	(1,642)
Equity attributable to owners of the parent	**5,504**	4,628

(1) The figures for the full year 2012 and at December 31, 2012 have been restated following the adoption of IAS 19 Revised.

Net revenues

The CNH Industrial Group reported 2013 **net revenues** of €25.8 billion, in line with 2012; on a constant currency basis revenues increased 4.3%.

€ million	Year 2013	 2012	 Change %
Agricultural and Construction Equipment	**16,006**	16,056	(0.3)
Trucks and Commercial Vehicles	**8,752**	8,924	(1.9)
Powertrain	**3,331**	2,933	13.6
Eliminations and other	**(2,311)**	(2,128)	
Net revenues	**25,778**	25,785	(0.0)

Agricultural and Construction Equipment reported revenues of €16.0 billion for the year, in line with 2012 (up 4.7% on a constant currency basis) as strong demand for Agricultural Equipment continued to offset a challenging business environment in the Construction Equipment business. The geographic distribution of industrial net revenues for the year was 43% NAFTA, 28% EMEA, 18% LATAM, and 11% APAC.
Agricultural Equipment full-year net revenues were up 3.6% over 2012 (up 9% on a constant currency basis) driven by positive net pricing, increased volumes and favorable product mix. All geographic regions except APAC reported increased revenue on a constant currency basis. Worldwide Agricultural Equipment market share performance was substantially flat for both tractors and combines. Worldwide Agricultural Equipment production was in line with retail sales during 2013 but 17% below retail sales for the fourth quarter, as the CNH Industrial Group implemented the scheduled production slowdown to reduce company and dealer inventory to target year-end levels.
Construction Equipment net revenues decreased 16.4% over 2012 (down 11% on a constant currency basis), as continued weakness in most geographic regions was only partially offset by strength in LATAM. Worldwide Construction Equipment market share was substantially flat for both heavy and light equipment. Worldwide Construction Equipment production was 4% below retail sales for 2013, reflecting actions taken in the fourth quarter to realign dealer inventory to retail demand.

Trucks and Commercial Vehicles reported full-year revenues of €8.8 billion, an increase of 1.5% on a constant currency basis (-1.9% on a reported basis). A modest recovery in demand in Europe, mainly in the fourth quarter of 2013, and a sustained increase in LATAM were largely offset by the negative market mix of products sold, as well as reduced activity in the parts and services business.

During 2013, Trucks and Commercial Vehicles delivered a total of 135,709 vehicles (including buses and specialty vehicles), representing a 1% decrease from the prior year. The overall decrease was largely attributable to light vehicles, with deliveries down 7% for the year mainly to realign dealer inventory to retail demand. Volumes were up 16% for medium vehicles, 2% for heavy and 3% for buses. Deliveries were down 1% in EMEA and up 15% in LATAM.

Powertrain reported 2013 revenues of €3.3 billion, an increase of 13.6% over the prior year (up 14.6% on a constant currency basis) with higher volumes recorded for both CNH Industrial Group companies and external customers. For 2013, sales to external customers accounted for 34% of total revenues, in line with 2012.

Trading profit /(loss)

The CNH Industrial Group reported **trading profit** for the year of €1,985 million (trading margin of 7.7%), down €78 million largely as a result of negative exchange rates. On a constant currency basis, trading profit was in line with 2012 as higher volumes and positive mix in the Agricultural and Construction Equipment Segment and higher revenues and better capacity utilization for Powertrain compensated for Euro VI transitional costs and a less favorable product mix and pricing environment in the Trucks and Commercial Vehicles Segment.

	Year		Change
€ million	**2013**	2012 (1)	
Agricultural and Construction Equipment	**1,783**	1,554	229
Trucks and Commercial Vehicles	**101**	466	(365)
Powertrain	**158**	141	17
Eliminations and other	**(57)**	(98)	41
Trading profit	**1,985**	2,063	(78)
Trading margin (%)	**7.7**	**8.0**	

(1) The figures for the full year 2012 have been restated following the adoption of IAS 19 Revised.

Agricultural and Construction Equipment trading profit increased to €1,783 million for the year, up €229 million (+14.7%) from the prior year, with a trading margin of 11.1% (9.7% in 2012), reflecting positive pricing, mix and industrial productivity compared to 2012.

Trucks and Commercial Vehicles closed the year with a trading profit of €101 million, compared to €466 million for 2012. Negative market and product mix and tight price competition continued to affect margins primarily in Southern Europe. In LATAM, new product launch costs and unfavorable foreign exchange rate impacts more than offset positive market trends and pricing.

Powertrain closed the year with a trading profit of €158 million, an increase of 12%, representing a trading margin of 4.7%, compared to €141 million (trading margin of 4.8%) for 2012. Higher revenues and better capacity utilization drove the improvement, which was partially offset by an increase in R&D costs aimed at maintaining technological leadership.

Operating profit/(loss)

Operating profit increased €22 million to €1,868 million in 2013 mainly as a result of reduced restructuring costs from the prior year.

Profit (loss) for the year

Net financial expense totaled €463 million for 2013, compared to €467 million for 2012.

Income taxes totaled €590 million, representing an effective tax rate of 39% for the year, slightly above full year CNH Industrial Group expectations mainly due to one-time merger related impacts. For 2014, CNH Industrial Group expects an effective tax rate between 35% and 38%.

CNH Industrial Group **net profit** was €917 million for 2013 (€900 million for 2012), or €0.63 per share (€0.65 for 2012).

Profit attributable to owners of the parent was €789 million for 2013 compared to €791 million for 2012.

Equity

Equity attributable to owners of the parent of CNH Industrial at December 31, 2013 was €5,504 million compared to €4,628 million at December 31, 2012.

Net debt

Net debt at December 31, 2013 came to €16,888 million (€15,994 million at December 31, 2012). **Net industrial debt** of €1,592 million at December 31, 2013 was €50 million lower than year-end 2012.

	At		
€ million	12/31/2013	12/31/2012	Change
Debt	**(21,714)**	(20,633)	(1,081)
- Asset backed financing	**(10,679)**	(9,708)	(971)
- Other debt	**(11,035)**	(10,925)	(110)
Other financial assets (liabilities) (1)	**121**	24	97
Cash and cash equivalents and current securities	**4,705**	4,615	90
Net debt	**(16,888)**	(15,994)	(894)
Industrial Activities	**(1,592)**	(1,642)	50
Financial Services	**(15,296)**	(14,352)	(944)

(1) Includes the fair value of derivative financial instruments.

Significant events subsequent to December 31, 2013

On January 28, 2014, CNH Industrial and BNP Paribas Leasing Solutions, the two shareholders of CNH Industrial Capital Europe, agreed on the extension of the joint-venture services to CNH Industrial Trucks and Commercial Vehicles business in Italy, Germany, France, the United Kingdom and other major European markets. This extension has been approved by the French banking regulatory authority (ACPR). Prior to this agreement, the joint venture provided leasing and financing to CNH Industrial customers in the Agricultural and Construction Equipment businesses in Europe starting from 1997. The company currently finances over 40,000 customers in nine countries, for a total outstanding portfolio of €1.7 billion. As a result of this increase in scope, CNH Industrial Capital Europe is now the captive finance company for all CNH Industrial Group businesses in major European countries. CNH Industrial Capital Europe will henceforth use the CNH Industrial Capital and Iveco Capital brands for dealer and customer-oriented financing activities.

(30.05% of share capital)

The main consolidated figures of the Fiat Group for 2013 are as follows.

	Year		
€ million	**2013**	2012 (1)	Change
Net revenues	**86,816**	83,957	2,859
Trading profit/(loss)	**3,394**	3,541	(147)
EBIT	**2,972**	3,404	(432)
Profit/(loss) for the year	**1,951**	896	1,055
Profit/(loss) attributable to owners of the parent	**904**	44	860

	At	
€ million	**12/31/2013**	12/31/2012 (1)
Total assets	**86,774**	82,106
Net debt	**(9,793)**	(9,600)
- of which: Net industrial debt	**(6,649)**	(6,545)
Equity attributable to owners of the parent	**8,326**	6,187

(1) The figures previously reported for the full year 2012 and at December 31, 2012 have been restated to reflect application of the amendment to IAS 19.

Net revenues

For 2013 Fiat Group revenues totaled €86.8 billion, up 3% over the prior year (+7% at constant exchange rates).

	Year		Change %
€ million	**2013**	2012	
NAFTA (mass-market brands)	**45,777**	43,521	5.2
LATAM (mass-market brands)	**9,973**	11,062	(9.8)
APAC (mass-market brands)	**4,621**	3,128	47.7
EMEA (mass-market brands)	**17,420**	17,800	(2.1)
Luxury Brands (Ferrari, Maserati)	**3,809**	2,898	31.4
Components (Magneti Marelli, Teksid, Comau)	**8,080**	8,030	0.6
Other	**929**	979	(5.1)
Eliminations and adjustments	**(3,793)**	(3,461)	n.m.
Net revenues	**86,816**	83,957	3.4

Revenues in **NAFTA** were up 5% to €45.8 billion (constant exchange rates +9%) on the back of higher volumes. **LATAM** reported revenues of €10 billion, down 10% in nominal terms (constant exchange rates +1%). **APAC** was up 48% to €4.6 billion, driven by strong volume performance. For **EMEA**, revenues were down 2% to €17.4 billion, mainly reflecting volume declines in Europe during the first half. For **Luxury Brands**, revenues were up 31% to €3.8 billion, with Ferrari up 5% and Maserati more than doubling to €1.7 billion on the strength of new models introduced during the year. **Components** revenues were in line with 2012 at €8.1 billion (constant exchange rates +4%).

Trading profit/(loss)

Trading profit was €3,394 million, down 4% over the prior year, but up 1% at constant exchange rates; trading profit for 2013 includes €0.3 billion in higher R&D amortization. NAFTA reported a trading profit of €2,220 million (€2,443 million for 2012, IAS 19 restated) down 9% in nominal terms (constant exchange rates -6%), with positive volume and pricing more than offset by higher industrial costs, including content enhancements for new models and increased R&D amortization. LATAM posted a trading profit of €619 million (€1,056 million in 2012, IAS 19 restated) down 41% in nominal terms (constant exchange rates -33%), with the decrease primarily due to input cost inflation, unfavorable production mix and lower result in Venezuela. APAC increased 38% to €358 million, driven by strong volume growth. In EMEA, losses were reduced by one-third to €470 million, mainly on the back of improved product mix and cost efficiencies. For Luxury Brands, trading profit increased by 36% to €535 million, with Ferrari up 9% to €364 million, and Maserati tripling from the prior year's level to €171 million. For Components, trading profit was 16% higher at €201 million (CONSTANT EXCHANGE RATES +21%).

EBIT

EBIT was €2,972 million (€3,404 million for 2012, IAS 19 restated). Net of unusuals, there was a year-over-year decrease of 4% to €3,491 million (€3,648 million for 2012, IAS 19 restated).

For full-year 2013, net unusual expense of €519 million included approximately €390 million in asset write-downs mainly associated with the rationalization of architectures associated with the new product strategy, particularly for the Alfa Romeo, Maserati and Fiat brands, as well as charges related to asset impairments for the cast-iron business in Teksid. In addition there was a €56 million write-off of the book value of the Equity Recapture Agreement Right considering the agreement closed in January 1, 2014 to purchase the remaining minority equity stake in Chrysler from the VEBA Trust. Other unusual charges in the year were the €115 million charge related to the June 2013 voluntary safety recall and customer satisfaction action in NAFTA and the net €43 million charge related to the February 2013 devaluation of the Venezuelan bolivar (VEF) relative to the U.S. dollar, offset by the €166 million gain following amendments to Chrysler's U.S. and Canadian salaried defined benefit pension plans. For 2012, there was net unusual expense of €244 million.

For mass-market brands by region, NAFTA reported EBIT of €2,290 million, an 8% decrease over 2012 (IAS 19 restated) mainly reflecting lower trading profit and higher positive net unusual items. LATAM posted EBIT of €492 million (€1,025 million in 2012), reflecting lower trading profit performance and higher net unusual charges. APAC's EBIT increased 25% to €318 million, with higher trading profit partially offset by losses in the Chinese joint ventures due to industrial costs related to new product launches. During the period, EMEA reduced losses by €217 million to EBIT of €520 million, reflecting a reduced trading loss and lower contribution from equity investments. Luxury Brands posted EBIT of €470 million (€392 million for 2012), with the trading profit improvement partially offset by €65 million in unusual charges. For Components, the EBIT was €146 million (€165 million for 2012), with net unusual charges of €60 million (€11 million for 2012).

	Year		Change %
€ million	**2013**	2012 (1)	
NAFTA (mass-market brands)	**2,290**	2,491	(8.1)
LATAM (mass-market brands)	**492**	1,025	(52.0)
APAC (mass-market brands)	**318**	255	24.7
EMEA (mass-market brands)	**(520)**	(737)	29.4
Luxury Brands (Ferrari, Maserati)	**470**	392	19.9
Components (Magneti Marelli, Teksid, Comau)	**146**	165	(11.5)
Other	**(167)**	(149)	(12.1)
Eliminations and adjustments	**(57)**	(38)	(50.0)
EBIT	**2,972**	3,404	(12.7)

(1) The figures previously reported for the full year 2012 have been restated to reflect application of the amendment to IAS 19.

Profit/(loss) for the year

Net financial expense totaled €1,964 million, an increase of €79 million over 2012. Excluding the impact of the Fiat stock option-related equity swaps (gains of €31 million for 2013, at their expiration, compared to €34 million for 2012), net financial expense increased by €76 million, largely due to a higher average net debt level. Profit before taxes was €1,008 million (€1,519 million for 2012, IAS 19 restated). The €511 million decrease reflected the €432 million decrease in EBIT and higher net financial expense.

Profit before taxes was €1,008 million (€1,519 million for 2012, IAS 19 restated). The €511 million decrease reflected the €432 million decrease in EBIT and higher net financial expense.

Income taxes were a positive €943 million, including a positive one-off of €1,500 million from the recognition of net deferred tax assets related to Chrysler. Net of this item, income taxes were a cost of €557 million (€623 million for 2012), of which €244 million for Fiat excluding Chrysler primarily related to the taxable income of companies operating outside Italy and employment-related taxes in Italy.

Net profit was €1,951 million (€896 million for 2012, IAS 19 restated), of which €904 million was **attributable to owners of the parent** (€44 million for 2012). Excluding unusual items and the positive deferred tax impact, net profit was €943 million (€1,140 million for 2012, IAS 19 restated). On the same basis, Fiat excluding Chrysler reported a net loss of €911 million (€787 million in 2012).

Equity

Equity attributable to owners of the parent of Fiat S.p.A. amounted to €8,326 million at December 31, 2013 compared to €6,187 million at December 31, 2012.

Net debt

At December 31, 2013 consolidated **net debt** was €9,793 million, up €193 million from €9,600 million at the beginning of the year.

Net industrial debt at December 31, 2013 was €6.6 billion and increased by €0.1 billion for the year. Net of equity investments, the cash flow was a positive €0.1 billion, with cash absorption for Fiat excluding Chrysler of €1.6 billion more than compensated for by cash generation from Chrysler.

In 2013, total capital expenditure for the Fiat Group was €7.4 billion, substantially in line with 2012 (€7.5 billion), but 3% higher at constant exchange rates. Working capital contributed €1.5 billion (€0.7 billion in 2012).

	At		
€ million	12/31/2013	12/31/2012	Change
Debt	**(29,902)**	(27,889)	(2,013)
- Asset-backed financing	**(596)**	(449)	(147)
- Other debt	**(29,306)**	(27,440)	(1,866)
Current financial receivables from jointly-controlled financial services companies (1)	**27**	58	(31)
Gross debt	**(29,875)**	(27,831)	(2,044)
Other financial assets (liabilities) (b)	**396**	318	78
Cash and cash equivalents and current securities	**19,686**	17,913	1,773
Net debt	**(9,793)**	(9,600)	(193)
Industrial Activities	**(6,649)**	(6,545)	(104)
Financial Services	**(3,144)**	(3,055)	(89)

(1) Includes current financial receivables from the FGA Capital Group.

(2) Includes the fair value of derivative financial instruments.

Significant events in 2013

Alliances and acquisitions

On July 30th, Fiat Group Automobiles (“FGA”), Crédit Agricole (“CASA”) and Crédit Agricole Consumer Finance (“CACF”) reached an agreement to extend the 50/50 Joint Venture in FGA Capital (“FGAC”) up to December 31, 2021. The extension of the alliance is intended by the partners to ensure the long-term sustainability of FGAC, a captive finance company that manages FGA’s main activities in retail auto financing, dealership financing, long-term car rental and fleet management in 14 European countries. FGAC will continue to benefit from the financial support of Crédit Agricole Group, while strengthening its own position as an active player in the securitization and debt markets.

In connection with its participation in the recapitalization of RCS MediaGroup S.p.A. (RCS), Fiat subscribed 75,791,217 new RCS ordinary shares for a total amount of nearly €94 million (including cost of the rights). Following completion of the RCS capital increase on July 17th, Fiat holds 87,327,360 RCS ordinary shares, representing 20.55% of new ordinary share capital.

Major financing transactions
On June 21st, Fiat S.p.A. signed an agreement for a €2 billion 3-year committed revolving credit facility to replace the €1.95 billion 3-year revolving credit facility signed in July 2011. The syndication was successfully completed on July 18 with 19 banks. As a result of the positive response, the facility was increased on that date to €2.1 billion.

Taking advantage of market conditions and its improved credit profile, on June 21st, Chrysler Group LLC announced that it had reduced the interest rate for its $3.0 billion Tranche B Term Loan and its undrawn $1.3 billion revolving credit facility. Certain loan covenants were also amended to be consistent with those in the Company's bond agreement. Subsequently, on December 23rd, Chrysler Group LLC further reduced the interest rate on the Tranche B Term Loan. The interest rate re-pricing for the two transactions is expected to reduce annual interest costs by approximately $72 million.

Fiat accessed the debt capital market four times during the year:
- an €1.25 billion bond was issued on March 15th (fixed coupon 6.625%, due March 2018).
- an €850 million bond was issued on July 21st (fixed coupon 6.75%, due October 2019). On September 17th, following re-opening of the transaction, a further €400 million of bonds was issued, increasing the total principal amount of the bond to €1.25 billion.
- a CHF 450 million bond was issued on November 22nd (fixed coupon 4.00%, due November 2017).

All of the above bonds were issued by Fiat Finance and Trade Ltd. S.A. and guaranteed by Fiat S.p.A. under the GMTN Program. In all cases the notes were rated 'B1' by Moody's, 'BB-' by Standard & Poor's and 'BB-' by Fitch.

Rating actions
On February 25th, Fitch Ratings lowered its rating on Fiat S.p.A.'s long-term debt from 'BB' to 'BB-', while the short-term rating was confirmed at 'B', with a negative outlook. Fitch Ratings then confirmed its ratings and outlook on September 18th.

Significant events subsequent to December 31, 2013

On January 1st, 2014, Fiat S.p.A. announced an agreement with the VEBA Trust, under which its wholly-owned subsidiary, Fiat North America LLC ("FNA"), would acquire all of the VEBA Trust's equity membership interests in Chrysler Group LLC ("Chrysler Group"), representing 41.4616% of Chrysler Group. The transaction closed on January 21, 2014. In consideration for the sale of its membership interests in Chrysler Group, the VEBA Trust received an aggregate consideration of $3,650 million consisting of a special distribution paid by Chrysler Group to its members, in an aggregate amount of $1,900 million (FNA's portion of the special distribution was paid by FNA to the VEBA Trust as part of the purchase consideration) and a payment from FNA for the remainder of $1,750 million in cash purchase consideration to the VEBA Trust. Fiat funded the $1,750 million in cash from available cash on hand and Chrysler Group funded the special distribution from available cash on hand.
Contemporaneously, Chrysler Group and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") entered into a memorandum of understanding ("MoU") to supplement Chrysler Group's existing collective bargaining agreement. Under the MoU, Chrysler Group will provide additional payments to the VEBA Trust of an aggregate of $700 million in four equal annual installments. In consideration for these payments, the UAW has agreed to certain commitments to continue to support the industrial operations at Chrysler and the further implementation of the Fiat-Chrysler alliance, including using best efforts to cooperate in the continued roll-out of Fiat-Chrysler World Class Manufacturing programs.

On January 10th, Standard & Poor's Ratings Services:
- raised its ratings on Chrysler Group LLC, including the corporate credit rating, to 'BB-' from 'B+'. The outlook is stable;
- confirmed its rating on Fiat S.p.A.'s long-term debt at 'BB-'. The short-term rating was confirmed at 'B'. The outlook remains stable.

On February 11th, Moody's Investors Service lowered Fiat S.p.A.'s Corporate Family Rating from 'Ba3' to 'B1' and consequently, in accordance with their methodology, ratings on the notes issued by Fiat Finance & Trade Ltd. S.A. and Fiat Finance North America Inc. were also lowered from 'B1' to 'B2'

CUSHMAN & WAKEFIELD®

(68.46% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for the year ended December 31, 2013, prepared in accordance with International Financial Reporting Standards ("IFRS").

			Change	
$ million	2013	2012	Amount	%
Net revenues (Commission and service fee) **(A)**	**1,808.5**	1,597.0	211.5	13.2
Reimbursed costs - managed properties and other costs **(B)**	**690.1**	453.1	237.0	52.3
Gross revenues (A+B)	**2,498.6**	2,050.1	448.5	21.9
Adjusted EBITDA (1)	**130.1**	127.7	2.4	1.9
EBITDA	**119.1**	127.7	(8.6)	(6.7)
Operating income	**89.1**	79.1	10.0	12.6
Adjusted income attributable to owners of the parent (2)	**34.0**	26.0	8.0	30.8
Income attributable to owners of the parent, as reported	**28.7**	43.2	(14.5)	(33.6)

1) EBITDA represents earnings before net interest expense, income taxes, and depreciation and amortization, while Adjusted EBITDA removes the impact of acquisition-related charges of $2.0 million and non-recurring reorganization-related charges of $9.0 million. Management believes that EBITDA and Adjusted EBITDA are useful in evaluating operating performance compared to that of other companies in the industry, as they assist in providing a more complete picture of results from operations. Because EBITDA and Adjusted EBITDA are not calculated under IFRS, C&W's EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

2) Adjusted income attributable to owners of the parent excludes the tax-affected impacts of acquisition-related charges of $2.0 million and non-recurring reorganization-related charges of $9.0 million, respectively, in the current year, and certain non-recurring income tax net benefits of $3.8 million and $17.2 million, respectively, in the current year and the prior year.

$ million	31/12/2013	31/12/2012 (3)	Change
Equity attributable to owners of the parent	**804,2**	804,6	(0,4)
Consolidated net financial position	**3,9**	(87,4)	91,3

3) Following the application of the amendment to IAS 19 – *Employee benefits,* retrospectively, from January 1, 2013, figures previously reported in the statement of financial position at December 31, 2012 have been restated accordingly.

In 2013, C&W Group capitalized on the market's strength to post double-digit commission and service fee revenues ("net revenues") growth across all regions and nearly all service lines, including Capital Markets, Valuation & Advisory ("V&A"), Corporate Occupier & Investor Services ("CIS") and Global Consulting, supported by continued investment in its strategic service lines across key global markets.

With respect to its financial performance for the full year, C&W Group reported double-digit gross revenue growth of 21.9%, or 22.8% excluding the impact of foreign exchange, to $2,498.6 million, as compared to $2,050.1 million for the same period in the prior year, while net revenues increased 13.2%, or 14.3% excluding the impact of foreign exchange, to $1,808.5 million, as compared to $1,597.0 million for the prior year period.

The following presents the breakdown of gross and net revenues by geographical area:

					Change	
$ million	2013		2012		Amount	%
Americas	**1,842.5**	**73.7%**	1,484.2	72.4%	358.3	24.1
EMEA	**463.8**	**18.6%**	424.3	20.7%	39.5	9.3
Asia	**192.3**	**7.7%**	141.6	6.9%	50.7	35.8
Gross revenues	**2,498.6**	**100.0%**	2,050.1	100.0%	448.5	21.9
Americas	**1,271.2**	**70.3%**	1,135.9	71.1%	135.3	11.9
EMEA	**399.1**	**22.1%**	347.2	21.7%	51.9	14.9
Asia	**138.2**	**7.6%**	113.9	7.1%	24.3	21.3
Net revenues	**1,808.5**	**100.0%**	1,597.0	100.0%	211.5	13.2

Net revenues also increased across all three regions, all registering double-digit revenue growth, with notable revenue gains in the Americas, primarily in the U.S. where revenues grew $127.3 million, or 14.0%.

The following presents the breakdown of net revenues by service line:

$ million	2013		2012		Change Amount	Change %
Leasing	**892.3**	**49.4%**	839.1	52.5%	53.2	6.3
Capital Markets	**266.5**	**14.7%**	217.2	13.6%	49.3	22.7
CIS	**425.4**	**23.5%**	342.7	21.5%	82.7	24.1
Valuation & Advisory	**205.1**	**11.3%**	181.0	11.3%	24.1	13.3
Global Consulting	**19.2**	**1.1%**	17.0	1.1%	2.2	12.9
Net revenues	**1,808.5**	**100.0%**	1,597.0	100.0%	211.5	13.2

From a service line perspective, net revenues were driven by strong growth across all service lines, with CIS, Capital Markets, V&A and Global Consulting registering double-digit growth, while Leasing revenue grew 6.3% year-over-year, despite weak market conditions.

The following table presents the changes in net revenues by region and by service line for the year ended 2013, as compared to the prior year:

	Americas		EMEA		ASIA		Total	
$ million	Change	%	Change	%	Change	%	Change	%
Leasing	36.6	5.5	12.1	9.7	4.5	8.8	53.2	6.3
Capital Markets	28.6	21.5	17.1	25.4	3.6	21.3	49.3	22.7
CIS	51.7	25.1	14.6	14.3	16.4	47.8	82.7	24.1
Valuation & Advisory	16.8	12.8	6.8	5.7	0.5	7.5	24.1	13.3
Global Consulting	1.6	53.3	1.3	14.1	(0.7)	(14.6)	2.2	12.9
Net revenues	**135.3**	**11.9**	**51.9**	**14.9**	**24.3**	**21.3**	**211.5**	**13.2**

CIS revenue performance, which reported double-digit revenue gains in all three regions, was primarily driven by outstanding performance in the Facilities, Project and Property Management subservice lines. Facilities Management contributed approximately $28.8 million to the total increase in CIS revenues, primarily in the Americas, which increased $21.9 million, evenly split between the U.S. and Latin America. Project Management reported an increase of $27.9 million, primarily driven by the U.S. and Asia, where revenues grew $11.3 million and $11.4 million, respectively, while Property Management contributed $14.0 million, $6.3 million in EMEA, $4.7 million in the U.S. and $2.6 million in the Asia Pacific region. CIS revenue performance came from organic growth and new major client wins in the latter part of 2012 and in 2013, as well as targeted acquisitions, as the Company continues to expand its platform across the globe and enhance its recurring revenue streams through key hires and targeted acquisitions.

The Client Services Group (“CSG”), the Atlanta- and Dallas-based third party client services business acquired from Cousins Properties Incorporated, which was purchased by the Company on September 28, 2012, and the Singapore-based project management company Project Solution Group (“PSG”), which was acquired on July 1, 2013, contributed $8.5 million and $7.5 million, respectively to the total increase. Cushman & Wakefield also had a number of notable wins from well-known global companies and iconic brands including facilities management for Citigroup’s 27 million square foot real estate portfolio in the United States and Canada as well as property management of a 17 million square foot portfolio for DLF, the largest developer in India. Cushman & Wakefield was also appointed by British Airways as its preferred real estate services provider in the UK (Airport sites), EMEA and the U.S. as well as by the Port Authority of New York & New Jersey as Property Manager of the common areas and key operational facilities for the new World Trade Center campus in Lower Manhattan.

Leasing revenue performance, which also increased in all three regions driven by a strong performance in the second half of the year, was primarily attributable to revenue gains in the Office Leasing subservice line, up $32.8 million, followed by Industrial and Retail Leasing revenues, up $12.0 million and $9.8 million, respectively, reflecting C&W’s ability to drive year-over-year growth amid an improving, yet sluggish economic climate. Cushman & Wakefield’s Leasing business remains well positioned to capture opportunities presented by recovering markets, as evidenced by appointments as exclusive leasing agent for two major office towers in Manhattan, 75 Rockefeller Plaza and 1221 Avenue of the Americas, as well as joint marketing agent in Singapore to lease both Marina One and DUO. Cushman & Wakefield also won assignments in London with the leasing mandate on the Scalpel, WR

Berkley's 400,000 square foot iconic development in London and as Retail & Leisure consultant on the 1 million square feet Battersea Power Station development. In addition, Group was chosen by Syniverse Technologies for a strategic tenant advisory assignment for a 200,000 square foot Class A global headquarters.

Capital Markets strong performance in all three regions was primarily attributable to revenue gains in the Investment Sales & Acquisitions segment of the business, which, alone, contributed $44.3 million of the total increase, reflecting improved business confidence across the globe, as investors are becoming less risk averse when it comes to investing their capital. Capital Markets executed several high profile assignments, including advising Mitsubishi Estate Company on the sale of King Edward Court, the headquarters building of the London Stock Exchange, to Oxford Properties for £235 million and Aberdeen Asset Management Deutschland AG on the sale of the "Park", a complex of twelve office buildings in Prague, to an affiliate of Starwood Capital Group, the largest investment deal in the Czech Republic ever. Other successes include arranging the sale of a 30-story office building at 113 Argyle Street in Hong Kong for $372 million, representing ownership in the $400 million sale of a ground lessor's position at 625 Madison Avenue to Ashkenazy Acquisition Corporation and representing St. John's University in the sale of 101 Murray Street to a partnership between Fisher Brothers and The Witkoff Group for $223 million, the largest residential development site sale in Lower Manhattan.

The **V&A** business, which, along with CIS, is a major component of the Company's strategic growth plan and initiatives to enhance recurring revenue streams, also continued to grow steadily, primarily in the U.S., Latin America and the EMEA region, where revenues grew $10.7 million, or 9.5%, $6.7 million, or 15.6%, and $4.8 million, or 93.3%, respectively, fueled by higher Capital Markets transactions. Momentum in V&A's business was driven by a national scope assignment of over 700 department stores, distribution centers and a corporate headquarters campus for a major U.S. retailer. V&A was also appointed to value the retail element of Canary Wharf, in the U.K., consisting of over 200 retail units and 68,300 square meters, on behalf of Canary Wharf Group PLC, as well as to appraise the 1,501 room Mandarin Orchard and the 125,293 square foot Mandarin Gallery for OUE Hospitality Trust prior to one of Singapore's largest hotel and retail asset Initial Public Offerings ("IPO") in recent years.

Operating expenses for the year ended December 31, 2013 increased $110.3 million, or 12.7%, to $979.4 million, as compared to $869.1 million for the prior year, primarily due to increases in employment-related expenses and other direct costs in line with C&W Group's revenue growth and strategic plan initiatives. Also included in operating expenses for the current year are certain acquisition and non-recurring reorganization-related charges of approximately $4.6 million, which are excluded from Adjusted EBITDA.

At the operating level, C&W Group's income rose $10.0 million, or 12.6%, to $89.1 million for the full year 2013, as compared to $79.1 million in the prior year.

Other expense, net increased $18.8 million to $19.9 million for the year ended December 31, 2013, as compared to $1.1 million for the prior year, primarily due to an increase in the charge related to C&W's non-controlling shareholder put option liability of $14.5 million, largely attributable to an increase in share repurchase requirements in excess of previous estimates and certain non-recurring reorganization charges of $4.4 million, which are excluded from Adjusted EBITDA, and an acquisition-related charge in the current year period of approximately $2.0 million, which is also excluded from Adjusted EBITDA.

Adjusted EBITDA was $130.1 million for the current year, representing an increase of $2.4 million over EBITDA of $127.7 million for 2012, which was not impacted by any acquisition or non-recurring reorganization-related charges. EBITDA, as reported, decreased $8.6 million to $119.1 million in 2013, as compared to full-year 2012.

The Company recorded income tax expense of $32.0 million for the full year 2013, as compared to $26.3 million for the prior year. The increase in income tax expense for the year ended December 31, 2013, as compared to the prior year, is primarily attributable to certain non-recurring income tax benefits in the prior year.

Adjusted income attributable to owners of the parent increased $8.0 million, or 30.8%, to $34.0 million, as compared to Adjusted income attributable to owners of the parent of $26.0 million for the prior year. The income attributable to owners of the parent, as reported, decreased to $28.7 million for the year ended December 31, 2013, from $43.2 million in the prior year.

C&W Group's net financial position improved $91.3 million to a positive $3.9 million (principally cash in excess of debt) as of December 31, 2013, as compared to a negative $87.4 million (principally debt in excess of cash) as of December 31, 2012.

almacantar

(38.29% of share capital through EXOR S.A.)

The key consolidated income figures of the Almacantar Group for 2013 are as follows:

£ million	2013	2012	Change
Net property income	**17.2**	14.3	2.9
Profit after tax	**90.9**	33.7	57.2
Profit attributable to owners of the parent	**83.3**	31.1	52.2

Net property income increased by £2.9 million compared to the prior year reflecting the full year impact of the acquisition in CAA House in July 2012 and the acquisition of 125 Shaftesbury Avenue. Such higher income was partially offset by higher operating expenses which include non-recurring costs.

Profit after tax increased by £57.2 million to £90.9 million for the year 2013 from £33.7 million in 2012. This includes the effects of the investment property revaluation gains of £84.4 million pursuant to IAS 40, driven mainly by the progress in the town planning process for Centre Point and Marble Arch Tower.

The most significant transactions during the year relate to the acquisition of:
- 125 Shaftesbury Avenue for £116.8 million;
- non-controlling interests in Centre Point (25% interest) held by Frogmore for £36 million;
- other investment property for £29.8 million.

Almacantar also incurred £12.9 million of additional pre-development costs for Centre Point and Marble Arch Tower: there is a move towards start on site for Centre Point and the planning application has been submitted for Marble Arch Tower/Edgware Road.
Work has also begun to explore the redevelopment options available for 125 Shaftesbury Avenue with small amounts of costs incurred during 2013; it is expected this expenditure will increase in 2014.

Almacantar largely funded these expenditures from a previous capital increase drawn down for £146.4 million and an additional £47.5 million loan facility.

At the beginning of November 2013, Almacantar reached an agreement with Starwood Property Trust Inc. and Starwood European Real Estate Finance Limited to refinance the existing loan relating to Centre Point for an equivalent amount of £220 million.

The key consolidated balance sheet figures of the Almacantar Group at December 31, 2013 are as follows:

£ million	12/31/2013	12/31/2012	Change
Investment property (excluding headlease asset)	**614.7**	369.6	245.1
Net debt	**(165.2)**	(117.6)	(47.6)

The increase in investment property reflects the acquisition of 125 Shaftesbury Avenue, other investment property, as well as additional pre-development capital expenditure for Centre Point and Marble Arch Tower and the revaluation uplift.

Net debt increased by £47.6 million mainly following the acquisition of 125 Shaftesbury Avenue to £165.2 million at December 31, 2013 compared to £117.6 million at December 31, 2012.

At the beginning of July, share capital was increased following the issue of additional shares at a nominal amount of £109.9 million plus premium of £5.5 million. After this transaction Almacantar's share capital is £385.7 million and £55 million is not yet called for payment.

(63.77% of share capital)

The results for the first half of the financial year 2013/2014 of Juventus Football Club S.p.A. are as follows:

€ million	**Half 1 2013/2014**	Half 1 2012/2013	Change
Revenues	**155.2**	149.4	5.8
Operating costs	**114.1**	101.9	12.2
Operating income	**11.9**	17.3	(5.4)
Profit for the period	**4.8**	11.3	(6.5)

Interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the six-month data it should be noted that Juventus' financial year does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season.
Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by participation in football competitions in Europe, particularly the UEFA Champions League, the calendar of sports events and the two phases of the football players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the economic components; in addition, some revenues items are collected in a period different from the recognition period.

	At		
€ million	**12/31/2013**	12/31/2012	Change
Shareholders' equity	**53.5**	48.6	4.9
Net financial debt	**188.0**	160.3	27.7

The **first half** of the 2013/2014 financial year closed with a **profit** of €4.8 million, posting a negative change of €6.5 million compared to the profit of €11.3 million registered in the same period a year earlier. This performance substantially derived from the increase in players' wages and technical staff costs of €11.6 million, a slight increase in revenues of €5.8 million (also negatively influenced by one less home match in the 2013/2014 half year), as well as other net negative changes of €0.7 million. These net negative changes mainly included operating costs (€0.6 million), net financial expenses (€0.8 million), amortization of players' registration rights (€0.7 million) and income taxes (€0.3 million), partly offset by lower provisions and impairments (€1.7 million).

Revenues for the first half of 2013/2014, totaling €155.2 million, showed an increase of 3.9% compared to the figure of €149.4 million for the first half of 2012/2013.

Operating costs for the first half of the 2013/2014 amounted to €114.1 million and increased 12% compared to €101.9 million for the corresponding period of the prior year.

Shareholders' equity at December 31, 2013 totaled €53.5 million, an increase compared to the balance of €48.6 million at June 30, 2013 due mainly to the profit reported for the first half (+€4.8 million).

Net financial debt at December 31, 2013 amounted to €188 million (€160.3 million at June 30, 2013). The increase in net financial debt of €27.7 million was driven by Transfer Campaign net payments (-€25.7 million), advances paid to the City of Turin and various suppliers in relation to the Continassa Project (-€4.6 million), other investments (-€4.5 million) and financial flows (-€3.7 million). These negative cash flows were partially offset by positive cash flows from operations (+€10.6 million) and other net changes (+€0.2 million).

Significant events in the first half of 2013/2014 financial year and subsequently

Football season

During the first half of the 2013/2014 financial year, the First Team played in the group stage of the UEFA Champions League, taking third place in its round. As a result, Juventus did not qualify for the round of 16 but for the knockout phase of the UEFA Europa League, the second most important European football competition.

Transfer Campaign 2013/2014 – first phase

Acquisitions and disposals

The transactions finalized in the first phase of the Transfer Campaign 2013/2014, conducted from July 1 to September 2, 2013, resulted in an increase in invested capital of €39.2 million as a result of acquisitions of €66.5 million and disposals of €27.3 million (carrying amount of disposal rights).

The net capital gains generated by the disposals totaled €13.1 million.

The total net financial commitment, distributed over five years, came to €25 million and includes capitalized auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments.

To secure the deferred payments, guarantees were issued for a total of €23.2 million, later reduced to €16.2 million after payments made during the half year.

Season Ticket Campaign 2013/2014

The Season Ticket Campaign for the 2013/2014 closed with the sale of all 28,000 season tickets available for net proceeds of €20.2 million, including *Premium Seats* and additional services, compared to €19.8 million in the previous season.

New technical sponsorship

An agreement was finalized on October 24, 2013 with adidas International Marketing B.V. (“adidas”) for a technical sponsorship starting from the 2015/2016 football season.

adidas will be the technical sponsor of all Juventus teams for a fixed consideration of €139.5 million for the six-year term. The consideration does not include the value of adidas products that will be annually supplied to the club or the program of performance related incentives and bonuses available to the club.

adidas will manage all Juventus’ licensing and merchandising activities for a fixed consideration of €6 million per annum.

Juventus may also benefit from additional royalty payments upon exceeding a threshold of sales.

For the current season and the 2014/2015 season, Nike will continue in its role of technical sponsor and trademark licensee.

The Continassa Area Project

On July 30, 2013, Juventus submitted the Agreed Executive Plan (PEC) pertaining to the development of the Continassa Project to the competent officials of the City of Turin.

On September 12, 2013, the preliminary works were initiated for fencing off and securing the area, as well as the initial preparatory and introductory activities for the start of the works envisaged in the PEC and the associated Environmental Plan.

As provided for in the agreement signed with the City of Turin on June 14, 2013, at the end of December Juventus paid the balance of the amount for the acquisition of the long-term lease on the area, totaling €3.3 million.

At the beginning of January 2014 Juventus granted Beni Stabili Gestioni S.p.A. – Società di Gestione del Risparmio (“BSG”) the exclusive assignment to set up a real estate investment fund for the purpose of developing the Continassa Project (“Fund”).

BSG, with assistance and cooperation from Juventus, will work over the next few months to obtain the financial resources needed by the Fund to complete the Continassa Project, both using equity from third party investors and through financial borrowing.

Furthermore, Juventus and BSG will work together to complete the administrative process (indicatively by the end of April with the approval of the PEC and the signing of the related agreement with the City of Turin) to select the designers and construction companies, as well as the managers of the businesses that will be located in the area.

Over a time frame of four years, the Continassa Project provides for the urban development and revitalization of an area of around 180,000 square meters, adjacent to the Juventus Stadium, on which Juventus has acquired a 99-year renewable long-term lease, which will be transferred and/or sold to the Fund.

Using a total Gross Floor Area of 38,000 square meters, the new Training and Media Center for the First Team will be developed, as well as the new registered office of Juventus, a hotel, a services center for people and businesses, and private residences.

Mutu/Chelsea FC proceedings

On October 7, 2013 the Company was served with the decision of FIFA's Dispute Resolution Chamber, following the hearing held on April 25, 2013, which ruled that Juventus was jointly liable with player Adrian Mutu for payment to Chelsea FC plc of the damages deriving from the player's dismissal for serious breach of contract, quantified in €17 million in addition to any interest.

This decision was based on earlier legal proceedings deriving from Mutu's dismissal by Chelsea for drug use in 2005. Those proceedings had only involved Chelsea and Mutu, as Juventus did not contribute in any way to the player's breach of contract which led to the termination of his employment contract.

On October 29, 2013 the Company filed an appeal against FIFA's decision before the Court of Arbitration for Sport (CAS). According to the consistent case law of the CAS, the appeal suspends the enforceability of the said decision. A hearing is set to be scheduled by the arbitration board.

Juventus believes that it has valid arguments to support its position and is of the opinion that it is very unlikely that it will lose the case and has therefore made no allocation to the provision for risks and charges. Should CAS's decision be unfavorable, Juventus will still have the opportunity to file an appeal with the Federal Supreme Court of Switzerland.

Receivable due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A.

In reference to the receivables due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A., totaling €6.9 million and €10.3 million, respectively, and due December 31, 2013, Finanziaria Gilardi S.p.A. proposed further deferral of the payment to Juventus given the serious crisis which has affected all economic and financial sectors, as well as the delayed completion of the development of the "Mondo Juve – Parco Commerciale" compared to the timetable.

In February 2014 Juventus, based on the above arguments and against payment by Finanziaria Gilardi S.p.A. of €2 million on December 31, 2013, granted the counterparties deferral of payment of the total remaining payable of €14.4 million according to the following due dates: €2 million by September 30, 2014, €4 million by December 31, 2015 and €8.4 million by July 31, 2016. Interest will be earned on the installments at market rates starting from January 1, 2014.

The receivables which originated in the 2007/2008 fiscal year derive from the sale to Finanziaria Gilardi S.p.A. (originally Costruzioni Generali Gilardi S.p.A.) of the investment in Campi di Vinovo S.p.A. and also the sale of the business relating to the "Mondo Juve - Parco Commerciale" project to be built on the land of Campi di Vinovo S.p.A.

The remaining receivables due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A. are secured by collateral (pledge on Campi di Vinovo shares) which will decrease with the collection of the instalment payments.

Significant events subsequent to December 31, 2013

Transfer Campaign 2013/2014 – second phase

Acquisitions and disposals

The transactions finalized in the second phase of the Transfer Campaign 2013/2014 will lead to an increase in invested capital of €6.8 million. Disposals will generate net capital gains of €6.8 million.

The net total financial receipts (including capitalized auxiliary expenses as well as financial income and expenses implicit on deferred receipts and payments) will amount to €0.1 million.

The transactions finalized in the two phases of the Transfer Campaign 2013/2014 will bring an increase in invested capital of €46 million deriving from acquisitions of €73.9 million and disposals of €27.9 million (carrying amount of disposed rights).

The net capital gains generated by the disposals will amount to €19.9 million.

The total net financial commitment (including capitalized auxiliary expenses as well as financial income and expenses implicit on deferred receipts and payments) will come to €24.9 million, distributed as follows: €11.8 million in the 2013/2014 financial year, €10.4 million in the 2014/2015 financial year, €4.4 million in the 2015/2016 financial year, -€2 million in the 2016/2017 financial year and €0.3 million in the 2017/2018 financial year.

ARENELLA IMMOBILIARE S.r.l.

(100% of capital)

The key figures taken from the financial statements of Arenella Immobiliare S.r.l. for the year ended December 31, 2013 are as follows:

€ million	12/31/2013	12/31/2012	Change
Profit (loss) for the year	**0.1**	(0.2)	0.3
Equity	**25.9**	25.9	0.0
Lido Arenella hotel property	**26.7**	27.0	(0.3)
Net financial position	**0.1**	0.5	(0.4)

Arenella continued its business of leasing and managing the Lido Arenella hotel property purchased in 2012.

Profit for the year 2013 increased €0.3 million, from a loss of €0.2 million to a profit of €0.1 million, benefiting from the first actual year of leasing and managing the hotel complex.

The net reduction in the carrying amount of the Lido Arenella hotel property at December 31, 2013 is due to the depreciation charge for the year of €0.6 million which is partially offset by investments for extraordinary maintenance work of €0.3 million.

EXOR S.A.

(100% of capital)

The highlights of the financial statements of EXOR S.A. for the year ended December 31, 2013, prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2013	12/31/2012	Change
Profit (loss) for the year	**1,071.4**	(105.8)	1,177.2
Equity	**3,082.8**	2,031.4	1,051.4
Investments and non-current other financial assets	**3,544.9**	2,171.1	1,373.8
Net financial position	**(462.0)**	(138.7)	(323.3)

EXOR S.A. closed the year 2013 with a profit of €1,071.4 million compared to a loss of €105.8 million in 2012. The positive change of €1,177.2 million is mainly due to higher net gains realized in 2013 of €1,016 million (of which €987.5 million relates to the disposal of the entire investment in SGS), lower impairment charges recognized on investments and financial assets of €159.2 million and other net positive changes of €2 million.

Additional details on the disposal of SGS are provided under "Significant events in 2013".

At December 31, 2013 investments and non-current other financial assets comprise the following:

	Number of shares	12/31/2013 % of capital	 Carrying amount	12/31/2012	Change
Exor Capital Ltd	4,000,000	**100**	**1,904.0**	320.0	1,584.0
C&W Group Inc.	511,015	**68.46**	**405.0**	405.0	0.0
EXOR N.V.	450	**100**	**300.0**	0.0	300.0
Almacantar S.A.	147,680,355	**38.29**	**171.9**	113.9	58.0
Gruppo Banca Leonardo S.p.A.	45,459,968	**17.37**	**73.6**	76.8	(3.2)
Banijay Holding S.A.S.	351,590	**17.09**	**35.3**	35.3	0.0
The Economist Group	1,190,000	**4.72**	**30.3**	30.4	(0.1)
Sequana S.A.	4,348,000	**17.38**	**24.8**	38.6	(13.8)
SGS S.A.	-	**-**	**0.0**	1,016.3	(1,016.3)
Other			**135.1**	38.6	96.5
Total investments			**3,080.0**	2,074.9	1,005.1
Non-current other financial assets			**464.9**	96.2	368.7
Total investments and non-current other financial assets			**3,544.9**	2,171.1	1,373.8

MOTION FOR APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND PAYMENT OF DIVIDENDS

Dear Shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2013 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit for the year of €92,726,030.44 as follows:

-	to the 222,346,104 ordinary shares currently outstanding, dividends per share of € 0.335, equal to a maximum	€	74,485,944.84
-	to the Extraordinary Reserve, the remaining amount, equal to a minimum	€	18,240,085.60
Profit for the year 2013		**€**	**92,726,030.44**

The declared dividends, equal to a maximum €74,485,944.84, will become payable on June 26, 2014 (ex-dividend stock market date June 23) and will be paid to the shares of record as of June 25, 2014 (record date).

Turin, April 9, 2014

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Separate Financial Statements
at December 31, 2013

EXOR S.p.A. - INCOME STATEMENT

€	Note	2013	2012	Change
Investment income (expenses)				
Dividends from investments	1	**102,766,167**	82,803,666	19,962,501
Gains (losses) on disposals of investments	2	**82,259,433**	135,911,562	(53,652,129)
Net investment income		**185,025,600**	218,715,228	(33,689,628)
Financial income (expenses)				
Financial expenses from third parties	3	**(88,302,330)**	(97,433,372)	9,131,042
Financial expenses from related parties	37	**(1,484,841)**	0	(1,484,841)
Financial income from third parties	4	**29,369,154**	48,325,821	(18,956,667)
Financial income from related parties	37	**20,530**	3,487	17,043
Gains (losses) on exchange	5	**123,445**	640,519	(517,074)
Net financial expenses		**(60,274,042)**	(48,463,545)	(11,810,497)
Net general expenses				
Personnel costs	6	**(12,297,394)**	(8,844,659)	(3,452,735)
Purchases of goods and services from third parties	7	**(4,564,408)**	(4,599,566)	35,158
Purchases of goods and services from related parties	37	**(5,407,642)**	(5,296,889)	(110,753)
Other operating expenses	8	**(993,879)**	(815,119)	(178,760)
Depreciation and amortization		**(49,928)**	(56,520)	6,592
		(23,313,251)	(19,612,753)	(3,700,498)
Revenues from third parties		**8,332**	10,662	(2,330)
Revenues from related parties	37	**503,738**	486,857	16,881
		512,070	497,519	14,551
Net general expenses		**(22,801,181)**	(19,115,234)	(3,685,947)
Non-recurring other income (expenses) and general expenses	9	**(1,908,843)**	413,319	(2,322,162)
Indirect taxes				
Non-deductible VAT	10	**(1,609,506)**	(1,517,861)	(91,645)
Other indirect taxes		**(5,230)**	(10,455)	5,225
Indirect taxes		**(1,614,736)**	(1,528,316)	(86,420)
Profit before income taxes		**98,426,798**	150,021,452	(51,594,654)
Income taxes	11	**(5,700,768)**	473,106	(6,173,874)
Profit for the year		**92,726,030**	150,494,558	(57,768,528)

EXOR S.p.A. - STATEMENT OF COMPREHENSIVE INCOME

€	2013	2012
Profit for the year	**92,726,030**	150,494,558
Items that will not be classified to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	**4,053**	(425,090)
Related tax	**0**	0
Total other comprehensive income (loss) that will not be reclassified to income statement, net of tax	**4,053**	(425,090)
Items that will be reclassified to Income Statement:		
Gains (losses) recognized directly in cash flow hedge reserve	**26,566,855**	(21,114,905)
Gains (losses) recognized in fair value reserve	**(21,182,549)**	22,367,333
Related tax	**(2,640,377)**	(311,751)
Total other comprehensive income (loss) that will be reclassified to income statement, net of tax	**2,743,929**	940,677
Total other comprehensive income (loss), net of tax	**2,747,982**	515,587
Total comprehensive income	**95,474,012**	151,010,145

EXOR S.p.A. - STATEMENT OF FINANCIAL POSITION

€	Note	12/31/2013	12/31/2012	Change
Non-current assets				
Investments accounted for at cost	12	**3,883,401,892**	3,883,634,263	(232,371)
Available-for-sale financial assets	12	**47,432,695**	368,948,261	(321,515,566)
Total		**3,930,834,587**	4,252,582,524	(321,747,937)
Held-to-maturity financial instruments	13	**83,455,093**	109,498,361	(26,043,268)
Other financial assets	14	**10,478,670**	15,654,703	(5,176,033)
Intangible assets		**109,635**	112,954	(3,319)
Property, plant and equipment		**116,629**	152,838	(36,209)
Other receivables		**1,301**	1,901	(600)
Total Non-current assets		**4,024,995,915**	4,378,003,281	(353,007,366)
Current assets				
Held-to-maturity financial instruments	13	**25,687,237**	0	25,687,237
Financial assets held for trading	15	**87,196,319**	176,458,157	(89,261,838)
Cash and cash equivalents	16	**585,694,598**	338,375,314	247,319,284
Other financial assets	14	**4,157,147**	3,337,208	819,939
Tax receivables	17	**5,974,942**	4,532,812	1,442,130
Financial receivables from related parties	37	**974,017**	1,753,487	(779,470)
Financial receivables from third parties		**279,467**	553,151	(273,684)
Trade receivables from related parties	37	**354,422**	332,646	21,776
Other receivables	18	**505,837**	500,724	5,113
Total Current assets		**710,823,986**	525,843,499	184,980,487
Total Assets		**4,735,819,901**	4,903,846,780	(168,026,879)
Equity				
Share capital	19	**246,229,850**	246,229,850	0
Capital reserves	20	**1,094,212,604**	1,096,102,859	(1,890,255)
Retained earnings and other reserves	21	**2,344,913,855**	2,265,776,582	79,137,273
Treasury stock	23	**(344,119,774)**	(239,005,324)	(105,114,450)
Profit for the year		**92,726,030**	150,494,558	(57,768,528)
Total Equity		**3,433,962,565**	3,519,598,525	(85,635,960)
Non-current liabilities				
Non-convertible bonds	25	**1,199,907,703**	1,079,497,095	120,410,608
Bank debt	26	**0**	200,000,000	(200,000,000)
Deferred tax liabilities	27	**25,428,366**	23,647,617	1,780,749
Provisions for employee benefits	28	**2,272,534**	2,394,918	(122,384)
Provisions for risks and charges	29	**2,867,000**	3,500,000	(633,000)
Other payables	33	**205,020**	461,902	(256,882)
Total Non-current liabilities		**1,230,680,623**	1,309,501,532	(78,820,909)
Current liabilities				
Non-convertible bonds	25	**28,596,948**	25,006,034	3,590,914
Other financial liabilities	30	**33,678,051**	45,295,510	(11,617,459)
Trade payables and other payables to related parties	37	**160,913**	117,959	42,954
Trade payables to third parties	31	**1,359,093**	1,034,975	324,118
Tax payables	32	**4,361,609**	1,034,563	3,327,046
Other payables	33	**3,020,081**	2,257,659	762,422
Bank debt		**18**	23	(5)
Total Current liabilities		**71,176,713**	74,746,723	(3,570,010)
Total Equity and Liabilities		**4,735,819,901**	4,903,846,780	(168,026,879)

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2013	2012
Cash and cash equivalents, at beginning of year		**338,375,314**	94,243,148
Cash flows from (used in) operating activities			
Profit for the year		**92,726,030**	150,494,558
Adjustments for:			
(Gains) losses on disposals of investments	2	**(87,237,891)**	(135,911,562)
Effective portion of losses on cash flows hedges reclassified to income statement	3	**14,915,167**	3,505,452
Depreciation and amortization		**49,928**	56,520
Notional cost of EXOR stock option plan	24	**4,584,575**	3,124,537
EXOR share conversion expenses		**(1,890,253)**	0
Deferred income taxes released		**(539,483)**	(539,483)
Losses (Gains) on sale of property, plant and equipment		**0**	(126)
Total adjustments		**(70,117,957)**	(129,764,662)
Change in working capital:			
Other financial assets, current and non-current	14	**4,356,094**	(9,980,248)
Tax receivables, excluding items adjusting profit for the year	17	**(1,442,130)**	20,611,511
Trade receivables from related parties		**(21,776)**	82,851
Other receivables, current and non-current		**(4,513)**	634,840
Other financial receivables		**273,684**	(149,514)
Other payables, current and non-current	33	**505,540**	(1,080,981)
Other financial liabilities, current and non-current	30	**14,949,397**	1,131,847
Trade payables and other payables to related parties, excluding items adjusting profit		**42,954**	(848,812)
Trade payables to third parties		**324,116**	(196,520)
Taxes payable		**3,327,046**	387,272
Provisions for employee benefits, excluding remeasurements of defined benefit plans recognized in equity		**(118,330)**	(262,420)
Provisions for risks and charges	29	**(633,000)**	3,500,000
Change in working capital		**21,559,082**	13,829,826
Cash flows from (used in) operating activities		**44,167,155**	34,559,722
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(10,398)**	(61,141)
Held-to-maturity financial instruments, current and non-current	13	**356,031**	82,392,132
Current financial assets	15	**89,261,838**	173,290,860
Disposal of investments and securities	12	**387,250,761**	218,438,120
Investment acquisitions		**0**	(334,199,612)
Cash flows from (used in) investing activities		**476,858,232**	139,860,359
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**779,470**	(1,732,213)
Issue of bonds 2013/2020		**197,989,682**	0
Issue of bonds 2012/2019		**0**	147,170,389
Issue of bonds 2012/2025		**0**	97,709,870
Other changes in bonds		**(73,988,161)**	(11,157,178)
Net change in bank debt		**(200,000,005)**	23
Changes in fair value of cash flow hedge derivatives		**(14,915,167)**	(3,505,452)
Dividends paid		**(78,459,323)**	(80,123,720)
Treasury stock purchases		**(105,114,450)**	0
(Purchase) sale of further ownership interests in subsidiaries)		**0**	(78,651,486)
Dividends statute-barred and other net changes		**1,851**	1,852
Cash flows from (used in) financing activities		**(273,706,103)**	69,712,085
Total change in cash and cash equivalents		**247,319,284**	244,132,166
Cash and cash equivalents, at end of year		**585,694,598**	338,375,314

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury stock	Earnings reserves	Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2011	**246,229,850**	**1,096,102,859**	**(239,005,324)**	**2,306,887,236**	**58,690,739**	**2,335,880**	**(25,806,917)**	**3,445,434,323**
Reclassification 2011 profit				58,690,739	(58,690,739)			0
Dividends paid to shareholders (€ 0.335 per ordinary share, € 0.3867 per preferred share, € 0.4131 per savings share)				(80,123,720)				(80,123,720)
Dividends statute-barred				1,852				1,852
Increase corresponding to notional cost of EXOR stock option plan				3,275,925				3,275,925
Total comprehensive income				(425,090)	150,494,558	22,055,582	(21,114,905)	151,010,145
Net changes during the year	**246,229,850**	**1,096,102,859**	**(239,005,324)**	**2,288,306,942**	**150,494,558**	**24,391,462**	**(46,921,822)**	**3,519,598,525**
Reclassification 2012 profit				150,494,558	(150,494,558)			0
Dividends paid to shareholders (€ 0.335 per ordinary share, € 0.3867 per preferred share, € 0.4131 per savings share)				(78,459,323)				(78,459,323)
Treasury stock purchase			(105,114,450)					(105,114,450)
Dividends statute-barred				1,852				1,852
Net increase corresponding to notional cost of EXOR stock option				4,352,204				4,352,204
Allocation of preferred and savings shares mandatory conversion expenses		(1,890,255)						(1,890,255)
Total comprehensive income				4,053	92,726,030	(23,822,926)	26,566,855	95,474,012
Net changes during the year	**0**	**(1,890,255)**	**(105,114,450)**	**76,393,344**	**(57,768,528)**	**(23,822,926)**	**26,566,855**	**(85,635,960)**
Equity at December 31, 2013	**246,229,850**	**1,094,212,604**	**(344,119,774)**	**2,364,700,286**	**92,726,030**	**568,536**	**(20,354,967)**	**3,433,962,565**
Note	19	20	23	21		21	21	

EXOR S.p.A. – NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE COMPANY

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az. which holds 51.39% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

Further information is provided in the Report on Operations under "EXOR Group Profile and Key Data".

SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements

The separate financial statements of the EXOR S.p.A. at December 31, 2013 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and Council of July 19, 2002, in addition to provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The separate financial statements are also prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 of July 27, 2006 and in Consob Communication 6064293 of July 28, 2006, pursuant to article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.

The financial statements are prepared on the going concern assumption as the directors have in fact assessed that despite operating in a difficult economic and financial environment no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Format of the separate financial statements

EXOR S.p.A. presents the separate income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the Company's activities taking preference: investment income (expenses) and financial income (expenses), including the effects of recurring and non-recurring transactions.
In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

Since the year 2009, in view of the significance of the amounts, non-recurring other income (expenses) and general expenses are presented separately from net general expenses that are recurring. The line item includes any non-financial exceptional or non-recurring income and costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees and defendant legal fees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 37.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the Company's functional currency and presentation currency.

In the separate financial statements, the amounts are expressed in Euro.
In the notes, unless otherwise indicated, the data are expressed in thousands of Euro.

Accounting principles, amendments and interpretations adopted from January 1, 2013

On May 12, 2011, the IASB issued IFRS 13 – *Fair value measurement* which clarifies rules for determination of fair value for reporting purposes and applies to all IFRSs that require or permit fair value measurements or disclosures about fair value measurements. IFRS 13 also requires additional disclosure for fair value measurements. In accordance with the transitional provisions, the Company adopted the new fair value measurement guidance prospectively from January 1, 2013 without providing the additional disclosures required by the standard for the comparative figures presented. Other than the additional disclosures on fair value measurement provided in Note 34, adoption of the new standard had no material effect on the 2013 financial statements.

On June 16, 2011, the IASB issued an amendment to IAS 1 – *Presentation of financial statements: Presentation of Items of Other Comprehensive Income* which requires items of Other comprehensive income to be grouped on the basis of whether they will be reclassified subsequently to the income statement when specific conditions are met. The Company adopted these amendments in these financial statements and modified the presentation of items of Other comprehensive income. Comparative information has been reclassified accordingly.

On June 16, 2011, the IASB issued amendments to IAS 19 – *Employee Benefits,* applicable retrospectively for the year beginning January 1, 2013. The amendment modifies the requirements for recognition of defined benefit plans and termination benefits and eliminates the option of deferring actuarial gains and losses under the off balance sheet "corridor method", requiring instead that they be recognized directly in Other comprehensive income. In addition, the amendments require immediate recognition of past service costs in the income statement.
The result of those amendments is the recognition of the entire plan deficit or surplus in balance sheet. The Company adopted these amendments retrospectively from January 1, 2013 and adoption had not impacts.

On December 16, 2011, the IASB issued certain amendments to IFRS 7 – *Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The Company applied the amendments since January 1, 2013 retrospectively. The adoption of the amendments had no impacts on the disclosure or on the amounts recognized in these financial statements.

On May 17, 2012, the IASB issued a number of amendments to IFRSs ("*Annual Improvements to IFRSs – 2009-2011 Cycle*") that are applicable retrospectively from January 1, 2013. The adoption of these amendments had no impacts on these financial statements.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Company

On May 12, 2011, the IASB issued: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities (*subsequently amended on June 28, 2012). As a consequence the IASB also amended IAS 27 – *Consolidated and Separate Financial Statements* which was renamed IAS 27 – *Separate Financial Statements*. The new IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements, including the additional disclosures required. The standard confirms that investments in subsidiaries, joint ventures and associates are accounted for at either cost or fair value. The same accounting treatment is to be applied for each category of investment. If an entity elects to measure investments at fair value in its consolidated financial statements, it is required to use the same method of measurement in the separate financial statements. The new standard is applicable retrospectively for annual periods beginning on or after January 1, 2013. The European Union has completed the process for endorsement of the standard and postponed the effective date to January 1, 2014 although early adoption is permitted from January 1, 2013. The Company will apply the new standard from January 1, 2014 and application is not expected to have any material effect.

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. No significant effect is expected from the first time adoption of the standard.

On May 29, 2013, the IASB issued an amendment to IAS 36 – *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. No significant effect is expected from the first-time adoption of this amendment.

On June 27, 2013, the IASB issued narrow-scope amendments to IAS 39 – *Financial Instruments: Recognition and Measurement entitled Novation of Derivatives and Continuation of Hedge Accounting*. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. No material effect is expected from first time adoption of these amendments.

In addition, at the reporting date, the European Union had not yet completed the process for endorsement of the following standards and amendments:

- On November 12, 2009, the IASB issued IFRS 9 – *Financial Instruments*. The standard was reissued in October 2010 and amended in November 2013. The standard addresses classification, measurement, recognition and hedge accounting for financial assets and liabilities and replaces parts of IAS 39. The amendments issued in November 2013 removed the mandatory effective date of January 1, 2015. The IASB announced that an effective date will be decided upon when the entire IFRS 9 project is completed.

- On May 20, 2013, the IASB issued IFRIC 21 – *Levies*, an interpretation of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation provides guidance on recognition of liabilities to pay levies that are not income taxes. IFRIC 21 is applicable for annual periods beginning on or after January 1, 2014. Early adoption is permitted.

- On December 12, 2013, the IASB issued a set of amendments to the IFRS (*Annual Improvements to IFRSs 2010–2012 Cycle)* and (*Annual Improvements to IFRSs 2011–2013 Cycle)*.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.
Subsidiaries are enterprises controlled by the Company, as defined in IAS 27 – *Consolidated and Separate Financial Statements*. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.
Associates are enterprises over which the Company has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies.
Investments in other companies include non-current financial assets and not destined for trading.

Under the cost method, investments are tested for impairment annually or more frequently whenever there is objective evidence of an impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute. If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.
For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below cost of a subsidiary or associate, together with its continuing negative operating performance.
When the Company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. When, subsequently, the impairment loss no longer exists or decreased, a reversal is recognized in the income statement up to the cost of the investment.
A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).
Gains and losses on available-for-sale financial assets are recognized directly in Other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in Other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held-to-maturity financial assets

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that EXOR has the positive intention and ability to hold to maturity.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:
a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the Company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Except for derivative instruments, other financial assets are recognized initially at cost, which generally coincides with acquisition cost including incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible.
The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Intangible assets

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives (considered five years), if the assets have a finite useful life.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition or production cost, including costs directly attributable to the purchase and bringing the assets into use, and presented net of accumulated depreciation and impairment losses, if any.
Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Class	**Depreciation rate**
Telephone equipment	20%
Furniture	12%
Sundry equipment	15%
Office machines	20%

The estimated useful lives of depreciable property, plant and equipment are subject to periodic review. In the event of adjustments to the initial estimates, the relative depreciation rates are changed.

Trade receivables and payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.
Payables are recognized at amortized cost.
Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as movements in equity.

Employee benefits

Defined benefit plans

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the Company attributes benefits to periods in which the obligation to provide post-employment benefits arises. That obligation arises when employees render services.
The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.
The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to the available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

The components of defined benefit cost are recognized as follows:

- remeasurement components of the obligation, including actuarial gains and losses, are recognized immediately in Other comprehensive income (OCI);
- service costs are recognized in the income statement;
- net interest on the defined benefit liability is recognized under financial expenses in the income statement.

Remeasurement components recognized in Other comprehensive income cannot be reclassified to the income statement in a subsequent period.

The scheme underlying the Employee leaving entitlements of Italian companies was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the 2007 Budget Law) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan. Since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to a supplementary pension fund. Consequently, for those who transfer the entire amount accrued to a supplementary pension fund, the Company records the contribution paid as an expense and no additional obligation is recognized.

Post-employment plans other than pensions

The Company provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations of such benefits are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement. The compensation component arising from stock option plans linked to shares of EXOR S.p.A., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The Company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of Company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate.

Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is recognized at cost which corresponds initially to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
- Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in Other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in Other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- Hedge of a net Investment (hedge of a net investment in a foreign operation), in which the effective portion of the gain or loss on the derivative financial instrument is recognized in Other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.

Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.

Revenues from the performance of services are recognized over the period in which the services will be provided.

Costs are recorded on the accrual basis.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to Other comprehensive income, in which case the related income tax effect is recognized directly in Other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the separate financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carryforward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.
Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.

The critical measurement processes and key assumptions used by the Company in applying IFRS which may have significant effects on the amounts recognized in the separate financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments and available-for-sale financial assets.

Instead, there are no critical or significant issues in relation to the estimates used for employee benefits, taxes or provisions, in view of their limited level of materiality.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR at December 31, 2013 is represented by the carrying amount of financial assets presented in the financial statements. The Company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

With regard to the issue of non-convertible bonds for Japanese yen 10 billion during 2011, to protect itself against fluctuations in the €/Yen exchange rate, EXOR put into place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the nominal value in euro (about €83 million) for the entire term of the loan.

Some available-for-sale financial assets, assets held for trading, cash and financial liabilities are denominated in currencies other than Euro and have been adjusted to the year-end exchange rate.

Liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the risks associated with fluctuations in interest rate are only managed using derivative financial instrument denominated interest rate swaps on some of the loans received.

EXOR is subject to income taxes in Italy; during the course of its ordinary operations EXOR may also be subject to controls by the Italian tax authorities. Even though the Company considers that the tax estimates are reasonable, any disputes related thereto may have an adverse effect on earnings.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €102,766 thousand (€82,804 thousand in 2012) and were received from the following companies:

€ thousand	2013	2012
CNH Industrial N.V.	**82,559**	71,291
Fiat S.p.A.	**-**	10,836
EXOR S.A.	**20,000**	-
Rho Immobiliare Fund	**139**	642
Other	**68**	35
Total dividends	**102,766**	82,804

2. Gains (losses) on disposals of investments

In 2013 the gains amount to €87,238 thousand and refer almost entirely to the disposal of the Irish-registered fund, The Black Ant Value Fund, in the manner described in the following paragraphs.

At the beginning of February 150,000 shares were redeemed on the basis of the fair value at the end of December 2012 for €16,165 thousand: this redemption generated a gain of €1,164 thousand.

In December 2013 the remaining shares in the fund were sold to the subsidiary EXOR S.A. for a transfer amount of €371,086 thousand, corresponding to the most recent fair value available (October 2013): the sale generated a gain of €86,074 thousand.

Losses total €4,978 thousand and refer to the sale of Alpitour in 2012, following disputes that arose with the buyer relating to events prior to the sale.

In 2012, the gains amounted to €135,912 thousand and derived from the sale of the investment in Alpitour S.p.A.

3. Financial expenses from third parties

€ thousand	2013	2012	Change
Interest on bonds	**59,793**	47,889	11,904
Interest on bank debt	**2,533**	5,079	(2,546)
Interest rate hedge expenses	**3,788**	3,522	266
Non-recurring expenses for the early closing of interest rate hedging transactions on total loans of €200 million	**11,722**	0	11,722
Bank commissions	**1,977**	1,665	312
Loss on cancellation of EXOR 2007/2017 bonds (a)	**6,464**	0	6,464
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	**535**	36,160	(35,625)
- Fair value adjustments	**953**	124	829
- Other expenses (b)	**537**	2,994	(2,457)
Total financial expenses from third parties	**88,302**	97,433	(9,131)

(a) The non-recurring loss comes from the difference between the average per unit purchase price of €110.77 and the nominal amount of €100.00 on nominal €60 million.

(b) In 2012 other expenses included, among other things, €2,429 thousand of losses on forward contracts.

4. Financial income from third parties

€ thousand	2013	2012	Change
Interest income and other income on held-to-maturity securities	**9,755**	13,156	(3,401)
Interest income on receivables from banks and tax authorities (a)	**11,151**	5,381	5,770
Income on interest rate hedges	**595**	17	578
Income on securities held for trading:			
- Gains on shares and bonds trading	**3,613**	3,094	519
- Gains on put/call sales	**0**	11,313	(11,313)
- Fair value adjustments	**1,083**	10,443	(9,360)
- Dividends	**0**	256	(256)
- Interest on fixed-rate securities	**659**	2,820	(2,161)
- Other income (b)	**0**	987	(987)
Interest from others (c)	**885**	845	40
Sundry income (d)	**1,628**	14	1,614
Total financial income from third parties	**29,369**	48,326	(18,957)

(a) Higher interest income relates to higher average balances of cash and cash equivalents.
(b) In 2012 other income was formed by income on the sale of forward rate contracts.
(c) This is interest income earned on the Deferred Price relating to the sale of Alpitour S.p.A.
(d) Relating to the credit risk adjustment recognized in income on the measurement of cross currency swaps pursuant to IFRS 13.

5. Gains (losses) on exchange

€ thousand	2013	2012	Change
Losses on exchange, realized	**(21)**	(140)	119
Gains on exchange, realized	**144**	780	(636)
Total Gains (losses) on exchange	**123**	640	(517)

6. Personnel costs

These amount to €12,297 thousand (€8,845 thousand in 2012) and show a total net increase of €3,452 thousand. Details are as follows:

€ thousand	2013	2012	Change
Salaries and expenses for similar services	**7,476**	5,289	2,187
Social security contributions	**1,148**	1,113	35
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	**268**	270	(2)
Notional cost of EXOR long-term incentive plans (a)	**2,902**	1,621	1,281
Other personnel costs (b)	**503**	552	(49)
Total personnel costs	**12,297**	8,845	3,452

(a) Information on the EXOR stock option plan is provided in Note 24.
(b) These costs include €173 thousand (€219 thousand in 2012) of costs referring to related parties.

At the end of 2013, the number of employees is 35, unchanged compared to December 31, 2012.
The average number of employees in 2013 was 35, summarized by category as follows:

	2013	2012
Managers	**3**	4
Middle management	**18**	18
Clerical staff	**11**	11
Messengers	**3**	4
Average number of employees	**35**	37

The net change of €3,452 thousand in personnel costs is attributable for €2,171 thousand to the addition of new professional staff which, in 2012, only referred to the period July to December, and for remaining difference of €1,281 thousand to the notional costs of the long-term incentive plans due to the introduction of the EXOR 2012 new incentive plan recognized in 2012 from when the grants were awarded (July and September) but for the full year in 2013.

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.
The fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired; since 2009, variable compensation is discretionary.
The additional benefits, mainly in reference to staff with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.
Further information on employee benefits is presented in Note 28.

7. Purchases of goods and services from third parties

These amount to €4,564 thousand and decreased €35 thousand compared to 2012 (€4,599 thousand). Details are as follows:

€ thousand	2013	2012	Change
Sundry consulting and services	**1,318**	1,606	(288)
Computer system	**556**	521	35
Directors' liability insurance	**415**	348	67
Travel, entertainment and transport expenses	**220**	296	(76)
Notary fees	**376**	224	152
Telephone and postal expenses	**224**	213	11
Bank and financial commissions	**188**	173	15
Securities' listing fees	**204**	166	38
Shareholders' meetings' fees	**277**	164	113
Compensation to control bodies, excluding the board of statutory auditors	**112**	115	(3)
Sundry costs	**674**	773	(99)
Total purchases of goods and services from third parties	**4,564**	4,599	(35)

8. Other operating expenses

These total €994 thousand (€815 thousand in 2012). Details are as follows:

€ thousand	2013	2012	Change
Donations	**770**	668	102
Association dues	**146**	127	19
Sundry expenses	**78**	20	58
Total other operating expenses	**994**	815	179

9. Non-recurring other income (expenses) and general expenses

In 2013 the net non-recurring expense balance of €1,909 thousand is related to employee reduction plans (€234 thousand), legal defense fees in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€919 thousand), tax consulting fees (€583 thousand) and other consulting fees (€166 thousand).
In 2012 the balance of net non-recurring income amounted to €413 thousand and related to non-recurring income for the year net of the costs for employee reduction plans, legal defense fees in the cases relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 and tax consulting fees.

10. Indirect taxes – Non-deductible VAT

Both in 2013 and in 2012, the prorated amount of non-deductible VAT was 100%. Non-deductible VAT was €1,610 thousand in 2013 and €1,518 thousand in 2012.

11. Income taxes

The taxable income calculated in accordance with tax regulations is equal to €62,469 thousand, which was partially compensated, as allowed by current tax laws, by losses of prior years, with provision for the relative taxes of €3,436 thousand. The tax benefit recorded in the income statement (€539 thousand) refers to the release of deferred taxes in respect of the taxation for the year on one-fifth of the gain realized in 2011 on the sale of the building in Corso Matteotti 26, deferred over five years, net of other taxes due.

Income taxes also include the separate tax of €2,804 thousand referring to the Controlled Foreign Companies (CFC) paid in 2013.

Deferred tax assets have not been booked on tax losses (€248 million, in total) and on the deductible temporary differences represented mainly by the cash flow hedge reserve given that, currently, the probability of recovery against future taxable income is not assured.

Considering that the IRAP taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for IRES purposes.

€ thousand	2013	2012
Pre-tax profit	**98,427**	150,021
Increases:		
- 1/5 of the gain on the sale of the building realized in 2011	**1,962**	1,962
- temporary differences (a)	**65,656**	35,903
- permanent differences	**1,401**	1,493
Total increases	**69,019**	39,358
Decreases:		
- 95% of dividends received	**(97,496)**	(78,663)
- 95% of the gain on the sale of Alpitour	**0**	(129,196)
- deductions of temporary differences	**(3,029)**	(3,451)
- deductions of permanent differences	**(4,452)**	(3,985)
Total decreases	**(104,977)**	(215,295)
Taxable income (loss)	**62,469**	(25,916)
Tax losses utilized	**(49,975)**	0
Taxable	**12,494**	0
Tax 27.5%	**3,436**	0

(a) Mainly includes net interest expenses non-deductible for the year.

For the years up to December 31, 2008, the ordinary terms of the statute of limitation for tax purposes have expired.

12. Investments accounted for at cost and available-for-sale financial assets

€ thousand	12/31/2013 % of class of shares	12/31/2013 Amount	12/31/2012 % of class of shares	12/31/2012 Amount	Change
Investments accounted for at cost					
CNH Industrial N.V. - ordinary shares	27.18	**1,690,342**	30.01	1,690,342	0
CNH Industrial N.V. - special voting shares	77.33	**0**		0	0
CNH Industrial N.V.		**1,690,342**		1,690,342	0
Fiat S.p.A.	30.05	**1,324,660**	30.05	1,324,660	0
EXOR S.A.	100.00	**746,390**	100.00	746,622	(232)
Juventus Football Club S.p.A.	63.77	**95,688**	63.77	95,688	0
Arenella Immobiliare S.r.l.	100.00	**26,050**	100.00	26,050	0
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**3,883,402**		3,883,634	(232)
Available-for-sale financial assets					
The Black Ant Value Fund		**0**		323,296	(323,296)
Rho Immobiliare Fund		**11,653**		11,758	(105)
Alpitour S.p.A.	9.85	**3,544**	9.85	10,000	(6,456)
Other listed securities		**32,236**		23,894	8,342
Total available-for-sale financial assets		**47,433**		368,948	(321,515)
Total		**3,930,835**		4,252,582	(321,747)

The changes during the year are as follows:

€ thousand	Balances at 12/31/2012	Changes in 2013 Increases	Changes in 2013 Decreases	Changes in 2013 Other changes	Balances at 12/31/2013
Investments accounted for at cost					
CNH Industrial N.V. - ordinary shares	1,690,342				**1,690,342**
CNH Industrial N.V. - special voting shares	0				**0**
CNH Industrial N.V.	1,690,342	0	0	0	**1,690,342**
Fiat S.p.A.	1,324,660				**1,324,660**
EXOR S.A.	746,622			(232)	**746,390**
Juventus Football Club S.p.A.	95,688				**95,688**
Arenella Immobiliare S.r.l.	26,050				**26,050**
Emittenti Titoli S.p.A.	272				**272**
Investments accounted for at cost	3,883,634	0	0	(232)	**3,883,402**
Available-for-sale financial assets					
The Black Ant Value Fund	323,296		(323,296)		**0**
Rho Immobiliare Fund	11,758			(105)	**11,653**
Alpitour S.p.A.	10,000			(6,456)	**3,544**
Other listed securities	23,894			8,342	**32,236**
Total available-for-sale financial assets	368,948	0	(323,296)	1,781	**47,433**
Total	4,252,582	0	(323,296)	1,549	**3,930,835**

The changes during the year are described below.

Investments accounted for at cost

CNH Industrial N.V. The deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial N.V. and the deed for the merger of CNH Global N.V. with and into CNH Industrial N.V. were executed on September 27 and 28, 2013, respectively, and the integration of these two companies was completed on September 29, 2013. At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios. In particular, Fiat Industrial shareholders received one CNH Industrial common share for each Fiat Industrial ordinary share held and CNH Global shareholders received 3.828 CNH Industrial common shares for each CNH Global common share held. CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares in connection with the closing of the merger. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares.

On September 30, 2013 CNH Industrial N.V. common shares began trading on the New York Stock Exchange and the MTA managed by Borsa Italiana S.p.A.
EXOR with its 366,927,900 Fiat Industrial ordinary shares received 366,927,900 CNH Industrial common shares and the same number of special voting shares.

The special voting shares have a nominal value of €0.01 each and carry one vote (like common shares). They are not traded on the stock market, have only the right to vote and the right to receive the nominal value in the event of liquidation, but subordinate to the common shares.
They may only be obtained by legitimate shareholders who have the same number of common shares registered for at least a period of three years recorded in a separate register.
Whenever a legitimate shareholder decides to trade its common shares recorded in the separate register (that is, the common shares that were registered in order to obtain special shares), such shareholder is bound to offer and transfer (for no consideration) the special shares to the company and all the voting rights connected to such special shares will be suspended.

Since these shares cannot be sold, disposed of, transferred, pledged or subjected to any lien, their fair value is considered to be zero. Therefore the new investment in CNH Industrial (common shares and special shares) has the same value as the preceding investment in Fiat Industrial.

The exchange of Fiat Industrial shares with the newly issued CNH Industrial shares was recorded based on the reported carrying amounts, in addition to having a neutral tax effect.

At December 31, 2013 EXOR directly holds a 27.18% stake and 40.22% of the voting rights.

EXOR S.A. The investment decreased by €232 thousand after accounting for €117 thousand of the 2013 portion of long-term incentive plans, relating to EXOR S.A. employees and subsidiaries, and the reversal of the cost recorded from 2008 to 2012 of €349 thousand for the 300,000 options that expired during the course of the current year.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

				Trading price	
		Carrying amount		**December 30, 2013**	
		Per share	Total	Per share	Total
	Number	(€)	(€ thsd)	(€)	(€ thsd
CNH Industrial N.V.	366,927,900	4.61	1,690,342	8.273	3,035,595
Fiat S.p.A.	375,803,870	3.53	1,324,660	5.926	2,227,014
Juventus Football Club S.p.A.	642,611,298	0.15	95,688	0.225	144,587
Total			**3,110,690**		**5,407,196**

Furthermore:
- there are no equity investments requiring the assumption of an unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no equity investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 of July 28, 2006).

	Share capital			EXOR investment				Equity	Profit
	Number of shares	Par value	Amount	Number of shares/quotas	% ownership of Sh. cap.	Carrying amount Per share €	Carrying amount €/000	€/000	(loss) €/000
CNH Industrial N.V. (the Netherlands) common shares	1,350,073,530	€ 0.01	13,500,735	366,927,900	27.18	4.61	1,690,342		
CNH Industrial N.V. (the Netherlands) shares with special voting rights	474,474,276	€ 0.01	4,744,743	366,927,900	77.33		0		
	1,824,547,806		18,245,478				1,690,342	5,504,000 (a)	789,000 (a)
Fiat S.p.A. - (Turin)	1,250,687,773	€ 3.58	4,477,462,227	375,803,870	30.05	3.53	1,324,660	8,326,000 (a)	2,117,000 (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	672.18	746,390	3,082,787 (b)	1,071,378 (b)
Juventus Football Club S.p.A.(Turin)	1,007,766,660	-	8,182,133	642,611,298	63.77	0.15	95,688	53,500 (c)	4,800 (c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	25,947 (b)	55 (b)

(a) Data taken from the consolidated financial statements at December 31, 2013.
(b) Data taken from the separate financial statements at December 31, 2013.
(c) Data taken from the half-yearly financial report at December 31, 2013.

Available-for-sale financial assets

The Black Ant Value Fund. In December 2013 the 2,850,000 shares held in this Irish-registered fund were entirely sold to the subsidiary EXOR S.A. based on the most recent fair value available (October 2013), resulting in proceeds of €371,086 thousand and a gain of €86,074 thousand.
Previously, at the beginning of February, 150,000 shares were redeemed from the fund on the basis of their fair value in December 2012 for €16,165 thousand and a gain of €1,164 thousand.

The decrease in the Rho Immobiliare Fund of €105 thousand reflects the fair value adjustment of the carrying amount at year end.

Alpitour S.p.A. The reduction for an amount of €6,456 thousand reflects the fair value adjustment of the carrying amount of the investment that at December 31, 2013 corresponds to the share of equity (considered representative of the fair value of the company) resulting from the consolidated financial statements at October 31, 2013, adjusted to take into account the capital increase concluded by Alpitour S.p.A. in January 2014. EXOR S.p.A. decided not to subscribe to the increase and its ownership interest is now diluted to the current 7.17% from 9.85% at the end of 2013.

The increase in other listed securities of €8,342 thousand reflects the adjustment to fair value at the end of the year.

13. Held-to-maturity financial instruments - current and non-current

€ thousand	12/31/2013	12/31/2012
Non-current assets	**83,455**	109,498
Current assets	**25,687**	0
Total	**109,142**	109,498

These are represented by bonds issued by leading counterparties with maturities between 2014 and 2017. The bonds are recorded and measured at amortized cost.

14. Other financial assets – current and non-current

Other financial assets – non-current total €10,479 thousand (€15,655 thousand at December 31, 2012) and consist mainly of the Deferred Price receivable from Alpitour S.p.A. equal to €10,023 thousand (€14,750 thousand year-end 2012), being the remaining balance of the price on the sale of Alpitour, inclusive of interest capitalized (€1,730 thousand, of which €885 thousand relates to 2013) calculated using an annual 8% interest rate.
During 2013, the receivable was adjusted by €5,612 thousand for the settlement of certain disputes that arose with the buyer subsequent to acquisition. This receivable is not included in the net financial position balance.

Other financial assets – current total €4,157 thousand (€3,337 thousand at December 31, 2012) and consist principally of accrued interest at December 31, 2013 on bonds in portfolio and time deposits.

15. Financial assets held for trading - current

€ thousand	12/31/2013	12/31/2012	Change
Bonds	**19,732**	62,986	(43,254)
Mutual funds	**67,464**	113,472	(46,008)
Total	**87,196**	176,458	(89,262)

The net change of €89,262 thousand reflects the management strategy for the securities portfolio and the investment of financial resources.
These assets are measured at year-end at fair value using the market price translated, where appropriate, at the year-end rate.
Mutual funds are measured at year-end at fair value using the most recent price available.
Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

16. Cash and cash equivalents - current

€ thousand	12/31/2013	12/31/2012	Change
Bank deposits	**180,695**	111,375	69,320
Time deposits	**405,000**	227,000	178,000
Total cash and cash equivalents	**585,695**	338,375	247,320

These represent current account bank balances in Euro and other currencies other than Euro, repayable on demand and cash deposited at leading credit institutions.
The associated credit risks should be considered limited since the counterparties are leading bank institutions.

17. Tax receivables - current

Tax receivables from the tax authorities refer to:

€ thousand	12/31/2013	12/31/2012	Change
Receivables for current and prior years' taxes, carried forward	**5,975**	3,978	1,997
Receivables for prior years' taxes, refunds requested	**0**	555	(555)
Total tax receivables	**5,975**	4,533	1,442

The change in receivables from the tax authorities during 2013 is summarized as follows:

€ thousand	Refund requested	Carried forward	Total
Balances at December 31, 2012	**555**	**3,978**	**4,533**
Receivables reimbursed by tax authorities	(555)		(555)
Used for compensation of withholding taxes		(516)	(516)
Sale of receivables to Group companies		(696)	(696)
Tax balance		(217)	(217)
IRES tax advance for separate tax of controlled foreign companies (CFC)		1,566	1,566
IRPEF tax advance on leaving entitlement revaluation		5	5
Receivables arising during the year (withholdings paid)		2,204	2,204
Reimbursement of foreign withholding taxes paid		(331)	(331)
Other changes		(18)	(18)
Balances at December 31, 2013	**0**	**5,975**	**5,975**

18. Other receivables

Other receivables amount to €506 thousand (€501 thousand at December 31, 2012) and mainly refer to prepaid insurance premiums.

19. Equity - Share capital

At December 31, 2013, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2013, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the Company.
The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500,000,000 as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000,000,000 but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.

The ordinary shares are registered shares.

Pursuant to art. 26 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 27 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 29 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed equally among the shares.

EXOR aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for its shareholders and guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and the dividend flows from the operating holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

Mandatory conversion of EXOR's preferred and savings shares

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 put forward a motion to the shareholders to convert the Company's preferred and savings shares into ordinary shares.
The conversion had the intention of simplifying the capital structure and governance of the Company, creating conditions for greater transparency. In addition, the conversion eliminated classes of securities that had very limited trading volumes, replacing them with ordinary shares, whose liquidity would be enhanced through the conversion, to the benefit of all shareholders.
The proposals were approved by the special meetings of the preferred and savings shareholders and the general meeting of the shareholders (in extraordinary session) respectively on March 19, and March 20, 2013.
Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) were able to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-*bis* of the Italian Civil Code. On May 3, 2013, at the end of the withdrawal period, EXOR announced that the conditions precedent, approved by the shareholders' meeting on March 20, 2013, were satisfied. This shareholders' meeting, in fact, had resolved that the conversion of each class of shares would be conditional upon the cash amount to be paid by the Company pursuant to article 2437-*quater* of the Italian Civil Code for exercise of the withdrawal rights not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits was exceeded for any given class, the conversion of both classes of shares would nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes did not exceed €100 million.

The conversions were executed on June 24, 2013, following the ex-dividend date for the 2012 dividends.
As from that same date, the share capital of EXOR S.p.A. is composed of 246,229,850 ordinary shares of par value €1 each for a total of €246,229,850.

20. Equity – Capital reserves

€ thousand	12/31/2013	12/31/2012	Change
Additional paid-in capital	**604,053**	605,943	(1,890)
Extraordinary reserve	**458**	458	0
Merger surplus	**88,303**	88,303	0
Share exchange difference	**401,399**	401,399	0
Total capital reserves	**1,094,213**	1,096,103	(1,890)

21. Equity - Retained earnings and other reserves

€ thousand	12/31/2013	12/31/2012	Change
Revaluation reserve Law 408/90	**243,894**	243,894	0
Revaluation reserve Law 413/91	**2,586**	2,586	0
Revaluation reserve Law 74/52	**157**	157	0
Revaluation reserve Law 576/75	**32,107**	32,107	0
Revaluation reserve Law 72/83	**64,265**	64,265	0
Legal reserve	**49,246**	49,246	0
Fair value reserve	**569**	24,391	(23,822)
Stock option reserve	**11,197**	6,847	4,350
Cash flow hedge reserve	**(20,355)**	(46,922)	26,567
Reserve for purchase of treasury stock	**449,296**	450,000	(704)
Extraordinary reserve	**858,398**	785,657	72,741
Additional paid-in capital	**153,332**	153,332	0
Merger surplus	**309,218**	309,218	0
Difference on exchange ratio	**188,761**	188,761	0
Retained earnings	**2,243**	2,237	6
Total retained earnings and other reserves	**2,344,914**	2,265,776	79,138

The composition of Other comprehensive income recognized directly in equity included in the statement of comprehensive income is as follows:

€ thousand	2013	2012
Effective portion of gains (losses) on cash flow hedges arising during the year	**11,903**	(24,620)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	**14,664**	3,505
Effective portion gains (losses) on cash flow hedges	**26,567**	(21,115)
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	**1,780**	22,367
Gains (losses) on remeasurement of available-for-sale financial assets reclassified to the income statement	**(22,963)**	-
Gains (losses) on remeasurement of available-for-sale financial assets	**(21,183)**	22,367
Gains (losses) on the remeasurement of defined benefit plans	**4**	(425)
Gains (losses) on the remeasurement of defined benefit plans	**4**	(425)
Tax effect on Other comprehensive income	**(2,640)**	(312)
Total Other comprehensive income (losses), net of tax	**2,748**	515

The tax effect in 2013 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	26,567		26,567
Gains (losses) on remeasurement of available-for-sale financial assets	(21,183)	(2,640)	(23,823)
Remeasurement of defined benefit plans	4		4
Total Other comprehensive income (losses)	**5,388**	**(2,640)**	**2,748**

22. Equity reserves available and distributable

Disclosures required by art. 2427, 7-*bis* of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ thousand	Balance at 12/31/2013	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**604,053**	A,B,C	**604,053**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**88,303**	A,B,C	**88,303**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**858,398**	A,B,C	**514,278**
Paid-in-capital	**153,332**	A,B,C	**153,332**
Share exchange difference	**188,762**	A,B,C	**188,762**
Merger surplus	**309,218**	A,B,C	**309,218**
Retained earnings	**2,243**	A,B,C	**2,243**
Reserve for purchase of treasury stock	**449,296**	A,B,C	**449,296**
Stock option reserve	**11,197**	-	**-**
Cash flow hedge reserve	**(20,355)**	-	**-**
Fair value reserve	**569**	-	**-**
Total	**3,439,127**		**3,054,350**

A: For capital increases; B: For coverage of losses; C: For distribution to shareholders.

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2013, the reserve is distributable (art. 2431 of the Italian Civil Code).

(b) The revaluation reserves may be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury stock in portfolio.

In the years 2010, 2011 and 2012, no reserves were used to absorb losses.

At December 31, 2013, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €343,009 thousand relates to monetary revaluation reserves and €2,032 thousand to the legal reserve; if distributed they form part of the taxable income of the Company. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in equity of the merged company IFIL S.p.A., were replenished at December 31, 2009 in the equity of EXOR S.p.A. by using part of the Merger surplus reserve and the Share exchange difference.

23. Equity - Treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors’ meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors’ meeting, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83,261 thousand, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €17,834 thousand, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4,019 thousand. The overall investment was €105,114 thousand.

At December 31, 2013, following the mandatory conversion of preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344,120 thousand.

The changes during the year are as follows:

		Carrying amount	
	Number	Per share (€)	Total (€ thsd)
Ordinary shares			
Balance at December 31, 2012	6,729,000	14.03	94,430
Purchases	3,790,857	21.96	83,261
From conversion of preferred shares	12,514,084	12.36	154,629
From conversion of savings shares	849,805	13.86	11,800
Balance at December 31, 2013	**23,883,746**	**14.41**	**344,120**
Preferred shares			
Balance at December 31, 2012	11,690,684	11.70	136,794
Purchases	823,400	21.66	17,835
Conversion to ordinary shares	(12,514,084)	12.36	(154,629)
Balance at December 31, 2013	**0**		**0**
Savings shares			
Balance at December 31, 2012	665,705	11.70	7,781
Purchases	184,100	21.83	4,019
Conversion to ordinary shares	(849,805)	13.86	(11,800)
Balance at December 31, 2013	**0**		**0**

24. Long-term incentive plans

Stock option plan 2008-2019

The IFIL ordinary shareholders' meeting held on May 13, 2008 had approved the stock option plan (Stock Option Plan IFIL 2008 - 2019) for the Chief Executive Officer pro-tempore for 3,000,000 stock options corresponding to the same number of IFIL ordinary shares and for the employees of the IFIL Group (IFIL S.p.A. and the companies in the Holdings System) who were or would have been regarded as key people in the organization on the basis of the positions held or activities performed, for a maximum of 12,000,000 stock options.

Following the merger of IFIL in EXOR, the stock option plan was taken over by EXOR S.p.A. The EXOR S.p.A. board of directors' meeting held on March 2, 2009 however had made changes to the stock option Plan resulting from the Merger, particularly adjusting the ratio between the number of options and the number of underlying shares and the exercise price on the basis of the Merger's exchange ratio. Such adjusted exercise price is €19.97 for each EXOR share.

The Stock Option Plan EXOR 2008-2019 thus covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by Companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

The board of directors' meeting held on March 28, 2011 granted the Chairman and Chief Executive Officer, John Elkann, by virtue of his new operational role, 3,000,000 options corresponding to 795,000 EXOR ordinary shares.

In July 2013, under this plan, 300,000 options were forfeited corresponding to 79,500 EXOR ordinary shares.

An analysis of the changes in the stock options granted under the EXOR plan 2008 – 2019 is as follows:

	Number of options granted	Number of ordinary shares exercisable
Balance at December 31, 2012	**7,423,000**	**1,967,095**
Granted in 2013	0	0
Options forfeited	(300,000)	(79,500)
Balance at December 31, 2013	**7,123,000**	**1,887,595**

The total cost of the 7,123,000 options outstanding at December 31, 2013 is equal to €12,485 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer, EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees (at the grant date) of EXOR S.p.A. and other similar persons	3,823,000	1,013,095	5,630	819
Total EXOR S.p.A.	6,823,000	1,808,095	11,959	2,051
Key employees (at the grant date) of EXOR S.A. and other subsidiaries in the Holdings System	300,000	79,500	526	66
Total	**7,123,000**	**1,887,595**	**12,485**	**2,117**

The cost referring to the year amounts to €2,117 thousand of which €1,232 thousand is classified as compensation to the Chairman and Chief Executive Officer and €819 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System (€66 thousand) was recognized as an increase in the carrying amount of the investment held in EXOR S.A. The offsetting entry for the total of €2,117 thousand was recorded in the stock option reserve.
The cost relating to 2012 amounted to €2,075 thousand of which €1,235 thousand was classified as compensation to the Chairman and Chief Executive Officer, €708 thousand as personnel costs and €132 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

Long-term incentive plan

The EXOR shareholders' meeting held on May 29, 2012 approved a new Incentive Plan pursuant to art. 114-*bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.
The plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to approximately 30 recipients; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the Company and with the Companies in the Holdings System. At year-end 2013, 347,456 options were granted under this plan to 31 employees;
- under the second part of the Plan, denominated "Company Performance Stock Options", a total of 3 million options will be granted to the recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR's NAV will be higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the Company, John Elkann, is the recipient of the Company Performance Stock Options and received 750,000 options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A. At December 31, 2013, 1,760,732 options were granted to 10 recipients.

The Plans are serviced by treasury stock and therefore do not have a dilutive effect since there will be no issue of new shares.

The "Long Term Stock Grant" is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
EXOR S.p.A. employees and other similar persons	339,456	6,081	1,051
EXOR S.A. employee	8,000	155	28
Total	**347,456**	**6,236**	**1,079**

The cost referring to the year for this plan amounts to €1,079 thousand of which €1,051 thousand is classified as personnel costs. The cost relating to the employee of EXOR S.A. (€28 thousand) is recognized as an increase in the carrying amount of the investment held in EXOR S.A. The offsetting entry for a total of €1,079 thousand was recorded in the specific equity reserve.
The cost relating to 2012 amounted to €403 thousand of which €396 thousand was classified as personnel costs and €7 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

In 2013, 2,000 options relating to a beneficiary were forfeited and 2,000 options were granted to a new beneficiary. Therefore at December 31, 2013 the number of options granted and beneficiaries has remained unchanged compared to December 31, 2012.

The composition of the "Company Performance Stock Option" of May 2012 is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer, EXOR S.p.A.	750,000	2,708	451
Key employees (at the grant date) of EXOR S.p.A. and other similar persons	1,720,732	6,102	1,032
Total EXOR S.p.A.	2,470,732	8,810	1,483
Key employees (at the grant date) of EXOR S.A.	40,000	142	24
Total	**2,510,732**	**8,952**	**1,507**

The cost referring to the year for this plan amounts to €1,507 thousand of which €451 thousand is classified as compensation to the Chairman and Chief Executive Officer and €1,032 thousand as personnel costs. The cost relating to the key employee of EXOR S.A. (€24 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A. The offsetting entry for the total of €1,507 thousand was recorded in the stock option reserve.
The cost relating to 2012 amounted to €797 thousand of which €268 thousand was classified as compensation to the Chairman and Chief Executive Officer, €517 thousand as personnel costs and €12 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

In 2013 there were no movements in either the number of shares or beneficiaries.

25. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Nominal value (000)		Equivalent amount (€/000)	**Balance at 12/31/2013** (a)	Balance at 12/31/2012 (a)
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%	€	690,000		690,000	**708,349**	769,303
11/12/2013	11/12/2020	99.053	Annually	Fixed 3.375%	€	200,000		200,000	**198,915**	0
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.75%	€	150,000		150,000	**149,033**	148,673
12/7/2012	1/31/2025	97.844	Annually	Fixed 5.25%	€	100,000		100,000	**102,656**	98,069
5/9/2011	5/9/2031	100.000	Semiannually	Fixed 2.80% (b)	Yen	10,000,000	(c)	69,099	**69,552**	88,458
Total									**1,228,505**	1,104,503

(a) Including the current portion of €28,597 thousand at December 31, 2013 and €25,006 thousand at December 31, 2012.
(b) Equivalent fixed rate in Euro is 6.012%.
(c) Nominal value of Japanese Yen 10 billion aligned to the December 31, 2013 exchange rate, equal to Yen/€114.72.

The balance at December 31, 2013 includes €28,597 thousand of interest expenses referring to the current period that will be paid within 12 months (€25,006 thousand at December 31, 2012).

In November 2013 non-convertible 2013/2020 bonds were issued for a nominal €200 million at the issue price of 99.053% with a fixed annual coupon of 3.375%.

During 2013 EXOR repurchased a nominal €60 million of its non-convertible 2007/2017 bonds and then canceled the nominal amount purchased.
As a result of the cancellation, the original nominal amount of €750 million is now equal to €690 million.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and providing for periodic disclosure. The 2012/2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.
Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2013.
Finally, a change of control of EXOR would give the bondholders the right to ask for early repayment of both bonds.

Standard & Poor's rated the two bond issues “BBB+”, in line with the current rating of EXOR S.p.A. long-term debt.

EXOR intends to repay the bonds in cash at maturity using available liquid resources. However EXOR may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the EXOR and other factors which could affect such decisions.

26. Bank debt – current and non-current

At the end of 2013, early repayments were made on non-current bank debt, which at December 31, 2012 amounted to €200 million, and outstanding hedges were closed.

At December 31, 2013, the Company has credit lines for €1,020.3 million, of which €595.3 million is revocable and €425 million is irrevocable. The expiration dates of such irrevocable credit lines are as follows:

€ million	
Within 1 year	0
From 2 to 5 years	425
Total	**425**

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the Company without the consent of the creditor and non-subordination of the credit line.
Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

27. Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments “carried at cost” and held as “available-for-sale” and the tax-deferral of two-fifths of the gain realized in 2011 on the sale of the building in Corso Matteotti 26.

The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2012			**23,648**
Tax deferral of three-fifths of gain on the sale of the building in Corso Matteotti 26		(539)	**(539)**
Provision (release) relating to the fair value increase (decrease) of:			
- The Black Ant Value Fund	5,778		**5,778**
- Rho Immobiliare Fund	430		**430**
- Other listed available-for-sale securities	2,210		**2,210**
Release as a result of sale of The Black Ant Value Fund	(6,099)		**(6,099)**
Changes during the year	**2,319**	**(539)**	**1,780**
Balance at December 31, 2013			**25,428**

28. Provisions for employee benefits

€ thousand	12/31/2013	12/31/2012	Change
Employee leaving entitlements	**2,147**	2,275	(128)
Other provisions for employees	**126**	120	6
Total provisions for employee benefits	**2,273**	2,395	(122)

Details of the changes during 2013 and 2012 are as follows:

	2013			2012		
€ thousand	Employee leaving entitlements	Other provisions for employees	Total	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**2,275**	**120**	**2,395**	2,135	97	2,232
Current service cost	**182**	**11**	**193**	163	7	170
Financial expenses	**68**	**6**	**74**	93	6	99
Actuarial (gains) losses	**(87)**	**1**	**(86)**	301	40	341
Benefits paid	**(291)**	**(12)**	**(303)**	(417)	(30)	(447)
Balance at end of year	**2,147**	**126**	**2,273**	2,275	120	2,395

The analysis of employee benefits is as follows:

Employee leaving entitlements

The provision for employee leaving entitlements represents benefits payable to employees under Italian law (amended by Law 296/06) accrued and which will be paid to employees when they leave the Company. Under certain conditions, employees may receive a partial advance on those benefits when they are still in the Company's employ. This is an unfunded defined benefit plan, as the benefits have already been almost entirely earned, with the sole exception of the revaluation.

After the changes made to the regulations for employee leaving entitlements by Law 296 of December 27, 2006 (Budget Law 2007), and subsequent decrees and regulations, for those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer of the accrued portion of employee leaving entitlements beginning January 1, 2007, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.
Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans and defined contribution pension plans) under Company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the currently expected retirement age, on the basis of existing legislation when the agreement was signed in December 1999: at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, in proportion to the years of service since January 1, 2000 up to the date of the termination of employment. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans

The pension plans are for employees categorized as managers and are covered by Company agreements and regulations.

They are "defined contribution" plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.

The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits

Other benefits include loyalty bonuses payable to all employees.

Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information

The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2013 and December 31, 2012, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2013	12/31/2012
Discount rate	**3.20%**	3.20%
Expected remuneration increase rate	**2.0-3.50%**	2.0-3.50%
Cost-of-living increase	**2.00%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

29. Provisions for risks and charges

At December 31, 2013 these provisions amount to €2,867 thousand (€3,500 thousand at December 31, 2012) and include the best estimate regarding disputes between EXOR and the Alpitour Group which arose in the period subsequent to its sale in 2012.

30. Other financial liabilities - current

€ thousand	**12/31/2013**	12/31/2012	Change
Fair value of cash flow hedge derivatives	**32,997**	42,270	(9,273)
Commissions on undrawn credit lines	**350**	486	(136)
Payables to shareholders and other financial payables	**331**	412	(81)
Loans – current portion (interest and hedges)	**0**	2,128	(2,128)
Total current other financial liabilities	**33,678**	45,296	(11,618)

31. Trade payables to third parties

These amount to €1,359 thousand (€1,035 thousand at December 31, 2012) and refer to trade payables due within one year.

32. Tax payables

These total €4,362 thousand (€1,035 thousand at December 31, 2012) and mainly refer to current IRES taxes referring to the year payable for €3,436 thousand and IRPEF withholding taxes payable of €766 thousand.

33. Other payables – current and non-current

	12/31/2013		12/31/2012	
€ thousand	Non-current	Current	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**205**	**270**	462	452
Payable to employees		**1,881**		1,006
Contributions payable		**588**		514
Sundry		**281**		285
Total other payables	**205**	**3,020**	462	2,257

Under Ministerial Decree 158 of April 28, 2000, a "Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector" was set up at INPS which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.

The above liabilities (in total €475 thousand, of which €270 thousand is current and €205 thousand non-current) represent the special contribution that EXOR will have to pay to cover the extraordinary benefits payable to former employees, including the related contribution.

34. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2013:

€ thousand	Note	Level 1	Level 2	Level 3 (a)	Totale
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	12	32,236		15,197	47,433
Current assets					0
Financial assets held for trading	15	87,097		99	87,196
Other financial assets					0
Total assets		**119,333**	**0**	**15,296**	**134,629**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	30		32,997		32,997
Total liabilities		**0**	**32,997**	**0**	**32,997**

(a) This refers to the Rho Immobiliare Fund (€11,653 thousand), the Alpitour S.p.A. investment (€3,544 thousand) and mutual funds (€99 thousand).

In 2013, there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets available-for-sale and held for trading, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managements of the same funds.

As regards the valuation of the investment in Alpitour, at December 31, 2013, the fair value was considered equal to the share of equity at Alpitour's closing date (October 31, 2013) adjusted to account for the capital increase concluded by Alpitour in January 2014, and not subscribed to by EXOR, and the relative dilutive effect.

The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account EXOR's credit quality, and the discounted expected cash flow method.

Details regarding changes in Level 3 are the following:

€ thousand	Balance at 12/31/2012	Gains (losses) recognized in income statement	Gains (losses) recognized in equity	Increase	Decrease		**Balance at 12/31/2013**
Available-for-sale investments	345,054		(6,561)		(323,296)	(a)	15,197
Financial assets held for trading	113,472	220		50,000	(96,228)		67,464
Total assets	458,526	220	(6,561)	50,000	(419,524)		82,661

(a) The Black Ant Value Fund sale.

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying value, it is assumed that the carrying value is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		12/31/2013		12/31/2012	
€ thousand	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Held-to-maturity investments	13	109,142	116,511	109,498	117,700
Other financial assets	14	14,636	12,507	18,992	16,542
Total assets		**123,778**	**129,018**	**128,490**	**134,242**
Financial liabilities					
Non-convertible bonds	25	1,228,505	1,321,085	1,104,503	1,146,048
Other financial liabilities	30	681	681	3,026	3,026
Total liabilities		**1,229,186**	**1,321,766**	**1,107,529**	**1,149,074**

Held-to-maturity investments are represented by bonds issued by leading counterparties, are quoted on active markets and therefore their fair value is categorized in Level 1.

Other financial assets are largely composed of a loan due from third parties whose fair value, classifiable in Level 3 of the fair value hierarchy, was measured on the basis of the present value of future cash flows using market rates at the balance sheet date, adjusted to take into account the credit quality of the counterparty.

Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at December 31, 2013 equal to €69,099 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured by using a discounted cash flow model.

35. Additional information on financial instruments and financial risk management policies

The following tables present the carrying amounts and the relative income (expenses) deriving from each category of asset and liability classified in accordance with IAS 39.

	12/31/2013		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	87,196	5,355	1,597
- designated initially			0
Derivative instruments designated as hedges			0
Held-to-maturity investments	109,142	9,755	407
Loans and receivables	602,133	11,938	0
Available-for-sale assets	47,433	139	0
Total	**845,904**	**27,187**	**2,004**
Financial assets			
At fair value through income statement:			
- held for trading			0
- designated initially			0
Derivative instruments designated as hedges	32,997	2,222	15,510
Amortized cost	1,199,908		66,257
Debt	29,353		5,995
Financial guarantees			0
Total	**1,262,258**	**2,222**	**87,762**

	31.12.2012		
€ thousand	Carrying Amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	176,458	16,612	36,411
- designated initially			0
Derivative instruments designated as hedges		987	2,429
Held-to-maturity investments	109,498	13,156	411
Loans and receivables	360,177	7,053	0
Available-for-sale assets	368,948	642	0
Total	**1,015,081**	**38,450**	**39,251**
Financial assets			
At fair value through income statement:			
- held for trading		11,314	0
- designated initially			0
Derivative instruments designated as hedges	42,270	17	3,522
Amortized cost	1,079,497		47,889
Debt	228,072		6,744
Financial guarantees			0
Total	**1,349,839**	**11,331**	**58,155**

36. Information on financial risks

Credit risk

The maximum nominal exposure to which EXOR S.p.A. is exposed at December 31, 2013 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the Company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality.

At December 31, 2013 and December 31, 2012, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

Outgoing flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or the receipt of suitable sources of funding that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.

The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterparty was used for the projection of future maturities, taking into account the effect of hedge transactions.

	2013					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds 2017	36,741		793,773			**830,514**
EXOR bonds 2019		7,125	21,375	164,250		**192,750**
EXOR bonds 2020		6,750	20,250	13,500	206,750	**247,250**
EXOR bonds 2025	5,250		15,750	10,500	131,500	**163,000**
EXOR bonds 2031	2,506	2,506	15,036	10,024	141,006	**171,078**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	75					**75**
Trade payables and other payables to third parties	1,359					**1,359**
Trading and derivative financial instruments designated as hedges	32,997					**32,997**
Total	**78,928**	**16,381**	**866,184**	**198,274**	**479,256**	**1,639,023**

	2012					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	Total
Non-convertible bonds						
EXOR bonds 2017	40,313		120,938	790,312		**951,563**
EXOR bonds 2019		7,125	21,375	14,250	157,125	**199,875**
EXOR bonds 2025	789		15,750	10,500	136,750	**163,789**
EXOR bonds 2031	2,506	2,506	15,036	10,024	146,019	**176,091**
Non-current bank debt	3,828	3,828	218,666			**226,322**
Current bank debt						**0**
Trade payables and other payables to related parties	40					**40**
Trade payables and other payables to third parties	1,035					**1,035**
Trading and derivative financial instruments designated as hedges	42,270					**42,270**
Total	**90,781**	**13,459**	**391,765**	**825,086**	**439,894**	**1,760,985**

At December 31, 2013, the Company has credit lines for €1,020.3 million, of which €425 million is irrevocable.

The expiration dates of the lines of credit are as follows:

€ million	Lines extended	Of which, irrevocable
Within 1 year	595.3	0.0
From 2 to 5 years	425.0	425.0
Total	**1,020.3**	**425.0**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€32,236 thousand), financial assets held for trading and cash and cash equivalents at December 31, 2013 (€99 thousand and €375 thousand respectively) are denominated in currencies other than Euro. All securities are adjusted to year-end exchange rates.

In 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion. The 20-year bonds pay a 2.80% coupon in Japanese yen.

To protect itself against fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap on the bonds with a leading credit institution as a result of which the Company will pay a fixed rate of 6.012% on the nominal value in euro (about €83 million) for the entire term of the loan.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.110% and 6.012% in 2013 (between 0.108% and 6.012% in 2012).

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the date of the preparation of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points was applied
- for interest rate swaps: the fair value was remeasured applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the reporting date

The effects of an increase or decrease of 50 basis points in the interest rates would be the following:

	12/31/2013		12/31/2012	
€ thousand	**Income statement**	**Equity**	Income statement	Equity
+50 bsp				
cash and cash equivalents/financing	**2,928**		-	
hedging instruments				4,559
-50 bsp				
cash and cash equivalents/financing	**(2,928)**		-	
hedging instruments				(3,718)

Price risk

EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies that are held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost
- available-for-sale financial assets
- financial assets held for trading

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets and financial assets held for trading had been 5% higher or lower, the available-for-sale securities reserve would be €2,372 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €4,360 thousand higher or lower.

37. Transactions with related parties

The board of directors' meeting held on November 12, 2010, pursuant to Consob Regulation 17221 of March 12, 2010, adopted the "Procedures for Transactions with Related Parties", which went into effect on January 1, 2011 and is posted on the corporate website at www.exor.com. Such procedures are described in the Annual Report on Corporate Governance, also available on the corporate website.

With regard to the year 2013, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and will be settled in cash.

Losses have not been recognized during the year on uncollectible or doubtful receivables on amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2013 is presented below. All amounts are expressed in thousands of Euro.

Counterparty	Financial receivables	Trade receivables	Trade payables and other payables
Giovanni Agnelli e C. S.a.p.az.		12	
Arenella Immobiliare S.r.l.	974 (a)	18	
Fondazione Agnelli		15	
Holdings System		135	
Juventus Football Club S.p.A.		25	
Fiat Group		42	75
Directors and statutory auditors for other receivables		107	
Statutory auditors for compensation to be received			86
Total transactions with related parties	**974**	**354**	**161**
Total current assets	710,824	710,824	
Total current liabilities			71,177
% incidence of total transactions with related parties to total of statement of financial position line items	**0.14%**	**0.05%**	**0.23%**

Information regarding dividends received (€102,766 thousand) is provided in Note 1.

Counterparty	Financial expenses	Financial income	Gains on sale of investments	Purchases of goods and services	Revenues (c)
Holdings System	1,485 (b)		86,074 (e)		147
Juventus Football Club S.p.A.				35	25
Fiat Group				611	42
Giovanni Agnelli e C. S.a.p.az.					40
Fondazione Agnelli					15
Arenella Immobiliare S.r.l.		21 (a)			30
Emoluments to directors, corporate boards and committees:					
- Chairman				3,683 (d)	
- Board of directors				150	90
- Special fees to directors				500	
- Internal control committee				35	
- Compensation and nominating committee				35	
- Strategy committee				200	
- Directors' expense reimbursements				14	
- Board of statutory auditors				145	
- Cost recoveries from statutory auditors					8
- Directors for other revenues					107
Total transactions with related parties	**1,485**	**21**	**86,074**	**5,408**	504
Total transactions with third parties	88,302	29,369	1,164	4,564	8
Total of income statement line items	**89,787**	**29,390**	**87,238**	**9,972**	512
% incidence of total transactions with related parties to total of income statement line items	**1.65%**	**0.07%**	**98.67%**	**54.23%**	**98.44%**

The most important transactions are commented below and refer to the notes in the preceding summary tables:

a) In October 2012 EXOR granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum €5 million originally due on December 31, 2013 and renewed at the end of 2013 to December 31, 2014, bearing interest calculated at the 3-month Euribor plus a 1% spread.
   At December 31, 2013 the loan amounted to €974 thousand, including financial income earned for €24 thousand (of which €21 thousand relates to the year 2013).
b) At the end of June 2013 the subsidiary EXOR S.A. extended EXOR S.p.A. a loan for a maximum amount of €700 million due July 1, 2014 and drawn down for €500 million, bearing interested calculated at the 1-month Euribor plus a 0.5% spread. This loan was fully repaid at the end of December, including interest for €1,485 thousand.
c) Compensation waived by the corporate boards (€90 thousand), performance of services (€389 thousand), compensation for posts on corporate boards (€25 thousand).
d) Special compensation for €2 million and the notional cost of the EXOR stock option due the Chairman and the Chief Executive Officer for €1,683 thousand.
e) It should be noted that in December 2013 EXOR S.p.A. sold all the shares held in the Irish-registered fund, The Black Ant Value Fund, to EXOR S.A. for a transfer amount of €371.1 million, corresponding to the most recent fair value available (October 2013).

Also in December 2013 EXOR S.p.A. purchased a nominal €56.9 million of non-convertible bonds 2007/2017 from EXOR S.A. for a total equivalent amount of €63 million.

The information regarding compensation to the directors and statutory auditors of the Company, also through subsidiaries, is contained in the Compensation Report according to art. 123-*ter* of the TUF.

38. Guarantees, commitments and pending litigation

As concerns the criminal proceedings regarding the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Court of Appeals, in its decision handed down on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C. S.a.p.az.

On December 17, 2013, the Italian Supreme Court annulled the February 21, 2013 judgment of the Turin Court of Appeal on the positions of Gianluigi Gabetti and Franzo Grande Stevens, without referring the case back to the lower court for a re-hearing, on the grounds that the offense is now statute-barred.

39. Fees charged by the independent auditors (art. 149 – *duodecies* of Consob Regulation 11971 of May 14, 1999, as amended)

The professional services provided to EXOR S.p.A. by the independent auditors in 2013 are the following:

€ thousand	Service provider	EXOR S.p.A.	
Type of services			
Audit	Reconta Ernst & Young S.p.A.	58	
Other services	Reconta Ernst & Young S.p.A.	20	(a)
Total		**78**	

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the 2013 bond issues of €200 million.

40. Net financial position

In accordance with the provisions of Consob Communication 6064293 of July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below:

€ thousand	12/31/2013	12/31/2012	Change
Non-current held-to-maturity financial instruments (a)	**83,455**	109,498	(26,043)
Cash and cash equivalents	**585,695**	338,375	247,320
Non-current other financial assets, with third parties	**456**	905	(449)
Other financial assets held for trading	**87,196**	176,458	(89,262)
Current held-to-maturity financial instruments	**25,687**	-	25,687
Financial receivables from third parties	**279**	553	(274)
Financial receivables from related parties	**974**	1,753	(779)
Current other financial assets, with third parties	**4,157**	3,337	820
Total financial assets	**787,899**	630,879	157,020
Non-current financial payables, with third parties	**(1,199,908)**	(1,279,497)	79,589
Current financial payables with third parties	**(62,275)**	(70,302)	8,027
Total financial liabilities	**(1,262,183)**	(1,349,799)	87,616
Net financial position	(474,284)	(718,920)	244,636
- with related parties	**974**	1,753	(779)
- with third parties	**(475,258)**	(720,673)	245,415

(a) These are bonds issued by leading counterparties listed on active and open markets which the Company, intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash, in order to receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

41. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2013 were approved by the board of directors on April 9, 2014 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 9, 2014

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, the executive responsible for the preparation of the financial reports of EXOR S.p.A. attest, also pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2013.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, of July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct interpretation of the financial conditions, results of operations and cash flows of the issuer;

- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, April 9, 2014

The Chairman and CEO
John Elkann

Executive responsible for the preparation
of the Company's financial reports
Enrico Vellano

Building a better
working world

Reconta Ernst & Young S.p.A.
Via Confienza, 10
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditors' report pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. as of December 31, 2013 and for the year then ended, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 17, 2013.

3. In our opinion, the financial statements of EXOR S.p.A. at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. for the year then ended.

4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governance" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required

under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the financial statements of EXOR S.p.A. at December 31, 2013.

Turin, April 11, 2014

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers

EXOR

Consolidated Financial Statements
at December 31, 2013

CONSOLIDATED INCOME STATEMENT (*)

€ million	Note	2013	2012 (a)	Change
Net revenues	1	**113,740**	110,671	3,069
Cost of sales	2	**(96,359)**	(93,326)	(3,033)
Selling, general and administrative costs	3	**(9,124)**	(9,140)	16
Research and development costs	4	**(2,833)**	(2,410)	(423)
Other income (expenses)	5	**(15)**	(148)	133
Trading profit (loss)		**5,409**	5,647	(238)
Result from investments:				
- Share of profit (loss) of investments accounted for using the equity method		**227**	192	35
- Other income (expenses) from investments		**63**	73	(10)
Result from investments	6	**290**	265	25
Gains (losses) on the disposal of investments	7	**1,517**	(118)	1,635
Restructuring costs	8	**(69)**	(181)	112
Other unusual income (expenses)	9	**(574)**	(155)	(419)
Earnings before interests and taxes (EBIT)		**6,573**	5,458	1,115
Financial income (expenses)	10	**(2,472)**	(2,409)	(63)
Profit (loss) before taxes		**4,101**	3,049	1,052
Income taxes	11	**(326)**	1,209	(1,535)
Profit (loss) from continuing operations		**4,427**	1,840	2,587
Profit (loss) from Discontinued Operations		**0**	0	0
Profit (loss)		**4,427**	1,840	2,587
Profit (loss) attributable to:				
- Owners of the parent		**2,085**	298	1,787
- Non-controlling interests		**2,342**	1,542	800
Earnings (Loss) per share	13			
Basic earnings (loss) from continuing operations (€):				
- per ordinary share		**9.34**	1.30	8.04
- per savings share		-	1.37	n.s.
- per preferred share		-	1.35	n.s.
Basic earnings (loss) from Discontinued Operations (€):				
- per ordinary share		**9.33**	1.29	8.04
- per savings share		-	1.37	n.s.
- per preferred share		-	1.34	n.s.

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated income statement are presented in the specific income statement provided on the following pages and are further described in Note 35.

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under "Accounting standards and amendments adopted from January 1, 2013".

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2013	2012 (a)
PROFIT (LOSS) (A)	30	**4,427**	1,840
Other comprehensive income that will not be reclassified subsequently to the income statement:			
Gains/(losses) on remeasurement of defined benefit plans		**2,794**	(2,045)
Share of gains/(losses) on remeasurement of defined benefit plans for equity accounted entities		**(10)**	1
Tax effect		**172**	33
Total Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax (B1)		**2,956**	(2,011)
Other comprehensive income that may be reclassified subsequently to the income statement			
Gains (losses) on cash flow hedges		**297**	211
Gains (losses) on fair value of available-for-sale financial assets		**(1,416)**	482
Exchange differences on translating foreign operations		**(1,346)**	(503)
Share of other comprehensive income of entities accounted for using the equity method		**(141)**	29
Tax effect		**(59)**	(33)
Total Other comprehensive income that may be reclassified subsequently to the income statement, net of tax (B2)		**(2,665)**	186
Total other comprehensive income, net of tax (B) = (B1) + (B2)		**291**	(1,825)
TOTAL COMPREHENSIVE INCOME (A)+(B)		**4,718**	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		**902**	336
Non-controlling interests		**3,816**	(321)

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under “Accounting standards and amendments adopted from January 1, 2013”.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

1/1/2012 (a)	€ million	Note	12/31/2013	12/31/2012 (a)	Change
	Non-current assets				
15,951	Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	14	**15,051**	15,659	(608)
7,019	Other intangible assets	15	**9,680**	8,668	1,012
25,157	Property, plant and equipment	16	**28,125**	26,858	1,267
	Investments and other financial assets:				
2,503	- Investments accounted for using the equity method	17	**2,275**	2,105	170
2,759	- Other investments and financial assets	17	**1,372**	3,295	(1,923)
5,262	Total Investments and other financial assets		**3,647**	5,400	(1,753)
603	Leased assets	18	**769**	624	145
131	Defined benefit plan assets	31	**137**	133	4
2,979	Deferred tax assets	11	**4,110**	2,967	1,143
63	Other non-current assets		**93**	89	4
57,165	**Total Non-current assets**		**61,612**	60,398	1,214
	Current assets				
13,988	Inventories	19	**15,692**	14,133	1,559
4,321	Trade receivables	20	**3,618**	4,303	(685)
17,861	Receivables from financing activities	21	**19,594**	18,938	656
8	Other financial receivables	22	**6**	4	2
1,093	Current tax receivables	23	**558**	553	5
3,196	Other current assets	24	**3,827**	3,368	459
	Current financial assets:				
137	- Current investments	26	**35**	32	3
640	- Current securities	26	**828**	492	336
677	- Other financial assets	27	**724**	641	83
1,454	Total Current financial assets		**1,587**	1,165	422
23,494	Cash and cash equivalents	28	**26,153**	22,813	3,340
65,415	**Total Current assets**		**71,035**	65,277	5,758
389	**Assets held for sale**	29	**33**	87	(54)
122,969	**Total Assets**		**132,680**	125,762	6,918
	Equity	30			
5,936	Issued capital and reserves attributable to owners of the parent		**6,947**	6,169	778
11,316	Non-controlling interests		**13,989**	10,333	3,656
17,252	**Total Equity**		**20,936**	16,502	4,434
	Provisions				
11,742	Employee benefits	31	**10,232**	13,673	(3,441)
11,092	Other provisions	32	**11,894**	11,466	428
22,834	**Total Provisions**		**22,126**	25,139	(3,013)
	Financial debt	33			
10,177	Asset backed financing		**11,269**	10,149	1,120
38,113	Other financial debt		**41,898**	39,929	1,969
48,290	**Total Financial debt**		**53,167**	50,078	3,089
	Other liabilities				
611	Other financial liabilities	27	**239**	342	(103)
21,514	Trade payables	34	**22,652**	21,423	1,229
899	Current tax payables		**643**	467	176
956	Deferred tax liabilities	11	**555**	1,040	(485)
10,379	Other liabilities	35	**12,341**	10,771	1,570
34,359	**Total Other liabilities**		**36,430**	34,043	2,387
234	**Liabilities held for sale**	29	**21**	0	21
122,969	**Total Equity and Liabilities**		**132,680**	125,762	6,918

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific statement of financial position provided on the following pages and are further described in Note 41.

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported in the statement of financial position at January 1, 2012 and December 31, 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under “Accounting standards and amendments adopted from January 1, 2013”.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

€ million	Note	2013	2012 (a)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	28	**22,813**	23,494
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:			
Profit (loss)		**4,427**	1,840
Amortization and depreciation	15-16	**5,424**	4,952
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**17**	(8)
Investments		**(1,539)**	119
Other non-cash items	42	**508**	751
Dividends received		**219**	268
Change in provisions		**556**	169
Change in deferred taxes		**(1,628)**	22
Change in items due to buy-back commitments	42	**171**	(168)
Change in operating lease items	42	**(157)**	(99)
Change in working capital		**1,473**	321
TOTAL		**9,471**	8,167
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	15-16	**(9,058)**	(8,967)
Investments in consolidated subsidiaries		**(27)**	(55)
Other investments		**(297)**	(28)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	17	**(555)**	(390)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		**84**	147
Other investments		**5**	65
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**2,444**	322
Net change in financial receivables		**(2,261)**	(1,796)
Net change in current securities		**(320)**	170
Other changes		**(57)**	(38)
TOTAL		**(10,042)**	(10,570)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
New issuance of bonds	33	**3,892**	3,364
Repayment of bonds	33	**(1,753)**	(1,450)
Issuance of other medium-term borrowings	33	**4,705**	4,255
Repayment of other medium-term borrowings	33	**(4,110)**	(3,536)
Net change in other financial debt and other financial assets/liabilities	33	**2,723**	98
Increases in share capital by subsidiaries		**7**	73
(Purchase) sale of treasury stock		**(105)**	0
Dividends paid by EXOR S.p.A.		**(78)**	(80)
Dividends paid by subsidiaries		**(188)**	(450)
(Purchase) sale of ownership interests in subsidiaries	42	**(14)**	(47)
Other changes		**(32)**	(9)
Distribution for state withholding taxes on behalf of non-controlling interests		**(6)**	0
TOTAL		**5,041**	2,218
Translation exchange differences		**(1,130)**	(496)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**3,340**	(681)
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	28	**26,153**	22,813

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in a specific statement of cash flows format provided on the following pages.

(a) Following the retrospective application of the amendment to IAS 19 – *Employee benefits* from January 1, 2013, the figures reported for 2012 have been restated for comparative purposes as required by IAS 1. Additional details are provided under "Accounting standards and amendments adopted from January 1, 2013".

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of companies accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2011, as reported	**246**	**(239)**	**125**	**5,002**	**(98)**	**359**	**1,064**		**(56)**	**6,403**	**13,568**	**19,971**
IAS 19 revised adoption effect				**(56)**		**(1)**		**(409)**	**(1)**	**(467)**	**(2,252)**	**(2,719)**
Equity at January 1, 2012	**246**	**(239)**	**125**	**4,946**	**(98)**	**358**	**1,064**	**(409)**	**(57)**	**5,936**	**11,316**	**17,252**
Changes in equity for 2012												
Share-based payments				16						16	17	33
Capital increases										0	40	40
Dividends paid				(80)						(80)	(452)	(532)
Total comprehensive income for the year				298	48	(139)	482	(401)	48	336	(321)	15
Effect of the change in the percentage ownership of consolidated companies (a)				43	(1)	7		(43)	0	6	(294)	(288)
Effect of the change in the percentage ownership of companies accounted for using the equity method				(46)						(46)		(46)
Other changes				1						1	27	28
Total changes	0	0	0	232	47	(132)	482	(444)	48	233	(983)	(750)
Equity at December 31, 2012	**246**	**(239)**	**125**	**5,178**	**(51)**	**226**	**1,546**	**(853)**	**(9)**	**6,169**	**10,333**	**16,502**

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of companies accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2012, as reported	**246**	**(239)**	**125**	**5,335**	**(51)**	**211**	**1,546**	**0**	**(9)**	**7,164**	**14,504**	**21,668**
IAS 19 revised adoption effect				**(157)**		**15**		**(853)**		**(995)**	**(4,171)**	**(5,166)**
Equity at January 1, 2013	**246**	**(239)**	**125**	**5,178**	**(51)**	**226**	**1,546**	**(853)**	**(9)**	**6,169**	**10,333**	**16,502**
Changes in equity for 2013												
Share-based payments				16	0	0	0	0	0	16	19	35
Purchase of treasury stock		(105)		0						(105)		(105)
Capital increases				0	0	0	0	0	0	0	4	4
Dividends paid				(78)	0	0	0	0	0	(78)	(202)	(280)
Total comprehensive income for the year				2,085	74	(356)	(1,421)	566	(46)	902	3,816	4,718
Effect of the change in the percentage ownership of consolidated companies (b)				56	1	(1)	0	(1)	(2)	53	(31)	22
Effect of the change in the percentage ownership of companies accounted for using the equity method				1	0	0	0	0	0	1	0	1
Other changes				(11)	0	0	0	0	0	(11)	51	40
Total changes	0	(105)	0	2,069	75	(357)	(1,421)	565	(48)	778	3,656	4,434
Equity at December 31, 2013	**246**	**(344)**	**125**	**7,247**	**24**	**(131)**	**125**	**(288)**	**(57)**	**6,947**	**13,989**	**20,936**
Note	**30**	**30**									**30**	

(a) Of which €31 million relates to the Fiat Group, €23 million to the Alpitour Group, -€7 million to the CNH Industrial Group, €4 million to the C&W Group, -€3 million to Juventus and -€5 million to other minor investments.

(b) Of which, €34 million to the CNH Industrial Group and €22 million to the C&W Group.

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution 15519 of July 27, 2006

		2013		2012	
€ million	Note 41	Total	Of which Related parties	Total	Of which Related parties
Net revenues		**113,740**	**3,042**	110,671	3,078
Cost of sales		**(96,359)**	**(3,445)**	(93,326)	(3,908)
Selling, general and administrative costs		**(9,124)**	**(96)**	(9,140)	(102)
Research and development costs		**(2,833)**	**(2)**	(2,410)	(9)
Other income (expenses)		**(15)**	**33**	(148)	13
Trading profit (loss)		**5,409**		5,647	
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		**227**	**227**	192	192
- Other income (expenses) from investments		**63**	**56**	73	66
Result from investments		**290**		265	
Gains (losses) on the disposal of investments		**1,517**		(118)	
Restructuring costs		**(69)**		(181)	
Other unusual income (expenses)		**(574)**		(155)	
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**6,573**		5,458	
Financial income (expenses)		**(2,472)**	**(25)**	(2,409)	(27)
Profit (loss) before taxes		**4,101**		3,049	
Income taxes		**(326)**		1,209	
Profit (loss) from continuing operations		**4,427**		1,840	
Profit (loss) from Discontinued Operations		**0**		0	
Profit (loss)		**4,427**		1,840	
Profit (loss) attributable to:					
- Owners of the parent		**2,085**		298	
- Non-controlling interests		**2,342**		1,542	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ million		12/31/2013		12/31/2012	
	Note 41	Total	of which Related parties	Total	of which Related parties
Non-current assets					
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives		15,051		15,659	
Other intangible assets		9,680		8,668	
Property, plant and equipment		28,125		26,858	
Investments and other financial assets:					
- Investments accounted for using the equity method		2,275	2,275	2,105	2,105
- Other investments and financial assets		1,372	65	3,295	69
Total Investments and other financial assets		3,647		5,400	
Leased assets		769		624	
Defined benefit plan assets		137		133	
Deferred tax assets		4,110		2,967	
Other non-current assets		93		89	
Total Non-current assets		61,612		60,398	
Current assets					
Inventories		15,692	2	14,133	1
Trade receivables		3,618	295	4,303	409
Receivables from financing activities		19,594	150	18,938	193
Other financial receivables		6		4	
Current tax receivables		558		553	
Other current assets		3,827	11	3,368	24
Current financial assets:					
- Current investments		35		32	
- Current securities		828		492	
- Other financial assets		724		641	
Total Current financial assets		1,587		1,165	
Cash and cash equivalents		26,153		22,813	
Total Current assets		71,035		65,277	
Assets held for sale		33		87	54
Total Assets		132,680		125,762	
Equity					
Issued capital and reserves attributable to owners of the parent		6,947		6,169	
Non-controlling interests		13,989		10,333	
Total Equity		20,936		16,502	
Provisions					
Employee benefits		10,232	9	13,673	7
Other provisions		11,894	17	11,466	18
Total Provisions		22,126		25,139	
Financial debt					
Asset backed financing		11,269	85	10,149	56
Other financial debt		41,898	345	39,929	169
Total Financial debt		53,167		50,078	
Other liabilities					
Other financial liabilities		239		342	
Trade payables		22,652	971	21,423	1,053
Current tax payables		643		467	
Deferred tax liabilities		555		1,040	
Other liabilities		12,341	166	10,771	144
Total Other liabilities		36,430		34,043	
Liabilities held for sale		21		0	
Total Equity and Liabilities		132,680		125,762	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	2013 Total	2013 Of which Related parties	2012 Total	2012 Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**22,813**		23,494	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE YEAR:				
Profit (loss) for the year from continuing operations	**4,427**		1,840	
Amortization and depreciation	**5,424**		4,952	
(Gains) losses on disposal of:				
Property, plant and equipment and intangible assets	**17**		(8)	
Investments	**(1,539)**		119	
Other non-cash items:	**508**		751	
Dividends received	**219**	**219**	268	235
Change in provisions	**556**		169	
Change in deferred taxes	**(1,628)**		22	
Change in items due to buy-back commitments	**171**	**2**	(168)	2
Change in items due to operating lease transactions	**(157)**		(99)	
Change in working capital	**1,473**	**140**	321	(122)
TOTAL	**9,471**	**361**	8,167	113
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets	**(9,058)**		(8,967)	
Investments in consolidated subsidiaries	**(27)**		(55)	
Other investments	**(297)**	**(236)**	(28)	(24)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	**(555)**	**(58)**	(390)	
Proceeds from the sale of:				
Property, plant and equipment and intangible assets	**84**		147	
Other investments	**5**		65	1
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System	**2,444**		322	
Net change in financial receivables	**(2,261)**	**23**	(1,796)	(39)
Change in current securities	**(320)**		170	
Other changes	**(57)**		(38)	
TOTAL	**(10,042)**	**(271)**	(10,570)	(63)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
New issuance of bonds	**3,892**		3,364	
Repayment of bonds	**(1,753)**		(1,450)	
Issuance of other medium-term borrowings	**4,705**		4,255	
Repayment of other medium-term borrowings	**(4,110)**		(3,536)	
Net change in other debt and other financial assets/liabilities	**2,723**	**209**	98	(71)
Increases in share capital by subsidiaries	**7**		73	
(Purchase) sale of treasury stock	**(105)**		0	
Dividends paid by EXOR S.p.A.	**(78)**	**(44)**	(80)	(44)
Dividends paid by subsidiaries	**(188)**		(450)	
(Purchase) sale of ownership interests in subsidiaries	**(14)**		(47)	
Other changes	**(32)**		(9)	
Distribution for state withholding taxes on behalf of non-controlling interests	**(6)**		0	
TOTAL	**5,041**	**165**	2,218	(115)
Translation exchange differences	**(1,130)**		(496)	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	**3,340**		(681)	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**26,153**		22,813	

EXOR GROUP - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of ordinary share capital, subsequent to the conversion of all the preferred and savings shares into ordinary shares.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

EXOR S.p.A. and its subsidiaries (the "Group") operate in the auto industry, in agricultural and construction equipment, trucks and commercial vehicles, real estate services and professional football.

Further information is provided under "EXOR Group Profile and Key Data" in the Report on Operations.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the functional and presentation currency of the Group.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies applied in the preparation of the consolidated financial statements

The consolidated financial statements of the EXOR Group at December 31, 2013 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in addition to the provisions issued in implementation of article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The 2013 consolidated financial statements are prepared under the historical cost convention, modified as required for the valuation of certain financial instruments, as well as on the going concern assumption. In this respect, despite operating in an economic and financial environment that continues to be difficult, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern, also considering the ongoing integration between the Fiat Group and Chrysler, and its industrial and financial flexibility.

Format of the consolidated financial statements

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the Fiat and CNH Industrial Groups, and is consistent with international practice in the automotive and capital goods sectors.

In addition, starting from 2012, the EXOR Group, in following the presentation of its subsidiaries and associates, measures the performance of its operating segments on the basis of trading profit and EBIT which, defined as the Group's profitability before interest and taxes, includes all revenues and costs, income and expenses arising directly from the Group's ongoing operations, whether recurring or non-recurring

Trading profit (loss) reflects the profit (loss) from ongoing operations before the profit (loss) from investments and unusual items that are separately reported in accordance with IAS 1 paragraph 85 which are: gains (losses) on the disposal of investments, restructuring costs, impairment of property, plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and are not expected to occur frequently and other income (expenses) such as the effect of defined benefit plan amendments, acquisition costs related to a business combination or costs arising from operations terminated or disposed of in prior years, since they are not expected to occur frequently.

The definition "unusual" adopted by the EXOR Group differs from the definition provided in the Consob Communication of July 28, 2006, under which unusual and/or abnormal transactions are those which – because of their significance or materiality, the nature of the counterparty, the object of the transaction, the method for determination of the transfer price or the timing of the event (e.g., close to year end) – could give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the proper safeguarding of corporate assets or protection of non-controlling interests.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1. More specifically, the EXOR Group's consolidated financial statements include both industrial companies and financial services companies that are part of the Fiat and CNH Industrial Groups. The investment portfolios of the financial services companies of Fiat and CNH Industrial Groups are included in current assets, as the investments will be realized in their normal operating cycle. However, the financial services companies of the Fiat and CNH Industrial Groups only obtain a portion of their funding from the market: the remainder is obtained from Fiat S.p.A. and CNH Industrial S.p.A. through their treasury companies (included under industrial activities), which provide funding both to industrial companies and financial services companies in the groups, as the need arises. This financial service structure within the Fiat and CNH Industrial Groups does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial operations. Presentation of financial liabilities as current or non-current based on their date of maturity, also at the EXOR level, would not facilitate comparison with financial assets, which are categorized on the basis of their normal operating cycle. However suitable disclosure as to the due date of liabilities is provided in the Notes.

The statement of cash flows is presented using the indirect method.

The other subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

In connection with the requirements of Consob Resolution 15519 of July 27, 2006 relating to the format of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added for related party transactions so as not to compromise an overall reading of the statements.

Accounting standards and amendments adopted from January 1, 2013

The following accounting principles and amendments have been adopted by the Group since January 1, 2013.

Amendments to IAS 19 – Employee Benefits

The Group adopted IAS 19, as amended, effective January 1, 2013. The revised standard modifies the requirements for recognizing defined benefit plans and termination benefits. The main changes relate to the:

- Recognition of the plan deficit or surplus: the amendments remove the previous option of deferring actuarial gains and losses under the off balance sheet "corridor method", and require them to be recognized directly in Other comprehensive income. In addition, the amendments require the immediate recognition of past service costs in the Income statement.
  These amendments led to the recognition of the entire plan deficit or surplus in the balance sheet.
- Net interest expense: the interest expense, calculated by using a discount rate, and the expected return on plan assets, calculated by using a long-term rate of return of assets, are replaced by the net interest expense on the plan deficit or surplus, which consists of (i) the interest expense calculated on the present value of the obligations, (ii) the interest income arising from the valuation of the plan assets, and (iii) the interest expense or income on the effect of the asset ceiling. All above components are calculated by using the discount rate applied for measuring the obligation at the beginning of the period.
- Classification of net interest expense: the Group recognizes net interest expense in financial income (expenses). Under the previous version of IAS 19, the Group recognized all income and expense arising from the measurement of funded pension plan assets and liabilities in operating costs, by function, while the interest expense relating to unfunded defined benefit plans was included in financial income (expenses).
- Administrative expenses: the amendments require that the cost of managing plan assets should be deducted from the return on plan assets (through Other comprehensive income) and all other administrative costs relating to assets should be recognized in the income statement in the year they occur. Under the previous version of IAS 19, the Group recognized all administrative costs and costs for managing plan assets in the income statement in the year in which they occur, as a deduction from the expected return on assets.

The Group applied the relevant transitional provisions and restated the comparative amounts reported in these financial statements on a retrospective basis. The impacts of the adoption of these amendments on amounts previously reported are set out below:

Effects on Income Statement

€ million	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
Net revenues	110,671		110,671
Cost of sales	(93,093)	(233)	(93,326)
Selling, general and administrative costs	(9,102)	(38)	(9,140)
Research and development costs	(2,395)	(15)	(2,410)
Other income (expenses)	(144)	(4)	(148)
Trading profit (loss)	5,937	(290)	5,647
Result from investments:			
- Share of profit (loss) of investments accounted for using the equity method	192		192
- Other income (expenses) from investments	73		73
Result from investments	265	0	265
Gains (losses) on the disposal of investments	(118)		(118)
Restructuring costs	(181)		(181)
Other unusual income (expenses)	(155)		(155)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	5,748	(290)	5,458
Financial income (expenses)	(2,156)	(253)	(2,409)
Profit before taxes	3,592	(543)	3,049
Income taxes	(1,215)	6	(1,209)
Profit (loss) from continuing operations	2,377	(537)	1,840
Profit (loss) from Discontinued Operations	0	0	0
Profit (loss)	2,377	(537)	1,840
Profit (loss) attributable to:			
- Owners of the parent	398	(100)	298
- Non-controlling interests	1,979	(437)	1,542

Effects on earnings per share

	2012		
€ million	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
Basic earnings per ordinary share	1.74	(0.44)	1.30
Basic earnings per savings share	1.81	(0.44)	1.37
Basic earnings per preferred share	1.79	(0.44)	1.35
Diluted earnings per ordinary share	1.73	(0.44)	1.29
Diluted earnings per savings share	1.8	(0.43)	1.37
Diluted earnings per preferred share	1.78	(0.44)	1.34

Effects on Statement of Comprehensive Income

€ million	2012 Amounts previously reported	 IAS 19 revised adoption effect	 Amounts as restated
PROFIT (LOSS) (A)	2,377	(537)	**1,840**
Total Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax (B1)	0	(2,011)	(2,011)
Total Other comprehensive income that may be reclassified subsequently to the income statement, net of tax (B2)	91	95	186
Total other comprehensive income, net of tax (B) = (B1) + (B2)	91	(1,916)	**(1,825)**
TOTAL COMPREHENSIVE INCOME (A)+(B)	2,468	(2,453)	**15**

Effects on cash flows

€ million	2012 Amounts previously reported	 IAS 19 revised adoption effect	 Amounts as restated
Profit (loss) for the year	2,377	(537)	1,840
Other non-cash items	214	537	751

Effects on Statement of Financial Condition

	At January 1, 2012			At December 31, 2012		
€ million	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated	Amounts previously reported	IAS 19 revised adoption effect	Amounts as restated
Non-current assets						
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	15,951		15,951	15,659		15,659
Other intangible assets	7,019		7,019	8,668		8,668
Property, plant and equipment	25,157		25,157	26,858		26,858
Investments and other financial assets:						
- Investments accounted for using the equity method	2,500	3	2,503	2,108	(3)	2,105
- Other investments and financial assets	2,759		2,759	3,295		3,295
Total Investments and other financial assets	5,259	3	5,262	5,403	(3)	5,400
Leased assets	603		603	624		624
Defined benefit plan assets	312	(181)	131	362	(229)	133
Deferred tax assets	2,862	117	2,979	2,824	143	2,967
Other non-current assets	63		63	89		89
Total Non-current assets	57,226	(61)	**57,165**	60,487	(89)	**60,398**
Current assets						
Inventories	13,988		13,988	14,133		14,133
Trade receivables	4,321		4,321	4,303		4,303
Receivables from financing activities	17,861		17,861	18,938		18,938
Other financial receivables	8		8	4		4
Current tax receivables	1,093		1,093	553		553
Other current assets	3,196		3,196	3,368		3,368
Current financial assets:						
- Current investments	137		137	32		32
- Current securities	640		640	492		492
- Other financial assets	677		677	641		641
Total Current financial assets	1,454	0	1,454	1,165	0	1,165
Cash and cash equivalents	23,494		23,494	22,813		22,813
Total Current assets	65,415	0	**65,415**	65,277	0	**65,277**
Assets held for sale	389		389	87		87
Total Assets	123,030	(61)	**122,969**	125,851	(89)	**125,762**
Equity						
Issued capital and reserves attributable to owners of the parent	6,403	(467)	5,936	7,164	(995)	6,169
Non-controlling interests	13,568	(2,252)	11,316	14,504	(4,171)	10,333
Total Equity	19,971	(2,719)	**17,252**	21,668	(5,166)	**16,502**
Provisions						
Employee benefits	9,084	2,658	11,742	8,594	5,079	13,673
Other provisions	11,092		11,092	11,466		11,466
Total Provisions	20,176	2,658	**22,834**	20,060	5,079	**25,139**
Financial debt						
Asset backed financing	10,177		10,177	10,149		10,149
Other financial debt	38,113		38,113	39,929		39,929
Total Financial debt	48,290	0	**48,290**	50,078	0	**50,078**
Other liabilities						
Other financial liabilities	611		611	342		342
Trade payables	21,514		21,514	21,423		21,423
Current tax payables	899		899	467		467
Deferred tax liabilities	955	1	956	1,042	(2)	1,040
Other liabilities	10,380	(1)	10,379	10,771		10,771
Total Other liabilities	34,359	0	**34,359**	34,045	(2)	**34,043**
Liabilities held for sale	234	0	234	0	0	0
Total Equity and Liabilities	123,030	(61)	**122,969**	125,851	(89)	**125,762**

IFRS 13 – Fair Value Measurement

The new standard clarifies the measurement of fair value for the purpose of the financial statements and is applicable to all IFRSs permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. Moreover, IFRS 13 includes extensive disclosure requirements on the fair value measurements. In accordance with the relevant transitional provision, the Group adopted the new fair value measurement guidance prospectively since January 1, 2013 without applying the new disclosure requirements in the standard for comparative information reported in these consolidated financial statements. Other than the additional disclosures on the fair value measurement reported in Note 40, the adoption of the new standard had no significant effect on the amounts recognized in these consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements: Presentation of items of Other Comprehensive Income

The amendments require items of Other comprehensive income to be grouped on the basis of whether they will be reclassified subsequently to the income statement when specific conditions are met. The Group adopted these amendments in these financial statements and modified the presentation of items of Other comprehensive income. Comparative information has been reclassified accordingly.

Amendments to IFRS 7 – Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities

The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. The Group applied the amendments since January 1, 2013 retrospectively. The adoption of the amendments had no impacts on the disclosure or on the amounts recognized in these consolidated financial statements.

Amendments to IAS 1 – Presentation of Financial Statements (as part of the Annual Improvements to IFRS's – 2009-2011 Cycle)

On May 17, 2012, the IASB issued a number of amendments to IFRSs (*"Annual Improvements to IFRS's – 2009-2011 Cycle"*). The amendments that are relevant to the Group, effective January 1, 2013, are the amendments to IAS 1 – *Presentation of Financial Statements*. The amendments clarify the way in which comparative information should be presented when an entity changes accounting policies or retrospectively restates or reclassifies items in its financial statements and when an entity provides comparative information in addition to the minimum comparative financial statements. The amendments were applied by the Group for the restatement of the amounts presented in the statements of financial position as a result of applying the amendments to IAS 19 by adding a third statement of financial position as of January 1, 2012.

New standards and interpretations not yet applicable

In May 2011, a package of three standards was issued by the IASB: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities*. IAS 27 – *Consolidated and Separate Financial Statements* (which has been renamed IAS 27 – *Separate Financial Statements*) and IAS 28 – *Investments in Associates* (which has been renamed IAS 28 – *Investments in Associates and Joint Ventures*) were consequently revised. Subsequently, other amendments were issued to clarify transitional guidance on the first-time adoption of the standards. The new standards are effective for annual periods beginning on or after January 1, 2013, and must be applied retrospectively. The European Union endorsed these standards by postponing their effective date to January 1, 2014, allowing early adoption from January 1, 2013. The Group will apply the new standards from January 1, 2014. In particular:

- IFRS 10 – *Consolidated Financial Statements* will replace SIC-12 – *Consolidation: Special Purpose Entities* and parts of IAS 27 – *Consolidated and Separate Financial Statements* (which has been renamed IAS 27 – *Separate Financial Statements* and addresses the accounting treatment of investments in separate financial statements). The new standard builds on existing principles by identifying a single control model applicable to all entities, including "structured entities". The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. At the date of these financial statements, adoption of this new standard would have no effect as no changes to the control conclusions reached before and after the adoption of the new standard would arise. The EXOR Group used this standard to interpret the notion of de facto control for purposes of the application of the current IAS 27 in force.
- IFRS 11 – *Joint Arrangements* supersedes IAS 31 – *Interests in Joint Ventures* and SIC-13 – *Jointly Controlled Entities: Non-monetary Contributions by Venturers*. The adoption of this new standard for the Group will require the reclassification of investments classified as jointly controlled entities as either Joint Ventures (if the Group has right only to the net assets of an arrangement) or Joint Operations (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement). The classification will focus on the rights and obligations of the arrangements, rather than their legal form. Notwithstanding the reclassification, the Group investments that will be classified as Joint Ventures under IFRS 11 will continue to be recognized by applying the equity method and the Group expects no impact on its consolidated financial statements for these investments. In relation to interests in Sevel S.p.A. and in Fiat India Automobiles Limited, held through the Fiat Group, that will be classified as Joint Operations upon the adoption of IFRS 11, the Group will recognize its share of assets, liabilities, revenues and expenses instead of recognizing its interests by using the equity method. At December 31, 2013, this adoption of IFRS 11 would have led to an estimated increase in total Assets recognized of approximately €440 million, an increase in debt of approximately €380 million (the effect on Net industrial debt is an increase of approximately €360 million). No effect is expected to arise on the Group's profit (loss) or equity from the adoption of the standard.
- IFRS 12 – *Disclosure of Interests in Other Entities*, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other unconsolidated vehicles. The application of the new standard will result in expanded disclosure in the notes to the consolidated financial statements.

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. No significant effect is expected from the first time adoption of the standard.

On May 29, 2013, the IASB issued an amendment to IAS 36 – *Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13. The application of this amendment will result in an expanded disclosure in the notes to the consolidated financial statements in case of impairment based on fair value less cost of disposal.

On June 27, 2013, the IASB issued narrow-scope amendments to IAS 39 – *Financial Instruments: Recognition and Measurement entitled "Novation of Derivatives and Continuation of Hedge Accounting*". The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 - *Financial Instruments*. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2014. No material effect is expected from first time adoption of the amendments.

In addition, the European Union had not yet completed its endorsement process for these standards and amendments at the date of these financial statements:

- On November 12, 2009, the IASB issued IFRS 9 – *Financial Instruments*. The new standard was reissued in October 2010 and subsequently amended in November 2013. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. It replaces the relevant parts of IAS 39 – *Financial Instruments: Recognition and measurement*. As part of the November 2013 amendments, among other, the IASB removed the standard's mandatory effective date, previously set on January 1, 2015. This date will be added to the standard when all phases of the IFRS 9 project are completed and a final complete version of the standard is issued.
- On May 20, 2013, the IASB issued IFRIC 21 – *Levies*, an interpretation of IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation provides guidance on recognition of liabilities to pay levies that are not income taxes. IFRIC 21 is applicable for annual periods beginning on or after January 1, 2014. Early adoption is permitted.
- On November 21, 2013, the IASB published narrow scope amendments to IAS 19 – *Employee benefits entitled "Defined Benefit Plans: Employee Contributions*. These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted.
- On December 12, 2013 the IASB issued the *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share based payment*, the aggregation of operating segments in IFRS 8 – *Operating Segments*, the definition of key management personnel in IAS 24 – *Related Party Disclosures*, the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements (as defined in IFRS 11 – *Joint Arrangements*) and to clarify the application of certain exceptions in IFRS 13 – *Fair value Measurement*.

The Group will comply with these new standards and amendments based on their relevant effective dates when endorsed by the European Union and it will evaluate their potential impacts on the consolidated financial statements.

Scope of consolidation

The consolidated financial statements of EXOR include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies. The companies/groups included in the scope of consolidation at December 31, 2013 are the following:

Company/Group	Country	Percentage of consolidation	Consolidation method
Fiat Group	Italy	30.90%	Line-by-line
CNH Industrial Group	Italy	27.96%	Line-by-line
C&W Group	USA	82.40%	Line-by-line
Juventus Football Club S.p.A.	Italy	63.77%	Line-by-line
EXOR S.A.	Luxembourg	100.00%	Line-by-line
EXOR Capital Ltd	Ireland	100.00%	Line-by-line
EXOR Inc.	USA	100.00%	Line-by-line
EXOR N.V.	the Netherlands	100.00%	Line-by-line
Ancom USA Inc.	USA	100.00%	Line-by-line
Arenella Immobiliare S.r.l.	Italy	100.00%	Line-by-line

Change in the scope of consolidation

In 2013, there were no significant changes in the scope of consolidation except for certain minor changes that occurred in the Fiat Group principally due to the line-by-line consolidation of the VM Motori group (previously considered a joint venture accounted for using the equity method) and the Brazilian subsidiary, CMP Componentes e Modulos Plasticos Industria e Comercio Ltda (previously classified as held for sale on acquisition).

Acquisitions or disposals during the year

No significant subsidiaries were acquired or disposed of in 2013.

No significant subsidiaries were acquired or disposed of in 2012. Nevertheless, in January 2012, as a result of the occurrence of the third performance event ("Ecological Event") established in Chrysler's LLC Operating Agreement, Fiat acquired a further 5% interest in Chrysler with no monetary consideration. At December 31, 2012, Fiat therefore had a 58.5% ownership interest in Chrysler.

Merger of Fiat Industrial and CNH Global

The deed for the merger of Fiat Industrial S.p.A. with and into CNH Industrial N.V. and the deed for the merger of CNH Global N.V. with and into CNH Industrial N.V. were executed on September 27 and 28, 2013, respectively, and the integration of these two companies was completed on September 29, 2013.

At closing, CNH Industrial issued 1,348,867,772 common shares which were allotted to Fiat Industrial and CNH Global shareholders on the basis of the established exchange ratios. In particular, Fiat Industrial shareholders received one CNH Industrial common share for each Fiat Industrial ordinary share held and CNH Global shareholders received 3.828 CNH Industrial common shares for each CNH Global common share held.

CNH Industrial also issued special voting shares (non-tradable) which were allotted to eligible Fiat Industrial and CNH Global shareholders who had elected to receive special voting shares in connection with the closing of the merger. On the basis of the requests received, CNH Industrial issued a total of 474,474,276 special voting shares.

EXOR with its 366,927,900 Fiat Industrial ordinary shares received 366,927,900 CNH Industrial common shares and the same number of special voting shares. At December 31, 2013 EXOR thus holds 40.22% of the voting rights.

At December 31, 2013 the stake held in the investment decreased from 30.88% to 27.96%. This reduction had no effect on the consolidation method for CNH Industrial Group since *de facto* control was retained.

As far as the accounting effects of the dilution are concerned, these are represented by a change between the attributable equity of owners of the parent and the non-controlling interests; in particular, there was a net increase in the equity reserves attributable to owners of the parent of approximately €40 million because of the different accounting equity value of the companies participating in the merger as compared with the market values considered for the purpose of the exchange ratios.

Since the merger was completed at the end of the third quarter of 2013, the profit of the CNH Industrial Group was attributed to the owners of the parent on the basis of 30.88% for the first nine months of 2013 and 27.96% for the fourth quarter of 2013.

It should be noted that the data relating to CNH Industrial Group refer to the Group after the merger between Fiat Industrial and CNH Global, completed on September 29, 2013. The merger had no impact on the consolidated activities of the former Fiat Industrial Group and therefore the data of the CNH Industrial Group presented in these consolidated financial statements and referring to the prior year are consistent and comparable with those previously published by the EXOR Group and referring to the Fiat Industrial Group.

Subsidiaries

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the consolidated statement of financial position and Income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in subsidiaries that do not result in the loss of control are accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in the income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any profits or losses recognized in Other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to profit or loss or transferred directly to retained earnings depending on the applicable IFRS).

The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial assets in accordance with IAS 39 – Financial instruments: recognition and measurement or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Jointly controlled entities

Jointly controlled entities are enterprises in which the Group has contractually agreed sharing of control or for which a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in jointly controlled entities are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are enterprises over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in Other comprehensive income (losses) until the assets are sold or impaired; at that time the cumulative Other comprehensive income (losses) are recognized in the income statement.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from Investment in other companies are included in other income (expenses) from investments.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the exchange rates in effect at the balance sheet date. Income and expenses are translated at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average rates of exchange are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

The goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the functional currency and translated at the exchange rate at the acquisition date. These balances are subsequently translated at the exchange rate at the balance sheet date.

The principal exchange rates used in 2013 and 2012 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	2013		2012	
	Average	**At 12/31/2013**	Average	At 12/31/2012
U.S. dollar	**1.328**	**1.379**	1.285	1.319
Brazilian real	**2.867**	**3.258**	2.508	2.704
Chinese renmimbi	**8.164**	**8.349**	8.106	8.221
Serbian dinar	**113.096**	**114.642**	113.120	113.718
Polish zloty	**4.197**	**4.154**	4.185	4.074
Argentine peso	**7.263**	**8.988**	5.836	6.478
British pound	**0.849**	**0.834**	0.811	0.816
Swiss franc	**1.231**	**1.228**	1.205	1.207

Business combinations

Business combinations are accounted for by applying the acquisition method of accounting, in accordance with IFRS 3 – *Business Combinations*.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement under gains/(losses) on the disposal of investments. Changes in the equity interest in the acquiree that have been recognized in Other comprehensive income in prior reporting periods are reclassified to Income statement as if the interest had been disposed.

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of goodwill and brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.
Brands with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired by comparing the carrying amount with the recoverable amount.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the expected life cycle of the product, and on average as follows:

	number of years
Automobiles	5-6
Trucks and buses	4-8
Agricultural and Construction Equipment	5
Powertrain	8-12

  Research and all other development costs which do not meet the above criteria are expensed as incurred.
- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimate useful lives. The other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment are initially recognized at cost, which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. The self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the financial statements as a debt. The assets are depreciated by the method and at the rates indicated below.

Leases where the lessor retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	3%-8%
Plant, machinery and equipment	3%-33%
Other assets	5%-33%

Land is not depreciated.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Impairment of property plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and that are not expected to occur frequently, are recognized under other unusual expenses.

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39, include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other current financial assets (which include derivative financial instruments stated at fair value), as well as cash and cash equivalents.

In particular, cash and cash equivalents include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents; current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*

The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- investments held to maturity – HTM;
- loans and receivables – L&R;
- available-for-sale financial assets – AFS.

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Investments held-to-maturity are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs. They are subsequently measured at amortized cost, using the effective interest method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period

Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of such investments has been sold or reclassified before their maturity, except sales or reclassifications that:

- are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
- occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the Group’s control, is non-recurring and could not have been reasonably anticipated by the Group.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the course of business), *held-to-maturity securities* and all financial assets for which published price quotations in an active market are not available and whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in Other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in Other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges.
Loans and financial payables are subsequently measured at amortized cost using the effective interest method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedge) are measured in accordance with hedge accounting principles (reference should be made to the next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks (primarily concerning commodities and securities). All derivative financial instruments are measured in accordance with IAS 39 at fair value.
Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement.
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in Other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in Other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- *Hedges of a net investment* (hedges of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in Other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Transfers of financial assets

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
  - if it has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any rights and obligations created or retained in the transfer;
  - if it has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the income statement.

Inventories

Inventories of raw materials, semi-finished products and finished goods, (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). Provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and

other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.
The measurement of construction contracts is based on the stage of completion determined as the proportion that cost incurred to the balance sheet date bears to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they become known.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are recognized as an expense as incurred.

Defined benefit plans

The Group net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attributes benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.
When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:
- the service costs are recognized in the income statement by function and presented in the respective line items (cost of sales, selling general and administrative costs, research and development costs, etc.);
- the net interest expense on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability/(asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in Other comprehensive income. These remeasurement components are not reclassified in the income statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement in other unusual income and expenses. Gains and losses on the settlement of a plan are recognized in the income statement in other unusual income and expenses when the settlement occurs.

Other long-term employee benefits

The Group obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long term employee benefits are recognized in the income statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation plans

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the benefit with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in the income statement, with a corresponding increase or decrease in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The Group records provisions when it has a present obligation, legal or constructive as a result of a past event, to a third party, when it is probable that an outflow of Group resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.
Changes in estimates are reflected in the income statement in the period in which the change occurs.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenues are recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be measured reliably.

Revenue is recognized when the risks and rewards of ownership are transferred to the customer, the sales price is agreed or determinable and collectability is reasonably assured; for vehicles this corresponds generally to the date when the vehicles are made available to dealers, or when the vehicle is released to the carrier responsible for transporting vehicles to dealers.
Revenues are recognized net of discounts, allowances and returns, as well as costs for sales incentive programs and customer bonuses, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include the granting of retail financing at significant discount to market interest rates. The corresponding cost is recognized at the time of the initial sale.

Sales with a buy-back commitment, or through Guaranteed Depreciation Program (“GDP”), under which the Group guarantees the residual value or otherwise assumes responsibility for the minimum resale value of the vehicle, are not recognized at the time of delivery but are accounted for similar to an operating lease when it is probable that the vehicle will be bought back. Vehicles sold with a buy-back commitment are accounted for as inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as property, plant and equipment if agreements usually have a long-term buy-back commitment.
The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment. The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.

Revenues from services and from construction contracts are recognized when they are rendered by reference to the stage of completion.

Revenues also include lease rentals recognized over the contractual term of the lease on a straight-line basis and interest income from financial services companies.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenues for real estate services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured unless there are contingencies that impact revenue recognition. The existence of any significant future contingencies results in the delay of revenue recognition for the contingent amounts until such contingenties are satisfied. Certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations are recognized as revenue when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Cost of sales

The costs are recognized on the accrual basis.

Cost of sales comprises:

- the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties;
- expenses which are directly attributable to the financial services businesses, including the interest expenses related to their financing as a whole and provisions for risks and writedowns of assets;
- expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance that the company concerned will comply with the conditions for receiving such grants and that the grants themselves will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and is accounted for in accordance with the policies used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.

Current and deferred taxes are recognized as income or expense and included in the income statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in Other comprehensive income or directly in equity.

Deferred taxes are accounted for under the full liability method. They are recognized for all temporary differences between the tax base of assets or liabilities and their carrying amounts in the consolidated financial statements, except for deferred tax liabilities arising from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for the differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits.

The Group recognizes deferred tax liabilities associated with the existence of a subsidiary’s undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and where there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders’ meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Use of estimates

The consolidated financial statements and the relative notes are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed, then the actual results could differ from the estimates, which would require adjustment accordingly.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized in the income statement in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets.

  The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts. The estimates and assumptions described reflect the Group’s current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the car industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry.
- the recoverability of deferred tax assets which takes into consideration future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of

assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance in the Eurozone, therefore changes in current estimates due to unanticipated events could have a significant impact on the Group's consolidated financial statements;

- pension plans and other post-retirement benefits are measured on an actuarial basis which takes into consideration parameters of a financial nature such as the discount rate and the return on plan assets, the rates of salary increases and the rates of health care cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan and less any tax payable by the plan itself (other than those included in the actuarial assumptions used to measure the defined benefit obligation). Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in health care costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;
- estimated costs for product warranties;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts.

1. Net revenues

Net revenues amount to €113,740 million in 2013 (€110,671 million in 2012) and may be analyzed as follows:

€ million	2013		2012		Change
		%		%	
Sales of goods	106,241	93.4%	103,668	93.7%	2,573
Construction contract work in progress	1,017	0.9%	1,072	1.0%	(55)
Commission and service fees and reimbursed costs for managed properties	1,881	1.7%	1,594	1.4%	287
Other services	2,404	2.1%	2,383	2.2%	21
Interest income from customers and other financial income of financial services companies	949	0.8%	1,050	0.9%	(101)
Lease installments on operating leases and buy-backs	611	0.5%	563	0.5%	48
Television and radio rights and media revenues	160	0.2%	145	0.1%	15
Sponsorships and advertising	42	0.0%	30	0.0%	12
Season tickets and ticket office sales	37	0.0%	54	0.0%	(17)
Other	398	0.4%	112	0.1%	286
Total Net revenues	**113,740**	**100.0%**	**110,671**	**100.0%**	3,069

In 2013 revenues refer to the Fiat Group for €86,114 million (€83,281 million in 2012), CNH Industrial Group for €25,468 million (€25,525 million in 2012), C&W Group for €1,880 million (€1,594 million in 2012) and Juventus Football Club for €277 million (€270 million in 2012).

The breakdown by geographical area is presented in Note 38.

2. Cost of sales

Cost of sales amounts to €96,359 million in 2013 (€93,326 million in 2012) and comprises the following:

€ million	2013	2012	Change
Cost of sales	95,641	92,512	3,129
Interest cost and other financial expenses from financial services companies	718	814	(96)
Total Cost of sales	**96,359**	**93,326**	3,033

The contribution by segment is presented in Note 37.

3. Selling, general and administrative costs

Selling, general and administrative costs amount to €9,124 million in 2013 (€9,140 in 2012).
Selling costs mainly consist of marketing, advertising, and sales personnel costs.
General and administrative costs mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

Research and development costs include the following:

€ million	2013	2012	Change
Research and development costs not recognized as assets	1,684	1,534	150
Writedown of costs previously capitalized	24	57	(33)
Amortization of capitalized development costs	1,125	819	306
Total Research and development costs	**2,833**	**2,410**	423

5. Other income (expenses)

Other net expenses in 2013 amount to €15 million (net expenses of €148 million in 2012) and consist of miscellaneous operating costs not attributable to specific functional areas, such as accruals to miscellaneous provisions and indirect taxes and duties, net of other income which is not attributable to the typical sales and services operations of the Group.

6. Result from investments

Details are as follows:

€ million	2013	2012	Change
Share of the profit (loss) of investments accounted for using the equity method	227	192	35
Other income (expenses) from investments			
Dividends from investments	70	80	(10)
Impairment reversals (losses)	(6)	(1)	(5)
Charges to provisions on investments	(1)	(6)	5
Total other income (expenses) from investments	**63**	**73**	(10)
Total Result from investments	**290**	**265**	25

7. Gains (losses) on the disposal of investments

Details are as follows:

€ million	2,013	2012	Change
Gains on disposal of investments	1,543	158	1,385
Losses on disposal of investments	(26)	(276)	250
Gains (losses) on disposal of investments	**1,517**	**(118)**	1,635

In 2013 gains on disposal of investments include mainly the net gain realized on the sale of the entire investment in SGS of €1,534 million. This figure comes from the recognition in the income statement of the balance of the available-for-sale financial assets fair value reserve relating to SGS at the date of finalizing the sale (€1,575 million), net of the negative difference of €41 million between the fair value of the investment determined at the same date on the basis of its market price (€2,045 million) and the sales price agreed between the parties (€2,004 million).

In 2012 gains on disposal of investments included the gain on the sale of the investment in Alpitour of €158 million.

In 2013 losses on disposal of investments mainly comprised a loss, in addition to that recognized in 2012, on the 20% sale of Kobelco Construction Machinery Co Ltd after an decision was handed down on the price of the transaction (€19 million), on the reduction of the Deferred Price in connection with the disposal of Alpitour regarding the settlement of certain disputes that arose with the buyer (€5 million) and the loss on the sale of the 337,844 Sequana shares (€1 million).

In 2012 losses on disposal of investments for the most part included €147 million for the loss arising from the partial subscription to the Sequana capital increase by EXOR S.A., which had reduced its ownership interest in Sequana from 28.24% to 18.74%, with the consequent classification of Sequana in available-for-sale financial assets and the writedown of the investment in Sevelnord Société Anonyme of €91 million following its reclassification to assets held for sale and subsequent measurement at fair value.

8. Restructuring costs

In 2013, Restructuring costs amount to €69 million (€181 million in 2012) and mainly relate to the restructuring costs of the CNH Industrial Group of €40 million (€166 million in 2012) and the Fiat Group of €28 million (€15 million in 2012).

9. Other unusual income (expenses)

The net other unusual expenses balance amounts to €574 million in 2013 (a net expense balance of €155 million in 2012) and includes net expenses recognized by the CNH Industrial Group of €58 million (€13 million in 2012), the Fiat Group of €499 million (€138 million in 2012), the C&W Group of €13 million (€3 million in 2012) and the Holdings System of €4 million (€1 million in 2012).

Other unusual expenses recorded by the **Fiat Group** include writedowns of €272 million as a result of the rationalization of architectures associated with the new product strategy for certain of the Group’s brands (of which €226 million related to development costs and €46 million to tangible assets), writedowns of €57 million of assets of the cast-iron business, writeoff of the €56 million book value of the Equity Recapture Agreement Right considering the agreement between Fiat and the VEBA Trust closed on January 21, 2014, costs of €115 million related to the voluntary safety recall in June 2013, a foreign currency translation loss related to the February 2013 devaluation of the of official exchange rate of the Venezuelan Bolivar (“VEF”) relative to the US dollar and €166 million for the impacts of a curtailment gain and plan amendments, with a corresponding net reduction to Chrysler’s pension obligation.
In 2012, other unusual expense of net €138 million mainly included €145 million of costs arising from disputes relating to operations terminated in prior years and costs related to the termination of the joint venture Sevelnord Société Anonyme.

Other unusual expenses recorded by **CNH Industrial Group** include expenses of €31 million related to the dissolution of the previous joint venture with Barclays.

10. Financial income (expenses)

In addition to the items included in the specific lines of the income statement, net financial income (expenses) also includes the income from financial services companies included in net revenues of €949 million in 2013 (€1,050 million in 2012) and interest cost and other financial charges from financial services companies included in cost of sales of €719 million in 2013 (€814 million in 2012).

Details are as follows:

€ million	2013	2012	Change
Interest income from banks	180	187	(7)
Interest income from securities	20	32	(12)
Sundry interest and other financial income	71	103	(32)
Total Interest and other financial income	271	322	(51)
Interest income from customers and other financial income of financial services companies	949	1,050	(101)
Gains on disposal of securities	0	5	(5)
Gains on disposals of investments	26	8	18
Gains on disposal of current investments	0	1	(1)
Total Financial income	1,246	1,386	(140)
(Less) Interest income from customers and other financial income of financial services companies	(949)	(1,050)	101
Financial income, excluding financial services companies	**297**	**336**	(39)
Interest expenses on bonds	1,391	1,291	100
Interest expenses from banks	526	560	(34)
Commission expenses	37	30	7
Interest expenses and other financial expenses	905	1,035	(130)
Total Interest and other financial expenses	2,859	2,916	(57)
Writedowns of financial assets	198	221	(23)
Losses on disposal of securities	6	46	(40)
Losses on disposal of investments	0	8	(8)
Net interest expenses on employees benefits provisions	433	464	(31)
Total Interest and other financial expenses	**3,496**	**3,655**	(159)
Net (income) expenses from derivative financial instruments and exchange rate differences	(9)	(96)	87
Total Financial expenses	**3,487**	**3,559**	(72)
(Less) Interest expenses and other financial expenses of financial services companies	(718)	(814)	96
Financial expenses, excluding financial services companies	**2,769**	**2,745**	24
Net financial income (expenses), excluding financial services companies	**(2,472)**	**(2,409)**	(63)

11. Income taxes

Income taxes recognized in the income statement consist of the following:

€ million	2013	2012	Change
Current taxes:			
- IRAP (Italy)	84	90	(6)
- Other taxes	1,180	1,081	99
Total Current taxes	**1,264**	**1,171**	93
Deferred taxes for the period:			
- IRAP (Italy)	12	24	(12)
- Other taxes	(1,625)	5	(1,630)
Total Deferred taxes	**(1,613)**	**29**	(1,642)
Taxes relating to prior periods	23	9	14
Total Income taxes	**(326)**	**1,209**	(1,535)

The change is due mainly to the recognition of previously unrecognized deferred tax assets related to Chrysler for €1,500 million.

The reconciliation between the tax charges recorded in the consolidated financial statements and the theoretical tax charge, calculated on the basis of the theoretical tax rate in effect in Italy, is the following:

€ million		2013	2012
Theoretical income taxes		1,128	838
Tax effect on:			
Recognition and utilization of previously unrecognized deferred tax assets		(1,771)	(521)
Permanent differences		(478)	(154)
Deferred tax assets not recognized and writedowns		427	597
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays		330	248
Taxes relating to prior years		23	9
Other differences		(81)	77
Total Income taxes, excluding IRAP		**(422)**	**1,095**
	Effective tax rate	-	**35.9%**
IRAP (current and deferred)		96	114
Total income taxes		**(326)**	**1,209**

Since the IRAP tax has a taxable basis that is different from income before taxes, it generates distortions between one year and another. Accordingly, in order to render the reconciliation between income taxes recognized and theoretical income taxes more meaningful, IRAP tax is not taken into consideration; theoretical income taxes are determined by applying only the tax rate in effect in Italy (IRES equal to 27.5% in 2013 and in 2012) to profit (loss) before taxes.

In 2013, the Group's effective tax rate is not representative because the Group recognized a net tax benefit in relation to a consolidated net profit.
In particular, in 2013 the theoretical income taxes and the Group's actual differ primarily due to the recognition of previously unrecognized deferred tax assets related to Chrysler for €1,500 million.
Excluding such effect the theoretical tax rate of the Group in 2013 would have been 26.3%.
The difference is also affected by other effects arising from the utilization of tax losses carried forward for which deferred tax assets were not recognized in the past. These benefits were partially offset by the negative impact of €427 million (€597 million in 2012) arising from the unrecognized deferred tax assets on temporary differences and tax losses arising in the year.

Permanent differences in the above reconciliation include the tax effect of non-deductible costs of €525 million in 2013 (€309 million in 2012) and of non-taxable income of €1,003 million in 2013 (€475 million in 2012).

At December 31, 2013, the deferred tax asset balance consists of the deferred tax assets less the deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized in the statement of financial position are as follows:

€ million	2013	2012	Change
Deferred tax assets	4,110	2,967	1,143
Deferred tax liabilities	(555)	(1,040)	485
Total	**3,555**	**1,927**	1,628

In 2013, the increase of €1,628 million in net deferred tax assets is mainly due to the following:
- €1,610 million for recognition of a net benefit of €1,570 million arising on previously unrecognized deferred tax assets and the recognition of deferred tax assets on temporary differences arising during the year, net of write-down of deferred tax relating to previous years;
- €43 million for the recognition of net deferred tax assets directly in equity;
- €65 million for the effect of translation differences and other changes.

Deferred tax assets, net of deferred tax liabilities may be analyzed by source as follows:

€ million	12/31/2012	Recognized in income statement	Recognized in equity	Changes in the scope of consolidation	Translation differences and other changes	12/31/2013
Deferred tax assets arising from:						
- Provisions	3,621	472		3	(395)	3,701
- Provision for employee benefits	1,486	166	14		(115)	1,551
- Intangible assets	582	(71)		1	(1)	511
- Inventories	401	39		2	(10)	432
- Allowances for doubtful accounts	250	42			(16)	276
- Impairment of financial assets	240	69			(49)	260
- Other	1,723	(221)	3	2	13	1,520
Total Deferred tax assets	8,303	496	17	8	(573)	**8,251**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,679)	(161)		1	93	(1,746)
- Capitalization of development costs	(1,516)	(305)			59	(1,762)
intangibles	(907)	51		(17)	118	(755)
- Provision for employee benefits	(40)	6	4	(1)		(31)
- Other	(843)	33	(56)	(2)	(41)	(909)
Total Deferred tax liabilities	(4,985)	(376)	(52)	(19)	229	**(5,203)**
Deferred tax assets arising from tax loss carryforwards	4,352	469	(21)	7	(71)	4,736
Unrecognized deferred tax assets	(5,743)	1,021	13		480	**(4,229)**
Total Deferred tax assets, net of Deferred tax liabilities	1,927	1,610	(43)	(4)	65	**3,555**

The decision to recognize deferred tax assets is taken for each company in the Group by assessing critically whether the conditions exist for the future recoverability of such assets on the basis of updated strategic plans, accompanied by the related tax plans. In this regard at December 31, 2013, in view of the results achieved by Chrysler, of the continuous improvement of its product mix and of its trends in international sales and its implementation of new vehicles, together with the consolidation of the alliance between Fiat and Chrysler, following Fiat's acquisition of full control at the beginning of 2014, the Fiat Group recognized previously unrecognized deferred tax assets for a total of €1,734 million, of which €1,500 million recognized in income taxes and €234 million in Other comprehensive income.

At December 31, 2013 the Group has deferred tax assets on deductible temporary differences of €8,251 million (€8,303 million at December 31, 2012) of which €634 million is not recognized (€2,537 million at December 31, 2012). At the same date the Group has also theoretical tax benefits on losses carried forward of €4,736 million (€4,352 million at December 31, 2012) of which €3,595 million is not recognized (€3,206 million at December 31, 2012). At December 31, 2013, net deferred tax assets include the amount of €1,141 million in respect of benefits on unused tax losses carryforwards (€1,146 million at December 31, 2012).

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and it is probable that they will not be distributed in the foreseeable future.

The totals of deductible and taxable temporary differences and accumulated tax losses at December 31, 2013, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiry, are as follows:

		Year of expiry					
€ million	**Total at 12/31/2013**	**2014**	**2015**	**2016**	**2017**	**Beyond 2017**	**Unlimited / Indeterminable**
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	25,212	7,658	2,598	2,438	2,478	9,981	59
- Taxable temporary differences	(15,050)	(1,703)	(1,995)	(1,822)	(1,779)	(6,310)	(1,441)
- Tax losses	16,964	112	53	364	251	2,142	14,042
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(15,330)	(1,049)	(143)	(310)	(393)	(662)	(12,773)
Temporary differences and tax losses relating to State taxation	**11,796**	5,018	513	670	557	5,151	(113)
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	20,074	4,248	2,241	2,511	2,251	8,805	18
- Taxable temporary differences	(15,336)	(1,237)	(1,661)	(1,567)	(1,555)	(6,985)	(2,331)
- Tax losses	1,383	5	6	11	54	351	956
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(1,599)	(130)	(31)	(89)	(53)	(445)	(851)
Temporary differences and tax losses relating to local taxation	**4,522**	2,886	555	866	697	1,726	(2,208)

12. Other information by nature of expenses

In 2013 the income statement includes personnel costs of €14,562 million (€13,044 million in 2012).
In 2013, the Group had an average number of employees of 305,963 (287,343 employees in 2012).

13. Earnings (loss) per share

As indicated in Note 30, the share capital of EXOR S.p.A. had been represented by three different classes of stock (ordinary, savings and preferred), which had different rights on the distribution of profit. As a result of the implementation of the resolution passed by the shareholders' meeting of March 20, 2013, after all the conditions precedent necessary were satisfied, on June 24, 2013, the mandatory conversion was executed for all 76,801,460 preferred shares and the 9,168,894 savings shares in 85,970,354 EXOR S.p.A. ordinary shares, on the basis of the conversion ratio of 1 ordinary share for each preferred and savings share.

The calculation of earnings per share for the year 2013 presented below takes into account the aforementioned conversion and is the product of the profit attributable to the owners of the parent and the weighted average number of outstanding shares in the period. The calculation of 2012 earnings per share presented for comparison purposes, instead, took into account the three different classes of shares and their different rights on the distribution of profit. The value of the dividends to which each class of stock was contractually entitled in the event of a theoretical total distribution profit was deducted from the profit attributable to owners of the parent. The amount thus obtained was then divided by the weighted average number of outstanding shares in the period.

		2013	2012			
			Shares			
		Ordinary shares	Ordinary	Savings	Preferred	Total
Profit (loss) attributable to owners of the parent	€ million	**2,085**	199	12	87	298
Average number of outstanding shares		**223,168,648**	153,530,496	8,503,189	65,110,776	227,144,461
Basic earnings per share	€	**9.343**	1.296	1.374	1.347	
Diluted earnings per share	€	**9.326**	1.288	1.366	1.340	

Had the conversion of all the preferred and savings shares taken place in 2012 at the same conditions above, the earnings per ordinary share in 2012 would have been equal to €1,296 while the diluted earnings per share would have been €1,288.

For the period under consideration, for purposes of the calculation of diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using its own equity instruments.

14. Goodwill, Brands and trademarks and Other intangible assets with indefinite useful lives

Changes in 2013 are as follows:

	12/31/2012	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2013
Goodwill						
Original cost	13,525	6	(1)		(498)	13,032
Accumulated impairment losses	(982)		23		(6)	(965)
Net carrying amount	12,543	6	22	0	(504)	**12,067**
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,164	1			(135)	3,030
Accumulated impairment losses	(48)				2	(46)
Net carrying amount	3,116	1	0	0	(133)	**2,984**
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	15,659	7	22	0	(637)	**15,051**

Net foreign exchange effects in 2013 mainly arose from changes in the US dollar and the Brazilian real against the Euro.

The change in the scope of consolidation includes the effects of the line-by-line consolidation of the VM Motori group from July 1, 2013.

The changes during 2012 are as follows:

	12/31/2011	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2012
Goodwill						
Original cost	13,788	3			(266)	13,525
Accumulated impairment losses	(1,000)				18	(982)
Net carrying amount	12,788	3	0	0	(248)	12,543
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,226	0			(62)	3,164
Accumulated impairment losses	(63)				15	(48)
Net carrying amount	3,163	0	0	0	(47)	3,116
Goodwill, Brands, trademarks and other intangible assets with indefinite useful lives	15,951	3	0	0	(295)	**15,659**

Goodwill

Goodwill is allocated to the EXOR Group's cash-generating units, identified by each Group consolidated by EXOR, on the basis of its methods and assumptions in accordance with IAS 36. The following table shows this allocation:

€ million	12/31/2013	12/31/2012	Change
NAFTA	7,330	7,661	(331)
APAC	968	1,012	(44)
LATAM	461	482	(21)
EMEA	208	217	(9)
Ferrari	786	786	0
Components	51	51	0
Other activities	35	21	14
Fiat	**9,839**	10,230	(391)
Agricultural and Construction Equipment	1,756	1,840	(84)
Trucks and Commercial Vehicles	63	63	0
FPT Industrial	1	1	0
CNH Industrial	**1,820**	1,904	(84)
C&W (goodwill on the acquisition of the C&W Group - Group's share)	310	313	(3)
Subsidiaries of C&W Group	65	63	2
C&W Group	**375**	376	(1)
Fiat S.p.A.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	33	0
Total Goodwill	**12,067**	**12,543**	(476)

Fiat Group

Goodwill of the Fiat Group principally resulted from the acquisition of the control of Chrysler for €8,967 million (€9,372 million at December 31, 2012) and the purchase of certain interests in Ferrari S.p.A. for €786 million (€786 million at December 31, 2012).

Goodwill is allocated to operating segments or to cash-generating units (CGUs) within the operating segments as appropriate.

In accordance with IAS 36, Goodwill is not amortized and is tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each CGU to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

The assumptions used in this process represent the management's best estimate for the period under consideration.

Goodwill allocated to the NAFTA operating segment represents approximately 75% of the Group's total goodwill. Additionally, all of the carrying value of the Group's brands is included within the NAFTA operating segment. The estimate of the value in use of the NAFTA operating segment for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows of the NAFTA operating segment covering the period from 2014 through 2017 have been derived from the Chrysler business plan prepared in connection with the recent public offering process (then withdrawn after the Fiat acquisition of the securities proposed to be offered through a private transaction) and based on two different scenarios: "Low Case" and "High Case", both of which based on the same market assumptions, but with different assumptions on variable and fixed costs. For the purpose of this impairment analysis, the "Low Case" scenario has been considered. More specifically, in making the estimates, expected EBITDA for the periods under consideration was adjusted to reflect the expected capital expenditure and monetary contributions to pension plans and other post-employment benefit plans. These flows relate to the operating segment in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on analyses and studies carried out by primary independent analysts, including in particular IHS – Global

Insight and Ward's Automotive and on management assumptions. These assumptions are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the NAFTA operating segment in the countries in which it operates (United States, Canada and Mexico) over the period considered.

- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered. This terminal period was calculated by applying to the average 2014-2017 expected revenues, an EBITDA margin of the average of those estimated for 2014-2017; the EBITDA calculated in this way was then adjusted by a normalized amount of investments determined assuming a steady state business and by the expected monetary contributions to pension plans and post-employment benefit plans. As regards long-term growth rates, although it would have been reasonable to use a rate of between 2% and 3% in the market in which the NAFTA operating segment operates, a rate of zero was used.
- Pre-tax expected future cash flows have been estimated in US dollars, and discounted using a pre-tax discount rate appropriate for that currency, determined by using a base WACC of 16.0% (15.1% in 2012). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the operating segment under consideration. The WACC was calculated using the Capital Asset Pricing Model ("CAPM") technique in which the risk free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analyzing a group of comparable companies operating in the automotive sector. Additionally, to reflect the uncertainty of the current economic environment and future market conditions, the cost of equity component of the WACC was progressively increased by a 50 basis point risk premium for the years 2014 through 2016 and by 300 basis points in the terminal period.

The surplus between the value in use estimated as above and the book value of the net capital employed (inclusive of goodwill and brands allocated to the NAFTA operating segment) at December 31, 2013 amounts to approximately €560 million. A sensitivity analysis was performed by increasing the WACC determined as above by 0.5%, resulting in a surplus of approximately €200 million of the value in use over the carrying amount. Based on scenario and business plan assumptions used, additional sensitivity analysis have not been performed as the assumptions used for the business plan preparation ("Low Case") and those used in the valuation analysis for the base case (additional execution risks, nil long-term growth rate and average results projected in terminal value), already take into account what management consider to be a conservative scenario.

Impairment tests for other regions, where goodwill was allocated, were based on the expected future cash flows covering the period from 2014 through 2017. The assumptions used to determine the pre-tax WACCs and the risk premiums were consistent with those described above for the NAFTA region. Cash flows were measured in US dollars and base pre-tax WACCs of 14.9% (14.4% in 2012), 22.3% (17.2% in 2012) and 17.9% (16.4% in 2012) were used for the APAC, LATAM and EMEA regions respectively. For these regions, after an increase of 0.5% in WACCs, the recoverable amounts still exceed their carrying amounts.

For Luxury Brands, the CGU corresponds to Ferrari and the expected future cash flows are the operating cash flows taken from the estimates included in the 2014 budget and the expected business performance, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 1% (2% in 2012). These cash flows were then discounted using a post-tax discount rate of 8.35% (8.05% in 2012). The recoverable amount of the CGU to which the Ferrari goodwill relates is significantly higher than its carrying amount; in addition, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that this carrying amount will continue to be recoverable, even in the event of difficult economic and market conditions.

CNH Industrial Group

The vast majority of goodwill relates to the Agricultural and Construction Equipment segment, where the cash-generating units considered for the testing of the recoverability of the goodwill are generally the product lines.

To determine the recoverable amount of these cash-generating units multiple valuation methodologies are used, relying largely on an income approach but also incorporating value indicators from a market approach.

Under the income approach, the recoverable amount of a cash-generating unit used by CNH is calculated based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units. The following discount rates before taxes as of December 31, 2013 and 2012 were selected by CNH:

	2013	2012
Agricultural equipment	**17.4%**	18.0%
Construction equipment	**15.4%**	13.7%
Financial services	**20.2%**	19.7%

Expected cash flows used under the income approach are developed in conjunction with the CNH budgeting and forecasting processes. CNH uses eight years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and five years of expected cash flows for the Financial Services cash-generating unit as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, instead, CNH estimates the recoverable amount of the Agricultural and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using book value and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for the Agricultural Equipment cash-generating unit was 1% in 2013 and 2012, respectively, and for Construction Equipment was 3% in 2013 and 2012, respectively. The terminal value growth rate for Financial Services was 1.5% in 2013 and 2012, respectively.

As of December 31, 2013, the estimated recoverable amount, calculated using the above method, of the Agricultural Equipment and Financial Services cash-generating units, substantially exceeded the respective carrying values. The Construction Equipment cash-generating unit's excess of recoverable amount over carrying value was approximately 7%. A 0.5% increase in the discount rate, holding all other assumptions constant, or a further decline in market demand for construction equipment, particularly in emerging markets and Europe, could result in an impairment loss in future reporting periods.
The results obtained for the Trucks and Commercial Vehicles segment and related sensitivity analyses also confirmed the absence of impairment losses to be recognized.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by management of the CNH Industrial Group based on past performance and expectations of developments in the markets in which the CNH Industrial Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The CNH Industrial Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the CNH Industrial Group.

C&W Group

Goodwill recognized on the acquisition of C&W Group and other acquisitions by C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment not susceptible of separate identification.

Goodwill and other intangible assets with an indefinite useful life are not amortized, but are tested by C&W Group for impairment annually, at October 1st, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill and trademarks are allocated to C&W Group’s cash-generating units (CGU), which are identified as the geographic regions, as the geographic regions for C&W Group represent (1) the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and (2) the lowest level within C&W Group at which these assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks with indefinite lives allocated to each CGU at December 31, 2013 are as follows:

(€ million)	United States	Canada	Latin America	Mexico	EMEA	Asia	Total
Goodwill (Group's share + non-controlling interests)	186	40	16	3	151	45	441
Trademarks	95	17	6	1	57	9	185
Total at December 31, 2013	**281**	**57**	**22**	**4**	**208**	**54**	**626**
Goodwill (Group's share + non-controlling interests)	194	45	17	3	158	42	459
Trademarks	99	18	6	2	59	10	194
Total at December 31, 2012	**293**	**63**	**23**	**5**	**217**	**52**	**653**

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs to sell. In connection with the annual impairment assessment, the value in use exceeded the fair value less costs to sell for the CGUs Canada, Latin America, Mexico and Asia, with the exception of the U.S. and EMEA where the fair value less costs to sell was higher than the value in use.

As part of the annual assessment, the estimated value in use and fair value less costs to sell for each of the CGUs were determined with assistance from an independent appraisal firm.

Assumptions applying to both value in use and fair value less costs to sell

The region specific risk premiums were determined based on various country risk premiums that were weighted by revenue per country. The change in debt-free net working capital was determined based on the consolidated projected balance sheets, which was then allocated by CGU based on revenue.
The long-term growth rates were based on the long-term outlook for the CGUs relative to the industry and the respective economies as a whole.
In addition, the C&W Group’s projected cash flow information used in the discounted cash flow method was developed through assumptions with respect to its expected future revenue and EBITDA margins, related cash taxes, capital expenditures and broker retention (value in use and fair value less costs to sell) and broker acquisition (fair value less costs to sell only).

Value in use

To determine the value in use for the 2013 annual impairment assessment, the discounted cash flow method required a number of key assumptions, including the projected cash flow information and the following for each of the CGUs:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	12.5%	12.5%	14.5%	14.0%	13.5%	13.5%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.7%	0.8%	1.2%
General assumptions	Q4 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Change in debt-free net working capital (as a % of revenu	0.8%	-0.5%	-0.1%	0.4%	0.5%	
Terminal value model	Constant (Gordon Growth Formula)					

Discounted Cash Flow Method (DCF)

Under the discounted cash flow method, cash flows were projected for each of the CGUs, as outlined above, along with an estimate of a terminal year value, all of which was discounted back to October 1, 2013, the Company's annual goodwill assessment date, based on the discount rate assumption. The fourth quarter 2013 revenue and EBITDA assumptions were based upon the Company's most recent forecast available as of the assessment date (the "October" full-year 2013 forecast), while the 2014 – 2017 revenue, EBITDA, cash taxes, capital expenditure and broker acquisition/retention cash flow assumptions were developed in connection with the Company's Strategic Plan that was prepared in 2012.

The discounted cash flow method utilized was substantially the same as that used in 2012.

Fair value less costs to sell

The valuation methodology to determine the fair value less costs to sell of each CGU is based on a weighting of the indicated total invested capital ("TIC") amounts as determined under both the income approach (discounted cash flow method) and the market approach methods.

To determine the estimated fair value less costs to sell for the 2013 annual impairment assessment, both the discounted cash flow and the market approach methods required a number of key assumptions, including the projected cash flow information and the following for each of the CGUs:

	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA
Specific CGU assumptions						
Discount rate	12.5%	12.5%	15.5%	14.0%	13.5%	13.5%
Entity specific risk premium	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.7%	0.8%	1.2%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Adjusted 2013 EBITDA multiple	8.0x	8.5x	8.1x	7.3x	7.2x	8.5x
Adjusted 2014 EBITDA multiple	6.5x	7.0x	6.8x	6.0x	6.3x	8.0x
General assumptions						
Terminal value model	Fading					
Competitive advantage period (years)	3					
Control premium	15.0%					
Equity risk premium	6.0%					
Cost to sell	2.0%					
	Q4 2013	FY 2014	FY 2015	FY 2016	FY 2017	
Change in debt-free net working capital (as a % of revenue)	0.8%	-0.5%	-0.1%	0.4%	0.5%	

The discount rates were established through the assessment of a number of inputs, including the expected return on equity, entity and region specific risk premiums, regional cost of debt, the region specific tax rates and debt to equity ratios.
The terminal value was estimated using a derivation of the fading growth model, which more appropriately measures value during the period over which it is estimated that earnings growth will reduce to the stable long-term growth rate.

The EBITDA multiples for 2013 and 2014 were determined through an assessment of our guideline company multiples and taking into account local country adjustments. The control premium, equity risk premium and the cost to sell assumptions were all determined based on recent activity and trends in the market.

Market Approach Market

Under the market approach, the multiple and EBITDA assumptions were used to calculate a fair value for each CGU for each of the years 2013 and 2014, and then those fair values were weighted to calculate an indicated TIC value for each CGU. The multiple assumptions in these calculations were derived from data publicly available relating to our guideline companies, including information relating to their revenue and EBITDA historical performance as well that expected in 2013 and 2014.

Recoverable amount

C&W Group performed the annual assessment as of October 1, 2013, and, based on that assessment, no impairment charge was required in our consolidated statement of operations for the year ended December 31, 2013.

$ million	USA	CANADA	SOUTH AMERICA	MEXICO	EUROPE	ASIA PACIFIC	TOTAL
At 12/31/2013							
Recoverable amount (A)	600.0	70.0	75.0	35.0	295.0	115.0	1,190.0
Book value of equity (B)	405.3	39.8	32.3	3.2	283.6	73.3	837.5
Difference (A) - (B) in $ million	194.7	30.2	42.7	31.8	11.4	41.7	352.5
Difference (A) - (B) in € million	146.6	22.7	32.2	23.9	8.6	31.4	265.4

C&W Group's key assumptions used to determine the value in use and fair value less costs to sell represent Management's best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.

The estimated values in use and fair values less costs to sell are particularly sensitive to changes in the discount rate and the projected cash flow information assumptions. However, C&W Group believes that any reasonably possible change in the key assumptions on which the recoverable amount of each of the CGUs is based would not cause the CGU'S carrying amount to exceed its recoverable amount.

Brands, trademarks and other intangible assets with indefinite useful lives

Details of brands, trademarks and other intangible assets with indefinite useful lives are the following:

€ million	12/31/2013	12/31/2012	Change
Fiat Group	**2,600**	2,717	(117)
CNH Industrial Group	**169**	176	(7)
C&W Group	**185**	193	(8)
Juventus F.C.	**30**	30	0
Total Brands, trademarks and other intangible assets with indefinite useful lives	**2,984**	3,116	(132)

With regard to the **Fiat Group**, brands arise almost exclusively from the NAFTA region. The amount of €2,600 million at December 31, 2013 (€2,717 million at December 31, 2012) mainly comprises the net carrying amount of the brands Chrysler, Jeep, Dodge, Ram and Mopar. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they were classified as intangible assets with indefinite useful lives, and are therefore not amortized.

The carrying amount of brands is tested annually and the Fiat Group recognizes an impairment loss if the carrying amount exceeds the recoverable amount. The principal assumptions used in the calculation of the value in use of the NAFTA cash-generating unit are presented above.

With regard to the **CNH Industrial Group**, trademarks and other intangible assets with indefinite useful lives are mainly attributable to CNH and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units without the need for any recognition of impairment.

With regard to **C&W Group, "**Brands, trademarks and other intangible assets with indefinite useful lives" include the amount allocated on acquisition of C&W Group (March 2007) to the "Cushman & Wakefield" trademark, widely recognized by the market, for €185 million at December 31, 2013. C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment.

15. Other intangible assets

In 2013, changes in the other intangible assets are as follows:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2012						
Original cost	5,971	7,367	2,813	1,391	283	17,825
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(951)	(142)	(9,157)
Net carrying amount	**3,142**	**3,559**	**1,386**	**440**	**141**	**8,668**
Changes during the year (original cost)						
Additions	1,675	938	238	143	72	3,066
Disposals	(5)	(317)	(19)	(35)	(66)	(442)
Change in the scope of consolidation	201	(3)	1	41	0	240
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(126)	(234)	(28)	(113)	0	(501)
Total	**1,745**	**384**	**192**	**36**	**6**	**2,363**
Changes during the year (accumulated amortization and impairment)						
Amortization	(557)	(569)	(253)	(106)	(49)	(1,534)
Impairment losses	(120)	(130)	0	0	0	(250)
Disposals	1	298	18	30	36	383
Change in the scope of consolidation	(142)	0	0	(11)	0	(153)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	13	121	(9)	78	0	203
Total	**(805)**	**(280)**	**(244)**	**(9)**	**(13)**	**(1,351)**
Balance at December 31, 2013						
Original cost	7,716	7,751	3,005	1,427	289	20,188
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(960)	(155)	(10,508)
Net carrying amount	**4,082**	**3,663**	**1,334**	**467**	**134**	**9,680**

In 2013, new development costs were capitalized for €2,613 million, of which €2,042 million from the Fiat Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs in NAFTA and EMEA region.

In 2013, the Fiat Group, to reflect the new product strategy the Group wrote-down certain Development costs by €250 million (€57 million in 2012). This amount mainly includes €151 million for the EMEA region, €32 million for the LATAM region and €65 million for Maserati in connection with development costs on new Alfa Romeo, Fiat and Maserati products, which have now been switched to new platforms considered technologically more appropriate. These write-downs of Development costs have been recognized as other unusual expenses for €226 million. In 2012, the write-down was recognized within Trading profit (loss), as this was not related to strategic factors.

The change in the scope of consolidation of €87 million mainly includes the effects of the consolidation of the VM Motori group in the Fiat Group.

Foreign exchange losses of €217 million in 2013 principally reflect the depreciation of the US dollar and Brazilian real against the Euro, partially offset by the appreciation of the Polish zloty against the Euro.

The amortization of development costs are reported in the income statement as research and development costs.

The next note presents an in-depth analysis of the recoverable amount of non-current assets of the EMEA region of the Fiat Group.

In 2012, changes in other intangible assets were as follows:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2011						
Original cost	4,491	6,483	2,671	1,328	268	15,241
Accumulated amortization and impairment	(2,612)	(3,364)	(1,224)	(887)	(135)	(8,222)
Net carrying amount	**1,879**	**3,119**	**1,447**	**441**	**133**	**7,019**
Changes during the year (original cost)						
Additions	1,646	1,026	208	134	77	3,091
Disposals	(4)	(66)	(35)	(41)	(57)	(203)
Change in the scope of consolidation	(58)	(37)	0	0	0	(95)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(104)	(39)	(31)	(30)	(5)	(209)
Total	**1,480**	**884**	**142**	**63**	**15**	**2,584**
Changes during the year (accumulated amortization and impairment)						
Amortization	(300)	(519)	(253)	(114)	(48)	(1,234)
Impairment losses	(19)	(38)	0	(1)	0	(58)
Disposals	0	52	34	35	41	162
Change in the scope of consolidation	57	38	0	0	0	95
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	45	23	16	16	0	100
Total	**(217)**	**(444)**	**(203)**	**(64)**	**(7)**	**(935)**
Balance at December 31, 2012						
Original cost	5,971	7,367	2,813	1,391	283	17,825
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(951)	(142)	(9,157)
Net carrying amount	**3,142**	**3,559**	**1,386**	**440**	**141**	**8,668**

In 2012, new development costs were capitalized for €2,672 million.

In 2012, the Group wrote down certain development costs by €57 million. In 2013, the writedown has been totally recognized as Trading profit (loss).

Foreign exchange losses of €114 million in 2012 principally reflect the depreciation of the US dollar and Brazilian real against the Euro, partially offset by the appreciation of the Polish zloty against the Euro.

16. Property, plant and equipment

In 2013, changes in property, plant and equipment are as follows:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2012							
Original cost	957	8,701	40,628	1,561	2,702	3,520	58,069
Accumulated depreciation and impairment	(10)	(3,382)	(25,925)	(335)	(1,549)	(10)	(31,211)
Net carrying amount	**947**	**5,319**	**14,703**	**1,226**	**1,153**	**3,510**	**26,858**
Changes during the year (original cost)							
Additions	5	661	2,812	599	170	2,335	6,582
Disposals	(5)	(37)	(1,143)	0	(98)	(6)	(1,289)
Change in the scope of consolidation	3	16	240	0	5	4	268
Translation differences and other changes	(63)	(356)	(1,494)	(5)	(121)	(190)	(2,229)
Reclassified to/from assets held for sale	(2)	(30)	(64)	0	(2)	0	(98)
Other changes	235	429	2,612	(262)	225	(3,010)	229
Total	**173**	**683**	**2,963**	**332**	**179**	**(867)**	**3,463**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(335)	(3,323)	(206)	(230)	0	(4,094)
Impairment losses	0	0	(84)	(28)	0	0	(112)
Disposals	0	21	1,093	0	81	0	1,195
Change in the scope of consolidation	0	0	(148)	0	(4)	0	(152)
Translation differences and other changes	0	106	775	1	61	0	943
Reclassified to/from assets held for sale	1	25	49	0	2	0	77
Other changes	0	12	(119)	125	(70)	(1)	(53)
Total	**1**	**(171)**	**(1,757)**	**(108)**	**(160)**	**(1)**	**(2,196)**
Balance at December 31, 2013							
Original cost	1,130	9,384	43,591	1,893	2,881	2,653	61,532
Accumulated depreciation and impairment	(9)	(3,553)	(27,682)	(443)	(1,709)	(11)	(33,407)
Net carrying amount	**1,121**	**5,831**	**15,909**	**1,450**	**1,172**	**2,642**	**28,125**
of which leased under finance leases	*5*	*140*	*337*		*1*		*483*

Additions of €6,582 million in 2013 mainly refer to the car-mass market operations of the Fiat Group for €5,110 million, as well as, to the ongoing construction of the new LATAM plant in Pernambuco, and for €1,444 million to the Agricultural and Construction Equipment and Trucks and Commercial Vehicles segments of the CNH Industrial Group.

In 2013 the impairment losses of €84 million refer to the Fiat Group and €28 million to the CNH Industrial Group. Impairment losses for €30 million of the Fiat Group relate to assets in the cast iron business unit of the Components segment as a result of an expected reduction in these activities compared to the previous expectations, due to the increasing use of aluminum in the production of the automotive engine blocks rather than cast iron and €54 million refers to the streamlining of architectures and models associated with the EMEA region's refocused product strategy. These impairments, which are due to a structural change in the market, were fully recognized in unusual expenses.

The change in the scope of consolidation mainly reflects the consolidation of the VM Motori group by the Fiat Group from July 1, 2013.

In 2013, exchange losses of €1,286 million mainly reflect the changes of the US dollar and the Brazilian real against the Euro.

In 2013, other changes primarily consisted of the reclassification of prior year balances for advances and tangible assets in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date. With reference to land, other changes also includes €214 million which is the fair value of the land donated to the Fiat Group by the State of Pernambuco (Brazil) at the end of the year following the Group commitment to implement an industrial unit designed to produce, assemble and sell vehicles.

In 2012, changes in property, plant and equipment were as follows:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2011							
Original cost	943	8,218	38,140	1,321	2,707	2,861	54,190
Accumulated depreciation and impairment	(10)	(3,126)	(24,096)	(290)	(1,501)	(10)	(29,033)
Net carrying amount	**933**	**5,092**	**14,044**	**1,031**	**1,206**	**2,851**	**25,157**
Changes during the year (original cost)							
Additions	28	263	1,548	542	188	3,908	6,477
Disposals	(9)	(82)	(1,115)	(56)	(134)	(10)	(1,406)
Change in the scope of consolidation	0	1	(70)	0	1	0	(68)
Translation differences and other changes	(10)	(95)	(468)	0	(27)	(110)	(710)
Reclassified to/from assets held for sale	0	12	0	0	0	0	12
Other changes	5	384	2,593	(246)	(33)	(3,129)	(426)
Total	**14**	**483**	**2,488**	**240**	**(5)**	**659**	**3,879**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(332)	(3,153)	(169)	(227)	0	(3,881)
Impairment losses	0	(2)	(51)	(15)	0	(1)	(69)
Disposals	0	46	1,075	39	111	1	1,272
Change in the scope of consolidation	0	(1)	61	0	0	(1)	59
Translation differences and other changes	0	29	235	5	18	0	287
Reclassified to/from assets held for sale	0	(7)	0	0	0	0	(7)
Other changes	0	11	4	95	50	1	161
Total	**0**	**(256)**	**(1,829)**	**(45)**	**(48)**	**0**	**(2,178)**
Balance at December 31, 2012							
Original cost	957	8,701	40,628	1,561	2,702	3,520	58,069
Accumulated depreciation and impairment	(10)	(3,382)	(25,925)	(335)	(1,549)	(10)	(31,211)
Net carrying amount	**947**	**5,319**	**14,703**	**1,226**	**1,153**	**3,510**	**26,858**
of which leased under finance leases	*5*	*64*	*297*		*1*		*367*

As a result of an analysis of the classification of the Fiat Group's assets arising from the data conversion connected to the implementation of a new accounting information system for certain subsidiaries of the Fiat Group, the 2011 and 2012 amounts presented in this analysis for comparative purposes have been reclassified to ensure comparability and consistency. A group of equipment previously classified within the item other tangible assets is now classified as plant, machinery and equipment. This reclassification had no effect on the results, net assets and total of property, plant and equipment reported in the statement of financial position.

In 2012, additions of €6,477 million mainly referred to the car mass-market operations of the Fiat Group and €5,149 million to the Agricultural and Construction Equipment segment and €1,280 million to the Trucks and Commercial Vehicles segment of the CNH Industrial Group.

In 2012, exchange losses of €423 million mainly reflect the depreciation of the US dollar and the Brazilian real against the Euro, partially offset by the appreciation of the Polish zloty against the Euro.

In 2012, other changes mainly consisted of the reclassification of the prior year balances for advances and tangible assets in progress to the appropriate categories when the assets were effectively acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date.

At December 31, 2013, property, plant and equipment of the Fiat Group excluding Chrysler reported as pledged as collateral for loans, is mainly related to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the corresponding recognition of a financial lease payable.

They are as follows:

€ million	12/31/2013	12/31/2012
Land and industrial buildings pledged as security for debt	102	31
Plant and machinery pledged as security for debt and other commitments	294	259
Other assets pledged as security for debt and other commitments	5	6
Property plant and equipment pledged as security for debt	**401**	296

The amount of property, plant and equipment of Chrysler at December 31, 2013 is €11,975 million (€12,069 million at December 31, 2012). Substantially all the property, plant and equipment of Chrysler Group LLC and its US subsidiary guarantors are unconditionally pledged as securities for certain debts of Chrysler.

At December 31, 2013, land and industrial buildings of the CNH Industrial Group pledged as security for debt amounted to €73 million (€67 million at December 31, 2012); plant and machinery pledged as security for debt and other commitments amounted to €75 million (€72 million at December 31, 2012) and other assets pledged as security for debt and other commitments amounted to zero (€1 million at December 31, 2012); these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a financial lease payable.

Moreover, at December 31, 2013 real estate mortgaged for a loan from the Istituto per il Credito Sportivo for the construction of the new stadium amounts to a maximum value of €120 million.

At December 31, 2013, the Group had contractual commitments for the acquisition of property, plant and equipment amounting to €1,789 million (€1,158 million at December 31, 2012).

Recoverability of non-current assets of the Fiat Group

Non-current assets include property, plant and equipment, goodwill and intangible assets with definite and indefinite useful lives. The Group periodically reviews the carrying amount of non-current assets and that of assets held for sale when events and circumstances warrant such a review. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount is the higher of the CGUs fair value less costs of disposal and their value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The analysis of the recoverable amount of non-current assets is performed at least annually for CGUs to which goodwill or Intangible assets with indefinite useful lives have been allocated. For a discussion on impairment testing on goodwill arising from the Chrysler acquisition and Intangible assets with an indefinite useful life, reference should be made to Note 14.

For other CGUs, the same analysis is performed when events and circumstances indicate that an asset may be impaired. At December 31, 2012 and 2013, due to the continued decline in car demand on the European market (primarily in Italy) and to the streamlining of architectures and related production platforms associated with the region's refocused product strategy, impairment tests relating to EMEA net assets were performed on two levels.

Firstly, the recoverable amounts of the assets of specific EMEA CGUs were tested, identified as plants, machinery and equipment as well as the associated intangible assets dedicated to the production of specific platforms and powertrains. This impairment analysis led to the recognition of impairment on development costs of €151 million and on other tangible assets of €55 million (€108 million in 2012 mainly related to Development costs and other tangible assets). These impairment losses were recognized under other unusual expenses (€93 million) and under operating costs (€10 million). A similar process was carried out also for specific CGUs within the Components operating segment and for the Maserati CGU, leading to the recognition of an impairment of property, plant and equipment for €30 million and an impairment of Development costs of €65 million, respectively.

Secondly, following the above mentioned decline in demand, at December 31, 2012 and 2013, the Group deemed necessary to test the recoverable amount of the net capital employed pertaining to the EMEA operating segment as a whole, by determining its value in use with the following assumptions:

- reference scenario was based on 2014 budget, the expected trading conditions and the automotive market trends for the 2015-2019 period, based on analysis and studies carried out by primary independent analysts (*IHS-Global Insight*), in line with the announced strategic decision to leverage historical premium brand heritage (Alfa Romeo) and the success of the new 500 family;

- the six year period has been deemed necessary to take into account the full cycle of new vehicles introduced reflecting the benefits arising from the capital expenditure devoted to the product portfolio enrichment and renewal, largely concentrated in 2015-2016;
- the expected future cash flows, represented by the projected trading profit plus depreciation and amortization and reduced by expected capital expenditure, include a normalized terminal value used to estimate the future results beyond the time period explicitly considered. This terminal value was assumed substantially in line with 2017-2019 amounts. The long-term growth rate was set at zero;
- the expected future cash flows have been discounted using a pre-tax Weighted Average Cost of Capital ("WACC") of 12.20% (13.14% in 2012). This WACC reflects the current market assessment of the time value of money for the period being considered and the risks specific to the EMEA region. The WACC was calculated by referring among others to the yield curve of 10 years European government bonds and to Fiat cost of debt.

The recoverable amount of the net assets of the EMEA operating segment was higher than the corresponding book value. In addition, sensitivity analysis were performed by simulating two different scenarios: a) WACC was increased by 1% for 2017, 2% for 2018 and 3% for 2019 and for Terminal Value; b) cash-flows were reduced by estimating the impact of a 5% decrease in the European car market demand for 2015, 7.5% for 2016 and 10% for 2017-2019 as compared to the base assumptions. In all cases the recoverable amount of the net assets continued to be higher than their book value.

The estimates and assumptions described reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the car industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry. More specifically, considering the uncertainty, a future worsening in the economic environment in the Eurozone that is not reflected in these Group assumptions, could result in actual performance that differs from the original estimates, and might therefore require adjustments to the carrying amounts of certain non-current assets in future periods.

17. Investments and other financial assets

Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Investments in jointly controlled entities	1,790	1,777	13
Investments in associates	454	295	159
Investments in subsidiaries	31	33	(2)
Investments accounted for using the equity method	**2,275**	**2,105**	170
Investments at fair value with changes directly in Other comprehensive income	385	2,249	(1,864)
Investments at fair value	**385**	**2,249**	(1,864)
Investments in jointly controlled entities	22	23	(1)
Investments in associates	4	7	(3)
Investments in subsidiaries	8	8	0
Investments at cost	**34**	38	(4)
Total Investments	**2,694**	**4,392**	(1,698)
Non-current financial receivables	**324**	344	(20)
Other securities	**629**	664	(35)
Total Investments and other financial assets	**3,647**	**5,400**	(1,753)

Investments

Changes in Investments in 2013 are set out below:

€million	12/31/2012	Revaluations (Impariment losses)	Fair value changes included in other comprehensive income (losses)	Transfer of fair value to income statement	Acquisitions and capitalizations	Disposals	Change in the scope of consolidation	Translation differences	Other changes	12/31/2013
Investments accounted for using the equity method	2,105	227	0	0	286	0	(35)	(128)	(180)	2,275
Investments at fair value	2,249	0	93	(1,576)	98	(477)	0	0	(2)	385
Investments at cost	38	(6)	0	0	9	0	(5)	(1)	(1)	34
Total Investments	**4,392**	**221**	**93**	**(1,576)**	**393**	**(477)**	**(40)**	**(129)**	**(183)**	**2,694**

The Revaluations/(Impairment losses) of €221 million include the share of the profit or loss of investees accounted for using the equity method and the impairment losses recognized during the year on investments measured at cost.

The fair value changes recognized in equity show a gain of €93 million and include the positive fair value adjustment of the investment in SGS of €76 million up to the date of sale and the net positive fair value adjustment relating to other investments of €17 million.

The transfer of fair value to the income statement refers to the reclassification to profit or loss of the fair value reserve previously recorded in equity at the date of finalizing the sale of the investment in SGS.

Acquisitions and capitalizations of €98 million mainly include purchases of investments in the Holdings System and the subscription to the Almacantar capital increase for €58 million, in addition to other acquisitions and capitalizations by the Fiat Group for €212 million and CNH Industrial Group for €25 million.

Disposals include the sale of the investment in SGS for €470 million as well as the disposal of minor investments for €7 million.

Other changes consisting of a net decrease of €183 million relate to the payment of dividends by companies accounted for using the equity method of the Fiat Group for €87 million (of which €72 million was received from Tofas Turk Otomobil Fabrikasi A.S. and €15 million from FGA Capital) and of the CNH Industrial Group for €66 million, negative changes in the cash flow hedge reserve of €14 million and other net negative changes of €16 million.

The investments accounted for using the equity method are as follows:

€ million		12/31/2013		12/31/2012
Investments accounted for using the equity method:				
Jointly-controlled entities				
FGA Capital S.p.A.	50.00%	839	50.00%	770
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	240	37.90%	329
Società Europea Veicoli leggeri - Sevel S.p.A.	50.00%	104	50.00%	102
GAC Fiat Automobiles Co. Ltd	50.00%	85	50.00%	90
Fiat India Automobiles Limited	50.00%	76	50.00%	35
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	172	50.00%	169
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	91	37.50%	104
New Holland HFFT Japan Inc.	50.00%	46	50.00%	35
CNH de Mexico SA de CV	50.00%	22	50.00%	22
SAIC Iveco Investment Company Limited	50.00%	44	50.00%	19
VM Motori S.p.A.		0		37
Other		71		65
Total Joint-controlled entities		1,790		1,777
Associates				
RCS MediaGroup S.p.A.	16.40%	87	10.10%	21
CNH Capital Europe S.a.s.	49.90%	78	49.90%	73
Al-Ghazi Tractors Ltd	43.20%	23	43.20%	24
Almacantar Group	38.29%	225	36.29%	133
Otehr		41		44
Total Associates		**454**		**295**
Subsidiaries		**31**		**33**
Total Investments accounted for using the equity method		**2,275**		2,105

On July 30, 2013 the Fiat Group, Crédit Agricole and Crédit Agricole Consumer Finance reached an agreement to extend the 50/50 joint venture in FGA Capital S.p.A. up to December 31, 2021.

Tofas-Turk Otomobil Fabrikasi A.S., which is a listed company, is classified as a jointly-controlled company as both partners have a shareholding of 37.9%

The key data for 2013 referring to the investment in the Almacantar Group are as follows:

	12/31/2013	12/31/2013
	£ million	€ million
Net property income	**17.2**	**20**
Profit attributable to owners of the parent	**83.3**	**98**
Of which EXOR's share	**31.9**	**38**
Net debt	**(165.2)**	**(195)**

With reference to the interest in RCS MediaGroup S.p.A. ("RCS"), as a result of the subscriptions to the share capital in 2013 Fiat increased its ownership to 16.4% of the whole capital (representing a 20.55% of ordinary shares) with a €94 million cash investment. In order to account for this investment, reference was made to the company's most recent published financial statements, being the "Interim Management Statements at September 30, 2013" since the company publishes its annual financial statements after the publication of the consolidated financial statements of the Fiat Group.

At December 31, 2013, the stock market price of equity investments in listed entities is as follows:

	at 12/31/2013	
€ million	Book value	Market value
Tofas - Turk Otomobil Fabrikasi A.S.	240	875
Turk Traktor Ve Ziraat Makineleri A.S.	91	416
Rizzoli Corriere della Sera MediaGroup S.p.A.	87	115
Total listed entities	**418**	**1,406**

Investments measured at fair value are as follows:

€ million	12/31/2013	12/31/2012
Investments at fair value with changes in Other comprehensive income (losses)		
Gruppo Banca Leonardo S.p.A.	76	75
Sequana S.A.	25	39
Banijay Holding S.A.S.	37	38
The Economist Group	37	36
Fin. Priv. S.r.l.	14	10
Assicurazioni Generali S.p.A.	3	2
SGS S.A.	0	1,969
Other	193	80
Total Investments at fair value with changes in Other comprehensive income (losses)	**385**	2,249

The decrease in the investment in Sequana comes mainly from the negative fair value adjustment totaling €11 million on the basis of the trading price at December 31, 2013 (€5.7 per share). During the year 337,844 shares (approximately 1.4% of capital) were also sold for a total equivalent amount of €2 million and a net loss recorded of €1 million. At December 31, 2013 the negative adjustment to fair value recognized in other comprehensive income (losses) amounts to €20 million.

The reduction in the investment in SGS is due to the sale of the entire stake held (1,173,400 shares, equal to 15% of share capital) to Serena S.à.r.l.; the agreement was finalized on June 10, 2013. The agreed per share price was CHF 2,128 for an equivalent amount of €2,004 million; the net gain at consolidated level was €1,534 million generated by the reclassification to the income statement of the available-for-sale financial assets fair value reserve of €1,575 million, net of the negative difference of €41 million between the fair value of the investment determined at the date of finalizing the transaction on the basis of the investment's market price (€2,045 million) and the sales price agreed between the parties (€2,004 million).
The investment in SGS, which at December 31, 2012 included the original purchase cost of €470 million and the positive adjustment to fair value recorded in other comprehensive income (losses) of €1,500 million, was further increased by €76 million to bring the investment value in line with the trading price at May 31, 2013 (the date preceding the sale) equal to CHF 2,162 per share (€1,742.7 per share at the EUR-CHF exchange rate of 1.2406). The fair value reserve recorded in equity at May 31, 2013 thus amounted to €1,575 million and, when the transaction was finalized, it was reclassified to the income statement as established by IAS 39.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as standby letters of credit and other agreements.

Other securities

Other securities amount to €629 million (€664 million at December 31, 2012) and mainly comprise:

- for €382 million (€323 million at December 31, 2012), the value of the Irish-registered fund The Black Ant Value Fund, which principally invests in equity and credit instruments.
- for €83 million, the value of bonds issued by leading counterparties listed on open and regulated markets with the intention of holding them until their natural repayment date. Such bonds are recognized and measured at amortized cost;
- for €46 million, the value of the investment in Perella Weinberg Funds (€83 million at December 31, 2012);
- for €12 million, the value of the investment in the RHO Immobiliare Fund (unchanged compared to December 31, 2012).

At December 31, 2012 this item included €57 million relating to the amount paid for the contractual rights arising from the acquisition of the Equity Recapture Agreement and the Veba Call Option by the Fiat Group.

As established in the agreements and taking into account the positive performance of The Black Ant Value Fund in 2012, during the first quarter of 2013, 150,000 shares were redeemed for an equivalent amount of €16 million, with a gain of €1 million. This decrease was more than compensated by the positive fair value alignment of €74 million at December 31, 2013 (with recognition in other comprehensive income losses).

The net decrease in the Perella Weinberg Funds, equal to €37 million, was due principally to the redemptions of the NoCo B and Perella Weinberg Real Estate I funds, respectively for $51 million (€39 million) and €2 million, purchases during the period of €2 million and the positive adjustment to fair value of €2 million. The net gain realized is equal to €17 million.

Considering the agreement with the VEBA Trust to purchase the remaining minority equity stake in Chrysler, which closed on January 21, 2014, the equivalent amount at December 31, 2013 of the $75 million amount paid for these rights (€56 million) was written-off and recognized within the unusual charges.

18. Leased assets

Changes in leased assets in 2013 and 2012 are as follows:

€ million	12/31/2012	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2013
Gross carrying amount	816	485	0	(52)	(274)	975
Depreciation and impairment	(192)	0	(106)	9	83	(206)
Net carrying amount of Leased assets 2013	**624**	**485**	**(106)**	**(43)**	**(191)**	**769**

€ million	12/31/2011	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2012
Gross carrying amount	803	381	0	(6)	(362)	816
Depreciation and impairment	(200)	0	(112)	1	119	(192)
Net carrying amount of Leased assets 2012	**603**	**381**	**(112)**	**(5)**	**(243)**	**624**

The Fiat Group and the CNH Industrial Group lease out assets, mainly their own products, as part of the financial services businesses of the Iveco and CNH sectors. Such assets are depreciated at rates of between 20% and 33%.

19. Inventories

Inventories are composed of the following:

€ million	12/31/2013	12/31/2012	Change
Raw materials, supplies and finished goods	14,215	12,809	1,406
Assets sold with a buy-back commitment and leases	1,342	1,122	220
Gross amount due from customers for contract work	135	202	(67)
Total Inventories	**15,692**	**14,133**	1,559

Inventories of the Fiat Group amount to €10,230 million (€9,295 million at December 31, 2012) and inventories of the CNH Industrial Group total €5,464 million (€4,843 million at December 31, 2012), net of intercompany eliminations of €2 million (€5 million in 2012).

At December 31, 2013, inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to realize the sale) amounting to €2,620 million (€2,397 million at December 31, 2012).

The amount of inventories of Chrysler at December 31, 2013 is €4,958 million (€4,200 million at December 31, 2012). Substantially all of the inventories of Chrysler and its U.S. subsidiary guarantors are unconditionally pledged as securities for certain debts of Chrysler (see Note 33).

The amount of inventory writedowns recognized as an expense during 2013 is €614 million (€695 million in 2012). Amounts recognized as income from the reversal of writedowns on items sold during the year were not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2013	12/31/2012	Change
Gross amount due from customers for contract work, as an asset	135	202	(67)
Less: Amount due to customers for contract work, as a liability	(209)	(174)	(35)
Construction contracts, net of advances on contract work	**(74)**	**28**	(102)

20. Trade receivables

Details by segment are as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Eliminations and Adjustments	Consolidated
Trade receivables at December 31, 2013	2,406	988	262	31	(69)	**3,618**
Trade receivables at December 31, 2012	2,702	1,436	259	28	(122)	**4,303**
Change	(296)	(448)	3	3	53	(685)

The analysis of trade receivables by due date is as follows:

€ million	12/31/2013	12/31/2012	Change
Due within one year	3,546	4,248	(702)
Due between one and five years	69	55	14
Due beyond five years	3	0	3
Total Trade receivables	**3,618**	**4,303**	(685)

Trade receivables are shown net of allowances for doubtful accounts of €534 million at December 31, 2013 (€526 million at December 31, 2012), determined on the basis of historical losses on receivables. Changes in the allowance accounts during 2013 are as follows:

€ million	12/31/2012	Provision	Use and other changes	12/31/2013
Allowances for doubtful accounts	**526**	88	(80)	**534**

The amount of trade receivables of Chrysler at December 31, 2013 is €847 million (€909 million at December 31, 2012). Substantially all the trade receivables of Chrysler and its U.S. subsidiary guarantors are unconditionally pledged as securities for certain debts of Chrysler (see Note 33).

21. Receivables from financing activities

At December 31, 2013 receivables from financing activities amount to €19,594 million (€18,938 million at December 31, 2012) and include the following:

€ million	12/31/2013	12/31/2012	Change
Dealer financing	8,880	8,193	687
Retail financing	9,093	8,743	350
Finance leases	1,410	1,644	(234)
Other	211	358	(147)
Total Receivables from financing activities	**19,594**	**18,938**	656

Receivables from financing activities are shown net of an allowance for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2013 the allowance amounts to €646 million (€692 million at December 31, 2012).

Changes in the allowance accounts during the year considered are as follows:

€ million	12/31/2012	Provision	Use and other changes	12/31/2013
Total allowance on Receivables from financing activities	**692**	137	(183)	**646**

Receivables for dealer financing are typically generated by sales of vehicles and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from sector to sector and from country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €8,123 million and by the Fiat Group €970 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the Fiat Group (Performance and Luxury Brands operating segment) and the CNH Industrial Group (Truck and Commercial Vehicles and Agricultural and Construction Equipment). The interest rate implicit in the lease is determined at the contract date for the whole of the lease term and is in line with market rates.
These receivables are stated gross of an allowance of €235 million at December 31, 2013 (€261 million at December 31, 2012) and may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	791	1,160	97	2,048
Less: unrealized interest income	(152)	(237)	(15)	(404)
Present value of future minimum lease payments at December 31, 2013	**639**	**923**	**82**	**1,644**
Receivables for future minimum lease payments	941	1,375	47	2,363
Less: unrealized interest income	(165)	(292)	(12)	(469)
Present value of future minimum lease payments at December 31, 2012	**776**	**1,083**	**35**	**1,894**

No contingent rents were recognized as finance lease income during 2013 or 2012 and unguaranteed residual values at December 31, 2013 and 2012 are not significant.

Other receivables from financing activities also include financial receivables from jointly-controlled financial services entities (FGA Capital group) of €27 million (€58 million at December 31, 2012) and financial receivables from companies under joint control, associates and unconsolidated subsidiaries of €33 million (€56 million at December 31, 2012).

The analysis of receivables from financing activities is the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	12,378	12,113	265
Due between one and five years	7,082	6,720	362
Due beyond five years	134	105	29
Total Receivables from financing activities	**19,594**	**18,938**	656

22. Other financial receivables

At December 31, 2013 other financial receivables amount to €6 million (€4 million at December 31, 2012) and are due within the year.

23. Current tax receivables

At December 31, 2013 current tax receivables amount to €558 million (€553 million at December 31, 2012). The analysis by due date is the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	374	436	(62)
Due between one and five years	141	49	92
Due beyond five years	43	68	(25)
Total Current tax receivables	**558**	**553**	5

24. Other current assets

Other current assets amount to €3,827 million (€3,368 million at December 31, 2012) and mainly consist of other tax receivables for VAT and other indirect taxes for €1,827 million, Receivables from employees for €201 million and accrued income and prepaid expenses for €625 million.

The analysis of current receivables (excluding accrued income and prepaid expenses, by due date is the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	2,858	2,341	517
Due between one and five years	278	409	(131)
Due beyond five years	66	61	5
Total Other current receivables	**3,202**	**2,811**	391

25. Transfers of financial assets

The transfer of financial assets mainly refers to the Fiat Group and the CNH Industrial Group.

The **Fiat Group** transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.
At December 31, 2013, the carrying amount of transferred financial assets not derecognized and the related liabilities was as follows:

€ million	Trade receivables	Receivables from financing activities	Current tax receivables	Total
At December 31, 2013				
Carrying amount of the assets transferred and not derecognized	123	440	33	**596**
Carrying amount of the related liabilities	(123)	(440)	(33)	**(596)**
At December 31, 2012				
Carrying amount of the assets transferred and not derecognized	9	405	35	**449**
Carrying amount of the related liabilities	(9)	(405)	(35)	**(449)**

At December 31, 2013, the Fiat Group had receivables and bills due after that date which had been transferred without recourse and which were accordingly derecognized amounting to €3,576 million (€3,631 million at December 31, 2012). The transfers related to trade receivables and other receivables for €2,864 million (€2,932 million at December 31, 2012) and financial receivables for €712 million (€699 million at December 31, 2012). These amounts include receivables of €2,177 million (€2,179 million at December 31, 2012), mainly due from the sales network, transferred to jointly-controlled financial services companies (FGA Capital).

The **CNH Industrial Group** transfers a number of its financial, trade and tax receivables under securitization programs or factoring transactions.

At December 31, 2013, the carrying amount of such transferred assets and the related liability and the respective fair values are as follows:

€ million	Trade receivables	Receivables from financing activities	Current tax receivables	Total
At December 31, 2013				
Carrying amount of assets	424	10,186	931	11,541
Carrying amount of the related liabilities	(424)	(9,324)	(931)	(10,679)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	424	10,202	931	11,557
Fair value of the liabilities	(424)	(9,338)	(931)	(10,693)
Net position	0	864	0	**864**
At December 31, 2012				
Carrying amount of assets	543	8,998	745	10,286
Carrying amount of the related liabilities	(543)	(8,420)	(745)	(9,708)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	543	9,208	745	10,496
Fair value of the liabilities	(543)	(8,480)	(745)	(9,768)
Net position	0	728	0	**728**

Other financial assets also include the cash with a pre-determined use restricted to the repayment of the securitization debt.

26. Current financial assets

The composition is as follows:

€ million	12/31/2013	12/31/2012	Change
Current investments	35	32	3
Bonds held-to-maturity	29	0	29
Bonds available-for-sale	91	87	4
Bonds and mutual funds held for trading	708	405	303
Total bonds	828	492	336
Other current financial assets	724	641	83
Total Current financial assets	**1,587**	**1,165**	422

“Bonds” mainly consist of short-term or marketable securities which represent temporary investments, but which do not satisfy all the requirements for being classified as cash equivalents of the Fiat Group (€155 million) and the Holdings System (€556 million).

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

27. Other financial assets and Other financial liabilities

These items consist of derivative financial instruments measured at fair value at the balance sheet date. Specifically:

	12/31/2013		12/31/2012	
€ million	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	126	(2)	189	(3)
Currency risks	2	(1)	1	(1)
Interest rate and currency risk - Combined interest rate and currency swaps	15		1	(1)
Other derivatives				
Total Fair value hedges	**143**	**(3)**	**191**	**(5)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	375	(89)	139	(117)
Interest rate risk - Interest rate swaps	3	(12)		(54)
Interest rate risk - Interest rate caps				
Interest rate and currency risk - Combined interest rate and currency swaps	9	(54)	7	(36)
Commodity price risk - Commodity swaps	6	(6)	10	(6)
Total Cash flow hedges	**393**	**(161)**	**156**	**(213)**
Derivatives for trading	168	(75)	276	(124)
Collateral deposits	20		18	
Total Other financial assets (liabilities)	**724**	**(239)**	**641**	**(342)**

The fair value of derivative financial instruments is calculated by using market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is calculated using appropriate valuation techniques and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is calculated using the discounted cash flow method;
- the fair value of derivatives hedging interest rate risk and currency risk is calculated using the exchange rate at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is calculated using the discounted cash flow method, taking (if available) the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in other financial assets (from €641 million at December 31, 2012 to €724 million at December 31, 2013) and in other financial liabilities (from €342 million at December 31, 2012 to €239 million at December 31, 2013) is mostly due to changes in exchange rates, interest rates and in commodity prices during the year, and to the change in fair value of the equity swaps on Fiat S.p.A. and CNH Industrial N.V. shares.

As this item consists principally of derivative hedging instruments, the change in their value is compensated by the change in the value of the hedged item.

Derivatives for trading consist principally of the following types:

- derivatives acquired to hedge receivables and payables subject to currency risk and/or interest rate risk which are not formally designated as hedges. At December 31, 2012 derivatives for trading also included certain equity swaps on Fiat S.p.A. and CNH Industrial N.V. shares;
- an embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

At December 31, 2013 and 2012, the notional amount of outstanding derivative financial instruments is as follows:

€ million	12/31/2013	12/31/2012	Change
Currency risk management	18,436	17,651	785
Interest rate risk management	6,763	9,947	(3,184)
Interest rate and currency risk management	1,538	1,202	336
Commodity price risk management	481	500	(19)
Other derivative financial instruments	14	168	(154)
Total notional amount	**27,232**	**29,468**	(2,236)

At December 31, 2012 other derivative financial instruments included €154 million of the notional amount of four equity swaps, renewed in 2012 and due in 2013, entered into in order to hedge the risk of an increase in the prices of Fiat S.p.A. and CNH Industrial N.V. shares above the exercise price of the stock options granted to the Chief Executive Officer in 2004 and 2006 (see Note 30). At December 31, 2012, the equity swaps had a total positive fair value of €50 million. Although these equity swaps were entered into for hedging purposes, they do not qualify for hedge accounting under accounting principles and accordingly are defined as trading derivative financial instruments.

The following table provides an analysis by due date of outstanding derivative financial instruments based on their notional amounts:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2013				
Currency risk management	17,408	1,028		18,436
Interest rate risk management	1,732	4,679	352	6,763
Interest rate and currency risk management		1,455	83	1,538
Commodity price risk management	458	23		481
Other derivatives	-	-	14	14
Total notional amount	**19,598**	**7,185**	**449**	**27,232**
12/31/2012				
Currency risk management	16,175	1,476		17,651
Interest rate risk management	1,664	6,686	1,597	9,947
Interest rate and currency risk management		1,118	84	1,202
Commodity price risk management	466	34		500
Other derivatives	154	-	14	168
Total notional amount	**18,459**	**9,314**	**1,695**	**29,468**

Cash flow hedges

In respect of derivative financial instruments, in 2013 the Group reclassified losses of €216 million (losses of €194 million in 2012), net of the tax effect, to the following line items in the income statement; these had previously be recognized directly in Other comprehensive income.

€ million	12/31/2013	12/31/2012	Change
Currency risk			
Increase (Decrease) in net revenues	137	(135)	272
Decrease (Increase) in cost of sales	57	(21)	78
Financial income (expenses)	59	19	40
Result from investments	17	(12)	29
Interest rate risk			
Decrease (Increase) in cost of sales	(13)	(15)	2
Result from investments	(4)	(5)	1
Financial income (expenses)	(29)	(11)	(18)
Commodity price risk			
Decrease (Increase) in cost of sales	(1)	(40)	39
Taxes - income (expenses)	(12)	26	(38)
Ineffectiveness - overhedges	5		5
Net gains (losses) on cash flow hedges recognized in the income statement	**216**	**(194)**	410

The effects recorded in the income statement mainly refer to currency risk management and, to a lesser extent, to the hedges relating to commodity price risk management, the hedge of the debt of the Fiat Group's and the CNH Industrial Group's financial companies and cash flows exposed to interest rate risk.

The policies of the Group for managing currency risk normally require that future cash flows from trading activities which will occur for accounting purposes within the following twelve months, and from orders acquired (or contracts in progress), whatever their due dates, be hedged. It is considered reasonable to suppose that the hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in income, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and were entered into by treasuries for the purpose of hedging bonds issued in foreign currencies. The amount recorded in the cash flow hedge reserve will be recognized in income statement according to the timing of the flows of the underlying bonds.
The ineffectiveness of cash flow hedges was not material in 2013 or 2012.

Fair value hedges

The gains and losses arising from the measurement of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized using fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ million	12/31/2013	12/31/2012	Change
Currency risk			
Net gains (losses) on qualifying hedges	19	14	5
Fair value changes in hedged items	(19)	(14)	(5)
Interest rate risk			
Net gains (losses) on qualifying hedges	4	13	(9)
Fair value changes in hedged items	(1)	(11)	10
Net gains (losses) on fair value hedges recognized in the income statement	**3**	**2**	1

The ineffective portion of transactions treated as fair value hedges in 2013 was a positive amount of €3 million (positive amount of €2 million in 2012).

28. Cash and cash equivalents

Cash and cash equivalents consist of:

€ million	12/31/2013	12/31/2012	Change
Cash in hand and at banks and post offices	14,649	11,594	3,055
Cash with a pre-determined use	672	679	(7)
Money market securities	10,832	10,540	292
Total Cash and cash equivalents	**26,153**	**22,813**	3,340

These amounts include cash at banks, units in liquidity funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.

The par value of cash and cash equivalents usually approximates fair value due to the short maturity of these instruments, which consist primarily of bank current accounts and time deposits, certificates of deposit, commercial paper, bankers' acceptances and money market funds. Money market funds valuation is also based on available market quotations. Where appropriate, the fair value of cash equivalents of the Fiat Group is determined with discounted expected cash flow techniques, using observable market yields (represented in Level 2 of the fair value hierarchy).

The Fiat Group holds a subsidiary which operates in Venezuela whose functional currency is the US dollar. Pursuant to certain Venezuelan foreign currency exchange control regulations, the Central Bank of Venezuela centralizes all foreign currency transactions in the country. Under these regulations, the purchase and sale of foreign currency must be made through the Commission for the Administration of Foreign Exchange ("CADIVI"). The cash and cash equivalents denominated in VEF amounted to €270 million (VEF 2,347 million) at December 31, 2013 and €260 million (VEF 1,476 million) at December 31, 2012.

29. Assets and liabilities held for sale and Discontinued Operations

Assets and liabilities held for sale consist of certain properties and the assets and liabilities of a minor company held by the Fiat Group.
Assets and liabilities held for sale at December 31, 2012 included the above mentioned properties and the investment in the jointly-controlled entity Sevelnord Société Anonyme, sold in the first quarter of 2013, and the investment in a company in Brazil now consolidated on line-by-line basis.

30. Equity

Share capital

The meeting of the board of directors of EXOR S.p.A. held on February 11, 2013 put forward a motion to the shareholders to convert the Company's preferred and savings shares into ordinary shares.
The conversion had the intention of simplifying the capital structure and governance of the Company, creating conditions for greater transparency. In addition, the conversion eliminated classes of securities that had very limited trading volumes, replacing them with ordinary shares, whose liquidity would be enhanced through the conversion, to the benefit of all shareholders.
The proposals were approved by the special meetings of the preferred and savings shareholders and the general meeting of the shareholders (in extraordinary session) respectively on March 19, and March 20, 2013.
Holders of preferred shares and savings shares who did not participate in the approval of the proposed conversions (i.e., holders who did not attend the meetings or voted against the proposed resolution or abstained) were able to exercise withdrawal rights for a fifteen-day period following registration of the approved resolutions in the Turin Company Register pursuant to article 2437-bis of the Italian Civil Code. On May 3, 2013, at the end of the withdrawal period, EXOR announced that the conditions precedent, approved by the shareholders' meeting on March 20, 2013, were satisfied. This shareholders' meeting, in fact, had resolved that the conversion of each class of shares would be conditional upon the cash amount to be paid by the Company pursuant to article 2437-quater of the Italian Civil Code for exercise of the withdrawal rights not exceeding €80 million, in the case of the preferred shares, and €20 million in the case of savings shares. In the event that either of these limits was exceeded for any given class, the conversion of both classes of shares

would nevertheless become effective if the aggregate cash amount to be paid by the Company for the exercise of the withdrawal rights in respect of both classes did not exceed €100 million.
The conversions were executed on June 24, 2013, following the ex-dividend date for the 2012 dividends.
At December 31, 2013 the share capital of EXOR S.p.A. is composed of 246,229,850 ordinary shares of par value €1 each for a total of €246,229,850.

At December 31, 2013, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the Company.

The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500,000,000 as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000,000,000 but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.

The ordinary shares are registered shares.

Pursuant to art. 26 of the bylaws, the profit of each year is appropriated as follows:

- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 27 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the Company and appropriated to the extraordinary reserve.

In accordance with art. 29 of the bylaws, in the event of a wind-up, the assets of the Company shall be distributed equally among the shares.

EXOR aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for its shareholders and guarantee economic access to external sources of financing.

Treasury stock

Within the framework of the treasury stock buyback program resolved by the board of directors' meeting on May 29, 2012 and subsequently modified on February 11, 2013 by the board of directors' meeting, which increased the maximum amount authorized by the buyback program from €50 million to €200 million, in the first half of 2013 EXOR purchased 3,790,857 ordinary shares (2.36% of the class) at the average cost per share of €21.96 for a total of €83 million, 823,400 preferred shares (1.07% of the class) at the average cost per share of €21.66 for a total of €18 million, in addition to 184,100 savings shares (2.01% of the class) at the average cost per share of €21.83 for a total of €4 million. The overall investment was €105 million.

At December 31, 2013, following the mandatory conversion of preferred and savings shares into ordinary shares, carried out on June 24, 2013, EXOR S.p.A. held 23,883,746 ordinary treasury shares (9.7% of the class) at the average cost per share of €14.41 for a total of €344 million.

Dividends paid

Dividends paid by EXOR S.p.A. referring to the years 2013 and 2012 are analyzed as follows.

		Dividends paid	
Class	Number of shares	Per share (€)	Total (€ ml)
Ordinary shares	149,739,639	0.335	50
Preferred shares	64,287,376	0.3867	25
Savings shares	8,319,089	0.4131	3
Dividends paid in 2013 referring to the year 2012			**78**

		Dividends paid	
Class	**Number of shares**	**Per share (€)**	**Total (€ ml)**
Ordinary shares	153,530,496	0.335	51
Preferred shares	65,110,776	0.3867	25
Savings shares	8,503,189	0.4131	4
Dividends paid in 2012 referring to the year 2011			**80**

Other comprehensive income

Other comprehensive income in the statement of comprehensive income is composed as follows:

€ million	**2013**	2012
Other comprehensive income that will not be reclassified subsequently to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	2,794	(2,045)
Share of gains (losses) on remeasurement of defined benefit plans for equity accounted	(10)	1
Total Other comprehensive income that will not be reclassified subsequently to the income statement, net of tax (B1)	**2,784**	(2,044)
Other comprehensive income that may be reclassified subsequently to the income statement:		
Effective portion of gains (losses) on cash flow hedges arising during the year	514	0
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	(217)	211
Gains (losses) on cash flow hedges	**297**	211
Gains (losses) on remeasurement of available-for-sale financial assets arising during the	176	488
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	(1,592)	(6)
Gains (losses) on fair value of available-for-sale financial assets	**(1,416)**	482
Exchange differences on translating foreign operations arising during the year	(1,346)	(499)
Exchange differences on translating foreign operations reclassified to the income statement	0	(4)
Exchange differences on translating foreign operations	**(1,346)**	(503)
Share of Other comprehensive income of entities accounted for using the equity method arising during the year	(125)	(47)
Share of Other comprehensive income of entities accounted for using the equity method reclassified to the income statement	(16)	76
Share of other comprehensive income of entities accounted for using the equity method	**(141)**	29
Total Other comprehensive income that may be reclassified subsequently to the income statement, net of tax (B2)	**(2,606)**	219
Total Other comprehensive income, before tax effect (B1) + (B2) = (B)	**178**	(1,825)
Tax effect relating to components of Other comprehensive income	**113**	0
Total Other comprehensive income, net of tax	**291**	(1,825)

With reference to the Group’s defined benefit plans, the gains and losses arising from remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related net liabilities or assets for defined benefit plans (see Note 31).

The tax effect relating to Other comprehensive income may be analyzed as follows:

	2013			2012		
€ million	Pre-tax balance	Tax benefit (expense)	Net -of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	2,784	172	2,956	(2,044)	33	(2,011)
Effective portion of gains (losses) on cash flow hedges	297	(59)	238	211	(33)	178
Gains (losses) on remeasurement of available-for-sale financial assets	(1,416)	(2)	(1,418)	482		482
Exchange gains (losses) on translating foreign operations	(1,346)	2	(1,344)	(503)		(503)
Share of Other comprehensive income of entities accounted for using the equity method	(141)		(141)	29		29
Total Other comprehensive income	**178**	**113**	**291**	**(1,825)**	**0**	**(1,825)**

Non-controlling interests

Details are as follows:

		12/31/2013		
€ million	%	Capital and reserves	Profit (loss)	Total
At December 31, 2013				
Fiat Group	69.10%	8,455	1,661	10,116
CNH Industrial Group	72.04%	3,132	685	3,817
C&W Group Inc.	17.60%	33	4	37
Juventus Football Club S.p.A.	36.23%	27	(8)	19
Total		**11,647**	**2,342**	**13,989**
At December 31, 2012				
Fiat Group	69.09%	5,697	871	6,568
CNH Industrial Group	69.12%	3,029	663	3,692
C&W Group Inc.	21.05%	39	7	46
Juventus Football Club S.p.A.	36.23%	26	1	27
Total		**8,791**	**1,542**	**10,333**

Share-based compensation

EXOR S.p.A. stock option plans

EXOR S.p.A. stock option plans include the Stock Option Plan EXOR 2008-2019 approved in 2008 and the Long-Term Incentive Plan approved in 2012.

Stock option plan EXOR 2008-2019

Following the merger of IFIL in EXOR, the Stock Option Plan EXOR 2008-2019 covers a maximum number of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares. The Plan grants the recipients free options on treasury stock purchased by the Company or by Companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted is as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees and other similar staff of the companies in the Holdings System	4,123,000	1,092,595	6,156	885
Total	**7,123,000**	**1,887,595**	**12,485**	**2,117**

In 2013, 300,000 options were forfeited, corresponding to 79,500 EXOR ordinary shares.

The cost referring to 2013 is classified for €1,232 thousand as compensation to the Chairman and Chief Executive Officer and for €885 thousand as personnel costs with a contra-entry to the stock option reserve.

The cost relating to 2012 amounted to €2,075 thousand of which €1,235 thousand was classified as compensation to the Chairman and Chief Executive Officer and €840 thousand as personnel costs.

Long-Term Incentive Plans

The EXOR shareholders' meeting held on May 29, 2012 approved a new Incentive Plan pursuant to art. 114-*bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to approximately 30 recipients; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the Company and with the Companies in the Holdings System. At year-end 2013, 347,456 options were granted under this plan to 31 employees;
- under the second part of the Plan, denominated "Company Performance Stock Options", a total of 3 million options will be granted to the recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance objectives and continuation of a professional relationship with the Company and with the Companies in the Holdings System. The performance objectives will be considered to have been reached when the annual variation in EXOR's NAV will be higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the Company, John Elkann, is the recipient of the Company Performance Stock Options and received 750,000 options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A. At December 31, 2013, 1,760,732 options were granted to 10 recipients.

The Plans are serviced by treasury stock and therefore do not have a dilutive effect since there will be no issue of new shares.

The "Long-Term Stock Grant" is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Key employees and other similar staff of the companies in the Holdings System	**347,456**	**6,236**	**1,079**

In 2013, 2,000 options relating to a beneficiary were forfeited and 2,000 were granted to a new beneficiary.

The "Company Performance Stock Option" is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	750,000	2,708	451
Key employees (at grant date) and other similar staff of the companies in the Holdings System	1,760,732	6,244	1,056
Total	**2,510,732**	**8,952**	**1,507**

There were no changes in the number of options or beneficiaries during 2013.

The cost referring to 2013 for the two plans is classified for €451 thousand as compensation to the Chairman and Chief Executive Officer and €2,135 thousand as personnel costs with a contra-entry to the stock option reserve.

The cost referring to 2012 for the two plans amounted to €1,200 thousand and was classified for €268 thousand as compensation to the Chairman and Chief Executive Officer and €932 thousand as personnel costs with a contra-entry to the stock option reserve.

C&W Group stock options plans

Cushman & Wakefield has two separate stock option plans, the “Employee Stock Purchase Plan Option” and “Management Option” plans that have been in place since 2007, and two additional incentive plans, the “Equity Incentive Plan” and “Long-Term Incentive Plan for Employees” approved in 2010 and 2011.

The awards under these plans, except for awards under the Long-Term Incentive Plan for Employees, which are cash-settled, meet the requirements to be classified as equity awards.

“Equity Incentive Plan” (EIP)

In December 2010, C&W Group approved the Cushman & Wakefield Equity Incentive Plan (“EIP”)”. In accordance with the terms of the plan, awards may be granted to any employee, member of the board of directors or independent contractor based on prior performance and/or a demonstrated potential for future long-term value at the discretion of the Compensation Committee of the board of directors. Each non-qualified option converts into one share of the Company’s common stock on exercise and the options carry neither rights to dividends nor voting rights. Options vesting may be based on continued service or achievement of specified performance criteria, or a combination of both.

Long-Term Incentive Plan for Employee (LTIE)

In January 2011, the Cushman & Wakefield Long-Term Incentive Plan for Employees (“LTIE”) was approved to attract, retain and reward designated employees and drive the performance of the Company on a global basis. In accordance with the terms of the plan, awards may be granted to high performing agents, brokers, appraisers and key salaried employees to align their interests with the successful global operations of the Company. Awards distributed under the LTIE include phantom stock units, which will be indexed to the value of the Company’s stock and paid in cash, or, in very limited cases and at the discretion of the Company, in shares, based on the fair value of the Company’s stock. The awards generally vest ratably over a four year period, including a measurement year.

Employee Stock Purchase Plan Options

In connection with the Employee Stock Purchase Plan (the “Employee Plan”), employees could purchase shares or convert existing shares into new shares. For each four shares acquired, either through purchase or conversion, the employee was granted one option to purchase an additional share at the fair value of such shares on the date of the option grant. The options have a service requirement of three years and are deemed to meet the requirements to be classified as an equity award. At the grant date, the options and underlying shares were valued by an independent appraisal using the Black-Scholes option pricing model. The resulting option value was multiplied by the number of options outstanding to determine the total cost of the options.

Management Options

From April 1, 2008 through 2011, certain executives of C&W Group were granted stock options classified as EBITDA Options and EBITDA Margin Options. The options are performance based and the exercise price for all options was equal to the share price at the grant date. The EBITDA Options and the EBITDA Margin Options will vest over the terms of the employment contracts if certain EBITDA or EBITDA Margin targets are achieved. For each executive, there are a base number of options, and an additional number of Target 1 and Target 2 options. The options met the requirements to be classified as an equity award; the estimated fair value of the stock option awards is computed using the Black-Scholes model.

The table below summarizes all stock option plans:

	Grant date	Number of options granted	Vesting date or period	Exercise price at grant date	Term of options	Outstanding at December 31, 2013
Employee Stock Purchase Plan Options						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	3,279
Total Employee Stock Purchase Plan Options		**11,166**				**3,279**
Management Options						
Non-performance based options						
Grant 2	11/1/2010	292	2012-2015	$1,465	10 years	292
Grant 3	12/1/2010	374	2012-2014	$1,465	10 years	374
Grant 4	3/3/2011	16,000	2012-2015	$1,510	10 years	16,000
Grant 5	12/16/2013	15,000	2014-2017	$1,440	10 years	15,000
		31,666				**31,666**
Performance based options (EBITDA and EBITDA Margin)						
Tranche 1	4/1/2007	13,450	2007-2011	$1,259	10 years	840
Total Performance based options		**13,450**				**840**
Total Management Options		**45,116**				**32,506**
Total options		**56,282**				**35,785**

The Employee Stock Purchase Plan Options outstanding at December 31, 2013 and 2012 have a weighted average exercise price of $548.02, and weighted average remaining contractual lives of about 2 and 3 years, respectively. The Management Options outstanding at December 31, 2013 and 2012 have weighted average exercise prices of $1,470.82 and $1,325.40, respectively, and weighted average remaining contractual lives of about 8 years, respectively.

The changes in 2013 are as follows:

	12/31/2013			
	Employee Stock Purchase Plan		Management Options	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 1/1/2013	3,512	$548.02	37,506	$1,325.40
Granted during the period			15,000	$1,440.00
Exercised during the period	(18)	$548.02	(16,000)	$1,175.00
Forfeited during the period	(215)	$548.02	(4,000)	$1,175.00
Cancelled during the period				
Outstanding at 12/31/2013	**3,279**	**$548.02**	**32,506**	**$1,470.82**
Exercisable at 12/31/2013	**3,279**	**$548.02**	**9,381**	**$1,486.77**

C&W Group recorded total compensation expense of $6.7 million (€5 million) in 2013 ($10.5 million equal to €8 million in 2012) for all its share-based payment plans, of which $6.5 million ($10.3 million in 2012) was from plans accounted for as equity-settled, share-based payment transactions

Restricted Stock
At December 31, 2013 the number of outstanding unvested shares of the restricted stock plans is 6,386 (8,595 at December 31, 2012).

Phantom stock units
At December 31, 2013 the number of outstanding phantom stock units relating to the LTIE incentive plans is 319 (195 at December 31, 2012).

Fiat Group stock option plans
At December 31, 2013 and December 31, 2012 the following share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of Fiat S.p.A. were in place.

Stock option plans linked to Fiat S.p.A. and CNH Industrial N.V. ordinary shares

The stock option plans outstanding at December 31, 2013 are as follows:

	Managers			**Chief Executive Officer**		
Exercise price (€)	**Options outstanding at 12/31/2013**	Options outstanding at 12/31/2012	**Average remaining contractual life (years)**	**Options outstanding at 12/31/2013**	Options outstanding at 12/31/2012	**Average remaining contractual life (years)**
6.583	-	-	-	10,670,000	10,670,000	2
13.370	1,240,000	1,576,875	0.8	6,250,000	6,250,000	0.8
Total	**1,240,000**	1,576,875		**16,920,000**	16,920,000	

As they were already fully vested at December 31, 2010, the above stock option plans did not lead to any notional cost for 2013 and 2012. The stock options may be exercised up to 2014 and 2016, respectively.

Stock Grant plans linked to Fiat S.p.A. ordinary shares

On April 4, 2012, the General Shareholders Meeting resolved to approve the adoption of a Long-Term Incentive Plan (the “Retention LTI”), in the form of stock grants.

Under this Plan, the Company attributed the Chief Executive Officer with 7 million rights, representative of an equal number of Fiat S.p.A. ordinary shares. The rights will vest ratably, one third on February 22, 2013, one third on February 22, 2014 and one third on February 22, 2015, subject to the requirement that the Chief Executive Officer, Mr. Marchionne, remains in office.
The Plan is to be serviced through treasury stock without issuing new shares. The Company has the right to substitute, in whole or in part, shares vested under the Plan with a cash payment calculated on the basis of the Official Price of those shares published by Borsa Italiana on the date of vesting fulfillment.

At December 31, 2013, the contractual terms of the Plan were therefore as:

Plan	**Beneficiary**	**Number of shares**	**Vesting date**	**Vesting portion**
Retention (LTI)	Chief Executive Officer	7,000,000 Fiat S.p.A.	February 22, 2013 (*)	2,333,333
			February 22, 2014 (*)	2,333,333
			February 22, 2015	2,333,333

(*) As of the date of this document, the Chief Executive Officer had not yet exercised his rights to the vested restricted shares.

The notional cost of €6 million for this plan was recognized in the income statement.

Changes in the Retention LTI plan were as follows:

	2013		**2012**	
	Number of Fiat S.p.A. shares	**Weighted average fair value at grant date (€)**	**Number of Fiat S.p.A. shares**	**Weighted average fair value at grant date (€)**
Outstanding shares unvested at the beginning of the year	**7,000,000**	**4.205**	**-**	
Granted			7,000,000	4.205
Forfeited	-		-	
Vested	**(2,333,333)** (*)	4.205	-	
Outstanding shares unvested at the end of the year	**4,666,667**	**4.205**	**7,000,000**	**4.205**

(*) As of the date of this document, the Chief Executive Officer had not yet exercised his rights to the vested restricted shares.

Share-Based Compensation Plans Issued by Chrysler

Four share-based compensation plans have been issued by Chrysler: the Chrysler Group LLC Restricted Stock Unit Plan (“RSU Plan”), the Amended and Restated Chrysler Group LLC 2009 Directors’ Restricted Stock Unit Plan (“Directors’ RSU Plan”), the Chrysler Group LLC Deferred Phantom Share Plan (“DPS Plan”) and the Chrysler Group LLC 2012 Long-Term Incentive Plan (“2012 LTIP Plan”).

The fair value of each unit issued under the plans is based on the fair value of Chrysler's membership interests. Each unit represents a "Chrysler Group Unit," which is equal to 1/600th of the value of a Chrysler Class A Membership Interest. Since there is no publicly observable trading price for Chrysler's interests, fair value was determined using a discounted cash flow methodology. This approach, which is based on projected cash flows of Chrysler, is used to estimate the Chrysler enterprise value. The fair value of Chrysler's outstanding interest bearing debt as of the measurement date is deducted from Chrysler's enterprise value to arrive at the fair value of equity. This amount is then divided by the total number of Chrysler Group Units to estimate the fair value of a single Chrysler Group Unit.

Restricted Stock Unit Plans issued by Chrysler Group LLC

During 2009, the U.S. Treasury's Office of the Special Master for Troubled Asset Relief Program Executive Compensation (the "Special Master") and the Compensation Committee of Chrysler approved the Chrysler Group LLC Restricted Stock Unit Plan ("RSU Plan"), which authorized the issuance of Restricted Stock Units ("RSUs") to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair value of one Chrysler unit, as defined in the RSU plan. Originally, RSUs granted to Chrysler's employees in 2009 and 2010 vested in two tranches. In September 2012, Chrysler's Compensation Committee approved a modification to the second tranche of RSUs. The modification removed the performance condition requiring an IPO to occur prior to the award vesting. Prior to this modification, the second tranche of the 2009 and 2010 RSUs were equity-classified awards. In connection with the modification of these awards, Chrysler determined that it was no longer probable that the awards would be settled with Chrysler's company stock. Chrysler reclassified the second tranche of the 2009 and 2010 RSUs from equity-classified awards to liability-classified awards. As a result of this modification, additional compensation expense of €12 million was recognized during 2012. RSUs granted to employees generally vest if the participant is continuously employed by Chrysler through the third anniversary of the grant date. The settlement of these awards is in cash.

Further, during 2009 Chrysler established the Amended and Restated Chrysler Group LLC Directors' Restricted Stock Unit Plan ("Directors' RSU Plan"). In April 2012, the Compensation Committee amended and restated the Directors' Restricted Stock Unit Plan to allow grants having a one year vesting term to be granted on an annual basis. Director RSUs are granted to Chrysler non-employee members of the board of directors. Prior to the change, Director RSUs were granted at the beginning of a three-year performance period and vested in three equal tranches on the first, second, and third anniversary of the date of grant, subject to the participant remaining a member of the Chrysler board of directors on each vesting date. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, Chrysler has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.

The liability from the vast majority of these awards is measured and adjusted to fair value at reporting date. The expense recognized in total for both of the RSU Plans for the year ended December 31, 2013 and 2012 approximated €14 million and €28 million, respectively.

Changes during 2013 are as follows:

	2013		2012	
	Restricted Stock Units	**Weighted average fair value at grant date (€)**	Restricted Stock Units	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**4,735,442**	**4.34**	5,952,331	2.51
Granted	161,290	7.46	1,466,523	5.87
Forfeited	(977,573)	2.61	(2,586,060)	0.95
Vested	(225,403)	5.25	(97,352)	4.76
Outstanding shares unvested at the end of the year	**3,693,756**	**4.72**	**4,735,442**	**4.34**

Deferred Phantom Shares issued by Chrysler Group LLC

During 2009 the Special Master approved the Chrysler Group LLC Deferred Phantom Share Plan ("DPS Plan") which authorized the issuance of phantom shares of the Company ("Phantom Shares"). Under the DPS Plan, Phantom Shares were granted to certain key employees as well as to the Chief Executive Officer in connection with his role as a member of the Chrysler Group board of directors. The Phantom Shares vested immediately on the grant date and will be settled in cash. The Phantom Shares are redeemable in three equal annual installments.

The expense recognized in connection with this plan in 2013 was approximately €2 million (€2 million in 2012).

Changes during 2013 were as follows:

	2013		2012	
	Phantom shares	Weighted average fair value at grant date (€)	Phantom shares	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**1,508,785**	**2.68**	**4,944,476**	**1.83**
Granted and vested	-		-	
Settled	(1,190,054)	2.13	(3,435,691)	1.43
Outstanding shares unvested at the end of the year	**318,731**	**4.53**	**1,508,785**	**2.68**

2012 Long-Term Incentive Plan of Chrysler Group LLC

In February 2012, the Compensation Committee of Chrysler adopted the *2012* Long-Term Incentive Plan (the “2012 LTIP”). The 2012 LTIP covers senior Chrysler executives (other than the Chief Executive Officer). It is designed to retain talented professionals and reward their performance through grants of phantom equity in the form of restricted share units (“LTIP RSUs”) and performance share units (“LTIP PSUs”). LTIP RSUs may be granted annually, while LTIP PSUs are generally granted at the beginning of a three-year performance period. The Compensation Committee also has authority to grant additional LTIP PSUs awards during the three-year performance period. The LTIP RSUs will vest over three years in one-third increments on the anniversary of their grant date, while the LTIP PSUs will vest at the end of the three-year performance period only if Chrysler meets or exceeds certain three-year cumulative financial performance targets. Concurrent with the adoption of the 2012 LTIP Plan, the Compensation Committee established financial performance targets based on Chrysler Group’s consolidated financial results for the three-year performance period, ending December 31, 2014. If Chrysler does not fully achieve these targets, the LTIP PSUs will be deemed forfeited. LTIP RSUs and LTIP PSUs represent a contractual right to receive a payment in an amount equal to the fair value of one Chrysler unit, as defined in the LTIP Plan. Once vested, LTIP RSUs and LTIP PSUs will be settled in cash or, in the event Chrysler conducts an IPO, in cash or shares of publicly traded stock, at the Compensation Committee’s discretion. Settlement will be made as soon as practicable after vesting, but in any case no later than March 15 of the year following. Vesting of the LTIP RSUs and LTIP PSUs may be accelerated in certain circumstances, including upon the participant’s death, disability or in the event of a change of control.

The expense recognized in connection with these plans in 2013 was €36 million (€24 million in 2012). Total unrecognized compensation expenses at December 31, 2013 were approximately €32 million. These expenses will be recognized over the remaining service periods based upon the assessment of the performance conditions being achieved.

Changes in 2013 are as follows:

	2013		2012	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**1,805,123**	**5.78**		
Granted	1,628,822	6.89	1,835,833	5.73
Forfeited	(615,315)	5.77	(20,123)	5.91
Vested	(120,423)	6.20	(10,587)	5.91
Outstanding shares at the end of the year	**2,698,207**	**6.13**	**1,805,123**	**5.78**

	2013		2012	
	LTIP PSUs	Weighted average fair value at grant date (€)	LTIP PSUs	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**8,419,684**	**5.78**		
Granted	587,091	7.15	8,450,275	5.73
Forfeited	-	-	-	-
Vested	(589,264)	5.77	(30,591)	5.91
Outstanding shares at the end of the year	**8,417,511**	**5.64**	**8,419,684**	**5.78**

CNH Industrial Group stock option plans

In connection with the merger of Fiat Industrial S.p.A. and CNH Global N.V. with and into CNH Industrial N.V., CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Long-Term Incentive Plan (the “Fiat Industrial Plan”), the CNH Global N.V. Equity Incentive Plan (the “CNH EIP”) and the CNH Global N.V. Directors’ Compensation Plan (“CNH DCP”), effective as of September 29, 2013 (the “Effective Date”).

On the Effective Date, outstanding stock options, unvested restricted share units and performance share units under the former CNH EIP became exercisable or convertible for common shares of CNH Industrial N.V. The number of shares of outstanding equity awards was increased and exercise price of stock options reduced for the conversion ratio of 3.828.

On the Effective Date, the unvested equity awards under the former Fiat Industrial Plan became convertible for common shares of CNH Industrial N.V. on a one-for-one basis.

The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013. For the year ended December 31, 2013 and 2012, CNH Industrial recognized total share-based compensation expense of €35 million and €52 million, respectively.

Furthermore, on September 9, 2013 the CNH Industrial N.V. Directors’ Compensation Plan (the “CNH Industrial DCP”) was approved by the shareholders and adopted by the board of directors of CNH Industrial.

CNH Industrial N.V. Directors’ Compensation Plan (“CNH Industrial DCP”)

This plan provides for the payment of the following to eligible members of the CNH Industrial N.V. Board in the form of cash, and/or common shares of CNH Industrial, and/or options to purchase common shares of CNH Industrial, provided that such members do not receive salary or other employment compensation from CNH Industrial or Fiat S.p.A., and their subsidiaries and affiliates:

- an annual retainer fee of $125,000;
- an Audit Committee membership fee of $25,000;
- a Governance and Sustainability Committee membership fee of $20,000
- a Compensation Committee membership fee of $20,000;
- an Audit Committee chair fee of $35,000;
- a Governance and Sustainability Committee chair fee of $25,000;
- a Compensation Committee chair fee of $25,000 (collectively, the “fees”).

Each quarter of the CNH Industrial DCP year, the eligible directors elect the form of payment of their fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of fees the director elects to be paid in common shares, divided by the fair market value of a CNH Industrial N.V. common share on the date that the quarterly payment is made. Common shares issued to the eligible director vest immediately upon grant. If an eligible director elects to receive all or a portion of fees in the form of a stock option, the number of common shares underlying the stock option is determined by dividing (i) by (ii) where (i) equals the U.S. dollar amount of the quarterly payment that the eligible director elects to receive in the form of stock options multiplied by four and (ii) the fair market value of the common shares on the date that the quarterly payment is made. The CNH Industrial DCP defines fair market value, as applied to each ordinary share, to be equal to the average of the highest and lowest sale price of a CNH Industrial common share during normal trading hours on the last trading day of each plan quarter in which sales of common shares on the New York Stock Exchange are recorded. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

At December 31, 2013, there were 200,000 common shares, reserved for issuance under the CNH Industrial DCP. In 2013, 6,402 stock options were issued under the CNH Industrial DCP at an exercise price of $11.325.

CNH Global Director's Compensation Plan ("CNH DCP")

Directors of former CNH Global were compensated in the form of cash, and/or common shares of CNH Global N.V., and/or options to purchase common shares of CNH Global N.V. under the CNH DCP. Stock options issued under the CNH DCP were converted using the ratio of 3.828 and exercisable for common shares of CNH Industrial N.V. upon the Effective Date. As of December 31, 2013, 186 thousand stock options from the CNH DCP were still outstanding. The CNH DCP was terminated effective as of the Merger and no new equity awards will be issued under the CNH DCP.

CNH Global Equity Incentive Plan ("CNH EIP")

This plan provides for grants of stock options, restricted share units and performance share units to officers and employees of former CNH Global. CNH Industrial can not issue any new equity awards under the CNH EIP; however, CNH Industrial is required to issue shares under the CNH EIP to settle the exercise or vesting of the existing equity awards.

Modification of the plans

On December 28, 2012, CNH Global had paid a special dividend of $10 per common share to its minority shareholders of record as of December 20, 2012, as part of the merger agreement with Fiat Industrial. In accordance with the anti-dilutive provision of both the CNH EIP and CNH DCP, on January 28, 2013, the CNH Global Corporate Governance and Compensation Committee approved required equitable adjustments to outstanding equity awards. The adjustments were retrospectively made to outstanding options under the CNH EIP and CNH DCP, unvested performance share units and unvested restricted share units under the CNH EIP, as of the ex-dividend date on December 18, 2012. The exercise price was reduced and the number of outstanding shares increased for stock options, and the number of unvested share units was increased for performance share units and restricted share units, to maintain the pre-dividend fair value. The weighted average exercise price of outstanding options decreased from $40.45 to $33.34, the number of outstanding options increased from 4.6 million to 5.6 million, the number of unvested performance share units increased from 1.9 million to 2.3 million and the number of unvested restricted share units increased from 451 thousand to 548 thousand. These additional shares were issued in January 2013. The aggregate fair value, the aggregate intrinsic value and the ratio of the exercise price to the market price are approximately equal immediately before and after the adjustment. Therefore, no additional compensation expense was recognized in 2012 and 2013.

The information disclosed below was adjusted retrospectively for the conversion ratio of 3.828. The exercise price and grant-date fair value is expressed in US dollars as this is the currency used in the award agreements with plan participants.

Stock option plan

In September 2012, approximately 2,680 thousand performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). As CNH Global exceeded its 2012 target performance objective, approximately four million of these options were granted overall, of which 171,575 shares were issued in February 2013. One-third of the options vested in February 2013 following the approval of 2012 results of CNH by the board of directors of CNH Global. The remaining options will vest equally on the first and second anniversary of the initial vesting date. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.

The following table summarizes outstanding stock options under the CNH EIP:

	At December 31, 2013			At December 31, 2012	
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in $)**	Number of options outstanding	Weighted average exercise price (in $)
2.92 – 5.00	495,631	1.1	2.92	723,454	3.55
5.01 – 10.00	6,522,657	3.4	8.03	8,666,025	9.38
10.01 – 15.00	5,603,457	3.1	10.16	8,276,973	12.43
Total	**12,621,745**			**17,666,452**	

Changes during the year in stock option plans are as follows:

	2013		2012	
	Number of shares	**Weighted average fair value at grant date ($)**	Number of shares	Weighted average fair value at grant date ($)
Outstanding at the beginning of the year	**17,666,452**	**10.57**	23,447,863	9.15
Anti-dilution adjustment for special dividend	3,796,997	8.7		
Granted	171,575	8.77	4,267,157	10.79
Forfeited	(390,612)	9.36	(558,766)	10.01
Exercised	(8,277,318)	8.45	(9,488,562)	7.19
Expired	(345,349)	11.04	(1,240)	5.54
Outstanding at the end of the year	**12,621,745**	**8.77**	**17,666,452**	**10.57**
Exercisable at the end of the year	**6,731,719**	**8.23**	**5,804,098**	**10.36**

The Black-Scholes pricing model was used to calculate the fair value of stock options for the 2012 Grant. As part of the 2012 Grant, options issued in 2013 had the same per share fair value.

Performance Share Units

Performance-based shares were granted to selected key employees and executive officers of former CNH Global under the CNH EIP. Performance-based shares vest upon the attainment of specified performance objectives.

No performance-based shares were granted in 2013. In 2012, CNH Global N.V. issued several grants of performance-based shares throughout the year. These shares will cliff vest in February 2015 based on their respective performance targets. The total number of shares granted in 2012 was 520,371 with a weighted average fair value of $10.62 per share.

The following table reflects performance-based share activity under the CNH EIP:

	2013		2012	
	Number of shares	**Weighted average fair value at grant date ($)**	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**7,367,897**	**9.21**	7,732,560	9.16
Anti-dilution adjustment for special dividend	1,584,060	7.58		
Granted			520,371	10.62
Forfeited	(415,239)	7.54	(885,034)	9.59
Vested	(2,921,194)	7.54		
Outstanding shares unvested at the end of the year	**5,615,524**	**7.61**	7,367,897	9.21

Restricted Share Units

In 2013, no restricted share units were granted. In 2012, 723,236 restricted share units were granted under the CNH EIP with a weighted average fair value of $11.40 per share. Restricted share units are service based and vest in three equal installments over three years starting from the grant date.

The following table reflects restricted share activity under the CNH EIP:

	2013		2012	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**1,696,715**	**9.28**	1,800,190	7.88
Anti-dilution adjustment for special dividend	363,988	7.64		
Granted			723,236	11.4
Forfeited	(102,703)	7.66	(133,549)	7.94
Vested	(1,027,475)	7.36	(693,162)	8.1
Outstanding shares unvested at the end of the year	**930,525**	**7.95**	1,696,715	9.28

Fiat Industrial Plan

In the General Meeting held on April 5, 2012, Fiat Industrial Shareholders approved the adoption of a Long-Term Incentive Plan articulated in two components (Company Performance LTI and Retention LTI) taking the form of stock grants. According to the Plan, Fiat Industrial granted the Chairman 1 million rights as part of the Company Performance LTI and 1.1 million rights as part of the Retention LTI.

In the case of the Retention LTI, one third of the rights vested on February 22, 2013 and each of the remaining two thirds will vest on February 22, 2014 and February 22, 2015, on condition that Mr. Marchionne remains Chairman.

Under the terms of Long-Term Incentive Plan, the rights to the Company Performance LTI would vest on condition that predetermined financial performance targets for the period from January 1, 2012 to December 31, 2014 were met and on condition that the beneficiary remained in office up to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors; the rights would become exercisable in a single installment subsequent to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors.

The two awards will be settled by issuing new shares.

On October 31, 2013, upon recommendation of the Remuneration Committee, the board of directors of CNH Industrial resolved to consider the performance conditions met for the Chairman’s Company performance share units (“PSU”s). The units will vest on February 1, 2015.

At December 31, 2013, the contractual terms of the Long-Term Incentive Plan are therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Company Performance LTI	Chairman	1,000,000	1st quarter 2015	1,000,000
Retention LTI	Chairman	1,100,000	February 22, 2013 (*)	366,667
			February 22, 2014 (*)	366,667
			February 22, 2015	366,666

(*) As of the date of this document, the Chairman had not yet exercised his rights to the vested restricted shares.

The following table reflects share activity under the Company Performance LTI:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (€)	Number of shares	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**1,000,000**			
Granted		7.795	1,000,000	7.795
Expired	-		-	
Vested	-		-	
Outstanding shares unvested at the end of the year	**1,000,000**	**7.795**	**1,000,000**	**7.795**

The following table reflects share activity under the Retention LTI:

	2013		2012	
	Number of shares	Weighted average fair value at grant date (€)	Number of shares	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**1,100,000**			
Granted		7.795	1,100,000	7.795
Expired	-		-	
Vested	(366,667) (a)	7.795	-	
Outstanding shares unvested at the end of the year	**733,333**	**7.795**	**1,100,000**	**7.795**

(a) As of the date of this document, the Chairman had not yet exercised his rights to the vested restricted shares.

31. Provisions for employee benefits

Details of the Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2013	12/31/2012	12/1/2012
Present value of defined benefit obligations:			
Pension plans	25,715	29,674	27,682
Health care and life insurance plans	2,749	3,192	2,969
Other post-employment benefits	1,355	1,342	1,262
Total present value of defined benefit obligations	**29,819**	34,208	31,913
Fair value of plan assets	(21,048)	(22,149)	(21,967)
Asset ceiling	23	7	2
Total net defined benefits plan assets	**8,794**	**12,066**	9,948
of which:			
Net defined benefit liability	8,921	12,187	10,068
(Defined benefit plan asset)	127	121	120
Other provisions for employees and liabilities for share-based payments	1,311	1,486	1,674
Total Provisions for employee benefits	**10,232**	**13,673**	11,742

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically.
The Group provides post-employment benefits under defined contribution and defined benefit plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, health care and life insurance plans and other post-employment benefits.

Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to its employees under defined contribution plans. In this case, the Group pays contributions to public or private insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfills all of its obligations. The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. In 2013 this cost amounts to €1,779 million (€1,582 million in 2012).

Pension benefits

The Group sponsors both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain hourly and salaried employees. Benefits are based on a fixed rate for each year of service.
Additionally, contributory benefits are provided to certain salaried employees under the salaried employees' retirement plans. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary in a certain period preceding retirement.

In the United Kingdom, the Group participates, among others, in a pension plan financed by various entities belonging to the Group, called the "Fiat Group Pension Scheme" covering mainly deferred and retired employees.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts from which the employee benefits are paid.

The Group's funding policy for defined benefit pension plans is to contribute at least the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.
If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned could not be required to contribute to the plan in respect of a minimum performance requirement as long as the fund is in surplus.
In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years. At December 31, 2013, the combined credit balances for the U.S. qualified pension plans was approximately €1.9 billion. The usage of these credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The Group contributions to funded pension plans for 2014 are expected to be €688 million, of which €647 million relates to Chrysler and more specifically, €573 million are discretionary contributions and €74 million will be made to satisfy minimum funding requirement. The expected benefit payments for pension plans are as follows:

€ million	Expected benefits
2014	1,807
2015	1,773
2016	1,746
2017	1,723
2018	1,706
2019-2023	8,330

The following summarizes the changes in the pension plans:

	12/31/2013				12/31/2012			
€ million	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
Amounts at January 1	**29,674**	**(22,080)**	**7**	**7,601**	**27,682**	**(21,905)**	**2**	**5,779**
Included in the income statement								
Current service cost	311			311	289			289
Interest expenses (income)	1,124	(841)		283	1,314	(1,028)		286
Other administrative costs	3	42		45		44		44
Past service costs (credits) and gains or losses arising from	(176)	14		(162)	10			10
Included in Other comprehensive income								
Actuarial (gains) losses:								
- demographic assumptions	(29)			(29)	157			157
- financial assumptions	(1,980)	(1)		(1,981)	2,798	(4)		2,794
- other	9	1	17	27	(235)	4		(231)
Return on assets		(585)		(585)		(1,080)		(1,080)
Change in the effect of limiting net assets			3	3				0
Change in exchange rates	(1,426)	1,179	(1)	(248)	(400)	285		(115)
Other changes								
Contribution by employer		(502)		(502)		(312)		(312)
Contribution by plan participants	11	(11)		0	13	(12)		1
Benefits paid	(1,825)	1,809		(16)	(1,952)	1,928		(24)
Other changes	19	(2)	(3)	14	(2)		5	3
Amounts at December 31	**25,715**	**(20,977)**	**23**	**4,761**	**29,674**	**(22,080)**	**7**	**7,601**

During the second quarter of 2013, Chrysler amended its U.S. and Canadian salaried defined benefit pension plans. The U.S. plans were amended in order to comply with U.S. regulations, cease the accrual of future benefits effective December 31, 2013, and enhance the retirement factors. The Canada amendment ceases the accrual of future benefits effective December 31, 2014, enhances the retirement factors and continues to consider future salary increases for the affected employees. An interim remeasurement was performed for these plans, which resulted in a curtailment gain of €166 million recognized in unusual income in the income statement (see Note 9). In addition, the Group recognized a €509 million reduction to its pension obligation, a €7 million reduction to defined benefit plan assets and a corresponding €502 million increase in Other comprehensive income.

During 2013 an increase in discount rates resulted in actuarial gains for the year ended December 31, 2013, compared with actuarial losses for the year ended December 31, 2012, when interest rates declined from the prior year end. The actuarial losses were partially offset by the return on plan assets during the year.

The fair value of plan assets by class is as follows:

	12/31/2013		12/31/2012	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**578**	**426**	**518**	**405**
US equity securities	2,197	2,184	2,089	1,985
Non-US equity securities	1,588	1,579	1,616	1,597
Commingled funds	1,560	237	967	69
Equity instruments	**5,345**	**4,000**	**4,672**	**3,651**
Government securities	3,147	1,054	4,192	1,917
Corporate bonds (including convertible and high-yield bonds)	5,396	71	5,571	40
Other fixed income	689	20	758	20
Fixed income securities	**9,232**	**1,145**	**10,521**	**1,977**
Private equity funds	1,714		1,861	
Mutual funds	517		754	3
Real estate funds	1,222		1,221	
Hedge funds	1,759		1,847	3
Investment funds	**5,212**	**0**	**5,683**	**6**
Insurance contracts and other	**610**	**72**	**685**	**8**
Total fair value of plan assets	**20,977**	**5,643**	**22,079**	**6,047**

Non-US Equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long duration U.S. Treasury and global government bonds, as well as U.S. developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalization. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments include those in limited partnerships that invest in various commercial and residential real estate projects both in the United States and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimize the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset−liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk−adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The group policy, for these plans, rebalances investments regularly and ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.
Plan assets do not include shares of Fiat S.p.A., CNH Industrial N.V. or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset−liability matching.

The fixed income target asset allocation partially matches the bond−like and long−dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations are as follows:

For the **Fiat Group**:

	12/31/2013			12/31/2012		
(in %)	USA	Canada	UK	USA	Canada	UK
Discount rate	4.7	4.6	4.5	4.0	3.9	4.6
Future salary increase rate	3.0	3.5	3.1	3.0	3.5	3.0

The discount rates are used in measuring the obligation and the interest expense (income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension. The average duration of the U.S. and Canadian liabilities was approximately 11 and 12 years, respectively. The average duration of the UK pension liabilities was approximately 21 years.

For the **CNH Industrial Group**:

(in %)	12/31/2013	12/31/2012
Average discount rate	**4.05**	3.75
Future salary increase rate	**3.35**	2.99

For the **C&W Group:**

	12/31/2013		12/31/2012	
(in %)	UK	Indonesia	UK	Indonesia
Discount rate	4.37	8.5	4.24	5.25
Future salary increase rate		8.0		

With reference to C&W, the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid; Assumptions regarding future mortality are based on published statistics and mortality tables. The expected long-term rate of return on assets is 5.88% (5.21% at December 31, 2012) and is based on the sum of returns of individual asset categories expected to be achieved in the future. Historical returns were considered in estimating the long-term rate of return.

For the pension plans of the **Fiat Group**, the effect of an increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, would be a decrease of €261 million and an increase of €265 million, respectively, in the defined benefit obligations.

For the pension plans of the **CNH Industrial Group**, the effect of one percentage point increase or decrease in the assumed discount rate would be a decrease of €269 million and an increase of €328 million, respectively, in the defined benefit pension obligation.

For **C&W Group**, a 0.5% decrease in the discount rate would produce an increase in liabilities of $123.2 million for the UK plans and $1.2 million for the Asia plans. An increase of 1 year in member life expectation would produce an increase in liabilities of $114.7 million for the UK plans and $1.2 million for the Asia plans.

Health care and life insurance plans

Liabilities arising from these plans comprise obligations for retiree health care and life insurance granted to employees and to retirees in the U.S. and Canada by Chrysler Group companies and those of the Agricultural and Construction Equipment segment. The American and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement health care and life insurance benefits under the CNH Industrial plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH Industrial has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. Until December 31, 2006 these plans were fully unfunded; starting in 2007, the CNH Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American health care plans.

The expected benefit payments for health care and life insurance plans are as follows:

€ million	**Expected benefits**
2014	184
2015	184
2016	183
2017	183
2018	182
2019-2023	882

Changes in the net defined benefit obligations for healthcare and life insurance plans are as follows:

€ million	12/31/2013			12/31/2012		
	Defined benefit obligation	**Fair value of plan assets**	**(Net asset) Net liability obligation**	**Defined benefit obligation**	**Fair value of plan assets**	**(Net asset) Net liability obligation**
Present value of obligations at January 1	**3,192**	**(69)**	**3,123**	**2,969**	**(62)**	**2,907**
Included in income statement						
Current service cost	29		29	29		29
Interest (income) expenses	121	(2)	119	143	(3)	140
Past service costs (credits) and gains or losses arising from settlements			0	(6)		(6)
Included in Other comprehensive income						
Actuarial (gains) losses:						
- demographic assumptions	(19)		(19)	55		55
- financial assumptions	(251)		(251)	257		257
- other	(1)		(1)	(1)		(1)
Return on assets		(5)	(5)		(6)	(6)
Differences on exchange	(151)	3	(148)	(54)	1	(53)
Other changes						
Contribution by employer		(52)	(52)		(54)	(54)
Contribution by plan participants	5	(5)	0	5	(5)	0
Benefits paid	(185)	59	(126)	(207)	62	(145)
Other changes	9		9	2	(2)	0
Present value of obligation at December 31	**2,749**	**(71)**	**2,678**	**3,192**	**(69)**	**3,123**

Health care and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions, in particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as health care cost increases and demographic experience.

The fair value of plan assets by category is analyzed as follows:

	12/31/2013		12/31/2012	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Non-US equity securities	11	11	10	10
Equity instruments	**11**	**11**	**10**	**10**
Mutual funds			57	
Investment funds	**0**	**0**	**57**	**0**
Insurance contracts and other	**60**		**2**	
Total fair value of plan assets	**71**	**11**	**69**	**10**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

for the **Fiat Group:**

	12/31/2013		12/31/2012	
(in %)	USA	Canada	USA	Canada
Discount rate	4.9	4.7	4.1	3.9
Future salary increase rate	n/a	2.7	n/a	2.7
Weighted average ultimate health care cost trend rate	5.0	3.6	5.0	3.7

The discount rates used by the Fiat Group for the measurement of these obligations are based on yields of high-quality (AA-rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. The average duration of the U.S. and Canadian liabilities was approximately 12 and 15 years, respectively.

The effect of the increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, for the Fiat Group is a reduction of €23 million and an increase of €24 million, respectively, in the defined benefit obligation December 31, 2013.

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for 2013 was 6.8% (8.0% in 2012). The annual rate was assumed to decrease gradually to 5.0% after 2017 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for 2013 was 3.3% (3.7% in 2012). The annual rate was assumed to remain at 3.6% thereafter.

The assumed health care cost trend rate has a significant effect on the amounts reported for postretirement health care and life insurance benefits. A one percentage point increase or decrease in the assumed health care cost trend rate for U.S. and Canada combined, at December 31, 2013, would lead to a reduction of €40 million and an increase of €48 million, respectively, in the obligation.

For the **CNH Industrial Group**:

(in %)	12/31/2013	12/31/2012
Discount rate	**4.67**	3.79
Future salary increase rate	**3.42**	3.42
Weighted average initial health care cost trend rate	**8.19**	7.04
Weighted average ultimate health care cost trend rate	**5.00**	5.00

The weighted-average discount rates are used in measurements of pension and postretirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could

effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing Group's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-graded corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.
The discount rates for the Group's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The weighted-average health care trend rate represents the rate at which health care costs are assumed to increase. Rates are determined based on CNH Industrial's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration for CNH Industrial's U.S. assumptions. The weighted-average initial trend is a short-term assumption based on recent experience and prevailing market conditions. The weighted-average ultimate trend is a long-term assumption of health care cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services. CNH Industrial expects to achieve the ultimate healthcare cost trend rate in 2017 and 2018 for US and Canada plans, respectively.

Assumed discount rates and health care cost trend rates have a significant effect on the amount recognized in the 2013 financial statements.
A one percentage point increase or decrease in the health care cost trend would lead to an increase of €98 million and a reduction of €75 million, respectively, in the health care defined benefit obligation at December 31, 2013.
A one percentage point increase or decrease in the discount rates would be a reduction of €77 million and an increase of €94 million, respectively, in the health care defined benefit obligation.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, the Italian TFR (obligation amounting to €1,029 million at December 31, 2013 and to €999 million at December 31, 2012), consisting of the residual obligation for the benefit due to employees of Italian companies until December 31, 2006, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. These schemes are unfunded.

Changes in defined benefit obligations for other post-employment benefits are as follows:

€ million	12/31/2013	12/31/2012
Present value of obligation at January 1	**1,342**	1,262
Included in income statement		
Current service cost	28	21
Interest (income) expenses	23	35
Past service costs (credits) and gains or losses arising from settlements	1	4
Included in Other comprehensive income		
Actuarial (gains) losses:		
- demographic assumptions	(2)	(11)
- financial assumptions	43	92
- other	24	32
Differences on exchange	(4)	2
Other changes		
Benefits paid	(91)	(110)
Change in the scope of consolidation	21	(1)
Other changes	(30)	16
Present value of obligation at December 31	**1,355**	**1,342**

The main assumptions used in developing the required estimates for other post- employment benefits include the discount rate, the retirement or employee leaving rate and the mortality rates.
The discount rates used for the measurement of the Italian TFR obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2013 is equal to 2.77% (3.4% in 2012). The average duration of the Italian TFR is approximately 7 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and law requirements for retirement in Italy.

Other provisions for employees

At December 31, 2013, other provisions for employees and liabilities for share based payments comprised other long-term benefits obligations for €1,311 million (€1,488 million at December 31, 2012), representing the expected obligation for benefits, such as jubilee and long-term disability granted to certain employees by the Group.

32. Other provisions

Changes in other provisions are as follows:

€ million	Beginning balance	Charge	Utilization	elease to incom	Translation differences	Change in the scope of consolidation and other changes	Closing balance
At December 31, 2013							
Warranty and technical assistance provision	4,419	2,642	(2,334)	(38)	(230)	3	4,462
Restructuring provision	396	63	(184)	(23)	(2)	2	252
Investment provision	18				(2)	1	17
Other risks	6,633	11,563	(10,529)	(261)	(315)	72	7,163
Total Other provisions	**11,466**	**14,268**	**(13,047)**	**(322)**	**(549)**	**78**	**11,894**
At December 31, 2012							
Warranty and technical assistance provision	4,306	2,591	(2,204)	(215)	(60)	1	4,419
Restructuring provision	432	209	(171)	(65)	0	(9)	396
Investment provision	27	0	(3)	0	(1)	(5)	18
Other risks	6,327	11,245	(10,431)	(391)	(88)	(29)	6,633
Total Other provisions	**11,092**	**14,045**	**(12,809)**	**(671)**	**(149)**	**(42)**	**11,466**

The warranty provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for vehicles. The Group establishes provisions for product warranty obligations when the related sale is recognized. Warranty provisions also include management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which are estimated by making an assessment of the historical occurrence of defects on a case-by-case basis and are accrued when a reliable estimate of the amount of the obligation can be made.

The restructuring provision at December 31, 2013 consists of termination benefits of €160 million (€311 million in 2012) payable to employees in connection with restructuring plans, manufacturing rationalization costs of €16 million (€21 million in 2012) and other costs €76 million (€63 million in 2012).

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual and commercial risks and disputes.

Details of this item are as follows:

€ million	12/31/2013	12/31/2012	Change
Sales incentives	3,964	3,531	433
Legal proceedings and other disputes	964	883	81
Commercial risks	734	730	4
Environmental risks	62	70	(8)
Indemnities	63	62	1
Other provisions for risk and charges	1,376	1,357	19
Total Other risks	**7,163**	**6,633**	530

A description of these follows:

- Sales incentives – This provision relates to sales incentives offered on a contractual basis to the Group's dealer networks, primarily on the basis of a specific cumulative level of sales transactions during a certain period.
- Legal proceedings and other disputes - This provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes);
  - legal proceedings involving claims with active and former employees;
  - legal proceedings involving different tax authorities.

This item also includes provisions for commercial risks, environmental risks, contract indemnities and other estimated product liability costs.

The provisions for other risks at December 31, 2013 refer to the Fiat Group for €1,236 million, the CNH Industrial Group for €137 million and EXOR S.p.A. for €3 million.

33. Financial debt

Details of financial debt are as follows:

€ million	12/31/2013	12/31/2012	Change
Asset-backed financing	11,269	10,149	1,120
Other financial debt:			
Bonds	21,009	19,220	1,789
Borrowings from banks	14,032	13,709	323
Payables represented by securities	4,924	5,011	(87)
Other financial debt:	1,933	1,989	(56)
Total Other financial debt	41,898	39,929	1,969
Total Financial debt	**53,167**	**50,078**	3,089

During 2013 the Group issued bonds for €3,892 million and repaid €1,753 million at maturity; the repayments of medium-/long-term loans and credit facilities amount to approximately €4,110 million and new medium-/long-term loans secured by the Group total €4,705 million.

Asset backed financing

Asset-backed financing represents the amount of financing received through securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under current receivables and other current assets (Note 25).

In addition, at December 31, 2013 the Group's assets include current receivables and cash to settle asset-backed financing of €10,626 million (€10,149 million at December 31, 2012) (see Note 25).

Bonds

The bond issues outstanding at December 31, 2013 are as follows:

	Currency	Face value of outstanding bonds (in million)	Coupon	Maturity	Outstanding amount (in € million)
Bonds issued by EXOR S.p.A.					
Bonds 2007-2017	€	690	5.38%	June 12, 2017	708
Bonds 2012-2019	€	150	4.75%	October 16, 2019	149
Bonds 2013-2020	€	200	3.38%	November 12, 2020	199
Bonds 2012-2025	€	100	5.25%	January 31, 2025	103
Bonds 2011-2031	Yen	10,000	2.80% 6 months	May 9, 2031	70
Total Bonds issued by EXOR S.p.A.					**1,229**
Bonds issued by the Fiat Group					
Global Medium Term Notes:					
Fiat Finance and Trade Ltd S.A.	€	900	6.125%	July 8, 2014	900
Fiat Finance and Trade Ltd S.A.	€	1,250	7.625%	September 15, 2014	1,250
Fiat Finance and Trade Ltd S.A.	€	1,500	6.875%	February 13, 2015	1,500
Fiat Finance and Trade Ltd S.A.	CHF	425	5.000%	September 7, 2015	346
Fiat Finance and Trade Ltd S.A.	€	1,000	6.375%	April 1, 2016	1,000
Fiat Finance and Trade Ltd S.A.	€	1,000	7.750%	October 17, 2016	1,000
Fiat Finance and Trade Ltd S.A.	CHF	400	5.250%	November 23, 2016	326
Fiat Finance and Trade Ltd S.A.	€	850	7.000%	March 23, 2017	850
Fiat Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000
Fiat Finance and Trade Ltd S.A.	CHF	450	4.000%	November 22,2017	367
Fiat Finance and Trade Ltd S.A.	€	1,250	6.625%	March 15, 2018	1,250
Fiat Finance and Trade Ltd S.A.	€	600	7.375%	July 9, 2018	600
Fiat Finance and Trade Ltd S.A.	€	1,250	6.750%	October 14, 2019	1,250
Other					7
Total Global Medium Term Notes					**11,646**
Other bonds:					
Chrysler Group LLC (Secured Senior Notes) (1)	$	1,500	8.000%	June 15, 2019	1,088
Chrysler Group LLC (Secured Senior Notes) (1)	$	1,700	8.250%	June 15, 2021	1,232
Total Other bonds					**2,320**
Hedging effect and amortized cost valuation					**500**
Total Bonds issued by the Fiat Group					**14,466**
Bonds issued by the CNH Industrial Group					
Global Medium Term Notes:					
CNH Industrial Finance Europe S.A.	€	1,000	5.250%	March 11, 2015	1,000
CNH Industrial Finance Europe S.A.	€	1,200	6.250%	March 9, 2018	1,200
Total Global Medium Term Notes					**2,200**
Other bonds:					
CNH Capital LLC	$	750	3.875%	November 1, 2015	544
CNH America LLC	$	254	7.250%	January 15, 2016	184
CNH Capital LLC	$	500	6.250%	November 1, 2016	363
CNH Capital LLC	$	500	3.250%	February 1, 2017	363
Case New Holland Inc.	$	1,500	7.875%	December 1, 2017	1,088
CNH Capital LLC	$	600	3.625%	April 15, 2018	435
Total Other bonds					**2,977**
Hedging effect and amortized cost valuation					**137**
Total Bonds issued by the CNH Industrial Group					**5,314**
Total Bonds					**21,009**

(1) The Secured Senior Notes of Chrysler were issued at par on May 24, 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On December 29, 2011, in accordance with the indenture, Chrysler commenced an offer to exchange the Original Notes outstanding for notes having substantially identical terms as those originally issued and the same principal amount but do not contain restrictions on transfer. The offer to exchange the Original Notes expired on February 1, 2012. Substantially all of the Original Notes were tendered for Secured Senior Notes.

Bond issued by EXOR S.p.A.

On November 12, 2013 EXOR issued non-convertible bonds for €200 million maturing November 12, 2020 through a private placement to institutional investors.
The bonds were issued at a price of 99.053% and pay a fixed annual coupon of 3.375%. They are listed on the Regulated Market of the Luxembourg Stock Exchange and were assigned a credit rating of 'BBB+' by Standard & Poor's.

In 2013, EXOR repurchased a nominal €60 million of non-convertible bonds 2007/2017 and then proceeded to cancel the nominal amount purchased.
Following cancellation, the original nominal amount of €750 million is now equal to €690 million.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and providing for periodic disclosure. The 2011/2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.
Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Finally, standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2013. Finally, a change in control, if any, of EXOR would give the bondholders the right to ask for early repayment of the bonds.

Bonds issued by the Fiat Group

Changes in bonds during 2013 are mainly due to:

- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of 6.625% notes at par having a principal of €1,250 million and due March 2018;
- the repayment on maturity of a bond having a nominal value of €1 billion issued by Fiat Finance and Trade Ltd S.A. in 2006;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of 6.75% notes at par having a principal of €850 million and due October 2019;
- the re-opening of the above €850 million 6.75% notes due October 2019, with the issue by Fiat Finance and Trade Ltd S.A. of a further €400 million of notes at 101.231% of par value and a yield to maturity of 6.50%, increasing the total principal amount of the bond to €1.25 billion;
- the issue by Fiat Finance and Trade Ltd S.A. as part of the Global Medium Term Notes Programme of 4.00% notes at par having a principal of CHF 450 million and due November 2017.

Following the repayment on February 15, 2013 of the bond issued by Fiat Finance and Trade Ltd. S.A. having a nominal value of €1 billion, bearing fixed interest at 6.625%, all the bonds issued by the Fiat Group excluding Chrysler are currently governed by the terms and conditions of the Global Medium Term Note Programme. A maximum of €15 billion may be issued under this Program, of which notes of approximately €11.6 billion have been issued to December 31, 2013; the Program is guaranteed by Fiat S.p.A. The issuers taking part in the program include, among others, Fiat Finance and Trade Ltd. S.A. for an amount outstanding of €10.6 billion and Fiat Finance North America Inc. with a bond having a nominal value of €1 billion.

Chrysler may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days' prior notice mailed to the holders of the Notes to be redeemed:

- Prior to June 15, 2015, the 2019 Secured Senior Notes will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a "make−whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2019 Notes, at a redemption price equal to 108% of the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2015, the 2019 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104% of the principal amount of the 2019 Notes being redeemed for the twelve months beginning June 15, 2015, decreasing to 102% for the year beginning June 15, 2016 and to par on and after June 15, 2017;
- Prior to June 15, 2016, the 2021 Secured Senior Notes will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and

a "make−whole" premium calculated under the indenture. At any time prior to June 15, 2014, Chrysler may also redeem up to 35% of the aggregate principal amount of the 2021 Notes, at a redemption price equal to 108.25% of the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption with the net cash proceeds from certain equity offerings. On and after June 15, 2016, the 2021 Notes are redeemable at redemption prices specified in the indenture, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125% of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.75% for the year beginning June 15, 2017, to 101.375% for the year beginning June 15, 2018 and to par on and after June 15, 2019.

The bonds issued by Fiat Finance and Trade Ltd S.A. and by Fiat Finance North America Inc. impose covenants on the issuer and, in certain cases, on Fiat S.p.A. as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group. Such covenants include: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or Fiat S.p.A. is granted in connection with other bonds or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding bonds; (ii) *pari passu* clauses, under which the bonds rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or Fiat S.p.A.; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group's main entities; and, (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants can lead to the early repayment of the notes. In addition, the agreements for the bonds guaranteed by Fiat S.p.A. contain clauses which could lead to requirement to make early repayment if there is a change of the controlling shareholder of Fiat S.p.A. which leads to a resulting downgrading by the ratings agencies.

The indenture of the Secured Senior Notes issued by Chrysler Group LLC includes negative covenants which limited Chrysler's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions of Chrysler's capital stock or repurchase Chrysler's capital stock; (ii) make certain payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture also provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganization. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in principal amount of the notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

The Secured Senior Notes are secured by liens junior to the Senior Secured Credit Facilities on substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

Bonds issued by the CNH Industrial Group

Changes in bonds during 2013 are due to:

- a bond issued by CNH Capital LLC at par having a nominal value of $600 million (equivalent to €435 million), falling due in 2018 and bearing fixed interest at a rate of 3.625% payable semi-annually;
- a bond issued by CNH Capital LLC at par having a nominal value of $500 million (equivalent to €363 million), falling due in 2017 and bearing fixed interest at a rate of 3.250% payable semi-annually.

The bonds issued by the CNH Industrial Group are governed by different terms and conditions according to their type; more specifically these are as follows, in addition to the above-mentioned bond issued in 2013:

- a bond issued at par by CNH Industrial Finance Europe S.A. as part of the Global Medium Term Note Program, having a nominal value of €1,000 million, falling due in 2015 and bearing fixed interest at a rate of 5.250%;
- a bond issued at par by CNH Industrial Finance Europe S.A. as part of the Global Medium Term Note Program, having a nominal value of €1,200 million, falling due in 2018 and bearing fixed interest at a rate of 6.250%;

- a bond issued at par by CNH Capital LLC having a nominal value of $500 million, falling due in 2016 and bearing fixed interest at a rate of 6.250%, payable semi-annually;
- a bond issued by CNH Capital LLC at par having a nominal value of $750 million, falling due in 2015 and bearing fixed interest at a rate of 3.875%, payable semi-annually;
- a bond issued by CNH America LLC for a total amount outstanding of $254 million, falling due in 2016;
- a bond issued by Case New Holland Inc. at a price of 99.32% of its nominal value of $1,500 million, falling due in 2017 and bearing fixed interest at a rate of 7.875%.

The bonds issued by the CNH Industrial Group contain commitments of the issuer, and in certain cases commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledges, *pari passu* and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the agreements for the bonds guaranteed by CNH Industrial N.V. contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. associated with a downgrading by a ratings agency.

The Group intends to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back bonds on the market that have been issued by the Group, also for purposes of their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Credit lines

At December 31, 2013 **EXOR S.p.A**. has irrevocable credit lines not drawn down that are due after December 31, 2014 for €425 million and revocable credit lines not drawn down for more than €595 million.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.
Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change in control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

Medium/long-term committed credit lines (expiring after twelve months) currently available to the treasury companies of **Fiat Group** excluding Chrysler amount to approximately €3.2 billion at December 31, 2013, of which €2.1 billion related to the 3-year syndicated revolving credit line due in July 2016 that was undrawn at December 31, 2013. In June 2013, Fiat S.p.A. signed a new €2 billion 3-year revolving credit line, which replaced the existing of €1.95 billion signed in July 2011. The syndication of the new line was successfully completed on July 18, 2013 with a group of 19 banks and, as a result of the positive response, the facility was increased to €2.1 billion.
Additionally, the operating entities of Fiat Group excluding Chrysler have committed credit lines available, with residual maturity after twelve months, to fund scheduled investments, of which approximately €1.8 billion was still undrawn at December 31, 2013.
The €2.1 billion syndicated credit facility of Fiat contains typical covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and EBITDA/Net Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to fund the Group's investments and research and development costs. In addition, the above syndicated credit facility, currently contemplates limits to the capability to extend guarantees or loans to Chrysler.
At December 31, 2013, Chrysler has secured revolving credit facility ("Revolving Credit Facility") amounting to approximately €0.9 billion ($1.3 billion), fully undrawn at that date and maturing in May 2016.
Chrysler's senior credit facilities, which include the above mentioned Tranche B Term Facility and the Revolving Credit Facility, are secured by a senior priority security interest in substantially all of Chrysler Group LLC's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100% of the equity interests in Chrysler's U.S. subsidiaries and 65% of the equity interests in its non U.S. subsidiaries held directly by Chrysler Group LLC and its U.S. subsidiary guarantors.

The senior secured credit agreement includes negative covenants, many of which are typical of market practices, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Secured Credit Agreement requires Chrysler to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Facility), as well as a minimum liquidity of $3.0 billion, which includes any undrawn amounts on the Revolving Credit Facility.
The senior secured credit agreement contains a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross−default with certain other debt and hedging agreements and (vi) the failure to pay certain material judgments.

Available committed credit lines of the **CNH Industrial Group** expiring after twelve months amount to €1.6 billion at December 31, 2013 (€1.6 billion at December 31, 2012). Of these credit lines, the €2 billion credit facility of CNH Industrial, guaranteed by the parent company and available for €1,250 million at December 31, 2013, envisages typical covenants for contracts of this type and size, such as financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to industrial activities), negative pledges, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans.

The credit lines available to **C&W Group** are a 5-year "Senior Secured Revolving Credit Facility" for $350 million and a long-term 5-year guaranteed "Term Loan" for $150 million. Security is provided by guarantees on C&W Group's business and stock pledges by the major subsidiaries.
The credit lines require compliance with covenants generally applicable to contracts of a similar type.

At December 31, 2013, **Juventus Football Club** has revocable credit lines for €310 million.

Borrowings from banks

At December 31, 2013 borrowings from banks amount to €14,032 million (€13,709 million at December 31, 2012) and refer principally:

- for €8,652 million (€8,139 million at December 31, 2012) to the Fiat Group;
- for €5,149 million (€5,174 million at December 31, 2012) to the CNH Industrial Group;
- for €118 million (€131 million at December 31, 2012) to C&W Group, principally for the amount drawn down on the credit facility ($167.5 million equal to €121 million);
- for €75 million (€48 million at December 31, 2012) to Juventus Football Club;

The balance at December 31, 2012 included borrowings from banks equal to €200 million of EXOR S.p.A.

Payables represented by securities

At December 31, 2013, payables represented by securities include, among others:

- for €3,575 million (€3,863 million at December 31, 2012) for Chrysler's financial liability to the International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America ("UAW") Retiree Medical Benefits Trust ("VEBA Trust");
- for €703 million (€864 million at December 31, 2012) for Chrysler's financial liability to the Canadian Health Care Trust.

Other financial debt

Other financial debt is analyzed by sector as follows:

€ million	**Fiat**	**CNH Industrial**	**C&W Group**	**Juventus F.C.**	**Holdings System**	**Eliminations and Adjustments**	**Consolidated**
Other financial debt at December 31, 2013	1,656	180	3	117	29	(52)	**1,933**
Other financial debt at December 31, 2012	1,712	189	4	106	66	(88)	**1,989**
Change	(56)	(9)	(1)	11	(37)	36	(56)

At December 31, 2013, the Fiat Group excluding Chrysler had outstanding financial lease agreements for certain property, plant and equipment whose overall net carrying amount totals €377 million (€268 million at December 31, 2012) (Note 16).

Financial lease payables, included in other financial debt, amount to €605 million and comprise the following:

€ million	12/31/2013	12/31/2012	Change
Due within one year	71	80	(9)
Due between one and five years	258	220	38
Due beyond five years	276	227	49
Present value of minimum lease payments	**605**	**527**	78

As discussed in Note 16, finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Debt secured by assets

At December 31, 2013, debt secured by assets of the **Fiat Group** excluding Chrysler amounts to €416 million (€363 million at December 31, 2012), of which €370 million (€276 million at December 31, 2012) is due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €401 million at December 31, 2013 (€296 million at December 31, 2012).

At December 31, 2013, debt secured by assets of Chrysler amounts to €5,180 million (€5,530 million at December 31, 2012), and includes €4,448 million (€4,665 million at December 31, 2012) relating to the Secured Senior Notes and the Senior Secured Credit Facility (the "Tranche B Term Loan" and the "Revolving Credit Facility", which at December 31, 2013 was undrawn), €165 million (€183 million at December 31, 2012) was due to creditors for assets acquired under finance leases and other debt and financial commitments for €567 million (€682 million at December 31, 2012).

Debt secured with mortgages and other liens on assets of the **CNH Industrial Group** amounts to €116 million at December 31, 2013 (€112 million at December 31, 2012); this amount includes €54 million (€49 million at December 31, 2012) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €151 million at December 31, 2013 (€143 million at December 31, 2012).

Debt secured by assets of **C&W Group** amounts to €362 million ($500 million) at December 31, 2013 and refers to the "Revolving Credit Facility" and the "Term Loan", drawn for €121 million ($167.5 million).

In addition, at December 31, 2013 the Group's assets include current receivables to settle Asset-backed financing of €11,275 million (€10,157 million at December 31, 2012), see Note 25.

Group financial debt by due date

An analysis of debt by due date at December 31, 2013 and December 31, 2012 is as follows:

	At December 31, 2013				At December 31, 2012			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Asset-backed financing	6,043	5,114	112	11,269	5,587	4,531	31	10,149
Other financial debt:								
Bonds	2,707	14,212	4,090	21,009	2,272	12,383	4,565	19,220
Borrowings from banks	4,355	8,894	783	14,032	5,046	7,736	927	13,709
Payables represented by securities	640	1,680	2,604	4,924	637	1,237	3,137	5,011
Other	1,108	425	400	1,933	1,086	420	483	1,989
Total Other financial debt	**8,810**	**25,211**	**7,877**	**41,898**	**9,041**	**21,776**	**9,112**	**39,929**
Total Financial debt	**14,853**	**30,325**	**7,989**	**53,167**	**14,628**	**26,307**	**9,143**	**50,078**

Group financial debt by interest rate

The annual interest rates and the nominal currencies of debt at December 31, 2013 are as follows:

€ million	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	12,265	9,425	2,254	90	0	24,034
U.S. dollar	10,946	682	6,831	12	169	18,640
Brazilian real	1,272	1,284	820	1,390	208	4,974
Canadian dollar	1,364	79	584	0	0	2,027
Australian dollar	629	0	0	0	0	629
Swiss franc	378	673	0	0	0	1,051
Mexican peso	0	0	414	0	0	414
Danish krone	24	0	0	0	0	24
Polish zloty	199	16	0	0	10	225
Chinese renminbi	4	404	66	0	0	474
Argentine peso	31	0	60	21	193	305
British pound	220	0	0	0	0	220
Other	46	71	2	14	17	150
Total Financial debt at 12/31/2013	**27,378**	**12,634**	**11,031**	**1,527**	**597**	**53,167**

For further information on the management of interest rate and currency risk reference should be made to Note 39.

Net financial position

In compliance with the Consob Regulation issued on July 28, 2006 and in conformity with the ESMA update of the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses", the net financial position of the EXOR Group at December 31, 2013 is as follows:

€ million	12/31/2013	12/31/2012	Change
Non-current securities (held to maturity)	83	109	(26)
Non-current financial receivables and other financial assets	5	5	0
Non-current assets	88	114	(26)
Cash and cash equivalents	26,153	22,813	3,340
Investments and current securities (held for trading)	828	492	336
Liquidity	26,981	23,305	3,676
Receivables from financing activities	19,594	18,938	656
- of which: from jointly-controlled financial services entities	*27*	*58*	*(31)*
Other current financial receivables	6	4	2
Other financial assets	724	641	83
Financial debt	(53,167)	(50,078)	(3,089)
Other financial liabilities	(239)	(342)	103
Net financial position	**(6,013)**	**(7,418)**	1,405

An analysis of the net financial position by segment is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
At 12/31/2013							
Non-current securities (held to maturity)					83		**83**
Non-current financial receivables and other financial assets				4	1		**5**
Non-current assets	**0**	**0**	**0**	**4**	**84**	**0**	**88**
Cash and cash equivalents	19,439	4,705	118	1	1,900	(10)	**26,153**
Investments and current securities (held for trading)	247				581		**828**
Liquidity	**19,686**	**4,705**	**118**	**1**	**2,481**	**(10)**	**26,981**
Receivables from financing activities	3,671	15,943				(20)	**19,594**
- of which: from jointly-controlled financial services entities	*27*						***27***
Other current financial receivables					7	(1)	**6**
Other financial assets	533	189	2				**724**
Financial debt	(29,902)	(21,714)	(121)	(193)	(1,258)	21	**(53,167)**
Other financial liabilities	(137)	(68)	(1)	(1)	(33)	1	**(239)**
Net financial position at 12/31/2013	**(6,149)**	**(945)**	**(2)**	**(189)**	**1,281**	**(9)**	**(6,013)**
At 12/31/2012							
Non-current securities (held to maturity)					109		**109**
Non-current financial receivables and other financial assets				4	1		**5**
Non-current assets	**0**	**0**	**0**	**4**	**110**	**0**	**114**
Cash and cash equivalents	17,657	4,611	64	1	514	(34)	**22,813**
Investments and current securities (held for trading)	256	4			232		**492**
Liquidity	**17,913**	**4,615**	**64**	**1**		**(34)**	**23,305**
Receivables from financing activities	3,727	15,237				(26)	**18,938**
- of which: from jointly-controlled financial services entities	*58*						***58***
Other current financial receivables					4		**4**
Other financial assets	519	121	1				**641**
Financial debt	(27,889)	(20,633)	(135)	(154)	(1,346)	79	**(50,078)**
Other financial liabilities	(201)	(97)	(1)	(1)	(42)	0	**(342)**
Net financial position at 12/31/2012	**(5,931)**	**(757)**	**(71)**	**(150)**	**(528)**	**19**	**(7,418)**

Receivables from financing activities include the entire portfolio of the consolidated financial services entities of the Fiat Group and the CNH Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

The net financial position of C&W Group is adjusted to exclude non-current financial assets (deposits and receivables) in order to comply with the Consob Communication.

Non-current securities (held-to-maturity) of the Holdings System include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

34. Trade payables

Details by sector are as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
Trade payables at 12/31/2013	17,235	5,344	196	17	1	(141)	**22,652**
Trade payables at 12/31/2012	16,558	4,843	167	15	1	(161)	**21,423**
Change	677	501	29	2	0	20	1,229

An analysis by due date of trade payables is as follows:

€ million	12/31/2013	12/31/2012	Change
Due within one year	22,631	21,402	1,229
Due between one and five years	20	20	0
Due beyond five years	1	1	0
Trade payables	**22,652**	**21,423**	1,229

35. Other liabilities

Details are as follows:

€ million	12/31/2013	12/31/2012	Change
Advances on buy-back agreements	2,962	2,271	691
Indirect tax payables	1,734	1,634	100
Accrued expenses and deferred income	2,847	2,351	496
Payables to personnel	1,039	972	67
Social security payables	531	512	19
Amounts due to customers for contract work (Note 19)	209	174	35
Other	3,019	2,857	162
Total Other liabilities	**12,341**	**10,771**	1,570

Advances on buy-back agreements refers to agreements entered into by the Group during the year or which still remain effective at the balance sheet date. They refer to assets included in property, plant and equipment and Inventories. Advances on buy-back agreements represent the following:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Indirect tax payables includes taxes on commercial transactions accrued by the Brazilian subsidiary FIASA for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court regarding its claim alleging double taxation. In March 2007, FIASA received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the company's position. Since it is a preliminary decision and the amount may be required to be paid to the tax authorities at any time, the difference between the tax payments as preliminary allowed and the full amount determined as required by the legislation still in force is recognized as a current liability due between one and five years. Timing for the Supreme Court decision is not predictable.

Deferred income includes the revenues not yet recognized in relation to separately-priced extended warranties and service contracts offered by Chrysler. These revenues will be recognized in the income statement over the contract period in proportion to the costs expected to be incurred based on historical information.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	At 12/31/2013				At 12/31/2012			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	7,732	1,620	142	9,494	6,852	1,416	152	**8,420**

36. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the Fiat Group

At December 31, 2013 the Fiat Group had pledged guarantees on the debt or commitments of third parties totaling €31 million (€50 million at December 31, 2012), as well as guarantees of €15 million on related party debt (€25 million at December 31, 2012).

SCUSA Private-Label Financing Agreement

On February 2013, Chrysler entered into a private-label financing agreement with Santander Consumer USA Inc. ("SCUSA"), an affiliate of Banco Santander (the "SCUSA Agreement"). The new financing arrangement launched on May 1, 2013. Under the SCUSA Agreement, SCUSA provides a wide range of wholesale and retail financing services to Chrysler's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name. The financing services include credit lines to finance dealers' acquisition of vehicles and other products that Chrysler sell or distribute, retail loans and leases to finance consumer acquisitions of new and used vehicles at Chrysler's dealerships, financing for commercial and fleet customers, and ancillary services. In addition, SCUSA work with dealers to offer them construction loans, real estate loans, working capital loans and revolving lines of credit.

Under the new financing arrangement, SCUSA has agreed to specific transition milestones for the initial year following launch. If the transition milestones are met, or otherwise satisfactory to Chrysler, the SCUSA Agreement will have a ten-year term, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement. In accordance with the terms of the agreement, SCUSA provided Chrysler an upfront, nonrefundable payment of €109 million ($150 million) in May 2013, which was recognized as deferred revenue and will be amortized over ten years. As of December 31, 2013 €102 million remained in deferred revenue.

From time to time, Chrysler works with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as "subvention." Chrysler has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on Chrysler participation in gains and losses.

Ally Auto Finance Operating Agreement and Repurchase Obligations

In April 2013, the Auto Finance Operating Agreement between Chrysler Group and Ally Financial Inc. ("Ally"), referred as the "Ally Agreement", was terminated. Notwithstanding the termination of the Ally Agreement, Ally will continue to provide wholesale and retail financing to Chrysler dealers and retail customers in the U.S. in accordance with its usual and customary lending standards. Chrysler's dealers and retail customers also obtain funding from other financing sources.

In accordance with the terms of the Ally Agreement, Chrysler remains obligated to repurchase Ally-financed U.S. dealer inventory that was acquired on or before 30 April 2013, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer's franchise agreement, including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally. These obligations exclude vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.

As of December 31, 2013, the maximum potential amount of future payments required to be made to Ally under this guarantee was approximately €167 million and was based on the aggregate repurchase value of eligible vehicles financed by Ally in Chrysler's U.S. dealer stock. If vehicles are required to be repurchased under this arrangement, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2013, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. The estimates are based on historical experience.

On February 1, 2013, the Canadian automotive finance business of Ally was acquired by the Royal Bank of Canada ("RBC"). Dealers with financing through Ally were offered new lending agreements with RBC, as the Ally-financing arrangements did not transfer with the sale. As such, Chrysler Group no longer has an obligation to repurchase dealer inventory in Canada that was acquired prior to February 1, 2013 and was financed by Ally.

Other Repurchase Obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, Chrysler is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer's franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.

As of December 31, 2013, the maximum potential amount of future payments required to be made in accordance with these other wholesale financing arrangements was approximately €262 million and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer's stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2013, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. These estimates are based on historical experience.

Arrangements with key suppliers

From time to time, in the ordinary course of business, Chrysler enters into various arrangements with key suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions. Purchases under these arrangements from third parties were €167 million in 2013 (€340 million in 2012).

Future minimum purchase obligations under these arrangements as of December 31, 2013 were as follows:

€ million	
2014	**197**
2015	**153**
2016	**109**
2017	**62**
2018	**9**
2019 and beyond	**22**

Guarantees granted by the CNH Industrial Group

At December 31, 2013, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries jointly-controlled and associates totaling €372 million (€486 million at December 31, 2012).

Commitments and important contractual rights of the Fiat Group

The Fiat Group has important commitments and rights deriving from outstanding agreements, summarized below.

Teksid

Fiat S.p.A. is subject to a put contract with Renault in reference to the original investment of 33.5% in Teksid, now 15.2%. In particular, Renault would acquire the right to exercise a sale option to Fiat on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other *redressement* procedure;
- in the event Renault's investment in Teksid falls below 15% or Teksid decides to invest in a structural manner outside the foundry sector;
- should Fiat be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the original 6.5% of the share capital of Teksid, the initial investment price as increased by a given interest rate;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Chrysler

At December 31, 2013 Fiat held a 58.5% membership interest in Chrysler; the remaining 41.5% was held by the VEBA Trust. On January 1, 2014, Fiat S.p.A. announced an agreement with the VEBA Trust, under which its wholly-owned subsidiary, Fiat North America LLC ("FNA"), acquired all of the VEBA Trust's equity membership interests in Chrysler, representing 41.5% interest of Chrysler. The transaction closed on January 21, 2014. In consideration for the sale of its membership interests in Chrysler, the VEBA Trust received an aggregate consideration of $3,650 million consisting of a special distribution paid by Chrysler to its members, in an aggregate amount of $1,900 million (FNA directed its portion of the special distribution to the *VEBA Trust* as part of the purchase consideration), and a payment from FNA for the remainder of $1,750 million in cash purchase consideration to the VEBA Trust. At the date of publication of this Annual report, therefore, Fiat holds a 100% interest in Chrysler and all rights (VEBA Trust Call Option and Equity Recapture Agreement) previously existing in respect to Fiat's investment in Chrysler lapsed.

Agreement with UAW

On January 21, 2014 Chrysler and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") entered into a Memorandum of Understanding ("MoU") under the collective bargaining agreement with the UAW, in which the UAW made commitments to continue to support Chrysler industrial operations and the further implementation of the Fiat-Chrysler Alliance. In particular, the UAW has committed to use its best efforts to cooperate in the continued roll-out of our World Class Manufacturing ("WCM") programs, actively participate in benchmarking efforts associated with implementation of WCM programs across all Fiat-Chrysler manufacturing sites to ensure objective performance assessments and provide for proper application of WCM principles, and to actively assist in the achievement of the Group long-term business plan. In consideration of these commitments, Chrysler agreed to make payments to the VEBA Trust totaling $700 million to be paid in four equal annual installments. The initial payment of $175 million was made on January 21, 2014 and additional payments will be payable on each of the next three anniversaries of the initial payment.

Sevel

As part of the Sevel cooperation agreement with PSA, the Fiat Group is party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, Fiat will have the right to acquire the residual interest in Sevel S.p.A. held by PSA, with effect from December 31, 2017.

Commitments of C&W Group

C&W Group has commitments in connection with contracts to obtain certain services in the normal course of business. Some of these contractual obligations have a remaining term in excess of one year. At December 31, 2013, the aggregate amount of the required payments in connection with such obligations totals $4.5 million (€3 million).

Commitments of Juventus Football Club S.p.A.

Commitments of Juventus include guarantees received from leading credit institutions for €53 million to guarantee the payables resulting from the acquisition of players' registration rights (€47 million) and other commitments (€6 million).

Commitments of the Holdings System

Commitments of the Holdings System for €38 million (€47 million at December 31, 2012) were undertaken by the subsidiary EXOR S.A. in connection with the acquisition of investments and other financial assets. Details are as follows:

- investment commitment for a residual maximum amount of $7 million (€5 million) in the NoCo B LP limited partnership which groups a series of funds managed by Perella Weinberg Partners L.P.;
- investment commitment in the Perella Weinberg Real Estate Fund for €8 million;
- investment commitment of a further €7 million in Banijay Holding S.A.S.;
- investment commitment of a further $25 million (€18 million) in BDT Capital Partners.

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2013 the total future minimum lease payments under non-cancellable lease contracts are as follows:

€ million	12/31/2013	12/31/2012	Change
Due within one year	230	253	(23)
Due between one and five years	604	621	(17)
Due beyond five years	408	432	(24)
Future minimum lease payments under operating lease contracts	**1,242**	**1,306**	(64)

During 2013, the Group recorded costs for lease payments of €301 million (€284 million in 2012).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

EXOR S.p.A

With regard to the criminal case relating to the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005, the Court of Appeals, in its decision handed down on February 21, 2013, completely acquitted, because the alleged criminal acts were not committed, EXOR S.p.A. and Giovanni Agnelli e C. S.a.p.az.

On December 17, 2013 the Italian Supreme Court annulled the February 21, 2013 judgment of the Turin Court of Appeal on the positions of Gianluigi Gabetti and Franzo Grande Stevens, without referring the case back to the lower court for a re-hearing, on the grounds that the offense is now statute-barred

Fiat Group

At December 31, 2013, contingent liabilities estimated by the Group for which no provisions have been recognized since an outflow of resources is not considered to be probable and for which a reliable estimate can be made amount to approximately €100 million (approximately €100 million at December 31, 2012). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €12 million (€16 million at December 31, 2012) have been estimated but not recognized.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the Group recognizes specific provisions for this purpose (see Note 32).

Furthermore, in connection with significant asset divestitures carried out in prior years, the Fiat Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2013, potential obligations with respect to these indemnities were approximately €240 million (approximately €430 million at December 31, 2012). Against these obligations, at December 31, 2013 provisions of €62 million (€62 million December 31, 2012) have been made which are classified as other provisions.

CNH Industrial Group

At December 31, 2013, contingent liabilities estimated by the CNH Industrial Group amount to approximately €35 million (approximately €39 million at December 31, 2012), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2013 and 2012, no contingent assets and expected reimbursements have been estimated.

Instead, when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the CNH Industrial Group recognizes specific provisions for this purpose.

Starting January 2011, Iveco and certain of its competitors have been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of trucks and commercial vehicles in the European Union in relation to possible anti-competitive behavior. It is not possible at the present moment to predict when and in what way these investigations will be concluded.

As a consequence of the demerger of the Agricultural and Construction Equipment and Trucks and Commercial Vehicles activities, as well as the "Industrial & Marine" business line of FPT Powertrain Technologies from Fiat S.p.A. (Fiat) and transfer to Fiat Industrial S.p.A., performed through the partial and proportional demerger pursuant to Article 2506-bis of the Italian Civil Code (the "Demerger"), CNH Industrial (former Fiat Industrial) continues to be liable jointly with Fiat for debts of Fiat S.p.A. that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date. This statutory liability is limited to the value of the net assets attributed to Fiat Industrial in the Demerger and will survive until such liabilities of Fiat existing as of the Demerger will be satisfied. At the time of the Demerger Fiat S.p.A. had outstanding liabilities for bonds and others totaling approximately €15 billion, €9 billion of which were due to bonds. At the date of this report, those liabilities had decreased to approximately €4.2 billion, €3.9 of which is due to bonds. Furthermore, CNH Industrial may be responsible jointly with Fiat in relation to tax payables, even if such liabilities exceed the value of the net assets transferred to CNH Industrial in the Demerger. CNH Industrial views the risk of Fiat S.p.A.'s insolvency as remote, and, therefore, at December 31, 2013, no provision has been accrued in respect of the above mentioned joint liabilities.

C&W Group

In January 2010, Cushman & Wakefield, Inc., along with Credit Suisse, was sued in a class action lawsuit in connection with C&W's performance of valuation services associated with property developments.

In connection with the financing that Credit Suisse provided on the developments, the Company was engaged by Credit Suisse and others to prepare valuations.

The suit filed by the homeowners alleged that Credit Suisse devised a "loan to own" scheme whereby it used artificially inflated appraisals prepared by C&W to justify making excessive loans which the developers were unable to service.

Certain of the claims against C&W have since been dismissed. The claims that currently remain against C&W are tortuous interference and negligence.

On September 24, 2013, the Court entered an order denying class certification. The Court entered a deadline of January 31, 2014 to add any additional plaintiffs, on which date the plaintiffs filed a motion to permit the filing of an amended complaint to include approximately 90 new plaintiffs. C&W is opposing this motion.

In 2011, two principals of the resort developers filed to intervene in the suit and bring claims against C&W and Credit Suisse, alleging similar claims to those made by the homeowners. The District Judge ultimately denied the motion of the principals to intervene. In anticipation of this denial, in February 2012, one of those principals filed suit in Colorado. On September 30, 2013, the District Court granted C&W's motion to dismiss this action in its entirety, without leave to amend. The plaintiff has filed a motion for reconsideration which is currently pending before the Court.

C&W believes that all of the claims in both actions are without merit and continues to defend against these claims vigorously. Although the ultimate liability for these matters cannot be determined, based upon information currently available, management believes that the ultimate resolution of such claims and litigation will not have a material adverse effect on our business or financial statements.

Juventus Football Club

As regards the investigation by the Attorney's Office of Turin on the construction of the new stadium, the proceedings ended on January 24, 2014 with the dismissal of the case by the Judge for the preliminary investigations of the Court of Turin.

The Company, which was the injured party in the proceedings and the party damaged by the offenses attributed to the investigated parties, also demonstrated, by periodically filing suitable documentation with the competent officials (prosecuting Attorney General's Office, Mayor and the Prefecture), the safety and security of the stadium, which has continued to regularly operate.

37. Segment reporting

EXOR S.p.A. and the companies in the Holdings System mainly make equity investments and financial market investments. Through its subsidiaries, the EXOR Group is present in a diversified range of sectors, particularly Automobiles (Fiat Group), Agricultural and Construction Equipment (CNH Industrial Group from January 2011), real estate services (C&W Group) and professional football (Juventus Football Club).

For this reason the EXOR Group has chosen to disclose its information by segment according to IFRS 8 – *Operating Segments* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: Fiat Group, CNH Industrial Group, C&W Group, Juventus Football Club and the Holdings System.

The figures relating to the CNH Industrial Group refer to the Group after the merger of Fiat Industrial and CNH Global, finalized on September 29, 2013. The merger did not have any impact on the activities of the previous Fiat Industrial Group and therefore the figures for CNH Industrial Group presented in these consolidated financial statements referring to the previous year are consistent and comparable with those published previously by the EXOR Group and referring to the Fiat Industrial Group.

The income statement by segment in 2013 is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2013							
Segment revenues	86,816	25,778	1,881	290	0	(1,025)	113,740
Revenues from transactions with other operating segments	(702)	(310)	(1)	(13)	(0)	1,026	0
Revenues from external customers	86,114	25,468	1,880	277		1	**113,740**
Cost of sales	(74,570)	(20,897)	(1,643)	(256)		1,007	(96,359)
Selling, general and administrative expenses	(6,689)	(2,230)	(162)	(40)	(27)	24	(9,124)
Research and development costs	(2,231)	(600)		(2)		0	(2,833)
Other income (expenses)	68	(66)	(10)	(1)	(1)	(5)	(15)
Trading profit (loss)	3,394	1,985	66	(9)	(28)	1	**5,409**
Result from investments	97	102			616	(525)	290
Unusual income (expenses)	(519)	(117)	(14)		1,525	(1)	874
EBIT	2,972	1,970	52	(9)	2,113	(525)	**6,573**
Financial income (expenses)	(1,964)	(463)	(6)	(8)	(30)	(1)	(2,472)
Profit (loss) before taxes	1,008	1,507	46	(17)	2,083	(526)	**4,101**
Income taxes	(943)	590	24	5	(2)	0	(326)
Profit (loss) for the year	1,951	917	22	(22)	2,085	(526)	**4,427**

The income statement by segment in 2012 is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2012							
Segment revenues	83,957	25,785	1,596	278	1	(946)	110,671
Revenues from transactions with other operating segments	(676)	(260)	(2)	(8)		946	0
Revenues from external customers	83,281	25,525	1,594	270	1		**110,671**
Cost of sales	(71,701)	(20,931)	(1,384)	(242)		932	(93,326)
Selling, general and administrative expenses	(6,763)	(2,183)	(143)	(36)	(26)	11	(9,140)
Research and development costs	(1,850)	(560)					(2,410)
Other income (expenses)	(102)	(44)	(5)	8	(2)	(3)	(148)
Trading profit (loss)	3,541	2,063	63	8	(27)	(1)	**5,647**
Result from investments	107	81			362	(285)	265
Unusual income (expenses)	(244)	115	(2)		6	(329)	(454)
EBIT	3,404	1,927	61	8	341	(283)	**5,458**
Financial income (expenses)	(1,885)	(467)	(7)	(6)	(42)	(2)	(2,409)
Profit (loss) before taxes	1,519	1,460	54	2	299	(285)	**3,049**
Income taxes	623	560	21	5	1	(1)	1,209
Profit (loss) for the year	896	900	33	(3)	298	(284)	**1,840**

The statement of financial position by segment at December 31, 2013 and 2012 is as follows:

€ million	Fiat	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
At December 31, 2013							
Intangible assets and property, plant and equipment	42,352	9,436	764	323		(19)	52,856
Investments and other financial assets	2,260	550	7	4	5,762	(4,936)	3,647
Other non-current assets	2,999	2,012	49	49		0	5,109
Inventories	10,230	5,464				(2)	15,692
Receivables and other current assets	8,670	18,560	379	100	14	(120)	27,603
Current financial assets	815	189	2		581	0	1,587
Cash and cash equivalents	19,439	4,705	118	1	1,900	(10)	26,153
Assets held for sale	9	25	0			(1)	33
Total Assets	**86,774**	**40,941**	**1,319**	**477**	**8,257**	**(5,088)**	**132,680**
Equity	12,584	5,556	584	53	6,947	(4,788)	20,936
Provisions	17,360	4,733	146	5	5	(123)	22,126
Financial debt	29,902	21,714	121	193	1,258	(21)	53,167
Trade payables and other liabilities	26,907	8,938	468	226	47	(156)	36,430
Liabilities held for sale	21					0	21
Total Equity and Liabilities	**86,774**	**40,941**	**1,319**	**477**	**8,257**	**(5,088)**	**132,680**
At December 31, 2012							
Intangible assets and property, plant and equipment	41,345	8,746	797	334	0	(37)	51,185
Investments and other financial assets	2,287	531	8	4	6,806	(4,236)	5,400
Other non-current assets	1,832	1,888	47	44	0	2	3,813
Inventories	9,295	4,843	0	0	0	(5)	14,133
Receivables and other current assets	8,828	18,092	342	91	12	(199)	27,166
Current financial assets	807	125	1		232	0	1,165
Cash and cash equivalents	17,657	4,611	64	1	514	(34)	22,813
Assets held for sale	55	25	0	0	7	0	87
Total Assets	**82,119**	**38,937**	**1,259**	**474**	**7,571**	**(4,509)**	**125,762**
Equity	8,369	5,376	627	76	6,169	(4,115)	16,502
Provisions	20,276	4,861	100	6	5	(109)	25,139
Financial debt	27,889	20,633	135	154	1,346	(79)	50,078
Trade payables and other liabilities	25,572	7,991	397	238	51	(206)	34,043
Liabilities held for sale	0	0	0	0	0	0	0
Total Equity and Liabilities	**82,119**	**38,937**	**1,259**	**474**	**7,571**	**(4,509)**	**125,762**

38. Information by geographical area

The following tables present an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the non-current assets on the basis of the their geographical location divided according to the significance of the individual segments.

The breakdown of revenues by geographical area is as follows:

€ million	**2013**	**2012**	Change
Italy	6,761	7,097	(336)
United States, Canada, Mexico	47,550	45,166	2,384
Brazil	8,232	9,648	(1,416)
France	1,796	1,900	(104)
Germany	3,045	3,144	(99)
Spain	956	827	129
UK	1,443	1,418	25
Turkey	1,268	1,236	32
China	4,437	2,695	1,742
Argentina	1,424	1,166	258
Rest of the world	9,202	8,984	218
FIAT	**86,114**	**83,281**	2,833
Italy	1,999	2,028	(29)
United States	5,955	5,904	51
Brazil	3,282	2,747	535
France	2,319	2,158	161
Germany	1,310	1,287	23
Canada	1,306	1,424	(118)
Australia	764	955	(191)
UK	754	754	0
Argentina	693	550	143
Spain	527	537	(10)
Poland	379	447	(68)
Rest of the world	6,180	6,734	(554)
CNH Industrial	**25,468**	**25,525**	(57)
Italy	20	18	2
United States	1,190	973	217
Canada	90	83	7
Latin America	106	99	7
EMEA (excluding Italy)	329	311	18
Asia	145	110	35
C&W Group	**1,880**	**1,594**	286
Italy	277	270	7
Juventus F.C.	**277**	**270**	7
Rest of the world	1	1	0
Total Holdings System	**1**	**1**	0
Total Revenues	**113,740**	**110,671**	3,069

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group) located in Italy and in the Rest of the world total €56,319 million (€56,201 at December 31, 2012) and may be analyzed as follows:

€ million	12/31/2013	12/31/2012	Change
Italy	10,273	9,569	704
United States, Canada, Mexico	26,689	26,733	(44)
Brazil	2,955	2,306	649
Poland	1,277	1,455	(178)
Serbia	1,004	985	19
Other	1,759	1,848	(89)
Fiat	**43,957**	**42,896**	1,061
Italy	2,314	2,029	285
United States	3,582	3,416	166
France	867	776	91
Germany	638	562	76
Brazil	488	506	(18)
Spain	618	577	41
Canada	347	356	(9)
China	390	316	74
UK	194	188	6
Other	1,247	1,099	148
CNH Industrial	**10,685**	**9,825**	860
United States	347	353	(6)
EMEA	208	219	(11)
Canada	55	60	(5)
Latin America	28	28	0
Asia	63	57	6
C&W Group	**701**	**717**	(16)
Italy	323	333	(10)
Juventus F.C.	**323**	**333**	(10)
Italy	140	145	(5)
United States	16	16	0
Luxembourg	225	133	92
Europe	235	2,095	(1,860)
Rest of the World	37	41	(4)
Total Holdings System	**653**	**2,430**	(1,777)
Total Non-current assets	**56,319**	**56,201**	118

39. Information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates and interest rates), since the Group operates at an international level in different currencies and uses financial instruments which generate interests. The Group is also exposed to the risk of changes in the price of certain commodities, of some investments in listed and unlisted equity securities and in investment funds.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 31).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following do not have any predictive value. In particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty.

A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors:

- significant financial difficulties of the counterparty;
- probability that the counterparty will be involved in an insolvency procedure;
- default on installment payments by the counterparty;
- restructuring or renegotiation of open items with the counterparty;
- changes in the payment status of one or more debtors included in a specific risk category;
- other contractual breaches.

The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted for the sale of cars, commercial vehicles and agricultural and construction equipment, whose amount depends on the amount of the assets sold. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network and on vehicles assigned under finance leasing agreements.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2013 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 36.

Fiat Group

Receivables for financing activities amounting to €3,671 million at December 31, 2013 contain balances totaling €21 million (€7 million at December 31, 2012), which have been written down on an individual basis. Of the remainder, balances totaling €72 million are past due by up to one month (€107 million at December 31, 2012), while balances totaling €23 million are past due by more than one month (€62 million at December 31, 2012). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other receivables amounting to €4,266 million at December 31, 2013 contain balances totaling €19 million (€39 million at December 31, 2012) which have been written down on an individual basis. Of the remainder, balances totaling €243 million are past due by up to one month (€216 million at December 31, 2012), while balances totaling €358 million are past due by more than one month (€307 million at December 31, 2012).

Provided that current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2013 which might lead to significant repayment risk.

CNH Industrial Group

Receivables for financing activities amounting to €15,943 million at December 31, 2013 (€15,237 million at December 31, 2012) include balances totaling €77 million (€54 million at December 31, 2012) that have been written down on an individual basis. Of the remainder, balances totaling €358 million (€355 million at December 31, 2012) are past due by up to one month, while balances totaling €422 million are past due by more than one month (€566 million at December 31, 2012). In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other current receivables totaling €2,202 million at December 31, 2013 (€2,406 million at December 31, 2012) include balances totaling €53 million (€58 million at December 31, 2012) that have been written down on an individual basis. Of the remainder, balances totaling €101 million (€168 million at December 31, 2012) are past due by up to one month, while balances totaling €223 million (€126 million at December 31, 2012) are past due by more than one month.

C&W Group

Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer; the demographics of C&W Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of the financial assets recorded in cash and cash equivalents for $162.4 million (€118 million) and commissions receivable for $385.8 million (€280 million).

At December 31, 2012 the carrying amount of financial assets recorded in cash and cash equivalents was $84.2 million (€64 million) and the carrying amount of commissions receivable was $372.2 million (€282 million).

Commissions receivable are presented net of the allowance for impairment losses which, at December 31, 2013, amounts to $14 million, or €10 million

At December 31, 2013, C&W Group has receivables past due and not subject to individual writedown for $386 million (€280 million). Receivables past due less than one month amount to $227 million (€165 million), and receivables past due more than one month total $159 million (€115 million).

At December 31, 2012, receivables past due and not subject to individual writedown were $372 million (€282 million). Receivables past due less than one month amounted to $225 million (€171 million) and receivables past due more than one month totaled $147 million (€111 million).

Juventus Football Club

Juventus Football Club has adopted suitable procedures to minimize its exposure to credit risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by *Lega Nazionale Professionisti Serie A*; receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs; fees receivable under contracts for television rights are indirectly secured by *Lega Nazionale Professionisti Serie A* through a minimum guarantee agreement with the advisor Infront Italy S.r.l.

At December 31, 2013, Juventus Football Club has receivables past due and not subject to individual writedown for €4 million. Receivables past due one month amount to €1 million, receivables past due less than one month amount to €3 million.

At December 31, 2012, Juventus Football Club had receivables past due and not subject to individual writedown for €9 million. Receivables past due one month amount to €1 million, receivables past due less than one month amount to €8 million.

Holdings System

EXOR S.p.A. and the companies in the Holdings System have a maximum theoretical exposure to credit risk at December 31, 2013 represented by the carrying amount of the financial assets recorded in the financial statements. They seek to mitigate such risk by investing a good part of their available cash in primary corporate and bank securities issued by leading counterparts selected according to their creditworthiness.

At December 31, 2013 and December 31, 2012, there were no financial assets past due and not written down and allowances for impairment losses.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets necessitate giving special attention to the management of liquidity risk. In that sense measures taken to generate funds through operations and to maintain a conservative level of available liquidity are an important factor for ensuring operational flexibility and addressing strategic challenges over the next few years.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal.

Details as to the repayment structure of the Group's financial assets and liabilities are provided in Note 21 – Receivables from financing activities and in Note 33 – Financial debt.

Details of the repayment structure of derivative financial instruments are provided in Note 27.

Fiat Group

The operating cash flows, main funding operations and liquidity of the Fiat Group excluding Chrysler are centrally managed in the Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds on the financial markets by means which may assume different technical forms.

Chrysler manages the cash generated by its operations and coverage of its funding requirements independently. In this respect Fiat has pledged no guarantee, commitment or similar obligation in relation to any of Chrysler's financing obligations, nor has it assumed any kind of obligation or commitment to fund Chrysler in the future.

The Fiat Group believes that the funds currently available to the treasuries of Fiat and Chrysler, in addition to those that will be generated from operating and financing activities, will enable the Fiat Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

CNH Industrial Group

Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the CNH Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

C&W Group

In order to support the maximum cash flow demands that peak early in the second quarter of the year and acquisition financing, C&W Group uses a five-year $350 million Senior Secured Revolving Credit Facility and a five-year $150 million Senior Secured Term Loan.

Holdings System

EXOR S.p.A. and the companies in the Holdings System fund outgoing cash flows from current operations basically with incoming flows from ordinary business activities and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR operates so that it has irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Financial market risks

Currency risk, interest rate risk, price risk of commodities, shares and investment funds

As a multinational group that has operations throughout the world, the Group is exposed to various financial market risks such as the risk from fluctuations in foreign currency exchange and interest rates.

In addition, the Group is exposed to market risks in terms of the commodity price associated with business operations.

Finally, the Group is exposed to the risk of a change in the price of certain shares and investment funds.

The Group's exposure to currency risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit (loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to finance market risk and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in exchange and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges, mainly to hedge:

- the currency risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly interest rate swaps, currency swaps and combined interest rate and currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
- the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps. Exposure to changes in the price of commodities is generally hedged by using commodity swaps. Counterparties to these agreements are major and diverse financial institutions. Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 27.

The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in Cumulative translation adjustment reserve, in Other comprehensive income (see Note 30).

Fiat Group

Currency risk

The Fiat Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- where a Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the Operating result of that company. In 2013, the total trade flows exposed to currency risk amounted to the equivalent of 13% of the Group's turnover.
- The principal exchange rates to which the Fiat Group is exposed are the following:
  - USD/CAD, relating to sales in Canadian dollars made by Chrysler in Canada;

- EUR/USD, relating to sales in US dollars made by Italian companies (in particular, companies belonging to the Luxury Brands operating segment) and to sales and purchases in Euro made by Chrysler;
- GBP, AUD, MXN, CHF, CNY, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Chinese, Argentinian and Venezuelan markets;
- PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
- USD/BRL, EUR/BRL, relating to Brazilian manufacturing operations and the related import and export flows.

Taken overall trade flows exposed to changes in these exchange rates in 2013 made up approximately 90% of the exposure to currency risk from trade transactions.

- It is the Fiat Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- Fiat Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain finance or use funds in a currency different from the functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the Fiat Group's subsidiaries are located in countries which are outside of the Eurozone, in particular the United States, Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.
- The assets and liabilities of consolidated companies whose money of account is different from the Euro may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the item cumulative translation adjustments reserve, included in Other comprehensive income.

The Fiat Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2013 in the nature or structure of exposure to currency risk or in the Fiat Group's hedging policies.

Sensitivity analysis - currency risk

At December 31, 2013 the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €745 million (€690 million at December 31, 2012).

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the Fiat Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments.

In addition, Fiat Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, causing an impact on the level of net financial expenses incurred by the Fiat Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating result of those companies and the Fiat Group as a whole.

In order to manage these risks, the Fiat Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit (loss).
In assessing the potential impact of changes in interest rates, the Fiat Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).
The fixed rate financial instruments used by the Fiat Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis - interest rate risk

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2013, resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €110 million (approximately €100 million at December 31, 2012).
Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.
A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2013, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €13 million (approximately €10 million at December 31, 2012).
This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Commodity price risk

The Fiat Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials used in its normal operations.

Sensitivity analysis - commodity price risk

In connection with the commodity price derivative contracts outstanding at December 31, 2013, a hypothetical, unfavorable and instantaneous change of 10% in the price of the commodities at that date would have caused a fair value loss of approximately €45 million (approximately €51 million at December 31, 2012).

CNH Industrial Group

Currency risk

The CNH Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a company in the CNH Industrial Group incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit (loss) of that company. In 2013, the total trade flows exposed to currency risk amounted to the equivalent of 19% of the CNH Industrial Group turnover (18% in 2012). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
    - EUR/USD, in relation to the production/purchases of agricultural and construction equipment segment in the Euro area and to sales in dollars made by Trucks and Commercial Vehicles segment;
    - EUR/GBP, predominately in relation to sales made by trucks and commercial vehicles segment on the UK market and purchases made by agricultural and construction equipment segment in the Euro area;
    - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
    - USD/AUD, mainly in relation to sales made by agricultural and construction equipment segment in Australia;
    - USD/GBP, in relation to the production/purchases of agricultural and construction equipment segment in the UK.

  Taken overall trade flows exposed to changes in these exchange rates in 2013 made up approximately 77% of the exposure to currency risk from trade transactions.
- It is the CNH Industrial Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the

coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.

- The companies of the CNH Industrial Group may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the CNH Industrial Group policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.
- Certain of the CNH Industrial Group's subsidiaries are located in countries which are not members of the European monetary union, in particular the United States, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the CNH Industrial Group's reference currency is the Euro, the income statements of those countries are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euros.
- The assets and liabilities of consolidated companies whose functional currency is different from the Euros may acquire converted values in Euros which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the cumulative translation adjustments reserve, included in Other comprehensive income.

The CNH Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There were no substantial changes in 2013 in the nature or structure of exposure to currency risk or in the CNH Industrial Group's hedging policies.

Sensitivity analysis - currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) held by the CNH Industrial Group at December 31, 2013, resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro, amounts to approximately €204 million (€184 million at December 31, 2012). Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, CNH Industrial Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost and return of the various forms of financing, including the sale of receivables, and the employment of funds, causing an impact on the level of net financial expenses incurred by the CNH Industrial Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit (loss) of those companies and the CNH Industrial Group as a whole.

In order to manage these risks, the CNH Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit (loss).

Sensitivity analysis - interest rate risk

In assessing the potential impact of changes in interest rates, the Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the CNH Industrial Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2013 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately €25 million (approximately €7 million at December 31, 2012).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments. A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2013, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately €4 million (approximately €1 million at December 31, 2012). This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Price risk

The CNH Industrial Group has entered into derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis - price risk

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2013 linked to commodity prices would have been not significant (not significant at December 31, 2012).

Holdings System

Currency risk

At December 31, 2013 a part of the Holdings System’s available-for-sale assets, assets held for trading and cash are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.

The currency risk to which EXOR S.p.A. is exposed regards non-convertible bonds in Japanese yen issued in 2011 for Japanese yen 10 billion. The bonds carry a fixed rate in yen of 2.80% and have a term of 20 years.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, a cross currency swap was put in place by EXOR with a leading credit institution as a result of which the Company will pay a fixed rate of 6.012% on the face amount of the bonds in euro (about €83 million) for the entire term of the bonds.

Sensitivity analysis - currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit (loss) of €3 million (mainly on financial assets) and on equity of more than €6 million; whereas an unfavorable change of 10% would have a positive effect on profit (loss) of €4 million and on equity of €8 million.

The effect of a change in exchange rates on equity is mainly attributable to the bonds in Japanese yen issued by EXOR S.p.A.

Interest rate risk

EXOR S.p.A. has assessed and managed its exposure to fluctuations in interest rates consistently with its management policies and used derivative financial instruments to fix a part of the loans obtained at a set interest rate.

Sensitivity analysis - interest rate risk

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balances sheet date.

A hypothetical 10% change in interest rates would have an effect on profit (loss) of €1.7 million.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments, investment funds and financial assets held for trading.

Sensitivity analysis - price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments, other investments and financial assets held for trading had been 5% higher/lower, the fair value reserve recorded in equity would have been €41 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €40 million higher/lower.

C&W Group

Currency risk

C&W Group assesses the general foreign currency risk as low because the Group entities predominantly execute their operating activities in their respective functional currencies.

To mitigate its foreign currency exposures primarily arising from intercompany transactions the Group in 2013 utilized foreign exchange forward contacts on the major currencies to which it is exposed.

As of December 31, 2013, the approximate U.S. dollar amount was $188 million (€137 million) with a net fair value asset of less than $2.1 million. As of December 31, 2012, the approximate U.S. dollar notional amount was $189 million (€143 million) with a fair value liability of less than €0.1 million).

The currency risk relating to debt is limited to the quota of the Senior Secured Revolving Credit Facility principally: in $AUD for $17 million, in $CAD for $4 million and in $HKD for $16 million.

As of December 31, 2012, the currency risk was in $AUD for $15 million and in $CAD for $7 million, in EUR for $11 and in $HKD for $5 million.

Sensitivity analysis - currency risk

A 10% strengthening of the U.S. dollar against the relevant foreign currencies would have increased net income by $163 thousand (€118 thousand) and equity by approximately $4 million (€2.6 million).

Interest rate risk

C&W Group is exposed to interest rate risk associated with the $350 million Senior Secured Revolving Credit Facility. C&W Group monitors market conditions and has reviewed possible strategies, such as interest rate swaps and caps, to mitigate this variability. In August 2011, C&W Group entered into an interest rate cap and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%.

Sensitivity analysis - interest rate risk

For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.

An increase or decrease of 100 basis points in interest rates, assuming that all other variables remain constant in 2013 would have decreased net income by $2 million (€1.4 million) or increased net income by $0.6 million (€0.4 million).

Juventus Football Club

Interest rate risk

A sensitivity analysis was performed on the financial liabilities of Juventus exposed to interest rate risk (payables due to banks and factoring companies). A hypothetical change of 10% in the interest rates would generate a €0.6 million effect on the result for the year.

Medium and long-term financial liabilities due to Credito Sportivo and Unicredit Leasing S.p.A. are not exposed to interest rate risk since they are respectively at a fixed rate and hedged by derivative financial instruments. In particular, an interest rate swap was put in place on April 11, 2011 to hedge the interest rate applicable to the finance lease with Unicredit Leasing; the fair value at December 31, 2013 is a negative €0.5 million.

40. Fair value measurement by hierarchy level

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the measurement techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2013.

€ million	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in Other comprehensive income (losses)	17	201	30	154	385
Non-current securities	17	42		501	543
Current securities	26	91			91
Financial assets at fair value held-for-trading:					
Current investments	26	35			35
Current securities	26	248		460	708
Other financial assets	27	20	700	4	724
Total Assets at 12/31/2013		**637**	**730**	**1,119**	**2,486**
Other financial liabilities	27		(237)	(2)	**(239)**
Total Liabilities at 12/31/2013			**(237)**	**(2)**	**(239)**

In 2013, there were no transfers between Levels in the fair value hierarchy.

The fair value of other financial assets and liabilities that are mainly composed by derivatives financial instruments is measured by taking into consideration market parameters at the balance sheet date and using measurement techniques widely accepted in the financial business environment, but also considering the creditworthiness of the counterparty. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rate and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange and interest rates prevailing at the balance sheet date and the discounted expected cash flow method.
- the fair value of swaps and options hedging commodity price risk is determined by using suitable measurement techniques and taking market parameters at the balance sheet date (in particular, underline prices, interest rates and volatility rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The fair value estimate of Gruppo Banca Leonardo was performed by an independent expert who applied the Dividend Discount Model – DDM measurement in the Excess Capital version for private banking activities and the analytical profitability method in the Levered version for the measurement of advisory activities. The investment is classified in Level 3 in the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by the cost of capital (ke) in the Capital Asset Pricing Model for advisory activities and the long-term growth rate (g rate), the cost of capital and excess capital for private equity banking.

A hypothetical change in the cost of capital would result in a decrease in fair value; a higher g rate would result in an increase in fair value

The fair value estimate of Banijay Holding was performed by an independent expert who applied the unlevered version of the discounted cash flow model – DCF. The investment is classified in Level 3 in the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by WACC (weighted Average Cost of Capital) equal to 10.2%, determined using the Capital Asset Pricing Model as the basis of calculation. A hypothetical increase in WACC would produce a decrease in fair value.

The fair value estimate of The Economist Group was performed by an independent expert who used the current financial position, the performance objectives, the growth prospects and also the stock market performance of the companies used for comparison.

The fair value of the other financial assets available-for-sale and held for trading is determined, when quoted market prices are not available, using the market rates, adjusted when necessary to take into account the creditworthiness of the counterparty. The fair value of private equity funds corresponds to the net asset value (NAV) communicated by the managers of the funds. If at the date of the preparation of the financial statements this information is not available the most recent official NAV is used, but not more than three months prior to the closing date of the financial statements.

The following table presents the changes in Level 3 in 2013:

		Gains (losses) recognized			
€ million	**Balance at 12/31/2012**	in the income statement	in Other comprehensive income (losses)	Increase (decrease)	**Balance at 12/31/2013**
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in Other comprehensive income (losses)	159	(1)	(2)	(2)	154
Non-current securities	447	(18)	83	(11)	501
Financial assets at fair value held for trading:					
Current investments	112	6		342	460
Other financial assets	9	6	(3)	(8)	4
Total Assets	**727**	(7)	78	321	**1,119**
Other financial liabilities	(2)				(2)
Total Liabilities	**(2)**				**(2)**

The gains (losses) included in the income statement are recognized in cost of sales for a positive €6 million and in financial income (expenses) for a negative €13 million. Gains (losses) recognized in Other comprehensive income are included mainly in the fair value reserve for €76 million.

Assets and liabilities not measured at fair value on a recurring basis

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities due within one year approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

€ million	Note	12/31/2013 Carrying amount	Fair value
Financial assets			
Investments held to maturity	17/26	112	116
Dealer financing receivables	21	8,880	8,888
Retail financing receivables	21	9,093	9,078
Finance lease receivables	21	1,410	1,404
Other		220	217
Total assets		**19,715**	**19,703**
Financial liabilities			
Asset backed financing	33	(11,269)	(11,283)
Non-convertible bonds	33	(21,009)	(22,563)
Other financial debt	33	(20,889)	(20,761)
Total liabilities		**(53,167)**	**(54,607)**

Investments held to maturity are represented by bonds issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair values of receivables from financing activities, which are categorized within the Level 3 of the fair value hierarchy, have been estimated with discounted cash flows models. The most significant inputs used for this measurement are market discount rates, that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of the counterparties.

The fair value of the non–convertible bonds for €19,876 million is classified within Level 1 and for €2,687 million within Level 2. For the latter, inputs other than quoted prices in an active market were used.

The fair value of other financial debt is included in Level 2 of the fair value hierarchy and has been estimated with discounted cash flows models. The main inputs used are year-end market interest rates, adjusted for market expectations on the Group non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group liabilities.

Financial debt also includes the payable to the associate Almacantar of €28 million, classified in Level 3 of the fair value hierarchy. Since it is assumed that the associate will ask EXOR S.A. to pay the remaining amount of the debt within the following year, it is deemed that a possible calculation using the discounted cash flow method would not produce a significant effect. Therefore the fair value approximates the carrying amount.

41. Related party transactions

The Group carries out transactions with unconsolidated subsidiaries, jointly-controlled entities, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24, the related parties of the EXOR Group are entities and individuals capable of exercising control, joint control or significant influence over the EXOR Group and its subsidiaries, companies belonging to the Giovanni Agnelli Group, and unconsolidated subsidiaries, associates or joint ventures of the Fiat Group, the CNH Industrial Group, C&W Group, Juventus and Almacantar and its subsidiaries. In addition, members of the EXOR Group board of directors, board of statutory auditors and key executives with strategic responsibilities of the EXOR Group and its parent Giovanni Agnelli e C. S.a.p.az., as well as their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, jointly-controlled entities, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

The most significant financial transactions with related parties generated receivables from financing activities of the Fiat Group's financial services companies due from jointly-controlled entities and asset-backed financing relating to amounts due to FGA Capital for the sale of receivables which do not qualify for derecognition under IAS 39.

The effects of transactions with related parties recognized in the income statement are as follows:

	2013				2012			
€million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
2013								
Tofas - Turk Otomobil Fabrikasi A.S.	1,145	1,287	3		1,115	1,227	4	
Società Europea Veicoli Leggeri-Sevel S.p.A.	846	1,557	6		845	1,526		
FGA Capital Group	223	62	10	(24)	200	85	12	(28)
Turk Traktor Ve Ziraat Makineleri A.S.	137	264			68	263		
Fiat India Automobiles Limited	27	1	4	1	38		1	
GAC Fiat Automobiles Co Ltd	137		1		147			
Iveco Oto Melara Società consortile	91				92			
CNH de Mexico SA de CV	71	116			76	71		
SAIC IVECO Commercial Vehicle Investment Company Limited	58				27			
New Holland HFT Japan Inc.	57				52			
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme (*)	0				24	218		
VM Motori Group	0	121				222		
Other	94	6	9	(3)	89	14	10	(4)
Total jointly-controlled entities	**2,886**	**3,414**	**33**	**(26)**	**2,773**	**3,626**	**27**	**(32)**
To-dis S.r.l.	48	4			48	2		
Arab American Vehicles Company S.A.E.	15				24			
IVECO-AMT Ltd	20				115			
Truck & Bus Company	21				12			
Kobelco Construction Machinery Co. Ltd.	0				60	174		
Other	7	5	5		7	5	8	1
Total associates	**111**	**9**	**5**	**0**	**266**	**181**	**8**	**1**
Total other related parties	**1**	**7**	**28**	**0**	**1**	**11**	**37**	**0**
Total unconsolidated subsidiaries	**44**	**15**	**30**	**1**	**36**	**100**	**30**	**4**
Total of which related parties	**3,042**	**3,445**	**96**	**(25)**	**3,076**	**3,918**	**102**	**(27)**
Total of item in financial statements	**113,740**	**96,359**	**9,124**	**(2,472)**	**110,671**	**93,326**	**9,140**	**0**
Effect on total (%)	**2.67%**	**3.58%**	**1.05%**		**2.78%**	**4.20%**	**1.12%**	

(*) At December 31, 2012, this investment, later sold at the beginning of 2013, was classified in Assets held for sale.

Non-financial assets and liabilities originated by related party transactions are as follows:

	At December 31, 2013				At December 31, 2012			
€million	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
At December 31, 2013								
Tofas - Turk Otomobil Fabrikasi A.S.	50	232			32	257		2
Società Europea Veicoli Leggeri-Sevel S.p.A.	21	406	4	9	23	396	3	5
FGA Capital Group	49	165	1	93	64	147	12	85
Fiat India Automobiles Limited	10	10			96	5	2	
GAC Fiat Automobiles Co Ltd	35	3		5	23	4		
Iveco Oto Melara Società consortile	21				23			
Turk Traktor Ve Ziraat Makineleri A.S.		61				55		
Société Européenne de Véhicules Légers du Nord - Sevelnord Société Anonyme (*)					1	55		
VM Motori Group						20		
Other	33	67	2	32	40	78	1	23
Total jointly-controlled entities	**219**	**944**	**7**	**139**	**302**	**1,017**	**18**	**115**
Almacantar S.A.								
Arab American Vehicles Company S.A.E.	9	3			11	3		
Other	24	9		25	67	10	1	27
Total associates	**33**	**12**	**0**	**25**	**78**	**13**	**1**	**27**
Total other related parties	**0**	**0**	**0**	**1**	**0**	**5**	**1**	**0**
Total unconsolidated subsidiaries	**43**	**15**	**4**	**1**	**28**	**18**	**4**	**1**
Total of which related parties	**295**	**971**	**11**	**166**	**408**	**1,053**	**24**	**143**
Total of item in financial statements	**3,618**	**22,652**	**3,827**	**12,341**	**4,303**	**21,423**	**3,368**	**10,771**
Effect on total (%)	**8.2%**	**4.3%**	**0.3%**	**1.3%**	**9.5%**	**4.9%**	**0.7%**	**1.3%**

(*) At December 31, 2012, this investment, later sold at the beginning of 2013, was classified in Assets held for sale.

Financial assets and liabilities originated by related party transactions are as follows:

	December 31, 2013			December 31, 2012		
€million	Current receivables from financing activities	Asset backed financing	Other financial debt	Current receivables from financing activities	Asset backed financing	Other financial debt
At December 31, 2013						
Società Europea Veicoli Leggeri-Sevel S.p.A.	28		20	24		4
FGA Capital Group	54	85	270	88	56	96
Other	19		3	15		3
Total jointly-controlled entities	**101**	**85**	**293**	**127**	**56**	**103**
Almacantar S.A.			29			38
Global Engine Alliance LLC						4
Other	11			0	0	
Total associates	**11**	**0**	**29**	**0**	**0**	**42**
Total other related parties	**0**	**0**	**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**38**	**0**	**23**	**66**	**0**	**24**
Total of which related parties	**150**	**85**	**345**	**193**	**56**	**169**
Total of item in financial statements	**19,594**	**11,269**	**41,898**	**18,938**	**10,149**	**39,929**
Effect on total (%)	**0.8%**	**0.8%**	**0.8%**	**1.0%**	**0.6%**	**0.4%**

Guarantees pledged in favor of related parties of the Fiat Group

Other guarantees pledged in favor of related parties at December 31, 2013 and at December 31, 2012 are as follows:

€ million	At 12/31/2013	At 12/31/2012
Total jointly-controlled entities	7	5
Total other related parties and the Fiat Industrial Group	0	7
Total unconsolidated subsidiaries	8	13
Total of which related parties	**15**	**25**

Commitments and guarantees with related parties of the CNH Industrial Group

At December 31, 2013 the CNH Industrial Group had pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società consortile for an amount of €197 million (€215 million at December 31, 2012).

Compensation to directors, statutory auditors and key executives of EXOR

In 2013 compensation to the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	EXOR S.p.A.	Subsidiaries	Total
Directors	4,522	23,359	27,881
Statutory Auditors	148	215	363
Total 2013	**4,670**	**23,574**	**28,244**
Total 2012	**4,424**	**33,172**	**37,596**

This amount includes the nominal compensation cost arising from the stock grants and stock options granted to the directors.

There are no key executives in EXOR S.p.A.

42. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – *Statement of cash flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item translation exchange differences.
Cash flows from (used in) operating activities mostly derive from the Group's industrial activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in profit (loss) for the year, are included under operating activities in a single line item which includes changes in working capital arising from these transactions, capital expenditures, depreciation and amortization and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, amortization, impairment losses and changes in inventories.

In 2013, other non-cash items (positive for €508 million) mainly include the reversal of impairment losses on fixed assets and the share of the profit or loss of investees accounted for using the equity method, the loss of €54 million related to the devaluation of the official exchange rate of the Venezuelan Bolivar (VEF) relative to the US dollar (Note 9) and the €56 million writeoff of the book value of the Equity Recapture Agreement Right.

In total, cash flows for income tax payments net of refunds amount to €855 million in 2013 (€1,031 million in 2012).

In total, interest of €2,620 million was paid and interest of €1,109 million was received in 2013 (interest of €2,619 million was paid and interest of €1,435 million was received in 2012).

43. Information required under art. 149-duodecies of Consob's "Regulation for Issuers"

The following table, prepared in accordance with Article 149-*duodecies* of Consob's "Regulation for Issuers" by, reports fees related to 2013 for audit and other services provided by the independent auditors and members of their network.

€ thousand	Service Provider	Entity		2013 Fees
Audit	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		58
	Reconta Ernst & Young S.p.A.	Subsidiaries		4,752
	Rete Reconta Ernst & Young network	Subsidiaries		20,043
Attestation	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	(1)	20
	Reconta Ernst & Young S.p.A.	Subsidiaries	(2)	2,509
	Rete Reconta Ernst & Young network	Subsidiaries	(3)	1,028
Other services	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		-
	Reconta Ernst & Young S.p.A.	Subsidiaries	(4)	676
	Rete Reconta Ernst & Young network	Subsidiaries	(5)	2,412
Total Reconta Ernst & Young S.p.A. and network				**31,498**

1) Fees mainly for the issuance of Comfort Letters connected with bond issues.
2) Review of system of internal control over financial reporting and attestation activities connected with CNH Industrial merger.
3) Issuance of Comfort Letters connected with bond issues and acquisition of remaining equity interest in Chrysler Group LLC from the VEBA Trust.
4) Analysis of various accounting activities, analysis of system of internal control over financial reporting, review activities relating to available liquidity of the Fiat Group as requested by Consob
5) Primarily relating to fulfillment of requirements imposed by local authorities and tax related activities.

44. Non-recurring transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any significant non-recurring transactions in 2013.

45. Transactions resulting from unusual and/or abnormal operations

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group did not carry out any unusual and/or abnormal operations in 2013 as defined in that Communication (for the definition of these see the Section – Format of the financial statements).

46. Subsequent events

Reference should be made to the Report on Operations 2013.

47. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2013 were approved on April 9, 2014 by the board of directors, which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 9, 2014

On behalf of the Board of Directors
The Chairman and Chief Executive Officer
John Elkann

Appendix 1
List of EXOR GROUP Companies at December 31, 2013

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations) a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – *Operating Segment*, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Parent company							
EXOR S.p.A.	Italy	246,229,850.00	EUR				
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	18,245,478.06	EUR	27.96	EXOR S.p.A.	40.221	
					Fiat S.p.A.	3.725	
					CNH Industrial N.V.	0.300	(*)
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR Inc.	U.S.A.	1.00	USD	100.00	EXOR S.A.	100.000	
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR S.p.A.	100.000	
EXOR N.V.	Netherlands	45,000.00	EUR	100.00	EXOR S.A.	100.000	
Fiat S.p.A.	Italy	4,477,462,227.34	EUR	30.90	EXOR S.p.A.	30.048	
					Fiat S.p.A.	2.765	(*)
Real Estate Services							
C&W Group Inc.	U.S.A.	7,464.55	USD	82.40	EXOR S.A.	68.459	
					C&W Group Inc.	14.554	(*)
Leasure and Other							
Arenella Immobiliare S.r.l.	Italy	150,000.00	EUR	100.00	EXOR S.p.A.	100.000	
Juventus Football Club S.p.A.	Italy	8,182,133.28	EUR	63.77	EXOR S.p.A.	63.766	

(*) Voting suspended.

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market Brands							
NAFTA							
0847574 B.C. Unlimited Liability Company	Canada	1.00	CAD	58.54	New CarCo Acquisition Canada Ltd.	100.000	
Auburn Hills Mezzanine LLC	U.S.A.	100.00	USD	58.54	CHRYSLER GROUP REALTY COMPANY LLC	100.000	
Auburn Hills Owner LLC	U.S.A.	100.00	USD	58.54	Auburn Hills Mezzanine LLC	100.000	
Autodie LLC	U.S.A.	10,000,000.00	USD	58.54	Chrysler Group LLC	100.000	
CG MID LLC	U.S.A.	2,700,000.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Canada Cash Services Inc.	Canada	1,000.00	CAD	58.54	Chrysler Group LLC	100.000	
Chrysler Canada Inc.	Canada	0.00	CAD	58.54	0847574 B.C. Unlimited Liability Company	100.000	
Chrysler de Mexico S.A. de C.V.	Mexico	238,621,186.00	MXN	58.54	Chrysler Mexico Holding, S. de R.L. de C.V.	99.996	
					Chrysler Group Minority LLC	0.004	
CHRYSLER GROUP AUTO TRANSPORT LLC	U.S.A.	100.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group LLC	U.S.A.	1,632,654.00	USD	58.54	FIAT NORTH AMERICA LLC	58.538	
Chrysler Group Minority LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	U.S.A.	168,769,528.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Group Service Contracts LLC	U.S.A.	100,000,000.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP VANS LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Investment Holdings LLC	U.S.A.	173,350,999.00	USD	58.54	Chrysler Group LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Canada	0.00	CAD	58.54	Chrysler Canada Inc.	99.990	
					Chrysler Lease Receivables 1 Inc.	0.005	
					Chrysler Lease Receivables 2 Inc.	0.005	
Chrysler Mexico Holding, S. de R.L. de C.V.	Mexico	3,377,922,033.00	MXN	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.900	
					CarCo Intermediate Mexico LLC	0.100	
CPK Interior Products Inc.	Canada	1,000.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	2,000,000.00	USD	58.54	Chrysler Group LLC	100.000	
Global Engine Manufacturing Alliance LLC	U.S.A.	300,000.00	USD	58.54	Chrysler Group LLC	100.000	
New CarCo Acquisition Canada Ltd.	Canada	1,000.00	CAD	58.54	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Canada	1,000.00	CAD	58.54	Chrysler Group LLC	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market Brands							
LATAM							
Banco Fidis S.A.	Brazil	473,669,238.00	BRL	100.00	Fidis S.p.A.	75.000	
					Fiat Automoveis S.A. - FIASA	25.000	
Chrysler Argentina S.R.L.	Argentina	29,335,170.00	ARS	58.54	Chrysler Group LLC	98.000	
					Chrysler Group Minority LLC	2.000	
Chrysler Chile Importadora Ltda	Chile	41,800,000.00	CLP	58.54	Chrysler Group LLC	99.990	
					Chrysler Group Minority LLC	0.010	
Chrysler de Venezuela LLC	U.S.A.	132,474,694.00	USD	58.54	CG Venezuela UK Holdings Limited	100.000	
CHRYSLER GROUP DO BRASIL COMERCIO DE VEICULOS Ltda.	Brazil	31,517,999.00	BRL	58.54	Chrysler Group LLC	100.000	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	25,007,977.00	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto Argentina S.A.	Argentina	476,464,366.00	ARS	100.00	Fiat Automoveis S.A. - FIASA	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Argentina	109,535,149.00	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Automoveis S.A. - FIASA	Brazil	1,069,492,850.00	BRL	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	319,798,129.00	ARS	100.00	Fidis S.p.A.	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500.00	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
TCA - Tecnologia em Componentes Automotivos SA	Brazil	70,840,185.00	BRL	100.00	Fiat Automoveis S.A. - FIASA	100.000	
APAC							
Chrysler (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Asia Pacific Investment Co. Ltd.	People's Rep.of China	4,500,000.00	CNY	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler Australia Pty. Ltd.	Australia	143,629,774.00	AUD	58.54	Chrysler Group LLC	100.000	
Chrysler Group (China) Sales Co. Ltd.	People's Rep.of China	10,000,000.00	EUR	58.54	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler India Automotive Private Limited	India	99,990.00	INR	58.54	Chrysler Netherlands Distribution B.V.	99.990	
					CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler Japan Co., Ltd.	Japan	100,000,000.00	JPY	58.54	Chrysler Group LLC	100.000	
Chrysler Korea, Ltd.	South Korea	32,639,200,000.00	KRW	58.54	Chrysler Group LLC	100.000	
Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513.00	SGD	58.54	Chrysler Group LLC	100.000	
Fiat Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000.00	CNY	100.00	Fidis S.p.A.	100.000	
FIAT GROUP AUTOMOBILES INDIA Private Limited	India	937,900,000.00	INR	100.00	Fiat Group Automobiles S.p.A.	99.990	
					FGA Investimenti S.p.A.	0.010	
Fiat Group Automobiles Japan K.K.	Japan	420,000,000.00	JPY	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	People's Rep.of China	10,000,000.00	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000.00	USD	58.54	Chrysler Asia Pacific Investment Co. Ltd.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market Brands							
EMEA							
Abarth & C. S.p.A.	Italy	1,500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo Automobiles S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	75.000	
					Fiat Partecipazioni S.p.A.	20.000	
					Fiat Powertrain Technologies SpA	5.000	
CG EU NSC LIMITED	United Kingdom	3.00	GBP	58.54	Chrysler Group LLC	100.000	
CG Venezuela UK Holdings Limited	United Kingdom	100.00	GBP	58.54	CG EU NSC LIMITED	100.000	
Chrysler & Jeep Vertriebsgesellschaft mbH	Germany	25,600.00	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Chrysler Austria GmbH	Austria	4,300,000.00	EUR	58.54	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Serbia	500.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700.00	EUR	58.54	Chrysler Group LLC	99.998	
					Chrysler Group Minority LLC	0.002	
Chrysler Czech Republic s.r.o.	Czech Republic	55,932,000.00	EUR	58.54	Chrysler Group LLC	99.964	
					Chrysler Group Minority LLC	0.036	
Chrysler Danmark ApS	Denmark	1,000,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Deutschland GmbH	Germany	20,426,200.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Espana S.L.	Spain	16,685,690.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler France S.A.S.	France	460,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Group Egypt Limited	Egypt	240,000.00	EGP	58.54	Chrysler Group LLC	99.000	
					Chrysler Group Minority LLC	1.000	
Chrysler Group Middle East FZ-LLC	United Arab Emirates	300,000.00	AED	58.54	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler International GmbH	Germany	25,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Italia S.r.l.	Italy	100,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000.00	EUR	58.54	Chrysler Group LLC	99.998	
					Chrysler Group Minority LLC	0.002	
Chrysler Management Austria GmbH	Austria	75,000.00	EUR	58.54	Chrysler Austria GmbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0.00	EUR	58.54	Chrysler Investment Holdings LLC	99.990	
					Chrysler Group Minority LLC	0.010	
Chrysler Nederland B.V.	Netherlands	19,000.00	EUR	58.54	Chrysler Group LLC	100.000	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000.00	EUR	58.54	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler Polska Sp. z o.o.	Poland	30,356,000.00	PLN	58.54	Chrysler Group LLC	100.000	
Chrysler Russia SAO	Russia	574,665,000.00	RUB	58.54	Chrysler Group LLC	99.999	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market Brands							
EMEA							
					Chrysler Group Minority LLC	0.001	
Chrysler South Africa (Pty) Limited	South Africa	200.00	ZAR	58.54	Chrysler Group LLC	100.000	
Chrysler Sweden AB	Sweden	100,000.00	SEK	58.54	Chrysler Group LLC	100.000	
Chrysler Switzerland GmbH	Switzerland	2,000,000.00	CHF	58.54	Chrysler Group LLC	100.000	
Chrysler UK Limited	United Kingdom	46,582,132.00	GBP	58.54	CG EU NSC LIMITED	100.000	
Customer Services Centre S.r.l.	Italy	2,500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Easy Drive S.r.l.	Italy	10,400.00	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
					Fiat Center Italia S.p.A.	1.000	
Fabbrica Italia Pomigliano S.p.A.	Italy	1,000,000.00	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
FGA Austro Car GmbH	Austria	35,000.00	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
FGA Investimenti S.p.A.	Italy	2,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Real Estate Services S.p.A.	Italy	150,679,554.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FGA Versicherungsservice GmbH	Germany	26,000.00	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
					Rimaco S.A.	49.000	
Fiat Auto Poland S.A.	Poland	660,334,600.00	PLN	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Var S.r.l.	Italy	7,370,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Germany	8,700,000.00	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314.00	RSD	66.67	Fiat Group Automobiles S.p.A.	66.670	
Fiat Center (Suisse) S.A.	Switzerland	13,000,000.00	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Italy	2,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Czech Republic	1,000,000.00	CZK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat France	France	235,480,520.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Austria GmbH	Austria	37,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	98.000	
					FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Belgium	7,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Central and Eastern Europe KFT.	Hungary	150,000,000.00	HUF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Denmark A/S	Denmark	55,000,000.00	DKK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Germany AG	Germany	82,650,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	99.000	
					Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Greece	62,783,499.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto: Car Mass-Market Brands							
EMEA							
Fiat Group Automobiles Ireland Ltd.	Ireland	5,078,952.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Morocco	1,000,000.00	MAD	99.95	Fiat Group Automobiles S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Netherlands	5,672,250.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Portugal	1,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles S.p.A.	Italy	800,000,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640.00	ZAR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Spain S.A.	Spain	8,079,280.00	EUR	100.00	Fiat Group Automobiles S.p.A.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Sweden	10,000,000.00	SEK	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Switzerland	21,400,000.00	CHF	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	United Kingdom	44,600,000.00	GBP	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Italy	100,000,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
FIAT NORTH AMERICA LLC	U.S.A.	0.00	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	France	37,000.00	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Poland	269,037,000.00	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies SpA	Italy	525,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Germany	25,000.00	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Slovakia	33,194.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	France	5,955,360.00	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Belgium	5,000,000.00	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
					Fiat Group Automobiles S.p.A.	0.012	
Italian Motor Village Ltd.	United Kingdom	1,500,000.00	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Portugal	50,000.00	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Spain	1,454,420.00	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Motor Village Austria GmbH	Austria	37,000.00	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
New Business 32 S.r.l.	Italy	50,000.00	EUR	58.54	Chrysler Italia S.r.l.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market Brands							
EMEA							
Officine Maserati Grugliasco S.p.A.	Italy	500,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Italy	276,640,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000.00	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Business Auto:Luxury and Performance Brands							
Ferrari							
Ferrari S.p.A.	Italy	20,260,000.00	EUR	90.00	Fiat S.p.A.	90.000	
410 Park Display Inc.	U.S.A.	100.00	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Australasia Pty Limited	Australia	2,000,100.00	AUD	90.00	Ferrari S.p.A.	100.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
FERRARI FAR EAST PTE LTD	Singapore	1,000,000.00	SGD	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600.00	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Japan	199,950,000.00	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000.00	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000.00	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Italy	11,570,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000.00	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep.of China	2,100,000.00	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari Maserati Cars International Trading (Shanghai) Co. Ltd.	People's Rep.of China	3,000,000.00	USD	53.10	Ferrari S.p.A.	59.000	
Ferrari N.America Inc.	U.S.A.	200,000.00	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000.00	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1,000,000.00	CHF	90.00	Ferrari S.p.A.	100.000	
Iniziativa Fiorano S.r.l.	Italy	90,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000.00	EUR	90.00	Ferrari S.p.A.	90.000	
					Ferrari GE.D. S.p.A.	10.000	
Maserati							
Maserati S.p.A.	Italy	40,000,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000.00	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000.00	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000.00	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000.00	JPY	100.00	Maserati S.p.A.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Luxury and Performance Brands							
Maserati							
Maserati North America Inc.	U.S.A.	1,000.00	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000.00	EUR	100.00	Maserati S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
Magneti Marelli S.p.A.	Italy	254,325,965.00	EUR	99.99	Fiat S.p.A.	99.990	100.000
ABC Industria, Comercio, Importacao e Exportacao de Componentes Automotivos Ltda	Brazil	1,000.00	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	99.900	
					Magneti Marelli Cofap Autopecas Ltda	0.100	
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000.00	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Germany	7,270,000.00	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000.00	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000.00	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Russia	36,875,663.00	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480.00	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000.00	MXN	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000.00	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348.00	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Italy	1,033,000.00	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep.of China	5,600,000.00	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Ergom Soffiaggio S.r.l.	Italy	45,900.00	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep.of China	3,900,000.00	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrial Yorka de Mexico S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	98.000	
					Industrial Yorka de Tepotzotlan S.A. de C.V.	2.000	
Industrial Yorka de Tepotzotlan S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	99.000	
					Industrial Yorka de Mexico S.A. de C.V.	1.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli (China) Co. Ltd.	People's Rep.of China	17,500,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000.00	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Magneti Marelli							
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000.00	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	700,000.00	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep.of China	5,400,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876.00	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep.of China	10,800,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Autopecas Ltda	Brazil	7,554,539.00	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	46,284,200.00	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500.00	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	7,480,071.00	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543.00	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Brazil	40,568,427.00	BRL	99.86	Magneti Marelli S.p.A.	99.872	99.990
Magneti Marelli Espana S.A.	Spain	781,101.00	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	U.S.A.	10.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	20,000,000.00	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep.of China	200,000.00	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	60,000,000.00	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Turkey	50,005.00	TRY	99.94	Automotive Lighting Reutlingen GmbH	99.842	
					PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705.00	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas Ltda	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000.00	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000.00	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Powertrain India Private Limited	India	450,000,000.00	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovakia	7,000,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Magneti Marelli							
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000.00	USD	99.99	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000.00	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Argentina	2,012,000.00	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	52.000	
					Magneti Marelli Cofap Autopecas Ltda	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	206,834,874.00	BRL	99.99	Magneti Marelli S.p.A.	66.111	
					Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000.00	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovakia	80,006,639.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	1,950,000.00	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000.00	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000.00	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000.00	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
MM I&T Sas	France	7,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	1,000.00	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Autopecas Ltda	0.100	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000.00	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000.00	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500.00	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000.00	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000.00	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Sospensioni S.p.A.	Italy	37,622,179.00	EUR	99.99	Magneti Marelli S.p.A.	100.000	
SNIARICERCHE S.P.A. in liquidation	Italy	880,000.00	EUR	99.99	Plastic Components and Modules Holding S.p.A.	95.000	
					Plastic Components and Modules Automotive S.p.A.	5.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000.00	MXN	99.99	Automotive Lighting LLC	99.998	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.002	
Ufima S.A.S.	France	44,940.00	EUR	99.99	Magneti Marelli S.p.A.	65.020	
					Fiat Partecipazioni S.p.A.	34.980	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Teksid							
Teksid S.p.A.	Italy	71,403,261.00	EUR	84.79	Fiat S.p.A.	84.791	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000.00	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	99.800	
					Teksid Inc.	0.200	
(*) Fonderie du Poitou Fonte S.A.S.	France	26,958,464.00	EUR	84.79	Teksid S.p.A.	100.000	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550.00	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Teksid do Brasil Ltda	Brazil	202,602,013.00	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	716,088,300.00	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000.00	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500.00	PLN	84.79	Teksid S.p.A.	100.000	
Comau							
Comau S.p.A.	Italy	48,013,959.00	EUR	100.00	Fiat S.p.A.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep.of China	3,000,000.00	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000.00	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000.00	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000.00	ARS	100.00	Comau S.p.A.	55.280	
					Comau do Brasil Industria e Comercio Ltda.	44.690	
					Fiat Argentina S.A.	0.030	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118.00	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100.00	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Germany	1,330,000.00	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653.00	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	United Kingdom	107,665,056.00	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000.00	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062.00	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Inc.	U.S.A.	100.00	USD	100.00	Comau S.p.A.	100.000	
Comau India Private Limited	India	239,935,020.00	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172.00	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000.00	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romenia	23,673,270.00	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225.00	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Comau							
Comau Service Systems S.L.	Spain	250,000.00	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211.00	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500.00	GBP	100.00	Comau S.p.A.	100.000	
Other Activities:Holding companies and Other companies							
BMI S.p.A.	Italy	124,820.00	EUR	88.00	Editrice La Stampa S.p.A.	88.000	
Deposito Avogadro S.p.A.	Italy	5,100,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Editrice La Stampa S.p.A.	Italy	5,700,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Argentina S.A.	Argentina	5,292,117.00	ARS	100.00	Fiat Services S.p.A.	90.961	
					Fiat do Brasil S.A.	9.029	
					SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
					Fiat Auto Argentina S.A.	0.001	
Fiat do Brasil S.A.	Brazil	42,985,146.00	BRL	100.00	FGA Real Estate Services S.p.A.	99.998	
					Fiat Services S.p.A.	0.002	
Fiat Financas Brasil Ltda	Brazil	2,469,701.00	BRL	100.00	Fiat Finance S.p.A.	99.994	
					Fiat do Brasil S.A.	0.006	
Fiat Finance and Trade Ltd S.A.	Luxembourg	251,494,000.00	EUR	100.00	Fiat Finance S.p.A.	60.003	
					Fiat S.p.A.	39.997	
Fiat Finance Canada Ltd.	Canada	10,099,885.00	CAD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance et Services S.A.	France	3,700,000.00	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat Finance North America Inc.	U.S.A.	190,090,010.00	USD	100.00	Fiat Finance and Trade Ltd S.A.	100.000	
Fiat Finance S.p.A.	Italy	224,440,000.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat GmbH	Germany	200,000.00	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	France	7,700.00	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Poland	300,000.00	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Italy	600,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Spain	2,797,054.00	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Italy	500,000.00	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Italy	614,071,587.00	EUR	100.00	Fiat S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Poland	25,500,000.00	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Belgium	62,000.00	EUR	100.00	Fiat Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
Fiat Services d.o.o. Kragujevac	Serbia	15,047,880.00	RSD	100.00	Fiat Services S.p.A.	100.000	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Other Activities:Holding companies and Other companies							
Fiat Services Polska Sp. z o.o.	Poland	3,600,000.00	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Italy	3,600,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Italy	1,652,669.00	EUR	90.70	Fiat Partecipazioni S.p.A.	51.000	
					Fiat Group Automobiles S.p.A.	25.500	
					Fiat S.p.A.	5.000	
					Teksid S.p.A.	2.000	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					Editrice La Stampa S.p.A.	1.500	
					Fiat Services S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
Fiat U.K. Limited	United Kingdom	750,000.00	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	U.S.A.	16,830,000.00	USD	100.00	Fiat S.p.A.	100.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000.00	CHF	100.00	Rimaco S.A.	100.000	
Nexta Srl	Italy	50,000.00	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Publikompass S.p.A.	Italy	3,068,000.00	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Rimaco S.A.	Switzerland	350,000.00	CHF	100.00	Fiat Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000.00	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000.00	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000.00	EUR	86.59	Fiat Partecipazioni S.p.A.	58.252	
					Fiat Group Automobiles S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					Fiat Powertrain Technologies SpA	1.314	
					Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	0.833	
					C.R.F. Società Consortile per Azioni	0.768	
					Fiat S.p.A.	0.751	
					Comau S.p.A.	0.729	
					Ferrari S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					Fiat Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	

Investments of FIAT Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Other Activities:Holding companies and Other companies							
					Fiat Servizi per l'Industria S.c.p.a.	0.503	
					Fiat Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Editrice La Stampa S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FGA Real Estate Services S.p.A.	0.103	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
					Fiat Group Purchasing S.r.l.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.065	
					Fiat Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Maserati S.p.A.	0.039	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
					Risk Management S.p.A.	0.039	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Customer Services Centre S.r.l.	0.022	
					Easy Drive S.r.l.	0.022	
					Fiat Auto Var S.r.l.	0.022	
					Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Italy	889,049.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Agricultural and Construction Equipment							
Banco CNH Capital S.A.	Brazil	800,829,249.00	BRL	100.00	CNH Industrial N.V.	53.513	
					CNH Industrial Capital U.K. Ltd	45.816	
					CNH Latin America Ltda.	0.671	
Bli Group Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Blue Leaf I.P. Inc.	U.S.A.	1,000.00	USD	100.00	Bli Group Inc.	100.000	
Blue Leaf Insurance Company	U.S.A.	250,000.00	USD	100.00	CNH America LLC	100.000	
Case Brazil Holdings Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1.00	CAD	100.00	CNH Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	14,000,000.00	USD	100.00	CNH Industrial N.V.	100.000	
Case Construction Machinery America LLC	U.S.A.	0.00	USD	100.00	New Holland Excavator Holdings LLC	100.000	
Case Credit Holdings Limited	U.S.A.	5.00	USD	100.00	CNH Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1.00	USD	100.00	CNH America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5.00	USD	100.00	CNH America LLC	100.000	
Case Equipment International Corporation	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Case Europe S.a.r.l.	France	7,622.00	EUR	100.00	CNH America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211.00	EUR	100.00	CNH America LLC	100.000	
Case India Limited	U.S.A.	5.00	USD	100.00	CNH America LLC	100.000	
Case International Marketing Inc.	U.S.A.	5.00	USD	100.00	CNH America LLC	100.000	
Case LBX Holdings Inc.	U.S.A.	5.00	USD	100.00	CNH America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000.00	INR	98.20	CNH America LLC	50.000	
					New Holland Fiat (India) Private Limited	50.000	
Case New Holland Inc.	U.S.A.	5.00	USD	100.00	CNH Industrial N.V.	100.000	
Case New Holland Machinery (Harbin) Ltd.	People's Rep.of China	30,000,000.00	USD	100.00	CNH Industrial Asian Holding Limited N.V.	99.920	
					CNH Industrial Europe Holding S.A.	0.080	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000.00	USD	100.00	CNH America LLC	100.000	
Case United Kingdom Limited	United Kingdom	3,763,618.00	GBP	100.00	CNH America LLC	100.000	
CNH (China) Management Co., Ltd.	People's Rep.of China	12,000,000.00	USD	100.00	CNH Industrial N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep.of China	2,000,000.00	USD	100.00	CNH Industrial N.V.	100.000	
CNH Administradora de Serviços Ltda.	Brazil	100,000.00	BRL	100.00	Banco CNH Capital S.A.	99.900	
					CNH Latin America Ltda.	0.100	
CNH America LLC	U.S.A.	0.00	USD	100.00	Case New Holland Inc.	100.000	
CNH Argentina S.A.	Argentina	100,246,105.00	ARS	100.00	New Holland Holding (Argentina) S.A.	76.176	
					CNH Latin America Ltda.	23.824	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Agricultural and Construction Equipment							
CNH Australia Pty Limited	Australia	293,408,692.00	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Canada, Ltd.	Canada	28,000,100.00	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Capital America LLC	U.S.A.	0.00	USD	100.00	CNH Capital LLC	100.000	
CNH Capital Australia Pty Limited	Australia	70,675,693.00	AUD	100.00	CNH Australia Pty Limited	100.000	
CNH Capital Canada Ltd.	Canada	100,000.00	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Equipment Loan and Lease Facility LLC	U.S.A.	5,000.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Capital Finance LLC	U.S.A.	5,000.00	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital LLC	U.S.A.	0.00	USD	100.00	CNH America LLC	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842.00	MXN	100.00	CNH America LLC	100.000	
CNH Engine Corporation	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
CNH Financial Services GmbH	Germany	1,151,000.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Financial Services S.A.S.	France	50,860,641.00	EUR	100.00	CNH Industrial N.V.	98.888	
					CNH Industrial Capital Benelux NV	1.112	
CNH Industrial (Russia) Commercial Operations B.V.	Netherlands	35,300.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial (Russia) Industrial Operations B.V.	Netherlands	36,002.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Asian Holding Limited N.V.	Belgium	34,594,401.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	372,115,574.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial BM GmbH	Austria	35,000.00	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Capital Benelux NV	Belgium	55,628,856.00	EUR	100.00	CNH Industrial N.V.	98.999	
					CNH Industrial Capital U.K. Ltd	1.001	
CNH INDUSTRIAL CAPITAL S.A.	Argentina	2,990,000.00	ARS	100.00	CNH Argentina S.A.	50.000	
					Iveco Argentina S.A.	50.000	
CNH Industrial Capital U.K. Ltd	United Kingdom	10,000,001.00	GBP	100.00	CNH Industrial Capital Benelux NV	100.000	
CNH Industrial Danmark A/S	Denmark	12,000,000.00	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650.00	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
					CNH Industrial Europe Holding S.A.	10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,000.00	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000.00	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial France	France	427,965,450.00	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000.00	EUR	100.00	CNH Industrial N.V.	100.000	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Agricultural and Construction Equipment							
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000.00	EUR	100.00	Iveco Espana S.L.	99.999	
CNH Industrial Osterreich GmbH	Austria	2,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660.00	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798.00	EUR	100.00	CNH Industrial Europe Holding S.A.	99.980	
					CNH Industrial Italia s.p.a.	0.020	
CNH Industrial Services S.r.l.	Italy	10,400.00	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Latin America Ltda.	Brazil	1,037,711,513.00	BRL	100.00	CNH Industrial N.V.	85.658	
					Case Brazil Holdings Inc.	12.557	
					Case Equipment International Corporation	1.785	
CNH Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNH Reman LLC	U.S.A.	4,000,000.00	USD	50.00	CNH America LLC	50.000	
CNH Services (Thailand) Limited	Thailand	10,000,000.00	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH U.K. Limited	United Kingdom	91,262,275.00	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	0.00	USD	100.00	CNH Capital America LLC	100.000	
CNHI International S.A.	Switzerland	100,000.00	CHF	100.00	CNH Industrial N.V.	100.000	
Farmpower Pty Limited	Australia	360.00	AUD	100.00	CNH Australia Pty Limited	100.000	
Fiatallis North America LLC	U.S.A.	32.00	USD	100.00	CNH America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1.00	USD	100.00	CNH America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776.00	GBP	100.00	CNH Canada, Ltd.	100.000	
HFI Holdings Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Limited Liability Company "CNH Parts and Service Operations"	Russia	54,000,000.00	RUB	100.00	CNH Industrial N.V.	100.000	
LLC CNH-KAMAZ Commerce	Russia	20,408.00	RUB	100.00	CNH Industrial (Russia) Commercial Operations B.V.	100.000	
LLC CNH-KAMAZ Industry	Russia	60,081,800.00	RUB	100.00	CNH Industrial (Russia) Industrial Operations B.V.	100.000	
MBA AG	Switzerland	4,000,000.00	CHF	100.00	CNH Industrial N.V.	100.000	
New Holland Construction Machinery S.p.A.	Italy	12,396,363.00	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0.00	USD	100.00	CNH Capital LLC	100.000	
New Holland Excavator Holdings LLC	U.S.A.	0.00	USD	100.00	CNH America LLC	100.000	
New Holland Fiat (India) Private Limited	India	12,485,547,400.00	INR	96.41	CNH Industrial Asian Holding Limited N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Argentina	23,555,415.00	ARS	100.00	CNH Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	106,328,601.00	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000.00	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd. N.V.	Belgium	9,631,500.00	EUR	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565.00	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Agricultural and Construction Equipment							
Pryor Foundry Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Receivables Credit II Corporation	Canada	1.00	CAD	100.00	CNH Capital America LLC	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	67,000,000.00	USD	60.00	CNH Industrial Asian Holding Limited N.V.	60.000	
Steyr Center Nord GmbH	Austria	35,000.00	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
Uzcaseagroleasing LLC	Uzbekistan	5,000,000.00	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Uzbekistan	15,000,000.00	USD	60.00	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Uzbekistan	5,000,000.00	USD	51.00	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Uzbekistan	15,000,000.00	USD	51.00	Case Equipment Holdings Limited	51.000	
Trucks and Commercial Vehicles							
Afin Bohemia s.r.o.	Czech Republic	1,000,000.00	CZK	100.00	Afin Leasing AG	100.000	
Afin Bulgaria EAD	Bulgaria	310,110.00	BGN	100.00	Iveco FS Holdings Limited	100.000	
Afin Leasing AG	Austria	1,500,000.00	EUR	100.00	Iveco International Trade Finance S.A.	100.000	
Afin Slovakia S.R.O.	Slovack Republic	39,833.00	EUR	100.00	Iveco FS Holdings Limited	98.120	
					Iveco Capital Limited	1.880	
Afin Trade Bulgaria Eood	Bulgaria	5,000.00	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	12,000,000.00	ETB	70.00	CNH Industrial N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000.00	EUR	100.00	Iveco S.p.A.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838.00	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Spain	993,045.00	EUR	100.00	Iveco Espana S.L.	99.996	
					Iveco Partecipazioni Finanziarie S.r.l.	0.004	
Heuliez Bus S.A.	France	9,000,000.00	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565.00	EUR	88.42	Iveco Investitions GmbH	95.000	
Irisbus Benelux Ltd.	Luxembourg	594,000.00	EUR	100.00	Iveco France	99.983	
					Société Charolaise de Participations S.A.	0.017	
Irisbus Italia S.p.A.	Italy	4,500,000.00	EUR	100.00	Iveco S.p.A.	100.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	50,000,000.00	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Switzerland	9,000,000.00	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	24,698,000.00	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Argentina S.A.	Argentina	130,237,793.00	ARS	100.00	Iveco Espana S.L.	99.000	
					Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Austria	6,178,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romenia	25,000.00	RON	100.00	Iveco Capital Leasing IFN S.A.	100.000	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Trucks and Commercial Vehicles							
Iveco Capital Leasing IFN S.A.	Romenia	22,519,326.00	RON	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Limited	United Kingdom	798.00	GBP	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000.00	RUB	100.00	Afin Leasing AG	100.000	
Iveco Capital SA	Switzerland	14,000,000.00	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000.00	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000.00	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Espana S.L. (business Trucks and Commercial Vehicles)	Spain	132,333,109.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600.00	EUR	100.00	Iveco France	100.000	
Iveco Finance AG	Switzerland	1,500,000.00	CHF	100.00	Iveco Capital Limited	100.000	
Iveco Finance GmbH	Germany	75,775,000.00	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finance Limited in liquidation	United Kingdom	3,000,100.00	GBP	100.00	Iveco Capital Limited	100.000	
Iveco Finanziaria S.p.A.	Italy	145,000,000.00	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finland OY	Finland	100,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130.00	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	
Iveco FS Holdings Limited	United Kingdom	1,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Holdings Limited	United Kingdom	47,000,000.00	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000.00	RUB	100.00	Afin Leasing AG	100.000	
Iveco International Trade Finance S.A.	Switzerland	30,800,000.00	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Investitions GmbH	Germany	2,556,459.00	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	503,250.00	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda (business Trucks and Commercial Vehicles)	Brazil	366,180,646.00	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited (business Trucks and Commercial Vehicles)	United Kingdom	117,000,000.00	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG (business Trucks and Commercial Vehicles)	Germany	50,000,000.00	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857.00	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000.00	HUF	100.00	Afin Leasing AG	100.000	
Iveco Nederland B.V.	Netherlands	4,537,802.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730.00	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000.00	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046.00	TRY	100.00	CNH Industrial N.V.	100.000	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS

Trucks and Commercial Vehicles

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Iveco Partecipazioni Finanziarie S.r.l.	Italy	50,000,000.00	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations s.a.s.	France	468,656.00	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2.00	GBP	100.00	Iveco Holdings Limited	50.000	
					Iveco Limited	50.000	
Iveco Poland Ltd.	Poland	46,974,500.00	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000.00	EUR	100.00	CNH Industrial N.V.	99.997	
					Astra Veicoli Industriali S.p.A.	0.001	
Iveco Provence s.a.s.	France	2,371,200.00	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	100.00	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romenia	17,500.00	RON	100.00	Afin Leasing AG	100.000	
Iveco S.p.A.	Italy	200,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovack Republic	6,639.00	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750.00	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	1,000.00	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900.00	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B. (business Trucks and Commercial Vehicles)	Sweden	600,000.00	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romenia	200.00	RON	100.00	Iveco Romania S.r.l.	95.000	
					Iveco Magyarorszag Kereskedelmi KFT	5.000	
Iveco Trucks Australia Limited	Australia	47,492,260.00	AUD	100.00	CNH Industrial N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692.00	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	3,985,803.00	VEF	100.00	CNH Industrial N.V.	62.689	
					Iveco S.p.A.	37.311	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000.00	EUR	94.00	Iveco Magirus AG	100.000	
La Garde Chaberte S.C.I.	France	2,000.00	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Le Logis De Villeneuve S.C.I.	France	2,000.00	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Estroublans 2 S.C.I.	France	2,000.00	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Estroublans de Vitrolle S.C.I.	France	2,000.00	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Paluds D`Aubagne S.C.I.	France	2,000.00	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Trucks and Commercial Vehicles							
MAGIRUS CAMIVA S.a.s. (societè par actions simplifièe)	France	1,870,169.00	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Magirus GmbH	Germany	6,493,407.00	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775.00	EUR	84.43	Magirus GmbH	100.000	
Mediterranea de Camiones S.L.	Spain	48,080.00	EUR	100.00	Iveco Espana S.L.	99.875	
					CNH Industrial N.V.	0.125	
Officine Brennero S.p.A.	Italy	2,833,830.00	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000.00	RUB	100.00	CNH Industrial N.V.	99.960	
					Afin Leasing AG	0.040	
Puget Les Plaines S.C.I.	France	132,631.00	EUR	100.00	Iveco Provence s.a.s.	99.885	
					Iveco France	0.115	
S.A. Iveco Belgium N.V.	Belgium	6,000,000.00	EUR	100.00	CNH Industrial N.V.	99.983	
					Iveco Nederland B.V.	0.017	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000.00	GBP	100.00	Iveco Holdings Limited	100.000	
Société Charolaise de Participations S.A.	France	2,370,000.00	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400.00	EUR	100.00	Iveco France	100.000	
Transolver Finance S.A.	France	9,468,219.00	EUR	100.00	CNH Industrial N.V.	100.000	
Transolver Service S.A.	Spain	610,000.00	EUR	100.00	Iveco FS Holdings Limited	99.984	
					Iveco Espana S.L.	0.016	
Transolver Services S.A.	France	38,000.00	EUR	99.76	Iveco Capital Limited	99.760	
UAB Iveco Capital Baltic	Lithuania	138,500.00	LTL	100.00	Iveco FS Holdings Limited	100.000	
Utilitaries & Véhicules Industriels Franciliens-UVIF SAS	France	1,067,500.00	EUR	100.00	Iveco France	100.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560.00	EUR	51.87	Iveco Espana S.L.	51.867	
Holding companies and Other companies							
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000.00	EUR	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance France S.A.	France	1,000,000.00	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America Inc.	U.S.A.	25,000,000.00	USD	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Powertrain							
2 H Energy S.A.S.	France	2,000,000.00	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000.00	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1.00	USD	100.00	FPT Industrial S.p.A.	100.000	

Investments of CNH INDUSTRIAL Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Powertrain							
FPT - Powertrain Technologies France S.A.	France	73,444,960.00	EUR	100.00	Iveco France	97.200	
					CNH Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Argentina	141,959,867.00	ARS	100.00	FPT Industrial S.p.A.	96.977	
					FPTI Representacao Comercial de Motores Automotivos Ltda	3.023	
FPT Industrial S.p.A.	Italy	100,000,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Switzerland	4,600,000.00	CHF	100.00	FPT Industrial S.p.A.	100.000	
FPTI Representacao Comercial de Motores Automotivos Ltda	Brazil	1,872,472.00	BRL	100.00	FPT Industrial S.p.A.	100.000	
Iveco Espana S.L. (business Powertrain)	Spain	132,333,109.00	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Latin America Ltda (business Powertrain)	Brazil	366,180,646.00	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited (business Powertrain)	United Kingdom	117,000,000.00	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG (business Powertrain)	Germany	50,000,000.00	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Sweden A.B. (business Powertrain)	Sweden	600,000.00	SEK	100.00	CNH Industrial N.V.	100.000	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000.00	CNY	60.00	FPT Industrial S.p.A.	30.000	
					SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
BIGeREALESTATE, Inc.	U.S.A.	226,236.00	USD	93.52	Cushman & Wakefield, Inc.	93.519	
Buckbee Thorne & Co.	U.S.A.	37,500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Integration Group (UK) Limited	United Kingdom	1.00	GBP	93.52	BIGeREALESTATE, Inc.	100.000	
Business Integration Group, Inc.	U.S.A.	N/A	USD	93.52	BIGeREALESTATE, Inc.	100.000	
C & W Offshore Consulting, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
C & W Operacion Inmobiliaria, S.A.de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
C & W-Japan K.K.	Japan	200.00	JPY	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield - Argentina S.A.	Argentina	1,446,108.00	ARS	99.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000	
					Cushman & Wakefield of South America, LLC	5.000	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	Chile	315,163,132.00	CLP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980	
					Cushman & Wakefield of South America, LLC	0.020	
Cushman & Wakefield - Colombia Ltda	Colombia	5,706,000.00	COP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895	
					Cushman & Wakefield of South America, LLC	0.105	
Cushman & Wakefield - Serviços Gerais Ltda	Brazil	10,000.00	BRL	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
					Cushman & Wakefield Luxembourg Holdings S.à.r.l	0.010	
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	Portugal	50,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (7 Westferry Circus) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	Greece	60,000.00	EUR	99.99	Cushman & Wakefield (France Holdings) S.A.S.	99.995	
Cushman & Wakefield (HK) Limited	Hong Kong	100.00	HKD	100.00	Cushman & Wakefield of Asia Limited	99.000	
					Cushman & Wakefield of Asia, Inc.	1.000	
Cushman & Wakefield (Middle East) FZE	United Arab Emirates	1,000,000.00	USD	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (NSW) Pty Limited	Australia	3,836,824.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (QLD) Pty Ltd.	Australia	1.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (S) Pte Limited	Singapore	20.00	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (Shanghai) Co., Ltd.	People's Rep.of China	1,800,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield (VIC) Pty Ltd	Australia	1.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (Vietnam) Limited	Vietnam	4,000,000,000.00	VND	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield (Warwick Court) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield 111 Wall, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield 1180, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Asset Management Italy S.r.l.	Italy	10,000.00	EUR	100.00	Cushman & Wakefield Site Services Limited	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield Consultoria Imobiliaria Ltda	Brazil	2,586,444.00	BRL	97.99	Cushman & Wakefield Luxembourg Holdings S.à.r.l	97.990	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	Portugal	N/A	EUR	100.00	Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	100.000	
Cushman & Wakefield Corporate Finance Limited	United Kingdom	10,000.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield de Mexico, S.A. de C.V	Mexico	100,000.00	MXN	100.00	Cushman & Wakefield of North America, Inc.	50.000	
					Cushman & Wakefield of the Americas, Inc.	50.000	
Cushman & Wakefield Decoration Engineering (Beijing) Co., Ltd.	People's Rep.of China	1,000,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield Eastern, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Expertise S.A.S.	France	37,000.00	EUR	100.00	Cushman & Wakefield S.A.S.	100.000	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	Turkey	50,000.00	TRY	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Global Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield India Private Limited	India	28,529,610.00	INR	100.00	Cushman & Wakefield Mauritius Holdings, Inc.	99.990	
					Cushman & Wakefield of Asia Limited	0.010	
Cushman & Wakefield International Investment Advisors, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International Real Estate Kft.	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield (France Holdings) S.A.S.	96.667	
					Cushman & Wakefield Residential Limited	3.333	
Cushman & Wakefield Investment Advisors K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Investors - Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Investors (Finance) Limited	United Kingdom	89,495.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Investors Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Investors S.A.S.	France	25,443.00	EUR	100.00	Cushman & Wakefield Investors Limited	100.000	
Cushman & Wakefield K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Korea Ltd.	South Korea	100,000.00	KRW	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield LLP	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield Loan.Net, Inc.	U.S.A.	20.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Ltd.	Canada	11,000.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Luxembourg S.à.r.l.	Luxembourg	1,250,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Management Corporation	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield State Street, Inc.	100.000	
Cushman & Wakefield Negócios Imobiliários Ltda	Brazil	77,500.00	BRL	99.99	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
Cushman & Wakefield of Alabama, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arizona, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arkansas, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of California, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Colorado, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield of Connecticut, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Delaware, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Europe, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of Florida, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Georgia, Inc.	U.S.A.	6,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Illinois, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Indiana, Inc.	U.S.A.	5.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Kentucky, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Long Island, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Maryland, Inc	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Massachusetts, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Michigan, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Minnesota, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Mississippi, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Missouri, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Nevada, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Hampshire, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Jersey, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New York, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of North Carolina, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Ohio, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oklahoma, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oregon, Inc.	U.S.A.	1,010.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Pennsylvania, Inc.	U.S.A.	14.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of San Diego, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield of California, Inc.	100.000	
Cushman & Wakefield of Tennessee, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Texas, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Virginia, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington D.C., Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield One Court Square Cleaning, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield OOO	Russia	8,788,898.90	RUB	100.00	Cushman & Wakefield (France Holdings) S.A.S.	99.000	
					Cushman & Wakefield International, LLC	1.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield Peru S.A.	Peru	166,416.00	PEN	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.800	
					Cushman & Wakefield of South America, LLC	0.200	
Cushman & Wakefield Philippines Inc.	Philippines	8,250,000.00	PHP	99.95	Cushman & Wakefield of Asia, Inc.	99.950	
Cushman & Wakefield Polska SP z.o.o.	Poland	135,588.00	PLN	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Property Management Services India Private Limited	India	100,000.00	INR	100.00	Cushman & Wakefield India Private Limited	100.000	
Cushman & Wakefield Property Management Services Kft	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield International Real Estate Kft.	100.000	
Cushman & Wakefield Property Services Slovakia, s.r.o.	Slovack Republic	N/A	EUR	100.00	Cushman & Wakefield, s. r. o.	100.000	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	Canada	100.00	CAD	100.00	Cushman & Wakefield Ltd.	100.000	
Cushman & Wakefield Regional, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Residential Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield S.A.S.	France	42,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Securities, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Site Services Limited	United Kingdom	500.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield State Street, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Taiwan Limited	Taiwan	500,000.00	TWD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Thailand Limited	Thailand	8,000,000.00	THB	99.99	Cushman & Wakefield of Asia Limited	99.999	
Cushman & Wakefield V.O.F.	Netherlands	N/A	EUR	100.00	Cushman & Wakefield Netherlands B.V.	N/A	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Hong Kong	17,000,000.00	HKD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Venezuela, S.A.	Venezuela	1,000,000.00	VEF	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000	
Cushman & Wakefield VHS Pte Limited	Singapore	1.00	SGD	100.00	Cushman & Wakefield (S) Pte Limited	100.000	
Cushman & Wakefield Western, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Zarzadzanie SP z.o.o.	Poland	50,000.00	PLN	99.00	Cushman & Wakefield Polska SP z.o.o.	99.000	
Cushman & Wakefield, Inc.	U.S.A.	0.01	USD	100.00	Cushman & Wakefield Holdings, Inc.	100.000	
Cushman & Wakefield, S. de R.L. de C.V.	Mexico	16,200,000.00	MXN	100.00	Cushman & Wakefield de Mexico, S.A. de C.V	99.994	
					Cushman & Wakefield of the Americas, Inc.	0.006	
Cushman & Wakefield, s. r. o.	Czech Republic	100,000.00	CZK	100.00	Cushman & Wakefield (France Holdings) S.A.S.	80.000	
					Cushman & Wakefield Global Holdco Limited	20.000	
Cushman & Wakefield/PREMISYS Colorado, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield/PREMISYS, Inc.	64.000	
					Cushman & Wakefield, Inc.	16.000	
Cushman & Wakefield/PREMISYS, Inc.	U.S.A.	97.00	USD	100.00	Cushfield, Inc.	100.000	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	Indonesia	5,000.00	IDR	98.00	Cushman & Wakefield Indonesia Holdings Pte Ltd.	98.000	
The Apartment Group LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield of Georgia, Inc.	100.000	
Asset Services							
Cushman & Wakefield Asset Management K.K.	Japan	11,900.00	JPY	100.00	Cushman & Wakefield Investment Advisors K.K.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Asset Services							
Cushman & Wakefield Asset Management, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Facilities Management Services	Canada	1,000.00	CAD	100.00	Cushman & Wakefield Ltd.	50.000	
					Cushman & Wakefield FM Limited Partnership	50.000	
Cushman & Wakefield FM Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.000	
					Cushman & Wakefield GP Inc.	1.000	
Holding							
Cushman & Wakefield (BVI) Inc	British Virgin Islands	100.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (EMEA) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (France Holdings) S.A.S.	France	7,910,207.00	EUR	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (UK) Services Ltd.	United Kingdom	15,398,538.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Capital Holdings (Asia)	Belgium	5,520,471.79	EUR	100.00	Cushman & Wakefield International, LLC	99.660	
					Cushman & Wakefield of Asia, Inc.	0.340	
Cushman & Wakefield Global Holdco Limited	United Kingdom	1.00	EUR	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000	
Cushman & Wakefield Holdings, Inc.	U.S.A.	0.01	USD	100.00	C&W Group Inc.	100.000	
Cushman & Wakefield Indonesia Holdings Pte Ltd.	Singapore	603,740.00	SGD	60.00	Cushman & Wakefield Singapore Holdings Pte Limited	60.000	
Cushman & Wakefield Industrial Dutch Holdings B.V.	Netherlands	18,000.00	EUR	100.00	Cushman & Wakefield, Inc.	97.778	
					Cushman & Wakefield of South America, LLC	2.222	
Cushman & Wakefield International Finance Subsidiary, LLC	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International, LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Luxembourg Holdings S.à.r.l	Luxembourg	12,600.00	EUR	100.00	Cushman & Wakefield Industrial Dutch Holdings B.V.	100.000	
Cushman & Wakefield Mauritius Holdings, Inc.	Mauritius	500,000.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield of Asia Limited	British Virgin Islands	979,151.51	USD	100.00	Cushman & Wakefield of Asia, Inc.	59.710	
					Cushman & Wakefield (BVI) Inc	25.000	
					Cushman & Wakefield (EMEA) Limited	15.290	
Cushman & Wakefield of Asia, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of the Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield Singapore Holdings Pte Limited	Singapore	1,001.00	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Healey & Baker Limited	United Kingdom	2.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Insurance							
Nottingham Indemnity, Inc.	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
REIT Management							
Cushman & Wakefield Realty Advisors, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Support Management							
Cushman & Wakefield Facilities Management (Greece) Monoprosopi EPE	Greece	18,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Support Management							
Cushman & Wakefield Facilities Management AB	Sweden	100,000.00	SEK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Denmark Aps	Denmark	125.00	DKK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management France S.a.r.l.	France	8,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Ireland Limited	Ireland	100.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Limited	United Kingdom	8,030.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Facilities Management Romania S.r.l.	Romenia	200.00	RON	100.00	Cushman & Wakefield Facilities Management Trading Limited	95.000	
					Cushman & Wakefield Facilities Management Limited	5.000	
Cushman & Wakefield Facilities Management S.p.r.l.	Belgium	18,549.97	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Trading Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Facilities Management Limited	100.000	
Cushman & Wakefield Facilities Management, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Building Management Services							
Cushfield Maintenance Corp.	U.S.A.	10.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushfield Maintenance West Corp.	U.S.A.	1,000.00	USD	100.00	Buckbee Thorne & Co.	100.000	
Cushfield, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield National Corporation	U.S.A.	5,100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Others							
Cushman & Wakefield (Australia) Pty Limited	Australia	6,600,000.00	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	92.424	
					Cushman & Wakefield Holding Pty Limited	7.576	
Cushman & Wakefield (China) Limited	Hong Kong	3.00	HKD	100.00	Cushman & Wakefield of Asia Limited	66.667	
					Cushman & Wakefield (HK) Limited	33.333	
Cushman & Wakefield (Resources) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield (UK) Ltd.	United Kingdom	15,398,536.00	GBP	100.00	Cushman & Wakefield (UK) Services Ltd.	100.000	
Cushman & Wakefield Advisory Asia (India) Private Limited	India	21,000,000.00	INR	100.00	Cushman & Wakefield Capital Holdings (Asia)	99.000	
					Cushman & Wakefield Capital Asia Limited	1.000	
Cushman & Wakefield Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield First Nova Scotia ULC	99.900	
					Cushman & Wakefield Second Nova Scotia ULC	0.100	
Cushman & Wakefield Capital Asia (HK) Limited	Hong Kong	100,000,000.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Capital Asia Limited	Hong Kong	86,226,914.00	HKD	100.00	Cushman & Wakefield of Asia, Inc.	100.000	
Cushman & Wakefield Cleaning Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield First Nova Scotia ULC	Canada	37,803,970.00	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield GP Inc.	Canada	100.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Holding Pty Limited	Australia	1.00	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield Investments LLP	United Kingdom	130,138.00	GBP	51.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	51.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Others							
Cushman & Wakefield Investors Asia Ltd.	Hong Kong	37,116,943.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Netherlands B.V.	Netherlands	40,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield New Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.990	
					Cushman & Wakefield Second Nova Scotia ULC	0.010	
Cushman & Wakefield of North America, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of South America, LLC	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
Cushman & Wakefield Second Nova Scotia ULC	Canada	100.00	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield Servicios, S.A. de C.V	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
Cushman & Wakefield Spain Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield U.K. Limited Partnership	United Kingdom	N/A	GBP	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000	
					Cushman & Wakefield Global Holdco Limited	2.000	
Cushman & Wakefield (Bahrain) W.L.L.	Bahrain	20,000.00	BD	100.00	Cushman & Wakefield (Middle East) FZE (*)	N/A	

(*) Pursuant to a Management agreement between Cushman & Wakefield (Bahrain) W.L.L. and Cushman & Wakefield (Middle East) FZE.

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Real Estate							
Almacantar S.A.	Luxembourg	385,712,498.00	GBP	38.29	EXOR S.A.	38.288	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Business Auto:Car Mass-Market Brands							
NAFTA							
Alhambra Chrysler Jeep Dodge, Inc.	U.S.A.	1,272,700.00	USD	58.54	Chrysler Group LLC	100.000	
Bessemer Chrysler Jeep Dodge, Inc.	U.S.A.	3,590,000.00	USD	58.54	Chrysler Group LLC	100.000	
CG EC1 LLC	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
CG EC2 LLC	U.S.A.	0.00	USD	58.54	CG EC1 LLC	100.000	
Downriver Dodge, Inc.	U.S.A.	604,886.00	USD	58.54	Chrysler Group LLC	100.000	
Gwinnett Automotive Inc.	U.S.A.	3,505,019.00	USD	58.54	Chrysler Group LLC	100.000	
La Brea Avenue Motors, Inc.	U.S.A.	7,373,800.00	USD	58.54	Chrysler Group LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	U.S.A.	1,014,700.00	USD	58.54	Chrysler Group LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	U.S.A.	675,400.00	USD	58.54	Chrysler Group LLC	100.000	
Superstition Springs MID LLC	U.S.A.	3,000,000.00	USD	58.54	CG MID LLC	100.000	
APAC							
Chrysler Group Taiwan Sales Ltd.	Taiwan	229,500,000.00	TWD	29.85	Chrysler Group LLC	51.000	
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0.00	EUR	100.00	FGA Austro Car GmbH	100.000	
Alfa Romeo Inc.	U.S.A.	3,000,000.00	USD	100.00	Fiat Group Automobiles S.p.A.	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000.00	TRY	58.49	Chrysler Group LLC	99.920	
Fabbrica Italia Mirafiori S.p.A.	Italy	200,000.00	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000.00	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Morocco	4,000,000.00	MAD	99.85	Fiat Group Automobiles Maroc S.A.	99.900	
Sirio Polska Sp. z o.o.	Poland	1,350,000.00	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Components and Production Systems							
Magneti Marelli							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716.00	BRL	68.26	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
Magneti Marelli Shock Absorbers (India) Private Limited	India	1,198,999,990.00	INR	99.99	Magneti Marelli S.p.A.	100.000	
Other Activities:Holding companies and Other companies							
Fiat (China) Business Co., Ltd.	People's Rep.of China	3,000,000.00	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
Iveco Motors of China Limited in liquidation	People's Rep.of China	300,000.00	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Argentina	150,000.00	ARS	99.96	Rimaco S.A.	99.960	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Business Auto:Car Mass-Market Brands							
APAC							
Fiat India Automobiles Limited	India	24,451,596,600.00	INR	50.00	Fiat Group Automobiles S.p.A.	50.000	
GAC FIAT Automobiles Co. Ltd.	People's Rep.of China	2,100,000,000.00	CNY	50.00	Fiat Group Automobiles S.p.A.	50.000	
EMEA							
FGA CAPITAL S.p.A.	Italy	700,000,000.00	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
FAL Fleet Services S.A.S.	France	3,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	France	11,360,000.00	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Austria	5,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Germany	39,600,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Belgium	3,718,500.00	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Denmark	14,154,000.00	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Greece	1,200,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Portugal	10,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Ireland	132,562.00	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Netherlands	3,085,800.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Ireland	1,000,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Spain	25,145,299.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Spain	26,671,557.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	United Kingdom	50,250,000.00	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	United Kingdom	19,000,000.00	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Portugal	500,300.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Greece	60,000.00	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Austria	40,000.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Poland	24,384,000.00	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	United Kingdom	20,500,000.00	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Poland	125,000,000.00	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Switzerland	24,100,000.00	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	France	8,954,581.00	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	France	76,225.00	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Italy	77,979,400.00	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000.00	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000.00	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	

Investments of Fiat Group accounted for by the equity method (percentage of EXOR Group consolidation: 30.90%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Business Auto:Car Mass-Market Brands							
EMEA							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000.00	EUR	50.00	Fiat Group Automobiles S.p.A.	50.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Turkey	500,000,000.00	TRY	37.86	Fiat Group Automobiles S.p.A.	37.856	
Components and Production Systems							
Magneti Marelli							
JCMM Automotive d.o.o.	Serbia	1,223,910,473.00	RSD	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli Motherson Auto System Limited	India	1,300,000,000.00	INR	50.00	Magneti Marelli S.p.A.	35.385	0.000
					Magneti Marelli Motherson India Holding B.V.	29.231	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,000,000.00	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000.00	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	India	100,600,000.00	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep.of China	23,000,000.00	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000.00	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	People's Rep.of China	100,000,000.00	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Teksid							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep.of China	385,363,500.00	CNY	42.40	Teksid S.p.A.	50.000	
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Business Auto:Car Mass-Market Brands							
NAFTA							
Global Engine Alliance LLC	U.S.A.	1,500,000.00	USD	19.51	Chrysler Group LLC	33.330	
United States Council for Automotive Research LLC	U.S.A.	100.00	USD	19.51	Chrysler Group LLC	33.330	
APAC							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep.of China	555,999,999.00	CNY	33.33	Fiat Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	People's Rep.of China	200,010,000.00	CNY	33.33	Fiat Partecipazioni S.p.A.	33.330	
EMEA							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000.00	USD	28.68	Chrysler Group LLC	49.000	
Components and Production Systems							
Magneti Marelli							
HMC MM Auto Ltd	India	30,000,000.00	INR	40.00	Magneti Marelli S.p.A.	40.000	
Other Activities:Holding companies and Other companies							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000.00	UAH	38.62	Fiat Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386.00	TRY	27.00	Fiat Partecipazioni S.p.A.	27.000	
RCS MediaGroup S.p.A.	Italy	475,134,602.00	EUR	16.41	Fiat S.p.A.	16.411	20.552

Investments of CNH INDUSTRIAL Group accounted for by the equity method (percentage of EXOR Group consolidation: 27.96%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Agricultural and Construction Equipment							
Farmers New Holland Inc.	U.S.A.	800,000.00	USD	100.00	CNH America LLC	100.000	
Jackson New Holland, Inc.	U.S.A.	371,000.00	USD	94.34	CNH America LLC	94.340	
Mid State New Holland, Inc.	U.S.A.	400,000.00	USD	87.50	CNH America LLC	87.500	
Northside New Holland Inc.	U.S.A.	250,000.00	USD	68.12	CNH America LLC	68.120	
Trucks and Commercial Vehicles							
Iveco Colombia S.a.s.	Colombia	7,596,249,000.00	COP	100.00	Iveco Venezuela C.A.	99.990	
					Iveco Latin America Ltda	0.010	
JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Agricultural and Construction Equipment							
Case Mexico S.A. de C.V.	Mexico	810,000.00	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000.00	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000.00	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000.00	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	200,050,000.00	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000.00	MXN	49.00	CNH Industrial N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000.00	MXN	50.00	CNH de Mexico SA de CV	99.999	
New Holland HFT Japan Inc.	Japan	240,000,000.00	JPY	50.00	CNH Industrial N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Turkey	53,369,000.00	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
Trucks and Commercial Vehicles							
Iveco - Oto Melara Società consortile r.l.	Italy	40,000.00	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Italy	3,000,000.00	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000.00	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000.00	CNY	50.00	Iveco S.p.A.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	224,500,000.00	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	People's Rep.of China	1,900,000,000.00	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	16,315,347.00	EUR	50.00	CNH Industrial N.V.	50.000	
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Agricultural and Construction Equipment							
Al-Ghazi Tractors Ltd	Pakistan	214,682,225.00	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Capital Europe S.a.S.	France	88,482,297.00	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000.00	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
Trucks and Commercial Vehicles							
GEIE V.IV.RE	France	0.00	EUR	50.00	Iveco S.p.A.	50.000	
IVECO-AMT Ltd.	Russia	65,255,056.00	RUB	33.33	CNH Industrial N.V.	33.330	
V.IVE.RE Gruppo Europeo di Interesse Economico	Italy	0.00	EUR	50.00	Iveco S.p.A.	50.000	

Investments of C&W Group accounted for by the equity method (percentage of EXOR Group consolidation: 82.40%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Others							
SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	Luxembourg	125,000.00	EUR	50.00	Cushman & Wakefield Investors (Finance) Limited	50.000	
SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	Luxembourg	1,081,693.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Management Company S.à r.l.	100.000	
PURetail Dijon rue de la Liberté S.à.r.l. (Luxembourg)	Luxembourg	12,500.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	
PURetail Dijon rue de la Liberté SCI (France)	France	10,760,000.00	EUR	N/A	PURetail Dijon rue de la Liberté S.à.r.l. (Luxembourg)	100.000	
PURetail Düsseldorf Kasernenstr 1 GmbH	Germany	25,000.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	
PURetail Linköping Dãckeln 3 AB (Sweden)	Sweden	50,000.00	SEK	N/A	PURetail Sweden AB (Sweden)	10.000	
PURetail Linköping Dãhalian 20 AB (Sweden)	Sweden	50,000.00	SEK	N/A	PURetail Sweden AB (Sweden)	10.000	
PURetail Linköping Domaren 13 AB (Sweden)	Sweden	50,000.00	SEK	N/A	PURetail Sweden AB (Sweden)	10.000	
PURetail Paris rue d'Amsterdam S.à r.l.	Luxembourg	12,500.00	EUR	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	
PURetail Paris rue d'Amsterdam SCI (France)	France	10,509,000.00	EUR	N/A	PURetail Paris rue d'Amsterdam S.à r.l.	100.000	
PURetail Sweden AB (Sweden)	Sweden	50,000.00	SEK	N/A	SWIP & CWI Luxembourg (No. 1) Holding Company S.à r.l.	100.000	

Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - VALUED AT COST							
Business Auto:Car Mass-Market Brands							
NAFTA							
CarCo Intermediate Mexico LLC	U.S.A.	1.00	USD	58.54	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CG Co-Issuer Inc.	U.S.A.	100.00	USD	58.54	Chrysler Group LLC	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	U.S.A.	0.00	USD	58.54	CNI CV	100.000	
Chrysler Receivables 1 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Canada	100.00	CAD	58.54	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Canada	0.00	CAD	58.54	Chrysler Canada Inc.	99.990	
					Chrysler Receivables 1 Inc.	0.005	
					Chrysler Receivables 2 Inc.	0.005	
Fundacion Chrysler, I.A.P.	Mexico	0.00	MXN	58.54	Chrysler de Mexico S.A. de C.V.	100.000	
The Chrysler Foundation	U.S.A.	0.00	USD	58.54	Chrysler Group LLC	100.000	
EMEA							
Banbury Road Motors Limited	United Kingdom	100.00	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0.00	EUR	58.54	CNI CV	99.000	
					CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdom	1.00	GBP	58.54	Chrysler UK Limited	100.000	
CNI CV	Netherlands	0.00	EUR	58.54	Chrysler Group LLC	99.000	
					Chrysler Group Minority LLC	1.000	
CODEFIS Società consortile per azioni	Italy	120,000.00	EUR	51.00	Fiat Group Automobiles S.p.A.	51.000	
CONSORZIO FIAT ENERGY	Italy	7,000.00	EUR	54.97	Comau S.p.A.	14.286	
					Fiat Group Automobiles S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Consorzio Servizi Balocco	Italy	10,000.00	EUR	91.37	Fiat Group Automobiles S.p.A.	77.800	
					Ferrari S.p.A.	5.300	
					Fiat Powertrain Technologies SpA	4.500	
					Maserati S.p.A.	2.800	
					Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603.00	RSD	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Italy	1,682,028.00	EUR	100.00	Fiat Group Automobiles S.p.A.	100.000	
Fiat Auto Espana Marketing Instituto Agrupacion de Interes Economico	Spain	30,051.00	EUR	95.00	Fiat Group Automobiles Spain S.A.	95.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000.00	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062.00	RUB	100.00	FGA Russia S.r.l.	99.591	

Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - VALUED AT COST							
Business Auto:Car Mass-Market Brands							
EMEA							
					Fiat Group Automobiles S.p.A.	0.409	
VM North America Inc.	U.S.A.	1,000.00	USD	100.00	VM Motori S.p.A.	100.000	
Business Auto:Luxury and Performance Brands							
Ferrari							
New Business 28 S.r.l.	Italy	50,000.00	EUR	90.00	Ferrari S.p.A.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000.00	EUR	84.45	Ferrari S.p.A.	93.829	
Components and Production Systems							
Magneti Marelli							
Automotive Lighting Japan K.K.	Japan	10,000,000.00	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (India) Limited in liquidation	India	125,000,000.00	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Brazil	1,000.00	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Fiat do Brasil S.A.	0.100	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000.00	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Comau							
Consorzio Fermag in liquidation	Italy	144,608.00	EUR	68.00	Comau S.p.A.	68.000	
Other Activities:Holding companies and Other companies							
Fiat Common Investment Fund Limited	United Kingdom	2.00	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Danismanlik Ve Temsilcilik Limited Sirketi	Turkey	120,000.00	TRY	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Investimenti S.p.A.	Italy	120,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Investments S.p.A.	Italy	120,000.00	EUR	100.00	New Business Netherlands N.V.	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000.00	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400.00	INR	100.00	Fiat Partecipazioni S.p.A.	99.825	
					Fiat Group Purchasing S.r.l.	0.175	
Fiat Services Support Mexico S.A. de C.V.	Mexico	100.00	MXN	100.00	Fiat Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
Fiat Services U.S.A., Inc.	U.S.A.	500,000.00	USD	100.00	Fiat Services S.p.A.	100.000	
Fides Corretagens de Seguros Ltda	Brazil	365,525.00	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000.00	INR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	80.000	
					Fiat S.p.A.	20.000	
New Business 30 S.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 34 S.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000.00	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business Netherlands N.V.	Netherlands	50,000.00	EUR	100.00	Fiat S.p.A.	100.000	
OOO Sadi Rus	Russia	2,700,000.00	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
					Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Italy	120,000.00	EUR	97.51	Fiat Partecipazioni S.p.A.	76.722	
					Fiat S.p.A.	18.003	
					Editrice La Stampa S.p.A.	0.439	
					Fiat Group Automobiles S.p.A.	0.439	
					Comau S.p.A.	0.220	
					Ferrari S.p.A.	0.220	
					Fiat Finance S.p.A.	0.220	
					Fiat Powertrain Technologies SpA	0.220	
					Fiat Services S.p.A.	0.220	
					Fiat Servizi per l'Industria S.c.p.a.	0.220	
					Magneti Marelli S.p.A.	0.220	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
					Teksid S.p.A.	0.220	

Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - VALUED AT COST							
Business Auto:Car Mass-Market Brands							
EMEA							
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000.00	EUR	30.00	Fiat Group Automobiles S.p.A.	30.000	
Consorzio Prode	Italy	51,644.00	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000.00	EUR	24.52	Fiat Group Automobiles S.p.A.	17.391	
					C.R.F. Società Consortile per Azioni	6.957	
					Sistemi Sospensioni S.p.A.	0.174	
New Holland Fiat (India) Private Limited	India	12,485,547,400.00	INR	3.59	Fiat Group Automobiles S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000.00	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200.00	INR	50.00	FGA Investimenti S.p.A.	50.000	
Business Auto:Luxury and Performance Brands							
Ferrari							
Senator Software Gmbh	Germany	25,565.00	EUR	39.69	Ferrari Financial Services AG	49.000	
Components and Production Systems							
Magneti Marelli							
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000.00	EUR	24.25	Plastic Components and Modules Automotive S.p.A.	16.500	
					Sistemi Sospensioni S.p.A.	7.750	
Bari Servizi Industriali S.c.r.l.	Italy	24,000.00	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Flexider S.p.A.	Italy	4,080,000.00	EUR	25.00	Magneti Marelli S.p.A.	25.000	
L.U.C.I. SRL	Italy	11,600.00	EUR	26.03	Centro Ricerche Plast-Optica S.p.A.	34.483	
Mars Seal Private Limited	India	400,000.00	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000.00	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Other Activities:Holding companies and Other companies							
ANFIA Automotive S.c.r.l.	Italy	20,000.00	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					Fiat Group Automobiles S.p.A.	5.000	
					Fiat Powertrain Technologies SpA	5.000	
					Magneti Marelli S.p.A.	5.000	
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Italy	241,961.00	EUR	21.34	Fiat Group Automobiles S.p.A.	10.672	
					Fiat Partecipazioni S.p.A.	10.672	
FMA-Consultoria e Negocios Ltda	Brazil	1.00	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Italy	219,756.00	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Italy	10,000.00	EUR	36.70	Fiat Partecipazioni S.p.A.	25.800	
					Plastic Components and Modules Automotive S.p.A.	10.900	
Società Editrice Mercantile - S.E.M. S.R.L.	Italy	3,000,000.00	EUR	40.00	Editrice La Stampa S.p.A.	40.000	
To-dis S.r.l.	Italy	510,000.00	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
Zastava-Kamioni D.O.O.	Serbia	1,673,505,893.00	RSD	33.68	Fiat Partecipazioni S.p.A.	33.677	

Investments of Fiat Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES -							
Business Auto:Car Mass-Market Brands							
EMEA							
Centro di Eccellenza su Metodi e Sistemi per le Aziende Competitive	Italy	225,000.00	EUR	16.00	C.R.F. Società Consortile per Azioni	16.000	
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Italy	90,131.00	EUR	11.57	C.R.F. Società Consortile per Azioni	5.787	
					Fiat Group Automobiles S.p.A.	5.787	
Consorzio Technapoli	Italy	1,626,855.00	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
Business Auto:Luxury and Performance Brands							
Ferrari							
Nuova Didactica S.c. a r.l.	Italy	112,200.00	EUR	14.73	Ferrari S.p.A.	16.364	
Components and Production Systems							
Magneti Marelli							
Editori Riuniti S.p.A. in liquidation	Italy	441,652.00	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
Other Activities:Holding companies and Other companies							
Consorzio Edicola Italiana	Italy	60,000.00	EUR	16.67	Editrice La Stampa S.p.A.	16.667	
Consorzio Lingotto	Italy	9,612.00	EUR	18.26	Fiat Partecipazioni S.p.A.	12.856	
					Fiat S.p.A.	5.400	
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Italy	150,000.00	EUR	13.33	C.R.F. Società Consortile per Azioni	6.667	
					Magneti Marelli S.p.A.	6.667	
Fin.Priv. S.r.l.	Italy	20,000.00	EUR	14.29	Fiat S.p.A.	14.285	

Investments of CNH INDUSTRIAL Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - VALUED AT COST							
Agricultural and Construction Equipment							
Case Construction Equipment, Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000.00	USD	100.00	CNH America LLC	100.000	
Fermec North America Inc.	U.S.A.	5.00	USD	100.00	CNH America LLC	100.000	
International Harvester Company	U.S.A.	1,000.00	USD	100.00	CNH America LLC	100.000	
J.I. Case Company Limited	United Kingdom	2.00	GBP	100.00	Case United Kingdom Limited	100.000	
RosCaseMash	Russia	0.00	RUB	38.25	Case Equipment Holdings Limited	38.250	51.000
Trucks and Commercial Vehicles							
Altra S.p.A.	Italy	516,400.00	EUR	100.00	Iveco S.p.A.	100.000	
MVPC LLC	Russia	10,000.00	RUB	50.00	OOO Iveco Russia	50.000	
Holding companies and Other companies							
New Industrial Business 1 s.r.l.	Italy	50,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 2 s.r.l.	Italy	50,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 3 s.r.l.	Italy	50,000.00	EUR	100.00	CNH Industrial N.V.	100.000	
Powertrain							
Componentes Mecanicos S.A.	Spain	1,135,037.00	EUR	100.00	Iveco Espana S.L.	100.000	
ASSOCIATED COMPANIES - VALUED AT COST							
Agricultural and Construction Equipment							
Consorzio Nido Industria Vallesina	Italy	53,903.00	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
Trucks and Commercial Vehicles							
Sotra S.A.	Ivory Coast	3,000,000,000.00	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000.00	LYD	25.00	Iveco Espana S.L.	25.000	
Holding companies and Other companies							
CONSORZIO FIAT ENERGY	Italy	7,000.00	EUR	42.86	CNH Industrial Italia s.p.a.	14.286	
					FPT Industrial S.p.A.	14.286	
					Iveco S.p.A.	14.286	
OTHER COMPANIES - VALUED AT COST							
Agricultural and Construction Equipment							
Consorzio per lo Sviluppo delle Aziende Fornitrici in liquidation	Italy	241,961.00	EUR	10.67	CNH Industrial Italia s.p.a.	10.672	
Nuova Didactica S.c. a r.l.	Italy	112,200.00	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400.00	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	
Holding companies and Other companies							
CODEFIS Società consortile per azioni	Italy	120,000.00	EUR	19.00	CNH Industrial Capital U.K. Ltd	14.000	
					Iveco Partecipazioni Finanziarie S.r.l.	5.000	

Investments of C&W Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES - VALUED AT COST							
Real Estate Services							
NorthMarq Real Estate Services, LLC	U.S.A.	N/A	USD	12.00	Cushman & Wakefield of Minnesota, Inc.	12.000	

Significant investments of the Holdings System

Name	Country	Capital Stock	Currency	Interest held by	% of Interest held	% of voting rights
Holdings and Others						
Banijay Holding S.A.S.	France	2,057,501.00	EUR	EXOR S.A.	17.088	17.172
Gruppo Banca Leonardo S.p.A.	Italy	100,565,000.00	EUR	EXOR S.A.	17.366	
Jardine Rothschild Asia Capital (Mauritius) Ltd (in liquidation)	Mauritius	90,000.00	USD	EXOR S.A.	18.833	
Sequana S.A.	France	225,100,989.00	EUR	EXOR S.A.	17.384	

Attestation of the Consolidated Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, the executive responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at December 31, 2013.

We also attest that:

- the consolidated financial statements at December 31, 2013:

    - have been prepared in accordance with applicable International Financial Reporting Standards, as endorsed by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council of July 19, 2002;
    - correspond to the amounts shown in the Company's accounts, books and records;
    - provide a true and correct representation of the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries;

- the Report on Operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Turin, April 9, 2014

The Chairman and Chief Executive Officer
John Elkann

Executive responsible for the preparation
of the Company's financial reports
Enrico Vellano

EY
Building a better working world

Reconta Ernst & Young S.p.A.
Via Confienza, 10
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditors' report pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries, (the "EXOR Group") as of December 31, 2013 and for the year then ended, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   With respect to the comparative data related to the consolidated financial statements of the prior year and the statement of financial position at January 1, 2012, derived from the consolidated financial statements at December 31, 2011, all restated as a result of the retrospective application of the amendment to IAS 19, as described in the related explanatory notes, reference should be made, respectively, to our report issued on April 17, 2013 and to the report of other auditors issued on April 16, 2012. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect for the purposes of issuing this opinion.

3. In our opinion, the consolidated financial statements of the EXOR Group at December 31, 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the EXOR Group for the year then ended.

4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governace" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998,

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.IVA 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the consolidated financial statements of the EXOR Group at December 31, 2013.

Turin, April 11, 2014

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING ON THE ACTIVITIES CARRIED OUT DURING THE YEAR 2013

Shareholders,

We summarize the contents and results of our activities carried out during 2013, after first recalling the transactions of major economic and financial significance entered into, also through EXOR S.A., duly described in the directors' report on operations. Besides the resolution approved for the merger of FIAT INDUSTRIAL with and in CNH INDUSTRIAL N.V., these transactions include:

- the disposal of the entire investment in SGS for more than €2 billion, which lead to a consolidated net gain of more than €1.5 billion;
- the mandatory conversion of the preferred and savings shares, which increased in number during the first half with the purchase, respectively, of 823,400 shares for approximately €17.8 million and 184,100 shares for approximately €4 million, in addition to 3,790,857 ordinary shares for approximately €83.3 million, and therefore reporting share capital upon conclusion of the conversion on June 24,2013 of €246,229,850;
- the issue of non-convertible bonds 2013-2020 of €200 million;
- the purchases and consequent reduction of €60 million of the notional amount of the bonds maturing in 2017, which was consequently reduced to €690 million;
- the payment of the balance of the ALMACANTAR 2011 share capital increase, for approximately €14.1 million, and the subscription to the 2013 capital increase, for €57.9 million, of which €27.9 million was paid in.

As part of our activities, in the second year of our term of office, we have again:

- attended meetings of the Board, in the course of which the directors informed us of the company's activities and operations on which we obtained information as to their compliance with the law, the company's by-laws and the shareholder resolutions and as to the steps taken to identify conflicts of interests and to avoid the consequent critical situations;
- confirmed, in the aspects for which we have competence, the suitability of the organizational structure and internal control system in relation to the company's dimensions, activities and management of identified risks;
- obtained information about the observance of the principles of diligent and correct management and confirmed, in the context of financial reporting, the capacity to present correctly the company's operations, through meetings with the executive responsible for the financial reports who together with the Chairman and Chief Executive Officer made the attestation under art. 154-*bis* paragraph 5 of Legislative Decree 58/1998, and also meetings with the heads of certain functions including with the Head of Internal Audit and with the supervisory body responsible for overseeing the organizational model pursuant to Legislative Decree 231/2001 of which body the Chairman of the Board of Statutory Auditors is a member;
- found the system of internal control to be effective, also taking note of the favorable outcome of the assessments made by the competent committee, by the Supervisory Body and by the independent auditors;
- reviewed the application of the valuation criteria used by the Board in reaching a positive conclusion as to the independence of the directors who qualify themselves as such as well as the self-assessment process applied to the question of the adequacy of the composition and operation of the Board with regard to the company's requirements for professional expertise and diversity of expertise;
- made the assessments necessary to conclude that the independence requirements have been met for each of the statutory auditors;
- overseen the application of the CONSOB regulations on related party transactions and the consequent corporate procedure which is available for consultation on the company's website www.exor.com; not active in this regard was the compensation and nominating committee, which has competence for the directors'

additional compensation, considered of minor significance, and the internal control and risk committee, which has competence for other matters;

- held, also pursuant to art. 19 of Legislative Decree 39/2010, periodic meetings with RECONTA ERNST & YOUNG, for the purposes of following the execution of the plan of audit activities and the performance of these activities, of monitoring the auditors' independence of which we obtained confirmation again on April 8, 2014 and about which we have no reservations and of effecting the exchange of information on our respective activities and of making use of the related findings;
- met the members of the Board of Statutory Auditors of the subsidiaries FIAT, FIAT INDUSTRIAL and JUVENTUS, and in 2014, the Chairman of Audit Committee of CUSHMAN & WAKEFIELD.

In accordance with the requirements of the CONSOB Communication of April 6, 2001 we also report under the following headings.

Transactions having a significant economic and financial impact

The directors have given a summary of the characteristics of the more significant transactions carried out.

Similarly, they have reported and commented on the existence of transactions with group companies and with related parties, indicating that such transactions were carried out, after determining the reciprocal economic benefits, applying the norms and conditions considered normal for the respective markets, bearing in mind the nature of the goods and services concerned.

Atypical or unusual transactions and adequacy of related disclosure by directors

The Board of Statutory Auditors has not identified any significant transactions with related parties, with third parties or with group companies which are atypical or unusual by virtue of their content, nature, scale or timing.

Emphasis paragraphs included in the report of the independent auditors

RECONTA ERNST & YOUNG has not formulated any emphasis paragraphs.

Complaints pursuant to art. 2408 of the Italian Civil Code

With reference to the May 30, 2013 shareholders' meeting, the shareholder Bava, referring to art. 2408 of the Italian Civil Code, has made the following complaints; inexactness of the calculation of the net financial position, deeming that it was negative €26 billion, and non-compliance with the relative CESR format, noting lack of disclosure.

Having carried out activities in this regard, we consider that we are not in agreement with the complaints.

Matters for investigation

We have not received indications of matters for investigation either directly or through the company.

Engagements assigned to the independent auditors and related costs

The activities assigned to RECONTA ERNST & YOUNG and the related fees have been disclosed by the directors in the annual financial report and were confirmed by the auditors to us in a note dated April 8, 2014:

> "(…) (a) the audit of the separate and the consolidated financial statements at December 31, 2013 and verification during the course of the year of proper accounting procedures and accurate recording of transactions in the accounting records for €51 thousand;
>
> (b) limited audit of the condensed half-year financial statements at June 30, 2013 of the EXOR Group for €7 thousand;
>
> (c) attestation services relating to the comfort letter on the issue of bonds for, in total, €15 thousand;
>
> (d) agreed verification procedures on compliance with economic and financial covenants for, in total, €5 thousand.(…)".

Engagements assigned to parties related to the independent auditors

In the same note the auditors also indicated:

> "(…) We also confirm that no other separate activity has been undertaken and that no fees have been billed to EXOR S.p.A. by other firms in the Ernst & Young network. (…)".

Opinions issued by the Board of Statutory Auditors
We expressed opinions on the prospects of the issue of the non-convertible bonds.

Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors
The directors have held five Board meetings, the Board of Statutory Auditors ten meetings, the Compensation and Nominating Committee one session and the Internal Control and Risk Committee five meetings – to which, in relation to the provisions of Legislative Decree 39/2010, we have always attended the latter – and the Strategy Committee two sessions.

Principles of correct management
We confirm that we have not identified transactions which do not comply with the company's corporate business purpose, are in conflict of interest or are such as to compromise the financial integrity of the company or anyhow are manifestly imprudent or reckless.

Organizational structure

We confirm our view that the organizational structure is adequate to the circumstances in the areas within our competence.

System of internal control
We recall the substantial reliability of the system of internal control, also considering the results of the mentioned activities in this area of other parties, of which we have taken note.

Reliability of the administrative and accounting system

We confirm that the administrative and accounting system appears capable of recording and reporting the company's affairs.

Directives to subsidiaries

Appropriate directives have been given to subsidiary companies as required under art. 114 paragraph 2 of Legislative Decree 58/1998.

Significant matters arising from meetings with the independent auditors
In our meetings with RECONTA ERNST & YOUNG, no significant events or issues have been referred to us which have necessitated the performance of further controls on our part which we should report to you and in their report on the fundamental matters arising from the audit they have confirmed that they did not identify significant failings in the system of internal control.

Compliance with the Corporate Governance Code for Italian listed companies
The directors have summarized the principles and implementation criteria with which, obviously, we are familiar, applied by EXOR in order to comply with the recommendations of the Code, affirming the effective observance and the related departures of the same in the Annual Report on Corporate Governance which was also subjected to analysis by RECONTA ERNST & YOUNG, pursuant to art. 123-*bis* of Legislative Decree 58/1998.

Activities of the Supervisory Body

We have monitored the work of the Supervisory Body which considers the control over the organizational model to be adequately applied based on the level of implementation of the norms and procedures established for the purposes of preventing the relevant offenses.

Conclusions from our oversight activities

In our oversight activities we did not find any critical matters to report.

Recommendations to be submitted to shareholders

We do not consider it necessary to submit any recommendations.

We have reviewed the structure and the approach of the draft financial statements at December 31, 2013 which show a profit of €92,726,030, of the report on operations relating also to the consolidated financial statements of the group, and of the explanatory notes.

RECONTA ERNST & YOUNG, charged with the legal audit, in their report dated April 11, 2014 have expressed its conclusions, without exceptions or matters to report.

Similar conclusions are expressed by RECONTA ERNST & YOUNG in their report on the consolidated financial statements.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

Finally, with reference to the matters on the agenda of the next shareholders' meeting other than those concerned with the annual financial statements, we confirm, to the extent required, that the reports prepared on such matters by the Board of Directors illustrate the matters adequately and propose resolutions which comply with the law.

Turin, April 14, 2014

The Board of Statutory Auditors

Sergio Duca, Chairman

Nicoletta Paracchini

Paolo Piccatti

EXOR

2014 Annual Report

EXOR

Società per Azioni
Share capital Euro 246,229,850, fully paid-in
Registered office in Turin, Italy – Via Nizza 250 - Turin Company Register No. 00470400011

2014 ANNUAL REPORT

Letter to Shareholders

Report on Operations

The 2014 Annual Report is available on the corporate website at: www.exor.com

Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 14.8% in 2014. This was against a backdrop of growth in global equity markets slowing, with the MSCI World index increasing 2.93% in US dollar terms and 17.2% in euro terms (our benchmark), driven by the rallying dollar. As a consequence of the steep depreciation of the euro vis à vis the dollar, we underperformed the MSCI World Index denominated in Euros by 2.4% in the course of the year.

As we highlighted last year, the largest contributors to our performance are FCA and CNH Industrial (both of which have their origins in the Fiat Group) which represent 57.2% of our Gross Asset Value. Their combined market capitalization moved closer to the high point of the historical valuation of the FIAT Group of € 29.5 billion in 2007, but it was FCA which performed well, while its sibling declined in value by 19%. Even though I remain a firm believer that CNH Industrial's value will reflect the underlying business performance and prospects in the future.

It is interesting to note that if we were to exclude CNH Industrial from the calculation, our NAV would have grown by 31.1% and outperformed our benchmark by 14 points.

EXOR NAV PERFORMANCE vs. THE MSCI WORLD INDEX (in Euros)

	Annual percentage change		
Year	**1 - EXOR NAV**	**2 - MSCI World Index Euro**	**Relative results (1-2)**
2009	93.3	37.8	55.5
2010	45.8	17.2	28.6
2011	-24.4	-4.5	-19.9
2012	20.6	11.4	9.2
2013	16.2	18.7	-2.5
2014	14.8	17.2	-2.4
Compounded annual rate	**23.5**	**16.1**	**7.4**

Note: data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana

EXOR NET ASSET VALUE (NAV)

			Change	
€ millions	12/31/2013	12/31/2014	absolute	percentage
Gross Asset Value	10,313	12,005	1,692	+16.4 %
Gross Debt	(1,291)	(1,671)	(380)	+29.4 %
Ordinary holding costs over 10 years	(170)	(170)	-	-
Net Asset Value	8,852	10,164	1,312	+14.8 %

That said, 2014 was a very significant year for your company, starting with the announcement on January 1st of the acquisition by FIAT of all the remaining shares in Chrysler it did not already own, a move that enabled the creation of FCA – Fiat Chrysler Automobiles – the world's seventh-largest auto manufacturer.

The listing of FCA on the NYSE on October 13th (Columbus Day) was a proud day, as you can see from these pictures:

But it was first and foremost a further incentive to continue building (and selling) great cars, which is what Sergio Marchionne, the leadership team, and more than 300.000 associates, are doing every day.

As Leonardo da Vinci is reported to have said:

"*It had long since come to my attention that people of accomplishment rarely sat back and let things happen to them. They went out and made things happen*".

This captures well the culture Sergio created at FCA, which is why we have such great faith in its future and why we invested US$ 886 million in the mandatory convertible securities issued on December 15th 2014. It was our largest investment of the year.

GROSS ASSET VALUE

Let me now describe in more detail the four components of our Gross Asset Value (GAV) as summarized in the table below:

EXOR GROSS ASSET VALUE (GAV)

€ millions	12/31/2013	12/31/2014	Change absolute	percentage
Investments	6,445	8,347	1,902	+29.5 %
Financial Investments	663	663	0	+0.0 %
Cash and cash equivalents	2,572	2,233	(339)	-13.2 %
Treasury stock	633	762	129	+20.4 %
Gross Asset Value	**10,313**	**12,005**	**1,692**	**+16.4%**

INVESTMENTS (64.3% of GAV)

This line represents the principal component of our assets, so let's focus on the big three investments that make up 64.3% of our GAV.

FCA (29.19% economic interest; 36.7% of GAV)

FCA delivered a strong performance in 2014 with 4.6 million cars sold, and the Jeep brand achieving records sales of more than one million cars (when FIAT's involvement in Chrysler began Jeep was selling just 337,000 units).

Revenues were up 11% to € 96.1 billion with an EBIT of € 3.7 billion, Net Industrial Debt of € 7.7 billion and available liquidity of € 26.2 billion. These figures include the issuance of US$ 2.9 billion in mandatory convertible securities, which drew strong support from investors, demonstrating their confidence in the future of the company, the detailed plan for which was presented on May 6th 2014 in Auburn Hills.

The essential points of the 2018 Plan are:

1) Nearly doubling Jeep's volumes by 2018 to ~1.9 million units by extending its product range and geographical reach;
2) Accelerating the development of premium brands, so that we sell 75,000 Maseratis (compared with 36,448 units sold in 2014, 140% more than in the previous year) and 400,000 Alfa Romeo "superb cars" by 2018;
3) Repositioning the FIAT brand with the 500 family of products in order to step out of the "bloody" mass-market segment, especially in Europe (FCA started making money at operating level in Europe the last quarter of 2014) and into more profitable niches;
4) Finally, giving clarity of purpose to our great US brands, Chrysler, Dodge and RAM, which have now set the ambitious objective of achieving sales of 2.1 million units, i.e. 30% of the projected 7 million units of FCA in 2018.

In achieving these goals, the company will see Group Net Revenues reach ~€132 billion by 2018, with EBITDA of ~€17 billion, EBIT increasing nearly three-fold to ~€9 billion and Net Income of € 5 billion.

The capital required for this plan is substantial: the company will invest € ~55 billion to launch ~80 products. Approximately € 8 billion of this amount will be expensed in our income statement as R&D, while the remainder (two thirds of which will be invested in Property, Plant and Equipment) will be capitalized.

We have learned how much capital can be saved by working with the greater volumes of FCA today as opposed to those of only FIAT in the past. For example the 500X and Jeep Renegade are very different cars, but they are manufactured in the same plant and share R&D, which reduces the total investment required by ~€ 1 billion.

That is why I'm convinced that the industry needs and will see more consolidation in the future. Hopefully this will be driven by reason and common sense rather than by crisis and will take into account the importance of identity and culture, as we have done, avoiding the all too typical divisive trappings of a takeover and creating instead a shared transnational culture.
This is one of the most important lessons learned from combining Fiat and Chrysler to create FCA.

Last but not least Ferrari will soon begin a new life as a listed company in its own right and become one of EXOR'S directly held investments. The company had an excellent commercial year in 2014. Revenues were up 18% thanks, amongst other things, to the success of LaFerrari. This is the first ever production car to be equipped with the F1-derived hybrid solution, boasting total maximum power of 963 CV, a top speed of 350km/h and a 0 to 100km/h performance of less than 3 seconds. This unique combination of engineering and design commanded a value of €1,210,000 from each of the 499 happy few who became owners.

Unfortunately a similar performance was absent on the track where the team's Formula 1 season was quite simply a disaster. It was the first time in more than 20 years that Ferrari failed to win a single race all year and inevitably led to changes being made. The most relevant of these was the departure of Luca di Montezemolo, who had run the company with great energy and commitment for more than 20 years.

Luca was particularly successful in preserving the magic and mystique of the Ferrari brand (rated one of the most powerful globally) by building the best cars in the world, with their unique combination of style, power and high technology. When he began his tenure as Chairman in 1991, Ferrari sold 4,487 cars, produced revenues of € 340 million and a net profit of € 13 million. In 2014 it sold 7,255 cars with revenues of € 2.8 billion and made € 265 million in net profit.

In the years of Luca's presidency up to 2008 Ferrari was also able to add to its success in the racing arena, thanks to the powerful partnership between Jean Todt and the peerless Michael Schumacher. Jean brought the tifosi extraordinary years of achievement, winning 106 Grand Prix, 8 Constructor's Titles and 6 Driver’s crowns and Ferrari remains the team with the most victories in Formula 1 history with 16 Constructor's Titles and 15 Driver's Titles.

The mission to restore this kind of success has now passed to Sergio Marchionne who is committed to making sure Enzo Ferrari’s legacy continues (“the demands of mass production are contrary to my temperament”) by preserving Ferrari's uniqueness on the road while recognizing the imperative of success on the track: “No one remembers who took second place” as the Drake used to say.

Many other changes having already been made at Maranello, so I’m pleased to report that 2015 is off to a good start. Maurizio Arrivabene is now running the Scuderia Ferrari, with two great world champions, Kimi Raikkonen and Sebastian Vettel, behind the wheel and the team is once again back on the top step of the podium.

CNH Industrial (26.97% economic interest; 20.5% of GAV)

Despite a difficult year for the Agriculture Business where CNH Industrial generated 90% of its operating profits (NAFTA - the largest market for tractors and combines - was down 25%), the company delivered $32.6 billion in revenues and a higher Net Profit of ~$700 million compared to 2013 (adjusted for restructuring charges Net Profits were equivalent to prior year).

It’s interesting to note that Ag margins decreased less in 2014 with just a 0.4 point compression as opposed to its largest competitors, who lost ~2 points, whilst its multiple (EV/EBITDA) declined more than that of its industry peers from 4.6 x to 3.7 x. Compared to them, CNH Industrial is trading at a more than 50% discount.

We understand the negativity of the Ag cycle as perceived by capital markets but being long-term oriented, we see reason to be confident in the future of this business. Rich Tobin and his leadership team gave us a glimpse of this when they presented their 2018 goals. These are to:

1) Expand the Agricultural Equipment portfolio and geographic reach (in 2014 the Group commissioned its first 100% owned harvesting equipment manufacturing facility in Harbin, China);
2) Re-position the Construction Equipment segment’s two brands and return them to profitable growth;
3) Realize the potential of the Commercial Vehicles new product pipeline and rationalize the segment’s industrial footprint;
4) Leverage the industry-leading powertrain technologies commercially.

Which in terms of financial targets means:

1) Net sales at $38 billion in 2018 vs $31 billion in 2014 (x 1.2);
2) Operating profit of $3.4 billion in 2018 vs $2.0 billion in 2014 (x 1.7);
3) Net income of $2.2 billion in 2018 vs $940 million in 2014 (x 2.3);
4) Ø Net Debt in 2018 vs $2.7 billion of Net Debt in 2014 .

I also want to highlight that despite the importance of Ag there are positive surprises coming from other businesses. The most notable of which is Construction Equipment that is back making money and the credit for this goes to Rich who in addition to his CEO responsibilities runs this business directly.

And let's not forget Commercial Vehicles, which account for almost a third of total revenues. This business is in recovery mode and Pierre Lahutte and his team are working hard to increase its profitability, with the launch of the new Daily and the Euro 6 product ranges.

The broad scope of our capital goods activities will allow CNH Industrial to mitigate some of the headwinds it will continue to face in 2015 in Ag.

I remain confident in the quality of the businesses of CNH Industrial and its innovating capabilities: more than 6,000 dedicated professionals in ~50 R&D centers and ~8,000 patents will ensure that the company continues to grow profitably serving some of the world's most basic needs (food, infrastructure and transportation) with its great products and services. If you have the chance, I suggest you visit the New Holland Agriculture Brand Pavilion at the Universal Exhibition in Milan from May 1st to October 31st, which will help visitors to understand better the role of agricultural mechanization in the global food-supply chain.

CUSHMAN & WAKEFIELD (80.89% ownership; 7.1% of GAV)

2014 was a remarkable year for Cushman & Wakefield ("C&W") with record results in terms of revenues and margins. Commissions and services fee revenues increased to $2.1 billion, up 15.9% compared to 2013, adjusted EBITDA was $175.4 million and the adjusted EBITDA margin increased to 8.4% (a record high for the Company).

We acquired C&W in March 2007, a few months before the mortgage subprime crisis put the US real-estate industry under severe financial stress.

When we invested in the company, it had commissions and services revenues of $1.5 billion, adjusted EBITDA of $116 million and an EBITDA margin of 7.6%. C&W's business was predominantly transaction based, with a limited geographic presence outside North America.

While at that time we were cautious about the US real estate cycle, we were far from expecting the major contraction that occurred. But C&W proved capable of navigating these difficult years with no need for equity-capital injections unlike its principal competitors, thanks to its solid capital structure.

Since 2010 C&W has focused on operating performance, deploying wisely and effectively its capital (both in organic growth and acquisitions) and in diversifying its service offer in new business lines and geographies. C&W is today a much stronger, global and diversified franchise and the only company amongst the major US based real-estate service providers to have expanded its EBITDA margins since the 2007 crisis.

In 2014, C&W advised on over $1.2 trillion worth of appraisals worldwide and leased 538 million square feet of space, including the largest leasing in San Francisco's history for Salesforce.com, as well as leasing in renowned properties around the globe such as New York's One World Trade Centre, London's Regent Street and Hong Kong's Swires Properties. The Company acts for world-class clients such as Citibank, JP Morgan, MetLife, Amazon, Unilever, Microsoft and Zara.

2014 also represents the first full year since Ed Forst joined as CEO. His commitment together with the overall effort of his excellent team is reflected in the unprecedented results obtained during this year. His appointment has energized the company and enabled it to attract even more first class talent (including Raymond Kelly, former Commissioner of the New York Police Department, to lead the newly established Risk Management Services group and Laura Pomerantz, now Vice Chairman and Head of Strategic Accounts).

In December 2014 the Company completed the acquisition of Massey Knakal, the largest investment under EXOR's ownership, making C&W the number one investment-sales firm in New York by number of deals and advancing the company's ambitions in capital markets.

It has been great to work with Ed and see how he has defined the Company's objectives for 2017 when C&W will celebrate its first centenary.

I'm confident that with the 37 Global Management team members and the outstanding professionals who work for C&W, Ed will reach the ambitious growth targets for revenue and EBITDA margin increase he has set for the Company's centenary.

Our remaining investments had a good year overall and I would like to draw your attention to a few highlights.

In last year's Letter I focused on Almacantar and Juventus. They both had a great 2014: the London-based real estate company continues to thrive on the back of a buoyant market; and Juventus won its 3rd *scudetto* in a row (the premier Italian Championship) and went on growing its revenues.

This time, I would like to draw your attention to Banijay, The Economist and Sequana.

First of all Banijay, which we founded in 2008 with Bernard Arnault, the De Agostini family and the entrepreneurial Stéphane Courbit under whose leadership it has become one of the world's largest independent TV production companies.

The Company has also expanded by creating content for other multimedia platforms, mainly digital, and extended its reach geographically by building a large presence in the US.

Under Stéphane and group CEO Marco Bassetti, who joined him in 2013, Banijay had a great 2014, with its highest ever revenue of € 350 million and record EBITDA of ~€ 50 million (this being amongst the highest margins in the industry).

Banijay has established an impressive platform for development during the next stage of its growth.

Staying with our media investments The Economist, which has been one of journalism's finest institutions since it was founded in 1843, accelerated in 2014 its transition towards an integrated print, digital and services organization.

Chris Stibbs, the CEO, and John Micklethwait, the Editor-in-Chief, with their colleagues started innovations to use "The Economist's" unique voice in new and exciting ways in the digital and increasingly mobile world of information, introducing the "Espresso" app, a daily shot of The Economist's views on news, and developing plans for video.

Despite the uncertainties provoked by the profound changes in the media industry and the many predictions of its death, the quote of Michel de Montaigne

"*My life has been filled with terrible misfortune, most of which never happened*".

and the positive results The Economist Group was able to achieve, inspire great faith in the future of this unique company.

Banijay and The Economist had a strong twelve months. But it's important to signal that not all went well in 2014. It was a difficult year for Sequana: Pascal Lebard, its Chairman & CEO, was required to negotiate a financial restructuring of the company with a partial write-off by the banks of its debt and a rights issues of € 66 million (in which we participated for our pro-rata

17% share). This, though, left Sequana in a much stronger financial position so that it could concentrate in producing, distributing and selling paper and paper products.

Its stock price has reflected the firm’s new positive course and we have since sold some of our shares at levels above the capital increase price, reducing our stake to below 2%. We intend to exit Sequana completely by the end of 2015 the right economic conditions permitting, further simplifying our investments.

FINANCIAL INVESTMENTS (5.5% of GAV)

Our Financial Investments returned 14.3% on average in 2014.

During the year we slightly reduced our exposure to single equity names (direct investments returned +14.1%) and we exited a number of third-party funds we were invested in.

Our main investment is in the Black Ant Fund (59.16% of our financial investments) which returned +12.7% and its allocation at the end of the year was 36% in listed equities and equity options, 40% in credit and 24% in cash.

Our fund investments, excluding Black Ant, were the best performers with a +20.3% return.

Our only new financial investment this year was the participation in the IPO of Lending Club.

Founded in 2006 by Renaud Laplanche it became the number one peer-to-peer lending company in the US (with an over 75% market share in 2014). Lending Club runs an online service that connects borrowers and investors by offering better economics to both sides than are available in the traditional world. So far, it has originated more than $ 7.6 billion in loans for which the company does not assume any credit risk.

We bought ~0.25% of its capital and, taking into account the exchange rate and price at the end of the year, we were up ~47%.

It’s a company with a very innovative business model with long-term growth opportunities but by its nature it is largely untested and competition will be fierce. We are fortunate to have Renaud leading the business in this challenging environment.

CASH AND CASH EQUIVALENT (18.6% of GAV)

Throughout the year we maintained a cautious allocation: 68% in time deposits, 26% in third-party funds and 6% invested in single-name corporate credit issuances (slightly increasing our exposure to funds rather than time deposits compared to 2013).

Our time-deposit holdings yielded 0.90%, or three times the average sixth-month EURIBOR rate in 2014, while funds and corporate credit together returned 2.31% for a total overall return of 1.35%.

Our goal is not maximize returns but make sure we have cash on hand when we need it.

TREASURY STOCK (6.3% of GAV)

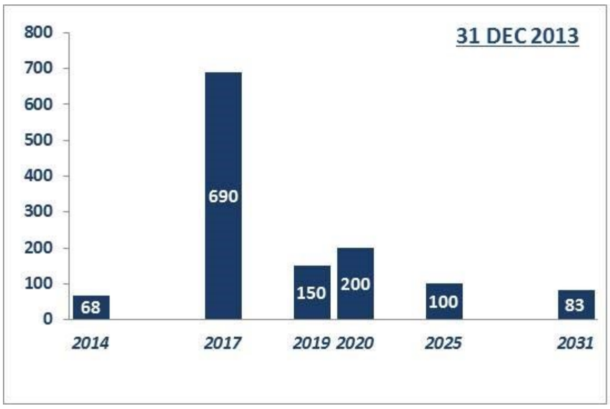
In 2014 our treasury stocks slightly outperformed our benchmark (+18.0% vs.+17.2%).

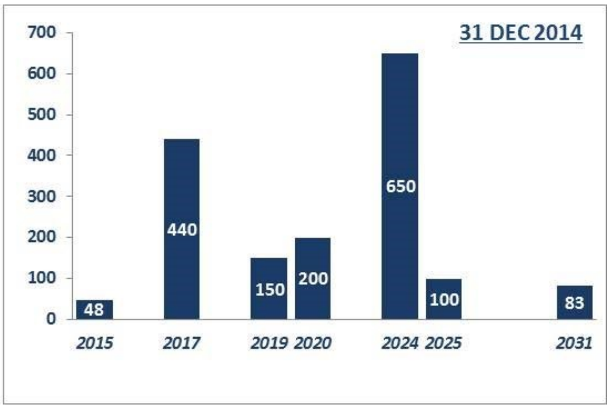
In the past five years we've been active in open-market repurchases of our shares and today we own ~10% of our capital; the value of this holding increased almost three-fold compared to the average price we paid to acquire it.

GROSS DEBT

In 2014 we took advantage of favourable market conditions by buying back part of our outstanding bond issue due in 2017 and replacing it with a 10-year long bond publicly issued on the primary market in October followed by a tap-issue in December.

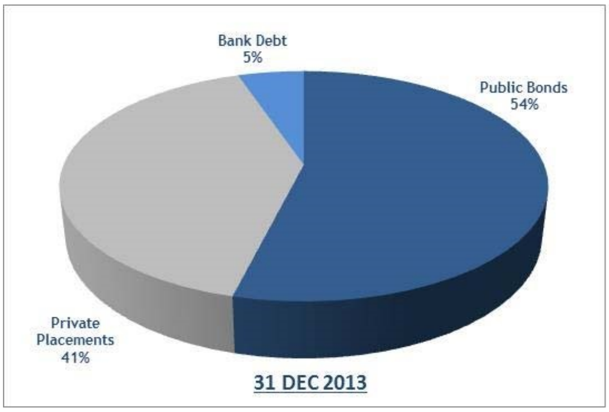
MATURITY SCHEDULE

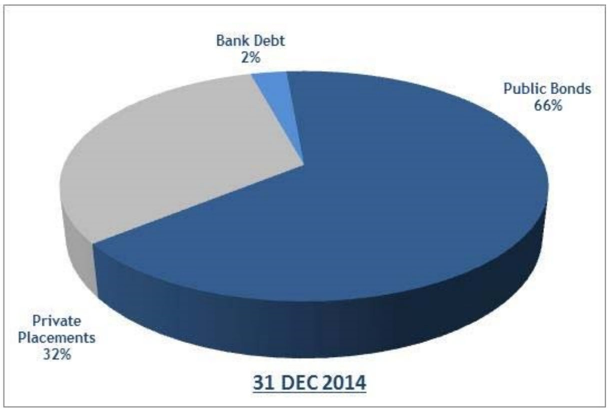




In the past few years we have been actively managing our liabilities with the same care and discipline we apply to the other side of the balance sheet, our assets.

This allowed us to lock in much lower interest rates and tight credit spreads (the 2.5% coupon on Notes due in 2024, is less than half the 5.375% coupon on Notes due in 2017) and roll-over our ’17 “peak”.





We like to keep a diverse mix of financing sources, so we value short-term bank loans for their flexibility and private placements as an important source of long-term funds, in addition to public bonds.

Excluding liability management-related expenses, in 2014 our average cost of debt was 4.76% compared to 5.05% in 2013.

2015

The first months of the new year have been busy, not least with Cushman & Wakefield. On the back of a very strong year in 2014 and the ambitious three- year plan put in place by the Company, we decided to gauge the interest of potential buyers of our shareholding, who would also be strongly placed to continue to develop this business into its next century.

As a Board member of The Economist, I was part of the process to appoint the new Editor-in-Chief. After nine successful years John Micklethwait stood down to go to run Bloomberg News where I'm sure he will do a great job. The editorship is amongst the most important decisions the Board is involved in and our Chairman, Rupert Pennant-Rea, himself a former Editor-in-Chief of the newspaper, conducted masterfully this articulated process. Every candidate for the post submitted a personal proposal and three were selected by members of a Board sub-committee, that received information on the candidates from the journalists, who were able to write about their choice for Editor-in-Chief to the Chairman. The process concluded with a written document from each of the final three candidates describing how the Economist would look under their leadership. In the end, Zanny Minton Beddoes was chosen by the full board with the last step of the process being the Trustees' blessing since it is they who safeguard the integrity and independence of the newspaper. So Zanny became the 17th Editor-in-Chief of The Economist and the first woman to hold the post. I am sure she will do a terrific job in leading The Economist into the future, always keeping in mind the mission of this great institution, as it was outlined by its founder, the Right Honorable James Wilson: "*to take part in a severe contest between intelligence, which presses forward, and an unworthy, timid ignorance obstructing our progress*".

I was very impressed by the appointment process and found it particularly positive not to have a long, drawn-out horse race but rather a quick, fair competition with no casualties. All the others candidates stayed at The Economist and indeed the two finalists have been appointed Deputy Editors. Great credit goes to Rupert who ensured everything worked flawlessly. I am a big believer that great organizations provide for internal succession and The Economist, with its impressive depth of talent, is a fine example of this.

With regard to new ideas, we continue to explore opportunities, focusing most of our attention on the service sector, especially financial services, which we think could represent a good fit with the rest of our investments that today are mostly in industrial and capital-intensive businesses. We haven't made a significant new investment since the creation of EXOR in 2009 but instead have mostly invested in ourselves and companies we already own (we like what we know).

But as Churchill, the 50th anniversary of whose passing is being celebrated this year, put it "*I am an optimist. It doesn't seem too much use being anything else*".

And with that in mind I have always been more than optimistic that something interesting and attractively valued will present itself.

This year we will be holding our Shareholder Meeting on May 29th at the Lingotto Congress Center in Turin.

Our AGM will not be the only reason to come to Lingotto on that day: on the roof of the Lingotto, a former car plant, the Pinacoteca Giovanni e Marella Agnelli awaits you with an exhibition of Raffaello's *Madonna del Divino Amore*, explaining the painting's inner structure and the artist's numerous variations throughout the execution of this masterpiece. In the Jewel Box, or *Scrigno,* of the Pinacoteca you will also find its extraordinary permanent collection, ranging from the Venice of Canaletto and the Dresden of Bellotto, to a group of seven masterpieces by Matisse.

As always, let me remind you that it is possible to ask questions in advance of the Shareholders' Meeting by following the procedure set out on our web site www.exor.com. Non-shareholders will also have the chance to raise questions by sending a short email to the following address: agm@exor.com. The latter will be grouped together, summarized by subject and answered during the meeting.

I very much look forward to welcoming you to the Lingotto!

John Elkann

Honorary Chairmen

Gianluigi Gabetti
Pio Teodorani-Fabbri

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Tiberto Brandolini d'Adda
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli Vittorio Avogadro di Collobiano Luca Ferrero Ventimiglia Sergio Marchionne Lupo Rattazzi Eduardo Teodorani-Fabbri
Independent Directors	Victor Bischoff Giuseppina Capaldo (Lead Independent Director) Mina Gerowin Jae Yong Lee Giuseppe Recchi Michelangelo Volpi
Secretary to the Board	Gianluca Ferrero

Internal Control and Risks Committee

Giuseppina Capaldo (*Chairman*), Victor Bischoff and Giuseppe Recchi

Compensation and Nominating Committee

Victor Bischoff (*Chairman*), Giuseppina Capaldo and Mina Gerowin

Strategy Committee

John Elkann (*Chairman*), Victor Bischoff, Mina Gerowin, Sergio Marchionne, Jae Yong Lee and Michelangelo Volpi

Board of Statutory Auditors

Chairman	Sergio Duca
Regular auditors	Nicoletta Paracchini Paolo Piccatti
Alternate auditors	Giorgio Ferrino Ruggero Tabone

Independent Auditors

Reconta Ernst & Young S.p.A.

Expiry of terms of office

The terms of office of the Board of Directors and the Board of Statutory Auditors will expire concurrently with the shareholders' meeting that will approve the 2014 annual financial statements.
The term of office of the independent auditors will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

EXOR GROUP PROFILE AND KEY DATA

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of ordinary share capital.
Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of more than €10 billion at December 31, 2014, EXOR is headquartered in Turin, Italy.
EXOR makes long-term investments focused on global companies in diversified sectors, mainly in Europe and in the United States.
EXOR's objective is to increase its Net Asset Value and outperform the MSCI World Index in Euro.

The EXOR Group's investments are the following:

Percentages updated on the basis of the latest available information
(a) EXOR holds 44.31% of the voting rights on issued capital.
(b) EXOR holds 39.99% of the voting rights. In addition, FCA holds a 1.17% stake in CNH Industrial and 1.74% of the voting rights on issued capital.

Fiat Chrysler Automobiles ("FCA") (29.19% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA) managed by Borsa Italiana and is included in the FTSE MIB Index. FCA is the holding company for the Fiat Chrysler Group and was formed on October 12, 2014 on completion of the merger of Fiat S.p.A. with and into Fiat Investments N.V., which at the same time took the name of Fiat Chrysler Automobiles N.V. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram, Ferrari and Maserati in addition to the SRT performance vehicle designation, and Mopar, the parts and service brand. The Group's businesses also include Comau (production systems), Magneti Marelli (components) and Teksid (iron and castings). FCA is an international auto group engaged in industrial activities through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. FCA's operations relating to mass market brands passenger cars, light commercial vehicles and related parts and services are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).
At December 31, 2014 FCA had 165 factories and 232,165 employees throughout the world.

CNH Industrial (26.97% stake; 1.17% stake also held by FCA) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA) managed by Borsa Italiana and is included in the FTSE MIB Index. Operational since September 29, 2013 when the merger between Fiat Industrial S.p.A. and CNH Global N.V. was completed, CNH Industrial's goal is the strategic development of its business. The large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial a global leader in the capital goods segment. Through its brands, the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the Group's brands is a prominent international player in the respective industrial segment.
At December 31, 2014 CNH Industrial was present in approximately 190 countries giving it a unique competitive position across its 12 brands, 64 manufacturing plants, 49 research and development centers and more than 69,000 employees.

C&W Group (80.89% of share capital) is engaged in commercial real estate services, and has its headquarters in New York, where it was founded in 1917. The company advises and represents clients on all aspects of property occupancy and investment, and has established a preeminent position in the world's major markets within the following service lines: Leasing, Capital Markets, Corporate Occupier & Investor Services (CIS), Valuation & Advisory (V&A) and Global Consulting.
It currently has approximately 248 offices and more than 16,000 employees in 58 countries.

almacantar	JUVENTUS	BANCA LEONARDO	Banijay Group	The Economist
38.29%	63.77%	17.37%	17.09%	4.72%

Almacantar (38.29% of share capital) is a property investment and development company, for offices and residential units, situated in London.

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario (MTA) managed by Borsa Italiana. Founded in 1897, it is one of the most prominent professional football teams in the world.

Banca Leonardo (17.37% of share capital) is a privately held and independent international investment bank offering a complete range of advisory and private banking services and other activities connected with the financial markets.

Banijay Holding (17.09% of share capital) is headquartered in Paris. The company is a player in TV production through a network of companies specialized in the production and distribution of multimedia content.

The Economist Group (4.72% of share capital) is a company with its center of operations in London and head of the editorial group that publishes *The Economist*, a weekly magazine that with a global circulation of more than one million copies represents one of the most important sources of analysis in the international business world.

EXOR Group – Consolidated Data – Shortened (a) € million	2014	2013	Change
Profit attributable to owners of the parent	**323.1**	2,084.5	(1,761.4)
Share of earnings (losses) of investments and dividends	**430.1**	615.8	(185.7)
Investments and non-current other financial assets	**7,509.6**	5,764.0	1,745.6
Issued capital and reserves attributable to owners of the parent	**7,995.0**	6,947.4	1,047.6
Consolidated net financial position of EXOR's “Holdings System”	**563.0**	1,281.2	(718.2)

(a) The basis of preparation is presented in the following “Review of the Consolidated Results of the EXOR Group - Shortened”.

Earnings per share (€) (a)	2014	2013	Change
Profit attributable to owners of the parent – basic:			
per ordinary share	**1.46**	9.34	(7.88)
Profit attributable to owners of the parent – diluted:			
per ordinary share	**1.44**	9.33	(7.89)
Issued capital and reserves attributable to owners of the parent	**35.96**	31.25	4.71

(a) Further details on the calculation of basic and diluted earnings per share are provided in Note 13 to the consolidated financial statements.

EXOR S.p.A. - Separate Financial Statement Data € million	2014	2013	Change
Profit	**51.8**	92.7	(40.9)
Equity	**3,409.9**	3,434.0	(24.1)
Net financial position	**(1,199.7)**	(474.2)	(725.5)

The board of directors' meeting held on April 14, 2015 put forward a motion to the ordinary shareholders' meeting called to approve the separate financial statements for the year ended December 31, 2014 for the payment of dividends per share of €0.35 for a total of €77,821,136.40 million to the 222,346,104 ordinary shares outstanding at the same date.

EXOR in 2014, from the profit for the year ended December 31, 2013, paid dividends per share of €0.335 to the 223,346,104 ordinary shares outstanding for a total €74.5 million.

NET ASSET VALUE

At December 31, 2014 EXOR's Net Asset Value (NAV) is €10,164 million which increased by €1,312 million (+14.8%) from €8,852 million at December 31, 2013.

The composition and change in NAV are the following:

€ millions	**01/03/2009** (a)	**31/12/2013**	**31/12/2014**	**Change vs 12/31/2013**	
				Amount	**%**
Investments	2,921	6,445	8,347	1,902	+29.5%
Financial investments	274	663	663	0	+0.0%
Cash and cash Equivalents	1,121	2,572	2,233	(339)	-13.2%
Treasury stock	19	633	762	129	+20.4%
Gross Asset Value	**4,335**	**10,313**	**12,005**	**1,692**	**+16.4%**
Gross Debt	**(1,157)**	**(1,291)**	**(1,671)**	**(380)**	**+29.4%**
Ordinary holding costs over ten years	**(210)**	**(170)**	**(170)**	**-**	**-**
Net Asset Value (NAV)	**2,968**	**8,852**	**10,164**	**1,312**	**+14.8%**

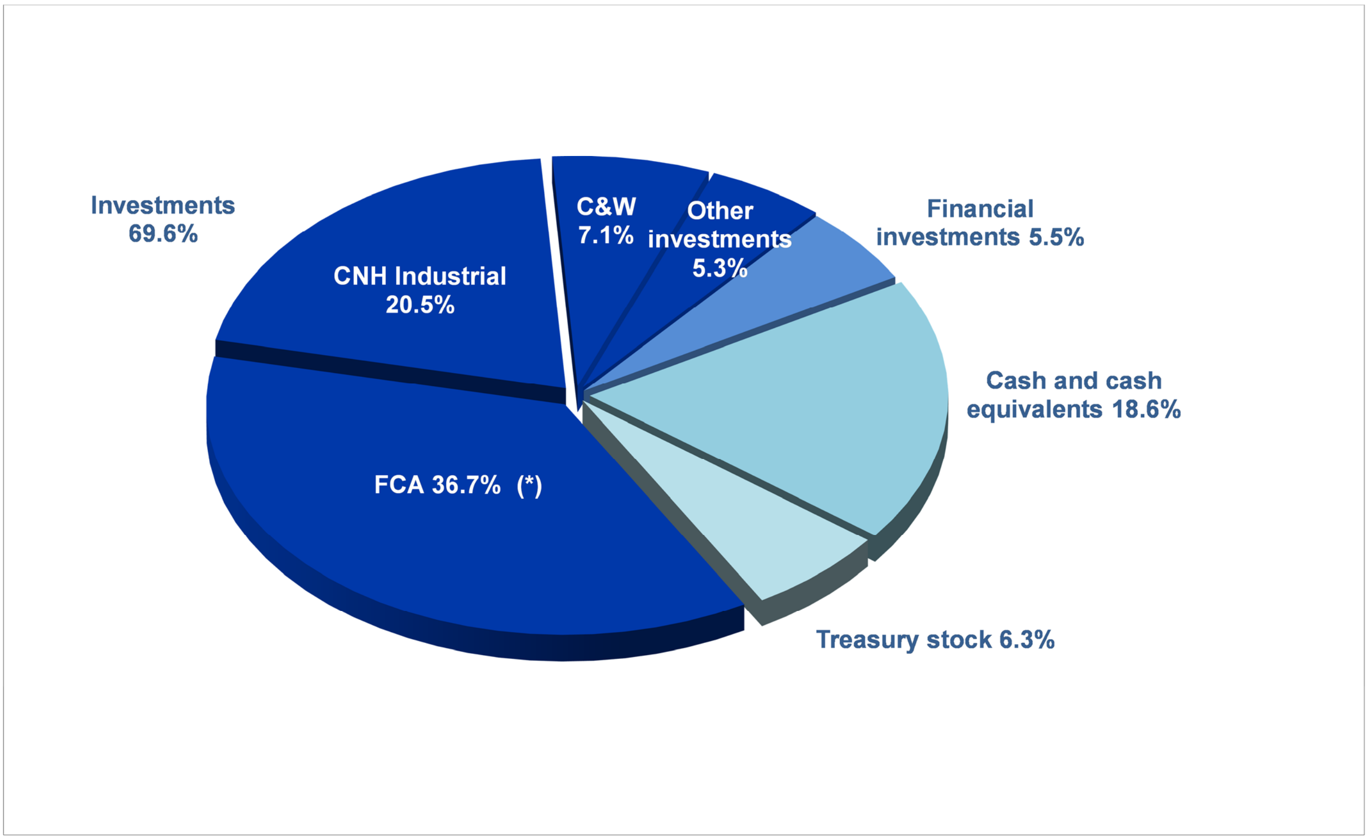
(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

The gross asset value at December 31, 2014 has been calculated by valuing listed investments and other equity shares at trading prices, other private equity investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. Bonds held to maturity are measured at amortized cost. EXOR treasury stock is measured at share trading prices, except those used to service stock option plans (measured at their option exercise price, if below the share trading price) and those granted to recipients of the stock grant plan. The latter are deducted from the total number of treasury shares.

NAV is presented with the aim of aiding financial analysts and investors in forming their own assessments.

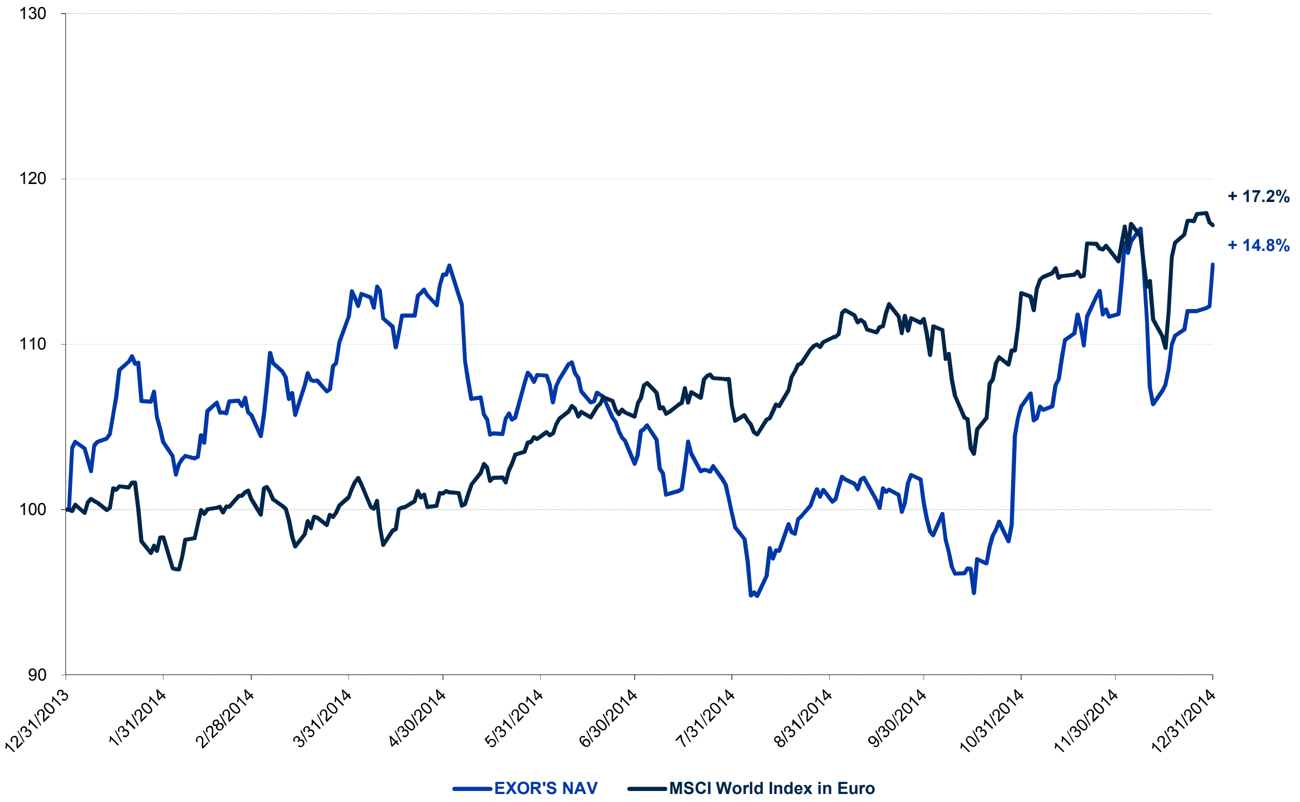
The following pie chart shows the composition of gross asset value at December 31, 2014 (€12,005 million).
"Other investments" include the investments in Almacantar, Juventus Football Club, Banca Leonardo, Banijay Holding and The Economist Group, in addition to minor sundry investments.

Investments denominated in U.S. dollars and Pounds sterling are translated to Euro at the official exchange rates at December 31, 2014, respectively, of 1.2141 and 0.7789.



(*) Including the mandatory convertible securities issued by FCA on December 16, 2014.

Change in NAV compared to the MSCI World Index in Euro



Stock Market Data	**1/1/2015 3/31/2015**	**1/1/2014 12/31/2014**
Ordinary share price (in Euro):		
period-end	42.3515	34.1175
maximum	42.3515	36.0779
minimum	33.3887	27.3141
Average daily volume exchanged during period:	502,579	457,777
Euro volume exchanges during period (in Euro): (a)	19,126,745	14,288,227

(a) Average daily value (official daily trading price by daily volume) handled by Borsa Italiana during period.

So as to ensure timely, comprehensive and updated information about its goals and the most important events affecting its business, in 2014 EXOR has continued to communicate and broaden relations with the various national and international operators of the financial press, as well as financial analysts, institutional investments and retail investors.

The publication of the Letter to Shareholders, which for five years now denotes an occasion to communicating especially with the financial community, offers an opportunity to sum up the performance of the main investments and EXOR's strategy for the growth of the Company.
Both topics were covered in greater detail by top management during the conference call with investors and financial analysts at the end of the annual general meeting of the shareholders in May.

The offices for media and investor relations can also be contacted at:

External Relations and Media Relations
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.5090260
ir@exor.com

SIGNIFICANT EVENTS IN 2014

Resolutions passed by the May 22, 2014 shareholders' meeting

The EXOR shareholders' meeting held May 22, 2014 approved the payment of dividends of €0.335 per share for a maximum total of €74.5 million. The declared dividends were paid beginning June 26, 2014.

The same shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and the renewal of the authorization for the purchase and disposal of EXOR shares. The authorization allows the Company to purchase and sell shares on the market for 18 months from the date of the shareholders' resolution for a maximum number of shares not to exceed the limit set by law, for a maximum disbursement of €450 million. Consequently the authorization for the purchase and disposal of treasury stock approved by the shareholders' meeting on May 30, 2013, for the part not used, was revoked.

Sale of the remaining investment in Alpitour

On June 30, 2014 an agreement was signed between EXOR and Alpitour in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement. According to the terms of the agreement, EXOR waived the Deferred Price (residual amount of €7.5 million, net of accruals set aside) and any performance-related earn-out payment.

At the same time EXOR sold the remaining stake held in Alpitour (7.17%) for consideration of €5 million, recording a loss for the same amount.

Subscription to capital increase and partial sale of investment in Sequana

On July 29, 2014 the capital increase by Sequana (announced on April 10, 2014 as part of a major operational and financial restructuring plan) was concluded successfully. EXOR S.A. subscribed only to its share of the increase for a total equivalent amount of €11.1 million. After this transaction EXOR S.A. held 17.03% of Sequana's capital and 16.21% of the voting rights. Subsequently during the period September to December 2014 EXOR S.A. sold on the market 3,158,313 Sequana shares (6.19% of capital) for a total equivalent amount of €9.1 million.

At December 31, 2014 EXOR S.A. holds 10.85% of Sequana share capital and 10.50% of the voting rights.

Tender offer for the partial buyback and cancellation of EXOR 2007-2017 bonds

On September 30, 2014 EXOR announced a tender offer to buy back its original nominal €750 million EXOR 2007-2017 bonds (€690 million outstanding at the offer announcement date) for cash. At the end of the offer EXOR had purchased an aggregate nominal amount of €238.6 million and payment was made on October 14, 2014.

The offer was tendered for the purpose of improving the management of EXOR's financial resources.

On November 13, 2014 EXOR announced the partial cancellation of bonds for a nominal amount of €238.6 million purchased as part of the buyback and another nominal amount of €11.4 million previously purchased on the market, for a total of €250 million. Therefore, currently, bonds are outstanding for a nominal amount of €440 million.

Issue of EXOR 2014-2024 bonds

On October 8, 2014 EXOR concluded the issue of bonds for a nominal €500 million (at the issue price of 99.329% of the nominal amount), reopened on December 23, 2014 and increased by another €150 million (at the issue price of 102.613% of the nominal amount). The total bonds amount to €650 million, due October 8, 2024, with a fixed annual coupon of 2.50%. The bonds, admitted for listing on the regulated market of the Luxembourg Stock Exchange, were rated BBB+ by the Standard & Poor's rating agency.

The issue is aimed at extending the average maturity of EXOR's debt.

Merger of Fiat S.p.A. with and into Fiat Investments N.V.

On October 12, 2014 the merger of Fiat S.p.A. with and into Fiat Investments N.V. became effective. At the same time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (FCA) and became the holding company for the Fiat Chrysler Group.

In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each Fiat ordinary share.

The next day, the FCA common shares were admitted for listing on the New York Stock Exchange (NYSE) and on Borsa Italiana's Mercato Telematico Azionario (MTA).

Lastly, FCA issued 408,941,767 special voting shares (not admitted for trading) to eligible Fiat shareholders who elected to participate in FCA's loyalty voting program.

EXOR, with its 375,803,870 Fiat ordinary shares, received 375,803,870 FCA common shares (31.26% of the class of stock) and the same number of FCA special voting shares which, together with the above common shares, at that time brought EXOR's holding to 46.65% of the voting rights.

Spin-off of Ferrari S.p.A. from FCA

On October 29, 2014 the FCA board of directors, in connection with a capital plan appropriate to support the Group's long-term success, authorized the separation of Ferrari S.p.A. from FCA and its subsequent listing on the stock market. The separation will be effected through a public offering of FCA's interest in Ferrari equal to a part of Ferrari's outstanding shares held by FCA and a distribution of FCA's remaining Ferrari shares to FCA shareholders.

Additional FCA capital transactions

In the fourth quarter of 2014 the CEO of FCA and certain managers of the Group exercised their stock options, with consequent effects on FCA share capital.

In addition, 100,000,000 FCA common shares, including 65,000,000 new shares and 35,000,000 common shares held in treasury were placed with qualified investors, at a price of $11 per share.

EXOR did not take part in the offering and thus its diluted ownership interest in FCA is 29.25% of common shares and 44.37% of the voting rights.

Subscription to mandatory securities convertible into FCA shares

On December 15, 2014 EXOR purchased a nominal $886 million of mandatory convertible securities issued by FCA for an investment of €711.2 million.

The mandatory convertible securities pay a coupon of 7.875% per annum and will be mandatorily converted in FCA common shares on December 15, 2016, unless converted earlier at the option of the holder or FCA or upon the occurrence of certain specified events in accordance with their terms. The investment preserves EXOR ownership interest in FCA without any diluting effects.

Investment in Almacantar

During 2014 EXOR S.A. paid the remaining amount due to Almacantar S.A. for the capital increase subscribed in July 2013, disbursing in the months of June, September and December 2014, respectively, £4.8 million (€5.9 million), £9.5 million (€12.2 million) and £9.5 million (€12 million).

SIGNIFICANT EVENTS IN THE FIRST QUARTER OF 2015

Dividends and distribution of reserves to be received during 2015

Declared dividends and approved distributions of reserves by certain investment holdings are as follows:

Company	Class of stock	Number of shares	Dividends Per share (€)	 Total (€/ml)
CNH Industrial N.V.	common	366,927,900	0.2	73.4
EXOR's share				**73.4**
Banca Leonardo S.p.A.	ordinary	45,459,968	0,12	5,5
EXOR S.A.'s share				**5,5**

Line of credit granted to Juventus Football Club

In January 2015 EXOR approved the opening of a line of credit to the subsidiary Juventus Football Club for a maximum of €50 million, with effect from February 1, 2015 and expiring on December 31, 2015, at an interest rate equal to the one-month Euribor plus a spread of 2%.

The extension of the credit line allows EXOR to invest a part of its short term liquidity at an interesting rate of return.

Partial sale of investment in Sequana

In the first quarter of 2015 EXOR S.A. sold on the market another 3,133,962 Sequana shares (6.14% of capital) for a total equivalent amount of €9 million.

At March 31, 2015 EXOR S.A. holds 4.71% of Sequana's capital and 4.561% of the voting rights.

Information regarding the investment in C&W Group

During 2015 EXOR began a process for the evaluation of a possible disposal of Cushman & Wakefield. To date non-binding expressions of interest have been received and due diligence is in progress by potential buyers. At present it is not possible to foresee the end result of the process.

BUSINESS OUTLOOK

EXOR S.p.A. expects to report a profit for the year 2015.

At the consolidated level, 2015 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. The forecasts formulated under IFRS and reported in their financial reports at December 31, 2014 are presented below.

FCA

FCA indicates the following guidance for 2015:

- Worldwide shipments in 4.8 to 5.0 million unit range;
- Net revenues of approximately €108 billion;
- EBIT, excluding eventual unusual items, in €4.1 to €4.5 billion range;
- Net income, excluding eventual unusual items, in €1.0 to €1.2 billion range, with EPS, calculated including the mandatory convertible securities conversion at minimum number of shares at 222 million, in €0.64 to €0.77 range;
- Net Industrial Debt in €7.5 billion to €8.0 billion range.

Figures do not include any impacts for the previously announced capital transactions regarding Ferrari.

CNH Industrial

CNH Industrial expects improved profitability in Commercial Vehicles and Construction Equipment, coupled with structural cost improvement measures from the Group's Efficiency Program now extended to Agricultural Equipment. These actions are expected to buffer, but not fully offset the negative impact from the continuation of challenging trading conditions in the row crop sector of the agricultural industry, and the impact of the recent significant appreciation of the U.S. dollar against CNH Industrial's other trading currencies, allowing it to hold operating margin unless there are further currency deteriorations from the current rate levels outside the United States.

C&W Group

During 2014, demand from investors and occupiers continued to drive global real estate markets. C&W Group's strategic focus to mobilize its global services and talent around the firm's clients led to solutions that enhanced its presence globally, resulting in activity increasing across C&W Group's platform, as compared with 2013. Subject to the continuation of these positive trends, C&W Group expects positive activity to continue at the current pace into 2015. In particular, rising employment in the U.S. should boost demand for space across property types at a time of modest inventory growth, leading to an overall trend of lower vacancy rates and upward pressure on rents.

In addition, C&W Group's strong financial performance and the recent refinancing of its Senior Credit Facility on an unsecured basis provide C&W Group the flexibility to act upon strategic growth opportunities in its foundation cities around the world.

Almacantar

During 2014 Almacantar continued to prepare Centre Point for future refurbishment. In January 2015 vacant possession of the building was achieved and refurbishment works began on site. The refurbishment of the building is expected to take 27 months with practical completion scheduled for April 2017.

In July 2014 the planning applications for both the Marble Arch Tower and Edgware Road schemes were approved. A revised application for Marble Arch Tower was submitted in November 2014 with several improvements, this application was approved in February 2015. Almacantar plans to maximize income generation in the period before any potential redevelopment.

It is Almacantar's intention to further expand the portfolio and a range of investment opportunities are being reviewed.

The London real estate market should remain stable due to strong demand for commercial and residential space from institutional investors.

Positive results are expected for the year ended December 31, 2015.

Juventus Football Club

During the first phase of the 2014-2015 Transfer Campaign, Juventus Football Club allocated significant resources to further strengthen the First Team bench, keep players on its staff and lay the foundation for the future inclusion of young players with excellent prospects.

As a consequence, the operating result for the full year that will end on June 30, 2015 is currently still expected to be a loss, will be influenced by increases in costs relating to sports management and the changes, also with respect to future revenues, that will derive from the sporting results actually achieved in Italy and Europe.

Juventus' objective is to build on the improvement in financial performance achieved during the previous three financial years.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. ended the year 2014 with a profit of €51.8 million (€92.7 million in 2013).

The decrease is due to lower net gains of €79.1 million (2013 included the €87 million gain on the disposal of The Black Ant Value Fund to the subsidiary EXOR S.A), higher net financial expenses (€12.4 million) and higher non-recurring expenses (€4.3 million), net of higher dividends received from investments (€40.7 million), lower general expenses (€4.7 million) and lower current and other taxes and duties (€9.5 million).

The separate **condensed income statement** and **condensed statement of financial position**, as well as comments on the most significant line items are presented below.

EXOR S.p.A. - Condensed Income Statement

€ million	Note	2014	2013	Change
Dividends from investments	1	**143.5**	102.8	40.7
Gains (losses) on disposals, impairment (losses) reversals of investments	2	**3.1**	82.2	(79.1)
Net financial income (expenses)	3	**(72.7)**	(60.3)	(12.4)
Net general expenses	4	**(18.1)**	(22.8)	4.7
Non-recurring other income (expenses) and general expenses	5	**(6.2)**	(1.9)	(4.3)
Income taxes and other taxes and duties		**2.2**	(7.3)	9.5
Profit for the year		**51.8**	92.7	(40.9)

EXOR S.p.A. - Condensed Statement of Financial Position

		12/31/2014		12/31/2013		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available-for-sale	6	**4,632.8**	**90.7**	3,930.8	83.0	702.0
Other non-current financial assets	8	**26.7**	**0.5**	94.2	2.0	(67.5)
Current financial assets and cash and cash equivalents	8	**443.1**	**8.7**	702.7	14.9	(259.6)
Financial receivables from subsidiaries	8	**1.1**	**0.0**	1.0	0.0	0.1
Tax Receivables		**6.0**	**0.1**	6.0	0.1	0.0
Other current and non-current assets		**0.9**	**0.0**	1.2	0.0	(0.3)
Total Assets		**5,110.6**	**100.0**	4,735.9	100.0	374.7
Equity	7	**3,409.9**	**66.7**	3,434.0	72.6	(24.1)
Bonds	8	**1,624.9**	**31.8**	1,228.5	25.9	396.4
Other current financial liabilities	8	**45.6**	**0.9**	33.7	0.7	11.9
Current and non-current provisions and other liabilities		**30.2**	**0.6**	39.7	0.8	(9.5)
Total Equity and Liabilities		**5,110.6**	**100.0**	4,735.9	100.0	374.7

1. Dividends from investments

In 2014 dividends from investments amount to €143.5 million and include dividends received from CNH Industrial for €73.4 million, EXOR S.A. for €70 million and Emittenti Titoli for €0.1 million.

In 2013 this line item totaled €102.8 million and consisted of dividends received from CNH Industrial for €82.6 million, EXOR S.A. for €20 million, Rho Immobiliare Fund for €0.1 million and Emittenti Titoli €0.1 million.

2. Gains (losses) on disposals, impairment (losses) reversals of investments

In 2014, gains (losses) on disposals, impairment (losses) and reversals of investments consist of gains of €5.8 million on the sale of listed securities and total losses of €10.6 million, of which €5 million refers to the sale of the remaining investment in Alpitour (7.17% of capital) and €5.6 million (price adjustment) established by the agreement signed by EXOR and Alpitour on June 30, 2014 which definitely closed all present and future disputes.
The line item also includes €8 million for the reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in subsequent years.

In 2013, gains (losses) on disposals, impairment (losses) reversals of investments include the gain of €87.2 million relating to the sale of The Black Ant Value Fund to the subsidiary EXOR S.A., net of price adjustments relating to the sale of Alpitour in 2012.

3. Net financial income (expenses)

Net financial expenses in 2014 amount to €72.7 million, with a net increase of €12.4 million compared to 2013 (€60.3 million), principally on account of higher average net debt and non-recurring expenses totaling €32.5 million relating to the partial cancellation (€250 million nominal amount) of the non-convertible bonds 2007-2017.

In 2013 net financial expenses included €18.2 million relating to the partial cancellation (€60 million nominal amount) of the same bonds and the closing of interest rate hedging instruments following the early extinguishment of non-current loans.

4. Net general expenses

Net general expenses amount to €18.1 million (€14.9 million net of the notional cost of the EXOR stock option plan), with a decrease of €4.7 million (€3.3 million net of the notional cost of the EXOR stock option plan) compared to an amount in 2013 of €22.8 million (€18.2 million net of the notional cost of the EXOR stock option plan), owing to the reduction in staff, the benefits of which in 2014 were partially absorbed by the costs for non-recurring expenses.

5. Non-recurring other income (expenses) and general expenses

Net expenses of €6.2 million refer to the reduction in staff and defense fees in legal proceedings pertaining to the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005.
They also include the expenses for the non-recoverability of the interest earned on the Deferred Price relating to the sale of Alpitour (€2.1 million) under the agreement signed by Alpitour on June 30, 2014.

€ million	2014	2013
Expenses connected with the reduction in staff	**(3.2)**	(0.2)
Non-recoverable receivables	**(2.1)**	0.0
Defense fees in legal proceedings	**(0.4)**	(0.9)
Other miscellaneous income (expenses)	**(0.5)**	(0.8)
Total	**(6.2)**	(1.9)

6. Investments

€ million	12/31/2014	12/31/2013	Change
Investments accounted for at cost			
Fiat Chrysler Automobiles N.V. - common shares	**1,328.5**	1,324.7	3.8
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	**711.2**	0.0	711.2
Fiat Chrysler Automobiles N.V.	**2,039.7**	1,324.7	715.0
CNH Industrial N.V.	**1,694.5**	1,690.3	4.2
EXOR S.A.	**746.5**	746.4	0.1
Juventus Football Club S.p.A.	**95.7**	95.7	0.0
Arenella Immobiliare S.r.l.	**26.0**	26.0	0.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	4,602.7	3,883.4	719.3
Financial assets available-for-sale			
Rho Immobiliare Fund	**11.3**	11.7	(0.4)
Other	**18.8**	35.7	(16.9)
	30.1	47.4	(17.3)
Total	**4,632.8**	3,930.8	702.0

The increase from December 31, 2013 is largely due to the subscription of the mandatory convertible securities issued by Fiat Chrysler Automobiles N.V. in December 2014.

A comparison between carrying amounts and trading prices of listed investments at year-end 2014 is as follows:

		Carrying amount		**Trading price December 30, 2014**	
	Number	Per share (€)	Total (€ million)	Per share (€)	Total (€ million)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328.5	9.652	**3,627.3**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711.2	88.104 (b)	**780.6**
			2,039.7		**4,407.9**
CNH Industrial N.V.	366,927,900	4.618	1,694.5	6.721	**2,466.1**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.219	**140.7**
Total			**3,829.9**		**7,014.7**

(a) Issued in nominal amounts of $100, translated at the exchange rate of 1.2457.
(b) Trading price of $106.967, translated at the exchange rate of 1.2141.

7. Equity

Equity at December 31, 2014 amounts to €3,409.9 million (€3,434 million at December 31, 2013). The reduction of €24.1 million is summarized as follows:

€ million	
Equity at December 31, 2013	**3,434.0**
Dividends paid	(74.5)
Other net changes	(1.4)
Profit for the year	51.8
Net change during the year	**(24.1)**
Equity at December 31, 2014	**3,409.9**

Additional details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2014.

8. Net financial position

The net financial position at December 31, 2014 is a negative €1,199.7 million, with an increase of €725.5 million from the negative balance of €474.2 million at year-end 2013.

The balance consists of the following:

	12/31/2014			12/31/2013		
€ million	Current	Non current	Total	Current	Non current	Total
Financial assets (a)	**167.0**	**26.3**	**193.3**	117.3	83.9	201.2
Financial receivables from subsidiaries	**1.1**	**0.0**	**1.1**	1.0	0.0	1.0
Cash and cash equivalents	**276.4**	**0.0**	**276.4**	585.7	0.0	585.7
Total financial assets	**444.5**	**26.3**	**470.8**	704.0	83.9	787.9
EXOR bonds 2007-2017	**(13.2)**	**(438.9)**	**(452.1)**	(20.7)	(687.8)	(708.5)
EXOR bonds 2012-2019	**(1.5)**	**(147.9)**	**(149.4)**	(1.5)	(147.5)	(149.0)
EXOR bonds 2013-2020	**(0.9)**	**(198.3)**	**(199.2)**	(0.9)	(198.0)	(198.9)
EXOR bonds 2014-2024	**(3.8)**	**(648.3)**	**(652.1)**	0.0	0.0	0.0
EXOR bonds 2018-2025	**(4.8)**	**(98.0)**	**(102.8)**	(4.8)	(97.8)	(102.6)
EXOR bonds 2011-2031	**(0.7)**	**(68.6)**	**(69.3)**	(0.7)	(68.8)	(69.5)
Bank debt and other financial liabilities	**(45.6)**	**0.0**	**(45.6)**	(33.6)	0.0	(33.6)
Total financial liabilities	**(70.5)**	**(1,600.0)**	**(1,670.5)**	(62.2)	(1,199.9)	(1,262.1)
Net financial position of EXOR S.p.A.	**374.0**	**(1,573.7)**	**(1,199.7)**	641.8	(1,116.0)	(474.2)

(a) €25 million in the current portion and €26.3 million in the non-current portion (in 2013, €25.7 million in the current portion and €83.5 million in the non-current portion) relate to bonds issued by leading counterparties, listed on active and open markets which the Company intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash, in order to ensure a constant attractive flow of financial income. This designation was decided in accordance with IAS 39, paragraph 9. Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The net negative change of €725.5 million during 2014 is described in the following table:

€ million		
Net financial position at December 31, 2013		**(474.2)**
Dividends received from investment holdings		143.5
- CNH Industrial N.V.	73.4	
- EXOR S.A.	70.0	
- Emittenti Titoli	0.1	
Net change in financial assets available-for sale		24.2
Subscription to Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		(711.2)
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		2.4
Dividends paid by EXOR S.p.A.		(74.5)
Other changes		(109.9)
- Net general expenses	(16.3)	
- Non-recurring other income (expenses) and general expenses	(4.2)	
- Net financial expenses	(75.4) (a)	
- Indirect taxes and duties	(0.4)	
- Other net changes	(13.6) (b)	
Net change during the year		**(725.5)**
Net financial position at December 31, 2014		**(1,199.7)**

(a) Does not include interest income on the mandatory convertible securities (€2.4 million) and interest income on the financial receivable from Alpitour (€0.3 million), which had no impact on the net financial position.

(b) Includes the measurement of the cross currency swap on the Japanese yen bonds 2011-2031 of €11.7 million and other net changes of €1.9 million.

9. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2014 and December 31, 2013 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 of July 28, 2006.

	Profit (Loss)		Equity	
€ million	**2014**	2013	**12/31/2014**	12/31/2013
Separate financial statements of EXOR S.p.A.	**52**	93	**3,410**	3,434
Difference between the carrying amounts of investments and the corresponding equity at the end of the prior year			**3,513**	2,649
Net balance between the changes during the year in the equity of consolidated companies and companies accounted for by the equity method (excluding the result)			**655**	(1,233)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	**427**	2,182	**513**	2,182
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(146)**	(105)		
Adjustments of gains/losses on disposals and impairments and reversals of investments	**(8)**	(85)	**(94)**	(85)
Other consolidation adjustments	**(2)**		**(2)**	0
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**323**	2,085	**7,995**	6,947

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

EXOR holds its investments and manages its financial resources directly or through certain subsidiaries. These companies, together with the holding company, EXOR, constitute the so-called “Holdings System”.

EXOR presents the interim consolidated financial statements at March 31 and September 30 of each year (statement of financial position and income statement) in shortened form prepared by applying the “shortened” consolidation criteria. In accordance with this criteria, the financial statements or accounting data drawn up in accordance with IFRS by EXOR and by the subsidiaries in the “Holdings System” are consolidated line by-line; the investments in the operating subsidiaries and associates (FCA, CNH Industrial, C&W Group, Almacantar, Juventus Football Club and Arenella Immobiliare) are accounted for using the equity method on the basis of their financial statements or accounting data drawn up in accordance with IFRS.

The financial statements drawn up using the “shortened” criteria, in order to facilitate the analysis of financial condition and cash flows, as well as the results of operations of the Group, are also presented along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year.

The FCA figures at December 31, 2014 refer to the Fiat Group after the merger of Fiat S.p.A. with and into Fiat Investments N.V. which became effective on October 12, 2014. The merger had no effect on the operations of the previous Fiat Group and therefore the figures presented in the Report on Operations relating to the share of the results of the investment holding and the value of the investment (accounted for using the equity method) are consistent with and comparable to those previously reported by the EXOR Group.
For purposes of the consolidation of FCA at December 31, 2014, the mandatory convertible securities were treated as an increase in the investment already held in FCA.

The following table shows the consolidation and valuation methods of the investment holdings:

	% of consolidation	
	12/31/2014	12/31/2013
Holding Company - EXOR (Italy)		
Companies in the Holdings System consolidated line-by-line		
- EXOR S.A. (Luxembourg)	100	100
- Exor Capital Limited (Ireland)	100	100
- Exor Inc. (USA)	100	100
- Ancom USA Inc. (USA)	100	100
- Exor N.V. (Netherlands)	100	100
- Exor SN LLC (USA) (a)	100	-
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	29.25	30.90
- CNH Industrial	27.42	27.96
- C&W Group (b)	83.06	82.40
- Almacantar	38.29	38.29
- Juventus Football Club S.p.A.	63.77	63.77
- Arenella Immobiliare S.r.l.	100	100

(a) Company incorporated on August 4, 2014.
(b) Percentages calculated on issued share capital, net of treasury stock held and net of the estimate of stock purchases from non-controlling interests to be made by C&W Group.

The EXOR Group ends the year 2014 with a consolidated profit of €323.1 million; the year 2013 closed with a consolidated profit of €2,084.5 million. The decrease of €1,761.4 million is principally due to lower gains realized during the year of €1,565.1 million, the reduction in the share of the results of the investment holdings of €128.9 million, lower dividends received of €56.8 million and higher net financial expenses of €11.8 million. In 2013, in particular EXOR had reported a net gain of €1,534 million on the sale of the entire investment in SGS from which it had also received dividends of €55.7 million.

At December 31, 2014 consolidated equity attributable to owners of the parent amounts to €7,995 million, with a net increase of €1,047.6 million compared to €6,947.4 million at year-end 2013. Additional details are provided in the following Note 10.

The consolidated net financial position of the Holdings System at December 31, 2014 is a positive €563 million, with a decrease of €718.2 million from the positive balance of €1,281.2 million at year-end 2013. Additional details are provided in the following Note 11.

The shortened consolidated **income statement** and **statement of financial position** and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - shortened

€ million	Note	2014	2013	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**425.2**	554.1	(128.9)
Dividends from investments	2	**4.9**	61.7	(56.8)
Gains (losses) on disposals and impairments on investments, net	3	**(36.9)**	1,528.2	(1,565.1)
Net financial income (expenses)	4	**(42.0)**	(30.2)	(11.8)
Net general expenses	5	**(21.3)**	(26.0)	4.7
Non-recurring other income (expenses) and general expenses	6	**(6.8)**	(3.6)	(3.2)
Income taxes and other taxes and duties		**0.0**	0.3	(0.3)
Profit attributable to owners of the parent		**323.1**	2,084.5	(1,761.4)

EXOR GROUP – Consolidated Statement of Financial Position - shortened

€ million	Note	12/31/2014	12/31/2013	Change
Non-current assets				
Investments accounted for using the equity method	7	**6,596.8**	4,809.9	1,786.9
Other financial assets:				
- Investments measured at fair value	8	**350.2**	367.8	(17.6)
- Other investments	9	**558.4**	572.9	(14.5)
- Other financial assets		**4.2**	10.9 (a)	(6.7)
Other property, plant and equipment and intangible assets		**1.2**	0.2	1.0
Total Non-current assets		**7,510.8**	5,761.7	1,749.1
Current assets				
Financial assets and cash and cash equivalents	11	**2,157.1**	2,488.0	(330.9)
Tax receivables and other receivables		**7.2** (b)	7.5 (b)	(0.3)
Total Current assets		**2,164.3**	2,495.5	(331.2)
Total Assets		**9,675.1**	8,257.2	1,417.9
Capital issued and reserves attributable to owners of the parent	10	**7,995.0**	6,947.4	1,047.6
Non-current liabilities				
Bonds and other financial debt	11	**1,600.0**	1,199.9	400.1
Provisions for employee benefits		**2.9**	2.3	0.6
Deferred tax liabilities, other liabilities and provisions		**0.9**	7.3	(6.4) (c)
Total Non-current liabilities		**1,603.8**	1,209.5	394.3
Current liabilities				
Bonds, bank debt and other financial liabilities	11	**70.5**	90.8	(20.3)
Other payables and provisions		**5.8**	9.5	(3.7)
Total Current liabilities		**76.3**	100.3	(24.0)
Total Equity and Liabilities		**9,675.1**	8,257.2	1,417.9

a) At December 31, 2013 the balance mainly included the financial receivable due by EXOR from Alpitour for €10 million, which represented the remaining balance of the Deferred Price on the sale of Alpitour (€15 million), inclusive of interest capitalized (€1.7 million) and net of expenses (€6.7 million) recorded in 2012 and 2013 following the settlement of certain disputes that arose with the buyer in the period subsequent to acquisition and relating to events prior to the sale by EXOR. At June 30, 2014, following the agreement reached with Alpitour, EXOR waived in full the remaining Deferred Price of €10.4 million, inclusive of interest capitalized (€2.1 million), definitively closing all present and future disputes.

b) Receivables from the tax authorities total €6.3 million (€6.1 million at December 31, 2013) and refer mainly to EXOR.

c) The change is mainly due to the release of expenses set aside in provision accounts at December 31, 2013 (€2.9 million) after having reached the agreement between EXOR and Alpitour, which led to the definitive closing of all present and future disputes.

1. Share of the profit (loss) of investments accounted for using the equity method

In 2014 the share of the profit (loss) of investments accounted for using the equity method is a profit of €425.2 million, with a decrease of €128.9 million compared to the profit reported in the year 2013 (€554.1 million). The decrease is principally attributable to the reduction in the share of the profit of FCA (-€109.9 million) and CNH Industrial (-€48.9 million), partially offset by the increase in the share of the profit of C&W Group (€25.1 million) and the reduction in share of the loss of Juventus (+€2.7 million).

	Profit (loss) (million)					EXOR's share (€ million)		
		2014		2013	Change	**2014**	2013	Change
FCA (a)	€	**568.0**	€	904.0 (b)	(336.0)	**164.8** (c)	274.7	(109.9)
CNH Industrial (a)	$	**917.0**	$	1,048.0 (d)	(131.0)	**189.4**	238.3 (e)	(48.9)
C&W Group	$	**68.7**	$	28.7	40.0	**42.9**	17.8	25.1
Almacantar	£	**83.1**	£	83.3	(0.2)	**39.5**	37.5	2.0 (f)
Juventus Football Club S.p.A.	€	**(18.2)** (g)	€	(22.4) (g)	4.2	**(11.6)**	(14.3)	2.7
Arenella Immobiliare S.r.l.	€	**0.2**	€	0.1	-	**0.2**	0.1	0.1
Total						**425.2**	554.1	(128.9)

(a) Includes consolidation adjustments.

(b) FCA's profit (€1,951 million including the profit of non-controlling interests) comprises €1,500 million from the recognition of net deferred tax assets relating to FCA US since the conditions resulting in their non-recognition are no longer present.

(c) The percentage of the profit of FCA considers that the merger between Fiat and Fiat Investment was completed on October 12, 2014; therefore it includes a percentage equal to 30.78% of FCA's profit for the nine months to September 30, 2014 for €41.9 million and a percentage equal to 29.25% of the profit for the fourth quarter for €122.9 million.

(d) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

(e) The percentage of profit of CNH Industrial considers that the merger between Fiat Industrial and CNH Global was completed on September 29, 2013; therefore it includes a percentage equal to 30.88% of CNH Industrial Group's profit for the nine months to September 30, 2013 for €190.1 million and a percentage equal to 27.96% of the profit for the fourth quarter of 2013 for €48.2 million.

(f) With the profit basically the same for both years, the increase in EXOR's share is due to the exchange rate effect.

(g) The loss results from the accounting data prepared for the company's consolidation by EXOR and refers to the period January 1 to December 31, 2014.

For comments on the Review of Performance of the Operating Subsidiaries and Associates, please refer to the next sections.

2. Dividends from investments

Details are as follows:

€ million	**2014**	2013	Change
Dividends received from investments accounted for using the equity method			
- CNH Industrial	**73.4**	82.6	(9.2)
- C&W Group	**2.2**	2.0	0.2
Dividends received from other investment holdings:			
- The Economist Group	**2.5**	2.3	0.2
- Banca Leonardo	**0.7**	2.3	(1.6)
- SGS	**0.0**	55.7	(55.7)
- Other	**1.7**	1.4	0.3
Dividends included in the net financial position	**80.5**	**146.3**	(65.8)
Dividends received from investments accounted for using the equity method	**(75.6)**	(84.6)	9.0
Dividends included in the income statement	**4.9**	61.7	(56.8)

3. Gains (losses) on disposals and impairments of investments, net

Details are as follows:

€ million	2014		2013		Change
Sales:					
- Alpitour	**(10.6)**	(a)	(5.0)	(b)	(5.6)
- SGS	**0.0**		1,534.0	(c)	(1,534.0)
- Other	**4.3**		(0.8)		5.1
Impairments:					
- Sequana	**(30.6)**	(d)	0.0		(30.6)
Total	**(36.9)**		1,528.2		(1,565.1)

(a) Of which €5.6 million relates to the reduction of the Deferred Price and €5 million to the sale of the remaining investment in Alpitour.

(b) Reduction of the Deferred Price on the sale of Alpitour relating to certain disputes that arose with the buyer.

(c) Determined by recording the balance of the fair value reserve relating to SGS in the income statement at the date of finalizing its sale (€1,575.2 million), net of the negative difference of €41.2 million between the fair value of the investment determined at the same date on the basis of its trading price (€2,044.9 million) and the sales price agreed between the parties (€2,003.7 million, net of expenses on the sale of €0.1 million).

(d) Following the prolonged and continuing decline in the share price, the investment was written down in the income statement for the fair value adjustement in 2014 (€10.8 million) and the reclassification to the income statement of the fair value reserve at December 31, 2013 (€19.8 million).

4. Net financial income (expenses)

In 2014 the net financial expenses balance is €42 million (a net financial expenses balance of €30.2 million in 2013). Details of the composition of the balance are as follows:

€ million	2014		2013		Change
Net interest income and other financial income					
Interest income on:					
- bank current accounts and deposits	**16.3**		16.6		(0.3)
- bonds	**12.2**		10.6		1.6
Income (expenses) and fair value adjustments to financial assets held for trading	**8.1**		8.8		(0.7)
Other financial income	**0.1**		0.5		(0.4)
Net interest income and other financial income	**36.7**		36.5		0.2
Interest expenses and other financial expenses					
Interest expenses and other expenses on EXOR bonds	**(63.3)**		(58.2)		(5.1)
Non-recurring expenses on cancellation of EXOR 2007-2017 bonds (a)	**(32.5)**		(6.5)		(26.0)
Expenses for interest rate hedges	**0.0**		(15.5)	(b)	15.5
Interest expenses and other expenses on bank borrowings	**(3.0)**		(4.7)		1.7
Interest expenses and other financial expenses	**(98.8)**		(84.9)		(13.9)
Net exchange gains (losses)	**1.4**		(0.6)		2.0
Financial income (expenses) generated by the financial position	**(60.7)**		(49.0)		(11.7)
Income on other investments (c)	**18.4**	(d)	17.6	(d)	0.8
Exchange gains (losses) and sundry financial income	**0.3**		1.2		(0.9)
Other financial income	**18.7**		18.8		(0.1)
Financial income (expenses) recorded in the income statement	**(42.0)**		(30.2)		(11.8)

(a) Derives from the difference between the average unit purchase price (€113.01) and nominal amount (€100) on the notional amount of €250 million cancelled in 2014. In 2013 the expenses arise from the difference between the average unit purchase price (€110.77) and nominal amount (€100) on the notional amount of €60 million.

(b) Included non-recurring expenses of €11.7 million relating to the closing of the interest rate hedging instruments following the early extinguishment of non-current loans for a total of €200 million.

(c) Included in other non-current financial assets.

(d) Includes mainly the net gains realized on the redemptions of the Perella Weinberg Funds of €13 million (€16.8 million in 2013) and The Black Ant Value Fund of €4.8 million (€1.2 million in 2013).

5. Net general expenses

In 2014 net general expenses amount to €21.3 million, with a decrease of €4.7 million compared to the prior year (€26 million) arising principally from the reduction in personnel costs.
The balance includes the notional cost of the EXOR stock option plans of approximately €3.3 million (€4.7 million in 2013). The reduction of €1.4 million is attributable to the forfeiture of the options on the Stock Option Plan EXOR 2008-2019 and the Stock Option Plan EXOR 2012-2021. Additional details are provided on capital issued and reserves attributable to owners of the parent in the following Note 10.

Details of the main items are as follows:

€ million	2014	2013	Change
Personnel costs	**(9.7)**	(13.9)	4.2
Compensation to and other costs relating to directors	**(5.3)**	(5.3)	0.0
Purchases of goods and services	**(6.5)**	(6.0)	(0.5)
Other operating expenses, net of revenues and cost recoveries	**0.2**	(0.8)	1.0
Total	**(21.3)**	(26.0)	4.7

6. Non-recurring other income (expenses) and general expenses

Details of the main items are as follows:

€ million	2014	2013	Change
Expenses connected with the reduction in staff	**(3.2)**	(1.6)	(1.6)
Defense fees in legal proceedings	**(0.6)**	(0.4)	(0.2)
Costs connected with transactions on investments	**(0.4)**	(1.0)	0.6
Other	**(2.6)** (a)	(0.6)	(2.0)
Total	**(6.8)**	(3.6)	(3.2)

(a) Includes principally the expenses for non-recoverable interest income earned on the Deferred Price (€2.1 million) as part of the agreement reached on June 30, 2014 with Alpitour, in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement.

7. Investments accounted for using the equity method

Details are as follows:

	Carrying amount at		
€ million	12/31/2014	12/31/2013	Change
FCA	**4,077.6**	2,634.1	1,443.5
CNH Industrial	**1,615.8**	1,410.2	205.6
C&W Group	**572.8**	480.5	92.3
Almacantar	**281.8**	225.1	56.7
Juventus Football Club S.p.A.	**22.7**	34.1	(11.4)
Arenella Immobiliare S.r.l.	**26.1**	25.9	0.2
Total	**6,596.8**	4,809.9	1,786.9

The positive change in EXOR's share of the investment in FCA is mainly due to the increase in the equity attributable to owners of FCA following the acquisition of the remaining 41.5% ownership interest in FCA US from the VEBA Trust (€387.7 million), with the consequent reduction in the equity attributable to non-controlling interests, the increase from the placement of mandatory convertible securities (€711.2 million), the capital increase (€248.3 million), the increase in exchange differences on translating foreign operations (+€361.6 million) and the profit for the year (€162.2 million), partially offset by the reimbursement of capital and reserves (-€121.8 million), the reduction in the cash flow hedge reserve (-€56.1 million) and the defined benefit plans remeasurement reserve (-€89.5 million).

The positive change in EXOR's share of the investment in CNH Industrial is mainly due to the profit for the year (€189.4 million), the increase in the exchange differences on translating foreign operations (€165.9 million), partially offset by the reduction in the cash flow hedge reserve (-€31.5 million), the defined benefit plans remeasurement reserve (-€64.4 million) and dividends paid (-€77.4 million).

The positive change in EXOR's share of the investment in the C&W Group is mainly due to the increase in the exchange differences on translating foreign operations (€52.5 million) and the profit for the period (€42.9 million).

8. Other non-current financial assets – Investments measured at fair value

These are investments available-for-sale. Details are as follows:

	12/31/2014		12/31/2013		
€ million	%	Carrying amount	%	Carrying amount	Change
Banca Leonardo S.p.A.	17.37	**60.0**	17.37	76.0	(16.0)
Banijay Holding S.A.S.	17.09	**41.0**	17.09	37.0	4.0
The Economist Group	4.72	**40.4**	4.72	37.0	3.4
NoCo A L.P.	2.00 (a)	**17.5**	2.00 (a)	16.0	1.5 (b)
Sequana S.A.	10.85	**14.6**	17.38	24.8	(10.2)
Other		**176.7** (c)		177.0 (c)	(0.3)
Total		**350.2**		367.8	(17.6)

(a) Percentage ownership interest in the limited partnership, measured at cost.
(b) Exchange differences on translating foreign operations.
(c) Relates to listed investments (€173.5 million at December 31, 2013).

The decrease in the investment in Banca Leonardo is due to the negative fair value adjustment of €11.2 million (with recognition in equity) and the reimbursement of reserves of €4.8 million.

The increase in the investment in Banijay Holding arises from the positive fair value adjustment of €4 million (with recognition in equity).

The increase in the investment in The Economist Group is attributable to the positive fair value adjustment of €3.4 million (with recognition in equity).

At June 30, 2014 the investment in Sequana was adjusted to fair value on the basis of the per share trading price at that date (€4.08 per share) for a total of €7.1 million. The negative fair value reserve recognized in equity was at the same time reclassified to the income statement, as set out in IAS 39, deeming the capital increase operation and the trend of the share price determining factors in evaluating the existence of an impairment such as to justify the recognition in the income statement of a correction of the investment value for a total expense of €26.9 million.
On July 26, 2014 EXOR S.A. subscribed to Sequana's share capital increase for a total payment of €11.1 million and in the following months sold on the market 3,158,313 shares for a total equivalent amount of €9.1 million, recording a net loss of €1.4 million.
The total impairment charge recognized in the income statement in 2014 is €30.6 million and includes the fair value adjustment in 2014 of €10.8 million and the reclassification to the income statement of the fair value reserve at December 31, 2013 of €19.8 million.
At December 31, 2014 the remaining 5,537,687 shares were measured at fair value on the basis of the per share trading price at December 31, 2014 (€2.64 per share), recording an additional correction in value of €3.7 million owing to the continual reduction in the share's trading price.

9. Other non-current financial assets – Other investments

These are financial assets available-for-sale and held to maturity. Details are as follows:

€ million	12/31/2014	12/31/2013	Change
Investments measured at fair value			
- The Black Ant Value Fund	**392.0**	381.6	10.4
- Perella Weinberg Funds	**13.0**	46.5	(33.5)
- Rho Immobiliare Fund	**11.3**	11.7	(0.4)
- Other funds	**65.8**	49.6	16.2
	482.1	489.4	(7.3)
Investments measured at amortized cost			
- Bonds held to maturity	**76.3**	83.5	(7.2) (a)
Total	**558.4**	572.9	(14.5)

(a) Includes mainly purchases made during the year of €50 million, net of decreases of €57 million (of which €25 million for reclassifications among current financial assets).

The net increase in The Black Ant Value Fund of €10.4 million is due to the positive fair value adjustment of €29.5 million, partially offset by the redemption of 142,500 shares, according to the agreements signed and taking into account the positive performance recorded during 2013, for a total equivalent amount of €19.1 million. The redemption resulted in a net gain of €4.8 million relating to the realization of a part of the fair value reserve. At December 31, 2014 the positive fair value adjustment recognized in equity amounts to €121.3 million.

The net decrease in the Perella Weinberg Funds of €33.5 million is due principally to the redemption of the NoCo B and Perella Weinberg Real Estate I Funds, respectively, for $28.5 million (€21.1 million) and €19.3 million, partially offset by investments during the period of €1 million and the positive fair value adjustment of €5.9 million. The net gain realized of €13 million refers to the realization of a part of the fair value reserve. At December 31, 2014 the fair value adjustment recorded in equity is a negative €0.5 million.
At December 31, 2014, the remaining investment commitments in NoCo B L.P. and in the Perella Weinberg Real Estate I Fund total, respectively, $8.2 million (€6.8 million) and €18.9 million.

10. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2014	12/31/2013	Change
Share capital	**246.2**	246.2	0.0
Reserves	**8,092.9**	7,045.3	1,047.6
Treasury stock	**(344.1)**	(344.1)	0.0
Total	**7,995.0**	6,947.4	1,047.6

Details of changes during the period are as follows:

€ million	
Balance at December 31, 2013	**6,947.4**
Fair value adjustments to investments and other financial assets:	
- The Black Ant Value Fund	29.5
- Banca Leonardo	(11.2)
- Perella Weinberg Funds	6.0
- Other financial assets	50.3
Reclassification of fair value to income statement:	
- Sequana	19.8
- Perella Weinberg Funds	(13.0)
- The Black Ant Value Fund	(4.8)
- Other financial assets	1.4
Measurement of EXOR's derivative financial instruments	(11.7)
Dividends paid by EXOR	(74.5)
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method	
- Acquisition of interests in subsidiaries by the FCA Group	387.7 (a)
- FCA capital increase	248.3
- Exchange differences on translating foreign operations	594.5
- Cash flow hedge reserve (net of deferred taxes)	(105.9)
- Defined benefits plans remeasurement reserve (net of deferred taxes)	(157.4)
- Other	(234.5)
Profit attributable to owners of the parent	323.1
Net change during the year	**1,047.6**
Balance at December 31, 2014	**7,995.0**

(a) EXOR's share of the increase in the equity attributable to owners of FCA principally following the acquisition of the remaining 41.5% ownership interest in FCA US from the VEBA Trust, with the consequent reduction in the equity attributable to non-controlling interests.

EXOR S.p.A. stock option plans

The composition and the change in the stock option plans are as follow:

	Stock Option Plan 2008-2019		Stock Option Plan 2012-2021 Company Performance	Stock Option Plan 2012-2021 Long Term Stock Grant
Balance at December 31, 2013	**7,123,000**		**2,510,732**	**347,456**
Options forfeited	(1,011,000)		(1,133,132)	(180,790)
Balance at December 31, 2014	**6,112,000**	(a)	**1,377,600**	**166,666**
Cost referring to the year (€ million):				
- personnel costs	0.7		0.4	0.6
- compensation to the Chairman and Chief Executive Officer	1.2		0.4	-
Total	**1.9**		**0.8**	**0.6**

(a) Corresponding to 1,619,680 shares.

The reduction in the number of options is mainly due to the reduction in staff and, as regards "Company Performance", failure to reach the performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro.

11. Consolidated net financial position of the Holdings System

At December 31, 2014 the consolidated net financial position of the Holdings System is a positive €563 million, with a decrease of €718.2 million from the balance at year-end 2013 (€1,281.2 million) principally on account of the purchase of mandatory convertible securities issued by FCA (€711.2 million). The balance is composed as follows:

	12/31/2014			12/31/2013			Change		
€ million	Current	Non current	Total	Current	Non current	Total	Current	Non current	Total
Financial assets	**937.9**	**76.4**	**1,014.3**	581.7	83.9	665.6	356.2	(7.5)	348.7
Financial receivables	**1.9**	**0.0**	**1.9**	6.1	0.0	6.1	(4.2)	0.0	(4.2)
Cash and cash equivalents	**1,217.3**	**0.0**	**1,217.3**	1,900.2	0.0	1,900.2	(682.9)	0.0	(682.9)
Total financial assets	**2,157.1**	**76.4**	**2,233.5**	2,488.0	83.9	2,571.9	(330.9)	(7.5)	(338.4)
EXOR bonds	**(24.9)**	**(1,600.0)**	**(1,624.9)**	(28.6)	(1,199.9)	(1,228.5)	3.7	(400.1)	(396.4)
Financial payables to associates	**0.0**	**0.0**	**0.0**	(28.5)	0.0	(28.5)	28.5	0.0	28.5
Other financial liabilities	**(45.6)**	**0.0**	**(45.6)**	(33.7)	0.0	(33.7)	(11.9)	0.0	(11.9)
Total financial liabilities	**(70.5)**	**(1,600.0)**	**(1,670.5)**	(90.8)	(1,199.9)	(1,290.7)	20.3	(400.1)	(379.8)
Consolidated net financial position of the Holdings System	**2,086.6**	**(1,523.6)**	**563.0**	2,397.2	(1,116.0)	1,281.2	(310.6)	(407.6)	(718.2)

During 2014 a part of cash (€685 million) was used to purchase mutual funds, including €338 million that was redeemed at the end of the year.

Current financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial assets, if held for trading, are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement. They also include the current portion of bonds held to maturity.

Non-current financial assets include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
These financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties since the primary objective is having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.

At December 31, 2014 the **bonds** issued by EXOR are described as follows:

Issue date	Maturity date	Issue price	Coupon	Rate (%)	Currency	Nominal amount (million)	Balance at (a) 12/31/2014	12/31/2013
							(€ million)	
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375	€	440.0	**(452.1)**	(708.3)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750	€	150.0	**(149.4)**	(149.0)
11/12/2013	11/12/2020	99.053	Annual	fixed 3.375	€	200.0	**(199.2)**	(198.9)
10/8/2014	10/8/2024	99.329	Annual	fixed 2.50	€	650.0	**(652.1)**	0.0
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250	€	100.0	**(102.8)**	(102.7)
5/9/2011	5/9/2031 (b)	100.000	Semiannual	fixed 2.80	Yen	10,000.0	**(69.3)**	(69.6)
							(1,624.9)	(1,228.5)

(a) Includes the current portion.

(b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

At December 31, 2013 **financial payables to associates** of €28.5 million refer to the payable to Almacantar S.A. for the share of the capital increase subscribed by EXOR S.A. in July 2013, but not yet paid. This payable was extinguished in full during 2014.

Other financial liabilities principally consist of the measurement of cash flow hedge derivative instruments.

The net negative change of €718.2 million in 2014 is described in the following table:

€ million		
Consolidated net financial position of the Holdings System at December 31, 2013		**1,281.2**
Dividends from investment holdings		80.5
- CNH Industrial	73.4	
- The Economist Group	2.5	
- C&W Group	2.2	
- Banca Leonardo	0.7	
- Other	1.7	
Reimbursements of reserves		7.5
- Banca Leonardo	4.8	
- Other	2.7	
Financial income from Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		2.4
Investments		(724.0)
- Subscription to Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016	(711.2)	
- Subscription to Sequana capital increase, net of partial sale of shares	(2.0)	
- Current other financial assets	(10.8)	
Sales/Redemptions		98.7
- Noco B	39.4	
- The Black Ant Value Fund	19.1	
- Alpitour	5.0	
- Other non-current financial assets	35.2	
Dividends paid by EXOR		(74.5)
Other changes		
- Net general expenses		(18.0)
- Non-recurring other income (expenses) and general expenses		(4.7)
- Net financial expenses		(60.7) (a)
- Other taxes and duties		(0.6)
- Other net changes		(24.8) (b)
Net change during the year		**(718.2)**
Consolidated net financial position of the Holdings System at December 31, 2014		**563.0**

(a) Of which €32.5 million refers to expenses relating to the cancellation of EXOR bonds 2007-2017.
(b) Includes primarily the negative measurement of the cross currency swap on bonds 2011-2031 in Japanese yen for €11.7 million.

At December 31, 2014 EXOR has unused irrevocable credit lines for €425 million (including €80 million due by December 31, 2015 and €345 million after December 31, 2015), in addition to unused revocable credit lines for more than €595 million.

EXOR's long-term debt and short-term debt are rated by Standard & Poor's, respectively, at "BBB+" and "A-2", with a stable outlook.

CORPORATE GOVERNANCE

In its meeting held on April 14, 2015 the EXOR S.p.A. board of directors also approved the "Report on the Company's Corporate Governance and Ownership Structure" written in accordance with Legislative Decree 58 of February 24, 1998 art. 123-*bis*, as subsequently integrated and amended (TUF – Consolidated Law on Finance).
The Report was published with the 2014 Annual Report and is available on the website www.exor.com.

OTHER INFORMATION

Management and coordination

EXOR S.p.A. is not subject to the management and coordination of any other company or entity and is fully independent in decisions regarding its general strategic and operating guidelines.

Related party transactions

Information and balances in the statement of financial position and in the income statement originating from transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel

Information pertaining to personnel is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES

(The percentages indicated in relation to the stake, voting rights and share capital are calculated on the basis of the figures at the date of December 31, 2014)

(29.25% stake, 44.37% of voting rights on issued capital)

The key consolidated figures of FCA reported for the year 2014 are the following:

€ million	Year		
	2014	2013 (1)	Change
Net revenues	**96,090**	86,624	9,466
EBITDA	**8,120**	7,637	483
EBIT	**3,223**	3,002	221
EBIT Adjusted for unusual items	**3,651**	3,521	130
Profit for the year	**632**	1,951	(1,319)
Profit attributable to owners of the parent	**568**	904	(336)

(1) Adjusted for the retrospective adoption of IFRS 11: Net revenues -€192 million, EBIT +€30 million, Profit unchanged.

€ million	At	
	12/31/2014	12/31/2013 (1)
Total assets	**100,510**	87,214
Net debt	**(10,849)**	(10,158)
- of which: Net industrial debt	**(7,654)**	(7,014)
Equity attributable to owners of the parent	**13,425**	8,326

(1) At December 31, 2013, adjusted for the retrospective adoption of IFRS 11: Net industrial debt +€365 million.

Net revenues

Net revenues increased by €9.5 billion year-over-year (+11%; +12% on a constant currency basis) to €96.1 billion, driven mainly by **NAFTA** (+15%), **APAC** (+34%) and **Maserati** (+67%), with increases also for **EMEA** (+4%) and **Components** (+7%). These increases were partly offset by a 13% reduction for **LATAM** (-7% on a constant currency basis), where vehicle shipments were down due to continued weak demand in the region's main markets.

€ million	Year		Change
	2014	2013(1)	%
NAFTA (Mass-Market brands)	**52,452**	45,777	14.6
LATAM (Mass-Market brands)	**8,629**	9,973	-13.5
APAC (Mass-Market brands)	**6,259**	4,668	34.1
EMEA (Mass-Market brands)	**18,020**	17,335	4.0
Ferrari	**2,762**	2,335	18.3
Maserati	**2,767**	1,659	66.8
Components (Magneti Marelli, Teksid, Comau)	**8,619**	8,080	6.7
Other	**831**	929	-10.5
Eliminations and adjustments	**(4,249)**	(4,132)	-
Net revenues	**96,090**	86,624	10.9

(1) Adjusted for the retrospective adoption of IFRS 11. Revenues: Group -€192 million, APAC +€47 million, EMEA -€85 million, Eliminations and adjustments -€154 million.

EBIT

EBIT totals €3,223 million for the year, a 7% increase (+9% on a constant currency basis) over the €3,002 million in 2013. EBIT includes unusual items which totaled a €428 million net charge in 2014, compared to €519 million in 2013.

In 2014 unusual items include primarily €495 million charge connected with the UAW Memorandum of Understanding entered into by FCA US on January 21, 2014 and €98 million negative impact from the devaluation of the Venezuelan bolivar (VEF) net of €223 million non-cash and non-taxable gain resulting from the fair value of the options representing approximately 10% of FCA US equity interest which was a portion of the 41.5% stake that FCA acquired from the VEBA Trust on January 21, 2014. In 2013 unusual items included €390 million in asset writedowns mainly associated with the rationalization of architectures associated with the new product strategy. In addition there was a €56 million writeoff of the book value of the Equity Recapture Agreement Right in connection with the acquisition of the minority stake in FCA US and a €43 million charge related to the devaluation of the VEF. EBIT adjusted for these unusual items increased by €130 million on the back of strong improvements for **APAC** and **Maserati**, with **EMEA** reducing losses by €198 million, benefiting primarily from higher volumes and better product mix, manufacturing and purchase efficiencies. In **LATAM**, EBIT adjusted for unusual items decreased by €330 million mainly reflecting lower volumes, €51 million in negative exchange rate translation impacts and €45 million in start-up costs for the Pernambuco plant. **NAFTA** was substantially in line with the prior year despite the impact of higher warranty and recall costs.

EBIT by segment is detailed as follows:

€ million	Year		Change
	2014	2013 (1)	
NAFTA (Mass-Market brands)	**1,647**	2,290	(643)
LATAM (Mass-Market brands)	**177**	492	(315)
APAC (Mass-Market brands)	**537**	335	202
EMEA (Mass-Market brands)	**(109)**	(506)	397
Ferrari	**389**	364	25
Maserati	**275**	106	169
Components (Magneti Marelli, Teksid, Comau)	**260**	146	114
Other	**(114)**	(167)	53
Eliminations and adjustments	**161** (2)	(58)	219
EBIT	**3,223**	3,002	221

(1) Adjusted for the retrospective adoption of IFRS 11. EBIT: Group +€30 million, APAC +€17 million, EMEA +€14 million, Eliminations and adjustments -€1 million.

(2) Includes the unusual non-cash and non-taxable gain of €223 million recognized in the first quarter of 2014 resulting from the fair value of the options representing approximately 10% of FCA US equity interest which was a portion of the 41.5% stake that Fiat acquired from the VEBA Trust on January 21, 2014.

Profit for the year

Net financial expenses totaled €2,047 million, €60 million higher than 2013, with the impact of higher average debt levels partially offset by the benefits of FCA US refinancing transactions completed in February. Excluding the impact of stock option-related equity swaps, net financial expenses were substantially in line with the prior year.

Tax expenses totaled €544 million for the year, compared with tax income of €936 million for 2013. In 2013, income taxes included a €1.5 billion positive one-time recognition of net deferred tax assets related to FCA US; excluding this item, net income tax expenses totaled €564 million. Higher deferred tax expense in 2014 due to utilization of a portion of the deferred tax assets recognized in 2013 were largely offset by non-recurring deferred tax benefits which did not occur in the prior year.

Net debt

Net industrial debt at year-end was €7.7 billion, compared to €7.0 billion at year-end 2013 (adjusted for the retrospective application of IFRS 11 – €0.4 billion impact). Excluding the effect of the acquisition of the minority interest in FCA US and fourth quarter capital transactions, net industrial debt increased by €0.3 billion, with investments in property, plant and equipment and intangible assets of €8.1 billion almost fully covered by cash flows from operations.

	At		
€ million	**12/31/2014**	12/31/2013 (1)	Change
Third parties debt	**(32.892)**	(28.899)	(3.993)
- Bank debt	**(13.120)**	(8.932)	(4.188)
- Capital market instruments (2)	**(17.729)**	(14.220)	(3.509)
- Other debt (3)	**(2.043)**	(5.747)	3.704
Asset-backed financing (4)	**(469)**	(756)	287
Accruals and other adjustments	**(305)**	(601)	296
Gross debt	**(33.666)**	**(30.256)**	**(3.410)**
Cash and cash equivalents	**23.050**	19.702	3.348
Assets/(Liabilities) from derivative financial instruments	**(233)**	396	(629)
Net debt	**(10.849)**	**(10.158)**	**(691)**
Industrial Activities	**(7.654)**	(7.014)	(640)
Financial Services	**(3.195)**	(3.144)	(51)

(1) Adjusted for the retrospective application of IFRS 11: net debt +€365 million (fully attributable to Industrial Activities).
(2) Includes bonds and other securities issued in financial markets.
(3) Includes: HCT Notes (Canadian Health Care Trust Notes), arrangements accounted for as a lease under IFRIC 4 – Determining whether an arrangement contains a lease and other non-bank financing. (At year-end 2013, also included VEBA Trust Note).
(4) Advances on sale of receivables and securitizations on book.

Significant events in 2014

On January 29, 2014, the board of directors of Fiat S.p.A. (“Fiat”) approved a proposed corporate reorganization resulting in the formation of Fiat Chrysler Automobiles N.V. ("FCA") as a fully integrated global automaker.

On August 1, 2014 the extraordinary general meeting of the shareholders of Fiat S.p.A. approved the cross-border legal merger of Fiat S.p.A. into its 100 percent-owned direct dutch subsidiary Fiat Investments N.V.

On October 12, 2014 the merger of Fiat S.p.A. with and into Fiat Investments N.V. became effective and at that time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (“FCA”) and became the holding company for the Fiat Chrysler Group. In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each Fiat ordinary share.
In addition FCA retained 35,000,000 common shares formerly constituting the share capital of Fiat Investments N.V. as treasury stock.
FCA also issued 408,941,767 special voting shares to eligible Fiat shareholders who elected to participate in its loyalty voting program.
The next day, FCA common shares commenced trading on the NYSE of New York and the MTA of Milan.

Before the merger

On January 1, 2014, the Fiat Group announced an agreement with the VEBA Trust, under which its wholly-owned subsidiary, Fiat North America LLC (“FNA”), would acquire all of the VEBA Trust’s equity membership interests in Chrysler, representing remaining 41.5% of capital. The transaction closed on January 21, 2014. In consideration for the sale of its membership interests in Chrysler, the VEBA Trust received an aggregate consideration of:

- a special distribution of $1.9 billion paid by Chrysler to its members on January 21, 2014 (FNA directed its portion of the special distribution to the VEBA Trust as part of the purchase consideration) and
- a payment of $1.75 billion from FNA to the VEBA Trust.

On January 21, 2014, Chrysler and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (”UAW”) entered into a memorandum of understanding under the collective bargaining agreement with the UAW in which the UAW made commitments to support Chrysler industrial operations, including to use its best efforts to cooperate in the continued roll-out of World Class Manufacturing, or WCM, programs and to actively assist in the achievement of Chrysler’s long-term business plan. In consideration of these commitments, Chrysler agreed to make payments to the VEBA Trust totaling $700 million to be paid in four equal annual installments. The initial payment of $175 million was made on January 21, 2014 and additional payments will be payable on each of the next three anniversaries of the initial payment.

Following the acquisition of the VEBA Trust's equity interests in Chrysler, on February 7, 2014 Chrysler repaid all amounts outstanding including accrued and unpaid interest of approximately $5.0 billion under the VEBA Trust Note.

On May 6, 2014 the CEO along with members of the executive management of the Group presented the Group's 2014-2018 Business Plan to financial analysts and institutional investors in Auburn Hills (Michigan, U.S.).

After the merger

On October 29, 2014 the board of directors of FCA announced that in connection with FCA's implementation of a capital plan appropriate to support the Group's long-term success, it has authorized the separation of Ferrari S.p.A. from FCA. The separation will be effected through a public offering of FCA's interest in Ferrari equal to 10% of Ferrari's outstanding shares and a distribution of FCA's remaining Ferrari shares to FCA shareholders.

The same board of directors meeting authorized the offer and sale of FCA common shares and mandatory convertible securities. FCA will offer up to 100 million FCA common shares including 35 million common shares currently held in treasury by FCA and approximately 54 million common shares that will be issued by FCA to replenish the share capital canceled following the exercise by Fiat S.p.A. shareholders of cash exit rights under Italian law in connection with the cross-border merger of Fiat S.p.A. into FCA. Those Fiat shares were redeemed and cancelled in the merger as required by Italian law.

$2.5 billion in aggregate principal amount of mandatory convertible securities are expected to be offered in an SEC-registered offering to U.S. and international institutional investors. The mandatory convertible securities will be mandatorily convertible into FCA common shares at maturity. The interest rate, conversion rates and other terms and conditions of the mandatory convertible securities will be determined at pricing of the offering. It is expected that investors participating in the offering, subject to completion of the spin-off of Ferrari, will be entitled to participate in the spin-off and receive shares of Ferrari pursuant to customary provisions adjusting the conversion terms.

In connection with discussions regarding capital planning to support the Group's 2014-2018 Business Plan, FCA confirmed its intention to eliminate any contractual terms limiting the free flow of capital among members of the Group. As a result, FCA expects to redeem each series of FCA US outstanding secured senior notes no later than at its initial optional redemption date of June 2015 for the 8% Senior Secured Notes due 2019 and June 2016 for the 8-1/4% Secured Senior Notes due 2021.

On December 16, 2014, FCA announced that it had completed the sale of 100 million common shares, nominal value €0.01 per share, and $2,875 million in aggregate notional amount of its 7.875% mandatory convertible securities due 2016. The common shares sold consisted of the common shares previously held by FCA as treasury shares and additional common shares that FCA issued to replenish the share capital canceled in accordance with applicable law following the exercise by Fiat S.p.A. shareholders of cash exit rights under Italian law in connection with the cross-border merger of Fiat into FCA. The offerings reflect the exercise in full of the underwriters' options to purchase additional common shares and mandatory convertible securities.

The common shares were sold to the public at a public offering price of $11.00 per common share. The mandatory convertible securities were sold to the public at 100% of the notional amount of $100 per mandatory convertible security. Total net proceeds, before expenses, from both offerings were approximately $3,887 million.

The mandatory convertible securities will be mandatorily converted into FCA common shares on December 15, 2016, unless earlier converted at the option of the holder or FCA or upon certain specified events in accordance with their terms. The mandatory convertible securities will pay a coupon of 7.875% per annum, payable annually in arrears, on December 15, 2015 and 2016, which may, at FCA's discretion, be paid in common shares of FCA at the mandatory conversion date. FCA will have the option to defer payment of coupons, provided that such deferral may not extend past the maturity date. The mandatory convertible securities were issued in denominations of $100 per mandatory convertible security. The maximum conversion rate of the mandatory convertible securities was set at 9.0909 common shares per mandatory convertible security and the minimum conversion rate was set at 7.7369 common shares per mandatory convertible security, in each case subject to adjustment in certain circumstances.

(27.07% stake, 40.11% of the voting rights on issued capital.
In addition, FCA holds a 1.18% stake, 1.74% of the voting rights)

The key consolidated figures of CNH Industrial for the year 2014 (drawn up in accordance with IFRS) are as follows:

	Year		
$ million	**2014**	2013 (1)	Change
Net revenues	**32,957**	34,231	(1,274)
Trading profit	**2,399**	2,637	(238)
Operating profit	**2,167**	2,481	(314)
Profit for the year	**916**	1,218	(302)
Profit attributable to owners of the parent	**917**	1,048	(131)

	At	
$ million	**12/31/2014**	12/31/2013 (1)
Total assets	**54.441**	56.462
Net debt	**(23.590)**	(23.290)
- of which: Net industrial debt	**(2.874)**	(2.195)
Equity attributable to owners of the parent	**7.534**	7.591

(1) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

Net revenues

The CNH Industrial Group reported net revenues of $32,957 million for 2014, a 3.7% decrease compared to 2013 (down 2.0% on a constant currency basis). **Net revenues of Industrial Activities** were $31,408 million in 2014, a 4.4% decrease compared to the prior year (down 2.7% on a constant currency basis) with revenue growth for **Construction Equipment** and **Powertrain** more than offset by a decline in **Agricultural Equipment**, due to lower volumes and unfavorable product mix primarily in LATAM and NAFTA and **Commercial Vehicle**s in LATAM, as well as by the negative impact of currency translation, primarily relating to the Brazilian real. **Financial Services** recorded net revenues of $2,086 million in 2014, an increase of 7.0% compared to 2013, principally due to the higher average portfolio value.

	Year		Change
$ million	**2014**	2013 (1)	%
Agricultural Equipment	**15,204**	16,763	-9.3
Construction Equipment	**3,346**	3,258	2.7
Commercial Vehicles	**11,087**	11,447	-3.1
Powertrain	**4,475**	4,423	1.2
Eliminations and other	**(2,704)**	(3,050)	-
Total Industrial Activities	**31,408**	32,841	**-4.4**
Financial Services	**2,086**	1,950	7.0
Eliminations and other	**(537)**	(560)	-
Net revenues	**32,957**	34,231	**-3.7**

(1) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

Trading profit

Group **trading profit** was $2,399 million, or 7.3% of net revenues, in 2014. Trading profit decreased of $238 million compared to a trading profit of $2,637 million, or 7.7% of net revenues, in 2013. **Trading profit of Industrial Activities** was $1,867 million, a decrease of $252 million compared to prior year, with an operating margin of 5.9%, down 0.6 percentage points compared to 2013. Trading profit increases in **Construction Equipment** and **Powertrain** were more than offset by declines in **Agricultural Equipment** and **Commercial Vehicles**. Construction Equipment benefitted from favorable volume and mix in all regions, positive price realization, and cost efficiencies. For **Powertrain**, the improvement was mainly due to the increase in sales, primarily with third parties, and continued industrial cost efficiencies partially offset by an increase in research and development costs. For **Commercial Vehicles**, positive performance in **EMEA** and **APAC** and significant reductions in selling, general and administrative ("SG&A") costs were more than offset by the negative effects of challenging trading conditions in **LATAM**, due to a significant decline in market demand. For **Agricultural Equipment**, lower volume and negative product mix were partially offset by positive net price realization, industrial efficiencies and structural cost reductions in SG&A costs and research and development expenses. Foreign exchange translation impacts were not material to the operating profit of **Industrial Activities. Trading profit for Financial Services** totaled $532 million, an increase of 2.7% compared to 2013.

	Year		
$ million	**2014**	2013 (1)	Change
Agricultural Equipment	**1,689**	1,949	(260)
Construction Equipment	**66**	(109)	175
Commercial Vehicles	**2**	145	(143)
Powertrain	**220**	210	10
Eliminations and other	**(110)**	(76)	(34)
Total Industrial Activities	**1,867**	2,119	**(252)**
Financial Services	**532**	518	14
Eliminations and other	**-**	-	-
Trading profit	**2,399**	2,637	(238)

(1) Amounts recast in order to reflect the change in presentation currency from euro to U.S. dollar.

Operating profit

Gains/(losses) on the disposal of investments amount to zero in 2014. In 2013, this item amounted to $25 million, in connection with the sale of the investment in Kobelco Construction Machinery Co., which took place in 2012, following an adverse ruling issued by the arbitrator on the price of the transaction.

In 2014, **restructuring costs** amounted to $192 million, as part of the Group's Efficiency Program announced in July 2014. **Agricultural Equipment** recorded $46 million primarily for the planned closure of a joint venture in China and cost reduction activities as a result of negative demand conditions. **Commercial Vehicles** recorded $103 million mainly due to actions to reduce SG&A costs and business support costs as a result of the transition to CNH Industrial's regional structure, and costs related to the completion of manufacturing product specialization programs. **Construction Equipment** recorded $43 million restructuring costs mainly due to the realignment of the dealer networks in **EMEA** as a result of the re-positioning of the Case and New Holland brand offerings, and the announced closure of an assembly plant in Calhoun, Georgia, USA. For 2013, restructuring costs were $54 million, mainly referring to Commercial Vehicles and primarily related to manufacturing product specialization programs.

Other unusual expenses were $40 million in 2014 mainly due to the closure of an indirect taxes claim and costs for the rationalization of strategic suppliers. Other unusual expenses were $77 million in 2013, largely reflecting expenses related to the dissolution of the previous joint venture with Barclays group and its consolidation into Financial Services and costs for the rationalization of strategic suppliers.

The CNH Industrial Group recorded an **operating profit** of $2,167 million (or 6.6% of net revenues) in 2014, a decrease of $314 million compared to $2,481 million (or 7.2% of net revenues) recorded for 2013. **Operating profit for Industrial Activities** was $1,635 million, down $369 million from 2013, with lower trading profit and higher restructuring costs partially offset by lower loss on disposal of investments. Operating profit for **Financial Services** totaled $532 million, up $55 million over 2013.

Profit for the year

Net financial expenses were $776 million in 2014, compared to $615 million in 2013, and included a pre-tax charge of $71 million due to the re-measurement of Venezuelan assets denominated in bolivars. Excluding this exceptional charge, net financial expenses totaled $705 million, an increase of $90 million over the prior year, mainly deriving from higher average net industrial debt, partially offset by more favorable interest rates.

Result from investments was a net gain of $91 million in 2014 (compared to a net gain of $136 million in 2013). The decrease of $45 million is mainly due to lower earnings from the joint ventures in APAC as a result of more difficult trading conditions.

Income taxes totaled $566 million in 2014 compared to $784 million in 2013, representing an effective tax rate of 38.2% for the year (2013 effective tax rate of 39.2%).

Net debt

At December 31, 2014 consolidated **net debt** was $23,590 million, an increase of $300 million compared to $23,290 million at the end of 2013.

During 2014, **net industrial debt** increased $679 million to $2,874 million from $2,195 million at December 31, 2013. Cash generation in the operations before changes in working capital contributed for $1,946 million while changes in working capital negatively impacted by $942 million. Capital expenditures activity totaled $1,681 million and dividend payments, net of capital increases, were $364 million. Currency translation differences positively affected net industrial debt by $555 million.

	At		
$ million	**12/31/2014**	12/31/2013	Change
Debt	**(29.701)**	(29.946)	245
- Asset-backed financing	**(13.587)**	(14.727)	1.140
- Other debt	**(16.114)**	(15.219)	(895)
Other financial assets (liabilities) (1)	**(30)**	167	(197)
Cash and cash equivalents	**6.141**	6.489	(348)
Net debt	**(23.590)**	(23.290)	(300)
Industrial Activities	**(2.874)**	(2.195)	(679)
Financial Services	**(20.716)**	(21.095)	379

(1) Includes the positive or negative fair value of derivative financial instruments.

Significant events in 2014

On April 28, 2014, CNH Industrial announced that it intended to enter into a new licensing agreement with Sumitomo (S.H.I.) Construction Machinery Co. Ltd, a wholly owned subsidiary of Sumitomo Heavy Industries Ltd.

Under this new technology license and component supply agreement, CNH Industrial will manufacture Sumitomo designed crawler excavators (models ranging from 13 to 35 tons). Start of production of the new localized models is planned for mid-2016.

This agreement also extends the existing Global Product Supply Agreement between CNH Industrial and Sumitomo (S.H.I.) Construction Machinery for the sourcing of excavators manufactured in Sumitomo plants. Since 1992, Sumitomo has been a supplier to the CNH Industrial global distribution network of excavators ranging from 7 to 80 tons.

This next step will further strengthen the partnership between the two companies.

In June 2014, CNH Industrial announced that it will close its assembly plant in Calhoun, Georgia (USA) in the third quarter of 2015 as part of the business footprint optimization program and in order to achieve the targets of the Business Plan.

In June 2014, CNH Industrial announced a comprehensive efficiency program designed to enhance the efficiency and competitiveness of its Industrial Activities.

The program is expected to result in a total cumulative charge of approximately $280 million over the next three years, with a non-cash impact of approximately 20%. The majority of the restructuring charges are expected to impact the statement of operations in 2014 and 2015. Benefits from this program are expected as early as the second half of 2014, with annualized savings of approximately $160 million by the end of 2016.

Restructuring actions in Agricultural Equipment are mainly related to the closure of a joint venture as the business model is no longer viable in the current environment.
Actions identified by Construction Equipment are related to the re-tooling of its industrial footprint in connection with the recently announced enlargement of the licensing agreements with Sumitomo (S.H.I.) Construction Machinery Co., Ltd, as well as the re-positioning of Case and New Holland brand offerings and the consequent alignment of their dealer networks. The recently announced closure of the assembly plant in Calhoun, Georgia (USA) represents one of those actions.
Commercial Vehicles actions will focus on SG&A expenses and business support costs as a result of the transition to CNH Industrial's regional structure, as well as on the completion of manufacturing product specialization programs.

In September 2014, CNH Industrial Group announced the definitive agreement to acquire substantially all of the assets of precision spraying equipment manufacturer Miller-St. Nazianz, Inc. ("Miller"). These assets will become part of the New Holland Agriculture brand, providing a strong platform to grow the self-propelled sprayer business on a global scale. The agreement is subject to customary closing conditions, with the goal of closing before the end of the year.

(80.89% of share capital through EXOR S.A.)

The data presented and commented on below is taken from C&W Group's consolidated accounting data as of and for the year ended December 31, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS").

			Change	
$ million	2014	2013	Amount	%
Net revenues (commissions and service fee)	**2,096.1**	1,808.5	287.6	15.9
Reimbursed costs – managed properties and other costs	**752.9**	690.1	62.8	9.1
Gross revenues	**2,849.0**	2,498.6	350.4	14.0
Costs	**1,982.0**	1,719.4	262.6	15.3
Reimbursed costs – managed properties and other costs	**752.9**	690.1	62.8	9.1
Total costs	**2,734.9**	2,409.5	325.4	13.5
Operating income (1)	**114.1**	89.1	25.0	28.1
Adjusted EBITDA (2)	**171.0**	130.1	40.9	31.4
EBITDA, as reported	**165.3**	119.1	46.2	38.8
Adjusted income attributable to owners of the parent (3)	**56.3**	34.0	22.3	65.6
Income attributable to owners of the parent, as reported	**68.7**	28.7	40.0	n.s.

(1) Operating income excludes the impact of the changes in C&W's non-controlling minority shareholders put option liability, foreign exchange gains and losses and miscellaneous income (expense), net, which are included in other expense, net in the consolidated statements of operations.

(2) EBITDA represents earnings before net interest expense, income taxes, and depreciation and amortization, while Adjusted EBITDA removes the total impact of certain acquisition and non-recurring reorganization-related charges in the current and prior year of $5.7 million and $11.0 million, respectively. Management believes that EBITDA and Adjusted EBITDA are useful in evaluating operating performance compared to that of other companies in the industry, as these financial measures assist in providing a more complete picture of the results from operations. Because EBITDA and Adjusted EBITDA are not calculated under IFRS, C&W Group's EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

(3) Adjusted income attributable to owners of the parent excludes the tax-affected impacts of certain acquisition and non-recurring reorganization-related charges of $3.0 million and $9.1 million for the current and prior year, respectively, the tax-affected impacts of certain computer software accelerated depreciation and impairment charges of $1.8 million for the current year and certain non-recurring income tax benefits of $17.2 million and $3.8 million for the current and prior year, respectively.

$ million	12/31/2014	12/31/2013	Change
Equity attributable to owners of the parent	**837,2**	804,2	33,0
Consolidated net financial position – (principally debt in excess of cash) / principally cash in excess of debt)	**(56,8)**	3,9	(60,7)

C&W Group delivered record revenues and profitability in 2014, as gross revenues reached a record high of $2.8 billion and Adjusted EBITDA increased 31% year-over-year. Net revenues also increased to a record $2.1 billion fueled by a 42.1% growth in CIS, as property under management increased 7.0% to 1.1 billion square feet as of December 31, 2014. Transaction revenues from both Capital Markets, which increased 16.2%, and Leasing, which increased 7.1% on a record value of transaction volumes, was driven by strong performance advising clients across property sectors and working seamlessly across geographies and services. Net revenues increased by double-digits across all regions with percentage gains ranging from approximately 15% to 25%.

In addition to record financial performance during 2014, on December 31, 2014, C&W Group acquired Massey Knakal Realty Services, a premier investment sales firm and one of the leaders in New York for midsized office, retail and apartment building sales, which is expected to significantly enhance C&W Group's Capital Markets presence in the New York Tri-State region.

C&W Group also advised world class clients, including salesforce.com, Millennium Partners and Ericsson on significant transactions. Reflecting the innovative real estate solutions resulting in transformational changes that help clients achieve their business objectives, C&W Group was named Best Overall Advisory Firm in North America, the United States, Canada and India in Euromoney's 10th Annual Real Estate Survey.

Furthermore, C&W Group undertook several initiatives to reimagine services provided, including anticipating clients' needs by launching Risk Management Services, which offers select global clients tailored solutions to identify, mitigate and respond to risks around the world, as well as structuring services around clients by forming U.S. Investor Services, which is comprised of Capital Markets, Agency Leasing, and Asset and Property Management services.

With respect to its financial performance, C&W Group reported gross revenue growth of 14.0%, or 15.0% excluding the impact of foreign exchange, to $2,849.0 million, as compared with $2,498.6 million for the prior year, while net revenues increased 15.9%, or 17.2% excluding the impact of foreign exchange, to a record $2,096.1 million, as compared with $1,808.5 million for the prior year.

The following presents the breakdown of gross and net revenues by geographical area:

					Change	
$ million	2014		2013		Amount	%
Americas	**2,043.3**	**71.7%**	1,842.5	73.7%	200.8	10.9
EMEA	**557.7**	**19.6%**	463.8	18.6%	93.9	20.2
Asia Pacific	**248.0**	**8.7%**	192.3	7.7%	55.7	29.0
Gross revenues	2,849.0	100.0%	2,498.6	100.0%	350.4	14.0
Americas	**1,464.7**	**69.9%**	1,271.2	70.3%	193.5	15.2
EMEA	**458.6**	**21.9%**	399.1	22.1%	59.5	14.9
Asia Pacific	**172.8**	**8.2%**	138.2	7.6%	34.6	25.0
Net revenues	2,096.1	100.0%	1,808.5	100.0%	287.6	15.9

Gross and net revenues both reported notable revenue gains globally and across the regions, led by the Americas, more specifically the U.S., where gross and net revenues increased $230.5 million, or 14.6% and $213.7 million, or 20.6%, respectively, as C&W Group continues to gain market share and macro conditions continued to improve.

The following table presents the breakdown of net revenues by service line:

					Change	
$ milioni	2014		2013		Amount	%
Leasing	**955.4**	**45.6%**	892.3	49.3%	63.1	7.1
Capital Markets	**309.7**	**14.8%**	266.5	14.7%	43.2	16.2
CIS	**604.7**	**28.8%**	425.4	23.5%	179.3	42.1
V&A and Global Consulting	**226.3**	**10.8%**	224.3	12.5%	2.0	0.9
Net revenues	2,096.1	100.0%	1,808.5	100.0%	287.6	15.9

The following table presents the changes in net revenues by region and by service line for the full-year 2014, as compared with the same period in the prior year:

	Americas		EMEA		ASIA PACIFIC		Total	
$ million	Change	%	Change	%	Change	%	Change	%
Leasing	40.2	5.7	19.6	14.3	3.3	5.9	63.1	7.1
Capital Markets	26.1	16.2	16.5	19.5	0.6	2.9	43.2	16.2
CIS	136.7	53.0	13.4	11.5	29.2	57.6	179.3	42.1
V&A and Global Consulting	(9.5)	(6.2)	10.0	16.5	1.5	13.3	2.0	0.9
Net revenues	**193.5**	**15.2**	**59.5**	**14.9**	**34.6**	**25.0**	**287.6**	**15.9**

Leasing revenue performance registered positive growth in all three regions, paced by the Americas and EMEA. Strong revenue gains were notable in the U.S. and the UK, up $57.6 million, or 9.6%, and $12.1 million, or 28.3%, respectively, as Group's initiatives to gain market shares started to materialize and macro conditions continued to improve. Positive growth in Asia Pacific, was driven by a strong finish in the fourth quarter, reflecting a rebound in transactional activity from the low levels experienced in the first nine months. In the Americas, revenues in Canada, South America and Mexico declined, year-over-year, as fewer high profile transactions have been completed, reflecting an uneven economic recovery among geographies. In addition, revenues outside of the U.S. were further depressed by negative foreign exchange impact. Leasing commission and service fee revenue growth in 2014 was driven by strong performance advising clients across property sectors, primarily Office and Retail Leasing, which increased $41.8 million, or 7.3% and $18.7 million, or 14.1%, respectively, on record value of transaction volumes,

which increased 15.6% to $63.9 billion. Working seamlessly across geographies and services, C&W advised world class clients on several significant leasing transactions. C&W Group represented salesforce.com for a new headquarters, the largest office lease in San Francisco history, as well as for an expanded lease in London. C&W Group also advised Brookfield Property at Principal Place on London's largest 2014 office leasing transaction. In addition, C&W Group represented Millennium Partners' development at Downtown Crossing in the most significant retail project in Boston in recent history featuring Primark, a leading European fashion retailer.
C&W is also well-positioned to capture future opportunities, as evidenced by its appointment as joint marketing and leasing agent for Swire Properties and HKR International of two office towers totaling 1.9 million square feet for their new Dazhongli development in Shanghai.

Capital Markets continued with its positive momentum, as capital has moved increasingly across investor classes during the year, boosted by the improved credit environment, robust liquidity and continued low interest rates. Growth was paced by strong revenue gains in the Investment Sales & Acquisitions subservice line, which contributed $42.2 million to the total increase, $23.4 million in the EMEA region, $18.0 million in the Americas, and $0.9 million in Asia Pacific. Revenue gains were particularly impressive in the U.S. and the UK, up $15.9 million, or 13.4%, and $7.9 million, or 24.4%, respectively. Other noteworthy revenue gains occurred in Germany, up $4.4 million, Spain, $4.1 million, France, $3.1 million and Canada, and Poland, $1.6 million, each. During 2014, Capital Markets executed several high-profile assignments including advising salesforce.com in the largest Occupier transaction in San Francisco history for the purchase of 50 Fremont Street from TIAA-CREF. C&W also advised Blackstone on the acquisition of a pan-European logistics portfolio in Europe from SEB Asset Management for €275 million. In addition, C&W Group arranged Canada's largest hotel investment sale in 2014 of the iconic Fairmont Empress in Victoria, as well as advised the State Oil Fund of the Republic of Azerbaijan (SOFAZ) on the largest investment transaction in Seoul, South Korea in 2014. Cushman & Wakefield's acquisition of Massey Knakal on December 31, 2014 significantly enhances C&W Group's Capital Markets presence. Being the #1 Investment Sales Firm based on number of transactions in the New York metro area transforms C&W both locally and around the world.

CIS continued with its robust growth, registering double-digit revenue growth in all three regions. Revenue performance was fueled by significant revenue gains in the Facilities Management subservice line, led by the Americas, where a major assignment in the U.S. added about 27 million square feet of managed facilities, and the Project Management segment of the business, primarily in Asia Pacific, largely due to the acquisition of the Singapore-based project management company, Project Solution Group ("PSG"), which was acquired on July 1,2013, as C&W Group continues to expand its platform across the globe and enhance its recurring revenue streams. Facilities Management, which increased $146.4 million globally, grew $134.1 million in the Americas, $7.8 million in Asia Pacific and $4.5 million in EMEA. Project Management increased $29.6 million globally, of which $19.9 million was in Asia Pacific, followed by EMEA, up $5.5 million, and the Americas, up $4.2 million. Property Management increased $6.5 million, $3.6 million in the Americas, and $1.7 million and $1.3 million in EMEA and Asia Pacific, respectively. Property under management globally as of December 31, 2014 increased 7.0% compared with year-end 2013 to 1.1 billion square feet. CIS also expanded several client relationships including Ericsson, which awarded C&W comprehensive services related to one of Silicon Valley's largest office leasing transactions in 2014 for a new campus of over 400,000 square feet. In addition, IndCor appointed C&W as property manager for an additional 6.9 million square feet of industrial assets.

V&A revenues for the full-year experienced a modest decrease year-over-year, driven in large part by reduced revenues across the Americas primarily due to industry-wide fee compression and lower demand, as activity slowed down from high levels in the prior year. The decline was partially offset by strong revenue gains in the EMEA region, where increased capital market transactions, cross border activities and effective execution drove significant growth, and Asia Pacific, primarily due the completion of a number of major deals in the current year. The V&A business, which, along with CIS, is a major component of C&W Group's strategic growth plan and initiatives to enhance recurring EBITDA, remains well positioned to capitalize on C&W Group's strategic initiatives and to continue to grow the business across all regions. During 2014, V&A completed appraisals on behalf of the world's largest real estate investors and lenders with a record global value exceeding $1.2 trillion, a 6.4% increase compared with the prior year. Of particular note, C&W advised Chinese insurance company Anbang Asset Management (Hong Kong) Co. Limited by conducting valuation services on its purchase of the Waldorf Astoria Hotel & Towers from Blackstone for $1.95 billion, the largest hotel sale in U.S. history. In addition, C&W Group was engaged as an independent appraiser of Saks Fifth Avenue's flagship store in Manhattan to value the landmark building and land for a ground mortgage.

Total costs, excluding reimbursed costs of $752.9 million and $690.1 million for 2014 and 2013, respectively, increased $262.6 million, or 15.3%, to $1,982.0 million, as compared with $1,719.4 million for the prior year, primarily due to increases in commission expense, cost of services sold, employment and other operating expenses in line with C&W Group's revenue growth and strategic plan initiatives. Total costs included certain acquisition- and non-recurring reorganization-related charges that are excluded from Adjusted EBITDA for the years ended December 31, 2014 and 2013 of approximately $6.4 million and $4.6 million, respectively, and certain computer software accelerated depreciation and impairment charges which are excluded from Adjusted income attributable to owners of the parent for the year ended December 31, 2014 of $3.5 million.

At the operating level, C&W Group's income increased $25.0 million, or 28.1%, to $114.1 million for the full year 2014, from $89.1 million for the prior year.

Other expense, net decreased $15.0 million, or 75.4%, to $4.9 million (of which a credit of $0.7 million is excluded from Adjusted EBITDA), as compared with $19.9 million (of which a charge of $6.4 million is excluded from Adjusted EBITDA) for the prior year, primarily due to a higher charge related to C&W's non-controlling shareholder put option liability of $11.1 million in the prior year, and the reversal in the current year of approximately $4.2 million of earn-out related to a business combination.

Adjusted EBITDA increased $40.9 million, or 31.4%, to $171.0 million for the full year 2014, as compared with $130.1 million for the prior year. EBITDA, as reported, increased $46.2 million, or 38.8%, to $165.3 million for the full year 2014, as compared with $119.1 million in the prior year.

C&W Group recorded income tax expense of $33.4 million for the full-year 2014, as compared with a provision of $32.0 million for 2013. During 2014 and 2013, Group recognized certain non-recurring income tax benefits of $17.2 million and $3.8 million, respectively, which were excluded from Adjusted income attributable to owners of the parent.

The Adjusted income attributable to owners of the parent for the full-year 2014 was $56.3 million, representing an improvement of $22.3 million, or 65.6%, over an Adjusted income attributable to owners of the parent of $34.0 million for the prior year. The income attributable to owners of the parent, as reported, was $68.7 million for the full-year 2014, representing an improvement of $40.0 million, as compared with $28.7 million for 2013.

On June 27, 2014, C&W Group amended its 2011 existing credit agreement covering its $350 million senior secured revolving credit commitment and $150 million senior secured term loan with an outstanding balance of approximately $132 million. The new agreement, which includes a $350 million senior unsecured revolving credit facility and a $150 million senior unsecured term loan facility, extends maturity from June 2016 to June 2019 and provides for improved borrowing terms and lower cost structure.

C&W Group's net financial position as of December 31, 2014 decreased $60.7 million, to a negative $56.8 million (principally debt in excess of cash), as compared with a positive $3.9 million (principally cash in excess of debt) as of December 31, 2013. The change is primarily attributable to the low cost financing used for the acquisition of Massey Knakal Realty Services, in support of C&W Group's strategic growth initiatives.

almacantar

(38.29% of share capital through EXOR S.A.)

The key consolidated income figures of the Almacantar Group for 2014 are as follows:

£ million	**2014**	2013	Change
Net property income	**17.1**	17.2	(0.1)
Profit after tax	**83.1**	90.9	(7.8)
Profit attributable to owners of the parent	**83.1**	83.3	(0.2)

Net property income of £17.1 million is in line with the prior year (£17.2 million). As Centre Point moves towards a future start on site, rental income for this property has reduced as commercial tenants vacate the building. This has been offset by the acquisition of 125 Shaftesbury Avenue in September 2013.

Profit after tax has decreased by £7.8 million to £83.1 million from £90.9 million in 2013. This includes investment property revaluation gains pursuant to IAS 40 of £86.1 million (£84.4 million in 2013). Increased financing costs for the Centre Point facility have impacted profit to date.

Almacantar has incurred additional pre-development capital expenditure for Centre Point and Marble Arch Tower and reflects the significant progress made with the planning and pre-development activities for Centre Point and the successful submission of the planning application for the Marble Arch Tower/Edgware Road scheme. Analysis has also begun to explore future redevelopment options available for 125 Shaftesbury Avenue with additional professional fee expenditure incurred during 2014.

The key consolidated balance sheet figures for the Almacantar Group at December 31, 2014 are as follows:

£ million	**12/31/2014**	12/31/2013	Change
Investment property (a)	**741.6**	614.7	126.9
Net debt	**(146.5)**	(165.2)	18.7

(a) Excluding headlease asset.

The change in investment property reflects the year end revaluation gain and additional pre-development capital expenditure for Centre Point, Marble Arch Tower and 125 Shaftesbury Avenue.

Net debt at December 31, 2014 has decreased by £18.7 million to £146.5 million from December 31, 2013. The decrease primarily reflects the increased cash balances held by the group following the December capital call.

(63.77% of share capital)

The results for the first half of the financial year 2013/2014 of Juventus Football Club S.p.A. are as follows:

€ million	Half I 2014/2015	Half I 2013/2014	Change
Revenues	**156.2**	155.2	1.0
Operating costs	**119.4**	114.1	5.3
Operating income	**2.4**	11.9	(9.5)
Profit (loss) for the period	**(6.7)**	4.8	(11.5)

Interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the six-month data it should be noted that Juventus' financial year does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season.
Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by participation in football competitions in Europe, particularly the UEFA Champions League, the calendar of sports events and the two phases of the football players' Transfer Campaign.
The financial position and cash flows of Juventus are also affected by the seasonal nature of the income components; in addition, some revenues items are collected in a period different from the recognition period.

€ million	At 12/31/2014	 6/30/2014	Change
Shareholders' equity	35.5	42.6	(7.1)
Net financial debt	224.0	206.0	18.0

The first half of the financial year 2014/2015 recorded a **loss** of €6.7 million, with a negative change of €11.5 million compared to the profit of €4.8 million reported in the corresponding period of the prior year. This change is principally due to lower income from the management of players' registration rights of €6.7 million, higher expenses from the management of players' rights of €2.3 million, increased players' wages and technical staff costs of €5.4 million and higher amortization of players' rights of €4.5 million, partially offset by other net positive changes of €7.4 million. These changes mainly include television and radio rights and media revenues (+€4.8 million), other revenues (+€2.4 million), provision charges net of releases of provisions (-€0.6 million), income taxes (-€1.4 million), net financial expenses (-€0.6 million) and lower costs for external services (+€2.6 million).

Revenues in the first half of 2014/2015 stand at €156.2 million, with an increase of 0.6% compared to €155.2 million in the first half of the 2013/2014.

Operating costs in the first half of 2014/2015 total €119.4 million, with an increase of 4.6% compared to €114.1 million in the same period of the prior year.

Shareholders' equity at December 31, 2014 amounts to €35.5 million, down from €42.6 million at June 30, 2014 due mainly to the effect of the loss for the six months (-€6.7 million).

Net financial debt at December 31, 2014 amounts to €224 million (€206 million at June 30, 2014). The increase in net financial debt of €18 million is driven by Transfer Campaign payments, (net -€18.8 million), investments in other fixed assets (-€1.2 million), advances made to various suppliers in relation to the Continassa Project (-€0.7 million) and cash flows used in financing activities (-€4 million), partially offset by cash flows from operating activities (+€6.7 million).

Significant events in the first half of the 2014/2015 financial year

Football season

The First Team started its 2014/2015 pre-season training in mid-July at the Juventus Training Centre in Vinovo (Turin), continuing, in August, as part of the Tournée in Australia, Indonesia and Singapore.
On July 11, 2014, the FICG officers, after reviewing the documentation filed by Juventus and materials sent by the Lega Nazionale Professionisti Serie A, issued the National License for the football season underway.
In December 2014, the First Team qualified for the round of sixteen of the UEFA Champions League 2014/2015, ranking second place in its round.

2014/2015 Transfer Campaign – first phase

Purchases and disposals of players' registration rights

The transactions finalized in the first phase of the 2014/2015 Transfer Campaign, held from July 1 to September 2, 2014, led to a total increase in invested capital of €43.2 million resulting from acquisitions and increases of €53.2 million and disposals of €10 million (net book value of disposed rights).

The net capital gains generated by the disposals totaled €4.7 million. The total net financial commitment of €34.9 million is spread over three years and includes auxiliary expenses and financial income and expenses implicit in deferred receipts and payments.

Receivables due from Finanziaria Gilardi S.p.A. and Campi di Vinovo S.p.A.

In September and December 2014 instalments were duly collected for €10.7 million as provided in the repayment plan granted to the counterparties in the April 2014 Framework Agreement.

The remaining receivable, guaranteed by a leading bank, amounts to €1.6 million and is due on July 31, 2016.

Significant events subsequent to December 31, 2014

Football season

In March 2015, the First Team qualified for the quarter-finals of the UEFA Champions League 2014/2015 which will be played in April.

In April 2015, the First Team qualified for the finals of the Italian Cup which will be played in June.

2014/2015 Transfer Campaign – second phase

Purchases and disposals of players' registration rights

The transactions finalized in the second phase of the Transfer Campaign 2014/2015, held from January 5 to February 2, 2015, led to an increase in invested capital of €7.3 million. Disposals will generate net capital gains of €7.1 million in the second half of the financial year.

The total net financial commitment (including auxiliary expenses and financial income and expenses implicit in deferred receipts and payments) is a positive €1.4 million, distributed as follows: -€0.3 million in the second half of the 2014/2015 financial year, +€0.3 million in the 2015/2016 financial year, +€0.3 million in the 2016/2017 financial year and +€1.1 million in the 2017/2018 financial year.

Renewal of players' contracts

In January 2015 the contract of the player Stephan Lichtsteiner was renewed until June 30, 2017. This extension will result in lower amortization in the second half of the 2014/2015 financial year of about €1.7 million.

Termination of players' contracts

During the second phase of the 2014/2015 Transfer Campaign the contracts with Sebastian Giovinco and Marco Motta, expiring on June 30, 2015, were terminated by mutual consent. These transactions resulted in the writeoff of the remaining carrying amounts at December 31, 2014 of approximately €2.2 million.

Mutu/Chelsea FC proceeding

On October 1, 2014 the hearing in the Mutu/Chelsea FC case was held at the *Tribunal Arbitral du Sport* (TAS).

On January 21, 2015, the TAS notified the parties of the arbitration award in its decision which completely rejected the claims made by Chelsea FC and ordered it to pay court costs. This decision has no effect on Juventus' financial statements, as it was fully aware of its position and had not set aside any provision for the pending litigation.

ARENELLA IMMOBILIARE S.r.l.

(100% of capital)

The key figures taken from the financial statements for the year ended December 31, 2014 of Arenella Immobiliare S.r.l. are as follows:

€ million	12/31/2014	12/31/2013	Change
Profit for the year	**0.2**	0.1	0.1
Equity	**26.1**	25.9	0.2
Lido Arenella hotel property	**26.3**	26.7	(0.4)
Net financial position	**(0.3)**	(0.8)	0.5

A profit of €0.2 million is reported for the year 2014, with an increase of €0.1 million compared to the prior year, due to the effect of the tax benefit from ACE transferred to EXOR, in the course of participating in the national tax consolidation with EXOR.

The net reduction in the carrying amount of the Lido Arenella hotel property at December 31, 2014 is due to the depreciation charge for the year of €0.7 million, partially offset by extraordinary maintenance work of €0.3 million.

EXOR S.A.

(100% of capital)

The key figures taken from the financial statements for the year ended December 31, 2014 of EXOR S.A., prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2014	12/31/2013	Change
Profit for the year	**87.7**	1,071.4	(983.7)
Equity	**3,100.5**	3,082.8	17.7
Investments and non-current other financial assets	**3,609.9**	3,544.9	65.0
Net financial position	**(509.1)**	(462.0)	(47.1)

EXOR S.A. closed the year 2014 with a profit of €87.7 million compared to a profit of €1,071.4 million in the prior year. The decrease of €983.7 million comes mainly from lower gains realized during the year and lower dividends collected for a total of €1,043.2 million, partially offset by the reinstatement of the carrying amount of the investment in C&W Group of €90.1 million, which had been written down in 2009.
In particular, in 2013, EXOR S.A. had realized a net gain of €987.5 million as result of the sale of the entire investment in SGS, from which it had also collected dividends of €55.7 million.

At December 31, 2014 investments and non-current other financial assets comprise the following:

	Number of	12/31/2014			
	shares	% of capital	Carrying amount	12/31/2013	Changes
Exor Capital Ltd	4,000,000	100	1,889.0	1,904	(15.0)
C&W Group Inc.	511,015	80.89	495.3	405.0	90.3
EXOR N.V.	450	100	300.0	300.0	0.0
Almacantar S.A.	147,680,355	38.29	171.9	171.9	0.0
Gruppo Banca Leonardo S.p.A.	45,459,968	17.37	60.0	73.6	(13.6)
Banijay Holding S.A.S.	351,590	17.09	35.3	35.3	0.0
The Economist Group	1,190,000	4.72	30.3	30.3	0.0
Sequana S.A.	5,537,687	10.85	14.6	24.8	(10.2)
Other			141.8	135.1	6.7
Total investments			**3,138.2**	3,080.0	58.2
Non-current other financial assets			471.7	464.9	6.8
Total investments and non-current other financial assets			**3,609.9**	3,544.9	65.0

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.P.A. AND ITS CONSOLIDATED SUBSIDIARIES ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

The earnings and financial condition of EXOR and its principal investment holdings are affected by the performance of financial markets and macroeconomic variables over which EXOR exercises little or no control. The major business segments are also highly seasonal and this tends to reflect, if not magnify, the situation of the general economy.

Strong GDP growth in the United States has raised divergent expectations of monetary policy among the major advanced economies, provoking exchange rate fluctuations and discordant economic scenarios in emerging markets.

The recovery in Europe has missed its targets but new factors will raise the short-term outlook. The fall in oil prices and raw materials have triggered a process leading to the redistribution of the wealth of exporting countries to importing countries and provided a further boost to economic activities, strengthening the quantitative easing measures adopted by the ECB. This monetary policy aims to accelerate the normalization of inflation, currently at levels close to zero, and support the devaluation of the euro in order to buttress the competitiveness of companies. However, there are still uncertainties surrounding growth in the eurozone nations and situations of instability in the surrounding countries.

It is not possible to provide an indication of the future effects of the aforementioned factors and variables which may have an adverse impact on the demand for products and services, the results of operations, business prospects and the financial position of EXOR and its subsidiaries and affiliates.

RISKS ASSOCIATED WITH EXOR'S BUSINESS

EXOR conducts investment activities which entail risks that are typical such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of its objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments, such as unexpected costs or liabilities, may have an adverse effect on the EXOR's earnings, financial position and cash flows.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the assigned credit rating.
Any downgrade by the rating agencies could limit the ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings, financial position and cash flows.
EXOR's long-term debt and short-term debt are rated by Standard & Poor's respectively at "BBB+" and "A-2", with a stable outlook.

EXOR's policy and that of the companies in the so-called Holdings System is to keep liquidity available in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, spreading such investments over an appropriate number of counterparties, with the principal purpose of having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.
However, in consideration of the current international financial market situation, market conditions which may adversely affect the normal operations in financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A deterioration of the conditions in the financial markets and the earnings of the principal investment holdings may affect EXOR's earnings and cash flows.

Through its investments in subsidiaries and associates, EXOR is principally present in the automobile segment (FCA), in the agricultural and construction equipment segment (CNH Industrial), real estate services (C&W Group), real estate (Almacantar) and professional football (Juventus Football Club). As a result, EXOR is exposed to the risks typical of the markets and sectors in which such subsidiaries and affiliates operate.

At December 31, 2014, the investments in FCA (29.25% stake) and in CNH Industrial (27.07% stake) represented, respectively, 36.7% and 20.5% of the current value of EXOR's investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5. Therefore, the performance of the FCA Group and the CNH Industrial Group has a very significant impact on the earnings, financial position and cash flows of EXOR.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates may have an adverse effect on the earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.

EXOR and its subsidiaries and associates are exposed to risks associated with the outcome of pending litigation for which they have set aside, if appropriate, specific risk provisions. However, negative effects on the earnings, financial position and cash flows of EXOR and/or its subsidiaries and associates connected with such risks cannot be excluded.

EXOR and its subsidiaries and associates are taxed on income in Italy and outside Italy; during the course of ordinary activities they may be subject to controls by Italian and foreign tax authorities. Although the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on the results of operations.

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (FCA Group, CNH Industrial Group, C&W Group and Juventus Football Club).

FCA

Risks Related to the Group's Business, Strategy and Operations

FCA – The Group's profitability depends on reaching certain minimum vehicle sales volumes. If vehicle sales deteriorate, particularly sales of minivans, larger utility vehicles and pick-up trucks, the Group's results of operations and financial condition will suffer

The Group's success requires the achievement of certain minimum vehicle sales volumes. As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. For example, assuming constant pricing, mix and cost of sales per vehicle, that all results of operations were attributable to vehicle shipments and that all other variables remain constant, a ten percent decrease in 2014 vehicle shipments would reduce Earnings Before Interest and Taxes, or EBIT, by approximately 40% for 2014, without accounting for actions and cost containment measures that may be taken in response to decreased vehicle sales.

Further, a shift in demand away from minivans, larger utility vehicles and pick-up trucks in the U.S., Canada, Mexico and Caribbean islands, or NAFTA, region towards passenger cars, whether in response to higher fuel prices or other factors, could adversely affect the Group's profitability in the NAFTA region. Minivans, larger utility vehicles and pick-up trucks accounted for approximately 44% of total U.S. retail vehicle sales in 2014 (not including vans and medium duty trucks) and the profitability of this portion of the portfolio is approximately 33% higher than that of the overall U.S. retail portfolio on a weighted average basis. A shift in demand such that U.S. industry market share for minivans, larger utility vehicles and pick-up trucks deteriorated by 10 percentage points and U.S. industry market share for cars and smaller utility vehicles increased by 10 percentage points, whether in response to higher fuel prices or other factors, holding other variables constant, including the market share of each vehicle segment, would have reduced the Group's EBIT by approximately 4% for 2014. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes.

Moreover, the Group tends to operate with negative working capital as it generally receives payments from vehicle sales to dealers within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when such parts and materials are paid; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity, as the Group continues to pay suppliers during a period in which the Group receives reduced proceeds from vehicle sales. If vehicle sales do not increase, or if they were to fall short of assumptions, due to financial crisis, renewed recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, the Group's financial condition and results of operations would be materially adversely affected.

FCA – The Group's businesses are affected by global financial markets and general economic and other conditions over which the Group has little or no control

The Group's results of operations and financial position may be influenced by various macroeconomic factors—including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, energy prices, the cost of commodities or other raw materials, the rate of unemployment and foreign currency exchange rates—within the various countries in which the Group operates.

Beginning in 2008, global financial markets have experienced severe disruptions, resulting in a material deterioration of the global economy. The global economic recession in 2008 and 2009, which affected most regions and business sectors, resulted in a sharp decline in demand for automobiles. Although more recently the Group has seen signs of recovery in certain regions, the overall global economic outlook remains uncertain.

In Europe, in particular, despite measures taken by several governments and monetary authorities to provide financial assistance to certain Eurozone countries and to avoid default on sovereign debt obligations, concerns persist regarding the debt burden of several countries. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, led to further pressure on economic growth and to new periods of recession. Prior to a slight improvement in 2014, European automotive industry sales declined over several years following a period in which sales were supported by government incentive schemes, particularly those designed to promote sales of more fuel efficient and low emission vehicles. Prior to the global financial crisis, industry-wide sales of passenger cars in Europe were 16 million units in 2007. In 2014, following six years of sales declines, sales in that region rose 5% over 2013 to 13 million passenger cars. From 2011 to 2014, the Group's market share of the European passenger car market decreased from 7.0% to 5.8%, and the Group has reported losses and negative EBIT in each of the past four years in the Europe, Middle East and Africa, or EMEA, segment. These ongoing concerns could have a detrimental impact on the global economic recovery, as well as on the financial condition of European financial institutions, which could result in greater volatility, reduced liquidity, widening of credit spreads and lack of price transparency in credit markets. Widespread austerity measures in many countries in which the Group operates could continue to adversely affect consumer confidence, purchasing power and spending, which could adversely affect the Group's financial condition and results of operations.

A majority of the Group's revenues have been generated in the NAFTA segment, as vehicle sales in North America have experienced significant growth from the low vehicle sales volumes in 2009-2010. However, this recovery may not be sustained or may be limited to certain classes of vehicles. Since the recovery may be partially attributable to the pent-up demand and average age of vehicles in North America following the extended economic downturn, there can be no assurances that continued improvements in general economic conditions or employment levels will lead to additional increases in vehicle sales. As a result, North America may experience limited growth or decline in vehicle sales in the future.

In addition, slower expansion or recessionary conditions are being experienced in major emerging countries, such as China, Brazil and India. In addition to weaker export business, lower domestic demand has also led to a slowing economy in these countries. These factors could adversely affect the Group's financial condition and results of operations.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which it operates.

In addition to slow economic growth or recession, other economic circumstances—such as increases in energy prices and fluctuations in prices of raw materials or contractions in infrastructure spending—could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's financial condition and results of operations.

FCA - The Group may be unsuccessful in efforts to expand the international reach of some of its brands that are believed to have global appeal and reach

The growth strategies reflected in the 2014-2018 Strategic Business Plan, or Business Plan, will require the Group to make significant investments, including the expansion of several brands that are believed to have global appeal into new markets. Such strategies include expanding sales of the Jeep brand globally, most notably through localized production in Asia and Latin America and reintroduction of the Alfa Romeo brand in North America and other markets throughout the world. The Group's plans also include a significant expansion of the Maserati brand vehicles to cover all segments of the luxury vehicle market. This will require significant investments in its production facilities and in distribution networks in these markets. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, the Group may be unable to earn a sufficient return on these investments and this could have a material adverse effect on the Group's financial condition and results of operations.

FCA - Product recalls and warranty obligations may result in direct costs, and loss of vehicle sales could have material adverse effects on the Group's business

The Group and the U.S. automotive industry in general, have recently experienced a significant increase in recall activity to address performance, compliance or safety-related issues. The costs the Group incurs to recall vehicles typically include the cost of replacement parts and labor to remove and replace parts and substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale. Product recalls may also harm the Group's reputation and may cause consumers to question the safety or reliability of its products.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition and results of operations. Moreover, if the Group faces consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of the Group's vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, the Group's reputation may also be harmed and may lose future vehicle sales.

The Group is also obligated under the terms of warranty agreements to make repairs or replace parts in the vehicles at the Group's expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions may result in unanticipated losses.

FCA - The Group's future performance depends on its ability to expand into new markets as well as enrich its product portfolio and offer innovative products in existing markets

The Group's success depends, among other things, on its ability to maintain or increase its share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that are attractive to customers and provide adequate profitability. Following the January 2014 acquisition of the approximately 41.5% interest in FCA US that was not already owned, the Group announced its Business Plan in May 2014. The Business Plan includes a number of product initiatives designed to improve the quality of the product offerings and grow sales in existing markets and expand in new markets

It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that schedule. Because of this product development cycle and the various elements that may contribute to consumers' acceptance of new vehicle designs, including competitors' product introductions, fuel prices, general economic conditions and changes in styling preferences, an initial product concept or design that the Group believes will be attractive may not result in a vehicle that will generate sales in sufficient quantities and at high enough prices to be profitable. The Group's failure to develop and offer innovative products that compare favorably to those of its principal competitors, in terms of price, quality, functionality and features, with particular regard to the upper-end of the product range, or delays in bringing strategic new models to the market, could impair the Group's strategy, which would have a material adverse effect on its financial condition and results of operations. Additionally, the high proportion of fixed costs, both due to the significant investment in property, plant and equipment as well as the requirements of the collective bargaining agreements, which limits the Group's flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for its vehicles.

Further, if the Group determines that a safety or emissions defect, a mechanical defect or a non-compliance with regulation exists with respect to a vehicle model prior to the retail launch, the launch of such vehicle could be delayed until the Group remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial.

FCA - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of its competitors

Substantially all of the Group's revenues are generated in the automotive industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered, and many of the Group's competitors are better capitalized with larger market shares.

Competition, particularly in pricing, has increased significantly in the automotive industry in recent years. Global vehicle production capacity significantly exceeds current demand, partly as a result of lower growth in demand for vehicles. This overcapacity, combined with high levels of competition and weakness of major economies, has intensified and may further intensify pricing pressures.

The Group's competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. These actions have had, and could continue to have, a negative impact on the Group's vehicle pricing, market share, and results of operations.

In the automotive business, sales to end-customers are cyclical and subject to changes in the general condition of the economy, the readiness of end-customers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry or the Group's inability to adapt effectively to external market conditions coupled with more limited capital than many of the Group's principal competitors, could have a material adverse impact on the Group's financial condition and results of operations.

FCA - The Group’s current credit rating is below investment grade and any further deterioration may significantly affect its funding and prospects

The Group’s ability to access the capital markets or other forms of financing and the related costs depend, among other things, on its credit ratings. Following downgrades by the major rating agencies, the Group is currently rated below investment grade. The rating agencies review these ratings regularly and, accordingly, new ratings may be assigned in the future. It is not currently possible to predict the timing or outcome of any ratings review. Any downgrade may increase the Group’s cost of capital and potentially limit its access to sources of financing, which may cause a material adverse effect on the Group’s business prospects, earnings and financial position. Since the ratings agencies may separately review and rate FCA US on a stand-alone basis, it is possible that the Group’s credit ratings may not benefit from any improvements in FCA US's credit ratings or that a deterioration in FCA US's credit ratings could result in a negative rating review of the Group.

FCA – The Group may not be able to realize anticipated benefits from any acquisitions and challenges associated with strategic alliances may have an adverse impact on the results of operations

The Group may engage in acquisitions or enter into, expand or exit from strategic alliances which could involve risks that may prevent the Group from realizing the expected benefits of the transactions or achieving strategic objectives. Such risks could include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial or other reasons, or if such strategic alliances or other relationships were terminated, the Group’s product lines, businesses, financial position and results of operations could be adversely affected.

FCA - The Group may not achieve the expected benefits from integration of the Group’s operations

The January 2014 acquisition of the approximately 41.5% interest in FCA US that the Group did not already own and the related integration of the two businesses is intended to provide the Group with a number of long-term benefits, including allowing new vehicle platforms and powertrain technologies to be shared across a larger volume, as well as procurement benefits and global distribution opportunities, particularly the extension of brands into new markets. The integration is also intended to facilitate penetration of key brands in several international markets where the Group believes products would be attractive to consumers, but where the Group currently does not have significant market penetration.

The ability to realize the benefits of the integration is critical for the Group to compete with other automakers. If the Group is unable to convert the opportunities presented by the integration into long-term commercial benefits, either by improving sales of vehicles and service parts, reducing costs or both, its financial condition and results of operations may be materially adversely affected.

FCA – The Group may be exposed to shortfalls in its pension plans

The Group’s defined benefit pension plans are currently underfunded. As of December 31, 2014, the Group’s defined benefit pension plans were underfunded by approximately €5.1 billion (€4.8 billion of which relates to FCA US's defined benefit pension plans). The Group’s pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. The Group’s defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to its defined benefit plans, as well as the investment strategy for the plans, the Group is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect the Group's financial condition and results of operations. If the Group fails to make required minimum funding contributions, the Group could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency. With ownership in FCA US now equal to 100%, the Group may become subject to certain U.S. legal requirements making the Group secondarily responsible for a funding shortfall in certain of FCA US's pension plans in the event these pension plans were terminated and FCA US were to become insolvent.

FCA – The Group may not be able to provide adequate access to financing for its dealers and retail customers

The Group's dealers enter into wholesale financing arrangements to purchase vehicles from the Group to hold in inventory and facilitate retail sales, and retail customers use a variety of finance and lease programs to acquire vehicles.

Unlike many of its competitors, the Group does not own and operate a controlled finance company dedicated solely to its mass-market operations in the U.S. and certain key markets in Europe. Instead the Group has elected to partner with specialized financial services providers through joint ventures and commercial agreements. The Group's lack of a controlled finance company in these key markets may increase the risk that its dealers and retail customers will not have access to sufficient financing on acceptable terms which may adversely affect the Group's vehicle sales in the future. Furthermore, many of the Group's competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their finance companies on an aggregate basis. Since the Group's ability to compete depends on access to appropriate sources of financing for dealers and retail customers, the lack of a controlled finance company in those markets could adversely affect the results of operations.

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail customers. Finance companies are subject to various risks that could negatively affect their ability to provide financing services at competitive rates, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rates.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of its competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to the Group's dealers and retail customers.

To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to the Group's dealers and retail customers, such dealers and retail customers may not have sufficient access to financing to purchase or lease the Group's vehicles. As a result, the Group's vehicle sales and market share may suffer, which would adversely affect its financial condition and results of operations.

FCA - Vehicle sales depend heavily on affordable interest rates for vehicle financing

In certain regions, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. To the extent that interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make the Group's vehicles less affordable to retail customers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting the Group's financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, retail customers may not desire to or be able to obtain financing to purchase or lease the Group's vehicles. Furthermore, because its customers may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of its competitors.

FCA - Limitations on liquidity and access to funding may limit the ability to execute the Group's Business Plan and improve its financial condition and results of operations

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of the Group's operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. Any limitations on the Group's liquidity, due to decreases in vehicle sales, the amount of or restrictions in its existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact its ability to execute the Business Plan and impair its financial condition and results of operations. In addition, any actual or perceived limitations of its liquidity may limit the ability or willingness of counterparties, including dealers, customers, suppliers and financial service providers, to do business with the Group, which may adversely affect its financial condition and results of operations.

FCA – The Group's ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

The Group is continuing to implement a number of cost reduction and productivity improvement initiatives in its operations, for example, by increasing the number of vehicles that are based on common platforms, reducing dependence on sales incentives offered to dealers and consumers, leveraging purchasing capacity and volumes and implementing World Class Manufacturing, or WCM, principles. WCM principles are intended to eliminate waste of all types, and improve worker efficiency, productivity, safety and vehicle quality as well as worker flexibility and focus on removing capacity bottlenecks to maximize output when market demand requires without having to resort to significant capital investments. As part of the Group's Business Plan, it plans to continue efforts to extend its WCM programs into all of its production facilities and benchmark across all of its facilities around the world. The Group's future success depends upon its ability to implement these initiatives successfully throughout its operations. While some productivity improvements are within its control, others depend on external factors, such as commodity prices, supply capacity limitations, or trade regulation. These external factors may make it more difficult to reduce costs as planned, and the Group may sustain larger than expected production expenses, materially affecting its business and results of operations. Furthermore, reducing costs may prove difficult due to the need to introduce new and improved products in order to meet consumer expectations.

FCA – The Group's business operations may be impacted by various types of claims, lawsuits, and other contingent obligations

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, governmental investigations, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain, and although such claims, lawsuits and other legal matters are not expected individually to have a material adverse effect on its financial condition or results of operations, such matters could have, in the aggregate, a material adverse effect on the Group's financial condition or results of operations. Furthermore, the Group could, in the future, be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. While the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

FCA - Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting, which could harm its business reputation and cause a default under certain covenants in its credit agreements and other debt

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of its drive toward common global systems, the Group is extending the current finance, procurement, and capital project and investment management systems to new areas of operations. As appropriate, the Group continues to modify the design and documentation of internal control processes and procedures relating to the new systems to simplify and automate many of its previous processes. Management believes that the implementation of these systems will continue to improve and enhance internal controls over financial reporting. Failure to maintain adequate financial and management processes and controls could lead to errors in its financial reporting, which could harm the Group's business reputation.

In addition, if the Group does not maintain adequate financial and management personnel, processes and controls, it may not be able to accurately report its financial performance on a timely basis, which could cause a default under certain covenants in the indentures governing certain of its public indebtedness, and other credit agreements.

FCA - A disruption in the Group's information technology could compromise confidential and sensitive information

The Group depends on its information technology and data processing systems to operate its business, and a significant malfunction or disruption in the operation of its systems, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt its business and adversely impact its ability to compete.

The Group's ability to keep its business operating effectively depends on the functional and efficient operation of its information, data processing and telecommunications systems, including its vehicle design, manufacturing, inventory tracking and billing and payment systems. The Group relies on these systems to make a variety of day-to-day business decisions as well as to track transactions, billings, payments and inventory. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. For any of these reasons, the Group may experience systems malfunctions or interruptions. Although its systems are diversified, including multiple server locations and a range of software applications for different regions and functions, and the Group is currently undergoing an effort to assess and ameliorate risks to its systems, a significant or large-scale malfunction or interruption of any one of its computer or data processing systems could adversely affect its ability to manage and keep its operations running efficiently, and damage its reputation if the Group is unable to track transactions and deliver products to its dealers and customers. A malfunction that results in a wider or sustained disruption to its business could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to supporting its operations, the Group uses its systems to collect and store confidential and sensitive data, including information about its business, its customers and its employees. As the Group's technology continues to evolve, the Group anticipates that it will collect and store even more data in the future, and that its systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Group may lose its competitive advantage and its vehicle sales may suffer. The Group also collects, retains and uses personal information, including data gathered from customers for product development and marketing purposes, and data obtained from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require it to provide notification to the data owners, and that subject it to lawsuits, fines and other means of regulatory enforcement. The Group's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their vehicles from its competitors. Ultimately, any significant compromise in the integrity of the Group's data security could have a material adverse effect on its business.

FCA – The Group may not be able to adequately protect its intellectual property rights, which may harm its business

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect its intellectual property rights, others may be able to compete against it using intellectual property that is the same as or similar to its own. In addition, there can be no guarantee that the Group's intellectual property rights are sufficient to provide it with a competitive advantage against others who offer products similar to its own. Despite the Group's efforts, it may be unable to prevent third parties from infringing its intellectual property and using its technology for their competitive advantage. Any such infringement and use could adversely affect the Group business, financial condition or results of operations.

The laws of some countries in which the Group operates do not offer the same protection of the Group's intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for it to protect its intellectual property from misuse or infringement there. The Group's inability to protect its intellectual property rights in some countries may harm its business, financial condition or results of operations.

FCA – The Group is subject to risks relating to international markets and exposure to changes in local conditions

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds. In particular, current regulations limit the Group's ability to access and transfer liquidity out of Venezuela to meet demands in other countries and also subject the Group to increased risk of devaluation or other foreign exchange losses; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group's success largely depends on the ability of its current management team to operate and manage effectively

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Group's Chief Executive Officer, Sergio Marchionne, is critical to the execution of its new strategic direction and implementation of the Business Plan. Although Mr. Marchionne has indicated his intention to remain as the Chief Executive Officer through the period of its Business Plan, if the Group were to lose his services or those of any of its other senior executives or key employees it could have a material adverse effect on its business prospects, earnings and financial position. The Group has developed succession plans that are believed to be appropriate in the circumstances, although it is difficult to predict with any certainty that these individuals will be replaced with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel its business, financial condition and results of operations may suffer.

FCA - Developments in emerging market countries may adversely affect the Group's business

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia). The Group's Business Plan provides for expansion of its existing sales and manufacturing presence in its South and Central America, or LATAM, and Asia and Pacific countries, or APAC, regions. In recent years the Group has been the market leader in Brazil, which has provided a key contribution to the Group's financial performance. The Group's exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic and political developments in Brazil and other emerging markets, including economic crises or political instability, have had and could have in the future material adverse effects on the Group's financial condition and results of operations. Further, in certain markets in which the Group or its joint ventures operate, government approval may be required for certain activities, which may limit its ability to act quickly in making decisions on its operations in those markets.

Maintaining and strengthening its position in these emerging markets is a key component of the Group's global growth strategy in its Business Plan. However, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers, the automotive market in these emerging markets is highly competitive. As these markets continue to grow, the Group anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in price reductions, reduced margins and the Group's inability to gain or hold market share, which could have a material adverse effect on its financial condition and results of operations.

FCA – The Group's reliance on joint ventures in certain emerging markets may adversely affect the development of its business in those regions

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, the Group has entered into a joint venture with Guangzhou Automobile Group Co., Ltd, or GAC Group, which will localize production of three new Jeep vehicles for the Chinese market and expand the portfolio of Jeep Sport Utility Vehicles, or SUVs, currently available to Chinese consumers as imports. The Group has also entered into a joint venture with TATA Motors Limited for the production of certain of its vehicles, engines and transmissions in India.

The Group's reliance on joint ventures to enter or expand its presence in these markets may expose it to risk of conflict with its joint venture partners and the need to divert management resources to overseeing these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint ventures may not be able to make decisions as quickly as the Group would if it were operating on its own or may take actions that are different from what the Group would do on a stand-alone basis in light of the need to consider its partners' interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have an adverse effect on its financial condition and results of operations.

FCA - Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced greenhouse gas emissions, may have a significant effect on how the Group does business and may adversely affect its results of operations

In order to comply with government regulations related to fuel economy and emissions standards, the Group must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future and these costs could be difficult to pass through to customers. As a result, the Group may face limitations on the types of vehicles it produces and sells and where it can sell them, which could have a material adverse impact on its financial condition and results of operations.

Government initiatives to stimulate consumer demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new vehicles, can substantially influence the timing and level of its revenues. The size and duration of such government measures are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those measures could have material adverse effects on the Group's business prospects, financial condition and results of operations.

FCA - The financial resources required to develop and commercialize vehicles incorporating sustainable technologies for the future are significant, as are the barriers that limit the mass-market potential of such vehicles

The Group's product strategy is driven by the objective of achieving sustainable mobility by reducing the environmental impact of vehicles over their entire life cycle. The Group therefore intends to continue investing capital resources to develop new sustainable technology. It aims to increase the use of alternative fuels, such as natural gas, by continuing to offer a range of dual-fuel passenger cars and commercial vehicles. Additionally, the Group plans to continue developing alternative propulsion systems, particularly for vehicles driven in urban areas (such as the zero-emission Fiat 500e).

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and electric vehicles. In certain other cases the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by it and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds the Group has budgeted or expended for these purposes will be adequate, or that the Group will be able to obtain rights to use these technologies. Further, its competitors and others are pursuing similar technologies and other competing technologies and there can be no assurance that they will not acquire similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

FCA - Labor laws and collective bargaining agreements with labor unions could impact the Group's ability to increase the efficiency of its operations

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict its ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions in the Group's collective bargaining agreements may impede its ability to restructure its business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group depends on its relationships with suppliers

The Group purchases raw materials and components from a large number of suppliers and depend on services and products provided by companies outside the Group. Close collaboration between an original equipment manufacturer, or OEM, and its suppliers is common in the automotive industry, and although this offers economic benefits in terms of cost reduction, it also means that the Group depends on its suppliers and are exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials

The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate, and market conditions can affect the Group's ability to manage its cost of sales over the short term. The Group seeks to manage this exposure, but it may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of the control of the Group and the control of its suppliers. For instance, natural or man-made disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to, tight credit markets or other financial distress, natural or man-made disasters, or production difficulties. The Group will continue to work with suppliers to monitor potential disruptions and shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues. However, there can be no assurances that these events will not have an adverse effect on its production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact its ability to achieve the Group's vehicle sales objectives and profitability. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle sales objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, may result in a material impact on the Group's financial condition and/or results of operations.

FCA – The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of its manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for providing financing to its dealers and customers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Group's financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect net revenues, finance costs and margins.

The Group seeks to manage risks associated with fluctuations in currency and interest rates through financial hedging instruments. Despite such hedges being in place, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations. For example, the weakening of the Brazilian real against the Euro in 2014 impacted the results of operations of the Group's LATAM segment.

The Group's financial services activities are also subject to the risk of insolvency of dealers and retail customers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite its efforts to mitigate such risks through the credit approval policies applied to dealers and retail customers, there can be no assurances that the Group will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

FCA – FCA is a Dutch public company with limited liability, and its shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of the shareholders may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. FCA is a Dutch public company with limited liability (*naamloze vennootsehap*). Corporate affairs are governed by the articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of the board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, the board of directors is required by Dutch law to consider its interests and the interests of its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, your interests as a shareholder.

FCA - It may be difficult to enforce U.S. judgments against FCA

FCA is organized under the laws of the Netherlands, and a substantial portion of its assets are outside of the U.S. Most of the directors and senior management and the independent auditors are resident outside the U.S., and all or a substantial portion of its respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to effect service of process within the U.S. upon these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against FCA or its directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against FCA, its directors and officers and independent auditors.

FCA - FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat FCA as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom, or U.K. Therefore, whether FCA is resident in the U.K. for tax purposes will depend on whether “central management and control” is located (in whole or in part) in the U.K. The test of “central management and control” is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty’s Revenue & Customs, or HMRC, suggest that FCA, a group holding company, is likely to be regarded as having become U.K.-resident on this basis from incorporation and remaining so if, as FCA intends, (i) at least half of the meetings of the Board of Directors are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting FCA Group and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some FCA directors, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K.

Even if FCA is resident in the U.K. for tax purposes on this basis, as expected, it would nevertheless not be treated as U.K.-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there is a tie-breaker provision in that tax treaty which allocates exclusive residence to that other jurisdiction.

FCA’s residence for Italian tax purposes is largely a question of fact based on all circumstances. A rebuttable presumption of residence in Italy may apply under Article 73(5-bis) of the Italian Consolidated Tax Act, or CTA. However, FCA has set up and thus far maintained, and intends to continue to maintain, the management and organizational structure in such a manner that it should be deemed resident in the U.K. from its incorporation for the purposes of the Italy-U.K. tax treaty. The result of this is that FCA should not be regarded as an Italian tax resident either for the purposes of the Italy-U.K. tax treaty or for Italian domestic law purposes. Because this analysis is highly factual and may depend on future changes in FCA’s management and organizational structure, there can be no assurance regarding the final determination of FCA’s tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Even if “central management and control” is in the U.K. as expected, FCA will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, FCA will be regarded as solely resident in either the U.K. or the Netherlands under the Netherlands-U.K. tax treaty if the U.K. and Dutch competent authorities agree that this is the case. FCA has applied for a ruling from the U.K. and Dutch competent authorities that it should be treated as resident solely in the U.K. for the purposes of the treaty. The outcome of that application cannot be guaranteed and it is possible that the U.K. and Dutch competent authorities may fail to reach an agreement. FCA anticipates, however, that, so long as the factors listed in the third preceding paragraph are present at all material times, the possibility that the U.K. and Dutch competent authorities will rule that it should be treated as solely resident in the Netherlands is remote. If there is a change over time to the facts upon which a ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA therefore expects to continue to be treated as resident in the U.K. and subject to U.K. corporation tax.

Unless and until the U.K. and the Dutch competent authorities rule that FCA should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, the Netherlands will be allowed to levy tax on FCA as a Dutch-tax-resident taxpayer.

FCA - The U.K.'s controlled foreign company taxation rules may reduce net returns to shareholders

On the assumption that FCA is resident for tax purposes in the U.K., it will be subject to the U.K. controlled foreign company, or CFC, rules. The CFC rules can subject U.K.-tax-resident companies (in this case, FCA) to U.K. tax on the profits of certain companies not resident for tax purposes in the U.K. in which they have at least a 25% direct or indirect interest. Interests of connected or associated persons may be aggregated with those of the U.K.-tax-resident company when applying this 25% threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the U.K. The definition of control is broad (it includes economic rights) and captures some joint ventures.

Various exemptions are available. One of these is that a CFC must be subject to tax in its territory of residence at an effective rate not less than 75% of the rate to which it would be subject in the U.K., after making specified adjustments. Another of the exemptions (the "excluded territories exemption") is that the CFC is resident in a jurisdiction specified by HMRC in regulations (several jurisdictions in which FCA has significant operations, including Brazil, Italy and the U.S., are so specified). For this exemption to be available, the CFC must not be involved in an arrangement with a main purpose of avoiding U.K. tax and the CFC's income falling within certain categories (often referred to as the CFC's "bad income") must not exceed a set limit. In the case of the U.S. and certain other countries, the "bad income" test need not be met if the CFC does not have a permanent establishment in any other territory and the CFC or persons with an interest in it are subject to tax in its home jurisdiction on all its income (other than non-deductible distributions). FCA expects that its principal operating activities should fall within one or more of the exemptions from the CFC rules, in particular the excluded territories exemption.

Where the entity exemptions are not available, profits from activities other than finance or insurance will only be subject to apportionment under the CFC rules where:

- some of the CFC's assets or risks are acquired, managed or controlled to any significant extent in the U.K. (a) other than by a U.K. permanent establishment of the CFC and (b) other than under arm's length arrangements;
- the CFC could not manage the assets or risks itself; and;
- the CFC is party to arrangements which increase its profits while reducing tax payable in the U.K. and the arrangements would not have been made if they were not expected to reduce tax in some jurisdictions.

Profits from finance activities (whether considered trading or non-trading profits for U.K. tax purposes) or from insurance may be subject to apportionment under the CFC rules if they meet the tests set out above or specific tests for those activities. A full or 75% exemption may also be available for some non-trading finance profits.

Although FCA does not expect the U.K.'s CFC rules to have a material adverse impact on its financial position, the effect of the new CFC rules on FCA is not yet certain. FCA will continue to monitor developments in this regard and seek to mitigate any adverse U.K. tax implications which may arise. However, the possibility cannot be excluded that the CFC rules may have a material adverse impact on the Group's financial position, reducing net returns to the shareholders.

FCA – For the Group, the existence of a permanent establishment in Italy after the Merger is a question of fact based on all the circumstances

Whether FCA has maintained a permanent establishment in Italy after the Merger, or an Italian P.E., is largely a question of fact based on all the circumstances. It is believed that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, FCA is likely to be treated as maintaining an Italian P.E. because it has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on FCA's assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) FCA's tax-deferred reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.'s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger, or Fiscal Unit, continues with respect to FCA's Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

According to Article 124(5) of the CTA, a mandatory ruling request should be submitted to the Italian tax authorities, in order to ensure the continuity, via the Italian P.E., of the Fiscal Unit that was previously in place between Fiat and its Italian subsidiaries. FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014, or the Ruling, confirming that the Fiscal Unit may continue via the Italian P.E. However, the Ruling is an interpretative ruling. It is not an assessment of a certain set of facts and circumstances. Therefore, even though the Ruling confirms that the Fiscal Unit may continue via the Italian P.E., this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such P.E. Because the analysis is highly factual, there can be no assurance regarding FCA's maintenance of an Italian P.E. after the Merger.

Risks related to the Group's indebtedness

FCA – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms and limit its financial and operating flexibility

The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to it for other purposes;
- the Group may be more financially leveraged than some of its competitors, which may put it at a competitive disadvantage; and
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business.

These risks may be exacerbated by volatility in the financial markets, particularly those resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Even after the January 2014 acquisition of the approximately 41.5% interest in FCA US that was not already owned by the Group, FCA US continues to manage financial matters, including funding and cash management, separately. Additionally, the Group has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of FCA US, nor are there any commitments to provide funding to FCA US in the future.

Furthermore, certain of the Group's bonds include covenants that may be affected by FCA US's circumstances. In particular, these bonds include cross-default clauses which may accelerate the relevant issuer's obligation to repay its bonds in the event that FCA US fails to pay certain debt obligations on maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Therefore, these cross-default provisions could require early repayment of those bonds in the event FCA US's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by FCA US of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

In addition, one of the Group's existing revolving credit facilities, expiring in July 2016, provides some limits on its ability to provide financial support to FCA US.

FCA - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's debt instruments may hinder the Group's ability to manage its operations on a consolidated, global basis

FCA US is party to credit agreements for certain senior credit facilities and an indenture for two series of secured senior notes. These debt instruments include covenants that restrict FCA US's ability to pay dividends or enter into sale and leaseback transactions, make certain distributions or purchase or redeem capital stock, prepay other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities.

In particular, in January 2014 and February 2015, FCA US paid distributions of $1.9 billion and $1.3 billion, respectively, to its members. Further distributions will be limited to 50% of FCA US's cumulative consolidated net income (as defined in the agreements) from the period from January 1, 2012 until the end of the most recent fiscal quarter, less the amounts of the January 2014 and February 2015 distributions.

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In particular, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants. These agreements also restrict FCA US from prepaying certain of its indebtedness or imposing limitations that make prepayment impractical. The senior credit facilities require FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and the other indebtedness of FCA US or result in cross-default under certain of its or the Group's indebtedness.

If FCA US is unable to comply with these covenants, its outstanding indebtedness may become due and payable and creditors may foreclose on pledged properties. In this case, FCA US may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. Even if new financing is made available to FCA US in such circumstances, it may not be available on acceptable terms.

Compliance with certain of these covenants could also restrict FCA US's ability to take certain actions that its management believes are in FCA US's and the Group's best long-term interests.

Should FCA US be unable to undertake strategic initiatives due to the covenants provided for by the above-referenced instruments, the Group's business prospects, financial condition and results of operations could be impacted.

FCA - No assurance can be given that restrictions arising out of FCA US's debt instruments will be eliminated

In connection with the Group's capital planning to support the Business Plan, the Group has announced its intention to eliminate existing contractual terms limiting the free flow of capital among Group companies, including through the redemption of each series of outstanding secured senior notes no later than their optional redemption dates in June 2015 and 2016, as well as the refinancing of outstanding FCA US term loans and its revolving credit facility at or before this time. No assurance can be given regarding the timing of such transactions or that such transactions will be completed.

FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under its senior credit facilities and secured senior notes and could become subject to lenders' contractual rights if an event of default were to occur

FCA US and several of its U.S. subsidiaries are obligors or guarantors under FCA US's senior credit facilities and secured senior notes. The obligations under the senior credit facilities and secured senior notes are secured by senior and junior priority, respectively, security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries, 65% of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors, all personal property and substantially all of FCA US's U.S. real property other than its Auburn Hills, Michigan headquarters. An event of default under FCA US's senior credit facilities and/or secured senior notes could trigger its lenders' or noteholders' contractual rights to enforce their security interest in these assets.

Risks relating to the proposed separation of Ferrari

FCA - No assurance can be given that the Ferrari separation will occur

No assurance can be given as to whether and when the separation of Ferrari will occur. The Group may determine to delay or abandon the separation at any time for any reason or for no reason.

FCA - The terms of the proposed separation of Ferrari and Ferrari's stand-alone capital structure have not been determined

The terms of the proposed separation of Ferrari and Ferrari's stand-alone capital structure have not yet been determined. However, the final structure and terms of the separation may not coincide with the terms set forth in this report. No assurance can be given as to the terms of the prospective interest in Ferrari or the terms of how it will be distributed.

FCA – The Group may be unable to achieve some or all of the benefits that are expected to be achieved from the separation from Ferrari

The Group may not be able to achieve the financial and other benefits that are expected to result from the separation of Ferrari. The anticipated benefits of the separation are based on a number of assumptions, some of which may prove incorrect. For example, there can be no assurance that the separation of Ferrari will enable the Group to strengthen its capital base sufficiently to offset the loss of the earnings and potential earnings of Ferrari.

FCA - Following the Ferrari separation, the price of the Group's common shares may fluctuate significantly

The Group cannot predict the prices at which its common shares may trade after the separation, the effect of the separation on the trading prices of its common shares or whether the market value of its common shares and the common shares of Ferrari held by a shareholder after the separation will be less than, equal to or greater than the market value of the Group's common shares held by such shareholder prior to the separation.

FCA – The Group intends for the Ferrari separation to qualify as a generally tax-free distribution for its shareholders from a U.S. federal income tax perspective, and as a tax-free transaction from an Italian income tax perspective, but no assurance can be given that the separation will receive such tax-free treatment in the United States or in other jurisdictions

It is the Group's intention to structure the Ferrari separation and any spin-off to its shareholders in a tax efficient manner from a U.S. federal income tax perspective, taking appropriate account of the potential impact on shareholders, but no assurance can be given that the intended tax treatment will be achieved, or that shareholders, and/or persons that receive the benefit of Ferrari shares, will not incur substantial tax liabilities in connection with the separation and distribution. In particular, the requirements for favorable treatment differ (and may conflict) from jurisdiction to jurisdiction and the relevant requirements are often complex, and no assurance can be given that any ruling (or similar guidance) from any taxing authority would be sought or, if sought, granted. Following an initial public offering of a portion of the Group's equity interest in Ferrari, the Group currently intends to spin-off its remaining equity interest in Ferrari to holders of its common shares and mandatory convertible securities (which the Group intends to treat as its stock for U.S. federal income tax purposes), and the Group currently intends for such spin-off to qualify as a generally tax-free distribution for holders of the Group's stock for U.S. federal income tax purposes. However, the structure and terms of any distribution have not been determined and there can be no assurance that a distribution of Ferrari or any other spin-off would qualify as a tax-free distribution or that holders of the Group's shares or mandatory convertible securities would not recognize gain for U.S. federal income tax purposes in connection with any such distribution or spin-off.

In addition, no assurance can be given that the Ferrari separation will not give rise to additional taxable income in Italy in the hands of the Italian P.E. of FCA. Depending on how large this additional taxable income is, it may or may not be fully offset by the current year or carried forward losses that the Fiscal Unit may use based on the Ruling.

In addition, no assurance can be given that the Group's shareholders subject to Italian tax will not incur substantial Italian tax liabilities in connection with the Ferrari separation.

Risks related to the FCA common shares

FCA – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

Shortly following the closing of the Merger and the listing of FCA's common shares on the New York Stock Exchange, or NYSE, FCA listed its common shares on the Mercato Telematico Azionario, or MTA. The dual listing of the Group's common shares may split trading between the two markets and adversely affect the liquidity of the shares in one or both markets and the development of an active trading market for the common shares on the NYSE and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for the Group's common shares on the two exchanges.

FCA - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce its common share price

The implementation of the loyalty voting structure could reduce the liquidity of the Group's common shares and adversely affect the trading prices of the common shares. The loyalty voting structure was intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding the common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. The special voting shares cannot be traded and, immediately prior to the deregistration of common shares from the FCA Loyalty Register, any corresponding special voting shares shall be transferred to the Group for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining FCA's special voting shares. Therefore, the loyalty voting structure is designed may reduce liquidity in our common shares and adversely affect their trading price.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, change the Group's management or strategy or otherwise exercise influence over the Group, and the market price of the common shares may be lower as a result

The provisions of the articles of association which establish the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the company, even if a change of control were considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power could be concentrated in a relatively small number of shareholders who would have significant influence over FCA. Based on the most recent data, EXOR had a voting interest in FCA of 44.31% due to its participation in the loyalty voting structure and as a result will have the ability to exercise significant influence on matters involving FCA's shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit the Group's shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing FCA's management or strategy or otherwise exerting influence over FCA.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in FCA's management.

FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders

Shares of the stock held by a U.S. holder would be stock of a passive foreign investment company, or a PFIC, for U.S. federal income tax purposes with respect to a U.S. Shareholder if for any taxable year in which such U.S. Shareholder held the Group's common shares, after the application of applicable look-through rules (i) 75% or more of the Group's gross income for the taxable year consists of passive income (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income. U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, shares of the Group's stock may become stock of a PFIC in future taxable years if there were to be changes in the Group's assets, income or operations.

FCA - Tax consequences of the loyalty voting structure are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian, U.K. or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Group's special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable (other than, in very limited circumstances, together with the associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if the Group is liquidated, the Group believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by the Group is incorrect.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

FCA - Tax may be required to be withheld from dividend payments

Unless and until the U.K. and the Dutch competent authorities rule that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, dividends distributed by the Group will be subject to Dutch dividend withholding tax (subject to any relief which may be available under Dutch law or the terms of any applicable double tax treaty) and the Group will be under no obligation to pay additional amounts in respect thereof.

In addition, even if the U.K. and Dutch competent authorities rule that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made by the Group to Dutch residents may still be required to be paid subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments. The Group intends to seek confirmation from the Dutch tax authorities that such withholding will not be required, but no assurances can be given.

Should Dutch or Italian withholding taxes be imposed on future dividends or distributions with respect to the Group's common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of Dutch and/or Italian withholding taxes.

CNH INDUSTRIAL

Risks related to the business, strategy and operations

CNH Industrial - Global economic conditions impact the business of the Group

The Group's earnings and financial position are, and will continue to be, influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, energy prices, and the cost of commodities or other raw materials – which exist in the various countries in which the Group operates. Such macroeconomic factors vary from time to time and their effect on the Group's earnings and financial position cannot be specifically and singularly assessed and/or isolated.

Financial conditions in several regions continue to place significant economic pressures on existing and potential customers, including the Group's dealer networks. As a result, some dealers and customers may delay or cancel plans to purchase the Group's products and services and may not be able to fulfill their obligations to the Group in a timely fashion. Further, the Group's suppliers may be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to the Group. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the euro currency), which is at risk of being impacted by sovereign debt levels (and government taxing and spending actions to address such issues) and other severe pressures on the banking system in certain European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, other governments may continue to implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key countries or regions, the demand for the Group's products and services would likely decrease and the Group's results of operations, financial position and cash flows could be materially and adversely affected.

In addition, the continuation of adverse market conditions in certain businesses in which the Group participates could cause many companies, including the Group, to carefully evaluate whether certain intangible assets have become impaired. The factors that the Group would evaluate to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on the Group's financial position and results of operations.

CNH Industrial - The Group is exposed to political, economic and other risks as a result of operating a global business

The Group manufactures and sells products and offers services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of the Group's activities, the Group is exposed to risks affecting global business operations, including:

- changes in laws, regulations and policies that affect, among other things:
  - import and export duties and quotas;
  - currency restrictions;
  - the design, manufacture and sale of the Group's products, including, for example, engine emissions regulations;
  - interest rates and the availability of credit to the Group's dealers and customers;
  - property and contractual rights;
  - where and to whom products may be sold such as changing economic sanctions related to Iran, Russia and the crisis in Ukraine; and
  - taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which the Group operates;
- varying and unpredictable needs and desires of customers;
- varying and unexpected actions of the Group's competitors;
- labor disruptions;
- disruption in the supply of raw materials and components;
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Argentina and Brazil; and
- war, civil unrest and terrorism.

Unfavorable developments in any one of these areas (which vary from country to country) could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Difficulty in obtaining financing or refinancing existing debt could impact the Group’s financial performance

The Group’s future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Any difficulty in obtaining financing could have a material adverse effect on the Group’s business prospects, results of operations and/or financial position.

The Group’s ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., other Group subsidiaries, Group asset-backed securities (“ABS”) and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to the Group’s credit ratings by one or more rating agencies may increase the Group’s cost of capital, potentially limit its access to sources of financing and have a material adverse effect on its business prospects, results of operations and/or financial position.

CNH Industrial - The Group is subject to exchange rate fluctuations, interest rate changes and other market risks

The Group operates in numerous markets worldwide and is accordingly exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in the geographic distribution between the Group’s manufacturing and commercial activities, resulting in cash flows from exports denominated in currencies different from those associated with production activities and related purchasing.

The Group uses various forms of financing to cover the funding requirements of its Industrial Activities and for financing offered to customers and dealers. Financial Services implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Consistent with its risk management policies, the Group seeks to manage currency and interest rate risk through the use of financial hedging instruments. Despite such hedges being in place, sudden fluctuations in currency or interest rates could have an adverse effect on the Group’s business prospects, results of operations and/or financial position. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange rates. The Group is also subject to the risk of insolvency of dealers and customers, as well as unfavorable economic conditions in markets where financing activities are carried out, which the Group seeks to mitigate through credit policies applied to dealers and customers. In addition, the Group is subject to laws and government actions that may, among other things, prevent the Group from enforcing legal rights and remedies.

CNH Industrial - The Group faces risks associated with its relationships with its employees

In many countries where the Group operates, Group’s employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. Therefore, the Group’s ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products the Group has available for sale.

CNH Industrial - Reduced demand for equipment would reduce the Group’s sales and profitability

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises and farmers’ income;
- the demand for food products; and
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations as well as alternative fuel mandates.

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on the Group's revenues.

The performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending; and
- new residential and non-residential construction.

The performance of the commercial vehicles market is influenced, in particular, by factors such as:

- changes in global market conditions, including changes in levels of business investment and sales of commodities; and
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for commercial vehicles, and consequently, the Group's financial results.

CNH Industrial - The Group depends on key suppliers for certain raw materials, parts and components

The Group relies upon key suppliers for certain raw materials, parts and components. The Group cannot guarantee that it will be able to maintain appropriate supply arrangements with these suppliers or otherwise ensure access to raw materials, parts and components. In some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. Adverse financial conditions and natural disasters, such as the March 2011 earthquake and tsunami in Japan, have in the past caused, and could in the future cause, some of the Group's suppliers to face severe financial hardship and disrupt the Group's access to critical raw materials, parts and components. Any disruption or shortage in the supply of raw materials, parts and components could negatively impact the Group's costs of production, its ability to fulfill orders and achieve growth in product sales and the profitability of the Group's business.

Certain Group subsidiaries use a variety of raw materials in their businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate, and although the Group seeks to manage this exposure, the Group may not be successful in hedging these risks. Substantial increases in the prices for raw materials would increase the Group's operating costs and could reduce profitability if the increased costs were not offset by changes in product prices.

CNH Industrial - Competitive activity, or failure by the Group to respond to actions by competitors, could adversely affect results of operations

Substantially all of the Group's revenues are generated in highly competitive sectors that include the production and distribution of agricultural and construction equipment, commercial vehicles, and related powertrain systems. The Group faces competition from other international manufacturers and distributors of commercial vehicles in Europe, Asia and Latin America and from global, regional and local agricultural and construction equipment manufacturers, distributors and component suppliers in Europe, Asia, North America and Latin America. Certain of the Group's global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain Group product offerings. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or the Group's failure to price its products competitively could adversely affect its business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industries that has resulted in larger and potentially stronger competitors in those markets. The markets in which the Group competes are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the Group's areas of activity in recent years. Should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Costs of ongoing compliance with, or failure to comply with, environmental laws could have an adverse effect on the Group's results of operations

The Group's products and activities are subject to numerous local, national and international environmental laws, which are becoming increasingly stringent in many countries in which it operates. Such laws govern, among other things, products – with requirements on emissions of polluting gases, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group invests considerable research and development resources and expects to continue to incur substantial costs in the future. Failure to comply with such laws could expose the Group to penalties or clean-up costs, civil or criminal liability and sanctions on certain of the Group's activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws and regulations, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct its operations and its financial position and results of operations. In addition, there can be no assurances that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations. For instance, the Group's engines are subject to extensive regulatory requirements governing exhaust emissions and noise, including standards imposed by the U.S. Environmental Protection Agency, state regulatory agencies in the United States and other regulatory agencies around the world. National, state or local governments may set new emissions standards that could impact the Group's products and operations in ways that are difficult to anticipate with accuracy. Thus, significant changes in standards, or the adoption of new standards, have the potential to negatively impact the Group's business, results of operations, financial position and competitive position.

CNH Industrial - The Group's business, properties, and products are subject to governmental regulation compliance with which may require the Group to incur expenses, or modify its products or operations, and non-compliance with which may result in harm to the Group's reputation and/or expose the Group to penalties. Governmental regulation may also adversely affect the demand for some of the Group's products and operating results

The Group's business, properties, and products are subject to numerous international, federal and other governmental laws, rules, and regulations relating to restricted substances, including "conflict minerals" disclosure rules. For example, the Restriction of Hazardous Substances (RoHS) Directive in the European Union (EU) requires that certain substances, which may be found in certain products the Group has manufactured in the past, be removed from all electronics components, and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Directive in the EU which could require an authorization process for any chemical deemed a Substance of Very High Concern (SVHC), and listed by the European Commission in Annex XIV to REACH, to remain on the market. China and New York City have adopted RoHS restrictions, and many U.S. states are considering similar rules and legislation. Individual EU member states are required to transpose Directives into national legislation. As member states enact new laws and regulations to implement the Directives, the Group continues to review the applicability and impact of both Directives on the sale of its products within the EU. The Group must survey its supply chain and certify to the non-presence or presence of SVHCs to its customers. Compliance with these governmental regulations can be difficult, costly and time consuming, and liabilities or costs relating to such regulations could have a material adverse effect on the Group's business, financial position and results of operations.

CNH Industrial - A decrease in government incentives may adversely affect the Group's results

Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group's revenues. The terms, size and duration of such government actions are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position. For example, on December 31, 2014, the additional first-year "50% bonus" depreciation and increased expensing of property under the U.S. Internal Revenue Code section 179 expired. This could have an adverse effect on the Group's business prospects in the U.S.

CNH Industrial - The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on their ability to maintain or increase their market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - The Group's existing operations and expansion plans in emerging markets could entail significant risks

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, Venezuela and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and entail various risks. For example, the Group may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as opposed to products manufactured and commercialized by its competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flows. The emerging market economies may also be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic currency volatility, potential hyperinflationary conditions and/or increase of public debt. For example, the Group is subject to the rules and regulations of the Venezuelan government concerning its ability to exchange cash or marketable securities denominated in Venezuelan bolivar into U.S. dollars. Under these regulations, the purchase and sale of foreign currency must be at official rates of exchange and such transactions are subject to volume restrictions. These regulations limit the Group's ability to access and transfer liquidity out of Venezuela to meet funding requirements in other countries and also subject it to increased risk of devaluation or other foreign exchange losses. As of December 31, 2014, the Group has net monetary assets of $125 million at an exchange rate of 12.0 Venezuelan bolivars to one U.S. dollar.

CNH Industrial - CNH Industrial is subject to extensive anti-corruption and antitrust laws and regulations

CNH Industrial's global operations are subject to a number of laws and regulations that govern its operations around the world, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, which apply to conduct around the world, as well as a range of national anti-corruption laws that apply to conduct in a particular jurisdiction. These laws prohibit improper payments in cash or anything of value to improperly influence government officials or other persons to obtain or retain business or gain a business advantage. These laws tend to apply whether or not those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been a substantial increase in the enforcement of anti-corruption laws both globally and in particular jurisdictions and the Group's employees have from time to time been subject to investigations and charges claiming violations of anti-corruption laws. CNH Industrial is committed to operating in compliance with all applicable laws, in particular anti-corruption laws. The Group has implemented a program to promote compliance with these laws and to identify and minimize the risk of any violations, which could result in criminal or civil prosecution of the Group or its employees. Investigations of alleged violations of these laws tend to require dedication of significant resources in funds and management time and attention and these investigations or any violations, as well as any publicity regarding potential violations, could harm CNH Industrial's reputation and have a material adverse effect on its business, results of operations and financial position.

CNH Industrial - Risks associated with the defined benefit pension plans and other post-employment obligations

At December 31, 2014, CNH Industrial's defined benefit pension plans and other post-employment benefits had an underfunded status of $2,517 million which is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust").

To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flows from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

CNH Industrial - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group's dealers carry inventories of finished products as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - Adverse economic conditions could place a financial strain on the Group's dealers and adversely affect the Group's operating results

Global economic conditions continue to place financial stress on many of the Group's dealers. Dealer financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing the Group's equipment. Accordingly, additional financial strains on members of the Group's dealer network resulting from current or future economic conditions could adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - The Group may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on the Group's results of operations

The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures which could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in integrating processes, operations or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

CNH Industrial - Risks associated with the termination of CNH Global's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("KCM") terminated by mutual consent their global alliance (consisting of industrial arrangements and a number of jointly-owned companies) in the construction equipment business. The agreements regulating the dissolution of the alliance provide that, starting from January 1, 2013 until December 31, 2017, the Group will be entitled to purchase components and parts from KCM on a non-exclusive basis in order to continue to manufacture excavators based upon KCM's technology in Group's plants. Moreover, starting from December 31, 2012, the territorial sales and marketing restrictions limiting the right of KCM to distribute its excavators in certain significant markets (such as the Americas and Europe) expired and similar restrictions which applied to the Group's construction equipment activities expired in APAC on July 31, 2013. While the Group expects a smooth transition with respect to implemented changes, commercial issues (such as, by way of example, the weakening of the distributorship network and the subsequent loss of market share) or industrial issues (such as, by way of example, difficulties in maintaining quality standards or inability to source certain components currently provided by KCM) in connection with the termination of the alliance might arise, which could have a material adverse effect upon the Group's construction equipment product lines, construction equipment distribution network, financial position and results of operations.

CNH Industrial - The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The companies within the Group are involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits and other legal proceedings that arise in the ordinary course of their businesses. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on the Group's financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's consolidated financial position, cash flows and results of operations. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against the Group. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require the Group to make payments in excess of its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position.

CNH Industrial - The agricultural equipment industry is highly seasonal, which causes the Group's results of operations and levels of working capital to fluctuate significantly

Farmers traditionally purchase agricultural equipment in the spring and fall, the main planting and harvesting seasons. The Group's agricultural equipment business net sales and results of operations have historically been highest in the second quarter, reflecting the spring selling season in the Northern hemisphere, and lowest in the third quarter, when many of the Group's production facilities experience summer shut-down periods, especially in Europe. The Group's agricultural equipment production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments, which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because the Group spreads its production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because the Group spreads production throughout the year. If retail demand is expected to exceed production capacity for a quarter, then the Group may schedule higher production in anticipation of the expected retail demand. Often, the Group anticipates that spring-selling season demand may exceed production capacity in that period and schedules higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. As a result, the Group's working capital and dealer inventories are generally at their highest levels during the February to May period and decline towards the end of the year, as both the Group's and its dealers' inventories are typically reduced.

To the extent the Group's production levels (and timing) do not correspond to retail demand, it may have too much or too little inventory, which could have an adverse effect on the Group's financial position and results of operations.

CNH Industrial - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and may limit its financial and operating flexibility

As of December 31, 2014, the Group had an aggregate of $29,701 million (including $22,727 million relating to Financial Services) of consolidated gross indebtedness, and its equity was $7,577 million, including non-controlling interests. The extent of the Group's indebtedness could have important consequences for its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage;
- the Group may not be able to introduce new products or pursue business opportunities;
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions; and
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Among the anticipated benefits of the Merger is the expected reduction in funding costs over time due to improved debt capital markets positioning of CNH Industrial. However, certain of the circumstances and risks described above, including but not limited to the timing of maturity and anticipated refinancing of existing indebtedness, may delay or reduce the expected cost savings from the future funding structures and the expected cost savings may not be achieved.

CNH Industrial - Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The indentures governing the majority of the Group's outstanding public indebtedness, and other credit agreements to which Group's subsidiaries are a party, contain typical covenants that restrict the Group's ability to, among other things:

- incur additional indebtedness;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

Although CNH Industrial does not believe any of these covenants materially restrict its operations, a breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations and financial position. These consequences may include the acceleration of amounts outstanding under certain of the Group's credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by the Group's lenders, refusal by the Group's lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries.

CNH Industrial - Risks related to increased information technology security threats

The Group relies upon information technology systems and networks in connection with a variety of business activities, and the Group collects and stores sensitive data. Increased information technology security threats and more sophisticated computer crime, including advanced persistent threats, pose a risk to the security of its systems and networks and the confidentiality, availability and integrity of its data.

In order to manage such risks, the Group implemented its information security system, an integrated set of policies, processes, methodologies, teams and technologies aimed at ensuring appropriate protection of the Group's data. The information security system must be constantly aligned with evolving cyber threats scenarios in order for it to be effective. Recent security initiatives included in the Group's information security roadmap concern product development data loss prevention, data classification (both structured and unstructured data) and laptop encryption. Actions are also in progress to increase the Group's capability to prevent, detect, and react to malicious data leakage attempts.

Despite such efforts, a failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect its reputation, competitive position, businesses and results of operations. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as higher operational and other costs of implementing further data protection measures.

CNH Industrial - The loss of members of senior management could have an adverse effect on the business of the Group

The Group's success is largely dependent on the ability of its senior executives and other members of management to effectively manage its organization and individual areas of its business. The loss of any senior executive, manager or other key employee without an adequate replacement or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - The Group's business may be affected by unfavorable weather conditions, climate change or natural disasters

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group's agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group's agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, equipment failures, power outages or other unexpected events could result in physical damage to and complete or partial closure of one or more of the Group's manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of component products from some local and international suppliers, disruption in the transport of the Group's products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group's financial results might be negatively impacted. Existing insurance arrangements may not provide protection for all of the costs that may arise from such events.

CNH Industrial - Changes in demand for food and alternate energy sources could impact the Group's revenues

Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which directly affect sales of agricultural equipment. While higher commodity prices will benefit the Group's crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for the Group's equipment and result in higher research and development costs related to equipment fuel standards.

CNH Industrial - International trade policies may impact demand for the Group's products and its competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by individual governments or addressed by regional trade blocs, may affect the demand for the Group's products and services, impact the competitive position of its products or prevent the Group from being able to sell products in certain countries. The implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs or new barriers to entry, in countries where the Group sells large quantities of products and services could negatively impact its business, results of operations and financial condition. For example, a government's adoption of trade sanctions or "buy national" policies or retaliation by another government against such policies could have a negative impact on the Group's results of operations.

CNH Industrial - The Group is subject to negative conditions in the financial markets and the cyclicality of the capital goods sector

Producers in the capital goods sector are subject to:

- the condition of financial markets, in particular, the ability to access the ABS market and prevailing interest rates in that market. In North America, in particular, the Group makes considerable use of ABS transactions to fund financing offered to dealers and customers. Adverse conditions in the financial markets, and the ABS market in particular, could have a significant impact on the Group's business prospects, results of operations and/or financial position;
- cyclicality, which can cause sudden (and sometimes material) declines in demand, with negative effects on inventory levels and product pricing, both new and used. In general, demand in the capital goods sector is highly correlated to the economic cycle and can be subject to even greater levels of volatility.

Risks related to financial services

The Group offers a wide range of financial services and products to Agricultural Equipment, Construction Equipment and Commercial Vehicles dealers and customers including retail financing for the purchase or lease of new and used equipment and vehicles, and wholesale financing to dealers.

In light of the above, the following risks associated with the financial services offered by the Group should be considered.

CNH Industrial - Credit risk

Fundamental to any organization that extends credit is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- interest rates (and changes in the applicable rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather; and
- the value of the collateral securing the extension of credit.

Deterioration in the quality of the Group’s financial assets, an increase in delinquencies or defaults, or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group’s Financial Services business. These risks become more acute in an economic slowdown or recession due to decreased demand for (or availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, defaults, insolvencies, foreclosures and losses. In such circumstances, the Group’s loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.

When loans default and the Group’s Financial Services business repossess collateral securing the repayment of a loan, its ability to recover or mitigate losses by selling the collateral is subject to the current market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as for commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as for commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group’s financial position and results of operations.

CNH Industrial - Funding risk

The Group’s Financial Services business have traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. Access to funding at competitive rates is essential to the Group’s Financial Services business. From mid-2007 through 2009, events occurred in the global financial market, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS market adversely affected the Group’s ability to sell receivables on a favorable or timely basis. Similar conditions in the future would have an adverse impact on the Group’s access to funding, financial position and results of operations. As Financial Services finances a significant portion of the Group’s sales of equipment, to the extent Financial Services is unable to access funding on acceptable terms, the Group’s sales of equipment would be negatively impacted.

To maintain competitiveness in the capital markets and to promote the efficient use of various funding sources, the Group chose to increase the reserve funds of certain previously-issued ABS transactions. Such optional support may, in the future, be required to maintain credit ratings assigned to certain transactions if loss experiences are higher than anticipated. The provision of additional reserve support could have an adverse effect on the Group’s financial position, results of operations and cash flows.

CNH Industrial - Repurchase risk

In connection with the Group’s ABS transactions, the Group makes customary representations and warranties regarding the assets being securitized, as disclosed in the relevant offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group’s ABS trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on the Group’s financial position, results of operations and cash flows.

CNH Industrial - Regulatory risk

The operations of the Group’s Financial Services business are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also subject to various laws, as well as to judicial and administrative decisions and interpretations, imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers’ insurance coverage;
- require disclosures to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or applicable laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect Financial Services and the Group's financial position and results of operations.

CNH Industrial - Potential impact of the Dodd-Frank Act

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), including its many implementing regulations, may substantially affect the origination, servicing and securitization programs of the Groups' Financial Services business. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers, a loan level disclosure requirement for certain securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations. While the Group will continue to monitor these developments and their impact upon its access to the ABS market, these and future SEC regulations may impact the Group's ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect the Group's financial position, results of operations and cash flows.

Other risks

CNH Industrial - CNH Industrial operates and will continue to operate as a company that is resident in the U.K. for tax purposes, other tax authorities may treat CNH Industrial as being tax resident elsewhere

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial is likely to be regarded as having become U.K.-resident on this basis from the date of its incorporation. This analysis is supported by the competent authority ruling referred to below. Even if CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Even if CNH Industrial's central management and control is in the U.K., CNH Industrial would normally be resident in The Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in The Netherlands. Nonetheless, the U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by The Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn and in that case The Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organizational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. tax treaty. Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organizational structure, there can be no assurance that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, CNH Industrial would be subject to corporate income tax in Italy and may be required to comply with withholding tax on dividends and other distributions (currently at a withholding rate of 26%, subject to any benefits from double taxation treaties or other reliefs or exemptions that may be available to shareholders) and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial - CNH Industrial, as successor to Fiat Industrial, is jointly liable with FCA for certain obligations

CNH Industrial is successor to Fiat Industrial – a company formed as a result of the demerger of Fiat S.p.A. (which, effective October 12, 2014, was merged into Fiat Investments N.V., which at the same time took the name of Fiat Chrysler Automobiles N.V., "FCA") in favor of Fiat Industrial (the "Demerger"). As such, CNH Industrial continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date ("the Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2014, the outstanding Liabilities amount to approximately $3.5 billion (of which $3.2 billion consists of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above mentioned potential joint liability.

CNH Industrial - The loyalty voting structure may concentrate voting power in a small number of CNH Industrial's shareholders and such concentration may increase over time

A relatively large proportion of the voting power of CNH Industrial could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. Based on the most recent data EXOR S.p.A. holds a voting interest in CNH Industrial of 39.99% by virtue of its participation in the loyalty voting structure and is thus able to exert a significant influence over the Group.

CNH Industrial - The loyalty voting structure may affect the liquidity of the CNH Industrial's common shares and reduce its share price

CNH Industrial's loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of CNH Industrial's common shares from the CNH Industrial Loyalty Register, any corresponding special voting shares shall be transferred to CNH Industrial for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in CNH Industrial's common shares and adversely affect their trading price.

CNH Industrial - The loyalty voting structure may prevent or frustrate attempts by CNH Industrial's shareholders to change CNH Industrial's management and hinder efforts to acquire a controlling interest in the Group, and the market price of CNH Industrial's common shares may be lower as a result

The provisions of CNH Industrial's Articles of Association establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Group, even if a change of control is considered favorably by shareholders holding a majority of CNH Industrial's common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of CNH Industrial's common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit CNH Industrial's shareholders.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in CNH Industrial's management.

C&W GROUP

The following is a summary of the main risks and uncertainties that could potentially have a significant impact on the activities of C&W Group, Inc. (C&W).
Additional risks and uncertainties not presently known to C&W or that C&W currently believes to be immaterial may also adversely affect C&W's business.

C&W – Risks associated with general economic conditions

C&W's success depends, in part, on the basic strength of the real estate markets in which C&W operates. Periods of economic weakness or recession, significantly rising interest rates, declining employment levels, declining demand for commercial real estate, falling real estate values, or the public perception that any of these events may occur, may negatively affect the performance of some or all of C&W's business lines.
These economic conditions can result in a general decline in acquisition, disposition and leasing activity, increase in credit cost and lack of credit availability, as well as a general decline in the value of commercial real estate and rents, which in turn can reduce revenue from property management and valuation fees and commissions derived from property sales, leasing and financing activities and increase volatility of certain business lines, such as capital markets, that generate fees based on the timing, size and pricing of transactions. The performance of the real estate markets depends upon many factors, almost all of which are beyond C&W's control. Any prolonged downturn in the real estate markets could have a significant adverse effect on C&W's ability to generate revenue and profits and on C&W's business as a whole.

C&W – Risks associated with C&W's credit facility

C&W's credit agreement imposes operating and other restrictions on C&W and many of its subsidiaries which may limit or prohibit various activities including: financing ongoing operations, strategic acquisitions, investments, paying dividends or making distributions on or repurchases of capital stock. Failure to meet payments or other obligations under C&W's credit agreement (financial covenants) could lead to increased interest rates.

C&W – Risks associated with seasonality

A significant portion of C&W's revenue is seasonal, which can affect C&W's ability to compare financial condition and consolidated results of operations on a quarter-by-quarter basis. Historically, this seasonality has caused revenue, operating income, net income and cash flows from operating activities to be lower in the first two quarters and higher in the third and fourth quarters of each year. The seasonality of C&W's business makes it more difficult to determine during the course of the year whether C&W's business expectations will be achieved, and to adjust timely to changes in conditions.

C&W – Risks associated with the impairment of C&W's goodwill and other intangible assets

In connection with EXOR's acquisition of Cushman & Wakefield, Inc. in 2007 and as a result of subsequent acquisitions, C&W has significant goodwill and other intangible assets on its books. A significant and sustained decline in future cash flows, a significant adverse change in the economic environment or slower revenue and EBITDA growth rates could result in the recognition of goodwill or other intangible asset impairment charges.

C&W – Risks associated with currency fluctuation

C&W's revenue from non-U.S. operations is denominated primarily in the local currency where the associated revenue was earned while the reporting currency of C&W is the U.S. dollar. Over time, fluctuations in the value of the U.S. dollar relative to the other currencies in which earnings are generated could adversely affect C&W's business, financial condition and operating results. In addition, constantly changing currency exposures and the volatility of currency exchange rates may make it more difficult to perform period-to-period comparisons of reported results of operations.

C&W – Risks associated with litigation

C&W's licensed employees and the licensed employees of C&W's global subsidiaries are subject to statutory due diligence, disclosure and standard-of-care obligations. Failure to fulfill these obligations could result in litigation from parties who purchased, sold or leased properties C&W brokered or managed, as well as any party who may have relied on a valuation by C&W. In addition, C&W hires and supervises third-party contractors to provide certain services for C&W's managed properties. Depending on the terms of the contracts with C&W's clients, C&W may be subject to claims resulting from actions of such third-party contractors that it does not control. Any material claim or litigation could divert senior management's attention and delay implementation of C&W's business strategy, which could ultimately harm C&W's financial condition and results of operations. Some of these litigation risks may be mitigated by insurance maintained by C&W in amounts it believes are appropriate.

C&W – Risks associated with competition

C&W competes across a variety of business disciplines within the commercial real estate services industry. Although many of its competitors are local or regional firms and are substantially smaller than C&W, some of these competitors are larger on a local or regional basis. C&W is also subject to competition from other large national and multi-national firms that have similar service competencies to C&W. In general, there can be no assurance that C&W will be able to compete effectively, to maintain current fee levels or margins, or maintain or increase C&W's market share.

C&W – Risks associated with ability to attract and retain qualified and experienced employees

C&W's continued success is highly dependent upon the efforts of its executive officers and other key employees. If any of C&W's key employees leave and C&W is unable to quickly hire and integrate a qualified replacement, C&W's business, financial condition and results of operations may suffer. In addition, the growth of C&W's business is largely dependent upon C&W's ability to attract and retain qualified personnel in all areas of C&W's business, including brokerage and property management personnel, and competition for key employees among C&W and its competitors is intense. If C&W is unable to attract and retain qualified personnel, C&W's growth may be limited and its business and operating results could suffer.

C&W – Risks associated with operations in multiple jurisdictions with complex and varied tax regimes

C&W operates in many jurisdictions with complex and varied tax regimes and is subject to different forms of taxation resulting in a variable effective tax rate. Adverse tax filings, failure to adequately support tax positions, non-compliance with tax regulations, errors in tax preparation and disagreements with the tax authorities on the application of tax law and tax claims arising from tax audits may result in the disqualification of tax positions taken, tax penalties and could have an adverse effect on C&W's results of operations.

C&W – Risks associated with the protection of C&W's intellectual property

C&W's business depends, in part, on C&W's ability to identify and protect proprietary information and other intellectual property such as C&W's trade and service marks, domain names, client lists and information, business methods and research. C&W's inability to detect unauthorized use or take appropriate or timely steps to enforce C&W's intellectual property rights may have an adverse effect on business and lead to claims against C&W.

C&W - Risks associated with non-compliance with policies and Global Code of Business Conduct

The global nature of C&W's business makes it challenging to communicate the importance of adherence to C&W's policies and Global Code of Business Conduct, to monitor and enforce compliance with its provisions on a worldwide basis and to ensure local compliance with US and UK laws that apply globally in some circumstances (e.g. the Foreign Corrupt Practices Act, the Patriot Act and the UK Bribery Act). Breaches of C&W's Global Code of Conduct could have a material adverse effect.

C&W – Risks associated with the security of C&W's information and technology networks, including personally identifiable and client information

C&W collects and stores sensitive data such as personally identifiable information of C&W's employees, clients and other third parties. The secure processing, maintenance and transmission of this information is critical to C&W's operations. Despite C&W's security measures, C&W's information technology systems may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Such events could expose C&W to liability, damage C&W's reputation and adversely affect revenues and competitive position.

Additionally, C&W increasingly relies on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over C&W's data. Such third parties may also be vulnerable to security breaches and compromised security systems, which could adversely affect C&W's.

In order to manage such risks, C&W has recently deployed a third-party Managed Security Service to monitor activity and provide alerts of risky events, a third-party application vulnerability assessment service to monitor client-facing, public-facing, and internal web application vulnerabilities, and a risk assessment program for information technology related service providers. C&W is currently taking steps to increase its ability to prevent, detect, and react to malicious activity intended to misappropriate C&W's data or computing resources.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks connected to general economic conditions

Overall, Juventus' financial position, income statement and cash flows are affected by general economic conditions. However, despite the fact that most of Juventus' income items are tied to long-term contracts, if the situation of weakness and uncertainty which characterizes the Italian and European economy lengthens significantly, the activities, strategies and prospects of Juventus may be negatively affected, particularly in terms of the radio and television rights market, sponsorships, revenues for the new stadium and all sales activities targeting supporters.

Juventus Football Club - Risks connected to the sponsorship market

From a general viewpoint, the crisis which has hit financial markets in recent years and the consequent ongoing recession in Italy are affecting the market of sports sponsorships which currently has a narrower timeframe of promotional and advertising investments. This market scenario in the short term has led to a lower level of long-term sponsorship revenues compared to the past. If the economic crisis should continue, growth in sponsorship revenues may fall below expectations, with the result that Juventus' financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks connected with the ability to attract "human capital"

Achieving sports and economic results depends on the ability to attract and keep top quality managers, players and technical staff and, therefore, requires payment of salaries in line with those of the main competitors in Italy and Europe. The inability to keep "key people" may have a negative impact on the actual ability to manage and on the Club's growth prospects.

Juventus Football Club - Risks connected to funding requirements

Numerous factors affect Juventus' financial position. In particular, these include the fulfilment of sports and business objectives, as well as trends in general economic conditions and in the markets in which Juventus operates. In accordance with its risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. In addition to this, Juventus holds its cash and cash equivalents, if any, as demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the current situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded, which would give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks connected to business sector

Players' registration rights represent Juventus' main factor of production. Sports activities are subject to risks connected to players' physical health and fitness. Injuries and accidents, therefore, can potentially have a significant impact at any time on Juventus' financial position and income statement.

In addition, given that the business also focuses on the commercial exploitation of the trademark, trademark infringement by third parties is another risk Juventus faces. The arrival on the market of a large number of imitation goods bearing the Juventus trademark or the occurrence of events that may impair the market value of the trademark would potentially have an adverse impact on Juventus' financial position, income statement and cash flows. Finally, Juventus is exposed to risks connected with supporter behavior, which may result in fines, sanctions or other punishments being levied on Juventus, and indirectly damage the Club's image, which may lead to a lower stadium turnout and lower merchandising sales.

Juventus Football Club - Risks connected to the Transfer Campaign

Juventus' business and financial performance are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared to the Development Plan and guidelines related to sports management defined annually could result in negative impacts on Juventus' financial situation. Moreover, the failure to optimize the bench, which could derive from inclusion in the squad of players who no longer meet the technical and tactical requirements of the team manager and the strategic needs of the sporting director, and who do not agree to transfers, raises the risk of unexpected or excessive costs, which, however, is a risk common to all football clubs.

Juventus Football Club - Risks related to relations with players

Like all its main competitors, Juventus has been faced with a significant increase in salaries and bonuses for players in recent years as well as in the cost of players' registration rights. If the value of players were to continue

increasing at a significant rate, purchasing the registration rights for new players could become more problematic, especially if the value of the Club's players to sell did not increase proportionately.
It cannot be excluded that these trends may continue in future years, affecting Juventus' strategy and the dynamic management of its playing assets, and may have negative effects on Juventus' financial position, income statement and cash flows, as well as on its activities, strategies and prospects.

Juventus Football Club - Risks connected to any unlawful behavior of registered players

As current sports regulations hold football clubs liable for certain behavior of its players, the possibility that Juventus may be fined by sports bodies in the future, for facts beyond its control, with negative effects that may also be significant on the financial position and performance, cannot be ruled out.

Juventus Football Club - Risks connected to radio and television rights

Juventus' revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold. Rules governing the ownership of broadcasting rights to sports events and the distribution of proceeds do not allow for direct management by Juventus and may have a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market or a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from the centralized and collective sale of radio and television rights may lead to a significant reduction of revenues in the future with a negative impact on the financial position, income statement and cash flows of Juventus.
Moreover, for several years now, live streaming and piracy on Internet have caused the loss of income for TV broadcasters which could lead them to change the investments in the sector with a negative impact on the financial position, income statement and cash flow of Juventus.

Juventus Football Club - Risks connected to digital media

Juventus has adopted appropriate procedures and rules of conduct to manage media relations. However, as digital media have become more commonplace, the possibility of an improper use of these procedures and rules by some registered players and/or their relatives, relatives by marriage and attorneys-in-fact, as well as the publication of contents by third parties in general, having a negative impact on the image of Juventus, its Directors, executives and/or registered players, with consequent negative effects on the financial position and performance cannot be ruled out.

Juventus Football Club - Risks connected with management of the company-owned stadium

In the 2011-2012 football season, Juventus became the first club in Serie A to own its own stadium, and since the 2014-2015 season it has also directly managed the fan access control and assistance services ("Stewarding"). This means that Juventus is now responsible for the stadium, with the consequent risks related to the structure of the stadium and management of the surrounding public areas used for parking. This may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Activities at the Juventus Stadium could also be suspended following natural disasters and other events beyond Juventus' control with consequent negative impacts on Juventus' financial position, income statement and cash flows.
Lastly, a reduction of supporters and played matches would have a negative effect on Juventus' financial position, income statement and cash flows.

Juventus Football Club - Risks connected to the no-fault liability of football clubs

Under current regulations, football clubs have a no-fault liability in relation to certain acts of their registered players and fans, that may result in sports sanctions and/or monetary fines for the clubs and players. In this regard, despite adopting procedures considered necessary to avoid the infringement of these regulations, Juventus cannot rule out the possibility that facts may occur beyond its control that result in sanctions (including suspension from the field, fines, and bans from competitions), and that cause concern among fans at the stadium, reducing their number with a possible reduction in ticket sales and extraordinary costs, nor can it evaluate the sports, economic and financial-related consequences that may arise. Following these events, the need to consolidate security measures during home matches could arise, with additional costs and expenses for the safety of fans and the company's insurance, and with consequent negative effects on the financial position and performance of Juventus, as well as its operations, strategies and prospects.

Juventus Football Club - Risks connected to fluctuations in interest rates and exchange rate

Juventus uses various forms of funding to assure the cash flow needed for its business. These include credit lines for cash advances and credit commitments, factoring, financial leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. The Company has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates to finance medium-long term investments. Despite this, sudden changes in interest rates could potentially have an adverse impact on the Company's financial position and income due to higher financial expenses on short-term borrowing.

Juventus conducts almost all its purchase and sale transactions in euro. As a result, the Company is not exposed in any significant way to the risk of exchange rate fluctuations.

Juventus Football Club - Risks connected to the missed qualification for sports tournaments

The Company’s financial performance is significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top two ranking teams in the Serie A Championship, while the third-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify, even where due to a reduction in the number of participating sides, as well as failure to obtain the UEFA license, including in light of the "Financial Fair Play" rules, could potentially have an adverse impact on the Company’s financial position and performance.

Juventus Football Club - Risks connected to Financial Fair Play

A European-wide licensing system is in place for the admission of football clubs to the club competitions organized by UEFA (UEFA Champions League, UEFA Europe League and UEFA Supercup). Based on this system, only football clubs which prove they satisfy the sporting, infrastructure, personnel and administrative, legal and financial criteria, along with the required title are allowed to participate in European competitions and thus obtain the so-called "UEFA License". The UEFA Club Licensing manual also incorporates Financial Fair Play Regulations.

Financial Fair Play is based on the breakeven result, according to which clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs. A short description is given below of the man financial-economic and equity parameters applied by UEFA for admission to its competitions. As of the 2013/2014 Football Season, each club will be required to show it has:

- financial statements certified by an independent auditor demonstrating that the club is a going concern;
- non-negative equity;
- no outstanding amounts due to football clubs, employees and/or social/tax authorities;
- compliance with the Breakeven Rule” i.e., a positive "breakeven result” for three consecutive years prior to that in which the UEFA License is applied for.

The Company has obtained a UEFA license to play in European championships for the 2014-2015 Football Season, however it is not possible to predict if in the future these requirements (or any new requirements approved in the meantime) will be complied with, nor can it be excluded that clubs may be required to have additional funding to meet the requirements needed for the UEFA License. If the Company is not able to meet the above requirements, it may be excluded from participation in European competitions, bearing an adverse impact on its financial position and income statement.

Juventus Football Club - Risks connected to the outcome of pending litigation

With the assistance of its legal advisers, the Company manages and constantly monitors all current disputes and, on the basis of the outcome that can be predicted for them, proceeds, when necessary, with the allocation of specific risk provisions.

Future negative effects, both minor and major, on Juventus’ financial position, income statement and cash flows cannot be excluded on the basis of the current disputes.

Juventus Football Club - Risks connected to tax litigation

Considering the specific nature of the football industry and in particular transactions regulating the Transfer Campaign, which are interpreted in different ways by football clubs and the Financial Administration, claims could be made by the Financial Administration in the future, even concerning a significant amount, with adverse effects on the Company's financial position and performance.

MOTION FOR APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND PAYMENT OF DIVIDENDS

Dear Shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2014 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to pay a dividend of €0.35 to the 222,346,104 ordinary shares currently outstanding, equal to a maximum €77,821,136.40 to be drawn from the profit for the year up to the amount of €51,753,505.66 and from the extraordinary reserve for the remaining maximum amount of €26,067,630.74.

The proposed dividends will become payable on June 24, 2015 (ex-dividend stock market date June 22) and will be paid to the shares of record as of June 23, 2015 (record date).

Turin, April 14, 2015

On behalf of the Board of Directors
Chairman and CEO
John Elkann

Separate Financial Statements
at December 31, 2014

EXOR S.p.A. - INCOME STATEMENT

€	Note	2014	2013	Change
Investment income (expenses)				
Dividends from investments	1	**143,462,311**	102,766,167	40,696,144
Gains (losses) on disposals of investments	2	**(4,880,157)**	82,259,433	(87,139,590)
Reversal of impairment loss on investments	3	**8,029,540**	0	8,029,540
Net investment income		**146,611,694**	185,025,600	(38,413,906)
Financial income (expenses)				
Financial expenses from third parties	4	**(99,669,897)**	(88,302,330)	(11,367,567)
Financial expenses from related parties	37	**(1,351,579)**	(1,484,841)	133,262
Financial income from third parties	5	**28,259,452**	29,369,154	(1,109,702)
Financial income from related parties	37	**12,953**	20,530	(7,577)
Gains (losses) on exchange	6	**46,004**	123,445	(77,441)
Net financial expenses		**(72,703,067)**	(60,274,042)	(12,429,025)
Net general expenses				
Personnel costs	7	**(8,424,917)**	(12,297,394)	3,872,477
Purchases of goods and services from third parties	8	**(3,904,172)**	(4,564,408)	660,236
Purchases of goods and services from related parties	37	**(5,290,136)**	(5,407,642)	117,506
Other operating expenses	9	**(959,756)**	(990,727)	30,971
Depreciation and amortization		**(48,720)**	(49,928)	1,208
		(18,627,701)	(23,310,099)	4,682,398
Revenues from third parties		**17,669**	8,332	9,337
Revenues from related parties	37	**523,580**	503,738	19,842
		541,249	512,070	29,179
Net general expenses		**(18,086,452)**	(22,798,029)	4,711,577
Non-recurring other income (expenses) and general expenses	10	**(6,238,421)**	(1,911,995)	(4,326,426)
Indirect taxes				
Non-deductible VAT	11	**(1,279,183)**	(1,609,506)	330,323
Other indirect taxes		**(131,705)**	(5,230)	(126,475)
Indirect taxes		**(1,410,888)**	(1,614,736)	203,848
Profit before income taxes		**48,172,866**	98,426,798	(50,253,932)
Income taxes	12	**3,580,640**	(5,700,768)	9,281,408
Profit for the year		**51,753,506**	92,726,030	(40,972,524)

EXOR S.p.A. - STATEMENT OF COMPREHENSIVE INCOME

€	2014	2013
Profit for the year	**51,753,506**	92,726,030
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods		
Gains (losses) on remeasurement of defined benefit plans	**(559,607)**	4,053
Related tax effect	**0**	0
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax	**(559,607)**	4,053
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments	**(11,735,074)**	26,566,855
Gains (losses) on available-for-sale financial assets	**6,083,762**	(21,182,549)
Related tax effect	**2,569,417**	(2,640,377)
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax	**(3,081,895)**	2,743,929
Total other comprehensive income (loss), net of tax	**(3,641,502)**	2,747,982
Total comprehensive income	**48,112,004**	95,474,012

EXOR S.p.A. - STATEMENT OF FINANCIAL POSITION

€	Note	12/31/2014	12/31/2013	Change
Non-current assets				
Investments accounted for at cost	13	**4,602,746,733**	3,883,401,892	719,344,841
Available-for-sale financial assets	13	**30,084,973**	47,432,695	(17,347,722)
Total		**4,632,831,706**	3,930,834,587	701,997,119
Held-to-maturity financial instruments	14	**26,347,901**	83,455,093	(57,107,192)
Other financial assets		**85,032**	10,478,670	(10,393,638)
Intangible assets		**106,315**	109,635	(3,320)
Property, plant and equipment		**87,217**	116,629	(29,412)
Other receivables		**1,301**	1,301	0
Total Non-current assets		**4,659,459,472**	4,024,995,915	634,463,557
Current assets				
Held-to-maturity financial instruments	14	**25,000,000**	25,687,237	(687,237)
Financial assets held for trading	15	**136,579,494**	87,196,319	49,383,175
Cash and cash equivalents	16	**276,379,578**	585,694,598	(309,315,020)
Other financial assets	17	**5,087,710**	4,157,147	930,563
Tax receivables	18	**6,038,429**	5,974,942	63,487
Financial receivables from related parties	37	**1,086,970**	974,017	112,953
Financial receivables from third parties		**278,485**	279,467	(982)
Trade receivables from related parties	37	**339,739**	354,422	(14,683)
Other receivables	19	**279,198**	505,837	(226,639)
Total Current assets		**451,069,603**	710,823,986	(259,754,383)
Total Assets		**5,110,529,075**	4,735,819,901	374,709,174
Equity				
Share capital	20	**246,229,850**	246,229,850	0
Capital reserves	21	**1,094,170,370**	1,094,170,370	0
Retained earnings and other reserves	22	**2,361,877,283**	2,344,956,089	16,921,194
Treasury stock	24	**(344,119,774)**	(344,119,774)	0
Profit for the year		**51,753,506**	92,726,030	(40,972,524)
Total Equity		**3,409,911,235**	3,433,962,565	(24,051,330)
Non-current liabilities				
Non-convertible bonds	26	**1,599,996,783**	1,199,907,703	400,089,080
Deferred tax liabilities	28	**22,319,466**	25,428,366	(3,108,900)
Provisions for employee benefits	29	**2,898,981**	2,272,534	626,447
Provisions for risks and charges		**0**	2,867,000	(2,867,000)
Other payables	33	**58,616**	205,020	(146,404)
Total Non-current liabilities		**1,625,273,846**	1,230,680,623	394,593,223
Current liabilities				
Non-convertible bonds	26	**24,907,736**	28,596,948	(3,689,212)
Other financial liabilities	30	**45,607,505**	33,678,051	11,929,454
Trade payables and other payables to related parties	37	**186,171**	160,913	25,258
Trade payables to third parties	31	**1,456,469**	1,359,093	97,376
Tax payables	32	**576,211**	4,361,609	(3,785,398)
Other payables	33	**2,609,884**	3,020,081	(410,197)
Bank debt		**18**	18	0
Total Current liabilities		**75,343,994**	71,176,713	4,167,281
Total Equity and Liabilities		**5,110,529,075**	4,735,819,901	374,709,174

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2014	2013
Cash and cash equivalents, at beginning of year		**585,694,598**	338,375,314
Cash flows from (used in) operating activities			
Profit for the year		**51,753,506**	92,726,030
Adjustments for:			
(Gains) losses on disposals of investments	2	**(771,040)**	(87,237,891)
Impairment losses (reversals) of investments	3	**(8,029,540)**	0
Expenses on cancellation on EXOR 2007-2017 bonds, 5.375%	4	**32,512,990**	6,464,062
Effective portion of losses on cash flows hedges reclassified to income		**0**	14,915,167
Depreciation and amortization		**48,720**	49,928
Notional cost of EXOR stock option plan	25	**2,206,908**	4,584,575
EXOR share conversion expenses		**0**	(1,890,253)
Deferred income taxes released	12	**(539,482)**	(539,483)
Total adjustments		**25,428,556**	(63,653,895)
Change in working capital:			
Other financial assets, current and non-current		**9,463,075**	4,356,094
Tax receivables, excluding items adjusting profit for the year	18	**(63,487)**	(1,442,130)
Trade receivables from related parties		**14,683**	(21,776)
Other receivables, current and non-current		**226,639**	(4,513)
Other financial receivables		**982**	273,684
Other payables, current and non-current	33	**(556,601)**	505,540
Other financial liabilities, current and non-current		**194,380**	14,949,397
Trade payables and other payables to related parties, excluding items adjusting profit		**25,258**	42,954
Trade payables to third parties		**97,376**	324,116
Tax payables		**(3,785,398)**	3,327,046
Provisions for employee benefits, excluding remeasurements of defined benefit plans recognized in equity		**66,840**	(118,330)
Provisions for risks and charges		**(2,867,000)**	(633,000)
Change in working capital		**2,816,747**	21,559,082
Cash flows from (used in) operating activities		**79,998,809**	50,631,217
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(17,254)**	(10,398)
Held-to-maturity financial instruments, current and non-current	14	**57,794,429**	356,031
Financial assets held for trading	15	**(49,383,175)**	89,261,838
Disposal of investments and available-for-sale financial assets		**34,970,651**	387,250,761
Investment acquisitions	13	**(721,978,399)**	0
Disposal of property, plant and equipment		**1,266**	0
Cash flows from (used in) investing activities		**(678,612,482)**	476,858,232
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**(112,953)**	779,470
Issue of bonds 2014-2024		**648,320,413**	0
Issue of bonds 2013-2020		**0**	197,989,682
Other changes in bonds		**(284,433,535)**	(80,452,223)
Net change in bank debt		**0**	(200,000,005)
Changes in fair value of cash flow hedge derivatives		**0**	(14,915,167)
Dividends paid		**(74,485,945)**	(78,459,323)
Treasury stock purchases		**0**	(105,114,450)
Dividends statute-barred and other net changes		**10,673**	1,851
Cash flows from (used in) financing activities		**289,298,653**	(280,170,165)
Total change in cash and cash equivalents		**(309,315,020)**	247,319,284
Cash and cash equivalents, at end of year		**276,379,578**	585,694,598

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury stock	Earnings reserves	Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2012	**246,229,850**	**1,096,102,859**	**(239,005,324)**	**2,288,306,942**	**150,494,558**	**24,391,462**	**(46,921,822)**	**3,519,598,525**
Reclassification 2012 profit				150,494,558	(150,494,558)			0
Dividends paid to shareholders (€0.335 per ordinary share, €0.3867 per preferred share, €0.4131 per savings share)				(78,459,323)				(78,459,323)
Treasury stock purchase			(105,114,450)					(105,114,450)
Dividends statute-barred				1,852				1,852
Net increase corresponding to notional cost of EXOR stock option plan				4,352,204				4,352,204
Allocation of preferred and savings shares mandatory conversion expenses		(1,890,255)						(1,890,255)
Total comprehensive income				4,053	92,726,030	(23,822,926)	26,566,855	95,474,012
Net changes during the year	**0**	**(1,890,255)**	**(105,114,450)**	**76,393,344**	**(57,768,528)**	**(23,822,926)**	**26,566,855**	**(85,635,960)**
Equity at December 31, 2013	**246,229,850**	**1,094,170,370**	**(344,119,774)**	**2,364,742,520**	**92,726,030**	**568,536**	**(20,354,967)**	**3,433,962,565**
Reclassification 2013 profit				92,726,030	(92,726,030)			0
Dividends paid to shareholders (€0.335 per ordinary share)				(74,485,945)				(74,485,945)
Dividends statute-barred				10,673				10,673
Net increase corresponding to notional cost of EXOR stock option plan				2,311,938				2,311,938
Total comprehensive income				(559,607)	51,753,506	8,653,179	(11,735,074)	48,112,004
Net changes during the year	**0**	**0**	**0**	**20,003,089**	**(40,972,524)**	**8,653,179**	**(11,735,074)**	**(24,051,330)**
Equity at December 31, 2014	**246,229,850**	**1,094,170,370**	**(344,119,774)**	**2,384,745,609**	**51,753,506**	**9,221,715**	**(32,090,041)**	**3,409,911,235**
Note	20	21	24	22		22	22	

EXOR S.p.A. – NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy, with its headquarters located in Turin, Italy, Via Nizza 250.

Additional information is provided in the Report on Operations under "EXOR Group Profile and Key Data".

SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements

The separate financial statements of the EXOR S.p.A. at December 31, 2013 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and Council of July 19, 2002, in addition to provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The separate financial statements are also prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 of July 27, 2006 and in Consob Communication 6064293 of July 28, 2006, pursuant to article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.

The financial statements are prepared on the going concern assumption as the directors have in fact assessed that despite operating in a difficult economic and financial environment no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Format of the separate financial statements

EXOR S.p.A. presents the separate income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses), including the effects of recurring and non-recurring transactions.
In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

In view of the significance of the amounts, the "non-recurring other income (expenses) and general expenses" are presented separately from "net general expenses" that are recurring and include any non-financial exceptional or non-recurring income and costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees and defendant legal fees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The separate statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 37.

The year-end closing date is December 31 of each year and covers a period of 12 months.

The Euro is the company's functional currency and presentation currency.

In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Standards, amendments and interpretations adopted from January 1, 2014

On May 12, 2011, the IASB issued: IFRS 10 – *Consolidated Financial Statements*, IFRS 11 – *Joint Arrangements* and IFRS 12 – *Disclosure of Interests in Other Entities (*subsequently amended on June 28, 2012). As a consequence the IASB also amended IAS 27 – *Consolidated and Separate Financial Statements* which was renamed IAS 27 – *Separate Financial Statements*. The new IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements, including the additional disclosures required. The standard confirms that investments in subsidiaries, joint ventures and associates are accounted for at either cost or fair value. The same accounting treatment is to be applied for each category of investment. If an entity elects to measure investments at fair value in its consolidated financial statements, it is required to use the same method of measurement in the separate financial statements. There are no effects on the separate financial statements from the adoption of IAS 27 – *Separate Financial Statements.*

On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. There are no effects on the separate financial statements from the adoption of these amendments.

On May 29, 2013, the IASB issued an amendment to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* addressing the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The amendments were applied retrospectively starting from January 1, 2014. There are no effects on the separate financial statements from the adoption of these amendments.

On June 27, 2013, the IASB issued amendments to IAS 39 – *Financial Instruments: Recognition and Measurement, entitled Novation of Derivatives and Continuation of Hedge Accounting*. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendments were applied retrospectively starting from January 1, 2014. There are no effects on the separate financial statements from the adoption of these amendments.

The company adopted IFRIC 21 – *Levies an Interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets*. The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. There is no effect on the separate financial statements from the application of this interpretation.

Standards, amendments and interpretations not yet effective and not early adopted

In November 2013, the IASB published narrow scope amendments to IAS 19 – *Employee Benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No significant effect is expected from the first time adoption of these amendments.

In December 2013, the IASB issued *Annual Improvements to IFRSs 2010 – 2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share-based Payments*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments,* the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party Disclosures,* the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair*

Value Measurement. The improvements are effective for annual periods beginning on or after January 1, 2015. No significant effect is expected from the adoption of these amendments.

In addition, at the reporting date, the European Union had not yet completed the process for endorsement of the following standards and amendments:

- In May 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets*. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted.

- In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2017, and requires either a full or modified retrospective application.

- In July 2014 the IASB issued IFRS 9 – *Financial Instruments*. The improvements introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single “expected loss” impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted.

- In August 2014, the IASB issued amendments to IAS 27 – *Separate Financial Statements*. The amendments reinstate the option of using the equity method to account for investments in subsidiaries, joint ventures and associates in separate financial statements. The amendments are applicable retrospectively for annual periods beginning on or after January 1, 2016 with earlier application permitted.

- In September 2014 the IASB issued the *Annual Improvements to IFRSs 2012-2014 Cycle*.

- In December 2014 the IASB issued amendments to IAS 1 - *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

The company will adopt these new standards, amendments and interpretations according to the date of application and will evaluate their impacts once the process for endorsement is completed by the European Union.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.
Subsidiaries are entities over which the company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor’s returns.

Associates are enterprises over which the company has significant influence, as defined in IAS 28 – *Investments in Associates and Joint Ventures*, but not control or joint control over the financial and operating policies.

Investments in other companies include financial assets that are non-current and not destined for trading.

Under the cost method, investments are tested for impairment annually or more frequently whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.
If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below the cost of a subsidiary or associate, together with its continuing negative operating performance.
When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. When, subsequently, the impairment loss no longer exists or decreased, a reversal is recognized in the income statement up to the cost of the investment.
A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

The mandatory convertible securities issued by FCA in December 2014 and mandatorily convertible into FCA shares on December 15, 2016, subscribed by EXOR to preserve its ownership interest in the subsidiary, was recorded at cost, as an integral part of the investment in FCA.
Additional details on the features of the financial instrument are provided in Note 13.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).
Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held to maturity financial instruments

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that the company has the positive intention and ability to hold to maturity.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;

b) occur after the company has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;

c) are attributable to an isolated event that is beyond the company's control, is non-recurring and could not have been reasonably anticipated by the company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Other financial assets, except for derivative instruments, are initially recognized at fair value, which generally coincides with the acquisition cost including incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible.

The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Intangible assets

Other intangible assets

Other purchased and internally-generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Such assets are measured at purchase or manufacturing cost and amortized on a straight-line basis over their estimated useful lives (considered five years), if the assets have a finite useful life.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition or production cost, including costs directly attributable to the purchase and bringing the assets into use, and presented net of accumulated depreciation and impairment losses, if any.

Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Class	Depreciation rate
Telephone equipment	20%
Furniture	12%
Sundry equipment	15%
Office machines	20%

The estimated useful lives of depreciable property, plant and equipment are subject to periodic review. In the event of adjustments to the initial estimates, the relative depreciation rates are changed.

Trade receivables and payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Employee benefits

Defined benefit plans

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the company attributes benefits to periods in which the obligation to provide post-employment benefits arises. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to the available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

The components of defined benefit cost are recognized as follows:

- remeasurement components of the obligation, including actuarial gains and losses, are recognized immediately in other comprehensive income;
- service costs are recognized in the income statement;
- net interest on the defined benefit liability is recognized under financial expenses in the income statement.

Remeasurement components recognized in other comprehensive income cannot be reclassified to the income statement in a subsequent period.

The scheme underlying the Employee leaving entitlements of Italian companies was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the 2007 Budget Law) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan. Since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to a supplementary pension fund. Consequently, for those who transfer the entire amount accrued to a supplementary pension fund, the company records the contribution paid as an expense and no additional obligation is recognized.

Post-employment plans other than pensions

The company provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations of such benefits are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement. The compensation component arising from stock option plans linked to shares of EXOR S.p.A., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.
The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate.
Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.
Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.
Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
- Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in Other comprehensive income is recognized in the income statement immediately.
- Hedge of a net Investment (hedge of a net investment in a foreign operation), in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.
Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.
Revenues from the performance of services are recognized over the period in which the services will be provided.

Costs are recorded on the accrual basis.

Income taxes

Current income taxes are calculated according to the tax laws in force.
Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income. Provisions for income taxes that could arise on the distribution of a

subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the separate financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carryforward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.
Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the separate financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments and available-for-sale financial assets.

Instead, there are no critical or significant issues in relation to the estimates used for employee benefits, taxes or provisions, in view of their limited level of materiality.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR at December 31, 2014 is represented by the carrying amount of financial assets presented in the financial statements. The company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

With regard to the issue of non-convertible bonds for Japanese yen 10 billion during 2011, to protect itself against fluctuations in the €/Yen exchange rate EXOR put into place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the nominal value in Euro (about €83 million) for the entire term of the loan.

Some available-for-sale financial assets, assets held for trading, cash and financial liabilities are denominated in currencies other than Euro and have been adjusted to the year-end exchange rate.

Liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the risks associated with fluctuations in interest rate are only managed using cross currency swap derivative financial instruments as indicated above.

EXOR is subject to income taxes in Italy; during the course of its ordinary operations EXOR may also be subject to controls by the Italian tax authorities. Even though the company considers that the tax estimates are reasonable, any disputes related thereto may have an adverse effect also on earnings.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €143,462 thousand (€102,766 thousand in 2013) and were received from the following companies:

€ thousand	2014	2013
CNH Industrial N.V.	**73,385**	82,559
EXOR S.A.	**70,000**	20,000
Rho Immobiliare Fund	**0**	139
Other	**77**	68
Total dividends	**143,462**	102,766

2. Gains (losses) on disposals of investments

In 2014 the gains amount to €5,771 and refer entirely to the disposal of listed securities recorded in available-for-sale financial assets. The losses total €10,651 thousand and include €5,651 thousand relating the agreement between EXOR and Alpitour in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement and €5,000 thousand on the sale of the remaining investment held in Alpitour (7.17%).

In 2013, the gains amounted to €87,238 thousand and derived from the sale of the Irish-registered fund, The Black Ant Value Fund, whereas the losses amounted to €4,978 thousand and referred to the adjustment of the Deferred Price on the sale of Alpitour in 2012 following disputes that arose with the buyer relating to events prior to its sale.

3. Reversal of impairment loss on investments

These amount to €8,030 thousand and refer to the entire reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in subsequent years. This amount was allocated to the CNH Industrial investment for €4,188 thousand and the FCA investment for €3,842 thousand, following the same criteria used for the recognition of the demerger of Fiat Industrial S.p.A. from Fiat S.p.A., that is, on the basis of the proportion of the opening prices on January 3, 2011, the first day of trading of Fiat Industrial S.p.A. shares.

4. Financial expenses from third parties

€ thousand	2014	2013	Change
Interest on bonds	**63,414**	59,793	3,621
Interest on bank debt	**370**	2,533	(2,163)
Interest rate hedge expenses	**0**	3,788	(3,788)
Bank commissions	**2,434**	1,977	457
Expenses on held-to-maturity securities	**363**	407	(44)
Financial expenses on securities held for trading:			
- Losses on shares and securities trading	**324**	128	196
- Fair value adjustments	**232**	953	(721)
- Other expenses (b)	**20**	537	(517)
Total recurring financial expenses	**67,157**	70,116	(2,959)
Loss on cancellation of EXOR 2007/2017 bonds (a)	**32,513**	6,464	26,049
Non-recurring expenses for the closing of interest rate hedging transactions on the early extinguishment of total loans of €200 million	**0**	11,722	(11,722)
Total non-recurring financial expenses	**32,513**	18,186	14,327
Total financial expenses from third parties	**99,670**	88,302	11,368

(a) The non-recurring loss comes from the difference between the average per unit purchase price of €113.01 and the nominal amount of €100 on nominal €250 million of bonds cancelled in 2014. In 2013 the non-recurring loss arose from the difference between the average per unit purchase price of €110.77 and the nominal amount of €100 on nominal €60 million of bonds.

5. Financial income from third parties

€ thousand	2014	2013	Change
Interest income and other income on held-to-maturity securities	**11,545**	9,755	1,790
Interest income on receivables from banks	**11,340**	11,151	189
Income on securities held for trading:			
- Fair value adjustments	**2,555**	1,083	1,472
- Gains on shares and bonds trading	**1,269**	3,613	(2,344)
- Interest on fixed-rate securities	**1,101**	659	442
Interest from others and sundry income	**449**	2,513	(2,064)
Income on interest rate hedges	**0**	595	(595)
Total financial income from third parties	**28,259**	29,369	(1,110)

6. Gains (losses) on exchange

€ thousand	2014	2013	Change
Losses on exchange, realized	**(129)**	**(21)**	(108)
Gains on exchange, realized	**175**	**144**	31
Total Gains (losses) on exchange	**46**	123	(77)

7. Personnel costs

These amount to €8,425 thousand (€12,297 thousand in 2013), with a net decrease of €3,872 thousand. Details are as follows:

€ thousand	2014	2013	Change
Salaries and expenses for similar services	**4,844**	7,476	(2,632)
Social security contributions	**1,178**	1,148	30
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	**253**	268	(15)
Notional cost of EXOR long-term incentive plans (a)	**1,641**	2,902	(1,261)
Other personnel costs (b)	**509**	503	6
Total personnel costs	**8,425**	12,297	(3,872)

(a) Additional information is provided in Note 25.
(b) Includes €181 thousand (€173 thousand in 2013) of costs referring to related parties.

The decrease of €3,872 thousand is attributable to the reorganization begun in 2014 and the lower notional cost of EXOR long-term incentive plans due to options that were forfeited following this reorganization and failure to reach the performance targets linked to the change in EXOR's NAV compared to the change in the MSCI World Index in Euro established in the May 2012 Company Performance Stock Option plan.

At the end of 2014, the number of employees is 35, unchanged compared to December 31, 2013.
The average number of employees in 2014 was 33, summarized by category as follows:

	2014	2013
Managers	**3**	3
Middle management	**17**	18
Clerical staff	**10**	11
Messengers	**3**	3
Average number of employees	**33**	35

Compensation policies

The overall compensation is composed of a fixed and a variable portion, as well as additional benefits.

The fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired. Variable compensation is established by the individuals performing the evaluations on a discretionary basis.

The additional benefits, mainly in reference to staff with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.

Additional information on employee benefits is presented in Note 29.

8. Purchases of goods and services from third parties

These amount to €3,904 thousand and decreased by €660 thousand compared to 2013 (€4,564 thousand). Details are as follows:

€ thousand	2014	2013	Variazioni
Sundry consulting and services	**1,135**	1,318	(183)
Computer system	**519**	556	(37)
Directors' liability insurance	**332**	415	(83)
Telephone and postal expenses	**298**	224	74
Securities' listing fees	**287**	204	83
Travel, entertainment and transport expenses	**225**	220	5
Bank and financial commissions	**194**	188	6
Shareholders' meetings' fees (a)	**151**	277	(126)
Notary fees (a)	**146**	376	(230)
Compensation to control bodies, excluding the board of statutory auditors	**109**	112	(3)
Sundry costs	**508**	674	(166)
Total purchases of goods and services from third parties	**3,904**	4,564	(660)

(a) The expenses for 2013 included the fees relating to the special shareholders' meetings for the mandatory conversion of preferred and savings shares into ordinary shares.

9. Other operating expenses

These total €960 thousand (€991 thousand in 2013). Details are as follows:

€ thousand	2014	2013	Change
Donations	**610**	770	(160)
Association dues	**160**	146	14
Sundry expenses	**190**	75	115
Total other operating expenses	**960**	991	(31)

10. Non-recurring other income (expenses) and general expenses

In 2014 the net non-recurring expense balance of €6,238 thousand refers to costs for the early cancellation of a collaboration contract (€3,167 thousand), legal defense fees in the proceedings relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€405 thousand), tax consulting fees (€561 thousand) and other consulting fees (€66 thousand).

The line item also includes €2,057 thousand relating to expenses for the non-recoverability of the interest earned on the Deferred Price under the agreement signed on June 30, 2014 with Alpitour and non-recurring income of €18 thousand.

In 2013 the net non-recurring expense balance amounted to €1,912 thousand and were related to employee reduction plans (€234 thousand), legal defense fees in the proceedings relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€919 thousand), tax consulting fees (€583 thousand) and other consulting fees (€176 thousand).

11. Indirect taxes – Non-deductible VAT

In 2014 the prorated amount of non-deductible VAT was 99% (100% in 2013). Non-deductible VAT was €1,279 thousand in 2014 and €1,610 thousand in 2013.

12. Income taxes

The taxable income calculated in accordance with tax regulations generates a negative taxable income of approximately €5 million. The tax benefit recorded in the income statement (€539 thousand) refers to the release of deferred taxes in respect of the taxation for the year on one-fifth of the gain realized in 2011 on the sale of the building in Corso Matteotti 26, deferred over five years, net of other taxes due.

Income taxes also include the separate tax of €394 thousand referring to Controlled Foreign Companies (CFC) paid in 2014 and the release of IRES current taxes for €3,436 thousand, set aside in 2013 and not paid due to the utilization of the gross operating profit of the foreign companies under the national and world tax consolidation procedure.

Deferred tax assets have not been booked on tax losses (€253 million, in total) and on the deductible temporary differences represented mainly by the cash flow hedge reserve given that, currently, the probability of recovery against future taxable income is not assured.

Considering that the IRAP taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for IRES purposes.

€ thousand	2014	2013
Pre-tax profit	**48,173**	98,427
Increases:		
- 1/5 of the gain on the sale of the building realized in 2011	**1,962**	1,962
- temporary differences (a)	**76,304**	63,619
- loss on sale of Alpitour	**5,000**	0
- deferred Price adjustment on sale of Alpitour	**5,369**	2,184
- permanent differences	**3,180**	1,288
Total increases	**91,815**	69,053
Decreases:		
- 95% of dividends received	**(136,289)**	(97,496)
- deductions of temporary differences	**(8,276)**	(3,029)
- deductions of permanent differences	**(445)**	(4,452)
Total decreases	**(145,010)**	(104,977)
Taxable income (loss)	**(5,022)**	62,503
Tax losses utilized		(50,002)
Taxable		12,501
Tax 27.5%		3,436

(a) Mainly includes net interest expenses non-deductible in the year.

For the years up to December 31, 2009, the ordinary terms of the statute of limitations for tax purposes have expired.

13. Investments accounted for at cost and available-for-sale financial assets

€ thousand	12/31/2014 % of class of shares	12/31/2014 Amount	12/31/2013 % of class of shares	12/31/2013 Amount	Change
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	29.25	**1,328,502**	30.05	1,324,660	3,842
Fiat Chrysler Automobiles N.V. - special voting shares	91.90	**0**		0	0
Fiat Chrysler Automobiles N.V. - mandatory convertible bonds maturing 12/15/2016, 7.875%	n/a	**711,210**		0	711,210
Fiat Chrysler Automobiles N.V.		**2,039,712**		1,324,660	715,052
CNH Industrial N.V. - common shares	27.07	**1,694,530**	27.18	1,690,342	4,188
CNH Industrial N.V. - special voting shares	77.33	**0**	77.33	0	0
CNH Industrial N.V.		**1,694,530**		1,690,342	4,188
EXOR S.A.	100.00	**746,495**	100.00	746,390	105
Juventus Football Club S.p.A.	63.77	**95,688**	63.77	95,688	0
Arenella Immobiliare S.r.l.	100.00	**26,050**	100.00	26,050	0
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**4,602,747**		3,883,402	719,345
Available-for-sale financial assets					
Rho Immobiliare Fund	n/a	**11,330**	n/a	11,653	(323)
Other listed securities	n/a	**18,755**	n/a	32,236	(13,481)
Alpitour S.p.A.		**0**	9.85	3,544	(3,544)
Available-for-sale financial assets		**30,085**		47,433	(17,348)
Total		**4,632,832**		3,930,835	701,997

The changes during the year are as follows:

€ thousand	Balance at 12/31/2013	Changes in 2014 Increases	Changes in 2014 Decreases	Changes in 2014 Other changes	Balance at 12/31/2014
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	1,324,660			3,842	**1,328,502**
Fiat Chrysler Automobiles N.V. - special voting shares	0				**0**
Fiat Chrysler Automobiles N.V. - mandatory convertible bonds maturing 12/16/2016, 7.875%	0	711,210			**711,210**
Fiat Chrysler Automobiles N.V.	1,324,660	711,210	0	3,842	**2,039,712**
CNH Industrial N.V. - common shares	1,690,342			4,188	**1,694,530**
CNH Industrial N.V. - special voting shares	0				**0**
CNH Industrial N.V.	1,690,342	0	0	4,188	**1,694,530**
EXOR S.A.	746,390			105	**746,495**
Juventus Football Club S.p.A.	95,688				**95,688**
Arenella Immobiliare S.r.l.	26,050				**26,050**
Emittenti Titoli S.p.A.	272				**272**
Investments accounted for at cost	3,883,402	711,210	0	8,135	**4,602,747**
Available-for-sale financial assets					
Rho Immobiliare Fund	11,653			(323)	**11,330**
Other listed securities	32,236	10,768	(32,236)	7,987	**18,755**
Alpitour S.p.A.	3,544		(3,544)		**0**
Total available-for-sale financial assets	47,433	10,768	(35,780)	7,664	**30,085**
Total	3,930,835	721,978	(35,780)	15,799	**4,632,832**

The changes during the year are described below:

Investments accounted for at cost

Fiat Chrysler Automobiles N.V. On October 12, 2014 the merger of Fiat S.p.A. with and into Fiat Investments N.V. became effective and at that time Fiat Investments N.V. was renamed Fiat Chrysler Automobiles N.V. (FCA) and became the holding company for the Fiat Chrysler Group. In connection with the merger, FCA issued 1,167,181,255 common shares for allotment to Fiat shareholders on the basis of the merger exchange ratio of one FCA common share for each Fiat ordinary share.

The next day, FCA common shares commenced trading on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario (MTA).
Furthermore, in connection with the merger, FCA issued 408,941,767 special voting shares (not admitted for trading) to eligible Fiat shareholders who elected to participate in FCA's loyalty voting program.

EXOR, with its 375,803,870 Fiat ordinary shares, received 375,803,870 FCA common shares (31.26% of the class of stock) and the same number of FCA special voting shares which, together with the above common shares, brought EXOR's holding to 46.65% of the voting rights.

The special voting shares have a par value of €0.01 and carry one vote (like the common shares). They cannot be traded on the stock market, have only one voting right and the right to receive the par value in the event of liquidation, but subordinate to the common shares.
They can be obtained solely by entitled shareholders against an equal number of common shares held for at least three years and recorded in a special register.
If a legitimated shareholder decides to trade the common shares recorded in the special register (that is to say, the common shares used to obtain the special voting shares), that shareholder shall be required to offer (with no consideration) the special voting shares to FCA and all the voting rights connected with such special shares will be suspended.

Since the shares cannot be disposed of, sold, transferred, pledged or subject to liens, a fair value is attributed of zero. Therefore, the new investment in FCA (common shares and special shares) has the same value as the preceding investment in Fiat S.p.A.

The exchange of Fiat S.p.A. with newly issued FCA shares was recorded at the same value, besides being neutral from a fiscal standpoint.

Subsequent to the merger, the exercise of stock options and a capital increase carried out by FCA with qualified investors (issue of 65,000,000 ordinary shares) resulted in the dilution of EXOR's interest in FCA. At December 31, 2014 EXOR holds 29.25% of common shares and 44.37% of the voting rights.

The increase of €3,842 thousand regards EXOR's share of the total reinstatement of the carrying amount of Fiat preferred shares written down in 2001 and not completely reinstated. Additional details are provided in Note 3.

Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016, 7.875%. On December 15 2014, EXOR subscribed to a nominal $886 million of mandatory convertible securities issued by FCA for an investment of €711.2 million.
The bonds pay a coupon of 7.875% per annum and will be mandatorily converted into FCA shares on December 15, 2016, unless converted earlier at the option of the holder or FCA or upon the occurrence of certain specified events in accordance with their terms.
The investment preserves EXOR's ownership interest in FCA without any diluting effects.
Considering such intention and the explicitness of the context in which EXOR already owns an interest in FCA, the mandatory convertible securities have been measured at cost, as an integral part of the FCA investment.

CNH Industrial N.V. The increase of €4,188 thousand regards EXOR's share of the total reinstatement of the carrying amount of Fiat preferred shares written down in 2001 and not completely reinstated. Additional details are provided in Note 3.

EXOR S.A. The investment increased by €105 thousand after accounting for €112 thousand of the 2014 portion of long-term incentive plans, relating to EXOR S.A. employees and subsidiaries, and the reversal of the cost recorded in 2012 and 2013 for €7 thousand for the 8,000 options that expired during the course of the current year.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Trading price December 30, 2014	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328,502	9.652	**3,627,259**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711,210	88.104 (b)	**780,601**
			2,039,712		**4,407,860**
CNH Industrial N.V.	366,927,900	4.618	1,694,530	6.721	**2,466,122**
Juventus Football Club S.p.A.	642,611,298	0.149	95,688	0.219	**140,732**
Total			**3,829,930**		**7,014,714**

(a) Issued in nominal amounts of $100, translated at the exchange rate of 1.2457.
(b) Trading price of $106.967, translated at the exchange rate of 1.2141.

Furthermore:

- there are no equity investments requiring the assumption of an unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no equity investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 of July 28, 2006).

	Share capital			EXOR investment				Equity	Profit (loss)
	Number of shares	Par value	Amount	Number of shares/quotas	% ownership of Share cap.	Per share €	Carrying amount €/000	€/000	€/000
Fiat Chrysler Automobiles N.V. (the Netherlands) common shares	1,284,919,505	€ 0.01	12,849,195	375,803,870	29.25	3.54	1,328,502		
Fiat Chrysler Automobiles N.V. (the Netherlands) shares with special voting rights	408,941,767	€ 0.01	4,089,418	375,803,870	91.90		0		
	1,693,861,272		16,938,613						
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016, 7.875%				8,860,000		80.27	711,210		
							2,039,712	13,425,000 (a)	568,000 (a)
CNH Industrial N.V. (the Netherlands) common shares	1,355,319,640	€ 0.01	13,553,196	366,927,900	27.07	4.62	1,694,530		
CNH Industrial N.V. (the Netherlands) shares with special voting rights	474,474,276	€ 0.01	4,744,743	366,927,900	77.33		0		
	1,829,793,916		18,297,939				1,694,530	6,208,000 (a)	690,000 (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	672.07	746,495	3,100,484 (b)	87,697 (b)
Juventus Football Club S.p.A. (Turin)	1,007,766,660	-	8,182,133	642,611,298	63.77	0.15	95,688	35,500 (c)	(6,700) (c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	26,151 (b)	204 (b)

(a) Data taken from the consolidated financial statements at December 31, 2014.
(b) Data taken from the statutory financial statements at December 31, 2014.
(c) Data taken from the half-yearly financial report at December 31, 2014.

Available-for-sale financial assets

The decrease in the Rho Immobiliare Fund of €323 thousand reflects the fair value adjustment of the carrying amount at year end.

The net decrease in other listed securities of €13,481 thousand reflects disposals of €32,236 thousand, investments of €10,768 thousand and the positive fair value adjustment at the end of the year of €7,987 thousand.

Alpitour S.p.A. On June 30, 2014 an agreement was reached between EXOR and Alpitour in which both companies agreed to settle the pending disputes and every other potential future controversy by way of a novatory agreement. According to the terms of the agreement, EXOR waived the Deferred Price (residual amount of €7.5 million, net of accruals set aside) and any performance-related earn-out payment.
At the same time EXOR sold the remaining stake held in Alpitour (7.17%) for consideration of €5 million, recording a loss for the same amount, also taking into account the fair value adjustment effected in the prior year.

14. Held-to-maturity financial instruments - current and non-current

€ thousand	12/31/2014	12/31/2013
Non-current assets	**26,348**	83,455
Current assets	**25,000**	25,687
Total	**51,348**	109,142

These are represented by bonds issued by leading counterparties with maturities between 2015 and 2017. The bonds are recorded and measured at amortized cost.

15. Financial assets held for trading - current

€ thousand	12/31/2014	12/31/2013	Change
Bonds	**66,073**	19,732	46,341
Mutual funds	**70,506**	67,464	3,042
Total	**136,579**	87,196	49,383

The net change of €49,383 thousand reflects the management strategy for the securities portfolio and the investment of financial resources.
The bonds are measured at year-end at fair value using the market price translated, where appropriate, at the year-end rate.
Mutual funds are measured at year-end at fair value using the most recent price available.
Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

16. Cash and cash equivalents - current

€ thousand	12/31/2014	12/31/2013	Change
Bank deposits	**251,380**	180,695	70,685
Time deposits	**25,000**	405,000	(380,000)
Total cash and cash equivalents	**276,380**	585,695	(309,315)

These represent current account bank balances in Euro and currencies other than Euro, repayable on demand and cash deposited at leading credit institutions.
The associated credit risks should be considered limited since the counterparties are leading bank institutions.

17. Other financial assets - current

Other financial assets - current amount to €5,088 thousand (€4,157 thousand at December 31, 2013) and mainly consist of interest earned and accrued at December 31, 2014 on FCA mandatory convertible securities, bonds in portfolio and time deposits.

18. Tax receivables - current

These amount to €6,038 thousand (€5,975 thousand at December 31, 2013) and relate to taxes receivable from the tax authorities for the current and for the prior years carried forward.

The change in receivables from the tax authorities during 2014 is summarized as follows:

€ thousand	
Balances at December 31, 2013	**5,975**
Used for compensation of withholding taxes	(700)
Sale of receivables to Group companies	(1,662)
Tax balance	(219)
Excess VAT paid on account	24
IRPEF tax advance on leaving entitlement revaluation	3
Receivables arising during the year (withholdings paid)	2,623
Other changes	(6)
Balances at December 31, 2014	**6,038**

19. Other receivables

Other receivables amount to €279 thousand (€506 thousand at December 31, 2013) and mainly refer to prepaid insurance premiums.

20. Equity - Share capital

At December 31, 2014, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2014, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the company.
The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500,000,000 as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000,000,000 but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.
The ordinary shares are registered shares.

Pursuant to art. 26 of the bylaws, the profit of each year is appropriated as follows:
- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting.

The board of directors, during the course of the year, to the extent that it considers it appropriate and possible in relation to the results of operations, may resolve to pay interim dividends for the same year.

In accordance with art. 27 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the company and appropriated to the extraordinary reserve.

In accordance with art. 29 of the bylaws, in the event of a wind-up, the assets of the company shall be distributed equally among the shares.

EXOR aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for its shareholders and guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and the dividend flows from the operating investment holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

21. Equity – Capital reserves

€ thousand	12/31/2014	12/31/2013	Change
Additional paid-in capital	**604,053**	604,053	0
Extraordinary reserve	**458**	458	0
Merger surplus	**88,261**	88,261	0
Share exchange difference	**401,398**	401,398	0
Total capital reserves	**1,094,170**	1,094,170	0

22. Equity - Retained earnings and other reserves

€ thousand	12/31/2014	12/31/2013	Change
Revaluation reserve Law 408/90	**243,894**	243,894	0
Revaluation reserve Law 413/91	**2,586**	2,586	0
Revaluation reserve Law 74/52	**157**	157	0
Revaluation reserve Law 576/75	**32,107**	32,107	0
Revaluation reserve Law 72/83	**64,265**	64,265	0
Legal reserve	**49,246**	49,246	0
Fair value reserve	**9,222**	569	8,653
Stock option reserve	**12,003**	11,197	806
Cash flow hedge reserve	**(32,090)**	(20,355)	(11,735)
Reserve for purchase of treasury stock	**450,000**	449,296	704
Extraordinary reserve	**875,945**	858,398	17,547
Additional paid-in capital	**153,332**	153,332	0
Merger surplus	**309,260**	309,260	0
Difference on exchange ratio	**188,761**	188,761	0
Retained earnings	**3,189**	2,243	946
Total retained earnings and other reserves	**2,361,877**	2,344,956	16,921

The composition of Other comprehensive income (losses) recognized directly in equity included in the statement of comprehensive income is as follows:

€ thousand	2014	2013
Effective portion of gains (losses) on cash flow hedges arising during the year	**(11,735)**	11,903
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	**0**	14,664
Effective portion gains (losses) on cash flow hedges	**(11,735)**	26,567
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	**7,663**	1,780
Gains (losses) on remeasurement of available-for-sale financial assets reclassified to the income statement	**(1,580)**	(22,963)
Gains (losses) on remeasurement of available-for-sale financial assets	**6,083**	(21,183)
Gains (losses) on the remeasurement of defined benefit plans	**(560)**	4
Gains (losses) on the remeasurement of defined benefit plans	**(560)**	4
Tax effect on Other comprehensive income	**2,570**	(2,640)
Total Other comprehensive income (losses), net of tax	**(3,642)**	2,748

The tax effect in 2014 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	(11,735)		(11,735)
Gains (losses) on remeasurement of available-for-sale financial assets	6,083	2,570	8,653
Gains (losses) on remeasurement of defined benefit plans	(560)		(560)
Total Other comprehensive income (losses)	**(6,212)**	**2,570**	**(3,642)**

23. Equity reserves available and distributable

Disclosures required by art. 2427, 7-*bis* of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ thousand	Balance at 12/31/2014	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**604,053**	A,B,C	**604,053**
Extraordinary reserve	**458**	A,B,C	**458**
Merger surplus	**88,261**	A,B,C	**88,261**
Share exchange difference	**401,398**	A,B,C	**401,398**
Earnings reserves:			
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**875,945**	A,B,C	**531,825**
Paid-in-capital (a)	**153,332**	A,B,C	**153,332**
Share exchange difference	**188,761**	A,B,C	**188,761**
Merger surplus	**309,260**	A,B,C	**309,260**
Retained earnings	**3,189**	A,B,C	**3,189**
Reserve for purchase of treasury stock	**450,000**	A,B,C	**450,000**
Stock option reserve	**12,003**	-	**-**
Cash flow hedge reserve	**(32,090)**	-	**-**
Fair value reserve	**9,222**	-	**-**
Total	**3,456,047**		**3,073,546**

A: For capital increases; B: For coverage of losses; C: For distribution to shareholders.

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2013, the reserve is distributable (art. 2431 of the Italian Civil Code).
(b) The revaluation reserves may be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.
(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury stock in portfolio.

In the years 2011, 2012 and 2013, no reserves were used to absorb losses.

At December 31, 2014, tax-deferred reserves are recorded for a total of €345,041 thousand, of which €2,032 thousand relates to the legal reserve and €343,009 thousand relates to monetary revaluation reserves; the latter, if distributed, form part of the taxable income of the company. The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in equity of the merged company IFIL S.p.A., were replenished at December 31, 2009 in the equity of EXOR S.p.A. by using part of the Merger surplus reserve and the Share exchange difference.

24. Equity - Treasury stock

During 2014 there were no purchases and/or disposals of treasury stock.
At December 31, 2014 EXOR holds the following treasury stock:

		Amount		% of
	No. of shares	Per share (€)	Total (€ thousand)	class
Ordinary shares	23,883,746	14.41	344,120	9.70
Balance at December 31, 2014			**344,120**	

25. Long-term incentive plans

Stock Option Plan 2008-2019

The Stock Option Plan EXOR 2008-2019 has a maximum of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares, exercisable at a price of €19.97 per EXOR share. The Plan grants the recipients free options on treasury stock purchased by the company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted under the EXOR plan 2008-2019 is as follows:

	Number of options granted	Number of ordinary shares exercisable
Balance at December 31, 2013	**7,123,000**	**1,887,595**
Options forfeited	(636,000)	(168,540)
Options exercised	(375,000)	(99,375)
Balance at December 31, 2014	**6,112,000**	**1,619,680**

The 375,000 options exercised did not require the sale of treasury stock but the payment of the difference between the strike price (€19.97) and the fair value of the stock at the exercise date for a total equivalent amount of €1,027 thousand.

The total cost of the 6,112,000 options outstanding at December 31, 2014 is equal to €11,237 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees (at the grant date) of EXOR S.p.A. and other similar persons	2,812,000	745,180	4,382	652
Total EXOR S.p.A.	5,812,000	1,540,180	10,711	1,884
Key employees (at the grant date) of EXOR S.A. and other subsidiaries in the Holdings System	300,000	79,500	526	66
Total	**6,112,000**	**1,619,680**	**11,237**	**1,950**

The cost referring to the year, recorded in the stock option reserve, amounts to €1,950 thousand of which €1,232 thousand is classified as compensation to the Chairman and Chief Executive Officer and €652 thousand as personnel costs. The cost relating to key employees of EXOR S.A. and other companies in the Holdings System (€66 thousand) was recognized as an increase in the carrying amount of the investment held in EXOR S.A.

The cost relating to 2013 amounted to €2,117 thousand of which €1,232 thousand was classified as compensation to the Chairman and Chief Executive Officer, €819 thousand as personnel costs and €66 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

Long-term incentive plans

The EXOR shareholders' meeting held on May 29, 2012 approved an Incentive Plan pursuant to art. 114-*bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long Term Stock Grant", a total of 400,000 rights will be granted to 31 recipients; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System;

under the second part of the Plan, denominated “Company Performance Stock Options”, a total of 3,000,000 options will be granted to the recipients; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance targets and continuation of a professional relationship with the company and with the companies in the Holdings System.

The performance targets will be considered to have been reached when the annual variation in EXOR’s NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana’s trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the company, John Elkann, is the recipient of the Company Performance Stock Options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A.

In 2014, as the target was not reached, the options forfeit refer to 20% of the options granted and another 788,732 options as a result of a recipient who left the company.

The Plans are serviced by treasury stock and therefore will have no diluting effects since there will be no issue of new shares.

The “Long Term Stock Grant” is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
EXOR S.p.A. employees and other similar persons			
- Balance at December 31, 2013	339,456		
- Options forfeit	(180,790)		
- Balance at December 31, 2014	158,666	3,076	543
EXOR S.A. employees	8,000	155	28
Total	**166,666**	**3,231**	**571**

The cost referring to the year for this plan, recorded in the stock option reserve, amounts to €571 thousand including €543 thousand classified as personnel costs. The cost relating to the employee of EXOR S.A. (€28 thousand) is recognized as an increase in the carrying amount of the investment held in EXOR S.A.

The cost relating to 2013 amounted to €1,079 thousand, including €1,051 thousand classified as personnel costs and €28 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

The composition of the “Company Performance Stock Option” of May 2012 is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR S.p.A.			
- Balance at December 31, 2013	750,000		
- Options forfeit	(150,000)		
- Balance at December 31, 2014	600,000	2,166	361
Key employees (at the grant date) of EXOR S.p.A. and other similar persons			
- Balance at December 31, 2013	1,720,732		
- Options forfeit	(975,132)		
- Balance at December 31, 2014	745,600	2,644	447
Total EXOR S.p.A.	1,345,600	4,810	808
Key employees (at the grant date) of EXOR S.A.			
- Balance at December 31, 2013	40,000		
- Options forfeit	(8,000)		
- Balance at December 31, 2014	32,000	113	19
Total	**1,377,600**	**4,923**	**827**

The cost referring to the year for this plan, recorded in the stock option reserve, amounts to €827 thousand including €361 thousand classified as compensation to the Chairman and Chief Executive Officer and €447 thousand as personnel costs. The cost relating to the key employee of EXOR S.A. (€19 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.
The cost relating to 2013 amounted to €1,507 thousand including €451 thousand classified as compensation to the Chairman and Chief Executive Officer, €1,032 thousand as personnel costs and €24 thousand as an increase in the carrying amount of the investment held in EXOR S.A.

26. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Nominal value (000)	Equivalent amount (€/000)	Balance at 12/31/2014 (a)	Balance at 12/31/2013 (a)
6/12/2007	12/6/2017	99.554	Annually	Fixed 5.375%	€	440,000	440,000	**452,098**	708,349
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.75%	€	150,000	150,000	**149,411**	149,033
12/11/2013	12/11/2020	99.053	Annually	Fixed 3.375%	€	200,000	200,000	**199,165**	198,915
8/10/2014	8/10/2024	100.090	Annually	Fixed 2.5%	€	650,000	650,000	**652,104**	0
7/12/2012	1/31/2025	97.844	Annually	Fixed 5.25%	€	100,000	100,000	**102,803**	102,656
5/9/2011	5/9/2031	100.000	Semiannually	Fixed 2.80% (b)	Yen	10,000,000	68,856	**69,324** (c)	69,552
Total								**1,624,905**	1,228,505

(a) Including the current portion of €24,908 thousand at December 31, 2014 and €28,597 thousand at December 31, 2013.
(b) Equivalent fixed rate in Euro is 6.012%.
(c) Nominal value of Japanese Yen 10 billion aligned to the December 31, 2014 exchange rate, equal to Yen /€145.23.

In October 2014 non-convertible 2014-2024 bonds were issued for a nominal amount of €500 million at the issue price of 99.329% with a fixed coupon of 2.5% per year; in December the issue was reopened and increased by another nominal amount of €150 million at the issue price of 102.613%.

During 2014 EXOR bought back on the market, through a tender offer, a total nominal amount of €254.2 million of non-convertible 2007-2017 bonds; a nominal amount of €250 million was cancelled and the remaining amount of €4.2 million was held in portfolio.
Following this and the previous year's cancellation (€60 million), the original nominal amount of €750 million now totals €440 million.
The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.
The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds.
Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2014.
Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Standard & Poor's rated the bond issues "BBB+", in line with the current rating of EXOR S.p.A.'s long-term debt.

EXOR intends to repay the bonds in cash at maturity using available liquid resources. However EXOR may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, EXOR's financial situation and other factors which could affect such decisions.

27. Bank debt – current and non-current

At the end of 2014 EXOR does not have any debt exposures with banks.
At December 31, 2014, the company has credit lines for €1,020.3 million, of which €595.3 million is revocable and €425 million is irrevocable. The expiration dates of such irrevocable credit lines are as follows:

€ million	
Within 1 year	80
From 2 to 5 years	345
Total	**425**

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

28. Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments "carried at cost" and held as "available-for-sale" and the tax-deferral of two-fifths of the gain realized in 2011 on the sale of the building in Corso Matteotti 26.

The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2013			**25,428**
Tax deferral of one-fifth of the gain on the sale of the building in Corso Matteotti		(539)	**(539)**
Provision (release) relating to the fair value increase (decrease/sale) of:			
- Rho Immobiliare Fund	(382)		**(382)**
- Other listed available-for-sale securities	(2,188)		**(2,188)**
Changes during the year	**(2,570)**	**(539)**	**(3,109)**
Balance at December 31, 2014			**22,319**

29. Provisions for employee benefits

€ thousand	12/31/2014	12/31/2013	Change
Employee leaving entitlements	**2,751**	2,147	604
Other provisions for employees	**148**	126	22
Total provisions for employee benefits	**2,899**	2,273	626

Details of the changes during 2014 and 2013 are as follows:

	2014			2013		
€ thousand	Employee leaving entitlements	Other provisions for employees	Total	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**2,147**	**126**	**2,273**	2,275	120	2,395
Current service cost	**169**	**11**	**180**	182	11	193
Financial expenses	**67**	**6**	**73**	68	6	74
Actuarial (gains) losses	**420**	**22**	**442**	(87)	1	(86)
Benefits paid	**(52)**	**(17)**	**(69)**	(291)	(12)	(303)
Balance at end of year	**2,751**	**148**	**2,899**	2,147	126	2,273

The analysis of employee benefits is as follows.

Employee leaving entitlements
The provision for employee leaving entitlements represents benefits payable to employees under Italian law (amended by Law 296/06) accrued and which will be paid to employees when they leave the company. Under certain conditions, employees may receive a partial advance on those benefits when they are still in the company's employ. This is an unfunded defined benefit plan, as the benefits have already been almost entirely earned, with the sole exception of the revaluation.
For those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.
For those employees who did not elect the transfer, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.

Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits
This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the expected retirement age on the basis of the existing legislation when the agreement was signed in December 1999: at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits. In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, in proportion to the years of service since January 1, 2000. No interest or revaluations of any sort accrues on the amount.

Health care plans
Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans
The pension plans are for employees categorized as managers and are covered by company agreements and regulations.
They are "defined contribution" plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.
The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.
The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits
Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information
The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2014 and December 31, 2013, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2014	12/31/2013
Discount rate	**1.50%**	3.20%
Expected remuneration increase rate	**1.5-3.00%**	2.0-3.50%
Cost-of-living increase	**1.50%**	2.00%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

30. Other financial liabilities - current

€ thousand	12/31/2014	12/31/2013	Change
Fair value of cash flow hedge derivatives	**44,900**	32,997	11,903
Commissions on undrawn credit lines	**378**	350	28
Payables to shareholders and other financial payables	**329**	331	(2)
Total other financial liabilities - current	**45,607**	33,678	11,929

31. Trade payables to third parties

These amount to €1,456 thousand (€1,359 thousand at December 31, 2013) and refer to trade payables to suppliers due within one year.

32. Tax payables

These total €576 thousand (€4,362 thousand at December 31, 2013) and mainly refer to IRPEF withholding taxes payable.

33. Other payables – current and non-current

	12/31/2014		12/31/2013	
€ thousand	Non-current	Current	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**59**	**156**	205	270
Payable to employees		**1,594**		1,881
Contributions payable		**566**		588
Sundry		**294**		281
Total other payables	**59**	**2,610**	205	3,020

Under Ministerial Decree 158 of April 28, 2000, a “Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector” was set up at INPS which enjoys separate financial and asset management. The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.

The above liabilities (in total €215 thousand, of which €156 thousand is current and €59 thousand non-current) represent the special contribution that EXOR will have to pay to cover the extraordinary benefits payable to former employees, including the related contribution.

34. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2014:

€ thousand	Note	Level 1	Level 2	Level 3 (a)	Total
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	13	18,755		11,330	30,085
Current assets					0
Financial assets held for trading	15	136,471		108	136,579
Other financial assets					0
Total assets		**155,226**	**0**	**11,438**	**166,664**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	30		44,900		44,900
Total liabilities		**0**	**44,900**	**0**	**44,900**

(a) This refers to the Rho Immobiliare Fund (€11,330 thousand) and mutual funds (€108 thousand).

In 2014, there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets available-for-sale and held for trading, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds.

The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account EXOR's credit quality.

Details regarding changes in Level 3 are the following:

€ thousand	Balance at 12/31/2013	Gains (losses) recognized in		Increase	Decrease	Balance at 12/31/2014
		Income statement	Equity			
Available-for-sale investments	15,197	(5,000)	6,133		(5,000) (a)	11,330
Financial assets held for trading	99	12			(3)	108
Total assets	15,296	(4,988)	6,133	0	(5,003)	11,438

(a) Sale of Alpitour S.p.A.

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

€ thousand	Note	12/31/2014 Carrying amount	12/31/2014 Fair value	12/31/2013 Carrying amount	12/31/2013 Fair value
Financial assets					
Held-to-maturity investments	14	51,348	54,731	109,142	116,511
Other financial assets	17	5,173	5,173	14,636	12,507
Total assets		**56,521**	**59,904**	**123,778**	**129,018**
Financial liabilities					
Non-convertible bonds	26	1,624,905	1,778,713	1,228,505	1,321,085
Other financial liabilities	30	707	707	681	681
Total liabilities		**1,625,612**	**1,779,420**	**1,229,186**	**1,321,766**

Held-to-maturity investments are represented by bonds issued by leading counterparties, are quoted on active markets and therefore their fair value is categorized in Level 1.

Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at December 31, 2014 equal to €68,856 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured by using a discounted cash flow model.

35. Additional information on financial instruments and financial risk management policies

The following tables present the carrying amounts and the relative income (expenses) deriving from each category of asset and liability classified in accordance with IAS 39.

€ thousand	12/31/2014 Carrying amount	12/31/2014 Income	12/31/2014 Expenses
Financial assets			
At fair value through income statement:			
- held for trading	136,579	4,973	566
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	51,348	11,545	363
Cash and receivables	282,917	11,855	
Available-for-sale assets	30,085		
Total	**500,929**	**28,373**	**929**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	44,900	74	
Amortized cost	1,599,997		95,927
Debt	25,759		4,156
Financial guarantees			
Total	**1,670,656**	**74**	**100,083**

	12/31/2013		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	87,196	5,355	1,597
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	109,142	9,755	407
Cash and receivables	601,627	11,938	
Available-for-sale assets	47,433	139	
Total	**845,398**	**27,187**	**2,004**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	32,997	2,222	15,510
Amortized cost	1,199,908		66,257
Debt	29,353		5,995
Financial guarantees			
Total	**1,262,258**	**2,222**	**87,762**

36. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which EXOR S.p.A. is exposed at December 31, 2014 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality.
At December 31, 2014 and December 31, 2013, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

Outgoing flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used.
In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.
The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterparty was used for the projection of future maturities, taking into account the effect of hedge transactions.

	2014					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds EXOR 2017	23,650		487,300			**510,950**
EXOR bonds EXOR 2019		7,125	21,375	157,125		**185,625**
EXOR bonds EXOR 2020		6,750	20,250	213,500		**240,500**
EXOR bonds EXOR 2024		16,250	48,750	48,750	698,750	**812,500**
EXOR bonds EXOR 2025	5,250		15,750	10,500	126,250	**157,750**
EXOR bonds EXOR 2031	2,506	2,506	15,036	10,024	135,994	**166,066**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	143					**143**
Trade payables and other payables to third parties	1,456					**1,456**
Trading and derivative financial instruments designated as hedges	44,900					**44,900**
Total	**77,905**	**32,631**	**608,461**	**439,899**	**960,994**	**2,119,890**

	2013					
€ thousand	Within 6 months or until canceled	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	Beyond 5 years	**Total**
Non-convertible bonds						
EXOR bonds EXOR 2017	36,741		793,773			**830,514**
EXOR bonds EXOR 2019		7,125	21,375	164,250		**192,750**
EXOR bonds EXOR 2020		6,750	20,250	13,500	206,750	**247,250**
EXOR bonds EXOR 2025	5,250		15,750	10,500	131,500	**163,000**
EXOR bonds EXOR 2031	2,506	2,506	15,036	10,024	141,006	**171,078**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	75					**75**
Trade payables and other payables to third parties	1,359					**1,359**
Trading and derivative financial instruments designated as hedges	32,997					**32,997**
Total	**78,928**	**16,381**	**866,184**	**198,274**	**479,256**	**1,639,023**

At December 31, 2014, the company has lines of credit for €1,020.3 million, of which €425 million is irrevocable.

The expiration dates of the lines of credit are as follows:

€ million	Lines extended	Of which, irrevocable
Within 1 year	595.3	0.0
From 2 to 5 years	425.0	425.0
Total	**1,020.3**	**425.0**

Market risk

EXOR S.p.A. is principally exposure to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€18,755 thousand), financial assets held for trading (€109 thousand) and cash and cash equivalents at December 31, 2014 (€238 thousand) are denominated in currencies other than Euro. All securities are adjusted to year-end exchange rates.

In 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion. The 20-year bonds pay a 2.80% coupon in Japanese yen.
To protect itself against fluctuations in the €/yen exchange rate, EXOR put in place a cross currency swap on the bonds with a leading credit institution as a result of which the company will pay a fixed rate of 6.012% on the nominal value in euro (about €83 million) for the entire term of the loan.

Interest rate risk
The analysis of debt by interest rate shows that the rates are between 0.305% and 6.012% for the current year (between 0.110% and 6.012% in 2013).

A sensitivity analysis was performed on the financial instruments exposed to interest rate risk at the date of the preparation of the financial statements. The analysis assumes that the exposure for variable-rate liabilities at the end of the year has remained unchanged for the entire year. The assumptions used for the model are as follows:

- for debt: a symmetrical change of 50 basis points was applied
- for interest rate swaps: the fair value was remeasured applying a parallel and symmetrical shift of 50 basis points to the current interest rate curve at the reporting date

The effects of an increase or decrease of 50 basis points in the interest rates would be the following:

	12/31/2014		12/31/2013	
€ thousand	**Income statement**	**Equity**	Income statement	Equity
+50 bsp				
Cash and cash equivalents	**1,382**		2,928	
Financing				
Hedging instruments				
-50 bsp				
Cash and cash equivalents	**(1,382)**		(2,928)	
Financing				
Hedging instruments				

Price risk
EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies that are held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost
- available-for-sale financial assets
- financial assets held for trading

Sensitivity analysis for price risk
Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets and financial assets held for trading had been 5% higher or lower, the available-for-sale securities reserve would be €1,520 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €6,828 thousand higher or lower.

37. Transactions with related parties

The board of directors' meeting held on November 12, 2010, pursuant to Consob Regulation 17221 of March 12, 2010, adopted the "Procedures for Transactions with Related Parties", which went into effect on January 1, 2011, posted on the corporate website at www.exor.com. Such procedures are described in the Annual Report on Corporate Governance, also available on the corporate website.

With regard to the year 2014, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and will be settled in cash.

Losses have not been recognized during the year on uncollectible or doubtful receivables on amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2014 is presented below. All amounts are expressed in thousands of Euro.

Counterparty	Financial receivables	Trade receivables	Trade payables and other payables
Arenella Immobiliare S.r.l.	1,087 (a)		
Fondazione Agnelli		56	
Holdings System		149	
Juventus Football Club S.p.A.		25	
FCA		2	143
Directors and statutory auditors for other receivables		108	
Statutory auditors for compensation to be received			43
Total transactions with related parties	**1,087**	**340**	**186**
Total current assets	451,070	451,070	
Total current liabilities			75,344
% incidence of total transactions with related parties to total of statement of financial position line items	**0.24%**	**0.08%**	**0.25%**

Information regarding dividends received (€143,462 thousand) is provided in Note 1.

Counterparty	Financial expenses	Financial income	Purchases of goods and services	Revenues (c)
Holdings System	1,352 (b)			169
Juventus Football Club S.p.A.			57	25
FCA			545	
Giovanni Agnelli e C. S.a.p.az.				40
Fondazione Agnelli				56
Arenella Immobiliare S.r.l.		13 (a)		30
Cushman & Wakefield LLP			10	
Compensation to directors, corporate boards and committees:				
- Chairman			3,593 (d)	
- Board of directors			150	90
- Special fees to directors			500	
- Internal control committee			35	
- Compensation and nominating committee			35	
- Strategy committee			200	
- Directors' expense reimbursements			20	
Board of statutory auditors			145	
Cost recoveries from statutory auditors				6
Directors for other revenues				107
Total transactions with related parties	**1,352**	**13**	**5,290**	**523**
Total transactions with third parties	99,670	28,259	3,904	18
Total of income statement line items	**101,022**	**28,272**	**9,194**	**541**
% incidence of total transactions with related parties to total of income statement line items	**1.34%**	**0.05%**	**57.54%**	**96.67%**

The most important transactions are commented below and refer to the notes in the preceding summary tables:

a) In October 2012 EXOR granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum €5 million; due on December 31, 2014, the loan was renewed to December 31, 2015, bearing interest calculated on the 3-month Euribor plus a 1% spread to December 31, 2014, reduced to 0.30% for 2015.

At December 31, 2014 the loan amounted to €1,087 thousand, including financial income earned for €37 thousand (of which €13 thousand relates to the year 2014).

b) At the end of June 2013 the subsidiary EXOR S.A. extended EXOR S.p.A. a loan for a maximum amount of €700 million originally due July 1, 2014 and renewed to July 1, 2015; at the end of April 2014 this loan was drawn for €400 million bearing interest calculated on the 1-month Euribor plus a 0.5% spread. This loan was repaid in full at the end of December, including interest for €1,352 thousand.

c) Compensation waived by the corporate boards (€90 thousand), performance of services (€408 thousand), compensation for posts on corporate boards (€25 thousand).

d) Special compensation for €2 million and the notional cost of the EXOR stock option due the Chairman and the Chief Executive Officer for €1,593 thousand.

The information regarding compensation to the directors and statutory auditors of the company, also through subsidiaries, is contained in the Compensation Report according to art. 123-*ter* of the TUF.

38. Fees charged by the independent auditors (art. 149 – *duodecies* of Consob Regulation 11971 of May 14, 1999, as amended)

The professional services provided to EXOR S.p.A. by the independent auditors in 2014 are the following:

€ thousand	Service provider	EXOR S.p.A.	
Type of services			
Audit	Reconta Ernst & Young S.p.A.	53	
Attestation services	Reconta Ernst & Young S.p.A.	40	(a)
Total		**93**	

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the 2014 bond issues of €650 million.

39. Net financial position

In accordance with the provisions of Consob Communication 6064293 of July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below.

€ thousand	12/31/2014	12/31/2013	Change
Non-current held-to-maturity financial instruments (a)	**26,348**	83,455	(57,107)
Cash and cash equivalents	**276,379**	585,695	(309,316)
Non-current other financial assets, with third parties	**85**	456	(371)
Other financial assets held for trading	**136,579**	87,196	49,383
Current held-to-maturity financial instruments	**25,000**	25,687	(687)
Financial receivables from third parties	**278**	279	(1)
Financial receivables from related parties	**1,087**	974	113
Current other financial assets with third parties	**5,088**	4,157	931
Total financial assets	**470,844**	787,899	(317,055)
Non-current debt with third parties	**(1,599,997)**	(1,199,908)	(400,089)
Current debt with third parties	**(70,515)**	(62,275)	(8,240)
Total financial liabilities	**(1,670,512)**	(1,262,183)	(408,329)
Net financial position	**(1,199,668)**	(474,284)	(725,384)
- with related parties	**1,087**	974	113
- with third parties	**(1,200,755)**	(475,258)	(725,497)

(a) These are bonds issued by leading counterparties listed on active and open markets which the company, intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash, in order to receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

40. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2014 were approved by the board of directors on April 14, 2015 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 14, 2015

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, the executive responsible for the preparation of the financial reports of EXOR S.p.A. attest to, also pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2014.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, of July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct interpretation of the financial conditions, results of operations and cash flows of the issuer;

- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, April 14, 2015

The Chairman and CEO
John Elkann

Executive responsible for the preparation
of the Company’s financial reports
Enrico Vellano

EY
Building a better
working world

Reconta Ernst & Young S.p.A.
Via Confienza, 10
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1. We have audited the financial statements of EXOR S.p.A. as of December 31, 2014 and for the year then ended, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 11, 2014.

3. In our opinion, the financial statements of EXOR S.p.A. at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of EXOR S.p.A. for the year then ended.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.IVA 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governance" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the financial statements of EXOR S.p.A. at December 31, 2014.

Turin, April 16, 2015

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers

Consolidated Financial Statements
at December 31, 2014

CONSOLIDATED INCOME STATEMENT (*)

€ million	Note	2014	2013 (a)	Change
Net revenues	1	**122,246**	113,362	8,884
Cost of sales	2	**(104,424)**	(95,929)	(8,495)
Selling, general and administrative costs	3	**(9,353)**	(9,137)	(216)
Research and development costs	4	**(3,200)**	(2,838)	(362)
Other income (expenses)	5	**118**	(6)	124
Result from investments:				
- Share of profit (loss) of investments accounted for using the equity method	6	**224**	215	9
- Other income (expenses) from investments	6	**(18)**	62	(80)
Result from investments		**206**	277	(71)
Gains (losses) on the disposal of investments	7	**(6)**	1,517	(1,523)
Restructuring costs	8	**(195)**	(69)	(126)
Other unusual income (expenses)	9	**(430)**	(574)	144
Earnings before interest and taxes (EBIT)		**4,962**	6,603	(1,641)
Financial income (expenses)	10	**(2,685)**	(2,495)	(190)
Profit before taxes		**2,277**	4,108	(1,831)
Income taxes	11	**(1,001)**	319	(1,320)
Profit from continuing operations		**1,276**	4,427	(3,151)
Profit (loss) from Discontinued Operations		**0**	0	0
Profit for the year		**1,276**	4,427	(3,151)
Profit attributable to:				
- Owners of the parent		**323**	2,085	(1,762)
- Non-controlling interests		**953**	2,342	(1,389)

Earnings per share	13			
Basic earning per share attributable to owners of the parent (in €)		1.46	9.34	(7.88)
Diluted earning per share attributable to owners of the parent (in €)		1.44	9.33	(7.89)

(*) The Group no longer reports Trading Profit as a supplementary performance assessment measure.
Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated income statement are presented in the specific income statement provided on the following pages and are further described in Note 39.

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2014	2013 (a)
PROFIT FOR THE YEAR (A)	28	1,276	4,427
Other comprehensive income that will not be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		**(658)**	2,792
Share of gains/(losses) on remeasurement of defined benefit plans for equity accounted entities		**(4)**	(10)
Related tax effect		**113**	172
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)		(549)	2,954
Other comprehensive income that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**(465)**	297
Gains (losses) on available-for-sale financial assets		**76**	(1,416)
Exchange differences on translating foreign operations		**1,974**	(1,358)
Share of other comprehensive income (loss) of investments accounted for using the equity method		**39**	(127)
Related tax effect		**120**	(59)
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)		1,744	(2,663)
Total other comprehensive income, net of tax (B) = (B1) + (B2)		**1,195**	291
TOTAL COMPREHENSIVE INCOME (A)+(B)		2,471	4,718
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		740	903
Non-controlling interests		1,731	3,816

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€ million	Note	12/31/2014	12/31/2013 (a)	Change
Non-current assets				
Intangible assets	14	**28,786**	24,736	4,050
Property, plant and equipment	15	**32,198**	28,514	3,684
Investments and other financial assets:				
- Investments accounted for using the equity method	16	**2,274**	2,102	172
- Other investments and financial assets	16	**1,385**	1,337	48
Total Investments and other financial assets		**3,659**	3,439	220
Leased assets under operating leases	17	**1,251**	769	482
Defined benefit plan assets	29	**131**	137	(6)
Deferred tax assets	11	**4,916**	4,120	796
Other non-current assets		**96**	93	3
Total Non-current assets		**71,037**	61,808	9,229
Current assets				
Inventories	18	**18,343**	15,740	2,603
Trade receivables	19	**3,757**	3,756	1
Receivables from financing activities	20	**21,522**	19,594	1,928
Other financial receivables		**2**	6	(4)
Current tax receivables	21	**615**	579	36
Other current assets	22	**4,095**	3,848	247
Current financial assets:				
- Current investments	24	**36**	35	1
- Current securities	24	**1,145**	828	317
- Other financial assets	25	**684**	724	(40)
Total Current financial assets		**1,865**	1,587	278
Cash and cash equivalents	26	**29,243**	26,169	3,074
Total Current assets		**79,442**	71,279	8,163
Assets held for sale	27	**30**	33	(3)
Total Assets		**150,509**	133,120	17,389
Equity				
Issued capital and reserves attributable to owners of the parent	28	**7,995**	6,947	1,048
Non-controlling interests	28	**14,326**	13,989	337
Total Equity		**22,321**	20,936	1,385
Provisions				
Employee benefits	29	**12,074**	10,293	1,781
Other provisions	30	**13,735**	11,900	1,835
Total Provisions		**25,809**	22,193	3,616
Financial debt				
Asset-backed financing	31	**11,660**	11,429	231
Other financial debt	31	**48,529**	42,150	6,379
Total Financial debt		**60,189**	53,579	6,610
Other liabilities				
Other financial liabilities	25	**987**	239	748
Trade payables	32	**24,884**	22,594	2,290
Current tax payables		**534**	643	(109)
Deferred tax liabilities	11	**604**	555	49
Other liabilities	33	**15,181**	12,360	2,821
Total Other liabilities		**42,190**	36,391	5,799
Liabilities held for sale	27	**0**	21	(21)
Total Equity and Liabilities		**150,509**	133,120	17,389

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific consolidated statement of financial position provided on the following pages and are further described in Note 39.

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

€ million	Note	2014	2013 (a)
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	26	**26,169**	22,822
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Profit for the year		**1,276**	4,427
Amortization and depreciation	14-15	**5,863**	5,485
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**(19)**	17
Investments		**(11)**	(1,539)
Expenses on cancellation of EXOR 2007-2017 bonds		**33**	6
Other non-cash items	40	**458**	521
Dividends received		**166**	219
Change in provisions		**1,177**	569
Change in deferred taxes		**(119)**	(1,628)
Change in items due to buy-back commitments and GDP vehicles	40	**266**	171
Change in operating lease items	40	**(443)**	(157)
Change in working capital		**466**	1,488
TOTAL		**9,113**	9,579
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	14-15	**(9,516)**	(9,111)
Investments in consolidated subsidiaries		**(48)**	7
Other investments		**(103)**	(251)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	16	**(16)**	(555)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		**107**	100
Other investments		**31**	5
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System		**109**	2,444
Net change in financial receivables		**(890)**	(2,271)
Net change in current securities		**(311)**	(320)
Other changes		**223**	(58)
TOTAL		**(10,414)**	(10,010)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Issuance of bonds	31	**7,353**	3,892
Repayment of bonds	31	**(2,150)**	(1,753)
Other changes in bonds		**(284)**	(80)
Issuance of medium-term borrowings	31	**6,892**	5,300
Repayment of medium-term borrowings	31	**(8,007)**	(4,715)
Net change in other financial debt and other financial assets/liabilities	31	**27**	2,715
Issuance of Mandatory Convertible Securities and other share issuances		**2,383**	
Cash Exit Rights following the merger of Fiat into FCA		**(417)**	
Increases in share capital of subsidiaries		**160**	7
(Purchase) sale of treasury stock		**0**	(105)
Dividends paid by EXOR S.p.A.		**(74)**	(78)
Dividends paid by subsidiaries		**(211)**	(188)
Acquisition of non-controlling interests	40	**(2,691)**	(48)
Distribution of certain tax obligations of the VEBA Trust		**(45)**	(6)
Other changes		**(26)**	(31)
TOTAL		**2,910**	4,910
Translation exchange differences		**1,465**	(1,132)
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**3,074**	3,347
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	26	**29,243**	26,169

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the specific consolidated statement of cash flows provided on the following pages.

(a) Reference should be made to the section New standards and amendments effective from January 1, 2014 for the effects arising from the retrospective application of IFRS 11; the comparative figures included in the notes refer to retrospectively adjusted data.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2012, as reported	**246**	**(239)**	**125**	**5,335**	**(51)**	**211**	**1,546**	**0**	**(9)**	**7,164**	**14,504**	**21,668**
IAS 19 revised adoption effect				**(157)**		**15**		**(853)**		**(995)**	**(4,171)**	**(5,166)**
IFRS 11 adoption effect				**0**		**(5)**		**(2)**	**7**	**(0)**	**0**	**(0)**
Equity at January 1, 2013	**246**	**(239)**	**125**	**5,178**	**(51)**	**221**	**1,546**	**(855)**	**(2)**	**6,169**	**10,333**	**16,502**
Changes in equity for 2013												
Share-based payments				16						16	19	35
Purchase of treasury stock		(105)								(105)		(105)
Capital increases										0	4	4
Dividends paid				(78)						(78)	(202)	(280)
Total comprehensive income for the year				2,085	74	(359)	(1,421)	565	(42)	903	3,816	4,719
Effect of the change in the percentage ownership of consolidated companies (a)				56	1	(1)		(1)	(2)	53	(31)	22
Effect of the change in the percentage ownership of companies accounted for using the equity method				1						1		1
Other changes				(11)						(11)	51	40
Total changes	0	(105)	0	2,069	75	(360)	(1,421)	565	(44)	779	3,656	4,435
Equity at December 31, 2013	**246**	**(344)**	**125**	**7,247**	**24**	**(139)**	**125**	**(290)**	**(46)**	**6,947**	**13,989**	**20,936**

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2013, as reported	**246**	**(344)**	**125**	**7,247**	**24**	**(131)**	**125**	**(288)**	**(57)**	**6,947**	**13,989**	**20,936**
IFRS 11 adoption effect						**(8)**		**(2)**	**11**	**0**		**0**
Equity at January 1, 2014	**246**	**(344)**	**125**	**7,247**	**24**	**(139)**	**125**	**(290)**	**(46)**	**6,947**	**13,989**	**20,936**
Changes in equity for 2014												
Share-based payments				11						11	10	21
Capital increase by subsidiaries										0	616	616
Mandatory Convertible Securities											1,322	1,322
Dividends paid				(74)						(74)	(248)	(322)
Total comprehensive income for the year				323	(103)	575	78	(156)	23	740	1,731	2,471
Purchase of shares in subsidiaries				478	10	51		(151)		388	(3,053)	(2,665)
Distribution of certain tax obligations of the VEBA Trust											(45)	(45)
Effect of the change in the percentage ownership of consolidated companies (b)				(13)	(2)	1		13	2	1	(4)	(3)
Other changes				(18)						(18)	8	(10)
Total changes	0	0	0	707	(95)	627	78	(294)	25	1,048	337	1,385
Equity at December 31, 2014	**246**	**(344)**	**125**	**7,954**	**(71)**	**488**	**203**	**(584)**	**(21)**	**7,995**	**14,326**	**22,321**
Note	**28**	**28**									**28**	

(a) Of which €34 million relates to the CNH Industrial Group and €22 million to the C&W Group.

(b) Of which €26 million relates to the CNH Industrial Group, -€43 million to the FCA Group and €4 million to the C&W Group.

CONSOLIDATED INCOME STATEMENT
pursuant to Consob Resolution 15519 of July 27, 2006

	Note	2014		2013	
			Of which		Of which
€ million	39	Total	Related parties	Total	Related parties
Net revenues		**122,246**	**2,998**	113,362	2,613
Cost of sales		**(104,424)**	**1,661**	(95,929)	(1,888)
Selling, general and administrative costs		**(9,353)**	**(120)**	(9,137)	(91)
Research and development costs		**(3,200)**	**(1)**	(2,838)	(2)
Other income (expenses)		**118**	**42**	(6)	33
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		**224**	**224**	215	215
- Other income (expenses) from investments		**(18)**	**7**	62	56
Result from investments		**206**		277	
Gains (losses) on the disposal of investments		**(6)**		1,517	
Restructuring costs		**(195)**		(69)	
Other unusual income (expenses)		**(430)**		(574)	
EARNINGS BEFORE INTEREST AND TAXES (EBIT)		**4,962**		6,603	
Financial income (expenses)		**(2,685)**	**(34)**	(2,495)	(25)
Profit before taxes		**2,277**		4,108	
Income taxes		**(1,001)**		319	
Profit from continuing operations		**1,276**		4,427	
Profit (loss) from Discontinued Operations		**0**		0	
Profit for the year		**1,276**		4,427	
Profit attributable to:					
- Owners of the parent		**323**		2,085	
- Non-controlling interests		**953**		2,342	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

pursuant to Consob Resolution 15519 of July 27, 2006

€ million		12/31/2014		12/31/2013	
	Note 39	Total	Of which Related parties	Total	Of which Related parties
Non-current assets					
Intangible assets		28,786		24,736	
Property, plant and equipment		32,198		28,514	
Investments and other financial assets:					
- Investments accounted for using the equity method		2,274	2,274	2,102	2,102
- Other investments and financial assets		1,385	65	1,337	46
Total Investments and other financial assets		3,659		3,439	
Leased assets under operating leases		1,251		769	
Defined benefit plan assets		131		137	
Deferred tax assets		4,916		4,120	
Other non-current assets		96		93	
Total Non-current assets		71,037		61,808	
Current assets					
Inventories		18,343		15,740	1
Trade receivables		3,757	381	3,756	279
Receivables from financing activities		21,522	157	19,594	136
Other financial receivables		2		6	
Current tax receivables		615		579	
Other current assets		4,095	12	3,848	10
Current financial assets:					
- Current investments		36		35	
- Current securities		1,145		828	
- Other financial assets		684		724	
Total Current financial assets		1,865		1,587	
Cash and cash equivalents		29,243		26,169	
Total Current assets		79,442		71,279	
Assets held for sale		30		33	
Total Assets		150,509		133,120	
Equity					
Issued capital and reserves attributable to owners of the parent		7,995		6,947	
Non-controlling interests		14,326		13,989	
Total Equity		22,321		20,936	
Provisions					
Employee benefits		12,074	24	10,293	9
Other provisions		13,735	13	11,900	17
Total Provisions		25,809		22,193	
Financial debt					
Asset-backed financing		11,660		11,429	
Other financial debt		48,529		42,150	
Total Financial debt		60,189	155	53,579	421
Other liabilities					
Other financial liabilities		987		239	
Trade payables		24,884	569	22,594	560
Current tax payables		534		643	
Deferred tax liabilities		604		555	
Other liabilities		15,181	149	12,360	162
Total Other liabilities		42,190		36,391	
Liabilities held for sale		0		21	
Total Equity and Liabilities		150,509		133,120	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

	2014		2013	
€ million	Total	Of which Related parties	Total	Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	26,169		22,822	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Profit for the year	1,276		4,427	
Amortization and depreciation	5,863		5,485	
(Gains) losses on disposal of:				
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)	(19)		17	
Investments	(11)		(1,539)	
Expenses on cancellation of EXOR 2007-2017 bonds	33		6	
Other non-cash items:	458		521	
Dividends received	166	166	219	219
Change in provisions	1,177		569	
Change in deferred taxes	(119)		(1,628)	
Change in items due to buy-back commitments and GDP vehicles	266		171	2
Change in items due to operating lease transactions	(443)		(157)	
Change in working capital	466	(108)	1,488	81
TOTAL	9,113	58	9,579	300
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets	(9,516)		(9,111)	
Investments in consolidated subsidiaries	(48)		7	
Other investments	(103)	(19)	(251)	(190)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	(16)		(555)	(58)
Proceeds from the sale of:				
Property, plant and equipment and intangible assets	107		100	
Other investments	31		5	
Proceeds from the disposal of financial assets by EXOR and by subsidiaries in the Holdings System	109		2,444	
Net change in financial receivables	(890)	(21)	(2,271)	12
Change in current securities	(311)		(320)	
Other changes	223		(58)	
TOTAL	(10,414)	(40)	(10,010)	(236)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
Issuance of bonds	7,353		3,892	
Repayment of bonds	(2,150)		(1,753)	
Other changes in bonds	(284)		(80)	
Issuance of medium-term borrowings	6,892		5,300	201
Repayment of medium-term borrowings	(8,007)	(266)	(4,715)	
Net change in other financial debt and other financial assets/liabilities	27		2,715	
Issuance of Mandatory Convertible Securities and other share issuances	2,383		0	
Cash Exit Rights following the merger of Fiat into FCA	(417)		0	
Increases in share capital of subsidiaries	160		7	
(Purchase) sale of treasury stock	0		(105)	
Dividends paid by EXOR S.p.A.	(74)	(42)	(78)	(44)
Dividends paid by subsidiaries	(211)		(188)	
Acquisition of non-controlling interests	(2,691)		(48)	
Distribution of certain tax obligations of the VEBA Trust	(45)		(6)	
Other changes	(26)		(31)	
TOTAL	2,910	(308)	4,910	157
Translation exchange differences	1,465		(1,132)	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	3,074		3,347	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	29,243		26,169	

EXOR GROUP - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.39% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

EXOR S.p.A. and its subsidiaries (the "Group") operate in the automotive industry, in agricultural equipment and construction equipment, commercial vehicles, real estate services and professional football.

Further information is provided under "EXOR Group Profile and Key Data" in the Report on Operations.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the functional and presentation currency of the Group.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the consolidated financial statements

The consolidated financial statements of the EXOR Group at December 31, 2014 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in addition to the provisions issued in implementation of article 9 of Legislative Decree 38/2005.
The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The 2014 consolidated financial statements have been prepared under the historical cost method, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. In this respect, despite operating in a still difficult economic and financial environment, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Format of the consolidated financial statements

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the Fiat and CNH Industrial Groups, and is consistent with international practice in the automotive and capital goods sectors.

The Group also presents a subtotal for EBIT, which is defined as "Earnings before Interest and Taxes" and includes revenues, costs, income and expenses directly attributable to recurring or non-recurring operations.

The definition "unusual" adopted by the EXOR Group differs from the definition provided in the Consob Communication of July 28, 2006, according to which unusual and/or atypical transactions are those which – because of their significance or materiality, the nature of the counterparty, the object of the transaction, the method for determination of the transfer price or the timing of the event (e.g., near year-end) – could give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the proper safeguarding of corporate assets or protection of non-controlling interests.

For the statement of financial position, a mixed format has been selected to present current and non-current assets and liabilities, as permitted by IAS 1.
More specifically, the EXOR Group's consolidated financial statements include both industrial and financial services companies that are part of the FCA and CNH Industrial Groups.
The investment portfolios of the financial services companies of FCA and CNH Industrial Groups are included in current assets, as the investments will be realized in their normal operating cycle.

However, the financial services companies of the FCA and CNH Industrial Groups only obtain a portion of their funding from the market: the remainder is obtained from FCA and CNH Industrial through their treasury companies (included within the industrial companies), which provide funding both to industrial companies and financial services companies in the groups, as the need arises.
This financial service structure within the FCA and CNH Industrial Groups does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial operations.
Presentation of financial liabilities as current or non-current based on their date of maturity, also at the EXOR level, would not facilitate a meaningful comparison with financial assets, which are categorized on the basis of their normal operating cycle.
However disclosure as to the due date of the financial liabilities is provided in the notes.

The statement of cash flows is presented using the indirect method.

The other subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

In connection with the requirements of Consob Resolution 15519 of July 27, 2006 relating to the format of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added that indicate significant related party transactions so as not to compromise an overall reading of the statements.

New standards and amendments effective from January 1, 2014

The following new standards and amendments that are applicable from January 1, 2014 were adopted by the Group for the purpose of the preparation of the consolidated financial statements.

IFRS 11 – Joint arrangements

The Group adopted IFRS 11, as amended as of January 1, 2014. The adoption of this standard required the reclassification of investments previously classified as jointly controlled entities under IAS 31 - *Interests in joint ventures*, as either "joint operations" (if the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement) or "joint ventures" (if the Group has rights only to the net assets of an arrangement). The classification focuses on the rights and obligations of the arrangements, as well as their legal form. Under the new standard, joint ventures are accounted for under the equity method while joint operations are accounted for by recognizing the Group's share of assets, liabilities, revenues and expenses (these interests would have previously been accounted for using the equity method under IAS 31).

As a result of the IFRS 11 retrospective application, the interest in Sevel S.p.A., a joint arrangement with PSA-Peugeot and the interests in Fiat India Automobiles Limited, a joint arrangement with Tata Motor, are classified as joint operations. Therefore, the Group recognized its share of assets, liabilities, revenues and expenses instead of recognizing its interest in the net assets of the entities under the equity method. The Group's interests in joint arrangements which were classified as jointly controlled entities under IAS 31 and have been reclassified as joint ventures under IFRS 11 continue to be accounted for using the equity method. The reclassification of these interests had no impact on these interim consolidated financial statements.

The impacts of the adoption of IFRS 11 on the comparative figures are set out below:

Effects on income statement

	2013		
€ million	Amounts previously reported	IFRS 11 adoption effect	Amounts as restated
Net revenues	113,740	(378)	113,362
Cost of sales	(96,359)	430	(95,929)
Selling, general and administrative costs	(9,124)	(13)	(9,137)
Research and development costs	(2,833)	(5)	(2,838)
Other income (expenses)	(15)	9	(6)
Result from investments:			0
- Share of profit (loss) of investments accounted for using the equity method	227	(12)	215
- Other income (expenses) from investments	63	(1)	62
Result from investments	290	(13)	277
Gains (losses) on the disposal of investments	1,517		1,517
Restructuring costs	(69)		(69)
Other unusual income (expenses)	(574)		(574)
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	6,573	30	6,603
Financial income (expenses)	(2,472)	(23)	(2,495)
Profit before taxes	4,101	7	**4,108**
Income taxes	326	(7)	319
Profit from continuing operations	4,427	0	**4,427**
Profit (loss) from Discontinued Operations	0		0
Profit for the year	4,427	0	**4,427**
Profit attributable to:			
- Owners of the parent	2,085		2,085
- Non-controlling interests	2,342		2,342

Effects on statement of comprehensive income

	2013		
€ million	Amounts previously reported	IFRS 11 adoption effect	Amounts as restated
Impact of IFRS 11 on components of statement of comprehensive income:			
Other comprehensive income that may be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans	2,794	(2)	2,792
Other comprehensive income that may be reclassified to the income statement in subsequent periods:			
Exchange differences on translating foreign operations	(1,346)	(12)	(1,358)
Share of other comprehensive income (loss) of investments accounted for using the equity method	(141)	14	(127)

Effects on statement of cash flows

	2013		
€ million	Amounts previously reported	IFRS 11 adoption effect	Amounts as restated
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**22,813**	**9**	**22,822**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	9,551	28	9,579
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:	(10,042)	32	(10,010)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	4,961	(51)	4,910
TRANSLATION EXCHANGE DIFFERENCES	(1,130)	(2)	(1,132)
TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	3,340	7	3,347
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**26,153**	**16**	**26,169**

Effects on statement of financial position

€ million	At December 31, 2013 Amounts previously reported	IFRS 11 adoption effect	Amounts as restated	At January 1, 2013 Amounts previously reported	IFRS 11 adoption effect	Amounts as restated
Non-current assets						
Intangible assets	24,731	5	24,736	24,327	8	24,335
Property, plant and equipment	28,125	389	28,514	26,858	433	27,291
Investments and other financial assets:						
- Investments accounted for using the equity method	2,275	(173)	2,102	2,105	(130)	1,975
- Other investments and financial assets	1,372	(35)	1,337	3,295	(38)	3,257
Total Investments and other financial assets	3,647	(208)	3,439	5,400	(168)	5,232
Leased assets under operating leases	769		769	624		624
Defined benefit plan assets	137	0	137	133	0	133
Deferred tax assets	4,110	10	4,120	2,967	10	2,977
Other non-current assets	93		93	89		89
Total Non-current assets	61,612	196	**61,808**	60,398	283	**60,681**
Current assets						
Inventories	15,692	48	15,740	14,133	64	14,197
Trade receivables	3,618	138	3,756	4,303	113	4,416
Receivables from financing activities	19,594	0	19,594	18,938	(7)	18,931
Other financial receivables	6	0	6	4		4
Current tax receivables	558	21	579	553	30	583
Other current assets	3,827	21	3,848	3,368	33	3,401
Current financial assets:						
- Current investments	35	0	35	32	0	32
- Current securities	828		828	492	0	492
- Other financial assets	724		724	641	0	641
Total Current financial assets	1,587	0	1,587	1,165	0	1,165
Cash and cash equivalents	26,153	16	26,169	22,813	9	22,822
Total Current assets	71,035	244	**71,279**	65,277	242	**65,519**
Asset held for sale	33		33	87	0	87
Total Assets	132,680	440	**133,120**	125,762	525	**126,287**
Equity						
Issued capital and reserves attributable to owners of the parent	6,947		6,947	6,169	0	6,169
Non-controlling interests	13,989		13,989	10,333	0	10,333
Total Equity	20,936	0	**20,936**	16,502	0	**16,502**
Provisions						
Employee benefits	10,232	61	10,293	13,673	60	13,733
Other provisions	11,894	6	11,900	11,466	(8)	11,458
Total Provisions	22,126	67	**22,193**	25,139	52	**25,191**
Financial debt						
Asset-backed financing	11,269	160	11,429	10,149	112	10,261
Other financial debt	41,898	252	42,150	39,929	334	40,263
Total Financial debt	53,167	412	**53,579**	50,078	446	**50,524**
Other liabilities						
Other financial liabilities	239		239	342	0	342
Trade payables	22,652	(58)	22,594	21,423	(2)	21,421
Current tax payables	643		643	467		467
Deferred tax liabilities	555		555	1,040		1,040
Other liabilities	12,341	19	12,360	10,771	29	10,800
Total Other liabilities	36,430	(39)	**36,391**	34,043	27	**34,070**
Liabilities held for sale	21	0	21	0	0	0
Total Equity and Liabilities	132,680	440	**133,120**	125,762	525	**126,287**

IFRS 10 – Consolidated Financial Statements

IFRS 10, as amended, builds on existing principles by identifying a single control model applicable to all entities, including "structured entities". The standard also provides additional guidance to assist in the determination of control where this is difficult to assess.

In accordance with the transition provision in IFRS 10, the Group reassessed the conclusion on control of its investees on January 1, 2014 without reporting any significant effect on the adoption of the new standard.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12, as amended, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, structured entities and other unconsolidated entities.

Other than the modifications to the disclosures, the adoption of the new standard did not have any effect on these consolidated financial statements.

Amendments to IAS 32 – Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the application of certain offsetting criteria for financial assets and financial liabilities and are required to be applied retrospectively. There was no significant effect on the consolidated financial statements from the application of these amendments.

Amendments to IAS 36 – Impairment of assets – Recoverable Amount Disclosures for Non-Financial Assets

The adoption of these amendments, which address the disclosure of information about the recoverable amount of impaired assets if the recoverable amount is based on fair value less cost of disposal, had no effect on the consolidated financial statements. The application of these amendments will result in expanded disclosure in the notes to future consolidated financial statements when there is an impairment that is based on fair value less cost of disposal.

Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

These amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. There was no significant effect on the consolidated financial statements from the application of these amendments.

IFRIC 21 – Levies an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. There was no significant effect on the consolidated financial statements from the application of this interpretation.

New standards, amendments and interpretations not yet effective

In November 2013, the IASB published narrow scope amendments to IAS 19 – *Employee benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No significant effect is expected from the first time adoption of these amendments.

In December 2013, the IASB issued *Annual Improvements to IFRSs 2010 – 2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share-based payments*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments,* the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party disclosures,* the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair Value Measurement.* The improvements are effective for annual periods beginning on or after January 1, 2015. No significant effect is expected from the adoption of these amendments.

In May 2014, the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations*, clarifying the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective, retrospectively, for annual periods beginning on or after January 1, 2016 with earlier application permitted. No significant effect is expected from the adoption of these amendments.

In May 2014, the IASB issued an amendment to IAS 16 – *Property, Plant and Equipment* and to IAS 38 – *Intangible Assets.* The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016, with early application permitted. The Group is currently evaluating the method of implementation and impact of this amendment on its consolidated financial statements.

In May 2014, the IASB issued IFRS 15 – *Revenue from contracts with customers*. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2017. The Group is currently evaluating the method of implementation and impact of this standard on its consolidated financial statements.

In July 2014 the IASB issued IFRS 9 – *Financial Instruments*. The improvements introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted. The Group is currently evaluating the impact of this standard on its consolidated financial statements.

In September 2014, the IASB issued narrow amendments to IFRS 10 – *Consolidated Financial Statements* and IAS 28 – *Investments in Associates and Joint Ventures* (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments will be effective, prospectively, for annual periods commencing on or after January 1, 2016.

In September 2014 the IASB issued the *Annual Improvements to IFRSs 2012-2014 cycle*, a series of amendments to IFRSs.

In December 2014 the IASB issued amendments to IAS 1 – *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies.

The companies/groups included in the scope of consolidation at December 31, 2014 are the following:

		12/31/2014		12/31/2013	
		Percentage of consolidation			
Company/Group	**Country**	**Group's ownership interest**	**Non-controlling interest's ownership interest**	**Group's interest**	**Non-controlling interest's ownership interest**
FCA Group	The Netherlands	29.25%	70.75%	30.90%	69.10%
CNH Industrial Group	The Netherlands	27.42%	72.58%	27.96%	72.04%
C&W Group	USA	83.06%	16.94%	82.40%	17.60%
Juventus Football Club S.p.A.	Italy	63.77%	36.23%	63.77%	36.23%
EXOR S.A.	Luxembourg	100.00%	-	100.00%	-
EXOR Capital Ltd	Ireland	100.00%	-	100.00%	-
EXOR Inc.	USA	100.00%	-	100.00%	-
EXOR N.V.	The Netherlands	100.00%	-	100.00%	-
EXOR SN LLC	USA	100.00%	-	-	-
Ancom USA Inc.	USA	100.00%	-	100.00%	-
Arenella Immobiliare S.r.l.	Italia	100.00%	-	100.00%	-

At December 31, 2014 the EXOR Group includes more than 600 subsidiaries consolidated line-by-line by the FCA, CNH Industrial and C&W Groups; a complete list of the companies of the Group is provided in the "List of EXOR Group Companies at December 31, 2014".

Certain minor subsidiaries are excluded from consolidation on a line-by-line basis and are accounted for using the equity method or at cost. Their aggregate assets and revenues represent less than 1% of the Group's respective amounts for each period and at each date presented within the consolidated financial statements.

Non-controlling interests

Total non-controlling interests at December 31, 2014 amount to €14,326 million (€13,989 million at December 31, 2013) and are detailed in Note 28.

The most important change refers to the FCA Group which, from the beginning of 2014 controls 100% of FCA US LLC ("FCA US") previously denominated Chrysler Group LLC. On January 1, 2014, FCA North America Holdings LLC ("FCA NA") previously denominated Fiat North America LLC, a wholly-owned subsidiary of FCA, and the VEBA Trust announced that they had entered into an agreement ("Equity Purchase Agreement") under which FCA NA agreed to acquire the VEBA Trust's 41.5% interest in FCA US, which included an approximate 10% interest in FCA US subject to previously exercised options that were subject to ongoing litigation, for cash consideration of $3,650 million (€2,691 million) as follows:

- a special distribution of U.S.$1,900 million (€1,404 million) paid by FCA US to its members, which served to fund a portion of the transaction, wherein FCA NA directed its portion of the special distribution to the VEBA Trust as part of the purchase consideration; and
- an additional cash payment by FCA NA to the VEBA Trust of $1,750 million (€1,287 million).

On the transaction date, the previously exercised options for the approximate 10% interest in FCA US that were settled in connection with the Equity Purchase Agreement had an estimated fair value at the transaction date of $302 million (€223 million), which resulted in a corresponding gain in other unusual income (expenses). These options were historically carried at cost, which was zero, in accordance with the guidance in paragraphs AG80 and AG81 of IAS 39 as the options were on shares that did not have a quoted market price in an active market and as the interpretation of the formula required to calculate the exercise price on the options was disputed and was subject to ongoing litigation. Upon consummation of the transactions contemplated by the Equity Purchase Agreement, the fair value of the underlying equity and the estimated exercise price of the options, at that point, became reliably estimable. The Group classified this item in other unusual income (expenses) because it relates to options held in relation to the acquisition of a non-controlling interest and is expected to occur infrequently.

Concurrent with the closing of the acquisition on January 21, 2014, FCA US and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America ("UAW") executed and delivered a contractually binding and legally enforceable Memorandum of Understanding ("MOU") to supplement FCA US's existing collective bargaining agreement. Under the MOU, the UAW committed to use the best efforts to cooperate in the continued roll-out of FCA US's World Class Manufacturing ("WCM") programs and to actively assist in the achievement of FCA US's long-term business plan.

In consideration for these legally enforceable commitments, FCA US agreed to make payments to a UAW-organized independent VEBA Trust totaling $700 million (€518 million at the transaction date) to be paid in four equal annual installments. Considering FCA US's non-performance risk over the payment period as of the transaction date and its unsecured nature, this payment obligation had a fair value of $672 million (€497 million) as of the transaction date.

The FCA Group considered the terms and conditions set forth in the above mentioned agreements and accounted for the Equity Purchase Agreement and the MOU as a single commercial transaction with multiple elements. As such, the fair value of the consideration paid discussed above, which amounts to $4,624 million (€3,411 million at the transaction date), including the fair value of the previously exercised disputed options, was allocated to the elements obtained by FCA and FCA US. Due to the unique nature and inherent judgment involved in determining the fair value of the UAW's commitments under the MOU, a residual value methodology was used to determine the portion of the consideration paid attributable to the UAW's commitments as follows:

€ million	
Special distribution from FCA US	1,404
Cash payment from FCA NA	1,287
Fair value of the previously exercised options	223
Fair value of financial commitments under the MOU	497
Fair value of total consideration paid	**3,411**
Less the fair value of an approximately 41.5% non-controlling ownership interest in FCA US	(2,916)
Consideration allocated to the UAW's commitments	**495**

The fair value of the 41.5% non-controlling ownership interest in FCA US acquired by FCA from the VEBA Trust (which includes the approximately 10% pursuant to the settlement of the previously exercised options discussed above) was determined using the valuation methodology discussed above.
The residual of the fair value of the consideration paid of $670 million (€495 million) was allocated to the UAW's contractually binding and legally enforceable commitments to FCA US under the MOU.

The effects of changes in ownership interests in FCA US were as follows:

€ million	Transaction date
Carrying amount of non-controlling interest acquired	3,976
Less: consideration allocated to the acquisition of the non-controlling interest	(2,916)
Additional net deferred tax assets	251
Effect on equity attributable to the owners of the FCA Group	**1,311**
Effect on equity of the EXOR Group	**383**

In accordance with IFRS 10 – *Consolidated Financial Statements*, equity reserves were adjusted to reflect the change in the ownership interest in FCA US through a corresponding adjustment to equity attributable to the parent. As the transaction described above resulted in the elimination of the non-controlling interest in FCA US, all items of comprehensive income previously attributed to the non-controlling interest were recognized in equity reserves.
Accumulated actuarial gains and losses from the remeasurement of the defined benefit plans of FCA US totaling €1,248 million has been recognized since the consolidation of FCA US in 2011. As of the transaction date, €518 million, which is approximately 41.5% of this amount, had been recognized in non-controlling interest. In connection with the acquisition of the non-controlling interest in FCA US, this amount was recognized as an adjustment to the equity reserve for remeasurement of defined benefit plans.

With respect to the MOU entered into with the UAW, the Group recognized €495 million ($670 million) in other unusual expenses in the income statement. The first $175 million installment under the MOU was paid on January 21, 2014, which was equivalent to €129 million at that date, and is reflected in the operating section of the statement of cash flows. The remaining outstanding obligation pursuant to the MOU as of December 31, 2014 of €417 million ($506 million), which includes €7 million ($9 million) of accreted interest, is recorded in other current liabilities in the statement of financial position. The second installment of $175 million (approximately €151 million at that date) to the VEBA Trust was made on January 21, 2015.

The Equity Purchase Agreement also provided for a tax distribution from FCA US to its members under the terms of FCA US Group's Limited Liability Company Operating Agreement (as amended from time to time, the "LLC Operating Agreement") in the amount of approximately $60 million (€45 million) to cover the VEBA Trust's tax obligation. As this payment was made pursuant to a specific requirement in FCA US's LLC Operating Agreement, it is not considered part of the multiple element transaction.

Significant restrictions in relation to the Group's interest in FCA US

The investment in FCA US is held through the FCA Group which is subject to several restrictions that limit its ability to access and use assets or settle liabilities in relation to its interest in FCA US.
Financing arrangements outstanding may limit the FCA Group's ability to allocate capital between Group entities or may restrict its ability to receive dividends or other restricted payments from FCA US. In particular, FCA's existing syndicated credit facility currently imposes restrictions, with certain exceptions, that limit FCA's capability to extend guarantees or loans to FCA US.
In addition, FCA US's Senior Credit Facilities are secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions.
The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries and 65% of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.
In addition, FCA US's Secured Senior Notes are secured by security interests junior to the Senior Credit Facilities in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, including 100% of the equity interests in FCA US's U.S. subsidiaries and 65% of the equity interests in certain of its non U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

These security interests cover almost all of FCA's assets. In addition, these debt instruments include covenants that restrict FCA US's ability to make certain distributions or purchase or redeem its capital stock, prepay certain other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities as well as the requirement to maintain borrowing base collateral coverage and a minimum liquidity threshold.

Change in the scope of consolidation

In 2014 there were no significant changes in the scope of consolidation.

Acquisitions or disposals during the year

CNH Industrial

On November 26, 2014, CNH Industrial completed the acquisition of substantially all of the assets of Miller-St. Nazianz, Inc. ("Miller"), a leading manufacturer of precision spraying equipment, for total consideration of $106 million. The results of the acquired business for the period from the acquisition date are included in the accompanying consolidated financial statements and are reported in the Agricultural Equipment segment.

Of the $106 million purchase price, $12 million was attributable to accounts receivable, $18 million to inventory, $16 million to property, plant and equipment, $8 million to goodwill, $62 million to other intangible assets and $10 million to liabilities assumed. Any subsequent changes to the fair value of the assets and liabilities will be recorded as adjustments to those assets and liabilities and the residual amounts will be allocated to goodwill in 2015.

Goodwill generated from the business acquisition is primarily attributable to access to Miller technology and expected synergies from geographic and network expansion, utilization of powertrain engines in Miller sprayers and cost savings as a result of increased purchasing power and operational synergies. Goodwill of $8 million is deductible for tax purposes.

C&W Group

On December 31, 2014 C&W Group acquired 100% of the outstanding stock of Massey Knakal Realty Services ("Massey Knakal"), a premier investment sales firm and one of the leaders in New York for midsized office, retail and apartment building sales, which is expected to reinforce C&W Group's Capital Markets presence in the New York Tri-State region. The total purchase price of the Massey Knakal acquisition was approximately $92.7 million, consisting of $74.4 million paid at closing and ten promissory notes issued by C&W Group to the order of Massey Knakal Realty Holdings, LLC, in an aggregate principal amount equal to $26 million payable after the ninth anniversary of the closing date. The promissory notes, which bear no interest, were valued at $18.3 million as of the closing date using the discounted cash flow method.

The final purchase price is subject to certain adjustments depending on the finalization of the audit of Massey Knakal's financial statements for the year ended December 31, 2014. The parties agreed to finalize such adjustments within 120 days after the closing date

At December 31, 2014 the goodwill arising from the acquisition is $65.4 million.

In these consolidated financial statements only the statement of financial position has been consolidated, while the acquisition costs of $2.4 million are recorded in the income statement under selling, general and administrative costs.

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases. Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in the income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).

The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IAS 39 – *Financial instruments: recognition and measurement* or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

Joint ventures

Joint ventures are entities in which the Group has contractually agreed sharing of control of an arrangement or whereby a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are entities over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates*, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or impaired; at that time the cumulative other comprehensive income is recognized in the income statement.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from investment in other companies are included in other income (expenses) from investments.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates at the date of the statement of financial position. Income and expenses are translated into Euro at the average exchange rate for the period. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average exchange rates for the period are used to translate the cash flows of foreign subsidiaries in preparing the statement of cash flows.

Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the consolidated financial statements in the functional currency and translated at the exchange rate at the acquisition date. These balances are translated at subsequent balance sheet dates at the relevant exchange rate.
The principal exchange rates used in 2014 and 2013 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	At December 31, 2014		At December 31, 2013	
	Average	**At 12/31/2014**	Average	At 12/31/2013
U.S. dollar	**1.329**	**1.214**	1.328	1.379
Brazilian real	**3.121**	**3.221**	2.867	3.258
Chinese renmimbi	**8.187**	**7.536**	8.164	8.349
Serbian dinar	**117.247**	**120.958**	113.096	114.642
Polish zloty	**4.184**	**4.273**	4.197	4.154
Argentine peso	**10.782**	**10.382**	7.263	8.988
Pound sterling	**0.806**	**0.779**	0.849	0.834
Swiss franc	**1.215**	**1.202**	1.231	1.228
Canadian dollar	**0.906**	**0.864**	0.971	0.940
Turkish lira	**0.457**	**0.429**	0.524	0.466

Business combinations

Business combinations are accounted for by applying the acquisition method of accounting in accordance with IFRS 3 - Business Combinations.
When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed.

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.
On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.
Brands with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired by comparing the carrying amount with the recoverable amount.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the expected life cycle of the product, and on average as follows:

	Number of years
Automobiles	5-6
Trucks and buses	4-8
Agricultural and Construction Equipment	5
Powertrain	8-12

  Research and all other development costs which do not meet the above criteria are expensed as incurred.

- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimate useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of position within financial debt. The assets are depreciated by the method and at the rates indicated below depending on the nature of the leased assets.

Leases under which the lessor retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2.5%-10%
Plant, machinery and equipment	3%-33%
Other assets	3%-33%

Land is not depreciated.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Impairment of property plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and that are not expected to occur frequently, are recognized under other unusual expenses.

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the consolidated financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39 include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other financial assets (which include derivative financial instruments stated at fair value), as well as cash and cash equivalents.

In particular, cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents. Current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less the provision for impairment of amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39. The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- held-to-maturity investments – HTM;
- loans and receivables – L&R;
- available-for-sale financial assets – AFS.

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Held-to-maturity i*nvestments* are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs. They are subsequently measured at amortized cost, using the effective interest method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of such investments has been sold or reclassified before their maturity, except sales or reclassifications that:

- are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
- occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the Group’s control, is non-recurring and could not have been reasonably anticipated by the Group.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the ordinary course of business), held-to-maturity securities and equity investments whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale f*inancial assets* are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges.
Loans and financial payables are subsequently measured at amortized cost using the effective interest method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedges) are measured in accordance with hedge accounting principles (see next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities). In accordance with IAS 39, all derivative financial instruments are measured at fair value.
Derivative financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship at the inception of the hedge, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement;
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately;
- *Hedge of a net investment* (hedges of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the consolidated income statement.

Transfers of financial assets

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;

- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
- if it has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any rights and obligations created or retained in the transfer;
- if it has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the income statement.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of production systems construction contracts is based on the stage of completion determined as the proportion of cost incurred at the balance sheet date to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they are known.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attributes benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income. These remeasurement components are not reclassified in the income statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement within other unusual income (expenses). Gains and losses on the settlement of a plan are recognized in the income statement within other unusual income (expenses) when the settlement occurs.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the income statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in the income statement, with a corresponding increase or decrease in equity.
Share-based compensation plans that are be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.
Changes in estimates of provisions are reflected in the income statement in the period in which the change occurs.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

Revenue from sale of vehicles and service parts is recognized when the risks and rewards of ownership are transferred to the customer, the sales price is agreed or determinable and collectability is reasonably assured. For vehicles, this generally corresponds to the date when the vehicles are made available to dealers, or when the vehicle is released to the carrier responsible for transporting vehicles to dealers.
Revenues are recognized net of discounts, allowances and returns, as well as costs for sales incentive programs and customer bonuses, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include incentives offered to dealers and retail customers, and granting of retail financing at a significant discount to market interest rates. These costs are recognized at the time of sale of the vehicle.

New vehicle sales with a buy-back commitment, or through the Guarantee Depreciation Program ("GDP") under which the Group guarantees the residual value or otherwise assumes responsibility for the minimum resale value of the vehicle, are not recognized at the time of delivery but are accounted for similar to an operating lease when it is probable that the vehicle will be bought back. Vehicles sold with a buy-back commitment are accounted for as inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as property, plant and equipment if agreements usually have a long-term buy-back commitment.
The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment.

The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals recognized over the contractual term of the lease on a straight-line basis as well as interest income from financial services companies.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenues for real estate services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured unless there are contingencies that impact revenue recognition. The existence of any significant future contingencies results in the delay of revenue recognition for the contingent amounts until such contingencies are satisfied. Certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations are recognized as revenues when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Cost of sales

The costs are recognized on the accrual basis.
Cost of sales comprises:

- the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties;
  - expenses which are directly attributable to the financial services businesses, including the interest expenses related to their financing as a whole and provisions for risks and writedowns of assets;
  - expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance of the Company's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.
The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.
Current and deferred taxes are recognized as income or expense and included in the income statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in other comprehensive income or directly in equity.

Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.
Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Provisions for income taxes that could arise on the distribution of a subsidiary’s undistributed profits are only made where there is a current intention to distribute such profits.
The Group recognizes deferred tax liabilities associated with the existence of a subsidiary’s undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders’ meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Segment reporting

The EXOR Group, through its subsidiaries, is present in a diversified range of sectors, particularly Automotive (FCA), Agricultural Equipment, Construction Equipment and Commercial Vehicles (CNH Industrial), real estate services (C&W Group) and professional football (Juventus Football Club). EXOR S.p.A. and the subsidiaries of the Holdings System primarily carry out equity investments and financial market investments.
For this reason the EXOR Group has chosen to disclose its information by segment according to IFRS 8 – *Operating Segments,* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, C&W Group, Juventus Football Club and the Holdings System.

These companies, in turn, in preparing their financial statements in accordance with IAS/IFRS, present, if applicable, operating segment disclosure which best reflects their respective characteristics.
In some cases, and for the purpose of providing clearer and more precise disclosure, the Group’s notes specifically report FCA and CNH Industrial’s representations, making reference to their specific operating segments.

FCA has identified seven reportable segments: four regional mass-market vehicle segments (NAFTA, LATAM, APAC and EMEA), Ferrari, Maserati and the Components segment. In particular, the regional mass-market vehicle reportable segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic areas: NAFTA (U.S., Canada, Mexico and Caribbean islands), LATAM (South and Central America), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa).
FCA operates with Ferrari and Maserati in the design, engineering, development, manufacturing, distribution and sale of luxury sport cars. FCA also manufactures and sells components and production systems for the automotive segment with Magneti Marelli, Teksid and Comau which, which did not meet the quantitative thresholds required in IFRS 8 and are therefore presented within the reportable segment "Components".

CNH Industrial has the following five operating segments: Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain and Financial Services.

The income statement and statement of financial position by segment are reported in Note 35.

Use of estimates

The consolidated financial statements and the relative notes are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience and on any other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly.
The effects of any changes in estimate are recognized in the income statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts. The estimates and assumptions described reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the automotive industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry;
- the recoverability of deferred tax assets which takes into consideration future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance in the Eurozone. Therefore changes in current estimates due to unanticipated events could have a significant impact on the Group's consolidated financial statements;

- pension plans and other post-retirement benefits are measured on an actuarial basis which takes into consideration parameters of a financial nature such as the discount rate and the return on plan assets, the rates of salary increases and the rates of healthcare cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The discount rates used refer to high-quality corporate bonds in the respective market of reference. The return on plan assets is given by interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan and less any tax payable by the plan itself (other than those included in the actuarial assumptions used to measure the defined benefit obligation). Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;
- estimated costs for product warranties;
- measurement of share-based compensation;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts.

1. Net revenues

Net revenues amount to €122,246 million in 2014 (€113,362 million in 2013). The composition is as follows:

€ million	2014	%	2013	%	Change
Sales of goods	113,813	93.1%	105,870	93.4%	7,943
Contract revenues	1,184	1.0%	1,007	0.9%	177
Commission and service fees and reimbursed costs for managed properties	2,144	1.8%	1,879	1.7%	265
Other services	2,800	2.3%	2,395	2.1%	405
Interest income from customers and other financial income of financial services companies	1,032	0.8%	949	0.8%	83
Lease installments from assets under operating leases and buy-backs	700	0.6%	623	0.5%	77
Television and radio rights and media revenues	156	0.2%	160	0.1%	(4)
Sponsorships and advertising	41	0.0%	42	0.0%	(1)
Season tickets and ticket office sales	41	0.0%	37	0.0%	4
Other	335	0.4%	400	0.4%	(65)
Total Net revenues	**122,246**	**100.0%**	**113,362**	**100.0%**	8,884

In 2014 net revenues include €95,491 million referring to the FCA Group (€85,921 million in 2013), €24,327 million to the CNH Industrial Group (€25,284 million in 2013), €2,144 million to C&W Group (€1,880 million in 2013) and €297 million Juventus Football Club (€277 million in 2013).
The analysis by geographical area is presented in Note 36.

2. Cost of sales

In 2014 the cost of sales amounts to €104,424 million (€95,929 million in 2013) and includes the following:

€ million	2014	2013	Change
Cost of sales	103,666	95,211	8,455
Interest cost and other financial expenses from financial services companies	758	718	40
Total Cost of sales	**104,424**	**95,929**	8,495

The contribution by segment is presented in Note 35.

3. Selling, general and administrative costs

Selling, general and administrative costs amount to €9,353 million in 2014 (€9,137 in 2013).
Selling costs mainly consist of marketing, advertising, and sales personnel costs.
General and administrative costs mainly consist of administration expenses which are not attributable to sales, manufacturing or research and development functions.

4. Research and development costs

The composition of research and development costs is as follows:

€ million	2014	2013	Change
Research and development costs expensed during the year	1,736	1,689	47
Writeoff of costs previously capitalized	91	24	67
Amortization of capitalized development costs	1,373	1,125	248
Total Research and development costs	**3,200**	**2,838**	362

5. Other income (expenses)

Other income (expenses) consists of operating expenses not attributable to specific functional areas, such as accruals to various provisions and indirect taxes and duties, net of other income arising from trading operations, which is not attributable to the ordinary operations of the sale of goods and services. Net other income of the Group in 2014 totals €118 million (net other expenses of €6 million in 2013).

6. Result from investments

The composition is as follows:

€ million	2014	2013	Change
Share of the profit of investments accounted for using the equity method	**224**	215	9
Other income (expenses) from investments			
Dividends from investments	11	70	(59)
Impairment reversals (losses)	(31)	(7)	(24)
Other income and accruals to provisions on investments	2	(1)	3
Total other income (expenses) from investments	**(18)**	62	(80)
Total Result from investments	**206**	**277**	(71)

7. Gains (losses) on the disposal of investments

The composition is as follows:

€ million	2014	2013	Change
Gains on disposal of investments	7	1,543	(1,536)
Losses on disposal of investments	(13)	(26)	13
Total Gains (losses) on disposal of investments	**(6)**	**1,517**	(1,523)

In 2013 gains on the disposal of investments mainly included the net gain realized on the disposal of the entire investment in SGS of €1,534 million.

8. Restructuring costs

Restructuring costs amount to €195 million in 2014 (€69 million in 2013). They primarily include restructuring costs recorded by the CNH Industrial Group of €145 million (€40 million in 2013) and net costs booked by the FCA Group of €50 million (€28 million in 2013).

The restructuring costs of the CNH Industrial Group include $103 million (€78 million) for actions to reduce selling, general and administrative costs and the residual amount to complete the manufacturing product specialization programs and the efficiency program announced in July 2014, under which $46 million (€35 million) was recorded for expenses relating to the closure of a 60% joint venture in China and $43 million (€32 million) to the re-alignment of the dealer networks in EMEA and the closure of a plant in Calhoun, Georgia (USA).

9. Other unusual income (expenses)

In 2014 other unusual expenses stand at €430 million (expenses of €574 million in 2013) and comprise net expenses of €30 million (€58 million in 2013) recorded by the CNH Industrial Group, €390 million (€499 million in 2013) by the FCA Group, €7 million (€13 million in 2013) by C&W Group and €4 million (€4 million in 2013) by the Holdings System.

Other unusual income (expenses) include expenses of €495 million recognized for the execution of the UAW MOU entered into by FCA US on January 21, 2014, partially offset by income of €223 million on the remeasurement to fair value of the previously exercised options for approximately a 10% interest in FCA US in connection with the Equity Purchase Agreement, expenses of €15 million relating to the compensation costs as a result of the resignation of the former chairman of Ferrari S.p.A. and an exchange loss of €151 million recognized as a result of the FCA Group's change in the exchange rate used to measure its Venezuelan subsidiary's net monetary assets in U.S. dollars based on the first quarter 2014 developments related to the foreign exchange process in Venezuela.

10. Financial income (expenses)

In addition to specific lines of the income statement, the analysis below also presents the net financial income (expenses) and the interest income of financial services companies included in net revenues of €1,032 million in 2014 (€949 million in 2013) in addition to the interest cost and other financial charges of financial services companies included in cost of sales of €758 million in 2014 (€718 million in 2013). A reconciliation to the income statement is provided as follows:

€ million	2014	2013	Change
Interest income from banks	200	181	19
Interest income from securities	20	20	
Sundry interest and other financial income	86	71	15
Total Interest and other financial income	306	272	34
Interest income from customers and other financial income of financial services companies	1,032	949	83
Gains on disposal of securities	26	5	21
Gains on disposals of investments	0	22	(22)
Total Financial income	**1,364**	1,248	116
Less: Interest income from customers and other financial income of financial services companies	(1,032)	(949)	(83)
Financial income, excluding financial services companies	**332**	299	33
Interest expenses on bonds	1,612	1,391	221
Interest expenses from banks	680	547	133
Commission expenses	33	41	(8)
Interest expenses and other financial expenses	653	903	(250)
Total Interest and other financial expenses	2,978	2,882	96
Writedowns of financial assets	202	199	3
Losses on disposal of securities	6	6	0
Net interest expenses on employees benefits provisions	392	433	(41)
Total Interest and other financial expenses	**3,578**	3,520	58
Net (income) expenses from derivative financial instruments and exchange rate differences	197	(8)	205
Total Financial expenses	**3,775**	3,512	263
Less: Interest expenses and other financial expenses of financial services companies	(758)	(718)	(40)
Financial expenses, excluding financial services companies	**3,017**	2,794	223
Net financial income (expenses), excluding financial services companies	**(2,685)**	**(2,495)**	(190)

11. Income taxes

Income taxes recognized in the income statement consist of the following:

€ million	2014	2013	Change
Current taxes:			
- IRAP	93	88	5
- Other taxes	1,040	1,184	(144)
Total Current taxes	**1,133**	1,272	(139)
Deferred taxes for the period:			
- IRAP	30	11	19
- Other taxes	(139)	(1,624)	1,485
Total Deferred taxes	**(109)**	(1,613)	1,504
Taxes relating to prior periods	**(23)**	22	(45)
Total Income taxes	**1,001**	**(319)**	1,320

Total tax expense for the year ended December 31, 2014 amounts to €1,001 million. Total tax income of €319 million was recorded in 2013 and included a €1,500 million one-time recognition of deferred tax assets related to tax loss carryforwards and temporary differences within the NAFTA segment.

The reconciliation between the income taxes recognized in the consolidated financial statements and the theoretical income taxes, calculated on the basis of the theoretical tax rate in effect in Italy, is as follows:

€ million		2014	2013
Theoretical income taxes		626	1,130
Tax effect on:			
Recognition and utilization of previously unrecognized deferred tax assets		(200)	(1,771)
Permanent differences		(92)	(477)
Deferred tax assets not recognized and writedowns		361	428
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays		201	235
Taxes relating to prior years		(23)	22
Other differences		3	15
Total Income taxes, excluding IRAP		**877**	(418)
	Effective tax rate	**38.6%**	n.a.
IRAP (current and deferred)		123	99
Total income taxes		**1,001**	**(319)**

For a better understanding of the reconciliation between the tax expense recognized in the consolidated financial statements and the theoretical tax expense, IRAP, which has a taxable basis different from profit before taxes, is excluded from the above effective tax rate calculation because it would create distortions between one year and the next. As a result, the theoretical taxes have been determined by applying the tax rate in Italy (IRES at 27.5% in 2014 and in 2013) to the profit before taxes.

In 2014 the Group's effective tax rate is equal to 38.6%. The difference between the theoretical and effective tax rate is largely due to unrecognized deferred tax assets on temporary differences and tax losses that arose during the year of €361 million (€428 million in 2013), mainly relating to the FCA Group and originating during the year in EMEA, partially offset by the utilization of tax loss carryforwards of €173 million that had not been recognized in the past.

In 2013 the Group's effective tax rate was not representative since the Group recognized a net tax benefit even though it had a consolidated net profit.
In particular in 2013 the theoretical and effective tax of the Group differed primarily due to the recognition of previously unrecognized deferred tax assets related to FCA US of €1,500 million. Excluding such effect the theoretical tax rate of the Group in 2013 would have been 26.3%.
The difference was also influenced by other effects arising from the utilization of tax loss carryforwards for which deferred tax assets had not been recognized in the past.

At December 31, 2014, the deferred tax asset balance consists of deferred tax assets less deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized are as follows:

€ million	12/31/2014	12/31/2013	Change
Deferred tax assets	4,916	4,120	796
Deferred tax liabilities	(604)	(555)	(49)
Total	**4,312**	**3,565**	747

In 2014 net deferred taxes increased by €747 million mainly as a result of the following:
- €113 million for the recognition of previously unrecognized deferred tax assets and the recognition of deferred tax assets on temporary differences originating during the year, net of the reversal of deferred taxes relating to prior years;
- €166 million for the recognition of deferred tax assets directly in equity;
- €214 million for translation differences and other changes;
- €252 million for the acquisition of the remaining 41.5% interest in FCA US.

The significant components of deferred tax assets and liabilities and their changes during the years ended December 31, 2014 and 2013 are as follows:

€ million	**12/31/2013**	Recognized in income statement	Recognized in equity	Changes in the scope of consolidation	Translation differences and other changes	**12/31/2014**
Deferred tax assets arising from:						
- Provisions	3,711	597		4	1,130	5,442
- Provision for employee benefits	1,552	61	45		241	1,899
- Intangible assets	511	(64)			14	461
- Inventories	432	56			24	512
- Allowances for doubtful accounts	276	(1)			1	276
- Impairment of financial assets	260	(18)			(10)	232
- Other	1,521	(877)	50	(4)	1,477	2,167
Total Deferred tax assets	8,263	(246)	95	0	2,877	**10,989**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,746)	(155)			(1,269)	(3,170)
- Capitalization of development costs	(1,762)	(193)		2	(434)	(2,387)
intangibles	(755)	32		16	(705)	(1,412)
- Provision for employee benefits	(32)	3				(29)
- Other	(910)	(112)	71	(16)	(56)	(1,023)
Total Deferred tax liabilities	(5,205)	(425)	71	2	(2,464)	**(8,021)**
Deferred tax assets arising from tax loss carryforwards	4,736	854	(15)		180	**5,755**
Unrecognized deferred tax assets	(4,229)	(70)	15		(127)	**(4,411)**
Total Deferred tax assets, net of Deferred tax liabilities	**3,565**	113	166	2	466	**4,312**

€ million	**12/31/2012**	Recognized in income statement	Recognized in equity	Changes in the scope of consolidation	Translation differences and other changes	**12/31/2013**
Deferred tax assets arising from:						
- Provisions	3,631	472		2	(394)	3,711
- Provision for employee benefits	1,486	166	14		(114)	1,552
- Intangible assets	582	(71)				511
- Inventories	401	39			(8)	432
- Allowances for doubtful accounts	250	42			(16)	276
- Impairment of financial assets	240	69			(49)	260
- Other	1,724	(222)	3	2	14	1,521
Total Deferred tax assets	8,314	495	17	4	(567)	**8,263**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,679)	(161)			94	(1,746)
- Capitalization of development costs	(1,516)	(305)			59	(1,762)
- Brands, trademarks and other	(907)	51		(17)	118	(755)
- Provision for employee benefits	(40)	6			2	(32)
- Other	(866)	34	(56)	(2)	(20)	(910)
Total Deferred tax liabilities	(5,008)	(375)	(56)	(19)	253	**(5,205)**
Deferred tax assets arising from tax loss carryforwards	4,352	469	(21)	7	(71)	**4,736**
Unrecognized deferred tax assets	(5,743)	1,020	13		481	**(4,229)**
Total Deferred tax assets, net of Deferred tax liabilities	**1,915**	1,609	(47)	(8)	96	**3,565**

The decision to recognize deferred tax assets is made for each company in the Group by critically assessing whether conditions exist for the future recoverability of such assets by taking into account recent forecasts from budgets and plans.

At December 31, 2014, the Group has deferred tax assets on deductible temporary differences of €10,989 million (€8,263 million at December 31, 2013) of which €701 million is not recognized (€634 million at December 31, 2013). At December 31, 2014, the Group also has theoretical tax benefits on tax loss carryforwards of €5,755 million (€4,736 million at December 31, 2013) of which €3,710 million is unrecognized (€3,595 million at December 31, 2013). At December 31, 2014 net deferred tax assets includes the amount of €2,045 million in respect of benefits on unused tax loss carryforwards (€1,141 million at December 31, 2013).

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and where it is probable that they will not be distributed in the foreseeable future.

Total deductible and taxable temporary differences and accumulated tax losses at December 31, 2014, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiration, are as follows:

		Year of expiry					
€ million	**Total at 12/31/2014**	2015	2016	2017	2018	Beyond 2018	Unlimited / Indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	34,005	11,675	3,145	2,694	2,668	13,798	25
- Taxable temporary differences	(23,131)	(1,353)	(2,642)	(2,554)	(2,559)	(10,951)	(3,071)
- Tax losses	19,736	104	187	184	412	4,236	14,613
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(15,861)	(687)	(488)	(366)	(462)	(1,895)	(11,963)
Temporary differences and tax losses relating to State taxation	**14,749**	9,739	202	(42)	59	5,188	(396)
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	19,412	5,040	1,958	1,857	1,773	8,767	17
- Taxable temporary differences	(17,682)	(531)	(1,945)	(1,908)	(1,899)	(8,437)	(2,962)
- Tax losses	3,890	4	6	42	344	2,595	900
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(1,847)	(160)	(97)	(124)	(354)	(414)	(699)
Temporary differences and tax losses relating to local taxation	**3,773**	4,353	(78)	(133)	(136)	2,511	(2,744)

12. Other information by nature of expenses

Personnel costs amount to €15,305 million in 2014 (€14,647 million in 2013).
The Group has an average number of employees of 318,562 in 2014 (305,963 employees in 2013).

13. Earnings per share

		2014	2013
Profit attributable to owners of the parent	€ million	**323**	2,085
Average number of outstanding shares		**222,346,104**	223,168,648
Basic earnings per share	€	**1.459**	9.343
Diluted earnings per share	€	**1.444**	9.326

For the periods under consideration, for purposes of the calculation of diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using their own equity instruments.

14. Intangible assets

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	17,009	15,051	1,958
Other intangible assets	11,777	9,685	2,092
Total Intangible assets	**28,786**	**24,736**	4,050

Goodwill, Brands, Trademarks and Other intangible assets with indefinite useful life

Changes during 2014 are the following:

€ million	12/31/2013	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2014
Goodwill						
Original cost	13,032	49	0		1,571	14,652
Accumulated impairment losses	(965)		0	0	(68)	(1,033)
Net carrying amount	12,067	49	0	0	1,503	**13,619**
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,030	5	0		407	3,442
Accumulated impairment losses	(46)		0		(6)	(52)
Net carrying amount	2,984	5	0	0	401	**3,390**
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	**15,051**	54	0	0	1,904	**17,009**

Additions include goodwill of €49 million ($65.4 million) recorded by C&W Group on the acquisition of Massey Knakal Realty Services on December 31, 2014.
In 2014 translation differences total €1,500 million and refer mainly to changes in the U.S. dollar/Euro rate.

Changes during 2013 were the following:

€ million	12/31/2012	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2013
Goodwill						
Original cost	13,525	6	(1)		(498)	13,032
Accumulated impairment losses	(982)		23	0	(6)	(965)
Net carrying amount	12,543	6	22	0	(504)	12,067
Brands, trademarks and other intangible assets with indefinite useful lives						
Original cost	3,165	1	0		(136)	3,030
Accumulated impairment losses	(48)		0		2	(46)
Net carrying amount	3,117	1	0	0	(134)	2,984
Goodwill, brands, trademarks and other intangible assets with indefinite useful lives	**15,660**	**7**	**22**	**0**	**(638)**	**15,051**

Goodwill

Goodwill and other assets are allocated to individual cash-generating units by the subsidiaries and associates on the basis of their procedures, methods and assumptions in accordance with IAS 36. This allocation, presented in the following table, is considered representative also for the consolidated financial statements.

€ million	12/31/2014	12/31/2013	Change
NAFTA	8,350	7,330	1,020
APAC	1,085	968	117
LATAM	517	461	56
EMEA	233	208	25
Ferrari	786	786	0
Components	52	51	1
Other activities	36	35	1
FCA Group	**11,059**	9,839	1,220
Agricultural Equipment	1,404	1,239	165
Construction Equipment	484	426	58
Commercial Vehicles	50	53	(3)
Powertrain	1	1	0
Financial Services	112	101	11
CNH Industrial Group	**2,051**	1,820	231
C&W (goodwill on the acquisition of C&W Group - Group's share)	354	310	44
Subsidiaries of C&W Group	122	65	57
C&W Group	**476**	375	101
Fiat S.p.A.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	33	0
Total Goodwill	**13,619**	**12,067**	1,552

FCA Group

Goodwill mainly includes goodwill on the acquisition of FCA US of €10,185 million (€8,967 million at December 31, 2013) and certain interests of Ferrari S.p.A. of €786 million.
Goodwill is allocated to operating segments or to CGUs within the operating segments as appropriate.

In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently, if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each CGU to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use.

The assumptions used in this process represent management's best estimate for the period under consideration.
Goodwill allocated to the NAFTA segment represents approximately 75.5% of the Group's total Goodwill, which also includes the carrying amount of the Group's brands. The estimate of the value in use of the NAFTA segment for purposes of performing the annual impairment test was based on the following assumptions:

- the expected future cash flows of NAFTA covering the period from 2015 through 2018 have been derived from the Group Business Plan presented in May 2014. More specifically, in making the estimates, expected EBITDA for the periods under consideration was adjusted to reflect the expected capital expenditure and monetary contributions to pension plans and other post-employment benefit plans. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the NAFTA segment over the period considered.
- The expected future cash flows include a normalized terminal value used to estimate the future results beyond the time period explicitly considered.

This terminal value was calculated by applying an EBITDA margin of the average of the expected EBITDA for 2015-2018 to the average 2015-2018 expected revenues used in calculating the expected EBITDA. The terminal value was then adjusted by a normalized amount of investments determined assuming a steady state business and by expected monetary contributions to pension plans and post-employment benefit plans.

- Pre-tax expected future cash flows have been estimated in U.S. dollars, and discounted using a pre-tax discount rate. The base WACC of 16.4% (16% in 2013) used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the segment under consideration. The WACC was calculated using the Capital Asset Pricing Model ("CAPM") technique in which the risk-free rate has been calculated by referring to the yield curve of long-term U.S. government bonds and the beta coefficient and the debt/equity ratio have been extrapolated by analyzing a group of comparable companies operating in the automotive sector. Additionally, to reflect the uncertainty of the current economic environment and future market conditions, the cost of the equity component of the WACC was progressively increased by a 100 basis point risk premium for the years 2016 and 2017, 90 basis points for 2018 and 100 basis points in the terminal value.

The value in use estimated as above was determined to be in excess of the book value of the net capital employed (inclusive of goodwill and brands allocated to the NAFTA segment) by approximately €100 million at December 31, 2014.

Impairment tests for goodwill allocated to other segments were based on the expected future cash flows covering the period from 2015 through 2018. The assumptions used to determine the pre-tax WACCs and the risk premiums were consistent with those described above for the NAFTA segment. Discounted cash flows were measured in U.S. dollars using a pre-tax base WACC of 16.6% (14.9% in 2013), 18% (22.3% in 2013) and 16.4% (17.9% in 2013) for the APAC, LATAM and EMEA segments, respectively. The results of the impairment tests for APAC, LATAM and EMEA resulted in a positive outcome reflecting a surplus of the value in use over the book value.
A sensitivity analysis was performed by increasing the base WACC used above for each of those regions by 50 basis points, which resulted in a surplus of the carrying amount over the value in use for the APAC, LATAM and EMEA segments.

In addition, the goodwill recorded within the Ferrari operating segment was tested for impairment. The expected future cash flows are the operating cash flows taken from the estimates included in the 2015 budget and the expected business performance, taking account of the uncertainties of the global financial and economic situation, extrapolated for subsequent years by using the specific medium/long-term growth rate for the sector equal to 1% (1% in 2013). These cash flows were then discounted using a post-tax discount rate of 8.2% (8.4% in 2013). The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill within the Ferrari operating segment will continue to be recoverable, even in the event of difficult economic and market conditions.

CNH Industrial Group

The most significant goodwill refers to Agricultural Equipment (68% of the total) and Construction Equipment (24% of the total). The impairment test of such goodwill is performed at the cash-generating unit level, the segment level. The recoverable amount of the cash generating units is determined by CNH using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach.

CNH Industrial uses the income approach to calculate the recoverable amount of a cash-generating unit on the basis of the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

CNH Industrial used the following discount rates before taxes at December 31, 2014 and December 31, 2013:

	2014	2013
Agricultural Equipment	17.4%	17.4%
Construction Equipment	14.3%	15.4%
Commercial Vehicles	22.6%	20.2%

Expected cash flows used under the income approach are developed in conjunction with CNH Industrial's budgeting and forecasting processes. CNH Industrial uses nine years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and four years of expected cash flows for the Financial Services cash-generating unit as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH Industrial estimates the recoverable amount of the Agricultural Equipment and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using book value, tangible book value and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for the Agricultural Equipment cash-generating unit was 1% in 2014 and 2013, respectively, and for Construction Equipment was 3% in 2014 and 2013, respectively. The terminal value growth rate for Financial Services was 1.5% in 2014 and 2013, respectively.

As of December 31, 2014, the estimated recoverable amount, calculated using the above method, of the Agricultural Equipment and Financial Services cash-generating units substantially exceeded the respective carrying values. The Construction Equipment cash-generating unit's excess of recoverable amount over carrying value was approximately 7%. A 0.8% increase in the discount rate, holding all other assumptions constant, or a further decline in market demand for construction equipment could result in an impairment loss in future reporting periods.

The results obtained for the Commercial Vehicles and related sensitivity analyses confirmed the absence of an impairment loss.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by CNH Industrial Group management based on past performance and expectations of developments in the markets in which the CNH Industrial Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The CNH Industrial Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the CNH Industrial Group.

C&W Group

Goodwill recognized on the acquisition of C&W Group and other acquisitions by C&W Group is deemed representative of the aggregate of the expected future economic benefits from the investment not susceptible of separate identification.

Goodwill and other intangible assets with an indefinite useful life are not amortized, but are tested by C&W Group for impairment annually, at October 1st, or more frequently if events or changes in circumstances indicate that they might be impaired.

For the purpose of impairment testing, goodwill and trademarks are allocated to C&W Group's CGUs, which are identified as the geographic regions, as the geographic regions for Group represent (1) the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets and (2) the lowest level within C&W Group at which these assets are monitored for internal management purposes.

The aggregate carrying amounts of goodwill and trademarks with indefinite lives allocated to each CGU at December 31, 2014 are as follows:

(€ million)	United States	Canada	Latin America	Mexico	EMEA	Asia Pacific	Total
Goodwill (Group's share and non-controlling interests)	265	41	19	4	171	50	550
Trademarks (a)	107	19	7	2	65	10	210
Total at December 31, 2014	**373**	**60**	**25**	**5**	**236**	**61**	**760**
Goodwill (Group's share and non-controlling interests)	186	40	16	3	151	45	441
Trademarks	95	17	6	1	57	9	185
Total at December 31, 2013	**281**	**57**	**22**	**4**	**208**	**54**	**626**

(a) Excludes the Massey Knakal tradename of €3 million which is not tested for impairment but amortized over one year.

The recoverable amount of a CGU to which goodwill and trademarks are allocated is the greater of its value in use and its fair value less costs of disposal. In connection with the 2014 annual impairment assessment, the value in use exceeded the fair value less costs of disposal for the CGUs Canada, Latin America, Mexico and Asia Pacific, with the exception of the EMEA and U.S. where the fair value less costs of disposal was higher than the value in use.
Consequently, the impairment test did not determine impairment losses that should be recorded in the consolidated financial statements.

As part of the annual assessment, the estimated value in use and fair value less costs of disposal for each of the CGUs were determined with assistance from an independent appraisal firm.

The region specific risk premiums were determined based on various country risk premiums that were weighted by revenue per country.
The long-term growth rates were based on the long-term outlook for the CGUs relative to the industry and the respective economies as a whole.
In addition, the C&W Group's projected cash flow information used in the discounted cash flow method was developed through assumptions with respect to its expected future revenue and EBITDA margins, related cash taxes, capital expenditures and broker retention.

Value in use

To determine the value in use, the discounted cash flow method required a number of key assumptions as follows:

	USA	CANADA	SOUTH AMERICA	MEXICO	EMEA	ASIA PACIFIC
Specific CGU assumptions						
Discount rate	12.0%	12.0%	14.1%	13.5%	12.8%	13.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.6%	0.7%	1.0%
General assumptions						
Terminal value model	Constant (Gordon Growth Formula)					

Under the discounted cash flow method, cash flows were projected for each of the CGUs, along with an estimate of a terminal year value, all of which was discounted back to October 1, 2014, based on the discount rate assumption. The fourth quarter 2014 revenue and EBITDA assumptions were based upon C&W Group's most recent forecast available as of the assessment date (the “November” full-year 2013 forecast), while the 2015-2017 assumptions were developed in connection with C&W Group’s strategic plan that was approved on February 3, 2015.

The discounted cash flow method utilized was substantially the same as that used in 2013, with the exception of South America and Asia Pacific, as it relates to the terminal value calculation which is based on the Gordon growth model in 2014 as opposed to the Fading growth model in 2013.

Fair value less costs of disposal

The valuation methodology to determine the fair value less costs of disposal of each CGU is based on a weighting of the indicated enterprise value amounts as determined under both the income approach (discounted cash flow method) and the market approach methods.
The key assumptions used to estimate fair value are the following:

	USA	CANADA	SOUTH AMERICA	MEXICO	EMEA	ASIA PACIFIC
Specific CGU assumptions						
Discount rate	12.8%	12.8%	14.9%	14.4%	13.6%	13.8%
Entity specific risk premium	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Region specific risk premium	0.0%	0.0%	2.2%	1.6%	0.7%	1.0%
Long-term growth rate	3.0%	3.0%	4.0%	3.0%	3.0%	4.0%
Terminal value model - Fading (F) / Gordon Growth (GG)	F	F	GG	F	F	GG
General assumptions						
Competitive advantage period (years)	3					
Control premium	15.0%					
Equity risk premium	6.0%					
Cost to sell	2.0%					

The discount rates were established through the assessment of a number of inputs, including the initial cost of equity, entity and region specific risk premiums, regional cost of debt, the region specific tax rates and debt to equity ratios.
The EBITDA and revenue multiples for 2014 and 2015 were determined through an assessment of the guideline company multiples and taking into account local country adjustments. The control premium, equity risk premium and the cost to dispose assumptions were all determined based on recent activity and trends in the market.

Under the market approach, the multiple assumptions in these calculations were derived from data publicly available relating to the guideline companies, including information relating to their revenue and EBITDA historical performance as well as the performance expected in 2014, 2015 and 2016.

The key assumptions used to determine the value in use and fair value less costs of disposal represent management’s best assessment of future trends in the real estate industry and are based on both external sources and internal sources, including historical data.
The estimated values in use and fair values less costs of disposal are particularly sensitive to changes in the discount rate and the projected cash flow information assumptions. However, C&W Group believes that any reasonably possible change in the key assumptions on which the recoverable amount of each of the CGUs is based would not cause the CGU’S carrying amount to exceed its recoverable amount.

Brands, trademarks and other intangible assets with indefinite useful lives

The composition by reporting segment is as follows:

€ million	12/31/2014	**12/31/2013**	Change
FCA Group	2,953	2,600	353
CNH Group	194	169	25
C&W Group	213	185	28
Juventus F.C.	30	30	0
Total Brands, trademarks and other intangible assets with indefinite useful lives	**3,390**	**2,984**	406

Brands of the **FCA Group** are almost entirely attributable to the NAFTA segment. The amount of €2,953 million recognized at December 31, 2014 (€2,600 million at December 31, 2013) chiefly comprises the Chrysler, Jeep, Dodge, Ram and Mopar brands. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they are classified as intangible assets with indefinite useful lives, and are therefore not amortized.

The carrying amount of brands is tested annually and the FCA Group recognizes an impairment loss if the carrying amount exceeds the recoverable amount. The principal assumptions used in the calculation of the value in use of the NAFTA cash-generating unit are presented above.

With regard to the **CNH Industrial Group**, brands, trademarks and other intangible assets with indefinite useful lives are mainly attributable to Agricultural Equipment and Construction Equipment and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units without the need for any recognition of impairment.

With regard to **C&W Group**, brands, trademarks and other intangible assets with indefinite useful lives include the value of the “Cushman & Wakefield” trademark, equal to €210 million at December 31, 2014, and the value attributed to the Massey Knakal tradename which will be amortized over one year. C&W Group intends to continuously renew the trademark since it is deemed to have an indefinite useful life because it is expected to contribute to cash flows indefinitely and, therefore, is not amortized but tested annually for impairment.

Other intangible assets

Changes in 2014 are the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2013						
Original cost	7,716	7,751	3,005	1,440	289	20,201
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(968)	(155)	(10,516)
Net carrying amount	**4,082**	**3,663**	**1,334**	**472**	**134**	**9,685**
Changes during the year (original cost)						
Additions	1,628	1,147	381	170	70	3,396
Disposals	(8)	(72)	(38)	(17)	(41)	(176)
Change in the scope of consolidation	(146)	148	13	32	0	47
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	320	221	242	84	0	867
Total	**1,794**	**1,444**	**598**	**269**	**29**	**4,134**
Changes during the year (accumulated amortization and impairment)						
Amortization	(701)	(673)	(261)	(118)	(53)	(1,806)
Impairment losses	(56)	(45)	0	0	(2)	(103)
Disposals	6	56	33	14	26	135
Change in the scope of consolidation	141	(141)	(12)	12	0	0
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(51)	(69)	(71)	(77)	0	(268)
Total	**(661)**	**(872)**	**(311)**	**(169)**	**(29)**	**(2,042)**
Balance at December 31, 2014						
Original cost	9,510	9,195	3,603	1,709	318	24,335
Accumulated amortization and impairment	(4,295)	(4,960)	(1,982)	(1,137)	(184)	(12,558)
Net carrying amount	**5,215**	**4,235**	**1,621**	**572**	**134**	**11,777**

In 2014 new development costs were capitalized for €2,775 million, of which €2,267 million by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs in the NAFTA and EMEA regions.

In order to reflect the new product strategy the FCA Group wrote down development costs for a total of €75 million in 2014 (€250 million in 2013), primarily in the EMEA and NAFTA regions.
Positive translation differences principally reflect foreign exchange gains of €482 million in 2014 related to changes in the U.S. dollar against the Euro.

The amortization of development costs are reported in the income statement as research and development costs.

Changes in other intangible assets in 2013 were the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2012						
Original cost	5,971	7,367	2,813	1,404	283	17,838
Accumulated amortization and impairment	(2,829)	(3,808)	(1,427)	(957)	(142)	(9,163)
Net carrying amount	**3,142**	**3,559**	**1,386**	**447**	**141**	**8,675**
Changes during the year (original cost)						
Additions	1,675	938	238	144	72	3,067
Disposals	(5)	(317)	(19)	(35)	(66)	(442)
Change in the scope of consolidation	201	(3)	1	41	0	240
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	(126)	(234)	(28)	(114)	0	(502)
Total	**1,745**	**384**	**192**	**36**	**6**	**2,363**
Changes during the year (accumulated amortization and impairment)						
Amortization	(557)	(569)	(253)	(109)	(49)	(1,537)
Impairment losses	(120)	(130)	0	0	0	(250)
Disposals	1	298	18	30	36	383
Change in the scope of consolidation	(142)	0	0	(11)	0	(153)
Reclassified to/from assets held for sale	0	0	0	0	0	0
Translation differences and other changes	13	121	(9)	79	0	204
Total	**(805)**	**(280)**	**(244)**	**(11)**	**(13)**	**(1,353)**
Balance at December 31, 2013						
Original cost	7,716	7,751	3,005	1,440	289	20,201
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(968)	(155)	(10,516)
Net carrying amount	**4,082**	**3,663**	**1,334**	**472**	**134**	**9,685**

In 2013 new development costs were capitalized for €2,613 million.

In 2013, to reflect the new product strategy the FCA Group wrote down certain development costs by €250 million. This amount mainly includes €151 million for the EMEA segment, €32 million for the LATAM segment and €65 million for Maserati in connection with development costs on new Alfa Romeo, Fiat and Maserati products, which had been switched to new platforms considered technologically more appropriate. Writedowns of development costs have been recognized as other unusual expenses for €226 million.

Negative translation differences of €217 million in 2013 principally reflected foreign exchange losses related to the changes in the U.S. dollar and Brazilian real against the Euro, partially offset by the appreciation of the Polish Zloty against the Euro.

15. Property, plant and equipment

Changes in property, plant and equipment in 2014 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2013							
Original cost	1,130	9,462	44,589	1,893	2,886	2,660	62,620
Accumulated depreciation and impairment	(9)	(3,590)	(28,339)	(443)	(1,714)	(11)	(34,106)
Net carrying amount	**1,121**	**5,872**	**16,250**	**1,450**	**1,172**	**2,649**	**28,514**
Changes during the year (original cost)							
Additions	14	876	3,353	597	337	1,536	6,713
Disposals	(9)	(128)	(1,330)	(108)	(62)	(10)	(1,647)
Change in the scope of consolidation	1	21	40	0	(4)	8	66
Translation differences and other changes	44	402	1,751	4	206	145	2,552
Reclassified to/from assets held for sale	(1)	(42)	(39)	0	(1)	0	(83)
Other changes	23	64	1,041	(293)	50	(1,250)	(365)
Total	**72**	**1,193**	**4,816**	**200**	**526**	**429**	**7,236**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(351)	(3,451)	(188)	(256)	0	(4,246)
Impairment losses	0	(6)	(27)	(11)	0	0	(44)
Disposals	2	115	1,296	41	60	(3)	1,511
Change in the scope of consolidation	0	(5)	(5)	0	5	0	(5)
Translation differences and other changes	0	(89)	(742)	1	(84)	0	(914)
Reclassified to/from assets held for sale	(1)	31	37	0	1	0	68
Other changes	(3)	(4)	(42)	114	15	(2)	78
Total	**(2)**	**(309)**	**(2,934)**	**(43)**	**(259)**	**(5)**	**(3,552)**
Balance at December 31, 2014							
Original cost	1,202	10,655	49,405	2,093	3,412	3,089	69,856
Accumulated depreciation and impairment	(11)	(3,899)	(31,273)	(486)	(1,973)	(16)	(37,658)
Net carrying amount	**1,191**	**6,756**	**18,132**	**1,607**	**1,439**	**3,073**	**32,198**
of which leased under finance leases	*5*	*1,408*	*347*		*2*		*1,762*

Additions of €6,713 million in 2014 mainly relate for €5,415 million to the car mass-market operations of the FCA Group as well as to the ongoing construction of the new LATAM plant in Pernambuco (Brazil) and for €1,269 million to Agricultural Equipment, Construction Equipment and Commercial Vehicles of the CNH Industrial Group.

In 2014 impairment losses of €33 million primarily relate to the EMEA segment of the FCA Group.

Positive translation differences of €1,639 million in 2014 mainly reflect the strengthening of the U.S. dollar against the Euro.

In 2014 other changes primarily consist of the reclassification of prior year balances for advances and tangible asset in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date

Changes in property, plant and equipment in 2013 were the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2012							
Original cost	958	8,776	41,623	1,561	2,707	3,528	59,153
Accumulated depreciation and impairment	(10)	(3,418)	(26,536)	(335)	(1,553)	(10)	(31,862)
Net carrying amount	**948**	**5,358**	**15,087**	**1,226**	**1,154**	**3,518**	**27,291**
Changes during the year (original cost)							
Additions	5	663	2,848	600	170	2,349	6,635
Disposals	(5)	(37)	(1,149)	0	(98)	(22)	(1,311)
Change in the scope of consolidation	3	17	240	0	5	4	269
Translation differences and other changes	(63)	(357)	(1,519)	(5)	(121)	(190)	(2,255)
Reclassified to/from assets held for sale	(2)	(30)	(64)	0	(2)	0	(98)
Other changes	234	430	2,610	(263)	225	(3,009)	227
Total	**172**	**686**	**2,966**	**332**	**179**	**(868)**	**3,467**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(337)	(3,378)	(206)	(231)	0	(4,152)
Impairment losses	0	0	(84)	(28)	0	0	(112)
Disposals	0	21	1,099	0	81	(1)	1,200
Change in the scope of consolidation	0	0	(148)	0	(4)	0	(152)
Translation differences and other changes	0	106	779	1	60	0	946
Reclassified to/from assets held for sale	1	25	49	0	2	0	77
Other changes	0	13	(120)	125	(69)	0	(51)
Total	**1**	**(172)**	**(1,803)**	**(108)**	**(161)**	**(1)**	**(2,244)**
Balance at December 31, 2013							
Original cost	1,130	9,462	44,589	1,893	2,886	2,660	62,620
Accumulated depreciation and impairment	(9)	(3,590)	(28,339)	(443)	(1,714)	(11)	(34,106)
Net carrying amount	**1,121**	**5,872**	**16,250**	**1,450**	**1,172**	**2,649**	**28,514**
of which leased under finance leases	*5*	*143*	*353*		*1*		*502*

Additions of €6,635 million in 2013 mainly referred for €5,110 million to the car-mass market operations of the FCA Group, as well as to the ongoing construction of the new LATAM plant in Pernambuco, and for €1,444 million to the Agricultural Equipment, Construction Equipment and Commercial Vehicles segments of the CNH Industrial Group.

In 2013 impairment losses of €84 million referred to the FCA Group and €28 million to the CNH Industrial Group. Impairment losses of €30 million of the FCA Group related to assets in the cast iron business unit of the Components segment as a result of an expected reduction in these activities compared to the previous expectations, due to the increasing use of aluminum in the production of the automotive engine blocks instead of cast iron and €54 million refers to the streamlining of architectures and models associated with the EMEA region's refocused product strategy. These impairments, which are due to a structural change in the market, were fully recognized in unusual expenses.

Negative translation differences of €1,286 million in 2013 mainly reflected the changes of the U.S. dollar and the Brazilian real against the Euro.

In 2013 other changes primarily consisted of the reclassification of prior year balances for advances and tangible assets in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date. With reference to land, other changes also included approximately €214 million which is the fair value of the land donated to the FCA Group by the State of Pernambuco (Brazil) at the end of the year following the FCA Group's commitment to build a new industrial unit.

At December 31, 2014 property, plant and equipment of the FCA Group, excluding FCA US, pledged as security for debt, mainly refer to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 - *Determining Whether an Arrangement Contains a Lease* with the corresponding recognition of a finance lease payable. The composition is as follows:

€ million	12/31/2014	12/31/2013
Land and industrial buildings pledged as security for debt	1,019	103
Plant and machinery pledged as security for debt and other commitments	648	310
Other assets pledged as security for debt and other commitments	3	5
Property plant and equipment pledged as security for debt	**1,670**	**418**

Information on the assets of FCA US subject to liens are set out in Note 31 in the consolidated financial statements.

At December 31, 2014, CNH Industrial Group has land and industrial buildings of €77 million (€73 million at December 31, 2013) pledged as security for debt. Moreover, plant, machinery and equipment of €81 million (€75 million at December 31, 2013) and other assets of €1 million (zero at December 31, 2013) are pledged as security for debt and other commitments; these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a finance lease payable.

Moreover, at December 31, 2014 real estate mortgaged for a loan from the Istituto per il Credito Sportivo to Juventus FC S.p.A. for the construction of the new stadium amounts to a maximum value of €120 million.

At December 31, 2014, the Group had contractual commitments for the acquisition of property, plant and equipment amounting to $2,590 million ($1,789 million at December 31, 2013).

Recoverability of non-current assets of the FCA Group

Non-current assets include property, plant and equipment, goodwill and intangible assets with definite and indefinite useful lives. The Group periodically reviews the carrying amount of non-current assets and that of assets to be disposed when events and circumstances warrant such a review. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount is the higher of the CGUs fair value less costs of disposal and their value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The analysis of the recoverable amount of non-current assets is performed at least annually for CGUs to which goodwill or intangible assets with indefinite useful lives have been allocated. For a discussion on impairment testing on goodwill arising from the FCA US acquisition and intangible assets with an indefinite useful life, reference should be made to Note 14.

For the other CGUs, the same analysis is performed when events and circumstances indicate that an asset may be impaired. At December 31, 2013 and 2014, due to the continued decline in car demand on the European market, impairment tests relating to EMEA net assets were performed on two levels.

Firstly, the recoverable amounts of the assets of specific EMEA CGUs were tested, identified as plant, machinery and equipment as well as the associated intangible assets dedicated to the production of specific platforms and powertrains. This impairment analysis led to the recognition of impairment on development costs of €47 million (€151 million in 2013) and on other tangible assets of €25 million (€55 million in 2013).

In 2013 a similar process was carried out also for specific CGUs within the Components operating segment and for the Maserati CGU, leading to the recognition of an impairment of property, plant and equipment for €2 million and an impairment of development costs of €65 million, respectively.

Secondly, following the above mentioned decline in demand, at December 31, 2013 and 2014, the FCA Group deemed necessary to test the recoverable amount of the net capital employed pertaining to the EMEA operating segment as a whole, by determining its value in use with the following assumptions:

- the reference scenario was based on the 2014-2018 strategic business plan presented in May 2014 and the consistent projections for 2019;
- the expected future cash flows, represented by the projected EBIT before result from investments, gains (losses) on the disposal of investments, restructuring costs, other unusual income (expenses), depreciation and amortization and reduced by expected capital expenditure, include a normalized future result beyond the time period explicitly considered used to estimate the terminal value. This normalized future result was assumed substantially in line with 2017-2019 amounts. The long-term growth rate was set at zero;
- the expected future cash flows were discounted using a pre-tax WACC of 10.3% (12.2% in 2013). This WACC reflects the current market assessment of the time value of money for the period being considered and the risks specific to the EMEA region. The WACC was calculated by referring to the yield curve of 10-year European government bonds, to FCA's cost of debt, and other factors.

The recoverable amount of the EMEA operating segment thus determined was higher than the carrying amount. Furthermore, a sensitivity analysis was performed by simulating two different scenarios: a) WACC was increased by 1% for 2018, 2% for 2019 and 3% for Terminal Value, b) cash flows were reduced by estimating the impact of a 1.7% decrease in the European car market demand for 2015, a 7.5% decrease for 2016 and a 10% decrease for 2017-2019 as compared to the base assumptions. In all scenarios the recoverable amount was higher than the carrying amount.

The estimates and assumptions described above reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the automotive industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry. More specifically, considering the uncertainty, a future worsening in the economic environment in the Eurozone that is not reflected in these Group assumptions, could result in actual performance that differs from the original estimates, and might therefore require adjustments to the carrying amounts of certain non-current assets in future periods.

16. Investments and other financial assets

The composition is the following:

€ million	12/31/2014	12/31/2013	Change
Investments in joint ventures	1,732	1,611	121
Investments in associates	504	450	54
Investments in unconsolidated subsidiaries	37	41	(4)
Investments accounted for using the equity method	**2,274**	2,102	172
Investments at fair value with changes directly in other comprehensive income	367	385	(18)
Investments at fair value	**367**	385	(18)
Investments at cost	**45**	34	11
Total Investments	**2,686**	2,521	165
Non-current financial receivables	**344**	288	56
Other securities	**629**	630	(1)
Total Investments and other financial assets	**3,659**	**3,439**	220

Investments in joint ventures

Changes in 2014 and 2013 are the following:

€ million	12/31/2013	Revaluations (Impairment losses)	Acquisitions and capitalizations	Disposals	Change in the scope of consolidation	Translation differences	Other changes	12/31/2014
Investments in joint ventures	**1,611**	184	18	0	2	59	(143)	**1,732**

€ million	12/31/2012	Revaluations (Impairment losses)	Acquisitions and capitalizations	Disposals	Change in the scope of consolidation	Translation differences	Other changes	12/31/2013
Investments in joint ventures	**1,640**	202	68	0	(37)	(105)	(157)	**1,611**

Revaluations and impairment losses include the Group's share of the profit or loss for the year of investments accounted for using the equity method.

The composition of investments in joint ventures is as follows:

€ million		12/31/2014		12/31/2013
Investments in joint ventures				
FCA Bank (formerly FGA Capital S.p.A.)	50.00%	894	50.00%	839
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	299	37.90%	240
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	177	50.00%	172
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	88	37.50%	91
GAC Fiat Chrysler Automobiles Co. Ltd	50.00%	45	50.00%	85
Other		229		184
Total Investments in joint ventures		**1,732**		**1,611**

FCA Bank is a 50/50 joint venture with Crédit Agricole Consumer Finance S.A. FCA Bank operates in 14 European countries including Italy, France, Germany, UK and Spain and provides retail and dealer financing and long-term rental services in the automotive sector, directly or through its subsidiaries as a partner of the FCA Group's car mass-market brands and for Maserati. In July 2013 the FCA Group reached an agreement with Crédit Agricole to extend the term of that joint venture through to December 31, 2021. Under the agreement, FCA Bank will continue to benefit from the financial support of the Crédit Agricole Group while continuing to strengthen its position as an active player in the securitization and debt markets.

Summarized financial information relating to FCA Bank in 2014 and 2103 is the following:

€ million	12/31/2014	12/31/2013
Financial assets	14,604	14,484
Other assets	2,330	2,079
Financial debt	14,124	13,959
Other liabilities	896	802
Equity	1,914	1,802
Net assets attributable to owners of the parent	**1,899**	**1,788**
Group's share of net assets	950	894
Elimination of unrealized gains and other adjustments	(56)	(55)
Carrying amount of joint venture in FCA	**894**	**839**

€ million	2014	2013
Interest and similar income	737	752
Interest and similar expenses	(373)	(381)
Income tax expense	(74)	(76)
Profit from continuing operations	182	172
Profit for the year	182	172
Profit attributable to owners of the parent (A)	**181**	**170**
FCA's share of profit	91	85
Elimination of unrealized gains and other adjustments	0	0
FCA's share of profit in joint venture	**91**	**85**
Other gains and losses attributable to owners of the parent (B)	12	(1)
Total Other gains and losses attributable to owners of the parent (A+B)	**193**	**169**

Tofas Turk Otomobil Fabrikasi A.S. is listed on the İstanbul Stock Exchange ("ISE") and is classified as a joint venture by the FCA Group and the other partner which each have a shareholding of 37.9%. At December 31, 2014 the fair value of the FCA Group's interest in Tofas is €1,076 million (€857 million at December 31, 2013)

Naveco (Nanjing Iveco Motor Co.) Ltd is a 50/50 joint venture between Iveco S.p.A. and Nanjing Automotive Corporation, a subsidiary of the SAIC Group) which designs, produces and sells the Daily model and light trucks.

Turk Traktor Ve Ziraat Mkineleri A.S. is a listed company (37.5% by CNH Industrial and 37.5% by Koc Holding) for the production of tractors under the Case IH Agriculture and New Holland Agriculture brands, and import and distribution of agricultural equipment in Turkey. At December 31, 2014 the fair value of CNH Industrial's interest in Turk Traktor is $659 million (€543 million).

There are no restrictions on the ability of the joint ventures to transfer funds to the FCA Group in the form of cash dividends, or to repay loans or advances made by the entity, that have a material impact on the Group's liquidity.

Investments in associates

The composition is as follows:

€ million		12/31/2014		12/31/2013
Investments in associates				
Almacantar S.A.	38.29%	282	38.29%	225
CNH Capital Europe S.a.s.	49.90%	91	49.90%	78
RCS MediaGroup S.p.A.	16.73%	74	16.40%	87
Other		57		60
Total Investments in associates		**504**		**450**

The key financial position and income statement date of Almacantar for 2014 and 2013:

	12/31/2014		12/31/2013	
	£ million	€ million	£ million	€ million
Non-current assets	773.0	992	642.9	771
Current assets	62.4	80	92.3	111
Payables	252.4	324	234.5	281
Other liabilities	9.7	12	10.5	13
Net revenues	17.1	21	17.2	20
Profit before taxes	83.6	104	86.6	102
Comprehensive income	83.1	103	91.0	107

The Group's interest in RCS MediaGroup S.p.A. (RCS) amounts to €74 million (€87 million at December 31, 2013); listed on the Italian stock exchange, the fair value at December 31, 2014 is €81 million (€115 million at December 31, 2013).

Investments at fair value

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Investments at fair value with changes directly in other comprehensive income			
Banca Leonardo S.p.A.	60	76	(16)
The Economist Group	40	37	3
Banijay Holding S.A.S.	41	37	4
Sequana S.A. Group	15	25	(10)
Fin. Priv. S.r.l.	14	14	0
Assicurazioni Generali S.p.A.	3	3	0
Other	194	193	1
Total Investments at fair value with changes directly in other comprehensive income	**367**	**385**	**(18)**

The decrease in the investment in Banca Leonardo is due to the negative fair value adjustment of €11 million (with recognition in equity) and the reimbursement of reserves of €5 million.

The increase in the investment in Banijay Holding arises from the positive fair value adjustment of €4 million (with recognition in equity).

The increase in the investment in The Economist Group is attributable to the positive fair value adjustment of €3 million (with recognition in equity).

At June 30, 2014 the investment in Sequana was adjusted to fair value on the basis of the per share trading price at that date (€4.08 per share) for a total of €7 million. The negative fair value reserve recognized in equity was at the same time reclassified to the income statement, as set out in IAS 39, deeming the capital increase operation and the trend of the share price determining factors in evaluating the existence of an impairment such as to justify the recognition in the income statement of a correction of the investment value for a total expense of €27 million.

On July 26, 2014 EXOR S.A. subscribed to Sequana's share capital increase for a total payment of €11 million and in the following months sold on the market 3,158,313 shares for a total equivalent amount of €9 million, recording a net loss of €1 million.

The total impairment charge recognized in the income statement in 2014 is €31 million and includes the fair value adjustment in 2014 of €11 million and the reclassification to the income statement of the fair value reserve at December 31, 2013 of €20 million.

At December 31, 2014 the remaining 5,537,687 shares were measured at fair value on the basis of the per share trading price at December 31, 2014 (€2.64 per share), recording an additional correction in value of €4 million owing to the continual reduction in the share's trading price.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as letters of credit and other agreements.

Other securities

Other securities amount to €629 million (€630 million at December 31, 2013) and mainly comprise:

- for €392 million (€382 million at December 31, 2013), the value of the Irish-registered fund managed by Black Ant Group LLC, which principally invests in equity and credit instruments;
- for €13 million, the value of the investment in Perella Weinberg Funds (€47 million at December 31, 2013);
- for €12 million, the value of the investment in the RHO Immobiliare Fund.

The net increase in The Black Ant Value Fund of €10 million is due to the positive fair value adjustment of €29 million, partially offset by the redemption of 142,500 shares, according to the agreements signed and taking into account the positive performance recorded during 2013, for a total equivalent amount of €19 million. The redemption resulted in a net gain of €5 million relating to the realization of a part of the fair value reserve. At December 31, 2014 the positive fair value adjustment recognized in equity amounts to €121 million.

The net decrease in the Perella Weinberg Funds of €34 million is due principally to the redemption of the NoCo B and Perella Weinberg Real Estate I Funds, respectively, for $29 million (€21 million) and €20 million, partially offset by investments during the period of €1 million and the positive fair value adjustment of €6 million. The net gain realized of €13 million refers to the realization of a part of the fair value reserve. At December 31, 2014 the fair value adjustment recorded in equity is a negative €1 million.

17. Leased assets under operating leases

Changes in leased assets under operating leases in 2014 and 2013 are the following:

€ million	**12/31/2013**	Additions	Depreciation	Translation differences	Disposals and other changes	**12/31/2014**
Gross carrying amount	975	769	0	131	(380)	1,495
Depreciation and impairment	(206)	(1)	(120)	(16)	99	(244)
Net carrying amount assets leased under operating leases	**769**	768	(120)	115	(281)	**1,251**

€ million	**12/31/2012**	Additions	Depreciation	Translation differences	Disposals and other changes	**12/31/2013**
Gross carrying amount	816	485	0	(52)	(274)	975
Depreciation and impairment	(192)	0	(106)	9	83	(206)
Net carrying amount assets leased under operating leases	**624**	485	(106)	(43)	(191)	**769**

18. Inventories

The composition of inventories is the following:

€ million	12/31/2014	12/31/2013	Change
Raw materials, supplies and finished goods	16,037	14,266	1,771
Assets sold with a buy-back commitment and GDP vehicles	2,128	1,342	786
Gross amount due from customers for contract work	178	132	46
Total Inventories	**18,343**	**15,740**	2,603

Inventories of the FCA Group amount to €12,467 million (€10,278 million at December 31, 2013) and inventories of the CNH Industrial Group total €5,881 million (€5,464 million at December 31, 2013), net of intercompany eliminations of €4 million (€2 million at December 31, 2013).

Inventories increased by €2,603 million as a result of a higher level of finished products following the volume growth in the NAFTA, EMEA and Maserati segments in addition to positive translation differences primarily related to the strengthening of the U.S. dollar against the Euro.

At December 31, 2014 inventories of the CNH Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments for €233 million (€146 million at December 31, 2013).

At December 31, 2014 inventories include those measured at net realizable value (estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale) amounting to €3,179 million (€2,622 million at December 31, 2013).

In 2014 the amount of inventory writedowns recognized as an expense is €689 million (€614 million in 2013), while amounts recognized as income from the reversal of writedowns on items sold during the year are not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2014	12/31/2013	Change
Gross amount due from customers for contract work, as an asset	178	132	46
Less: Amount due to customers for contract work, as a liability	(247)	(207)	(40)
Construction contracts, net of advances on contract work	**(69)**	**(75)**	6

19. Trade receivables

The composition by reporting segment is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Eliminations and Adjustments	Consolidated
Trade receivables at December 31, 2014	2,564	868	350	50	(75)	**3,757**
Trade receivables at December 31, 2013	2,544	988	262	31	(69)	**3,756**
Change	20	(120)	88	19	(6)	1

The analysis of trade receivables by due date is as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	3,746	3,684	62
Due between one and five years	9	69	(60)
Due beyond five years	2	3	(1)
Total Trade receivables	**3,757**	**3,756**	1

Trade receivables at December 31, 2014 are shown net of allowances for doubtful accounts of €503 million (€535 million at December 31, 2013).

Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2014:

€ million	12/31/2013	Provision	Use and other changes	12/31/2014
Allowances for doubtful accounts	**535**	78	(110)	**503**

20. Receivables from financing activities

Receivables from financing activities amount to €21,522 million at December 31, 2014 (€19,594 million at December 31, 2013) and include the following:

€ million	12/31/2014	12/31/2013	Change
Dealer financing	10,050	8,880	1,170
Retail financing	10,118	9,093	1,025
Finance leases	1,135	1,409	(274)
Other	219	212	7
Total Receivables from financing activities	**21,522**	**19,594**	1,928

Receivables from financing activities are shown net of allowances for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2014, the allowance accounts total €611 million (€646 million at December 31, 2013). Changes in the allowance accounts in 2014 are the following:

€ million	12/31/2013	Provision	Use and other changes	12/31/2014
Allowances on Receivables from financing activities	**646**	94	(129)	**611**

Receivables for dealer financing are typically generated by sales of vehicles, and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from segment to segment and country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €9,079 million and by the FCA Group €1,039 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the FCA Group's Ferrari and Maserati segments and by the CNH Industrial Group's Commercial Vehicles, Agricultural Equipment and Construction Equipment. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term and is in line with prevailing market interest rates.

Finance lease receivables, gross of an allowance of €194 million at December 31, 2014 (€235 million at December 31, 2013), may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	662	905	66	1,633
Less: unrealized interest income	(119)	(181)	(12)	(312)
Present value of future minimum lease payments at December 31, 2014	**543**	**724**	**54**	**1,321**
Receivables for future minimum lease payments	791	1,157	92	2,040
Less: unrealized interest income	(152)	(237)	(15)	(404)
Present value of future minimum lease payments at December 31, 2013	**639**	**920**	**77**	**1,636**

No contingent rents were recognized as finance lease income during 2014 or 2013 and unguaranteed residual values at December 31, 2014 and 2013 are not significant.

Receivables from financing activities may be analyzed by due date as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	13,433	12,378	1,055
Due between one and five years	7,777	7,082	695
Due beyond five years	312	134	178
Total Receivables from financing activities	**21,522**	**19,594**	1,928

21. Current tax receivables

At December 31, 2014 current tax receivables amount to €615 million (€579 million at December 31, 2012). The analysis by due date is the following:

€ million	12/31/2014	12/31/2013	Change
Due within one year	541	395	146
Due between one and five years	37	141	(104)
Due beyond five years	37	43	(6)
Total Current tax receivables	**615**	**579**	36

22. Other current assets

Other current assets amount to €4,095 million (€3,848 million at December 31, 2013) and mainly consist of other tax receivables for VAT and other indirect taxes of €2,048 million, receivables from employees of €214 million and accrued income and prepaid expenses of €689 million.

The analysis of current receivables (excluding accrued income and prepaid expenses by due date is the following:

€ million	12/31/2014	12/31/2013	Change
Due within one year	3,083	2,878	205
Due between one and five years	276	278	(2)
Due beyond five years	47	66	(19)
Total Other current receivables	**3,406**	**3,222**	184

23. Transfers of financial assets

The **FCA Group** transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.
At December 31, 2014, the carrying amount of transferred financial assets not derecognized and the related liabilities are as follows:

€ million	Trade receivables	Receivables from financing activities	Current tax receivables	Total
At December 31, 2014				
Carrying amount of the assets transferred and not derecognized	37	407	25	**469**
Carrying amount of the related liabilities	(37)	(407)	(25)	**(469)**
At December 31, 2013				
Carrying amount of the assets transferred and not derecognized	283	440	33	**756**
Carrying amount of the related liabilities	(283)	(440)	(33)	**(756)**

At December 31, 2014, the FCA Group has receivables and bills due after that date which were transferred without recourse and which were accordingly derecognized amounting to €4,511 million (€3,603 million at December 31, 2013). The transfers relate to trade receivables and other receivables for €3,676 million

(€2,891 million at December 31, 2013) and financial receivables for €835 million (€712 million at December 31, 2013). These amounts include receivables of €2,611 million (€2,177 million at December 31, 2013), mainly due from the sales network, transferred to joint venture financial services companies (FCA Bank).

The **CNH Industrial Group** transfers a number of its financial, trade and tax receivables under securitization programs or factoring transactions

At December 31, 2014, the carrying amount of such transferred financial assets and the related liability and the respective fair values are as follows:

€ million	Trade receivables	Receivables from financing activities	Other financial assets	Total
At December 31, 2014				
Carrying amount of assets	353	11,227	1,022	12,602
Carrying amount of the related liabilities	(353)	(9,816)	(1,022)	(11,191)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	353	11,279	1,022	12,654
Fair value of the liabilities	(353)	(9,815)	(1,022)	(11,190)
Net position	(0)	1,464	(0)	**1,464**
At December 31, 2013				
Carrying amount of assets	424	10,186	931	11,541
Carrying amount of the related liabilities	(424)	(9,324)	(931)	(10,679)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	424	10,202	931	11,557
Fair value of the liabilities	(424)	(9,338)	(931)	(10,693)
Net position	0	864	0	**864**

Other financial assets also include cash with a pre-determined use restricted to the repayment of securitization debt.

The CNH Industrial Group discounts receivables without recourse having due dates after December 31, 2014 amounting to €539 million (€791 million at December 31, 2013), of which €482 million (€756 million at December 31, 2013) relates to trade receivables and other receivables and €57 million (€35 million at December 31, 2013) refers to receivables from financing activities.

24. Current financial assets

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Current investments	**36**	35	1
Bonds held-to-maturity	28	29	(1)
Bonds available-for-sale	30	91	(61)
Bonds and mutual funds held for trading	1,087	708	379
Current securities	**1,145**	828	317
Other financial assets	**684**	724	(40)
Total Current financial assets	**1,865**	**1,587**	278

Bonds are issued by leading counterparties, listed on active and open markets and include the current portion of bonds held to maturity. The increase of €317 million is largely due to net investments of the Holdings System in funds held for trading (€347 million).

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

25. Other financial assets and Other financial liabilities

The line items mainly consist of the fair value measurement of derivative financial instruments. They also include some collateral deposits held in connection with derivative transactions and payables.

€ million	12/31/2014 Positive fair value	12/31/2014 Negative fair value	12/31/2013 Positive fair value	12/31/2013 Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	113	(1)	126	(2)
Currency risks			2	(1)
Interest rate and currency risk - Combined interest rate and currency swaps		(41)	15	
Total Fair value hedges	**113**	**(42)**	**143**	**(3)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	283	(614)	375	(89)
Interest rate risk - Interest rate swaps	1	(13)	3	(12)
Interest rate and currency risk - Combined interest rate and currency swaps	60	(52)	9	(54)
Commodity price risk - Commodity swaps	4	(16)	6	(6)
Total Cash flow hedges	**348**	**(695)**	**393**	**(161)**
Derivatives for trading	**185**	**(250)**	**168**	**(75)**
Collateral deposits	**38**		**20**	
Total Other financial assets and Other financial liabilities	**684**	**(987)**	**724**	**(239)**

The fair value of derivative financial instruments is calculated using market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is calculated using appropriate valuation techniques and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is calculated using the discounted cash flow method;
- the fair value of derivatives hedging interest rate risk and currency risk is calculated using the exchange rate at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is calculated using the discounted cash flow method, taking (if available) the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in other financial assets (from €724 million at December 31, 2013 to €684 million at December 31, 2014) and in other financial liabilities (from €239 million at December 31, 2013 to €987 million at December 31, 2014) is mostly due to fluctuations in exchange rates, interest rates, commodity prices during the year and the settlement of the instruments which matured during the year.

As other financial assets and liabilities primarily consist of hedging derivatives, the change in their value is compensated by the change in the value of the hedged items.

The item derivatives for trading primarily refers to:

- derivative contracts entered for purposes of hedging receivables and payables subject to exchange rate risk and/or interest rate risk, which do not qualify for hedge accounting;
- one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

The notional amount of derivative financial instruments outstanding at December 31, 2014 and 2013 is the following:

€ million	12/31/2014	12/31/2013	Change
Currency risk management	25,054	18,436	6,618
Interest rate risk management	6,542	6,763	(221)
Interest rate and currency risk management	2,322	1,538	784
Commodity price risk management	550	481	69
Other derivative financial instruments	14	14	0
Total notional amount	**34,482**	**27,232**	7,250

An analysis of outstanding derivatives by due date, based on their notional amounts, is as follows:

(€ million)	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2014				
Currency risk management	22,357	2,697		25,054
Interest rate risk management	1,253	5,012	277	6,542
Interest rate and currency risk management	726	1,513	83	2,322
Commodity price risk management	491	59		550
Other derivatives			14	14
Total notional amount	**24,827**	**9,281**	**374**	**34,482**
12/31/2013				
Currency risk management	17,408	1,028		18,436
Interest rate risk management	1,732	4,679	352	6,763
Interest rate and currency risk management		1,455	83	1,538
Commodity price risk management	458	23		481
Other derivatives	0		14	14
Total notional amount	19,598	7,185	449	**27,232**

Cash flow hedges

In relation to the derivative financial instruments put in place in 2014, the Group has reclassified a portion of the losses previously recognized for €132 million (gains of €216 million in 2013), net of the tax effect, from gains and losses in other comprehensive income to the income statement. Such amounts have been recorded in the following lines of the income statement:

€ million	12/31/2014	12/31/2013	Change
Currency risk			
Increase (Decrease) in net revenues	64	137	(73)
Decrease (Increase) in cost of sales	6	57	(51)
Financial income (expenses)	(180)	59	(239)
Result from investments	(13)	17	(30)
Interest rate risk			
Decrease (Increase) in cost of sales	(8)	(13)	5
Result from investments	(3)	(4)	1
Financial income (expenses)	(13)	(29)	16
Commodity price risk			
Decrease (Increase) in cost of sales	(2)	(1)	(1)
Taxes - income (expenses)	13	(12)	25
Ineffectiveness - overhedges	4	5	(1)
Net gains (losses) on cash flow hedges recognized in the income statement	**(132)**	**216**	(348)

The effects recognized in the income statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and the cash flows that are exposed to an interest rate risk.

The Group's policy for managing currency risk normally requires hedging of projected future cash flows from trading activities which will occur within the following twelve months, and from orders acquired (or contracts in progress), regardless of their due dates. The hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in the income statement, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and are entered into for the purpose of hedging bonds issued in foreign currencies. The amount recorded in the cash flow hedge reserve is recognized in the income statement according to the timing of the flows of the underlying bonds.

Fair value hedges

The gains and losses arising from the measurement of interest rate and currency derivatives (mostly for managing currency risk) and interest rate derivatives (for managing the interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are set out in the following table:

€ million	**12/31/2014**	**12/31/2013**	Change
Currency risk			
Net gains (losses) on qualifying hedges	(53)	19	(72)
Fair value changes in hedged items	53	(19)	72
Interest rate risk			
Net gains (losses) on qualifying hedges	6	4	2
Fair value changes in hedged items	(5)	(1)	(4)
Net gains (losses) on fair value hedges recognized in the income statement	**1**	**3**	(2)

26. Cash and cash equivalents

The composition is the following:

€ million	**12/31/2014**	**12/31/2013**	Change
Cash in hand and at banks and post offices	15,119	14,665	454
Cash with a pre-determined use	809	672	137
Money market securities	13,315	10,832	2,483
Total Cash and cash equivalents	**29,243**	**26,169**	3,074

Cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.

The FCA Group holds a subsidiary which operates in Venezuela whose functional currency is the U.S. dollar. Pursuant to certain Venezuelan foreign currency exchange control regulations, the Central Bank of Venezuela centralizes all foreign currency transactions in the country. Under these regulations, the purchase and sale of foreign currency must be made through the Centro Nacional de Comercio Exterior en Venezuela ("CENCOEX") from January 1, 2014 (CADIVI until December 31, 2013). The cash and cash equivalents denominated in VEF amount to €123 million (VEF 1,785 million) at December 31, 2014 and €270 million (VEF 2,347 million) at December 31, 2013. The reduction, in Euro terms, is largely due to the adoption of the SICAD I rate at March 31, 2014 for the conversion of VEF denominated monetary items.

In addition, cash and cash equivalents held in certain foreign countries (primarily, China and Argentina) are subject to local exchange control regulations providing for restrictions on the amount of cash other than dividends that can leave the country.

At December 31, 2014 the CNH Industrial Group has approximately €806 million (€668 million at December 31, 2013) of cash with a pre-determined use restricted principally to the repayment of debt to service securitizations and about €87 million held by a Venezuelan subsidiary.

27. Assets and liabilities held for sale

Assets and liabilities held for sale consisted of buildings allocated to the LATAM and Components segments as well as certain minor investments within the EMEA segment of the FCA Group in addition to buildings and factories mainly attributable to the Financial Services and Agricultural Equipment segments.

28. Equity

Share capital

At December 31, 2014, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850 and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2014, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the company.

The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500 million as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000 million but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.
The ordinary shares are registered shares.

Treasury stock

At December 31, 2014, EXOR holds 23,883,746 ordinary shares of treasury stock (9.7% of the class), at the average cost per share of €14.41, for a total amount of €344.1 million (unchanged compared to December 31, 2013).

Dividends paid

In 2014 EXOR S.p.A. paid dividends from the profit for 2013 in the amount €0.335 per share to the 223,346,104 ordinary shares outstanding for a total of €74 million.

Other comprehensive income

The composition of other comprehensive income in the statement of comprehensive income is as follows:

€ million	12/31/2014	12/31/2013
Other comprehensive income that will not be reclassified to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	(658)	2,792
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	(4)	(10)
Total Other comprehensive income that will not be reclassified to the income statement, net of tax (B1)	**(662)**	2,782
Other comprehensive income that may be reclassified to the income statement:		
Effective portion of gains (losses) on cash flow hedges arising during the year	(596)	514
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	131	(217)
Gains (losses) on cash flow hedges	**(465)**	297
Gains (losses) on remeasurement of available-for-sale financial assets arising during the	64	176
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	12	(1,592)
Gains (losses) on fair value of available-for-sale financial assets	**76**	(1,416)
Exchange differences on translating foreign operations arising during the year	1,974	(1,358)
Exchange differences on translating foreign operations reclassified to the income statement		0
Exchange differences on translating foreign operations	**1,974**	(1,358)
Share of other comprehensive income of investments accounted for using the equity method arising during the year	18	(111)
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	21	(16)
Share of other comprehensive income of investments accounted for using the equity method	**39**	(127)
Total other comprehensive income that may be reclassified to the income statement, net of tax (B2)	**1,624**	(2,604)
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**962**	178
Tax effect	**233**	113
Total other comprehensive income, net of tax	**1,195**	291

With reference to the defined benefit plans of the Group, the gains and losses arising from remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related net liabilities or assets for defined benefit plans (see Note 29).

The tax effect relating to other comprehensive income is as follows:

	12/31/2014			12/31/2013		
€ million	Pre-tax balance	Tax benefit (expense)	Net -of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	(662)	113	(549)	2,782	172	2,954
Effective portion of gains (losses) on cash flow hedges	(465)	120	(345)	297	(59)	238
Gains (losses) on remeasurement of available-for-sale financial	76	3	79	(1,416)	(2)	(1,418)
Exchange gains (losses) on translating foreign operations	1,974	0	1,974	(1,358)	2	(1,356)
Share of other comprehensive income of investments accounted for using the equity method	39	(3)	36	(127)		(127)
Total other comprehensive income	**962**	**233**	**1,195**	**178**	**113**	**291**

Non-controlling interests

The composition of non-controlling interests is as follows:

€ million	%	Capital and reserves	Profit (loss)	Total
At December 31, 2014				
FCA Group	70.75%	9,327	451	9,778
CNH Industrial Group	72.58%	3,990	500	4,490
C&W Group	16.94%	36	9	45
Juventus Football Club S.p.A.	36.23%	20	(7)	13
Total		**13,374**	**952**	**14,326**
At December 31, 2013				
FCA Group	69.10%	8,455	1,661	10,116
CNH Industrial Group	72.04%	3,132	685	3,817
C&W Group	17.60%	33	4	37
Juventus Football Club S.p.A.	36.23%	27	(8)	19
Total		**11,647**	**2,342**	**13,989**

The change relating to non-controlling interests of the FCA Group mainly refers to the increase of €1,322 million due to the issue of mandatory convertible securities, the capital increase by FCA for €601 million in December 2014, offset by the reduction of €3,053 million arising principally from the acquisition of the 41.5% interest in FCA US from the VEBA Trust.

Mandatory convertible securities were issued on December 16, 2014 by FCA and recognized in financial liabilities calculated as the present value of the coupon payments due less allocated transaction costs and, for the difference, in equity.

Share-based compensation

EXOR S.p.A. stock option plans

EXOR S.p.A. stock option plans include the Stock Option Plan EXOR 2008-2019 approved in 2008 and the Long-Term Incentive Plan approved in 2012.

Stock option Plan EXOR 2008-2019

The Stock Option Plan EXOR 2008-2019 provides for a maximum number of 15,000,000 options corresponding to a maximum number of 3,975,000 EXOR ordinary shares at the price of €19.97 per EXOR share. The Plan grants the beneficiaries free options on treasury stock purchased by the Company or by Companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted is as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees (at grant date) and other similar staff of the companies in the Holdings System	3,112,000	824,680	4,908	718
Total	**6,112,000**	**1,619,680**	**11,237**	**1,950**

In 2014, 636,000 options were forfeited, corresponding to 168,540 EXOR ordinary shares, and 375,000 options were exercised corresponding to 99,375 EXOR ordinary shares. The exercise of the 375,000 options did not require the sale of treasury stock but the payment of the differential between the strike price (€19.97) and the fair value of the share at the exercise date, for an amount of €1,027 thousand.

The cost relating to 2014 is classified for €1,232 thousand as compensation to the Chairman and Chief Executive Officer and for €718 thousand as personnel costs with a contra-entry to the stock option reserve.
The cost referring to 2013 was €2,117 thousand and was classified for €1,232 thousand as compensation to the Chairman and Chief Executive Officer and for €885 thousand as personnel costs.

Long-Term Incentive Plan

The EXOR shareholders' meeting held on May 29, 2012 approved an Incentive Plan pursuant to art. 114-bis of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The Plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- under the first part of the Plan, denominated "Long-Term Stock Grant", a total of 400,000 rights will be granted to 31 beneficiaries; this will allow them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System;
- under the second part of the Plan, denominated "Company Performance Stock Option", a total of 3,000,000 options will be granted to the beneficiaries; this will allow them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that will become exercisable from the time they vest until 2021, subject to reaching performance targets and continuation of a professional relationship with the company and with the companies in the Holdings System.

  The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual beneficiaries. The Chairman and Chief Executive Officer of the company is the beneficiary of the Company Performance Stock Options. The other beneficiaries could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A. In 2014, as the target was not reach, the options forfeited refer to 20% of the options granted and another 788,732 options as a result of a beneficiary who left the company.

The Plans are serviced by treasury stock and therefore will have no dilutive effects since there will be no issue of new shares.

The composition of the Long-Term Stock Grant plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Key employees and other similar staff of the companies in the Holdings System	**166,666**	**3,231**	**571**

The composition of the "Company Performance Stock Option" Plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	600,000	2,166	361
Key employees (at grant date) and other similar staff of the companies in the Holdings System	777,600	2,757	466
Total	**1,377,600**	**4,923**	**827**

In 2014, 180,790 options of the Long-Term Stock Grant plan and 1,133,132 options of the "*Company Performance Stock Option*" plan were forfeited. The decrease in the number of options is attributable to the reduction in staff and the failure to reach the performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro.

The cost referring to 2014 for the two plans is classified for €361 thousand as compensation to the Chairman and Chief Executive Officer and €1,037 thousand as personnel costs with a contra-entry to the stock option reserve.

The cost referring to 2013 for the two plans totaled €2,586 thousand and is classified for €451 thousand as compensation to the Chairman and Chief Executive Officer and €2,135 thousand as personnel costs with a contra-entry to the stock option reserve.

C&W Group stock option plans

Cushman & Wakefield has two separate stock option plans, the "Employee Stock Purchase Plan Option" and the "Management Option" plan that have been in place since 2007, and two additional incentive plans, the "Equity Incentive Plan" and the "Long-Term Incentive Plan for Employees" approved in 2010 and 2011.

The awards under these plans, except for awards under the Long-Term Incentive Plan for Employees, which are cash-settled, meet the requirements to be classified as equity awards.

Employee Stock Purchase Plan Options

In connection with the Employee Stock Purchase Plan Options, employees could purchase shares or convert existing shares into new shares. For each four shares acquired, either through purchase or conversion, the employee was granted one option to purchase an additional share at the fair value of such shares on the date of the option grant. The options had a service requirement of three years and met the requirements to be classified as an equity award. At the grant date, the options and underlying shares were valued by an independent appraisal using the Black-Scholes option pricing model. The resulting option value was multiplied by the number of options outstanding to determine the total cost of the options.

Management Options

From April 1, 2008 through 2011, certain executives of C&W Group were granted stock options classified as EBITDA Options and EBITDA Margin Options. The options are performance based and the exercise price for all options was equal to the share price at the grant date. The EBITDA Options and the EBITDA Margin Options will vest over the terms of the employment contracts if certain EBITDA or EBITDA Margin targets are achieved. For each executive, there are a base number of options, and an additional number of Target 1 and Target 2 options. The EBITDA and EBITDA Margin targets for each classification were predetermined at the grant date. Further, the number of Target 1 options or Target 2 options that vest was based on the EBITDA or EBITDA Margin achieved by the Company, such that if the actual EBITDA or EBITDA Margin fell between the Base Option Target and the Target 1 EBITDA or EBITDA Margin, a percentage of the Target 1 EBITDA or EBITDA Margin options would vest. The options met the requirements to be classified as an equity award; the estimated fair value of the stock option awards is computed using the Black-Scholes model.

Equity Incentive Plan (EIP)

In December 2010, C&W Group approved the Cushman & Wakefield Equity Incentive Plan ("EIP")". In accordance with the terms of the plan, awards may be granted to any employee, member of the board of directors or independent contractor based on prior performance and/or a demonstrated potential for future long-term value at the discretion of the Compensation Committee of the board of directors. Each non-qualified option converts into one share of the company's common stock on exercise and the options carry neither rights to dividends nor voting rights. Options vesting may be based on continued service or achievement of specified performance criteria, or a combination of both.

Long-Term Incentive Plan for Employee (LTIE)

In January 2011, the Cushman & Wakefield Long-Term Incentive Plan for Employees ("LTIE") was approved to attract, retain and reward designated employees and drive the performance of the Company on a global basis.

In accordance with the terms of the plan, awards may be granted to high performing agents, brokers, appraisers and key salaried employees to align their interests with the successful global operations of the Company. Awards distributed under the LTIE include phantom stock units, which will be indexed to the value of the company's stock and paid in cash, or, in very limited cases and at the discretion of the Company, in shares, based on the fair value of C&W Group stock. The awards generally vest ratably over a four year period, including the initial measurement year.

The data summarizing the stock option plans are as follows:

	Grant date	Number of options granted	Vesting date or period	Exercise price at grant date	Term of options	Outstanding at December 31, 2014
Employee Stock Purchase Plan Options						
Tranche 1	12/14/2005	11,166	1/1/2008	$548	10 years	2,826
Total Employee Stock Purchase Plan Options		**11,166**				**2,826**
Management Options						
Non-performance based options						
Grant 3	12/1/2010	374	2012-2014	$1,465	10 years	374
Grant 4	3/3/2011	16,000	2012-2015	$1,510	10 years	16,000
Grant 5	12/16/2013	15,000	2014-2017	$1,440	10 years	15,000
		31,374				**31,374**
Performance based options (EBITDA and EBITDA Margin)						
Tranche 1	4/1/2007	13,450	2007-2011	$1,259	10 years	840
Total Performance Based Options		**13,450**				**840**
Total Management Options		**44,824**				**32,214**
Total options		**55,990**				**35,040**

The Employee Stock Purchase Plan Options outstanding at December 31, 2014 and 2013 have a weighted average exercise price of $548.02, and weighted average remaining contractual lives of about 1 and 2 years, respectively. The Management Options outstanding at December 31, 2014 and 2013 have weighted average exercise prices of $1,470.87 and $1,470.82, respectively, and weighted average remaining contractual lives of about 7 and 8 years, respectively.

Changes during 2014 are the following:

	12/31/2014			
	Employee Plan		Management Options	
	Number of options	average exercise price	Number of options	average exercise price
Outstanding at 1/1/2014	**3,279**	**$548.02**	**32,506**	**$1,470.82**
Granted during the period				
Exercised during the period	(308)	$548.02		
Forfeited during the period	(145)	$548.02	(292)	$1,465.00
Outstanding at 12/31/2014	**2,826**	**$548.02**	**32,214**	**$1,470.87**
Exercisable at 12/31/2014	**2,826**	**$548.02**	**15,089**	**$1,487.36**

C&W Group recorded total compensation expense of $10.5 million (€8 million) in 2014 ($6.7 million equal to €5 million in 2013) for all its share-based payment plans, of which $10.3 million ($6.5 million in 2013) were from plans accounted for as equity-settled, share-based payment transactions.

Restricted Stock

At December 31, 2014 the number of outstanding unvested shares of the restricted stock plans is 6,040 (6,386 at December 31, 2013).

Phantom Stock Units

At December 31, 2014 the number of outstanding phantom stock units relating to the LTIE incentive plans was 222 (319 at December 31, 2013).

FCA Group stock option plans

At December 31, 2014 and at December 31, 2013 the FCA Group has in place the following share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of FCA.

Stock option plans linked to Fiat and CNH Industrial ordinary shares

On July 26, 2004, the board of directors granted the Chief Executive Officer, as a part of his variable compensation in that position, options to purchase 10,670,000 Fiat ordinary shares at a price of €6.583 per share. Following the demerger of CNH Industrial, from Fiat, the beneficiary had the right to receive one ordinary Fiat share and one ordinary CNH Industrial share for each original option, with the option exercise price remaining unchanged. The options were fully vested and they were exercisable at any time until January 1, 2016. The options were exercised in total in November 2014 and the beneficiary received 10,670,000 shares of FCA since the options were exercised after the Merger, in addition to 10,670,000 CNH Industrial shares.

On November 3, 2006, the Fiat board of directors approved (subject to the subsequent approval of shareholders obtained on April 5, 2007), the "November 2006 Stock Option Plan", an eight-year stock option plan, which granted certain managers of the Group and the Chief Executive Officer of Fiat the right to purchase a specific number of Fiat ordinary shares at a fixed price of €13.37 each. More specifically, the 10,000,000 options granted to employees and the 5,000,000 options granted to the Chief Executive Officer had a vesting period of four years, with an equal number vesting each year, were subject to achieving certain predetermined profitability targets (Non-Market Conditions or “NMC”) in the reference period and were exercisable from February 18, 2011. An additional 5,000,000 options were granted to the Chief Executive Officer of Fiat that were not subject to performance conditions but also had a vesting period of four years with an equal number vesting each year and were exercisable from November 2010. The ability to exercise the options was also subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. Following the demerger of CNHI, the beneficiaries had the right to receive one ordinary Fiat share and one ordinary CNH Industrial share for each original option, with the option exercise price remaining unchanged.

With specific reference to the options under the November 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche of those rights had vested as the profitability targets originally established for the 3-year period 2008-2010 were not met.

Changes in the stock option plans in place at December 31, 2014 are the following:

	Rights granted to managers		Rights granted to Chief Executive Officer	
	Number of options	Average exercise price (€)	Number of options	Average exercise price (€)
Outstanding shares at the beginning of the year	**1,240,000**	**13.37**	**6,250,000**	**13.37**
Granted during the period				
Forefeited during the period				
Exercised during the period	(1,139,375)	13.37	(6,250,000)	13.37
Expired during the period	(100,625)	13.37		
Outstanding at 12/31/2014	**0**	**0**	**0**	**0**
Exercisable at 12/31/2014	**0**		**0**	0

Stock Grant plans linked to Fiat S.p.A. shares

On April 4, 2012, the shareholders resolved to approve the adoption of a Long-Term Incentive Plan (the "Retention LTI Plan"), in the form of stock grants.

As a result the FCA Group granted the Chief Executive Officer 7 million rights, which represented an equal number of Fiat ordinary shares. The rights vest ratably, one third on February 22, 2013, one third on February 22, 2014 and one third on February 22, 2015, subject to the requirement that the Chief Executive Officer remains in office.

The Plan is to be serviced through the issuance of new shares. The FCA Group has the right to replace, in whole or in part, bonus shares with a cash payment calculated on the basis of the official price of those shares published by Borsa Italiana S.p.A. on the date of vesting.

Nominal costs of €2 million were recognized in 2014 for this plan (€6 million in 2013).

Changes in the Retention LTI plan are as follows:

	2014		2013	
	Number of Fiat shares	Weighted average fair value at grant date (€)	Number of Fiat shares	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**4,666,667**	**4.205**	**7,000,000**	**4.205**
Granted				
Forfeited				
Vested	**(2,333,333)**	4.205	**(2,333,333)**	4.205
Outstanding shares unvested at the end of the year	**2,333,334**	**4.205**	**4,666,667**	**4.205**

Share-Based Compensation Plans Issued by FCA US

Four share-based compensation plans have been issued by FCA US: the FCA US Restricted Stock Unit Plan ("RSU Plan"), the Amended and Restated FCA US Directors' Restricted Stock Unit Plan ("Directors' RSU Plan"), the FCA US Deferred Phantom Share Plan ("DPS Plan") and the FCA US 2012 Long-Term Incentive Plan ("2012 LTIP Plan").

The fair value of each unit issued under the four share-based compensation plans is based on the fair value of FCA US's membership interests. Each unit represents an "FCA US Unit," which is equal to 1/600th of the value of a FCA US membership interest. Since there is no publicly observable trading price for FCA US membership interests, fair value was determined using a discounted cash flow methodology. This approach, which is based on projected cash flows of FCA US, is used to estimate the FCA US enterprise value. The fair value of FCA US's outstanding interest bearing debt as of the measurement date is deducted from FCA US's enterprise value to arrive at the fair value of equity. This amount is then divided by the total number of FCA US Units, as determined above, to estimate the fair value of a single FCA US Unit.

The significant assumptions used in the contemporaneous calculation of fair value at each issuance date and for each period included the following:

- four years of annual projections prepared by management that reflect the estimated after-tax cash flows a market participant would expect to generate from operating the business;
- a terminal value which was determined using a growth model that applied a 2% long-term growth rate to projected after-tax cash flows of FCA US beyond the four-year window. The long-term growth rate was based on internal projections of FCA US, as well as industry growth prospects;
- an estimated after-tax weighted average cost of capital of 16% in 2014, and ranging from 16% to 16.5% in both 2013 and 2012;
- projected worldwide factory shipments ranging from approximately 2.6 million vehicles in 2013 to approximately 3.4 million vehicles in 2018.

On January 21, 2014, FCA acquired the VEBA Trust's remaining interest in FCA US. The implied fair value of FCA US resulting from this transaction, along with certain other factors, was used to corroborate the fair value determined at December 31, 2013 using a discounted cash flow methodology.

As of December 31, 2014, 29,400,000 units are authorized to be granted for the RSU Plan, Directors' RSU Plan and 2012 LTIP Plan. There is no limit on the number of phantom shares of FCA US ("Phantom Shares") authorized under the DPS Plan. Upon adoption of the 2012 LTIP Plan, there were no further grants made under the RSU Plan and DPS Plan.

The documents governing FCA US's share-based compensation plans contain anti-dilution provisions which provide for an adjustment to the number of FCA US Units granted under the plans in order to preserve, or alternatively prevent the enlargement of, the benefits intended to be made available to the holders of the awards should an event occur that impacts the capital structure.

There were no capital structure changes in 2013 or 2012 that required an anti-dilution adjustment. During 2014, two transactions occurred that diluted the fair value of equity and the per unit fair value of a FCA US Unit based on the discounted cash flow methodology:

- the $1,900 million (€1,404 million) distribution paid to its members, on January 21, 2014, which served to fund a portion of the transaction whereby Fiat acquired the VEBA Trust's remaining ownership interest in FCA US;
- the prepayment of the VEBA Trust Note on February 7, 2014 that accelerated tax deductions that were being passed through to the FCA US's members.

As a result of these dilutive events and pursuant to the anti-dilution provisions in the share-based compensation plans, the FCA US's Compensation Committee approved an anti-dilution adjustment factor to increase the number of outstanding FCA US Units (excluding Performance Share Units granted under the 2012 LTIP Plan ("LTIP PSUs")) in order to preserve the economic benefit intended to be provided to each participant. The value of the outstanding awards immediately prior to the dilutive events is equal to the value of the adjusted awards subsequent to the dilutive events. No additional expense was recognized as a result of this modification during 2014. For comparative purposes, the number of FCA US Units and all December 31, 2013, and 2012 fair value references have been adjusted to reflect the impact of the dilutive transactions and the anti-dilution adjustment.

Restricted Stock Unit Plans issued by FCA US

During 2009, the U.S. Treasury's Office of the Special Master for Troubled Asset Relief Program Executive Compensation (the "Special Master") and FCA US's Compensation Committee approved the FCA US Restricted Stock Unit Plan ("RSU Plan"), which authorized the issuance of Restricted Stock Units ("RSUs") to certain key employees. RSUs represent a contractual right to receive a payment in an amount equal to the fair value of one FCA US Unit, as defined in the RSU plan. Originally, RSUs granted to FCA US's employees in 2009 and 2010 vested in two tranches. In September 2012, FCA US's Compensation Committee approved a modification to the second tranche of RSUs. The modification removed the performance condition requiring an IPO to occur prior to the award vesting. Prior to this modification, the second tranche of the 2009 and 2010 RSUs were equity-classified awards. In connection with the modification of these awards, FCA US determined that it was no longer probable that the awards would be settled with FCA US's company stock and accordingly reclassified the second tranche of the 2009 and 2010 RSUs from equity-classified awards to liability-classified awards. As a result of this modification, additional compensation expense of €12 million was recognized during 2012. RSUs granted to employees generally vest if the participant is continuously employed by FCA US through the third anniversary of the grant date. The settlement of these awards is in cash.

In addition, during 2009, FCA US established the Directors' RSU Plan. In April 2012, FCA US's Compensation Committee amended and restated the FCA US 2009 Directors' RSU Plan to allow grants having a one-year vesting term to be granted on an annual basis. Director RSUs are granted to FCA US non-employee members of the FCA US board of directors. Prior to the change, Director RSUs were granted at the beginning of a three-year performance period and vested in three equal tranches on the first, second, and third anniversary of the date of grant, subject to the participant remaining a member of the FCA US board of directors on each vesting date. Under the plan, settlement of the awards is made within 60 days of the Director's cessation of service on the board of directors and awards are paid in cash; however, upon completion of an IPO, FCA US has the option to settle the awards in cash or shares. The value of the awards is recorded as compensation expense over the requisite service periods and is measured at fair value.

The liability resulting from these awards is measured and adjusted to fair value at each reporting date. The expense recognized in total for both the RSU Plan and the Directors RSU Plan for the year ended December 31, 2014 was approximately €6 million (€14 million in 2013). Total unrecognized compensation expense at December 31, 2014 and at December 31, 2013 for both the RSU Plan and the Directors RSU Plan was less than €1 million.

Changes in 2014 and 2013 are the following:

	2014		2013 Adjusted per Anti-Dilution	
	Restricted Stock Units	Weighted average fair value at grant date (€)	Restricted Stock Units	Weighted average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**4,792,279**	**3.64**	**6,143,762**	**3.35**
Granted			209,258	5.75
Vested	(3,361,366)	3.48	(1,268,303)	2.01
Forfeited	(96,211)	4.46	(292,438)	4.05
Outstanding shares unvested at the end of the year	**1,334,702**	**4.84**	**4,792,279**	**3.64**

During 2009, the Special Master approved the FCA US Deferred Phantom Share Plan ("DPS Plan") which authorized the issuance of Phantom Shares. Under the DPS Plan, Phantom Shares were granted to certain key employees as well as to the Chief Executive Officer in connection with his role as a member of the FCA US board of directors. The Phantom Shares vested immediately on the grant date and were settled in cash in three equal annual installments. At December 31, 2014, there were no outstanding awards under the DPS Plan.

The expense recognized in connection with the DPS Plan in 2014 was less than €1 million (€2 million in 2013).

Changes in 2014 and 2013 are the following:

	2014		2013 Adjusted per Anti-Dilution	
	Phantom shares	Weighted average fair value at grant date (€)	Phantom shares	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**413,521**	**3.49**	**1,957,494**	**2.07**
Granted and vested				
Settled	(413,521)	3.61	(1,543,973)	1.64
Outstanding shares at the end of the yea	**0**	**0**	**413,521**	**3.49**

2012 Long-Term Incentive Plan of FCA US

In February 2012, the Compensation Committee of FCA US adopted the 2012 LTIP Plan. The 2012 LTIP Plan covers senior FCA US executives (other than the Chief Executive Officer). It is designed to retain talented professionals and reward their performance through grants of phantom equity in the form of restricted Share Unit s ("LTIP RSUs") and Performance Share Units LTIP PSUs. LTIP RSUs may be granted annually, while LTIP PSUs are generally granted at the beginning of a three-year performance period. The Compensation Committee of FCA US also has authority to grant additional LTIP PSUs awards during the three-year performance period. The LTIP RSUs vest over three years in one-third increments on the anniversary of their grant date, while the LTIP PSUs vest at the end of the three-year performance period only if FCA US meets or exceeds certain three-year cumulative financial performance targets. Concurrent with the adoption of the 2012 LTIP Plan, the Compensation Committee of FCA US established financial performance targets based on FCA US's consolidated financial results for the three-year performance period, ending December 31, 2014. If FCA US does not fully achieve these targets, the LTIP PSUs will be deemed forfeited. LTIP RSUs and LTIP PSUs represent a contractual right to receive a payment in an amount equal to the fair value of one FCA US Unit, as defined in the LTIP Plan. Once vested, LTIP RSUs and LTIP PSUs will be settled in cash or, in the event FCA US conducts an IPO, in cash or shares of publicly traded stock, at the Compensation Committee's discretion. Settlement will be made as soon as practicable after vesting, however in any case no later than March 15 of the year following vesting. Vesting of the LTIP RSUs and LTIP PSUs may be accelerated in certain circumstances, including upon the participant's death, disability or in the event of a change of control.

In light of the publication of the 2014-2018 FCA Business Plan and in recognition of FCA US's performance for the 2012 and 2013 performance years, the Compensation Committee, on May 12, 2014, approved an amendment to outstanding LTIP PSU award agreements, subject to participant consent, to modify outstanding LTIP PSUs by closing the performance period for such awards as of December 31, 2013. Participants were notified of this modification on or about May 30, 2014, and all plan participants subsequently consented to the amendment. The modification provides for a payment of the LTIP PSUs granted under the 2012 LTIP Plan representing two-thirds of the original LTIP PSU award based on the unadjusted December 31, 2013 per unit fair value of €7.62 ($10.47). To receive the LTIP PSU payment, a participant must remain an employee up to the date the LTIP PSUs are paid, which is expected to occur on or before March 15, 2015. As a result, compensation expense was reduced by approximately €16 million ($21 million) during the year ended December 31, 2014.

The expense recognized in connection with these plans in 2014 was €6 million (€36 million in 2013). Total unrecognized compensation expenses at December 31, 2014 were approximately €2 million. These expenses will be recognized over the remaining service periods based upon the assessment of the performance conditions being achieved.

Changes in 2014 and 2013 are the following:

	2014		2013 Adjusted per Anti-Dilution	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**3,500,654**	**4.73**	**2,341,967**	**4.46**
Granted			2,113,234	5.32
Vested	(1,407,574)	4.81	(798,310)	4.45
Forfeited	(104,020)	4.91	(156,237)	4.78
Outstanding shares at the end of the year	**1,989,060**	**5.41**	**3,500,654**	**4.73**

	2014		2013 Adjusted per Anti-Dilution	
	LTIP RSUs	Weighted average fair value at grant date (€)	LTIP RSUs	Weighted average fair value at grant date (€)
Outstanding shares at the beginning of the year	**8,417,511**	**5.64**	**8,419,684**	**5.78**
Granted	5,556,503	7.62	587,091	7.15
Vested				
Forfeited	(8,653,474)	5.89	(589,264)	5.77
Outstanding shares at the end of the year	**5,320,540**	**8.62**	**8,417,511**	**5.64**

CNH Industrial Group stock option plans

In connection with the merger of Fiat Industrial S.p.A. and CNH Global N.V. with and into CNH Industrial N.V., effective as of September 29, 2013 CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Long-Term Incentive Plan (the "Fiat Industrial Plan"), the CNH Global N.V. Equity Incentive Plan (the "CNH EIP") and the CNH Global N.V. Directors' Compensation Plan ("CNH DCP").

At December 31, 2014 CNH Industrial's equity awards are governed by several plans: (i) CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP"); (ii) CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP"); (iii) CNH Global N.V. Directors' Compensation Plan ("CNH DCP"); (iv) CNH Global N.V. Equity Incentive Plan ("CNH EIP"); and, (v) Fiat Industrial Long-Term Incentive Plan ("Fiat Industrial Plan").
CNH Industrial recognized total share-based compensation expense in 2014 and 2013 of €37 million and €35 million, respectively, and recognized a total tax benefit relating to share-based compensation expense of €8 million and €7 million, respectively.

CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP")

On September 9, 2013 the CNH Industrial DCP was approved by the shareholders and adopted by the board of directors of CNH Industrial N.V.

This plan provides for the payment of the following to eligible members of the CNH Industrial N.V. Board in the form of cash, and/or common shares of CNH Industrial N.V., and/or options to purchase common shares of CNH Industrial N.V., provided that such members do not receive salary or other employment compensation from CNH Industrial N.V. or Fiat S.p.A. (which, effective October 12, 2014, was merged into Fiat Chrysler Automobiles N.V., "FCA"), and their subsidiaries and affiliates:

- $125,000 retainer fee for each Non-Executive Director;
- an additional $25,000 for each member of the Audit Committee and $35,000 for the Audit Committee Chairman;
- an additional $20,000 for each member of every other Board committee and $25,000 for the committee chairman.

Each quarter of the CNH Industrial DCP year, the eligible directors elect the form of payment of their fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of fees the director elects to be paid in common shares, divided by the fair market value of a CNH Industrial N.V. common share on the date that the quarterly payment is made. Common shares issued to the eligible director vest immediately upon grant. If an eligible director elects to receive all or a portion of fees in the form of a stock option, the number of common shares underlying the stock option is determined by dividing (i) by (ii) where (i) equals the U.S. dollar amount of the quarterly payment that the eligible director elects to receive in the form of stock options multiplied by four and (ii) the fair market value of the common shares on the date that the quarterly payment is made. The CNH Industrial DCP defines fair market value, as applied to each ordinary share, to be equal to the average of the highest and lowest sale price of a CNH Industrial N.V. common share during normal trading hours on the last trading day of each plan quarter in which sales of common shares on the New York Stock Exchange are recorded. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

At December 31, 2014 there were 200,000 common shares authorized for issuance under the CNH Industrial DCP. In 2014, 31,563 stock options were issued under the CNH Industrial DCP at a weighted average exercise price of $9.19 per share and weighted average fair value of $2.72 per share.

CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP")

In the Annual General Meeting held on April 16, 2014, shareholders approved the adoption of the CNH Industrial Equity Incentive Plan ("EIP"), an umbrella program defining the terms and conditions for any subsequent long-term incentive program. The plan grants equity awards to any current or prospective executive director, officer or employee of, or service provider to, CNH Industrial, subject to the terms and conditions established by the Compensation Committee. The EIP authorizes 25 million common shares over a five-year period, of which a maximum of 7 million would be authorized for awards to executive directors. These shares may be newly issued shares or treasury shares. The EIP will terminate at, and no more awards will be permitted to be granted thereunder ten years after its adoption by the board of directors of CNH Industrial N.V. The termination of the EIP will not affect previously granted awards.

The following paragraphs describe the new grants occurred during 2014.

Performance Share Units

In 2014, CNH Industrial issued to its Chief Executive Officer and selected key employees approximately 12 million Performance Share Units (PSUs) with financial performance goals covering a five-year period from January 1, 2014 to December 31, 2018. The performance goals include a performance condition as well as a market condition, with each weighted at 50% and paying out independently of the other. Half of the award will vest if the performance condition is met; whereas the other half, which is based on the market condition, has a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be granted may vary from the original estimate of 12 million shares. One third of total grant will vest in February 2017, a cumulative two-thirds in February 2018, and a cumulative 100% in February 2019 if the respective financial goals for 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The fair values of the awards that are contingent upon the achievement of the performance condition were measured using stock prices on respective grant dates adjusted for the present value of future dividends that employees will not receive during the vesting period. The weighted average fair value for the PSUs that were issued in 2014 based on the performance condition is $9.48 per share.

The fair values of the awards that are based on the market condition were calculated using the Monte Carlo Simulation model. The weighted average fair value for the awards that were issued in 2014 is $8.19 per share. As a significant majority of the awards were issued on June 9 and 25, 2014, the key assumptions utilized to calculate the grant-date fair values for awards issued on these two grant dates are listed below:

	Key assumptions for awards issued on	
	June 9, 2014	June 25, 2014
Grant date stock price (in $)	10.88	10.19
Expected Volatility (%)	44.5	44.1
Dividend yield (%)	2.6	2.7
Risk-free rate (%)	1.69	1.68

The expected volatility is based on a weighted average of historical volatility experienced by the common shares of CNH Global N.V., Fiat Industrial S.p.A. and CNH Industrial N.V. over a five-year period ending on the grant date. The expected dividend yield was based on CNH Industrial's historical dividend payout as management expected the dividend payout for future years to be consistent. The risk-free interest rate was based on the yields of five-year U.S. Treasury bonds.

Changes in performance-based share units are the following:

	2014	
	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares at the beginning of the year		
Granted	12,237,960	8.84
Forfeited	(136,200)	8.72
Vested		
Outstanding shares at the end of the year	**12,101,760**	**8.84**

Restricted Share Units

In 2014, CNH Industrial issued to selected employees approximately one million shares of Restricted Share Units (RSUs) with a weighted average fair value of $9.21 per share. These shares will vest in three equal tranches over a three-year period. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

Additionally, CNH Industrial issued 3 million restricted share units to the Chairman of CNH Industrial N.V., in June 2014. These shares are service based and will vest in five tranches at the end of each year. The weighted average fair value of these shares is $10.41 per share, measured using the stock price on the grant date adjusted for the present value of future dividends that the Chairman will not receive during the vesting period. The first tranche of 750 thousand shares vested on December 31, 2014 and were exercised on February 23, 2015.

Changes during the year are as follows:

	2014	
	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year		
Granted	4,283,859	10.05
Forfeited	(21,720)	9.4
Vested	(750,000)	10.88
Outstanding shares unvested at the end of the year	**3,512,139**	**9.88**

CNH Global Directors' Compensation Plan ("CNH DCP")
This plan stipulates the right for directors of former CNH Global to be compensated in the form of cash, and/or common shares of CNH Global N.V., and/or options to purchase common shares of CNH Global N.V. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH DCP in connection with the Merger. Stock options issued under the CNH DCP were converted using the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share and exercisable for common shares of CNH Industrial N.V. on September 29, 2013. As of December 31, 2014, approximately 143 thousand stock options from the CNH DCP were still outstanding. The CNH DCP was terminated effective as of the Merger and no new equity awards will be issued under the CNH DCP.

CNH Global Equity Incentive Plan ("CNH EIP")
This plan provides for grants of stock options, restricted share units and performance share units to former officers and employees of CNH Global. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH EIP in connection with the Merger. CNH Industrial can not issue any new equity awards under the CNH EIP; however, CNH Industrial is required to issue shares under the CNH EIP to settle the exercise or vesting of the existing equity awards.

On September 29, 2013, outstanding stock options, unvested restricted share units and performance share units under the CNH EIP became exercisable or convertible for common shares of CNH Industrial N.V. The number of shares of outstanding equity awards was increased and the exercise price of stock options reduced to take into account the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share. The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

Stock option plan
In September 2012, approximately 2,680 thousand performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). Upon the achievement of CNH Global's 2012 target performance objective, approximately four million options were granted. These options vested in three equal tranches in February 2012, 2013 and 2014. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.
No stock options were issued in 2014 and 2013 under the CNH EIP.
The following table summarizes outstanding stock options under the CNH EIP:

	At December 31, 2014			At December 31, 2013	
Exercise Price (in $)	Number of options outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price ($)	Number of options outstanding	Weighted average exercise price ($)
2.92 – 5.00	13,688	0.1	2.92	495,631	2.92
5.01 – 10.00	5,873,839	2.4	8.09	6,522,657	8.03
10.01 – 15.00	4,974,025	2.2	10.15	5,603,457	10.16
Total	**10,861,552**			**12,621,745**	

Changes during the year in stock option plans are as follows:

	2014		2013	
	Number of shares	Weighted average exercise price ($)	Number of shares	Weighted average exercise price ($)
Outstanding at the beginning of the year	**12,621,745**	**8.77**	**17,666,452**	**10.57**
Anti-dilution adjustment for special dividend			3,796,997	8.70
Granted			171,575	8.77
Forfeited	(222,861)	9.64	(390,612)	9.36
Exercised	(1,398,229)	6.51	(8,277,318)	8.45
Expired	(139,103)	10.35	(345,349)	11.04
Outstanding at the end of the year	**10,861,552**	**9.03**	**12,621,745**	**8.77**
Exercisable at the end of the year		**9.07**	**6,731,719**	**8.23**

The Black-Scholes pricing model was used to calculate the fair value of stock options for the 2012 Grant. As part of the 2012 Grant, options issued in 2013 had the same per share fair value.

Performance Share Units

In 2012, CNH Global issued several grants of performance-based share units. These shares were originally designed to cliff vest in February 2015 based on the achievement of their respective performance targets of CNH Global. In the context of the Merger, the performance targets for these awards had been deemed to be met and the outstanding shares continued to vest in February 2015 when employees have provided the required service.

Awards that were modified in the same manner included the third tranche of several performance-based share units issued prior to 2012 which were scheduled to vest in February 2015 upon the achievement of certain performance targets of CNH Global.

Overall approximately 3 million of performance-based share units were converted to service based restricted shares. This modification did not result in any additional compensation cost in 2014.

The total number of shares granted in 2012 was 520,371 with a weighted average fair value of $10.62 per share. No performance-based shares were granted in 2014 and 2013 under the CNH EIP.

Changes under the CNH EIP are as follows:

	2014		2013	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**5,615,524**	**7.61**	**7,367,897**	**9.21**
Anti-dilution adjustment for special dividend			1,584,060	7.58
Converted in Restricted Share Units (RSU)	(3,103,937)	7.67		
Granted				
Forfeited			(415,239)	7.54
Vested	(2,511,587)	7.53	(2,921,194)	7.54
Outstanding shares unvested at the end of the year	**0**	**0**	**5,615,524**	**7.61**

Restricted Share Units

In 2012, 723,236 restricted share units were granted under the CNH EIP with a weighted average fair value of $11.40 per share. Restricted share units are service based and vest in three equal installments over three years starting from the grant date. Compensation cost for the restricted share units is recognized on a straight-line basis over the requisite service period for each separate vesting portion of the award as if the award was, in substance, a multiple award.

No restricted shares units were granted in 2014 and 2013 under the CNH EIP.

Changes during the year are as follows:

	2014		2013	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**930,525**	**7.95**	**1,696,715**	**9.28**
Anti-dilution adjustment for special dividend			363,988	7.64
Converted from Performance Share Units (PSU)	3,103,937	7.67		
Granted				
Forfeited	(240,415)	7.65	(102,703)	7.66
Vested	(602,603)	7.32	(1,027,475)	7.36
Outstanding shares unvested at the end of the year	**3,191,444**	**7.82**	**930,525**	**7.95**

The fair value of performance-based shares and restricted shares under the CNH EIP was based on the market value of CNH Global's common shares on the date of the grant.

Fiat Industrial Plan

In the Annual General Meeting of shareholders held on April 5, 2012, Fiat Industrial S.p.A. shareholders approved the adoption of a Long-Term Incentive Plan (the "Fiat Industrial Plan") consisting of two components (Company Performance LTI and Retention LTI) taking the form of stock grants. According to the Fiat Industrial Plan, Fiat Industrial granted the Chairman of Fiat Industrial 1 million rights as part of the Company Performance LTI and 1.1 million rights as part of the Retention LTI.

On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Plan. On the Effective Date, the unvested equity awards under the former Fiat Industrial Plan became convertible for common shares of CNH Industrial N.V. on a one-for-one basis.

The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

1.1 million rights from the Retention LTI have vested ratably over three years on February 22, 2013, 2014 and 2015.

Under the terms of the Long-Term Incentive Plan, the rights to the Company Performance LTI will vest on condition that predetermined financial performance targets for the period from January 1, 2012 to December 31, 2014 are met and on condition that the beneficiary remains in office up to the date of approval of the consolidated Financial Statements at December 31, 2014 by the board of directors; the rights will become exercisable and may be exercised in a single installment subsequent to the date of approval of the consolidated Financial Statements at December 31, 2014 by the board of directors.

In the context of the Merger, upon recommendation of the Compensation Committee, the board of directors of CNH Industrial resolved to consider the performance conditions met for the Chairman's Company performance share units. The units vested on February 1, 2015.

The two awards were settled by issuing new shares.

At December 31, 2014, the contractual terms of the Long-Term Incentive Plan were therefore as follows:

Plan	Beneficiary	Number of shares	Vesting date	Vesting portion
Company Performance LTI	Chairman	1,000,000 (*)	February 1 2015	1,000,000
Retention LTI	Chairman	366,666 (*)	February 22, 2015	366,666

(*) These share units were exercised on February 23, 2015.

29. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2014	12/31/2013	Change
Present value of defined benefit obligations:			
Pension plans	30,371	25,716	4,655
Healthcare and life insurance plans	3,300	2,750	550
Other post-employment benefits	1,454	1,394	60
Total present value of defined benefit obligations	**35,125**	29,860	5,265
Fair value of plan assets	(24,608)	(21,049)	(3,559)
Asset ceiling	11	23	(12)
Total net defined benefits plan assets	**10,528**	8,834	1,694
of which:			
Net defined benefit liability	10,648	8,961	1,687
(Defined benefit plan asset)	120	127	(7)
Other provisions for employees and liabilities for share-based payments	1,426	1,332	94
Total Provisions for employee benefits	**12,074**	**10,293**	1,781

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically.

The Group provides post-employment benefits under defined contribution and defined benefit plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, and life insurance plans, and other post-employment benefits.

Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to their employees under defined contribution plans. In this case, the Group pays contributions to public or private insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfills all of its obligations. The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. In 2014 this cost amounts to €1,937 million (€1,805 million in 2013).

Pension benefits

Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain hourly and salaried employees. Benefits are based on a fixed rate for each year of service.

Additionally, contributory benefits are provided to certain salaried employees under the salaried employees' retirement plans. These plans provide benefits based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary in a certain period preceding retirement.

In the United Kingdom, the Group participates, amongst others, in a pension plan financed by various entities belonging to the Group, called the "Fiat Group Pension Scheme" covering mainly deferred and retired employees.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.

The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.

If these funds are overfunded, that is if they present a surplus compared to the requirements of law, the Group companies concerned could be authorized not to contribute to the plan in respect of a minimum performance requirement as long as the fund is in surplus.
In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years. As of December 31, 2014, the combined credit balances for the U.S. and Canadian qualified pension plans was approximately €2.1 billion, the usage of the credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The Group contributions to funded pension plans for 2015 are expected to be €307 million, of which €262 million relate to FCA US. The expected benefit payments for pension plans are as follow:

€ million	Expected benefit payments
2015	1,925
2016	1,887
2017	1,865
2018	1,842
2019	1,831
2020-2024	8,971

Changes in pension plans are the following:

	12/31/2014				12/31/2013			
€ million	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
Amounts at January 1	**25,716**	**(20,977)**	**23**	**4,762**	**29,678**	**(22,080)**	**8**	**7,606**
Included in the income statement								
Current service cost	204	0	0	204	311			311
Interest expenses (income)	1,194	(962)	0	232	1,124	(841)		283
Other administrative costs	3	62	0	65	3	42		45
Past service costs (income) and (gains) losses arising from settlements	(13)	28	0	15	(176)	14		(162)
Included in Other comprehensive income								
Actuarial (gains) losses from:								
- demographic assumptions	(210)	0	0	(210)	(30)			(30)
- financial assumptions	2,201	0	0	2,201	(1,980)	(1)		(1,981)
- other	3	0	(18)	(15)	9	2	17	28
Return on assets	0	(1,666)	0	(1,666)		(585)		(585)
Change in the effect of limiting net assets	0	0	3	3			3	3
Exchange differences	3,026	(2,468)	1	559	(1,426)	1,179	(1)	(248)
Other								
Contribution by employer	0	(254)	0	(254)		(502)		(502)
Contribution by plan participants	4	(4)	0	0	11	(11)		0
Benefits paid	(1,764)	1,733	0	(31)	(1,825)	1,809		(16)
Other changes	7	(12)	2	(3)	17	(3)	(4)	10
Amounts at December 31	**30,371**	**(24,520)**	**11**	**5,862**	**25,716**	**(20,977)**	**23**	**4,762**

During 2014, a decrease in discount rates resulted in actuarial losses for the year ended December 31, 2014, while an increase in discount rates resulted in actuarial gains for the year ended December 31, 2013.

In 2014, following the release of new standards by the Canadian Institute of Actuaries, mortality assumptions used for our Canadian benefit plan valuations were updated to reflect recent trends in the industry and the revised outlook for future generational mortality improvements. Generational improvements represent decreases in mortality rates over time based upon historical improvements in mortality and expected future improvements. The change increased the Group's Canadian pension obligations by approximately €41 million. Additionally, retirement rate assumptions used for the Group's U.S. benefit plan valuations were updated to reflect an ongoing trend towards delayed retirement for FCA US employees. The change decreased the Group's U.S. pension and other post-employment benefit obligations by approximately €261 million and €40 million, respectively.

There were no significant plan amendments or curtailments to the Group's pension plans for the year ended December 31, 2014.
The fair value of plan assets by class is as follows:

	12/31/2014		12/31/2013	
€ million	Amount	quoted market price in an active market	Amount	quoted market price in an active market
Cash and cash equivalents	**740**	**616**	578	426
US equity securities	2,422	2,353	2,197	2,184
Non-US equity securities	1,518	1,486	1,588	1,579
Commingled funds	2,009	186	1,560	237
Equity instruments	**5,949**	**4,025**	5,345	4,000
Government securities	3,225	1,053	3,147	1,054
Corporate bonds (including convertible and high-yield bonds)	6,556	37	5,396	71
Other fixed income	1,564	21	689	20
Fixed income securities	**11,345**	**1,111**	9,232	1,145
Private equity funds	1,648	0	1,714	
Commingled funds	5	5		
Mutual funds	462	0	517	
Real estate funds	1,395	0	1,222	
Hedge funds	1,841	0	1,759	
Investment funds	**5,351**	**5**	5,212	0
Insurance contracts and other	**1,135**	**95**	610	72
Total fair value of plan assets	**24,520**	**5,852**	**20,977**	**5,643**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalization. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments includes those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets primarily in the U.S. and Canada reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimize the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of FCA, CNH Industrial or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset–liability matching.
Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

For the **FCA Group**:

	12/31/2014			12/31/2013		
	USA	Canada	UK	USA	Canada	UK
(in %)						
Discount rate	**4.0**	**3.8**	**4.0**	4.7	4.6	4.5
Future salary increase rate	**n.a.**	**3.5**	**3.0**	3.0	3.5	3.1
Average duration (years)	**11**	**13**	**21**	11	12	21

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.

The effect of an increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, would be a decrease of €317 million and increase of €312 million, respectively, in the defined benefit obligations.

For the **CNH Industrial Group**:

(in %)	12/31/2014	12/31/2013
Discount rate	**3.21**	4.05
Future salary increase rate	**3.11**	3.35
Average duration (years)	**13**	12

Weighted-average discount rates are used in measurements of pension and post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing the Group’s projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-graded corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €351 million and increase of €421 million, respectively, in the defined benefit obligations.

For **C&W Group:**

(in %)	UK	Indonesia	India	Philippines
At December 31, 2014				
Discount rate	**3.66**	**8.5**	**8**	**4.54**
Future salary increase rate		**8.0**	**6.0**	**4.1**
At December 31, 2013				
Discount rate	4.37	8.5		
Future salary increase rate		8.0		

As for the C&W Group, the discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of C&W Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The effect of a decrease of 0.5% in the discount rate for UK plans would be an increase in the benefit obligations of €11 million. A one year increase in the member life expectation would be an increase in the benefit obligation of €3 million. The effect of a change in the assumptions of the Asia plans would be a decrease of €0.2 million.

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to employees and retirees in the U.S. and Canada by FCA US companies and those of the Agricultural Equipment and Construction Equipment sectors. CNH Industrial United States employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for post-retirement healthcare and life insurance benefits under the CNH Industrial plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH Industrial has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. Until December 31, 2006 these plans were fully unfunded; starting in 2007, the CNH Industrial Group began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

The expected benefits for healthcare and life insurance plans are the following:

€ million	Expected benefit payments
2015	196
2016	194
2017	193
2018	190
2019	190
2020-2024	926

Changes in healthcare and life insurance plans are as follows:

€ million	12/31/2014			12/31/2013		
	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation
Present value of obligations at January 1	**2,750**	**(72)**	**2,678**	**3,192**	**(69)**	**3,123**
Included in income statement						
Current service cost	28	0	28	29		29
Interest (income) expenses	136	(3)	133	121	(2)	119
Past service costs (income) and (gains) losses arising from settlements	(2)	0	(2)			0
Included in Other comprehensive income						
Actuarial (gains) losses from:						
- demographic assumptions	(72)	0	(72)	(19)		(19)
- financial assumptions	290	0	290	(251)		(251)
- other	(13)	0	(13)	(1)		(1)
Return on assets	0	(5)	(5)		(5)	(5)
Exchange differences	359	(10)	349	(151)	3	(148)
Other						
Contribution by employer	0	0	0		(52)	(52)
Contribution by plan participants	6	0	6	5	(5)	0
Benefits paid	(186)	2	(184)	(185)	59	(126)
Other changes	4	0	4	10	(1)	9
Present value of obligation at December 31	**3,300**	**(88)**	**3,212**	**2,750**	**(72)**	**2,678**

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

€ million	12/31/2014 Amount	12/31/2014 of which have a quoted market price in an active market	12/31/2013 Amount	12/31/2013 of which have a quoted market price in an active market
Cash and cash equivalents	2			
US equity securities				
Non-US equity securities	13	13	12	11
Equity instruments	**13**	**13**	12	11
Government securities	8	4		
Corporate bonds (including convertible and high-yield bonds)	21			
Other fixed income securities	11			
Debt instruments	40	4	0	0
Insurance contracts and other	**33**		60	
Total fair value of plan assets	**88**	**17**	**72**	**11**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

For the **FCA Group:**

(in %)	12/31/2014 USA	12/31/2014 Canada	12/31/2013 USA	12/31/2013 Canada
Discount rate	**4.1**	**3.9**	4.9	4.7
Future salary increase rate			n/a	2.7
Weighted average ultimate health care cost trend rate	**5.0**	**3.6**	5.0	3.6
Average duration (years)	12	16	12	15

The discount rates used by the FCA Group for the measurement of these obligations are based on yields of high-quality (AA-rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments.

The effect of an increase or decrease of 0.1% in the discount rate, holding all other assumptions constant, would be a decrease of €28 million and increase of €28 million, respectively, in the benefit obligations at December 31, 2014.

Assumed discount rates used to estimate healthcare cost trend rates have a significant effect on the amount recognized for the relative plans. The effect of a decrease or an increase of one percentage point in the assumed healthcare cost trend rates for the United States and Canada, would be a decrease of €43 million and an increase of €50 million, respectively, in the defined obligations at December 31, 2014

The annual rate of increase in the per capita cost of covered U.S. healthcare benefits assumed for next year and used in the 2014 plan valuation was 6.5% (6.8% in 2013). The annual rate was assumed to decrease gradually to 5% after 2021 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian healthcare benefits assumed for next year and used in the 2014 plan valuation was 3.3% (3.3% in 2013). The annual rate was assumed to increase gradually to 3.6% in 2017 and remain at that level thereafter.

For the **CNH Industrial Group**:

(in %)	12/31/2014	12/31/2013
Average discount rate	**3.96**	4.67
Future salary increase rate	**3.00**	3.42
Weighted average initial health care cost trend rate	**7.23**	8.19
Weighted average ultimate health care cost trend rate	**5.00**	5.00
Average duration (years)	**13**	12

The weighted-average discount rates are used in measurements of pension and post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-graded corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.
The discount rates for the remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The weighted-average healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on CNH Industrial's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration for CNH Industrial's U.S. assumptions. The weighted-average initial trend is a short-term assumption based on recent experience and prevailing market conditions. The weighted-average ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services. CNH Industrial expects to achieve the ultimate healthcare cost trend rate in 2017 and 2018 for US and Canada plans, respectively.

Assumed discount rates and healthcare cost trend rates have a significant effect on the amount recognized in the 2014 financial statements.
The effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €117 million and increase of €134 million, respectively, in the benefit obligations at December 31, 2014.

The effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €149 million and decrease of €125 million, respectively, in the healthcare benefit obligations at December 31, 2014.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €1,104 million at December 31, 2014 and €1,065 million at December 31, 2013), consisting of the residual obligation for the benefit due to employees of Italian companies until December 31, 2006, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

€ million	12/31/2014	12/31/2013
Present value of obligation at January 1	**1,394**	1,379
Included in income statement		
Current service cost	37	28
Interest (income) expenses	16	23
Past service costs (income) and (gains) losses arising from settlements	(17)	1
Included in Other comprehensive income		
Actuarial (gains) losses from:		
- demographic assumptions	(2)	(3)
- financial assumptions	117	46
- other	15	25
Exchange differences	2	(4)
Other		
Benefits paid	(107)	(92)
Change in the scope of consolidation	15	21
Other changes	(16)	(30)
Present value of obligation at December 31	**1,454**	**1,394**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and the mortality rates.

The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2014 is equal to 1.7% (2.8% in 2013). The average duration of the Italian leaving entitlement is approximately 7 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and law requirements for retirement in Italy.

As for the FCA Group the effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €49 million and increase of €55 million, respectively, in the benefit obligations at December 31, 2014.

Other provisions for employees

At December 31, 2014, other provisions for employees include other long-term benefits obligations of €1,426 million (€1,311 million at December 31, 2013), representing the expected obligation for benefits as jubilee and long-term disability granted to certain employees by the Group.

30. Other provisions

Changes in other provisions are as follows:

€ million	**Beginning balance**	Charge	Utilization	Release to income	Translation differences	Change in the scope of consolidation and other changes	**Closing balance**
At December 31, 2014							
Warranty and technical assistance provision	4,462	3,157	(2,749)	389	420	5	5,684
Restructuring provision	251	138	(158)	(8)	2	(6)	219
Investment provision	17	0	0	0	0	(4)	13
Other risks	7,170	13,031	(12,358)	(339)	506	(191)	7,819
Total Other provisions	**11,900**	16,326	(15,265)	42	928	(196)	**13,735**
At December 31, 2013							
Warranty and technical assistance provision	4,419	2,642	(2,334)	(38)	(230)	3	4,462
Restructuring provision	396	63	(184)	(23)	(2)	1	251
Investment provision	18	0	0	0	(2)	1	17
Other risks	6,625	11,578	(10,530)	(261)	(316)	74	7,170
Total Other provisions	**11,458**	14,283	(13,048)	(322)	(550)	79	**11,900**

The warranty and technical assistance provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for vehicles. Warranty provisions also include management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which are estimated by making an assessment of the historical occurrence of defects on a case-by-case basis and are accrued when a reliable estimate of the amount of the obligation can be made.

The restructuring provision at December 31, 2014 consists of termination benefits payable to employees in connection with restructuring plans of €138 million (€160 million in 2013), manufacturing rationalization costs of €33 million (€16 million in 2013) and other costs €54 million (€76 million in 2013).

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual and commercial risks and disputes.
The composition of the provision for other risks is as follows:

€ million	**12/31/2014**	**12/31/2013**	Change
Sales incentives	4,859	3,964	895
Legal proceedings and other disputes	920	966	(46)
Commercial risks	722	734	(12)
Environmental risks	61	62	(1)
Indemnities	62	63	(1)
Other provisions for risks and charges	1,195	1,381	(186)
Total Other risks	**7,819**	**7,170**	649

In particular, they refer to:

- sales incentives: this provision offers sales incentives on a contractual basis to the Group's dealer networks, primarily on the basis of a specific cumulative level of sales transactions during a certain period;
- legal proceedings and other disputes: this provision represents management's best estimate of the liability to be recognized by the Group with regard to:
  - legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes);
  - legal proceedings involving claims with active and former employees;
  - legal proceedings involving different tax authorities.

This item also includes provisions for commercial risks, environmental risks, contract indemnities and other estimated product liability costs.
The provisions for other risks at December 31, 2014 refer for €1,056 million to the FCA Group, for €137 million to the CNH Industrial Group and for €2 million to Juventus F.C. S.p.A.

31. Financial debt

The composition of debt is as follows:

€ million	12/31/2014	12/31/2013	Change
Asset-backed financing	**11,660**	11,429	231
Other financial debt:			
Bonds	27,114	21,009	6,105
Borrowings from banks	17,621	14,211	3,410
Payables represented by securities	1,843	4,927	(3,084)
Other financial debt:	1,951	2,003	(52)
Total Other financial debt	**48,529**	42,150	6,379
Total Financial debt	**60,189**	**53,579**	6,610

During 2014 the Group issued bonds of €7,353 million and repaid bonds on maturity of €2,150 million; repayments of medium-/long-term loans and credit facilities amount to approximately €8,007 million, while new medium-/long-term loans secured by the Group total €6,892 million.

Asset backed financing

Asset-backed financing represents the amount of financing received through securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under current receivables and other current assets (Note 23).

In addition, at December 31, 2014 the Group's assets include current receivables and cash to settle asset-backed financing of €11,660 million (€11,435 million at December 31, 2013) (see Note 23).

Bonds

The bond issues outstanding at December 31, 2014 are as follows:

	Currency	Face value of outstanding bonds (in millions)	Coupon	Maturity	Outstanding amount (in € million)
Bonds issued by EXOR S.p.A.					
Bonds 2007-2017	€	440	5.38%	June 12, 2017	452
Bonds 2012-2019	€	150	4.75%	October 16, 2019	150
Bonds 2013-2020	€	200	3.38%	November 12, 2020	199
Bonds 2014-2024	€	650	2.50%	October 8, 2024	652
Bonds 2012-2025	€	100	5.25%	January 31, 2025	103
Bonds 2011-2031	Yen	10,000	2.80% 6 months	May 9, 2031	69
Total Bonds issued by EXOR S.p.A.					**1,625**
Bonds issued by the FCA Group					
Global Medium Term Notes:					
Fiat Chrysler Finance Europe S.A.	€	1,500	6.875%	February 13, 2015	1,500
Fiat Chrysler Finance Europe S.A.	CHF	425	5.000%	September 7, 2015	353
Fiat Chrysler Finance Europe S.A.	€	1,000	6.375%	April 1, 2016	1,000
Fiat Chrysler Finance Europe S.A.	€	1,000	7.750%	October 17, 2016	1,000
Fiat Chrysler Finance Europe S.A.	CHF	400	5.250%	November 23, 2016	333
Fiat Chrysler Finance Europe S.A.	€	850	7.000%	March 23, 2017	850
Fiat Chrysler Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000
Fiat Chrysler Finance Europe S.A.	CHF	450	4.000%	November 22,2017	374
Fiat Chrysler Finance Europe S.A.	€	1,250	6.625%	March 15, 2018	1,250
Fiat Chrysler Finance Europe S.A.	€	600	7.375%	July 9, 2018	600
Fiat Chrysler Finance Europe S.A.	CHF	250	3.125%	September 30, 2019	208
Fiat Chrysler Finance Europe S.A.	€	1,250	6.750%	October 14, 2019	1,250
Fiat Chrysler Finance Europe S.A.	€	1,000	4.750%	March 22, 2021	1,000
Fiat Chrysler Finance Europe S.A.	€	1,350	4.750%	July 15, 2022	1,350
Other					7
Total Global Medium Term Notes					**12,075**
Other bonds:					
FCA US (Secured Senior Notes) (1)	$	2,875	8.000%	June 15, 2019	2,368
FCA US (Secured Senior Notes) (1)	$	3,080	8.250%	June 15, 2021	2,537
Total Other bonds					**4,905**
Hedging effect and amortized cost valuation					**668**
Total Bonds issued by the FCA Group					**17,648**
Bonds issued by the CNH Industrial Group					
Global Medium Term Notes:					
CNH Industrial Finance Europe S.A.	€	1,000	5.250%	March 11, 2015	1,000
CNH Industrial Finance Europe S.A.	€	1,200	6.250%	March 9, 2018	1,200
CNH Industrial Finance Europe S.A.	€	1,000	2.750%	March 18, 2019	1,000
CNH Industrial Finance Europe S.A.	€	700	2.875%	September 27, 2021	700
Total Global Medium Term Notes					**3,900**
Other bonds:					
CNH Capital LLC	$	750	3.875%	November 1, 2015	618
CNH America LLC	$	254	7.250%	January 15, 2016	209
CNH Capital LLC	$	500	6.250%	November 1, 2016	412
CNH Capital LLC	$	500	3.250%	February 1, 2017	412
Case New Holland Inc.	$	1,500	7.875%	December 1, 2017	1,236
CNH Capital LLC	$	600	3.625%	April 15, 2018	494
CNH Capital LLC	$	500	3.375%	July 15, 2019	412
Total Other bonds					**3,793**
Hedging effect and amortized cost valuation					**148**
Total Bonds issued by the CNH Industrial Group					**7,841**
Total Bonds					**27,114**

(1) The Secured Senior Notes of FCA US were issued at par on May 24, 2011 and initially sold in a private placement to qualified institutional buyers and non-US persons as defined by US Securities Act. On December 29, 2011, in accordance with the indenture, FCA US commenced an offer to exchange the original notes outstanding for Secured Senior Notes having substantially identical terms as those originally issued and the same principal amount but did not contain restrictions on transfer. The offer to exchange the original notes expired on February 1, 2012. Substantially all of the original notes were tendered for Secured Senior Notes.

Bonds issued by EXOR S.p.A.

The change in bonds during 2014 is largely due to:

- buyback on the market and through a tender offer for buyback of the non-convertible bonds 2007-2017 for a total nominal amount of €254.2 million and subsequent cancellation for a nominal amount of €250 million;
- issue of non-convertible bonds 2014-2024 for a nominal amount of €500 million at the issue price of 99.329% and a fixed coupon of 2.5% per annum; in December 2014 this issue was reopened for another nominal amount of €150 million, at 102.613% of the nominal amount. At December 31, 2014 the bonds total a nominal amount of €650 million, maturing October 8, 2024, with a fixed coupon of 2.50% per annum.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure. The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2014. Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Bonds issued by the FCA Group

Changes in bonds during 2014 are mainly the following:

- issuance of 4.75% notes at par, having a principal of €1 billion and due March 2021 by Fiat Chrysler Finance Europe S.A., under the Global Medium Term Notes. The proceeds will be used for general corporate purposes;
- issuance of two tranches of 4.75% notes at par, having a principal of €1,350 million and due July 2022 by Fiat Chrysler Finance Europe S.A, under the Global Medium Term Notes program, priced at 103.265% of par value;
- issuance of 3.125% notes at par, having a principal of CHF 250 million and due September 2019 by Fiat Chrysler Finance Europe S.A, under the Global Medium Term Notes program, priced at 100% of par value;
- repayment at maturity of bonds having a nominal value of €900 million and of €1,250 million originally issued by Fiat Chrysler Finance Europe S.A.;
- issuance of 8% Secured Senior Notes due 2019 for an additional $1,375 million (€1,133 million), the “2019 Notes”, at an issue price of 108.25% of the aggregate principal amount;
- issuance of 8.25% Secured Senior Notes due 2021 for an additional $1,380 million (€1,137 million), the “2021 Notes”, at an issue price of 110.50% of the aggregate principal amount, which together with the “2019 Notes are collectively referred to as the "Secured Senior Notes.

All the bonds issued by Fiat Chrysler Finance Europe S.A. and Fiat Chrysler Finance North America Inc., are currently governed by the terms and conditions of the Global Medium Term Notes Program. A maximum of €20 billion may be used under this program, of which notes of approximately €12.1 billion have been issued and are outstanding to December 31, 2014 (€11.6 billion at December 31, 2013). The GMTN Program is guaranteed by the FCA Group.

FCA US may redeem, at any time, all or any portion of the Secured Senior Notes on not less than 30 and not more than 60 days’ prior notice mailed to the holders of the Secured Senior Notes to be redeemed:

- prior to June 15, 2015, the 2019 Notes will be redeemable at a price equal to the principal amount of the 2019 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a “make–whole” premium calculated under the indenture governing the Secured Senior Notes. On and after June 15, 2015, the 2019 Notes are redeemable at redemption prices specified in the 2019 Notes, plus accrued and unpaid interest to the date of redemption. The redemption price is initially 104% of the principal amount of the 2019 Notes being redeemed for the twelve months beginning June 15, 2015, decreasing to 102% for the twelve months beginning June 15, 2016 and to par on and after June 15, 2017;
- prior to June 15, 2016, the 2021 Notes will be redeemable at a price equal to the principal amount of the 2021 Notes being redeemed, plus accrued and unpaid interest to the date of redemption and a “make–whole” premium calculated under the indenture governing Secured Senior Notes. On and after June 15, 2016, the 2021 Notes are redeemable at redemption prices specified in the 2021 Notes, plus

accrued and unpaid interest to the date of redemption. The redemption price is initially 104.125% of the principal amount of the 2021 Notes being redeemed for the twelve months beginning June 15, 2016, decreasing to 102.750% for the twelve months beginning June 15, 2017, to 101.375% for the twelve months beginning June 15, 2018 and to par on and after June 15, 2019.

The bonds issued by Fiat Chrysler Finance Europe S.A. and by Fiat Chrysler Finance North America Inc. impose covenants on the issuer and, in certain cases, on FCA as guarantor, which is standard international practice for similar bonds issued by companies in the same industry sector as the Group: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or FCA is granted in connection with other bonds or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding bonds; (ii) *pari passu* clauses, under which the bonds rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or FCA; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the bonds under certain events of default on other financial instruments issued by the Group's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the notes. In addition, the agreements for the bonds guaranteed by FCA contain clauses which could require early repayment if there is a change of the controlling shareholder of FCA leading to a resulting ratings downgrade by ratings agencies.

The indenture governing the Secured Senior Notes issued by FCA US includes negative covenants which limit FCA US's ability and, in certain instances, the ability of certain of its subsidiaries to, (i) pay dividends or make distributions of FCA US's capital stock or repurchase FCA US's capital stock; (ii) make restricted payments; (iii) create certain liens to secure indebtedness; (iv) enter into sale and leaseback transactions; (v) engage in transactions with affiliates; (vi) merge or consolidate with certain companies and (vii) transfer and sell assets.

The indenture provides for customary events of default, including but not limited to, (i) non-payment; (ii) breach of covenants in the indenture; (iii) payment defaults or acceleration of other indebtedness; (iv) a failure to pay certain judgments and (v) certain events of bankruptcy, insolvency and reorganization. If certain events of default occur and are continuing, the trustee or the holders of at least 25% in aggregate of the principal amount of the Secured Senior Notes outstanding under one of the series may declare all of the notes of that series to be due and payable immediately, together with accrued interest, if any.

The Secured Senior Notes are secured by liens junior to the Secured Senior Credit Facilities on substantially all of FCA US assets and the assets of its U.S. subsidiary guarantors, as indicated under "Significant restrictions in relation to the Group's interest in FCA US".

Bonds issued by CNH Industrial Group

During 2014 CNH Industrial Group issued the following bonds:

- in the context of the Global Medium Term Note Programme, in March 2014, CNH Industrial Finance Europe S.A. issued a €1,000 million bond at a price of 99.471% of the principal amount, maturing in 2019 and bearing fixed interest at a rate of 2.75% payable annually;
- CNH Industrial Capital LLC issued a $500 million bond, in June 2014, at a price of 99.426% of the principal amount, maturing in 2019 and bearing fixed interest at a rate of 3.375% payable semi-annually;
- in the context of the Global Medium Term Note Programme, in September 2014, CNH Industrial Finance Europe S.A. issued a €700 million bond at a price of 99.22% of the principal amount, maturing in 2021 and bearing fixed interest at a rate of 2.875% payable annually.

The bonds issued by the CNH Industrial Group may contain commitments of the issuer and in certain cases commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledge, *pari passu* and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the bonds guaranteed by CNH Industrial N.V. under the Global Medium Term Note Programme, contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. associated with a downgrading by a ratings agency.

The Group intends to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued bonds, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Credit lines

At December 31, 2014 **EXOR S.p.A**. has unused irrevocable credit lines for €425 million (including €80 million due by December 31, 2015 and €345 million after December 31, 2015), in addition to unused revocable credit lines for more than €595 million.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.
Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €325 million.

Medium/long-term committed credit lines expiring beyond 12 months currently available to the **FCA Group,** excluding FCA US, are approximately €3.3 billion (€3.2 billion at December 31, 2013), of which €2.1 billion relates to the three-year syndicated revolving credit line due in July 2016 which was undrawn at December 31, 2014 and December 31, 2013.

The operating entities of the FCA Group, excluding FCA US, have committed credit lines available, with residual maturity after twelve months, to fund scheduled investments, of which approximately €0.9 billion was undrawn at December 31, 2014.
FCA has a syndicated credit facility in the amount of €2.1 billion which contains covenants for contracts of this type and size, such as financial covenants (Net Debt/EBITDA and EBITDA/Net Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of control clauses. The failure to comply with these covenants, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding loans. Similar covenants are contemplated for loans granted by the European Investment Bank for a total of €1.1 billion, in order to support the Group's investments and research and development projects. In addition, the above syndicated credit facility, currently contemplates limits to the capability to extend guarantees or loans to FCA US.

At December 31, 2014 FCA US had a secured revolving credit facility ("Revolving Credit Facility") amounting to approximately €1.1 billion ($1.3 billion), which remains undrawn, maturing in May 2016.

FCA US's Senior Credit Facilities (Senior Credit Agreements), which include the Tranche B Term Facility and the Revolving Credit Facility, are secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary grantors, as indicated under "Significant restrictions in relation to the Group's interest in FCA US".

Furthermore, the Senior Credit Agreements include a number of obligations for FCA US, many of which are customary, including negative covenants such as: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making certain payments; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Credit Agreements require FCA US to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Senior Credit Agreements), as well as a minimum liquidity of $3.0 billion (€2.5 billion), which includes any undrawn amounts on the Revolving Credit Facility.
The Senior Credit Agreements contain a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross–default with certain other debt and hedging agreements and (vi) failure to pay or post bond for certain material judgments. .

While the Senior Credit Facilities and Secured Senior Notes are outstanding, further distributions of dividends by FCA US will be limited to 50% of FCA US's consolidated net income (as defined in the agreements) from January 2012, less the amount of the January 2014 distribution that was used to pay the VEBA Trust for the acquisition of the remaining 41.5% interest in FCA US not previously owned by FCA.

Available committed credit lines at December 31, 2014 of the **CNH Industrial Group** expiring after twelve months amounts to €2.2 billion (€1.6 billion at December 31, 2013). During the year a €1.75 billion five-year committed multi-currency revolving credit facility replaced the existing €2 billion credit facility. The facility, guaranteed by the parent company with cross-guarantees from each of the borrowers (*i.e.*, CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.), envisages typical provisions for contracts of this type and size, such as: financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to Industrial Activities), negative pledges, *pari passu,* cross-default and change of control. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances.

On June 27, 2014 **C&W Group** amended its existing $350 million senior secured revolving credit commitment and $150 million senior secured term loan with an outstanding balance of approximately $132 million. The new agreement extended maturity from June 2016 to June 2019 and consists of a $350 million senior unsecured revolving credit facility (the “Revolver”) and a $150 million senior unsecured term loan facility (the “Term Loan”). In addition to greater flexibility the credit facility offers improved terms.

At December 31, 2014 **Juventus Football Club** has revocable lines of credit of €359 million, drawn for a total of €203 million.

Borrowings from banks

Borrowings from banks at December 31, 2014 amount to €17,621 million (€14,211 million at December 31, 2013) and refer principally to:

- for €12,751 million (€8,830 million at December 31, 2013) to the FCA Group;
- for €4,567 million (€5,149 million at December 31, 2013) to the CNH Industrial Group;
- for €174 million (€122 million at December 31, 2013) to C&W Group, principally for the amount drawn down on the “Credit Facility” ($190.9 million equal to €157 million) and the promissory note ($18.3 million equal to €15 million);
- for €106 million (€75 million at December 31, 2013) to Juventus F.C.

At December 31, 2014, borrowings from banks of the **FCA Group** include the amount drawn down by FCA US on the Tranche B Term Loan due 2017 and the Tranche B Term Loan due December 2018, for an amount, including accrued interest, respectively, of €2,587 million (€2,119 million at December 31, 2013) and €1,421 million, while the secured revolving credit facility was undrawn.

The Tranche B Term Loan due 2017 of FCA US consists of the Original Tranche B Term Loan of $3.0 billion (€2,471 million) and an additional $250 million (€206 million at December 31, 2014) term loan entered into on February 7, 2014 and is payable in equal quarterly installments of $8.1 million (€6.7 million) commencing on March 2014, with the remaining balance due at maturity in May 2017.
All amounts outstanding under Tranche B Term Loan due 2017 bear interest at FCA US's option at either a base rate plus 1.75% per annum or at LIBOR plus 2.75% per annum, subject to a base rate floor of 1.75% per annum or a LIBOR floor of 0.75% per annum. For the year ended December 31, 2014, interest was accrued based on LIBOR.
The Tranche B Term Loan due 2018 was entered into on February 7, 2014 for $1,750 million (€1,442 million) and is payable in equal quarterly installments of $4.4 million (€3.6 million), commencing June 2014, with the remaining balance due at maturity.
The Tranche B Term Loan due 2018 bears interest, at FCA US’s option, either at a base rate plus 1.50% per annum or at LIBOR plus 2.5% per annum, subject to a base rate floor of 1.75% per annum or a LIBOR floor of 0.75% per annum.
FCA US may pre-pay, refinance or re-price the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018 without premium or penalty. FCA US also has the option to extend the maturity date of all or a portion of the aforementioned term loans with the consent of the lenders.

Payables represented by securities

At December 31, 2014 the Group’s payables include securities totaling €651 million (€703 million at December 31, 2013), which represents FCA US’s financial liability to the Canadian Health Care Trust.

FCA issued aggregate notional amount of $2,875 million (€2,293 million) of Mandatory Convertible Securities on December 16, 2014.

The obligation to pay coupons as required by the Mandatory Convertible Securities meets the definition of a financial liability. The fair value amount determined for the liability component at issuance of the Mandatory Convertible Securities was $419 million (€335 million) calculated as the present value of the coupon payments due less allocated transaction costs of $9 million (€7 million) that are accounted for as a debt discount. Subsequent to issuance, the financial liability for the coupon payments is accounted for at amortized cost. At December 31, 2014, the financial liability component was $420 million (€346 million), of which €107 million relates to EXOR's share which was eliminated on consolidation. The liability in respect of non-controlling interests at December 31, 2014 amounts to €239 million.

At December 31, 2013 payables represented by securities included FCA US's financial liability for the VEBA Trust Note of €3,575 million that was repaid in full by FCA US on February 7, 2014 through the issue of Secured Senior Notes of approximately $5 billion (€3.6 billion) which included a principal payment of $4,715 million (€3,473 million) and interest accrued through February 7, 2014. The $4,715 million principal payment consisted of $128 million (€94 million) of interest that was previously capitalized and $4,587 million (€3,379) representing the original face value of the note.

Other financial debt

The composition of other financial debt is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
Other financial debt at December 31, 2014	1,483	286	21	161	1	(1)	**1,951**
Other financial debt at December 31, 2013	1,699	180		117	29	(22)	**2,003**
Change	(216)	106	21	44	(28)	21	(52)

At December 31, 2014 the FCA Group, excluding FCA US, had outstanding finance lease agreements for industrial buildings, plant machinery and equipment whose overall net carrying amount totals €383 million (€394 million at December 31, 2013), included in property, plant and equipment (Note 15).

Finance lease payables, included in other financial debt, amount to €700 million and comprise the following:

€ million	12/31/2014	12/31/2013	Change
Due within one year	93	72	21
Due between one and five years	348	263	85
Due beyond five years	259	285	(26)
Present value of minimum lease payments	**700**	**620**	80

As discussed in Note 15, finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Debt secured by assets

At December 31, 2014, debt secured by assets of the FCA Group (excluding FCA US) amounts to €777 million (€432 million at December 31, 2013), of which €379 million (€386 million at December 31, 2013) is due to creditors for assets acquired under finance leases while the remaining amount mainly relates to subsidized financing in Latin America.

At December 31, 2014, debt secured by assets of FCA US amounts to €9,881 million (€5,180 million at December 31, 2013), and includes €9,093 million (€4,448 million at December 31, 2013) relating to the Secured Senior Notes and the Senior Credit Facilities and €251 million (€165 million at December 31, 2013) due to creditors for assets acquired under finance leases and other debt and financial commitments of €537 million (€567 million at December 31, 2013).

At December 31, 2014 debt secured by assets of the **CNH Industrial Group** amounts to €124 million (€116 million at December 31, 2013) and are secured by mortgages and other liens on assets of the Group; the amount also includes amounts due to creditors for assets acquired under finance leases of €53 million (€54 million at December 31, 2013). The total carrying amount of assets acting as security for loans totals €158 million (€151 million at December 31, 2013).

In addition, at December 31, 2014, the Group's assets include current receivables to settle asset-backed financing of €11,660 million (€11,435 million at December 31, 2013) (see Note 25).

Group financial debt by due date

An analysis of financial debt by due at December 31, 2014 at December 31, 2013 is as follows:

	12/31/2014				12/31/2013			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Asset-backed financing	**5,529**	**6,078**	**53**	**11,660**	6,203	5,114	112	11,429
Other financial debt:								
Bonds	4,057	16,355	6,702	27,114	2,707	14,212	4,090	21,009
Borrowings from banks	5,683	10,854	1,084	17,621	4,504	8,924	783	14,211
Payables represented by securities	828	745	270	1,843	642	1,681	2,604	4,927
Other	1,031	523	397	1,951	1,166	429	408	2,003
Total Other financial debt	**11,599**	**28,477**	**8,453**	**48,529**	9,019	25,246	7,885	42,150
Total Financial debt	**17,128**	**34,555**	**8,506**	**60,189**	**15,222**	**30,360**	**7,997**	**53,579**

Group financial debt by interest rate and currency

The annual interest rates and the nominal currencies of debt at December 31, 2014 are as follows:

€ million	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	14,805	9,259	1,003	87		25,154
U.S. dollar	15,148	3,282	3,772	9	206	22,417
Brazilian real	1,828	1,549	621	879	1,973	6,850
Canadian dollar	1,503	229	393			2,125
Australian dollar	590					590
Swiss franc	593	686				1,279
Mexican peso		164	233			397
Danish krone	17	1				18
Polish zloty	197	18		9		224
Chinese renminbi	2	500				502
Argentine peso			34		164	198
Pound sterling	216					216
Other	60	85	22	17	35	219
Total Financial debt at 12/31/2014	**34,959**	**15,773**	**6,078**	**1,001**	**2,378**	**60,189**

For further information on the management of interest rate and currency risk in connection with debt reference should be made to Note 37.

Net financial position

The net financial position of the EXOR Group at December 31, 2014 as required by the Consob Regulation issued on July 28, 2006 and in conformity with the ESMA update of the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses", is as follows:

€ million	12/31/2014	12/31/2013	Change
Long-term assets:			
Non-current securities (held-to-maturity)	76	83	(7)
Non-current financial receivables and other financial assets	4	5	(1)
	80	88	(8)
Liquidity:			
Cash and cash equivalents	29,243	26,170	3,073
Investments and current securities (held for trading)	1,145	828	317
	30,388	26,998	3,390
Receivables from financing activities	21,522	19,593	1,929
- of which: from joint venture financial services entities	*58*	*27*	*31*
Other current financial receivables	2	6	(4)
Other financial assets	684	724	(40)
Financial debt	(60,189)	(53,579)	(6,610)
Other financial liabilities	(988)	(238)	(750)
Net financial position	**(8,501)**	**(6,408)**	(2,093)

Receivables from financing activities include the entire portfolio of the consolidated financial services entities of the FCA Group and the CNH Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

The net financial position excludes non-current financial assets (deposits and receivables) that do not comply with the requisites of the Consob Communication.

Non-current securities (held-to-maturity) include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and has the ability, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

32. Trade payables

The composition by business segment is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
Trade payables at 12/31/2014	19,854	4,927	268	16	2	(183)	**24,884**
Trade payables at 12/31/2013	17,207	5,344	196	17	1	(171)	**22,594**
Change	2,647	(417)	72	(1)	1	(12)	2,290

An analysis of trade payables by due date is as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	24,873	22,573	2,300
Due between one and five years	10	20	(10)
Due beyond five years	1	1	0
Trade payables	**24,884**	**22,594**	2,290

33. Other liabilities

The composition is as follows:

€ million	12/31/2014	12/31/2013	Change
Advances on buy-back agreements	4,187	2,962	1,225
Indirect tax payables	1,912	1,737	175
Accrued expenses and deferred income	3,502	2,853	649
Payables to personnel	1,185	1,042	143
Social security payables	532	538	(6)
Amounts due to customers for contract work (Note 19)	247	207	40
Other	3,616	3,021	595
Total Other liabilities	**15,181**	**12,360**	2,821

Advances on buy-back agreements refer to agreements entered into by the Group during the year or which still remain effective at the balance sheet date, and relate to assets included in property, plant and equipment. Advances on buy-back agreements consist of the following:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Indirect tax payables include taxes on commercial transactions accrued by the Brazilian subsidiary, Fiat Chrysler Automoveise Brasil Ltda (FCA Brasil Ltda), for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court regarding its claim alleging double taxation. In March 2007, FCA Brasil Ltda received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the Group's position. Since it is a preliminary decision and the amount may be required to be paid to the tax authorities at any time, the difference between the tax payments as preliminary allowed and the full amount determined as required by the legislation still in force is recognized as a liability. Timing for the Supreme Court decision is not predictable.

Deferred income includes the revenues not yet recognized in relation to separately-priced extended warranties and service contracts offered by FCA US. These revenues will be recognized in the income statement over the contract period in proportion to the costs expected to be incurred based on historical information.

Other includes the liability of €417 million arising from the MOU signed between FCA US and the UAW.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	12/31/2014				12/31/2013			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding Accrued expenses and deferred income)	9,372	2,191	116	**11,679**	7,745	1,620	142	**9,507**

34. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

At December 31, 2014 the FCA Group has pledged guarantees on the debt or commitments of third parties totaling €27 million (€31 million at December 31, 2013), in addition to guarantees on related party debt for a total of €12 million (€15 million at December 31, 2013).

SCUSA Private-Label Financing Agreement

In February 2013, FCA US had entered into a private-label financing agreement with Santander Consumer USA Inc. (“SCUSA”), an affiliate of Banco Santander (the “SCUSA Agreement”). The new financing arrangement launched on May 1, 2013. Under the Agreement, SCUSA provides a wide range of wholesale and retail financing services to FCA US's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name. The financing services include credit lines to finance dealers’ acquisition of vehicles and other products that FCA US sells or distributes, retail loans and leases to finance consumer acquisitions of new and used vehicles at independent dealerships, financing for commercial and fleet customers, and ancillary services. In addition, SCUSA will work with dealers to offer them construction loans, real estate loans, working capital loans and revolving lines of credit.

The SCUSA Agreement has a ten-year term, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement. In accordance with the terms of the agreement, SCUSA provided an upfront, nonrefundable payment of €109 million ($150 million), which was recognized as deferred revenue and is amortized over ten years. As of December 31, 2014, €103 million ($125 million) remained in deferred revenue.

From time to time, FCA US works with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as “subvention.” FCA US has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on FCA US participation in gains and losses.

Ally Auto Finance Operating Agreement and Repurchase Obligations

In April 2013, the Ally Auto Finance Operating Agreement between Chrysler and Ally Financial Inc. (“Ally”), referred as the “Ally Agreement”, was terminated. Notwithstanding the termination of the Ally Agreement, Ally will continue to provide wholesale and retail financing to FCA US's dealers and retail customers in the U.S. in accordance with its usual and customary lending standards. Dealers and retail customers also obtain funding from other financing sources.

In accordance with the terms of the Ally Agreement, FCA US remained obligated for one year to repurchase Ally-financed U.S. dealer inventory that was acquired on or before April 30, 2013, upon certain triggering events and with certain exceptions, in the event of an actual or constructive termination of a dealer’s franchise agreement, including in certain circumstances when Ally forecloses on all assets of a dealer securing financing provided by Ally. These obligations excluded vehicles that had been damaged or altered, that were missing equipment or that had excessive mileage or an original invoice date that was more than one year prior to the repurchase date.

As of May 1, 2014, FCA US was no longer obligated to repurchase dealer inventory acquired and financed by Ally prior to April 30, 2013.

Other repurchase obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, FCA US is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer’s franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date.

As of December 31, 2014, the maximum potential amount of future payments required to be made in accordance with these other wholesale financing arrangements was approximately €258 million ($313 million) and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer’s stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2014, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. These estimates are based on historical experience.

Arrangements with key suppliers

From time to time, in the ordinary course of our business, FCA enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Future minimum purchase obligations under these arrangements at December 31, 2014 are as follows:

€ million	
2015	**355**
2016	**301**
2017	**222**
2018	**215**
2019	**84**
2020 and beyond	**168**

Guarantees granted by the CNH Industrial Group

At December 31, 2014, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries, joint ventures and associates totaling €315 million (€372 million at December 31, 2013.

Other commitments and important contract rights of the FCA Group

As part of the Sevel cooperation agreement with Peugeot-Citroen ("PSA"), the FCA Group is party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, the FCA Group will have the right to acquire the residual interest in the Sevel joint operation with effect from December 31, 2017.

FCA is subject to a put contract with Renault relating to its original non-controlling investment of 33.5% in Teksid, now 15.2%. In particular, Renault has the right to exercise a sale option to FCA on its interest in Teksid, in the following cases:

- in the event of non-fulfillment in the application of the protocol of the agreement and admission to receivership or any other redressement procedure;
- in the event Renault's investment in Teksid falls below 15.0 percent or Teksid decides to diversify its activities outside the foundry sector;
- should FCA be the object of the acquisition of control by another car manufacturer.

The exercise price of the option is established as follows:

- for the first 6.5% of the share capital of Teksid, the initial investment price as increased by a specified interest rate; and;
- for the remaining amount of share capital of Teksid, the share of the accounting net equity at the exercise date.

Commitments of C&W Group

C&W Group incurs commitments in connection with contracts to obtain certain services in the normal course of business. Some of these contractual obligations have a remaining term in excess of one year. At December 31, 2014, the aggregate amount of the required future payments in connection with such obligations totals $12 million (€9 million).
These obligations are covered by outstanding letters of credit totaling $10.8 million (€8.9 million) at December 31, 2014 and $11.9 million (€8.6 million) at December 31, 2013.

Commitments of Juventus Football Club S.p.A.

The commitments of Juventus include guarantees received from leading credit institutions for €28 million (€36 million at December 31, 2013) in respect of the liabilities arising from the acquisition of players' registration rights (€18 million), the construction and realization of the infrastructure costs for the Continassa Project (€5 million) and other commitments (€5 million).

Commitments of the Holdings System

Commitments of the Holdings System total €86 million (€38 million at December 31, 2013) and are mainly assumed by the subsidiary EXOR S.A. in connection with the acquisition of investments and other financial assets, described as follows:

- investment commitment for a residual maximum amount of $8 million (€7 million) in the limited partnership NoCo B LP which groups a series of funds managed by Perella Weinberg Partners L.P.;
- investment commitment in the Perella Weinberg Real Estate Fund of €19 million;
- residual investment commitment in BDT Capital Partners of $23 million (€19 million);
- investment commitment in 3G Special Situations Fund IV LP of $50 million (€41 million).

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2013 the total future minimum lease payments under non-cancellable operating lease contracts are as follows:

€ million	12/31/2014	12/31/2013	Change
Due within one year	275	230	45
Due between one and five years	716	604	112
Due beyond five years	391	408	(17)
Future minimum lease payments under operating lease contracts	**1,382**	**1,242**	140

During 2014 the Group recorded costs for lease payments of €295 million (€301 million in 2013).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

FCA Group

At December 31, 2014 contingent liabilities estimated by the Group for which no provisions have been recognized since an outflow of resources is not considered to be probable and contingent liabilities for which a reliable estimate can be made amount to approximately €100 million at December 31, 2014 (unchanged compared to December 31, 2013). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €10 million (€12 million at December 31, 2013) have been estimated but not recognized.

The Group will recognize the related amounts when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and the amounts can be reliably estimated (see Note 32).

Furthermore, in connection with significant asset divestitures carried out in prior years, the FCA Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. At December 31, 2014, potential obligations with respect to these indemnities were approximately €240 million at December 31, 2014 and 2013. At December 31, 2014 provisions of €58 million (€62 million at December 31, 2013) have been made related to these obligations which are classified as other provisions.

The Group has provided certain other indemnifications that do not limit potential payment and as such, it was not possible to estimate the maximum amount of potential future payments that could result from claims made under these indemnities.

CNH Industrial Group

At December 31, 2014, contingent liabilities estimated by the CNH Industrial Group amount to approximately €34 million (approximately €35 million at December 31, 2013), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2014 and 2013, no contingent assets and expected reimbursements have been estimated. When it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the CNH Industrial Group recognizes specific provisions for this purpose in other provisions.

Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its consolidated financial statements.

Starting January 2011, Iveco and certain of its competitors have been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of trucks and commercial vehicles in the European Union in relation to possible anti-competitive behavior.

On November 20, 2014, Iveco received a Statement of Objections from the European Commission alleging that Iveco and other companies in the heavy and medium truck industry had breached EU antitrust rules. The Commission indicated that it would seek to impose significant fines on the manufacturers. The Statement of Objections is a formal step in the Commission's investigative process and details the Commission's preliminary view of the conduct of the companies involved.

The Statement of Objections is not a final decision and, as such, it does not prejudice the final outcome of the proceedings. Under the applicable procedural rules, the Commission will review the manufacturers' responses before issuing a decision and any decision would be subject to further appeals.

Iveco is evaluating the Statement of Objections and the documents on the Commission's case file, and intends to issue its response to the Commission in due course and to avail itself of any opportunity allowed by the procedure to clarify its position in this matter. Given the numerous uncertainties in the next stages of the investigation, CNH Industrial is unable to predict the outcome or to estimate the potential fine at this time.

CNH Industrial N.V. is successor to Fiat Industrial S.p.A., the company formed as a result of the demerger of Fiat S.p.A. (now FCA) (the "Demerger"). As such, CNH Industrial N.V. continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date ("the Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the liabilities are satisfied in full. Furthermore, CNH Industrial N.V. may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2014, the outstanding liabilities amount to approximately $3.5 billion (of which $3.2 billion consists of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above mentioned potential joint liability.

C&W Group

C&W Group and some of its subsidiaries are subject to various pending claims and litigation arising in the ordinary course of business, some of which involve claims for damages that are substantial. Many of these matters are covered by insurance although they may be subject to deductibles or retentions and the amounts being claimed may exceed the available insurance. Although the ultimate liability for these matters is inherently uncertain, based upon information currently available, management believes that the ultimate resolutions of these matters will not have a material adverse effect on our business or financial statements.

Juventus Football Club

On October 1, 2014, the hearing was held at the *Tribunal Arbitral du Sport* (TAS) on the Mutu/Chelsea FC proceeding. On January 21, 2015, the TAS notified the parties of the arbitration award on the dispute, which rejected in full the claims made by Chelsea FC and ordered it to pay court costs. This decision has no effect on the financial statements of Juventus, as Juventus, fully aware of its position, had decided not to allocate any risk provisions for pending litigation.

On October 30, 2014, Nike European Operations Netherlands B.V. (Nike) served Juventus a notice of arbitration to initiate an arbitration for alleged breaches of the sponsorship agreement of November 16, 2001. At the moment no concrete items of proof have been provided in support of Nike's claims. Juventus has filed an appearance in these arbitration proceedings putting forward all its defense arguments. The Arbitration Board has been constituted and has set the various phases of the arbitration, which will end with the hearing of December 2, 3 or 4, 2015.

35. Segment reporting

As reported in the paragraph Segment reporting the EXOR Group has chosen to disclose its information by segment according to IFRS 8 – *Operating Segments,* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, C&W Group, Juventus Football Club and the Holdings System.

The income statement by segment in 2014 is as follows:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2014							
Segment revenues	**96,090**	**24,808**	**2,145**	**317**		**(1,114)**	**122,246**
Revenues from transactions with other operating segments	(603)	(490)	(1)	(20)		1,114	0
Revenues from external customers	95,487	24,318	2,144	297	0	0	122,246
Cost of sales	(83,146)	(20,204)	(1,890)	(273)		1,089	(104,424)
Selling, general and administrative expenses	(7,084)	(2,072)	(160)	(40)	(25)	28	(9,353)
Research and development costs	(2,537)	(661)	0	(2)	0	0	(3,200)
Other income (expenses)	197	(65)	(5)	(2)	(2)	(5)	118
Result from investments	131	69	0	0	400	(394)	206
Gains (losses) on the disposal of investments	12				(6)	(12)	(6)
Restructuring costs	(50)	(144)				(1)	(195)
Other unusual income (expenses)	(390)	(30)	(7)	0	(4)	1	(430)
Financial income (expenses)	(2,047)	(584)	(5)	(9)	(42)	2	(2,685)
Profit (loss) before taxes	**1,176**	**1,117**	**78**	**(9)**	**321**	**(406)**	**2,277**
Income taxes	(544)	(426)	(25)	(8)	2	0	(1,001)
Profit (loss) for the year	**632**	**691**	**53**	**(17)**	**323**	**(406)**	**1,276**

The income statement by segment in 2013 is as follows:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2013							
Segment revenues	86,624	25,778	1,881	290		(1,211)	113,362
Revenues from transactions with other operating segments	(703)	(494)	(1)	(13)		1,211	0
Revenues from external customers	85,921	25,284	1,880	277	0	0	**113,362**
Cost of sales	(74,326)	(20,897)	(1,643)	(256)		1,193	(95,929)
Selling, general and administrative expenses	(6,702)	(2,230)	(162)	(40)	(27)	24	(9,137)
Research and development costs	(2,236)	(600)		(2)			(2,838)
Other income (expenses)	77	(66)	(10)	(1)	(1)	(5)	(6)
Result from investments	84	102			616	(525)	277
Gains (losses) on the disposal of investments	8	(19)			1,528	0	1,517
Restructuring costs	(28)	(40)	(1)			0	(69)
Other unusual income (expenses)	(499)	(58)	(13)		(3)	(1)	(574)
Financial income (expenses)	(1,987)	(463)	(6)	(8)	(30)	(1)	(2,495)
Profit (loss) before taxes	1,015	1,507	46	(17)	2,083	(526)	4,108
Income taxes	936	(590)	(24)	(5)	2	0	319
Profit (loss) for the year	**1,951**	**917**	**22**	**(22)**	**2,085**	**(526)**	**4,427**

The statement of financial position by segment at December 31, 2014 and 2013 is as follows:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
At December 31, 2014							
Intangible assets and property, plant and equipment	49,255	10,513	919	328	1	(32)	60,984
Investments and other financial assets	2,020	568	8	4	7,510	(6,451)	3,659
Other non-current assets	3,661	2,630	52	51	0	0	6,394
Inventories	12,467	5,881	0	0	0	(5)	18,343
Receivables and other current assets	9,496	20,002	506	89	10	(112)	29,991
Current financial assets	761	169	0	0	937	(2)	1,865
Cash and cash equivalents	22,840	5,058	122	5	1,217	1	29,243
Assets held for sale	10	20	0	0	0	0	30
Total Assets	**100,510**	**44,841**	**1,607**	**477**	**9,675**	**(6,601)**	**150,509**
Equity	13,738	6,241	690	36	7,995	(6,379)	22,321
Provisions	20,372	5,260	172	2	3	0	25,809
Financial debt	33,724	24,463	174	233	1,625	(30)	60,189
Trade payables and other liabilities	32,676	8,877	571	206	52	(192)	42,190
Liabilities held for sale		0	0	0	0	0	0
Total Equity and Liabilities	**100,510**	**44,841**	**1,607**	**477**	**9,675**	**(6,601)**	**150,509**
At December 31, 2013							
Intangible assets and property, plant and equipment	42,747	9,436	764	323	0	(20)	53,250
Investments and other financial assets	2,052	550	7	4	5,762	(4,936)	3,439
Other non-current assets	3,008	2,012	48	49	0	2	5,119
Inventories	10,278	5,464	0	0	0	(2)	15,740
Receivables and other current assets	8,850	18,560	379	100	14	(120)	27,783
Current financial assets	815	189	2	0	581	0	1,587
Cash and cash equivalents	19,455	4,705	118	1	1,900	(10)	26,169
Assets held for sale	9	25	0	0	0	(1)	33
Total Assets	**87,214**	**40,941**	**1,318**	**477**	**8,257**	**(5,087)**	**133,120**
Equity	12,584	5,556	584	53	6,947	(4,788)	20,936
Provisions	17,427	4,733	146	5	5	(123)	22,193
Financial debt	30,283	21,714	121	193	1,258	10	53,579
Trade payables and other liabilities	26,899	8,938	468	226	47	(187)	36,391
Liabilities held for sale	21	0	0	0	0	0	21
Total Equity and Liabilities	**87,214**	**40,941**	**1,319**	**477**	**8,257**	**(5,088)**	**133,120**

36. Information by geographical area

The following tables present an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the non-current assets on the basis of their geographical location divided according to the significance of the individual segments.

An analysis of revenues by geographical area is as follows:

€ million	2014	2013	Change
Italy	7,007	6,524	483
North America (previously United States, Canada, Mexico)	54,597	47,550	7,047
Brazil	7,512	8,232	(720)
France	1,708	1,796	(88)
Germany	3,444	3,045	399
Spain	1,101	956	145
UK	1,821	1,443	378
Turkey	1,381	1,268	113
China	6,334	4,444	1,890
Argentina	1,171	1,424	(253)
Australia	1,220	978	242
Rest of the world	8,191	8,261	(70)
FCA Group	**95,487**	**85,921**	9,636
Italy	1,886	1,815	71
United States	5,777	5,955	(178)
Brazil	2,554	3,282	(728)
France	2,234	2,319	(85)
Germany	1,446	1,310	136
Canada	1,246	1,306	(60)
Australia	697	764	(67)
UK	801	754	47
Argentina	416	693	(277)
Spain	635	527	108
Poland	422	379	43
Rest of the world	6,203	6,180	23
CNH Industrial Group	**24,318**	**25,284**	(966)
Italy	22	20	2
United States	1,364	1,190	174
Canada	75	90	(15)
Latin America	99	106	(7)
EMEA (excluding Italy)	397	329	68
Asia	187	145	42
C&W Group	**2,144**	**1,880**	264
Italy	297	277	20
Juventus F.C.	**297**	**277**	20
Total Revenues	**122,246**	**113,362**	8,954

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group) located in Italy and in the Rest of the world total €64,921 million (€56,540 at December 31, 2013) and may be analyzed as follows:

€ million	12/31/2014	12/31/2013	Change
Italy	11,538	10,710	828
North America (previously United States, Canada, Mexico)	30,539	26,689	3,850
Brazil	4,638	2,955	1,683
Poland	1,183	1,277	(94)
Serbia	882	1,007	(125)
Other	2,081	1,535	546
FCA Group	**50,861**	**44,173**	6,688
Italy	2,521	2,314	207
United States	4,556	3,582	974
France	933	867	66
Germany	705	638	67
Brazil	521	488	33
Spain	604	618	(14)
Canada	400	347	53
China	462	390	72
UK	234	194	40
Other	1,359	1,247	112
CNH Industrial Group	**12,295**	**10,685**	1,610
United States	453	347	106
EMEA	237	208	29
Canada	59	55	4
Latin America	31	28	3
Asia Pacific	70	63	7
C&W Group Inc.	**850**	**701**	149
Italy	328	323	5
Juventus F.C.	**328**	**323**	5
Italy	86	107	(21)
United States	42	21	21
Luxembourg	172	225	(53)
Europe	287	305	(18)
Rest of the World	0	0	0
Total Holdings System	**587**	**658**	(71)
Total Non-current assets	**64,921**	**56,540**	8,381

37. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interests. The Group is also exposed to the risk of changes in the price of certain commodities, of some investments in listed and unlisted equity securities and in investment funds.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 29).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following does not have any predictive value. In particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty.

A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors:

- significant financial difficulties of the counterparty;
- probability that the counterparty will be involved in an insolvency procedure;
- default on installment payments by the counterparty;
- restructuring or renegotiation of open items with the counterparty;
- changes in the payment status of one or more debtors included in a specific risk category;
- other contractual breaches.

The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network made by Group financial service companies and on vehicles assigned under finance and operating lease agreements.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2014 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 34.

FCA Group

Receivables for financing activities amounting to €3,843 million at December 31, 2014 (€3,671 million at December 31, 2013) contain balances totaling €3 million (€21 million at December 31, 2013), which have been written down on an individual basis. Of the remainder, balances totaling €71 million are past due by up to one month (€72 million at December 31, 2013), while balances totaling €31 million are past due by more than one month (€23 million at December 31, 2013). In the event of installment payments, even if only one installment is overdue, the entire receivable balance is classified as overdue.

Trade receivables and other current receivables amounting to €4,810 million at December 31, 2014 (€4,425 million at December 31, 2013) contain balances totaling €19 million (€19 million at December 31, 2013) which have been written down on an individual basis. Of the remainder, balances totaling €248 million are past due by up to one month (€243 million at December 31, 2013), while balances totaling €280 million are past due by more than one month (€376 million at December 31, 2013).

Provided that current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and across money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2014 which might lead to significant repayment risk.

CNH Industrial Group

Receivables for financing activities amounting to $21,472 million (€17,686 million) at December 31, 2014 include balances totaling $128 million (€105 million) that have been written down on an individual basis. Of the remainder, balances totaling $405 million (€334 million) are past due by up to one month, while balances totaling $375 million (€309 million) are past due by more than one month.

Receivables for financing activities amounting to $21,968 million (€15,929 million) at December 31, 2013 included balances totaling $106 million (€77 million) that were written down on an individual basis. Of the remainder, balances totaling $494 million (€358 million) were past due by up to one month, while balances totaling $582 million (€422 million) were past due by more than one month.

In the event of installment payments, even if only one installment is overdue, the whole amount of the receivable is classified as such.

Trade receivables and other current receivables totaling $2,318 million (€1,909 million) at December 31, 2014 include balances totaling $85 million (€70 million) that have been written down on an individual basis. Of the remainder, balances totaling $28 million (€23 million) are past due by up to one month, while balances totaling $239 million (€197 million) are past due by more than one month.

Trade receivables and other current receivables totaling $3,038 million (€2,202 million) at December 31, 2013 included balances totaling $73 million (€53 million) that were written down on an individual basis. Of the remainder, balances totaling $139 million (€101 million) were past due by up to one month, while balances totaling $308 million (€223 million) were past due by more than one month.

The significant decrease in the past due component in receivables from financing activities is primarily attributable to a reduction in EMEA past dues related to the commercial vehicles related portfolio.

C&W Group

C&W Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer; the demographics of C&W Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. This depends on the type of services rendered and knowledge about the quality of the customers.

C&W Group's credit risk is represented by the carrying amount of financial assets at December 31, 2014 recorded in cash and cash equivalents of $148.5 million (€122 million) and commissions receivable of $451.3 million (€372 million).

The carrying amount of financial assets at December 31, 2013 recorded in cash and cash equivalents was $162.4 million (€118 million) and the carrying amount of commissions receivable was $386.4 million (€280 million).

Commissions receivable are presented net of the allowance for impairment losses which, at December 31, 2014, amounts to $14 million (€10 million), and at December 31, 2013 amounted to $13.9 million (€10 million).

At December 31, 2014 the amount of receivables past due and not subject to individual writedown is $451 million (€371 million). Receivables past due less than one month amount to $363 million (€299 million), while receivables past due more than one month total $88 million (€72 million).

At December 31, 2013 the amount of receivables past due and not subject to individual writedown was $386 million (€280 million). Receivables past due less than one month amounted to $227 million (€165 million), while receivables due more than one month totaled $159 million (€115 million).

Juventus Football Club

Juventus Football Club has adopted suitable procedures to minimize its exposure to credit risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by *Lega Nazionale Professionisti Serie A*; receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs; fees receivable under contracts for television rights are indirectly secured by *Lega Nazionale Professionisti Serie A* through a minimum guarantee agreement with the advisor Infront Italy.

At December 31, 2014, the amount of receivables past due and not subject to individual writedown is €18 million. Receivables past due less than one month total €16 million, while receivables past due more than one month amount to €2 million.
At December 31, 2013, the amount of receivables past due and not subject to individual writedown was €4 million. Receivables past due less than one month totaled €3 million, while receivables past due more than one month amounted to €1 million.

Holdings System

The maximum theoretical exposure to credit risk at December 31, 2014 by EXOR and the companies in the Holdings System is represented by the carrying amount of the financial assets recorded in the financial statements. They seek to mitigate such risk by investing a good part of their available cash in primary corporate and bank securities issued by leading counterparts selected according to their creditworthiness.
At December 31, 2014 and December 31, 2013, there were no financial assets past due and not written down and allowances for impairment losses.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations under economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets necessitate special attention to the management of liquidity risk. In that sense, measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The two main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.
The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal.
Details as to the repayment structure of the Group's financial assets and liabilities are provided in Note 20 – Receivables from financing activities and in Note 31 – Financial debt.
Details of the repayment structure of derivative financial instruments are provided in Note 25.

FCA Group

From an operating point of view, liquidity risk is managed by monitoring cash flows and keeping an adequate level of funds at its disposal. The operating cash flows, main funding operations and liquidity of the FCA Group (excluding FCA US) are centrally managed in the FCA Group's treasury companies with the aim of ensuring effective and efficient management of the Group's funds. These companies obtain funds in the financial markets from various funding sources.
FCA US currently manages its liquidity independently from the rest of the Group. Intercompany financing from FCA US to other Group entities is not restricted other than through the application of covenants requiring that transactions with related parties be conducted at arm's length terms or be approved by a majority of the "disinterested" members of the board of directors of FCA US.

In addition certain of FCA US's finance agreements restrict the distributions which it is permitted to make. In particular, dividend distributions, other than certain exceptions including permitted distributions and distributions with respect to taxes, are generally limited to an amount not to exceed 50% of cumulative consolidated net income (as defined in the agreements) from January 2012 less the amount of the January 2014 distribution that was used to pay the VEBA Trust for the acquisition of the remaining 41.5% interest in FCA US not previously owned by FCA.
FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US.

However, certain bonds issued by FCA and its subsidiaries (other than FCA US and its subsidiaries), include covenants which may be affected by circumstances related to FCA US, in particular in relation to cross-default clauses which may accelerate the repayments in the event that FCA US fails to pay certain of its debt obligations.
The FCA Group believes that the funds currently available to the treasuries of the FCA Group and FCA US, in addition to those that will be generated from operating and financing activities, will enable the FCA Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

CNH Industrial Group

Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the CNH Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

C&W Group

In order to support the maximum cash flow demands that peak early in the second quarter of the year and acquisition financing, C&W Group uses a Senior Unsecured Revolving Credit Facility and a Senior Unsecured Term Loan, respectively, of $350 million and $150 million, maturing in June 2019.

Holdings System

EXOR S.p.A. and the companies in the Holdings System fund outgoing cash flows from current operations basically with incoming flows from ordinary business activities and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR operates so that it has irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Financial market risks

Currency risk, interest rate risk, commodity price risk, shares and investment funds

Due to the nature of its different businesses, the Group is exposed to a variety of financial market risks such as foreign currency exchange rate risks, commodity price risk and interest rate risk.
Finally, the Group is exposed to the risk of a change in the price of certain equity shares and investment funds.
The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.
The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit or loss, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to financial market risks and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policies permit derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange rates and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges mainly to hedge:

- the foreign currency exchange rate risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly interest rate swaps, currency swaps and combined interest rate and foreign currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
- the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps. Exposure to changes in the price of commodities is generally hedged by using commodity swaps and commodity options. Counterparties to these agreements are major and diverse financial institutions. Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 25.

The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in the cumulative translation adjustment reserve, in other comprehensive income (see Note 28).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported below does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis.

FCA Group

Currency risk

The FCA Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

- where a FCA Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company. In 2014, the total trade flows exposed to foreign currency exchange rate risk amounted to the equivalent of 15% of the Group's turnover (13% in 2013).
- the principal exchange rates to which the FCA Group is exposed are the following:
  - USD/CAD primarily relating to FCA US's Canadian manufacturing operations;
  - EUR/USD relating to sales in U.S. dollars made by Italian companies (in particular, companies belonging to the Ferrari and Maserati segments) and to sales and purchases in Euro made by FCA US;
  - GBP, AUD, MXN, CHF, CNY, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Argentinean and Venezuelan markets;
  - PLN and TRY relating to manufacturing costs incurred in Poland and Turkey;
  - JPY mainly in relation to purchase of parts from Japanese suppliers and sales of vehicles in Japan;
  - USD/BRL, EUR/BRL relating to Brazilian manufacturing operations and the related import and export flows.

  Overall trade flows exposed to changes in these exchange rates in 2014 made up approximately 90% of the exposure to currency risk from trade transactions.
- FCA Group's policy is to use derivative financial instruments to hedge a percentage of certain exposures subject to foreign currency exchange rate risk for the upcoming 12 months (including such risk before or beyond that date where it is deemed appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments unless not deemed appropriate.
- FCA Group companies may have trade receivables or payables denominated in a currency different from the functional currency of the company. In addition, in a limited number of cases, it may be convenient from

an economic point of view, or it may be required under local market conditions, for companies to obtain financing or use funds in a currency different from the functional currency of the respective company. Changes in exchange rates may result in exchange gains or losses arising from these situations. The FCA Group's policy is to hedge fully, whenever deemed appropriate, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the company's functional currency.

- Certain of the FCA Group's subsidiaries are located in countries which are outside of the Eurozone, in particular the U.S., Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reference currency is the Euro, the income statements of those entities are converted into Euros using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in Euro.
- The monetary assets and liabilities of consolidated companies which have a reporting currency other than the Euro are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the cumulative translation adjustments reserve, included in other comprehensive income.

The FCA Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet dates.

There have been no substantial changes in 2014 in the nature or structure of exposure to foreign currency exchange rate risk or in the FCA Group's hedging policies.

Sensitivity analysis - currency risk

At December 31, 2014 the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €1,402 million (€745 million at December 31, 2013). Compared to December 31, 2013, the increase resulting from the change in exchange rates is due to the higher volumes of outstanding derivatives, mainly related to increased exposures.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the FCA Group make use of external borrowings and invest in monetary and financial market instruments.

In addition, the FCA Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, thus negatively impacting the net financial expenses incurred by the FCA Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating result of those companies and the FCA Group as a whole.

In order to manage these risks, the FCA Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.

In assessing the potential impact of changes in interest rates, the FCA Group segregates fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the FCA Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis – interest rate risk

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2014, resulting from a hypothetical 10% change in market interest rates, would have been approximately €100 million (approximately €110 million at December 31, 2013).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical 10% change in short-term interest rates at December 31, 2014, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have resulted in increased net financial expenses before taxes, on an annual basis, of approximately €12 million (about €13 million at December 31, 2013).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

In addition, the sensitivity analysis applied to floating rate financial instruments assumes that cash and cash equivalents and other short-term financial assets and liabilities which expire during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Commodity price risk

The FCA Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials and energy or other commodities used in its normal manufacturing operations.

Sensitivity analysis – commodity price risk

In connection with the commodity price derivative contracts outstanding at December 31, 2014, a hypothetical 10% change in the price of the commodities at that date would have caused a fair value loss of about €50 million (about €45 million at December 31, 2013).

CNH Industrial Group

Currency risk

The CNH Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- Where a CNH Industrial Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit (loss) of that company. In 2014, the total net trade flows exposed to currency risk amounted to the equivalent of approximately 18% of the CNH Industrial Group's turnover (19% in 2013). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
  - USD/EUR, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the Euro area and to sales in U.S. dollars made by Commercial Vehicles;
  - EUR/GBP, predominately in relation to sales made by Commercial Vehicles on the UK market and purchases made by Agricultural Equipment and Construction Equipment in the Euro area;
  - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
  - USD/AUD, mainly in relation to sales made by Agricultural Equipment and Construction Equipment in Australia;
  - USD/GBP, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the UK.

  Overall trade flows exposed to changes in these exchange rates in 2014 made up approximately 72% of the exposure to currency risk from trade transactions.
- It is the CNH Industrial Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecast trading transaction exchange risk exposure for the coming 12 months (including such risk beyond that date where it is believed to be appropriate in relation to the characteristics of the business) and to hedge completely the exposure resulting from firm commitments.
- The CNH Industrial Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these

situations. It is the CNH Industrial Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities.

- Certain of the CNH Industrial Group's subsidiaries are located in countries not adopting the U.S. dollar as local currency, such as the members of the European monetary union, the United Kingdom, Brazil, Australia, Canada, India, China, Argentina and Poland. As the CNH Industrial Group's reference currency is the U.S. dollar, the income statements of those countries are converted into U.S. dollars using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the result in U.S. dollars.
- The assets and liabilities of consolidated companies whose functional currency is different from the U.S. dollar may acquire converted values in U.S. dollar which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the Cumulative Translation Adjustments reserve, included in other comprehensive income.

The CNH Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in this respect at the balance sheet date.
There were no substantial changes in 2014 in the nature or structure of exposure to currency risk or in the CNH Industrial Group's hedging policies.

Sensitivity analysis – currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) held by the CNH Industrial Group at December 31, 2014 resulting from a hypothetical, unfavorable and instantaneous change of 10% in the exchange rates amounts to approximately $255 million ($281 million at December 31, 2013). Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, the CNH Industrial Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost and return of the various forms of financing, including the sale of receivables, and the employment of funds, causing an impact on the level of net financial expenses incurred by the CNH Industrial Group.
In addition, Financial Services companies provide loans (mainly to customers and dealers), financing themselves primarily using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit or loss of those companies and the CNH Industrial Group as a whole.
In order to manage these risks, the CNH Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.

Sensitivity analysis – interest rate

In assessing the potential impact of changes in interest rates, the CNH Industrial Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).
The fixed rate financial instruments used by the CNH Industrial Group consist principally of part of the portfolio of the Financial Services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2014 resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately $25 million (approximately $34 million at December 31, 2013).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the Financial Services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical, unfavorable and instantaneous change of 10% in short-term interest rates at December 31, 2014, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $5 million (approximately $5 million at December 31, 2013).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Commodity price risk

The CNH Industrial Group has entered derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – commodity price risk

In the event of a hypothetical, unfavorable and instantaneous change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2014 linked to commodity prices would have been not significant (not significant at December 31, 2013.

Holdings System

Currency risk

At December 31, 2014 a part of the Holdings System’s available-for-sale assets, assets held for trading and cash are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.

The currency risk to which EXOR is exposed regards non-convertible bonds in Japanese yen issued in 2011 for Japanese yen 10 billion. The bonds carry a fixed rate in yen of 2.80% and have a term of 20 years.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, a cross currency swap was put in place by EXOR with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face amount of the bonds in Euro (about €83 million) for the entire term of the bonds.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit or loss of more than €5 million and on equity of more than €6 million, while an unfavorable change of 10% would have a positive effect on profit or loss of €6 million and on equity of €8 million.

The effect of a change in exchange rates on equity is mainly attributable to the bonds in Japanese yen issued by EXOR.

Interest rate risk

EXOR has assessed and managed its exposure to fluctuations in interest rates consistently with its management policies and used derivative financial instruments to fix a part of the loans obtained at a pre-determined interest rate.

Sensitivity analysis – interest rate risk

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balance sheet date. A hypothetical 10% change in interest rates would have an effect on profit or loss of €1.4 million.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments, investment funds and financial assets held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments and other financial assets held for trading had been 5% higher/lower, the fair value reserve recorded in equity would have been €40 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €59 million higher/lower.

C&W Group

Currency risk

C&W Group assesses the general foreign currency risk as low because the individual Group entities predominantly execute their operating activities in their respective functional currencies.

To mitigate its foreign currency exposures primarily arising from intercompany transactions the C&W Group uses foreign exchange forward contacts on the major currencies to which it is exposed.

At December 31, 2014, the approximate notional amount is $113 million (€93 million), with a net liability fair value of $0.5 million. At December 31, 2013, the approximate notional amount was $188 million (€137 million) with a net asset fair value of less than €2.1 million.

At December 31, 2014 debt is not subject to currency risk since it is contracted in U.S. dollars.

At December 31, 2013 the currency risk related to debt was limited to the Credit Facility principally: in $AUD for $17 million, in $HKD for $16 million and in $HKD for $16 million.

Sensitivity analysis – currency risk

A 10% strengthening of the U.S. dollar against the relevant foreign currencies would have resulted in a net increase of net income and equity of $0.1 thousand.

Interest rate risk

C&W Group is exposed to interest rate risk associated with the $350 million Senior Unsecured Revolving Credit Facility. C&W Group monitors market conditions and has reviewed possible strategies, such as interest rate swaps and caps, to mitigate this variability. In August 2011, C&W Group entered into an interest rate cap and contemporaneously designated the derivative as a cash flow hedge of the interest rate risk attributable to the future interest payments on the Credit Facility for changes in LIBOR above 1%.

Sensitivity analysis – Interest rate risk

For variable rate liabilities, the sensitivity analysis was prepared assuming that the exposure at year end was the same throughout the year.

An increase or decrease of 100 basis points in interest rates, assuming that all other variables remain constant, at December 31, 2014 would have decreased net income by $2 million (€1.5 million) or increased net income by $0.4 million (€0.3 million).

Juventus Football Club

Interest rate risk

A sensitivity analysis was performed on the financial liabilities of Juventus exposed to interest rate risk (payables due to banks and factoring companies). A hypothetical change of 10% in the interest rates would generate a €0.5 million effect on the result for the year.

Medium and long-term financial liabilities due to Credito Sportivo and Unicredit Leasing S.p.A. are not exposed to interest rate risk since they are, respectively, at a fixed rate and hedged by derivative financial instruments. In particular, an interest rate swap was put in place on April 11, 2011 to hedge the interest rate applicable to the finance lease with Unicredit Leasing; the fair value at December 31, 2014 is a negative €0.3 million.

38. Fair value measurement by hierarchy level

IFRS 13 - *Fair Value Measurement* establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2014.

€ million	Note	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	16	195	31	141	367
Non-current securities	16	46		504	550
Current securities	24	30			30
Financial assets at fair value held for trading:					
Current investments	24	35			35
Current securities	24	322	765		1,087
Other financial assets	25	39	641	4	684
Total Assets at 12/31/2014		**667**	**1,437**	**649**	**2,753**
Other financial liabilities	25	(45)	(935)	(8)	**(988)**
Total Liabilities at 12/31/2014		**(45)**	**(935)**	**(8)**	**(988)**

During 2014 an amount of €460 million relating to current securities held for trading was transferred from Level 2 to Level 3 of the fair value hierarchy.

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, but also considering the creditworthiness of the counterparty. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange and interest rates prevailing at the balance sheet date and the discounted expected cash flow method, appropriately adjusted to take into account the creditworthiness.
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

The fair value estimate of Banca Leonardo was performed by an independent expert who applied the Dividend Discount Model – DDM measurement in the Excess Capital version for private banking activities and the analytical profitability method in the Levered version for the measurement of advisory activities. The investment is classified in Level 3 of the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by the cost of capital (ke) in the Capital Asset Pricing Model for advisory activities and the long-term growth rate (g rate), the cost of capital and excess capital for private equity banking.

A hypothetical change in the cost of capital would result in a decrease in fair value; a higher g rate would result in an increase in fair value.

The fair value estimate of Banijay Holding was performed by an independent expert who applied the unlevered version of the discounted cash flow model – DCF. The investment is classified in Level 3 of the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by WACC equal to 9.5%, determined using the Capital Asset Pricing Model as the basis of calculation. A hypothetical increase in WACC would produce a decrease in fair value.

The fair value estimate of The Economist Group was performed by an independent expert who used the current financial position, the performance objectives, the growth prospects and also the stock market performance of the companies used for comparison.

The fair value of the other financial assets available-for-sale and held for trading is determined, when quoted market prices are not available, using the market rates, adjusted when necessary to take into account the creditworthiness of the counterparty. The fair value of private equity funds corresponds to the Net Asset Value (NAV) communicated by the managers of the funds. If at the date of the preparation of the financial statements this information is not available the most recent official NAV is used, but not more than three months prior to the closing date of the financial statements.

The following table presents the changes in Level 3 in 2014:

		Gains (losses) recognized			
€ million	**Balance at 12/31/2013**	In the income statement	In equity	Increase (decrease)	**Balance at 12/31/2014**
Available-for-sale financial assets at fair value:					
Investments at fair value with changes directly in equity	154	(5)	(2)	(6)	141
Non-current securities	501	(18)	51	(30)	504
Financial assets at fair value held for trading:					
Current securities	460			(460)	
Other financial assets	4				4
Total Assets	**1,119**	(23)	49	(496)	**649**
Other financial liabilities	(2)	16	(8)	(14)	(8)
Total Liabilities	**(2)**	**16**	**(8)**	**(14)**	**(8)**

The gains or losses included in the income statement are recognized in cost of sales for €16 million, those relating to financial income and expenses are an expense for €23 million. The gains and losses recorded in other comprehensive income or loss are included in the fair value reserve for a positive €49 million and those included in the cash flow reserve are a negative €8 million.

Assets and liabilities not measured at fair value on a recurring basis

The nominal amount of and cash and cash equivalents, which primarily consist of bank current accounts and time deposits, generally approximates fair value due to the short term maturity of these instruments.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities due within one year approximates their fair value.

The following table represents the carrying amount and the fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

€ million	Note	12/31/2014 Carrying amount	12/31/2014 Fair value	12/31/2013 Carrying amount	12/31/2013 Fair value
Financial assets					
Held-to-maturity investments	17/26	106	113	112	116
Dealer financing receivables	21	10,051	10,040	8,881	8,804
Retail financing receivables	21	10,118	10,072	9,093	9,093
Finance lease receivables	21	1,135	1,140	1,409	1,400
Other		221	229	220	288
Total assets		**21,631**	**21,594**	**19,715**	**19,703**
Financial liabilities					
Asset-backed financing	33	(11,660)	(11,659)	(11,430)	(11,359)
Non-convertible bonds	33	(27,114)	(28,734)	(21,009)	(22,563)
Other financial debt	33	(21,359)	(21,321)	(21,141)	(20,803)
Total liabilities		**(60,133)**	**(61,714)**	**(53,167)**	**(54,607)**

Held-to-maturity investments are represented by bonds issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair values of Receivables from financing activities, which are categorized within the Level 3 of the fair value hierarchy, have been estimated with discounted cash flows models. The most significant inputs used for this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of the counterparties.

The fair value of non-convertible bonds for €19,346 million is classified within Level 1 and for €9,387 million within Level 2. For the latter, inputs other than quoted prices in an active market were used.

The fair value of other debt included in Level 2 of the fair value hierarchy for €18,546 million has been estimated using discounted cash flow models. The main inputs used are year-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group liabilities. The fair value of the debt that requires significant adjustments using unobservable inputs is categorized in Level 3 of the fair value hierarchy and amounts to €2,541 million.

39. Related party transactions

The Group carries out transactions with unconsolidated subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 - *Related Party Disclosures*, the related parties of the EXOR Group are Giovanni Agnelli e C., the FCA Group, the CNH Industrial Group, C&W Group and other unconsolidated subsidiaries, associates or joint ventures, Juventus, Almacantar and its subsidiaries. In addition, members of the board of directors and board of statutory auditors of EXOR S.p.A. and its parent Giovanni Agnelli e C. S.a.p.az. and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

The most significant financial transactions with related parties generated, for the FCA Group, receivables from financing activities of the Group's financial services companies from joint ventures and liabilities for asset-backed financing relating to amounts due to FCA Bank for the sale of receivables which do not qualify for derecognition under IAS 39.

The effects of transactions with related parties recognized in the income statement are as follows:

	2014				2013			
€ million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
Tofas	1,247	1,189	1		1,145	1,287	3	
Sevel	493		4		423		3	
FCA Bank	278	16	15	(29)	223	62	18	(24)
Other	751	446	1	(4)	666	508	4	(2)
Total joint ventures	2,769	1,651	21	(33)	2,457	1,857	28	(26)
Total associates	177	2	6	0	111	9	5	0
Total other related parties	0	0	72		1	7	28	0
Total unconsolidated subsidiaries	52	8	21	(1)	44	15	30	1
Total of which related parties	2,998	1,661	120	(34)	2,613	1,888	91	(25)
Total of item in financial statements	122,246	104,424	9,353	(2,685)	113,362	95,929	9,137	(2,495)
Effect on total (%)	2.45%	1.59%	1.28%		2.31%	1.97%	1.00%	

Non-financial assets and liabilities originated by related party transactions are as follows:

	At December 31, 2014				At December 31, 2013			
€million	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas	48	160		1	50	232		
Sevel	12			4	11		2	4
FCA Bank	65	237	6	92	49	168	1	93
Other	124	133	4	23	15	118	3	38
Total joint ventures entities	249	530	10	120	203	518	6	135
Total associates	100	24	0	23	33	13	0	25
Total other related parties	0	0	0	4	0	0	0	1
Total unconsolidated subsidiaries	32	15	2	2	43	29	4	1
Total of which related parties	381	569	12	149	279	560	10	162
Total of item in financial statements	3,757	24,884	4,095	15,181	3,756	22,594	3,848	12,360
Effect on total (%)	10.1%	2.3%	0.3%	1.0%	7.4%	2.5%	0.3%	1.3%

Financial assets and liabilities originated by related party transactions are as follows:

	December 31, 2014		December 31, 2013	
€ million	Current receivables from financing activities	Financial debt	Current receivables from financing activities	Financial debt
FCA Bank	73	105	54	355
Tofas	39			
Sevel	5	13	14	10
Other	9	4	19	4
Total joint ventures	126	122	87	369
Almacantar				29
Other	7		11	
Total associates	7	0	11	29
Total other related parties	0	0	0	0
Total unconsolidated subsidiaries	24	33	38	23
Total of which related parties	157	155	136	421
Total of item in financial statements	21,522	60,189	19,594	53,579
Effect on total (%)	0.7%	0.3%	0.7%	0.8%

Commitments and guarantees pledged in favor of related parties of the FCA Group

Other guarantees pledged in favor of related parties at December 31, 2014 and at December 31, 2013 are as follows:

€ million	12/31/2014	12/31/2013
Total joint ventures	11	6
Total other related parties and the CNH Industrial Group	0	0
Total unconsolidated subsidiaries	1	9
Total of which related parties	**12**	**15**

Commitments and guarantees pledged in favor of related parties of the CNH Industrial Group

At December 31, 2014 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società consortile for an amount of €228 million (€197 million at December 31, 2013).

Compensation to directors, statutory auditors and key executives of EXOR

In 2014 compensation to the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	EXOR S.p.A.	Subsidiaries	Total
Directors	4,426	67,071	71,497
Statutory Auditors	148	166	314
Total 2014	**4,575**	**67,237**	**71,812**
Total 2013	**4,670**	**23,574**	**28,244**

This amount includes the notional compensation cost arising from stock options and stock grants awarded to the directors.

There are no key executives in EXOR S.p.A.

40. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – *Statement of cash flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item translation exchange differences.

Cash flows from (used in) operating activities mostly derive from the Group’s industrial activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in profit (loss) for the year, are included under operating activities in a single line item which includes changes in working capital arising from these transactions, capital expenditures, depreciation and amortization and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, amortization, impairment losses and changes in inventories.

In 2014, other non-cash items of €458 million mainly included (i) €381 million related to the non-cash portion of the expense recognized in connection with the execution of the UAW MOU entered into by FCA US on January 21, 2014, as described previously in the section – Non-controlling interests (ii) €98 million for the remeasurement charge recognized as a result of the Group's change in the exchange rate of the Venezuelan bolivar in U.S. dollars and (iii) the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10% of FCA US’s membership interest in connection with the Equity Purchase Agreement.

In 2013, other non-cash items for a positive for €521 million mainly included the reversal of impairment losses on fixed assets and the share of the profit or loss of investees accounted for using the equity method, the loss of €59 million related to the devaluation of the official exchange rate of the Venezuelan Bolivar (VEF) relative to the U.S. dollar (Note 9) and the €56 million writeoff of the book value of the Equity Recapture Agreement Right.

For additional information on the acquisition of the non-controlling interest equal to €2,691 million, arising from the acquisition of the remaining interest in FCA US (41.5%) from the VEBA Trust, reference should be made to the section “Non-controlling interests”.

In total, cash flows used for income tax payments net of refunds amount to €1,174 million in 2014 (€855 million in 2013).

In total, interest of €2,715 million was paid and interest of €1,219 million was received in 2014 (interest of €2,620 million was paid and interest of €1,109 million was received in 2013).

41. Information required under art. 149-duodecies of Consob’s “Regulation for Issuers”

The following table, prepared in accordance with Article 149-duodecies of Consob’s “Regulation for Issuers” reports fees related to 2014 for audit and other services provided by the independent auditors and members of their network.

€ thousand	Service Provider	Entity		2014 Fees
Audit	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		53
	Reconta Ernst & Young S.p.A.	Subsidiaries		7,459
	Reconta Ernst & Young network	Subsidiaries		22,495
Attestation	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	(1)	40
	Reconta Ernst & Young S.p.A.	Subsidiaries	(2)	3,011
	Reconta Ernst & Young network	Subsidiaries	(3)	214
Other services	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		-
	Reconta Ernst & Young S.p.A.	Subsidiaries	(4)	26
	Rete Reconta Ernst & Young	Subsidiaries	(5)	1,811
Total Reconta Ernst & Young S.p.A. and network				**35,109**

1) Fees mainly for the issuance of Comfort Letters connected with bond issues.
2) Fees mainly related to: i) audit activities related to the Information Document, including those activities finalized to the issuance of the Audit Report on the Forecasted Data included in the Information Document; ii) attestation activities regarding the issue of ordinary shares and the Mandatory Convertible Securities; iii)activities related to the examination of the Internal Control over Financial Reporting (ICFR).
3) Fees related to attestation services regarding to the issue of Comfort Letters on bond issuances.
4) Fees mainly related to agreed-upon procedures and other compliances required by law.
5) Mainly compliances requested by local administrative entities and fiscal-related services.

42. Non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group states that it did not enter into any significant non-recurring transactions in 2014.

43. Unusual transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group states that it did not enter into any significant unusual transactions in 2014 as defined by the Communication (the definition is given in the paragraph on the Format of the financial statements).

44. Subsequent events

Reference should be made to the Report on Operations 2014.

45. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2014 were approved on April 14, 2015 by the board of directors, which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 14, 2015

On behalf of the Board of Directors
Chairman and Chief Executive Officer
John Elkann

Appendix 1
List of EXOR Group Companies at December 31, 2014

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations) a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – *Operating Segment*, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Parent company							
EXOR S.p.A.	Italy	246,229,850.00	EUR				
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	18,297,939.16	EUR	27.42	EXOR S.p.A.	40.106	
					Fiat Chrysler Automobiles N.V.	1.743	
					CNH Industrial N.V.	3.228	(*)
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR Inc.	U.S.A.	1.00	USD	100.00	EXOR S.A.	100.000	
EXOR N.V.	Netherlands	45,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR S.p.A.	100.000	
Fiat Chrysler Automobiles N.V.	Netherlands	16,938,612.72	EUR	29.25	EXOR S.p.A.	44.372	
					Fiat Chrysler Automobiles N.V.	1.117	(*)
Real Estate Services							
C&W Group Inc.	U.S.A.	6,317.77	USD	83.06	EXOR S.A.	80.885	
					C&W Group Inc.	1.130	(*)
Leasure and Other							
Arenella Immobiliare S.r.l.	Italy	150,000.00	EUR	100.00	EXOR S.p.A.	100.000	
Juventus Football Club S.p.A.	Italy	8,182,133.28	EUR	63.77	EXOR S.p.A.	63.766	
Real Estate							
EXOR S.N. (USA), LLC.	U.S.A.	10.00	USD	100.00	EXOR S.A.	100.000	

(*) Voting suspended

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
0847574 B.C. Unlimited Liability Company	Canada	1	CAD	100.00	New CarCo Acquisition Canada Ltd.	100.000	
Auburn Hills Mezzanine LLC	U.S.A.	100	USD	100.00	CHRYSLER GROUP REALTY COMPANY LLC	100.000	
Auburn Hills Owner LLC	U.S.A.	100	USD	100.00	Auburn Hills Mezzanine LLC	100.000	
Autodie LLC	U.S.A.	10,000,000	USD	100.00	FCA US LLC	100.000	
CG MID LLC	U.S.A.	2,700,000	USD	100.00	FCA US LLC	100.000	
Chrysler Canada Cash Services Inc.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
Chrysler Canada Inc.	Canada	0	CAD	100.00	0847574 B.C. Unlimited Liability Company	100.000	
Chrysler de Mexico S.A. de C.V.	Mexico	238,621,186	MXN	100.00	Chrysler Mexico Holding, S. de R.L. de C.V.	99.996	
					FCA MINORITY LLC	0.004	
CHRYSLER GROUP AUTO TRANSPORT LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP DEALER CAPITAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP INTERNATIONAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP REALTY COMPANY LLC	U.S.A.	168,769,528	USD	100.00	FCA US LLC	100.000	
Chrysler Group Service Contracts LLC	U.S.A.	100,000,000	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP TRANSPORT LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP VANS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
Chrysler Investment Holdings LLC	U.S.A.	173,350,999	USD	100.00	FCA US LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Canada	0	CAD	100.00	Chrysler Canada Inc.	99.990	
					Chrysler Lease Receivables 1 Inc.	0.005	
					Chrysler Lease Receivables 2 Inc.	0.005	
Chrysler Mexico Holding, S. de R.L. de C.V.	Mexico	3,377,922,033	MXN	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.900	
					CarCo Intermediate Mexico LLC	0.100	
CPK Interior Products Inc.	Canada	1,000	CAD	100.00	Chrysler Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA MINORITY LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA US LLC	U.S.A.	1,632,654	USD	100.00	FCA North America Holdings LLC	98.342	
					FNA HOLDCO 12 LLC	1.658	
Global Engine Manufacturing Alliance LLC	U.S.A.	300,000	USD	100.00	FCA US LLC	100.000	
New CarCo Acquisition Canada Ltd.	Canada	1,000	CAD	100.00	New CarCo Acquisition Holdings Canada Ltd.	100.000	
New CarCo Acquisition Holdings Canada Ltd.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
LATAM							
Banco Fidis S.A.	Brazil	473,669,238	BRL	100.00	Fidis S.p.A.	75.000	
					FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	25.000	
Chrysler Argentina S.R.L.	Argentina	29,335,170	ARS	100.00	FCA US LLC	98.000	
					FCA MINORITY LLC	2.000	
Chrysler Chile Importadora Ltda	Chile	41,800,000	CLP	100.00	FCA US LLC	99.990	
					FCA MINORITY LLC	0.010	
Chrysler de Venezuela LLC	U.S.A.	132,474,694	USD	100.00	CG Venezuela UK Holdings Limited	100.000	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	77,021,334	BRL	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	Brazil	1,140,046,985	BRL	100.00	FCA Italy S.p.A.	100.000	
Fiat Auto Argentina S.A.	Argentina	476,464,366	ARS	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
Fiat Auto S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	Fiat Auto Argentina S.A.	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	372,911,891	ARS	100.00	Fidis S.p.A.	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500	BRL	100.00	Fiat do Brasil S.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
APAC							
Chrysler (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000	EUR	100.00	FCA US LLC	100.000	
Chrysler Asia Pacific Investment Co. Ltd.	People's Rep.of China	4,500,000	CNY	100.00	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler Australia Pty. Ltd.	Australia	143,629,774	AUD	100.00	FCA US LLC	100.000	
Chrysler Group (China) Sales Ltd.	People's Rep.of China	10,000,000	EUR	100.00	Chrysler (Hong Kong) Automotive Limited	100.000	
Chrysler India Automotive Private Limited	India	99,990	INR	100.00	Chrysler Netherlands Distribution B.V.	99.990	
					CHRYSLER GROUP DUTCH OPERATING LLC	0.010	
Chrysler Japan Co., Ltd.	Japan	104,789,875	JPY	100.00	FCA US LLC	60.000	
					Fiat Group Automobiles Japan K.K.	40.000	
Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513	SGD	100.00	FCA US LLC	100.000	
FCA Korea, Ltd.	South Korea	32,639,200,000	KRW	100.00	FCA US LLC	100.000	
Fiat Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FIAT GROUP AUTOMOBILES INDIA Private Limited	India	1,789,900,000	INR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Japan K.K.	Japan	420,000,000	JPY	100.00	FCA Italy S.p.A.	100.000	
Fiat Powertrain Technologies (Shanghai) R&D Co. Ltd.	People's Rep.of China	10,000,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Chrysler Asia Pacific Investment Co. Ltd.	100.000	
EMEA							
Abarth & C. S.p.A.	Italy	1,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
C.F. GOMMA NEDERLAND B.V. in liquidation	Netherlands	18,100	EUR	100.00	FCA Partec S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000	EUR	100.00	FCA Italy S.p.A.	75.000	
					Fiat Partecipazioni S.p.A.	20.000	
					Fiat Powertrain Technologies SpA	5.000	
CF GOMMA DEUTSCHLAND GmbH	Germany	26,000	EUR	100.00	FCA Partec S.p.A.	100.000	
CG EU NSC LIMITED	United Kingdom	1	GBP	100.00	FCA US LLC	100.000	
CG Italia Operations S.r.l.	Italy	53,022	EUR	100.00	Chrysler Italia S.r.l.	100.000	
CG Venezuela UK Holdings Limited	United Kingdom	100	GBP	100.00	CG EU NSC LIMITED	100.000	
Chrysler Austria GmbH	Austria	4,300,000	EUR	100.00	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Serbia	500	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Czech Republic s.r.o.	Czech Republic	55,932,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Danmark ApS	Denmark	1,000,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Deutschland GmbH	Germany	20,426,200	EUR	100.00	FCA US LLC	100.000	
Chrysler Espana S.L.	Spain	16,685,690	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler France S.A.S.	France	460,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Group Egypt Limited	Egypt	240,000	EGP	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
Chrysler Group Middle East FZ-LLC	United Arab Emirates	300,000	AED	100.00	CHRYSLER GROUP INTERNATIONAL LLC	100.000	
Chrysler International GmbH	Germany	25,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Italia S.r.l.	Italy	100,000	EUR	100.00	FCA US LLC	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Management Austria GmbH	Austria	75,000	EUR	100.00	Chrysler Austria GmbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0	EUR	100.00	Chrysler Investment Holdings LLC	99.990	
					FCA MINORITY LLC	0.010	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Chrysler Nederland B.V.	Netherlands	19,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000	EUR	100.00	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler Polska Sp. z o.o.	Poland	30,356,000	PLN	100.00	CG EU NSC LIMITED	100.000	
Chrysler Russia SAO	Russia	574,665,000	RUB	100.00	FCA US LLC	99.999	
					FCA MINORITY LLC	0.001	
Chrysler South Africa (Pty) Limited	South Africa	200	ZAR	100.00	FCA US LLC	100.000	
Chrysler Sweden AB	Sweden	100,000	SEK	100.00	CG EU NSC LIMITED	100.000	
Chrysler Switzerland GmbH	Switzerland	2,000,000	CHF	100.00	CG EU NSC LIMITED	100.000	
Chrysler UK Limited	United Kingdom	46,582,132	GBP	100.00	CG EU NSC LIMITED	100.000	
Customer Services Centre S.r.l.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Easy Drive S.r.l.	Italy	10,400	EUR	100.00	FCA Italy S.p.A.	99.000	
					Fiat Center Italia S.p.A.	1.000	
Fabbrica Italia Pomigliano S.p.A.	Italy	1,000,000	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
FCA Fleet & Tenders S.R.L.	Italy	7,370,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Italy S.p.A.	Italy	800,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Partec S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FGA Austro Car GmbH	Austria	35,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
FGA Investimenti S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FGA Real Estate Services S.p.A.	Italy	150,679,554	EUR	100.00	FCA Italy S.p.A.	100.000	
FGA Versicherungsservice GmbH	Germany	26,000	EUR	100.00	Fiat Group Automobiles Germany AG	51.000	
					Rimaco S.A.	49.000	
Fiat Auto Poland S.A.	Poland	660,334,600	PLN	100.00	FCA Italy S.p.A.	100.000	
Fiat Automobil Vertriebs GmbH	Germany	8,700,000	EUR	100.00	Fiat Group Automobiles Germany AG	100.000	
Fiat Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314	RSD	66.67	FCA Italy S.p.A.	66.670	
Fiat Center (Suisse) S.A.	Switzerland	13,000,000	CHF	100.00	Fiat Group Automobiles Switzerland S.A.	100.000	
Fiat Center Italia S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat CR Spol. S.R.O.	Czech Republic	1,000,000	CZK	100.00	FCA Italy S.p.A.	100.000	
Fiat France	France	235,480,520	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Austria GmbH	Austria	37,000	EUR	100.00	FCA Italy S.p.A.	98.000	
					FGA Investimenti S.p.A.	2.000	
Fiat Group Automobiles Belgium S.A.	Belgium	7,000,000	EUR	100.00	FCA Italy S.p.A.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Central and Eastern Europe KFT.	Hungary	150,000,000	HUF	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Denmark A/S	Denmark	55,000,000	DKK	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Germany AG	Germany	82,650,000	EUR	100.00	FCA Italy S.p.A.	99.000	
					Fiat Group Automobiles Switzerland S.A.	1.000	
Fiat Group Automobiles Hellas S.A.	Greece	62,783,499	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Ireland Ltd.	Ireland	5,078,952	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Maroc S.A.	Morocco	1,000,000	MAD	99.95	FCA Italy S.p.A.	99.950	
Fiat Group Automobiles Netherlands B.V.	Netherlands	5,672,250	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Portugal, S.A.	Portugal	1,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	100.00	FCA Italy S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Fiat Group Automobiles Spain S.A.	Spain	8,079,280	EUR	100.00	FCA Italy S.p.A.	99.998	
					Fiat Group Automobiles Switzerland S.A.	0.002	
Fiat Group Automobiles Sweden AB	Sweden	10,000,000	SEK	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles Switzerland S.A.	Switzerland	21,400,000	CHF	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Automobiles UK Ltd	United Kingdom	44,600,000	GBP	100.00	FCA Italy S.p.A.	100.000	
Fiat Group Marketing & Corporate Communication S.p.A.	Italy	100,000,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni France Société par actions simplifiée	France	37,000	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
Fiat Powertrain Technologies Poland Sp. z o.o.	Poland	269,037,000	PLN	100.00	Fiat Powertrain Technologies SpA	100.000	
Fiat Powertrain Technologies SpA	Italy	525,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Real Estate Germany GmbH	Germany	25,000	EUR	100.00	Fiat Automobil Vertriebs GmbH	100.000	
Fiat SR Spol. SR.O.	Slovack Republic	33,194	EUR	100.00	FCA Italy S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
International Metropolitan Automotive Promotion (France) S.A.	France	2,977,680	EUR	100.00	Fiat France	99.997	
Italian Automotive Center S.A.	Belgium	3,000,000	EUR	100.00	Fiat Group Automobiles Belgium S.A.	99.988	
					FCA Italy S.p.A.	0.012	
Italian Motor Village Ltd.	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Italian Motor Village S.A.	Portugal	50,000	EUR	100.00	Fiat Group Automobiles Portugal, S.A.	100.000	
Italian Motor Village, S.L.	Spain	1,454,420	EUR	100.00	Fiat Group Automobiles Spain S.A.	100.000	
Lancia Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Motor Village Austria GmbH	Austria	37,000	EUR	100.00	Fiat Group Automobiles Austria GmbH	100.000	
Officine Maserati Grugliasco S.p.A.	Italy	500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	Italy	276,640,000	EUR	100.00	FCA Italy S.p.A.	100.000	
SBH EXTRUSION REAL ESTATE S.r.l.	Italy	110,000	EUR	100.00	FCA Partec S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000	EUR	100.00	FCA Italy S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000	EUR	100.00	Fiat Powertrain Technologies SpA	100.000	
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Ferrari S.p.A.	Italy	20,260,000	EUR	90.00	Fiat Chrysler Automobiles N.V.	90.000	
410 Park Display Inc.	U.S.A.	100	USD	90.00	Ferrari N.America Inc.	100.000	
Ferrari Australasia Pty Limited	Australia	2,000,100	AUD	90.00	Ferrari S.p.A.	100.000	
Ferrari Cars International Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,212,500	USD	72.00	Ferrari S.p.A.	80.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000	EUR	90.00	Ferrari S.p.A.	100.000	
FERRARI FAR EAST PTE LTD	Singapore	1,000,000	SGD	90.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600	EUR	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Japan	199,950,000	JPY	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000	EUR	81.00	Ferrari S.p.A.	90.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000	USD	81.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari GE.D. S.p.A.	Italy	11,570,000	EUR	90.00	Ferrari S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000	JPY	90.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep.of China	2,100,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	U.S.A.	200,000	USD	90.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000	GBP	90.00	Ferrari S.p.A.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000	EUR	90.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1,000,000	CHF	90.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000	EUR	90.00	Ferrari S.p.A.	90.000	
					Ferrari GE.D. S.p.A.	10.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
MASERATI							
Maserati S.p.A.	Italy	40,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Maserati (China) Cars Trading Co., Ltd.	People's Rep.of China	10,000,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Magneti Marelli S.p.A.	Italy	254,325,965	EUR	99.99	Fiat Chrysler Automobiles N.V.	99.990	100.000
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000	USD	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting o.o.o.	Russia	386,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000	MXN	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Italy	1,033,000	EUR	75.49	Automotive Lighting Italia S.p.A.	75.500	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep.of China	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
FMM Pernambuco Componentes Automotivos Ltda	Brazil	37,984,800	BRL	64.99	Plastic Components and Modules Automotive S.p.A.	65.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep.of China	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
JCMM Automotive d.o.o.	Serbia	1,223,910,473	RSD	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Magneti Marelli (China) Co. Ltd.	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep.of China	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep.of China	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	106,831,302	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Fiat do Brasil S.A.	0.100	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio SA	Brazil	100,000	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. Inc.	U.S.A.	10	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	20,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep.of China	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	360,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Turkey	50,005	TRY	99.94	Automotive Lighting Reutlingen GmbH	99.842	
					PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas Ltda	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000	USD	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Powertrain India Private Limited	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.033	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovack Republic	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000	USD	100.00	Magneti Marelli Holding U.S.A. Inc.	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	52.000	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	206,834,874	BRL	99.99	Magneti Marelli S.p.A.	66.111	
					Automotive Lighting Reutlingen GmbH	33.889	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovack Republic	98,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	7,550,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
MM I&T Sas	France	607,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	0.100	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Sistemi Sospensioni S.p.A.	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Soffiaggio Polimeri S.r.l.	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000	MXN	100.00	Automotive Lighting LLC	99.998	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.002	
Ufima S.A.S.	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
					Fiat Partecipazioni S.p.A.	34.980	
TEKSID							
Teksid S.p.A.	Italy	71,403,261	EUR	84.79	Fiat Chrysler Automobiles N.V.	84.791	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000	MXN	84.79	Teksid Hierro de Mexico S.A. de C.V.	99.800	
					Teksid Inc.	0.200	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550	EUR	70.89	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Teksid do Brasil Ltda	Brazil	233,679,013	BRL	84.79	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	716,088,300	MXN	84.79	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	84.79	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500	PLN	84.79	Teksid S.p.A.	100.000	
COMAU							
Comau S.p.A.	Italy	48,013,959	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep.of China	3,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
					Comau do Brasil Industria e Comercio Ltda.	44.690	
					Fiat Argentina S.A.	0.030	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100	CAD	100.00	Comau Inc.	100.000	
Comau Deutschland GmbH	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau Estil Unl.	United Kingdom	107,665,056	USD	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Inc.	U.S.A.	100	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Comau India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romenia	23,673,270	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
BMI S.p.A.	Italy	124,820	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Deposito Avogadro S.p.A.	Italy	5,100,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Editrice La Stampa S.p.A.	Italy	5,700,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA North America Holdings LLC	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Argentina S.A.	Argentina	5,292,117	ARS	100.00	Fiat Services S.p.A.	90.961	
					Fiat do Brasil S.A.	9.029	
					SGR-Sociedad para la Gestion de Riesgos S.A.	0.009	
					Fiat Auto Argentina S.A.	0.001	
Fiat Chrysler Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance Europe S.A.	Luxembourg	251,494,000	EUR	100.00	Fiat Chrysler Finance S.p.A.	60.003	
					Fiat Chrysler Automobiles N.V.	39.997	
Fiat Chrysler Finance North America Inc.	U.S.A.	190,090,010	USD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance S.p.A.	Italy	224,440,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat do Brasil S.A.	Brazil	992,030,675	BRL	100.00	FCA Italy S.p.A.	95.667	
					FGA Real Estate Services S.p.A.	4.333	
Fiat Financas Brasil Ltda	Brazil	2,469,701	BRL	100.00	Fiat Chrysler Finance S.p.A.	99.994	
					Fiat do Brasil S.A.	0.006	
Fiat Finance et Services S.A.	France	3,700,000	EUR	100.00	Fiat Services S.p.A.	99.997	
Fiat GmbH	Germany	200,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Group Purchasing France S.a.r.l.	France	7,700	EUR	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	Fiat Group Purchasing S.r.l.	100.000	
Fiat Group Purchasing S.r.l.	Italy	600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Iberica S.A.	Spain	2,797,054	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Information Technology, Excellence and Methods S.p.A.	Italy	500,000	EUR	100.00	Fiat Services S.p.A.	100.000	
Fiat Partecipazioni S.p.A.	Italy	614,071,587	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Belgium N.V.	Belgium	62,000	EUR	100.00	Fiat Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
Fiat Services d.o.o. Kragujevac	Serbia	15,047,880	RSD	100.00	Fiat Services S.p.A.	100.000	
Fiat Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	Fiat Services S.p.A.	100.000	
Fiat Services S.p.A.	Italy	3,600,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Services Support Mexico S.A. de C.V.	Mexico	100	MXN	100.00	Fiat Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
Fiat Services U.S.A., Inc.	U.S.A.	500,000	USD	100.00	Fiat Services S.p.A.	100.000	
Fiat Servizi per l'Industria S.c.p.a.	Italy	1,652,669	EUR	90.31	FCA Italy S.p.A.	51.000	
					Fiat Partecipazioni S.p.A.	11.500	
					Fiat Chrysler Automobiles N.V.	5.000	
					Teksid S.p.A.	2.000	
					Abarth & C. S.p.A.	1.500	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					Editrice La Stampa S.p.A.	1.500	
					Ferrari S.p.A.	1.500	
					Fiat Chrysler Finance S.p.A.	1.500	
					Fiat Group Marketing & Corporate Communication S.p.A.	1.500	
					Fiat Information Technology, Excellence and Methods S.p.A.	1.500	
					Fiat Services S.p.A.	1.500	
					Fidis S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
					Maserati S.p.A.	1.500	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	1.500	
					SIRIO - Sicurezza Industriale Società consortile per azioni	1.500	
					Deposito Avogadro S.p.A.	0.500	
Fiat U.K. Limited	United Kingdom	750,000	GBP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	U.S.A.	16,830,000	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
FNA HOLDCO 12 LLC	U.S.A.	0	USD	100.00	FCA North America Holdings LLC	100.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Rimaco S.A.	100.000	
Nexta Srl	Italy	50,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Publikompass S.p.A.	Italy	3,068,000	EUR	100.00	Editrice La Stampa S.p.A.	100.000	
Rimaco S.A.	Switzerland	350,000	CHF	100.00	Fiat Partecipazioni S.p.A.	100.000	
Risk Management S.p.A.	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000	EUR	100.00	Fiat Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000	EUR	86.59	Fiat Partecipazioni S.p.A.	58.230	
					FCA Italy S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					Fiat Powertrain Technologies SpA	1.314	
					Sata-Società Automobilistica Tecnologie Avanzate S.p.A.	0.833	
					C.R.F. Società Consortile per Azioni	0.768	
					Fiat Chrysler Automobiles N.V.	0.751	
					Comau S.p.A.	0.729	
					Ferrari S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					Fiat Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	
					Fiat Servizi per l'Industria S.c.p.a.	0.503	
					Fiat Chrysler Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Editrice La Stampa S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FGA Real Estate Services S.p.A.	0.103	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.103	
					Fiat Group Purchasing S.r.l.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.065	
					Fiat Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Maserati S.p.A.	0.039	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
					Risk Management S.p.A.	0.039	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Customer Services Centre S.r.l.	0.022	
					Deposito Avogadro S.p.A.	0.022	
					Easy Drive S.r.l.	0.022	
					FCA Fleet & Tenders S.R.L.	0.022	
					Fiat Information Technology, Excellence and Methods S.p.A.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport Fiat S.p.A. - Società sportiva dilettantistica	Italy	889,049	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	

Joint arrangements of FCA Group (percentage of EXOR Group consolidation: 29.25%)

JOINT ARRANGEMENTS							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
APAC							
Fiat India Automobiles Limited	India	24,451,596,600	INR	50.00	FCA Italy S.p.A.	50.000	
EMEA							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000	EUR	50.00	FCA Italy S.p.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
2 H Energy S.A.S.	France	2,000,000	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Afin Bohemia s.r.o.	Czech Republic	1,000,000	CZK	100.00	Iveco FS Holdings Limited	100.000	
Afin Bulgaria EAD	Bulgaria	310,110	BGN	100.00	Iveco FS Holdings Limited	100.000	
Afin Slovakia S.R.O.	Slovack Republic	39,833	EUR	100.00	Iveco FS Holdings Limited	98.120	
					Iveco Capital Limited	1.880	
Afin Trade Bulgaria Eood	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	12,000,000	ETB	70.00	CNH Industrial N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Banco CNH Industrial Capital S.A.	Brazil	891,582,770	BRL	100.00	CNH Industrial N.V.	53.513	
					CNH Industrial Capital U.K. Ltd	45.816	
					CNH Industrial Latin America Ltda.	0.671	
Bli Group Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Blue Leaf I.P. Inc.	U.S.A.	1,000	USD	100.00	Bli Group Inc.	100.000	
Blue Leaf Insurance Company	U.S.A.	250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Brazil Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	14,000,000	USD	100.00	CNH Industrial N.V.	100.000	
Case Credit Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment International Corporation	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Europe S.a.r.l.	France	7,622	EUR	100.00	CNH Industrial America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211	EUR	100.00	CNH Industrial America LLC	100.000	
CASE ILE DE FRANCE	France	600,000	EUR	100.00	CNH Industrial France	100.000	
Case India Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case International Marketing Inc.	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case LBX Holdings Inc.	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000	INR	98.20	CNH Industrial America LLC	50.000	
					New Holland Fiat (India) Private Limited	50.000	
Case New Holland Industrial Inc.	U.S.A.	5	USD	100.00	CNH Industrial N.V.	100.000	
Case New Holland Machinery (Harbin) Ltd.	People's Rep.of China	30,000,000	USD	100.00	CNH Industrial Asian Holding Limited N.V.	99.920	
					CNH Industrial Europe Holding S.A.	0.080	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case United Kingdom Limited	United Kingdom	3,763,618	GBP	100.00	CNH Industrial America LLC	100.000	
CNH (China) Management Co., Ltd.	People's Rep.of China	12,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep.of China	2,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Capital Finance LLC	U.S.A.	5,000	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842	MXN	100.00	CNH Industrial America LLC	100.000	
CNH Engine Corporation	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
CNH Industrial (Russia) Commercial Operations B.V.	Netherlands	35,300	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial (Russia) Industrial Operations B.V.	Netherlands	36,002	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial America LLC	U.S.A.	0	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Argentina S.A.	Argentina	100,246,105	ARS	100.00	CNH Industrial Latin America Ltda.	76.176	
					New Holland Holding (Argentina) S.A.	23.824	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
CNH Industrial Asian Holding Limited N.V.	Belgium	25,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Australia Pty Limited	Australia	293,408,692	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	396,606,339	EUR	100.00	CNH Industrial Europe Holding S.A.	87.899	
					New Holland Holding Limited	12.101	
CNH Industrial BM GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Canada, Ltd.	Canada	28,000,100	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital America LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital LLC	100.000	
CNH Industrial Capital Australia Pty Limited	Australia	70,675,693	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
CNH Industrial Capital Benelux NV	Belgium	45,673,745	EUR	100.00	CNH Industrial N.V.	99.996	
					CNH Industrial Capital U.K. Ltd	0.004	
CNH Industrial Capital Canada Ltd.	Canada	5,435,350	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Industrial Capital LLC	U.S.A.	0	USD	100.00	CNH Industrial America LLC	100.000	
CNH INDUSTRIAL CAPITAL S.A.	Argentina	2,990,000	ARS	100.00	CNH Industrial Argentina S.A.	50.000	
					Iveco Argentina S.A.	50.000	
CNH Industrial Capital U.K. Ltd	United Kingdom	10,000,001	GBP	100.00	CNH Industrial Capital Benelux NV	100.000	
CNH Industrial Danmark A/S	Denmark	12,000,000	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
					CNH Industrial Europe Holding S.A.	10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000	EUR	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance France S.A.	France	1,000,000	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America Inc.	U.S.A.	25,000,000	USD	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services GmbH	Germany	1,151,000	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Financial Services S.A.	France	50,860,641	EUR	100.00	CNH Industrial N.V.	98.888	
					CNH Industrial Capital Benelux NV	1.112	
CNH Industrial France	France	427,965,450	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Latin America Ltda.	Brazil	1,517,568,579	BRL	100.00	CNH Industrial N.V.	85.658	
					Case Brazil Holdings Inc.	12.557	
					Case Equipment International Corporation	1.785	
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000	EUR	100.00	Iveco Espana S.L.	99.999	
CNH Industrial Osterreich GmbH	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798	EUR	100.00	CNH Industrial Europe Holding S.A.	99.980	
					CNH Industrial Italia s.p.a.	0.020	
CNH Industrial Sales and services GmbH	Germany	25,000	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
CNH Industrial Services (Thailand) Limited	Thailand	10,000,000	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH Industrial Services S.r.l.	Italy	10,400	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Reman LLC	U.S.A.	4,000,000	USD	50.00	CNH Industrial America LLC	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
CNH U.K. Limited	United Kingdom	91,262,275	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNHI International S.A.	Switzerland	100,000	CHF	100.00	CNH Industrial N.V.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Spain	993,045	EUR	100.00	Iveco Espana S.L.	99.996	
					Transolver Service S.A.	0.004	
Farmpower Pty Limited	Australia	360	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiatallis North America LLC	U.S.A.	32	USD	100.00	CNH Industrial America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776	GBP	100.00	CNH Industrial Canada, Ltd.	100.000	
FPT - Powertrain Technologies France S.A.	France	73,444,960	EUR	100.00	Iveco France	97.200	
					CNH Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Argentina	141,959,867	ARS	100.00	FPT Industrial S.p.A.	96.977	
					FPTI Representacao Comercial de Motores Automotivos Ltda	3.023	
FPT Industrial S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
FPTI Representacao Comercial de Motores Automotivos Ltda	Brazil	1,872,472	BRL	100.00	FPT Industrial S.p.A.	100.000	
Heuliez Bus S.A.	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
HFI Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Irisbus Italia S.p.A.	Italy	4,500,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	50,000,000	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	24,698,000	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Argentina S.A.	Argentina	130,237,793	ARS	100.00	Iveco Espana S.L.	99.000	
					Astra Veicoli Industriali S.p.A.	1.000	
Iveco Austria GmbH	Austria	6,178,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romenia	25,000	RON	100.00	Iveco Capital Leasing IFN S.A.	100.000	
Iveco Capital Leasing IFN S.A.	Romenia	22,519,326	RON	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Limited	United Kingdom	798	GBP	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000	RUB	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital SA	Switzerland	14,000,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Espana S.L.	Spain	132,333,109	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finance AG	Switzerland	1,500,000	CHF	100.00	Iveco Capital Limited	100.000	
Iveco Finance GmbH	Germany	75,775,000	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finanziaria S.p.A.	Italy	145,000,000	EUR	100.00	Iveco Capital Limited	100.000	
Iveco Finland OY	Finland	100,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Iveco FS Holdings Limited	United Kingdom	1,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Holdings Limited	United Kingdom	47,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000	RUB	100.00	Iveco FS Holdings Limited	100.000	
Iveco International Trade Finance S.A.	Switzerland	30,800,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Investitions GmbH	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Brazil	366,180,646	BRL	100.00	Iveco Espana S.L.	100.000	
Iveco Limited	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Germany	50,000,000	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000	HUF	100.00	Iveco Austria GmbH	100.000	
Iveco Nederland B.V.	Netherlands	4,537,802	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l. in liquidazione	Italy	24,952,384	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations s.a.s.	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
					Iveco Limited	50.000	
Iveco Poland Sp. z o.o.	Poland	46,974,500	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000	EUR	100.00	CNH Industrial N.V.	99.998	99.997
					Astra Veicoli Industriali S.p.A.	0.001	
					Iveco Espana S.L.	0.001	
Iveco Provence s.a.s.	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	100	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romenia	17,500	RON	100.00	Iveco Austria GmbH	100.000	
Iveco S.p.A.	Italy	200,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	1,000	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Sweden	600,000	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romenia	200	RON	100.00	Iveco Romania S.r.l.	95.000	
					Iveco Magyarorszag Kereskedelmi KFT	5.000	
Iveco Trucks Australia Limited	Australia	47,492,260	AUD	100.00	CNH Industrial N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	3,985,803	VEF	100.00	CNH Industrial N.V.	62.689	
					Iveco S.p.A.	37.311	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	
La Garde Chaberte S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Le Logis De Villeneuve S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Les Estroublans 2 S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Estroublans de Vitrolle S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Les Paluds D`Aubagne S.C.I.	France	2,000	EUR	100.00	Iveco Participations s.a.s.	99.500	
					Iveco France	0.500	
Limited Liability Company "CNH Parts and Service Operations"	Russia	54,000,000	RUB	100.00	CNH Industrial N.V.	100.000	
LLC "CNH Industrial (Russia) Commercial Operations"	Russia	20,408	RUB	100.00	CNH Industrial (Russia) Commercial Operations B.V.	100.000	
LLC "CNH Industrial (Russia) Industrial Operations"	Russia	60,081,800	RUB	100.00	CNH Industrial (Russia) Industrial Operations B.V.	100.000	
MAGIRUS CAMIVA S.a.s. (societè par actions simplifièe)	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Magirus GmbH	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775	EUR	84.43	Magirus GmbH	100.000	
MBA AG	Switzerland	4,000,000	CHF	100.00	CNH Industrial N.V.	100.000	
Mediterranea de Camiones S.L.	Spain	48,080	EUR	100.00	Iveco Espana S.L.	99.875	
					CNH Industrial N.V.	0.125	
New Holland Construction Machinery S.p.A.	Italy	12,396,363	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital LLC	100.000	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	96.41	CNH Industrial Asian Holding Limited N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Argentina	23,555,415	ARS	100.00	CNH Industrial Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	106,328,601	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd. N.V.	Belgium	9,631,500	EUR	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
Officine Brennero S.p.A.	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000	RUB	100.00	CNH Industrial N.V.	99.960	
					Iveco Austria GmbH	0.040	
Pryor Foundry Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Puget Les Plaines S.C.I.	France	132,631	EUR	100.00	Iveco Provence s.a.s.	99.885	
					Iveco France	0.115	
Receivables Credit II Corporation	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
S.A. Iveco Belgium N.V.	Belgium	6,000,000	EUR	100.00	CNH Industrial N.V.	99.983	
					Iveco Nederland B.V.	0.017	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000	CNY	60.00	SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
					FPT Industrial S.p.A.	30.000	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	67,000,000	USD	60.00	CNH Industrial Asian Holding Limited N.V.	60.000	
Société Charolaise de Participations S.A.	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400	EUR	100.00	Iveco France	100.000	
Steyr Center Nord GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
Transolver Finance S.A.S.	France	9,468,219	EUR	100.00	CNH Industrial N.V.	100.000	
Transolver Service S.A.	Spain	610,000	EUR	100.00	Iveco FS Holdings Limited	99.984	
					Iveco Espana S.L.	0.016	
Transolver Services S.A.	France	38,000	EUR	99.76	Iveco Capital Limited	99.760	
UAB Iveco Capital Baltic	Lithuania	138,500	LTL	100.00	Iveco FS Holdings Limited	100.000	
Uzcaseagroleasing LLC	Uzbekistan	5,000,000	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Uzbekistan	15,000,000	USD	60.00	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Uzbekistan	5,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Uzbekistan	15,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
BIGeREALESTATE, Inc.	U.S.A.	226,236.00	USD	93.52	Cushman & Wakefield, Inc.	93.519	
Buckbee Thorne & Co.	U.S.A.	37,500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Integration Group (UK) Limited	United Kingdom	1.00	GBP	93.52	BIGeREALESTATE, Inc.	100.000	
Business Integration Group, Inc.	U.S.A.	N/A	USD	93.52	BIGeREALESTATE, Inc.	100.000	
C & W Offshore Consulting, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
C & W Operacion Inmobiliaria, S.A.de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
C & W-Japan K.K.	Japan	200.00	JPY	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield - Argentina S.A.	Argentina	1,446,108.00	ARS	99.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	95.000	
					Cushman & Wakefield of South America, LLC	5.000	
Cushman & Wakefield - Chile Negocios Inmobiliarios Limitada	Chile	315,163,132.00	CLP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.980	
					Cushman & Wakefield of South America, LLC	0.020	
Cushman & Wakefield - Colombia Ltda	Colombia	5,706,000.00	COP	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.895	
					Cushman & Wakefield of South America, LLC	0.105	
Cushman & Wakefield - Serviços Gerais Ltda	Brazil	10,000.00	BRL	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
					Cushman & Wakefield Luxembourg Holdings S.à.r.l	0.010	
Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	Portugal	50,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (7 Westferry Circus) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield (Hellas) Real Estate Agents and Consultants SA	Greece	60,000.00	EUR	99.99	Cushman & Wakefield (France Holdings) S.A.S.	99.995	
Cushman & Wakefield (HK) Limited	Hong Kong	373,526,359.00	HKD	100.00	Cushman & Wakefield of Asia Limited	100.000	
					Cushman & Wakefield of Asia, Inc.	0.000	
Cushman & Wakefield (Middle East) FZE	United Arab Emirates	1,000,000.00	USD	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield (NSW) Pty Limited	Australia	22,886,644.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (QLD) Pty Ltd.	Australia	843,626.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (S) Pte Limited	Singapore	38,761,597.35	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (Shanghai) Co., Ltd.	People's Rep.of China	1,800,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield (VIC) Pty Ltd	Australia	1,208,728.00	AUD	100.00	Cushman & Wakefield (Australia) Pty Limited	100.000	
Cushman & Wakefield (Vietnam) Limited	Vietnam	4,000,000,000.00	VND	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield (Warwick Court) Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Site Services Limited	100.000	
Cushman & Wakefield 111 Wall, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield 1180, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Asset Management Italy S.r.l.	Italy	10,000.00	EUR	100.00	Cushman & Wakefield Site Services Limited	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield Consultoria Imobiliaria Ltda	Brazil	34,435,551.00	BRL	99.85	Cushman & Wakefield Luxembourg Holdings S.à.r.l	99.850	
Cushman & Wakefield Consultoria Imobiliaria, Unipessoal, Lda.	Portugal	N/A	EUR	100.00	Cushman & Wakefield - Sociedade de Mediacao Imobilaria, Lda	100.000	
Cushman & Wakefield Corporate Finance Limited	United Kingdom	10,000.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield de Mexico, S.A. de C.V	Mexico	100,000.00	MXN	100.00	Cushman & Wakefield of the Americas, Inc.	50.000	
					Cushman & Wakefield of North America, Inc.	50.000	
Cushman & Wakefield Decoration Engineering (Beijing) Co., Ltd.	People's Rep.of China	1,000,000.00	CNY	100.00	Cushman & Wakefield (China) Limited	100.000	
Cushman & Wakefield Eastern, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Expertise S.A.S.	France	37,000.00	EUR	100.00	Cushman & Wakefield S.A.S.	100.000	
Cushman & Wakefield Gayrimenkul Danismanlik Mumessillik ve Turizm Hizmetleri Anonim Sirketi	Turkey	50,000.00	TRY	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Global Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield India Private Limited	India	28,529,610.00	INR	100.00	Cushman & Wakefield Mauritius Holdings, Inc.	99.990	
					Cushman & Wakefield of Asia Limited	0.010	
Cushman & Wakefield International Investment Advisors, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International Real Estate Kft.	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield (France Holdings) S.A.S.	96.667	
					Cushman & Wakefield Residential Limited	3.333	
Cushman & Wakefield Investment Advisors K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Investors - Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield K.K.	Japan	200.00	JPY	100.00	C & W-Japan K.K.	100.000	
Cushman & Wakefield Korea Ltd.	South Korea	100,000.00	KRW	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield LLP	United Kingdom	N/A	GBP	99.00	Cushman & Wakefield (UK) Ltd.	99.000	
Cushman & Wakefield Loan.Net, Inc.	U.S.A.	20.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Ltd.	Canada	11,000.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Luxembourg S.à.r.l.	Luxembourg	1,250,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Malaysia Sdn Bhd	Malaysia	311,890.00	RM	100.00	Cushman & Wakefield (HK) Limited	90.000	
					Cushman & Wakefield Valuation Advisory Services (HK) Limited	10.000	
Cushman & Wakefield Management Corporation	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield State Street, Inc.	100.000	
Cushman & Wakefield Negócios Imobiliários Ltda	Brazil	77,500.00	BRL	99.99	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.990	
Cushman & Wakefield of Alabama, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arizona, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Arkansas, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of California, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Colorado, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Connecticut, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield of Delaware, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Europe, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of Florida, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Georgia, Inc.	U.S.A.	6,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Illinois, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Indiana, Inc.	U.S.A.	5.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Kentucky, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Long Island, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Maryland, Inc	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Massachusetts, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Michigan, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Minnesota, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Mississippi, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Missouri, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Nevada, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Hampshire, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of New Jersey, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of North Carolina, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Ohio, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oklahoma, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Oregon, Inc.	U.S.A.	1,010.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Pennsylvania, Inc.	U.S.A.	14.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of San Diego, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield of California, Inc.	100.000	
Cushman & Wakefield of Tennessee, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Texas, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Virginia, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington D.C., Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield of Washington, Inc.	U.S.A.	500.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield One Court Square Cleaning, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield OOO	Russia	8,788,898.90	RUB	100.00	Cushman & Wakefield (France Holdings) S.A.S.	99.000	
					Cushman & Wakefield International, LLC	1.000	
Cushman & Wakefield Peru S.A.	Peru	166,416.00	PEN	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	99.800	
					Cushman & Wakefield of South America, LLC	0.200	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield Philippines Inc.	Philippines	8,250,000.00	PHP	99.95	Cushman & Wakefield of Asia, Inc.	99.950	
Cushman & Wakefield Polska SP z.o.o.	Poland	135,588.00	PLN	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Property Management Services India Private Limited	India	100,000.00	INR	100.00	Cushman & Wakefield India Private Limited	100.000	
Cushman & Wakefield Property Management Services Kft	Hungary	3,000,000.00	HUF	100.00	Cushman & Wakefield International Real Estate Kft.	100.000	
Cushman & Wakefield Property Services Slovakia, s.r.o.	Slovack Republic	N/A	EUR	100.00	Cushman & Wakefield, s. r. o.	100.000	
Cushman & Wakefield Property Tax Services Paralegal Professional Corporation	Canada	100.00	CAD	100.00	Cushman & Wakefield Ltd.	100.000	
Cushman & Wakefield Regional, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Residential Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Risk Management Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield S.A.S.	France	42,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield Securities, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Site Services Limited	United Kingdom	500.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield State Street, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Taiwan Limited	Taiwan	500,000.00	TWD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Thailand Limited	Thailand	8,000,000.00	THB	99.99	Cushman & Wakefield of Asia Limited	99.999	
Cushman & Wakefield V.O.F.	Netherlands	N/A	EUR	100.00	Cushman & Wakefield Netherlands B.V.	N/A	
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Hong Kong	17,000,000.00	HKD	100.00	Cushman & Wakefield (HK) Limited	100.000	
Cushman & Wakefield Venezuela, S.A.	Venezuela	1,000,000.00	VEF	100.00	Cushman & Wakefield Consultoria Imobiliaria Ltda	100.000	
Cushman & Wakefield VHS Pte Limited	Singapore	1.00	SGD	100.00	Cushman & Wakefield (S) Pte Limited	100.000	
Cushman & Wakefield Western, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Zarzadzanie SP z.o.o.	Poland	50,000.00	PLN	99.00	Cushman & Wakefield Polska SP z.o.o.	99.000	
Cushman & Wakefield, Inc.	U.S.A.	0.01	USD	100.00	Cushman & Wakefield Holdings, Inc.	100.000	
Cushman & Wakefield, S. de R.L. de C.V.	Mexico	16,200,000.00	MXN	100.00	Cushman & Wakefield de Mexico, S.A. de C.V	99.994	
					Cushman & Wakefield of the Americas, Inc.	0.006	
Cushman & Wakefield, s. r. o.	Czech Republic	100,000.00	CZK	100.00	Cushman & Wakefield (France Holdings) S.A.S.	80.000	
					Cushman & Wakefield Global Holdco Limited	20.000	
Cushman & Wakefield/PREMISYS Colorado, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield/PREMISYS, Inc.	64.000	
					Cushman & Wakefield, Inc.	16.000	
Cushman & Wakefield/PREMISYS, Inc.	U.S.A.	97.00	USD	100.00	Cushfield, Inc.	100.000	
PT Cushman & Wakefield Indonesia f/k/a PT Property Advisory Indonesia	Indonesia	5,000.00	IDR	98.00	Cushman & Wakefield Indonesia Holdings Pte Ltd.	98.000	
The Apartment Group LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield of Georgia, Inc.	100.000	
Massey Knakal Capital Services, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of Brooklyn, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Massey Knakal Realty of Manhattan, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of New Jersey, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of Queens, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty of the Bronx, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Massey Knakal Realty Retail Leasing Services, LLC	U.S.A.	N/A	USD	100.00	Massey Knakal Realty, LLC	100.000	
Asset Services							
Cushman & Wakefield Asset Management K.K.	Japan	11,900.00	JPY	100.00	Cushman & Wakefield Investment Advisors K.K.	100.000	
Cushman & Wakefield Asset Management, Inc.	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Facilities Management Services	Canada	1,000.00	CAD	100.00	Cushman & Wakefield Ltd.	50.000	
					Cushman & Wakefield FM Limited Partnership	50.000	
Cushman & Wakefield FM Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.000	
					Cushman & Wakefield GP Inc.	1.000	
Holding							
Cushman & Wakefield (BVI) Inc	British Virgin Islands	100.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield (EMEA) Limited	United Kingdom	15,170,519.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (France Holdings) S.A.S.	France	7,910,207.00	EUR	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield (UK) Services Ltd.	United Kingdom	15,398,538.00	GBP	100.00	Cushman & Wakefield Global Holdco Limited	100.000	
Cushman & Wakefield Capital Holdings (Asia)	Belgium	5,520,471.79	EUR	100.00	Cushman & Wakefield International, LLC	99.660	
					Cushman & Wakefield of Asia, Inc.	0.340	
Cushman & Wakefield Global Holdco Limited	United Kingdom	19,799,471.00	EUR	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	100.000	
Cushman & Wakefield Holdings, Inc.	U.S.A.	0.01	USD	100.00	C&W Group Inc.	100.000	
Cushman & Wakefield Indonesia Holdings Pte Ltd.	Singapore	603,740.00	SGD	60.00	Cushman & Wakefield Singapore Holdings Pte Limited	60.000	
Cushman & Wakefield Industrial Dutch Holdings B.V.	Netherlands	18,000.00	EUR	100.00	Cushman & Wakefield, Inc.	97.778	
					Cushman & Wakefield of South America, LLC	2.222	
Cushman & Wakefield International Finance Subsidiary, LLC	U.S.A.	1.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield International, LLC	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield Luxembourg Holdings S.à.r.l	Luxembourg	12,600.00	EUR	100.00	Cushman & Wakefield Industrial Dutch Holdings B.V.	100.000	
Cushman & Wakefield Mauritius Holdings, Inc.	Mauritius	500,000.00	USD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Cushman & Wakefield of Asia Limited	British Virgin Islands	5,051,019.64	USD	100.00	Cushman & Wakefield (BVI) Inc	4.846	
					Cushman & Wakefield (EMEA) Limited	25.099	
					Cushman & Wakefield of Asia, Inc.	70.055	
Cushman & Wakefield of Asia, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of the Americas, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding							
Cushman & Wakefield Singapore Holdings Pte Limited	Singapore	44,158,037.96	SGD	100.00	Cushman & Wakefield of Asia Limited	100.000	
Massey Knakal Realty, LLC	U.S.A.	N/A	USD	100.00	Cushman & Wakefield, Inc.	100.000	
REIT Management							
Cushman & Wakefield Realty Advisors, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Business Support Management							
Cushman & Wakefield Facilities Management (Greece) Monoprosopi EPE	Greece	18,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management AB	Sweden	100,000.00	SEK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Denmark Aps	Denmark	125.00	DKK	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management France S.a.r.l.	France	8,000.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Ireland Limited	Ireland	100.00	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Limited	United Kingdom	8,030.00	GBP	100.00	Cushman & Wakefield (EMEA) Limited	100.000	
Cushman & Wakefield Facilities Management Romania S.r.l.	Romenia	200.00	RON	100.00	Cushman & Wakefield Facilities Management Trading Limited	95.000	
					Cushman & Wakefield Facilities Management Limited	5.000	
Cushman & Wakefield Facilities Management S.p.r.l.	Belgium	18,549.97	EUR	100.00	Cushman & Wakefield Facilities Management Trading Limited	100.000	
Cushman & Wakefield Facilities Management Trading Limited	United Kingdom	1.00	GBP	100.00	Cushman & Wakefield Facilities Management Limited	100.000	
Cushman & Wakefield Facilities Management, Inc.	U.S.A.	1,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Building Management Services							
Cushfield Maintenance Corp.	U.S.A.	10.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushfield Maintenance West Corp.	U.S.A.	1,000.00	USD	100.00	Buckbee Thorne & Co.	100.000	
Cushfield, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield National Corporation	U.S.A.	5,100.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Design, Build & Project Management							
Cushman & Wakefield Project Management Services Philippines Inc.	Philippines	9,400,000.00	PHP	100.00	Cushman & Wakefield of Asia, Inc.	40.000	(*)
Others							
Cushman & Wakefield (Australia) Pty Limited	Australia	32,991,741.00	AUD	100.00	Cushman & Wakefield Holding Pty Limited	1.520	
					Cushman & Wakefield Singapore Holdings Pte Limited	98.480	
Cushman & Wakefield (China) Limited	Hong Kong	3.00	HKD	100.00	Cushman & Wakefield of Asia Limited	66.667	
					Cushman & Wakefield (HK) Limited	33.333	
Cushman & Wakefield (UK) Ltd.	United Kingdom	15,398,536.00	GBP	100.00	Cushman & Wakefield (UK) Services Ltd.	100.000	
Cushman & Wakefield Advisory Asia (India) Private Limited	India	21,000,000.00	INR	100.00	Cushman & Wakefield Capital Holdings (Asia)	99.000	
					Cushman & Wakefield of Asia, Inc.	1.000	
Cushman & Wakefield Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield First Nova Scotia ULC	99.900	
					Cushman & Wakefield Second Nova Scotia ULC	0.100	

(*) Consolidated at 100% pursuant to a Management agreement between Cushman & Wakefield of Asia Inc. and the nominee shareholders.

Investments of C&W Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 83.06%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Others							
Cushman & Wakefield Capital Asia (HK) Limited	Hong Kong	100,000,000.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Capital Asia Limited	Hong Kong	86,226,914.00	HKD	100.00	Cushman & Wakefield of Asia, Inc.	100.000	
Cushman & Wakefield Cleaning Services, Inc.	U.S.A.	200.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield First Nova Scotia ULC	Canada	54,095,481.16	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield GP Inc.	Canada	100.00	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	100.000	
Cushman & Wakefield Holding Pty Limited	Australia	1.00	AUD	100.00	Cushman & Wakefield Singapore Holdings Pte Limited	100.000	
Cushman & Wakefield Investors Asia Ltd.	Hong Kong	37,116,943.00	HKD	100.00	Cushman & Wakefield Capital Holdings (Asia)	100.000	
Cushman & Wakefield Netherlands B.V.	Netherlands	40,000.00	EUR	100.00	Cushman & Wakefield (France Holdings) S.A.S.	100.000	
Cushman & Wakefield New Canada Limited Partnership	Canada	N/A	CAD	100.00	Cushman & Wakefield Canada Limited Partnership	99.990	
					Cushman & Wakefield Second Nova Scotia ULC	0.010	
Cushman & Wakefield of North America, Inc.	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield of South America, LLC	U.S.A.	100.00	USD	100.00	Cushman & Wakefield International, LLC	100.000	
Cushman & Wakefield Operacion de Servicios, S.A. de C.V.	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
Cushman & Wakefield Second Nova Scotia ULC	Canada	100.00	CAD	100.00	Cushman & Wakefield International Finance Subsidiary, LLC	100.000	
Cushman & Wakefield Servicios, S.A. de C.V	Mexico	50,000.00	MXN	100.00	Cushman & Wakefield, S. de R.L. de C.V.	99.996	
					Cushman & Wakefield de Mexico, S.A. de C.V	0.004	
Cushman & Wakefield Spain Limited	United Kingdom	1,000.00	GBP	100.00	Cushman & Wakefield, Inc.	100.000	
Cushman & Wakefield U.K. Limited Partnership	United Kingdom	N/A	GBP	100.00	Cushman & Wakefield Luxembourg Holdings S.à.r.l	98.000	
					Cushman & Wakefield Global Holdco Limited	2.000	
Nottingham Indemnity, Inc.	U.S.A.	100,000.00	USD	100.00	Cushman & Wakefield, Inc.	100.000	
OTHER COMPANIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Real Estate Services							
Cushman & Wakefield (Bahrain) W.L.L.	Bahrain	20,000.00	BD	100.00	Cushman & Wakefield (Middle East) FZE	N/A	

(*) Pursuant to a Management agreement betw een Cushman & Wakefield (Bahrain) W.L.L. and Cushman & Wakefield (Middle East) FZE.

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Real Estate							
Almacantar S.A.	Luxembourg	385,712,498.00	GBP	38.29	EXOR S.A.	38.288	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
United States Council for Automotive Research LLC	U.S.A.	100	USD	33.33	FCA US LLC	33.330	
APAC							
GAC FIAT Automobiles Co. Ltd.	People's Rep.of China	2,400,000,000	CNY	50.00	FCA Italy S.p.A.	50.000	
EMEA							
FGA CAPITAL S.p.A.	Italy	700,000,000	EUR	50.00	FCA Italy S.p.A.	50.000	
FAL Fleet Services S.A.S.	France	3,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FC France S.A.	France	11,360,000	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Bank G.m.b.H.	Austria	5,000,000	EUR	50.00	FGA CAPITAL S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FGA Bank Germany GmbH	Germany	39,600,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EUR	50.00	FGA CAPITAL S.p.A.	99.999	
FGA Capital Danmark A/S	Denmark	14,154,000	DKK	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL HELLAS S.A.	Greece	1,200,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IFIC SA	Portugal	10,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL IRELAND Public Limited Company	Ireland	132,562	EUR	50.00	FGA CAPITAL S.p.A.	99.994	
FGA Capital Netherlands B.V.	Netherlands	3,085,800	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL RE Limited	Ireland	1,000,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Services Spain S.A.	Spain	25,145,299	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Capital Spain E.F.C. S.A.	Spain	26,671,557	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CAPITAL UK LTD.	United Kingdom	50,250,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA CONTRACTS UK LTD.	United Kingdom	19,000,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Distribuidora Portugal S.A.	Portugal	500,300	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA INSURANCE HELLAS S.A.	Greece	60,000	EUR	49.99	FGA CAPITAL HELLAS S.A.	99.975	
FGA Leasing GmbH	Austria	40,000	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FGA Leasing Polska Sp. z o.o.	Poland	24,384,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
FGA WHOLESALE UK LTD.	United Kingdom	20,500,000	GBP	50.00	FGA CAPITAL S.p.A.	100.000	
Fiat Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FGA CAPITAL S.p.A.	100.000	
Fidis Finance (Suisse) S.A.	Switzerland	24,100,000	CHF	50.00	FGA CAPITAL S.p.A.	100.000	
FL Auto Snc	France	8,954,581	EUR	50.00	FC France S.A.	99.998	
FL Location SNC	France	76,225	EUR	49.99	FC France S.A.	99.980	
Leasys S.p.A.	Italy	77,979,400	EUR	50.00	FGA CAPITAL S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Turkey	500,000,000	TRY	37.86	FCA Italy S.p.A.	37.856	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Hubei Huazhoung Magneti Marelli Automotive Lighting Co. Ltd	People's Rep.of China	138,846,000	CNY	50.00	Automotive Lighting Reutlingen GmbH	50.000	
Magneti Marelli Motherson Auto System Limited	India	1,400,000,000	INR	50.00	Magneti Marelli S.p.A.	36.429	0.000
					Magneti Marelli Motherson India Holding B.V.	27.143	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Motherson Shock Absorbers (India) Private Limited	India	1,539,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	India	120,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep.of China	23,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	People's Rep.of China	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
TEKSID							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep.of China	385,363,500	CNY	42.40	Teksid S.p.A.	50.000	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.25%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
Alhambra Chrysler Jeep Dodge, Inc.	U.S.A.	1,272,700	USD	100.00	FCA US LLC	100.000	
Downriver Dodge, Inc.	U.S.A.	604,886	USD	100.00	FCA US LLC	100.000	
Gwinnett Automotive Inc.	U.S.A.	3,505,019	USD	100.00	FCA US LLC	100.000	
La Brea Avenue Motors, Inc.	U.S.A.	7,373,800	USD	100.00	FCA US LLC	100.000	
North Tampa Chrysler Jeep Dodge, Inc.	U.S.A.	1,014,700	USD	100.00	FCA US LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	U.S.A.	675,400	USD	100.00	FCA US LLC	100.000	
Superstition Springs MID LLC	U.S.A.	3,000,000	USD	100.00	CG MID LLC	100.000	
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0	EUR	100.00	FGA Austro Car GmbH	100.000	
ALFA ROMEO INC.	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000	TRY	99.96	CG EU NSC LIMITED	99.960	
Fabbrica Italia Mirafiori S.p.A.	Italy	200,000	EUR	100.00	FGA Real Estate Services S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
Italcar SA	Morocco	4,000,000	MAD	99.85	Fiat Group Automobiles Maroc S.A.	99.900	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	Fiat Auto Poland S.A.	100.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716	BRL	68.34	Magneti Marelli do Brasil Industria e Comercio SA	68.350	
COMAU							
COMAU Czech s.r.o.	Czech Republic	5,400,000	CZK	100.00	Comau S.p.A.	100.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Fiat (China) Business Co., Ltd.	People's Rep.of China	3,000,000	USD	100.00	Fiat Partecipazioni S.p.A.	100.000	
SGR-Sociedad para la Gestion de Riesgos S.A.	Argentina	150,000	ARS	99.96	Rimaco S.A.	99.960	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
APAC							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep.of China	555,999,999	CNY	33.33	Fiat Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	People's Rep.of China	200,010,000	CNY	33.33	Fiat Partecipazioni S.p.A.	33.330	
EMEA							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000	USD	49.00	FCA US LLC	49.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
HMC MM Auto Ltd	India	214,500,000	INR	40.00	Magneti Marelli S.p.A.	40.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000	UAH	38.62	Fiat Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	Fiat Partecipazioni S.p.A.	27.000	
RCS MediaGroup S.p.A.	Italy	475,134,602	EUR	16.73	Fiat Chrysler Automobiles N.V.	16.734	

Investments of CNH Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 27.42%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
Case Mexico S.A. de C.V.	Mexico	810,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	200,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000	MXN	49.00	CNH Industrial N.V.	49.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000	MXN	50.00	CNH de Mexico SA de CV	99.999	
Iveco - Oto Melara Società consortile r.l.	Italy	40,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Acentro S.p.A.	Italy	3,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
New Holland HFT Japan Inc.	Japan	240,000,000	JPY	50.00	CNH Industrial N.V.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	224,500,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	People's Rep.of China	1,900,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
SAIC-IVECO Hongyan Axle Co. Ltd.	People's Rep.of China	170,000,000	CNY	33.50	SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	100.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	23,315,344	EUR	50.00	CNH Industrial N.V.	50.000	
Turk Traktor Ve Ziraat Makineleri A.S.	Turkey	53,369,000	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
Iveco Colombia S.a.s.	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
					Iveco Latin America Ltda	0.010	
Northside New Holland Inc.	U.S.A.	250,000	USD	68.12	CNH Industrial America LLC	68.120	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD							
Al-Ghazi Tractors Ltd	Pakistan	289,821,005	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Industrial Capital Europe S.a.S.	France	88,482,297	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
GEIE V.IV.RE in liq.	France	0	EUR	50.00	Iveco S.p.A.	50.000	
IVECO-AMT Ltd.	Russia	65,255,056	RUB	33.33	CNH Industrial N.V.	33.330	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
NAFTA							
CarCo Intermediate Mexico LLC	U.S.A.	1	USD	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
CHRYSLER GROUP DUTCH OPERATING LLC	U.S.A.	0	USD	100.00	CNI CV	100.000	
Chrysler Receivables 1 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Canada	100	CAD	100.00	Chrysler Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Canada	0	CAD	100.00	Chrysler Canada Inc.	99.990	
					Chrysler Receivables 1 Inc.	0.005	
					Chrysler Receivables 2 Inc.	0.005	
FCA Co-Issuer Inc.	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
Fundacion Chrysler, I.A.P.	Mexico	0	MXN	100.00	Chrysler de Mexico S.A. de C.V.	100.000	
The Chrysler Foundation	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
LATAM							
(*) SBH EXTRUSAO DO BRASIL LTDA.	Brazil	15,478,371	BRL	100.00	SBH Extrusion Srl	100.000	
EMEA							
Banbury Road Motors Limited	United Kingdom	100	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0	EUR	100.00	CNI CV	99.000	
					CHRYSLER GROUP DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdom	1	GBP	100.00	Chrysler UK Limited	100.000	
CNI CV	Netherlands	0	EUR	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
CODEFIS Società consortile per azioni	Italy	120,000	EUR	51.00	FCA Italy S.p.A.	51.000	
CONSORZIO FIAT ENERGY	Italy	7,000	EUR	54.97	Comau S.p.A.	14.286	
					FCA Italy S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Consorzio Servizi Balocco	Italy	10,000	EUR	91.37	FCA Italy S.p.A.	77.800	
					Ferrari S.p.A.	5.300	
					Fiat Powertrain Technologies SpA	4.500	
					Maserati S.p.A.	2.800	
					Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603	RSD	66.67	FIAT AUTOMOBILES SERBIA DOO KRAGUJEVAC	100.000	
FGA Russia S.r.l.	Italy	1,682,028	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT GROUP AUTOMOBILES FINLAND Oy	Finland	50,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000	GBP	100.00	Fiat Group Automobiles UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062	RUB	100.00	FGA Russia S.r.l.	99.591	
					FCA Italy S.p.A.	0.409	
(*) SBH Extrusion Srl	Italy	30,000	EUR	100.00	FCA Partec S.p.A.	100.000	
VM North America Inc.	U.S.A.	1,000	USD	100.00	FCA Italy S.p.A.	100.000	

(*) Asset held for sale.

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000	EUR	84.99	Ferrari S.p.A.	94.438	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Magneti Marelli Stamping & Welding Industria e Comercio Automotivos Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	0.100	
Magneti Marelli Suspansiyon Sistemleri Limited Sirketi	Turkey	520,000	TRY	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Trim Parts Industria e Comercio Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	0.100	
New Business 34 S.r.l.	Italy	50,000,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
COMAU							
Consorzio Fermag in liquidation	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Fiat Chrysler Finance Netherlands B.V.	Netherlands	1	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Common Investment Fund Limited	United Kingdom	2	GBP	100.00	Fiat U.K. Limited	100.000	
Fiat Investimenti S.p.A.	Italy	120,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Investments S.p.A.	Italy	120,000	EUR	100.00	New Business Netherlands N.V.	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	100.00	Fiat Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400	INR	100.00	Fiat Partecipazioni S.p.A.	99.825	
					Fiat Group Purchasing S.r.l.	0.175	
Fides Corretagens de Seguros Ltda	Brazil	365,525	BRL	100.00	Rimaco S.A.	99.998	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	80.000	
					Fiat Chrysler Automobiles N.V.	20.000	
New Business 30 S.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000	EUR	100.00	Fiat Partecipazioni S.p.A.	100.000	
New Business Netherlands N.V.	Netherlands	50,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
OOO Sadi Rus	Russia	2,700,000	RUB	100.00	Sadi Polska-Agencja Celna Sp. z o.o.	90.000	
					Fiat Services Polska Sp. z o.o.	10.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	Italy	120,000	EUR	97.73	Fiat Partecipazioni S.p.A.	76.722	
					Fiat Chrysler Automobiles N.V.	18.003	
					Editrice La Stampa S.p.A.	0.439	
					FCA Italy S.p.A.	0.439	
					Comau S.p.A.	0.220	
					Ferrari S.p.A.	0.220	
					Fiat Chrysler Finance S.p.A.	0.220	
					Fiat Group Marketing & Corporate Communication S.p.A.	0.220	
					Fiat Powertrain Technologies SpA	0.220	
					Fiat Services S.p.A.	0.220	
					Fiat Servizi per l'Industria S.c.p.a.	0.220	
					Magneti Marelli S.p.A.	0.220	
					Sisport Fiat S.p.A. - Società sportiva dilettantistica	0.220	
					Teksid S.p.A.	0.220	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES VALUED AT COST							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Consorzio ATA - FORMAZIONE	Italy	16,670	EUR	40.01	C.R.F. Società Consortile per Azioni	40.012	
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000	EUR	30.00	FCA Italy S.p.A.	30.000	
Consorzio Prode	Italy	51,644	EUR	20.00	C.R.F. Società Consortile per Azioni	20.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000	EUR	24.52	FCA Italy S.p.A.	17.391	
					C.R.F. Società Consortile per Azioni	6.957	
					Sistemi Sospensioni S.p.A.	0.174	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	3.59	FCA Italy S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200	INR	50.00	FGA Investimenti S.p.A.	50.000	
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Senator Software Gmbh	Germany	25,565	EUR	39.69	Ferrari Financial Services AG	49.000	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000	EUR	28.25	Plastic Components and Modules Automotive S.p.A.	16.500	
					Sistemi Sospensioni S.p.A.	11.750	
Bari Servizi Industriali S.c.r.l.	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
CF Gomma S.r.l.	Italy	1,000,000	EUR	40.00	Magneti Marelli S.p.A.	40.000	
Flexider S.p.A.	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Mars Seal Private Limited	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
ANFIA Automotive S.c.r.l.	Italy	20,000	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					FCA Italy S.p.A.	5.000	
					Fiat Information Technology, Excellence and Methods S.p.A.	5.000	
					Magneti Marelli S.p.A.	5.000	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	50.00	Fiat do Brasil S.A.	50.000	
Maxus MC2 S.p.A.	Italy	219,756	EUR	20.00	Fiat Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Italy	10,000	EUR	30.40	Fiat Partecipazioni S.p.A.	25.800	
					Plastic Components and Modules Automotive S.p.A.	4.600	
To-dis S.r.l.	Italy	510,000	EUR	45.00	Editrice La Stampa S.p.A.	45.000	
OTHER COMPANIES							
BUSINESS AUTO: CAR MASS-MARKET BRANDS							
EMEA							
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Italy	90,131	EUR	11.57	C.R.F. Società Consortile per Azioni	5.787	
					FCA Italy S.p.A.	5.787	
Consorzio Technapoli	Italy	1,626,855	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
BUSINESS AUTO: LUXURY AND PERFORMANCE BRANDS							
FERRARI							
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	14.73	Ferrari S.p.A.	16.364	
COMPONENTS AND PRODUCTION SYSTEMS							
MAGNETI MARELLI							
Editori Riuniti S.p.A. in liquidation	Italy	441,652	EUR	13.11	Plastic Components and Modules Holding S.p.A.	13.110	
OTHER ACTIVITIES: HOLDING COMPANIES AND OTHER COMPANIES							
Consorzio Edicola Italiana	Italy	60,000	EUR	16.67	Editrice La Stampa S.p.A.	16.667	
Consorzio Lingotto	Italy	9,612	EUR	18.26	Fiat Partecipazioni S.p.A.	12.856	
					Fiat Chrysler Automobiles N.V.	5.400	
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Italy	150,000	EUR	13.33	C.R.F. Società Consortile per Azioni	6.667	
					Magneti Marelli S.p.A.	6.667	
Fin.Priv. S.r.l.	Italy	20,000	EUR	14.29	Fiat Chrysler Automobiles N.V.	14.285	

Investments of CNH Industrial Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Altra S.p.A.	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Case Construction Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
CNH Industrial Korea LLC	South Korea	1,000,000,000	KRW	100.00	CNH Industrial N.V.	100.000	
Componentes Mecanicos S.A.	Spain	1,135,037	EUR	100.00	Iveco Espana S.L.	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000	USD	100.00	CNH Industrial America LLC	100.000	
Fermec North America Inc.	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
International Harvester Company	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Iveco Defence Vehicles SpA	Italy	1,000,000	EUR	100.00	Iveco S.p.A.	100.000	
J.I. Case Company Limited	United Kingdom	2	GBP	100.00	Case United Kingdom Limited	100.000	
MVPC LLC	Russia	10,000	RUB	50.00	OOO Iveco Russia	50.000	
New Industrial Business 1 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 2 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
New Industrial Business 3 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
RosCaseMash	Russia	0	RUB	38.25	Case Equipment Holdings Limited	38.250	51.000
ASSOCIATED COMPANIES VALUED AT COST							
CONSORZIO FIAT ENERGY	Italy	7,000	EUR	42.86	CNH Industrial Italia s.p.a.	14.286	
					FPT Industrial S.p.A.	14.286	
					Iveco S.p.A.	14.286	
Consorzio Nido Industria Vallesina	Italy	53,903	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
Sotra S.A.	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
OTHER COMPANIES VALUED AT COST							
CODEFIS Società consortile per azioni	Italy	120,000	EUR	19.00	CNH Industrial Capital U.K. Ltd	19.000	
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	

Investments of C&W Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES - VALUED AT COST							
Real Estate Services							
NorthMarq Real Estate Services, LLC	U.S.A.	N/A	USD	12.00	Cushman & Wakefield of Minnesota, Inc.	12.000	
Sojitz Reit Advisors K.K	Japan	27,000,000.00	JPY	18.00	Cushman & Wakefield Asset Management K.K	18.000	

Significant investments of the Holdings System

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES - SIGNIFICANT INVESTMENTS OF THE HOLDINGS SYSTEM							
Holdings and Others							
Banca Leonardo S.p.A.	Italy	100,565,000.00	EUR	N/A	EXOR S.A.	17.366	
Banijay Holding S.A.S.	France	2,057,501.00	EUR	N/A	EXOR S.A.	17.088	17.172
Sequana S.A.	France	51,060,304.00	EUR	N/A	EXOR S.A.	10.845	10.499

Attestation of the Consolidated Financial Statements according to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, executive responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998, to:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at December 31, 2014.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards, as endorsed by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council of July 19, 2002;
    - correspond to the amounts shown in the Company's accounts, books and records;
    - provide a true and correct representation of the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries;

- the Report on Operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Turin, April 14 2015

Chairman and Chief Executive Officer
John Elkann

Executive responsible for the preparation
of the Company's financial reports
Enrico Vellano

Building a better
working world

Reconta Ernst & Young S.p.A.
Via Confienza, 10
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated January 27, 2010
(Translation from the original Italian text)

To the Shareholders
of EXOR S.p.A.

1. We have audited the consolidated financial statements of EXOR S.p.A. and its subsidiaries, (the "EXOR Group") as of December 31, 2014 and for the year then ended, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of EXOR S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   With respect to the comparative data related to the consolidated financial statements of the prior year and the statement of financial position at January 1, 2013, derived from the consolidated financial statements at December 31, 2012, all restated as a result of the retrospective application of IFRS 11 - Joint Arrangements, as described in the related explanatory notes, reference should be made, to our reports issued, respectively, on April 11, 2014 and April 17, 2013. We have examined the methods used to restate the comparative financial data and the information presented in the explanatory notes in this respect for the purposes of issuing this opinion.

3. In our opinion, the consolidated financial statements of the EXOR Group at December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the EXOR Group for the year then ended.

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.IVA 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

4. The Directors of EXOR S.p.A. are responsible for the preparation, in accordance with the applicable laws and regulations, of the Report on Operations and the Report on Corporate Governance published in the section "Corporate Governace" of EXOR S.p.A.'s website. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance, as required by law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance, are consistent with the consolidated financial statements of the EXOR Group at December 31, 2014.

Turin, April 16, 2015

Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti, partner

This report has been translated into the English language solely for the convenience of international readers

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING ON THE ACTIVITIES CARRIED OUT DURING THE YEAR 2014

Shareholders,

We summarize the contents and results of our activities carried out during 2014, after first recalling – besides the resolution passed by the shareholders on the merger of FIAT in FIAT CHRYSLER AUTOMOBILES, about which, after completing the transaction, the exercise of stock options and the capital increase subscribed by qualified investors, there followed a dilution in the investment held – the transactions of major economic and financial significance entered into, duly described in the report on operations. These transactions include:

- the subscription to the mandatory convertible securities issued by FIAT CHRYSLER AUTOMOBILES for approximately €711 million;
- the issue of 2014-2024 non-convertible bonds for a total nominal amount of €650 million;
- the buyback of bonds, and the consequent reduction of a nominal amount of €250 million, referring to those maturing in 2017, which are now reduced to a nominal amount of €440 million.

As part of our activities, in this last year of our term of office, we have again:

- attended meetings of the Board, in the course of which the directors informed us of the company's activities and operations on which we obtained information as to their compliance with the law, the company's by-laws and the shareholder resolutions and as to the steps taken to identify conflicts of interests and to avoid the consequent critical situations, in accordance with the relative provisions of art. 2391 of the Italian Civil Code;
- confirmed, in the aspects for which we have competence, the suitability of the organizational structure and internal control system in relation to the company's dimensions, activities and management of identified risks;
- obtained information about the observance of the principles of diligent and correct management and confirmed, in the context of financial reporting, the capacity to present correctly the company's operations, through meetings with the executive responsible for the financial reports who together with the Chairman and Chief Executive Officer made the attestation under art. 154-*bis* paragraph 5 of Legislative Decree 58/1998, and also meetings with the heads of certain functions including with the Head of Internal Audit and with the supervisory body responsible for overseeing the organizational model pursuant to Legislative Decree 231/2001 of which body the Chairman of the Board of Statutory Auditors is a member;
- found the system of internal control to be effective, also taking note of the favorable outcome of the assessments made by the competent committee, by the Supervisory Body and by the independent auditors;
- reviewed the application of the valuation criteria used by the Board in reaching a positive conclusion as to the independence of the directors who qualify themselves as such as well as the self-assessment process applied to the question of the adequacy of the composition and operation of the Board with regard to the company's requirements for professional expertise and diversity of expertise;
- made the assessments necessary to conclude that the independence requirements have been met for each of the statutory auditors;
- overseen the application of the CONSOB regulations on related party transactions and the consequent corporate procedure which is available for consultation on the company's website www.exor.com; not active in this regard was the compensation and nominating committee, which has competence for the directors' additional compensation, considered of minor significance, and the internal control and risk committee, which has competence for other matters;

- held, also pursuant to art. 19 of Legislative Decree 39/2010, periodic meetings with RECONTA ERNST & YOUNG, which as a rule attend our meetings, for the purposes of following the execution of the plan of audit activities and the performance of these activities, of monitoring the auditors' independence of which we obtained confirmation again on April 16, 2015 and about which we have no reservations and of effecting the exchange of information on our respective activities and of making use of the related findings;
- met the members of the Board of Statutory Auditors of JUVENTUS and the Chairman of Audit Committee of CUSHMAN & WAKEFIELD.

In accordance with the requirements of the CONSOB Communication of April 6, 2001 we also report under the following headings.

Transactions having a significant economic and financial impact
The directors have given a summary of the characteristics of the more significant transactions carried out.
Similarly, they have reported and commented on the existence of transactions with group companies and with related parties, indicating that such transactions were carried out, after determining the reciprocal economic benefits, applying the norms and conditions considered normal for the respective markets, bearing in mind the nature of the goods and services concerned.

Atypical or unusual transactions and adequacy of related disclosure by directors
The Board of Statutory Auditors has not identified any significant transactions with related parties, with third parties or with group companies which are atypical or unusual by virtue of their content, nature, scale or timing.

Emphasis paragraphs included in the report of the independent auditor
RECONTA ERNST & YOUNG has not formulated any emphasis paragraphs.

Complaints pursuant to art. 2408 of the Italian Civil Code
There were no complaints received, directly or through the company, pursuant to art. 2408 of the Italian Civil Code.

Matters for investigation
We have not received indications of matters for investigation.

Engagements assigned to the independent auditors and related costs
The activities assigned to RECONTA ERNST & YOUNG and the related fees have been disclosed by the directors in Note 38 to the separate financial statements and were confirmed by the auditors to us in a note dated today April 16, 2015: for the audit, a fee of €53 thousand; for other services – confirmation of financial ratios and issue of comfort letters on the issue of bonds – a fee of € 40 thousand; for amounts therefore that are marginal.

Engagements assigned to parties related to the independent auditors
In the same note the auditors also indicated:

> "(…) We also confirm that no other separate activity has been undertaken and that no fees have been billed to EXOR S.p.A. by the writer or other firms in the Ernst & Young network. (…)".

Opinions issued by the Board of Statutory Auditors
We expressed opinions on the prospects of the issue of the non-convertible bonds.

Frequency and number of meetings of the Board of Directors and the Board of Statutory Auditors
The directors have held seven Board meetings, the Board of Statutory Auditors ten meetings, the Compensation and Nominating Committee one session and the Internal Control and Risk Committee four meetings – to which, in relation to the provisions of Legislative Decree 39/2010, we have always attended the latter – and the Strategy Committee two sessions.

Principles of correct management
We confirm that we have not identified transactions which do not comply with the company's corporate business purpose, are in conflict of interest or are such as to compromise the financial integrity of the company or anyhow are manifestly imprudent or reckless.

Organizational structure
We confirm our view that the organizational structure is adequate to the circumstances in the areas within our competence.

System of internal control
We recall the substantial reliability of the system of internal control, also considering the results of the mentioned activities in this area of other parties, of which we have taken note.

Reliability of the administrative and accounting system
We confirm that the administrative and accounting system appears capable of recording and reporting the company's affairs.

Directives to subsidiaries
Appropriate directives have been given to subsidiary companies as required under art. 114 paragraph 2 of Legislative Decree 58/1998.

Significant matters arising from meetings with the independent auditors
In our meetings with RECONTA ERNST & YOUNG, no significant events or issues have been referred to us which have necessitated the performance of further controls on our part which we should report to you and in their report on the fundamental matters arising from the audit they have confirmed that they did not identify significant failings in the system of internal control.

Compliance with the Corporate Governance Code for Italian listed companies
The directors have summarized the principles and implementation criteria with which, obviously, we are familiar, applied by EXOR in order to comply with the recommendations of the Code, affirming the effective observance and the related departures of the same in the Annual Report on Corporate Governance which was also subjected to analysis by RECONTA ERNST & YOUNG, pursuant to art. 123-*bis* of Legislative Decree 58/1998.

Activities of the Supervisory Body
We have monitored the work of the Supervisory Body which considers the control over the organizational model to be adequately applied based on the level of implementation of the norms and procedures established for the purposes of preventing the relevant offenses.

Conclusions from our oversight activities
In our oversight activities we did not find any critical matters to report.

Recommendations to be submitted to shareholders
We do not consider it necessary to submit any recommendations.

We have reviewed the structure and the approach of the draft financial statements at December 31, 2014 which show a profit of €51,753,506, of the report on operations relating also to the consolidated financial statements of the group, and of the explanatory notes.

RECONTA ERNST & YOUNG, charged with the legal audit, in their report dated April 16, 2015 have expressed its conclusions, without exceptions or matters to report.

Similar conclusions are expressed by RECONTA ERNST & YOUNG in their report on the consolidated financial statements.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

On the basis of the information we obtained directly pertaining to the scope and structure and of the findings of the independent auditors, we are of the view that the draft separate financial statements of EXOR together with the proposal for the appropriation of the profit for the year which complies with the restrictions imposed on the same, may be approved.

April 16, 2015

The Board of Statutory Auditors

Sergio Duca, Chairman

Nicoletta Paracchini

Paolo Piccatti

2015 Annual Report

Società per Azioni
Share Capital Euro 246,229,850, fully paid-in
Registered Office in Turin, Italy – Via Nizza 250 – Turin Company Register No. 00470400011

2015 ANNUAL REPORT

Letter to Shareholders

Report on Operations

The 2015 Annual Report is available on the corporate website at: www.exor.com

Dear Shareholders,

EXOR's Net Asset Value, or NAV, grew by 21.2% in 2015, outperforming the MSCI World Index denominated in Euros (our benchmark), which grew by just 8.3% during the same period.

The largest contributor to our performance was FCA, thanks to an increase in its share price of 34.4% (reflecting its great operating performance during the year, the Ferrari IPO and the expectations around its spin-off) and its significant weighting in our Gross Asset Value (38 % of GAV).

EXOR NAV PERFORMANCE vs. THE MSCI WORLD INDEX (in Euros)

Annual percentage change

Year	1 - EXOR NAV	2 -MSCI World Index Euro	Relative results (1-2)
2009	93.3	37.8	55.5
2010	45.8	17.2	28.6
2011	-24.4	-4.5	-19.9
2012	20.6	11.4	9.2
2013	16.2	18.7	-2.5
2014	14.8	17.2	-2.4
2015	21.2	8.3	12.9
Compounded annual rate	**23.1**	**14.9**	**8.2**

Note: data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana

EXOR NET ASSET VALUE (NAV)

€ millions	12/31/2014	12/31/2015	Change absolute	 percentage
Gross Asset Value	12,005	**15,186**	**3,181**	**+26.5%**
Gross Debt	(1,671)	**(2,698)**	**(1,027)**	**+61.5%**
Ordinary holding costs over 10 years	(170)	**(170)**	**-**	**-**
Net Asset Value	10,164	**12,318**	**2,154**	**+21.2%**

I would like to set out the significant events that all of us at EXOR lived through in 2015, events that have led to a substantial change in our Company.

We got off to a busy start to the year by selling C&W (Cushman & Wakefield), a real-estate business we have owned for close to a decade. In 2006, C&W was making $116 million in EBITDA from revenues of $1.5 billion. Little did we know what was just around the corner when we acquired 71.52% of the company in March 2007 for $625 million.

The 2008/2009 financial crisis then unfortunately hit C&W very hard and in 2009 it posted its first-ever loss in almost one hundred years of business.

In contrast to other industry leaders, C&W did not require a capital increase, thanks to the strength of its balance sheet (as you know, we like conservative financial structures). We used the crisis to improve the business by transforming it into a truly global company with more recurrent revenues (mainly through organic growth).

A quick summary of what was achieved during our C&W ownership:

- Global revenues increased from $1.5 billion in 2006 to $2.1 billion in 2014 (+37%);
- Asia Pacific revenues went up from $44 million in 2006 to $173 million in 2014 (+293%);
- Corporate Investor Service revenues (which are primarily recurring revenues) grew from $186 million to $605 million (+225%);
- EBITDA grew 51%, from $116 million in 2006 to $175 million in 2014 (the company's best ever EBITDA performance);
- EBITDA margin increased from 7.6% in 2006 to 8.4% 2014 (in contrast C&W's two leading competitors saw their margin decline by more than three percentage points);
- Total employees grew 41% from 11,500 in 2006 to 16,200 in 2014.

As a result of C&W's operational improvements, its discipline in deploying capital and a very strong rebound in the commercial real-estate market, primarily in the US, we were able to achieve the sale of the business at an enterprise value of $2.04 billion, generating net cash proceeds of $1.3 billion and a capital gain of $722 million on our investment. During our ownership, we significantly outperformed the MSCI World Euro Index benchmark and the stock market performance of C&W's principal listed competitors.

As a long-term responsible owner, we are very proud of the company's achievements and of the fact that as a result of this transaction we contributed to the creation of the second-largest property services firm in the world.

It will operate with the iconic “Cushman & Wakefield” brand and under the leadership of the highly talented and experienced CEO Brett White. A great way to celebrate the company’s first 100 years in 2017.

Having secured the money from the C&W sale, we returned to concentrate on our role as business builders and focused our attention on a major project to acquire the reinsurer PartnerRe, for which we made an offer on April 14.

The process proved more complicated than we had anticipated and we learned a huge amount along the way. The journey was bumpy, but with 99.4% of shareholders supporting our final offer of $6.9 billion, we were able to secure the largest single acquisition in the 100+ years of our family business.

PartnerRe is a very deliberate addition to our portfolio. As a business it matches all our pre-established criteria: we wanted to make a large investment in (i) a global player and industry leader (ii) a business that required little capital expenditure to operate (iii) delivering sustainable cash earnings and flows of dividends, and (iv) with a well-defined governance structure. Incidentally, we were also a founding partner of the company back in 1993 when it started life with $1 billion of equity and eight employees under the very entrepreneurial leadership of Herbert Haag.

PartnerRe today has equity of $6 billion, having distributed close to $7 billion in capital to shareholders in the form of dividends ($2 billion) and through share buy-backs ($5 billion). The company issued $3 billion of capital during that period (mainly for acquisitions).

Reinsurers play a fundamental role in the insurance industry value chain:

Primary insurers cede to reinsurers a share of their premiums – and of the liabilities associated with them – that they cannot or are not willing to carry on their own books, because they don’t have sufficient capital, are concerned about the earnings volatility or because of the concentration of risk on their balance sheet.

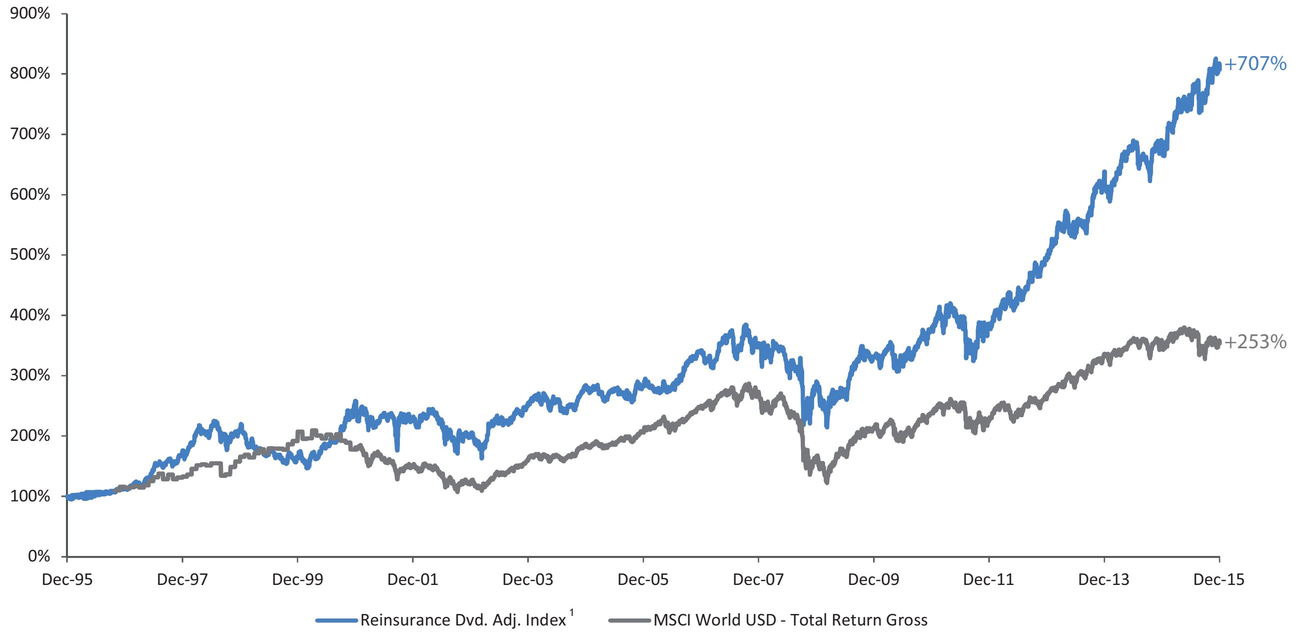
As a consequence, a reinsurer’s role is to absorb and deal with the most volatile risks, the ones that usually have a low probability of materializing but a potential significant impact. For example, a typical product offered by a reinsurer is protection against catastrophic events, such as hurricanes and earthquakes.

By assuming fractions of exposures from a large base of insurance cedants, reinsurers are able to build sufficiently diversified portfolios of risks – both in terms of sectors and geographies – that are quite efficient in terms of capital utilization.

We are interested in this sector for a number of reasons:

a) Reinsurers have historically offered returns that exceed their cost of capital and the MSCI World index. Over the past 20 years the reinsurance industry has delivered an annualized Total Shareholder Return of ~11% vs. 6.5% returned for the MSCI World (Exhibit 1).

Exhibit 1 – Total Shareholder Returns of reinsurance companies vs. MSCI World over 20 years



1- Reinsurance Index companies: Munich Re, Swiss Re, Hannover Re, SCOR, RGA, Everest Re, PartnerRe, RenaissanceRe

b) Reinsurers usually generate strong cash flows, which they tend to distribute to shareholders through dividends or buybacks, as they don't need lots of capital expenditure to operate (which is not the case for industrial businesses, as we know well).

c) It is reasonable to expect that this industry is one that will be needed for many decades to come. It will change and adapt, but ultimately it will be relatively difficult to disrupt (that's less clearly the case with primary insurance companies). Whatever business models its clients might develop, they will still need an expert and flexible capital partner to help them manage their risks.

d) An investment in the financial services industry diversifies our portfolio. Following the acquisition, PartnerRe will become EXOR's largest single holding representing ~37% of the overall Gross Asset Value on a pro-forma basis (as of December 31, 2015, taking into account FCA and Ferrari as separate companies).

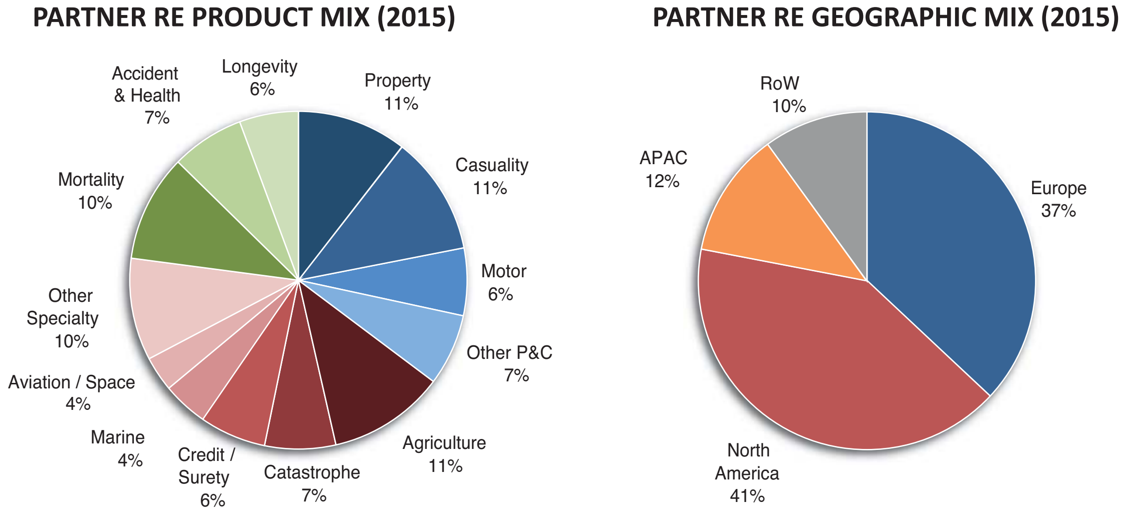
Ultimately as a long-term owner we value durability, which is one of the attributes of the reinsurance industry.

Having decided to invest in reinsurance, there are a number of reasons for choosing PartnerRe:

a) it has a large balance sheet ($7.7 billion in total capital, of which $6 billion is common equity), allowing it to offer large capacity to its clients in a market environment where clients prefer to do business with a smaller number of reinsurers. PartnerRe is one of the largest reinsurers worldwide, both in terms of capital and premium income.

b) It has a global presence and a diversified product offering (Exhibit 2). This means it can withstand weaknesses in parts of its portfolio while taking advantage of relative strengths in other parts. In addition, it's not over-dependent on the property catastrophe business, the segment that is currently most affected by competition from alternative capital.

Exhibit 2 – PartnerRe product and geographic mix



c) It has historically demonstrated its ability to generate superior performance compared with its industry peers. Over the past ten years, PartnerRe has delivered an average operating ROE of 13.2% and growth in adjusted book value per share of 13.1%, both above the peer group average; and

d) it is well-known in the industry for its conservative and disciplined underwriting approach, and prudent reserving strategy. This should help it avoid costly mistakes, particularly in the current challenging market environment.

We also believe that there are several reasons why we will be a good owner of PartnerRe:

a) PartnerRe will have the ability to allocate and deploy capital to maximize long-term returns as opposed to responding to short-sighted public market pressures. For example, PartnerRe will have more flexibility in managing the underwriting cycle, reducing exposure to risk when it is inadequately priced.
b) Differently from its publicly listed peers who face daily pressure to operate with a "lean" balance sheet, PartnerRe will be able to maintain excess capital in order to serve clients with a strong and safe balance sheet and at the same time it will be equipped to increase its market presence rapidly when reinsurance prices improve.
c) Unlike most of its competitors, who are aggressively growing in primary insurance, PartnerRe will remain committed to its pure reinsurance model, thus avoiding entering into competition with its own clients. This conflict-free business model should reinforce the company's competitive positioning over time by strengthening customer relations while maintaining pricing discipline.

We are delighted indeed to have acquired this highly talented organization. But we are also well aware that the reinsurance industry will continue to face many challenges in the coming years. Some of them are cyclical (a growing reinsurance industry capital base and a continued low interest rate environment). Others are structural (such as the growth of the alternative capital business and an increasing sophistication among primary insurers in their assessment of their reinsurance purchasing needs). These are likely to reduce the industry's profitability.

Ajit Jain, to whom we owe a lot for sharing his insights into the industry with us, has been very clear publicly that "what was a very lucrative business is no longer a very lucrative business going forward". We made our investment in PartnerRe with a clear understanding of these realities.

That said, we are confident that even if it might not be as lucrative as in the past, the sector will continue to be attractive, thanks especially to the strong capabilities and clear willingness to embrace change that we see in the PartnerRe organization as it adapts to a more challenging environment.

So by the end of July we had sealed this transformative acquisition. But our eventful year did not stop there. It was at around the same time that I received a call to gauge our interest in acquiring Pearson's 50% shareholding in The Economist Group.

We have been a happy shareholder of the company since 2009 and I have had the privilege to serve on its board since then. This first-hand knowledge of the business made a quick decision easy. Even so, the unique ownership structure designed to ensure editorial independence from proprietorial interference and the historical significance of this change of ownership, meant it was important that we understood all stakeholders' objectives.

I'm very grateful to Rupert Pennant-Rea, Chairman of the Board and a former Editor of The Economist, as, without him we would not have been able to reach an agreement on an offer that satisfied the trustees, directors, shareholders, journalists and non-journalist employees of the company alike, whilst also meeting the seller's objectives on timing and valuation.

On August 12 we announced a proposal to acquire 100% of the issued "B" Shares (and with them the right to appoint 6 out of 13 members of the Board, the other 7 being appointed by the "A" Shareholders) and 27.8% of the Ordinary shares, with The Economist Group itself buying the remainder of the Ordinary shares that were for sale.

We paid no premium to acquire the Ordinary shares, but the transaction did include a 30% premium for the "B" shares which reflects their representation rights (based on the annual valuation made by Ernst & Young).

As a result of the transaction, our ownership has increased from 5% to just under 44% with a £287 million total investment, which is a rich valuation. But this valuation reflects the strength of the business, the accretive effect of the buy-back funded primarily by the sale of The Economist building, which no longer fits the needs of a vibrant 21st century news organization, and the strong support from the Editor Zanny Minton Beddoes and the living former Editors, who all believe the new ownership will increase the uniqueness and independence of The Economist's voice in the world. We are therefore very comfortable with the price paid.

The Economist Group is a great business that is well led by Chris Stibbs and his team. In 2015 it generated revenues of £328 million, an operating profit margin of 18.3% and profit after tax of ~£50 million. Exceptional in the industry has been the Group's ability to shift profitably away from advertisement-based revenue to paid circulation and from the print to the digital world.

You can see this in what has been achieved:

1. Margins from the circulation business have moved from a loss of £6 million in FY07 to a profit of £28 million in FY15.
2. At the same time, the Group has reduced its dependency on the volatile and cyclical advertising market. Over ten years the share of Group revenues from advertising has fallen from 46% in FY07 to 23% in FY15.

3. While the Group has been investing in marketing to grow full-price circulation, it has also made that marketing more efficient, so that the marketing spend, which now stands at £32 million, has gone from 48% of circulation revenues in FY07 to 30% in FY15.
4. The shift to content-driven revenues has been underpinned by the growth of the Economist Intelligence Unit business, where profits have grown from £5 million to £16 million.
5. The Group's performance has been reflected in positive shareholder returns on investment. It has delivered a 17% IRR on every 1 Pound invested in FY05 – during this time the share price has risen from £14 to £33 and average annual dividend yields of 6% have been delivered.

The future promises to be even more exciting thanks to technology that will enable The Economist to reach a growing number of "globally curious" readers around the world in existing and new ways.

2015 was extremely encouraging in this respect: digital sales are up 31%, their social media following reached 36 million, up 44%, and product innovation continued, including the launch of Economist Films, which I strongly recommend (www.films.economist.com). Profits from paid circulation of The Economist grew 28% over the prior year and remain on track to double in the next five years. Elsewhere in the Group, paid content from the B-2-B businesses remained robust. In particular, the third industry vertical for the EIU was launched (consumer predictive analytics) via the acquisition of Canback, a management consulting firm based in Boston. Advertising revenues continued to be under pressure, mainly due to structural changes in the industry that will continue to have their effect in the years ahead.

On a personal note, I was very fortunate to be given a subscription to The Economist as a teenager and the magazine has been a constant source of pleasure and knowledge. Since then it's been a privilege to be more closely associated with this unique journalistic institution. It's with this in mind that I would like to make a personal gift this year to all the teenage children of current individual EXOR shareholders of a one year Print + Digital subscription to the newspaper (please visit by May 24 http://www.exor.com/teens-economist). I hope they will benefit from it as I have done.

This important year would not have been complete without the incredible achievements of Juventus, which won the Italian Championship for the fourth year in a row, the Italian Cup for the first time since 1995 and also played the final of the UEFA Champions League in Berlin, but sadly lost to Barcelona despite playing very well.

In his first year as Juventus coach, Massimiliano Allegri worked wonders. He, the team and the rest of the organization followed with great passion and commitment Club Chairman Andrea Agnelli's call to go "Fino alla Fine" ("all the way").

I would also like to highlight the return of "Scuderia Ferrari" to the top of the podium with a great comeback, thanks to the work of Maurizio Arrivabene, his team and world champions Sebastian Vettel and Kimi Raikkonen, who are all in great spirits now that the gap with Mercedes is closing. They are looking forward to beating them on the track.

To bring to a close my review of the more significant achievements of our 2015 year, I would like to thank all my EXOR colleagues for their outstanding work. They have been great and fully deserved the special bonus for their amazing efforts during the year.

GROSS ASSET VALUE

Let me now describe in more detail the four components of our Gross Asset Value (GAV) as summarized in the table below:

EXOR GROSS ASSET VALUE (GAV)

€ millions	12/31/2014	**12/31/2015**	**Change**	
			absolute	percentage
Investments	8,347	10,139	1,792	+21.5%
Financial Investments	663	579	(84)	-12.7%
Cash and cash equivalents	2,233	4,035	1,802	+80.7%
Treasury stock	762	433	(329)	-43.2%
Gross Asset Value	**12,005**	**15,186**	**3,181**	**+26.5%**

INVESTMENTS (66.8 % of GAV)

This line represents the principal component of our assets. I will only focus this year on FCA (our largest investment), where a lot happened in 2015. Next year I will also cover our other investments, which overall performed well.

A number of things contributed to FCA's strong results: Net Revenue of €113.2 billion, up 18%; an adjusted EBIT of €5.3 billion, up 40%; and Adjusted Net Profit of €2.0 billion, up 91%.

The star performer for the year was the Jeep Brand that achieved a worldwide record of 1.3 million vehicles shipped, up 21%. This was delivered on the back of a very successful product and geographic launch, with the Renegade shining and its production extended from Melfi (Italy) to Pernambuco (Brazil) and Changsha (China). The current negative outlook for the latter two countries did not stop FCA investing there, as their futures will certainly be brighter.

All of FCA's geographies were profitable in the last quarter of the year, which shows the strength of the global presence of the company, particularly in LATAM where Brazil was hit very hard (new car registrations in Brazil fell by 26.6% vs 2014).

The NAFTA Region more than doubled its profits and EMEA was back to sustainable profitability for the year.

The FCA components business also had a strong year, with revenues close to €10 billion and adjusted EBIT of around €400 million. It's less well-known than the car business, but it's a solid operation that's well diversified from a customer and product standpoint, with particular strengths in lighting and electronic systems.

Not everything went well. In particular, FCA suffered from an increasingly difficult regulatory environment, which is likely to become even more stringent in the future for all industry participants. This led to a change in the company's actuarial methodology for the estimate of future recall costs. An adjustment of €761 million was recognized for vehicles sold in the U.S. and Canada in prior periods.

On a more positive note, Net Industrial Debt fell from €7.7 billion to €6.0 billion thanks to positive free cash flow from operating activities, but also to an even stronger contribution from the cash proceeds of the Ferrari IPO (€ 0.9 billion). The current debt level takes into account the capital required to run the business, which is huge: the bill for 2015 was €9.2 billion.

Sergio Marchionne was very candid about this structural issue for the car business in his presentation "Confessions of a Capital Junkie". To give you an idea, the total weekly spend of the industry is higher than $2 billion, and in the last decades the returns have never met the cost of capital (using proper accounting). And at least 50% goes on features that have no relevance to customers. I would strongly recommend you read this very sobering analysis of an industry in denial (bit.ly/1RTrLIn).

There's no doubt that mergers and integrations are hard to do and not all of them are successful. But as Sergio has demonstrated with the creation of FCA, they can work if they are carried out with respect for cultures and in a rational way.

It is interesting to see how in other capital-intensive industries two major transactions were announced recently, creating by far the leaders in their respective markets: Holcim and Lafarge in building materials and ABI with SABMiller becoming the largest brewer in the world. The car world will no doubt argue that these are simpler businesses that don't feature the technological complexity it has to manage.

But if we look at the defense industry in the US, which is certainly complex: prime contractors have gone from 16 to 6 from 1980 to 2010 driving ROIC from 10% to 40%. Or at the pharma business, which went through massive consolidation: the top 20 before 1995 became 11, with ROIC increasing from 34% to 50%. The sad reality is that the ROIC in the car business - a 'modest' 7.8% in 2014 - is far distant even from the numbers these industries started with before consolidation.

Some of FCA's competitors are convinced that they should not engage in "doubling down with the past" (i.e. consolidation), but embrace disruption with new technologies and business models that address the "mobility" market, which is twice as big as the one just selling new vehicles. This wave of hope reminds me of my early years as a director of FIAT when in 1999 Jacques Nasser was talking of transforming Ford "from a boring old car maker whose shares achieve a price-earnings ratio of only ten, into a consumer-products and services company commanding a multiple of more like thirty".

This led Ford to grow Hertz, create websites, invest in satellite radio and acquisitions (like Kwik Fit, which was bought for £1 billion later sold for £300 million).

We at FIAT were also convinced that value chain extension was the way to go and we ended up making very bad capital-allocation decisions, such as the acquisition of Midas in Europe or the creation of Viasat. We did not find the magic formula, so we went back to trying to make money as ‘boring old car makers’.

Back then Sergio Marchionne was running Alusuisse, one of the world’s largest aluminium businesses. Asked by financial analysts and investors about his internet strategy, he couldn't see how the World Wide Web would change the nature of this very capital-intensive industry, but he knew consolidation would, which led to a three-way merger and the creation of the then industry leader. Ultimately, the end result needs to be of significance rather than going through the pain without achieving sufficient scale. For FCA, if you look at doing something with the “Big Guys”, our internal analysis indicates that you could end up with annual savings close to $10 billion. If you value that in perpetuity it starts to become very interesting. But you need two to tango and most of our competitors are busy with the great opportunities that technological disruption has to offer.

There’s no doubt that in this decade we’ll see massive change as a result of electrification and other powertrain technologies that are mainly driven by the need to comply with increasing environmental regulation. This has also led to a lot of innovation in traditional combustion engines and if you look at the total cost/environment equation, it’s unclear who wins.

But we’re told that the really sexy stuff is now around connectivity, autonomous driving and diverse mobility (think Uber,…). So I would like to share some data from McKinsey’s recent "Automotive 2030 report":

- In spite of shared vehicles, total car sales will grow from 87 million units in 2015 to 115-125 million units in 2030. Even in a high-disruption scenario, shared vehicles will account for only 9% of new vehicle sales. So 90% plus of vehicles will still be sold to private owners - just as they are today!

- By 2030, in a high disruption scenario, the share of Level 4 Autonomy (completely self-driven) new cars will be 15% maximum. So 85% of cars will not be fully independent and will need drivers. This is important because below L4 autonomy you still need a full-time driver and hence do not achieve any of the cost benefits of a driverless car.

Ultimately even in a high disruption scenario, new car sales will increase from $2.75 trillion in 2015 to $4 trillion in 2030, which is still a massive industry! Boring old car makers need to figure out how to make this profitable and guard against falling into the 1990 trap of ignoring that business while chasing profits in other parts of the value chain.

Sergio's common sense back in his aluminium days is still valuable and valid today and his practical approach is to work with the new industry participants rather than competing with them, reminds me of the poet Rumi's words: "Yesterday I was clever, so I wanted to change the world. Today I am wise, so I am changing myself."

FINANCIAL INVESTMENTS (3.8% of GAV)

The aggregate performance of our financial investments was 10.3% in Euros, outperforming by 2 percentage points our benchmark the MSCI World index in Euros, which closed the year up 8.3%.

But this result reflects a mix of our third party funds (excluding Black Ant) that were the stars of 2015, achieving a 25.2% return for the year. They are focused on geographies and industries in which we don't invest directly but where we are comfortable with the principals who run them. We like to know with whom we are in business, which is even more important due to the illiquid nature of these funds.

We also did well in our directly managed equity investments, a concentrated portfolio of publicly traded stocks of companies in which we have no governance involvement. This performance is now a realized one, as we decided to sell all our liquid financial investments throughout the year to assemble the funds required for the acquisition of PartnerRe. We managed to achieve a 21.9% return, which was primarily driven by the performance of Allied World, where we invested in 2013, realizing since then a net gain of €60.4 million and a return of 64.7% in Euros (the currency played a big role; the return in USD would have been ~40%). It proved to be a great experience with the reinsurance world which we hope to continue.

Unfortunately our largest financial investment in the Black Ant fund (64.5% of the total financial investments) delivered a 0.3% return, which reduced the average return of the portfolio. But the good news is that it did not lose money and as we get closer to the redemption date in May 2017, a lot of attention is being paid to protecting our capital, which will help on the downside but will cap returns on the upside.

CASH AND CASH EQUIVALENT (26.6% of GAV)

Throughout the year we maintained a cautious allocation: 71% in time deposits, 23% in liquid third party funds and 6% invested in single name corporate credit issuances.

In a very volatile forex market with 2015 year-end consensus estimates predicting euro-dollar parity, the main focus was to achieve a good average euro-dollar exchange rate (1.0950) for the conversion of essentially all our cash resources, in view of the large disbursement related to the PartnerRe acquisition.

The conversion allowed us to achieve a yield of 0.41% on our time-deposit holdings. This result would not have been reached in the Euro money market, which had negative interest rates in 2015.

TREASURY STOCK (2.8% of GAV)

In 2015 we successfully placed a part of our treasury stock via an accelerated book build offering, at a discount of 5% on the same day's closing price.

My family, through Giovanni Agnelli & Co., participated along with institutions and individual investors, who share our long-term view. We are very proud to have them as shareholders of EXOR.

We sold around 50% of our treasury shares, raising €511 million. The average book price of the shares, sold at €42.60, was €14.41 per share.

Despite the important capital gain, the disposal of treasury shares was a difficult decision to take as we are positive about the future share performance of EXOR due to the potential of its underlying assets. But we wanted to strengthen our balance sheet given the large investments we committed to in 2015.

This was also a good opportunity to revisit our policy on treasury shares. At the upcoming Annual General Meeting in May we will propose to our shareholders to cancel all of those outstanding (excluding the shares we need to service our equity-based incentive plans).

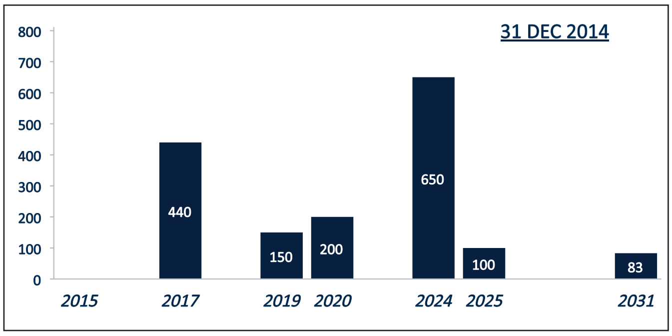
In 2016 we will also change our performance metric from NAV to NAV per share in order to increase the discipline in how we use our shares (metrics drive behaviors: I learned this when I started my career at GE as a corporate auditor).

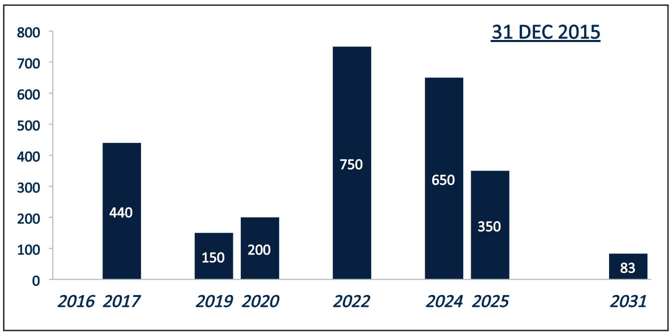
GROSS DEBT

During 2015 our Gross Debt increased to €2.698 billion as we prepared for the inclusion of PartnerRe in our portfolio by starting to assemble the financial resources required to pay for it.

When financial markets recovered at the start of November after a prolonged period of volatility, we issued €1 billion in debt (through a €750 million public issue and a €250 million private placement) with an eight-year average maturity at a 2.3% annual average cost in interest, tapping investor demand for mid-to-long-term maturities. We took inspiration from a quote attributed to the Roman philosopher Seneca when he said “luck is what happens when preparation meets opportunity”.

The active management of our debt allowed us to extend the average maturity of our bond securities and reduced their average cost (from 3.9% in 2014 down to 3.3% in 2015).





2016

We began the year with the spin-off of Ferrari from FCA on January 4, from which EXOR emerged with a 23.5% economic interest in the standalone company. We hold 33.4% of the voting rights thanks to loyalty shares, which is a mechanism to incentivize long-term oriented shareholders by giving them more voting rights based on the duration of ownership.

To provide stability of ownership, we signed a shareholder agreement with Piero Ferrari (the son of the company’s founder Enzo Ferrari) to guarantee that more than 50% of the voting rights are committed to the long-term development of this extraordinary company.

A couple of points to highlight Ferrari’s enduring uniqueness:

- 60% of new Ferrari cars are sold to existing customers and 34% of existing clients own more than one Ferrari
- 9 of the 10 most valuable cars ever auctioned are Ferraris

- Scuderia Ferrari is the most successful Formula 1 team in history, with 224 Grand Prix victories, 16 Constructors Championships and 15 Drivers World Titles.
- Consistent strong financial performance over the past decade: shipments grew 3% but net revenues rose by 7% and EBITDA 11%, with the margin increasing from 18.2% in 2005 to 26.2% in 2015.

But the long-term prospects look even more exciting on the back of Ferrari's best year ever, having shipped 7,664 cars and earned net profits of €290 million (vs €265 million in 2014).

What clearly was not expected was the financial markets' volatility, which resulted in one of the worst trading environments in the stock market's history (EXOR's share price lost a third of its value since the beginning of this year). However here I would like to quote Howard Marks who said "permanent loss is very different from volatility or fluctuation. A downward fluctuation – which by definition is temporary – doesn't present a big problem if the investor is able to hold on and come out the other side".

We are determined to hold on, which is possible due to the permanent nature of our capital and because our staying power is real, after we worked to reduce our debt and extending its duration.

This will allow us to concentrate on developing our businesses' potential whilst meeting their different challenges. We will follow the Medici family motto "*festine lente*" (make haste slowly) by staying focused, especially at PartnerRe, the acquisition of which we finally closed on March 18. I very much look forward to working with Emmanuel Clarke, the company's home-grown, knowledgeable and talented leader who was named CEO in March.

This year we will be holding our Shareholder Meeting on May 25 at the Alfa Romeo Historical Museum in Arese, near Milan, Italy. It was inaugurated on June 24, 2015, following a restoration project that transformed the original building into a modern and unique brand center, hosting a bookshop, café, documentation service, test drive track, events venues and a showroom with a customer delivery area.

The Museum, which is named "La macchina del tempo" (the time machine), is the perfect combination of past, present and future. You will, I hope, enjoy discovering the permanent collection of 69 beautiful models which traces not just the development of the brand, but the very history of the automobile itself: from the very first A.L.F.A. car, the 24 HP, to the legendary Mille Miglia winners (such as the 6C 1750 Gran Sport driven by the legendary Tazio Nuvolari), the 8C coachbuilt by Touring and the "Alfetta 159" Formula 1 winner driven by Juan Manuel Fangio.

At the meeting room entrance, I suggest you to take time to admire our latest Alfa Romeo, the new Giulia: a number of my colleagues will be there to assist you in case you are seduced by the fascinating combination of beauty, technology and style, and decide to join the club of the Alfisti, the happy circle of Alfa Romeo customers.

As always, let me remind you that it is possible to ask questions in advance of the Shareholder Meeting by following the procedure set out on our web site www.exor.com.

Non shareholders will also have the chance to raise questions by sending a short email to the following address: agm@exor.com . The latter will be grouped together, summarized by subject and answered during the meeting.

I very much look forward to welcoming you to Arese!

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Sergio Marchionne
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Vittorio Avogadro di Collobiano
	Ginevra Elkann
	Lupo Rattazzi
Independent Directors	Giovanni Chiura
	Annemiek Fentener van Vlissingen
	Mina Gerowin
	Jae Yong Lee
	António Mota de Sousa Horta-Osório
	Robert Speyer
	Michelangelo Volpi (Lead Independent Director)
	Ruth Wertheimer
Secretary to the Board	Gianluca Ferrero

Internal Control and Risks Committee

Giovanni Chiura (*Chairperson*), Mina Gerowin and Lupo Rattazzi

Compensation and Nominating Committee

Michelangelo Volpi (*Chairperson*), Mina Gerowin and Robert Speyer

Board of Statutory Auditors

Chairperson	Enrico Maria Bignami
Standing auditors	Ruggero Tabone (a)
	Nicoletta Paracchini
Alternate auditors (b)	Anna Maria Fellegara

Independent Auditors	Reconta Ernst & Young S.p.A.

Expiry of terms of office

The terms of office of the Board of Directors and the Board of Statutory Auditors will expire concurrently with the shareholders' meeting that will approve the 2017 annual financial statements.

The mandate of the independent auditors will expire concurrently with the shareholders' meeting that will approve the 2020 annual financial statements.

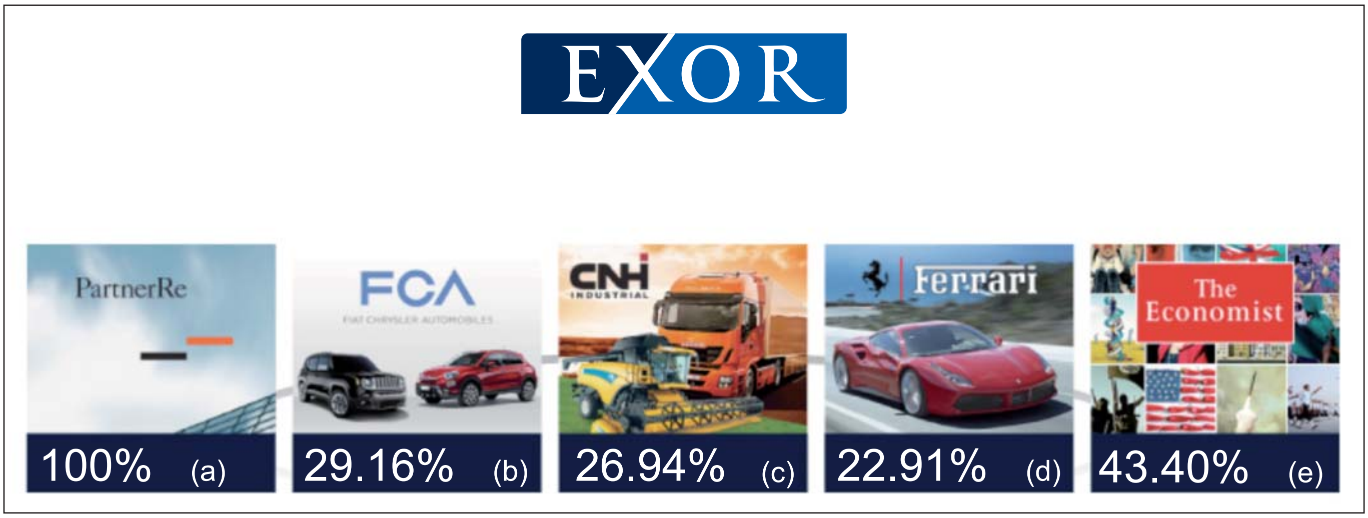
(a) Alternate auditor appointed effective January 15, 2016 to replace Sergio Duca.

(b) A new alternate auditor will be appointed during the shareholders' meeting on May 25, 2016.

EXOR GROUP PROFILE AND KEY DATA

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.87% of share capital.
Listed on Borsa Italiana's Stock Exchange with a Net Asset Value of over €12 billion at December 31, 2015, EXOR is headquartered in Turin, Italy.
EXOR makes long-term investments focused on global companies in diversified sectors, mainly in Europe and in the United States.
EXOR's objective is to increase its Net Asset Value and outperform the MSCI World Index in Euro.

The EXOR Group's investments are the following:



Percentages updated on the basis of the latest available information.
(a) Calculated on common stock.
(b) EXOR holds 44.27% of voting rights on issued capital.
(c) EXOR holds 39.96% of voting rights on issued capital. In addition, FCA holds a 1.17% stake in CNH Industrial and 1.74% of voting rights on issued capital.
(d) EXOR holds 32.75% of voting rights on issued capital.
(e) After completion of the buyback, voting rights are limited to 20%.

PartnerRe (100% of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides reinsurance and certain specialty insurance lines on a worldwide basis through its subsidiaries and branches serving more than 2000 customers in its Non-life and Life and Health segments. PartnerRe has a global platform of 21 offices in more than 150 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

Fiat Chrysler Automobiles (FCA) (29.16% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. FCA's operations relating to mass market brands (passenger cars, light commercial vehicles and related parts and services) are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).
At December 31, 2015 FCA had 164 manufacturing facilities and 238,162 employees throughout the world.

CNH Industrial (26.94% stake; 1.17% stake also held by FCA) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. CNH Industrial's goal is the strategic development of its business. The large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial a global leader in the capital goods segment. Through its brands, the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the Group's brands is a prominent international player in the respective industrial segment.
At December 31, 2015 CNH Industrial was present in approximately 180 countries giving it a unique competitive position across its 64 manufacturing plants, 50 research and development centers and more than 64,000 employees.

Ferrari N.V. (22.91% stake) began operations on January 3, 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. The Ferrari brand is a symbol of excellence and exclusivity and the cars that carry this brand name are unique for performance, innovation, technologies, driving pleasure and design, a car that is the most authoritative example of "made in Italy" the world over.
Ferrari is present in more than 60 markets worldwide through a network of 180 authorized dealers with 7,644 cars sold at December 31, 2015.

The Economist Group (43.40% after completion of the buyback) is a company headquartered in London and head of the editorial group that publishes *The Economist*, a weekly magazine that with a global circulation of more than one million copies represents one of the most important sources of analysis in the international business world.

JUVENTUS	Welltec	BANCA LEONARDO
63.77%	13%	16.51%

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA). Founded in 1897, it is one of the most prominent professional football teams in the world.

Welltec (13% of share capital) is a company headquartered in Denmark, leader in robotics technologies for the oil and gas industry, offering reliable and efficient well maintenance, cleaning and repair solutions.

Banca Leonardo (16.51% of share capital) is a privately held and independent international investment bank offering wealth management services and products and other activities connected with financial markets.

EXOR Group – Consolidated Data – Shortened (a) € million	**2015**	2014	Change
Profit attributable to owners of the parent	**744.5**	323.1	421.4
Share of earnings of investments and dividends	**218.5**	387.2	(168.7)
Investments and non-current other financial assets	**8,805.7**	7,509.5	1,296.2
Issued capital and reserves attributable to owners of the parent	**10,138.4**	7,995.0	2,143.4
Consolidated net financial position of EXOR's "Holdings System"	**1,336.8**	562.5	774.3

(a) The basis of preparation is presented in the following "Review of the Consolidated Results of the EXOR Group - Shortened".

Earnings per share (€) (a)	**2015**	2014 (b)	Change
Profit attributable to owners of the parent – basic:			
per ordinary share	**3.33**	1.27	2.06
Profit attributable to owners of the parent – diluted:			
per ordinary share	**3.32**	1.25	2.07
Issued capital and reserves attributable to owners of the parent	**43.26**	35.96	7.30

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 12 to the consolidated financial statements.
(b) Data recalculated following the reclassification, for purposes of comparison, of the profit of C&W Group in discontinued operations.

EXOR S.p.A. - Separate Financial Statement Data € million	**2015**	2014	Change
Profit	**2,551.3**	51.8	2,499.5
Equity	**6,419.3**	3,409.9	3,009.4
Net financial position	**1,501.3**	(1,199.7)	2,701.0

The board of directors' meeting held on April 14, 2016 put forward a motion to the ordinary shareholders' meeting, called to approve the separate financial statements for the year ended December 31, 2015, for the payment of dividends per share of €0.35 for a total of €82 million to the 234,346,104 ordinary shares outstanding at the same date.

In 2015 EXOR paid dividends per share of €0.35 to the 222,346,104 ordinary shares outstanding for a total €77.8 million from the profit for the year ended December 31, 2014.

NET ASSET VALUE

At December 31, 2015 EXOR's Net Asset Value (NAV) is €12,318 million, an increase of €2,154 million (+21.2%) compared to €10,164 million at December 31, 2014.

The composition and change in NAV are the following:

€ millions	3/1/2009 (a)	12/31/2014	12/31/2015	Change vs 12/31/2014	
				Amount	%
Investments	2,921	8,347	10,139	1,792	+21.5%
Financial investments	274	663	579	(84)	-12.7%
Cash and cash Equivalents	1,121	2,233	4,035	1,802	+80.7%
Treasury stock	19	762	433	(329)	-43.2%
Gross Asset Value	**4,335**	**12,005**	**15,186**	**3,181**	**+26.5%**
Gross Debt	**(1,157)**	**(1,671)**	**(2,698)**	**(1,027)**	**+61.5%**
Ordinary holding costs over ten years	**(210)**	**(170)**	**(170)**	**-**	**-**
Net Asset Value (NAV)	**2,968**	**10,164**	**12,318**	**2,154**	**+21.2%**

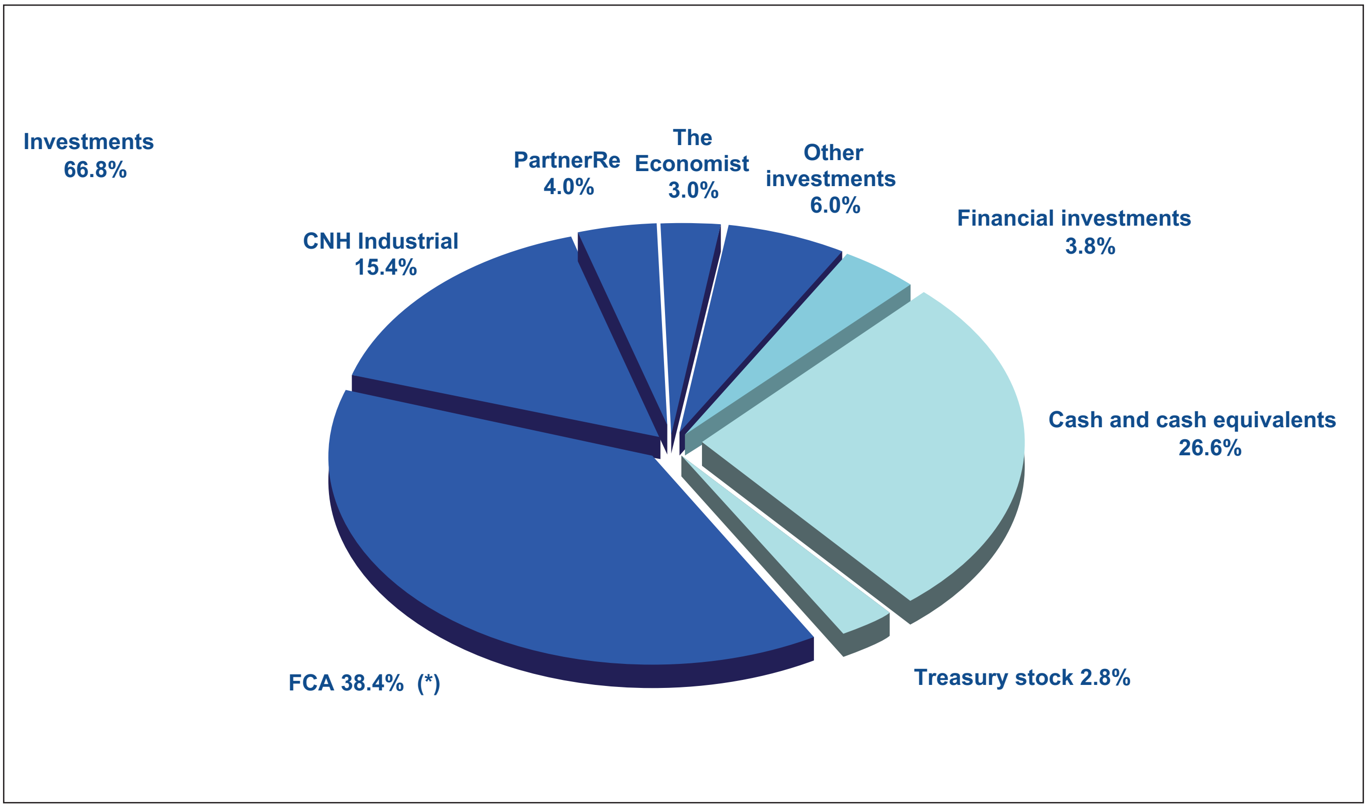
(a) Effective date of the merger of IFIL in IFI and the name change of the latter to EXOR.

The gross asset value at December 31, 2015 has been calculated by valuing listed investments and other equity shares at trading prices, other private equity investments at fair value determined annually by independent experts and other private investment holdings (funds and similar instruments) at the most recently available fair value. Bonds held to maturity are measured at amortized cost. EXOR treasury stock is measured at share trading prices, except those used to service stock option plans (measured at their option exercise price, if below the share trading price) and those awarded to beneficiaries of the stock grant plan. The latter are deducted from the total number of treasury shares.

NAV is presented with the aim of aiding financial analysts and investors in forming their own assessments.

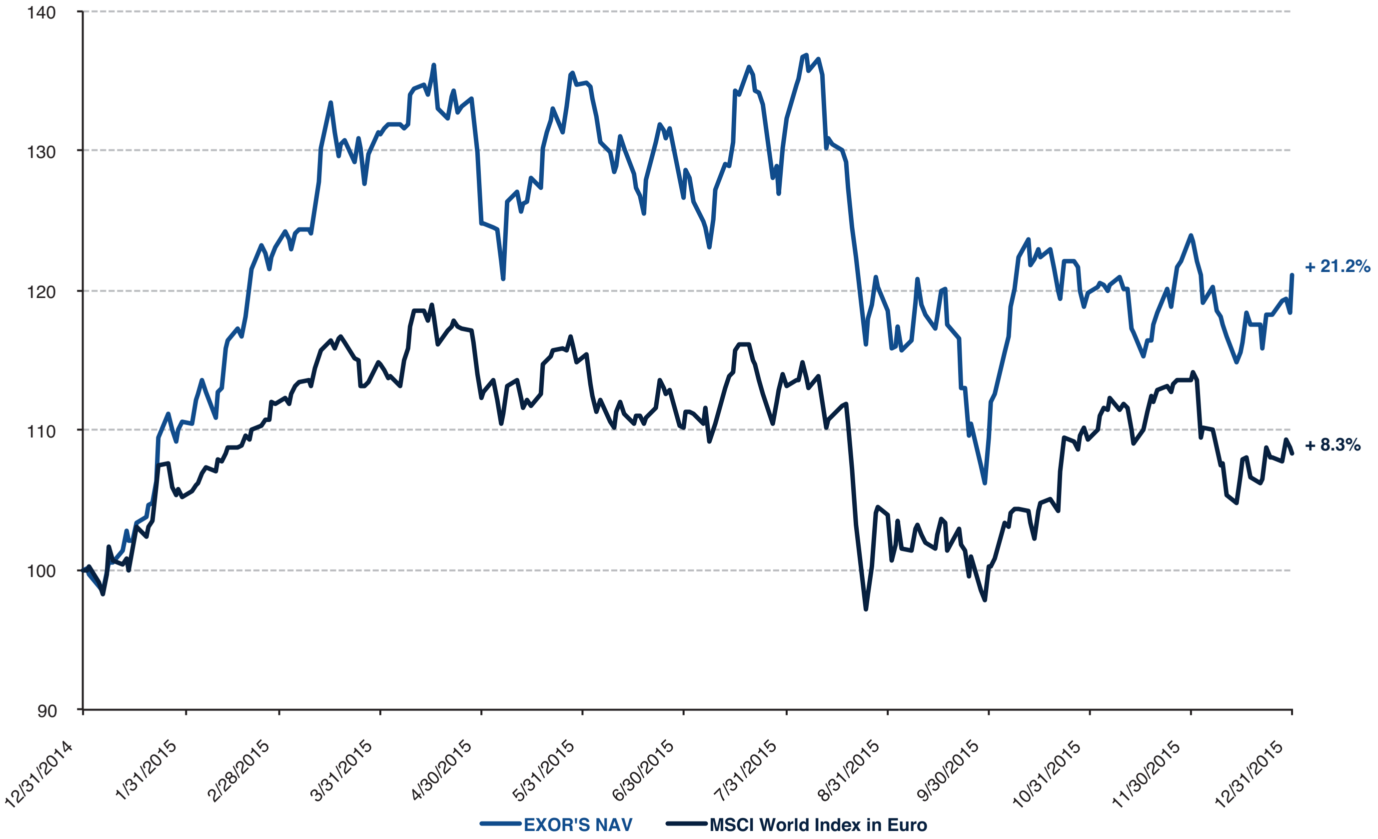
The following pie chart shows the composition of gross asset value at December 31, 2015 (€15,186 million).
"Other investments" include the investments in Almacantar, Juventus Football Club, Banca Leonardo and Banijay Holding, in addition to minor sundry investments.

Investments denominated in U.S. dollars and Pounds sterling are translated to Euro at the official exchange rates at December 31, 2015, respectively, of €/$1.0887 and €/£0.7340.



(*) Including the mandatory convertible securities issued by FCA on December 15, 2014.

Change in NAV compared to the MSCI World Index in Euro



Stock Market Data	**1/1/2016 3/31/2016**	**1/1/2015 12/31/2015**
Ordinary share price (in Euro):		
period-end	31.7532	42.2799
maximum	40.6307	46.8463
minimum	23.7662	33.3887
Average daily volume exchanged during period:	626,708	526,971
Euro volume exchanges during period (in Euro): (a)	19,004,690	21,918,212

(a) Average daily value (official daily trading price by daily volume) handled by Borsa Italiana during period.

So as to ensure timely, comprehensive and updated information about its objectives and the most important events affecting its business, in 2015 EXOR has continued to communicate and broaden relations with the various national and international operators of the financial press, as well as financial analysts, institutional investors and retail investors.

The publication of the Letter to Shareholders, which for six years now denotes an occasion for communicating especially with the financial community, offers an opportunity to sum up the performance of the main investments and EXOR's strategy for the growth of the company.
Both topics were covered in greater detail by top management during the conference call with investors and financial analysts at the end of the annual general meeting of the shareholders in May.

The offices for media and investor relations can be contacted at:

External Relations and Media
Tel. +39.011.5090320
Fax +39.011.5090386
media@exor.com

Institutional Investors &
Financial Analysts Relations
Tel. +39.011.5090345
Fax +39.011.5090260
ir@exor.com

SIGNIFICANT EVENTS IN 2015

Line of credit extended to Juventus Football Club

In January 2015 EXOR approved the opening of a line of credit to the subsidiary Juventus Football Club for a maximum of €50 million, with effect from February 1, 2015 and expiring on December 31, 2015, at an interest rate equal to the one-month Euribor plus a spread of 2%.

The opening of the credit line has enabled EXOR to invest a part of its short-term liquidity at an interesting rate of return. This loan was repaid in full on September 30, 2015.

Investment in PartnerRe

During 2015 the EXOR Group manifested its intention to acquire the entire investment in PartnerRe Ltd, a Bermudian company operating in the reinsurance business, and submitted a specific proposal (and subsequent amendments) to the board of directors of the company. In this context, the EXOR Group acquired 9.9% of outstanding common shares on the market for an equivalent amount of approximately €553 million, becoming the largest shareholder of the company.

The acquisition proposal, which provided for the merger of Pillar Ltd (a 100%-owned subsidiary of EXOR S.p.A. through EXOR N.V., specifically incorporated under the laws of Bermuda) with and into PartnerRe, recognized a special dividend of $3 per share to all PartnerRe common shares, plus cash consideration of $137.50 per share to common shareholders other than EXOR. The same proposal recognized enhanced terms to PartnerRe preferred shareholders: the choice to exchange the existing shares with shares that are non-callable before January 2021 and with a higher dividend rate (+100 basis points until January 2021) or the immediate equivalent economic value.

The merger agreement was signed by Pillar, EXOR S.p.A., EXOR N.V. and the board of directors of PartnerRe on August 2, 2015, amended on August 31, 2015, and definitively ratified by the special general shareholders' meeting held on November 19, 2015.

The transaction was closed in the first quarter of 2016, as described under Subsequent Events.

Resolutions passed by the general meeting of the shareholders on May 29, 2015

The shareholders' meeting appointed the fifteen members of the board of directors of EXOR for the years from 2015 to 2017. Fourteen members were elected from the slate of candidates filed by the majority shareholder Giovanni Agnelli e C. and a director was elected from the slate filed by the group of thirteen investment management companies and institutional investors: Annemiek Fentener van Vlissingen (independent director), Andrea Agnelli, Vittorio Avogadro di Collobiano, Ginevra Elkann, John Elkann, Mina Gerowin (independent director), Jae Yong Lee (independent director), António Horta-Osório (independent director), Sergio Marchionne, Alessandro Nasi, Lupo Rattazzi, Robert Speyer (independent director), Michelangelo Volpi (independent director), Ruth Wertheimer (independent director) and Giovanni Chiura (independent director).

The shareholders' meeting also appointed the Board of Statutory Auditors composed of Enrico Maria Bignami (Chairperson), Sergio Duca and Nicoletta Paracchini (standing auditors), Ruggero Tabone and Anna Maria Fellegara (alternate auditors).

In addition, the shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and a new Incentive Plan which, in conformity with international best practice, has the purpose of aligning the compensation of the directors with the strategic objectives of the company. The plan allows the directors to join the 2015 Incentive Plan as an alternative to the cash compensation established by the shareholders' meeting. The Plan provides for free shares to be awarded for a total maximum number of 70,000 EXOR shares to the directors who decide to join the Plan, subject to the continuation of their appointment as company director up to the vesting date in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The Plan will be serviced exclusively by treasury stock without the issue of new shares, and therefore, will have no dilutive effect. The information document relating to the Plan will be available to the public within the time frame established by law.

The shareholders' meeting approved the renewal of the authorization for the purchase and disposition of treasury stock, also through subsidiaries. This authorization would allow for the purchase on the market, for the next 18 months, of EXOR shares for a maximum number of shares not to exceed the limit set by law, for a maximum disbursement of €500 million. Consequently the resolution passed for the purchase and disposition of treasury stock approved by the shareholders' meeting on May 22, 2014, for the part not used, is revoked.

The board of directors' meeting of EXOR, held after the shareholders' meeting, appointed John Elkann Chairman and Chief Executive Officer, confirmed the office of Vice Chairman to Alessandro Nasi and appointed Sergio Marchionne as new Vice Chairman.

Sale of Allied World Assurance Company Holdings

During the first half of 2015 EXOR S.A. sold the entire investment held in Allied World Assurance Company Holdings (4.1% of capital) for a total equivalent amount of €153.7 million, realizing a net gain of €60.4 million.

Sale of the investment in Sequana

During the first half of 2015 EXOR S.A. sold the remaining investment in Sequana on the market for a total equivalent amount of €18.7 million, realizing a net gain of €4.1 million.

Almacantar share capital increase

On June 5, 2015 Almacantar S.A. increased share capital for a total of £40 million in order to raise additional financial resources earmarked for new investments. EXOR S.A. subscribed to its share of the capital increase for a total equivalent amount of £15.3 million (€21 million). On July 17, 2015 Almacantar S.A. carried out a further share capital increase of £159.6 million. EXOR S.A. subscribed to its share for a total equivalent amount of £61.2 million (€87.6 million) paying in £32.1 million (€46 million). After these transactions EXOR S.A. holds 38.30% of Almacantar's capital and has a remaining liability for the subscribed shares not yet paid of £29.1 million (€39.6 million).

Sale of Cushman & Wakefield

On September 1, 2015 EXOR S.A. finalized the sale of its entire investment in Cushman & Wakefield to DTZ, a company owned by an investor group composed of TPG Capital, PAG Asia Capital and Ontario Teachers' Pension Plan.

As announced on May 11, 2015 the transaction establishes a total enterprise value for Cushman & Wakefield of $2,042 million and generated proceeds for EXOR S.A. of $1,277.6 million (€1,137 million) and a net gain of approximately $718 million equal to €639 million (€521.3 million at the consolidated level).

Property investment in London

On October 7, 2015 EXOR S.A. finalized the contracts signed with Almacantar Centre Point LP in July 2015 for the purchase of four property units located in London for a total amount of £54.7 million.

When the contracts were signed EXOR S.A. paid the seller an initial deposit of £5.5 million. The property units will be restructured and placed at EXOR S.A.'s disposition starting from May 2017.

Increase of the investment in The Economist Group

On October 16, 2015, as previously announced on August 12, 2015, EXOR S.A. closed the acquisition of 6.3 million (or 27.8%) ordinary shares and 1.26 million (or 100%) B special shares in The Economist Group from Pearson Group plc for total consideration of £291.2 million (€398.2 million), of which £4.2 million (€5.7 million) represents the deferred price.

Following this transaction EXOR S.A. became the single largest shareholder of The Economist Group and after completion of the separate share buyback announced by The Economist Group of Pearson's remaining ordinary shares that was concluded on March 23, 2016, EXOR S.A.'s investment in The Economist Group increased to 43.4% of outstanding capital.

Placement of EXOR treasury stock

On November 11, 2015 EXOR successfully completed the placement, through an accelerated book building offering to institutional investors, of 12 million treasury shares corresponding to 4.87% of its share capital, for a total gross amount of €511.2 million.

The transaction was settled by the delivery of the shares and the payment of the consideration on November 16, 2015.

In the context of the placement, EXOR's controlling shareholder Giovanni Agnelli e C. S.a.p.az. and two other private investors purchased treasury shares for an amount of €50 million each, at the placement price. Following the settlement of the placement, Giovanni Agnelli e C. S.a.p.az, owns 51.87% of the share capital of EXOR.

The placement of the shares, which were acquired by EXOR at an average per share price of €14.41, was closed at the price of €42.60 per share, equal to a discount of 4.99% on the closing market price on the transaction date. Following this sale EXOR holds approximately 4.83% of share capital.

Lastly, in 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

Issue of EXOR non-convertible 2015-2022 and 2015-2025 bonds

On December 3, 2015 EXOR finalized the issue of bonds for a nominal amount of €750 million maturing December 2022, with an issue price of 99.499% and a fixed annual coupon of 2.125%.

On December 22, 2015 EXOR finalized, through a private placement with qualified investors, the issue of bonds of €250 million maturing December 22, 2025, with an issue price of 98.934% and a fixed annual coupon of 2.875%.

The bonds, listed on the Luxembourg Stock Exchange, have been assigned a credit rating of BBB+ by Standard & Poor's rating agency.

The purpose of the two issues is to provide EXOR with new financial resources as part of the company's strategy which includes the refinancing of the acquisition of PartnerRe.

Shareholders' agreement signed between EXOR and Piero Ferrari

On December 23, 2015 EXOR and Piero Ferrari signed a shareholders' agreement relating to the shares arising from the separation of Ferrari N.V. from Fiat Chrysler Automobiles N.V. These shares equal, respectively, approximately 23% and 10% of Ferrari's post-separation share capital (corresponding, respectively, to approximately 33% and 15% of voting rights).

The shareholders' agreement, which became effective on January 4, 2016, includes a consultation commitment with the aim of forming and exercising a common view on the items on the agenda of any general meetings of Ferrari shareholders, and certain obligations in case of transfers of the shares in Ferrari to third parties, including a pre-emption right in favor of EXOR and a right of first offer of Piero Ferrari. The shareholders' agreement will have an initial duration of five years from the effective date of the Separation, provided that if neither of the parties terminates the shareholders' agreement, then the shareholders' agreement shall be renewed automatically for another five year period.

SUBSEQUENT EVENTS

Completion of the separation of Ferrari shares from FCA and subsequent listing on the stock exchange

The separation of the Ferrari business from the FCA Group was completed on January 3, 2016.

FCA shareholders received one common share of Ferrari for every ten FCA common shares held. In addition, holders of FCA mandatory convertible securities received 0.77369 common shares of Ferrari for each MCS unit of $100 in notional amount. The Ferrari common shares issued are 193,923,499. In addition, FCA shareholders participating in the company's loyalty voting program received one special voting share of Ferrari for every 10 special voting shares of FCA held.

EXOR, with its 375,803,870 FCA common shares held, received 37,580,387 Ferrari N.V. common shares and the same number of special voting shares. At the closing of the transaction EXOR holds directly 22.91% of capital issued and 32.75% of voting rights on issued capital, as well as another 6,854,893 common shares as the holder of FCA mandatory convertible securities.

Ferrari common shares are traded on the New York Stock Exchange and starting January 4, 2016 also on the Mercato Telematico Azionario managed by Borsa Italiana (MTA).

Investment in Welltec

On February 10, 2016 EXOR invested €103.3 million to acquire a 13% stake in Welltec, a global leader in the field of robotics technology for the oil and gas industry.

The investment was acquired through the purchase of a part of the investment in Welltec held by 7-Industries Lux S.à.r.l., a company indirectly held by EXOR board member, Ruth Wertheimer.

Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

After the acquisition EXOR and the 7-Industries Lux group each hold 13% of Welltec share capital as long-term shareholders.

Sale of Banijay Holding to Zodiak Media

On February 23, 2016 EXOR S.A. finalized the sale of its entire investment in Banijay (17.1 % of capital) within the context of a merger with Zodiak Media, a De Agostini Group TV production company. EXOR received proceeds on the sale of €60.1 million and realized a net gain €24.8 million.

Payment against Almacantar capital increase

On March 1, 2016 EXOR S.A. paid Almacantar £29.1 million (€37.4 million) representing the remaining amount due on the Almacantar S.A. capital increase subscribed to in July 2015 that had not yet been paid in full.

EXOR's commitment in the transaction announced by FCA relating to its publishing interests

With reference to the transaction announced on March 2, 2016 by FCA, EXOR on the same date announced its intention to contribute actively and over the long-term to the development of the new publishing company that will result from the merger of ITEDI with Gruppo Editoriale l'Espresso. The objective of the transaction is to create the leading Italian daily and periodical news and media company that will also be the one of the principal European publishing groups.

In support of the development of this new entrepreneurial project in the publishing business, EXOR communicated its intention to reach an agreement with Compagnie Industriali Riunite (CIR), the holding company controlled by the De Benedetti family and the majority shareholder of Gruppo Editoriale l'Espresso, concerning their holdings, approximately 5% and approximately 43% in the share capital of the new company that will result from the merger and the announced distribution transactions. The signing of this agreement is subject to the closing of these transactions.

Under the ITEDI-Gruppo Editoriale l'Espresso merger, EXOR also announced its intention to divest the stake in RCS MediaGroup that it will receive from FCA at the closing of the distribution transaction as announced to the market. The sale will be executed according to market best practice for such transactions, in a timely and appropriate manner and in accordance with the applicable regulations, and will also be completed by the end of the first quarter of 2017, when the closing of the merger of ITEDI and Gruppo Editoriale l'Espresso is expected.

Incorporation of Almacantar Group S.A. and conferral of Almacantar S.A. shares

On March 17, 2016 Almacantar Group S.A, a Luxembourg-registered company incorporated on February 5, 2016, increased share capital by £1,072.7 million through the issue of a total of 590,000,000 new Almacantar Group S.A. ordinary preferred shares, subscribed by the shareholders of Almacantar S.A. through the conferral of all their previously held shares.

The transaction has the purpose of simplifying the Almacantar share structure by eliminating the distinction between ordinary and preferred shares so as to arrive at the real value of Almacantar's assets by measuring the contributed shares at fair value, in addition to creating an incentive system for the managers who hold key positions in the company.

On the same date Almacantar Group S.A. reduced share capital by £2.3 million through the reimbursement and subsequent cancellation of 2,339,002 Almacantar Group S.A. shares held by senior executives and former executives of Almacantar.

As part of this capital increase EXOR S.A. subscribed to 211,133,092 new Almacantar Group S.A. ordinary shares for a total equivalent amount of £383.8 million through the conferral of all 80,355 ordinary shares and all 220,400,000 Almacantar S.A. ordinary preferred shares held.

After these transactions EXOR S.A. holds 211,133,092 Almacantar Group S.A. ordinary shares, 35.93% of share capital, represented by a total of 587,660,998 ordinary shares.

Completion of the transaction for the acquisition of PartnerRe

The acquisition of PartnerRe was completed on March 18, 2016 after having received all necessary approvals. The total payment made by EXOR at the closing was $6,108 million (€5,415 million) of which $6,065 million (€5,377 million) was paid to common shareholders and $43 million (€38 million) to preferred shareholders, as immediate economic value in lieu of the higher dividend rate. As of the closing date EXOR indirectly became, through EXOR N.V., owner of 100% of the common shares of PartnerRe. The common shares were delisted from the New York Stock Exchange (NYSE) as of the same date. The acquisition did not include the preferred shares issued by PartnerRe, which will continue to be traded on the New York Stock Exchange.

On March 24, 2016 the board of directors of PartnerRe announced the appointment of John Elkann as Chairman of the board and Emmanuel Clarke as President and Chief Executive Officer. At that date the board of directors of PartnerRe, besides the Chairman and Chief Executive Officer, is composed of Enrico Vellano, Brian Dowd and Patrick Thiele.

Sale of Almacantar and investment funds to Partner Re

On March 24, 2016 EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36% of share capital) to Partner Reinsurance Company Ltd., a 100%-owned subsidiary of PartnerRe. The transaction was closed on April 8, 2016 upon receipt of £382.7 million.

In April 2016 EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately $190 million.

The transactions aim to improve the diversification of the investments held by PartnerRe by introducing real estate as a new asset class, without changing the overall risk profile of its portfolio. EXOR will apply the entire proceeds from these transactions to reduce its debt.

Dividends and distributions of reserves to be received during the 2016

The dividends and distributions of reserves already approved or proposed by some investment holdings are as follows:

	Share	Number	Dividends	
Investee company	class	of shares	Per share (€)	Total (€/ml)
CNH Industrial N.V.	ordinary	366,927,900	0.13	47.7
PartnerRe Ltd	ordinary	2,524,664	3.42 (a)	8.6 (a)
Ferrari N.V.	ordinary	44,435,280	0.46	20.4 (b)
Emittenti Titoli S.p.A.	ordinary	527,000	7.53	4.0
EXOR S.p.A.'s share of dividends				**80.7**
Banca Leonardo S.p.A.	ordinary	45,459,968	0.20	9.1
PartnerRe Ltd	ordinary	2,201,062	3.42 (c)	7.5 (c)
EXOR S.A.'s share of dividends				**16.6**

(a) Dividends are fully collected, including extraordinary dividends of $3 per share, for a total of $7.6 million (€6.7 million).
(b) Drawn from the share premium reserve.
(c) Dividends are fully collected, including extraordinary dividends of $3 per share, for a total of $6.6 million (€5.9 million).

OUTLOOK FOR 2016

EXOR S.p.A. expects to report a profit for the year 2016.

At the consolidated level, 2016 will show a profit which, however, will largely depend upon the performance of the principal subsidiaries and associates. The forecasts formulated by these companies (prepared under IFRS: FCA, Ferrari, Juventus and The Economist Group; under US GAAP: CNH Industrial) and reported in their financial reports at December 31, 2015, unless otherwise indicated, are presented below.

FCA

FCA indicates the following guidance:
- net revenues more than €110 billion;
- adjusted EBIT more than €5 billion;
- adjusted net profit more than €1.9 billion;
- net industrial debt less than €5 billion.

Ferrari

(controlled directly by EXOR starting January 3, 2016)

Ferrari forecasts the following guidance for 2016, assuming changes in line with current market conditions:
- shipments of about 7,900 including supercars;
- net revenues more than €2.9 billion;
- adjusted EBITDA more than €770 million;
- net debt less than €1,950 million (less than €750 million - net of the funded self-liquidating financial receivables portfolio including the distribution to shareholders.

CNH Industrial

The agricultural equipment industry in NAFTA is forecasted to decline in 2016; EMEA agricultural equipment markets are expected to be flat.

The commercial vehicles segment is expected to increase up to 5% in EMEA; trading conditions in LATAM are expected to remain challenging.

CNH Industrial set its 2016 guidance as follows:
- Net sales of Industrial Activities between $23 billion and $24 billion, with an operating margin of Industrial Activities between 5.2% and 5.8%
- Net industrial debt at the end of 2016 between $1.5 billion and $1.8 billion.

The Economist Group

The recent stock market turbulence appears to have damaged clients' confidence and therefore The Economist Group revenues in the first half, and it is expected that it will be hard to make up the lost ground in the second half of this year. The Group's advertising activities continue to face significant structural and cyclical headwinds though The Economist circulation business, predominantly subscription-driven, remains robust.

Juventus Football Club

During the Transfer Campaigns of the 2015/2016 financial year, the company earmarked significant resources to ensure an adequate technical and generational turnover of the First Team's bench and keep talented players on staff.

As a consequence, the operating result for the year that will end on June 30, 2016, currently expected to be a loss, will be influenced by increases in costs relating to sports management and the changes, also with respect to future revenues, that will derive from the sporting results actually achieved in Italy and Europe.

Juventus' goal is to consolidate the substantial equilibrium of operating profit achieved in the previous year.

REVIEW OF THE RESULTS OF THE SEPARATE FINANCIAL STATEMENTS

EXOR S.p.A. closes the year 2015 with a profit of €2,551.3 million (€51.8 million in 2014).

The positive change is primarily due to higher dividends of €2,422.7 million and the reduction in net financial expenses which in 2015 show net financial income of €0.6 million.

The separate condensed income statement and condensed statement of financial position, as well as comments on the most significant line items are presented below.

EXOR S.p.A. - Condensed Income Statement

€ million	Note	2015	2014	Change
Dividends from investments	1	**2,566.2**	143.5	2,422.7
Gains (losses) on disposals, impairment (losses) reversals of investments	2	**4.1**	3.1	1.0
Net financial income (expenses)	3	**0.6**	(72.7)	73.3
Net general expenses	4	**(16.6)**	(18.1)	1.5
Non-recurring other income (expenses) and general expenses	5	**(9.4)**	(6.2)	(3.2)
Income taxes and other taxes and duties		**6.4**	2.2	4.2
Profit for the year		**2,551.3**	51.8	2,499.5

EXOR S.p.A. - Condensed Statement of Financial Position

		12/31/2015		12/31/2014		
€ million	Note	Amount	%	Amount	%	Change
Investments and other financial assets available-for-sale	6	**4,935.4**	**54.3**	4,632.8	90.7	302.6
Other non-current financial assets	8	**26.4**	**0.3**	26.7	0.5	(0.3)
Current financial assets and cash and cash equivalents	8	**3,430.8**	**37.7**	443.1	8.7	2,987.7
Financial receivables from subsidiaries	8	**701.8**	**7.7**	1.1	0.0	700.7
Tax receivables		**4.2**	**0.0**	6.0	0.1	(1.8)
Other current and non-current assets		**0.8**	**0.0**	0.9	0.0	(0.1)
Total Assets		**9,099.4**	**100.0**	5,110.6	100.0	3,988.8
Equity	7	**6,419.3**	**70.5**	3,409.9	66.7	3,009.4
Bonds	8	**2,625.1**	**28.9**	1,624.9	31.8	1,000.2
Other current financial liabilities	8	**32.6**	**0.4**	45.6	0.9	(13.0)
Current and non-current provisions and other liabilities		**22.4**	**0.2**	30.2	0.6	(7.8)
Total Equity and Liabilities		**9,099.4**	**100.0**	5,110.6	100.0	3,988.8

1. Dividends from investments

In 2015 dividends from investments total €2,566.2 million and include dividends received from EXOR S.A. for €2,487.5 million, CNH Industrial for €73.4 million, PartnerRe for €4.9 million and Emittenti Titoli for €0.4 million.

In 2014 the line item amounted to €143.5 million and consisted of dividends received from CNH Industrial for €73.4 million, EXOR S.A. for €70 million and Emittenti Titoli for €0.1 million.

2. Gains (losses) on disposals, impairment (losses) reversals of investments

In 2015 the line item includes gains of €4.1 million relating to the sale of listed securities.

In 2014, gains (losses) on disposals, impairment (losses) and reversals of investments consisted of gains of €5.8 million on the sale of listed securities and total losses of €10.6 million, of which €5 million referred to the sale of the remaining investment in Alpitour (7.17% of capital) and €5.6 million established in the agreement signed by EXOR and Alpitour on June 30, 2014 which definitely closed all present and future disputes.
The line item also included €7.9 million for the reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in subsequent years.

3. Net financial income (expenses)

Net financial income in 2015 of €0.6 million shows a net improvement of €73.3 million compared to net financial expenses in 2014 (€72.7 million). The change is mostly attributable to higher interest income on the mandatory convertible securities issued by FCA in December 2014 (€61.1 million), the absence of non-recurring expenses (€32.5 million in 2014 on the partial cancellation of non-convertible bonds 2007-2017 for a nominal amount of €250 million), offset by the reduction in bank interest income (€8.1 million), the increase in interest expenses (€3.5 million) on higher average debt and other net negative changes of €8.7 million.

4. Net general expenses

Net general expenses amount to €16.6 million (€13.4 million net of the notional cost of the EXOR stock option plan). The decrease of €1.5 million is mainly due to the reduction in personnel costs compared to €18.1 million (€14.9 million net of the notional cost of the EXOR stock option plan) in 2014.

5. Non-recurring other income (expenses) and general expenses

Net expenses of €9.4 million refer to the investment in PartnerRe, costs for the reduction in staff, tax consulting and the writedown of receivables from the tax authorities for withholding taxes paid abroad.

Non-recoverable receivables in 2014 represented the writedown of interest income earned on the Deferred Price relating to the sale of Alpitour under the June 30, 2014 agreement with Alpitour.

€ million	**2015**	2014	Change
Expenses connected with the reduction in staff	**(1.6)**	(3.2)	1.6
Non-recoverable receivables	**(2.1)**	(2.1)	0.0
Consulting and services rendered in connection with investments	**(5.1)**	(0.1)	(5.0)
Defense fees in legal proceedings	**0.0**	(0.4)	0.4
Other miscellaneous income (expenses)	**(0.6)**	(0.4)	(0.2)
Total	**(9.4)**	(6.2)	(3.2)

6. Investments and financial assets available-for-sale

€ million	**12/31/2015**	12/31/2014	Change
Investments accounted for at cost			
Fiat Chrysler Automobiles N.V. - common shares	**1,328.5**	1,328.5	0.0
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	**711.2**	711.2	0.0
Fiat Chrysler Automobiles N.V.	**2,039.7**	2,039.7	0.0
CNH Industrial N.V.	**1,694.5**	1,694.5	0.0
EXOR S.A.	**746.2**	746.5	(0.3)
Juventus Football Club S.p.A.	**95.7**	95.7	0.0
Arenella Immobiliare S.r.l.	**26.0**	26.0	0.0
EXOR Holding N.V.	**1.0**	0.0	1.0
Emittenti Titoli S.p.A.	**0.3**	0.3	0.0
	4,603.4	4,602.7	0.7
Financial assets available-for-sale			
PartnerRe	**324.1**	0.0	324.1
Other listed funds and securities	**7.9**	30.1	(22.2)
	332.0	30.1	301.9
Total	**4,935.4**	4,632.8	302.6

The increase from December 31, 2014 is mainly due to the purchase of 2,525,664 PartnerRe common shares. The outlay was €296.5 million, while the fair value adjustment based on the trading price at December 31, 2015 of $139.74, translated at the exchange rate of €/$1.0887, generated a further increase in the investment value of €27.5 million, which was recognized directly in equity.

A comparison between carrying amounts and trading prices of listed investments at year-end 2015 is as follows:

		Carrying amount		**Trading price December 30, 2015**	
	Number	Per unit (€)	Total (€ million)	Per share (€)	Total (€ million)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328.5	13.00	**4,883.8**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711.2	107.155 (b)	**949.4**
			2,039.7		**5,833.2**
CNH Industrial N.V.	366,927,900	4.618	1,694.5	6.36	**2,333.6**
Juventus Football Club S.p.A.	642,611,298	0.149	95.7	0.26	**169.6**
Total			**3,829.9**		**8,336.4**

(a) Issued in nominal amounts of $100, translated at the exchange rate of €/$1.2457.
(b) Trading price of $116.66, translated at the exchange rate of €/$1.0887.

7. Equity

Equity at December 31, 2015 amounts to €6,419.3 million (€3,409.9 million at December 31, 2014). The increase of €3,009.4 million is summarized as follows:

€ million	
Equity at December 31, 2014	**3,409.9**
Sale of 12,000,000 treasury shares	508.5
Dividends paid	(77.8)
Other net changes	27.4
Profit for the year	2,551.3
Net change during the year	**3,009.4**
Equity at December 31, 2015	**6,419.3**

Additional details are provided in the statement of changes in equity in the separate financial statements of EXOR S.p.A. at December 31, 2015.

8. Net financial position

The net financial position at December 31, 2015 is a positive balance of €1,501.3 million, with an improvement of €2,701 million compared to the negative balance of €1,199.7 million at year-end 2014.
The balance is composed as follows:

€ million	**Current**	**Non current**	**Total**	Current	Non current	Total	Total
Cash and cash equivalents	**3,406.0**	**0.0**	**3,406.0**	276.4	0.0	276.4	3,129.6
Financial receivables from subsidiaries	**701.8**	**0.0**	**701.8**	1.1	0.0	1.1	700.7
Financial assets (a)	**24.8**	**26.4**	**51.2**	167.0	26.3	193.3	(142.1)
Total financial assets	**4,132.6**	**26.4**	**4,159.0**	444.5	26.3	470.8	3,688.2
EXOR bonds 2015-2022	**(1.3)**	**(743.4)**	**(744.7)**			0.0	(744.7)
EXOR bonds 2014-2024	**(3.8)**	**(648.4)**	**(652.2)**	(3.8)	(648.3)	(652.1)	(0.1)
EXOR bonds 2007-2017	**(13.2)**	**(439.3)**	**(452.5)**	(13.2)	(438.9)	(452.1)	(0.4)
EXOR bonds 2015-2025	**(0.2)**	**(246.6)**	**(246.8)**			0.0	(246.8)
EXOR bonds 2013-2020	**(0.9)**	**(198.5)**	**(199.4)**	(0.9)	(198.3)	(199.2)	(0.2)
EXOR bonds 2012-2019	**(1.5)**	**(148.3)**	**(149.8)**	(1.5)	(147.9)	(149.4)	(0.4)
EXOR bonds 2018-2025	**(4.8)**	**(98.1)**	**(102.9)**	(4.8)	(98.0)	(102.8)	(0.1)
EXOR bonds 2011-2031	**(0.7)**	**(76.1)**	**(76.8)**	(0.7)	(68.6)	(69.3)	(7.5)
Bank debt and other financial liabilities	**(32.6)**	**0.0**	**(32.6)**	(45.6)	0.0	(45.6)	13.0
Total financial liabilities	**(59.0)**	**(2,598.7)**	**(2,657.7)**	(70.5)	(1,600.0)	(1,670.5)	(987.2)
Net financial position of EXOR S.p.A.	**4,073.6**	**(2,572.3)**	**1,501.3**	374.0	(1,573.7)	(1,199.7)	2,701.0

(a) €26.1 million in the non-current portion (in 2014 €25 million in the current portion and €26.3 million in the non-current portion) relate to bonds issued by leading counterparties, listed on active and open markets which the company intends, and is able, to hold until their natural repayment date as an investment for a part of its available cash, in order to ensure a constant attractive flow of financial income. This designation was decided in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the company should so decide.
Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements.
There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

The net positive change of €2,701 million in 2015 is described in the following table:

€ million		
Net financial position at December 31, 2014		**(1,199.7)**
Dividends received from investment holdings		2,566.3
- EXOR S.A.	2,487.5	
- CNH Industrial N.V.	73.4	
- PartnerRe	4.9	
- Emittenti Titoli	0.5	
Purchase of PartnerRe shares		(296.5)
Net change in non-current financial assets		16.0
Sale of 12,000,000 treasury shares		508.5
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		63.5
Dividends paid by EXOR S.p.A.		(77.8)
Other changes		(79.0)
- Net general expenses	(15.2)	
- Non-recurring other income (expenses) and general expenses	(7.3)	
- Net financial expenses	(62.9)	
- Income taxes and other taxes and duties	(6.5)	
- Other net changes	12.9 (a)	
Net change during the year		**2,701.0**
Net financial position at December 31, 2015		**1,501.3**

(a) Includes the measurement of the cross currency swap on the Japanese yen bonds 2011-2031 of €6.5 million and other net changes of €6.4 million.

9. Reconciliation between the separate financial statements of EXOR S.p.A. and the consolidated financial statements of the Group

The following reconciliation of the profit for the year and equity in the separate financial statements of EXOR S.p.A. for the years ended December 31, 2015 and December 31, 2014 and the corresponding figures in the consolidated financial statements of the EXOR Group at the same dates are presented as required by Consob Communication 6064293 of July 28, 2006.

	Profit (Loss)		Equity	
€ million	**2015**	2014	**12/31/2015**	12/31/2014
Separate financial statements of EXOR S.p.A.	**2,551**	52	**6,419**	3,410
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	**875**	503	**3,719**	4,585
Elimination of dividends received from consolidated companies and companies accounted for by the equity method	**(2,568)**	(146)		
Adjustments of gains/losses on disposals and impairments and reversals of investments	**(114)**	(86)		
Consolidated financial statements of the EXOR Group (attributable to owners of the parent)	**744**	323	**10,138**	7,995

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

EXOR holds its investments and manages its financial resources directly or through certain subsidiaries. These companies, together with the holding company, EXOR, constitute the so-called “Holdings System”.

EXOR presents the interim consolidated financial statements at March 31 and September 30 of each year (statement of financial position and income statement) in shortened form prepared by applying the “shortened” consolidation criteria. In accordance with this criteria, the financial statements or accounting data drawn up in accordance with IFRS by EXOR and by the subsidiaries in the “Holdings System” are consolidated line by-line; the investments in the operating subsidiaries and associates (FCA, CNH Industrial, Almacantar, The Economist Group, Juventus Football Club and Arenella Immobiliare) are accounted for using the equity method on the basis of their financial statements or accounting data drawn up in accordance with IFRS.

The financial statements drawn up using the “shortened” criteria, in order to facilitate the analysis of financial condition and cash flows, as well as the results of operations of the Group, are also presented along with the annual consolidated financial statements and the half-year condensed consolidated financial statements of each year.

Consolidation of The Economist Group

As a result of the acquisition of an additional interest in the share capital of The Economist Group in the third quarter of 2015, EXOR, through the subsidiary EXOR S.A., increased its investment in The Economist Group from 4.72% to 34.72%, becoming the largest shareholder.

Accordingly and consistently with the provisions of IAS 28, beginning December 31, 2015 EXOR recorded The Economist Group in investments accounted for using the equity method.

The 4.72% stake previously held in The Economist Group was recorded in investments available-for-sale and measured at fair value, with recognition in equity; following the change in the measurement method the investment was aligned to the purchase price agreed for the acquisition of the additional interest in share capital of The Economist Group while the accumulated fair value was subsequently reclassified to a specific item of the income statement.

The alignment of The Economist Group to equity was carried out on the basis of the accounting data at September 30, 2015 (the most recent available data of the company). At December 31, 2015 there were no significant variations compared to the period taken into consideration. The carrying amount of the investment includes goodwill represented by the difference between the fair value of the investment and the price paid.

In view of the above, the use of the equity method did not have any effect on the income statement.

The following table shows the consolidation and valuation methods used for the investment holdings:

	% of consolidation	
	12/31/2015	12/31/2014
Holding Company - EXOR S.p.A. (Italy)	**100**	100
Companies in the Holdings System consolidated line-by-line		
- EXOR S.A. (Luxembourg)	**100**	100
- Exor Capital Limited (Ireland)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor N.V. (Netherlands)	**100**	100
- Exor SN LLC (USA)	**100**	100
- Pillar Ltd. (Bermuda) (a)	**100**	-
- Exor Holding N.V. (Netherlands) (b)	**100**	-
- Exor Inc. (USA) (c)	**-**	100
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	**29.16**	29.25
- CNH Industrial	**27.28**	27.42
- Almacantar	**38.30**	38.29
- The Economist Group (d)	**34.72**	-
- Juventus Football Club S.p.A.	**63.77**	63.77
- Arenella Immobiliare S.r.l.	**100**	100
- C&W Group (e)	-	83.06

(a) Company incorporated on April 13, 2015 as part of the transaction for the acquisition of PartnerRe.
(b) Company incorporated on September 30, 2015.
(c) Company in a wind-up.
(d) Measured in accordance with IAS 39 up to September 30, 2015.
(e) Company sold on September 1, 2015.

The EXOR Group closes the year 2015 with a consolidated profit of €744.5 million; the year 2014 ended with a consolidated profit of €323.1 million. The positive change of €421.4 million can principally be ascribed to the increase in net gains of €632.1 million (of which €521.3 million relates to the sale of C&W Group shown in profit from discontinued operations), partially offset by the decrease in the share of the profit (loss) of investments of €177.6 million.

At December 31, 2015 the consolidated equity attributable to owners of the parent amounts to €10,138.4 million and is a net increase of €2,143.4 million compared to €7,995 million at year-end 2014. Additional details are provided in the following Note 12.

The consolidated net financial position of the Holdings System at December 31, 2015 is a positive €1,336.8 million and reflects an increase of €774.3 million compared to the positive balance of €562.5 million at year-end 2014. Additional details are provided in the following Note 13.

The shortened consolidated **income statement** and **statement of financial position** and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - Shortened

€ million	Note	2015	2014	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**204.7**	382.3	(177.6)
Dividends from investments	2	**13.8**	4.9	8.9
Gains (losses) on disposals and impairments on investments, net	3	**73.9**	(36.9)	110.8
Net financial income (expenses)	4	**(10.5)**	(42.0)	31.5
Net general expenses	5	**(20.6)**	(21.3)	0.7
Non-recurring other income (expenses) and general expenses	6	**(27.0)**	(6.8)	(20.2)
Income taxes and other taxes and duties		**(11.9)** (a)	0.0	(11.9)
Profit		**222.4**	280.2	(57.8)
Profit from discontinued operations:				
- Share of profit		**0.8**	42.9	(42.1)
- Gain on sale		**521.3**	-	521.3
Profit from discontinued operations	7	**522.1**	42.9	479.2
Profit attributable to owners of the parent		**744.5**	323.1	421.4

(a) Includes mainly EXOR income taxes and other taxes and duties for an expense of €7.7 million net of consolidation adjustments.

EXOR GROUP – Consolidated Statement of Financial Position - Shortened

€ million	Note	12/31/2015	12/31/2014	Change
Non-current assets				
Investments accounted for using the equity method	8	**7,464.8**	6,596.8	868.0
Other financial assets:				
- Investments measured at fair value	9	**706.0**	350.2	355.8
- Other investments	10	**634.9**	558.4	76.5
- Other financial assets		**0.0**	4.1	(4.1)
Property, plant and equipment, intangible assets and other assets		**21.7**	1.2	20.5
Total Non-current assets		**8,827.4**	7,510.7	1,316.7
Current assets				
Financial assets and cash and cash equivalents	13	**3,958.6**	2,156.7	1,801.9
Tax receivables and other receivables		**9.4** (a)	7.7	1.7
Total Current assets		**3,968.0**	2,164.4	1,803.6
Non-current assets held for sale	11	**60.1**	-	60.1
Total Assets		**12,855.5**	9,675.1	3,180.4
Capital issued and reserves attributable to owners of the parent	12	**10,138.4**	7,995.0	2,143.4
Non-current liabilities				
Bonds	13	**2,598.8**	1,600.0	998.8
Provisions for employee benefits		**2.5**	2.9	(0.4)
Deferred tax liabilities and other liabilities		**0.5**	0.9	(0.4)
Total Non-current liabilities		**2,601.8**	1,603.8	998.0
Current liabilities				
Bonds and other financial payables and liabilities	13	**99.2**	70.5	28.7
Other payables and provisions		**16.1** (b)	5.8	10.3
Total Current liabilities		**115.3**	76.3	39.0
Total Equity and Liabilities		**12,855.5**	9,675.1	3,180.4

(a) Includes mainly prepaid auxiliary expenses (€3.9 million) incurred on the remaining credit line of $1.9 billion not yet utilized and intended for the acquisition of the entire investment in PartnerRe (originally for $4.8 million), as well as receivables from the tax authorities for €4.8 million (€6.3 million at December 31, 2014) referring primarily to EXOR.

(b) Includes mainly IRES taxes payable by EXOR (€4.5 million) and payables due to advisors on the acquisition of PartnerRe (€1.3 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. Share of the profit (loss) of investments accounted for using the equity method

In 2015 the share of the profit (loss) of investments accounted for using the equity method is a profit of €204.7 million, a reduction compared to 2014 (€382.3 million). The negative change of €177.6 million mainly reflects the decrease in the share of the profit of CNH Industrial (€253.5 million) and FCA (€52 million), partially offset by the increase in the share of the profit of Juventus (€36.6 million) and Almacantar (€91.4 million).

	Profit (Loss) (million)					EXOR's share (€ million)		
		2015		2014	Change	**2015**	2014	Change
FCA (a)	€	**334.0**	€	568.0	(234.0)	**112.8**	164.8	(52.0)
CNH Industrial (a)	$	**236.0**	$	917.0	(681.0)	**(64.1)** (b)	189.4	(253.5)
Almacantar	£	**248.1**	£	83.1	165.0	**130.9**	39.5	91.4
Juventus Football Club (c)	€	**39.3**	€	(18.2)	57.5	**25.0**	(11.6)	36.6
Arenella Immobiliare	€	**0.1**	€	0.2	(0.1)	**0.1**	0.2	(0.1)
Total						**204.7**	382.3	(177.6)

(a) Includes consolidation adjustments.

(b) The share of the result of CNH Industrial includes EXOR's share of the €450 million charge that CNH Industrial will make in 2016 in relation to an investigation conducted by the European Commission. The result of CNH Industrial without this charge is a profit of $236 million (EXOR's share is a profit of €58.7 million).

(c) The profit relates to the accounting data prepared for the company's consolidation in EXOR and refers to the period January 1 – December 31, 2015.

Given the timing and the manner of acquisition of the significant influence in The Economist Group, the share of its result was not recorded.

For comments on the performance of the principal operating subsidiaries and associates, please refer to the following sections.

2. Dividends from investments

Details are as follows:

€ million	**2015**	2014	Change
Dividends received from investments accounted for using the equity method			
- CNH Industrial	**73.4**	73.4	0.0
- The Economist Group	**6.4**	0.0	6.4
- C&W Group	**0.0**	2.2	(2.2)
Dividends received from other investment holdings:			
- PartnerRe	**7.7**	0.0	7.7
- Noco A	**3.2**	0.0	3.2
- The Economist Group	**1.7** (a)	2.5	(0.8)
- Banca Leonardo	**0.0**	0.7	(0.7)
- Other	**1.2**	1.7	(0.5)
Dividends included in the net financial position	**93.6**	80.5	13.1
Dividends received from investments accounted for using the equity method	**(79.8)**	(75.6)	(4.2)
Dividends included in the income statement	**13.8**	4.9	8.9

(a) Dividends not eliminated since they were received in the first half of 2015.

3. Gains (losses) on disposals and impairments of investments, net

Details are as follows:

€ million	2015	2014	Change
Disposals:			
- Allied World Assurance Company Holdings	**60.4** (a)	0.0	60.4
- Sequana	**4.1**	(32.0) (b)	36.1
- Other	**9.4**	(4.9) (c)	14.3
Total	**73.9**	(36.9)	110.8

(a) Arising from the recognition in the income statement of the balances of the respective fair value reserves previously recorded in equity.
(b) Of which €30.6 million refers to the impairment charge arising from the reclassification to the income statement of the fair value reserve at June 30, 2014 previously recognized in equity.
(c) Of which -€10.6 million relates to Alpitour (including -€5.6 million for the reduction in the Deferred Price and -€5 million for the reclassification to the income statement of the fair value reserve previously recognized in equity.

4. Net financial income (expenses)

In 2015 net financial expenses amount to €10.5 million (net financial expenses of €42 million in 2014).
Details are as follows:

€ million	2015	2014	Change
Interest income and other financial income			
Interest income on:			
- bank current accounts and deposits	**7.2**	16.3	(9.1)
- bonds	**8.1**	12.2	(4.1)
Income (expenses) and fair value adjustments to financial assets held for trading	**10.2**	8.1	2.1
Other financial income	**0.6**	0.1	0.5
Interest income and other financial income, net	**26.1**	36.7	(10.6)
Interest expenses and other financial expenses			
Interest expenses and other expenses on EXOR bonds	**(67.8)**	(63.3)	(4.5)
Non-recurring expenses for the cancellation of EXOR 2007-2017 bonds (a)	**0.0**	(32.5) (d)	32.5
Interest expenses and other expenses on bank borrowings	**(10.9)** (a)	(3.0)	(7.9)
Interest expenses and other financial expenses	**(78.7)**	(98.8)	20.1
Net exchange gains (losses)	**2.7**	1.4	1.3
Financial income (expenses) generated by the financial position	**(49.9)**	(60.7)	10.8
Income on other investments and sundry financial income (b)	**39.4** (c)	18.7 (c)	20.7
Financial income (expenses) recorded in the income statement	**(10.5)**	(42.0)	31.5

(a) Includes mainly expenses relating to the credit line secured for the acquisition of PartnerRe of €8.6 million, as well as the credit risk adjustment component recorded in the income statement relating to the measurement of the cross currency swap under IFRS 13, which is a negative €0.8 million, in line with 2014.
(b) Included in non-current other financial assets.
(c) Includes mainly the net gain realized on the redemption of The Black Ant Value Fund of €6.1 million (€4.8 million in 2014) and the net loss on the redemption of the Perella Weinberg Funds of €1.4 million (gain of €13 million in 2014), in addition to the reclassification of the fair value of €28.9 million arising from the revaluation of the 4.72% interest in The Economist Group, classified in the income statement following the change in the method of measurement, consistently with the provisions of IAS 39.
(d) Due to the difference between the average per unit purchase price (€113.01) and the nominal amount (€100) on the notional €250 million cancelled.

5. Net general expenses

In 2015 net general expenses amount to €20.6 million, a decrease of €0.7 million compared to the prior year (€21.3 million).

The balance includes the cost of EXOR's stock option plans of approximately €3.2 million, in line with 2014 (€3.3 million). Additional details are provided in the following Note 12 on capital issued and reserves attributable to owners of the parent.

Details of the main items of net general expenses are as follows:

€ million	2015	2014	Change
Personnel costs	**(8.2)**	(9.7)	1.5
Compensation to and other costs relating to directors	**(5.1)**	(5.3)	0.2
Purchases of goods and services	**(6.7)**	(6.5)	(0.2)
Other operating expenses, net of revenues and cost recoveries	**(0.6)**	0.2	(0.8)
Total	**(20.6)**	(21.3)	0.7

6. Non-recurring other income (expenses) and general expenses

Details of the main items of non-recurring other income (expenses) and general expenses are as follows:

€ million	2015	2014	Change
Expenses connected with the reduction in staff	**(1.7)**	(3.2)	1.5
Expenses relating to investments:			
- PartnerRe	**(19.7)**	0.0	(19.7)
- Other	**(0.1)**	(0.6)	0.5
Sundry	**(5.5)**	(3.0)	(2.5)
Total	**(27.0)**	(6.8)	(20.2)

7. Profit from discontinued operations

Details of the profit from the sale of C&W Group, closed on September 1, 2105, are as follows:

million	$	€
EXOR's share of the profit of C&W Group in the first half of 2015 (a)	**0.9**	**0.8**
- Proceeds from the sale net of auxiliary expenses	1,277.6	1,134.2
- Book value at 6/30/2015		(612.9)
Net gain		**521.3**
Profit from discontinued operations		**522.1**

(a) Profit of the investee company in the first half is equal to $1 million (€0.9 million); consolidation percentage is equal to 82.03%.

8. Investments accounted for using the equity method

Details are as follows:

€ million	Carrying amount at 12/31/2015		Carrying amount at 12/31/2014	Change	
FCA	**4,811.2**		4,077.6	733.6	
CNH Industrial	**1,589.2**		1,615.8	(26.6)	
Almacantar	**532.8**		281.8	251.0	
The Economist Group	**457.5**	(a)	-	457.5	
Juventus Football Club	**47.8**		22.7	25.1	(b)
Arenella Immobiliare	**26.3**		26.1	0.2	
C&W Group (c)	**-**		572.8	(572.8)	
Total	**7,464.8**		6,596.8	868.0	

(a) The stake held previously was classified under investments measured at fair value.
(b) The change arises from the profit for the period January 1 – December 31.
(c) Divested on September 1, 2015.

The positive change in EXOR’s investment in FCA is mainly due to the increase in the equity attributable to owners of FCA owing to the sale on the market of 10% of Ferrari common shares in the Ferrari IPO (€255 million), the increase in exchange differences on translating foreign operations (€269.6 million) and the defined benefit plans remeasurement reserve (€139 million) and by the profit for the year before consolidation adjustments (€97.3 million), net of other net negative changes (a total of €27.5 million).

The negative change in EXOR’s investment in CNH Industrial is mainly due to its share of the result of CNH Industrial (-€64.1 million) which includes the charge recorded in 2015 by EXOR and that CNH Industrial will record in 2016 following the investigation conducted by the European Commission (€122.8 million) and to dividends paid (€71.6 million), partially offset by increases in the cash flow hedge reserve (€42.7 million), the defined benefit plans remeasurement reserve (€31.1 million) and the exchange differences on translating foreign operations (€43.6 million).

In October EXOR purchased 27.8% of the share capital of The Economist Group for a net equivalent amount of €398.2 million, raising its interest in the company to 34.72% of capital (20% of voting rights), becoming the largest shareholder.
EXOR thus attained a significant influence over the investee company as defined by IAS 28 and therefore starting from the 2015 financial statements the investment in The Economist Group is accounted for using the equity method.
The previously held 4.72% interest in share capital, classified in investments available-for-sale measured at fair value with recognition of the difference in equity, was adjusted to fair value, €36.64 per share, (for a total of €59.3 million), that is, at the purchase price of the additional shares acquired. Therefore an increase in value of €18.9 million was recognized in equity; following the change in the method of measurement the accumulated fair value of €28.9 million was reclassified to the income statement. The entire investment in The Economist Group was classified in investments accounted for using the equity method and the measurement at December 31, 2015 was made on the basis of the accounting data at September 30, 2015 (the most recent company data available).

The positive change in EXOR’s investment in Almacantar is mainly the result of share capital increases carried out in the months of June and July 2015 (for a total of €108.6 million), the profit for the year (€130.9 million) and the increase in exchange differences on translating foreign operations (€13.3 million).

9. Other non-current financial assets – Investments measured at fair value

These are investments available-for-sale. Details are as follows:

€ million	12/31/2015			12/31/2014			Change	
	%		Carrying amount	%		Carrying amount		
PartnerRe	9.9	(a)	**606.6**	-		-	606.6	
Banca Leonardo	16.51		**59.0**	17.37		60.0	(1.0)	
NoCo A	2.00	(b)	**18.9**	2.00	(b)	17.5	1.4	(c)
Banijay Group (d)	-		**-**	17.09		41.0	(41.0)	
The Economist Group (e)	-		**-**	4.72		40.4	(40.4)	
Other listed investments			**21.5**			191.3	(169.8)	
Total			**706.0**			350.2	355.8	

(a) Percentage computed on common share capital.
(b) Percentage ownership interest in the limited partnership, measured at cost.
(c) Exchange differences on translating foreign operations.
(d) Reclassified to non-current assets held for sale in accordance with IFRS 5. See Note 11.
(e) Reclassified beginning December 31, 2015 under investments accounted for using the equity method.

As part of the operation for the purchase of the entire investment in PartnerRe, during the first half of 2015 EXOR and its subsidiary EXOR S.A. purchased a total of 4,725,726 shares (9.9% of common share capital) on the market for a net equivalent amount of €553.2 million. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 on the basis of the €/$1.0887 exchange rate at the end of the year). At December 31, 2015 the positive fair value adjustment recognized in equity amounts to €53.4 million.

The reduction in the investment in Banca Leonardo is due to the reimbursement of capital reserves of €5.5 million, partially offset by the positive fair value adjustment of €4.5 million.
At December 31, 2015 the fair value recognized in equity is a negative €4.4 million.

The reduction in other listed investments is primarily the result of the disposal of the investment held in Allied World Assurance Company Holdings by EXOR S.A. for a net equivalent amount of €153.7 million. The net gain on the disposal of €60.4 million relates to the realization of the fair value reserve.

10. Non-current other financial assets – Other investments

These are financial assets available-for-sale and held-to-maturity. Details are as follows:

€ million	12/31/2015	12/31/2014	Change
Investments measured at fair value			
- The Black Ant Value Fund	**373.6**	392.0	(18.4)
- Other funds	**185.1**	90.1	95.0
	558.7	482.1	76.6
Investments measured at amortized cost			
- Bonds held to maturity	**76.2**	76.3	(0.1)
Total	**634.9**	558.4	76.5

The net decrease in The Black Ant Value Fund of €18.4 million is due to the redemption of 135,375 shares, in accordance with the signed agreements and taking into account the positive performance recorded during 2014, for a total equivalent amount of €19.6 million, partially offset by the positive fair value adjustment of €1.2 million. The redemption resulted in a net gain of €6.1 million from the realization of a part of the fair value reserve. At December 31, 2015 the fair value adjustment recognized in equity amounts to a positive €116.4 million.

The increase in Other funds is due to the subscription of funds that invest in specific geographical areas and in specific sectors.

11. Non-current assets held for sale

This line item includes the investment in Banijay Holding, which was reclassified to Non-current assets held for sale following the finalization of the agreement for its sale to Zodiak Media signed on November 20, 2015. The investment was recognized at the sales price (€60.1 million) established by the same agreement.
The closing of the agreement took place on February 23, 2016.

12. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2015	12/31/2014	Change
Share capital	**246.2**	246.2	0.0
Reserves	**10,063.4**	8,092.9	1,970.5
Treasury stock	**(171.2)**	(344.1)	172.9
Total	**10,138.4**	7,995.0	2,143.4

Details of changes during the year are as follows:

€ million		
Balance at December 31, 2014	**7,995.0**	
Fair value adjustments to investments and other financial assets:		
- PartnerRe	53.4	
- Allied World Assurance Company Holdings	23.0	
- Banijay Group	19.1	
- The Economist Group	18.9	
- The Black Ant Value Fund	1.2	
- Other financial assets	52.2	
Reclassification of fair value to income statement:		
- Allied World Assurance Company Holdings	(60.4)	
- The Economist Group	(28.9)	(a)
- The Black Ant Value Fund	(6.1)	
- Other financial assets	(13.9)	
Sale of EXOR treasury stock	508.5	(b)
Measurement of derivative financial instruments of EXOR and Holdings System companies	50.4	
Dividends paid by EXOR	(77.8)	
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method		
- Ferrari IPO effect (c)	255.0	
- Exchange differences on translating foreign operations	312.3	
- Defined benefits plan remeasurement reserve (net of deferred taxes)	170.6	
- Cash flow hedge reserve	67.6	
- Other	53.8	
Profit attributable to owners of the parent	744.5	
Net change during the year	**2,143.4**	
Balance at December 31, 2015	**10,138.4**	

(a) Release to the income statement of the fair value of the 4.72% stake in The Economist Group following the change in the method of measurement, consistently with the provisions of IAS 39.
(b) Net of auxiliary expenses connected with the transaction.
(c) Relating to the increase in equity attributable to owners of the parent of FCA owing to the sale on the market of 10% of Ferrari common shares.

EXOR treasury stock

On November 11, 2015 EXOR completed the placement of 12 million treasury shares (4.87% of share capital) through an accelerated book building offering to institutional investors for a total gross amount of €511.2 million.

The placement of the shares, which were acquired by EXOR at an average per share price of €14.41, was closed at a price of €42.60 per share, corresponding to a discount of 4.99% on the closing market price on the transaction date.

Following this transaction EXOR holds 11,883,746 treasury shares equal to approximately 4.83% of share capital. Lastly, in 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

EXOR stock option plans

The composition and change in the stock option plans are as follows:

	Plan 2008-2019	Stock Option Plan 2012-2021		Plan 2015-2018
	Stock Option	Company Performance	Stock Grant	Stock Grant
Balance at December 31, 2014	**6,112,000**	**1,377,600**	**166,666**	**0**
Options forfeited and awarded	(250,000)	(344,400)	1,500 (a)	28,032
Balance at December 31, 2015	**5,862,000** (b)	**1,033,200**	**168,166**	**28,032**
Cost referring to 2015 (€ million):				
- personnel costs	0.6	0.3	0.6	-
- compensation to the Chairman and Chief Executive Officer	1.2	0.3	-	-
- compensation to directors	-	-	-	0.2
Total	**1.8**	**0.6**	**0.6**	**0.2**
Cost referring to 2014 (€ million):				
- personnel costs	0.7	0.4	0.6	-
- compensation to the Chairman and Chief Executive Officer	1.2	0.4	-	-
- compensation to directors	-	-	-	-
Total	**1.9**	**0.8**	**0.6**	**-**

(a) Of which 4,500 options awarded and 3,000 options forfeited.
(b) Corresponding to 1,553,430 shares.

The reduction in the number of "Company Performance" options is the result of not having reached the specific performance targets linked to the change in EXOR's NAV, which was lower than the change in the MSCI World Index in Euro in 2014.

Stock Option Plan 2015-2018

In 2015 the directors of EXOR were awarded 28,032 options to the directors of EXOR under the new Incentive Plan approved by the shareholders' meeting on May 29, 2015. The purpose of the Incentive Plan is to align the compensation of the directors with the strategic objectives of the company, as an alternative to the cash compensation established by the shareholders' meeting. The Plan provides for free shares to be awarded for a total maximum number of 70,000 EXOR shares to the directors who decide to join the Plan, subject to the continuation of their appointment as company director up to the vesting date in 2018.

The Plan will be serviced exclusively by treasury stock without the issue of new shares, and, therefore, will have no dilutive effect.

13. Consolidated net financial position of the Holdings System

The consolidated net financial position of the Holdings System at December 31, 2015 is a positive €1,336.8 million and a positive change of €774.3 million compared to the balance at year-end 2014 (€562.5 million). The positive change is primarily due to the disposals of C&W Group for net proceeds of €1,134.2 million and EXOR treasury stock of €508.5 million, partially offset by the acquisitions of PartnerRe and The Economist Group for outlays of €553.2 million and €398.2 million, respectively.

The composition of the balance is as follows:

	12/31/2015			12/31/2014			Change		
€ million	**Current**	**Non current**	**Total**	Current	Non current	Total	Current	Non current	Total
Financial assets	**32.5**	**76.2**	**108.7**	937.5	76.3	1,013.8	(905.0)	(0.1)	(905.1) (a)
Financial receivables	**3.4**	**0.0**	**3.4**	1.9	0.0	1.9	1.5	0.0	1.5
Cash and cash equivalents	**3,922.7**	**0.0**	**3,922.7**	1,217.3	0.0	1,217.3	2,705.4	0.0	2,705.4
Total financial assets	**3,958.6**	**76.2**	**4,034.8**	2,156.7	76.3	2,233.0	1,801.9	(0.1)	1,801.8
EXOR bonds	**(26.4)**	**(2,598.8)**	**(2,625.2)**	(24.9)	(1,600.0)	(1,624.9)	(1.5)	(998.8)	(1,000.3)
Financial payables	**(39.6)**	**0.0**	**(39.6)**	0.0	0.0	0.0	(39.6)	0.0	(39.6)
Other financial liabilities	**(33.2)**	**0.0**	**(33.2)**	(45.6)	0.0	(45.6)	12.4	0.0	12.4
Total financial liabilities	**(99.2)**	**(2,598.8)**	**(2,698.0)**	(70.5)	(1,600.0)	(1,670.5) 0.0	(28.7)	(998.8)	(1,027.5)
Consolidated net financial position of the Holdings System	**3,859.4**	**(2,522.6)**	**1,336.8**	2,086.2	(1,523.7)	562.5	1,773.2	(998.9)	774.3

(a) The net change reflects the Group's strategy regarding the management of the securities portfolio and the investment of financial resources.

Current financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial assets, if held for trading, are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement. They also include the current portion of bonds held to maturity.

Non-current financial assets include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and has the ability, to hold until their natural repayment date as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
These financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the interim financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Current financial receivables primarily include the financial income of €2.8 million on the FCA N.V. mandatory convertible securities maturing December 15, 2016.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is having investments which can readily be converted into cash.

At December 31, 2015 **Bonds** issued by EXOR can be analyzed as follows:

Issue date	**Maturity date**	**Issue price**	**Coupon**	**Rate (%)**	**Currency**	**Nominal amount (million)**	**Balance at (a) 12/31/2015 (€ million)**	12/31/2014
6/12/2007	6/12/2017	99.554	Annual	fixed 5.375	€	440.0	**(452.6)**	(452.1)
10/16/2012	10/16/2019	98.136	Annual	fixed 4.750	€	150.0	**(149.8)**	(149.4)
11/12/2013	11/12/2020	99.053	Annual	fixed 3.375	€	200.0	**(199.4)**	(199.2)
12/3/2015	12/2/2022	99.499	Annual	fixed 2.125	€	750.0	**(744.7)**	-
10/8/2014	10/8/2024	100.090	Annual	fixed 2.50	€	650.0	**(652.2)**	(652.1)
12/7/2012	1/31/2025	97.844	Annual	fixed 5.250	€	100.0	**(102.9)**	(102.8)
12/22/2015	12/22/2025	98.934	Annual	fixed 2.875	€	250.0	**(246.8)**	-
5/9/2011	5/9/2031	100.000	Semiannual	fixed 2.80 (b)	Yen	10,000.0	**(76.8)**	(69.3)
							(2,625.2)	(1,624.9)

(a) Includes the current portion.
(b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Financial payables of €39.6 million refer to the amount due to Almacantar S.A. for the capital subscribed by EXOR S.A. in July 2015 but not yet fully paid in.

Other financial liabilities principally consist of the measurement of cash flow hedge derivative instruments.

The net change in the year 2015 is a positive €774.3 million. Details are as follows:

€ million		
Consolidated net financial position of the Holdings System at December 31, 2014		**562.5**
Dividends from investments		93.6
- CNH Industrial	73.4	
- The Economist Group	8.1	
- PartnerRe	7.7	
- NoCo A	3.2	
- Other	1.2	
Reimbursements of reserves		6.4
- Banca Leonardo	5.5	
- Other	0.9	
Sales/Redemptions		1,877.4
- C&W Group (a)	1,134.2	
- EXOR treasury stock (a)	508.5	
- Allied World Assurance Company Holdings	153.7	
- The Black Ant Value Fund	19.6	
- Sequana	18.7	
- Other non-current financial assets	42.7	
Investments		(1,142.0)
- PartnerRe	(553.2)	
- The Economist Group	(398.2)	
- Almacantar	(108.6) (b)	
- Other		
. Specialized funds	(62.6)	
. Other non-current investments	(19.4)	
Financial income from Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016		63.5
Dividends paid by EXOR		(77.8)
Other changes		
- Net general expenses		(17.4)
- Non-recurring other income (expenses) and general expenses		(24.3)
- Net financial expenses		(49.9)
- Income taxes and other taxes and duties		(12.5)
- Other net changes		57.3 (c)
Net change during the year		**774.3**
Consolidated net financial position of the Holdings System at December 31, 2015		**1,336.8**

(a) Net of auxiliary expenses.
(b) Of which $47.4 million has already been paid (€67 million).
(c) Primarily includes the positive effects of the hedge on the U.S. dollar loan (€43.9 million) for the acquisition of PartnerRe, as well as the measurement of the cross currency swap on the 2011-2031 Japanese yen bonds for a positive €6.5 million.

At December 31, 2015 EXOR has unused irrevocable credit lines in Euro of €345 million (including €305 million due by December 31, 2016), in addition to unused revocable credit lines of over €558 million.
EXOR also has an irrevocable credit line in foreign currency for a residual amount of $1.9 billion (€1.7 billion), unused at December 31, 2015 and earmarked for the acquisition of PartnerRe. This credit line, which is due after June 30, 2016, was partially cancelled upon receipt of the proceeds from the sale of C&W Group, the placement of EXOR treasury stock and the issue of two EXOR bonds in the month of December.
EXOR's long-term and short-term debt rating from Standard & Poor's is "BBB+" and "A-2", respectively, with a "negative" outlook. On November 2, 2015 the rating agency published a specific analysis on EXOR.

CORPORATE GOVERNANCE

In its meeting held on April 14, 2016 the EXOR S.p.A. board of directors also approved the "Report on the Company's Corporate Governance and Ownership Structure" written in accordance with Legislative Decree 58 of February 24, 1998, art. 123-*bis*, as subsequently integrated and amended (TUF – Consolidated Law on Finance). The Report was published with the 2015 Annual Report and is available on the website www.exor.com.

OTHER INFORMATION

Management and coordination

EXOR S.p.A. is not subject to the management and coordination of any other company or entity and is fully independent in decisions regarding its general strategic and operating guidelines.

Related party transactions

Information and balances in the statement of financial position and in the income statement originating from transactions with related parties are disclosed in specific notes to the separate and consolidated financial statements.

Information pertaining to personnel

Information pertaining to personnel is reported in the notes to the separate and consolidated financial statements.

REVIEW OF PERFORMANCE OF THE OPERATING SUBIDIARIES AND ASSOCIATES

(The percentages indicated for the stakes, voting rights and share capital
are calculated on the basis of data as at December 31, 2015)

(29.16% stake, 44.27% of voting rights on issued capital)

The key consolidated figures of FCA reported in 2015, including the data of Ferrari, unless otherwise indicated, are the following:

	Year		Change
€ million	**2015**	2014	
Net revenues	**113,191**	96,090	17,101
EBIT (1)	**2,625**	2,834	(209)
Adjusted EBIT (2)	**5,267**	3,766	1,501
Profit before taxes (1)	**259**	783	(524)
Profit from discontinued operations (3)	**284**	273	11
Profit for the year	**377**	632	(255)
Net profit attributable to owners of the parent	**334**	568	(234)

(1) Excluding Ferrari, classified as a discontinued operation for the year ended December 31, 2015.
(2) Adjusted EBIT is a non-GAAP financial measure used to measure performance. It is calculated as EBIT excluding gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and other unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature.
(3) Profit attributable to Ferrari.

€ million	**12/31/2015**	12/31/2014	Change
Total assets	**105,040**	100,510	4,530
Net debt	**(8,583)**	(10,849)	2,266
- of which: Net industrial debt	**(6,012)**	(7,654)	1,642
Equity attributable to owners of the parent	**16,092**	13,425	2,667

Net revenues

Net revenues for the year are €113.2 billion, an increase of €17.1 billion, or 18% (+6% at constant exchange rates) from €96.1 billion in the prior year. As for the segments, the improvement is mainly attributable to the €17.5 billion increase in **NAFTA** (+33%; +13% at constant exchange rates) thanks to higher volumes, positive net pricing and favorable foreign currency translation effects, the increases in **EMEA** of €2.3 billion (+13%; +11% at constant exchange rates) due to higher volumes, positive net pricing and favorable product mix and in **Components** of €1.2 billion (+13%; +11% at constant exchange rates), partially offset by the decreases recorded by **LATAM** (-25%; -18% at constant exchange rates) driven by reduced shipments, by **APAC** (-22%; -31% at constant exchange rates) caused by lower shipments and increased incentives in China and by **Maserati** (-13%; -22% at constant exchange rates) owing to a reduction in volumes that resulted from weaker segment demand in the reference markets.

	Year		Change	
€ million	**2015**	2014	amount	%
NAFTA	**69,992**	52,452	17,540	33.4
LATAM	**6,431**	8,629	(2,198)	-25.5
APAC	**4,885**	6,259	(1,374)	-22.0
EMEA	**20,350**	18,020	2,330	12.9
Ferrari	**2,596**	2,450	146	6.0
Maserati	**2,411**	2,767	(356)	-12.9
Components (Magneti Marelli, Teksid, Comau)	**9,770**	8,619	1,151	13.4
Other	**844**	831	13	1.6
Unallocated items and adjustments	**(4,088)**	(3,937)	(151)	n.s.
Net revenues	**113,191**	96,090	17,101	17.8

Adjusted EBIT

Adjusted EBIT in 2015 is €5,267 million, an increase of €1,501 million (+40%; +19% at constant exchange rates) from the prior year. The increase in Adjusted EBIT is primarily due to strong gains recorded in **NAFTA** attributable to higher volumes, positive net pricing, positive foreign currency translation effects and purchasing efficiencies, partially compensated by increased warranty costs due to recall campaigns and vehicle content enhancement. **EMEA** recorded continual improvements thanks to a favorable product mix reflecting the continued success of the Fiat 500X and Jeep Renegade, positive net pricing and purchasing and industrial efficiencies, partially offset by the increase in industrial costs, reflecting higher costs for U.S. imported vehicles due to a stronger U.S. dollar and marketing spending.

Adjusted EBIT of **LATAM** is a negative €87 million, a reduction of €376 million due to lower shipments owing to market conditions, start-up costs for the Pernambuco factory and costs for the commercial launch of the Jeep Renegade, which was partially offset by favorable net pricing and favorable product mix driven by sales of the Jeep Renegade.

The decrease in **APAC** Adjusted EBIT of €489 million is due to lower volumes, unfavorable net pricing and negative foreign currency translation effects, partially offset by reduced advertising expenses.

Maserati reported lower Adjusted EBIT due to lower volumes, unfavorable mix and higher industrial costs related to the start-up costs for the all-new Levante, which is expected to launch in 2016.

The improved performance of **Components** (+52.3%) is related to higher volumes, cost containment actions and efficiencies.

	Year		Change
€ million	**2015**	2014	
NAFTA	**4,450**	2,179	2,271
LATAM	**(87)**	289	(376)
APAC	**52**	541	(489)
EMEA	**213**	(41)	254
Ferrari	**473**	404	69
Maserati	**105**	275	(170)
Components (Magneti Marelli, Teksid, Comau)	**395**	285	110
Other	**(150)**	(116)	(34)
Unallocated items and adjustments	**(184)**	(50)	(134)
Adjusted EBIT	**5,267**	3,766	1,501

EBIT

EBIT in 2015 included net unusual expenses totaling €2,169 million principally referring to the change in estimate for future recall campaign costs for vehicles sold in NAFTA in prior periods (€761 million), the estimate of expenses to realign a portion of manufacturing capacity in NAFTA (€834 million), the writedown of inventory and incremental incentives for the vehicles affected by the explosions at the Port of Tianjin (€142 million), the devaluations of the Argentinian Peso (€83 million) resulting from changes in monetary policy and the Venezuelan bolivar (€80 million) following the adoption of the SIMADI exchange rate and the agreement, and subsequent amendments, with the National Highway Traffic Safety Administration in the United States (€144 million).

EBIT in 2014 was adjusted to arrive at Adjusted EBIT mainly by the €495 million charge connected with the UAW Memorandum of Understanding entered into by FCA US in January 2014, the €92 million writedown of the Venezuelan bolivar, net of the €223 million non-cash and non-taxable unusual income resulting from the fair value of the options previously exercised in relation to the purchase of FCA US.

Profit for the year

Net financial expenses total €2,377 million, €330 million higher than in 2014, primarily reflecting the prepayment of certain FCA US notes, unfavorable foreign currency translation, an increase in debt levels in Brazil, partially offset by interest cost savings resulting from the refinancing transactions and reduction in overall gross debt in 2015.

Tax expenses amount to €310 million, a decrease of €234 million compared to 2014. The reduction is primarily related to lower profit before taxes.

Net industrial debt

Net industrial debt at December 31, 2015 is €6 billion, a decrease from €7.7 billion at December 31, 2014. The improvement of €1.7 billion reflects positive cash flow of €9.7 billion from industrial operating activities and €0.7 billion of positive foreign exchange translation effects primarily related to the devaluation of the Brazilian real, which are partially offset by capital expenditures of €9.2 billion. The decrease also reflects the net cash proceeds from the IPO of 10% of Ferrari on the New York Stock Exchange.

€ million	12/31/2015	12/31/2014	Change
Third parties debt (principal)	**(29,716)**	(32,892)	3,176
- Bank debt	**(14,507)**	(13,120)	(1,387)
- Capital market instruments (1)	**(13,646)**	(17,729)	4,083
- Other debt (2)	**(1,563)**	(2,043)	480
Asset-backed financing (3)	**(206)**	(469)	263
Accruals and other adjustments	**(104)**	(305)	201
Gross debt	**(30,026)**	**(33,666)**	**3,640**
Cash and cash equivalents and current securities	**21,326**	23,050	(1,724)
Derivative assets/(liabilities)	**117**	(233)	350
Net debt	**(8,583)**	**(10,849)**	**2,266**
Industrial activities	**(6,012)**	(7,654)	1,642
Financial services	**(2,571)**	(3,195)	624

(1) Includes bonds and other securities issued on financial markets.
(2) Includes: HCT Notes (Canadian Health Care Trust Notes), arrangements accounted for as a lease under IFRIC 4 – Determining whether an arrangement contains a lease, and other non-bank financing.
(3) Advances on sale of receivables and securitizations on book.

Significant events in 2015

In April 2015 FCA issued $1.5 billion (€1.4 billion) total principal amount of 4.50% unsecured senior debt securities due in 2020 (the “Initial 2020 Notes”) and $1.5 billion total principal amount of 5.250% unsecured senior debt securities due 2023 (the “Initial 2023 Notes”) both at the issue price of 100% of their principal amount. The initial 2020 Notes and initial 2023 Notes are collectively referred to as “the Initial Notes”.

Also in April FCA’s new compensation arrangement was presented at a meeting with the trade unions. The arrangement incentivizes all employees within the automobiles business toward achievement of the productivity, quality and profitability targets established in the 2015-2018 business plan and is expected to cost FCA approximately €600 million over the 4-year period.

On May 14, 2015 FCA US prepaid its 8% secured senior notes due in 2019 with a redemption payment of $3.1 billion.

Giulia, a new model of Alfa Romeo, was unveiled to the international press in the Quadrifoglio Verde version at the newly renovated Alfa Romeo Historic Museum on June 24, 2015, the 105th anniversary of the founding of Alfa Romeo.

On July 4, 2015 the new Fiat 500 was revealed, exactly eight years after the iconic Fiat 500 was first launched, and the Fiat Toro, a new sport compact pick-up truck designed specifically for South America and to be built in Pernambuco, was previewed in September.

October 21, 2015 was the first day of trading on the New York Stock Exchange for the 17,171,500 shares in Ferrari’s initial public offering, at the initial offering price of $52 per share. The closing of the transaction was announced on October 26, 2015 with the confirmation that the underwriters exercised in full their option to purchase 1,717,150 shares. The gross proceeds for FCA of the total 18,892,150 Ferrari shares sold total $982.4 million.

On October 22, 2015 FCA US and UAW signed a new four-year national collective bargaining agreement effective 2016. The provisions of the new agreement include incentives upon meeting certain quality, productivity and profitability performance metrics and closes the pay gap between “traditional” older and “in-progression” younger employees over an eight-year period.

In November 2015 the all-new Fiat 124 Spider was introduced at the 2015 Los Angeles Auto Show and is expected to be available in EMEA and NAFTA in the second quarter of 2016.
The all-new Fiat Tipo was launched in Italy in December 2015 and is being sold in over forty countries across EMEA. The new Fiat Tipo won the prestigious AUTOBEST award and was voted “The Best Buy Car of Europe in 2016”.

On January 3, 2016 the transactions for the separation of FCA’s remaining ownership interest in Ferrari N.V. and the distribution of that ownership interest to holders of FCA shares and mandatory convertible securities were completed. FCA common shareholders and holders of special voting shares received one common share and one special voting share of Ferrari for every ten common shares and special voting shares of FCA, whereas the holders of FCA mandatory convertible securities received 0.77369 Ferrari common shares for every $100 notional amount held.
Starting January 4, 2016 Ferrari common shares are also traded on the Borsa Italiana’s MTA.
The spin-off of Ferrari allowed FCA to start 2016 operations with net industrial debt of €5 billion.

On March 2, 2016 FCA announced its intention to consummate a transaction that will result in the creation of the leading player in the Italian media and publishing business and to distribute all of its media and publishing sector interest to shareholders, consistent with its desire to increase focus on its core business.
The transaction, covered by a Memorandum of Understanding provides for the merger between FCA’s media and publishing subsidiary ITEDI S.p.A. and the Italian media group, Gruppo Editoriale L’Espresso S.p.A.
Based on the preliminary valuation range agreed between the parties, following consummation of the merger, FCA would hold approximately 16% of the share capital of the combined entity, while FCA’s minority partner in the publishing business Ital Press Holding S.p.A. (controlled by the Perrone family), would hold approximately 5% of the combined entity.
The Memorandum is binding on the parties and, subject to the conditions set out in the Memorandum, requires that they enter into definitive agreements no later than June 30, 2016. The merger is expected to be consummated in the first quarter of 2017, following receipt of the necessary regulatory approvals and satisfaction of the conditions precedent customary for this type of transaction (such as completing satisfactory due diligence and obtaining corporate approvals).
As soon as practicable following consummation of the merger, FCA will distribute its entire interest in the enlarged group to the holders of its common shares.
Consistent with its stated intent to increase focus on its core business and prior to proceeding with the above mentioned merger and distribution, FCA will distribute its entire ownership interest in RCS MediaGroup S.p.A. to holders of its common shares.

In March 2016 FCA US, which is controlled by FCA, made a $2 billion voluntary prepayment, applied to the Term Loans due in 2017 and 2018, in proportion to their respective principal balances, bringing the remaining debt to approximately $2.8 billion. This prepayment, together with the amendments to the two Term Loans, eliminates covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the FCA Group and enables access to the second €2.5 billion tranche of FCA’s €5 billion syndicated revolving credit facility.

(26.94% stake, 39.96% of voting rights on issued capital.
FCA also holds a 1.17% stake, 1.74% of voting rights)

The key consolidated figures of CNH Industrial in the year 2015 (drawn up in accordance with IFRS) are as follows:

	Year		Change
$ million	**2015**	2014	
Net revenues	**26,378**	32,957	(6,579)
Trading profit	**1,543**	2,399	(856)
Operating profit	**1,416**	2,167	(751)
Profit before taxes	**659**	1,482	(823)
Profit for the year	**234**	916	(682)
Profit attributable to owners of the parent	**236**	917	(681)

$ million	**12/31/2015**	12/31/2014	Change
Total assets	**49,117**	54,441	(5,324)
Net debt	**(19,951)**	(23,590)	3,639
- of which: Net industrial debt	**(1,570)**	(2,874)	1,304
Equity attributable to owners of the parent	**7,170**	7,534	(364)

Net revenues

Net revenues of the CNH Industrial Group in 2015 amount to $26,378 million, a decrease of 20% compared to 2014 (-8.9% on a constant currency basis). Net revenues of Industrial Activities are $24,903 million, a decrease of 20.7% (-9.4% on a constant currency basis).

The decrease in the net revenues of **Agricultural Equipment** (-16.9% on a constant currency basis) is primarily driven by declining volumes in all regions; the decrease in **Construction Equipment** (-18.3% on a constant currency basis) is mainly attributable to decreased industry volumes particularly in LATAM and APAC, while the decrease in **Powertrain** (-5.1% on a constant currency basis) is due mainly to lower captive demand. Excluding the impact of currency translation, **Commercial Vehicles** show an increase in net revenues of approximately 4.9%, owing primarily to higher volumes in EMEA, while in LATAM revenues are down due to declining volume in the Brazilian market.

Net revenues of **Financial Services** increased by 3.1% on a constant currency basis due to a higher average outstanding portfolio and increased sales of equipment formerly on operating leases, partially offset by a reduction in interest yield.

	Year		Change	
$ million	**2015**	2014	amount	%
Agricultural Equipment	**11,025**	15,204	(4,179)	-27.5
Construction Equipment	**2,542**	3,346	(804)	-24.0
Commercial Vehicles	**9,759**	11,087	(1,328)	-12.0
Powertrain	**3,569**	4,475	(906)	-20.2
Eliminations and other	**(1,992)**	(2,704)	712	n.s.
Total Industrial Activities	**24,903**	31,408	(6,505)	-20.7
Financial Services	**1,932**	2,086	(154)	-7.4
Eliminations and other	**(457)**	(537)	80	n.s.
Net revenues	**26,378**	32,957	(6,579)	-20.0

Trading profit

Trading profit in 2015 is $1,543 million, a decrease of $856 million (-35.7%) compared to 2014. The trading margin is 5.8% compared to 7.3% in 2014.

Trading profit of Industrial Activities totals $1,036 million, down $831 million from 2014, with a trading margin of 4.2%, a decrease of 1.7 percentage points compared to the prior year.

Agricultural Equipment's decrease in trading profit is principally due to declining industry volumes in NAFTA and LATAM and negative foreign exchange translation, partially offset by positive net pricing, lower raw material cost and structural cost reductions.

Construction Equipment closed 2015 with a decrease in trading profit compared to 2014 due to the negative impact of lower volumes in LATAM and APAC and higher R&D costs, only partially offset by structural cost containment actions and net price realization.

Commercial Vehicles' trading profit improved due to increased volumes mainly in EMEA, positive pricing, and a reduction in selling, general and administrative expenses. In LATAM positive pricing and manufacturing cost containment actions offset a large portion of the lower volumes in Brazil.

The reduction in trading profit of **Financial Services** in 2015 compared to the prior year is due to the negative impact of currency translation, partially offset by lower provisions for credit loss and selling, general and administrative costs.

	Year		Change
$ million	**2015**	2014	
Agricultural Equipment	**702**	1,689	(987)
Construction Equipment	**25**	66	(41)
Commercial Vehicles	**211**	2	209
Powertrain	**178**	220	(42)
Eliminations and other	**(80)**	(110)	30
Total Industrial Activities	**1,036**	1,867	(831)
Financial Services	**507**	532	(25)
Trading profit	**1,543**	2,399	(856)

Operating profit

In 2015 restructuring costs are $79 million and relate to actions in the efficiency program launched in 2014 in the **Agricultural Equipment** and **Commercial Vehicles** segments.

Restructuring costs in 2014 totaled $192 million and referred mainly to the same program.

Profit for the year

Net financial expenses in 2015 are $805 million including a pre-tax charge of $150 million related to the remeasurement of the net monetary assets of the Venezuelan operations denominated in Venezuelan bolivars following the adoption of the SIMADI exchange rate, and a pre-tax charge of $40 million due to the devaluation of the net monetary assets of the Argentinian subsidiaries. In 2014 net financial expenses came to $776 million and included a pre-tax charge of $71 million related to the remeasurement of Venezuelan monetary assets denominated in bolivars.

Excluding these pre-tax charges in both years, net financial expenses decreased by $132 million in 2015 compared to 2014 due to reduced average indebtedness and lower funding costs.

In 2015 **income taxes** total $425 million ($566 million in 2014). Excluding the impact of the pre-tax charge relating to the re-measurement of the net monetary assets of the Venezuelan operations, for which no corresponding tax benefit has been booked, and the impact of the inability to record deferred tax assets on losses in certain jurisdictions, primarily in Brazil, the effective tax rate for 2015 would have been 40%.

Net debt

Net industrial debt at December 31, 2015 is $1,570 million, a decrease of $1,304 million compared to $2,874 million at December 31, 2014. Cash flows from operations before changes in working capital are $1,537 million, while working capital generated another $504 million, mainly due to a decrease in inventories. Net capital expenditures are equal to $1,113 million and the currency translation differences produced a positive effect on net industrial debt of $550 million.

$ million		12/31/2015	12/31/2014	Change
Debt		**(26,458)**	(29,701)	3,243
Asset-backed financing		**(12,999)**	(13,587)	588
- Other debt		**(13,459)**	(16,114)	2,655
Other financial assets (liabilities) (1)		**142**	(30)	172
Liquidity		**6,365**	6,141	224
Net debt		**(19,951)**	(23,590)	3,639
	Industrial Activities	**(1,570)**	(2,874)	1,304
	Financial Services	**(18,381)**	(20,716)	2,335

(1) Includes the positive and negative fair value of derivative financial instruments.

Significant events in 2015 and subsequent events

In April 2015 CNH Industrial announced that in line with the ongoing global Efficiency Program launched in 2014, certain changes in the geographical location of the operations of its Iveco commercial vehicles will involve the manufacturing facilities in Madrid, Valladolid and Piacenza.

In September 2015 the Dow Jones Sustainability Indices (DJSI), World and Europe, again confirmed CNH Industrial as Industry Leader for 2015.
The DJSI has also named CNH Industrial as leader in the Capital Goods Industry Group. The 2015 assessment resulted in a score of 91/100 for CNH Industrial compared to an average of 52/100 for the participating companies in the Machinery and Electrical Equipment industry. All the companies chosen for consideration in the indices were judged in terms of economic, environmental and social performance by RobecoSAM, specialists exclusively focused on sustainable investment.

In January 2016 CNH Industrial, after authorization by the annual general meeting of the shareholders on April 15, 2015, announced a buyback program to repurchase up to $300 million in common shares, subject to market and business conditions. The buyback program will be financed from the CNH Industrial Group’s liquidity.

In February 2016 the Venezuelan government devalued its currency and changed its official and most preferential exchange rate to the CENCOEX rate, which will continue to be used for purchases of certain essential goods, from 6.3 Bs.F. to 10 Bs.F. per U.S. dollar. Venezuela reduced its three-tier system of exchange rates by eliminating the SICAD rate which last sold U.S. dollars for 13.5 Bs.F. The SIMADI exchange rate, initially fixed at 198.7 Bs.F, was allowed to float freely beginning at a rate of 202.9 Bs.F to the U.S. dollar. CNH Industrial is currently in the process of assessing the potential impact, if any, that this change to the Venezuelan exchange rate mechanism may have on its business, financial position, cash flows and/or results of operations in future periods.

On March 24, 2016 CNH Industrial communicated that, subsequent to the publication of the 2015 consolidated financial statements on March 4, 2016, developments arose relating to an investigation since 2011 conducted by the European Commission on the subsidiary Iveco S.p.A. and on some of its competitors in relation to certain alleged anticompetitive practices in the European Union.
Based on this CNH Industrial has decided to record a charge related to the matters under investigation of approximately $500 million (€450 million) in the first quarter of 2016. This charge will be taken into account as an exceptional item and is expected not to be tax deductible.

almacantar

(38.30% of share capital through EXOR S.A.)

The key consolidated income statement figures of the Almacantar Group in 2015 are as follows:

£ million	2015	2014	Change
Net property income	**16.6**	17.1	(0.5)
Profit attributable to owners of the parent	**248.1**	83.1	165.0

Net property income has decreased by £0.5 million, or 3%, to £16.6 million compared to £17.1 million in the prior year. Commercial rental income at Centre Point has ceased following the start of refurbishment in January 2015. As Marble Arch Tower moves towards a possible future start on site, rental income for this property has reduced as commercial tenants are retained on shorter term leases at reduced rates.

Profit attributable to owners of the parent has increased by £165.0 million to £248.1 million from £83.1 million in 2014. This is predominantly driven by investment property revaluation gains pursuant to IAS 40 of £248.6 million (£86.1 million in 2014) following the annual external valuation of the group's portfolio.

Key consolidated statement of financial position figures of the Almacantar Group at December 31, 2015 are as follows:

£ million	12/31/2015	12/31/2014	Change
Portfolio carrying value (a)	**1,488.8**	741.6	747.2
Net debt	**(340.3)**	(146.5)	(193.8)

(a) Excluding headlease asset.

The portfolio carrying value, besides the properties measured at fair value, includes the value of the residential elements of Centre Point, classified in 2015 in accordance with IFRS, as Property Inventory and valued at cost, which is representative of the market value when the reclassification was made to Property Inventory. However, based on the most recent external valuations, the estimated market value of Centre Point is £51.1 million higher than cost, so that the total of the portfolio carrying value, calculated according to EPRA (European Public Real Estate Association) amounts to £1,540 million as compared to the carrying amount of £1,488.8 million.

The increase in the carrying value of Almacantar's property portfolio, besides the fair value changes, reflects Almacantar's forward purchase, during July 2015, of two significant office developments at One and Two Southbank Place, from Braeburn Estates, a joint venture between Canary Wharf and Qatari Diar. One and Two Southbank Place will provide 572,616 square feet of Grade A office space in the two buildings when completed in 2018.

Additional capital expenditure was also incurred in relation to the refurbishment of Centre Point, pre-development activities for Marble Arch Tower, and an initial feasibility study for 125 Shaftesbury Avenue.

Shareholders' equity has increased in July following the issue of additional shares at a nominal amount of £151.8 million plus premium of £7.8 million. The amount of share capital not yet called for payment is £75.9 million.

Net debt at December 31, 2015 has increased by £193.8 million to £340.3 million compared to December 31, 2014, which mainly reflects new borrowings of £144.5 million used to finance the acquisition of One and Two Southbank Place, as well as £41.3 million drawn from the construction facility used to finance the refurbishment of Centre Point.

(63.77% of share capital)

The results for the first half of the financial year 2015/2016 (corresponding to the period July 1 – December 31, 2015) of Juventus Football Club S.p.A. are as follows:

€ million	**Half I 2015/2016**	Half I 2014/2015	Change
Revenues	**204.5**	156.2	48.3
Operating costs	**140.4**	119.4	21.0
Operating income	**38.1**	2.4	35.7
Profit (loss) for the period	**30.3**	(6.7)	37.0

	At		
€ million	**12/31/2015**	6/30/2015	Change
Shareholders' equity	**75.0**	44.6	30.4
Net financial debt	**(197.3)**	(188.9)	(8.4)

The interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the data it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season.
Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by European competitions, particularly the UEFA Champions League, the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a different period than the period to which they refer.

The first half of the 2015/2016 financial year closes with a **profit** of €30.3 million, posting a positive change of €37 million compared to the loss of €6.7 million recorded in the same period of 2014.
This change mainly arises from an increase in revenues from players' registration rights of €30.2 million, and a general increase in recurring revenues of €18.1 million (€6.8 million of which comes from the sale of products and licenses), in addition to net non-recurring revenues of €10.6 million. These positive changes were partially offset by the increase in players' wages and technical staff costs of €13.7 million, the increase in costs for external services of €3.6 million, higher amortization of players' registration rights of €2.7 million, the purchase of products intended for sale of €2.1 million, as well as net positive changes of €0.2 million. The latter mainly include lower provisions (+€0.7 million) and lower net financial expenses (+€1 million) partially offset by higher costs for other personnel (-€1.5 million).

Revenues for the first half of the 2015/2016 financial year, totaling €204.5 million, show an increase of 30.9% compared to €156.2 million in the first half of 2014/2015 financial year.

Operating costs in the first half of the 2015/2016 financial year amount to €140.4 million. This is an increase of 17.6% compared to €119.4 million in the corresponding period of the prior financial year.

Shareholders' equity at December 31, 2015 is €75 million, up from €44.6 million at June 30, 2015 due primarily to the profit reported in the first half (+€30.3 million).

Net financial debt at December 31, 2015 totals €197.3 million (€188.9 million at June 30, 2015). The increase of €8.4 million is attributable to outlays for the Transfer Campaigns (-€22.1 million, net), investments in other fixed assets (-€8.1 million), investments in equity investments (-€0.2 million) and flows used for financial assets (-€2.6 million), partially offset by cash flows from operating activities (+€21.9 million) and the first repayment on the advances paid in prior years on the Continassa Project (+€ 2.7 million).

In order to improve the composition of its sources of funding and in accordance with industry regulations, as from September 2015 Juventus has begun a program to convert a significant portion of its short-term debt into medium-long-term loans. An amount of €105 million has already been converted under the program at December 31, 2015.

Significant events in the first half of the 2015/2016 financial year

Football season

On July 10, 2015 FIGC officers, after reviewing the documentation filed by Juventus and materials sent by the Lega Nazionale Professionisti Serie A, issued the National License for the current football season.
On August 8, 2015 the First Team won the seventh Italian Super Cup in its history.
In December the First Team qualified for the round of sixteen of the UEFA Champions League 2015/2016, placing second in its round, as well as the quarter finals of the Italian Cup.

2015/2016 Transfer Campaign – first phase

Purchases and disposals of players' registration rights

The transactions finalized in the first phase of the 2015/2016 Transfer Campaign, held from July 1 to August 31, 2015, led to a total increase in invested capital of €118.5 million resulting from acquisitions and increases of €138.7 million and disposals of €20.2 million (carrying amount of disposed rights).
The net capital gains generated by the disposals amount to €33.8 million.
The total net financial commitment of €88.1 million is spread over four years, and includes auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments. To secure the deferred payments, guarantees were issued for a total of €75.8 million.

Renewal of players' contracts

During the first months of the 2015/2016 financial year the contracts for players' registration rights were renewed for the following players: Leonardo Bonucci, Gianluigi Buffon, Claudio Marchisio, Alvaro Morata, Simone Padoin, Roberto Maximiliano Pereyra and Daniele Rugani.

Player's contract resolution

In July the contract with Andrea Pirlo expiring June 30, 2016 was terminated by mutual consent; there are no economic or financial effects.

2015/2016 season ticket campaign

The season ticket campaign for the 2015/2016 football season closed with the subscription of all 28,000 available season passes, for net proceeds of €21.6 million (€20.8 million in the previous season), including premium seats and additional services.

Direct management of licensing, merchandising and soccer school

On July 1, 2015 following Juventus' decision to directly manage licensing and merchandising activities, the stores on Via Garibaldi in Turin and the Megastore at the Area 12 Shopping Center, next to the Juventus Stadium, were reopened, following a complete renovation in cooperation with the new sponsor *adidas*.
On June 30, 2015 the operations, existing contracts and personnel of Juventus Merchandising (a company in the Nike Group) were transferred to Juventus, in conjunction with the acquisition of the relative business unit. The internal structure charged with licensing, retail and soccer school activities includes, to date, 36 resources.

Continassa project: start-up of the J Village Real Estate Fund

During the month of July, Accademia SGR S.p.A., the asset management company controlled by Banca del Sempione S.A., started up operation of the "J Village" Real Estate Fund for the redevelopment and upgrading project of most of the Continassa Area adjacent to the Juventus Stadium, promoted by Juventus.
Specifically, Accademia SGR obtained investment commitments from various subscribers for a total of €53.8 million and finalized a loan agreement in the first part of August with the lending institutions of the J Village Fund, UBI Banca S.c.p.A. and Unicredit S.p.A., for a maximum of €64.5 million.
Following these events the act of June 30, 2015 became effective whereby Juventus transferred the title on the long-term lease to the J Village Fund for an area of approximately 148,700 square meters and the relative building permits for 34,830 square meters of Gross Floor Area (GFA) for a total equivalent of €24.1 million, determined based on an estimate report drawn up by an independent expert as per Ministerial Decree 30 of March 5, 2015. For this transfer, which generates net income of approximately €10.3 million in the 2015/2016 financial year, Juventus received shares of the J Village Fund for the value of €24.1 million.
The City of Turin has already issued the building permits for the infrastructure works, the International School, the Hotel, the new Training and Media Center of Juventus' First Team and the new Juventus headquarters, which will be located on the lot of the old Cascina Continassa.
Completing the project is a building that will be built for commercial and innovative hospitality activities (Concept Store), for which the building permit is in the process of being issued).

Accademia SGR has hired Pessina Costruzioni S.p.A. for the construction of the new headquarters, the Hotel, the International School, the Concept Store and the infrastructure works; Costruzioni Generali Gilardi S.p.A. has been awarded the contract for the new Training and Media Center.
The job schedule calls for all the works to be delivered by the beginning of summer 2017.
Juventus retained ownership of the surface rights to a remaining area of about 15,662 square meters on which building permits for 3,170 square meters of GFA insist.

J Medical

In the first half of the 2015/2016 financial year work began on the renovation of the premises of the Eastern section of the Juventus Stadium, approximately 3,500 square meters, that will house the activities of J Medical, an outpatient care, diagnostic, rehabilitation and sports medicine clinic. Work was completed in February with an investment of €4.9 million; the center was inaugurated on March 23, 2016. J Medical S.r.l. is a joint venture of Juventus and Santa Clara S.r.l.

J Museum extension

During the first half ended December 31, 2015 the extension work on the J Museum was completed with the construction of two new exhibition areas for permanent exhibitions of mementos and memorabilia of champions of other sports, Juventus fans and the First Team (170 square meters), which opened to the public on October 4, 2015 and December 16, 2015 respectively.

Resolutions by the ordinary shareholders' meeting of October 23, 2015

The ordinary shareholders' meeting of Juventus Football Club S.p.A approved the financial statements at June 30, 2015 which closed with a net income of €2.3 million that was entirely allocated to reserves. As a result, no dividends were declared.
The shareholders' meeting established the number of members of the board of directors at twelve for the financial years 2015/2016, 2016/2017 and 2017/2018, and appointed the following directors: Andrea Agnelli, Maurizio Arrivabene, Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes, Daniela Marilungo, Giuseppe Marotta, Aldo Mazzia, Pavel Nedved, Francesco Roncaglio and Enrico Vellano.
The board of statutory auditors was also appointed and is composed of Paolo Piccatti (Chairman), Silvia Lirici and Roberto Longo. The deputy auditors appointed were Nicoletta Paracchini and Roberto Petrignani.
Finally, the shareholders' meeting approved the Remuneration Report pursuant to art. 123-ter of Legislative Decree 58/98.
At the end of the shareholders' meeting, Juventus held a meeting of the board of directors which confirmed Andrea Agnelli as Chairman, and Giuseppe Marotta and Aldo Mazzia as Chief Executive Officers and, finally, appointed Pavel Nedved Vice President and confirmed Paolo Garimberti President of J Museum.
After having verified the satisfaction of the requisite of independence of the directors Giulia Bongiorno, Paolo Garimberti, Assia Grazioli Venier, Caitlin Mary Hughes and Daniela Marilungo, the board appointed the following Committees:

- *Remuneration and Appointments Committee* composed by Paolo Garimberti (Chairman), Assia Grazioli Venier and Caitlin Mary Hughes;
- *Control and Risk Committee* composed by Daniela Marilungo (Chairman), Paolo Garimberti and Assia Grazioli Venier.

The members of the Supervisory Board pursuant to Legislative Decree 231/2001 were also appointed and are Alessandra Borelli, Guglielmo Giordanengo and Patrizia Polliotto.

Events subsequent to December 31, 2015

Football season

In March 2016 the First Team qualified for the finals of the Italian Cup and was eliminated in round of sixteen of the UEFA Champions League.

2015/2016 Transfer Campaign – second phase

Purchases and disposals of players' registration rights

The purchases finalized in the second phase of the 2015/2016 Transfer Campaign, held from January 4 to February 1, 2016, led to an increase in invested capital of €6.4 million, in addition to the capitalization of €1.4 million of bonuses accrued in favor of the previous clubs of some players purchased in past transfer campaigns.
The total net financial commitment (including auxiliary expenses as well as financial income and expenses implicit in deferred receipts and payments is a negative €6.8 million, distributed as follows: -€1.2 million in the second half of the 2015/2016 financial year, -€2.8 million in the 2016/2017 financial year, and -€2.8 million in the 2017/2018 financial year.

The Economist

(34.72% of issued capital, 20% of voting rights)

The key consolidated figures of The Economist Group reported for the first half of the financial year 2015/2016 (corresponding to the period March 1 – September 30, 2015), based on the most recent data available, are as follows:

	Half I		
£ million	**2015/2016**	2014/2015	Changes
Net revenues	**160.0**	148.7	11.3
Operating costs	**(132.4)**	(122.9)	(9.5)
Operating profit	**27.6**	25.8	1.8
Profit for the period	**19.4**	17.7	1.7

	At		
£ million	**9/30/2015**	9/30/2014	Change
Equity attributable to owners of the parent	**(22.1)**	(21.4)	(0.7)
Net debt	**(47.7)**	(37.9)	(9.8)

For a correct interpretation of the data it should be noted that the financial year of The Economist Group does not coincide with the calendar year but covers the period April 1 – March 31.

The Economist Group’s **net revenues** in the first half 2015 are up 8% (£11.3 million) from the same period last year. The dollar was stronger against the pound which boosted revenues by £8.1 million, and the results were also helped by the timing of EuroFinance’s flagship conference. This year the conference was in September, last year in October, so the swing in revenues for the half-year comparison was more than £4 million. Excluding both these favorable factors, revenues fell slightly.

Operating profit increased by 7% (£1.8 million) in the first half but would have been lower if not for the benefit of the stronger dollar and the earlier timing of the EuroFinance event. Profit for the period was up 9% (£1.7 million) boosted by a lower effective tax rate.

Net debt increased in the period by £9.8 million as there were higher investments in new acquisitions and digital developments, a lower operating cash inflow and higher dividend payments.

Net revenues by sector are as follows:

	Half I		
£ million	**2015/2016**	2014/2015	Change
The Economist Businesses	109.7	102.6	7.1
The Economist Intelligence Unit	24.5	22.9	1.6
CQ Roll Call	23.8	21.3	2.5
Other businesses	2.0	1.9	0.1
Net revenues	**160.0**	**148.7**	**11.3**

On the plus side, and starting with **The Economist Businesses**, revenues from circulation grew by 4%, from digital advertising by 10% and from content solutions by 17%. There was a decline in print advertising, by an underlying 18%. The only unexpected negative came from TVC, the integrated communications agency, down 29% in the first half after large clients cut spending.

The other two divisions of the Group also did well: **The Economist Intelligence Unit’s** constant-currency revenues were up by 2% and **CQ Roll Call’s** by 2%.

Operating profit by division is as follows:

	Half I		
£ million	2015/2016	2014/2015	Change
The Economist Businesses	12.1	12.9	(0.8)
The Economist Intelligence Unit	6.7	5.6	1.1
CQ Roll Call	6.4	5.2	1.2
Other businesses	2.4	2.1	0.3
Operating profit	**27.6**	**25.8**	**1.8**

Operating profit by business was also helped by the stronger dollar and in the case of The Economist Businesses, the timing of the EuroFinance event.

The ongoing decline in high margin print advertising revenues has continued to affect profitability and while partly offset by strong growth in digital advertising this comes with a cost because of complex delivery and support. There has also been increased investment in digital capabilities and editorial teams.

Significant events in the first half of 2015

There has been a lot of activity in the first half: some of it is innovation, but The Economist Group is also spending to improve the efficiency of its day-to-day operations. Visits to Economist.com were almost 15% up from the same period as last year; Global Business Review (the foreign-language app) has been downloaded 328,000 times since its launch in April; Espresso has been downloaded almost 1 million times. The circulation of *The Economist* was steady at 1.6 million; four out of ten subscribers now take the bundle of print and digital, which is sold at a premium price. *The Economist* continued to increase the number of full-price subscriptions and also to reduce the number of discounted copies, so revenue per copy rose by 8% in absolute terms. Just as significant, the cost of acquiring new subscribers was reduced by 11%. The Economist Intelligence Unit completed the acquisition of Canback & Co in July 2015, a predictive analytics and consultancy business helping firms that seek to target consumers.

Events subsequent to the first half of 2015

The transaction for the buyback of the remaining 2,550,000 treasury shares of The Economist Group was concluded on March 23, 2016; the preceding 2,490,000 treasury shares were bought back in October 2015. The company financed the transaction in part with new 5-year term loan agreements entered into on October 16, 2015 and in part with cash raised from the sale of The Economist Complex in central London under the agreement signed on February 12, 2016.

ARENELLA IMMOBILIARE S.r.l.

(100% capital)

The key figures taken from the financial statements for the first year ended December 31, 2015 of Arenella Immobiliare S.r.l. are as follows:

€ million	**12/31/2015**	12/31/2014	Change
Profit for the year	**0.1**	0.2	(0.1)
Equity	**26.3**	26.1	0.2
Lido Arenella hotel property	**25.9**	26.3	(0.4)
Net financial position	**0.2**	(0.3)	0.5

The year 2015 shows a profit of €0.1 million. The €0.1 million decrease from 2014 is mainly due to the effect of the tax benefit from ACE transferred to EXOR in the course of participating in the national tax consolidation with EXOR.

The net reduction in the carrying amount of the Lido Arenella hotel property of €0.4 million is due to the depreciation charge for the year of €0.6 million, partially offset by extraordinary maintenance work of €0.2 million.

Beginning September 30, 2016 Arenella Immobiliare will be able to exercise an option to acquire, as set out in the March 12, 2012 agreement signed between the parties, the hotel concession and the beach area concession of the adjacent to the hotel complex.

EXOR S.A.

(100% of capital)

The key figures of the financial statements for the year ended December 31, 2015 of EXOR S.A., prepared under the laws of Luxembourg, are as follows:

€ million	12/31/2015	12/31/2014	Change
Profit for the year	**796.2**	87.7	708.5
Equity	**1,409.2**	3,100.5	(1,691.3)
Investments and non-current other financial assets	**2,331.9**	3,609.9	(1,278.0)
Net financial position	**(930.2)**	(509.1)	(421.1)

EXOR S.A. closed the year 2015 with a profit of €796.2 million compared to a profit of €87.7 million in 2014. The increase of €708.5 million is due mainly to the gains realized on the sales of C&W Group of €641.9 million and Allied World Assurance Company Holdings for €60.4 million.

Investments and non-current other financial assets at December 31, 2015 comprise the following:

	Number	12/31/2015			
	of shares	% of capital	Carrying amount	12/31/2014	Change
The Economist Group Ltd	8,750,000	34.72	**428.6**	30.3	398.3
Exor Capital Ltd	4,000,000	100	**424.0**	1,889.0	(1,465.0)
EXOR N.V.	450	100	**300.0**	300.0	0.0
Almacantar S.A.	220,480,355	38.30	**280.5**	171.9	108.6
PartnerRe Ltd	2,201,062	4.61	**256.6**	-	256.6
Banca Leonardo S.p.A.	45,459,968	16.51	**54.5**	60.0	(5.5)
Banijay Holding S.A.S.	351,590	17.17	**35.3**	35.3	0.0
C&W Group Inc.	-	-	**0.0**	495.3	(495.3)
Other	-	-	**40.9**	156.4	(115.5)
Total investments			**1,820.4**	3,138.2	(1,317.8)
Non-current other financial assets			**511.5**	471.7	39.8
Total investments and non-current other financial assets			**2,331.9**	3,609.9	(1,278.0)

The principal changes in investments and non-current other financial assets held by EXOR S.A. are described under Significant Events in 2015.

MAIN RISKS AND UNCERTAINTIES TO WHICH EXOR S.P.A. AND ITS CONSOLIDATED SUBSIDIARIES ARE EXPOSED

RISKS ASSOCIATED WITH GENERAL ECONOMIC CONDITIONS

Beginning in 2008 the world economy was hit by the effects of the global financial crisis. This crisis, including the European sovereign debt crisis, has caused enormous confusion in financial markets, considerably reducing liquidity and credit availability. Any continuation of this state of tension in the financial markets at the national and international level could influence the type, timing and profitability of investments realized (or that will be realized) with resulting potential detrimental effects on the results of operations, financial position and cash flows of the company.
However, it is impossible to ensure that there will not be a further deterioration of the global economy.

The earnings and financial position of EXOR and its principal investment holdings are affected by the performance of financial markets and macroeconomic variables over which EXOR exercises little or no control. The major business segments are also highly seasonal, which tends to reflect, if not amplify, the situation of the general economy.

Strong GDP growth in the United States has raised divergent expectations of monetary policy among the major advanced economies, provoking exchange rate fluctuations and discordant economic scenarios in emerging markets.

The recovery in Europe has missed its targets but new factors will raise the short-term outlook. The fall in oil prices and raw materials have triggered a process leading to the redistribution of the wealth of exporting countries to importing countries and provided a further boost to economic activities, strengthening the quantitative easing measures adopted by the ECB. This monetary policy aims to accelerate the normalization of inflation, currently at levels close to zero, and support the devaluation of the euro in order to buttress the competitiveness of companies. However, there are still uncertainties surrounding growth in the Eurozone nations.

It is not possible to provide an indication of the future effects of the aforementioned factors and variables which may have an adverse impact on the demand for products and services, the earnings, business prospects and financial position of EXOR and its subsidiaries and affiliates.

RISKS ASSOCIATED WITH EXOR'S BUSINESS

EXOR conducts investment activities which entail risks that are typical such as high exposure to certain sectors or investments, difficulties in identifying new investment opportunities that meet the characteristics of its objectives or difficulties in disposing of investments owing to changes in general economic conditions. The potential difficulties connected with making new investments, such as unexpected costs or liabilities, may have an adverse effect on the EXOR's earnings, financial position and cash flows.

The ability to access capital markets or other forms of financing and the related costs are dependent, among other things, on the assigned credit rating.
Any downgrade by the rating agencies could limit the ability to access capital markets and increase the cost of capital, with a consequent adverse effect on its earnings, financial position and cash flows.
EXOR's long-term debt and short-term debt rated by Standard & Poor's in 2015 is respectively at "BBB+" and "A-2", with a negative outlook.

EXOR's policy and that of the companies in the so-called Holdings System is to keep liquidity available in demand or short-term deposits and readily negotiable money market instruments, bonds and equity securities, spreading such investments over an appropriate number of counterparties, with the principal purpose of having investments which can readily be converted into cash. The counterparties are chosen according to their creditworthiness and reliability.
Most of the liquidity at December 31, 2015 is denominated in U.S. dollars in order to hedge the currency risk in the transaction for the acquisition of PartnerRe, a non-monetary investment in foreign currency.
However, in consideration of the current international financial market situation, market conditions which may adversely affect the normal operations in financial transactions cannot be excluded.

EXOR's earnings not only depend on the market value of its principal investment holdings but also on the dividends they pay and, in the end, reflect their earnings and financial performance and investment and dividend payment policies. A deterioration of the conditions in the financial markets and the earnings of the principal investment holdings may affect EXOR's earnings and cash flows.

Through its investments in subsidiaries and associates, EXOR is present mainly in the automobile segment (FCA), the agricultural and construction equipment segment (CNH Industrial), publishing (The Economist Group), real estate (Almacantar) and professional football (Juventus Football Club). As a result, EXOR is exposed to the risks typical of the markets and sectors in which such subsidiaries and affiliates operate.

At December 31, 2015, the investments in FCA (29.16% stake) and in CNH Industrial (26.94% stake) represented, respectively, 38.4% and 15.4% of the current value of EXOR’s investment portfolio, calculated on the basis of the NAV (Net Asset Value) method described on page 5. Therefore, the performance of the FCA Group and the CNH Industrial Group has a very significant impact on the earnings, financial position and cash flows of EXOR.

EXOR and its subsidiaries and associates are exposed to fluctuations in currency and interest rates and use financial hedging instruments, compatible with the risk management policies adopted by each of them. Despite these hedging transactions, sudden fluctuations in currency or interest rates may have an adverse effect on the earnings and financial position.
The subsidiaries and associates are generally exposed to credit risk which is managed by specific operating procedures. Given its activities, EXOR is not significantly exposed to such risk.

EXOR and its subsidiaries and associates are exposed to risks associated with pending litigation which are evaluated and, where necessary, appropriate provision is made. However, it cannot be excluded that such risks will have adverse effects on the earnings, financial condition and cash flows of EXOR and/or its subsidiaries and associates.

EXOR and its subsidiaries and associates are taxed on income in Italy and outside Italy; during the course of ordinary activities they may be subject to controls by Italian and foreign tax authorities. Although the companies consider that the tax estimates are reasonable, any disputes correlated thereto may have a material adverse effect on the results of operations.

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (FCA, CNH Industrial and Juventus Football Club).

FCA

Risks related to the business, strategy and operations

FCA – The profitability of the Group depends on reaching certain minimum vehicle sales volumes. If vehicle sales deteriorate, particularly sales of the Group's pickup trucks, larger utility vehicles and minivans, the results of operations and financial condition of the Group will suffer

The Group's success requires it to achieve certain minimum vehicle sales volumes. As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle sales volume can have a disproportionately large effect on profitability. For example, assuming constant pricing, mix and cost of sales per vehicle, that all results of operations were attributable to vehicle shipments and that all other variables remain constant, a 10% decrease in 2015 vehicle shipments would reduce Adjusted Earnings Before Interest and Taxes ("Adjusted EBIT") by approximately 29% for 2015, without considering actions and cost containment measures that may be taken in response to decreased vehicle sales.

In addition, profitability in the U.S., Canada, Mexico and Caribbean islands ("NAFTA"), a region which contributed a majority of the profit in 2015, is particularly dependent on demand for the Group's pickup trucks, larger utility vehicles and minivans. A shift in demand away from these vehicles within the NAFTA region, and towards compact and mid-size passenger cars, whether in response to higher fuel prices or other factors, could adversely affect profitability. Pickup trucks, larger utility vehicles and minivans accounted for approximately 41% of total U.S. retail vehicle sales in 2015 and the profitability of this portion of the portfolio is approximately 39% higher than that of the overall U.S. retail portfolio on a weighted average basis. A shift in demand such that U.S. industry market share for pickup trucks, larger utility vehicles and minivans deteriorated by 10 percentage points, whether in response to higher fuel prices or other factors, holding other variables constant, including overall industry sales and the Group's market share of each vehicle segment, would have reduced the Group's Adjusted EBIT by approximately 10% for 2015. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes. This estimate does not take into account any other changes in market conditions or actions that the Group may take in response to shifting consumer preferences, including production and pricing changes.

The Group's dependence within the NAFTA region on pickup trucks, larger utility vehicles and minivans is expected to increase further as the Group intends to shift production in that region away from compact and mid-size passenger cars.

Moreover, the Group tends to operate with negative working capital as the Group generally receives payments from vehicle sales to dealers within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when such parts and materials are paid; therefore, if vehicle sales decline the Group will suffer a significant negative impact on cash flow and liquidity as it continues to pay suppliers during a period in which the Group receive reduced proceeds from vehicle sales. If vehicle sales decline, or if they were to fall short of assumptions, due to financial crisis, renewed recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, the Group's financial condition and results of operations would be materially adversely affected.

FCA – The Group's businesses are affected by global financial markets and general economic and other conditions over which the Group has little or no control

The Group's results of operations and financial position may be influenced by various macroeconomic factors—including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, fuel prices, the cost of commodities or other raw materials, the rate of unemployment and foreign currency exchange rates—within the various countries in which the Group operates.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which the Group operates.

In addition to slow economic growth or recession, other economic circumstances—such as increases in energy prices and fluctuations in prices of raw materials or contractions in infrastructure spending—could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group may be unsuccessful in efforts to expand the international reach of some of the brands that are believed to have global appeal and reach

The growth strategies reflected in the 2014-2018 Business Plan announced in May 2014 and updated in January 2016 (the “Business Plan”) require significant investments, including the expansion of several brands that are believed to have global appeal into new markets. Most notably, these strategies include expanding global sales of the Jeep brand through localized production in Asia and Latin America. Additionally, the Group’s plans include the launch of new large utility vehicle models in North America, the reintroduction in North America, and expansion in Europe and Asia, of the Alfa Romeo brand, and the further development of the Maserati brand portfolio to include the all-new Levante sport utility vehicle. These strategies require significant investments in production facilities and distribution networks. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve brand expansion strategies, FCA may be unable to earn a sufficient return on these investments and this could have a material adverse effect on the Group’s financial condition and results of operations.

FCA - Product recalls and warranty obligations may result in direct costs, and any resulting loss of vehicle sales could have material adverse effects on the Group’s business

FCA, and the U.S. automotive industry in general, have recently experienced a significant increase in recall activity to address performance, compliance or safety-related issues. FCA’s recent costs to recall vehicles have been significant and typically include the cost of replacement parts and labor to remove and replace parts. These costs substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale. Product recalls may also harm the Group’s reputation, force it to halt the sale of certain vehicles and may cause consumers to question the safety or reliability of the Group’s products. Given recent increases in both the cost and frequency of recall campaigns and increased regulatory activity across the automotive industry in the U.S. and Canada, ongoing compliance may become even more costly.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group’s financial condition and results of operations. Moreover, faced with consumer complaints, or information received from vehicle rating services that calls into question the safety or reliability of one of the Group’s vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, the Group’s reputation may also be harmed and the Group may lose future vehicle sales. The Group is also obligated under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds the Group’s assumptions may result in unanticipated losses.

In addition, compliance with U.S. regulatory requirements for product recalls has received heightened scrutiny recently. In connection with the failure in three specified campaigns to provide an effective remedy, and noncompliance with various reporting requirements under the National Traffic and Motor Vehicle Safety Act of 1966 and the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, FCA US has recently agreed to pay substantial civil penalties, become subject to supervision and in certain instances been required to buy back vehicles as an additional alternative to a repair remedy. There can be no assurance that the Group will not be subject to additional regulatory inquiries and consequences in the future.

FCA - Future performance depends on the Group’s ability to expand into new markets as well as enrich the product portfolio and offer innovative products in existing markets

The Group’s success depends, among other things, on the ability to maintain or increase its share in existing markets and/or to expand into new markets through the development of innovative, high-quality products that are attractive to customers and provide adequate profitability.

It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that schedule. Because of this product development cycle and the various elements that may contribute to consumers’ acceptance of new vehicle designs, including competitors’ product introductions, fuel prices, general economic conditions and changes in styling preferences, an initial product concept or design that the Group believes will be attractive may not result in a vehicle that will generate sales in sufficient quantities and at high enough prices to be profitable. A failure to develop and offer innovative products that compare favorably to those of the principal competitors, in terms of price, quality, functionality and features, with particular regard to the upper-end of the product range, or delays in bringing strategic new models to the market, could impair the strategy, which would have a material adverse effect on the Group’s financial condition and results of operations. Additionally, the high proportion of fixed costs, both due to the significant investment in property, plant and equipment as well as the requirements of the Group’s collective bargaining agreements, which limit its flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for the Group’s vehicles.

Further, if the Group determines that a safety or emissions defect, a mechanical defect or a non-compliance with regulation exists with respect to a vehicle model prior to the retail launch, the launch of such vehicle could be delayed until the Group remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial.

FCA - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of the competitors

Substantially all of the revenues are generated in the automotive industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered, and many of the Group's competitors are better capitalized with larger market shares.

In addition, global vehicle production capacity significantly exceeds current demand and this overcapacity has intensified and may further intensify pricing pressures. The Group's competitors may respond to these conditions by attempting to make their vehicles more attractive or less expensive to customers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. In addition, manufacturers in countries that have lower production costs may choose to export lower-cost automobiles to more established markets. These actions have had, and may continue to have, a negative impact on the Group's vehicle pricing, market share, and results of operations.

In the automotive business, sales to end-customers are cyclical and subject to changes in the general condition of the economy, the readiness of end-customers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry or the Group's inability to adapt effectively to external market conditions coupled with more limited capital than many of its principal competitors could have a material adverse impact on the Group's financial condition and results of operations.

FCA - Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced greenhouse gas emissions, may have a significant effect on how the Group does business and may adversely affect the results of operations

In order to comply with government regulations related to fuel economy and emissions standards, the Group must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future, and these costs could be difficult to pass through to customers. As a result, the Group may face limitations on the types of vehicles it produces and sells, and where the Group can sell them, which could have a material adverse impact on the Group's financial condition and results of operations.

Government scrutiny has also increased industry-wide, and is expected to remain high, in connection with a recent significant EPA action involving the tailpipe emissions of a competitor's diesel vehicles. As a result, original equipment manufacturers ("OEMs") will likely experience additional regulation, increased enforcement and a more lengthy regulatory approval process.

In many cases, technological and cost barriers limit the mass-market potential of sustainable natural gas and electric vehicles. In certain other cases, the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by it and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds the Group has budgeted or expended for these purposes will be adequate, or that the Group will be able to obtain rights to use these technologies.

Further, competitors and others are pursuing similar technologies and other competing technologies, and there can be no assurance that they will not acquire and implement similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

FCA – The Group’s success largely depends on the ability of the current management team to operate and manage effectively

The Group’s success largely depends on the ability of senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Chief Executive Officer, Sergio Marchionne, is critical to the execution of the strategic direction and implementation of the Business Plan. Although Mr. Marchionne has indicated his intention to remain as Chief Executive Officer through the period of the Business Plan, if the Group were to lose his services or those of any of the other senior executives or key employees it could have a material adverse effect on the Group’s business prospects, earnings and financial position. The Group has developed succession plans that is believed are appropriate in the circumstances, although it is difficult to predict with any certainty that the Group will replace these individuals with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel the business, financial condition and results of operations may suffer.

FCA - The FCA Group may be subject to more intensive competition if other manufacturers pursue consolidations

The FCA Group has advocated consolidation in its industry due to the Group’s view that the automotive industry is characterized by significant duplication in product development costs, much of which does not drive value as perceived by consumers. The FCA Group believes that sharing product development costs among manufacturers, preferably through consolidation, will enable automakers to improve their return on capital employed for product development and manufacturing and enhance utilization of tooling, machinery and equipment. While the FCA Group continues to implement its Business Plan, and believes that the business will continue to grow and operating margins will continue to improve, if competitors are able to successfully integrate with one another and the FCA Group is not successful with its own efforts to enhance collaboration or adapt effectively to increased competition, the competitors’ integration could have a material adverse impact on the Group’s financial condition and results of operations.

FCA – The Group may be exposed to shortfalls in its pension plans

Certain of the defined benefit pension plans are currently underfunded. As of December 31, 2015, the defined benefit pension plans were underfunded by approximately €5.1 billion (€4.9 billion of which relates to FCA US's defined benefit pension plans). The Group’s pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. The Group’s defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to defined benefit plans, as well as the investment strategy for the plans, the Group is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect the Group’s financial condition and results of operations. If the Group fails to make required minimum funding contributions, it could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency. As a result of the Group’s 100% indirect ownership of FCA US, the Group may be subject to certain U.S. legal requirements making it secondarily responsible for a funding shortfall in certain of FCA US's pension plans in the event these pension plans were terminated and FCA US were to become insolvent.

FCA – The lack of a captive finance company in certain key markets could place the Group at a competitive disadvantage to other automakers that may be able to offer consumers and dealers financing and leasing on better terms than the Group customers and dealers are able to obtain

The Group's dealers enter into wholesale financing arrangements to purchase vehicles from the Group to hold in inventory and facilitate retail sales, and retail customers use a variety of finance and lease programs to acquire vehicles.

Unlike many of the competitors, the Group does not own and operate a controlled finance company dedicated solely to the mass-market vehicle operations in the U.S. and certain key markets in Europe. Instead the Group has elected to partner with specialized financial services providers through joint ventures and commercial agreements. The Group's lack of a controlled finance company in these key markets may increase the risk that the Group's dealers and retail customers will not have access to sufficient financing on acceptable terms which may adversely affect the Group's vehicle sales in the future. Furthermore, many of the competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their finance companies on an aggregate basis. Since the Group's ability to compete depends on access to appropriate sources of financing for dealers and retail customers, lack of a controlled finance company in those markets could adversely affect the Group's results of operations.

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail customers. The ability of a finance company to provide financing services at competitive rates is subject to various factors, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rate.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will also face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or customers of competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to the Group's dealers and retail customers.

To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to Group dealers and retail customers, such dealers and retail customers may not have sufficient access to financing to purchase or lease Group vehicles. As a result, vehicle sales and market share may suffer, which would adversely affect the Group's financial condition and results of operations.

FCA - Vehicle sales depend heavily on affordable interest rates for vehicle financing

In certain regions, including NAFTA, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. As interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make the Group's vehicles less affordable to retail customers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, the Group's retail customers may not desire to or be able to obtain financing to purchase or lease the Group's vehicles. Furthermore, because the Group's customers may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of competitors.

FCA - Limitations on the Group's liquidity and access to funding may limit the ability to execute the Business Plan and improve the financial condition and results of operations

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs.

Any limitations on the Group’s liquidity, due to decreases in vehicle sales, the amount of or restrictions in its existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact the Group’s ability to execute its Business Plan and impair the financial condition and results of operations. In addition, any actual or perceived limitations of the Group’s liquidity may limit the ability or willingness of counterparties, including dealers, customers, suppliers, lenders and financial service providers, to do business with the Group, which may adversely affect the Group’s financial condition and results of operations.

FCA – The Group’s current credit rating is below investment grade and any further deterioration may significantly affect its funding and prospects

The Group’s ability to access the capital markets or other forms of financing and the related costs depend, among other things, on its credit ratings and the Group is currently rated below investment grade. The rating agencies review the Group’s ratings regularly and, accordingly, new ratings may be assigned to the Group in the future. It is not currently possible to predict the timing or outcome of any ratings review.

Any downgrade may increase the Group’s cost of capital and potentially limit its access to sources of financing, which may cause a material adverse effect on the Group’s business prospects, earnings and financial position.

Since the rating agencies may separately review and rate FCA US on a stand-alone basis, it is possible that the Group’s credit ratings may not benefit from any improvements in FCA US's credit ratings or that a deterioration in FCA US's credit ratings could result in a negative rating review of the Group.

FCA – The Group’s ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

While some productivity improvements are within the Group’s control, others depend on external factors, such as commodity prices, supply capacity limitations, or trade regulation. These external factors may make it more difficult to reduce costs as planned, and the Group may sustain larger than expected production expenses, materially affecting the business and results of operations. Furthermore, reducing costs may prove difficult due to the need to introduce new and improved products in order to meet consumer expectations and government regulations.

FCA – The Group’s business operations may be impacted by various types of claims, lawsuits, and other contingent obligations

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, dealer and supplier disputes, environmental claims and lawsuits, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of the its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain, and although such claims, lawsuits and other legal matters are not expected individually to have a material adverse effect on its financial condition or results of operations, such matters could have, in the aggregate, a material adverse effect on the Group’s financial condition or results of operations. Furthermore, the Group could, in the future, be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. While the Group maintains insurance coverage with respect to certain claims, the Group may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims.

FCA - A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group’s vehicles could damage the reputation, disrupt business and adversely impact the Group’s ability to compete

The Group’s vehicles, as well as vehicles manufactured by other OEMs, contain interconnected and increasingly complex systems that control various vehicle processes including engine, transmission, safety, steering, brakes, window and door lock functions. Such internal and vehicle systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. These systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group’s vehicles could damage the Group’s reputation, expose it to significant liability and have a material adverse effect on the results of operations.

FCA – The Group may not be able to realize anticipated benefits from acquisitions that may be undertaken, and challenges associated with strategic alliances may have an adverse impact on the results of operations

The Group may engage in acquisitions or enter into, expand or exit from strategic alliances which could involve risks that may prevent it from realizing the expected benefits of the transactions or achieving the Group's strategic objectives. Such risks could include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position and results of operations could be adversely affected.

FCA - There can be no assurance that the FCA Group will be able to offset the earnings power lost as a result of the Ferrari separation

In January 2016, FCA completed the previously announced separation of Ferrari N.V., which was intended to, among other things, strengthen the capital base. The separation consisted primarily of the October 2015 initial public offering of 10% of the common shares of Ferrari N.V. and the January 2016 transaction in which holders of FCA common shares and FCA mandatory convertible securities received the remaining 80% interest in Ferrari N.V. The initial public offering and spin-off will in the aggregate ultimately have a positive €1.5 billion impact on FCA's Net industrial debt. However, Ferrari N.V. contributed approximately €2.6 billion in revenue and €444 million in EBIT in 2015, and is now accounted for as a discontinued operation. If the improvement in FCA's capital position resulting from the separation of Ferrari N.V. is not sufficient to offset the related loss of revenue and EBIT, FCA could experience a material adverse impact on its results of operations and financial condition.

FCA - Failure to maintain adequate financial and management processes and controls could lead to errors in the Group's financial reporting, which could harm its business reputation and cause a default under certain covenants in its credit agreements and other debt

The Group continuously monitors and evaluates changes in its internal controls over financial reporting. In support of the drive toward common global systems, the Group has extended the finance, procurement, and capital project and investment management systems to new areas of operations. As appropriate, the Group continues to modify the design and documentation of internal control processes and procedures relating to the new systems to simplify and automate many of the previous processes. The Group's management believes that the implementation of these systems will continue to improve and enhance internal controls over financial reporting. If the Group fails to maintain adequate financial and management processes and controls, however, it could lead to errors in financial reporting, which could harm the Group's business reputation and cause a default under certain covenants in credit agreements and other debt.

In addition, if the Group does not maintain adequate financial and management personnel, processes and controls, the Group may not be able to accurately report its financial performance on a timely basis, which could cause a default under certain covenants in the indentures governing certain of the Group's public indebtedness, and other credit agreements.

FCA - A disruption or security breach in Group's information technology systems could disrupt business and adversely impact the ability to compete

A significant malfunction, disruption or security breach compromising the operation of the Group's information technology systems could damage the reputation, disrupt the business and adversely impact the ability to compete. The Group's ability to keep the business operating effectively depends on the functional and efficient operation of the information, data processing and telecommunications systems, including the Group's vehicle design, manufacturing, inventory tracking and billing and payment systems. A significant or large-scale malfunction or interruption of any one of the computer or data processing systems could adversely affect the Group's ability to manage and keep its operations running efficiently, and damage its reputation if the Group is unable to track transactions and deliver products to its dealers and customers.

A malfunction or security breach that results in a wider or sustained disruption to the business could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

In addition to supporting operations, the Group uses systems to collect and store confidential and sensitive data, including information about its business, its and its employees. As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future and that the Group's systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Group may lose its competitive advantage and its vehicle sales may suffer. The Group also collects, retains and uses personal information, including data gathered from customers for product development and marketing purposes, and data obtained from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require notification to be provided to the data owners, and that subject the Group to lawsuits, fines and other means of regulatory enforcement. The Group's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their vehicles from competitors. Ultimately, any significant compromise in the integrity of data security could have a material adverse effect on the Group's business.

FCA - The Group may not be able to adequately protect its intellectual property rights, which may harm its business

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect intellectual property rights, others may be able to compete against the Group using intellectual property that is the same as or similar to the Group's own. In addition, there can be no guarantee that the intellectual property rights are sufficient to provide the Group with a competitive advantage against others who offer products similar to the Group's products. Despite efforts, the Group may be unable to prevent third parties from infringing its intellectual property and using its technology for their competitive advantage. Any such infringement and use could adversely affect the Group's business, financial condition or results of operations.

The laws of some countries in which the Group operates do not offer the same protection of intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for the Group to protect intellectual property from misuse or infringement there. The Group's inability to protect or intellectual property rights in some countries may harm the Group's business, financial condition or results of operations.

FCA - The Group is subject to risks relating to international markets and exposure to changes in local conditions

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on

- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on the Group's financial condition and results of operations.

FCA - Developments in emerging market countries may adversely affect the Group's business

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia) and have recently taken steps to expand its manufacturing presence in its South and Central America ("LATAM") region and Asia and Pacific countries ("APAC") region. The Group's exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic developments in certain LATAM markets, as well as China, have had and could have in the future material adverse effects on the Group's financial condition and results of operations. Further, in certain markets in which the Group or its joint ventures operate, government approval may be required for certain activities, which may limit the Group's ability to act quickly in making decisions on its operations in those markets.

The automotive market in these emerging markets is highly competitive, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers.

The Group anticipates that additional competitors, both international and domestic, will also seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in price reductions, reduced margins and the inability to gain or hold market share, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group's reliance on joint ventures in certain emerging markets may adversely affect the development of the Group's business in those regions

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, the Group has entered into a joint venture with Guangzhou Automobile Group Co., Ltd ("GAC Group") which has commenced local production of the Jeep Cherokee and will locally produce two other new Jeep vehicles for the Chinese market, expanding the portfolio of Jeep sport utility vehicles ("SUVs") currently available to Chinese consumers as imports. The Group has also entered into a joint venture with TATA Motors Limited for the production of certain of its vehicles, engines and transmissions in India.

The Group's reliance on joint ventures to enter or expand its presence in these markets may expose the Group to risk of conflict with its joint venture partners and the need to divert management resources to oversee these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint ventures may not be able to make decisions as quickly as the Group would if the Group was operating on its own or may take actions that are different from what the Group would do on a stand-alone basis in light of the need to consider its partners' interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have an adverse effect on the Group's financial condition and results of operations.

FCA - The Group depends on its relationships with suppliers

The Group purchases raw materials and components from a large number of suppliers and depend on services and products provided by companies outside the Group. Close collaboration between an OEM and its suppliers is common in the automotive industry, and although this offers economic benefits in terms of cost reduction, it also means that the Group depends on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in its vehicles

The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate, and market conditions can affect its ability to manage cost of sales over the short term. The Group may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase its operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. For instance, natural or man-made disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to, tight credit markets or other financial distress, natural or man-made disasters, or production difficulties.

The Group will continue to work with suppliers to monitor potential disruptions and shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues. However, there can be no assurances that these events will not have an adverse effect on the Group's production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact the Group's ability to achieve its vehicle sales objectives and profitability. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle sales objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, may result in a material impact on the Group's financial condition and/or results of operations.

FCA - Labor laws and collective bargaining agreements with the Group's labor unions could impact its ability to increase the efficiency of operations

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict the Group's ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions in the Group's collective bargaining agreements may impede its ability to restructure the business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group's financial condition and results of operations.

FCA – The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities.

The Group uses various forms of financing to cover funding requirements for industrial activities and for providing financing to its dealers and customers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect Net revenues, finance costs and margins.

In addition, although the Group manages risks associated with fluctuations in currency and interest rates through financial hedging instruments, fluctuations in currency or interest rates could have a material adverse effect on the Group's financial condition and results of operations.

Financial services activities of the Group are also subject to the risk of insolvency of dealers and retail customers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite efforts to mitigate such risks through the credit approval policies applied to dealers and retail customers, there can be no assurances that the Group will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

FCA - FCA is a Dutch public company with limited liability, and the shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of the shareholders of the Group may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. FCA is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by the articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of the board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors of the Group in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, the board of directors of the Group is required by Dutch law to consider the interests of the Group and the interests of its shareholders, employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of the shareholders.

FCA - It may be difficult to enforce U.S. judgments against FCA

FCA is incorporated under the laws of the Netherlands, and a substantial portion of the assets are outside of the U.S. Most of the directors and senior management and the independent auditors are resident outside the U.S., and all or a substantial portion of their respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to effect service of process within the U.S. upon these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against FCA or its directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against FCA, its directors and officers and its independent auditors.

FCA – FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom ("U.K."). Therefore, whether FCA is resident in the U.K. for tax purposes depends on whether "central management and control" is located (in whole or in part) in the U.K. The test of "central management and control" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs ("HMRC"), suggest that FCA, a group holding company, is likely to be regarded as having become U.K.-resident on this basis from incorporation and remaining so if, as FCA intends, (i) at least half of the meetings of FCA's board of directors are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting the FCA Group and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of FCA's directors, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K. HMRC has accepted that "central management and control" of FCA is in the U.K.

Although it has been accepted that FCA "central management and control" is in the U.K., it would nevertheless not be treated as U.K.-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there were a tie-breaker provision in that tax treaty which allocated exclusive residence to that other jurisdiction.

FCA's residence for Italian tax purposes is largely a question of fact based on all circumstances. A rebuttable presumption of residence in Italy may apply under Article 73(5-*bis*) of the Italian Consolidated Tax Act ("CTA"). However, FCA has set up and thus far maintained, and intend to continue to maintain, a management and organizational structure in such a manner that it should be deemed resident in the U.K. from incorporation for the purposes of the Italy-U.K. tax treaty. The result of this is that FCA should not be regarded as an Italian tax resident either for the purposes of the Italy-U.K. tax treaty or for Italian domestic law purposes. Because this analysis is highly factual and may depend on future changes in FCA's management and organizational structure, there can be no assurance regarding the final determination of FCA's tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on its worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Although it has been accepted that "central management and control" is in the U.K., FCA will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, FCA will be regarded as solely resident in either the U.K. or the Netherlands under the Netherlands-U.K. tax treaty if the U.K. and Dutch competent authorities agree that this is the case. FCA has applied for and received a ruling from the U.K. and Dutch competent authorities that it should be treated as resident solely in the U.K. for the purposes of the treaty. If there is a change over time to the facts upon which a ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA - The U.K.'s controlled foreign company taxation rules may reduce net returns to shareholders

On the assumption that FCA is resident for tax purposes in the U.K., it will be subject to the U.K. controlled foreign company ("CFC") rules. The CFC rules can subject U.K.-tax-resident companies (in this case, FCA) to U.K. tax on the profits of certain companies not resident for tax purposes in the U.K. in which they have at least a 25% direct or indirect interest. Interests of connected or associated persons may be aggregated with those of the U.K.-tax-resident company when applying this 25% threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the U.K. The definition of control is broad (it includes economic rights) and captures some joint ventures.

Various exemptions are available. One of these is that a CFC must be subject to tax in its territory of residence at an effective rate not less than 75% of the rate to which it would be subject in the U.K., after making specified adjustments. Another of the exemptions (the "excluded territories exemption") is that the CFC is resident in a jurisdiction specified by HMRC in regulations (several jurisdictions in which the group has significant operations, including Brazil, Italy and the U.S., are so specified). For this exemption to be available, the CFC must not be involved in an arrangement with a main purpose of avoiding U.K. tax and the CFC's income falling within certain categories (often referred to as the CFC's "bad income") must not exceed a set limit. In the case of the U.S. and certain other countries, the "bad income" test need not be met if the CFC does not have a permanent establishment in any other territory and the CFC or persons with an interest in it are subject to tax in its home jurisdiction on all its income (other than non-deductible distributions). It is expected that the principal operating activities should fall within one or more of the exemptions from the CFC rules, in particular the excluded territories exemption.

Where the entity exemptions are not available, profits from activities other than finance or insurance will only be subject to apportionment under the CFC rules where:

- some of the CFC's assets or risks are acquired, managed or controlled to any significant extent in the U.K. (a) other than by a U.K. permanent establishment of the CFC and (b) other than under arm's length arrangements;
- the CFC could not manage the assets or risks itself; and;
- the CFC is party to arrangements which increase its profits while reducing tax payable in the U.K. and the arrangements would not have been made if they were not expected to reduce tax in some jurisdiction.

Profits from finance activities (whether considered trading or non-trading profits for U.K. tax purposes) or from insurance may be subject to apportionment under the CFC rules if they meet the tests set out above or specific tests for those activities. A full or 75% exemption may also be available for some non-trading finance profits.

Although FCA does not expect the U.K.'s CFC rules to have a material adverse impact on its financial position, the effect of the new CFC rules on FCA is not yet certain. FCA will continue to monitor developments in this regard and seek to mitigate any adverse U.K. tax implications which may arise. However, the possibility cannot be excluded that the CFC rules may have a material adverse impact on the Group's financial position, reducing net returns to the shareholders.

FCA - If FCA is deemed to not maintain a permanent establishment in Italy, it could experience a material increase in its tax liability

Whether FCA has maintained a permanent establishment in Italy after the Merger (an "Italian P.E.") is largely a question of fact based on all the circumstances. FCA believes that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, it is likely to be treated as maintaining an Italian P.E. because it has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on FCA's assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) FCA's tax-deferred reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.'s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger (the "Fiscal Unit"), continues with respect to the Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014 (the "2014 Ruling"), confirming that the Fiscal Unit may continue via the Italian P.E. Moreover, in another ruling issued on October 9, 2015 (the "2015 Ruling", and together with the 2014 Ruling, the "Rulings"), the Italian tax authorities confirmed that the separation of Ferrari from the Group (including the first demerger of certain assets held through the Italian P.E.) will qualify as a tax-free, neutral transaction from an Italian income tax perspective. However, the Rulings are not assessments of certain sets of facts and circumstances. Therefore, even though the 2014 Ruling confirms that the Fiscal Unit may continue via the Italian P.E. and the 2015 Ruling assumes such a P.E. to exist, this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such a P.E. Because the analysis is highly factual, there can be no assurance regarding the maintenance of an Italian P.E. after the Merger.

Risks related to the Group's substantial existing indebtedness

FCA – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms and limit its financial and operating flexibility

The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on the Group's indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group is more financially leveraged than some of its competitors, which may put the Group at a competitive disadvantage; and
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or the business.

These risks may be exacerbated by volatility in the financial markets, particularly those resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

Even though the Group is the 100% indirect owner of FCA US, it operates separately from a cash management standpoint. Additionally, the Group has not provided guarantees or security or undertaken any other similar commitment in relation to any financial obligation of FCA US, nor does the Group have any commitment to provide funding to FCA US in the future.

However, with the replacement of the prior FCA revolving credit facilities with the new FCA revolving credit facilities entered into in June 2015, FCA no longer has limitations in providing funding to FCA US.

Furthermore, certain of its notes include covenants that may be affected by FCA US's circumstances. In particular, these notes include cross-default clauses which may accelerate the relevant issuer's obligation to repay its notes in the event that FCA US fails to pay certain debt obligations at maturity or is otherwise subject to an acceleration in the maturity of any of those obligations. Therefore, these cross-default provisions could require early repayment of those notes in the event FCA US's debt obligations are accelerated or are not repaid at maturity. There can be no assurance that the obligation to accelerate the repayment by FCA US of its debts will not arise or that it will be able to pay its debt obligations when due at maturity.

FCA - Restrictive covenants in the debt agreements could limit the Group's financial and operating flexibility

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of certain companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's senior credit facilities may hinder the Group's ability to manage its operations on a consolidated, global basis

FCA US is party to credit agreements for certain senior credit facilities. These debt instruments include covenants that restrict FCA US's ability to pay dividends or enter into sale and leaseback transactions, make certain distributions or purchase or redeem capital stock, prepay other debt, encumber assets, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations, enter into certain transactions with affiliates or undertake various other business activities.

In particular, in January 2014 and February 2015, FCA US paid distributions of U.S.$1.9 billion (€1.4 billion) and U.S.$1.3 billion (€1.2 billion), respectively, to its members. Further distributions will be limited to 50% of FCA US's cumulative consolidated net income (as defined in the agreements) from the period from January 1, 2012 until the end of the most recent fiscal quarter, less the amounts of the January 2014 and February 2015 distributions.

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of financing, mergers and acquisitions, joint ventures or other corporate opportunities. In particular, the senior credit facilities contain, and future indebtedness may contain, other and more restrictive covenants.

These agreements also limit FCA US's ability to prepay certain of its indebtedness or impose limitations that make prepayment impractical. The senior credit facilities require FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness and the other indebtedness of FCA US or result in cross-default under certain of its or the Group's indebtedness.

If FCA US is unable to comply with these covenants, its outstanding indebtedness may become due and payable and creditors may foreclose on pledged properties. In this case, FCA US may not be able to repay its debt and it is unlikely that it would be able to borrow sufficient additional funds. Even if new financing is made available to FCA US in such circumstances, it may not be available on acceptable terms.

Compliance with certain of these covenants could also restrict FCA US's ability to take certain actions that its management believes are in FCA US's and the Group's best long-term interests.

Should FCA US be unable to undertake strategic initiatives due to the covenants provided for by the above-referenced instruments, the Group's business prospects, financial condition and results of operations could be impacted.

FCA - No assurance can be given that restrictions arising out of FCA US's senior credit facilities will be eliminated

In connection with the Group's capital planning to support the Business Plan, the Group has announced the intention to eliminate existing contractual terms limiting the free flow of capital among Group companies, including through prepayment, refinancing and/or amendment of the outstanding FCA US senior credit facilities. No assurance can be given regarding the timing of such transactions or that such transactions will be completed.

FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under its senior credit facilities and could become subject to lenders' contractual rights if an event of default were to occur

FCA US is an obligor and several of its U.S. subsidiaries are guarantors under FCA US's senior credit facilities. The obligations under the senior credit facilities are secured by senior priority security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries, 65% of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors. An event of default under FCA US's senior credit facilities could trigger its lenders' contractual rights to enforce their security interest in these assets.

Risks related to the Group's common shares

FCA – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

The Group's common shares are listed and traded on both the New York Stock Exchange ("NYSE") and the Mercato Telematico Azionario ("MTA") operated by Borsa Italiana. The dual listing of the common shares may split trading between the two markets and may result in limited trading liquidity of the shares in one or both markets, which may adversely affect the development of an active trading market for the common shares on either or both exchanges and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for its common shares on the two exchanges, which may contribute to volatility in the trading of its shares.

FCA - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the common share price

The implementation of the loyalty voting structure could reduce the liquidity of FCA common shares and adversely affect the trading prices of its common shares. The loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding FCA common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive FCA special voting shares. Its special voting shares cannot be traded and, immediately prior to the deregistration of common shares from the FCA Loyalty Register, any corresponding special voting shares shall be transferred to FCA for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining its special voting shares. Therefore, the loyalty voting structure may reduce liquidity in FCA common shares and adversely affect their trading price.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, change Group management or strategy or otherwise exercise influence over the Group, and the market price of the common shares may be lower as a result

The provisions of the articles of association which establish the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the company, even if a change of control were considered favorably by shareholders holding a majority of FCA common shares. As a result of the loyalty voting structure, a relatively large proportion of FCA voting power could be concentrated in a relatively small number of shareholders who would have significant influence. According to the most recent data available, EXOR had a voting interest in FCA of approximately 44.27% due to its participation in the loyalty voting structure and as a result will have the ability to exercise significant influence on matters involving FCA shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit FCA shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing FCA management or strategy or otherwise exerting influence.

FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders

Shares of the Group's stock held by a U.S. holder would be stock of a passive foreign investment company ("PFIC") for U.S. federal income tax purposes with respect to a U.S. Shareholder if for any taxable year in which such U.S. Shareholder held the Group's common shares, after the application of applicable look-through rules (i) 75% or more of gross income for the taxable year consists of passive income (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income. U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, shares of the Group's stock may become stock of a PFIC in future taxable years if there were to be changes in Group assets, income or operations.

FCA - *Tax consequences of the loyalty voting structure are uncertain*

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian, U.K. or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Group's special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable (other than, in very limited circumstances, together with the Group's associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if the Group is liquidated, the Group believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by the Group is incorrect.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

FCA - Tax may be required to be withheld from dividend payments

Although the U.K. and Dutch competent authorities have ruled that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made by the Group to Dutch residents are still subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments.

Should Dutch or Italian withholding taxes be imposed on future dividends or distributions with respect to the Group's common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of Dutch and/or Italian withholding taxes.

CNH INDUSTRIAL

Risks related to the business, strategy and operations

CNH Industrial – The Group is exposed to political, economic and other risks beyond our control as a result of operating a global business

The Group manufactures and sells products and offer services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of the activities, the Group is exposed to risks associated with international business activities that may increase costs, impact the ability to manufacture and sell products and require significant management attention. These risks include:

- changes in laws, regulations and policies that affect, among other things:
    - import and export duties and quotas;
    - currency restrictions;
    - the design, manufacture and sale of the Group's products, including, for example, engine emissions regulations;
    - interest rates and the availability of credit to the Group's dealers and customers;
    - property and contractual rights;
    - where and to whom products may be sold, including new or additional trade or economic sanctions imposed by the U.S. or other governmental authorities and supranational organizations (e.g., the United Nations); and
    - taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which the Group operates;
- varying and unpredictable needs and desires of customers;
- varying and unexpected actions of competitors;
- labor disruptions;
- disruption in the supply of raw materials and components;
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Argentina and Brazil, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans; and
- war, civil unrest and terrorism.

Unfavorable developments in any one of these areas, which vary from country to country and many of which are outside of the Group's control, could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Difficulty in obtaining financing or refinancing existing debt could impact the Group's financial performance

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce our access to capital markets or increase the cost of our short and long-term financing. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., its subsidiaries, asset-backed securities ("ABS") and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to credit ratings by one or more rating agencies may increase the cost of capital, potentially limit access to sources of financing and have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group subject to exchange rate fluctuations, interest rate changes and other market risks

The Group operates in numerous markets worldwide, and is accordingly exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. The Group is subject to currency exchange risk to the extent that costs are denominated in currencies other than those in which it earns revenues. In addition, the reporting currency for the consolidated financial statements is the U.S. dollar. Certain of the assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. dollar at the applicable exchange rates to prepare the consolidated financial statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in the consolidated financial statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on the Group's results of operations and/or financial position.

The Group uses various forms of financing to cover the funding requirements of Industrial Activities and for financing offered to customers and dealers. Financial Services implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Although the Group seeks to manage currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and the Group's business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange rates.

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

CNH Industrial – The Group faces risks associated with relationships with employees

In many countries where the Group operates, employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair the flexibility in reshaping and/or strategically repositioning business activities. Therefore, the ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products the Group manufactures.

CNH Industrial - Reduced demand for equipment would reduce the Group's sales and profitability

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises, farmers' income and their capitalization;
- the demand for food products; and
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations as well as alternative fuel mandates.

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on the Group's revenues.

The performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending; and
- new residential and non-residential construction.

The performance of the commercial vehicles market is influenced, in particular, by factors such as:

- changes in global market conditions, including changes in levels of business investment and sales of commodities; and
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for commercial vehicles, and consequently, the Group's financial results. Additionally, if demand for products is less than expected, the Group may experience excess inventories and be forced to incur additional charges and profitability will suffer, including higher fixed costs associated with lower production levels at the Group's plants. Business may be negatively impacted if the Group experiences excess inventories or is unable to adjust production schedules or purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

CNH Industrial – The Group depends on suppliers for raw materials, parts and components

The Group relies upon suppliers for raw materials, parts and components that are required to manufacture its products. The Group cannot guarantee that it will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of the Group's control and the control of the suppliers. Certain components and parts used in products are available from a single supplier and cannot be sourced quickly otherwise. Supply chain disruptions, including those due to supplier financial distress, capacity constraints, business continuity, delivery or disruptions due to weather-related or natural disaster events, could negatively impact the Group's operations and the profitability of its businesses.

The Group uses a variety of raw materials in its businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate, and while the Group seeks to manage this exposure, it may not be successful in mitigating these risks. Further, increases in the prices for raw materials can significantly increase costs of production, which could have a material adverse effect on the profitability of the Group's businesses, particularly if the Group is unable to recover the increased costs from customers.

CNH Industrial - Competitive activity, or failure by the Group to respond to actions by its competitors, could adversely affect its results of operations

The Group operates in highly competitive global and regional markets. Depending on the particular country, the Group competes with other international, regional and local manufacturers and distributors of agricultural and construction equipment, commercial vehicles, and powertrains. Certain of global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain of the Group's product offerings. The Group competes on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or failure to price products competitively could adversely affect the Group's business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industries that has resulted in larger and potentially stronger competitors in those markets. The markets in which the Group competes are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the markets in which the Group competes in recent years. Should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Costs of ongoing compliance with, or failure to comply with, increasingly stringent environmental, health and safety laws could have an adverse effect on the Group's results of operations

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. The Group expects the extent of legal requirements affecting businesses and costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group invests considerable research and development resources and expects to continue to incur substantial costs in the future. Failure to comply with such laws could expose the Group to penalties or clean-up costs, civil or criminal liability and sanctions on certain of its activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct operations and its financial position and results of operations. In addition, there can be no assurances that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements or greenhouse gas emissions, could lead to new or additional investments in product designs and could increase environmental compliance expenditures. If these laws are either changed or adopted and impose significant operational restrictions and compliance requirements on the Group or its products, they could negatively impact the Group's business, results of operations, financial position and competitive position.

CNH Industrial - A decrease in government incentives may adversely affect the Group' results

Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group's revenues. The terms, size and duration of such government actions are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

CNH Industrial – The Group's future performance depends on the Group's ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on its ability to maintain or increase market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights or supply products that meet regulatory requirements, including engine emissions requirements, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group's existing operations and expansion plans in emerging markets could entail significant risks

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, Venezuela and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and exposes it to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation and sanction requirements. For example, the Group may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as opposed to products manufactured and commercialized by competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions and/or increase of public debt.

CNH Industrial – The Group is subject to extensive anti-corruption and antitrust laws and regulations

The Group's global operations are subject to a number of laws and regulations that govern its operations around the world, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act, which apply to conduct around the world, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. The anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence government officials or other persons to obtain or retain business or gain a business advantage. These laws tend to apply whether or not those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been a substantial increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and the Group has from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws. The Group is committed to operating in compliance with all applicable laws, in particular anti-corruption and antitrust or competition laws. The Group has implemented a program to promote compliance with these laws and to identify and minimize the risk of any violations. The Group's compliance program, however, may not in every instance protect it from acts committed by employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which the Group operates. Such improper actions could subject the Group to civil or criminal investigations and monetary, injunctive and other penalties. Investigations of alleged violations of these laws tend to require dedication of significant resources in funds and management time and attention, and these investigations or any violations, as well as any publicity regarding potential violations, could harm the Group's reputation and have a material adverse effect on the Group's business, results of operations and financial position.

CNH Industrial - Risks associated with the Group's defined benefit pension plans and other post-employment obligations

At December 31, 2015, the funded status for the Group's defined benefit pension, and other post-employment benefits was an underfunded status of $2,194 million which is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust"). Consequently, the funded status is subject to many factors.

To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flows from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

CNH Industrial - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group sells finished products primarily through an independent dealer network and directly to OEMs and is subject to risks relating to their inventory management decisions and operating and sourcing practices. The Group's dealers carry inventories of finished products as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - Adverse economic conditions could place a financial strain on the Group's dealers and adversely affect the Group's operating results

Global economic conditions continue to place financial stress on many of the Group's dealers. Dealer financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing the Group's equipment. The Group is also subject to the risk of insolvency of dealers and customers, in part due to unfavorable economic conditions in markets where their activities are carried out, and laws and government actions may, among other things, prevent the Group from enforcing legal rights and remedies in dealer or customer insolvency. Accordingly, additional financial strains on members of the Group's dealer network resulting from current or future economic conditions could adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - The Group may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on the Group's results of operations

The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures that could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks, many of which are outside the Group's control, include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in integrating processes, operations or systems;
- unexpected changes in laws;
- inability to retain key employees;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

CNH Industrial - Risks associated with the termination of the Group's strategic alliance with Kobelco Construction Machinery Co., Ltd.

Effective December 31, 2012, CNH Global and Kobelco Construction Machinery Co., Ltd. ("KCM") terminated by mutual consent their global alliance (consisting of industrial arrangements and a number of jointly-owned companies) in the construction equipment business.

The agreements regulating the dissolution of the alliance provide that, starting from January 1, 2013 until December 31, 2017, the Group is entitled to purchase components and parts from KCM on a non-exclusive basis in order to continue to manufacture excavators based upon KCM's technology in the Group's plants. Moreover, starting from December 31, 2012, the territorial sales and marketing restrictions limiting the right of KCM to distribute its excavators in certain significant markets (such as the Americas and Europe) expired and similar restrictions which applied to the Group's construction equipment activities expired in APAC on July 31, 2013. While the Group expects a smooth transition with respect to implemented changes, commercial issues (such as, by way of example, the weakening of the distributorship network and the subsequent loss of market share) or industrial issues (such as, by way of example, difficulties in maintaining quality standards or inability to source certain components currently provided by KCM) in connection with the termination of the alliance might arise, which could have a material adverse effect upon the Group's construction equipment product lines, construction equipment distribution network, financial position and results of operations.

CNH Industrial – The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The Group is involved in pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property right disputes, product warranty and defect product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contractual issues and environmental claims that arise in the ordinary course of its business. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on the financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's consolidated financial position, cash flows, and results of operations. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, the Group may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against it. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require the Group to make payments in excess of its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position.

CNH Industrial - The agricultural equipment industry is highly seasonal, which causes the Group's results of operations and levels of working capital to fluctuate significantly

Farmers traditionally purchase agricultural equipment in the spring and fall, the main planting and harvesting seasons. The Group's agricultural equipment business net sales and results of operations have historically been the highest in the second quarter, reflecting the spring selling season in the Northern hemisphere, and lowest in the third quarter, when many of the Group's production facilities experience summer shut-down periods, especially in Europe. The Group's agricultural equipment production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments, which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because the Group spreads its production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because the Group spreads production throughout the year. If retail demand is expected to exceed production capacity for a quarter, the Group may schedule higher production in anticipation of the expected retail demand. Often, the Group anticipates that spring selling season demand may exceed production capacity in that period and schedule higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. As a result, the Group's working capital and dealer inventories are generally at their highest levels during the February to May period and decline towards the end of the year, as both the Group's and the Group's dealers' inventories are typically reduced.

To the extent production levels (and timing) do not correspond to retail demand, the Group may have too much or too little inventory, which could have an adverse effect on the Group's financial position and results of operations.

CNH Industrial – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and may limit its financial and operating flexibility

As of December 31, 2015, the Group had an aggregate of $26,458 million (including $20,129 million relating to Financial Services activities) of consolidated gross indebtedness, and equity was $7,217 million, including noncontrolling interests. The extent of its indebtedness could have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put the Group at a competitive disadvantage;
- the Group may not be able to introduce new products or pursue business opportunities;
- the Group may not be able to adjust rapidly to changing market conditions, which may make the Group more vulnerable to a downturn in general economic conditions; and
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone and Latin America, and from continued concerns about global economic growth, particularly in the emerging markets.

CNH Industrial - Restrictive covenants in debt agreements could limit the Group's financial and operating flexibility

The indentures or other instruments governing the Group's outstanding debt securities and other credit agreements to which the Group is a party from time to time contain, or may contain, covenants that restrict its ability to, among other things

- incur additional indebtedness;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and/or
- enter into sale and leaseback transactions.

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact its businesses, results of operations and financial position. These consequences may include the acceleration of amounts outstanding under certain of the Group's credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by its lenders, refusal by its lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries.

CNH Industrial - Risks related to increased information technology security threats

The Group relies upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties, to operate the business, and the Group collects and stores sensitive data. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Group's business operations and strategy. Additionally, increased information technology security threats and more sophisticated computer crime pose a risk to the security of the systems and networks and the confidentiality, availability and integrity of the Group's data.

While the Group actively manages information technology security risks within its control, there can be no assurance that such actions will be sufficient to mitigate all potential risks to the Group's systems, networks and data.

A failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect the Group's reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action and potential liability, as well as higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve the Group may need to invest additional resources to protect the security of its systems.

CNH Industrial - The loss of members of senior management could have an adverse effect on the Group’s business

The Group’s success is largely dependent on the ability of its senior executives and other members of management to effectively manage the organization and individual areas of its businesses. The loss of any senior executive, manager or other key employee without an adequate replacement, or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group’s business prospects, results of operations and/or financial position.

CNH Industrial – The Group’s business may be affected by unfavorable weather conditions, climate change or natural disasters

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group’s agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group’s agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, equipment failures, power outages, disruptions to the Group’s information technology systems and networks or other unexpected events could result in physical damage to and complete or partial closure of one or more of the manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of component products from some local and international suppliers, disruption in the transport of products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group’s financial results might be negatively impacted. The Group’s existing insurance arrangements may not protect against all costs that may arise from such events.

CNH Industrial - Changes in demand for food and alternate energy sources could impact the Group’s revenues

Changing worldwide demand for farm outputs to meet the world’s growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which affect sales of agricultural equipment. While higher commodity prices will benefit crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for the Group’s equipment and result in higher research and development costs related to equipment fuel standards.

CNH Industrial - International trade policies may impact demand for the Group’s products and its competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by individual governments or addressed by regional trade blocs, may affect the demand for the Group’s products and services, impact the competitive position of its products or prevent the Group from being able to sell products in certain countries. The implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs, or new barriers to entry, in countries where the Group sells products and provide services could negatively impact the Group’s business, results of operations and financial position. For example, a government’s adoption of trade sanctions or “buy national” policies or retaliation by another government against such policies could have a negative impact on the Group’s results of operations.

Risks related to financial services

The Group offers a wide range of financial services and products to Agricultural Equipment, Construction Equipment and Commercial Vehicles dealers and customers including retail financing for the purchase or lease of new and used equipment and vehicles and wholesale financing to dealers.

In light of the above, the following risks associated with the financial services offered by the Group should be considered.

CNH Industrial - Credit risk

Fundamental to any organization that extends credit is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- the terms and conditions applicable to extensions of credit;
- interest rates (and changes in the applicable interest rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather; and
- the value of the collateral securing the extension of credit.

Deterioration in the quality of the Group's financial assets, an increase in delinquencies or defaults, or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's Financial Services business and its earnings and cash flows. These risks become more acute in an economic slowdown or recession due to decreased demand for (or availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, defaults, insolvencies, foreclosures and losses. In such circumstances, the Group's loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.

When a borrower defaults on a loan and the Group repossesses collateral securing the repayment of the loan, the Group's ability to recover or mitigate losses by selling the collateral is subject to the current market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as for commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as for commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group's financial position and results of operations.

CNH Industrial – Funding risk

The Group's Financial Services business has traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. A significant reduction in liquidity in the secondary market for ABS transactions could adversely affect the Group's ability to sell receivables on a favorable or timely basis. Such conditions could have an adverse impact on the Group's access to funding, financial position and results of operations. As Financial Services finances a significant portion of sales of the Group's equipment, to the extent Financial Services is unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

CNH Industrial – Repurchase risk

In connection with ABS transactions, the Group makes customary representations and warranties regarding the assets being securitized, as disclosed in the relevant offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group's ABS trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any obligation to make future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flows.

CNH Industrial - Regulatory risk

The operations of the Group's Financial Services business are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also subject to various laws, as well as to judicial and administrative decisions and interpretations, imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosures to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or applicable laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect Financial Services and the Group's financial position and results of operations.

CNH Industrial - Potential Impact of the Dodd-Frank Act

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), including its many implementing regulations, may substantially affect the origination, servicing and securitization programs of the Group's Financial Services business. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers, a loan level disclosure requirement for certain securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations. While the Group will continue to monitor these developments and their effect upon its access to the ABS market, these and future SEC regulations may affect the Group's ability to engage in these activities or increase the effective cost of ABS transactions in the future, which could adversely affect the financial position, results of operations and cash flows.

Other risks

CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes, CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial is likely to be regarded as having become U.K.-resident on this basis from the date of its incorporation. The competent authority ruling referred to below supports this analysis. Even if CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Even if CNH Industrial's central management and control is in the U.K., CNH Industrial is considered to be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in the Netherlands. Nonetheless, the U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. for purposes of the application of the Netherlands-U.K. tax treaty provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn, and in that case the Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organizational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. tax treaty.

Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organizational structure, there can be no assurance that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities.

Should CNH Industrial be treated as an Italian tax resident, CNH Industrial would be subject to corporate income tax in Italy and may be required to comply with withholding tax on dividends and other distributions (currently at a withholding rate of 26%, subject to any benefits from double taxation treaties or other reliefs or exemptions that may be available to shareholders) and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial – The Group may incur additional tax expense or become subject to additional tax exposure

The Group is subject to income taxes in many jurisdictions around the world. Its tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Group's future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in its overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rates were to increase, or if the ultimate determination of the taxes owed is for an amount in excess of amounts previously accrued or paid, the Group's operating results, cash flows and financial position could be adversely affected.

CNH Industrial - CNH Industrial, as successor to Fiat Industrial, is jointly liable with Fiat Chrysler Automobiles N.V. for certain obligations

CNH Industrial is successor to Fiat Industrial, a company formed as a result of the demerger of Fiat S.p.A. (which, effective October 12, 2014, was merged into FCA in favor of Fiat Industrial. As such, CNH Industrial continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2015, the outstanding Liabilities amounted to approximately $1.3 billion (of which $1.1 billion consisted of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above-mentioned potential joint liability.

CNH Industrial – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for the common shares and could result in pricing differentials of the common shares between the two exchanges

The dual listing of the Group's common shares on the NYSE and the MTA may split trading between the two markets and adversely affect the liquidity of the shares in one or both markets and the development of an active trading market for the Group's common shares on the NYSE, and may result in price differentials between the exchanges. Differences in the trading schedules, trading volume and investor bases, as well as volatility in the exchange rate between the two trading currencies, among other factors, may result in different trading prices for the Group's common shares on the two exchanges or otherwise adversely affect liquidity and trading prices of the Group's shares.

CNH Industrial - The loyalty voting structure may concentrate voting power in a small number of the Group's shareholders and such concentration may increase over time

A relatively large proportion of the voting power of CNH Industrial could be concentrated in a relatively small number of shareholders who would have significant influence. As of December 31, 2015, EXOR S.p.A. had a voting interest in CNH Industrial of approximately 41.3%.

CNH Industrial - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the share price

CNH Industrial's loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of common shares from the CNH Industrial Loyalty Register, any corresponding special voting shares shall be transferred to CNH Industrial for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in common shares and adversely affect their trading price.

CNH Industrial - The loyalty voting structure may prevent or frustrate attempts by the Group's shareholders to change management and hinder efforts to acquire a controlling interest in the Group, and the market price of the Group's common shares may be lower as a result

The provisions of the Articles of Association establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Group, even if a change of control is considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of the common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. As of December 31, 2015, EXOR S.p.A. had a voting interest in CNH Industrial of approximately 41.3%. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit the shareholders.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in management.

JUVENTUS FOOTBALL CLUB

Juventus Football Club - Risks connected to general economic conditions

Overall, Juventus' financial position, income statement and cash flows are affected by general economic conditions. Therefore, despite the fact that most of the company's income items are tied to long-term contracts, if the situation of weakness and uncertainty lengthens significantly, the activities, strategies and prospects of the company may be negatively affected, particularly in terms of the radio and television rights market, sponsorships, revenues for the new stadium and all sales activities targeting supporters.

Juventus Football Club - Risks connected to the sponsorship market

The economic weakness mentioned above continues to affect the market of sports sponsorships which currently has a narrower time frame of promotional and advertising investments. This market scenario in the short term has led to a lower level of long-term sponsorship revenues compared to the past. If this situation should continue, growth in sponsorship revenues may fall below our expectations, with the result that Juventus's financial position, income statement and cash flows may be impacted.

Juventus Football Club - Risks connected to funding requirements

Numerous factors affect Juventus' financial position. In particular, these include the fulfilment of sports and business objectives, as well as trends in general economic conditions and in the markets in which the company operates. In accordance with the company's risk management policy, Juventus has credit facilities in place with a number of premier banking institutions to prevent cash flow shortages from arising. Any temporary available liquidity is held in demand deposits or short-term deposits with a suitable number of different banks, to ensure the prompt availability of the funds. Nevertheless, given the current situation of financial markets, the emergence of bank and money market situations that may interrupt normal financial transactions cannot be excluded, which would give rise to cash flow shortages in the event that credit facilities were also restricted.

Juventus Football Club - Risks related to the ability to attract "human capital"

Achieving sports and economic results depends on the ability to attract and keep top quality managers, players and technical staff and, therefore, requires payment of salaries in line with those of the main competitors in Italy and Europe, some of which can count on revenues exceeding those of Juventus, thus with greater spending capabilities. Any inability to keep "key people" may have a negative impact on the Club's growth prospects.

Juventus Football Club - Risks related to radio and television rights

The company's revenues are closely tied to proceeds from the sale of radio and television rights, the terms and conditions of those rights, and how such rights are sold and distributed. Rules governing the ownership of broadcasting rights to sports events and the distribution of income do not allow for direct management by the company and may have a significant impact on the financial position, income statement and cash flows of Juventus. A possible decrease in the rights market or a different application of the new criteria adopted by the *Lega* for the distribution of proceeds from the centralized and collective sale of radio and television rights may lead to a significant reduction of revenues in the future with a negative impact on the results of operations, financial position and cash flows of the company.

Moreover, for several years now, live streaming and piracy on Internet have caused the loss of income for TV broadcasters which could lead them to change their investments in the sector with a negative impact the results of operations, financial position and cash flows of the company.

Juventus Football Club - Risks associated with failure to qualify for sports tournaments

The company's earnings are significantly affected, both directly and indirectly, by the results achieved by the team in the various tournaments it takes part in, especially the UEFA Champions League. Direct entry to the tournament is currently assured to the top two ranking teams in the Serie A Championship, while the third-placed team has the opportunity of qualifying through a preliminary qualifying round. Failure to qualify, even where due to a reduction in the number of participating sides, as well as failure to obtain the UEFA license, including in light of the "Financial Fair Play" rules, could have an adverse impact on the company's results of operations and financial position.

Juventus Football Club - Risks associated with the Transfer Campaign

The results of operations and financial position are affected significantly by the acquisitions and disposals made as part of Transfer Campaigns. The difficulties in correlating the single transactions compared to the Development Plan and guidelines related to sports management defined annually could result in negative impacts on the company's earnings and cash flows. Moreover, failure to optimize the bench as a result of the inclusion of footballers on the team who no longer meet the technical and tactical requirements of the team manager and the strategic needs of the sporting director, and who did not agree to transfers, raises the risk of unexpected or excessive costs (a risk common to all football clubs).

Like all its main competitors, the company has been faced with a significant increase in salaries and bonuses in recent years as well as in the cost of players' registration rights. If costs continue to increase at a significant rate, purchasing the registration rights for new players could become more problematic, especially if the sales value of the bench's footballers does not increase proportionately.

The possibility that these trends may continue in future years cannot be excluded and may affect the company's strategy and the dynamic management of its playing assets and have adverse effects on the company's results of operations, financial position and cash flows, as well as on its activities, strategies and prospects.

Juventus Football Club - Risks related to sporting activities

Players' registration rights represent the company's main production factor. Sports activities are subject to risks connected to players' physical health and fitness. Injuries and accidents, therefore, may have a significant impact at any time on the company's earnings and financial position.

Juventus Football Club - Risks connected with management of the trademark

Trademark infringement by third parties, which jeopardizes an important portion of revenues, is another risk the company faces. The unlawful use or infringement of the trademark, in any form, as well as resulting in lower revenues, could adversely affect the commercial value of the trademark, with negative effects on the company's the results of operations, financial position and cash flows.

As of July 1, Juventus directly manages the licensing & retail activities previously entrusted to the Nike Group. This decision constitutes an opportunity for the company to increase revenues arising from the exploitation of the trademark and the reputation of the brand in foreign markets. However, operational and reputational risks associated with this new management cannot be excluded.

Juventus Football Club - Risks connected to digital media

The company has adopted appropriate procedures and rules of conduct to manage media relations. However, as digital media have become more commonplace, the possibility of an improper use of these procedures and rules by registered players and/or their immediate family, relatives and agents, as well as the publication of contents by third parties in general, having a negative impact on the image of the company, its directors, executives and/or registered players, with consequent adverse effects on the earnings and financial position.

Juventus Football Club - Risks connected with management of the company-owned stadium

During the 2011/2012 football season, Juventus became the first club in Serie A to own its own stadium, and since the 2014/2015 season it has also directly managed the fan access control and assistance services ("Stewarding").

The company is therefore exposed to risks related to the structure of the stadium and the management of the surrounding public areas used for parking. This may also lead to unexpected costs, including due to damage or vandalism which is beyond Juventus' control. Activities at the Juventus Stadium could also be suspended following natural disasters and other events beyond the company's control with consequent negative impacts on Juventus' results of operations, financial position, and cash flows.

Lastly, a reduction of supporters and played matches would have a negative effect on Juventus's financial position, income statement and cash flows.

Juventus Football Club - Behavior of the public and risks connected to the no-fault liability of football clubs

Under current regulations, football clubs have a no-fault liability in relation to certain acts of their registered players and fans that may result in sports sanctions and/or monetary fines for the clubs and players. In this regard, despite adopting measures and procedures considered necessary to avoid the infringement of these regulations, the company cannot rule out the possibility that events may occur beyond its control that result in sanctions (including suspension from a sector or from the stadium, fines, and bans from competitions), with a possible reduction in ticket sales and extraordinary costs, nor can it evaluate the sports, economic and financial-related consequences that may arise.

Following these events, the need to consolidate security measures during home matches could arise, with additional costs and expenses for the safety of fans and company insurance, and with consequent negative effects on the financial position and performance of the company, as well as its operations, strategies and prospects.

Juventus Football Club - Risks connected to any unlawful behavior of registered players

Given current sports regulations on football clubs' liabilities regarding the behavior of their players, the possibility that Juventus may be fined by sports bodies in the future for events beyond its control, with negative effects that may also be significant on the earnings and financial position, cannot be excluded.

Juventus Football Club - Risks connected to fluctuations in interest rates and exchange rates

Juventus uses various forms of funding to assure the cash flow needed for its business. These include credit lines for cash advances and credit commitments, factoring, finance leases, and special purpose loans for mid/long-term investments. Changes in interest rates can raise or lower the cost of servicing these loans. The company has decided to make use of financial instruments to hedge the risk of fluctuations in interest rates to finance medium-long term investments. Despite this, sudden changes in interest rates could potentially have an adverse impact on the company's financial position and income due to higher financial expenses on short-term borrowing.

Juventus conducts almost all its purchase and sale transactions in euro. As a result, the company is not exposed to the risk of exchange rate fluctuations.

Juventus Football Club - Risks connected to Financial Fair Play and compliance with economic and financial parameters

A European-wide licensing system is in place for the admission of football clubs to the club competitions organized by UEFA (UEFA Champions League, UEFA Europa League and UEFA Supercup). Based on this system, only football clubs which prove they satisfy the sporting, infrastructure, personnel and administrative, legal and financial criteria, along with the required title are allowed to participate in European competitions and thus obtain the so-called "UEFA License". The UEFA Club Licensing manual also incorporates Financial Fair Play Regulations.

Financial Fair Play is based on the break-even result, according to which clubs can participate in European competitions only if they can demonstrate a balance between generated revenues and incurred costs.

From the 2015/2016 season, the FIGC has launched policies aimed at the introduction of Financial Fair Play also in Italy, by introducing some financial and operational ratios to ensure the financial sustainability of the sector.

The company has obtained a UEFA license and the National License to play in championships for the 2015/2016 Football Season, however it is not possible to predict if in the future these requirements (or any new requirements approved in the meantime) will be complied with, nor can it be excluded that shareholders may be asked for additional funding to meet the requirements needed for the licenses. If the company is not able to meet the above requirements, it may be subjected to management limitations or, in more severe cases, be excluded from participation in competitions, bearing an adverse impact on its earnings and financial position.

Juventus Football Club - Risks connected to the outcome of pending litigation

With the assistance of its legal advisers, the company manages and constantly monitors all current disputes and, on the basis of the outcome that can be predicted for them, proceeds, when necessary, with the allocation of specific risk provisions.

Future negative effects, both minor and major, on Juventus' the results of operations, financial position and cash flows cannot be excluded on the basis of the current disputes.

Juventus Football Club – Risks connected to tax litigation

Considering the specific nature of the football industry and in particular transactions regulating the Transfer Campaign, which are interpreted in different ways by football clubs and the tax authorities, claims could be made by the tax authorities in the future, even of a significant amount, with adverse effects on the company's earnings and financial position.

MOTION FOR APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND PAYMENT OF DIVIDENDS

Dear Shareholders,

We invite you to approve the separate financial statements for the year ended December 31, 2015 and, considering that the legal reserve is equal to one-fifth of share capital, we motion to appropriate the profit of €2,551,262,125.24 as follows:

- to the 234,346,104 ordinary shares currently outstanding, dividends of €0.35 per share for a maximum €82,021,136.40.
- to the extraordinary reserve, the remaining amount of a minimum €2,469,240,988.84.

The proposed dividends will become payable on June 22, 2016 (ex-dividend date June 20) and will be paid to the shares of record as of June 21, 2015 (record date).

Turin, April 14, 2016

On behalf of the Board of Directors
Chairman and CEO
John Elkann

Separate Financial Statements
at December 31, 2015

EXOR S.p.A. - INCOME STATEMENT

€	Note	2015	2014	Change
Investment income (expenses)				
Dividends from investments	1	**2,566,213,665**	143,462,311	2,422,751,354
Gains (losses) on disposals of investments	2	**4,111,129**	(4,880,157)	8,991,286
Reversals of impairment losses on investments	3	**0**	8,029,540	(8,029,540)
Net investment income		**2,570,324,794**	146,611,694	2,423,713,100
Financial income (expenses)				
Financial expenses from third parties	4	**(76,648,647)**	(99,669,897)	23,021,250
Financial expenses from related parties	38	**(494,916)**	(1,351,579)	856,663
Financial income from third parties	5	**13,308,998**	25,864,931	(12,555,933)
Financial income from related parties	38	**64,123,354**	2,407,474	61,715,880
Gains (losses) on exchange	6	**265,028**	46,004	219,024
Net financial expenses		**553,817**	(72,703,067)	73,256,884
Net general expenses				
Personnel costs	7	**(7,398,026)**	(8,424,917)	1,026,891
Purchases of goods and services from third parties	8	**(3,833,823)**	(3,904,172)	70,349
Purchases of goods and services from related parties	38	**(5,111,287)**	(5,290,136)	178,849
Other operating expenses	9	**(1,059,154)**	(959,756)	(99,398)
Depreciation and amortization		**(32,818)**	(48,720)	15,902
		(17,435,108)	(18,627,701)	1,192,593
Revenues from third parties		**21,943**	17,669	4,274
Revenues from related parties	38	**773,875**	523,580	250,295
		795,818	541,249	254,569
Net general expenses		**(16,639,290)**	(18,086,452)	1,447,162
Non-recurring other income (expenses) and general expenses	10	**(9,426,272)**	(6,238,421)	(3,187,851)
Indirect taxes				
Non-deductible VAT	11	**(1,786,085)**	(1,279,183)	(506,902)
Other indirect taxes		**(6,308)**	(131,705)	125,397
Indirect taxes		**(1,792,393)**	(1,410,888)	(381,505)
Profit before income taxes		**2,543,020,656**	48,172,866	2,494,847,790
Income taxes	12	**8,241,470**	3,580,640	4,660,830
Profit for the year		**2,551,262,126**	51,753,506	2,499,508,620

EXOR S.p.A. - STATEMENT OF COMPREHENSIVE INCOME

€	2015	2014
Profit for the year	**2,551,262,126**	51,753,506
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods		
Gains (losses) on remeasurement of defined benefit plans	**21,914**	(559,607)
Related tax effect	**0**	0
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax	**21,914**	(559,607)
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments	**6,242,876**	(11,735,074)
Gains (losses) on available-for-sale financial assets	**18,193,350**	6,083,762
Related tax effect	**95,132**	2,569,417
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax	**24,531,358**	(3,081,895)
Total other comprehensive income (loss), net of tax	**24,553,272**	(3,641,502)
Total comprehensive income	**2,575,815,398**	48,112,004

EXOR S.p.A. - STATEMENT OF FINANCIAL POSITION

€	Note	12/31/2015	12/31/2014	Change
Non-current assets				
Investments accounted for at cost	13	**4,603,462,808**	4,602,746,733	716,075
Available-for-sale financial assets	13	**331,969,649**	30,084,973	301,884,676
Total		**4,935,432,457**	4,632,831,706	302,600,751
Held-to-maturity financial instruments	14	**26,181,037**	26,347,901	(166,864)
Intangible assets		**102,995**	106,315	(3,320)
Property, plant and equipment		**68,786**	87,217	(18,431)
Other receivables		**15,101**	86,333	(71,232)
Total Non-current assets		**4,961,800,376**	4,659,459,472	302,340,904
Current assets				
Held-to-maturity financial instruments	14	**0**	25,000,000	(25,000,000)
Financial assets held for trading	15	**22,674,939**	136,579,494	(113,904,555)
Cash and cash equivalents	16	**3,406,015,113**	276,379,578	3,129,635,535
Other financial assets	17	**1,974,631**	2,322,907	(348,276)
Tax receivables	18	**4,166,260**	6,038,429	(1,872,169)
Financial receivables from related parties	38	**701,842,554**	3,481,491	698,361,063
Financial receivables from third parties		**308,571**	278,485	30,086
Trade receivables from related parties	38	**406,285**	339,739	66,546
Other receivables	19	**239,726**	649,480	(409,754)
Total Current assets		**4,137,628,079**	451,069,603	3,686,558,476
Total Assets		**9,099,428,455**	5,110,529,075	3,988,899,380
Equity				
Share capital	20	**246,229,850**	246,229,850	0
Capital reserves	21	**1,094,170,370**	1,094,170,370	0
Retained earnings and other reserves	22	**2,698,910,225**	2,361,877,283	337,032,942
Treasury stock	24	**(171,222,387)**	(344,119,774)	172,897,387
Profit for the year		**2,551,262,126**	51,753,506	2,499,508,620
Total Equity		**6,419,350,184**	3,409,911,235	3,009,438,949
Non-current liabilities				
Non-convertible bonds	26	**2,598,807,338**	1,599,996,783	998,810,555
Deferred tax liabilities	28	**6,914,016**	22,319,466	(15,405,450)
Provisions for employee benefits	29	**2,453,084**	2,898,981	(445,897)
Other provisions	30	**600,000**	0	600,000
Other payables	34	**327,316**	58,616	268,700
Total Non-current liabilities		**2,609,101,754**	1,625,273,846	983,827,908
Current liabilities				
Non-convertible bonds	26	**26,370,920**	24,907,736	1,463,184
Other financial liabilities	31	**32,557,379**	45,607,505	(13,050,126)
Trade payables and other payables to related parties	38	**81,170**	186,171	(105,001)
Trade payables to third parties	32	**761,762**	1,456,469	(694,707)
Tax payables	33	**5,190,510**	576,211	4,614,299
Other payables	34	**6,014,776**	2,609,884	3,404,892
Bank debt		**0**	18	(18)
Total Current liabilities		**70,976,517**	75,343,994	(4,367,477)
Total Equity and Liabilities		**9,099,428,455**	5,110,529,075	3,988,899,380

EXOR S.p.A. – STATEMENT OF CASH FLOWS

€	Note	2015	2014
Cash and cash equivalents, at beginning of year		**276,379,578**	585,694,598
Cash flows from (used in) operating activities			
Profit for the year		**2,551,262,126**	51,753,506
Adjustments for:			
Deferred income taxes released	12	**(15,310,318)**	(539,482)
(Gains) losses on disposals of investments	2	**(4,111,129)**	(771,040)
Effective portion of losses on cash flow hedges reclassified to income		**(300,325)**	0
(Gains) losses on disposals of property, plant and equipment		**(600)**	0
Notional cost of EXOR stock option plan	25	**3,199,380**	2,206,908
Depreciation and amortization		**32,818**	48,720
Impairment losses (reversals) of investments		**0**	(8,029,540)
Expenses on cancellation on EXOR 2007-2017 bonds, 5.375%		**0**	32,512,990
Total adjustments		**(16,490,174)**	25,428,556
Change in working capital:			
Other financial assets, current and non-current	17	**348,276**	12,227,879
Tax receivables, excluding items adjusting profit for the year	18	**1,872,169**	(63,487)
Trade receivables from related parties		**(66,546)**	14,683
Other receivables, current and non-current		**480,985**	226,639
Other financial receivables		**(30,086)**	982
Other payables, current and non-current	34	**3,673,590**	(556,601)
Other financial liabilities, current and non-current		**(13,050,126)**	194,380
Trade payables and other payables to related parties, excluding items adjusting profit		**(105,001)**	25,258
Trade payables to third parties		**(694,708)**	97,376
Tax payables	33	**4,614,299**	(3,785,398)
Provisions for employee benefits, excluding remeasurements of defined benefit plans recognized in equity		**(423,983)**	66,840
Provisions for risks and charges	30	**600,000**	(2,867,000)
Change in working capital		**(2,781,131)**	5,581,551
Cash flows from (used in) operating activities		**2,531,990,821**	82,763,613
Cash flows from (used in) investing activities			
Change in investments in:			
Property, plant and equipment		**(12,689)**	(17,254)
Held-to-maturity financial instruments, current and non-current	14	**25,166,864**	57,794,429
Financial assets held for trading	15	**113,904,555**	(49,383,175)
Disposal of investments and available-for-sale financial assets	13	**17,839,087**	34,970,651
Investment acquisitions	13	**(298,427,285)**	(721,978,399)
Disposal of property, plant and equipment		**2,227**	1,266
Cash flows from (used in) investing activities		**(141,527,241)**	(678,612,482)
Cash flows from (used in) financing activities			
Change in financial receivables from related parties		**(698,361,063)**	(2,877,757)
Issue of bonds 2015/2022		**743,384,252**	0
Issue of bonds 2015/2025		**246,609,343**	0
Issue of bonds 2014-2024		**0**	648,320,413
Other changes in bonds		**10,280,144**	(284,433,535)
Net change in bank debt		**(18)**	0
Changes in fair value of cash flow hedge derivatives		**6,543,201**	0
Dividends paid		**(77,821,136)**	(74,485,945)
Treasury stock sales (purchases)		**508,528,076**	0
Dividends statute-barred and other net changes		**9,156**	10,673
Cash flows from (used in) financing activities		**739,171,955**	286,533,849
Total change in cash and cash equivalents		**3,129,635,535**	(309,315,020)
Cash and cash equivalents, at end of year		**3,406,015,113**	276,379,578

EXOR S.p.A. – STATEMENT OF CHANGES IN EQUITY

€	Share capital	Capital reserves	Treasury stock	Earnings reserves	Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2013	**246,229,850**	**1,094,170,370**	**(344,119,774)**	**2,364,742,520**	**92,726,030**	**568,536**	**(20,354,967)**	**3,433,962,565**
Reclassification 2013 profit				92,726,030	(92,726,030)			0
Dividends paid to shareholders (€0.335 per ordinary share)				(74,485,945)				(74,485,945)
Dividends statute-barred				10,673				10,673
Net increase corresponding to notional cost of EXOR stock option plan				2,311,938				2,311,938
Total comprehensive income				(559,607)	51,753,506	8,653,179	(11,735,074)	48,112,004
Net changes during the year	**0**	**0**	**0**	**20,003,089**	**(40,972,524)**	**8,653,179**	**(11,735,074)**	**(24,051,330)**
Equity at December 31, 2014	**246,229,850**	**1,094,170,370**	**(344,119,774)**	**2,384,745,609**	**51,753,506**	**9,221,715**	**(32,090,041)**	**3,409,911,235**
Reclassification 2014 profit				51,753,506	(51,753,506)			0
Dividends paid to shareholders (€0.35 per ordinary share)				(77,821,136)				(77,821,136)
Disposal of 12,000,000 treasury shares			172,897,387	335,630,688				508,528,075
Dividends statute-barred				9,157				9,157
Net increase corresponding to notional cost of EXOR stock option plan				2,907,455				2,907,455
Total comprehensive income				21,914	2,551,262,126	18,288,482	6,242,876	2,575,815,398
Net changes during the year	**0**	**0**	**172,897,387**	**312,501,584**	**2,499,508,620**	**18,288,482**	**6,242,876**	**3,009,438,949**
Equity at December 31, 2015	**246,229,850**	**1,094,170,370**	**(171,222,387)**	**2,697,247,193**	**2,551,262,126**	**27,510,197**	**(25,847,165)**	**6,419,350,184**
Note	20	21	24	22		22	22	

EXOR S.p.A. – NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.87% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy, with headquarters in Turin, Italy, Via Nizza 250.

Additional information is provided in the Report on Operations under "EXOR Group Profile and Key Data".

SIGNIFICANT ACCOUNTING POLICIES

Separate financial statements

The separate financial statements of the EXOR S.p.A. at December 31, 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and Council of July 19, 2002, in addition to provisions implementing article 9 of Legislative Decree 38/2005. The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The separate financial statements are also prepared in accordance with the provisions contained in Consob Resolutions 15519 and 15520 of July 27, 2006 and in Consob Communication 6064293 of July 28, 2006, pursuant to article 9, paragraph 3, of Legislative Decree 38 of February 28, 2005.

The financial statements of EXOR S.p.A. are expressed in Euro and are prepared under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.

The financial statements are prepared on the going concern assumption as the directors have in fact assessed that despite operating in a difficult economic and financial environment no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Format of the separate financial statements

EXOR S.p.A. presents the separate income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses), including the effects of recurring and non-recurring transactions.
In the separate statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

In view of the significance of the amounts, "non-recurring other income (expenses) and general expenses" are presented separately from "net general expenses" that are recurring and include any non-financial exceptional or non-recurring income and costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions, special bonuses to directors and employees and defendant legal fees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The statement of financial position and income statement balances generated by transactions with related parties are shown separately in the financial statement formats and commented in Note 38.

The year-end closing date is December 31 of each year and covers a period of 12 months.
The Euro is the company's functional currency and presentation currency.

In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Standards, amendments and interpretations adopted from January 1, 2015

In November 2013, the IASB published narrow scope amendments to IAS 19 – *Employee Benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No significant effect arose from the first time adoption of these amendments.

In December 2013, the IASB issued *Annual Improvements to IFRSs 2010 – 2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share-based Payments*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments,* the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party Disclosures,* the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair Value Measurement.* No significant effects were generated by the adoption of these amendments.

Standards, amendments and interpretations not yet effective and not early adopted

At the date of these financial statements the following are not yet effective and not early adopted:

- In May 2014, the IASB issued amendments to IAS 16 – Property, Plant and Equipment and to IAS 38 – Intangible Assets. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016 with earlier application permitted. No significant effect is expected from the adoption of these amendments.

- In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.

- In July 2014 the IASB issued IFRS 9 – *Financial Instruments*. The improvements introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted.

- In August 2014, the IASB issued amendments to IAS 27 – *Separate Financial Statements*. The amendments reinstate the option of using the equity method to account for investments in subsidiaries, joint ventures and associates in separate financial statements. The amendments are applicable retrospectively for annual periods beginning on or after January 1, 2016 with earlier application permitted.

- In September 2014 the IASB issued *Annual Improvements to IFRSs – 2012-2014 Cycle* on matters mainly in connection with IFRS 5 – *Non-current Assets held for Sale and Discontinued Operations*, IFRS 7 – *Financial Instruments: Disclosures* and IAS 19 – *Employee Benefits*. The amendments are applicable for annual periods beginning on or after January 1, 2016. No significant effect is expected from the adoption of these amendments.

- In December 2014 the IASB issued amendments to IAS 1 - *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

- In January 2016 the IASB issued IFRS 16 – *Leases* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 – *Leases*. IFRS 16, which is not applicable to service contracts, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted only if IFRS 15 – *Revenue from Contracts with Customers* is also adopted. No significant effect is expected from the adoption of this standard.

- In January 2016, the IASB issued amendments to IAS *12 – Income Taxes* that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted. No significant effect is expected from the adoption of these amendments.

- In January 2016, the IASB issued amendments to IAS 7 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective from January 1, 2017, with earlier adoption permitted. No significant effect is expected from the adoption of these amendments.

The company will adopt these new standards, amendments and interpretations based on the date of application and will evaluate their potential impacts in relation to the same date of application.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.
Subsidiaries are entities over which the company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor's returns.

Associates are enterprises over which the company has significant influence, as defined in IAS 28 – *Investments in Associates and Joint Ventures*, but not control or joint control over the financial and operating policies.

Investments in other companies include financial assets that are non-current and not destined for trading.

Under the cost method, investments are tested for impairment annually or more frequently whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.
If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below the cost of a subsidiary or associate, together with its continuing negative operating performance.

When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may have decreased. When, subsequently, the impairment loss no longer exists or decreased, a reversal is recognized in the income statement up to the cost of the investment.
A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

The mandatory convertible securities issued by FCA in December 2014 and mandatorily convertible into FCA shares on December 15, 2016, subscribed by EXOR to preserve its ownership interest in the subsidiary, was recorded at cost, as an integral part of the investment in FCA.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).
Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated, if appropriate, at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held to maturity financial instruments

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that the company has the positive intention and ability to hold to maturity.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the company has received substantially all the financial assets' original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the company's control, is non-recurring and could not have been reasonably anticipated by the company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Other financial assets, except for derivative instruments, are initially recognized at fair value, which generally coincides with the acquisition cost including incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible.
The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Intangible assets

Other intangible assets

Other purchased and internally generated intangible assets are recognized as assets in accordance with IAS 38 – *Intangible Assets*, where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.
Such assets are measured at purchase or manufacturing cost and amortized on a straight line basis over their estimated useful lives (considered five years), if the assets have a finite useful life.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition or production cost, including costs directly attributable to the purchase and bringing the assets into use, and presented net of accumulated depreciation and impairment losses, if any.
Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred.
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Class	Depreciation rate
Telephone equipment	20%
Furniture	12%
Sundry equipment	15%
Office machines	20%

The estimated useful lives of depreciable property, plant and equipment are subject to periodic review. In the event of adjustments to the initial estimates, the relative depreciation rates are changed.

Trade receivables and payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Employee benefits

Defined benefit plans

The present value of a defined benefit obligation and the related current service cost for defined benefit pension plans and other long-term benefits are determined on an actuarial basis using the projected unit credit method. Under this method, the company attributes benefits to periods in which the obligation to provide post-employment benefits arises. That obligation arises when employees render services.

The present value of the defined benefit obligation is measured by using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible. Financial assumptions are based on market estimates that are known at the balance sheet date regarding the period in which the obligations will be settled.

The fair value of plan assets is deducted from the present value of the obligation in determining the amount recognized in the statement of financial position. This fair value is estimated, where possible, by referring to the available market price of the assets. Where no market price is available, the fair value of plan assets is estimated using a valuation technique.

The components of defined benefit cost are recognized as follows:

- remeasurement components of the obligation, including actuarial gains and losses, are recognized immediately in other comprehensive income;
- service costs are recognized in the income statement;
- net interest on the defined benefit liability is recognized under financial expenses in the income statement.

Remeasurement components recognized in other comprehensive income cannot be reclassified to the income statement in a subsequent period.

The scheme underlying the Employee leaving entitlements of Italian companies was classified as a defined benefit plan until December 31, 2006. The legislation regarding this scheme and leading to this classification was amended by Law 296 of December 27, 2006 (the 2007 Budget Law) and subsequent decrees and regulations issued in the first part of 2007. In view of these changes, and with specific reference to those regarding companies with at least 50 employees, this scheme only continues to be classified as a defined benefit plan in the financial statements for those benefits accruing up to December 31, 2006 (and not yet settled by the balance sheet date), while after that date the scheme is classified as a defined contribution plan. Since EXOR S.p.A. has less than 50 employees, employee leaving entitlements are calculated using the customary actuarial method established in IAS 19 and adopted in prior years, except for the exclusion of the pro rata application of the service rendered for employees who transfer the entire amount accrued to a supplementary pension fund. Consequently, for those who transfer the entire amount accrued to a supplementary pension fund, the company records the contribution paid as an expense and no additional obligation is recognized.

Post-employment plans other than pensions

The company provides certain post-employment defined benefits, mainly health care plans. The method of accounting and the frequency of valuations of such benefits are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement. The compensation component arising from stock option plans linked to shares of EXOR S.p.A., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate. Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
- Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately.
- Hedge of a net investment (hedge of a net investment in a foreign operation), in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.

Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.

Revenues from the performance of services are recognized over the period in which the services will be provided.

Costs are recorded on the accrual basis.

Income taxes

Current income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income. Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits. Other taxes not based on income, such as property taxes and capital taxes, are included in operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences between the tax base of an asset or liability and the carrying amounts in the separate financial statements, except for those arising from non-tax-deductible goodwill and for those related to investments in subsidiaries where reversal will not take place in the foreseeable future. Deferred tax assets relating to the carryforward of unused tax losses and tax credits, as well as those arising from deductible temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
Deferred tax assets and liabilities are measured at the tax rates expected to apply to taxable income in the periods in which the temporary differences will reverse. Deferred income tax assets and liabilities are offset where there is a legally enforceable right of offset.

Deferred tax assets and liabilities are shown separately from other tax receivables and payables in a specific line under non-current assets or liabilities.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.
Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The situation caused by the present economic and financial crisis has required assumptions to be made regarding future performance which are characterized by significant uncertainty; as a consequence, therefore, it cannot be excluded that results may arise during the next year which differ from estimates, and which therefore might require adjustments, even significant, to be made to the carrying amount of the items in question, which at the present moment can clearly neither be estimated nor predicted.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the separate financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments and available-for-sale financial assets.

Instead, there are no critical or significant issues in relation to the estimates used for employee benefits, taxes or provisions, in view of their limited level of materiality.

RISK MANAGEMENT

The maximum theoretical exposure to credit risk for EXOR at December 31, 2015 is represented by the carrying amount of financial assets presented in the financial statements. The company seeks to mitigate such risks by investing a large part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their creditworthiness.

With regard to the issue of non-convertible bonds for Japanese yen 10 billion during 2011, to protect itself against fluctuations in the €/Yen exchange rate EXOR put into place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the nominal value in Euro (about €83 million) for the entire term of the loan.

Some available-for-sale financial assets, assets held for trading, cash and financial liabilities are denominated in currencies other than Euro and have been adjusted to the year-end exchange rate.

Most of the liquidity at December 31, 2015 is denominated in U.S. dollars in order to hedge the currency risk in the transaction for the acquisition of PartnerRe, a non-monetary investment in foreign currency.

Liquidity risk, financing needs and cash flows are managed with the aim of optimizing financial resources. In particular, outgoing cash flows from current operations are basically financed by incoming flows from ordinary business activities.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used. In this sense, EXOR operates so that it has financial resources available by issuing bonds and securing irrevocable credit lines with expiration dates and amounts consistent with its investment plans.

EXOR assesses and manages its exposure to fluctuations in interest rates in accordance with its financial management policies and uses derivative financial instruments to fix some of the financing obtained at a pre-set interest rate; in particular, the risks associated with fluctuations in interest rate only regarded the use of a cross currency swap derivative financial instruments as noted above.

EXOR is subject to income taxes in Italy; during the course of its ordinary operations EXOR may also be subject to controls by the Italian tax authorities. Even though the company considers that the tax estimates are reasonable, any disputes related thereto may have an adverse effect also on earnings.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €2,566,214 thousand (€143,462 thousand in 2014) and were distributed by the following companies:

€ thousand	2015	2014
EXOR S.A.	**2,487,497**	70,000
CNH Industrial N.V.	**73,385**	73,385
PartnerRe	**4,868**	0
Other	**464**	77
Total dividends	**2,566,214**	143,462

During 2015 the subsidiary EXOR S.A. passed a resolution to pay dividends of €2,487,497 thousand, of which €558,971 thousand is still to be received at December 31, 2015.

2. Gains (losses) on disposals of investments

In 2015 gains amount to €4,111 thousand and refer entirely to the disposal of listed securities recorded in available-for-sale financial assets.

In 2014 gains amounted to €5,771 thousand and referred entirely to the disposal of listed securities recorded in available-for-sale financial assets. There were also losses of €10,651 thousand, of which €5,651 thousand related to the settlement of pending disputes and every other potential future controversy between EXOR and Alpitour by way of a novatory agreement and of €5,000 thousand to the sale of the remaining investment held in Alpitour (7.17%).

3. Reversals of impairment losses on investments

The item refers exclusively to income of €8,030 thousand recorded in 2014 for the total reinstatement of the carrying amount of Fiat preferred shares written down in 2001, which had not been fully reinstated in the subsequent years.

4. Financial expenses from third parties

€ thousand	2015	2014	Change
Interest on bonds	**66,968**	63,414	3,554
Bank fees and commissions	**2,920**	2,434	486
Expenses on held-to-maturity securities	**167**	363	(196)
Interest on bank debt	**155**	370	(215)
Financial expenses on securities held for trading:			
- Losses on shares, funds and securities trading	**5,761**	324	5,437
- Fair value adjustments	**675**	232	443
Other expenses	**3**	20	(17)
Total recurring financial expenses	**76,649**	67,157	9,492
Loss on cancellation of EXOR 2007/2017 bonds (a)	**0**	32,513	(32,513)
Total non-recurring financial expenses	**0**	32,513	(32,513)
Total financial expenses from third parties	**76,649**	99,670	(23,021)

(a) The non-recurring loss recorded in 2014 arises from the difference between the average per unit purchase price of €113.01 and the nominal amount of €100 on nominal €250 million of bonds cancelled in 2014.

5. Financial income from third parties

€ thousand	2015	2014	Change
Interest income and other income on held-to-maturity securities	**2,935**	9,151	(6,216)
Interest income on receivables from banks	**3,268**	11,340	(8,072)
Income on securities held for trading:			
- Gains on shares, funds and securities trading	**4,613**	1,269	3,344
- Fair value adjustments	**0**	2,555	(2,555)
Interest on fixed-rate securities	**2,481**	1,101	1,380
Other income	**12**	449	(437)
Total financial income from third parties	**13,309**	25,865	(12,556)

6. Gains (losses) on exchange

€ thousand	2015	2014	Change
Losses on exchange, realized	**(73)**	(129)	56
Gains on exchange, realized	**338**	175	163
Total gains (losses) on exchange	**265**	46	219

7. Personnel costs

These total €7,398 thousand (€8,425 thousand in 2014), with a net decrease of €1,027 thousand.
Details are as follows:

€ thousand	2015	2014	Change
Salaries and expenses for similar services	**4,073**	4,844	(771)
Social security contributions	**1,120**	1,178	(58)
Employee leaving entitlement, other long-term benefit plans and defined benefit plans in addition to payments of plan contributions	**279**	253	26
Notional cost of EXOR long-term incentive plans (a)	**1,459**	1,641	(182)
Other personnel costs (b)	**467**	509	(42)
Total personnel costs	**7,398**	8,425	(1,027)

(a) Additional information is provided in Note 25.
(b) Includes €195 thousand (€181 thousand in 2014) of costs referring to related parties.

At the end of 2015, the number of employees is 32, with a reduction of 3 persons compared to the number at December 31, 2014.
The average number of employees in 2015 was 33, summarized by category as follows:

	2015	2014
Managers	**5**	3
Middle management	**16**	17
Staff	**10**	10
Messengers	**2**	3
Average number of employees	**33**	33

Compensation policies
Overall compensation is composed of a fixed portion, a variable portion and additional benefits.
Fixed compensation is connected with the responsibilities of the person's role, the level of individual expertise and the experience acquired. Variable compensation is established on a discretionary basis by the individuals performing the evaluations.

Additional benefits, mainly in reference to staff with management responsibilities, include supplementary pension plans, health care plans, death and disability insurance coverage, loyalty bonuses and, where provided, the use of a company car.
Additional information on employee benefits is presented in Note 29.

8. Purchases of goods and services from third parties

These amount to €3,834 thousand and show a net reduction of €70 thousand compared to 2014 (€3,904 thousand). Details are as follows:

€ thousand	2015	2014	Change
Sundry consulting and services	**969**	1,135	(166)
Computer system	**570**	519	51
Securities' listing fees	**346**	287	59
Travel, entertainment and transport expenses	**295**	225	70
Telephone and postal expenses	**288**	298	(10)
Bank and financial fees and commissions	**227**	194	33
Notary fees	**176**	146	30
Shareholders' meetings' fees	**159**	151	8
Directors' liability insurance	**123**	332	(209)
Compensation to control bodies, excluding the board of statutory auditors	**113**	109	4
Sundry costs	**568**	508	60
Total purchases of goods and services from third parties	**3,834**	3,904	(70)

9. Other operating expenses

These total €1,059 thousand (€960 thousand in 2014). Details are as follows:

€ thousand	2015	2014	Change
Donations	**738**	610	128
Association dues	**221**	160	61
Sundry expenses	**100**	190	(90)
Total other operating expenses	**1,059**	960	99

10. Non-recurring other income (expenses) and general expenses

In 2015 the net non-recurring expense balance of €9,426thousand refers to investments (€5,083 thousand), employee reduction plans (€1,550 thousand), tax consulting and other consulting fees (€636 thousand) and the writedown of receivables from the tax authorities for withholding taxes paid abroad (€2,157 thousand).

In 2014 the net non-recurring expense balance amounted to €6,238 thousand and was related to costs for the early cancellation of a collaboration contract (€3,167 thousand), legal defense fees in the proceedings relating to the content of the press releases issued by IFIL and Giovanni Agnelli e C. on August 24, 2005 (€405 thousand), tax consulting fees (€561 thousand) and other consulting fees (€66 thousand).
The line item also included €2,057 thousand relating to expenses for the non-recoverability of the interest earned on the Deferred Price under the agreement signed on June 30, 2014 with Alpitour and other non-recurring income of €18 thousand.

11. Indirect taxes – Non-deductible VAT

In 2015 the prorated amount of non-deductible VAT was 100% (99% in 2014). Non-deductible VAT was €1,786 thousand in 2015 and €1,279 thousand in 2014.

12. Income taxes

The taxable income calculated in accordance with tax regulations generates a taxable income of approximately €85.7 million and the IRES tax for the year of €4,540 thousand. However total taxes recognized in the income statement show a positive balance of €8,241 thousand. Besides the above IRES taxes, the balance includes the separate tax of €1,972 thousand referring to Controlled Foreign Companies (CFC) paid in 2015, the accrual of €600 thousand relating to a notice of assessment received from the Revenues Agency in December 2015 for prior years' taxes, the release of deferred tax liabilities of €15,310 thousand and minor positive adjustments of €43 thousand.

Deferred tax assets have not been recognized on tax losses (€177 million, in total) and on deductible temporary differences represented primarily by the cash flow hedge reserve given that, currently, the probability of recovery against future taxable income is not assured.

Considering that the IRAP taxable base is negative, the following table shows the reconciliation between pre-tax profit and taxable income for IRES purposes.

€ thousand	**2015**	2014
Pre-tax profit	**2,543,021**	48,173
Increases:		
- 1/5 of the gain on the sale of the building realized in 2011	**1,962**	1,962
- temporary differences (a)		76,304
- loss on sale of Alpitour		5,000
- deferred price adjustment on sale of Alpitour		5,369
- permanent differences	**2,575**	3,180
Total increases	**4,537**	91,815
Decreases:		
- 95% of dividends received	**(1,902,256)**	(136,289)
- uncollected dividends	**(558,971)**	
- deductions of temporary differences	**(180)**	(8,276)
- deductions of permanent differences	**(421)**	(445)
Total decreases	**(2,461,828)**	(145,010)
Taxable income (loss)	**85,730**	(5,022)
Tax losses utilized	**68,584**	
ACE utilized	**638**	
Taxable	**16,508**	
Tax 27.5%	**4,540**	

(a) In 2014 this mainly included net interest expenses non-deductible during the year.

For the years up to December 31, 2010, the ordinary terms of the statute of limitations for tax purposes have expired.

13. Investments accounted for at cost and available-for-sale financial assets

€ thousand	12/31/2015 % of class of shares	12/31/2015 Amount	12/31/2014 % of class of shares	12/31/2014 Amount	Change
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	29.16	**1,328,502**	29.25	1,328,502	0
Fiat Chrysler Automobiles N.V. - special voting shares	91.90	**0**	91.90	0	0
Fiat Chrysler Automobiles N.V. - mandatory convertible bonds maturing 12/15/2016, 7.875%	n/a	**711,210**	n/a	711,210	0
Fiat Chrysler Automobiles N.V.		**2,039,712**		2,039,712	0
CNH Industrial N.V. - common shares	26.94	**1,694,530**	27.07	1,694,530	0
CNH Industrial N.V. - special voting shares	77.33	**0**	77.33	0	0
CNH Industrial N.V.		**1,694,530**		1,694,530	0
EXOR S.A.	100.00	**746,203**	100.00	746,495	(292)
Juventus Football Club S.p.A.	63.77	**95,688**	63.77	95,688	0
Arenella Immobiliare S.r.l.	100.00	**26,050**	100.00	26,050	0
EXOR Holding N.V.	100.00	**1,008**	n/a	0	1,008
Emittenti Titoli S.p.A.	6.43	**272**	6.43	272	0
Investments accounted for at cost		**4,603,463**		4,602,747	716
Available-for-sale financial assets					
PartnerRe	5.29	**324,053**	n/a	0	324,053
Other funds	n/a	**7,916**	n/a	11,330	(3,414)
Other listed securities	n/a	**0**	n/a	18,755	(18,755)
Available-for-sale financial assets		**331,969**		30,085	301,884
Total		**4,935,432**		4,632,832	302,600

The changes during the year are as follows:

€ thousand	Balance at 12/31/2014	Changes in 2015 Increases	Changes in 2015 Decreases	Changes in 2015 Other changes	Balance at 12/31/2015
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares	1,328,502				**1,328,502**
Fiat Chrysler Automobiles N.V. - special voting shares	0				**0**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/16/2016, 7.875%	711,210				**711,210**
Fiat Chrysler Automobiles N.V.	2,039,712	0	0	0	**2,039,712**
CNH Industrial N.V. - common shares	1,694,530				**1,694,530**
CNH Industrial N.V. - special voting shares	0				**0**
CNH Industrial N.V.	1,694,530	0	0	0	**1,694,530**
EXOR S.A.	746,495			(292)	**746,203**
Juventus Football Club S.p.A.	95,688				**95,688**
Arenella Immobiliare S.r.l.	26,050				**26,050**
EXOR Holding N.V.	0	1,008			**1,008**
Emittenti Titoli S.p.A.	272				**272**
Investments accounted for at cost	4,602,747	1,008	0	(292)	**4,603,463**
Available-for-sale financial assets					
PartnerRe	0	296,543		27,510	**324,053**
Other funds	11,330	1,023	(3,107)	(1,330)	**7,916**
Other listed securities	18,755		(10,768)	(7,987)	**0**
Total available-for-sale financial assets	30,085	297,566	(13,875)	18,193	**331,969**
Total	4,632,832	298,574	(13,875)	17,901	**4,935,432**

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Trading price December 30, 2015	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
Fiat Chrysler Automobiles N.V. - common shares	375,803,870	3.535	1,328,502	12.996	**4,883,834**
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016	8,860,000	80.272 (a)	711,210	107.155 (b)	**949,396**
			2,039,712		**5,833,231**
CNH Industrial N.V.	366,927,900	4.618	1,694,530	6.360	**2,333,551**
Juventus Football Club S.p.A.	642,611,298	0.149	95,688	0.264	**169,649**
Total			**3,829,930**		**8,336,431**

(a) Issued in nominal amounts of $100, translated at the €/$1.2457exchange rate.
(b) Trading price of $116.66, translated at the €/$1.0887exchange rate.

Furthermore:

- there are no equity investments requiring the assumption of an unlimited responsibility for their obligations (art. 2361, paragraph 2 of the Italian Civil Code);
- there are no equity investments held as collateral for financial liabilities and contingent liabilities.

The following list of investments held by EXOR S.p.A. presents the additional disclosures required by the Italian Civil Code (art. 2427, paragraph 5) and Consob (Communication 6064293 of July 28, 2006).

	Share capital			EXOR investment				Equity	Profit (loss)
	Number of shares	Par value	Amount	Number of shares/quotas	% ownership of Share cap	Carrying amount Per unit €	Carrying amount €/000	€/000	€/000
Fiat Chrysler Automobiles N.V. (Netherlands) common shares	1,288,956,011	€ 0.01	12,889,560	375,803,870	29.16	3.54	1,328,502		
Fiat Chrysler Automobiles N.V. (Netherlands) shares with special voting rights	408,941,767	€ 0.01	4,089,418	375,803,870	91.90		0		
	1,697,897,778		16,978,978	751,607,740	44.27		1,328,502		
Fiat Chrysler Automobiles N.V. - mandatory convertible securities maturing 12/15/2016, 7.875%				8,860,000		80.27	711,210		
							2,039,712	16,092,000 (a)	377,000 (a)
CNH Industrial N.V. (Netherlands) common shares	1,362,048,989	€ 0.01	13,620,490	366,927,900	26.94	4.62	1,694,530		
CNH Industrial N.V. (Netherlands) shares with special voting rights	474,474,276	€ 0.01	4,744,743	366,927,900	77.33		0		
	1,836,523,265		18,365,233	733,855,800	39.96		1,694,530	6,585,836 (a)	236,000 (a)
EXOR S.A. (Luxembourg)	1,110,742	€ 150	166,611,300	1,110,742	100.00	671.81	746,202	1,409,221 (b)	796,234 (b)
EXOR Holding N.V. (Netherlands)	10,080	€ 100	1,008,000	10,080	100.00	100.00	1,008	980 (b)	(28) (b)
Juventus Football Club S.p.A. (Turin)	1,007,766,660	-	8,182,133	642,611,298	63.77	0.15	95,688	75,000 (c)	30,300 (c)
Arenella Immobiliare S.r.l. (Turin)	1	-	150,000	1	100.00	-	26,050	26,260 (b)	110 (b)

(a) Data taken from the consolidated financial statements at December 31, 2015.
(b) Data taken from the statutory financial statements at December 31, 2015.
(c) Data taken from the half-yearly financial report at December 31, 2015.

Available-for-sale financial assets

The decrease in Other funds (€3,414 thousand) is due to the fair value adjustment of the carrying amount at year end, investments made during the year and the partial restitution of some investments that are being liquidated.

The net decrease in Other listed securities reflects the total disposal of previously acquired investments.

During 2015 PartnerRe shares numbering 2,524,664 were purchased on the market for a net equivalent amount of €296,543 thousand. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 based on the €/$1.0887 year-end exchange rate); the positive fair value adjustment recognized in equity amounts to €27,510 thousand.

14. Held-to-maturity financial instruments - current and non-current

€ thousand	12/31/2015	12/31/2014	Change
Non-current assets	**26,181**	26,348	(167)
Current assets		25,000	(25,000)
Total	**26,181**	51,348	(25,167)

These are represented by bonds issued by leading counterparties maturing in 2017. The bonds are recorded and measured at amortized cost.
The amount of €25 million recorded in current assets at December 31, 2014 refers to bonds that matured and were reimbursed during 2015.

15. Financial assets held for trading - current

€ thousand	12/31/2015	12/31/2014	Change
Bonds	**22,675**	66,073	(43,398)
Mutual funds		70,506	(70,506)
Total	**22,675**	136,579	(113,904)

The net decrease of €113,904 thousand reflects the management strategy for the securities portfolio and the investment of financial resources.
The bonds are measured at year-end at fair value using the market price translated, where appropriate, at the year-end exchange rate.
Changes in fair value are recognized in the income statement under financial income (expenses) from third parties.

16. Cash and cash equivalents - current

€ thousand	12/31/2015	12/31/2014	Change
Bank deposits	**742,931**	251,380	491,551
Time deposits	**2,663,084**	25,000	2,638,084
Total cash and cash equivalents	**3,406,015**	276,380	3,129,635

These represent current account bank balances in Euro and currencies other than Euro, in U.S. dollars and in other currencies, repayable on demand and cash deposited at leading credit institutions.
The associated credit risks should be considered limited since the counterparties are leading bank institutions.

17. Other financial assets - current

Other financial assets - current amount to €1,975 thousand (€2,322 thousand at December 31, 2014) and mainly consist of accrued interest earned on FCA mandatory convertible securities in portfolio and time deposits.

18. Tax receivables - current

These amount to €4,166 thousand (€6,038 thousand at December 31, 2014) and relate to taxes receivable from the tax authorities for the current and prior years carried forward.
The change during 2015 is summarized as follows:

€ thousand	
Balances at December 31, 2014	**6,038**
IRES CFC tax advance 2015	1,923
Receivables arising during the year (withholdings paid)	822
IRPEF tax advance on leaving entitlement revaluation	3
Reversal of withholdings on foreign income	(2,156)
Sale of receivables to Group companies	(1,387)
Used for compensation of withholding taxes	(700)
Tax balance	(349)
Excess (utilized) for VAT settlement	(24)
Other changes	(4)
Balances at December 31, 2015	**4,166**

19. Other receivables

Other receivables amount to €240 thousand (€649 thousand at December 31, 2014) and mainly refer to prepaid insurance premiums and fees and commissions on the opening of credit lines.

20. Equity - Share capital

At December 31, 2015, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850, unchanged compared to December 31, 2014, and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2015, share capital includes €2,667 thousand deriving from transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the company.
The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500,000,000, as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000,000,000 but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.
The ordinary shares are registered shares.

Pursuant to art. 26 of the bylaws, the profit of each year is appropriated as follows:
- 5% to the legal reserve until it reaches one-fifth of share capital;
- the remaining profit to the shares, as dividends, unless otherwise resolved by the shareholders' meeting.

The board of directors, during the course of the year to the extent that it considers it appropriate in relation to the results of operations, as allowed by law, may resolve to pay interim dividends for the same year.

In accordance with art. 27 of the bylaws, dividends that are not claimed within five years of the date they become payable will be statute-barred and become the property of the company and appropriated to the extraordinary reserve.

In accordance with art. 29 of the bylaws, in the event of a wind-up, the assets of the company shall be distributed equally among the shares.

EXOR aims to maintain an adequate level of capitalization which allows it to generate a satisfactory economic return for its shareholders and to guarantee economic access to external sources of financing.

EXOR constantly monitors changes in the consolidated debt level of the Holdings System in relation to the current asset value of its investments and the dividend flows from the operating investment holdings. A very prudent approach is adopted with regard to the use of financial leveraging.

21. Equity – Capital reserves

€ thousand	12/31/2015	12/31/2014	Change
Additional paid-in capital	**604,053**	604,053	0
Share exchange difference	**401,398**	401,398	0
Merger surplus	**88,261**	88,261	0
Extraordinary reserve	**458**	458	0
Total capital reserves	**1,094,170**	1,094,170	0

22. Equity - Retained earnings and other reserves

€ thousand	12/31/2015	12/31/2014	Change
Revaluation reserve Law 408/90	**243,894**	243,894	0
Revaluation reserve Law 72/83	**64,265**	64,265	0
Revaluation reserve Law 576/75	**32,107**	32,107	0
Revaluation reserve Law 413/91	**2,586**	2,586	0
Revaluation reserve Law 74/52	**157**	157	0
Legal reserve	**49,246**	49,246	0
Fair value reserve	**27,510**	9,222	18,288
Stock option reserve	**14,374**	12,003	2,371
Cash flow hedge reserve	**(25,847)**	(32,090)	6,243
Reserve for purchase of treasury stock	**500,000**	450,000	50,000
Extraordinary reserve	**799,886**	875,945	(76,059)
Additional paid-in capital	**153,332**	153,332	0
Merger surplus	**309,260**	309,260	0
Difference on exchange ratio	**188,761**	188,761	0
Retained earnings	**339,379**	3,189	336,190
Total retained earnings and other reserves	**2,698,910**	2,361,877	337,033

The composition of “Other comprehensive income (loss) recognized directly in equity” as included in the statement of comprehensive income is as follows.

€ thousand	2015	2014
Effective portion of gains (losses) on cash flow hedges arising during the year	**6,243**	(11,735)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	**0**	0
Effective portion gains (losses) on cash flow hedges	**6,243**	(11,735)
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	**26,180**	7,663
Gains (losses) on remeasurement of available-for-sale financial assets reclassified to the income statement	**(7,987)**	(1,580)
Gains (losses) on remeasurement of available-for-sale financial assets	**18,193**	6,083
Gains (losses) on the remeasurement of defined benefit plans	**22**	(560)
Gains (losses) on the remeasurement of defined benefit plans	**22**	(560)
Tax effect on Other comprehensive income	**95**	2,570
Total Other comprehensive income (loss), net of tax	**24,553**	(3,642)

The tax effect in 2015 is as follows:

€ thousand	Gross amount	Tax benefit (expense)	Net amount
Effective portion of gains (losses) on cash flow hedges	6,243		6,243
Gains (losses) on remeasurement of available-for-sale financial assets	18,193	95	18,288
Gains (losses) on remeasurement of defined benefit plans	22		22
Total Other comprehensive income (losses)	**24,458**	**95**	**24,553**

23. Equity reserves available and distributable

Disclosures required by art. 2427, 7-*bis* of the Italian Civil Code on the equity reserves available and distributable are as follows:

€ thousand	Balance at 12/31/2015	Possibility of use	Amount available
Capital reserves:			
Additional paid-in capital (a)	**604,053**	A,B,C	**604,053**
Share exchange difference	**401,398**	A,B,C	**401,398**
Merger surplus	**88,261**	A,B,C	**88,261**
Extraordinary reserve	**458**	A,B,C	**458**
Earnings reserves:			
Revaluation reserve Law 408/90 (b)	**243,894**	A,B,C	**243,894**
Revaluation reserve Law 72/83 (b)	**64,265**	A,B,C	**64,265**
Revaluation reserve Law 576/75 (b)	**32,107**	A,B,C	**32,107**
Revaluation reserve Law 413/91 (b)	**2,586**	A,B,C	**2,586**
Revaluation reserve Law 74/52 (b)	**157**	A,B,C	**157**
Legal reserve	**49,246**	B	**-**
Extraordinary reserve (c)	**799,886**	A,B,C	**799,886**
Paid-in-capital (a)	**153,332**	A,B,C	**153,332**
Share exchange difference	**188,761**	A,B,C	**188,761**
Merger surplus	**309,260**	A,B,C	**309,260**
Retained earnings	**339,379**	A,B,C	**339,379**
Reserve for purchase of treasury stock	**500,000**	A,B,C	**500,000**
Stock option reserve	**14,374**	-	**-**
Cash flow hedge reserve	**(25,847)**	-	**-**
Fair value reserve	**27,510**	-	**-**
Total	**3,793,080**		**3,727,797**

A: For capital increases B: For coverage of losses C: For distribution to shareholders

(a) Since the legal reserve is equal to one-fifth of share capital at December 31, 2015, the reserve is distributable (art. 2431 of the Italian Civil Code).

(b) The revaluation reserves may be used for bonus increases of share capital. If used to cover losses, they must be later replenished, if not, then no dividends can be paid. They may not be used to set up the reserve for the purchase of treasury stock. The monetary revaluation reserves can be reduced only by resolution of the shareholders' meeting and in observance of the prescriptions indicated in art. 2445, paragraphs 2 and 3 of the Italian Civil Code.

(c) The reserve is freely distributable except for the portion corresponding to the amount of treasury stock in portfolio.

In the years 2012, 2013 and 2014, no reserves were used to absorb losses.

At December 31, 2015 tax-deferred reserves are recorded for a total of €345,041 thousand, of which €2,032 thousand relates to the legal reserve and €343,009 thousand to monetary revaluation reserves; the latter, if distributed, form part of the taxable income of the company.
The tax-deferred revaluation reserves Law 408/90, Law 413/91 and Law 576/75, recorded for a total of €261,647 thousand in the equity of the merged company IFIL S.p.A., were set up again at December 31, 2009 in the equity of EXOR S.p.A. by using part of the merger surplus reserve and the share exchange difference.

24. Equity - Treasury stock

The placement of 12,000,000 treasury shares (4.87% of share capital) was completed on November 11, 2015 through an accelerated book building process reserved for institutional investors for a total gross amount of €511,200 thousand. The placement of the shares, at an average price per share of €14.41 was closed at a price of €42.60 per share, corresponding to a discount of 4.99% on the closing market price of the transaction date.
Giovanni Agnelli e C. S.a.p.az. purchased EXOR shares for €50 million in the placement and therefore its investment in EXOR share capital rose to 51.87%.
In 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service the stock option plans.

At December 31, 2015 EXOR holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Ordinary shares				
Balance at December 31, 2014	23,883,746	14.41	344,120	9.70
Disposals	(12,000,000)	14.41	(172,898)	
Balance at December 31, 2015	**11,883,746**	**14.41**	**171,222**	4.83

25. Long-term incentive plans

Stock Option Plan 2008-2019

The Stock Option Plan EXOR 2008-2019 has a maximum of 15,000,000 options corresponding to a maximum of 3,975,000 EXOR ordinary shares, exercisable at a price of €19.97 per EXOR share. The Plan grants the recipients free options on treasury stock purchased by the company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted under the EXOR Plan 2008-2019 is as follows:

	Number of options granted	Number of ordinary shares exercisable
Balance at December 31, 2014	**6,112,000**	**1,619,680**
Options forfeited	(250,000)	(66,250)
Balance at December 31, 2015	**5,862,000**	**1,553,430**

The total cost of the 5,862,000 options outstanding at December 31, 2015 is equal to €10,791 thousand, divided as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees of EXOR S.p.A.	2,812,000	745,180	4,382	567
Total EXOR S.p.A.	5,812,000	1,540,180	10,711	1,799
Key employees of companies in the Holdings System	50,000	13,250	80	15
Total	**5,862,000**	**1,553,430**	**10,791**	**1,814**

The cost referring to the year, recorded in the stock option reserve, amounts to €1,814 thousand including €1,232 thousand classified as compensation to the Chairman and Chief Executive Officer and €567 thousand as personnel costs. The cost relating to key employees of companies in the Holdings System (€15 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.

The cost relating to 2014 amounted to €1,950 thousand including €1,232 thousand classified as compensation to the Chairman and Chief Executive Officer, €652 thousand as personnel costs and €66 thousand as an increase in the carrying amount of the investment in EXOR S.A.

Long-term incentive plans

The EXOR shareholders' meeting held on May 29, 2012 approved an Incentive Plan pursuant to art. 114-*bis* of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The Plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- the first part of the Plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to 31 recipients; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System;
- the second part of the Plan, denominated "Company Performance Stock Options", provides for a total of 3,000,000 options to be granted to the recipients; this allows them to purchase a corresponding number of EXOR ordinary shares.

The vesting period of the options is from 2014 to 2018 in annual lots of the same number that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System.

The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual recipients. The Chairman and Chief Executive Officer of the company, John Elkann, is the recipient of the Company Performance Stock Options. The other recipients could be about 15 employees of EXOR S.p.A. and/or Companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer of EXOR S.p.A.
In 2015, as the target was not reached, 20% of the options were forfeited.

The Plans are serviced by treasury stock and therefore will have no diluting effects since there will be no issue of new shares.

The "Long Term Stock Grant" is composed as follows:

€ thousand	**Number of options granted**	**Total cost of Plan**	**Cost referring to the year**
EXOR S.p.A. employees			
- Balance at December 31, 2014	158,666		
- Options forfeited	(3,000)		
- Options granted	4,500		
- Balance at December 31, 2015	160,166	3,173	557
Employees of companies in the Holdings System	8,000	155	27
Total	**168,166**	**3,328**	**584**

The cost referring to the year for this Plan, recorded in the stock option reserve, amounts to €584 thousand including €557 thousand classified as personnel costs. The cost relating to employees of companies in the Holdings System (€27 thousand) is recognized as an increase in the carrying amount of the investment in EXOR S.A.
The cost relating to 2014 amounted to €571 thousand including €543 thousand classified as personnel costs and €28 thousand as an increase in the carrying amount of the investment in EXOR S.A.

The composition of the "Company Performance Stock Option" of May 2012 is as follows:

€ thousand	**Number of options granted**	**Total cost of Plan**	**Cost referring to the year**
Chairman and Chief Executive Officer of EXOR S.p.A.			
- Balance at December 31, 2014	600,000		
- Options forfeited	(150,000)		
- Balance at December 31, 2015	450,000	1,625	271
Key employees of EXOR S.p.A.			
- Balance at December 31, 2014	745,600		
- Options forfeited	(186,400)		
- Balance at December 31, 2015	559,200	1,983	335
Total EXOR S.p.A.	1,009,200	3,608	606
Key employees of companies in the Holdings System			
- Balance at December 31, 2014	32,000		
- Options forfeited	(8,000)		
- Balance at December 31, 2015	24,000	85	14
Total	**1,033,200**	**3,693**	**620**

The cost referring to the year for this Plan, recorded in the stock option reserve, amounts to €620 thousand including €271 thousand classified as compensation to the Chairman and Chief Executive Officer and €335 thousand as personnel costs. The cost relating to the key employees of companies in the Holdings System (€14 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.
The cost relating to 2014 amounted to €827 thousand including €361 thousand classified as compensation to the Chairman and Chief Executive Officer, €447 thousand as personnel costs and €19 thousand as an increase in the carrying amount of the investment in EXOR S.A.

Stock Grant Plan for independent directors

The EXOR shareholders' meeting held on May 29, 2015 approved an Incentive Plan on behalf of the independent directors, proposed by the board of directors on April 14, 2015.
The Plan's objective is to align the compensation of the directors with the strategic objectives of the company, offering them the opportunity to choose between taking part in the Incentive Plan 2015 as an alternative to the cash remuneration established by the shareholders' meeting. The Plan provides for the free grant of a maximum of 70,000 EXOR shares to the directors who decide to take part in Plan, subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The plan will be serviced entirely by treasury stock without any new emission of shares and therefore without any dilutive effects.
The cost of the Plan, for the 8 participating beneficiaries, is €1,200 thousand. The total cost for the year, recognized in the stock option reserve, amounts to €238 thousand, and is classified as compensation to the directors.

26. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate		Currency	Nominal value (€/000)	Equivalent amount (€/000)	**Balance at 12/31/2015**	(a)	Balance at 12/31/2014	(a)
6/12/2007	6/12/2017	99.554	Annually	Fixed 5.375%		€	440,000	440,000	**452,516**		452,098	
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.750%		€	150,000	150,000	**149,808**		149,411	
11/12/2013	11/12/2020	99.053	Annually	Fixed 3.375%		€	200,000	200,000	**199,439**		199,165	
12/3//2015	12/2/2022	99.499	Annually	Fixed 2.125%		€	750,000	750,000	**744,650**		0	
10/8/2014	10/8/2024	100.090	Annually	Fixed 2.500%		€	650,000	650,000	**652,223**		652,104	
12/7/2012	1/31/2025	97.844	Annually	Fixed 5.250%		€	100,000	100,000	**102,957**		102,803	
12/22/2015	12/22/2025	98.934	Annually	Fixed 2.875%		€	250,000	250,000	**246,806**		0	
5/9/2011	5/9/2031	100.000	Semiannually	Fixed 2.800%	(b)	Yen	10,000,000	76,295	**76,779**	(c)	69,324	
Total									**2,625,178**		1,624,905	

(a) Including the current portion of €26,371 thousand at December 31, 2015 and €24,908 thousand at December 31, 2014.
(b) Equivalent fixed rate in Euro is 6.012%.
(c) Nominal value of Japanese Yen 10 billion aligned to the December 31, 2015 exchange rate, equal to Yen /€131.07.

In December 2015 the following non-convertible bonds were issued:

- 2015-2022 bonds for a nominal amount €750 million at the issue price of 99.499% with a fixed annual coupon of 2.125%;
- 2015-2025 bonds for a nominal amount of €250 million at the issue price of 98.934% with a fixed annual coupon of 2.875%.

During 2014 EXOR had bought back on the market, through a tender offer, a total nominal amount of €254.2 million non-convertible 2007-2017 bonds; a nominal amount of €250 million was then cancelled and the remaining amount of €4.2 million was held in portfolio.
Following this and the 2013 cancellation (€60 million), the original nominal amount of €750 million now totals €440 million.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.
The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds.

Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2015.
Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Standard & Poor's rated the bond issues "BBB+", in line with the current rating of EXOR S.p.A.'s long-term debt.

EXOR intends to repay the bonds in cash at maturity using available liquid resources. However EXOR may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, EXOR's financial situation and other factors which could affect such decisions.

27. Bank debt – current and non-current

At the end of 2015 EXOR does not have any debt exposures with banks.
At December 31, 2015, the company has credit lines for €903.5 million, of which €558.5 million is revocable and €345 million is irrevocable. The expiration dates of such irrevocable credit lines are as follows:

€ million	
Within 1 year	305
From 2 to 5 years	40
Total	**345**

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €275 million.

EXOR S.p.A. provided a guarantee to the indirect subsidiary EXOR N.V. for an irrevocable credit line in foreign currency for a residual amount of $1.9 billion, not utilized at December 31, 2015, for the purchase of PartnerRe. This line provides for covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants would imply the immediate payment of the line in question by the lending banks.

28. Deferred tax liabilities

Deferred income taxes originated from temporary differences between the carrying amount and the fiscally recognized amount of the investments carried at cost.
The changes during the year are as follows:

€ thousand	To equity	To income statement	Total
Balance at December 31, 2014			**22,319**
Release to align the carrying amounts and fiscally recognized amounts of investments at cost		(14,771)	**(14,771)**
Utilized for taxation of one-fifth of the gain on the sale of the building in Corso Matteotti 26		(539)	**(539)**
Accrual (release) for increase (decrease/sale) of the fair value of available-for-sale securities	(95)		**(95)**
Changes during the year	**(95)**	**(15,310)**	**(15,405)**
Balance at December 31, 2015			**6,914**

29. Provisions for employee benefits

€ thousand	**12/31/2015**	12/31/2014	Change
Employee leaving entitlements	**2,294**	2,751	(457)
Other provisions for employees	**159**	148	11
Total provisions for employee benefits	**2,453**	2,899	(446)

Details of the changes during 2015 and 2014 are as follows:

	2015			2014		
€ thousand	**Employee leaving entitlements**	**Other provisions for employees**	**Total**	Employee leaving entitlements	Other provisions for employees	Total
Balance at beginning of year	**2,751**	**148**	**2,899**	2,147	126	2,273
Current service cost	**224**	**13**	237	169	11	180
Financial expenses	**39**	**3**	42	67	6	73
Actuarial (gains) losses	**(180)**	**(2)**	(182)	420	22	442
Benefits paid	**(540)**	**(3)**	(543)	(52)	(17)	(69)
Balance at end of year	**2,294**	**159**	**2,453**	2,751	148	2,899

The analysis of employee benefits is as follows:

Employee leaving entitlements

The provision for employee leaving entitlements represents benefits payable to employees under Italian law (amended by Law 296/2006) accrued and which will be paid to employees when they leave the company. Under certain conditions, employees may receive a partial advance on those benefits when they are still in the company's employ. This is an unfunded defined benefit plan, as the benefits have already been almost entirely earned, with the sole exception of the revaluation.

For those employees who have asked, the portion of employee leaving entitlements accruing from January 1, 2007 has been transferred to a complementary pension plan chosen by the employees and these therefore fall under defined contribution plans.

For those employees who did not elect the transfer, the calculation of employee leaving entitlements, including the portion accruing, will be made according to the usual actuarial method.

Besides employee leaving entitlements, established by art. 2120 of the Italian Civil Code, EXOR S.p.A. guarantees other forms of benefits (termination benefits, loyalty bonuses, health care plans and defined contribution pension plans) under company or individual supplementary agreements, described below.

Termination benefits

This is a fixed amount in addition to employee leaving entitlements which will be paid at the time and in relation to the termination of the employment relationship, at the expected retirement age on the basis of the existing legislation when the agreement was signed in December 1999: at the age of 65 for men and at the age of 60 for women. Any raising of the retirement age for whatsoever reasons will have no effect on the payment of these benefits.

In the eventuality of the termination of employment for whatsoever reason prior to the legal retirement age indicated above, the benefits shall be paid for the amount accrued up to the date of termination of employment, in proportion to the years of service since January 1, 2000. No interest or revaluations of any sort accrues on the amount.

Health care plans

Health care plans, historically offered to management staff, have been extended to all employees since the end of 2007 and require the payment of defined contributions to external funds and entities which pay the health care benefits.

Pension plans

The pension plans are for employees categorized as managers and are covered by company agreements and regulations.

They are "defined contribution" plans and provide for the payment of contributions to external, legally independent funds with assets management autonomy.

The plans provide for a contribution by the employer and a contribution by the employee plan participant, also by conferring a part of his/her employee leaving entitlement.

The liabilities for contributions payable are included in "Other payables". The contribution cost for the period accrues on the basis of the service rendered by the employee and is recognized in personnel costs.

Other benefits
Other benefits include loyalty bonuses payable to all employees.
Loyalty bonuses accrue and are paid after a certain number of years of service (25, 30, 35 and 40 years).

Other information
The actuarial calculations required to determine the liability of defined benefit plans are performed by an independent actuary at the end of each year. At December 31, 2015 and December 31, 2014, the liability has been calculated on the basis of the following actuarial assumptions:

	12/31/2015	12/31/2014
Discount rate	**2.00%**	1.50%
Expected remuneration increase rate	**2.00-3.50%**	1.5-3.00%
Cost-of-living increase	**2.00%**	1.50%

In addition to the above financial indexes, account has also been taken of all the demographic assumptions relating to the probability of events such as death, disability, dismissal and retirement of the employees.

30. Other provisions

These amount to €600 thousand and represent the best estimate of the expenses in connection with the notice of assessment received in December 2015 from the Revenues Agency.

31. Other financial liabilities - current

€ thousand	**12/31/2015**	12/31/2014	Change
Fair value of cash flow hedge derivatives	**31,741**	44,900	(13,159)
Fees and commissions on undrawn credit lines	**453**	378	75
Payables to shareholders and other financial payables	**363**	329	34
Total other financial liabilities - current	**32,557**	45,607	(13,050)

32. Trade payables to third parties

These amount to €762 thousand (€1,456 thousand at December 31, 2014) and refer to trade payables to suppliers due within one year.

33. Tax payables

These total €5,191 thousand (€576 thousand at December 31, 2014) and mainly refer to IRES taxes for the current year (€4,540 thousand) and IRPEF withholding taxes payable.

34. Other payables – current and non-current

	12/31/2015		12/31/2014	
€ thousand	**Non-current**	**Current**	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**327**	**180**	59	156
Payable to employees		**4,501**		1,594
Social security contributions payable		**1,024**		566
Sundry		**310**		294
Total other payables	**327**	**6,015**	59	2,610

Under Ministerial Decree 158 of April 28, 2000, a “Solidarity Fund to support earnings, employment, reconversion and professional requalification of employees in the credit sector” was set up at INPS which enjoys separate financial and asset management.

The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.
The above liabilities (in total €507 thousand, of which €180 thousand is current and €327 thousand non-current) represent the special contribution that EXOR will have to pay to cover the extraordinary benefits payable to former employees, including the related contribution.

35. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs of the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2015:

€ thousand	Note	Level 1	Level 2	Level 3	**Total**
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	13	324,053		7,916	331,969
Current assets					0
Financial assets held for trading	15	22,571		104	22,675
Other financial assets					0
Total assets		**346,624**	**0**	**8,020**	**354,644**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	31		31,741		31,741
Total liabilities		**0**	**31,741**	**0**	**31,741**

In 2015, there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets available-for-sale and held for trading, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds.
The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account EXOR’s credit quality.

Details regarding changes in Level 3 are the following:

€ thousand	Balance at 12/31/2014	Gains (losses) recognized in Income statement	Gains (losses) recognized in Equity	Increase	Decrease	**Balance at 12/31/2015**
Available-for-sale financial assets	11,330		(1,330)	1,023	(3,107)	7,916
Financial assets held for trading	108	(4)				104
Total assets	11,438	(4)	(1,330)	1,023	(3,107)	**8,020**

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		12/31/2015		**12/31/2014**	
€ thousand	Note	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets					
Held-to-maturity investments	14	26,181	28,015	51,348	54,731
Other financial assets	17	4,823	4,823	4,717	4,717
Total assets		**31,004**	**32,838**	**56,065**	**59,448**
Financial liabilities					
Non-convertible bonds	26	2,625,178	1,956,627	1,624,905	1,778,713
Other financial liabilities	31	816	816	707	707
Total liabilities		**2,625,994**	**1,957,443**	**1,625,612**	**1,779,420**

Held-to-maturity investments are represented by bonds issued by leading counterparties, are quoted on active markets and therefore their fair value is categorized in Level 1.

Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at December 31, 2015 equal to €76,295 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured by using a discounted cash flow model.

36. Additional information on financial instruments and financial risk management policies

The following tables present the carrying amounts and the relative income (expenses) deriving from each category of asset and liability classified in accordance with IAS 39.

	12/31/2015		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	22,675	7,094	6,436
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	26,181	2,935	167
Cash and receivables	4,110,526	4,226	73
Available-for-sale assets	331,970		
Total	**4,491,352**	**14,255**	**6,676**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	31,741		822
Amortized cost	2,598,807		66,968
Debt	27,268		2,448
Financial guarantees			
Total	**2,657,816**	**0**	**70,238**

	12/31/2014		
€ thousand	Carrying amount	Income	Expenses
Financial assets			
At fair value through income statement:			
- held for trading	136,579	4,973	566
- designated initially			
Derivative instruments designated as hedges			
Held-to-maturity investments	51,348	9,150	363
Cash and receivables	282,917	11,855	
Available-for-sale assets	30,085		
Total	**500,929**	**25,978**	**929**
Financial liabilities			
At fair value through income statement:			
- held for trading			
- designated initially			
Derivative instruments designated as hedges	44,900	74	
Amortized cost	1,599,997		95,927
Debt	25,759		4,156
Financial guarantees			
Total	**1,670,656**	**74**	**100,083**

37. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which EXOR S.p.A. is exposed at December 31, 2015 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality.

At December 31, 2015 and December 31, 2014, there are no financial assets past due and not written down and provisions for receivables impairment.

Liquidity risk

Outgoing flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used. In this sense, EXOR S.p.A. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

The details of residual contract maturities for all financial liabilities which fall under the application of IAS 39 are indicated in the table below.
The table is prepared on the basis of the allocation of the remaining cash flows from existing contracts, including principal and interest; with regard to variable-rate loans, the most recent fixed coupon rate with the bank counterparty was used for the projection of future maturities, taking into account the effect of hedge transactions.

	2015					
€ thousand	Within 6 months or until canceled	6 months to 1 year	1 to 3 years	3 to 5 years	Beyond 5 years	Total
Non-convertible bonds						
EXOR bonds EXOR 2017	23,650		463,650			**487,300**
EXOR bonds EXOR 2019		7,125	14,250	157,125		**178,500**
EXOR bonds EXOR 2020		6,750	13,500	213,500		**233,750**
EXOR bonds EXOR 2022		15,938	31,875	31,875	781,875	**861,563**
EXOR bonds EXOR 2024		16,250	32,500	32,500	715,000	**796,250**
EXOR bonds EXOR 2025	5,250		10,500	10,500	126,250	**152,500**
EXOR bonds EXOR 2025		7,188	14,375	14,375	285,938	**321,875**
EXOR bonds EXOR 2031	2,506	2,506	10,024	10,024	135,995	**161,055**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	81					**81**
Trade payables and other payables to third parties	761					**761**
Other financial liabilities	816					**816**
Hedging derivative financial instruments	31,741					**31,741**
Total	**64,805**	**55,756**	**590,674**	**469,899**	**2,045,057**	**3,226,192**

	2014					
€ thousand	Within 6 months or until canceled	6 months to 1 year	1 to 3 years	3 to 5 years	Beyond 5 years	Total
Non-convertible bonds						
EXOR bonds EXOR 2017	23,650		487,300			**510,950**
EXOR bonds EXOR 2019		7,125	14,250	164,250		**185,625**
EXOR bonds EXOR 2020		6,750	13,500	13,500	206,750	**240,500**
EXOR bonds EXOR 2024		16,250	32,500	32,500	731,250	**812,500**
EXOR bonds EXOR 2025	5,250	0	10,500	10,500	131,500	**157,750**
EXOR bonds EXOR 2031	2,506	2,506	10,024	10,024	141,007	**166,068**
Non-current bank debt						**0**
Current bank debt						**0**
Trade payables and other payables to related parties	186					**186**
Trade payables and other payables to third parties	1,456					**1,456**
Other financial liabilities	708					**708**
Trading and hedging derivative financial instruments	44,900					**44,900**
Total	**78,656**	**32,631**	**568,074**	**230,774**	**1,210,507**	**2,120,643**

At December 31, 2015, the company has lines of credit for €903.5 million, of which €345 million is irrevocable. The expiration dates are as follows:

€ million	Credit lines	Of which, irrevocable
Within 1 year	863.5	305.0
From 2 to 5 years	40.0	40.0
Total	**903.5**	**345.0**

Market risk

EXOR S.p.A. is principally exposed to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€324,053 thousand), financial assets held for trading (€104 thousand) and cash and cash equivalents (€2,824,075 thousand) at December 31, 2015 are denominated in currencies other than Euro. All securities are adjusted to year-end exchange rates.

In 2011, EXOR S.p.A. issued non-convertible bonds for Japanese yen 10 billion. The 20-year bonds pay a 2.80% coupon in Japanese yen.

To protect itself against fluctuations in the €/yen exchange rate, EXOR put in place a cross currency swap on the bonds with a leading credit institution as a result of which the company will pay a fixed rate of 6.012% on the nominal value in euro (about €83 million) for the entire term of the loan.

Sensitivity analysis for currency risk

Considering currency risk exposure at the reporting date, if the €/USD exchange rate had been 5% higher or lower, the amount of cash and cash equivalents would be approximately €134 million lower and approximately €148 million higher, respectively.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.12% and 6.012% for the current year (between 0.305% and 6.012% in 2014).

At December 31, 2015 there is no debt exposed to interest rate risk, that is, financial liabilities at variable rates.

A sensibility analysis was performed on cash and cash equivalents by considering variations compared to the average interest rate.

An increase or decrease of 50 basis points in the interest rates would have the following effects:

	12/31/2015		12/31/2014	
€ thousand	Income statement	Equity	Income statement	Equity
+50 bsp				
Cash and cash equivalents	17,030		1,382	
Financing				
Hedging instruments				
-50 bsp				
Cash and cash equivalents	(17,030)		(1,382)	
Financing				
Hedging instruments				

Price risk

EXOR S.p.A. is exposed to price risk originating from investments in the capital of other companies that are held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost
- available-for-sale financial assets
- financial assets held for trading

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets and financial assets held for trading had been 5% higher or lower, the available-for-sale securities reserve would be €16,203 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €1,132 thousand higher or lower.

38. Transactions with related parties

The board of directors' meeting held on November 12, 2010, pursuant to Consob Regulation 17221 of March 12, 2010, adopted the "Procedures for Transactions with Related Parties", which went into effect on January 1, 2011 and is posted on the corporate website at www.exor.com. Such procedures are described in the Annual Report on Corporate Governance, also available on the corporate website.

With regard to the year 2015, the transactions between EXOR S.p.A. and the related parties identified in accordance with IAS 24 have been carried out as set forth in existing laws, on the basis of reciprocal economic gain.

Receivables and payables are not guaranteed and will be settled in cash.

Losses have not been recognized during the year on uncollectible or doubtful receivables on amounts due from related parties.

A summary of the statement of financial position and income statement balances generated by transactions with related parties carried out during 2015 is presented below. All amounts are expressed in thousands of Euro.

Counterparty	Financial receivables	Trade receivables	Trade payables and other payables
Arenella Immobiliare S.r.l.	9 (a)		
Holdings System	698,986 (e)	317	
Juventus Football Club S.p.A.		25	
FCA	2,848 (g)		80
Directors and statutory auditors for other receivables		64	1
Total transactions with related parties	**701,843**	**406**	**81**
Total current assets	4,137,628	4,137,628	
Total current liabilities			70,977
% incidence of total transactions with related parties to total of statement of financial position line items	**16.96%**	**0.01%**	**0.11%**

Information regarding dividends received from related parties (€2,561 million) is provided in Note 1.

Counterparty	Financial expenses	Financial income	Purchases of goods and services	Revenues (c)
Holdings System	495 (b)	15 (e)		337
Juventus Football Club S.p.A.		592 (f)	32	25
FCA		63,514 (g)	542	
Giovanni Agnelli e C. S.a.p.az.				40
Fondazione Agnelli				34
Arenella Immobiliare S.r.l.		2 (a)		30
Compensation to directors, corporate boards and committees:				
- Chairman			3,502 (d)	
- Board of Directors			267	242
- Special fees to directors			203	
- Directors' stock grants			238	
- Internal Control and Risks Committee			44	
- Compensation and Nominating Committee			29	
- Strategy Committee			83	
- Directors' expense reimbursements			26	
Board of Statutory Auditors			145	
Cost recoveries from statutory auditors				2
Directors for other revenues				64
Total transactions with related parties	**495**	**64,123**	**5,111**	**774**
Total transactions with third parties	76,649	13,309	3,834	22
Total of income statement line items	**77,144**	**77,432**	**8,945**	**796**
% incidence of total transactions with related parties to total of income statement line items	**0.64%**	**82.81%**	**57.14%**	**97.24%**

The most important transactions are commented below and refer to the notes in the preceding summary tables:

a) In October 2012 EXOR had granted a loan to the subsidiary Arenella Immobiliare S.r.l. for a maximum amount of €5 million; due on December 31, 2015, the loan was renewed to December 31, 2016 at the same terms. In 2015 interest on the loan was calculated at the 3-month Euribor plus a 0.3% spread. At December 31, 2015 the loan amounted to €9 thousand, including financial income.

b) At the end of June 2013 the subsidiary EXOR S.A. had extended EXOR a loan for a maximum amount of €700 million originally due July 1, 2014 and renewed to July 1, 2016. In February 2015 this loan was drawn for €300 million bearing interest calculated at the 1-month Euribor plus a 0.3% spread that was then reduced to 0.25% in June. The loan was repaid in full in October, including the interest of €495 thousand.

c) Waiver by the by the corporate boards of compensation (€242 thousand), performance of services (€487 thousand), compensation for posts on corporate boards (€45 thousand).

d) Special compensation of €2 million and the notional cost of the EXOR stock options due the Chairman and the Chief Executive Officer of €1,502 thousand.

e) In December 2015 EXOR entered into a loan agreement with the indirect subsidiary EXOR N.V. for a maximum amount of €300 million bearing interest at the Euribor rate with a 0.25% spread. At December 31, 2015 the amount due by EXOR from the subsidiary amounts to €140,015 thousand, including interest. The above balance also comprises the uncollected portion, amounting to €558,971 thousand, referring to the dividends approved by the subsidiary EXOR S.A. in 2015.

f) In January 2015 EXOR extended a loan of €50 million to the subsidiary Juventus, effective February 1, due on December 31, 2015, bearing interest at the Euribor rate with a 2% spread. The loan, including interest, was paid in full in September.

g) On December 15, 2014 EXOR purchased a nominal $886 million of mandatory convertible securities issued by FCA for an investment of €711.2 million. The mandatory convertible securities pay a coupon of 7.875% per annum and will be mandatorily converted in FCA common shares on December 15, 2016. Interest income recorded in 2015 amounts to €63.5 million, including the accrual of €2.8 million.

As indicated in Note 24, in 2015 Giovanni Agnelli e C.. purchased €50 million EXOR treasury shares. Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

The information regarding compensation to the directors and statutory auditors of the company, also through subsidiaries, is contained in the Compensation Report according to art. 123-*ter* of the TUF.

39. Fees charged by the independent auditors (art. 149 – *duodecies* of Consob Regulation 11971 of May 14, 1999, as amended)

The professional services provided to EXOR S.p.A. by the independent auditors in 2015 are the following:

€ thousand	Service provider	EXOR S.p.A.	
Type of services			
Audit	Reconta Ernst & Young S.p.A.	53	
Other services	Reconta Ernst & Young S.p.A.	45	(a)
Total		**98**	

(a) Confirmation of financial ratios and issuance of the Comfort Letter for the issues of the 2015-2022 bonds of €750 million and 2015-2025 bonds of €250 million.

40. Net financial position

In accordance with the provisions of Consob Communication 6064293 of July 28, 2006, the composition of the net financial position of EXOR S.p.A. is provided below:

€ thousand	12/31/2015	12/31/2014	Change
Cash and cash equivalents	**3,406,015**	276,379	3,129,636
Financial receivables from related parties	**701,842**	3,481	698,361
Non-current held-to-maturity financial instruments (a)	**26,181**	26,348	(167)
Other financial assets held for trading	**22,675**	136,579	(113,904)
Financial receivables from third parties	**309**	278	31
Non-current other financial assets with third parties		85	(85)
Current held-to-maturity financial instruments		25,000	(25,000)
Current other financial assets with third parties	**1,975**	2,694	(719)
Total financial assets	**4,158,997**	470,844	3,688,153
Non-current debt with third parties	**(2,598,807)**	(1,599,997)	(998,810)
Current debt with third parties	**(58,928)**	(70,515)	11,587
Total financial liabilities	**(2,657,735)**	(1,670,512)	(987,223)
Net financial position	**1,501,262**	(1,199,668)	2,700,930
- with related parties	**701,842**	3,481	698,361
- with third parties	**799,420**	(1,203,149)	2,002,569

(a) These are bonds issued by leading counterparties listed on active and open markets which the company, intends, and is able, to hold until their natural repayment date as an investment of a part of its available cash, in order to receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.
Such financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the company should so decide. Their classification as non-current in the financial position has been adopted only in view of the fact that their natural maturity date is 12 months beyond the closing date of the financial statements. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

41. Approval of the separate financial statements and authorization for publication

The separate financial statements at December 31, 2015 were approved by the board of directors on April 14, 2016 which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 14, 2016

On behalf of the Board of Directors
The Chairman and CEO
John Elkann

Attestation of the Separate Financial Statements According to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, the executive responsible for the preparation of the financial reports of EXOR S.p.A. attest to, also pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998:

- the adequacy with respect to the company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the separate financial statements at December 31, 2015.

We also attest that:

- the separate financial statements:
  - have been prepared in accordance with applicable International Financial Reporting Standards recognized by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council, of July 19, 2002;
  - correspond to the amounts shown in the accounts, books and records;
  - provide a fair and correct interpretation of the financial conditions, results of operations and cash flows of the issuer;

- the Report on Operations includes a reliable operating and financial review of the issuer, as well as a description of the principal risks and uncertainties to which it is exposed.

Turin, April 14, 2016

The Chairman and CEO
John Elkann

Executive responsible for the preparation
of the company's financial reports
Enrico Vellano

Building a better
working world

Reconta Ernst & Young S.p.A.
Via Meucci, 5
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditor's report in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010 (Translation from the original Italian text)

To the Shareholders of EXOR S.p.A.

Report on the separate financial statements

We have audited the accompanying separate financial statements of EXOR S.p.A. which comprise the statement of financial position as at December 31 2015, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the separate financial statements

The Directors of EXOR S.p.A. are responsible for the preparation of these separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11, paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the separate financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of EXOR S.p.A. as at December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and Ownership Structure with the separate financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n 58, dated 24 February 1998, with the separate financial statements. The Directors of EXOR S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and Ownership Structure are consistent with the separate financial statements of EXOR S.p.A. as at December 31 2015.

Turin, April 18 2016
Reconta Ernst & Young S.p.A.
Signed by· Stefania Boschetti partner

This report has been translated into the English language solely for the convenience of international readers.

EXOR

Consolidated Financial Statements
at December 31, 2015

CONSOLIDATED INCOME STATEMENT (*)

€ million	Note	2015	2014	Change
Net revenues	1	**136,360**	120,102	16,258
Cost of sales	2	**(118,403)**	(102,640)	(15,763)
Selling, general and administrative costs	3	**(9,962)**	(9,230)	(732)
Research and development costs	4	**(3,869)**	(3,209)	(660)
Other income (expenses)	5	**(385)**	(149)	(236)
Result from investments:				
- Share of the profit (loss) of investments accounted for using the equity metho	6	**306**	224	82
- Other income (expenses) from investments	6	**22**	(18)	40
Result from investments		**328**	206	122
Gains (losses) on disposal of investments	7	**76**	(6)	82
Restructuring costs	8	**(125)**	(195)	70
Financial income (expenses)	9	**(2,966)**	(2,680)	(286)
Profit before taxes		**1,054**	2,199	(1,145)
Income taxes	10	**(711)**	(976)	265
Profit from continuing operations		**343**	1,223	(880)
Profit from discontinued operations, net of tax	26	**522**	53	469
Profit for the year		**865**	1,276	(411)
Profit attributable to non-controlling interests		**121**	953	(832)
Profit attributable to owners of the parent		**744**	323	421

Profit attributable to owners of the parent per ordinary share	12			
Basic earnings per share attributable to owners of the parent (€)		3.33	1.46	1.87
Basic earnings per share from continuing operations(€)		1.00	1.27	(0.27)
Basic earnings per share from discontinued operations (€)		2.33	0.19	2.14
Diluted earnings per share attributable to owners of the parent (€)		3.32	1.44	1.89
Diluted earnings per share from continuing operations(€)		0.99	1.25	(0.26)
Diluted earnings per share from discontinued operations (€)		2.33	0.19	2.14

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated income statement are presented in the specific income statement provided on the following pages and are further described in note 38.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2015	2014
PROFIT FOR THE YEAR (A)	**27**	**865**	1.276
Items that will not be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		**821**	(653)
Share of gains (losses) on remeasurement of defined benefit plans for equity accounted entities		**(6)**	(4)
Related tax effect		**(226)**	113
Items relating to C&W Group, net of tax		**1**	(5)
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)		**590**	(549)
Items that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**382**	(465)
Gains (losses) on available-for-sale financial assets		**77**	76
Exchange differences on translating foreign operations		**1.118**	1.910
Share of other comprehensive income (loss) of investments accounted for using the equity method		**(13)**	39
Related tax effect		**(85)**	120
Items relating to C&W Group, net of tax		**47**	64
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)		**1.526**	1.744
Total Other comprehensive income, net of tax (B) = (B1) + (B2)		**2.116**	1.195
TOTAL COMPREHENSIVE INCOME (A)+(B)		**2.981**	2.471
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		**1.468**	740
Non-controlling interests		**1.513**	1.731

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€ million	Note	12/31/2015	12/31/2014	Change
Non-current assets				
Intangible assets	13	**31,294**	28,786	2,508
Property, plant and equipment	14	**34,133**	32,198	1,935
Investments accounted for using the equity method	15	**3,163**	2,274	889
Other investments and financial assets	15	**1,872**	1,385	487
Leased assets under operating leases	16	**1,686**	1,251	435
Defined benefit plan assets	28	**182**	131	51
Deferred tax assets	10	**4,618**	4,916	(298)
Other non-current assets		**54**	96	(42)
Total Non-current assets		**77,002**	71,037	5,965
Current assets				
Inventories	17	**18,849**	18,343	506
Trade receivables	18	**3,273**	3,757	(484)
Receivables from financing activities	19	**20,632**	21,524	(892)
Current tax receivables	20	**762**	615	147
Other current assets	21	**4,046**	4,095	(49)
Current financial assets:				
- Investments and securities	23	**610**	1,181	(571)
- Other financial assets	24	**1,047**	684	363
Total Current financial assets		**1,657**	1,865	(208)
Cash and cash equivalents	25	**30,587**	29,243	1,344
Total Current assets		**79,806**	79,442	364
Assets held for sale	26	**87**	30	57
Total Assets		**156,895**	150,509	6,386
Equity				
Issued capital and reserves attributable to owners of the parent	27	**10,138**	7,995	2,143
Non-controlling interests	27	**15,976**	14,326	1,650
Total Equity		**26,114**	22,321	3,793
Provisions for employee benefits	28	**12,436**	12,074	362
Other provisions	29	**17,231**	13,735	3,496
Financial debt	30	**57,280**	60,189	(2,909)
Other financial liabilities	24	**832**	987	(155)
Trade payables	31	**26,663**	24,884	1,779
Current tax payables		**403**	534	(131)
Deferred tax liabilities	10	**550**	604	(54)
Other liabilities	32	**15,386**	15,181	205
Total Equity and Liabilities		**156,895**	150,509	6,386

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of financial position are presented in the specific consolidated statement of financial position provided on the following pages and are further described in note 38.

CONSOLIDATED STATEMENT OF CASH FLOWS (*)

€ million	Note	2015	2014
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	25	**29,243**	**26,169**
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
Profit for the year		**865**	1,276
Amortization and depreciation	13-14	**7,160**	5,823
(Gains) losses on disposal of:			
Property plant and equipment and intangible assets (net of vehicles sold under buy-back commitments)		**(30)**	(19)
Investments		**(602)**	(11)
Expenses on cancellation of EXOR 2007-2017 bonds		**0**	33
Other non-cash items	39	**1,402**	459
Dividends received		**208**	166
Change in provisions		**2,992**	1,185
Change in deferred taxes		**(118)**	(99)
Change in items due to buy-back commitments	39	**89**	266
Change in operating lease items	39	**(360)**	(443)
Change in working capital		**237**	458
Cash flows from (used in) operating activities - discontinued operations		**(94)**	19
TOTAL		**11,749**	**9,113**
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in:			
Property, plant and equipment and intangible assets	13-14	**(10,310)**	(9,492)
Investments in consolidated subsidiaries		**0**	6
Other investments		**(271)**	(102)
Investments in financial assets by EXOR and subsidiaries in the Holdings System	15	**(1,107)**	(16)
Proceeds from the sale of:			
Property, plant and equipment and intangible assets		**100**	107
Other investments		**0**	30
Proceeds from the disposal of financial assets by EXOR and subsidiaries in the Holdings System		**1,376**	109
Net change in financial receivables		**917**	(890)
Net change in current securities		**574**	(311)
Change in scope of consolidation		**(77)**	
Other changes		**221**	223
Cash flows from (used in) investing activities - discontinued operations		**(31)**	(78)
TOTAL		**(8,608)**	**(10,414)**
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Issuance of bonds	30	**5,012**	7,353
Repayment of bonds	30	**(8,932)**	(2,150)
Other changes in bonds		**0**	(284)
Issuance of medium-term borrowings	30	**6,446**	6,612
Repayment of medium-term borrowings	30	**(6,505)**	(7,742)
Net change in other financial debt and other financial assets/liabilities	30	**692**	29
Issuance of FCA Mandatory Convertible Securities and other share issuances		**0**	2,383
Cash exit rights following the merger of Fiat into FCA		**0**	(417)
Increases in share capital of subsidiaries		**32**	160
(Purchase) sale of treasury stock		**509**	0
Purchase (sale) of interests in subsidiaries		**858**	
Dividends paid by EXOR S.p.A.		**(78)**	(72)
Dividends paid by subsidiaries		**(510)**	(211)
Acquisition of non-controlling interests		**0**	(2,691)
Distribution of certain tax obligations of the VEBA Trust		**0**	(45)
Other changes		**(9)**	(9)
Cash flows from (used in) financing activities - discontinued operations		**74**	(6)
TOTAL		**(2,411)**	**2,910**
Translation exchange differences		**614**	1,465
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		**1,344**	**3,074**
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25	**30,587**	**29,243**

(*) Pursuant to Consob Resolution 15519 of July 27, 2006, the effects of related party transactions on the consolidated statement of cash flows are presented in the specific consolidated statement of cash flows presented in the following pages.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2013, as reported	**246**	**(344)**	**125**	**7,247**	**24**	**(131)**	**125**	**(288)**	**(57)**	**6,947**	**13,989**	**20,936**
IFRS 11 adoption effect						**(8)**		**(2)**	**11**			**0**
Equity at January 1, 2014	**246**	**(344)**	**125**	**7,247**	**24**	**(139)**	**125**	**(290)**	**(46)**	**6,947**	**13,989**	**20,936**
Changes in equity for 2014												
Share-based payments				11						11	10	21
Capital increase by subsidiaries										0	616	616
Mandatory Convertible Securities										0	1,322	1,322
Dividends paid				(74)						(74)	(248)	(322)
Total comprehensive income for the year				323	(103)	575	78	(156)	23	740	1,731	2,471
Purchase of shares in subsidiaries				478	10	51		(151)		388	(3,053)	(2,665)
Distribution of certain tax obligations of the VEBA Trust										0	(45)	(45)
Effect of the change in the percentage ownership of consolidated companies (a)				(13)	(2)	1		13	2	1	(4)	(3)
Other changes				(18)						(18)	8	(10)
Total changes	0	0	0	707	(95)	627	78	(294)	25	1,048	337	1,385
Equity at December 31, 2014	**246**	**(344)**	**125**	**7,954**	**(71)**	**488**	**203**	**(584)**	**(21)**	**7,995**	**14,326**	**22,321**
Note	**27**	**27**									**27**	

(a) Of which +€26 million relates to the CNH Industrial Group, -€43 million to the FCA Group and +€4 million to the C&W Group.

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2014	**246**	**(344)**	**125**	**7,954**	**(71)**	**488**	**203**	**(584)**	**(21)**	**7,995**	**14,326**	**22,321**
Changes in equity for 2015												
Share-based payments				39						39	77	116
Capital increase by subsidiaries										0	42	42
Sale of treasury stock		173		336						509		509
Dividends paid				(78)						(78)	(491)	(569)
Total comprehensive income for the year				744	117	371	65	172	(1)	1,468	1,513	2,981
Effect of the change in the percentage ownership of consolidated companies (a)				(29)				2		(27)	27	0
Disposal of interest in Ferrari N.V.				254	2	(1)				255	611	866
Sale of C&W Group				41		(56)		15		0	(53)	(53)
Equity method measurement of The Economist Group				(24)					24	0		0
Other changes				(23)						(23)	(76)	(99)
Total changes	0	173	0	1,260	119	314	65	189	23	2,143	1,650	3,793
Equity at December 31, 2015	**246**	**(171)**	**125**	**9,214**	**48**	**802**	**268**	**(395)**	**2**	**10,138**	**15,976**	**26,114**
Note	**27**	**27**									**27**	

(a) Of which -€12 million relates to the FCA Group, -€7 million to the C&W Group and -€10 million to the CNH Industrial Group.

CONSOLIDATED INCOME STATEMENT

pursuant to Consob Resolution 15519 of July 27, 2006

	Note	**2015**		**2014**	
€ million	38	**Total**	**Of which Related parties**	Total	Of which Related parties
Net revenues		**136,360**	4,708	120,102	2,998
Cost of sales		**(118,403)**	(2,137)	(102,640)	(1,706)
Selling, general and administrative costs		**(9,962)**	(109)	(9,230)	(120)
Research and development costs		**(3,869)**	56	(3,209)	(1)
Other income (expenses)		**(385)**	53	(149)	42
Result from investments:					
- Share of the profit (loss) of investments accounted for using the equity method		**306**	306	224	224
- Other income (expenses) from investments		**22**	8	(18)	7
Result from investments		**328**		206	
Gains (losses) on disposal of investments		**76**		(6)	
Restructuring costs		**(125)**		(195)	
Financial income (expenses)		**(2,966)**	(33)	(2,680)	(34)
Profit before taxes		**1,054**		2,199	
Income taxes		**(711)**		(976)	
Profit from continuing operations		**343**		1,223	
Profit from discontinued operations, net of tax		**522**		53	43
Profit for the year		**865**		**1,276**	
Profit attributable to non-controlling interests		**121**		953	
Profit attributable to owners of the parent		**744**		**323**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
pursuant to Consob Resolution 15519 of July 27, 2006

€ million	Note 38	12/31/2015 Total	12/31/2015 Of which Related parties	12/31/2014 Total	12/31/2014 Of which Related parties
Non-current assets					
Intangible assets		**31,294**		28,786	
Property, plant and equipment		**34,133**		32,198	
Investments accounted for using the equity method		**3,163**	3,163	2,274	2274
Other investments and financial assets		**1,872**	57	1,385	65
Leased assets under operating leases		**1,686**		1,251	
Defined benefit plan assets		**182**		131	
Deferred tax assets		**4,618**		4,916	
Other non-current assets		**54**		96	
Total Non-current assets		**77,002**		71,037	
Current assets					
Inventories		**18,849**		18,343	
Trade receivables		**3,273**	471	3,757	381
Receivables from financing activities		**20,632**	122	21,524	157
Current tax receivables		**762**		615	
Other current assets		**4,046**	14	4,095	12
Current financial assets:					
- Investments and securities		**610**		1,181	
- Other financial assets		**1,047**		684	
Total Current financial assets		**1,657**		1,865	
Cash and cash equivalents		**30,587**		29,243	
Total Current assets		**79,806**		79,442	
Assets held for sale		**87**		30	
Total Assets		**156,895**		**150,509**	
Equity					
Issued capital and reserves attributable to owners of the parent		**10,138**		7,995	
Non-controlling interests		**15,976**		14,326	
Total Equity		**26,114**		22,321	
Provisions for employee benefits		**12,436**	32	12,074	24
Other provisions		**17,231**	18	13,735	13
Financial debt		**57,280**	244	60,189	155
Other financial liabilities		**832**		987	
Trade payables		**26,663**	581	24,884	577
Current tax payables		**403**		534	
Deferred tax liabilities		**550**		604	
Other liabilities		**15,386**	235	15,181	149
Total Equity and Liabilities		**156,895**		**150,509**	

CONSOLIDATED STATEMENT OF CASH FLOWS
pursuant to Consob Resolution 15519 of July 27, 2006

	2015		2014	
€ million	Total	Of which Related parties	Total	Of which Related parties
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**29,243**		26,169	
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:				
Profit for the year	**865**		1,276	
Amortization and depreciation	**7,160**		5,823	
(Gains) losses on disposal of:			0	
Property, plant and equipment and intangible assets (net of vehicles sold under buy-back comm	**(30)**		(19)	
Investments	**(602)**		(11)	
Expenses on cancellation of EXOR 2007-2017 bonds	**0**		33	
Other non-cash items:	**1,402**		459	
Dividends received	**208**	**6**	166	166
Change in provisions	**2,992**		1,185	
Change in deferred taxes	**(118)**		(99)	
Change in items due to buy-back commitments and GDP vehicles	**89**		266	
Change in items due to operating lease transactions	**(360)**		(443)	
Change in working capital	**237**		458	(108)
Cash flows from (used in) operating activities - discontinued operations	**(94)**		19	
TOTAL	**11,843**		9,113	58
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:				
Investments in:				
Property, plant and equipment and intangible assets	**(10,310)**	**(7)**	(9,492)	
Investments in consolidated subsidiaries	**0**		6	
Other investments	**(271)**		(102)	(19)
Investments in financial assets by EXOR and subsidiaries in the Holdings System	**(1,107)**	**109**	(16)	
Proceeds from the sale of:	**0**		0	
Property, plant and equipment and intangible assets	**100**		107	
Other investments	**0**		30	
Proceeds from the disposal of financial assets by EXOR and subsidiaries in the Holdings System	**1,376**		109	
Net change in financial receivables	**917**		(890)	(21)
Change in current securities	**574**		(311)	
Change in scope of consolidation	**(77)**			
Other changes	**221**		223	
Cash flows from (used in) investing activities - discontinued operations	**(31)**		(78)	
TOTAL	**(8,577)**		(10,414)	(40)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:				
Issuance of bonds	**5,012**		7,353	
Repayment of bonds	**(8,932)**		(2,150)	
Other changes in bonds	**0**		(284)	
Issuance of medium-term borrowings	**6,446**		6,612	
Repayment of medium-term borrowings	**(6,505)**		(7,742)	(266)
Net change in other financial debt and other financial assets/liabilities	**692**	**40**	29	
Issue of FCA Mandatory Convertible securities FCA and other share issues	**0**		2,383	
Cash Exit Rights following the merger of Fiat into FCA	**0**		(417)	
Increases in share capital of subsidiaries	**32**		160	
(Purchase) sale of treasury stock	**509**	**50**	0	
(Purchase) Sale of interests in subsidiaries	**858**		0	
Dividends paid by EXOR S.p.A.	**(78)**	**(44)**	(72)	(42)
Dividends paid by subsidiaries	**(510)**		(211)	
Acquisition of non-controlling interests	**0**		(2,691)	
Distribution of certain tax obligations of the VEBA Trust	**0**		(45)	
Other changes	**(9)**		(9)	
Cash flows from (used in) financing activities - discontinued operations	**74**		(6)	
TOTAL	**(2,485)**		2,910	(308)
Translation exchange differences	**614**		1,465	
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	**1,344**		3,074	
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**30,587**		29,243	

EXOR GROUP - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR S.p.A. is one of Europe's leading investment companies and is controlled by Giovanni Agnelli e C. S.a.p.az., which holds 51.87% of share capital.
EXOR S.p.A. is a corporation organized under the laws of the Republic of Italy; its head office is located in Turin, Italy, Via Nizza 250.

EXOR S.p.A. and its subsidiaries (the "Group") operate in the automotive industry, in agricultural equipment and construction equipment, commercial vehicles and professional football.

Additional information is provided under "EXOR Group Profile and Key Data" in the Report on Operations.

The consolidated financial statements of the EXOR Group are presented in millions of Euro, which is the functional and presentation currency of the Group.

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the consolidated financial statements

The consolidated financial statements of the EXOR Group at December 31, 2015 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, in addition to the provisions issued in implementation of article 9 of Legislative Decree 38/2005.
The designation "IFRS" also includes all valid International Accounting Standards ("IAS"), as well as all interpretations of the IFRS Interpretations Committee, formerly the International Financial Reporting Interpretations Committee ("IFRIC") and before that the Standing Interpretations Committee ("SIC").

The 2015 consolidated financial statements have been prepared under the historical cost method, modified as required for the measurement of certain financial instruments, as well as on a going concern basis. In this respect, despite operating in a still difficult economic and financial environment, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1) exist about its ability to continue as a going concern.

Formats of the consolidated financial statements

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method) of the Fiat Chrysler Automobiles ("FCA") and CNH Industrial (CNH) Groups, rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the FCA and CNH Industrial Groups, and is consistent with international practice in the automotive and capital goods sectors.

For the year ending December 31, 2015 the Group is no longer presenting the line Other unusual income (expenses). The amounts that last year were in other unusual income (expenses) for a total of net other unusual expenses of €430 million have been reclassified to other lines according to the nature of the transaction: to other income (expenses) for €272 million, to cost of sales for €105 million, to general, administrative and sales expenses for €37 million, to research and development costs for €9 million and to the line profit from discontinued operations, referring to C&W Group, for €7 million.

The definition "unusual" adopted by the Group differs from the definition provided in the Consob Communication of July 28, 2006, according to which unusual and/or atypical transactions are those which – because of their significance or materiality, the nature of the counterparty, the object of the transaction, the method for determination of the transfer price or the timing of the event (e.g., near year-end) – could give rise to doubts regarding the accuracy/completeness of the information in the financial statements, conflicts of interest, the proper safeguarding of corporate assets or protection of non-controlling interests.

For the statement of financial position, a mixed format has been chosen to present current and non-current assets and liabilities, as permitted by IAS 1.
More specifically, the EXOR Group's consolidated financial statements include both industrial and financial services companies that are part of the FCA and CNH Industrial Groups.

The investment portfolios of the financial services companies of FCA and CNH Industrial Groups are included in current assets, as the investments will be realized in their normal operating cycle.
However, the financial services companies of the FCA and CNH Industrial Groups only obtain a portion of their funding from the market: the remainder is obtained from FCA and CNH Industrial through their treasury companies (included within the industrial companies), which provide funding both to industrial companies and financial services companies in the groups, as the need arises.
This financial service structure within the FCA and CNH Industrial Groups does not allow the separation of financial liabilities funding the financial services operations (whose assets are reported within current assets) and those funding the industrial operations.
Presentation of financial liabilities as current or non-current based on their date of maturity, also at the EXOR level, would not facilitate a meaningful comparison with financial assets, which are categorized on the basis of their normal operating cycle.
However disclosure as to the due date of the financial liabilities is provided in the notes.

The statement of cash flows is presented using the indirect method.

The other subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

In connection with the requirements of Consob Resolution 15519 of July 27, 2006 relating to the format of the financial statements, specific supplementary income statement, statement of financial position and statement of cash flows formats have been added that indicate significant related party transactions so as not to compromise an overall reading of the statements.

Standards and amendments effective from January 1, 2015

The following standards and amendments have been adopted by the Group as from January 1, 2015.

In November 2013 the IASB published narrow scope amendments to IAS 19 – *Employee Benefits* entitled "*Defined Benefit Plans: Employee Contributions*". These amendments apply to contributions from employees or third parties to defined benefit plans in order to simplify their accounting in specific cases. The amendments are effective, retrospectively, for annual periods beginning on or after July 1, 2014 with earlier application permitted. No significant effect arose from the first time adoption of these amendments.

In December 2013 the IASB issued *Annual Improvements to IFRSs 2010 – 2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. The most important topics addressed in these amendments are, among others, the definition of vesting conditions in IFRS 2 – *Share-based Payments*, the disclosure on judgment used in the aggregation of operating segments in IFRS 8 – *Operating Segments,* the identification and disclosure of a related party transaction that arises when a management entity provides key management personnel service to a reporting entity in IAS 24 – *Related Party Disclosures,* the extension of the exclusion from the scope of IFRS 3 – *Business Combinations* to all types of joint arrangements and to clarify the application of certain exceptions in IFRS 13 – *Fair Value Measurement.* No significant effects were generated by the adoption of these amendments.

Standards, amendments and interpretations not yet effective and not early adopted

At the date of these financial statements the following are not yet effective and not early adopted:

In May 2014, the IASB issued amendments to IFRS 11 – *Joint arrangements: Accounting for acquisitions of interests in joint operations* which clarify the accounting for acquisitions of an interest in a joint operation that constitutes a business. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016 with earlier application permitted for any new acquisition. No significant effect is expected from the adoption of these amendments.

In May 2014 the IASB issued amendments to IAS 16 – Property, Plant and Equipment and to IAS 38 – Intangible Assets. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

This presumption, however, can be rebutted in certain limited circumstances. These amendments are effective for annual periods beginning on or after January 1, 2016 with earlier application permitted. No significant effect is expected from the adoption of these amendments.

In May 2014 the IASB issued IFRS 15 – *Revenue from Contracts with Customers*. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.

In July 2014 the IASB issued IFRS 9 – *Financial Instruments*. The improvements introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted.

In September 2014, the IASB issued narrow amendments to IFRS 10 – *Consolidated Financial Statements* and IAS 28 – *Investments in Associates and Joint Ventures* (2011). The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments which were initially expected to be effective prospectively from January 1, 2016, have been postponed indefinitely by the IASB.

In September 2014 the IASB issued *Annual Improvements to IFRSs – 2012-2014 Cycle* on matters mainly in connection with IFRS 5 – *Non-current Assets held for Sale and Discontinued Operations*, IFRS 7 – *Financial Instruments: Disclosures* and IAS 19 – *Employee Benefits*. The amendments are applicable for annual periods beginning on or after January 1, 2016. No significant effect is expected from the adoption of these amendments.

In December 2014 the IASB issued amendments to IAS 1 - *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendments make clear that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

In January 2016 the IASB issued IFRS 16 – *Leases* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 – *Leases*. IFRS 16, which is not applicable to service contracts, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted only if IFRS 15 – *Revenue from Contracts with Customers* is also adopted.

In January 2016, the IASB issued amendments to IAS *12 – Income Taxes* that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017, with earlier adoption permitted.

In January 2016, the IASB issued amendments to IAS 7 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective from January 1, 2017, with earlier adoption permitted.

The Group will adopt these new standards, amendments and interpretations based on the date of application and will evaluate their potential impacts in relation to the same date of application.

Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, or has rights, directly or indirectly, which confer the current ability to direct the relevant activities, that is, the activities which have a significant effect over returns through its power over the investee.
The companies/groups included in the scope of consolidation at December 31, 2015 are the following:

		12/31/2015		12/31/2014	
		Percentage of consolidation			
Company/Group	**Country**	**Group's ownership interest**	**Non-controlling interest's ownership interest**	**Group's interest**	**Non-controlling interest's ownership interest**
FCA Group	The Netherlands	29.16%	70.84%	29.25%	70.75%
CNH Industrial Group	The Netherlands	27.28%	72.72%	27.42%	72.58%
Juventus Football Club S.p.A.	Italy	63.77%	36.23%	63.77%	36.23%
EXOR S.A.	Luxembourg	100%		100%	
EXOR Capital Ltd	Ireland	100%		100%	
EXOR Inc.	USA	100%		100%	
EXOR N.V.	The Netherlands	100%		100%	
EXOR SN LLC	USA	100%		100%	
EXOR HOLDING N.V.	The Netherlands	100%			
Ancom USA Inc.	USA	100%		100%	
Pillar Ltd	Bermuda	100%			
Arenella Immobiliare S.r.l.	Italy	100%		100%	
C&W Group	USA			83.06%	16.94%

At December 31, 2015 the EXOR Group includes more than 450 subsidiaries consolidated line-by-line by the FCA and CNH Industrial Groups; a complete list of the companies of the Group is provided in the “List of EXOR Group Companies at December 31, 2015.

Certain minor subsidiaries are excluded from consolidation on a line-by-line basis and are accounted for using the equity method or at cost. Their aggregate assets and revenues represent less than 1% of the Group’s respective amounts for each period and at each date presented within the consolidated financial statements.

On January 3, 2016 the transactions for the separation of FCA’s remaining ownership interest in Ferrari N.V. and the distribution of that ownership interest to holders of FCA shares and mandatory convertible securities were completed. In the consolidated financial statements of the FCA Group, Ferrari was reclassified to discontinued operations in accordance with IFRS 5.
The transaction is considered a “business combination involving entities under common control” and, as such, is outside the scope of application of IFRS 3 and IFRIC 17. As a result, the 2016 consolidated financial statements of FCA post spin-off and of Ferrari will be prepared without adjusting the carrying amounts of assets and liabilities involved in the transaction and without generating any effect on the consolidation area at the level of the EXOR Group. Consequently, the values relating to Ferrari published in the consolidated financial statements of FCA as a discontinued operation have been reclassified in these consolidated financial statements of EXOR as assets and liabilities on a continuing basis. Therefore, unless otherwise indicated, the data of FCA Group are inclusive of the data of Ferrari.

.

Change in the scope of consolidation

During 2015 the investment in C&W Group was sold and as a result is no longer consolidated.
The Group increased its investment in The Economist Group in 2015 and now has a significant influence over the company, as defined by IAS 28.
At December 31, 2015 the investment in The Economist Group is accounted for using the equity method.

In January 2015, FCA entered into a merger agreement with Mercurio S.p.A. whereby the net assets of FCA's wholly owned subsidiary, *La Stampa*, were merged with Mercurio's wholly owned subsidiary, Società Edizioni e Pubblicazioni S.p.A., which owned and operated the Italian newspaper "*Il Secolo XIX*." As a result of the merger agreement, FCA owns 77% of the combined entity, Italiana Editrice S.p.A., with the remaining 23% owned by Mercurio.

In addition, FCA granted Mercurio a put option to sell its entire 23% share, which is exercisable from January 1, 2019 to December 31, 2019. FCA accounted for the merger transaction as a business combination which led to recognition of €54 million of goodwill.

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases. Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in the income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).

The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IAS 39 – *Financial instruments: recognition and measurement* or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

Joint ventures

Joint ventures are entities in which the Group has contractually agreed sharing of control of an arrangement or whereby a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Associates

Associates are entities over which the Group has significant influence, as defined in IAS 28 – *Investments in Associates and Joint Ventures*, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or impaired; at that time the cumulative other comprehensive income is recognized in the income statement.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses. Dividends received from investment in other companies are included in other income (expenses) from investments.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates at the date of the statement of financial position. Income and expenses are translated into Euro at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average exchange rates for the year are used to translate the cash flows of foreign subsidiaries in preparing the statement of cash flows.

Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the consolidated financial statements in the functional currency and translated at the exchange rate at the acquisition date. These amounts are translated at subsequent balance sheet dates at the exchange rate at the end of the period.

The principal exchange rates used in 2015 and 2014 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	At December 31, 2015		At December 31, 2014	
	Average	**At 12/31/2015**	Average	At 12/31/2014
U.S. dollar	**1.109**	**1.089**	1.329	1.214
Brazilian real	**3.699**	**4.312**	3.121	3.221
Canadian dollar	**1.418**	**1.512**	1.466	1.406
Chinese renmimbi	**6.972**	**7.061**	8.187	7.536
Mexican peso	**17.611**	**18.915**	17.657	17.868
Polish zloty	**4.184**	**4.264**	4.184	4.273
Argentinian peso (a)	**10.271**	**14.136**	10.782	10.382
Pound sterling	**0.726**	**0.734**	0.806	0.779
Swiss franc	**1.068**	**1.084**	1.215	1.202
VEF - Venezuelan bolivar (b)	**n.a.**	**n.a.**	n.a.	n.a.

(a) Following the changes in Argentinian monetary policy, the FCA Group and the CNH Industrial Group recognized devaluations for a total of €119 million.

(b) At December 31, 2015 different exchange rate are applicable for the translation of the Venezuelan currency (VEF) into the U.S. dollar: SICAD rate (12.0 VEF per $), the SIMADI rate (199.0 VEF per $) and other exchange applicable in particular circumstances. In this case the reference accounting principles require that the transactions should be valued at the exchange rates that are expected to be used to settle the transactions. The operators on this market in adopting the VED/$ exchange rate have consequently applied different exchange rates in valuing their assets and liabilities at the date of December 31 2015.
In particular, the FCA Group and the CNH Industrial Group have valued some net assets in Venezuela at the SIMADI exchange rate recording an expense of respectively €80 million and €135 million.

Non-controlling interests

Non controlling interests at December 31 2015 amount to €16,303 million (€14,326 million at December 31, 2014) and are detailed in Note 27.

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

The Economist Group, whose financial year closes on March 31 of each year, has been consolidated using the equity method on the basis of the most recent data available (September 30, 2015). At December 31, 2015 there were no significant variations compared to the data used for the purposes of these consolidated financial statements.

Business combinations

Business combinations are accounted for by applying the acquisition method of accounting in accordance with IFRS 3 - Business Combinations.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement under gains (losses) on the disposal of investments. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed.

Significant restrictions regarding the investment in FCA US

The investment in FCA US is held through the FCA Group which is subject to several restrictions that limit its ability to access and use assets or settle liabilities in relation to its interest in FCA US.

Financing arrangements outstanding may limit the FCA Group's ability to allocate capital between Group entities or may restrict its ability to receive dividends or other restricted payments from FCA US. In particular, FCA's existing syndicated credit facility currently imposes restrictions, with certain exceptions, that limit FCA's capability to extend guarantees or loans to FCA US.

In addition, the Senior Credit Facilities are secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries and 65% of the equity interests in its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.

Brands with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired by comparing the carrying amount with the recoverable amount.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the expected life cycle of the product, and on average as follows:

	Automobiles	Trucks and buses	Agricultural and Construction Equipment	Powertrain
Number of years	5-6	4-8	5	8-12

  Research and all other development costs which do not meet the above criteria are expensed as incurred.
- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimate useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of position within financial debt. The assets are depreciated by the method and at the rates indicated below depending on the nature of the leased assets.

Leases under which the lessor retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Buildings	Plant, machinery and equipment	Other assets
Depreciation rate	2.5%-10%	3%-33%	3%-33%

Land is not depreciated.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Impairment of property plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and that are not expected to occur frequently, are recognized under other unusual expenses.

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the consolidated financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39 include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other financial assets (which include derivative financial instruments stated at fair value), as well as cash and cash equivalents.

In particular, cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents. Current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less the provision for impairment of amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39. The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- held-to-maturity investments – HTM;
- loans and receivables – L&R;
- available-for-sale financial assets – AFS.

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs. They are subsequently measured at amortized cost, using the effective interest method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of such investments has been sold or reclassified before their maturity, except sales or reclassifications that:

- are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
- occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the Group’s control, is non-recurring and could not have been reasonably anticipated by the Group.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the ordinary course of business), held-to-maturity securities and equity investments whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges.
Loans and financial payables are subsequently measured at amortized cost using the effective interest method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedges) are measured in accordance with hedge accounting principles (see next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities). In accordance with IAS 39, all derivative financial instruments are measured at fair value.
Derivative financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship at the inception of the hedge, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement;
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately;
- *Hedge of a net investment* (hedges of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the consolidated income statement.

Transfer of financial assets

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
- if it has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any rights and obligations created or retained in the transfer;
- if it has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the income statement.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of production systems construction contracts is based on the stage of completion determined as the proportion of cost incurred at the balance sheet date to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they are known.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attributes benefits to periods in which the obligation to

provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.
When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income. These remeasurement components are not reclassified in the income statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement within other unusual income (expenses). Gains and losses on the settlement of a plan are recognized in the income statement within other unusual income (expenses) when the settlement occurs.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the income statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in the income statement, with a corresponding increase or decrease in equity.
Share-based compensation plans that are be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.
Changes in estimates of provisions are reflected in the income statement in the period in which the change occurs.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

Revenue from sale of vehicles and service parts is recognized when the risks and rewards of ownership are transferred to the customer, the sales price is agreed or determinable and collectability is reasonably assured. For

vehicles, this generally corresponds to the date when the vehicles are made available to dealers not belonging to the Group, or when the vehicle is released to the carrier responsible for transporting vehicles to dealers.
Revenues are recognized net of discounts, allowances and returns, as well as costs for sales incentive programs and customer bonuses, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include incentives offered to dealers and retail customers, and granting of retail financing at a significant discount to market interest rates. These costs are recognized at the time of sale of the vehicle.

New vehicle sales with a buy-back commitment, or through the Guarantee Depreciation Program ("GDP") under which the Group guarantees the residual value or otherwise assumes responsibility for the minimum resale value of the vehicle, are not recognized at the time of delivery but are accounted for similar to an operating lease when it is probable that the vehicle will be bought back. Vehicles sold with a buy-back commitment are accounted for as inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as property, plant and equipment if agreements usually have a long-term buy-back commitment.
The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment.

The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals recognized over the contractual term of the lease on a straight-line basis as well as interest income from financial services companies.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenues for real estate services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured unless there are contingencies that impact revenue recognition. The existence of any significant future contingencies results in the delay of revenue recognition for the contingent amounts until such contingencies are satisfied. Certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations are recognized as revenues when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Cost of sales

The costs are recognized on the accrual basis.
Cost of sales comprises:

- the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties;
  - expenses which are directly attributable to the financial services businesses, including the interest expenses related to their financing as a whole and provisions for risks and writedowns of assets;
  - expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players’ wages and technical staff, amortization and impairment losses on players’ registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance of the Company's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.

Current and deferred taxes are recognized as income or expense and included in the income statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in other comprehensive income or directly in equity.

Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.

The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Provisions for income taxes that could arise on the distribution of a subsidiary’s undistributed profits are only made where there is a current intention to distribute such profits.

The Group recognizes deferred tax liabilities associated with the existence of a subsidiary’s undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders’ meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Segment reporting

The EXOR Group, through its subsidiaries, is present in a diversified range of sectors, particularly Automotive (FCA), Agricultural Equipment, Construction Equipment and Commercial Vehicles (CNH Industrial) and professional football (Juventus Football Club). EXOR S.p.A. and the subsidiaries of the Holdings System primarily carry out equity investments and financial market investments.
For this reason the EXOR Group has chosen to disclose its information by segment according to IFRS 8 – *Operating Segments,* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Juventus Football Club and the Holdings System.

These companies, in turn, in preparing their financial statements in accordance with IAS/IFRS, present, if applicable, operating segment disclosure which best reflects their respective characteristics.
In some cases, and for the purpose of providing clearer and more precise disclosure, the Group's notes specifically report FCA and CNH Industrial's representations, making reference to their specific operating segments.

FCA has identified seven reportable segments: four regional mass-market vehicle segments (NAFTA, LATAM, APAC and EMEA), Ferrari, Maserati and the Components segment. In particular, the regional mass-market vehicle reportable segments deal with the design, engineering, development, manufacturing, distribution and sale of passenger cars, light commercial vehicles and related parts and services in specific geographic areas: NAFTA (U.S., Canada, Mexico and Caribbean islands), LATAM (South and Central America), APAC (Asia and Pacific countries) and EMEA (Europe, Middle East and Africa).
FCA operates with Ferrari and Maserati in the design, engineering, development, manufacturing, distribution and sale of luxury sport cars. FCA also manufactures and sells components and production systems for the automotive segment with Magneti Marelli, Teksid and Comau which, which did not meet the quantitative thresholds required in IFRS 8 and are therefore presented within the reportable segment Components.

CNH Industrial has the following five operating segments: Agricultural Equipment, Construction Equipment, Commercial Vehicles, Powertrain and Financial Services.

Use of estimates

The consolidated financial statements and the relative notes are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience of the Group and on any other factors that are considered to be relevant.
The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly.
The effects of any changes in estimate are recognized in the income statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current

assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts. The estimates and assumptions described reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the automotive industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry;

- the recoverability of deferred tax assets which takes into consideration future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance in the Eurozone. Therefore changes in current estimates due to unanticipated events could have a significant impact on the Group's consolidated financial statements;
- pension plans and other post-retirement benefits are measured on an actuarial basis which takes into consideration parameters of a financial nature such as the discount rate and the return on plan assets, the rates of salary increases and the rates of healthcare cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The discount rates used refer to high-quality corporate bonds in the respective market of reference. The return on plan assets is given by interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan and less any tax payable by the plan itself (other than those included in the actuarial assumptions used to measure the defined benefit obligation). Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;
- estimated costs for product warranties;
- measurement of share-based compensation;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts.

1. Net revenues

Net revenues amount to €136,360 million in 2015 (€120,102 million in 2014). The composition is as follows:

€ million	2015		2014		Change
		%		%	
Sales of goods	129,847	95.2%	113,813	94.8%	16,034
Contract revenues	1,334	1.0%	1,184	1.0%	150
Other services	2,705	2.0%	2,800	2.3%	(95)
Interest income from customers and other financial income of financial services companies	1,020	0.7%	1,032	0.9%	(12)
Lease installments from assets under operating leases and buy-backs	902	0.7%	700	0.6%	202
Television and radio rights and media revenues	199	0.1%	156	0.1%	43
Sponsorships and advertising	45	0.0%	41	0.0%	4
Season tickets and ticket office sales	51	0.0%	41	0.0%	10
Other	257	0.2%	335	0.3%	(78)
Total net revenues	**136,360**	**100.0%**	**120,102**	**100.0%**	16,258

In 2015 net revenues include €113,191 million referring to the FCA Group (€95,491 million in 2014), €23,785 million to the CNH Industrial Group (€24,327 million in 2014) and €379 million to Juventus Football Club (€297 million in 2014).

The analysis by geographical area is presented in note 35.

2. Cost of sales

In 2015 the cost of sales amounts to €118,403 million (€102,640 million in 2014) and includes the following:

€ million	2015	2014	Change
Cost of sales	117,672	101,882	15,790
Interest cost and other financial expenses from financial services companies	731	758	(27)
Total cost of sales	**118,403**	**102,640**	15,763

Cost of sales includes €658 million recorded by the FCA Group, of which €422 million of writeoffs to realign a portion of the productive capacity in NAFTA to better meet market demand for RAM pickup trucks and Jeep vehicles within the Group’s existing infrastructure, and €236 million related to the payment of supplemental unemployment benefits due to extended downtime at certain plants associated with the implementation of the new manufacturing plan.

Given the recent increase in both the cost and frequency of recall campaigns and increased regulatory activity across the industry in the United States and Canada, an additional actuarial analysis by the FCA Group that gives greater weight to the more recent calendar year trends in recall campaign experience has been added to the adequacy assessment to estimate future recall costs. As a result, an adjustment of €761 million was recognized for the United States and Canada related to the change in estimate of future recall campaign costs for vehicles sold in periods prior to the third quarter of 2015 and additional warranty costs were recorded in the second half of 2015 related to the increase in the accrual rate per vehicle.

3. Selling, general and administrative expenses

Selling, general and administrative expenses amount to €9,962 million in 2015 (€9,230 in 2014).

Selling expenses mainly consist of marketing, advertising, and sales personnel expenses.

General and administrative expenses mainly consist of administration expenses which are not attributable to the sales, manufacturing or research and development functions.

4. Research and development costs

The composition of research and development costs is as follows:

€ million	2015	2014	Change
Research and development costs expensed during the year	1,946	1,745	201
Writeoff of costs previously capitalized	221	91	130
Amortization of capitalized development costs	1,702	1,373	329
Total research and development costs	**3,869**	**3,209**	660

The impairment and writeoffs of costs previously capitalized mainly refer to the FCA Group’s plan to realign a portion of its manufacturing capacity in NAFTA to better meet demand for Ram pickup trucks and Jeep vehicles within the Group's existing plant infrastructure, which resulted in an impairment charge of €176 million for capitalized development costs that had no future economic benefit.

5. Other income (expenses)

Other expenses in 2015 total €385 million (€149 million in 2014) and include an accrual of €450 million recorded in relation to recent developments in the investigation being conducted by the European Commission into Iveco S.p.A. (100%-controlled by CNH Industrial), the charge of €81 million resulting from a Consent Order entered into by the FCA Group with the U.S. Department of National Highway Traffic Safety Administration Transportation (NHTSA) and €104 million of income of the FCA Group related to legal settlements.

Other income (expenses) in 2014 primarily included the €495 million expenses recognized in connection with the execution of the MOU with the UAW entered into by FCA US on January 21, 2014, that was partially offset by the non-taxable gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10 percent of Chrysler in connection with the Equity Purchase Agreement.

6. Result from investments

The composition is as follows:

€ million	2015	2014	Change
Share of the profit (loss) of investments accounted for using the equity method	**306**	224	82
Other income (expenses) from investments			
Dividends from investments	22	11	11
Impairment reversals (losses)	(2)	(31)	29
Other income and accruals to provisions on investments	2	2	0
Total other income (expenses) from investments	**22**	(18)	40
Total result from investments	**328**	**206**	122

7. Gains (losses) on disposals of investments

The composition is as follows:

€ million	2015	2014	Change
Gains on disposal of investments	76	7	69
Losses on disposal of investments	0	(13)	13
Total gains (losses) on disposal of investments	**76**	**(6)**	82

In 2015 gains on disposals of investments mainly include the net gain realized on the disposal of the entire investment in Allied World Assurance Company Holdings of €60 million.

8. Restructuring costs

Restructuring costs amount to €125 million in 2015 (€195 million in 2014) and mainly include restructuring costs recorded by the CNH Industrial Group of €71 million (€145 million in 2014) and by the FCA Group of €53 million (€50 million in 2014).

Restructuring costs of the CNH Industrial Group include $76 million, or €69 million ($103 million, or €78 million in 2014) for actions put into place to reduce selling, general and administrative expenses and business support costs and costs related to the completion of manufacturing product specialization programs and the efficiency program launched in July 2014.

In 2014 the CNH Industrial Group recorded $46 million (€35 million) for the planned closure of a 60% owned joint venture in China and $43 million (€32 million) for the realignment of the dealer network in EMEA and the announced closure of an assembly plant in Calhoun, Georgia (USA).

9. Financial income (expenses)

The analysis of financial income (expenses) presented below includes amounts reported in specific lines of the consolidated income statement under financial income (expenses), as well as interest income from financial services activities recognized under net revenues of €1,020 million in 2015 (€1,032 million in 2014), and interest and other financial expenses from financial services companies recognized in costs of sales €731 million in 2015 (€758 million in 2014).

Details are as follows:

€ million	2015	2014	Change
Interest income from banks	197	200	(3)
Interest income from securities	19	20	(1)
Sundry interest and other financial income	221	85	136
Total Interest and other financial income	437	305	132
Interest income from customers and other financial income of financial services companies	1,020	1,032	(12)
Gains on disposal of securities	39	26	13
Total financial income	**1,496**	1,363	133
Less: Interest income from customers and other financial income of financial services companies	(1,020)	(1,032)	12
Financial income, excluding financial services companies	**476**	331	145
Interest expenses on bonds	1,644	1,612	32
Interest expenses from banks	752	676	76
Commission expenses	28	33	(5)
Other interest expenses and other financial expenses	807	651	156
Total Interest and other financial expenses	3,231	2,972	259
Writedowns of financial assets	176	202	(26)
Losses on disposal of securities	35	6	29
Net interest expenses on employee benefits provisions	412	392	20
Total interest and other financial expenses	**3,854**	3,572	282
Net (income) expenses from derivative financial instruments and exchange rate differences	319	197	122
Total financial expenses	**4,173**	3,769	404
Less: interest expenses and other financial expenses of financial services companies	(731)	(758)	27
Financial expenses, excluding financial services companies	**3,442**	3,011	431
Net financial income (expenses), excluding financial services companies	**(2,966)**	**(2,680)**	(286)

10. Income taxes

Income taxes recognized in the consolidated income statement consist of the following:

€ million	2015	2014	Change
Current taxes:			
- IRAP	48	93	(45)
- Other taxes	798	1,000	(202)
Total current taxes	**846**	1,093	(247)
Deferred taxes:			
- IRAP	8	30	(22)
- Other taxes	(141)	(124)	(17)
Total deferred taxes	**(133)**	(94)	(39)
Taxes relating to prior periods	**(2)**	(23)	21
Total income taxes	**711**	**976**	(265)

Total tax expense for the year ended December 31, 2015 amounts to €711 million (€976 million in 2014).

The reconciliation between the income tax expense recognized in the consolidated financial statements and the theoretical income tax expense, calculated on the basis of the theoretical tax rate in effect in Italy, is as follows:

€ million		2015	2014
Theoretical tax expense		681	605
Tax effect on:			
Recognition and utilization of previously unrecognized deferred tax assets		(80)	(189)
Permanent differences		(264)	(94)
Deferred tax assets not recognized and writedowns		362	355
Differences between foreign tax rates and the theoretical Italian tax rate and tax holidays		55	196
Taxes relating to prior years		(2)	(23)
Other differences		(98)	3
Total tax expense, excluding IRAP		**655**	853
	Effective tax rate	**41.6%**	38.1%
IRAP (current and deferred)		56	123
Total tax expense		**711**	**976**

For a better understanding of the reconciliation between the tax expense recognized in the consolidated financial statements and the theoretical tax expense, IRAP, which has a different tax base than profit before taxes, is excluded from the above effective tax calculation because it would create distortions between one year and the next. As a result, the theoretical income tax has been determined by applying the tax rate in Italy (IRES at 27.5% in 2015 and in 2014) to the profit before taxes.

In 2015 the Group's effective tax rate is 41.6%. The difference between the theoretical and effective tax rate is largely due to unrecognized deferred tax assets on temporary differences and tax losses that arose during the year of €362 million (€355 million in 2014).

At December 31, 2015 the deferred tax asset balance consists of deferred tax assets less deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized are as follows:

€ million	12/31/2015	12/31/2014	Change
Deferred tax assets	4,618	4,916	(298)
Deferred tax liabilities	(550)	(604)	54
Total	**4,068**	**4,312**	(244)

In 2015 the change in net deferred tax assets of €244 million is mainly due to a €1,374 million decrease related to the utilization of tax loss and credit carryforwards by the U.S. companies of the FCA Group, partially offset by a €1,076 million increase due to higher deductible temporary differences and by the decrease in taxable temporary differences by the U.S. companies of the FCA Group and the €34 million change due to the sale of the C&W Group.

The components of deferred tax assets and liabilities in 2015 are as follows:

€ million	**12/31/2014**	Recognized in income statement	Recognized in Other comprehensive income	Changes due to sale of C&W Group	Translation differences and other changes	**12/31/2015**
Deferred tax assets arising from:						
- Provisions	5,442	1,213		(5)	249	6,899
- Provision for employee benefits	1,899	383	12	(16)	408	2,686
- Intangible assets	461	(171)			(17)	273
- Inventories	512	(41)			12	483
- Allowances for doubtful accounts	276	8			(24)	260
- Impairment of financial assets	232	(18)			18	232
- Other	2,167	(1,933)	(16)	(61)	861	1,018
Total deferred tax assets	10,989	(559)	(4)	(82)	1,507	**11,851**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(3,170)	151		3	(296)	(3,312)
- Capitalization of development costs	(2,387)	(165)			(329)	(2,881)
intangibles	(1,412)	42		111	(173)	(1,432)
- Provision for employee benefits	(29)	4	(240)		215	(50)
- Other	(1,023)	358	(69)	(2)	3	(733)
Total deferred tax liabilities	(8,021)	390	(309)	112	(580)	**(8,408)**
Deferred tax assets arising on tax loss carryforwards	5,755	102		(31)	(1,175)	**4,651**
Unrecognized deferred tax assets	(4,411)	201	1	35	148	**(4,026)**
Net deferred tax assets	**4,312**	134	(312)	34	(100)	**4,068**

The components of deferred tax assets and liabilities in 2014 were as follows:

€ million	**12/31/2013**	Recognized in income statement	Recognized in Other comprehensive income	Changes in the scope of consolidation	Translation differences and other changes	**12/31/2014**
Deferred tax assets arising from:						
- Provisions	3,711	597		4	1,130	5,442
- Provision for employee benefits	1,552	61	45		241	1,899
- Intangible assets	511	(64)			14	461
- Inventories	432	56			24	512
- Allowances for doubtful accounts	276	(1)			1	276
- Impairment of financial assets	260	(18)			(10)	232
- Other	1,521	(877)	50	(4)	1,477	2,167
Total deferred tax assets	8,263	(246)	95	0	2,877	**10,989**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(1,746)	(155)			(1,269)	(3,170)
- Capitalization of development costs	(1,762)	(193)		2	(434)	(2,387)
- Brands, trademarks and other intangibles	(755)	32		16	(705)	(1,412)
- Provision for employee benefits	(32)	3				(29)
- Other	(910)	(112)	71	(16)	(56)	(1,023)
Total deferred tax liabilities	(5,205)	(425)	71	2	(2,464)	**(8,021)**
Deferred tax assets arising on tax loss carryforwards	4,736	854	(15)		180	**5,755**
Unrecognized deferred tax assets	(4,229)	(70)	15		(127)	**(4,411)**
Net deferred tax assets	**3,565**	113	166	2	466	**4,312**

The decision to recognize deferred tax assets is made for each company by critically assessing whether conditions exist for the future recoverability of such assets by taking into account recent forecasts from budgets and plans.

At December 31, 2015, the Group has deferred tax assets on deductible temporary differences of €11,851 million (€10,989 million at December 31, 2014) of which €778 million is not recognized (€701 million at December 31, 2014). At December 31, 2015, the Group also has theoretical tax benefits on tax loss carryforwards of €4,651 million (€5,755 million at December 31, 2014) of which €3,248 million is unrecognized (€3,710 million at December 31, 2014). At December 31, 2015 net deferred tax assets include the amount of €1,403 million in respect of benefits on unused tax loss carryforwards (€2,045 million at December 31, 2014).

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and where it is probable that they will not be distributed in the foreseeable future.

Total deductible and taxable temporary differences and accumulated tax losses at December 31, 2015, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiration, are as follows:

		Year of expiry					
€ million	**Total at 12/31/2015**	2016	2017	2018	2019	Beyond 2019	Unlimited / Indeterminable
Temporary differences and tax losses relating to State taxation (IRES in the case of Italy)							
- Deductible temporary differences	33,746	9,159	4,730	4,587	5,760	9,508	2
- Taxable temporary differences	(24,044)	(3,369)	(3,229)	(3,196)	(3,180)	(11,338)	268
- Tax losses	18,088	138	118	263	288	828	16,453
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(14,871)	(136)	(81)	(45)	(228)	(1,342)	(13,039)
Temporary differences and tax losses	**12,919**	**5,792**	**1,538**	**1,609**	**2,640**	**(2,344)**	**3,684**
Temporary differences and tax losses relating to local taxation (IRAP in the case of Italy)							
- Deductible temporary differences	22,290	5,746	3,231	3,178	4,026	6,107	2
- Taxable temporary differences	(18,937)	(2,452)	(2,209)	(2,240)	(2,202)	(10,143)	309
- Tax losses	2,310	(1)	1	9	7	576	1,718
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(1,534)	94	(133)	(111)	16	(285)	(1,115)
Temporary differences and tax losses	**4,129**	3,387	890	836	1,847	(3,745)	914

11. Other information by nature of expense

In 2015 the income statement includes personnel costs of €15,496 million (€15,305 million in 2014).
The Group has an average number of employees of 303,247 in 2015 (318,562 employees in 2014).

12. Earnings per share

		2015	2014
Average number of ordinary shares outstanding		**223,845,904**	222,346,104
Profit attributable to owners of the parent	€ million	**744**	**323**
- basic earnings per share	€	3.329	1.459
- diluted earnings per share	€	3.325	1.437
Profit from continuing operations attributable to owners of the parent	€ million	**222**	**280**
- basic earnings per share	€	0.997	1.265
- diluted earnings per share	€	0.992	1.243
Profit from discontinued operations attributable to owners of the parent	€ million	**522**	**43**
- basic earnings per share	€	2.332	0.193
- diluted earnings per share	€	2.331	0.193

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using their own equity instruments.

13. Intangible assets

The composition is as follows:

€ million	12/31/2015	12/31/2014	Change
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	18,110	17,009	1,101
Other intangible assets	13,184	11,777	1,407
Total intangible assets	**31,294**	**28,786**	2,508

Goodwill, brands, trademarks and other intangible assets with an indefinite useful life

Changes during 2015 are the following:

€ million	12/31/2014	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2015
Goodwill						
Original cost	14,652	0	(471)		1,453	15,634
Accumulated impairment losses	(1,033)		48	0	(78)	(1,063)
Net carrying amount	13,619	0	(423)	0	1,375	**14,571**
Brands, trademarks and other intangible assets with an indefinite useful life						
Original cost	3,442	1	(214)		366	3,595
Accumulated impairment losses	(52)		1	0	(5)	(56)
Net carrying amount	3,390	1	(213)	0	361	**3,539**
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	**17,009**	**1**	**(636)**	**0**	**1,736**	**18,110**

The change in the scope of consolidation refers mainly to the sale of C&W Group for €465 million of goodwill and €213 million of brands, trademarks and other intangible assets with an indefinite useful life.

In 2015 translation differences total €1,375 million and refer mainly to changes in the U.S. dollar/Euro rate.

Changes during 2014 were the following:

€ million	12/31/2013	Additions	Change in the scope of consolidation	Impairment losses	Translation differences and other changes	12/31/2014
Goodwill						
Original cost	13,032	49	0		1,571	14,652
Accumulated impairment losses	(965)		0	0	(68)	(1,033)
Net carrying amount	12,067	49	0	0	1,503	13,619
Brands, trademarks and other intangible assets with an indefinite useful life						
Original cost	3,030	5	0		407	3,442
Accumulated impairment losses	(46)		0		(6)	(52)
Net carrying amount	2,984	5	0	0	401	3,390
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	**15,051**	54	0	0	1,904	**17,009**

Goodwill

Goodwill and other assets are allocated to individual cash-generating units by the subsidiaries and associates on the basis of their procedures, methods and assumptions in accordance with IAS 36. This allocation, presented in the following table, is considered representative also for the consolidated financial statements.

€ million	12/31/2015	12/31/2014	Change
NAFTA	9,312	8,350	962
APAC	1,210	1,085	125
LATAM	583	517	66
EMEA	276	233	43
Ferrari	786	786	0
Components	62	52	10
Other activities	54	36	18
FCA Group	**12,283**	11,059	1,224
Agricultural Equipment	1,550	1,404	146
Construction Equipment	533	484	49
Commercial Vehicles	52	50	2
Powertrain	2	1	1
Financial Services	118	112	6
CNH Industrial Group	**2,255**	2,051	204
C&W (goodwill on the acquisition of C&W Group - Group's share)	0	354	(354)
Subsidiaries of C&W Group	0	122	(122)
C&W Group	**0**	476	(476)
FCA N.V.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	33	0
Total goodwill	**14,571**	**13,619**	952

FCA Group

Goodwill mainly includes the goodwill on the acquisition of FCA US of €11,359 million (€10,185 million at December 31, 2014) and some interests in Ferrari S.p.A. of €786 million.

Goodwill is allocated to reporting segments or to CGUs within the reporting segments as appropriate.

In accordance with IAS 36, goodwill is not amortized but is tested for impairment annually, or more frequently, if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each CGU to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. The balance of goodwill at December 31, 2015 was allocated to the NAFTA, EMEA, APAC and LATAM reporting segments.

The assumptions used in the impairment test represent management's best estimate for the period under consideration.

The estimate of the value in use for purposes of performing the annual impairment test for each of the operating segment is based on the following assumptions:

- The expected future cash flows covering the period 2016-2020 have been derived primarily from the Group's 2014-2018 business plan presented in May 2014. These cash flows relate to the respective CGUs in their condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the respective operating segment over the period considered.
- The expected future cash flows include a normalized terminal period to estimate the future result beyond the time period explicitly considered which incorporates a long-term growth rate assumption of 2%.
- Post-tax expected cash flows have been discounted using a post-tax discount rate which reflects the current market assessment of the time value of money for the period being considered and the risks specific to the operating segment under consideration. The Weighted Average Cost of Capital ("WACC") ranged between 16% and 19% percent (16.4% in 2014). The WACC was calculated using the Capital Asset Pricing Model technique.

At December 31, 2015 the value estimated as described above was determined to be in excess of the book value of the net capital employed.

As for the goodwill allocated to the Ferrari segment, the estimate of the recoverable amount is based on the following assumptions:

- The expected future cash flows covering the period from 2016 through 2019 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 2.1% (1.0% in 2014).
- The expected future cash flows have been estimated in Euro, and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 7.6% (8.2% in 2014). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill will continue to be recoverable, even in the event of difficult economic and market conditions.

CNH Industrial Group

The most significant goodwill refers to Agricultural Equipment (69% of the total) and Construction Equipment (24% of the total). The impairment test of such goodwill is performed at the cash-generating unit level, the segment level. The recoverable amount of the cash generating units is determined by CNH using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach.

CNH Industrial uses the income approach to calculate the recoverable amount of a cash-generating unit on the basis of the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

CNH Industrial used the following discount rates before taxes at December 31, 2015 and 2014:

	2015	2014
Agricultural Equipment	17.8%	17.4%
Construction Equipment	13.4%	14.3%
Financial Services	21.3%	22.6%

Expected cash flows used under the income approach are developed in conjunction with CNH Industrial's budgeting and forecasting processes. CNH Industrial uses nine years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and four years of expected cash flows for the Financial Services cash-generating unit as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH Industrial estimates the recoverable amount of the Agricultural Equipment and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using book value, tangible book value and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open markets, either on an exchange or over-the counter basis.

Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for the Agricultural Equipment cash-generating unit was 1% in 2015 and 2014, respectively, and for Construction Equipment was 3% in 2015 and 2014, respectively. The terminal value growth rate for Financial Services was 1.5% in 2015 and 2014, respectively.

As of December 31, 2015, the estimated recoverable amounts, calculated using the above method, of the Financial Services, Agricultural Equipment and Construction Equipment cash-generating units exceeded the carrying values by 28%, 6% and 4%, respectively. Holding all other assumptions constant, an increase of 1.6 p.p. and of approximately one p.p. in the discount rate for Agricultural Equipment and Construction Equipment, respectively, could result in an impairment loss in future reporting periods.

The results obtained for the Commercial Vehicles and related sensitivity analyses confirmed the absence of an impairment loss.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by management of the CNH Industrial Group based on past performance and expectations of developments in the markets in which the CNH Industrial Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The CNH Industrial Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the CNH Industrial Group.

Brands, trademarks and other intangible assets with indefinite useful lives

The composition by reporting segment is as follows:

€ million	12/31/2015	12/31/2014	Change
FCA Group	3,293	2,953	340
CNH Group	215	194	21
C&W Group	0	213	(213)
Juventus F.C.	31	30	1
Total brands, trademarks and other intangible assets with indefinite useful lives	**3,539**	**3,390**	149

Brands of the **FCA Group** are almost entirely attributable to the NAFTA segment. The amount of €3,293 million recognized at December 31, 2015 (€2,953 million at December 31, 2014) chiefly comprises the Chrysler, Jeep, Dodge, Ram and Mopar brands. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they are classified as intangible assets with indefinite useful lives, and are therefore not amortized.

The carrying amount of brands is tested annually and the FCA Group recognizes an impairment loss if the carrying amount exceeds the recoverable amount. For purposes of impairment testing, the carrying value of brands, which is allocated to the NAFTA segment, is tested using the same assumptions as the impairment test on goodwill.

With regard to the **CNH Industrial Group**, trademarks and other intangible assets with indefinite useful lives are mainly attributable to Agricultural Equipment and Construction Equipment and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units without the need for any recognition of impairment.

Other intangible assets

Changes in 2015 are the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2014						
Original cost	9,510	9,195	3,603	1,709	318	24,335
Accumulated amortization and impairment	(4,295)	(4,960)	(1,982)	(1,137)	(184)	(12,558)
Net carrying amount	**5,215**	**4,235**	**1,621**	**572**	**134**	**11,777**
Changes during the year (original cost)						
Additions	1,544	1,529	255	207	165	3,700
Disposals	1	(53)	(14)	(35)	(98)	(199)
Change in the scope of consolidation	0	0	(6)	(309)	0	(315)
Translation differences and other changes	522	(188)	217	(13)	0	538
Total	**2,067**	**1,288**	**452**	**(150)**	**67**	**3,724**
Changes during the year (accumulated amortization and impairment)						
Amortization	(936)	(813)	(338)	(106)	0	(2,193)
Impairment losses	(187)	(34)	0	(2)	0	(223)
Disposals	0	37	12	30	0	79
Change in the scope of consolidation	0	0	5	211	0	216
Translation differences and other changes	(316)	186	(98)	32	0	(196)
Total	**(1,439)**	**(624)**	**(419)**	**165**	**0**	**(2,317)**
Balance at December 31, 2015						
Original cost	11,577	10,483	4,055	1,559	385	28,059
Accumulated amortization and impairment	(5,734)	(5,584)	(2,401)	(972)	(184)	(14,875)
Net carrying amount	**5,843**	**4,899**	**1,654**	**587**	**201**	**13,184**

In 2015 new development costs were capitalized for €3,073 million, of which €2,659 million by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs, as well as the investment for the development of Alfa Romeo vehicles.

To reflect changes in its product strategy, the FCA Group recorded impairment losses of €176 million in 2015 (€75 million in 2014) mainly to realign a portion of its manufacturing capacity in NAFTA to better meet market demand for Ram pickups and Jeep vehicles.

Positive translation differences principally reflect foreign exchange gains of €491 million included in translation differences and other changes that relate to the strengthening of the U.S. dollar against the Euro.

The amortization of development costs are reported in the income statement as research and development costs.

Changes in other intangible assets in 2014 were the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2013						
Original cost	7,716	7,751	3,005	1,440	289	20,201
Accumulated amortization and impairment	(3,634)	(4,088)	(1,671)	(968)	(155)	(10,516)
Net carrying amount	**4,082**	**3,663**	**1,334**	**472**	**134**	**9,685**
Changes during the year (original cost)						
Additions	1,628	1,147	381	170	70	3,396
Disposals	(8)	(72)	(38)	(17)	(41)	(176)
Change in the scope of consolidation	(146)	148	13	32	0	47
Translation differences and other changes	320	221	242	84	0	867
Total	**1,794**	**1,444**	**598**	**269**	**29**	**4,134**
Changes during the year (accumulated amortization and impairment)						
Amortization	(701)	(673)	(261)	(118)	(53)	(1,806)
Impairment losses	(56)	(45)	0	0	(2)	(103)
Disposals	6	56	33	14	26	135
Change in the scope of consolidation	141	(141)	(12)	12	0	0
Translation differences and other changes	(51)	(69)	(71)	(77)	0	(268)
Total	**(661)**	**(872)**	**(311)**	**(169)**	**(29)**	**(2,042)**
Balance at December 31, 2014						
Original cost	9,510	9,195	3,603	1,709	318	24,335
Accumulated amortization and impairment	(4,295)	(4,960)	(1,982)	(1,137)	(184)	(12,558)
Net carrying amount	**5,215**	**4,235**	**1,621**	**572**	**134**	**11,777**

In 2014 new development costs were capitalized for €2,775 million, of which €2,267 million by FCA Group consisted primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs in the NAFTA and EMEA regions.

In 2014 to reflect the new product strategy the FCA Group wrote down development costs for a total of €75 million, primarily in the EMEA and NAFTA regions.
The positive exchange differences of €482 million included in translation differences and other changes mainly referred to the revaluation of the U.S. dollar against the Euro.

14. Property, plant and equipment

Changes in property, plant and equipment in 2015 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2014							
Original cost	1,202	10,655	49,405	2,093	3,412	3,089	69,856
Accumulated depreciation and impairment	(11)	(3,899)	(31,273)	(486)	(1,973)	(16)	(37,658)
Net carrying amount	**1,191**	**6,756**	**18,132**	**1,607**	**1,439**	**3,073**	**32,198**
Changes during the year (original cost)							
Additions	6	590	3,497	784	328	2,229	7,434
Disposals	(11)	(65)	(1,234)	(71)	(76)	(24)	(1,481)
Change in the scope of consolidation	3	4	(6)	0	(180)	(1)	(180)
Translation differences	(21)	(36)	246	6	124	(121)	198
Other changes	8	0	956	(423)	11	(862)	(310)
Total	**(15)**	**493**	**3,459**	**296**	**207**	**1,221**	**5,661**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(405)	(3,854)	(209)	(306)	0	(4,774)
Impairment losses	(1)	(12)	(475)	(18)	(3)	(2)	(511)
Disposals	1	46	1,204	40	65	2	1,358
Change in the scope of consolidation	(3)	(3)	5	0	111	0	110
Translation differences	1	(3)	(15)	1	(34)	1	(49)
Other changes	(34)	24	(45)	188	6	1	140
Total	**(36)**	**(353)**	**(3,180)**	**2**	**(161)**	**2**	**(3,726)**
Balance at December 31, 2015							
Original cost	1,187	11,148	52,864	2,389	3,619	4,310	75,517
Accumulated depreciation and impairment	(47)	(4,252)	(34,453)	(484)	(2,134)	(14)	(41,384)
Net carrying amount	**1,140**	**6,896**	**18,411**	**1,905**	**1,485**	**4,296**	**34,133**
of which leased under finance leases	*8*	*322*	*623*		*1*		*954*

Additions total €7,434 million in 2015 and mainly refer to the FCA Group for €6,148 million and the CNH Industrial Group for €1,511 million.

In 2015 impairment losses for €422 million refer to the FCA Group mainly in relation to the realignment of a portion of the Group's manufacturing capacity in NAFTA to better meet market demand.

Positive translation differences of €149 million in 2015 mainly reflect the strengthening of the U.S. dollar against the Euro.

In 2015 other changes primarily consist of the reclassification of prior year balances for advances and tangible asset in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date.

Changes in property, plant and equipment in 2014 were the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2013							
Original cost	1,130	9,462	44,589	1,893	2,886	2,660	62,620
Accumulated depreciation and impairment	(9)	(3,590)	(28,339)	(443)	(1,714)	(11)	(34,106)
Net carrying amount	**1,121**	**5,872**	**16,250**	**1,450**	**1,172**	**2,649**	**28,514**
Changes during the year (original cost)							
Additions	14	876	3,353	597	337	1,536	6,713
Disposals	(9)	(128)	(1,330)	(108)	(62)	(10)	(1,647)
Change in the scope of consolidation	1	21	40	0	(4)	8	66
Translation differences	44	402	1,751	4	206	145	2,552
Reclassified to/from assets held for sale	(1)	(42)	(39)	0	(1)	0	(83)
Other changes	23	64	1,041	(293)	50	(1,250)	(365)
Total	**72**	**1,193**	**4,816**	**200**	**526**	**429**	**7,236**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(351)	(3,451)	(188)	(256)	0	(4,246)
Impairment losses	0	(6)	(27)	(11)	0	0	(44)
Disposals	2	115	1,296	41	60	(3)	1,511
Change in the scope of consolidation	0	(5)	(5)	0	5	0	(5)
Translation differences	0	(89)	(742)	1	(84)	0	(914)
Reclassified to/from assets held for sale	(1)	31	37	0	1	0	68
Other changes	(3)	(4)	(42)	114	15	(2)	78
Total	**(2)**	**(309)**	**(2,934)**	**(43)**	**(259)**	**(5)**	**(3,552)**
Balance at December 31, 2014							
Original cost	1,202	10,655	49,405	2,093	3,412	3,089	69,856
Accumulated depreciation and impairment	(11)	(3,899)	(31,273)	(486)	(1,973)	(16)	(37,658)
Net carrying amount	**1,191**	**6,756**	**18,132**	**1,607**	**1,439**	**3,073**	**32,198**
of which leased under finance leases	*5*	*1,408*	*347*		*2*		*1,762*

Additions of €6,713 million in 2014 mainly referred for €5,415 million to the car-mass market operations of the FCA Group, the construction of the new LATAM plant in Pernambuco (LATAM) and for €1,269 million to the Agricultural Equipment, Construction Equipment and Commercial Vehicles segments of the CNH Industrial Group.

In 2014 impairment losses of €33 million mainly referred to the EMEA region of the FCA Group.

Positive translation differences of €1,639 million in 2014 mainly reflected the strengthening of the U.S. dollar against the Euro.

In 2014 other changes primarily consisted of the reclassification of prior year balances for advances and tangible asset in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date.

At December 31, 2015 property, plant and equipment of the FCA Group, excluding FCA US, pledged as security for debt and other commitments, mainly refer to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the simultaneous recognition of a finance lease payable. The composition is as follows:

€ million	12/31/2015	12/31/2014
Land and industrial buildings pledged as security for debt	934	1,019
Plant and machinery pledged as security for debt and other commitments	462	648
Other assets pledged as security for debt and other commitments	4	3
Property plant and equipment pledged as security for debt	**1,400**	**1,670**

Information on the assets of FCA US subject to liens are set out in Note 30 in the consolidated financial statements.

At December 31, 2015, CNH Industrial Group has land and industrial buildings of €74 million (€77 million at December 31, 2014) pledged as security for debt. Moreover, plant, machinery and equipment of €81 million (€81 million at December 31, 2014) are pledged as security for debt and other commitments; these relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4, with the simultaneous recognition of a finance lease payable.

Moreover, at December 31, 2015 real estate mortgaged for a loan from the Istituto per il Credito Sportivo to Juventus FC for the construction of the new stadium amounts to a maximum amount of €120 million.

At December 31, 2015 the Group has contractual commitments for the acquisition of property, plant and equipment amounting €1,846 million (€2,590 million at December 31, 2014).

Recoverability of non-current assets of the FCA Group

Non-current assets include property, plant and equipment, goodwill and intangible assets with definite and indefinite useful lives. The Group periodically reviews the carrying amount of non-current assets and that of assets to be disposed when events and circumstances warrant such a review. Impairment testing is performed by comparing the carrying amount and the recoverable amount of each cash-generating unit ("CGU"). The recoverable amount is the higher of the CGUs fair value less costs to sell and their value in use. In assessing the value in use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The analysis of the recoverable amount of non-current assets is performed at least annually for CGUs to which goodwill or intangible assets with indefinite useful lives have been allocated. For a discussion on impairment testing on goodwill arising from the FCA US acquisition and intangible assets with an indefinite useful life, reference should be made to Note 13.

For the other CGUs, the same analysis is performed when events and circumstances indicate that an asset may be impaired.

At December 31, 2015 following the decision taken to realign a portion of its manufacturing capacity in the NAFTA region to better meet market demand, this was deemed an indicator of impairment for certain vehicle platform cash-generating units due to the significant changes to the extent to which the assets are expected to be used. As a result, an impairment charge of €598 million was recorded, of which €422 million relates to tangible asset impairments and €176 million to capitalized development costs.

At December 31, 2014, due to the continued decline in car demand on the European market, impairment tests relating to EMEA net assets were performed on two levels.

Firstly, the recoverable amounts of the assets of specific EMEA CGUs were tested, identified as plant, machinery and equipment as well as the associated intangible assets dedicated to the production of specific platforms and powertrains. This impairment analysis led to the recognition of impairment on development costs of €47 million and on other tangible assets of €25 million in 2014. In 2014 a similar process was carried out also for specific CGUs within the Components operating segment and for the Maserati CGU, leading to the recognition of an impairment of property, plant and equipment for €2 million and an impairment of development costs of €65 million, respectively.

15. Investments and other financial assets

Details are as follows:

€ million	12/31/2015	12/31/2014	Change
Investments in joint ventures	1,915	1,732	183
Investments in associates	1,196	504	692
Investments in unconsolidated subsidiaries	52	37	15
Investments accounted for using the equity method	**3,163**	**2,274**	889
Investments at fair value with changes directly in other comprehensive income	808	367	441
Investments at cost	43	45	(2)
Non-current financial receivables	305	344	(39)
Other securities	716	629	87
Other investments and financial assets	**1,872**	**1,385**	487
Total	**5,035**	**3,659**	1,376

Investments in joint ventures

Changes in 2015 and 2014 are the following:

€ million	12/31/2014	Revaluations (Impairment losses)	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Other changes	12/31/2015
Investments in joint ventures	1,732	177	178	0	(3)	(169)	1,915

€ million	12/31/2013	Revaluations (Impairment losses)	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Other changes	12/31/2014
Investments in joint ventures	1,611	184	18	2	59	(143)	1,732

Revaluations (impairment losses) include the Group's share of the profit or loss for the year of investments accounted for using the equity method.

The composition of investments in joint ventures is as follows:

€ million		12/31/2015		12/31/2014	Change
Investments in joint ventures					
FCA Bank	50.00%	985	50.00%	894	91
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	305	37.90%	299	6
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	197	50.00%	177	20
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	73	37.50%	88	(15)
GAC Fiat Chrysler Automobiles Co. Ltd	50.00%	145	50.00%	45	100
Other		210		229	(19)
Total Investments in joint ventures		**1,915**		**1,732**	**183**

FCA Bank is a 50/50 joint venture with Crédit Agricole Consumer Finance S.A. FCA Bank operates in 16 European countries including Italy, France, Germany, UK and Spain and provides retail and dealer financing and long-term rental services in the automotive sector, directly or through its subsidiaries as a partner of FCA's car mass-market brands and for Ferrari and Maserati. In July 2013 the FCA Group reached an agreement with Crédit Agricole to extend the term of that joint venture through to December 31, 2021. Under the agreement, FCA Bank will continue to benefit from the financial support of the Crédit Agricole Group while continuing to strengthen its position as an active player in the securitization and debt markets.

Tofas Turk Otomobil Fabrikasi A.S. is listed on the İstanbul Stock Exchange ("ISE") and is classified as a joint venture by the both partners which each have a shareholding of 37.9%. At December 31, 2015 the fair value of the FCA Group's interest in Tofas is €1,129 million (€1,076 million at December 31, 2014).

Naveco (Nanjing Iveco Motor Co.) Ltd is a 50/50 joint venture between Iveco S.p.A. and Nanjing Automotive Corporation, a subsidiary of the SAIC Group which designs, produces and sells the Daily model and light trucks.

Turk Traktor Ve Ziraat Makineleri A.S. is a listed company (37.5% by CNH Industrial and 37.5% by Koc Holding) for the production of tractors under the Case IH Agriculture and New Holland Agriculture brands, and import and distribution of agricultural equipment in Turkey. At December 31, 2015 the fair value of CNH Industrial's interest in Turk Traktor is $477 million, or €438 million ($659 million or €543 million at December 31, 2014).

Investments in associates

The composition is as follows:

€ million		12/31/2015		12/31/2014	Change
Investments in associates					
Almacantar S.A.	38.30%	533	38.29%	282	251
The Economist Group (a)	34.72%	466		0	466
CNH Capital Europe S.a.s.	49.90%	104	49.90%	91	13
RCS MediaGroup S.p.A.	16.73%	51	16.73%	74	(23)
Other		42		57	(15)
Total investments in associates		**1,196**		**504**	**692**

(a) The interest held previously was measured at fair value.

The positive change in EXOR's investment in Almacantar is mainly the result of share capital increases carried out in the months of June and July 2015 (for a total of €108 million), the profit for the year (€130 million) and the increase in exchange differences on translating foreign operations (€13 million).

The main statement of financial position and income statement data for the years 2015 and 2014 are as follows:

	12/31/2015		12/31/2014	
	£ million	€ million	£ million	€ million
Non-current assets	1,424.0	1,940	773.0	992
Current assets	360.1	491	62.4	80
Payables	762.7	1,039	252.4	324
Other liabilities	0.5	1	9.7	12
Net revenues	16.6	23	17.1	21
Profit before taxes	248.8	343	83.6	104
Comprehensive income	248.1	342	83.1	103

In October EXOR purchased 27.8% of the share capital of The Economist Group for a net equivalent amount of €398 million, raising its interest in the company to 34.7% of capital (20% of voting rights), becoming the largest shareholder.

EXOR thus attained a significant influence over the investee company as defined by IAS 28 and therefore starting from the 2015 financial statements the investment in The Economist Group is accounted for using the equity method.

The previously held 4.72% interest in share capital, classified in investments available-for-sale measured at fair value with recognition of the difference in equity, was adjusted to fair value, €36.64 per share, (for a total of €59 million), that is, at the purchase price of the additional shares acquired. Therefore an increase in value of €19 million was recognized in equity; following the change in the method of measurement the accumulated fair value of €29 million was reclassified to the income statement. The entire investment in The Economist Group was classified in investments accounted for using the equity method and the measurement at December 31, 2015 was made on the basis of the accounting data at September 30, 2015 (the most recent available data of the company).

The carrying amount of the investment includes goodwill of €436 million, which is the difference between the fair value of the investment and the price paid, as indicated below:

	£ million	**€ mlilion**
Consideration for 29.98% acquisition	291	398
Remeasurement at fair value of the investment previously held		19
Carrying amount (fair value at 12/31/14) of the investment previously held		40
Investment value (A)	291	**457**
The Economist Group accounting equity at 9/30/15 - EXOR's share	(8)	(11)
Higher value attributed to the building - EXOR's share	29	40
Net assets acquired/assumed (B)	21	29
Deferred taxes on higher value attributed to building	6	8
Consolidation difference to be allocated (A-B)	318	**436**

At December 31, 2015 the fair value of the investment in RCS MediaGroup S.p.A., listed on the Milan Stock Exchange, is €54 million (€81 million at December 31, 2014).

Investments accounted for at fair value with changes in other comprehensive income

Details are as follows:

€ million		**12/31/2015**		**12/31/2014**	**Change**
Investments at fair value with changes in other comprehensive income:					
PartnerRe	9.90%	**607**	-	0	607
Banca Leonardo	16.51%	**59**	17.37%	60	(1)
The Economist Group (a)	-	**0**	4.72%	40	(40)
Banijay Group (b)	-	**0**	17.09%	41	(41)
Other		**142**		226	(84)
Total investments at fair value with changes in other comprehensive income		**808**		**367**	**441**

(a) Reclassified to investments accounted for using the equity method beginning December 31, 2015.
(b) Reclassified to non-current assets held for sale in accordance with IFRS 5.

As part of the operation for the purchase of the entire investment in PartnerRe, during the first half of 2015 EXOR and its subsidiary EXOR S.A. purchased a total of 4,725,726 shares (9.9% of common share capital) on the market for a net equivalent amount of €553 million. At December 31, 2015 the investment was adjusted to fair value on the basis of the per share trading price of $139.74 (€128.35 on the basis of the €/$1.0887 exchange rate at the end of the year). At December 31, 2015 the positive fair value adjustment recognized in equity amounts to €54 million.

The reduction in the investment in Banca Leonardo is due to the reimbursement of capital reserves of €6 million, partially offset by the positive fair value adjustment of €5 million.
At December 31, 2015 the fair value recognized in equity is a negative €4.4 million.

The reduction in other listed investments is primarily the result of the disposal of the investment held in Allied World Assurance Company Holdings by EXOR S.A. for a net equivalent amount of €154 million. The net gain on the disposal of €60 million relates to the realization of the fair value reserve.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as letters of credit and other agreements.

Other securities

Other securities amount to €716 million (€629 million at December 31, 2014) and mainly comprise the value of the Irish-registered fund managed by Black Ant Group LLC of €374 million (€392 million at December 31, 2014) and other funds that invest in specific geographical areas and in specific sectors.

The net decrease in The Black Ant Value Fund of €19 million is due to the redemption of 135,375 shares, in accordance with the signed agreements and taking into account the positive performance recorded during 2014, for a total equivalent amount of €20 million, partially offset by the positive fair value adjustment of €1 million. The redemption resulted in a net gain of €6 million from the realization of a part of the fair value reserve. At December 31, 2015 the fair value adjustment recognized in equity amounts to a positive €116 million.

16. Leased assets under operating leases

Changes in leased assets under operating leases in 2015 and 2014 are the following:

€ million	12/31/2014	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2015
Gross carrying amount	1,495	882	0	115	(537)	1,955
Depreciation and impairment	(244)	(1)	(193)	(11)	180	(269)
Net carrying amount of assets leased under operating leases	**1,251**	**881**	**(193)**	**104**	**(357)**	**1,686**

€ million	12/31/2013	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2014
Gross carrying amount	975	769	0	131	(380)	1,495
Depreciation and impairment	(206)	(1)	(120)	(16)	99	(244)
Net carrying amount of assets leased under operating leases	**769**	768	(120)	115	(281)	**1,251**

17. Inventories

The composition of inventories is as follows:

€ million	12/31/2015	12/31/2014	Change
Raw materials, supplies and finished goods	16,709	16,037	672
Assets sold with a buy-back commitment and GDP vehicles	1,984	2,128	(144)
Gross amount due from customers for contract work	156	178	(22)
Total inventories	**18,849**	**18,343**	506

Inventories refer to the FCA Group for €13,524 million (€12,467 million at December 31, 2014) the CNH Industrial Group for €5,326 million (€5,881 million at December 31, 2014), net of intercompany eliminations of €1 million (€4 million at December 31, 2014).

Net inventories increased by €506 million as a result of a higher level of finished products to support increased demand in the NAFTA and EMEA segments in addition to positive translation differences primarily related to the strengthening of the U.S. dollar against the Euro.

At December 31, 2015 net inventories of the CNH Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments for €260 million (€233 million at December 31, 2014).

In 2015 the amount of inventory writedowns recognized as an expense is €683 million (€689 million in 2014), while amounts recognized as income from the reversal of writedowns on items sold during the year are not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2015	12/31/2014	Change
Gross amount due from customers for contract work, as an asset	156	178	(22)
Less: Amount due to customers for contract work, as a liability	(222)	(247)	25
Construction contracts, net of advances on contract work	**(66)**	**(69)**	3

18. Trade receivables

The composition of trade receivables by reporting segment is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Eliminations and Adjustments	Consolidated
Trade receivables at December 31, 2015	2,766	532		35	(60)	**3,273**
Trade receivables at December 31, 2014	2,564	868	350	50	(75)	**3,757**
Change	202	(336)	(350)	(15)	15	(484)

The analysis of trade receivables by due date is as follows:

€ million	12/31/2015	12/31/2014	Change
Due within one year	3,251	3,746	(495)
Due between one and five years	21	9	12
Due beyond five years	1	2	(1)
Total trade receivables	**3,273**	**3,757**	(484)

Trade receivables at December 31, 2015 are shown net of allowances for doubtful accounts of €464 million (€503 million at December 31, 2014).
Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2015:

19. Receivables from financing activities

Receivables from financing activities amount to €20,632 million at December 31, 2015 (€21,524 million at December 31, 2014) and include the following:

€ million	12/31/2015	12/31/2014	Change
Dealer financing	9,613	10,050	(437)
Retail financing	10,005	10,118	(113)
Finance leases	858	1,135	(277)
Other	156	221	(65)
Total receivables from financing activities	**20,632**	**21,524**	(892)

Receivables from financing activities are shown net of allowances for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2015, the allowance accounts total €566 million (€611 million at December 31, 2014). Changes in the allowance accounts in 2015 are the following:

€ million	12/31/2014	Provision	Use and other changes	12/31/2015
Allowances for receivables from financing activities	**611**	160	(205)	**566**

Receivables for dealer financing are typically generated by sales of vehicles, and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from segment to segment and country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €8,990 million and by the FCA Group €1,015 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the FCA Group's Ferrari and Maserati segments and by the CNH Industrial Group's Commercial Vehicles, Agricultural Equipment and Construction Equipment. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term and is in line with prevailing market interest rates.

Finance lease receivables, gross of an allowance of €185 million at December 31, 2015 (€194 million at December 31, 2014), may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	**Total**
Receivables for future minimum lease payments	558	665	41	1,264
Less: unrealized interest income	(91)	(126)	(6)	(223)
Present value of future minimum lease payments at December 31, 2015	**467**	**539**	**35**	**1,041**
Receivables for future minimum lease payments	662	905	66	1,633
Less: unrealized interest income	(119)	(181)	(12)	(312)
Present value of future minimum lease payments at December 31, 2014	**543**	**724**	**54**	**1,321**

No contingent rents were recognized as finance lease income during 2015 or 2014 and unguaranteed residual values at December 31, 2015 and 2014 are not significant.

Receivables from financing activities may be analyzed by due date as follows:

€ million	**12/31/2015**	**12/31/2014**	Change
Due within one year	12,591	13,435	(844)
Due between one and five years	7,729	7,777	(48)
Due beyond five years	312	312	0
Total receivables from financing activities	**20,632**	**21,524**	(892)

20. Current tax receivables

At December 31, 2015 current tax receivables amount to €762 million (€615 million at December 31, 2014). The analysis by due date is the following:

€ million	**12/31/2015**	**12/31/2014**	Change
Due within one year	625	541	84
Due between one and five years	70	37	33
Due beyond five years	67	37	30
Total current tax receivables	**762**	**615**	147

21. Other current assets

Other current assets amount to €4,046 million (€4,095 million at December 31, 2014) and mainly consist of other tax receivables for VAT and other indirect taxes and duties of €2,034 million, receivables from employees of €169 million and accrued income and prepaid expenses of €844 million.

The analysis of current receivables (excluding accrued income and prepaid expenses) by due date is the following:

€ million	12/31/2015	12/31/2014	Change
Due within one year	2,866	3,083	(217)
Due between one and five years	275	276	(1)
Due beyond five years	61	47	14
Total other financial receivables	**3,202**	**3,406**	(204)

22. Transfers of financial assets

The **FCA Group** transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.

At December 31, 2015, the carrying amount of transferred financial assets not derecognized and the related liabilities are as follows:

€ million	Trade receivables	Receivables from financing activities	Current tax receivables	Total
At December 31, 2015				
Carrying amount of the assets transferred and not derecognized	22	184	0	**206**
Carrying amount of the related liabilities	(22)	(184)	0	**(206)**
At December 31, 2014				
Carrying amount of the assets transferred and not derecognized	37	407	25	**469**
Carrying amount of the related liabilities	(37)	(407)	(25)	**(469)**

At December 31, 2015, the FCA Group has receivables due after that date which were transferred without recourse and which were derecognized amounting to €4,950 million (€4,511 million at December 31, 2014). The transfers relate to trade receivables and other receivables for €4,165 million (€3,676 million at December 31, 2014) and financial receivables for €785 million (€835 million at December 31, 2014).

These amounts include receivables of €3,022 million (€2,611 million at December 31, 2014), mainly due from the sales network, transferred to jointly controlled financial services companies (FCA Bank).

The **CNH Industrial Group** transfers a number of its financial and trade receivables under securitization programs or factoring transactions.

At December 31, 2015, the carrying amount of such transferred financial assets and the related liability and the respective fair values are as follows:

€ million	Trade receivables	Receivables from financing activities	Other financial assets	Total
At December 31, 2015				
Carrying amount of assets	6	11,990	851	12,847
Carrying amount of the related liabilities	(6)	(11,080)	(851)	(11,937)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	6	11,999	851	12,856
Fair value of the liabilities	(6)	(11,071)	(851)	(11,927)
Net position	0	928	0	**928**
At December 31, 2014				
Carrying amount of assets	353	11,227	1,022	12,602
Carrying amount of the related liabilities	(353)	(9,816)	(1,022)	(11,191)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	353	11,279	1,022	12,654
Fair value of the liabilities	(353)	(9,815)	(1,022)	(11,190)
Net position	(0)	1,464	(0)	**1,464**

Other financial assets also include cash with a pre-determined use restricted to the repayment of securitization debt.

The CNH Industrial Group discounted receivables without recourse having due dates after December 31, 2015 amounting to €522 million (€539 million at December 31, 2014), of which €490 million (€482 million at December 31, 2014) relates to trade receivables and other receivables and €32 million (€57 million at December 31, 2014) refers to receivables from financing activities.

23. Current financial assets

The composition is as follows:

€ million	12/31/2015	12/31/2014	Change
Investments	**48**	35	13
Bonds held-to-maturity	51	29	22
Bonds available-for-sale	269	91	178
Bonds and mutual funds held for trading	242	708	(466)
Current securities	**562**	828	(266)
Other financial assets	**1,047**	684	363
Total current financial assets	**1,657**	**1,547**	110

Bonds are issued by leading counterparties, listed on active and open markets, and also include the current portion of bonds due within 12 months held-to-maturity. The decrease of €266 million reflects the Group's strategy as regard the management of the securities portfolio and the investment of cash resources.

Other current financial assets represent the fair value of derivative financial instruments analyzed in the next note.

24. Other financial assets and other financial liabilities

The line items mainly consist of the fair value measurement of derivative financial instruments. They also include some collateral deposits held in connection with derivative transactions and payables. In particular:

	12/31/2015		12/31/2014	
€ million	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	85	(3)	113	(1)
Currency risks		(96)		
Interest rate and currency risk - Combined interest rate and currency swaps				(41)
Total Fair value hedges	**85**	**(99)**	**113**	**(42)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	345	(505)	283	(614)
Interest rate risk - Interest rate swaps	1	(5)	1	(13)
Interest rate and currency risk - Combined interest rate and currency swaps	142	(33)	60	(52)
Commodity price risk - Commodity swaps		(44)	4	(16)
Total Cash flow hedges	**488**	**(587)**	**348**	**(695)**
Derivatives for trading	434	(146)	**185**	**(250)**
Collateral deposits	40		**38**	
Total other financial assets and other financial liabilities	**1,047**	**(832)**	**684**	**(987)**

The fair value of derivative financial instruments is calculated by using market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;

- the fair value of currency options is calculated using appropriate valuation techniques and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is calculated using the discounted cash flow method;
- the fair value of derivatives hedging interest rate risk and currency risk is calculated using the exchange rate at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is calculated using the discounted cash flow method, taking (if available) the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in other financial assets and in other financial liabilities is mostly due to fluctuations in exchange rates, interest rates, commodity prices and the settlement of instruments that matured during the year.

As other financial assets and liabilities primarily consist of hedging derivatives, the change in their value is generally compensated by the change in the value of the hedged items.

Derivatives for trading primarily refer to:

- derivative contracts entered into for purposes of hedging receivables and payables subject to exchange rate risk and/or interest rate risk, which do not qualify for hedge accounting,
- one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

The notional amount of derivative financial instruments outstanding at December 31, 2015 and 2014 is the following:

€ million	12/31/2015	12/31/2014	Change
Currency risk management	25,685	25,054	631
Interest rate risk management	5,901	6,542	(641)
Interest rate and currency risk management	2,858	2,322	536
Commodity price risk management	563	550	13
Other derivative financial instruments	14	14	0
Total notional amount	**35,021**	**34,482**	539

The outstanding notional amounts of derivative financial instruments by due date is summarized in the following table:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2015				
Currency risk management	25,105	580		25,685
Interest rate risk management	1,146	4,634	121	5,901
Interest rate and currency risk management	1,532	1,178	148	2,858
Commodity price risk management	532	31		563
Other derivative financial instruments			14	14
Total notional amount	**28,315**	**6,423**	**283**	**35,021**
12/31/2014				
Currency risk management	22,357	2,697		25,054
Interest rate risk management	1,253	5,012	277	6,542
Interest rate and currency risk management	726	1,513	83	2,322
Commodity price risk management	491	59		550
Other derivative financial instruments	0		14	14
Total notional amount	24,827	9,281	374	**34,482**

Cash flow hedges

With respect to cash flow hedges, the Group reclassified losses of €469 million in 2015 (losses of €132 million in 2014), net of the tax effect, from other comprehensive income to the consolidated income statement.

These amounts are reported on the following lines of the income statement:

€ million	2015	2014	Change
Currency risk			
Increase (Decrease) in net revenues	(98)	64	(162)
Decrease (Increase) in cost of sales	(89)	6	(95)
Financial income (expenses)	(174)	(180)	6
Result from investments	(1)	(13)	12
Interest rate risk			
Decrease (Increase) in cost of sales	(15)	(8)	(7)
Result from investments		(3)	3
Financial income (expenses)	(78)	(13)	(65)
Commodity price risk			
Decrease (Increase) in cost of sales	(22)	(2)	(20)
Taxes - income (expenses)	14	13	1
Ineffectiveness - overhedges	(6)	4	(10)
Net gains (losses) on cash flow hedges recognized in the income statement	**(469)**	**(132)**	(337)

The effects recognized in the income statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and the cash flows that are exposed to an interest rate risk.
The Group's policy for managing currency risk normally requires hedging of projected future cash flows from trading activities which will occur within the following twelve months, and from orders acquired (or contracts in progress), regardless of their due dates. The hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in the income statement, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and are entered into for the purpose of hedging bonds issued in foreign currencies. The amount recorded in the cash flow hedge reserve is recognized in the income statement according to the timing of the flows of the underlying bonds.

Fair value hedges

The gains and losses arising from the valuation of outstanding currency derivatives (for managing currency risk) and interest rate derivatives (for managing interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are summarized in the following table:

€ million	2015	2014	Change
Currency risk			
Net gains (losses) on qualifying hedges	(49)	(53)	4
Fair value changes in hedged items	49	53	(4)
Interest rate risk			
Net gains (losses) on qualifying hedges	(11)	6	(17)
Fair value changes in hedged items	12	(5)	17
Net gains (losses) on fair value hedges recognized in the income statement	**1**	**1**	0

25. Cash and cash equivalents

The composition is the following:

€ million	12/31/2015	12/31/2014	Change
Cash in hand and at banks and post offices	17,678	15,119	2,559
Restricted cash	855	809	46
Money market securities	12,054	13,315	(1,261)
Total cash and cash equivalents	**30,587**	**29,243**	1,344

Cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.

In addition, cash and cash equivalents held in certain foreign countries (primarily, China and Argentina) are subject to local exchange control regulations providing for restrictions on the amount of cash other than dividends that can leave the country.

At December 31, 2015 the CNH Industrial Group has approximately €851 million (€806 million at December 31, 2014) of restricted cash which may be used exclusively for the repayment of the debt relating to securitizations.

26. Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale consist mainly of buildings allocated to the LATAM and Components segments as well as certain minor investments within the EMEA segment of the FCA Group, several buildings and factories mainly attributable to Financial Services and Agricultural Equipment of CNH Industrial, in addition to the investment in Banijay Holding (€60 million) following the finalization of the agreement for its sale to Zodiak Media signed on November 20, 2015 and concluded on February 23, 2016.

The analysis of the income statement line items comprising the post-tax profit of C&W Group included in discontinued operations is as follows:

€ million	Half 1 2015	Year 2014
Net revenues	**1,199**	2,145
Cost of sales	**(1,094)**	(1,890)
Selling, general and administrative costs	**(96)**	(160)
Other income (expenses)	**(7)**	(12)
Restructuring costs	**(1)**	0
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**1**	83
Financial income (expenses)	**(3)**	(5)
Profit before taxes	**(2)**	78
Income taxes	**3**	(25)
Profit for the year	**1**	**53**

The profit from discontinued operations relating to the sale of C&W Group totals €522 million and includes the gain recognized as the difference between the proceeds on the sale (€1,134 million) and the accounting value of €613 million, as well as EXOR's share of the profit for the six months to June 30, 2015 (date of the last line-by-line consolidation) of €1 million.

The net cash flows attributable to discontinued operations in the statement of cash flows, referring to C&W Group, are presented below:

€ million	I Half 2015	Year 2014
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**122**	118
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Profit for the period	**1**	53
Amortization and depreciation	**28**	40
Other non-cash items	**(1)**	(1)
Change in provisions	**0**	(8)
Change in deferred taxes	**(12)**	(20)
Change in working capital	**(110)**	8
TOTAL	**(94)**	72
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Investments in property, plant and equipment and intangible assets	**(16)**	(24)
Acquisitions of investments made by operating subsidiaries	**(15)**	(55)
Proceeds from the sale of non-current assets realized by operating subsidiaries		1
TOTAL	**(31)**	(78)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Issuance of medium-term borrowings	**330**	280
Repayment of medium-term borrowings	**(251)**	(265)
Net change in other financial debt and other financial assets/liabilities	**(2)**	(2)
Purchase of treasury stock	**(1)**	(11)
Dividends paid by subsidiaries	**0**	(3)
Other changes	**(2)**	(5)
TOTAL	**74**	(6)
Translation exchange differences	**6**	16
E) NET CHANGE IN CASH AND CASH EQUIVALENTS	**(45)**	4
F) CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**77**	122

27. Equity

Share capital

At December 31, 2015, the share capital of EXOR, fully subscribed to and paid-in, amounts to €246,229,850, unchanged compared to December 31, 2014, and consists of 246,229,850 ordinary shares with a par value of €1.

At December 31, 2015, share capital includes €2,667 thousand of transfers of revaluation reserves carried out in the past which, in the event of distribution, would form part of the taxable income of the company.
The directors have the right, for a period of five years from the date of the resolution passed on May 30, 2013, to increase, one or more times, also in divisible form, the share capital up to an amount of €500 million, as well as to issue convertible bonds, with the corresponding capital increase to service the conversion, up to €1,000 million but each time for an amount that does not exceed the limit set by law.
Share capital may also be increased by a contribution in kind or receivables.
The ordinary shares are registered shares.

Treasury stock

In 2015 EXOR completed the placement of 12,000,000 treasury shares (4.87% of share capital) through an accelerated book building offering to institutional investors for a total gross amount of €511 million. Following this transaction EXOR holds 11,883,746 treasury shares equal to approximately 4.83% of share capital.
In the context of the placement Giovanni Agnelli e C. S.a.p.az. purchased €50 million of shares, bringing its investment in EXOR to 51.87% of share capital.
In 2016 EXOR will cancel the remaining treasury shares except for those treasury shares necessary to service EXOR's stock options plans.

Dividends paid

Dividends referring to the year 2014 were paid by EXOR S.p.A. in 2015 for €0.35 per share to the 222,346,104 shares outstanding for a total of €78 million.

Other comprehensive income

The composition of other comprehensive income in the statement of comprehensive income is as follows:

€ million	**12/31/2015**	12/31/2014
Other comprehensive income that will not be reclassified to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	821	(653)
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	(6)	(4)
Items relating to C&W Group, net of tax effect	1	(5)
Total Other comprehensive income that will not be reclassified to the income statement, before tax effect (B1)	**816**	(662)
Other comprehensive income that may be reclassified to the income statement:		
Effective portion of gains (losses) on cash flow hedges arising during the year	(100)	(596)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	482	131
Gains (losses) on cash flow hedges	**382**	(465)
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	190	64
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	(113)	12
Gains (losses) on fair value of available-for-sale financial assets	**77**	76
Exchange differences on translating foreign operations arising during the year	1.118	1.910
Exchange differences on translating foreign operations reclassified to the income statement		
Items relating to C&W Group, net of tax effect	47	64
Exchange differences on translating foreign operations	**1.165**	1.974
Share of other comprehensive income of investments accounted for using the equity method arising during the year	(14)	18
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	1	21
Share of other comprehensive income of investments accounted for using the equity method	**(13)**	39
Total other comprehensive income that may be reclassified to the income statement, before tax effect (B2)	**1.611**	1.624
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**2.427**	962
Tax effect	**(311)**	233
Total other comprehensive income, net of tax	**2.116**	1.195

With reference to the defined benefit plans of the Group, the gains and losses arising from the remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related net liabilities or assets for defined benefit plans (see note 27).

The tax effect relating to other comprehensive income is as follows:

	12/31/2015			**12/31/2014**		
€ million	**Pre-tax balance**	**Tax benefit (expense)**	**Net -of-tax balance**	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	815	(226)	589	(657)	113	(544)
Effective portion of gains (losses) on cash flow hedges	382	(85)	297	(465)	120	(345)
Gains (losses) on remeasurement of available-for-sale financial assets	77		77	76	3	79
Exchange gains (losses) on translating foreign operations	1.118		1.118	1.910		1.910
Share of other comprehensive income of investments accounted for using the equity method	(13)		(13)	39	(3)	36
Items relating to C&W Group	48		48	59		59
Total Other comprehensive income	**2.427**	**(311)**	**2.116**	**962**	**233**	**1.195**

Non-controlling interests

Details are as follows:

€ million	%	Capital and reserves	Profit (loss)	Total
At December 31, 2015				
FCA Group	70.84%	11,209	279	11,488
CNH Industrial Group	72.72%	4,633	(172)	4,461
Juventus Football Club S.p.A.	36.23%	13	14	27
Total		**15,855**	**121**	**15,976**
At December 31, 2014				
FCA Group	70.75%	9,327	451	9,778
CNH Industrial Group	72.58%	3,990	500	4,490
C&W Group	16.94%	36	9	45
Juventus Football Club S.p.A.	36.23%	20	(7)	13
Total		**13,374**	**952**	**14,326**

Share-based compensation

EXOR S.p.A. stock option plans

EXOR stock option plans include the Stock Option Plan EXOR 2008-2019 approved in 2008, the Long Term Incentive Plan approved in 2012 and the Incentive Plan 2015 approved in 2015.

Stock Option Plan EXOR 2008-2019

The Stock Option Plan EXOR 2008-2019 has a maximum of 15 million options corresponding to a maximum of 3,975,000 EXOR ordinary shares, exercisable at a price of €19.97 per EXOR share. The Plan grants the beneficiaries free options on treasury stock purchased by the company or by companies in the Holdings System in accordance with existing laws. The Plan does not provide for the issue of new shares so there are no dilutive effects on share capital.

An analysis of the changes in the stock options granted is as follows:

€ thousand	Number of options granted	Number of ordinary shares exercisable	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	3,000,000	795,000	6,329	1,232
Key employees of companies in the Holdings System	2,862,000	758,430	4,462	582
Total	**5,862,000**	**1,553,430**	**10,791**	**1,814**

Long Term Incentive Plan

The EXOR shareholders' meeting held on May 29, 2012 approved an Incentive Plan pursuant to art. 114-bis of Legislative Decree 58/98, proposed by the board of directors on April 6, 2012.

The Plan is intended as an instrument for long-term incentive and is in two parts: the first is a stock grant and the second is a stock option:

- the first part of the Plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to 31 beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System;
- the second part of the Plan, denominated "Company Performance Stock Options", provides for a total of 3 million options to be granted to the beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares.
- the vesting period of the options is from 2014 to 2018 in annual lots of the same number that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System.
  The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual beneficiaries. The Chairman and Chief Executive Officer of the company is the beneficiary of the

Company Performance Stock Options. The other beneficiaries could be about 15 employees of EXOR S.p.A. and/or companies in the Holdings System, who hold key positions in the company organization and are identified by the Chairman and Chief Executive Officer. In 2015, as the target was not reached, 20% of the options were forfeited.

The Plans are serviced by treasury stock and therefore will have no diluting effects since there will be no issue of new shares.

The "Long Term Stock Grant" is composed as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Employees of companies in the Holdings System	**168,166**	**3,328**	**584**

In 2015, 3,000 options were forfeited due to the termination of the collaboration relationship and 6,500 options were granted.

The composition of the "Company Performance Stock Option" Plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR S.p.A.	450,000	1,625	271
Employees of companies in the Holdings System	583,200	2,068	349
Total	**1,033,200**	**3,693**	**620**

During 2015, 344,400 options of the "Company Performance Stock Option" Plan were forfeited because the specific performance targets linked to the variation in EXOR's NAV, which at December 31, 2014 was lower than the change in the MSCI Index in Euro, were not met.

Incentive Plan 2015

The Incentive Plan 2015 is directed to independent directors and the purpose is to align the compensation of the directors with the strategic objectives of the company, offering them the opportunity to choose between taking part in the Incentive Plan 2015 as an alternative to the cash remuneration established by the shareholders' meeting. The Plan provides for the free grant of a maximum of 70,000 EXOR shares to the directors who decide to take part in the Plan, subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. The Plan will be serviced with treasury stock. In 2015 all eight independent directors joined the Incentive Plan 2015.

At December 31, 2015 stock grants were awarded to the independent directors as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Independent directors	**28,032**	**1,200**	**238**

FCA Group stock option plans

At December 31, 2015 and at December 31, 2014 the FCA Group has in place various share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of FCA.

Performance Share Units

In 2015 FCA awarded a total of 14,713,100 Performance Share Units ("PSU awards") to certain key employees linked to performance goals covering a five-year period from 2014 to 2018. The goals include a net income target ("PSU NI") as well as total shareholder return ("PSU TSR"), with each weighted at 50% and settled independently of the other. Half of the award will vest if the performance targets are met whereas the remaining 50%, which is based on market conditions, have a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 14.7 million. One-third of the total award will vest in February 2017, a cumulative two-thirds in February 2018 and a cumulative 100% in February 2019 if the respective financial goals for the years 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The vesting of the ("PSU NI") awards based on net income performance will be determined by comparing the Group's net profit excluding unusual items compared to the net income targets established in the business plan that was published in May 2014, starting from the commencement of the performance period on January 1, 2014.
The weighted average fair value of the PSU-NI awards granted during the year ended December 31, 2015 was €8.78 ($9.76), which was calculated using the MonteCarlo method,.

The key assumptions utilized to calculate the grant-date fair values for the PSU NI awards issued are summarized below:

	Range
Grant date stock price	€13.44 - €15.21
Expected volatility	40%
Risk-free rate	0.7%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of the U.S. Treasury bonds with similar terms to the vesting date of each PSU NI award.

The weighted average fair value of the PSU TSR awards granted during the year ended December 31, 2015 was €16.52 ($18.35), which was calculated using a Monte Carlo simulation model.

The key assumptions utilized to calculate the grant-date fair values for the PSU TSR awards issued are summarized below:

	Range
Grant date stock price	€13.44 - € 15.21
Expected volatility	37%-39%
Dividend yield	0%
Risk-free rate	0.7%-0.8%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of the U.S. Treasury bonds with similar terms to the vesting date of the PSU TSR awards. In addition, since the volatility of each member of the defined peer group is not wholly independent of one another, a correlation coefficient was developed based on historical share price changes for FCA and the defined peer group over a three-year period leading up to the grant date of the awards.

Restricted Share Units

During the year ended December 31, 2015, FCA awarded 5,196,550 Restricted Share Units (RSU awards) to certain key employees of the Company which represent the right to receive FCA shares. These shares will vest in three equal tranches in February of 2017, 2018 and 2019.

Total expense for the PSU awards and RSU awards is approximately €54 million in 2015 whereas the unrecognized compensation expense is approximately €178 million, which will be recognized over a weighted-average period of 2.2 years.

Chief Executive Officer - *Special Recognition Award*

On April 16, 2015, the shareholders of FCA approved a grant of 1,620,000 common shares to the Chief Executive Officer, which vested immediately. The weighted average fair value of the shares at the grant date was €15.21 ($16.29), measured using FCA's share price on the grant date. A one-time charge of €24.6 million was recorded in the income statement related to this grant.

Stock option plans

Stock option plans linked to Fiat and CNH Industrial ordinary shares

On July 26, 2004, the board of directors granted the Chief Executive Officer, as a part of his variable compensation in that position, options to purchase 10,670,000 Fiat ordinary shares at a price of €6.583 per share. Following the de-merger of CNHI from Fiat, the beneficiary had the right to receive one ordinary Fiat share and one ordinary CNHI share for each original option, with the option exercise price remaining unchanged. The options were fully vested and they were exercisable at any time until January 1, 2016. The options were exercised in total in November 2014 and the beneficiary received 10,670,000 shares of FCA since the options were exercised after the Merger, in addition to 10,670,000 CNHI shares.

On November 3, 2006, the Fiat board of directors approved (subject to the subsequent approval of shareholders obtained on April 5, 2007), the "November 2006 Stock Option Plan", an eight year stock option plan, which granted certain managers of the Group and the Chief Executive Officer of Fiat the right to purchase a specific number of Fiat ordinary shares at a fixed price of €13.37 each. More specifically, the 10 million options granted to employees and the 5 million options granted to the Chief Executive Officer had a vesting period of four years, with an equal number vesting each year, and were subject to achieving certain predetermined profitability targets (Non-Market Conditions or "NMC") in the reference period and were exercisable from February 18, 2011. An additional 5 million options were granted to the Chief Executive Officer of Fiat that were not subject to performance conditions but also had a vesting period of four years with an equal number vesting each year and were exercisable from November 2010. The ability to exercise the options was also subject to specific restrictions regarding the duration of the employment relationship or the continuation of the position held. Following the demerger of CNHI from Fiat, the beneficiaries had the right to receive one ordinary Fiat share and one ordinary CNHI share for each original option, with the option exercise price remaining unchanged.

With specific reference to the options under the November 2006 Stock Option Plan, for which vesting was subject to the achievement of pre-established profitability targets, only the first tranche of those rights had vested as the profitability targets originally established for the 3-year period 2008-2010 were not met.

Stock Grant plans linked to Fiat shares

On April 4, 2012 the shareholders resolved to approve the adoption of a Long Term Incentive Plan (the "Retention LTI Plan"), in the form of stock grants.

As a result, the Group granted the Chief Executive Officer 7 million rights, which represented an equal number of ordinary shares. One third of the rights vested on February 22, 2013, one third vested on February 22, 2014 and one third vested on February 22, 2015, which had been subject to the requirement that the Chief Executive Officer remain in office. The Plan was serviced in 2015 through the issuance of new shares.

Changes in the Retention LTI Plan in 2015 are as follows:

	2015		2014	
	Number of FCA shares	Average fair value at grant date (€)	Number of FCA shares	Average fair value at grant date (€)
Outstanding shares unvested at the beginning of the year	**2,333,334**	**4.205**	**4,666,667**	**4.205**
Vested	(2,333,334)	4.205	(2,333,333)	4.205
Outstanding shares unvested at the end of the year	**0**	**4.205**	**2,333,334**	**4.205**

Nominal costs for this plan of €0.3 million (€2 million in 2014) were recognized in 2015.

Share-Based Compensation Plans issued by FCA US

FCA US has units outstanding under two legacy share-based compensation plans: the Amended and Restated FCA US Directors' Restricted Stock Unit Plan ("FCA US Directors' RSU Plan") and the FCA US 2012 Long-Term Incentive Plan ("2012 LTIP Plan"). There are no units outstanding under the FCA US Restricted Stock Unit Plan ("RSU Plan") or the FCA US Deferred Phantom Share Plan ("DPS Plan").

Compensation expense for those plans and cash payments under those plans in 2015 and 2014 were not material.

The fair value of each unit issued under the FCA US share-based compensation plans is based on the fair value of FCA US's membership interests. Each unit represents a "FCA US Unit," which is equal to 1/600th of the value of a FCA US membership interest. Since there is no publicly observable trading price for FCA US membership interests, fair value was determined using a discounted cash flow methodology. This approach, which is based on projected cash flows of FCA US, is used to estimate the enterprise value of FCA US. The fair value of FCA US's outstanding interest bearing debt as of the measurement date is deducted from the enterprise value of FCA US to arrive at the fair value of equity. This amount is then divided by the total number of FCA US Units, as determined above, to estimate the fair value of a single FCA US Unit.

Anti-Dilution Adjustments

On February 3, 2015, FCA US made a special distribution to FCA in the amount of $1,338 million (€1,176 million), which reduced the fair value of FCA US's equity.

As a result of this dilutive event and pursuant to the anti-dilution provisions, the FCA US board of directors approved an anti-dilution adjustment factor to increase the number of outstanding FCA US Units in order to preserve the economic benefit intended to be provided to each participant. The value of the outstanding awards immediately prior to the dilutive event was equal to the value of the adjusted awards subsequent to the dilutive event. No additional expense was recognized as a result of this modification during 2015. For comparative purposes, the number of FCA US Units and all December 31, 2014 fair value references have been adjusted to reflect the impact of the dilutive transaction and the anti-dilution adjustment.

During the year ended December 31, 2014, two transactions occurred that diluted the fair value of FCA US's equity and the per unit fair value of a FCA US Unit:

- the $1,900 million (€1,404 million) distribution paid on January 21, 2014, which served to fund a portion of the transaction whereby Fiat acquired the VEBA Trust's remaining ownership interest in FCA US;
- the prepayment of the VEBA Trust Note on February 7, 2014 that accelerated tax deductions that were being passed through to the FCA US's members.

As a result of these two dilutive events and pursuant to the anti-dilution provisions an anti-dilution adjustment factor was approved by FCA US's Compensation Committee to increase the number of outstanding FCA US Units (excluding performance share units granted under the 2012 LTIP Plan ("LTIP PSU")) in order to preserve the economic benefit intended to be provided to each participant. The value of the outstanding awards immediately prior to the dilutive events was equal to the value of the adjusted awards subsequent to the dilutive events. No additional expense was recognized as a result of the modifications during 2014. For comparative purposes, the number of FCA US Units and all December 31, 2013 fair value references have been adjusted to reflect the impact of the dilutive transaction and the anti-dilution adjustment.

Restricted Stock Unit Plans of FCA US

There were no awards outstanding under the FCA US Restricted Stock Unit Plan (FCA US RSU Plan) as of December 31, 2015.

Director RSU Plans were granted to non-employee members of the FCA US board of directors. Under the plan, settlement of the awards is made within 60 days of the director's cessation of service on the FCA US board of directors and awards are paid in cash. On May 7, 2015, the FCA US board of directors approved an amendment to the Director RSU Plan, freezing the Director RSU awards unit value as of December 31, 2015.

The expense recognized in total for both the FCA US RSU Plan and the Directors' RSU Plan for the year ended December 31, 2015 was approximately €8 million (€6 million in 2014).

There is no unrecognized compensation expense for both the FCA US RSU plan and the Directors' RSU Plan at December 31, 2015.

Changes in 2015 and 2014 are the following:

	2015		2014 Adjusted per Anti-Dilution	
	FCA US Restricted Stock Units	**Weighted average fair value at grant date (€)**	**FCA US Restricted Stock Units**	**Weighted average fair value at grant date (€)**
Outstanding shares unvested at the beginning of the year	**1,545,985**	**4.18**	**5,550,897**	**3.14**
Granted				
Vested	(1,545,985)	4.58	(3,893,470)	3.01
Forfeited			(111,442)	3.85
Outstanding shares unvested at the end of the year	**0**		**1,545,985**	**4.18**

FCA US 2012 Long-Term Incentive Plan

In February 2012, the Compensation Committee of FCA US adopted the 2012 Long-Term Incentive Plan 2012 ("2012 LTIP"). The 2012 LTIP Plan covers senior FCA US executives (other than the Chief Executive Officer). As of December 31, 2015, only restricted share units ("LTIP RSUs") remain outstanding under the plan, all of which will be settled prior to March 31, 2016.

The expense recognized in connection with the 2012 LTIP Plan in 2015 was €4 million (€6 million in 2014). Total unrecognized compensation expense at December 31, 2015 was less than €1 million, which will be recognized over the remaining service periods. The corresponding tax benefit for the years ended December 31, 2015 and 2014 was €2 million.

Changes in 2015 and 2014 are the following:

	Adjusted per Anti-Dilution			
	2015		2014	
	LTIP RSUs	**Weighted average fair value at grant date (€)**	**LTIP RSUs**	**Weighted average fair value at grant date (€)**
Outstanding shares unvested at the beginning of the year	**2,303,928**	**4.67**	**4,054,807**	**4.08**
Granted				
Vested	(1,544,664)	4.98	(1,630,392)	4.15
Forfeited	(104,558)	5.36	(120,487)	4.24
Outstanding shares unvested at the end of the year	**654,706**	**5.50**	**2,303,928**	**4.67**

	Adjusted per Anti-Dilution			
	2015		2014	
	LTIP PSUs	**Weighted average fair value at grant date (€)**	**LTIP PSUs**	**Weighted average fair value at grant date (€)**
Outstanding shares unvested at the beginning of the year	**5,320,540**	**8.62**	**8,417,511**	**5.64**
Granted			5,556,503	7.62
Vested	(5,302,138)	9.44		
Forfeited	(18,402)	9.44	(8,653,474)	5.89
Outstanding shares unvested at the end of the year	**0**		**5,320,540**	**8.62**

CNH Industrial Group stock option plans

At December 31, 2015 CNH Industrial's equity awards are governed by several plans: i) CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP"); ii) CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP"); iii) CNH Global N.V. Equity Incentive Plan ("CNH EIP"); iv) CNH Global N.V. Directors' Compensation Plan ("CNH DCP"); and, v) Fiat Industrial Long-Term Incentive Plan ("Fiat Industrial Plan").

CNH Industrial recognized total share-based compensation expense in 2015 and 2014 of €44 million and €37 million. CNH Industrial had unrecognized share-based compensation expense related to non-vested awards of approximately €69 million based on current assumptions related to achievement of specified performance objectives, when applicable. Unrecognized share-based compensation costs will be recognized over a weighted-average period of 2.1 years.

CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP")

In the Annual General Meeting held on April 16, 2014, shareholders approved the adoption of the CNH Industrial Equity Incentive Plan ("EIP"), an umbrella program defining the terms and conditions for any subsequent long-term incentive program. The plan grants equity awards to any current or prospective executive director, officer or employee of, or service provider to, CNH Industrial, subject to the terms and conditions established by the Compensation Committee. The EIP authorizes 25 million common shares over a five-year period, of which a maximum of 7 million would be authorized for awards to executive directors. These shares may be newly issued shares or treasury shares. The EIP will terminate at, and no more awards will be permitted to be granted thereunder ten years after its adoption by the board of directors of CNH Industrial N.V. The termination of the EIP will not affect previously granted awards.

Performance Share Units

In 2014 and 2015, CNH Industrial issued to its Chief Executive Officer and selected key employees approximately 12 million and 1 million Performance Share Units (PSU), respectively, with financial performance goals covering a five-year period from January 1, 2014 to December 31, 2018. The performance goals include a performance condition as well as a market condition, with each weighted at 50% and paying out independently of the other. Half of the award will vest if the performance condition is met; whereas the other half, which is based on the market condition, has a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be granted may vary from the original estimate of 12 million shares. One-third of total grant will vest in February 2017, a cumulative two-thirds in February 2018, and a cumulative 100% in February 2019 if the respective financial goals for 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The fair values of the awards that are contingent upon the achievement of the performance condition were measured using stock prices on respective grant dates adjusted for the present value of future dividends that employees will not receive during the vesting period. The weighted average fair value for the PSUs based on the performance condition that were issued in 2014 and 2015 is $9.48 and $9.33 per share, respectively.

The fair values of the awards that are based on the market condition were calculated using the Monte Carlo Simulation model. The weighted average fair value for the awards that were issued in 2014 and 2015 is $8.19 and $7.95 per share, respectively.

As a significant majority of the awards was issued on June 9 and 25, 2014, the key assumptions utilized to calculate the grant-date fair values for awards issued on these two grant dates are listed below:

	Key assumptions for awards issued on	
	June 9, 2014	June 25, 2014
Grant date stock price (in $)	10.88	10.19
Expected Volatility (%)	44.5	44.1
Dividend yield (%)	2.6	2.7
Risk-free rate (%)	1.69	1.68

The expected volatility is based on a weighted average of historical volatility experienced by the common shares of CNH Global N.V., Fiat Industrial S.p.A. and CNH Industrial N.V. over a five-year period ending on the grant date. The expected dividend yield was based on CNH Industrial's historical dividend payout as management expects the dividend payout for future years to be consistent. The risk-free interest rate was based on the yields of five-year U.S. Treasury bonds.

Movements in Performance-based Share Units are as follows:

	2015		2014	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**12,101,760**	**8.84**		
Granted	980,400	6.25	12,237,960	8.84
Forfeited	(1,490,900)	8.69	(136,200)	8.72
Vested	0		0	
Outstanding shares unvested at the end of the year	**11,591,260**	**8.64**	**12,101,760**	**8.84**

Restricted Share Units

In 2014 and 2015, CNH Industrial issued to selected employees approximately 1 million and 2 million shares of Restricted Share Units ("RSUs") with a weighted average fair value of $9.21 and $8.60 per share, respectively. These shares will vest in three equal tranches over a three-year period. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

Additionally, CNH Industrial issued 3 million restricted share units to the Chairman of CNH Industrial N.V., in June 2014. The weighted average fair value of these shares is $10.41 per share, measured using the stock price on the grant date adjusted for the present value of future dividends that the Chairman will not receive during the vesting period. These shares are service based and will vest in five tranches at the end of each year. The first tranche and second tranche of 750,000 shares each vested on December 31, 2014 and December 31, 2015, respectively, which were exercised on February 23, 2015 and February 8, 2016, respectively.

Movements in Restricted Share Units are as follows:

	2015		2014	
	Restricted shares	Weighted average grant-date fair value ($)	Restricted shares	Weighted average grant-date fair value ($)
Outstanding shares unvested at the beginning of the year	**3,512,139**	**9.88**		
Granted	1,531,900	8.08	4,283,859	10.05
Forfeited	(158,186)	9.29	(21,720)	9.4
Vested	(1,140,333)	10.21	(750,000)	10.88
Outstanding shares unvested at the end of the year	**3,745,520**	**9.67**	**3,512,139**	**9.88**

CNH Industrial N.V. Directors' Compensation Plan (CNH Industrial DC")

On September 9, 2013 the CNH Industrial DCP was approved by the shareholders and adopted by the board of directors of CNH Industrial.

The CNH Industrial DCP provides for the payment of the following to eligible members of the CNH Industrial N.V. board in the form of cash, and/or common shares of CNH Industrial N.V., and/or options to purchase common shares of CNH Industrial N.V., provided that such members do not receive salary or other employment compensation from CNH Industrial N.V. or FCA, and their subsidiaries and affiliates:

- $125,000 annual retainer fee for each non-executive director;
- an additional $25,000 for each member of the Audit Committee and $35,000 for the Audit Committee Chairman;
- an additional $20,000 for each member of every other board committee and $25,000 for the committee chairman.

Each quarter of the CNH Industrial DCP year, the eligible directors elect the form of payment of their fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of fees the director elects to be paid in common shares, divided by the fair market value of a CNH Industrial N.V. common share on the date that the quarterly payment is made. Common shares issued to the eligible director vest immediately upon grant. If an eligible director elects to receive all or a portion of fees dividing (i) by (ii) where (i) equals the dollar amount of the quarterly payment that the eligible director elects to receive in the form of stock options multiplied by four and (ii) the fair market value of the common shares on the date that the quarterly payment is made. The CNH Industrial DCP defines fair market value, as applied to each ordinary share, to be equal to the average of the highest and lowest sale price of a CNH Industrial N.V. common share during normal trading hours on the last trading day of each plan quarter in which sales of common shares on the New York Stock Exchange are recorded. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

There are 200,000 common shares authorized for issuance under the CNH Industrial DCP. As of December 31, 2015, 50,000 stock options were issued under the CNH Industrial DCP at a weighted average exercise price of $9.42 per share and weighted average fair value of $2.87 per share.

CNH Global Equity Incentive Plan ("CNH EIP")

The CNH Global Equity Incentive Plan provides for grants of stock options, restricted share units and performance share units to former officers and employees of CNH Global. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH EIP in connection with the Merger. CNH Industrial can not issue any new equity awards under the CNH EIP; however, CNH Industrial is required to issue shares under the CNH EIP to settle the exercise or vesting of the existing equity awards.

On September 29, 2013, outstanding stock options, unvested restricted share units and performance share units under the CNH EIP became exercisable or convertible for common shares of CNH Industrial N.V. The number of shares of outstanding equity awards was increased and the exercise price of stock options reduced to take into account the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share. The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

Stock Option Plan

In September 2012, approximately 2.7 million performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). Upon the achievement of CNH Global's 2012 target performance objective, approximately 4 million of options were granted. These options vested in three equal tranches in February 2012, 2013 and 2014. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.

No stock options were issued in 2014 and 2015 under the CNH EIP.

Outstanding stock options under the CNH EIP are as follows:

	At December 31, 2015			At December 31, 2014	
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price ($)**	Number of options outstanding	Weighted average exercise price ($)
2.92 – 5.00	-	-	-	13,688	2.92
5.01 – 10.00	4,491,907	1.6	8.32	5,873,839	8.09
10.01 – 15.00	4,278,010	1.2	10.15	4,974,025	10.15
Total	**8,769,917**			**10,861,552**	

Changes during the year in stock option plans are as follows:

	2015		2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	**10,861,552**	**9.03**	**12,621,745**	**8.77**
Granted	-	-	-	-
Forfeited	(1,033,560)	9.58	(222,861)	9.64
Exercised	(1,058,075)	6.95	(1,398,229)	6.51
Expired	-	-	(139,103)	10.35
Outstanding at the end of the year	**8,769,917**	**9.21**	**10,861,552**	**9.03**
Exercisable at the end of the year	**8,769,917**	**9.21**	**9,320,898**	**9.07**

The Black-Scholes pricing model was used to calculate the fair value of stock options for options granted in 2012 under the CNH EIP. The assumptions used under the Black-Scholes pricing model are as follows:

Performance Share Units

In 2012, CNH Global issued several grants of performance-based share units. These shares were originally designed to cliff vest in February 2015 based on the achievement of their respective performance targets of CNH Global. In connection with the Merger, the performance targets for these awards had been deemed to be met and the outstanding shares continued to vest in February 2015 when employees have provided the required service.

Awards that were modified in the same manner included the third tranche of several performance-based share units issued prior to 2012 which were scheduled to vest in February 2015 upon the achievement of certain performance targets of CNH Global.

Overall, approximately 3 million of performance-based share units were converted to service based restricted shares, which resulted in no performance-based share units outstanding as of December 31, 2014.

The total number of shares granted in 2012 was 500,000 with a weighted average fair value of $10.62 per share.

No performance-based shares were granted in 2015 and 2014 under the CNH EIP.

Restricted share units

In 2012, 700,000 restricted share units were granted under the CNH EIP with a weighted average fair value of $11.40 per share. Restricted share units are service based and vest in three equal installments over three years starting from the grant date. Compensation cost for the restricted share units is recognized on a straight-line basis over the requisite service period for each separate vesting portion of the award as if the award was, in substance, multiple awards.

No restricted shares units were granted in 2015 and 2014 under the CNH EIP.

Changes during the year are as follows:

	2015		**2014**	
	Number of shares	**Weighted average grant date fair value ($)**	Number of shares	Weighted average grant date fair value ($)
Outstanding shares unvested at the beginning of the year	**3,191,444**	**7.82**	**930,525**	**7.95**
Converted from Performance Share Units (PSU)	-	-	3,103,937	7.67
Granted	(78,869)	8.79		
Forfeited	(3,112,575)	7.79	(240,415)	7.65
Vested	-	-	(602,603)	7.32
Outstanding shares unvested at the end of the year	**0**	**7.82**	**3,191,444**	**7.82**

The fair value of performance-based shares and restricted shares under the CNH EIP was based on the market value of CNH Global's common shares on the date of the grant.

CNH Global Directors' Compensation Plan ("CNH DCP")

CNH Global Directors' Compensation Plan was aimed at directors of former CNH Global and provided for compensation in the form of cash, and/or common shares of CNH Global N.V., and/or options to purchase common shares of CNH Global N.V. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH DCP in connection with the Merger. Stock options issued under the CNH DCP were converted using the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share and exercisable for common shares of CNH Industrial N.V. on the date the merger became effective. As of December 31, 2015, approximately 30,000 stock options from the CNH DCP were still outstanding. The CNH DCP was terminated effective as of the Merger and no new equity awards will be issued under the CNH DCP.

Fiat Industrial Plan

In the Annual General Meeting of shareholders held on April 5, 2012, Fiat Industrial S.p.A. shareholders approved the adoption of a Long-Term Incentive Plan (the "Fiat Industrial Plan") consisting of two components (Company Performance LTI and Retention LTI) taking the form of stock grants. According to the Fiat Industrial Plan, Fiat Industrial granted the Chairman of Fiat Industrial 1 million rights as part of the Company Performance LTI and 1.1 million rights as part of the Retention LTI. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the Fiat Industrial Plan. On the Effective Date, the unvested equity awards under the former Fiat Industrial Plan became convertible for common shares of CNH Industrial N.V. on a one-for-one basis. The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

1.1 million rights from the Retention LTI vested ratably over three years on February 22, 2013, 2014 and 2015. The last tranche of rights was exercised on February 23, 2015.

Under the terms of the Long-Term Incentive Plan, the rights to the Company Performance LTI will vest on condition that predetermined financial performance targets for the period from January 1, 2012 to December 31, 2014 are met and on condition that the beneficiary remains in office up to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors; the rights will become exercisable and may be exercised in a single installment subsequent to the date of approval of the consolidated financial statements at December 31, 2014 by the board of directors.

In connection with the Merger, upon recommendation of the Compensation Committee, the board of directors of CNH Industrial resolved to consider the performance conditions met for the Chairman's Company performance share units. This modification did not result in any additional compensation expenses. The units vested on February 1, 2015 and were exercised on February 23, 2015.

The two awards were settled by issuing new shares.

28. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2015	12/31/2014	Change
Present value of defined benefit obligations:			
Pension plans	30,564	30,371	193
Healthcare and life insurance plans	3,522	3,300	222
Other post-employment benefits	1,308	1,454	(146)
Total present value of defined benefit obligations	**35,394**	35,125	269
Fair value of plan assets	(24,792)	(24,608)	(184)
Asset ceiling	11	11	0
Total net defined benefits plan assets	**10,613**	10,528	85
of which:			
Net defined benefit liability	10,786	10,648	138
(Defined benefit plan asset)	173	120	53
Other provisions for employees	1,650	1,426	224
Total provisions for employee benefits	**12,436**	**12,074**	362

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically.

The Group provides post-employment benefits under defined contribution and defined benefit plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, healthcare plans, life insurance plans, and other post-employment benefits.

Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to their employees under defined contribution plans. In this case, the Group pays contributions to publicly or privately administered insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfills all of its obligations. The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. In 2015 this cost amounts to €2,037 million (€1,937 million in 2014).

Pension benefits

Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain hourly and salaried employees. Benefits are based on a fixed rate for each year of service.

Additionally, contributory benefits are provided to certain salaried employees based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during certain period of time preceding retirement.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.

The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.

To the extent that a fund is overfunded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus.

In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years. As of December 31, 2015, the combined credit balances for the U.S. and Canadian qualified pension plans was approximately €2.1 billion, the usage of the credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The Group contributions to funded pension plans for 2016 are expected to be €584 million, of which €542 million relates to the pension plans of FCA US, with €408 million being discretionary contributions and €134 million to be made to satisfy minimum funding requirements. The expected benefit payments for pension plans are as follow:

€ million	2016	2017	2018	2019	2020	2021-2025
Expected benefit payments	2,028	1,984	1,958	1,939	1,924	9,458

Changes in pension plans are the following:

	12/31/2015				12/31/2014			
€ million	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
Amounts at January 1	**30,371**	**(24,520)**	**11**	**5,862**	**25,716**	**(20,977)**	**23**	**4,762**
Included in the income statement								
Current service cost	222	0	0	222	204	0	0	204
Interest expenses (income)	1,244	(994)	0	250	1,194	(962)	0	232
Other administrative costs	4	92	0	96	3	62	0	65
Past service costs (income) and (gains) losses arising from settlements	(13)	4	0	(9)	(13)	28	0	15
Included in Other comprehensive income								
Actuarial (gains) losses from:								
- demographic assumptions	(102)	0	0	(102)	(210)	0	0	(210)
- financial assumptions	(1,435)	0	0	(1,435)	2,201	0	0	2,201
- other	29	(8)	0	21	3	0	(18)	(15)
Return on assets	0	837	0	837	0	(1,666)	0	(1,666)
Change in the effect of limiting net assets	0	0	5	5	0	0	3	3
Exchange differences	2,383	(1,925)	1	459	3,026	(2,468)	1	559
Other								
Contribution by employer	0	(261)	0	(261)	0	(254)	0	(254)
Contribution by plan participants	5	(5)	0	0	4	(4)	0	0
Benefits paid	(2,034)	2,000	0	(34)	(1,764)	1,733	0	(31)
Other changes	(110)	85	(6)	(31)	7	(12)	2	(3)
Amounts at December 31	**30,564**	**(24,695)**	**11**	**5,880**	**30,371**	**(24,520)**	**11**	**5,862**

During 2015, an increase in discount rates resulted in actuarial gains for the year ended December 31, 2015, while a decrease in discount rates resulted in actuarial losses for the year ended December 31, 2014.

During the year ended December 31, 2015, mortality assumptions used for our U.S. benefit plan valuation were updated to reflect recent trends in the industry and the revised outlook for future generational mortality improvements. Generational improvements represent decreases in mortality rates over time based upon historical improvements in mortality and expected future improvements. The change increased the Group's U.S. pension and other post-employment benefit obligations by approximately €214 million and €28 million, respectively. In addition, retirement rate assumptions used for the Group's U.S. and Canada benefit plan valuations were updated to reflect an ongoing trend towards delayed retirement for U.S. and Canada employees. The change decreased the Group's U.S. and Canada pension benefit obligations by approximately €209 million.

In 2014, following the release of new standards by the Canadian Institute of Actuaries, mortality assumptions used for our Canadian benefit plan valuations were updated to reflect recent trends in the industry and the revised outlook for future generational mortality improvements.

The change increased the Group's Canadian pension obligations by approximately €41 million. Additionally, retirement rate assumptions used for the Group's U.S. benefit plan valuations were updated to reflect an ongoing trend towards delayed retirement for FCA US employees.

The change decreased the Group's U.S. pension and other post-employment benefit obligations by approximately €261 million and €40 million, respectively.

There were no significant plan amendments or curtailments to the Group's pension plans for the year ended December 31, 2015.

The fair value of plan assets by class is as follows:

€ million	12/31/2015 Amount	12/31/2015 of which have a quoted market price in an active market	12/31/2014 Amount	12/31/2014 of which have a quoted market price in an active market
Cash and cash equivalents	**607**	**513**	740	616
US equity securities	2,209	2,209	2,422	2,353
Non-US equity securities	1,653	1,388	1,518	1,486
Commingled fund	2,025	164	2,009	186
Equity instruments	**5,887**	**3,761**	5,949	4,025
Government securities	3,441	1,137	3,225	1,053
Corporate bonds (including convertible and high-yield bonds)	6,560	0	6,556	37
Other fixed income securities	938	7	1,564	21
Fixed income securities	**10,939**	**1,144**	11,345	1,111
Private equity funds	1,787	0	1,648	0
Commingled funds	137	117	5	5
Mutual funds	496	0	462	0
Real estate funds	1,502	0	1,395	0
Hedge funds	2,607	0	1,841	0
Investment funds	**6,529**	**117**	5,351	5
Insurance contracts and other	**733**	**49**	1,135	95
Total fair value of plan assets	**24,695**	**5,584**	**24,520**	**5,852**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalization. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments includes those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimize the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of FCA, CNH Industrial or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset-liability matching.
The fixed income target asset allocation partially matches the bond-like and long–dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

For the **FCA Group**:

	12/31/2015			12/31/2014		
(in %)	**USA**	**Canada**	**UK**	USA	Canada	UK
Discount rate	**4.5**	**4**	**3.8**	4.0	3.8	4
Future salary increase rate	**n.a.**	**3.5**	**2.9**	n.a.	3.5	3.0
Average duration (years)	**11**	**13**	**20**	11	13	21

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.

The effect of an increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, would be a decrease of €418 million and an increase of €426 million, respectively, in the defined benefit obligations.

For the **CNH Industrial Group**:

(in %)	12/31/2015	12/31/2014
Discount rate	**3.49**	3.21
Future salary increase rate	**2.73**	3.11
Average duration (years)	**12**	13

Weighted-average discount rates are used in measurements of pension, healthcare and other post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing the Group's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.

The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €379 million and increase of €456 million, respectively, in the defined benefit obligations.

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to employees and retirees in the U.S. and Canada by FCA US companies and those of the Agricultural Equipment and Construction Equipment sectors of CNH Industrial.

CNH Industrial United States employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for post-retirement healthcare and life insurance benefits under the CNH Industrial plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH Industrial has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. Until December 31, 2006 these plans were fully unfunded; starting in 2007, CNH Industrial began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

The expected benefits for healthcare and life insurance plans are the following:

€ million	2016	2017	2018	2019	2020	2021-2025
Expected benefit payments	206	205	204	204	204	1,027

Changes in healthcare and life insurance plans are as follows:

	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation
Present value of obligations at January 1	**3,300**	**(88)**	**3,212**	**2,750**	**(72)**	**2,678**
Included in income statement						
Current service cost	39	0	39	28	0	28
Interest (income) expenses	146	(4)	142	136	(3)	133
Past service costs (income) and (gains) losses arising from settlements	0	0	0	(2)	0	(2)
Included in Other comprehensive income						
Actuarial (gains) losses from:						
- demographic assumptions	0	0	0	(72)	0	(72)
- financial assumptions	(45)	0	(45)	290	0	290
- other	(16)	0	(16)	(13)	0	(13)
Return on assets	0	4	4	0	(5)	(5)
Exchange differences	314	(10)	304	359	(10)	349
Other changes			0			
Contribution by employer	0	0	0	0	0	0
Contribution by plan participants	8	0	8	6	0	6
Benefits paid	(223)	2	(221)	(186)	2	(184)
Other changes	(1)	(1)	(2)	4	0	4
Present value of obligation at December 31	**3,522**	**(97)**	**3,425**	**3,300**	**(88)**	**3,212**

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

	31.12.2015		31.12.2014	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents			2	
US equity securities				
Non-US equity securities	49	14	13	13
Equity instruments	**49**	**14**	13	13
Government securities	10	8	8	4
Corporate bonds (including convertible and high-yield bonds)	34		21	
Other fixed income	2		11	
Debt instruments	46	8	40	4
Insurance contracts and other	**2**		33	
Total fair value of plan assets	**97**	**22**	**88**	**17**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

for the **FCA Group:**

	12/31/2015		12/31/2014	
(in %)	**USA**	**Canada**	USA	Canada
Discount rate	**4.5**	**4.2**	4.1	3.9
Future salary increase rate	**1.5**	**1.5**	n.a.	n.a.
Weighted average ultimate health care cost trend rate	**4.5**	**4.3**	5.0	3.6
Average duration (years)	**13**	**16**	12	16

The discount rates used by the FCA Group for the measurement of these obligations are based on yields of high-quality (AA-rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments.

The effect of an increase or decrease of 0.1% in the discount rate, holding all other assumptions constant, for the FCA Group would be a decrease of €31 million and increase of €32 million, respectively, in the benefit obligations at December 31, 2015.

Assumed discount rates used to estimate healthcare cost trend rates have a significant effect on the amount recognized for the relative plans. The effect of a decrease or an increase of one percentage point in the assumed healthcare cost trend rates would be a decrease of €129 million and an increase of €157 million, respectively, in the defined obligations at December 31, 2015.

The annual rate of increase in the per capita cost of covered U.S. healthcare benefits assumed for next year and used in the 2015 plan valuation was 7% (6.5% in 2014). The annual rate was assumed to decrease gradually to 4.5% after 2029 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian healthcare benefits assumed for next year and used in the 2015 plan valuation was 4.66% (3.3% in 2014). The annual rate was assumed to increase gradually to 4.32% in 2029 and remain at that level thereafter.

for the **CNH Industrial Group**:

(in %)	12/31/2015	12/31/2014
Average discount rate	**4.27**	3.96
Future salary increase rate	**2.50**	3.00
Weighted average initial health care cost trend rate	**6.98**	7.23
Weighted average ultimate health care cost trend rate	**5.00**	5.00
Average duration (years)	**13**	13

The weighted-average discount rates are used in measurements of pension, healthcare and other post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.
The discount rates for the remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The weighted-average healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on CNH Industrial's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration for CNH Industrial's U.S. assumptions.

The weighted-average initial trend is a short-term assumption based on recent experience and prevailing market conditions. The weighted-average ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, aging population, and a changing mix of medical services. CNH Industrial expects to achieve the ultimate healthcare cost trend rate in 2017 and 2018 for U.S. and Canada plans, respectively.

Beginning in 2016, CNH Industrial will change the method used to estimate the service cost and net interest components of the net benefit cost. The new method uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the net benefit obligations to relevant projected cash outflows. Prior to 2016, those costs were determined using a single weighted-average discount rate. The change does not affect the measurement of the total benefit obligations.
The new method will provide a more precise measure of service cost and net interest expense by improving the correlation between the projected benefit cash flows and the discrete spot yield curve rates. CNH Industrial will account for this change as a change in estimate prospectively beginning in the first quarter of 2016. The decrease in the 2016 net benefit cost, primarily in the net interest expense, is estimated to be approximately $13 million (approximately €12 million) compared to the previous method.

Assumed discount rates and healthcare cost trend rates have a significant effect on the amount recognized in the 2015 financial statements.
The effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €120 million and increase of €147 million, respectively, in the benefit obligations at December 31, 2015.

The effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €149 million and decrease of €121 million, respectively, in the defined healthcare benefit obligations at December 31, 2015.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €1,006 million at December 31, 2015 and €1,104 million at December 31, 2014), consisting of the residual obligation for the benefit due to employees of Italian companies until December 31, 2006, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

€ million	**12/31/2015**	**12/31/2014**
Present value of obligation at January 1	**1,454**	1,394
Included in income statement		
Current service cost	16	37
Interest (income) expenses	9	16
Past service costs (income) and (gains) losses arising from settlements	0	(17)
Included in Other comprehensive income		
Actuarial (gains) losses from:		
- demographic assumptions	(2)	(2)
- financial assumptions	(46)	117
- other	(16)	15
Exchange differences	(1)	2
Other changes		
Benefits paid	(86)	(107)
Change in the scope of consolidation	1	15
Other changes	(21)	(16)
Present value of obligation at December 31	**1,308**	**1,454**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and the mortality rates.

The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments. For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2015 is equal to 1,6 % (1.7% in 2014). The average duration of the Italian leaving entitlement is approximately 7 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and law requirements for retirement in Italy.

As for the FCA Group the effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €38 million and increase of €41 million, respectively, in the benefit obligations at December 31, 2015.

Other provisions for employees

At December 31, 2015, other provisions for employees include other long-term benefits obligations of €1,650 million (€1,426 million at December 31, 2014) representing the expected obligation for benefits such as jubilee and long-term disability granted to certain employees by the Group.

29. Other provisions

Changes in other provisions are as follows:

€ million	Beginning balance	Charge	Utilization	Release to income	Change in scope of consolidation	Translation differences	Other changes	Closing balance
At December 31, 2015								
Warranty and technical assistance provision	5,684	4,095	(3,955)	1,259	(2)	325	(21)	7,385
Restructuring provision	219	73	(119)	(21)	0	4	(5)	151
Investment provision	13	0	0	0	0	0	5	18
Other risks	7,819	16,791	(14,933)	(228)	(22)	349	(99)	9,677
Total other provisions	**13,735**	20,959	(19,007)	1,010	(24)	678	(120)	**17,231**
At December 31, 2014								
Warranty and technical assistance provision	4,462	3,157	(2,749)	389	1	420	5	5,684
Restructuring provision	251	138	(158)	(8)	0	2	(6)	219
Investment provision	17	0	0	0	(2)	0	(4)	13
Other risks	7,170	13,031	(12,358)	(339)	6	506	(191)	7,819
Total other provisions	**11,900**	16,326	(15,265)	42	5	928	(196)	**13,735**

The warranty and technical assistance provision represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for vehicles. Warranty provisions also include management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which are estimated by making an assessment of the historical occurrence of defects on a case-by-case basis and are accrued when a reliable estimate of the amount of the obligation can be made.

Product warranty and recall campaigns provision at December 31, 2015 include the change in estimate for estimated future recall campaign costs for the U.S. and Canada of €761 million related to vehicles sold in periods prior to the third quarter of 2015 as well as additional warranty costs in the second half of 2015 related to the increase in the accrual rate per vehicle. Translation differences primarily related to the foreign currency translation from U.S. dollar to Euro.

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual and commercial risks and disputes.

The composition of the provision for other risks is as follows:

€ million	12/31/2015	12/31/2014	Change
Sales incentives	6,267	4,859	1,408
Legal proceedings and other disputes	1,328	920	408
Commercial risks	693	722	(29)
Environmental risks	93	61	32
Indemnities	52	62	(10)
Other provisions for risks and charges	1,244	1,195	49
Total other risks	**9,677**	**7,819**	1,858

In particular, they refer to:

- sales incentives: this provision offers sales incentives on a contractual basis to the Group's dealer networks, primarily given if the dealers achieve a specific cumulative level of sales transactions during the calendar year;
- legal proceedings and other disputes: this provision represents management's best estimate of the liability to be recognized with regard to:
  - legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes);
  - legal proceedings involving claims with active and former employees;
  - legal proceedings involving different tax authorities.

This item also includes provisions for commercial risks, environmental risks, contract indemnities and other estimated product liability costs.

It should also be noted that starting January 2011, Iveco S.p.A., a wholly owned subsidiary of CNH Industrial, and certain of its competitors have been subject to an investigation being conducted by the European Commission into certain business practices of the leading manufacturers of trucks and commercial vehicles in the European Union in relation to alleged anti-competitive behavior.

On November 20, 2014, Iveco received a Statement of Objections from the European Commission alleging that Iveco and other companies in the heavy and medium truck industry had breached EU antitrust rules. The Commission indicated that it would seek to impose significant fines on the manufacturers. The Statement of Objections is a formal step in the Commission's investigative process and details the Commission's preliminary view of the conduct of the companies involved.

The Statement of Objections is not a final decision and, as such, it does not prejudice the final outcome of the proceedings. Under the applicable procedural rules, the Commission will review the manufacturers' responses before issuing a decision and any decision would be subject to further appeals.

Iveco is evaluating the Statement of Objections and the documents in the Commission's case file and intends to issue its response to the Commission in due course and to take advantage of any opportunity allowed by the procedure to clarify its position in this matter. Given the numerous uncertainties in the next stages of the investigation, when the 2015 financial were prepared CNH Industrial was unable to predict the outcome or to estimate any potential fine at that time.

On the basis of recent developments in the investigation in progress that occurred after the date of the publication of its 2015 financial statements, on March 24, 2016 CNH Industrial announced that in the first quarter of 2016 it will accrue approximately $500 million (€450 million) in relation to the investigation. Since these developments occurred before the approval of EXOR's 2015 financial statements the accrual is included in these financial statements.

30. Financial debt

The composition of financial debt is as follows:

€ million	12/31/2015	12/31/2014	Change
Asset-backed financing	**12,146**	11,660	486
Other financial debt:			
Bonds	23,809	27,114	(3,305)
Borrowings from banks	18,385	17,621	764
Payables represented by securities	1,212	1,843	(631)
Other financial debt:	1,728	1,951	(223)
Total other financial debt	**45,134**	48,529	(3,395)
Total financial debt	**57,280**	**60,189**	(2,909)

During 2015 the Group issued bonds of €5,012 million and repaid bonds on maturity of €8,932 million. Repayments of medium-/long-term loans and credit facilities amount to approximately €6,505 million, while new medium-/long-term loans secured by the Group total €6,446 million.

Asset backed financing

Asset-backed financing represents the amount of financing received through securitization and factoring transactions which do not meet IAS 39 derecognition requirements and is recognized as an asset in the statement of financial position under current receivables and other current assets (note 22).

In addition, at December 31, 2015 the Group's assets include current receivables and cash to settle asset-backed financing of €12,146 million (€11,660 million at December 31, 2014) (see note 22).

Bonds

The bond issues outstanding at December 31, 2015 are as follows:

	Currency	Face value of outstanding bonds (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2015	12/31/2014
Bonds issued by EXOR S.p.A.						
EXOR S.p.A.	€	440	5.38%	June 12, 2017	452	452
EXOR S.p.A.	€	150	4.75%	October 16, 2019	150	150
EXOR S.p.A.	€	200	3.38%	November 12, 2020	199	199
EXOR S.p.A.	€	750	2.125%	December 2, 2022	745	
EXOR S.p.A.	€	650	2.50%	October 8, 2024	652	652
EXOR S.p.A.	€	100	5.25%	January 31, 2025	103	103
EXOR S.p.A.	€	250	2.875%	December 22, 2025	247	
EXOR S.p.A.	Yen	10,000	2.80% 6 months	May 9, 2031	77	69
Total bonds issued by EXOR S.p.A.					**2,625**	**1,625**
Bonds issued by the FCA Group						
Global Medium Term Notes:						
Fiat Chrysler Finance Europe S.A.	€	1,500	6.875%	13-Feb-15		1,500
Fiat Chrysler Finance Europe S.A.	CHF	425	5.000%	7-Sep-15		353
Fiat Chrysler Finance Europe S.A.	€	1,000	6.375%	April 1, 2016	1,000	1,000
Fiat Chrysler Finance Europe S.A.	€	1,000	7.750%	October 17, 2016	1,000	1,000
Fiat Chrysler Finance Europe S.A.	CHF	400	5.250%	November 23, 2016	369	333
Fiat Chrysler Finance Europe S.A.	€	850	7.000%	March 23, 2017	850	850
Fiat Chrysler Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000	1,000
Fiat Chrysler Finance Europe S.A.	CHF	450	4.000%	November 22,2017	415	374
Fiat Chrysler Finance Europe S.A.	€	1,250	6.625%	March 15, 2018	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	600	7.375%	July 9, 2018	600	600
Fiat Chrysler Finance Europe S.A.	CHF	250	3.125%	September 30, 2019	231	208
Fiat Chrysler Finance Europe S.A.	€	1,250	6.750%	October 14, 2019	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	1,000	4.750%	March 22, 2021	1,000	1,000
Fiat Chrysler Finance Europe S.A.	€	1,350	4.750%	July 15, 2022	1,350	1,350
Other					7	7
Total Global Medium Term Notes					**10,322**	**12,075**
Other bonds:						
FCA US Notes	$	2,875	8.000%	June 15, 2019		2,368
FCA US Notes	$	3,080	8.250%	June 15, 2021		2,537
FCA Notes	$	1,500	4.500%	April 15, 2020	1,378	
FCA Notes	$	1,500	5.250%	April 15, 2023	1,378	
Total other bonds					**2,756**	**4,905**
Hedging effect and amortized cost valuation					**363**	**668**
Total bonds issued by the FCA Group					**13,441**	**17,648**
Bonds issued by the CNH Industrial Group						
Global Medium Term Notes:						
CNH Industrial Finance Europe S.A.	€	1,000	5.250%	March 11, 2015		1,000
CNH Industrial Finance Europe S.A.	€	1,200	6.250%	March 9, 2018	1,200	1,200
CNH Industrial Finance Europe S.A.	€	1,000	2.750%	March 18, 2019	1,000	1,000
CNH Industrial Finance Europe S.A.	€	700	2.875%	September 27, 2021	700	700
CNH Industrial Finance Europe S.A.	€	100	3.500%	November 12, 2025	100	
Total Global Medium Term Notes					**3,000**	**3,900**
Other bonds:						
CNH Capital LLC	$	750	3.875%	November 1, 2015		618
CNH America LLC	$	254	7.250%	January 15, 2016	233	209
CNH Capital LLC	$	500	6.250%	November 1, 2016	459	412
CNH Capital LLC	$	500	3.250%	February 1, 2017	459	412
Case New Holland Industrial Inc.	$	1,500	7.875%	December 1, 2017	1,378	1,236
CNH Capital LLC	$	600	3.625%	April 15, 2018	551	494
CNH Capital LLC	$	600	3.875%	July 16, 2018	551	
CNH Capital LLC	$	500	3.375%	July 15, 2019	459	412
CNH Capital LLC	$	600	4.375%	November 6, 2020	551	
Total other bonds					**4,642**	**3,793**
Hedging effect and amortized cost valuation					**101**	**148**
Total bonds issued by the CNH Industrial Group					**7,743**	**7,841**
Total bonds					**23,809**	**27,114**

Bonds issued by EXOR S.p.A.

In December 2015 the following non-convertible bonds were issued:

- 2015-2022 bonds for a nominal amount €750 million at the issue price of 99.499% with a fixed annual coupon of 2.125%;
- 2015-2025 bonds for a nominal amount of €250 million at the issue price of 98.934% with a fixed annual coupon of 2.875%.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure. The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies.

Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds. Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2015. Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Bonds issued by the FCA Group

In April 2015, FCA issued $1.5 billion (€1.4 billion) principal amount of 4.5% unsecured senior debt securities due April 15, 2020 (“the Initial 2020 Notes”) and $1.5 billion (€1.4 billion) principal amount of 5.25% unsecured senior debt securities due April 15, 2023 (the “Initial 2023 Notes”) at an issue price of 100% of their principal amount. On June 17, 2015, subject to the terms and conditions set forth in the prospectus, FCA commenced an offer to exchange up to $1.5 billion (€1.4 billion) aggregate principal amount of new 4.5% unsecured senior debt securities due 2020 (“the 2020 Notes”), for any and all of outstanding Initial 2020 Notes, and up to $1.5 billion (€1.4 billion) aggregate principal amount of new 5.25% unsecured senior debt securities due 2023 (“the 2023 Notes”), for any and all of outstanding Initial 2023 Notes. The 2020 Notes and the 2023 Notes, collectively referred to as “the Notes”, are identical in all material respects to the Initial Notes, except that the Notes do not contain restrictions on transfer.

Debt issuance costs, arrangement fees and other direct costs were split evenly across the two Notes and were recorded as a reduction in the carrying value of the Notes and are amortized using the effective interest rate method over the respective life of the Notes. Interest is payable semi-annually in April and October.

On May 14, 2015, FCA US prepaid its 2019 Notes due June 15, 2109 with an aggregate principal outstanding amount of $2,875 million (€2,518 million) at a price equal to the principal amount of the notes redeemed, plus accrued and unpaid interest to the date of redemption and a “make-whole” premium calculated in accordance with the terms of the indenture. The prepayment involved financial expenses of €51 million that were recorded in the income statement.

On December 21, 2015, FCA US prepaid its 2021 Notes with an aggregate principal outstanding amount of $3,080 million (€2,833 million) at a price equal to the principal amount of the notes redeemed, plus accrued and unpaid interest to the date of redemption and a “make-whole” premium calculated in accordance with the terms of the indenture. The prepayment involved financial expenses of €117 million that were recorded in the income statement.

In addition, in 2015 FCA repaid at maturity two notes of principal value €1,500 million and CHF 425 million (€390 million) issued by Fiat Chrysler Finance Europe S.A.

Certain notes issued by FCA, excluding FCA US, are governed by the terms and conditions of the Global Medium Term Notes Programme (GMTN Programme”). A maximum of €20 billion may be used under this program, of which notes of approximately €10.3 billion were outstanding at December 31, 2015 (€12.1 billion at December 31, 2014). The GMTN Programme is guaranteed by FCA Group.

The notes issued by Fiat Chrysler Finance Europe S.A. and by Fiat Chrysler Finance North America Inc. impose covenants on the issuer and, in certain cases, on FCA as guarantor, which include: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or FCA is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes; (ii) *pari passu* clauses, under which the notes rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or

FCA; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the notes under certain events of default on other financial instruments issued by the Group's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the notes.

Bonds issued by the CNH Industrial Group

During 2015 CNH Industrial Group issued the following bonds:

- in June 2015, CNH Industrial Capital LLC issued $600 million of debt securities at an annual fixed rate of 3.875% due in 2018;
- in November 2015, CNH Industrial Capital LLC issued $600 million of debt securities at an annual fixed interest rate of 4.375% due in 2020;
- under the Global Medium Term Note Programme in November 2015, CNH Industrial Finance Europe S.A. issued $100 million of notes at an annual fixed rate of 4.375% due 2020.

The bonds issued by the CNH Industrial Group may contain commitments of the issuer, and in certain cases, commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledges, *pari passu* and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. In addition, the bonds guaranteed by CNH Industrial N.V. under the Global Medium Term Note Programme, contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. leading to a rating downgrading.

The individual company issuers intend to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued bonds, also for their cancellation. Such buy backs, if made, depend upon market conditions, the financial situation of the Group companies and other factors which could affect such decisions.

Credit lines

At December 31, 2015 **EXOR S.p.A.** has unused irrevocable credit lines for €345 million (including €305 million due by December 31, 2016), in addition to unused revocable credit lines for more than €558 million.

EXOR also has an irrevocable credit line in foreign currency for a residual amount of $1.9 billion (€1.7 billion), unused at December 31, 2015 and earmarked for the acquisition of PartnerRe. This credit line, which is due after December 31, 2016, was partially cancelled upon receipt of the proceeds from the sale of C&W Group, the placement of EXOR treasury stock and the issue of two EXOR bonds in the month of December.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.

In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €275 million.

At December 31, 2015, the **CNH Industrial Group's** available committed lines of credit expiring after twelve months amount to €2.8 billion (€2.2 billion at December 31, 2014). The Group has credit facilities available in varying currencies that have various maturity dates up to 2019.

In 2014 a €1.75 billion five-year committed multi-currency revolving credit facility replaced the pre-existing €2 billion credit facility. This line of credit was guaranteed by the parent company with cross-guarantees from each of the borrowers (i.e., CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.) and envisages typical provisions for contracts of this type and size, such as: financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to industrial activities), negative pledges, *pari passu*, cross-default provisions and a change in control. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances.

At December 31, 2015 **Juventus Football Club** has revocable lines of credit of €295 million, drawn for a total of €149 million.

Borrowings from banks
Borrowings from banks at December 31, 2015 amount to €18,385 million (€17,621 million at December 31, 2014) and refer principally to:

- for €14,317 million (€12,751 million at December 31, 2014) to the FCA Group;
- for €4,038 million (€4,567 million at December 31, 2014) to the CNH Industrial Group;
- for €30 million (€106 million at December 31, 2014) to Juventus F.C.

At December 31, 2014 borrowings from banks included €174 million relating to the use of the credit facility ($190.9 million equal to €157 million) and the promissory note ($18.3 million equal to €15 million) of C&W Group.

At December 31, 2015 borrowings from banks of the **FCA Group** under the Senior Credit facilities of FCA US consist of the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018, including accrued interest, respectively of €2,863 million (€2,587 million at December 31, 2014) and €1,574 million (€1,421 million at December 31, 2014).
FCA US may pre-pay, refinance or re-price the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018, without premium or penalty.

The Senior Credit Facilities are secured by a Senior Priority Security Interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100 percent of the equity interests in FCA US's U.S. subsidiaries and 65 percent of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

In addition, the credit agreements that govern the Senior Credit Facilities (the "Senior Credit Agreements") include a number of affirmative covenants for FCA US, many of which are customary, including, but not limited to, negative covenants, including, but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness; (ii) limitations on incurrence of liens; (iii) limitations on making restricted payments including a limit on declaring dividends or distributions to FCA; (iv) limitations on transactions with affiliates, swap agreements and sale and leaseback transactions; (v) limitations on fundamental changes, including certain asset sales and (vi) restrictions on certain subsidiary distributions. In addition, the Senior Credit Agreements require FCA US to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined in the Senior Credit Agreements), as well as a minimum liquidity of $3 billion (€2.8 billion) including any undrawn credit lines under the revolving credit facility.
Furthermore, the Senior Credit Agreements contain a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants; (iii) breaches of representations and warranties; (iv) certain changes of control; (v) cross–default with certain other debt and hedging agreements and (vi) the failure to pay or post note for certain material judgments.

While the Senior Credit Facilities are outstanding, distributions will be limited to 50 percent of FCA US's consolidated net income (as defined in the agreements) from January 2012 less distributions paid to date.

In June 2015, FCA entered into a new €5.0 billion syndicated revolving credit facility (RCF). The RCF, which is for general corporate purposes and working capital needs of the Group, replaced and expanded the €2.1 billion three-year revolving credit facility entered into by FCA on June 21, 2013 and replaced the $1.3 billion five-year revolving credit facility of FCA US (FCA US RCF), that was scheduled to expire on May 24, 2016. On November 25, 2015, FCA US terminated its undrawn FCA US RCF.

The RCF is available in two tranches. As of December 31, 2015, the first tranche of €2.5 billion was available and was undrawn. The first tranche matures in July 2018 and has two extension options (1-year and 11-months, respectively) which are exercisable on the first and second anniversary of signing. The second tranche, which consists of an additional €2.5 billion, matures in June 2020 and will be available upon the elimination of the restrictions under certain of FCA US's financing documentation on the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group.
The covenants of the RCF include financial covenants (Net Debt/Adjusted EBITDA and Adjusted EBITDA/Net Interest ratios related to industrial activities) and negative pledge, *pari passu*, cross default and change of

control clauses. The failure to comply with these covenants and, in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts.

On June 29, 2015, FCA, EIB and SACE finalized a €600 million loan earmarked to support the Group's automotive research, development and production plans for 2015 to 2017 which includes studies for efficient vehicle technologies for vehicle safety and new vehicle architectures. The three-year loan provided by EIB, which is also 50 percent guaranteed by SACE, relates to FCA's production and research and development sites in both northern and southern Italy. The loan was drawn in full at December 31, 2015.

On March 20, 2015, FCA Mexico, S.A. de C.V., (FCA Mexico), the principal operating subsidiary in Mexico, entered into a $900 million (€0.8 billion) non-revolving loan agreement (Mexico Bank Loan) maturing on March 20, 2022 and received an initial disbursement of $500 million (€0.5 billion at December 31, 2015), which bears interest at one-month LIBOR plus 3.35 percent per annum. Effective July 20, 2015, the Group extended the disbursement term of the Mexico Bank Loan through September 20, 2016, during which time the remaining $400 million (€0.4 billion) is available for disbursement, subject to meeting certain preconditions for additional disbursements and a commitment fee of 0.50 percent per annum on the undisbursed balance. Principal payments are due on the loan in seventeen equal quarterly installments based on the total amount of all disbursements made under the loan agreement, beginning March 20, 2018, and interest is paid monthly throughout the term of the loan. The loan agreement requires FCA Mexico to maintain certain fixed and other assets as collateral, and comply with certain covenants, including, but not limited to, financial maintenance covenants, limitations on liens, incurrence of debt and asset sales. The Group may not prepay all or any portion of the loan prior to the 18-month anniversary of the effective date of the loan agreement. The proceeds of this transaction were used to prepay all amounts outstanding under the Mexican development bank credit facilities amounting to approximately €414 million. The operation led to the payment of financial expenses of €9 million. At December 31, 2015, €0.4 billion of the Mexico Bank loan was undisbursed.

FCA Group has undrawn committed credit lines totaling €3.4 billion (€3.3 billion at December 31, 2014), including the €2.5 billion tranche of the new €5.0 billion RCF entered into in 2015 and approximately €0.9 billion of other revolving credit facilities entered into by FCA in 2013 and the $1.3 billion FCA US RCF.

In addition, at December 31, 2015, the FCA Group has outstanding subsidized loans amounting to €1.9 billion (€2.3 billion at December 31, 2014), of which €1.2 billion relates to the construction of the plant in Pernambuco (Brazil), which has been supported by subsidized credit lines totaling Brazilian Real 6.5 billion (€1.5 billion). Approximately €0.3 billion of committed credit lines contracted to fund scheduled investments in the area were undrawn at December 31, 2015 (€0.9 billion at December 31, 2014). The average residual maturity of the subsidized loans was approximately 4 years.

In anticipation of the spin-off of Ferrari N.V. from FCA, on November 30, 2015, Ferrari N.V. entered into a syndicated loan facility. The facility consisted of a bridge loan and a term loan of €2 billion in aggregate as well as a revolving credit facility of €500 million. Proceeds of the loan were used to refinance indebtedness owed to FCA N.V. The obligations under the syndicated loan facility are limited in recourse to Ferrari and any of its subsidiaries which borrow under the facility, and are without recourse to any other part of FCA. The Ferrari RCF was undrawn at December 31, 2015.

Payables represented by securities

At December 31, 2015 the Group’s payables include securities totaling €366 million (€651 million at December 31, 2014), which represents FCA US’s financial liability to the Canadian Health Care Trust.

FCA issued an aggregate notional amount of $2,875 million (€2,293 million) of mandatory convertible securities on December 16, 2014. The obligation to pay coupons as required by the mandatory convertible securities meets the definition of a financial liability. The fair value amount determined for the liability component at issuance of the mandatory convertible securities was $419 million (€335 million) calculated as the present value of the coupon payments due less allocated transaction costs of $9 million (€7 million) that are accounted for as a debt discount. Subsequent to issuance, the financial liability for the coupon payments is accounted for at amortized cost. At December 31, 2015, the financial liability component is $216 million (€199 million) ($420 million or €346 million at December 31, 2014), of which €61 million relates to EXOR’s share which was eliminated on consolidation. The liability in respect of non-controlling interests at December 31, 2015 is €138 million (€239 million at December 31, 2014).

Other financial debt

The composition of other financial debt is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and adjustments	Consolidated
Other financial debt at December 31, 2015	1,261	232	0	195	41	(1)	**1,728**
Other financial debt at December 31, 2014	1,483	286	21	161	1	(1)	**1,951**
Change	(222)	(53)	(21)	34	40	(0)	(223)

At December 31, 2015 the FCA Group, excluding FCA US, had outstanding finance lease agreements for industrial buildings, plant machinery and equipment whose overall net carrying amount totals €379 million (€383 million at December 31, 2014), included in property, plant and equipment (Note 15). The net carrying amount of assets leased under finance lease agreements for FCA US was €470 at December 31, 2015 (€414 million at December 31, 2014).

Finance lease payables, included in other financial debt, amount to €676 million and comprise the following:

€ million	12/31/2015	12/31/2014	Change
Due within one year	105	93	12
Due between one and five years	362	348	14
Due beyond five years	209	259	(50)
Present value of minimum lease payments	**676**	**700**	(24)

As discussed in note 15, finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

Debt secured by assets

At December 31, 2015, debt secured by assets of the **FCA Group** excluding FCA US amount to €747 million (€777 million at December 31, 2014), of which €373 million (€379 million at December 31, 2014) is due to creditors for assets acquired under finance leases and the remaining amount mainly relates to subsidized financing in Latin America. The total carrying amount of assets acting as security for loans for the Group (excluding FCA US) amounts to €1,400 million at December 31, 2015 (€1,670 million at December 31, 2014). At December 31, 2015, debt secured by assets of FCA US amounts to €5,254 million and includes €4,437 million relating to the Senior Credit Facilities, €243 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €574 million. At December 31, 2014, debt secured by assets of FCA US amount to €9,881 million and includes €9,093 million relating to the Secured Senior Notes and Senior Credit Facilities, €251 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €537 million.

At December 31, 2015 debt secured by assets of the **CNH Industrial Group** amounts to €124 million (€124 million at December 31, 2014) and are secured by mortgages and other liens on assets of the Group; the amount also includes amounts due to creditors for assets acquired under finance leases of €49 million (€53 million at December 31, 2014). The total carrying amount of assets acting as security for loans totals €155 million (€158 million at December 31, 2014).

In addition, at December 31, 2015, the Group's assets include current receivables to settle asset-backed financing for €12,146 million (€11,660 million at December 31, 2014) (see note 22).

Financial debt by due date

An analysis of financial debt by due at December 31, 2015 at December 31, 2014 is as follows:

	12/31/2015				12/31/2014			
	Due within one year	**Due between one and five**	**Due beyond five years**	**Total**	**Due within one year**	**Due between one and five**	**Due beyond five years**	**Total**
Asset-backed financing	**6,353**	**5,743**	**50**	**12,146**	5,529	6,078	53	11,660
Other financial debt:								
Bonds	3,487	13,975	6,347	**23,809**	4,057	16,355	6,702	27,114
Borrowings from banks	6,127	11,358	900	**18,385**	5,683	10,854	1,084	17,621
Payables represented by securities	631	372	209	**1,212**	828	745	270	1,843
Other	856	648	224	**1,728**	1,031	523	397	1,951
Total other financial debt	**11,101**	**26,353**	**7,680**	**45,134**	11,599	28,477	8,453	48,529
Total financial debt	**17,454**	**32,096**	**7,730**	**57,280**	**17,128**	**34,555**	**8,506**	**60,189**

Financial debt by interest rate and currency

The annual interest rates and the nominal currencies of debt at December 31, 2015 are as follows:

€ million	**Less than 5%**	**From 5% to 7.5%**	**From 7.5% to 10%**	**From 10% to 12.5%**	**Greater than 12.5%**	**Total**
Euro	16,797	7,114	1,003	75		24,989
U.S. dollar	18,523	2,388	1,378	5	190	22,484
Brazilian real	813	1,296	873	151	1,969	5,102
Canadian dollar	1,358		354			1,712
Australian dollar	710					710
Swiss franc	652	369				1,021
Danish krone	18					18
Polish zloty	232			8		240
Chinese renminbi	138	183				321
Argentinian peso			12		210	222
Pound sterling	240					240
Other	32	91	29	24	45	221
Total financial debt at 12/31/2015	**39,513**	**11,441**	**3,649**	**263**	**2,414**	**57,280**

For further information on the management of interest rate and currency risk in connection with debt reference should be made to note 36.

Net financial position

The net financial position of the EXOR Group at December 31, 2015 as required by the Consob Regulation issued on July 28, 2006 and in conformity with the ESMA update of the CESR's "Recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses", is as follows:

€ million	12/31/2015	12/31/2014	Change
Long-term assets:			
Non-current securities (held-to-maturity)	76	76	0
Non-current financial receivables and other financial assets	4	4	0
	80	80	0
Liquidity:			
Cash and cash equivalents	30,587	29,243	1,344
Investments and current securities (held for trading)	562	1,145	(583)
	31,149	30,388	761
Receivables from financing activities	20,632	21,524	(892)
- of which: from joint venture financial services entities	*16*	*58*	*(42)*
Other financial assets	1,047	684	363
Financial indebtedness	(57,280)	(60,189)	2,909
Other financial liabilities	(832)	(988)	156
Net financial position	**(5,204)**	**(8,501)**	3,297

Receivables from financing activities include the entire portfolio of the consolidated financial services entities of the FCA Group and the CNH Industrial Group, classified as current assets as they will be realized during the normal operating cycle of these companies.

The net financial position excludes non-current financial assets (deposits and receivables) that do not comply with the requisites of the Consob Communication.

Non-current securities (held-to-maturity) include bonds issued by leading counterparties and listed on active and open markets which the Group intends, and has the ability, to hold until their natural repayment date as an investment of a part of its available cash so that it can receive a constant attractive flow of financial income. Such designation was made in accordance with IAS 39, paragraph 9.

31. Trade payables

The composition by business segment is the following:

€ million	FCA	CNH Industrial	C&W Group	Juventus F.C.	Holdings System	Eliminations and Adjustments	Consolidated
Trade payables at 12/31/2015	21,945	4,905	0	17	1	(205)	**26,663**
Trade payables at 12/31/2014	19,854	4,927	268	16	2	(183)	**24,884**
Change	2,091	(22)	(268)	1	(1)	(22)	1,779

An analysis of trade payables by due date is as follows:

€ million	12/31/2015	12/31/2014	Change
Due within one year	26,622	24,873	1,749
Due between one and five years	37	10	27
Due beyond five years	4	1	3
Trade payables	**26,663**	**24,884**	1,779

32. Other liabilities

The composition is as follows:

€ million	12/31/2015	12/31/2014	Change
Advances on buy-back agreements	4,464	4,187	277
Indirect tax payables	1,694	1,912	(218)
Accrued expenses and deferred income	3,907	3,502	405
Payables to personnel	1,210	1,185	25
Social security payables	532	532	0
Amounts due to customers for contract work	222	247	(25)
Other	3,357	3,616	(259)
Total other liabilities	**15,386**	**15,181**	205

Advances on buy-back agreements refer to agreements entered into by the Group during the year or which still remain effective at the balance sheet date, and relate to assets included in property, plant and equipment. Advances on buy-back agreements include:

- at the date of the sale, the price received for the product is recognized as an advance in liabilities;
- subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Indirect tax payables include taxes on commercial transactions accrued by the Brazilian subsidiary, Fiat Chrysler Automoveise Brasil Ltda (FCA Brasil Ltda), for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court regarding its claim alleging double taxation. In March 2007, FCA Brasil Ltda received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the Group's position. Since it is a preliminary decision and the amount may be required to be paid to the tax authorities at any time, the difference between the tax payments as preliminary allowed and the full amount determined as required by the legislation still in force is recognized as a liability. Timing for the Supreme Court decision is not predictable.

Deferred income includes the revenues not yet recognized in relation to separately-priced extended warranties and service contracts offered by FCA US. These revenues will be recognized in the income statement over the contract period in proportion to the costs expected to be incurred based on historical information.

Other includes the liability of €313 million arising from the MOU signed between FCA US and the UAW.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	12/31/2015				12/31/2014			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding accrued expenses and deferred income)	8,994	2,378	107	**11,479**	9,372	2,191	116	**11,679**

33. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

At December 31, 2015 the FCA Group has pledged guarantees on the debt or commitments of third parties totaling €19 million (€27 million at December 31, 2014), as well as guarantees of €4 million (€12 million at December 31, 2014) on related party debt.

SCUSA Private-Label Financing Agreement

In February 2013, FCA US entered into a private-label financing agreement (the "SCUSA Agreement") with Santander Consumer USA Inc. ("SCUSA"), an affiliate of Banco Santander, which launched on May 1, 2013. Under the SCUSA Agreement, SCUSA provides a wide range of wholesale and retail financing services to FCA US's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name. The financing services include credit lines to finance dealers' acquisition of vehicles and other products that FCA US sells or distributes, retail loans and leases to finance consumer acquisitions of new and used vehicles at independent dealerships, financing for commercial and fleet customers, and ancillary services. In addition, SCUSA offers dealers construction loans, real estate loans, working capital loans and revolving lines of credit.

The SCUSA Agreement has a ten-year term, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement.
In accordance with the terms of the agreement, SCUSA provided an upfront, nonrefundable payment of €109 million ($150 million) in May 2013, which was recognized as deferred revenue and is amortized over ten years. At December 31, 2015, €101 million ($110 million) remained in deferred revenue.

FCA US works with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as "subvention." FCA US has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on FCA US participation in gains and losses.

Other repurchase obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, FCA Mexico is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer's franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date. In December 2015, FCA Mexico entered into a ten year private label financing agreement with FC Financial, S.A De C.V., Sofom, E.R., Grupo Financiaro Inbursa ("FC Financial"), under which FC Financial provides a wide range of financial wholesale and retail financial services to FCA US's dealers and retail customers under the FCA Financial Mexico brand name.

At December 31, 2015, the maximum potential amount of future payments required to be made in accordance with these wholesale financing arrangements is approximately €275 million ($299 million) and is based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer's stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee is less than €0.1 million at December 31, 2015, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. These estimates are based on historical experience.

Arrangements with key suppliers

In the ordinary course of business, FCA enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Future minimum purchase obligations under these arrangements at December 31, 2015 are as follows:

€ million	2016	2017	2018	2019	2020	2021 and beyond
Future minimum purchase obligations	420	426	365	214	176	108

Guarantees granted by the CNH Industrial Group

At December 31, 2015, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries, joint ventures and associates totaling €290 million (€315 million at December 31, 2014).

Commitments of the FCA Group arising from contractual agreements

Sevel

As part of the Sevel cooperation agreement with Peugeot-Citroen (PSA), the FCA Group is party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, the FCA Group will have the right to acquire the residual interest in the Sevel joint operation with effect from December 31, 2017.

GAC GROUP

During 2015 the Group committed to contributing a total 1.3 billion Renminbi (RMB) (approximately €186 million) to the GAC Fiat Chrysler Automobiles Co. Ltd joint venture, which has begun localizing the production of Jeep vehicles for the Chinese market, of which RMB 700 million (approximately €100 million) was contributed in October 2015 and the remaining amount of RMB 600 million (approximately €85 million) is expected to be contributed in 2016. A total of €171 million was contributed during the year ended December 31, 2015 and the FCA Group's ownership percentage remains unchanged at 50 percent.

New labor agreement for the Italian companies

During the three months ended June 30, 2015, FCA's companies in Italy signed a new compensation arrangement which is effective retrospectively from January 1, 2015 through to December 31, 2018. The arrangement incentivizes all employees within the automobiles business toward achievement of the productivity, quality and profitability targets established in the 2015-2018 period of the 2014-2018 business plan developed in May 2014.

In 2015 a total of approximately €115 million was recorded as an expense in respect of the new compensation agreement, which includes both the guaranteed amount as employees render the services and an estimate of the costs for the period relating to the variable components.

New labor contract for United States companies

In October 2015, FCA US and the UAW signed to a new four-year national collective bargaining agreement, which will expire in September 2019. The agreement closes the pay gap between “Traditional” and “In-progression” employees over an eight year period and will continue to provide UAW-represented employees with a simplified adjusted profit sharing plan that is directly aligned with NAFTA profitability. The agreement includes lump-sum payments in lieu of further wage increases of primarily $4,000 for “Traditional” employees and $3,000 for “In-progression” employees totaling approximately $141 million (€127 million) that was paid to UAW members on November 6, 2015. These payments are being amortized ratably over the four-year labor agreement period.

Other contractual agreements - Mercurio

As part of merger agreement between La Stampa and Società Edizioni e Pubblicazioni S.p.A. (SEP) the FCA Group granted Mercurio S.p.A. a put option, exercisable from January 1, 2019 to December 31, 2019, to sell the 23% share held by the later in the company resulting from the merger, Italiana Editrice S.p.A.

Commitments of Juventus Football Club S.p.A.

The commitments of Juventus include guarantees received from leading credit institutions for €80 million (€28 million at December 31, 2014) in respect of the liabilities arising from the acquisition of players' registration rights (€70 million), the construction and realization of infrastructure costs for the Continassa Project (€5 million) and other commitments (€5 million).

Commitments of the Holdings System

The commitments principally include those undertaken by the subsidiary EXOR S.A. for the purchase of investments and other financial assets (€53 million), as well as the purchase from Almacantar Centre Point of four property units located in London (€67 million).

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2015 the total future minimum lease payments under non-cancellable operating lease contracts are as follows:

€ million	12/31/2015	12/31/2014	Change
Due within one year	257	275	(18)
Due between one and five years	639	716	(77)
Due beyond five years	289	391	(102)
Future minimum lease payments under operating lease contracts	**1,185**	**1,382**	(197)

During 2015 the Group recorded costs for lease payments of €308 million (€295 million in 2014).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal proceedings, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These proceedings seek recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

FCA Group

Contingent liabilities

Contingent liabilities estimated by the Group for which no provisions have been recognized since an outflow of resources is not considered to be probable and contingent liabilities for which a reliable estimate can be made amount to approximately €70 million at December 31, 2015 (€100 million at December 31, 2014). Furthermore, contingent assets and expected reimbursement in connection with these contingent liabilities for approximately €8 million at December 31, 2015 (€10 million at December 31, 2014) have been estimated but not recognized.

The Group will recognize the related amounts when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and the amounts can be reliably estimated (see Note 32).

Furthermore, in connection with significant asset divestitures carried out in prior years, the FCA Group provided indemnities to purchasers with the maximum amount of potential liability under these contracts generally capped at a percentage of the purchase price. These liabilities refer principally to potential liabilities arising from possible breaches of representations and warranties provided in the contracts and, in certain instances, environmental or tax matters, generally for a limited period of time. Potential obligations with respect to these indemnities were approximately €240 million at December 31, 2015 and 2014. At December 31, 2015 a total of €50 million (€58 million at December 31, 2014), within other provisions, has been recognized related to these obligations.

The Group has provided certain other indemnifications that do not limit potential payment and as such, it was not possible to estimate the maximum amount of potential future payments that could result from claims made under these indemnities.

Litigation

On July 9, 2012 a lawsuit was filed against FCA US in the Superior Court of Decatur County, Georgia, U.S. (the "Court"), with respect to a March 2012 fatality in a rear-impact collision involving a 1999 Jeep Grand Cherokee. Plaintiffs alleged that the manufacturer had acted in a reckless and wanton fashion when it designed and sold the vehicle due to the placement of the fuel tank behind the rear axle and had breached a duty to warn of the alleged danger. On April 2, 2015, a jury found in favor of the plaintiffs and the trial court entered a judgment against FCA US in the amount of $148.5 million (€138 million). On July 24, 2015, the Court issued a remittitur reducing the judgment against FCA US to $40 million (€36 million).

FCA US believes the jury verdict was not supported by the evidence or the law. FCA US maintains that the 1999 Jeep Grand Cherokee is not defective, and its fuel system does not pose an unreasonable risk to motor vehicle safety. The vehicle met or exceeded all applicable Federal Motor Vehicle Safety Standards, including the standard governing fuel system integrity. Furthermore, FCA US submitted extensive data to NHTSA validating that the vehicle performs as well as, or better than, peer vehicles in impact studies, and nothing revealed in the trial altered this data. During the trial, however, FCA US was not allowed to introduce all the data previously provided to NHTSA, which demonstrated that the vehicle's fuel system is not defective.

On August 10, 2015, FCA US filed a notice of appeal with the Georgia Court of Appeals. While a decision by an appellate court could affirm the judgment, FCA US believes it is more likely that the verdict will be overturned, that a new trial will be ordered or that the amount of the judgment will be further modified. FCA US does not, therefore, believe a loss is probable at the present time. The amount of the possible loss cannot reasonably be estimated at this time given that FCA US is in the early stages of what could be a lengthy appellate process, and the range of possible outcomes is between zero (as the verdict could be overturned or the award could be reduced to an immaterial amount) and the current judgment of $40 million (€36 million).

CNH Industrial Group

At December 31, 2015 contingent liabilities estimated by CNH Industrial Group amount to approximately €37 million (approximately €34 million at December 31, 2014), for which no provisions have been recognized since an outflow of resources is not considered probable at the present time. At December 31, 2015 and 2014, no contingent assets and expected reimbursements have been estimated. Instead when it is probable that an outflow of resources embodying economic benefits will be required to settle obligations and this amount can be reliably estimated, the CNH Industrial Group recognizes specific provisions for this purpose in other provisions.

Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its consolidated financial statements.

CNH Industrial N.V. is successor to Fiat Industrial S.p.A., the company formed as a result of the demerger of Fiat S.p.A. (now FCA) (the "Demerger"). As such, CNH Industrial continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial N.V. may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2015, the outstanding Liabilities amounted to approximately $1.3 billion (of which $1.1 billion consisted of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above-mentioned potential joint liability.

Juventus Football Club

On October 30, 2014, Nike European Operations Netherlands B.V. (Nike) served Juventus a notice of arbitration to initiate arbitration for alleged breaches of the sponsorship agreement of November 16, 2001. At the moment no concrete items of proof have been provided in support of Nike's claims. Juventus has filed an appearance in these arbitration proceedings putting forward all its defense arguments. The Arbitration board was constituted and set the various phases of the arbitration, which ended with the hearing of December 3, 2015.

Costruzioni Romane S.p.A. in liquidation (formerly ICS Grandi Lavori S.p.A.) sued Juventus FC S.p.A. before the Turin court asking to determine the fulfilment of the conditions precedent to which the contract signed on February 5, 2015 on the development of the Continassa Area was subject, and the failure of Juventus FC S.p.A. to carry out the contractual obligations, with the consequent right to compensation for alleged damages quantified in €5 million. The first hearing was set for October 28, 2015. Juventus FC S.p.A. appeared before the court and filed the relevant deposition, dismissing the party's claims as it deemed them completely unfounded in fact and in law.

34. Segment reporting

As disclosed in significant accounting principles, the EXOR Group has chosen to present segment information as set out in IFRS 8 – *Operating Segments.* Each reporting segment coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Juventus Football Club and the Holdings System.

Information by reporting segment for the year ended December 31, 2015 and 2014 is as follows:

€ million	FCA	CNH Industrial	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	EXOR consolidated
2015						
Revenues	113,191	23,777	397		(1,013)	**136,352**
Revenues from transactions with other segments	(556)	(431)	(18)		1,013	**8**
Revenues from external customers	112,635	23,346	379	0	0	**136,360**
Profit (loss) before taxes	687	594	47	232	(506)	**1,054**
Profit (loss) for the year	377	211	39	744	(506)	**865**
Of which: Profit (Loss) for the year from discontinued operations		0	0	522	0	**522**
Equity attributable to owners of the parent	16,144	6,584	75	10,138	(22,803)	**10,138**
Total equity	16,228	6,627	75	10,138	(6,954)	**26,114**
2014						
Revenues	96,090	24,808	317		(1,114)	**120,101**
Revenues from transactions with other segments	(603)	(490)	(20)		1,114	**1**
Revenues from external customers	95,487	24,318	297	0	0	**120,102**
Profit (loss) before taxes	1,176	1,117	(9)	280	(406)	**2,199**
Profit (loss) for the year	632	691	(17)	323	(406)	**1,276**
Of which: Profit (Loss) for the year from discontinued operations				43	(406)	**53**
Equity attributable to owners of the parent	13,425	6,206	36	7,995	(19,667)	**7,995**
Total equity	13,738	6,241	36	7,995	(5,689)	**22,321**

35. Information by geographical area

The following tables present an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the non-current assets on the basis of their geographical location divided according to the significance of the individual segments.

An analysis of revenues by geographical area is as follows:

€ million	**2015**	**2014**	Change
Italy	9,275	9,189	86
Europe, excluding Italy	23,461	20,686	2,775
North America	79,293	61,715	17,578
Central and South America	9,352	12,661	(3,309)
Africa	1,444	1,476	(32)
Asia	11,679	12,245	(566)
Australia and Oceania	1,856	2,130	(274)
Total revenues	**136,360**	**120,102**	16,258

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group) located in Italy and in the Rest of the world total €71,127 million (€64,921 at December 31, 2014) and may be analyzed as follows:

€ million	**12/31/2015**	**12/31/2014**	Change
Italy	15,338	14,472	866
Europe, excluding Italy	8,223	6,864	1,359
North America	37,744	34,127	3,617
Central and South America	7,891	7,654	237
Africa	30	31	(1)
Asia	1,846	1,715	131
Australia and Oceania	55	58	(3)
Total asset	**71,127**	**64,921**	6,206

36. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interest. The Group is also exposed to the risk of changes in the price of certain commodities, of some investments in listed and unlisted equity securities and in investment funds.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 28.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported after does not have any predictive value. In particular the sensitivity analysis on finance market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty.

A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors:

- significant financial difficulties of the counterparty;
- probability that the counterparty will be involved in an insolvency procedure;
- default on installment payments by the counterparty;
- restructuring or renegotiation of open items with the counterparty;
- changes in the payment status of one or more debtors included in a specific risk category;
- other contractual breaches.

The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted.

These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network made by Group financial service companies and on vehicles assigned under finance and operating lease agreements.

The maximum credit risk to which the Group is theoretically exposed at December 31, 2015 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 33.

FCA Group

Receivables for financing activities amounting to €2,006 million at December 31, 2015 (€3,843 million at December 31, 2014) contain balances totaling €4 million (€3 million at December 31, 2014), which have been written down on an individual basis. Of the remainder, balances totaling €44 million are past due by up to one month (€71 million at December 31, 2014), while balances totaling €21 million are past due by more than one

month (€31 million at December 31, 2014). In the event of installment payments, even if only one installment is overdue, the entire receivable balance is classified as overdue.
Trade receivables and other current receivables amounting to €5,054 million at December 31, 2015 (€4,810 million at December 31, 2014) contain balances totaling €13 million (€19 million at December 31, 2014) which have been written down on an individual basis. Of the remainder, balances totaling €214 million are past due by up to one month (€248 million at December 31, 2014), while balances totaling €211 million are past due by more than one month (€280 million at December 31, 2014).
Even though current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2015 which might lead to significant repayment risk.
Overall, the credit risk regarding the Group's trade receivables and receivables from financing activities is concentrated in the European Union, Latin America and North American markets.

CNH Industrial Group

Receivables for financing activities amounting to $19,001 million at December 31, 2015 (€17,453 million) contain balances totaling $312 million (€287 million) that have been written down on an individual basis. Of the remainder, balances totaling $163 million (€150 million) are past due by up to one month, while balances totaling $337 million (€310 million) are past due by more than one month.

At December 31, 2014 receivables for financing activities amounting to $21,472 million (€17,686 million), contained balances totaling $128 million (€105 million) that had been written down on an individual basis. Of the remainder, balances totaling $405 million (€334 million) were past due by up to one month, while balances totaling $375 million (€309 million) were past due by more than one month.

In the event of installment payments of loans, even if only one installment is overdue, the entire receivable balance is classified as overdue.

Trade receivables and other current receivables totaling $1,464 million (€1,345 million) at December 31, 2015 contain balances totaling $95 million (€87 million) that have been written down on an individual basis. Of the remainder, balances totaling $55 million (€51 million) are past due by up to one month, while balances totaling $78 million (€72 million) are past due by more than one month.

At December 31, 2014 trade receivables and other current receivables totaling $2,318 million (€1,909 million) contained balances totaling $85 million (€70 million) that had been written down on an individual basis. Of the remainder, balances totaling $28 million (€23 million) were past due by up to one month, while balances totaling $239 million (€197 million) were past due by more than one month.

Juventus Football Club

Juventus Football Club has adopted suitable procedures to minimize its exposure to credit risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by Lega Nazionale Professionisti Serie A. Receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs. Fees receivable under contracts for television rights are indirectly secured by Lega Nazionale Professionisti Serie A through a minimum guarantee agreement with the advisor Infront Italy.
At December 31, 2015 the amount of receivables past due and not written down on an individual basis is €10 million. The amount past due by up to one month is €7 million and the amount past due by more than one month is €3 million.
At December 31, 2014 the amount of receivables past due and not written down on an individual basis was €18 million. The amount past due by up to one month was €16 million and the amount past due by more than one months was €2 million.

Holdings System

The maximum credit risk to which EXOR and the other companies in the Holdings System are theoretically exposed at December 31, 2015 is represented by the carrying amounts of financial assets in the financial statements.
However the companies seek to mitigate this risk by investing a good part of their availability in securities issued by leading banking and corporate counterparties selected according to their creditworthiness.

At December 31, 2015 and December 31, 2014 there are no financial assets past due and not written down and allowances for doubtful receivables.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations at economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets necessitate special attention in managing liquidity risk. In that sense, measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities and on the other the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

From an operating point of view the Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal.

Details as to the repayment structure of the Group's financial assets and liabilities are provided in Notes 19 and 30.

Details of the repayment structure of derivative financial instruments are reported in Note 24.

FCA Group

The operating cash management and liquidity investment of the FCA Group, excluding FCA US, are centrally coordinated in the FCA Group's treasury companies, with the objective of ensuring effective and efficient management of the Group's funds. These companies obtain funds in the financial markets through various funding sources.

FCA US currently manages its liquidity independently from the rest of the Group. Intercompany financing from FCA US to other Group entities is not restricted other than through the application of covenants requiring that transactions with related parties be conducted at arm's length terms or be approved by a majority of the "disinterested" members of the board of directors of FCA US.

In addition certain of FCA US's finance agreements restrict the distributions which it is permitted to make. In particular, dividend distributions, other than certain exceptions including permitted distributions and distributions with respect to taxes, are generally limited to an amount not to exceed 50 percent of cumulative consolidated net income (as defined in the agreements) from January 1, 2012 less distributions paid to date.

FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US.

Certain notes issued by FCA and its subsidiaries (other than FCA US and its subsidiaries) include covenants which may be affected by circumstances related to FCA US, including cross-default clauses which may accelerate repayments in the event that FCA US fails to pay certain of its debt obligations.

Management believes that the funds currently available to the treasuries of the FCA and FCA US, in addition to those that will be generated from operating and financing activities, will enable the Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

CNH Industrial Group

Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the CNH Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

Holdings System

EXOR and the companies in the Holdings System finance outgoing cash flows from current operations with incoming flows from ordinary business activities and cash availability.

Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR operates so that it has irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Financial market risks

Currency risk, interest rate risk, commodity price risk, shares and investment funds

Due to the nature of its different businesses, the Group companies are exposed to a variety of financial market risks such as foreign currency exchange rate risks, commodity price risk and interest rate risk.

Finally, the Group is exposed to the risk of a change in the price of certain equity shares and investment funds.

The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

Exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit or loss, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes occurring in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group regularly assesses its exposure to financial market risks and manages those risks through the use of derivative financial instruments in accordance with its established risk management policies.

Policies are in place to allow derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange rates and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

Derivative financial instruments designated as fair value hedges are mainly utilized to hedge:

- the foreign currency exchange rate risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly interest rate swaps, forward contracts, currency swaps and combined interest rate and foreign currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding structured loans;
- the price of certain commodities.

The exchange rate exposure on forecasted commercial flows is hedged by currency swaps, forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Exposure to changes in the price of commodities is generally hedged by using commodity swaps and commodity options. Counterparties to these agreements are major and diverse financial institutions. Information on the fair value of derivative financial instruments held at the balance sheet date is provided in Note 24.

The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in the cumulative translation adjustment reserve, in other comprehensive income (see Note 27).

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported below does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place. Financial instruments held by the funds that manage pension plan assets are not included in this analysis.

FCA Group

Currency risk

The FCA Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

- where a FCA Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company.
- the principal exchange rates to which the FCA Group is exposed are the following:
  - EUR/USD relating to sales in U.S. dollars made by Italian companies (in particular, companies belonging to the Ferrari and Maserati segments) and to sales and purchases in Euro made by FCA US;
  - USD/CAD primarily relating to FCA US's Canadian manufacturing operations;
  - GBP, AUD, MXN, CHF, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Argentinean and Venezuelan markets;
  - PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
  - JPY mainly in relation to purchase of parts from Japanese suppliers and sales of vehicles in Japan;
  - USD/BRL, EUR/BRL relating to Brazilian manufacturing operations and the related import and export flows.

The FCA Group's policy is to use derivative financial instruments to hedge a percentage of certain exposures subject to foreign currency exchange rate risk for the upcoming 12 months (including such risk before or beyond that date where it is deemed appropriate in relation to the characteristics of the business) and to hedge the exposure resulting from firm commitments unless not deemed appropriate.

FCA Group companies may have trade receivables or payables denominated in a currency different from their respective functional currency. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for the companies to obtain financing or use funds in a currency different from their respective functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. The FCA Group's policy is to hedge, whenever deemed appropriate, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the respective Group companies' functional currency.

Certain of the FCA Group's companies are located in countries which are outside of the Eurozone, in particular the U.S., Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reporting currency is the Euro, the income statements of those entities that have a reporting currency other than the Euro, are translated into Euro using the average exchange rate for the period.

In addition, the monetary assets and liabilities of these consolidated companies are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the cumulative translation adjustments reserve included in other comprehensive income. Changes in exchange rates may lead to effects on the translated balances of revenues, costs and monetary assets and liabilities reported in Euro, even when corresponding items are unchanged in the respective local currency.

The FCA Group monitors its principal exposure to conversion exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There have been no substantial changes in 2015 in the nature or structure of exposure to foreign currency exchange rate risk or in the FCA Group's hedging policies.

Sensitivity analysis - currency risk

At December 31, 2015 the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) resulting from a hypothetical change of 10% in the exchange rates of the leading foreign currencies with the Euro would have been approximately €1,490 million (€1,402 million at December 31, 2014).

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the FCA Group make use of external borrowings and invest in monetary and financial market instruments.

In addition, the FCA Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, thus negatively impacting the net financial expenses incurred by the FCA Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating result of those companies and the FCA Group as a whole.

In order to manage these risks, the FCA Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.

In assessing the potential impact of changes in interest rates, the FCA Group segregates fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the FCA Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis – interest rate risk

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2015, resulting from a hypothetical 10% change in market interest rates, would have been approximately €85 million (approximately €100 million at December 31, 2014).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical 10% change in short-term interest rates at December 31, 2015, applied to floating rate financial assets and liabilities, transactions for the sale of receivables and derivative financial instruments, would have resulted in increased net financial expenses before taxes, on an annual basis, of approximately €7 million (approximately €12 million at December 31, 2014).

This analysis is based on the assumption that there is a general and instantaneous change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

In addition, the sensitivity analysis applied to floating rate financial instruments assumes that cash and cash equivalents and other short-term financial assets and liabilities which expire during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Commodity price risk

The FCA Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials and energy or other commodities used in its normal manufacturing operations.

Sensitivity analysis – commodity price risk

In connection with the commodity price derivative contracts outstanding at December 31, 2015, a hypothetical 10% change in the price of the commodities at that date would have caused a fair value loss of about €40 million di euro (about €50 million at December 31, 2014).

Future trade flows were not considered in this analysis. It is reasonable to assume that changes in commodity prices will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

CNH Industrial Group

Currency risk

The CNH Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- where a CNH Industrial Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit (loss) of that company. In 2015, the total net trade flows exposed to currency risk amounted to the equivalent of approximately 17% of the CNH Industrial Group's turnover (18% in 2014). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
  - USD/EUR, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the euro area and to sales in dollars made by Commercial Vehicles;
  - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
  - USD/AUD, mainly in relation to sales made by Agricultural Equipment and Construction Equipment in Australia;
  - EUR/GBP, predominately in relation to sales on the U.K. market.

Trade flows exposed to changes in these exchange rates in 2015 made up approximately 70% of the exposure to currency risk from trade transactions.

It is the CNH Industrial Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months (including risk beyond that date where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

The CNH Industrial Group companies may find themselves with trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for companies to obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the CNH Industrial Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the subsidiary's functional currency.

Certain the CNH Industrial Group's subsidiaries are located in countries outside of the United States. As the CNH Industrial Group's reporting currency is the U.S. dollar, the income statements of those subsidiaries are converted into U.S. dollars using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the results reported in U.S. dollars.

The assets and liabilities of consolidated companies whose functional currency is different from the U.S. dollar may acquire converted values in U.S. dollars which differ as a function of the fluctuation in exchange rates. As established by the adopted accounting principles, the effects of these changes are recognized directly in equity under exchange differences on translating foreign operations.

The CNH Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in this respect at the balance sheet date.

There were no substantial changes in 2015 in the nature or structure of exposure to currency risk or in the CNH Industrial Group's hedging policies.

Sensitivity analysis – currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) held by the CNH Industrial Group at December 31, 2015 resulting from a hypothetical change of 10% in the exchange rates against the U.S. dollar amounts to approximately $258 million ($255 million at December 31, 2014). Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. The valuation model for currency options assumes that market volatility at year-end remains unchanged. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, the CNH Industrial Group companies make sales of receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost and return of the various forms of financing, including the sale of receivables, and the employment of funds, causing an impact on the level of net financial expenses incurred by the CNH Industrial Group.

In addition, financial services companies provide loans (mainly to customers and dealers), financing themselves primarily using various forms of direct debt or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit or loss of those companies and the CNH Industrial Group as a whole.

In order to manage these risks, the CNH Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements.

Sensitivity analysis – interest rate

In assessing the potential impact of changes in interest rates, the CNH Industrial Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the CNH Industrial Group consist principally of part of the portfolio of the financial services companies, asset backed securities – ABS) and other instruments.

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2015, resulting from a hypothetical change of 10% in market interest rates, would have been approximately $15 million (approximately $25 million at December 31, 2014).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt and ABS securities. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments. A hypothetical change of 10% in short-term interest rates at December 31, 2015, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $5 million, basically unchanged compared to December 31, 2014. This analysis is based on the assumption that there is a hypothetical change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Commodity price risk

The CNH Industrial Group has entered into derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – commodity price risk

In the event of a hypothetical change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2015 linked to commodity prices would have been not significant (not significant at December 31, 2014).

Holdings System

Currency risk

At December 31, 2015 a part of the Holdings System's available-for-sale assets, assets held for trading and cash are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.

The currency risk to which EXOR is exposed regards non-convertible bonds in Japanese yen issued in 2011 for Japanese yen 10 billion. The bonds carry a fixed rate in yen of 2.80% and have a term of 20 years.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face amount of the bonds in Euro (about €83 million) for the entire term of the bonds.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit or loss of more than €45 million and on equity of more than €245 million, while an unfavorable change of 10% would have a positive effect on profit or loss of €55 million and on equity of €299 million.

The effect of the change in exchange rates on equity is mainly attributable to a higher part of cash denominated in U.S. dollars by EXOR and several companies in the Holdings System, in order to hedge the currency risk arising from the acquisition of PartnerRe, a non-monetary investment in foreign currency.

Interest rate risk

EXOR has assessed and managed its exposure to fluctuations in interest rates consistently with its management policies and used derivative financial instruments to fix a part of the loans obtained at a predetermined interest rate.

Sensitivity analysis – interest rate risk

A sensitivity analysis has been performed on the financial instruments exposed to interest rate risk at the balance sheet date. A hypothetical 10% change in interest rates would have an effect on profit or loss of €3 million.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments and other financial assets, as well as financial assets held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments and other financial assets, as well as financial assets held for trading would have been 5% higher/lower, the fair value reserve recorded in equity would have been €58 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €52 million higher/lower.

Juventus Football Club

Interest rate risk

A sensitivity analysis was performed on the financial liabilities of Juventus exposed to interest rate risk (payables due to banks and factoring companies). A hypothetical change of 10% in the interest rates would generate a €0.3 million negative effect on the result for the year.

Medium and long-term financial liabilities due to the Istituto per il Credito Sportivo and Unicredit Leasing S.p.A. are not exposed to interest rate risk since they are, respectively, at a fixed rate and hedged by derivative financial instruments. In particular, an interest rate swap was put in place on April 11, 2011 to hedge the interest rate applicable to the finance lease with Unicredit Leasing; the fair value at December 31, 2015 is a negative €0.1 million.

Sensitivity analysis – price risk

A sensitivity analysis was performed on the prices of available-for-sale financial assets at the balance sheet date. If the prices of available-for-sale financial assets had been 5% higher/lower, the fair value reserve recorded in equity would be €1 million higher/lower.

37. Fair value measurement by hierarchy level

IFRS 13 - *Fair Value Measurement* establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2015.

€ million	Note	Level 1	Level 2	Level 3	Total
Financial assets at fair value available for sale:					
Investments at fair value with changes directly in other comprehensive income	15	730	19	59	808
Non-current securities	15	33		605	638
Current securities	23	264	5		269
Financial assets at fair value held for trading:					
Current investments	23	48			48
Current securities	23	241			241
Other financial assets	24	40	1,007		1,047
Total assets at December 31, 2015		**1,356**	**1,031**	**664**	**3,051**
Other financial liabilities	24		(797)	(35)	**(832)**
Total liabilities at December 31, 2015			**(797)**	**(35)**	**(832)**

In 2015, there were no transfers between Levels in the fair value hierarchy.

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment, but also considering the creditworthiness of the counterparty. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange and interest rates prevailing at the balance sheet date and the discounted expected cash flow method, appropriately adjusted to take into account the creditworthiness.
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

The fair value estimate of Banca Leonardo was performed by an independent expert who applied the Dividend Discount Model – DDM measurement in the Excess Capital version for private banking activities and the analytical profitability method in the Levered version for the measurement of advisory activities. The investment is classified in Level 3 of the fair value hierarchy. The unobservable inputs used in the measurement techniques to determine fair value are represented by the long-term growth rate (g rate), the cost of capital (ke) and the excess capital for private equity banking.

A hypothetical change in the cost of capital would result in a decrease in fair value; a higher g-rate would result in an increase in fair value.

The fair value of the other financial assets available-for-sale and held for trading is determined, when quoted market prices are not available, using the market rates, adjusted when necessary to take into account the creditworthiness of the counterparty. The fair value of private equity funds corresponds to the Net Asset Value (NAV) communicated by the managers of the funds. If at the date of the preparation of the financial statements this information is not available the most recent official NAV is used, but not more than three months prior to the closing date of the financial statements.

The following table presents the changes in 2015 in items measured at fair value and categorized as Level 3:

		Gains (losses) recognized			
€ million	**Balance at 12/31/2014**	In the income statement	In other comprehensive income	Increase (decrease)	**Balance at 12/31/2015**
Financial assets at fair value available for sale:					
Investments at fair value with changes directly in other comprehensive income	141		42	(125)	58
Non-current securities	504	(6)	43	65	606
Financial assets at fair value held for trading:					
Current securities					
Other financial assets	4			(4)	
Total assets	**649**	(6)	85	(64)	**664**
Other financial liabilities	(8)	(14)	(39)	26	(35)
Total liabilities	**(8)**	(14)	(39)	26	**(35)**

The gains or losses included in the income statement are recognized in cost of sales for €14 million, those recorded in financial income and expenses are negative for €6 million. The gains and losses recorded in other comprehensive income are included in the fair value reserve for a positive €85 million and those included in the cash flow reserve are a negative €39 million.

The decreases in investments at fair value recognized in other comprehensive income mainly refer to:

- reclassification of Banijay Holding (€60 million) from "financial assets available-for sale" to "assets held for sale" after being valued at the price established in the November 20, 2015 agreement for its sale to Zodiak Media;
- reclassification of the The Economist Group (4.72% interest, before the October 16, 2015 acquisition), from "financial assets available-for-sale" to "investments accounted for using the equity method", after being valued at €36.64 per share (€59 in total), that is, at the purchase price of the last shares acquired.

Assets and liabilities not measured at fair value on a recurring basis

The nominal amount of cash and cash equivalents, which primarily consist of bank current accounts and time deposits, generally approximates fair value due to the short term maturity of these instruments.

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities due within one year approximates their fair value.

The following table provides the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		12/31/2015		**12/31/2014**	
€ million	Note	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets					
Held-to-maturity investments		131	135	106	113
Dealer financing receivables	19	9,613	9,655	10,051	10,040
Retail financing receivables	19	10,005	9,872	10,118	10,072
Finance lease receivables	19	858	864	1,135	1,140
Other		157	110	221	229
Total assets		**20,764**	**20,636**	**21,631**	**21,594**
Financial liabilities					
Asset-backed financing	30	(12,146)	(12,137)	(11,660)	(11,659)
Non-convertible bonds	30	(23,809)	(23,941)	(27,114)	(28,734)
Other financial debt	30	(21,325)	(21,130)	(21,359)	(21,321)
Total liabilities		**(57,280)**	**(57,208)**	**(60,133)**	**(61,714)**

Held-to-maturity investments are represented by bonds issued by leading counterparties, listed on active markets and their fair value is thus categorized in Level 1.

The fair values of receivables from financing activities, which are categorized within Level 3 of the fair value hierarchy, have been estimated with discounted cash flow models. The most significant inputs used for this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of the counterparties.

The fair value of non-convertible bonds for €19,155 million is classified within Level 1 and for €4,786 million within Level 2. For the latter, inputs other than quoted prices in an active market were used.

The fair value of other financial debt included in Level 2 of the fair value hierarchy for €18,828 million has been estimated using discounted cash flow models. The main inputs used are year-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quoted prices of traded securities issued by the Group and existing credit derivatives on Group liabilities. The fair value of the debt that requires significant adjustments using unobservable inputs is categorized in Level 3 of the fair value hierarchy and amounts to €2,015 million.

38. Related party transactions

The Group carries out transactions with unconsolidated subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24, the related parties of the EXOR Group are Giovanni Agnelli e C., the FCA Group, the CNH Industrial Group, C&W Group and other unconsolidated subsidiaries, associates or joint ventures, Juventus, Almacantar and its subsidiaries, The Economist Group and its subsidiaries. In addition, members of the board of directors and board of statutory auditors of EXOR S.p.A. and its parent Giovanni Agnelli e C. S.a.p.az. and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.
The most significant financial transactions with related parties generated, for the FCA Group, receivables from financing activities of the Group's financial services companies from joint ventures and liabilities for asset-backed financing relating to amounts due to FCA Bank for the sale of receivables which do not qualify for derecognition under IAS 39.

As disclosed in note 27, during 2015 Giovanni Agnelli e C. purchased EXOR S.p.A. treasury shares for €50 million. Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion.

The effects of transactions with related parties recognized in the income statement are as follows:

	2015				2014			
€ million	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs	Financial income (expenses)
Tofas	1,536	1,611			1,247	1,189	1	
Sevel	567		4		493		4	
FCA Bank	1,448	23	19	(27)	278	16	15	(29)
Other	873	409	0	(7)	751	446	1	(4)
Total joint ventures	**4,424**	**2,043**	**23**	**(34)**	**2,769**	**1,651**	**21**	**(33)**
Total associates	**195**	**19**	**6**	**0**	**177**	**2**	**6**	**0**
Total other related parties	**0**	**61**	**72**	**0**	**0**	**45**	**72**	**0**
Total unconsolidated subsidiaries	**89**	**14**	**8**	**1**	**52**	**8**	**21**	**(1)**
Total of which related parties	**4,708**	**2,137**	**109**	**(33)**	**2,998**	**1,706**	**120**	**(34)**
Total of item in financial statements	**136,360**	**118,403**	**9,962**	**(2,966)**	**120,102**	**102,640**	**9,230**	**(2,680)**
Effect on total (%)	**3.45%**	**1.80%**	**1.10%**		**2.50%**	**1.66%**	**1.30%**	

Non-financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2015				At December 31, 2014			
€million	Trade receivables	Trade payables	Other current assets	Other current liabilities	Trade receivables	Trade payables	Other current assets	Other current liabilities
Tofas	13	157			48	160		1
Sevel	19		1	5	12			4
FCA Bank	80	222	3	117	65	237	6	92
Other	214	136	6	86	124	133	4	23
Total joint ventures	**326**	**515**	**10**	**208**	**249**	**530**	**10**	**120**
Total associates	**57**	**41**	**2**	**21**	**100**	**24**	**0**	**23**
Total other related parties	**0**	**6**	**0**	**4**	**0**	**8**	**0**	**4**
Total unconsolidated subsidiaries	**88**	**19**	**2**	**2**	**32**	**15**	**2**	**2**
Total of which related parties	**471**	**581**	**14**	**235**	**381**	**577**	**12**	**149**
Total of item in financial statements	**3,273**	**26,663**	**4,046**	**15,386**	**3,757**	**24,884**	**4,095**	**15,181**
Effect on total (%)	**14.4%**	**2.2%**	**0.3%**	**1.5%**	**10.1%**	**2.3%**	**0.3%**	**1.0%**

Financial assets and liabilities originating from related party transactions are as follows:

	December 31, 2015		December 31, 2014	
€ million	Current receivables from financing activities	Financial debt	Current receivables from financing activities	Financial debt
FCA Bank	45	182	73	105
Tofas	18		39	
Sevel	9	4	5	13
Other	5	2	9	4
Total joint ventures	**77**	**188**	**126**	**122**
Almacantar		40		
Other	20	1	7	
Total associates	**20**	**41**	**7**	**0**
Total other related parties	**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**25**	**15**	**24**	**33**
Total of which related parties	**122**	**244**	**157**	**155**
Total of item in financial statements	**20,632**	**57,280**	**21,524**	**60,189**
Effect on total (%)	**0.6%**	**0.4%**	**0.7%**	**0.3%**

Commitments and guarantees pledged in favor of related parties of the FCA Group

Other guarantees pledged in favor of related parties at December 31, 2015 and at December 31, 2014 are as follows:

€ million	**12/31/2015**	**12/31/2014**
Total joint ventures	4	11
Total unconsolidated subsidiaries	0	1
Total of which related parties	**4**	**12**

Commitments and guarantees pledged in favor of related parties of the CNH Industrial Group

At December 31, 2015 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società Consortile for an amount of €186 million (€228 million at December 31, 2014).

Compensation to directors, statutory auditors and key executives of EXOR

In 2015 compensation to the directors and statutory auditors of EXOR S.p.A., for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	**EXOR S.p.A.**	**Subsidiaries**	**Total**
Directors	4,127	67,781	71,908
Statutory Auditors	147	214	361
Total 2015	**4,274**	**67,995**	**72,269**
Total 2014	**4,575**	**67,237**	**71,812**

This amount includes the notional compensation cost arising from stock options and stock grants awarded to the directors.

There are no key executives in EXOR S.p.A.

39. Explanatory notes to the statement of cash flows

The statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – *Statement of cash flows*, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item translation exchange differences.

Cash flows from (used in) operating activities principally derive from the Group’s main revenue producing activities.

The cash flows generated by the sale of vehicles under buy-back commitments, net of the amounts included in profit (loss) for the year, are included under operating activities in a single line item which includes changes in working capital arising from these transactions, capital expenditures, depreciation and amortization and impairment losses. This item also includes gains and losses arising from the sales of vehicles transferred under buy-back commitments that occur before the end of the agreement term without repossession of the vehicle.

Cash flows generated by operating lease arrangements are included in operating activities in a single line item which includes capital expenditures, depreciation, amortization, impairment losses and changes in inventories.

In 2015 other non-cash items of €1,402 million include €713 million of non-cash charges for asset impairments which mainly relate to asset impairments in connection with the realignment of the Group's manufacturing capacity in NAFTA, a €215 million charge recognized as a result of the adoption of the SIMADI exchange rate to re-measure the net monetary assets of the FCA Group’s and the CNH Group’s Venezuelan subsidiaries and the €450 million accrual regarding the investigation of Iveco S.p.A. by the European Commission.

In 2014, other non-cash items of €459 million mainly included €381 million related to the non-cash portion of the expense recognized in connection with the execution of the UAW MOU entered into by FCA US on January 21, 2014, €98 million for the remeasurement charge recognized as a result of the Group's change in the exchange rate of the Venezuelan bolivar in U.S. dollars, which was partially offset by the gain of €223 million on the remeasurement to fair value of the previously exercised options on approximately 10% of FCA US’s membership interest in connection with the Equity Purchase Agreement.

In total, cash flows used for income tax payments net of refunds amount to €1,009 million in 2015 (€1,174 million in 2014).

In total, interest of €2,950 million was paid and interest of €1,215 million was received in 2015 (interest of €2,715 million was paid and interest of €1,218 million was received in 2014).

40. Information required under art. 149-duodecies of Consob's "Regulation for Issuers"

The following table, prepared in accordance with Article 149-duodecies of Consob's "Regulation for Issuers" reports fees related to 2015 for audit and other services provided by the independent auditors and firms in their network.

€ thousand	Service Provider	Entity		2015 fees
Audit	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		53
	Reconta Ernst & Young S.p.A.	Subsidiaries		7,459
	Network Reconta Ernst & Young	Subsidiaries		22,495
Attestation	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.	(1)	40
	Reconta Ernst & Young S.p.A.	Subsidiaries	(2)	3,011
	Network Reconta Ernst & Young	Subsidiaries	(3)	214
Other Services	Reconta Ernst & Young S.p.A.	Parent – Exor S.p.A.		-
	Reconta Ernst & Young S.p.A.	Subsidiaries	(4)	26
	Network Reconta Ernst & Young	Subsidiaries	(5)	1,811
Total Reconta Ernst & Young S.p.A. and network				**35,109**

(1) Fees mainly for attestation services relating to the issue of Comfort Letters on bond issues.
(2) Fees mainly for attestation services relating to the issue of Comfort Letters on the issue of bonds for US$ 3 billion by the subsidiary Fiat Chrysler Automobiles N.V.
(3) Fees mainly for other attestation services carried out on the subsidiaries.
(4) Fees mainly for agreed-upon audit procedures, other compliances requested by local administrative entities and other services carried out in the tax area.

41. Non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group states that it did not enter into any significant non-recurring transactions in 2015.

42. Unusual transactions

Pursuant to Consob Communication DEM/6064293 of July 28, 2006, the EXOR Group states that it did not enter into any significant unusual transactions in 2015 as defined by the Communication (the definition is given in the paragraph on the Format of the financial statements).

43. Subsequent events

Reference should be made to the Report on Operations 2015.

44. Approval of the consolidated financial statements and authorization for publication

The consolidated financial statements at December 31, 2015 were approved on April 14, 2016 by the board of directors, which authorized their publication, together with the independent auditors' report and the board of statutory auditors' report, in accordance with the law.

Turin, April 14, 2016

On behalf of the Board of Directors
Chairman and Chief Executive Officer
John Elkann

List of EXOR Group Companies at December 31, 2015

As required by Consob Resolution 11971 dated May 14, 1999, as amended (art. 126 of the Regulations) a list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – Operating Segment, is provided below. The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Parent company							
EXOR S.p.A.	Italy	246,229,850.00	EUR				
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	18,365,232.65	EUR	27.28	EXOR S.p.A.	39.959	
					Fiat Chrysler Automobiles N.V.	1.737	
					CNH Industrial N.V.	3.334	(*)
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR Holding N.V.	Netherlands	1,008,000.00	EUR	100.00	EXOR S.p.A.	100.000	
EXOR Inc. (in liquidation)	U.S.A.	1.00	USD	100.00	EXOR S.A.	100.000	
EXOR N.V.	Netherlands	45,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR S.p.A.	100.000	
Fiat Chrysler Automobiles N.V.	Netherlands	16,978,977.78	EUR	29.16	EXOR S.p.A.	44.267	
					Fiat Chrysler Automobiles N.V.	1.937	(*)
Pillar Ltd.	Bermuda	100.00	USD	100.00	EXOR N.V.	100.000	
Leasure and Other							
Juventus Football Club S.p.A.	Italy	818,213,328.00	EUR	63.77	EXOR S.p.A.	63.766	
Real Estate							
Arenella Immobiliare S.r.l.	Italy	150,000.00	EUR	100.00	EXOR S.p.A.	100.000	
EXOR S.N. (USA), LLC.	U.S.A.	10.00	USD	100.00	EXOR S.A.	100.000	

(*) Voting suspended

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market brands							
NAFTA							
AUTO TRANSPORT SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
Autodie LLC	U.S.A.	10,000,000	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP INTERNATIONAL SERVICES LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
CHRYSLER GROUP VANS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
Chrysler Lease Receivables 1 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Lease Receivables 2 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Lease Receivables Limited Partnership	Canada	0	CAD	100.00	FCA Canada Inc.	99.990	
					Chrysler Lease Receivables 1 Inc.	0.005	
					Chrysler Lease Receivables 2 Inc.	0.005	
CPK Interior Products Inc.	Canada	1,000	CAD	100.00	FCA Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA AUBURN HILLS MEZZANINE LLC	U.S.A.	100	USD	100.00	FCA REALTY LLC	100.000	
FCA AUBURN HILLS OWNER LLC	U.S.A.	100	USD	100.00	FCA AUBURN HILLS MEZZANINE LLC	100.000	
FCA Canada Cash Services Inc.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA Canada Inc.	Canada	0	CAD	100.00	FCA ONTARIO HOLDINGS Limited	100.000	
FCA Caribbean LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DEALER CAPITAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERNATIONAL OPERATIONS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INVESTMENT HOLDINGS LLC	U.S.A.	173,350,999	USD	100.00	FCA US LLC	100.000	
FCA Mexico, S.A. de C.V.	Mexico	238,621,186	MXN	100.00	Chrysler Mexico Investment Holdings	99.997	
					FCA MINORITY LLC	0.003	
FCA MID LLC	U.S.A.	2,700,000	USD	100.00	FCA US LLC	100.000	
FCA MINORITY LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA ONTARIO HOLDINGS Limited	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA REAL ESTATE SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA REALTY LLC	U.S.A.	168,769,528	USD	100.00	FCA US LLC	100.000	
FCA Service Contracts LLC	U.S.A.	100,000,000	USD	100.00	FCA US LLC	100.000	
FCA TRANSPORT LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA US LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
Global Engine Manufacturing Alliance LLC	U.S.A.	300,000	USD	100.00	FCA US LLC	100.000	
Operadora G.C. S.A. de C.V.	Mexico	99,999	MXN	100.00	FCA Mexico, S.A. de C.V.	99.999	
					FCA MINORITY LLC	0.001	
LATAM							
Banco Fidis S.A.	Brazil	480,669,238	BRL	100.00	Fidis S.p.A.	75.000	
					FCA FIAT CHRYSLER AUTOMOVEIS BRASIL	25.000	
CG Venezuela UK Holdings Limited	United Kingdom	100	GBP	100.00	CG EU NSC LIMITED	100.000	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	77,021,334	BRL	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
FCA AUTOMOBILES ARGENTINA S.A.	Argentina	476,464,366	ARS	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL	100.000	
FCA Chile Importadora Ltda	Chile	41,800,000	CLP	100.00	FCA US LLC	99.990	
					FCA MINORITY LLC	0.010	
FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	Brazil	3,640,046,985	BRL	100.00	FCA Italy S.p.A.	100.000	
FCA IMPORTADORA S.R.L.	Argentina	29,335,170	ARS	100.00	FCA US LLC	98.000	
					FCA MINORITY LLC	2.000	
FCA S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	FCA AUTOMOBILES ARGENTINA S.A.	100.000	
FCA Venezuela LLC	U.S.A.	132,474,694	USD	100.00	CG Venezuela UK Holdings Limited	100.000	
Fiat Credito Compania Financiera S.A.	Argentina	425,920,613	ARS	100.00	Fidis S.p.A.	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500	BRL	100.00	FCA Fiat Chrysler Participacoes Brasil S.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market brands							
APAC							
Chrysler Group (China) Sales Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000	EUR	100.00	FCA US LLC	100.000	
FCA Asia Pacific Investment Co. Ltd.	People's Rep.of China	4,500,000	CNY	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA Australia Pty. Ltd.	Australia	143,629,774	AUD	100.00	FCA US LLC	100.000	
FCA Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FCA Engineering India Private Limited	India	99,990	INR	100.00	Chrysler Netherlands Distribution B.V.	99.990	
					FCA DUTCH OPERATING LLC	0.010	
FCA INDIA AUTOMOBILES Private Limited	India	2,679,900,000	INR	100.00	FCA Italy S.p.A.	100.000	
FCA JAPAN Ltd.	Japan	104,789,875	JPY	100.00	FCA US LLC	60.000	
					Fiat Group Automobiles Japan K.K.	40.000	
FCA Korea Limited	South Korea	32,639,200,000	KRW	100.00	FCA US LLC	100.000	
FCA Powertrain Technologies Shanghai R&D Co. Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Fiat Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513	SGD	100.00	FCA US LLC	100.000	
Fiat Group Automobiles Japan K.K.	Japan	100,000,000	JPY	100.00	FCA Italy S.p.A.	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	FCA Asia Pacific Investment Co. Ltd.	100.000	
EMEA							
Abarth & C. S.p.A.	Italy	1,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000	EUR	100.00	FCA Italy S.p.A.	92.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
					Magneti Marelli S.p.A.	2.000	
					Maserati S.p.A.	2.000	
					Comau S.p.A.	1.000	
					Teksid S.p.A.	1.000	
CF GOMMA DEUTSCHLAND GmbH	Germany	26,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
CG EU NSC LIMITED	United Kingdom	1	GBP	100.00	FCA US LLC	100.000	
CG Italia Operations S.r.l.	Italy	53,022	EUR	100.00	Chrysler Italia S.r.l.	94.300	
					FCA US LLC	5.700	
Chrysler Austria Gesellschaft mbH	Austria	4,300,000	EUR	100.00	Chrysler Deutschland GmbH	100.000	
CHRYSLER BALKANS d.o.o. Beograd	Serbia	500	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Czech Republic s.r.o., v likvidaci	Czech Republic	55,932,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Danmark ApS	Denmark	1,000,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Deutschland GmbH	Germany	20,426,200	EUR	100.00	FCA US LLC	100.000	
Chrysler Espana, S.L.	Spain	16,685,690	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler France S.A.S.	France	460,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler International GmbH	Germany	25,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Italia S.r.l.	Italy	100,000	EUR	100.00	FCA US LLC	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Management Austria Ges.m.b.H. in liquidation	Austria	75,000	EUR	100.00	Chrysler Austria Gesellschaft mbH	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0	EUR	100.00	FCA INVESTMENT HOLDINGS LLC	99.990	
					FCA MINORITY LLC	0.010	
Chrysler Nederland B.V.	Netherlands	19,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000	EUR	100.00	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler Polska Sp.z o.o.	Poland	30,356,000	PLN	100.00	CG EU NSC LIMITED	100.000	
Chrysler South Africa (Pty) Ltd.	South Africa	200	ZAR	100.00	FCA US LLC	100.000	
Chrysler Sweden AB	Sweden	100,000	SEK	100.00	CG EU NSC LIMITED	100.000	
Chrysler Switzerland GmbH in liquidation	Switzerland	2,000,000	CHF	100.00	CG EU NSC LIMITED	100.000	
Chrysler UK Limited	United Kingdom	46,582,132	GBP	100.00	CG EU NSC LIMITED	100.000	
Easy Drive S.r.l.	Italy	10,400	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA Center Italia S.p.A.	1.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market brands							
EMEA							
FCA AUSTRIA GmbH	Austria	37,000	EUR	100.00	FCA Italy S.p.A.	98.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
FCA AUSTRO CAR GmbH	Austria	35,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA Belgium S.A.	Belgium	7,000,000	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FCA Center Italia S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA CENTRAL AND EASTERN EUROPE KFT.	Hungary	150,000,000	HUF	100.00	FCA Italy S.p.A.	100.000	
FCA Customer Services Centre S.r.l.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Denmark A/S	Denmark	55,000,000	DKK	100.00	FCA Italy S.p.A.	100.000	
FCA FINLAND Oy	Finland	50,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Fleet & Tenders S.R.L.	Italy	7,370,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA France	France	96,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA GERMANY AG	Germany	82,650,000	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA SWITZERLAND S.A.	1.000	
FCA GREECE S.A.	Greece	62,783,499	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Group Marketing S.p.A.	Italy	100,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA ITALY HOLDINGS S.p.A.	Italy	1,089,071,587	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Italy S.p.A.	Italy	800,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Melfi S.p.A.	Italy	276,640,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Middle East FZ-LLC	United Arab Emirates	300,000	AED	100.00	FCA INTERNATIONAL OPERATIONS LLC	100.000	
FCA Motor Village Austria GmbH	Austria	37,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA MOTOR VILLAGE BELGIUM S.A.	Belgium	4,000,000	EUR	100.00	FCA Belgium S.A.	99.988	
					FCA Italy S.p.A.	0.012	
FCA MOTOR VILLAGE FRANCE S.A.	France	2,977,680	EUR	100.00	FCA France	99.997	
FCA MOTOR VILLAGE GERMANY GmbH	Germany	8,700,000	EUR	100.00	FCA GERMANY AG	100.000	
FCA MOTOR VILLAGE PORTUGAL S.A.	Portugal	50,000	EUR	100.00	FCA PORTUGAL, S.A.	100.000	
FCA MOTOR VILLAGE SPAIN, S.L.	Spain	1,454,420	EUR	100.00	Fiat Chrysler Automobiles Spain S.A.	100.000	
FCA MOTOR VILLAGE SWITZERLAND S.A.	Switzerland	13,000,000	CHF	100.00	FCA SWITZERLAND S.A.	100.000	
FCA Netherlands B.V.	Netherlands	5,672,250	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Partecipazioni France Société par actions simplifiée	France	37,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
FCA POLAND Spólka Akcyjna	Poland	660,334,600	PLN	100.00	FCA Italy S.p.A.	100.000	
FCA PORTUGAL, S.A.	Portugal	1,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA POWERTRAIN POLAND Sp. z o.o.	Poland	269,037,000	PLN	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA Real Estate Germany GmbH	Germany	25,000	EUR	100.00	FCA MOTOR VILLAGE GERMANY GmbH	100.000	
FCA Real Estate Services S.p.A.	Italy	150,679,554	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Russia AO	Russia	574,665,000	RUB	100.00	FCA US LLC	99.999	
					FCA MINORITY LLC	0.001	
FCA SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314	RSD	66.67	FCA Italy S.p.A.	66.670	
FCA SWEDEN AB	Sweden	10,000,000	SEK	100.00	FCA Italy S.p.A.	100.000	
FCA SWITZERLAND S.A.	Switzerland	21,400,000	CHF	100.00	FCA Italy S.p.A.	100.000	
FCA VERSICHERUNGSSERVICE GmbH	Germany	26,000	EUR	100.00	FCA GERMANY AG	51.000	
					Fiat Chrysler Rimaco SA	49.000	
Fiat Chrysler Automobiles (FCA) Egypt Limited	Egypt	240,000	EGP	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
Fiat Chrysler Automobiles Ireland Ltd.	Ireland	5,078,952	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Chrysler Automobiles Morocco S.A.	Morocco	1,000,000	MAD	99.95	FCA Italy S.p.A.	99.950	
Fiat Chrysler Automobiles Spain S.A.	Spain	8,079,280	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FIAT CHRYSLER AUTOMOBILES UK Ltd	United Kingdom	44,600,000	GBP	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER MOTOR VILLAGE Ltd.	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	100.00	FCA Italy S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 38 S.p.A.	Italy	1,000,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
SBH EXTRUSION REAL ESTATE S.r.l.	Italy	110,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi	Italy	100,000	EUR	100.00	FCA Italy S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Luxury and Performance Brands							
Maserati							
Maserati S.p.A.	Italy	40,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Maserati (China) Cars Trading Co., Ltd.	People's Rep.of China	10,000,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Canada Inc.	Canada	0	CAD	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Tridente Real Estate S.r.l.	Italy	11,570,000	EUR	100.00	Maserati S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
Magneti Marelli S.p.A.	Italy	254,325,965	EUR	99.99	Fiat Chrysler Automobiles N.V.	99.990	100.000
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	51.49	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Automotive Lighting o.o.o.	Russia	1,086,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000	MXN	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Centro Ricerche Plast-Optica S.p.A.	Italy	1,033,000	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep.of China	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
FMM Pernambuco Componentes Automotivos Ltda	Brazil	132,080,100	BRL	64.99	Plastic Components and Modules Automotive	65.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep.of China	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
JCMM Automotive d.o.o.	Serbia	1,223,910,473	RSD	50.00	Plastic Components and Modules Automotive	50.000	
Magneti Marelli (China) Co. Ltd.	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and	100.000	
Magneti Marelli Argentina S.A.	Argentina	700,000	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep.of China	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (Guangzhou) Co.,Ltd.	People's Rep.of China	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep.of China	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	307,411,633	BRL	99.99	Magneti Marelli After Market Parts and	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Magneti Marelli							
Magneti Marelli Comandos Mecanicos Industria e Comercio	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria	99.900	
					FCA Fiat Chrysler Participacoes Brasil S.A.	0.100	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	7,480,071	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli Argentina S.A.	5.000	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio Ltda	Brazil	100,000	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	150,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep.of China	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	360,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim	Turkey	50,005	TRY	99.94	Automotive Lighting Reutlingen GmbH	99.842	
					PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Powertrain India Private Limited	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Automotive Lighting Rear Lamps Mexico S. de	0.033	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovack Republic	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	51.00	Sistemi Sospensioni S.p.A.	51.000	
Magneti Marelli Repuestos S.A.	Argentina	2,012,000	ARS	99.99	Magneti Marelli After Market Parts and	52.000	
					Magneti Marelli Cofap Fabricadora de Pecas	48.000	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	455,944,874	BRL	99.99	Magneti Marelli S.p.A.	72.808	
					Automotive Lighting Reutlingen GmbH	27.192	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovack Republic	103,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	7,550,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Stamping & Welding Industria e Comercio Automotivos Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					Magneti Marelli Cofap Fabricadora de Pecas	0.100	
Magneti Marelli Suspansiyon Sistemleri Limited Sirketi	Turkey	520,000	TRY	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Toluca Mexico S. de R.L. de CV.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Magneti Marelli Powertrain Mexico S. de r.l. de	0.033	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Magneti Marelli							
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
MM I&T Sas	France	607,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	50,926,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Sistemi Sospensioni S.p.A.	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Soffiaggio Polimeri S.r.l.	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000	MXN	100.00	Automotive Lighting LLC	99.998	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.002	
Ufima S.A.S.	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
					FCA Partecipazioni S.p.A.	34.980	
Teksid							
Teksid S.p.A.	Italy	71,403,261	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Compania Industrial Frontera S.A. de C.V.	Mexico	50,000	MXN	100.00	Teksid Hierro de Mexico S.A. de C.V.	99.800	
					Teksid Inc.	0.200	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550	EUR	83.61	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Teksid do Brasil Ltda	Brazil	471,346,013	BRL	100.00	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	380,615,000	MXN	100.00	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	100.00	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500	PLN	100.00	Teksid S.p.A.	100.000	
Comau							
Comau S.p.A.	Italy	48,013,959	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep.of China	3,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000	ARS	100.00	Comau S.p.A.	55.280	
					Comau do Brasil Industria e Comercio Ltda.	44.690	
					FCA Argentina S.A.	0.030	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100	CAD	100.00	Comau LLC	100.000	
Comau Deutschland GmbH	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau LLC	U.S.A.	100	USD	100.00	FCA North America Holdings LLC	100.000	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romenia	23,673,270	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Other Activities:Holding companies and Other companies							
Deposito Avogadro S.p.A.	Italy	5,100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Argentina S.A.	Argentina	5,292,117	ARS	100.00	FCA Services S.p.A.	90.961	
					FCA Fiat Chrysler Participacoes Brasil S.A.	9.029	
					Fiat Chrysler Rimaco Argentina S.A.	0.009	
					FCA AUTOMOBILES ARGENTINA S.A.	0.001	
FCA Fiat Chrysler Participacoes Brasil S.A.	Brazil	1,024,292,755	BRL	100.00	FCA Italy S.p.A.	95.803	
					FCA Real Estate Services S.p.A.	4.196	
FCA Group Purchasing France S.a.r.l.	France	7,700	EUR	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing S.r.l.	Italy	600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Information Technology, Excellence and Methods	Italy	500,000	EUR	100.00	FCA Services S.p.A.	99.000	
					FCA Italy S.p.A.	1.000	
FCA North America Holdings LLC	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Partecipazioni S.p.A.	Italy	50,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Services Belgium N.V.	Belgium	62,000	EUR	100.00	FCA Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
FCA Services d.o.o. Kragujevac	Serbia	15,047,880	RSD	100.00	FCA Services S.p.A.	100.000	
FCA Services Germany GmbH	Germany	200,000	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Hispano-Lusa S.A.	Spain	2,797,054	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	FCA Services S.p.A.	100.000	
FCA Services S.p.A.	Italy	3,600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Services Support Mexico S.A. de C.V.	Mexico	100	MXN	100.00	FCA Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
FCA Services U.S.A., Inc.	U.S.A.	500,000	USD	100.00	FCA Services S.p.A.	100.000	
FCA Servizi per l'Industria S.c.p.A.	Italy	1,652,669	EUR	90.13	FCA Italy S.p.A.	51.000	
					FCA Partecipazioni S.p.A.	11.500	
					Fiat Chrysler Automobiles N.V.	5.000	
					Teksid S.p.A.	2.000	
					Abarth & C. S.p.A.	1.500	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					FCA Group Marketing S.p.A.	1.500	
					FCA Information Technology, Excellence and Methods S.p.A.	1.500	
					FCA Services S.p.A.	1.500	
					Ferrari S.p.A.	1.500	
					Fiat Chrysler Finance S.p.A.	1.500	
					Fidis S.p.A.	1.500	
					Italiana Editrice S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
					Maserati S.p.A.	1.500	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	1.500	
					SIRIO - Sicurezza Industriale Società consortile per azioni	1.500	
					Deposito Avogadro S.p.A.	0.500	
Fiat Chrysler Automobiles Services UK Limited	United Kingdom	750,000	GBP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Financas Brasil Ltda.	Brazil	2,469,701	BRL	100.00	Fiat Chrysler Finance S.p.A.	99.994	
					FCA Fiat Chrysler Participacoes Brasil S.A.	0.006	
Fiat Chrysler Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance et Services S.A.	France	3,700,000	EUR	100.00	FCA Services S.p.A.	99.997	
Fiat Chrysler Finance Europe S.A.	Luxembourg	251,494,000	EUR	100.00	Fiat Chrysler Finance S.p.A.	60.003	
					Fiat Chrysler Automobiles N.V.	39.997	
Fiat Chrysler Finance North America Inc.	U.S.A.	190,090,010	USD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance S.p.A.	Italy	224,440,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco SA	Switzerland	350,000	CHF	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Risk Management S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat U.S.A. Inc.	U.S.A.	16,830,000	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Other Activities:Holding companies and Other companies							
Italiana Editrice S.p.A.	Italy	7,500,000	EUR	77.00	Fiat Chrysler Automobiles N.V.	77.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Fiat Chrysler Rimaco SA	100.000	
New Business 30 S.r.l.	Italy	100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Nexta Srl	Italy	50,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	
Publikompass S.p.A.	Italy	3,068,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	
Radio 19 S.r.l. in liquidation	Italy	10,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000	EUR	100.00	FCA Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000	EUR	87.10	FCA Partecipazioni S.p.A.	58.756	
					FCA Italy S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					FCA ITALY HOLDINGS S.p.A.	1.314	
					FCA Melfi S.p.A.	0.833	
					C.R.F. Società Consortile per Azioni	0.768	
					Fiat Chrysler Automobiles N.V.	0.751	
					Comau S.p.A.	0.729	
					Ferrari S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					FCA Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	
					FCA Servizi per l'Industria S.c.p.A.	0.503	
					Fiat Chrysler Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Italiana Editrice S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FCA Group Marketing S.p.A.	0.103	
					FCA Group Purchasing S.r.l.	0.103	
					FCA Real Estate Services S.p.A.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.065	
					FCA Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Fiat Chrysler Risk Management S.p.A.	0.039	
					Maserati S.p.A.	0.039	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
					Sisport S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Deposito Avogadro S.p.A.	0.022	
					Easy Drive S.r.l.	0.022	
					FCA Customer Services Centre S.r.l.	0.022	
					FCA Fleet & Tenders S.R.L.	0.022	
					FCA Information Technology, Excellence and Methods S.p.A.	0.022	
					Sealing and Brake Hoses Extrusion S.r.l.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport S.p.A. - Società sportiva dilettantistica	Italy	889,049	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Luxury and Performance Brands							
Ferrari							
Ferrari N.V.	Netherlands	3,778,432	EUR	80.00	Fiat Chrysler Automobiles N.V.	80.000	
410 Park Display Inc.	U.S.A.	100	USD	80.00	Ferrari N.America Inc.	100.000	
Ferrari Australasia Pty Limited	Australia	2,000,100	AUD	80.00	Ferrari S.p.A.	100.000	
Ferrari Cars International Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,212,500	USD	64.00	Ferrari S.p.A.	80.000	
Ferrari Central / East Europe GmbH	Germany	1,000,000	EUR	80.00	Ferrari S.p.A.	100.000	
FERRARI FAR EAST PTE LTD	Singapore	1,000,000	SGD	80.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services AG	Germany	1,777,600	EUR	80.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services Japan KK	Japan	199,950,000	JPY	80.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Financial Services S.p.A.	Italy	5,100,000	EUR	80.00	Ferrari S.p.A.	100.000	
Ferrari Financial Services, Inc.	U.S.A.	1,000	USD	80.00	Ferrari Financial Services S.p.A.	100.000	
Ferrari Japan KK	Japan	160,050,000	JPY	80.00	Ferrari S.p.A.	100.000	
Ferrari Management Consulting (Shanghai) CO., LTD	People's Rep.of China	2,100,000	USD	80.00	Ferrari S.p.A.	100.000	
Ferrari N.America Inc.	U.S.A.	200,000	USD	80.00	Ferrari S.p.A.	100.000	
Ferrari North Europe Limited	United Kingdom	50,000	GBP	80.00	Ferrari S.p.A.	100.000	
Ferrari S.p.A.	Italy	20,260,000	EUR	80.00	Ferrari N.V.	100.000	
Ferrari South West Europe S.A.R.L.	France	172,000	EUR	80.00	Ferrari S.p.A.	100.000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1,000,000	CHF	80.00	Ferrari S.p.A.	100.000	
Mugello Circuit S.p.A.	Italy	10,000,000	EUR	80.00	Ferrari S.p.A.	100.000	

Joint arrangements of FCA Group (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
JOINT ARRANGEMENTS							
Business Auto:Car Mass-Market brands							
APAC							
Fiat India Automobiles Private Limited	India	24,451,596,600	INR	50.00	FCA Italy S.p.A.	50.000	
EMEA							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000	EUR	50.00	FCA Italy S.p.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
2 H Energy S.A.S.	France	2,000,000	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Afin Bohemia s.r.o.	Czech Republic	1,000,000	CZK	100.00	Iveco FS Holdings Limited	100.000	
Afin Bulgaria EAD	Bulgaria	310,110	BGN	100.00	Iveco FS Holdings Limited	100.000	
Afin Slovakia S.R.O.	Slovack Republic	39,833	EUR	100.00	Iveco FS Holdings Limited	98.120	
					Iveco Capital Limited	1.880	
Afin Trade Bulgaria Eood	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	100,000,000	ETB	70.00	CNH Industrial N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Banco CNH Industrial Capital S.A.	Brazil	891,582,770	BRL	100.00	CNH Industrial N.V.	53.513	
					CNH Industrial Capital U.K. Ltd	45.816	
					CNH Industrial Latin America Ltda.	0.671	
Bli Group Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Blue Leaf I.P. Inc.	U.S.A.	1,000	USD	100.00	Bli Group Inc.	100.000	
Blue Leaf Insurance Company	U.S.A.	250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Brazil Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	14,000,000	USD	100.00	CNH Industrial N.V.	100.000	
Case Credit Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment International Corporation	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Europe S.a.r.l.	France	7,622	EUR	100.00	CNH Industrial America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211	EUR	100.00	CNH Industrial America LLC	100.000	
CASE ILE DE FRANCE	France	600,000	EUR	100.00	CNH Industrial France	100.000	
Case India Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000	INR	98.20	CNH Industrial America LLC	50.000	
					New Holland Fiat (India) Private Limited	50.000	
Case New Holland Industrial Inc.	U.S.A.	5	USD	100.00	CNH Industrial N.V.	100.000	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case United Kingdom Limited	United Kingdom	3,763,618	GBP	100.00	CNH Industrial America LLC	100.000	
CNH (China) Management Co., Ltd.	People's Rep.of China	12,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep.of China	2,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Capital Finance LLC	U.S.A.	5,000	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842	MXN	100.00	CNH Industrial America LLC	100.000	
CNH Industrial America LLC	U.S.A.	0	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Argentina S.A.	Argentina	356,036,105	ARS	100.00	CNH Industrial Latin America Ltda.	93.292	
					New Holland Holding (Argentina) S.A.	6.708	
CNH Industrial Asian Holding Limited N.V.	Belgium	25,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Australia Pty Limited	Australia	293,408,692	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	456,081,158	EUR	100.00	CNH Industrial Europe Holding S.A.	88.828	
					New Holland Holding Limited	11.172	
CNH Industrial BM GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Canada, Ltd.	Canada	28,000,100	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital America LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital LLC	100.000	
CNH Industrial Capital Australia Pty Limited	Australia	70,675,693	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
CNH Industrial Capital Benelux NV	Belgium	45,673,745	EUR	100.00	CNH Industrial N.V.	99.996	
					CNH Industrial Capital U.K. Ltd	0.004	
CNH Industrial Capital Canada Ltd.	Canada	5,435,350	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Industrial Capital LLC	U.S.A.	0	USD	100.00	CNH Industrial America LLC	100.000	
CNH INDUSTRIAL CAPITAL S.A.	Argentina	77,545,800	ARS	100.00	CNH Industrial Argentina S.A.	50.000	
					Iveco Argentina S.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
CNH Industrial Capital Solutions S.p.A.	Italy	60,000,000	EUR	100.00	CNH Industrial N.V.	50.100	
					Iveco FS Holdings Limited	49.900	
CNH Industrial Capital U.K. Ltd	United Kingdom	10,000,001	GBP	100.00	CNH Industrial Capital Benelux NV	100.000	
CNH Industrial Danmark A/S	Denmark	12,000,000	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
					CNH Industrial Europe Holding S.A.	10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000	EUR	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance France S.A.	France	1,000,000	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America Inc.	U.S.A.	25,000,000	USD	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services GmbH	Germany	1,151,000	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Financial Services S.A.	France	105,860,635	EUR	100.00	CNH Industrial N.V.	99.466	
					CNH Industrial Capital Benelux NV	0.534	
CNH Industrial France	France	52,965,450	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Latin America Ltda.	Brazil	1,551,568,579	BRL	100.00	CNH Industrial N.V.	85.658	
					Case Brazil Holdings Inc.	12.557	
					Case Equipment International Corporation	1.785	
CNH Industrial Machinery (Harbin) Co. Ltd.	People's Rep.of China	30,000,000	USD	100.00	CNH Industrial Asian Holding Limited N.V.	99.920	
					CNH Industrial Europe Holding S.A.	0.080	
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000	EUR	100.00	Iveco Espana S.L.	100.000	
CNH Industrial Osterreich GmbH	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Parts and Service Operations LLC	Russia	54,000,000	RUB	100.00	Iveco Nederland B.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798	EUR	100.00	CNH Industrial Europe Holding S.A.	99.980	
					CNH Industrial Italia s.p.a.	0.020	
CNH Industrial Sales and services GmbH	Germany	25,000	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
CNH Industrial Services (Thailand) Limited	Thailand	10,000,000	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH Industrial Services S.r.l.	Italy	10,400	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Reman LLC	U.S.A.	4,000,000	USD	50.00	CNH Industrial America LLC	50.000	
CNH U.K. Limited	United Kingdom	25,275	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNHI COMERCIO DE PEÇAS LTDA	Brazil	1,872,472	BRL	100.00	FPT Industrial S.p.A.	100.000	
CNHI International S.A.	Switzerland	100,000	CHF	100.00	CNH Industrial N.V.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Spain	993,045	EUR	100.00	Iveco Espana S.L.	99.996	
					Transolver Service S.A.	0.004	
Farmpower Pty Limited	Australia	360	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiatallis North America LLC	U.S.A.	32	USD	100.00	CNH Industrial America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776	GBP	100.00	CNH Industrial Canada, Ltd.	100.000	
FPT - Powertrain Technologies France S.A.	France	73,444,960	EUR	100.00	Iveco France	97.200	
					CNH Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Argentina	141,959,867	ARS	100.00	FPT Industrial S.p.A.	96.977	
					CNHI COMERCIO DE PEÇAS LTDA	3.023	
FPT Industrial S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
Heuliez Bus S.A.	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
HFI Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Irisbus Italia S.p.A.	Italy	4,500,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	50,000,000	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	24,698,000	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Argentina S.A.	Argentina	130,237,793	ARS	100.00	Iveco Espana S.L.	99.000	
					Astra Veicoli Industriali S.p.A.	1.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Iveco Austria GmbH	Austria	6,178,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romenia	150,000	RON	100.00	Iveco Capital Leasing IFN S.A.	100.000	
Iveco Capital Leasing IFN S.A.	Romenia	22,519,326	RON	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Limited	United Kingdom	798	GBP	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000	RUB	100.00	Iveco FS Holdings Limited	100.000	
Iveco Capital SA	Switzerland	14,000,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Defence Vehicles SpA	Italy	25,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Espana S.L.	Spain	132,333,109	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finance AG	Switzerland	1,500,000	CHF	100.00	Iveco Capital Limited	100.000	
Iveco Finland OY	Finland	100,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	
Iveco FS Holdings Limited	United Kingdom	26,001,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Holdings Limited	United Kingdom	47,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000	RUB	100.00	Iveco FS Holdings Limited	100.000	
Iveco International Trade Finance S.A. in liquidazione	Switzerland	30,800,000	CHF	100.00	Iveco FS Holdings Limited	100.000	
Iveco Investitions GmbH	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Brazil	531,538,326	BRL	100.00	Iveco Espana S.L.	73.960	
					CNH Industrial Latin America Ltda.	26.040	
Iveco Limited	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Germany	50,000,000	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Nederland B.V.	Netherlands	21,920,549	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l. in liquidazione	Italy	2,600,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations s.a.s.	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
					Iveco Limited	50.000	
Iveco Poland Sp. z o.o.	Poland	46,974,500	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000	EUR	100.00	CNH Industrial N.V.	99.998	99.997
					Astra Veicoli Industriali S.p.A.	0.001	
					Iveco Espana S.L.	0.001	
Iveco Provence s.a.s.	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	1,750,100	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romenia	17,500	RON	100.00	Iveco Austria GmbH	100.000	
Iveco S.p.A.	Italy	200,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	1,000	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Sweden	600,000	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romenia	2,200,200	RON	100.00	Iveco Romania S.r.l.	95.000	
					Iveco Magyarorszag Kereskedelmi KFT	5.000	
Iveco Trucks Australia Limited	Australia	47,492,260	AUD	100.00	CNH Industrial N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	3,985,803	VEF	100.00	CNH Industrial N.V.	62.689	
					Iveco S.p.A.	37.311	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	
LLC "CNH Industrial (Russia) Commercial Operations"	Russia	60,984,008	RUB	100.00	Iveco Nederland B.V.	100.000	
LLC "CNH Industrial (Russia) Industrial Operations"	Russia	608,754,200	RUB	100.00	Iveco Nederland B.V.	100.000	
MAGIRUS CAMIVA S.a.s. (societè par actions	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Magirus GmbH	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775	EUR	84.43	Magirus GmbH	100.000	
MBA AG	Switzerland	4,000,000	CHF	100.00	CNH Industrial N.V.	100.000	
Mediterranea de Camiones S.L.	Spain	48,080	EUR	100.00	Iveco Espana S.L.	99.875	
					CNH Industrial N.V.	0.125	
New Holland Construction Machinery S.p.A.	Italy	12,396,363	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital LLC	100.000	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	96.41	CNH Industrial Asian Holding Limited N.V.	96.407	48.965
New Holland Holding (Argentina) S.A.	Argentina	23,555,415	ARS	100.00	CNH Industrial Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	33,601	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd.	United Kingdom	184,100	GBP	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
Officine Brennero S.p.A.	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000	RUB	100.00	CNH Industrial N.V.	99.960	
					Iveco Austria GmbH	0.040	
Receivables Credit II Corporation	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
S.A. Iveco Belgium N.V.	Belgium	6,000,000	EUR	100.00	CNH Industrial N.V.	99.983	
					Iveco Nederland B.V.	0.017	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000	CNY	60.00	FPT Industrial S.p.A.	30.000	
					SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	67,000,000	USD	60.00	CNH Industrial Asian Holding Limited N.V.	60.000	
Société Charolaise de Participations S.A.	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI	France	7,022,400	EUR	100.00	Iveco France	100.000	
Steyr Center Nord GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
Transolver Finance S.A.S.	France	9,468,219	EUR	100.00	CNH Industrial Financial Services S.A.	100.000	
Transolver Service S.A.	Spain	610,000	EUR	100.00	Iveco FS Holdings Limited	99.984	
					Iveco Espana S.L.	0.016	
Transolver Services S.A.	France	38,000	EUR	99.76	Iveco Capital Limited	99.760	
UAB Iveco Capital Baltic	Lithuania	40,110	EUR	100.00	Iveco FS Holdings Limited	100.000	
Uzcaseagroleasing LLC	Uzbekistan	5,000,000	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Uzbekistan	15,000,000	USD	60.00	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Uzbekistan	5,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Uzbekistan	15,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Real Estate							
Almacantar S.A.	Luxembourg	575,597,192.00	GBP	38.30	EXOR S.A.	38.305	
Publishing and Communications							
The Economist Newspaper Ltd.	United Kingdom	1,135,505.00	GBP	34.72	EXOR S.A.	34.722	20.00

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHO							
Business Auto:Car Mass-Market brands							
NAFTA							
Alhambra Chrysler Jeep Dodge, Inc.	U.S.A.	1,272,700	USD	100.00	FCA US LLC	100.000	
Downriver Dodge, Inc.	U.S.A.	604,886	USD	100.00	FCA US LLC	100.000	
Gwinnett Automotive Inc.	U.S.A.	3,505,019	USD	100.00	FCA US LLC	100.000	
La Brea Avenue Motors, Inc.	U.S.A.	7,373,800	USD	100.00	FCA US LLC	100.000	
Superstition Springs Chrysler Jeep, Inc.	U.S.A.	675,400	USD	100.00	FCA US LLC	100.000	
Superstition Springs MID LLC	U.S.A.	3,000,000	USD	100.00	FCA MID LLC	100.000	
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0	EUR	100.00	FCA AUSTRO CAR GmbH	100.000	
ALFA ROMEO LLC.	U.S.A.	0	USD	100.00	FCA North America Holdings LLC	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000	TRY	100.00	CG EU NSC LIMITED FCA US LLC	99.960 0.040	
FCA NORWAY AS	Norway	100,800	NOK	100.00	FCA Italy S.p.A.	100.000	
Fiat Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES CR s.r.o.	Czech Republic	1,000,000	CZK	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES SR s.r.o.	Slovack Republic	33,194	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Italcar SA	Morocco	4,000,000	MAD	99.85	Fiat Chrysler Automobiles Morocco S.A.	99.900	
Lancia Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 37 S.p.A.	Italy	200,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Components and Production Systems							
Magneti Marelli							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716	BRL	68.34	Magneti Marelli do Brasil Industria e Comercio Ltda	68.350	
PSMM Pernambuco Componentes Automotivos Ltda	Brazil	41,144,000	BRL	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Comau							
COMAU (THAILAND) CO. LTD	Thailand	10,000,000	THB	100.00	Comau S.p.A.	99.997	
COMAU Czech s.r.o.	Czech Republic	5,400,000	CZK	100.00	Comau S.p.A.	100.000	
Comau Robot ve Sistemleri A.S	Turkey	560,000	TRY	100.00	Comau S.p.A.	100.000	
Other Activities:Holding companies and Other companies							
Fiat (Beijing) Business Co., Ltd.	People's Rep.of China	3,000,000	USD	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco Argentina S.A.	Argentina	150,000	ARS	99.96	Fiat Chrysler Rimaco SA	99.960	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHO							
Business Auto:Car Mass-Market brands							
NAFTA							
United States Council for Automotive Research LLC	U.S.A.	100	USD	33.33	FCA US LLC	33.330	
APAC							
GAC FIAT Chrysler Automobiles Co. Ltd.	People's Rep.of China	4,800,000,000	CNY	50.00	FCA Asia Pacific Investment Co. Ltd.	22.917	
					Fiat Chrysler Automobiles N.V.	14.583	
					FCA Italy S.p.A.	12.500	
EMEA							
FCA BANK S.p.A.	Italy	700,000,000	EUR	50.00	FCA Italy S.p.A.	50.000	
Athomstart Invest 35 AS	Norway	100,800	NOK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FAL Fleet Services S.A.S.	France	3,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA AUTOMOTIVE SERVICES UK LTD.	United Kingdom	50,250,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA Bank Deutschland G.m.b.H.	Germany	39,600,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Bank G.m.b.H.	Austria	5,000,000	EUR	50.00	FCA BANK S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FCA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL DANMARK A/S	Denmark	14,154,000	DKK	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL ESPANA E.F.C. S.A.	Spain	26,671,557	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL FRANCE S.A.	France	11,360,000	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL HELLAS S.A.	Greece	1,200,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL IRELAND Public Limited Company	Ireland	132,562	EUR	50.00	FCA BANK S.p.A.	99.994	
FCA Capital Nederland B.V.	Netherlands	3,085,800	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL PORTUGAL INSTITUIÇÃO FINANCIERA DE CRÉDITO SA	Portugal	10,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL RE Limited	Ireland	1,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Capital Suisse S.A.	Switzerland	24,100,000	CHF	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL SVERIGE AB	Sweden	50,000	SEK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FCA DEALER SERVICES ESPANA S.A.	Spain	25,145,299	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES PORTUGAL S.A.	Portugal	500,300	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES UK LTD.	United Kingdom	20,500,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA FLEET SERVICES UK LTD.	United Kingdom	19,000,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA INSURANCE HELLAS S.A.	Greece	60,000	EUR	49.99	FCA CAPITAL HELLAS S.A.	99.975	
FCA LEASING FRANCE SNC	France	8,954,581	EUR	50.00	FCA CAPITAL FRANCE S.A.	99.998	
FCA Leasing GmbH	Austria	40,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Leasing Polska Sp. z o.o.	Poland	24,384,000	PLN	50.00	FCA BANK S.p.A.	100.000	
FCA-Group Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FCA BANK S.p.A.	100.000	
Leasys S.p.A.	Italy	77,979,400	EUR	50.00	FCA BANK S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Turkey	500,000,000	TRY	37.86	FCA Italy S.p.A.	37.856	
Components and Production Systems							
Magneti Marelli							
Hubei Huazhoung Magneti Marelli Automotive Lighting Co. Ltd	People's Rep.of China	138,846,000	CNY	50.00	Automotive Lighting Reutlingen GmbH	50.000	
Magneti Marelli Motherson Auto System Private Limited	India	1,500,000,000	INR	50.00	Magneti Marelli S.p.A.	37.333	0.000
					Magneti Marelli Motherson India Holding B.V.	25.333	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Motherson Shock Absorbers (India) Private Limited	India	1,899,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	India	160,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep.of China	23,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	People's Rep.of China	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Teksid							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep.of China	385,363,500	CNY	50.00	Teksid S.p.A.	50.000	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.16%)

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHO							
Business Auto:Car Mass-Market brands							
APAC							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep.of China	555,999,999	CNY	33.33	FCA Partecipazioni S.p.A.	33.333	
Haveco Automotive Transmission Co. Ltd.	People's Rep.of China	200,010,000	CNY	33.33	FCA Partecipazioni S.p.A.	33.330	
EMEA							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000	USD	49.00	FCA US LLC	49.000	
Components and Production Systems							
Magneti Marelli							
HMC MM Auto Ltd	India	214,500,000	INR	40.00	Magneti Marelli S.p.A.	40.000	
Other Activities:Holding companies and Other companies							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000	UAH	38.62	FCA Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	FCA Partecipazioni S.p.A.	27.000	
RCS MediaGroup S.p.A.	Italy	475,134,602	EUR	16.73	Fiat Chrysler Automobiles N.V.	16.734	

Investments of CNH Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 27.28%)

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
JOYNTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
Case Mexico S.A. de C.V.	Mexico	810,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	200,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000	MXN	50.00	CNH de Mexico SA de CV	99.999	
IVECO – OTO MELARA Società Consortile a responsabilità limitata	Italy	40,000	EUR	50.00	Iveco Defence Vehicles SpA	50.000	
Iveco Acentro S.p.A.	Italy	3,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
New Holland HFT Japan Inc.	Japan	240,000,000	JPY	50.00	CNH Industrial N.V.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	224,500,000	USD	50.00	Iveco S.p.A.	50.000	
SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	People's Rep.of China	1,900,000,000	CNY	33.50	SAIC IVECO Commercial Vehicle Investment Company Limited	67.000	
SAIC-IVECO Hongyan Axle Co. Ltd.	People's Rep.of China	170,000,000	CNY	33.50	SAIC Iveco Hongyan Commercial Vehicles Co, Ltd.	100.000	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	29,315,458	EUR	50.00	CNH Industrial N.V.	50.000	
Turk Traktor ve Ziraat Makineleri A.S.	Turkey	53,369,000	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
CNH Industrial Korea LLC	South Korea	3,500,000,000	KRW	100.00	CNH Industrial N.V.	100.000	
Iveco Colombia S.a.s.	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A. Iveco Latin America Ltda	99.990 0.010	
Northside New Holland Inc.	U.S.A.	250,000	USD	68.12	CNH Industrial America LLC	68.120	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD							
Al-Ghazi Tractors Ltd	Pakistan	289,821,005	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Industrial Capital Europe S.a.S.	France	88,482,297	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
IVECO-AMT Ltd.	Russia	65,255,056	RUB	33.33	CNH Industrial N.V.	33.330	

Investments of Juventus Football Club accounted for by the equity method (percentage of EXOR Group consolidation: 63.77%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Others Companies							
J Medical S.r.l. (a)	Italy	34,500.00	EUR	85.51	Juventus Football Club S.p.A.	85.510	

(a) Following the capital increase of February 4, 2016 the Juventus share in J Medical is diluted to 50%, as expected.

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Business Auto:Car Mass-Market brands							
NAFTA							
Chrysler Receivables 1 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Receivables 2 Inc.	Canada	100	CAD	100.00	FCA Canada Inc.	100.000	
Chrysler Receivables Limited Partnership	Canada	0	CAD	100.00	FCA Canada Inc.	99.990	
					Chrysler Receivables 1 Inc.	0.005	
					Chrysler Receivables 2 Inc.	0.005	
FCA Co-Issuer Inc.	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DUTCH OPERATING LLC	U.S.A.	0	USD	100.00	CNI CV	100.000	
FCA Foundation	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERMEDIATE MEXICO LLC	U.S.A.	1	USD	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
Fundacion Chrysler, I.A.P.	Mexico	0	MXN	100.00	FCA Mexico, S.A. de C.V.	100.000	
FUNDACION FCA, A.C.	Mexico	2	MXN	100.00	FCA Mexico, S.A. de C.V.	50.000	
					FCA MINORITY LLC	50.000	
EMEA							
Banbury Road Motors Limited	United Kingdom	100	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0	EUR	100.00	CNI CV	99.000	
					FCA DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdom	1	GBP	100.00	Chrysler UK Limited	100.000	
CNI CV	Netherlands	0	EUR	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
CODEFIS Società consortile per azioni	Italy	120,000	EUR	51.00	FCA Italy S.p.A.	51.000	
CONSORZIO FCA CNHI ENERGY	Italy	7,000	EUR	57.14	Comau S.p.A.	14.286	
					FCA Italy S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Consorzio Servizi Balocco	Italy	10,000	EUR	90.84	FCA Italy S.p.A.	77.800	
					Ferrari S.p.A.	5.300	
					FCA ITALY HOLDINGS S.p.A.	4.500	
					Maserati S.p.A.	2.800	
					Abarth & C. S.p.A.	1.500	
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603	RSD	66.67	FCA SERBIA DOO KRAGUJEVAC	100.000	
FCA Russia S.r.l.	Italy	1,682,028	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062	RUB	100.00	FCA Russia S.r.l.	99.591	
					FCA Italy S.p.A.	0.409	
VM North America Inc.	U.S.A.	1,000	USD	100.00	FCA Italy S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
ABC BETIM INDUSTRIA E COMERCIO LTDA	Brazil	1,000	BRL	99.99	Magneti Marelli Componentes Plasticos Ltda	99.900	
					Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	0.100	
SBH EXTRUSAO DO BRASIL LTDA.	Brazil	15,478,371	BRL	99.99	Sealing and Brake Hoses Extrusion S.r.l.	100.000	
Sealing and Brake Hoses Extrusion S.r.l.	Italy	2,550,000	EUR	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Comau							
Comau Do Brasil Facilities Ltda.	Brazil	10,000,000	BRL	100.00	Comau do Brasil Industria e Comercio Ltda.	100.000	
Consorzio Fermag in liquidation	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Other Activities:Holding companies and Other companies							
Fiat Chrysler Finance Netherlands B.V.	Netherlands	1	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Rimaco Brasil Corretagens de Seguros Ltda.	Brazil	365,525	BRL	100.00	Fiat Chrysler Rimaco SA	99.998	
Fiat Common Investment Fund Limited	United Kingdom	2	GBP	100.00	Fiat Chrysler Automobiles Services UK Limited	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400	INR	100.00	FCA Partecipazioni S.p.A.	99.825	
					FCA Group Purchasing S.r.l.	0.175	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	80.000	
					Fiat Chrysler Automobiles N.V.	20.000	
New Business 31 S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza	Italy	120,000	EUR	97.64	FCA Partecipazioni S.p.A.	76.722	
					Fiat Chrysler Automobiles N.V.	18.003	
					FCA Italy S.p.A.	0.439	
					Italiana Editrice S.p.A.	0.439	
					Comau S.p.A.	0.220	
					FCA Group Marketing S.p.A.	0.220	
					FCA ITALY HOLDINGS S.p.A.	0.220	
					FCA Services S.p.A.	0.220	
					FCA Servizi per l'Industria S.c.p.A.	0.220	
					Ferrari S.p.A.	0.220	
					Fiat Chrysler Finance S.p.A.	0.220	
					Magneti Marelli S.p.A.	0.220	
					Sisport S.p.A. - Società sportiva dilettantistica	0.220	
					Teksid S.p.A.	0.220	
ASSOCIATED COMPANIES VALUED AT COST							
Business Auto:Car Mass-Market brands							
EMEA							
Consorzio ATA - FORMAZIONE	Italy	16,670	EUR	40.01	C.R.F. Società Consortile per Azioni	40.012	
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000	EUR	30.00	FCA Italy S.p.A.	30.000	
Consorzio Prode in liquidation	Italy	51,644	EUR	22.22	C.R.F. Società Consortile per Azioni	22.221	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000	EUR	24.52	FCA Italy S.p.A.	17.391	
					C.R.F. Società Consortile per Azioni	6.957	
					Sistemi Sospensioni S.p.A.	0.174	
New Holland Fiat (India) Private Limited	India	12,485,547,400	INR	3.59	FCA Italy S.p.A.	3.593	51.035
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200	INR	50.00	FCA ITALY HOLDINGS S.p.A.	50.000	
Components and Production Systems							
Magneti Marelli							
Bari Servizi Industriali S.c.r.l.	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
DTR VMS Italy S.r.l.	Italy	1,000,000	EUR	40.00	Magneti Marelli S.p.A.	40.000	
Flexider S.p.A.	Italy	4,080,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
Mars Seal Private Limited	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Other Activities:Holding companies and Other companies							
ANFIA Automotive S.c.r.l.	Italy	20,000	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					FCA Information Technology, Excellence and Methods S.p.A.	5.000	
					FCA Italy S.p.A.	5.000	
					Magneti Marelli S.p.A.	5.000	
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000	EUR	35.25	FCA Melfi S.p.A.	23.500	
					Sistemi Sospensioni S.p.A.	11.750	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	50.00	FCA Fiat Chrysler Participacoes Brasil S.A.	50.000	
Liguria Press Srl	Italy	240,000	EUR	20.00	Italiana Editrice S.p.A.	20.000	
Maxus MC2 S.p.A.	Italy	219,756	EUR	20.00	FCA Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a	Italy	10,000	EUR	26.80	FCA Partecipazioni S.p.A.	25.800	
					Plastic Components and Modules Automotive S.p.A.	1.000	
To-dis S.r.l.	Italy	510,000	EUR	34.65	Italiana Editrice S.p.A.	45.000	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group consolidation	Interest held by	% of interest held	% of voting rights
ASSOCIATED COMPANIES VALUED AT COST							
OTHER COMPANIES							
Business Auto:Car Mass-Market brands EMEA							
Consorzio Calef (Consorzio per la ricerca e lo sviluppo delle applicazioni industriali laser e del fascio elettronico)	Italy	90,131	EUR	11.57	C.R.F. Società Consortile per Azioni	5.787	
					FCA Italy S.p.A.	5.787	
Consorzio Technapoli	Italy	1,626,855	EUR	11.11	C.R.F. Società Consortile per Azioni	11.110	
Other Activities:Holding companies and Other companies							
Consorzio Edicola Italiana	Italy	60,000	EUR	12.83	Italiana Editrice S.p.A.	16.667	
Consorzio Lingotto	Italy	9,612	EUR	18.26	FCA Partecipazioni S.p.A.	12.856	
					Fiat Chrysler Automobiles N.V.	5.400	
Distretto Meccatronico Regionale Della Puglia S.c.a r.l. "MEDIS Scarl"	Italy	150,000	EUR	13.33	C.R.F. Società Consortile per Azioni	6.667	
					Magneti Marelli S.p.A.	6.667	
Fin.Priv. S.r.l.	Italy	20,000	EUR	14.29	Fiat Chrysler Automobiles N.V.	14.285	
SUBSIDIARIES VALUED AT COST							
Business Auto:Luxury and Performance Brands Ferrari							
Ferrari Auto Securitization Transaction LLC	U.S.A.	100	USD	80.00	Ferrari Financial Services, Inc.	100.000	
New Business 33 S.p.A.	Italy	120,000	EUR	80.00	Ferrari N.V.	100.000	
Scuderia Ferrari Club S.c. a r.l.	Italy	105,000	EUR	75.49	Ferrari S.p.A.	94.362	
OTHER COMPANIES							
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	13.09	Ferrari S.p.A.	16.364	

Investments of CNH Industrial Group valued at cost

Name	Country	Share capital	Currency	% of Group consolidation	Interest held by	% interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Altra S.p.A.	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Case Construction Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case International Limited	United Kingdom	1	GBP	100.00	New Holland Holding Limited	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000	USD	100.00	CNH Industrial America LLC	100.000	
International Harvester Company	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000	HUF	100.00	Iveco Austria GmbH	100.000	
J.I. Case Company Limited	United Kingdom	2	GBP	100.00	Case United Kingdom Limited	100.000	
MVPC LLC	Russia	10,000	RUB	50.00	OOO Iveco Russia	50.000	
New Industrial Business 2 s.r.l.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
RosCaseMash	Russia	0	RUB	38.25	Case Equipment Holdings Limited	38.250	51.000
ASSOCIATED COMPANIES VALUED AT COST							
CONSORZIO FCA CNHI ENERGY	Italy	7,000	EUR	42.86	CNH Industrial Italia s.p.a.	14.286	
					FPT Industrial S.p.A.	14.286	
					Iveco S.p.A.	14.286	
Consorzio Nido Industria Vallesina	Italy	53,903	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
Sotra S.A.	Ivory Coast	3,000,000,000	XOF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
OTHER COMPANIES VALUED AT COST							
CODEFIS Società consortile per azioni	Italy	120,000	EUR	19.00	CNH Industrial Capital U.K. Ltd	19.000	
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	

Investments of Juventus Football Club valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - VALUED AT COST							
Others Companies							
Tobeez F&B Italia S.r.l.	Italy	10,000.00	EUR	N/A	Juventus Football Club S.p.A.	40.000	

Significant investments of the Holdings System

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
OTHER COMPANIES - SIGNIFICANT INVESTMENTS OF THE HOLDINGS SYSTEM							
Bank							
Banca Leonardo S.p.A.	Italy	100,565,000.00	EUR	N/A	EXOR S.A.	16.507	
Holdings and Others							
Banijay Holding S.A.S.	France	2,047,433.00	EUR	N/A	EXOR S.A.	17.172	

Attestation of the Consolidated Financial Statements according to art. 154-*bis*, Paragraph 5, of Legislative Decree 58/98

We, the undersigned, John Elkann, Chairman and Chief Executive Officer, and Enrico Vellano, executive responsible for the preparation of the financial reports of EXOR S.p.A. attest, pursuant to the provisions of art. 154-*bis*, paragraphs 3 and 4, of Legislative Decree 58 of February 24, 1998, to:

- the adequacy with respect to the Company's structure and
- the effective application

of the administrative and accounting procedures applied in the preparation of the Company's consolidated financial statements at December 31, 2015.

We also attest that:

- the consolidated financial statements:
    - have been prepared in accordance with applicable International Financial Reporting Standards, as endorsed by the European Community pursuant to EC Regulation 1606/2002 of the European Parliament and Council of July 19, 2002;
    - correspond to the amounts shown in the Company's accounts, books and records;
    - provide a true and correct representation of the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries;
- the Report on Operations includes a reliable operating and financial review of the Company and of the Group as well as a description of the main risks and uncertainties to which they are exposed.

Turin, April 14 2016

The Chairman and CEO John Elkann	Executive responsible for the preparation of the company's financial reports Enrico Vellano

Building a better
working world

Reconta Ernst & Young S.p.A.
Via Meucci, 5
10121 Torino

Tel: +39 011 5161611
Fax: +39 011 5612554
ey.com

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of EXOR S.p.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of EXOR Group, which comprise the consolidated statement of financial position as at December 31 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The Directors of EXOR S.p.A. are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 paragraph 3 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of EXOR Group as at December 31 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure with the consolidated financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements. The Directors of EXOR S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the consolidated financial statements of EXOR Group as at December 31, 2015.

Turin, April 18, 2016
Reconta Ernst & Young S.p.A.
Signed by: Stefania Boschetti partner

This report has been translated into the English language solely for the convenience of international readers.

BOARD OF STATUTORY AUDITORS' REPORT ON THE YEAR 2015
TO THE SHAREHOLDERS' MEETING PURSUANT TO ART. 153 OF LEGISLATIVE DECREE 58/1998

Shareholders,

First, it should be mentioned that the board of statutory auditors was appointed by the shareholders' meeting held on May 29, 2015 – for the period up to the approval of the financial statements at December 31, 2017 – in the persons of Enrico Maria Bignami, Chairman, Sergio Duca and Nicoletta Paracchini. On January 16, 2016, Ruggero Tabone was appointed standing auditor, effective January 15, 2016, to replace Sergio Duca who resigned.

During the year ended December 31, 2015, the board of statutory auditors has carried out the monitoring activities required by law, taking into account also the principles of conduct recommended by the National Board of Dottori Commercialisti e degli Esperti Contabili and the Consob communications with regard to the corporate controls and activities of the board of statutory auditors.

The board has acquired the information to conduct its functions by taking part in meetings of the board of directors, the internal control and risks committee, the compensation and nominating committee, in meetings with senior management, in inquiries of company management, in meetings with the legal auditor and with the control and management bodies of the Group companies, with analyses of the information flows acquired from the competent corporate structures, as well as through further inspection and control activities.

The board of statutory auditors has also been kept informed by the board of directors, at least quarterly, on activities carried out, on transactions having a significant economic and financial impact and in possible conflict of interests, as well as any atypical or unusual transactions and on any other activities or transactions that the administrative body deemed opportune to share with the recipients of the information.

1. The company, in its report on operations, has illustrated adequately the transactions of major economic and financial significance entered into by the company during 2015 and the significant events subsequent thereto. The board of statutory auditors brings to your attention, in particular, the following transactions:

- acquisition of 100% of PartnerRe,
- sale of Cushman & Wakefield,
- sale of EXOR treasury stock,
- increase in The Economist Group investment,
- issue of EXOR 2015-2022 and 2015-2025 bonds,
- separation of Ferrari from FCA and subsequent listing on the stock exchange,
- purchase of 13% of Welltec, a Danish company operating in the field of robotics technologies for the oil and gas industry.

The board of statutory auditors has ascertained compliance with the law, the company's by-laws and the principles of correct management of the company's operations, monitoring that they were not manifestly imprudent or reckless or in contrast to the resolutions passed by the shareholders' meeting such as to compromise the financial integrity of the company.

2. The board of statutory auditors has not identified in 2015 or subsequent to the end of that year, atypical and/or unusual transactions carried out with third parties or with related parties (also including Group companies).

With reference to potential conflict of interests, the directors, in commenting on the individual items of the annual financial statements, indicate and illustrate the main intercompany transactions and transactions with the other related parties; reference should therefore be made to those sections, also for the description of the characteristics of the transactions and the relative economic effects.

In accordance with the requirements of Consob contained in Resolution 17221 of March 12, 2010 (and subsequent changes and integrations), the company, on November 12, 2010, adopted the "Procedures for transactions with related parties" which came into effect on January 1, 2011 and is briefly illustrated in the Corporate Governance Report to which reference should be made. The board of statutory auditors has overseen the conformity of the adopted procedure with the principles indicated by Consob and their effective observance.

3. The board of statutory auditors believes that the information rendered by the directors in the explanatory notes to the financial statements, with regard to intercompany and related party transactions, is adequate.

4. The audit firm of Reconta Ernst & Young S.p.A. has issued on April 18, 2016 the reports required by art. 14 of Legislative Decree 39 of January 27, 2010, in which it attests that the separate and consolidated financial statements for the year ended December 31, 2015 of the company and the EXOR Group represent a true and fair view of the financial position, the results of operations and the cash flows for the year then ended.

The report contains no exceptions.

The audit firm has also expressed an opinion of the congruity of the report on operations and the information contained in the Corporate Governance Report and the shareholder base with the aforementioned financial statements.

5. During 2015 and up to the date of the preparation of this Report no complaints were presented to the board pursuant to ex art. 2408 of the Italian Civil Code.

6. During 2015 and up to the date of the preparation of this Report the board has not received indications of matters for investigation.

7. During 2015 EXOR S.p.A. and/or its subsidiaries engaged Reconta Ernst & Young S.p.A. to provide other services in addition to the audit of the company, as follows:

	€ thousand
• Fees charged to the company mainly for attestation services relating to the issue of Comfort Letters on bond issues.	45
• Fees charged to the subsidiaries mainly for attestation services relating to the issue of Comfort Letters on the issue of bonds for US$ 3 billion by the subsidiary Fiat Chrysler Automobiles N.V.	449
• Fees charged to the subsidiaries mainly for agreed-upon audit procedures, other compliances requested by local administrative entities and other services performed in the tax area.	88
Total	582

8. During 2015 subsidiaries of EXOR S.p.A. engaged members of the Reconta Ernst & Young S.p.A. network to provide certain services other than audit, as follows:

	€ thousand
• Fees charged to the subsidiaries mainly for other attestation activities carried out on the subsidiaries.	106
• Fees charged to the subsidiaries mainly for agreed-upon audit procedures, other compliances requested by local administrative entities and other services carried out in the tax area.	2,200
Total	2,306

The board of statutory auditors has monitored the independence of the audit firm which issued on April 18, 2016 the annual confirmation of independence pursuant to art. 17, paragraph 9, letter a) of Legislative Decree 39/2010.

9. The board of statutory auditors, in 2015, has expressed the following opinions to the board of directors:

- positive opinion, in conformity with art. 2389 of the Italian Civil Code, on the compensation of the Chief Executive Officer;
- positive opinion on the appointment of Enrico Vellano (Chief Financial Officer of the company) as the executive responsible for the preparation of the company's financial reports.

10. During 2015 the board of directors of the company held eight meetings, the internal control and risks committee (which also functions as the Committee for related party transactions) held five meetings and the compensation and nominating committee one meeting. The board of statutory auditors, during the course of the same year 2015, met ten times; in addition it attended: (i) the shareholders' meetings; (ii) all meetings of the board of directors; (iii) all meetings held in 2015 by the internal control and risks committee and by the compensation and nominating committee.

11. The board of statutory auditors has taken note and monitored, to the extent of its competence, observance of the principles of correct management. In particular, as regards the resolutions passed by the board of directors, the board of statutory auditors has ascertained that the management decisions taken by the directors complied with the law and the bylaws, verified that the resolutions passed by the administrative body were adequately supported by information processes, analyses, testing and discussion, also with recourse, when considered necessary, to consultation with the committees and outside professionals. The board of statutory auditors also verified, to the extent it is known, that the directors have rendered the declarations under ex art. 2391 of the Italian Civil Code.

12. In accordance with the principles of self-regulation, the board of directors carries out a role of direction and strategic supervision, pursuing the primary objective of creating value for the shareholders over the medium-/long-term, with a view towards the sustainability of the company's business, also taking into account the legitimate interests of the remaining stakeholders.

In order to execute its resolutions and for the management of the company, the board of directors, within the limits established by law, may delegate the necessary powers to one or more directors who refer to the board of directors and the board of statutory auditors on the activities performed, on the general trend of operations, on the future outlook and on transactions of major economic and financial significance, entered into by the company.

In conformity with the bylaws, the board of directors has appointed John Elkann Chairman of the board of directors and Chief Executive Officer, to whom the delegated powers for the operating management of the company were entrusted as better specified in the Corporate Governance Report. The board of directors nevertheless has exclusive competence as regards the functions and responsibilities over the determination of the strategic and organizational guidelines of the company.

The board of statutory auditors, to the extent of its competence, has taken note and monitored the dynamic adequacy of the organizational structure and its relative functioning, taking into account the corporate objectives.

13. The board of statutory auditors has monitored the company's internal control system assessing its adequacy and reporting that the system did not show any critical areas.

The company has adopted an Organizational Model pursuant to Legislative Decree 231 of June 8, 2001 and set up a Supervisory Body attributing to it the task of monitoring the functioning and observance of the Organizational, Management and Control Model and seeing to its updating.

The board of statutory auditors has analyzed the periodical reports of the Supervisory Body, which it met with once in 2015, and was continually updated by Mr Duca who, until May 29, 2015, held the posts of both statutory auditor and member of the Supervisory Body.

14. The board of statutory auditors has evaluated and monitored the adequacy of the administrative and accounting system and its relative reliability to correctly represent operating events.

The audit firm on April 18, 2016 issued its report pursuant to art. 19 of Legislative Decree 39/2010, which does not mention any “fundamental issues” or “significant weaknesses” in the internal control system in relation to the financial information process.

15. The board of statutory auditors has taken note of the instructions given by the company to the subsidiaries pursuant to art. 114, paragraph 2, TUF deeming them adequate for fulfilling the communication obligations required by law. To this end, the board notes that the company governs, using specific procedures, the information flows it receives from the subsidiaries, especially in relation to major transactions of significance.

16 The board of statutory auditors has ascertained, by direct testing and information obtained from the audit firm of Reconta Ernst & Young S.p.A., the observance of regulations and laws inherent to the preparation and formulation of the annual financial statements and the report on operations. The board has no observations to report on relevant aspects that arose during the course of meetings held with the auditors.

17. The company observes the self-regulatory code written by Borsa Italiana’s Corporate Governance Committee.

The board of statutory auditors has supervised the activities for the assessment of the requisites and correct application of the independence criteria of directors. The same control body has seen to the verification of the possession of the requisites of independence of its members, pursuant to art. 148, third paragraph, of Legislative Decree 58/1998.

For further details on the corporate governance of the company reference should be made to the specific section of the Corporate Governance Report.

The board of statutory auditors has monitored that the above-mentioned report gives full disclosure on the ways in which the company has adopted and implemented the recommendations of the self-regulatory code.

Moreover, the board of statutory auditors has verified that the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/1988 approved by the board of directors has been prepared in conformity with the provisions of the law and provides adequate disclosure on the company’s compensation policies and on the compensation paid during the year.

18. From the supervision and control activities conducted by the board of statutory auditors no significant facts have emerged that require reporting or mention in this Report.

19. The board of statutory auditors, having taken note of the results of the financial statements for the year ended December 31, 2015, has no objections to the proposed resolution by the board of directors to the shareholders' meeting including the proposal for the distribution of dividends per share of €0.35 for a total of €82 million to the 234,346,104 outstanding ordinary shares.

The shareholders' meeting is also called to appoint a standing auditor and an alternate auditor.

Turin, April 18, 2016

THE BOARD OF STATUTORY AUDITORS

Enrico Maria Bignami, Chairman

Nicoletta Paracchini

Ruggero Tabone

Exor

2016 Annual Report

Exor

Report on Operations

The 2016 Annual Report is available on the corporate website at: www.exor.com

Communications & Media Relations
Tel. +31.(0) 20 240 2 221
Fax +31.(0) 20 240 2 738
media@exor.com

Institutional Investors and Financial Analysts Relations
Tel. +31.(0) 20 240 2 222
Fax +31.(0) 20 240 2 738
ir@exor.com

Dear Shareholders,

The German artist Hans Hoffmann once said “*The ability to simplify means to eliminate the unnecessary so the necessary may speak.*” At EXOR we have spent 2016 following his advice – although getting there has not been simple.

We ended the year with a single company – EXOR NV – sitting between our investments and you, our shareholders, rather than the ten that existed when we first started this process a decade ago.

EXOR NV, our new company, is a lean organization comprising twenty talented individuals ready for new challenges. Most of our previous EXOR colleagues have found new roles within our businesses. We are delighted to see this happen because it demonstrates how high-potential individuals can build careers within EXOR, and it helps to foster a common culture. It also ensures our overhead is in check and keeps us close to the businesses where value is created for customers and shareholders.

Our Netherlands domicile not only brings us closer to our companies, which are mainly incorporated there, but also allows us to create a “loyalty” shares which has worked well for CNHI, FCA and Ferrari, and incentives long-term shareholders with increased voting rights based on the duration of their ownership. Long-term is how we think about our business and we want to encourage our shareholders to do the same.

The other significant change we made in 2016 was to use NAV per share, rather than just NAV growth to measure our performance. We believe this is a more complete indicator and therefore more meaningful for our shareholders. We have also decided to align the new measurement more clearly with the majority of our assets and the revenue they generate by moving to a denomination in US Dollars instead of Euros.

And finally, we have decided not to include capitalized ordinary holding costs in the measure. This means we now comply with the standard way the market calculates NAV and it helps us avoid confusing our annual costs with those we capitalize. For the avoidance of doubt, I would underline that this will not in any way reduce our attention to controlling our expenses – indeed in 2017 we are expecting to reduce costs to a level of less than 10 basis points of our Gross Asset Value.

EXOR’s Net Asset Value per share in Dollars, or NAV per share, grew by 9.6% in 2016, outperforming by 4.3% the growth of the MSCI World Index denominated in Dollars (our benchmark). Our listed companies contributed positively, mainly driven by CNHI, whose share price increased by +25.5% and Ferrari, whose share price has increased by +23.5%.

The following table traces our performance in the eight years since the creation of EXOR as we know it today, applying the new measures detailed above. It's worth noting that, had we stuck with Euro denomination, the compound annual rate would have been higher, reflecting a strengthening of the US Dollar. This said, we believe it's correct to apply a measure that more properly reflects the geographical nature of our assets.

EXOR NAV PER SHARE PERFORMANCE vs. THE MSCI WORLD INDEX (in US Dollars)

Annual percentage change

Year	1 - EXOR NAV per share in US$	2 - MSCI World Index in US$	Relative results (1-2)
2009	113.2	55.6	57.6
2010	33.7	9.6	24.1
2011	-26.2	-7.6	-18.6
2012	21.6	13.2	8.4
2013	21.0	24.1	-3.1
2014	0.8	2.9	-2.1
2015	8.4	-2.7	11.1
2016	9.6	5.3	4.3
Compounded annual rate	**18.2**	**11.4**	**6.8**

Note: data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana. Starting Jan 1,2016 performance is calculated on a NAV per share basis. Historical performance of NAV remains unchanged apart from currency conversion and removal of holding costs impact

GROSS ASSET VALUE

Let me now describe in more detail the four components of our Gross Asset Value (GAV), as summarized in the table below:

EXOR GROSS ASSET VALUE (GAV)

$ millions	12/31/2015	12/31/2016	Change	
			absolute	percentage
Investments	11,037	17,683	6,646	+60.2%
Financial Investments	631	382	(249)	-39.5%
Cash and cash equivalents	4,393	215	(4,178)	-95.1%
Treasury stock	231	187	(44)	-19.0%
Gross Asset Value	16,292	**18,467**	**2,175**	**+13.4%**

INVESTMENTS (95.7% of GAV)

The major change of the year has been the completion of our acquisition of PartnerRe on March 18. I would like to take this opportunity to tell you a little more about this company because it is now both the largest – and perhaps the least well known – of our investments.

We are very lucky to have been able to appoint Emmanuel Clarke as CEO of PartnerRe. Emmanuel has risen through the ranks over the past twenty years within PartnerRe. He is supported by a newly constituted Board of seven directors, four of whom - Brian Dowd, Bilge Ogut, Patrick Thiele and Nikhil Srinivasan - are independent. Together they bring deep knowledge of the industry and considerable investment expertise.

Emmanuel has wasted no time in initiating change within PartnerRe, which, while preserving its deep technical capabilities and its fundamentally conservative attitude toward risk, will strengthen its partnerships with brokers and insurance companies.

Within PartnerRe's business, Emmanuel has put in place a leadership team that brings together experienced executives (two of whom were already part of the Executive Team), capable individuals from within the business (two new leaders have been promoted onto the Executive Team), and talent new to the company (two members of the team have joined from outside PartnerRe).

One of these new comers is Mario Bonaccorso. Mario, who worked closely with me at EXOR over the past decade with growing responsibilities, was instrumental in our decision to enter the reinsurance industry and it’s great that he was able to join Emmanuel as CFO shortly after the transaction completed. He’s been very busy ever since and has already reshaped the investment side of the business by clarifying objectives, simplifying the number of investment strategies and streamlining its organization.

Mario has reduced the number of strategies in the fixed-income portfolios from ten to four: government bonds, US dollar-denominated corporate bonds, Euro-denominated corporate bonds and agency mortgage-backed securities. These Fixed Income Investments, worth ~ $15 billion (89% of total investments at the end of 2016) back our reinsurance liabilities. To manage this book, we will continue to rely on the excellent work of the internal team of portfolio managers, who have consistently delivered benchmark-beating returns over the past several years including in 2016.

The second-largest part of PartnerRe’s investment portfolio (representing 8% of the total and worth ~$1.3 billion at the end of 2016) is “Financial Investments”. This is composed of public and private equity, structured credit, ventures, funds and an ILS (Insurance Linked Securities) portfolio.

Consistent with our will of avoiding investments we don’t know well or understand fully, we have de-risked this part of the portfolio and, by the end of the year, we had closed all public equity mandates and all allocations to high yield bonds and emerging market credits.

In addition, at the end of 2016, the company also halved its “Principal Finance” mandate (~$885 million, yielding 7%), a structured credit investment strategy that has been successful in the past years but whose size, illiquidity, risk/reward profile and capital charge features were not in line with our current investment objectives.

Finally, in 2016 PartnerRe started to allocate capital to Real Estate, a new, long-term component of its investment portfolio. Real estate as an asset class works particularly well within the portfolio of a re-insurance company with the size and business mix of PartnerRe, for several reasons:

1) Real estate returns have generally been compelling over time, comparable with equity (although our "broker " experience while owning Cushman & Wakefield has shown how important it is to be right on the cycle, the location and the partner, to secure positive returns);

2) Real estate entails lower capital charges than public or private equity (30% vs. 40-55% for public equity, for example, and even higher for private equity) in most regulatory and rating agency models;

3) Real estate with its hybrid features, partially bond-like (rental income) and partially equity-like (capital appreciation) make it a relatively uncorrelated asset class, providing compelling diversification benefits.

The company started its real estate investments by acquiring from EXOR ~ $0.5 billion (currently, 3% of EXOR's total investments) of prime real estate assets in Central London in the form of a 36% equity stake in Almacantar. This company has enjoyed an excellent track record since its foundation in 2009, but in 2016 it suffered, like most central London prime market properties, from the Brexit vote, which reduced its market value by 7%. We are confident in its prospects given the fundamental supply/demand dynamics in the London real estate market.

In addition, during the second half of 2016, PartnerRe invested in a new development project in Long Island City, New York, alongside Tishman Speyer. As well as bringing another geography into PartnerRe's property portfolio, this investment has renewed my family's collaboration with the Speyer family. More than 20 years ago, in 1995, we successfully partnered with Tishman Speyer to acquire Rockefeller Center in New York City and Rob Speyer is on EXOR's Board today. We look forward to working even more closely with Rob and his company in the decades to come.

These changes in portfolio strategy have led to a simpler investment organization. In 2015, the company recorded net investment expenses of 31 basis points on its assets under management. PartnerRe enters 2017 with an annualized cost of approximately 12 basis points, among the lowest in the industry.

As a result of these changes, PartnerRe starts 2017 with a stable and lean investment organization and a high quality, liquid portfolio that is absorbing less capital than 12 months ago. In 2016, PartnerRe achieved a Net Total Return of 2.4%, compared to 0.8% in 2015. However, its more prudent approach to financial investments, and particularly the reduction in its exposure to US equities, has suppressed our overall returns.

I now want to turn to the underwriting side of the business. Here 2016 did not offer easy trading conditions, as natural catastrophe losses were back at relatively high levels across the industry. They caused economic losses of $210 billion during the year[1], 59% above the historical median . These disasters generated $59 billion of insured losses for the reinsurance industry, 37% higher than the median.

Five events generated 36% of these losses. This clustering means that a reinsurer's exposure to certain risks and not to others – which depends on both skill and luck – can significantly change its bottom line. PartnerRe was obviously hit by some of these events, but the impact was broadly in line with that suffered by other reinsurers. It is the nature of this business for losses to occur so, as long as these risks are adequately priced, we're happy to absorb them.

Despite this increase in natural catastrophe losses, the oversupply of capital in the industry has meant that we haven't seen the normal market response, which is for prices to rise. In January 2017 – which is when PartnerRe (like other reinsurers) renews approximately 65% of its total annual Non-Life insurance business – the market was characterized by a further erosion in pricing and terms that confirms our negative outlook for the coming years. Thus we believe we are likely to see the reserve release that the industry has benefited from starting to disappear.

---

[1] Source: AON Benfield's "2016 Annual Global Climate and Catastrophe Report"

PartnerRe shrank its business (the amount of reinsurance business it writes) in 2016: net premiums were $4.9 billion (they were $5.2 billion in 2015). In doing so PartnerRe reduced its risk, because, in the first year of our ownership and in today's environment, our preference has been to be cautious. In the Life & Health segment, premiums were down 3% from 2015 mainly due to deliberate cancellations of non-profitable mortality business.

PartnerRe was also involved in some important transactions in 2016 which have strengthened its ability to grow when market conditions improve. I would like to highlight two of these here.

First, PartnerRe took advantage of the exceptionally favorable environment for raising debt by issuing €750 million 10-year notes with an interest coupon of 1.25%. This issuance, for which there was demand exceeding €3 billion, represented the first debt raise ever by a Bermuda insurer and reinsurer in the Euro-denominated bond market. PartnerRe will achieve annual $16 million in pre-tax savings on its interest and dividend payments because it has used part of the proceeds to redeem $250 million of senior loans costing 6.875% and to redeem $150 million of preferred shares paying coupons costing between 6.50% and 7.25%.

Second, PartnerRe has moved from being considered an acquisition target itself to becoming a partner capable of attracting other reinsurance businesses. The best example of this is Aurigen, one of the last remaining sizeable North American Life reinsurance businesses, with virtually no client or business overlap with PartnerRe. Life is an important line of business for PartnerRe, and one which has resilient returns. It also brings into the company a strong team and a capable leader in the person of Alan Ryder. This ~$300 million cash acquisition (at 1x book value) sends a strong signal about PartnerRe's determination to pursue transactions at reasonable prices that expand its reach and coverage.

In terms of profitability, PartnerRe reported Net Income, net of non-recurring expenses, of $517 million for 2016 (vs $453 million in 2015), corresponding to a Net Income ROE of 8.6% (7.4% in 2015).

So, a lot happened at PartnerRe in 2016 and, importantly, the company also generated more than $550 million of operating cash, net of transaction and severance expenses.

The largest contributions to our NAV per share growth in 2016 came from CNHI, FCA and Ferrari, the three strong, global companies that emerged as a result of FIAT SpA's transformation from a troubled Italian conglomerate, thanks to the unique talent of Sergio Marchionne. The result of this transformation is clear in the combined value of these companies which multiplied nearly seven times between March 1st 2009, when EXOR was created, and December 31st 2016.

The final step in focusing FCA on its automobile-related businesses will be the distribution of its media interests to its shareholders.

My family has long had an interest in the newspaper industry. La Stampa, Italy's third daily newspaper with a strong presence in Torino and the North West of Italy, was acquired by my great-great-grandfather, "Il Senatore" Giovanni Agnelli, in 1920 and since then has always belonged to FIAT, which has preserved its unique identity close to its community and yet open to the world, with serious and impartial news coverage and some of Italian journalism's finest and most respected editors.

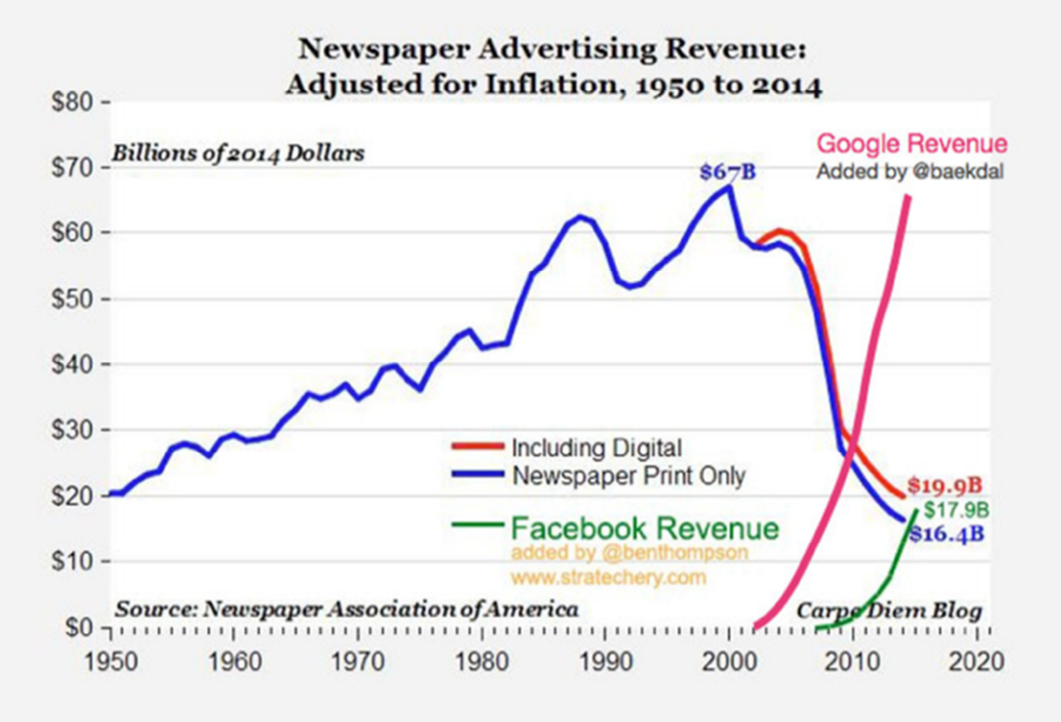
The creation of FCA's second media interest, RCS, involved several steps. In 1973, during a very troubled political time in Italy, my grandfather invested in Corriere della Sera to help its owners, the Crespi family, address the newspaper's financial difficulties and transition their ownership to the book publisher Rizzoli. In 1984, with a consortium of industrialists and financial institutions, FIAT SpA came to the rescue of the combined Rizzoli and Corriere della Sera business, which by then had become RCS and included the largest Italian sports daily Gazzetta dello Sport. By restoring the group to financial health, and providing stability of ownership, we were able to preserve an important voice of reason in the country for more than thirty years. In 2012, due to a combination of mismanagement and crises in the newspaper industry, RCS was on the verge of bankruptcy, with annual losses of €500 million and debt close to €1 billion. In response to this, FCA led a consortium to provide capital to safeguard the company, and by 2016 RCS was profitable once again, and had reduced its debt to €366 million, contrary to most predictions.

I have spent a lot of time with both La Stampa and RCS over the past decade because, like my great-great-grandfather and my grandfather, I believe in the importance of independent sources of information in a well-functioning democracy. However, the days are long gone when Lord Thomson of Fleet used to say "*I buy newspapers to make money to buy more newspapers to make more money*".

The two major sources of revenues for newspapers – advertisements and paid circulation/subscriptions – have both declined significantly in Italy over the past decade. The overall ad market has shrunk from €9.2 billion to €5.9 billion per year and newspapers have gone from capturing ~21% of the advertising market to only ~12% – with a 64% reduction in annual ad revenues. Although the digital ad market has grown, it did not replace the revenues lost and most of that growth has been captured by Google and Facebook, which now have combined Italian revenues of close to €1 billion. At the same time, paid circulation and subscriptions for all Italian newspapers decreased from 4.8 million to 2.5 million copies.

Globally the picture is a little better but the trends are similar, with print advertising declining from $146 billion to $80 billion per year and circulation revenues (including digital circulation) declining from $116 billion to $98 billion.

The two charts below provide a good summary of how the US advertising market, which is the largest, has shifted and how circulation has been in structural decline for a long time.



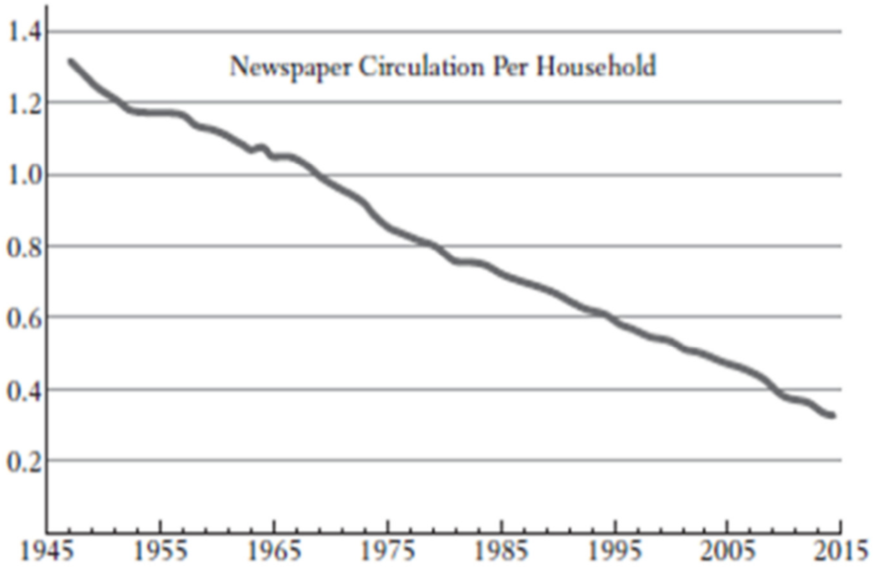


Figure 3: U.S. Newspaper Circulation per Household over Time. (Data for 1947-2007 are from Varian; data for 2008-2014 constructed by author.)

From Harvard Professor Bharat Anand's book, The Content Trap

To survive in this much harsher environment, La Stampa has been cutting costs and has participated in the consolidation in the industry by merging with Il Secolo XIX, the paper from Genova owned by the Perrone family who used to be the big rivals of Senatore Giovanni Agnelli at the beginning of the 20th century. But necessity brings old rivals closer, and the relationship with Carlo Perrone has been very successful, with ITEDI (the merged entity) closing 2016 with a profit and the highest operating margin in the industry.

We have therefore undertaken a further transaction to combine ITEDI with GELE (Gruppo Editoriale L'Espresso). This was a very personal event for me, because GELE was itself founded by my great-uncle Carlo Caracciolo, the most successful publisher in Italy, from whom I inherited both a passion for newspapers and an understanding of their importance to society.

With Carlo Caracciolo

Carlo’s dream was to see this combination and I am very happy that, with the De Benedetti family (with whom we share the same roots, because we are both from Turin and linked to the car business) who are the majority owners of GELE, we will create GEDI, the leading newspaper group in Italy and one of the largest in Europe, that will be led by the very talented Monica Mondardini.

GEDI will have total revenues of ~€700 million, profitability among the highest in the sector, and will be debt-free. It brings together numerous historic and authoritative titles such as La Repubblica, La Stampa, Il Secolo XIX and the many vibrant local newspapers of FINEGIL, with an aggregate average circulation (paper and digital) of around 740,000 copies per day, more than 5.8 million readers and some 2.5 million unique digital users every day. The shares of the combined company will be distributed to FCA shareholders during 2017 and EXOR will become its second largest shareholder.

Like La Stampa, RCS also moved on to a new phase of ownership in 2016: it is now owned and led by a very capable entrepreneur, Urbano Cairo, who has successfully built and bought multiple Italian media properties over the past 20 years. Urbano became seriously interested in RCS and offered to buy the company on July 8th 2016 at a "nice" premium. This was not only good for FCA's shareholders, but also for RCS itself, which will benefit hugely from his talent, focus and stability.

I would like to close this section on publishing with what I believe is some rational optimism. The market for information remains large and is growing so if you provide reliable and high quality news I believe you will do well. The Economist, one of our other investments, is a good illustration of this – over the past ten years it has substantially increased its paid subscriptions volumes (but not by discounting prices). In the past 12 months alone, overall circulation revenues have grown 21% including newstand.

I also believe that advertisers, especially large consumer goods businesses, will want to have more control over where their ads go, so you will see more socially conscious ad spending that should benefit serious news organizations.

So, if you provide valuable information in a professional way, you have a future and indeed a prosperous one in the newspaper business... Which is ultimately the only way to preserve the independence of newspapers.

A bright future is precisely what Juventus is building, year after year. It ended last season with increased revenues

(€388million) and profits (€4million) but, above all, with outstanding success on the pitch in the form of a fifth consecutive Serie A title. This matches the achievements of the greatest Juventus team of all time, that of the "five golden years" in the 1930s.

We have had five incredible seasons played out at the J-Stadium, "our home" - as the club's Chairman, my cousin Andrea Agnelli, calls it. The J Stadium was inaugurated back in September of 2011 and helped to rejuvenate a zone on the outskirts of Turin, thanks to the newly inaugurated J Medical Center and the J Village that will open soon. From that moment, Juventus has significantly extended its supporter base (in addition to 14 million supporters in Italy, the Juventus fans worldwide are now more than 300 million).

We made one new investment in 2016, which was in Welltec, where we acquired 14% of their equity for ~€100 million.

Welltec is a Danish company that was founded by Jørgen Hallundbæk, to commercialize his revolutionary invention of a robot able to operate in horizontal or highly deviated oil and gas wells. Welltec's robotic device, later branded as the "Well Tractor", is capable of crawling inside oil wells, conveying tools at great distances and depths and performing sophisticated maintenance and exploration operations. This innovative approach is much easier to deploy, more cost effective and safer than existing technologies.

In addition to its robots, Welltec has also developed a range of sophisticated valves and annular barriers targeted at the well completion market. Oil and gas companies use these to lower their well construction costs, extend the reach of their wells and maximize oil or gas reservoir contact, production and drainage.

Welltec is currently present in more than 25 countries and holds over 120 patents.

In 2016 Welltec, along with the entire industry, was affected by the unprecedented and sharp downturn driven by the drop in the oil price. However, Welltec's financial performance during the down-cycle has been significantly more resilient than that of its peers. For example, while Welltec's revenue declined by about 23% in 2016 (in line with the industry), the company delivered an EBITDA margin of 36% (a record amongst its peers).

We were fortunate to be invited to invest in Welltec by Ruthi Wertheimer whose family sold ISCAR/IMC Group (Israel's leading Industrial company) to Berkshire Hathaway, and since then has been successfully investing in minority stakes in family-controlled, and often family-run, specialized industrial businesses. We have learned a lot from Ruthi's investment approach and are fortunate to have her on EXOR's board.

We believe there is an interesting market opportunity for EXOR to establish these types of "partnerships" with extraordinary entrepreneurs like Jørgen by providing long-term capital and helping them to build great companies.

The sense of this approach was captured well by one the world's leading entrepreneurs Jeff Bezos when he said: "*If everything you do needs to work on a three-year time horizon, then you're competing against a lot of people. Just by lengthening the time horizon, you can engage in endeavors that you could never otherwise pursue. At Amazon, we're willing to plant seeds and let them grow*". So is EXOR.

FINANCIAL INVESTMENTS (2.1% of GAV)

This activity will now be carried out by PartnerRe as part of its investment business, so we have divested substantially all of our financial investments. All that remains is for us to redeem the Black Ant Fund in June 2017, which has delivered a 7.7% yearly average return since 2012.

CASH AND CASH EQUIVALENTS (1.2% of GAV)

We used all our cash in 2016 (keeping just some cash equivalents) to acquire the remaining 90.1% of PartnerRe's common shares. We then used our cash flow to reduce our gross debt, as our dividend flow has improved substantially thanks to PartnerRe, with a net ordinary cash flow of ~6x over the previous year.

TREASURY STOCK (1% of GAV)

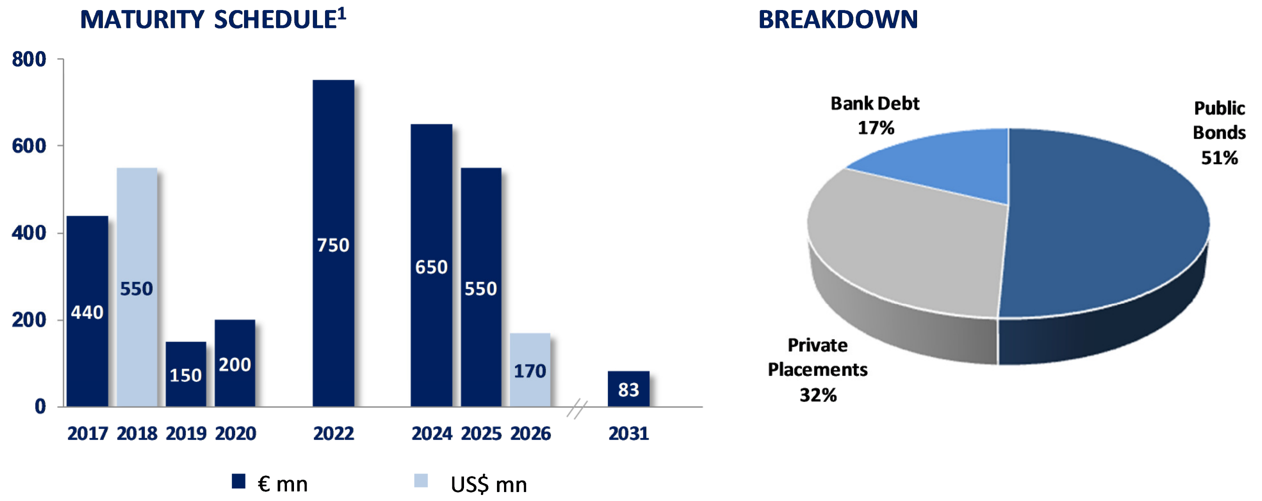
As approved at our shareholder meeting last year, treasury shares were cancelled. We will always do this except for those shares we will retain to service equity incentive plans.

GROSS DEBT

In 2016 we focused on reducing our Gross Debt, both through asset disposals and dividends received. Our disciplined approach to managing liabilities, aided by the performance of our assets, brought our loan-to-value ratio down under 20% at the end of the year, as targeted, with a Gross Debt of $3.8 billion.

Last year saw the launch of our first eurodollar transaction in the form of a 10-year private placement, representing an increase in our USD exposure within our overall liability structure. We successfully priced a $170 million bond, resulting in savings of 20 basis points compared to a Euro public market transaction. We also took advantage of the attractive terms offered in the low interest rate environment to reopen our 10-year notes due in December 2025 for €200 million.

GROSS DEBT AS OF DECEMBER 31,2016



1 Excluding short term debt and accrued interest

The average cost of our debt in 2016 was 1.52% in USD and 3.16% in Euros (excluding the 5.375% bond due to mature in June 2017). The higher cost of the Euro denominated debt is due to its longer maturities.

2017

As we enter 2017, the level of uncertainty in the world has clearly increased. However, one lesson that I learned from studying my great- great -grandfather Giovanni Agnelli is the importance of being resilient and adaptable. He lived through two world wars, the rise of communism and fascism and unprecedented technological changes that underpinned the industrial revolution. Through all of this he built and sustained one of the largest industrial companies in the world.

To us, the heirs of this unique entrepreneurial and family history, falls the responsibility of continuing what Giovanni Agnelli began, inspired by the admonition he left for future generations:

Above all we must always look to the future, foresee the future of new inventions, be unafraid of "the new", delete from our vocabulary the word "impossible".

On the occasion of the 150th anniversary of the Founder's birthday in 2016, we decided to transform his house in the center of Turin into the new offices for the Agnelli Foundation. It has become one of Italy's largest philanthropic institutions since it was established in his memory 50 years ago, and it has made a notable contribution over the years to Italy's development. We are strongly committed to ensuring that this continues, and indeed grows, using its inspiring new home as a base.

The new offices of the Agnelli Foundation in Turin (Italy)

We would love to show you this transformation, so we have decided that the renewed building will host EXOR's first annual investor day on October 5th, 2017. I very much hope you will be able to join us there. It will be an opportunity to learn more about our businesses and, I hope, have a good time.

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Sergio Marchionne
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli Niccolò Camerana Ginevra Elkann Lupo Rattazzi
Independent Directors	Marc Bolland (Senior non executive director) Anne Marianne Fentener van Vlissingen Jae Yong Lee António Mota de Sousa Horta-Osório Robert Speyer Michelangelo Volpi Ruth Wertheimer

Audit Committee

Marc Bolland (*Chairperson*), Anne Marianne Fentener van Vlissingen and Lupo Rattazzi

Compensation and Nominating Committee

Michelangelo Volpi (*Chairperson*), Alessandro Nasi and Robert Speyer

Independent Auditors

Ernst & Young Accountants LLP

Expiry of terms of office

The Board of Directors was appointed on December 11, 2016, effective date of the cross-border merger of EXOR S.p.A. with and into EXOR N.V. (formerly EXOR Holding N.V.) and will expire concurrently with the shareholders' meeting that will approve the 2016 annual financial statements.

KEY DATA

EXOR Group – Consolidated Data € million	2016	2015	2014
Net Revenues	**140,068**	136,360	120,102
Profit before tax	**4,268**	1,054	2,199
Net profit	**2,313**	865	1,276
of which attributable to owners of the parent	**589**	744	323

EXOR Group – Consolidated Data – Shortened (a) € million	2016	2015	2014
Profit attributable to owners of the parent	**589**	744	323
Share of earnings of investments and dividends	**908**	219	387
Investments and non-current other financial assets	**14,569**	8,937	7,433
Issued capital and reserves attributable to owners of the parent	**10,982**	10,346	7,995
Consolidated net financial position of EXOR's “Holdings Syster	**(3,424)**	1,337	563

(a) The basis of preparation is presented in the section “Review of the Consolidated Results of the EXOR Group - Shortened”.

Earnings per share (€) (a)	2016	2015	2014
Profit attributable to owners of the parent – basic	**2.51**	3.33	1.27
Profit attributable to owners of the parent – diluted	**2.47**	3.32	1.25
Issued capital and reserves attributable to owners of the parent	**46.83**	44.15	35.96

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 10 to the consolidated financial statements.

EXOR MERGER

EXOR N.V., formerly known as EXOR Holding N.V., (the “Company” and together with its subsidiaries the “EXOR Group” or the “Group”) was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on September 30, 2015 and in 2016 was designated to act as a holding company for EXOR Group. EXOR’s residence – for legal and tax purposes – in the Netherlands resulted from a cross-border merger of EXOR S.p.A. (*società per azioni*), a public limited liability company incorporated under the laws of Italy, with and into EXOR HOLDING N.V., a Dutch wholly-owned subsidiary of EXOR S.p.A. (the “Merger”). The surviving company has, thus, been renamed “EXOR N.V.” The Merger was executed pursuant to the provisions of EU Directive 2005/56/EC of the European Parliament and Council of 26 October 2005 on cross-border mergers of limited liability companies, implemented for Dutch law purposes under Title 2.7 of the Dutch Civil Code and for Italian law purposes by Italian Legislative Decree 30 May 2008, no. 108.

As a result of the Merger, EXOR has acquired all assets and assumed all liabilities and other legal relationships of EXOR S.p.A. under universal title of succession: as such, all business activities, shareholdings and other assets as well as liabilities of EXOR S.p.A. have been consolidated into (or controlled by) the Company.

As a result of the Merger, former shareholders of EXOR S.p.A. received 1 (one) EXOR ordinary share for each ordinary share held. EXOR has, further, adopted a Special Voting Structure (as described below) to foster the development and continued involvement of a core base of long-term shareholders in a manner that reinforces the group’s stability. For further details on the Special Voting Structure, please refer to Section “Corporate Governance below.

The Merger was aimed to simplify and align the corporate structure of EXOR with its investments’ growing international profile, and to better reflect the global profile of EXOR and its businesses.

The last day on which the EXOR S.p.A. shares were traded on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (“MTA”) was December 09, 2016, while EXOR N.V. ordinary shares were admitted to listing to MTA on December 12, 2016.

EXOR N.V. (EXOR) is controlled by Giovanni Agnelli B.V. (formerly Giovanni Agnelli e C. S.a.p.az.) which holds the 52.99% of its share capital. In fact the previous parent company of EXOR also completed a cross-border merger process in which Giovanni Agnelli merged with and into Giovanni Agnelli B.V., a wholly owned private limited liability company under Dutch law having its legal office in Amsterdam.

RISK FACTORS

RISKS RELATED TO BUSINESS, STRATEGY AND OPERATIONS

Risks relating to international markets and exposure to changes in local conditions and trade policies, as well as economic, geopolitical or other events

The earnings and financial position of EXOR and its principal investment holdings are affected by the performance of financial markets and macroeconomic variables over which EXOR exercises little or no control.
EXOR is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on EXOR's business, financial condition and results of operations.
With the increasing interconnectedness of global economic and financial systems, a financial crisis, natural disaster, geopolitical crisis, or other significant event in one area of the world can have an immediate and devastating impact on markets around the world. For example, the financial crisis that began in the United States in 2008 quickly spread to other markets and episodes of increased geopolitical tensions or acts of terrorism have at times caused adverse reactions that may spread to economies around the globe.
For instance, in June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum, commonly referred to as "Brexit", was advisory and the terms of any withdrawal are subject to a negotiation period that could last up to two years after the government of the United Kingdom formally initiates a withdrawal process, or longer if extended by mutual agreement. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, which is also subject to negotiation, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal, and in light of a recent U.K. Supreme Court decision requiring further action of the U.K. Parliament before beginning the process of leaving the European Union.
The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. If a country within the euro area were to default on its debt or withdraw from the euro currency, or, in a more extreme circumstance, the euro currency were to be dissolved entirely, the impact on markets around the world, and on EXOR's global business, could be immediate and significant.
In the United States, changes in policy positions by the new presidential administration may impact business and potential changes in tax laws that could adversely affect U.S. operations.

These developments have introduced an elevated level of economic and policy uncertainty, which could cause financial and capital markets within and outside the U.S. and Europe to constrict, thereby negatively impacting our ability to finance our business. It also could cause a substantial dip in consumer and business confidence and spending that could negatively impact sales of vehicles.
In addition to slow economic growth or recession, other economic circumstances, such as increases in energy prices, fuel prices and fluctuations in prices of raw materials or contractions in infrastructure spending, could have negative consequences for the industries in which EXOR operates.
It is not possible to provide an indication of the future effects of the aforementioned factors and variables which may have an adverse impact on the demand for products and services, the earnings, business prospects and financial position of EXOR and its subsidiaries and affiliates.

Risks associated with the distribution of dividends

The distribution of dividends by EXOR and the amount of such dividends depend on the Company's future profits which in turn depend on the dividends distributed by EXOR's subsidiaries and affiliates and on the gains realized on divestments of these companies, events which by their nature are neither periodic nor recurrent. Accordingly EXOR's results in different financial years may not be regular and/or comparable. It is highlighted that where investments have been made having recourse also to debt financing, part of the resources arising from the divestment will as a priority be applied in repayment of such debt and only the remaining part may be used for the distribution of dividends.

It will be recalled that under the merger agreement relating to the PartnerRe acquisition, from the time of the acquisition of PartnerRe and until December 31, 2020 neither the company resulting from the merger nor any of its subsidiary companies: (i) will approve or distribute or propose the approval or distribution of dividends nor proceed with other distributions pertaining to the PartnerRe common shares or other classes of PartnerRe shares in issue (the "Junior Shares"), over which the preferred shares issued by PartnerRe (as defined in the aforesaid merger agreement) have precedence or priority in the payment of dividends or in the distribution of assets in the event of liquidation or dissolution of PartnerRe; (ii) will redeem, purchase or otherwise become the owner of Junior Shares (exception being made for purchases relating to the servicing of incentive plans or of employee benefit plans of PartnerRe and its subsidiary companies), notwithstanding that the distributions may be made up to the limit of 67% of the net profit for the year of the company resulting from the merger for each quarter of the financial year and that for the quarter in respect of which distributions are not made the distributions may be carried forward, to the extent not made, to succeeding quarters without regard to the effective amount of the net profit earned by the company resulting from the merger in such quarters of the financial year. As explained in the paragraph of PartnerRe Risk's factors, the dividends distribution from PartnerRe depends also from the capital requirements including the regulatory requirements.

The financial results of the EXOR Group and of EXOR are not indicators of the future profitability of EXOR. There can be no assurance concerning the profitability of EXOR in future periods. Further, EXOR does not have a policy for the payment of dividends (for example a minimum distribution per share in absolute terms or as a percentage-dividend payout) and has not made any specific undertaking in this respect.

Risks related to credit ratings

EXOR's ability to access capital markets, funding and the associated costs depend, amongst other things, on the credit ratings assigned to EXOR. Any rating downgrade could limit the ability to access capital markets, increase the cost of funding and the cost of bank loans with adverse effects on the Company's earnings and financial position or on the market value of its shares. The rating agencies review the ratings regularly and, consequently, it is possible that they may revise the current ratings. It is not possible at this time to predict the timing and the outcome of such reviews.

As of December 12, 2016 Standard & Poor's gave EXOR ratings for long and short term indebtedness (respectively "BBB" and "A-2") with a negative outlook, confirming therefore the same ratings and outlook assigned to EXOR prior to the merger. The negative outlook indicates the possibility of a downgrade of the long term rating to "BBB" if EXOR's LTV ratio (determined on the basis of the Shortened Consolidation data) does not reach a level in the range of 15% to 20% in the next three to five months.

The principal assumptions made by the agency in making its rating are, in synthesis, the following: (i) maintenance by management of the financial gearing reduction process; (ii) a return of the LTV ratio to the 15% to 20% range in the next three to five months; (iii) a sustainable dividend policy with dividend distributions in line with past financial years and (iv) no impact from the merger on cash and indebtedness (apart from the expenses connected with such an operation). It is highlighted with particular regard to risks of a financial nature, that the rating agency recognizes EXOR's track record characterized by financial prudence and by management's commitment to reducing the LTV ratio below 20%.

Notwithstanding the assumptions declared by Standard & Poor's, it is emphasized that, at the date of the financial statements, EXOR has not made any commitment concerning the maintenance of the current rating but is pursuing the objective of maintaining an investment grade rating, that is to say a "BBB" rating or higher.

Risks associated with market conditions

EXOR holds investments in both publicly listed companies and non-listed companies. The value of the investments in listed companies is based on their market prices, whereas for investments in non-listed companies one of the methods used to value the shareholdings is based on multiples of comparable listed companies. Therefore, changes in prices and market conditions can negatively impact the value of EXOR's business operations. A substantial weakening of equities and/or bond markets or changes in interest rates and/or currency exchange rates could impact negatively on the value of EXOR's businesses.

Further, the operating costs which EXOR incurs cannot be reduced with the same speed as a fall or unabated decline in financial markets and, in the case of inadequately efficient cost management, this could negatively impact the financial results of EXOR.

Risks associated with the sectors and markets in which EXOR's subsidiaries operate

Through its investments in subsidiaries and affiliates, EXOR is present mainly in the reinsurance business (PartnerRe), automobile business (FCA), the agricultural and construction equipment business (CNH Industrial),

publishing (The Economist Group) and professional football (Juventus Football Club). As a result, EXOR is exposed to the risks typical of the sectors and markets in which such subsidiaries and affiliates operate.
Therefore, the performance of the main subsidiaries has a very significant impact on the earnings, financial position and cash flows of EXOR.
The paragraph Risk Factors from main subsidiaries highlights the most significant risk factors related to PartnerRe, FCA, CNH Industrial and Ferrari.

Risks associated with the consolidated indebtedness of the EXOR Group

The overall amount of the consolidated indebtedness of the EXOR Group could have a significant negative impact on the business and the financial performance of EXOR and of the EXOR Group. A deterioration in market conditions, which the companies of the Group were not able to tackle rapidly, could have negative effects on revenues and cash flows of Group companies; such a situation could result in higher financial charges with a consequent negative impact on the profitability of such Group companies and as a consequence on the flow of dividends and other payments to EXOR. The deterioration of the economic and financial position of the Group companies could, also, have negative effects on the possibility of accessing sources of additional funding for the achievement of the business objectives of EXOR’s and the Group companies, for capital expenditure, working capital and the repayment of debt as well as on the cost of the latter; such circumstances could render the Group more vulnerable. Further, if EXOR and the other companies in the Group should fail to generate the financial resources necessary to repay debt within the terms agreed, they would be compelled to seek other financial resources or to refinance or renegotiate existing debt on more onerous terms and conditions, with the consequent limitation of available funds and the increase of the related costs. Any difficulty in obtaining financing could have a significant impact on the Group, its business prospects and its profits. It should be noted that EXOR has not given any guarantee regarding the indebtedness of its operating subsidiaries and affiliates.

Risks associated with acquisitions and disposals

No assurance can be given that the present investments or those in the future, if completed, will not impact negatively on EXOR’s results and financial position in the short and/or the medium term and on its ratings and will not encounter obstacles of an administrative, legal, technical, industrial, operational, regulatory, financial policy nature or other difficulties, such that they may not assure the achievement of the results, objectives or benefits expected. EXOR is also exposed to the risk that the disposal of its investments may be effected on terms and conditions which are unsatisfactory with consequent negative impacts on its financial position and on its own prospects.
EXOR is a holding company and in the normal course of its business assesses new investment opportunities as well as opportunities to disinvest, such activity being its core business. In assessing new investment opportunities, EXOR intends to keep its indebtedness at a level consistent with the objective of maintaining an investment grade rating, that is to say a ”BBB” or higher class. Any delay in completing, or the failure to complete, an acquisition, disposal, merger, joint venture or similar operation, could prejudice the full achievement or delay fully achieving, the results and the benefits expected for EXOR, and could have significant negative repercussions on the its business prospects and on its results and/or its financial situation.

Risks associated with the investment portfolio and the concentration of investments

EXOR is a holding company and, consequently, the results of its major investments and the financial resources distributed by the subsidiaries and affiliates (as dividends or otherwise) have a significant influence on its results. The failure to achieve the objectives or the revision of the objectives by the subsidiaries and affiliates due to, among other things, deterioration of economic and financial conditions and of the general conditions of the market, may have a significant negative effect on the economic results and financial position and on the business activities, strategies and prospects of the EXOR Group and of EXOR N.V., as well as on the performance of the EXOR shares on the stock market. No assurance can be given with regard to the fact that EXOR N.V. will receive constant flows of dividends from the subsidiaries and affiliates which depend on the economic and financial performance and the investment and dividend policies of such companies.
EXOR holds a limited number of investments and, consequently, the economic and financial performance of EXOR and of the EXOR Group may be materially influenced by the negative performance or indeed the negative economic and financial results even of one of the investments made.
EXOR’s investment portfolio is monitored and analyzed constantly both through use of corporate governance rights (e.g. board representation) and through constant dialogue with the management of the subsidiaries and affiliates without affecting their independence as the managers of the companies.
EXOR does not have a specific policy on investment and disposal. Investment decisions taken by EXOR are formulated on the basis of in-depth assessments and of expertise developed in the specific sectors, as well as on

the basis of the potential contribution of the individual investment to the geographical and sector diversification of the portfolio and of the capacity to generate future cash flows.

Recent disposals have been guided by the wish to reduce exposure to non-global businesses or the wish to take advantage of concrete opportunities to divest in the market which offer an adequate economic result. The maintenance of long term investments and the decisions to invest and divest entail business risks, such as a high exposure to specific industries or to a particular investment, changes in market conditions and the presence of obstacles which impede the disposal of its investments.

Risks associated with the loss of key management figures

The success of EXOR and of the EXOR Group depends to a large extent on the abilities of its own senior executives and of the other components of the management team to manage efficiently EXOR and the EXOR Group and the individual business areas. If the EXOR Group should lose the contribution of key executives (including John Philip Elkann and Sergio Marchionne), this could have a significant negative effect on the business prospects as well as the financial results and/or financial position.

Furthermore, if one or more managers should resign from service with EXOR or with EXOR's investee companies and should it not be possible to adequately replace them in a timely manner with persons of equal skill and experience, the competitive capacity of such companies could diminish with potentially negative effects on the business and on the ability to replicate the results achieved in the past.

Risks associated with the presentation of consolidated data in shortened form (Shortened Consolidation)

The Shortened Consolidation data is prepared by EXOR on the basis of a "shortened" method of consolidation in which the data derived from the IFRS financial statements of EXOR and of the subsidiaries of the Holdings System: (EXOR Nederland N.V. (the Netherlands); EXOR S.A. (Luxemburg); Ancom USA Inc. (USA); Exor SN LLC (USA); Exor Capital DAC (Ireland); Exor Investments Limited (UK) are included in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements prepared in accordance with IFRS of the operating subsidiaries and affiliates (PartnerRe, FCA, CNH Industrial, Ferrari, The Economist Group and Juventus Football Club) are included in the financial statements of the parent company EXOR using the equity method.

While the data and information prepared using the shortened consolidation method are recognized by the financial community, by financial counterparties and by the ratings agencies, and EXOR believes that these data and information facilitate analysis of the financial position and results of EXOR, such data do not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups.

The consolidated data prepared in shortened form are not audited by the independent auditors.

Risks associated with tax assessments of the Italian tax authorities relating to periods prior to the date when the merger became legally effective

The disappearing company EXOR S.p.A was taxable for IRES and IRAP purposes up until the legally effective date of the Merger.

For Italian tax purposes the Merger qualifies as an intra-community cross-border merger as defined by the Italian tax regulations (TUIR) which have implemented E.U. Council Directive 1990/434 dated July 23, 1990 on the common system of taxation to be applied to mergers, de-mergers, transfers of assets and share exchanges involving companies of differing Member States (consolidated in E.U. Council Directive 2009/133 dated October 19, 2009, the "Merger Directive").

The Italian tax regulations provide for the fiscal neutrality of the intra-community merger with respect to assets and liabilities which remain connected with a permanent organization in Italy, providing, conversely, that elements which do not remain connected with a permanent organization in Italy are deemed to be realized at fair value. Considering that EXOR N.V. has not maintained a permanent organization in Italy after the Merger, all the components of EXOR S.p.A (including investments in companies, financial liabilities and tax-suspended reserves) have been treated as having been realized at fair value, resulting in the crystallization of taxable surpluses ("EXIT gains") in the financial position at the December 10, 2016 merger date.

EXOR believes that the estimate for the related tax charge which has been recognized in the financial statements is reasonable, however any related disputes and Italian tax authority decisions could have a negative effect, also for significant amount, on the results of future financial years.

Risks and uncertainties associated with the development and interpretation of tax regulations

The economic and financial activities of EXOR and of its principal subsidiaries and associates make it subject to a variety of taxes and duties. EXOR and those subsidiaries and affiliates are, therefore, exposed to the risk that the level of taxation to which they are subjected may rise in the future. Any such increase in the level of taxation, or the introduction of new taxes, to which EXOR and its principal subsidiaries and affiliates may be subjected, could have negative effects on the economic results and financial position of EXOR.

Additionally, EXOR and its principal investee companies are also exposed to risk from the interpretative complexity of tax regulations and may from time to time be subjected to inspections by the tax authorities.

Among the significant developments in tax regulation there is also the recent EU Directive 2016/1164 adopted on July 12, 2016 and known as the “Rules against tax practices that directly affect the functioning of the internal market”. This Directive introduces a number of provisions concerning the limitation of interest deduction and the introduction, on an obligatory basis, of regulations on Controlled Foreign Companies (CFC). As of the financial reporting date no regulation on Controlled Foreign Companies has been introduced in the Netherlands, however certain rules are in force under Dutch law concerning the taxation of business income (*Wet op de vennootschapsbelasting 1969*), which establish that the taxpayer, in some specific circumstances, is required to record an interest in an entity at fair market value. Pursuant to the aforesaid Directive, in any case, the Netherlands is obliged to introduce regulations on Controlled Foreign Companies - in conformity with the dispositions set out in the Directive – to come into effect at the latest on January 1, 2019. The manner in which the directive will be enacted and implemented by governments and tax authorities in the legal systems of the individual Member States is as yet unknown; similarly, there is still uncertainty about the effective practical scope of the Directive in general.

RISKS RELATED TO THE COMMON SHARES

Risks connected with share price performance in relation to the activities of EXOR

EXOR’s results will depend on the performance of the investments which it makes. These investments, considering the type of activity performed, are characterized by high levels of uncertainty, problems with forecasting and a priori assessments that are not always objective. There is no guarantee that EXOR will be able to transmit to the market the correct interpretation of the risk-opportunity relationship of the investments made and of their progressive performance, with resulting possible negative impact on the performance of the market price of EXOR common shares.

The loyalty voting structure could have a negative effect on the liquidity of the Group’s common shares and reduce the common share price

The introduction of the special voting structure could reduce the liquidity of EXOR common shares adversely affecting the trading price in the market. The special voting structure is intended to reward long-term shareholding and provide an incentive for a stable shareholder base, giving shareholders the opportunity to decide to receive special voting shares after a certain uninterrupted period of ownership of common shares.

The special voting shares cannot be traded and must be transferred to EXOR for no consideration (*om niet*) immediately prior to cancellation of the common shares from the EXOR special register.

The special voting structure may reduce liquidity in EXOR common shares and adversely affect their trading price.

The special voting structure may make it more difficult for shareholders to acquire a controlling interest, change the management or the strategy of the Group or exercise influence over it, resulting in a reduction in the market price of the common shares

The provisions of the articles of association which establish the special voting structure, allowing qualifying shareholders to exercise up to 5 or 10 voting rights for each EXOR common share held, may make it more difficult to acquire, or attempt to acquire, control of EXOR and prevent or discourage any initiatives seeking to change EXOR’s management, even if a change of control were considered favorably by shareholders holding the majority of the EXOR common shares.

The special voting share structure may prevent or discourage initiatives of shareholders seeking to change the ownership structure or the strategy of EXOR or to exercise their influence and also may prevent or discourage initiatives of shareholders seeking to bring about changes in the company’s management.

Shareholders who hold a significant quantity of EXOR common shares for the uninterrupted periods prescribed in the articles of association and who request special voting shares could be in a position to exercise a significant quota of voting rights at meetings of shareholders and to have substantial influence over EXOR.

Based on the most recent information available Giovanni Agnelli holds 52.99% of the issued capital of EXOR, such that its control is not at present contestable.

It should be recalled, however, that the special voting structure will commence to have its effect only when five years have passed from the date of adoption of the new articles of association following the merger's becoming effective, assuming that the holders of EXOR common shares satisfy the conditions for requesting special voting shares. In fact, as of the date of the merger becoming effective no special voting shares had been issued.

Risks related to the tax treatment of Special Voting Shares

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian or Dutch tax purposes and as a result the tax consequences in the Netherlands are uncertain. The fair market value of the EXOR special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Considering that the EXOR special voting shares are not transferable (other than, in very limited circumstances, together with the associated EXOR common shares) and that a shareholder's rights to receive amounts in respect of the special voting shares are extremely limited, EXOR believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by EXOR is incorrect. The tax treatment of the Special Voting Shares and the consequences of acquiring them, therefore, are not entirely clear and established.

EXOR GROUP PROFILE

On December 11, 2016 became effective the cross-border merger of EXOR S.p.A with and into EXOR Holding N.V., a wholly owned company formed under Dutch law having its legal office in Amsterdam, the Netherlands which is renamed EXOR N.V. EXOR N.V. (EXOR) is the new holding company of EXOR Group, controlled by Giovanni Agnelli B.V. (formerly Giovanni Agnelli e C. S.a.p.az.) which holds 52.99% of its share capital. In fact the previous parent company of EXOR also completed a cross-border merger process in which Giovanni Agnelli merged with and into Giovanni Agnelli B.V., a wholly owned private limited liability company under Dutch law having its legal office in Amsterdam.

The last day on which the EXOR S.p.A. shaes were traded on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (“MTA”) was December 09, 2016, while EXOR N.V. ordinary shares were admitted to listing to MTA on December 12, 2016.

EXOR which at December 31, 2016 had a Net Asset Value (NAV)(1) about almost $15 billion (equal to approximately €14 billion) concentrates its investments in global businesses, mainly in Europe and the United States, taking a long-term view. Accordingly investment decisions are not speculative in nature but are based on in-depth analysis of the investment objectives, on expertise and know-how developed in specific sectors, on the investment’s potential contribution to geographic and sector diversification of the portfolio or to future cash flows and on EXOR’s ability, in the medium term, to influence governance. EXOR’s objective is to increase its Net Asset Value per share and outperform in the long term the MSCI World Index in U.S. dollars.

EXOR does not have a specific policy regulating its investments and disposals. EXOR’s investment decisions are formulated on the basis of in-depth analysis, of expertise developed in specific sectors and of the investment’s potential contribution to geographic and sector diversification of the portfolio or to future cash flows.

(1) Alternative performance measure as defined on pag. 18.

The EXOR Group’s investments are the following:

Percentages updated on the basis of the latest available information.
(a) Calculated on common stock.
(b) EXOR holds 42,60% of voting rights on issued capital.
(c) EXOR holds 39.94% of voting rights on issued capital.
(d) EXOR holds 32.75% of voting rights on issued capital.
(e) Voting rights are limited to 20%.

PartnerRe (100% of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides reinsurance and certain specialty insurance lines on a worldwide basis through its subsidiaries and branches serving more than 2000 customers in its Non-life and Life and Health segments. PartnerRe has a global platform of 20 offices in more than 150 countries. The company’s 11 principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

Fiat Chrysler Automobiles (FCA) (29.41% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. FCA, the seventh-largest automaker in the world, designs, engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in more than 140 countries. At December 31, 2016 FCA had 162 manufacturing facilities and 234,499 employees throughout the world.

FCA's operations relating to mass market brands (passenger cars, light commercial vehicles and related parts and services) are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).

CNH Industrial (26.92% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. CNH Industrial's goal is the strategic development of its business. The large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial a global leader in the capital goods segment. Through its brands, the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the Group's brands is a prominent international player in the respective industrial segment.

At December 31, 2016 CNH Industrial was present in approximately 180 countries giving it a unique competitive position across its 64 manufacturing plants, 49 research and development centers and more than 62,000 employees.

Ferrari N.V. (22.91% stake) began operations on January 3, 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. The Ferrari brand is a symbol of excellence and exclusivity and the cars that carry this brand name are unique for performance, innovation, technologies, driving pleasure and design, a car that is the most authoritative example of "made in Italy" the world over.

Ferrari is present in more than 62 markets worldwide through a network of 180 authorized dealers with 8,014 cars sold at December 31, 2016.

The Economist Group (43.40% after completion of the buyback) is a company headquartered in London and head of the editorial group that publishes *The Economist*, a weekly magazine that with a global circulation of more than one million annual copies represents one of the most important sources of analysis in the international business world.

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA). Founded in 1897, it is one of the most prominent professional football teams in the world.

SIGNIFICANT EVENTS IN 2016

Completion of the separation of Ferrari from FCA and subsequent listing on the stock exchange

The separation of the Ferrari business from the FCA Group was completed on January 3, 2016. FCA shareholders received one common share of Ferrari for every ten FCA common shares held. In addition holders of FCA mandatory convertible securities received 0.77369 common shares of Ferrari for each MCS unit of $100 in notional amount. In addition FCA shareholders participating in the company's loyalty voting program received one special voting share of Ferrari for every ten special voting shares of FCA held. EXOR, with its 375,803,870 FCA common shares held, received 37,580,387 Ferrari N.V. common shares and the same number of special voting shares. At the closing of the transaction EXOR holds directly 22.91% of issued capital including 6,854,893 common shares as holder of FCA mandatory convertible securities and 32.75% of voting rights on issued capital.

Ferrari common shares are traded on the New York Stock Exchange (NYSE) and starting January 4, 2016 also on the Mercato Telematico Azionario managed by Borsa Italiana (MTA).

Investment in Welltec

On February 10, 2016, with an investment of €103.3 million, EXOR acquired a 14.01% stake in Welltec, a global leader in the field of robotics technology for the oil and gas industry, from 7-Industries Lux S.à.r.l. (a company indirectly controlled by Ruth Wertheimer, independent director of EXOR). Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion on justified grounds, also taking into account a valuation carried out by an independent third party. After the acquisition EXOR and the 7-Industries Lux group each hold 14.01% of Welltec issued capital.

Sale of Banijay Holding to Zodiak Media

On February 23, 2016 EXOR S.A. finalized the sale of its entire investment in Banijay (17.1% of capital) within the context of a merger with Zodiak Media, a De Agostini Group TV production company. EXOR received proceeds on the sale of €60.1 million and realized a net gain of €24.8 million.

Completion of the transaction for the acquisition of PartnerRe

The acquisition of PartnerRe was completed on March 18, 2016 after having received all necessary approvals. The total payment made by EXOR at the closing was $6,108 million (€5,415 million) of which $6,065 million (€5,377 million) was paid to common shareholders and $43 million (€38 million) to preferred shareholders, as immediate economic value in lieu of the higher dividend rate. The treasury stock held by PartnerRe and the common shares held by EXOR S.p.A. and EXOR S.A. were cancelled without consideration, while those held by third parties received the consideration agreed in the merger agreement. As of the closing date EXOR indirectly became, through EXOR Nederland N.V. (previously EXOR N.V.), owner of 100% of the common shares of PartnerRe.

The common shares were delisted from the New York Stock Exchange (NYSE) as of the same date. The acquisition did not include the preferred shares issued by PartnerRe, which continue to be traded on the New York Stock Exchange.

Sale of Almacantar and investment funds to PartnerRe

On March 24, 2016 EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36% of share capital) to Partner Reinsurance Company Ltd., a 100%-owned subsidiary of PartnerRe. The transaction was completed on April 8, 2016 with the receipt of £382.7 million (€474.7 million). In April 2016 EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately $195 million (€171 million).

The transactions were concluded at market prices and aimed at increasing the diversification of investments held by PartnerRe by introducing real estate as a new asset class, without changing the overall risk profile of its portfolio. EXOR used the entire proceeds from these transactions to reduce its debt.

Increase in EXOR non-convertible bonds due December 2025

On May 10, 2016 EXOR reopened the €250 million non-convertible bonds issued on December 22, 2015, increasing the amount by €200 million. Like the bonds previously issued, the new bonds carry an annual fixed coupon of 2.875% and are due in December 2025. The new bonds issued through a private placement to institutional investors yield 2.51% and are listed on the Luxembourg Stock Exchange.

Issue of EXOR non-convertible bonds due May 2026

On May 20, 2016 EXOR issued its first U.S. dollar non-convertible bonds for $170 million (issue price of 100% of the nominal value, €161,3 million at December 31, 2016) due May 20, 2026, for the purpose of refinancing its short-term debt. The new bonds were issued through a private placement to institutional investors and pay interest semi-annually at an annual rate of 4.398%. The notes, rated BBB+ by Standard & Poor's, are listed on the Luxembourg Stock Exchange.

Resolutions by the shareholders' meeting of May 25, 2016

The shareholders' meeting of May 25, 2016 approved the payment of dividends per share of €0.35 for a total maximum amount of €82 million. The dividends became payable on June 22, 2016 (ex dividend date June 20) and were paid to shareholders of record as of June 21, 2016 (record date). The dividends were paid to the shares outstanding, thus excluding the shares held directly by EXOR. The shareholders' meeting approved the Compensation Report pursuant to art. 123-*ter* of Legislative Decree 58/98 and a new Incentive Plan pursuant to art. 114-*bis* of the same Legislative Decree. The Plan will be serviced exclusively by treasury stock without any new share issues and therefore will not have any dilutive effect.

The shareholders' meeting in special session also approved the cancellation of 5,229,850 shares of treasury stock in portfolio, net of those to service the incentive plans. The shares were cancelled on June 9, 2016, without reducing share capital but by eliminating the par value of the shares with a consequent change in article 5 of the by-laws.

Sale of Arenella Immobiliare

On July 30, 2016 EXOR concluded the sale of its entire investment in Arenella Immobiliare. Proceeds totaled €22 million.

Completion of the separation of RCS MediaGroup from FCA end integration of Italiana Editrice S.p.A. end Gruppo Editoriale l'Espresso S.p.A.'s activities

With reference to the plan announced on March 2, 2016 by FCA for the creation of a major player in the publishing business and the desire to distribute its interests in the sector to its shareholders, EXOR on the same date communicated its intention to contribute actively and over the long-term to the development of the new publishing company that will result from the merger of ITEDI with Gruppo Editoriale l'Espresso. The objective of the transaction is to create the leading Italian daily and periodical news and media company that will also be one of the principal publishing groups in Europe.

On August 1, 2016, FCA announced the signing of a framework agreement which sets out terms of the proposed integration through a merger between FCA's consolidated media and publishing subsidiary, Italiana Editrice S.p.A ("Itedi"), in which FCA has a 77% ownership interest, and the Italian media group, Gruppo Editoriale L'Espresso S.p.A. ("GELE"). This transaction, which is subject to certain conditions precedent that are customary for this type of transaction as well as the receipt of necessary regulatory approvals from Italian state authorities that regulate the publishing and media sectors, is expected to be effective in the first half of 2017 and will result in the creation of an Italian publishing business with potential for significant revenue and synergies.

In conjunction with the merger agreement, CIR also entered into two shareholder agreements with deferred effect with FCA and Ital Press relative to their respective future shareholdings in GELE.

In addition to CIR's undertaking to vote for the proposed transaction at the GELE shareholder meeting, to be convened at the proper time, the parties also undertake, with effect from the completion date of the merger, to appoint John Elkann and Carlo Perrone to the GELE board of directors, and grant CIR the right to appoint the Chairman and Chief Executive Officer.

FCA also undertakes, for the duration of the shareholder agreement, not to transfer its shares in GELE that are subject to the terms of the agreement. The agreement between CIR and FCA will expire upon distribution by FCA of its shares in GELE to holders of FCA common stock. Concurrent with the expiry of the CIR-FCA shareholder agreement, a new shareholder agreement will take effect between CIR and EXOR. The terms of that agreement include obligations of mutual consultation in advance of any GELE shareholder meeting, undertakings from CIR relating to the appointment and permanence to GELE's board of directors of a representative designated by EXOR, undertakings from EXOR to present and vote for a single voting list jointly with CIR for elections to GELE's board of directors and an undertaking from EXOR, for the duration of the agreement, not to transfer the shares subject to the terms of the agreement (with the exception of transfers to other members of the EXOR group).

Both the CIR-EXOR and CIR-Ital Press shareholder agreements will remain in force for a period of three years.

Common shares issued upon the mandatory conversion of its 7.875% Mandatory Convertible Securities FCA

On December 15, 2016 Fiat Chrysler Automobiles N.V. issued 238,846,375 common shares upon the mandatory conversion of its 7.875% mandatory convertible securities.

Pursuant to the terms of the indenture under which the securities were issued, each U.S. $100 notional amount of the securities will convert into 8.3077 of the FCA common shares, nominal value €0.01 per share, based upon the average of the volume weighted average prices of FCA common shares on the New York Stock Exchange during the 20 consecutive trading day period beginning November 14, 2016 and ending on December 12, 2016 (inclusive).

EXOR with its €886 million of Mandatory Convertible Securities nominal value, received 73,606,222 FCA common shares. At December 31, 2016 EXOR directly holds a 29.41% stake and a 42.60% of the voting rights issued by FCA.

EXOR merger

On July 25, 2016 the Board of Directors of EXOR S.p.A. approved the cross-border merger of EXOR S.p.A. with and into EXOR Holding N.V., a Dutch wholly owned subsidiary of EXOR S.p.A. which upon effectiveness of the merger was renamed into EXOR N.V. EXOR S.p.A. shareholders approved such operation by a resolution adopted by the extraordinary meeting held on September 3, 2016.

The merger, which took the form of a reverse merger resulted in EXOR Holding N.V. being the surviving entity which was renamed into EXOR N.V. and became the holding company of the EXOR Group.

In particular, the cross-border merger of EXOR S.p.A with and into EXOR N.V. was signed on December 10, 2016 in Amsterdam and became effective on December 11, 2016. On December 12, 2016 EXOR N.V. ordinary shares were listed on the Telematico Azionario managed and organized by Borsa Italiana S.p.A. (“MTA”).

EXOR N.V. adopts a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period. No special voting right have been issued at the merger date.

Finally, Standard & Poor’s attributed the rating for EXOR N.V.’s long-term and short-term debt at “BBB+” and “A-2”, with a “negative” outlook”, confirming the same rating and outlook attributed to EXOR.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Significant transactions

EXOR merger

The merger of EXOR S.p.A. with and into EXOR N.V. is recognized in EXOR's consolidated financial statement from January 1, 2016. As the merger is a transaction in which all of the combining entities are controlled ultimately by the same party before and after the transaction, and based on the fact that the control is not transitory, the transition was deemed to be a transaction of entities under common control and therefore outside the scope of IFRS 3 – Business Combinations. As a result, the Merger was accounted for without adjusting the carrying amounts of the assets and liabilities involved in the transaction and did not have an impact on the consolidated financial statements. The effects of the Merger could not be made retroactive for tax purposes and accordingly the disappearing company EXOR S.p.A. was subject to IRES and IRAP tax in Italy for the period up to the date on which the Merger became effective.

Acquisition of PartnerRe

As described in the Significant Events in 2016, EXOR completed the acquisition of the remaining common shares of PartnerRe, bringing its investment to 100%. Considering also the common shares previously purchased by EXOR and measured at fair value at the Acquisition Date ($137.50 per share) the cash consideration amounted to $6,758 million.

Pursuant to the terms of the Merger Agreement, the transaction was effected by the merger of Pillar Ltd (a vehicle company wholly owned by EXOR Nederland N.V.) with and into PartnerRe. Specifically, the treasury stock held by PartnerRe and the common shares held by EXOR S.p.A. and EXOR S.A. were cancelled without consideration, while those held by third parties received the consideration agreed in the merger agreement. As of the closing date EXOR indirectly became, through EXOR Nederland N.V., owner of 100% of the common shares of PartnerRe. The acquisition did not include the preferred shares issued by PartnerRe, which continue to be traded on the New York Stock Exchange.

The transaction that led to the acquisition of control starting on March 18, 2016 was recorded in accordance with IFRS 3 by applying the acquisition method on the basis of the interim financial statements prepared in accordance with IFRS at that date. The 9.9% interest previously held in PartnerRe's common share capital, shown under investments available-for-sale, was measured at fair value at the acquisition date of control and the accumulated fair value reserve was reclassified to a specific item of the income statement. All costs related to the acquisition of PartnerRe was accounted in the income statement.

At December 31, 2016, PartnerRe was accounted for using the line by line method on the basis of consolidated financial information prepared in accordance with IFRS for the period March 18, 2016 – December 31, 2016.
The identification and measurement of the net assets acquired has been completed and resulted in the recognition of goodwill of $660 million. Additional details is provided under notes in the "EXOR Group Consolidated Financial Statements".

Ferrari spin-off

Following the completion of the demerger from FCA on January 3, 2016, Ferrari is controlled directly by EXOR. At December 31, 2016, Ferrari was accounted for using the line by line method.

Significant economic figures

EXOR Group – Consolidated Data

€ million	2016	2015	2014
Net Revenues	**140,068**	136,360	120,102
Profit before tax	**4,268**	1,054	2,199
Net profit	**2,313**	865	1,276
Attributable to owners of the parent	**589**	744	323

Net revenues

€ million	**2016**	2015	2014
PartnerRe	**3,827**	-	-
FCA	**110,445**	112,635	95,487
Cnh Industrial	**22,459**	23,346	24,318
Ferrari	**2,859**	-	-
Juventus	**478**	379	297
Net Revenues	140,068	136,360	120,102

Profit

2016 consolidated net income amounts to €2,313 million, an increase of €1,448 million on the 2015 result of €865 million. The increase is due principally to the higher profit before tax of FCA (€2,847 million thanks to very good operating performance), to the inclusion in the consolidation of Ferrari (in 2015 included in FCA's consolidated data) and of PartnerRe, respectively for €400 million and €217 million, partially offset by a higher charge for income taxes for €1,243 million and by the lower amount of profit from discontinued operations (€ 522 million in 2015 relating to the sale of the C&W Group).

2015 consolidated net income amounted to €865 million, €411 million lower than net income in 2014 (€1,276 million). The reduction is mainly attributable to the provision of €450 million relating to an investigation by the European Union into the alleged anti-competitive conduct in the past of the subsidiary Iveco S.p.A, approximately €761 million for vehicle recall campaigns in the USA and Canada following a new actuarial analysis, partially offset by the disposal gain realized on the sale of C&W Group (€522 million).

Significant financial data

€ million	12/31/2016	12/31/2015	12/31/2014
Cash and cash equivalent	**25,161**	30,587	29,243
Total asset	**176,528**	156,895	150,509
Gross debt	**56,817**	58,112	61,176
Issued capital and reserves attributable to owners of the parent	**10,981**	10,346	7,995
Non controlling interests	**19,239**	16,481	14,326

Gross debt

€ million	12/31/2016	12/31/2015	12/31/2014
Bonds	**25,487**	23,809	27,114
Borrowing from banks	**14,509**	18,385	17,621
Asset backed financing	**12,075**	12,146	11,660
Payables represented by securities	**1,619**	1,212	1,843
Other financial debt and liabilities	**3,127**	2,560	2,938
Gross debt	56,817	58,112	61,176

Financial debt is constituted, to a large extent, of bond issues and bank borrowings. As is the usual practice, the major part of such debt involves a number of covenants which inter alia limit the capacity of Group companies to contract further debt, make certain types of investment, put into effect certain types of transaction with Group companies, dispose of certain assets or merge with or into other companies and use assets as security for other transactions. Further, certain bond issues and bank borrowings provide for compliance with financial covenants.

Cash flow

€ million	2016	2015	2014
Cash and cash equivalents at the beginning of the year	**30,587**	29,243	26,169
Cash flow from (used in) operating activities	12,618	11,749	9,113
Cash flow from (used in) investing activities	(12,740)	(8,608)	(10,414)
Cash flow from (used in) financial activities	(5,564)	(2,411)	2,910
Translation exchange differences	260	614	1,465
Net cash change in cash and cash equivalents	(5,426)	1,344	3,074
Cash and cash equivalents at the end of the year	**25,161**	30,587	29,243
Cash and cash equivalents included in Assets held for sale and discontinued operations	1	0	0
Cash and cash equivalents at the end of the year	**25,162**	30,587	29,243

In 2016 the Group generated positive cash flows from the operating activities for €12,618 million while cash flows used in investing activities were €12,740 million and mainly related to the investments in property, plant and equipment and intangible assets (€10,082 million) and for to the acquisition of PartnerRe (€3,950 million, net of the cash and cash equivalents of PartnerRe acquired).

For the year ended December 31, 2016, net cash used in financing activities was €5,564 million, primarily related to the issuance of new notes for €4,749 million, repayment of notes for €4,121 million and net reduction in other long-term debt for €4,870 million.

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate understanding of the economic and financial performance of EXOR and of the Group, the Directors of EXOR have identified a number of Alternative Performance Measures (APM) which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM's are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM's are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference reporting standards. The aforesaid APM's should be read together with the consolidated financial information prepared applying the shortened consolidation criterion. APM's used by EXOR, since they are not based on the reference financial reporting standards, may not be consistent with those used by other companies or groups and therefore may not be comparable with them. The APM's used by EXOR have been computed consistently in terms of definition and presentation in all the reporting periods for which financial information is presented in this Report.

Further, it should be noted that the principal subsidiaries and affiliates make use, for presentations to the market, of so-called "non-GAAP" financial measures to illustrate their performance. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of the manner in which such indicators are computed is provided by the individual subsidiary companies and these are included in the Report on Operations section in the review of the performance of each subsidiary, as extracted from their respective published documents. Such information is prepared autonomously by the companies and is not homogeneous.

Set out below are the main APM's identified by EXOR: Net Asset Value and Net Financial position.

Net Asset value (APM)

Net Asset Value (NAV) is the total value of assets net of the gross debt of the Holdings System as defined below. In determining the total value of assets at December 31, 2016 listed equity investments and other securities are valued at trading prices, unlisted equity investments are valued at fair value determined annually by independent experts and unlisted other investments (funds and similar instruments) are valued by reference to the most recent available fair value. Bonds held to maturity are valued at amortized cost. Treasury stock are valued at the official stock exchange price, excepting those destined to service stock option plans (measured at the option exercise price under the plan if this is less than the stock exchange price) and those assigned to the beneficiaries of the stock grant plans which are deducted from the total number of treasury shares held. The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value). Gross debt is the total amount of the financial debt of the Holdings System.

The elements included in the gross asset value and in the gross debt denominated in U.S. dollars and Pounds sterling are translated to Euro at the official exchange rates at the date of the period indicated in this presentation.

At December 31, 2016 EXOR's NAV is $14,642 million, an increase of $1,287 million (+9.6%) compared to $13,355 million at December 31, 2015.
The completion in March 2016 of the investment in PartnerRe led to an increase in EXOR's overall exposure to assets denominated in U.S. dollars and accordingly, from January 1, 2016, NAV and NAV performance are reported in U.S. dollars. The performance benchmark has also been changed and is now the MSCI World index in U.S. dollars.
Finally, from January 1, 2016 EXOR presents its NAV per share data in US dollars amounting at December 31, 2016 to a NAV US$60.75 (€57.63).

The composition and change in NAV in US dollars are the following:

US$ million	12/31/2016	12/31/2015	Change	
			Amount	%
Investments	17,683	11,037	6,646	+60.2%
Financial investments	382	631	(249)	-39.5%
Cash and cash equivalents and financial assets	215	4,393	(4,178)	-95.1%
Treasury stock	187	231	(44)	-19.0%
Gross Asset Value	**18,467**	16,292	2,175	+13.4%
Gross Debt	**(3,825)**	(2,937)	(888)	+30.2%
Net Asset Value (NAV)	**14,642**	13,355	1,287	+9.6%

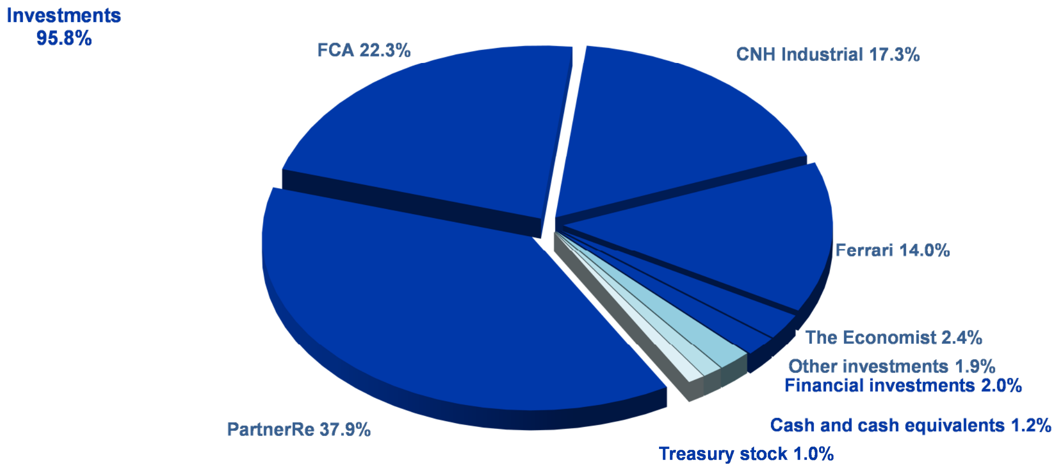
The conversion in euros of the NAV presented in US dollars, at the exchange rates of the respective years is the following:

€ million	12/31/2016	12/31/2015
Investments	16,775	10,139
Financial investments	362	579
Cash and cash equivalents and financial asset	205	4,035
Treasury stock	177	212
Gross Asset Value	**17,519**	14,965
Gross Debt	**(3,629)**	(2,698)
Net Asset Value (NAV)	**13,890**	12,267

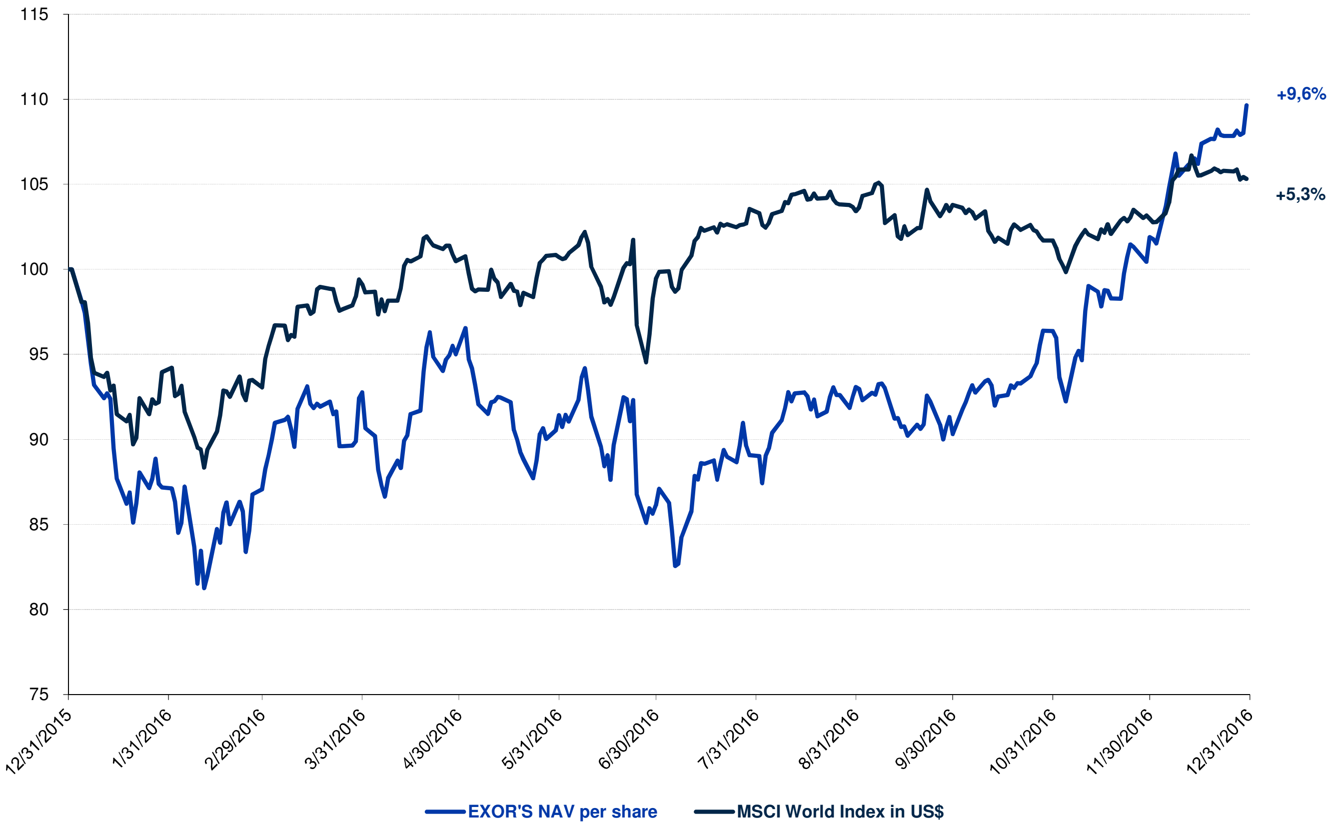
US $ million	12/31/2016	12/31/2015	Change	
			Amount	%
Capital issued and reserves attributable to owners of the parent	**10,981.8**	10,346.2	635.6	6.14%

NAV is also presented with the aim of aiding financial analysts and investors in forming their own assessments.

The following pie chart shows the composition of gross asset value at December 31, 2016 ($18,467 million).
“Other investments” include the investments in Juventus Football Club, Welltec and Banca Leonardo, in addition to minor sundry investments.



Change in NAV compared to the MSCI World Index in U.S. Dollar



The following table shows the official prices of EXOR 's ordinary share listed on the MTA, for the year 2016 and the first months of 2017:

	1/1/2017 24/3/2017	1/1/2016 12/31/2016
Stock Market Data		
Ordinary share price (in Euro)		
- period - end	47.0953	40.9529
- maximum	47.7735	41.9257
- minimum	40.8921	23.7662
Average daily volume exchanged during period:	488,665	466,740
Euro volume exchanges during period (in Euro): (a)	21,534,729	15,583,907

(a) Average daily value (official daily trading price by daily volume) handled by Borsa Italiana during period.

Net financial position of the Holdings System (APM)

The net financial position of the Holdings System determined applying the shortened consolidation criterion provides the best presentation of the financial resources and commitments directly attributable to and managed by EXOR.

Using the shortened consolidation criterion adopted by EXOR rather than the line-by-line method of consolidation required by law and under IFRS, the data deriving from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System: EXOR Nederland N.V. (the Netherlands); EXOR S.A. (Luxemburg); Ancom USA Inc. (USA); Exor SN LLC (USA); Exor Capital DAC (Ireland); Exor Investments Limited (United Kingdom) are consolidated in the financial statements of the parent company EXOR using the line-by-line method while the data derived from the financial statements or accounting data prepared in accordance with IFRS by the operating subsidiaries and associates (PartnerRe, FCA, CNH Industrial, Ferrari, The Economist Group and Juventus Football Club) are included in the financial statements of the parent company EXOR using the equity method. The financial community is familiar with this information which facilitates analysis of the financial position and results of EXOR. The total financial assets and total financial liabilities set out in the table correspond to the total financial assets and total financial liabilities of the Holdings System. The net balance of these items represents the consolidated net financial position of the Holdings System.

Set out below are the data relating to the net financial position prepared in shortened consolidation form:

€ million	12/31/2016	12/31/2015	12/31/2014
Financial assets and other financial receivables	**88**	112	1,016
Cash and cash equivalents	**117**	3,923	1,217
Cash, cash equivalents and financial assets	**205**	4,035	2,233
EXOR Bonds	**(2,999)**	(2,625)	(1,625)
Financial payables	**(602)**	(40)	0
Other financial payables	**(28)**	(33)	(46)
Gross debt	**(3,629)**	(2,698)	(1,671)
Consolidated net financial position of Holding System	**(3,424)**	1,337	563

The reconciliation of the consolidated cash and cash equivalents of EXOR Group with the consolidated cash and cash equivalents of the Holdings System is as follow:

€ million	12/31/2016	12/31/2015	12/31/2014
Cash and cash equivalents of Holdings System	**117**	3,923	1,217
Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**25,044**	26,664	28,026
Cash and cash equivalents (1)	**25,161**	30,587	29,243

The reconciliation of the consolidated gross debt of EXOR Group with the consolidated gross debt of the Holdings System is as follow:

€ million	12/31/2016	12/31/2015	12/31/2014
Gross debt of Holdings System	**(3,629)**	(2,698)	(1,671)
Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**(53,188)**	(55,414)	(59,505)
Gross debt (2)	**(56,817)**	(58,112)	(61,176)

(1) GAAP measures, see page 18.
(2) Resulting from the sum of the GAAP measures “financial debt” and “other financial liabilities”.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

The Shortened Consolidation data is prepared by EXOR on the basis of a "shortened" method of consolidation in which the data derived from the IFRS financial statements of EXOR and of the subsidiaries of the Holdings System: (EXOR Nederland N.V.; EXOR S.A.; Ancom USA Inc.; Exor SN LLC; Exor Capital DAC; Exor Investments Limited) are included in the consolidated financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements prepared in accordance with IFRS of the operating subsidiaries and affiliates (PartnerRe, FCA, CNH Industrial, Ferrari, The Economist Group and Juventus Football Club) are consolidated using the equity method.

EXOR holds its investments and manages its financial resources directly or through certain subsidiaries. These companies, together with the holding company, EXOR, constitute the so-called "Holdings System".

EXOR believes that these data and information facilitate analysis of the financial position and results of EXOR; in addition the shortened consolidation method are recognized by the financial community, by financial counterparties and by the ratings agencies.

Nevertheless, such data do not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups. The consolidated data prepared in shortened form are not audited by the independent auditors.

The following table shows the consolidation and valuation methods used for the investment holdings:

	% of consolidation	
	12/31/2016	12/31/2015
Holding Company - EXOR N.V. (The Netherlands) (a)	100	100
Companies in the Holdings System consolidated line-by-line		
- Exor Nederland N.V. (The Netherlands) (b)	**100**	100
- EXOR S.A. (Luxembourg)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor SN LLC (USA)	**100**	100
- Exor Capital DAC (Ireland)	**100**	100
- Exor Investments Limited (United Kingdom) (c)	**100**	-
Investments in operating subsidiaries and associates, accounted for using the equity method		
- PartnerRe (d)	**100.00**	-
- FCA	**29.41**	29.16
- CNH Industrial	**27.29**	27.28
- Ferrari (e)	**23.52**	-
- The Economist Group	**43.40**	34.72
- Juventus Football Club S.p.A.	**63.77**	63.77
- Arenella Immobiliare S.r.l. (f)	**-**	100
- Almacantar Group (g)	**-**	38.30

(a) Company resulting from the cross-border merger of EXOR S.p.A. with and into EXOR N.V. (formerly EXOR Holding N.V.) became effective from December 11, 2016.
(b) The company (formerly Exor N.V.) changed its name on October 27, 2016.
(c) Company incorporated on January 18, 2016.
(d) Company acquired on March 18, 2016.
(e) Company attributed to EXOR on January 3, 2016 as part of the FCA spin-off transaction.
(f) Company sold on July 30, 2016.
(g) Company sold to PartnerRe in March 2016.

The EXOR Group closes the year 2016 with a consolidated profit of €588.6 million; the year 2015 ended with a consolidated profit of €744.5 million. The negative change of €155.9 million is attributable to lower gains on the disposal of investments (€566.7 million, of which €521.3 million relates to the disposal of C&W Group which was classified in profit&loss from discontinued operations), higher income taxes and other taxes and duties (€164.7 million, including Italian Exit tax of € 170 million relating the re-domiciling of EXOR S.p.A. in The Netherlands due to the cross-border merger with and into EXOR N.V.), higher net financial expenses and non-recurring expenses of €65.6 million and €42.4 million respectively, and other net negative changes of €5.8 million, partially offset by the increase in the share of the profit (loss) of investments of €681 million and higher dividends from investments (€8.3 million).

At December 31, 2016 the consolidated equity attributable to owners of the parent amounts to €10,981.8 million and is a net increase of €635.6 million compared to €10,346.2 million at year-end 2015. Additional details are provided in the following Note 11.

The consolidated net financial position of the Holdings System at December 31, 2016 is a negative €3,424.3 million and reflects a negative change of €4,761.1 million compared to the positive balance of €1,336.8 million at year-end 2015. Additional details are provided in the following Note 12.

The shortened consolidated income statement and statement of financial position and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement - Shortened

€ million	Note	2016	2015		Change
Share of the profit (loss) of investments accounted for using the equity method	1	**885.7**	204.7		681.0
Dividends from investments	2	**22.1**	13.8		8.3
Gains (losses) on disposals and impairment (losses) reversals on investments	3	**28.5**	73.9		(45.4)
Net financial income (expenses)	4	**(76.1)**	(10.5)		(65.6)
Net general expenses	5	**(25.6)**	(20.6)		(5.0)
Non-recurring other income (expenses) and general expenses	6	**(69.4)**	(27.0)		(42.4)
Income taxes and other taxes and duties	7	**(176.6)**	(11.9)		(164.7)
Profit		**588.6**	222.4		366.2
Profit (loss) from discontinued operations:					
Share of profit		**0.0**	0.8		(0.8)
Gains on sale		**0.0**	521.3		(521.3)
Profit from discontinued operations		**0.0**	522.1	(a)	(522.1)
Profit (loss) attributable to owners of the parent		**588.6**	744.5		(155.9)

(a) Share of the result of C&W Group, sold on September 1, 2015.

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	Note	12/31/2016	12/31/2015	Change
Investments accounted for using the equity method	8	**14,085.8**	7,672.6	6,413.2
Investments measured at fair value	9	**117.3**	706.0	(588.7)
Other investments	10	**365.8**	558.7	(192.9)
Property, plant and equipment, intangible assets and other assets		**18.3**	21.7	(3.4)
Financial assets and cash and cash equivalents	12	**204.5**	4,034.8	(3,830.3)
Tax receivables and other receivables		**57.1** (a)	9.4	47.7
		14,848.8	13,003.2	1,845.6
Assets held for sale		**0.0**	60.1 (b)	(60.1)
Total Assets		**14,848.8**	13,063.3	1,785.5
Capital issued and reserves attributable to owners of the parent	11	**10,981.8**	10,346.2 (c)	635.6
Bonds	12	**2,999.0**	2,625.2	373.8
Bank debt	12	**602.2**	0.0	602.2
Provisions for employee benefits and other provisions		**0.0**	3.0	(3.0)
Deferred tax liabilities and other liabilities		**238.2** (a)	16.1	222.1
Other financial liabilities	12	**27.6**	72.8	(45.2)
Total Equity and Liabilities		**14,848.8**	13,063.3	1,785.5

(a) It refers mainly to the estimate of the of the Italian Exit tax. See Note 7.
(b) Referred to the investment in Banijay Holding which was sold on February 26, 2016.
(c) Amount adjusted. For addition information refer to Note 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. Share of the profit (loss) of investments accounted for using the equity method

The share of the profit (loss) of investments accounted for using the equity method in 2016 is a profit of €885.7 million, with an increase compared to the prior year of €204.7 million. The positive change of €681 million reflects the increase in the share of the profit of FCA, CNH Industrial and Juventus of €418.3 million, €95.6 million and €4.2 million respectively and the share of the result arising from the first time consolidations of PartnerRe, Ferrari, and The Economist Group of €167.7 million, €93.8 million and €32.6 million, respectively.

		Profit (Loss) (million)				EXOR's share (€ million)		
		2016		2015	Change	**2016**	2015	Change
PartnerRe (a)	$	**186.0**		n.a.	n.a.	**167.7**	-	167.7
FCA (b)	€	**1,803.0**	€	334.0	1,469.0	**531.1**	112.8	418.3
CNH Industrial (b) (c)	$	**(373.0)**	$	236.0	(609.0)	**31.5**	(64.1)	95.6
Ferrrari (d)	€	**399.0**		n.a.	n.a.	**93.8**	-	93.8
The Economist Group (e)	£	**145.0**		n.a.	n.a.	**32.6**	-	32.6
Juventus Football Club (f)	€	**46.0**	€	39.3	6.7	**29.2**	25.0	4.2
Arenella Immobiliare	€	**-**	€	0.1	(0.1)	**-**	0.1	(0.1)
Almacantar Group (g)	£	**(0.6)**	£	248.1	(248.7)	**(0.2)**	130.9	(131.1)
Total						**885.7**	204.7	681.0

(a) The profit refers to the period March 18, to December 31, 2016.

(b) Includes consolidation adjustments.

(c) The loss of CNH Industrial includes the charge of approximately $502 million (€450 million) in relation to an investigation conducted by the European Commission. EXOR had already recognized its share of the charge, for €122.8 million, in the financial statements at December 31, 2015, since these developments occurred before the approval of its financial statements. Therefore, in 2016, EXOR's share of CNH Industrial's loss was adjusted by eliminating such charge recognized by the subsidiary. CNH Industrial's loss in the 2016 includes a further charge of $49 million as a result of closing the settlement with the European Commission (EXOR's share is approximately €12 million).

(d) Company attributed to EXOR on January 3, 2016 as part of the FCA spin-off transaction.

(e) The profit refers to the period October 1, 2015 to September 30, 2016, including consolidation adjustments.

(f) The profit relates to the accounting data prepared for the Company's consolidation in EXOR and refers to the period January 1 - December 31, 2016.

(g) The loss refers to the period January 1, 2016 to March 31, 2016, before the sale to PartnerRe.

For comments on the performance of the principal operating subsidiaries and associates, please refer to the following sections.

2. Dividends from investments

Details are as follows:

€ million	**2016**		2015		Change
Dividends received from investments accounted for using the equity method:					
- PartnerRe	**225.9**		-		225.9
- CNH Industrial	**47.7**		73.4		(25.7)
- Ferrari	**20.4**		-		20.4
- The Economist Group	**20.1**		6.4		13.7
- Arenella Immobiliare	**0.4**		0.0		0.4
Dividends received from other investment holdings:					
- PartnerRe	**16.1**	(a)	7.7		8.4
- Other	**6.0**		6.1	(b)	(0.1)
Dividends included in the net financial position	**336.6**		93.6		243.0
Dividends received from investments accounted for using the equity method	**(314.5)**		(79.8)		(234.7)
Dividends included in the income statement	**22.1**		13.8		8.3

(a) Dividends received from PartnerRe on the 4,725,726 shares held before acquisition of control on March 18, 2016.

(b) Includes the dividend received from The Economist Group in the first half of 2015 and not eliminated.

3. Gains (losses) on disposals and impairments of investments, net

Details are as follows:

€ million	2016	2015	Change
Disposals:			
- Banijay Holding	**24.8**	-	24.8
- RCS MediaGroup	**4.7**	-	4.7
- Other	**(1.0)**	73.9	(74.9)
Total	**28.5**	73.9	(45.4)

4. Net financial income (expenses)

In 2016 net financial expenses amount to €76.1 million (net financial expenses of € 10.5 million in 2015). Details are as follows:

€ million	2016		2015		Change
Interest income on:					
- bank current accounts and deposits	**3.6**		7.2		(3.6)
- bonds	**4.8**		8.1		(3.3)
Income (expenses) and fair value adjustments to financial assets held for trading	**(1.3)**		10.2		(11.5)
Other financial income	**0.1**		0.6		(0.5)
Interest income and other financial income, net	**7.2**		26.1		(18.9)
Interest expenses and other financial expenses					
Interest expenses and other expenses on EXOR bonds	**(98.3)**	(a)	(67.8)	(a)	(30.5)
Interest expenses and other expenses on bank borrowings	**(22.7)**	(b)	(10.9)	(b)	(11.8)
Interest expenses and other financial expenses	**(121.0)**		(78.7)		(42.3)
Exchange gains, net	**8.3**		2.7		5.6
Financial income (expenses) generated by the financial position	**(105.5)**		(49.9)		(55.6)
Income (expenses) on other investments and other net financial income (c)	**29.4**	(d)	39.4	(d)	(10.0)
Financial income (expenses) recorded in the income statement	**(76.1)**		(10.5)		(65.6)

(a) Includes the credit risk adjustment component recorded in the income statement relating to the fair value measurement of the cross currency swap in accordance with IFRS 13, which is a negative €0.8 million (in line with 2015).

(b) Includes expenses mainly relating to the credit line secured for the acquisition of PartnerRe of €14.4 million (€ 8.6 million in 2015).

(c) Included in investments measured at fair value and other investments.

(d) Includes mainly income (€22.9 million) arising from the fair value revaluation of the previously held 9.9% interest in PartnerRe following the change in the method of valuation, as well as the net gain realized on the redemption of The Black Ant Value Fund of €5.8 million (€6.1 million in 2015).

5. Net general expenses

Net general expenses in 2016 amount to €25.6 million with an increase of €5 million compared to the prior year (€20.6 million). The balance includes the cost of EXOR's stock option plans of approximately €5.2 million (€3.2 million in 2015). The increase of €2 million is attributable to the new stock option plan issued in 2016.

Details of the main items of net general expenses are as follows:

€ million	2016	2015	Change
Personnel costs	**(7.0)**	(6.7)	(0.3)
Compensation to and other costs relating to directors	**(3.8)**	(3.4)	(0.4)
Services	**(9.7)**	(6.7)	(3.0)
Other operating expenses, net of revenues and cost recoveries	**0.1**	(0.6)	0.7
Net general expenses generated by financial position	**(20.4)**	(17.4)	(3.0)
Cost of stock option plans	**(5.2)**	(3.2)	(2.0)
Net general expenses recorded in the income statement	**(25.6)**	(20.6)	(5.0)

6. Non-recurring other income (expenses) and general expenses

€ million	2016	2015	Change
Expenses connected with the reorganization of staff	**(6.4)**	(1.7)	(4.7)
Expenses relating to investments:			
- PartnerRe	**(34.5)**	(19.7)	(14.8)
- Other	**(0.7)**	(0.1)	(0.6)
Expenses relating to the cross-border merger of Exor S.p.A. with and into EXOR N.V.	**(26.6)**	-	(26.6)
Other expenses, net of revenues	**(1.2)**	(5.5)	4.3
Total	**(69.4)**	(27.0)	(42.4)

7. Income taxes and other taxes and duties

The amount of €176.6 million includes mainly the estimate (€170 million) of the Italian Exit tax related to the re-domiciling of EXOR S.p.A. in the Netherlands due to the cross-border merger with and into EXOR N.V.
In particular, on the basis of the information available and the estimates made, a €217 million provision has been recognized for taxation on the excess of the surpluses arising on the "Exit" over the operating losses brought forward reduced by a tax credit of €47 million for substitute tax paid in past years. For further details reference should be made to the Company's financial statements.

8. Investments accounted for using the equity method

Details are as follows:

€ million	12/31/2016	12/31/2015	Change
PartnerRe (a)	**6,357.1**	-	6,357.1
FCA	**5,638.8**	5,019.0	619.8
CNH Industrial	**1,630.5**	1,589.2	41.3
Ferrari (b)	**99.4**	-	99.4
The Economist Group	**280.1**	457.5	(177.4)
Juventus Football Club	**79.9**	47.8	32.1
Arenella Immobiliare (c)	**-**	26.3	(26.3)
Almacantar Group (d)	**-**	532.8	(532.8)
Total	**14,085.8**	7,672.6	6,413.2

(a) The interest previously held was classified in investments measured at fair value.
(b) Company controlled directly by EXOR following the FCA spin-off transaction completed on January 3, 2016.
(c) Company disposed on July 2016.
(d) Sold to PartnerRe on April 8, 2016 on the basis of EXOR's share of consolidated equity at March 31, 2016.

EXOR completed the acquisition of PartnerRe on March 18, 2016 and became indirectly, through EXOR Nederland N.V (formerly EXOR N.V.), the holder of 100% of common share capital.
The total disbursement by EXOR was $6,108 million (€5,415 million), of which $6,065 million (€5,377.7 million) was paid to common shareholders and $43 million (€37.7 million) to preferred shareholders.
The interest previously held (9.9% of capital), which was classified in investments available-for-sale and measured at fair value with recognition of the changes in fair value in equity, was adjusted to the fair value at the acquisition date of control, equal to $137.50 per share (total of €576.1 million) resulting in a decrease in equity of €30.5 million compared to December 31, 2015. Furthermore, following the change in the valuation method, the positive fair value reserve of €22.9 million was reclassified to the income statement. The entire investment in PartnerRe was classified in investments accounted for using the equity method and the measurement at December 31, 2016 is based on the consolidated accounting information for the period March 18, to December 31, 2016. The carrying amount of the investment includes goodwill of $660 million (€626 million).

The positive change in EXOR's investment in FCA is mainly attributable to the net profit for the period (approx. €530 million), the increase in exchange difference on translation (€105.7 million) and the defined benefit plans remeasurement reserve (€93.7 million, net of deferred taxes), partially offset by the decrease in cash flow hedge reserve (€61 million, net of deferred taxes), as well as the spin-off of Ferrari by FCA and the distribution of RCS MediaGroup shares to the shareholders of FCA (total of €28.7 million).

The positive change in EXOR's investment in CNH Industrial can be ascribed primarily to the increase of the exchange differences on translation (€108.8 million), to the EXOR's positive share of the result of €31.5 million (adjusted by eliminating the charge relating to the investigation conducted by the European Commission recorded by CNH Industrial, in that the charge had already been recognized by EXOR in the 2015 financial statements), partially offset by the payment of dividends (€49.5 million), as well as negative defined benefit plans remeasurement and cash flow reserves, respectively of €29.5 million and €20.6 million.

The negative change in EXOR's investment in The Economist Group is mainly due to the buyback transaction (€100.2 million) and exchange differences (€59.6 million), partially offset by positive EXOR's share of the profit for the period including the consolidation adjustments (€32.6 million).

9. Investments measured at fair value

The investments available-for-sale amounted to €117.3 million (€706 million at December 31, 2015) and includes investments in Welltec, Banca Leonardo and Noco A. The decrease of €588.7 million is mainly attributable to the reclassification of PartnerRe in investment accounted for using the equity method (€606.6 million).

10. Other investments

These are financial assets available-for-sale measured at fair value. Details are as follows:

€ million	12/31/2016	12/31/2015	Change
The Black Ant Value Fund	**355.2**	373.6	(18.4)
Other funds	**10.6**	185.1	(174.5)
Total	**365.8**	558.7	(192.9)

The net decrease in The Black Ant Value Fund is due to the redemption of 128,606 shares, in accordance with signed agreements and considering the positive performance recorded during 2015, for a total equivalent amount of €18.7 million, partially offset by the negative fair value adjustment of €0.3 million. The redemption resulted in a net gain of €5.8 million from the realization of a portion of the fair value reserve. At December 31, 2016 a positive fair value adjustment of €110.8 million was recognized in equity.

The decrease in other funds is largely the result of the sale of the funds to PartnerRe in April 2016 for approximately $195 million (€171.7 million, of which €171 million received by EXOR S.A.).

11. Capital issued and reserves attributable to owners of the parent

Details are as follows:

€ million	12/31/2016	12/31/2015	Change
Share capital	**2.4**	246.2	(243.8)
Reserves	**10,979.5**	10,271.2	708.3
Treasury stock	**(0.1)**	(171.2)	171.1
Total	**10,981.8**	10,346.2 (a)	635.6

(a) Amount adjusted.

During 2016 FCA recorded an adjustment to the amount of its historical deferred tax assets in connection with the Group's 2013 adoption of IAS 19 - Employee Benefits as revised.
This adjustment resulted in a €329 million increase in FCA retained earnings as of December 31, 2013 and an additional €242 million increase in 2014, in connection with the acquisition of the remaining Non-controlling interest of FCA US. As the underlying deferred tax assets are denominated in U.S. Dollars, the subsequent amounts in the retained earnings fluctuate due to exchange differences. This adjustment had no effect on the shortened consolidated income statement, however it resulted in a €208 million increase of Capital issued and reserves attributable to owners of the parent and of Investments accounted for using the equity method at December 31, 2015.

The decrease of treasury stock is attributable to the effect of the Merger. Additional information are exposed in the Note 27 of the consolidated financial statements.
Details of changes during the year are as follows:

€ million	
Balance at December 31, 2015	**10,346.2**
Fair value adjustments to investments and other financial assets:	
- Welltec	(47.3)
- PartnerRe	(30.5)
- Banca Leonardo	(8.6)
- The Black Ant Value Fund	0.3
- Other financial assets	(5.9)
Reclassification of fair value to income statement:	
- PartnerRe	(22.9)
- Banijay Holding	(24.8)
- The Black Ant Value Fund	(5.8)
- Other financial assets	(5.3)
Measurement of EXOR derivative financial instruments	0.5
Dividend paid by EXOR	(82.0)
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method:	
- Share buyback by The Economist Group	(100.2)
- Exchange differences on translation	435.0
- Other	(55.5)
Consolidated profit attributable to owners of the parent	588.6
Net change during the year	**635.6**
Balance at December 31, 2016	**10,981.8**

12. Net financial position of the Holdings System

The net financial position of the Holdings System at December 31, 2016 is a negative €3,424.3 million and shows a negative change of €4,761.1 million compared to the balance at year-end 2015 (€1,336.8 million), mainly due to the disbursement made in connection with the acquisition of PartnerRe.

The composition of the balance is as follows:

€ million	12/31/2016	12/31/2015	Variazioni
Financial assets	**87.9**	108.7	(20.8)
Financial receivables	**0.1**	3.4	(3.3)
Cash and cash equivalents	**116.5**	3,922.7	(3,806.2)
Cash, cash equivalents and financial assets	**204.5**	4,034.8	(3,830.3)
EXOR bonds	**(2,999.0)**	(2,625.2)	(373.8)
Financial payables	**(602.2)**	(39.6)	(562.6)
Other financial liabilities	**(27.6)**	(33.2)	5.6
Gross debt	**(3,628.8)**	(2,698.0)	(930.8)
Net financial position of the Holdings System	**(3,424.3)**	1,336.8	(4,761.1)

Financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds.

Such financial assets:

- if held for trading, are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at the year-end exchange rates, with recognition of the fair value in the income statement.

- If held to maturity as an investment for a part of its available cash so that it can receive a constant attractive flow of financial income they are measured at amortized cost. Such designation was made in accordance with IAS 39, paragraph 9.
  These financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is to hold investments which can readily be converted into cash.

At December 31, 2016 Bonds issued by EXOR can be analyzed as follows:

Issue date	Maturity date	Issue price	Coupon	Rate (%)	Currency	Nominal amount (million)	Balance at (a) 12/31/2016 (€ million)	Balance at (a) 12/31/2015 (€ million)
12-Jun-07	12-Jun-17	99.554	Annual	fixed 5.375	€	440.0	**(453.0)**	(452.6)
16-Oct-12	16-Oct-19	98.136	Annual	fixed 4.750	€	150.0	**(150.2)**	(149.8)
12-Nov-13	12-Nov-20	99.053	Annual	fixed 3.375	€	200.0	**(199.7)**	(199.4)
3-Dec-15	2-Dec-22	99.499	Annual	fixed 2.125	€	750.0	**(745.6)**	(744.7)
8-Oct-14	8-Oct-24	100.090	Annual	fixed 2.500	€	650.0	**(652.4)**	(652.2)
7-Dec-12	31-Jan-25	97.844	Annual	fixed 5.250	€	100.0	**(103.1)**	(102.9)
22-Dec-15	22-Dec-25	98.934	Annual	fixed 2.875	€	450.0 (b)	**(452.1)**	(246.8)
20-May-16	20-May-26	99.650	Annual	fixed 4.398	$	170.0	**(161.4)**	0.0
9-May-11	9-May-31	100.000	Semiannual	fixed 2.800 (c)	Yen	10,000.0	**(81.5)**	(76.8)
							(2,999.0)	(2,625.2)

(a) Includes the current portion, amounting to €467.4 million, of which €453 million concerning a bond expiring on June 12, 2017 (€ 26.4 million at December 31, 2015.)

(b) Originally €250 million; the amount was increased by another €200 million on May 10, 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.

(c) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Financial payables of €602.2 million include the financing drawn down on the remaining credit line secured under the May 11, 2015 Financing Agreement between by EXOR, EXOR Nederland N.V., Citigroup Global Markets Limited and Morgan Stanley Bank for the acquisition of PartnerRe, for a total of $550 million (€521.8 million). In 2016 another credit line of $1,250 million was secured for the acquisition of PartnerRe and fully repaid on April 13, 2016.
Also included are short-term loans secured by EXOR from leading credit institutions for €79.3 million.

Other financial liabilities (€27.6 million) consist of the measurement of cash flow hedge derivative instruments.

The net change in the year 2016 is a negative €4,761.1 million. Details are as follows:

€ million		**1/1-12/31/2016**	1/1-12/31/2015	Change
Net financial position of the Holdings System - Initial amount	Note	**1,336.8**	**562.5**	**774.3**
Dividends received from investment holdings	1	336.6	93.6	243.0
Reimbursements of reserves		8.4	6.4	2.0
Sales/Redemptions	2	794.8	1,877.4	(1,082.6)
Investments	3	(5,519.4)	(1,142.0)	(4,377.4)
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 12/15/2016		63.2	63.5	(0.3)
Dividends paid by EXOR		(82.0)	(77.8)	(4.2)
Other changes	4	(362.7)	(46.8)	(315.9)
Net change during the year		**(4,761.1)**	**774.3**	**(5,535.4)**
Net financial position of the Holdings System - Final amount		**(3,424.3)**	**1,336.8**	**(4,761.1)**

€ million	1/1-12/31/2016	1/1-12/31/2015
1. Dividends received from investment holdings	**336.6**	**93.6**
PartnerRe	242.0 (a)	7.7
CNH Industrial	47.7	73.4
Ferrari	20.4	-
The Economist Group	20.1	8.1
Other	6.4	4.4
2. Sales/Redemptions	**794.8**	**1,877.4**
Almacantar Group	474.7	-
Banijay Holding	60.1	-
Arenella Immobiliare	22.0	-
The Black Ant Value Fund	18.7	19.6
RCS MediaGroup	18.1	-
Investment Funds	174.2	-
Other Asset	27.0 (b)	42.7
C&W Group	-	1,134.2
Treasury stock EXOR	-	508.5
Allied World Assurance Company Holdings	-	153.7
Sequana	-	18.7
3. Investments	**(5,519.4)**	**(1,142.0)**
PartnerRe	(5,415.5) (c)	(553.2)
Welltec	(103.3)	
The Economist Group	-	(398.2)
Almacantar	-	(108.6)
Investment Funds	-	(62.6)
Other non current investments	(0.6)	(19.4)
4. Other changes	**(362.7)**	**(46.8)**
Net general expenses	(20.4)	(17.4)
Non recurring other general expenses	(69.4)	(24.3)
Net financial expenses	(105.4)	(49.9)
Income taxes	(6.7)	(12.5)
Other net changes	(160.8) (d)	57.3 (d)

(a) Of which €16.1 million received on 4,725,726 PartnerRe shares held before the acquisition of control on March 18, 2016.
(b) Sale of Rothschild shares for €20.1 million and other non-current assets for €6.9 million.
(c) Of which $6,065 million (€5,377.7 million) paid to common shareholders and $43 million (€37.7 million) to preferred shareholders of PartnerRe.
(d) Principally includes negative exchange differences on translation for €156.7 million.

Credit Lines and rating

At December 31, 2016 EXOR has irrevocable credit lines in Euro of €390 million, of which €350 million, is due after December 31, 2017, as well as revocable credit lines of €558 million.
EXOR also had credit lines in foreign currency for a total of $640 million (€607,2 million) due after December 31, 2017, drawn down for $600 million, of which $550 million (€521,8 million) was granted for the acquisition of PartnerRe.

On December 12, 2016 Standard & Poor’s assigned the rating for EXOR’s long-term and short-term debt at “BBB+” and “A-2”, with a “negative” outlook.

REVIEW OF PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES

(The percentages indicated for the stakes, voting rights and share capital
are calculated on the basis of data as at December 31, 2016)

PartnerRe

(100.0% of common share capital through EXOR Nederland N.V.)

The data presented and commented below are derived from PartnerRe's consolidated financial information for the year ended December 31, 2016 and December 31, 2015 prepared in accordance with US GAAP.

$ million	Year		Change	
	2016	2015	Amount	%
Net premiums written	**4,954**	5,230	(276)	(5.3%)
Net premiums earned	**4,970**	5,269	(299)	(5.7%)
Non-life combined ratio (a)	**93.6%**	85.6%	n/a	8.0
Life and Health allocated underwriting result (b)	**61**	94	(33)	35.1%
Total investment return	**2.4%**	0.8%	n/a	1.6
Operating earnings (c)	**289**	658	(369)	(56.1%)
Adjusted Operating earnings (d)	**413**	749	(336)	(44.9%)
Operating ROE (e)	**4.8%**	10.8%	n/a	(6.0)
Adjusting Operating ROE (d)	**6.9%**	12.2%	n/a	(5.3)
Net income attributable to PartnerRe common shareholders (f)	**387**	48	339	n.m.
Adjusted Net income attributable to PartnerRe common shareholders (d)	**517**	453	64	14.1%
Net Income ROE (g)	**6.4%**	0.8%	n/a	5.6
Adjusted Net income ROE (d)	**8.6%**	7.4%	n/a	1.2

(a) The Company uses combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios;

(b) The Company uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life policy benefits, acquisition costs and other expenses;

(c) Operating earnings is defined as net income/loss available to PartnerRe common shareholders excluding certain after-tax net realized and unrealized gains/losses on investments, after-tax net foreign exchange gains/losses, certain after-tax interest in earnings/losses of equity method investments and the non-recurring expenses included in other charges;

(d) Excluding transaction and severance costs;

(e) Operating ROE is calculated as operating earnings on average common shareholders' equity;

(f) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends;

(g) Net income ROE is calculated as net income return on average common shareholders' equity.

Net premiums written of $5.0 billion were down 5% in 2016 compared to $5.2 billion in 2015. On a constant foreign exchange basis, net premiums written were down 2%, primarily driven by continued competitive pricing and market conditions across most lines of the Non-life business which resulted in PartnerRe cancelling and reducing participations. In addition premiums ceded under retrocessional contracts, primarily in the catastrophe and mortgage protection lines of business, were higher in 2016 compared to 2015. These decreases were partially offset by new business written across all lines. Net premiums written in the Life and Health business also decreased due to downward prior year premium adjustments, cancellations of certain non-profitable mortality business, a one-time increased participation in 2015 on a significant longevity treaty and continued competitive pressures in the health business.

The Non-life combined ratio was 93.6% in 2016, an increase of 8.0 points compared to 85.6% in 2015, reflecting lower favorable prior year loss development, higher mid-sized loss activity and increased losses from catastrophes. The most significant losses in 2016 were related to the Canadian wildfires ($69 million), hurricane Matthew ($45 million) and an energy loss ($42 million), all net of reinsurance and reinstatement premiums. The Non-life combined ratio continued to benefit from strong favorable prior year development of 17.6 points (or $677 million), compared to 20.5 points (or $831 million) reported in 2015, with most lines of business experiencing net favorable development from prior accident years as actual reported losses from cedants were below expectations.

The Life and Health allocated underwriting result decreased to $61 million in 2016 compared to $94 million in 2015, primarily as a result of reduced profitability in the health line of business.

Other expenses were $472 million in 2016 compared to $791 million in 2015. Other expenses for 2016 include $128 million of transaction and severance related costs, while other expenses for 2015 include $411 million related to a $315 amalgamation termination fee and reimbursement of expenses paid to AXIS Capital, a negotiated earn-out consideration paid to previous shareholders of a previously acquired company, and certain other transaction related costs. Excluding the transaction and severance related and the negotiated earn-out one-time costs, other expenses decreased by 9% to $344 million in 2016 compared to $380 million in 2015, due to the reorganization of PartnerRe's operations.

Operating earnings for 2016 were $289 million, compared to operating earnings of $658 million for 2015 primarily due to a lower Non-life technical result, higher transaction and severance costs and loss on redemption of senior notes. The lower Non-life technical result was primarily driven by lower favorable prior year loss development, higher mid-sized loss activity and increased losses from catastrophes.

Net investment income was $411 million, down 9% in 2016 compared to 2015. On a constant foreign exchange basis, net investment income was down 7%. The decrease mainly reflects the impact of the reduction in risk within the investment portfolio, the increased allocation to U.S. government fixed income securities, the change in asset mix with a lower amount of high yield fixed income securities and dividend yielding equity securities, and lower reinvestment rates. These decreases were partially offset by lower investment expenses following the reorganization of the Company's investment operations.

The effective tax rate on pre-tax operating earnings and pre-tax income were 10.3% and 5.5%, respectively, in 2016. The effective tax rate of 10.3% on pre-tax operating earnings was driven by the distribution of pre-tax operating earnings between the taxable and non-taxable jurisdictions.

Net income attributable to PartnerRe common shareholders for 2016 was $387 million compared to $48 million in 2015. The increase was due to net realized and unrealized gains on investments in 2016 of $26 million compared to losses of $297 million in 2015 and a $315 amalgamation termination fee and reimbursement of expenses paid to AXIS Capital in 2015, partially offset by a decrease in the technical result in 2016.

Some details related to the balance sheet are as follows:

			Change	
$ million	**12/31/2016**	**12/31/2015**	amount	%
Debt	1,337	813	524	64.5%
Preferred shares, aggregate liquidation value	704	854	(150)	-17.6%
Common shareholders' equity	5,984	6,047	(63)	1.0%
Total capital	**8,025**	**7,714**	311	4.0%

Total capital of $8.0 billion at December 31, 2016 increased by 4% compared to December 31, 2015, primarily due to the issuance of €750 million senior debt in September 2016, and the net income for the year, partially offset by common dividends paid (including a special dividend paid to former shareholders upon the acquisition by EXOR) and the redemption of senior notes and preferred shares.

Common shareholders’ equity attributable to PartnerRe (or book value) and tangible book value were $6.0 billion and $5.5 billion, respectively, at December 31, 2016, an decrease of 1.0% and 0.8%, respectively, compared to December 31, 2015 due to common dividends paid (including dividends of $250 million paid to EXOR) and the impact of settling stock compensation awards upon the change of control being partially offset by net income for the year.

Total investments, cash and cash equivalents and funds held – directly managed were $16.9 billion at December 31, 2016, up 2.4% compared to December 31, 2015.

Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line consolidation purposes:

The US GAAP net income ($387 million) reflects the results for the full year in 2016, whereas the IFRS net income ($186 million) only reflects the results for the period from the acquisition date (March 18, 2016) to December 31, 2016, as well as the economic effects of the application of the acquisition method by EXOR to account for the acquisition.

Significant evets in the fourth quarter of 2016 and subsequent events

On November 1, 2016, the Company used the proceeds from the September 2016 Euro bond issue to redeem its Series D 6.5% and Series E 7.25% preferred shares totaling $150 million and to early retire $250 million senior notes issued in 2008 at 6.875%, which were due in 2018. This resulted in a loss on redemption of preferred shares of $5 million and a loss of $22 million related to the redemption of the senior notes which represented a make whole provision, determined based on the present value of future interest foregone as a result of the early retirement.

Outlook

Excluding the impacts of any significant catastrophe and other large losses and/or increases in interest rates or credit spreads, PartnerRe expects to continue to generate positive underwriting and investing returns.

PartnerRe continues to experience competitive reinsurance market conditions and a challenging investment environment driven by low interest rates, despite recent increases in US treasury rates. Reinsurance market conditions reflect persistent pricing pressure in virtually all lines of business and continued erosion of terms and conditions. These negative trends are primarily driven by excess capital in the industry, particularly in catastrophe exposed lines of business and traditional property and casualty markets, as well as relatively low recent large loss activity and limited new growth opportunities in the industry. PartnerRe maintains a disciplined approach to underwriting by reducing exposure where the pricing, terms and conditions are no longer satisfying our requirements. Overall, PartnerRe expects continued market pressure.

PartnerRe, and its peers within the reinsurance industry, do not provide earnings guidance given its reinsurance results are largely exposed to low frequency and high severity risk events. Some of these risk events are seasonal, such that results for certain periods may include unusually low loss experience, while results for other periods may include modest or significant catastrophe losses. In addition, the PartnerRe's investment results are exposed to changes in interest rates and credit spreads, which result from fluctuations in general economic and financial market conditions. As a result, PartnerRe's profitability in any one period or year is not necessarily predictive or indicative of future profitability or performance.

(29.41% stake, 42.60% of voting rights on issued capital)

The key consolidated figures of FCA for 2016 are presented below. Unless otherwise indicated the figures for the year 2015 have been re-presented to exclude Ferrari, consistent with Ferrari's classification as a discontinued operation for the year ended December 31, 2015.

€ million	Year 2016	Year 2015	Change
Net revenues	**111,018**	110,595	423
Adjusted EBIT (1)	**6,056**	4,794	1,262
Net profit/(loss)	**1,814**	93	1,721
Net industrial debt	**4,585** (2)	5,049 (2)	(464)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT excludes certain adjustments from Net profit from continuing operations including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expenses/(benefit);

(2) At December 31, 2016 and 2015. Net industrial debt is computed as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) current available-for-sale and held-for-trading securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) derivative financial assets and collateral deposit; therefore, debt, cash and other financial assets/liabilities pertaining to financial services entities are excluded from the computation of Net industrial debt.

Net revenues

Net revenues in 2016 total €111 billion, in line with 2015. As regards net revenues by segment, increases are recorded in EMEA (+7%; +9% at constant exchange rates) primarily due to higher volumes and favorable vehicle mix mainly driven by the all-new Fiat Tipo family, all-new Alfa Romeo Giulia and Jeep Renegade and in Maserati (+44%; +47% at constant exchange rates) due to higher shipments and favorable vehicle and market mix.

Net revenues in NAFTA decreased 1% (also at constant exchange rates) due to lower shipments, partially offset by favorable vehicle mix, while revenues in LATAM decreased €0.2 billion (-4%; +1% at constant exchange rates) owing to lower shipments, partially offset by favorable vehicle mix mainly from the all-new Fiat Toro and all-new Jeep Compass.

The €1.2 billion decrease in APAC (-25%; -24% at constant exchange rates) is due to lower imported volumes in China due to transition to local Jeep production, partially offset by favorable vehicle mix from imported vehicles and increased sales of components, whereas the slight decline in Components reflects lower volumes at Comau and negative foreign transaction effects, largely offset by volume increases at Magneti Marelli.

€ million	Year 2016	Year 2015	Change amount	Change %
NAFTA	**69,094**	69,992	(898)	-1.3
LATAM	**6,197**	6,431	(234)	-3.6
APAC	**3,662**	4,885	(1,223)	-25.0
EMEA	**21,860**	20,350	1,510	7.4
Maserati	**3,479**	2,411	1,068	44.3
Components (Magneti Marelli, Teksid, Comau)	**9,659**	9,770	(111)	-1.1
Other activities, unallocated items and adjustments	**(2,933)**	(3,244)	311	-9.6
Net revenues	**111,018**	110,595	423	0.4

Adjusted EBIT

Adjusted EBIT in 2016 is €6,056 million, with an increase of €1,262 million (+26%) compared to €4,794 million in 2015, with all segments profitable and improving year-over-year.

The increase in NAFTA is primarily due to improved vehicle mix, purchasing savings and lower warranty costs, partially offset by lower shipments, increase in product costs for content enhancements and higher manufacturing costs.

EMEA's Adjusted EBIT increased is mainly driven by higher net revenues, purchasing and manufacturing efficiencies, improved results from joint ventures, partially offset by higher advertising to support new product launches and higher research and development costs.
In APAC the increase in Adjusted EBIT is mainly due to favorable mix on imported vehicles, lower marketing expenses (now incurred by China JV) and improved results from China JV, partially offset by lower net price due to incentives for completion of the sell-out of discontinued and other imported vehicles and higher industrial costs due to negative foreign exchange transaction effects.
The significant improvement of Maserati Adjusted EBIT is due to the increase in net revenues, partially offset by higher industrial costs and commercial launch activities while the increase in Adjusted EBIT in Components is primarily due to favorable mix, partially offset by higher industrial costs.
The increase in LATAM is primarily the result of favorable vehicle mix and a decrease in selling, general and administrative costs driven by continued cost reduction initiatives to right-size to market volume, which were partially offset by lower shipments and higher product costs driven by inflation and new products.

The analysis of Adjusted EBIT by segment is as follows:

	Year		Change
€ million	2016	2015	
NAFTA	**5,133**	4,450	683
LATAM	**5**	(87)	92
APAC	**105**	52	53
EMEA	**540**	213	327
Maserati	**339**	105	234
Components (Magneti Marelli, Teksid, Comau)	**445**	395	50
Other activities, unallocated items and adjustments	**(511)**	(334)	(177)
Adjusted EBIT	6,056	4,794	1,262

Net profit (loss)

Net profit in 2016 are €1,814 million, up €1,721 million compared to the 2015 primarily for the increase in EBIT Adjusted of €1,262 million, for lower net financial expenses of €350 million, lower adjustments for non-current income (expenses) of €1,235 million net of higher tax expenses of €1,126 million.

Net industrial debt

Net industrial debt decreased €0.5 billion from December 31, 2015 to €4.6 billion at December 31, 2016 primarily due to operating cash flow from industrial activities, net of capital expenditures of €8.8 billion, reached €1.8 billion for the year, partially offset by negative foreign exchange impact of €1.1 billion primarily due to strengthening of Brazilian Real.

€ million	12/31/2016	12/31/2015	Change
Gross Debt	(24,048)	(27,786)	3,738
Current financial receivables from jointly-controlled financial services companies	**80**	16	64
Current securities	**241**	482	(241)
Cash and cash equivalents	**17,318**	20,662	(3,344)
Other financial assets /(liabilities), net	**(150)**	117	(267)
Debt classified as held for sale	**(9)**	(39)	30
Net debt	(6,568)	(6,548)	(20)
Industrial activities	**(4,585)**	(5,049)	464
Financial services	**(1,983)**	(1,499)	(484)

Significant events in the fourth quarter of 2016 and subsequent events

On November 30, 2016 Fitch Ratings communicated that it has affirmed its rating on FCA N.V.'s long-term debt at "BB-" and it has improved the outlook to positive from stable. The short-term rating is confirmed at "B".

On December 2, 2016 the European Investment Bank ("EIB") and Fiat Chrysler Automobiles ("FCA") announced that they have finalized a €250 million loan for research and development ("R&D") projects implemented by FCA. The three-year loan will support the automobile manufacturing group's activities in its R&D centres in Italy and will consolidate the EU bank's collaboration with FCA, which has resulted in EUR 2.4bn worth of financing operations since 2009.

On December 15, 2016, each U.S.$100 notional amount of the Mandatory Convertible Securities was converted to 8.3077 of FCA's common shares based upon the average volume weighted average prices of FCA common shares on the New York Stock Exchange during the 20 consecutive trading day period beginning November 14, 2016 and ending on December 12, 2016 (inclusive), which resulted in a total of 238,846,375 FCA common shares that were issued

Relating to the notice of violation with respect to the emissions control technology employed in the company's 2014-16 model year light duty 3.0-liter diesel engines issued by EPA on January 12, 2017, FCA US, the US subsidiary of FCA N.V., intends to work with the incoming administration to present its case and resolve this matter fairly and equitably and to assure the EPA and FCA US customers that the company's diesel-powered vehicles meet all applicable regulatory requirements. FCA US looks forward to the opportunity to meet with the EPA's enforcement division and representatives of the new administration to demonstrate that FCA US's emissions control strategies are properly justified and thus are not "defeat devices" under applicable regulations and to resolve this matter expeditiously.

In January 2017, as a result of the distribution of the Company's 16.7 percent ownership interest in RCS to holders of its common shares on May 1, 2016, the Compensation Committee of FCA approved a conversion factor of 1.005865 that was applied to outstanding awards that had been granted in 2015 to make equity award holders whole for the resulting diminution in the value of an FCA common share. There was no change to the total cost of these awards to be amortized over the remaining vesting period as a result of these adjustments.

On February 24, 2017, FCA US prepaid the outstanding principal and accrued interest for its Tranche B Term Loan due 2017. The prepayment of U.S.$1,826 million (€1,721 million) was made with cash on hand. The prepayment did not result in a material loss on extinguishment

On March 17, 2017 FCA N.V. completed the placement, carried out through an accelerate *bookbuilding,* of the totality of the stake in CNH Industrial, corresponding to 15,948,275 common shares (1.17% of common shares), for a total amount of €144.3 million (€9.05 per share). Settlement of the sale was on March 21, 2017.

Target 2017

Guidance for 2017, listed below, confirms conviction in achievement of 2018 targets:

- Net revenues €115 - €120 billion;
- Adjusted EBIT > €7 billion;
- Adjusted net profit > €3.0 billion;
- Net industrial debt < €2.5 billion.

(26.92% stake, 39.94% of voting rights on issued capital.
FCA also holds a 1.17% stake, 1.74% of voting rights)

Key consolidated figures of CNH Industrial for the year 2016 (drawn up in accordance with US GAAP) are as follows:

	Year		Change
$ million	2016	2015	
Revenues	**24,872**	25,912	(1,040)
Operating profit (loss) (1)	**1,439**	1,635	(196)
Adjusted net income (2)	**482**	474	8
Net (loss) income	**(249)**	248	(497)
Net industrial debt (3)	**1,561**	1,578	(17)

(1) Operating profit is a non-GAAP financial measure used to measure performance. Operating profit of Industrial Activities is defined as revenues from net sales less cost of goods sold, selling general and administrative expenses and research and development expenses. Operating profit of Financial Services is defined as revenues less selling, general and administrative expenses, interest expenses and certain other operating expenses.

(2) Adjusted net income is defined as net income (loss) less restructuring costs and other unusual income/(expenses), after tax.

(3) Net industrial debt is a non-GAAP measure used to measure financial performance of Industries Activities separately respect to the activities of Financial Services, due to different sources of cash flow used for the repayment of the debt, from operations for Industrial Activities and by collection of financing receivables for Financial Services.

Revenues

Revenues for the year 2016 of the CNH industrial Group were $24,872 million, down 4% compared to 2015. Net sales of Industrial Activities were $23.669 million, down 4% compared to 2015.

In particular, the decrease in net sales of Agricultural Equipment (-7.2% on a constant currency basis), primarily as a result of unfavorable industry volume and product mix in the row crop sector in NAFTA.

Also Construction Equipment 's net sales decreased (-8.6% on a constant currency basis) due to unfavorable industry and product mix in NAFTA and LATAM and negative prices realization.

Commercial Vehicles' net sales were flat (up 1.8% on a constant currency basis) primarily as a result of increased truck volume and favorable pricing in EMEA, offset by lower volume in buses and specialty vehicles business and the negative impact of currency translation.

On a constant currency basis, Powertrain's net sales increased by 4.9% compared to 2015 due to higher volumes to third parties.

Financial Services were down 1.0% on a constant currency basis) due to a lower average portfolio and the negative impact of currency translation.

	Year		Change	
$ million	2016	2015	amount	%
Agricultural Equipment	**10,120**	11,025	(905)	-8.2
Construction Equipment	**2,304**	2,542	(238)	-9.4
Commercial Vehicles	**9,553**	9,542	11	0.1
Powertrain	**3,707**	3,560	147	4.1
Eliminations and other	**(2,015)**	(1,992)	(23)	n.s.
Total Industrial Activities	**23,669**	24,677	(1,008)	-4.1
Financial Services	**1,570**	1,603	(33)	-2.1
Eliminations and Other	**(367)**	(368)	1	n.s.
Revenues	24,872	25,912	(1,040)	-4.0

Operating profit

Operating profit in 2016 was $1,439 million, a $196 million decrease compared to 2015 ($1,635 million).

Operating profit of Industrial Activities in 2016 was $1.291 million ($1,432 million in 2015), with an operating margin of 5.5% (5.8% in 2015).

The decrease in operating profit of Agricultural Equipment was primarily due to lower volume and unfavorable product mix in NAFTA and EMEA, partially offset by favorable price realization and cost containment actions, including lower material cost.

Commercial Vehicles' improvement was due to a positive price realization, lower material cost, improved product quality and manufacturing efficiencies in the EMEA region, partially offset by the impact of difficult market demand conditions in LATAM.

The decrease in the operating profit of Construction Equipment was due to lower volume and unfavorable product mix particularly in the heavy product range in NAFTA and in LATAM, and negative price realization, partially offset by cost containment actions.

Operating profit of Powertrain increased compared to 2015 primarily due to higher volume and manufacturing and purchasing efficiencies.

	Year		Change
$ million	**2016**	2015	
Agricultural Equipment	**818**	952	(134)
Construction Equipment	**2**	90	(88)
Commercial Vehicles	**333**	283	50
Powertrain	**232**	186	46
Elimination and other	**(94)**	(79)	(15)
Total Industrial Activities	**1,291**	1,432	(141)
Financial Services	**478**	515	(37)
Elimination and Other	**(330)**	(312)	(18)
Operating profit	**1,439**	1,635	(196)

Adjusted net income

In 2016 an exceptional non-tax deductible charge was recorded of $551 million following the final settlement reached with the European Commission on the truck competition investigation, as well as a charge of $60 million related to the repurchase of a portion of the Case New Holland Industrial Inc. 7.875% Notes due 2017.

Net debt

Net industrial debt at December 31, 2016 was $1,561 million compared to $1,578 million at December 31, 2015. Industrial cash flow was a positive $1,045 million (a positive $758 million at December 31, 2015), considering working capital positive change of $330 million, the add back European Commission settlement for $551 million and the add back of repurchase of 2017 notes (excluded from the calculation of industrial cash flow), partially offset by investments for $501 million. Net debt reflects the payment of dividends and the purchase of treasury stock for approximately $221 million and currency translation differences of approximately $807 million.

$ million	**12/31/2016**	12/31/2015 (1)	Change
Financial Debt (2)	**(25,276)**	(26,301)	1,025
Derivatives hedging debt	**2**	27	(25)
Cash and cash equivalents	**5,017**	5,384	(367)
Restricted cash	**837**	927	(90)
Net debt/(cash)	**(19,420)**	(19,963)	543
Industrial Activities	**(1,561)**	(1,578)	17
Financial Activities	**(17,859)**	(18,385)	526

(1) Certain amounts have been recast to conform to the current presentation of debt issuance costs following the adoption of a new guidance effective January 1, 2016.

(2) Including fair value hedge adjustments.

Reconciliation with the IFRS data presented in the interim consolidated financial statements – shortened

	Year	
$ million	**2016**	2015
Net (loss) income in accordance with U.S. GAAP	**(249)**	248
Development costs	**(126)**	(28)
Goodwill and other intangible assets	**8**	8
Defined benefit plans	**63**	47
Restructuring provisions	**1**	5
Other adjustments	**(23)**	19
Tax effect of adjustments	**48**	1
Deferred tax assets and tax contingencies recognition	**(93)**	(66)
Total adjustments	**(122)**	(14)
(Loss) profit in accordance with EU-IFRS	**(371)**	234
- of which attributable to owners of the parent	**(373)**	236

Significant events in the fourth quarter of 2016 and subsequent events

On October 21, 2016 CNH Industrial announced that its wholly owned subsidiary, CNH Industrial Capital LLC, has completed its previously announced offering of $400 million in aggregate principal amount of 3.875% notes due 2021, issued at an issue price of 99.441%.

The net proceeds of this offering were approximately $394 million after payment of offering and other related expenses and will be used for working capital and other general corporate purposes, including among other things, the purchase of receivables or other assets in the ordinary course of business. The net proceeds may also be applied to repay CNH Industrial Capital LLC's indebtedness as it becomes due.

The notes, which are senior unsecured obligations of CNH Industrial Capital LLC, will pay interest semi-annually on April 15 and October 15 of each year, beginning on April 15, 2017, and are guaranteed by CNH Industrial Capital America LLC and New Holland Credit Company LLC, each a wholly owned subsidiary of CNH Industrial Capital LLC. The notes will mature on October 15, 2021.

On December 16, 2016, Iveco, a brand of CNH Industrial and SAIC jointly announced today that they will restructure their Joint Ventures in China based on mutual understanding and trust in order to address the rapid evolution of China's commercial vehicle market. Naveco, a 50:50 joint venture between Iveco and SAIC, will be entirely focused on the Iveco brand. The Yuejin brand business will be separated from Naveco.

On January 31, 2016, CNH Industrial completed its acquisition of the agricultural grass and soil business of Kongskilde Industries, previously part of the Danish Group Dansk Landbrugs Grovvareselskab.

Effective February 1, 2017 CNH Industrial will take over DLG A.m.b.A 's business unit that develops, manufactures and sells solutions for agricultural applications for tillage, seeding and hay & forage under various brands, including Kongskilde, Överum, Howard and JF. As a result, New Holland Agriculture, one of the Company's global agricultural machinery brands, will gain a significant extension to its product portfolio offering, while the Kongskilde brand, sales organizations, dealers and importers will continue to be developed and serviced.

2017 Outlook

In an effort to drive incremental structural improvements to its cost base, CNH Industrial intends to undertake several restructuring actions during 2017 as part of its Efficiency Program. The estimated 2017 expense of approximately $100 million will result in increment al savings of approximately $60 million in 2017, included in the adjusted diluted EPS guidance below, and $80 million on an annualized basis.

CNH Industrial is setting its 2017 guidance as follows:

- net sales of industrial activities between $23 billion and $24 billion;
- adjusted diluted EPS (between $0.39 and $0.41);

net industrial debt at the end of 2017 between $1.4 billion and $1.6 billion.

(22.91% stake and 32.75% of voting rights on issued capital)

Key consolidated figures of Ferrari reported in the year 2016 (drawn up in accordance with IFRS) are as follows:

	Year		
€ million	2016	2015	Change
Shipments (in units)	**8,014**	7,664	350
Net revenues	**3,105**	2,854	251
EBIT	**595**	444	151
Adjusted EBIT (1)	**632**	473	159
EBITDA	**843**	719	124
Adjusted EBITDA (2)	**880**	748	132
Net profit for the period (3)	**400**	290	110
Equity (3)	**330**	(19)	349
Net Industrial debt	**653**	797	(144)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as EBIT less income and costs which are significant in nature but expected to occur infrequently.

(2) Adjusted EBITDA is a non-GAAP financial measure used to measure performance. Adjusted EBITDA is defined as EBITDA (net profit before income tax expenses, net financial expenses/(income) and depreciation and amortization) less income and costs which are significant in nature but expected to occur infrequently.

(3) Attributable to owners of the parent + non-controlling interests.

Shipments

Shipments totaled 8,014 units in the year 2016 with an increase of 350 units compared to the prior year. This achievement was driven by a 5% increase in sales of the 8 cylinder models (V8) led by the success of both the 488 GTD and 488 Spider. Shipments of the 12 cylinder models (V12) were up 4% thanks to the newly launched GTC4Lusso and LaFerrari Aperta, as well as the strong performance of the F12tdf.

	Year		Change	
units	2016	2015	number	%
EMEA	**3,610**	3,351	259	8
Americas	**2,687**	2,640	47	2
Greater China	**619**	610	9	1
Rest of APAC	**1,098**	1,063	35	3
Shipments	**8,014**	7,664	350	5

Net revenues

Net revenues for the year 2016 were €3,105 million, an increase of €251 million (+8.8%; +9.4% at constant currencies) compared to the year 2015.

Revenues in Cars and spare parts were up 5% versus prior year led by higher volumes of the 488 GTB, the 488 Spider and the F12tdf, the newly launched models GTC4Lusso and LaFerrari Aperta, the non-registered car FXX K, the strictly limited edition F60 America along with higher contribution from personalization program. This was partially offset by LaFerrari, which finished its limited series run.

Engines showed a significant increase (+55%) mainly due to strong sales to Maserati and higher rental revenues from other Formula 1 teams.

Sponsorship, commercial and brand were up (+11%) mostly due to better 2015 championship ranking compared to 2014, higher sponsorship revenues and a positive contribution from brand related activities.

	Year		
€ million	**2016**	2015	Change
Cars and spare parts	**2,180**	2,080	100
Engines	**338**	219	119
Sponsorship, commercial and brand	**488**	441	47
Other	**99**	114	(15)
Net revenues	**3,105**	2,854	251

Adjusted EBIT

Adjusted EBIT in 2016 was €632 million, up €159 million (+34%) compared to the year 2015 as a result of higher volume, thanks to the 488 family, the F12tdf and the newly launched GTC4Lusso together with a positive contribution from the personalization programs.

Mix was negatively impacted (-€28 million) by lower sales of LaFerrari, which finished its limited series run, partially offset by the newly launched LaFerrari Aperta, the strictly limited edition F60 America, a positive range model mix as well as pricing increase.

Net industrial debt

Net industrial debt at December 31, 2016 reduced to €653 million from €797 million at December 31, 2015 primarily due to the cash flow generation from operating activities, partially offset by cash distribution to the holders of common shares and dividend paid to the non-controlling interest.

€ million	**12/31/2016**	12/31/2015	Change
Net Industrial debt (1)	**(653)**	(797)	144
Funded portion of the self-liquidating financial receivables porfolio	**737**	1,141	(404)
Net debt	**(1,390)**	(1,938)	548
Financial liabilities with FCA Group	**0**	(3)	3
Deposits in FCA Group cash management pools	**0**	139	(139)
Cash and cash equivalents	**458**	183	275
Gross debt	**(1,848)**	(2,257)	409

(1) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.

Significant events in the fourth quarter 2016 and subsequent event

On December 13, 2016 during a special celebration held at the National Art Center in Tokyo, Ferrari released the first images of the J50, a strictly limited edition car to commemorate the fiftieth anniversary in Japan. Already presold, the 10 masterpieces will be mainly delivered in 2018. The J50, based on the 488 Spider, is powered by a specific 690 cv version of the 3.9-litre V8 that won the overall 2016 International Engine of the Year Award.

Hublot and Ferrari signed a multiyear renewal of their sponsorship and licensing agreements, extending the partnership started in 2011.

2017 Outlook

The Group is expecting the following performance in 2017, assuming FX consistent with current market conditions:

- shipments: approximately 8,400 including supercars;
- net revenues: more than €3.3 billion;
- adjusted EBITDA: more than €950 million;
- net industrial debt: approximately €500, including a cash distribution to the holders of common shares and excluding potential share repurchases.

The Economist

(34.72% of issued capital, 20% of voting rights)

The key consolidated figures of The Economist Group reported for the first nine months of the financial year 2015/2016 (corresponding to the period March 1 – September 30, 2016), based on the most recent data available, are as follows:

	Half I		
£ million	**2016/2017**	2015/2016	Change
Net revenues	**161,9**	158,0	3,9
Operating costs	**(144,7)**	(132,8)	(11,9)
Operating profit	**17,2**	25,2	(8,0)
Profit for the period	**12,9**	19,4	(6,5)

	At		
£ million	**09/30/2016**	09/30/2015	Change
Equity attributable to owners of the parent	**(153,0)**	(22,1)	(130,9)
Net debt	**(123,9)**	(47,7)	(76,2)

For a correct interpretation of the data it should be noted that the financial year of The Economist Group does not coincide with the calendar year but covers the period April 1 – March 31.

The Economist Group's net revenues in the first half 2016 are up 2% (£11.3 million) from the same period last year. The dollar was stronger against the pound which boosted revenues by £12 million, and the results were also affected by the timing of EuroFinance's flagship conference which in the first half 2016 is not included in the results, as for 2015 in which it was included.

Headline operating profit decreased by 32% (£8.0 million) in the first half. However the results are still distorted by the Group's switch to international financial reporting standards last year, and particularly by the treatment of foreign-currency hedging, which contributed £2.3 million to profits in the first half of last year but nothing this year. The later timing of the Group's largest event which produces £3 million of profit also affects the comparison. Adjusting for these overall operating profit was £2.7million lower than it was a year earlier. Profit for the period from continuing operations was £4.6 million lower.

Net debt was £75.3 million higher than at September 2015 largely as a result of borrowings taken out to partly fund the buy-back of 20% of the Company's shares, which were converted to Treasury shares.
The increase in negative equity attributable to owners the parent is largely due to the buyback. Additionally the deficit has also increased due to higher pension liabilities driven by the sharp decline in bond yields following the June 2016 Brexit referendum.

Result by division

	Half I		
£ million	**2016/2017**	2015/2016	Change
The Economist Businesses	**109,4**	109,7	(0,3)
The Economist Intelligence Unit	**28,6**	24,5	4,1
CQ Roll Call	**23,9**	23,8	0,1
Net revenues	**161,9**	158,0	3,9

The Economist Businesses continued the decline of advertising: across the Group, for both print and digital combined, it was down 13%, with the sharpest drop in the US. The Economist's circulation revenue continued to grow because of a recent increase in the price of subscriptions. The Economist Intelligence Unit has made more progress with revenues up 16%. Its traditional products – country reports grew slightly, and the Economist Intelligence Unit has developed new strengths in healthcare data, detailed consumer forecasting and specialist reports on a wide range of subjects.

	Half I		
£ million	**2016/2017**	2015/2016	Change
The Economist Businesses	**3,8**	12,1	(8,3)
The Economist Intelligence Unit	**8,0**	6,7	1,3
CQ Roll Call	**5,4**	6,4	(1,0)
Operating profit	**17,2**	25,2	(8,0)

Operating profit for The Economist Businesses was £8.3million lower caused by the ongoing decline in high margin print advertising and the later timing of the Group's largest event. In addition The Economist Group have continued to invest in important areas such as marketing, as well as editorial resources including digital and social media. Gross profit from the circulation of The Economist was up by 20%. The Economist Intelligence Unit has benefitted from growth in its healthcare consulting business while CQ Roll Call – the business located in Washington, DC, which provides information on Congress – faced testing conditions, which cut its profits by £1.0 million.

Business outlook

Market conditions in the US are still difficult and might remain so. The Group expects to reach the year-end with stronger revenues than achieved in 2016 boosted by the strength of the US dollar. The stronger dollar, however has also significantly increased the Group's costs. The Group's advertising activities continue to face significant structural and cyclical headwinds though the Economist circulation business, predominantly subscription-driven, remains robust.

(63.77% of share capital)

The results for the first half of the financial year 2016/2017 of Juventus Football Club S.p.A. are as follows:

	First Half		
€ million	**2016/2017**	2015/2016	Change
Revenues	**314.9**	204.5	110.4
Operating costs	**182.2**	140.4	41.8
Operating income (loss)	**84.8**	38.1	46.7
Profit (loss) for the period	**72.0**	30.3	41.7

€ million	12/31/2016	12/31/2015	Change
Shareholders' equity	**125.4**	53.4	72.0
Net financial debt	**174.1**	199.4	(25.3)

The interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the data it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period July 1 – June 30, which corresponds to the football season.
Economic performance is characterized by the highly seasonal nature typical of the sector, determined mainly by European competitions, particularly the UEFA Champions League, the calendar of football events and the two phases of the players' Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a different period than the period to which they refer.

The first half of the 2016/2017 financial year closes with a profit €72 million, an increase of €41.7 million compared to the €30.3 million profit for the corresponding period of the preceding year. The change is attributable mainly to increased income from players' registration rights (€84.6 million) and to the general increase in recurring revenues (€25.8 million), partially offset by the increase in expenses for players' registration rights (€31.9 million), by lower net non-recurring revenues (€10.3 million) and by higher amortization of players registration rights (€ 8 million) and other net negative changes of €18.5 million.

Significant events in the first half of the year 2016/2017

J Village Real Estate Fund

During the half-year the J Village Real Estate Fund continued work on the redevelopment and upgrading of a major part of the Continassa area situated next to the Juventus Stadium. The time schedule, in line with the original forecast, provides for the Company's new registered offices and the new Training and Media Center to be handed over to Juventus by June 30,2017.

J Medical

At a meeting held on October 19, 2016 the shareholders of J Medical S.r.l. approved the statement of financial position at September 30, 2016 which reported a loss attributable to the start-up phase of the activities (the center was inaugurated on March 23, 2016) and voted to cover the aforesaid loss, in part by utilization of the share premium reserve and the zeroing of share capital and, for the residual part, by offering a share issue totaling €2 million to the two shareholders in equal amounts to be subscribed by October 31.
Following the subscription for the full amount of the capital increase, Juventus today holds 100% of the capital of J Medical. Negotiations are in progress for the sale of 50% of the capital.

Purchase of the Vinovo Sports Center

In July 2016 Juventus exercised the buy-back option at the end of the lease of the Juventus Training Center at Vinovo, acquiring ownership of the property from Unicredit Leasing S.p.A. for a payment of €7.7 million.

2017 Outlook

The Company's goal is to consolidate the substantial equilibrium in operating profit achieved in the last two years. In the year 2016/2017 a significant increase is expected in the costs of players wages and technical staff costs and for the amortization of the cost of the acquisitions made in the 2016/2017 Transfer Campaign. At the same time the income generated by the disposals during the Campaign, the sporting results and the growth in other operating revenues make it possible to forecast a positive economic result for the year 2016/2017.

SUBSEQUENT EVENTS AND 2017 OUTLOOK

Subsequent events

Dividends and distribution of reserves received in the year 2017

The dividends and distributions of reserves already approved by or collected from some investment holdings are as follows:

	Share	Number	Dividends	
Investee company	class	of shares	Per share (€)	Total (€/ml)
CNH Industrial N.V.	ordinary	366,927,900	0.11	40.4
Ferrari N.V.	ordinary	44,435,280	0.635	28.2
Emittenti Titoli S.p.A.	ordinary	527,000	0.13	0.1
EXOR N.V.'s share of dividends				**68.7**
Banca Leonardo S.p.A.	ordinary	4,545,997	2.00	9.1
EXOR S.A.'s share of dividends				**9.1**

2017 Outlook

EXOR N.V. does not prepare budgets or business plans nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.

Certain EXOR Group operating subsidiaries and associates (FCA, CNH Industrial and Ferrari) publish forecast data on their figures. Other EXOR Group operating subsidiaries and associates (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under "Review of Performance of the operating subsidiaries and associates" in Report on Operations. The remaining operating subsidiaries and associates do not publish forecasts or estimates.

The forecast data and information of the aforementioned operating companies are drawn up autonomously and communicated by the relative companies and are not homogenous. Quantitative forecast disclosure prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary according to the accounting principles applicable to each subsidiary and associate and the conventional application practices in the respective sector of reference. EXOR N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non-integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries and associates, which operate in a completely independent manner.

EXOR N.V. deems that the forecast data and information of the subsidiaries and associates are not significant or suitable for the purposes of providing indications about the prospective economic trend of EXOR NV's operations nor represent a forecast or estimate of the company's results and that therefore in assessing EXOR N.V.'s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries and affiliates.

April 5, 2017

The Board of Directors:

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Anne Marianne Fentener van Vlissingen

Jae Yong Lee *(Not in a position to sign)*

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

Introduction

EXOR N.V. ("EXOR" or the "Company") is a public limited liability company (*naamloze vennootschap*), incorporated under the laws of the Netherlands and listed in Italy on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the "MTA"). EXOR is one of the principal holding companies in Europe and is controlled by Giovanni Agnelli B.V.

EXOR has a Net Asset Value of about almost $15 billion at December 31, 2016 and its objective is to achieve growth in Net Asset Value per share in U.S. dollars in excess of the MSCI World share Index in U.S dollars.

EXOR's residence – for legal and tax purposes – in the Netherlands resulted from a cross-border merger of EXOR S.p.A. (*società per azioni*), a public limited liability company incorporated under the laws of Italy, with and into EXOR HOLDING N.V., a Dutch wholly-owned subsidiary of EXOR S.p.A. (the "Merger"). The surviving company has, thus, been renamed "EXOR N.V." The Merger was executed pursuant to the provisions of EU Directive 2005/56/EC of the European Parliament and Council of 26 October 2005 on cross-border mergers of limited liability companies, implemented for Dutch law purposes under Title 2.7 of the Dutch Civil Code and for Italian law purposes by Italian Legislative Decree 30 May 2008, no. 108.

As a result of the Merger, EXOR has acquired all assets and assumed all liabilities and other legal relationships of EXOR S.p.A. under universal title of succession: as such, all business activities, shareholdings and other assets as well as liabilities pertaining to the business of EXOR S.p.A. have been consolidated into (or controlled by) the Company.

As a result of the Merger, former shareholders of EXOR S.p.A. received 1 (one) EXOR ordinary share for each ordinary share held. EXOR has, further, adopted a Special Voting Structure (as described below) to foster the development and continued involvement of a core base of long-term shareholders in a manner that reinforces the group's stability. For further details on the Special Voting Structure, please refer to Section "Special Voting Structure" below.

The Merger was aimed at aligning the corporate structure of EXOR S.p.A. with its investments' growing international profile, and at better reflecting the global profile of EXOR S.p.A. and its businesses.

This report provides for the relevant information on the ownership structure of the Company.

Capital Structure

Structure of share capital

STRUCTURE OF SHARE CAPITAL

Share class	Number of shares	Listing market	Rights and obligations
Ordinary shares[2]	241,000,000	MTA/Borsa Italiana	

Economic and administrative rights

Each EXOR ordinary share entitles its holder to one vote at all shareholders' meetings – ordinary and extraordinary – as well as to all economic and administrative rights according to the applicable provisions of law and of the Company's articles of association (the "Articles of Association").

Issuance of shares

Shares may be issued pursuant to a resolution of the general meeting. This competence concerns all non-issued shares of the Company's authorized capital, except insofar as the competence to issue shares is vested in the board of directors (the "Board of Directors").

Shares may be issued pursuant to a resolution of the Board of Directors, if and insofar as the Board of Directors is designated to do so by the general meeting. Such designation can be made each time for a maximum period of five

---

[2] The ordinary shares are registered shares, freely transferable and issued in electronic form. Shares are managed through the centralized clearing system organized by Monte Titoli.

years and can be extended each time for a maximum period of five years. A designation must determine the number of shares of each class concerned which may be issued pursuant to a resolution of the Board of Directors. A resolution of the general meeting to designate the Board of Directors as a body of the Company authorized to issue shares can only be withdrawn upon proposal of the Board of Directors.

By means of the resolution adopted by the general meeting on 24 November 2016, the Board of Directors has been designated as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five (5) years with effect from 11 December 2016. The Board of Directors has been authorized to increase the share capital with such number of shares for a nominal value up to five million Euro (Euro 5,000,000.00) and to issue convertible bonds for an aggregate issue price up to one billion Euro (Euro 1,000,000,000.00), and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio.

Payment for shares shall be made in cash unless another form of consideration has been agreed. Payment in a currency other than Euro may only be made with the consent of the Company.

Upon the issuance of ordinary shares, each holder of ordinary shares will have pre-emptive rights in proportion to the aggregate nominal value of his ordinary shares. A shareholder will not have pre-emptive rights in respect of ordinary shares issued against a non-cash contribution. Nor will the shareholder have pre-emptive rights in respect of ordinary shares issued to employees of the Company or of a group company (*groepsmaatschappij*).

Prior to each individual issuance of ordinary shares, pre-emptive rights may be restricted or excluded by a resolution of the general meeting. However, with respect to an issue of ordinary shares pursuant to a resolution of the Board of Directors, the pre-emptive rights can be restricted or excluded pursuant to a resolution of the Board of Directors if and insofar as the Board of Directors is designated to do so by the general meeting.

By means of the resolution adopted by the general meeting on 24 November 2016, the Board of Directors has been authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares for a term of five (5) years with effect from 11 December 2016.
Holders of Special Voting Shares have no pre-emptive rights on the issuance of shares of any class and with respect to the issuance of Special Voting Shares no pre-emptive rights exist.

The general meeting of shareholders or the Board of Directors, as the case may be, shall decide – when passing the resolution to issue shares or rights to subscribe for shares – in which manner the shares shall be issued and, to the extent that rights of pre-emption apply, within what period those rights may be exercised.

Special Voting Structure

In order to foster the development and continued involvement of a core base of long-term shareholders in a manner that reinforces the group's stability, as well as providing EXOR with enhanced flexibility when pursuing strategic investment opportunities in the future, the Articles of Association provide for a special-voting structure (the "Special Voting Structure"). The purpose of the Special Voting Structure is to reward long-term ownership of EXOR ordinary shares and to promote stability of the EXOR shareholders-base by granting long-term EXOR shareholders with Special Voting Shares (as defined below) to which multiple voting rights are attached additional to the one granted by each EXOR ordinary share held.

More precisely, according to the Special Voting Structure:

(i) after 5 years of uninterrupted ownership of EXOR ordinary shares held in the Loyalty Register (as defined below), each EXOR shareholder will be entitled to 5 voting rights for each EXOR ordinary share and, to this purpose, will receive – and EXOR will issue – one special voting share, to which 4 voting rights are attached, and with a nominal value of Euro 0.04 ("Special Voting Share-A"), additional to each EXOR ordinary share owned (to which 1 voting right is attached); and

(ii) after 10 years of uninterrupted ownership of EXOR ordinary shares held in the Loyalty Register (as defined below), each EXOR shareholder will be entitled to 10 votes for each EXOR ordinary share and, to this purpose, each Special Voting Share-A held will be converted into one special voting share B, to which 9 voting rights are attached, and with a nominal value of Euro 0.09 ("Special Voting Share-B"), additional to each EXOR ordinary share owned (to which 1 voting right is attached).

Special Voting Shares-A and Special Voting Shares-B, which are collectively referred to as "Special Voting Shares", will not be tradable and will have only minimal economic entitlements.

Application for Special Voting Shares – Loyalty Register

A shareholder may at any time opt to become eligible for Special Voting Shares by requesting the agent (the "Agent") referred to Article 3.3 of the Terms and Conditions for Special Voting Shares (the "SVS Terms"), acting on behalf of the Company, to register one or more ordinary shares in the loyalty register (the "Loyalty Register") maintained by the Company pursuant to the SVS Terms. Such request will need to be made by the relevant shareholder via its intermediary, by submitting (i) a duly completed form (the "Election Form") and (ii) an intermediary confirmation statement attesting the uninterrupted holding of EXOR ordinary shares, pursuant to the SVS Terms.

Together with the Election Form, the relevant shareholder must submit a duly signed power of attorney, irrevocably instructing and authorizing the Agent to act on his behalf and to represent him in connection with the issuance, allocation, acquisition, conversion, sale, repurchase and transfer of Special Voting Shares in accordance with and pursuant to the SVS Terms (the "Power of Attorney").

Upon receipt of the Election Form, the intermediary's confirmation and the Power of Attorney, the Agent will examine the same and use its reasonable efforts to inform the relevant shareholder, through his intermediary, as to whether the request is accepted or rejected (and, if rejected, the reasons why) within ten business days of receipt of the above-mentioned documents. The Agent may reject a request for reasons of incompleteness or incorrectness of the Election Form, the Power of Attorney or the broker's confirmation or in case of serious doubts with respect to the validity or authenticity of such documents. If the Agent requires further information from the relevant shareholder in order to process the request, then such shareholder shall provide all necessary information and assistance required by the Agent in connection therewith.

EXOR ordinary shares for which a shareholder has issued a request for registration in the Loyalty Register – as well as ordinary shares already registered – are referred to as "Electing Ordinary Shares".

Allocation of Special Voting Shares

For the sake of clarity, as of the effective date of the Merger (*i.e.* 11 December 2016) no Special Voting Shares were issued by EXOR. As a consequence, assuming that a request for registration of EXOR ordinary shares in the Loyalty Register was made at the effective date of the Merger, the requesting shareholder will be entitled to receive Special Voting Shares-A only after 5 years from the abovementioned registration in the Loyalty Register.

As per the date on which an EXOR ordinary share has been registered in the Loyalty Register in the name of one and the same shareholder or its Loyalty Transferee (as defined under the SVS Terms) for an uninterrupted period of five years (the "SVS A Qualification Date"), such Electing Ordinary Share will become a "Qualifying Ordinary Share A" and the holder thereof will be entitled to acquire one Special Voting Share A in respect of each of such Qualifying Ordinary Share A.
As per the date on which an EXOR ordinary share has been registered in the Loyalty Register in the name of one and the same shareholder or its Loyalty Transferee for an uninterrupted period of ten years (the "SVS B Qualification Date"), such Electing Ordinary Share – which, in the meantime, will have become a Qualifying Ordinary Share A – will become a "Qualifying Ordinary Share B". Qualifying Ordinary Shares A and Qualifying Ordinary Shares B are collectively referred to as "Qualifying Ordinary Shares".

On the SVS B Qualification Date, the Agent will, on behalf of the Company, issue a conversion statement pursuant to which the Special Voting Shares A corresponding to the number of Qualifying Ordinary Shares B will automatically convert into an equal number of Special Voting Shares B.

Transfer of Electing Ordinary Shares, Qualifying Ordinary Shares and Special Voting Shares; removal from the Loyalty Register

According to the SVS Terms and during the time in which Electing Ordinary Shares or Qualifying Ordinary Shares are held in the Loyalty Register, these cannot be sold, disposed of or transferred unless to a Loyalty Transferee.

No shareholder shall, directly or indirectly, (a) sell, dispose of or transfer any Special Voting Share or otherwise grant any right or interest therein, unless the shareholder is obliged to transfer Special Voting Shares to a Loyalty

Transferee, or (b) create or permit to exist any pledge, lien, fixed or floating charge or other encumbrance over any Special Voting Share or any interest in any Special Voting Share.

As described above, anyone holding Electing Ordinary Shares or Qualifying Ordinary Shares may request at any time that all or part of their Electing Ordinary Shares or Qualifying Ordinary Shares be removed from the Loyalty Register and be transferred to the ordinary trading system, so as to enable the shareholder to freely dispose of their EXOR shares as indicated below. Starting from the time the abovementioned request is made, it shall be considered that the person holding Qualifying Ordinary Shares has waived the attribution of the voting rights associated with the Special Voting Shares issued and attributed in relation to the Qualifying Ordinary Shares.

Each of the abovementioned requests shall result in a compulsory transfer by effect of which the Special Voting Shares shall be offered and transferred to EXOR without any consideration (*om niet*) under the Articles of Association and the SVS Terms. EXOR may keep the Special Voting Shares as treasury shares, but shall not be entitled to exercise the related voting rights. Alternatively, EXOR may withdraw and cancel the Special Voting Shares and by this effect the nominal value of those shares shall be allocated to the special capital reserve of EXOR. Therefore, the voting rights embodied in Special Voting Shares shall cease to apply with reference to the related Qualifying Ordinary Shares removed from the Loyalty Register.

Each shareholder holding Qualifying Ordinary Shares shall promptly notify EXOR about the occurrence of an event of Change of Control (as defined under the SVS Terms) which concerns the same. A shareholder's Change of Control causes the related Qualifying Ordinary Shares to be removed from the Loyalty Register. The voting rights attaching to Special Voting Shares and assigned in relation to the corresponding Qualifying Ordinary Shares shall be suspended with immediate effect as a result of any event of Change of Control, directly or indirectly, related to each holder of Qualifying Ordinary Shares held in the Loyalty Register.

Other characteristics of Special Voting Shares

Issuance of Special Voting Shares does not require qualified shareholders to correspond their nominal value to EXOR. Pursuant to Article 13.4 of the Articles of Association, EXOR maintains a separate reserve (the "Special Capital Reserve") to pay-up Special Voting Shares. The Board of Directors is authorised to credit or debit the Special Capital Reserve at the expense or in favour of the Company's general share premium reserve. If the Board of Directors so decides, Special Voting Shares can be issued at the expense of the Special Capital Reserve *in lieu* of an actual payment for the shares concerned. However, the holder of Special Voting Shares issued at the expense of the Special Capital Reserve may at any time substitute the charge of the Special Capital Reserve by making an actual payment to the Company in respect of the shares concerned (in accordance with payment instructions provided by the Board of Directors on request) in an amount equal to the nominal value of such Special Voting Shares (such shares being defined as "Special Voting Shares paid-up in cash").

As anticipated, Special Voting Shares have minimal economic entitlement. Under Dutch law, in fact, Special Voting Shares cannot be excluded – as a whole – from the assignment of economic rights. Consequently, in accordance with Article 28.2 of the Articles of Association, holders of Special Voting Shares paid-up in cash will be entitled to the payment of an annual dividend equal to one per cent (1%) of the amount actually paid for such shares in accordance with the above, provided, however, that profits realized with respect to the financial year concerned are not fully appropriated to increase and/or form reserves. Actual payments made during the financial year to which the dividend relates will not be counted.

In case of liquidation of the Company, out of the balance remaining after payment of its debts, the following payments will be proceeded:

- firstly, the amounts actually paid-in on Special Voting Shares in accordance with Article 13.5 of the Articles of Association will be transferred to those holders of Special Voting Shares whose Special Voting Shares have so been actually paid for; and
- secondly, the balance remaining will be transferred to the holders of ordinary shares in proportion to the aggregate number of the ordinary shares held by each of them.

Pursuant to Article 11 of the SVS Terms, in the event of a breach of any of the obligations of a shareholder, that shareholder must pay to the Company an amount for each Special Voting Share affected by the relevant breach (the "Compensation Amount"), which amount is the average closing price of an ordinary share on the MTA calculated on the basis of the period of twenty (20) trading days prior to the day of the breach or, if such day is not a business day, the preceding business day, such without prejudice to the Company's right to request specific performance.

Pursuant to Article 12 of the SVS Terms, the SVS Terms may be amended pursuant to a resolution by the Board of Directors, provided, however, that any material, not merely technical amendment will be subject to the approval of the general meeting of shareholders of EXOR, unless such amendment is required to ensure compliance with applicable laws or listing regulations.

Restrictions on the transfer of shares

There are no restrictions on the transfer of EXOR ordinary shares, no limitations on ownership and no clauses requiring acceptance on the part of the Company or of other shareholders upon a transfer of shares.

The above shall not apply to transfers of Special Voting Shares, or Electing Ordinary Shares or Qualifying Ordinary Shares: for such provisions, please refer to Section "Transfer of Electing Ordinary Shares, Qualifying Ordinary Shares and Special Voting Shares; removal from the Loyalty Register" above.

Shareholders

Significant shareholdings

Based on the regulatory filings with the Netherlands Authority for the Financial Markets (*stichtng Autoriteit Financiele Markten*, "AFM") as per 31 December 2016, shareholders who hold more than 3% of the share capital carrying voting rights are:

Shareholder	**% of issued capital**
Giovanni Agnelli B.V.	52.99%
Harris Associates LP	7.36 %
Southeastern Asset Management, Inc.	4.11%

Giovanni Agnelli B.V. is the largest shareholder of EXOR through its 52.99% shareholding interest in EXOR's issued capital.
Consequently, Giovanni Agnelli B.V. could strongly influence all matters submitted to a vote of EXOR's shareholders, including approval of annual dividends, election and removal of directors and approval of extraordinary business combinations.

Employee shareholdings: system for the exercise of voting rights

A specific mechanism for the exercise of voting rights applicable to employees' shareholdings does not exist. In particular the voting rights on shares deriving from the vesting of shares or from the exercise of option rights under stock option plans or incentive plans – for information on which reference should be made to Section "Remuneration of Directors" – are not subject to any form of restriction and are directly exercisable by the beneficiaries.

Restrictions on voting rights

There are no restrictions on voting rights.

Shareholders agreements

Based on the information available to EXOR, there are no shareholder agreements concerning either the exercise of the rights attaching to the Company's shares or the transfer of the shares.

Change of control clauses and By-Law provisions relevant to a public offer

Any change in control of the Company[3] would entitle subscribers of the following bonds to demand early repayment.

---

[3] The articles of association of the parent company Giovanni Agnelli B.V. include a condition that requires (i) the unanimous vote of directors in function, and (ii) the approval of the general meeting of shareholders by a special majority of more than two thirds of the votes cast representing more than two thirds of the issued and outstanding share capital for any disposal of ordinary shares in EXOR which does not leave at least 51% of the ordinary share capital of EXOR in the full ownership of Giovanni Agnelli B.V.

- Non-convertible bond issue 2007/2017 of Euro 750 million (following cancellation of a nominal amount of Euro 310 million, the residual nominal amount of this issue is now Euro 440 million);
- Non-convertible bond issue 2012/2019 of Euro 150 million;
- Non-convertible bond issue 2013/2020 of Euro 200 million;
- Non-convertible bond issue 2015/2022 of Euro 750 million;
- Non-convertible bond issue 2014/2024 of Euro 650 million;
- Non-convertible bond issue 2012/2025 of Euro 100 million;
- Non-convertible bond issue 2015/2025 of Euro 250 million;
- Non-convertible bond issue 2011/2031 of Yen 10 billion (approx. Euro 69 million).

In addition, three lending banks would have the right to demand the cancellation of four irrevocable lines of credit totaling Euro 325 million, which, however, were unutilized as of 31 December 2016.

Except for the aforesaid, as of the date of this report, there are no significant agreements to which the Company is a party that would become effective, be amended or be extinguished on a change of control of the Company.

The Articles of Association do not provide for derogations from the passivity rule or for the application of the breakthrough rule contemplated in the Dutch and Italian legislation on public offers.

RISK MANAGEMENT, RISKS AND CONTROL SYSTEM

EXOR is committed to promoting and maintaining an internal control and risk management systems (hereafter also "System") being the body of rules, procedures and organizational structures whose purpose is to provide an adequate process for the identification, measurement, management and monitoring of the principal risks in order to ensure the reliability, accuracy and timeliness of financial information, the safeguarding of the Company's assets, the efficiency and effectiveness of business processes and the Company's compliance with laws and regulations. An effective internal control and risk management systems contributes to the conduct of the business in a manner consistent with its pre-established objectives and facilitates well-informed decision-making. The System is integrated in the general organization and governance structure adopted by EXOR and is developed giving adequate consideration to the reference models and the best practices available nationally and internationally. The reference model for the System adopted by EXOR is, in fact, based on the standards set out in the Internal Control – Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report). Within the broader model of the System adopted by the Company the more specific activities of identifying and managing risks are defined by the standards set by the Enterprise Risk Management – Integrated Framework (COSO E.R.M.), as detailed in the dedicate paragraphs.

The responsibility for the institution and maintenance of an effective internal control and risk management systems which is coherent with the business and process objectives and for the correspondence of the risk management method employed with the pre-established containment plan is entrusted to the Director in Charge and to the managers of the functions.
In particular EXOR's internal control and risk management systems operates at three levels of internal control:

- First Level: identification, evaluation and monitoring of applicable risks in the single processes. At this level are located the structures responsible for the individual risks, for their identification, measurement and management, as well as for the performance of the necessary checks.

- Second Level: monitoring of the principal risks to ensure the effectiveness and efficiency of their management and treatment and of the functioning of the controls placed over the principal risks, support to the first level in the definition and implementation of adequate systems for the management of the principal risks and the related controls. The control instruments for coordination and operation of the main control systems operate at this level.

- Third Level: provides an independent and objective assurance of the adequacy and effective operation of the first and second levels of control and in general of the overall mode of managing risks. This activity is carried out by Internal Audit whose activities are directed and guided by internal Guidelines.

The internal control and risk management system is subject to verification and updating annually in order to ensure its constant suitability as an instrument of control over the business's principal areas of risk.

The system of internal control over financial reporting, set in the broader framework of the internal control and risk management system, has the purpose of ensuring the reliability, accuracy and timeliness of the Group's financial information.
The system of internal control over financial reporting put in place by the Company is developed consistently with the 2013 COSO. Framework for internal controls and is focused on the procedures and organizational structures which ensure the reliability, accuracy, completeness and timeliness of financial reporting. The system of internal control over financial reporting aims, in fact, at ensuring the adequacy and effective application of the administrative and accounting procedures designed to guarantee a true and fair representation of the business activities in the financial reports (annual consolidated financial statements, separate company financial statements, shortened half yearly consolidated financial statements) prepared by the Company.
The principal characteristics of the system of internal control over financial reporting are based on the following components and phases:

- Identification and assessment of administrative and accounting risks.
- Identification of the controls responding to the risks identified.
- Verification of the effective application of the controls and evaluation of any problems detected.

The EXOR system of internal control over financial reporting has been developed taking into consideration existing law, the reference regulations as well as the guidelines provided by the competent bodies and is composed of the following documents and procedures:

- *Code of Ethics* – which illustrates the ethical principles and values of the Company.
- *System of Delegated Powers and Proxies* – which identifies the powers of company representation conferred to individual managers.
- *Administrative and Accounting Control Model* – which defines how the administrative and accounting control system should work.
- *Administrative and Accounting procedures* – which establish the responsibilities and rules for the process controls to be applied.
- *Guidelines for testing of administrative and accounting procedures* – which defines methods to be followed when performing periodical sampling of transactions and testing for the verification of the effectiveness of the controls.
- *Risk Assessment Procedure* – which establishes the roles, responsibilities and methodologies, developed in support of the risk assessment activity.
- *Financial reporting instructions and closing timetables* – the documents prepared to communicate to the various corporate functions and to the companies within the consolidation area the detailed operational instructions for the preparation of the reporting package.

In particular, the aforesaid Administrative and Accounting Control Model aims to define:

- the guidelines of the System of internal control over financial reporting process;
- the responsibilities, powers and resources given to the Executive responsible for the preparation of the Company's financial reports;
- the code of conduct that must be observed by Company personnel involved, for any reasons, in the implementation of the system of internal control over financial reporting;
- the roles and responsibilities given to the corporate functions involved in the preparation, diffusion and checking of financial reports issued to the market;
- the responsibilities given to the corporate bodies of the significant subsidiaries included in the consolidation area as regards the quality of the data reported to the parent company for consolidation purposes;
- the process of internal attestation by the heads of corporate functions;
- the process of internal attestation by the corporate bodies of the significant subsidiaries as regards the data under their responsibility reported to the Parent company.

Risk Management

As required by regulatory guidelines and in response to market demands for enhanced transparency and disclosure on the risks associated with company activities, EXOR has adopted its own Enterprise Risk Management ("ERM") system.

The EXOR risk management system is based on the above mentioned COSO ERM, which defines risk management as a "process effected by the Board of Directors, management and other personnel, applied in setting strategy across the organization and designed to identify potential events that may affect the business, in order to manage the risk within the risk appetite and to provide reasonable assurance regarding the achievement of the business objectives".

The Framework is integrated within the Company organization and corporate governance, supporting the efficiency and effectiveness of business processes, the reliability of financial information and compliance with laws and regulations. An effective risk management system contributes to the conduct of the business in a manner consistent with its pre-established objectives and facilitates well-informed decision-making.

In this context, the Board of Directors is responsible for the identification of the risks to which EXOR and the "Holdings System" are exposed in relation to business objectives and company characteristics, and for performing an assessment of the possible risk scenarios, considering the effectiveness of the process controls currently in place.

The EXOR risk management system is subject to verification and updating over time in order to ensure its constant suitability as an instrument of control over the business's principal areas of risk.

Risk Appetite

EXOR set its risk appetite within risk taking and risk acceptance parameters, which are driven by applicable laws, the Code of Conduct, core principles and values, Corporate policies and directives.

The Company operates within a moderate overall risk range, inherent to the business of an Investment Company. In this context, EXOR's lowest risk appetite relates to the objectives of defending the Group reputation, of compliance with the rules and regulations and of adequacy of the financial reporting.

At the same time, EXOR operates with a marginally higher risk appetite towards its strategic and operational objectives related to increasing its Net Asset Value (NAV) in the long term, ensuring in any case the compliance with the criteria that direct EXOR investment choices.

Meeting existing legal and regulatory obligations will take priority over other business objectives.

The EXOR ERM system comprises a structured risk management process aimed at addressing individual risk categories, with a defined risk appetite applied to each category as detailed below:

Risk Category	Risk Description	Risk Appetite
Strategic Risks	Strategic risks may affect EXOR long-term strategic performance targets.	Moderate
Operational Risks	Operational risks include adverse, unexpected impacts resulting from internal processes, people and systems, or from external events linked to the performance of the Company's portfolio of businesses.	Low – Moderate
Compliance Risks	Compliance risks cover unanticipated failures to comply with applicable laws, regulations, policies and procedures.	Low
Financial reporting risks	Risks primarily relate to internal controls.	Low
Financial Risks	Financial risks include uncertainty of financial return and the potential for financial loss due to capital structure imbalances, inadequate cash flows and the volatility of financial instruments.	Low – Moderate

EXOR has established the appetite for principal risks, identifying its overall risk capacity and appetite position. Risk metrics for each principal risk have been identified in order to put in place monitoring activity and corrective actions, if needed.

Key Risks and Key trends

As a part of the 2016 risk assessment process, management identified certain risks as significant based on their potential business impact and likelihood of occurrence, as well as existing and/or planned countermeasures (mitigating actions). The risk impact could result in a material direct or indirect adverse effect on its business, operations, financial condition and performance, reputation and/or other interests. The results of this assessment were presented to the Internal Control and Risks Committee on February 9, 2016.

EXOR expects that the implemented controls will mitigate the risks up to the level of the risk appetite.

The sequence in which these risks and mitigating actions are presented does not reflect any order or importance, likelihood or materiality. For further information regarding the risks EXOR faces, refer to the section Risk Factors above.

Risk Event	Risk Description	Mitigation Activities
Financial structure / Availability of Cash	The Company is exposed to the risk associated with definition of financial structure in terms of: (i) correlation between sources and uses (e.g. in terms of timeline), with the potential increase in financial costs; (ii) adequate flexibility to support timely	Appropriate level of credit commitment and investment portfolio composition. Liquidity, financing needs and cash flows are managed in order to optimize the financial structure.

	investment decisions	EXOR established an appropriate level of credit commitment with different time frames that allow the Company to maintain the necessary financial flexibility: - Investment portfolio composed of listed assets ("liquid"); - High duration of loans, and efficient differentiation of maturities.
Dividend risk /Cash Flow	Risk of holding shares in companies that do not generate a cash flow of dividends sufficient to manage structural costs and net financial costs	Careful management of cash in / cash out and investment portfolio diversification. EXOR maintains an adequate cash flow performing cash flow analysis, adjusting and monitoring on a regular basis. The Company risk management approach mixes a wide variety of investments within the portfolio. The Company portfolio consists of different kinds of investments, consequently characterized by an overall moderate risk level. The diversification mitigates unsystematic risk events in the portfolio, so the positive performance of some investments neutralizes the negative performance of others.
Downgrading of credit rating	Risk that possible downgrading of Company credit rating, may impact company ability to access the capital market and increase financial costs, with negative consequences on the financial, economic and assets position of the Organization; as well as non-compliance with the covenants bond.	Feedback from rating agencies. The possibility to access capital markets and other financing instruments is connected to the credit rating released by the relevant credit agencies. EXOR's approach consists of: (i) performing a continuous dialogue with the rating agencies, in order to timely evaluate and share their feedback; (ii) obtain a more balanced credit rating evaluation after the Investment portfolio diversification.
Stock market performance	Risk that fluctuations in the stock market can affect the value of investments	Asset allocation. The Company risk management approach mixes a wide variety of investments within the portfolio. The Company portfolio consists of different kinds of investments, consequently characterized by an overall lower risk level. The diversification mitigates unsystematic risk events in the portfolio, so the positive performance of some investments neutralizes the negative performance of others.

CORPORATE GOVERNANCE

The Company endorses the Dutch Corporate Governance Code's principles and best practice provisions adopted by the Monitoring Committee Corporate Governance Code 2009 (the "Dutch Corporate Governance Code"). The purpose of the Dutch Corporate Governance Code is to facilitate, with or in relation to other laws and regulations, a sound and transparent system of checks and balances within Dutch listed companies and, to that end, to regulate relations between the Board of Directors and shareholders. With respect to financial year 2016, it should be noted that until 11 December 2016 EXOR was an Italian company and was in compliance with the Italian Corporate Governance Code (i.e. the *Codice di Autodisciplina*).

The Dutch Corporate Governance Code became applicable to the Company as of December 11, 2016 (i.e. the effective date of the Merger). It should be noted that the Dutch Corporate Governance Code provisions primarily refer to companies with a two-tier board structure (consisting of a management board and a separate supervisory board), while EXOR has implemented a one-tier board. The best practices reflected in the Dutch Corporate Governance Code for supervisory board members apply by analogy to non-executive directors.

This section provides for the relevant information on the overall corporate governance structure of the Company. EXOR discloses, and intends to disclose any material departure from the best practice provisions of the Dutch Corporate Governance Code in its future board reports.

Compliance with the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code, except for the best practice provisions listed below:

a) *Best practice provision III.1.1 of the Dutch Corporate Governance Code: The division of duties within the supervisory board and the procedure of the supervisory board shall be laid down in terms of reference. The supervisory board's terms of reference shall include a paragraph dealing with its relations with the management board, the general meeting and the central works council or works council. The terms of reference shall be posted on the company's website.*

The Board Regulations do not contain any provisions dealing with the relations of the Board of Directors with the general meeting and the works council. The reason the Board Regulations do not contain a paragraph in respect of the latter is that the Company has no works council. As regards the relations with the general meeting, EXOR feels this is sufficiently addressed in the Articles of Association.

b) *Best practice provision III.2.1 of the Dutch Corporate Governance Code: All supervisory board members, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2.*

The non-executive directors Sergio Marchionne, Alessandro Nasi, Andrea Agnelli, Niccolò Camerana, Ginevra Elkann and Lupo Rattazzi are considered non-independent non-executive directors within the meaning of best practice provision III.2.2 of the Dutch Corporate Governance Code.[4] Alessandro Nasi, Andrea Agnelli, Niccolò Camerana, Ginevra Elkann and Lupo Rattazzi belong to the Agnelli family, which controls Giovanni Agnelli B.V. In light of the major shareholding of Giovanni Agnelli B.V. the Company feels it is appropriate that more than one member of the Agnelli family has a seat in the Board of Directors as non-executive director.

c) *Best practice provision III.3.6 of the Dutch Corporate Governance Code: The supervisory board shall draw up a retirement schedule in order to avoid, as far as possible, a situation in which many supervisory board members retire at the same time. The retirement schedule shall be made generally available and shall be posted on the company's website.*

Pursuant to the Articles of Association the term of office of members of the Board of Directors may not exceed a maximum period of four years a time. However, the Company intends to have a one year term of office for each member of the Board of Directors, ending at the closure of the next annual general meeting of shareholder after appointment. In view of the foregoing, EXOR does not feel there is a need to have a retirement schedule in place.

---

[4] Check whether these non-executive directors indeed meet one of the criteria as set out in best practice provision III.2.2 of the Dutch Corporate Governance Code 2009. Amend where appropriate.

d) *<u>Principle III.5 of the Dutch Corporate Governance Code</u>: If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee.*

The Company has combined the roles of the remuneration committee and selection and appointment committee in one committee, called the Compensation and Nominating Committee. The Board of Directors has maintained the "two committees approach" of its legal predecessor, EXOR S.p.A., as it feels that there would be no benefits to split the Compensation and Nominating Committee as prescribed under the Dutch Corporate Governance Code.

e) *<u>Best practice provision III.5.6 of the Dutch Corporate Governance Code</u>: The audit committee may not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.*

The chairman of the Audit Committee is the Company's Senior Non-Executive Director, Mr. Marc Bolland. The Senior Non-Executive Director is the chairman of the Board of Directors as referred to by Dutch law. The Board of Directors' view is that – taking into account the composition of the non-executive directors - Mr. Marc Bolland is the most appropriate person at this moment to chair the Audit Committee.

f) *<u>Best practice provision III.7.1 of the Dutch Corporate Governance Code</u>: A supervisory board member may not be granted any shares and/or rights to shares by way of remuneration.*

The Company has maintained the remuneration policy that was adopted by its legal predecessor, EXOR S.p.A. Under this remuneration policy non-executive directors have the opportunity to elect whether their annual cash retainer fee will be paid in shares. Given that the very short period between the effective date of the Merger and 2016 year end in the view of the Board of Directors it was not appropriate to amend the remuneration policy for the financial year 2016 in this respect. However, it is the intention to propose to the annual general meeting of shareholders in 2017 to amend the remuneration policy on this point.

Board of Directors

Pursuant to the Articles of Association, the total number of directors must be at least seven and at most nineteen (the "Directors"). Pursuant to a shareholders' resolution adopted on 24 November 2016 fourteen Directors were appointed effective as of 11 December 2016, until the close of the annual general meeting of shareholders of 2017 for the approval of the 2016 annual accounts. Pursuant to the Articles of Association, the term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for re-appointment.

The Board of Directors is entrusted with the management of the Company. The Board of Directors is composed of one Executive Director (*i.e.*, the Chief Executive Officer and Chairman) and thirteen Non-Executive Directors. The duty of Non-Executive Directors is to supervise the performance of duties by the Executive Director; they are also charged with the duties assigned to them pursuant to the law and the Articles of Association. Each Director is responsible for the general course of affairs of the Company and the business connected with it. Pursuant to Article 19 of the Articles of Association, the general authority to represent the Company shall be vested in the Board of Directors and the Chief Executive Officer solely.

By means of the resolution adopted on 12 December 2016, the Board of Directors appointed the following internal committees: (i) an Audit Committee, and (ii) a Compensation and Nominating Committee.

As indicated below, seven of the thirteen Non-Executive Directors are qualified as independent for the purpose of the Dutch Corporate Governance Code.
The Board of Directors has resolved to grant the following titles:

- John Philip Elkann: Chief Executive Officer and Chairman; and
- Sergio Marchionne and Alessandro Nasi: Vice-Chairman.

The Board of Directors has also resolved to appoint Marc Bolland as the chairman of the Board, as referred to in the Dutch Civil Code. According to Article 18 of the Articles of Association, the chairman of the Board has the title of "Senior Non-Executive Director".

The following members are independent within the meaning of the Dutch Corporate Governance Code:

- Marc Bolland;
- Anne Marianne Fentener Van Vlissingen;
- Jae Yong Lee;
- Antonio Mota de Sousa Horta Osorio;
- Robert Speyer;
- Michelangelo Volpi; and
- Ruth Wertheimer.

Directors are expected to prepare themselves for and to attend all Board of Directors meetings, the annual general meeting of shareholders and the meetings of the committees on which they serve, with the understanding that, on occasion, a Director may be unable to attend a meeting.

From 11 December 2016 to the year-end, one meeting of the Board of Directors was held on 12 December 2016. The majority of the Directors was present at this meeting.

Given the very short period that the Dutch Corporate Governance Code was applicable to EXOR the non-executive directors have not been able to discuss, without the executive director being present, its own functioning, the functioning of its committees and its individual members, and the conclusions that must be drawn on the basis thereof, as prescribed by the best practice provisions III.1.7 of the Dutch Corporate Governance Code. For the same reason, the non-executive directors have not been able to discuss the corporate strategy and the main risks of the business, the result of the assessment of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto, as prescribed by the best practice provisions III.1.8 of the Dutch Corporate Governance Code.

It is expected that one or more meetings will be held in 2017 to discuss the abovementioned matters.

The current composition of the Board of Directors is the following:

John Philip Elkann, Chairman and Chief Executive Officer (executive director) - John Elkann is Chairman of FCA. He was appointed Chairman of Fiat S.p.A. on April 21, 2010 where he previously served as Vice Chairman beginning in 2004 and as a board member beginning December 1997. Mr. Elkann is also Chairman and Managing Director of Giovanni Agnelli B.V. Born in New York in 1976, Mr. Elkann obtained a scientific baccalaureate from the Lycée Victor Duruy in Paris, and graduated in Engineering from Politecnico, the Engineering University of Turin (Italy). While at university, he gained work experience in various companies of the Fiat Group in the UK and Poland (manufacturing) as well as in France (sales and marketing). He started his professional career in 2001 at General Electric as a member of the Corporate Audit Staff, with assignments in Asia, the U.S. and Europe. Mr. Elkann is Chairman of PartnerRe and of Italiana Editrice S.p.A., Vice Chairman of Ferrari N.V. and Ferrari S.p.A. and a board member of The Economist Group. Mr. Elkann is a member of the Museum of Modern Art (MoMA). He also serves as Vice Chairman of the Italian Aspen Institute and of the Giovanni Agnelli Foundation.

Sergio Marchionne, Vice Chairman (non-executive director) - Sergio Marchionne currently serves as Chief Executive Officer of FCA and Chairman and Chief Executive Officer of both FCA US and FCA Italy. In addition, he is also Chairman of CNHI and Chairman and Chief Executive Officer of Ferrari N.V. and Ferrari S.p.A. Born in Chieti (Italy) in 1952, he has dual Canadian and Italian citizenship. He holds a Bachelor of Arts with a major in Philosophy from the University of Toronto and a Bachelor of Laws from Osgoode Hall Law School at York University in Toronto, as well as a Master of Business Administration and a Bachelor of Commerce from the University of Windsor (Canada). Mr. Marchionne is a barrister, solicitor and chartered accountant. Mr. Marchionne began his professional career in Canada. From 1983 to 1985, he worked for Deloitte & Touche. From 1985 to 1988, he was with the Lawson Mardon Group of Toronto. From 1989 to 1990, he served as Executive Vice President of Glenex Industries. From 1990 to 1992, he was Chief Financial Officer at Acklands Ltd. From 1992 to 1994, also in Toronto, he held the position of Vice President of Legal and Corporate Development and Chief Financial Officer of the Lawson Mardon Group. From 1994 to 2000, he covered various positions of increasing responsibility at Algroup, headquartered in Zurich (Switzerland), until becoming its Chief Executive Officer. He then went on to head the Lonza Group Ltd, first as Chief Executive Officer (2000-2001) and then as Chairman (2002). In February 2002, he became Chief Executive Officer of the SGS Group of Geneva. In March 2006, he was appointed Chairman of the company, a position which he continues to hold. From 2008 to April 2010, he also served as non-executive Vice Chairman and Senior Independent Director of UBS. In 2010, Mr. Marchionne joined the Board of Directors of Exor S.p.A. (now Exor N.V.). As of September 2013, he is also Chairman of CNH Industrial N.V., the company resulting from the mergers of Fiat Industrial S.p.A. and CNH Global N.V. Mr. Marchionne is currently a member of the Board of Philip Morris International Inc. and the Peterson Institute for International Economics, as well as Chairman of the Council for the United States and Italy and member of the J.P. Morgan International Council. Mr. Marchionne is recipient of ad honorem degrees in Industrial Engineering and Management from Polytechnic University in Turin (Italy) and in Economics from the University of Cassino (Italy), a Masters honoris causa in Business Administration from the CUOA Foundation (Italy), an honorary Doctor of Laws from the University of Windsor (Canada) and Walsh College in Troy (Michigan), and honorary doctorates in Business Administration from the University of Toledo (Ohio), in Science from Oakland University in Rochester (Michigan) and in Humane Letters from Indiana University Kokomo (Indiana). Mr. Marchionne also holds the honor of Cavaliere del Lavoro.

Alessandro Nasi, Vice Chairman (non-executive director) - Alessandro Nasi was born in Turin (Italy) in 1974, he grew up in New York and then returned to Italy where he obtained a degree in Economics at the University of Turin. He started his career as a financial analyst in several banks, gaining experience at Europlus Asset Management – a division of Unicredito in Dublin – Pricewaterhouse Coopers in Turin, Merrill Lynch and JP Morgan in New York. He then joined JP Morgan Partners in New York as an Associate in their Private Equity Division. In 2005 he joined Fiat Group as manager of Corporate and Business Development, heading the APAC division. In such role, he was involved in supporting the activities of the Fiat Group sectors in developing their businesses in Asia Pacific area. In 2007 he was appointed Vice President of Business Development and a member of the Steering Committee of Fiat Powertrain Technologies, the Engine and Powertrain division of Fiat Group. At the beginning of 2008 he took over a new responsibility at Case New Holland, the Fiat Group company which manufactures agricultural machinery and construction equipment of which he is Senior Vice President of Business Development. From October 2009 to January 2011 he has also been responsible for Network Development serving as Senior Vice President. From January 2011 he has been appointed Member of the Industrial Executive Council of Fiat Industrial, as Secretary and Responsible for Business Development. From November 2012 he has been appointed Chief Business Development Officer and Executive Coordinator of the Group Executive Council (GEC) of Fiat Industrial. From September 2013 he has been appointed President Specialty Vehicles of CNH Industrial retaining his position of Executive Coordinator of the Group Executive Council (GEC). He is a director of Giovanni Agnelli B.V.

Marc Bolland (non-executive director) - Marc Bolland was born in the Netherlands in 1959 and graduated with an MBA from the University of Groningen in the Netherlands. In November 2011, he was awarded an Honorary Doctorate from the University of York, in the UK. He began his professional career at Heineken N.V. in 1987 as a Management trainee. During his first 14 years he occupied several international management positions. He served as an Executive board member of Heineken N.V. from 2001 to 2006 and as Chief Operating Officer of Heineken N.V. from 2005 to July 2006. In 2006 he was appointed as Chief Executive Officer of WM Morrison Supermarkets plc, where he led the turnaround after the acquisition of Safeway plc until April 2010. In May 2010 he joined the board of Marks and Spencer plc as Chief Executive Officer until April 2016. He led the transformation of Marks and Spencer to become a multi-channel, general merchandise retailer and developed the food business with industry leading growth. In September 2016 he joined Blackstone Group International Partners LLP as Operating Partner and Head of European Portfolio Operations. He is currently a Non-Executive Director of The Coca-Cola company, Atlanta USA and IAG (Parent company of British Airways). He is Vice President at Unicef UK. He is a Trustee on the Board of the Royal Academy of Arts. He was elected Vice Chairman of the Consumer Goods Forum in 2014. He was appointed by HRH Prince Wales his personal National Ambassador and was appointed by the Prime Minister as a British Business Ambassador.

Andrea Agnelli (non-executive director) - Andrea Agnelli has been Chairman of Juventus Football Club S.p.A. since May 2010 and is also Chairman of Lamse S.p.A., a holding company of which he is a founding shareholder. Born in Turin in 1975, he studied at Oxford (St. Clare's International College) and Milan (Università Commerciale Luigi Bocconi). While at university, he gained professional experience both in Italy and abroad, including positions at: Iveco-Ford in London; Piaggio in Milan; Auchan Hypermarché in Lille; Schroder Salomon Smith Barney in London; and, finally, Juventus Football Club S.p.A. in Turin.Mr. Agnelli began his career in 1999 at Ferrari Idea in Lugano, where he was responsible for promoting and developing the Ferrari brand in non-automotive areas. In November 2000, he moved to Paris and assumed responsibility for marketing at Uni Invest SA, a Banque San Paolo company specialized in managed investment products. Mr. Agnelli worked at Philip Morris International in Lausanne from 2001 to 2004, where he initially had responsibility for marketing and sponsorships and, subsequently, corporate communication. In 2005, Mr. Agnelli returned to Turin to work in strategic development for

IFIL Investments S.p.A. (now Exor N.V.) and he joined the Board of Directors of IFI S.p.A. (now Exor N.V.) in May 2006. Mr. Agnelli is a Director of Giovanni Agnelli B.V. and a member of the advisory board of BlueGem Capital Partners LLP. He is also a member of the European Club Association's executive board since 2012. Since July 2014, he has served as a board member of the Serie A National League of Professionals and as board member of the Foundation for the General Mutuality in Professional Team Sports. In September 2015, he was appointed to the UEFA Executive Committee as an ECA representative. Mr. Agnelli was appointed to the Board of Directors of Fiat S.p.A. on May 30, 2004 and became a member of the Board of Directors of FCA on October 12, 2014.

Niccolò Camerana (non-executive director) - Niccolò Camerana was born in Florence (Italy) in 1979 and he grew up in UK where he obtained a degree in International Business Studies at European Business School of London. Between 2003 until 2006 Niccolò worked for Pricewaterhousecoopers in Italy for the Transaction Services and Audit department. He then worked in London for 3 years (2006-2009) for UBS Investment Bank for the Mergers and Acquisitions division, advising different transactions in various sectors. He joined Fiat Chrysler Automobiles in 2010 in the EMEA Business Development department providing support with project assessment and negotiation of related agreements with FCA external partners. Since May 2016 Niccolò is Head of Debt Capital Markets and Investor Relations in FCA Bank, the 50 / 50 joint venture between Fiat Chrysler Automobiles and Crédit Agricole, specialized in car finance and lease companies operating in Europe.

Ginevra Elkann (non-executive director) - Ginevra Elkann was born in London in 1979 and she has lived in the UK, France and Brasil. She graduated in Visual Communication at the American University of Paris and completed a Master in Film Making at the London Film School. She is President of Asmara Films, founded in 2010, and of Good Films, a production/distribution film company, co-founded in 2011. She is a member of Christie's Advisory Board and she is a member of the Acquisition Committee and Executive Committee for the Cartier Foundation of Paris. Since 2013 she has been a member of the Advisory Board of UCCA, Beijing and of the American Academy of Rome. She is since 2006 President of the Pinacoteca Giovanni e Marella Agnelli.

Anne Marianne Fentener van Vlissingen (non-executive director) - Anne Marianne Fentener van Vlissingen is Chairman of the Board of SHV Holdings, a Dutch international family-owned company. SHV is active in exploration and production of oil and gas (Dyas), industrial services (ERIKS), cash and carry wholesale (Makro), heavy lifting and transport solutions (Mammoet), provision of private equity (NPM Capital), trade in and distribution of LPG (SHV Energy) and animal nutrition and fish feed (Nutreco). Born in 1961, after graduating as an MBA, Mrs Fentener van Vlissingen worked as a financial analyst and strategic consultant. Mrs Fentener van Vlissingen is presently on the Supervisory Board of Heineken NV, a Belgian company, Lhoist, Foundation National Park 'De Hoge Veluwe' and on the Advisory Board of Bank of America.

Jae Yong Lee (non-executive director) - Jae Yong Lee was born in 1968. A Korean national, he earned a bachelor's degree in History from Seoul National University in Korea and an MBA from Keio University in Japan. He also attended the doctoral program at Harvard Business School. He began his career with Samsung Electronics in 1991, and became Chief Customer Officer in 2007. From 2009 to 2012, he was Chief Operating Officer, and became Vice Chairman in 2012. He was elected to Samsung's board of directors in 2016. He oversees the alignment of the company's business units spanning both branded electronics products and components, and leads Samsung's outreach in forging strategic industry partnerships and alliances.

Antonio Mota de Sousa Horta Osorio (Non-Executive Director) - António joined the board of Lloyds Banking Group on 17 January 2011 as an Executive Director and became Group Chief Executive on 1 March 2011. Born in 1964, Mr. Horta-Osório is a graduate of management and business administration at Universidade Católica Portuguesa. He has a MBA from INSEAD where he was awarded the Henry Ford II prize – and an AMP from Harvard Business School. He has also been awarded Honorary Doctorates from the University of Edinburgh, the University of Bath, and the University of Warwick. António started his career at Citibank Portugal where he was Head of Capital Markets. At the same time, he was an assistant professor at Universidade Católica Portuguesa. He then worked for Goldman Sachs in New York and London. In 1993, he joined Grupo Santander as Chief Executive of Banco Santander de Negócios Portugal. He was CEO of Banco Santander Brazil 1997-1999 and in 2000 he became CEO of Banco Santander Totta in Portugal and an Executive Vice President of Group Santander, moving to the UK in 2006 to become CEO of Abbey and its successor Santander UK. In 2014 the Government of Portugal awarded António with the Order of Merit Grã-Cruz, which is the highest Order of Civil Merit. Previously a non-executive Director to the Court of the Bank of England, António is currently a non-executive of Fundação Champalimaud in Portugal, Sociedade Francisco Manuel dos Santos and a member of the Board of Stichting

INPAR. In 2015 António was appointed Chairman of the Wallace Collection by the Prime Minister. The Wallace Collection is one of Europe's foremost art collections.

Lupo Rattazzi (non-executive director) - Lupo Rattazzi graduated in 1975 with a B.A. in Economics and Political Sciences at Columbia University of New York. In 1977, he obtained a Master in Public Administration at the Harvard Kennedy School ,in Cambridge, Massachusets and in 2002 a Master for Non-Executive Directors at Borsa Italiana S.p.A. From 1977 to 1978, he was assistant to Chairman Guido Carli for International Monetary Affairs at Centro Studi Confindustria in Rome. In 1978 he joined the Corporate Finance department of Salomon Brothers, and in 1979 he became senior Member of the International Advisory Service of Kuhn Loeb Lehman Brothers in New York. He was a Shareholder-founder as well as Head of M&A and trade finance, from 1981 to 1985, of Pragma Investimenti e Finanza S.p.A.. From 1985 to 1989, he was in charge of M&A at C.F.I. S.p.A.. From 1988 and 2000, he was a Shareholder-founder and Chairman of Air Europe S.p.A.. At present, he is Chairman of the Italian Hospital Group and of Neos S.p.A.; he is a director of Banca Finnat Euramerica, Coe & Clerici and GL Investimenti.

Robert Speyer (non-executive director) - Rob Speyer is the President and Chief Executive Officer of Tishman Speyer. Over the past decade, he has guided Tishman Speyer's growth into a leading global real estate investment management firm. Rob Speyer is currently serving his second term as Chairman of the Real Estate Board of New York (REBNY), the city's premier industry association. He is also Chairman of the Advisory Board of the Mayor's Fund to Advance New York City. Mr. Speyer serves on the Board of Trustees of New York-Presbyterian Hospital and St. Patrick's Cathedral in New York City, where he was Co-Chairman of the Construction Committee overseeing its restoration and renovation. He is also a member of the Shanghai Mayor's International Business Leaders Advisory Council. An emeritus member of the Board of Visitors at Columbia College, Rob Speyer graduated magna cum laude from Columbia in 1992 and was elected to the Phi Beta Kappa Society.

Michelangelo Volpi (non-executive director) - Mike Volpi has been a partner at Index Ventures since 2009. He is focused on investments software infrastructures for enterprises and Internet applications for consumers. Mike led the investment by Index Ventures in Arista Networks (NYSE: ANET), Cloud.com (now part of Citrix) and is currently a director of Sonos, Elastic, Pure Storage (NYSE: PSTG), Big Switch Networks, Zuora, Hortonworks (NASDAQ: HDP), Confluent and Wealthfront. Mike began his career at Hewlett Packard's optoelectronics division. From 1994, Mike performed in various executive roles for 13 years at Cisco Systems. He served as the company's Chief Strategy Officer, where he was responsible for Cisco's corporate strategy as well as business development, strategic alliances, advanced Internet projects, legal services, and government affairs. During this tenure, Mike was instrumental in the creation of the company's acquisition and investment strategies, as Cisco acquired more than 70 companies. He then became Senior Vice President & General Manager of the Routing and Service Provider Technology Group, where he led Cisco's business for the Service Provider market, and was also responsible for all of Cisco's routing products. In 2007, this was an $11 billion business for Cisco. Prior to Index, Mike was the CEO of Joost – an innovator in the field of premium video services delivered over the Internet. He has master's and bachelor's degrees in mechanical engineering from Stanford University and an M.B.A. from the Stanford Graduate School of Business. Mike services on the board of FCA and is a trustee of the Castilleja School in Palo Alto, CA.

Ruth Wertheimer (non-executive director) - Ruth Wertheimer is the Founder, Owner and Chairwoman of 7-Main, a family office focused on long-term minority partnerships in leading technology-industrial, technologically-led companies with families and private people as long-term anchor shareholders. Its areas of interest include among others: automation, robotics, sensors, photonics, special and diagnostics. Mrs. Wertheimer, born in Israel, is a board member and one of the major shareholders of the Wertheimer Company Ltd., a family holding company and the former anchor shareholder of IMC Metalworking Companies BV (sold to Berkshire Hathaway in two stages during 2006 and 2013), and the Blade Technologies International Group (sold to their partner Pratt & Whitney in 2014). IMC Metalworking Companies, in which Mrs. Wertheimer served as a board member until 2013, is a global leading manufacturer of precision metal working tools. The Blade Technologies International Group is a global leading manufacture of air foils for jet engines.

Composition of the Board of Directors

The Company believes that its Board of Directors has the diversity of experience, expertise and backgrounds, and the appropriate independence and judgment so as to allow the Board of Directors to fulfill its responsibilities and execute its duties appropriately. The Board of Directors has considered the steps to take in order to maintain appropriate balance of experience, knowledge and background among the Directors.

Board Regulations

By means of the resolution approved on 12 December 2016, the Board of Directors adopted its regulations, pursuant to Article 20.8 of the Articles of Association. Such regulations deal with matters that concern the Board of Directors and its committees internally.

The regulations contain provisions concerning the manner in which meetings of the Board of Directors are called and held, including the decision-making process. The regulations provide that Directors may participate in a meeting of the Board of Directors by means of conference call, video conference or by any other means of communication, provided that all Directors participating in such meeting are able to communicate with each other simultaneously.

The Board of Directors can only adopt valid resolutions when the majority of the Directors in office shall be present at the meeting or be represented thereat.

A Director may be represented at a meeting of the Board of Directors only by another Director duly authorized in writing, and such authorization shall constitute presence by proxy at such meeting. A Director may not act as a proxy for more than one other Director.

All resolutions shall be adopted by the favorable vote of the majority of the Directors present or represented at the meeting. Each Director shall have one vote.

Resolutions may be adopted by the Board of Directors without convening a meeting if the proposal is submitted to all Directors and none of them has objected to the relevant manner of adopting resolutions.

The regulations are available on the Company’s website at www.exor.com.

Indemnification of Directors

To the extent permissible by law, as prescribed under Article 24 of the Articles of Association, the Company will indemnify and hold harmless each Director, both former members and members currently in office (each of them an “Indemnified Person”), against any and all liabilities, claims, judgments, fines and penalties (“Claims”) incurred by the Indemnified Person as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a “Legal Action”), initiated by any party other than EXOR itself or a controlled entity of EXOR, in relation to any acts or omissions in or related to his capacity as an Indemnified Person. Claims will include derivative actions of or initiated by the Company or a group company thereof against the Indemnified Person and (recourse) claims by the Company itself or a group company thereof for payments of claims by third parties if the Indemnified Person will be held personally liable therefore.

Conflict of interest

A Director may not participate in deliberating or decision-making within the Board of Directors, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it (“Conflict of Interests”). This prohibition does not apply if the Conflict of Interests exists for all Directors: should this be the case, the Board of Directors shall maintain its power, subject to the approval of the general meeting of shareholders.

A Director having a Conflict of Interests or an interest which may have the appearance of such a Conflict of Interests must declare the nature and extent of that interest to the other Directors.

Amount and Composition of the remuneration of the Board of Directors

Details of the remuneration of the Board of Directors and its committees are set forth under the Section “Remuneration of Directors”.

The Audit Committee

The Audit Committee is responsible for assisting and advising the Board of Directors and for acting under authority delegated by the Board of Directors, with respect to (i) the integrity of the Company’s financial statements, including any published interim reports; (ii) the Company’s policy on tax planning adopted by management; (iii) the Company’s financing, (iv) the application by the Company of information and communication technology; (v) the systems of internal controls that management and/or the Board of Directors have established; (vi) the Company’s compliance with legal and regulatory requirements; (vii) the Company’s compliance with recommendations and observations of internal and independent auditors; (viii) the Company’s policies and procedures for addressing certain actual or perceived conflicts of interest; (ix) the qualifications, independence and remuneration of the Company’s independent auditors and any non-audit services provided to the Company by the independent auditors; (x) the functioning of the Company’s internal auditors and independent auditors; (xi) risk management guidelines and policies; and (xii) the implementation and effectiveness of the Company's ethics and compliance program.

The Audit Committee currently consists of Mr. Bolland (Chairperson), Ms. Fentener Van Vlissingen and Mr. Rattazzi. As contemplated by the Dutch Corporate Governance Code and Article 2.1 of the Audit Committee Charter, one of the abovementioned members is not independent. The Audit Committee is elected by the Board of Directors and is comprised of at least three non-executive Directors. Each member of the Audit Committee shall, further, (i) neither have a material relationship with the Company, as determined by the Board of Directors nor perform the functions of auditors or accountants for the Company; and (ii) be “financially literate” and have “accounting or selected financial management expertise” as determined by the Board of Directors.

At least one member of the Audit Committee shall be a financial expert with relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities. No Director of the Company may serve as a member of the Audit Committee if such Director serves on the audit committees of more than four other public companies unless the Board of Directors has determined that such simultaneous service would not impair the ability of such Director to effectively serve on the Audit Committee, and discloses this determination in the Company’s board report. The independent auditors will, unless the Audit Committee determines otherwise, attend the meetings of the Audit Committee. The Company’s Chief Executive Officer and Chief Financial Officer will be free to attend the meetings of the Audit Committee unless the Audit Committee determines otherwise.

Until 11 December 2016 the Internal Control and Risk Committee, being the predecessor of the Audit Committee, met 6 times and the attendance of its members at those meetings was 100%.

The Compensation and Nominating Committee

The function of the Compensation and Nominating Committee is to assist and advise the Board of Directors and act under authority delegated by the Board of Directors with respect to (i) executive compensation; (ii) the Company’s remuneration policy; (iii) compensation of Non-Executive Directors; (iv) remuneration reports; (v) drawing up the selection criteria and appointment procedures for Directors of the Company; (vi) periodic assessment of the size and composition of the Board of Directors and as appropriate making proposals for a profile of composition of the Board of Directors; (vii) periodic assessment of the performance of individual Directors and reporting on this to the Board of Directors; (viii) proposals to the Non-Executive Directors for the nomination and re-nomination of Directors to be elected by the shareholders; (ix) supervision of the policy on the selection and appointment criteria for senior management and on succession planning; and (x) monitoring, evaluating and reporting on the sustainable policies and practices, management standards, strategy, performance and governance globally of the Company and its subsidiaries.

The Compensation and Nominating Committee currently consists of Mr. Volpi (Chairperson), Mr. Nasi and Mr. Speyer. As contemplated by the Dutch Corporate Governance Code and Article 2.1 of the Compensation and Nominating Committee Charter, one of the abovementioned members is not independent. The Compensation and Nominating Committee is elected by the Board of Directors and is comprised of at least three Non-Executive Directors. Until 11 December 2016 the Compensation and Nominating Committee met once and the attendance of its members at those meetings was 100%.

Disclosures pursuant to Decree Article 10 EU-Directive on Takeovers

In accordance with the Dutch *Besluit artikel 10 overnamerichtlijn* (the “Decree”), the Company makes the following disclosures.

(a) For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, reference is made to the section above Major shareholder and capital structure. For information on the rights attached to the ordinary shares reference is made to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to ordinary shares comprise of pre-emptive rights upon issue of ordinary shares, the right to attend the general meeting of shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to the reserves. For information on the rights attached to the special voting shares reference made is to the Articles of Association and the SVS Terms which can both be found on the Company's website and more in particular to the section Special Voting Structure above.

(b) No transfer restrictions apply to ordinary shares. Pursuant to the Articles of Association and the SVS Terms transfer restrictions apply for special voting shares.

(c) For information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*) notification requirements apply reference is made to section " Significant Shareholders" of this board report. This chapter lists the shareholders who hold 3% or more of the issued ordinary shares.

(d) No special control rights or other rights accrue to shares in the capital of the Company other than the right of holders of ordinary shares to receive special voting shares if and when the terms and conditions as set out in the SVS terms are met.

(e) A mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company.

(f) No restrictions apply to voting rights attached to ordinary shares in the capital of the Company, nor are there any deadlines for exercising voting rights. No depositary receipts for ordinary shares have been issued with the cooperation of the Company.

(g) The Company is not aware of the existence of any agreements with any shareholder which may result in restrictions on the transfer of shares or limitation of voting rights.

(h) The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association. All members of the Board of Directors are appointed by the general meeting of shareholders. The Board of Directors will nominate a candidate for each vacant seat. A nomination by the Board of Directors will be binding. However, the general meeting of shareholders may deprive the nomination of its binding character by a resolution passed with a two-third majority of the votes cast. If the binding nomination is not deprived of its binding character, the person nominated will be deemed appointed. If the nomination is deprived of its binding character, the Board of Directors will be allowed to make a new binding nomination. The term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for reappointment. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of shareholders which can only be adopted upon a proposal of the Board of Directors.

(i) The Board of Directors has been designated by the general meeting of shareholders as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five years with effect from 11 December 2016. The Board of Directors will be authorized to increase the share capital with such number of shares for a nominal value up to EUR 5,000,000 and to issue convertible bonds for an aggregate issue price up to EUR 1,000,000,000, and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio. This designation can be used for any and all purposes. The Board of Directors is also authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares, for a term of five years with effect from 11 December 2016. With respect to Special Voting Shares A the Board of Directors has been designated by the general meeting of shareholders as the competent body to issue Special Voting Shares A and to grant rights to subscribe for Special Voting Shares A for a term of five years with effect from 11 December 2016. The power of the Board of Directors concerns all authorized but un-issued Special Voting Shares A in the Company's share capital from time to time. The Board of Directors has been authorized as well by the general meeting of shareholders with effect from 11 December 2016 to resolve on the acquisition by the Company of its own fully paid-up ordinary shares, up to the maximum number of shares that can be repurchased under Dutch law, and further within the limits of Dutch law and the Articles of Association through a purchase on the stock exchange or otherwise for a term of 18months at a repurchase price per share, excluding expenses, not higher than10% above the reference price recorded for the ordinary shares on the MTA on the day before each transaction is made or, in the event of purchases carried out through public purchase or exchange offerings, at price levels not lower than 10% below the reference price recorded by the ordinary shares on the stock exchange on the day before the disclosure to the public and not higher than 10% above the reference price recorded by the ordinary shares on the stock exchange on the day before the disclosure to the public. The maximum amount to be used for the repurchase of ordinary shares will be EUR 500,000,000.

(j) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*), provided that certain of the loan agreements entered into by the Company contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.

(k) The Company did not enter into any agreement of the company with a director or employee providing for a payment / distribution upon termination of employment as a result of a public offer within the meaning of article 5:70 of the Dutch Financial Supervision Acts.

General Meeting of Shareholders

Each year, though not later than in the month of June, an annual general meeting of shareholders will be held.

Other general meetings of shareholders will be held whenever the Board of Directors deems such to be necessary, without prejudice to the provisions of Sections 2:108a, 2:110, 2:111 and 2:112 of the Dutch Civil Code.

a) The agenda of the general meeting will include the following subjects for discussion or voting:
b) discussion of the board report;
c) discussion and adoption of the annual accounts;
d) dividend proposal (if applicable);
e) appointment of Directors;
f) appointment of an External Auditor;
g) other subjects presented for discussion or voting by the Board of Directors and announced with due observance of the provisions of the Articles of Association, as for instance (i) release of Directors from liability; (ii) discussion of the policy on reserves and dividends; (iii) designation of the Board of Directors has authorized to issue shares; and/or (iv) authorization of the Board of Directors to make the Company acquire own shares.

Calling of meetings

Notice of general meetings of shareholders is given by the Board of Directors.

Furthermore, shareholders solely or jointly representing at least ten percent (10%) of the issued share capital may request the Board of Directors, in writing, to call a general meeting of shareholders, stating the matters to be dealt with.

If the Board of Directors fails to call a meeting, then such shareholders may, on their application, be authorized by the court in preliminary relief proceedings (voorzieningenrechter van de rechtbank) to convene a general meeting of shareholders. Such application may be rejected if the court is not satisfied that the applicants have previously requested the Board of Directors in writing, stating the exact subjects to be discussed, to convene a general meeting of shareholders.

Notice of the meeting must be given with due observance of the statutory notice period of forty-two (42) days. Further communications which must be made to the general meeting pursuant to the law or the Articles of Association can be made by including such communications either in the notice, or in a document which is deposited at the Company's office for inspection, provided a reference thereto is made in the notice itself.

Notice of general meetings of shareholders will be given in accordance with the requirements of law and the requirements of regulation applicable to the Company pursuant to the listing of its shares on the MTA. The Board of Directors may determine that shareholders and other persons entitled to attend the general meeting of shareholders will be given notice of meetings exclusively by announcement on the website of the Company and/or through other means of electronic public announcement.

The notice of the meeting will state (a) the subjects to be dealt with; (b) venue and time of the meeting; (c) the requirements for admittance to the meeting as described in Articles 35.2 and 35.3 of the Articles of Association, as well as the information referred to in Article 36.3 of the Articles of Association (if applicable); and (d) the address of the Company's website, together with any such other information as may be required by law.

Shareholders and/or other persons entitled to attend the general meeting of shareholders, who, alone or jointly, meet the requirements set forth in section 2:114a subsection 2 of the Dutch Civil Code will have the right to request the Board of Directors to place items on the agenda of the general meeting of shareholders, provided the reasons for the request must be stated therein and the request must be received by the Senior Non-Executive Director or the Chief Executive Officer in writing at least sixty (60) days before the date of the general meeting of shareholders.

For each general meeting of shareholders a statutory record date is applied, in order to determine in which persons voting rights are vested and which persons are entitled to attend the general meeting of shareholders. The record date is the twenty-eighth day before the relevant general meeting. The manner in which persons entitled to attend the general meeting of shareholders can register and exercise their rights will be set out in the notice convening the meeting.

General meetings of shareholders can be held in Amsterdam or Haarlemmermeer (including Schiphol Airport), at the choice of those who call the meeting.

Conduct of the meeting

General meetings of shareholders will be chaired by the Senior Non-Executive Director or his replacement. However, the Board of Directors may also appoint another person to chair the meeting. The chairman of the meeting will have all the powers he may deem required to ensure the proper and orderly functioning of the general meeting of shareholders.

Each shareholder and each other person entitled to attend the general meeting of shareholders is authorised to attend, to speak at, and to the extent applicable, to exercise his voting rights in the general meeting of shareholders. They may be represented by a proxy holder authorised in writing.

A person entitled to attend the general meeting of shareholders or his proxy will only be admitted to the meeting if he has notified the Company of his intention to attend the meeting in writing at the address and by the date specified in the notice of meeting. The proxy is also required to produce written evidence of his mandate.
The Board of Directors is authorised to determine that the voting rights and the right to attend the general meeting of shareholders can be exercised by using an electronic means of communication. If so decided, it will be required that each person entitled to attend the general meeting of shareholders, or his proxy holder, can be identified through the electronic means of communication, follow the discussions in the meeting and, to the extent applicable, exercise the voting right. The Board of Directors may also determine that the electronic means of communication used must allow each person entitled to attend the general meeting of shareholders or his proxy holder to participate in the discussions.

The Board of Directors may determine further conditions to the use of electronic means of communication as referred above, provided such conditions are reasonable and necessary for the identification of persons entitled to attend the general meeting of shareholders and the reliability and safety of the communication. Such further conditions will be set out in the notice of the meeting. The foregoing does, however, not restrict the authority of the chairman of the meeting to take such action as he deems fit in the interest of the meeting being conducted in an orderly fashion. Any non or malfunctioning of the means of electronic communication used is at the risk of the persons entitled to attend the general meeting of shareholders using the same.

The chairman of the meeting will decide upon the admittance to the meeting of persons other than those who are entitled to attend.

The company secretary will arrange for the keeping of an attendance list in respect of each general meeting of shareholders. The attendance list will contain in respect of each person with voting rights present or represented: his name, the number of votes that can be exercised by him and, if applicable, the name of his representative. The chairman of the meeting can decide that also the name and other information about other people present will be recorded in the attendance list.

The Company is authorized to apply such verification procedures as it reasonably deems necessary to establish the identity of the persons entitled to attend the general meeting of shareholders and, where applicable, the identity and authority of representatives.

The Board of Directors shall provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of the Company.

Each ordinary share confers the right to cast one vote. Each Special Voting Share-A confers the right to cast four votes and each Special Voting Share-B confers the right to cast nine votes.

At the general meeting of shareholders, all resolutions must be adopted by an absolute majority of the votes validly cast, except in those cases in which the law or the Articles of Association require a greater majority. If there is a tie in voting, the proposal will thus be rejected.

The Board of Directors may determine that votes cast prior to the general meeting of shareholders by electronic means of communication or by mail, are equated with votes cast at the time of the general meeting. Such votes may not be cast before the record date referred to above. Without prejudice to the provisions of article 35 of the Articles of Association, the notice convening the general meeting of shareholders must state how shareholders may exercise their rights prior to the meeting.

Blank and invalid votes will be regarded as not having been cast.

The chairman of the meeting will decide whether and to what extent votes are taken orally, in writing, electronically or by acclamation.

When determining how many votes are cast by shareholders, how many shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of shares for which no votes can be cast by law.

No voting rights shall be exercised in the general meeting of shareholders for shares owned by the Company or by a subsidiary of the Company. Pledgees and usufructuaries of shares owned by the Company and its subsidiaries shall however not be excluded from exercising their voting rights, if the right of pledge or usufruct was created before the shares were owned by the Company or a subsidiary. Neither the Company nor any of its subsidiaries may exercise voting rights for shares in respect of which it holds a right of pledge or usufruct.
Minutes will be kept of the proceedings at the general meeting of shareholders by, or under supervision of, the company secretary, which will be adopted by the chairman of the meeting and the secretary and will be signed by them as evidence thereof.

However, the chairman of the meeting may determine that notarial minutes will be prepared of the proceedings of the meeting. In that case the co-signature of the chairman will be sufficient.

The minutes of the general meeting of shareholders shall be made available, on request, to the shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner as described in the Articles of Association.

Corporate offices

The Company is incorporated under the laws of the Netherlands. It has its corporate seat at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

EXOR has elected the Netherlands as home Member State for the purposes of Article 2, paragraph 1, lett. i), Article 20 and Article 21 of the Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 (the so-called “Transparency Directive”).

The Company is registered in the Dutch Commercial Register under number 64236277.

Code of Ethics

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics (the "Code"), with effect as of 11 December 2016.

The Code sets out the principles and the ethical values which EXOR follows in the conduct of its activities and the rigorous observance of which it requires of all persons in the Company and more generally of all those who work with and are collaborators of the Company in the pursuit of its corporate mission; together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to health and safety, business ethics and anti-corruption, principles for the management of investments, human resource management, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding on Company's assets and relationships with public institutions.

The following are required to be familiar with the dispositions of the Code: shareholders; executives, managers, supervisors and staff; all those who have a function of representation, administration and direction, or of management and control in the Company (also *de facto*); all employees, without any exception; collaborators (including, as mere example, consultants, professional advisers, etc.); and whoever enters into a business relationship with the Company.

The Company is committed to assuring the maximum diffusion of this Code of Ethics also by means of appropriate communication methods, also through training and measures to increase awareness of its contents.

EXOR, also, takes steps to ensure that the companies in which it has an investment adopt Codes of Conduct whose principles are based on those of this Code of Ethics and, anyhow, do not in any way conflict with them.

The Code is available on EXOR's corporate website at www.exor.com.

Insider Trading Policy

The EXOR Insider Trading Policy is intended to make all employees of EXOR aware of the legal and regulatory duties regarding, and the sanctions applicable to, insider dealing and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that have to be fulfilled under Dutch and Italian law by members of the board of directors and persons closely associated with them when dealing in securities of EXOR and its group companies.

With the Insider Trading Policy EXOR makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated EXOR Insider Trading Policy is expected to come into force in the course of 2017.

IN CONTROL STATEMENT

Internal Control System

The Board of Directors is responsible for designing, implementing and maintaining internal controls, including proper accounting records and other management information suitable for running the business.
The principal characteristics of the Internal Control System and Internal Control over Financial Reporting adopted by the Company are described in the specific paragraph mentioned above.
Based on the assessment performed, the Board of Directors concluded that, as of December 31, 2016, the Group's and the Company's Internal Control over Financial Reporting is considered effective.

April 5, 2017

John Elkann

Chairman

RESPONSIBILITIES IN RESPECT TO THE ANNUAL REPORT

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Statutory Financial Statements and Report on Operations, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (EU-IFRS).
In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of the Company and its subsidiaries and that the Report on Operations provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, together with a description of the principal risks and uncertainties that the Company and the Group face.

April 5, 2017

The Board of Directors:

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Anne Marianne Fentener van Vlissingen

Jae Yong Lee (*Not in a position to sign)*

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

ENVIRONMENTAL SUSTAINABILITY

EXOR is an investment holding company, with a very lean structure, which makes long-term investments focused on global companies in diversified sectors.
The companies controlled by EXOR (and thus consolidated, in accordance with IFRS) are committed to sustainability, in particular the most important operating groups such as FCA and CNH Industrial.
For several years, these companies have decided to make specific, measurable commitments with regard to the environment and, more generally, with regard to sustainability. As a result, they have adopted pervading management processes at the level of the various corporate functions (and hierarchical levels) and regularly publish sustainability reports.
Business strategies and aims with regard to sustainable development are pursued and implemented autonomously by these companies, each of which follows its own model of corporate governance. Further details are provided below.

EXOR fully supports its operating companies in the effort that sees them involved in producing regular, carefully compiled sustainability reports, according to international best practices. In our own particular case, however, EXOR does not regard the mass of criteria normally used in this type of analysis as being applicable.

It is important to emphasize that, in general, EXOR considers it fundamental to conduct its affairs responsibly from the social, human and environmental point of view and that it attaches great importance to its links with the local community. In fact, it financially supports and sustains numerous activities in the spheres of social research, education, care and the promotion of culture. The initiatives being promoted and the projects being sustained in these fields are clearly referred to in the designated section of the corporate website (www.exor.com).

More information is contained in the Corporate Governance Report.

FCA

All areas of the FCA Group have a role in addressing the goals and challenges of sustainability. The FCA sustainability management process is based on a model of shared responsibility that begins with the top level of management and involves every area and function within the organization.
Several entities within the organization are responsible for directing and coordinating sustainability activities across the Group’s businesses.
Operating responsibly requires ongoing engagement with stakeholders at the local and global levels. FCA has a target to expand and innovate the sustainability dialogue with stakeholders.
Over time, our engagement has evolved and we have developed a variety of channels to communicate with each type of stakeholder.
In 2016 FCA engaged with both internal and external stakeholders worldwide on sustainability topics through an online survey and through engagement events and workshops. This dialogue deepens the understanding of region-specific differences and contributes to new insights for FCA’s sustainability initiatives and approach.
The data reported in this section is also included in the FCA 2016 Sustainability Report, that is submitted for assurance by Deloitte & Touche S.p.A. The scope, methodology, limitations and conclusions of the assurance engagement are provided in the Independent Auditors’ Report published in the FCA 2016 Sustainability Report.
By managing its business responsibly, FCA can contribute to the transition to a circular economy that seeks to eliminate waste and promote product recovery and reuse. This approach takes on even greater importance in today’s increasingly competitive landscape, where market conditions are challenging and customer tastes, trends and preferences are changing rapidly.
FCA’s commitment to sustainability has received recognition at the global level from several leading organizations and indices.
In 2016 FCA was included in the prestigious Dow Jones Sustainability Index World for the eighth time and for the fifth consecutive year was recognized by CDP as a leader for its commitment and results in addressing climate change. CDP is a not-for-profit organization that provides a global system for disclosure of environmental impacts. FCA was included in the Climate “A” List in the CDP Climate Change Program 2016.
FCA is also a member of numerous other leading indices. These results place FCA firmly among the world’s leading companies in terms of combined economic, environmental and social performance.

CNH INDUSTRIAL

CNH Industrial is committed to operating in an environmentally and socially-responsible manner.

The Governance and Sustainability Committee was assigned responsibility for strategic oversight of sustainability-related issues and reviews the Company's annual Sustainability Report. The sustainability strategic approach is defined by the GEC. The GEC is an operational decision-making body of CNH Industrial that is responsible for reviewing the operating performance of the businesses and making decisions on certain operational matters. It also evaluates the congruity of the commitments of sustainability with business objectives, and is regularly updated on the Group's sustainability performance. On sustainability matters the GEC is advised by the Sustainability Steering Committee ("SSC"). The SSC is chaired by the Chief Sustainability Officer who is also the Chief Financial Officer. The SSC was assigned responsibility to identify sustainability strategies, to integrate sustainability into operating processes, and to provide a forum for communication and benchmarking among the regions. The Regional Chief Operating Officers, Brand Leaders and Heads of Manufacturing, Purchasing, Quality, Human Resources, Corporate Communications, Legal, Compliance, Internal Audit, and Corporate Control and Accounting are permanent members of this committee.

The Sustainability Planning and Reporting department, which operates under the Chief Sustainability Officer's direction, is responsible for coordinating sustainability related governance across the regions and functions, and has operational responsibility for promoting a culture of sustainability throughout the Group. The Sustainability Planning and Reporting department facilitates the process of continuous improvement, promotes the integration of sustainability in day-to-day activities, and contributes to managing risks and strengthening the relationship with and perceptions of stakeholders, in addition to managing sustainability reporting and communication.

The Group also prepares a Sustainability Plan, which reports on the progress of existing projects and new targets to drive continuous improvement in the Group's sustainability performance. It is updated annually to report the status of existing projects and establish new targets to ensure continuous improvement to support long-term growth. The Sustainability Plan is incorporated in the Sustainability Report, which is prepared on a voluntary basis applying the Global Reporting Initiative's guidelines (GRI Standards) and is made available on the Company's website starting from the day of the annual general meeting of shareholders.

FERRARI

Ferrari's efforts relating to sustainability come to fruition in the polluting emissions reduction program, through the improvement of efficiency in the cars themselves and in the production process and through the Formula Uomo project launched in the early Nineties.

This involves seeing the personnel as the cornerstone of the company's activities. The concept of environmental sustainability, a responsibility towards the community that is home to the Maranello campus and to its own workforce, is therefore inextricably linked to the quality and safety of the working environment, a unique formula without parallel in the world.

The quality of the cars cannot be disassociated from the quality of life of those who work at Ferrari. Good lighting, air conditioning, a low environmental impact, safety, noise control, green and restful areas, along with the most advanced technologies, are the stand out features of an organization based on the principles of Formula Uomo. The project was established to allow all employees to best express their talent, creativity and passion.

REMUNERATION OF DIRECTORS

Foreword

EXOR S.p.A. (*società per azioni*), a public limited liability company incorporated under the laws of Italy, was merged with and into EXOR HOLDING N.V., a Dutch wholly-owned subsidiary of EXOR S.p.A. (the "Merger") and renamed "EXOR N.V.", effective as of 11 December 2016. As a result of the Merger, EXOR S.p.A. ceased to exist as a standalone entity and the Company (as defined below) has acquired all assets and assumed all liabilities and other legal relationships of EXOR S.p.A. under universal title of succession.

This remuneration paragraph has been prepared pursuant to the relevant Dutch and Italian applicable rules and regulations.

Section I of the Report provides the market with information regarding the remuneration policy (the "Remuneration Policy") – as approved by means of the resolution adopted by the general meeting of shareholders on 24 November 2016 – applicable to Executive and Non-Executive directors of EXOR N.V. ("EXOR" or the "Company"). Section II of the Report provides an illustration of the compensation paid.

The compensation policy may be subject to amendments or updates by the board of directors of the Company (the "Board of Directors", and each member thereof a "Director") in the light of the periodical assessments made by the Compensation and Nominating Committee of the adequacy, overall coherence and effective application of the policy. Amendments to the Remuneration Policy will be submitted for approval to the general meeting of shareholders.

Section II of the Report provides information on the compensation paid (i) to the directors and the members of the board of statutory auditors of EXOR S.p.A. with reference to the period from 1 January 2016 to 10 December 2016 and (ii) to the Directors of the Company with reference to the period from 11 December 2016 (*i.e.* the effective date of the Merger, as defined below) until the end of the financial year (*i.e.* 31 December 2016).

SECTION I

Objectives and principles of the Remuneration Policy

The objective of the Remuneration Policy is to provide a compensation structure that allows the Company to attract and retain the most highly qualified executives and to motivate them to achieve business and financial goals that create value for shareholders in a manner consistent with the Company's core business and leadership values.

For these objectives to be achieved, the Remuneration Policy is determined considering (i) best practices in compensation policy (in accordance, *inter alia*, with the Dutch Corporate Governance Code); and (ii) the need for sustainable compensation and for the alignment of the interests of management with the medium-to-long-term interests of the shareholders.

The Remuneration Policy aims, further, providing a total compensation opportunity that is competitive compared to the compensation paid by comparable companies and at reinforcing the Company's performance-driven culture and meritocracy.

All the above – as evidenced in the foreword – is in the context of the specific characteristics of the Company, in particular of the ownership structure and the organizational structure.

The Remuneration Policy is determined to be coherent with the Company's risk management policy and internal control system.

Remuneration Policy for Executive Directors

The Board of Directors of EXOR determines the compensation for Executive Directors in accordance with the Remuneration Policy. The Remuneration Policy is available on the Company's website at www.exor.com.

The compensation structure for Executive Directors includes a fixed component and a variable component based on short and long-term performance. The Company believes that its compensation structure promotes the interests of EXOR in the short and the long-term and is designed to encourage Executive Directors to act in the best interests of EXOR. In determining the level and structure of the compensation of Executive Directors, the Non-Executive Directors will take into account, among other things, the Company's financial and operational results and other business objectives. The Company establishes target compensation levels using a market-based approach and periodically benchmarks its Executive compensation program against peer companies and monitors compensation levels and trends in the market.

Fixed component
The base salary is the fixed part of the annual cash compensation for Executive Directors. The primary objective is to attract and retain highly qualified senior executives. The Company's policy is to periodically benchmark comparable salaries paid to executives with similar experience by comparable companies.

Variable components
Executive Directors are also eligible to receive variable compensation subject to the achievement of pre-established financial and other identified performance targets. The short and long term components of Executive Directors' variable remuneration are linked to predetermined, assessable targets.

Short-Term Incentives
The primary objective of performance based on short-term variable cash incentives is to incentivize Executive Directors to focus on the business priorities for the current or next year. Executive Directors' variable remuneration is linked to the achievement of short-term (*i.e.* annual) financial and other identified objectives proposed by the Compensation and Nominating Committee and approved by the Non-Executive Directors each year.
To determine Executive Directors' annual performance bonus, the Compensation and Nominating Committee and the Non-Executive Directors:

- approve Executive Directors' targets and maximum allowable bonuses;
- select the appropriate metrics and their weighting;
- set the stretch objectives;
- consider any unusual items in a performance year to determine the appropriate measurement of achievement; and
- approve the final bonus determination.

In addition, upon proposal of the Compensation and Nominating Committee, the Non-Executive Directors have authority to grant periodic bonuses for specific transactions that are deemed exceptional in terms of strategic importance and effect on the Company's results. The form of any such bonus (cash, EXOR ordinary shares or options to purchase ordinary shares) is determined by the Non-Executive Directors from time to time.

Long Term Incentives
The primary objective of performance based on long-term variable incentives is to reward and retain qualified Executive Directors over the longer term while aligning their interests with those of shareholders.
The Company's long-term variable incentives consist of a share-based incentive plan that links a portion of the variable component to the achievement of pre-established performance targets consistent with the Company's long-term business planning. These equity based awards help aligning Executive Directors' interests with shareholder interests by delivering greater value to the Executive Director as shareholder value increases.

Other Benefits
Executive Directors may also be entitled to customary fringe benefits such as personal use of aircraft, company car and driver, personal/home security, medical insurance, accident insurance, tax preparation and financial counseling. The Compensation and Nominating Committee may grant other benefits to the Executive Directors in particular circumstances.

Compensation of the Chief Executive Officer
The Chief Executive Officer's annual compensation is of US$ 1,000,000 plus a compensation of $1,000,000, the so-called "cash performance", which will however only be payable if at the end of the year the average change in Net Asset Value (the "NAV") per EXOR share in US$ in the three preceding years exceeds the average change in the MSCI World Index in the in the three preceding years.

Remuneration Policy for Non-Executive Directors

Remuneration of Non-Executive Directors is approved by the general meeting of shareholders and will be periodically reviewed by the Compensation and Nominating Committee.

The current annual remuneration for the Non-Executive directors is:
- Euro 50,000 for each Non-Executive Director;
- an additional Euro 15,000 for each member of the Audit Committee and Euro 20,000 for the Audit Committee Chairman;
- an additional Euro 7,500 for each member of the Compensation and Nominating Committee and Euro 10,000 for the Compensation and Nominating Committee Chairman.

Non-Executive Directors elect whether their annual cash retainer fee will be converted, on the date payment is made, 100% in ordinary shares of the Company, according to the 2015 Incentive Plan (as defined below), provided that the Company will at all times have the option, in its discretion, to settle any retainer fee entirely in cash; whereas, the committee membership and committee chair fee payments will be made all in cash. Remuneration of Non-Executive Directors is fixed and not dependent on the Company's financial results. Non-Executive Directors are not eligible for variable compensation and do not participate in any incentive plans.

The remuneration of Non-Executive Directors in stock is reviewed by the Board of Directors to align with the best practices under the Dutch Corporate Governance and be adjusted to a cash remuneration only. This will be submitted for approval to the general meeting of shareholders.

Incentive Plans

By means of the resolution adopted by the general meeting of shareholders, the Company resolved to maintain effective all the stock option plans already established by EXOR S.p.A. in order to attract, retain and motivate directors as well as employees and other individuals having business relationships with EXOR S.p.A. and to reward such persons for their loyalty and commitment (the "Stock Option Plans") Stock Options Plans are described as follows.

The EXOR 2008-2019 Stock Option Plan

The compensation of the Chief Executive Officer and Chairman is in part tied to the overall economic performance of the Company, as expressed in the performance of its share price, insofar as he is a beneficiary of the 2008-2019 Stock Option Plan. The beneficiaries of the 2008-2019 Stock option Plan besides the Chief Executive Officer and Chairman are employees of EXOR or former employees as long as they remain employed by companies EXOR controls and who occupy positions of importance in the enterprise and which the Company seeks to retain and also to involve in the development of the results of EXOR and of its group, correlating the economic incentives with the Company's medium-to-long-term shareholder value. The option rights granted vest and thereby became exercisable progressively over a period running from 14 May 2014 to 14 May 2016.

The 2012 Incentive Plan

The general meeting of shareholders approved a further incentive plan in 2012 (the "2012 Incentive Plan"). The objective of the 2012 Incentive Plan, one of the recipients of which is the Chief Executive Officer, is to increase the Company's capacity to incentivize and retain staff occupying key positions in the Company and in the in the companies controlled by EXOR by including in the compensation packages of the Plan's recipients incentive and retention components based on long term objectives aligned to strategic objectives and to the Company's new organizational structure. In 2012, 795.000 stock options were granted.

The 2012 Incentive Plan is in two parts, the first has the form of a stock grant and the second that of a stock option. Under the stock grant part of the plan, which is denominated as the "Long Term Stock Grant", recipients are granted a maximum of 400,000 shares, conditional on the professional relationship with the Company and with companies in the "Holdings System" continuing until the vesting date which has been established as being in 2018. Under the second part, denominated as the "Company Performance Stock Option", a maximum of 3,000,000 options are granted, allowing recipients to purchase a corresponding number of shares, conditional on the achievement of a pre-established performance objective and on the continuation of the professional relationship with the Company and with the companies in the Holdings System.

The performance objective, established by the Board of Directors on the basis of a Compensation and Nominating Committee proposal, will be deemed to have been achieved if the change in EXOR's NAV is greater than the change in the MSCI World Index expressed in Euro in the year preceding the year in which the options vest. The exercise price for the options will be based on the arithmetic average of the official Borsa Italiana list prices of the EXOR ordinary shares in the month preceding the date of the granting of the options to the individual recipients.

The Chief Executive Officer is a recipient only of the "Company Performance Stock Option" and as a result of the approval of the 2012 Incentive Plan by the general meeting of shareholders of EXOR S.p.A. he has been granted automatically 750,000 options giving the right, if the vesting conditions are satisfied, to purchase a corresponding number of the Company's ordinary shares at an exercise price based on the arithmetic average of the official Borsa Italiana list prices of the EXOR ordinary shares in the month preceding the general meeting of shareholders of EXOR S.p.A. held on 29 May 2012.

The plan is serviced exclusively from own shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instrument will be issued by the Company or by its subsidiary or by thirds parties.

The granted options vest and become effectively exercisable over the vesting period, the years 2014 to 2018, in equal annual tranches from when they vest until the end of 2021.

The 2015 Incentive Plan

The general meeting of shareholders of EXOR S.p.A. held on 29 May 2015 approved an incentive plan (the "2015 Incentive Plan") for the granting to Directors without cash consideration of EXOR ordinary shares.

The objective of the plan is to increase the Company's capacity – based on long-term objectives aligned to the corporate strategic objectives – to retain Directors, providing the possibility for them to choose to join the 2015 Incentive Plan as an alternative to receiving the fee established at the general meeting of shareholders.

The Plan provides for the grant to Directors of the right to receive without cash consideration, subject to their joining the plan and to their remaining Directors of the Company until the maturity date set in 2018, a number of EXOR ordinary shares corresponding to the number of rights allocated.

In the event of termination of the directorship of the Company for any reason before the appointment expiry date (*i.e.* before the date of the meeting convened for the approval of the financial statements for the year 2017) the maturity date of the rights shall be advanced to the date of termination of directorship and the number of rights due will be re-determined on a *pro rata temporis* basis by reference to the period of effective service as a Director.
For each Director who elects to join the plan as an alternative to receiving the monetary fee established at the general meeting of shareholders for the service to the Company, the plan provides for the allocation free of charge of a number of shares in the Company equal to the fee established at the general meeting of shareholders divided by the average price of the shares in the 30 days preceding the allocation. The plan is serviced exclusively from own shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instrument will be issued by the Company or by its subsidiary or by thirds parties.

The official price of EXOR S.p.A.'s ordinary shares recorded by Borsa Italiana on 14 April 2015 was Euro 43.28 per share; all directors decided to join the plan and, therefore, in 2015 29,032 rights were allocated.

The 2016 Long Term Stock Option Plan

The general meeting of shareholders of EXOR S.p.A. held on 25 May 2016 approved a new stock option plan (the "2016 Long Term Stock Option Plan").

This plan is in line with the most evolved international practice, constitutes a share-based compensation instrument. The plan provides for the granting of a maximum 3,500,000 options which will enable recipients (i.e. the Chief Executive Officer and employees of the Company from time to time identified by the Chief Executive Officer as beneficiaries of the plan) to purchase a corresponding number of the Company's shares conditional on the continuation of the professional relationship with the Company or companies EXOR controls in the period between the grant date and the vesting date.

The options will vest on 30 May each year as follows:
- in five equal annual quotas, from 2017, for options granted prior to 31 December 2016;
- in four equal annual quotas, from 2018, for options granted between 1 January and 31 December 2017;
- in three equal annual quotas, from 2019, for options granted between 1 January and 31 December 2018;
- in two equal annual quotas, from 2020, for options granted between 1 January and 31 December 2019; and
- in a single equal quota, on 30 May 2021, for options granted between 1 January and 31 December 2020.

The vesting of the options as herein described will be definitive. Each option may be exercised since 3 years after the vesting of the options and until 31 December 2026 and recipients who do not exercise their options by that date will cease to have any rights.

The plans will be serviced exclusively through treasury shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instrument will be issued by the Company or by its subsidiary or by thirds parties.

For greater detail on the EXOR incentive plans, reference shall be made to the related Regulations and tables of information published on the Company's website at www.exor.com in the section of Corporate Governance.

Director and Officer Overlaps

There are overlaps among the directors of Giovanni Agnelli B.V. and directors of the Company.
In particular, John Philip Elkann, Alessandro Nasi and Andrea Agnelli are directors of Giovanni Agnelli B.V. John Philip Elkann has, further, the title of Chairman.

Treatment on cessation of office and non-competition agreements

There are no agreements between the Company and its Directors which provide for indemnities in the event of early interruption of the relationship or for the granting or maintaining of non-monetary benefits for Directors who have left office or for consulting arrangements covering periods after interruption of the relationship or for compensation for non-competition agreements.

SECTION II

FIRST PART

There follows an illustration – on an individual basis – of the components of compensation paid in whatever form (i) to the directors and the members of the board of statutory auditors of EXOR S.p.A. with reference to the period from 1 January 2016 to 10 December 2016 and (ii) to the Directors of the Company with reference to the period from 11 December 2016 (*i.e.* the effective date of the Merger) to the end of the financial year (*i.e.* 31 December 2016).

EXOR S.p.A.

Board of directors

The Board of Directors decided to divide equally among its members the annual fee of €750,000 approved by the Shareholders' Meeting.

In addition, pursuant to article 2389 of the Italian Civil Code, the following annual compensation amounts were approved:
- €2,000,000 to the Chairman and Chief Executive Officer John Elkann, together with healthcare cover;
- €50,000 to the Internal Control and Risk Committee (of which €20,000 to the Chairman Giovanni Chiura and €15,000 to each of the other two members Mina Gerowin and Lupo Rattazzi);
- €25,000 to the Compensation and Nominating Committee (of which €10,000 to the Chairman Michelangelo Volpi and €7,500 to each of the other two members Mina Gerowin and Robert Speyer);
- €100,000 to the Secretary to the Board of Directors, Gianluca Ferrero.

Directors also receive reimbursement of out-of-pocket expenses incurred in the performance of the activities associated with the responsibilities assigned. As previously mentioned, the above compensation amounts will be paid according to the 2015 Stock Option Plan.

With specific reference to the overall compensation of the Chairman and Chief Executive Officer, on April 14th, 2016, the Board of Directors, with the favorable opinion of the Compensation and Nominating Committee, resolved to modify his compensation; the Chairman and Chief Executive Officer will see his annual compensation of € 2,000,000 diminish to US$1,000,000 to which will be added a compensation of $1,000,000 million, the so-called "cash performance", which however will only be payable if at the end of the year the average change in NAV per EXOR share in US $ in the three preceding years exceeds the average change in the MSCI World index in the three preceding years. The Board, has also resolved, upon the proposal of the Compensation and Nominating Committee and the Shareholders' meeting of 25 May 2016 approved the plan, for the granting to the Chairman and Chief Executive Officer of the Company an amount of options corresponding to a value of $4.000.000 per year for the duration of the plan (the "2016 long terms stock Option Plan"). The stock options granted to the Chairman and Chief Executive Officer according to the previous incentive plans are still in force and will not be affected by the above.

It should be noted that in EXOR S.p.A. no general managers were appointed and no executives apart from directors were identified as having strategic responsibilities.

Board of statutory auditors

The general meeting of shareholders of EXOR S.p.A. held on 29 May 2015 resolved to appoint the following members of the board of statutory auditors for three financial years and, therefore, for the term ending with the approval of the financial statements at 31 December 2017:

- Enrico Maria Bignami (Chairman);
- Sergio Duca; and
- Nicoletta Paracchini

determining in Euro 62,250 the annual fee of the Chairman and in Euro 41,500 the annual fee of the other two members of the board of statutory auditors.

On 14 January 2016 the regular auditor Sergio Duca resigned in consideration of his appointment as director of Ferrari N.V. and was replaced – by means of the resolution adopted by the general meeting of shareholders of EXOR S.p.A. held on 25 May 2016 – by the alternate auditor Ruggero Tabone.

Accordingly, the board of statutory auditors was composed by Enrico Maria Bignami (Chairman), Nicoletta Paracchini and Ruggero Tabone until the effective date of the Merger, *i.e.* 11 December 2016.

EXOR NV

Board of directors

It should be noted that – as a result of the Merger, and differently from the traditional system adopted by EXOR S.p.A. – the Company has adopted a one-tier governance structure that does not include the board of statutory auditors but, rather, an internal committee within the Board of Directors entrusted with control functions, i.e. the Audit Committee. The Merger did not have any impact on the compensation.

SECOND PART

Set out in detail in the tables below are the compensation amounts paid – on whatever basis and in whatever form – by EXOR S.p.A. or by the Company – together with their subsidiaries and associates – in the financial year 2016.

The data in tables relate to assignments in EXOR S.p.A. and in the Company, together with their subsidiaries and associates, both listed and unlisted.

In addition table Share Ownership sets out the number of common shares of EXOR N.V. and its subsidiaries owned by our directors as of at the end of February 2017.

Directors' Compensation

The following table summarizes the remuneration paid to the members of the Board of Directors for the year ended December 31, 2016.

	Office held	In office from/to	Annual fee (€)	Annual Incentive (€) (1)	Other Compensation (€) (2)	Pension & Similar (€) (3)	Total (€)
Directors of EXOR N.V.							
ELKANN John Philipp	Chairman and CEO	01/01/2016 - 12/31/2016	4,791,284 (4) (5)		1,316,981		**6,108,265**
MARCHIONNE Sergio	Vice Chairman	01/01/2016 - 12/31/2016	5,035,191 (5)	6,135,481	1,062,565	899,497	**13,132,734**
NASI Alessandro	Vice Chairman	01/01/2016 - 12/31/2016	353,238 (5)	147,100 (6)	3,050	98,375	**601,763**
AGNELLI Andrea	Director	01/01/2016 - 12/31/2016	655,911 (5) (7)		15,281		**671,192**
CAMERANA Niccolò	Director	12/11/2016- 12/31/2016	0				**0**
ELKANN Ginevra	Director	01/01/2016 - 12/31/2016	0 (5)				**0**
RATTAZZI Lupo	Director	01/01/2016 - 12/31/2016	15,000 (5)				**15,000**
BOLLAND Marc	Director	12/11/2016- 12/31/2016	0				**0**
FENTENER VAN VISSLINGEN Annemiek	Director	01/01/2016 - 12/31/2016	50,000 (8)				**50,000**
LEE Jae Y	Director	01/01/2016 - 12/31/2016	50,000 (8)				**50,000**
MOTA DE SOUSA HORTA-OSORIO Antonio	Director	01/01/2016 - 12/31/2016	50,000 (8)				**50,000**
SPEYER Robert	Director	01/01/2016 - 12/31/2016	57,500 (8)				**57,500**
VOLPI Michelangelo	Director	01/01/2016 - 12/31/2016	60,000 (8)				**60,000**
WERTHEIMER RUTH	Director	01/01/2016 - 12/31/2016	50,000 (8)				**50,000**
Former Directors of EXOR S.p.A.							
CHIURA Giovanni	Director	01/01/2016- 12/10/2016	68,859 (8)				**68,859**
GEROWIN Mina	Director	01/01/2016- 12/10/2016	202,212 (8)			17,630	**219,842**
AVOGADRO DI COLLOBIANO Vittorio	Director	01/01/2016- 12/10/2016	0 (5)				**0**
Total			**11,439,195**	**6,282,581**	**2,397,877**	**1,015,502**	**21,135,155**

(1) The annual incentives are for bonuses accrued for 2016 which will be paid in 2017.
(2) The stated amount refers to the use of transport, insurance premiums, tax preparation and tax equalization.
(3) The amount reflect pension, retirement and similar benefits set aside or accrued for directors of for the year ended December 31, 2016
(4) The amount of the annual fee here reported includes the fair value of the shares Ferrari N.V. received as portion of the fee due as non-executive director of Ferrari.
(5) Directors have waived their right to the emolument of €50,000 resolved by the EXOR Shareholders' Meeting.
(6) The amount reflects the bonus earned for the performance year 2016 which will be paid in 2017. The bonus paid in 2016 for the 2015 performance year was €131,100.
(7) The amount of the annual fee includes the fair value of the shares FCA received as portion of the fee due as non-executive director of FCA.
(8) Non-Executive Directors receive a portion of their annual retainer fee in common shares of EXOR The amount of the annual fee here reported includes the fair value of the shares received.

Stok options Granted to Directors

The following table summarizes outstanding stock options held by EXOR N.V. Directors as of December 31, 2016:

Name/Plan	Grant Date	Exercise price	at January 1, 2016	Granted	Vested	Expired	at December 31, 2016
Directors of EXOR N.V.							
Elkann J / EXOR 2008/2019 Plan	3/28/2011	€19.97	3,000,000 (a)				**3,000,000**
Elkann J / EXOR Company Performance	5/29/2012	€16.59	450,000				**450,000**
Elkann J / EXOR 2016 Plan	7/1/2016	€32.38	-	2,013,950			**2,013,950**
Nasi / CNH EIP 2010	4/30/2010	$6.82	73,681			73,681	**-**
Nasi / CNHI EIP 2011	4/29/2011	$10.15	67,541				**67,541**
Nasi / CNHI EIP 2012	9/7/2012	$8.78	70,929				**70,929**
Former Directors of EXOR S.p.A.							
Gerowin / CNHI DCP	12/8/2013	$11.33	6,402				**6,402**
Gerowin / CNHI DCP	3/28/2014	$11.26	6,442				**6,442**
Gerowin / CNHI DCP	6/26/2014	$10.25	7,073				**7,073**
Gerowin / CNHI DCP	9/24/2014	$7.82	9,271				**9,271**
Gerowin / CNHI DCP	12/28/2014	$8.26	8,777				**8,777**
Gerowin / CNHI DCP	4/14/2015	$8.25	4,394				**4,394**
Gerowin / CNHI DCP	7/13/2015	$9.52	3,808				**3,808**

(a) Corresponding to 795,000 common shares exercisable.

The following table gives an overview of the share plans held by EXOR N.V. Directors as of December 31, 2016:

Name/Plan	Grant Date	Vesting Date	Number of shares under award at January 1, 2016	FV on Grant Date	Shares Granted	Shares Vested	Shares Forfeited	Number of shares under award at December 31, 2016
Directors of EXOR N.V.								
Marchionne / FCA LTI awards (1)	4/16/2015	02/2017/ 2018/ 2019	4,320,000	$14.84				**6,709,200**
Marchionne / 2014/2018 CNH RSU	6/9/2014	12/31/2016, 12/31/2017, 12/31/2018	1,500,000	$8.27		600,000		**900,000**
Agnelli / 2016 FCA Share Grants	01/2016 - 10/2016	01/2016 - 10/2016	-	$7.36	19,904	19,904		**-**
Nasi / 2014 CNH PSU	6/5/2014	06/25/2014-02/01/2019	182,100	$8.72				**182,100**
Nasi / 2014/2018 CNH RSU	6/9/2014	12/31/2016, 12/31/2017, 12/31/2018	8,067	$8.27		4,033		**4,034**
Nasi / 2015 CNH RSU	6/9/2015	6/9/2016, 6/9/2017	15,200	$8.35		5,066		**10,134**
Nasi / 2016 CNH RSU	6/9/2016	6/9/2017, 6/9/2018, 6/9/2019		$7.42	18,800			**18,800**
Fentener Van Vlissingen / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81				**3,504**
Lee J. / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81				**3,504**
Horta-Osorio / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81				**3,504**
Speyer / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81				**3,504**
Volpi / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81				**3,504**
Wertheimer / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81				**3,504**
Former Directors of EXOR S.p.A.								
Chiura / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81		1,800	1,704	**-**
Gerowin / EXOR EIP	5/29/2015	7/1/2018	3,504	$42.81		1,800	1,704	**-**

(1) During 2016, the Compensation Committee, in accordance with the terms of the LTI plan, adjusted the equity awards to make holders of the Company's LTI awards whole for the diminution in value of an FCA share resulting from the Ferrari spin-off. In January 2017, the Compensation Committee, in accordance with the terms of the LTI plan, adjusted the equity awards to make holders of the Company's LTI awards whole for the diminution in value of an FCA share resulting from the distribution of the Company's 16.7 percent ownership interest in RCS Media Group S.p.A. For LTI awards, the actual value of units received will depend on the Company's performance, as described above. Fair value is calculated by multiplying the per unit value of the award by the number of units corresponding to the most probable outcome of the performance conditions as of the grant date. The per unit value is based on the closing price of the Company's stock on the grant date, adjusted to reflect the relative TSR modifiers using a Monte Carlo simulation that includes multiple inputs such as stock price, performance period, volatility and dividend yield.

Event	Number of shares under award	Conversion Factor	Fair value on award date	Dilution Adjustment	Number of adjusted shares
Ferrari Spin-Off	4,320,000	1.544	$9.61	2,350,080	6,670,080
RCS Media Group S.p.A.	6,670,080	1.005865	$9.36	39,120	6,709,200

The total cost recognized in 2016 by the Company in connection with the stock options plans and the share plans referenced above was approximately €30,3 million.

Share Ownership

The following table summarizes the number of common shares of EXOR N.V. and its subsidiaries owned by our directors owned as of at the end of February 2017:

	EXOR N.V. common shares	FCA N.V. common shares	CNH Industrial common shares	Ferrari N.V. Common shares	JUVENTUS S.p.A. azioni ordinarie
Directors EXOR N.V.					
ELKANN John Philipp		133,000 (a)		15,003 (a)	
MARCHIONNE Sergio		14,620,000 (a)	11,859,586	1,462,000 (a)	
NASI Alessandro		3,750	269,495	375	
AGNELLI Andrea		33,504 (a)		1,727	38,565
RATTAZZI Lupo		50		5	
MOTA DE SOUSA HORTA-OSORIO Antonio	1,556				

(a) At the end of February 2017.

RISK FACTORS FROM SUBSIDIARIES

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (PartnerRe, FCA, CNH Industrial and Ferrari).

PARTNERRE

Risks Related to the Business, Strategy and Operations

PartnerRe - The volatility of the reinsurance business that PartnerRe underwrites will result in volatility of its earnings.

PartnerRe knowingly exposes itself to significant volatility in its net income. The Group creates shareholder value by assuming risk from the insurance and capital markets. This exposes it to volatile earnings as untoward events happen to its clients and in the capital markets. Examples of potential large loss events include, without limitation:

- natural catastrophes such as hurricane, windstorm, flood, tornado, earthquake, etc.;
- man-made disasters such as terrorism;
- declines in the equity and credit markets;
- systemic increases in the frequency or severity of casualty losses; and
- new mass tort actions or reemergence of old mass torts such as cases related to asbestos.

PartnerRe exposes itself to several very significant risks that are of a size that can impact its financial strength or regulatory capital. PartnerRe believes that the following can be categorized as very significant risks:

- natural catastrophe risk;
- long tail reinsurance risk;
- market risk;
- interest rate risk;
- default and credit spread risk;
- trade credit underwriting risk;
- longevity risk;
- pandemic risk;
- agriculture risk; and
- mortgage reinsurance risk.

Most of these risks can accumulate to the point that they exceed a year’s worth of earnings and potentially adversely affect the capital base of PartnerRe.

Catastrophe losses result from events such as windstorms, hurricanes, tsunamis, earthquakes, floods, hailstorms, tornadoes, severe winter weather, fires, drought, explosions and other natural and man-made disasters, the incidence and severity of which are inherently unpredictable. Because catastrophe reinsurance accumulates large aggregate exposures to man-made and natural disasters, PartnerRe’s loss experience in this line of business could be characterized as low frequency and high severity. This is likely to result in substantial volatility in its financial results for any fiscal quarter or year, and may limit its ability to make dividend payments and payments on its debt securities.

Notwithstanding PartnerRe’s endeavors to manage its exposure to catastrophic and other large losses, the effect of a single catastrophic event or series of events affecting one or more geographic zones, or changes in the relative frequency or severity of catastrophic or other large loss events, could reduce its earnings and limit the funds available to make payments on future claims. The effect of an increase in frequency of mid-sized losses in any one reporting period affecting one or more geographic zones, such as an unusual level of hurricane activity, could also reduce PartnerRe’s earnings. Should it incur more than one very large catastrophe loss, PartnerRe’s ability to write future business may be adversely impacted if it is unable to replenish its capital.

Examples of large catastrophic losses and large losses which were incurred, to varying extents, as the result of individual or multiple medium and large catastrophic and large loss events include losses related to the wildfire in Fort McMurray in Alberta, Canada and Hurricane Matthew in 2016, losses related to a series of explosions in the Port of Tianjin, China in 2015, losses related to extensive flooding in Alberta, Canada, the hailstorm that affected large parts of Germany and the floods that impacted large areas of Central Europe in 2013, and losses related to Superstorm Sandy and the U.S. drought in 2012.

PartnerRe believes, and recent scientific studies have indicated, that the frequency of Atlantic basin hurricanes has increased and may change further in the future relative to the historical experience over the past 100 years. As a result of changing climate conditions, such as global warming, there may be increases in the frequency and severity of natural catastrophes and the losses that result from them. PartnerRe monitors and adjusts, as it believes appropriate, its risk management models to reflect its judgment of how to interpret current developments and information, such as these studies. PartnerRe believes that factors including increases in the value and geographic concentration of insured property, particularly along coastal regions, the increasing risk of extreme weather events reflecting changes in climate and ocean temperatures, and the effects of inflation may continue to increase the severity of claims from catastrophic events in the future.

PartnerRe - PartnerRe could face unanticipated losses from man-made catastrophic events and these or other unanticipated losses could impair its financial condition and reduce its profitability

PartnerRe may have substantial exposure to unexpected, large losses resulting from future man-made catastrophic events, such as acts of terrorism, acts of war, nuclear accidents and political instability, or from other perils. Although the Group may attempt to exclude losses from terrorism and certain other similar risks from some coverage which it writes, it may continue to have exposure to such unforeseen or unpredictable events. This may be because, irrespective of the clarity and inclusiveness of policy language, there can be no assurance that a court or arbitration panel will not limit enforceability of policy language or otherwise issue a ruling adverse to PartnerRe.

It is also difficult to predict the timing of such events with statistical certainty, or estimate the amount of loss any given occurrence will generate. Reserves for potential losses associated with man-made or other catastrophic events are established at the time an event that may give rise to such losses occurs. If such an event were to occur, PartnerRe's reported income would decrease in the affected period. In particular, unforeseen large losses could reduce its profitability or impair its financial condition. Political, regulatory, governmental and industry initiatives could adversely affect PartnerRe's business for a summary of relevant U.S. federal initiatives regarding supply of commercial insurance coverage for certain types of terrorist acts in the U.S.

PartnerRe - Given the inherent uncertainty of models, the usefulness of such models as a tool to evaluate risk is subject to a high degree of uncertainty that could result in actual losses that are materially different than PartnerRe's estimates including probable maximum losses (PMLs), and its financial results may be adversely impacted, perhaps significantly

In addition to its own proprietary catastrophe models, PartnerRe uses third party vendor analytic and modeling capabilities to provide an objective risk assessment relating to other risks in its reinsurance portfolio. PartnerRe uses these models to help it control risk accumulation, inform management and other stakeholders of capital requirements and to improve the risk/return profile or minimize the amount of capital required to cover the risks in each reinsurance contract in its overall portfolio of reinsurance contracts. However, given the inherent uncertainty of modeling techniques and the application of such techniques, these models and databases may not accurately address a variety of matters which might be deemed to impact certain of its coverages.

For example, catastrophe models that simulate loss estimates based on a set of assumptions are important tools used by PartnerRe to estimate its PMLs. These assumptions address a number of factors that impact loss potential including, but not limited to, the characteristics of the natural catastrophe event; demand surge resulting from an event; the types, function, location and characteristics of exposed risks; susceptibility of exposed risks to damage from an event with specific characteristics; and the financial and contractual provisions of the (re)insurance contracts that cover losses arising from an event. PartnerRe runs many model simulations in order to understand the impact of these assumptions on its catastrophe loss potential. Furthermore, there are risks associated with catastrophe events, which are either poorly represented or not represented at all by catastrophe models. Each modeling assumption or un-modeled risk introduces uncertainty into PML estimates that management must consider. These uncertainties can include, but are not limited to, the following:

- the models do not address all the possible hazard characteristics of a catastrophe peril (e.g. the precise path and wind speed of a hurricane);
- the models may not accurately reflect the true frequency of events;
- the models may not accurately reflect a risk's vulnerability or susceptibility to damage for a given event characteristic;
- the models may not accurately represent loss potential to reinsurance contract coverage limits, terms and conditions; and
- the models may not accurately reflect the impact on the economy of the area affected or the financial, judicial, political, or regulatory impact on insurance claim payments during or following a catastrophe event.

PartnerRe's PMLs are selected after assessment of multiple third party vendor model output, internally constructed independent models, including PartnerRe's CatFocus® suite of models, and other qualitative and quantitative assessments by management, including assessments of exposure not typically modeled in vendor or internal models. PartnerRe's methodology for estimating PMLs may differ from methods used by other companies and external parties given the various assumptions and judgments required to estimate a PML.

As a result of these factors and contingencies, PartnerRe's reliance on assumptions and data used to evaluate its entire reinsurance portfolio and specifically to estimate a PML, is subject to a high degree of uncertainty that could result in actual losses that are materially different from its PML estimates and its financial results may be adversely impacted, perhaps significantly.

PartnerRe - PartnerRe's net income may be volatile because certain Life products expose it to reserve and fair value liability changes that are directly affected by market and other factors and assumptions

PartnerRe's pricing, establishment of Life and health reserves related to future policy benefits and valuation of life insurance and annuity products, including reinsurance programs, are based upon various assumptions, including but not limited to market changes, mortality rates, morbidity rates and policyholder behavior. The process of establishing reserves for future policy benefits relies on the Group's ability to accurately estimate insured events that have not yet occurred but that are expected to occur in future periods. Significant deviations in actual experience from assumptions used for pricing and for reserves for future policy benefits could have an adverse effect on the profitability of PartnerRe's products and its business.

Under reinsurance programs covering variable annuity guarantees PartnerRe assumed the risk of guaranteed minimum death benefit (GMDB). The Group's net income is directly impacted by changes in the reserves calculated in connection with the reinsurance of GMDB liabilities. Reported liabilities for GMDB reinsurance are determined using internal valuation models. Such valuations require considerable judgment and are subject to significant uncertainty. The valuation of these products is subject to fluctuations arising from, among other factors, changes in interest rates, changes in equity markets, changes in credit markets, changes in the allocation of the investments underlying annuitant's account values, and assumptions regarding future policyholder behavior. Significant changes in behavior as a result of policyholder reactions to market or economic conditions could be material. Adverse changes in market factors and policyholder behavior will have an impact on net income. When evaluating these risks, PartnerRe expects to be compensated for taking both the risk of a cumulative long-term economic net loss, as well as the short-term accounting variations caused by these market movements. Therefore, PartnerRe evaluates this business in terms of its long-term economic risk and reward.

PartnerRe - If actual losses exceed its estimated loss reserves, PartnerRe's net income and capital position will be reduced

PartnerRe's success depends upon its ability to accurately assess the risks associated with the businesses that it reinsures. PartnerRe establishes loss reserves to cover its estimated liability for the payment of all losses and loss expenses incurred with respect to premiums earned on the contracts written. Loss reserves are estimates involving actuarial and statistical projections at a given time to reflect the Group's expectation of the costs of the ultimate settlement and administration of claims. Although PartnerRe uses actuarial and computer models as well as historical reinsurance and insurance industry loss statistics, it also relies heavily on management's experience and judgment to assist in the establishment of appropriate claims and claim expense reserves. Because of the many assumptions and estimates involved in establishing reserves, the reserving process is inherently uncertain. PartnerRe's estimates and judgments are based on numerous factors, and may be revised as additional experience and other data become available and are reviewed as new or improved methodologies are developed, as loss trends and claims inflation impact future payments, or as current laws or interpretations thereof change.

Estimates of losses are based on, among other things, a review of potentially exposed contracts, information reported by and discussions with counterparties, and the Group's estimate of losses related to those contracts and are subject to change as more information is reported and becomes available. Losses for casualty and liability lines often take a long time to be reported, and frequently can be impacted by lengthy, unpredictable litigation and by the inflation of loss costs over time. Changes in the level of inflation also result in an increased level of uncertainty in the estimation of loss reserves, particularly for long-tail lines of business. As a consequence, actual losses and loss expenses paid may deviate substantially from the reserve estimates reflected in PartnerRe's financial statements.

Although PartnerRe did not operate prior to 1993, it assumed certain asbestos and environmental exposures through its acquisitions. The Group's non-life reserves include an estimate of its ultimate liability for asbestos and environmental claims for which it cannot estimate the ultimate value using traditional reserving techniques, and for which there are significant uncertainties in estimating the amount of potential losses. These liabilities are especially hard to estimate for many reasons, including the long delays between exposure and manifestation of any bodily injury or property damage, difficulty in identifying the source of the asbestos or environmental contamination, long reporting delays and difficulty in properly allocating liability for the asbestos or environmental damage. Certain of PartnerRe's subsidiaries have received and continue to receive notices of potential reinsurance claims from ceding insurance companies, which have in turn received claims asserting asbestos and environmental losses under primary insurance policies, in part reinsured by PartnerRe. Such claims notices are often precautionary in nature and are generally unspecific, and the primary insurers often do not attempt to quantify the amount, timing or nature of the exposure. Given the lack of specificity in some of these notices, and the legal and tort environment that affects the development of claims reserves, the uncertainties inherent in valuing asbestos and environmental claims are not likely to be resolved in the near future. In addition, the reserves that the Group has established may be inadequate. If ultimate losses and loss expenses exceed the reserves currently established, PartnerRe will be required to increase loss reserves in the period in which it identifies the deficiency to cover any such claims. As a result, even when losses are identified and reserves are established for any line of business, ultimate losses and loss expenses may deviate, perhaps substantially, from estimates reflected in loss reserves in the financial statements. Variations between the loss reserve estimates and actual emergence of losses could be material and could have a material adverse effect on PartnerRe's results of operations and financial condition.

PartnerRe - Since PartnerRe relies on a few reinsurance brokers for a large percentage of its business, loss of business provided by these brokers could reduce the Group's premium volume and net income

PartnerRe produces its business both through brokers and through direct relationships with insurance company clients. Generally, 70% or more of gross premiums written are produced through brokers and two brokers generally account for more than 40% of gross premiums written. Because broker-produced business is concentrated with a small number of brokers, PartnerRe is exposed to concentration risk. A significant reduction in the business produced by these brokers could potentially reduce PartnerRe's premium volume and net income.

PartnerRe - PartnerRe is exposed to credit risk relating to its reinsurance brokers and cedants

In accordance with industry practice, PartnerRe may pay amounts owed under its policies to brokers, and they in turn pay these amounts to the ceding insurer. In some jurisdictions, if the broker fails to make such an onward payment, PartnerRe might remain liable to the ceding insurer for the deficiency. Conversely, the ceding insurer may pay premiums to the broker, for onward payment to PartnerRe in respect of reinsurance policies issued. In certain jurisdictions, these premiums are considered to have been paid to PartnerRe at the time that payment is made to the broker, and the ceding insurer will no longer be liable to PartnerRe for those amounts, whether or not the Group has actually received the premiums. PartnerRe may not be able to collect all premiums receivable due from any particular broker at any given time. PartnerRe also assumes credit risk by writing business on a funds withheld basis. Under such arrangements, the cedant retains the premium they would otherwise pay to the Group to cover future loss payments.

PartnerRe - If PartnerRe is significantly downgraded by rating agencies, its standing with brokers and customers could be negatively impacted and may adversely impact its results of operations

Third party rating agencies assess and rate the claims paying ability and financial strength of insurers and reinsurers, such as PartnerRe's principal operating subsidiaries. These ratings are based upon criteria established by the rating agencies and have become an important factor in establishing PartnerRe's competitive position in the market. Insured, insurers, ceding insurers and intermediaries use these ratings as one measure by which to assess the financial strength and quality of insurers and reinsurers. They are not an evaluation directed to investors in PartnerRe's common shares, preferred shares or debt securities, and are not a recommendation to buy, sell or hold PartnerRe common shares, preferred shares or debt securities.
PartnerRe's financial strength ratings are subject to periodic review as rating agencies evaluate the Group to confirm that it continues to meet their criteria for ratings assigned to it by them. Such ratings may be revised downward or revoked at the sole discretion of such ratings agencies in response to a variety of factors, including capital adequacy, management strategy, operating earnings and risk profile. In addition, from time to time one or more rating agencies may effect changes in their capital models and rating methodologies that could have a detrimental impact on PartnerRe's ratings. It is also possible that rating agencies may in the future heighten the level of scrutiny they apply when analyzing companies in the industry, may increase the frequency and scope of their reviews, may request additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in their models for maintenance of certain rating levels. PartnerRe can offer no assurances that its ratings will remain at their current levels.

If its ratings were significantly downgraded, PartnerRe's competitive position in the reinsurance industry may suffer, and it could result in a reduction in demand for its products. In addition, certain business that PartnerRe writes contains terms that give the ceding company or derivative counterparty the right to terminate cover and/or require collateral if its ratings are downgraded significantly.

PartnerRe's current financial strength ratings are as follows:

Standard & Poor's	A+	Stable
Moody's	A1	Stable
A.M. Best	A	Stable
Fitch	A+	Stable

The status of any further changes to ratings or outlooks will depend on various factors. PartnerRe can offer no assurances that its ratings will remain at their current levels.

PartnerRe - PartnerRe may require additional capital in the future, which may not be available or may only be available on unfavorable terms

PartnerRe's future capital requirements depend on many factors, including regulatory requirements, the Group's ability to write new business successfully, the frequency and severity of catastrophic events, and its ability to establish premium rates and reserves at levels sufficient to cover losses. PartnerRe may need to raise additional funds through financings or curtail its growth and reduce its assets. Any debt financing, if available at all, may be on terms that are not favorable to PartnerRe. Financial markets in the U.S., Europe and elsewhere have experienced extreme volatility and disruption in recent times, resulting in part from financial stresses affecting the liquidity of the banking system. Continued disruption in the financial markets may limit PartnerRe's ability to access capital required to operate its business and it may be forced to delay raising capital or bear a higher cost of capital, which could decrease its profitability and significantly reduce its financial flexibility. In addition, if PartnerRe experiences a credit rating downgrade, withdrawal or negative watch/outlook in the future, it could incur higher borrowing costs and may have more limited means to access capital. If PartnerRe cannot obtain adequate capital on favorable terms or at all, its business, operating results and financial condition could be adversely affected.

PartnerRe - The exposure of its investments to interest rate and credit risk may limit PartnerRe's net income and may affect the adequacy of its capital

PartnerRe invests the net premiums it receives unless, or until such time as, it pays out losses and/or until they are made available for distribution to common and preferred shareholders, used to pay interest or redeem debt or preferred shares, or otherwise used for general corporate purposes. Investment results comprise a substantial portion of PartnerRe's income, including net investment income and realized and unrealized gains on investments which are recognized through net income for investments at fair value through profit or loss and in other comprehensive income for available-for-sale investments. The majority of PartnerRe's investments are carried at fair value. An increase in interest rates will result in a decrease in the fair value of PartnerRe's investments. A decrease in interest rates would have the opposite effect.

While the PartnerRe Board of Directors has implemented what it believes to be prudent risk management and investment asset allocation practices, the Group is exposed to significant financial and capital market risks, including changes in interest rates, credit spreads, prices, foreign exchange rates, market volatility, the performance of the economy in general and other factors outside its control.

Interest rates are highly sensitive to many factors, including fiscal and monetary policies of major economies, inflation, economic and political conditions and other factors outside PartnerRe's control. Changes in interest rates can negatively affect PartnerRe in two ways. In a declining interest rate environment, PartnerRe will be required to invest its funds at lower rates, which would have a negative impact on investment income. The Group may be forced to liquidate investments prior to maturity at a loss in order to cover liabilities. In a rising interest rate environment, the market value of PartnerRe's fixed income portfolio may decline.

PartnerRe's fixed maturity portfolio is primarily invested in high quality, investment grade securities. The company also invests in other investments such as fixed income type mutual funds, notes receivable, loans receivable, private placement bond investments, derivative exposure assumed and other specialty asset classes. These securities generally pay a higher rate of interest and have a higher degree of credit or default risk. These securities may also be less liquid in times of economic weakness or market disruptions.

PartnerRe invests in preferred and common stocks or equity-like securities. The value of these assets fluctuates with equity markets. In times of economic weakness, the market value and liquidity of these assets may decline, and may impact net income and capital. The term equity-like investments is used to describe PartnerRe's investments that have market risk characteristics similar to equities and are not investment grade fixed maturity securities. This category includes high yield and convertible fixed maturity investments and private placement equity investments. Fluctuations in the fair value of its equity-like investments may reduce PartnerRe's income in any period or year and cause a reduction in its capital.

PartnerRe - Foreign currency fluctuations may reduce PartnerRe's net income and capital levels

Through its multinational reinsurance operations, PartnerRe conducts business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro, British pound, Canadian dollar, Swiss Franc and Singapore dollar. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates, which may be material. PartnerRe's reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact its results and financial position. The Group employs various strategies (including hedging) to manage its exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, PartnerRe's results or equity may be reduced by fluctuations in foreign currency exchange rates. The sovereign debt crisis in Europe and the related financial restructuring efforts, which may cause the value of the euro to deteriorate, may magnify these risks.

PartnerRe - The current state of the global economy and capital markets increases the possibility of adverse effects on PartnerRe's financial position and results of operations. Economic downturns could impair the company's investment portfolio and affect the primary insurance market, which could, in turn, harm its operating results and reduce its volume of new business

Global capital markets in the U.S., Europe and other leading markets continue to experience volatility and certain economies remain in recession. Although conditions may be improving, the longer this economic dislocation persists, the greater the probability that these risks could have an adverse effect on PartnerRe's financial results. This may be evidenced in several ways including, but not limited to, a potential reduction in the company's premium income, financial losses in its investment portfolio and decreases in revenue and net income.

Unfavorable economic conditions also could increase PartnerRe's funding costs, limit its access to the capital markets or result in a decision by lenders not to extend credit to the Group. These events could prevent PartnerRe from increasing its underwriting activities and negatively impact its operating results. In addition, PartnerRe's cedants and other counterparties may be affected by such developments in the financial markets, which could adversely affect their ability to meet their obligations to the Group.

The global sovereign debt crisis had resulted in financial market restructuring efforts. The impact of these efforts is unclear, however, they may cause a further deterioration in the value of various currencies and consequently exacerbate instability in global credit markets and increase credit concerns resulting in the widening of bond yield spreads. In addition, rating agency downgrades on certain sovereign debt and a possible concern of the potential default of government issuers has contributed to this uncertainty. The impact of these developments, while potentially severe, remains extremely difficult to predict. However, should governments default on their obligations, there will be a negative impact on government and non-government issued bonds, government guaranteed corporate bonds and bonds and equities issued by financial institutions and other financial instruments held within the country of default which in turn could adversely impact assets held in PartnerRe's investment portfolio.

PartnerRe - PartnerRe may suffer losses due to defaults by others, including issuers of investment securities, reinsurance and derivative counterparties

Issuers or borrowers whose securities PartnerRe holds, reinsurers, clearing agents, clearing houses, derivative instrument counterparties and other financial intermediaries may default on their obligations to the Group due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons. Even if PartnerRe is entitled to collateral when a counterparty defaults, such collateral may be illiquid or proceeds from such collateral when liquidated may not be sufficient to recover the full amount of the obligation. The Group's investment portfolio may include investment securities in the financial services sector that have recently experienced defaults. All or any of these types of default could have a material adverse effect on PartnerRe's results of operations, financial condition and liquidity.

PartnerRe - PartnerRe may be adversely affected if Colisée Re, AXA or their affiliates fail to honor their obligations to Paris Re or its clients

As part of the AXA Acquisition, Paris Re entered into the 2006 Acquisition Agreements. Pursuant to the Quota Share Retrocession Agreement, the benefits and risks of Colisée Re's reinsurance agreements were ceded to Paris Re France (now PartnerRe Europe), but Colisée Re remains both the legal counterparty for all such reinsurance contracts and the legal holder of the assets relating to such reserves.

Under the Run Off Services and Management Agreement, Paris Re France (now PartnerRe Europe) has agreed that AXA Liabilities Managers (AXA LM) will manage claims arising from all reinsurance and retrocession contracts subject to the Reserve Agreement. If AXA LM does not take into account Paris Re France's commercial concerns in the context of Paris Re France's on-going business relations with the relevant ceding companies and retrocessionaires, PartnerRe's ability to renew reinsurance and retrocession contracts with them may be adversely affected.

There can be no assurance that PartnerRe's business activities, financial condition, results or future prospects may not be adversely affected in spite of the existence of the 2006 Acquisition Agreements. In general, if AXA or its affiliates breach or do not satisfy their obligations under the 2006 Acquisition Agreements (potentially as a result of insolvency or inability or unwillingness to make payments under the terms of the 2006 Acquisition Agreements), PartnerRe could be materially adversely affected.

PartnerRe - PartnerRe's debt, credit and International Swap Dealers Association (ISDA) agreements may limit its financial and operational flexibility, which may affect the ability to conduct its business

PartnerRe has incurred indebtedness, and may incur additional indebtedness in the future. Additionally, it has entered into credit facilities and ISDA agreements with various institutions. Under these credit facilities, the institutions provide revolving lines of credit to PartnerRe and its major operating subsidiaries and issue letters of credit to PartnerRe clients in the ordinary course of business.

The agreements relating to PartnerRe's debt, credit facilities and ISDA agreements contain various covenants that may limit its ability, among other things, to borrow money, make particular types of investments or other restricted payments, sell assets, merge or consolidate. Some of these agreements also require PartnerRe to maintain specified ratings and financial ratios, including a minimum net worth covenant. If PartnerRe fails to comply with these covenants or meet required financial ratios, the lenders or counterparties under these agreements could declare a default and demand immediate repayment of all amounts owed to them.

If PartnerRe is in default under the terms of these agreements, then it would also be restricted in its ability to declare or pay any dividends, redeem, purchase or acquire any shares or make a liquidation payment.

PartnerRe - If any one of the financial institutions that it uses in its operations, including those that participate in its credit facilities, fails or is otherwise unable to meet their commitments, PartnerRe could incur substantial losses and reduced liquidity

PartnerRe maintains cash balances significantly in excess of the U.S. Federal Deposit Insurance Corporation insurance limits at various depository institutions. The Group also has funding commitments from a number of banks and financial institutions that participate in its credit facilities. Access to funds under these existing credit facilities is dependent on the ability of the banks that are parties to the facilities to meet their funding requirements. Those banks may not be able to meet their funding requirements if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time and PartnerRe might be forced to replace credit sources in a difficult market. There have also been recent consolidations in the banking industry which could lead to increased reliance on and exposure to a limited number of institutions. If PartnerRe cannot obtain adequate financing or sources of credit on favorable terms, or at all, its business, operating results and financial condition could be adversely impacted.

PartnerRe - Changes in current accounting practices and future pronouncements may materially impact PartnerRe's reported financial results

Developments in accounting practices may require additional time and costs to comply, particularly if PartnerRe is required to prepare information relating to prior periods for comparative purposes or to apply the new requirements retroactively. The impact of changes in current accounting practices and future pronouncements may be significant. The impact may affect the results of PartnerRe's operations, including among other things, the calculation of net income, and may affect its financial position, including among other things, the calculation of unpaid losses and loss expenses, policy benefits for life and annuity contracts and total shareholders' equity. In particular, recent guidance and ongoing projects put in place by standard setters globally have indicated a move away from the current insurance accounting models toward more "fair value" based models which could introduce significant volatility in the earnings of insurance industry participants for certain significant accounts not already at fair value, such as reserves and debt.

PartnerRe - Operational risks, including human or systems failures, are inherent in PartnerRe's business

Operational risks and losses can result from many sources including fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements or information technology failures.

PartnerRe believes that its modeling, underwriting and information technology and application systems are critical to its business and reputation. Moreover, its technology and applications have been an important part of its underwriting process and its ability to compete successfully. Such technology is and will continue to be a very important part of the Group's underwriting process. PartnerRe has also licensed certain systems and data from third parties. PartnerRe cannot be certain that it will have access to these, or comparable service providers, or that its technology or applications will continue to operate as intended. In addition, PartnerRe cannot be certain that it would be able to replace these service providers or consultants without slowing its underwriting response time. A major defect or failure in its internal controls or information technology and application systems could result in management distraction, harm to its reputation, a loss or delay of revenues or increased expense.

PartnerRe - Cybersecurity events could disrupt business operations, result in the loss of critical and confidential information, and adversely impact PartnerRe's reputation and results of operations

PartnerRe is dependent upon the effective functioning and availability of its information technology and application systems platforms. These platforms include, but are not limited to, PartnerRe's proprietary software programs such as catastrophe models as well as those licensed from third-party vendors including analytic and modeling systems. The Group relies on the security of such platforms for the secure processing, storage and transmission of confidential information. Examples of significant cybersecurity events are unauthorized access, computer viruses, deceptive communications (phishing), malware or other malicious code or cyber-attack, catastrophic events, system failures and disruptions and other events that could have security consequences (each, Cybersecurity Event). A Cybersecurity Event could materially impact PartnerRe's ability to adequately price products and services, establish reserves, provide efficient and secure services to its clients, brokers, vendors and regulators, value its investments and to timely and accurately report its financial results. Although the Group has implemented controls and has taken protective measures to reduce the risk of Cybersecurity Events, it cannot reasonably anticipate or prevent rapidly evolving types of cyber attacks and such measures may be insufficient to prevent a Cybersecurity Event. Cybersecurity Events could expose PartnerRe to a risk of loss or misuse of its information, litigation, reputational damage, violations of applicable privacy and other laws, fines, penalties or losses that are either not insured against or not fully covered by insurance maintained. PartnerRe may be required to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities.

PartnerRe - The loss of key management personnel could adversely affect PartnerRe

PartnerRe's success has depended, and will continue to depend, partly upon its ability to attract and retain executive officers. If any of these executives ceased to continue in his or her present role, the Group could be adversely affected.

PartnerRe believes there are only a limited number of available qualified executives in the business lines in which it competes. The Group's ability to execute its business strategy is dependent on the ability to attract and retain a staff of qualified executive officers, underwriters and other key personnel. The skills, experience and knowledge of the reinsurance industry of the PartnerRe management team constitute important competitive strengths. If some or all of these managers leave their positions, and even if the Group was able to find persons with suitable skills to replace them, its operations could be adversely affected.

PartnerRe - PartnerRe may be adversely impacted by inflation

Deficit spending by governments in its major markets exposes PartnerRe to heightened risk of inflation. PartnerRe monitors the risk that the principal markets in which it operates could experience increased inflationary conditions, which would, among other things, cause loss costs to increase, and impact the performance of its investment portfolio. Inflation related to medical costs, construction costs and tort issues in particular impact the property and casualty industry and broader market inflation has the potential risk of increasing overall loss costs. The impact of inflation on loss costs could be more pronounced for those lines of business that are considered to be long tail in nature, as they require a relatively long period of time to finalize and settle claims. Changes in the level of inflation also result in an increased level of uncertainty in PartnerRe's estimation of loss reserves, particularly for long tail lines of business. The onset, duration and severity of an inflationary period cannot be estimated with precision. The global sovereign debt crisis and the related financial restructuring efforts have, among other factors, made it more difficult to predict the inflationary environment.

Risks Related to the industry

PartnerRe - PartnerRe's profitability is affected by the cyclical nature of the reinsurance industry

Historically, the reinsurance industry has experienced significant fluctuations in operating results due to competition, levels of available capacity, trends in cash flows and losses, general economic conditions and other factors. Demand for reinsurance is influenced significantly by underwriting results of primary insurers, including catastrophe losses, and prevailing general economic conditions. The supply of reinsurance is related directly to prevailing prices and levels of capacity that, in turn, may fluctuate in response to changes in rates of return on investments being realized in the reinsurance industry. If any of these factors were to result in a decline in the demand for reinsurance or an overall increase in reinsurance capacity, PartnerRe's profitability could be impacted. In recent years, PartnerRe has experienced a generally softening market cycle, with increased competition, surplus underwriting capacity, deteriorating rates and less favorable terms and conditions all having an impact on its ability to write business.

Currently, PartnerRe is facing a challenging and limited growth environment, which is driven by price decreases in most markets and lines of business, reflecting increased competition and excess capacity in the industry, cedants choosing to utilize fewer reinsurers by consolidating their reinsurance panels, relatively low loss experience and a prolonged period of low interest rates, which has impacted the Group's investment portfolio. In addition, PartnerRe may experience increased competition as a result of the consolidation in the (re)insurance industry. These consolidated entities may try to use their enhanced market power to negotiate price reductions for PartnerRe products and services and/or obtain a larger market share through increased line sizes.

PartnerRe anticipates that competition and pricing pressure may adversely affect its profitability and results of operations in future periods, and the impact may be material.

PartnerRe - PartnerRe operates in a highly competitive environment

The reinsurance industry is highly competitive and PartnerRe competes with a number of worldwide reinsurance companies including, Everest Re Group, Ltd., RenaissanceRe Holdings Ltd., Validus Holdings, Ltd., Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft (Munich Re); Swiss Re Ltd., Hannover Rück SE (Hannover Re), SCOR SE, and Reinsurance Group of America, Incorporated.

The lack of strong barriers to entry into the reinsurance business means that PartnerRe also competes with new companies that continue to be formed to enter the insurance and reinsurance markets. In addition, PartnerRe may experience increased competition as a result of the consolidation in the (re)insurance industry. These consolidated entities may try to use their enhanced market power to negotiate price reductions for PartnerRe products and services and/or obtain a larger market share through increased line sizes.

Competition in the types of reinsurance that PartnerRe underwrites is based on many factors, including the perceived and relative financial strength, pricing and other terms and conditions, services provided, ratings assigned by independent rating agencies, speed of claims payment, geographic scope of business, client and broker relationships, reputation and experience in the lines of business to be written. If competitive pressures reduce PartnerRe's prices, it would expect to write less business. In addition, competition for customers would become more intense and the Group could incur additional expenses relating to customer acquisition and retention, further reducing operating margins. Further, insurance-linked securities and derivative and other non-traditional risk transfer mechanisms and alternative vehicles are being developed and offered by other parties, which could impact the demand for traditional insurance or reinsurance. A number of new, proposed or potential industry or legislative developments could further increase competition in the industry. New competition from these developments could cause the demand for reinsurance to fall or the expense of customer acquisition and retention to increase, either of which could have a material adverse effect on PartnerRe's growth and profitability. As a result of new and alternative capital inflows into the industry and cedants retaining more business, there is an excess supply of reinsurance capital which is also driving pricing lower and putting pressure on terms and conditions.

The level of competition is determined by supply of and demand for capacity. Demand is determined by client buying behavior, which varies based on the client's perception of the amount and volatility of risk, its financial capacity to bear it and the cost of risk transfer. Supply is determined by the existing reinsurance companies' level of financial strength and the introduction of capacity from new start-ups or capital markets. Significant new capacity or significant reduction in demand will depress industry profitability until the supply/demand balance is redressed. Extended periods of imbalance could depress industry profitability to a point where PartnerRe would fail to meet its targets.

All of the above factors may adversely affect PartnerRe's profitability and results of operations in future periods, the impact of which may be material, and may adversely affect its ability to successfully execute its strategy as a global diversified reinsurance company.

Legal and Regulatory Risks

PartnerRe - Political, regulatory, governmental and industry initiatives could adversely affect the business

PartnerRe's reinsurance operations are subject to extensive laws and regulations that are administered and enforced by a number of different governmental and non-governmental self-regulatory authorities and associations in each of their respective jurisdictions and internationally. PartnerRe's businesses in each jurisdiction are subject to varying degrees of regulation and supervision. The laws and regulations of the jurisdictions in which its reinsurance subsidiaries are domiciled require, among other things, maintenance of minimum levels of statutory capital, surplus, and liquidity; various solvency standards; and periodic examinations of subsidiaries' financial condition. In some jurisdictions, laws and regulations also restrict payments of dividends and reductions of capital. Applicable statutes, regulations, and policies may also restrict the ability of these subsidiaries to write insurance and reinsurance policies, to make certain investments, and to distribute funds. As a result of the current financial crisis, some of these authorities regularly consider enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision. These authorities may also seek to exercise their supervisory authority in new and more robust ways, and new regulators could become authorized to oversee parts of PartnerRe's business.

It is not possible to predict all future impacts of these types of changes but they could affect the way PartnerRe conducts its business and manages its capital, and may require the Group to satisfy increased capital requirements, any of which, in turn, could affect its results of operations, financial condition and liquidity. Regulations relating to each of PartnerRe's material subsidiaries may in effect restrict each of those subsidiaries' ability to write new business, to make certain investments and to distribute funds or assets to PartnerRe.

Recent government intervention and the possibility of future government intervention have created uncertainty in the insurance and reinsurance markets. Government regulators are generally concerned with the protection of policyholders to the exclusion of other interested parties, including shareholders of reinsurers. PartnerRe believes it is likely there will continue to be increased regulation of, and other forms of government participation in, its industry in the future, which could adversely affect its business by, among other things:

- providing reinsurance capacity in markets and to clients that PartnerRe target or requiring its participation in industry pools and guaranty associations;
- further restricting its operational or capital flexibility;
- expanding the scope of coverage under existing policies;
- regulating the terms of reinsurance policies; or
- disproportionately benefiting the companies domiciled in one country over those domiciled in another.

The insurance industry is also affected by political, judicial and legal developments that may create new and expanded theories of liability, which may result in unexpected claim frequency and severity and delays or cancellations of reinsurance products and services which PartnerRe provides, which could adversely affect its business.

PartnerRe - Legal and enforcement activities relating to the insurance industry could affect PartnerRe's business and its industry

The insurance industry has experienced substantial volatility as a result of litigation, investigations and regulatory activity by various insurance, governmental and enforcement authorities concerning certain practices within the insurance industry. These practices include the accounting treatment for finite reinsurance or other non-traditional or loss mitigation insurance and reinsurance products.

These investigations have resulted in changes in the insurance and reinsurance markets and industry business practices. While at this time, none of these changes have caused an adverse effect on PartnerRe's business, it is unable to predict the potential effects, if any, that future investigations may have upon its industry. As noted above, because PartnerRe frequently assumes the credit risk of the counterparties with whom it does business throughout its insurance and reinsurance operations, its results of operations could be adversely affected if the credit quality of these counterparties is severely impacted by investigations in the insurance industry or by changes to industry practices.

PartnerRe - Emerging claim and coverage issues could adversely affect PartnerRe's business

Unanticipated developments in the law, as well as changes in social and environmental conditions could potentially result in unexpected claims for coverage under PartnerRe's insurance, reinsurance and other contracts. These developments and changes may adversely affect the Group's business by either extending coverage beyond its underwriting intent or by increasing the number or size of claims. With respect to PartnerRe's casualty businesses, these legal, social and environmental changes may not become apparent until sometime after their occurrence. The Group's exposure to these uncertainties could be exacerbated by an increase in insurance and reinsurance contract disputes, arbitration and litigation.

The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict. As a result, the full extent of liability under PartnerRe coverages, and in particular, its casualty reinsurance contracts, may not be known for many years after a contract is issued.

The insurance industry is also affected by political, judicial and legal developments that may create new and expanded theories of liability, which may result in unexpected claim frequency and severity and delays or cancellations of products and services which PartnerRe provides, which could adversely affect its business.

PartnerRe - Investors may encounter difficulties in service of process and enforcement of judgments against PartnerRe in the United States

PartnerRe is a Bermuda company and some of its directors and officers are residents of various jurisdictions outside the U.S. All, or a substantial portion, of the assets of PartnerRe's officers and directors and of its own assets are or may be located in jurisdictions outside the U.S. Although PartnerRe has appointed an agent and irrevocably agreed that the agent may be served with process in New York with respect to actions against it arising out of violations of the U.S. Federal securities laws in any Federal or state court in the U.S., it could be difficult for investors to effect service of process within the U.S. on PartnerRe directors and officers who reside outside the U.S. It could also be difficult for investors to enforce against PartnerRe or its directors and officers judgments of a U.S. court predicated upon civil liability provisions of U.S. Federal securities laws.

There is no treaty in force between the U.S. and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a U.S. judgment would be enforceable in Bermuda against PartnerRe or its directors and officers depends on whether the U.S. court that entered the judgment is recognized by the Bermuda court as having jurisdiction over it or its directors and officers, as determined by reference to Bermuda conflict of law rules. A judgment debt from a U.S. court that is final and for a sum certain based on U.S. Federal securities laws will not be enforceable in Bermuda unless the judgment debtor had submitted to the jurisdiction of the U.S. court, and the issue of submission and jurisdiction is a matter of Bermuda law and not U.S. law.

In addition to and irrespective of jurisdictional issues, Bermuda courts will not enforce a U.S. Federal securities law that is either penal or contrary to public policy. An action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity will not be entered by a Bermuda court. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. Federal securities laws, would not be available under Bermuda law or enforceable in Bermuda court, as they would be contrary to Bermuda public policy. Further, no claim can be brought in Bermuda against PartnerRe or its directors and officers in the first instance for violation of U.S. Federal securities laws because these laws have no extra jurisdictional effect under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on PartnerRe or its directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law.

PartnerRe - PartnerRe's international business is subject to applicable laws and regulations relating to sanctions and foreign corrupt practices, the violation of which could adversely affect the Group's operations

PartnerRe must comply with all applicable economic sanctions and anti-bribery laws and regulations of the U.S., the European community and other foreign jurisdictions where it operates. U.S. laws and regulations applicable to PartnerRe include the economic trade sanctions laws and regulations administered by the United States Department of the Treasury's Office of Foreign Assets Control as well as certain laws administered by the United States Department of State. In addition, PartnerRe is subject to the Foreign Corrupt Practices Act and other anti-bribery laws such as the U.K. Bribery Act that generally bar corrupt payments or unreasonable gifts to foreign governments or officials. Although the Group has policies and controls in place that are designed to ensure compliance with these laws and regulations, it is possible that an employee or intermediary could fail to comply with applicable laws and regulations. In such event, PartnerRe could be exposed to civil penalties, criminal penalties and other sanctions, including fines or other punitive actions. In addition, such violations could damage its business and/or its reputation.

Such criminal or civil sanctions, penalties, other sanctions, and damage to its business and/or reputation could have a material adverse effect on its financial condition and results of operations.

PartnerRe - PartnerRe's international business is subject to applicable laws and regulations relating to data privacy, the changes or the violation of which could affect its operations

Regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. In addition, the interpretation and application of data protection laws in the U.S., Europe and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with PartnerRe's data practices. If so, in addition to the possibility of fines, this could result in an order requiring that PartnerRe changes its data practices, which could have an adverse effect on its business and results of operations. Complying with these various laws could cause the Group to incur substantial costs or require it to change its business practices in a manner adverse to its business.

As a group operating worldwide, PartnerRe strives to comply with all applicable data protection laws and regulations. It is however possible that it fails to comply with applicable laws and regulations. The failure or perceived failure to comply may result in inquiries and other proceedings or actions against PartnerRe by government entities or others, or could cause it to lose clients which could potentially have an adverse effect on its business.

Risks Related to PartnerRe Preferred Shares

PartnerRe - PartnerRe is a holding company, and if its subsidiaries do not make dividend and other payments to it, it may not be able to make payments on preferred shares and other obligations

PartnerRe is a holding company with no operations or significant assets other than the capital stock of its subsidiaries and other intercompany balances. PartnerRe has cash outflows in the form of other expenses and dividends to both common and preferred shareholders. It relies primarily on cash dividends and payments from its subsidiaries to meet its cash outflows. PartnerRe expects future dividends and other permitted payments from its subsidiaries to be the principal source of funds to pay expenses and dividends. The ability of its subsidiaries to pay dividends or to advance or repay funds to it is subject to general economic, financial, competitive, regulatory and other factors beyond its control. In particular, the payment of dividends by PartnerRe's reinsurance subsidiaries is limited under Bermuda and Irish laws and certain statutes of various U.S. states in which its U.S. subsidiaries are licensed to transact business and include minimum solvency and liquidity thresholds. As of December 31, 2016, there were no significant restrictions on the payment of dividends by PartnerRe's subsidiaries that would limit PartnerRe's ability to pay preferred shareholders' dividends and its corporate expenses. However, in 2016, EXOR S.p.A. (EXOR) and the Company agreed, as part of the terms of the preferred share exchange, that the payment of dividends on common shares be restricted to an amount not exceeding 67% of net income until December 31, 2020. In addition, as a condition of the acquisition by Exor N.V., PartnerRe U.S. committed that it would not take any action to pay any dividend for the two year period from March 18, 2016 to March 18, 2018 without the prior approval of the New York State Department of Financial Services. At December 31, 2016, there were no other restrictions on the Company's ability to pay common and preferred shareholders' dividends from its retained earnings, except for the reinsurance subsidiaries' dividend restrictions related to statutory or regulatory restrictions.

Because PartnerRe is a holding company, its right, and hence the right of its creditors and shareholders, to participate in any distribution of assets of any of its subsidiaries, upon its liquidation or reorganization or otherwise, is subject to the prior claims of policyholders and creditors of these subsidiaries.

Taxation Risks

PartnerRe - Changes in PartnerRe's effective income tax rate could affect its results of operations

PartnerRe's effective income tax rate could be adversely affected in the future by net income being lower than anticipated in jurisdictions where it has a relatively lower statutory tax rate and net income being higher than anticipated in jurisdictions where it has a relatively higher statutory tax rate, or by changes in corporate tax rates and tax regulations in any of the jurisdictions in which it operates. PartnerRe is subject to regular audit by tax authorities in the various jurisdictions in which it operates. Any adverse outcome of such an audit could have an adverse effect on PartnerRe's net income, effective income tax rate and financial condition.

In addition, the determination of its provisions for income taxes requires significant judgment, and the ultimate tax determination related to certain positions taken is uncertain. Although PartnerRe believes that its provisions are reasonable, the ultimate tax outcome may differ from the amounts recorded in its consolidated financial statements and may materially affect its net income and effective income tax rate in the period such determination is made.

PartnerRe - If PartnerRe’s non-U.S. operations become subject to U.S. income taxation, its net income will decrease

PartnerRe believes that the Company and its non-U.S. subsidiaries (other than business sourced by PartnerRe Europe through PartnerRe Miami and PartnerRe Connecticut) have operated, and will continue to operate, their respective businesses in a manner that will not cause them to be viewed as engaged in a trade or business in the U.S. and, on this basis, it does not expect that either PartnerRe or its non-U.S. subsidiaries will be required to pay U.S. corporate income taxes (other than potential withholding taxes on certain types of U.S. source passive income) or branch profits taxes. Because there is considerable uncertainty as to the activities that constitute being engaged in a trade or business within the U.S., the IRS may contend that either PartnerRe or its non-U.S. subsidiaries are engaged in a trade or business in the U.S. In addition, legislation regarding the scope of non-U.S. entities and operations subject to U.S. income tax has been proposed in the past, and may be proposed again in the future. If either PartnerRe or its non-U.S. subsidiaries are subject to U.S. income tax, its shareholders’ equity or net assets and net income will be reduced by the amount of such taxes, which might be material.

FCA

Risks related to the business, strategy and operations

FCA – If vehicle shipments volumes deteriorate, particularly shipments of the Group's pickup trucks and larger sport utility vehicles in the U.S. retail market, the results of operations and financial condition of the Group will suffer

As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle shipment volumes can have a disproportionately large effect on profitability.

Further, profitability in the U.S., Canada, Mexico and Caribbean islands ("NAFTA"), a region which contributed a majority of the profit in 2016, is particularly dependent on demand for the Group's pickup trucks and larger sport utility vehicles. For example, pickup trucks and larger sport utility vehicles accounted for approximately 60% of the Group's total US retail vehicle shipments in 2016. A shift in consumer demand away from these vehicles within the NAFTA region, and towards compact and mid-size passenger cars, whether in response to higher fuel prices or other factors, could adversely affect profitability.

The Group's dependence within the NAFTA region on pickup trucks and larger sport utility vehicles is increasing further as it implements the plan to shift production in that region away from compact and mid-size passenger cars.

Moreover, the Group tends to operate with negative working capital as the Group generally receives payments from vehicle sales to dealers within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when such parts and materials are paid; therefore, if vehicle shipments decline the Group will suffer a significant negative impact on cash flow and liquidity as it continues to pay suppliers during a period in which the Group receives reduced proceeds from vehicle shipments. If vehicle shipments decline, or if they were to fall short of assumptions, due to recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, such decline or shortfall could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA – The Group's businesses are affected by global financial markets and general economic and other conditions over which the Group has little or no control

The Group's results of operations and financial position may be influenced by various macroeconomic factors within the various countries in which it operates including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, the rate of unemployment and foreign currency exchange rates.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for products sold by the Group in any of the markets in which the Group operates.

In addition to slow economic growth or recession, other economic circumstances, such as increases in energy prices and fluctuations in prices of raw materials or contractions in infrastructure spending, could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA – The Group is subject to risks relating to international markets and exposure to changes in local conditions and trade policies, as well as economic, geopolitical or other events

The Group is subject to risks inherent to operating globally, including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on the Group's business, financial condition and results of operations.

With the increasing interconnectedness of global economic and financial systems, a financial crisis, natural disaster, geopolitical crisis, or other significant event in one area of the world can have an immediate and devastating impact on markets around the world. For example, the financial crisis that began in the United States in

2008 quickly spread to other markets; natural disasters in Japan and Thailand during 2011 caused production interruptions and delays not just in Asia Pacific but other regions around the world; and episodes of increased geopolitical tensions or acts of terrorism have at times caused adverse reactions that may spread to economies around the globe.

For instance, in June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The referendum, commonly referred to as “Brexit”, was advisory and the terms of any withdrawal are subject to a negotiation period that could last up to two years after the government of the United Kingdom formally initiates a withdrawal process, or longer if extended by mutual agreement. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, which is also subject to negotiation, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate in the event of a withdrawal, and in light of a recent U.K. Supreme Court decision requiring further action of the U.K. Parliament before beginning the process of leaving the European Union. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. If a country within the euro area were to default on its debt or withdraw from the euro currency, or, in a more extreme circumstance, the euro currency were to be dissolved entirely, the impact on markets around the world, and on FCA’s global business, could be immediate and significant.

In the United States, changes in policy positions by the new presidential administration may impact the Group’s business, in particular with respect to production of vehicles outside the U.S. for import into the U.S., particularly from Canada, Mexico and Italy, and potential changes in tax laws that could adversely affect U.S. operations. For example, the Group currently imports heavy-duty pickup trucks into the U.S. which it assembles in Mexico. Any new policies and any steps the Group may take to address such new policies could have a material adverse effect on its business, financial condition and results of operations.

In addition, these developments have introduced an elevated level of economic and policy uncertainty, which could cause financial and capital markets within and outside the U.S. and Europe to constrict, thereby negatively impacting FCA’s ability to finance its business. It also could cause a substantial dip in consumer and business confidence and spending that could negatively impact sales of vehicles. Any one of these impacts could have a material adverse effect on the Group’s business, financial condition and results of operations.

FCA – The Group may be unsuccessful in efforts to expand the international reach of some of the brands that are believed to have global appeal and reach

The growth strategies reflected in the 2014-2018 Business Plan announced in May 2014 and updated in January 2016 (the “Business Plan”) include expanding global sales of the Jeep brand through localized production in Asia and Latin America, the launch of new large utility vehicle models in North America, the reintroduction in North America, and expansion in Europe and Asia, of the Alfa Romeo brand including the development of an all-new platform and new powertrains, as well as the further expansion of the Maserati brand portfolio to include the all-new Levante sport utility vehicle.

These strategies, particularly with respect to the Alfa Romeo brand, have required, and will continue to require, significant investments in products, powertrains, production facilities and distribution networks. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, FCA may be unable to earn a sufficient return on these investments and this could have a material adverse effect on the Group’s business, financial condition and results of operations.

FCA - Laws, regulations and governmental policies, including those regarding increased fuel economy requirements and reduced greenhouse gas emissions, have a significant effect on how the Group does business and may adversely affect the results of operations

In order to comply with government regulations related to fuel economy and emissions standards, the Group must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future, and these costs could be difficult to pass through to consumers. For example, in December 2016, the U.S. Department of Transportation announced an increase in the penalty for noncompliance with fuel economy requirements, beginning with model year 2019 vehicles that are more than two and a half times the current penalty. This trend will have a material impact on the Group’s existing regulatory planning strategy, may affect the powertrain mix in the vehicles it produces and sells and could have a material adverse impact on the Group’s financial condition and results of operations.

Government and regulatory scrutiny of the automotive industry has also continued to intensify during the course of 2016, and is expected to remain high, particularly in light of recent regulatory actions related to diesel emissions involving a number of automakers. FCA has received inquiries from several regulatory authorities as they examine the on-road tailpipe emissions of several automakers' vehicles. The Group, when jurisdictionally appropriate, is cooperating with inquiries from several state agencies.

In particular, the Group has been working with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union. The Group also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for FCA vehicles reported by KBA, and discussed the KBA reported test results, the emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. The German Ministry of Transport and Digital Infrastructure ("BMVI") which oversees the KBA then requested a mediation with the MIT under European Commission rules to resolve the differences. That mediation is ongoing. In addition, the French Ministry of Economy announced on February 7, 2017 that the French Consumer Protection Agency has requested the French public prosecutor to conduct a further investigation regarding whether the sale of FCA diesel vehicles violated French consumer protection laws, as it has done for other automakers' diesel vehicles. The results of these inquiries cannot be predicted at this time; however, the intervention by a number of governmental agencies and authorities has required significant management time, which may divert attention from other key aspects of the business plan, or may lead to further enforcement actions as well as obligations to modify or recall vehicles, any of which may have a material adverse effect on the Group's business, results of operations and reputation.

On January 12, 2017, the U.S. Environmental Protection Agency ("EPA") and the California Air Resources Board ("CARB") each issued a notice of violation ("NOV") alleging that FCA US failed to disclose certain emissions control strategies in its application for certificates to permit the sale of model year 2014-2016 Jeep Grand Cherokee and Ram 1500 diesel vehicles. Approximately 104,000 of these vehicles were sold in the United States, of which approximately 14,000 were sold in California. The NOVs also state that the EPA and CARB are continuing to investigate whether any of these emissions control strategies are properly justified under the applicable regulations or constitute a "defeat device" as defined in the Clean Air Act.

Following the issuance of the NOVs, a number of civil lawsuits have been filed. FCA has also received various inquiries, subpoenas and requests for information from a number of governmental authorities, including the U.S. Department of Justice, the SEC and several states' attorneys general. FCA is investigating these matters and intends to cooperate with all valid governmental requests.

FCA is currently unable to predict the outcome of any proceeding or investigation arising out of the NOVs or any related proceedings or investigation nor can it estimate a range of reasonably possible losses for the lawsuits and investigations because these matters involve significant uncertainties at these stages. Such investigations could result in the imposition of damages, fines or civil and criminal penalties. It is possible that the resolution of these matters may adversely affect FCA's reputation with consumers, which may negatively impact demand for Group vehicles and could have a material adverse effect on its business, financial condition and results of operations.

FCA – The Group's success largely depends on the ability of the current management team to operate and manage effectively

The Group's success largely depends on the ability of senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Chief Executive Officer, Sergio Marchionne, is critical to the execution of the strategic direction and implementation of the Business Plan. Although Mr. Marchionne has indicated his intention to remain as Chief Executive Officer through the period of the Business Plan, if the Group were to lose his services or those of any of the other senior executives or key employees it could have a material adverse effect on the Group's business prospects, earnings and financial position. The Group has developed succession plans that it believes are appropriate in the circumstances, although it is difficult to predict with any certainty that the Group will replace these individuals with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel such inability could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - The FCA Group may be subject to more intensive competition if other manufacturers pursue consolidations

The FCA Group has for some time advocated consolidation in the automotive industry due to the Group's view that the industry is characterized by significant duplication in product development costs, much of which does not drive consumer-perceived value. The FCA Group believes that sharing product development costs among manufacturers, preferably through consolidation, will enable automakers to improve their return on capital employed for product development and manufacturing and enhance utilization of tooling, machinery and equipment. While the FCA Group continues to implement its Business Plan, and believes that the business will continue to grow and operating margins will continue to improve, if competitors are able to successfully integrate with one another and the FCA Group is not successful with its own efforts to enhance collaboration or adapt effectively to increased competition, the competitors' integration could have a material adverse impact on the Group's business, financial condition and results of operations.

FCA - Product recalls and warranty obligations may result in direct costs, and any resulting loss of vehicle sales could have material adverse effects on the Group's business

FCA, and the U.S. automotive industry in general, have experienced a significant increase in recall activity to address performance, compliance or safety-related issues. FCA's recent costs to recall vehicles have been significant and typically include the cost of replacement parts and labor to remove and replace parts. These costs substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale.

Product recalls may also harm the Group's reputation, force it to halt the sale of certain vehicles and may cause consumers to question the safety or reliability of the Group's products. Given the sustained high levels in both the cost and frequency of recall campaigns and intense regulatory activity across the automotive industry, ongoing compliance costs are expected to remain high.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition and results of operations. Moreover, if the Group is faced with consumer complaints, or receives information from vehicle rating services that calls into question the safety or reliability of one of the Group's vehicles and the Group does not issue a recall, or if the Group does not do so on a timely basis, the Group's reputation may also be harmed and the Group may lose future vehicle sales. The Group is also obligated under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions could have a material adverse effect on the Group's business, financial condition and results of operations.

Compliance with U.S. regulatory requirements for product recalls has also received heightened scrutiny. In connection with the failure in three specified campaigns to provide an effective remedy, and noncompliance with various reporting requirements under the National Traffic and Motor Vehicle Safety Act of 1966 and the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, FCA US entered into a consent order with NHTSA in 2015 (the "Consent Order") to pay substantial civil penalties and to engage an independent monitor to review and assess FCA US's compliance with its obligations under the Consent Order. FCA US is obligated to remedy the defects in the vehicles subject to the recalls cited in the Consent Order, and in certain instances, FCA US has been required to buy back vehicles as an additional alternative to a repair remedy. Failure to comply with the terms of the Consent Order may result in additional fines and penalties much of which have been deferred pending the independent monitor's and NHTSA's ongoing assessment of FCA US's compliance with terms of the Consent Order. Further, the monitor's term will continue for the duration of the Consent Order. There can be no assurance that FCA will not be subject to additional regulatory inquiries and consequences in the future.

FCA - Future performance depends on the Group's ability to enrich the product portfolio and offer innovative products

The Group's success depends, among other things, on the ability to develop innovative, high-quality products that are attractive to consumers and provide adequate profitability.

It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that schedule. Because of this product development cycle and the various elements that may contribute to consumers' acceptance of new vehicle designs, including competitors' product introductions, fuel prices, general economic conditions and changes in styling preferences, an initial product concept or design that the Group believes will be attractive may not result in a vehicle that will generate sales in sufficient quantities and at high enough prices to be profitable. A failure to develop and offer innovative products that compare favorably to those of the principal competitors, in terms of price, quality, functionality and features, with particular regard to the upper-end of the product range, or delays in bringing strategic new models to the market, could impair the strategy, which would have a material adverse effect on the Group's financial condition and results of operations. Additionally, the high proportion of fixed costs, both due to the significant investment in property, plant and equipment as well as the requirements of the Group's collective bargaining agreements, which limit its flexibility to adjust personnel costs to changes in demand for its products, may further exacerbate the risks associated with incorrectly assessing demand for the Group's vehicles.

Further, if the Group determines that a safety or emissions defect, a mechanical defect or a non-compliance with regulation exists with respect to a vehicle model prior to the retail launch, the launch of such vehicle could be delayed until the Group remedies the defect or non-compliance. The costs associated with any protracted delay in new model launches necessary to remedy such defect, and the cost of providing a free remedy for such defects or non-compliance in vehicles that have been sold, could be substantial.

In addition, the Group may not be able to effectively compete with other automakers in light of emerging trends in the industry, such as electrification, vehicle connectivity and autonomous driving. In certain cases, the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by the Group and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds budgeted or expended for these purposes will be adequate or that the Group will be able to obtain rights to use these technologies. Further, competitors and others are pursuing similar technologies and other competing technologies, and there can be no assurance that they will not acquire and implement similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant price advantage.

FCA - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of the competitors

Substantially all of the Groups revenues are generated in the automotive industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and components and production systems. The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered, and many of the Group’s competitors are better capitalized with larger market shares.

In the automotive business, sales to consumers are cyclical and subject to changes in the general condition of the economy, the readiness of consumers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry or the Group’s inability to adapt effectively to external market conditions coupled with more limited capital than many of its principal competitors could have a material adverse effect on the Group’s business, financial condition and results of operations.

Additionally, global vehicle production capacity significantly exceeds current demand. In the event that industry shipments decrease and overcapacity intensifies, competitors may attempt to make their vehicles more attractive or less expensive to consumers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. Manufacturers in countries that have lower production costs may choose to export lower-cost automobiles to more established markets. An increase in these actions could have a material adverse impact on the Group’s business, financial condition and results of operations.

FCA – The Group may be exposed to shortfalls in its pension plans

Certain of the defined benefit pension plans are currently underfunded. As of December 31, 2016, the defined benefit pension plans were underfunded by approximately €4.7 billion. The Group’s pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. The Group’s defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly rebalance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to defined benefit plans, as well as the investment strategy for the plans, the Group is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect the Group's financial condition and results of operations. If the Group fails to make required minimum funding contributions, it could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency.

FCA – The lack of a captive finance company in certain key markets could place the Group at a competitive disadvantage to other automakers that may be able to offer consumers and dealers financing and leasing on better terms than the Group's consumers and dealers are able to obtain

The Group's dealers enter into wholesale financing arrangements to purchase vehicles from the Group to hold in inventory and facilitate retail sales, and retail consumers use a variety of finance and lease programs to acquire vehicles.

Unlike many of the competitors, the Group does not own and operate a controlled finance company dedicated solely to the mass-market vehicle operations in the U.S. and certain key markets in Europe, Asia and South America. Instead the Group has elected to partner with specialized financial services providers through joint ventures and commercial agreements. The Group's lack of a controlled finance company in these key markets may increase the risk that the Group's dealers and retail consumers will not have access to sufficient financing on acceptable terms which may adversely affect the Group's vehicle sales in the future. Furthermore, many of the competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their finance companies on an aggregate basis. Since the Group's ability to compete depends on access to appropriate sources of financing for dealers and retail consumers, lack of a controlled finance company in those markets could have a material adverse effect on the Group's business, financial condition and results of operations.

In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail consumers. The ability of a finance company to provide financing services at competitive rates is subject to various factors, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rates.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will also face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or consumers of competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to the Group's dealers and retail consumers.

To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to Group dealers and retail consumers, such dealers and retail consumers may not have sufficient access to financing to purchase or lease Group vehicles. As a result, vehicle sales and market share may suffer, which could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - Vehicle retail sales depend heavily on affordable interest rates for vehicle financing

In certain regions, including NAFTA, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. As interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make the Group's vehicles less affordable to retail consumers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting its financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, the Group's consumers may not desire to or be able to obtain financing to purchase or lease the Group's vehicles. Furthermore, because the consumers of the Group's vehicles may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of competitors.

FCA - Limitations on the Group’s liquidity and access to funding may limit the ability to execute the Business Plan and improve the financial condition and results of operations

The Group’s future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. Any limitations on the Group’s liquidity, due to a decrease in vehicle shipments, the amount of or restrictions in its existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact the Group’s ability to execute its Business Plan and impair the financial condition and results of operations. In addition, any actual or perceived limitations of the Group’s liquidity may limit the ability or willingness of counterparties, including dealers, consumers, suppliers, lenders and financial service providers, to do business with the Group, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

FCA – The Group’s current credit rating is below investment grade and any further deterioration may significantly affect its funding and prospects

The Group’s ability to access the capital markets or other forms of financing and the related costs depend, among other things, on its credit ratings and the Group is currently rated below investment grade. The rating agencies review the Group’s ratings regularly and, accordingly, new ratings may be assigned to the Group in the future. It is not currently possible to predict the timing or outcome of any ratings review.

Any downgrade may increase the Group’s cost of capital and potentially limit its access to sources of financing, which could have a material adverse effect on the Group’s business, financial condition and results of operations.

FCA – The Group’s ability to achieve cost reductions and to realize production efficiencies is critical to maintaining its competitiveness and long-term profitability

While some productivity improvements are within the Group’s control, others depend on external factors, such as commodity prices, supply capacity limitations, or trade regulation. These external factors may make it more difficult to reduce costs as planned, and the Group may sustain larger than expected production expenses, materially affecting the business and results of operations. Furthermore, reducing costs may prove difficult due to the need to introduce new and improved products in order to meet consumer expectations and government regulations.

FCA – The Group’s business operations and reputation may be impacted by various types of claims, lawsuits, and other contingent obligations

The Group is involved in various product liability, warranty, product performance, asbestos, personal injury, dealer and supplier disputes, environmental claims and lawsuits, securities law claims, labor, antitrust, intellectual property, tax and other legal proceedings including those that arise in the ordinary course of the its business. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal matters pending against the Group is uncertain, and although such claims, lawsuits and other legal matters are not expected individually to have a material adverse effect on its financial condition or results of operations, such matters could have, in the aggregate, a material adverse effect on the Group’s financial condition or results of operations. Furthermore, additional facts may come to light or the Group could, in the future, be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its business, financial condition and results of operations. While the Group maintains insurance coverage with respect to certain claims, not all claims or potential losses can be covered by insurance, and even if claims could be covered by insurance, the Group may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. Further publicity regarding such investigations and lawsuits, whether or not they have merit, may adversely affect the Group’s reputation and the perception of the Group’s vehicles with retail customers, which may adversely affect demand for vehicles, and have a material adverse effect on the Group’s business, results of operations and cash flows.

FCA - A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group's vehicles could damage the reputation, disrupt business and adversely impact the Group's ability to compete

The Group's vehicles, as well as vehicles manufactured by other original equipment manufacturers (or "OEMs"), contain interconnected and increasingly complex systems that control various vehicle processes including engine, transmission, safety, steering, brakes, window and door lock functions. Such internal and vehicle systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. These systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group's vehicles could damage the Group's reputation, expose it to significant liability and have a material adverse effect on its business, financial condition and results of operations.

FCA - There can be no assurance that the FCA Group will be able to offset the earnings power lost as a result of the Ferrari separation

In January 2016, FCA completed the previously announced separation of Ferrari N.V., which was intended to, among other things, strengthen the capital base. The separation consisted primarily of the October 2015 initial public offering of 10% of the common shares of Ferrari N.V. and the January 2016 transaction in which holders of FCA common shares and FCA mandatory convertible securities received the remaining 80% interest in Ferrari N.V. The initial public offering and spin-off in the aggregate ultimately had a positive €1.5 billion impact on FCA's Net industrial debt. However, Ferrari N.V. contributed approximately €284 million in net profit in 2015, and was accounted for as a discontinued operation up until the date of its separation. If the improvement in FCA's capital position resulting from the separation of Ferrari N.V. together with improved earnings generation from the rest of the Group's business is not sufficient to offset the related loss of Net profit, such insufficiency could have a material adverse impact on its business, financial condition and results of operations.

FCA - A disruption or security breach in the Group's information technology systems could disrupt business and adversely impact the ability to compete

A significant malfunction, disruption or security breach compromising the operation of the Group's information technology systems could damage the reputation, disrupt the business and adversely impact the ability to compete. The Group's ability to keep the business operating effectively depends on the functional and efficient operation of the information, data processing and telecommunications systems, including the Group's vehicle design, manufacturing, inventory tracking and billing and payment systems. A significant or large-scale malfunction or interruption of any one of the computer or data processing systems could adversely affect the Group's ability to manage and keep its operations running efficiently, and damage its reputation if the Group is unable to track transactions and deliver products to its dealers and consumers. A malfunction or security breach that results in a wider or sustained disruption to the business could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to supporting operations, the Group uses systems to collect and store confidential and sensitive data, including information about its business, its consumers and its employees. As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future and that the Group's systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Group may lose its competitive advantage and its vehicle shipments may suffer. The Group also collects, retains and uses personal information, including data gathered from consumers for product development and marketing purposes, and data obtained from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require notification to be provided to the data owners, and that subject the Group to lawsuits, fines and other means of regulatory enforcement. The Group's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their vehicles from competitors. Ultimately, any significant compromise in the integrity of data security could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - The Group may not be able to adequately protect its intellectual property rights, which may harm its business

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect intellectual property rights, others may be able to compete against the Group using intellectual property that is the same as or similar to the Group's own. In addition, there can be no guarantee that the intellectual property rights are sufficient to provide the Group with a competitive advantage against others who offer products similar to the Group's products. Despite efforts, the Group may be unable to prevent third parties from infringing its intellectual property and using its technology for their competitive advantage. Any such infringement could have a material adverse effect on the Group's business, financial condition and results of operations.

The laws of some countries in which the Group operates do not offer the same protection of intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for the Group to protect intellectual property from misuse or infringement there. The Group's inability to protect its intellectual property rights in some countries could have a material adverse effect on the Group's business, financial condition or results of operations.

FCA - Developments in emerging market countries may adversely affect the Group's business

The Group operates in a number of emerging markets, both directly (e.g., Brazil and Argentina) and through joint ventures and other cooperation agreements (e.g., Turkey, India, China and Russia) and has recently taken steps to expand its manufacturing presence in its South and Central America ("LATAM") region and Asia and Pacific countries ("APAC") region. The Group's exposure to other emerging countries has increased in recent years, as have the number and importance of such joint ventures and cooperation agreements. Economic developments in certain LATAM markets, as well as China, have had and could have in the future material adverse effects on the Group's financial condition and results of operations. Further, in certain markets in which the Group or its joint ventures operate, government approval may be required for certain activities, which may limit the Group's ability to act quickly in making decisions on its operations in those markets.

The automotive market in these emerging markets is highly competitive, with competition from many of the largest global manufacturers as well as numerous smaller domestic manufacturers.

The Group anticipates that additional competitors, both international and domestic, will also seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in price reductions, reduced margins and the inability to gain or hold market share, which could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA – The Group's reliance on joint arrangements in certain emerging markets may adversely affect the development of the Group's business in those regions

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, GAC FIAT Chrysler Automobiles Co. ("GAC FCA JV") our joint venture with the Guangzhou Automobile Group Co., Ltd has commenced local production of the Jeep Cherokee, Jeep Renegade and the all-new Jeep Compass for the Chinese market, expanding the portfolio of Jeep sport utility vehicles ("SUVs") currently available to Chinese consumers. The Group has also entered into a joint operation with TATA Motors Limited for the production of certain of its vehicles, engines and transmissions in India.

The Group's reliance on joint arrangements to enter or expand its presence in these markets may expose the Group to risk of conflict with its joint arrangement partners and the need to divert management resources to oversee these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint arrangements may not be able to make decisions as quickly as the Group would if the Group was operating on its own or may take actions that are different from what the Group would do on a stand-alone basis in light of the need to consider its partners' interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have an adverse effect on the Group's business, financial condition and results of operations.

FCA - The Group depends on its relationships with suppliers

The Group purchases raw materials and components from a large number of suppliers and depends on services and products provided by companies outside the Group. Close collaboration between an OEM and its suppliers is common in the automotive industry, and although this offers economic benefits in terms of cost reduction, it also means that the Group depends on its suppliers and is exposed to the possibility that difficulties, including those of a financial nature, experienced by those suppliers (whether caused by internal or external factors) could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA – The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in its vehicles

The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate, and market conditions can affect its ability to manage cost of revenues over the short term. The Group may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase its operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of the Group's control and the control of its suppliers. For instance, natural or man-made disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to, tight credit markets or other financial distress, natural or man-made disasters, or production difficulties. The Group will continue to work with suppliers to monitor potential disruptions and shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues. However, there can be no assurances that these events will not have an adverse effect on the Group's production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact the Group's ability to achieve its vehicle shipment objectives and profitability. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle shipment objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - Labor laws and collective bargaining agreements with the Group's labor unions could impact its ability to increase the efficiency of operations

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict the Group's ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions in the Group's collective bargaining agreements may impede its ability to restructure the business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA – The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities. Additionally a significant portion of the Group's operating cash flow is generated in US Dollars and the majority of the Group's indebtedness is denominated in Euro.

The Group uses various forms of financing to cover funding requirements for industrial activities and for providing financing to its dealers and consumers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect Net revenues, finance costs and margins.

In addition, although the Group manages risks associated with fluctuations in currency and interest rates through financial hedging instruments, fluctuations in currency or interest rates could have a material adverse effect on the Group's business, financial condition and results of operations.

Financial services activities of the Group are also subject to the risk of insolvency of dealers and retail consumers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite efforts to mitigate such risks through the credit approval policies applied to dealers and retail consumers, there can be no assurances that the Group will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

FCA - FCA is a Dutch public company with limited liability, and the shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of the shareholders of the Group may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. FCA is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by the articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of the board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors of the Group in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, the board of directors is required by Dutch law to consider the interests of the FCA Group and the interests of its shareholders, employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of the shareholders.

FCA - It may be difficult to enforce U.S. judgments against FCA

FCA is incorporated under the laws of the Netherlands, and a substantial portion of the assets are outside of the U.S. Most of the directors and senior management and the independent auditors are resident outside the U.S. and all or a substantial portion of their respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to effect service of process within the U.S. upon these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against FCA or its directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against FCA, its directors and officers and its independent auditors.

FCA – FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom ("U.K."). Therefore, whether FCA is resident in the U.K. for tax purposes depends on whether "central management and control" is located (in whole or in part) in the U.K. The test of "central management and control" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs ("HMRC"), suggest that FCA, a group holding company, is likely to be regarded as having become U.K.-resident on this basis from incorporation and remaining so if, as FCA intends, (i) at least half of the meetings of FCA's board of directors are held in the U.K. with a majority of directors present in the U.K. for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting the FCA Group and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of FCA's directors, together with supporting staff, are based in the U.K.; and (v) FCA has permanent staffed office premises in the U.K. HMRC has accepted that "central management and control" of FCA is in the U.K.

Although it has been accepted that FCA "central management and control" is in the U.K., it would nevertheless not be treated as U.K.-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the U.K. and (b) there were a tie-breaker provision in that tax treaty which allocated exclusive residence to that other jurisdiction.

FCA's residence for Italian tax purposes is largely a question of fact based on all circumstances. FCA has set up and thus far maintained, and intends to continue to maintain, a management and organizational structure in such a manner that it should be deemed resident in the U.K. from incorporation for the purposes of the Italy-U.K. tax treaty. The result of this is that FCA should not be regarded as an Italian tax resident either for the purposes of the Italy-U.K. tax treaty or for Italian domestic law purposes. Because this analysis is highly factual and may depend on future changes in FCA's management and organizational structure, there can be no assurance regarding the final determination of FCA's tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on its worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Although it has been accepted that "central management and control" is in the U.K., FCA will be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, FCA will be regarded as solely resident in either the U.K. or the Netherlands under the Netherlands-U.K. tax treaty if the U.K. and Dutch competent authorities agree that this is the case. FCA has received a ruling from the U.K. and Dutch competent authorities that it should be treated as resident solely in the U.K. for the purposes of the treaty. If there is a change over time to the facts upon which a ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA does not expect the June 2016 referendum in which U.K. voters approved an exit from the European Union to affect its tax residency in the U.K.; however it is not possible to predict with certainty whether or not the discussions to implement the referendum will ultimately have an impact on this matter.

FCA - The U.K.'s controlled foreign company taxation rules may reduce net returns to shareholders

On the assumption that FCA is resident for tax purposes in the U.K., it will be subject to the U.K. controlled foreign company ("CFC") rules. The CFC rules can subject U.K.-tax-resident companies (in this case, FCA) to U.K. tax on the profits of certain companies not resident for tax purposes in the U.K. in which they have at least a 25% direct or indirect interest. Interests of connected or associated persons may be aggregated with those of the U.K.-tax-resident company when applying this 25% threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the U.K. The definition of control is broad (it includes economic rights) and captures some joint ventures.

It is expected however that the Group's principal operating activities should fall within one or more of the exemptions from the CFC rules.

Although FCA does not expect the U.K.'s CFC rules to have an adverse impact on its financial position, the effect of the new CFC rules on FCA is not yet certain. FCA will continue to monitor developments in this regard and seek to mitigate any adverse U.K. tax implications which may arise. However, the possibility cannot be excluded that the CFC rules could have a material adverse impact on the Group's business, financial condition and results of operations.

FCA - If FCA is deemed to not maintain a permanent establishment in Italy, it could experience a material increase in its tax liability

Whether FCA has maintained a permanent establishment in Italy after the Merger (an "Italian P.E.") is largely a question of fact based on all the circumstances. FCA believes that, on the understanding that it should be a U.K.-resident company under the Italy-U.K. tax treaty, it is likely to be treated as maintaining an Italian P.E. because it has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on FCA's assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) FCA's tax-deferred reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.'s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger (the "Fiscal Unit"), continues with respect to the Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014 (the "2014 Ruling"), confirming that the Fiscal Unit may continue via the Italian P.E. Moreover, in another ruling issued on October 9, 2015 (the "2015 Ruling"), the Italian tax authorities confirmed that the separation of Ferrari from the Group (including the first demerger of certain assets held through the Italian P.E.) will qualify as a tax-free, neutral transaction from an Italian income tax perspective. Lastly, in a ruling released on October 28, 2016 the Italian tax authorities confirmed that the Italian P.E. could determine its computation base for the purposes of the Italian regime on notional interest deduction (*Aiuto alla Crescita Economica*) without taking into account certain anti-avoidance provisions (the "2016 Ruling" and together with the 2014 Ruling and the 2015 Ruling the "Rulings"). However, the Rulings are not assessments of certain sets of facts and circumstances. Therefore, even though the 2014 Ruling confirms that the Fiscal Unit may continue via the Italian P.E. and the 2015 Ruling and the 2016 Ruling assume such a P.E. to exist, this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such a P.E. Because the analysis is highly factual, there can be no assurance regarding the maintenance of an Italian P.E. after the Merger.

Risks related to the Group's existing indebtedness

FCA – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms and limit its financial and operating flexibility

Although the Group has reduced its indebtedness over the past several years, the extent of its indebtedness could still have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;

- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on the Group's indebtedness, which may reduce the amount of funds available to the Group for other purposes including product development;
- the Group is more financially leveraged than some of its competitors, which may put the Group at a competitive disadvantage; and
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or the business.

These risks may be exacerbated by volatility in the financial markets, particularly those resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone.

FCA - Restrictive covenants in the debt agreements could limit the Group's financial and operating flexibility

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of certain companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's Tranche B Term Loans may hinder the Group's ability to manage its operations on a consolidated, global basis

FCA US is party to a tranche B term loan maturing May 24,2017 (the "Tranche B Term Loan due 2017") and a tranche B term loan maturing December 31, 2018 (the "Tranche B Term Loan due 2018") collectively referred to as the "Tranche B Term Loans". The credit agreements that govern the Tranche B Term Loans include covenants that restrict FCA US's ability to enter into sale and leaseback transactions, purchase or redeem capital stock, prepay other debt, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations or undertake various other business activities.

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of mergers and acquisitions, joint ventures or other corporate opportunities. In particular, the credit agreements that govern the Tranche B Term Loans contain, and future indebtedness may contain, other and more restrictive covenants. These credit agreements require FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold. A breach of any of these covenants or restrictions could result in an event of default on the indebtedness of FCA US and creditors may foreclose on pledged properties, and could also result in cross-default under certain Group indebtedness.

FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under the credit agreements that govern its Tranche B Term Loans and could become subject to lenders' contractual rights if an event of default were to occur

FCA US is an obligor and several of its U.S. subsidiaries are guarantors of FCA US's Tranche B Term Loans. The obligations under the credit agreements governing the Tranche B Term Loans are secured by senior priority security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100% of the equity interests in FCA US's U.S. subsidiaries and 65% of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors. An event of default under the credit agreements that govern FCA US's Tranche B Term Loans could trigger its lenders' contractual rights to enforce their security interest in these assets.

Risks related to the Group's common shares

FCA – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

The FCA common shares are listed and traded on both the New York Stock Exchange ("NYSE") and the Mercato Telematico Azionario ("MTA") operated by Borsa Italiana. The dual listing of the common shares may split trading between the two markets and may result in limited trading liquidity of the shares in one or both markets, which may adversely affect the development of an active trading market for the common shares on either or both exchanges and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for its common shares on the two exchanges, which may contribute to volatility in the trading of its shares.

FCA - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the common share price

The loyalty voting structure may limit the liquidity of FCA common shares and adversely affect the trading prices of its common shares. The loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding FCA common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive FCA special voting shares. The special voting shares cannot be traded and, immediately prior to the deregistration of common shares from the FCA Loyalty Register, any corresponding special voting shares shall be transferred to FCA for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining FCA special voting shares. Therefore, the loyalty voting structure may reduce liquidity in FCA common shares and adversely affect their trading price.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, change Group management or strategy or otherwise exercise influence over the Group, and the market price of the common shares may be lower as a result

The provisions of the articles of association which establish the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the company, even if a change of control were considered favorably by shareholders holding a majority of FCA common shares. As a result of the loyalty voting structure, a relatively large proportion of FCA voting power could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. As of February 27, 2017, EXOR which owns 29.41% of FCA common shares, had a voting interest in FCA of approximately 42.60% due to its participation in the loyalty voting structure and as a result will have the ability to exercise significant influence on matters involving FCA shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit FCA shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing FCA management or strategy or otherwise exerting influence.

FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders

Shares of the Group's stock held by a U.S. holder would be stock of a passive foreign investment company ("PFIC") for U.S. federal income tax purposes with respect to a U.S. Shareholder if for any taxable year in which such U.S. Shareholder held the Group's common shares, after the application of applicable look-through rules (i) 75% or more of gross income for the taxable year consists of passive income (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income. U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, shares of the Group's stock may become stock of a PFIC in future taxable years if there were to be changes in Group assets, income or operations.

FCA - Tax consequences of the loyalty voting structure are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian, U.K. or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Group's special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable (other than, in very limited circumstances, together with the Group's associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if the Group is liquidated, the Group believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by the Group is incorrect.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

FCA - Tax may be required to be withheld from dividend payments

Although the U.K. and Dutch competent authorities have ruled that the Group should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made by the Group to Dutch residents are still subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments.

Should Dutch or Italian withholding taxes be imposed on future dividends or distributions with respect to the Group's common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of Dutch and/or Italian withholding taxes.

CNH INDUSTRIAL

Risks related to the business, strategy and operations

CNH Industrial - The Group is exposed to political, economic and other risks beyond its control as a result of operating a global business

The Group manufactures and sells products and offers services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of the activities, the Group is exposed to risks associated with international business activities that may increase costs, impact the ability to manufacture and sell products and require significant management attention. These risks include:

- changes in laws, regulations and policies that affect, among other things:
  - import and export duties and quotas;
  - currency restrictions;
  - the design, manufacture and sale of the Group's products, including, for example, engine emissions regulations;
  - interest rates and the availability of credit to the Group's dealers and customers;
  - property, contractual rights and intellectual property;
  - where and to whom products may be sold, including new or additional trade or economic sanctions imposed by the U.S., EU or other governmental authorities and supranational organizations (e.g., the United Nations); and
  - taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which the Group operates;
- varying and unpredictable needs and desires of customers;
- varying and unexpected actions of competitors;
- labor disruptions;
- disruption in the supply of raw materials and components;
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Argentina and Brazil, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans; and
- war, civil unrest and terrorism.

In recent years, terrorist attacks have occurred around the world, leading to personal safety anxieties and political instability in many countries and, ultimately, an impact on consumers' confidence. More recently, growing populist political movements in several major developed countries and other unanticipated changes to the previous geopolitical order (e.g. Turkey, Ukraine) may have negative effects on the global economy.

Additionally, U.S. tax and trade policies are currently undergoing a thorough review by the newly elected federal government in that country and significant changes may result from such review. To the extent any such policy changes lead to a realignment of established global trading patterns and practices, the implications for the Group's business could be wide ranging.

There can be no guarantee that the Group will be able to quickly and completely adapt its business model to changes that could result from the foregoing, and any such changes may have an adverse effect on the Group's business, financial condition and results of operations.

CNH Industrial - Difficulty in obtaining financing or refinancing existing debt could impact the Group's financial performance

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of operating activities. Consequently the Group could find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce the Group's access to capital markets or increase the cost of short and long-term financing. Any difficulty in obtaining financing could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., its subsidiaries, asset-backed securities ("ABS") and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to credit ratings by one or more rating agencies may increase the cost of capital, potentially limit access to sources of financing and have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group is subject to exchange rate fluctuations, interest rate changes and other market risks

The Group operates in numerous markets worldwide, and is exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. The Group is subject to currency exchange risk to the extent that costs are denominated in currencies other than those in which it earns revenues. In addition, the reporting currency for the consolidated financial statements is the U.S. Dollar. Certain of the assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. Dollar at the applicable exchange rates to prepare the consolidated financial statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in the consolidated financial statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. Dollar and other currencies have had, and will continue to have, an impact on the Group's results of operations and/or financial position.

The Group uses various forms of financing to cover the funding requirements of Industrial Activities and for financing offered to customers and dealers. Financial Services normally implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Although the Group seeks to manage currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and the Group's business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange and interest rates.

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

CNH Industrial – The Group faces risks associated with employment relationships

In many countries where the Group operates, employees are protected by various laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production facilities, activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair the flexibility in reshaping and/or strategically repositioning business activities. Therefore, the ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionized companies, and any work interruption or stoppage could significantly impact the volume of products the Group manufactures and sells.

CNH Industrial - Reduced demand for equipment would reduce the Group's sales and profitability

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of new and used inventories;
- the profitability of agricultural enterprises, farmers' income and their capitalization;
- the demand for food products; and
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations as well as alternative fuel mandates.

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on the Group's revenues.

The performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending; and
- new residential and non-residential construction; and
- capital spending in oil and gas and, to a lesser extent, in mining.

The performance of the commercial vehicles market is influenced, in particular, by factors such as:

- changes in global market conditions, including changes in the level of interest rates;
- changes in levels of business investment, including timing of fleet renewals; and
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for commercial vehicles, and consequently, the Group's financial results. Additionally, if demand for products is less than expected, the Group may experience excess inventories and be forced to incur additional charges and profitability will suffer, including higher fixed costs associated with lower production levels at the Group's plants. Business may be negatively impacted if the Group experiences excess inventories or is unable to adjust production schedules or purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

CNH Industrial – The Group depends on suppliers for raw materials, parts and components

The Group relies upon suppliers for raw materials, parts and components that are required to manufacture its products. The Group cannot guarantee that it will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of the Group's control and the control of the suppliers. Certain components and parts used in products are available from a single supplier and cannot be sourced quickly otherwise. Supply chain disruptions, including those due to supplier financial distress, capacity constraints, business continuity, delivery or disruptions due to weather-related or natural disaster events, could negatively impact the Group's operations and the profitability of its businesses.

The Group uses a variety of raw materials in its businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate, and while the Group seeks to manage this exposure, it may not be successful in mitigating these risks. Further, increases in the prices for raw materials can significantly increase costs of production, which could have a material adverse effect on the profitability of the Group's businesses, particularly if the Group is unable to recover the increased costs from customers.

CNH Industrial - Competitive activity, or failure by the Group to respond to actions by its competitors, could adversely affect its results of operations

The Group operates in highly competitive global and regional markets. Depending on the particular country, the Group competes with other international, regional and local manufacturers and distributors of agricultural and construction equipment, commercial vehicles, and powertrains. Certain of the global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain of the Group's product offerings. The Group competes on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or failure to price products competitively could adversely affect the Group's business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industries that has resulted in larger and potentially stronger competitors in those markets. The markets in which the Group competes are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the markets in which the Group competes in recent years. Should the Group be unable to adapt effectively to market conditions, this could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - Costs of ongoing compliance with, or failure to comply with, increasingly stringent environmental, health and safety laws could have an adverse effect on the Group's results of operations

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. The Group expects the extent of legal requirements affecting businesses and costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group invests considerable research and development resources and expects to continue to incur substantial costs in the future. Failure to comply with such laws could limit or prohibit the Group's ability to sell its goods in a particular jurisdiction, expose the Group to penalties or clean-up costs, civil or criminal liability and sanctions on certain of its activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact the Group's ability to conduct operations and its financial position and results of operations. In addition, there can be no assurances that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements, restricted substances or greenhouse gas emissions, could lead to new or additional investments in product designs and could increase environmental compliance expenditures. If these laws are either changed or adopted and impose significant operational restrictions and compliance requirements on the Group or its products, they could mandate higher capital expenditures and negatively impact the Group's business, results of operations, financial position and competitive position.

CNH Industrial - A decrease in government incentives may adversely affect the Group' results

Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group's revenues. The terms, size and duration of such government actions are unpredictable and outside of the Group's control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on the Group's business prospects, operating results and/or financial position.

CNH Industrial – The Group's future performance depends on the Group's ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on its ability to maintain or increase market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights or supply products that meet regulatory requirements, including engine emissions requirements, could result in reduced market share, which could have a material adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group's existing operations and expansion plans in emerging markets could entail significant risks

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, Venezuela and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and exposes it to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation and sanction requirements. For example, the Group may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, the Group may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as opposed to products manufactured and commercialized by competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions and/or increase of public debt.

CNH Industrial – The Group is subject to extensive anti-corruption and antitrust laws and regulations

The Group's global operations are subject to a number of laws and regulations that apply to its operations around the world, including the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. These anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence government officials or other persons to obtain or retain business or gain a business advantage. These laws tend to apply whether or not those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been a substantial increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and the Group has from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws including the recently settled EU anti-trust investigation announced on July 19, 2016. As a result of this settlement, in the future the Group could be subject to follow-on private litigation in various jurisdictions, the extent and outcome of which cannot be predicted at this time. The Group is committed to operating in compliance with all applicable laws, in particular anti-corruption and antitrust or competition laws. The Group has implemented a program to promote compliance with these laws and to identify and minimize the risk of any violations. The Group's compliance program, however, may not in every instance protect it from acts committed by employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which the Group operates. Such improper actions could subject the Group to civil or criminal investigations and monetary, injunctive and other penalties as well as damage claims. Investigations of alleged violations of these laws tend to be expensive and require significant management time and attention, and these investigations of any violations, as well as any publicity regarding potential violations, could harm the Group's reputation and have a material adverse effect on the Group's business, results of operations and financial position.

CNH Industrial – The Group may be adversely affected by the UK vote to leave the European Union (Brexit)

In a June 23, 2016 referendum, the United Kingdom ("U.K.") voted to terminate the U.K.'s membership in the European Union ("Brexit"). Negotiations will determine the terms of the U.K.'s future relationship with the European Union and its member states, including the terms of trade. The terms of trade between the U.K. and non-EU member states may also be affected. The timing of negotiations is currently unclear. Any effect of Brexit is expected to depend on the agreements negotiated between the U.K. and the EU with respect to reciprocal market access and other matters, either during a transitional period or more permanently.

Brexit could adversely affect European or worldwide economic and market conditions more broadly and could contribute to instability in global financial markets. The Group has operations in the U.K., but does not believe that its global operations would be affected materially by Brexit. However, any adverse effect of Brexit on the Group or on global or regional economic or market conditions could adversely affect our business, results of operations, and financial condition as customers may reduce or delay spending decisions with respect to Group products. Any uncertainty related to Brexit could also affect trading in CNH Industrial shares.

CNH Industrial is organized as a Dutch company but is considered resident in the U.K. for U.K. tax purposes. This determination is based on the U.K. as the location of management and control and has been confirmed through a mutual agreement procedure with the relevant tax authorities (as to which see "Other Risks – CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere."). CNH Industrial does not expect that Brexit will affect its tax residency in the U.K.; however, it is not possible to predict with certainty whether the discussions to implement Brexit will ultimately have any impact on this matter.

CNH Industrial – The Group may be exposed to shortfalls in its pension plans

At December 31, 2016, the funded status for the Group's defined benefit pension, and other post-employment benefits was an underfunded status of $2,189 million that is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust"). Consequently, the funded status is subject to many factors.

To the extent that the Group's obligations under a plan are unfunded or underfunded, the Group will have to use cash flows from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

CNH Industrial - Dealer equipment sourcing and inventory management decisions could adversely affect the Group's sales

The Group sells products primarily through independent dealer networks and directly to OEMs and is subject to risks relating to their inventory management decisions and operating and sourcing practices. The Group's dealers carry inventories of finished products and parts as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry other products that compete with the Group's products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - Adverse economic conditions could place a financial strain on the Group's dealers and adversely affect the Group's operating results

Global economic conditions continue to place financial stress on many of the Group's dealers. Dealer financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing the Group's equipment. The Group is also subject to the risk of insolvency of dealers and customers, in part due to unfavorable economic conditions in markets where their activities are carried out, and laws and government actions may, among other things, prevent the Group from enforcing legal rights and remedies in dealer or customer insolvency proceedings. Accordingly, additional financial strains on members of the Group's dealer network resulting from current or future economic conditions could adversely impact the Group's sales, financial position and results of operations.

CNH Industrial - The Group may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on the Group's results of operations

The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures that could involve risks that could prevent the Group from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management's time and attention. Such risks, many of which are outside the Group's control, include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility of operating, information or other systems;
- unexpected changes in laws;
- inability to retain key employees;
- protecting intellectual property rights;
- inability to source certain products or components;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group's product lines, businesses, financial position, and results of operations could be adversely affected.

CNH Industrial – The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The Group is involved in pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property right disputes, product warranty and defective product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contractual issues and environmental claims that arise in the ordinary course of its business. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on the financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's consolidated financial position, cash flows, and results of operations. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain claims, the Group may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against it. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require the Group to make payments in excess of its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position.

CNH Industrial - The agricultural equipment industry is highly seasonal, which causes the Group's results of operations and levels of working capital to fluctuate significantly

Farmers traditionally purchase agricultural equipment in the spring and fall, the main planting and harvesting seasons. The Group's agricultural equipment business net sales and results of operations have historically been highest in the second quarter, reflecting the spring selling season in the Northern hemisphere, and lowest in the third quarter, when many of the Group's production facilities experience summer shut-down periods, especially in Europe. The Group's agricultural equipment production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because the Group spreads its production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because the Group spreads production throughout the year. If retail demand is expected to exceed production capacity for a quarter, the Group may schedule higher production in anticipation of the expected retail demand. Often, the Group anticipates that spring selling season demand may exceed production capacity in that period and schedules higher production, and anticipates higher inventories and wholesale shipments to dealers in the first quarter of the year. As a result, the Group's working capital and dealer inventories are generally at their highest levels during the February to May period and decline towards the end of the year, as both the Group's and the Group's dealers' inventories are typically reduced.

To the extent production levels (and timing) do not correspond to retail demand, the Group may have too much or too little inventory, which could have an adverse effect on the Group's financial position and results of operations.

CNH Industrial – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and may limit its financial and operating flexibility

As of December 31, 2016, the Group had an aggregate of $25,434 million (including $19,104 million relating to Financial Services activities) of consolidated gross indebtedness, and equity was $6,634 million, including non-controlling interests. The extent of its indebtedness could have important consequences on the Group's operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available to the Group for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put the Group at a competitive disadvantage;
- the Group may not be able to invest in the development of new products or new business opportunities;
- the Group may not be able to adjust rapidly to changing market conditions, which may make the Group more vulnerable to a downturn in general economic conditions; and
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone and Latin America, and from continued concerns about global economic growth, particularly in the emerging markets.

CNH Industrial - Restrictive covenants in debt agreements could limit the Group's financial and operating flexibility

The indentures or other agreements governing the Group's outstanding debt securities and other credit agreements to which the Group is a party from time to time contain, or may contain, covenants that restrict its ability to, among other things

- incur additional indebtedness;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell or acquire certain assets or merge with or into other companies;
- use assets as security in other transactions; and/or
- enter into sale and leaseback transactions.

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact its businesses, results of operations and financial position. These consequences may include the acceleration of amounts outstanding under certain of the Group's credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by its lenders, refusal by its lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries.

CNH Industrial - Increased information technology security threats, more sophisticated computer crime and changes in privacy laws could disrupt the Group's business

The Group relies upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties, to operate the business, and the Group collects and stores sensitive data. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Group's business operations and strategy. Additionally, increased information technology security threats and more sophisticated computer crime pose a risk to the security of the systems and networks and the confidentiality, availability and integrity of the Group's data. Cybersecurity attacks could also include attacks targeting the security, integrity and/or reliability of the hardware and software installed in our products.

While the Group actively manages information technology security risks within its control, there can be no assurance that such actions will be sufficient to mitigate all potential risks to the Group's systems, networks and data.

A failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect the Group's reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorized release of confidential or otherwise protected information and corruption of data, as well as higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve the Group may need to invest additional resources to protect the security of its systems.

Further, the regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. In May 2016, the European Union adopted the General Data Protection Regulation ("GDPR") that will impose more stringent data protection requirements and will provide for greater penalties for noncompliance beginning in May 2018. The Group may be required to incur significant costs to comply with privacy and data security laws, rules and regulations, including the GDPR. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial - The loss of members of senior management could have an adverse effect on the Group's business

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the organization and individual areas of its businesses. The Group has developed succession plans that it believes are appropriate in the circumstances, although it is difficult to predict with any certainty that it will be able to replace these individuals with persons of equivalent experience and capabilities quickly. The loss of any senior executive, manager or other key employee without an adequate replacement, or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group's business prospects, results of operations and/or financial position.

CNH Industrial – The Group's business may be affected by unfavorable weather conditions, climate change or natural disasters

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group's agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group's agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, equipment failures, power outages, disruptions to the Group's information technology systems and networks or other unexpected events could result in physical damage to and complete or partial closure of one or more of the manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of parts or component products from some local and international suppliers, disruption in the transport of products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group's financial results might be negatively impacted. The Group's existing

insurance arrangements may not protect against all costs that may arise from such events.
Furthermore, the potential physical impacts of climate change on the Group's facilities, suppliers and customers and therefore on the Group's operations are highly uncertain and will be particular to the circumstances developing in various geographical regions. These may include long-term changes in temperature levels and water availability. These potential physical effects may adversely impact the demand for the Group's products and the cost, production, sales and financial performance of its operations.

CNH Industrial - Changes in demand for food and alternative energy sources could impact the Group's revenues

Changing worldwide demand for farm outputs to meet the world's growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which affect sales of agricultural equipment. While higher commodity prices will benefit crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for the Group's equipment and result in higher research and development costs related to equipment fuel standards.

CNH Industrial - International trade policies may impact demand for the Group's products and its competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by non-governmental bodies, individual governments or addressed by regional trade blocs, may affect the demand for the Group's products and services, impact the competitive position of its products or prevent the Group from being able to sell products in certain countries. The implementation of more restrictive trade policies, such as more detailed inspections, higher tariffs, or new barriers to entry, in countries where the Group sells products and provides services could negatively impact the Group's business, results of operations and financial position. For example, a government's adoption of trade sanctions or “buy national” policies or retaliation by another government against such policies could have a negative impact on the Group's results of operations.

Risks related to financial services

The Group offers a wide range of financial services and products to Agricultural Equipment, Construction Equipment and Commercial Vehicles dealers and customers including retail financing for the purchase or lease of new and used equipment and vehicles and wholesale financing to dealers.
In light of the above, the following risks associated with the financial services offered by the Group should be considered.

CNH Industrial - Credit risk

Fundamental to any organization that extends credit is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including:

- relevant industry and general economic conditions;
- the availability of capital;
- the terms and conditions applicable to extensions of credit;
- interest rates (and changes in the applicable interest rates);
- the experience and skills of the customer's management team;
- commodity prices;
- political events;
- the weather; and
- the value of the collateral securing the extension of credit.

Deterioration in the quality of the Group's financial assets, an increase in delinquencies or defaults, or a reduction in collateral recovery rates could have an adverse impact on the performance of the Group's Financial Services business and on the Group's earnings and cash flows. These risks become more acute in an economic slowdown or recession due to decreased demand for (or availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, defaults, insolvencies, foreclosures and losses. In such circumstances, the Group's loan servicing and litigation costs may also increase. In addition, governments may pass laws, or implement regulations, that modify rights and obligations under existing agreements, or which prohibit or limit the exercise of contractual rights.

When a borrower defaults on a loan and the Group repossesses collateral securing the repayment of the loan, the Group's ability to recover or mitigate losses by selling the collateral is subject to the current market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment, as well as commercial vehicles, on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, as well as for commercial vehicles, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of repossessed equipment. An industry-wide decrease in demand for agricultural or construction equipment, as well as for commercial vehicles, could result in lower resale values for repossessed equipment, which could increase losses on loans and leases, adversely affecting the Group's financial position and results of operations.

CNH Industrial – Funding risk

The Group's Financial Services business has traditionally relied upon the ABS market and committed asset-backed facilities as a primary source of funding and liquidity. A significant reduction in liquidity in the secondary market for ABS transactions could adversely affect the Group's ability to sell receivables on a favorable or timely basis. Such conditions could have an adverse impact on the Group's access to funding, financial position and results of operations. As Financial Services finances a significant portion of sales of the Group's equipment, to the extent Financial Services is unable to access funding on acceptable terms, the Group's sales of equipment would be negatively impacted.

CNH Industrial – Repurchase risk

In connection with ABS transactions, the Group makes customary representations and warranties regarding the assets being securitized, as disclosed in the relevant offering documents. While no recourse provisions exist that allow holders of asset-backed securities issued by the Group's ABS trusts to require the Group to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any obligation to make future repurchases could have an adverse effect on the Group's financial position, results of operations and cash flows.

CNH Industrial - Regulatory risk

The operations of the Group's Financial Services business are subject to extensive, complex and frequently changing rules, regulations and legal interpretations from various governmental authorities which, among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosures to customers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to applicants and borrowers.

As applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon such financial services businesses, or existing laws prohibit interest rates the Group charges from rising to a level commensurate with risk and market conditions, such events could adversely affect Financial Services and the Group's financial position and results of operations.

CNH Industrial - Potential Impact of the Dodd-Frank Act and other regulations

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), including its many implementing regulations, may substantially affect the origination, servicing and securitization programs of the Group's Financial Services business. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers and a direction to regulate credit rating agencies. Other future regulations may affect the Group's ability to engage in funding these capital market activities or increase the effective cost of such transactions, which could adversely affect the financial position, results of operations and cash flows.

Other risks

CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes, CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. The decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial is likely to be regarded as having become U.K.-resident on this basis from the date of its incorporation. The competent authority ruling referred to below supports this analysis. Even if CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Although CNH Industrial's central management and control is in the U.K., CNH Industrial is considered to be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in the Netherlands. The U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. for purposes of the application of the Netherlands-U.K. tax treaty provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn, and in that case the Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

CNH Industrial does not expect Brexit to affect its tax residence in the UK; however it is not possible to predict with certainty whether the discussions to implement Brexit will ultimately have any impact on this matter.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organizational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. tax treaty. Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organizational structure, there can be no assurance that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, CNH Industrial would be subject to corporate income tax in Italy on its worldwide income and may be required to comply with withholding tax on dividends and other distributions and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial – Tax may be required to be withheld from dividend payments

Although the U.K. and Dutch competent authorities have ruled that CNH Industrial should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made to Dutch residents are still subject to Dutch dividend withholding tax and CNH Industrial would have no obligation to pay additional amounts in respect of such payments.

Should withholding taxes be imposed on future dividends or distributions with respect to CNH Industrial common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of withholding taxes.

See "CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere" above.

CNH Industrial – The Group may incur additional tax expense or become subject to additional tax exposure

The Group is subject to income taxes in many jurisdictions around the world. Its tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Group's future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in its overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rates were to increase, or if the ultimate determination of the taxes owed is for an amount in excess of amounts previously accrued or paid, the Group's operating results, cash flows and financial position could be adversely affected.

CNH Industrial - CNH Industrial, as successor to Fiat Industrial, is jointly liable with FCA for certain obligations

CNH Industrial is successor to Fiat Industrial, a company formed as a result of the demerger of Fiat S.p.A. (which, effective October 12, 2014, was merged into FCA). As such, CNH Industrial continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2016, the outstanding Liabilities amounted to approximately $1.3 billion (of which $1.1 billion consisted of bonds guaranteed by FCA). CNH Industrial evaluated as extremely remote the risk of FCA's insolvency and therefore no specific provision has been accrued in respect of the above-mentioned potential joint liability.

CNH Industrial – The Group's maintenance of two exchange listings may adversely affect liquidity in the market for the common shares and could result in pricing differentials of the common shares between the two exchanges

The dual listing of the Group's common shares on the NYSE and the MTA may split trading between the two markets and adversely affect the liquidity of the shares in one or both markets and the development of an active trading market for the Group's common shares on the NYSE, and may result in price differentials between the exchanges. Differences in the trading schedules, trading volume and investor bases, as well as volatility in the exchange rate between the two trading currencies, among other factors, may result in different trading prices for the Group's common shares on the two exchanges or otherwise adversely affect liquidity and trading prices of the Group's shares.

CNH Industrial - The loyalty voting structure may concentrate voting power in a small number of the Group's shareholders and such concentration may increase over time

A relatively large proportion of the voting power of CNH Industrial could be concentrated in a relatively small number of shareholders who would have significant influence. As of December 31, 2016, EXOR NV (the holding company of the EXOR Group following the completion of the cross-border merger of EXOR S.p.A with and into EXOR N.V. on December 11, 2016) had a voting interest in CNH Industrial of approximately 41.4%.

CNH Industrial - The loyalty voting structure may affect the liquidity of the Group's common shares and reduce the share price

CNH Industrial's loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of common shares from the CNH Industrial Loyalty Register, any corresponding special voting shares shall be transferred to CNH Industrial for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in common shares and adversely affect their trading price.

CNH Industrial - The loyalty voting structure may prevent or frustrate attempts by the Group's shareholders to change management and hinder efforts to acquire a controlling interest in the Group, and the market price of the Group's common shares may be lower as a result

The provisions of the Articles of Association establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Group, even if a change of control is considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of the common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. As of December 31, 2016, EXOR N.V. had a voting interest in CNH Industrial of approximately 41.4%. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit the shareholders.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in management.

FERRARI

Risks Related to Ferrari's Business, Strategy and Operations

Ferrari - Ferrari may not succeed in preserving and enhancing the value of its brand, on which it depends to drive demand and revenues

Ferrari's financial performance is influenced by the perception and recognition of the Ferrari brand, which, in turn, depends on many factors such as the design, performance, quality and image of its cars, the appeal of its dealerships and stores, the success of its promotional activities including public relations and marketing, as well as its general profile, including the brand's image of exclusivity. The value of its brand and its ability to achieve premium pricing for Ferrari-branded products may decline if the Group is unable to maintain the value and image of the Ferrari brand, including, in particular, its aura of exclusivity. Maintaining the value of its brand will depend significantly on Ferrari's ability to continue to produce luxury performance cars of the highest quality. The market for luxury goods generally and for luxury automobiles in particular is intensely competitive, and Ferrari may not be successful in maintaining and strengthening the appeal of its brand. Client preferences, particularly among luxury goods, can vary over time, sometimes rapidly. Ferrari is therefore exposed to changing perceptions of its brand image, particularly as it seeks to attract new generations of clients and, to that end, renovates and expands its models range. The gradual expansion of hybrid engine technology will also introduce a notable change in the overall driver experience compared to the combustion engine cars of the Ferrari range models to date. Any failure to preserve and enhance the value of its brand may materially and adversely affect Ferrari's ability to sell its cars, to maintain premium pricing, and to extend the value of its brand into other activities profitably or at all.

Ferrari selectively licenses the Ferrari brand to third parties that produce and sell Ferrari-branded luxury goods and therefore it relies on its licensing partners to preserve and enhance the value of its brand. If Ferrari licensees or the manufacturers of these products do not maintain the standards of quality and exclusivity that Ferrari believes are consistent with its brand, or if such licensees or manufacturers otherwise misuse its brand, Ferrari's reputation and the integrity and value of its brand may be damaged and its business, operating results and financial condition may be materially and adversely affected.

Ferrari - Ferrari's brand image depends in part on the success of its Formula 1 racing team

The prestige, identity, and appeal of the Ferrari brand depend on the continued success of the Scuderia Ferrari racing team in the Formula 1 World Championship. The racing team is a key component of Ferrari's marketing strategy and may be perceived by Ferrari's clients as a demonstration of the technological capabilities of its Sports and GT cars which also supports the appeal of other Ferrari-branded luxury goods. The success of the Formula 1 racing team has declined over the past several years as Ferrari's most recent driver's championship and constructors' championship were in 2007 and 2008, respectively. As a result, Ferrari is enhancing its focus on Formula 1 activities with the goal of improving racing results and restoring its historical position as the premier racing team in Formula 1. If it is unable to attract and retain the necessary talent to succeed in international competitions or devote the capital necessary to fund successful racing activities, the value of the Ferrari brand and the appeal of its cars and other luxury goods may suffer. Even if Ferrari is able to attract such talent and adequately fund its racing activities, there is no assurance that this will lead to competitive success for its racing team.

The success of its racing team depends in particular on Ferrari's ability to attract and retain top drivers and racing management and engineering talent. Its primary Formula 1 drivers, team managers and other key employees of Scuderia Ferrari are critical to the success of its racing team and if it were to lose their services, this could have a material adverse effect on the success of its racing team and correspondingly the Ferrari brand. If it is unable to find adequate replacements or to attract, retain and incentivize drivers and team managers, other key employees or new qualified personnel, the success of its racing team may suffer. As the success of its racing team forms a large part of its brand identity, a sustained period without racing success could detract from the Ferrari brand and, as a result, potential clients' enthusiasm for the Ferrari brand and their perception of its cars, which could have an adverse effect on its business, results of operations and financial condition.

Ferrari - If Ferrari is unable to keep up with advances in high performance car technology, its competitive position may suffer

Performance cars are characterized by leading-edge technology which is constantly evolving. In particular, advances in racing technology often lead to improved technology in road cars. Although Ferrari invests heavily in research and development, it may be unable to maintain its leading position in high performance car technology and, as a result, its competitive position may suffer. As technologies change, Ferrari plans to upgrade or adapt its cars and introduce new models in order to continue to provide cars with the latest technology. However, its cars may not compete effectively with its competitors' cars if it is not able to develop, source and integrate the latest technology into its cars. For example, luxury performance cars will in the next few years begin to transition to hybrid technology, albeit at a slower pace compared to mass market vehicles. While Ferrari already produces hybrid cars, such as LaFerrari and LaFerrari Aperta, the integration of such technology more broadly into its car portfolio over time may present challenges and costs.

Developing and applying new automotive technologies is costly, and may become even more costly in the future as available technology advances and competition in the industry increases. If Ferrari's research and development efforts do not lead to improvements in car performance relative to the competition, or if it is required to spend more to achieve comparable results, sales of its cars or its profitability may suffer.

Ferrari - If Ferrari's car designs do not appeal to clients, its brand and competitive position may suffer

Design and styling are an integral component of Ferrari models and its brand. Its cars have historically been characterized by distinctive designs combining the aerodynamics of a sports car with powerful, elegant lines. Ferrari believes its clients purchase its cars for their appearance as well as their performance. However, Ferrari will need to renew over time the style of its cars to differentiate the new models it produces from older models, and to reflect the broader evolution of aesthetics in its markets. Ferrari devotes great efforts to the design of its cars and most of its current models are designed by Ferrari Design Centre, its in-house design team. If the design of its future models fails to meet the evolving tastes and preferences of its clients and prospective clients, or the appreciation of the wider public, Ferrari's brand may suffer and its sales may be adversely affected.

Ferrari - The value of the Ferrari brand depends in part on the automobile collector and enthusiast community

An important factor in the connection of clients to the Ferrari brand is the strong relationship with the global community of automotive collectors and enthusiasts, particularly collectors and enthusiasts of Ferrari automobiles. This is influenced by Ferrari's close ties to the automotive collectors' community and its support of related events (such as car shows and driving events), at its headquarters in Maranello and through its dealers, the Ferrari museum and affiliations with regional Ferrari clubs. The support of this community also depends upon the perception of Ferrari cars as collectibles, which the Company also supports through Ferrari Classiche services, and the active resale market for its automobiles which encourages interest over the long term.

If there is a change in collector appetite or damage to the Ferrari brand, its ties to and the support it receives from this community may be diminished. Such a loss of enthusiasm for its cars from the automotive collectors' community could harm the perception of the Ferrari brand and adversely impact its sales and profitability.

Ferrari - Demand for Ferrari's luxury goods, including luxury performance cars, is volatile, which may adversely affect its operating results

Volatility of demand for luxury goods, in particular luxury performance cars, may adversely affect Ferrari's business, operating results and financial condition. The markets in which Ferrari sells its cars have been subject to volatility in demand in recent periods. Demand for luxury automobiles depends to a large extent on general, economic, political and social conditions in a given market as well as the introduction of new vehicles and technologies. As a luxury performance car manufacturer and low volume producer, Ferrari competes with larger automobile manufacturers many of which have greater financial resources in order to withstand changes in the market and disruptions in demand. Demand for its cars may also be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles, such as the availability and cost of financing, prices of raw materials and parts and components, fuel costs and governmental regulations, including tariffs, import regulation and other taxes, including taxes on luxury goods, resulting in limitations to the use of high performance sports cars or luxury goods more generally. Volatility in demand may lead to lower car unit sales, which may result in further downward price pressure and adversely affect Ferrari's business, operating results and financial condition. These effects may have a more pronounced impact on Ferrari given its low volume strategy and relatively smaller scale as compared to large global mass-market automobile manufacturers.

Ferrari - Ferrari's low volume strategy may limit potential profits

A key to the appeal of the Ferrari brand and its marketing strategy is the aura of exclusivity and the sense of luxury which its brand conveys. A central facet to this exclusivity is the limited number of models and cars it produces and its strategy of maintaining its car waiting lists to reach the optimal combination of exclusivity and client service. Ferrari's low volume strategy is also an important factor in the prices that its clients are willing to pay for its cars. Regulation also affects Ferrari's potential for volume growth because it is eligible for certain exemptions from fuel economy and emissions requirements provided it sells less than 10,000 road cars worldwide per year. See "—New laws, regulations, or policies of governmental organizations regarding increased fuel economy requirements, reduced greenhouse gas or pollutant emissions, or vehicle safety, or changes in existing laws, may have a significant effect on Ferrari's costs of operation and/or how it does business."

While important to Ferrari's current marketing strategy, its focus on maintaining low volumes and exclusivity limits its potential sales growth and profitability. Ferrari may from time to time face investor and market pressure to demonstrate growth including by increasing the volume of cars it sells. Notwithstanding any such pressure, Ferrari intends to continue to pursue a low volume strategy in order to maintain its reputation for exclusivity, while growing volume in a controlled way to respond to growth in emerging markets and demographic changes.

Conversely, if it was to change its strategy and increase production of its cars more aggressively, it may be unable to maintain the exclusivity of the Ferrari brand. If it is unable to balance brand exclusivity with increased production, it may erode the desirability and ultimately the consumer demand for its cars. As a result, if it is unable to increase car production meaningfully or introduce new car models without eroding the image of exclusivity in its brand it may be unable to significantly increase revenues.

Ferrari - Ferrari's revenues from Formula 1 activities may decline and its related expenses may grow

Revenues from Ferrari's Formula 1 activities depend principally on the income from its sponsorship agreements and on its share of Formula 1 revenues from broadcasting and other sources. If it is unable to renew its existing sponsorship agreements or if it enters into new or renewed sponsorship agreements with less favorable terms, Ferrari's revenues would decline. In addition, its share of Formula 1 results may decline if either its team's performance worsens compared to other competing teams, or if the overall Formula 1 business suffers. Furthermore, in order to compete effectively on track Ferrari has been investing significant resources in research and development and to competitively compensate the best available drivers and other racing team members. These expenses also vary based on changes in Formula 1 regulations that require modification to Ferrari's racing engines and cars. These expenses are expected to continue, and may grow further, including as a result of any changes in Formula 1 regulations, which would negatively affect results of operations. In addition the company that owns the Formula 1 business was recently acquired by new owners and it is uncertain whether and how the arrangements relating to the participation of Ferrari and the other competing teams in the championship may change in the future.

Ferrari - The small number of car models which Ferrari produces and sells may result in greater volatility in its financial results

Ferrari currently depends on the sales of six range models, one special series and one limited edition supercar to generate its revenues. While it anticipates expanding its car offerings, it expects that a limited number of models will continue to account for a large portion of its revenues at any given time in the foreseeable future. Therefore, Ferrari's future operating results depend upon the continued market acceptance of each model in its line-up. There can be no assurance that its cars will continue to be successful in the market. On average it takes about 40 months (approximately 33 months for M models) from the beginning of the development phase to start of production for a new model and the car development process is capital intensive. As a result, Ferrari would likely be unable to replace quickly the revenue lost from one of its main car models if it does not achieve market acceptance. Furthermore, volatility in its revenues and profits is also affected by its "special series" and limited edition cars that it launches from time to time and that are typically priced higher than its range models. There can be no assurance that Ferrari will be successful in developing, producing and marketing additional new cars that will sustain sales growth in the future.

Ferrari - Engine production revenues are dependent on Maserati's ability to sell its cars

Ferrari produces V8 and V6 engines for Maserati. In particular, it has a multi-year arrangement with Maserati to provide V6 engines through 2020, which may be followed by further production runs in future periods. In 2016 Ferrari recorded net revenues of €238 million from sales to Maserati. While Maserati is required to compensate it for certain costs it may incur, such as penalties from its suppliers, in the event that the sales of Maserati cars decline, or do not increase at the expected rate, such an event would adversely affect Ferrari's revenues from the sale of engines.

Ferrari - Ferrari's business is subject to changes in client preferences and trends in the automotive and luxury industry

Ferrari's continued success depends in part on its ability to originate and define product and trends in the automotive and luxury industry, as well as to anticipate and respond promptly to changing consumer demands and automotive trends in the design, styling, technology, production, merchandising and pricing of its products. Its products must appeal to a client base whose preferences cannot be predicted with certainty and are subject to rapid change. Evaluating and responding to client preferences has become even more complex in recent years, due to Ferrari's expansion in new geographical markets. If it misjudges the market for its products, Ferrari and its dealers may be faced with excess inventories for some cars and missed opportunities with others. In addition, there can be no assurance that it will be able to produce, distribute and market new products efficiently or that any product category that it may expand or introduce will achieve sales levels sufficient to generate profits. This risk is particularly pronounced as Ferrari expands in accordance with its strategy into adjacent segments of the luxury industry, where it does not have a level of experience and market presence comparable to the one it has in the automotive industry. Any of these risks could have a material adverse effect on Ferrari's business, results of operations and financial condition.

Ferrari - Global economic conditions may adversely affect Ferrari

Ferrari's sales volumes and revenues may be affected by overall general economic conditions. Deteriorating general economic conditions may affect disposable incomes and reduce consumer wealth impacting client demand, particularly for luxury goods which may negatively impact Ferrari's profitability and put downward pressure on its prices and volumes. Furthermore, during recessionary periods, social acceptability of luxury purchases may decrease and higher taxes may be more likely to be imposed on certain luxury goods including Ferrari cars, which may affect its sales. Adverse economic conditions may also affect the financial health and performance of Ferrari's dealers in a manner that will affect sales of its cars or the dealers' ability to meet their commitments to Ferrari.

Many factors affect the level of consumer spending in the luxury performance car industry, including the state of the economy as a whole, stock market performance, interest and exchange rates, inflation, political uncertainty, the availability of consumer credit, tax rates, unemployment levels and other matters that influence consumer confidence. In general, although Ferrari' sales have historically been comparatively resilient in periods of economic turmoil, sales of luxury goods tend to decline during recessionary periods when the level of disposable income tends to be lower or when consumer confidence is low.

Ferrari distributes its products internationally and it may be affected by downturns in general economic conditions or uncertainties regarding future economic prospects that may impact the countries in which it sells a significant portion of its products. In particular, the majority of Ferrari's current sales are in the EU and in the United States; if it is unable to expand in emerging markets, a downturn in mature economies such as the EU and the United States may negatively affect its financial performance. In the EU, in particular, despite measures taken by several governments and monetary authorities to provide financial assistance to certain Eurozone countries and to avoid default on sovereign debt obligations, concerns persist regarding the debt burden of several countries. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, have led to further pressure on economic growth and may lead to new periods of recession. In addition, uncertainties regarding future trade arrangements and industrial policies in various countries, such as in the United Kingdom following the referendum to leave the European Union and in the United States under the incoming administration, create additional macroeconomic risk. In the United States, changes in policy positions by the new presidential administration may impact Ferrari's business, in particular its production of vehicles outside the U.S. for import into the U.S., and potential changes in tax laws, could adversely affect Ferrari's operations. Any new policies and any steps it may take to address such new policies may have an adverse effect on Ferrari's business, financial condition and results of operations.

A significant decline in the EU or the global economy or in the specific economies of Ferrari's markets, or in consumers' confidence could have a material adverse effect on its business.

Ferrari - New laws, regulations, or policies of governmental organizations regarding increased fuel economy requirements, reduced greenhouse gas or pollutant emissions, or vehicle safety, or changes in existing laws, may have a significant effect on Ferrari's costs of operation and/or how it does business

Ferrari is subject throughout the world to comprehensive and constantly evolving laws, regulations and policies. It expects the extent of the legal and regulatory requirements affecting its business and its costs of compliance to continue to increase significantly in the future. In Europe and the United States, for example, significant governmental regulation is driven by environmental, fuel economy, vehicle safety and noise emission concerns. Evolving regulatory requirements could significantly affect Ferrari's product development plans and may limit the number and types of cars it sells and where it sells them, which may affect its revenue. Governmental regulations may increase the costs Ferrari incurs to design, develop and produce its cars and may affect its product portfolio. Regulation may also result in a change in the character or performance characteristics of Ferrari cars which may render them less appealing to its clients. Ferrari anticipates that the number and extent of these regulations, and their effect on its cost structure and product line-up, will increase significantly in the future.

Current European legislation limits fleet average greenhouse gas emissions for new passenger cars, and new targets have been set in 2014 with more stringent emission targets applicable to the 2017-2021 period. Due to its small volume manufacturer ("SVM") status Ferrari benefits from a derogation from the existing emissions requirement and is instead required to meet, by 2021, alternative targets for its fleet of EU-registered vehicles.

In the United States, the U.S. Environmental Protection Agency ("EPA") and the National Highway Traffic Safety Administration ("NHTSA") have set the federal standards for passenger cars and light trucks to meet certain combined average fuel economy ("CAFE") levels and more stringent standards have been prescribed for model years 2017 through 2025. As a SVM that is able to demonstrate its operational independence from FCA, Ferrari expects to benefit from a derogation from currently applicable standards. Ferrari has also petitioned the EPA for alternative standards for the 2017-2021 model years, which are aligned to its technical and economic capabilities, and it expects to receive feedback on this proposal by the end of 2017. In September 2016 Ferrari petitioned NHTSA for recognition as an independent manufacturer of less than 10,000 vehicles produced globally and proposed alternative CAFE standards for Model Years 2017, 2018 and 2019.

In addition, Ferrari is subject to legislation relating to the emission of other air pollutants such as, among others, the "Tier 3" Motor Vehicle Emission and Fuel Standards issued by the EPA, and the Zero Emission Vehicle regulation in California, which are subject to similar derogations for SVMs, as well as vehicle safety legislation. NHTSA also recently published guidelines for driver distraction, and the associated compliance costs may be substantial.

Other governments around the world, such as those in Canada, South Korea, China and certain Middle Eastern countries are also creating new policies to address these issues which could be even more stringent than the U.S. or European requirements. As in the United States and Europe, these government policies if applied to Ferrari could significantly affect its product development plans. In China, for example, Stage III fuel consumption regulations target a national average fuel consumption of 6.9L/100km by 2015 and Stage IV targets a national average fuel consumption of 5.0L/100km by 2021.

In response to severe air quality issues in Beijing and other major Chinese cities, in 2016 the Chinese government published a more stringent emissions program (National 6), providing two different levels of stringency effective starting from 2020. Moreover autonomous Chinese regions and municipalities are allowed to implement these more stringent requirements in advance of 2020. If local Chinese regions and municipalities will implement such requirements before 2020 this could lead Ferrari to revise its product development and production plans in China, incur significant costs and change marketing strategies in China, which may affect its profits.

Ferrari could lose its status as a SVM in the EU, the United States and other countries if it does not continue to meet all of the necessary eligibility criteria under applicable regulations as they evolve. In order to meet these criteria the Company may need to modify its growth plans or other operations. Furthermore, even if it continues to benefit from derogations as a SVM, it will be subject to alternative standards that the regulators deem appropriate for its technical and economic capabilities and such alternative standards may be significantly more stringent than those currently applicable to it.

Under these existing regulations, as well as new or stricter rules or policies, Ferrari could be subject to sizable civil penalties or have to restrict or modify product offerings drastically to remain in compliance. It may have to incur substantial capital expenditures and research and development expenditures to upgrade products and manufacturing facilities, which would have an impact on its cost of production and results of operations.

Ferrari - Ferrari's growth strategy exposes it to risks

The Company's growth strategy includes a controlled expansion of its sales and operations, including the launching of new car models and expanding sales and dealer operations in targeted growth regions internationally. In particular, the growth strategy requires it to expand operations in regions that it has identified as having relatively high growth potential. Ferrari may encounter difficulties, including more significant competition in entering and establishing itself in these markets.

Ferrari's growth depends on the continued success of its existing cars, as well as the successful design and introduction of new cars. Its ability to create new cars and to sustain existing car models is affected by whether it can successfully anticipate and respond to consumer preferences and car trends. The failure to develop and launch successful new cars could hinder the growth of its business. Also, any delay in the development or launch of a new product could result in others bringing new products and technology to market first, which could compromise the Company's competitive position. As part of its growth strategy, Ferrari plans to broaden the range of its models to capture additional customer demand for different types of vehicles and modes of utilization. In addition, it will gradually expand the use of hybrid technology in its road cars, consistent with customer preferences and broader industry trends. While it will seek to ensure that these changes remain fully consistent with the Ferrari car identity, the Company cannot be certain that they will prove profitable and commercially successful.

Ferrari's growth strategy may expose it to new business risks that it may not have the expertise, capability or the systems to manage. This strategy will also place significant demands on the Company by requiring it to continuously evolve and improve its operational, financial and internal controls. Continued expansion also increases the challenges involved in maintaining high levels of quality, management and client satisfaction, recruiting, training and retaining sufficient skilled management, technical and marketing personnel. If it is unable to manage these risks or meet these demands, Ferrari's growth prospects and its business, results of operation and financial condition could be adversely affected.

It is currently planned to open additional dealerships and Ferrari stores in various international markets. The Company does not yet have significant experience directly operating in many of these markets, and in many of them it faces established competitors. Many of these countries have different operational characteristics, including but not limited to employment and labor, transportation, logistics, real estate, environmental regulations and local reporting or legal requirements.

Consumer demand and behavior, as well as tastes and purchasing trends may differ in these markets, and as a result, sales of Ferrari products may not be successful, or the margins on those sales may not be in line with those currently anticipated. Furthermore, such markets will have upfront short-term investment costs that may not be accompanied by sufficient revenues to achieve typical or expected operational and financial performance and therefore may be dilutive to Ferrari in the short-term. In many of these countries, there is significant competition to attract and retain experienced and talented employees.

Consequently, if Ferrari's international expansion plans are unsuccessful, its business, results of operation and financial condition could be materially adversely affected.

Ferrari - Ferrari's indebtedness could adversely affect its operations and it may face difficulties in servicing or refinancing its debt

As of December 31, 2016, Ferrari's total consolidated debt was approximately €1,848 million (which includes its financial services), including €800 million outstanding under a term loan facility (the "Term Loan") and €500 million aggregate principal amount of 1.500% notes due 2023. Its current and long-term debt requires it to dedicate a portion of its cash flow to service interest and principal payments and, if interest rates rise, this amount may increase. In addition, its existing debt may limit its ability to raise further capital to execute its growth strategy or otherwise may place it at a competitive disadvantage relative to competitors that have less debt. The agreements governing Ferrari's indebtedness do not prohibit the incurrence of additional indebtedness. To the extent that Ferrari becomes more leveraged, the risks described above would increase. The Company may also have difficulty refinancing its existing debt or incurring new debt on terms that it would consider to be commercially reasonable, if at all.

Ferrari - Ferrari faces competition in the luxury performance car industry

Ferrari faces competition in all product categories and markets in which it operates. It competes with other international luxury performance car manufacturers which own and operate well-known brands of high-quality cars, some of which form part of larger automotive groups and may have greater financial resources and bargaining power with suppliers than Ferrari does, particularly in light of its policy to maintain low volumes in order to preserve and enhance the exclusivity of its cars. Ferrari believes that it competes primarily on the basis of its brand image, the performance and design of its cars and its reputation for quality. If it is unable to compete successfully, its business, results of operations and financial condition could be adversely affected.

Ferrari - Developments in emerging markets may adversely affect Ferrari's business

Ferrari operates in a number of emerging markets, both directly and through its dealers and it has experienced increasing demand in China and the Middle East.

The Company's strategy contemplates expanding its sales in the Middle East and Asia regions, recognizing the increasing personal wealth in these markets. While demand in these markets has increased in recent years due to sustained economic growth and growth in personal income and wealth, it is not possible to foresee the extent to which economic growth in these emerging markets will be sustained. For example, rising geopolitical tensions and potential slowdowns in the rate of growth there and in other emerging markets could limit the opportunity for Ferrari to increase unit sales and revenues in those regions in the near term.

Ferrari's exposure to emerging countries is likely to increase, as it pursues expanded sales in such countries. Economic and political developments in emerging markets, including economic crises or political instability, have had and could have in the future material adverse effects on the Company's results of operations and financial condition. Further, in certain markets in which Ferrari or its dealers operate, required government approvals may limit its ability to act quickly in making decisions on its operations in those markets. Other government actions may also impact the market for luxury goods in these markets, such as tax changes or the active discouragement of luxury purchases.

Maintaining and strengthening Ferrari's position in these emerging markets is a key component of its global growth strategy. However, initiatives from several global luxury automotive manufacturers have increased competitive pressures for luxury cars in several emerging markets. As these markets continue to grow, Ferrari anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in pricing pressures, reduced margins and the Company's inability to gain or hold market share, which could have a material adverse effect on its results of operations and financial condition.

Ferrari - Ferrari's success depends largely on the ability of its current management team to operate and manage effectively

Ferrari's success depends on the ability of its senior executives and other members of management to effectively manage the business as a whole and individual areas of the business. The management team particularly benefits from the leadership of the CEO and Chairman, Sergio Marchionne, who engineered the operating and financial turnaround of Fiat and Chrysler and the global expansion of FCA into the eighth largest automaker in the world (based on 2016 vehicle sales worldwide). Ferrari's employees, particularly in its production facilities in and around Maranello, Italy include many highly skilled engineers, technicians and artisans. If Ferrari were to lose the services of any of these senior executives or key employees, this could have a material adverse effect on its business, operating results and financial condition. It has developed succession plans that it believes are appropriate in the circumstances, although it is difficult to predict with any certainty that it will replace these individuals with persons of equivalent experience and capabilities. If it is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel, Ferrari's business, results of operations and financial condition may suffer.

Ferrari - Ferrari relies on its dealer network to provide sales and services

Ferrari does not own its Ferrari dealers and virtually all sales are made through its network of dealerships located throughout the world. If its dealers are unable to provide sales or service quality that its clients expect or do not otherwise adequately project the Ferrari image and its aura of luxury and exclusivity, the Ferrari brand may be negatively affected. Ferrari depends on the quality of its dealership network and its business, operating results and financial condition could be adversely affected if its dealers suffer financial difficulties or otherwise are unable to perform to expectations. Furthermore, Ferrari may experience disagreements or disputes in the course of its relationship with its dealers or upon termination which may lead to financial costs, disruptions and reputational harm.

Ferrari's growth strategy also depends on its ability to attract a sufficient number of quality new dealers to sell its products in new areas. It may face competition from other luxury performance car manufacturers in attracting quality new dealers, based on, among other things, dealer margin, incentives and the performance of other dealers in the region. If Ferrari is unable to attract a sufficient number of new dealers in targeted growth areas, its prospects could be materially adversely affected.

Ferrari - Ferrari depends on its suppliers, many of which are single source suppliers; if these suppliers fail to deliver necessary raw materials, systems, components and parts of appropriate quality in a timely manner its operations may be disrupted

Ferrari's business depends on a significant number of suppliers which provide the raw materials, components, parts and systems it requires to manufacture cars and parts and to operate its business. The Company uses a variety of raw materials in its business including aluminum, and precious metals such as palladium and rhodium. It sources materials from a limited number of suppliers. It cannot guarantee that it will be able to maintain access to these raw materials, and in some cases this access may be affected by factors outside of its control and the control of its suppliers. In addition, prices for these raw materials fluctuate and while the Company seeks to manage this exposure, it may not be successful in mitigating these risks.

As with raw materials, Ferrari is also at risk of supply disruption and shortages in parts and components which it purchases for use in its cars. It sources a variety of key components from third parties, including transmissions, brakes, driving-safety systems, navigation systems, mechanical, electrical and electronic parts, plastic components as well as castings and tires, which makes it dependent upon the suppliers of such components. In future, it will also require greater number of batteries as it introduces hybrid engines in its range model offering, and it expects producers of batteries will be called to increase the levels of demand as the shift to hybrid or electric technology gathers pace in the industry. While it obtains components from multiple sources whenever possible, similar to other small volume car manufacturers, most of the key components it uses in its cars are purchased from single source suppliers. The Company generally does not qualify alternative sources for most of the single-sourced components used in its cars and it does not maintain long-term agreements with a number of its suppliers. Furthermore, it has limited ability to monitor the financial stability of its suppliers.

While Ferrari believes that it may be able to establish alternate supply relationships and can obtain or engineer replacement components for its single-sourced components, it may be unable to do so in the short term, or at all, at prices or costs that it believes are reasonable. Qualifying alternate suppliers or developing its own replacements for certain highly customized components of its cars may be time consuming, costly and may force the company to make costly modifications to the designs of its cars. For example, Takata is currently the principal supplier of the airbags installed in Ferrari cars. Defective airbags manufactured by Takata have led to widespread recalls by several automotive manufacturers starting in 2015 and Takata may be unable to meet the financial liabilities associated with such recalls. Any failure by Takata to continue the supply of airbags may cause significant disruption to Ferrari's operations.

In the past, Ferrari has replaced certain suppliers because they have failed to provide components that met its quality control standards. The loss of any single or limited source supplier or the disruption in the supply of components from these suppliers could lead to delays in car deliveries to its clients, which could adversely affect its relationships with its clients and also materially and adversely affect its operating results and financial condition. Supply of raw materials, parts and components may also be disrupted or interrupted by natural disasters, as was the case in 2012 following the earthquake in the Emilia Romagna region of Italy.

Changes in its supply chain have in the past resulted and may in the future result in increased costs and delays in car production. Ferrari has also experienced cost increases from certain suppliers in order to meet its quality targets and development timelines and because of design changes that it has made. Ferrari may experience similar cost increases in the future. Additionally, it is negotiating with existing suppliers for cost reductions, seeking new and less expensive suppliers for certain parts, and attempting to redesign certain parts to make them less expensive to produce. If it is unsuccessful in its efforts to control and reduce supplier costs while maintaining a stable source of high quality supplies, its operating results will suffer. Additionally, cost reduction efforts may disrupt Ferrari's normal production processes, thereby harming the quality or volume of its production.

Furthermore, if its suppliers fail to provide components in a timely manner or at the level of quality necessary to manufacture its cars, its clients may face longer waiting periods which could result in negative publicity, harm its reputation and relationship with clients and have a material adverse effect on its business, operating results and financial condition.

Ferrari - Ferrari depends on its manufacturing facilities in Maranello and Modena

Ferrari assembles all of the cars that it sells and manufactures all of the engines it uses in its cars and sells to Maserati at its production facility in Maranello, Italy, where it also has its corporate headquarters. Ferrari manufactures all of its car chassis in a nearby facility in Modena, Italy. Its Maranello or Modena plants could become unavailable either permanently or temporarily for a number of reasons, including contamination, power shortage or labor unrest. Alternatively, changes in law and regulation, including export, tax and employment laws and regulations, or economic conditions, including wage inflation, could make it uneconomic for Ferrari to continue manufacturing its cars in Italy. In the event that it were unable to continue production at either of these facilities or it became uneconomic to continue to do so, it would need to seek alternative manufacturing arrangements which would take time and reduce its ability to produce sufficient cars to meet demand. Moving manufacturing to other locations may also affect the perception of its brand and car quality among its clients. Such a transfer would materially reduce Ferrari's revenues and could require significant investment, which as a result could have a material adverse effect on its business, results of operations and financial condition.

Maranello and Modena are located in the Emilia-Romagna region of Italy which has the potential for seismic activity. For instance, in 2012 a major earthquake struck the region, causing production at the facilities to be temporarily suspended for a day. If major disasters such as earthquakes, fires, floods, hurricanes, wars, terrorist attacks, pandemics or other events occur, Ferrari's headquarters and production facilities may be seriously damaged, or it may have to stop or delay production and shipment of its cars. As such, damages from disasters or unpredictable events could have a material adverse impact on its business, results from operations and financial condition.

Ferrari - Car sales depend in part on the availability of affordable financing.

In certain regions, financing for new car sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. Recent pronouncements of governments and central banks point to a change in the policy environment that may lead to a gradual contraction of monetary policies in coming periods. To the extent that interest rates rise generally, market rates for new car financing are expected to rise as well, which may make Ferrari's cars less affordable to clients or cause consumers to purchase less expensive cars, adversely affecting the Company's results of operations and financial condition. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, Ferrari's clients may not desire to or be able to obtain financing to purchase its cars.

Ferrari - Ferrari may not be able to provide adequate access to financing for its dealers and clients, and its financial services operations may be disrupted

Ferrari’s dealers enter into wholesale financing arrangements to purchase cars from the Company to hold in inventory or to use in showrooms and facilitate retail sales, and retail clients use a variety of finance and lease programs to acquire cars.

In most markets, Ferrari relies on controlled finance companies and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail clients. Finance companies are subject to various risks that could negatively affect their ability to provide financing services at competitive rates, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies or defaults;
- higher than expected car return rates and the residual value performance of cars they lease; and
- fluctuations in interest rates and currency exchange rates.

Furthermore, to help funding its retail and wholesale financing business, Ferrari’s financial services companies also access forms of funding available from the banking system in each market, including sales or securitization of receivables either in negotiated sales or through securitization programs. For example, in 2016, Ferrari Financial Services Inc. carried out revolving securitizations raising an aggregate of $481 million of initial proceeds. Should the Company lose the ability to access the securitization market at advantageous terms or at all, the funding of its wholesale financing business would become more difficult and expensive and its financial condition may be adversely affected.

Any financial services provider, including Ferrari’s controlled finance companies, will face other demands on its capital, as well as liquidity issues relating to other investments or to developments in the credit markets. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to Ferrari’s dealers and retail clients. To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to Ferrari’s dealers and retail clients, such dealers and retail clients may not have sufficient access to financing to purchase or lease its cars. As a result, its car sales and market share may suffer, which would adversely affect its results of operations and financial condition.

Ferrari’s dealer and retail customer financing in Europe is mainly provided through its partnership with FCA Bank S.p.A. (“FCA Bank”), a joint venture between FCA Italy S.p.A. and Crédit Agricole Consumer Finance S.A. (“CACF”). If Ferrari fails to maintain its partnership with FCA Bank or in the event of a termination of the joint venture or change of control of one of its joint venture partners, the Company may not be able to find a suitable alternative partner with similar resources and experience and continue to offer financing services to support the sales of Ferrari cars in key European markets, which could adversely affect its results of operations and financial condition.

Ferrari - Ferrari relies on its licensing and franchising partners to preserve the value of its licenses and the failure to maintain such partners could harm its business

Ferrari currently has multi-year agreements with licensing partners for various Ferrari-branded products in the sports, lifestyle and luxury retail segments. It also has multi-year agreements with franchising partners for the Ferrari stores and theme park. In the future, the Company may enter into additional licensing or franchising arrangements. Many of the risks associated with its own products also apply to its licensed products and franchised stores. In addition, there are unique problems that its licensing or franchising partners may experience, including risks associated with each licensing partner’s ability to obtain capital, manage its labor relations, maintain relationships with its suppliers, manage its credit and bankruptcy risks, and maintain client relationships. While Ferrari maintains significant control over the products produced for it by its licensing partners and the franchisees running the Ferrari stores and theme park, any of the foregoing risks, or the inability of any of its licensing or franchising partners to execute on the expected design and quality of the licensed products, Ferrari stores and theme park, or otherwise exercise operational and financial control over its business, may result in loss of revenue and competitive harm to its operations in the product categories where it has entered into such licensing or franchising arrangements. While the Company selects its licensing and franchising partners with care, any negative publicity surrounding such partners could have a negative effect on licensed products, the Ferrari stores and theme parks or the Ferrari brand. Further, while it believes that it could replace its existing licensing or franchising partners if required, its inability to do so for any period of time could materially adversely affect its revenues and harm its business.

Ferrari - Ferrari depends on the strength of its trademarks and other intellectual property rights

Ferrari believes that its trademarks and other intellectual property rights are fundamental to its success and market position. Therefore, its business depends on its ability to protect and promote its trademarks and other intellectual property rights. Accordingly, it devotes substantial efforts to the establishment and protection of its trademarks and other intellectual property rights such as registered designs and patents on a worldwide basis. Ferrari believes that its trademarks and other intellectual property rights are adequately supported by applications for registrations, existing registrations and other legal protections in its principal markets. However, it cannot exclude the possibility that its intellectual property rights may be challenged by others, or that it may be unable to register its trademarks or otherwise adequately protect them in some jurisdictions. If a third party were to register its trademarks, or similar trademarks, in a country where Ferrari has not successfully registered such trademarks, it could create a barrier to its commencing trade under those marks in that country.

Ferrari - Third parties may claim that Ferrari infringes their intellectual property rights

Ferrari believes that it holds all the rights required for its business operations (including intellectual property rights and third-party licenses). However, it is exposed to potential claims from third parties alleging that it infringes their intellectual property rights, since many competitors and suppliers also submit patent applications for their inventions and secure patent protection or other intellectual property rights. If Ferrari is unsuccessful defending against any such claim, it may be required to pay damages or comply with injunctions which may disrupt its operations. It may also as a result be forced to enter into royalty or licensing agreements on unfavorable terms or to redesign products to comply with third parties' intellectual property rights.

Ferrari - If Ferrari's cars do not perform as expected its ability to develop, market and sell its cars could be harmed

Ferrari's cars may contain defects in design and manufacture that may cause them not to perform as expected or that may require repair. There can be no assurance that the Company will be able to detect and fix any defects in the cars prior to their sale to consumers. Our cars may not perform in line with its clients' evolving expectations or in a manner that equals or exceeds the performance characteristics of other cars currently available. For example, its newer cars may not have the durability or longevity of current cars, and may not be as easy to repair as other cars currently on the market. Any product defects or any other failure of its performance cars to perform as expected could harm Ferrari's reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to its brand and reputation, and significant warranty and other expenses, and could have a material adverse impact on its business, operating results and financial condition.

Ferrari - Car recalls may be costly and may harm Ferrari's reputation

Ferrari has in the past and may from time to time in the future be required to recall its products to address performance, compliance or safety-related issues. It may incur costs for these recalls, including replacement parts and labor to remove and replace the defective parts. For example, in the course of 2015 and 2016, the Company has issued a series of recalls relating to defective air bags manufactured by Takata and installed on certain of the Ferrari models. Also in light of uncertainties in its ability to recover the recall costs from Takata, the Company has increased its provision regarding this matter to €37 million as of December 31, 2016. In addition, regulatory oversight of recalls, particularly in vehicle safety, has increased recently. Any product recalls can harm Ferrari's reputation with clients, particularly if consumers call into question the safety, reliability or performance of its cars. Any such recalls could harm its reputation and result in adverse publicity, lost revenue, delivery delays, product liability claims and other expenses, and could have a material adverse impact on its business, operating results and financial condition.

Ferrari - Ferrari may become subject to product liability claims, which could harm its financial condition and liquidity if it is unable to successfully defend or insure against such claims

Ferrari may become subject to product liability claims, which could harm its business, operating results and financial condition. The automobile industry experiences significant product liability claims and the Company has inherent risk of exposure to claims in the event its cars do not perform as expected or malfunction resulting in personal injury or death. A successful product liability claim against the Company could require it to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about Ferrari cars and business, adversely affecting its reputation and inhibiting or preventing commercialization of future cars which could have a material adverse effect on its brand, business, operating results and financial condition.

While Ferrari seeks to insure against product liability risks, insurance may be insufficient to protect against any monetary claims it may face and will not mitigate any reputational harm. Any lawsuit seeking significant monetary damages may have a material adverse effect on Ferrari's reputation, business and financial condition. The Company may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if it faces liability for its products and is forced to make a claim under such a policy.

Ferrari - Ferrari is exposed to risks in connection with product warranties as well as the provision of services

A number of Ferrari's contractual and legal requirements oblige it to provide extensive warranties to its clients, dealers and national distributors. There is a risk that, relative to the guarantees and warranties granted, the calculated product prices and the provisions for guarantee and warranty risks have been set or will in the future be set too low. There is also a risk that Ferrari will be required to extend the guarantee or warranty originally granted in certain markets for legal reasons, or provide services as a courtesy or for reasons of reputation where it is not legally obliged to do so, and for which it will generally not be able to recover from suppliers or insurers.

Ferrari - If Ferrari were to lose its Authorized Economic Operator certificate, it may be required to modify its current business practices and to incur increased costs, as well as experience shipment delays

Because Ferrari ships and sells its cars in numerous countries, the customs regulations of various jurisdictions are important to its business and operations. To expedite customs procedure, the Company applied for, and currently holds, the European Union's Authorized Economic Operator (AEO) certificate. The AEO certificate is granted to operators that meet certain requirements regarding supply chain security and the safety and compliance with law of the operator's customs controls and procedures. Operators are audited periodically for continued compliance with the requirements. The AEO certificate allows Ferrari to benefit from special expedited customs treatment, which significantly facilitates the shipment of its cars in the various markets where it operates. The AEO certificate is subject to mandatory audit review by May 1st, 2019 according to the new European Customs Legislation and therefore the Company will need to implement all necessary organization changes in order to comply with the new requirements. If it were to lose the AEO status, including for failure to meet one of the certification's requirements, Ferrari would be required to change its business practices and to adopt standard customs procedures for the shipment of its cars. This could result in increased costs and shipment delays, which, in turn, could negatively affect its results of operations.

Ferrari - Labor laws and collective bargaining agreements with Ferrari's labor unions could impact its ability to operate efficiently

All of the Company's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict its ability to modify operations and reduce costs quickly in response to changes in market conditions. These regulations and the provisions in collective bargaining agreements may impede Ferrari's ability to restructure its business successfully to compete more efficiently and effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on its results of operations and financial condition.

Ferrari - Ferrari is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

Ferrari operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of the Company's sourcing and manufacturing activities from those of its commercial activities, as a result of which its cash flows from sales are denominated in currencies different from those connected to purchases or production activities. For example, Ferrari incurs a large portion of its capital and operating expenses in euros while it receives the majority of its revenues in currencies other than Euro. In addition, foreign exchange movements might also negatively affect the relative purchasing power of Ferrari's clients which could also have an adverse effect on its results of operations. In the second half of 2016, the foreign exchange markets have been subject to a high degree of volatility and the US Dollar appreciated significantly against the euro while the pound sterling depreciated significantly against both the US Dollar and the Euro.

Ferrari seeks to manage risks associated with fluctuations in currency through financial hedging instruments. Although it seeks to manage its foreign currency risk in order to minimize any negative effects caused by rate fluctuations, including through hedging activities, there can be no assurance that it will be able to do so

successfully, and its business, results of operations and financial condition could nevertheless be adversely affected by fluctuations in market rates, particularly if these conditions persist.
Ferrari's financial services activities are also subject to the risk of insolvency of dealers and retail clients, as well as unfavorable economic conditions in markets where these activities are carried out. Despite the Company's efforts to mitigate such risks through the credit approval policies applied to dealers and retail clients, there can be no assurances that it will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

Ferrari - Changes in tax, tariff or fiscal policies could adversely affect demand for Ferrari's products

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for Ferrari's vehicles and its results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by various governments or import or tariff policies could also adversely affect the company's results of operations. For example, the Chinese government has recently imposed various measures intended to curb consumption of luxury goods, including, among other things, a tax specifically applicable to the purchase of luxury cars. While Ferrari is managing its product development and production operations on a global basis to reduce costs and lead times, unique national or regional standards can result in additional costs for product development, testing, and manufacturing. Governments often require the implementation of new requirements during the middle of a product cycle, which can be substantially more expensive than accommodating these requirements during the design of a new product. The imposition of any additional taxes and levies or change in government policy designed to limit the use of high performance sports cars or automobiles more generally could also adversely affect the demand for Ferrari's cars. The occurrence of the above may have a material adverse effect on its business, results of operations and financial condition.

Ferrari - Ferrari may be adversely affected by the U.K. determination to leave the European Union (Brexit)

In a June 23, 2016, referendum, the United Kingdom voted to terminate the UK's membership in the European Union ("Brexit"). As a result, negotiations are expected to take place to determine the future terms of the UK's relationship with the European Union, including the terms of trade between the UK and the member states in the EU. Any effect of Brexit is expected to depend on the agreements, if any, that may be negotiated between the UK and the EU with respect to reciprocal market access, either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial markets. While Ferrari sells approximately 20% of its cars in the UK, it does not have other operations in the UK and it does not believe that its global operations would be affected materially by Brexit; however, any adverse effect of Brexit on Ferrari or on global or regional economic or market conditions could adversely affect its business, results of operations and financial condition as customers may reduce or delay spending decisions on Ferrari products. Any uncertainty related to Brexit could also affect trading in Ferrari shares.

Ferrari - Ferrari faces risks associated with its international operations, including unfavorable regulatory, political, tax and labor conditions and establishing itself in new markets, all of which could harm its business

Ferrari currently has international operations and subsidiaries in various countries and jurisdictions in Europe, North America and Asia that are subject to the legal, political, regulatory, tax and social requirements and economic conditions in these jurisdictions. Additionally, as part of its growth strategy, Ferrari will continue to expand its sales, maintenance, and repair services internationally. However, such expansion requires the Company to make significant expenditures, including the establishment of local operating entities, hiring of local employees and establishing facilities in advance of generating any revenue. Ferrari is subject to a number of risks associated with international business activities that may increase its costs, impact its ability to sell its cars and require significant management attention. These risks include:

- conforming Ferrari's cars to various international regulatory and safety requirements where its cars are sold, or homologation;
- difficulty in establishing, staffing and managing foreign operations;
- difficulties attracting clients in new jurisdictions;
- foreign government taxes, regulations and permit requirements, including foreign taxes that we may not be able to be offset against taxes imposed in Italy;
- fluctuations in foreign currency exchange rates and interest rates, including risks related to any interest rate swap or other hedging activities undertaken;
- ability to enforce its contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as do the United States, Japan and European countries, which increases the risk of unauthorized, and uncompensated, use of its technology;

- European Union and foreign government trade restrictions, customs regulations, tariffs and price or exchange controls;
- foreign labor laws, regulations and restrictions;
- preferences of foreign nations for domestically produced cars;
- changes in diplomatic and trade relationships;
- political instability, natural disasters, war or events of terrorism; and
- the strength of international economies.

If Ferrari fails to successfully address these risks, many of which it cannot control, its business, operating results and financial condition could be materially harmed.

Ferrari - Improper conduct of employees, agents, or other representatives could adversely affect Ferrari's reputation and its business, operating results, and financial condition

Ferrari's compliance controls, policies, and procedures may not in every instance protect it from acts committed by its employees, agents, contractors, or collaborators that would violate the laws or regulations of the jurisdictions in which it operates, including employment, foreign corrupt practices, environmental, competition, and other laws and regulations. Such improper actions could subject Ferrari to civil or criminal investigations, and monetary and injunctive penalties. In particular, Ferrari's business activities may be subject to anti-corruption laws, regulations or rules of other countries in which it operates. Failure to comply with any of these regulations could adversely impact its operating results and its financial condition. In addition, actual or alleged violations could damage Ferrari's reputation and its ability to conduct business. Furthermore, detecting, investigating, and resolving any actual or alleged violation is expensive and can consume significant time and attention of executive management.

Ferrari - Ferrari's insurance coverage may not be adequate to protect it against all potential losses to which it may be subject, which could have a material adverse effect on its business

Ferrari maintains insurance coverage that it believes is adequate to cover normal risks associated with the operation of its business. However, there can be no assurance that any claim under its insurance policies will be honored fully or timely, its insurance coverage will be sufficient in any respect or its insurance premiums will not increase substantially. Accordingly, to the extent that Ferrari suffers loss or damage that is not covered by insurance or which exceeds its insurance coverage, or has to pay higher insurance premiums, its financial condition may be affected.

Ferrari - A disruption in information technology could compromise confidential and sensitive information

Ferrari depends on its information technology and data processing systems to operate its business, and a significant malfunction or disruption in the operation of its systems, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt its business and adversely impact its ability to compete. Ferrari's ability to keep its business operating effectively depends on the functional and efficient operation of its information, data processing and telecommunications systems, including its car design, manufacturing, inventory tracking and billing and payment systems. It relies on these systems to enable a number of business processes and help it make a variety of day-to-day business decisions as well as to track transactions, billings, payments and inventory. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency. For any of these reasons, the Company may experience systems malfunctions or interruptions. Although its systems are diversified, including multiple server locations and a range of software applications for different regions and functions, and it is currently undergoing an effort to assess and ameliorate risks to its systems, a significant or large scale malfunction or interruption of any one of its computer or data processing systems could adversely affect its ability to manage and keep its operations running efficiently, and damage its reputation if the Company is unable to track transactions and deliver products to its dealers and clients. A malfunction that results in a wider or sustained disruption to Ferrari's business could have a material adverse effect on its business, results of operations and financial condition. In addition to supporting its operations, Ferrari uses its systems to collect and store confidential and sensitive data, including information about its business, its clients and its employees. As its technology continues to evolve, Ferrari anticipates that it will collect and store even more data in the future, and that its systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of Ferrari's value is derived from its confidential business information, including car design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Company may lose its competitive advantage and its car sales may suffer. Ferrari also collects, retains and uses certain personal information, including data it gathers from clients for product development and marketing purposes, and data it obtains from employees. In the event of a breach in security that allows third parties access to this personal information, the Company is subject to a variety of ever-changing laws on a global basis that require it to provide notification to the data owners, and that subject it to lawsuits, fines and other means of regulatory enforcement. Ferrari's reputation could suffer in the event of such a data breach, which could cause consumers to purchase their cars from its competitors. Ultimately, any significant compromise in the integrity of the Company's data security could have a material adverse effect on its business.

Risks Related to the Ferrari Common Shares

Ferrari - The market price and trading volume of Ferrari common shares may be volatile, which could result in rapid and substantial losses for its shareholders

The market price of the Ferrari common shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of its common shares may fluctuate and cause significant price variations to occur. If the market price of its common shares declines significantly, a shareholder may be unable to sell the common shares at or above purchase price, if at all. The market price of the Ferrari common shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of its common shares, or result in fluctuations in the price or trading volume of its common shares, include:

- variations in operating results, or failure to meet the market's earnings expectations;
- publication of research reports about Ferrari, the automotive industry or the luxury industry, or the failure of securities analysts to cover the Ferrari common shares;
- departures of any members of the management team or additions or departures of other key personnel;
- adverse market reaction to any indebtedness Ferrari may incur or securities it may issue in the future;
- actions by shareholders;
- changes in market valuations of similar companies;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting Ferrari's business, or enforcement of these laws and regulations, or announcements relating to these matters;
- adverse publicity about the automotive industry or the luxury industry generally, or particularly scandals relating to those industries, specifically;
- litigation and governmental investigations; and
- general market and economic conditions.

Ferrari - The loyalty voting program may affect the liquidity of the Ferrari common shares and reduce the common share price.

The implementation of the loyalty voting program could reduce the trading liquidity and adversely affect the trading prices of Ferrari common shares. The loyalty voting program is intended to reward Ferrari shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding its common shares continuously for at least three years the option to elect to receive special voting shares. Special voting shares cannot be traded and, if common shares participating in the loyalty voting program are sold they must be deregistered from the loyalty register and any corresponding special voting shares transferred to Ferrari for no consideration (om niet). This loyalty voting program is designed to encourage a stable shareholder base and, conversely, it may deter trading by shareholders that may be interested in participating in the loyalty voting program. Therefore, the loyalty voting program may reduce liquidity in Ferrari common shares and adversely affect their trading price.

Ferrari - The interests of Ferrari's largest shareholders may differ from the interests of other shareholders

Exor N.V. is Ferrari's largest shareholder, holding approximately 23.5% of its outstanding common shares and approximately 33.4% of its voting power. Therefore, Exor has a significant influence over matters submitted to a vote of shareholders, including matters such as adoption of the annual financial statements, declarations of annual dividends, the election and removal of the members of Ferrari's Board, capital increases and amendments to its articles of association. In addition, Piero Ferrari, the Vice Chairman of Ferrari, holds approximately 10% of outstanding common shares and approximately 15.4% of voting interest in Ferrari. As a result, he also has influence in matters submitted to a vote of the shareholders. Exor and Piero Ferrari informed the Company that they have entered into a shareholder agreement pursuant to which they have undertaken to consult for the purpose of forming, where possible, a common view on the items on the agenda of shareholders' meetings. The interests of Exor and Piero Ferrari may in certain cases differ from those of other shareholders. In addition, the sale of substantial amounts of Ferrari common shares in the public market by Piero Ferrari or the perception that such a sale could occur could adversely affect the prevailing market price of the common shares.

Ferrari - Ferrari may have potential conflicts of interest with FCA and Exor and its related companies

Questions relating to conflicts of interest may arise between Ferrari and FCA, the former largest shareholder in Ferrari prior to the Separation, in a number of areas relating to common shareholdings and management, as well as to past and ongoing relationships. Even after the Separation overlaps remain among the directors and officers of Ferrari and FCA. For example, Mr. Sergio Marchionne, Ferrari's Chairman and Chief Executive Officer, is the Chief Executive Officer of FCA, Mr. Marchionne and certain of our other directors and officers of Ferrari may also be directors or officers of FCA or Exor, the Company's and FCA's largest shareholder, including Mr. John Elkann, who is one of Ferrari's Vice-Chairman, the Chairman of FCA and Chairman and Chief Executive Officer of Exor. These individuals owe duties both to Ferrari and to the other companies that they serve as officers and/or directors. This may raise conflicts as, for example, these individuals review opportunities that may be appropriate or suitable for both Ferrari and such other companies, or Ferrari pursues business transactions in which both it and such other companies have an interest, such as Ferrari's arrangement to supply engines for Maserati cars. Exor holds approximately 23.5% of Ferrari's outstanding common shares and approximately 33.4% of the voting power in Ferrari, while it holds approximately 29.4% of the common shares and 42.6% of the voting power in FCA. Exor also owns a controlling interest in CNH Industrial N.V., which was part of the FCA group before its spin-off several years ago. These ownership interests could create actual, perceived or potential conflicts of interest when these parties or the common directors and officers are faced with decisions that could have different implications for Ferrari and FCA or Exor, as applicable.

Ferrari - The loyalty voting program may make it more difficult for shareholders to acquire a controlling interest in Ferrari, change its management or strategy or otherwise exercise influence over it, which may affect the market price of its common shares

The provisions of Ferrari's articles of association which establish the loyalty voting program may make it more difficult for a third party to acquire, or attempt to acquire, control of the Company, even if a change of control were considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting program, a relatively large proportion of the voting power of Ferrari could be concentrated in a relatively small number of shareholders who would have significant influence over the Company. Exor has approximately 23.5% of Ferrari outstanding common shares and a voting interest in Ferrari of approximately 33.4%. Piero Ferrari holds approximately 10% of Ferrari outstanding common shares and, as a result of the loyalty voting mechanism, has approximately 15.4% of the voting power in its shares. In addition, Exor and Piero Ferrari informed the Company that they have entered into a shareholder agreement. As a result, Exor and Piero Ferrari may exercise significant influence on matters involving Ferrari shareholders. Exor and Piero Ferrari and other shareholders participating in the loyalty voting program may have the power effectively to prevent or delay change of control or other transactions that may otherwise benefit Ferrari shareholders. The loyalty voting program may also prevent or discourage shareholder initiatives aimed at changing Ferrari's management or strategy or otherwise exerting influence over Ferrari.

Ferrari - Ferrari is a Dutch public company with limited liability, and its shareholders may have rights different to those of shareholders of companies organized in the United States

The rights of Ferrari shareholders may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. Ferrari is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by its articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of its board of directors may be different from the rights of shareholders and the responsibilities of members of its board of directors in companies governed by the laws of other jurisdictions including the United States. In the performance of its duties, the Ferrari board of directors is required by Dutch law to consider the Company's interests and the interests of its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of a Ferrari shareholder.

Ferrari expects to maintain its status as a "foreign private issuer" under the rules and regulations of the SEC and, thus, be exempt from a number of rules under the Exchange Act of 1934 and be permitted to file less information with the SEC than a company incorporated in the United States

As a "foreign private issuer," Ferrari is exempt from rules under the Exchange Act of 1934, as amended ("the Exchange Act") that impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, Ferrari's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of Ferrari common shares. Moreover, the Company is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, nor is it required to comply with Regulation FD, which restricts the selective disclosure of material information. Accordingly, there may be less publicly available information concerning Ferrari than there is for U.S. public companies.

Ferrari - Ferrari's ability to pay dividends on its common shares may be limited and the level of future dividends is subject to change

The payment of dividends on Ferrari's common shares in the future will be subject to business conditions, financial conditions, earnings, cash balances, commitments, strategic plans and other factors that the Ferrari board of directors may deem relevant at the time it recommends approval of the dividend. The Company's dividend policy is subject to change in the future based on changes in statutory requirements, market trends, strategic developments, capital requirements and a number of other factors. In addition, under its articles of association and Dutch law, dividends may be declared on common shares only if the amount of equity exceeds the paid up and called up capital plus the reserves that have to be maintained pursuant to Dutch law or the articles of association. Further, even if the Company is permitted under its articles of association and Dutch law to pay cash dividends on its common shares, The Company may not have sufficient cash to pay dividends in cash on its common shares.

Ferrari - Ferrari's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges.

Ferrari's shares are listed on both the NYSE and the Mercato Telematico Azionario ("MTA"). The dual listing of its common shares may split trading between the NYSE and the MTA, adversely affect the liquidity of the shares and the development of an active trading market for the common shares in one or both markets and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for Ferrari common shares on the two exchanges.

Ferrari - It may be difficult to enforce U.S. judgments against Ferrari

Ferrari is organized under the laws of the Netherlands, and a substantial portion of its assets are outside of the United States. Most of Ferrari's directors and senior management and its independent auditors are resident outside the United States and all or a substantial portion of their respective assets may be located outside the United States. As a result, it may be difficult for U.S. investors to effect service of process within the United States upon these persons. It may also be difficult for U.S. investors to enforce within the United States judgments against Ferrari predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. In addition, there is uncertainty as to whether the courts outside the United States would recognize or enforce judgments of U.S. courts obtained against Ferrari or its directors and officers predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against the Company, its directors and officers and its independent auditors.

Ferrari - FCA creditors may seek to hold Ferrari liable for certain FCA obligations

One step of the separation from FCA included a demerger from FCA of the Ferrari common shares previously held by FCA. In connection with a demerger under Dutch law, the demerged company may continue to be liable for certain obligations of the demerging company that exist at the time of the demerger, but only to the extent that the demerging company fails to satisfy such liabilities. Based on other actions taken as part of the Separation, Ferrari does not believe it retains any liability for obligations of FCA existing at the time of the Separation. Nevertheless, in the event that FCA fails to satisfy obligations to its creditors existing at the time of the demerger, it is possible that those creditors may seek to recover from Ferrari, claiming that the Company remains liable to satisfy such obligations. While Ferrari believes that it would prevail against any such claim, litigation is inherently costly and uncertain and could have an adverse effect.

Risks Related to Taxation

Ferrari - As a result of the demergers and the merger in connection with the Separation, Ferrari might be jointly and severally liable with FCA for certain tax liabilities arisen in the hands of FCA

Although the Italian tax authorities confirmed in a positive advance tax ruling issued on October 9, 2015 that the demergers and the Merger that was carried out in connection with the Separation would be respected as tax-free, neutral transactions from an Italian income tax perspective, under Italian tax law Ferrari may still be held jointly and severally liable, as a result of the combined application of the rules governing the allocation of tax liabilities in case of demergers and mergers, with FCA for taxes, penalties, interest and any other tax liability arising in the actions of FCA because of violations of its tax obligations related to tax years prior to the two Demergers.

Ferrari - There may be potential “Passive Foreign Investment Company” tax considerations for U.S. holders

Shares of Ferrari stock would be stock of a “passive foreign investment company,” or a PFIC, for U.S. federal income tax purposes with respect to a U.S. holder if for any taxable year in which such U.S. holder held shares of Ferrari stock, after the application of applicable “look-through rules” (i) 75% or more of its gross income for the taxable year consists of “passive income” (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of “passive income.” U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While Ferrari believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, Ferrari common shares may become stock of a PFIC in future taxable years if there were to be changes in its assets, income or operations.

Ferrari - The consequences of the loyalty voting program are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the Ferrari special voting shares are not transferable (other than, in very limited circumstances, together with the associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if it is liquidated, Ferrari believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by Ferrari is incorrect.

The tax treatment of the loyalty voting program is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

Ferrari - Ferrari currently benefits or seeks to benefit from certain special tax regimes, which may not be available in the future

Ferrari currently calculates taxes due in Italy based, among other things, on certain tax deductions recognized by Italian Tax regulations for R&D expenses and for the investments in manufacturing equipment, which result in a significant tax saving. A change in regulations or interpretation might adversely affect the availability of such exemptions and result in higher tax charges.

The 2015 Italian Finance Bill introduced a new optional patent box regime in the Italian tax system. The Patent Box is a tax exemption related to the use of intellectual property assets. Business income derived from the use of each qualified intangible assets is partially exempted from taxation for both Italian corporate income tax (IRES) and Italian regional tax (IRAP) purposes. The application of such patent box regime may reduce Ferrari’s tax expenses and it is currently seeking to avail itself of such regime. However, this exemption is subject to a mandatory ruling by the Italian Tax Authorities and the outcome of the ruling procedure is not certain. In the event of a negative response from the Italian Tax Authorities, Ferrari will not be able to benefit from this exemption.

Exor

Consolidated Financial Statements
at December 31, 2016

CONSOLIDATED INCOME STATEMENT

€ million	Note	2016	2015
Net revenues	1	**140,068**	136,360
Cost of sales	2	**(117,771)**	(118,403)
Selling, general and administrative costs	3	**(10,851)**	(9,962)
Research and development costs	4	**(4,809)**	(3,869)
Other income (expenses)		**95**	(385)
Result from investments:			
- Share of the profit (loss) of equity method investees	5	**360**	306
- Other income (expenses) from investments	5	**14**	22
Result from investments		**374**	328
Gains (losses) on disposal of investments		**48**	76
Restructuring costs	6	**(167)**	(125)
Financial income (expenses)	7	**(2,719)**	(2,966)
Profit before taxes		**4,268**	**1,054**
Tax expense	8	**(1,954)**	(711)
Profit from continuing operations		**2,314**	**343**
Profit from discontinued operations, net of tax		**(1)**	**522**
Profit for the year		**2,313**	**865**
Profit attributable to non-controlling interests		**1,724**	121
Profit attributable to owners of the parent		**589**	**744**

Profit attributable to owners of the parent per ordinary share	10		
Basic earnings per share from continuing operations(€)		2.515	1.000
Basic earnings per share from discontinued operations (€)		(0.003)	2.330
Diluted earnings per share from continuing operations(€)		2.495	0.990
Diluted earnings per share from discontinued operations (€)		(0.023)	2.330

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	2016	2015
PROFIT FOR THE YEAR (A)	24	2,313	**865**
Items that will not be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		**467**	821
Share of gains (losses) on remeasurement of defined benefit plans for equity method investees		**(5)**	(6)
Related tax effect		**(255)**	(226)
Items relating to C&W Group, net of tax			1
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)		207	**590**
Items that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**(284)**	382
Gains (losses) on available-for-sale financial assets		**(201)**	77
Exchange differences on translating foreign operations		**1,285**	1,118
Share of other comprehensive income (loss) of investments accounted for using the equity method		**(338)**	(13)
Related tax effect		**72**	(85)
Items relating to C&W Group, net of tax			47
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)		534	**1,526**
Total Other comprehensive income, net of tax (B) = (B1) + (B2)		**741**	**2,116**
TOTAL COMPREHENSIVE INCOME (A)+(B)		3,054	**2,981**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		779	**1,468**
Non-controlling interests		2,275	**1,513**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	Note	12/31/2016	12/31/2015 (a)	1/1/2015 (a)
Assets				
Goodwill and intangible assets with indefinite useful lives	11	**19,463**	18,110	17,009
Other intangible assets	11	**15,408**	13,184	11,777
Property, plant and equipment	12	**37,224**	34,133	32,198
Leased assets under operating leasing	13	**1,810**	1,686	1,251
Investments accounted for using the equity method	14	**3,021**	3,163	2,274
Other investments and other financial assets	15	**2,026**	3,529	3,250
Deferred tax assets	8	**4,792**	5,331	5,555
Inventories	16	**19,410**	18,849	18,343
Trade receivables	17	**3,198**	3,273	3,757
Investments of reinsurance companies	18	**14,623**		
Receivables from financing activities	19	**21,047**	20,632	21,524
Receivables from reinsurance activities		**2,679**		
Other assets	20	**6,518**	5,044	4,937
Assets held for sale	22	**148**	87	30
Cash and cash equivalents	23	**25,161**	30,587	29,243
Total Assets		176,528	157,608	151,148
Equity				
Equity attributable to owners of the parent	24	**10,982**	10,346	8,182
Non-controlling interests	24	**19,238**	16,481	14,778
Total Equity		30,220	26,827	22,960
Liabilities				
Provisions for employee benefits	26	**12,509**	12,436	12,074
Other provisions	27	**19,265**	17,231	13,735
Tecnical reserves reinsurance companies	28	**11,947**		
Deferred tax liabilities	8	**527**	550	604
Financial debt	29	**55,817**	57,280	60,189
Other financial liabilities	30	**1,000**	832	987
Trade payables	31	**28,214**	26,663	24,884
Tax payables		**470**	403	534
Other liabilities	32	**16,455**	15,386	15,181
Liabilities held for sale	23	**104**		
Total Liabilities		146,308	130,781	128,188
Total Equity and Liabilities		176,528	157,608	151,148

(a) Refer to Note Basis of Preparation, for additional information on reclassifications and an adjustment to prior year balances.

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million	2016	2015
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	30,587	29,243
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD		
Profit for the period	**2,313**	865
Amortization and depreciation	**7,826**	7,160
(Gains) losses on disposal of non-current assets	**9**	(632)
Other non-cash items	**177**	1,402
Dividends received	**180**	208
Change in provisions	**1,203**	2,992
Change in deferred taxes	**692**	(118)
Change in items due to buy-back commitments	**(13)**	89
Change in operating lease items	**(114)**	(360)
Change in working capital	**346**	237
Cash flows from (used in) operating activities of discontinued operations	**0**	(94)
TOTAL	12,618	11,749
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Investments in property, plant and equipment and intangible assets	**(10,082)**	(10,310)
Investments made by consolidated operating subsidiaries	**(2)**	(271)
Investments in financial assets made by EXOR and by subsidiaries in the Holdings System	**(106)**	(1,107)
Cash and cash equivalents from the consolidation of PartnerRe, net of the consideration paid to acquire the 100%	**(3,950)**	
Net change in Investments of Reinsurance companies (PartnerRe Group)	**453**	
Proceeds from sale of non-current assets by consolidated operating subsidiaries	**183**	100
Proceeds from disposal of financial assets by EXOR and by subsidiaries in the Holdings System	**150**	1,376
Net change in financial receivables	**358**	917
Net change in securities	**381**	574
Other changes	**(125)**	144
Cash flows from (used in) investing activities of discontinued operations		(31)
TOTAL	(12,740)	(8,608)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Issuance of notes	**4,749**	5,012
Repayment of notes	**(4,121)**	(8,932)
Net change in other long-term debt	**(4,870)**	(59)
Net change in short-term debt and other financial assets/liabilities	**(888)**	692
Increases in share capital of subsidiaries	**2**	32
Sale of treasury stock	**0**	509
(Purchase) sale of interests in subsidiaries	**0**	858
Redemption of Serie D and E preferred shares PartnerRe	**(135)**	
Dividends paid by EXOR S.p.A.	**(82)**	(78)
Dividends paid by subsidiaries	**(215)**	(510)
Other changes	**(4)**	(9)
Cash flows from (used in) financing activities of discontinued operations		74
TOTAL	(5,564)	(2,411)
Translation exchange differences	**259**	614
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS	(5,426)	1,344
F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	25,161	30,587
Cash and cash equivalents included in Assets held for sale and discontinued operations	**1**	
G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	25,162	30,587

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2014	**246**	**(344)**	**125**	**8,140**	**(71)**	**488**	**203**	**(584)**	**(21)**	**8,182**	**14,778**	**22,960**
Changes in equity for 2015												
Share-based payments				39						39	77	116
Capital increase by subsidiaries										0	42	42
Sale of treasury stock		173		336						509		509
Dividends paid				(78)						(78)	(491)	(569)
Total comprehensive income for the year				744	117	371	65	172	(1)	1,468	1,513	2,981
Effect of the change in the percentage ownership of consolidated companies (a)				(29)		21		2		(6)	33	27
Disposal of interest in Ferrari N.V.				254	2	(1)				255	664	919
Sale of C&W Group				41		(56)		15		0	(53)	(53)
Equity method measurement of The Economist Group				(24)					24	0		0
Other changes				(23)						(23)	(82)	(105)
Total changes	0	173	0	1,260	119	335	65	189	23	2,164	1,703	3,867
Equity at December 31, 2015	**246**	**(171)**	**125**	**9,400**	**48**	**823**	**268**	**(395)**	**2**	**10,346**	**16,481**	**26,827**

(a) Of which -€12 million relates to the FCA Group, -€7 million to the C&W Group and -€10 million to the CNH Industrial Group.

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2015	**246**	**(171)**	**125**	**9,400**	**48**	**823**	**268**	**(395)**	**2**	**10,346**	**16,481**	**26,827**
Change in equity for 2016:												
Share-based payments				33						33	64	97
Cancellation of treasury shares		75		(75)						0		0
Merger of EXOR S.p.A. into EXOR N.V.	(244)	96	148							0		0
Capital increase by subsidiaries										0	24	24
Dividends paid				(82)						(82)	(207)	(289)
Total comprehensive income for the year				589	(39)	596	(187)	65	(245)	779	2,275	3,054
Acquisition of PartnerRe										0	818	818
Effect of the spin-offs of RCS/Ferrari				0						0	(32)	(32)
Effect of the change in the percentage ownership of companies valued under equity method (a)				(136)						(136)		(136)
Redemption of Series D and E preferred shares PartnerRe										0	(135)	(135)
Other changes				42						42	(50)	(8)
Total changes	(244)	171	148	371	(39)	596	(187)	65	(245)	636	2,757	3,393
Equity at Decemebr 31, 2016	**2**	**0**	**273**	**9,771**	**9**	**1,419**	**81**	**(330)**	**(243)**	**10,982**	**19,238**	**30,220**

(a) Of which -€33 million relates to Almacantar and -€103 million relates to The Economist.

EXOR GROUP - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR N.V. (EXOR), formerly known as EXOR Holding N.V., (the “Company” and together with its subsidiaries the “EXOR Group” or the “Group”) was incorporated as a public limited company (naamloze vennootschap) under the laws of the Netherlands on September 30, 2015 and in 2016 was designated to act as a holding company for EXOR Group following the cross-border merger with EXOR S.p.A. (the “Merger”).
For further details on the Merger, reference should be made to the Company’s financial statements.

From an accounting point of view, in accordance with IFRS (IAS 27.13), the Merger is recognized in EXOR’s consolidated financial statements from January 1, 2016, while in the company financial statements the recognition is from December 11, 2016. As the Merger is a transaction in which all of the combining entities are controlled ultimately by the same party both before and after the transaction, and based on the fact that the control is not transitory, the Merger was deemed to be a transaction of entities under common control and therefore outside the scope of IFRS 3 -Business combinations.

The merged company EXOR S.p.A. was taxable for IRES and IRAP purposes up until the legally effective date of the Merger. In accordance with Italian tax regulations, considering that EXOR has not maintained a permanent organization in Italy after the Merger, all the components of EXOR S.p.A (including investments in companies, financial liabilities and its tax-suspended reserves) have been treated as having been realized at fair value, resulting in the crystallization of taxable surpluses (“EXIT gains”) in the financial position at the December 10, 2016 merger date.
On the basis of the information available and the estimates made, a €217 million provision has been recognized for taxation on the excess of the surpluses arising on the “Exit” over the operating losses brought forward, reduced by a tax credit of €47 million for substitute tax paid in past years. The netting of such amounts is not possible since the legal enforceable right to set-off the recognized amounts is not under the control of the Company. The final amount of the Italian exit tax will be defined within the end of the first half in the context of the preparation of the tax return.

EXOR is one of Europe’s leading investment companies and is controlled by Giovanni Agnelli B.V. (formerly Giovanni Agnelli e C. S.a.p.az.) which holds 52.99% of its share capital.
EXOR and its subsidiaries (the “Group”) operate in the reinsurance sector, automotive industry, agricultural equipment and construction equipment, commercial vehicles and professional football.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Authorization of Consolidated Financial Statements and Compliance with International Financial Reporting Standards

The consolidated financial statements, together with notes thereto, of EXOR at December 31, 2016 were authorized for issuance on April 5, 2017 and have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU-IFRS”) and Part 9 of Book 2 of the Dutch Civil Code. The designation “IFRS” also includes International Accounting Standards (“IAS”) as well as all intepretations of the IFRS Interpretations Committee (“IFRIC”).

Basis of preparation

The consolidated financial statements are prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading. In this respect, the Group’s assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1- Presentation of Financial Statements) exist about its ability to continue as a going concern.

The Group’s presentation currency is Euro, which is also the functional currency of the Company, and unless otherwise stated information is presented in millions of Euro.

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the FCA, CNH Industrial and Ferrari Groups, and is consistent with international practice in the automotive and capital goods sectors.

The statement of cash flows is presented using the indirect method.

The other subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

Reclassifications and adjustment

As permitted by IAS 1 paragraph 60, the Group's statement of financial position was previously presented using a mixed format for the presentation of current and non-current assets and liabilities. The investment portfolio of the financial services companies of FCA and CNH Industrial groups were included within current assets as the investments were realized in their normal operating cycle. However, the financial services structure of such group did not allow for the separation of liabilities funding the financial services operations and those funding the industrial operations and as a result, the liabilities at EXOR consolidated level were not classified as current or non-current.

After the acquisition of PartnerRe Group in 2016, management made an assessment to verify whether the application of the mixed format was still the best solution. The financial activities, previously related to the financial services companies part of FCA and CNH Industrial, are now even more important, and include also the companies that conduct reinsurance activities following the first-time consolidation of the PartnerRe Group.

While a separate classification of current and non-current in the statement of financial position provides useful information for an industrial business, for the entities that have diverse operations and for which the financial activities are significant, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant.

On this basis, the statement of financial position at December 31, 2016 is presented in decreasing order of liquidity and all prior period balances have been reclassified to conform to this presentation.

In addition, the first line-by-line consolidation of the PartnerRe Group resulted in the inclusion of two news specific line items in the statement of financial position: Investments of reinsurance companies under assets and Technical reinsurance reserves under liabilities.

Furthermore, certain line items within the prior periods' statements of financial position have been reclassified to other line items. These reclassifications had no effect on the Group's consolidated results of operations, financial position or cash flows.

Additionally, during 2016, the FCA Group recorded an adjustment to the amount of historical deferred tax assets, originated in connection with its 2013 adoption of IAS 19 - Employee Benefits as revised. This adjustment resulted in a €329 million increase in deferred tax assets and retained earnings as of December 31, 2013 and an additional €242 million increase in deferred tax assets and retained earnings in 2014 in connection with the acquisition of the remaining Non-controlling interest of FCA US. As the underlying deferred tax assets are denominated in U.S. Dollars, the subsequent amounts in the consolidated statements of financial position fluctuate due to exchange differences. This adjustment had no effect on the consolidated income statement and consolidated statement of cash flows for any of the periods presented.

The tables below summarize all changes from the prior period to the current period's presentation (amount is €/million).

At December 31 2015 (as previously reported)		Adjustment	Reclass in other assets	Reclass in other investments and other financial assets	Other reclass	At December 31 2015 (as adjusted)	
Assets							**Assets**
Goodwill and intangible assets with indefinite useful lives					18,110	18,110	Goodwill and intangible assets with indefinite useful lives
Other intangible assets	31,294				(18,110)	13,184	Other intangible assets
Property, plant and equipment	34,133					34,133	Property, plant and equipment
					1,686	1,686	Leased assets under operating leasing
Investments accounted for using the equity method	3,163					3,163	Investments accounted for using the equity method
Other investments and other financial assets	1,872			1,657		3,529	Other investments and other financial assets
Leased assets under operating leasing	1,686				(1,686)	0	
Defined benefit plan assets	182		(182)			0	
Deferred tax assets	4,618	713				5,331	Deferred tax assets
Other non-current assets	54		(54)			0	
Total non-current assets	77,002						
Inventories	18,849					18,849	Inventories
Trade receivables	3,273					3,273	Trade receivables
Receivables from financing activities	20,632					20,632	Receivables from financing activities
Tax receivables	762		(762)			0	
Other current assets	4,046		(4,046)			0	
Current financial assets:							
- Investments and securities	610			(610)		0	
- Other financial assets	1,047			(1,047)		0	
Total current financial assets	1,657						
			5,044			5,044	Other assets
					87	87	Assets held for sale
Cash and cash equivalents	30,587					30,587	Cash and cash equivalents
Assets held for sale	87				(87)	0	
Total current assets	79,893						
Total Assets	156,895	713	0	0	0	157,608	**Total Assets**
Equity and liabilities							**Equity and liabilities**
Equity attributable to owners of the parent	10,138	208				10,346	Equity attributable to owners of the parent
Non-controlling interests	15,976	505				16,481	Non-controlling interests
Total Equity	26,114	713	0	0	0	26,827	Total Equity
Provisions for employee benefits	12,436					12,436	Provisions for employee benefits
Other provisions	17,231					17,231	Other provisions
Deferred tax liabilities	550					550	Deferred tax liabilities
Financial debt	57,280					57,280	Financial debt
Other financial liabilities	832					832	Other financial liabilities
Trade payables	26,663					26,663	Trade payables
Tax payables	403					403	Tax payables
Other liabilities	15,386					15,386	Other liabilities
Liabilities held for sale						0	Liabilities held for sale
						130,781	Total liabilities
Total Equity and Liabilities	156,895	713	0	0	0	157,608	**Total Equity and Liabilities**

At January 1, 2015 (as previously reported)		Adjustment	Reclass in other assets	Reclass in other investments and other financial assets	Other Reclass	At January 1, 2015 (as adjusted)	
Assets							**Assets**
Goodwill and intangible assets with indefinite useful lives					17,009	17,009	Goodwill and intangible assets with indefinite useful lives
Other intangible assets	28,786				(17,009)	11,777	Other intangible assets
Property, plant and equipment	32,198					32,198	Property, plant and equipment
					1,251	1,251	Leased assets under operating leasing
Investments accounted for using the equity method	2,274					2,274	Investments accounted for using the equity method
Other investments and other financial assets	1,385			1,865		3,250	Other investments and other financial assets
Leased assets under operating leasing	1,251				(1,251)	0	
Defined benefit plan assets	131		(131)			0	
Deferred tax assets	4,916	639				5,555	Deferred tax assets
Other non-current assets	96		(96)			0	
Total non-current assets	71,037						
Inventories	18,343					18,343	Inventories
Trade receivables	3,757					3,757	Trade receivables
Receivables from financing activities	21,524					21,524	Receivables from financing activities
Tax receivables	615		(615)			0	
Other current assets	4,095		(4,095)			0	
Current financial assets:							
- Investments and securities	1,181			(1,181)		0	
- Other financial assets	684			(684)		0	
Total current financial assets	1,865						
			4,937			4,937	Other assets
					30	30	Assets held for sale
Cash and cash equivalents	29,243					29,243	Cash and cash equivalents
Assets held for sale	30				(30)	0	
Total current assets	79,472						
Total Assets	**150,509**	**639**	**0**	**0**	**0**	**151,148**	**Total Assets**
Equity and liabilities							**Equity and liabilities**
Equity attributable to owners of the parent	7,995	187				8,182	Equity attributable to owners of the parent
Non-controlling interests	14,326	452				14,778	Non-controlling interests
Total Equity	22,321	639	0	0	0	22,960	Total Equity
Provisions for employee benefits	12,074					12,074	Provisions for employee benefits
Other provisions	13,735					13,735	Other provisions
Deferred tax liabilities	604					604	Deferred tax liabilities
Financial debt	60,189					60,189	Financial debt
Other financial liabilities	987					987	Other financial liabilities
Trade payables	24,884					24,884	Trade payables
Tax payables	534					534	Tax payables
Other liabilities	15,181					15,181	Other liabilities
Liabilities held for sale						0	Liabilities held for sale
						128,188	Total Liabilities
Total Equity and Liabilities	**150,509**	**639**	**0**	**0**	**0**	**151,148**	**Total Equity and Liabilities**

New standards and amendments effective from January 1, 2016

The following new standards and amendments, which were effective from January 1, 2016, were adopted by the Group. The adoption of these amendments had no effect on the consolidated financial statements:

- Amendments to IFRS 11 – Joint arrangements: Accounting for acquisitions of interests in joint operations which clarify the accounting for acquisitions of an interest in a joint operation that constitutes a business.
- Amendments to IAS 16 – Property, Plant and Equipment and to IAS 38 – Intangible Assets, which clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. In addition, the amendments clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Annual Improvements to IFRSs 2012-2014 cycle, a series of amendments to IFRSs in response to issues raised mainly on IFRS 5 – Non-current assets Held for Sale and Discontinued Operations related to the changes of method of disposal of an asset (or disposal group), on IFRS 7 – Financial Instruments: Disclosures related to clarification when servicing contracts are deemed to constitute continuing involvement for disclosure purposes, on IAS 19 – Employee Benefits related to discount rate determination and on IAS 34 – Interim Financial Reporting related to paragraph 16A and the clarification of the meaning of disclosure of information elsewhere in the interim financial report.
- Amendments to IAS 1 – Presentation of Financial Statements, which were a part of the IASB's initiative to improve presentation and disclosure in financial reports. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

New standards, amendments and interpretations not yet effective

The following new standards and amendments were issued by IASB. The Group will comply with the relevant guidance no later than their respective effective dates.

- In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers, which requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. On September 11, 2015, the IASB issued an amendment to this standard, formalizing the deferral of the effective date for periods beginning January 1, 2018. In April 2016, the IASB issued further amendments to the standard, which do not change the underlying principles of the standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, determine whether a company is a principal or an agent, determine whether the revenue from granting a license should be recognized at a point in time or over time and provide two additional reliefs to reduce cost and complexity. The standard and amendments are effective from January 1, 2018, with earlier adoption permitted. The Group is currently quantifying the impact of adoption, however based on currently available information, the Group does not expect a material impact on its consolidated financial statements from the adoption of this standard and related amendments.
- In July 2014, the IASB issued IFRS 9 – Financial Instruments. The improvements introduced by the new standard include a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single “expected loss” impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Group is currently evaluating the implementation and the impact of adoption of this standard in 2018 on its consolidated financial statements.
- In January 2016, the IASB issued IFRS 16 – Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 – Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019 and the Group is currently evaluating the implementation and the impact of adoption of this standard on its consolidated financial statements.
- In January 2016, the IASB issued amendments to IAS *12* – Income Taxes that clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for annual periods beginning on or after January 1, 2017. The Group does not expect a material impact to its consolidated financial statements or disclosures upon adoption of the amendments.
- In January 2016, the IASB issued amendments to IAS 7 – Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective from January 1, 2017.
- In June 2016, the IASB issued amendments to IFRS 2 – Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments, which were developed through IFRIC, provide requirements on the accounting for (i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (ii) share-based payment transactions with a net settlement feature for withholding tax obligations and (iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments are effective prospectively from January 1, 2018, with earlier or retrospective application permitted. The Group does not expect a material impact to its consolidated financial statements or disclosures upon adoption of the amendments.

- In September 2016, the IASB published "Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts" (Amendments to IFRS 4). The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4: (i) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets (the "overlay approach") and (ii) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4 (the "deferral approach"). An entity would apply the overlay approach retrospectively to qualifying financial assets when it first applies IFRS 9. An entity would apply the deferral approach for annual periods beginning on or after January 1, 2018. The deferral can only be used for the three years following January 1, 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied. The Group is currently evaluating the implementation method and the effect of adoption on its consolidated financial statements.
- In December 2016, the IASB issued Annual Improvements to IFRS Standards 2014–2016 Cycle which has amendments to three Standards: IFRS 12 – Disclosure of Interests in Other Entities (effective date of January 1, 2017), IFRS 1 – First-time Adoption of International Financial Reporting Standards (effective date of January 1, 2018) and IAS 28 – Investments in Associates and Joint Ventures (effective date of January 1, 2018). The amendments clarify, correct or remove redundant wording in the related IFRS Standard and are not expected to have a material impact to the consolidated financial statements or disclosures upon adoption of the amendments.
- In December 2016, the IASB issued IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The interpretation is effective January 1, 2018. The Group is currently evaluating the implementation method and the effect of adoption on its consolidated financial statements.

Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies.

The companies/groups included in the scope of consolidation at December 31, 2016 are the following:

		12/31/2016	
		Percentage of consolidation	
Company/Group	**Country**	**Group's ownership interest**	**Non-controlling interest's ownership interest**
Operating subsidiaries:			
FCA Group	The Netherlands	29.16%	70.84%
CNH Industrial Group	The Netherlands	27.28%	72.72%
Ferrari Group	The Netherlands	23.52%	76.48%
PartnerRe Group	Bermuda	100.00%	-
Juventus Football Club S.p.A.	Italy	63.77%	36.23%
Companies in the Holdings System:			
EXOR S.A.	Luxembourg	100%	-
EXOR Capital Dac	Ireland	100%	-
EXOR SN LLC	USA	100%	-
EXOR Nederland N.V.	The Netherlands	100%	-
EXOR Investments Limited	United Kingdom	100%	-
Ancom USA Inc.	USA	100%	-

At December 31, 2016 the EXOR Group includes more than 500 subsidiaries consolidated line-by-line by the FCA, CNH Industrial, Ferrari and PartnerRe Groups. A complete list of the companies of the Group is provided in the List of EXOR Group Companies at December, 31 2016.

Certain minor subsidiaries are excluded from consolidation on a line-by-line basis and are accounted for using the equity method or at cost. Their aggregate assets and revenues represent less than 1% of the Group's total assets and revenues in these consolidated financial statements.

Non-controlling interests

Non-controlling interests at December 31, 2016 amount to €19,239 million (€15,976 million at December 31, 2015) and are detailed in note 25.

Acquisition of PartnerRe

The acquisition of PartnerRe was completed on March 18, 2016 (closing or Acquisition Date) after having received all necessary approvals.

The total payment made by EXOR at the closing was $6,108 million (€5,415 million), of which $6,065 million (€5,377 million) was paid to common shareholders and $43 million (€38 million) to preferred shareholders, as immediate economic value in lieu of the higher dividend rate. Considering also the common shares previously purchased by EXOR and measured at fair value at the Acquisition Date ($137.50 per share) the cash consideration amounted to $6,758 million.

Pursuant to the terms of the Merger Agreement, the transaction was effected by the merger of Pillar Ltd (a vehicle company wholly owned by EXOR Nederland N.V.) with and into PartnerRe. Specifically, the treasury stock held by PartnerRe and the common shares held by EXOR S.p.A. and EXOR S.A. were cancelled without consideration, while those held by third parties received the consideration agreed in the merger agreement. As of the closing date EXOR became owner of 100% of the common shares of PartnerRe. The acquisition did not include the preferred shares issued by PartnerRe, which continue to be traded on the New York Stock Exchange.

The transaction that led to the acquisition of control starting from March 18, 2016 was accounted for in accordance with IFRS 3 by applying the acquisition method on the basis of the interim financial statements prepared in accordance with IFRS at that date. The interest previously held by EXOR in PartnerRe (9.9% of common share capital) was measured at fair value at the Acquisition Date and the cumulative positive fair value of €22.9 million was credited to the income statement in the first half of 2016.

The total purchase price, fair value of net assets acquired and the determination of goodwill as of the Acquisition Date, are calculated as follows:

		€ million (*)	$ million
Shares purchased			
PartnerRe common shares held by EXOR immediately prior to the Acquisition Date		4,725,726	4,725,726
PartnerRe common shares hled by other parties		43,429,180	43,429,180
PartnerRe common shares-based awards outstanding vested upon acquisition		683,295	683,295
Total common shares and common shares equivalents outstanding of PartnerRe		**48,838,201**	**48,838,201**
Purchase price per share $		$137.5	$137.5
Purchase price of common shares		5,954	6,715
Payment to PartnerRe preferred shareholders		38	43
Total purchase price	**A**	**5,992**	**6,758**
Fair value of preferred shares	**B**	**818**	**922**
Fair value of net assets acquired			
Intangible assets		1,293	1,458
Investments of reinsurance companies and cash and cash equivalents		15,255	17,207
Receivables and recoverables from reinsurance activity		2,705	3,051
Other assets		193	218
Total assets	**C**	**19,446**	**21,934**
Technical reinsurance reserves		11,825	13,338
Other reinsurance balances payable		217	245
Financial payables		797	899
Other liabilities		383	432
Total liabilities	**D**	**13,222**	**14,914**
Total identifiable net assets acquired at fair value	**E=C-D**	**6,224**	**7,020**
Goodwill	**F=A+B-E**	**586**	**660**

(*) At the Acquisition Date exchange rate: $/€ 1.1279.

The fair value of non-controlling interests as of the Acquisition Date was determined based on the closing market price of PartnerRe's preferred shares as of the same date.

The goodwill of $660 million represents the excess of the purchase price paid over of the fair value of the net assets acquired and was allocated to the PartnerRe CGU.
The consolidated financial statements of the EXOR Group include the profit of PartnerRe for the period March 18, to December 31, 2016. As from the Acquisition Date PartnerRe contributed €3,827 million ($4,236 million) to consolidated revenues and €168 million ($186 million) to profit attributable to owners of the parent. If the acquisition had taken place at January 1, 2016, consolidated revenues and consolidated profit attributable to owners of the parent would have amounted respectively to €141,128 million and € 760 million.

Consolidation of Ferrari

Following the transaction for the spin-off of Ferrari from FCA, completed on January 3, 2016, Ferrari is controlled directly by EXOR N.V.; therefore at December 31, 2016, Ferrari is consolidated line-by-line directly by EXOR.

RCS spin-off

On April 15, 2016, the shareholders' meeting of FCA approved the distribution of the 16.7% ownership interest in RCS to holders of FCA common shares in an exchange ratio of 0.067746 ordinary shares of RCS for each common share of FCA held. EXOR received 25,459,208 RCS shares that were later sold on the market.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.
The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.
The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.
Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases. Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.
Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.
If the Group loses control of a subsidiary, a gain or loss is recognized in the income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).
The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IAS 39 – Financial instruments: recognition and measurement or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

Joint ventures

Joint ventures are entities in which the Group has contractually agreed sharing of control of an arrangement or whereby a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When the Group undertakes its activities under joint operations, it recognizes its related interest in the joint operation including: (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operation and (v) its expenses, including its share of any expenses incurred jointly.

Associates

Associates are entities over which the Group has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or impaired; at that time the cumulative other comprehensive income is recognized in the income statement.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from investment in other companies are included in other income (expenses) from investments.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates at the date of the statement of financial position. Income and expenses are translated into Euro at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average exchange rates for the year are used to translate the cash flows of foreign subsidiaries in preparing the statement of cash flows.

Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the consolidated financial statements in the functional currency and translated at the exchange rate at the acquisition date. These amounts are translated at subsequent balance sheet dates at the exchange rate at the end of the period.

The principal exchange rates used in 2016, 2015 and 2014 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	At December 31, 2016		At December 31, 2015	
	Average	**At 12/31/2016**	Average	At 12/31/2015
U.S. dollar	1.107	1.054	1.109	1.089
Brazilian real	3.857	3.431	3.699	4.312
Chinese renmimbi	7.352	7.320	6.972	7.061
Polish zloty	4.363	4.410	4.184	4.264
Argentine peso	16.327	16.707	10.271	14.136
British pound	0.819	0.856	0.726	0.734
Swiss franc	1.090	1.074	1.068	1.084
Mexican peso	20.664	21.772	17.611	18.915
Canadian dollar	1.466	1.419	1.418	1.512

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

The Economist Group, whose financial year closes on March 31 of each year, has been consolidated using the equity method on the basis of the most recent data available (September 30, 2016). At December 31, 2016 there were no significant variations compared to the data used for the purposes of these consolidated financial statements.

Business combinations

Business combinations are accounted for by applying the acquisition method of accounting in accordance with IFRS 3 - Business Combinations.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement under gains (losses) on the disposal of investments. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.

Brands with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired by comparing the carrying amount with the recoverable amount.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the expected life cycle of the product, and on average as follows:

	Automobiles	Trucks and buses	Agricultural and Construction Equipment	Powertrain
Number of years	5-6	4-8	5	8-12

  Research and all other development costs which do not meet the above criteria are expensed as incurred.

- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimate useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of position within financial debt. The assets are depreciated by the method and at the rates indicated below depending on the nature of the leased assets.

Leases under which the lessor retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Buildings	Plant, machinery and equipment	Other assets
Depreciation rate	2.5%-10%	3%-33%	3%-33%

Land is not depreciated.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Impairment of property plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and that are not expected to occur frequently, are recognized under other income (expenses).

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the consolidated financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39 include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other financial assets (which include derivative financial instruments stated at fair value), as well as cash and cash equivalents.

In particular, cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents. Current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less the provision for impairment of amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39.

The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- held-to-maturity investments – HTM;
- loans and receivables – L&R;
- available-for-sale financial assets – AFS.

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs. They are subsequently measured at amortized cost, using the effective interest method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of such investments has been sold or reclassified before their maturity, except sales or reclassifications that:

– are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
– occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
– are attributable to an isolated event that is beyond the Group’s control, is non-recurring and could not have been reasonably anticipated by the Group.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the ordinary course of business), held-to-maturity securities and equity investments whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).
Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement.
Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges.
Loans and financial payables are subsequently measured at amortized cost using the effective interest method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedges) are measured in accordance with hedge accounting principles (see next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Investments at fair value of Reinsurance companies

Investments at fair value of reinsurance companies represent investments held by PartnerRe and include fixed income securities, short term investments, equities, accrued interest, non-foreign exchange derivatives, other invested assets and funds held by reinsurance companies. PartnerRe classifies the majority of its reinsurance investments as financial assets at fair value through profit or loss (FVTPL). Upon initial recognition these investments are designated as FVTPL because they are managed and their performance is evaluated on a fair value basis. Derivative assets and liabilities are classified as held for trading.

Certain investments are classified as available-for-sale financial assets and are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date). Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement. Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period. Certain other funds held by reinsurance companies are classified as loans and receivables and are measured at amortized cost.

The fair value of financial instruments is measured in accordance with a fair value hierarchy that prioritizes the information used to measure fair value into three broad levels. Transfers between the hierarchy levels are recognized at the beginning of the period.
Gains and losses arising from the changes in the fair value of reinsurance investments classified as FVTPL or held for trading are included in the income statement in the period in which they arise. Net investment income for the reinsurance investments includes interest and dividend income, amortization of premiums and discounts on fixed maturities and short-term investments and investment income on funds held by reinsurance companies, and is net of investment expenses and withholding taxes. Investment income is recognized when earned. Realized gains and losses on the disposal of investments are determined on a first-in, first-out basis. Investment purchases and sales are recorded on a trade-date basis.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities). In accordance with IAS 39, all derivative financial instruments are measured at fair value.
Derivative financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship at the inception of the hedge, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.
When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement;
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately;
- *Hedge of a net investment* (hedges of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the consolidated income statement.

Transfer of financial assets

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer;
- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
- if it has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any rights and obligations created or retained in the transfer;
- if it has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the income statement.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of production systems construction contracts is based on the stage of completion determined as the proportion of cost incurred at the balance sheet date to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they are known.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group’s net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attributes benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income. These remeasurement components are not reclassified in the income statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement within other unusual income (expenses). Gains and losses on the settlement of a plan are recognized in the income statement within other unusual income (expenses) when the settlement occurs.

Other long-term employee benefits

The Group’s obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the income statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity.

Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in the income statement, with a corresponding increase or decrease in equity.

Share-based compensation plans that are to be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Changes in estimates of provisions are reflected in the income statement in the period in which the change occurs.

Technical reinsurance reserves

Non-life and health technical reinsurance reserves include amounts determined from loss reports on individual treaties (case reserves), additional case reserves when PartnerRe's loss estimate is higher than reported by the cedants (ACRs) and amounts for losses incurred but not yet reported to PartnerRe (IBNR). Such reserves are estimated by Management based upon reports received from ceding companies, supplemented by PartnerRe's own actuarial estimates of reserves for which ceding company reports have not been received, and based on PartnerRe's own historical experience. To the extent that PartnerRe's own historical experience is inadequate for estimating reserves, such estimates may be determined based upon industry experience and Management's judgment. The estimates are continually reviewed and the ultimate liability may be in excess of, or less than, the amounts provided. Any adjustments are reflected in the periods in which they are determined, which may affect PartnerRe's operating results in future periods.

Technical reinsurance reserves for life policies have been established based upon information reported by ceding companies, supplemented by PartnerRe's actuarial estimates of mortality, critical illness, persistency and future investment income, with appropriate provision to reflect uncertainty.

PartnerRe purchases retrocessional contracts to reduce its exposure to risk of losses on reinsurance assumed. Reinsurance recoverable on paid and unpaid losses involves actuarial estimates consistent with those used to establish the associated technical reinsurance reserves.

Reinsurance Acquisition Costs

Reinsurance acquisition costs for non-life and health contracts comprised of incremental brokerage fees, commissions and excise taxes which vary directly with, and are related to, the acquisition of reinsurance contracts, are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including all indirect costs, are expensed as incurred.

Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income.

Actual and anticipated losses and loss expenses, other costs and investment income related to underlying premiums are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Non-life business. Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Life business.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions are recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

Revenue from sale of vehicles and service parts is recognized when the risks and rewards of ownership are transferred to the customer, the sales price is agreed or determinable and collectability is reasonably assured. For vehicles, this generally corresponds to the date when the vehicles are made available to dealers not belonging to the Group, or when the vehicle is released to the carrier responsible for transporting vehicles to dealers.

Revenues are recognized net of discounts, allowances and returns, as well as costs for sales incentive programs and customer bonuses, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include incentives offered to dealers and retail customers, and granting of retail financing at a significant discount to market interest rates. These costs are recognized at the time of sale of the vehicle.

New vehicle sales made with a buy-back commitment, or through the Guaranteed Depreciation Program ("GDP") under which the Group guarantees the residual value or otherwise assumes responsibility for the minimum resale value of the vehicle, are not recognized at the time of delivery but are accounted for similar to an operating lease when it is probable that the vehicle will be bought back. Vehicles sold with a buy-back commitment are accounted for as inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as property, plant and equipment if agreements usually have a long-term buy-back commitment.
The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment.

The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals recognized over the contractual term of the lease on a straight-line basis as well as interest income from financial services companies.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenues for real estate services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured unless there are contingencies that impact revenue recognition. The existence of any significant future contingencies results in the delay of revenue recognition for the contingent amounts until such contingencies are satisfied. Certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations are recognized as revenues when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Reinsurance Premiums

Non-life and health net premiums written and earned are based upon reports received from ceding companies, supplemented by PartnerRe’s own estimates of premiums for which ceding company reports have not been received. The determination of premium estimates requires a review of PartnerRe’s experience with cedants, familiarity with each market, an understanding of the characteristics of each line of business and Management’s assessment of the impact of various other factors on the volume of business written and ceded to PartnerRe. Premium estimates are updated as new information is received from cedants and differences between such estimates and actual amounts are recorded in the period in which the estimates are changed or the actual amounts are determined. Net premiums written and earned are presented net of ceded premiums, which represent the cost of retrocessional protection purchased by PartnerRe. Premiums are earned on a basis that is consistent with the risks covered under the terms of the reinsurance contracts, which is generally one to two years. For U.S. and European wind and certain other risks, premiums are earned commensurate with the seasonality of the underlying exposure. Reinstatement premiums are recognized as written and earned at the time a loss event occurs, where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms. The accrual of reinstatement premiums is based on Management’s estimate of losses and loss expenses associated with the loss event. Unearned premiums represent the portion of premiums written which is applicable to the unexpired risks under contracts in force.
Premiums related to life business are earned over the premium-paying period on the underlying policies.

Cost of sales

The costs are recognized on the accruals basis.

Cost of sales comprises:

- the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and writedowns of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties;
  - expenses which are directly attributable to the financial services businesses, including the interest expenses related to their financing as a whole and provisions for risks and writedowns of assets;
  - expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events;
- reinsurance acquisition costs for non-life and health contracts comprised of incremental brokerage fees, commissions and excise taxes which vary directly with, and are related to, the acquisition of reinsurance contracts, are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including all indirect costs, are expensed as incurred. Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income. Actual and anticipated losses and loss expenses, other costs and investment income related to underlying premiums are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Non-life business. Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Life business.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance of the Company's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.

Current and deferred taxes are recognized as income or expense and included in the income statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in other comprehensive income or directly in equity.

Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.

Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Provisions for income taxes that could arise on the distribution of a subsidiary's undistributed profits are only made where there is a current intention to distribute such profits.
The Group recognizes deferred tax liabilities associated with the existence of a subsidiary's undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders' meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Segment reporting

The EXOR Group, through its subsidiaries, is present in a diversified range of sectors, particularly Automotive (FCA), Agricultural Equipment, Construction Equipment and Commercial Vehicles (CNH Industrial), Ferrari brand, an icon of luxury, style and speed, reinsurance services (PartnerRe) and professional football (Juventus Football Club). EXOR and the subsidiaries of the Holdings System primarily carry out activities regarding equity investments and financial market investments.
For this reason the EXOR Group has chosen to disclose its information by segment, according to IFRS 8 – *Operating Segments,* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System. These companies, in turn, in preparing their financial statements in accordance with IAS/IFRS, present, if applicable, operating segment disclosure which best reflects their respective characteristics.
Details on segment reporting are reported in note 33.

Use of estimates

The consolidated financial statements and the relative notes are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience of the Group and on any other factors that are considered to be relevant.
The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly.

The effects of any changes in estimate are recognized in the income statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts. The estimates and assumptions described reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the markets and the automotive industry, which remain subject to a high degree of uncertainty due to the continuation of the economic difficulties in most countries of the Eurozone and its effects on the industry;
- the recoverability of deferred tax assets which takes into consideration future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance in the Eurozone. Therefore changes in current estimates due to unanticipated events could have a significant impact on the Group's consolidated financial statements;
- pension plans and other post-retirement benefits are measured on an actuarial basis which takes into consideration parameters of a financial nature such as the discount rate and the return on plan assets, the rates of salary increases and the rates of healthcare cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The discount rates used refer to high-quality corporate bonds in the respective market of reference. The return on plan assets is given by interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan and less any tax payable by the plan itself (other than those included in the actuarial assumptions used to measure the defined benefit obligation). Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;
- estimated costs for product warranties;
- measurement of share-based compensation;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts;
- technical reinsurance reserves which are estimates involving actuarial and statistical projections at a given time to reflect PartnerRe Management's expectations of the costs of the ultimate settlement and administration of claims. Estimates of ultimate liabilities are contingent on many future events and the eventual outcome of these

events may be different from the assumptions underlying the reserve estimates. In the event that the business environment and social trends diverge from historical trends, PartnerRe may have to adjust its loss reserves to amounts falling significantly outside its current estimate. The estimates are regularly reviewed and the ultimate liability may be in excess of, or less than, the amounts provided, for which any adjustments will be reflected in the period in which the need for an adjustment is determined. For reserves relating to the life reinsurance business, PartnerRe makes a number of critical accounting estimates regarding mortality, longevity, morbidity, lapses, surrenders and future investment income and expenses;

- net reinsurance premiums written and earned and acquisition costs involve significant estimation as in most cases cedants seek protection for business that they have not yet written at the time they enter into reinsurance agreements and have to estimate the volume of premiums they will cede to PartnerRe. Reporting delays are inherent in the reinsurance industry and vary in length by reinsurance market (country of cedant) and type of treaty. As reporting delays can vary from a few weeks to a year or sometimes longer, PartnerRe produces accounting estimates to report premiums and acquisition costs until it receives the cedants' actual results. Estimates for premiums and acquisition costs are updated continuously as new information is received from cedants. The recovery of deferred policy acquisition costs is dependent upon the future profitability of the related business. Deferred policy acquisition costs recoverability testing is performed periodically together with the reserve adequacy test, based on the latest best estimate assumptions by line of business;
- Italian Exit tax.

1. Net revenues

Net revenues amount to €140,068 million in 2016 (€136,360 million in 2015). The composition is as follows:

€ million	2016		2015		Change
		%		%	
Sales of goods	129,483	92.4%	129,847	95.2%	(364)
Contract revenues	753	0.5%	1,334	1.0%	(581)
Other services	3,063	2.2%	2,705	2.0%	358
Net premium earned of insurance and reinsurance companies	3,606	2.6%			3,606
Interest income of financial services activities	885	0.6%	1,020	0.7%	(135)
Investment income and net realized and unrealized investments gains of insurance and reinsurance companies	221	0.2%			221
Lease installments from assets under operating leases and buy-backs	999	0.7%	902	0.7%	97
Television and radio rights and media revenues	206	0.1%	199	0.1%	7
Sponsorships and advertising	52	0.0%	45	0.0%	7
Season tickets and ticket office sales	51	0.0%	51	0.0%	0
Other	749	0.5%	257	0.2%	492
Total net revenues	**140,068**	**100.0%**	**136,360**	**100.0%**	3,708

In 2016 net revenues include €111.018 million referring to the FCA Group (€113,191 million in 2015), €22,882 million to the CNH Industrial Group (€23,785 million in 2015), €3,105 million to the Ferrari Group (included in FCA Group in 2015), €3,827 million to the PartnerRe Group and €498 million to Juventus Football Club (€379 million in 2015).
The contribution by segment is presented in note 34.

The analysis by geographical area is presented in note 35.

2. Cost of sales

In 2016 the cost of sales amounts to €117,771 million (€118,403 million in 2015) and includes the following:

€ million	2016	2015	Change
Cost of sales	114,312	117,672	(3,360)
Interest cost and other financial expenses from financial services companies	564	731	(167)
Losses and loss expenses and life policy benefits	2,395		2,395
Reinsurance acquisitions costs	500		500
Total cost of sales	**117,771**	**118,403**	(632)

In 2016 cost of sales includes €451 million of charges recognized for the additional estimated costs associated with the recall campaigns related to an industry wide recall of airbag inflators resulting from parts manufactured by Takata and €132 million of estimated net costs recognized associated with a recall for which costs are being contested with a supplier.

In 2015 Cost of sales included €658 million recorded by the FCA Group, of which €422 million of writeoffs to realign a portion of the productive capacity in NAFTA to better meet market demand for RAM pickup trucks and Jeep vehicles within the Group's existing infrastructure, and €236 million related to the payment of supplemental unemployment benefits due to extended downtime at certain plants associated with the implementation of the new manufacturing plan. The 2015 figueres included also an adjustment of €761 million recognized for the United States and Canada in relation to the change in estimate of future recall campaign costs for vehicles sold in periods prior to the third quarter of 2015 and to additional warranty costs recorded in the second half of 2015 related to the increase in the accrual rate per vehicle.

3. Selling, general and administrative expenses

Selling, general and administrative expenses amount to €10,851 million in 2016 (€9,962 in 2015).
Selling expenses mainly consist of marketing, advertising, and sales personnel expenses.
General and administrative expenses mainly consist of administration expenses which are not attributable to the sales, manufacturing or research and development functions.

4. Research and development costs

The composition of research and development costs is as follows:

€ million	2016	2015	Change
Research and development costs expensed during the year	2,643	1,946	697
Amortization of capitalized development costs	2,045	1,702	343
Impairment and write-off of costs previously capitalized	121	221	(100)
Total research and development costs	**4,809**	**3,869**	940

In 2016 the impairment and write-offs of costs previously capitalized mainly referred to the FCA Group's capacity realignment to SUV production in China, which resulted in an impairment charge of €90 million for the locally produced Fiat Viaggio and Ottimo vehicles.

In 2015 the impairment and writeoffs of costs previously capitalized mainly referred to the FCA Group's plan to realign a portion of its manufacturing capacity in NAFTA to better meet demand for Ram pickup trucks and Jeep vehicles within the Group's existing plant infrastructure, which resulted in an impairment charge of €176 million for capitalized development costs that had no future economic benefit.

5. Result from investments

The composition is as follows:

€ million	2016	2015	Change
Share of the profit (loss) of equity method investees	**360**	306	54
Other income (expenses) from investments			
Dividends from investments	28	22	6
Impairment reversals (losses)	(8)	(2)	(6)
Other income and (accruals) to provisions on investments	(6)	2	(8)
Total other income (expenses) from investments	**14**	22	(8)
Total result from investments	**374**	**328**	46

6. Restructuring costs

Restructuring costs amount to €167 million in 2016 (€125 million in 2015) and mainly include restructuring costs recorded by the CNH Industrial Group of €39 million (€71 million in 2015), by the FCA Group of €88 million (€53 million in 2015) and by the PartnerRe Group of €40 million.

In 2016, restructuring cost of CNH Industrial, refers to the actions to reduce selling, general and administrative expenses, business support costs,costs related to the completion of manufacturing product specialization programs and footprint rationalization actions included in the Efficiency Program of the Group. In 2015 restructuring costs of the CNH Industrial Group included $76 million, or €69 million for actions put into place to reduce selling, general and administrative expenses and business support costs and costs related to the completion of manufacturing product specialization programs and the efficiency program launched in July 2014.

Restructuring costs of the PartnerRe Group referred to the severance expenses associated with the restructuring of PartnerRe's business units, certain changes to PartnerRe's investment operations and executive changes part of the formation of a new organizational structure in which PartnerRe's business units were restructured into three worldwide business units comprised of P&C, Specialty and Life and Health.

7. Financial income (expenses)

The analysis of financial income (expenses) presented below includes amounts reported in specific lines of the consolidated income statement under financial income (expenses), as well as interest income from financial services activities recognized under net revenues of €885 million in 2016 (€1,020 million in 2015), and interest and other financial expenses from financial services companies recognized in costs of sales €564 million in 2016 (€731 million in 2015).

Details are as follows:

€ million	2016	2015	Change
Interest income from banks	155	197	(42)
Interest income from securities	15	19	(4)
Other interest income and financial income	154	221	(67)
Total Interest and other financial income	324	437	(113)
Interest income from customers and other financial income of financial services companies	885	1,020	(135)
Gains on disposal of securities	13	39	(26)
Total financial income	**1,222**	1,496	(274)
Less: Interest income from customers and other financial income of financial services companies	(885)	(1,020)	135
Financial income, excluding financial services companies	**337**	476	(139)
Interest expenses on bonds	1,398	1,644	(246)
Interest expenses from banks	693	752	(59)
Commission expenses	7	28	(21)
Other interest expenses and other financial expenses	540	807	(267)
Total Interest and other financial expenses	2,638	3,231	(593)
Writedowns of financial assets	211	176	35
Losses on disposal of securities	6	35	(29)
Net interest expenses on employee benefits provisions	399	412	(13)
Total interest and other financial expenses	**3,254**	3,854	(600)
Net (income) expenses from derivative financial instruments and exchange rate differences	366	319	47
Total financial expenses	**3,620**	4,173	(553)
Less: interest expenses and other financial expenses of financial services companies	(564)	(731)	167
Financial expenses, excluding financial services companies	**3,056**	3,442	(386)
Net financial income (expenses), excluding financial services companies	**(2,719)**	**(2,966)**	247

Other interest expenses and other financial expenses for the year ended December 31, 2016 included a loss on extinguishment of debt totaling €10 million related to the U.S.$2.0 billion (€1.8 billion) voluntary prepayment of principal at par, of FCA US's tranche B term loan maturing on May 24, 2017 and FCA US's tranche B term loan maturing on December 31, 2018. This item also included a loss on extinguishment of debt for €8 million related to the prepayment by FCA of all scheduled payments due on the Canada Health Care Trust ("HCT") Tranche C Note (refer to note 31, Debt) and the charge of €54 million ($60 million) related to the repurchase of portions of the Case New Holland Industrial Inc. 7.875% Notes due 2017, as well as the non-recurring charge of €31 million ($34 million) due to the re-measurement and impairment of certain assets in our Venezuelan subsidiary.

Other interest expenses and other financial expenses for the year ended December 31, 2015 included a loss on extinguishment of debt totaling €168 million related to the prepayment of the secured senior notes of FCA US due in 2019 and 2021 (refer to note 31, Debt). Other interest cost and financial expenses included interest expense of €29 million, €41 million, and €50 million, related to the Canada HCT Notes (refer to note 31, *Debt*) for the years ended December 31, 2016, 2015 and 2014, respectively.

In 2015 Net financial expenses (excluding those of Financial Services) included also a pre-tax charge of €135 million ($150 million) related to the re-measurement of the net monetary assets of the Venezuelan subsidiary, as well as a charge of €36 million ($40 million) due to the re-measurement of net monetary assets of Argentinian subsidiaries.

8. Tax expense

Tax expense recognized in the consolidated income statement consist of the following:

€ million	2016	2015	Change
Italian Exit tax	170		170
Current tax expense	1,328	846	482
Deferred tax expense (benefit)	446	(133)	579
Tax expense (benefit) relating to prior periods	10	(2)	12
Total tax expense	**1,954**	**711**	1,243

The reconciliation between the income tax expense recognized in the consolidated financial statements and the theoretical income tax expense, calculated on the basis of the theoretical tax rate in effect in the Netherlands, is as follows:

€ million		2016	2015
Theoretical tax expense		1,066	681
Tax effect on:			
Recognition and utilization of previously unrecognized deferred tax assets		(3)	(80)
Permanent differences		(507)	(264)
Deferred tax assets not recognized and writedowns		635	362
Differences between foreign tax rates and the theoretical applicable tax rate and tax holidays		1,340	55
Taxes relating to prior years		10	(2)
Italian Exit tax		170	
Other differences		(853)	(98)
Total tax expense, excluding IRAP		**1,859**	655
	Effective tax rate	43.6%	41.6%
IRAP (current and deferred)		95	56
Total tax expense		**1,954**	**711**

The applicable tax rate used to determine the theoretical income taxes was 25 percent in 2016, which is the tax rate applicable in 2016 in the Netherlands as compared to 27.5 percent in 2015, which was the tax rate in Italy (IRES at 27.5% in 2015) to the profit before taxes the tax jurisdiction in which EXOR was resident.

The 2016 effective tax rate was impacted by the estimate of the Italian Exit tax of €170 million incurred as consequence of the cross-merger of EXOR S.p.A. into EXOR N.V. The merged company EXOR S.p.A was taxable for IRES and IRAP purposes up until the legally effective date of the Merger. For Italian tax purposes the Merger qualifies as an intra-community cross-border merger as defined by the Italian tax regulations which have implemented E.U. Council Directive 1990/434 dated July 23, 1990 on the common system of taxation to be applied to mergers, de-mergers, transfers of assets and share exchanges involving companies of differing Member States (consolidated in E.U. Council Directive 2009/133 dated October 19, 2009, the “Merger Directive”).

The Italian tax regulations provide for the fiscal neutrality of the intra-community merger with respect to assets and liabilities which remain connected with a permanent organization in Italy, providing, conversely, that elements which do not remain connected with a permanent organization in Italy are deemed to be realized at fair value. Considering that EXOR N.V. has not maintained a permanent organization in Italy after the Merger, all the components of EXOR S.p.A. (including investments in companies, financial liabilities and its tax-suspended reserves) have been treated as having been realized at fair value, resulting in the crystallization of taxable surpluses (“EXIT gains”) in the financial position at the December 10, 2016 merger date.

On the basis of the information available and the estimates made, a €217 million provision has been recognized for taxation on the excess of the surpluses arising on the “Exit” over the operating losses brought forward reduced by a tax credit of €47 million for substitute tax paid in past years.

During December 2016, CNH Industrial completed a corporate reorganization of its Latin American operations, resulting in a $74 million charge to tax expense, comprised of $56 million related to changes in valuation allowances booked against deferred tax assets in Brazil and Argentina and $18 million related to certain other basis adjustments.

At December 31, 2016 the deferred tax asset balance consists of deferred tax assets less deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized are as follows:

€ million	12/31/2016	12/31/2015	Change
Deferred tax assets	4,792	5,331	(539)
Deferred tax liabilities	(527)	(550)	23
Total	**4,265**	**4,781**	(516)

The decrease in net deferred tax assets at December 31, 2016 from December 31, 2015 mainly related to FCA Group and in particular (i) a €769 million decrease related to the utilization of U.S. tax credit carryforwards by the US companies and reductions to other U.S. deferred tax assets and (ii) a €79 million decrease to EMEA deferred tax assets, which were partially offset by (iii) a €430 million increase to Brazil deferred tax assets due to additional tax loss carryforwards and positive foreign currency translation effects.

The components of deferred tax assets and liabilities in 2016 are as follows:

€ million	12/31/2015	Recognized in income statement	Recognized in Other comprehensive income	Changes due to acquisition of PartnerRe Group	Translation differences and other changes	12/31/2016
Deferred tax assets arising from:						
- Provisions	6,899	(39)		175	172	7,207
- Provision for employee benefits	3,399	(26)	(262)	14	271	3,395
- Intangible assets	273	(17)		11	(17)	251
- Inventories	483	(10)			8	481
- Allowances for doubtful accounts	260	26			21	308
- Impairment of financial assets	232	(18)			18	232
- Other	1,018	(254)	47	197	(117)	891
Total deferred tax assets	12,564	(337)	(215)	396	357	12,765
Deferred tax liabilities arising from:						
- Accelerated depreciation	(3,312)	(75)			10	(3,378)
- Capitalization of development costs	(2,881)	(273)			(63)	(3,216)
-Other intangible assets and intangible assets with indefinite useful lives	(1,432)	82		(168)	(105)	(1,624)
- Provision for employee benefits	(50)	1	3	(1)	2	(45)
- Other	(733)	138	24	(232)	(15)	(818)
Total deferred tax liabilities	(8,408)	(127)	27	(401)	(172)	(9,081)
Deferred tax assets arising on tax loss carry-forwards	4,651	586		26	103	5,366
Unrecognized deferred tax assets	(4,026)	(561)	(1)	(99)	(100)	(4,785)
Net deferred tax assets	**4,781**	(439)	(189)	(78)	190	**4,265**

The components of deferred tax assets and liabilities in 2015 are as follows:

€ million	**12/31/2014**	Recognized in income statement	Recognized in Other comprehensive income	Changes due to sale of C&W Group	Translation differences and other changes	**12/31/2015**
Deferred tax assets arising from:						
- Provisions	5,442	1,213		(5)	249	6,899
- Provision for employee benefits	2,538	383	12	(16)	482	3,399
- Intangible assets	461	(171)			(17)	273
- Inventories	512	(41)			12	483
- Allowances for doubtful accounts	276	8			(24)	260
- Impairment of financial assets	232	(18)			18	232
- Other	2,167	(1,933)	(16)	(61)	861	1,018
Total deferred tax assets	11,628	(559)	(4)	(82)	1,581	**12,564**
Deferred tax liabilities arising from:						
- Accelerated depreciation	(3,170)	151		3	(296)	(3,312)
- Capitalization of development costs	(2,387)	(165)			(329)	(2,881)
- Brands, trademarks and other intangibles	(1,412)	42		111	(173)	(1,432)
- Provision for employee benefits	(29)	4	(240)		215	(50)
- Other	(1,023)	358	(69)	(2)	3	(733)
Total deferred tax liabilities	(8,021)	390	(309)	112	(580)	**(8,408)**
Deferred tax assets arising on tax loss carryforwards	5,755	102		(31)	(1,175)	**4,651**
Unrecognized deferred tax assets	(4,411)	201	1	35	148	**(4,026)**
Net deferred tax assets	**4,951**	134	(312)	34	(26)	**4,781**

The decision to recognize deferred tax assets is made for each company by critically assessing whether conditions exist for the future recoverability of such assets by taking into account recent forecasts from budgets and plans.

At December 31, 2016, the Group has deferred tax assets on deductible temporary differences of €12,765 million (€12,564 million at December 31, 2015) of which €894 million is not recognized (€778 million at December 31, 2015). At December 31, 2016, the Group also has deferred tax assets on tax loss carryforwards of €5,366 million (€4,651 million at December 31, 2015) of which €3,891 million is unrecognized (€3,248 million at December 31, 2015). At December 31, 2016 net deferred tax assets include the amount of €1,475 million in respect of benefits on unused tax loss carryforwards (€1,403 million at December 31, 2015).

As of December 31, 2016, the FCA Group had total deferred tax assets of €2,902 million in Italy (€2,706 million at December 31, 2015) primarily attributable to Italian tax loss carry-forwards that can be carried forward indefinitely. The FCA Group has determined that it is probable that sufficient Italian taxable income will be generated in future periods that will allow the realization of €750 million of the Italian deferred tax assets (€764 million at December 31, 2015). As a result, €2,152 million of deferred tax assets in Italy were not recognized as of December 31, 2016 (€1,942 million at December 31, 2015).

As of December 31, 2016, the FCA Group had total deferred tax assets of €1,276 million in Brazil (€571 million at December 31, 2015) primarily attributable to Brazilian tax loss carry-forwards which can be carried forward indefinitely. As a result of the continued macroeconomic weakness and uncertainty in Brazil in 2016, a portion of the deferred tax assets in Brazil totaling approximately €300 million, which include Brazil tax losses, was not recognized as the Group concluded that there was no longer sufficient evidence to indicate that full utilization was probable. These unrecognized deferred tax assets will be monitored and assessed at each reporting date. The FCA Group continues to recognize Brazilian deferred tax assets of €976 million (€571 million at December 31, 2015) as the Group considers it probable that it will have sufficient taxable income in the future to allow the realization of these deferred tax assets.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and it is probable that they will not be distributed in the foreseeable future.

Total deductible and taxable temporary differences and accumulated tax losses at December 31, 2016, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiration, are as follows:

€ million	Total at 12/31/2016	Year of expiration					
		2017	2018	2019	2020	Beyond 2020	Unlimited / Indeterminable
Temporary differences and tax losses							
- Deductible temporary differences	65,272	12,546	8,597	8,467	8,801	21,074	5,787
- Taxable temporary differences	(48,115)	(5,815)	(5,980)	(5,905)	(5,774)	(12,675)	(11,966)
- Tax losses	24,981	228	314	364	535	2,277	21,262
- Temporary differences and tax losses for which deferred tax assets have not been recognized	(22,471)	(1,075)	(456)	(420)	(608)	(2,609)	(17,303)
Temporary differences and tax losses	**19,667**	**5,884**	**2,475**	**2,506**	**2,954**	**8,067**	**(2,220)**

9. Other information by nature

In 2016 personnel costs for the Group amounted to €17,007 million (€15,496 million in 2015) which includes costs that were capitalized mainly in connection with product development activities.
The Group had an average number of employees of 302,562 in 2016 (303,247 employees in 2015).

10. Earnings per share

		2016	2015
Average number of ordinary shares outstanding		**234,367,763**	**223,845,904**
Profit attributable to owners of the parent	€ million	**589**	**744**
- basic earnings per share	€	2.512	3.329
- diluted earnings per share	€	2.472	3.325
Profit from continuing operations attributable to owners of the parent	€ million	**590**	**222**
- basic earnings per share	€	2.515	0.997
- diluted earnings per share	€	2.495	0.992
Profit from discontinued operations attributable to owners of the parent	€ million	**(1)**	**522**
- basic earnings per share	€	(0.003)	2.332
- diluted earnings per share	€	(0.023)	2.331

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using their own equity instruments.

11. Intangible assets

The composition is as follows:

€ million	12/31/2016	12/31/2015	Change
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	19,463	18,110	1,353
Other intangible assets	15,408	13,184	2,224
Total intangible assets	**34,871**	**31,294**	3,577

Goodwill, brands, trademarks and other intangible assets with an indefinite useful life

Changes during 2016 are the following:

€ million	**12/31/2015**	Change in the scope of consolidation	Acquisition of PartnerRe	Translation differences and other changes	**12/31/2016**
Goodwill					
Original cost	15,634	(2)	586	458	16,676
Accumulated impairment losses	(1,063)	0		(22)	(1,085)
Net carrying amount	14,571	(2)	586	436	**15,591**
Brands, trademarks and other intangible assets with an indefinite useful life					
Original cost	3,595	0	207	193	3,995
Accumulated impairment losses	(56)	0		(67)	(123)
Net carrying amount	3,539	0	207	126	**3,872**
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	**18,110**	**(2)**	**793**	**562**	**19,463**

At December 31, 2016 goodwill related to the acquisition of PartnerRe amounts to $660 million, equal to €626 million (€586 million at the acquisition date).
In 2016 translation differences total €602 million and refer mainly to changes in the U.S. dollar/Euro rate.

Changes during 2015 were the following:

€ million	12/31/2014	Change in the scope of consolidation	Translation differences and other changes	**12/31/2015**
Goodwill				
Original cost	14,652	(471)	1,453	15,634
Accumulated impairment losses	(1,033)	48	(78)	(1,063)
Net carrying amount	13,619	(423)	1,375	**14,571**
Brands, trademarks and other intangible assets with an indefinite useful life				
Original cost	3,442	(214)	367	3,595
Accumulated impairment losses	(52)	1	(5)	(56)
Net carrying amount	3,390	(213)	362	**3,539**
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	17,009	**(636)**	**1,737**	**18,110**

The change in the scope of consolidation referred mainly to the sale of C&W Group for €465 million of goodwill and €213 million of brands, trademarks and other intangible assets with an indefinite useful life.

In 2015 translation differences totalled €1,375 million and refer mainly to changes in the U.S. dollar/Euro rate.

Goodwill

Goodwill and other assets are allocated to individual cash-generating units by the subsidiaries and associates on the basis of their procedures, methods and assumptions in accordance with IAS 36. This allocation, presented in the following table, is considered representative also for the consolidated financial statements.

€ million	12/31/2016	12/31/2015	Change
NAFTA	9,618	9,312	306
APAC	1,250	1,210	40
LATAM	602	583	19
EMEA	285	276	9
Ferrari		786	(786)
Components	62	62	0
Other activities		54	(54)
FCA Group	**11,817**	12,283	(466)
Agricultural Equipment	1,603	1,550	53
Construction Equipment	550	533	17
Commercial Vehicles	52	52	0
Powertrain	2	2	(0)
Financial Services	121	118	3
CNH Industrial Group	**2,329**	2,255	74
Ferrari Group	**786**		786
PartenerRe Group	**626**		626
FCA N.V.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	33	0
Total goodwill	**15,591**	**14,571**	1,020

FCA Group

Goodwill mainly includes the goodwill on the acquisition of FCA US of €11,731 million (€11,359 million at December 31, 2015). At December 31, 2016, €54 million of goodwill was classified within Assets held for sale as a result of Itedi meeting the held for sale criteria.

Goodwill is allocated to reporting segments or to CGUs within the reporting segments as appropriate.

In accordance with IAS 36 - Impairment of Assets, goodwill and intangible assets with indefinite useful lives are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or to CGUs within the operating segments. The impairment test is performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill, brands and capitalized development expenditures) and the recoverable amount of each CGU or group of CGUs to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. The balance of goodwill and intangible assets with indefinite useful lives recognized by the Group primarily relates to the acquisition of FCA US. Goodwill has been allocated to the NAFTA, EMEA, APAC and LATAM operating segments.

The assumptions used in the impairment test represent management's best estimate for the period under consideration. The estimate of the recoverable amount, for purposes of performing the annual impairment test for each of the operating segments, was determined using fair value less cost to sell for the year ended December 31, 2016 and was based on the following assumptions:

- The expected future cash flows covering the period from 2017 through 2020. These expected cash flows have been derived from the Group's 2014-2018 business plan presented on May 6, 2014, which was subsequently updated. The remaining years of the Group's business plan were updated to reflect current expectations regarding economic conditions and market trends as well as to extend the discrete projections beyond 2018 to 2020. These cash flows relate to the respective CGUs in their condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the respective operating segment over the period considered. With regards to the LATAM operating segment, expected future cash flows also include the extension of tax benefits and other government grants to the extent such events are considered probable.

- The expected future cash flows include a normalized terminal period to estimate the future result beyond the time period explicitly considered which incorporates a long-term growth rate assumption of 2 percent.
- Post-tax cash flows have been discounted using a post-tax discount rate which reflects the current market assessment of the time value of money for the period being considered and the risks specific to the operating segment and cash flows under consideration. The Weighted Average Cost of Capital ("WACC") ranged from approximately 15 percent to approximately 20 percent. The WACC was calculated using the Capital Asset Pricing Model technique.

The value estimated as described above was determined to be in excess of the book value of the net capital employed for each operating segment to which goodwill has been allocated. As such, no impairment charges were recognized for goodwill and Intangible assets with indefinite useful lives for the year ended December 31, 2016.

CNH Industrial Group

The vast majority of goodwill, representing approximately 98% of the total, as of December 31, 2016 related to Agricultural Equipment (69%) to Construction Equipment (24%) and to Financial Services (5%), where the cash-generating units considered for the testing of the recoverability of the goodwill are the segments.

CNH Industrial determines the recoverable amount of these cash-generating units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach.

Under the income approach, CNH Industrial calculates the recoverable amount of a cash-generating unit based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

Discount rates ranged from 13.3 percent to 14.1 percent for Construction and Agricultural Equipment (from 13.4 percent to 17.8 percent in 2015). The discount rate for Financial services was 21.6 percent in 2016 (21.3 percent in 2015).

Expected cash flows used under the income approach are developed in conjunction with the CNH Industrial budgeting and forecasting processes. CNH Industrial uses nine years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and four years of expected cash flows for the Financial Services cash-generating unit as management believes that these periods generally reflect the underlying market cycles for its businesses. Under the market approach, CNH Industrial estimates the recoverable amount of the Agricultural Equipment and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using book value, tangible book value and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear that no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for the Agricultural Equipment cash-generating unit was 1.0% in 2016 and 2015, and for Construction Equipment was 3.0% in 2016 and 2015. The terminal value growth rate for Financial Services was 1.5% in 2016 and 2015.

As of December 31, 2016 the estimated recoverable amounts, calculated using the above method, of the Agricultural Equipment and Financial Services cash-generating units exceeded the carrying values by approximately 51% and 28%, respectively. The Construction Equipment cash generating unit had an excess of estimated recoverable amounts over carrying value of approximately 14%. Although the excess of estimated recoverable amounts over carrying value is over 10%, the Construction Equipment cash generating unit is considered to be at higher risk of impairment in future reporting periods, due primarily to declines in market demand for construction equipment. Holding all other assumptions constant, an increase of 2.1 p.p. in the discount rate could result in an impairment loss in future reporting periods.

The results obtained for the Commercial Vehicles and related sensitivity analyses confirmed the absence of an impairment loss.
The sum of the recoverable amounts of CNH Industrial's cash generating units was in excess of CNH Industrial's market capitalization. CNH Industrial believes that the difference between the recoverable amount and market capitalization is reasonable (in the context of assessing whether any asset impairment exists) when market-based control premiums are taken into consideration.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by management based on past performance and expectations of developments in the markets in which the Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the Group.

Ferrari Group

At December 31, 2016 goodwill amounted to €786 million (€786 million in 2015 included in FCA Group). In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use.
The assumptions used in this process represent management's best estimate for the period under consideration. The estimate of the value in use of the CGU for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows covering the period from 2017 through 2020 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 2.0 percent (2.1 percent in 2015 and 1.0 percent in 2014).
- The expected future cash flows have been estimated in Euro, and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 7.0 percent (7.6 percent in 2015 and 8.2 percent in 2014). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill will continue to be recoverable, even in the event of difficult economic and market conditions.

PartnerRe Group

For goodwill and indefinite life intangible assets impairment testing PartnerRe is treated as a single cash generating unit. PartnerRe tests goodwill and indefinite life intangible assets for impairment on at least an annual basis at December 31. The recoverable amount is based on the fair value and is determined as a sum of the parts of the three operating segment: Property & Casualty, Specialty, Life & Health.

The fair value is based on a weighted average of industry accepted valuation methods, including: price-to-earnings multiples of comparable companies, price-to-tangible book value multiples of comparable companies and a discounted cash flow projection.
In the discounted cash flow projection the premium growth was assumed to be 1%. The discount rate applied was 10%. Cash flows are projected for an initial 5 year period plus a terminal valuation. The fair value calculation is categorised as a Level 3 valuation, as per the fair value hierarchy, as it utilises both observable and unobservable inputs. A reasonably possible change in one of the assumptions would not result in the fair value being less than the carrying value.

Brands, trademarks and other intangible assets with indefinite useful lives

The composition by reporting segment is as follows:

€ million	12/31/2016	**12/31/2015**	Change
FCA Group	3,405	3,293	112
CNH Group	221	215	6
PartnerRe Group	215		215
Juventus F.C.	31	31	0
Intangible assets with indefinite useful lives	**3,872**	**3,539**	333

Brands of the FCA Group are composed of the Chrysler, Jeep, Dodge, Ram and Mopar brands which resulted from the acquisition of FCA US. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they are classified as intangible assets with indefinite useful lives, and are therefore not amortized but are instead tested annually for impairment.
For the purpose of impairment testing, the carrying value of Brands, which is allocated to the NAFTA segment, is tested jointly with the goodwill allocated to the NAFTA segment.

With regard to the CNH Industrial Group, Trademarks and Other intangible assets with indefinite useful lives are mainly attributable to Agricultural Equipment and Construction Equipment and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units. No impairment loss was recognized.

The indefininite-lived intangible assets of PartnerRe Group have no legal, contractual, competitive or economic term that limit their useful lives, and are therefore not amortized. For indefinite life intangible assets impairment testing PartnerRe is treated as a single cash generating unit using the same assumptions as the impairment test on goodwill.

Other intangible assets

Change in 2016 are the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2015						
Original cost	11,577	10,483	4,055	1,559	385	28,059
Accumulated amortization and impairment	(5,734)	(5,584)	(2,401)	(972)	(184)	(14,875)
Net carrying amount	**5,843**	**4,899**	**1,654**	**587**	**201**	**13,184**
Changes during the year (original cost)						
Additions	1,771	1,265	516	134	180	3,866
Disposals	(1)	(49)	(80)	(7)	(95)	(232)
Acquisition of PartnerRe			7	1,125		1,132
Change in the scope of consolidation	0	(5)	(5)	3	0	(7)
Translation differences and other changes	(70)	647	51	77	0	705
Total	**1,700**	**1,858**	**489**	**1,332**	**85**	**5,464**
Changes during the year (accumulated amortization and impairment)						
Amortization	(1,159)	(887)	(258)	(566)	(72)	(2,942)
Impairment losses	(29)	(92)	0	(1)	(1)	(123)
Disposals	(1)	37	21	6	57	120
Change in the scope of consolidation	0	4	3	(1)	0	6
Translation differences and other changes	148	(386)	(44)	(19)	0	(301)
Total	**(1,041)**	**(1,324)**	**(278)**	**(581)**	**(16)**	**(3,240)**
Balance at December 31, 2016						
Original cost	13,277	12,341	4,544	2,891	470	33,523
Accumulated amortization and impairment	(6,775)	(6,908)	(2,679)	(1,553)	(200)	(18,115)
Net carrying amount	**6,502**	**5,433**	**1,865**	**1,338**	**270**	**15,408**

In 2016 new development costs were capitalized for €3,036 million, of which €2,558 million (€2,659 million in 2015) by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs.

Impairment losses include €90 million write-offs related to the locally produced Fiat Viaggio and Ottimo vehicles.

The positive translation differences of €377 million primarily related to foreign currency translation of the U.S. Dollar to the Euro.

Changes in 2015 were the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2014						
Original cost	9,510	9,195	3,603	1,709	318	24,335
Accumulated amortization and impairment	(4,295)	(4,960)	(1,982)	(1,137)	(184)	(12,558)
Net carrying amount	**5,215**	**4,235**	**1,621**	**572**	**134**	**11,777**
Changes during the year (original cost)						
Additions	1,544	1,529	255	207	165	3,700
Disposals	1	(53)	(14)	(35)	(98)	(199)
Change in the scope of consolidation	0	0	(6)	(309)	0	(315)
Translation differences and other changes	522	(188)	217	(13)	0	538
Total	**2,067**	**1,288**	**452**	**(150)**	**67**	**3,724**
Changes during the year (accumulated amortization and impairment)						
Amortization	(936)	(813)	(338)	(106)	0	(2,193)
Impairment losses	(187)	(34)	0	(2)	0	(223)
Disposals	0	37	12	30	0	79
Change in the scope of consolidation	0	0	5	211	0	216
Translation differences and other changes	(316)	186	(98)	32	0	(196)
Total	**(1,439)**	**(624)**	**(419)**	**165**	**0**	**(2,317)**
Balance at December 31, 2015						
Original cost	11,577	10,483	4,055	1,559	385	28,059
Accumulated amortization and impairment	(5,734)	(5,584)	(2,401)	(972)	(184)	(14,875)
Net carrying amount	**5,843**	**4,899**	**1,654**	**587**	**201**	**13,184**

In 2015 new development costs were capitalized for €3,073 million, of which €2,659 million by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs, as well as the investment for the development of Alfa Romeo vehicles.

To reflect changes in its product strategy, the FCA Group recorded impairment losses of €176 million in 2015 mainly to realign a portion of its manufacturing capacity in NAFTA to better meet market demand for Ram pickups and Jeep vehicles.

Positive translation differences principally reflect foreign exchange gains of €491 million included in translation differences and other changes that relate to the strengthening of the U.S. dollar against the Euro.

The amortization of development costs is reported in the income statement in Research and Development costs.

12. Property, plant and equipment

Changes in property, plant and equipment in 2016 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2015							
Original cost	1,187	11,148	52,864	2,389	3,619	4,310	75,517
Accumulated depreciation and impairment	(47)	(4,252)	(34,453)	(484)	(2,134)	(14)	(41,384)
Net carrying amount	**1,140**	**6,896**	**18,411**	**1,905**	**1,485**	**4,296**	**34,133**
Changes during the year (original cost)							
Additions	6	335	3,630	787	485	1,801	7,044
Disposals	(11)	(23)	(741)	0	(78)	(18)	(871)
Change in the scope of consolidation	(6)	(22)	17	0	3	7	(1)
Translation differences	59	490	1,887	(35)	137	226	2,764
Other changes	(6)	157	2,100	(452)	(52)	(2,460)	(713)
Total	**42**	**937**	**6,893**	**300**	**495**	**(444)**	**8,223**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(425)	(4,097)	(252)	(359)	0	(5,133)
Impairment losses	(1)	(61)	(25)	(24)	(1)	(4)	(116)
Disposals	5	13	710	0	69	1	798
Change in the scope of consolidation	0	2	6	0	2	0	10
Translation differences	(1)	(117)	(959)	10	(75)	(1)	(1,143)
Other changes	0	16	205	186	44	1	452
Total	**3**	**(572)**	**(4,160)**	**(80)**	**(320)**	**(3)**	**(5,132)**
Balance at December 31, 2016							
Original cost	1,229	12,085	59,757	2,689	4,114	3,866	83,740
Accumulated depreciation and impairment	(44)	(4,824)	(38,613)	(564)	(2,454)	(17)	(46,516)
Net carrying amount	**1,185**	**7,261**	**21,144**	**2,125**	**1,660**	**3,849**	**37,224**
of which leased under finance leases	*5*	*326*	*653*		*2*		*986*

The net carrying amount of assets leased under finance lease agreements includes assets that are legally owned by suppliers but are recognized in the Consolidated Financial Statements in accordance with IFRIC 4 - Determining Whether an Arrangement Contains a Lease, with the corresponding recognition of a financial lease payable.

Additions total €7,044 million in 2016 and mainly refer to the FCA Group for €5,709 million and the CNH Industrial Group for €1,223 million.

For the year ended December 31, 2016, the Group recognized a total of €116 million of impairment losses and asset write-offs, of which €43 million related to certain of FCA Venezuela's assets due to the continued deterioration of the economic conditions in Venezuela. This impairment charge was recognized within Selling, general and administrative cost and other expenses.

In 2016, translation differences of €1,621 million primarily reflected the strengthening of the Brazilian Real and the U.S. Dollar against the Euro.

Changes in property, plant and equipment in 2015 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2014							
Original cost	1,202	10,655	49,405	2,093	3,412	3,089	69,856
Accumulated depreciation and impairment	(11)	(3,899)	(31,273)	(486)	(1,973)	(16)	(37,658)
Net carrying amount	**1,191**	**6,756**	**18,132**	**1,607**	**1,439**	**3,073**	**32,198**
Changes during the year (original cost)							
Additions	6	590	3,497	784	328	2,229	7,434
Disposals	(11)	(65)	(1,234)	(71)	(76)	(24)	(1,481)
Change in the scope of consolidation	3	4	(6)	0	(180)	(1)	(180)
Translation differences	(21)	(36)	246	6	124	(121)	198
Other changes	8	0	956	(423)	11	(862)	(310)
Total	**(15)**	**493**	**3,459**	**296**	**207**	**1,221**	**5,661**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(405)	(3,854)	(209)	(306)	0	(4,774)
Impairment losses	(1)	(12)	(475)	(18)	(3)	(2)	(511)
Disposals	1	46	1,204	40	65	2	1,358
Change in the scope of consolidation	(3)	(3)	5	0	111	0	110
Translation differences	1	(3)	(15)	1	(34)	1	(49)
Other changes	(34)	24	(45)	188	6	1	140
Total	**(36)**	**(353)**	**(3,180)**	**2**	**(161)**	**2**	**(3,726)**
Balance at December 31, 2015							
Original cost	1,187	11,148	52,864	2,389	3,619	4,310	75,517
Accumulated depreciation and impairment	(47)	(4,252)	(34,453)	(484)	(2,134)	(14)	(41,384)
Net carrying amount	**1,140**	**6,896**	**18,411**	**1,905**	**1,485**	**4,296**	**34,133**
of which leased under finance leases	*8*	*322*	*623*		*1*		*954*

Additions totalled €7,434 million in 2015 and mainly referred to the FCA Group for €6,148 million and the CNH Industrial Group for €1,511 million.

In 2015 impairment losses amounted to €511 million, of which €422 million referred to the FCA Group mainly in relation to the realignment of a portion of the Group's manufacturing capacity in NAFTA to better meet market demand.

Positive translation differences of €149 million in 2015 mainly reflect the strengthening of the U.S. dollar against the Euro.

In 2015 other changes primarily consisted of the reclassification of prior year balances for advances and tangible assets in progress to the respective categories when the assets were acquired and entered service, as well as the reclassification to inventory of assets sold with a buy-back commitment that are held for sale at the agreement expiry date.

At December 31, 2016 property, plant and equipment of the FCA Group, excluding FCA US, pledged as security for debt and other commitments, mainly refer to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the simultaneous recognition of a finance lease payable. The composition is as follows:

€ million	12/31/2016	12/31/2015	Change
Land and industrial buildings pledged as security for debt	1,239	934	305
Plant and machinery pledged as security for debt and other commitments	698	462	236
Other assets pledged as security for debt and other commitments	3	4	(1)
Property plant and equipment pledged as security for debt	**1,940**	**1,400**	540

At December 31, 2016, land and industrial buildings of the Group pledged as security for debt amounted to €97 million (€74 million at December 31, 2015); plant, machinery and equipment pledged as security for debt and other commitments amounted to €51 million (€81 million at December 31, 2015); these relate to suppliers' assets recognized in the Consolidated Financial Statements in accordance with IFRIC 4 – Determining whether an arrangement contains a lease, with the simultaneous recognition of a financial lease payable.

Moreover, at December 31, 2016 real estate mortgaged as security for a loan from the Istituto per il Credito Sportivo to Juventus FC for the construction of the new stadium and for the renovation of premises in the east section, amounts to a maximum amount of €140 million.

At December 31, 2016 the Group has contractual commitments for the acquisition of property, plant and equipment amounting €1,063 million (€1,846 million at December 31, 2015).

Recoverability of non-current assets of the FCA Group

Non-current assets with definite useful lives include property, plant and equipment, intangible assets and assets held for sale. Intangible assets with definite useful lives mainly consist of capitalized development expenditures related to the NAFTA and EMEA segments. The Group periodically reviews the carrying amount of non-current assets with definite useful lives when events or circumstances indicate that an asset may be impaired.

During the year ended December 31, 2016, impairment losses totaling €195 million were recognized. The most significant component of this impairment loss related to the impairment of capitalized development expenditures for the locally produced Fiat Viaggio and Ottimo vehicles as a result of the Group's capacity realignment to SUV production in China. The impairment test compared the carrying amount of the assets included in the respective cash generating units (comprising property, plant and equipment and capitalized development expenditures) to the assets' value in use, which was determined not to be materially different from their fair value, and was determined using a discounted cash flow methodology. The value in use of the cash generating units ("CGUs"), which was based primarily on unobservable inputs, was determined using pre-tax estimated future cash flows attributable to the CGUs that were discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the CGUs. As a result of completing the impairment test, it was determined that the carrying amount of the CGUs exceeded the capitalized development expenditures' value in use which resulted in an impairment charge of €90 million. In addition, due to the continued deterioration of the economic conditions in Venezuela, an impairment test which compared the carrying amount of certain of FCA Venezuela's assets to their fair value using a market approach, resulted in an impairment charge of €43 million.

During the year ended December 31, 2015, impairment losses totaling €713 million were recognized. The most significant component of this impairment loss related to the decision taken by the Group during the fourth quarter of 2015 to realign a portion of its manufacturing capacity in the NAFTA region, as part of the plan to improve NAFTA margins and to better meet market demand for Ram pickup trucks and Jeep vehicles within the Group's existing plant infrastructure. The approval of this plan was deemed to be an indicator of impairment for certain of our vehicle platform CGUs due to the significant changes to the extent to which the assets are expected to be used. The impairment test compared the carrying amount of the assets included in the respective CGUs (comprising property, plant and equipment and capitalized development expenditures) to their value in use, which was determined not to be materially different from their fair value, and was determined using a discounted cash flow methodology. The value in use of the CGUs, which was based primarily on unobservable inputs, was determined using pre-tax estimated future cash flows attributable to the CGU that were discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the CGUs. As a result of completing the impairment test, it was determined that the carrying amount of the CGUs exceeded their value in use and an impairment charge of €598 million was recorded for the year ended December 31, 2015, of which €422 million related to tangible asset impairments and €176 million related to the impairment of capitalized development expenditures.

13. Leased assets under operating leases

Changes in leased assets under operating leases in 2016 and 2015 are the following:

€ million	12/31/2015	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2016
Gross carrying amount	1,955	686	0	75	(578)	2,138
Depreciation and impairment	(269)	0	(242)	(11)	194	(328)
Net carrying amount of assets leased under operating leases	**1,686**	**686**	**(242)**	**64**	**(384)**	**1,810**

€ million	12/31/2014	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2015
Gross carrying amount	1,495	882	0	115	(537)	1,955
Depreciation and impairment	(244)	(1)	(193)	(11)	180	(269)
Net carrying amount of assets leased under operating leases	**1,251**	**881**	**(193)**	**104**	**(357)**	**1,686**

14. Investments accounted for using the equity method

Details are as follows:

€ million	12/31/2016	12/31/2015	Change
Investments in joint ventures	2,027	1,915	112
Investments in associates	943	1,196	(253)
Investments in unconsolidated subsidiaries	51	52	(1)
Equity method investments	**3,021**	**3,163**	(142)

During the 2016 FCA distributed its interest in RCS (16.7%) to its shareholders in a ratio of 0.067746 ordinary shares of RCS for each FCA common share held. EXOR received 25,459,208 shares of RCS that were later sold on the market.

Investments in joint ventures

Changes in 2016 and 2015 are the following:

€ million	12/31/2015	Revaluations (Impairment losses)	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Other changes	12/31/2016
Investments in joint ventures	**1,915**	308	89	0	(105)	(180)	**2,027**

€ million	12/31/2014	Revaluations (Impairment losses)	Acquisitions and capitalizations	Change in the scope of consolidation	Translation differences	Other changes	12/31/2015
Investments in joint ventures	**1,732**	177	178	0	(3)	(169)	**1,915**

The composition of investments in joint ventures is as follows:

€ million		12/31/2016		12/31/2015	Change
Investments in joint ventures					
FCA Bank	50.00%	1,044	50.00%	985	59
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	302	37.90%	305	(3)
GAC FIAT Chrysler Automobiles Co.	50.00%	237	50.00%	145	92
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	170	50.00%	197	(27)
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	69	37.50%	73	(4)
Other		205		210	(5)
Total Investments in joint ventures		**2,027**		**1,915**	112

FCA Bank S.p.A. ("FCA Bank"), which is a joint venture with Crédit Agricole Consumer Finance S.A. operates in Europe including Italy, France, Germany, UK and Spain. In July 2013, the Group reached an agreement with Crédit Agricole to extend the term of the joint venture through to December 31, 2021. Under the agreement, FCA Bank will continue to benefit from the financial support of the Crédit Agricole Group while continuing to strengthen its position as an active player in the securitization and debt markets. FCA Bank provides retail and dealer financing and long-term rental services in the automotive sector.

Tofas-Turk Otomobil Fabrikasi A.S. ("Tofas"), which is registered with the Turkish Capital Market Board, is listed on the İstanbul Stock Exchange. At December 31, 2016, the fair value of the Group's interest in Tofas was €1,258 million (€1,129 million at December 31, 2015).

GAC Fiat Chrysler Automobiles Co. ("GAC FCA JV") is a joint venture with Guangzhou Automobile Group Co., Ltd. which locally produces Jeep vehicles for the Chinese market.

Naveco (Nanjing Iveco Motor Co.) Ltd is a 50/50 joint venture between Iveco S.p.A. and Nanjing Automotive Corporation, a subsidiary of the SAIC Group which designs, produces and sells the Daily model and light trucks.

Turk Traktor Ve Ziraat Makineleri A.S. is a listed company (37.5% by CNH Industrial and 37.5% by Koc Holding) for the production of tractors under the Case IH Agriculture and New Holland Agriculture brands, and the import and distribution of agricultural equipment in Turkey. At December 31, 2016 the fair value of CNH Industrial's interest in Turk Traktor is $427 million, or €405 million ($477 million or €438 million at December 31, 2015).

Investments in associates

The composition is as follows:

€ million		12/31/2016		12/31/2015	Change
Investments in associates					
Almacantar Group	35.70%	394	38.30%	533	(139)
The Economist Group	43.40%	280	34.72%	466	(186)
CNH Capital Europe S.a.s.	49.90%	123	49.90%	104	19
RCS MediaGroup S.p.A.		-	16.73%	51	(51)
Other		146		42	104
Total investments in associates		**943**		**1,196**	(253)

The main income statement and statement of financial position data for the years 2016 and 2015 of Almacantar are as follows:

	12/31/2016		12/31/2015	
	£ million	€ million	£ million	€ million
Non-current assets	1,234.3	1,442	1,424.0	1,940
Current assets	559.8	654	360.1	491
Payables	814.6	951	762.7	1,039
Other liabilities	0.5	1	0.5	1
Net revenues	11.5	14	16.6	23
Profit before taxes	(38.9)	(47)	248.8	343
Comprehensive income	(37.7)	(46)	248.1	342

The main income statement and statement of financial position data for the years 2016 and 2015 of The Economist are as follows:

	9/30/2016		9/30/2015	
	£ million	€ million	£ million	€ million
Net revenues	161.9	197.6	158.0	217.7
Operating profit	17.2	21.0	25.2	34.7
Profit for the period	12.9	15.7	19.4	26.7
Equity	(153.0)	(178.7)	(22.1)	(30.1)
Profit for the period 10/1/2015 - 9/30/2016	144.6	176.5		

15. Other investments and other financial assets

Details are as follows:

€ million	12.31.2016	12.31.2015	Change
Investments at fair value with changes in other comprehensive income	501	1,182	(681)
Investments at cost	82	91	(9)
Non-current financial receivables	359	305	54
Other securities	438	904	(466)
Other financial assets	646	1,047	(401)
Total other investments and other financial assets	**2,026**	**3,529**	(1,503)

Investments accounted for at fair value with changes in other comprehensive income

Details are as follows:

€ million	12/31/2016		12/31/2015		Change
Investments at fair value with changes in other comprehensive income:					
Black Ant Value Fund		355		374	(19)
Banca Leonardo	16.51%	42	16.51%	59	(17)
PartnerRe (a)		-	9.90%	607	(607)
Other		104		142	(38)
Total investments at fair value with changes in other comprehensive income		**501**		**1,182**	(681)

(a) Consolidated line by line in 2016.

The change in investments at fair value is mainly due to the reclassification of the 9.9% interest in PartnerRe to investments consolidated line-by-line following acquisition of control by EXOR with 100% of common share capital.

The net decrease in The Black Ant Value Fund is due to the redemption of 128,606 shares, in accordance with signed agreements and considering the positive performance recorded during 2015, for a total equivalent amount of €18.7 million, partially offset by the negative fair value adjustment of €0.3 million. The redemption resulted in a net gain of €5.8 million from the realization of a portion of the fair value reserve. At December 31, 2016 a positive fair value adjustment of €110.8 million was recognized in equity.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as letters of credit and other agreements.

Other securities

Details are as follows:

€ million	12.31.2016	12.31.2015	Change
Bonds held to maturity	28	51	(23)
Bonds available for sale	38	269	(231)
Bonds and mutual funds held for trading	212	242	(30)
Other non current securities	160	342	(182)
Total other securities	**438**	**904**	(466)

Bonds are issued by leading counterparties, listed on active and open markets, and also include the current portion of bonds due within 12 months held-to-maturity. The decrease reflects the Group's strategy as regard the management of the securities portfolio and the investment of cash resources.

Other financial assets

Other financial assets represent the fair value of derivative financial instruments analyzed in note 30.

16. Inventories

The composition of inventories is as follows:

€ million	12/31/2016	12/31/2015	Change
Raw materials, supplies and finished goods	17,704	16,709	995
Assets sold with a buy-back commitment and GDP vehicles	1,650	1,984	(334)
Gross amount due from customers for contract work	56	156	(100)
Total inventories	**19,410**	**18,849**	561

Inventories refer to the FCA Group for €13,654 million (€13,524 million at December 31, 2015) the CNH Industrial Group for €5,438 million (€5,326 million at December 31, 2015), the Ferrari Group for €324 million (included in the FCA Group in 2015) net of intercompany eliminations of €6 million (€1 million at December 31, 2015).

At December 31, 2016 net inventories of the CNH Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments for €312 million (€260 million at December 31, 2015).

In 2016 the amount of inventory writedowns recognized as an expense is €637 million (€683 million in 2015), while amounts recognized as income from the reversal of writedowns on items sold during the year are not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2016	12/31/2015	Change
Gross amount due from customers for contract work, as an asset	56	156	(100)
Less: Amount due to customers for contract work, as a liability	(227)	(222)	(5)
Construction contracts, net of advances on contract work	**(171)**	**(66)**	(105)

17. Trade receivables

Trade receivables amount to €3,198 million at December 31, 2016 (€3,273 million at December 31, 2015). An analysis of trade receivables by due date is as follows:

€ million	12/31/2016	12/31/2015	Change
Due within one year	3,196	3,251	(55)
Due between one and five years	2	21	(19)
Due beyond five years	0	1	(1)
Total trade receivables	**3,198**	**3,273**	(75)

Trade receivables at December 31, 2016 are shown net of allowances for doubtful accounts of €394 million (€464 million at December 31, 2015).

Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2016 and 2015:

€ million	12/31/2015	Provision	Use and other changes	12/31/2016
Allowances for doubtful accounts	**464**	83	(153)	**394**

€ million	12/31/2014	Provision	Use and other changes	12/31/2015
Allowances for doubtful accounts	**503**	76	(115)	**464**

18. Investments of reinsurance companies

Details are as follows:

€ million	12/31/2016	12/31/2015	Change
Fixed maturities, at fair value	12,743		12,743
Short-term investments, at fair value	21		21
Equities, at fair value	37		37
Other invested assets (a)	581		581
Funds held directly managed (b)	485		485
Accrued investment income, at fair value	107		107
Funds held by reinsured companies	650		650
Total investments of reinsurance companies	**14,623**	**0**	14,623

(a) Include €362 million designated as fair value through profit or loss and €220 million designated as available for sale.
(b) Includes €412 million of assets measured at fair value trhough profit or loss and €73 million at amortized cost.

At December 31, 2016, approximately €149 million ($157 million) of cash and cash equivalents and approximately €2,126 million ($2,241 million), respectively, of securities were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and insurance laws.

Net realized and unrealized losses, of €31 million, on investments designated as fair value through profit or loss, were recognized in the Consolidated Income Statement during 2016. Unrealized gains of €9 million on investments designated as available-for-sale were recognized directly in other comprehensive income during the year.

19. Receivables from financing activities

Receivables from financing activities amount to €21,047 million at December 31, 2016 (€20,632 million at December 31, 2015) and include the following:

€ million	12/31/2016	12/31/2015	Change
Dealer financing	10,262	9,613	649
Retail financing	9,863	10,005	(142)
Finance leases	623	858	(235)
Other	299	156	143
Total receivables from financing activities	**21,047**	**20,632**	415

Receivables from financing activities are shown net of allowances for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2016, the allowance accounts total €617 million (€566 million at December 31, 2015).

Changes in the allowance accounts in 2016 and 2015 are the following:

€ million	12/31/2015	Provision	Use and other changes	12/31/2016
Allowances for receivables from financing activities	**566**	174	(123)	**617**

€ million	12/31/2014	Provision	Use and other changes	12/31/2015
Allowances for receivables from financing activities	611	160	(205)	**566**

Receivables from financing activities may be analyzed by due date as follows:

€ million	12/31/2016	12/31/2015	Change
Due within one year	13,194	12,591	603
Due between one and five years	7,625	7,729	(104)
Due beyond five years	228	312	(84)
Total receivables from financing activities	**21,047**	**20,632**	415

Receivables for dealer financing are typically generated by sales of vehicles, and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from segment to segment and country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €9,075 million, by the Ferrari Group to €502 million and by the FCA Group €286 million.

Finance lease receivables refer to vehicles leased out under finance lease arrangements, mainly by the FCA Group's Ferrari and Maserati segments and by the CNH Industrial Group's Commercial Vehicles, Agricultural Equipment and Construction Equipment. The interest rate implicit in the lease is determined at the commencement of the lease for the whole lease term and is in line with prevailing market interest rates.

Finance lease receivables, gross of an allowance of €156 million at December 31, 2016 (€185 million at December 31, 2015), may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	319	469	2	790
Less: unrealized interest income	(6)	(7)	0	(13)
Present value of future minimum lease payments at December 31, 2016	**313**	**462**	**2**	**777**
Receivables for future minimum lease payments	558	665	41	1,264
Less: unrealized interest income	(91)	(126)	(6)	(223)
Present value of future minimum lease payments at December 31, 2015	**467**	**539**	**35**	**1,041**

No contingent rents were recognized as finance lease income during 2016 or 2015 and unguaranteed residual values at December 31, 2016 and 2015 are not significant.

20. Other assets

Details are as follows:

	12/31/2016	12/31/2015	Change
Defined benefit plan assets	363	182	181
Other non current assets	454	55	399
Tax receivables	860	762	98
Other current assets:			
Accrued income and prepaid expenses	899	844	55
Other current assets	3,942	3,202	740
Total other current assets	4,841	4,046	795
Total other assets	6,518	5,045	1,473

Tax receivables include €47 million related to the substitute tax paid in past years by EXOR S.p.A. that has been recognized in 2016 in the context of Italian exit tax.

The analysis by due date of the current tax receivables is the following:

€ million	12/31/2016	12/31/2015	Change
Due within one year	736	625	111
Due between one and five years	95	70	25
Due beyond five years	29	67	(38)
Total current tax receivables	**860**	**762**	98

The analysis by due date of the other current assets in the following:

€ million	12/31/2016	12/31/2015	Change
Due within one year	3,470	2,866	604
Due between one and five years	328	275	53
Due beyond five years	144	61	83
Total other current assets	**3,942**	**3,202**	**740**

21. Transfers of financial assets

The FCA Group transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.

At December 31, 2016, the carrying amount of transferred financial assets not derecognized and the related liabilities are as follows:

€ million	Trade receivables	Receivables from financing activities	Current tax receivables	Total
At December 31, 2016				
Carrying amount of the assets transferred and not derecognized	34	376	0	410
Carrying amount of the related liabilities	(34)	(376)	0	(410)
At December 31, 2015				
Carrying amount of the assets transferred and not derecognized	22	184	0	**206**
Carrying amount of the related liabilities	(22)	(184)	0	**(206)**

At December 31, 2016, the FCA Group had receivables due after that date which had been transferred without recourse and which were derecognized in accordance with IAS 39 – Financial Instruments: Recognition and Measurement, amounting to €6,573 million (€4,950 million at December 31, 2015). The transfers related to trade receivables and other receivables for €5,467 million (€4,165 million at December 31, 2015) and receivables from financing activities for €1,106 million (€785 million at December 31, 2015). These amounts included receivables of €4,077 million (€3,022 million at December 31, 2015), mainly due from the sales network, transferred to jointly controlled financial services companies (FCA Bank).

The CNH Industrial Group transfers a number of its financial and trade receivables under securitization programs or factoring transactions. At December 31, 2016, the carrying amount of such transferred financial assets and the related liability and the respective fair values are as follows:

€ million	Trade receivables	Receivables from financing activities	Other financial assets	Total
At December 31, 2016				
Carrying amount of assets	8	12,888	837	13,733
Carrying amount of the related liabilities	(8)	(10,322)	(850)	(11,180)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	8	12,874	837	13,718
Fair value of the liabilities	(8)	(10,322)	(834)	(11,163)
Net position	0	2,552	3	2,555
At December 31, 2015				
Carrying amount of assets	6	11,990	851	12,847
Carrying amount of the related liabilities	(6)	(11,080)	(851)	(11,937)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	6	11,999	851	12,856
Fair value of the liabilities	(6)	(11,071)	(851)	(11,927)
Net position	(0)	1,464	(0)	**1,464**

Other financial assets also include cash with a pre-determined use restricted to the repayment of securitization debt.

The CNH Industrial Group discounted receivables without recourse having due dates after December 31, 2016 amounting to €537 million (€522 million at December 31, 2015), of which €523 million (€490 million at December 31, 2015) relates to trade receivables and other receivables and €14 million (€32 million at December 31, 2015) refers to receivables from financing activities.

22. Assets and liabilities held for sale and discontinued operations

Assets and liabilities held for sale relate mainly to Itedi. On August 1, 2016, FCA announced the signing of a framework agreement which sets out the terms of the proposed integration through a merger between FCA's consolidated media and publishing subsidiary, Italiana Editrice S.p.A ("Itedi"), in which FCA has a 77 percent ownership interest, and the Italian media group, Gruppo Editoriale L'Espresso S.p.A. ("GELE"). This transaction, which is subject to certain conditions precedent that are customary for this type of transaction as well as to the receipt of necessary regulatory approvals from Italian state authorities that regulate the publishing and media sectors, is expected to be effective in the first half of 2017 and will result in the creation of an Italian publishing business with potential for significant revenue and synergies.

Under the framework agreement, FCA and Itedi's non-controlling shareholder, Ital Press Holding S.p.A. ("Ital Press"), will transfer 100 percent of the shares of Itedi to GELE in exchange for newly-issued shares. Upon completion of the transaction, CIR S.p.A., the controlling shareholder of GELE, will hold a 43.4 percent ownership interest in GELE, FCA will hold 14.63 percent and Ital Press will hold 4.37 percent. As soon as practicable following completion of the Merger, FCA will distribute its entire interest in GELE to holders of FCA common stock. At December 31, 2016, certain regulatory approvals have been obtained for the consummation of this transaction and although the remaining regulatory approvals are expected to be received in the first quarter of 2017, all the steps necessary to complete this transaction have been taken and the Group does not expect any significant changes or a withdrawal from the framework agreement.

As a result, the Group concluded that the criteria for classification of Itedi as an asset held for sale were met at December 31, 2016. Itedi is not classified as a discontinued operation as it does not represent a separate major line of business or geographical area of operations for the Group, or a part of it.

€ million	Itedi	Other assets	**Total**
Goodwill	54		54
Other intangible assets	7		7
Property, plant and equipment	17	27	44
Trade receivables	25	1	26
Other	17		17
Total assets held for sale	120	28	**148**
Provisions	38		38
Trade payables	19	1	20
Debt and other	40	6	46
Total liabilities held for sale	97	7	**104**

23. Cash and cash equivalents

The composition is the following:

€ million	**12/31/2016**	**12/31/2015**	Change
Cash in hand and at banks and post offices	12,805	17,678	(4,873)
Restricted cash	845	855	(10)
Money market securities	11,511	12,054	(543)
Total cash and cash equivalents	**25,161**	**30,587**	(5,426)

Cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money market instruments.

In addition, cash and cash equivalents held in certain foreign countries (primarily, China and Argentina) are subject to local exchange control regulations providing for restrictions on the amount of cash other than dividends that can leave the country.

At December 31, 2016 the CNH Industrial Group has approximately €794 million (€851 million at December 31, 2015) of restricted cash which may be used exclusively for the repayment of the debt relating to securitizations.

24. Equity

Share capital

EXOR S.p.A. before the Merger held no. 10,080 shares of EXOR Holding N.V., with a nominal value of Euro 100 each. As per the Merger became effective, the 10,080 shares issued were split into 100,800,000 EXOR N.V. ordinary shares with a nominal value of Euro 0.01 each, no. 94,168,104 shares were cancelled in accordance with Section 2:325(3) DCC and no. 6,631,896 shares were held as treasury shares.

In connection with the Merger, no. 234,368,104 EXOR N.V. ordinary shares were issued for allotment to EXOR shareholders on the basis of the exchange ratio of one EXOR N.V. ordinary share for each EXOR S.p.A. ordinary shares outstanding. Therefore the total issued capital of EXOR N.V. was equal to Euro 2,410,000, divided into no. 241,000,000 shares with a nominal value of Euro 0.01.

There were no differences between the date of the merger and December 31, 2015.

In accordance with IFRS, the Merger is recognized in EXOR's consolidated financial statements from January 1, 2016, while in the company financial statements it is recognized from December 11, 2016. As the Merger is a transaction in which all of the combining entities are controlled ultimately by the same party both before and after the transaction, and based on the fact that the control is not transitory, the transition was deemed to be a transaction of entity under common control and therefore outside the scope of IFRS 3 - Business Combinations. As a result, the Merger was accounted for without adjusting carrying amounts of assets and liabilities involved in the transaction and did not have an impact on the consolidated financial statements.

EXOR N.V. adopts a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period. No special voting shares had been issued at the Merger date and non are outstanding at December 31, 2016.

Treasury stock

At December 31, 2016 EXOR holds 6,473,037 shares of treasury stock (2,69% of the class) for a total amount of €65 thousand. Changes in the treasury stock in 2016 are the following:

	number of ordinary shares	% of share capital
At December 31, 2015	11,883,746	4.83%
Cancellation of EXOR S.p.A. ordinary shares	(5,229,850)	-2.12%
Disposal of treasury shares	(22,000)	-0.01%
At December 10, 2016	6,631,896	2.69%
Movements from the merger of EXOR S.p.A. into EXOR N.V.:		
Cancellation of EXOR S.p.A. ordinary shares	(6,631,896)	-2.69%
Conversion of EXOR Holding N.V. held by EXOR S.p.A. as treasury shares	6,631,896	2.75%
Payment to standby investors	(158,859)	-0.07%
At December 31, 2016	**6,473,037**	**2.69%**

Other comprehensive income

The composition of other comprehensive income in the statement of comprehensive income is as follows:

€ million	12/31/2016	12/31/2015
Items that will not be reclassified to the income statement in subsequent periods:		
Gains (losses) on re-measurement of defined benefit plans	467	821
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	(5)	(6)
Items relating to C&W Group, net of tax effect		1
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)	**462**	**816**
Items that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments arising during the period	(89)	(100)
Gains (losses) on cash flow hedging instrument reclassified to the income statement	(195)	482
Gains (losses) on cash flow hedges	**(284)**	**382**
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	(107)	190
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	(94)	(113)
Gains (losses) on fair value of available-for-sale financial assets	**(201)**	**77**
Exchange differences on translating foreign operations arising during the year	1,285	1,118
Exchange differences on translating foreign operations reclassified to the income statement		
Items relating to C&W Group, net of tax effect		47
Exchange differences on translating foreign operations	**1,285**	**1,165**
Share of other comprehensive income of investments accounted for using the equity method arising during the year	(333)	(14)
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	(5)	1
Share of other comprehensive income of investments accounted for using the equity method	**(338)**	**(13)**
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)	**462**	**1,611**
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**924**	**2,427**
Tax effect	**(183)**	**(311)**
Total other comprehensive income, net of tax	**741**	**2,116**

With reference to the defined benefit plans of the Group, the gains and losses arising from the remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related net liabilities or assets for defined benefit plans (see note 26).

The tax effect relating to other comprehensive income is as follows:

	12/31/2016			12/31/2015		
€ million	Pre-tax balance	benefit (expense)	Net -of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	462	(255)	207	815	(226)	589
Effective portion of gains (losses) on cash flow hedges	(284)	74	(210)	382	(85)	297
Gains (losses) on remeasurement of available-for-sale financial assets	(201)	(2)	(203)	77		77
Exchange gains (losses) on translating foreign operations	1,285		1,285	1,118		1,118
Share of other comprehensive income of investments accounted for using the equity method	(338)		(338)	(13)		(13)
Items relating to C&W Group	0			48		48
Total Other comprehensive income	**924**	**(183)**	**741**	**2,427**	**(311)**	**2,116**

Non-controlling interests

Details are as follows:

€ million	%		Capital and reserves	Profit (loss)	Total
At December 31, 2016					
FCA Group	70.84%		12,355	1,286	**13,641**
CNH Industrial Group	72.72%		4,447	86	**4,533**
Ferrari Group	76.48%	(a)	2	306	**308**
PartnerRe Group	-	(b)	681	30	**711**
Juventus Football Club S.p.A.	36.23%		28	17	**45**
Total			**17,514**	**1,724**	**19,238**
At December 31, 2015					
FCA Group	70.84%		11,714	279	11,993
CNH Industrial Group	72.72%		4,633	(172)	4,461
Juventus Football Club S.p.A.	36.23%		13	14	27
Total			**16,360**	**121**	**16,481**

(a) The data at December 31, 2015 was included in the FCA Group.
(b) Related to preferred shares.

At December 31, 2016 the Non-controlling interests of PartnerRe related to the following outstanding preferred shares:

	Number	Date of issuance	Aggregated liquidation value at $25 per share $ million	Aggregated liquidation value at $25 per share € million
Series F 5.875% non cumulative	2,679,426	February 2013	67	61
Series G 6.5% cumulative	6,415,264	May 2016	160	145
Series H 7.25% cumulative	11,753,798	May 2016	294	265
Series I 5.875% cumulative	7,320,574	May 2016	183	165
Total Outstanding redeemable preferred shares	**28,169,062**		**704**	**636**

On November 1, 2016 PartnerRe redeemed the Series D and E preferred shares at $25 per share for an aggregate liquidation value of $150 million (€136 million). In addition unpaid preferred dividends accrued to the redemption date totaling $2 million (€2 million) were paid. In connection with the redemption, PartnerRe recognized a loss directly in equity of $14 million (€13 million) which represented the difference between the carrying value of the preferred shares and the consideration paid.

25. Share-based compensation

EXOR

Stock Option Plan EXOR 2008-2019

The Stock Option Plan EXOR 2008-2019 has 5,862,000 options granted and exercisable corresponding to 1,553,430 EXOR ordinary shares at a price of €19.97 per share.
The cost recognized in 2016 amounts to €0.7 million of which €0.5 million classified as compensation of the Chairman and Chief Executive Officers.

Long Term Incentive Plan

The EXOR S.p.A. shareholders' meeting held on May 29, 2012 approved an incentive plan intended as an instrument for long-term incentive and composed in two parts:

- the first part of the plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to originally 31 beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System. At December 31, 2016 the beneficiaries are 14 for a total of 116,790 options granted. The cost recognized in 2016 amounts to €0.4 million;
- the second part of the plan, denominated "Company Performance Stock Options", provides for a total of 3 million options to be granted to the Chairman and Chief Executive Officer of the company and to other

beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in equal annual lots that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System. The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual beneficiaries.

The composition of the "Company Performance Stock Option" Plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR	450,000	1,625	271
Employees of companies in the Holdings System	561,200	1,990	338
Total	**1,011,200**	**3,615**	**609**

Incentive Plan 2015

The Incentive Plan 2015 is directed to independent directors as an alternative to the cash remuneration established by the shareholders' meeting. The plan provides for the free grant of a maximum of 70,000 EXOR shares to all eight directors that joined the plan subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements. At December 31, 2016 stock grants were awarded to the independent directors as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Balance at December 31, 2015	**28,032**	**1,200**	**238**
Vested in 2016	(3,600)		
Forfeited in 2016	(3,408)		
Balance at December 31, 2016	**21,024**	**1,200**	**401**

Stock Option Plan EXOR 2016

The EXOR S.p.A. shareholders' meeting held on May 25, 2016 approved a new incentive plan ("Stock Option Plan EXOR 2016"). The plan has a maximum of 3,500,000 options corresponding to the same number of shares. During 2016 2,902,015 options have been granted exercisable at a price of €32.38 per share. The cost recognized in 2016 amounts to €3.1 million of which €2.1 million classified as compensation of the Chairman and Chief Executive Officer.

All the incentive plans will be serviced exclusively by treasury stock without any new share issues and therefore will not have any dilutive effect.

FCA Group

At December 31, 2016 and at December 31, 2015 the FCA Group has in place various share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of FCA.

Performance Share Units

During the year ended December 31, 2015, FCA awarded a total of 14,713,100 Performance Share Units ("PSU awards") to certain key employees under the equity incentive plan. The PSU awards, which represent the right to receive FCA common shares, have financial performance goals covering a five-year period from 2014 to 2018. The performance goals include a net income target as well as total shareholder return ("TSR") target, with each weighted at 50 percent and settled independently of the other. Half of the award will vest based on the Group's achievement of the targets for net income ("PSU NI awards") and will have a payout scale ranging from 0 percent to 100 percent. The remaining 50 percent of the PSU awards, ("PSU TSR awards") are based on market conditions and have a payout scale ranging from 0 percent to 150 percent. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 14.7 million shares. One third of total PSU awards will vest in the first quarter of 2017, a cumulative two-thirds in the first quarter of 2018 and a cumulative 100 percent in the first quarter of 2019 if the respective performance goals for the years 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The vesting of the PSU NI awards will be determined based on the achievement of pre-established performance targets consistent with the Company's business plan that was published in May 2014 and subsequently updated. The performance period for the PSU NI awards commenced on January 1, 2014. As the performance period commenced substantially prior to the commencement of the service period, which coincides with the grant date, the Company determined that the net income target did not meet the definition of a performance condition under IFRS 2 - *Share-based Payment*, and therefore is required to be accounted for as a non-vesting condition. As such, the fair values of the PSU NI awards were calculated using a Monte Carlo simulation model. The weighted average fair value of the PSU NI awards granted during the year ended December 31, 2015 was €8.78 (U.S.$9.76).
The key assumptions utilized to calculate the grant-date fair values for the PSU NI awards issued are summarized below:

	Range
Grant date stock price	€13.44 - €15.21
Expected volatility	40%
Risk-free rate	0.7%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of U.S. Treasury bonds with similar terms to the vesting date of each PSU NI award.
The weighted average fair value of the PSU TSR awards granted during the year ended December 31, 2015 was €16.52 (U.S.$18.35), which was calculated using a Monte Carlo simulation model.
The key assumptions utilized to calculate the grant date fair values for the PSU TSR awards issued are summarized below:

	Range
Grant date stock price	€13.44 - € 15.21
Expected volatility	37%-39%
Dividend yield	0%
Risk-free rate	0.7%-0.8%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of U.S. Treasury bonds with similar term to the vesting date of the PSU TSR awards. In addition, since the volatility of each member of the defined peer group are not wholly independent of one another, a correlation coefficient was developed based on historical share price changes for FCA and the defined peer group over a three-year period leading up to the grant date of the awards.

During the fourth quarter of 2016, FCA granted a total of 337,186 PSU awards, which had a grant date stock price of €5.73 (U.S.$6.30). The key assumptions used to value these awards were consistent with those of the PSU awards granted in 2015 (as adjusted for the anti-dilution provision described below). In addition, 295,319 PSU awards were canceled during the fourth quarter of 2016. The accelerated expense related to the cancellation of these awards was immaterial.
The weighted average fair value of the PSU NI awards for the year ended December 31, 2016 was €5.65 (U.S.$ 6.28). The weighted average fair value for the PSU TSR awards was €10.64 (U.S.$11.82) for the year ended December 31, 2016.

Restricted Share Units

During the year ended December 31, 2015, FCA awarded 5,196,550 Restricted Share Units (RSU awards) to certain key employees of the Company which represent the right to receive FCA common shares. These shares will vest in three equal tranches in February of 2017, 2018 and 2019.

During the fourth quarter of 2016, FCA granted a total of 94,222 RSU awards, which represent the right to receive FCA common shares and which had a grant date fair value of €5.73 (U.S.$6.30). In addition, 148,071 RSU awards were canceled during the year ended December 31, 2016. The accelerated expense related to the cancellation of these awards was immaterial.

Anti-dilution adjustments - PSU awards and RSU awards

The documents governing FCA's long term incentive plans contain anti-dilution provisions which provide for an adjustment to the number of awards granted under the plans in order to preserve, or alternatively, prevent the enlargement of the benefits intended to be made available to the recipients of the awards should an event occur that affects our capital structure. As such, as a result of the spin-off of Ferrari N.V., on January 26, 2016, a conversion factor of 1.5440 was approved by FCA's Compensation Committee and applied to outstanding PSU awards and RSU awards as an equitable adjustment to make equity award holders whole for the resulting diminution in the value of an FCA share. For the PSU NI awards, FCA's Compensation Committee also approved an adjustment to the net income targets for the years 2016-2018 to account for the net income of Ferrari in order to preserve the economic benefit intended to be provided to each participant. There was no change to the total cost of these awards to be amortized over the remaining vesting period as a result of these adjustments.

The following table reflects the changes resulting from the anti-dilution adjustment on January 26, 2016:

PSU Awards:	
Number of awards - as adjusted	**22,717,024**
Key assupmtion - as adjusted:	
Grant Date stock price - for PSU NI and PSU TSR	€8.71 - €9.85
RSU Awards:	
Number of awards - as adjusted	**8,023,472**

None of the outstanding PSU and RSU awards were forfeited and none of the outstanding PSU and RSU awards had vested as of December 31, 2016. The total number of PSU awards and RSU awards, as adjusted for the anti-dilution provision described above were 22,758,891 and 7,969,623, respectively, at December 31, 2016.

Total expense for the PSU awards and RSU awards of approximately €96 million and €54 million was recorded for the years ended December 31, 2016 and 2015, respectively. At December 31, 2016, the Group had unrecognized compensation expense related to the non-vested PSU awards and RSU awards of approximately €83 million based on current forfeiture assumptions, which will be recognized over a weighted-average period of 1.6 years.

Stock option plans

Share-based compensation plans issued by FCA US

At December 31, 2016, FCA US has fully-vested outstanding units under its legacy Amended and Restated FCA US Directors' Restricted Stock Unit Plan ("FCA US Directors' RSU Plan"). There were no units outstanding under the FCA US 2012 Long-Term Incentive Plan ("2012 LTIP Plan") or the FCA US Restricted Stock Unit Plan ("FCA US RSU Plan"). Compensation expense for those plans for the year ended December 31, 2016 were not material.

Anti-dilution adjustments - FCA US share-based compensation plans

The documents governing FCA US's share-based compensation plans contain anti-dilution provisions which provide for an adjustment to the number of FCA US awards granted under the plans in order to preserve, or alternatively prevent the enlargement of, the benefits intended to be made available to the holders of the awards should an event occur that impacts the capital structure of FCA US. On February 3, 2015, FCA US made a special distribution to FCA, which reduced the fair value of FCA US's equity. As a result of this dilutive event, the FCA US Board of Directors approved an anti-dilution adjustment factor to increase the number of outstanding FCA US awards in order to preserve the economic benefit intended to be provided to each participant. On January 21, 2014, FCA US paid a distribution of U.S.$1,900 million (€1,404 million) and on February 7, 2014, FCA US prepaid the VEBA Trust Note. As a result of these two transactions that diluted the fair value of FCA US's equity, an anti-dilution adjustment factor was approved by FCA US's Compensation and Leadership Development Committee to increase the number of outstanding FCA US awards (excluding performance share units granted under the 2012 LTIP Plan ("LTIP PSUs")) in order to preserve the economic benefit intended to be provided to each participant. No additional expense was recognized as a result of these anti-dilutive adjustments and the changes below reflect the impact of the anti-dilutive adjustments for the year ended December 31, 2015.

FCA US 2012 Long-Term Incentive Plan

In February 2012, the Compensation Committee of FCA US approved the 2012 LTIP Plan that covers senior executives of FCA US (other than the Chief Executive Officer). During the year ended December 31, 2016, the restricted share units ("LTIP RSUs") were settled in cash.

	2016		2015	
	LTIP RSUs	Weighted average fair	LTIP RSUs	Weighted average fair
Outstanding shares unvested at the beginning of the year	**654,706**	5.5	**2,303,928**	**4.67**
Granted				
Vested	(642,922)	5.27	(1,544,664)	4.98
Forfeited	(11,784)	5.45	(104,558)	5.36
Outstanding shares unvested at the end of the year	**0**	**-**	**654,706**	**5.50**

CNH Industrial

CNH Industrial's equity awards are governed by several plans: i) CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP"); ii) CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP"); iii) CNH Global N.V. Equity Incentive Plan ("CNH EIP"); and, iv) CNH Global N.V. Directors' Compensation Plan ("CNH DCP").

For the year ended December 31, 2016, CNH Industrial recognized total share-based compensation expense of $3 million, which included a $37 million reversal of previously recognized expenses for performance share units linked to non-market conditions for which the Company does not believe it is probable that the performance condition will be achieved. For the year ended December 31, 2015, CNH Industrial recognized total share-based compensation expense of $49 million. For the year ended December 31, 2016, CNH Industrial did not recognize a tax benefit relating to share-based compensation expense. For the year ended December 31, 2015, CNH Industrial recognized a total tax benefit relating to share-based compensation expense of $3 million. As of December 31, 2016, CNH Industrial had unrecognized share-based compensation expense related to nonvested awards of approximately $31 million based on current assumptions related to achievement of specified performance objectives, when applicable. Unrecognized share-based compensation costs will be recognized over a weighted-average period of 1.6 years.

CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP")

In the Annual General Meeting held on April 16, 2014, shareholders approved the adoption of the CNH Industrial Equity Incentive Plan ("EIP"), an umbrella program defining the terms and conditions for any subsequent long-term incentive program. The plan grants equity awards to any current or prospective executive director, officer or employee of, or service provider to, CNH Industrial, subject to the terms and conditions established by the Compensation Committee. The EIP authorizes 25 million common shares over a five-year period, of which a maximum of 7 million would be authorized for awards to executive directors. These shares may be newly issued shares or treasury shares. The EIP will terminate at, and no more awards will be permitted to be granted thereunder ten years after its adoption by the board of directors of CNH Industrial N.V. The termination of the EIP will not affect previously granted awards.

Performance Share Units

In 2014 CNH Industrial issued a one-time grant of Performance Share Units (PSU's) to its Chief Executive Officer and selected key employees, with financial performance goals covering the five-year period from January 1, 2014 to December 31, 2018. This PSU grant totaled approximately 12 million units. In 2015 and 2016, prorated share amounts covering performance through this same period were issued to new employees entering the plan. PSU's granted in these years were 1 million and 0.5 million respectively. The performance goals include a performance condition as well as a market condition, with each weighted at 50% and paying out independently of the other. Half of the award will vest if the performance condition is met; whereas the other half, which is based on the market condition, has a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be granted may vary from the original estimate of 12 million shares. One third of the total grant was expected to vest in February 2017, but such grants will not vest as both the performance and market conditions for the performance period 2014 through 2016 were not met A cumulative two-thirds will vest in February 2018, and a cumulative 100% in February 2019 if the respective financial goals for the performance periods 2014 through 2017 and 2014 through 2018 are achieved. As new participants entered the program in 2016, vesting was modified to cliff vest in February 2019. This was done to ensure employee contribution over a three year performance period before earning any Performance Share vesting.

The fair values of the awards that are contingent upon the achievement of the performance condition are measured using stock prices on respective grant dates adjusted for the present value of future dividends that employees will not receive during the vesting period. The weighted average fair value for the PSUs based on the performance condition that were issued in 2014, 2015, and 2016 is $9.48, $9.33 and $7.08 per share, respectively.

The fair values of the awards that are based on the market condition are calculated using the Monte Carlo Simulation model. The weighted average fair value for the awards that were issued in 2014, 2015, and 2016 is $8.19, $7.95, and $3.17 per share, respectively. As a significant majority of the awards (approximately 90% of total awards as of December 31, 2016) were issued on June 9 and 25, 2014, the key assumptions utilized to calculate the grant-date fair values for awards issued on these two grant dates are listed below:

	Key assumptions for awards issued on	
	June 9, 2014	June 25, 2014
Grant date stock price (in $)	10.88	10.19
Expected Volatility (%)	44.5	44.1
Dividend yield (%)	2.6	2.7
Risk-free rate (%)	1.69	1.68

The expected volatility is based on a weighted average of historical volatility experienced by the common shares of CNH Global N.V., Fiat Industrial S.p.A. and CNH Industrial N.V. over a five-year period ending on the grant date. The expected dividend yield was based on CNH Industrial's historical dividend payout as management expects the dividend payout for future years to be consistent. The risk-free interest rate was based on the yields of five-year U.S. Treasury bonds.

Movements in Performance-based Share Units are as follows:

	2016		2015	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**11,591,260**	**8.64**	**12,101,760**	**8.84**
Granted	471,200	5.13	980,400	6.25
Forfeited	(337,200)	8.23	(1,490,900)	8.69
Vested	0		0	
Outstanding shares unvested at the end of the year	**11,725,260**	**8.51**	**11,591,260**	**8.64**

Restricted Share Units

In 2014 and 2015, CNH Industrial issued to selected employees approximately 1 million and 2 million shares of Restricted Share Units ("RSUs") with a weighted average fair value of $9.21 and $8.60 per share, respectively. These shares will vest in three equal tranches over a three-year period. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

Additionally, CNH Industrial issued 3 million restricted share units to the Chairman of CNH Industrial N.V., in June 2014. The weighted average fair value of these shares is $10.41 per share, measured using the stock price on the grant date adjusted for the present value of future dividends that the Chairman will not receive during the vesting period. These shares are service based and will vest in five tranches at the end of each year. The first tranche and second tranche of 750,000 shares each vested on December 31, 2014 and December 31, 2015, respectively, which were exercised on February 23, 2015 and February 8, 2016, respectively. The third trance of 600 thousand shares vested on December 31, 2016, and was exercised on February 8, 2017.

Movements in Restricted Share Units are as follows:

	2016		2015	
	Restricted shares	Weighted average grant-date fair value ($)	Restricted shares	Weighted average grant-date fair value ($)
Outstanding shares unvested at the beginning of the year	**3,745,520**	**9.07**	**3,512,139**	**9.88**
Granted	2,046,280	7.30	1,531,900	8.08
Forfeited	(110,420)	8.16	(158,186)	9.29
Vested	(1,448,672)	9.35	(1,140,333)	10.21
Outstanding shares unvested at the end of the year	**4,232,708**	**8.14**	**3,745,520**	**9.07**

CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP")

On September 9, 2013, the CNH Industrial DCP was approved by the shareholders and adopted by the Board of Directors of CNH Industrial N.V. The CNH Industrial DCP provides for the payment of the following to eligible members of the CNH Industrial N.V. Board in the form of cash, and/or common shares of CNH Industrial N.V., and/or options to purchase common shares of CNH Industrial N.V., provided that such members do not receive salary or other employment compensation from CNH Industrial N.V. or FCA, and their subsidiaries and affiliates:

- $125,000 annual retainer fee for each Non-Executive Director.
- An additional $25,000 for each member of the Audit Committee and $35,000 for the Audit Committee Chairman.
- An additional $20,000 for each member of every other Board committee and $25,000 for the committee chairman (collectively, the "fees").

Each quarter of the CNH Industrial DCP year, the eligible directors elect the form of payment of their fees. If the elected form is common shares, the eligible director will receive as many common shares as equal to the amount of fees the director elects to be paid in common shares, divided by the fair market value of a CNH Industrial N.V. common share on the date that the quarterly payment is made. Common shares issued to the eligible director vest immediately upon grant. If an eligible director elects to receive all or a portion of fees in the form of a stock option, the number of common shares underlying the stock option is determined by dividing (i) by (ii) where (i) equals the dollar amount of the quarterly payment that the eligible director elects to receive in the form of stock options multiplied by four and (ii) the fair market value of the common shares on the date that the quarterly payment is made. The CNH Industrial DCP defines fair market value, as applied to each ordinary share, to be equal to the average of the highest and lowest sale price of a CNH Industrial N.V. common share during normal trading hours on the last trading day of each plan quarter in which sales of common shares on the New York Stock Exchange are recorded. Stock options granted as a result of such an election vest immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

There were 0.2 million common shares authorized for issuance under the CNH Industrial DCP. As of December 31, 2016, 0.05 million stock options were issued under the CNH Industrial DCP at a weighted average exercise price of $9.42 per share. The weighted average fair value for the stock options that were issued in 2014 and 2015 were $2.72 and $1.65, respectively. No stock options were issued under this plan in 2016. As of December 31, 2016, 0.02 million restricted share units were issued under the CNH Industrial DCP. The weighted average grant-date fair value of the RSUs that were issued in 2014, 2015, and 2016 were $9.12, $8.16, and $6.78, respectively.

CNH Global Directors' Compensation Plan ("CNH DCP")

CNH Global Directors' Compensation Plan stipulates the right for directors of former CNH Global to be compensated in the form of cash, and/or common shares of CNH Global N.V., and/or options to purchase common shares of CNH Global N.V. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH DCP in connection with the Merger. Stock options issued under the CNH DCP were converted using the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share and exercisable for common shares of CNH Industrial N.V. upon September 29, 2013. As of December 31, 2016, approximately 0.03 million stock options from the CNH DCP were still outstanding. The CNH DCP was terminated effective as of the Merger and no new equity awards will be issued under the CNH DCP.

CNH Global Equity Incentive Plan (the "CNH EIP")

The CNH Global Equity Incentive Plan provides for grants of stock options, restricted share units and performance share units to former officers and employees of CNH Global. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH EIP in connection with the Merger. CNH Industrial can not issue any new equity awards under the CNH EIP; however, CNH Industrial is required to issue shares under the CNH EIP to settle the exercise or vesting of the existing equity awards.

On September 29, 2013, outstanding stock options, unvested restricted share units and performance share units under the CNH EIP became exercisable or convertible for common shares of CNH Industrial N.V. The number of shares of outstanding equity awards was increased and the exercise price of stock options reduced to take into account the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share. The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

Stock Option Plan

In September 2012, approximately 2.7 million performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). Upon the achievement of CNH Global's 2012 target performance objective, approximately 4 million of options were granted. These options vested in three equal tranches in February 2012, 2013 and 2014. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date. No stock options were issued in 2015 or 2016 under the CNH EIP.

Outstanding stock options under the CNH EIP are as follows:

	At December 31, 2016			At December 31, 2015	
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price ($)**	Number of options outstanding	Weighted average exercise price ($)
5.01 – 10.00	3,378,704	1.15	8.78	4,491,907	8.32
10.01 – 15.00	3,832,177	0.16	10.15	4,278,010	10.15
Total	**7,210,881**			**8,769,917**	

Changes during the year in stock option plans are as follows:

	2016		2015	
	Number of options	**Weighted average exercise price**	Number of options	average exercise price ($)
Outstanding at the beginning of the year	**8,642,903**	**9.21**	**10,861,552**	**9.03**
Granted	-	-	-	-
Forfeited	-	-	(1,033,560)	9.58
Exercised		-	(1,185,089)	6.95
Expired	(1,432,022)	7.96		
Outstanding at the end of the year	**7,210,881**	**9.51**	**8,642,903**	**9.21**
Exercisable at the end of the year	**7,210,881**	**9.51**	**8,642,903**	**9.21**

The Black-Scholes pricing model was used to calculate the fair value of stock options for options granted in 2012 under the CNH EIP. The assumptions used under the Black-Scholes pricing model are as follows:

	2012 Equity incentive plan
Risk-free interest rate	0.40%
Expected dividend yeald	0.00%
Expected volatility of CNH Global N.V. shares	51.70%
Option life (years)	3.39

Restricted share units

In 2012, 700,000 restricted share units were granted under the CNH EIP with a weighted average fair value of $11.40 per share. Restricted share units are service based and vest in three equal installments over three years starting from the grant date. Compensation cost for the restricted share units is recognized on a straight-line basis over the requisite service period for each separate vesting portion of the award as if the award was, in substance, multiple awards. No restricted share units were granted in 2016 and 2015 under the CNH EIP. The fair value of performance-based shares and restricted shares under the CNH EIP was based on the market value of CNH Global's common shares on the date of the grant.

Ferrari

Non-Executive Directors' compensation

Following the election of the Board of Directors at the Annual General Meeting of Shareholders on April 15, 2016, Non-Executive Directors of Ferrari have been given the option to receive the board retainer fee component of their Directors' compensation in 50% cash and 50% Ferrari common shares, or alternatively, to receive 100% in Ferrari common shares. Non-Executive Directors' compensation for the period from April 15, 2016 to December 31, 2016 amounted to €1,515 thousand, of which €1,110 thousand was settled in treasury shares in January 2017 and €405 thousand was settled in cash, also in January 2017. The amount settled in Ferrari common shares was accounted for as equity-settled share-based compensation and recognized as an increase to equity in 2016.

26. Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2016	12/31/2015	Change
Present value of defined benefit obligations:			
Pension plans	31,260	30,564	696
Healthcare and life insurance plans	3,514	3,522	(8)
Other post-employment benefits	1,331	1,308	23
Total present value of defined benefit obligations	**36,105**	35,394	711
Fair value of plan assets of pension plan	(25,723)	(24,695)	(1,028)
Fair value of plan assets of healthcare and life insurance plans	(105)	(97)	(8)
Asset ceiling	12	11	1
Total net defined benefits plan assets	**10,289**	10,613	(324)
of which:			
Net defined benefit liability	10,642	10,786	(144)
(Defined benefit plan assets)	(353)	(173)	(180)
Other provisions for employees	1,867	1,650	217
Total provisions for employee benefits	**12,509**	**12,436**	73

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically.

The Group provides post-employment benefits under defined contribution and defined benefit plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from

which the employee benefits are paid. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, healthcare plans, life insurance plans, and other post-employment benefits.
Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to their employees under defined contribution plans. In this case, the Group pays contributions to publicly or privately administered insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfills all of its obligations. The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. In 2016 this cost amounts to €2,016 million (€2,037 million in 2015).

Pension benefits

Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain hourly and salaried employees. Benefits are based on a fixed rate for each year of service.
Additionally, contributory benefits are provided to certain salaried employees based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during certain period of time preceding retirement.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.
The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of those legally required are made to achieve certain desired funding levels.

To the extent that a fund is overfunded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus.

In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years. As of December 31, 2016, the combined credit balances for the U.S. and Canadian qualified pension plans was approximately €2.2 billion, the usage of the credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The Group contributions to funded pension plans for 2016 are expected to be €584 million, of which €542 million relates to the pension plans of FCA US, with €408 million being discretionary contributions and €134 million to be made to satisfy minimum funding requirements. The expected benefit payments for pension plans are as follow:

€ million	2017	2018	2019	2020	2021	2022-2026
Expected benefit payments	2,033	2,002	1,976	1,965	1,947	9,727

Changes in pension plans are the following:

€ million	12/31/2016 Defined benefit obligation	12/31/2016 Fair value of plan assets	12/31/2016 Asset ceiling	12/31/2016 (Net asset) Net liability obligation	12/31/2015 Defined benefit obligation	12/31/2015 Fair value of plan assets	12/31/2015 Asset ceiling	12/31/2015 (Net asset) Net liability obligation
Amounts at January 1	**30,564**	**(24,695)**	**11**	**5,880**	**30,371**	**(24,520)**	**11**	**5,862**
Acquisition of PartnerRe	150	(93)	0	57				
Included in the income statement	1,394	(879)		515	1,457	(898)		559
Included in Other comprehensive income:								
Actuarial (gains) losses from:								
- demographic assumptions	(67)	0	0	(67)	(102)	0	0	(102)
- financial assumptions	615	0	0	615	(1,435)	0	0	(1,435)
- other	7	(6)	0	1	29	(8)	0	21
Return on assets	0	(975)	0	(975)	0	837	0	837
Change in the effect of limiting net assets	0	0	0	0	0	0	5	5
Exchange differences	768	(718)	1	51	2,383	(1,925)	1	459
Other:								
Contribution by employer	0	(491)	0	(491)	0	(261)	0	(261)
Contribution by plan participants	8	(9)	0	(1)	5	(5)	0	0
Benefits paid	(2,185)	2,145	0	(40)	(2,034)	2,000	0	(34)
Other changes	6	(2)	0	4	(110)	85	(6)	(31)
Amounts at December 31	**31,260**	**(25,723)**	**12**	**5,549**	**30,564**	**(24,695)**	**11**	**5,880**

Amounts recognized in the Consolidated Income Statement were as follows:

€ million	2016	2015	Change
Current service cost	204	222	(18)
Interest expense	1,236	1,244	(8)
Interest income	(1,008)	(994)	(14)
Other administration costs	99	96	3
Past service costs/(credits) and gains/(losses) arising from settlements/curtailments	(16)	(9)	(7)
Total recognized in the Consolidated Income Statement	**515**	**559**	(44)

During the year ended December 31, 2016, the Group amended its U.S. defined benefit plan for salaried employees to allow certain terminated vested participants to accept a lump-sum amount. A total of €214 million was paid to those participants who accepted the offer in December 2016. The plan amendment resulted in a settlement gain of €29 million that was recognized within Selling, general and other in the Consolidated Income Statement for the year ended December 31, 2016. There were no significant plan amendments or curtailments to the Group's pension plans for the years ended December 31, 2015.

During the year ended December 31, 2015, mortality assumptions used for our U.S. benefit plan valuation were updated to reflect recent trends in the industry and the revised outlook for future generational mortality improvements. Generational improvements represent decreases in mortality rates over time based upon historical improvements in mortality and expected future improvements. The change increased the Group's U.S. pension and other post-employment benefit obligations by approximately €214 million and €28 million, respectively. In addition, retirement rate assumptions used for the Group's U.S. and Canada benefit plan valuations were updated to reflect an ongoing trend towards delayed retirement for U.S. and Canada employees. The change decreased the Group's U.S. and Canada pension benefit obligations by approximately €209 million.

The fair value of plan assets by class is as follows:

	12/31/2016		12/31/2015	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**862**	**816**	607	513
US equity securities	1,923	1,633	2,209	2,209
Non-US equity securities	1,170	1,170	1,653	1,388
Commingled fund	3,149	216	2,025	164
Equity instruments	**6,242**	**3,019**	5,887	3,761
Government securities	3,223	1,146	3,441	1,137
Corporate bonds (including convertible and high-yield bonds)	6,853	58	6,560	0
Other fixed income securities	914	10	938	7
Fixed income securities	**10,990**	**1,214**	10,939	1,144
Private equity funds	1,980	0	1,787	0
Commingled funds	147	118	137	117
Mutual funds	649	3	496	0
Real estate funds	1,460	0	1,502	0
Hedge funds	2,466	0	2,607	0
Investment funds	**6,702**	**121**	6,529	117
Insurance contracts and other	**927**	**157**	733	49
Total fair value of plan assets	**25,723**	**5,327**	**24,695**	**5,584**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalization. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments includes those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimize the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of FCA, CNH Industrial, or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset-liability matching.
The fixed income target asset allocation partially matches the bond-like and long–dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

FCA Group

	12/31/2016			12/31/2015		
(in %)	**USA**	**Canada**	**UK**	USA	Canada	UK
Discount rate	**4.4**	**3.9**	**2.7**	4.5	4	3.8
Future salary increase rate	n.a.	**3.5**	**3.1**	n.a.	3.5	2.9
Average duration (years)	**11**	**13**	**21**	11	13	20

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.
The effect of an increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, would be a decrease of €418 million and an increase of €426 million, respectively, in the defined benefit obligations.

CNH Industrial Group

(in %)	12/31/2016	12/31/2015
Discount rate	**2.82**	3.49
Future salary increase rate	**2.95**	2.73
Average duration (years)	**13**	12

Weighted-average discount rates are used in measurements of pension, healthcare and other post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing the Group's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.
The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €371 million and increase of €465 million, respectively, in the defined benefit obligations.

Ferrari Group

The discount rates are used in measuring the pension plan obligation and the interest expenses (income) of net period cost. The Group selects these rates on the basis of the rate of return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension defined benefit plan.

The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €1.7 million and increase of €2 million, respectively, in the defined benefit obligations.

PartnerRe Group

	12/31/2016		12/31/2015	
(in %)	**Pension obligation**	**Net periodic benefit cost**	Pension obligation	Net periodic benefit cost
Discount rate	**0.75**	**1.00**	1.0	1.25
Expected return on plan assets	**n.a.**	**1.00**	n.a.	1.25
Rate of compensation increase	**2.00**	**2.25**	2.25	2.25

The investment strategy of the Zurich Plan's Pension Committee is to achieve a consistent long-term return, which will provide sufficient funding for future pension obligations while limiting risk. The expected long-term rate of return on plan assets is based on the expected asset allocation and assumptions concerning long-term interest rates, inflation rates and risk premiums for equities above the risk-free rates of return. These assumptions take into consideration historical long-term rates of return for the relevant asset categories. The investment strategy is reviewed regularly.

The fair value of the Zurich Plan's assets at December 31, 2016 were insured funds and cash of €103 million ($109 million. The insured funds comprise the accumulated pension plan contributions and investment returns thereon, which are held in an insurance arrangement that provides at least a guaranteed minimum investment return. The insured funds are held by a collective foundation of AXA Life Ltd. and are guaranteed under the insurance arrangement.

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to employees and retirees in the U.S. and Canada by FCA US companies and those of the Agricultural Equipment and Construction Equipment sectors of CNH Industrial.

CNH Industrial Healthcare plan obligations comprise obligations for healthcare and insurance plans granted to CNH Industrial employees working in the United States and Canada. These plans generally cover employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. CNH Industrial U.S. salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement healthcare and life insurance benefits under the CNH Industrial plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH Industrial has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. These plans are not required to be funded. However, beginning in 2007, CNH Industrial began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

The expected benefits for healthcare and life insurance plans are the following:

€ million	2017	2018	2019	2020	2021	2022-2026
Expected benefit payments	213	211	210	209	210	1,042

Changes in healthcare and life insurance plans are as follows:

€ million	12/31/2016			12/31/2015		
	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation
Present value of obligations at January 1	**3,522**	**(97)**	**3,425**	**3,300**	**(88)**	**3,212**
Included in income statement	171	(3)	168	185	(4)	181
Included in Other comprehensive income						
Actuarial (gains) losses from:						
- demographic assumptions	(56)	0	(56)	0	0	0
- financial assumptions	(18)	0	(18)	(45)	0	(45)
- other	(27)	0	(27)	(16)	0	(16)
Return on assets	0	(4)	(4)	0	4	4
Exchange differences	116	(3)	113	314	(10)	304
Other changes:			0			0
Contribution by employer	0	0	0	0	0	0
Contribution by plan participants	8	0	8	8	0	8
Benefits paid	(202)	2	(200)	(223)	2	(221)
Other changes	0	0	0	(1)	(1)	(2)
Present value of obligation at December 31	**3,514**	**(105)**	**3,409**	**3,522**	**(97)**	**3,425**

Amounts recognized in the Consolidated Income Statement were as follows:

€ million	2016	2015	Change
Current service cost	32	39	(7)
Interest expense	143	146	(3)
Interest income	(3)	(4)	1
Past service costs/(credits) and gains/(losses) arising from settlements/curtailments	(4)	-	(4)
Total recognized in the Consolidated Income Statement	**168**	**181**	(13)

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

€ million	31.12.2016		31.12.2015	
	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents				
US equity securities	51	13		
Non-US equity securities			49	14
Equity instruments	**51**	**13**	49	14
Government securities	15		10	8
Corporate bonds (including convertible and high-yield bonds)	33		34	
Other fixed income	2		2	
Debt instruments	**50**	**0**	46	8
Insurance contracts and other	**4**		2	
Total fair value of plan assets	**105**	**13**	**97**	**22**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

FCA Group

	12/31/2016		12/31/2015	
(in %)	USA	Canada	USA	Canada
Discount rate	**4.5**	**4**	4.5	4.2
Future salary increase rate	**1.5**	**1.0**	1.5	1.5
Weighted average ultimate health care cost trend rate	**4.5**	**4.4**	4.5	4.3
Average duration (years)	**12**	**16**	13	16

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for next year and used in the 2016 plan valuation was 7.0 percent (7.0 percent in 2015). The annual rate was assumed to decrease gradually to 4.5 percent after 2029 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for next year and used in the 2016 plan valuation was 4.7 percent (4.7 percent in 2015). The annual rate was assumed to decrease gradually to 4.4 percent in 2029 and remain at that level thereafter.

CNH Industrial Group

(in %)	12/31/2016	12/31/2015
Average discount rate	**3.97**	4.27
Future salary increase rate	**2.50**	2.50
Weighted average initial health care cost trend rate	**6.72**	6.98
Weighted average ultimate health care cost trend rate	**5.00**	5.00
Average duration (years)	**11**	13

Assumed discount rates are used in measurements of pension, healthcare and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. CNH Industrial selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's dollars. The discount rates for the U.S., European, U.K. and Canadian obligations are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date, December 31. The benefit cash flow-matching approach involves analyzing CNH Industrial's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-grade corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria. The discount rates for CNH Industrial's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The assumed healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on CNH Industrial's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Healthcare Financing Administration. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, an aging population, and a changing mix of medical services.

In October 2014, the Society of Actuaries ("SOA") in the United States issued updated mortality table ("RP-2014") and mortality improvement scale ("MP-2014"). Accordingly, CNH Industrial reviewed the historical mortality experience and demographic characteristics of its U.S. pension and Healthcare plan participants and have decided to adopt the variants of Blue Collar tables of RP-2014 as the base mortality tables. The Retirement Plans Experience Committee ("RPEC") publishes annual updates to the RP-2014 model and corresponding mortality improvement scales. The latest update resulted in the 2016 version of the mortality improvement scale ("MP-2016"). In 2016 CNH Industrial adopted the MP-2016 mortality improvement scale, which reflects significant improvement over the previous mortality improvement scales. Management believes the new mortality assumptions most appropriately represent its plans' experience and characteristics. The adoption of the new mortality assumptions resulted in a total decrease of €30 million ($32 million) to the

Group's benefit obligations at December 31, 2016, of which €14 million ($15 million) was related to Pension plans and €16 million ($17 million) to Healthcare plans.

Beginning in 2016, CNH Industrial changed the method used to estimate the service cost and net interest components of the net benefit cost in order to provide a more precise measure of net interest and service costs by improving the correlation between the projected benefit cash flows and the discrete spot yield curve rates. The new method uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows. Historically, the service and net interest costs were determined using a single weighted-average discount rate based on hypothetical AA yield curves used to measure the benefit obligation at the beginning of the period. The change has been accounted for as a change in estimate prospectively, and resulted in a $14 million (€ 13 million) reduction in net benefit cost in 2016, mainly due to lower current service cost and net interest expense. This change does not affect the measurement of the total benefit obligations.

Assumed discount rates and healthcare cost trend rates have a significant effect on the amount recognized in the 2016 financial statements. The effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €99 million and increase of €118 million, respectively, in the benefit obligations at December 31, 2016.

The effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €116 million and decrease of €93 million, respectively, in the defined healthcare benefit obligations at December 31, 2016.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €981 million at December 31, 2016 and €1,006 million at December 31, 2015), consisting of the residual obligation for the benefit due to employees of Italian companies until December 31, 2007, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

€ million	**12/31/2016**	**12/31/2015**
Present value of obligation at January 1	**1,308**	1,454
Included in income statement:		
Current service cost	15	16
Interest (income) expenses	20	9
Past service costs (income) and (gains) losses arising from settlements	1	0
Included in Other comprehensive income:		
Actuarial (gains) losses from:		
- demographic assumptions	2	(2)
- financial assumptions	41	(46)
- other	37	(16)
Exchange differences	1	(1)
Other changes:		
Benefits paid	(81)	(86)
Change in the scope of consolidation	1	1
Other changes	(14)	(21)
Present value of obligation at December 31	**1,331**	**1,308**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and the mortality rates.
The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the

timing and amounts of the projected benefit payments. For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2016 is equal to 1.6% (1.6% in 2015). The average duration of the Italian leaving entitlement is approximately 7 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and law requirements for retirement in Italy.

As for the FCA Group the effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €38 million and increase of €41 million, respectively, in the benefit obligations at December 31, 2015.

Other provisions for employees

At December 31, 2016, other provisions for employees include other long-term benefits obligations of €1,650 million (€1,650 million at December 31, 2015) representing the expected obligation for benefits such as jubilee and long-term disability granted to certain employees by the Group.

27. Other provisions

Changes in other provisions are as follows:

€ million	**Beginning balance**	Charge	Utilization	Release to income	Change in scope of consolidation	Translation differences	Other changes	**Closing balance**
At December 31, 2016								
Product warranty and recall campaigns	7,385	3,945	(4,003)	945	(1)	252	33	8,556
Restructuring	151	88	(100)	(12)	0	2	(25)	104
Investment	18	0	0	0	0	1	(5)	14
Other	9,677	17,489	(16,146)	(293)	0	279	(415)	10,591
Total other provisions	**17,231**	21,522	(20,249)	640	(1)	534	(412)	**19,265**
At December 31, 2015								
Product warranty and recall campaigns	5,684	4,095	(3,955)	1,259	(2)	325	(21)	7,385
Restructuring	219	73	(119)	(21)	0	4	(5)	151
Investment	13	0	0	0	0	0	5	18
Other	7,819	16,791	(14,933)	(228)	(22)	349	(99)	9,677
Total other provisions	**13,735**	**20,959**	**(19,007)**	**1,010**	**(24)**	**678**	**(120)**	**17,231**

The product warranty and recall campaign represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for vehicles. Product warranty and recall campaign also include management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which are estimated by making an assessment of the historical occurrence of defects on a case-by-case basis and are accrued when a reliable estimate of the amount of the obligation can be made.

At December 31, 2016, the product warranty and recall campaigns provision included €451 million of charges recognized within Cost of sales for the year ended December 31, 2016 for the additional estimated costs associated with the recall campaigns related to an industry wide recall of airbag inflators resulting from parts manufactured by Takata. Refer to note 32, Guarantees granted, commitments and contingent liabilities, for additional information.

In addition, the product warranty and recall campaigns provision included €132 million of estimated net costs recognized within cost of sales for the year ended December 31, 2016 associated with a recall for which costs are being contested with a supplier. Although FCA believes the supplier has responsibility for the recall, only a partial recovery of the estimated costs has been recognized pursuant to a cost sharing agreement. The cash outflow for the non-current portion of the Product warranty and recall campaigns provision is primarily expected within a period through 2021.

Product warranty and recall campaigns provision at December 31, 2015 included the change in estimate for estimated future recall campaign costs for the U.S. and Canada of €761 million related to vehicles sold in periods prior to the third quarter of 2015 as well as additional warranty costs in the second half of 2015 related to the increase in the accrual rate per vehicle. Translation differences primarily related to the foreign currency translation from U.S. dollar to Euro.

For the year ended December 31, 2015, a total charge of €81 million was recorded within Selling, general and other for the year ended December 31, 2015 as a result of a consent order agreed with U.S. National Highway Traffic Safety Administration ("NHTSA"), (the "Consent Order"), resolving the issues raised by NHTSA with respect to FCA US's execution of 23 recall campaigns in NHTSA's Special Order issued to FCA US on May 22, 2015. Pursuant to the Consent Order, FCA US made a U.S.$70 million (€63 million) cash payment to NHTSA in September 2015 and will spend U.S.$20 million (€18 million) on industry and consumer outreach activities and incentives to enhance certain recall and service campaign completion rates. An additional U.S.$15 million (€14 million) payment will be payable by FCA US if it fails to comply with certain terms of the Consent Order. FCA US's compliance with the Consent Order is monitored by an independent monitor that reports to NHTSA on a periodic basis. In addition, the Consent Order requires FCA US to meet monthly with NHTSA to discuss certain communications and open investigations. Although the Consent Order required these monthly meetings for a one year term, NHTSA exercised its option, pursuant to the terms of the Consent Order, to extend such meetings for an additional year. As a result of the Group's heightened scrutiny of its regulatory reporting obligations growing out of the Consent Order, the Group identified deficiencies in FCA US's Transportation Recall Enhancement, Accountability, and Documentation (TREAD) reporting. Following admission of these deficiencies to NHTSA, an amendment to the Consent Order was issued in December 2015 whereby a penalty of U.S.$70 million (€63 million) was imposed by NHTSA. The penalty, which was recorded within selling, general and other costs during the year ended December 31, 2015, was paid on January 6, 2016.

The caption Other of the table above represents the amounts provided by the individual companies of the Group in connection mainly with contractual, commercial and tax risks and disputes.

The composition of the provision for other is as follows:

€ million	12/31/2016	12/31/2015	Change
Sales incentives	6,870	6,267	603
Legal proceedings and other disputes	1,171	1,328	(157)
Commercial risks	1,046	693	353
Environmental risks	90	93	(3)
Indemnities	52	52	0
Other provisions for risks and charges	1,362	1,244	118
Total other	**10,591**	**9,677**	914

In particular, the provision refers to:

- sales incentives: this provision offers sales incentives on a contractual basis to the Group's dealer networks, primarily given if the dealers achieve a specific cumulative level of sales transactions during the calendar year;
- legal proceedings and other disputes: this provision represents management's best estimate of the liability to be recognized with regard to:
  - legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes);
  - legal proceedings involving claims with active and former employees;
  - legal proceedings involving different tax authorities;
- Italian exit tax.

At December 31, 2015 the other provision for risk and charges included the accrual of CNH Industrial of €450 million (equivalent to approximately $500 million at current exchange rate) arising from a fine imposed by the European Commission following to an investigation conducted by the European Commission. The fine was paid on October 2016.

28. Technical reserves reinsurance companies

At December 31, 2016 the composition of technical reinsurance reserves related to the PartnerRe Group was as follows:

€ million	12/31/2016	12/31/2015	Change
Unpaid losses and Loss expenses	8,524		8,524
Life and health technical reinsurance reserves	1,882		1,882
Unearned premium reserves	1,540		1,540
Total Technical reinsurance reserves	**11,946**	**-**	11,946

Unpaid Losses and Loss Expenses

Unpaid losses and loss expenses are categorized into three types of reserves:Case reserve, ACRs and IBNR reserves. Case reserves represent unpaid losses reported by the Company's cedants and recorded by the Company. ACRs are established for particular circumnstances where, on the basis of individual loss report, the Company estimates that the particular loss or collection of losses covered by a treaty may be greater than those advised by the cedant. IBNR reserves represent a provision for claims that have been incurred but not yet reported to the Company, as well as future loss development on losses already reported, in excess of the case reserves and ACRs.

The reconciliation of the beginning and ending gross and net liability for unpaid losses and loss expenses acquired in the acquisition of PartnerRe for the period from March 18, 2016 to December 31, 2016 was as follows:

€ million	
Gross liability acquired at 3/18/2016	8,195
Reinsurance recoverable acquired at 3/18/2016	(171)
Net reserves acquired at 3/18/2016	8,024
Net incurred losses related to current period	1,716
Net paid losses related to current period	(1,710)
Change in Paris Re Reserve Agreement	(21)
Translation differences and other changes	262
Net liability at 12/31/2016	8,271
Reinsurance recoverable at 12/31/2016	253
Gross liability at 12/31/2016	**8,524**

Life and health technical reinsurance reserves

The reconciliation of the beginning and ending gross and net liability for life and health technical reinsurance reserves acquired in the acquisition of PartnerRe for the period from March 18, 2016 to December 31, 2016 was as follows:

€ million	
Gross liability acquired at 3/18/2016	1,826
Reinsurance recoverable acquired at 3/18/2016	(38)
Net reserves acquired at 3/18/2016	1,788
Net incurred losses	679
Net paid losses	(593)
Translation differences	(22)
Net liability at 12/31/2016	1,852
Reinsurance recoverable at 12/31/2016	30
Gross liability at 12/31/2016	**1,882**

Reserves for unearned premium

The reconciliation of the beginning and ending reserves for unearned premium acquired in the acquisition of PartnerRe for the period from March 18, 2016 to December 31, 2016 was as follows:

€ million	
Reserves acquired at 3/18/2016	1,804
Net premiums written	3,313
Net premiums earned	(3,606)
Translation differences	29
Unearned premium reserve at the end of the period	**1,540**

29. Financial debt

The composition of financial debt is as follows:

€ million	12/31/2016	12/31/2015	Change
Notes	25,487	23,809	1,678
Borrowings from banks	14,509	18,385	(3,876)
Asset-backed financing	12,075	12,146	(71)
Payables represented by securities	1,619	1,212	407
Other financial debt	2,127	1,728	399
Total financial debt	**55,817**	**57,280**	(1,463)

Notes

Notes at December 31, 2016 amount to €25,487 million (€23,809 million at December 31, 2015).
The composition is as follows:

€ million	12/31/2016	12/31/2015	Change
Notes issued by EXOR	2,999	2,625	374
Notes issued by FCA Group	12,351	13,441	(1,090)
Notes issued by CNH Industrial Group	8,327	7,743	584
Notes issued by Ferrari Group	498	0	498
Notes issued by PartnerRe Group	1,313	0	1,313
Total Notes	**25,487**	**23,809**	1,678

The individual company issuers intend to repay the issued notes in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued notes, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the individual companies and other factors which could affect such decisions.

EXOR

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in € million)	
					12/31/2016	12/31/2015
EXOR N.V.	€	440	5.375%	June 12, 2017	453	452
EXOR N.V.	€	150	4.750%	October 16, 2019	150	150
EXOR N.V.	€	200	3.375%	November 12, 2020	200	199
EXOR N.V.	€	750	2.125%	December 2, 2022	745	745
EXOR N.V.	€	650	2.500%	October 8, 2024	652	652
EXOR N.V.	€	100	5.250%	January 31, 2025	103	103
EXOR N.V.	€	450	2.875%	December 22, 2025	452	247
EXOR N.V.	Yen	10,000	2.80% 6 months	May 9, 2031	82	77
EXOR N.V.	$	170	4.398% 6 months	May 20, 2026	162	
Total Notes					**2,999**	**2,625**

On May 10, 2016 EXOR reopened the €250 million bonds issued on December 22, 2015, increasing the amount by €200 million. Like the bonds previously issued, the new bonds carry an annual fixed coupon of 2.875% and are due in December 2025.
The new bonds issued through a private placement to institutional investors yield 2.51% and are listed on the Luxembourg Stock Exchange.

On May 20, 2016 EXOR issued its first U.S. dollar notes for $170 million due May 20, 2026. The new notes were issued through a private placement to institutional investors and pay interest semi-annually at an annual rate of 4.398%. The notes, rated BBB+ by Standard & Poor's, are listed on the Luxembourg Stock Exchange. The issue price was 100% of the principal amount. The purpose of the new notes was to refinance EXOR's short-term debt.

FCA Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2016	12/31/2015
Global Medium Term Note Programme:						
Fiat Chrysler Finance Europe S.A.	€	1,000	6.375%	April 1, 2016		1,000
Fiat Chrysler Finance Europe S.A.	€	1,000	7.750%	October 17, 2016		1,000
Fiat Chrysler Finance Europe S.A.	CHF	400	5.250%	November 23, 2016		369
Fiat Chrysler Finance Europe S.A.	€	850	7.000%	March 23, 2017	850	850
Fiat Chrysler Finance North America Inc.	€	1,000	5.625%	June 12, 2017	1,000	1,000
Fiat Chrysler Finance Europe S.A.	CHF	450	4.000%	November 22,2017	419	415
Fiat Chrysler Finance Europe S.A.	€	1,250	6.625%	March 15, 2018	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	600	7.375%	July 9, 2018	600	600
Fiat Chrysler Finance Europe S.A.	CHF	250	3.125%	September 30, 2019	233	231
Fiat Chrysler Finance Europe S.A.	€	1,250	6.750%	October 14, 2019	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	1,000	4.750%	March 22, 2021	1,000	1,000
Fiat Chrysler Finance Europe S.A.	€	1,350	4.750%	July 15, 2022	1,350	1,350
Fiat Chrysler Finance Europe S.A.	€	1,250	3.750%	March 29, 2024	1,250	
Other					7	7
Total Global Medium Term Notes					**9,209**	**10,322**
Other Notes:						
FCA Notes	$	1,500	4.500%	April 15, 2020	1,423	1,378
FCA Notes	$	1,500	5.250%	April 15, 2023	1,423	1,378
Total Other Notes					**2,846**	**2,756**
Hedging effect and amortized cost valuation					**296**	**363**
Total Notes					**12,351**	**13,441**

Notes Issued Through GMTN Programme

Certain notes issued by the FCA Group are governed by the terms and conditions of the Global Medium Term Note ("GMTN") Programme. A maximum of €20 billion may be used under this program, of which notes of approximately €9.2 billion were outstanding at December 31, 2016 (€10.3 billion at December 31, 2015). The GMTN Programme is guaranteed by FCA, which may from time to time buy back notes in the market that have been issued. Such buybacks, if made, depend upon market conditions, the Group's financial situation and other factors which could affect such decisions.

Changes in notes issued under the GMTN Programme during the year ended December 31, 2016 were due to the:

- issuance of a 3.75 percent note at par in March 2016 with a principal amount of €1,250 million and due March 2024;
- repayment at maturity in April 2016 of a note with a principal amount of €1,000 million;
- repayment at maturity in October 2016 of a note with a principal amount of €1,000 million; and
- repayment at maturity in November 2016 of a note with a principal amount of CHF 400 million (€373 million).

Changes in notes issued under the GMTN Programme during the year ended December 31, 2015 were due to the repayment at maturity of two notes, one with a principal amount of €1,500 million and one with a principal amount of CHF 425 million (€390 million).

The notes issued under the GMTN Programme impose covenants on the issuer and, in certain cases, on FCA as guarantor, which include: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or FCA is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes; (ii) *pari passu* clauses, under which the notes rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or FCA; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the notes under certain events of default on other financial instruments issued by FCA's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the notes. As of December 31, 2016, FCA was in compliance with all covenants under the GMTN Programme.

Other Notes

The Notes impose covenants on FCA including: (i) negative pledge clauses which require that, in case any security interest upon assets of FCA is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding Notes; (ii) *pari passu* clauses, under which the Notes rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of FCA; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the Notes under certain events of default on other financial instruments issued by FCA's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the Notes. As of December 31, 2016, FCA was in compliance with the covenants of the Notes.

FCA used the net proceeds from the offering of the Notes for general corporate purposes and the refinancing of a portion of the outstanding secured senior notes of FCA US, as described below. Debt issuance costs, arrangement fees and other direct costs were split evenly across the 2020 Notes and the 2023 Notes, were recorded as a reduction in the carrying value of the Notes and are amortized using the effective interest rate method over the respective life of the Notes. Interest on the 2020 Notes and the 2023 Notes is payable semi-annually in April and October.

CNH Industrial Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2016	12/31/2015
Global Medium Term Notes:						
CNH Industrial Finance Europe S.A.	€	1,200	6.250%	March 9, 2018	1,200	1,200
CNH Industrial Finance Europe S.A.	€	1,000	2.750%	March 18, 2019	1,000	1,000
CNH Industrial Finance Europe S.A.	€	700	2.875%	September 27, 2021	700	700
CNH Industrial Finance Europe S.A.	€	500	2.875%	May 17, 2023	500	
CNH Industrial Finance Europe S.A.	€	100	3.500%	November 12, 2025	100	100
CNH Industrial Finance Europe S.A.	€	50	3.875%	April 21, 2028	50	100
Total Global Medium Term Notes					**3,550**	**3,000**
Other Notes						
CNH America LLC	$	254	7.250%	January 15, 2016		233
CNH Capital LLC	$	500	6.250%	November 1, 2016		459
CNH Capital LLC	$	500	3.250%	February 1, 2017	474	459
Case New Holland Industrial Inc.	$	1,500	7.875%	December 1, 2017	603	1,378
CNH Capital LLC	$	600	3.625%	April 15, 2018	569	551
CNH Capital LLC	$	600	3.875%	July 16, 2018	569	551
CNH Capital LLC	$	500	3.375%	July 15, 2019	474	459
CNH Capital LLC	$	600	4.375%	November 6, 2020	569	551
CNH Capital LLC	$	500	4.875%	April 1, 2021	474	
CNH Capital LLC	$	400	3.875%	October 15, 2021	379	
CNH Capital LLC	$	600	4.500%	August 15, 2023	569	
Total other Notes					**4,683**	**4,642**
Hedging effect and amortized cost valuation					**94**	**101**
Total Notes					**8,327**	**7,743**

In March 2016, CNH Industrial Capital LLC issued $500 million of debt securities at an interest rate of 4.875% due in April 2021. In April 2016, CNH Industrial Finance Europe S.A. issued €50 million of notes at a fixed rate of 3.875% as a private placement due in April 2028. In May 2016, CNH Industrial Finance Europe S.A. issued €500 million of notes at a fixed rate of 2.875%, due May 2023.

The 3.875% and the 2.875% notes have been issued under the €10 billion Global Medium Term Note Programme unconditionally and irrevocably guaranteed by CNH Industrial N.V. In August 2016, CNH Industrial N.V. issued $600 million of notes at an interest rate of 4.50%, due August 2023. In October 2016, CNH Industrial Capital LLC issued $400 million of notes at an interest rate of 3.875% due in October 2021.
In August 2016 and in December 2016, Case New Holland Industrial Inc. repurchased $450 million and $414 million, respectively, in aggregate principal amount of its 7.875% notes due 2017, following cash tender offers.

The bonds issued by the CNH Industrial Group may contain commitments of the issuer and in certain cases commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledge (in relation to quoted indebtedness), a status (or pari passu) covenant and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. The bonds guaranteed by CNH Industrial N.V. under the Global Medium Term Note Programme, as well as the notes issued by CNH Industrial N.V. in August 2016, contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. leading to a rating downgrading of CNH Industrial N.V.

The Group intends to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued bonds. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Ferrari Group

On March 16, 2016, the Ferrari Group concluded the placement of 7-year 1.5% fixed-rate notes with a principal amount of €500 million at an issue price of €98.977, unrated. The net proceeds of €491 million together with the Group's cash were used to repay the €500 million Bridge Loan secured on November 30, 2015. The notes are listed on the Irish Stock Exchange.

The notes impose covenants on Ferrari including: (i) negative pledge clauses which require that, in case any security interest upon assets of Ferrari is granted in connection with other notes or debt securities with the consent of Ferrari are, or are intended to be, listed, such security should be equally and ratably extended to the outstanding notes, subject to certain permitted exceptions; (ii) pari passu clauses, under which the notes rank and will rank pari passu with all other present and future unsubordinated and unsecured obligations of Ferrari; (iii) events of default for failure to pay principal or interest or comply with other obligations under the notes with specified cure periods or in the event of a payment default or acceleration of indebtedness or in the case of certain bankruptcy events; and (iv) other clauses that are customarily applicable to debt securities of issuers with a similar credit standing. A breach of these covenants may require the early repayment of the notes. As of December 31, 2016, Ferrari was in compliance with the covenants of the notes.

PartnerRe Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in € million)
					12/31/2016
PartnerRe Finance B LLC - 2010 Senior Notes	$	500	5.500%	June 1, 2020	511
PartnerRe Finance B LLC - 2016 Senior Notes	€	750	1.250%	September 15, 2026	734
PartnerRe Finance II Inc. - Capital Efficient Notes	$	63		December 1, 2066	67
Total Notes					**1,313**

At December 31, 2016 notes includes:

- 5.5% 2010 Senior Notes, $500 million aggregate principal, which may be redeemed at the option of the issuer in whole or in part at any time. The 2010 Senior Notes are ranked as senior unsecured obligations of PartnerRe Finance B LLC. PartnerRe has fully and unconditionally guaranteed all obligations of PartnerRe Finance B LLC related to the 2010 Senior Notes. PartnerRe’s obligations under this guarantee are senior and unsecured and rank equally with all other senior unsecured indebtedness;
- 1.250% Senior Notes issued in September 2016 by PartnerRe Ireland Finance DAC with an aggregate principal amount of €750 million (2016 Senior Notes). The 2016 Senior Notes may be redeemed at the option of the issuer, in whole or in part, at any time five years after the issuance date. Prior to September 2021, any redemption of the 2016 Senior Notes is subject to regulatory approval. Interest on the 2016 Senior Notes is payable annually commencing on September 15, 2017. The 2016 Senior Notes are ranked as senior unsecured obligations of PartnerRe Ireland Finance DAC. PartnerRe Ltd has fully and unconditionally guaranteed all obligations of PartnerRe Ireland Finance DAC under the 2016 Senior Notes. PartnerRe's obligations under this guarantee are senior and unsecured and rank equally with all other senior unsecured indebtedness. The proceeds from the 2016 Senior Notes were used to redeem Series D 6.5% and Series E 7.25% preferred shares to redeem the 2008 Senior Notes referred to above, and for general corporate purposes;

In May 2008, PartnerRe Finance A LLC issued 6.875% Senior Notes with an aggregate principal of $250 million (2008 Senior Notes) due on June 1, 2018, which were redeemed early on November 1, 2016. PartnerRe paid a redemption price of $272 million and, as a result, PartnerRe recorded a loss of $2 million on redemption of these notes which represented the difference between the carrying value of the notes and the consideration paid.

Borrowings from banks

Borrowings from banks at December 31, 2016 amount to €14,509 million (€18,385 million at December 31, 2015). The composition is as follows:

€ million	12/31/2016	12/31/2015	Change
EXOR	80	0	80
FCA Group	9,506	14,317	(4,811)
CNH Industrial Group	4,049	4,038	11
Ferrari Group	837	0	837
Juventus	37	30	7
Total borrowings from banks	**14,509**	**18,385**	(3,876)

EXOR

At December 31, 2016 EXOR has irrevocable credit lines in Euro of €390 million, of which €350 million is due after December31, 2017, as well as revocable credit lines of €558 million. EXOR also had credit lines in foreign currency for a total of $640 million (€607 million) due after December 31, 2017, drawn down for $600 million, of which $550 million (€522 million) was granted for the acquisition of PartnerRe.

At December 31, 2015 EXOR S.p.A. had unused irrevocable credit lines for €345 million (including €305 million due by December 31, 2016), in addition to unused revocable credit lines for more than €558 million.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.

In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €250 million.

FCA Group

At December 31, 2016, borrowings from banks of the FCA Group under the Senior Credit Facilities of FCA US consist of the Tranche B Term Loan due 2017 and The Tranche B Termo Loan due 2018, including accrued interest, respectively for €1,730 million (€2,863 million at December 31, 2015) and €948 million (€1,574 million at December 31, 2015). The Tranche B Term Loan due 2017 bears interest, at FCA US's option, at either a base rate plus 1.75 percent per annum or at LIBOR plus 2.75 percent per annum, subject to a base rate floor of 1.75 percent per annum or a LIBOR floor of 0.75 percent per annum. For the years ended December 31, 2016 and 2015, interest was accrued based on LIBOR. The Tranche B Term Loan due 2018 bears interest, at FCA US’s option, at either a base rate plus 1.5 percent per annum or at LIBOR plus 2.5 percent per annum, subject to a base rate floor of 1.75 percent per annum or a LIBOR floor of 0.75 percent per annum. For the years ended December 31, 2016 and 2015, interest was accrued based on LIBOR.

FCA US may pre-pay, refinance or re-price the Tranche B Term Loan due 2017 and the Tranche B Term Loan due 2018, collectively referred to as the “Tranche B Term Loans”, without premium or penalty.

On March 15, 2016, FCA US entered into amendments to the credit agreements that govern the Tranche B Term Loans to, among other items, eliminate covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group, to enable a unified financing platform and to provide free flow of capital within the Group. In conjunction with these amendments, FCA US made $2.0 billion (€1.8 billion) voluntary prepayment of principal at par with cash on hand, of which $1,288 million (€1,159 million) was applied to the Tranche B Term Loan due 2017 and U.S.$712 million (€641 million) was applied to the Tranche B Term Loan due 2018. Accrued interest related to the portion of principal prepaid of the Tranche B Term Loans and related transaction fees were also paid.

The prepayments of principal were accounted for as debt extinguishments and, as a result, a non-cash charge of €10 million was recorded within net financial expenses for the year ended December 31, 2016 which consisted of the write-off of the remaining unamortized debt issuance costs. The amendments to the remaining principal balance were analyzed on a lender-by-lender basis and accounted for as debt modifications in accordance with IAS 39 - Financial Instruments: Recognition and Measurement. As such, the debt issuance costs for each of the amendments were capitalized and are amortized over the respective remaining terms of the Tranche B Term Loans. For each of the Tranche B Term Loans, FCA US prepaid the scheduled quarterly principal payments, with the remaining balance applied to the principal balance due at maturity. Accordingly, FCA US is now scheduled to pay the remaining outstanding principal balances at the respective maturity dates. Periodic interest payments, however, continue to be required.

The credit agreements that govern the Tranche B Term Loans include a number of affirmative covenants, many of which are customary, including, but not limited to, the reporting of financial results and other developments, compliance with laws, payment of taxes, maintenance of insurance and similar requirements. These credit agreements also include negative covenants, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness, (ii) limitations on incurrence of liens, (iii) limitations on swap agreements and sale and leaseback transactions, (iv) limitations on fundamental changes, including certain asset sales and (v) restrictions on certain subsidiary distributions. In addition, these credit agreements require FCA US to maintain a minimum ratio of “borrowing base” to “covered debt” (as defined), as well as a minimum liquidity of U.S.$3.0 billion (€2.8 billion). Furthermore, the credit agreements that govern the Tranche B Term loans also contain a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants, (iii) breaches of representations and warranties, (iv) certain changes of control, (v) cross–default with certain other debt and hedging agreements and (vi) the failure to pay or post bond for certain material judgments. As of December 31, 2016, FCA US was in compliance with the covenants of the credit agreements that govern the Tranche B Term Loans.

In conjunction with the amendments to the credit agreements that govern the Tranche B Term Loan, the second €2.5 billion tranche (expiring in June 2020) of the total €5.0 billion syndicated revolving credit facility entered into by FCA in June 2015 (“RCF”) was made available to the FCA Group in March 2016. In June 2016, the maturity date of the first €2.5 billion tranche of the RCF was extended to July 2019. The maturity date of the second €2.5 billion tranche remained unchanged. The first tranche of €2.5 billion has one further extension option (11-months) which is exercisable on the second anniversary of signing. At December 31, 2016, the total €5.0 billion RCF was undrawn.

The covenants of the RCF include financial covenants (Net Debt/Adjusted Earnings Before Interest, Depreciation and Amortization (“Adjusted EBITDA”) and Adjusted EBITDA/Net Interest ratios related to industrial activities) as well as negative pledge, *pari passu*, cross-default and change of control clauses. The failure to comply with these covenants and, in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts. As of December 31, 2016, FCA was in compliance with the covenants of the RCF.

FCA Group has financing agreements with the European Investment Bank (“EIB”) for a total of €1.3 billion outstanding at December 31, 2016 (€1.2 billion outstanding at December 31, 2015), which includes:

- a new loan for €250 million entered into in December 2016 for research and development projects implemented by FCA. The three-year loan will support the Group’s three-year (2017-2019) investment plan in research and development centers in Italy, which includes a number of key objectives such as greater efficiency, a reduction in CO2 emissions by petrol and alternative fuel engines and the study of new hybrid architectures, as well as certain capital expenditures for facilities located in southern Italy. The three-year loan due July 2018 provided by the EIB, which is also 50 percent guaranteed by SACE, relates to FCA's production and research and development sites in both northern and southern Italy;
- the €600 million facility with the EIB and SACE earmarked to support the Group's automotive research, development and production plans for 2015 to 2017 which includes studies for efficient vehicle technologies for vehicle safety and new vehicle architectures;
- a facility of €400 million (maturing in 2018) for supporting certain investments and research and development programs in Italy to protect the environment through the reduction of emissions and improved energy efficiency and
- a €500 million facility (maturing in 2021) for an investment program relating to the modernization and expansion of production capacity of an automotive plant in Serbia.

The FCA Brazilian subsidiaries have access to various local bank facilities in order to fund investments and operations. Total debt outstanding under those facilities amounted to €4.0 billion at December 31, 2016 (€4.1 billion at December 31, 2015), of which €3.3 billion (€3.6 billion at December 31, 2015) are loans with an average residual maturity of 1 to 2 years, while €0.7 billion (€0.5 billion at December 31, 2015) are short-term credit facilities. The loans primarily include subsidized loans granted by public financing institutions such as Banco Nacional do Desenvolvimento ("BNDES"), with the aim to support industrial projects in certain areas. This provided the Group the opportunity to fund large investments in Brazil with loans of sizeable amounts at low rates. At December 31, 2016, outstanding subsidized loans amounted to €2.6 billion (€1.9 billion at December 31, 2015), of which €1.6 billion (€1.2 billion at December 31, 2015) related to the construction of the plant in Pernambuco (Brazil), which has been supported by subsidized credit lines totaling Brazilian Real ("BRL") 6.5 billion (€1.9 billion). Approximately €0.3 billion of committed credit lines contracted to fund scheduled investments in the area were undrawn at December 31, 2016 (€0.3 billion at December 31, 2015). The average residual maturity of the subsidized loans was approximately 3 years.

On March 20, 2015, FCA Mexico, S.A. de C.V., ("FCA Mexico"), the FCA principal operating subsidiary in Mexico, entered into a $0.9 billion (€0.8 billion) non-revolving loan agreement ("Mexico Bank Loan") maturing on March 20, 2022 and received a disbursement of $0.5 billion (€0.5 billion at December 31, 2016), which bears interest at one-month LIBOR plus 3.35 percent per annum. The proceeds were used to prepay all amounts outstanding under the Mexican development bank credit facilities amounting to approximately €414 million. Effective June 24, 2016, the Group terminated early the disbursement term for the undrawn portion of the non-revolving loan agreement of FCA Mexico and as a result, the undisbursed $0.4 billion (€0.4 billion) is no longer available to the Group. As of December 31, 2016, the company may prepay all or any portion of the loan without premium or penalty. Principal payments are due on the loan in seventeen equal quarterly installments based on the total amount of all disbursements made under the loan agreement beginning March 20, 2018, and interest is paid monthly throughout the term of the loan. The loan agreement requires FCA Mexico to maintain certain fixed and other assets as collateral, and to comply with certain covenants, including, but not limited to, financial maintenance covenants, limitations on liens, incurrence of debt and asset sales. As of December 31, 2016, FCA Mexico was in compliance with all covenants under the Mexico Bank Loan.

At December 31, 2016, undrawn committed credit lines of FCA Group totaling €6.2 billion included the €5.0 billion RCF and approximately €1.2 billion of other revolving credit facilities. At December 31, 2015, undrawn committed credit lines totaling €3.4 billion included the first tranche of €2.5 billion of the €5.0 billion RCF and approximately €0.9 billion of other revolving credit facilities.

CNH Industrial Group

In 2016, CNH Industrial Group signed a renewal of a five-year committed revolving credit facility for €1.75 billion. The renewal extends the maturity of the previous €1.75 billion committed revolving credit facility from 2019 until 2021. The €1.75 billion ($1.8 billion at the year-end 2016 exchange rate) facility is guaranteed by the parent company with cross-guarantees from each of the borrowers (i.e., CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.), and envisages typical provisions for contracts of this type and size, such as: financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to Industrial Activities), other covenants mainly relating to Industrial Activities including negative pledge, a status (or pari passu) covenant, restrictions on the incurrence of indebtedness by certain subsidiaries, customary events of default (some of which are subject to minimum thresholds and customary mitigants) including cross-default, failure to pay amounts due or to comply with certain provisions under the loan agreement, the occurrence of certain bankruptcy-related events and mandatory prepayment obligations upon a change in control of CNH Industrial or the borrowers. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances. At December 31, 2016 there were no breaches of such commitments.

At December 31, 2016, Financial Services' committed asset-backed facilities expiring after twelve months amounted to $3.2 billion ($3.1 billion at December 31, 2015), of which at December 31, 2016 $2.5 billion ($2.6 billion at December 31, 2015) were utilized.

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. Lenders of uncommitted facilities have the right to terminate the agreement with prior notice to CNH Industrial. At December 31, 2016, available committed unsecured facilities expiring after twelve months amounted to $2.9 billion ($3.0 billion at December 31, 2015).

Ferrari Group

Borrowings from banks of the Ferrari Group include the following:

- a syndicated facility with ten banks of €2.5 billion secured on November 30, 2015 composed of a Bridge Loan of €500 million, a Term Loan of €1,500 million and a Revolving Credit Facility (RCF) of €500 million. The Bridge Loan and the Term Loan were used in December 2015 to repay the debt due the FCA Group, including the FCA Note, arising from the demerger of Ferrari from the FCA Group. The Bridge Loan was fully repaid in March 2016 using the net proceeds from the notes issue. The Company made voluntary prepayments of €600 million on the Term Loan, paying €300 million in September 2016 and €300 million in December 2016. Also in December 2016, the Company and FFS Inc. made mandatory scheduled payments of €92 million and $9 million, respectively. At December 31, 2016 and 2015 the RCF was undrawn. Proceeds of the RCF may be used from time to time for general corporate and working capital purposes of the Group. The Term Loan and the RCF each have a maturity of five years. The Term Loan bears interest at a rate per annum equal to the aggregate of EURIBOR, plus a margin ranging from 50 basis points to 105 basis points depending on the applicable Consolidated Total Net Debt to Consolidated Adjusted EBITDA ratio, calculated in accordance with the terms of the Facility. The RCF bears interest at a rate per annum equal to the aggregate of EURIBOR with respect to loans denominated in Euro, or LIBOR with respect to loans denominated in other currencies, plus a margin ranging from 35 basis points to 90 basis points depending on the applicable Consolidated Total Net Debt to Consolidated Adjusted EBITDA ratio, calculated in accordance with the terms of the Facility. Loans under the RCF may be drawn in Euro or an alternative currency at the Company's option. The Facility is unsecured and provides for mandatory prepayments, affirmative and negative covenants and events of default in a form customary for bank financings of investment grade borrowers in the European syndicated loan market. The Facility has no financial maintenance covenants. Mandatory prepayments are required, subject to certain exceptions, in the event of a change of control. Subject to various exceptions and qualifications, negative covenants include (i) limitations on the Company's ability to provide security for other financial indebtedness, (ii) restrictions on the financial indebtedness that the Company's subsidiaries may incur or have outstanding, and (iii) restrictions on the Company's ability to make certain disposals of assets. Events of default include (i) failure to make payments when due, (ii) other breaches under the Facility not remedied within a 30-day grace period, (iii) breaches of representations and warranties, (iv) attachment by creditors of, or distress, execution, sequestration or other process enforced upon, the whole or any material part of the Group’s assets, (v) cross-payment default or cross-acceleration with certain other financial indebtedness, (vi) cessation of business, (vii) seizure, nationalization or expropriation of material assets; or (viii) bankruptcy or other insolvency proceedings. As of December 31, 2016 and 2015 the Company was in compliance with all covenants under the Facility.

- several loans secured by FFF Inc. to support financial services operations, particularly and in particular (i) €23,745 thousand (€91,975 thousand at December 31, 2015) relating to a $100 million U.S. Dollar denominated credit facility that was entered into on November 17, 2015, the proceeds of which were fully drawn down in 2015 and used to repay financial liabilities with FCA in the United States. The credit facility was renewed in December 2016 for an additional 12 months; (ii) €138,219 thousand at December 31, 2015 relating to a $150 million U.S. Dollar denominated credit facility that was fully repaid during 2016, primarily with funds from the leasing securitization program. The credit facility was fully drawn down at December 31, 2015.
- other short-term and medium-term credit facilities for minor amounts for a total of €13 million.

PartnerRe Group

In the normal course of its operations, PartnerRe enters into agreements with financial institutions to obtain unsecured and secured letter of credit facilities. At December 31, 2016, the total amount of such credit facilities available to PartnerRe was approximately $664 million, with each of the significant facilities described below. Under the terms of certain reinsurance agreements, irrevocable letters of credit were issued on an unsecured and secured basis in the amount of $135 million and $379 million, respectively, at December 31, 2016, in respect of reported loss and unearned premium reserves.

PartnerRe maintains a $300 million combined credit facility, with the first $100 million being unsecured and any utilization above the initial $100 million being secured. This credit facility matures each year on November 14, unless canceled by either counterparty, this credit facility automatically extends for a further year. In addition, PartnerRe maintains committed secured letter of credit facilities. These facilities are used for the issuance of letters of credit, which must be fully secured with cash and/or government bonds and/or investment grade bonds. The agreements include default covenants, which could require PartnerRe to fully secure the outstanding letters of credit to the extent that the facility is not already fully secured, and disallow the issuance of any new letters of credit. Included in PartnerRe’s secured credit facilities at December 31, 2016 is a $200 million secured credit facility, which matures on December 31, 2019, and a $80 million secured credit facility, which matures on December 31, 2017. At December 31, 2016, no conditions of default existed under these facilities.

Juventus

At December 31, 2016 Juventus Football Club has revocable credit lines of €347 million (€295 million at December 31, 2015, of which €218 million (€149 million in 2015) is drawn down.

Asset-backed financing

Assed-backed financing totaled €12,075 million (€12,146 million at December 31, 2015) and included asset of FCA Group that represents the amount of financing received through factoring transactions which do not meet IAS 39 derecognition requirements and are recognized as assets of the same amount of €410 million (€206 million at December 31, 2015), assets of CNH Industrial Group, mainly current receivables and cash with a pre-determined use to settle asset-backed financing of €11,179 million ($11,784 million) at December 31, 2016 (€ 11,937 million, $12,999 million at December 31, 2015) and assets of Ferrari Group for €486 million.

In 2016 FFS Inc, a Ferrari Group company pursued a strategy of self-financing, further reducing dependency on intercompany funding and increasing the portion of self-liquidating debt with various securitization transactions. On January 19, 2016, FFS Inc performed a revolving securitization program for funding of up to $250 million by pledging retail financial receivables in the United States as collateral. On December 16, 2016, the funding limit of the program was increased to US$275 million. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 70 basis points. Proceeds from the first sale of financial receivables were $242 million and were primarily used to repay intercompany loans. The securitization agreement requires the maintenance of an interest rate cap.

On October 20, 2016, FFS Inc performed a revolving securitization program for funding of up to $200 million by pledging leasing financial receivables in the United States as collateral. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 70 basis points. Proceeds from the first sale of financial receivables were $175 million and were primarily used to repay the $150 million U.S. Dollar denominated credit facility. The securitization agreement requires the maintenance of an interest rate cap.

Finally, on December 28, 2016, FFS Inc performed a revolving securitization program for funding of up to $120 million by pledging credit lines to Ferrari customers secured by personal vehicle collections and personal guarantees in the United States as collateral. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 150 basis points. Proceeds from the first sale of financial receivables were $64 million and were primarily used to partially repay the $100 million U.S. Dollar denominated credit facility. The securitization agreement does not require an interest rate cap.

The total amount outstanding under the securitization programs at December 31, 2016 was €476 million.

Cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding. Such cash amounted to €19 million at December 31, 2016.

Payables represented by securities

At December 31, 2016 payables represented by securities amount to €1,619 million (€1,212 million at December 31, 2015).

At December 31, 2015 the amount included the financial liability component of the Mandatory convertible securities issued by FCA on December 16, 2014 for $216 million (€199 million), of which €61 million relates to EXOR's share which was eliminated on consolidation. The Mandatory Convertible Securities were converted into FCA common shares on December 15, 2016 and the financial liability of U.S.$226 million (€213 million) was paid in cash, of which €66 million related to EXOR's share.

Other financial debt

At December 31, 2016 other financial debt amount to €2,127 million (€1,728 million at December 31, 2015) and includes finance lease payables for €691 million (€676 million at December 31, 2015) as detailed:

€ million	12/31/2016	12/31/2015	Change
Due within one year	122	105	17
Due between one and five years	360	362	(2)
Due beyond five years	209	209	0
Present value of minimum lease payments	**691**	**676**	15

As discussed in note 15, finance lease payables also relate to suppliers' assets recognized in the consolidated financial statements in accordance with IFRIC 4.

In addition other financial debt includes the unsecured Canada HCT Notes totaling €278 million, including accrued interest (€366 million at December 31, 2015, including accrued interest), which represents FCA US's principal Canadian subsidiary's remaining financial liability to the Canadian Health Care Trust arising from the settlement of its obligations for postretirement health care benefits for National Automobile, Aerospace, Transportation and General Workers Union of Canada "CAW" (now part of Unifor), which represented employees, retirees and dependents. During the year ended December 31, 2016, FCA US's Canadian subsidiary made payments on the Canada HCT Notes totaling €148 million, which included accrued interest and the prepayment of all scheduled payments due on the Canada HCT Tranche C Note. The prepayment on the Canada HCT Tranche C Note made on July 15, 2016 resulted in a loss on extinguishment of debt of €8 million that was recorded within net financial expenses for the year ended December 31, 2016.

Other financial debt also includes debt secured with mortgages and other liens on assets of the CNH Industrial Group amounts to €91 million at December 31, 2016 (€124 million at December 31, 2015); this amount includes €51 million (€49 million at December 31, 2015) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €148 million ($156 million) at December 31, 2016 (€155 million, $169 million at December 31, 2015).

Debt secured by assets

At December 31, 2016, debt secured by assets of the FCA Group excluding FCA US amounts to €914 million (€747 million at December 31, 2015), of which €433 million (€373 million at December 31, 2015) is due to creditors for assets acquired under finance leases and the remaining amount mainly relates to subsidized financing in Latin America. The total carrying amount of assets acting as security for loans for the Group (excluding FCA US) amounts to €1,940 million at December 31, 2016 (€1,400 million at December 31, 2015). At December 31, 2016, debt secured by assets of FCA US amounts to €3,466 million and includes €2,678 million relating to the Tranche B Term Loans, €207 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €561 million. At December 31, 2015, debt secured by assets of FCA US amounts to €5,254 million and includes €4,437 million relating to the Tranche B Term Loans, €243 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €574 million.

Debt secured with mortgages and other liens on assets of the CNH Industrial Group amounts to €91 million at December 31, 2016 (€124 million at December 31, 2015); this amount includes €51 million (€49 million at December 31, 2015) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €148 million at December 31, 2016 (€155 million at December 31, 2015).

In addition, at December 31, 2016, the Group's assets include current receivables to settle asset-backed financing for €11,590 million (€12,146 million at December 31, 2015) (see note 24).

Financial debt by due date

An analysis of financial debt by due date at December 31, 2016 at December 31, 2015 is as follows:

	12/31/2016				12/31/2015			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Notes	4,212	13,153	8,122	25,487	3,487	13,975	6,347	**23,809**
Borrowings from banks	5,984	7,611	914	14,509	6,127	11,358	900	**18,385**
Asset-backed financing	7,436	4,593	46	12,075	6,353	5,743	50	**12,146**
Payables represented by securities	1,093	401	125	1,619	631	372	209	**1,212**
Other financial debt	805	1,128	194	2,127	856	648	224	**1,728**
Total financial debt	**19,530**	**26,886**	**9,401**	55,817	**17,454**	**32,096**	**7,730**	**57,280**

Financial debt by interest rate and currency

The annual interest rates and the nominal currencies of debt at December 31, 2016 are as follows:

€ million	Less than 5%	From 5% to 7.5%	From 7.5% to 10%	From 10% to 12.5%	Greater than 12.5%	Total
Euro	17,755	6,784	3	38	14	24,594
U.S. dollar	17,959	2,551	605	4	161	21,280
Brazilian real	252	1,702	819	856	2,049	5,678
Canadian dollar	1,422		261			1,683
Australian dollar	900					900
Swiss franc	655					655
Polish zloty	89			7		96
Chinese renminbi	266	94				360
Argentinian peso	27		4		159	190
Pound sterling	141					141
Other	94	101	14	12	19	240
Total financial debt at 12/31/2016	39,560	11,232	1,706	917	2,402	55,817

For further information on the management of interest rate and currency risk in connection with debt reference should be made to note 39.

30. Other financial liabilities

The line items mainly consist of the fair value measurement of derivative financial instruments. They also include some collateral deposits made in connection with derivative transactions and payables.

In particular:

€ million	12/31/2016 Positive fair value	12/31/2016 Negative fair value	12/31/2015 Positive fair value	12/31/2015 Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	42	(16)	85	(3)
Currency risks	10	(40)		(96)
Interest rate and currency risk - Combined interest rate and currency swaps		(114)		
Total Fair value hedges	**52**	**(170)**	**85**	**(99)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	172	(451)	345	(505)
Interest rate risk - Interest rate swaps	2	(2)	1	(5)
Interest rate and currency risk - Combined interest rate and currency swaps	87	(27)	142	(33)
Commodity price risk - Commodity swaps	21	(2)		(44)
Total Cash flow hedges	**282**	**(482)**	**488**	**(587)**
Derivatives for trading	244	(348)	434	(146)
Collateral deposits	68		40	
Total other financial assets and other financial liabilities	**646**	**(1,000)**	**1,047**	**(832)**

The fair value of derivative financial instruments is calculated by using market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular:

- the fair value of forward contracts and currency swaps is calculated by taking the prevailing exchange rate and interest rates in the two currencies at the balance sheet date;
- the fair value of currency options is calculated using appropriate valuation techniques and market parameters at the balance sheet date (in particular exchange rates, interest rates and volatility rates);
- the fair value of interest rate swaps and forward rate agreements is calculated using the discounted cash flow method;
- the fair value of derivatives hedging interest rate risk and currency risk is calculated using the exchange rate at the balance sheet date and the discounted cash flow method;
- the fair value of derivatives hedging commodity price risk is calculated using the discounted cash flow method, taking (if available) the market parameters at the balance sheet date (and in particular the future price of the underlying and interest rates);
- the fair value of equity swaps is determined using market prices at the balance sheet date.

The overall change in other financial assets and in other financial liabilities is mostly due to fluctuations in exchange rates, interest rates, commodity prices and the settlement of instruments that matured during the year.

As other financial assets and liabilities primarily consist of hedging derivatives, the change in their value is generally compensated by the change in the value of the hedged items.

Derivatives for trading primarily refer to:

- derivative contracts entered into for purposes of hedging receivables and payables subject to exchange rate risk and/or interest rate risk, which do not qualify for hedge accounting,
- one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate. The total value of the embedded derivative is offset by the value of the hedging derivative.

The outstanding notional amounts of derivative financial instruments by due date is summarized in the following table:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2016				
Currency risk management	19,797	311	0	20,108
Interest rate risk management	855	795	0	1,650
Interest rate and currency risk management	928	305	165	1,398
Commodity price risk management	450	44	0	494
Other derivative financial instruments				0
Total notional amount	**22,030**	**1,455**	**165**	**23,650**
12/31/2015				
Currency risk management	25,105	580		25,685
Interest rate risk management	1,146	4,634	121	5,901
Interest rate and currency risk management	1,532	1,178	148	2,858
Commodity price risk management	532	31		563
Other derivative financial instruments			14	14
Total notional amount	**28,315**	**6,423**	**283**	**35,021**

Fair value hedges

The gains and losses arising from the valuation of outstanding currency derivatives (for managing currency risk) and interest rate derivatives (for managing interest rate risk) recognized in accordance with fair value hedge accounting and the gains and losses arising from the respective hedged items are summarized in the following table:

€ million	2016	2015	Change
Currency risk:			
Net gains (losses) on qualifying hedges	(13)	(49)	36
Fair value changes in hedged items	13	49	(36)
Interest rate risk:			
Net gains (losses) on qualifying hedges	(56)	(11)	(45)
Fair value changes in hedged items	56	12	44
Net gains (losses) on fair value hedges recognized in the income statement	**0**	**1**	(1)

Cash flow hedges

With respect to cash flow hedges, the Group reclassified income of €189 million in 2016 (losses of €469 million in 2015), net of the tax effect, from other comprehensive income to the consolidated income statement.

These amounts are reported on the following lines of the income statement:

€ million	2016	2015	Change
Currency risk			
Increase (Decrease) in net revenues	217	(98)	315
Decrease (Increase) in cost of sales	(47)	(89)	42
Financial income (expenses)	29	(174)	203
Result from investments	25	(1)	26
Interest rate risk			
Decrease (Increase) in cost of sales	(3)	(15)	12
Financial income (expenses)	(5)	(78)	73
Commodity price risk			
Decrease (Increase) in cost of sales	(40)	(22)	(18)
Taxes - income (expenses)		14	(14)
Ineffectiveness - overhedges	13	(6)	19
Net gains (losses) on cash flow hedges recognized in the income statement	**189**	**(469)**	658

The effects recognized in the income statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and the cash flows that are exposed to an interest rate risk.

The Group's policy for managing currency risk normally requires hedging of projected future cash flows from trading activities which will occur within the following twelve months, and from orders acquired (or contracts in progress), regardless of their due dates. The hedging effect arising from this and recorded in the cash flow hedge reserve will be recognized in the income statement, mainly during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and are entered into for the purpose of hedging bonds issued in foreign currencies. The amount recorded in the cash flow hedge reserve is recognized in the income statement according to the timing of the flows of the underlying bonds.

Net investment hedges

In order to manage the FCA Group's foreign currency risk related to its investments in foreign operations, the Group enters into net investment hedges, in particular foreign currency swaps and forward contracts. For the year ended December 31, 2016, losses of €75 million related to the net investment hedges were recognized in Other comprehensive income and were reflected within Currency translation differences. There was no ineffectiveness for the year ended December 31, 2016.

Derivatives for trading

At December 31, 2016 and 2015, derivatives for trading primarily consisted of derivative contracts entered for hedging purposes which do not qualify for hedge accounting and one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate (the total value of the embedded derivative is offset by the value of the hedging derivative).

31. Trade payables

Trade payables amount to €28,214 million at December 31, 2016 (€26,663 million at December 31, 2015).
An analysis of trade payables by due date is as follows:

€ million	12/31/2016	12/31/2015	Change
Due within one year	28,187	26,622	1,565
Due between one and five years	26	37	(11)
Due beyond five years	1	4	(3)
Trade payables	**28,214**	**26,663**	1,551

32. Other liabilities

The composition is as follows:

€ million	12/31/2016	12/31/2015	Change
Advances on buy-back agreements	4,385	4,464	(79)
Indirect tax payables	2,111	1,694	417
Accrued expenses and deferred income	4,574	3,907	667
Payables to personnel	1,306	1,210	96
Social security payables	517	532	(15)
Amounts due to customers for contract work	227	222	5
Other	3,335	3,357	(22)
Total other liabilities	**16,455**	**15,386**	1,069

Advances on buy-back agreements refer to agreements entered into by the Group during the year or which still remain effective at the balance sheet date, and relate to assets included in property, plant and equipment. Advances on buy-back agreements include:

– at the date of the sale, the price received for the product is recognized as an advance in liabilities;

– subsequently, since the difference between the original sales price and the repurchase price is recognized in the income statement as operating lease installments on a straight-line basis over the lease term, the balance represents the remaining lease installments yet to be recognized in income plus the repurchase price.

Indirect tax payables include taxes on commercial transactions accrued by the Brazilian subsidiary, FCA Brasil, for which the company (as well as a number of important industrial groups which operate in Brazil) is awaiting the decision by the Supreme Court regarding its claim alleging double taxation. In March 2007, FCA Brasil Ltda received a preliminary trial court decision allowing the payment of such tax on a taxable base consistent with the Group's position. Since it is a preliminary decision and the timing for the Supreme Court decision is not predictable, the difference between the tax payments as allowed on a preliminary basis and the full amount determined as required by the legislation still in force is recognized as a liability.

Deferred income includes the revenues not yet recognized in relation to separately-priced extended warranties and service contracts offered by FCA US. These revenues will be recognized in the income statement over the contract period in proportion to the costs expected to be incurred based on historical information. Deferred income also includes the remaining portion of government grants that will be recognized as income in the income statement over the periods necessary to match them with the related costs which they are intended to offset.

During the first half of the year ended December 31, 2016, a total of €156 million was recognized within cost of revenues related to net incremental costs from the implementation of the FCA Group's plan to realign its existing capacity in NAFTA to better meet market demand for pickup trucks and utility vehicles. On January 21, 2016, the third installment of U.S.$175 million (€161 million) was paid on the obligation arising from the memorandum of understanding entered into by FCA US with the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, and the remaining fourth installment of U.S.$175 million (€166 million) is included within other liabilities.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	12/31/2016				12/31/2015			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding accrued expenses and deferred income)	9,027	2,750	103	**11,880**	8,994	2,378	107	**11,479**

33. Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

At December 31, 2016 the FCA Group has pledged guarantees on the debt or commitments of third parties totaling €8 million (€19 million at December 31, 2015), as well as guarantees of €2 million (€4 million at December 31, 2015) on related party debt.

SCUSA Private-Label Financing Agreement

In February 2013, FCA US entered into a private-label financing agreement (the “SCUSA Agreement”) with Santander Consumer USA Inc. (“SCUSA”), an affiliate of Banco Santander, effective from May 1, 2013. Under the SCUSA Agreement, SCUSA provides a wide range of wholesale and retail financing services to FCA US's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name.

The SCUSA Agreement has a ten-year term, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement.
In accordance with the terms of the agreement, SCUSA provided an upfront, nonrefundable payment of €109 million ($150 million) in May 2013, which was recognized as deferred revenue and is amortized over ten years. At December 31, 2016, €90 million ($95 million) remained in deferred revenue.

From time to time, FCA US works with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as “subvention.” FCA US has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on FCA US participation in gains and losses.

Other repurchase obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, FCA Mexico is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer’s franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date. In December 2015, FCA Mexico entered into a ten-year private label financing agreement with FC Financial, S.A De C.V., Sofom, E.R., Grupo Financiaro Inbursa (“FC Financial”), a wholly owned subsidiary of Banco Inbursa, under which FC Financial provides a wide range of financial wholesale and retail financial services to FCA Mexico's dealers and retail customers under the FCA Financial Mexico brand name. The wholesale repurchase obligation under the new agreement will be limited to wholesale purchases in case of actual or constructive termination of a dealer's franchise agreement.

At December 31, 2016, the maximum potential amount of future payments required to be made in accordance with these wholesale financing arrangements was approximately €216 million (U.S.$228 million) and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer’s stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer. The fair value of the guarantee was less than €0.1 million at December 31, 2016, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. These estimates are based on historical experience.

Arrangements with key suppliers

From time to time, in the ordinary course of our business, the Group enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Future minimum purchase obligations under these arrangements at December 31, 2016 are as follows:

€ million	2017	2018	2019	2020	2021	2022 and beyond
Future minimum purchase obligations	956	894	499	437	326	191

Guarantees granted by the CNH Industrial Group

At December 31, 2016, the CNH Industrial Group has provided guarantees on the debt or commitments of third parties or unconsolidated subsidiaries, joint ventures and associates totaling €276 million (€290 million at December 31, 2015).

Guarantees granted by the PartnerRe Group

At December 31, 2016 approximately €2,275 million ($2,398 million) of cash and cash equivalents and securities of the PartnerRe Group were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Commitments of the FCA Group arising from contractual agreements

Sevel

As part of the Sevel cooperation agreement with Peugeot-Citroen (PSA), the FCA Group is party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, the FCA Group will have the right to acquire the residual interest in the Sevel joint operation with effect from December 31, 2017.

GAC FCA JV

During 2015 the Group committed to contributing a total 1.3 billion Renminbi (RMB) (approximately €186 million) to the GAC FCA JV, which has begun localizing the production of Jeep vehicles for the Chinese market, of which RMB 700 million (approximately €100 million) was contributed in October 2015 and the remaining amount of RMB 600 million (approximately €82 million) was contributed in April 2016. A total of €171 million was contributed during the year ended December 31, 2015.

Italian labor agreement

In April 2015, a new four-year compensation agreement was signed by FCA companies in Italy within the automobiles business. The new compensation agreement was subsequently included in the new labor agreement and was extended to all FCA companies in Italy on July 7, 2015.

The compensation arrangement was effective retrospectively from January 1, 2015 through to December 31, 2018 and incentivizes all employees toward achievement of the productivity, quality and profitability targets established in the 2015-2018 period of the 2014-2018 business plan developed in May 2014 by adding two variable additional elements to base pay:

- an annual bonus calculated on the basis of production efficiencies achieved and the plant's World Class Manufacturing audit status, and
- a component linked to achievement of the financial targets established in the 2015-2018 period of the 2014-2018 business plan ("Business Plan Bonus") for the EMEA region, including the activities of the premium brands Alfa Romeo and Maserati. A portion of the Business Plan Bonus is a guaranteed amount based on employees' base salaries and is paid over four years in quarterly installments, while the remaining portion is to be paid in March 2019 to active employees as of December 31, 2018, with at least two years of service during 2015 through 2018.

A total of €117 million and €115 million was recorded as an expense for the compensation agreement for the years ended December 31, 2016 and 2015, respectively.

UAW labor agreement

In October 2015, FCA US and the UAW agreed to a new four-year national collective bargaining agreement, which will expire in September 2019. The provisions of the new agreement continue certain opportunities for success-based compensation upon meeting certain quality and financial performance metrics. The agreement closes the pay gap between "Traditional" and "In-progression" employees over an eight-year period and will continue to provide UAW-represented employees with a simplified adjusted profit sharing plan. The adjusted profit sharing plan will be effective for the 2016 plan year and is directly aligned with NAFTA profitability. The agreement includes lump-sum payments in lieu of further wage increases of primarily U.S.$4,000 for

“Traditional” employees and U.S.$3,000 for “In-progression” employees totaling approximately U.S.$141 million (€127 million) that was paid to UAW members on November 6, 2015. These payments are being amortized ratably over the four-year labor agreement period.

Canada labor agreement

FCA entered into a new four-year labor agreement with Unifor in Canada that was ratified on October 16, 2016. The terms of this agreement provide a two percent wage increase in the first and fourth years of the agreement for employees hired prior to September 24, 2012 and will continue to close the pay gap for employees hired on or after September 24, 2012 by revising a ten-year progressive pay scale plan. The agreement includes a lump sum payment in lieu of further wage increases of 6,000 Canadian dollars (“CAD$”) per employee totaling approximately CAD$55 million (approximately €38 million) that was paid to Unifor members on November 4, 2016. These payments will be amortized ratably over the four-year labor agreement period. The new agreement expires September 2020.

Other contractual agreements - Mercurio

As a result of the merger between Itedi and GELE being highly probable and Itedi being classified as held for sale at December 31, 2016, the put option that was granted by the Group to Mercurio in January 2015 was deemed to be substantially canceled.

Commitments of the Ferrari Group arising from contractual agreements

Arrangements with Key Suppliers

From time to time, in the ordinary course of business, the Group enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Arrangements with Sponsors

Certain of the Group's sponsorship contracts include terms whereby the Group is obligated to purchase a minimum quantity of goods and/or services from its sponsors.

Future minimum purchase obligations under these arrangements at December 31, 2016 were as follows:

€ million	**12/31/2016**	**12/31/2015**	Change
Due within one year	93		93
Due between one and three years	98		98
Due between three and five years	29		29
Due beyond five years	7		7
Minimun purchase obligations	**227**	**0**	227

Commitments of the PartnerRe Group

The PartnerRe Group has entered into service agreements and lease contracts that provide for business and information technology support and computer equipment. Future payments under these contracts amount to $13 million (€12 million) through 2019.

The PartnerRe Group has entered into strategic investments with unfunded capital commitments. In the next five years, the Company expects to fund capital commitments totaling $215 million, with $85 million, $68 million, $38 million and $24 million to be paid during 2017, 2018, 2019 and 2020, respectively, with no further commitments for 2021 as of December 31, 2016.

The PartnerRe Group has committed to a 10 year structured letter of credit facility issued by a high credit quality international bank, which has a final maturity of December 29, 2020. At December 31, 2016 and 2015, PartnerRe’s participation in the facility was $62 million and $81 million, respectively. At December 31, 2016, the letter of credit facility has not been drawn down and can only be drawn down in the event of certain specific scenarios, which the Company considers remote. Unless canceled by the bank, the credit facility automatically extends for one year, each year until maturity.

Commitments of Juventus Football Club S.p.A.

The guarantees to third parties of Juventus totaled €169 million and related to bank sureties for payables concerning players’registration rights (€159 million), to performance of Infrastructure investments relating to the Continassa Project (€5 million) where the performance obligations have been assumed by Fondo

Immobiliare J Village which remunerates Juventus for the maintenance of the guarantees and to other guarantees (€4 million).

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2016 the total future minimum lease payments under non-cancellable operating lease contracts are as follows:

€ million	**12/31/2016**	**12/31/2015**	Change
Due within one year	364	257	107
Due between one and five years	842	639	203
Due beyond five years	432	289	143
Future minimum lease payments under operating lease contracts	**1,638**	**1,185**	453

During 2016 the Group recorded costs for lease payments of €400 million (€308 million in 2015).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These risks arise from pending legal proceedings or requests received by the Group seeking recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.

The Company's reinsurance subsidiaries, and the insurance and reinsurance industry in general, are subject to litigation and arbitration in the normal course of their business operations. In addition to claims litigation, the Company and its subsidiaries may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties. This category of business litigation typically involves, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity. While the outcome of business litigation cannot be predicted with certainty, the Company will dispute all allegations against the Company and/or its subsidiaries that Management believes are without merit.

FCA Group

Contingent Liabilities

On November 3, 2015, NHTSA issued the Takata Consent Order regarding Takata passenger airbags manufactured using non-desiccated Phase Stabilized Ammonium Nitrate ("PSAN") that were installed in other original equipment manufacturers' vehicles. On May 4, 2016, NHTSA published an amendment to the original Takata Consent Order. This amendment expanded the scope of the original consent order to include 7.6 million additional units of non-desiccated PSAN airbag inflators, of which approximately 2 million inflator units are deferred and are not yet subject to recall. In compliance with the amendment to the Takata Consent Order, on May 16, 2016, Takata submitted a Defect Incident Report ("DIR") to NHTSA declaring the non-desiccated PSAN airbag inflators defective. As a result, FCA US has announced a recall of vehicles, assembled in NAFTA, related to the May 16, 2016 DIR, which represents approximately 5.6 million inflator units. The Group is also analyzing approximately 1.5 million units of non-desiccated PSAN airbag inflators included in vehicles assembled in other jurisdictions. These vehicles have not been recalled and no costs have been accrued. It is not anticipated that the cost associated with any potential recall would be material to the Group. Considering the estimated cost of the recall and the estimated participation rate of the recalls taking into account the age of the vehicles involved, €414 million has been recognized within Cost of sales for the year ended December 31, 2016. The charges reflect assumptions on participation rate based on the Group's historical experience and industry data. If the actual experience differs from historical experience or industry data, this could result in an adjustment to the warranty provision in the future. FCA Group continue to assess the condition and performance of airbag inflators supplied by Takata. While there have not been any known issues relating to the unrecalled units, as additional information, data and analysis become available and we continue discussions with our regulators, the number of inflator units that may become subject to recalls could be expanded. Any liability for the estimated cost for future recalls would be recognized in the period in which a recall becomes probable.

FCA Group continues to assess the condition and performance of airbag inflators supplied by Takata. While there have not been any known issues relating to the unrecalled units, the Group continues discussions with the regulators, the number of inflator units that may become subject to recalls could be expanded. Any liability for the estimated cost for future recalls would be recognized in the period in which a recall becomes probable.

Litigation

On September 11, 2015, a putative securities class action complaint was filed in the U.S. District Court for the Southern District of New York against FCA alleging material misstatements regarding our compliance with regulatory requirements and failure to timely disclose certain expenses relating to vehicle recall campaigns. On October 5, 2016, the district court dismissed the claims relating to the disclosure of vehicle recall campaign expenses but ruled that claims regarding the alleged misstatements regarding regulatory requirements would be allowed to proceed. On February 17, 2017, the plaintiffs amended their complaint to allege material misstatements regarding emissions compliance. At this stage of the proceedings, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

On July 18, 2016, FCA confirmed that the U.S. Securities and Exchange Commission is conducting an investigation into FCA's reporting of vehicle unit sales to end customers in the U.S. and that inquiries into similar issues have been received from the U.S. Department of Justice. FCA is cooperating with these investigations, however their outcome is uncertain and cannot be predicted at this time. At this early stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

FCA is also aware of two putative securities class action lawsuits pending in the U.S. District Court for the Eastern District of Michigan alleging material misstatements with regard to the Group's reporting of vehicle unit sales to end consumers in the U.S. At this early stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

On July 9, 2012, a lawsuit was filed against FCA US in the Superior Court of Decatur County, Georgia, U.S. ("the Court"), with respect to a March 2012 fatality in a rear-impact collision involving a 1999 Jeep Grand Cherokee. Plaintiffs alleged that the manufacturer had acted in a reckless and wanton fashion when it designed and sold the vehicle due to the placement of the fuel tank behind the rear axle and had breached a duty to warn of the alleged danger. On April 2, 2015, a jury found in favor of the plaintiffs and the trial court entered a judgment against FCA US in the amount of U.S.$148.5 million (€141 million). On July 24, 2015, the Court issued a remittitur reducing the judgment against FCA US to U.S.$40 million (€38 million).

FCA US believes the jury verdict was not supported by the evidence or the law and appealed the Court's verdict. FCA US maintains that the 1999 Jeep Grand Cherokee is not defective, and its fuel system does not pose an unreasonable risk to motor vehicle safety. The vehicle met or exceeded all applicable Federal Motor Vehicle Safety Standards, including the standard governing fuel system integrity. Furthermore, FCA US submitted extensive data to NHTSA validating that the vehicle performs as well as, or better than, peer vehicles in impact studies, and nothing revealed in the trial altered this data. During the trial, however, FCA US was not allowed to introduce all the data previously provided to NHTSA, which demonstrated that the vehicle's fuel system is not defective.

On November 15, 2016, the Georgia Court of Appeals affirmed the Court's verdict and judgment of U.S.$40 million (€38 million). On December 23, 2016, FCA US filed a petition with the Georgia Supreme Court. While a decision by the Georgia Supreme Court could affirm the judgment, FCA US is seeking an order from the Georgia Supreme Court to instead overturn the verdict, order a new trial, or further modify the amount of the judgment. FCA believes a loss, if any, will not exceed the amount of the current judgment and believe it is more likely that a loss, if any, will be less than the current judgment and will be covered by existing provisions.

Other

Government and regulatory scrutiny of the automotive industry has also continued to intensify during the course of 2016, and is expected to remain high, particularly in light of recent regulatory actions related to diesel emissions involving a number of automakers. FCA has received inquiries from several regulatory authorities as they examine the on-road tailpipe emissions of several automakers' vehicles. FCA is, when jurisdictionally appropriate, cooperating with inquiries from several European Union member state agencies.

In particular, FCA has been working with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union. FCA also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for FCA vehicles reported by KBA, and discussed the KBA reported test results, the Groups' emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. The German Ministry of Transport and Digital Infrastructure ("BMVI"), which oversees the KBA, then requested a mediation with the MIT under European Commission rules to resolve the differences. That mediation is ongoing. In addition, the French Ministry of Economy announced on February 7, 2017 that the French Consumer Protection Agency has requested the French public prosecutor to conduct a further investigation regarding whether the sale of FCA diesel vehicles violated French consumer protection laws, as it has done for other automakers' diesel vehicles. The results of these inquiries cannot be predicted at this time; however, the intervention by a number of governmental agencies and authorities may lead to further enforcement actions as well as obligations to modify or recall vehicles, any of which may have a material adverse effect on the Groups' business, results of operations and reputation.

On January 12, 2017, the U.S. Environmental Protection Agency ("EPA") and the California Air Resources Board ("CARB") each issued a notice of violation ("NOV") alleging that FCA US failed to disclose certain emissions control strategies in its application for certificates to permit the sale of model year 2014-2016 Jeep Grand Cherokee and Ram 1500 diesel vehicles. Approximately 104,000 of these vehicles were sold in the United States, of which approximately 14,000 were sold in California. The NOVs also state that the EPA and CARB are continuing to investigate whether any of these emissions control strategies are properly justified under the applicable regulations or constitute a "defeat device" as defined in the Clean Air Act.

FCA has cooperated fully with the EPA, CARB and with other governmental authorities when jurisdictionally appropriate both prior to and following the issuance of the NOVs. Further, FCA intend to continue to cooperate with the EPA, CARB and other government authorities to present its case as it seeks to resolve this matter fairly and equitably, and to assure the agencies and FCA customers that the FCA diesel-powered vehicles meet applicable regulatory requirements and do not include defeat devices.

If FCA is found to have violated any of the provisions of the Clean Air Act, it could be subject to penalties imposed by the EPA and CARB as well as other government authorities. EPA employs a civil penalty policy that takes into account cooperation and the degree to which emissions standards are exceeded, which FCA believes should reduce substantially any penalty the agencies may seek to impose from the statutory maximum, which could be up to U.S.$44,539 (€42,257) for each vehicle for which there is found to be a violation.

Following the issuance of the NOVs, a number of civil lawsuits have been filed. FCA has also received various inquiries, subpoenas and requests for information from a number of governmental authorities, including the U.S. Department of Justice, the SEC and several states' attorneys general. FCA is investigating these matters and intends to cooperate with all valid governmental requests.

FCA is currently unable to predict the outcome of any proceeding or investigation arising out of the NOVs or any related proceedings or investigation and cannot estimate a range of reasonably possible losses for the lawsuits and investigations because these matters involve significant uncertainties at these stages. Such investigations could result in the imposition of damages, fines or civil and criminal penalties. It is possible that the resolution of these matters could have a material adverse effect on FCA's financial position, results of operations or cash flows and may adversely affect FCA's reputation with consumers, which may negatively impact demand for FCA vehicles.

CNH Industrial Group

Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its consolidated financial statements.

Since January 2011, Iveco S.p.A., a wholly owned subsidiary of CNH Industrial, and its competitors have been subject to an investigation by the European Commission into certain business practices in the European Union in relation to medium and heavy trucks.

In the first quarter of 2016, the CNH Industrial Group recorded an exceptional non-tax deductible charge of €450 million ($502 million) in relation to the investigation and related matters. Since these developments on the investigation occurred on March 24, 2016, after the date of the publication of the CNH Industrial 2015 financial statements and before the approval of the EXOR 2015 financial statements, the charge was included in the EXOR 2015 consolidated financial statements. On July 19, 2016, the Commission announced a settlement with Iveco under which the Commission imposed a fine of €495 million. As a result, in the second quarter of 2016 CNH Industrial recorded an additional non-tax deductible charge of €45 million. The fine should be paid on October 2016. Following this settlement, the CNH Industrial Group have been named as defendants in private litigation commenced in Israel and Ireland that remains at an early stage and the CNH Industrial Group expects to face further claims in various jurisdictions, the extent and outcome of which cannot be predicted at this time.

CNH Industrial N.V. is successor to Fiat Industrial S.p.A. – a company formed as a result of the demerger of Fiat S.p.A. (now "FCA") (the "Demerger"). As such, CNH Industrial N.V. continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial N.V. may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2016, the outstanding liabilities amounted to approximately €1.2 billion ($1.3 billion) of which approximately €1.0 billion ($1.1 billion) consisted of bonds due June 2017 guaranteed by FCA. CNH Industrial believes the risk of FCA's insolvency is extremely remote, and therefore, no specific provision has been accrued in respect of the above mentioned potential joint liability.

Ferrari Group

On May 4, 2016, the United States National Highway Traffic Safety Administration ("NHTSA") published an amendment (the "Amendment") to the November 3, 2015 Takata Consent Order regarding Takata airbags manufactured using non-desiccated Phase Stabilized Ammonium Nitrate ("PSAN"), expanding the scope of a prior recall under the Takata Consent Order. The recall is industry wide and replacement parts are limited as Takata is the single supplier.

In compliance with the Amendment to the Takata Consent Order, on May 16, 2016, Takata submitted a defect information report ("DIR") to NHTSA declaring the non-desiccated PSAN airbag inflators, including those sold by Takata to the Group,
defective.

Although the Group was not aware of any confirmed incidents or warranty claims relating to such airbag inflators mounted in its cars or that the airbag inflators were not performing as designed, as a result of the Amendment issued by NHTSA and the DIR issued by Takata, the Group initiated a global recall relating to certain cars produced between 2008 and 2011. Following a Third Amendment to the Coordinated Remedy Order ("ACRO") published by NHTSA in December 2016 and an additional Takata DIR filed on January 3, 2017, the Group filed an additional DIR on January 10, 2017 to also include certain cars produced in 2012.

As a result of internal assessments, Ferrari decided to extend the recall campaign to include all cars produced in all model years based on priority groups and the timeline set by NHTSA.

As a result of these developments and due to the uncertainty of recoverability of the costs from Takata, an aggregate provision of €36,994 thousand was recognized within Cost of sales in the year ended December 31, 2016. Such provision reflects the current best estimate of future costs related to the entire recall campaign to be carried out by the Ferrari Group.

Litigation

The provision for legal proceedings and disputes represents management's best estimate of the expenditures expected to be required to settle or otherwise resolve legal proceedings and disputes. This class of claims relate to allegations by contractual counterparties that the Group has violated the terms of the arrangements, including by terminating the applicable relationships. Judgments in these proceedings may be issued in 2017, although any such judgment may remain subject to judicial review. While the outcome of such proceedings is uncertain, any losses in excess of the provisions recorded are not expected to be material to the Group's financial condition or results of operations.

The utilization related to the reversal of accruals for legal proceedings and disputes resolved in 2016. Accruals to the provision for legal proceedings and disputes are recognized within other expenses/(income), net.

PartnerRe Group

At December 31, 2016 PartnerRe was not a party to any litigation or arbitration that it believes could have a material effect on the financial condition, results of operations or liquidity of PartnerRe.

34. Segment reporting

Reportable segmens reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the “chief operating decision maker”, as defined under IFRS 8 – Operating Segments, for making strategic decisions and allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8 – Operating Segments, or whose information is considered useful for the users of the financial statements. The EXOR Group reportable segments coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System.

The information by reporting segment in 2016 and 2015 is as follows:

€ million	**FCA**	**CNH Industrial**	**FERRARI (a)**	**PartnerRe (b)**	**Juventus F.C.**	**Holdings System**	**Minor other, eliminations and adjustments**	**Consolidated**
2016								
Segment revenues	111,018	22,882	3,105	3,827	498		(1,262)	140,068
Revenues from transactions with other operating segments	(573)	(423)	(246)	0	(20)		1,262	0
Revenues from external customers	**110,445**	**22,459**	**2,859**	**3,827**	**478**	**0**	**0**	**140,068**
Profit (loss) before taxes	**3,106**	**(25)**	**567**	**201**	**58**	**766**	**(404)**	**4,268**
Profit (loss) for the period	**1,814**	**(335)**	**400**	**198**	**46**	**590**	**(400)**	**2,313**
Equity attributable to owners of the parent	**19,168**	**6,283**	**325**	**6,357**	**125**	**10,983**	**(32,260)**	**10,981**
Total equity	**19,353**	**6,294**	**330**	**6,740**	**125**	**10,983**	**(13,604)**	**30,220**
2015								
Segment revenues	113,191	23,777			397		(1,013)	136,352
Revenues from transactions with other operating segments	(556)	(431)			(18)		1,013	8
Revenues from external customers	**112,635**	**23,346**			**379**	**0**	**0**	**136,360**
Profit (loss) before taxes	**687**	**594**			**47**	**232**	**(174)**	**1,054**
Profit (loss) for the period	**377**	**211**			**39**	**744**	**(174)**	**865**
Of which: Profit (loss) from discontinued operations						**522**	0	**522**
Equity attributable to owners of the parent	**16,144**	**6,584**			**75**	**10,346**	**(22,803)**	**10,346**
Total equity	**16,228**	**6,627**			**75**	**10,346**	**(26,470)**	**26,827**

(a) Ferrari’s data for 2015 were included in FCA.
(b) Consolidated from March 18, 2016.

35. Information by geographical area

The following tables present an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the non-current assets on the basis of their geographical location divided according to the significance of the individual segments.

An analysis of revenues by geographical area is as follows:

€ million	2016	**2015**	Change
Europe	37,136	32,736	4,400
North America	77,900	79,293	(1,393)
Central and South America	10,705	9,352	1,353
Africa	1,293	1,444	(151)
Asia	11,476	11,679	(203)
Australia and Oceania	1,558	1,856	(298)
Total revenues	**140,068**	**136,360**	3,708

Total non-current assets (excluding financial assets, deferred tax assets, defined benefit assets and rights arising under insurance contracts of the Group) on the basis of their geographical location total € 77,205 million (€71,127 at December 31, 2015) and may be analyzed as follows:

€ million	12/31/2016	12/31/2015	Change
Europe	24,458	23,561	897
North America	39,190	37,744	1,446
Central and South America	11,356	7,891	3,465
Africa	56	30	26
Asia	2,090	1,846	244
Australia and Oceania	55	55	0
Total asset	**77,205**	**71,127**	6,078

36. Fair value measurement by hierarchy level

IFRS 13 - Fair Value Measurement establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2016.

€ million	Level 1	Level 2	Level 3	Total
Available for sale financial assets at fair value:				
Investments at fair value with changes directly in other comprehensive income	19	19	98	136
Non-current securities	48	12	403	463
Current securities	36	2		38
Investments of reinsurance companies	1	12,880	836	13,717
Financial assets held for trading at fair value:				
Current investments	49			49
Current securities	212			212
Other financial assets	68	557	21	646
Total assets at December 31, 2016	**433**	**13,470**	**1,358**	**15,261**
Other financial liabilities		(999)	(2)	**(1,001)**
Total liabilities at December 31, 2016		**(999)**	**(2)**	**(1,001)**
Available for sale financial assets at fair value:				
Investments at fair value with changes directly in other comprehensive income	730	19	59	808
Non-current securities	33		605	638
Current securities	264	5		269
Financial assets held for trading at fair value:				
Current investments	48			48
Current securities	241			241
Other financial assets	40	1,007		1,047
Total assets at December 31, 2015	**1,356**	**1,031**	**664**	**3,051**
Other financial liabilities		(797)	(35)	**(832)**
Total liabilities at December 31, 2015		**(797)**	**(35)**	**(832)**

In 2016 the Delta Topco option was transferred from level 3 in 2015 to level 2 in 2016 in the fair value hierarchy following the sale of Delta Topco (a company belonging to the Formula 1 Group). There were no other transfers between levels in fair value hierarchy in 2016 or 2015.

Investments of reinsurance companies at fair value principally are classified as Level 2 and include: U.S. government issued bonds; U.S. state, territory and municipal entities bonds; non-U.S. sovereign government, supranational and government related bonds.

Investments classified as Level 3 include inactively traded fixed maturities, unlisted equities, fund investments, derivative instruments and other invested assets. Fair value is determined using valuation models widely accepted; the valuation technique generally used is discounted cash flow, considering counterparty credit risk.

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange rates and interest rates prevailing at the balance sheet date and the discounted expected cash flow method;
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

The following table provides the changes in items measured at fair value categorized in Level 3 in of 2016:

€ million	12/31/2015	Gains (losses) recognized		Increase (decrease)	Change in scope of consolidation	12/31/2016
		In the income statement	In other comprehensive income			
Available for sale financial assets at fair value						
Investments at fair value with changes directly in other comprehensive income	58		(56)	95		97
Non-current securities	606	(67)		(135)		404
Investments of reinsurance companies		(7)	9	(112)	946	836
Financial assets held for trading at fair value						
Current securities						
Other financial assets				21		21
Total assets	**664**	(74)	(47)	(131)	946	**1,358**
Other financial liabilities	(35)			33		(2)
Total liabilities	**(35)**			33		**(2)**

In 2016 there were no transfers between Levels in the fair value hierarchy.

The gains (losses) included in the income statement are recognized in financial income (expenses) and cost of sales. The gains (losses) recognized in Other comprehensive income (loss) are included in the fair value reserve and in the cash flow hedge reserve.

Assets and liabilities not measured at fair value on a recurring basis

For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from carrying value, it is assumed that carrying value is a reasonable approximation of fair value. Specifically, the carrying amount of trade receivables and payables and other current assets and liabilities due within one year approximates their fair value.

The following table provides the carrying amount and the fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

€ million	12/31/2016 Carrying amount	12/31/2016 Fair value	12/31/2015 Carrying amount	12/31/2015 Fair value
Financial assets				
Held-to-maturity investments	80	83	131	135
Dealer financing receivables	10,262	10,260	9,613	9,655
Retail financing receivables	9,863	9,756	10,005	9,872
Finance lease receivables	623	629	858	864
Other	299	299	157	110
Total assets	**21,127**	**21,027**	**20,764**	**20,636**
Financial liabilities				
Asset-backed financing	(12,074)	(11,887)	(12,146)	(12,137)
Notes	(25,487)	(27,216)	(23,809)	(23,941)
Borrowing from banks, payables represented by securities and other financial debt	(18,256)	(18,117)	(21,325)	(21,130)
Total liabilities	**(55,817)**	**(57,220)**	**(57,280)**	**(57,208)**

Held-to-maturity investments are represented by notes issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair values of retail and dealer financing receivables, which are classified in Level 3 of the fair value hierarchy, have been estimated with discounted cash flows models. The most significant inputs used for this measurement are market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted in order to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which close or last trade pricing is available are classified in Level 1 of the fair value hierarchy. Notes for which such prices are not available, are valued at the last available price or based on quotes received from third parties and are classified in Level 2 of the fair value hierarchy. The fair value of the Senior notes of PartnerRe was calculated based on discounted cash flow models using observable market yields and contractual cash flows.

At December 31, 2016, the fair value of notes of €27,216 million is categorized principally in Level 1 and in Level 2.

The fair value of the borrowing from banks, payables represented by securities and other financial debt (€18,117 million), classified principally in Level 2, has been estimated using discounted cash flow models. The main inputs used are year-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quotes prices. The fair value of the debt that requires significant adjustments using unobservable inputs is classified in Level 3 of the fair value hierarchy.

37. Related party transactions

The entities of each consolidated Group put in place transactions with subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 the related parties of the EXOR Group are Giovanni Agnelli, the FCA Group, the CNH Industrial Group, the Ferrari Group, the PartnerRe Group and their respective unconsolidated subsidiaries, associates or joint ventures, Juventus, The Economist Group and their subsidiaries. In addition, members of the board of directors of EXOR and its parent Giovanni Agnelli and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

The most significant financial transactions with related parties generate, for the FCA Group, receivables from financing activities of the Group's financial services companies from joint ventures and asset-backed financing relating to amounts primarily due to FCA Bank for the sale of receivables which do not qualify for derecognition under IAS 39.

In accordance with IAS 24, transactions with related parties also include compensation payable to directors, statutory auditors and executives with strategic responsibilities.

The effects of transactions with related parties recognized in the consolidated income statement of the Group in the first half of 2016 and 2015 are as follows:

	2016				2015			
€ million	Net revenues	Cost of sales	Selling, general and administrative costs and other (income) expenses	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and administrative costs and other (income) expenses	Financial income (expenses)
Tofas	1,539	2,811	3		1,536	1,611		
Sevel S.p.A.	680		5		567		4	
FCA Bank	1,578	32	(7)	(39)	1,448	23	47	(27)
GAC FCA JV	683		(82)		252		17	
Other	652	359	(4)	(2)	621	409	5	(7)
Total joint ventures	**5,132**	**3,203**	**(85)**	**(41)**	**4,424**	**2,043**	**73**	**(34)**
Total associates	**216**	**52**	**(1)**	**(1)**	**195**	**19**	**8**	**0**
Total other related parties	**1**	**59**	**52**	**0**	**0**	**61**	**72**	**0**
Total unconsolidated subsidiaries	**58**	**7**	**11**	**(1)**	**89**	**14**	**8**	**1**
Total of which related parties	**5,407**	**3,321**	**(23)**	**(43)**	**4,708**	**2,137**	**109**	**(33)**
Total of item in financial statement	**140,068**	**117,771**	**10,756**	**(2,719)**	**136,360**	**118,403**	**10,347**	**(2,966)**

Non-financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2016				At December 31, 2015			
€million	Trade receivables	Trade payables	Other assets	Other liabilities	Trade receivables	Trade payables	Other assets	Other liabilities
Tofas	22	298		52	13	157		
Sevel S.p.A.	30			4	19		1	5
FCA Bank	115	252	5	108	80	222	3	117
GAC FCA JV	78	2						61
Other	111	86		39	214	136	6	25
Total joint ventures	**356**	**639**	**5**	**203**	**326**	**515**	**10**	**208**
Total associates	**27**	**42**	**6**	**18**	**57**	**41**	**2**	**21**
Total other related parties	**1**	**8**	**0**	**0**	**0**	**6**	**0**	**4**
Total unconsolidated subsidiaries	**74**	**10**	**0**	**1**	**88**	**19**	**2**	**2**
Total of which related parties	**459**	**698**	**11**	**222**	**471**	**581**	**14**	**235**
Total of item in financial statement	**3,198**	**28,214**	**6,518**	**16,455**	**3,273**	**26,663**	**5,044**	**15,386**

Financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2016		At December 31, 2015	
€ million	Current receivables from financing activities	Financial debt	Current receivables from financing activities	Financial debt
FCA Bank	84	187	45	182
Tofas	6		18	
Sevel	3	8	9	4
GAC FCA JV	44			
Other	7		5	2
Total joint ventures	**144**	**195**	**77**	**188**
Almacantar				40
Other	21	2	20	1
Total associates	**21**	**2**	**20**	**41**
Total other related parties	**0**	**0**	**0**	**0**
Total unconsolidated subsidiaries	**10**	**25**	**25**	**15**
Total of which related parties	**175**	**222**	**122**	**244**
Total of item in financial statements	**21,047**	**55,817**	**20,632**	**57,280**

Most significant transatcions of the Holding System's entities

The separation of the Ferrari business from the FCA Group was completed on January 3, 2016. FCA shareholders received one common share of Ferrari for every ten FCA common shares held. In addition holders of FCA mandatory convertible securities received 0.77369 common shares of Ferrari for each MCS unit of $100 in notional amount. In addition FCA shareholders participating in the company's loyalty voting program received one special voting share of Ferrari for every ten special voting shares of FCA held. EXOR, with its 375,803,870 FCA common shares held, received 37,580,387 Ferrari N.V. common shares and the same number of special voting shares.

On February 10, 2016, with an investment of €103.3 million, EXOR acquired a 14.01% stake in Welltec, a global leader in the field of robotics technology for the oil and gas industry, from 7-Industries Lux S.à.r.l. (a company indirectly controlled by Ruth Wertheimer, independent director of EXOR). Since this is a related party transaction prior approval was sought from the Related Parties Committee which expressed a favorable opinion on justified grounds, also taking into account a valuation carried out by an independent third party. After the acquisition EXOR and the 7-Industries Lux group each hold 14.01% of Welltec issued capital.

On March 24, 2016 EXOR S.A. reached an agreement to sell its investment in Almacantar (approximately 36% of share capital) to Partner Reinsurance Company Ltd., a 100%-owned subsidiary of PartnerRe. The transaction was completed on April 8, 2016 with the receipt of £382.7 million (€474.7 million). In April 2016 EXOR S.A. also sold a number of its financial investments to the PartnerRe Group, mainly third party funds, for approximately $195 million (€171 million). The transactions were concluded at market.

On December 15, 2016 Fiat Chrysler Automobiles N.V. issued 238,846,375 common shares upon the mandatory conversion of its 7.875% mandatory convertible securities. Pursuant to the terms of the indenture under which the securities were issued, each U.S. $100 notional amount of the securities will convert into 8.3077 of the FCA common shares, nominal value €0.01 per share, based upon the average of the volume weighted average prices of FCA common shares on the New York Stock Exchange during the 20 consecutive trading day period beginning November 14, 2016 and ending on December 12, 2016 (inclusive).
EXOR with its €886 million of Mandatory Convertible Securities nominal value, received 73,606,222 FCA common shares (30.82% of the new common shares issued)

On or about February 12, 2016, Tishman Speyer European Real Estate Venture VII, L.P (a company of an EXOR director) acquired The Economist Plaza, a building located in London, from The Economist Group (an associated company of EXOR).
On or about June 29, 2016, two indirect subsidiaries of Tishman Speyer Crown Equities 2007 LLC (a company in which an EXOR director owns a significant economic interest) formed a partnership with Partner Reinsurance company of the U.S. for the purpose of investing in a joint venture that will own and develop a site locate in Long Island City NY. An affiliate of Qatari Diar Americas Inc. which is unrelated to Robert Speyer, an EXOR director, is also an investor in this joint-venture.

Commitments and guarantees pledged in favor of related parties of the FCA Group

As of December 31, 2016 FCA Group has guarantees of €2 million on debt related to the Group's joint ventures (€4 million at December 31, 2015).

At December 31, 2016 FCA Group had a take or pay commitments with Tofas with future minimum expected obligations as follows:

€ million	2017	2018	2019	2020	2021	2022 and beyond
Future minimum purchase obligations	306	334	257	251	230	155

Commitments and guarantees pledged in favor of related parties of the CNH Industrial Group

At December 31, 2016 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società Consortile for an amount of €177 million (€186 million at December 31, 2015).

Compensation to directors, statutory auditors and key executives of EXOR

In 2016 compensation to the directors and statutory auditors of EXOR, for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	EXOR	Subsidiaries	Total
Directors	5,733	45,723	51,456
Statutory Auditors	232	38	270
Total 2016	**5,965**	**45,761**	**51,725**
Total 2015	**4,274**	**67,995**	**72,269**

This amount includes the notional compensation cost arising from long term share-based compensation and stock grants awarded to the directors.

There are no key executives in EXOR.

38. Explanatory notes to the consolidated statement of cash flows

The consolidated statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – Statement of cash flows, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item translation exchange differences.

In 2016 the Group generated positive cash flows from the operating activities for €12,618 million while cash flows used in investing activities were €12,740 million and mainly related to the investments in property, plant and equipment and intangible assets (€10,082 million) and to the acquisition of PartnerRe (€3,950 million, net of the cash and cash equivalents of PartnerRe acquired).

For the year ended December 31, 2016, the net increase of €1,203 million in provisions was mainly due to the increase in the warranty provision of €451 million for recall campaigns related to an industry-wide recall for airbag inflators resulting from parts manufactured by Takata, an increase in accrued sales incentives primarily related to NAFTA and EMEA, as well as estimated net costs of €132 million associated with a recall for which costs are being contested with a supplier.

For the year ended December 31, 2016, other non-cash items of €177 million included €225 million of impairments, which were partially offset by other amounts that were not individually material. In 2015 other non-cash items of €1,402 million included €713 million of non-cash charges for asset impairments which mainly relate to asset impairments in connection with the realignment of the Group's manufacturing capacity in NAFTA, a €215 million charge recognized as a result of the adoption of the SIMADI exchange rate to re-measure the net monetary assets of the FCA Group's and the CNH Group's Venezuelan subsidiaries and the €450 million accrual regarding the investigation of Iveco S.p.A. by the European Commission.

For the year ended December 31, 2016, net cash used in financing activities was €5,564 million, primarily related to the issuance of new notes for €4,749 million, repayment of notes for €4,121 million and net reduction in other long-term debt for €4,870 million.

39. Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interest. The Group is also exposed to the risk of changes in the price of certain commodities, and of certain listed shares.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see Note 26.)
The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported in the following does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration in the creditworthiness of the counterparty.

A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors:

- significant financial difficulties of the counterparty;
- probability that the counterparty will be involved in an insolvency procedure;
- default on installment payments by the counterparty;
- restructuring or renegotiation of open items with the counterparty;
- changes in the payment status of one or more debtors included in a specific risk category;
- other contractual breaches.

The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.
The maximum credit risk to which the Group is theoretically exposed at December 31, 2016 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in Note 33.
Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted. These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network made by Group financial service companies and on vehicles assigned under finance and operating lease agreements.

PartnerRe Group

The maximum credit risk that PartnerRe is exposed to is the carrying value of these items in the financial statements; fixed maturity securities and short term investments totaled $13.5 billion (€12.8 million) at December 31, 2016. Approximately 58% of PartnerRe's fixed maturity and short term investment portfolio was rated AA (or equivalent rating) or better, approximately 73% were rated A or better and 3% were rated below investment grade or not rated. PartnerRe believes this high quality concentration reduces its exposure to credit risk on fixed maturity investments to an acceptable level.
At December 31, 2016, PartnerRe was not exposed to any significant credit concentration risk on its investments, excluding securities issued by the U.S. government which are rated AA+. PartnerRe controls this exposure by keeping cash balances in several banks and monitors significant concentrations of credit risk in any one bank. Cash and cash equivalents totaled $1,773 million (€1.682 million) at December 31, 2016.
At December 31, 2016 Funds held – directly managed and funds held by reinsurance companies totaled $511 million (€485 million) and $685 million (€650 million), respectively. PartnerRe is exposed to the credit risk of its cedants in the event of their insolvency or their failure to honor the value of the funds held balances for any other reason, although this risk is mitigated in some jurisdictions by a mandatory right of offset of amounts payable to a cedant against amounts due.
Reinsurance balances receivable from PartnerRe's cedants at December 31, 2016 were $2,492 million (€2,364 million) including balances both currently due and accrued. PartnerRe believes that credit risk related to these balances is mitigated by several factors, including but not limited to, credit checks performed as part of the underwriting process and monitoring of aged receivable balances as well as a right of set off against

losses payable in the majority of cases. Provisions are made for amounts considered potentially uncollectible and the allowance for uncollectible premiums receivable was $5 million (€4.7 million) at December 31, 2016.
At December 31, 2016, the balance of reinsurance recoverable on technical reinsurance reserves was $332 million (€315 million), which is net of the allowance provided for uncollectible reinsurance recoverables of $12 million (€11.4 million). At December 31, 2016, more than half of PartnerRe's reinsurance recoverables on technical reinsurance reserves were either due from reinsurers with an A- or better rating from Standard & Poor's.

FCA Group

Receivables for financing activities amounting to €2,578 million at December 31, 2016 (€2,006 million at December 31, 2015) contained balances totaling €4 million (€4 million at December 31, 2015), which have been written down on an individual basis. Of the remainder, balances totaling €34 million are past due by up to one month (€44 million at December 31, 2015), while balances totaling €19 million are past due by more than one month (€21 million at December 31, 2015). In the event of installment payments, even if only one installment is overdue, the entire receivable balance is classified as overdue.
Trade receivables and other current receivables amounting to €5,276 million at December 31, 2016 (€5,054 million at December 31, 2015) contain balances totaling €9 million (€13 million at December 31, 2015) which have been written down on an individual basis. Of the remainder, balances totaling €228 million are past due by up to one month (€214 million at December 31, 2015), while balances totaling €228 million are past due by more than one month (€211 million at December 31, 2015).
Even though current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2016 which might lead to significant risk of repayment.

CNH Industrial Group

Receivables for financing activities amounting to $18,662 million at December 31, 2016 (€17,704 million) contain balances totaling $328 million (€311 million) that have been written down on an individual basis. Of the remainder, balances totaling $182 million (€173 million) are past due by up to one month, while balances totaling $250 million (€237 million) are past due by more than one month.

Receivables for financing activities amounting to $19,001 million at December 31, 2015 (€17,453 million) contain balances totaling $312 million (€287 million) that have been written down on an individual basis. Of the remainder, balances totaling $163 million (€150 million) are past due by up to one month, while balances totaling $337 million (€310 million) are past due by more than one month.

In the event of installment payments of loans, even if only one installment is overdue, the entire receivable balance is classified as overdue.
Trade receivables and other current receivables totaling $1,704 million (€1,616 million) at December 31, 2016 contain balances totaling $137 million (€130 million) that have been written down on an individual basis. Of the remainder, balances totaling $40 million (€38 million) are past due by up to one month, while balances totaling $65 million (€62 million) are past due by more than one month.

Trade receivables and other current receivables totaling $1,464 million (€1,345 million) at December 31, 2015 contain balances totaling $95 million (€87 million) that have been written down on an individual basis. Of the remainder, balances totaling $55 million (€51 million) are past due by up to one month, while balances totaling $78 million (€72 million) are past due by more than one month.

Ferrari Group

Receivables from financing activities amounting to €790,377 thousand at December 31, 2016 (€1,173,825 thousand at December 31, 2015) are shown net of the allowance for doubtful accounts amounting to €11,556 thousand (€18,671 thousand at December 31, 2015). After considering the allowance for doubtful accounts, €41,594 thousand of receivables were overdue (€16,230 thousand at December 31, 2015). Therefore, overdue receivables represent a minor portion of receivables from financing activities.

In addition, of the total receivables from financing activities, €790,377 thousand (€1,170,891 thousand at December 31, 2015) relate to the financial services portfolio and such receivables are generally secured on the titles to cars or with other guarantees.

Trade receivables amounting to €243,977 thousand at December 31, 2016 (€158,165 thousand at December 31, 2015) are shown net of the allowance for doubtful accounts amounting to €19,174 thousand (€18,371 thousand at December 31, 2015). After considering the allowance for doubtful accounts, €18,567 thousand of receivables were overdue (€26,177 thousand at December 31, 2015).

Juventus Football Club

Juventus Football Club has adopted suitable procedures to minimize its exposure to credit risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by Lega Nazionale Professionisti Serie A. Receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs. Fees receivable under contracts for television rights are indirectly secured by Lega Nazionale Professionisti Serie A through a minimum guarantee agreement with the advisor Infront Italy.

At December 31, 2016 the amount of receivables past due and not written down on an individual basis is €11 million. The amount past due by up to one month is €7 million and the amount past due by more than one month is €4 million.

At December 31, 2015 the amount of receivables past due and not written down on an individual basis is €10 million. The amount past due by up to one month is €7 million and the amount past due by more than one month is €3 million.

Holdings System

The maximum credit risk to which EXOR and the other companies in the Holdings System are theoretically exposed at December 31, 2016 is represented by the carrying amounts of financial assets in the financial statements.

However the companies seek to mitigate this risk by investing a part of their liquidity in securities issued by leading banking and corporate counterparties selected according to their credit quality.

At December 31, 2016 and December 31, 2015 there are no financial assets past due and not written down.

Liquidity risk

Liquidity risk arises if the Group is unable to obtain the funds needed to carry out its operations at economic conditions. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of a difficult economic situation in the markets in which the Group operates and the uncertainties that characterize the financial markets necessitate special attention in managing liquidity risk. In that sense, measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The main factors that determine the Group's liquidity situation are on the one hand the funds generated by or used in operating and investing activities, the debt lending period and its renewal features or the liquidity of the funds employed and the market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments, where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines;
- monitoring future liquidity on the basis of business planning.

The Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal.

At December 31, 2016, in conjunction with the amendments to the credit agreements that govern the Tranche B Term Loans of FCA US entered into in March 2016, the covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group were eliminated, and FCA US's cash management activities are no longer managed separately from the rest of the Group.
FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US. However, with the replacement of the prior FCA revolving credit facilities with the new FCA RCF entered into in June 2015, FCA no longer has limitations in providing funding to FCA US. Certain notes issued by FCA and its subsidiaries (other than FCA US and its subsidiaries) include covenants which may be affected by circumstances related to FCA US as well as certain other relevant subsidiaries, including cross-default clauses which may accelerate repayments in the event that FCA US fails to pay certain of its debt obligations.

Details as to the repayment structure of the Group's financial assets and liabilities are provided in notes 19 and 29. Details of the repayment structure of derivative financial instruments are reported in note 30.

PartnerRe Group

PartnerRe is exposed to liquidity risk mainly through claims arising from its reinsurance contracts and payments for its debt obligations and preference shares. PartnerRe believes that its significant cash flows from operations and high quality liquid investment portfolio will provide sufficient liquidity for the foreseeable future.
PartnerRe aims to maintain sufficient liquidity at all times so that it can support its cedants by settling claims quickly. PartnerRe generates cash flows primarily from its underwriting and investment operations. PartnerRe believes that a profitable, well-run reinsurance organization will generate sufficient cash from premium receipts to pay claims, acquisition costs and operating expenses in most years. To the extent that underwriting cash flows are not sufficient to cover operating cash outflows in any year, PartnerRe may utilize cash flows generated from investments and ultimately liquidate assets from its investment portfolio. PartnerRe ensures that its liquidity requirements are supported by maintaining a high-quality, well-balanced and liquid investment portfolio, and by managing the duration of its investments with that of its net reinsurance liabilities.
In the normal course of its business, the Company is a party to a variety of contractual obligations as summarized below. These contractual obligations are considered by the Company when assessing its liquidity requirements and the Company is confident in its ability to meet all of its obligations.

Contractual obligations at December 31, 2016 were as follows:

$ million	**Total**	**< 1 year**	**1-3 year**	**3-5 year**	**>5 year**
Contractual obligations:					
Technical reinsurance reserves	11,808	3,076	3,042	1,618	4,072
Financial debt	1,615	38	76	556	945
Preferred shares	922	46	86	85	705
Other contractual obligations	288	128	130	27	3
Total contractual obligations	14,633	3,288	3,334	2,286	5,725
Converted in € million	13,882	3,119	3,163	2,169	5,431

FCA Group

The operating cash management and liquidity investment of the FCA Group are centrally coordinated in the FCA Group's treasury companies, with the objective of ensuring effective and efficient management of the Group's funds. These companies obtain funds in the financial markets fromvarious funding sources.

At December 31, 2016, in conjunction with the amendments to the credit agreements that govern the Tranche B Term Loans of FCA US entered into in March 2016, the covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group were eliminated, and FCA US's cash management activities are no longer managed separately from the rest of the Group.
FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US.

However, with the replacement of the prior FCA revolving credit facilities with the new FCA RCF entered into in June 2015, FCA no longer has limitations in providing funding to FCA US

Certain notes issued by FCA and its subsidiaries (other than FCA US and its subsidiaries) include covenants which may be affected by circumstances related to FCA US as well as certain other relevant subsidiaries, including cross-default clauses which may accelerate repayments in the event that FCA US fails to pay certain of its debt obligations.

Management believes that the group's total available liquidity, in addition to the funds that will be generated from operating and financing activities, will enable the Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

CNH Industrial Group
Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the CNH Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

Ferrari Group
Following the Separation from FCA the main funding operations and investments in cash and marketable securities of Ferrari Group are centrally managed or supervised by the treasury department with the aim of ensuring effective and efficient management of the Group's liquidity. Following the Separation, the Group has established series of policies which are managed or supervised centrally by the treasury department with the purpose of optimizing the management of funds and reducing liquidity risk which include:

During 2015 the Ferrari Group entered into a new revolving credit facility of €500 million which was entirely undrawn at December 31, 2015 and 2016. The Group believes that the funds currently available to it, in addition to those that will be generated from operating activities, will enable Ferrari to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt and ensure an appropriate level of operating and strategic flexibility. The Group, therefore believes there is no significant risk of a lack of liquidity

Holdings System
EXOR and the companies in the Holdings System finance outgoing cash flows from current operations with incoming flows from ordinary business activities and cash availability.
Liquidity risk could therefore arise only in the event of investment decisions in excess of cash availability that are not preceded by sufficient liquidation of assets or difficulties in raising sufficient funds that can be readily used to fund operating and investment activities. In this sense, EXOR operates so that it has irrevocable credit lines available with expiry dates and amounts consistent with its investment plans.

Financial market risks
Currency risk, interest rate risk, commodity price risk, shares and investment funds
Due to the nature of its different businesses, the Group companies are exposed to a variety of financial market risks including foreign currency exchange rate risks, commodity price risk and interest rate risk.
Finally, the Group is exposed to the risk of a change in the price of certain equity shares and investment funds.
The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.
Exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit or loss, thereby indirectly affecting the costs and returns of financing and investing transactions.
The Group's exposure to commodity price risk arises from the risk of changes in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

The Group's policies permit derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange rates and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges mainly to hedge:
- the foreign currency exchange rate risk on financial instruments denominated in foreign currency;
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly foreign currency forward contracts, interest rate swaps and combined interest rate and foreign currency financial instruments.
The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:
- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a pre-defined mix of floating versus fixed rate funding for its loan structure;
- the price of certain commodities.

The foreign currency exchange rate exposure on forecasted commercial flows is hedged by currency swaps and forward contracts and currency options. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements. Exposure to changes in the price of commodities is generally hedged by using commodity swaps and commodity options. Counterparties to these agreements are major and diverse financial institutions.
Information on the fair value of derivative financial instruments held at the balance sheet date is provided in note 30.
The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in the cumulative translation adjustment reserve, in other comprehensive income.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported below does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place. Financial instruments held by the funds that manage pension plan assets are not included in this analysis.

PartnerRe Group

Currency risk

Through its multinational reinsurance operations, PartnerRe conducts business in a variety of non-U.S. currencies, with the principal exposures being the euro, British pound, Canadian dollar, Swiss Franc and Singapore dollar. As the PartnerRe's reporting currency is the U.S. dollar, foreign exchange rate fluctuations may materially impact its financial results.
PartnerRe is generally able to match its liability funds against its net reinsurance liabilities both by currency and duration to protect against foreign exchange and interest rate risks. However, a natural offset does not exist for all currencies. For the non-U.S. dollar currencies for which PartnerRe deems the net asset or liability exposures to be material, it employs a hedging strategy utilizing foreign exchange forward contracts and other derivative financial instruments, as appropriate, to reduce exposure and more appropriately match the liability funds by currency. For PartnerRe's capital funds, including its net investment in foreign subsidiaries and branches and equity securities, it does not typically employ hedging strategies. However, from time to time the it does enter into net investment hedges to offset foreign exchange volatility.

PartnerRe’s gross and net exposure at December 31, 2016 to non-U.S. Dollar currencies as well as the associated foreign currency derivatives it has entered into to manage this exposure, was as follows:

$ million	**Euro**	**GBP**	**CAD**	**CHF**	**AUD**	**OTHER**	**TOTAL**
Total assets	1,995.0	1,188	814.0	18.0	65.0	644.0	4,724.0
Total liabilities	(3,830.0)	(1,208.0)	(416.0)	(332.0)	(158.0)	(1,308.0)	(7,252.0)
Total gross foreign currency exposure	(1,835.0)	(20.0)	398.0	(314.0)	(93.0)	(664.0)	(2,528.0)
Total derivative amount	1,437.0	-	(292.0)	-	92.0	89.0	1,326.0
Net foreign currency exposure	(398.0)	(20.0)	106.0	(314.0)	(1.0)	(575.0)	(1,202.0)
converted in € million	(377.6)	(19.0)	100.6	(297.9)	(0.9)	(545.5)	(1,140.3)

Interest rate risk

PartnerRe’s fixed maturity portfolio (including fixed maturity securities within the funds held - directly managed account) are exposed to interest rate risk. Fluctuations in interest rates have a direct impact on the market valuation of these securities. PartnerRe manages interest rate risk on liability funds by constructing bond portfolios in which the economic impact of a general interest rate shift is comparable to the impact on the related reinsurance liabilities. PartnerRe believes that this process of matching the duration mitigates the overall interest rate risk on an economic basis. PartnerRe manages the exposure to interest rate volatility on capital funds by choosing a duration profile that it believes will optimize the risk-reward relationship.

PartnerRe’s liabilities are carried at their nominal value, and are generally not adjusted for changes in interest rates whilst fixed income investments measured at fair reflect such changes as an increase in interest rates will result in a decrease in the fair value, while a decrease in interest rates will result in an increase in the fair value, of PartnerRe's investments recorded at fair value.

Sensitivity interest rate risk

At December 31, 2016, PartnerRe estimates that the hypothetical case of an immediate 100 basis points parallel shift in global bond curves would result in a change in the fair value of investments exposed to interest rate risk of $737 million (€699 million).

Credit Spread Risk

PartnerRe’s fixed maturity portfolio is exposed to credit spread risk. Fluctuations in market credit spreads have a direct impact on the market valuation of these securities. PartnerRe manages credit spread risk by the selection of securities within its fixed maturity portfolio. Changes in credit spreads directly affect the market value of certain fixed maturity securities, but do not necessarily result in a change in the future expected cash flows associated with holding individual securities. Other factors, including liquidity, supply and demand, and changing risk preferences of investors, may affect market credit spreads without any change in the underlying credit quality of the security.

Sensitivity credit spread risk

At December 31, 2016, PartnerRe estimates that the hypothetical case of an immediate 100 basis points parallel shift in global credit spreads would result in a change in the fair value of investments exposed to credit spread risk of $529 million (€502 million).

FCA Group

Currency exchange rate risk

The FCA Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

- where a FCA Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company.
- the principal exchange rates to which the FCA Group is exposed are:
  - EUR/USD relating to sales and purchases in U.S. dollars made by Italian companies (primarily for Maserati and Alfa Romeo vehicles) and to sales and purchases in Euro made by FCA US;
  - USD/CAD primarily relating to FCA US's Canada’s sales of U.S. produced vehicles, net of FCA US sales of Canadian produced vehicles;
  - CNY, in relation to sales in China originating from FCA US and from Italian companies (primarily for Maserati and Alfa Romeo vehicles);
  - GBP, AUD, MXN, CHF, ARS and VEF in relation to sales in the UK, Australian, Mexican, Swiss, Argentinean and Venezuelan markets;

- PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
- JPY mainly in relation to purchase of parts from Japanese suppliers and sales of vehicles in Japan;
- USD/BRL, EUR/BRL relating to Brazilian manufacturing operations and the related import and export flows.

The FCA Group's policy is to use derivative financial instruments to hedge a percentage of certain exposures subject to foreign currency exchange rate risk for the upcoming 12 months (including such risk before or beyond that date where it is deemed appropriate in relation to the characteristics of the business) and to hedge the exposure resulting from firm commitments unless not deemed appropriate.

FCA Group companies may have trade receivables or payables denominated in a currency different from their respective functional currency. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for the companies to obtain financing or use funds in a currency different from their respective functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. The FCA Group's policy is to hedge, whenever deemed appropriate, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the respective Group companies' functional currency.

Certain of the FCA Group's companies are located in countries which are outside of the Eurozone, in particular the U.S., Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China and South Africa. As the Group's reporting currency is the Euro, the income statements of those entities that have a reporting currency other than the Euro, are translated into Euro using the average exchange rate for the period.

In addition, the monetary assets and liabilities of these consolidated companies are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the cumulative translation adjustments reserve included in other comprehensive income. Changes in exchange rates may lead to effects on the translated balances of revenues, costs and monetary assets and liabilities reported in Euro, even when corresponding items are unchanged in the respective local currency.

The FCA Group monitors its principal exposure to conversion exchange risk, and in certain circumstances, enters into derivatives for the purpose of hedging the specific risk.

There have been no substantial changes in 2015 in the nature or structure of exposure to foreign currency exchange rate risk or in the FCA Group's hedging policies.

Sensitivity analysis - currency exchange rate risk

At December 31, 2016 the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, interest rate and currency swaps) resulting from a 10% change in the exchange rates would have been approximately €1,453 million (€1,490 million at December 31, 2015).

This analysis assumes that a hypothetical, unfavorable and instantaneous 10 percent change in exchange rates is applied in the measurement of the fair value of derivative financial instruments.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not included in this analysis. It is reasonable to assume that changes in market exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the FCA Group make use of external borrowings and invest in monetary and financial market instruments.

In addition, the FCA Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, thus negatively impacting the net financial expenses incurred by the FCA Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating result of those companies and the FCA Group as a whole.

In order to manage these risks, the FCA Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.
In assessing the potential impact of changes in interest rates, the FCA Group segregates fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).
The fixed rate financial instruments used by the FCA Group consist principally of part of the portfolio of the financial services companies (basically customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis – interest rate risk
The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2016, resulting from a hypothetical 10% change in market interest rates, would have been approximately €56 million (approximately €85 million at December 31, 2015).
Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical 10% change in short-term interest rates at December 31, 2016, applied to floating rate financial assets and liabilities, transactions for the sale of receivables and derivative financial instruments, would have resulted in increased net financial expenses before taxes, on an annual basis, of approximately €30 million (approximately €40 million at December 31, 2015).
This analysis is based on the assumption that there is an unfavorable change of 10% proportionate to interest rates levels across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.
In addition, the sensitivity analysis applied to floating rate financial instruments assumes that cash and cash equivalents and other short-term financial assets and liabilities which expire during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Commodity price risk
The FCA Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials and energy used in its normal operations.

Sensitivity analysis – commodity price risk
In connection with the commodity price derivative contracts outstanding at December 31, 2016, a hypothetical 10% change in the price of the commodities at that date would have caused a fair value loss of about €35 million (about €40 million at December 31, 2015).
Future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in commodity prices will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

CNH Industrial Group
Currency risk
The CNH Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- where a CNH Industrial Group subsidiary incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit (loss) of that company. In 2016, the total net trade flows exposed to currency risk amounted to the equivalent of approximately 15% of the CNH Industrial Group's turnover (17% in 2015). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
  - USD/EUR, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the euro area and to sales in dollars made by Commercial Vehicles;
  - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
  - USD/AUD, mainly in relation to sales made by Agricultural Equipment and Construction Equipment in Australia;
  - EUR/GBP, predominately in relation to sales on the U.K. market.

Trade flows exposed to changes in these exchange rates in 2016 made up approximately 66% of the exposure to currency risk from trade transactions.

It is the CNH Industrial Group’s policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months (including risk beyond that date where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

Certain CNH Industrial Group subsidiaries may hold trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, subsidiaries may obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the CNH Industrial Group’s policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the subsidiary’s functional currency.

Certain the CNH Industrial Group’s subsidiaries have a functional currency different from the U.S. dollar, which is the Group presentation currency. The income statements of those subsidiaries are converted in into U.S. dollars using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the results reported in U.S. dollars.

The assets and liabilities of consolidated companies whose functional currency is different from the U.S. dollar may acquire converted values in U.S. dollars which differ as a function of the fluctuation in exchange rates. The effects of these translation differences are recognized directly in the cumulative translation adjustment reserve, included in other comprehensive income.

The CNH Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in place at December 31, 2016.

There were no substantial changes in 2016 in the nature or structure of exposure to currency risk or in the CNH Industrial Group’s hedging policies.

Sensitivity analysis – currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) held by the CNH Industrial Group at December 31, 2016 resulting from a hypothetical change of 10% in the exchange rates against the U.S. dollar amounts to approximately $444 million ($258 million at December 31, 2015). The valuation model for currency options assumes that market volatility at year-end remains unchanged.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies of the CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, the CNH Industrial Group companies sell receivables. Changes in market interest rates can affect the cost of financing, including the sale of receivables or the return on investment of funds, causing an impact on the level of net financial expenses incurred by the CNH Industrial Group.

In addition, financial services companies provide loans (mainly to customers and dealers), financing themselves primarily using various forms of external borrowings or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit or loss of those companies and the CNH Industrial Group.

In order to mitigate these risks, the CNH Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements.

Sensitivity analysis – interest rate

In assessing the potential impact of changes in interest rates, the CNH Industrial Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the CNH Industrial Group consist of retail receivables, debt, ABS securities and other instruments.

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2016, resulting from a hypothetical, unfavourable and instantaneous change of 10% in market interest rates, would have been approximately $34 million (approximately $15 million at December 31, 2015).

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt and ABS securities. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments. A hypothetical change of 10% in short-term interest rates at December 31, 2016, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $1 million (approximately $5 million at December 31, 2015). This analysis is based on the assumption that there is a hypothetical change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risk on derivative financial instruments

The CNH Industrial Group has entered derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – commodity price risk

In the event of a hypothetical change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2016 linked to commodity prices would not have been significant (not significant at December 31, 2015).

Ferrari Group

Currency exchange rate risk

The Group's primary market risk is exposure to foreign currency, which arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The main foreign currency exchange rate to which the Group is exposed is the Euro/U.S. Dollar for sales in U.S. Dollar in the United States and Mexico and other markets where the U.S. Dollar is the reference currency. In 2016, the value of commercial activity exposed to changes in the Euro/U.S. Dollar exchange rate accounted for about 60% (67% in 2015) of the total currency risk from commercial activity. Other significant exposures included the exchange rate between the Euro and the following currencies: Swiss Franc, Pound Sterling, Canadian Dollar, Australian Dollar, Japanese Yen, Chinese Yuan and Hong Kong Dollar. None of these exposures, taken individually, exceeded 10 percent of the Group's total foreign currency exchange rate exposure for commercial activity in 2016. It is the Group's policy to use derivative financial instruments to hedge a certain percentage of the exposure, on average between 50% and 90%. Until 2014, some exposures were covered over a 24-month rolling period, and since 2015 such timeframe has been reduced to 12 months for all currencies. For firm commitments, the policy is to fully hedge the exposure.

Several subsidiaries are located in countries that are outside the Eurozone, in particular the United States, the United Kingdom, Switzerland, China, Hong Kong, Japan, Australia and Singapore. As the Group's reporting currency is the Euro, the income statements of those companies are converted into Euro using the average exchange rate for the period and, even if revenues and margins are unchanged in local currency, changes in exchange rates can impact the amount of revenues, costs and profit as restated in Euro.

The impact of foreign currency exchange rate differences recorded within financial income/(expenses) for the year ended December 31, 2016, except for those arising on financial instruments measured at fair value, amounted to net income of €8,335 thousand (net income of €10,794 thousand and €15,663 thousand for the years ended December 31, 2015 and 2014, respectively).

The impact of foreign currency exchange rate differences arising from financial services companies, recognized under cost of sales, for the year ended December 31, 2016 amounted to net loss of €58,808 thousand (net income of €20,908 thousand in 2015 and net income of €14,575 in 2014).

Sensitivity analysis – currency exchange rate risk

The potential decrease in fair value of derivative financial instruments held by the Group at December 31, 2016 to hedge against foreign currency exchange rate risk, which would arise in the case of a hypothetical, immediate and adverse change of 10 percent in the exchange rates of the major foreign currencies with the

Euro, would be approximately €128,753 thousand (€135,271 thousand at December 31, 2015). Receivables, payables and future trade flows for which hedges have been put in place were not included in the analysis. It is reasonable to assume that changes in foreign currency exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The Group's exposure to interest rate risk, though less significant, arises from the need to fund financial operating activities and the necessity to deploy surplus funds. In addition, during 2015 the Group entered into a new Term Loan and Bridge Loan (the Bridge Facility being subsequently fully repaid in 2016) for a total amount of €2 billion which bear floating rates of interest. As at December 31, 2016 an amount of approximately €800 million was outstanding under the Term Loan. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's most significant floating rate financial assets at December 31, 2016 were cash and cash equivalents and certain receivables from financing activities (mainly dealer financing and some client financing receivables) while the Group's debt generally bears floating rates of interest. At December 31, 2016, a 10 basis point decrease in interest rates on such floating rate financial assets and debt, with all other variables held constant, would have resulted in an increase in profit before taxes of €367 thousand on an annual basis (an increase of €1,204 thousand at December 31, 2015). The analysis is based on the assumption that floating rate financial assets and debt which expire during the projected 12-month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Holdings System

Currency risk

At December 31, 2016 a part of the Holdings System's available-for-sale assets, assets held for trading and cash are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.

The currency risks to which EXOR is exposed regard the Japanese yen note issued in 2011 for 10 billion (€83 million) carrying a fixed rate in yen of 2.80% and a term of 20 years; the US dollars note issued in 2016 for $170 million (€161 million) carrying a fixed rate of 4.398% and a term of 10 years, the residual financial payable of $550 million (€522 million) granted in 2016 by Citybank for the acquisition of PartnerRe and the bank debt for $50 million (€47 million).

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face amount of the bonds in Euro (about €83 million) for the entire term of the notes.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit of more than €7 million and a positive effect on equity of more than €74 million, while an unfavorable change of 10% would have a positive effect on profit of €8 million and a negative effect on equity of €90 million.

The effect of the change in exchange rates on equity is mainly attributable to a higher part of cash denominated in U.S. dollars by EXOR and several companies in the Holdings System, in order to hedge the currency risk on a non-monetary investment in foreign currency and on the financing drawn down on the remaining credit line arising from the acquisition of PartnerRe.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.1% and 6.012% for the year 2016.

A sensitivity analysis was performed on cash and cash equivalents, on the the bank debt and on the residual financial payables granted by Citybank and the amount is not significant.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments and other financial assets, as well as financial assets held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments and other financial assets, as well as financial assets held for trading would have been 5% higher/lower, the fair value reserve recorded in equity would have been €24 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been €4 million higher/lower.

40. Audit Fees

The following table reports fees paid to the independent auditor Ernst & Young, or entities in their network for audit and other services to the Group:

€ thousand		2016 fees	2015 fees
Audit fees	Parent - EXOR N.V.	157	53
	Subsidiaries	35,245	29,954
Other services	Parent - EXOR N.V.	148	40
	Subsidiaries	4,349	5,062
Total network EY		**39,899**	**35,109**

Audit fees of Ernst & Young Accountants LLP amounted €637 thousand. No other services were performed by Ernst and Young Accountants LLP.

41. Subsequent events

Reference should be made to the 2016 Report on operations.

April 5, 2017

The Board of Directors:

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Anne Marianne Fentener van Vlissingen

Jae Yong Lee (*Not in a position to sign*)

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

Exor

Company Financial Statements at December 31, 2016

EXOR N.V. - INCOME STATEMENT

€ thousand	Note	2016	2015
Investment income (expenses)			
Dividends from investments	1	**30,000**	0
Net investment income		**30,000**	0
Financial income (expenses)			
Financial expenses from third parties	2	**(6,192)**	0
Financial expenses from related parties		**(4)**	0
Financial income from third parties	3	**205**	0
Financial income from related parties	23	**744**	0
Gains (losses) on exchange		**(1,037)**	0
Net financial expenses		**(6,284)**	0
Net general expenses			
Personnel costs	4	**(925)**	0
Purchases of goods and services from third parties		**(169)**	(28)
Purchases of goods and services from related parties	23	**(445)**	0
		(1,539)	(28)
Revenues from third parties		**156**	0
Revenues from related parties	23	**20**	0
		176	0
Net general expenses		**(1,363)**	(28)
Non-recurring other income (expenses) and general expenses	5	**(662)**	0
Profit before income taxes		**21,691**	(28)
Income taxes	6	**0**	0
Profit for the year		**21,691**	(28)

EXOR N.V. - STATEMENT OF COMPREHENSIVE INCOME

€ thousand	2016	2015
Profit for the year	**21,691**	(28)
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods		
Gains (losses) on remeasurement of defined benefit plans		
Related tax effect		
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax	**0**	0
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods		
Gains (losses) on cash flow hedging instruments	**1,243**	
Gains (losses) on available-for-sale financial assets	**787**	
Related tax effect		
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax	**2,030**	0
Total other comprehensive income (loss), net of tax	**2,030**	0
Total comprehensive income	**23,721**	(28)

EXOR N.V. - STATEMENT OF FINANCIAL POSITION

€ thousand	Note	12/31/2016	12/31/2015
Non-current assets			
Investments accounted for at cost	7	**9,554,901**	0
Available-for-sale financial assets	7	**416,921**	0
Total		**9,971,822**	0
Intangible assets		**100**	0
Property, plant and equipment		**1**	0
Other receivables		**562**	0
Total Non-current assets		**9,972,485**	0
Current assets			
Held-to-maturity financial instruments	8	**26,014**	0
Financial assets held for trading		**4,348**	0
Cash and cash equivalents	9	**31,304**	996
Other financial assets		**991**	0
Tax receivables	10	**53,833**	0
Financial receivables from third parties		**331**	0
Trade receivables from related parties	23	**503**	0
Other receivables		**510**	0
Total Current assets		**117,834**	996
Total Assets		**10,090,319**	996
Equity			
Share capital	11	**2,410**	1,008
Capital reserves	11	**1,244,857**	0
Retained earnings and other reserves	11	**5,448,692**	0
Treasury stock	12	**(65)**	0
Profit for the year		**21,691**	(28)
Total Equity		**6,717,585**	980
Non-current liabilities			
Non-convertible bonds	14	**2,531,932**	0
Provision for tax liability	15	**216,949**	0
Other payables	20	**396**	0
Total Non-current liabilities		**2,749,277**	0
Current liabilities			
Non-convertible bonds	14	**467,119**	0
Bank debt	16	**79,291**	0
Financial payables to related parties	23	**30,038**	0
Other financial liabilities	17	**28,460**	0
Trade payables and other payables to related parties	23	**5,046**	0
Trade payables to third parties	18	**8,470**	16
Tax payables	19	**3,490**	0
Other payables	20	**1,543**	0
Total Current liabilities		**623,457**	16
Total Equity and Liabilities		**10,090,319**	996

EXOR N.V. – STATEMENT OF CASH FLOWS

€ thousand	2016	2015
Cash and cash equivalents, at beginning of year	**996**	0
Cash flows from (used in) operating activities		
Profit for the year	**21,691**	(28)
Adjustments for:		
Notional cost of EXOR stock option plan	**332**	0
Total adjustments	**332**	0
Change in working capital:		
Other financial assets, current and non-current	**(129)**	0
Tax receivables, excluding items adjusting profit for the year	**(66)**	0
Other receivables, current and non-current	**(72)**	0
Other financial receivables	**(126)**	0
Other payables, current and non-current	**1,119**	16
Other financial liabilities, current and non-current	**(2,004)**	0
Trade payables to third parties	**185**	0
Tax payables	**36**	0
Provisions for risks and charges	**10**	0
Change in working capital	**(872)**	16
Cash flows from (used in) operating activities	**21,151**	(12)
Cash flows from (used in) investing activities		
Change in investments in:		
Liquidity from the merger with EXOR S.p.A.	**682**	0
Financial receivables from related parties	**65,256**	0
Held-to-maturity financial instruments, current and non-current	**9**	0
Financial assets held for trading	**11**	0
Disposal of investments and available-for-sale financial assets	**50**	0
Cash flows from (used in) investing activities	**66,008**	0
Cash flows from (used in) financing activities		
Other changes in bonds	**(5,795)**	0
Net change in bank debt	**(52,272)**	0
Changes in financial debts to related parties	**(27)**	0
Changes in fair value of cash flow hedge derivatives	**1,243**	0
Incorporation of the company	**0**	1,008
Cash flows from (used in) financing activities	**(56,851)**	1,008
Total change in cash and cash equivalents	**30,308**	996
Cash and cash equivalents, at end of year	**31,304**	996

EXOR N.V. – STATEMENT OF CHANGES IN EQUITY

€ thousand	Share capital	Capital reserves	Treasury stock	Earnings reserves	(Loss) Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at December 31, 2014	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Incorporation of the company on September 30, 2015	1,008							1,008
(Loss) Profit for the year					(28)			(28)
Net changes during the year	**1,008**	**0**	**0**	**0**	**(28)**	**0**	**0**	**980**
Equity at December 31, 2015	**1,008**	**0**	**0**	**0**	**(28)**	**0**	**0**	**980**
Reclassification 2015 loss				(28)	28			0
Merger with EXOR S.p.A. (1)	1,402	1,244,857	(66)	5,515,195		(48,730)	(26,576)	6,686,082
Net increase corresponding to notional cost of EXOR stock option plan				379				379
Payment with treasury stock			2	6,463				6,465
Expenses related the Merger directly recognized in equity				(41)				(41)
Total comprehensive income					21,691	786	1,243	23,720
Net changes during the year	**1,402**	**1,244,857**	**(64)**	**5,521,968**	**21,719**	**(47,944)**	**(25,333)**	**6,716,605**
Equity at December 31, 2016	**2,410**	**1,244,857**	**(64)**	**5,521,968**	**21,691**	**(47,944)**	**(25,333)**	**6,717,585**

1. Reflects the effects of the Merger. See general information on the company’s business paragraph in the notes to the company financial statements.

EXOR N.V. – NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR N.V. (EXOR), formerly known as EXOR Holding N.V., (the "company" and together with its subsidiaries the "EXOR Group" or the "Group") was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on September 30, 2015, registered in the Dutch Commercial Register under number 64236277, and in 2016 was designated to act as a holding company for EXOR Group.

The cross-border merger of EXOR S.p.A. with and into EXOR N.V. (the "Merger") was signed on December 10, 2016 in Amsterdam and became effective on December 11, 2016. Upon effectiveness of the Merger, the company became the holding company of the EXOR Group. Pursuant to the Merger, EXOR S.p.A. shareholders received one EXOR ordinary share for every one EXOR S.p.A. ordinary share.

From the Merger effectiveness, EXOR N.V. has acquired all assets and assumed all liabilities and other legal relationships of EXOR S.p.A. under universal title of succession: as such, all business activities, shareholdings and other assets as well as liabilities of EXOR S.p.A. have been consolidated into the company.
In accordance with IFRS (IAS 27.13), the Merger is recognized in EXOR's consolidated financial statements from January 1, 2016, while in the company financial statements it is recognized from December 11, 2016. As the Merger is a transaction in which all of the combining entities are controlled ultimately by the same party both before and after the transaction, and based on the fact that the control is not transitory, the Merger was deemed to be a transaction of entities under common control and therefore outside the scope of IFRS 3 – Business combination.

For the period from incorporation to December 31, 2015, the company only incurred certain expenses, principally relating to legal and professional services and did not have any other activities.
As a result of the Merger the financial information as at and for the year ended December 31, 2016 is not comparable with the information presented as at and for the year ended December 31, 2015.
The summarized statement of financial position in the statutory accounts of EXOR S.p.A. at the Merger date (December 10, 2016) and at December 31, 2015 was represented by:

(€ million)	At December 10, 2016	At December 31, 2015
Investments in subsidiaries	9,556	4,603
Investments available for sale	416	332
Cash and cash equivalent	1	3,406
Other assets	151	758
Total assets	**10,124**	**9,099**
Equity	6,688	6,419
Non-convertible bond	3,005	2,625
Other liabilities	431	55
Total equity and liabilities	**10,124**	**9,099**

The merged company EXOR S.p.A. was taxable for IRES and IRAP purposes up until the legally effective date of the Merger.
For Italian tax purposes the Merger qualifies as an intra-community cross-border merger as defined by the Italian tax regulations which have implemented E.U. Council Directive 1990/434 dated July 23, 1990 on the common system of taxation to be applied to mergers, de-mergers, transfers of assets and share exchanges involving companies of differing Member States (consolidated in E.U. Council Directive 2009/133 dated October 19, 2009, the "Merger Directive").
The Italian tax regulations provide for the fiscal neutrality of the intra-community merger with respect to assets and liabilities which remain connected with a permanent organization in Italy, providing, conversely, that elements which do not remain connected with a permanent organization in Italy are deemed to be realized at fair value. Considering that EXOR N.V. has not maintained a permanent organization in Italy after the Merger, all the components of EXOR S.p.A. (including investments in companies, financial liabilities and its tax-suspended reserves) have been treated as having been realized at fair value, resulting in the crystallization of taxable surpluses ("exit gains") in the financial position at the December 10, 2016 Merger date.

These disposal gains on equity investments were determined considering the benefits available under the participation exemption rules, where all the conditions established by Article 87 of the Consolidated Tax Act were satisfied.
Further, pursuant to Article 180 of the Consolidated Tax Act, the tax-suspended reserves and provisions previously recorded in the balance sheet of EXOR S.p.A. (including those taxable only on distribution) became components of EXOR S.p.A.'s taxable profit for the final tax period in which the company was fiscally resident in Italy (the period which ended on the date on which the Merger became legally effective).
With regard to the tax-suspended reserves formed in application of Law 408 dated December 29, 1990 ("Law 408/90") and of Law 413 dated December 30, 1991 ("Law 413/91"), and those on which substitute tax was paid, as a result of the Merger EXOR S.p.A acquired the right to an IRES tax credit equal to the substitute tax paid (and solely for the part relating to asset revaluations still carried in the company's books at the Merger effective date); such substitute tax being utilizable as an offset of the IRES tax due for the final period subject to Italian taxation.
In computing the tax payable, EXOR's tax losses have been utilized fully, firstly against ordinary income of the final pre-Merger tax period together with the income arising pursuant to article 180 of the Consolidated Tax Act from the crystallization of tax-suspended reserves and, residually, against the income represented by the exit disposal gains on EXOR's equity investments and other assets realized pursuant to the Article 179 paragraph 6 of the Consolidated Tax Act.

On the basis of the information available and the estimates made, a €217 million provision has been recognized for taxation on the excess of the surpluses arising on the "exit" over the operating losses brought forward, reduced by a tax credit of €47 million for substitute tax paid in past years. Additional details are include in Notes 10 and 15. The tax effects have been recorded before the merger. The netting of such amounts is not possible since the legally enforceable right to set-off the recognized amounts is not under the control of the company. The final amount of the Italian exit tax will be defined within the end of the first half in the context of the preparation of the tax return.

EXOR N.V. (EXOR) is controlled by Giovanni Agnelli B.V. (formerly Giovanni Agnelli e C. S.a.p.az.) which holds 52.99% of its share capital. In fact the previous parent company of EXOR also completed a cross-border merger process in which Giovanni Agnelli merged with and into Giovanni Agnelli B.V., a wholly owned private limited liability company under Dutch law having its legal office in Amsterdam.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Date of authorization of issue

The separate financial statements at December 31, 2016 (company financial statements) were approved by the board of directors on April 5, 2017 which authorized their publication in accordance with the Dutch law. During the next shareholders meeting the board of directors will propose to the shareholders to approve the financial statements as well. It should be noted that the shareholders will have the possibility to request amendment if needed.

Basis of preparation

The company financial statements of EXOR have been prepared, for the first time, in accordance with the International Financial Reporting Standards ("IFRS") as adopted by European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code.
As requested by IFRS 1 – First-time Adoption of International Financial Reporting Standards, EXOR presents for comparative purpose the 2015 data applying IFRS, without highlighting adjustments to the figures reported under previous GAAP resulting from this first-time adoption, as they are not material.

The company financial statements of EXOR are expressed in Euro, prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.

The company financial statements were prepared using the same accounting policies as set out in the notes to the consolidated financial statements at December 31, 2016 (consolidated financial statements) except for the measurement of the investments in subsidiaries that are accounted for at cost. Management believes that the measurement of its subsidiaries at cost, as permitted under EU IFRS, provides the best insight into the Company's financial position and results, in addition to the information provided in the consolidated financial statements.

The accounting policies were consistently applied to all periods presented.

Format of the company financial statements

EXOR presents the income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses), including the effects of recurring and non-recurring transactions. In the statement of financial position, the current/non-current distinction has been adopted for the presentation of assets and liabilities.

In view of the significance of the amounts, "non-recurring other income (expenses) and general expenses" are presented separately from "net general expenses" that are recurring and include any non-financial exceptional or non-recurring income and costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions and special bonuses to directors and employees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.
The statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.
The year-end closing date is December 31 of each year and covers a period of 12 months (4 months in 2015).
The Euro is the company's functional currency since it mainly influences cash inflows and outflows and that is the functional currency of the EXOR's subsidiaries except for EXOR Nederland. The Euro is also the presentation currency.
In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Standards, amendments and interpretations adopted from January 1, 2016

The following amendments were effective from January 1, 2016 and were adopted by the Company for the purpose of the preparation of the company financial statements.

- Amendments to IAS 16 – Property, Plant and Equipment and to IAS 38 – Intangibles Assets
- Amendments to IAS 1 – Presentation of Financial Statements
- Amendments to IAS 27 – Separate Financial Statements
- Annual Improvements to IFRS – 2012-2014 Cycle

There were no significant effects from the adoption of these amendments.

Standards, amendments and interpretations not yet effective and not early adopted

At the date of these financial statements the following are not yet effective and/or not early adopted:

- In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive. This new revenue recognition model defines a five step process to achieve this objective. The updated guidance also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The standard is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted.

- In July 2014 the IASB issued IFRS 9 – Financial Instruments. The improvements introduced by the new standard includes a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single "expected loss" impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after January 1, 2018 with earlier application permitted.

The following standards, amendments, clarifications and interpretations have been issued by the IASB but not yet endorsed by the EU:

- IFRS 16 – Leases
- Amendments to IAS 12 – Income Taxes
- Amendments to IAS 7 – Statement of Cash Flows
- Clarifications to IFRS 15 – Revenue from Contracts with Customers
- Amendments to IFRS 2 – Share-Based Payments
- Annual Improvements to IFRSs 2014-2016 Cycle
- IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration
- Amendments to IAS 40 – Transfers of Investment Property

The company will adopt these new standards, amendments and interpretations based on the date of application and will evaluate their potential impacts in relation to the same date of application.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries, associates and other companies stated at cost.

Subsidiaries are entities over which the company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor's returns.

Associates are enterprises over which the company has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures, but not control or joint control over the financial and operating policies.

Investments in other companies include financial assets that are non-current and not destined for trading.

Under the cost method, investments are tested for impairment whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.

If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below the cost of a subsidiary or associate, together with its continuing negative operating performance.

When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may has decreased. When, subsequently, the impairment loss no longer exists or has decreased, a reversal is recognized in the income statement up to the cost of the investment.

A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held to maturity financial instruments

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that the company has the positive intention and ability to hold to maturity.

Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the company has received substantially all the financial assets' original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the company's control, is non-recurring and could not have been reasonably anticipated by the company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Other financial assets, except for derivative instruments, are initially recognized at fair value, which generally coincides with the acquisition cost including incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible.

The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Intangible assets with indefinite useful life

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired.

Trade receivables and payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component arising from stock option plans linked to shares of EXOR N.V., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity, while if beneficiaries are employees of a supplier the charges are recognized as cost of services.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate. Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.
- Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.

Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.

Revenues from the performance of services are recognized over the period in which the services will be provided.

Costs are recorded on the accrual basis.

Income taxes

Current and deferred income taxes are calculated according to the tax laws in force.

Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income.

As a consequence of the Merger, the economic effects of the Italian exit tax were recognized in the income statement of EXOR S.p.A. and therefore only in the net equity of EXOR N.V.

Foreign currency transactions

The financial statements are prepared in Euro, which is the company's functional and presentation currency.

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign currency exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Segment reporting

As disclosed in the consolidated financial statements, the Group has determined that its information by segment according to IFRS 8 – Operating Segments, coincides with the consolidated data of each subsidiary holding company, every one of which represents, an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus and the Holding System. Such reportable segments are based on the information reviewed by its Chief Operating Decision Maker in making decisions regarding allocation of resources and to assess performance.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments and the liability for the Italian exit tax.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

Dividends amount to €30,000 thousand and were distributed by EXOR S.A.

2. Financial expenses from third parties

These total €6,192 thousand and include interest on bonds of €5,988 thousand, interest on bank debt of €56 thousand, bank fees and commission of €127 thousand and other expenses of €21 thousand.

3. Financial income from third parties

These total €205 thousand and include interest income and other income on held-to-maturity securities of €116 thousand, interest on fixed-rate securities of €13 thousand and other income of €76 thousand.

4. Personnel costs

These total €925 thousand. At the end of 2016, the number of employees is 5. The company had no employees until December 1, 2016.

5. Non-recurring other income (expenses) and general expenses

In 2016 the net non-recurring expense off €662 thousand refers mainly to the Merger.

6. Income taxes

The charge for income taxes calculated in accordance with tax regulations was nil for the year ended December 31, 2016. As indicated above, the merged company EXOR S.p.A was taxable for IRES and IRAP purposes up until the legally effective date of the Merger. For further detail please refer to Note 15 below.

The profit before tax (€21,691 thousand) is mainly composed of the dividend received from EXOR S.A., as disclosed above.

7. Investments accounted for at cost and available-for-sale financial assets

	12.31.2016		12.31.2015	
€ thousand	% of class of shares	Amount	% of class of shares	Amount
Investments accounted for at cost				
Fiat Chrysler Automobiles N.V. - common shares	29.41	**1,355,230**		
Fiat Chrysler Automobiles N.V. - special voting shares	91.90	**0**		
Fiat Chrysler Automobiles N.V.		**1,355,230**		
CNH Industrial N.V. - common shares	26.92	**1,694,530**		
CNH Industrial N.V. - special voting shares	77.33	**0**		
CNH Industrial N.V.		**1,694,530**		
Ferrari N.V. - common shares	22.91	**677,443**		
Ferrari N.V. - special voting shares	66.52	**0**		
Ferrari N.V.		**677,443**		
EXOR Nederland N.V.	100.00	**4,980,278**		
EXOR S.A.	100.00	**746,298**		
Juventus Football Club S.p.A.	63.77	**95,688**		
EXOR Investments Limited	100.00	**5,162**		
Other	n/a	**272**		
Investments accounted for at cost		**9,554,901**		0
Available-for-sale financial assets				
The Black Ant Value Fund	n/a	**355,192**		
Welltec	13.72	**56,000**		
Other	n/a	**5,729**		
Available-for-sale financial assets		**416,921**		0
Total		**9,971,822**		0

The changes during the year are as follows:

	Balance at	Changes in 2016			Balance at
€ thousand	12.31.2015	Merger with EXOR S.p.A.	Increases	Decreases	12.31.2016
Investments accounted for at cost					
Fiat Chrysler Automobiles N.V. - common shares		869,792	485,438		**1,355,230**
Fiat Chrysler Automobiles N.V. - special voting shares		-			**0**
Fiat Chrysler Automobiles N.V. - mandatory convertible bond		485,438		(485,438)	**0**
Fiat Chrysler Automobiles N.V.	0	1,355,230	485,438	(485,438)	**1,355,230**
CNH Industrial N.V. - common shares		1,694,530			**1,694,530**
CNH Industrial N.V. - special voting shares		-			**0**
CNH Industrial N.V.	0	1,694,530	0	0	**1,694,530**
Ferrari N.V. - common shares		677,443			**677,443**
Ferrari N.V. - special voting shares		-			**0**
Ferrari N.V.	0	677,443	0	0	**677,443**
EXOR Nederland N.V.		4,979,923	355		**4,980,278**
EXOR S.A.		746,291	7		**746,298**
Juventus Football Club S.p.A.		95,688			**95,688**
EXOR Investments Limited		5,122	40		**5,162**
Other		322		(50)	**272**
Investments accounted for at cost	0	9,554,549	485,840	(485,488)	**9,554,901**
Available-for-sale financial assets					
The Black Ant Value Fund		354,406	786		**355,192**
Welltec		56,000			**56,000**
Other		5,729			**5,729**
Available-for-sale financial assets	0	416,135	786	0	**416,921**
Total	0	9,970,684	486,626	(485,488)	**9,971,822**

Investments accounted for at cost

The increase in Fiat Chrysler Automobiles common shares is related to the conversion of the FCA mandatory convertible securities. Pursuant to the terms of the indenture under which the securities were issued, each U.S. $100 notional amount of the securities was converted into no. 8.3077 FCA common shares, nominal value €0.01 per share. EXOR with its €886 million of mandatory convertible securities nominal value (carrying amount of €486 million), received 73,606,222 FCA common shares.

The increase in EXOR Nederland is due to the fair value hedging effect.
The increases in EXOR S.A. and EXOR Investments Limited are due to the long-term incentive plans related to the employees of such companies.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		Trading price December 30, 2016	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
Fiat Chrysler Automobiles N.V. - common shares	449,410,092	3.016	**1,355,230**	8.689	**3,904,789**
CNH Industrial N.V. - common shares	366,927,900	4.618	**1,694,530**	8.245	**3,025,431**
Ferrari N.V. - common shares	44,435,280	15.246	**677,443**	55.341	**2,459,071**
Juventus Football Club S.p.A.	642,611,298	0.149	**95,688**	0.302	**194,004**
Total			**3,822,891**		**9,583,295**

Available-for-sale financial assets

The increase in The Black Ant Value Fund is due to the fair value adjustment of the carrying amount at year end, based on the valuation received from a third party.

8. Held-to-maturity financial instruments - current

These amounts to €26,014 thousand and are represented by bonds issued by leading counterparties maturing in 2017. The bonds are recorded and measured at amortized cost.

9. Cash and cash equivalents - current

These amount to €31,304 thousand and represent current account bank balances in Euro, repayable on demand and cash deposited at leading credit institutions. The associated credit risks should be considered limited since the counterparties are leading financial institutions.

10. Tax receivables - current

These amount to €53,833 thousand and mainly relate to taxes receivable from the Italian tax authorities for:

€ thousand	12.31.2016
Tax receivable arising from substitute tax	46,949
Italian IRES tax advance	3,706
Italian IRES CFC tax advance	2,612
Other	566
Total	**53,833**

The tax receivable of €46,949 thousand is related to the substitute tax paid in past years that has been recognized in the context of Italian exit tax.

11. Equity

Share capital

EXOR S.p.A. before the Merger held no. 10,080 shares of EXOR Holding N.V., with a nominal value of Euro 100 each. As per the Merger became effective, the 10,080 shares issued were split into 100,800,000 EXOR N.V. ordinary shares with a nominal value of Euro 0.01 each, no. 94,168,104 shares were cancelled in accordance with Section 2:325(3) DCC and no. 6,631,896 shares were held as treasury shares.
In connection with the Merger, no. 234,368,104 EXOR N.V. ordinary shares were issued for allotment to EXOR shareholders on the basis of the exchange ratio of one EXOR N.V. ordinary share for each EXOR S.p.A. ordinary shares outstanding. Therefore the total issued capital of EXOR N.V. was equal to Euro 2,410,000, divided into no. 241,000,000 shares with a nominal value of Euro 0.01.
There were no differences between the date of the Merger and December 31, 2016.

EXOR N.V. adopts a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period. No special voting shares had been issued at the Merger date and none are outstanding at December 31, 2016.

Reserves

These amount to €6,693,548 thousand and include the effects of the Merger.
At December 31, 2016 the company does not have any legal, statutory or non-distributable reserves.

€ thousand	12.31.2016
Capital reserves	**1,244,857**
Retained earnings	5,502,420
Stock option reserve	19,548
Earnings reserves	**5,521,968**
Fair value reserve	**(47,944)**
Cash-flow hedhe reserve	**(25,333)**
Total reserves	**6,693,548**

Reconciliation of equity and net profit

The reconciliation of equity as per the consolidated financial statements to equity as per the company financial statements is provided below.

€ million	12.31.2016
Equity attributable to owners of the parent in the consolidated financial statements	**10,982**
Difference between the carryng amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	(2,913)
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(1,358)
Other adjustments	7
Equity in the company financial statements	**6,718**

The reconciliation of net profit as per the consolidated financial statements to net loss as per the company financial statements is provided below.

€ million	2016
Net profit attributable to owners of the parent in the consolidated financial statements	**589**
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(1,358)
Profit of EXOR S.p.A. for the period 1/1-10/12/2016	(422)
Dividends received from consolidated companies and companies accounted for by the equity method	904
Adjustments of gains/losses on disposals and impairments and reversals of investments	302
Other adjustments	7
Net profit in the company financial statements	**22**

12. Equity - Treasury stock

After the Merger, EXOR has delivered treasury stocks, as payments for the services rendered by some standby investors in the context of the Merger. At December 31, 2016 EXOR holds the following treasury stock:

		Amount		% of
	No. of shares	Per share (€)	Total (€ thousand)	class
Ordinary shares				
Balance in connection with the Merger	6,631,896	0.01	66.3	2.75
Payment to standby investors	(158,859)	0.01	(1.6)	0.07
Balance at December 31, 2016	**6,473,037**	**0.01**	**64.7**	2.69

13. Long-term incentive plans

Stock Option Plan 2008-2019

The Stock Option Plan EXOR 2008-2019 has 5,862,000 options granted and exercisable corresponding to 1,553,430 EXOR ordinary shares at a price of €19.97 per share. No cost has been recorded in the stock option reserve and in the income statement of the year, since the vesting period ended on May 2016.

Long-term incentive plans

The EXOR S.p.A. shareholders' meeting held on May 29, 2012 approved an incentive plan intended as an instrument for long-term incentive and composed in two parts:

- the first part of the plan, denominated “Long Term Stock Grant”, provides for a total of 400,000 rights to be granted to originally 31 beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System. At December 31, 2016 the beneficiaries are 14 for a total of 116,790 options granted (of which 8,000 options for employees of the Holdings System). The cost recognized in 2016 in the stock option reserve amounts to €24 thousand, including €23 thousand classified as personnel costs and €1 thousand relating to employees of companies in the Holdings System recognized as an increase in the carrying amount of the investment in EXOR S.A.;

- the second part of the plan, denominated "Company Performance Stock Options", provides for a total of 3 million options to be granted to the Chairman and Chief Executive Officer of the company and to other beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System. The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting. The exercise price of the options will be determined on the basis of the arithmetic average of Borsa Italiana's trading prices of EXOR ordinary shares in the month prior to the grant date to the individual beneficiaries.

The composition of the "Company Performance Stock Option" is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR N.V.	450,000	1,625	15
Key employees	537,200	1,905	19
Key employees of companies in the Holdings System	24,000	85	1
Total	**1,011,200**	**3,615**	**35**

The cost referring to the year recorded in the stock option reserve amounts to €35 thousand, including €15 thousand classified as compensation to the Chairman and Chief Executive Officer and €19 thousand as personnel costs. The cost relating to the key employees of companies in the Holdings System (€1 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.

Stock Grant Plan for independent directors

The plan 2015 is directed to independent directors as an alternative to the cash remuneration established by the shareholders' meeting. The plan provides for the free grant of a maximum of 70,000 EXOR shares to all directors that joined the plan subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements.
At December 31, 2016 the options granted are 21,024. The cost of the plan, recognized in the stock option reserve and in the income statements, amounts to €238 thousand and is classified as compensation to the directors.

Stock Option Plan EXOR 2016

The EXOR S.p.A. shareholders' meeting held on May 25, 2016 approved a new incentive plan ("Stock Option Plan EXOR 2016").
The plan has a maximum of 3,500,000 options corresponding to the same number of shares. During 2016 2,902,015 options have been granted, exercisable at a price of €32.38 per share.

The composition of the plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR N.V.	2,013,950	17,959	206
Key employees	398,180	3,551	41
Key employees of companies in the Holdings System	434,935	3,878	45
Employees of supplier companies	54,950	490	5
Total	**2,902,015**	**25,878**	**297**

The cost referring to the year recorded in the stock option reserve amounts to €297 thousand including €206 thousand classified as compensation to the Chairman and Chief Executive Officer, €41 thousand as personnel costs and €5 thousand as service costs. The cost relating to the key employees of companies in the Holdings System (€45 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A and EXOR Investments Limited for €5 thousand and €40 thousand respectively.

All the incentive plans will be serviced exclusively by treasury stock without any new share issues and therefore will not have any dilutive effect.

14. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate	Currency	Nominal amount (€/000)	Equivalent amount (€/000)	Balance at 12/31/2016 (€/000) non-current	current
12/6/2007	6/12/2017	99.554	Annually	Fixed 5.375%	€	440,000	440,000	**0**	**452,956**
10/16/2012	10/16/2019	98.136	Annually	Fixed 4.750%	€	150,000	150,000	**148,722**	**1,503**
11/12/2013	11/12/2020	99.053	Annually	Fixed 3.375%	€	200,000	200,000	**198,799**	**925**
12/03//2015	12/2/2022	99.499	Annually	Fixed 2.125%	€	750,000	750,000	**744,281**	**1,266**
10/8/2014	10/8/2024	100.090	Annually	Fixed 2.500%	€	650,000	650,000	**648,596**	**3,784**
12/7/2012	01/31/2025	97.844	Annually	Fixed 5.250%	€	100,000	100,000	**98,303**	**4,818**
12/22/2015	12/22/2025	100.779	Annually	Fixed 2.875%	€	450,000	450,000	**451,828** (a)	**355**
05/20/2016	05/20/2026	99.650	Annually	Fixed 4.398%	$	170,000	170,000	**160,591**	**788**
5/9/2011	9/5/2031	100.000	Semiannually	Fixed 2.800% (b)	Yen	10,000,000	81,037	**80,812**	**724**
Total								**2,531,932**	**467,119**

a) Originally €250 million; the amount was increased by another €200 million on May 10, 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.

b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.

The 2011-2031 bonds also establish other covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds.

Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at December 31, 2016.

Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

Standard & Poor's rated the bond issues “BBB+”, in line with the current rating of EXOR N.V.’s long-term debt.

EXOR intends to repay the bonds in cash at maturity using available liquid resources. However EXOR may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, EXOR’s financial situation and other factors which could affect such decisions.

15. Provision for tax liability

The provision amounts to €216,949 thousand and represents the best estimate, made on the basis of the information available, of the charge for the Italian exit tax. The amount has been estimated by EXOR S.p.A. based on the income taxes of the last period for EXOR S.p.A. as an Italian tax resident company (January 1, 2016 – December 10, 2016) and on the other net gain resulted from the net assets deemed to be realized at the fair market value under Italian tax law. The final amount of the Italian exit tax will be defined within the end of the first half in the context of the preparation of the tax return.

In accordance with the Decree of the Ministry of Economics and Finance dated July 2, 2014 (“Exit Tax Decree”) and the Disposition of The Director of the Revenues Agency dated July 10, 2014 - Protocol 92134/2014, EXOR may opt for the suspension of the payment of Italian exit tax.

Under the provisions of Article 1 paragraph 6 of the Exit Tax Decree, the Italian exit tax which is suspended becomes payable on the occurrence of certain circumstances (i.e. distribution of the profits or reserves by the investee companies), considering that the completion of a period of ten years from the close of the final period subject to Italian taxation is considered a realizing event.

As established in Article 20 of Legislative Decree 241 dated July 9, 1997 interest is payable on the exit tax amounts suspended (currently at the rate of 4% p.a.). As an alternative to the suspension of payment of the exit tax, EXOR may request to pay the tax in up to 6 annual instalments, interest being payable on the instalments at the same annual rate, currently 4%.

16. Bank debt

At the end of 2016 bank debt amounts to €79,291 thousand and consist of secure short-term credit lines drawn, of which €47,434 in foreign currency ($50,000 thousand).
At December 31, 2016, the company has credit lines in Euro for €948 million, of which €558 million is revocable and €390 million is irrevocable. The expiration dates of such irrevocable credit lines are €40 million within 1 year and €350 million from 2 to 5 years.
The company also has credit lines in foreign currency for a total of $90 million (€85 million) due after December 31, 2017, drawn down for $50 million (€47 million).

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.
In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €250 million.

EXOR N.V. provided a guarantee to the subsidiary EXOR Nederland N.V. for an irrevocable credit line in foreign currency for a residual amount of $550 million for the purchase of PartnerRe. This line provides for covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants would imply the immediate revocation of the line in question by the lending banks.

17. Other financial liabilities

These amount to €28,460 thousand; €27,595 thousand refer to the fair value of cross currency swap related to the bond in Yen and €381 thousand to fees and commission on undrawn credit lines.

18. Trade payables to third parties

These amount to €8,470 thousand and refer to trade payables to suppliers due within one year.

19. Tax payables

These total €3,490 thousand and mainly refer to Italian VAT (€3,061 thousand).

20. Other payables – current and non-current

	12/31/2016	
€ thousand	Non-current	Current
Payable to INPS for Solidarity Fund under M.D. 158 of 4/28/2000	**396**	**169**
Payable to employees		**1,228**
Social security contributions payable		**45**
Others		**101**
Total other payables	**396**	**1,543**

Under Ministerial Decree 158 of April 28, 2000, a "Solidarity Fund to support earnings, employment, reconversion and professional requalification of Italian employees in the credit sector" was set up at INPS which enjoys separate financial and asset management.
The Fund, in exceptional situations, pays benefits to support earnings at the request of the employer until the right is accrued for a retirement or old age pension within a period of 60 months from the date of cessation of the employment relationship.
The above liabilities, recorded by EXOR S.p.A. and transferred in the context of the Merger (in total €565 thousand) represent the special contribution that EXOR will have to pay to cover the extraordinary benefits payable to former employees, including the related contribution.

21. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs of the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.
Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2016:

€ thousand	Note	Level 1	Level 2	Level 3	**Total**
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	7			416,921	416,921
Current assets					0
Financial assets held for trading		4,251		97	4,348
Other financial assets					0
Total assets		**4,251**	**0**	**417,018**	**421,269**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	17		27,595		27,595
Total liabilities		**0**	**27,595**	**0**	**27,595**

In 2016, there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets available-for-sale and held for trading, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds, and valuation models widely accepted; the valuation technique generally accepted is discounted cash-flow, considering counterparty credit risk.

The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account EXOR’s credit quality.

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.
For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		12/31/2016	
€ thousand	Note	Carrying amount	Fair value
Financial assets			
Held-to-maturity investments	8	26,014	26,156
Other financial assets		991	991
Total assets		**27,005**	**27,147**
Financial liabilities			
Non-convertible bonds	14	2,999,051	3,170,930
Other financial liabilities	17	865	865
Total liabilities		**2,999,916**	**3,171,795**

Held-to-maturity investments are represented by bonds issued by leading counterparties, are quoted on active markets and therefore their fair value is categorized in Level 1.

Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at December 31, 2016 equal to €81,037 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured by using a discounted cash flow model.

22. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which EXOR N.V. is exposed at December 31, 2016 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality. At December 31, 2016 there are no financial assets past due and not written down.

Liquidity risk

Outgoing cash-flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used. In this sense, EXOR N.V. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk

EXOR N.V. is principally exposed to currency, interest rate and price risks.

Currency risk

A portion of available-for-sale financial assets (€56,000 thousand), financial assets held for trading (€97 thousand) and cash and cash equivalents (€26 thousand) at December 31, 2016 are denominated in currencies other than Euro. All securities are adjusted to year-end exchange rates, while the currency adjustments related financial assets available-for-sale and held for trading are included in the fair value alignments.

The currency risk related to the liabilities to which EXOR is exposed regards the note issued in 2011 for Japanese yen 10 billion (€83 million) which carries a fixed rate in yen of 2.80% and a term of 20 years, the note in US dollars issued in 2016 for $170 million (€161 million) which carries a fixed rate of 4.398% and a term of 10 years and the bank debt for $50 million (€47 million).

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face amount of the bonds in Euro for the entire term of the notes.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.1% and 6.012% for the current year. At December 31, 2016 there is bank debt exposed to interest rate risk for €47 million, that is, financial liabilities at variable rates. Considering the amount, a sensitivity analysis is not significant.

Price risk

EXOR is exposed to price risk originating from investments in the capital of other companies that are held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost
- available-for-sale financial assets
- financial assets held for trading

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets and financial assets held for trading had been 5% higher or lower, the available-for-sale securities reserve would be €20,560 thousand higher or lower and the amount recognized in the income statement relating to securities held for trading would be €212 thousand higher or lower.

23. Related party transactions

With regard to the year 2016, the transactions between EXOR N.V. and the related parties identified in accordance with IAS 24 have been carried out in compliance with applicable laws, on the basis of the principle of reciprocal economic gain. The cross-border merger of EXOR S.p.A. with and into EXOR N.V., as described above, is a related parties transactions.

Related parties transactions include the following payables and receivables:

a) Financial payables related to a loan granted by EXOR S.A. for €30 million bearing interest at 0.25% (4.82% incidence of total current liabilities).

b) Trade receivables (€0.5 million, 0.43% incidence of total current assets) related to corporate services, the recharge of expenses and compensation for members of corporate boards.

c) Trade and other payables (€5 million, 0.81% of total current liabilities) related to corporate services, the recharge of expenses and compensation to the Chairman and Chief Executive Officer.

The economic effects of related parties transactions are as follow:

a) Dividend received from EXOR S.A. for €30 million.

b) Interest income on the FCA mandatory convertible securities amounts to €744 thousand.

c) Services received from subsidiaries amount to €122 thousand.

d) Board members and Chairman and Chief Executive Officer compensation for €47 thousand and €276 respectively.

24. Earnings per share

Earnings per share information is provided in Note 12 to the consolidated financial statements.

25. Audit fees

Audit fees information is provided in Note 40 to the consolidated financial statements.

26. Remuneration

Information on board of directors compensation is included in the Corporate Governance and Remuneration of Directors sections of the Annual Report.

27. Commitments and contingencies

As disclosed in Note 16 above, EXOR N.V. provided a guarantee to the subsidiary EXOR Nederland N.V. for an irrevocable credit line in foreign currency for a residual amount of $550 million (completely draw down at December 31, 2016) for the purchase of PartnerRe.

28. Subsequent events

The company has evaluated subsequent events through April 5, 2017, which is the date on which the financial statements at December 31, 2016 were authorized for issue.

On April 5, 2017, the Board of Directors approved a distribution to the holders of common shares of €0.35 per common share, corresponding to a total distribution to shareholders of approximately €82,086 thousand. The distribution will be made from the annual profit for (€21,691 thousand) and from the retained earnings reserve, which is a distributable reserve under Dutch law, for €60,395 thousand. The distribution remains subject to the adoption of the company's 2016 annual accounts at the annual general meeting of shareholders to be held on May 30, 2017.

April 5, 2017

The Board of Directors:

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Anne Marianne Fentener van Vlissingen

Jae Yong Lee (*Not in a position to sign*)

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

EXOR N.V. – OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

The report of the Company's independent auditor, Ernst & Young Accountants LLP, the Netherlands, is set forth at the end of this Annual Report.

DIVIDEND

Dividends will be determined in accordance with the articles 28 and 29 of the Articles of Association of EXOR N.V. The relevant provisions of the Articles of Association read as follows:

1. The Board may decide that the profits realized during a financial year are fully or partially appropriated to increase and/or form reserves.
2. Out of the profits remaining after application of Article 28.1, with respect to the financial year concerned, primarily and insofar as possible, a dividend is paid in the amount of one per cent (1%) of the amount actually paid on the Special Voting Shares in accordance with Article 13.5. These dividend payments will be made only in respect of Special Voting Shares for which such actual payments have been made. Actual payments made during the financial year to which the dividend relates, will not be counted. No further distribution will be made on the Special Voting Shares. If, in a financial year, no profit is made or the profits are insufficient to allow the distribution provided for in the preceding sentences, the deficit will be not paid at the expense of the profits earned in following financial years.
3. The profits remaining after application of Articles 28.1 and 28.2 will be put at the disposal of the General Meeting for the benefit of the holders of Ordinary Shares. The Board will make a proposal for that purpose. A proposal to pay a dividend to holders of Ordinary Shares will be dealt with as a separate agenda item at the General Meeting of Shareholders.
4. Distributions from the Company's distributable reserves are made pursuant to a resolution of the Board and will not require a resolution from the General Meeting.
5. Provided it appears from an unaudited interim statement of assets signed by the Board that the requirement mentioned in Article 28.10 concerning the position of the Company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.
6. The Board may decide that a distribution on Ordinary Shares will not take place as a cash payment but as a payment in Ordinary Shares, or decide that holders of Ordinary Shares will have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, out of the profit and/or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Article 6.2. The Board shall determine the conditions applicable to the aforementioned choices.
7. The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.
8. No payments will be made on treasury Shares and treasury Shares shall not be counted when calculating allocation and entitlements to distributions.
9. All distributions may be made in United States Dollars.
10. Distributions may be made only insofar as the Company's equity exceeds the amount of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.
11. Dividends and other distributions will be made payable pursuant to a resolution of the Board within four weeks after adoption, unless the Board sets another date for payment. Different payment release dates may be set for the Ordinary Shares and the Special Voting Shares.
12. A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed after the day of payment

SUBSEQUENT EVENTS

Please refere to Note 41 of the consolidated financial statements and to Note 28 of the company financial statements included in this Annual report.

List of EXOR Group Companies
at December 31, 2016

The list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – Operating Segment, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Parent company							
EXOR N.V.	Netherlands	241,000,000.00	EUR				
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	18,373,838.87	EUR	27.29	EXOR N.V.	39.940	
					Fiat Chrysler Automobiles N.V.	1.736	
					CNH Industrial N.V.	3.455	(*)
EXOR Capital DAC	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR INVESTMENTS LTD.	Great Britain	747,000.00	GBP	100.00	EXOR N.V.	100.000	
EXOR NEDERLAND N.V.	Netherlands	166,611,300.00	EUR	100.00	EXOR S.A.	6.024	
					EXOR N.V.	93.976	
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR N.V.	100.000	
Ferrari N.V.	Netherlands	2,504,211.17	EUR	23.52	EXOR N.V.	32.751	
					Ferrari N.V.	1.998	(*)
Fiat Chrysler Automobiles N.V.	Netherlands	19,369,074.86	EUR	29.41	EXOR N.V.	42.605	
					Fiat Chrysler Automobiles N.V.	1.699	(*)
PartnerRe Ltd.	Bermuda	1.00	USD	100.00	EXOR Nederland N.V.	100.000	(a)
Leasure and Other							
Juventus Football Club S.p.A.	Italy	8,182,133.28	EUR	63.77	EXOR N.V.	63.766	
Real Estate							
EXOR S.N. (USA), LLC.	U.S.A.	10.00	USD	100.00	EXOR S.A.	100.000	

(*) Voting suspended

(a) Of common shares

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Mass-Market Vehicles							
NAFTA							
AUTO TRANSPORT SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
Autodie LLC	U.S.A.	10,000,000	USD	100.00	FCA US LLC	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0	EUR	100.00	FCA INVESTMENT HOLDINGS LLC	99.990	
					FCA MINORITY LLC	0.010	
CPK Interior Products Inc.	Canada	1,000	CAD	100.00	FCA Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA AUBURN HILLS OWNER LLC	U.S.A.	100	USD	100.00	FCA REALTY LLC	100.000	
FCA Canada Cash Services Inc.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA Canada Inc.	Canada	0	CAD	100.00	FCA ONTARIO HOLDINGS Limited	100.000	
FCA Caribbean LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DEALER CAPITAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERNATIONAL OPERATIONS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERNATIONAL SERVICES LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INVESTMENT HOLDINGS LLC	U.S.A.	173,350,999	USD	100.00	FCA US LLC	100.000	
FCA Mexico, S.A. de C.V.	Mexico	238,621,186	MXN	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.997	
					FCA MINORITY LLC	0.003	
FCA MID LLC	U.S.A.	2,700,000	USD	100.00	FCA US LLC	100.000	
FCA MINORITY LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA ONTARIO HOLDINGS Limited	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA REAL ESTATE SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA REALTY LLC	U.S.A.	168,769,528	USD	100.00	FCA US LLC	100.000	
FCA Service Contracts LLC	U.S.A.	100,000,000	USD	100.00	FCA US LLC	100.000	
FCA TRANSPORT LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA US Insurance Company	U.S.A.	60,000	USD	100.00	FCA North America Holdings LLC	100.000	
FCA US LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
Operadora G.C. S.A. de C.V.	Mexico	99,999	MXN	100.00	FCA Mexico, S.A. de C.V.	99.999	
					FCA MINORITY LLC	0.001	
LATAM							
Banco Fidis S.A.	Brazil	509,021,104	BRL	100.00	Fidis S.p.A.	75.000	
					FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	25.000	
CG Venezuela UK Holdings Limited	United Kingdom	100	GBP	100.00	CG EU NSC LIMITED	100.000	
CMA Componentes e Modulos Automotivos Industria e Comercio Automotivos Ltda	Brazil	1,000	BRL	100.00	CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	99.900	
					FCA Fiat Chrysler Participacoes Brasil Limitada	0.100	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	77,021,334	BRL	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
FCA AUTOMOBILES ARGENTINA S.A.	Argentina	476,464,366	ARS	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
FCA Chile Importadora Ltda	Chile	41,800,000	CLP	100.00	FCA US LLC	99.990	
					FCA MINORITY LLC	0.010	
FCA Compania Financiera S.A.	Argentina	487,580,283	ARS	100.00	Fidis S.p.A.	100.000	
FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	Brazil	13,544,131,287	BRL	100.00	FCA Fiat Chrysler Participacoes Brasil Limitada	73.125	
					FCA Italy S.p.A.	26.875	
FCA IMPORTADORA S.R.L.	Argentina	29,335,170	ARS	100.00	FCA AUTOMOBILES ARGENTINA S.A.	98.000	
					FCA Argentina S.A.	2.000	
FCA S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	FCA AUTOMOBILES ARGENTINA S.A.	100.000	
FCA Venezuela LLC	U.S.A.	132,474,694	USD	100.00	CG Venezuela UK Holdings Limited	100.000	
FPT Powertrain Technologies do Brasil - Industria e Comércio de Motores Ltda	Brazil	197,792,500	BRL	100.00	FCA Fiat Chrysler Participacoes Brasil Limitada	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Mass-Market Vehicles							
APAC							
ALFA ROMEO (SHANGHAI) AUTOMOBILES SALES CO. Ltd.	People's Rep.of China	19,000,000	CNY	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Chrysler Group (China) Sales Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000	EUR	100.00	FCA US LLC	100.000	
FCA (SHANGHAI) AUTO PARTS TRADING CO. LTD.	People's Rep.of China	19,000,000	CNY	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Asia Pacific Investment Co. Ltd.	People's Rep.of China	4,500,000	CNY	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA Australia Pty. Ltd.	Australia	143,629,774	AUD	100.00	FCA US LLC	100.000	
FCA Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FCA Engineering India Private Limited	India	99,990	INR	100.00	Chrysler Netherlands Distribution B.V.	99.990	
					FCA DUTCH OPERATING LLC	0.010	
FCA INDIA AUTOMOBILES Private Limited	India	4,179,900,000	INR	100.00	FCA Italy S.p.A.	100.000	
FCA JAPAN Ltd.	Japan	104,789,875	JPY	100.00	CG EU NSC LIMITED	60.000	
					Fiat Group Automobiles Japan K.K.	40.000	
FCA Korea Limited	South Korea	32,639,200,000	KRW	100.00	FCA US LLC	100.000	
FCA Powertrain Technologies Shanghai R&D Co. Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Fiat Chrysler South East Asia Pte. Ltd.	Singapore	3,010,513	SGD	100.00	FCA US LLC	100.000	
Fiat Group Automobiles Japan K.K.	Japan	100,000,000	JPY	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	FCA Asia Pacific Investment Co. Ltd.	100.000	
EMEA							
Abarth & C. S.p.A.	Italy	1,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000	EUR	100.00	FCA Italy S.p.A.	92.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
					Magneti Marelli S.p.A.	2.000	
					Maserati S.p.A.	2.000	
					Comau S.p.A.	1.000	
					Teksid S.p.A.	1.000	
CF GOMMA DEUTSCHLAND GmbH	Germany	26,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
CG EU NSC LIMITED	United Kingdom	1	GBP	100.00	FCA US LLC	100.000	
CG Italia Operations S.r.l.	Italy	53,022	EUR	100.00	Chrysler Italia S.r.l.	94.300	
					FCA US LLC	5.700	
Chrysler Austria Gesellschaft mbH in liquidation	Austria	4,300,000	EUR	100.00	Chrysler Deutschland GmbH	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Deutschland GmbH	Germany	20,426,200	EUR	100.00	FCA US LLC	100.000	
Chrysler Espana, S.L.	Spain	16,685,690	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler International GmbH	Germany	25,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Italia S.r.l.	Italy	100,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000	EUR	100.00	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler South Africa (Pty) Limited	South Africa	200	ZAR	100.00	FCA Italy S.p.A.	100.000	
Chrysler Switzerland GmbH in liquidation	Switzerland	2,000,000	CHF	100.00	CG EU NSC LIMITED	100.000	
Chrysler UK Limited	United Kingdom	46,582,132	GBP	100.00	CG EU NSC LIMITED	100.000	
Easy Drive S.r.l.	Italy	10,400	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA Center Italia S.p.A.	1.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Car Mass-Market brands							
EMEA							
FCA AUSTRO CAR GmbH	Austria	35,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA Belgium S.A.	Belgium	7,000,000	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FCA Center Italia S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA CENTRAL AND EASTERN EUROPE KFT.	Hungary	150,000,000	HUF	100.00	FCA Italy S.p.A.	100.000	
FCA Customer Services Centre S.r.l.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Denmark A/S	Denmark	55,000,000	DKK	100.00	FCA Italy S.p.A.	100.000	
FCA FINLAND Oy	Finland	50,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Fleet & Tenders S.R.L.	Italy	7,370,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA France	France	96,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA GERMANY AG	Germany	82,650,000	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA SWITZERLAND S.A.	1.000	
FCA GREECE S.A.	Greece	62,783,499	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Group Marketing S.p.A.	Italy	100,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA ITALY HOLDINGS S.p.A.	Italy	1,089,071,587	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Italy S.p.A.	Italy	800,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Melfi S.p.A.	Italy	276,640,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Middle East FZ-LLC	United Arab Emirates	300,000	AED	100.00	FCA INTERNATIONAL OPERATIONS LLC	100.000	
FCA Motor Village Austria GmbH	Austria	37,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA MOTOR VILLAGE BELGIUM S.A.	Belgium	4,000,000	EUR	100.00	FCA Belgium S.A.	99.988	
					FCA Italy S.p.A.	0.012	
FCA MOTOR VILLAGE FRANCE S.A.	France	2,977,680	EUR	100.00	FCA France	99.997	
FCA MOTOR VILLAGE GERMANY GmbH	Germany	8,700,000	EUR	100.00	FCA GERMANY AG	100.000	
FCA MOTOR VILLAGE PORTUGAL S.A.	Portugal	50,000	EUR	100.00	FCA PORTUGAL, S.A.	100.000	
FCA MOTOR VILLAGE SPAIN, S.L.	Spain	1,454,420	EUR	100.00	Fiat Chrysler Automobiles Spain S.A.	100.000	
FCA MOTOR VILLAGE SWITZERLAND S.A.	Switzerland	13,000,000	CHF	100.00	FCA SWITZERLAND S.A.	100.000	
FCA Netherlands B.V.	Netherlands	5,672,250	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA NORWAY AS	Norway	103,200	NOK	100.00	FCA Italy S.p.A.	100.000	
FCA POLAND Spólka Akcyjna	Poland	660,334,600	PLN	100.00	FCA Italy S.p.A.	100.000	
FCA PORTUGAL, S.A.	Portugal	1,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA POWERTRAIN POLAND Sp. z o.o.	Poland	269,037,000	PLN	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA Real Estate Germany GmbH	Germany	25,000	EUR	100.00	FCA MOTOR VILLAGE GERMANY GmbH	100.000	
FCA REAL ESTATE SERVICES FRANCE SAS	France	37,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
FCA Real Estate Services S.p.A.	Italy	150,679,554	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Russia AO	Russia	574,665,000	RUB	100.00	FCA US LLC	99.999	
					FCA MINORITY LLC	0.001	
FCA SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314	RSD	66.67	FCA Italy S.p.A.	66.670	
FCA SWEDEN AB	Sweden	10,000,000	SEK	100.00	FCA Italy S.p.A.	100.000	
FCA SWITZERLAND S.A.	Switzerland	21,400,000	CHF	100.00	FCA Italy S.p.A.	100.000	
FCA VERSICHERUNGSSERVICE GmbH	Germany	26,000	EUR	100.00	FCA GERMANY AG	51.000	
					Fiat Chrysler Rimaco SA	49.000	
Fiat Chrysler Automobiles (FCA) Egypt Limited	Egypt	240,000	EGP	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
Fiat Chrysler Automobiles Ireland Ltd.	Ireland	5,078,952	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Chrysler Automobiles Morocco S.A.	Morocco	1,000,000	MAD	99.95	FCA Italy S.p.A.	99.950	
Fiat Chrysler Automobiles Spain S.A.	Spain	8,079,280	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FIAT CHRYSLER AUTOMOBILES UK Ltd	United Kingdom	44,600,000	GBP	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER MOTOR VILLAGE Ltd.	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	100.00	FCA Italy S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 38 S.p.A.	Italy	1,000,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
SBH EXTRUSION REAL ESTATE S.r.l.	Italy	110,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000	EUR	100.00	FCA Italy S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Mass-Market Vehicles							
Luxury Vehicles							
Maserati							
Maserati S.p.A.	Italy	40,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Maserati (China) Cars Trading Co., Ltd.	People's Rep.of China	10,000,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Canada Inc.	Canada	0	CAD	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Tridente Real Estate S.r.l.	Italy	11,570,000	EUR	100.00	Maserati S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
Magneti Marelli S.p.A.	Italy	254,325,965	EUR	99.99	Fiat Chrysler Automobiles N.V.	99.990	100.000
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	88.11	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	
Automotive Lighting Brotterode GmbH	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Automotive Lighting o.o.o.	Russia	1,086,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000	MXN	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Changchun Magneti Marelli Automotive Lighting System Co. Ltd.	People's Rep.of China	190,000,000	CNY	59.99	Automotive Lighting Reutlingen GmbH	60.000	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep.of China	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
FMM Pernambuco Componentes Automotivos Ltda	Brazil	209,180,100	BRL	64.99	Plastic Components and Modules Automotive S.p.A.	65.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep.of China	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli (China) Co. Ltd.	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	2,403,775	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Cluj S.r.l.	Romania	2,260,000	RON	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep.of China	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Components and Production Systems							
Magneti Marelli							
Magneti Marelli Automotive Components (Guangzhou) Co.,Ltd.	People's Rep.of China	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep.of China	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	307,411,633	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Comandos Mecanicos Industria e Comercio Ltda	Brazil	1,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	99.900	
					FCA Fiat Chrysler Participacoes Brasil Limitada	0.100	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	9,999,971	ARS	99.99	Magneti Marelli S.p.A.	96.260	
					Magneti Marelli Argentina S.A.	3.740	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio Ltda	Brazil	100,000	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	150,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep.of China	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	360,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Turkey	50,005	TRY	99.94	Automotive Lighting Reutlingen GmbH	99.842	
					PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas Ltda	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Powertrain India Private Limited	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.033	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovack Republic	12,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	87.99	Sistemi Sospensioni S.p.A.	88.000	
Magneti Marelli Repuestos S.A.	Argentina	75,262,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	81.943	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	18.057	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	768,694,874	BRL	99.99	Magneti Marelli S.p.A.	72.808	
					Automotive Lighting Reutlingen GmbH	27.192	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovack Republic	103,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	7,550,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspansiyon Sistemleri Limited Sirketi	Turkey	520,000	TRY	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Toluca Mexico S. de R.L. de CV.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	0.033	
Magneti Marelli Um Electronic Systems Private Limited	India	420,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
MM I&T Sas	France	607,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Components and Production Systems							
Magneti Marelli							
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	50,926,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
PSMM Pernambuco Componentes Automotivos Ltda	Brazil	75,200,160	BRL	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Sistemi Sospensioni S.p.A.	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Soffiaggio Polimeri S.r.l.	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000	MXN	100.00	Automotive Lighting LLC	99.998	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.002	
Ufima S.A.S.	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
					FCA Partecipazioni S.p.A.	34.980	
Teksid							
Teksid S.p.A.	Italy	71,403,261	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Compania Industrial Frontera S.A. de C.V.	Mexico	11,376,600	MXN	100.00	Teksid Hierro de Mexico S.A. de C.V.	99.999	
					Teksid Inc.	0.001	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550	EUR	83.61	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Teksid do Brasil Ltda	Brazil	664,696,013	BRL	100.00	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	297,167,800	MXN	100.00	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	100.00	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	115,678,500	PLN	100.00	Teksid S.p.A.	100.000	
Comau							
Comau S.p.A.	Italy	48,013,959	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep.of China	8,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000	ARS	100.00	Comau S.p.A.	97.000	
					FCA Argentina S.A.	3.000	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100	CAD	100.00	Comau LLC	100.000	
Comau Deutschland GmbH	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau LLC	U.S.A.	100	USD	100.00	FCA North America Holdings LLC	100.000	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romania	23,673,270	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Other Activities:Holding companies and Other companies							
Deposito Avogadro S.p.A.	Italy	5,100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Argentina S.A.	Argentina	5,292,117	ARS	100.00	FCA Services S.p.A.	90.961	
					FCA Fiat Chrysler Participacoes Brasil Limitada	9.029	
					Fiat Chrysler Rimaco Argentina S.A.	0.009	
					FCA AUTOMOBILES ARGENTINA S.A.	0.001	
FCA Fiat Chrysler Participacoes Brasil Limitada	Brazil	10,024,292,755	BRL	100.00	Fiat Chrysler Automobiles N.V.	49.879	
					FCA Italy S.p.A.	49.692	
					FCA Real Estate Services S.p.A.	0.429	
FCA Group Purchasing France S.a.r.l.	France	7,700	EUR	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing S.r.l.	Italy	600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Information Technology, Excellence and Methods S.p.A.	Italy	500,000	EUR	100.00	FCA Services S.p.A.	99.000	
					FCA Italy S.p.A.	1.000	
FCA North America Holdings LLC	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Partecipazioni S.p.A.	Italy	50,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Services Belgium N.V.	Belgium	62,000	EUR	100.00	FCA Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
FCA Services d.o.o. Kragujevac	Serbia	15,047,880	RSD	100.00	FCA Services S.p.A.	100.000	
FCA Services Germany GmbH	Germany	200,000	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Hispano-Lusa S.A.	Spain	2,797,054	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	FCA Services S.p.A.	100.000	
FCA Services S.p.A.	Italy	3,600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Services Support Mexico S.A. de C.V.	Mexico	100	MXN	100.00	FCA Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
FCA Services U.S.A., Inc.	U.S.A.	500,000	USD	100.00	FCA Services S.p.A.	100.000	
FCA Servizi per l'Industria S.c.p.A.	Italy	1,652,669	EUR	88.92	FCA Italy S.p.A.	51.000	
					FCA Partecipazioni S.p.A.	11.500	
					Fiat Chrysler Automobiles N.V.	5.000	
					Teksid S.p.A.	2.000	
					Abarth & C. S.p.A.	1.500	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					FCA Group Marketing S.p.A.	1.500	
					FCA Information Technology, Excellence and Methods S.p.A.	1.500	
					FCA Services S.p.A.	1.500	
					Fiat Chrysler Finance S.p.A.	1.500	
					Fidis S.p.A.	1.500	
					Italiana Editrice S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
					Maserati S.p.A.	1.500	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	1.500	
					SIRIO - Sicurezza Industriale Società consortile per azioni	1.500	
					Deposito Avogadro S.p.A.	0.500	
Fiat Chrysler Automobiles Services UK Limited	United Kingdom	18,750,000	GBP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Financas Brasil Ltda.	Brazil	2,469,701	BRL	100.00	Fiat Chrysler Finance S.p.A.	99.994	
					FCA Fiat Chrysler Participacoes Brasil Limitada	0.006	
Fiat Chrysler Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance et Services S.A.	France	3,700,000	EUR	100.00	FCA Services S.p.A.	99.997	
Fiat Chrysler Finance Europe S.A.	Luxembourg	251,494,000	EUR	100.00	Fiat Chrysler Finance S.p.A.	60.003	
					Fiat Chrysler Automobiles N.V.	39.997	
Fiat Chrysler Finance North America Inc.	U.S.A.	190,090,010	USD	100.00	Fiat Chrysler Finance Europe S.A.	100.000	
Fiat Chrysler Finance S.p.A.	Italy	224,440,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco SA	Switzerland	350,000	CHF	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Risk Management S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler UK LLP	United Kingdom	7,800,250,001	USD	100.00	Fiat Chrysler Automobiles N.V.	99.997	
					Maserati North America Inc.	0.003	
Fiat U.S.A. Inc.	U.S.A.	16,830,000	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Italiana Editrice S.p.A. (*)	Italy	7,500,000	EUR	77.00	Fiat Chrysler Automobiles N.V.	77.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Fiat Chrysler Rimaco SA	100.000	
New Business 30 S.r.l.	Italy	100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Nexta Srl (*)	Italy	50,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	
Publikompass S.p.A. (*)	Italy	3,068,000	EUR	77.00	Italiana Editrice S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Other Activities:Holding companies and Other companies							
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000	EUR	100.00	FCA Services S.p.A.	100.000	
SIRIO - Sicurezza Industriale Società consortile per azioni	Italy	120,000	EUR	86.71	FCA Partecipazioni S.p.A.	58.978	
					FCA Italy S.p.A.	16.600	
					Magneti Marelli S.p.A.	1.841	
					FCA ITALY HOLDINGS S.p.A.	1.314	
					FCA Melfi S.r.l.	0.833	
					C.R.F. Società Consortile per Azioni	0.768	
					Fiat Chrysler Automobiles N.V.	0.751	
					Comau S.p.A.	0.729	
					Teksid S.p.A.	0.664	
					FCA Services S.p.A.	0.593	
					Sistemi Sospensioni S.p.A.	0.551	
					Teksid Aluminum S.r.l.	0.540	
					FCA Servizi per l'Industria S.c.p.A.	0.481	
					Fiat Chrysler Finance S.p.A.	0.406	
					Fidis S.p.A.	0.325	
					Italiana Editrice S.p.A.	0.273	
					Automotive Lighting Italia S.p.A.	0.255	
					FCA Group Marketing S.p.A.	0.103	
					FCA Group Purchasing S.r.l.	0.103	
					FCA Real Estate Services S.p.A.	0.103	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.103	
					Plastic Components and Modules Automotive S.p.A.	0.087	
					FCA Center Italia S.p.A.	0.045	
					Abarth & C. S.p.A.	0.039	
					Fiat Chrysler Risk Management S.p.A.	0.039	
					Maserati S.p.A.	0.039	
					Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azioni	0.039	
					Sisport S.p.A. - Società sportiva dilettantistica	0.039	
					Magneti Marelli After Market Parts and Services S.p.A.	0.037	
					Deposito Avogadro S.p.A.	0.022	
					Easy Drive S.r.l.	0.022	
					FCA Customer Services Centre S.r.l.	0.022	
					FCA Fleet & Tenders S.R.L.	0.022	
					FCA Information Technology, Excellence and Methods S.p.A.	0.022	
					i-FAST Automotive Logistics S.r.l.	0.020	
					i-FAST Container Logistics S.p.A.	0.020	
Sisport S.p.A. - Società sportiva dilettantistica	Italy	889,049	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	

Joint arrangements of FCA Group (percentage of EXOR Group consolidation: 29.41%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINT ARRANGEMENTS							
Mass-Market Vehicles							
APAC							
Fiat India Automobiles Private Limited	India	24,451,596,600	INR	50.00	FCA Italy S.p.A.	50.000	
EMEA							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000	EUR	50.00	FCA Italy S.p.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.29%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
2 H Energy S.A.S.	France	2,000,000	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Afin Bohemia s.r.o.	Czech Republic	1,000,000	CZK	100.00	CNH Industrial Capital Limited	100.000	
Afin Bulgaria EAD	Bulgaria	310,110	BGN	100.00	CNH Industrial Capital Limited	100.000	
Afin Slovakia S.R.O.	Slovack Republic	39,833	EUR	99.96	CNH Industrial Capital Limited	98.120	
					Iveco Slovakia, s.r.o.	1.880	
Afin Trade Bulgaria Eood	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	100,000,000	ETB	70.00	CNH Industrial N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Banco CNH Industrial Capital S.A.	Brazil	891,582,770	BRL	100.00	CNH Industrial N.V.	99.329	
					CNH Industrial Latin America Ltda.	0.671	
BLI Group, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Blue Leaf I.P. , Inc.	U.S.A.	1,000	USD	100.00	BLI Group, Inc.	100.000	
Blue Leaf Insurance Company	U.S.A.	250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Brazil Holdings, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	14,000,000	USD	100.00	CNH Industrial N.V.	100.000	
Case Credit Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment International Corporation	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Europe S.a.r.l.	France	7,622	EUR	100.00	CNH Industrial America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211	EUR	100.00	CNH Industrial America LLC	100.000	
CASE ILE DE FRANCE	France	600,000	EUR	100.00	CNH Industrial France	100.000	
Case India Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000	INR	100.00	CNH Industrial (India) Private Limited	50.000	
					CNH Industrial America LLC	50.000	
Case New Holland Industrial Inc.	U.S.A.	5	USD	100.00	CNH Industrial N.V.	100.000	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case United Kingdom Limited	United Kingdom	3,763,618	GBP	100.00	CNH Industrial America LLC	100.000	
CNH (China) Management Co., Ltd.	People's Rep.of China	12,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep.of China	7,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Capital Finance LLC	U.S.A.	5,000	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842	MXN	100.00	CNH Industrial America LLC	100.000	
CNH Industrial (India) Private Limited	India	12,416,900,200	INR	100.00	CNH Industrial Asian Holding Limited N.V.	100.000	
CNH Industrial America LLC	U.S.A.	0	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Argentina S.A.	Argentina	366,492,805	ARS	100.00	CNH Industrial Latin America Ltda.	93.292	
					New Holland Holding (Argentina) S.A.	6.708	
CNH Industrial Asian Holding Limited N.V.	Belgium	25,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Australia Pty Limited	Australia	293,408,692	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	456,081,158	EUR	100.00	CNH Industrial Europe Holding S.A.	88.828	
					New Holland Holding Limited	11.172	
CNH Industrial BM GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Canada, Ltd.	Canada	28,000,100	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital (Shanghai) Commercial Factoring Co. Ltd.	People's Rep.of China	10,000,000	USD	100.00	CNH Industrial Capital Australia Pty Limited	100.000	
CNH Industrial Capital America LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital LLC	100.000	
CNH INDUSTRIAL CAPITAL ARGENTINA S.A.	Argentina	454,782,818	ARS	100.00	CNH Industrial N.V.	66.120	
					CNH Industrial Argentina S.A.	16.940	
					Iveco Argentina S.A.	16.940	
CNH Industrial Capital Australia Pty Limited	Australia	70,675,693	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
CNH Industrial Capital Canada Ltd.	Canada	5,435,350	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Industrial Capital Corretora de Seguros Ltda.	Brazil	100,000	BRL	100.00	Banco CNH Industrial Capital S.A.	99.990	
					CNH Industrial Latin America Ltda.	0.010	
CNH Industrial Capital Limited	United Kingdom	26,001,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital LLC	U.S.A.	0	USD	100.00	CNH Industrial America LLC	100.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.29%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
CNH Industrial Capital Solutions S.p.A.	Italy	213,000,000	EUR	100.00	CNH Industrial N.V.	50.100	
					CNH Industrial Capital Limited	49.900	
CNH Industrial Danmark A/S	Denmark	12,000,000	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
					CNH Industrial Europe Holding S.A.	10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000	EUR	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance France S.A.	France	1,000,000	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America Inc.	U.S.A.	25,000,000	USD	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services GmbH	Germany	1,151,000	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Financial Services S.A.	France	105,860,635	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial France	France	52,965,450	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Korea LLC	South Korea	3,500,000,000	KRW	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Latin America Ltda.	Brazil	2,146,078,578	BRL	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Machinery (Harbin) Co. Ltd.	People's Rep.of China	31,000,000	USD	100.00	CNH Industrial Asian Holding Limited N.V.	99.923	
					CNH Industrial Europe Holding S.A.	0.077	
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000	EUR	100.00	Iveco Espana S.L.	100.000	
CNH Industrial OLDCO Capital Limited	United Kingdom	2,480	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Osterreich GmbH	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798	EUR	100.00	CNH Industrial Europe Holding S.A.	99.980	
					CNH Industrial Italia s.p.a.	0.020	
CNH Industrial Russia LLC	Russia	608,754,200	RUR	100.00	Iveco Nederland B.V.	100.000	
CNH Industrial Sales and services GmbH	Germany	25,000	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
CNH Industrial Services (Thailand) Limited	Thailand	10,000,000	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH Industrial Services S.r.l.	Italy	10,400	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Industrial Sweden AB	Sweden	50,000	SEK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial U.S. Holdings Inc.	U.S.A.	1	USD	100.00	CNH Industrial N.V.	100.000	
CNH Reman LLC	U.S.A.	4,000,000	USD	50.00	CNH Industrial America LLC	50.000	
CNH U.K. Limited	United Kingdom	25,275	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNHI COMERCIO DE PEÇAS LTDA	Brazil	113,471,078	BRL	100.00	CNH Industrial Latin America Ltda.	100.000	
CNHI International S.A.	Switzerland	100,000	CHF	100.00	CNH Industrial N.V.	100.000	
Croxton Sp. z o.o.	Poland	5,000	PLN	100.00	CNH Industrial Polska Sp. z o.o.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Spain	993,045	EUR	100.00	Iveco Espana S.L.	99.996	
					Transolver Service S.A.	0.004	
Farmpower Pty Limited	Australia	360	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiatallis North America LLC	U.S.A.	32	USD	100.00	CNH Industrial America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776	GBP	100.00	CNH Industrial Canada, Ltd.	100.000	
FPT - Powertrain Technologies France S.A.	France	73,444,960	EUR	100.00	Iveco France	97.200	
					CNH Industrial Finance France S.A.	2.800	
FPT Industrial Argentina S.A.	Argentina	141,959,867	ARS	100.00	FPT Industrial S.p.A.	96.977	
					CNHI COMERCIO DE PEÇAS LTDA	3.023	
FPT Industrial S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
Heuliez Bus S.A.	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
HFI Holdings, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Irisbus Italia S.p.A.	Italy	4,500,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	50,000,000	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	24,698,000	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Argentina S.A.	Argentina	631,000,000	ARS	100.00	Iveco Espana S.L.	98.990	
					Astra Veicoli Industriali S.p.A.	1.010	
Iveco Austria GmbH	Austria	6,178,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romania	150,000	RON	100.00	Iveco Capital Leasing IFN S.A.	100.000	
Iveco Capital Leasing IFN S.A.	Romania	22,519,326	RON	100.00	CNH Industrial Capital Limited	100.000	
Iveco Capital Limited	United Kingdom	798	GBP	100.00	CNH Industrial Capital Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000	RUR	100.00	CNH Industrial Capital Limited	100.000	
Iveco Capital SA	Switzerland	14,000,000	CHF	100.00	CNH Industrial Capital Limited	100.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.29%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Defence Vehicles SpA	Italy	25,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Espana S.L.	Spain	132,333,109	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finland OY	Finland	100,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	
Iveco Holdings Limited	United Kingdom	47,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Insurance Vostok LLC	Russia	740,000	RUR	100.00	CNH Industrial Capital Limited	100.000	
Iveco Investitions GmbH	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	503,250	EUR	100.00	Iveco France	100.000	
Iveco Latin America Ltda	Brazil	1,258,618,326	BRL	100.00	CNH Industrial N.V.	89.003	
					CNH Industrial Latin America Ltda.	10.997	
Iveco Limited	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Germany	50,000,000	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Nederland B.V.	Netherlands	21,920,549	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	45,730	EUR	99.77	Iveco France	99.767	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	15,060,046	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Partecipazioni Finanziarie S.r.l. in liquidazione	Italy	2,600,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Participations s.a.s.	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2	GBP	100.00	Iveco Holdings Limited	50.000	
					Iveco Limited	50.000	
Iveco Poland Sp. z o.o.	Poland	46,974,500	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000	EUR	100.00	CNH Industrial N.V.	99.998	
					Astra Veicoli Industriali S.p.A.	0.001	
					Iveco Espana S.L.	0.001	
Iveco Provence s.a.s.	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	6,250,100	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romania	17,500	RON	100.00	Iveco Austria GmbH	100.000	
Iveco S.p.A.	Italy	200,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,000,750	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	1,000	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Sweden	600,000	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romania	2,200,200	RON	100.00	Iveco Romania S.r.l.	95.000	
					Iveco Magyarorszag Kereskedelmi KFT	5.000	
Iveco Trucks Australia Limited	Australia	47,492,260	AUD	100.00	CNH Industrial N.V.	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco Venezuela C.A.	Venezuela	3,985,803	VEF	100.00	CNH Industrial N.V.	62.689	
					Iveco S.p.A.	37.311	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	
MAGIRUS CAMIVA S.a.s. (societè par actions simplifièe)	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Magirus GmbH	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775	EUR	84.43	Magirus GmbH	100.000	
MBA AG	Switzerland	4,000,000	CHF	100.00	CNH Industrial N.V.	100.000	
Mediterranea de Camiones S.L.	Spain	48,080	EUR	100.00	Iveco Espana S.L.	99.875	
					CNH Industrial N.V.	0.125	
New Holland Construction Machinery S.p.A.	Italy	12,396,363	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital LLC	100.000	
New Holland Holding (Argentina) S.A.	Argentina	23,555,415	ARS	100.00	CNH Industrial Latin America Ltda.	100.000	
New Holland Holding Limited	United Kingdom	33,601	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd.	United Kingdom	184,100	GBP	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
Officine Brennero S.p.A.	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000	RUR	100.00	CNH Industrial N.V.	99.960	
					Iveco Austria GmbH	0.040	
Receivables Credit II Corporation	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 27.29%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries consolidated on a line-by-line basis							
S.A. Iveco Belgium N.V.	Belgium	6,000,000	EUR	100.00	CNH Industrial N.V.	99.983	
					Iveco Nederland B.V.	0.017	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000	CNY	60.00	SAIC IVECO Commercial Vehicle Investment Company Limited	60.000	
					FPT Industrial S.p.A.	30.000	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	67,000,000	USD	60.00	CNH Industrial Asian Holding Limited N.V.	60.000	
Société Charolaise de Participations S.A.	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400	EUR	100.00	Iveco France	100.000	
Steyr Center Nord GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
Transolver Service S.A.	Spain	610,000	EUR	100.00	CNH Industrial Capital Limited	99.984	
					Iveco Espana S.L.	0.016	
Transolver Services S.A.S.	France	38,000	EUR	99.80	CNH Industrial Capital Limited	99.800	
UAB Iveco Capital Baltic	Lithuania	40,110	EUR	100.00	CNH Industrial Capital Limited	100.000	
Uzcaseagroleasing LLC	Uzbekistan	5,000,000	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Uzbekistan	15,000,000	USD	60.00	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Uzbekistan	4,117,500	USD	51.00	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Uzbekistan	15,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	

Investments of Ferrari Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 23.52%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Luxury and Performance Brands							
410 Park Display Inc.	Stati Uniti	100	USD	100.00	Ferrari N.America Inc.	100,000	
Ferrari Australasia Pty Limited	Australia	2.000.100	AUD	100.00	Ferrari S.p.A.	100,000	
Ferrari Cars International Trading (Shanghai) Co. Ltd.	Cina (Rep. Popolare)	2.212.500	USD	80.00	Ferrari S.p.A.	80,000	
Ferrari Central / East Europe GmbH	Germania	1.000.000	EUR	100.00	Ferrari S.p.A.	100,000	
Ferrari Far East PTE LTD	Singapore	1.000.000	SGD	100.00	Ferrari S.p.A.	100,000	
Ferrari Financial Services S.p.A.	Italia	5.100.000	EUR	100.00	Ferrari S.p.A.	100,000	
Ferrari Financial Services, Inc.	Stati Uniti	1.000	USD	100.00	Ferrari Financial Services S.p.A.	100,000	
Ferrari Japan KK	Giappone	160.050.000	JPY	100.00	Ferrari S.p.A.	100,000	
Ferrari Management Consulting (Shanghai) CO., LTD	Cina (Rep. Popolare)	2.100.000	USD	100.00	Ferrari S.p.A.	100,000	
Ferrari North America Inc.	Stati Uniti	200.000	USD	100.00	Ferrari S.p.A.	100,000	
Ferrari North Europe Limited (a)	Regno Unito	50.000	GBP	100.00	Ferrari S.p.A.	100,000	
Ferrari S.p.A.	Italia	20.260.000	EUR	100.00	Ferrari N.V.	100,000	
Ferrari South West Europe S.A.R.L.	Francia	172.000	EUR	100.00	Ferrari S.p.A.	100,000	
GSA-Gestions Sportives Automobiles S.A.	Svizzera	1.000.000	CHF	100.00	Ferrari S.p.A.	100,000	
Mugello Circuit S.p.A.	Italia	10.000.000	EUR	100.00	Ferrari S.p.A.	100,000	
Ferrari Auto Securitization Transaction LLC	Stati Uniti	100.00	USD	100.00	Ferrari Financial Services, Inc.	100,000	
Ferrari Auto Securitization Transaction - Lease, LLC	Stati Uniti	100.00	USD	100.00	Ferrari Financial Services, Inc.	0.000	
Ferrari Auto Securitization Transaction - Select, LLC	Stati Uniti	100.00	USD	100.00	Ferrari Financial Services, Inc.	0.000	
Ferrari (HK) Limited	Hong Kong	10,000.00	HKD	100.00	Ferrari S.p.A.	0.000	

(a) In liquidation

Investments of PartnerRe Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Reinsurances							
Partner Reinsurance Company Ltd.	Bermuda	3,000,000.00	USD	100.00	PartnerRe Ltd.	100.000	
Lorenz Re Ltd.	Bermuda	499,999,901.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000 (a)	100.000
Raccoon River Re Ltd	Bermuda	1.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
Partner Reinsurance Life Company of Bermuda Ltd.	Bermuda	250,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Corporate Member Limited	United Kingdom	1.00	GBP	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Corporate Member 2 Limited	United Kingdom	100.00	GBP	100.00	Partner Reinsurance Company Ltd.	100.000	
Mercalli Re Ltd.	Bermuda	10,001.00	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000 (a)	100.000
					Mercalli ILS Master Fund Ltd.	100.000 (b)	0.000
Partner Reinsurance Asia Pte. Ltd.	Singapore	386,000,000.00	SGD	100.00	PartnerRe Ltd.	100.000	
PartnerRe Connecticut Inc.	U.S.A.	1,000.00	USD	100.00	PartnerRe Holdings Europe Limited	100.000	
Partner Reinsurance Europe SE	Ireland	1,000,000,000.00	EUR	100.00	PartnerRe Holdings SA	100.000	
PartnerRe Miami Inc.	U.S.A.	1,000.00	USD	100.00	Partner Reinsurance Europe SE	100.000	
PartnerRe America Insurance Company	U.S.A.	55,000.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
Partner Reinsurance Company of the U.S.	U.S.A.	9,600.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Insurance Company of New York.	U.S.A.	300,000.00	USD	100.00	Partner Reinsurance Company of the U.S.	100.000	
Presidio Reinsurance Group, Inc.	U.S.A.	800,000.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
Presidio Excess Insurance Services Inc.	U.S.A.	10,000.00	USD	100.00	Presidio Reinsurance Group, Inc.	100.000	
Presidio Reinsurance Corporation	U.S.A.	10,000.00	USD	100.00	Presidio Reinsurance Group, Inc.	100.000	
Insurance							
PartnerRe Ireland Insurance dac	Ireland	3,000,000.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	
Holdings and Others							
PartnerRe Services Ltd.	Bermuda	12,000.00	USD	100.00	PartnerRe Ltd.	100.000	
PartnerRe Servicios Compañia Limitada	Chile	70,000,000.00	CLP	100.00	PartnerRe Services Ltd.	1.000	
					Partner Reinsurance Company Ltd.	99.000	
PartnerRe Holdings Europe Limited	Ireland	100,000.00	EUR	100.00	PartnerRe Ltd.	100.000	
PartnerRe Holdings Ireland Limited	Ireland	1,000,000,000.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	
PartnerRe Holdings B.V.	Netherlands	2,000.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	
PartnerRe Holdings SA	France	40,889,248.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	
Partner Reinsurance Europ SE- Escritório de Representação no Brasil Ltda.	Brazil	1,153,600.00	BRL	100.00	PartnerRe Holdings Europe Limited	1.000	
					Partner Reinsurance Europe SE	99.000	
PartnerRe U.S. Corporation	U.S.A.	1,000.00	USD	100.00	PartnerRe Holdings Europe Limited	100.000	
PartnerRe Management Ltd.	United Kingdom	1,000.00	USD	100.00	Presidio Reinsurance Group, Inc.	100.000	

Investments of PartnerRe Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Others Financial							
PPF Holdings I Ltd.	Bermuda	12,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PPF Holdings II Ltd.	Bermuda	12,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PPF Holdings III Ltd.	Bermuda	12,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Capital Investments Corp.	U.S.A.	200.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
LFR Collections LLC	U.S.A.	N/A	USD	100.00	PartnerRe Capital Investments Corp.	100.000	
Almandine I LLC	U.S.A.	N/A	USD	95.00	PartnerRe Capital Investments Corp.	100.000	
Mercalli Investment Holding Company Ltd.	Bermuda	10,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
Mercalli ILS Master Fund Ltd.	Bermuda	10,001.00	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000 (a)	100.000
					Mercalli ILS Bermuda Feeder Fund Ltd.	100.000 (b)	0.000
Mercalli ILS Bermuda Feeder Fund Ltd.	Bermuda	10,001.00	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000 (a)	100.000
					Partner Reinsurance Company Ltd.	100.000 (b)	0.000
PartnerRe Holdings Switzerland GmbH	Switzerland	441,140,000.00	CHF	100.00	PartnerRe Holdings Europe Limited	200.000	100
PartnerRe Financing Ltd	Bermuda	300.00	USD	100.00	PartnerRe Holdings Switzerland GmbH	100.000	
PPF Finance LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
Peninsula Coinvestment II, LLC	U.S.A.	N/A	USD	100.00	PPF Finance LLC	100.000	
PartnerRe Finance A LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance B LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance C LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Asset Management Corporation	U.S.A.	200.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Principal Finance Inc.	U.S.A.	200.00	USD	100.00	PartnerRe Asset Management Corporation	100.000	
Mercalli Investment Management Inc.	U.S.A.	200.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance I Inc.	U.S.A.	100.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance II Inc	U.S.A.	100.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Capital Trust II	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Capital Trust III	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
BRANCH - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Reinsurances							
Partner Reinsurance Company of the U.S. Canada Branch	Canada	N/A	CAD	100.00	Partner Reinsurance Company of the U.S.	100.000	
Partner Reinsurance Europe SE, Succursale Fracaise	France	N/A	EUR	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE, Dublin, Zurich Br	Switzerland	N/A	USD	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE (Dubai Branch)	United Arab Emirates	N/A	AED	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE United Kingdom Branch	United Kingdom	N/A	GBP	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE (Singapore Branch)	Singapore	N/A	USD	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE (Hong Kong Branch)	Hong Kong	N/A	USD	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Asia Pte Ltd. Labuan Branch Insurance	Malaysia	N/A	USD	100.00	Partner Reinsurance Asia Pte. Ltd.	100.000	
PartnerRe Ireland Insurance dac, United Kingdom Branch	United Kingdom	N/A	GBP	100.00	PartnerRe Ireland Insurance Limited	100.000	
Holdings and Others							
PartnerRe Holdings Europe Limited, Dublin, Zurich Branch	Switzerland	N/A	USD	100.00	PartnerRe Holdings Europe Limited	100.000	

(a) of common shares
(b) of preferred shares

Investments of Juventus Football Club consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 63.77%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Others Companies							
J Medical S.r.l.	Italy	59,000.00	EUR	100.00	Juventus Football Club S.p.A.	100.000	

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Publishing and Communications							
The Economist Newspaper Ltd.	Great Britain	1,260,005.00	GBP	43.40	EXOR S.A.	34.722	20.000

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.15%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES -ACCOUNTING FOR USING THE EQUITY METHOD							
Mass-Market Vehicles							
NAFTA							
United States Council for Automotive Research LLC	U.S.A.	100	USD	33.33	FCA US LLC	33.330	
APAC							
GAC FIAT Chrysler Automobiles Co. Ltd.	People's Rep.of China	6,000,000,000	CNY	50.00	Fiat Chrysler Automobiles N.V.	21.667	
					FCA Asia Pacific Investment Co. Ltd.	18.333	
					FCA Italy S.p.A.	10.000	
GAC FIAT CHRYSLER AUTOMOBILES SALES CO. Ltd.	People's Rep.of China	200,000,000	CNY	50.00	GAC FIAT Chrysler Automobiles Co. Ltd.	100.000	
EMEA							
FCA BANK S.p.A.	Italy	700,000,000	EUR	50.00	FCA Italy S.p.A.	50.000	
FCA AUTOMOTIVE SERVICES UK LTD.	United Kingdom	50,250,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA Bank Deutschland G.m.b.H.	Germany	39,600,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Bank G.m.b.H.	Austria	5,000,000	EUR	50.00	FCA BANK S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FCA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL DANMARK A/S	Denmark	14,154,000	DKK	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL ESPANA E.F.C. S.A.	Spain	26,671,557	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL FRANCE S.A.	France	11,360,000	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL HELLAS S.A.	Greece	1,200,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL IRELAND Public Limited Company	Ireland	132,562	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Capital Nederland B.V.	Netherlands	3,085,800	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL NORGE AS	Norway	100,800	NOK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FCA CAPITAL PORTUGAL INSTITUIÇÃO FINANCIERA DE CRÉDITO SA	Portugal	10,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL RE Designated Activity Company	Ireland	1,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Capital Suisse S.A.	Switzerland	24,100,000	CHF	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL SVERIGE AB	Sweden	50,000	SEK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FCA DEALER SERVICES ESPANA S.A.	Spain	25,145,299	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES PORTUGAL S.A.	Portugal	500,300	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES UK LTD.	United Kingdom	20,500,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA FLEET SERVICES FRANCE S.A.S.	France	3,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA FLEET SERVICES UK LTD.	United Kingdom	19,000,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA INSURANCE HELLAS S.A.	Greece	60,000	EUR	49.99	FCA CAPITAL HELLAS S.A.	99.975	
FCA LEASING FRANCE SNC	France	8,954,581	EUR	50.00	FCA CAPITAL FRANCE S.A.	99.998	
FCA Leasing GmbH	Austria	40,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Leasing Polska Sp. z o.o.	Poland	24,384,000	PLN	50.00	FCA BANK S.p.A.	100.000	
FCA-Group Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FCA BANK S.p.A.	100.000	
Ferrari Financial Services GMBH	Germany	1,777,600	EUR	25.00	FCA BANK S.p.A.	50.000	
Leasys S.p.A.	Italy	77,979,400	EUR	50.00	FCA BANK S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Turkey	500,000,000	TRY	37.86	FCA Italy S.p.A.	37.856	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.15%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES -ACCOUNTING FOR USING THE EQUITY METHOD							
Components and Production Systems							
Magneti Marelli							
Hubei Huazhoung Magneti Marelli Automotive Lighting Co. Ltd	People's Rep.of China	138,846,000	CNY	50.00	Automotive Lighting Reutlingen GmbH	50.000	
Magneti Marelli Motherson Auto System Private Limited	India	1,500,000,000	INR	50.00	Magneti Marelli S.p.A.	37.333	0.000
					Magneti Marelli Motherson India Holding B.V.	25.333	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,040,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Motherson Shock Absorbers (India) Private Limited	India	2,169,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	India	235,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep.of China	23,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	People's Rep.of China	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Teksid							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep.of China	385,363,500	CNY	50.00	Teksid S.p.A.	50.000	
Subsidiaries accounted for using the equity method							
Mass-Market Vehicles							
NAFTA							
Superstition Springs MID LLC	U.S.A.	3,000,000	USD	100.00	FCA MID LLC	100.000	
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0	EUR	100.00	FCA AUSTRO CAR GmbH	100.000	
ALFA ROMEO LLC.	U.S.A.	0	USD	100.00	FCA North America Holdings LLC	100.000	
Chrysler Danmark ApS in liquidation	Denmark	1,000,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler France S.A.S.	France	460,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000	TRY	100.00	CG EU NSC LIMITED	99.960	
					FCA US LLC	0.040	
Chrysler Polska Sp.z o.o.	Poland	30,356,000	PLN	100.00	CG EU NSC LIMITED	100.000	
Fiat Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES CR s.r.o.	Czech Republic	1,000,000	CZK	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES SR s.r.o.	Slovack Republic	33,194	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Professional S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Italcar SA	Morocco	4,000,000	MAD	99.85	Fiat Chrysler Automobiles Morocco S.A.	99.900	
Lancia Automobiles S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 37 S.p.A.	Italy	200,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Components and Production Systems							
Magneti Marelli							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716	BRL	68.34	Magneti Marelli do Brasil Industria e Comercio Ltda	68.350	
Comau							
COMAU (THAILAND) CO. LTD	Thailand	10,000,000	THB	100.00	Comau S.p.A.	99.997	
COMAU Czech s.r.o.	Czech Republic	5,400,000	CZK	100.00	Comau S.p.A.	100.000	
Comau Robot ve Sistemleri A.S	Turkey	1,210,000	TRY	100.00	Comau S.p.A.	100.000	
Other Activities:Holding companies and Other companies							
Fiat (Beijing) Business Co., Ltd.	People's Rep.of China	3,000,000	USD	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco Argentina S.A.	Argentina	150,000	ARS	99.96	Fiat Chrysler Rimaco SA	99.960	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.15%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Associated companies accounted for using the equity method							
Mass-Market Vehicles							
APAC							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep.of China	795,000,000	CNY	50.00	FCA Partecipazioni S.p.A.	50.000	
EMEA							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000	USD	49.00	FCA US LLC	49.000	
Components and Production Systems							
Magneti Marelli							
HMC MM Auto Ltd	India	344,500,000	INR	40.00	Magneti Marelli S.p.A.	40.000	
Other Activities:Holding companies and Other companies							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000	UAH	38.62	FCA Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	FCA Partecipazioni S.p.A.	27.000	

Investments of CNH Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 27.29%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES -ACCOUNTING FOR USING THE EQUITY METHOD							
Case Mexico S.A. de C.V.	Mexico	810,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	400,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000	MXN	50.00	CNH de Mexico SA de CV	99.999	
IVECO – OTO MELARA Società Consortile a responsabilità limitata	Italy	40,000	EUR	50.00	Iveco Defence Vehicles SpA	50.000	
Iveco Acentro S.p.A.	Italy	764,530	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
New Holland HFT Japan Inc.	Japan	240,000,000	JPY	50.00	CNH Industrial N.V.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	224,500,000	USD	50.00	Iveco S.p.A.	50.000	
Turk Traktor ve Ziraat Makineleri A.S.	Turkey	53,369,000	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
Iveco Colombia S.a.s.	Colombia	7,596,249,000	COP	100.00	Iveco Venezuela C.A.	99.990	
					Iveco Latin America Ltda	0.010	
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD							
Al-Ghazi Tractors Ltd	Pakistan	289,821,005	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Industrial Capital Europe S.a.S.	France	88,482,297	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
IVECO-AMT Ltd.	Russia	65,255,056	RUR	33.33	CNH Industrial N.V.	33.330	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	29,315,458	EUR	49.00	CNH Industrial N.V.	49.000	

Investments of PartnerRe Group accounted for by the equity method (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD - ACCOUNTED FOR USING THE EQUITY METHOD							
Reinsurances							
Orange Grove Re Ltd.	Bermuda	12,000.00	USD	100.00	Orange Grove Re Holdings Limited	41.500	
Holding							
Orange Grove Holdings Limited	Bermuda	1,803,595.00	USD	41.50	Partner Reinsurance Company Ltd.	41.500	
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Real estate							
ALMACANTAR GROUP S.A.	Great Britain	587,660,998.00	GBP	35.82	Partner Reinsurance Company Ltd.	35.820	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Mass-Market Vehicles							
NAFTA							
FCA Co-Issuer Inc.	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DUTCH OPERATING LLC	U.S.A.	0	USD	100.00	CNI CV	100.000	
FCA Foundation	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERMEDIATE MEXICO LLC	U.S.A.	1	USD	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
Fundacion Chrysler, I.A.P.	Mexico	0	MXN	100.00	FCA Mexico, S.A. de C.V.	100.000	
FUNDACION FCA, A.C.	Mexico	2	MXN	100.00	FCA Mexico, S.A. de C.V.	50.000	
					FCA MINORITY LLC	50.000	
EMEA							
Associazione Tecnica dell`Automobile Consulting & Solutions s.r.l. in liquidati	Italy	49,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Banbury Road Motors Limited	United Kingdon	100	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0	EUR	100.00	CNI CV	99.000	
					FCA DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdon	1	GBP	100.00	Chrysler UK Limited	100.000	
CNI CV	Netherlands	0	EUR	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
CODEFIS Società consortile per azioni	Italy	120,000	EUR	51.00	FCA Italy S.p.A.	51.000	
Consorzio ATA - FORMAZIONE	Italy	18,319	EUR	100.00	C.R.F. Società Consortile per Azioni	90.998	
					FCA Real Estate Services S.p.A.	9.002	
CONSORZIO FCA CNHI ENERGY	Italy	7,000	EUR	57.14	Comau S.p.A.	14.286	
					FCA Italy S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Consorzio Servizi Balocco	Italy	10,100	EUR	86.11	FCA Italy S.p.A.	80.663	
					Maserati S.p.A.	2.901	
					Abarth & C. S.p.A.	1.554	
					FCA Real Estate Services S.p.A.	0.990	
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603	RSD	66.67	FCA SERBIA DOO KRAGUJEVAC	100.000	
FCA Russia S.r.l.	Italy	1,682,028	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdon	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062	RUB	100.00	FCA Russia S.r.l.	99.591	
					FCA Italy S.p.A.	0.409	
VM North America Inc.	U.S.A.	1,000	USD	100.00	FCA Italy S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
ABC BETIM INDUSTRIA E COMERCIO LTDA	Brazil	1,000	BRL	99.99	Magneti Marelli Componentes Plasticos Ltda	99.900	
					Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	0.100	
SBH EXTRUSAO DO BRASIL LTDA.	Brazil	15,478,371	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Components and Production Systems							
Comau							
Comau Do Brasil Facilities Ltda.	Brazil	10,000,000	BRL	100.00	Comau do Brasil Industria e Comercio Ltda.	100.000	
Consorzio Fermag in liquidation	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Other Activities:Holding companies and Other companies							
FCA Newco LLC	U.S.A.	1	USD	100.00	Maserati North America Inc.	100.000	
Fiat Chrysler Finance Netherlands B.V.	Netherlands	1	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Rimaco Brasil Corretagens de Seguros Ltda.	Brazil	365,525	BRL	100.00	Fiat Chrysler Rimaco SA	99.998	
Fiat Common Investment Fund Limited	United Kingdo	2	GBP	100.00	Fiat Chrysler Automobiles Services UK Limited	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Partecipazioni India Private Limited	India	28,605,400	INR	100.00	FCA Partecipazioni S.p.A.	99.825	
					FCA Group Purchasing S.r.l.	0.175	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	80.000	
					Fiat Chrysler Automobiles N.V.	20.000	
New Business 31 S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Orione-Società Industriale per la Sicurezza e la Vigilanza Consortile per Azion	Italy	120,000	EUR	97.46	FCA Partecipazioni S.p.A.	76.722	
					Fiat Chrysler Automobiles N.V.	18.003	
					FCA Italy S.p.A.	0.439	
					Italiana Editrice S.p.A.	0.439	
					Comau S.p.A.	0.220	
					FCA Group Marketing S.p.A.	0.220	
					FCA ITALY HOLDINGS S.p.A.	0.220	
					FCA Services S.p.A.	0.220	
					FCA Servizi per l'Industria S.c.p.A.	0.220	
					Fiat Chrysler Finance S.p.A.	0.220	
					Magneti Marelli S.p.A.	0.220	
					Sisport S.p.A. - Società sportiva dilettantistica	0.220	
					Teksid S.p.A.	0.220	
ASSOCIATED VALUED AT COST							
Mass-Market Vehicles							
EMEA							
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000	EUR	30.00	FCA Italy S.p.A.	30.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000	EUR	23.75	FCA Italy S.p.A.	15.077	
					C.R.F. Società Consortile per Azioni	8.465	
					Sistemi Sospensioni S.p.A.	0.211	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200	INR	50.00	FCA ITALY HOLDINGS S.p.A.	50.000	
Components and Production Systems							
Magneti Marelli							
Bari Servizi Industriali S.c.r.l.	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
DTR VMS Italy S.r.l.	Italy	1,000,000	EUR	40.00	Magneti Marelli S.p.A.	40.000	
Mars Seal Private Limited	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
Other Activities:Holding companies and Other companies							
ANFIA Automotive S.c.r.l.	Italy	20,000	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					FCA Information Technology, Excellence and Methods S.p.A.	5.000	
					FCA Italy S.p.A.	5.000	
					Magneti Marelli S.p.A.	5.000	
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a respo	Italy	40,000	EUR	35.25	FCA Melfi S.r.l.	23.500	
					Sistemi Sospensioni S.p.A.	11.750	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	50.00	FCA Fiat Chrysler Participacoes Brasil Limitada	50.000	
Liguria Press Srl (*)	Italy	240,000	EUR	15.40	Italiana Editrice S.p.A.	20.000	
Maxus MC2 S.p.A.	Italy	219,756	EUR	20.00	FCA Partecipazioni S.p.A.	20.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Italy	10,000	EUR	25.80	FCA Partecipazioni S.p.A.	25.800	
Talent Garden Fondazione Agnelli S.r.l.	Italy	40,000	EUR	30.00	FCA Partecipazioni S.p.A.	30.000	
To-dis S.r.l. (*)	Italy	510,000	EUR	34.65	Italiana Editrice S.p.A.	45.000	

(*) Asset held for sale

Investments of CNH Industrial Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST							
Altra S.p.A.	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Case Construction Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case International Limited	United Kingdom	1	GBP	100.00	New Holland Holding Limited	100.000	
Employers Health Initiatives LLC	U.S.A.	790,000	USD	100.00	CNH Industrial America LLC	100.000	
International Harvester Company	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000	HUF	100.00	Iveco Austria GmbH	100.000	
J.I. Case Company Limited	United Kingdom	2	GBP	100.00	Case United Kingdom Limited	100.000	
MVPC LLC	Russia	10,000	RUR	50.00	OOO Iveco Russia	50.000	
New Industrial Business 2 s.r.l.	Italy	31,539	EUR	100.00	CNH Industrial N.V.	100.000	
RosCaseMash	Russia	0	RUR	38.25	Case Equipment Holdings Limited	38.250	51.000
SERFIT S.R.L.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
ASSOCIATED COMPANIES VALUED AT COST							
CONSORZIO FCA CNHI ENERGY	Italy	7,000	EUR	42.86	CNH Industrial Italia s.p.a.	14.286	
					FPT Industrial S.p.A.	14.286	
					Iveco S.p.A.	14.286	
Consorzio Nido Industria Vallesina	Italy	53,903	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
Sotra S.A.	Ivory Coast	3,000,000,000	XAF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
OTHER COMPANIES VALUED AT COST							
CODEFIS Società consortile per azioni	Italy	120,000	EUR	19.00	CNH Industrial Capital Limited	19.000	
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	

Investments of Ferrari Group valued at cost

Name	Country	Capital Stock	Currency	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES VALUED AT COST						
New Business 33 S.p.A.	Italia	120.000	EUR	Ferrari N.V.	100.00	
Scuderia Ferrari Club S.c. a r.l.	Italia	105.000	EUR	Ferrari S.p.A.	94.019	
Other companies						
Ferrari Financial Services GmbH	Germania	1.777.600	EUR	Ferrari Financial Services S.p.A.	49.990	
Nuova Didactica S.c. a r.l.	Italia	112.200	EUR	Ferrari S.p.A.	16.360	
S.A.I.MO S.p.A.	Italia	517,125	EUR	Ferrari S.p.A.	0.230	
Caaf dell'Industria	Italia			Ferrari S.p.A.	0.690	
SIRIO SCPA	Italia	120.000	EUR	Ferrari S.p.A.	0.730	
CRIT - Centro di Ricerca e Innovazione Tecnologica S.r.l.	Italia	413,800	EUR	Ferrari S.p.A.	7.440	
ORIONE SCPA	Italia	120.000	EUR	Ferrari S.p.A.	0.220	
CONSORZIO SERVIZI BALOCCO	Italia	10.100	EUR	Ferrari S.p.A.	5.500	
FCA Servizi per l`Industria S.c.p.a. (Sepin)	Italia	1.652.669	EUR	Ferrari S.p.A.	1.500	
Fondazione FERRARI	Italia	60,000	EUR	Ferrari S.p.A.	100.000	
Fondazione Istituto Tecnico Superiore Meccanica, Meccatronica, Motoristica, Packaging	Italia	41,124	EUR	Ferrari S.p.A.	4.110	
Fondazione Casa di Enzo Ferrari Museo	Italia	129,114	EUR	Ferrari S.p.A.	25.000	

Investments of Juventus Football Club valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - VALUED AT COST							
Others Companies							
Tobeez F&B Italia S.r.l.	Italy	10,000.00	EUR	N/A	Juventus Football Club S.p.A.	40.000	

Building a better
working world

Ernst & Young Accountants LLP
Boompjes 258
3011 XZ Rotterdam, Netherlands
Postbus 2295
3000 CG Rotterdam, Netherlands

Tel: +31 88 407 10 00
Fax: +31 88 407 89 70
ey.com

Independent auditor's report

To: the shareholders and audit committee of EXOR N.V.

Report on the audit of the financial statements 2016 included in the annual report

Our opinion

We have audited the financial statements 2016 of EXOR N.V. (the Company), incorporated in Amsterdam, the Netherlands. The financial statements include the consolidated financial statements and the company financial statements (collectively referred to as the financial statements).

In our opinion the financial statements give a true and fair view of the financial position of EXOR N.V. as at December 31, 2016 and of its result and its cash flows for 2016 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company statement of financial position as at December 31, 2016
- The following statements for 2016: the consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.
We are independent of EXOR N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€450 million
Benchmark applied	**Approximately 0,5% of revenues**
Explanation	The materiality is based on approximately 0.5% of the consolidated revenues. Based on perspectives and expectations of the users of the financial statements in the context of our understanding of the entity and the environment in which it operates we determined the materiality for the financial statements as a whole at €450 million. Materiality is based on revenues, as we consider EXOR N.V. is operating near breakeven and therefore an earnings based measure is not an appropriate basis to determine our materiality.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material to the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of €22.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

EXOR N.V. is the parent of a group of entities. The financial information of this group is included in the consolidated financial statements of EXOR N.V. The company is organized along six reportable segments, being Fiat Chrysler Automobiles (FCA), CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System (EXOR), along with certain other corporate functions which are not included within the reportable segments.

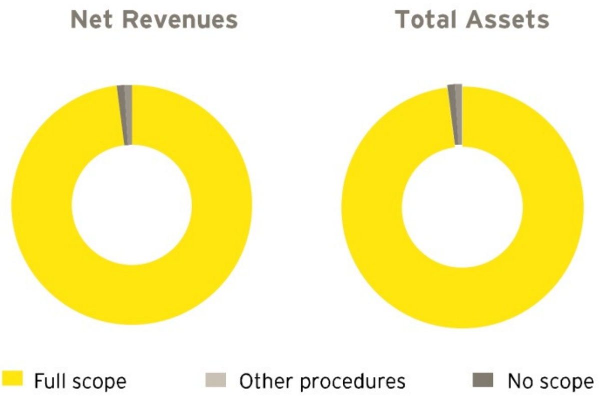
Our group audit mainly focused on significant group entities. Group entities are considered significant components either because of their individual financial significance or because they are likely to include significant risks of material misstatement due to their specific nature or circumstances. All such significant group entities were included in the scope of our group audit.

In establishing the overall approach to the audit, we determined the type of work that is needed to be done by us, as group auditors, or by component auditors from Ernst & Young Global member firms and operating under our instructions.

Accordingly, we identified five reportable segments of EXOR N.V.'s group entities, which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Other procedures are performed on one reportable segment

In total these procedures represent 99% of the group's total assets and 99% of net revenue.

Location percentage of coverage:



By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The structure of our key audit matter reporting is in line with the major business segments as defined with EXOR N.V.

<table>
<tr><th>Risk</th><th>Our audit approach</th></tr>
<tr><td colspan="2">Revenue recognition and sales commitments</td></tr>
<tr><td>Net revenues for the year 2016 amounted to €140,068 million, detailed as follows:
<table>
<tr><th>Net Revenues (€/million)</th><th>December 31, 2016</th></tr>
<tr><td>FCA*</td><td>111,018</td></tr>
<tr><td>CNH Industrial</td><td>22,882</td></tr>
<tr><td>Ferrari</td><td>3,105</td></tr>
<tr><td>PartnerRe</td><td>3,827</td></tr>
<tr><td>Minors, elimin/adj.</td><td>(764)</td></tr>
<tr><td>Total</td><td>140,068</td></tr>
</table>
</td><td>We designed our audit procedures to be responsive to this risk. We assessed the overall sales process, including internal risk management procedures and the system controls for the recording of sales contracts and related sales incentives. We obtained an understanding of the processes related to revenue recognition and evaluated the design and tested the effectiveness of controls in this area relevant to our audit. We performed a combination of internal control and substantive audit procedures to address the revenue recognition through tests of details of samples of sales transactions and analytical procedures.</td></tr>
</table>

Risk	Our audit approach
With regard to the CNH Industrial component, sales transactions are often concluded based upon ex-works or other common shipping terms that can vary by region in which title and risks of ownership transfer to the buyer prior to actual delivery of the product. Revenue recognition for these transactions is susceptible to an increase in risk related to differences in shipping cut-off at the financial reporting date. In addition, the company records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand, dealer inventory levels, announced incentive programs, competitive pricing and interest rates among other factors. In connection with PartnerRe, the analysis of the reinsurance revenue recognition was significant to our audit because the process of premium estimation is judgmental and based on assumptions that are affected by expected future market or economic conditions. The company disclosed its accounting policy for revenue recognition in the Note 'Basis of preparation and Significant accounting policies to the consolidated financial statements'. *Please note that for FCA revenue is not defined as key audit matter.	We also ensured that assumptions included in the sales incentive reserve analysis and in the premium estimates are properly supported. Finally, we reviewed the adequacy of the disclosures made by the company in this area.

<table>
<tr><th>Risk</th><th>Our audit response</th></tr>
<tr><td colspan="2">Valuation of goodwill and other non-current assets with indefinite useful lives</td></tr>
<tr><td>
At December 31, 2016 the recorded amount of goodwill and intangible assets with indefinite useful life is € 19,463 million, detailed as follows:
<table>
<tr><th>Goodwill and intangible assets with indefinite useful lives (€/million)</th><th>December 31, 2016</th></tr>
<tr><td>FCA</td><td>15,222</td></tr>
<tr><td>CNH Industrial</td><td>2,550</td></tr>
<tr><td>Ferrari</td><td>786</td></tr>
<tr><td>PartnerRe</td><td>841</td></tr>
<tr><td>Other minors</td><td>64</td></tr>
<tr><td>Total</td><td>19,463</td></tr>
</table>
The majority of these assets relate to goodwill (€ 15,591 million) and brands, trademarks and other intangible assets with indefinite useful lives (€ 3,872 million).
Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or to Cash Generating Units (CGU) within the operating segments, which represent the lowest level within the company at which goodwill is monitored for internal management purposes in accordance with IAS 36.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. Estimating the recoverable amount of the assets requires critical management judgment including estimates of future sales, gross margins, operating costs, terminal value growth rates, capital expenditures and the discount rate and the assumptions inherent in those estimates.

The annual impairment test is significant to our audit because the assessment process is complex and requires significant judgment. The company disclosed the nature and value of the assumptions used in the impairment analyses in note 11.
</td><td>
We designed our audit procedures to be responsive to this risk. We obtained an understanding of the impairment assessment processes and evaluated the design and tested the effectiveness of controls in this area relevant to our audit. Our focus included evaluating the work of the management specialists used for the valuation, evaluating and testing key assumptions used in the valuation including projected future income and earnings, performing sensitivity analyses, and testing the allocation of the assets, liabilities, revenues and expenses.

The forecasted cash-flows is an important input for the assessment of the recoverability. We have reconciled these forecasts for the cash generating units with the approved strategic plans.

We also assessed the forecasting quality by comparing forecasts as included in tests prepared in prior years to the actuals. Together with the help of our valuation experts, we performed independent calculations to validate the sensitivity analysis.

Finally, we reviewed the adequacy of the disclosures made by the company in this area.
</td></tr>
</table>

Risk

Income taxes-recoverability of deferred tax assets

Net deferred tax assets and liabilities as at December 31, 2016 amounted to € 4,265 million, detailed as follows:

Net deferred tax assets and liabilities (€/million)	December 31, 2016
Deferred tax assets on temporary differences	12,765
Deferred tax liabilities on temporary differences	(9,081)
Deferred tax assets on tax losses carried forward	5,366
Unrecognized deferred tax assets	(4,785)
Total	**4,265**
Detailed as follows	
Deferred tax assets	4,792
Deferred tax liabilities	(527)

At December 31, 2016, the company had deferred tax assets on deductible temporary differences of €12,765 million of which € 894 million which were not recognized and had deferred tax assets on tax losses carried forward of € 5,366 million of which € 3,891 million were not recognized. The majority of these assets relate to FCA Group and to CNH Industrial Group.

The analysis of the recognition and recoverability of the deferred tax assets was significant to our audit because the amounts are material, the assessment process is complex and judgmental and is based on assumptions that are affected by expected future market or economic conditions, especially as it relates to future performance in Latin America and the Eurozone.

Additionally, due to the complexity of tax rules in certain jurisdictions in which the company operates, the risk of errors in the application of tax rules in determining the company's uncertain tax positions exists.

The disclosures in relation to income taxes are included in note 8.

Our audit response

We obtained an understanding of the income taxes process, and evaluated the design and tested the effectiveness of controls in this area relevant to our audit. We performed internal control procedures and substantive audit procedures on the estimate of uncertain tax position and on the recognition of deferred tax balances, based on different local tax regulations and on the analysis of the recoverability of the deferred tax assets based on the estimated future taxable income.

We have evaluated the company's assumptions and estimates in relation to the likelihood of generating sufficient future taxable income based on most recent budgets and plans, prepared by management by using the same criteria described for testing the impairment of assets and goodwill, principally by performing sensitivity analyses and evaluating and testing the key assumptions used to determine the amounts recognized.

We have involved EY tax specialists to support us in these procedures.

Finally, we reviewed the adequacy of the disclosures made by the company in this area.

Risk	Our audit response
Provisions for product warranties and recall campaigns	
At December 31, 2016 the provisions for product warranties amounted to € 8,556 million; the majority of these warranty provisions relates to FCA Group (€ 7,542 million). The company issues various types of product warranties under which the performance of products delivered is generally guaranteed for a certain period or term; the reserve for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage, recall actions and buyback commitments. In addition, the company periodically initiates voluntary service and recall actions to address various customer satisfaction, safety and emissions issues related to vehicles sold; the estimated future costs of the service and recall actions are based primarily on historical claims experience for the company's vehicles. Considering the level of judgment, estimation, and manual calculation required to determine the warranty (campaign and non-campaign) reserves coupled with the sensitivity surrounding warranty we have determined that this area constitutes a significant risk. Due to the size and the uncertainty and potential volatility of these estimated future costs and other factors, such as new laws and regulations, changes in assumptions used could materially affect the result of the company's operations. The disclosures on warranty provisions are included in note 27.	We obtained an understanding of the warranty process, evaluated the design of, and performed tests of controls in this area. Our focus included evaluating the appropriateness of the Group's methodology, evaluating and testing the basis for the assumptions developed and used in the determination of the warranty provisions, performing sensitivity analyses to evaluate the judgments made by management, and testing the validity of the data used in the calculations. Finally, we reviewed the adequacy of the disclosures made by the company in this area.

Risk

Our audit response

Allowance on receivables from financing activities

At December 31, 2016 the recorded amount of receivables from financing activities is detailed as follows:

Receivables from financing activities (€/million)	**December 31, 2016**
Gross receivables	21,664
Allowance	(617)
Total	**21,047**

The majority of these assets relate to CNH Industrial Group. The CNH Industrial Group provides financing for dealer stock and retail purchases of new and used equipment and vehicles sold to retail customers and wholesale dealers and finance leases.

At December 31, 2016, the allowance on receivables from financing activities was € 617 million. The allowance for doubtful accounts on receivables from financing activities is based on management's estimate as to whether there is any objective evidence that a financial asset or group of assets may be impaired, which derives from the past experience with similar receivables, current and historical past due amounts, dealer termination rates, write-offs and collections, and the monitoring of the economic and market conditions.

The company's disclosures related to the allowance on receivables from financing activities are in note 38 to the consolidated financial statements.

We designed our audit procedures to be responsive to this risk. We obtained an understanding of the estimation process, performed a walk-though of the process and evaluated the design and effectiveness of the controls in this area relevant to our audit. Our focus included evaluating the significant estimates and underlying assumptions used by management during this process. We designed a combination of internal control and substantive audit procedures related to the allowance on receivables from financing activities. Our key substantive audit procedures were performed at or near year-end and were designed to validate management's assumptions included in the allowance analysis including the completeness of the underlying data in the analysis.

Finally, we reviewed the adequacy of the disclosures made by the company in this area.

Risk	Our audit response
Valuation of technical reinsurance reserves	
At December 31, 2016 the recorded amount of the technical reinsurance reserves was € 11,947 million, entirely related to the PartnerRe Group. Non-life and health technical reinsurance reserves include amounts determined from loss reports on individual treaties (case reserves), additional case reserves when Group's loss estimate is higher than reported by the cedants (ACRs) and amounts for losses incurred but not yet reported to PartnerRe (IBNR). The process of IBNR estimation is non-routine, complex and involves judgment, actuarial and statistical projections at a given time to reflect Group management's expectations and therefore subject to potential over/understatement. Estimates of ultimate liabilities are contingent on many future events and the eventual outcome of these events may be different from the assumptions underlying the reserve estimates. The company's disclosures related to the valuation of technical reinsurance reserves are in note 27 to the consolidated financial statements.	We have performed tests of internal control at the key locations of the company in the North America, Global, Life and Group Actuarial reserving processes. This included testing the precision set by management when performing controls involving the review of reports and data. IT audit professionals tested the design and operation of IT controls relevant to the reserving process. We engaged our EY non-life and life actuarial specialists to review the appropriateness of the reserve estimate developed by management. Our EY actuarial team independently re-projected the loss reserves for specific lines of business as of December 31, 2016 and compared the results against the company's best estimate. The EY audit team in each significant location tested the integrity of the underlying data that is used by the EY actuarial team. Finally, we reviewed the adequacy of the disclosures made by the company in this area.

Risk	Our audit approach
Investments of reinsurance companies	
At December 31, 2016 the investments of reinsurance companies amounted to € 14,623 million, entirely related to the PartnerRe Group. Reinsurance investments include fixed income securities, short-term investments, equities, accrued interest, non-foreign exchange derivatives, other invested assets and funds held by reinsurance companies. The company elects the fair value option for all of its fixed maturities, short-term investments, equities and certain other invested assets (excluding those that are accounted for using the cost or equity methods of accounting).	We updated our understanding of the Group's investment valuation processes, performed a walk-through of the processes and evaluated the design and effectiveness of controls in this area relevant to our audit. We have reviewed the company's investment valuation methodologies, re-priced a sample of investments through a combination of corroborative and independent pricing sources.

Risk	Our audit approach
Other invested assets consist primarily of investments in non-publicly traded companies, private placement equity and fixed maturity investments, derivative financial instruments and other specialty asset classes. The remaining other invested assets are recorded based on valuation techniques depending on the nature of the individual assets. The valuation techniques used by the company are generally commensurate with standard valuation techniques for each asset class. The valuation of internally modelled investments of reinsurance companies was significant to our audit because the process is complex and judgmental and based on assumptions that are affected by expected future market or economic conditions. Due to the application of valuation techniques for the valuation of investments and the more complex assumptions applied, this imposes a higher risk to the company. The company disclosed its accounting policies related to the investments of reinsurance companies in the notes to the consolidated financial statements: Basis of preparation and significant accounting policies.	With the assistance of our EY valuation specialists, we have reviewed models and assumptions used to value a sample of securities in situations where independent pricing sources are not available, particularly with regard to the remaining level 3 investments held by the Group. We engaged EY derivative valuation specialists to test the valuation of the specific derivatives of the Company including foreign exchange forwards and options, mortality swaps and interest rate swaps. Finally, we reviewed the adequacy of the disclosures made by the company in this area.

Risk	Our audit approach
Acquisition of PartnerRe	
On March 18, 2016 the company completed the acquisition of PartnerRe after having received all necessary approvals. The total payment made by EXOR at the closing was €5,415 million ($6,108 million). At acquisition date the investment is recorded at fair value which generated a goodwill of € 586 million which represents the excess in purchase price paid over of the fair value of the net assets. Due to the significance and complexity of the assumptions and estimates there is a significant risk on this transaction. The company disclosed its accounting policies related to the purchase price allocation in the notes to the consolidated financial statements: Basis of preparation and significant accounting policies	We designed our audit procedures to be responsive to this risk. We obtained an understanding of the purchase price process, and evaluated the design of controls in this area relevant to our audit. Our focus included evaluating the purchase price allocation performed by management, evaluating and testing key assumptions used in the purchase price allocation including projected future income and earnings, performing sensitivity analyses, and testing the recognition and valuation of assets and liabilities, including goodwill. We have involved EY tax specialist, EY Actuaries and EY valuation specialists to support us in these procedures.

Risk	Our audit approach
	Finally, we reviewed the adequacy of the disclosures made by the company in this area.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report on operations
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the report on operations in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially engaged by the shareholder of EXOR N.V. on March 2, 2016 to perform the audit of its 2016 financial statements.

Description of responsibilities for the financial statements

Responsibilities of management and the audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, April 5, 2017

Ernst & Young Accountants LLP

signed by Pieter Laan

Exor

2017 Annual Report

Report on Operations

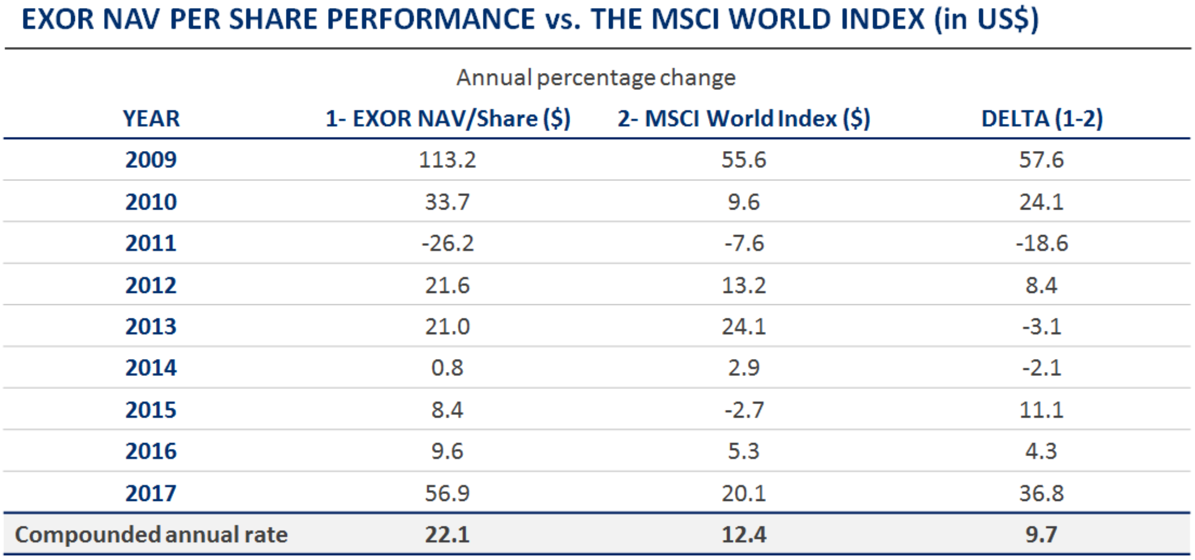
The 2017 Annual Report is available on the corporate website at: www.exor.com

Communications & Media Relations
Tel. +31(0) 20 240 2 221
Fax +31(0) 20 240 2 738
media@exor.com

Institutional Investors and
Financial Analysts Relations
Tel. +31(0) 20 240 2 222
Fax +31(0) 20 240 2 738
ir@exor.com

Dear Shareholders,

2017 has been our best performing year apart from 2009, the year EXOR was established. EXOR's Net Asset Value per share in Dollars, or NAV per share, grew by 56.9% in 2017, which outperformed by 36.8pp our benchmark of the MSCI World Index denominated in Dollars.



EXOR NAV PER SHARE PERFORMANCE vs. THE MSCI WORLD INDEX (in US$)

Annual percentage change

YEAR	1- EXOR NAV/Share ($)	2- MSCI World Index ($)	DELTA (1-2)
2009	113.2	55.6	57.6
2010	33.7	9.6	24.1
2011	-26.2	-7.6	-18.6
2012	21.6	13.2	8.4
2013	21.0	24.1	-3.1
2014	0.8	2.9	-2.1
2015	8.4	-2.7	11.1
2016	9.6	5.3	4.3
2017	56.9	20.1	36.8
Compounded annual rate	**22.1**	**12.4**	**9.7**

Note: data in 2009 starts from March 1st, the date before EXOR's listing on Borsa Italiana

The single largest contributor to these results was FCA which almost doubled its market capitalization in 2017 from ~$14 billion to ~$28 billion. But before going through our businesses in more detail, I would like to spend some time on the discount that we have between our Market Value and our Net Asset Value, which increased during 2017.

As you know, we focus on our NAV per share which we control rather than our share price and we believe that if, over time, we outperform our benchmark, this will be reflected in our market value. Having said that, excluding technical reasons[1], we have been trying to understand possible explanations for the discount to NAV that exists for many diversified holding companies[2].

Two of these seem particularly plausible:

1. Holding companies are perceived to give disproportionate advantages to their controlling shareholders instead of delivering returns to all shareholders;

---

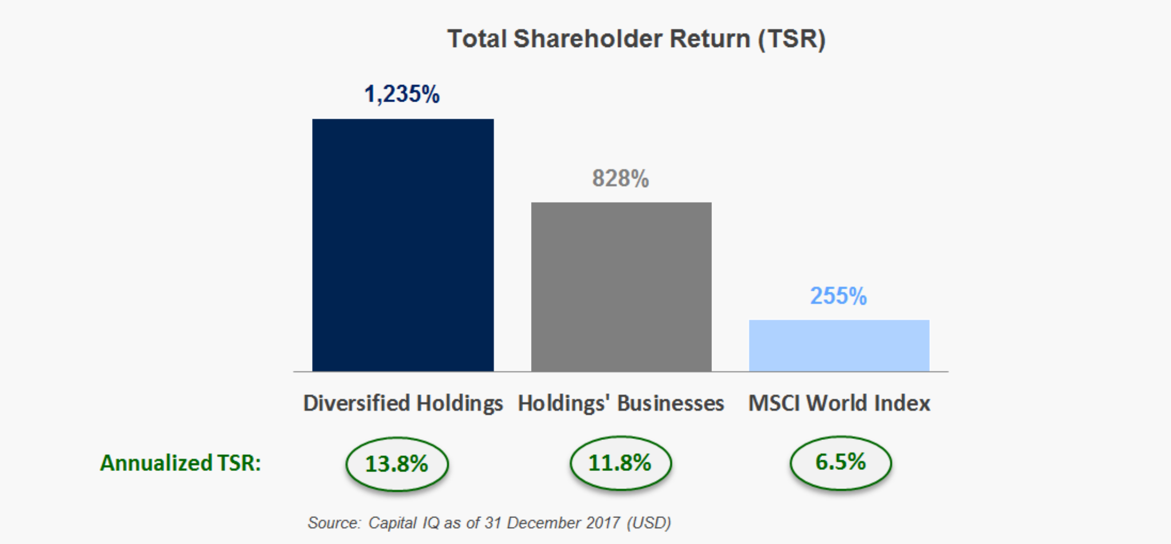
[1] One technical reason is that the market often applies a liquidity discount to shareholders who sell large blocks of shares (5 to 15% depending on liquidity) although this could often be counterbalanced by a control premium.

[2] We selected for this analysis 14 Diversified Holdings with a market cap in excess of $10 billion and excluded conglomerates like the Korean Chaebols, Japanese Keiretsu, GE or Siemens and Berkshire Hathaway which is arguably in a different category. The companies we included are, split by geography: EMEA: Investor AB, GBL, Bolloré, HAL Holding, Koç Holding, Industrivarden; APAC: CK Hutchison, SM Investments, Jardines, Swire Pacific, Mahindra, JG Summit; and Americas: Loews Corporation, Power Corporation of Canada.

2. Buying shares in holding companies is seen as less attractive than buying shares in the listed businesses within their portfolios because of the reduced transparency and the additional holding cost.

However, in contrast to these arguments, what the data tells us is that our peers have been a good investment. In the last 20 years they produced ~5 times the return of the MSCI World Index denominated in Dollars. They outperformed the businesses they own[3] by 50% and on average their holding cost was less than 20bps of assets.

DIVERSIFIED HOLDINGS – 20YR PERFORMANCE



Source: Capital IQ as of 31 December 2017 (USD)

In a period characterized by the over-performance of passive indexes, it is interesting to note that these strong results come from companies which actively allocate capital and are proactive owners of their businesses.

Many of the holding companies that we have studied are family-controlled. This is of course of particular interest to my own family which is now in its 5th generation of actively managing our portfolio of businesses. We have therefore spent time trying to understand why family-owned businesses have on average consistently outperformed the market.

Past performance is of course not a good indicator of future results and we are very conscious of survival bias. However we do think there are a number of characteristics of family-owned businesses which give them enduring strength:

---

[3] We analyzed the investment portfolios of these holdings to identify businesses they own which meet the following criteria: 1) a market cap in excess of $0.5 billion; 2) the holding owns at least 5% of the business' economic capital ; 3) they have been in the holding's portfolio for at least the last 10 years. 67 businesses met these criteria.

1. They tend to be prudent in how they are run, particularly in relation to financial matters, which means they remain robust when they face downturns, crises and unexpected events;
2. They have the patience not to act when action is unnecessary and resist the pressure to do so. As Charlie Munger says, "*Success means being very patient, but aggressive when it's time*";
3. They are aware of changes in the world and are able to adapt when those changes require it;
4. They have strong cultures, clearly defined purposes and a sense of responsibility. Their cultures, rather than pay, help them to retain talent and to grow leaders internally.

Like many of our peers we continue to trade at a discount, which means you are effectively getting PartnerRe for free when you buy EXOR.

EXOR GROSS ASSET VALUE

US$ million	**31/12/2017**	31/12/2016	**Change** absolute	percentage
Investments	**26,550**	17,683	8,867	50.1%
Financial Investments	**4**	382	-378	-99.0%
Cash and cash equivalents	**127**	215	-88	-40.9%
Treasury stock	**212**	187	25	13.4%
Gross Asset Value	**26,893**	18,467	8,426	45.6%

INVESTMENTS (98.7% of GAV)

I would now like to turn to some of the businesses within our portfolio, starting with FCA which is both our most valuable company and this year's best performer for EXOR.

In 2017 FCA sold 4.7 million cars, generating revenues of ~€111 billion. This was similar to its 2016 revenues, but in 2017 FCA's net profit increased by 50% to €3.8 billion and its industrial debt decreased from €4.6 billion to €2.4 billion.

This improvement in profitability and cash generation is the result of deciding to exit the passenger car market in favor of pickups and SUVs in North America and to invest in Maserati, one of our premium brands. Maserati increased sales by ~20% and profitability by 65% which illustrates the impact of volume in a capital intensive business and the pricing power possible in the premium car market.

This extremely strong performance is a credit to FCA as a whole and is particularly due to Sergio's leadership. Sergio has the ability, which I hugely admire, to acknowledge reality and be decisive in taking action which reflects that reality. It is this strength which has enabled him to guide FCA through a series of decisions which to others may not have seemed obvious.

Ayn Rand reminds us that "*We can ignore reality but we cannot ignore the consequences of ignoring reality*", a sentiment which is very appropriate for FCA given the many changes the car industry is facing and the necessity to distinguish between sci-fi future scenarios and more realistic ones in making capital allocation decisions.

One example is electrification which is being developed to meet CO2 emission targets which, by 2022, will be significantly more stringent in all major car markets. This means that it is regulators rather than customer demand that will limit the use of the traditional combustion engine.

As we face this transition, it is worth reflecting on the reasons why leading entrepreneurs of the last century adopted combustion engines in favor of the alternatives then available (such as electric, steam, …). It was Thomas Edison who supported Henry Ford in choosing the combustion engine, telling him:

"Young man, that's the thing; you have it. Keep at it. Electric cars must keep near to power stations. The storage battery is too heavy. Steam cars won't do either, for they have to have a boiler and fire. Your car is self-contained - carries its own power plant - no fire, no boiler, no smoke and no steam. You have the thing. Keep at it." [4]

And it was John D. Rockefeller who then enabled the combustion engine to thrive by stabilizing the price and supply of oil. This allowed the mass market introduction of combustion engine cars starting with the Ford Model T.

The journey from the combustion engine to the non-combustion engine will be gradual, with hybrid solutions playing a major role in the near future. To give you an idea of the distance we have to travel, 97% of the 17.6 million cars currently sold in the US are entirely powered by combustion engines and only ~100,000 vehicles are fully electric (less than 0.7%).

During this transition we need to make sure, just as we did last century, that we have the right technical solution at the right price for consumers while ensuring profitability and avoiding subsidies. The consequences of ignoring reality can be lethal if you lose competitiveness by not adapting to changes but are equally risky if you move too fast or venture too far ahead.

The outlook for FCA is very positive, with the Jeep Brand continuing to be particularly strong. Jeep now makes up ~90% of our sales in Asia and is the top selling SUV in Brazil. Since FIAT started its relationship with Chrysler in 2009, Jeep has experienced extraordinary growth thanks to product line extensions and its ability to enter new countries outside of NAFTA.

---

[4] Ford, H., Crowther, S. (1930 first edition). *Edison As I Know Him.*

All-new 2018 Jeep Wrangler Rubicon and Sahara with various historical Wrangler vehicles

2017 has also been the year of Alfa Romeo's revival with the launch of Giulia and Stelvio proudly conceived and crafted in Italy. These were strongly welcomed by the media worldwide and, more importantly, by old and new "Alfisti" (Alfa customers). Their launch is another key step in growing our position in the premium car market.

The 2018 targets set by FCA in 2014 seemed unreachable then but, as we get closer, seem increasingly possible. If they are reached, in 2019, Sergio will be able to hand his successor a company which is €4 billion cash positive with €125 billion of revenue and €5 billion of adjusted net profit. This is an unthinkable transformation of the FIAT business he took charge of in 2004 and the Chrysler one he combined it with in 2014 to form FCA, a transformation for which we will always be grateful.

I would like next to spend time on PartnerRe, our second most valuable business and our most recent acquisition. I discussed PartnerRe at length in my last two letters but want to return to it again since 2017 was one of the costliest years for insured losses. These exceeded $100 billion in value due to the high frequency and severity of events in the Americas (Harvey, Irma and Maria hurricanes alongside two wildfires in California).

This difficult year represented a robust test for PartnerRe in its second year of our ownership and we have stuck with our promise of giving full support to Emmanuel Clarke and his team to be there for their clients and open for business at the right price.

Despite the challenging environment, PartnerRe reported top quartile performance amongst its reinsurance peers in terms of profitability ($250 million Adj. Net Income), return on common shareholders' equity (Adj. ROE of 4.2%) and book value growth (3.9% adjusted by dividends).

These positive results have been driven by three factors:

1. The reduction of Cat exposure, mainly by the use of retrocession. This decision was taken because of the unattractive pricing available for these very serious and real risks, as it became clear in 2017;
2. The company's ability to build a well-diversified underwriting portfolio in terms of geographies and product lines, with an edge in Specialty lines (generating a 85.7% combined ratio);
3. The actions undertaken to reduce the company's expenses which, excluding severance and transaction costs, decreased from $426 million in 2015 to $338 million (~20% reduction).

Savings are expected to continue to grow in 2018 as the full year impact of these changes comes through and additional efficiencies are made in consulting and facilities expenses (for instance, our new Stamford office inaugurated in September 2017 has state-of-the art workplace facilities, while reducing lease and other running costs by 70%).

Importantly, these savings are not limiting the company development and have already been partially reinvested in the Life&Health business and to provide better coverage and services to our clients.

In April 2017 PartnerRe completed the acquisition of Aurigen, a leading Canadian Life reinsurer, which will contribute to the profitable growth of our Life&Health business. The $286 million price paid is in line with the company's book value and highlights our discipline in deploying capital in a market where M&A reinsurance transactions have recently reached high valuations.

Notwithstanding the positive Life reinsurance performance, which has been solid with 37% growth in underwriting profits, 2017 results have been disappointing in the Life&Health business overall due to a $119 million underwriting loss in Health, mainly driven by Affordable Care Act related programs. The portfolio has been re-underwritten in 2018 with substantial increases in rates and is expected to be profitable. However this loss is a reminder of the need to continue to look for opportunities to improve our underwriting performance.

The renewals in January 2018 have been positive for PartnerRe with volumes and margins up for the business underwritten. However, price did not increase as anticipated due to the high level of excess capital within the traditional reinsurance industry and the ability of alternative capital vehicles to replace most of the capital they lost.

A big contributor to PartnerRe's profitability this year has been its investment results. After the changes to the organization in 2016, PartnerRe is now top quartile for its investment performance of ~4.2% and for its expenses (which at ~14bps are lower than those of most of its peers).

In 2017 PartnerRe increased its exposure to equities from close to nothing to 4%.

Most of this is being directly managed by Matteo Scolari who joined EXOR in 2015 after having spent most of his professional career at Goldman Sachs, McKinsey and Eton Park. Matteo brings business and investing experience to EXOR and combines this with intellectual curiosity and an eagerness to learn which makes him very well suited to leading EXOR and PartnerRe's financial investments. He has already started investing in a concentrated portfolio of high conviction stocks based on deep fundamental research.

His two largest positions are RWE, the largest conventional (nuclear, coal, and gas-based) electricity producer in Germany, and Ocado, a UK-based technology company focused on food e-commerce.

1. The investment in RWE is predicated on the view that the company's electricity generation business is significantly undervalued by the market and that there is potential for management to unlock further value by simplifying the corporate structure.

   Over the last decade Germany's power market has undergone a transformation through the roll-out of significant renewable (wind and solar) generation capacity. This has reduced the load factor of existing conventional power plants, depressing their profitability. However, the planned closure of coal and nuclear plants in Germany over the next few years should tighten the supply / demand balance and drive a recovery in power prices and profits for the sector.

   In March 2018 RWE entered into a transformational transaction with E.ON as a result of which RWE will receive a large renewables portfolio in exchange for its stake in listed subsidiary Innogy. This transaction simplifies and refocuses RWE's perimeter of activity, positioning the company for growth through a more diverse generation mix and should drive a re-rating of its shares;

2. Ocado has developed a highly advanced logistics and IT platform to deliver groceries online on a national scale. Currently the company monetizes its technology primarily by selling groceries directly to retail customers under the Ocado brand in the UK. To expand its addressable market, Ocado has also been offering to license its platform to other food retailers looking to enter the online channel.

> Since Amazon’s acquisition of Whole Foods in the summer of 2017, the pace of discussions with potential partners has significantly increased and in the last few months Ocado has announced deals to provide its solution to two large food retailers: Casino in France and Sobeys in Canada.
>
> However, there is still significant opportunity for growth as food retailing equates to approximately 50% of all retail spend or $2 trillion globally and channel shift to online is still in its early stages.

This year PartnerRe has also started investing in India through local investment managers who are building high conviction and concentrated equity portfolios.

We have prioritized India because of its future economic growth potential. India is a $2.4 trillion economy growing at 6.5% and, although it is already a very large economy, it has just $1,800 of income per capita. It is also in the early stages of a transformation to an open economy and has the youngest population in the planet (factors which altogether will drive growth across almost every industry). For example, to take a market very relevant to EXOR, only 2% of India’s population owns a car today compared to 91% in the US.

The Indian public equity market offers a very broad and diverse opportunity set, representative of the various segments of the economy and the Bombay Stock Exchange (BSE) is the largest stock exchange in the world by number of companies with more than 5,500 listed entities of which 80% have a market cap below $1 billion. The managers we have selected to steward our capital in this region have delivered more than 8pp of performance above the market indexes in any period of time over the past 10 years.

In 2017, PartnerRe also strengthened its relation with Tishman Speyer to make additional investments in real estate, including partnering with them in the development of a mixed-use building in Sao Paulo’s Rua Oscar Freire, the city’s most prestigious street. We are excited about further opportunities to invest in Brazil, a country of great relevance for many of our companies.

To complete our overview of PartnerRe’s investments, it is worth highlighting the good returns it has achieved on its fixed income portfolio, the largest component of its investment portfolio ($14 billion at year-end) which is directly managed in-house.

EXOR’s ownership has allowed PartnerRe to improve its capital position by adopting a prudent dividend policy to shareholders. The $145 million of dividends distributed by PartnerRe in 2017 represent a payout ratio of 67% of net profits, amongst the most conservative within the reinsurance industry.

Last but not least, I would like to turn to Juventus which has had its most significant year in its history after it won its 6th consecutive championship in a row, overtaking the greatest Juventus team of all time, which won five Italian championships in a row in the "quinquennio" in the 1930s.

Juventus has also won the last three Italian Cups and made it all the way through to the final of the Champions League, for the second time in three years, where it was defeated by Real Madrid, arguably the strongest football team in history and the winner of the last two Champions League Finals.

Juventus team celebrating its 6th consecutive championship (2016/17 season)

Juventus' legendary achievement in 2017 is the result of a great "team" work by management, the coach, staff and every player. It is also due to its very strong culture, strengthened over the last decade by its Chairman Andrea Agnelli, who continuously exhorts all and every individual member to push "*Fino alla Fine*…".

This mindset is very important for successful organizations that need to keep focused on the next challenges, which is the only way not to be distracted by current glories. Success only continue with continuing efforts which is true for Juventus but also for all our businesses.

Seneca warns us of this when he described what happened to the great warrior Hannibal, who, after many victories, went to Capua to "celebrate" with his soldiers: *"A single winter relaxed Hannibal's fibre; his pampering in Campania took the vigour out of that hero who had triumphed over Alpine snows."*

Football is of course a business as well as a sport with European club revenues having more than tripled this century to close to €20 billion, with the top 30 clubs representing close to 50% of this total. The biggest beneficiaries of this growth are the players with the value of transfers in 2017 reaching €5.6 billion with agents capturing 12.6% of this total.

Juventus has been growing its own revenues at an average CAGR of ~15% over the last five years compared to ~10% for the market and now generates revenues in the region of €400 million, excluding players transfers. Like any other club, Juventus is investing much of this into players who are critical for the club's future but also represent its main cost. This is particularly true in the case of top players who are often represented by aggressive agents. In the current format of domestic and international competitions, the increasing cost of players makes it difficult for clubs to reach recurrent levels of profitability, particularly given the unpredictability of sports results.

It is hard to balance sporting and financial success but Juventus achieved this in 2017. The good news for the industry is that football reach and relevance continues to grow, as is already happening in China and the USA. Close to a quarter of the world's population now supports football and this number is growing. This growth is what drives the value of football clubs, which is even more pronounced for the most prominent clubs, like Juventus.

We remain confident that Juventus will continue to deliver both sporting and financial rewards and look forward to continuing our relationship with them, which at close to a century is the longest one between a family and a sport franchise in the world.

FINANCIAL INVESTMENTS, CASH AND EQUIVALENTS AND TREASURY STOCK (1.3% of GAV)

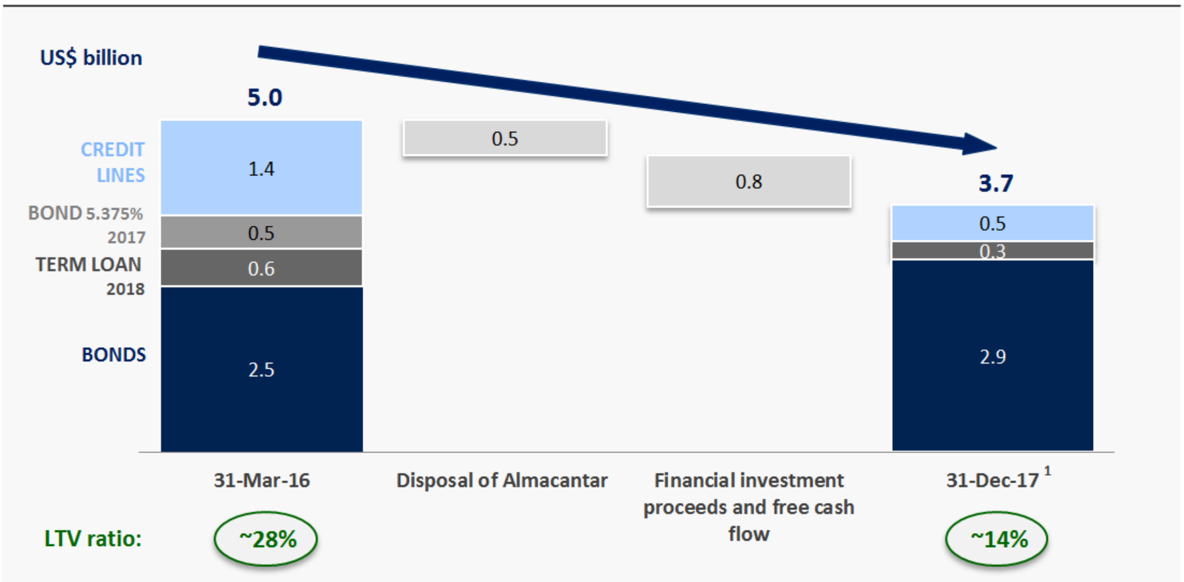
In 2017 we decreased EXOR's financial investments and cash & cash equivalents to reduce our gross debt, which we see as an imperative given our commitment to a conservative balance sheet. For convenience, we will in the future classify these three categories as "others" because they account for a small part of our GAV.

GROSS DEBT

When we completed the PartnerRe acquisition back in March 2016, our overall gross debt increased to \$5.0 billion. Since then we have decreased our gross debt by \$1.3 billion to \$3.7 billion at constant currencies[5], a reduction of around 25%.

This debt reduction has been achieved through disposal of assets and positive ordinary cash flow generation, as well as through the redemption of the Black Ant fund in June 2017, which we used to partially repay the 10-year outstanding bond which was maturing in the same period.

GROSS DEBT EVOLUTION



Note: Gross debt evolution at constant currencies based on official FX rate as of 31 March 2016.

1- EXOR Gross debt as of 31 December 2017 (based on official FX rate as of year-end) was equal to \$3.9 billion. Difference between \$3.9 billion and \$3.7 billion is related to the weakness of the Dollar vs. Euro, with an effect only on Gross debt translation to Dollars since the majority of EXOR's Gross debt is Euro-denominated (~90% of the total as of year-end)

Our progress in reducing our debt combined with the performance of our assets brought our Loan-to-Value ratio from 28% in March 2016 to 14% at the end of 2017, which is well below our 20% threshold. This contributed to S&P's decision in April to upgrade our ratings outlook to stable and affirm our long-term and short credit ratings ("BBB+" and "A-2" respectively).

---

[5] Based on official FX rate (EURUSD) as of 31 March 2016.

2018

This year most of our companies will be working on their future with business plans and leadership changes.

FCA is preparing its 2022 plan. This will be presented on June 1st by Sergio and the rest of the management team. Most of this team has been part of FCA's incredible adventure since 2004, and we are confident that one of them will become Sergio's successor.

We are working very closely with the board to make sure this transition is successful and that the hard work of the last 15 years continues with the same level of excellence.

CNHi's board will be appointing a new CEO who will take over from Rich Tobin who led the business effectively through the downturn in the agriculture market. Sergio is managing this process as the company's Chairman (a role he is committed to retain) and views this transition as an opportunity to strengthen the company's leadership to enable it to perform at the level he is used to at FCA and Ferrari.

The Economist has also announced the appointment of a new Chairman, Paul Deighton. Paul has had a long and distinguished career in banking before being CEO of the Organizing Committee for the London Olympics and Paralympics Games and working as a UK government minister. He brings business experience and the right set of values to help increase the global readership of The Economist, which provides a truly independent opinion of what is happening in our world.

We are grateful to Rupert Pennant-Rea, who is stepping down as Chair, particularly for his strong leadership during the ownership transition in 2016 and for presiding over one of the very few successful transitions in the "newspaper" industry, transforming The Economist from a business which was heavily dependent on print advertising revenues to one which can see a profitable future largely driven by paid circulation.

We were very pleased by the positive reaction to our Investor Day last October and plan to repeat it biannually, which means that we will have the opportunity to meet again in person in 2019, which is the year when we celebrate EXOR's first decade. We hope that you will be able to join us in the meantime for our investor call after our AGM in Amsterdam on 29 May 2018.

Board of Directors

Chairman and Chief Executive Officer	John Elkann
Vice Chairman	Sergio Marchionne
Vice Chairman	Alessandro Nasi
Non-independent Directors	Andrea Agnelli
	Niccolò Camerana
	Ginevra Elkann
	Lupo Rattazzi
Senior non-executive Director	Marc Bolland
Independent Directors	Melissa Bethell
	Laurence Debroux
	Anne Marianne Fentener van Vlissingen
	António Mota de Sousa Horta-Osório
	Robert Speyer
	Michelangelo Volpi
	Ruth Wertheimer

Audit Committee

Marc Bolland (*Chairperson*), Anne Marianne Fentener van Vlissingen and Lupo Rattazzi

Compensation and Nominating Committee

Michelangelo Volpi (*Chairperson*), Alessandro Nasi and Robert Speyer

Independent Auditors	Ernst & Young Accountants LLP

Expiry of term of office

The Board of Directors was appointed on 30 May 2017. The Board's three year appointment will expire concurrently with the shareholders' meeting that will approve the 2019 annual financial statements.

KEY DATA

EXOR Group – Consolidated Data € million	2017	2016	2015
Net Revenues	**143,430**	140,068	136,360
Profit before tax	**7,763**	4,268	1,054
Net profit	**4,646**	2,313	865
of which attributable to owners of the parent	**1,392**	589	744

EXOR Group – Consolidated Data – Shortened (a) € million	2017	2016	2015
Profit attributable to owners of the parent	**1,392**	589	744
Share of earnings of investments and dividends	**1,456**	908	219
Investments and non-current other financial assets	**13,927**	14,569	8,937
Issued capital and reserves attributable to owners of the parent	**10,805**	10,982	10,346
Consolidated net financial position of EXOR's "Holdings System"	**(3,164)**	(3,424)	1,337

(a) The basis of preparation is presented in the section "Review of the Consolidated Results of the EXOR Group – Shortened. Note that this is an Alternative Performance Measure.

Earnings per share (€) (a)	2017	2016	2015
Profit attributable to owners of the parent – basic	**5.93**	2.51	3.33
Profit attributable to owners of the parent – diluted	**5.87**	2.47	3.32
Issued capital and reserves attributable to owners of the parent	**45.97**	46.83	44.15

(a) Additional details on the calculation of basic and diluted earnings per share are provided in Note 11 to the consolidated financial statements.

Other information	31/12/2017	31/12/2016	31/12/2015
€ million			
Net Asset Value (a)(b)	**19,155**	13,890	12,267
Market capitalization	**12,301**	9,870	10,411
Dividend paid	**82.1**	82.0	77.8

(a) Alternative Performance Measure, as defined on page 14.
(b) Equal to: $22,972 million at 31 December 2017, $14,642 million at 31 December 2016, $13,355 million at 31 December 2015.

RISKS FACTORS

The following risks and uncertainties are deemed material and that in the Board of Directors' judgment, these are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Report of Operations.

RISKS RELATED TO BUSINESS, STRATEGY AND OPERATIONS

Risks relating to the business, operations and profitability of EXOR

The composition of EXOR's investment portfolio may vary substantially from time to time. Maintaining long-term ownership in investments and a flow of investments and divestments in new investment activities involves commercial risk, such as having a high exposure to a certain industry or an individual holding, changed market conditions for finding attractive investment candidates or barriers that arise and prevent exit from a holding at the chosen time.

EXOR does not have operations or significant assets other than the capital stock of its subsidiaries and other intercompany balances. EXOR has cash outflows in the form of other expenses, payments on its indebtedness and dividends to its shareholders. EXOR relies primarily on cash dividends and payments from its subsidiaries to meet its cash outflows. In particular, EXOR does not have a significant operating business of its own and, accordingly, the Issuer's financial condition depends upon the results of its investment activities, including the receipt of funds by other members of the Group. EXOR expects future dividends and other permitted payments from its Subsidiaries to be the principal source of funds to repay its indebtedness and to pay expenses and dividends. The ability of EXOR's subsidiaries to make such payments (in the form of dividends and intercompany payments) depends on their economic performance and financial condition and may also be limited by contractual or regulatory constraints. No assurance can be given that EXOR will receive adequate funding to maintain its financial condition. For the 2017 financial statements, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1 - Presentation of Financial Statements) exist about its ability to continue as a going concern.

Risks relating to international markets and exposure to changes in local conditions and trade policies, as well as economic, geopolitical or other events

The earnings and financial position of EXOR and its principal investment holdings are affected by the performance of financial markets and macroeconomic variables over which EXOR exercises little or no control.

EXOR is subject to risks inherent in operating globally, including those related to:

- exposure to local economic and political conditions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and
- the introduction of more stringent laws and regulations.

Unfavorable developments in any one or a combination of these areas (which may vary from country to country) could have a material adverse effect on EXOR's business, financial condition and results of operations.

With the increasing interconnectedness of global economic and financial systems, a financial crisis, natural disaster, geopolitical crisis, or other significant event in one area of the world can have an immediate and devastating impact on markets around the world.

For instance, in June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum. The terms of a UK withdrawal, commonly referred to as "Brexit", are subject to a negotiation period that could last up to two years from March 2017 when the government of the United Kingdom formally initiates a withdrawal process, or longer if extended by mutual agreement. During this time the government of the United Kingdom may also revoke its notification lo leave the European Union. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, which is also subject to negotiation, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate.

The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. Additionally, in recent years, certain member countries of the European Union have implemented austerity measures to avoid defaulting on debt repayments. If a country within the euro area were to default on its debt or withdraw from the euro currency, or, in a more extreme circumstance, the euro currency were to be dissolved entirely, the impact on markets around the world, and on EXOR's global business, could be immediate and significant.

In the United States, changes in policy positions by the new presidential administration may impact business and potential changes in tax laws that could adversely affect U.S. operations. These developments have introduced an elevated level of economic and policy uncertainty, which could cause financial and capital markets within and outside the U.S. and Europe to constrict, thereby negatively impacting EXOR's ability to finance its business.

In addition to slow economic growth or recession, other economic circumstances, such as increases in energy prices, fuel prices and fluctuations in prices of raw materials or contractions in infrastructure spending, could have negative consequences for the industries in which EXOR operates.

It is not possible to provide an indication of the future effects of the aforementioned factors and variables which may have an adverse impact on the demand for products and services, the earnings, business prospects and financial position of EXOR and its subsidiaries and affiliates.

Risks associated with the distribution of dividends

The distribution of dividends by EXOR and the amount of such dividends depend on the Company's future profits which in turn depend on the dividends distributed by EXOR's subsidiaries and affiliates and on the gains realized on divestments of these companies, events which by their nature are neither periodic nor recurrent. Accordingly EXOR's results in different financial years may not be regular and/or comparable. Where investments have been made having recourse to debt financing, part of the resources arising from the divestment will, as a priority, be applied in repayment of such debt and only the remaining part may be used for the distribution of dividends.

It will be recalled that under the merger agreement relating to the PartnerRe acquisition, from the time of the acquisition of PartnerRe and until 31 December 2020 neither the company resulting from the merger nor any of its subsidiary companies: (i) will approve or distribute or propose the approval or distribution of dividends nor proceed with other distributions pertaining to the PartnerRe common shares or other classes of PartnerRe shares in issue (the "Junior Shares"), over which the preferred shares issued by PartnerRe (as defined in the aforesaid merger agreement) have precedence or priority in the payment of dividends or in the distribution of assets in the event of liquidation or dissolution of PartnerRe; (ii) will redeem, purchase or otherwise become the owner of Junior Shares (exception being made for purchases relating to the servicing of incentive plans or of employee benefit plans of PartnerRe and its subsidiary companies), notwithstanding that the distributions may be made up to the limit of 67% of the net profit for the year of the company resulting from the merger for each quarter of the financial year and that for the quarter in respect of which distributions are not made the distributions may be carried forward, to the extent not made, to succeeding quarters without regard to the effective amount of the net profit earned by the company resulting from the merger in such quarters of the financial year. As explained in the paragraph of PartnerRe Risk's factors, the dividends distribution from PartnerRe depends also on the capital requirements including the regulatory requirements.

The financial results of the EXOR Group and of EXOR are no indicators of the future profitability of EXOR. For the 2017 financial statements, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1 - Presentation of Financial Statements) exist about its ability to continue as a going concern. At EXOR NV level, the NAV value at year-end was US $23 billion positive.

There can be no assurance concerning the profitability of EXOR in future periods. Further, EXOR does not have a policy for the payment of dividends (for example a minimum distribution per share in absolute terms or as a percentage-dividend payout) and has not made any specific undertaking in this respect.

Risks relating to the EXOR's credit rating

EXOR's corporate credit rating from S&P is currently "BBB+" for long-term debt and "A-2" for short-term debt with a stable outlook.

Its ability to access capital markets, and the cost of borrowing in those markets, is highly dependent on its credit ratings. The rating agencies may review their ratings for possible downgrades, and any downgrades would increase the Issuer's cost of capital, potentially limiting its access to sources of financing, and could negatively affect its businesses.

Risks associated with market conditions

EXOR holds investments in both publicly listed companies and unlisted companies. The value of the investments in listed companies is based on their market prices, whereas for investments in unlisted companies one of the methods used to value the shareholdings is based on multiples of comparable listed companies. Therefore, changes in prices and market conditions can negatively impact the value of EXOR's business operations. A substantial weakening of equities and/or bond markets or changes in interest rates and/or currency exchange rates could impact negatively on the value of EXOR's businesses.

Further, the operating costs which EXOR incurs cannot be reduced with the same speed as a fall or unabated decline in financial markets and, in the case of inadequately efficient cost management, this could negatively impact the financial results of EXOR.

Risks associated with the sectors and markets in which EXOR's subsidiaries operate

Through its investments in subsidiaries and affiliates, EXOR is present mainly in the reinsurance business (PartnerRe), automobile business (FCA), the agricultural and construction equipment business (CNH Industrial), Ferrari brand, publishing (The Economist Group) and professional football (Juventus Football Club). As a result, EXOR is exposed to the risks typical of the sectors and markets in which such subsidiaries and affiliates operate.

Therefore, the performance of the main subsidiaries has a very significant impact on the earnings, financial position and cash flows of EXOR.

The paragraph Risk Factors from main subsidiaries highlights the most significant risk factors related to FCA, PartnerRe, CNH Industrial and Ferrari.

Exposure to financial counterparty risk

EXOR is exposed to financial institution counterparty risk and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. Financial services institutions are inter-related as a result of trading, counterparty and other relationships. The Company has exposure to many different industries and counterparties and routinely executes transactions with counterparties in the financial industry, including financial intermediaries, brokers and dealers, commercial banks and investment banks for its own account. Defaults by, or even the perceived creditworthiness or questioning of, one or more financial services institutions or the financial services industry, generally, has led and may continue to lead to market-wide liquidity problems and could also lead to losses or defaults. The exact nature of the risks faced by EXOR is difficult to predict and guard against in view of the severity of the global financial crisis and the fact that many of the related risks to the business are totally, or in part, outside of the control of the Company.

Risks associated with the consolidated indebtedness of the EXOR Group

The overall amount of the consolidated indebtedness of the EXOR Group could have a significant negative impact on the business and the financial performance of EXOR and of the EXOR Group. A deterioration in market conditions, which the companies of the Group were not able to tackle rapidly, could have negative effects on revenues and cash flows of Group companies; such a situation could result in higher financial charges with a consequent negative impact on the profitability of such Group companies and as a consequence on the flow of dividends and other payments to EXOR. The deterioration of the economic and financial position of the Group companies could, also, have negative effects on the possibility of accessing sources of additional funding for the achievement of the business objectives of EXOR and of the Group companies, for capital expenditure, working capital and the repayment of debt as well as on the cost of the latter; such circumstances could render the Group more vulnerable. Further, if EXOR and the other companies in the Group should fail to generate the financial resources necessary to repay debt within the terms agreed, they would be compelled to seek other financial resources or to refinance or renegotiate existing debt on more onerous terms and conditions, with the consequent limitation of available funds and the increase of the related costs. Any difficulty in obtaining financing could have a significant impact on the Group, its business prospects and its profits. It should be noted that EXOR has not given any guarantees regarding the indebtedness of its operating subsidiaries and affiliates.

Risks associated with acquisitions and disposals

No assurance can be given that the present investments or those in the future, if completed, will not impact negatively on EXOR's results and financial position in the short and/or the medium term and on its ratings and will not encounter obstacles of an administrative, legal, technical, industrial, operational, regulatory or financial policy nature or other difficulties, such that they may not assure the achievement of the results, objectives or benefits expected. EXOR is also exposed to the risk that the disposal of its investments may be effected on terms and conditions which are unsatisfactory with consequent negative impacts on its financial position and on its own prospects.

EXOR is a holding company and in the normal course of its business assesses new investment opportunities as well as opportunities to disinvest, such activity being its core business. In assessing new investment opportunities, EXOR intends to keep its indebtedness at a level consistent with the objective of maintaining an investment grade rating, that is to say a ”BBB” or higher. Any delay in completing, or the failure to complete, an acquisition, disposal, merger, joint venture or similar operation, could prejudice the full achievement or delay fully achieving, the results and the benefits expected for EXOR, and could have significant negative repercussions on its business prospects and on its results and/or its financial situation.

Risks associated with the investment portfolio and the concentration of investments

EXOR is a holding company and, consequently, the results of its major investments and the financial resources distributed by the subsidiaries and affiliates (as dividends or otherwise) have a significant influence on its results. The failure to achieve the objectives or the revision of the objectives by the subsidiaries and affiliates due to, among other things, deterioration of economic and financial conditions and of the general conditions of the market, may have a significant negative effect on the economic results and financial position and on the business activities, strategies and prospects of the EXOR Group and of EXOR N.V., as well as on the performance of the EXOR shares on the stock market. No assurance can be given with regard to the fact that EXOR N.V. will receive constant flows of dividends from the subsidiaries and affiliates which depend on the economic and financial performance and the investment and dividend policies of such companies.

EXOR holds a limited number of investments and, consequently, the economic and financial performance of EXOR and of the EXOR Group may be materially influenced by the negative performance or indeed the negative economic and financial results even of one of the investments made.

EXOR's investment portfolio is monitored and analyzed constantly both through use of corporate governance rights (e.g. board representation) and through constant dialogue with the management of the subsidiaries and affiliates without affecting their independence as the managers of the companies.

EXOR does not have a specific policy on investment and disposal. Investment decisions taken by EXOR are formulated on the basis of in-depth assessments and of expertise developed in the specific sectors, as well as on the basis of the potential contribution of the individual investment to the geographical and sector diversification of the portfolio and of the capacity to generate future cash flows.

Recent disposals have been guided by the wish to reduce exposure to non-global businesses or the wish to take advantage of concrete opportunities to divest in the market which offer an adequate economic result. The maintenance of long term investments and the decisions to invest and divest entail business risks, such as a high exposure to specific industries or to a particular investment, changes in market conditions and the presence of obstacles which impede the disposal of its investments.

Risks associated with the loss of key management figures

The success of EXOR and of the EXOR Group depends to a large extent on the abilities of its own senior executives and of the other components of the management team to manage efficiently EXOR and the EXOR Group and the individual business areas. If the EXOR Group should lose the contribution of key executives (including John Philip Elkann and Sergio Marchionne), this could have a significant negative effect on the business prospects as well as the financial results and/or financial position.

Furthermore, if one or more managers should resign from service with EXOR or with EXOR's investee companies and should it not be possible to adequately replace them in a timely manner with persons of equal skill and experience, the competitive capacity of such companies could diminish with potentially negative effects on the business and on the ability to replicate the results achieved in the past.

Risks associated with the presentation of consolidated data in shortened form (Shortened Consolidation)

The Shortened Consolidation data is prepared by EXOR on the basis of a "shortened" method of consolidation in which the data derived from the IFRS financial statements of EXOR and of the subsidiaries of the Holdings System: EXOR Nederland N.V. (the Netherlands); EXOR S.A. (Luxemburg); Ancom USA Inc. (USA); Exor SN LLC (USA); Exor Capital DAC (Ireland); Exor Investments Limited (United Kingdom); Exor Investment (UK) LLP (United Kingdom) are included in the financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements prepared in accordance with IFRS of the operating subsidiaries and affiliates (PartnerRe, FCA, CNH Industrial, Ferrari, The Economist Group, Welltec and Juventus Football Club) are included in the financial statements of the parent company EXOR using the equity method.

While the data and information prepared using the shortened consolidation method are recognized by the financial community, by financial counterparties and by the ratings agencies, and EXOR believes that these data and information facilitate analysis of the financial position and results of EXOR, such data do not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups.

The consolidated data prepared in shortened form are not audited by the independent auditors.

Risks associated with tax assessments of the Italian tax authorities relating to periods prior to the date when the merger became legally effective

It should be noted that the merged company, EXOR S.p.A. was taxable for IRES and IRAP purposes up until the legally effective date of the Merger.

For Italian tax purposes the Merger qualifies as an intra-community cross-border merger as defined by the Italian tax regulations (TUIR) which implemented E.U. Council Directive 1990/434 dated 23 July 1990 on the common system of taxation to be applied to mergers, de-mergers, transfers of assets and share exchanges involving companies of differing Member States (consolidated in E.U. Council Directive 2009/133 dated 12 October 2009, the “Merger Directive”).

The Italian tax regulations provide for the fiscal neutrality of the intra-community merger with respect to assets and liabilities which remain connected with a permanent organization in Italy, providing, conversely, that elements which do not remain connected with a permanent organization in Italy are deemed to be realized at fair value. Considering that EXOR N.V. has not maintained a permanent organization in Italy after the Merger, all the components of EXOR S.p.A. (including investments in companies, financial liabilities and tax-suspended reserves) have been treated as having been realized at fair value, resulting in the crystallization of taxable surpluses (“EXIT gains”) in the financial position at the 10 December 2016 merger date.

EXOR believes that the related taxation which was declared and paid in June 2017 is correctly determined, however any related disputes and Italian tax authority decisions could have a negative effect, also for a significant amount, on the results of future financial years.

Risks and uncertainties associated with the development and interpretation of tax regulations

The economic and financial activities of EXOR and of its principal subsidiaries and associates make it subject to a variety of taxes and duties. EXOR and those subsidiaries and affiliates are, therefore, exposed to the risk that the level of taxation to which they are subjected may rise in the future. Any such increase in the level of taxation, or the introduction of new taxes, to which EXOR and its principal subsidiaries and affiliates may be subjected, could have negative effects on the economic results and financial position of EXOR.

Additionally, EXOR and its principal investee companies are also exposed to risk from the interpretative complexity of tax regulations and may from time to time be subjected to inspections by the tax authorities.

Among the significant developments in tax regulation there is also the recent EU Directive 2016/1164 adopted on 12 July 2016 and known as the “Rules against tax practices that directly affect the functioning of the internal market”. This Directive introduces a number of provisions concerning the limitation of interest deduction and the introduction, on an obligatory basis, of regulations on Controlled Foreign Companies (CFC). As of the financial reporting date no regulation on Controlled Foreign Companies has been introduced in the Netherlands, however certain rules are in force under Dutch law concerning the taxation of business income (*Wet op de vennootschapsbelasting 1969*), which establish that the taxpayer, in some specific circumstances, is required to record an interest in an entity at fair market value. Pursuant to the aforesaid Directive, in any case, the Netherlands is obliged to introduce regulations on Controlled Foreign Companies - in conformity with the dispositions set out in the Directive – to come into effect at the latest on 1 January 2019. The manner in which the directive will be enacted and implemented by governments and tax authorities in the legal systems of the individual Member States is as yet unknown; similarly, there is still uncertainty about the effective practical scope of the Directive in general.

RISKS RELATED TO THE COMMON SHARES

Risks connected with share price performance in relation to the activities of EXOR

EXOR’s results will depend on the performance of the investments which it makes. These investments, considering the type of activity performed, are characterized by high levels of uncertainty, problems with forecasting and a priori assessments that are not always objective. There is no guarantee that EXOR will be able to transmit to the market the correct interpretation of the risk-opportunity relationship of the investments made and of their progressive performance, with resulting possible negative impact on the performance of the market price of EXOR common shares.

The loyalty voting structure could have a negative effect on the liquidity of the common shares and reduce the common share price

The introduction of the special voting structure could reduce the liquidity of EXOR common shares adversely affecting the trading price in the market. The special voting structure is intended to reward long-term shareholding and provide an incentive for a stable shareholder base, giving shareholders the opportunity to decide to receive special voting shares after a certain uninterrupted period of ownership of common shares.

The special voting shares cannot be traded and must be transferred to EXOR for no consideration (*om niet*) immediately prior to cancellation of the common shares from the EXOR special register.
The special voting structure may reduce liquidity in EXOR common shares and adversely affect their trading price.
No special voting shares had been issued at the Merger date and none are outstanding at 31 December 2017.

The special voting structure may make it more difficult for shareholders to acquire a controlling interest, change the management or the strategy of the Group or exercise influence over it, resulting in a reduction in the market price of the common shares

The provisions of the articles of association which establish the special voting structure, allowing qualifying shareholders to exercise up to 5 or 10 voting rights for each EXOR common share held, may make it more difficult to acquire, or attempt to acquire, control of EXOR and prevent or discourage any initiatives seeking to change EXOR's management, even if a change of control were considered favorably by shareholders holding the majority of the EXOR common shares.
The special voting share structure may prevent or discourage initiatives of shareholders seeking to change the ownership structure or the strategy of EXOR or to exercise their influence and also may prevent or discourage initiatives of shareholders seeking to bring about changes in the company's management.
Shareholders who hold a significant quantity of EXOR common shares for the uninterrupted periods prescribed in the articles of association and who request special voting shares could be in a position to exercise a significant quota of voting rights at meetings of shareholders and to have substantial influence over EXOR.
Based on the most recent information available Giovanni Agnelli holds 52.99% of the issued capital of EXOR, such that its control is not at present contestable.

It should be recalled, however, that the special voting structure will commence to have its effect only when five years have passed from the date of adoption of the new articles of association following the merger's becoming effective, assuming that the holders of EXOR common shares satisfy the conditions for requesting special voting shares. In fact, as of the date of the merger becoming effective no special voting shares had been issued.

Risks related to the tax treatment of Special Voting Shares

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian or Dutch tax purposes and as a result the tax consequences in the Netherlands are uncertain. The fair market value of the EXOR special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Considering that the EXOR special voting shares are not transferable (other than, in very limited circumstances, together with the associated EXOR common shares) and that a shareholder's rights to receive amounts in respect of the special voting shares are extremely limited, EXOR believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by EXOR is incorrect. The tax treatment of the Special Voting Shares and the consequences of acquiring them, therefore, are not entirely clear and established.

EXOR GROUP PROFILE

EXOR is one of Europe's largest investment companies, with a Net Asset Value (NAV)(1) of almost $23 billion (equal to over €19 billion) as at 31 December, 2017. It is listed on the *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A. (MTA) and headquartered in Amsterdam, The Netherlands. EXOR is registered in the Dutch companies' register of the Chamber of Commerce (*Kamer van Koophandel*) under registration number 64236277. The registered office of the Issuer is Gustav Mahlerplein 25, 1082 MS, Amsterdam, The Netherlands, telephone number +31 (0) 20 240 2 220. EXOR is majority owned and controlled by Giovanni Agnelli B.V., the company grouping the descendants of Senator Giovanni Agnelli, the founder of FIAT, which holds 52.99% of its share capital. EXOR aims at increasing its NAV per share to outperform the MSCI World Index in dollars in the long-term; generating free cash flows above its dividend outflows and preserving an investment grade rating.

EXOR invests with a long-term view, among others in significant (controlling or non-controlling) equity investments, with an objective to achieve an optimal return from investment income and capital appreciation. EXOR invests without a defined investment and divestment policy and is not bound by any specific target or criteria regarding geographical and industrial features of its investments, holding period and achievements of targets. EXOR generates returns which may be reversed, reinvested or distributed to shareholders at the absolute discretion of the company (subject only to shareholder vote on dividend distribution). EXOR is an active shareholder, combining its entrepreneurial approach with sound financial discipline. It brings in finance for the development of its companies, to improve their competitive position and profitability, and maintains a constant dialogue with the top management of the companies in which it invests, while fully respecting their operating autonomy.

(1) Alternative performance measure as defined on page14.

The principal EXOR Group's investments are the following:

Percentages updated on the basis of the latest available information.
(a) EXOR holds 99.75% of voting right on issued common stock.
(b) EXOR holds 42.34% of voting rights on issued capital.
(c) EXOR holds 41.68% of voting rights on issued capital.
(d) EXOR holds 32.75% of voting rights on issued capital.
(e) Voting rights are limited to 20%.

Fiat Chrysler Automobiles (FCA) (29.18% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. FCA, the seventh-largest automaker in the world designs engineers, manufactures, distributes and sells passenger cars, light commercial vehicles, components and production systems worldwide. The Group's automotive brands are: Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia, Ram and Maserati in addition to the SRT performance vehicle designation. FCA's businesses also include Comau (production systems), Magneti Marelli (components), Teksid (iron and castings) and Mopar, the after-sales services and parts brand. FCA is engaged in industrial activities in the automotive sector through companies located in 40 countries and has commercial relationships with customers in more than 140 countries. At 31 December 2017 FCA had 159 manufacturing facilities and 235,915 employees throughout the world.
FCA's operations relating to mass market brands (passenger cars, light commercial vehicles and related parts and services) are run on a regional basis and attributed to four regions representing four geographical areas: NAFTA (U.S., Canada and Mexico), LATAM (South and Central America, excluding Mexico), APAC (Asia and Pacific countries) and EMEA (Europe, Russia, Middle East and Africa).

PartnerRe (100% of common stock) is a leading global reinsurer with headquarters in Pembroke (Bermuda). PartnerRe commenced operations in 1993 and provides Non-life (Property and Casualty and Specialty) and Life and Health reinsurance on a worldwide basis through its subsidiaries and branches serving more than 2,000 customers in its Non-life and Life and Health segments. PartnerRe has a global platform of 20 offices and is present in more than 150 countries. The company's principal offices are located in Hamilton (Bermuda), Dublin, Greenwich (Connecticut, USA), Paris, Singapore and Zurich. Risks reinsured include, but are not limited to, property, casualty, motor, agriculture, aviation/space, catastrophe, credit/surety, engineering, energy, marine, mortality, longevity and accident and health, and alternative risk products.

CNH Industrial (26.89% stake) is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. CNH Industrial's goal is the strategic development of its business. A large industrial base, a wide range of products and its worldwide geographical presence make CNH Industrial a global leader in the capital goods segment. Through its brands the company designs, produces and sells trucks, commercial vehicles, buses and specialty vehicles (Iveco), agricultural and construction equipment (the families of Case and New Holland brands), as well as engines and transmissions for those vehicles and engines for marine applications (FPT Industrial). Each of the Group's brands is a prominent international player in its respective industrial segment.
At 31 December 2017 CNH Industrial was present in approximately 180 countries giving it a unique competitive position across its 66 manufacturing plants, 53 research and development centers and had more than 63,000 employees.

Ferrari (22.91% stake) began operations on 3 January 2016 following the completion of a series of transactions to separate Ferrari from the FCA Group. Ferrari is listed on the New York Stock Exchange (NYSE) and the Mercato Telematico Azionario managed by Borsa Italiana (MTA) and is included in the FTSE MIB Index. The Ferrari brand is a symbol of excellence and exclusivity; the cars that carry this brand name are unique for performance, innovation, technologies, driving pleasure and design. A car that is the most authoritative example of "Made in Italy" the world over.
At 31 December 2017 Ferrari was present in over 60 markets worldwide through a network of 164 authorized dealers operating 185 points of sale with 8,398 cars sold in 2017.

The Economist Group (43.40%) is a company headquartered in London and head of the editorial group that publishes *The Economist*, a weekly newspaper that, with a global circulation of more than one million copies, represents one of the most important sources of analysis in the international business world.

Juventus Football Club (63.77% of share capital) is listed on the Mercato Telematico Azionario managed by Borsa Italiana (MTA). Founded in 1897, it is one of the most prominent professional football teams in the world.

SIGNIFICANT EVENTS IN 2017

Increase in investment in Welltec

During the year 2017 EXOR acquired a further 6.58% of Welltec for a total consideration of €32.5 million. At 31 December 2017 EXOR held 21.23% of the share capital of Welltec.

Redemption of the investment in The Black Ant Value Fund

In the first half of 2017 EXOR received €353.5 million on the redemption of the entire investment in The Black Ant Value Fund; €17.8 million was received in January 2017 and the residual amount of €335.7 million in June 2017. The redemption resulted in a net total gain of €109.1 million arising from the reversal of the available for sale reserve. The fund, purchased in 2012, had a duration of five years.

Repayment of EXOR non-convertible 2007 - 2017 bonds

On 12 June 2017 EXOR repaid an amount of €440 million related to the residual amount outstanding of EXOR non-convertible bonds 2007-2017 using a combination of available liquid resources and bank debt.

Investment in GEDI Gruppo Editoriale S.p.A.

On 29 June 2017 FCA's transfer of ITEDI S.p.A to GEDI Gruppo Editoriale S.p.A. (hereafter GEDI) in exchange for new GEDI shares became effective. Subsequently, FCA demerged its GEDI shares into InterimCo BV and liquidated the latter company resulting in the distribution of its GEDI ordinary shares to all FCA shareholders. On 4 July 2017 EXOR received 4.28% of GEDI's share capital.

In 2017 EXOR also purchased on the market 1.71% of GEDI share capital for a total amount of €6.8 million. Currently EXOR holds 5.99% of the share capital of GEDI.

Agreement for divestment of the entire shareholding in Banca Leonardo

On 7 November 2017 EXOR together with the other major shareholders of Banca Leonardo, a leading independent wealth manager in Italy, announced an agreement under which Banca Leonardo will be acquired by Indosuez Wealth Management, the global wealth management brand of Crédit Agricole group, resulting in the divestment of EXOR's entire 16.51% shareholding.

The transaction will be completed in the first half of 2018, subject to the approval of the competent authorities.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP

Significant economic data

EXOR Group – Consolidated Data € million	2017	2016	2015
Net Revenues	**143,430**	140,068	136,360
Profit before tax	**7,763**	4,268	1,054
Net profit	**4,646**	2,313	865
of which attributable to owners of the parent	**1,392**	589	744

Net revenues

€ million	2017	2016	2015
FCA	**110,387**	110,445	112,635
CNH Industrial	**24,410**	22,459	23,346
PartnerRe (a)	**5,016**	3,827	-
Ferrari	**3,096**	2,859	-
Juventus	**521**	478	379
Net Revenues	**143,430**	140,068	136,360

(a) 2016 net revenues referred to the period 18 March – 31 December 2016.

Profit

2017 consolidated net income amounts to €4,646 million, an increase of €2,333 million on the 2016 result of €2,313 million. The increase is due principally to the higher net revenues for €3,362 million (mainly referred to CNH Industrial and PartnerRe respectively for €1,951 million and €1,189 million), the increase of other income (expenses) for €815 million (mainly related to the gain of the reversal of a liability for Brazilian indirect taxes) and the reduction of financial expenses of €551 million, partially offset by a higher cost of sales and charge for income taxes respectively for €1,791 million and €1,163 million.

2016 consolidated net income amounts to €2,313 million, an increase of €1,448 million on the 2015 result of €865 million. The increase is due principally to the higher net revenues for €3,708 million, up 2.7% (mainly due to the consolidation of PartnerRe for €3,827 million and Ferrari (in 2015 included in FCA's consolidated data), a higher charge for income taxes and research and development costs for respectively €1,243 million and €940 million and by the lower amount of profit from discontinued operations (€522 million in 2015 relating to the sale of the C&W Group).

Significant financial data

€ million	31/12/2017	31/12/2016	31/12/2015
Cash and cash equivalent	**20,028**	25,161	30,587
Total assets	**163,775**	176,528	156,895
Gross debt	**46,696**	56,817	58,112
Issued capital and reserves attributable to owners of the parent	**10,805**	10,981	10,346
Non-controlling interests	**20,381**	19,239	16,481

Gross debt

€ million	**31/12/2017**	31/12/2016	31/12/2015
Bonds	**22,103**	25,487	23,809
Borrowings from banks	**11,239**	14,509	18,385
Asset-backed financing	**10,943**	12,075	12,146
Payables represented by securities	**826**	1,619	1,212
Other financial debt and liabilities	**1,585**	3,127	2,560
Gross debt	**46,696**	56,817	58,112

Financial debt is constituted, to a large extent, of bond issues and bank borrowings. As is the usual practice, the major part of such debt involves a number of covenants which *inter alia* limit the capacity of Group companies to contract further debt, make certain types of investment, put into effect certain types of transactions with Group companies, dispose of certain assets or merge with or into other companies and use assets as security for other transactions. Further, certain bond issues and bank borrowings provide for compliance with financial covenants.

Cash flow

€ million	**2017**	2016	2015
Cash and cash equivalents at the beginning of the year	**25,161**	30,587	29,243
Cash and cash equivalents included in assets held for sale and discontinued operations	**1**	-	-
Cash and cash equivalents at the beginning of the year	**25,162**	30,587	29,243
Cash flow from (used in) operating activities	13,390	12,619	11,749
Cash flow from (used in) investing activities	(10,771)	(12,740)	(8,608)
Cash flow from (used in) financing activities	(5,944)	(5,564)	(2,411)
Translation exchange differences	(1,809)	259	614
Net change in cash and cash equivalents	(5,134)	(5,426)	1,344
Cash and cash equivalents at the end of the year	**20,028**	25,161	30,587
Cash and cash equivalents included in assets held for sale and discontinued operations		1	-
Cash and cash equivalents at the end of the year	**20,028**	25,162	30,587

In 2017 the Group generated positive cash flows from the operating activities for €13,390 million while cash flows used in investing activities were €10,771 million and mainly related to the investments in property, plant and equipment and intangible assets (€10,092 million).

For the year ended 31 December 2017, net cash used in financing activities was €5,944 million, primarily related to the, repayment of notes for €5,296 million, net reduction in other long-term debt for €3,049 million, partially offset by the issuance of new notes for €2,834 million.

ALTERNATIVE PERFORMANCE MEASURES (APM)

To facilitate understanding of the economic and financial performance of EXOR and of the Group, the Directors of EXOR have identified a number of Alternative Performance Measures (APM) which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference reporting standards. The aforesaid APM should be read together with the consolidated financial information prepared applying the shortened consolidation criterion. APM used by EXOR, since they are not based on the reference financial reporting standards, may not be consistent with those used by other companies or groups and therefore may not be comparable with them. The APM used by EXOR have been computed consistently in terms of definition and presentation in all the reporting periods for which financial information is presented in this Report.

Further, it should be noted that the principal subsidiaries and affiliates make use for presentations to the market of “non-GAAP” financial measures to illustrate their performance. Such indicators are commonly used by analysts and investors in the sectors to which the subsidiaries belong to evaluate business performance. A description of the manner in which such indicators are computed is provided by the individual subsidiary companies and these are included in the Report on Operations section in the review of the performance of each subsidiary, as extracted from their respective published documents. Such information is prepared autonomously by the companies and is not homogeneous.

Set out below are the main APM’s identified by EXOR: Net Asset Value and Net Financial position.

Net Asset Value (APM)

Net Asset Value (NAV) is the total value of assets net of the gross debt of the Holdings System as defined below. In determining the total value of assets at 31 December 2017, listed equity investments and other securities are valued at trading prices, unlisted equity investments are valued at fair value, determined annually by independent experts, and unlisted other investments (funds and similar instruments) are valued by reference to the most recent available fair value. Bonds held to maturity are valued at amortized cost. Treasury stock is valued at the official stock exchange price, except for the part designated to service stock option plans (measured at the option exercise price under the plan if this is less than the stock exchange price) and that assigned to the beneficiaries of the stock grant plans which is deducted from the total number of treasury shares held. The sum of the aforesaid values constitutes the total value of assets (Gross Asset Value). Gross debt is the total amount of the financial debt of the Holdings System.

The elements included in the Gross Asset Value and in the gross debt denominated in U.S. dollar and Pound sterling are converted into Euro at the official exchange rates at the date of the period indicated in this presentation.

At 31 December 2017 EXOR’s NAV is $22,972 million (€19,155 million), an increase of $8,330 million (+56.9%) compared to $14,642 million (€13,890 million) at 31 December 2016.
NAV per share amounts to $95.32 equal to €79.48 at 31 December 2017 ($60.75, equal to €57.63 at 31 December 2016).

The composition and change in NAV in US dollars are the following:

US$ million	**31/12/2017**	31/12/2016	Change vs 31/12/2016	
			Amount	%
Investments	**26,550**	17,683	8,867	+50.1%
Financial investments	**4**	382	(378)	-99.0%
Cash and cash Equivalents	**127**	215	(88)	-40.9%
Treasury stock	**212**	187	25	+13.4%
Gross Asset Value	**26,893**	18,467	8,426	+45.6%
Gross Debt	**(3,921)**	(3,825)	(96)	+2.5%
Net Asset Value (NAV)	**22,972**	14,642	8,330	+56.9%

The decrease in financial investments is due to the redemption of The Black Ant Value Fund.

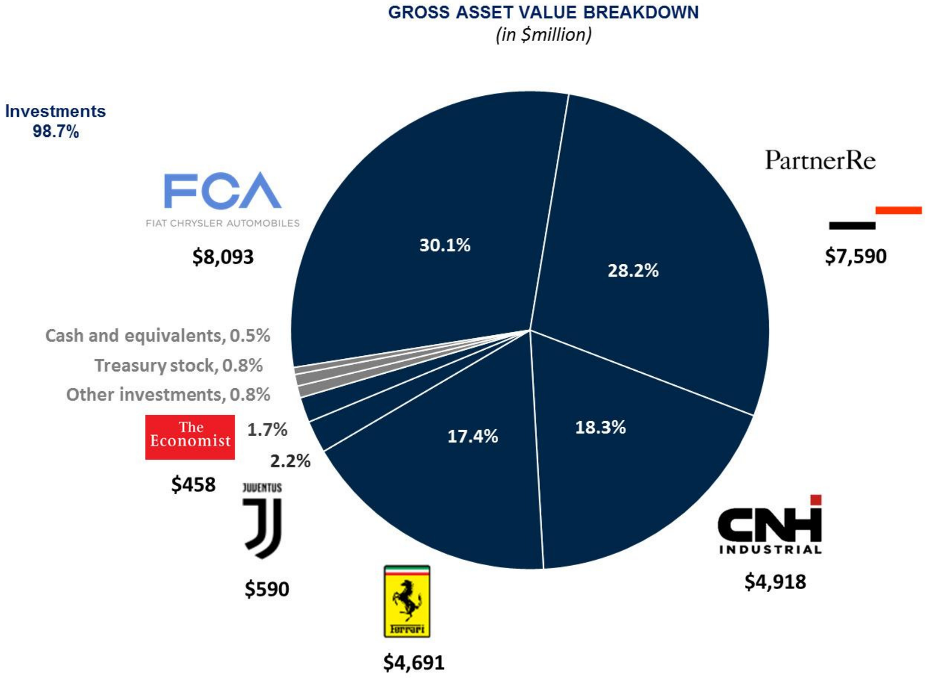
The value in Euro of the NAV presented in US dollars, converted at the exchange rates of the respective years is the following:

€ million	**31/12/2017**	31/12/2016
Investments	**22,138**	16,775
Financial investments	**3**	362
Cash and cash Equivalents	**106**	205
Treasury stock	**177**	177
Gross Asset Value	**22,424**	17,519
Gross Debt	**(3,269)**	(3,629)
Net Asset Value (NAV)	**19,155**	13,890

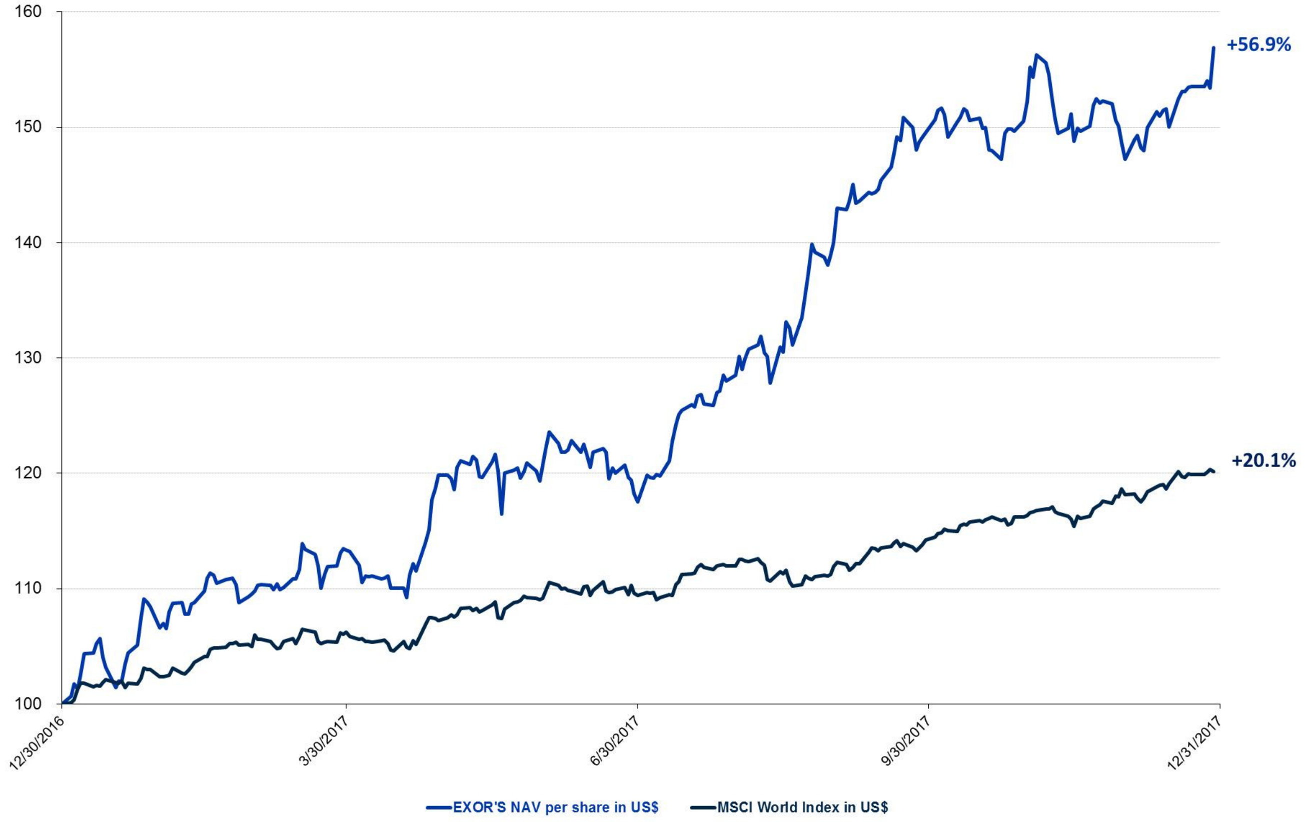
€ million	31/12/2017	31/12/2016	Change	
			Amount	%
Issued capital and reserves attributable to owners of the parent	**10,804.8**	10,981.8	-177.0	-1.61%

NAV is also presented with the aim of aiding financial analysts and investors in forming their own assessments.

The following pie chart shows the composition of Gross Asset Value at 31 December 2017 ($26,893 million). "Other investments" include the investments in Welltec, Banca Leonardo and GEDI in addition to minor sundry investments.



Change in NAV per share compared to the MSCI World Index in U.S. Dollar



The following table shows the official prices of EXOR‘s ordinary share listed on the MTA, for the year 2017 and the first months of 2018:

	1/1/2018 3/14/2018	1/1/2017 12/31/2017
Stock Market Data		
Ordinary share price (in Euro)		
- Period - end	60.146	51.041
- Maximum	64.001	56.375
- Minimum	50.822	40.892
Average daily volume exchanged during period:	559,626	414,297
Euro volume exchanges during period (in Euro): (a)	33,456,621	20,688,600

(a) Average daily value (official daily trading price by daily volume) handled by Borsa Italiana during period.

Net financial position of the Holdings System (APM)

The net financial position of the Holdings System determined applying the shortened consolidation criterion provides the best presentation of the financial resources and commitments directly attributable to and managed by EXOR.

Using the shortened consolidation criterion adopted by EXOR rather than the line-by-line method of consolidation required by law and under IFRS, the data derived from the financial statements or accounting data prepared in accordance with IFRS by EXOR and by the subsidiaries constituting the Holdings System: EXOR Nederland N.V. (the Netherlands); EXOR S.A. (Luxemburg); Ancom USA Inc. (USA); Exor SN LLC (USA); Exor Capital DAC (Ireland); Exor Investments Limited (United Kingdom); Exor Investment (UK) LLP (United Kingdom) are consolidated in the financial statements of the parent company EXOR using the line-by-line method while the data derived from the financial statements or accounting data prepared in accordance with IFRS by the operating subsidiaries and associates (FCA, PartnerRe, CNH Industrial, Ferrari, The Economist Group, Juventus Football Club and Welltec) are included in the financial statements of the parent company EXOR using the equity method. The financial community is familiar with this information which facilitates analysis of the financial position and results of EXOR. The total financial assets and total financial liabilities set out in the table correspond to the total financial assets and total financial liabilities of the Holdings System. The net balance of these items represents the consolidated net financial position of the Holdings System.

Set out below are the data relating to the net financial position prepared in shortened consolidation form:

€ million	31/12/2017	31/12/2016	31/12/2015
Financial assets and other financial receivables	**82**	88	112
Cash and cash equivalents	**24**	117	3,923
Cash, cash equivalents and financial assets	**106**	205	4,035
EXOR Bonds	**(2,521)**	(2,999)	(2,625)
Financial payables	**(715)**	(602)	(40)
Other financial payables	**(34)**	(28)	(33)
Gross debt	**(3,270)**	(3,629)	(2,698)
Consolidated net financial position of Holding System	**(3,164)**	(3,424)	1,337

The reconciliation of the consolidated cash and cash equivalents of EXOR Group with the consolidated cash and cash equivalents of the Holdings System is as follow:

€ million	31/12/2017	31/12/2016	31/12/2015
Cash and cash equivalents of the Holdings System	**24**	117	3,923
Cash and cash equivalents of the operating subsidiaries accounted for using the equity method in the Holdings System	**20,004**	25,044	26,664
Cash and cash equivalents (1)	**20,028**	25,161	30,587

(1) GAAP measure, see page 14.

The reconciliation of the consolidated gross debt of EXOR Group with the consolidated gross debt of the Holdings System is as follow:

€ million	31/12/2017	31/12/2016	31/12/2015
Gross debt of the Holdings System	**(3,270)**	(3,629)	(2,698)
Gross debt of the operating subsidiaries accounted for using the equity method in the Holdings System	**(43,426)**	(53,188)	(55,414)
Gross debt (1)	**(46,696)**	(56,817)	(58,112)

(1) Resulting from the sum of the GAAP measures.

REVIEW OF THE CONSOLIDATED RESULTS OF THE EXOR GROUP - SHORTENED

The Shortened Consolidation data is prepared by EXOR on the basis of a “shortened” method of consolidation in which the data derived from the IFRS financial statements of EXOR and of the subsidiaries of the Holdings System: (EXOR Nederland N.V.; EXOR S.A.; Ancom USA Inc.; Exor SN LLC; Exor Capital DAC; Exor Investments Limited, Exor Investment (UK) LLP) are included in the consolidated financial statements of the parent company EXOR using the line-by-line method, while the data derived from the financial statements prepared in accordance with IFRS of the operating subsidiaries and affiliates (FCA, PartnerRe, CNH Industrial, Ferrari, The Economist Group, Juventus Football Club and Welltec) are consolidated using the equity method.
EXOR holds its investments and manages its financial resources directly or through certain subsidiaries. These companies, together with the holding company, EXOR, constitute the so-called “Holdings System”.
EXOR believes that these data and information facilitate the analysis of the financial position and the results of EXOR; in addition the shortened consolidation method is recognized by the financial community, by financial counterparties and by the ratings agencies.

Nevertheless, such data does not fully represent, nor should be treated as the consolidated financial position of the EXOR Group prepared in accordance with International Financial Reporting Standards (IFRS). In fact the shortened consolidation method is not contemplated in the reference accounting standards on the presentation of consolidated financial statements and may not be consistent with the method adopted by other groups and, therefore, such data may not be comparable with the data reported by such groups. The consolidated data prepared in shortened form are not audited by the independent auditors.

Welltec
As a result of the acquisition of an additional interest in the share capital of Welltec during the year 2017 EXOR increased its investment in Welltec achieving 21.23% of the issued capital.
Accordingly and consistently with the provisions of IAS 28, EXOR accounted for Welltec using the equity method starting from 31 December 2017.
The stake previously held, recorded in investments available-for-sale and measured at fair value with recognition in equity, following the change in the measurement method was aligned to the purchase price agreed for the acquisition of the additional interest in Welltec; accordingly, the accumulated negative fair value reserve in equity was reclassified from equity to a specific item of the 2017 income statement.

The application of the equity method was carried out on the basis of the accounting data at 31 December 2017 and therefore did not have any effect on the income statement.

The following table shows the consolidation and valuation methods used for the investment holdings:

	% of consolidation	
	31/12/2017	31/12/2016
Holding Company - EXOR N.V. (The Netherlands)	100	100
Companies in the Holdings System consolidated line-by-line		
- Exor Nederland N.V. (The Netherlands)	**100**	100
- EXOR S.A. (Luxembourg)	**100**	100
- Ancom USA Inc. (USA)	**100**	100
- Exor SN LLC (USA)	**100**	100
- Exor Capital DAC (Ireland)	**100**	100
- Exor Investments Limited (United Kingdom)	**100**	100
- Exor Investments (UK) LLP	**99.67**	-
Investments in operating subsidiaries and associates, accounted for using the equity method		
- FCA	**29.18**	29.41
- PartnerRe	**100.00**	100.00
- CNH Industrial	**26.91**	27.29
- Ferrari	**23.52**	23.52
- The Economist Group	**43.40**	43.40
- Juventus Football Club S.p.A.	**63.77**	63.77
- Welltec (a)	**21.24**	-

(a) Measured in accordance with IAS 39 up to June 30, 2017.

EXOR Group closed the year 2017 with a consolidated profit of €1,392 million; the year 2016 ended with a consolidated profit of €588.6 million. The increase of €803.4 million is attributable to the improvement in the share of the profit of investments of €562.7 million, the increase in net financial income of €90.3 million (principally driven by the reduction of financial expenses and the gain on the redemption of The Black Ant Value Fund), the decrease of income taxes and other taxes duties (€198.9 million, relating to the Italian Exit tax) and of non-recurring expenses (€63.1 million), partially offset by the negative reversal of fair value reserve (€66.1 million), lower gains on disposal (€28.5 million), lower dividends from investments (€14.7 million) and other negative changes of €2.3 million.

At 31 December 2017 the consolidated equity attributable to owners of the parent amounts to €10,804.8 million with a net decrease of €177 million compared to €10,981.8 million at year-end 2016. Additional details are provided in Note 12.

The consolidated net financial position of the Holdings System at 31 December 2017 is a negative €3,163.7 million and reflects a positive change of €260.6 million compared to the negative position of €3,424.3 million at year-end 2016. Additional details are provided in Note 13.

The shortened consolidated income statement and statement of financial position and notes on the most significant line items are presented below.

EXOR GROUP – Consolidated Income Statement – Shortened

€ million	Note	2017	2016	Change
Share of the profit (loss) of investments accounted for using the equity method	1	**1,448.4**	885.7	562.7
Dividends from investments	2	**7.4**	22.1	(14.7)
Gains (losses) on disposals and impairment (losses) reversals on investments	3	**(66.1)**	28.5	(94.6)
Net financial income (expenses)	4	**14.2**	(76.1)	90.3
Net general expenses	5	**(27.9)**	(25.6)	(2.3)
Non-recurring other (expenses) income and general expenses	6	**(6.3)**	(69.4)	63.1
Income taxes and other taxes and duties	7	**22.3**	(176.6)	198.9
Profit (loss) attributable to owners of the parent		**1,392.0**	588.6	803.4

EXOR GROUP – Consolidated Statement of Financial Position – Shortened

€ million	Note	31/12/2017	31/12/2016		Change
Investments accounted for using the equity method	8	**13,879.5**	14,085.8		(206.3)
Investments measured at fair value	9	**44.1**	117.3		(73.2)
Other investments	10	**3.7**	365.8		(362.1)
Property, plant and equipment, intangible assets and other assets		**15.4**	18.3		(2.9)
Financial assets, financial receivables and cash and cash equivalents	13	**105.7**	204.5		(98.8)
Tax receivables and other receivables		**6.6**	57.1	(a)	(50.5)
Assets held for sale	11	**28.2**	0.0		28.2
Total Assets		**14,083.2**	14,848.8		(765.6)
Issued capital and reserves attributable to owners of the parent	12	**10,804.8**	10,981.8		(177.0)
Bonds	13	**2,521.3**	2,999.0		(477.7)
Bank debt	13	**714.9**	602.2		112.7
Provision for tax and other liabilities		**9.0**	238.2	(a)	(229.2)
Other financial liabilities	13	**33.2**	27.6		5.6
Total Equity and Liabilities		**14,083.2**	14,848.8		(765.6)

(a) In June 2017 EXOR paid €145.7 million related to the Italian Exit tax, net of tax receivables for €51.8 million and updated the related tax provision, recognizing in the income statement a credit of €21.3 million (Note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - SHORTENED

1. Share of the profit (loss) of investments accounted for using the equity method

The share of the profit of investments accounted for using the equity method in 2017 amounts to €1,448.4 million, with an increase of €562.7 million compared to the prior year (€885.7 million). The positive change reflects in particular the strong performance of FCA, which realized an increase in its result of €1.688 million (EXOR share of profit up €485.9 million).

	Profit (Loss) (million)						EXOR's share (€ million)			
		2017		2016		Change	**2017**	2016		Change
FCA (a)	€	**3,491**	€	1,803		1,688.0	**1,017.0**	531.1		485.9
PartnerRe	$	**189**	$	186		3.0	**167.4**	167.7	(b)	(0.3)
CNH Industrial (a)	$	**460**	$	(373)	(c)	833.0	**110.2**	31.5	(c)	78.7
Ferrari	€	**535**	€	399		n.a.	**125.9**	93.8		32.1
The Economist Group (d)	£	**39**	£	145		n.a.	**19.1**	32.6		(13.5)
Juventus Football Club (e)	€	**14**	€	46		(32.0)	**8.8**	29.2		(20.4)
Almacantar Group	£	**-**	£	(0.6)	(f)	0.6	**-**	(0.2)	(f)	0.2
Total							**1,448.4**	885.7		562.7

(a) Includes consolidation adjustments.
(b) The profit refers to the period 18 March to 31 December 2016.
(c) The loss of CNH Industrial included the charge of approximately $502 million (€450 million) in relation to an investigation conducted by the European Commission. EXOR had already recognized its share of the charge, for €122.8 million, in the financial statements at 31 December 2015, since these developments occurred before the approval of its financial statements. Therefore, in the first half 2016, EXOR's share of CNH Industrial's loss was adjusted by eliminating such charge recognized by the subsidiary. CNH Industrial's loss for 2016 also included a further charge of $49 million as a result of closing the settlement with the European Commission (EXOR's share is approximately €12 million).
(d) The profit refers to the period 1 October - 30 September, including consolidation adjustments only related to the prior year result.
(e) The profit relates to the accounting data prepared for the Company's consolidation in EXOR and refers to the period 1 January - 31 December.
(f) The loss referred to the period 1 January 2016 - 31 March 2016, before the disposal to PartnerRe.

For comments on the performance of the principal operating subsidiaries and associates, please refer to the following sections.

2. Dividends from investments

€ million	**2017**	2016		Change
Dividends received from investments accounted for using the equity method:				
- PartnerRe	**128.1**	225.9		(97.8)
- CNH Industrial	**40.4**	47.7		(7.3)
- Ferrari	**28.2**	20.4		7.8
- The Economist Group	**17.9**	20.1		(2.2)
- Other	**-**	0.4		(0.4)
Dividends received from other investment holdings:				
- PartnerRe	**-**	16.1	(a)	(16.1)
- Other	**7.4**	6.0		1.4
Dividends included in the net financial position	**222.0**	336.6		(114.6)
less: Dividends received from investments accounted for using the equity method	**(214.6)**	(314.5)		99.9
Dividends included in the income statement	**7.4**	22.1		(14.7)

(a) Dividends received from PartnerRe on the 4,725,726 shares held before acquisition of control on 18 March 2016.

3. Gains (losses) on disposals and impairment (losses) reversals on investments

€ million	2017	2016	Change
Reversal of the fair value reserve on the available for sale assets:			
- Welltec	**(47.3)**	-	-47.3
- Banca Leonardo	**(18.8)**	-	-18.8
Disposals:			
- Banijay Holding	**-**	24.8	(24.8)
- Other	**-**	3.7	(3.7)
Total	**(66.1)**	28.5	(94.6)

4. Net financial income (expenses)

In 2017 net financial income amounted to €14.2 million (net financial expenses of €76.1 million in 2016).

€ million	2017		2016		Change
Interest income on:					
- bank current accounts and deposits	**0.4**		3.6		(3.2)
- bonds	**4.5**		4.8		(0.3)
Income (expenses) and fair value adjustments to financial assets held for trading	**(0.1)**		(1.3)		1.2
Other financial income	**0.0**		0.1		(0.1)
Interest income and other financial income, net	**4.8**		7.2		(2.4)
Interest expenses and other financial expenses:					
- Interest expenses and other expenses on EXOR bonds	**(87.6)**	(a)	(98.3)	(a)	10.7
- Interest expenses and other expenses on bank borrowings	**(11.7)**		(22.7)	(b)	11.0
Interest expenses and other financial expenses	**(99.3)**		(121.0)		21.7
Exchange (losses) gains, net	**(0.5)**		8.3		(8.8)
Financial (expenses) income generated by the financial position	**(95.0)**		(105.5)		10.5
Income (expenses) on other investments and other net financial income (c)	**109.2**	(d)	29.4	(d)	79.8
Financial income (expenses) recorded in the income statement	**14.2**		(76.1)		90.3

(a) Includes the credit risk adjustment component recorded in the income statement relating to the fair value measurement of the cross currency swap in accordance with IFRS 13, which is a positive €0.6 million (negative €0.8 million in 2016).

(b) Included expenses relating to the secured credit line for €14.4 million, principally for the acquisition of PartnerRe (€13.2 million).

(c) Included in investments measured at fair value and other investments.

(d) In 2017 income refers to the net gain realized on the total redemption of The Black Ant Value Fund (€5.8 million in 2016). In 2016 it also included the income of € 22.9 million arising from the fair value revaluation of the previously held 9.9% interest in PartnerRe following the change in the method of valuation.

5. Net general expenses

Net general expenses in 2017 amount to €27.9 million with an increase of €2.3 million compared to the prior year (€25.6 million). The balance includes the cost of EXOR's stock option plans of approximately €6.4 million (€5.2 million in 2016).

Details of the main items of net general expenses are as follows:

€ million	2017	2016	Change
Personnel costs	**(7.4)**	(7.0)	(0.4)
Compensation and other costs relating to directors	**(2.9)**	(3.8)	0.9
Service costs net	**(11.2)**	(9.6)	(1.6)
Net general expenses generated by financial position	**(21.5)**	(20.4)	(1.1)
Share based compensation plan costs	**(6.4)**	(5.2)	(1.2)
Net general expenses recorded in the income statement	**(27.9)**	(25.6)	(2.3)

6. Non-recurring other income (expenses) and general expenses

In 2017 non-recurring other expenses amount to €6.3 million and mainly referred to contributions to cultural and charitable associations (€4.1 million) and to consulting fees for analysis of potential new investments (€1.7 million).

In 2016 non-recurring other income and expenses and general expenses amounted to €69.4 million and were mainly related to the acquisition of PartnerRe and to the cross-border merger of Exor S.p.A. with into EXOR N.V. respectively for €34.5 million and €26.6 million.

7. Income taxes and other taxes and duties

The positive amount of €22.3 million relates for €21.3 million to the updating of the estimate of the Italian Exit tax settled on June 2017.

8. Investments accounted for using the equity method

€ million	31/12/2017	31/12/2016	Change
FCA	**6,071.3**	5,638.8	432.5
PartnerRe	**5,639.4**	6,357.1	(717.7)
CNH Industrial	**1,492.9**	1,630.5	(137.6)
Ferrari	**206.1**	99.4	106.7
The Economist Group	**294.4**	280.1	14.3
Juventus Football Club	**87.4**	79.9	7.5
Welltec (a)	**88.0**	-	88.0
Total	**13,879.5**	14,085.8	(206.3)

(a) The interest previously held was classified in investment measured at fair value.

The positive change in EXOR's investment in FCA is mainly attributable to EXOR's share of the profit for the period (€1,017 million), partially offset by the negative translation exchange differences (€594.2 million).

The negative change in EXOR's investment in PartnerRe is mainly due to the negative translation exchange differences (€785.5 million) and the payment of dividends (€128.1 million), partially offset by EXOR's share of the profit for the period (€167.3 million) and the increase of the fair value reserve (€28.7 million).

The negative change in EXOR's investment in CNH Industrial can be ascribed primarily to the negative translation exchange differences (€247 million) and the payment of dividends (€38.3 million), partially offset by the EXOR's share of the result of €110.2 million.

The positive change in EXOR's investment in Ferrari is due to primarily to the EXOR's positive share of the result of €125.9 million and the increase of the cash flow hedge reserve of €12.8 million, partially offset by the payment of dividends (€28.2 million).

The positive change in EXOR's investment in The Economist Group is mainly due to EXOR's share of the profit for the period (€19.1 million), the increase in other comprehensive income (€21.5 million), partially offset by the payment of the dividends (€18.2 million).

During the year 2017 EXOR purchased an additional interest in the share capital of Welltec increasing its investment in Welltec to 21.23% of the issued capital. Accordingly and consistently with the provisions of IAS 28, EXOR accounted Welltec for using the equity method starting from 31 December 2017.
The stake previously held, recorded in investments available-for-sale and measured at fair value with recognition in equity, following the change in the measurement method was aligned to the purchase price agreed for the acquisition of the additional interest in Welltec; the accumulated negative fair value reserve of €47.3 million was subsequently reclassified to a specific item of the income statement.

The application of the equity method was carried out on the basis of the accounting data at 31 December 2017 and therefore did not have any effect on the income statement.

9. Investments measured at fair value

The investments available-for-sale amount to €44.1 million (€117.3 million at 31 December 2016) and include principally investments in GEDI and Noco A. The negative change (€73.2 million) is mainly due to the reclassification of Welltec to "Investments accounted for using the equity method" as well as of Banca Leonardo to "Assets for sale" previously aligned with the estimated proceeds of sale.

10. Other investments

Other investments which include some funds available-for-sale measured at fair value amount to €3.7 million (€365.8 million at 31 December 2016). The decrease is mainly attributable to the redemption of the entire investment in The Black Ant Value Fund; €17.8 million was refunded on January 2017 and the residual amount of €335.7 million on June 2017. The redemption resulted in a net total gain of €109.1 million arising from the reversal of the available for sale reserve.

11. Assets held for sale

This line item includes the investment in Banca Leonardo, reclassified in Assets held for sale following the signed agreement on 7 November 2017 together with the other major shareholders of Banca Leonardo - a leading independent wealth manager in Italy – under which it will be acquired by Indosuez Wealth Management - the global wealth management brand of Crédit Agricole Group – resulting in the divestment of EXOR's entire 16.51% shareholding.

The investment was recognized at the estimated sale proceeds (€28.2 million). The transaction will be completed in the first half of 2018, subject to the approval of the competent authorities.

12. Issued capital and reserves attributable to owners of the parent

€ million	**31/12/2017**	31/12/2016	Change
Share capital	**2.4**	2.4	0.0
Reserves	**10,802.5**	10,979.5	(177.0)
Treasury stock	**(0.1)**	(0.1)	0.0
Total	**10,804.8**	10,981.8	(177.0)

Details of changes during the year are as follows:

€ million	
Balance at December 31, 2016	**10,981.8**
Fair value adjustments to investments and other financial assets	
- The Black Ant Value Fund	(1.7)
- Banca Leonardo	(5.8)
- GEDI	9.1
- Other financial assets	(0.2)
Reversals of the fair value reserve to the income statement	
- The Black Ant Value Fund	(109.1)
- Welltec	47.3
- Banca Leonardo	18.8
- Other financial asset	
Measurement of EXOR derivative financial instruments	0.8
Dividend paid by EXOR	(82.1)
Attributable other net changes recorded in equity, shown by EXOR, its subsidiaries and the investments consolidated and accounted for using the equity method:	
- Exchange differences on translation	(1,612.0)
- Share based payments	58.0
- Cash flow hedge	53.7
- Other	54.2
Consolidated profit attributable to owners of the parent	1,392.0
Net change during the year	**(177.0)**
Balance at 31 December 2017	**10,804.8**

13. Net financial position of the Holdings System

The net financial position of the Holdings System at 31 December 2017 is a negative €3,163.7 million and shows a positive change of €260.6 million compared to the balance at year-end 2016 (negative €3,424.3 million).

€ million	31/12/2017	31/12/2016	Change
Financial assets	**56.6**	87.9	(31.3)
Financial receivables from related parties	**25.7**	0.1	25.6
Cash and cash equivalents	**23.4**	116.5	(93.1)
Cash, cash equivalents and financial assets	**105.7**	204.5	(98.8)
EXOR bonds	**(2,521.3)**	(2,999.0)	477.7
Financial payables	**(714.9)**	(602.2)	(112.7)
Other financial liabilities	**(33.2)**	(27.6)	(5.6)
Gross debt	**(3,269.4)**	(3,628.8)	359.4
Net financial position of the Holdings System	**(3,163.7)**	(3,424.3)	260.6

Financial assets include bonds issued by leading issuers, listed on active and open markets, and mutual funds. Such financial assets:

- if held for trading are measured at fair value on the basis of the trading price at year end or using the value determined by an independent third party in the case of mutual funds, translated, where appropriate, at year-end exchange rates, with recognition of the fair value in the income statement;
- if held to maturity as an investment for a part of the Group's available cash such that it can receive a constant attractive flow of financial income are measured at amortized cost. Such designation was made in accordance with IAS 39, paragraph 9.

These financial instruments are free of whatsoever restriction and, therefore, can be monetized whenever the Group should so decide. There are no trading restrictions and their degree of liquidity or the degree to which they can be converted into cash is considered high.

Cash and cash equivalents include demand deposits or short-term deposits, and readily negotiable money market instruments and bonds. Investments are spread over an appropriate number of counterparties chosen according to their creditworthiness and their reliability since the primary objective is to hold investments which can readily be converted into cash.

At 31 December 2017 bonds issued by EXOR can be analyzed as follows:

Issue date	Maturity date	Issue price		Coupon	Rate (%)		Currency	Nominal amount (million)		Balance at 31/12/2017 (€ million)	Balance at 31/12/2016 (€ million)
12-Jun-07	12-Jun-17	99.554		Annual	fixed 5.375		€	440.0		**0.0**	(453.0)
16-Oct-12	16-Oct-19	98.136		Annual	fixed 4.750		€	150.0		**(150.7)**	(150.2)
12-Nov-13	12-Nov-20	99.053		Annual	fixed 3.375		€	200.0		**(200.0)**	(199.7)
3-Dec-15	2-Dec-22	99.499		Annual	fixed 2.125		€	750.0		**(746.5)**	(745.6)
8-Oct-14	8-Oct-24	100.090		Annual	fixed 2.500		€	650.0		**(652.5)**	(652.4)
7-Dec-12	31-Jan-25	97.844		Annual	fixed 5.250		€	100.0		**(103.3)**	(103.1)
22-Dec-15	22-Dec-25	100.779	(a)	Annual	fixed 2.875		€	450.0	(a)	**(451.9)**	(452.1)
20-May-16	20-May-26	99.650		Annual	fixed 4.398		$	170.0		**(141.8)**	(161.4)
9-May-11	9-May-31	100.000		Semiannual	fixed 2.800	(b)	¥	10,000.0		**(74.6)**	(81.5)
										(2,521.3)	(2,999.0)
Current portion										**(14.1)**	(467.4)
Non-current portion										**(2,507.2)**	(2,531.6)

(a) Originally €250 million; the amount was increased by another €200 million in 10 May 2016. The issue price corresponds to the weighted average of the prices calculated on the entire amount of €450 million.

(b) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

Financial payables of €714.9 million include the financing drawn down on the remaining credit line secured under the 11 May 2015 Financing Agreement between by EXOR, EXOR Nederland, Citigroup Global Markets Limited and Morgan Stanley Bank for the acquisition of PartnerRe, for a total of $300 million (€ 250.1 million). There are also included short-term loans secured by EXOR from leading credit institutions for €464 million.

Other financial liabilities (€33.2 million) consist of the measurement of cash flow hedge derivative instruments.

The net change in 2017 is a positive €260.6 million.

€ million		2017	2016	Change
Net financial position of the Holdings System - Initial amount	Note	**(3,424.3)**	**1,336.8**	**(4,761.1)**
Dividends received from investment holdings	1	222.0	336.6	(114.6)
Reimbursement of reserves		8.1	8.4	(0.3)
Sales/Redemptions	2	356.9	794.8	(437.9)
Investments	3	(44.5)	(5,519.4)	5,474.9
Financial income on Fiat Chrysler Automobiles N.V. mandatory convertible securities maturing 15 December 2016			63.2	(63.2)
Dividends paid by EXOR		(82.1)	(82.0)	(0.1)
Other changes	4	(199.8)	(362.7)	162.9
Net change during the year		**260.6**	**(4,761.1)**	**5,021.7**
Net financial position of the Holdings System - Final amount		**(3,163.7)**	**(3,424.3)**	**260.6**

€ million	1/1-31/12/2017	1/1-31/12/2016	
1. Dividends received from investment holdings	**222.0**	**336.6**	
PartnerRe	128.1	242.0	(a)
CNH Industrial	40.4	47.7	
Ferrari	28.2	20.4	
The Economist Group	17.9	20.1	
Other	7.4	6.4	
2. Sales/Redemptions	**356.9**	794.8	
The Black Ant Value Fund	353.5	18.7	
Investment Funds	3.4	174.2	
Almacantar Group	-	474.7	
Banijay Holding	-	60.1	
Arenella Immobiliare	-	22.0	
RCS MediaGroup	-	18.1	
Other Assets	-	27.0	(b)
3. Investments	**(44.5)**	(5,519.4)	
Welltec	(32.5)	(103.3)	
GEDI	(6.8)	-	
PartnerRe	-	(5,415.5)	(c)
Other	(5.2)	(0.6)	
4. Other changes	**(199.8)**	(362.7)	
Net general expenses	(21.5)	(20.4)	
Non recurring other general expenses	(6.3)	(69.4)	
Net financial expenses	(95.0)	(105.4)	
Exit tax payment	(145.7)	-	
Translation exchange differences	48.5	(156.7)	
Other net changes	20.2	(10.8)	

(a) Of which €16.1 million received on 4,725,726 PartnerRe shares held before the acquisition of control on 18 March 2016.
(b) Included sale of Rothschild shares for €20.1 million and other non-current assets for €6.9 million.
(c) Of which $6,065 million (€5,377.7 million) paid to common shareholders and $43 million (€37.7 million) to preferred shareholders of PartnerRe.

Credit Lines and rating

At 31 December 2017 EXOR has irrevocable credit lines in Euro of €350 million due after 31 December 2018, as well as revocable credit lines of €571.8 million.
At the same date EXOR also has credit lines in foreign currency for a total of $390 million (€325.2 million) of which $90 million (€75 million) due after 31 December 2018.

On 28 April 2017 Standard & Poor's affirmed the rating for EXOR's long-term and short-term debt at "BBB+" and "A-2" and improved the outlook to "stable" from "negative".

REVIEW OF PERFORMANCE OF THE OPERATING SUBSIDIARIES AND ASSOCIATES

(The percentages indicated for the stakes, voting rights and share capital
are calculated on the basis of data as at 31 December 2017)

FCA

FIAT CHRYSLER AUTOMOBILES

(29.18% stake, 42.34% of voting rights on issued capital)

The key consolidated data of FCA for 2017 are presented below.

	Year		Change
€ million	**2017**	2016	
Net revenues	**110,934**	**111,018**	(84)
Adjusted EBIT (1)	**7,054**	**6,056**	998
Net profit/(loss)	**3,510**	**1,814**	1,696
Net industrial debt	**2,930** (2)	**4,585** (2)	(1,655)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT excludes certain adjustments from Net profit including: gains/(losses) on the disposal of investments, restructuring, impairments, asset write-offs and unusual income/(expenses) that are considered rare or discrete events that are infrequent in nature, and also excludes Net financial expenses and Tax expenses/(benefit).

(2) At December 31, 2017 and 2016. Net industrial debt is computed as: Debt plus derivative financial liabilities related to industrial activities less (i) cash and cash equivalents, (ii) current available-for-sale and held-for-trading securities, (iii) current financial receivables from Group or jointly controlled financial services entities and (iv) derivative financial assets and collateral deposits; therefore, debt, cash and other financial assets/liabilities pertaining to financial services entities are excluded from the computation of Net industrial debt.

Net revenues

	Year		Change		
€ million	**2017**	2016	amount	% actual	% CER (1)
NAFTA	**66,094**	**69,094**	(3,000)	-4	-3
LATAM	**8,004**	**6,197**	1,807	29	24
APAC	**3,250**	**3,662**	(412)	-11	
EMEA	**22,700**	**21,860**	840	4	4
Maserati	**4,058**	**3,479**	579	17	19
Components (Magneti Marelli, Teksid, Comau)	**10,115**	**9,659**	456	5	5
Other activities, unallocated items and adjustments	**(3,287)**	**(2,933)**	(354)		
Net revenues	**110,934**	111,018	(84)		

(1) Constant exchange rates.

The decrease in NAFTA is mainly due to lower shipments and negative foreign exchange translation effect, partially offset by favorable vehicle and channel mix.

The increase in LATAM is due to higher shipments, favorable vehicle mix, higher net pricing, as well as positive foreign exchange translation.

The decrease in APAC is primarily due to lower consolidated shipments and negative foreign exchange effects.

The increase in EMEA is mainly attributable to higher volumes and positive vehicle mix, partially offset by negative net pricing.

The increase in Maserati is primarily due to higher volumes, partially offset by negative foreign exchange effects.

The increase in Components primarily reflects higher volumes across all three businesses.

Adjusted EBIT

The analysis of Adjusted EBIT by segment is as follows:

	Year		Change
€ million	**2017**	2016	
NAFTA	**5,227**	5,133	94
LATAM	**151**	5	146
APAC	**172**	105	67
EMEA	**735**	540	195
Maserati	**560**	339	221
Components (Magneti Marelli, Teksid, Comau)	**536**	445	91
Other activities, unallocated items and adjustments	**(327)**	(511)	184
Adjusted EBIT	**7,054**	6,056	998

The increase in NAFTA is primarily due to favorable mix, purchasing efficiencies, lower warranty and advertising costs, partially offset by lower volumes, higher product costs for content enhancements, higher industrial costs due to capacity realignment plan and negative foreign exchange effects.

The increase in LATAM is mainly a result of higher net revenues and lower Brazil indirect taxes, partially offset by increased product costs primarily due to input cost inflation and depreciation and amortization related to new vehicles. In the fourth quarter of 2017 the Group deconsolidated the Venezuelan operations and the impact has been excluded from Adjusted EBIT.

The increase in APAC is primarily due to insurance recoveries related to the Tianjin (China) port explosions and favorable mix, partially offset by launch costs for Alfa Romeo and negative foreign exchange transaction effects. Tianjin insurance recoveries are included in Adjusted EBIT to the extent they relate to losses that were recognized in Adjusted EBIT.

The increase in EMEA is primarily due to higher volumes, positive vehicle mix, manufacturing and purchasing efficiencies, partially offset by negative net pricing, including GBP weakness, and higher depreciation and amortization costs related to new vehicles.

The increase of Maserati Adjusted EBIT is primarily due to the higher volumes and industrial cost efficiencies, partially offset by negative foreign exchange effects.

The increase in Components Adjusted EBIT is mainly due to higher volumes and industrial efficiencies resulting from World Class Manufacturing initiatives at Magneti Marelli, partially offset by unfavorable mix and net pricing. Strong Adjusted EBIT and margin growth for Magneti Marelli, led by increases in lighting and chassis business lines

Net profit (loss)

Net profit in 2017 is €3,510 million, up €1,696 million compared to 2016 (€1,814 million) mainly due to the improved operating performance in 2017, lower financial expenses, as well as the €895 million gain for reversal of a Brazilian indirect tax liability, which were partially offset by higher income taxes for the year.

Net industrial debt

Net industrial debt decreased €2.2 billion from December 31, 2016 to €2.3 billion at December 31, 2017 primarily due to operating cash flow from industrial activities of €1.6 billion, net of capital expenditures of €8.7 billion.

€ million	**31/12/2017**	31/12/2016	Change
Gross Debt	**(17,971)**	(24,048)	6,077
Current financial receivables from jointly-controlled financial services companies	**285**	80	205
Current securities	**176**	241	(65)
Cash and cash equivalents	**12,638**	17,318	(4,680)
Other financial assets /(liabilities), net	**206**	(150)	356
Debt classified as held for sale		(9)	9
Net debt	**(4,666)**	(6,568)	1,902
Industrial activities	**(2,390)**	(4,585)	2,195
Financial services	**(2,276)**	(1,983)	(293)

Significant events in the second-half of 2017 and subsequent events

On October 28, 2017 the sale by intermediaries of ordinary shares in GEDI Gruppo Editoriale S.p.A. ("GEDI") on behalf of FCA shareholders that were unable to take delivery of the shares to which they were otherwise entitled in the distribution was completed.

FCA shareholders that were ineligible to receive GEDI ordinary shares to which they were otherwise entitled or that did not make timely arrangements to have such shares credited to the account of a Monte Titoli participant were to have such shares aggregated and sold on the open market. The net proceeds after completing all such sales are to be paid pro rata in cash to the FCA shareholders otherwise entitled thereto after conversion of any amount received in any other currency to US dollars.

Following the completion of these sales, FCA anticipates that these shareholders will receive, in lieu of the distribution of GEDI ordinary shares, a cash payment of USD 0.041340 equivalent to € 0.035653 per FCA common share.

This payment, less any applicable withholding tax, is expected to be credited to the applicable DTC participant's account on November 1, 2017. Individual shareholders' accounts will be credited thereafter depending on a shareholder's individual custodial or brokerage arrangements.

In January 2018, as a result of the distribution of the Company's entire interest in GEDI to holders of FCA common shares on July 2, 2017, the Compensation Committee of FCA approved a conversion factor of 1.003733 that was applied to outstanding awards under the LTI Plan to make equity award holders whole for the resulting diminution in the value of an FCA common share. There was no change to the total cost of these awards to be amortized over the remaining vesting period as a result of these adjustments.

On January 11, 2018, a special bonus payment was announced of $2,000 (approximately €1,670) to approximately 60,000 FCA hourly and salaried employees in the United States, excluding senior leadership, during the second quarter of 2018 for an estimated total cost including applicable social taxes, of approximately $130 million (€109 million).

On February 5, 2018 S&P Global Ratings has raised its long term corporate credit rating on FCA N.V. from "BB" to"BB+", while maintaining the Positive Outlook.

The short-term credit rating is confirmed at "B".

On February 28, 2018 FCA announced that the Company is continuing its review of the potential separation of FCA's subsidiary Magneti Marelli S.p.A. ("Magneti Marelli"). The Board of Directors of the Company plans to review in detail options relating to this transaction in the second quarter of 2018, concurrent with the Board's review of the Group's 2018-2022 business plan. In the meantime management will continue its evaluation of potential transaction structures to maximize value to FCA stockholders.

There is no assurance that the review of the potential separation of Magneti Marelli will result in a final determination to enter into any such transaction or that such transaction, if commenced, will be completed.

On March 6, 2018 Moody's Investors Service raised from "Ba3" to "Ba2" the Corporate Family Rating of FCA N.V., and from "B1" to "Ba3" the rating on the bonds issued or guaranteed by FCA N.V. The outlook is stable.

Target 2017

Guidance for 2018, listed below, confirm the Business Plan key targets:

- Net revenues ~€125 billion;
- Adjusted EBIT ≥ €8.7 billion;
- Adjusted net profit~€5.0 billion;
- Net industrial cash~€4.0 billion.

PartnerRe

(100.0% of common share capital through EXOR Nederland N.V.)

The data presented and commented below are derived from PartnerRe's consolidated financial information for the year ended December 31, 2017 and December 31, 2016 prepared in accordance with US GAAP.

$ million	Year		Change
	2017	2016	Amount
Net premiums written	**5,120**	4,954	166
Non-life combined ratio (a)	**99.3%**	93.6%	n/a
Life and Health allocated underwriting result (b)	**(52)**	61	(113)
Net investment return	**4.2%**	2.4%	n/a
Other expenses	**348**	472	(124)
Net income attributable to PartnerRe common shareholders (c)	**218**	387	(169)
Adjusted Net income attributable to PartnerRe common shareholders (d)	**250**	517	(267)
Net Income ROE (e)	**3.6%**	6.4%	n/a
Adjusted Net income ROE (d)	**4.2%**	8.6%	n/a

(a) The Company uses a combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios;

(b) The Company uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life policy benefits, acquisition costs and other expenses;

(c) Net income/loss attributable to PartnerRe common shareholders is defined as net income/loss attributable to PartnerRe less preferred dividends;

(d) Adjusted figures presented in the table above exclude non-recurring costs, net of tax, and loss on redemption of debt of $27 million for 2017 and $125million for 2016. The non-recurring costs for 2017 and 2016 included reorganization related costs and transaction costs. The non-recurring costs for 2016 also include acceleration of stock-based compensation expense on acquisition by Exor. In addition, adjusted net income ROE for 2017 excludes $5 million of income tax expense related to a recent U.S. tax law change

(e) Net income ROE is calculated as net income return on average common shareholders' equity.

Net premiums written of $5.1 billion were up 3% in 2017 compared to $5.0 billion in 2016 primarily due to an increase in Life and Health premium written, primarily driven by the inclusion of the Aurigen life premiums and growth in Health business. This was partially offset by a decrease in Non-Life premium written, primarily driven by cancellations in the P&C segment.

The Non-life combined ratio of 99.3% for 2017 was driven primarily by losses related to hurricanes Harvey, Irma and Maria (HIM) and California wildfires of $569 million, net of retrocession and reinstatement premiums, or 15.4 points on the combined ratio. The Non-life combined ratio for 2016 was 93.6% and included losses from Canadian wildfires, hurricane Matthew and an energy loss of $156 million, net of retrocession and reinstatement premiums, or 4.0 points on the combined ratio. The Non-life combined ratio continued to benefit from net favorable prior year development for 2017 of $448 million (12.2 points) compared to $677 million (17.6 points) for 2016, with both the P&C and Specialty segments experiencing net favorable development.

The Life and Health allocated underwriting result was a loss of $52 million in 2017, driven by a loss of $119 million in the health line of business, partially offset by a gain of $67 million from the Life business. The loss in the Health business resulted from an increase in frequency of large claims activity in underwriting years 2015 to 2017 primarily in Affordable Care Act related programs. This compares to a gain of $61 million in 2016, with the Life business contributing $49 million and the Health business contributing $12 million.

Net investment return for 2017 was $720 million, or 4.2%, and included net realized and unrealized investment gains of $232 million, net investment income of $402 million and interest in earnings of equity method investments of $86 million. This compares to $414 million, or 2.4%, for 2016, which included net realized and unrealized investment gains of $26 million, net investment income of $411 million and interest in losses of equity method investments of $23 million.

Other expenses of $348 million in 2017 were down $124 million, or 26.2%, compared to $472 million in 2016 primarily due to the efficiency actions undertaken following the closing of the Exor acquisition and lower severance and transaction costs, partially offset by the inclusion of Aurigen expenses.
Interest expense of $42 million and preferred dividends of $46 million in 2017 were down compared to $49 million and $55 million, respectively, in 2016. These decreases were due to the optimization of the Company's capital

structure through the issuance of a 750 million Euro-denominated bond in September 2016 and the redemption of certain high coupon senior notes and preferred shares during the fourth quarter of 2016.

Income tax expense was $10 million on pre-tax earnings of $274 million in 2017 compared to $26 million on pre-tax earnings of $473 million in 2016. The 2017 amounts were primarily driven by the geographical distribution of pre-tax profits and losses with profits recorded in taxable jurisdictions with low or nil tax rates and losses recorded in tax jurisdictions with higher income tax rates. The recent enactment of the Tax Cuts and Jobs Act in the U.S. resulted in a charge of $5 million in the fourth quarter of 2017.

Some details related to the balance sheet are as follows:

$ million	12/31/2017	12/31/2016	Change
Debt	1,448	1,337	111
Preferred shares, aggregate liquidation value	704	704	0
Common shareholders' equity	6,041	5,984	57
Total capital	**8,193**	**8,025**	168

Total capital of $8.2 billion at December 31, 2017 increased by 2.1% compared to December 31, 2016, primarily due to net income for the year, and included foreign exchange movements on the Euro denominated debt.

Debt increased by $111 million, or 8%, primarily due to the foreign exchange impact of remeasuring the Company's Euro denominated debt into U.S. dollars at the balance sheet date.

Common shareholder's equity (or book value) was $6.0 billion at December 31, 2017, up 1.0% compared to December 31, 2016, primarily due to net income for 2017, partially offset by dividends on common shares held by EXOR.

Total investments, funds held–directly managed and cash and cash equivalents were $17.0 billion at December 31, 2017, up 0.7% compared to December 31, 2016.

Cash and cash equivalents and fixed maturities, which are government issued or investment grade fixed income securities, were $14.1 billion at December 31, 2017, representing 85% of the cash and cash equivalents and total investments.

The average credit rating and expected average duration of the fixed income portfolio at December 31, 2017 was A and 4.7 years, respectively, while the average duration of the Company's liabilities was 4.8 years.

Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line consolidation purposes

The difference between the US GAAP net income ($218 million) and the IFRS net income ($189 million) only reflects the economic effects of the application of the acquisition method by EXOR to account for the acquisition.

Significant evets in 2017 and subsequent events

On April 3, 2017, PartnerRe completed the acquisition of 100% of the outstanding ordinary shares of Aurigen Capital Limited, a North American life reinsurance company. The consideration paid was CAD $370 million or US$278 million and the fair value of net assets acquired was $277 million, including intangible assets of $78 million. The results of Aurigen Capital Limited were included in the results of PartnerRe from the acquisition date of April 3, 2017.

During 2017, the Company declared and paid to EXOR Nederland N.V. common share dividends of approximately $145 million.

Outlook

Excluding the impacts of any significant catastrophe and other large losses and/or increases in interest rates or credit spreads, PartnerRe expects to continue to generate positive underwriting and investing returns.

PartnerRe, and its peers within the reinsurance industry, do not provide earnings guidance given its reinsurance results are largely exposed to low frequency and high severity risk events. Some of these risk events are seasonal, such that results for certain periods may include unusually low loss experience, while results for other periods may include modest or significant catastrophe losses. In addition, PartnerRe's investment results are exposed to changes in interest rates, credit spreads, and capital markets in general, which result from fluctuations in general economic and financial market conditions. As a result, PartnerRe's profitability in any one period or year is not necessarily predictive or indicative of future profitability or performance.

(26.89% stake, 41.68% of voting rights on issued capital.

Key consolidated data of CNH Industrial for the year 2017 are as follows:

$ million	Year 2017	Year 2016	Change
Revenues	**27,947**	25,328	2,619
Trading profit [1]	**1,437**	1,248	189
Net income (loss)	**477**	(371)	848
Net Industrial Debt [2]	**(976)**	(1,822)	846

(1) Trading profit is a non-GAAP financial measure used to measure performance. Trading profit is defined as net revenues less cost of sales, selling, general and administrative costs, research and development costs and other operating income and expenses.

(2) Net Industrial debt is defined as net debt excluding the funded portion of the sell-liquidating financial receivables portfolio.

Revenues

Revenues for the year 2017 of the CNH industrial Group were $27,947 million, an increase of 10.3% (up 8.4% on a constant currency basis) compared to 2016. This increase is primarily due to an improvement in net revenues of Industrial Activities which were $26.423 million in 2017, a 10.7% increase (up 8.8% on a constant currency basis) compared to 2016.

Net revenues for Agricultural Equipment were $11,130 million in 2017, an increase of 10% (up 8.0% on a constant currency basis) compared to 2016. In LATAM the increase was mainly due to higher industry volume, market share gains, a favorable mix of higher horsepower products and net price realization. Net revenues increased in APAC mainly driven by favorable volume in Australia, Russia, India, China and South East Asia. In EMEA, net revenues increased due to higher industry volume, a favorable product mix and net price realization. In NAFTA, net revenues decreased as a result of de-stocking actions in our dealer network, primarily in the high horsepower tractors and the hay and forage product lines. NAFTA industry volumes were flat overall, with the row crop sector higher, offset by lower livestock sector volumes.

Net revenues of Construction Equipment were $2,626 million, an increase of 14% (up 12.8% on a constant currency basis), due to higher industry volume in all regions except EMEA, and net price realization, primarily in NAFTA and LATAM.

Commercial Vehicles' net revenues were $10,668 million, an increase of 9.4% (up 7.4% on a constant currency basis) as a result of higher truck and bus sales in EMEA, higher volume and better product mix in APAC, and recovering truck sales in LATAM, mainly Argentina.

Powertrain net revenues were $4,374 million in 2017, an increase of 17.8% (up 15.7% on a constant currency basis), the increase was primarily attributable to higher volumes. Sales to external customers accounted for 48% of total net revenues (47% in 2016).

Financial Services revenues totaled $2,035 million and reported an increase of 5.8% (up 3.9% on a constant currency basis) due to higher activity in all regions except NAFTA and increased sales of equipment formerly on operating leases.

$ million	Year 2017	Year 2016	Change amount	%
Agricultural Equipment	**11,130**	10,120	1,010	10.0
Construction Equipment	**2,626**	2,304	322	14.0
Commercial Vehicles	**10,668**	9,748	920	9.4
Powertrain	**4,374**	3,713	661	17.8
Eliminations and other	**(2,375)**	(2,015)	(360)	17.9
Total Industrial Activities	**26,423**	23,870	2,553	10.7
Financial Services	**2,035**	1,924	111	5.8
Eliminations and other	**(511)**	(466)	(45)	9.7
Revenues	**27,947**	25,328	2,619	10.3

Trading profit

Trading profit for the year 2017 was $1,437 million with an increase of $137 million compared to $ 1,248 million in 2016.

Trading profit of Industrial Activities was $967 in 2017, an increase of $191 million compared to 2016, with a trading margin for the year of 3.7%, up 0.4% from the prior year.

Trading profit of Agricultural Equipment's was $621 million, a 18.7% increase compared to $523 million in 2016, mainly due to the favorable volume and product mix in all regions except NAFTA. Trading margin increased 0.4% to 5.6%

Trading profit of Commercial Vehicles was $134 million compared to $214 million in 2016, with a trading margin of 1.3% (down 0.9% compared to 2016). Trading profit increased in LATAM and APAC, mainly due to higher volume and favorable pricing.

Construction Equipment reported a trading loss of $50 million in 2017 compared to $86 million trading loss in 2016. The improvement was due to higher volume, with a positive overhead absorption and net price realization, partially offset by increases in raw material cost, unfavorable foreign exchange impacts on product components, and increased production costs driven by the increased volume.

Trading profit of Powertrain was $355 million compared to $219 million in 2016, with a trading margin of 8.1% (5.9% in 2016). The improvement was due to higher volumes and manufacturing efficiencies.

In the fourth quarter of 2017 the Group deconsolidated the Venezuelan operations and the impact has been excluded from Trading profit.

	Year		Change	
$ million	**2017**	2016	amount	%
Agricultural Equipment	**621**	523	98	18.7
Construction Equipment	**(50)**	(86)	36	-41.9
Commercial Vehicles	**134**	214	(80)	-37.4
Powertrain	**355**	219	136	62.1
Eliminations and other	**(93)**	(94)	1	-1.1
Total Industrial Activities	**967**	776	191	24.6
Financial Services	**470**	472	(2)	-0.4
Eliminations and other	**-**	-	-	-
Trading profit	**1,437**	1,248	189	15.1

Net industrial debt

Net industrial debt at 31 December, 2017 was $976 million compared to $1,822 million at 31 December 2016. The decrease in net debt was primarily due to a significant cash generation from operating activities of $1.4 million, partially offset by negative foreign exchange translation impacts on euro denominated debt and dividend payments.

$ million	**31/12/2017**	31/12/2016	Change
Third party debt (1)	**(26,014)**	(25,434)	(580)
Derivative hedging debt			0
Cash and cash equivalents	**6,200**	5,854	346
Other/financial assets/(liabilities)(2)	**(21)**	(154)	133
(Net debt)/Cash(3)	**(19,835)**	(19,734)	(101)
Industrial Activities	**(976)**	(1,822)	846
Financial Services	**(18,859)**	(17,912)	(947)

(1) As a result of the role played by the central treasury, debt for industrial Activities also includes funding raised by the central treasury on behalf Financial Services.

(2) Including fair value of derivative financial instruments.

(3) The net intersegment receivable/payable balance owed by Financial Services to Industrial Activities was $689 million and $483 million as of 31 December 2017 and 31 December 2016, respectively.

Significant events in the second-half of 2017 and subsequent events

On 24 October 2017, Fitch Ratings assigned CNH Industrial N.V. and CNH Industrial Capital LLC new long-term issuer default ratings of “BBB
This rating action follows the upgrade by Standard and Poor’s, on 15 June 2017, of the long - term corporate rating of CNH Industrial N.V. and CNH Industrial Capital LLC to “BBB-”. These two actions will make CNH Industrial’s securities eligible for the main investment grade indices in the U.S. market.

On 31 October 2017, CNH Industrial announced the early redemption of all of the outstanding $600 million in principal amount of CNH Industrial Capital LLC 3⅞% Notes due July 2018.

On 20 February 2018, the United States Supreme Court (the “Supreme Court”) ruled in favor of CNH Industrial and reversed the decision of the U.S. Court of Appeals for the Sixth Circuit (the “Sixth Circuit”), in Reese v. CNH Industrial N.V. and CNH Industrial America LLC (“Reese”), ruling that retirees are not necessarily entitled to lifetime health care benefits under the terms of an expired collective bargaining agreement that included a general termination clause that applied to all benefits. CNH expects the case to be remanded to the trial court for entry of judgment for CNH Industrial and dismissal of the plaintiffs’ complaint. Once the district court enters judgment in this case, which is expected to occur during the first half of 2018, CNH Industrial intends to review the retiree health care benefits applicable to the retirees in the Reese case (the “Reese Retirees”). Modifications to, or elimination of, the existing retiree health care benefits for the Reese Retirees may result in a reduction or elimination of the related CNH Industrial’s post-employment benefit obligations. At this stage, however, CNH Industrial has not taken a decision on how to implement the US Supreme Court decision and therefore is currently unable to estimate its financial impact.

On 19 March 2018 CNH Industrial N.V. announced the next resignation of Richard Tobin as Chief Executive Officer and as a Director of CNH Industrial to pursue another executive opportunity. Mr. Tobin’s departure will be effective April 27, 2018. The Board of Directors of CNH Industrial has appointed Derek Neilson as interim CEO, which has nearly two decades of experience with CNH Industrial and most recently served as Chief Operating Officer EMEA and President of the Company’s Commercial Vehicles Products Segment. From 2012 to 2015 he served as the Group’s Chief Manufacturing Officer.

2018 Outlook (US GAAP)

Worldwide demand for agricultural equipment is expected to improve with all regions flat to up 5% on average. Farm incomes are expected to remain stable, leading to no significant changes in planted acreage. Construction equipment demand is forecasted to be up 5-10% in LATAM and APAC while remaining relatively flat to up slightly in EMEA and NAFTA. Commercial vehicle demand is expected to be up about 15% in LATAM and flat to slightly down in EMEA and APAC.

As a result of the forecasted improvement in product demand conditions, and the positive impact of changes in the Company’s capital structure, CNH Industrial is setting its full year 2018 guidance as follows:
- net sales of Industrial Activities of $27 billion to $28 billion;
- adjusted diluted EPS of $0.63 to $0.67;
- net industrial debt at the end of 2018 at $0.8 billion to $1.0 billion.

(22.91% stake and 32.75% of voting rights on issued capital)

Key consolidated data of Ferrari reported in the year 2017 are as follows:

	Year		
€ million	2017	2016	Change
Shipments (in units)	**8,398**	8,014	384
Net revenues	**3,417**	3,105	312
EBIT	**775**	595	180
Adjusted EBIT (1)	**775**	632	143
Net profit	**537**	400	137
Net Industrial debt (2)	**473**	653	(180)

(1) Adjusted EBIT is a non-GAAP financial measure used to measure performance. Adjusted EBIT is defined as EBIT less income and costs which are significant in nature but expected to occur infrequently.

(2) Refer to specific note on Non-GAAP financial measures.

Shipments

Shipments totaled 8,398 units in the year 2017 with an increase of 384 units (or 4.8%) compared to the prior year. This achievement was driven by a 25.1% increase in sales of the 12-cylinder models (V12), while the 8 cylinder models (V8) were in line with the prior year. The V12 strong performance was led by the GTC4Lusso and 812 Superfast, that is approaching global reach, as well as LaFerrari Aperta yet to finish its limited series run, fully contributing.

	Year		Change	
Units	2017	2016	number	%
EMEA	**3,737**	3,610	127	4
Americas	**2,811**	2,687	124	5
China, Hong Kong and Taiwan, on a combined basis	**617**	619	(2)	0
Rest of APAC	**1,233**	1,098	135	12
Shipments	**8,398**	8,014	384	5

Net revenues

Net revenues for 2017 were €3,417 million, an increase of €312 million or +10%; (+11.2% at constant currencies), compared to the year 2016.

Revenues in cars and spare parts were up 12.7% versus prior year, supported by higher volumes and positive mix led by the V12 range models as well as LaFerrari Aperta, along with a greater contribution from personalization programs and pricing increases. This was partially offset by the end of LaFerrari lifecycle in 2016 as well as the non-registered racing car FXX K and the strictly limited edition F60 America completing its limited series run in 2016.

Engines revenues posted an increase thanks to strong sales to Maserati, more than offsetting the termination of the rental agreement with a Formula 1 racing team.

Sponsorship, commercial and brand revenues (€494 million, 1.1%) were up €6 million thanks to higher sponsorship and brand revenues, partially offset by lower 2016 championship ranking compared to 2015.

€ million	Year 2017	Year 2016	Change amount
Car and spare parts	**2,456**	2,180	276
Engines	**373**	338	35
Sponsorship, commercial and brand	**494**	488	6
Other	**94**	99	(5)
Net revenues	**3,417**	3,105	312

EBIT

EBIT for 2017 was €775 million, an increase of €180 million, (+30.3%), from €595 million for 2016; the increase was primarily attributable to a positive volume impact (€67 million), a favorable mix impact of €80 million, a positive net foreign currency exchange impact of €53 million and a decrease of €57 million in other supporting costs, including the effect of charges in 2016 for Takata airbag inflator recalls of €37 million, partially offset by an increase in research and development costs of €43 million and an increase in selling, general and administrative costs of €34 million. The positive volume impact was attributable to an increase in shipments of approximately 360 cars (excluding the La Ferrari and La Ferrari Aperta), driven by the GTC4Lusso and the 488 families, as well as the first shipments of the newly launched 812 Superfast, together with positive contribution from its personalization programs. These positive effects on volume were partially offset by the phase-outs of the California T and the F12berlinetta, as well as the F12tdf, which finished its limited series run in 2017. The favorable mix impact of €80 million was primarily attributable to an increase in shipments of the LaFerrari Aperta, as well as an increase in shipments of its V12 range and special series models and pricing increases. These positive effects on mix were partially offset by the end of the LaFerrari lifecycle in 2016, as well as the non-registered racing car FXX K and the strictly limited edition F60 America completing their limited series runs in 2016.

Net industrial debt

Net industrial debt at 31 December 2017 decreased to €473 million from €653 million at 31 December 2016 due to the strong industrial free cash flow generation.

€ million	31/12/2017	30/06/2017	12/31/2016
Net industrial debt (1)	**(473)**	(627)	(653)
Funded portion of the self-liquidating financial receivables portfolio	**685**	705	737
Net debt (1)	**(1,158)**	(1,332)	(1,390)
Cash and cash equivalents	**648**	423	458
Gross debt	**(1,806)**	(1,755)	(1,848)

(1) Net industrial debt is defined as net debt excluding the funded portion of the self-liquidating financial receivables portfolio.

Significant events in the second-half of 2017 and subsequent events

On 24 July 24 2017 Ferrari and UPS renewed the sponsorship agreement, based on which the UPS brand will continue to appear on the Scuderia Ferrari's single-seaters and the official drivers' racing suits. The multi-year agreement continues the collaboration started in 2013.

On 28 July 2017 Scuderia Ferrari reached a multi-year agreement with Sauber F1 Team, by virtue of which the Swiss team will be fitted with the power units built at the Maranello factory.

On 9 and 10 September, 2017, Ferrari hosted at the Fiorano track the pinnacle of the 70th anniversary celebrations. Among the several activities, which involved over 4,000 clients and almost 1,000 cars, an auction organized with RM Sotheby's saw the sale of one–of–a- kind LaFerrari Aperta to benefit the charity Save the Children for €8.3 million, a new record for a 21st century car.

On 7 and 8 September, 2017 Ferrari hosted the exclusive World Premiere in Portofino to unveil the new V8 GT Ferrari Portofino. Subsequently, on September 12, 2017 the Ferrari Portofino was presented at the Frankfurt Motor Show. Capable of unleashing 600cv, the Ferrari Portofino is the most powerful convertible to combine the advantages of a retractable hard top, a roomy boot and generous cockpit space. Shipments of the new Ferrari Portofino will commence in 2018.

On 29 October 2017, Ferrari unveiled the FXX K Evo during the Finali Mondiali event at the Mugello Racetrack. Available as an extremely limited-run model and as an upgrade package for the existing XX cars, the FXX K Evo features an evolved aero package developed by Ferrari's engineers in synergy with the Ferrari Style Centre's designers, to push to the very limit the performance of a model that already represents the state-of-the-art in terms of Ferrari track-only supercars.

On 20 February 2018, Ferrari announced that Scuderia Ferrari has extended its partnership agreement with Philip Morris International, continuing a collaboration of nearly five decades. The agreement renewed on 4 September 2017.

On 21 February 2018, Ferrari announced that it has selected the 88th edition of the Geneva International Motor Show for the world premiere of the Ferrari 488 Pista, the Group's successor to Ferrari's V8-engined special series. The Ferrari 488 Pista marks a significant step forward from the previous special series in terms of both sporty dynamics and for the level of technological carryover from racing.

On 22 February 2018, Ferrari presented the new car for the 2018 Formula 1 World Championship.

2018 Outlook

Ferrari Group is expecting the following performance in 2018:

- Shipments: more than 9,000 including supercars;
- Net revenues: more than €3.4 billion;
- Adjusted EBITDA: more than/equal € 1.1 billion;
- Net industrial debt: less than €400 million, including a dividend distribution to the holders of common shares and excluding potential share repurchases;
- Capital Expenditures: approximately €550million.

(63.77% of share capital)

The results for the first half of the financial year 2017/2018 of Juventus Football Club S.p.A. are as follows:

	I Half		
€ million	**2017/2018**	2016/2017	Change
Revenues	**290.6**	315.1	(24.5)
Operating costs	**178.7**	182.2	(3.5)
Operating income	**51.0**	85.0	(34.0)
Profit for the period	**43.3**	72.0	(28.7)

€ million	**31/12/2017**	31/12/2016	Change
Shareholders' equity	**137.1**	125.4	11.7
Net financial debt	**279.7**	174.1	105.6

Interim data cannot be construed as representing the basis for a full-year projection.
For a correct interpretation of the figures it should be noted that the financial year of Juventus does not coincide with the calendar year but covers the period 1 July-30 June, which corresponds to the football season. The accounting data under examination thus represents the first half of operations for the financial year 2017/2018.
The economic trend is characterized by a strong seasonal nature, typical of the sector, basically determined by participation in European competitions, in particular the UEFA Champions' League, by the calendar of sports events and by the two phases of the football player Transfer Campaign.
The financial position and cash flows of the company are also affected by the seasonal nature of the income components; in addition, some revenue items are collected in a period different from the period to which they refer.

The first half of the 2017/2018 financial year closed with a profit of €43.3 million, posting a negative change of €28.7 million compared to the profit of € 72 million registered in the same period of the prior year.
This change was mainly due to lower revenues from players' registration rights, totaling €45 million, higher costs for external services and other expenses for €12.4 million and for players' wages and technical staff costs for €7.7 million, as well as amortization on players' registration rights for €13.5 million. These increases were partly offset by decreases in expenses from players' registration rights for €26.5 million and higher revenues from core operations for €20.7 million. Other changes involved lower provisions for €1.9 million, purchases of products held for sale for €1.9 million, lower current and deferred taxes for €4.4 million, as well as other net negative changes for €1.7 million.

Significant events in the first half of 2017 and subsequent events

In July 2017 Juventus transferred its offices to the new headquarters of Via Druento 175 in Turin and took possession of the Juventus Training & Media Center which will be home to the First Team training starting from next season, once the tests on the playing field and facilities are completed.
These sites, along with the international school, which began operation in September 2017, are part of the larger upgrading and enhancement project for the Continassa Area, adjacent to the Allianz Stadium, handled by the J Village fund. The work to complete the last project lots (Hotel and Concept Store) are scheduled to be completed by the fund by the end of summer 2018.

2018 Outlook

The 2017/2018 financial year of Juventus, currently forecast to end in a loss, will be as usual strongly influenced by the performance of sports results and in particular the UEFA Champions League.

SUBSEQUENT EVENTS AND 2018 OUTLOOK

Subsequent events of the Holdings System

Issue of EXOR non-convertible 2018-2028 bonds

On 18 January 2018 EXOR finalized the issue of bond for a nominal amount of €500 million, maturing in January 2028, with a fixed annual coupon of 1.750% and an effective yield to maturity of 1.914%.
The purpose of the issue is to raise new funds for EXOR's general corporate purposes, including the repayment of certain loan facilities of the company. The bond is listed on the Luxembourg Stock Exchange and assigned a credit rating of BBB+ by the Standard and Poor's rating agency.

Issue of EXOR non-convertible 2018-2038 bonds

On 15 February 2018 EXOR finalized the issue of a bond for a nominal amount of €200 million, maturing on 15 February 2038, with a fixed annual coupon of 3.125% with the purpose of refinancing short-term debt. The bond, with a credit rating of BBB+ by Standard and Poor's rating agency, is listed on the Luxembourg Stock Exchange MTF Market.

Dividends and distribution of reserves received in the year 2018

The dividends and distributions of reserves already approved by or collected from some investment holdings are as follow:

Investee company	Share class	Number of shares	Dividends Per share (€)	Dividends Total (€/ml)
CNH Industrial N.V.	ordinary	366,927,900	0.14	51.4
Ferrari N.V.	ordinary	44,435,280	0.71	31.5
EXOR N.V.'s share of dividends				**82.9**
PartnerRe	ordinary	100,000,000	0.39 (a)	39.0 (a)
EXOR Nederland's share of dividends				**39.0**

(a) $0.48 per share, converted at exchange rate of €/$1.2378 at 13 March, 2018, equal a total amount of $48 million.

2018 Outlook

EXOR N.V. does not prepare budgets or business plans nor does it publish forecast data or data on the basis of which it is possible to calculate forecast data.
Certain EXOR operating subsidiaries (FCA, CNH Industrial and Ferrari) publish forecast data on their performance. Other operating subsidiaries (PartnerRe and Juventus Football Club) publish information on the foreseeable outlook. Additional information is provided under "Review of Performance of the operating subsidiaries and associates" in the Report on Operations.

The forecast data and information of the aforementioned operating companies are drawn up autonomously and communicated by the respective companies and are not homogeneous. Quantitative forecast disclosures prepared by these operating companies and the type of information provided, as well as the underlying assumptions and calculation methods vary according to the accounting principles applicable to each subsidiary and associate and the conventional application practices in the respective sector of reference. EXOR N.V. in fact, is a holding company without a specific business of reference, head of a diversified and non-integrated group that operates in different segments and does not exercise direction and coordination activities over its subsidiaries and associates, which operate in a completely independent manner.

EXOR N.V. deems that the forecast data and information of the subsidiaries and associates are not significant or suitable for the purposes of providing indications about the prospective economic trend of EXOR N.V.'s operations nor represent a forecast or estimate of the company's results and that therefore in assessing EXOR N.V.'s future prospects it is not possible to rely on the data and prospective information published by the aforesaid operating subsidiaries and affiliates.

26 March 2018

The Board of Directors

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Melissa Bethell

Laurence Debroux

Anne Marianne Fentener van Vlissingen

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

MAJOR SHAREHOLDERS AND OWNERSHIP STRUCTURE

Introduction

EXOR N.V. ("EXOR" or the "Company") is a public limited liability company (*naamloze vennootschap*), incorporated under the laws of the Netherlands and listed in Italy on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A. (the "MTA").

The Company's legal and tax residence is The Netherlands since the completion of the cross-border merger of EXOR S.p.A., a public limited liability company incorporated under the laws of Italy, with and into EXOR HOLDING N.V., a Dutch wholly-owned subsidiary of EXOR S.p.A. (the "Merger") on 12 December 2016. The surviving company and holding company of the EXOR Group was then renamed "EXOR N.V."

The Merger was executed pursuant to the provisions of EU Directive 2005/56/EC of the European Parliament and Council of 26 October 2005 on cross-border mergers of limited liability companies, implemented for Dutch law purposes under Title 2.7 of the Dutch Civil Code and for Italian law purposes by Italian Legislative Decree 30 May 2008, no. 108.

As a result of the Merger, EXOR acquired all assets and assumed all liabilities and other legal relationships of EXOR S.p.A. under universal title of succession: as such, all business activities, shareholdings and other assets as well as liabilities pertaining to the business of EXOR S.p.A. were consolidated into (or controlled by) the Company.

In connection with the Merger, each shareholder of EXOR S.p.A. received 1 (one) EXOR ordinary share for each EXOR S.p.A ordinary share held.

Further, EXOR adopted a Special Voting Structure (as described below) to foster the development and continued involvement of a stable shareholder base and to reward long-term investment in the Company with the aim to reinforce the group's stability.

For more details on the Special Voting Structure, please refer to Section "Special Voting Structure" below.

Capital Structure

Structure of share capital

STRUCTURE OF SHARE CAPITAL

Share class	Number of shares	Listing market	Rights and obligations
Ordinary shares[6]	241,000,000	MTA/Borsa Italiana	

Treasury shares per 31 December 2017 held by the Company: 5,977,695.

Economic and administrative rights

Each EXOR ordinary share entitles its holder to one vote at all general meetings of shareholders – ordinary and extraordinary – as well as to all economic and administrative rights according to the applicable provisions of law and of the Company's articles of association (the "Articles of Association").

Issuance of shares

Shares may be issued pursuant to a resolution of the general meeting. This competence concerns all non-issued shares of the Company's authorized capital, except insofar as the competence to issue shares is vested in the board of directors (the "Board of Directors").

---

[6] The ordinary shares are registered shares, freely transferable and issued in electronic form. Shares are managed through the centralized clearing system organized by Monte Titoli.

Shares may be issued pursuant to a resolution of the Board of Directors, if and insofar as the Board of Directors is designated to do so by the general meeting. Such designation can be made each time for a maximum period of five years and can be extended each time for a maximum period of five years. A designation must determine the number of shares of each class concerned which may be issued pursuant to a resolution of the Board of Directors.
A resolution of the general meeting to designate the Board of Directors as a body of the Company authorized to issue shares can only be withdrawn upon proposal of the Board of Directors.

By means of the resolution adopted by the general meeting on 24 November 2016, the Board of Directors has been designated as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five (5) years with effect from 11 December 2016. The Board of Directors has been authorized to increase the share capital with such number of shares for a nominal value up to five million Euro (Euro 5,000,000.00) and to issue convertible bonds for an aggregate issue price up to one billion Euro (Euro 1,000,000,000.00), and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio.

Payment for shares shall be made in cash unless another form of consideration has been agreed. Payment in a currency other than Euro may only be made with the consent of the Company.

Upon the issuance of ordinary shares, each holder of ordinary shares will have pre-emptive rights in proportion to the aggregate nominal value of his ordinary shares. A shareholder will not have pre-emptive rights in respect of ordinary shares issued against a non-cash contribution. Nor will the shareholder have pre-emptive rights in respect of ordinary shares issued to employees of the Company or of a group company (*groepsmaatschappij*).

Prior to each individual issuance of ordinary shares, pre-emptive rights may be restricted or excluded by a resolution of the general meeting. However, with respect to an issue of ordinary shares pursuant to a resolution of the Board of Directors, the pre-emptive rights can be restricted or excluded pursuant to a resolution of the Board of Directors if and insofar as the Board of Directors is designated to do so by the general meeting.

By means of the resolution adopted by the general meeting on 24 November 2016, the Board of Directors has been authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares for a term of five (5) years with effect from 11 December 2016.
Holders of Special Voting Shares have no pre-emptive rights on the issuance of shares of any class and with respect to the issuance of Special Voting Shares no pre-emptive rights exist.

The general meeting of shareholders or the Board of Directors, as the case may be, shall decide – when passing the resolution to issue shares or rights to subscribe for shares – in which manner the shares shall be issued and, to the extent that rights of pre-emption apply, within what period those rights may be exercised.

Special Voting Structure

In order to foster the development and continued involvement of a core base of long-term shareholders in a manner that reinforces the group's stability, as well as providing EXOR with enhanced flexibility when pursuing strategic investment opportunities in the future, the Articles of Association provide for a special-voting structure (the "Special Voting Structure"). The purpose of the Special Voting Structure is to reward long-term ownership of EXOR ordinary shares and to promote stability of the EXOR shareholders-base by granting long-term EXOR shareholders with special voting shares to which multiple voting rights are attached additional to the right granted by each EXOR ordinary share held. For further description and details on the Special Voting Structure reference should be made to the Terms and Conditions for Special Voting Shares and the Articles of Association as published on the Company's website at www.exor.com.

Repurchase of shares

The Board of Directors has been authorized, by the annual general meeting of shareholders held on May 30, 2017, to repurchase for a term of 18 months its own fully paid-up ordinary shares up to the maximum number of ordinary shares that can be repurchased under Dutch law, and further within the limits of Dutch law and the Company's Articles of Association, through a purchase on the stock exchange or otherwise. For shares held by the Company no voting rights may be exercised.

Restrictions on the transfer of shares

There are no restrictions on the transfer of EXOR ordinary shares, no limitations on ownership and no clauses requiring acceptance on the part of the Company or of other shareholders upon a transfer of shares.

The above shall not apply to transfers of Special Voting Shares, or Electing Ordinary Shares or Qualifying Ordinary Shares: for such provisions, reference should be made to the Terms and Conditions for Special Voting Shares and the Articles of Association as published on the Company's website at www.exor.com.

Shareholders

Significant shareholdings

Based on the regulatory filings with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") the following entities own as of 31 December 2017, directly or indirectly, more than 3% of the share capital carrying voting rights:

Shareholder	**% of issued capital**
Giovanni Agnelli B.V.	52.99%
Harris Associates LP	7.36 %
Southeastern Asset Management, Inc.	4.11%

Giovanni Agnelli B.V. is the largest shareholder of EXOR through its 52.99% shareholding interest in EXOR's issued capital.
Consequently, Giovanni Agnelli B.V. could strongly influence all matters submitted to a vote of EXOR's shareholders, including approval of annual dividends, election and removal of directors and approval of extraordinary business combinations.

Employee shareholdings: system for the exercise of voting rights

A specific mechanism for the exercise of voting rights applicable to employees' shareholdings does not exist. In particular the voting rights on shares deriving from the vesting of shares or from the exercise of option rights under stock option plans or incentive plans – for information on which reference should be made to Section "Remuneration of Directors" – are not subject to any form of restriction and are directly exercisable by the beneficiaries.

Restrictions on voting rights

There are no restrictions on voting rights.

Shareholders agreements

Based on the information available to EXOR, there are no shareholder agreements concerning either the exercise of the rights attaching to the Company's shares or the transfer of the shares.

Change of control clauses and By-Law provisions relevant to a public offer

Any change in control of the Company[7] would entitle subscribers of the following bonds outstanding at 31 December 2017 to demand early repayment.

- Non-convertible bond issue 2012/2019 of Euro 150 million;
- Non-convertible bond issue 2013/2020 of Euro 200 million;
- Non-convertible bond issue 2015/2022 of Euro 750 million;
- Non-convertible bond issue 2014/2024 of Euro 650 million;
- Non-convertible bond issue 2012/2025 of Euro 100 million;
- Non-convertible bond issue 2015/2025 of Euro 250 million;
- Non-convertible bond issue 2011/2031 of Yen 10 billion (approx. Euro 69 million).

---

[7] The articles of association of the parent company Giovanni Agnelli B.V. include a condition that requires (i) the unanimous vote of directors in function, and (ii) the approval of the general meeting of shareholders by a special majority of more than two thirds of the votes cast representing more than two thirds of the issued and outstanding share capital for any disposal of ordinary shares in EXOR which does not leave at least 51% of the ordinary share capital of EXOR in the full ownership of Giovanni Agnelli B.V.

In addition, three lending banks would have the right to demand the cancellation of four irrevocable lines of credit totaling Euro 250 million, which, however, were unutilized as of 31 December 2017.

Except for the aforesaid, as of the date of this report, there are no significant agreements to which the Company is a party that would become effective, be amended or be extinguished on a change of control of the Company.

The Articles of Association do not provide for derogations from the passivity rule or for the application of the breakthrough rule contemplated in the Dutch and Italian legislation on public offers.

RISK MANAGEMENT, RISKS AND CONTROL SYSTEM

EXOR is committed to promoting and maintaining an internal control and risk management system (hereafter also “System”) being the body of rules, procedures and organizational structures whose purpose is to provide an adequate process for the identification, measurement, management and monitoring of the principal risks in order to ensure the reliability, accuracy and timeliness of financial information, the safeguarding of the Company’s assets, the efficiency and effectiveness of business processes and the Company’s compliance with laws and regulations. An effective internal control and risk management system contributes to the conduct of the business in a manner consistent with its pre-established objectives and facilitates well-informed decision-making. The System is integrated in the general organization and governance structure adopted by EXOR and is developed giving adequate consideration to the reference models and the best practices available nationally and internationally. The reference model for the System adopted by EXOR is, in fact, based on the standards set out in the Internal Control – Integrated Framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report). Within the broader model of the System adopted by the Company the more specific activities of identifying and managing risks are defined by the standards set by the Enterprise Risk Management – Integrated Framework (COSO E.R.M.), as detailed in the dedicated paragraphs.

The responsibility for the institution and maintenance of an effective internal control and risk management system which is coherent with the business and process objectives and for the correspondence of the risk management method employed with the pre-established containment plan is entrusted to the Director in Charge and to the managers of the functions.
In particular EXOR’s internal control and risk management system operates at three levels of internal control:

- First Level: identification, evaluation and monitoring of applicable risks in the single processes. At this level are located the structures responsible for the individual risks, for their identification, measurement and management, as well as for the performance of the necessary checks.

- Second Level: monitoring of the principal risks to ensure the effectiveness and efficiency of their management and treatment and of the functioning of the controls placed over the principal risks, support to the first level in the definition and implementation of adequate systems for the management of the principal risks and the related controls. The control instruments for coordination and operation of the main control systems operate at this level.

- Third Level: provides an independent and objective assurance of the adequacy and effective operation of the first and second levels of control and in general of the overall mode of managing risks. This activity is carried out by Internal Audit whose activities are directed and guided by internal Guidelines.

The internal control and risk management system is subject to verification and updating annually in order to ensure its constant suitability as an instrument of control over the business’s principal areas of risk.

The system of internal control over financial reporting, set in the broader framework of the internal control and risk management system, has the purpose of ensuring the reliability, accuracy and timeliness of the Group’s financial information.
The system of internal control over financial reporting put in place by the Company is developed consistently with the 2013 COSO. Framework for internal controls and is focused on the procedures and organizational structures which ensure the reliability, accuracy, completeness and timeliness of financial reporting.

The system of internal control over financial reporting aims, in fact, at ensuring the adequacy and effective application of the administrative and accounting procedures designed to guarantee a true and fair representation of the business activities in the financial reports (annual consolidated financial statements, company financial statements, shortened half yearly consolidated financial statements) prepared by the Company.

The principal characteristics of the system of internal control over financial reporting are based on the following components and phases:

- Identification and assessment of administrative and accounting risks.
- Identification of the controls responding to the risks identified.
- Verification of the effective application of the controls and evaluation of any problems detected.

The EXOR system of internal control over financial reporting has been developed taking into consideration existing law, the reference regulations as well as the guidelines provided by the competent bodies and is composed of the following:

- *Code of Ethics* – which illustrates the ethical principles and values of the Company.
- *System of delegated powers and proxies* – which identifies the powers of company representation conferred to individual managers.
- *Risk Management process* – which identifies roles, responsibilities and methodologies in performing the risk management activity.
- *Administrative and accounting procedures* – which establish the responsibilities and rules for the process controls to be applied.
- *Financial reporting instructions and closing timetables* – which are used to communicate operational instructions for the preparation of the reporting package.

In particular, the aforesaid administrative and accounting procedures include:

- the code of conduct that must be observed by company personnel involved, for any reasons, in the implementation of the system of internal control over financial reporting;
- the roles and responsibilities given to the corporate functions involved in the preparation, diffusion and checking of financial reports issued to the market;
- the process of internal attestation by the corporate bodies of the significant subsidiaries as regards the data and the related internal control system under their responsibility reported to the Parent company.

Risk Management

As required by regulatory guidelines and in response to market demands for enhanced transparency and disclosure on the risks associated with company activities, EXOR has adopted its own Enterprise Risk Management (“ERM”) system.

The EXOR risk management system is based on the above mentioned COSO ERM, which defines risk management as a “process effected by the Board of Directors, management and other personnel, applied in setting strategy across the organization and designed to identify potential events that may affect the business, in order to manage the risk within the risk appetite and to provide reasonable assurance regarding the achievement of the business objectives”.

The Framework is integrated within the company organization and corporate governance, supporting the efficiency and effectiveness of business processes, the reliability of financial information and compliance with laws and regulations. An effective risk management system contributes to the conduct of the business in a manner consistent with its objectives and facilitates well-informed decision-making.

In this context, the Board of Directors is responsible for the identification of the risks to which EXOR and the “Holdings System” are exposed in relation to business objectives and company characteristics, and for performing an assessment of the possible risk scenarios, considering the effectiveness of the process controls currently in place.

The EXOR risk management system is subject to verification and updating over time in order to ensure its constant suitability as an instrument of control over the business’s principal areas of risk.

Risk Appetite

EXOR set its risk appetite within risk taking and risk acceptance parameters which are driven by applicable laws, the Code of Conduct, core principles and values, corporate policies and directives.

EXOR operates within a moderate overall risk range, inherent to its business. In this context, EXOR's highest risk appetite relates to the strategic and operational objectives related to a positive Net Asset Value (NAV) per share / MSCI ratio in the long term and maintaining an adequate credit rating and cash flow to enable continuity of investment activities, while ensuring in any case the compliance with the criteria that direct EXOR investment choices.

EXOR's lowest risk appetite relates to the objectives of defending the Group reputation, of compliance with the rules and regulations and of adequacy of the financial reporting. Meeting applicable legal and regulatory obligations will take priority over other business objectives. The EXOR risk management and internal control system comprises a structured process aimed at addressing individual risk categories, with a defined risk appetite applied to each category as detailed below:

Risk Category	Risk Description	Risk Appetite	
Strategic Risks	Strategic risks may affect EXOR long-term strategic performance objectives.	Moderate	EXOR is willing to accept moderate risks in order to realize its strategic objectives. EXOR defined tolerable levels of deviation from NAV per share compared with MSCI, credit rating and cash flow targets in the short and medium term, in order to achieve long term goals.
Operational Risks	Operational risks include adverse, unexpected impacts resulting from internal processes, people and systems, or from external events linked to the performance of the Company's portfolio of businesses.	Low – Moderate	EXOR aims for lean operations focused on its core activities.
Compliance Risks	Compliance risks cover unanticipated failures to comply with applicable laws, regulations, policies and procedures.	Low	EXOR strives to comply with applicable laws and regulations at all times. EXOR focusses on good governance of its activity as holding company.
Financial reporting risks	Financial reporting risks primarily relate to (failure) of internal controls leading to possible misrepresentation of EXOR's positions and performance to investors and other stakeholders	Low	In the external reporting EXOR aims to provide an insightful, fair and accurate representation of the Group and Company performance and economic results. Adequacy of financial reporting is secured through the financial reporting policies and internal control framework at EXOR and its affiliates.
Financial Risks	Financial risks include uncertainty of financial return and the potential for financial loss due to capital structure imbalances, inadequate cash flows and the volatility of financial instruments.	Low – Moderate	Inherent to EXOR's long term investment horizon, a low to moderate level of financial risk is accepted in our investment portfolio. Through capital market transactions, cash balances and bank credit line agreements, EXOR seeks to maintain a capital structure profile which achieves long term goals and maintains its covenant compliance.

EXOR has established the appetite for principal risks, identifying its overall risk capacity and appetite position.
Risk metrics for each principal risk have been identified in order to put in place monitoring activity and corrective actions, if needed.

Key Risks and Key trends

As a part of the 2017 risk assessment process, management identified certain risks as significant based on their potential business impact and likelihood of occurrence, as well as existing and/or planned countermeasures (mitigating actions). The risk impact could result in a material direct or indirect adverse effect on its business, operations, financial condition and performance, reputation and/or other interests. The results of this assessment were presented to the Audit Committee on 30 August 2017.
EXOR expects that the implemented controls will mitigate the risks up to the level of the risk appetite.
The sequence in which these risks and mitigating actions are presented does not reflect any order or importance, likelihood or materiality. For further information regarding the risks EXOR faces, refer to the section Risk Factors above.

Risk Event	Risk Description	Mitigation Activities
Dividend risk /Cash Flow (Financial risks)	Risk of holding shares in companies that do not generate a cash flow of dividends sufficient to manage structure costs and net financial costs.	Careful management of cash in / cash out and investment portfolio diversification. EXOR maintains an adequate cash flow performing cash flow analysis, adjusting and monitoring on a regular basis. The Company risk management approach mixes a wide variety of investments within the portfolio thus mitigating unsystematic risk events in the dividend collection from the investments.
Portfolio composition (Strategic/operational risk)	Risk that investment decisions do not allow EXOR to (i) obtain a return on investments that will increase the Net Asset Value (NAV) per share, surpassing the MSCI World Index in USD; and (ii) define an adequate portfolio mix in terms of diversification of the investments, resulting in difficulties in optimizing the Group's future performance.	The Company risk management approach mixes a wide variety of investments within the portfolio. The Company portfolio consists of different kinds of investments, consequently characterized by an overall lower risk level. Company investment procedures ensures adequate evaluation also in relation to portfolio composition.
Stock market performance (Strategic risk)	Risk that fluctuations in the stock market can affect the value of investments.	Asset allocation. The Company risk management approach mixes a wide variety of investments within the portfolio. The Company portfolio consists of different kinds of investments, consequently characterized by an overall lower risk level. The diversification mitigates unsystematic risk events in the portfolio, so the positive performance of some investments neutralizes the negative performance of others.

CORPORATE GOVERNANCE

The Company endorses the Dutch Corporate Governance Code's principles and best practice provisions adopted by the Monitoring Committee Corporate Governance Code 2016 (the "Dutch Corporate Governance Code"). The purpose of the Dutch Corporate Governance Code is to facilitate, with or in relation to other laws and regulations, a sound and transparent system of checks and balances within Dutch listed companies and, to that end, to regulate relations between the Board of Directors and shareholders.

It should be noted that the Dutch Corporate Governance Code provisions primarily refer to companies with a two-tier board structure (consisting of a management board and a separate supervisory board), while EXOR has implemented a one-tier board. The best practices reflected in the Dutch Corporate Governance Code for supervisory board members apply by analogy to non-executive directors.

This section provides for the relevant information on the overall corporate governance structure of the Company. EXOR hereinafter discloses any departure from the best practice provisions of the Dutch Corporate Governance Code.

Compliance with the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code, except for the best practice provisions listed below:

a) *Best practice provision 2.3.1 of the Dutch Corporate Governance Code: The division of duties within the supervisory board and the procedure of the supervisory board shall be laid down in terms of reference. The supervisory board's terms of reference shall include a paragraph dealing with its relations with the management board, the general meeting and the employee participation body (if any) and the executive committee (if any). The terms of reference shall be posted on the company's website.*

The Board Regulations do not contain any provisions dealing with the relations of the Board of Directors with the general meeting, the employee participation body and the executive committee. The reason the Board Regulations does not contain a paragraph in respect of the employee participation body and the executive committee is that the Company has no employee participation body and no executive committee. As regards the relations with the general meeting, EXOR feels this is sufficiently addressed in the Articles of Association.

b) *Best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code: For each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii.*

The non-executive directors Alessandro Nasi, Andrea Agnelli, Niccolò Camerana, Ginevra Elkann and Lupo Rattazzi are considered non-independent non-executive directors within the meaning of best practice provision 2.1.7 (iii) of the Dutch Corporate Governance Code. Alessandro Nasi, Andrea Agnelli, Niccolò Camerana, Ginevra Elkann and Lupo Rattazzi belong to the Agnelli family, which controls Giovanni Agnelli B.V. In light of the major shareholding of Giovanni Agnelli B.V. and the Company history the Company feels it is appropriate that more than one member of the Agnelli family has a seat in the Board of Directors as non-executive director.

c) *Principle 2.3.2 of the Dutch Corporate Governance Code: If the supervisory board consists of more than four members, it shall appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee.*

The Company has combined the roles of the remuneration committee and deselection and appointment committee in one committee, called the Compensation and Nominating Committee. The Company feels that there would be no benefits for the Company, given the size and, organizational wise, simple structure of the Company, in splitting the Compensation and Nominating Committee as prescribed under the Dutch Corporate Governance Code.

d) *Best practice provision 2.3.4 of the Dutch Corporate Governance Code: The audit committee may not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.*

The chairman of the Audit Committee is the Company's Senior Non-Executive Director, Mr. Marc Bolland. The Senior Non-Executive Director is the chairman of the Board of Directors as referred to by Dutch law. The Board of Directors' view is that – taking into account the composition of the non-executive directors - Mr. Marc Bolland is the most appropriate person at this moment to chair the Audit Committee.

e) *Best practice provision 3.3.2 of the Dutch Corporate Governance Code: A supervisory board member may not be awarded remuneration in the form of shares and/or rights to shares.*

According to the previous remuneration policy in place the non-executive directors had the opportunity to elect whether their annual fee will be paid in shares or cash. Some of the non-executive directors received their annual fee in 2017 for the last time in shares as the annual general meeting of shareholders held on May 30, 2017 adopted an amended and restated remuneration policy which is in compliance with best practice provision 3.3.2. Consequently the annual fee for non-executive directors will be paid only in cash.

f) *Best practice provision 4.3.3 of the Dutch Corporate Governance Code*: The general meeting of shareholders of a company not having statutory two-tier status (*structuurregime*) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast.

Pursuant to article 15.3 of the Company's articles of association the binding nature may only be canceled with a two-third majority of the votes cast. The Company feels that in view of the major shareholding of Giovanni Agnelli B.V. it is appropriate to have such a threshold.

BOARD OF DIRECTORS

Pursuant to the Articles of Association, the total number of directors must be at least seven and at most nineteen (the "Directors"). Pursuant to the annual general meeting of shareholders held on May 30, 2017 fifteen Directors were (re)appointed until the close of the annual general meeting of shareholders to be convened in 2020 for the approval of the 2019 annual accounts. Pursuant to the Articles of Association, the term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for re-appointment.

The Board of Directors is entrusted with the management of the Company. The Board of Directors is composed of one Executive Director (*i.e.*, the Chief Executive Officer and Chairman) and fourteen Non-Executive Directors. The duty of Non-Executive Directors is to supervise the performance of duties by the Executive Director; they are also charged with the duties assigned to them pursuant to the law and the Articles of Association. Each Director is responsible for the general course of affairs of the Company and the business connected with it. Pursuant to Article 19 of the Articles of Association, the general authority to represent the Company is vested in the Board of Directors and the Chief Executive Officer independently.

By means of the resolution adopted on 12 December 2016, the Board of Directors appointed the following internal committees: (i) an Audit Committee, and (ii) a Compensation and Nominating Committee.

As indicated below, eight of the fourteen Non-Executive Directors are qualified as independent for the purposes of the Dutch Corporate Governance Code.
The Board of Directors has resolved to grant the following titles:

- John Philip Elkann: Chief Executive Officer and Chairman; and
- Sergio Marchionne and Alessandro Nasi: Vice-Chairman.

The Board of Directors has also resolved to appoint Marc Bolland as the chairman of the Board, as referred to in the Dutch Civil Code. According to Article 18 of the Articles of Association, the chairman of the Board has the title of "Senior Non-Executive Director".

Independence

The following members are independent within the meaning of the Dutch Corporate Governance Code:

- Marc Bolland;
- Melissa Bethell;
- Laurence Debroux
- Anne Marianne Fentener Van Vlissingen;
- Antonio Mota de Sousa Horta Osorio;
- Robert Speyer;
- Michelangelo Volpi;
- Ruth Wertheimer.

Directors are expected to prepare themselves for and to attend all Board of Directors meetings, the annual general meeting of shareholders and the meetings of the committees on which they serve, with the understanding that, on occasion, a Director may be unable to attend a meeting.

In total four Board of Directors meetings were held in 2017 and the table below shows the attendance of the Board members for these meetings.

Name	Board of directors	Audit Committee	Compensation and Nominating Committee
John Elkann	4/4		
Sergio Marchionne	4/4		
Alessandro Nasi	4/4		1/1
Andrea Agnelli	4/4		
Melissa Bethell (a)	2/2		
Mark Jan Bolland	4/4	4/4	
Niccolo Camerana	4/4		
Laurence Debroux (a)	2/2		
Ginevra Elkann	4/4		
Annemiek Fentener Van Vlissingen	2/4	2/4	
Antonio Mota De Sousa Horta-Osorio	2/4		
Lupo Rattazzi	4/4	4/4	
Robert Speyer	3/4		1/1
Michelangelo Volpi	4/4		1/1
Ruthi Wertheimer	4/4		
Jae Yong Lee Lee (b)	0/1		

(a) Joined the Company as of the appointment by the Shareholders meeting of 30 May 2017
(b) Resigned per the date of the Shareholders meeting of 30 May 2017

Evaluation

The Board of Directors has evaluated and discussed its own functioning, the functioning of its committees and its individual members, based on a survey. The main topics of the survey related to composition, competence, performance, information, meetings, oversight and involvement of the Board and the functioning of the internal committees. The outcome of the survey's (the response rate was 100%) was assessed and discussed in the Compensation and Nominating Committee and the committee gave its feedback in the Board of Directors meeting were the evaluation was further discussed. The overall conclusion was good to excellent and the further conclusion that must be drawn on the basis thereof, as prescribed by the best practice provision 2.2.8 of the Dutch Corporate Governance Code, is that with regard to the duration of the meetings to ensure sufficient time for in depth discussions a relative improvement is needed, which will be taken into account for the scheduling and timing of the future meetings.

The current composition of the Board of Directors is the following:

John Philip Elkann - Chairman and Chief Executive Officer (executive director) - John Elkann is Chairman of FCA N.V. He was appointed Chairman of Fiat S.p.A. on April 21, 2010 where he previously served as Vice Chairman and started as a board member in December 1997. Mr. Elkann is born in New York in 1976, Mr. Elkann obtained a scientific baccalaureate from the Lycée Victor Duruy in Paris, and graduated in Engineering from Politecnico, the Engineering University of Turin (Italy). While at university, he gained work experience in various companies of the Fiat Group in the UK and Poland (manufacturing) as well as in France (sales and marketing). He started his professional career in 2001 at General Electric as a member of the Corporate Audit Staff, with assignments in Asia, the U.S. and Europe. Mr. Elkann is also Chairman of Giovanni Agnelli B.V. and of PartnerRe, Vice Chairman of Ferrari N.V. and Ferrari S.p.A., a director of The Economist Group, a member of the board of trustee and nominating committee of Museum of Modern Art (MoMA). He is also director at GEDI – Gruppo Editoriale S.p.A., Vice Chairman of Fondazione Giovanni Agnelli, and a Board member of Pinacoteca Giovanni e Marella Agnelli.

Sergio Marchionne - Vice Chairman (non-executive director) - Sergio Marchionne currently serves as Chief Executive Officer of Fiat Chrysler Automobiles N.V., Chairman of CNH Industrial N.V. and Chairman and Chief Executive Officer of Ferrari N.V. Born in Chieti (Italy) in 1952, he has dual Canadian and Italian citizenship. He holds a Bachelor of Arts with a major in Philosophy from the University of Toronto and a Bachelor of Laws from Osgoode Hall Law School at York University in Toronto, as well as a Master of Business Administration and a Bachelor of Commerce from the University of Windsor (Canada). Mr. Marchionne is a barrister, solicitor and chartered accountant. He began his professional career in Canada. From 1983 to 1985, he worked for Deloitte & Touche. From 1985 to 1988, he was with the Lawson Mardon Group of Toronto. From 1989 to 1990, he served as Executive Vice President of Glenex Industries. From 1990 to 1992, he was Chief Financial Officer at Acklands Ltd. From 1992 to 1994, also in Toronto, he held the position of Vice President of Legal and Corporate Development and Chief Financial Officer of the Lawson Mardon Group. From 1994 to 2000, he covered various positions of increasing responsibility at Algroup, headquartered in Zurich (Switzerland), until becoming its Chief Executive Officer. He then went on to head the Lonza Group Ltd, first as Chief Executive Officer (2000-2001) and then as Chairman (2002). In 2002 he became Chief Executive Officer of the SGS Group of Geneva and in 2006 was appointed Chairman of the company, a position which he continues to hold.

From 2008 to 2010, he also served as non-executive Vice Chairman and Senior Independent Director of UBS. Mr. Marchionne joined the Board of Directors of Fiat S.p.A. (now Fiat Chrysler Automobiles N.V.) in May 2003 and was appointed Chief Executive Officer on 1 June 2004.
In 2010, Mr. Marchionne joined the Board of Directors of Exor S.p.A. (now Exor N.V.). He is currently a Board member of Philip Morris International Inc. and the Peterson Institute for International Economics, as well as Chairman of the Council for the United States and Italy and member of the J.P. Morgan International Council.
Mr. Marchionne is recipient of ad honorem degrees in Industrial Engineering and Management from Polytechnic University in Turin (Italy), in Economics from the University of Cassino (Italy) and in Mechatronics Engineering from the University of Trento (Italy), a Masters honoris causa in Business Administration from the CUOA Foundation (Italy), an honorary Doctor of Laws from the University of Windsor (Canada) and Walsh College in Troy (Michigan), and honorary doctorates in Business Administration from the University of Toledo (Ohio), in Science from Oakland University in Rochester (Michigan) and in Humane Letters from Indiana University Kokomo (Indiana).
Mr. Marchionne also holds the honor of Cavaliere del Lavoro.

Alessandro Nasi - Vice Chairman (non-executive director) - Alessandro Nasi was born in Turin (Italy) in 1974; he grew up in New York and then returned to Italy where he obtained a degree in Economics at the University of Turin. He started his career as a financial analyst in several banks, gaining experience at Europlus Asset Management – a division of Unicredit Bank in Dublin – PricewaterhouseCoopers in Turin, Merrill Lynch and JP Morgan in New York. He then joined JP Morgan Partners in New York as an Associate in their Private Equity Division. In 2005 he joined Fiat Group as manager of Corporate and Business Development, heading the APAC division. In such role, he was involved in supporting the activities of the Fiat Group sectors in developing their businesses in the Asia Pacific area. In 2007 he was appointed Vice President of Business Development and a member of the Steering Committee of Fiat Powertrain Technologies, the Engine and Powertrain division of Fiat Group. At the beginning of 2008 he took over a new responsibility at Case New Holland, the Fiat Group company which manufactures agricultural machinery and construction equipment of which he was Senior Vice President of Business Development. From October 2009 to January 2011 he has also been responsible for Network Development serving as Senior Vice President.

From January 2011 he has been appointed Member of the Industrial Executive Council of Fiat Industrial, as Secretary and Responsible for Business Development. From November 2012 he has been appointed Chief Business Development Officer and Executive Coordinator of the Group Executive Council (GEC) of Fiat Industrial. From September 2013 he has been appointed President Specialty Vehicles of CNH Industrial retaining his position of Executive Coordinator of the Group Executive Council (GEC). He is a director of Giovanni Agnelli B.V.

Marc Bolland - (senior non-executive director) - Marc Bolland was born in the Netherlands in 1959 and graduated with an MBA from the University of Groningen in the Netherlands. In November 2011, he was awarded an Honorary Doctorate from the University of York, in the UK. He began his professional career at Heineken N.V. in 1987 as a Management trainee. During his first 14 years he occupied several international management positions. He served as an Executive board member of Heineken N.V. from 2001 to 2006 and as Chief Operating Officer of Heineken N.V. from 2005 to July 2006. In 2006 he was appointed as Chief Executive Officer of WM Morrison Supermarkets plc, where he led the turnaround after the acquisition of Safeway plc until April 2010. In May 2010 he joined the board of Marks and Spencer plc as Chief Executive Officer until April 2016. He led the transformation of Marks and Spencer to become a multi-channel, general merchandise retailer and developed the food business with industry leading growth. In September 2016 he joined Blackstone Group International Partners LLP as Operating Partner and Head of European Portfolio Operations. He is currently a Non-Executive Director of The Coca-Cola Company and IAG (Parent company of British Airways). He is Vice President at Unicef UK. (He is a Trustee on the Board of the Royal Academy of Arts. He was elected Vice Chairman of the Consumer Goods Forum in 2014. He was appointed by HRH Prince Wales his personal National Ambassador and was appointed by the Prime Minister as a British Business Ambassador).

Andrea Agnelli - (non-executive director) – Andrea Agnelli has been Chairman of Juventus Football Club S.p.A. since May 2010 and is also Chairman of Lamse S.p.A., a holding company of which he is a founding shareholder since 2007. Born in Turin in 1975, he studied at Oxford (St. Clare's International College) and Milan (Università Commerciale Luigi Bocconi). While at university, he gained professional experience both in Italy and abroad, including positions at: Iveco-Ford in London; Piaggio in Milan; Auchan Hypermarché in Lille; Schroder Salomon Smith Barney in London; and, finally, Juventus Football Club S.p.A. in Turin. Mr. Agnelli began his career in 1999 at Ferrari Idea in Lugano, where he was responsible for promoting and developing the Ferrari brand in non-automotive areas.

In November 2000, he moved to Paris and assumed responsibility for marketing at Uni Invest SA, a Banque San Paolo company specialized in managed investment products. Mr. Agnelli worked at Philip Morris International in Lausanne from 2001 to 2004, where he initially had responsibility for marketing and sponsorships and, subsequently, corporate communication. In 2005, Mr. Agnelli returned to Turin to work in strategic development for IFIL Investments S.p.A. (now Exor N.V.) and he joined the Board of Directors of IFI S.p.A. (now Exor N.V.) in May 2006. Mr. Agnelli is a Director of Giovanni Agnelli B.V. and a member of the advisory board of BlueGem Capital Partners LLP. Since March 2017 he is President of "Fondazione del Piemonte per l'Oncologia".
He is a member of the European Club Association's executive board since 2012 and as of September 2017, he is Chairman of the board.
Since July 2014, he has served as a board member of the Serie A National League of Professionals and as board member of the Foundation for the General Mutuality in Professional Team Sports. In September 2015, he was appointed to the UEFA Executive Committee as an ECA representative. Mr. Agnelli was appointed to the Board of Directors of Fiat S.p.A. on May 30, 2004 and became a member of the Board of Directors of FCA N.V. on October 12, 2014.

Melissa Bethell - (non-executive director) **-** Melissa Bethell is currently a Senior Advisor to Bain Capital, as well as Atairos Group, Inc., an investment fund backed by Comcast NBCUniversal. Ms Bethell joined Bain Capital LLC in 1999 and was a Managing Director from 2009-2017. Ms Bethell relocated to London in 2000 to help establish Bain Capital Europe - Bain Capital's first international office - and led the firm's TMT (telecom, media and technology) investments in Europe. She was a member of the senior leadership team responsible for strategy setting, fundraising and portfolio management. Prior to joining Bain Capital Ms Bethell worked in the Capital Markets group at Goldman Sachs.
Ms Bethell has a MBA, with distinction from Harvard Business School and received a BA with honors in Political Science and Economics, from Stanford University.
Melissa was born in Taiwan, brought up with Mandarin and educated in America and is now a British resident. She is on the Executive Appeals Team at the Scar Free Foundation and Supporter of the Impetus - Private Equity Foundation.

Niccolò Camerana - (non-executive director) - Niccolò Camerana was born in Florence (Italy) in 1979 and grew up in the UK where he obtained a degree in International Business Studies at European Business School of London. Between 2003 until 2006 Niccolò worked for PricewaterhouseCoopers in Italy for the Transaction Services and Audit department. He then worked in London for 3 years (2006-2009) for UBS Investment Bank for the Mergers and Acquisitions division, advising different transactions in various sectors. He joined Fiat Chrysler Automobiles in 2010 in the EMEA Business Development department providing support with project assessment and negotiation of related agreements with FCA external partners. Since May 2016 Niccolò works for FCA Bank S.p.A, the 50/50 joint venture between Fiat Chrysler Automobiles and Crédit Agricole, specialized in car finance and lease companies operating in Europe, first as Head of Debt Capital Markets and Investor Relations and then as a Head of Business development.

Laurence Debroux - (non-executive director) - Laurence Debroux was born in France in 1969 and graduated at HEC (Ecole des Hautes Etudes Commerciales) Paris. Ms. Debroux joined Heineken N.V. in 2015 as member of the Executive Board where she is CFO. Before joining Heineken she had been Chief Financial and Administrative Officer and a member of the Executive Board of JCDecaux since July 2010. Prior to this, Ms. Debroux spent 14 years with the global healthcare company SANOFI where she held various executive positions including CFO and Chief Strategic Officer. Ms. Debroux began her career in banking. She has had Executive responsibility for Global functions such as Strategic Planning & Business Control, Tax & Financial Markets, Business Development, Financial Processes & Internal Control, Accounting & Reporting, Procurement, Information Systems and Integrated Portfolio Management. Ms. Debroux is presently also a non-executive director of HEC (Ecole des Hautes Etudes Commerciales) Paris Board.

Ginevra Elkann - (non-executive director) - Ginevra Elkann was born in London in 1979 and she has lived in the UK, France and Brazil. She graduated in Visual Communication at the American University of Paris and completed a Master in Film Making at the London Film School. She is Chief Executive officer of Asmara Films, founded in 2010, and President and CEO of Good Films, a production/distribution film company, co-founded in 2011. She is a member of Christie’s Advisory Board and she is a member of the Acquisition Committee and Executive Committee for the Cartier Foundation of Paris. Since 2013 she has been a member of the Advisory Board of UCCA, Beijing and of the American Academy of Rome. She is since 2006 President of the Pinacoteca Giovanni e Marella Agnelli.

Anne Marianne Fentener van Vlissingen - (non-executive director) - Anne Marianne Fentener van Vlissingen is Chairwoman and member of the Supervisory Board of SHV Holdings, a Dutch international family-owned company. SHV is active in exploration and production of oil and gas (Dyas), industrial services (ERIKS), cash and carry wholesale (Makro), heavy lifting and transport solutions (Mammoet), provision of private equity (NPM Capital), trade in and distribution of LPG (SHV Energy) and animal nutrition and fish feed (Nutreco). Born in 1961, after graduating as an MBA, Mrs. Fentener van Vlissingen worked as a financial analyst and strategic consultant. Mrs. Fentener van Vlissingen is presently on the Supervisory Board of Heineken N.V., Flint holding N.V., Group Lhoist, a Belgian company, on the Global Advisory Council of Bank of America and Vice Chairwoman and member of the Supervisory board of Foundation National Park ‘De Hoge Veluwe’.

António Mota de Sousa Horta Osorio - (non-executive director) - António joined the board of Lloyds Banking Group on 17 January 2011 as an Executive Director and became Group Chief Executive on 1 March 2011. Born in 1964, Mr. Horta-Osório is a graduate of management and business administration at Universidade Católica Portuguesa. He has a MBA from INSEAD where he was awarded the Henry Ford II prize – and an AMP from Harvard Business School. He has also been awarded Honorary Doctorates from the University of Edinburgh, the University of Bath, and the University of Warwick. António started his career at Citibank Portugal where he was Head of Capital Markets. At the same time, he was an assistant professor at Universidade Católica Portuguesa. He then worked for Goldman Sachs in New York and London. In 1993, he joined Grupo Santander as Chief Executive of Banco Santander de Negócios Portugal. He was CEO of Banco Santander Brazil 1997-1999 and in 2000 he became CEO of Banco Santander Totta in Portugal and an Executive Vice President of Group Santander, moving to the UK in 2006 to become CEO of Abbey and its successor Santander UK. In 2014 the Government of Portugal awarded António with the Order of Merit Grã-Cruz, which is the highest Order of Civil Merit. Previously a non-executive Director to the Court of the Bank of England, António is currently a non-executive director of Fundação Champalimaud in Portugal, of Sociedade Francisco Manuel dos Santos and of of Stichting INPAR. In 2015 António was appointed Chairman of the Wallace Collection by the Prime Minister. The Wallace Collection is one of Europe’s foremost art collections.

Lupo Rattazzi - (non-executive director) - Lupo Rattazzi graduated in 1975 with a B.A. in Economics and Political Sciences at Columbia University of New York. In 1977, he obtained a Master in Public Administration at the Harvard Kennedy School, in Cambridge, Massachusetts and in 2002 a Master for Non-Executive Directors at Borsa Italiana S.p.A. From 1977 to 1978, he was Assistant to Chairman Guido Carli for International Monetary Affairs at Centro Studi Confindustria in Rome. In 1978 he joined the Corporate Finance department of Salomon Brothers, and in 1979 he became senior Member of the International Advisory Service of Kuhn Loeb Lehman Brothers in New York. He was a Shareholder-founder as well as Head of M&A and trade finance, from 1981 to 1985, of Pragma Investimenti e Finanza S.p.A. From 1985 to 1989, he was in charge of M&A at C.F.I. S.p.A. From 1988 and 2000, he was a Shareholder-founder and Chairman of Air Europe S.p.A. At present, he is Chairman of the Italian Hospital Group and of Neos S.p.A.; he is a director of Banca Finnat Euramerica, Coe & Clerici, Vianini S.p.A., and Co-Chief Executive Officer GL Investimenti.

Robert Speyer - (non-executive director) - Rob Speyer is the President and Chief Executive Officer of Tishman Speyer. He served as President and Co-CEO from 2007 to 2015. Over the past decade, Rob Speyer has grown Tishman Speyer into a leading global real estate investment management firm with assets under management in excess of $47 billion. Under his leadership, Tishman Speyer has delivered more than 44 million square feet of development and redevelopment across 30 international markets, serving the needs of 2,100 industry-leading tenants around the world. Rob Speyer is the Chairman of the Advisory Board of the Mayor’s Fund to Advance New York City, appointed by Mayor Bloomberg in 2006 and reappointed by Mayor de Blasio in 2014. He is also a member of the Executive Committee of the Partnership for New York City. In 2013, Rob Speyer became the youngest ever Chairman of the Real Estate Board of New York (REBNY), the city’s premier industry association, and served as Chairman for 5 years. Rob Speyer serves on the Board of Trustees of New York-Presbyterian Hospital and St. Patrick’s Cathedral in New York City, where he was Co-Chairman of the Construction Committee overseeing its restoration and renovation. He is also a member of the Shanghai Mayor’s International Business Leaders Advisory Council. An emeritus member of the Board of Visitors at Columbia College, Rob Speyer graduated magna cum laude from Columbia in 1992 and was elected to the Phi Beta Kappa Society.

Michelangelo Volpi - (non-executive director) - Mike Volpi has been a partner at Index Ventures since 2009. He is focused on investments software infrastructures for enterprises and Internet applications for consumers. Mike led the investment by Index Ventures in Arista Networks (NYSE: ANET), Cloud.com (now part of Citrix) and is currently a director of Sonos, Kong, Elastic, Pure Storage (NYSE: PSTG), Big Switch Networks, Zuora, Hortonworks (NASDAQ: HDP), Confluent, Wealthfront, Cockroach Labs, Xapo and Lookout. Mike began his career at Hewlett Packard's optoelectronics division. From 1994, Mike performed in various executive roles for 13 years at Cisco Systems. He served as the company's Chief Strategy Officer, where he was responsible for Cisco’s corporate strategy as well as business development, strategic alliances, advanced Internet projects, legal services, and government affairs. During this tenure, Mike was instrumental in the creation of the company's acquisition and investment strategies, as Cisco acquired more than 70 companies. He then became Senior Vice President & General Manager of the Routing and Service Provider Technology Group, where he led Cisco's business for the Service Provider market, and was also responsible for all of Cisco’s routing products. In 2007, this was an $11 billion business for Cisco. Prior to Index, Mike was the CEO of Joost – an innovator in the field of premium video services delivered over the Internet. He has master’s and bachelor's degrees in mechanical engineering from Stanford University and an M.B.A. from the Stanford Graduate School of Business. Mike services on the board of FCA and is a trustee of the Castilleja School in Palo Alto, CA.

Ruth Wertheimer - (non-executive director) - Ruth Wertheimer is the Founder, Owner and Chairwoman of 7-Main, a family office focused on long-term minority partnerships in leading technology-industrial, technologically-led companies with families and private people as long-term anchor shareholders. Its areas of interest include among others: automation, robotics, sensors, photonics and special diagnostics. Mrs. Wertheimer, born in Israel, is a board member and one of the major shareholders of the Wertheimer Company Ltd., a family holding company and the former anchor shareholder of IMC Metalworking Companies BV (sold to Berkshire Hathaway in two stages during 2006 and 2013), and the Blade Technologies International Group (sold to their partner Pratt & Whitney in 2014). IMC Metalworking Companies, in which Mrs. Wertheimer served as a board member until 2013, is a global leading manufacturer of precision metal working tools. The Blade Technologies International Group is a global leading manufacture of air foils for jet engines. Mrs. Wertheimer, is also a board member of Old I Ltd.

Composition and diversity of the Board of Directors

The Company believes that it is a prerequisite for effective management and supervision of the Company to have a Board of Directors that has the diversity of experience, expertise and backgrounds, and also the appropriate independence and judgment to allow the Board of Directors to fulfill its responsibilities and execute its duties appropriately. In this context, and as prescribed in the Dutch Corporate Governance Code, and in addition to the Board profile in place, a Diversity Policy as to diversity in education, gender (at least 30% male and female representatives), background, knowledge, expertise and work experience, has been adopted on 13 November 2017 by the Board of Directors Meeting.

The Board of Directors endorses the importance of diversity in education, work experience, nationality, age and gender and in addition, the Board of Directors tries to maintain a balance between experience and affinity with the nature, culture and business of the Company.

Pursuant to Dutch law, as from the financial year 2017 the Company should strive to achieve that its Board of Directors contain at least 30% male and at least 30% female board members, and it should disclose in its annual report if this requirement is not met. Five of the current fifteen Board members are female, and therefore the Board of Directors complies with the above mentioned gender diversity.

Board Regulations

By means of the resolution approved on 12 December 2016, the Board of Directors adopted its regulations, pursuant to Article 20.8 of the Articles of Association. Such regulations deal with matters that concern the Board of Directors and its committees internally.

The regulations contain provisions concerning the manner in which meetings of the Board of Directors are convened and held, including the decision-making process. The regulations provide that Directors may participate in a meeting of the Board of Directors by means of conference call, video conference or by any other means of communication, provided that all Directors participating in such meeting are able to communicate with each other simultaneously.

The Board of Directors can only adopt valid resolutions when the majority of the Directors in office shall be present at the meeting or be represented thereat.

A Director may be represented at a meeting of the Board of Directors only by another Director duly authorized in writing, and such authorization shall constitute presence by proxy at such meeting. A Director may not act as a proxy for more than one other Director.

All resolutions shall be adopted by the favorable vote of the majority of the Directors present or represented at the meeting. Each Director shall have one vote.

Resolutions may be adopted by the Board of Directors without convening a meeting if the proposal is submitted to all Directors and none of them has objected to the relevant manner of adopting resolutions.

The regulations are available on the Company's website at www.exor.com.

Indemnification of Directors

To the extent permissible by law, as prescribed under Article 24 of the Articles of Association, the Company will indemnify and hold harmless each Director, both former members and members currently in office (each of them an "Indemnified Person"), against any and all liabilities, claims, judgments, fines and penalties ("Claims") incurred by the Indemnified Person as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (each, a "Legal Action"), initiated by any party other than EXOR itself or a controlled entity of EXOR, in relation to any acts or omissions in or related to his capacity as an Indemnified Person. Claims will include derivative actions of or initiated by the Company or a group company thereof against the Indemnified Person and (recourse) claims by the Company itself or a group company thereof for payments of claims by third parties if the Indemnified Person will be held personally liable therefore.

Conflict of interest

A Director may not participate in deliberating or decision-making within the Board of Directors, if with respect to the matter concerned he has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it (“Conflict of Interests”). This prohibition does not apply if the Conflict of Interests exists for all Directors: should this be the case, the Board of Directors shall maintain its power, subject to the approval of the general meeting of shareholders.

A Director having a Conflict of Interests or an interest which may have the appearance of such a Conflict of Interests must declare the nature and extent of that interest to the other Directors.

During the year under review, no conflict of interest matters occurred at EXOR N.V. level.

Amount and Composition of the remuneration of the Board of Directors

Details of the remuneration of the Board of Directors and its committees are set forth under the Section “Remuneration of Directors”.

THE AUDIT COMMITTEE

The Audit Committee is responsible for assisting and advising the Board of Directors and for acting under authority delegated by the Board of Directors, with respect to (i) the integrity of the Company’s financial statements, including any published interim reports; (ii) the Company’s policy on tax planning adopted by management; (iii) the Company’s financing, (iv) the application by the Company of information and communication technology; (v) the systems of internal controls that management and/or the Board of Directors have established; (vi) the Company’s compliance with legal and regulatory requirements; (vii) the Company’s compliance with recommendations and observations of internal and independent auditors; (viii) the Company’s policies and procedures for addressing certain actual or perceived conflicts of interest; (ix) the qualifications, independence and remuneration of the Company’s independent auditors and any non-audit services provided to the Company by the independent auditors; (x) the functioning of the Company’s internal auditors and independent auditors; (xi) risk management guidelines and policies; and (xii) the implementation and effectiveness of the Company's ethics and compliance program.

The Audit Committee currently consists of Mr. Bolland (Chairman), Ms. Fentener Van Vlissingen and Mr. Rattazzi. As contemplated by the Dutch Corporate Governance Code and Article 2.1 of the Audit Committee Charter, one of the abovementioned members is not independent. The Audit Committee is elected by the Board of Directors and is comprised of at least three non-executive Directors. Each member of the Audit Committee shall, further neither have a material relationship with the Company, as determined by the Board of Directors nor perform the functions of auditors or accountants for the Company.

At least one member of the Audit Committee shall be a “financially literate” and have competence in accounting or auditing, relevant knowledge and experience of financial administration and accounting for listed companies or other large legal entities. No Director of the Company may serve as a member of the Audit Committee if such Director serves on the audit committees of more than four other public companies unless the Board of Directors has determined that such simultaneous service would not impair the ability of such Director to effectively serve on the Audit Committee, and discloses this determination in the Company’s board report. The independent auditors and the internal auditor will, unless the Audit Committee determines otherwise, attend the meetings of the Audit Committee. The Company’s Chief Executive Officer and Chief Financial Officer will be free to attend the meetings of the Audit Committee unless the Audit Committee determines otherwise.

The Audit Committee met five times during 2017, of which one informative session. The attendance rate is shown in the table on page 54 of this report. The CFO, the General Counsel and the Chief Audit Executive (head of the Internal audit function) and the external auditor (Ernst & Young Accountants LLP) attended the meetings. Furthermore, after two meetings, the Committee met separately with each of the CFO and the General Counsel, the Chief Audit Executive and the external auditor.

The main items discussed and/or reviewed during these meetings were: the annual and semi-annual reports; incident reporting & investigations; the Risk Assessment and Risk appetite; the Risk Management & Control systems in place; the Internal and External audit plan; Company code of conduct; Compliance with legal requirements; Governance alignment; review of the policies and procedures in place; review of the internal Audit assessment on the Separate/Consolidated financial reporting, Treasury, IT systems and Press Release procedures; the Internal and External audit scope; the quality of the control environment; review of the draft press releases on full and half year results; the evaluation of the external auditors and the (re)appointment of the external auditor.

INTERNAL AUDIT FUNCTION

The Corporate Governance Code emphasizes on an internal audit function and as the Company underlines the importance of an internal audit function, the Board of Directors meeting resolved to outsource the internal audit function to Deloitte Risk Advisory B.V. as the size and nature of the Company are not suited to have an internal audit department established internally. An internal audit charter has been adopted and as of his appointment the Chief Audit Executive has attended all the Audit Committee meetings.

The Company has an internal control system in place which is integrated within the organizational and corporate governance framework adopted by the Company and contributes to the protection of corporate assets, as well as to ensuring the efficiency and effectiveness of business processes, reliability of financial information and compliance with laws, regulations, the Articles of Association and internal procedures.

The effectiveness of the internal control risk management and internal control systems were tested by the Internal Audit Function and no material weaknesses were identified.

THE COMPENSATION AND NOMINATING COMMITTEE

The function of the Compensation and Nominating Committee is to assist and advise the Board of Directors and act under authority delegated by the Board of Directors with respect to (i) executive compensation; (ii) the Company's remuneration policy; (iii) compensation of Non-Executive Directors; (iv) remuneration reports; (v) drawing up the selection criteria and appointment procedures for Directors of the Company; (vi) periodic assessment of the size and composition of the Board of Directors and as appropriate making proposals for a profile of composition of the Board of Directors; (vii) periodic assessment of the performance of individual Directors and reporting on this to the Board of Directors; (viii) proposals to the Non-Executive Directors for the nomination and re-nomination of Directors to be elected by the shareholders; (ix) supervision of the policy on the selection and appointment criteria for senior management and on succession planning; and (x) monitoring, evaluating and reporting on the sustainable policies and practices, management standards, strategy, performance and governance globally of the Company and its subsidiaries.

The Compensation and Nominating Committee currently consists of Mr. Volpi (Chairman), Mr. Nasi and Mr. Speyer. As contemplated by the Dutch Corporate Governance Code and Article 2.1 of the Compensation and Nominating Committee Charter, one of the abovementioned members is not independent. The Compensation and Nominating Committee is elected by the Board of Directors and is comprised of at least three Non-Executive Directors. In 2017 the Compensation and Nominating Committee met once during 2017 and the attendance of its members at that meeting was 100%.

The main items discussed and/or reviewed during that meeting were: review of the 2016 Remuneration Report; review of the amended and restated Remuneration Policy; review, assess and discuss the results of the self-assessment of the Board of Directors; establish the independency of the Board Members; to establish the profile for the composition of the Board of Directors and assess the composition of the Board and proposing new candidates to be nominated as director and assessment of the directors to be reappointed.

DISCLOSURES PURSUANT TO DECREE ARTICLE 10 EU-DIRECTIVE ON TAKEOVERS

In accordance with the Dutch *Besluit artikel 10 overnamerichtlijn* (the “Decree”), the Company makes the following disclosures.

(a) For information on the capital structure of the Company, the composition of the issued share capital and the existence of the two classes of shares, reference should be made to the section above Major shareholders and capital structure. For information on the rights attached to the ordinary shares reference is made to the Articles of Association which can be found on the Company's website. To summarize, the rights attached to ordinary shares comprise of pre-emptive rights upon issue of ordinary shares, the right to attend the general meeting of shareholders and to speak and vote at that meeting and the entitlement to distributions of such amount of the Company's profit as remains after allocation to the reserves. For information on the rights attached to the special voting shares reference should be made to the Articles of Association and the SVS Terms which can both be found on the Company's website and more in particular to the section Special Voting Structure above.

(b) No transfer restrictions apply to ordinary shares. Pursuant to the Articles of Association and the SVS Terms transfer restrictions apply for special voting shares.

(c) For information on participations in the Company's capital in respect of which pursuant to Sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*) notification requirements apply reference is made to section " Significant Shareholders" of this board report. This section lists the shareholders who hold 3% or more of the issued ordinary shares.

(d) No special control rights or other rights accrue to shares in the capital of the Company other than the right of holders of ordinary shares to receive special voting shares if and when the terms and conditions as set out in the SVS terms are met.

(e) A mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company.

(f) No restrictions apply to voting rights attached to ordinary shares in the capital of the Company, nor are there any deadlines for exercising voting rights. No depositary receipts for ordinary shares have been issued with the cooperation of the Company.

(g) The Company is not aware of the existence of any agreements with any shareholder which may result in restrictions on the transfer of shares or limitation of voting rights.

(h) The rules governing the appointment and dismissal of members of the Board of Directors are stated in the Articles of Association. All members of the Board of Directors are appointed by the general meeting of shareholders. The Board of Directors will nominate a candidate for each vacant seat. A nomination by the Board of Directors will be binding. However, the general meeting of shareholders may deprive the nomination of its binding character by a resolution passed with a two-third majority of the votes cast. If the binding nomination is not deprived of its binding character, the person nominated will be deemed appointed. If the nomination is deprived of its binding character, the Board of Directors will be allowed to make a new binding nomination. The term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for reappointment. The rules governing an amendment of the Articles of Association are stated in the Articles of Association and require a resolution of the general meeting of shareholders which can only be adopted upon a proposal of the Board of Directors.

(i) The Board of Directors has been designated by the general meeting of shareholders as the competent body to issue ordinary shares and to grant rights to subscribe for shares for a term of five years with effect from 11 December 2016. The Board of Directors will be authorized to increase the share capital with such number of shares for a nominal value up to EUR 5,000,000 and to issue convertible bonds for an aggregate issue price up to EUR 1,000,000,000, and to issue the underlying ordinary shares (or granting of rights to subscribe for such underlying ordinary shares) pursuant to the applicable conversion ratio. This designation can be used for any and all purposes. The Board of Directors is also authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares, for a term of five years with effect from 11 December 2016.

With respect to Special Voting Shares A the Board of Directors has been designated by the general meeting of shareholders as the competent body to issue Special Voting Shares A and to grant rights to subscribe for Special Voting Shares A for a term of five years with effect from 11 December 2016. The power of the Board of Directors concerns all authorized but un-issued Special Voting Shares A in the Company's share capital from time to time. The Board of Directors has been authorized as well by the general meeting of shareholders with effect from 11 December 2016 to resolve on the acquisition by the Company of its own fully paid-up ordinary shares, up to the maximum number of shares that can be repurchased under Dutch law, and further within the limits of Dutch law and the Articles of Association through a purchase on the stock exchange or otherwise for a term of 18months at a repurchase price per share, excluding expenses, not higher than10% above the reference price recorded for the ordinary shares on the MTA on the day before each transaction is made or, in the event of purchases carried out through public purchase or exchange offerings, at price levels not lower than 10% below the reference price recorded by the ordinary shares on the stock exchange on the day before the disclosure to the public and not higher than 10% above the reference price recorded by the ordinary shares on the stock exchange on the day before the disclosure to the public. The maximum amount to be used for the repurchase of ordinary shares will be EUR 500,000,000.

(j) The Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of Section 5:70 of the Dutch Financial Supervision Acts (*Wet op het financieel toezicht*), provided that certain of the loan agreements entered into by the Company contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company.

(k) The Company did not enter into any agreement of the company with a director or employee providing for a payment / distribution upon termination of employment as a result of a public offer within the meaning of article 5:70 of the Dutch Financial Supervision Acts.

GENERAL MEETING OF SHAREHOLDERS

Each year, though not later than in the month of June, an annual general meeting of shareholders will be held.

Other general meetings of shareholders will be held whenever the Board of Directors deems such to be necessary, without prejudice to the provisions of Sections 2:108a, 2:110, 2:111 and 2:112 of the Dutch Civil Code.
The agenda of the general meeting will include the following subjects for discussion or voting:

a) discussion of the board report;
b) discussion and adoption of the annual accounts;
c) dividend proposal (if applicable);
d) appointment of Directors;
e) appointment of an External Auditor;
f) other subjects presented for discussion or voting by the Board of Directors and announced with due observance of the provisions of the Articles of Association, as for instance (i) release of Directors from liability; (ii) discussion of the policy on reserves and dividends; (iii) authorization of the Board of Directors to issue shares; and/or (iv) authorization of the Board of Directors to resolve to acquire own shares.

Calling of meetings

Notice of general meetings of shareholders is given by the Board of Directors.

Notice of the meeting must be given with due observance of the statutory notice period of forty-two (42) days. Further communications which must be made to the general meeting pursuant to the law or the Articles of Association can be made by including such communications either in the notice, or in a document which is deposited at the Company's office for inspection, provided a reference thereto is made in the notice itself.

Notice of general meetings of shareholders will be given in accordance with the requirements of law and the requirements of regulation applicable to the Company pursuant to the listing of its shares on the MTA. The Board of Directors may determine that shareholders and other persons entitled to attend the general meeting of shareholders will be given notice of meetings exclusively by announcement on the website of the Company and/or through other means of electronic public announcement.

The notice of the meeting will state (a) the subjects to be dealt with; (b) venue and time of the meeting; (c) the requirements for admittance to the meeting as described in Articles 35.2 and 35.3 of the Articles of Association, as well as the information referred to in Article 36.3 of the Articles of Association (if applicable); and (d) the address of the Company's website, together with any such other information as may be required by law.

Furthermore, shareholders solely or jointly representing at least ten percent (10%) of the issued share capital may request the Board of Directors, in writing, to call a general meeting of shareholders, stating the matters to be dealt with.

If the Board of Directors fails to call a meeting, then such shareholders may, on their application, be authorized by the court in preliminary relief proceedings (*voorzieningenrechter van de rechtbank*) to convene a general meeting of shareholders. Such application may be rejected if the court is not satisfied that the applicants have previously requested the Board of Directors in writing, stating the exact subjects to be discussed, to convene a general meeting of shareholders.

Shareholders and/or other persons entitled to attend the general meeting of shareholders, who, alone or jointly, meet the requirements set forth in section 2:114a subsection 2 of the Dutch Civil Code will have the right to request the Board of Directors to place items on the agenda of the general meeting of shareholders, provided the reasons for the request must be stated therein and the request must be received by the Senior Non-Executive Director or the Chief Executive Officer in writing at least sixty (60) days before the date of the general meeting of shareholders.

For each general meeting of shareholders a statutory record date is applied, in order to determine in which persons voting rights are vested and which persons are entitled to attend the general meeting of shareholders. The record date is the twenty-eighth day before the relevant general meeting. The manner in which persons entitled to attend the general meeting of shareholders can register and exercise their rights will be set out in the notice convening the meeting.

General meetings of shareholders can be held in Amsterdam or Haarlemmermeer (including Schiphol Airport), at the choice of those who call the meeting.

Conduct of the meeting

General meetings of shareholders will be chaired by the Senior Non-Executive Director or his replacement. However, the Board of Directors may also appoint another person to chair the meeting. The chairman of the meeting will have all the powers he may deem required to ensure the proper and orderly functioning of the general meeting of shareholders.

Each shareholder and each other person entitled to attend the general meeting of shareholders is authorised to attend, to speak at, and to the extent applicable, to exercise his voting rights in the general meeting of shareholders. They may be represented by a proxy holder authorised in writing.

A person entitled to attend the general meeting of shareholders or his proxy will only be admitted to the meeting if he has notified the Company of his intention to attend the meeting in writing at the address and by the date specified in the notice of meeting. The proxy is also required to produce written evidence of his mandate.
The Board of Directors is authorised to determine that the voting rights and the right to attend the general meeting of shareholders can be exercised by using an electronic means of communication. If so decided, it will be required that each person entitled to attend the general meeting of shareholders, or his proxy holder, can be identified through the electronic means of communication, follow the discussions in the meeting and, to the extent applicable, exercise the voting right. The Board of Directors may also determine that the electronic means of communication used must allow each person entitled to attend the general meeting of shareholders or his proxy holder to participate in the discussions.

The Board of Directors may determine further conditions to the use of electronic means of communication as referred above, provided such conditions are reasonable and necessary for the identification of persons entitled to attend the general meeting of shareholders and the reliability and safety of the communication. Such further conditions will be set out in the notice of the meeting. The foregoing does, however, not restrict the authority of the chairman of the meeting to take such action as he deems fit in the interest of the meeting being conducted in an orderly fashion. Any non or malfunctioning of the means of electronic communication used is at the risk of the persons entitled to attend the general meeting of shareholders using the same.

The chairman of the meeting will decide upon the admittance to the meeting of persons other than those who are entitled to attend.

The company secretary will arrange for the keeping of an attendance list in respect of each general meeting of shareholders. The attendance list will contain in respect of each person with voting rights present or represented: his name, the number of votes that can be exercised by him and, if applicable, the name of his representative. The chairman of the meeting can decide that also the name and other information about other people present will be recorded in the attendance list.
The Company is authorized to apply such verification procedures as it reasonably deems necessary to establish the identity of the persons entitled to attend the general meeting of shareholders and, where applicable, the identity and authority of representatives.

The Board of Directors shall provide the general meeting of shareholders with all requested information, unless this would be contrary to an overriding interest of the Company.

Each ordinary share confers the right to cast one vote. Each Special Voting Share-A confers the right to cast four votes and each Special Voting Share-B confers the right to cast nine votes.

At the general meeting of shareholders, all resolutions must be adopted by an absolute majority of the votes validly cast, except in those cases in which the law or the Articles of Association require a greater majority. If there is a tie in voting, the proposal will thus be rejected.

The Board of Directors may determine that votes cast prior to the general meeting of shareholders by electronic means of communication or by mail, are equated with votes cast at the time of the general meeting. Such votes may not be cast before the record date referred to above. Without prejudice to the provisions of article 35 of the Articles of Association, the notice convening the general meeting of shareholders must state how shareholders may exercise their rights prior to the meeting.

Blank and invalid votes will be regarded as not having been cast.

The chairman of the meeting will decide whether and to what extent votes are taken orally, in writing, electronically or by acclamation.

When determining how many votes are cast by shareholders, how many shareholders are present or represented, or what portion of the Company's issued capital is represented, no account will be taken of shares for which no votes can be cast by law.

No voting rights shall be exercised in the general meeting of shareholders for shares owned by the Company or by a subsidiary of the Company. Pledgees and usufructuaries of shares owned by the Company and its subsidiaries shall however not be excluded from exercising their voting rights, if the right of pledge or usufruct was created before the shares were owned by the Company or a subsidiary. Neither the Company nor any of its subsidiaries may exercise voting rights for shares in respect of which it holds a right of pledge or usufruct.
Minutes will be kept of the proceedings at the general meeting of shareholders by, or under supervision of, the company secretary, which will be adopted by the chairman of the meeting and the secretary and will be signed by them as evidence thereof.

However, the chairman of the meeting may determine that notarial minutes will be prepared of the proceedings of the meeting. In that case the co-signature of the chairman will be sufficient.

The minutes of the general meeting of shareholders shall be made available, on request, to the shareholders no later than three months after the end of the meeting, after which the shareholders shall have the opportunity to react to the minutes in the following three months. The minutes shall then be adopted in the manner as described in the Articles of Association.

CORPORATE OFFICES

The Company is incorporated under the laws of the Netherlands. It has its corporate seat at Gustav Mahlerplein 25, 1082 MS Amsterdam, the Netherlands.

EXOR has elected the Netherlands as home Member State for the purposes of Article 2, paragraph 1, lett. i), Article 20 and Article 21 of the Directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 (the so-called "Transparency Directive").

The Company is registered in the Dutch Commercial Register under number 64236277.

CODE OF ETHICS-CONDUCT

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics, which Code of Ethics has been amended, renamed into the Code of Conduct and approved by the Board of Directors meeting in November 2017 (the "Code").

The Code sets out the principles and the ethical values which EXOR follows in the conduct of its activities and the rigorous observance of which it requires of all persons in the Company and more generally of all those who work with and are collaborators of the Company in the pursuit of its corporate mission; together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to health and safety, business ethics and anti-corruption, principles for the management of investments, human resource management, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding on Company's assets and relationships with public institutions.

The following are required to be familiar with the dispositions of the Code: executives, managers, and staff; all those who have a function of representation, administration and direction; all employees, without any exception; collaborators (including, as mere example, consultants, professional advisers, etc.).

The Company is committed to assuring the maximum diffusion of the Code also by means of appropriate communication methods, also through training and measures to increase awareness of its contents.

EXOR, also, takes steps to ensure that the companies in which it has an investment have adopted principles similar to or based on those of the Code.

The Code is available on EXOR's website at www.exor.com.

INSIDER TRADING POLICY

The EXOR Insider Trading Policy is intended to make all employees of EXOR aware of the legal and regulatory duties regarding, and the sanctions applicable to, insider dealing and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that have to be fulfilled under Dutch and Italian law by members of the board of directors and persons closely associated with them when dealing in securities of EXOR.

With the Insider Trading Policy EXOR makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated EXOR Insider Trading Policy was adopted by the Board of Directors on 5 April 5 2017.

REPORT OF THE NON-EXECUTIVE DIRECTORS

Introduction

This is the report of the non-executive Directors of the Company over the financial year 2017 as referred to in best practice provision 5.1.5 of the Dutch Corporate Governance Code.
It is the responsibility of the non-executive Directors to supervise the policies carried out by the executive Directors and the general affairs of the Company and its affiliated enterprise, including the implementation of the strategy of the Company regarding long-term value creation. In so doing, the non-executive Directors act solely in the interest of the Company. With a view to maintaining supervision on the Company, the non-executive Directors regularly discuss EXOR's long-term business plans, the implementation of such plans and the risks associated with such plans with the executive Director.

According to the Articles of Association, the Board of Directors is a single board and consists of at least seven and at most nineteen members, comprising both members having responsibility for the day-to-day management of the Company (executive Directors) and members not having such day-to-day responsibility (non-executive Directors). The tasks of the executive and non-executive Directors in a one-tier board such as the Company's Board of Directors may be allocated under or pursuant to the Articles of Association,
provided that the general meeting of shareholders has stipulated whether such Director is appointed as executive or as nonexecutive director and furthermore provided that the task to supervise the performance by the Directors of their duties can only be performed by the non-executive Directors. Regardless of an allocation of tasks, all Directors remain collectively responsible for the proper management and strategy of the Company (including supervision thereof in case of non-executive Directors).

Details of the current composition of the Board of Directors, including the non-executive Directors, and its committees are set forth in the section "Board of Directors".

Supervision by the non-executive Directors

The non-executive Directors supervise the policies carried out by the executive Directors and the general affairs of the Company. In so doing, the non-executive Directors have also focused on the effectiveness of the Company's internal risk management and control systems, the integrity and quality of the financial reporting and the Company's long-term business plans, the implementation of such plans and the risks associated.

Due to the revised Dutch Corporate Governance Code becoming applicable with regard to the financial year 2017, the non-executive Directors and especially the members of Audit Committee spent significant time
during the past year to assess the required amendments and arrange for revised updates of the various corporate governance documents of the Company to align those to the current Dutch Corporate Governance Code. The non-executive Directors also determine the remuneration of the executive directors and nominate candidates, via the Compensation and Nominating Committee, Directors for appointments. Furthermore, the Board of Directors may allocate certain specific responsibilities to one or more individual directors or to a committee comprised of eligible Directors of the Company. In this respect, the Board of Directors has allocated certain specific responsibilities to the Audit Committee and the Compensation and Nominating Committee. Further details on the manner in which these committees have carried out their duties, are set forth in the sections "The Audit Committee" and "The Compensation and Nominating Committee". The non-executive Directors supervised the adoption and implementation of the procedures, strategies and policies of the Company, reviewed this Annual Report, including the Remuneration Report and the financial results and received updates on legal and compliance matters. The non-executive Directors have also reviewed the reports of the Board of Directors and its committees and the recommendations for the appointment of Directors. The Board of Directors has furthermore proposed amendments to the Remuneration Policy, which were adopted by the general meeting on 30 May 2017.

IN CONTROL STATEMENT

Internal Control System

Based on the assessment performed, the Board of Directors believes that, as of December 31, 2017, the Group's and the Company's Internal Control over Financial Reporting is considered effective and that (i) the Report on Operations provides sufficient insights into any material weakness in the effectiveness of the internal risk management and control systems. This is discussed in the Internal Audit Function in page 60, (ii) the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies. This is discussed in Risk Management, Risks and Control System in page 47, (iii) based on the current state of affairs, it is justified that the Group's and the Company's financial reporting is prepared on a going concern basis. This is justified by the discussion in the Consolidated Financial Statements from page 154 and in the Company Financial Statement from page 273, and (iv) the Report on Operations states those material risks and uncertainties that are, in the Board of Director's judgment, relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the Report on Operations. You may refer to the Risk Factors section in page 3.

26 March 2018

John Elkann

Chairman and Chief Executive Officer

RESPONSIBILITIES IN RESPECT TO THE ANNUAL REPORT

The Board of Directors is responsible for preparing the Annual Report, inclusive of the Consolidated and Company Financial Statements and Report on Operations, in accordance with Dutch law and International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union (EU-IFRS).

In accordance with Section 5:25c, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss for the year of the Company and its subsidiaries and that the Report on Operations provides a true and a fair view of the performance of the business during the financial year and the position at balance sheet date of the Company and its subsidiaries, developments during the year, together with a description of the principal risks and uncertainties that the Company and the Group face.

26 March 2018

The Board of Director

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Melissa Bethell

Laurence Debroux

Anne Marianne Fentener van Vlissingen

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

NON FINANCIAL STATEMENT

1. METHODOLOGY AND SCOPE

This Non-Financial Statement addresses the requirements of the Dutch Civil Code, and of the Dutch Decree on Non-Financial Information (Besluit bekendmaking niet-financiële informatie), which is a transposition of Directive 2014/95/EU 'Disclosure of non-financial and diversity information' into Dutch law.

The Non-Financial Statement relies on the GRI Sustainability Reporting Guidelines and includes non-financial information of the Holdings System (EXOR N.V., Ancom USA Inc., Exor Capital DAC, Exor Investments Limited, Exor Investments Limited Partnership, Exor Nederland N.V., EXOR S.A., Exor SN LLC) and a focus on the relevant operating subsidiaries (CNH Industrial, Ferrari NV, Fiat Chrysler Automobiles, Juventus Football Club, and PartnerRe), which illustrates their business model, main risks, main policies and outcomes (see paragraph "Socio-environmental performance of the operating subsidiaries").

The most significant outcomes of EXOR Group's activities are related to its employees. To describe these outcomes, specific KPIs non-financial key performance indicators have been identified and are reported in the paragraph "6.1 Human Resources").

With regard to environmental matters, EXOR Group commits to the respect and protection of the environment, however due to the nature of its activities, the impacts of its Holdings System are considered negligible for the understanding of the undertaking's development, performance, position and impact of its activity. The topic is therefore covered through the most important operating groups: CNH Industrial, Ferrari NV, Fiat Chrysler Automobiles.

This Statement illustrates the non-financial impacts for the period from 1 January 2017 to 31 December 2017.
Due to the nature of its business, Juventus Football Club prepares its reporting documents covering the period from July 1st, 2016 to June 30th, 2017 ("Season 2016/2017").

2. HOW EXOR CREATES VALUE

2.1. Business Model

The EXOR Group, through its subsidiaries, is present in a diversified range of sectors, particularly Automotive (FCA), Agricultural Equipment, Construction Equipment and Commercial Vehicles (CNH Industrial), Ferrari brand, an icon of luxury, style and speed, reinsurance services (PartnerRe) and professional football (Juventus Football Club).
EXOR invests with a long-term view, among others in significant (controlling or non-controlling) equity investments, with an objective to achieve an optimal return from investment income and capital appreciation. EXOR invests without a defined investment and divestment policy and is not bound by any specific target or criteria regarding geographical and industrial features of its investments, holding period and achievements of targets. EXOR generates returns, which may be reversed, reinvested or distributed to shareholders at the absolute discretion of the company (subject only to shareholder vote on dividend distribution). EXOR is an active shareholder, combining its entrepreneurial approach with sound financial discipline. It brings in finance for the development of its companies, to improve their competitive position and profitability, and maintains a constant dialogue with the top management of the companies in which it invests, while fully respecting their operating autonomy.

2.2. Strategy

EXOR is an investment holding company, with a very lean structure, which makes long-term investments focused on global companies in diversified sectors.
EXOR is a responsible investor, uniting its entrepreneurial approach with sound financial discipline. It concentrates on the development of its companies, improving their competitive position and profitability. EXOR invests in global companies in diversified sectors, mainly in Europe and the United States, focusing its resources on a few global companies, with a long-term time horizon.

The values on which the Company bases its actions are, in particular:

- Excellence: EXOR aims to achieve excellence, encouraging and aspiring to continuous improvement in all its activities.
- Respect: respect for persons is at the center of all action undertaken by the Company which undertakes to make the most of the characteristics, dignity and uniqueness of each individual.
- Trust: EXOR aims to establish a relationship of trust with its counterparties and to meet expectations by keeping faith with commitments undertaken.

2.3. Risks

EXOR is committed to promoting and maintaining an internal control and risk management system being the body of rules, procedures and organizational structures whose purpose is to provide an adequate process for the identification, measurement, management and monitoring of the principal risks in order to ensure the reliability, accuracy and timeliness of financial information, the safeguarding of the Company's assets, the efficiency and effectiveness of business processes and the Company's compliance with laws and regulations.

EXOR's activities are subject to a number of laws and regulations, the Company is subject to risks inherent to operating globally, including those related to compliance with applicable anti-corruption laws.

The success of EXOR and of the EXOR Group depends to a large extent on the abilities of its own senior executives and of the other components of the management team to manage efficiently EXOR and the EXOR Group and the individual business areas. If one or more managers should resign from service with EXOR and should it not be possible to adequately replace them in a timely manner with persons of equal skill and experience, its competitive capacity could diminish with potentially negative effects on the business and on the ability to replicate the results achieved in the past.

The nature of EXOR's activities limits the risks associated to environmental matters, thus, the identification and the management of these risks are addressed by its operating subsidiaries.

EXOR is exposed to the risks typical of the sectors and markets in which its operating subsidiaries and affiliates operate.

For more information regarding the key global focus risks identified by EXOR and control measures taken, refer to the section – Risk management, risks and control system elsewhere in this report.

2.4. Investment and analysis organization

EXOR ensures the achievement of its objectives as a responsible shareholder by adopting the following principles in the selection and management of its investments:

- Personnel: highly professional managers with successful experience who contribute to the creation of value and who "think and act as entrepreneurs".
- Economic and financial results: companies which have shown a significant capacity to generate cash and profits, with a balanced financial structure.
- Competitive position: companies with a competitive advantage which is sustainable in the long term and which are or are capable of becoming best in class.
- Governance: presence on the Boards of Directors in order to oversee performance and to contribute to the development of the company.

EXOR applies the investment principles stated above in this document by taking into account in the decision-making process the following objectives:

- Observance of applicable laws and regulations.
- Support of the principles in the universal declarations of human rights (hereafter the "Declaration of Human Rights").

- Careful evaluation of environmental and social issues.
- The promotion of policies supporting sustainable development plans which are coherent with corporate Social Responsibility best practices.

3. STAKEHOLDER RELATIONSHIP

Recognizing the importance of all stakeholders, both internal and external, the Company aims to extend its commitment beyond the economic results of its activities, to consider also the social and environmental impacts. Corporate Social Responsibility is expressed in substance in the assessment of the impact of all decisions of the future, health and wellbeing of the entire community.

The Company believes that it is of fundamental importance that by means of its instruments of corporate governance the conduct of individuals is directed towards compliance with its ethical principles; it is therefore committed to:

- Maintaining a culture open to dialogue based on a relationship of trust with is stakeholders.
- Ensuring that its activities are transparent and that potential conflicts of interests are identified promptly.
- Contributing to the fight against corruption, exposing any form of collusive behavior.
- Sustaining the protection and the safeguarding of human rights in accordance with the principles affirmed in the 1948 Universal Declaration.
- Recognizing and defending the principles established in the International Labor Organization’s Fundamental Conventions and in particular the elimination of discrimination by gender in employment and career opportunities, freedom of association and the right to collective bargaining, the elimination of forced labor and the abolition of child labor.

4. CORPORATE GOVERNANCE

The Board of Directors, has adopted the Code of Conduct, that sets out the principles and the ethical values which EXOR follows in the conduct of its activities and the rigorous observance of which it requires of all persons in the Company and more generally of all those who work with and are collaborators of the Company in the pursuit of its corporate mission. In addition, the Board of Directors is responsible for overseeing the sustainability performances of the firm and its operating companies.

4.1. Composition of the Board of Directors

The Company believes that its Board of Directors has the diversity of experience, expertise and backgrounds, and the appropriate independence and judgment so as to allow the Board of Directors to fulfill its responsibilities and execute its duties appropriately. The Board of Directors has considered the steps to take in order to maintain the appropriate balance of experience, knowledge and background among the Directors.

Directors by gender and age groups	30-50	>50	Total
Male	5	5	**10**
Female	3	2	**5**
Total	**8**	**7**	**15**

5. INTEGRITY OF BUSINESS CONDUCT

EXOR's ethical values foundation and ambitions as an employer are set out in the EXOR NV's Code of Conduct, that includes specific guidelines relating to health and safety, business ethics and anti-corruption, principles for the management of investments, human resource management, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding of Company's assets and relationships with public institutions.

The Company conforms to the following Ethical Principles:

- Observance of the law: the behavior of Addresses, in the activities undertaken in the interests of the Company is founded on the rigorous observation of national, community and international laws and regulations.
- Equality and Impartiality: in the management of the various activities of the Company and in all related decisions, Addressees are required to act in the best interest of the Company taking decisions with professional rigor and impartiality, applying to the decisions criteria which are objective and neutral.
- Transparency: in the performance of the Company activities the conduct of Addressees must be founded on the maximum transparency and reliability, ensuring that transparent, truthful, complete and accurate information is communicated to all stakeholders without favoring any interest group or single individual. EXOR undertakes to provide all the information necessary for the market to make informed investment decisions, ensuring the correctness and clarity of the aforesaid information and the equality of access to it.
- Honesty and correctness in the presence of potential conflict of interest: In the management of Company activities and of relationships with stakeholders Addressees are required to adopt diligent conduct founded on the principles of fairness, correctness, collaboration, loyalty and mutual respect. In the conduct of the activities situations where the persons involved in transactions are or could be in conflict of interests must be avoided; these situations are those in which the Addressee pursues an interest which differs from that of the Company or in which he or she engages in activities which can, anyhow, interfere with his or her capacity to make decisions in the exclusive interest of the Company, or takes personal advantage of business opportunities of the Company. The Directors undertake to inform the Board of Directors of any interest or advantage of a financial nature which their or family members may derive from transactions submitted to the Board's review, with a view to ensuring that the interest of the Company in the transaction is adequately justified, paying particular attention to the duty of ensuring the correct and balanced management of the Company. In the presence of a potential conflict of interest Addressees are required to inform their supervisor or the person in the Company to whom they refer.
- Confidentiality: The Company ensures the confidentiality of the information in its possession and does not use confidential information unless in possession of express and explicit authorization and, anyhow, always in observance of the applicable legislation concerning the protection of personal data. In cases of disclosure of information to third parties, which is permitted solely for business or professional purposes, the confidential nature of the information is expressly notified to the third party who is requested to observe the confidentiality obligation. No employee or collaborator may derive advantage of any kind, directly or indirectly, personal or financial, from the use of confidential information, nor may disclose such information to others or recommend or induce others to make use of such information. Disclosure of the information to third parties must be made only by authorized persons.
- Social Commitment: EXOR attaches great importance to its links with its community and contributes actively to its wellbeing sustaining activities in the field of social research, education, assistance and the promotion of culture.

EXOR's governance model is firmly based on its Code of Conduct and commits to the respect of human rights in all of its activities by endorsing the principles of the United Nations "Declaration on Human Rights".

5.1. Code of Conduct

By means of the resolution passed on 24 November 2016, the Board of Directors approved and adopted the Code of Ethics, which Code of Ethics was amended, renamed the Code of Conduct and approved by the Board of Directors in November 2017 (the "Code").

The Code sets out the principles and the ethical values which EXOR follows in the conduct of its activities and the rigorous observance of which it requires of all persons in the Company and more generally of all those who work with and are collaborators of the Company in the pursuit of its corporate mission; together with all the other regulations, policies and dispositions issued by the Company, the Code constitutes the foundation necessary for the prevention and detection of any infringement of the law.

The Code includes specific guidelines relating to health and safety, business ethics and anti-corruption, principles for the management of investments, human resource management, respect of human rights, conflicts of interest and abuse of inside information, data privacy, safeguarding on Company's assets and relationships with public institutions.

The following are required to be familiar with the dispositions of the Code: shareholders; executives, managers, supervisors and staff; all those who have a function of representation, administration and direction, or of management and control in the Company (also de facto); all employees, without any exception; collaborators (including, as mere example, consultants, professional advisers, etc.); and whoever enters into a business relationship with the Company.

The Company is committed to assuring the maximum diffusion of this Code of Conduct also by means of appropriate communication methods, also through training and measures to increase awareness of its contents.
EXOR also takes steps to ensure that the companies in which it has an investment adopt Codes of Conduct whose principles are based on those of its Code of Conduct (available on EXOR's corporate website at www.exor.com).

The Code of Conduct is distributed to all employees after their hiring.

5.2. Anti-corruption

Corruption in all its forms is prohibited and the Company requires the full observance of the principles of integrity, correctness, impartiality and legality.
In particular, the Company asks all addressees of the Code of Conduct to participate actively in the fight against every form of corruption and to avoid any activity or behavior which is incompatible with the obligations arising from the relationship with the company on behalf of which they are acting.

It is also forbidden the offer, promise, give, pay or authorize the giving or payment, directly or indirectly, of an economic advantage of other utility to a third party (private or public) with the object of:

- Inducing a third party to perform any function or act in a manner which is improper or contrary to the duties of his or her position (or to reward the performance of the same).

- Improperly obtaining or maintaining an unfair business advantage, in violation of the applicable laws.

Informative material about specific procedures against corruption implemented by the firm is made available to all the employees.

5.3. Insider Trading Policy

The EXOR Insider Trading Policy is intended to make all employees of EXOR aware of the legal and regulatory duties regarding, and the sanctions applicable to, insider dealing and unlawful disclosure of inside information. In addition, the Insider Trading Policy states the notification obligations that have to be fulfilled under Dutch and Italian law by members of the board of directors and persons closely associated with them when dealing in securities of EXOR and its group companies.
With the Insider Trading Policy EXOR makes sure that the requirements of article 18(2) and 19(5) of the Market Abuse Regulation (Regulation 596/2014) will be fulfilled. The amended and restated EXOR Insider Trading Policy was adopted by the Board of Directors on 5 April 2017.

6. SOCIAL RESPONSIBILITY

6.1. Human Resources

The Company recognizes the central importance of human resources believing that the main factor of success of any enterprise is the professional contribution of its staff working in an environment of loyalty and mutual trust. Major emphasis is therefore put on recruiting processes, competence development, and building a good company culture.
Due to its global presence and its international activities, EXOR values and promotes a multicultural environment within its offices. EXOR's employees come from a diverse range of European countries, such as Italy, the Netherlands, and Spain as well as from extra-European countries, such as the United States.

EXOR is committed to providing its employees with compensation that is competitive and in line with the going rate in the market. Variable salary components are to be coupled to set targets and shall be distinctively value-creating.

All employees have full-time contracts.

NUMBER OF EMPLOYEES

Employees	31st December 2017	31st December 2016
Total	**21**	**16**
of which women	***66.7%***	***43.8%***

TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER

Type of employment contract	31st December 2017			31st December 2016		
	Male	Female	Total	Male	Female	Total
Permanent	7	13	**20**	9	7	**16**
Temporary	-	1	**1**	-	-	**-**
Total	**7**	**14**	**21**	**9**	**7**	**16**

NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA

Geographical Area	31st December 2017			31st December 2016		
	Male	Female	Total	Male	Female	Total
The Netherlands	1	8	**9**	2	4	**6**
Luxembourg	1	2	**3**	1	2	**3**
United Kingdom	5	4	**9**	6	1	**7**
Total	**7**	**14**	**21**	**9**	**7**	**16**

PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY GENDER

Employment category	31st December 2017			31st December 2016		
	Male	Female	Total	Male	Female	Total
Executive	3	2	**5**	3	1	**4**
Managers	3	5	**8**	3	4	**7**
Professionals	1	7	**8**	3	2	**5**
Total	**7**	**14**	**21**	**9**	**7**	**16**

PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY AGE GROUP

Employment category	31st December 2017				31st December 2016			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executive	-	3	2	**5**	-	2	2	**4**
Managers	2	6	-	**8**	2	5	-	**7**
Professionals	3	3	2	**8**	1	3	1	**5**
Total	**5**	**12**	**4**	**21**	**3**	**10**	**3**	**16**

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

EMPLOYEE HIRED		
	2017	2016
Number of employees	8	7
Turnover %	38.1%	43.8%
EMPLOYEE TURNOVER		
	2017	2016
Number of employees	3	28
Turnover %	14.2%	175%

6.2. Workplace health and safety

The Company provides for working conditions which are respectful of the dignity of the individual and assures a healthy and safe workplace, in compliance with the applicable occupational accident prevention and health regulations.

EXOR promotes the diffusion of a culture of safety and awareness of the risks connected with work activities, requiring of every employee, collaborator and whoever for any reason works in the Company's offices, behavior which is responsible and which is respectful of the Company's safety systems and of all the company procedures which are an integral part of that system, contributing thereby to the maintenance of the safety of the workplace and the quality of the environment.

6.3. Discrimination and harassment

The Company protects and promotes the supreme value of the human being who must not be subjected to discrimination by reference to age, gender, sexual orientation, race, nationality, political opinion or religious faith.

The Company also undertakes to ensure that authority is exercised fairly and correctly, avoiding any form of abuse of power. Authority must never be exercised in a manner which harms the dignity and autonomy of employees or collaborators in the broad sense. The Company's organizational decisions concerning work must safeguard the value of employees and collaborators.

The Company provides for the physical and moral safety of its employees and collaborators; under no circumstances will the Company tolerate requests or threats aimed at inducing persons to act in breach of the law or of the Code of Conduct, or to behave in a manner, which conflicts with the moral convictions and personal preferences of the individual.

6.4. Supported Institutions and Foundations

It is important to emphasize that, in general, EXOR considers that it is fundamental to conduct its affairs responsibly from the social, human and environmental point of view and attaches great importance to the ties it has with its community. Being aware of the needs of "living together", EXOR supports various activities in the field of social research, education, cultural promotion and assistance. In fact, it financially supports and sustains numerous activities in the spheres of social research, education, care and the promotion of culture.

In the field of education, there are many projects and initiatives that are promoted by the Giovanni Agnelli Foundation, which is an independent institute of culture and research in the field of human and social sciences. It was founded in 1966 by FIAT and IFI to celebrate the centenary of the birth of Senator Giovanni Agnelli, the founder of FIAT and it has its offices in Turin. Since 2008, the Foundation has chosen to concentrate its research activities on the themes of education (schools, universities and lifelong learning), convinced that education is amongst the main factors for economic richness, for social cohesion and for human fulfillment. The Foundation constantly launches new initiatives and projects, for example the “Combo, il laboratorio didattico”, an educational experimentation project designed for students and teachers of all schools in Turin and Piedmont, created together with several partners, such as Comau, the Italian Institute of Technology and Google.

Moreover, in the field of education EXOR supports the Faro Foundation, which was founded in Rome in 1997 to help young people coming from all over the world in overcoming difficult living conditions. The Foundation organizes free training courses and promotes professional integration by giving people the basic instruments. Il Faro also gives hospitality to people in state of need.

As for EXOR's commitment to healthcare research, the Company financially supports the mission of the Piedmontese Foundation for Cancer Research, ONLUS formed to set up an oncological institute in Piedmont that, through scientific research and clinical practice, would offer an important contribution to conquering cancer, thus becoming a center of reference for oncology. Since the year of its constitution in 1986, the Foundation has raised and invested over 100 million euros in the fight against cancer. It has undertaken to complete the construction and the technological equipment of the Candiolo Institute and promotes study projects relative to oncological research.

EXOR sustains many cultural initiatives, for example The Giovanni and Marella Agnelli Gallery of Art, an institution of a museum through which the Foundation of the same name operates, which was set up in 2002 to carry out activities of public interest in the area of culture, especially in the artistic field and the study of art.

7. ENVIRONMENTAL RESPONSIBILITY

EXOR commits to the respect and protection of the environment, however due to the nature of its activities, the impacts of its operation on the surrounding environment are considered negligible. EXOR fully supports its operating companies in the effort that sees them involved in producing regular, carefully compiled sustainability reports, according to international best practices.

The companies controlled by EXOR (and thus consolidated, in accordance with IFRS) are committed to sustainability, in particular the most important operating groups such as FCA, CNH Industrial and Ferrari.

For several years, these companies have decided to make specific, measurable commitments with regard to the environment and, more generally, with regard to sustainability. As a result, they have adopted pervading management processes at the level of the various corporate functions (and hierarchical levels) and regularly publish sustainability reports. Business strategies and aims with regard to sustainable development are pursued and implemented autonomously by these companies, each of which follows its own model of corporate governance. Further details are provided below.

8. SOCIO-ENVIRONMENTAL PERFORMANCE OF THE SUBSIDIARIES

EXOR’s investment portfolio is monitored and analyzed constantly both through use of corporate governance rights (e.g. board representation) and through constant dialogue with the management of the subsidiaries and affiliates without affecting their independence as the managers of the companies

For EXOR it is essential to maintain a responsible behaviour from the social, human and environmental point of view.

This is why EXOR supports policies aiming at promoting sustainable development in line with a Corporate Social Responsibility perspective. This section focuses on the sustainable and social responsibilities of the main EXOR subsidiaries.

8.1. Fiat Chrysler Automobiles (FCA)

FCA aims to create value through its relationships and connections with customers, employees, dealers, suppliers and communities, among others. FCA recognizes that its environmental and social activities affect not only the aspiration to grow the business but also its commitment to positively affect the world.

The Board of Directors’ Governance and Sustainability Committee evaluates proposals related to strategic sustainability initiatives, advises the full Board as necessary, and reviews the annual Sustainability Report.

The foundation of FCA's governance model is the Code of Conduct and a collection of supporting statements that reflect its commitment to a culture dedicated to integrity, responsibility and ethical behavior. FCA endorses the United Nations (“UN”) Declaration of Human Rights, the International Labour Organization (“ILO”) Conventions and the Organization for Economic Co-Operation and Development (“OECD”) Guidelines for Multinational Companies. Included in FCA's Code of Conduct are, among others, rules related to anti-bribery, anti-corruption, anti-competitive behavior and conflicts of interest.

Employees are provided training about ethics and compliance, with particular focus on the Code of Conduct, anti-corruption, corporate governance and human rights, including non-discrimination. The Group’s policy against anti-corruption and anti-bribery is communicated to all employees and executive members.

The FCA Human Rights Guidelines, publicly available, are consistent with the spirit and intent of the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (“Ruggie Framework”), the United Nations Sustainable Development Goals, the OECD Guidelines for Multinational Companies, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization, and the Modern Slavery Act 2015.
Each year, FCA conducts an analysis of sustainability-related topics which may be considered material to the Company. In addition, key global risks that have been identified through FCA's risk management framework are also examined for their relevance to the Company's sustainability profile and impact.

The Company regards the diversity of its workforce as a key asset and does not tolerate any form of discrimination, as stated in the Human Rights Guidelines. A Diversity Policy and related targets are adopted to ensure adequate diversity representation within members of the Board of Directors.

NUMBER OF EMPLOYEES

Employees	Season 2016/2017	Season 2015/2016
Total	**235,915**	**231,019**
of which women	***21.5%***	***21.2%***

FCA aims to provide all employees with a safe, healthy and productive work environment at every site worldwide and in every area of activity. At year-end 2017, the vast majority of FCA's plants had an Occupational Health & Safety Management System in place that was OHSAS 18001 certified.

Strong supplier relationships built on cooperation and mutual understanding are vital to the effective sourcing of goods and services. Suppliers must conduct business activities according to ethical standards and procedures and as set forth by the FCA Code of Conduct and Sustainability Guidelines for Suppliers. If a supplier fails to meet these standards, a corrective action plan, jointly developed with FCA, is required. FCA may exercise the right to terminate the business relationship.

FCA's Environmental Guidelines specify the Group's commitment to address environmental and climate change issues. The Group has implemented an Environmental Management System ("EMS") worldwide, aligned with ISO 14001 standards.

The Group seeks solutions that enable further reductions in greenhouse gas emissions and the use of fossil fuels. Over time, these solutions have generated significant savings in energy-related costs.
Total CO2 emissions from manufacturing processes decreased more than two percent to 3.8 million tons compared with 2016. Estimated emissions of other substances based on direct fuel consumption for energy production slightly increased in 2017.
FCA aims to responsibly manage the entire water cycle, adopting technologies and procedures to increase recycling and reuse of water and decrease the level of pollutants in discharged water.

	31st December 2017	31st December 2016
Total energy consumption *(million GJ)*	**48.2**	**47.4**
Total CO_2 emissions *(million tons of CO_2)*	**3.8**	**3.9**
NO_X *(tons)*	**1,350**	**1,319**
SO_X *(tons)*	**105**	**83**
Dust *(tons)*	**59**	**53**
Total water withdrawal *(million m^3)*	**24.1**	**24.4**

For more information, please refer to the FCA 2017 Annual Report and corporate website.

8.2. CNH Industrial

CNH Industrial believes that growth only has value if it is also sustainable and, therefore, considers the management of the environmental and social impacts of its activities to be fundamental.
Within the Board of Directors, the Governance and Sustainability Committee is responsible for strategic oversight of sustainability-related issues and for reviewing the annual Sustainability Report. The Sustainability Steering Committee, established in 2016, was assigned responsibility to identify sustainability strategies, to integrate sustainability into operating processes, and to provide a forum for communication and benchmarking among the regions.

The CNH Industrial sustainability management system consists of the following tools:

- the Code of Conduct, approved by the Board of Directors, and related Company policies which set out the Company's approach to key issues;
- a set of policies to manage specific issues, as well as the Human Capital Management Guidelines, Green Logistics Principles, and the Supplier Code of Conduct;
- the materiality analysis, which defines social and environmental priorities;
- stakeholder engagement on material topics (there is a dedicated email address for stakeholders to make requests, ask questions and provide feedback);
- a set of approximately 200 sustainability-related Key Performance Indicators (KPIs), designed to provide maximum coverage of all the key environmental, social, and governance aspects, in line with GRI Standards and those of the major sustainability rating agencies;
- the Sustainability Plan, including long-term targets, that identifies action priorities and tracks commitments undertaken; and
- the annual Sustainability Report, which discloses the Company's performance on sustainability aspects

CNH Industrial's business is, by its nature, labor intensive and this is reflected in the high number of hourly employees the Group employs. CNH Industrial is committed to supporting its employees with development opportunities and recognizing and rewarding their achievements and contribution to business results.

NUMBER OF EMPLOYEES

Employees	31st December 2017	31st December 2016
Total	**63,356**	**62,828**

As stated in CNH Industrial's Code of Conduct, occupational health and safety is an employee's fundamental right and a key part of CNH Industrial's sustainability model. As demonstration of its commitment in this area, 60 plants around the world are OHSAS 18001 certified.

CNH Industrial is committed to continuously improving the environmental performance of its manufacturing processes. As of December 31, 2017, 56 plants were ISO 14001 certified, while energy management system according to ISO 50001 was rolled out to 47 plants, representing about 97% of energy consumption. Environmental performance relates to 54 fully consolidated plants.

	31st December 2017	31st December 2016
Total energy consumption *(GJ per hour of production)*	**0.1125**	**0.1196**
CO_{2eq} emissions *(tons per hour of production)*	**0.0069**	**0.0078**
VOC emissions *(g/m^2)*	**36.5**	**38.4**
Total water withdrawal *(m^3 per hour of production)*	**0.084**	**0.100**

Energy performance relates to 52 fully consolidated plants.

For more information, please refer to the CNH 2017 Annual Report and corporate website.

8.3. Ferrari

Ferrari is among the world's leading luxury brands focused on the design, engineering, production and sale of the world's most recognizable luxury performance sports cars.

The Governance and Sustainability Committee is responsible for, among other things, assisting and advising the Board of Directors with monitoring and evaluating reports on the Group's sustainable development policies and practices, management standards, strategy, performance and governance globally, and reviewing, assessing and making recommendations as to strategic guidelines for sustainability-related issues, and reviewing the annual Sustainability Report.

The foundation of Ferrari's governance model is the Code of Conduct that reflects its commitment to a culture dedicated to integrity, responsibility and ethical behavior. Ferrari endorses the United Nations ("UN") Declaration on Human Rights, the International Labor Organization ("ILO") Conventions and the Organization for Economic Co-Operation and Development ("OECD") Guidelines for Multinational Companies. The company's policies includes policies for respecting Human Rights which prohibits child and forced labor and pays attention to safe working environments for our employees.

Ferrari is committed to the highest standards of integrity, honesty and fairness in all internal and external affairs and does not tolerate any kind of bribery. Ferrari circulates among all the employees a policy against bribery and corruption. In addition, Ferrari places particular emphasis on a safe and eco-friendly working environment including proper working conditions and respect for human rights by endorsing the international conventions of Human Rights and labor conditions.

In 2017, Ferrari has updated the analysis of the most relevant sustainability topics (materiality analysis) for the Company and its stakeholders in order to identify strategic priorities with defined actions. The Company is committed to create a culture of sustainability, which requires effective risk management, responsible and proactive decision-making and innovation. In particular, the most material topics identified by Ferrari are strongly connected with the key risks linked to brand reputation, innovation and customer satisfaction.

The high attention and care for Ferrari's products is the foundation upon which its success is built and this is feasible thanks to the efforts of the people working in Ferrari.

NUMBER OF EMPLOYEES

Employees	Season 2016/2017	Season 2015/2016
Total	**3,380**	**3,248**
of which women	***12.3%***	***11.5%***

Ferrari is particularly focused on the safety of its people. The Maranello and Modena plants, and also the Mugello racing circuit, have obtained the OHSAS 18001 certification.

Ferrari's focus on excellence, in terms of luxury, quality, aesthetics and performance, requires it to implement a responsible and efficient supply chain management in order to select suppliers and partners that are able to meet its high standards. All suppliers must respect the Ferrari Code of Conduct, which includes the set of values recognized, adhered to and promoted by the Company.

Ferrari has invested heavily to minimize its environmental impact since 2001. In 2016, Ferrari obtained the renewal of the certification of its environmental management system according to the new standard ISO 14001:2015.
The monitoring and management of the environmental performance of the productive plants is aimed at minimizing the impact of the activities on the environment, particularly in relation to the energy consumption and CO2 emissions of production facilities.

Since 2014, Ferrari Group has been purchasing Guarantee of Origin certificates in order to increase the percentage of energy consumed derived from renewable sources, thus reducing the corresponding CO2 emissions. Other significant air emissions are related mainly to volatile organic compounds (VOCs) released during vehicle manufacturing.
All the water sourced by Ferrari comes from municipal water supplies or other utilities and wells: as of today, no water bodies are directly affected by the withdrawal of water.

	31st December 2017	31st December 2016
Total energy consumption *(thousands GJ)*	**1,632**	**1,639**
Total CO_{2eq} emissions *(tons of CO_{2eq})*	**93,328**	**93,243**
NO_X *(tons)*	**69.6**	**74.3**
SO_X *(tons)*	**0.9**	**1.5**
Volatile Organic Compounds (VOCs) *(tons)*	**55.9**	**52.5**
Dust *(tons)*	**2.4**	**5.5**
Total water withdrawal *(thousands of m^3)*	**751.6**	**588.4**

For more information, please refer to the Ferrari 2017 Annual Report and corporate website.

8.4. PartnerRe

PartnerRe is a leading global reinsurer that helps insurance companies reduce their earnings volatility, strengthen their capital and grow their businesses through reinsurance solutions.
At PartnerRe there are common values that apply to the entire organization and that underpin the business activities and behaviors. The Company is committed to a culture of trust and responsibility; therefore, the highest level of ethical conduct should be reflected in all of business activities.

The Board of PartnerRe has adopted the Code of Business Conduct and Ethics, which applies to all directors, officers and employees. Any specific waiver of its provisions requires the approval of the Audit Committee. Any waiver required to be publicly disclosed will be posted on our website at www.partnerre.com within four business days of such waiver being granted. This Code of Conduct is designed to provide a high-level overview of these core values in practice. It is supplemented by additional policies and guidelines that fully explain the application of these values. Employees are required to read, understand, accept and apply the values contained in the Code of Conduct and in all other policies and guidelines applicable to them, in their everyday work and behavior.

PartnerRe is committed to an environment free from conflicts of interest and to fighting corruption, in compliance with applicable laws and regulations. PartnerRe strives to provide each employee with a healthy and safe work environment. It is the responsibility of each employee to maintain this healthy and safe workplace by following environmental, health and safety rules and practices.

In addition, PartnerRe expects its work environment to be free from all forms of discrimination, harassment or intimidation and does therefore not tolerate any prejudice, whether based on race, color, age, religion, gender, sexual orientation, national origin or otherwise.

PartnerRe is built around intelligent risk assumptions and careful risk management, as evidenced by its development of the PartnerRe risk management framework, which provides an integrated approach to risk across the entire organization. Among the potential risks, Natural catastrophe risk is managed by catastrophe modeling and a combination of quantitative and qualitative analysis.

NUMBER OF EMPLOYEES

Employees	31st December 2017	31st December 2016
Total	**978**	**957**

For more information, please refer to the PartnerRe 2017 Annual Report and corporate website.

8.5. Juventus

Sport and above all football, because of its visibility and media presence, is a unique opportunity to promote values such as integration, non-discrimination, mutual respect and education in general: these are key issues in Juventus's approach to sustainability.

Juventus Corporate Governance System is founded on: the values defined in the Code of Ethics, the central role of the Board of Directors, management transparency, careful distribution of responsibilities concerning management, monitoring and review of the internal auditing and risk management system, risk governance system being in line with the best practices, system of remuneration and incentives for managers based on the industry's specificities, the employees.

Juventus values are outlined in the Code of Ethics, which the social bodies and Juventus employees, just like everyone who works to achieve Company objectives, with his own functions and responsibilities, must respect.

Corruption is a very topical subject in the football panorama. Juventus carried out specific training activities on key subjects such as the principles listed in the Code of Ethics and the Organization, Management and Control Model in accordance with Legislative Decree 231/2001.

In a climate of change and motivation focused on a more modern, innovative approach the Juventus human resources management model – aligned with its business strategy – defines objectives analysis and appraisal criteria, and establishes solid foundations for the management and development of human capital.

NUMBER OF EMPLOYEES

Employees	Season 2016/2017	Season 2015/2016
Total	**230**	**210**
of which women	***44.3%***	***44.3%***

For more information, refer to the Juventus 2016/2017 Sustainability Report and corporate website.

REMUNERATION OF DIRECTORS

Foreword

This paragraph on the remuneration of the EXOR Executive and Non-Executive directors is divided into two sections.

Section I of the Report provides general information regarding the remuneration policy (the "Remuneration Policy") – as approved and adopted by the general meeting of shareholders on 30 May 2017 – applicable to Executive and Non-Executive directors of EXOR N.V. ("EXOR" or the "Company"). The Remuneration Policy is available on the Company's website at www.exor.com.

The compensation policy may be subject to amendments or updates by the board of directors of the Company (the "Board of Directors", and each member thereof a "Director") in the light of the periodical assessments made by the Compensation and Nominating Committee of the adequacy, overall coherence and effective application of the policy. Amendments to the Remuneration Policy will be submitted for approval to the general meeting of shareholders.

Section II of the Report provides information on the compensation paid (i) to the Directors with reference to the period from 1 January 2017 until the end of the financial year (*i.e.* 31 December 2017).

SECTION I

Objectives and principles of the Remuneration Policy

Objectives and principles

The objective of the Remuneration Policy is to provide a compensation structure that allows the Company to attract and retain the most highly qualified executives and to motivate them to achieve business and financial goals that create long-term value for shareholders in a manner consistent with the Company's core business and leadership values.

For these objectives to be achieved, the Remuneration Policy is determined considering (i) best practices in compensation policy (in accordance, *inter alia*, with the Dutch Corporate Governance Code); and (ii) the need for sustainable compensation and the alignment of the interests of management with the medium-to-long-term interests of the shareholders.

The Remuneration Policy aims, further, to provide a total compensation opportunity that is competitive compared to the compensation paid by comparable companies and to reinforce the Company's performance-driven culture and meritocracy.

All the above is in the context of the specific characteristics of the Company, in particular of the ownership structure and the, organization wise, simple structure.

The Remuneration Policy is determined to be coherent with the Company's risk management policy and internal control system.

Scenario analysis

The Compensation and Nominating Committee has not conducted a scenario analysis as the annual variable compensation depends only on one scenario at the moment, being the Net Asset Value ("NAV") per EXOR share exceeding the average change in the MSCI World Index. The Compensation and Nominating Committee has assessed the Remuneration Policy and established it well functioning in terms of a relationship between the Company's objectives, the chosen performance criteria and the long term interest/value creation.

2017 Internal pay ratios

The Company is not disclosing pay ratios for the 2017 compensation, as the Dutch Corporate Governance Code does not describe the methodology to determine and disclose such ratios. The Company will continue to monitor the new and still evolving guidance under the Dutch Corporate Governance Code.

Remuneration for Executive Directors

The Board of Directors determines the compensation for Executive Directors in accordance with the Remuneration Policy.

The compensation structure for Executive Directors includes a fixed component and a variable component based on short and long-term performance. The Company believes that its compensation structure promotes the interests of EXOR in the short and the long-term and is designed to encourage Executive Directors to act in the best interests of EXOR. In determining the level and structure of the compensation of Executive Directors, the Non-Executive Directors will take into account, among other things, the Company's financial and operational results and other business objectives. The Company establishes target compensation levels using a market-based approach and periodically benchmarks its Executive compensation program against peer companies and monitors compensation levels and trends in the market. The short and long term components of Executive Directors' variable remuneration are linked to predetermined, assessable targets.

Fixed component

The base salary is the fixed part of the annual cash compensation for Executive Directors. The primary objective is to attract and retain highly qualified senior executives. The Company's policy is to periodically benchmark comparable salaries paid to executives with similar experience by comparable companies.

Variable components

Executive Directors are also eligible to receive variable compensation subject to the achievement of pre-established financial and other identified performance targets. The variable compensation will only be payable if at the end of the year the average change in Net Asset Value (the "NAV") per EXOR share in US$ in the three preceding years exceeds the average change in the MSCI World Index in the in the three preceding years.

Short-Term Incentives

The primary objective of performance based on short-term variable cash incentives is to incentivize Executive Directors to focus on the business priorities for the current or next year. Executive Directors' variable remuneration is linked to the achievement of short-term (*i.e.* annual) financial and other identified objectives proposed by the Compensation and Nominating Committee and approved by the Non-Executive Directors each year.

To determine Executive Directors' annual performance bonus, the Compensation and Nominating Committee and the Non-Executive Directors:

- approve Executive Directors' targets and maximum allowable bonuses;
- select the appropriate metrics and their weighting;
- set the stretch objectives;
- consider any unusual items in a performance year to determine the appropriate measurement of achievement; and
- approve the final bonus determination.

In addition, upon proposal of the Compensation and Nominating Committee, the Non-Executive Directors have authority to grant periodic bonuses for specific transactions that are deemed exceptional in terms of strategic importance and effect on the Company's results. The form of any such bonus (cash, EXOR ordinary shares or options to purchase ordinary shares) is determined by the Non-Executive Directors from time to time.

Long Term Incentives

The primary objective of performance based on long-term variable incentives is to reward and retain qualified Executive Directors over the longer term while aligning their interests with those of shareholders.

The Company's long-term variable incentives consist of a share-based incentive plan that links a portion of the variable component to the achievement of pre-established performance targets consistent with the Company's long-term business planning. These equity based awards help in aligning Executive Directors' interests with shareholder interests by delivering greater value to the Executive Director as shareholder value increases.

Other Benefits

Executive Directors may also be entitled to customary fringe benefits such as personal use of aircraft, company car and driver, personal/home security, medical insurance, accident insurance, tax preparation and financial counseling. The Compensation and Nominating Committee may grant other benefits to the Executive Directors in particular circumstances.

Compensation of the Chief Executive Officer

The Chief Executive Officer's annual compensation is of US$1,000,000 plus a compensation of $1,000,000, the so-called "cash performance", which will however only be payable if at the end of the year the average change in Net Asset Value (the "NAV") per EXOR share in US$ in the three preceding years exceeds the average change in the MSCI World Index in the in the three preceding years. According to the 2016 Long Term Stock Option Plan (as defined below), the Chief Executive Officer of the Company has been granted an amount of options corresponding to a value of $ 4.000.000 per year for the duration of the aforesaid plan. The stock options granted to the Chief Executive Officer according to the previous incentive plans are still in force and will not be affected by the above.

Remuneration for Non-Executive Directors

Remuneration of Non-Executive Directors is approved by the general meeting of shareholders on May 30, 2017 and will be periodically reviewed by the Compensation and Nominating Committee.

The current annual remuneration for the Non-Executive directors is:

- Euro 50,000 for each Non-Executive Director;
- an additional Euro 15,000 for each member of the Audit Committee and Euro 20,000 for the Audit Committee Chairman;
- an additional Euro 7,500 for each member of the Compensation and Nominating Committee and Euro 10,000 for the Compensation and Nominating Committee Chairman.

The remuneration of Non-Executive Directors is a cash remuneration only, is fixed and is not dependent on the Company's financial results. Non-Executive Directors are not eligible for variable compensation and do not participate in any incentive plans. The committee membership and committee chair fee payments will be made all in cash.

Incentive Plans for Executive Directors and management

By means of the resolution adopted by the general meeting of shareholders, the Company resolved to maintain effective all the stock option plans already established by EXOR S.p.A. (now EXOR N.V.) in order to attract, retain and motivate directors as well as employees and other individuals having business relationships with EXOR and to reward such persons for their loyalty and commitment (the "Stock Option Plans") Stock Options Plans are described as follows.

The EXOR 2008-2019 Stock Option Plan

The compensation of the Chief Executive Officer is in part tied to the overall economic performance of the Company, as expressed in the performance of its share price, insofar as he is a beneficiary of the 2008-2019 Stock Option Plan. The beneficiaries of the 2008-2019 Stock option Plan besides the Chief Executive Officer are employees of EXOR or former employees as long as they remain employed by companies EXOR controls and who occupy positions of importance in the enterprise and which the Company seeks to retain and also to involve in the development of the results of EXOR and of its group, correlating the economic incentives with the Company's medium-to-long-term shareholder value. No performance criteria need to be met. The option rights granted vest and thereby became exercisable progressively over a period running from 14 May 2014 to 14 May 2016. The vesting period ended per 14 May 2016.

The 2012 Incentive Plan

The general meeting of shareholders approved a further incentive plan in 2012 (the "2012 Incentive Plan"). The objective of the 2012 Incentive Plan, one of the recipients of which is the Chief Executive Officer, is to increase the Company's capacity to incentivize and retain staff occupying key positions in the Company and in the in the companies controlled by EXOR by including in the compensation packages of the Plan's recipients incentive and retention components based on long term objectives aligned to strategic objectives and to the Company's new organizational structure.

The 2012 Incentive Plan is in two parts, the first has the form of a stock grant and the second that of a stock option. In 2012, 795.000 stock options were granted.
Under the stock grant part of the plan, which is denominated as the "Long Term Stock Grant", recipients are granted a maximum of 400,000 shares, conditional on the professional relationship with the Company and with companies in the so called "Holdings System" as described on page 17 continuing until the vesting date which has been established as being in 2018.

Under the second part, denominated as the “Company Performance Stock Option”, a maximum of 3,000,000 options are granted, allowing recipients to purchase a corresponding number of shares, conditional on the achievement of a pre-established performance objective and on the continuation of the professional relationship with the Company and with the companies in the Holdings System.

The performance objective, established by the Board of Directors on the basis of a Compensation and Nominating Committee proposal, will be deemed to have been achieved if the change in EXOR’s NAV is greater than the change in the MSCI World Index expressed in Euro in the year preceding the year in which the options vest. The exercise price for the options is Euro 16,62.

The Chief Executive Officer is a recipient only of the “Company Performance Stock Option” and as a result of the approval of the 2012 Incentive Plan by the general meeting of shareholders the Chief Executive Officer has been granted automatically 750,000 options giving the right, if the vesting conditions are satisfied, to purchase a corresponding number of the Company’s ordinary shares at an exercise price based on the arithmetic average of the official Borsa Italiana list prices of the EXOR ordinary shares in the month preceding the general meeting of shareholders held on 29 May 2012.

The plan is serviced exclusively from own shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instrument will be issued by the Company or by its subsidiary or by third parties.

The granted options vest and become effectively exercisable over the vesting period, the years 2014 to 2018, in equal annual tranches from when they vest until the end of 2021. For the financial years 2015, 2016 and 2017 the target has been achieved.

The 2016 Long Term Stock Option Plan

The general meeting of shareholders held on 25 May 2016 approved a new stock option plan (the “2016 Long Term Stock Option Plan”).

This plan is in line with the most evolved international practice, constitutes a share-based compensation instrument. The plan provides for the granting of a maximum 3,500,000 options which will enable recipients (i.e. the Chief Executive Officer and employees of the Company from time to time identified by the Chief Executive Officer as beneficiaries of the plan) to purchase a corresponding number of the Company’s shares conditional on the continuation of the professional relationship with the Company or companies EXOR controls in the period between the grant date and the vesting date.

The options are granted once at the date of joining the plan (after being identified by the by the Chief Executive Officer as beneficiary) and vest in the following equal annual instalments.

The options will vest on 30 May each year as follows:
- in five equal annual quotas, from 2017, for options granted prior to 31 December 2016;
- in four equal annual quotas, from 2018, for options granted between 1 January and 31 December 2017;
- in three equal annual quotas, from 2019, for options granted between 1 January and 31 December 2018;
- in two equal annual quotas, from 2020, for options granted between 1 January and 31 December 2019; and
- in a single equal quota, on 30 May 2021, for options granted between 1 January and 31 December 2020.

The vesting of the options as herein described will be definitive. Each option may be exercised since 3 years after the vesting of the options and until 31 December 2026 and recipients who do not exercise their options by that date will cease to have any rights.

The plans will be serviced exclusively through treasury shares of the Company, without recourse to the issue of shares and, therefore, will not have a dilutive effect. If so required, the Company will purchase, in compliance with the applicable regulations, a quantity of own shares sufficient to cover the entire plan approved by the shareholders. In connection with the servicing of the plan no other financial instrument will be issued by the Company or by its subsidiary or by third parties.

Director and Officer Overlaps

There are overlaps among the directors of Giovanni Agnelli B.V. and directors of the Company.
In particular, John Philip Elkann, Alessandro Nasi and Andrea Agnelli are directors of Giovanni Agnelli B.V. John Philip Elkann has, further, the title of Chairman.

Treatment on cessation of office and non-competition agreements

There are no agreements between the Company and its Directors which provide for indemnities in the event of early termination of the relationship or for the granting or maintaining of non-monetary benefits for Directors who have left the Company or for consulting arrangements covering periods after termination of the relationship or for compensation for non-competition agreements.

Non-monetary benefits and supplementary insurance coverage

In line with best practice in the field of compensation and in consideration of the specific responsibilities assigned, the compensation plans of Directors include non-monetary benefits (such as, reimbursement of expenses for travel outside the municipality of residence). For all Directors there is also insurance cover for directors' civil liability relating to claims for compensation for non-fraudulent acts performed in the performance of the director's duties. All the aforesaid being in addition to the reimbursement of out-of-pocket expenses incurred in the performance of the activities associated with the responsibilities assigned.

SECTION II

Board of directors

Hereafter is an illustration – on an individual basis – of the compensation paid in whatever form to the Directors in the financial year 2017.
The data in the tables relate to assignments in the Company and to the operating subsidiaries and associates, listed and unlisted.

In addition the table Share Ownership sets out the number of common shares of EXOR and its subsidiaries owned by EXOR directors as the end of December 2017, except for FCA.

Directors' Compensation

The following table summarizes the remuneration paid to the members of the Board of Directors for the year ended 31 December 2017.

			EXOR NV			Other Subsidiaries and associated	TOTAL
	Office held	In office from/to	Annual fee (€)	Committee (€)	Total (€)	Total Compensation (€)	(€)
Directors of EXOR N.V.							
ELKANN John Philipp	Chairman and CEO	1/1/2017 - 12/31/2017	1,686,594 (1)		**1,686,594**	**2,294,862**	**3,981,456**
MARCHIONNE Sergio	Vice Chairman	1/1/2017 - 12/31/2017	(1)		**0**	**13,491,736**	**13,491,736**
NASI Alessandro	Vice Chairman	1/1/2017 - 12/31/2017	(1)	7,500	**7,500**	**467,396**	**474,896**
AGNELLI Andrea	Director	1/1/2017 - 12/31/2017	(1)		**0**	**676,229**	**676,229**
CAMERANA Niccolò	Director	1/1/2017 - 12/31/2017	(1)		**0**		**0**
ELKANN Ginevra	Director	1/1/2017 - 12/31/2017	(1)		**0**		**0**
RATTAZZI Lupo	Director	1/1/2017 - 12/31/2017	(1)	15,000	**15,000**		**15,000**
BOLLAND Marc	Director	1/1/2017 - 12/31/2017	50,000	20,000	**70,000**		**70,000**
FENTENER VAN VISSLINGEN Annemiek	Director	1/1/2017 - 12/31/2017	50,000	15,000	**65,000**		**65,000**
MOTA DE SOUSA HORTA-OSORIO Antonio	Director	1/1/2017 - 12/31/2017	50,000		**50,000**		**50,000**
SPEYER Robert	Director	1/1/2017 - 12/31/2017	50,000	7,500	**57,500**		**57,500**
VOLPI Michelangelo	Director	1/1/2017 - 12/31/2017	50,000	10,000	**60,000**	**90,733**	**150,733**
WERTHEIMER RUTH	Director	1/1/2017 - 12/31/2017	50,000		**50,000**		**50,000**
BETHELL Melissa	Director	5/30/2017 12/31/2017	50,000		**50,000**		**50,000**
DEBROUX Laurence	Director	5/30/2017 12/31/2017	50,000		**50,000**		**50,000**
Total			**2,086,594**	**75,000**	**2,161,594**	**17,020,956**	**19,182,550**

(1) Directors have waived their right to the emolument of €50,000 resolved by the EXOR Shareholders' Meeting.

With regards to the remuneration received by the subsidiaries and associated FCA, CNH Industrial, Ferrari, PartnerRe, Juventus and The Economist, reference should be made to what published by each company in their Financial Statement.

Stok options Granted to Directors

The following table summarizes outstanding stock options held by EXOR N.V. Directors as of 31 December 2017:

Name/Plan	Grant Date	Exercise price	at January 1, 2017	Granted	Vested	Expired	at December 31, 2017
Directors of EXOR N.V.							
Elkann J / EXOR 2008/2019 Plan	3/28/2011	€19.97	3,000,000 (a)				**3,000,000**
Elkann J / EXOR Company Performance	5/29/2012	€16.59	450,000				**450,000**
Elkann J / EXOR 2016 Plan	7/1/2016	€32.38	2,013,950				**2,013,950**
Nasi / CNHI EIP 2011	4/29/2011	$10.15	67,541			67,541	**-**
Nasi / CNHI EIP 2012	9/7/2012	$8.78	70,929				**70,929**

(a) Corresponding to 795,000 common shares exercisable.

The following table gives an overview of the share plans held by EXOR N.V. Directors as of 31 December 2017:

Name/Plan	Grant Date	Vesting Date	Number of shares under award at January 1, 2017	FV on Grant Date	Shares Granted	Shares Vested	Shares Forfeited	Number of shares under award at December 31, 2017
Directors of EXOR N.V.								
Marchionne / FCA LTI awards (1) (2) (3)	4/16/2015	2017/2018/2019	6,709,200	$14.84		2,795,500		**4,472,800**
Marchionne / 2014/2018 CNH RSU	6/9/2014	12/31/2016, 12/31/2017, 12/31/2018	900,000	$10.41		450,000		**450,000**
Marchionne / 2017/2021 Ferrari PSU (4)	4/14/2017	2019/2020/2021	-	€68.18-€72.06	450,000			**450,000**
Agnelli / 2016 FCA Share Grants	1/2017-4/2017	1/2017-4/2017	-	$10.34	4,970	4,970		**-**
Nasi / 2014 CNH PSU	6/25/2014	6/25/2014-2/1/2019	182,100	$8.72			182,100	**-**
Nasi / 2014/2018 CNH RSU	6/25/2014	6/25/2014-6/9/2017	4,034	$9.37		4,034		**-**
Nasi / 2015 CNH RSU	6/9/2015	6/9/2015-6/9/2018	10,134	$8.35		5,067		**5,067**
Nasi / 2016 CNH RSU	6/9/2015	6/9/2016-6/9/2019	18,800	$7.43		6,266		**12,534**
Nasi / 2017 CNH PSU	12/22/2017	12/22/2017-2/28/2020		$6.84	184,000			**184,000**
Nasi / 2017 CNH RSU	12/22/2017	12/22/2017-6/30/2020		$12.69	92,000			**92,000**

1) *During 2016, the Compensation Committee, in accordance with the terms of the LTI plan, adjusted the equity awards to make holders of the Company's LTI awards whole for the diminution in value of an FCA share resulting from the Ferrari spin-off. In January 2017, the Compensation Committee, in accordance with the terms of the LTI plan, adjusted the equity awards to make holders of the Company's LTI awards whole for the diminution in value of an FCA share resulting from the distribution of the Company's 16.7 percent ownership interest in RCS Media Group S.p.A. For LTI awards, the actual value of units received will depend on the Company's performance, as described above. Fair value is calculated by multiplying the per unit value of the award by the number of units corresponding to the most probable outcome of the performance conditions as of the grant date. The per unit value is based on the closing price of the Company's stock on the grant date, adjusted to reflect the relative TSR modifiers using a Monte Carlo simulation that includes multiple inputs such as stock price, performance period, volatility and dividend yield.*

Event	Number of shares under award	Conversion Factor	Fair value on award date	Dilution Adjustment	Number of adjusted shares
Ferrari Spin-Off	4,320,000	1.544	$9.61	2,350,080	6,670,080
RCS Media Group S.p.A.	6,670,080	1.005865	$9.56	39,120	6,709,200

2) *In January, 2018, the Compensation Committee in accordance with the terms of the LTI plan, adjusted the equity awards to make holders of the Company's LTI awards whole for the diminution in value of an FCA share resulting from the distribution of the ordinary shares in GEDI Gruppo Editoriale S.p.A. (GEDI). For LTI awards, the actual value of units received will depend on the Company's performance as described above. Fair value is calculated by multiplying the per unit value of the award by the number of units corresponding in the most probable outcome of the performance conditions as of the grant date. The per unit is based on the Company's stock on the grant date, adjusted to reflect the relative TSR modifiers using a Monte Carlo simulation that includes multiple inputs such as stock price, performance period, volatility and dividend yield.*

Event	Number of shares under award	Conversion Factor	Fair value on award date	Dilution Adjustment	Number of adjusted shares
GEDI	4,472,800	1.003733	$9.52	17	4,489,496

3) *This number represents the maximum opportunity for the first vesting of the CEO's equity award.*

4) *The above awards relate to 450 thousand PSUs awarded to the CEO under the equity incentive plan, which covers a five-year performance period from 2016 to 2020, consistent with Company's strategic horizon. The PSU award vest in three equal tranches in March 2019, 2020 and 2021, subject to the achievement of a market performance condition related to Total Shareholder Return. At December 31, 2017 none of the PSU awards had vested.*

The total cost recognized in 2017 by the Company in connection with the stock options plans and the share plans referenced above was approximately €36.2 million, of which €3.9 million related to the Chairman and CEO and €32.3 million to the other board members, in particular related to the plans granted from FCA and Ferrari.

Share Ownership

The following table summarizes the number of common shares of EXOR N.V. and its subsidiaries owned by our directors owned as of at the end of February 2018:

	EXOR N.V. common shares	FCA N.V. common shares	CNH Industrial common shares	Ferrari N.V. common shares	JUVENTUS S.p.A. ordinary shares
Directors EXOR N.V.					
ELKANN John Philipp		133,000 (a)		15,375	
MARCHIONNE Sergio		16,415,500 (a)	11,859,586	1,462,000	
NASI Alessandro		3,750	281,074	375	
AGNELLI Andrea		36,102 (a)		1,727	38,565
RATTAZZI Lupo		50		5	
MOTA DE SOUSA HORTA-OSORIO Antonio	3,818				
FENTENER VAN VISSLINGEN Annemiek	2,100				
SPEYER Robert	2,100				
WERTHEIMER RUTH	2,100				

(a) At the end of February 2018.

RISK FACTORS FROM SUBSIDIARIES

The following paragraphs indicate the specific main risks and uncertainties of the companies in consolidation (FCA, PartnerRe, CNH Industrial and Ferrari).

FCA

Risks related to the Group's business, strategy and operations

FCA- If vehicle shipment volumes deteriorate, particularly shipments of the Group's pickup trucks and larger sport utility vehicles in the U.S. retail market, the results of operations and financial condition of the Group will suffer

As is typical for an automotive manufacturer, the Group has significant fixed costs and, therefore, changes in vehicle shipment volumes can have a disproportionately large effect on profitability.

Further, profitability in the U.S., Canada, Mexico and Caribbean islands ("NAFTA"), a region which contributed a majority of the Group's profit in each of the last three years, is particularly dependent on demand for its pickup trucks and larger SUVs. For example, the Group's pickup trucks and larger SUVs have historically been more profitable than other vehicles and accounted for approximately 62 percent of total U.S. retail vehicle shipments in 2017. A shift in consumer demand away from these vehicles within the NAFTA region, and towards compact and mid-size passenger cars, whether in response to higher fuel prices or other factors, could adversely affect the Group's profitability.

The Group's dependence within the NAFTA region on pickup trucks and larger SUVs remained high in 2017 as it continued implementation of its plan to reallocate more production capacity to these vehicle types after ceasing production in the region of compact and mid-size passenger cars in 2016.

Moreover, the Group tends to operate with negative working capital as it generally receives payment for vehicles within a few days of shipment, whereas there is a lag between the time when parts and materials are received from suppliers and when the Group pays for such parts and materials; therefore, if the Group's vehicle shipments decline materially it may suffer a significant negative impact on cash flow and liquidity as it continues to pay suppliers during a period in which it receives reduced proceeds from vehicle shipments. If vehicle shipments decline, or if they were to fall short of the Group's assumptions, due to recessionary conditions, changes in consumer confidence, geopolitical events, inability to produce sufficient quantities of certain vehicles, limited access to financing or other factors, such decline or shortfall could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - The Group's businesses are affected by global financial markets and general economic and other conditions over which it has little or no control

The Group's results of operations and financial position may be influenced by various macroeconomic factors within the various countries in which it operates including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates for or availability of consumer and business credit, the rate of unemployment and foreign currency exchange rates.

In general, the automotive sector has historically been subject to highly cyclical demand and tends to reflect the overall performance of the economy, often amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for the Group's products in any of the markets in which it operates.

In addition to slow economic growth or recession, other economic circumstances, such as increases in energy prices, fuel prices and fluctuations in prices of raw materials or contractions in infrastructure spending, could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on its business, financial condition and results of operations.

The Group is also subject to risks inherent to operating globally, including those related to:

- exposure to local political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- compliance with applicable anti-corruption laws;

- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and
- the introduction of more stringent laws and regulations.

The Group is particularly susceptible to these risks in the emerging markets where it operates, including Turkey, China, Brazil, India and Russia. Unfavorable developments in any one or a combination of these risk areas (which may vary from country to country) could have a material adverse effect on the Group's business, financial condition and results of operations.

For instance, in June 2016, a majority of voters in the United Kingdom voted in favor of withdrawing from the European Union in a national referendum. The terms of a UK withdrawal, commonly referred to as "Brexit", are subject to a negotiation period that could last up to two years from March 2017 when the government of the United Kingdom formally initiated the withdrawal process, or longer if extended by mutual agreement. During this time, the government of the United Kingdom may also revoke its notification to leave the European Union. The referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, which is also subject to negotiation, including with respect to the laws and regulations that will apply as the United Kingdom determines which European Union-derived laws to replace or replicate. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. Additionally, in recent years, certain member countries of the European Union have implemented austerity measures to avoid defaulting on debt repayments. If a country within the euro area were to default on its debt or withdraw from the euro currency, or, in a more extreme circumstance, the euro currency were to be dissolved entirely, the impact on markets around the world, and on the Company's global business, could be immediate and significant.

In the United States, changes in policy positions by the current presidential administration may impact the Group's business, in particular with respect to its production of vehicles outside the U.S. for import into the U.S., particularly from Canada, Mexico and Italy. For example, although the Group recently announced its intent to move production to the U.S. in 2020, its heavy-duty pickup trucks are currently assembled in Mexico and imported into the U.S. Any new policies and any steps the Group may take to address such new policies could have a material adverse effect on its business, financial condition and results of operations.

These developments have also introduced an elevated level of economic and policy uncertainty, which could cause financial and capital markets within and outside the U.S. and Europe to constrict, thereby negatively impacting the Group's ability to finance its business. It also could cause a substantial dip in consumer and business confidence and spending that could negatively impact sales of vehicles. Any one of these impacts could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, in July 2017 the Brazilian tax authorities issued an instruction that could affect the Group's ability to apply federal tax credits generated in certain operations to offset federal taxes arising from other operations. In December 2017, the Group obtained a preliminary court ruling allowing it to immediately resume application of the impacted federal tax credits. While the Group believes that it is more likely than not that there will be no significant impact from the Brazilian tax authorities' instruction, given the current economic conditions in Brazil, new tax laws may be introduced or changes to the application of existing tax laws may occur that could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group may be unsuccessful in efforts to increase the growth of some of the brands that it believes have global appeal and reach

The growth strategies reflected in the 2014-2018 Business Plan announced in May 2014 and updated in January 2016 (the Group's "Business Plan") include expanding global sales of the Jeep brand through localized production in Asia, Europe and Latin America, the launch of new large utility vehicle models in North America, the reintroduction in North America and expansion in Europe and Asia of the Alfa Romeo brand including the development of an all-new platform and new powertrains, as well as the further expansion of the Maserati brand portfolio.

These strategies, particularly with respect to the Alfa Romeo brand, have required and will continue to require significant investments in products, powertrains, production facilities and distribution networks. If the Group is unable to introduce vehicles that appeal to consumers in these markets and achieve its brand expansion strategies, it may be unable to earn a sufficient return on these investments which could have a material adverse effect on its business, financial condition and results of operations.

FCA - Future performance depends on the Group’s ability to offer innovative, attractive products

The Group’s success depends on, among other things, its ability to develop innovative, high-quality products that are attractive to consumers and provide adequate profitability.

The Group may not be able to effectively compete with other automakers with regard to electrification, autonomous driving, mobility and other emerging trends in the industry. In certain cases, the technologies that the Group plans to employ are not yet commercially practical and depend on significant future technological advances by the Group, its partners and by suppliers. There can be no assurance that these advances will occur in a timely or feasible manner, that the funds the Group has budgeted or expended for these purposes will be adequate, or that it will be able to obtain rights to use these technologies. Further, competitors and others are pursuing similar technologies and other competing technologies, and there can be no assurance that they will not acquire and implement similar or superior technologies sooner than the Group will or on an exclusive basis or at a significant cost advantage.

In addition, as a result of the extended product development cycle and inherent difficulty in predicting consumer acceptance, a vehicle that the Group believes will be attractive may not generate sales in sufficient quantities and at high enough prices to be profitable. It generally takes two years or more to design and develop a new vehicle, and a number of factors may lengthen that schedule. For example, if the Group determines that a safety or emissions defect, a mechanical defect or a non-compliance with regulation exists with respect to a vehicle model prior to retail launch, the launch of such vehicle could be delayed until the Group remedies the defect or non-compliance. Various elements may also contribute to consumers’ acceptance of new vehicle designs, including competitors’ product introductions, fuel prices, general economic conditions and changes in styling preferences.

If the Group fails to develop products that contain desirable technologies and are attractive to and accepted by consumers, the residual value of its vehicles could be negatively impacted. In addition, the increasing pace of inclusion of new innovations and technologies in its vehicles and in those of its competitors could also negatively impact the residual value of the Group’s vehicles. While the Group may not be impacted as significantly by declines in the residual value of its vehicles as compared to competitors that own and operate controlled finance companies, a deterioration in residual value could increase the cost that consumers pay to lease the Group’s vehicles or increase the amount of subvention payments that the Group makes to support its leasing programs.

The failure to develop and offer innovative, attractive and relevant products on a timely basis that compare favorably to those of its principal competitors could have a material adverse effect on the Group’s business, financial condition and results of operations. The Group’s high proportion of fixed costs, both due to its significant investment in property, plant and equipment as well as the requirements of its collective bargaining agreements and other applicable labor relations regulations, which limit its flexibility to adjust personnel costs to changes in demand for Group products, may further exacerbate this risk.

FCA - Laws, regulations and governmental policies, including those regarding increased fuel efficiency requirements and reduced greenhouse gas and tailpipe emissions, have a significant effect on how the Group does business

As the Group seeks to comply with government regulations, particularly those related to fuel efficiency, vehicle safety and greenhouse gas and tailpipe emissions standards, it must devote significant financial and management resources, as well as vehicle engineering and design attention, to these legal requirements. The Group expects the number and scope of these regulatory requirements, along with the costs associated with compliance, to increase significantly in the future, and these costs could be difficult to pass through to consumers.

In addition, fuel efficiency regulations have increased in several markets. For example, in September 2017, China’s Ministry of Industry and Information Technology released administrative rules regarding corporate average fuel consumption (“CAFC”) and new energy vehicle (“NEV”) credits that will become effective on April 1, 2018. Non-compliance with the CAFC target in these administrative rules can be offset through carry-forward CAFC credits, transfer of CAFC credits within affiliates, the OEMs use of its own NEV credits, or the purchase of NEV credits. Non-compliance with the NEV target can only be offset by the purchase of NEV credits. However, the market availability and pricing of CAFC and NEV credits is unclear at this time. If the Group is unable to comply with the applicable targets and fails to offset a negative balance of credits, its sales or production of new passenger vehicles that fail to meet CAFC targets could be suspended. Although the Group continues to evaluate their specific impact, these regulations could materially adversely affect its business, financial condition and results of operations.

FCA - The Group is currently cooperating with diesel emissions investigations by several government agencies and is subject to a number of related private lawsuits

The Group has received inquiries from several regulatory authorities as they examine the on-road tailpipe emissions of several automakers' vehicles and is, when jurisdictionally appropriate, cooperating with a number of governmental agencies and authorities.

In particular, in Europe, the Group has been working with the Italian Ministry of Transport ("MIT") and the Dutch Vehicle Regulator ("RDW"), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency ("DVSA"). The Group also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt ("KBA"), regarding emissions test results for Group vehicles reported by KBA, and discussed the KBA reported test results, emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations have been held under European Commission ("EC") rules, between the MIT and the German Ministry of Transport and Digital Infrastructure ("BMVI"), which oversees the KBA, in an effort to resolve their differences. The mediation was concluded with no action being taken with respect to FCA. In May 2017, the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT has responded to the EC's allegations by confirming that the vehicles' approval process was correctly performed, which was borne out in material Italy provided during the mediation process.

In addition, at the request of the French Consumer Protection Agency, the French public prosecutor has been investigating diesel vehicles of a number of automakers including FCA, regarding whether the sale of those vehicles violated French consumer protection laws.

The results of these inquiries cannot be predicted at this time; however, the intervention by a number of governmental agencies and authorities has required significant management time, which may divert attention from other key aspects of the Group's business plan, or may lead to further enforcement actions as well as penalties or obligations to modify or recall vehicles, any of which may have a material adverse effect on the Group's business, results of operations and reputation.

On January 12, 2017, the U.S. Environmental Protection Agency ("EPA") and the California Air Resource Board issued Notices of Violation related to certain software-based features in the emissions control systems in approximately 100,000 2014-2016 model year light-duty Ram 1500 and Jeep Grand Cherokee diesel vehicles. On May 23, 2017, the Environmental and Natural Resources Division of the U.S. Department of Justice ("DOJ-ENRD") filed a civil lawsuit against FCA in connection with the concerns raised by the EPA. The complaint alleges that software-based features were not disclosed to the EPA as required during the vehicle emissions certification process, resulting in violations of the Clean Air Act. The complaint also alleges that certain of the software features bypass, defeat or render inoperative the vehicles' emission control systems, causing the vehicles to emit higher levels of oxides of nitrogen (NOx) during certain normal real world driving conditions than during federal emissions tests. A number of private lawsuits relating to the vehicles have been filed in U.S. state and federal courts principally on behalf of consumers asserting fraud, violation of consumer protection laws, and other civil claims, including a putative class action that is proceeding in U.S. federal court in the Northern District of California, and a number of other governmental agencies and authorities including the U.S. Department of Justice, the U.S. Securities and Exchange Commission and various states Attorneys General have commenced related investigations.

The Group is unable to predict the outcome of these investigations and litigation at this stage and due to the range of possible outcomes, is unable to reliably estimate a range of probable losses. It is possible that the resolution of these matters may adversely affect the Group's reputation with consumers, which may negatively impact demand for its vehicles and could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group's success largely depends on the ability of the management team to operate and manage effectively

The Group's success largely depends on the ability of its senior executives and other members of management to effectively manage the Group and individual areas of the business. In particular, the Chief Executive Officer, Sergio Marchionne, is critical to the execution of the Group's strategic direction and implementation of the Business Plan.

Although Mr. Marchionne has indicated his intention to remain as Chief Executive Officer through the period of the Business Plan, he has communicated that he plans to retire in the first half of 2019.

The Group has developed succession plans that it believes are appropriate, although it is difficult to predict with any certainty that it will be able to replace these individuals with persons of equivalent experience and capabilities. If the Group is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel, such inability could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group may be subject to more intensive competition if other manufacturers pursue consolidations

The Group has for some time advocated consolidation in the automotive industry due to its view that the industry is characterized by significant duplication in product development costs, much of which does not drive consumer-perceived value. The Group believes that sharing product development costs among manufacturers, preferably through consolidation, would enable automakers to improve their return on capital employed for product development and manufacturing and enhance utilization of tooling, machinery and equipment. While the Group continues to implement its Business Plan, and believes that its business will continue to grow and its operating margins will continue to improve, if competitors are able to successfully integrate with one another and the Group was not to enhance its own collaborations or adapt effectively to increased competition, competitors' integration could have a material adverse effect on its business, financial condition and results of operations.

FCA - Product recalls and warranty obligations may result in direct costs, and any resulting loss of vehicle sales could have material adverse effects on the Group's business

FCA and the U.S. automotive industry in general, have experienced a sustained increase in recall activity to address performance, compliance or safety-related issues. The Group's costs to recall vehicles have been significant and typically include the cost of replacement parts and labor to remove and replace parts. These costs substantially depend on the nature of the remedy and the number of vehicles affected, and may arise many years after a vehicle's sale. Product recalls may also harm the Group's reputation, force it to halt the sale of certain vehicles and cause consumers to question the safety or reliability of Group products. Given the intense regulatory activity across the automotive industry, ongoing compliance costs are expected to remain high.

Any costs incurred, or lost vehicle sales, resulting from product recalls could materially adversely affect the Group's financial condition and results of operations. Moreover, if the Group faces consumer complaints, or it receives information from vehicle rating services that calls into question the safety or reliability of one of its vehicles and it does not issue a recall, or if it does not do so on a timely basis, its reputation may also be harmed and it may lose future vehicle sales. The Group is also obligated under the terms of its warranty agreements to make repairs or replace parts in its vehicles at its expense for a specified period of time. Therefore, any failure rate that exceeds the Group's assumptions could have a material adverse effect on its business, financial condition and results of operations.

Compliance with U.S. regulatory requirements for product recalls has also received heightened scrutiny. In connection with the failure in three specified campaigns to provide an adequate remedy, and noncompliance with various reporting requirements under the National Traffic and Motor Vehicle Safety Act of 1966 and the Transportation Recall Enhancement, Accountability and Documentation (TREAD) Act, FCA US entered into a consent order with NHTSA in 2015 (the "Consent Order") to pay substantial civil penalties and to engage an independent monitor to review and assess FCA US's compliance with its obligations under the Consent Order. FCA US is obligated to remedy the defects in the vehicles subject to the recalls cited in the Consent Order, and in certain instances, FCA US has been required to buy back vehicles as an additional alternative to a repair remedy. Failure to comply with the terms of the Consent Order may result in additional fines and penalties much of which have been deferred pending the independent monitor's and NHTSA's ongoing assessment of FCA US's compliance with terms of the Consent Order. Further, the monitor's term will continue for the duration of the Consent Order. There can be no assurance that the Group will not be subject to additional regulatory inquiries and consequences in the future.

FCA - The automotive industry is highly competitive and cyclical and the Group may suffer from those factors more than some of its competitors

Substantially all of the Group's revenues are generated in the automotive industry, which is highly competitive, encompassing the production and distribution of passenger cars, light commercial vehicles and components and production systems.

The Group faces competition from other international passenger car and light commercial vehicle manufacturers and distributors and components suppliers in Europe, North America, Latin America and the Asia Pacific region. These markets are all highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, consumer service and financial services offered, and many of the Group's competitors are better capitalized with larger market shares.
In the automotive business, sales to consumers are cyclical and subject to changes in the general condition of the economy, the readiness of consumers to buy and their ability to obtain financing, as well as the possible introduction of measures by governments to stimulate demand. The automotive industry is also subject to the constant renewal of product offerings through frequent launches of new models. A negative trend in the automotive industry or inability on the part of the Group to adapt effectively to external market conditions coupled with more limited capital than many of its principal competitors could have a material adverse effect on the Group's business, financial condition and results of operations.

Additionally, global vehicle production capacity exceeds current demand. In the event that industry shipments decrease and overcapacity intensifies, the Group's competitors may attempt to make their vehicles more attractive or less expensive to consumers by adding vehicle enhancements, providing subsidized financing or leasing programs, or by reducing vehicle prices whether directly or by offering option package discounts, price rebates or other sales incentives in certain markets. Manufacturers in countries that have lower production costs may also choose to export lower-cost automobiles to more established markets. An increase in these actions could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - The lack of a captive finance company in certain key markets could place the Group at a competitive disadvantage to other automakers that may be able to offer consumers and dealers financing and leasing on better terms than the Group's consumers and dealers are able to obtain

The Group's dealers enter into wholesale financing arrangements to purchase vehicles from the Group to hold in inventory and facilitate retail sales, and retail consumers use a variety of finance and lease programs to acquire vehicles.
Unlike many of its competitors, the Group does not own and operate a controlled finance company dedicated solely to its mass-market vehicle operations in the U.S. and certain key markets in Europe, Asia and South America. Instead it has elected to partner with specialized financial services providers through joint ventures and commercial agreements. The Group's lack of a controlled finance company in these key markets may increase the risk that its dealers and retail consumers will not have access to sufficient financing on acceptable terms which may adversely affect its vehicle sales in the future. Furthermore, many of the Group's competitors are better able to implement financing programs designed to maximize vehicle sales in a manner that optimizes profitability for them and their finance companies on an aggregate basis. Since the Group's ability to compete depends on access to appropriate sources of financing for dealers and retail consumers, its lack of a controlled finance company in those markets could have a material adverse effect on its business, financial condition and results of operations.
In other markets, the Group relies on controlled finance companies, joint ventures and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail consumers. The ability of a finance company to provide financing services at competitive rates is subject to various factors, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies, defaults or prepayments;
- wholesale auction values of used vehicles;
- higher than expected vehicle return rates and the residual value performance of vehicles they lease; and
- fluctuations in interest rates and currency exchange rates.

Any financial services provider, including the Group's joint ventures and controlled finance companies, will also face other demands on its capital, including the need or desire to satisfy funding requirements for dealers or consumers of its competitors as well as liquidity issues relating to other investments. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to the Group's dealers and retail consumers.
To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to the Group's dealers and retail consumers, such dealers and retail consumers may not have sufficient access to financing to purchase or lease Group vehicles. As a result, the Group's vehicle sales and market share may suffer, which could have a material adverse effect on its business, financial condition and results of operations.

FCA - Vehicle retail sales depend heavily on affordable interest rates for vehicle financing

In certain regions, including NAFTA, financing for new vehicle sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. As interest rates rise generally, market rates for new vehicle financing are expected to rise as well, which may make the Group's vehicles less affordable to retail consumers or steer consumers to less expensive vehicles that tend to be less profitable for the Group, adversely affecting its financial condition and results of operations. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, consumers may not desire to or be able to obtain financing to purchase or lease its vehicles. Furthermore, because purchasers of its vehicles may be relatively more sensitive to changes in the availability and adequacy of financing and macroeconomic conditions, the Group's vehicle sales may be disproportionately affected by changes in financing conditions relative to the vehicle sales of its competitors.

FCA - The Group's business operations and reputation may be impacted by various types of claims, lawsuits, and other contingent obligations

The Group is involved in various disputes, claims, lawsuits, investigations and other legal proceedings relating to several matters, including product liability, warranty, vehicle safety, emissions and fuel economy, product performance, asbestos, personal injury, dealers, suppliers and other contractual relationships, environment, securities law, labor, antitrust, intellectual property, tax and other matters. The Group estimates such potential claims and contingent liabilities and, where appropriate, records provisions to address these contingent liabilities. The ultimate outcome of the legal proceedings pending against the Group is uncertain, and such proceedings could have a material adverse effect on its financial condition or results of operations. Furthermore, additional facts may come to light or the Group could, in the future, be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its business, financial condition and results of operations. While the Group maintains insurance coverage with respect to certain claims, not all claims or potential losses can be covered by insurance, and even if claims could be covered by insurance, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. Further, publicity regarding such investigations and lawsuits, whether or not they have merit, may adversely affect the Group's reputation and the perception of its vehicles with retail customers, which may adversely affect demand for its vehicles, and have a material adverse effect on its business, financial condition and results of operations. For additional risks regarding certain proceedings, see *"The Group is currently cooperating with diesel emissions investigations by several government agencies and is subject to a number of related private lawsuits*"

FCA - A significant security breach compromising the electronic control systems contained in the Group's vehicles could damage the Group's reputation, disrupt business and adversely impact the Group's ability to compete

The Group's vehicles, as well as vehicles manufactured by other original equipment manufacturers (or "OEMs"), contain interconnected and increasingly complex systems that control various vehicle processes including engine, transmission, safety, steering, brakes, window and door lock functions. These systems are susceptible to cybercrime, including threats of intentional disruption and theft of personal information, which are increasing in terms of sophistication and frequency. A significant malfunction, disruption or security breach compromising the electronic control systems contained in the Group's vehicles could damage its reputation, expose it to significant liability and could have a material adverse effect on its business, financial condition and results of operations.

FCA - A significant malfunction, disruption or security breach compromising the operation of the Group's information technology systems could damage its reputation, disrupt its business and adversely impact its ability to compete

The Group's ability to keep its business operating effectively depends on the functional and efficient operation of its information, data processing and telecommunications systems, including vehicle design, manufacturing, inventory tracking and billing and payment systems. These systems are regularly the target of threats from third parties. A significant or large-scale malfunction or interruption of any one of the Group's computer or data processing systems, including through the exploitation of a weakness in its systems or the systems of its vendors, could have a material adverse effect on its ability to manage and keep its manufacturing and other operations running effectively, and damage its reputation. A malfunction or security breach that results in a wide or sustained disruption to its business could have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to supporting its operations, the Group uses its systems to collect and store confidential and sensitive data, including information about its business, its consumers and its employees.

As its technology continues to evolve, the Group anticipates that it will collect and store even more data in the future and that its systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of the Group's value is derived from its confidential business information, including vehicle design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, it may lose its competitive advantage and its vehicle shipments may suffer. The Group also collects, retains and uses personal information, including data it gathers from consumers for product development and marketing purposes, and data it obtains from employees. In the event of a breach in security that allows third parties access to this personal information, the Group is subject to a variety of ever-changing laws on a global basis that require it to provide notification to the data owners, and that subject it to lawsuits, fines and other means of regulatory enforcement. For example, the General Data Protection Regulation (Regulation (EU) 2016/679), which will go into effect in the European Union in May 2018, allows for the assessment of fines of up to 4% of annual worldwide revenue in the event of certain types of data breaches.

The Group's reputation could also suffer in the event of a data breach, which could cause consumers to purchase their vehicles from its competitors. Ultimately, any significant compromise in the integrity of the Group's data security could have a material adverse effect on its business, financial condition and results of operations.

FCA - There can be no assurance that the Group will be able to offset the earnings power lost in the event it chooses to separate a portion of its Components segment from the Group

In 2017, the Group announced that it is considering the separation of a portion of its Components segment from the Group, with a final decision likely to be announced in the first half of 2018. Any such separation may not result in an improvement in the Group's financial condition and could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group may not be able to adequately protect its intellectual property rights, which may harm its business

The Group's success depends, in part, on its ability to protect its intellectual property rights. If the Group fails to protect its intellectual property rights, others may be able to compete against it using intellectual property that is the same as or similar to its own. In addition, there can be no guarantee that the Group's intellectual property rights are sufficient to provide it with a competitive advantage against others who offer products similar to its own. Despite its efforts, the Group may be unable to prevent third parties from infringing its intellectual property and using its technology for their competitive advantage. Any such infringement could have a material adverse effect on the Group's business, financial condition and results of operations.

The laws of some countries in which the Group operates do not offer the same protection of its intellectual property rights as do the laws of the U.S. or Europe. In addition, effective intellectual property enforcement may be unavailable or limited in certain countries, making it difficult for the Group to protect its intellectual property from misuse or infringement there. The Group's inability to protect its intellectual property rights in some countries could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group's reliance on joint arrangements in certain emerging markets may adversely affect the development of the Group's business in those regions

The Group intends to expand its presence in emerging markets, including China and India, through partnerships and joint ventures. For instance, GAC Fiat Chrysler Automobiles Co. ("GAC FCA JV"), its joint venture with Guangzhou Automobile Group Co., Ltd., has commenced local production of the Jeep Cherokee, Jeep Renegade and the all-new Jeep Compass for the Chinese market, expanding the portfolio of Jeep SUVs currently available to Chinese consumers. The Group also has a joint operation with TATA Motors Limited for the production of certain of the Group's vehicles, engines and transmissions in India.

The Group's reliance on joint arrangements to enter or expand its presence in these markets may expose it to risk of conflict with its joint arrangement partners and the need to divert management resources to oversee these shareholder arrangements. Further, as these arrangements require cooperation with third party partners, these joint arrangements may not be able to make decisions as quickly as the Group would if it was operating on its own or may take actions that are different from what it would do on a standalone basis in light of the need to consider its partners' interests. As a result, the Group may be less able to respond timely to changes in market dynamics, which could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group faces risks associated with increases in costs, disruptions of supply or shortages of raw materials, parts, components and systems used in its vehicles

The Group uses a variety of raw materials in its business including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium, as well as energy. The prices for these raw materials fluctuate, and market conditions can affect the Group's ability to manage its Cost of revenues over the short term. The Group may not be successful in managing its exposure to these risks. Substantial increases in the prices for raw materials would increase its operating costs and could reduce profitability if the increased costs cannot be offset by changes in vehicle prices or countered by productivity gains. In particular, certain raw materials are sourced from a limited number of suppliers and from a limited number of countries. The Group cannot guarantee that it will be able to maintain arrangements with these suppliers that assure access to these raw materials, and in some cases this access may be affected by factors outside of its control and the control of its suppliers. For instance, natural or man-made disasters or civil unrest may have severe and unpredictable effects on the price of certain raw materials in the future.

As with raw materials, the Group is also at risk for supply disruption and shortages in parts and components for use in its vehicles for many reasons including, but not limited to, supplier disputes, particularly with regard to warranty recovery claims, supplier financial distress, tight credit markets, natural or man-made disasters, or production difficulties. The Group will continue to work with suppliers to monitor potential disruptions and shortages and to mitigate the effects of any emerging shortages on its production volumes and revenues. However, there can be no assurances that these events will not have an adverse effect on its production in the future, and any such effect may be material.

Any interruption in the supply or any increase in the cost of raw materials, parts, components and systems could negatively impact the Group's ability to achieve its vehicle shipment objectives and profitability. The potential impact of an interruption is particularly high in instances where a part or component is sourced exclusively from a single supplier. Long-term interruptions in supply of raw materials, parts, components and systems may result in a material impact on vehicle production, vehicle shipment objectives, and profitability. Cost increases which cannot be recouped through increases in vehicle prices, or countered by productivity gains, could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - Labor laws and collective bargaining agreements with the Group's labor unions could impact its ability to increase the efficiency of operations

Substantially all of the Group's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict its ability to modify operations and reduce costs quickly in response to changes in market conditions. These and other provisions in the Group's collective bargaining agreements may impede its ability to restructure its business successfully to compete more effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on the Group's business, financial condition and results of operations.

FCA - The Group is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of Group manufacturing activities and commercial activities, resulting in cash flows from sales being denominated in currencies different from those connected to purchases or production activities. Additionally, a significant portion of operating cash flow is generated in U.S. Dollars and, although the Group has significant U.S. Dollar-denominated debt, the majority of its indebtedness is denominated in Euro and Brazilian Real.

The Group uses various forms of financing to cover funding requirements for its industrial activities and for providing financing to its dealers and consumers. Moreover, liquidity for industrial activities is also principally invested in variable-rate or short-term financial instruments. The Group's financial services businesses normally operate a matching policy to offset the impact of differences in rates of interest on the financed portfolio and related liabilities. Nevertheless, changes in interest rates can affect the Group's Net revenues, finance costs and margins.

In addition, although the Group manages risks associated with fluctuations in currency and interest rates through financial hedging instruments, fluctuations in currency or interest rates could have a material adverse effect on its business, financial condition and results of operations.

The Group's financial services activities are also subject to the risk of insolvency of dealers and retail consumers, as well as unfavorable economic conditions in markets where these activities are carried out. Despite its efforts to mitigate such risks through the credit approval policies applied to dealers and retail consumers, there can be no assurances that the Group will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

FCA - FCA is a Dutch public company with limited liability, and the shareholders may have rights different from those of shareholders of companies organized in the U.S.

The rights of FCA's shareholders may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. FCA is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by its articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of FCA's board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors in companies governed by the laws of other jurisdictions including the U.S. In the performance of its duties, FCA's board of directors is required by Dutch law to consider the interests of the Company and the interests of its shareholders, employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of the shareholders.

FCA - It may be difficult to enforce U.S. judgments against FCA

FCA is incorporated under the laws of the Netherlands, and a substantial portion of its assets are outside of the U.S. Most of its directors and senior management and its independent auditors are resident outside the U.S., and all or a substantial portion of their respective assets may be located outside the U.S. As a result, it may be difficult for U.S. investors to effect service of process within the U.S. upon these persons. It may also be difficult for U.S. investors to enforce within the U.S. judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. In addition, there is uncertainty as to whether the courts outside the U.S. would recognize or enforce judgments of U.S. courts obtained against the Group or its directors and officers predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against FCA, its directors and officers and its independent auditors.

FCA - FCA operates so as to be treated as exclusively resident in the United Kingdom for tax purposes, but the relevant tax authorities may treat it as also being tax resident elsewhere

FCA is not a company incorporated in the United Kingdom ("UK"). Therefore, whether it is resident in the UK for tax purposes depends on whether its "central management and control" is located (in whole or in part) in the UK. The test of "central management and control" is largely a question of fact and degree based on all the circumstances, rather than a question of law. Nevertheless, the decisions of the UK courts and the published practice of Her Majesty's Revenue & Customs ("HMRC"), suggest that FCA, a group holding company, is likely to be regarded as having become UK-resident on this basis from incorporation and remaining so if, as FCA intends, (i) at least half of the meetings of the Board of Directors are held in the UK with a majority of directors present in the UK for those meetings; (ii) at those meetings there are full discussions of, and decisions are made regarding, the key strategic issues affecting FCA and its subsidiaries; (iii) those meetings are properly minuted; (iv) at least some of FCA's directors, together with supporting staff, are based in the UK; and (v) FCA has permanent staffed office premises in the UK.

Although it has been accepted by HMRC that FCA's "central management and control" is in the UK, it would nevertheless not be treated as UK-resident if (a) it were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) that has a double tax treaty with the UK and (b) there were a tie-breaker provision in that tax treaty which allocated exclusive residence to that other jurisdiction.

FCA's residence for Italian tax purposes is largely a question of fact based on all circumstances. The Company has set up and has thus far maintained, and intends to continue to maintain, its management and organizational structure in such a manner that it should not be regarded as an Italian tax resident either for Italian domestic law purposes or for the purposes of the Italy-UK tax treaty and should be deemed resident in the UK from its incorporation for the purposes of the Italy-UK tax treaty. Because this analysis is highly factual and may depend on future changes in FCA's management and organizational structure, there can be no assurance regarding the final determination of its tax residence. Should FCA be treated as an Italian tax resident, it would be subject to taxation in Italy on its worldwide income and may be required to comply with withholding tax and/or reporting obligations provided under Italian tax law, which could result in additional costs and expenses.

Although it has been accepted that its “central management and control” is in the UK, FCA would be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes on the basis that it is incorporated there. Nonetheless, it can be regarded as solely resident in either the UK or the Netherlands under the Netherlands-UK tax treaty if the UK and Dutch competent authorities agree that this is the case. FCA has received a ruling from the UK and Dutch competent authorities that it should be treated as resident solely in the UK for the purposes of the treaty. If there is a change over time to the facts upon which this ruling issued by the competent authorities is based, the ruling may be withdrawn or cease to apply.

FCA does not expect a UK exit from the European Union resulting from the referendum held in June 2016 to affect its tax residency in the UK; however, it is unable to predict with certainty whether the discussions to implement the UK's exit from the European Union will ultimately have any impact on this matter.

FCA - The U.K.’s controlled foreign company taxation rules may reduce net returns to shareholders

On the assumption that FCA continues to be resident for tax purposes in the UK, it will be subject to the UK controlled foreign company (“CFC”) rules. The CFC rules can subject UK-tax-resident companies (in this case, FCA) to UK tax on the profits of certain companies not resident for tax purposes in the UK in which they have at least a 25 percent direct or indirect interest. Interests of connected or associated persons may be aggregated with those of the UK-tax-resident company when applying this 25 percent threshold. For a company to be a CFC, it must be treated as directly or indirectly controlled by persons resident for tax purposes in the UK. The definition of control is broad (it includes economic rights) and captures some joint ventures.

FCA expects, however, that its principal operating activities should fall within one or more exemptions from the CFC rules.

Although FCA does not expect the UK’s CFC rules to have an adverse impact on its financial position, the effect of the CFC rules on FCA is not yet certain. FCA will continue to monitor developments in this regard and seek to mitigate any adverse UK tax implications which may arise. However, the possibility cannot be excluded that the CFC rules could have a material adverse effect on the Group’s business, financial condition and results of operations.

FCA - If FCA is deemed to not maintain a permanent establishment in Italy, it could experience a material increase in its tax liability

Whether FCA has maintained a permanent establishment in Italy following the Merger (an “Italian P.E.”) is largely a question of fact based on all the circumstances. FCA believes that, on the understanding that it should be a UK-resident company under the Italy-UK tax treaty, it is likely to be treated as maintaining an Italian P.E. because it has maintained and intends to continue to maintain sufficient employees, facilities and activities in Italy to qualify as maintaining an Italian P.E. Should this be the case (i) the embedded gains on its assets connected with the Italian P.E. cannot be taxed as a result of the Merger; (ii) its tax-deferred equity reserves cannot be taxed, inasmuch as they have been recorded in the Italian P.E.’s financial accounts; and (iii) the Italian fiscal unit that was headed by Fiat before the Merger (the “Fiscal Unit”), continues with respect to FCA’s Italian subsidiaries whose shareholdings are part of the Italian P.E.'s net worth.

FCA filed a ruling request with the Italian tax authorities in respect of the continuation of the Fiscal Unit via the Italian P.E. on April 16, 2014. The Italian tax authorities issued the ruling on December 10, 2014 (the “2014 Ruling”), confirming that the Fiscal Unit may continue via the Italian P.E. Moreover, in another ruling issued on October 9, 2015 (the “2015 Ruling”), the Italian tax authorities confirmed that the separation of Ferrari from the Group (including the first demerger of certain assets held through the Italian P.E.) would qualify as a tax-free, neutral transaction from an Italian income tax perspective. Lastly, in a ruling released on October 28, 2016, the Italian tax authorities confirmed that the Italian P.E. could determine its computation base for the purposes of the Italian regime on notional interest deduction (*Aiuto alla Crescita Economica*) without taking into account certain anti-avoidance provisions (the “2016 Ruling”, and together with the 2014 Ruling and the 2015 Ruling, the “Rulings”). However, the Rulings are not assessments of certain sets of facts and circumstances. Therefore, even though the 2014 Ruling confirms that the Fiscal Unit may continue via the Italian P.E. and the 2015 Ruling and the 2016 Ruling assume such a P.E. to exist, this does not rule out that the Italian tax authorities may in the future verify whether FCA actually has a P.E. in Italy and potentially challenge the existence of such a P.E. Because the analysis is highly factual, there can be no assurance regarding FCA’s maintenance of an Italian P.E. following the Merger.

Risks related to the Group's liquidity and existing indebtedness

FCA - Limitations on the Group's liquidity and access to funding may limit its ability to execute its business strategies and improve its financial condition and results of operations

The Group's performance depends on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and possible access to capital markets or other sources of financing. Although the Group has measures in place that are designed to ensure that adequate levels of working capital and liquidity are maintained, declines in sales volumes could have a negative impact on the cash-generating capacity of its operating activities. In addition, FCA's current credit rating is below investment grade and any deterioration may significantly affect the Group's funding and prospects.

The Group could, therefore, find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions, with limited availability of funding and a general increase in funding costs. Any limitations on its liquidity, due to a decrease in vehicle shipments, the amount of or restrictions in its existing indebtedness, conditions in the credit markets, general economic conditions or otherwise, may adversely impact the Group's ability to execute its business strategies and impair its financial condition and results of operations. In addition, any actual or perceived limitations of its liquidity may limit the ability or willingness of counterparties, including dealers, consumers, suppliers, lenders and financial service providers, to do business with the Group, which could have a material adverse effect on its business, financial condition and results of operations.

FCA - The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding on competitive terms and limit its financial and operating flexibility

Although it has reduced its net indebtedness significantly over the past several years, the extent of the Group's indebtedness may still have important consequences on its operations and financial results, including:

- it may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- it may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available for other purposes, including product development;
- it is more financially leveraged than its competitors, which may put it at a competitive disadvantage; and
- it may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions or its business.

These risks may be exacerbated by volatility in the financial markets, particularly that resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions.

FCA - Restrictive covenants in the debt agreements could limit the Group's financial and operating flexibility

The indentures governing certain of the Group's outstanding public indebtedness, and other credit agreements to which companies in the Group are a party, contain covenants that restrict the ability of certain companies in the Group to, among other things:

- incur additional debt;
- make certain investments;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and
- enter into sale and leaseback transactions.

FCA - Restrictions arising out of FCA US's Tranche B Term Loans may hinder the Group's ability to manage its operations on a consolidated, global basis

FCA US is party to a tranche B term loan maturing on December 31, 2018 (the "Tranche B Term Loan"). The credit agreement that governs the Tranche B Term Loan includes covenants that restrict FCA US's ability to enter into sale and leaseback transactions, purchase or redeem capital stock, prepay other debt, incur or guarantee additional indebtedness, incur liens, transfer and sell assets or engage in certain business combinations or undertake various other business activities.

These restrictive covenants could have an adverse effect on the Group's business by limiting its ability to take advantage of mergers and acquisitions, joint ventures or other corporate opportunities. Additionally, the credit agreement requires FCA US to maintain borrowing base collateral coverage and a minimum liquidity threshold.

Future indebtedness may also contain other and more restrictive covenants. A breach of any of the covenants or restrictions in the credit agreement that governs the Tranche B Term Loan could represent an event of default on the indebtedness of FCA US, which could result in foreclosure on pledged properties and trigger a cross-default under certain of the Group's indebtedness.

FCA - Substantially all of the assets of FCA US and its U.S. subsidiary guarantors are unconditionally pledged as security under the credit agreement that governs its Tranche B Term Loans and could become subject to lenders' contractual rights if an event of default were to occur

FCA US is an obligor and several of its U.S. subsidiaries are guarantors of FCA US's Tranche B Term Loan. The obligations under the credit agreement governing the Tranche B Term Loan are secured by senior priority security interests in substantially all of the assets of FCA US and its U.S. subsidiary guarantors. The collateral includes 100 percent of the equity interests in FCA US's U.S. subsidiaries and 65 percent of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors. An event of default under the credit agreement that governs FCA US's Tranche B Term Loan could trigger its lenders' contractual rights to enforce their security interest in these assets.

FCA - The Group may be exposed to shortfalls in its pension plans

Certain of the Group's defined benefit pension plans are currently underfunded. As of December 31, 2017, defined benefit pension plans were underfunded by approximately €4.3 billion and may be subject to significant minimum contributions in future years. The Group's pension funding obligations may increase significantly if the investment performance of plan assets does not keep pace with benefit payment obligations. Mandatory funding obligations may increase because of lower than anticipated returns on plan assets, whether as a result of overall weak market performance or particular investment decisions, changes in the level of interest rates used to determine required funding levels, changes in the level of benefits provided for by the plans, or any changes in applicable law related to funding requirements. The Group's defined benefit plans currently hold significant investments in equity and fixed income securities, as well as investments in less liquid instruments such as private equity, real estate and certain hedge funds. Due to the complexity and magnitude of certain investments, additional risks may exist, including the effects of significant changes in investment policy, insufficient market capacity to complete a particular investment strategy and an inherent divergence in objectives between the ability to manage risk in the short term and the ability to quickly re-balance illiquid and long-term investments.

To determine the appropriate level of funding and contributions to its defined benefit plans, as well as the investment strategy for the plans, the Group is required to make various assumptions, including an expected rate of return on plan assets and a discount rate used to measure the obligations under defined benefit pension plans. Interest rate increases generally will result in a decline in the value of investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases will generally increase the value of investments in fixed income securities and the present value of the obligations.

Any reduction in the discount rate or the value of plan assets, or any increase in the present value of obligations, may increase pension expenses and required contributions and, as a result, could constrain liquidity and materially adversely affect the Group's financial condition and results of operations. If the Group fails to make required minimum funding contributions, it could be subject to reportable event disclosure to the U.S. Pension Benefit Guaranty Corporation, as well as interest and excise taxes calculated based upon the amount of any funding deficiency.

Risks related to the Group's common shares

FCA - The Group's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

FCA's common shares are listed and traded on both the New York Stock Exchange ("NYSE") and the *Mercato Telematico Azionario* ("MTA") operated by *Borsa Italiana*. The dual listing of the common shares may split trading between the two markets and may result in limited trading liquidity of the shares in one or both markets, which may adversely affect the development of an active trading market for the common shares on either or both exchanges and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for its common shares on the two exchanges, which may contribute to volatility in the trading of its shares.

FCA - The loyalty voting structure may affect the liquidity of the Group’s common shares and reduce the common share price

FCA’s loyalty voting structure may limit the liquidity of its common shares and adversely affect the trading prices of the common shares. The loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding FCA common shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. FCA special voting shares cannot be traded and, immediately prior to the deregistration of common shares from the FCA Loyalty Register, any corresponding special voting shares shall be transferred to the Company for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining FCA special voting shares. Therefore, the loyalty voting structure may reduce liquidity in the common shares and adversely affect their trading price.

FCA - The loyalty voting structure may make it more difficult for shareholders to acquire a controlling interest, change Group management or strategy or otherwise exercise influence over the Group, and the market price of the common shares may be lower as a result

The provisions of FCA’s articles of association which establish the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Group, even if a change of control were considered favorably by shareholders holding a majority of FCA common shares. As a result of the loyalty voting structure, a relatively large proportion of its voting power could be concentrated in a relatively small number of shareholders who would have significant influence over the Group. As of February 15, 2018, EXOR N.V., which controls FCA, owns 29.18 percent of the FCA common shares, had a voting interest in FCA of 42.34 percent due to its participation in the loyalty voting structure and as a result will have the ability to exercise significant influence on matters involving its shareholders. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit FCA shareholders. The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changing Group management or strategy or otherwise exerting influence over the Group.

FCA - There may be potential Passive Foreign Investment Company tax considerations for U.S. Shareholders

Shares of FCA stock held by a U.S. holder would be stock of a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes with respect to a U.S. Shareholder if for any taxable year in which such U.S. Shareholder held FCA common shares, after the application of applicable look-through rules (i) 75 percent or more of FCA’s gross income for the taxable year consists of passive income (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50 percent of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of passive income. U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While the Group believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, shares of FCA stock may become stock of a PFIC in future taxable years if there were to be changes in FCA’s assets, income or operations.

FCA - Tax consequences of the loyalty voting structure are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian, UK or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the Group’s special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the special voting shares are not transferable (other than, in very limited circumstances, together with the associated FCA common shares) and a shareholder will receive amounts in respect of the special voting shares only if the Company is liquidated, the Group believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by the Group is incorrect.

The tax treatment of the loyalty voting structure is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

FCA - Tax may be required to be withheld from dividend payments

Although the UK and Dutch competent authorities have ruled that FCA should be treated as solely resident in the UK for the purposes of the Netherlands-UK double tax treaty, under Dutch domestic law dividend payments made by FCA to Dutch residents are still subject to Dutch dividend withholding tax and the Group would have no obligation to pay additional amounts in respect of such payments.

Should Dutch or Italian withholding taxes be imposed on future dividends or distributions with respect to the Group’s common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder’s jurisdiction and such shareholder’s particular circumstances.

Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of Dutch and/or Italian withholding taxes.

PARTNERRE

Risks Related to the Business, Strategy and Operations

PartnerRe - The volatility of the reinsurance business that PartnerRe underwrites will result in volatility of its earnings

PartnerRe knowingly exposes itself to significant volatility in its net income. The Group creates shareholder value by assuming risk from the insurance and capital markets. This exposes it to volatile earnings as untoward events happen to its clients and in the capital markets. Examples of potential large loss events include, without limitation:

- Natural catastrophes including but not limited to hurricanes, windstorms, floods, tornadoes and earthquakes;
- Man-made disasters such as terrorism and acts of war;
- Declines in the equity, real estate and credit markets;
- Systemic increases in the frequency or severity of casualty or mortality losses; and
- New mass tort actions or reemergence of old mass torts such as cases related to asbestos.

PartnerRe exposes itself to several very significant risks that are of a size that can impact its financial strength or regulatory capital. PartnerRe believes that the following can be categorized as very significant risks:

- Natural catastrophe risk;
- Long tail reinsurance risk;
- Market risk;
- Interest rate risk;
- Default and credit spread risk;
- Trade credit underwriting risk;
- Longevity risk;
- Pandemic risk;
- Agriculture risk; and
- Mortgage reinsurance risk.

Most of these risks can accumulate to the point that they exceed a year’s worth of earnings and potentially adversely affect the capital base of PartnerRe.

The catastrophe business that we underwrite will result in volatility of our earnings and could impair our financial

Catastrophe losses result from events such as windstorms, hurricanes, tsunamis, earthquakes, floods, hailstorms, tornadoes, severe winter weather, fires, drought, explosions and other natural and man-made disasters, the incidence and severity of which are inherently unpredictable. Because catastrophe reinsurance accumulates large aggregate exposures to man-made and natural disasters, PartnerRe’s loss experience in this line of business could be characterized as low frequency and high severity.

PartnerRe may have substantial exposure to unexpected, large losses resulting from future man-made catastrophic events, such as acts of terrorism, acts of war, nuclear accidents and political instability, or from other perils. Although PartnerRe may attempt to exclude losses from terrorism and certain other similar risks from some coverage it writes, PartnerRe may continue to have exposure to such unforeseen or unpredictable events. This may be because, irrespective of the clarity and inclusiveness of policy language, there can be no assurance that a court or arbitration panel will not limit enforceability of policy language or otherwise issue a ruling adverse to PartnerRe.

This is likely to result in substantial volatility in PartneRe’s financial results significant net losses to shareholders, and may also result in a material decline of its book value or common shareholder's equity that may limit its ability to make dividend payments and payments of interest and principal on its debt securities and limit the funds available to make payments on policyholder claims. Should PartnerRe incur a very large catastrophic loss or a series of catastrophic losses, its ability to write future business may be adversely impacted if PartnerRe is unable to replenish its capital.

PartnerRe believes, and recent scientific studies have indicated, that the frequency of Atlantic basin hurricanes has increased and may change further in the future relative to the historical experience over the past 100 years. As a result of changing climate conditions, such as global warming, there may be increases in the frequency and severity of natural catastrophes and the losses that result from them. PartnerRe monitors and adjusts, as the Company believes appropriate, its risk management models to reflect its judgment of how to interpret current developments and information, such as these studies.

The Company believes that factors including increases in the value and geographic concentration of insured property, particularly along coastal regions, the increasing risk of extreme weather events reflecting changes in climate and ocean temperatures, and the effects of inflation may continue to increase the severity of claims from catastrophic events in the future.

It is also difficult to predict the timing of such events with statistical certainty, or estimate the amount of loss any given occurrence will generate. Reserves for potential losses associated with man-made or other catastrophic events are established at the time an event that may give rise to such losses occurs. If such an event were to occur, PartnerRe's reported income would decrease in the affected period. In particular, unforeseen large losses could reduce its profitability or impair its financial condition.

PartnerRe - Given the inherent uncertainty of models, the usefulness of such models as a tool to evaluate risk is subject to a high degree of uncertainty that could result in actual losses that are materially different than PartnerRe's estimates including probable maximum losses (PMLs), and its financial results may be adversely impacted, perhaps significantly

In addition to its own proprietary catastrophe models, PartnerRe uses third party vendor analytic and modeling capabilities to provide an objective risk assessment relating to other risks in its reinsurance portfolio. PartnerRe uses these models to help it control risk accumulation, inform management and other stakeholders of capital requirements and to improve the risk/return profile or minimize the amount of capital required to cover the risks in each reinsurance contract in its overall portfolio of reinsurance contracts. However, given the inherent uncertainty of modeling techniques and the application of such techniques, these models and databases may not accurately address a variety of matters which might be deemed to impact certain of its coverages.

For example, catastrophe models that simulate loss estimates based on a set of assumptions are important tools used by PartnerRe to estimate its PMLs. These assumptions address a number of factors that impact loss potential including, but not limited to, the characteristics of the natural catastrophe event; demand surge resulting from an event; the types, function, location and characteristics of exposed risks; susceptibility of exposed risks to damage from an event with specific characteristics; and the financial and contractual provisions of the (re)insurance contracts that cover losses arising from an event. PartnerRe runs many model simulations in order to understand the impact of these assumptions on its catastrophe loss potential. Furthermore, there are risks associated with catastrophe events, which are either poorly represented or not represented at all by catastrophe models. Each modeling assumption or un-modeled risk introduces uncertainty into PML estimates that management must consider. These uncertainties can include, but are not limited to, the following:

- The models do not address all the possible hazard characteristics of a catastrophe peril (e.g. the precise path and wind speed of a hurricane);
- The models may not accurately reflect the true frequency of events;
- The models may not accurately reflect a risk's vulnerability or susceptibility to damage for a given event characteristic;
- The models may not accurately represent loss potential to reinsurance contract coverage limits, terms and conditions; and
- The models may not accurately reflect the impact on the economy of the area affected or the financial, judicial, political, or regulatory impact on insurance claim payments during or following a catastrophe event.
- PartnerRe's PMLs are selected after assessment of multiple third party vendor model output, internally constructed independent models, including PartnerRe's CatFocus® suite of models, and other qualitative and quantitative assessments by management, including assessments of exposure not typically modeled in vendor or internal models. PartnerRe's methodology for estimating PMLs may differ from methods used by other companies and external parties given the various assumptions and judgments required to estimate a PML.

As a result of these factors and contingencies, PartnerRe's reliance on assumptions and data used to evaluate its entire reinsurance portfolio and specifically to estimate a PML, is subject to a high degree of uncertainty that could result in actual losses that are materially different from its PML estimates and, as a result, its financial results may be adversely impacted, perhaps significantly.

PartnerRe - If actual losses exceed its estimated loss reserves, PartnerRe’s net income and capital position will be reduced

PartnerRe’s success depends upon its ability to accurately assess the risks associated with the businesses that it reinsures. PartnerRe establishes loss reserves to cover its estimated liability for the payment of all losses and loss expenses incurred with respect to premiums earned on the contracts written. Loss reserves are estimates involving actuarial and statistical projections at a given time to reflect the Group’s expectation of the costs of the ultimate settlement and administration of claims. Although PartnerRe uses actuarial models as well as historical reinsurance and insurance industry loss statistics, it also relies heavily on data provided by counterparties and on management’s experience and judgment to assist in the establishment of appropriate claims and claim expense reserves. Because of the many assumptions and estimates involved in establishing reserves, the reserving process is inherently uncertain. PartnerRe’s estimates and judgments are based on numerous factors, and may be revised as additional experience and other data become available and are reviewed as new or improved methodologies are developed, as loss trends and claims inflation impact future payments, or as current laws or interpretations thereof change.

Estimates of losses are based on, among other things, a review of potentially exposed contracts, information reported by and discussions with counterparties, and PartnerRe’s estimate of losses related to those contracts and are subject to change as more information is reported and becomes available. Losses for casualty and liability lines often take a long time to be reported, and frequently can be impacted by lengthy, unpredictable litigation and by the inflation of loss costs over time. Changes in the level of inflation also result in an increased level of uncertainty in estimation of loss reserves, particularly for long-tail lines of business. As a consequence, actual losses and loss expenses paid may deviate substantially from the reserve estimates reflected in PartnerRe’s financial statements.

Although PartnerRe did not operate prior to 1993, it assumed certain asbestos and environmental exposures through its acquisitions. Its non-life reserves include an estimate of its ultimate liability for asbestos and environmental claims for which it cannot estimate the ultimate value using traditional reserving techniques, and for which there are significant uncertainties in estimating the amount of potential losses. These liabilities are especially hard to estimate for many reasons, including the long delays between exposure and manifestation of any bodily injury or property damage, difficulty in identifying the source of the asbestos or environmental contamination, long reporting delays and difficulty in properly allocating liability for the asbestos or environmental damage. Certain of PartnerRe’s subsidiaries have received and continue to receive notices of potential reinsurance claims from ceding insurance companies, which have in turn received claims asserting asbestos and environmental losses under primary insurance policies, in part reinsured by PartnerRe. Such claims notices are often precautionary in nature and are generally unspecific, and the primary insurers often do not attempt to quantify the amount, timing or nature of the exposure. Given the lack of specificity in some of these notices, and the legal and tort environment that affects the development of claims reserves, the uncertainties inherent in valuing asbestos and environmental claims are not likely to be resolved in the near future. In addition, the reserves that PartnerRe has established may be inadequate. If ultimate losses and loss expenses exceed the reserves currently established, PartnerRe will be required to increase loss reserves in the period in which it identifies the deficiency to cover any such claims. As a result, even when losses are identified and reserves are established for any line of business, ultimate losses and loss expenses may deviate, perhaps substantially, from estimates reflected in loss reserves in PartnerRe’s financial statements. Variations between PartnerRe’s loss reserve estimates and actual emergence of losses could be material and could have a material adverse effect on its results of operations and financial condition.

PartnerRe - Since PartnerRe relies on a few reinsurance brokers for a large percentage of its business, loss of business provided by these brokers could reduce the Group’s premium volume and net income

PartnerRe produces its business both through brokers and through direct relationships with insurance company clients. For the year ended December 31, 2017, more than 70% of its gross premiums written were produced through brokers. In 2017, PartnerRe had two brokers that accounted for 47% of its gross premiums written. Because broker-produced business is concentrated with a small number of brokers, PartnerRe is exposed to concentration risk. A significant reduction in the business produced by these brokers could potentially reduce its premium volume and net income.

PartnerRe - PartnerRe is exposed to credit risk relating to its reinsurance brokers and cedants

In accordance with industry practice, PartnerRe may pay amounts owed under its reinsurance policies to brokers, and they in turn pay these amounts to the ceding insurer. In some jurisdictions, if the broker fails to make such an onward payment, PartnerRe might remain liable to the ceding insurer for the deficiency. Conversely, the ceding insurer may pay premiums to the broker, for onward payment to PartnerRe in respect of reinsurance policies issued by PartnerRe. In certain jurisdictions, these premiums are considered to have been paid to PartnerRe at the time that payment is made to the broker, and the ceding insurer will no longer be liable to PartnerRe for those amounts, whether or not PartnerRe has actually received the premiums. PartnerRe may not be able to collect all premiums receivable due from any particular broker at any given time. PartnerRe also assumes credit risk by writing business on a funds withheld basis. Under such arrangements, the cedant retains the premium they would otherwise pay to PartnerRe to cover future loss payments.

PartnerRe - If PartnerRe is downgraded by rating agencies, its standing with brokers and customers could be negatively impacted and may adversely impact its results of operations

Third party rating agencies assess and rate the claims paying ability and financial strength of insurers and reinsurers, such as PartnerRe's principal operating subsidiaries. These ratings are based upon criteria established by the rating agencies and have become an important factor in establishing PartnerRe's competitive position in the market. Insured, insurers, ceding insurers and intermediaries use these ratings as one measure by which to assess the financial strength and quality of insurers and reinsurers. They are not an evaluation directed to investors in PartnerRe's common shares, preferred shares or debt securities, and are not a recommendation to buy, sell or hold PartnerRe's common shares, preferred shares or debt securities.

PartnerRe's financial strength ratings are subject to periodic review as rating agencies evaluate it to confirm that it continues to meet their criteria for ratings assigned to it by them. Such ratings may be revised downward or revoked at the sole discretion of such rating agencies in response to a variety of factors, including capital adequacy, management strategy, operating earnings and risk profile. In addition, from time to time one or more rating agencies may effect changes in their capital models and rating methodologies that could have a detrimental impact on PartnerRe's ratings. It is also possible that rating agencies may in the future heighten the level of scrutiny they apply when analyzing companies in the industry, may increase the frequency and scope of their reviews, may request additional information from the companies that they rate, and may adjust upward the capital and other requirements employed in their models for maintenance of certain rating levels. PartnerRe can offer no assurances that its ratings will remain at their current levels.

If PartnerRe ratings were downgraded, its competitive position in the reinsurance industry may suffer, and this could result in a reduction in demand for its products. In addition, certain business that PartnerRe writes contains terms that give the ceding company or derivative counterparty the right to terminate cover and/or require collateral if PartnerRe's ratings are downgraded .

PartnerRe's current financial strength ratings are as follows:

Standard & Poor's	A+	Stable
Moody's	A1	Stable
A.M. Best	A	Stable

The status of any further changes to ratings or outlooks will depend on various factors. PartnerRe can offer no assurances that its ratings will remain at their current levels.

PartnerRe - PartnerRe may require additional capital in the future, which may not be available or may only be available on unfavorable terms

PartnerRe's future capital requirements depend on many factors, including regulatory requirements, its ability to write new business successfully, the frequency and severity of catastrophic events, and its ability to establish premium rates and reserves at levels sufficient to cover losses. PartnerRe may need to raise additional funds through financings or curtail its growth and reduce its assets. Any debt financing, if available at all, may be on terms that are not favorable to PartnerRe. Disruption in the financial markets may limit PartnerRe's ability to access capital required to operate its business and it may be forced to delay raising capital or bear a higher cost of capital, which could decrease its profitability and significantly reduce its financial flexibility.

In addition, if PartnerRe experiences a credit rating downgrade, withdrawal or negative watch/outlook in the future, it could incur higher borrowing costs and may have more limited means to access capital. If it cannot obtain adequate capital on favorable terms or at all, its business, operating results and financial condition could be adversely affected.

PartnerRe - The exposure of its investments to interest rate, credit, equity and real estate related risks may limit PartnerRe's net income and may affect the adequacy of its capital

PartnerRe invests the net premiums it receives unless, or until such time as, it pays out losses and/or until they are made available for distribution to common and preferred shareholders, used to pay interest or redeem debt or preferred shares, or otherwise used for general corporate purposes. Investment results comprise a substantial portion of PartnerRe's income, including net investment income and realized and unrealized gains on investments which are recognized through net income for investments at fair value through profit or loss and in other comprehensive income for available-for-sale investments. The majority of PartnerRe's investments are carried at fair value. An increase in interest rates will result in a decrease in the fair value of the PartnerRe's investments and PartnerRe may be forced to liquidate investments prior to maturity at a loss in order to cover liabilities. A decrease in interest rates would have the opposite effect.

While the PartnerRe Board of Directors has implemented what it believes to be prudent risk management and investment asset allocation practices, the Group is exposed to significant financial and capital market risks, including changes in interest rates, credit spreads, equity and real estate prices, foreign exchange rates, market volatility, the performance of the economy in general and other factors outside its control.

PartnerRe's fixed maturity portfolio is primarily invested in high quality, investment grade securities. It also invests in other investments such as fixed income type mutual funds, notes receivable, loans receivable, private placement bond investments, derivative exposure assumed and other specialty asset classes. These securities generally pay a higher rate of interest and have a higher degree of credit or default risk. These securities may also be less liquid in times of economic weakness or market disruptions.

PartnerRe also invests in preferred and common stocks or equity-like securities. The value of these assets fluctuates with equity markets. In times of economic weakness, the market value and liquidity of these assets may decline, and may impact net income and capital. PartnerRe uses the term equity-like investments to describe its investments that have market risk characteristics similar to equities and are not investment grade fixed maturity securities. This category includes high yield and convertible fixed maturity investments and private placement equity investments. Fluctuations in the fair value of its equity-like investments may reduce its income in any period or year and cause a reduction in its capital. As global equity markets are at historically high levels, there can be no assurance that its equity-like investments will maintain their current levels.

In addition, PartnerRe invests directly and indirectly in real estate assets, which are subject to overall market conditions. In addition to investments in real estate investment trusts, real estate limited partnerships and an investment in a privately held real estate investment and development group, Group Almacantar Group S.A. (Almacantar), the Company during 2017 also invested directly in residential real estate. These real estate assets are exposed to various risks, including the supply and demand of leasable commercial and residential space and fluctuations in real estate prices globally.

PartnerRe - Foreign currency fluctuations may reduce PartnerRe's net income and capital levels

Through its multinational reinsurance operations, PartnerRe conducts business in a variety of foreign (non-U.S.) currencies, the principal exposures being the euro, British pound, Canadian dollar, and Swiss Franc. Assets and liabilities denominated in foreign currencies are exposed to changes in currency exchange rates, which may be material. PartnerRe's reporting currency is the U.S. dollar, and exchange rate fluctuations relative to the U.S. dollar may materially impact its results and financial position. PartnerRe employs various strategies (including hedging) to manage its exposure to foreign currency exchange risk. To the extent that these exposures are not fully hedged or the hedges are ineffective, its results or equity may be reduced by fluctuations in foreign currency exchange rates. The sovereign debt crisis in Europe and the related financial restructuring efforts, which may cause the value of the euro to deteriorate, may magnify these risks.

PartnerRe - PartnerRe may suffer losses due to defaults by others, including issuers of investment securities and reinsurance and derivative counterparties

Issuers or borrowers whose securities PartnerRe holds, reinsurers, clearing agents, clearing houses, joint venture partners, derivative instrument counterparties and other financial intermediaries may default on their obligations to PartnerRe due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons. Even if PartnerRe is entitled to collateral when a counterparty defaults, such collateral may be illiquid or proceeds from such collateral when liquidated may not be sufficient to recover the full amount of the obligation. PartnerRe's investment portfolio may include investment securities in the financial services sector that have recently experienced defaults. All or any of these types of default could have a material adverse effect on PartnerRe's results of operations, financial condition and liquidity.

PartnerRe - PartnerRe's debt, credit and International Swap Dealers Association (ISDA) agreements may limit its financial and operational flexibility, which may affect the ability to conduct its business

PartnerRe has incurred indebtedness, and may incur additional indebtedness in the future. Additionally, it has entered into credit facilities and ISDA agreements with various institutions. Under these credit facilities, the institutions provide revolving lines of credit to the Company and its major operating subsidiaries and issue letters of credit to clients in the ordinary course of business.

The agreements relating to PartnerRe's debt, credit facilities and ISDA agreements contain various covenants that may limit its ability, among other things, to borrow money, make particular types of investments or other restricted payments, sell assets, merge or consolidate. Some of these agreements also require PartnerRe to maintain specified ratings and financial ratios, including a minimum net worth covenant. If it fails to comply with these covenants or meet required financial ratios, the lenders or counterparties under these agreements could declare a default and demand immediate repayment of all amounts owed to them.

If PartnerRe is in default under the terms of these agreements, then it would also be restricted in its ability to declare or pay any dividends, redeem, purchase or acquire any shares or make a liquidation payment.

PartnerRe - If any one of the financial institutions that it uses in its operations, including those that participate in its credit facilities, fails or is otherwise unable to meet its commitments, PartnerRe could incur substantial losses and reduced liquidity

PartnerRe maintains cash balances significantly in excess of the U.S. Federal Deposit Insurance Corporation insurance limits at various depository institutions. It also has funding commitments from a number of banks and financial institutions that participate in its credit facilities. Access to funds under these existing credit facilities is dependent on the ability of the banks that are parties to the facilities to meet their funding requirements. Those banks may not be able to meet their funding requirements if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests within a short period of time, and PartnerRe might be forced to replace credit sources in a difficult market. There have also been recent consolidations in the banking industry which could lead to increased reliance on and exposure to a limited number of institutions. If PartnerRe cannot obtain adequate financing or sources of credit on favorable terms, or at all, its business, operating results and financial condition could be adversely impacted.

PartnerRe - Operational risks, including human or systems failures, are inherent in PartnerRe's business

Operational risks and losses can result from many sources including fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorization, failure to comply with regulatory requirements or information technology failures.

PartnerRe believes its modeling, underwriting and information technology and application systems are critical to its business and reputation. Moreover, its technology and applications have been an important part of its underwriting process and its ability to compete successfully. Such technology is and will continue to be a very important part of its underwriting process. PartnerRe has also licensed certain systems and data from third parties. PartnerRe cannot be certain that it will have access to these, or comparable service providers, or that its technology or applications will continue to operate as intended. In addition, PartnerRe cannot be certain that it would be able to replace these service providers or consultants without slowing its underwriting response time. A major defect or failure in PartnerRe's internal controls or information technology and application systems could result in management distraction, harm to its reputation, a loss or delay of revenues or increased expense.

PartnerRe - Cybersecurity events could disrupt business operations, result in the loss of critical and confidential information, and adversely impact PartnerRe's reputation and results of operations

PartnerRe is dependent upon the effective functioning and availability of its information technology and application systems platforms. These platforms include, but are not limited to, its proprietary software programs such as catastrophe models as well as those licensed from third-party vendors including data storage, analytic and modeling systems. PartnerRe relies on the security of such platforms for the secure processing, storage and transmission of confidential information. Examples of cybersecurity incidents are unauthorized access, computer viruses, deceptive communications (phishing), malware or other malicious code or cyber-attack, destructive attack, system failures and disruptions and other events that could have security consequences (each, Cybersecurity Incident). A Cybersecurity Incident could materially impact PartnerRe's ability to adequately price products and services, establish reserves, provide efficient and secure services to its clients, brokers, vendors and regulators, value its investments and to timely and accurately report its financial results. Although PartnerRe has implemented controls and has taken protective measures to reduce the risk of a Cybersecurity Incident, it cannot reasonably anticipate or prevent all Cybersecurity Incidents. A Cybersecurity Incident could expose the Group to a risk of loss or misuse of its information, litigation, reputational damage, violations of applicable privacy and other laws, fines, penalties or losses that are either not insured against or not fully covered by insurance maintained. PartnerRe may be required to expend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities.

PartnerRe - The loss of key management personnel could have an adverse effect

PartnerRe's success has depended, and will continue to depend, partly upon its ability to attract and retain management personnel. If any of these key management employees ceased to continue in their present role, the Group could be adversely affected.

PartnerRe believes there are only a limited number of available qualified executives in the business lines in which it competes. Its ability to execute its business strategy is dependent on PartnerRe's ability to attract and retain a staff of qualified executive officers, underwriters, actuaries and other key personnel. The skills, experience and knowledge of the reinsurance industry of PartnerRe's management team constitute important competitive strengths. If some or all of these managers leave their positions, and even if PartnerRe were able to find persons with suitable skills to replace them, its operations could be adversely affected.

PartnerRe - PartnerRe may be adversely impacted by inflation

Deficit spending by governments in PartnerRe's major markets exposes PartnerRe to heightened risk of inflation. The Company monitors the risk that the principal markets in which it operates could experience increased inflationary conditions, which would, among other things, cause policyholder loss costs to increase, and negatively impact the performance of its investment portfolio. Inflation related to medical costs, construction costs and tort issues in particular impact the property and casualty industry and broader market inflation has the potential risk of increasing overall loss costs. The impact of inflation on loss costs could be more pronounced for those lines of business that are considered to be long tail in nature, as they require a relatively long period of time to finalize and settle claims. Changes in the level of inflation also result in an increased level of uncertainty in the estimation of loss reserves, particularly for long tail lines of business. The onset, duration and severity of an inflationary period cannot be estimated with precision. The global sovereign debt crisis and the related financial restructuring efforts have, among other factors, made it more difficult to predict the inflationary environment.

Risks Related to the industry

PartnerRe - PartnerRe's profitability is affected by the cyclical nature of the reinsurance industry

Historically, the reinsurance industry has experienced significant fluctuations in operating results due to competition, levels of available capacity, trends in cash flows and losses, general economic conditions and other factors, particularly in the Non-life lines of business.

Demand for reinsurance is influenced significantly by underwriting results of primary insurers, including catastrophe losses, and prevailing general economic conditions. The supply of reinsurance is related directly to prevailing prices and levels of capacity that, in turn, may fluctuate in response to changes in rates of return on investments being realized in the reinsurance industry. If any of these factors were to result in a decline in the demand for reinsurance or an overall increase in reinsurance capacity, PartnerRe's profitability could be impacted. In recent years, PartnerRe has experienced a generally softening market cycle, with increased competition, surplus underwriting capacity, deteriorating rates and less favorable terms and conditions all having an impact on PartnerRe's ability to write business.

Currently, the Company is experiencing improving market conditions with increased pricing in most Non-life classes, primarily in those markets that have been exposed to the catastrophe losses in 2017. As a result of the persisting competition and excess capacity in the industry, it is not possible to forecast if improving pricing conditions will continue in the future.

PartnerRe - PartnerRe operates in a highly competitive environment

The reinsurance industry is highly competitive and PartnerRe competes with a number of worldwide reinsurance companies including, Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft (Munich Re); Swiss Re Ltd. (Swiss Re), Hannover Rück SE (Hannover Re), SCOR SE, Transatlantic Reinsurance Company Inc. (Transatlantic), General Reinsurance Corporation (GenRe), Reinsurance Group of America, Incorporated (RGA), Everest Re Group, Ltd. (Everest Re), RenaissanceRe Holdings Ltd. (RenRe) and Validus Holdings, Ltd. (Validus).

The lack of strong barriers to entry into the reinsurance business means that PartnerRe also competes with new companies that continue to be formed to enter the reinsurance market. In addition, PartnerRe may experience increased competition as a result of the consolidation in the insurance and reinsurance industry. These consolidated entities may try to use their enhanced market power and relationship to negotiate price reductions for PartnerRe products and services and/or obtain a larger market share through increased line sizes. Consolidated companies may also purchase less reinsurance product and services, due to increased levels of capital.

Competition in the types of reinsurance that PartnerRe underwrites is based on many factors, including the perceived and relative financial strength, pricing and other terms and conditions, services provided, ratings assigned by independent rating agencies, speed of claims payment, geographic scope of business, client and broker relationships, reputation and experience in the lines of business to be written. If competitive pressures reduce PartnerRe's prices, it would expect to write less business. In addition, competition for customers would become more intense and the Company could incur additional expenses relating to customer acquisition and retention, further reducing its operating margins.

Further, insurance-linked securities and derivative and other non-traditional risk transfer mechanisms and alternative vehicles are being developed and offered by other parties, which could impact the demand for traditional insurance or reinsurance. A number of new, proposed or potential industry or legislative developments could further increase competition in PartnerRe's industry. New competition from these developments could cause the demand for reinsurance and/or prices to fall or the expense of customer acquisition and retention to increase, either of which could have a material adverse effect on our growth and profitability.

The level of competition is determined by supply of and demand for capacity. Demand is determined by client buying behavior, which varies based on the client's perception of the amount and volatility of risk, its financial capacity to bear it and the cost of risk transfer. Supply is determined by the existing reinsurance companies' level of financial strength and the introduction of capacity from new start-ups or capital markets. Significant new capacity or significant reduction in demand will depress industry profitability until the supply/demand balance is redressed. Extended periods of imbalance could depress industry profitability to a point where PartnerRe would fail to meet its targets.

All of the above factors may adversely affect PartnerRe's profitability and results of operations in future periods, the impact of which may be material, and may adversely affect its ability to successfully execute its strategy as a global diversified reinsurance company.

Legal and Regulatory Risks

PartnerRe - Political, regulatory, governmental and industry initiatives could adversely affect the business

PartnerRe's reinsurance operations are subject to extensive laws and regulations that are administered and enforced by a number of different governmental and non-governmental self-regulatory authorities and associations in each of their respective jurisdictions and internationally.

PartnerRe's businesses in each jurisdiction are subject to varying degrees of regulation and supervision. The laws and regulations of the jurisdictions in which its reinsurance subsidiaries are domiciled require, among other things, maintenance of minimum levels of statutory capital, surplus, and liquidity; various solvency standards; and periodic examinations of subsidiaries' financial condition. In some jurisdictions, laws and regulations also restrict payments of dividends and reductions of capital. Applicable statutes, regulations, and policies may also restrict the ability of these subsidiaries to write insurance and reinsurance policies, to make certain investments, and to distribute funds.

Some of these authorities regularly consider enhanced or new regulatory requirements intended to prevent future crises or otherwise assure the stability of institutions under their supervision. These authorities may also seek to exercise their supervisory authority in new and more robust ways, and new regulators could become authorized to oversee parts of PartnerRe's business.

It is not possible to predict all future impacts of these types of changes but they could affect the way PartnerRe conducts its business and manages its capital, and may require to satisfy increased capital requirements, any of which, in turn, could affect its results of operations, financial condition and liquidity. For example, the regulated reinsurance subsidiaries of PartnerRe across the European Union (EU) are subject to the Directive 2009/138/EC (EU directive) of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II). Bermuda's commercial reinsurance regime that the Company regulated Bermuda reinsurance subsidiaries operates within has achieved Solvency II equivalence with the EU directive. Solvency II covers capital adequacy, risk management and regulatory reporting for insurers, and came into effect on January 1, 2016. PartnerRe may not be able to comply fully with, or obtain appropriate exemptions from, such requirements or similar regulations, in their current form or as they may be amended in the future, which may have a material adverse effect on its business. PartnerRe is also currently, and may in the future be, subject to regulatory investigation. If its compliance with Solvency II or any other regulatory regime is challenged, the Company may be subject to monetary or other penalties. In addition, in order to ensure compliance with applicable regulatory requirements or as a result of any investigation, including remediation efforts, PartnerRe could be required to incur significant expenses and undertake additional work, which in turn may divert resources from its business. These and other regulations relating to each of its material subsidiaries may in effect restrict each of those subsidiaries' ability to write new business, to make certain investments and to distribute funds or assets to The Company.

Recent government intervention and the possibility of future government intervention have created uncertainty in the insurance and reinsurance markets. Government regulators are generally concerned with the protection of policyholders to the exclusion of other interested parties, including shareholders of reinsurers. PartnerRe believes it is likely there will continue to be increased regulation of, and other forms of government participation in, the industry in the future, which could adversely affect its business by, among other things:

- Providing reinsurance capacity in markets and to clients that PartnerRe targets or requiring PartnerRe's participation in industry pools and guaranty associations;
- Further restricting PartnerRe's operational or capital flexibility;
- Expanding the scope of coverage under existing policies;
- Regulating the terms of reinsurance policies;
- Adopting further or changing compliance requirements which may result in additional costs which may adversely impact our results of operations; or
- Disproportionately benefiting the companies domiciled in one country over those domiciled in another.

The insurance industry is also affected by political, judicial and legal developments that may create new and expanded theories of liability, which may result in unexpected claim frequency and severity and delays or cancellations of reinsurance products and services provided by PartnerRe, which could adversely affect its business.

PartnerRe - Legal and enforcement activities relating to the insurance industry could affect PartnerRe's business and its industry

The insurance industry has experienced substantial volatility as a result of litigation, investigations and regulatory activity by various insurance, governmental and enforcement authorities concerning certain practices within the insurance industry. These practices include the accounting treatment for finite reinsurance or other non-traditional or loss mitigation insurance and reinsurance products.

These investigations have resulted in changes in the insurance and reinsurance markets and industry business practices. While at this time, none of these changes has had an adverse effect on PartnerRe's business, it is unable to predict the potential effects, if any, that future investigations may have upon the industry. As noted above, because PartnerRe frequently assumes the credit risk of the counterparties with whom it does business throughout its insurance and reinsurance operations, its results of operations could be adversely affected if the credit quality of these counterparties is severely impacted by investigations in the insurance industry or by changes to industry practices.

PartnerRe - Emerging claim and coverage issues could adversely affect PartnerRe’s business

Unanticipated developments in the law, as well as changes in social and environmental conditions could potentially result in unexpected claims for coverage under PartnerRe’s insurance, reinsurance and other contracts. These developments and changes may adversely affect PartnerRe’s business by either extending coverage beyond its underwriting intent or by increasing the number or size of claims. With respect to PartnerRe’s casualty businesses, these legal, social and environmental changes may not become apparent until sometime after their occurrence. Exposure to these uncertainties could be exacerbated by an increase in insurance and reinsurance contract disputes, arbitration and litigation.

The full effects of these and other unforeseen emerging claim and coverage issues are extremely hard to predict. As a result, the full extent of PartnerRe’s liability under its coverages, and in particular, its casualty reinsurance contracts, may not be known for many years after a contract is issued.

The insurance industry is also affected by political, judicial and legal developments that may create new and expanded theories of liability, which may result in unexpected claim frequency and severity and delays or cancellations of products and services provided by PartnerRe, which could adversely affect its business.

PartnerRe - PartnerRe’s international business is subject to applicable laws and regulations relating to sanctions and foreign corrupt practices, the violation of which could adversely affect the Group’s operations

PartnerRe must comply with all applicable economic sanctions and anti-bribery laws and regulations of the U.S., the European community and other foreign jurisdictions where it operates. U.S. laws and regulations applicable to PartnerRe include the economic trade sanctions laws and regulations administered by the United States Department of the Treasury’s Office of Foreign Assets Control as well as certain laws administered by the United States Department of State. In addition, PartnerRe is subject to the Foreign Corrupt Practices Act and other anti-bribery laws such as the U.K. Bribery Act that generally bar corrupt payments or unreasonable gifts to foreign governments or officials. Although PartnerRe has policies and controls in place that are designed to ensure compliance with these laws and regulations, it is possible that an employee or intermediary could fail to comply with applicable laws and regulations. In such event, PartnerRe could be exposed to civil penalties, criminal penalties and other sanctions, including fines or other punitive actions. In addition, such violations could damage PartnerRe’s business and/or reputation. Such criminal or civil sanctions, penalties, other sanctions, and damage to its business and/or reputation could have a material adverse effect on PartnerRe’s financial condition and results of operations.

PartnerRe - PartnerRe’s international business is subject to applicable laws and regulations relating to data privacy and protection and cybersecurity, the changes or the violation of which could affect its operations

Regulatory authorities around the world have implemented or are considering a number of legislative changes or regulations concerning data protection and cybersecurity. Existing cybersecurity regulations vary by region or country in which PartnerRe operates and cover different aspects of business operations. U.S. regulation provide a basis for operations while the EU has created a more tailored regulation for businesses operating specifically within the EU.

The General Data Protection Regulation, which regulates data protection for all individuals within the EU, including foreign companies processing data of EU residents, becomes effective in May 2018. The regulation enhances individuals’ rights, introduces complex and far-reaching company obligations and increases penalties significantly in case of violation. The interpretation and application of data protection laws in the U.S., Europe and elsewhere are developing and are often uncertain and in flux. It is possible that these laws or cybersecurity regulations may be interpreted and applied in a manner that is inconsistent with PartnerRe’s data protection or security practices. If so, in addition to the possibility of fines, this will result in an order requiring that PartnerRe changes its data practices, which could have an adverse effect on its business and results of operations. Complying with these various laws will cause the Company to incur substantial costs and require it to change its business practices.

As a group operating worldwide, PartnerRe strives to comply with all applicable data protection laws and regulations. It is however possible that it fails to comply with applicable laws and regulations. The failure or perceived failure to comply may result in inquiries and other proceedings or actions against PartnerRe by government entities or others, or could cause it to lose clients which could potentially have an adverse effect on its business.

PartnerRe – PartnerRe is subject to cybersecurity risks and may incur increasing costs in an effort to manage those risks

The cybersecurity regulatory environment is evolving, and the related costs and resources required for complying with new or developing regulatory requirements will increase. For example, in February 2017, the NYDFS issued final Cybersecurity Requirements for Financial Service Companies that will require regulated entities to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York's financial services industry. Among the requirements are the maintenance of a cybersecurity program with governance controls, risk-based minimum data security standards for technology systems, cyber breach preparedness and response requirements, including reporting obligations, vendor oversight, training, and program record keeping and certification obligations. The regulation became effective on March 1, 2017, subject to certain phase-in periods. Depending on the regulation's implementation and the NYDFS enforcement efforts with respect to it, Partner Reinsurance Company of the U.S. (PartnerRe U.S) may be required to incur significant expense in order to meet its requirements. PartnerRe also operates in a number of jurisdictions with strict data privacy and other related laws, which could be violated in the event of a significant cybersecurity incident, or by its personnel. Failure to comply with these obligations can give rise to monetary fines and other penalties, which could be significant.

Taxation Risks

PartnerRe - Changes in PartnerRe's effective income tax rate could affect its results of operations

PartnerRe's effective income tax rate could be adversely affected in the future by net income being lower than anticipated in jurisdictions where it has a relatively lower statutory tax rate and net income being higher than anticipated in jurisdictions where it has a relatively higher statutory tax rate, or by changes in corporate tax rates and tax regulations in any of the jurisdictions in which the Company operates.

PartnerRe is subject to regular audit by tax authorities in the various jurisdictions in which it operates. Any adverse outcome of such an audit could have an adverse effect on PartnerRe's net income, effective income tax rate and financial condition.

In addition, the determination of PartnerRe's provisions for income taxes requires significant judgment, and the ultimate tax determination related to certain positions taken is uncertain. Although PartnerRe believes its provisions are reasonable, the ultimate tax outcome may differ from the amounts recorded in its consolidated financial statements and may materially affect its net income and effective income tax rate in the period such determination is made.

PartnerRe - The U.S. Tax Cuts and Jobs Act could materially and negatively impact PartnerRe's business, financial condition and results of operations

The U.S. Tax Cuts and Jobs Act (the "TCJA") was signed into law on December 22, 2017. In addition to reducing the U.S. corporate income tax rate from 35 percent to 21 percent, the TCJA fundamentally changed many elements of U.S. tax law and introduced several new concepts to tax multinational corporations such as PartnerRe. Among the most notable new rules are the Base Erosion and Anti-Abuse Tax (commonly called BEAT), which for insurance groups potentially expands U.S. taxation on the earnings of foreign subsidiaries. It is possible that future interpretation, enforcement actions or regulatory changes by the Internal Revenue Service could increase the impact of the TCJA beyond current assessments.

PartnerRe - If PartnerRe's non-U.S. operations become subject to U.S. income taxation, its net income will decrease

PartnerRe believes that the Company and its non-U.S. subsidiaries (other than certain business sourced by PartnerRe Reinsurance Europe SE (PartnerRe Europe) and PartnerRe Ireland DAC (PartnerRe Ireland) through the U.S., have operated, and will continue to operate, their respective businesses in a manner that will not cause them to be viewed as engaged in a trade or business in the U.S. and, on this basis, it does not expect that either the Company or its non-U.S. subsidiaries will be required to pay U.S. corporate income taxes (other than potential withholding taxes on certain types of U.S. source passive income) or branch profits taxes. Because there is considerable uncertainty as to the activities that constitute being engaged in a trade or business within the U.S., the IRS may contend that either the Company or its non-U.S. subsidiaries are engaged in a trade or business in the U.S. In addition, legislation regarding the scope of non-U.S. entities and operations subject to U.S. income tax has been proposed in the past, and may be proposed again in the future. If either the Company or its non-U.S. subsidiaries are subject to U.S. income tax, our net income and shareholder's equity will be reduced by the amount of such taxes, which might be material.

CNH INDUSTRIAL
Risks related to the business, strategy and operations

CNH Industrial – Global economic conditions impact the business

The Group's results of operations and financial position are and will continue to be influenced by macroeconomic factors – including changes in gross domestic product, the level of consumer and business confidence, changes in interest rates or the availability of credit, inflation and deflation, energy prices, and the cost of commodities or other raw materials – which exist in the countries in which the Group operates. Such macroeconomic factors vary from time to time and their effect on the results of operations and financial position cannot be specifically and singularly assessed and/or isolated.

Economic conditions vary across regions and countries, and demand for the Group's products and services generally increase in those regions and countries experiencing economic growth and investment. Slower economic growth or a change in global mix of regions and countries experiencing economic growth and investment could have an adverse impact on the Group's business, results of operations and financial condition. In slower economic times, some dealers and customers may delay or cancel plans to purchase the Group's products and services and may not be able to fulfill their obligations to it in a timely fashion. The Group's suppliers may also be impacted by economic pressures, which may adversely affect their ability to fulfill their obligations to it. These factors could result in product delays, increased accounts receivable, defaults and inventory challenges. In addition, demand for the Group's products and services can be significantly impacted by concerns regarding the diverse economic and political circumstances in the European Union, the debt burden of several countries in the European Union, the risk that one or more European Union countries could come under increasing pressure to leave the European Union and the long term stability of the Euro as a single common currency. These concerns, along with the significant fiscal adjustments carried out in several countries, intended to manage actual or perceived sovereign credit risk, have led to further pressure on economic growth and may lead to new periods of economic volatility and recession in the European Union. Similarly, in Brazil, macroeconomic conditions remain volatile. Moreover, some governments may implement measures designed to slow the economic growth rate in those countries (e.g., higher interest rates, reduced bank lending and other anti-inflation measures). If there is significant deterioration in the global economy or the economies of key countries or regions, the demand for the Group's products and services would likely decrease and its results of operations, financial position and cash flows could be materially and adversely affected.

In addition, the continuation of adverse market conditions in certain businesses in which the Group participates could cause many companies, including CNH Industrial, to carefully evaluate whether certain of its intangible assets have become impaired. The factors that the Group would evaluate to determine whether an impairment charge is necessary require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require the Group to consider whether it needs to record an impairment charge. In the event the Group is required to record an impairment charge with respect to certain of its intangible assets, it would have an adverse impact on the Group's financial position and results of operations.

CNH Industrial - The Group is exposed to political, economic and other risks beyond its control as a result of operating a global business

The Group manufactures and sells products and offers services in several continents and numerous countries around the world including those experiencing varying degrees of political and economic instability. Given the global nature of its activities, the Group is exposed to risks associated with international business activities that may increase its costs, impact its ability to manufacture and sell its products and require significant management attention. These risks include:

- changes in laws, regulations and policies that affect, among other things:
- import and export duties and quotas;
- currency restrictions;
- the design, manufacture and sale of the Group's products, including, for example, engine emissions regulations;
- interest rates and the availability of credit to the Group's dealers and customers;
- property, contract rights and intellectual property;
- where and to whom products may be sold, including new or additional trade or economic sanctions imposed by the U.S., EU or other governmental authorities and supranational organizations (e.g., the United Nations); and

- taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of the industries and markets in which the Group operates;
- labor disruptions;
- disruption in the supply of raw materials and components;
- changes in governmental debt relief and subsidy program policies in certain significant markets such as Argentina and Brazil, including the Brazilian government discontinuing programs subsidizing interest rates on equipment loans;
- changes in trade agreements or trade terms, including any unilateral withdrawal from, or material modification of, the North American Free Trade Agreement; and
- war, civil unrest and terrorism.

In recent years, terrorist attacks have occurred around the world, leading to personal safety anxieties and political instability in many countries and, ultimately, an impact on consumers' confidence. More recently, growing populist political movements in several major developed countries and other unanticipated changes to the previous geopolitical order may have negative effects on the global economy.

There can be no guarantee that the Group will be able to quickly and completely adapt its business model to changes that could result from the foregoing, and any such changes may have an adverse effect on the Group's business, results of operations and financial condition.

CNH Industrial - Reduced demand for equipment would reduce the Group's sales and profitability

The performance of the agricultural equipment market is influenced, in particular, by factors such as:

- the price of agricultural commodities and the relative level of inventories;
- the profitability of agricultural enterprises, farmers' income and their capitalization;
- the demand for food products; and
- agricultural policies, including aid and subsidies to agricultural enterprises provided by governments and/or supranational organizations as well as alternative fuel mandates.

In addition, unfavorable climatic conditions, especially during the spring, a particularly important period for generating sales orders, could have a negative impact on decisions to buy agricultural equipment and, consequently, on the Group's revenues.

The performance of the construction equipment market is influenced, in particular, by factors such as:

- public infrastructure spending; and
- new residential and non-residential construction; and
- capital spending in oil and gas and, to a lesser extent, in mining.

The performance of the commercial vehicles market is influenced, in particular, by factors such as:

- changes in global market conditions, including the level of interest rates;
- changes in levels of business investment, including timing of fleet renewals; and
- public infrastructure spending.

The above factors can significantly influence the demand for agricultural and construction equipment, as well as for commercial vehicles, and consequently, the Group's financial results. Additionally, if demand for the Group's products is less than it expects, the Group may experience excess inventories and be forced to incur additional charges and its profitability will suffer, including higher fixed costs associated with lower production levels at its plants. The Group's business may be negatively impacted if it experiences excess inventories or it is unable to adjust its production schedules or its purchases from suppliers to reflect changes in customer demand and market fluctuations on a timely basis.

CNH Industrial – The Group depends on suppliers for raw materials, parts and components

The Group relies upon suppliers for raw materials, parts and components that it requires to manufacture its products. The Group cannot guarantee that it will be able to maintain access to raw materials, parts and components, and in some cases, this access may be affected by factors outside of its control and the control of its suppliers. Certain components and parts used in the Group's products are available from a single supplier and cannot be quickly sourced from other suppliers. Increasing demand for certain products has resulted in challenges in obtaining parts and components due to supplier constraints.

Supply chain disruptions, including those due to supplier financial distress, capacity constraints, labor shortages, business continuity, delivery or disruptions due to weather-related or natural disaster events, could negatively impact the Group’s business, results of operations and financial condition.

The Group uses a variety of raw materials in its businesses, including steel, aluminum, lead, resin and copper, and precious metals such as platinum, palladium and rhodium. The prices of these raw materials fluctuate, and while the Group seeks to manage this exposure, it may not be successful in mitigating these risks. Further, increases in the prices for raw materials can significantly increase costs of production, which could have a material adverse effect on the Group’s business, results of operations and financial condition, particularly if it is unable to offset the increased costs through an increase in product pricing.

CNH Industrial - Competitive activity, or failure by the Group to respond to actions by its competitors, could adversely affect its results of operations

The Group operates in highly competitive global and regional markets. Depending on the particular country, it competes with other international, regional and local manufacturers and distributors of agricultural and construction equipment, commercial vehicles, and powertrains. Certain of the Group’s global competitors have substantial resources and may be able to provide products and services at little or no profit or even at a loss to compete with certain of the Group’s product offerings. The Group competes on the basis of product performance, innovation, quality, distribution, customer service and price. Aggressive pricing or other strategies pursued by competitors, unanticipated product or manufacturing delays or the Group’s failure to price its products competitively could adversely affect its business, results of operations and financial position. Additionally, there has been a trend towards consolidation in the trucks and construction equipment industries that has resulted in larger and potentially stronger competitors in those markets. The markets in which the Group competes are highly competitive in terms of product quality, innovation, pricing, fuel economy, reliability, safety, customer service and financial services offered. Competition, particularly on pricing, has increased significantly in the markets in which the Group competes in recent years. Should it be unable to adapt effectively to market conditions, this could have an adverse effect on the Group’s business, results of operations and financial condition.

CNH Industrial - Costs of ongoing compliance with, or failure to comply with, increasingly stringent environmental, health and safety laws could have an adverse effect on the Group’s results of operations

The Group is subject to comprehensive and constantly evolving laws, regulations and policies in numerous jurisdictions around the world. It expects the extent of legal requirements affecting its businesses and its costs of compliance to continue to increase in the future. Such laws govern, among other things, products – with requirements on emissions of polluting gases and particulate matter, increased fuel efficiency and safety becoming increasingly strict – and industrial plants – with requirements for reduced emissions, treatment of waste and water and prohibitions on soil contamination also becoming increasingly strict. To comply with such laws, the Group makes significant investments in research and development and capital expenditures and expects to continue to incur substantial costs in the future. Failure to comply with such laws could limit or prohibit the Group’s ability to sell its goods in a particular jurisdiction, expose it to penalties or clean-up costs, civil or criminal liability and sanctions on certain of its activities, as well as damage to property or natural resources. Liabilities, sanctions, damages and remediation efforts related to any non-compliance with such laws, including those that may be adopted or imposed in the future, could negatively impact the Group’s ability to conduct its operations and its results of operations and financial condition. In addition, there can be no assurances that the Group will not be adversely affected by costs, liabilities or claims with respect to any subsequently acquired operations.

Further, environmental, health and safety regulations change from time to time, as may related interpretations and other guidance. For example, changes in environmental and climate change laws, including laws relating to engine and vehicle emissions, safety regulations, fuel requirements, restricted substances, or greenhouse gas emissions, could lead to new or additional investments in product designs and could increase environmental compliance expenditures. If these laws are either changed or adopted and impose significant operational restrictions and compliance requirements on the Group or its products, they could result in higher capital expenditures and negatively impact its business, results of operations, financial position and competitive position.

CNH Industrial - A decrease in government incentives may adversely affect the Group’s results

Government initiatives that are intended to stimulate demand for products sold by the Group, such as changes in tax treatment or purchase incentives for new equipment, can substantially influence the timing and level of the Group’s revenues. The terms, size and duration of such government actions are unpredictable and outside of the Group’s control. Any adverse change in government policy relating to those initiatives could have a material adverse effect on the Group’s business, results of operations and financial condition.

CNH Industrial – The Group's future performance depends on its ability to innovate and on market acceptance of new or existing products

The success of the Group's businesses depends on its ability to maintain or increase its market share in existing markets and to expand into new markets through the development of innovative, high-quality products that provide adequate profitability. In particular, the failure to develop and offer innovative products that compare favorably to those of the Group's principal competitors in terms of price, quality, functionality and features, or delays in bringing strategic new products to market, or the inability to adequately protect the Group's intellectual property rights or supply products that meet regulatory requirements, including engine exhaust emissions requirements, could result in reduced market share, which could have a material adverse effect on the Group's business, results of operations and financial condition.

CNH Industrial – The Group's existing operations and expansion plans in emerging markets could entail significant risks

The Group's ability to grow its businesses depends to an increasing degree on its ability to increase market share and operate profitably worldwide and in particular in emerging market countries, such as Brazil, Russia, India, China, Argentina, Turkey, and South Africa. In addition, the Group could increase its use of suppliers located in such countries. The Group's implementation of these strategies will involve a significant investment of capital and other resources and exposes it to multiple and potentially conflicting cultural practices, business practices and legal requirements that are subject to change, including those related to tariffs, trade barriers, investments, property ownership rights, taxation and sanction requirements. For example, the Group may encounter difficulties in obtaining necessary governmental approvals in a timely manner. In addition, it may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept the Group's products as opposed to products manufactured and commercialized by its competitors. The emerging market countries may also be subject to a greater degree of economic and political volatility that could adversely affect the Group's financial position, results of operations and cash flows. Many emerging market economies have experienced slower growth and other economic challenges in recent periods and may be subject to a further slowdown in gross domestic product expansion and/or be impacted by domestic political or currency volatility, potential hyperinflationary conditions and/or increase of public debt.

CNH Industrial – The Group is subject to extensive anti-corruption and antitrust laws and regulations

Due to the global scope of the Group's operations, it is subject to a number of laws and regulations that apply to its operations around the world, including the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act, as well as a range of national anti-corruption and antitrust or competition laws that apply to conduct in a particular jurisdiction. These anti-corruption laws prohibit improper payments in cash or anything of value to improperly influence government officials or other persons to obtain or retain business or gain a business advantage. These laws tend to apply whether or not those practices are legal or culturally acceptable in a particular jurisdiction. Over the past several years there has been a substantial increase in the enforcement of anti-corruption and antitrust or competition laws both globally and in particular jurisdictions and the Group has from time to time been subject to investigations and charges claiming violations of anti-corruption or antitrust or competition laws, including its settlement of the EU antitrust investigation announced on July 19, 2016. Following this settlement, the Company has been named as defendant in current private litigation commenced in various European jurisdictions and Israel that remains at an early stage. The Company expects to face further claims in various jurisdictions, the extent and outcome of which cannot be predicted at this time. CNH Industrial is committed to operating in compliance with all applicable laws, in particular anti-corruption and antitrust or competition laws. It has implemented a program to promote compliance with these laws and to reduce the likelihood of potential violations. The Group's compliance program, however, may not in every instance protect it from acts committed by its employees, agents, contractors, or collaborators that may violate the applicable laws or regulations of the jurisdictions in which it operates. Such improper actions could subject the Group to civil or criminal investigations and monetary, injunctive and other penalties as well as damage claims. Investigations of alleged violations of these laws tend to be expensive and require significant management time and attention, and these investigations of purported violations, as well as any publicity regarding potential violations, could harm the Group's reputation and have a material adverse effect on its business, results of operations and financial position.

CNH Industrial – The Group may be adversely affected by the UK vote to leave the European Union (Brexit)

In a June 23, 2016 referendum, the United Kingdom (“U.K.”) voted to terminate the U.K.’s membership in the European Union (“Brexit”). Negotiations will determine the terms of the U.K.’s future relationship with the European Union and its member states, including the terms of trade. The terms of trade between the U.K. and non-EU member states may also be affected. The timing of Brexit negotiations is currently unclear. Any effect of Brexit is expected to depend on the agreements negotiated between the U.K. and the EU with respect to reciprocal market access and other matters, either during a transitional period or more permanently.

Brexit could adversely affect U.K., European or worldwide economic and market conditions more broadly and could contribute to instability in global financial markets. The Group has operations in the U.K., but does not believe that its global operations would be affected materially by Brexit. However, any adverse effect of Brexit on the Group or on global or regional economic or market conditions could adversely affect its business, results of operations, and financial condition as customers may reduce or delay spending decisions with respect to its products. Any uncertainty related to Brexit could also affect trading in the Group’s shares.

CNH Industrial is organized as a Dutch company but it is considered resident in the U.K. for U.K. tax purposes. This determination is based on the U.K. as the location of management and control which has been confirmed through a mutual agreement procedure with the relevant tax authorities (as to which see “Other Risks – CNH Industrial operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere”). The Group does not expect Brexit to affect tax residency in the U.K.; however, it is unable to predict with certainty whether the discussions to implement Brexit will ultimately have any impact on this matter.

CNH Industrial - Dealer equipment sourcing and inventory management decisions could adversely affect the Group’s sales

The Group sells its products primarily through independent dealer networks and is subject to risks relating to their inventory management decisions and operating and sourcing practices. The Group’s dealers carry inventories of finished products and parts as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities and market conditions, including the level of used equipment inventory. If the inventory levels of dealers are higher than they desire, they may postpone product purchases from the Group, which could cause the Group’s sales to be lower than the end-user demand for its products and negatively impact Group results. Similarly, the Group’s sales could be negatively impacted through the loss of time-sensitive sales if its dealers do not maintain inventory sufficient to meet customer demand. Further, dealers who carry other products that compete with the Group’s products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact the Group’s sales, results of operations and financial condition.

CNH Industrial - The Group may not be able to realize anticipated benefits from any acquisitions and, further, challenges associated with strategic alliances may have an adverse impact on the Group’s results of operations

The Group has engaged in the past, and may engage in the future, in mergers and acquisitions or enter into, expand or exit from strategic alliances and joint ventures that could involve risks that could prevent it from realizing the expected benefits of the transactions or the achievement of strategic objectives or could divert management’s time and attention. Such risks, many of which are outside the Group’s control, include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility of operating, information or other systems;
- unexpected changes in laws;
- inability to retain key employees;
- protecting intellectual property rights;
- inability to source certain products or components (or the cost thereof);
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances for managerial, financial, or other reasons, or if such strategic alliances or other relationships were terminated, the Group’s product lines, businesses, results of operations and financial condition could be adversely affected.

CNH Industrial – The Group's business operations may be impacted by various types of claims, lawsuits and other contingent obligations

The Group is involved in pending litigation and investigations on a wide range of topics, including dealer and supplier litigation, intellectual property right disputes, product warranty and defective product claims, product performance, asbestos, personal injury, emissions and/or fuel economy regulatory and contract issues, and environmental claims that arise in the ordinary course of its business. The industries in which the Group operates are also periodically reviewed or investigated by regulators, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims. The ultimate outcome of these legal matters pending against the Group is uncertain, and although such legal matters are not expected individually to have a material adverse effect on its financial position or profitability, such legal matters could, in the aggregate, in the event of unfavorable resolutions thereof, have a material adverse effect on the Group's results of operations and financial condition. Furthermore, the Group could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on its results of operations in any particular period. In addition, while the Group maintains insurance coverage with respect to certain risks, it may not be able to obtain such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against claims under such policies. The Group establishes reserves based on its assessment of contingencies, including contingencies related to legal claims asserted against it. Subsequent developments in legal proceedings may affect the Group's assessment and estimates of the loss contingency recorded as a reserve and require it to make payments in excess of its reserves, which could have a material adverse effect on the Group's results of operations and/or financial position.

CNH Industrial – A cybersecurity breach could interfere with the Group's operations, compromise confidential information, negatively impact its corporate reputation and expose it to liability

The Group relies upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties, to operate its business. These systems include supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of the group's products and from customers of its financial services business. The Group uses information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements. Additionally, the Group collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary information of its suppliers and dealers, as well as personally identifiable information of its dealers, customers of its financial services business and its employees, in data centers and on information technology networks. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Group's business operations and strategy. Increased information technology security threats and more sophisticated computer crime pose a risk to the security of the Group's systems and networks and the confidentiality, availability and integrity of its data. Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and/or reliability of the hardware and software installed in the Group's products.

While the Group actively manages information technology security risks within its control through security measures, business continuity plans and employee training around phishing and other cyber risks, there can be no assurance that such actions will be sufficient to mitigate all potential risks to its systems, networks and data.

A failure or breach in security could expose the Group and its customers, dealers and suppliers to risks of misuse of information or systems, the compromising of confidential information, loss of financial resources, manipulation and destruction of data, defective products, production downtimes and operations disruptions, which in turn could adversely affect the Group's reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorized release of confidential or otherwise protected information and corruption of data, as well as higher operational and other costs of implementing further data protection measures. In addition, as security threats continue to evolve the Group may need to invest additional resources to protect the security of its systems. The amount of insurance coverage the Group maintains may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

CNH Industrial - Changes in privacy laws could disrupt the Group's business

The regulatory framework for privacy and cybersecurity issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. In May 2016, the European Union adopted the General Data Protection Regulation ("GDPR") that will impose more stringent data protection requirements and will provide for greater penalties for noncompliance beginning in May 2018.

The Group may be required to incur significant costs to comply with privacy and data security laws, rules and regulations, including the GDPR. Any inability to adequately address privacy and security concerns or comply with applicable privacy and data security laws, rules and regulations could have an adverse effect on its business prospects, results of operations and/or financial position.

CNH Industrial – The Group faces risks associated with its employment relationships

In many countries where the Group operates, its employees are protected by laws and/or collective labor agreements that guarantee them, through local and national representatives, the right of consultation on specific matters, including downsizing or closure of production facilities, activities and reductions in personnel. Laws and/or collective labor agreements applicable to the Group could impair its flexibility in reshaping and/or strategically repositioning its business activities. Therefore, its ability to reduce personnel or implement other permanent or temporary redundancy measures is subject to government approvals and/or the agreement of labor unions where such laws and agreements are applicable. Furthermore, the Group is at greater risk of work interruptions or stoppages than non-unionized companies and any work interruption or stoppage could significantly impact the volume of products it manufactures and sells, which could have a material adverse effect on its business, results of operations and financial condition.

CNH Industrial - The loss of members of senior management could have an adverse effect on the Group’s business

The Group’s success largely depends on the ability of its senior executives and other members of management to effectively manage the organization and individual areas of its businesses. The Group has developed succession plans that it believes are appropriate in the circumstances, although it is difficult to predict with any certainty that the Group will be able to replace these individuals with persons of equivalent experience and capabilities quickly. The loss of any senior executive, manager or other key employee without an adequate replacement, or the inability to attract and retain new, qualified personnel could therefore have an adverse effect on the Group’s business, results of operations and financial condition.

CNH Industrial – The Group’s business may be affected by unfavorable weather conditions, climate change or other calamities

Poor, severe or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of the Group’s agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors in agricultural production. Insufficient levels of rain prevent farmers from planting crops or may cause growing crops to die, resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity, crop quality and yield. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as floods, hurricanes, storms and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for the Group’s agricultural equipment in any given period.

In addition, natural disasters, pandemic illness, terrorist attacks or violence, equipment failures, power outages, disruptions to the Group’s information technology systems and networks or other unexpected events could result in physical damage to and complete or partial closure of one or more of the Group’s manufacturing facilities or distribution centers, temporary or long-term disruption in the supply of parts or component products, disruption in the transport of products to dealers and customers and delay in delivery of products to distribution centers. In the event such events occur, the Group’s financial results might be negatively impacted. The Group’s existing insurance arrangements may not protect against all costs that may arise from such events.

Furthermore, the potential physical impacts of climate change on the Group’s facilities, suppliers and customers and therefore on its operations are highly uncertain and will be particular to the circumstances developing in various geographical regions. These may include long-term changes in temperature levels and water availability. These potential physical effects may adversely impact the demand for the Group’s products and the cost, production, sales and financial performance of its operations.

CNH Industrial - Changes in demand for food and alternate energy sources could impact the Group’s revenues

Changing worldwide demand for farm outputs to meet the world’s growing food and alternative energy demands, driven in part by government policies and a growing world population, are likely to result in fluctuating agricultural commodity prices, which affect sales of agricultural equipment.

While higher commodity prices will benefit the Group's crop producing agricultural equipment customers, higher commodity prices also result in greater feed costs for livestock and poultry producers, which in turn may result in lower levels of equipment purchased by these customers. Lower commodity prices directly affect farm income, which could negatively affect sales of agricultural equipment. Moreover, changing alternative energy demands may cause farmers to change the types or quantities of the crops they grow, with corresponding changes in equipment demands. Finally, changes in governmental policies regulating bio-fuel utilization could affect demand for the Group's equipment and result in higher research and development costs related to equipment fuel standards.

CNH Industrial - International trade policies may impact demand for the Group's products and its competitive position

Government policies on international trade and investment such as sanctions, import quotas, capital controls or tariffs, whether adopted by non-governmental bodies, individual governments or addressed by regional trade blocs, may affect the demand for the Group's products and services, impact the competitive position of its products or prevent it from being able to sell products in certain countries. The implementation of more protectionist trade policies, such as more detailed inspections, higher tariffs, or new barriers to entry, in countries where the Group sells products and provides services could negatively impact its business, results of operations and financial position. For example, a government's adoption of trade sanctions or "buy national" policies or retaliation by another government against such policies could have a negative impact on the Group's results of operations.

Financial risks

CNH Industrial – difficulty in obtaining financing or refinancing existing debt could impact the Group's financial performance

The Group's future performance will depend on, among other things, its ability to finance debt repayment obligations and planned investments from operating cash flow, available liquidity, the renewal or refinancing of existing bank loans and/or facilities and access to capital markets or other sources of financing. A decline in revenues could have a negative impact on the cash-generating capacity of the Group's operations. Consequently the Group could find itself in the position of having to seek additional financing and/or having to refinance existing debt, including in unfavorable market conditions with limited availability of funding and a general increase in funding costs. Instability in global capital markets, including market disruptions, limited liquidity and interest rate and exchange rate volatility, could reduce the Group's access to capital markets or increase the cost of its short and long-term financing. Any difficulty in obtaining financing could have a material adverse effect on the Group's business, results of operations and financial position.

The Group's ability to access the capital markets or other forms of financing and related costs are highly dependent on, among other things, the credit ratings of CNH Industrial N.V., its subsidiaries, asset-backed securities ("ABS") and other debt instruments. Rating agencies may review and revise their ratings from time to time, and any downgrade or other negative action with respect to the Group's credit ratings by one or more rating agencies may increase the Group's cost of capital, potentially limit its access to sources of financing, and have a material adverse effect on its business, results of operations and financial condition.

CNH Industrial – The Group is subject to exchange rate fluctuations, interest rate changes and other market risks

The Group operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates, including as a result of changes in monetary or fiscal policies of governmental authorities from time to time. The Group is subject to currency exchange risk to the extent that its costs are denominated in currencies other than those in which it earns revenues. In addition, the reporting currency for the consolidated financial statements is the U.S. dollar. Certain of the Group's assets, liabilities, expenses and revenues are denominated in other currencies. Those assets, liabilities, expenses and revenues are translated into the U.S. dollar at the applicable exchange rates to prepare the consolidated financial statements. Therefore, increases or decreases in exchange rates between the U.S. dollar and those other currencies affect the value of those items reflected in the consolidated financial statements, even if their value remains unchanged in their original currency. Changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, an impact on the Group's results of operations and financial condition.

The Group uses various forms of financing to cover the funding requirements of its Industrial Activities and for financing offered to customers and dealers. Financial Services normally implements a matching policy to offset the impact of differences in interest rates on the financed portfolio and related liabilities. Nevertheless, any future changes in interest rates can result in increases or decreases in revenues, finance costs and margins.

Although the Group seeks to manage its currency risk and interest rate risk, including through hedging activities, there can be no assurance that it will be able to do so successfully, and its business, results of operations and financial position could be adversely affected. In addition, by utilizing these instruments, the Group potentially foregoes the benefits that may result from favorable fluctuations in currency exchange and interest rates.

The Group also faces risks from currency devaluations. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

CNH Industrial – Because Financial Services provides financing for a significant portion of the Group's sales worldwide, the Group's operations and financial results could be impacted materially should negative economic conditions affect the financial industry

Negative economic conditions can have an adverse effect on the financial industry in which Financial Services operates. Financial Services, through wholly-owned financial services companies and joint ventures, provides financing for a significant portion of the Group's sales worldwide. Financial Services may experience credit losses that exceed its expectations and adversely affect its financial condition and results of operations. Financial Services' inability to access funds at cost-effective rates to support its financing activities could have a material adverse effect on the Group's business. Financial Services' liquidity and ongoing profitability depend largely on timely access to capital in order to meet future cash flow requirements and to fund operations and costs associated with engaging in diversified funding activities. Additionally, negative market conditions could reduce customer confidence levels, resulting in declines in credit applications and increases in delinquencies and default rates, which could materially impact Financial Services' write-offs and provision for credit losses. Financial Services may also experience residual value losses that exceed its expectations caused by lower pricing for used equipment and higher than expected equipment returns at lease maturity.

CNH Industrial – An increase in delinquencies or repossessions could adversely affect the results of financial Services

Fundamental in the operation of Financial Services is the credit risk associated with its customers/borrowers. The creditworthiness of each customer, rates of delinquency and default, repossessions and net losses on loans to customers are impacted by many factors, including: relevant industry and general economic conditions; the availability of capital; the terms and conditions applicable to extensions of credit; the experience and skills of the customer's management team; commodity prices; political events; weather; and the value of the collateral securing the extension of credit. An increase in delinquencies or defaults, or a reduction in repossessions could have an adverse impact on the performance of Financial Services and the Group's earnings and cash flows. In addition, although Financial Services evaluates and adjusts its allowance for credit losses related to past due or non-performing receivables on a regular basis, adverse economic conditions or other factors that might cause deterioration of the financial health of customers could change the timing and level of payments received and thus necessitate an increase in Financial Services' estimated losses, which could have a material adverse effect on Financial Services' and the Group's results of operations and cash flows.

CNH Industrial – Potential impact of the Dodd-Frank Act and other regulations

The various requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), including its many implementing regulations, may substantially affect Financial Services' origination, servicing, and securitization programs. For example, the Dodd-Frank Act strengthens the regulatory oversight of these securities and related capital market activities by the SEC and increases the regulation of the ABS markets through, among other things, a mandated risk retention requirement for securitizers and a direction to regulate credit rating agencies. Other future regulations may affect the Group's ability to engage in funding these capital market activities or increase the effective cost of such transactions, which could adversely affect the Group's financial position, results of operations, and cash flows. Moreover, Financial Services and treasury activities may also be impacted by EU and other non-U.S. regulatory reforms being implemented to further regulate relevant financial institutions and markets.

CNH Industrial – The Group may be exposed to shortfalls in its pension plans

At December 31, 2017, the funded status for the Group's defined benefit pension, and other post-employment benefits was an underfunded status of $2,153 million that is included in the consolidated statement of financial position. The funded status is the balance between the present value of the defined benefit obligation and the fair value of related assets, in case of funded plans (plans managed by a separate fund, "trust"). Consequently, the funded status is subject to many factors.

To the extent that the Group's obligations under a plan are unfunded or underfunded, it will have to use cash flows from operations and other sources to pay its obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets is subject to changes due to market fluctuations. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

CNH Industrial – The Group has significant outstanding indebtedness, which may limit its ability to obtain additional funding and may limit its financial and operating flexibility

As of December 31, 2017, the Group had an aggregate of $26,014 million (including $20,152 million relating to Financial Services' activities) of consolidated gross indebtedness, and its equity was $6,846 million, including non-controlling interests. The extent of the Group's indebtedness could have important consequences on its operations and financial results, including:

- the Group may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- the Group may need to use a portion of its projected future cash flow from operations to pay principal and interest on its indebtedness, which may reduce the amount of funds available for other purposes;
- the Group may be more financially leveraged than some of its competitors, which could put it at a competitive disadvantage;
- the Group may not be able to invest in the development or introduction of new products or new business opportunities;
- the Group may not be able to adjust rapidly to changing market conditions, which may make it more vulnerable to a downturn in general economic conditions; and
- the Group may not be able to access the capital markets on favorable terms, which may adversely affect its ability to provide competitive retail and wholesale financing programs.

These risks are exacerbated by the ongoing volatility in the financial markets, in part resulting from perceived strains on the finances and creditworthiness of several governments and financial institutions, particularly in the Eurozone and Latin America, and from continued concerns about global economic growth, particularly in emerging markets.

CNH Industrial – Restrictive covenants in the Group's debt agreements could limit its financial and operating flexibility

The agreements governing the Group's outstanding debt securities and other credit agreements to which it is a party from time to time contain, or may contain, covenants that restrict its ability to, among other things:

- incur additional indebtedness by certain subsidiaries;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell or acquire certain assets or merge with or into other companies; and/or
- use assets as security in other transactions.

Although the Group does not believe any of these covenants materially restrict its operations currently, a breach of one or more of the covenants could result in adverse consequences that could negatively impact the Group's businesses, results of operations, and financial position. These consequences may include the acceleration of amounts outstanding under certain of its credit facilities, triggering an obligation to redeem certain debt securities, termination of existing unused commitments by its lenders, refusal by its lenders to extend further credit under one or more of the facilities or to enter into new facilities or the lowering or modification of CNH Industrial's credit ratings or those of one or more of its subsidiaries.

Other risks

CNH Industrial – The Group operates and will continue to operate, as a company that is resident in the U.K. for tax purposes; other tax authorities may treat CNH Industrial as being tax resident elsewhere

CNH Industrial is not incorporated in the U.K.; therefore, in order to be resident in the U.K. for tax purposes, CNH Industrial's central management and control must be located (in whole or in part) in the U.K. The test of central management and control is largely a question of fact based on all the circumstances. The decisions of the U.K. courts and the published practice of Her Majesty's Revenue & Customs, or HMRC, suggest that CNH Industrial should be regarded as being U.K.-resident on this basis.

The competent authority ruling referred to below supports this analysis. Although CNH Industrial's "central management and control" is in the U.K., it would not be treated as U.K.-resident if (a) CNH Industrial were concurrently resident in another jurisdiction (applying the tax residence rules of that jurisdiction) which has a double tax treaty with the U.K.; and (b) that tax treaty allocates exclusive residence to that other jurisdiction.

Although CNH Industrial's central management and control is in the U.K., CNH Industrial is considered to be resident in the Netherlands for Dutch corporate income tax and Dutch dividend withholding tax purposes because CNH Industrial is incorporated in the Netherlands. The U.K. and Dutch competent authorities have agreed, following a mutual agreement procedure (as contemplated by the Netherlands-U.K. tax treaty), that CNH Industrial will be regarded as solely resident in the U.K. for purposes of the application of the Netherlands-U.K. tax treaty provided that CNH Industrial operates as planned and provides appropriate required evidence to the U.K. and Dutch competent tax authorities. If the facts upon which the competent authorities issued this ruling change over time, this ruling may be withdrawn or cease to apply and in that case the Netherlands may levy corporate income tax on CNH Industrial and impose withholding taxes on dividends distributed by CNH Industrial.

CNH Industrial does not expect Brexit to affect its tax residency in the U.K.; however, it is unable to predict with certainty whether the discussions to implement Brexit will ultimately have any impact on this matter.

CNH Industrial's residence for Italian tax purposes is also largely a question of fact based on all the circumstances. For Italian tax purposes, a rebuttable presumption of CNH Industrial's residence in Italy may apply under Italian legislation. However, CNH Industrial has a management and organizational structure such that CNH Industrial should be deemed resident in the U.K. from the date of its incorporation for purposes of the Italy-U.K. tax treaty. Because this analysis is highly factual and may depend on future changes in CNH Industrial's management and organizational structure, there can be no assurance that CNH Industrial's determination of its tax residence will be respected by all relevant tax authorities. Should CNH Industrial be treated as an Italian tax resident, CNH Industrial would be subject to corporate income tax in Italy on its worldwide income and may be required to comply with withholding tax on dividends and other distributions and/or reporting obligations under Italian law, which could result in additional costs and expenses.

CNH Industrial – Tax may be required to be withheld from dividend payments

Although the U.K. and Dutch competent authorities have ruled that CNH Industrial should be treated as solely resident in the U.K. for the purposes of the Netherlands-U.K. double tax treaty, under Dutch domestic law dividend payments made by the Company to Dutch residents are still subject to Dutch dividend withholding tax and CNH Industrial would have no obligation to pay additional amounts in respect of such payments.

Should withholding taxes be imposed on future dividends or distributions with respect to CNH Industrial common shares, whether such withholding taxes are creditable against a tax liability to which a shareholder is otherwise subject depends on the laws of such shareholder's jurisdiction and such shareholder's particular circumstances. Shareholders are urged to consult their tax advisors in respect of the consequences of the potential imposition of withholding taxes.

CNH Industrial – The Group may incur additional tax expense or become subject to tax exposure

The Group is subject to income taxes in many jurisdictions around the world. Its tax liabilities are dependent upon the location of earnings among these different jurisdictions. The Group's future results of operations could be adversely affected by changes in the effective tax rate as a result of a change in the mix of earnings in countries with differing statutory tax rates, changes in the Group's overall profitability, changes in tax legislation and rates, changes in generally accepted accounting principles and changes in the valuation of deferred tax assets and liabilities. If the Group's effective tax rates were to increase, or if the ultimate determination of taxes owed is for an amount in excess of amounts previously accrued or paid, the Group's operating results, cash flows, and financial position could be adversely affected.

CNH Industrial – CNH Industrial, as successor to FIAT Industrial, is jointly liable with FCA for certain obligations

CNH Industrial is successor to Fiat Industrial S.p.A. ("Fiat Industrial"), a company formed as a result of the demerger of Fiat S.p.A. ("Fiat", which, effective October 12, 2014, was merged into Fiat Chrysler Automobiles N.V. ("FCA")) in favor of Fiat Industrial. As such, CNH Industrial continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full.

Furthermore, CNH Industrial may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2017, the outstanding Liabilities amounted to approximately $0.2 billion. CNH Industrial believes the risk of FCA's insolvency is extremely remote, and therefore, no specific provision has been accrued in respect of the above-mentioned potential joint liability.

CNH Industrial – The Company's maintenance of two exchange listings may adversely affect liquidity in the market for its common shares and could result in pricing differentials of its common shares between the two exchanges

The dual listing of CNH Industrial's common shares on the NYSE and the MTA may split trading between the two markets and adversely affect the liquidity of the shares in one or both markets and the development of an active trading market for its common shares on the NYSE, and may result in price differentials between the exchanges. Differences in the trading schedules, trading volume and investor bases, as well as volatility in the exchange rate between the two trading currencies, among other factors, may result in different trading prices for the common shares on the two exchanges or otherwise adversely affect liquidity and trading prices of the shares.

CNH Industrial – The loyalty voting structure may affect the liquidity of the Company's common shares and reduce the share price

CNH Industrial's loyalty voting structure is intended to reward shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding shares continuously for at least three years at any time following the effectiveness of the Merger the option to elect to receive special voting shares. Special voting shares cannot be traded and, immediately prior to the transfer of the common shares from the CNH Industrial Loyalty Register, any corresponding special voting shares shall be transferred to CNH Industrial for no consideration (*om niet*). This loyalty voting structure is designed to encourage a stable shareholder base and, conversely, it may deter trading by those shareholders who are interested in gaining or retaining special voting shares. Therefore, the loyalty voting structure may reduce liquidity in CNH Industrial common shares and adversely affect their trading price.

CNH Industrial – The loyalty voting structure may prevent or frustrate attempts by the Company's shareholders to change its management and hinder efforts to acquire a controlling interest in the Company, and the market price of its common shares may be lower as a result

The provisions of the Company's Articles of Association establishing the loyalty voting structure may make it more difficult for a third party to acquire, or attempt to acquire, control of the Company, even if a change of control is considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting structure, a relatively large proportion of the voting power of the common shares could be concentrated in a relatively small number of shareholders who would have significant influence over the Company. As of December 31, 2017, EXOR N.V. had a voting interest in CNH Industrial of approximately 41.9%. Such shareholders participating in the loyalty voting structure could effectively prevent change of control transactions that may otherwise benefit shareholders.

The loyalty voting structure may also prevent or discourage shareholders' initiatives aimed at changes in the Company's management.

FERRARI

Risks Related to Business, Strategy and Operations

Ferrari - Ferrari may not succeed in preserving and enhancing the value of the Ferrari brand, which it depends upon to drive demand and revenues

Ferrari's financial performance is influenced by the perception and recognition of the Ferrari brand, which, in turn, depends on many factors such as the design, performance, quality and image of its cars, the appeal of its dealerships and stores, the success of its promotional activities including public relations and marketing, as well as its general profile, including its brand's image of exclusivity. The value of Ferrari's brand and its ability to achieve premium pricing for Ferrari-branded products may decline if it is unable to maintain the value and image of the Ferrari brand, including, in particular, its aura of exclusivity. Maintaining the value of the brand will depend significantly on Ferrari's ability to continue to produce luxury performance cars of the highest quality. The market for luxury goods generally and for luxury automobiles in particular is intensely competitive, and Ferrari may not be successful in maintaining and strengthening the appeal of its brand. Client preferences, particularly among luxury goods, can vary over time, sometimes rapidly. Ferrari is therefore exposed to changing perceptions of its brand image, particularly as it seeks to attract new generations of clients and, to that end, renovates and expands its models range. For example, the gradual expansion of hybrid engine technology will also introduce a notable change in the overall driver experience compared to the combustion engine cars of Ferrari range models to date. Any failure to preserve and enhance the value of the brand may materially and adversely affect Ferrari's ability to sell its cars, to maintain premium pricing, and to extend the value of the brand into other activities profitably or at all.

Ferrari selectively licenses the Ferrari brand to third parties that produce and sell Ferrari-branded luxury goods and therefore it relies on its licensing partners to preserve and enhance the value of its brand. If Ferrari's licensees or the manufacturers of these products do not maintain the standards of quality and exclusivity that Ferrari believes are consistent with its brand, or if such licensees or manufacturers otherwise misuse the brand, Ferrari's reputation and the integrity and value of its brand may be damaged and its business, operating results and financial condition may be materially and adversely affected.

Ferrari – Ferrari's brand image depends in part on the success of its Formula 1 racing team

The prestige, identity, and appeal of the Ferrari brand depend in part on the continued success of the Scuderia Ferrari racing team in the Formula 1 World Championship. The racing team is a key component of Ferrari's marketing strategy and may be perceived by its clients as a demonstration of the technological capabilities of its Sports and GT cars which also supports the appeal of other Ferrari-branded luxury goods. Ferrari has focused on restoring the success of its Formula 1 racing team as its most recent driver's championship and constructors' championship were in 2007 and 2008, respectively. Ferrari is focused on improving its racing results and restoring its historical position as the premier racing team. If it is unable to attract and retain the necessary talent to succeed in international competitions or devote the capital necessary to fund successful racing activities, the value of the Ferrari brand and the appeal of its cars and other luxury goods may suffer. Even if Ferrari is able to attract such talent and adequately fund its racing activities, there is no assurance that this will lead to competitive success for its racing team.

The success of its racing team depends in particular on Ferrari's ability to attract and retain top drivers and racing management and engineering talent. Its primary Formula 1 drivers, team managers and other key employees of Scuderia Ferrari are critical to the success of its racing team and if it was to lose their services, this could have a material adverse effect on the success of the racing team and correspondingly the Ferrari brand. If Ferrari is unable to find adequate replacements or to attract, retain and incentivize drivers and team managers, other key employees or new qualified personnel, the success of its racing team may suffer. As the success of the Ferrari racing team forms a large part of its brand identity, a sustained period without racing success could detract from the Ferrari brand and, as a result, potential clients' enthusiasm for the Ferrari brand and their perception of its cars, which could have an adverse effect on Ferrari's business, results of operations and financial condition.

Ferrari – If Ferrari is unable to keep up with advances in high performance car technology, its competitive position may suffer

Performance cars are characterized by leading-edge technology which is constantly evolving. In particular, advances in racing technology often lead to improved technology in road cars. Although Ferrari invests heavily in research and development, it may be unable to maintain its leading position in high performance car technology and, as a result, its competitive position may suffer. As technologies change, Ferrari plans to upgrade or adapt its cars and introduce new models in order to continue to provide cars with the latest technology. However, its cars may not compete effectively with its competitors' cars if it is not able to develop, source and integrate the latest technology into its cars.

For example, luxury performance cars will in the next few years begin to transition to hybrid technology, albeit at a slower pace compared to mass market vehicles. See "*The introduction of hybrid cars is costly and its long term success is uncertain*".

Developing and applying new automotive technologies is costly, and may become even more costly in the future as available technology advances and competition in the industry increases. If Ferrari's research and development efforts do not lead to improvements in car performance relative to the competition, or if it is required to spend more to achieve comparable results, sales of its cars or its profitability may suffer.

Ferrari - If its car designs do not appeal to clients, Ferrari's brand and competitive position may suffer

Design and styling are an integral component of Ferrari's models and of its brand. Its cars have historically been characterized by distinctive designs combining the aerodynamics of a sports car with powerful, elegant lines. Ferrari believes that its clients purchase its cars for their appearance as well as their performance. However, it will need to renew over time the style of its cars to differentiate the new models it produces from older models, and to reflect the broader evolution of aesthetics in its markets. Ferrari devotes great efforts to the design of its cars and most of its current models are designed by Ferrari Design Centre, its in-house design team. If the design of its future models fails to meet the evolving tastes and preferences of its clients and prospective clients, or the appreciation of the wider public, its brand may suffer and its sales may be adversely affected.

Ferrari - The value of the Ferrari brand depends in part on the automobile collector and enthusiast community

An important factor in the connection of clients to the Ferrari brand is Ferrari's strong relationship with the global community of automotive collectors and enthusiasts, particularly collectors and enthusiasts of Ferrari automobiles. This is influenced by its close ties to the automotive collectors' community and its support of related events (such as car shows and driving events), at its headquarters in Maranello and through its dealers, the Ferrari museum and affiliations with regional Ferrari clubs. The support of this community also depends upon the perception of its cars as collectibles, which Ferrari also supports through its Ferrari Classiche services, and the active resale market for its automobiles which encourages interest over the long term.

If there is a change in collector appetite or damage to its brand, Ferrari's ties to and the support it receives from this community may be diminished. Such a loss of enthusiasm for its cars from the automotive collectors' community could harm the perception of the Ferrari brand and adversely impact Ferrari's sales and profitability.

Ferrari - Demand for luxury goods, including luxury performance cars, is volatile, which may adversely affect Ferrari's operating results

Volatility of demand for luxury goods, in particular luxury performance cars, may adversely affect Ferrari's business, operating results and financial condition. The markets in which Ferrari sells its cars have been subject to volatility in demand in recent periods. Demand for luxury automobiles depends to a large extent on general, economic, political and social conditions in a given market as well as the introduction of new vehicles and technologies. As a luxury performance car manufacturer and low volume producer, Ferrari competes with larger automobile manufacturers many of which have greater financial resources in order to withstand changes in the market and disruptions in demand. Demand for Ferrari's cars may also be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles, such as the availability and cost of financing, prices of raw materials and parts and components, fuel costs and governmental regulations, including tariffs, import regulation and other taxes, including taxes on luxury goods, resulting in limitations to the use of high performance sports cars or luxury goods more generally. Volatility in demand may lead to lower car unit sales, which may result in further downward price pressure and adversely affect Ferrari's business, operating results and financial condition. These effects may have a more pronounced impact on Ferrari given its low volume strategy and relatively smaller scale as compared to large global mass-market automobile manufacturers.

Ferrari - The low volume strategy may limit potential profits, and if volumes increase Ferrari's brand exclusivity may be eroded

A key to the appeal of the Ferrari brand and its marketing strategy is the aura of exclusivity and the sense of luxury which the brand conveys. A central facet to this exclusivity is the limited number of models and cars Ferrari produces and its strategy of maintaining its car waiting lists to reach the optimal combination of exclusivity and client service. Ferrari's low volume strategy is also an important factor in the prices that its clients are willing to pay for its cars. This focus on maintaining exclusivity limits Ferrari's potential sales growth and profitability.

On the other hand, Ferrari's current growth strategy contemplates a measured but significant increase in car sales above current levels as it targets a larger customer base and modes of use, and increases its focus on GT cars.

In pursuit of its strategy, Ferrari may be unable to maintain the exclusivity of the brand. If it is unable to balance brand exclusivity with increased production, it may erode the desirability and ultimately the consumer demand for its cars. As a result, if Ferrari is unable to increase car production meaningfully or introduce new car models without eroding the image of exclusivity in its brand it may be unable to significantly increase its revenues.

Ferrari - Revenues from Formula 1 activities may decline and related expenses may grow

Revenues from Ferrari's Formula 1 activities depend principally on the income from its sponsorship agreements and on its share of Formula 1 revenues from broadcasting and other sources. If Ferrari is unable to renew its existing sponsorship agreements or if it enters into new or renewed sponsorship agreements with less favorable terms, its revenues would decline. In addition, its share of Formula 1 results may decline if either its team's performance worsens compared to other competing teams, or if the overall Formula 1 business suffers. Furthermore, in order to compete effectively on track Ferrari has been investing significant resources in research and development and to competitively compensate the best available drivers and other racing team members. These expenses also vary based on changes in Formula 1 regulations that require modification to its racing engines and cars. These expenses are expected to continue, and may grow further, including as a result of any changes in Formula 1 regulations, which would negatively affect Ferrari's results of operations.

In addition the company that owns the Formula 1 business was recently acquired by new owners and it is uncertain whether and how the arrangements relating to the participation of Ferrari and the other teams competing in the championship may change in the future particularly in the period following the 2020 expiration of the current arrangements between racing teams and the operator of Formula 1. Ferrari is currently evaluating the terms and conditions under which it may continue to participate in the Formula 1 championship after the 2020 season and it cannot be certain that Ferrari or other racing teams will be successful in negotiating acceptable terms and conditions for continued participation. If it were to withdraw from Formula 1 this would affect Ferrari's marketing and brand strategies and it is currently unable to predict the consequences on its business, financial condition and results of operations.

Ferrari - The small number of car models Ferrari produces and sells may result in greater volatility in its financial results

Ferrari depends on the sales of its range and special series models and its limited edition supercar to generate its revenues. Ferrari's current product range consists of six range models (including three sports cars and three GT cars), one special series car and one limited edition supercar. While it anticipates expanding its car offerings, Ferrari expects that a limited number of models will continue to account for a large portion of its revenues at any given time in the foreseeable future. Therefore, its future operating results depend upon the continued market acceptance of each model in its line-up. There can be no assurance that Ferrari's cars will continue to be successful in the market. It generally takes several years from the beginning of the development phase to the start of production for a new model and the car development process is capital intensive. As a result, Ferrari would likely be unable to replace quickly the revenue lost from one of its main car models if it does not achieve market acceptance. Furthermore, its revenues and profits may also be affected by its "special series" and limited edition cars that it launches from time to time and which are typically priced higher than its range models. There can be no assurance that Ferrari will be successful in developing, producing and marketing additional new cars that will sustain sales growth in the future.

Ferrari - Engine production revenues are dependent on Maserati's ability to sell its cars

Ferrari produces V8 and V6 engines for Maserati. In particular, it has a multi-year arrangement with Maserati to provide V6 engines through 2020, which may be followed by further production runs in future periods. In 2017 Ferrari recorded net revenues of €302 million from the sales of engines to Maserati. While Maserati is required to compensate Ferrari for certain costs it may incur, such as penalties from its suppliers, in the event that the sales of Maserati cars decline, or do not increase at the expected rate, such an event would adversely affect Ferrari's revenues from the sale of engines.

Ferrari – Ferrari's business is subject to changes in client preferences and trends in the automotive and luxury industry

Ferrari's continued success depends in part on its ability to originate and define product and trends in the automotive and luxury industry, as well as to anticipate and respond promptly to changing consumer demands and automotive trends in the design, styling, technology, production, merchandising and pricing of its products. Ferrari's products must appeal to a client base whose preferences cannot be predicted with certainty and are subject to rapid change.

Evaluating and responding to client preferences has become even more complex in recent years, due to Ferrari's expansion in new geographical markets. The introduction of electric and hybrid technology and the associated changes in customer preferences that may follow are also a challenge Ferrari will face in future periods. See also *"If Ferrari is unable to keep up with advances in high performance car technology, its competitive position may suffer"* and "*The introduction of hybrid cars is costly and its long term success is uncertain*". If it misjudges the market for its products, Ferrari and its dealers may be faced with excess inventories for some cars and missed opportunities with others. In addition, there can be no assurance that it will be able to produce, distribute and market new products efficiently or that any product category that it may expand or introduce will achieve sales levels sufficient to generate profits. Ferrari will encounter this risk, for example, if it decides to expand its range to include one or more luxury high performance utility vehicles. Furthermore this risk is particularly pronounced as Ferrari expands in accordance with its strategy into adjacent segments of the luxury industry, where it does not have a level of experience and market presence comparable to the one it has in the automotive industry. Any of these risks could have a material adverse effect on its business, results of operations and financial condition.

Ferrari - Global economic conditions may adversely affect Ferrari

Ferrari's sales volumes and revenues may be affected by overall general economic conditions. Deteriorating general economic conditions may affect disposable incomes and reduce consumer wealth impacting client demand, particularly for luxury goods, which may negatively impact Ferrari's profitability and put downward pressure on its prices and volumes. Furthermore, during recessionary periods, social acceptability of luxury purchases may decrease and higher taxes may be more likely to be imposed on certain luxury goods including Ferrari cars, which may affect its sales. Adverse economic conditions may also affect the financial health and performance of Ferrari's dealers in a manner that will affect sales of its cars or their ability to meet their commitments to Ferrari.

Many factors affect the level of consumer spending in the luxury performance car industry, including the state of the economy as a whole, stock market performance, interest and exchange rates, inflation, political uncertainty, the availability of consumer credit, tax rates, unemployment levels and other matters that influence consumer confidence. In general, although Ferrari's sales have historically been comparatively resilient in periods of economic turmoil, sales of luxury goods tend to decline during recessionary periods when the level of disposable income tends to be lower or when consumer confidence is low.

Ferrari distributes its products internationally and it may be affected by downturns in general economic conditions or uncertainties regarding future economic prospects that may impact the countries in which it sells a significant portion of its products. In particular, the majority of Ferrari's current sales are in the EU and in the United States; if it is unable to expand in emerging markets, a downturn in mature economies such as the EU and the United States may negatively affect its financial performance. The EU economies in particular have suffered a prolonged period of slow growth since the 2008 financial crisis. In addition, uncertainties regarding future trade arrangements and industrial policies in various countries or regions, such as in the United Kingdom following the referendum to leave the European Union (see further *"Ferrari may be adversely affected by the UK determination to leave the European Union (Brexit)"*) create additional macroeconomic risk. In the United States, any policy to discourage import into the United States of vehicles produced elsewhere could adversely affect Ferrari's operations. Any new policies and any steps Ferrari may take to address such new policies may have an adverse effect on its business, financial condition and results of operations. In addition, a further economic slowdown or changes in the economic and political situation in the Middle East region may impact the demand for its products in that market, which may adversely impact its revenues in the relevant periods. A significant decline in the EU, the global economy or in the specific economies of Ferrari's markets, or in consumers' confidence, could have a material adverse effect on its business. See also *"Developments in emerging markets may adversely affect Ferrari's business"*.

Ferrari - New laws, regulations, or policies of governmental organizations regarding increased fuel economy requirements, reduced greenhouse gas or pollutant emissions, or vehicle safety, or changes in existing laws, may have a significant effect on Ferrari's costs of operation and/or how it does business

Ferrari is subject throughout the world to comprehensive and constantly evolving laws, regulations and policies. It expects the extent of the legal and regulatory requirements affecting its business and its costs of compliance to continue to increase significantly in the future. In Europe and the United States, for example, significant governmental regulation is driven by environmental, fuel economy, vehicle safety and noise emission concerns. Evolving regulatory requirements could significantly affect Ferrari's product development plans and may limit the number and types of cars it sells and where it sells them, which may affect Ferrari's revenue.

Governmental regulations may increase the costs it incurs to design, develop and produce its cars and may affect its product portfolio. Regulation may also result in a change in the character or performance characteristics of Ferrari's cars which may render them less appealing to its clients. Ferrari anticipates that the number and extent of these regulations, and their effect on its cost structure and product line-up, will increase significantly in the future.

Current European legislation limits fleet average greenhouse gas emissions for new passenger cars, and new targets have been set in 2014 with more stringent emission targets applicable to the 2017-2021 period. Due to Ferrari's small volume manufacturer ("SVM") status it benefits from a derogation from the existing emissions requirement and is instead required to meet, by 2021, alternative targets for its fleet of EU-registered vehicles.

In the United States, the U.S. Environmental Protection Agency ("EPA") and the National Highway Traffic Safety Administration ("NHTSA") have set the federal standards for passenger cars and light trucks to meet certain combined average greenhouse gas ("GHG") and fuel economy ("CAFE") levels and more stringent standards have been prescribed for model years 2017 through 2025. As a SVM that is able to demonstrate its operational independence from FCA, Ferrari expects to benefit from a derogation from currently applicable standards. Ferrari has also petitioned the EPA for alternative standards for the 2017-2021 model years, which are aligned to its technical and economic capabilities. In September 2016 Ferrari petitioned NHTSA for recognition as an independent manufacturer of less than 10,000 vehicles produced globally and proposed alternative CAFE standards for Model Years 2017, 2018 and 2019. Then, in December, 2017, it amended the petition by proposing alternative CAFE standards for Model Years 2016, 2017 and 2018 instead, covering also the 2016 Model Year. NHTSA have not yet responded to Ferrari's petition. It will need in the future to file with NHTSA a petition for 2019-2020 and 2021 model years. If Ferrari's petitions are rejected, it will not be able to benefit from the more favorable CAFE standards levels which it has petitioned for and this may require it to purchase additional CAFE credits in order to comply with applicable CAFE standards.

In addition, Ferrari is subject to legislation relating to the emission of other air pollutants such as, among others, the "Tier 3" Motor Vehicle Emission and Fuel Standards issued by the EPA, and the Zero Emission Vehicle regulation in California, which are subject to similar derogations for SVMs, as well as vehicle safety legislation. NHTSA also recently published guidelines for driver distraction, and the associated compliance costs may be substantial.

Other governments around the world, such as those in Canada, South Korea, China and certain Middle Eastern countries are also creating new policies to address these issues which could be even more stringent than the U.S. or European requirements. As in the United States and Europe, these government policies if applied to Ferrari could significantly affect Ferrari's product development plans. In China, for example, Stage IV fuel consumption regulation targets a national average fuel consumption of 5.0L/100km by 2020.

In response to severe air quality issues in Beijing and other major Chinese cities, in 2016 the Chinese government published a more stringent emissions program (National 6), providing two different levels of stringency effective starting from 2020. Moreover autonomous Chinese regions and municipalities are allowed to implement these more stringent requirements in advance of 2020. If local Chinese regions and municipalities implement such requirements before 2020 this could lead Ferrari to revise its product development and production plans in China, incur significant costs and change marketing strategies in China, which may affect its profits.

Ferrari could lose its status as a SVM in the EU, the United States and other countries if it does not continue to meet all of the necessary eligibility criteria under applicable regulations as they evolve. In order to meet these criteria it may need to modify its growth plans or other operations. Furthermore, even if it continues to benefit from derogations as a SVM, Ferrari will be subject to alternative standards that the regulators deem appropriate for its technical and economic capabilities and such alternative standards may be significantly more stringent than those currently applicable to it.

Under these existing regulations, as well as new or stricter rules or policies, Ferrari could be subject to sizable civil penalties or have to restrict or modify product offerings drastically to remain in compliance. It may have to incur substantial capital expenditures and research and development expenditures to upgrade products and manufacturing facilities, which would have an impact on its cost of production and results of operation.

In the future, the advent of self-driving technology may result in regulatory changes that Ferrari cannot predict but may include limitations or bans on human driving in specific areas. Similarly, driving bans on combustion engine vehicles could be imposed, particularly in metropolitan areas, as a result of progress in electric and hybrid technology. Any such future developments may adversely affect the demand for Ferrari's cars and its business.

In September 2017 the Chinese government issued the Administrative Measures on CAFC (Corporate Average Fuel Consumption) and NEV (New Energy Vehicle) Credits. This regulation establishes mandatory CAFC requirements, while providing additional flexibilities for SVMs (less than 2,000 units/year imported in China) that achieve a certain minimum CAFC yearly improvement rate.

Because Ferrari's CAFC is expected to exceed the regulatory ceiling, it will be required to purchase NEV credits. There is no assurance that an adequate market for NEV credits will develop in China and if Ferrari is not able to secure sufficient NEV credits this may adversely affect its business in China.

Ferrari – Ferrari's growth strategy exposes it to risks

Ferrari's growth strategy includes a controlled expansion of its sales and operations, including the launching of new car models and expanding sales and dealer operations in targeted growth regions internationally. In particular, its growth strategy requires it to expand operations in regions that it has identified as having relatively high growth potential. Ferrari may encounter difficulties, including more significant competition in entering and establishing itself in these markets.

Ferrari's growth depends on the continued success of its existing cars, as well as the successful design and introduction of new cars. Its ability to create new cars and to sustain existing car models is affected by whether it can successfully anticipate and respond to consumer preferences and car trends. The failure to develop and launch successful new cars could hinder the growth of Ferrari's business. Also, any delay in the development or launch of a new product could result in others bringing new products and technology to market first, which could compromise Ferrari's competitive position. As part of its growth strategy, Ferrari plans to broaden the range of its models to capture additional customer demand for different types of vehicles and modes of utilization. For example, it is currently evaluating the development and launch of a luxury high performance utility vehicle. In addition, Ferrari will gradually expand the use of hybrid technology in its road cars, consistent with customer preferences and broader industry trends. While Ferrari will seek to ensure that these changes remain fully consistent with the Ferrari car identity, it cannot be certain that they will prove profitable and commercially successful.

Ferrari's growth strategy may expose it to new business risks that it may not have the expertise, capability or the systems to manage. This strategy will also place significant demands on it by requiring it to continuously evolve and improve its operational, financial and internal controls. Continued expansion also increases the challenges involved in maintaining high levels of quality, management and client satisfaction, recruiting, training and retaining sufficient skilled management, technical and marketing personnel. If Ferrari is unable to manage these risks or meet these demands, its growth prospects and its business, results of operation and financial condition could be adversely affected.

Ferrari plans to redesign its international network footprint and skill set. It also plans to open additional retail stores in international markets. Ferrari does not yet have significant experience directly operating in many of these markets, and in many of them it faces established competitors. Many of these countries have different operational characteristics, including but not limited to employment and labor, transportation, logistics, real estate, environmental regulations and local reporting or legal requirements.

Consumer demand and behavior, as well as tastes and purchasing trends may differ in these markets, and as a result, sales of Ferrari's products may not be successful, or the margins on those sales may not be in line with those it currently anticipates. Furthermore, such markets will have upfront short-term investment costs that may not be accompanied by sufficient revenues to achieve typical or expected operational and financial performance and therefore may be dilutive to Ferrari in the short-term. In many of these countries, there is significant competition to attract and retain experienced and talented employees.

Consequently, if Ferrari's international expansion plans are unsuccessful, its business, results of operation and financial condition could be materially adversely affected.

Ferrari - The introduction of hybrid cars is costly and its long term success is uncertain

Ferrari intends to gradually introduce hybrid technology in both its sports and GT cars ranges. In accordance with its strategy, Ferrari believes hybrid technology will be key to providing continuing performance upgrades to its sports car customers, and will also help capture the preferences of the urban, affluent GT cars purchasers whom it is increasingly targeting.

While Ferrari has introduced hybrid technology in some models, such as LaFerrari and LaFerrari Aperta, the integration of such technology more broadly into its car portfolio over time may present challenges and costs. It expects to increase R&D spending in 2018 particularly on hybrid technology-related projects. Although Ferrari expects to price its future hybrid cars appropriately to recoup the investments and expenditures it is making, it cannot be certain that these expenditures will be fully recovered. In addition, this transformation of its car technology creates risks and uncertainties such as the impact on driver experience, and the impact on the cars' residual value over time, both of which may be met with an unfavorable market reaction. Other manufacturers of luxury sports cars may be more successful in implementing hybrid technology.

Longer term, although Ferrari believes that combustion engines will continue to be fundamental to the Ferrari driver experience, pure electric cars may become the prevalent technology for performance sports cars thereby displacing hybrid models. See also "If Ferrari is unable to keep up with advances in high performance car technology, its competitive position may suffer."

Because hybrid technology is a core component of Ferrari's strategy, if the introduction of hybrid cars proves too costly or is unsuccessful in the market, its business and results of operations could be materially adversely affected.

Ferrari – Ferrari's indebtedness could adversely affect its operations and it may face difficulties in servicing or refinancing its debt

As of December 31, 2017, Ferrari's total consolidated debt was approximately €1,806 million (which includes its financial services), including €500 million aggregate principal amount of 1.500% notes due 2023, and €700 million aggregate principal amount of 0.250% notes due 2021. Ferrari's current and long-term debt requires it to dedicate a portion of its cash flow to service interest and principal payments and, if interest rates rise, this amount may increase. In addition, Ferrari's existing debt may limit its ability to raise further capital to execute its growth strategy or otherwise may place it at a competitive disadvantage relative to competitors that have less debt. The agreements governing its indebtedness do not prohibit the incurrence of additional indebtedness. To the extent Ferrari becomes more leveraged, the risks described above would increase. Ferrari may also have difficulty refinancing its existing debt or incurring new debt on terms that it would consider to be commercially reasonable, if at all.

Ferrari - Ferrari faces competition in the luxury performance car industry

Ferrari faces competition in all product categories and markets in which it operates. It competes with other international luxury performance car manufacturers which own and operate well-known brands of high-quality cars, some of which form part of larger automotive groups and may have greater financial resources and bargaining power with suppliers than Ferrari does, particularly in light of its policy to maintain low volumes in order to preserve and enhance the exclusivity of its cars. Ferrari believes that it competes primarily on the basis of its brand image, the performance and design of its cars, its reputation for quality and the driving experience for its customers. If it is unable to compete successfully, its business, results of operations and financial condition could be adversely affected.

Ferrari - Developments in emerging markets may adversely affect Ferrari's business

Ferrari operates in a number of emerging markets, both directly and through its dealers and it has experienced increasing demand in China and other regions in Asia.

Ferrari's strategy contemplates expanding its sales in Asia, recognizing the increasing personal wealth in these markets. While demand in these markets has increased in recent years due to sustained economic growth and growth in personal income and wealth, Ferrari is unable to foresee the extent to which economic growth in these emerging markets will be sustained. For example, rising geopolitical tensions and potential slowdowns in the rate of growth there and in other emerging markets could limit the opportunity for it to increase unit sales and revenues in those regions in the near term.

Ferrari's exposure to emerging countries is likely to increase, as it pursues expanded sales in such countries. Economic and political developments in emerging markets, including economic crises or political instability, have had and could have in the future material adverse effects on Ferrari's results of operations and financial condition. Further, in certain markets in which Ferrari or its dealers operate, required government approvals may limit its ability to act quickly in making decisions on its operations in those markets. Other government actions may also impact the market for luxury goods in these markets, such as tax changes or the active discouragement of luxury purchases.

Maintaining and strengthening its position in these emerging markets is a key component of Ferrari's global growth strategy. However, initiatives from several global luxury automotive manufacturers have increased competitive pressures for luxury cars in several emerging markets. As these markets continue to grow, Ferrari anticipates that additional competitors, both international and domestic, will seek to enter these markets and that existing market participants will try to aggressively protect or increase their market share. Increased competition may result in pricing pressures, reduced margins and Ferrari's inability to gain or hold market share, which could have a material adverse effect on its results of operations and financial condition. See also "*Global economic conditions may adversely affect Ferrari*".

Ferrari – Ferrari’s success depends largely on the ability of its current management team to operate and manage effectively

Ferrari’s success depends on the ability of its senior executives and other members of management to effectively manage its business as a whole and individual areas of the business. Ferrari’s management team particularly benefits from the leadership of its CEO and Chairman, Sergio Marchionne, who engineered the operating and financial turnaround of Fiat and Chrysler and the global expansion of FCA into the eighth largest automaker in the world (based on 2017 vehicle sales worldwide). Ferrari’s employees, particularly in its production facilities in and around Maranello, Italy include many highly skilled engineers, technicians and artisans. If it were to lose the services of any of these senior executives or key employees, this could have a material adverse effect on its business, operating results and financial condition. Ferrari has developed management succession plans that it believes are appropriate in the circumstances, although it is difficult to predict with any certainty that it will replace these individuals with persons of equivalent experience and capabilities. If Ferrari is unable to find adequate replacements or to attract, retain and incentivize senior executives, other key employees or new qualified personnel, its business, results of operations and financial condition may suffer.

Ferrari - Ferrari relies on its dealer network to provide sales and services

Ferrari does not own its dealers and virtually all of its sales are made through its network of dealerships located throughout the world. If its dealers are unable to provide sales or service quality that its clients expect or do not otherwise adequately project the Ferrari image and its aura of luxury and exclusivity, the Ferrari brand may be negatively affected. Ferrari depends on the quality of its dealership network and its business, operating results and financial condition could be adversely affected if the dealers suffer financial difficulties or otherwise are unable to perform to Ferrari’s expectations. Furthermore, Ferrari may experience disagreements or disputes in the course of its relationship with its dealers or upon termination which may lead to financial costs, disruptions and reputational harm.

Ferrari’s growth strategy also depends on its ability to attract a sufficient number of quality new dealers to sell its products in new areas. Ferrari may face competition from other luxury performance car manufacturers in attracting quality new dealers, based on, among other things, dealer margin, incentives and the performance of other dealers in the region. If Ferrari is unable to attract a sufficient number of new Ferrari dealers in targeted growth areas, its prospects could be materially adversely affected.

Ferrari – Ferrari depends on its suppliers, many of which are single source suppliers; and if these suppliers fail to deliver necessary raw materials, systems, components and parts of appropriate quality in a timely manner, Ferrari’s operations may be disrupted

Ferrari’s business depends on a significant number of suppliers, which provide the raw materials, components, parts and systems it requires to manufacture cars and parts and to operate its business. It uses a variety of raw materials in its business including aluminum, and precious metals such as palladium and rhodium. It sources materials from a limited number of suppliers. Ferrari cannot guarantee that it will be able to maintain access to these raw materials, and in some cases this access may be affected by factors outside of its control and the control of its suppliers. In addition, prices for these raw materials fluctuate and while Ferrari seeks to manage this exposure, it may not be successful in mitigating these risks.

As with raw materials, Ferrari is also at risk of supply disruption and shortages in parts and components it purchases for use in its cars. Ferrari sources a variety of key components from third parties, including transmissions, brakes, driving-safety systems, navigation systems, mechanical, electrical and electronic parts, plastic components as well as castings and tires, which make it dependent upon the suppliers of such components. In the future, it will also require a greater number of batteries and other components of hybrid engines as it introduces hybrid technology in its range model offering, and it expects producers of batteries will be called to increase the levels of supply as the shift to hybrid or electric technology gathers pace in the industry. While Ferrari obtains components from multiple sources whenever possible, similar to other small volume car manufacturers, most of the key components it uses in its cars are purchased from single source suppliers. Ferrari generally does not qualify alternative sources for most of the single-sourced components it uses in its cars and it does not maintain long-term agreements with a number of its suppliers. Furthermore, it has limited ability to monitor the financial stability of its suppliers.

While Ferrari believes that it may be able to establish alternate supply relationships and can obtain or engineer replacement components for its single-sourced components, it may be unable to do so in the short term, or at all, at prices or costs that it believes are reasonable. Qualifying alternate suppliers or developing its own replacements for certain highly customized components of its cars may be time consuming, costly and may force it to make costly modifications to the designs of its cars.

For example, Takata Corporation ("Takata") is currently the principal supplier of the airbags installed in Ferrari's cars. Defective airbags manufactured by Takata have led to widespread recalls by several automotive manufacturers starting in 2015, including Ferrari (see further "*Car recalls may be costly and may harm Ferrari's reputation*"). Takata filed for bankruptcy protection in Japan and the United States in June 2017. Failure by Takata to continue the supply of airbags may cause significant disruption to Ferrari's operations.

In the past, Ferrari has replaced certain suppliers because they failed to provide components that met its quality control standards. The loss of any single or limited source supplier or the disruption in the supply of components from these suppliers could lead to delays in car deliveries to Ferrari's clients, which could adversely affect its relationships with its clients and also materially and adversely affect its operating results and financial condition. Supply of raw materials, parts and components may also be disrupted or interrupted by natural disasters, as was the case in 2012 following the earthquake in the Emilia Romagna region of Italy.

Changes in Ferrari's supply chain have in the past resulted and may in the future result in increased costs and delays in car production. Ferrari has also experienced cost increases from certain suppliers in order to meet its quality targets and development timelines and because of design changes that it has made. It may experience similar cost increases in the future. Additionally, Ferrari is negotiating with existing suppliers for cost reductions, seeking new and less expensive suppliers for certain parts, and attempting to redesign certain parts to make them less expensive to produce. If it is unsuccessful in its efforts to control and reduce supplier costs while maintaining a stable source of high quality supplies, its operating results will suffer. Additionally, cost reduction efforts may disrupt its normal production processes, thereby harming the quality or volume of its production.

Furthermore, if Ferrari's suppliers fail to provide components in a timely manner or at the level of quality necessary to manufacture its cars, its clients may face longer waiting periods which could result in negative publicity, harm its reputation and relationship with clients and have a material adverse effect on its business, operating results and financial condition.

Ferrari – Ferrari depends on its manufacturing facilities in Maranello and Modena

Ferrari assembles all of the cars that it sells and manufactures, and all of the engines it uses in its cars and sells to Maserati, at its production facility in Maranello, Italy, where it also has its corporate headquarters. It manufactures all of its car chassis in a nearby facility in Modena, Italy. The Maranello or Modena plants could become unavailable either permanently or temporarily for a number of reasons, including contamination, power shortage or labor unrest. Alternatively, changes in law and regulation, including export, tax and employment laws and regulations, or economic conditions, including wage inflation, could make it uneconomic for Ferrari to continue manufacturing its cars in Italy. In the event that it were unable to continue production at either of these facilities or it became uneconomic for it to continue to do so, Ferrari would need to seek alternative manufacturing arrangements which would take time and reduce its ability to produce sufficient cars to meet demand. Moving manufacturing to other locations may also affect the perception of Ferrari's brand and car quality among its clients. Such a transfer would materially reduce its revenues and could require significant investment, which as a result could have a material adverse effect on its business, results of operations and financial condition.

Maranello and Modena are located in the Emilia-Romagna region of Italy which has the potential for seismic activity. For instance, in 2012 a major earthquake struck the region, causing production at Ferrari's facilities to be temporarily suspended for a day. If major disasters such as earthquakes, fires, floods, hurricanes, wars, terrorist attacks, pandemics or other events occur, its headquarters and production facilities may be seriously damaged, or it may stop or delay production and shipment of its cars. As such, damage from disasters or unpredictable events could have a material adverse impact on Ferrari's business, results from operations and financial condition.

Ferrari - Car sales depend in part on the availability of affordable financing

In certain regions, financing for new car sales has been available at relatively low interest rates for several years due to, among other things, expansive government monetary policies. Recent pronouncements of governments and central banks point to a change in the policy environment that may lead to a gradual contraction of monetary policies in coming periods. To the extent that interest rates rise generally, market rates for new car financing are expected to rise as well, which may make Ferrari's cars less affordable to clients or cause consumers to purchase less expensive cars, adversely affecting its results of operations and financial condition. Additionally, if consumer interest rates increase substantially or if financial service providers tighten lending standards or restrict their lending to certain classes of credit, Ferrari's clients may choose not to, or may not be able to, obtain financing to purchase its cars.

Ferrari - Ferrari may not be able to provide adequate access to financing for its dealers and clients, and its financial services operations may be disrupted

Ferrari's dealers enter into wholesale financing arrangements to purchase cars from it to hold in inventory or to use in showrooms and facilitate retail sales, and retail clients use a variety of finance and lease programs to acquire cars.

In most markets, Ferrari relies on controlled finance companies and commercial relationships with third parties, including third party financial institutions, to provide financing to its dealers and retail clients. Finance companies are subject to various risks that could negatively affect their ability to provide financing services at competitive rates, including:

- the performance of loans and leases in their portfolio, which could be materially affected by delinquencies or defaults;
- higher than expected car return rates and the residual value performance of cars they lease; and
- fluctuations in interest rates and currency exchange rates.

Furthermore, to help fund its retail and wholesale financing business, Ferrari's financial services companies also access forms of funding available from the banking system in each market, including sales or securitization of receivables either in negotiated sales or through securitization programs. For example, in 2016, Ferrari Financial Services Inc. carried out revolving securitizations raising an aggregate of $481 million of initial proceeds. At December 31, 2017, an amount of $667 million was outstanding under revolving securitizations carried out by Ferrari Financial Services Inc. Should Ferrari lose the ability to access the securitization market at advantageous terms or at all, the funding of its wholesale financing business would become more difficult and expensive and its financial condition may be adversely affected.

Any financial services provider, including Ferrari's controlled finance companies, will face other demands on its capital, as well as liquidity issues relating to other investments or to developments in the credit markets. Furthermore, they may be subject to regulatory changes that may increase their costs, which may impair their ability to provide competitive financing products to Ferrari's dealers and retail clients. To the extent that a financial services provider is unable or unwilling to provide sufficient financing at competitive rates to Ferrari's dealers and retail clients, such dealers and retail clients may not have sufficient access to financing to purchase or lease its cars. As a result, Ferrari's car sales and market share may suffer, which would adversely affect its results of operations and financial condition.

Ferrari's dealer and retail customer financing in Europe are mainly provided through its partnership with FCA Bank S.p.A. ("FCA Bank"), a joint venture between FCA Italy S.p.A. and Crédit Agricole Consumer Finance S.A. ("CACF"). If it fails to maintain its partnership with FCA Bank or in the event of a termination of the joint venture or change of control of one of its joint venture partners, Ferrari may not be able to find a suitable alternative partner with similar resources and experience and continue to offer financing services to support the sales of Ferrari cars in key European markets, which could adversely affect its results of operations and financial condition.

Ferrari - Ferrari relies on its licensing and franchising partners to preserve the value of its licenses and the failure to maintain such partners could harm its business

Ferrari currently has multi-year agreements with licensing partners for various Ferrari-branded products in the sports, lifestyle and luxury retail segments. It also has multi-year agreements with franchising partners for its Ferrari stores and theme park. In the future, it may enter into additional licensing or franchising arrangements. Many of the risks associated with its own products also apply to its licensed products and franchised stores. In addition, there are unique problems that Ferrari licensing or franchising partners may experience, including risks associated with each licensing partner's ability to obtain capital, manage its labor relations, maintain relationships with its suppliers, manage its credit and bankruptcy risks, and maintain client relationships. While it maintains significant control over the products produced for it by its licensing partners and the franchisees running its Ferrari stores and theme parks, any of the foregoing risks, or the inability of any of its licensing or franchising partners to execute on the expected design and quality of the licensed products, Ferrari stores and theme park, or otherwise exercise operational and financial control over its business, may result in loss of revenue and competitive harm to its operations in the product categories where it has entered into such licensing or franchising arrangements. While Ferrari selects its licensing and franchising partners with care, any negative publicity surrounding such partners could have a negative effect on licensed products, the Ferrari stores and theme parks or the Ferrari brand. Further, while Ferrari believes that it could replace its existing licensing or franchising partners if required, its inability to do so for any period of time could materially adversely affect its revenues and harm its business.

Ferrari - Ferrari depends on the strength of its trademarks and other intellectual property rights

Ferrari believes that its trademarks and other intellectual property rights are fundamental to its success and market position. Therefore, its business depends on its ability to protect and promote its trademarks and other intellectual property rights. Accordingly, Ferrari devotes substantial efforts to the establishment and protection of its trademarks and other intellectual property rights such as registered designs and patents on a worldwide basis. Ferrari believes that its trademarks and other intellectual property rights are adequately supported by applications for registrations, existing registrations and other legal protections in its principal markets. However, it cannot exclude the possibility that its intellectual property rights may be challenged by others, or that it may be unable to register its trademarks or otherwise adequately protect them in some jurisdictions. If a third party were to register Ferrari's trademarks, or similar trademarks, in a country where Ferrari has not successfully registered such trademarks, it could create a barrier to Ferrari's commencing trade under those marks in that country.

Ferrari - Third parties may claim that Ferrari infringes their intellectual property rights

Ferrari believes that it holds all the rights required for its business operations (including intellectual property rights and third-party licenses). However, it is exposed to potential claims from third parties alleging that Ferrari infringes their intellectual property rights, since many competitors and suppliers also submit patent applications for their inventions and secure patent protection or other intellectual property rights. If Ferrari is unsuccessful in defending against any such claim, it may be required to pay damages or comply with injunctions which may disrupt its operations. Ferrari may also as a result be forced to enter into royalty or licensing agreements on unfavorable terms or to redesign products to comply with third parties' intellectual property rights.

Ferrari - If its cars do not perform as expected Ferrari's ability to develop, market and sell its cars could be harmed

Ferrari's cars may contain defects in design and manufacture that may cause them not to perform as expected or that may require repair. There can be no assurance that Ferrari will be able to detect and fix any defects in the cars prior to their sale to consumers. Its cars may not perform in line with its clients' evolving expectations or in a manner that equals or exceeds the performance characteristics of other cars currently available. For example, Ferrari's newer cars may not have the durability or longevity of current cars, and may not be as easy to repair as other cars currently on the market. Any product defects or any other failure of its performance cars to perform as expected could harm its reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to its brand and reputation, and significant warranty and other expenses, and could have a material adverse impact on its business, operating results and financial condition.

Ferrari - Car recalls may be costly and may harm Ferrari's reputation

Ferrari has in the past and may from time to time in the future be required to recall its products to address performance, compliance or safety-related issues. It may incur costs for these recalls, including replacement parts and labor to remove and replace the defective parts. For example, in the course of 2015 and 2016, it issued a series of recalls relating to defective air bags manufactured by Takata and installed on certain of its models. Also in light of uncertainties in Ferrari's ability to recover the recall costs from Takata, which filed for bankruptcy in June 2017, it has recorded a provision regarding this matter which amounted to €35 million as of December 31, 2017. In addition, regulatory oversight of recalls, particularly in vehicle safety, has increased recently. Any product recalls can harm Ferrari's reputation with clients, particularly if consumers call into question the safety, reliability or performance of its cars. Any such recalls could harm its reputation and result in adverse publicity, lost revenue, delivery delays, product liability claims and other expenses, and could have a material adverse impact on its business, operating results and financial condition.

Ferrari - Ferrari may become subject to product liability claims, which could harm its financial condition and liquidity if it is not able to successfully defend or insure against such claims

Ferrari may become subject to product liability claims, which could harm its business, operating results and financial condition. The automobile industry experiences significant product liability claims and Ferrari has inherent risk of exposure to claims in the event its cars do not perform as expected or malfunction resulting in personal injury or death. A successful product liability claim against Ferrari could require it to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about its cars and business, adversely affecting its reputation and inhibiting or preventing commercialization of future cars which could have a material adverse effect on its brand, business, operating results and financial condition. While Ferrari seeks to insure against product liability risks, insurance may be insufficient to protect against any monetary claims it may face and will not mitigate any reputational harm.

Any lawsuit seeking significant monetary damages may have a material adverse effect on Ferrari's reputation, business and financial condition. It may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if it faces liability for its products and is forced to make a claim under such a policy.

Ferrari - Ferrari is exposed to risks in connection with product warranties as well as the provision of services

A number of Ferrari's contractual and legal requirements oblige it to provide extensive warranties to its clients, dealers and national distributors. There is a risk that, relative to the guarantees and warranties granted, the calculated product prices and the provisions for its guarantee and warranty risks have been set or will in the future be set too low. There is also a risk that it will be required to extend the guarantee or warranty originally granted in certain markets for legal reasons, or provide services as a courtesy or for reasons of reputation where it is not legally obliged to do so, and for which it will generally not be able to recover from suppliers or insurers.

Ferrari - If Ferrari were to lose its Authorized Economic Operator certificate, it may be required to modify its current business practices and to incur increased costs, as well as experience shipment delays

Because Ferrari ships and sells its cars in numerous countries, the customs regulations of various jurisdictions are important to its business and operations. To expedite customs procedure, Ferrari applied for, and currently holds, the European Union's Authorized Economic Operator (AEO) certificate. The AEO certificate is granted to operators that meet certain requirements regarding supply chain security and the safety and compliance with law of the operator's customs controls and procedures. Operators are audited periodically for continued compliance with the requirements. The AEO certificate allows Ferrari to benefit from special expedited customs treatment, which significantly facilitates the shipment of its cars in the various markets where it operates. The AEO certificate is subject to mandatory audit review by May 1, 2019 according to the new European Customs Legislation and therefore Ferrari will need to implement all necessary organization changes in order to comply with the new requirements. If it were to lose the AEO status, including for failure to meet one of the certification's requirements, it would be required to change its business practices and to adopt standard customs procedures for the shipment of its cars. This could result in increased costs and shipment delays, which, in turn, could negatively affect its results of operations.

Ferrari - Labor laws and collective bargaining agreements with its labor unions could impact Ferrari's ability to operate efficiently

All of Ferrari's production employees are represented by trade unions, are covered by collective bargaining agreements and/or are protected by applicable labor relations regulations that may restrict Ferrari's ability to modify operations and reduce costs quickly in response to changes in market conditions. These regulations and the provisions in its collective bargaining agreements may impede Ferrari's ability to restructure its business successfully to compete more efficiently and effectively, especially with those automakers whose employees are not represented by trade unions or are subject to less stringent regulations, which could have a material adverse effect on its results of operations and financial condition.

Ferrari – Ferrari is subject to risks associated with exchange rate fluctuations, interest rate changes, credit risk and other market risks

Ferrari operates in numerous markets worldwide and is exposed to market risks stemming from fluctuations in currency and interest rates. The exposure to currency risk is mainly linked to the differences in geographic distribution of its sourcing and manufacturing activities from those in its commercial activities, as a result of which its cash flows from sales are denominated in currencies different from those connected to purchases or production activities. For example, Ferrari incurs a large portion of its capital and operating expenses in Euro while it receives the majority of its revenues in currencies other than Euro. In addition, foreign exchange movements might also negatively affect the relative purchasing power of its clients which could also have an adverse effect on its results of operations. For example, in the second half of 2016, the foreign exchange markets had been subject to a high degree of volatility and the U.S. dollar appreciated significantly against the Euro while the pound sterling depreciated significantly against both the U.S. dollar and the Euro. The U.S. dollar trend was partially reversed in 2017, and in the initial months of 2018 the U.S. dollar has continued to depreciate considerably against the Euro. If this U.S. dollar weakness persists or increases, it is expected that it will adversely impact Ferrari's revenues and results of operations in 2018. Changes in exchange rates between the Euro on the one hand and, on the other hand, the other main foreign currencies in which it operates, also affect Ferrari's revenues and results of operations.

Ferrari seeks to manage risks associated with fluctuations in currency through financial hedging instruments. Although it seeks to manage its foreign currency risk in order to minimize any negative effects caused by rate fluctuations, including through hedging activities, there can be no assurance that it will be able to do so successfully, and its business, results of operations and financial condition could nevertheless be adversely affected by fluctuations in market rates, particularly if these conditions persist.

Ferrari's financial services activities are also subject to the risk of insolvency of dealers and retail clients, as well as unfavorable economic conditions in markets where these activities are carried out. Despite its efforts to mitigate such risks through the credit approval policies applied to dealers and retail clients, there can be no assurances that Ferrari will be able to successfully mitigate such risks, particularly with respect to a general change in economic conditions.

Ferrari - Changes in tax, tariff or fiscal policies could adversely affect demand for Ferrari's products

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for Ferrari's vehicles and its results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by various governments or import or tariff policies could also adversely affect its results of operations. For example, the Chinese and Indian governments have recently imposed various measures intended to curb consumption of luxury goods, including, among other things, a tax specifically applicable to the purchase of luxury cars. While Ferrari is managing its product development and production operations on a global basis to reduce costs and lead times, unique national or regional standards can result in additional costs for product development, testing, and manufacturing. Governments often require the implementation of new requirements during the middle of a product cycle, which can be substantially more expensive than accommodating these requirements during the design of a new product. The imposition of any additional taxes and levies or change in government policy designed to limit the use of high performance sports cars or automobiles more generally could also adversely affect the demand for Ferrari's cars. The occurrence of the above may have a material adverse effect on its business, results of operations and financial condition.

Ferrari - Ferrari may be adversely affected by the UK determination to leave the European Union (Brexit)

In a June 23, 2016, referendum, the United Kingdom voted to terminate the UK's membership in the European Union ("**Brexit**"). As a result, negotiations are expected to take place to determine the future terms of the UK's relationship with the European Union, including the terms of trade between the UK and the member states in the EU. Any effect of Brexit is expected to depend on the agreements, if any, that may be negotiated between the UK and the EU with respect to reciprocal market access and custom arrangements, during any transitional period and more permanently. Failure to reach appropriate agreements could adversely affect European or worldwide economic or market conditions. Approximately 9% percent of Ferrari's cars and spare parts net revenues in 2017 were generated in the UK and it does not have any other significant operations in the UK, therefore, it does not believe that its global operations would be affected materially by Brexit. However, any adverse effect of Brexit on Ferrari or on global or regional economic or market conditions could adversely affect its business, results of operations and financial condition as customers may reduce or delay spending decisions on its products.

Ferrari – Ferrari faces risks associated with its international operations, including unfavorable regulatory, political, tax and labor conditions and establishing itself in new markets, all of which could harm its business

Ferrari currently has international operations and subsidiaries in various countries and jurisdictions in Europe, North America and Asia that are subject to the legal, political, regulatory, tax and social requirements and economic conditions in these jurisdictions. Additionally, as part of its growth strategy, it will continue to expand its sales, maintenance, and repair services internationally. However, such expansion requires it to make significant expenditures, including the establishment of local operating entities, hiring of local employees and establishing facilities in advance of generating any revenue. Ferrari is subject to a number of risks associated with international business activities that may increase its costs, impact its ability to sell its cars and require significant management attention. These risks include:

- conforming its cars to various international regulatory and safety requirements where its cars are sold, or homologation;
- difficulty in establishing, staffing and managing foreign operations;
- difficulties attracting clients in new jurisdictions;
- foreign government taxes, regulations and permit requirements, including foreign taxes that it may not be able to offset against taxes imposed upon it in Italy;
- fluctuations in foreign currency exchange rates and interest rates, including risks related to any interest rate swap or other hedging activities it undertakes;

- its ability to enforce its contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as do the United States, Japan and European countries, which increases the risk of unauthorized, and uncompensated, use of its technology;
- European Union and foreign government trade restrictions, customs regulations, tariffs and price or exchange controls;
- foreign labor laws, regulations and restrictions;
- preferences of foreign nations for domestically produced cars;
- changes in diplomatic and trade relationships;
- political instability, natural disasters, war or events of terrorism; and
- the strength of international economies.

If Ferrari fails to successfully address these risks, many of which it cannot control, its business, operating results and financial condition could be materially harmed.

Ferrari - Improper conduct of employees, agents, or other representatives could adversely affect Ferrari's reputation and its business, operating results, and financial condition

Ferrari's compliance controls, policies, and procedures may not in every instance protect it from acts committed by its employees, agents, contractors, or collaborators that would violate the laws or regulations of the jurisdictions in which it operates, including employment, foreign corrupt practices, environmental, competition, and other laws and regulations. Such improper actions could subject it to civil or criminal investigations, and monetary and injunctive penalties. In particular, its business activities may be subject to anti-corruption laws, regulations or rules of other countries in which it operates. Ferrari's failure to comply with any of these regulations could adversely impact its operating results and its financial condition. In addition, actual or alleged violations could damage its reputation and its ability to conduct business. Furthermore, detecting, investigating, and resolving any actual or alleged violation is expensive and can consume significant time and attention of Ferrari's executive management.

Ferrari – Ferrari's insurance coverage may not be adequate to protect it against all potential losses to which it may be subject, which could have a material adverse effect on its business

Ferrari maintains insurance coverage that it believes is adequate to cover normal risks associated with the operation of its business. However, there can be no assurance that any claim under its insurance policies will be honored fully or timely, its insurance coverage will be sufficient in any respect or its insurance premiums will not increase substantially. Accordingly, to the extent that it suffers loss or damage that is not covered by insurance or which exceeds its insurance coverage, or has to pay higher insurance premiums, its financial condition may be affected.

Ferrari - A disruption in information technology could compromise confidential and sensitive information

Ferrari depends on its information technology and data processing systems to operate its business, and a significant malfunction or disruption in the operation of its systems, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt its business and adversely impact its ability to compete. Ferrari's ability to keep its business operating effectively depends on the functional and efficient operation of its information, data processing and telecommunications systems, including its car design, manufacturing, inventory tracking and billing and payment systems. Ferrari relies on these systems to enable a number of business processes and help it make a variety of day-to-day business decisions as well as to track transactions, billings, payments and inventory. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, which are increasing in terms of sophistication and frequency, with the consequence that such cyber incidents may remain undetected for long periods of time. For any of these reasons, Ferrari may experience system malfunctions or interruptions. Although its systems are diversified, including multiple server locations and a range of software applications for different regions and functions, and it is currently undergoing an effort to assess and ameliorate risks to its systems, a significant or large scale malfunction or interruption of any one of Ferrari's computer or data processing systems could adversely affect its ability to manage and keep its operations running efficiently, and damage its reputation if it is unable to track transactions and deliver products to its dealers and clients. A malfunction that results in a wider or sustained disruption to its business could have a material adverse effect on its business, results of operations and financial condition. In addition to supporting its operations, Ferrari uses its systems to collect and store confidential and sensitive data, including information about its business, its clients and its employees.

As Ferrari's technology continues to evolve, it anticipates that it will collect and store even more data in the future, and that its systems will increasingly use remote communication features that are sensitive to both willful and unintentional security breaches. Much of Ferrari's value is derived from its confidential business information, including car design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, it may lose its competitive advantage and its car sales may suffer. Ferrari also collects, retains and uses certain personal information, including data it gathers from clients for product development and marketing purposes, and data it obtains from employees. In the event of a breach in security that allows third parties access to this personal information, Ferrari is subject to a variety of ever-changing laws on a global basis that require it to provide notification to the data owners, and that subjects it to lawsuits, fines and other means of regulatory enforcement. To an increasing extent, the functionality and controls of its cars depend on in-vehicle information technology. Furthermore, such technology is capable of storing an increasing amount of personal information belonging to its customers. Any unauthorized access to in-vehicle IT systems may compromise the car security or the privacy of its customers' information and expose it to claims as well as reputational damage. Ultimately, any significant compromise in the integrity of Ferrari's data security could have a material adverse effect on its business.

Risks Related to the Common Shares

Ferrari - The market price and trading volume of Ferrari's common shares may be volatile, which could result in rapid and substantial losses for its shareholders

The market price of Ferrari's common shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of the common shares may fluctuate and cause significant price variations to occur. If the market price of the common shares declines significantly, a shareholder may be unable to sell their common shares at or above their purchase price, if at all. The market price of Ferrari's common shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of the common shares, or result in fluctuations in the price or trading volume of the common shares, include:

- variations in Ferrari's operating results, or failure to meet the market's earnings expectations;
- publication of research reports about it, the automotive industry or the luxury industry, or the failure of securities analysts to cover the common shares;
- departures of any members of Ferrari's management team or additions or departures of other key personnel;
- adverse market reaction to any indebtedness Ferrari may incur or securities it may issue in the future;
- actions by shareholders;
- changes in market valuations of similar companies;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting Ferrari's business, or enforcement of these laws and regulations, or announcements relating to these matters;
- adverse publicity about the automotive industry or the luxury industry generally, or particularly scandals relating to those industries, specifically;
- litigation and governmental investigations; and
- general market and economic conditions.

Ferrari - The loyalty voting program may affect the liquidity of Ferrari's common shares and reduce the common share price

The implementation of Ferrari's loyalty voting program could reduce the trading liquidity and adversely affect the trading prices of its common shares. The loyalty voting program is intended to reward its shareholders for maintaining long-term share ownership by granting initial shareholders and persons holding the common shares continuously for at least three years the option to elect to receive special voting shares. Special voting shares cannot be traded and, if common shares participating in the loyalty voting program are sold they must be deregistered from the loyalty register and any corresponding special voting shares transferred to Ferrari for no consideration (*om niet*). This loyalty voting program is designed to encourage a stable shareholder base and, conversely, it may deter trading by shareholders that may be interested in participating in the loyalty voting program. Therefore, the loyalty voting program may reduce liquidity in Ferrari's common shares and adversely affect their trading price.

Ferrari - The interests of Ferrari's largest shareholders may differ from the interests of other shareholders

EXOR N.V. ("EXOR") is Ferrari's largest shareholder, holding approximately 23.5 percent of its outstanding common shares and approximately 33.4 percent of its voting power. Therefore, Exor has a significant influence over the matters submitted to a vote of Ferrari shareholders, including matters such as adoption of the annual financial statements, declarations of annual dividends, the election and removal of the members of the Board of Directors, capital increases and amendments to the articles of association.

In addition, Piero Ferrari, the Vice Chairman of Ferrari, holds approximately 10 percent of the outstanding Ferrari common shares and approximately a 15.4 percent voting interest in Ferrari. As a result, he also has influence in matters submitted to a vote of Ferrari shareholders. Exor and Piero Ferrari informed Ferrari that they have entered into a shareholder agreement pursuant to which they have undertaken to consult for the purpose of forming, where possible, a common view on the items on the agenda of shareholders' meetings. The interests of Exor and Piero Ferrari may in certain cases differ from those of other shareholders. In addition, the sale of substantial amounts of Ferrari common shares in the public market by Piero Ferrari or the perception that such a sale could occur could adversely affect the prevailing market price of the common shares.

Ferrari – Ferrari may have potential conflicts of interest with FCA and EXOR's related companies

Questions relating to conflicts of interest may arise between Ferrari and FCA, the former largest shareholder in Ferrari prior to the Separation, in a number of areas relating to common shareholdings and management, as well as to past and ongoing relationships. Even after the Separation, overlaps remain among the directors and officers of Ferrari and FCA. For example, Mr. Sergio Marchionne, Ferrari's Chairman and Chief Executive Officer, is the Chief Executive Officer of FCA. Mr. Marchionne and certain of Ferrari's other directors and officers may also be directors or officers of FCA or Exor, the Company's and FCA's largest shareholder, including Mr. John Elkann, who is one of Ferrari's Vice-Chairmen, the Chairman of FCA and the Chairman and Chief Executive Officer of Exor. These individuals owe duties both to Ferrari and to the other companies that they serve as officers and/or directors. This may raise conflicts as, for example, these individuals review opportunities that may be appropriate or suitable for both Ferrari and such other companies, or it pursues business transactions in which both Ferrari and such other companies have an interest, such as its arrangement to supply engines for Maserati cars. Exor holds approximately 23.5 percent of Ferrari's outstanding common shares and approximately 33.4 percent of the voting power, while it holds approximately 29.2 percent of the outstanding common shares and approximately 43.1 percent of the voting power in FCA. Exor also owns a controlling interest in CNH Industrial N.V., which was part of the FCA group before its spin-off several years ago. These ownership interests could create actual, perceived or potential conflicts of interest when these parties or the common directors and officers are faced with decisions that could have different implications for Ferrari and FCA or Exor, as applicable.

Ferrari - The loyalty voting program may make it more difficult for shareholders to acquire a controlling interest in Ferrari, change its management or strategy or otherwise exercise influence over it, which may affect the market price of its common shares

The provisions of Ferrari's articles of association which establish the loyalty voting program may make it more difficult for a third party to acquire, or attempt to acquire, control of the Company, even if a change of control were considered favorably by shareholders holding a majority of the common shares. As a result of the loyalty voting program, a relatively large proportion of the voting power of Ferrari could be concentrated in a relatively small number of shareholders who would have significant influence over the Company. Exor has approximately 23.5 percent of outstanding Ferrari common shares and a voting interest in Ferrari of approximately 33.4 percent. Piero Ferrari holds approximately 10 percent of outstanding Ferrari common shares and, as a result of the loyalty voting mechanism, has approximately 15.4 percent of the voting power in its shares. In addition, Exor and Piero Ferrari informed the Company that they have entered into a shareholder agreement. As a result, Exor and Piero Ferrari may exercise significant influence on matters involving Ferrari shareholders. Exor and Piero Ferrari and other shareholders participating in the loyalty voting program may have the power effectively to prevent or delay change of control or other transactions that may otherwise benefit its shareholders. The loyalty voting program may also prevent or discourage shareholder initiatives aimed at changing Ferrari's management or strategy or otherwise exerting influence over Ferrari.

Ferrari – Ferrari is a Dutch public company with limited liability, and its shareholders may have rights different to those of shareholders of companies organized in the United States

The rights of Ferrari's shareholders may be different from the rights of shareholders governed by the laws of U.S. jurisdictions. Ferrari is a Dutch public company with limited liability (*naamloze vennootschap*). Its corporate affairs are governed by its articles of association and by the laws governing companies incorporated in the Netherlands. The rights of shareholders and the responsibilities of members of the Ferrari board of directors may be different from the rights of shareholders and the responsibilities of members of the board of directors in companies governed by the laws of other jurisdictions including the United States. In the performance of its duties, the Ferrari board of directors is required by Dutch law to consider the Company's interests and the interests of its shareholders, its employees and other stakeholders, in all cases with due observation of the principles of reasonableness and fairness. It is possible that some of these parties will have interests that are different from, or in addition to, the interests of a Ferrari shareholder.

Ferrari - Ferrari expects to maintain its status as a “foreign private issuer” under the rules and regulations of the SEC and, thus, is exempt from a number of rules under the Exchange Act of 1934 and is permitted to file less information with the SEC than a company incorporated in the United States

As a “foreign private issuer,” Ferrari is exempt from rules under the Securities Exchange Act of 1934, as amended (“the Exchange Act”) that impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, Ferrari’s officers, directors and principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of Ferrari common shares. Moreover, Ferrari is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act, nor is it required to comply with Regulation FD, which restricts the selective disclosure of material information. Accordingly, there may be less publicly available information concerning Ferrari than there is for U.S. public companies.

Ferrari – Ferrari’s ability to pay dividends on its common shares may be limited and the level of future dividends is subject to change

Ferrari’s payment of dividends on its common shares in the future will be subject to business conditions, financial conditions, earnings, cash balances, commitments, strategic plans and other factors that its Board of Directors may deem relevant at the time it recommends approval of the dividend. Ferrari’s dividend policy is subject to change in the future based on changes in statutory requirements, market trends, strategic developments, capital requirements and a number of other factors. In addition, under its articles of association and Dutch law, dividends may be declared on Ferrari’s common shares only if the amount of equity exceeds the paid up and called up capital plus the reserves that have to be maintained pursuant to Dutch law or the articles of association. Further, even if Ferrari is permitted under its articles of association and Dutch law to pay cash dividends on its common shares, it may not have sufficient cash to pay dividends in cash on its common shares.

Ferrari - The maintenance of two exchange listings may adversely affect liquidity in the market for Ferrari’s common shares and could result in pricing differentials of its common shares between the two exchanges

Ferrari’s shares are listed on both the NYSE and the *Mercato Telematico Azionario* (“MTA”). The dual listing of its common shares may split trading between the NYSE and the MTA, adversely affect the liquidity of the shares and the development of an active trading market for the common shares in one or both markets and may result in price differentials between the exchanges. Differences in the trading schedules, as well as volatility in the exchange rate of the two trading currencies, among other factors, may result in different trading prices for the common shares on the two exchanges.

Ferrari - It may be difficult to enforce U.S. judgments against the Company

Ferrari is organized under the laws of the Netherlands, and a substantial portion of its assets are outside of the United States. Most of its directors and senior management and its independent auditors are resident outside the United States, and all or a substantial portion of their respective assets may be located outside the United States. As a result, it may be difficult for U.S. investors to effect service of process within the United States upon these persons. It may also be difficult for U.S. investors to enforce within the United States judgments against Ferrari predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. In addition, there is uncertainty as to whether the courts outside the United States would recognize or enforce judgments of U.S. courts obtained against Ferrari or its directors and officers predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Therefore, it may be difficult to enforce U.S. judgments against Ferrari, its directors and officers and its independent auditors.

Ferrari - FCA creditors may seek to hold Ferrari liable for certain FCA obligations

One step of Ferrari’s Separation from FCA included a demerger from FCA of the Ferrari common shares previously held by it. In connection with a demerger under Dutch law, the demerged company may continue to be liable for certain obligations of the demerging company that exist at the time of the demerger, but only to the extent that the demerging company fails to satisfy such liabilities. Based on other actions taken as part of the Separation, Ferrari does not believe it retains any liability for obligations of FCA existing at the time of the Separation. Nevertheless, in the event that FCA fails to satisfy obligations to its creditors existing at the time of the demerger, it is possible that those creditors may seek to recover from Ferrari, claiming that it remains liable to satisfy such obligations. While Ferrari believes it would prevail against any such claim, litigation is inherently costly and uncertain and could have an adverse effect.

Risks Related to Taxation

Ferrari - Changes to taxation or the interpretation or application of tax laws could have an adverse impact on its results of operations and financial condition

Ferrari's business is subject to various taxes in different jurisdictions (mainly Italy), which include, among others, the Italian corporate income tax ("IRES"), regional trade tax ("IRAP"), value added tax ("VAT"), excise duty, registration tax and other indirect taxes. Ferrari is exposed to the risk that its overall tax burden may increase in the future.

Changes in tax laws or regulations or in the position of the relevant Italian and non-Italian authorities regarding the application, administration or interpretation of these laws or regulations, particularly if applied retrospectively, could have negative effects on Ferrari's current business model and have a material adverse effect on its business, operating results and financial condition.

In order to reduce future potential disputes with tax authorities, Ferrari seeks advance agreements with tax authorities on significant matters. In particular it filed a ruling application for advance pricing agreement (APA) on transfer pricing and a so called "interpello nuovi investimenti" (tax ruling on new investments) regarding tax credit on R&D expenses to confirm its interpretation and application of the law.

In addition, tax laws are complex and subject to subjective valuations and interpretive decisions, and Ferrari will periodically be subject to tax audits aimed at assessing its compliance with direct and indirect taxes. The tax authorities may not agree with Ferrari's interpretations of, or the positions it has taken or intends to take on, tax laws applicable to its ordinary activities and extraordinary transactions. In case of challenges by the tax authorities to Ferrari's interpretations, it could face long tax proceedings that could result in the payment of penalties and have a material adverse effect on its operating results, business and financial condition.

Ferrari - As a result of the demergers and the merger in connection with the Separation, Ferrari might be jointly and severally liable with FCA for certain tax liabilities arisen in the hands of FCA

Although the Italian tax authorities confirmed in a positive advance tax ruling issued on October 9, 2015 that the demergers and the merger that was carried out in connection with the Separation would be respected as tax-free, neutral transactions from an Italian income tax perspective, under Italian tax law Ferrari may still be held jointly and severally liable, as a result of the combined application of the rules governing the allocation of tax liabilities in case of demergers and mergers, with FCA for taxes, penalties, interest and any other tax liability arising in the actions of FCA because of violations of its tax obligations related to tax years prior to the two demergers.

Ferrari - There may be potential "Passive Foreign Investment Company" tax considerations for U.S. holders

Shares of Ferrari stock would be stock of a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes with respect to a U.S. holder if for any taxable year in which such U.S. holder held shares of Ferrari stock, after the application of applicable "look-through rules" (i) 75 percent or more of Ferrari's gross income for the taxable year consists of "passive income" (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50 percent of Ferrari's assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of "passive income". U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While Ferrari believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, its common shares may become stock of a PFIC in future taxable years if there were to be changes in its assets, income or operations.

Ferrari - The consequences of the loyalty voting program are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation.

Because, among other things, Ferrari's special voting shares are not transferable (other than, in very limited circumstances, together with the associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if it is liquidated, Ferrari believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by Ferrari is incorrect.

The tax treatment of the loyalty voting program is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

Ferrari - Ferrari currently benefits or seeks to benefit from certain special tax regimes, which may not be available in the future

Ferrari currently calculates taxes due in Italy based, among other things, on certain tax breaks recognized by Italian Tax regulations for R&D expenses (available until fiscal year 2021 according to current regulations) and for the investments in manufacturing equipment (available until fiscal year 2018 according to current regulations), which result in a significant tax saving. A change in regulations or interpretation might adversely affect the availability of such exemptions and result in higher tax charges.

Italian Law No. 190 of December 2014, as subsequently amended and supplemented (Finance Act 2015) introduced an optional patent box regime in the Italian tax system. The patent box regime is a tax exemption related to, *inter alia*, the use of intellectual property assets. Business income derived from the use of each qualified intangible asset is partially exempted from taxation for both IRES and IRAP purposes. The application of such patent box regime may reduce Ferrari's tax expenses and the Company is currently seeking to avail itself of such regime. However, this exemption is subject to a mandatory ruling by the Italian tax authorities and the outcome of the ruling procedure is not certain. Ferrari has filed a ruling application, but is currently awaiting a response from the Italian tax authorities. In the event of a negative response from the Italian tax authorities, Ferrari will not be able to benefit from such exemption.

Risks Related to Taxation

Ferrari - As a result of the demergers and the merger in connection with the Separation, Ferrari might be jointly and severally liable with FCA for certain tax liabilities arisen in the hands of FCA

Although the Italian tax authorities confirmed in a positive advance tax ruling issued on October 9, 2015 that the demergers and the Merger that was carried out in connection with the Separation would be respected as tax-free, neutral transactions from an Italian income tax perspective, under Italian tax law Ferrari may still be held jointly and severally liable, as a result of the combined application of the rules governing the allocation of tax liabilities in case of demergers and mergers, with FCA for taxes, penalties, interest and any other tax liability arising in the actions of FCA because of violations of its tax obligations related to tax years prior to the two Demergers.

Ferrari - There may be potential "Passive Foreign Investment Company" tax considerations for U.S. holders

Shares of Ferrari stock would be stock of a "passive foreign investment company," or a PFIC, for U.S. federal income tax purposes with respect to a U.S. holder if for any taxable year in which such U.S. holder held shares of Ferrari stock, after the application of applicable "look-through rules" (i) 75% or more of its gross income for the taxable year consists of "passive income" (including dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business, as defined in applicable Treasury Regulations), or (ii) at least 50% of its assets for the taxable year (averaged over the year and determined based upon value) produce or are held for the production of "passive income." U.S. persons who own shares of a PFIC are subject to a disadvantageous U.S. federal income tax regime with respect to the income derived by the PFIC, the dividends they receive from the PFIC, and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

While Ferrari believes that shares of its stock are not stock of a PFIC for U.S. federal income tax purposes, this conclusion is based on a factual determination made annually and thus is subject to change. Moreover, Ferrari common shares may become stock of a PFIC in future taxable years if there were to be changes in its assets, income or operations.

Ferrari - The consequences of the loyalty voting program are uncertain

No statutory, judicial or administrative authority directly discusses how the receipt, ownership, or disposition of special voting shares should be treated for Italian or U.S. tax purposes and as a result, the tax consequences in those jurisdictions are uncertain.

The fair market value of the special voting shares, which may be relevant to the tax consequences, is a factual determination and is not governed by any guidance that directly addresses such a situation. Because, among other things, the Ferrari special voting shares are not transferable (other than, in very limited circumstances, together with the associated common shares) and a shareholder will receive amounts in respect of the special voting shares only if it is liquidated, Ferrari believes and intends to take the position that the fair market value of each special voting share is minimal. However, the relevant tax authorities could assert that the value of the special voting shares as determined by Ferrari is incorrect.

The tax treatment of the loyalty voting program is unclear and shareholders are urged to consult their tax advisors in respect of the consequences of acquiring, owning and disposing of special voting shares.

Ferrari - Ferrari currently benefits or seeks to benefit from certain special tax regimes, which may not be available in the future

Ferrari currently calculates taxes due in Italy based, among other things, on certain tax deductions recognized by Italian Tax regulations for R&D expenses and for the investments in manufacturing equipment, which result in a significant tax saving. A change in regulations or interpretation might adversely affect the availability of such exemptions and result in higher tax charges.

The 2015 Italian Finance Bill introduced a new optional patent box regime in the Italian tax system. The Patent Box is a tax exemption related to the use of intellectual property assets. Business income derived from the use of each qualified intangible assets is partially exempted from taxation for both Italian corporate income tax (IRES) and Italian regional tax (IRAP) purposes. The application of such patent box regime may reduce Ferrari’s tax expenses and it is currently seeking to avail itself of such regime. However, this exemption is subject to a mandatory ruling by the Italian Tax Authorities and the outcome of the ruling procedure is not certain. In the event of a negative response from the Italian Tax Authorities, Ferrari will not be able to benefit from this exemption

Exor

Consolidated Financial Statements
at December 31, 2017

CONSOLIDATED INCOME STATEMENT

		Year ended December 31	
€ million	Note	2017	2016
Net revenues	1	**143,430**	140,068
Cost of revenues	2	**(119,562)**	(117,771)
Selling, general and administrative expenses	3	**(10,394)**	(10,851)
Research and development costs	4	**(4,862)**	(4,809)
Other income (expenses)	5	**910**	95
Result from investments:			
- Share of the profit (loss) of equity method investees	6	**567**	360
- Other income (expenses) from investments	6	**(58)**	14
Result from investments		**509**	374
Gains (losses) on disposal of investments		**76**	48
Restructuring costs	7	**(176)**	(167)
Financial income (expenses)	8	**(2,168)**	(2,719)
Profit before taxes		**7,763**	**4,268**
Tax expense	9	**(3,117)**	(1,954)
Profit from continuing operations		**4,646**	**2,314**
Profit from discontinued operations, net of tax		**0**	**(1)**
Profit for the year		**4,646**	**2,313**
Profit attributable to non-controlling interests		**3,254**	1,724
Profit attributable to owners of the parent		**1,392**	**589**

Profit attributable to owners of the parent per ordinary share	11		
Basic earnings per share from continuing operations(€)		5.932	2.515
Basic earnings per share from discontinued operations (€)		n.a.	(0.003)
Diluted earnings per share from continuing operations(€)		5.867	2.495
Diluted earnings per share from discontinued operations (€)		n.a.	(0.023)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million	Note	Year ended December 31 2017	2016
PROFIT FOR THE YEAR (A)	24	4,646	2,313
Items that will not be reclassified to the income statement in subsequent periods:			
Gains (losses) on remeasurement of defined benefit plans		(16)	467
Share of gains (losses) on remeasurement of defined benefit plans for investments accounted for using the equity method		2	(5)
Related tax effect		(81)	(255)
Total Other comprehensive income that will not be reclassified to the income statement in subsequent periods, net of tax (B1)		(95)	207
Items that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		257	(284)
Gains (losses) on available-for-sale financial assets		41	(201)
Exchange differences on translating foreign operations		(3,767)	1,285
Share of other comprehensive income (loss) of investments accounted for using the equity method		(37)	(338)
Related tax effect		(30)	72
Total Other comprehensive income that may be reclassified to the income statement in subsequent periods, net of tax (B2)		(3,536)	534
Total Other comprehensive income, net of tax (B) = (B1) + (B2)		(3,631)	741
TOTAL COMPREHENSIVE INCOME (A)+(B)		1,015	3,054
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		(115)	779
Non-controlling interests		1,130	2,275

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At December 31	
€ million	Note	2017	2016
Assets			
Goodwill, brand, trademark and intangible assets with indefinite useful lives	12	**17,241**	19,463
Other intangible assets	12	**15,282**	15,408
Property, plant and equipment	13	**35,591**	37,224
Leased assets	14	**1,539**	1,810
Investments accounted for using the equity method	15	**3,391**	3,021
Other investments and other financial assets	16	**1,198**	2,026
Deferred tax assets	9	**2,928**	4,792
Inventories	17	**20,438**	19,410
Trade receivables	18	**3,015**	3,198
Investments of reinsurance companies	19	**12,971**	14,623
Receivables from financing activities	20	**20,434**	21,047
Receivables from reinsurance activities		**2,963**	2,679
Other assets	21	**6,717**	6,518
Assets held for sale		**39**	148
Cash and cash equivalents	23	**20,028**	25,161
Total Assets		**163,775**	176,528
Equity			
Equity attributable to owners of the parent	24	**10,805**	10,982
Non-controlling interests	24	**20,381**	19,238
Total Equity		**31,186**	30,220
Liabilities			
Provisions for employee benefits	26	**11,653**	12,509
Other provisions	27	**18,132**	19,265
Tecnical reserves insurance companies	28	**11,690**	11,947
Deferred tax liabilities	9	**596**	527
Financial debt	29	**46,441**	55,817
Other financial liabilities	30	**255**	1,000
Trade payables	31	**27,612**	28,214
Tax payables		**532**	470
Other liabilities	32	**15,678**	16,455
Liabilities held for sale		**0**	104
Total Liabilities		**132,589**	146,308
Total Equity and Liabilities		**163,775**	176,528

CONSOLIDATED STATEMENT OF CASH FLOWS

		Year ended December 31	
€ million	Note 38	2017	2016
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		25,162	30,587
B) CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES DURING THE PERIOD			
Profit for the period		4,646	2,313
Amortization and depreciation		7,500	7,826
(Gains) losses on disposal of non-current assets		(178)	9
Other non-cash items		74	177
Dividends received		227	180
Change in provisions		731	1,203
Change in deferred taxes		1,056	692
Change in items due to buy-back commitments		31	(13)
Change in operating lease items		94	(114)
Change in working capital		(791)	346
TOTAL		13,390	12,619
C) CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:			
Investments in property, plant and equipment and intangible assets		(10,092)	(10,082)
Acquisitions of investments made by consolidated operating subsidiaries		(24)	(2)
Investments in financial assets made by EXOR and by subsidiaries in Holdings System		(47)	(106)
Cash and cash equivalents from the consolidation of PartnerRe, net of the consideration paid to acquire the 100%		0	(3,950)
Net change in Investments of Reinsurance companies (PartnerRe Group)		141	453
Proceeds from sale of non-current assets by consolidated operating subsidiaries		224	183
Proceeds from disposal of financial assets by EXOR and by subsidiaries in Holdings System		357	150
Net change in financial receivables		(1,316)	358
Net change in securities		221	381
Other changes		(235)	(125)
TOTAL		(10,771)	(12,740)
D) CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Issuance of notes		2,834	4,749
Repayment of notes		(5,296)	(4,121)
Proceeds of other long-term debt		2,834	2,435
Repayment of other long-term debt		(5,883)	(7,351)
Net change in short-term debt and other financial assets/liabilities		(128)	(888)
Increases in share capital of subsidiaries		15	2
Exercise of stock options		10	0
Redemption of Serie D and E preferred shares PartnerRe		0	(135)
Dividends paid by EXOR		(82)	(82)
Dividends paid by subsidiaries		(209)	(215)
Other changes		(39)	(4)
TOTAL		(5,944)	(5,564)
Translation exchange differences		(1,809)	259
E) TOTAL CHANGE IN CASH AND CASH EQUIVALENTS		(5,134)	(5,426)
F) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		20,028	25,161
Cash and cash equivalents included in Assets held for sale and discontinued operations			1
G) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		20,028	25,162

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2015	**246**	**(171)**	**125**	**9,400**	**48**	**823**	**268**	**(395)**	**2**	**10,346**	**16,481**	**26,827**
Change in equity for 2016:												
Share-based payments				33						33	64	97
Cancellation of treasury shares		75		(75)						0		0
Merger of EXOR S.p.A. into EXOR N.V.	(244)	96	148							0		0
Capital increase by subsidiaries										0	24	24
Dividends paid				(82)						(82)	(207)	(289)
Total comprehensive income for the year				589	(39)	596	(187)	65	(245)	779	2,275	3,054
Acquisition of PartnerRe										0	818	818
Effect of the spin-off of RCS/Ferrari				0						0	(32)	(32)
Effect of the change in the percentage ownership of companies valued under equity method (a)				(136)						(136)		(136)
Redemption of Series D and E preferred shares PartnerRe										0	(135)	(135)
Other changes				42						42	(50)	(8)
Total changes	(244)	171	148	371	(39)	596	(187)	65	(245)	636	2,757	3,393
Equity at Decemebr 31, 2016	**2**	**0**	**273**	**9,771**	**9**	**1,419**	**81**	**(330)**	**(243)**	**10,982**	**19,238**	**30,220**

(a) Of which -€33 million relates to Almacantar and -€103 million relates to The Economist.

€ million	Share capital	Treasury stock	Capital reserves	Earnings reserves	Cash flow hedge reserve	Cumulative translation adjustment reserve	Available-for-sale financial assets reserve	Defined benefit plans remeasurement reserve	Cumulative share of OCI of investments accounted for using the equity method	Total Owners of the parent	Non-controlling interests	Total
Equity at December 31, 2016	**2**	**0**	**273**	**9,771**	**9**	**1,419**	**81**	**(330)**	**(243)**	**10,982**	**19,238**	**30,220**
Change in equity for 2017:												
Share-based payments				58						58	135	193
Exercise of stock options				10						10		10
Capital increase by subsidiaries										0	12	12
Dividends paid				(82)						(82)	(205)	(287)
Total comprehensive income for the year				1,392	62	(1,600)	33	(28)	26	(115)	1,130	1,015
Reimbursement of The Black Ant value fund							(109)			(109)		(109)
Fair value of Welltec and Banca Leonardo							66			66		66
Effect of the change in the percentage ownership of companies (a)				(85)		(4)		4		(85)	86	1
Other changes				80						80	(15)	65
Total changes	**0**	**0**	**0**	**1,373**	**62**	**(1,604)**	**(10)**	**(24)**	**26**	**(177)**	**1,143**	**966**
Equity at Decemebr 31, 2017	**2**	**0**	**273**	**11,144**	**71**	**(185)**	**71**	**(354)**	**(217)**	**10,805**	**20,381**	**31,186**

(a) Of which -€29 million relates to CNH Industrial Group and -€56 million relates to FCA Group.

EXOR GROUP - NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE ACTIVITIES OF THE GROUP

EXOR N.V. (EXOR), the "Company" and together with its subsidiaries the "EXOR Group" or the "Group", was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on September 30, 2015 and in 2016 was designated to act as a holding company for EXOR Group following the cross-border merger with EXOR S.p.A. (the "Merger").
For further details on the Merger, reference should be made to the 2016 Company's financial statements.

From an accounting point of view, in accordance with IFRS, the Merger is recognized in EXOR's consolidated financial statements from January 1, 2016, while in the company financial statements it is recognized from December 11, 2016. As the Merger is a transaction in which all of the combining entities are controlled ultimately by the same party both before and after the transaction, and based on the fact that the control is not transitory, the Merger was deemed to be a transaction of entities under common control and therefore outside the scope of IFRS 3 - *Business combination*.

EXOR is one of Europe's leading investment companies and is controlled by Giovanni Agnelli B.V. which holds 52.99% of its share capital.
EXOR and its subsidiaries operate in the reinsurance sector, automotive industry, agricultural equipment and construction equipment, commercial vehicles and professional football.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Authorization of Consolidated Financial Statements and Compliance with International Financial Reporting Standards

The consolidated financial statements, together with notes thereto of EXOR, at December 31, 2017 were authorized for issuance on March 26, 2018 and have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as adopted by European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code. The designation "IFRS" also includes International Accounting Standards ("IAS") as well as all interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of preparation

The consolidated financial statements are prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of certain financial assets and derivatives. In this respect, the Group's assessment is that no material uncertainties (as defined in paragraph 25 of IAS 1 - Presentation of Financial Statements) exist about its ability to continue as a going concern.

The Group's presentation currency is Euro, which is also the functional currency of the Company, and unless otherwise stated information is presented in millions of Euro.

The EXOR Group presents the income statement using a classification based on the function of expenses (otherwise known as the "cost of sales" method), rather than a presentation based on the nature of expenses, as it is more representative of the format used for internal reporting and management purposes by the principal subsidiaries, the FCA, CNH Industrial and Ferrari Groups, and is consistent with international practice in the automotive and capital goods sectors.

The statement of financial position is presented in decreasing order of liquidity. While a separate classification current and non-current in the statement of financial position provides useful information for industrial business, for the entities that have diverse operations and for which the financial activities are significant, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant.

The statement of cash flows is presented using the indirect method.

The other subsidiaries have prepared their data for purposes of the EXOR Group's consolidated financial statements consistently with the classification and presentation indicated above.

New standards and amendments effective from January 1, 2017

The following new standards and amendments applicable from January 1, 2017 were adopted by the Group.

- Amendments to IAS 12 - *Income Taxes* that clarify how to account for deferred tax assets related to debt instruments measured at fair value. There was no effect on the Consolidated Financial Statements from the adoption of these amendments.
- Amendments to IAS 7 - *Statement of Cash Flows* introducing additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The required disclosures have been included in note 39, *Explanatory notes to the Consolidated Statement of Cash Flows*.
- Amendments to IFRS 12 - *Disclosure of Interests in Other Entities,* included within the Annual Improvements to IFRS Standards 2014–2016 Cycle. There was no effect on the Consolidated Financial Statements from the adoption of these amendments.

New standards, amendments and interpretations not yet effective

The following new standards and amendments were issued by IASB. The Group will comply with the relevant guidance no later than their respective effective dates.

- IFRS 15 – *Revenue from contracts with customers* (“IFRS 15”), which was issued by the IASB in May 2014 and amended in September 2015 and has an effective date from January 1, 2018, the Group will adopt the provisions of IFRS 15 and all its amendments using the modified retrospective method with a cumulative adjustment to equity as of January 1, 2018. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive using a five-step process. The new standard also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. The majority of revenue will continue to be recognized in a manner consistent with accounting guidance in prior years with the exception of certain FCA sales (GDP vehicles as well as shipping and handling activities that occur after control of the vehicle passes to the customer) and CNH Industrial services (mainly maintenance and repair contracts, as well as extended warranty contracts). In particular, under the new standard, a GDP vehicle sale that contains no option to repurchase or includes a put option for which the customer does not have a significant economic incentive to exercise the put will be recognized as revenue when control transfers upon shipment of the vehicles, rather than treated as an operating lease in accordance with prior guidance. Shipping and handling activities, when arranged by FCA after control of the vehicle passes to the customer, will be a separate performance obligation in the vehicle sale arrangement for which control passes when the shipping activities are complete. Under current guidance, these activities are not considered a separately identifiable component from the vehicle. The total impact of the cumulative adjustment to equity as of January 1, 2018 is expected to be not material and the impact to the Group’s net profit is expected to be immaterial on an ongoing basis.

- In July 2014 the IASB issued IFRS 9 - *Financial Instruments* (“IFRS 9”). The standard is effective for financial years beginning on January 1, 2018. IFRS 9 introduces improvements in the accounting requirements for classification and measurement of financial assets, for impairment of financial assets and for hedge accounting. The Group will apply practical expedients permitted by the standard and not restate prior periods. For hedge accounting, the Group will apply the standard prospectively.
    - Financial assets will be classified and measured on the basis of the Group’s business model and characteristics of the financial asset’s cash flows. A financial asset is initially measured either at “amortized cost”, at “fair value through other comprehensive income” or at “fair value through profit or loss”. At the date of initial application of IFRS 9, except for certain receivables managed solely with the intent to be transferred to third parties before maturity that are measured at fair value through profit or loss and certain investments in other companies designated as measured at fair value through other comprehensive income, the measurement of the Group’s financial assets under IFRS 9 has not changed compared to IAS 39. The classification of financial liabilities under IFRS 9 is unchanged compared with the current accounting requirements of IAS 39.
    - The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred losses as is the case under IAS 39. The expected credit losses will be recorded either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on trade and other receivables. For receivables from financing activities the Group will apply the general approach recording the credit losses either on a 12-month or lifetime basis.

  - The new hedge accounting rules will align the accounting for hedge instruments more closely with the Group's risk management practices. Generally, under IFRS 9 more hedge relationships will be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group has undertaken an assessment of its IAS 39 hedge relationships against the requirements of IFRS 9 and has concluded that the Group's current hedge relationships will qualify as continuing hedges upon the adoption of IFRS 9. The new standard also introduces expanded disclosure requirements and changes in presentation.

  Overall, the total impact of the cumulative adjustment to equity as of January 1, 2018 and the impact to the Group's net profit is expected to be immaterial.

- In January 2016 the IASB issued IFRS 16 - *Leases* ("IFRS 16") which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 - *Leases*. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from January 1, 2019 with early adoption allowed only if IFRS 15 is also applied. The Group is currently evaluating the method of implementation and impact of adoption.

- In June 2016 the IASB issued amendments to IFRS 2 - *Share-based Payments*, clarifying how to account for certain types of share-based payment transactions. The amendments, which were developed through IFRIC, provide requirements on the accounting for (i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (ii) share-based payment transactions with a net settlement feature for withholding tax obligations and (iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Company will adopt these amendments prospectively from January 1, 2018. The Group does not expect a material impact from the adoption of the amendments.

- In September 2016 the IASB issued "Applying IFRS 9 - *Financial Instruments* with IFRS 4 - *Insurance Contracts*" (Amendments to IFRS 4). The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4: (i) an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets (the "overlay approach") and (ii) an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4 (the "deferral approach"). The Group does not expect a material impact from the adoption of the amendments.

- In December 2016 the IASB issued Annual Improvements to IFRS Standards 2014–2016 Cycle which included amendments to IAS 28 - *Investments in Associates and Joint Ventures* (effective January 1, 2018). The amendments clarify, correct or remove redundant wording in the related standard and are not expected to have a material impact to Consolidated Financial Statements or disclosures upon adoption of the amendments.

- In December 2016 the IASB issued IFRIC Interpretation 22 - *Foreign Currency Transactions and Advance Consideration* which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The interpretation is effective January 1, 2018. The Group does not expect a material impact from the adoption of the amendments.

- In May 2017 the IASB issued IFRS 17 - *Insurance Contracts* ("IFRS 17"), which replaces IFRS 4 *Insurance Contracts*. IFRS 17 requires all insurance contracts to be accounted for in a consistent manner and insurance obligations to be accounted for using current values, instead of historical cost. The new standard requires current measurement of the future cash flows and the recognition of profit over the period that services are provided under the contract.

IFRS 17 also requires entities to present insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses, and requires an entity to make an accounting policy choice of whether to recognize all insurance finance income or expenses in profit or loss or to recognize some of those income or expenses in other comprehensive income. The standard is effective for annual periods beginning on or after January 1, 2021 with earlier adoption permitted. The Group is currently evaluating the impact of adoption.

- In June 2017 the IASB issued IFRIC *Interpretation 23 - Uncertainty over Income Tax Treatment*, (the "Interpretation"), which clarifies application of recognition and measurement requirements in IAS 12 - *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: (i) whether an entity considers uncertain tax treatments separately, (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities, (iii) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and (iv) how an entity considers changes in facts and circumstances. The Interpretation does not add any new disclosure requirements, however it highlights the existing requirements in IAS 1 - *Presentation of Financial Statements*, related to disclosure of judgments, information about the assumptions made and other estimates and disclosures of tax-related contingencies within IAS 12 - *Income Taxes*. The Interpretation is applicable for annual reporting periods beginning on or after January 1, 2019 and it provides a choice of two transition approaches: (i) retrospective application using IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, only if the application is possible without the use of hindsight, or (ii) retrospective application with the cumulative effect of the initial application recognized as an adjustment to equity on the date of initial application and without restatement of the comparative information. The date of initial application is the beginning of the annual reporting period in which an entity first applies this Interpretation. The Group is currently evaluating the method of implementation and impact of adoption of the interpretation.

- In October 2017 the IASB issued *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*, allowing companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met, instead of at fair value through profit or loss, effective January 1, 2019. The Group is currently evaluating the impact of adoption.

- In October 2017 the IASB issued *Long-term interests in associates and joint ventures (Amendments to IAS 28)*, which clarifies that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9, effective January 1, 2019. The Group is currently evaluating the impact of adoption.

- In December 2017 the IASB issued the *Annual Improvements to IFRSs 2015-2017*, a series of amendments to IFRSs in response to issues raised mainly on IFRS 3 - *Business Combinations*, which clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business, on IFRS 11 - *Joint Arrangements*, a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business, on IAS 12 - *Income Taxes*, which clarifies that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises, and on IAS 23 - *Borrowing Costs*, which clarifies that a company treats as part of general borrowing any borrowing originally made to develop an asset when the asset is ready for its intended use or sale. The effective date of the amendments is January 1, 2019. The Group is currently evaluating the impact of adoption.

- In February 2018 the IASB issued *Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)* which specifies how companies determine pension expenses when changes to a defined benefit pension plan occur. IAS 19 - *Employee Benefits* specifies how a company accounts for a defined benefit plan. When a change to a plan-an amendment, curtailment or settlement-takes place, IAS 19 requires a company to remeasure its net defined benefit liability or asset. The amendments require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. The amendments are effective on or after January, 1 2019. The Group is currently evaluating the impact of adoption.

Scope of consolidation

The consolidated financial statements include the companies over which EXOR exercises control, and from which, directly or indirectly, EXOR is able to derive benefit by virtue of its power to govern their corporate financial and operating policies.
The companies/groups included in the scope of consolidation at December 31, 2017 are the following:

		31-Dec-17	
		Percentage of consolidation	
Company/Group	**Country**	**Group's ownership interest**	**Non-controlling interest's ownership interest**
Operating subsidiaries:			
FCA Group	The Netherlands	29.18%	70.82%
CNH Industrial Group	The Netherlands	26.91%	73.09%
Ferrari Group	The Netherlands	23.52%	76.48%
PartnerRe Group	Bermuda	100.00%	-
Juventus Football Club S.p.A.	Italy	63.77%	36.23%
Companies in the Holdings System:			
EXOR S.A.	Luxembourg	100%	-
EXOR Capital Dac	Ireland	100%	-
EXOR SN LLC	USA	100%	-
EXOR Nederland N.V.	The Netherlands	100%	-
EXOR Investments Limited	United Kingdom	100%	-
EXOR Investments (UK) LLP	United Kingdom	99.67%	0.33%
Ancom USA Inc.	USA	100%	-

At December 31, 2017 the EXOR Group includes more than 500 subsidiaries consolidated line-by-line by the FCA, CNH Industrial, Ferrari and PartnerRe Groups.
Certain minor subsidiaries are excluded from consolidation on a line-by-line basis and are accounted for using the equity method or at cost. Their aggregate assets and revenues represent less than 1% of the Group's total assets and revenues in these consolidated financial statements.

On August 1, 2016 FCA Group announced the signing of a framework agreement which set out terms of the proposed integration through a merger between FCA's consolidated media and publishing subsidiary, Italiana Editrice S.p.A ("Itedi"), in which FCA had a 77 percent ownership interest, and the Italian media group, GEDI Gruppo Editoriale S.p.A. ("GEDI"), previously known as Gruppo Editoriale L'Espresso S.p.A., (the "Merger"). All the conditions precedent for the Merger were met and all regulatory approvals from Italian state authorities that regulate the publishing and media sectors were received in June 2017. All the necessary steps for the Merger were completed and on June 27, 2017 FCA and Itedi's non-controlling shareholder, Ital Press Holding S.p.A. ("Ital Press"), transferred 100 percent of the shares of Itedi to GEDI in exchange for newly issued GEDI shares, resulting in CIR S.p.A., the controlling shareholder of GEDI, holding a 43.4 percent ownership interest in GEDI, FCA holding 14.63 percent and Ital Press holding 4.37 percent.
Following the completion of the merger on June 27, 2017 FCA distributed its entire interest in GEDI to holders of FCA common shares on July 2, 2017 in the ratio of 0.0484 GEDI ordinary shares for each FCA common share.
As a result, FCA recorded a gain of €49 million in the income statement for the year endend December 31, 2017.

In February 2017 CNH Industrial completed the acquisition of the grass and soil implement business of Kongskilde Industries, the impact of which was not material to the financial statements.

On April 3, 2017 PartnerRe completed the acquisition of 100% of the outstanding ordinary shares of Aurigen Capital Limited, a North American life reinsurance company. The consideration paid was CAD $370 million or US$278 million and the fair value of net assets acquired was $277 million, including intangible assets of $78 million. The results of Aurigen Capital Limited were included in the results of PartnerRe from the acquisition date of April 3, 2017.

Deconsolidation of Venezuela subsidiaries

Throughout 2017 macroeconomic conditions in Venezuela continued to deteriorate with an impact on FCA and CNH Industrial activities. In particular, the restrictive monetary policy in Venezuela coupled with the inability to pay dividends and the U.S. Dollar obligations, as well as the deteriorating economic conditions, has constrained the ability to maintain normal production in Venezuela, FCA concluded it is no longer able to exert control over its Venezuelan operations in order to affect its returns. As such, in accordance with IFRS 10 - *Consolidated Financial Statements*, as of December 31, 2017 FCA deconsolidated the subsidiary FCA Venezuela LLC ("FCA Venezuela"), which resulted in a pre-tax, non-cash charge of €42 million recorded within Selling, general and other expenses in the Consolidated Income Statement for the year ended December 31, 2017. Upon deconsolidation, FCA's investment in FCA Venezuela was recognized at fair value, which was nil at December 31, 2017 and will be accounted for at cost in subsequent periods.

The economic and socio-political environment in Venezuela further deteriorated, significantly impacting also CNH Industrial's ability to make key operating decisions. In the fourth quarter of 2017 the further deterioration of conditions in the country and the persisting restrictive exchange control regulations, which prevent any payments out of the country, resulted in an other-than-temporary lack of exchangeability. Therefore, effective December 31 2017 CNH Industrial determined that it no longer had the ability to control its Venezuelan operations. As a result, CNH Industrial recorded a non-cash pretax charge of €44 million ($50 million) to impair and deconsolidate its operations in Venezuela and will begin reporting operating results under the cost method. The pretax charge includes the write-off of CNH Industrial's investment in Venezuela, including properties and all inter-company balances. The charge also includes the reversal through income statement of foreign currency translation losses previously included in Accumulated other comprehensive income. CNH Industrial will no longer include the results of its Venezuelan operations in its Consolidated Financial Statements. If cash were to be received from the Venezuelan operations in future periods, income will be recognized. CNH Industrial expects the current economic conditions in Venezuela to continue and does not anticipate any payments to be made in the foreseeable future. CNH Industrial's results of operations in Venezuela for the year ended December 31, 2017 and 2016 were immaterial as a percentage of both CNH Industrial's net revenues and trading profit.

Due to the lack of ability to settle U.S. dollar obligations, CNH Industrial does not intend to sell into, nor purchase inventory from, the Venezuelan operations at this time. Additionally, CNH Industrial has no remaining financial commitments to the Venezuelan operations and therefore believes the exposure to future losses is not material.

Non-controlling interests

Non-controlling interests at December 31, 2017 amount to €20,381 million (€19,238 million at December 31, 2016) and are detailed in note 24.

Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Group has control. Control is achieved when the Group has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

The Group considers all the facts and circumstances in determining whether it controls an entity when it owns less than the majority of the voting rights or similar rights of the entity.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control, as indicated in paragraph 7 of IFRS 10.

Subsidiaries are consolidated on a line-by-line basis from the date on which control is achieved by the Group until the date that control ceases. Equity attributable to non-controlling interests and non-controlling interests in the profit (loss) of consolidated subsidiaries are presented separately from the interests of the owners of the parent in the statement of financial position and income statement respectively. Losses applicable to non-controlling interests that exceed the minority's interests in the subsidiary's equity are allocated against the non-controlling interests.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as an equity transaction. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid or received in the transaction is recognized directly in the equity attributable to the owners of the parent.

If the Group loses control of a subsidiary, a gain or loss is recognized in the income statement and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. Any gains or losses recognized in other comprehensive income in respect of the measurement of the assets of the subsidiary are accounted for as if the subsidiary had been sold (i.e. reclassified to the income statement or transferred directly to retained earnings as required by other IFRS).

The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IAS 39 – *Financial instruments: recognition and measurement* or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

Joint ventures

Joint ventures are entities in which the Group has contractually agreed sharing of control of an arrangement or whereby a contractual arrangement exists whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for using the equity method from the date that joint control commences until the date that joint control ceases.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When the Group undertakes its activities under joint operations, it recognizes its related interest in the joint operation including: (i) its assets, including its share of any assets held jointly, (ii) its liabilities, including its share of any liabilities incurred jointly, (iii) its revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operation and (v) its expenses, including its share of any expenses incurred jointly.

Associates

Associates are entities over which the Group has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures, but not control or joint control over the financial and operating policies. Investments in associates are accounted for using the equity method from the date that significant influence commences until the date it ceases. When the Group's share of losses of an associate, if any, exceeds the carrying amount of the associate in the Group's statement of financial position, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

Investments in other companies

Investments in other companies that are available-for-sale financial assets are measured at fair value, when this can be reliably determined. Gains or losses arising from changes in fair value are recognized directly in other comprehensive income until the assets are sold or impaired; at that time the cumulative other comprehensive income is recognized in the income statement.

Investments in other companies for which fair value is not available are stated at cost less any impairment losses.

Dividends received from other companies are included in other income (expenses) from investments.

Transactions eliminated in consolidation

All significant intragroup balances and transactions and any unrealized gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in those entities.

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Consolidation of foreign entities

All assets and liabilities of foreign consolidated companies with a functional currency other than the Euro are translated using the closing rates at the date of the statement of financial position. Income and expenses are translated into Euro at the average exchange rate for the year. Translation differences resulting from the application of this method are classified as equity until the disposal of the investment. Average exchange rates for the year are used to translate the cash flows of foreign subsidiaries in preparing the statement of cash flows.

Goodwill, assets acquired and liabilities assumed arising from the acquisition of entities with a functional currency other than the Euro are recognized in the consolidated financial statements in the functional currency and translated at the exchange rate at the acquisition date. These amounts are translated at subsequent balance sheet dates at the exchange rate at the end of the period.

The principal exchange rates used in 2017 and 2016 to translate the foreign currency financial statements of foreign entities into Euro are the following:

	At December 31, 2017		At December 31, 2016	
	Average	**At 12/31/2017**	Average	At 12/31/2016
U.S. dollar	1.130	1.199	1.107	1.054
Brazilian real	3.605	3.973	3.857	3.431
Chinese renmimbi	7.629	7.804	7.352	7.320
Polish zloty	4.257	4.177	4.363	4.410
Argentinine peso	18.683	22.595	16.327	16.707
British pound	0.877	0.888	0.819	0.856
Swiss franc	1.112	1.170	1.090	1.074
Mexican peso	21.329	23.661	20.664	21.772
Canadian dollar	1.417	1.504	1.466	1.419

Date of reference

The investments are consolidated using the financial statements as of December 31, EXOR's year-end closing date, which covers a 12-month period, or accounting data prepared as of the same date (whenever the closing date is different from EXOR's), adjusted, where necessary, to conform with the accounting principles of the Group.

The Economist Group, whose financial year closes on March 31 of each year, has been consolidated using the equity method on the basis of the most recent data available (September 30, 2017). At December 31, 2017 there were no significant variations compared to the data used for the purposes of these consolidated financial statements.

Business combinations

Business combinations are accounted for by applying the acquisition method of accounting in accordance with IFRS 3 - *Business Combinations*.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in the income statement under gains (losses) on the disposal of investments. Changes in the equity interest in the acquiree that have been recognized in other comprehensive income in prior reporting periods are reclassified to the income statement as if the equity interest had been disposed of.

Intangible assets

Purchased and internally-generated intangible assets are recognized as assets where it is probable that the use of the asset will generate future economic benefits and where the costs of the asset can be determined reliably.

Intangible assets are initially recognized at purchase or manufacturing cost. Purchase cost is represented by the fair value of consideration given to acquire the asset and any direct cost incurred to make the asset available for use.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Goodwill arising on business combinations is initially measured at cost as established at the acquisition date. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

On the loss of control of a previously acquired entity, any outstanding goodwill balance is included in the determination of the gain or loss on disposal.

Brands with indefinite useful lives are not amortized, but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired by comparing the carrying amount with the recoverable amount.

Intangible assets with a finite useful life

Intangible assets with a finite useful life are recognized at purchase or production cost less amortization and cumulative impairment losses. Amortization is calculated on a systematic basis over the asset's useful life and begins when the asset is available for use.

- Development costs are recognized as an asset when the development costs can be measured reliably and the technical feasibility of the product, volumes and pricing support the view that the development expenditure will generate future economic benefits. Capitalized development costs include all direct and indirect costs that may be directly attributed to the development process. Capitalized development costs are amortized on a straight-line basis from the start of production over the expected life cycle of the product, and on average as follows:

	Automobiles	Trucks and buses	Agricultural and Construction Equipment	Pow ertrain
Number of years	5-6	4-8	5	8-12

  Research and all other development costs which do not meet the above criteria are expensed as incurred.

- Players' registration rights are recognized at cost, including auxiliary expenses, and discounted to present value. They are amortized on a straight-line basis over the duration of the contracts the company has signed with the individual football players.
- Other intangible assets with a finite useful life are recorded at purchase or production cost and amortized on a straight-line basis over their estimated useful lives. Other intangible assets recognized subsequent to the acquisition of a company are recorded separately from goodwill if their fair value can be measured reliably.

Whenever necessary, intangible assets with a finite useful life are tested for impairment.

Property, plant and equipment

Cost

Property, plant and equipment is initially recognized at cost which comprises the purchase price, any costs directly attributable to bringing the assets to the location and condition necessary to be capable of operating in the manner intended by management and any initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Self-constructed assets are initially recognized at production cost. Subsequent expenditures and the cost of replacing parts of an asset are capitalized only if they increase the future economic benefits embodied in that asset. All other expenditures are expensed as incurred. When such replacement costs are capitalized, the carrying amount of the parts that are replaced is recognized in the income statement.

Borrowing costs that are directly attributable to the acquisition, construction or production of property, plant or equipment or an intangible asset that is deemed to be a qualifying asset are capitalized. All other borrowing costs are expensed when incurred.

Assets held under finance leases, which provide the Group with substantially all the risks and rewards of ownership, are recognized as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of position within financial debt. The assets are depreciated by the method and at the rates indicated below depending on the nature of the leased assets.

Leases under which the lessor retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Operating lease expenditures are expensed on a straight-line basis over the lease terms.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Buildings	Plant, machinery and equipment	Other assets
Depreciation rate	2.5%-10%	3%-33%	3%-33%

Land is not depreciated.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. The Group assesses at the end of each reporting period whether there is any indication that its intangible assets (including development costs) and its property, plant and equipment may be impaired.

If indications of impairment are present, the carrying amount of the asset is reduced to its recoverable amount, that is, the higher of fair value less costs of disposal and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In assessing the value in use of an asset, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the recoverable amount is lower than the carrying amount.

Impairment of property plant and equipment and intangible assets arising from transactions that are only incidentally related to the ordinary activities of the Group and that are not expected to occur frequently, are recognized under other income (expenses).

Where an impairment loss for assets, other than goodwill, subsequently no longer exists or has decreased, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. The reversal of an impairment loss is recognized in in the income statement immediately.

Financial instruments

Presentation

Financial instruments held by the Group are presented in the consolidated financial statements as described in the following paragraphs.

Investments and other non-current financial assets comprise investments in unconsolidated companies and other non-current financial assets (held-to-maturity securities, non-current loans and receivables and other non-current available-for-sale financial assets).

Current financial assets, as defined in IAS 39 include trade receivables, receivables from financing activities (retail financing, dealer financing, lease financing and other current loans to third parties), current securities and other financial assets (which include derivative financial instruments stated at fair value), as well as cash and cash equivalents.

In particular, cash and cash equivalents include cash at banks, units in money market funds and other money market securities that are readily convertible into cash and are subject to an insignificant risk of changes in value.

Current securities include short-term or marketable securities which represent temporary investments of available funds and do not satisfy the requirements for being classified as cash equivalents. Current securities include both available-for-sale and held-for-trading securities.

Financial liabilities refer to debt, which includes asset-backed financing, and other financial liabilities (which include derivative financial instruments stated at fair value), trade payables and other payables.

Measurement

Trade receivables and trade payables

Receivables are recognized at amortized cost using the effective interest method and measured at net realizable value, that is, less the provision for impairment of amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are recognized at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Financial assets and financial liabilities

Financial assets other than investments, as well as financial liabilities, are accounted for in accordance with IAS 39.

The classification of financial assets in the following categories determines the subsequent measurement which is the following:

- financial assets held for trading - HFT;
- held-to-maturity investments - HTM;
- loans and receivables - L&R;
- available-for-sale financial assets - AFS.

Financial assets held for trading are measured at fair value. Gains and losses arising from changes in the fair value of held-for-trading financial instruments are included in the income statement for the period.

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are recognized on the basis of the settlement date and, on initial recognition, are measured at acquisition cost, including transaction costs. They are subsequently measured at amortized cost, using the effective interest method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.
Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of such investments has been sold or reclassified before their maturity, except sales or reclassifications that:

- are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
- occur after the Group has received substantially all of the financial asset's original principal through ordinary scheduled payments or prepayments;
- are attributable to an isolated event that is beyond the Group’s control, is non-recurring and could not have been reasonably anticipated by the Group.

Loans and receivables which are not held by the Group for trading (loans and receivables originating in the ordinary course of business), held-to-maturity securities and equity investments whose fair value cannot be determined reliably, are measured, to the extent that they have a fixed term, at amortized cost, using the effective interest method. When the financial assets do not have a fixed term, they are measured at acquisition cost. Receivables with maturities of over one year which bear no interest or an interest rate significantly lower than market rates are discounted using market rates.

Available-for-sale financial assets are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).
Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement.
Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period.

Except for derivative instruments, loans and other financial payables are recognized initially at cost, represented by fair value net of incidental charges.
Loans and financial payables are subsequently measured at amortized cost using the effective interest method, taking into account the costs of issue and every discount or premium, if any, on settlement of the instrument.

Financial assets and liabilities hedged against changes in fair value (fair value hedges) are measured in accordance with hedge accounting principles (see next paragraph): gains and losses arising from remeasurement at fair value, due to changes in the respective hedged risk, are recognized in the income statement and are offset by the effective portion of the loss or gain arising from remeasurement at fair value of the hedging instrument.

Investments at fair value of Reinsurance companies

Investments at fair value of reinsurance companies represent investments held by PartnerRe and include fixed income securities, short term investments, equities, accrued interest, non-foreign exchange derivatives, other invested assets and funds held by reinsurance companies. PartnerRe classifies the majority of its reinsurance investments as financial assets at fair value through profit or loss (FVTPL). Upon initial recognition these investments are designated as FVTPL because they are managed and their performance is evaluated on a fair value basis. Derivative assets and liabilities are classified as held for trading.

Certain investments are classified as available-for-sale financial assets and are measured at fair value. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date). Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income until the financial asset is disposed of or impaired; when the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period in financial income and expenses; when the asset is impaired, accumulated losses are recognized in the income statement. Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, any impairment loss is included in the income statement for the period. Certain other funds held by reinsurance companies are classified as loans and receivables and are measured at amortized cost.

The fair value of financial instruments is measured in accordance with a fair value hierarchy that prioritizes the information used to measure fair value into three broad levels. Transfers between the hierarchy levels are recognized at the beginning of the period.

Gains and losses arising from the changes in the fair value of reinsurance investments classified as FVTPL or held for trading are included in the income statement in the period in which they arise. Net investment income for the reinsurance investments includes interest and dividend income, amortization of premiums and discounts on fixed maturities and short-term investments and investment income on funds held by reinsurance companies, and is net of investment expenses and withholding taxes. Investment income is recognized when earned. Realized gains and losses on the disposal of investments are determined on a first-in, first-out basis. Investment purchases and sales are recorded on a trade-date basis.

Derivative financial instruments

Derivative financial instruments are used for economic hedging purposes, in order to reduce currency, interest rate and market price risks (primarily related to commodities and securities). In accordance with IAS 39, all derivative financial instruments are measured at fair value.

Derivative financial instruments qualify for hedge accounting only when there is formal designation and documentation of the hedging relationship at the inception of the hedge, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- *Fair value hedge* (hedge of the exposure to changes in fair value) in which the effects of the hedge are recognized in the income statement;
- *Cash flow hedge* (hedge of the exposure to variability in future cash flows) in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately;
- *Hedge of a net investment* (hedges of a net investment in a foreign operation) in which the effective portion of the gain or loss on the derivative financial instrument is recognized in other comprehensive income and the ineffective portion is recorded in the income statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of derivative financial instruments are recognized immediately in the consolidated income statement.

Transfer of financial assets

The Group derecognizes financial assets when, and only when, the contractual rights to the cash flows arising from the asset are no longer held or if it transfers the financial asset. In case of a transfer of financial asset:

- if the Group transfers substantially all the risks and rewards of ownership of the financial asset, it derecognizes the financial asset and recognizes separately as assets or liabilities any rights and obligations created or retained in the transfer;

- if the Group retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognize the financial asset;
- if the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it determines whether it has retained control of the financial asset. In this case:
    - if it has not maintained control, it derecognizes the financial asset and recognizes separately as assets and liabilities any rights and obligations created or retained in the transfer;
    - if it has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

On derecognition of financial assets, the difference between the carrying amount of the asset and the consideration received or receivable for the transfer of the asset is recognized in the income statement.

Inventories

Inventories of raw materials, semi-finished products and finished goods (including assets sold with a buy-back commitment) are stated at the lower of cost and net realizable value, cost being determined on a first in-first-out (FIFO) basis. The measurement of inventories includes the direct costs of materials, labor and indirect costs (variable and fixed). A provision is made for obsolete and slow-moving raw materials, finished goods, spare parts and other supplies based on their expected future use and realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs for sale and distribution.

The measurement of production systems construction contracts is based on the stage of completion determined as the proportion of cost incurred at the balance sheet date to the estimated total contract cost. These items are presented net of progress billings received from customers. Any losses on such contracts are fully recorded in the income statement when they are known.

Employee benefits

Defined contribution plans

Costs arising from defined contribution plans are expensed as incurred.

Defined benefit plans

The Group's net obligations are determined separately for each plan by estimating the present value of future benefits that employees have earned in the current and prior periods, and deducting the fair value of any plan assets. The present value of the defined benefit obligation is measured using actuarial techniques and actuarial assumptions that are unbiased and mutually compatible and attribute benefits to periods in which the obligation to provide post-employment benefits arise by using the Projected Unit Credit Method. Plan assets are recognized and measured at fair value.

When the net obligation is a potential asset, the recognized amount is limited to the present value of any economic benefits available in the form of future refunds or reductions in future contributions to the plan (asset ceiling).

The components of the defined benefit cost are recognized as follows:

- the service costs are recognized in the income statement by function and presented in the relevant line items (cost of sales, selling, general and administrative costs, research and development costs, etc.);
- the net interest on the defined benefit liability or asset is recognized in the income statement as financial income (expenses), and is determined by multiplying the net liability (asset) by the discount rate used to discount obligations taking into account the effect of contributions and benefit payments made during the year;
- the remeasurement components of the net obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest income recognized in the income statement) and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income. These remeasurement components are not reclassified in the income statement in a subsequent period.

Past service costs arising from plan amendments and curtailments are recognized immediately in the income statement.

Other long-term employee benefits

The Group's obligations represent the present value of future benefits that employees have earned in return for their service during the current and prior periods. Remeasurement components on other long-term employee benefits are recognized in the income statement in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of i) when the Group can no longer withdraw the offer of those benefits and ii) when the Group recognizes costs for a restructuring.

Post-employment plans other than pensions

The Group provides certain post-employment defined benefits, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

Share-based compensation

Share-based compensation plans that are be settled by the delivery of shares are measured at fair value at the grant date. This fair value is expensed over the vesting period of the plan with a corresponding increase in equity. Periodically, the Group reviews its estimate of the benefits expected to vest through the plan and recognizes any difference in estimate in the income statement, with a corresponding increase or decrease in equity.

Share-based compensation plans that are be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

Provisions are recognized when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Changes in estimates of provisions are reflected in the income statement in the period in which the change occurs.

Technical reinsurance reserves

Non-life and health technical reinsurance reserves include amounts determined from loss reports on individual treaties (case reserves), additional case reserves when PartnerRe's loss estimate is higher than reported by the cedants (ACRs) and amounts for losses incurred but not yet reported to PartnerRe (IBNR). Such reserves are estimated by Management based upon reports received from ceding companies, supplemented by PartnerRe's own actuarial estimates of reserves for which ceding company reports have not been received, and based on PartnerRe's own historical experience. To the extent that PartnerRe's own historical experience is inadequate for estimating reserves, such estimates may be determined based upon industry experience and Management's judgment. The estimates are continually reviewed and the ultimate liability may be in excess of, or less than, the amounts provided. Any adjustments are reflected in the periods in which they are determined, which may affect PartnerRe's operating results in future periods.

Technical reinsurance reserves for life policies have been established based upon information reported by ceding companies, supplemented by PartnerRe's actuarial estimates of mortality, critical illness, persistency and future investment income, with appropriate provision to reflect uncertainty.

PartnerRe purchases retrocessional contracts to reduce its exposure to risk of losses on reinsurance assumed. Reinsurance recoverable on paid and unpaid losses involves actuarial estimates consistent with those used to establish the associated technical reinsurance reserves.

Reinsurance Acquisition Costs

Reinsurance acquisition costs for non-life and health contracts comprised of incremental brokerage fees, commissions and excise taxes which vary directly with, and are related to, the acquisition of reinsurance contracts, are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including all indirect costs, are expensed as incurred.

Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income.

Actual and anticipated losses and loss expenses, other costs and investment income related to underlying premiums are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Non-life business. Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Life business.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity. Therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized in equity.

Revenue recognition

Revenue is recognized if it is probable that the economic benefits associated with a transaction will flow to the Group and the revenue can be reliably measured.

Revenue from sale of vehicles and service parts is recognized when the risks and rewards of ownership are transferred to the customer, the sales price is agreed or determinable and collectability is reasonably assured. For vehicles, this generally corresponds to the date when the vehicles are made available to dealers not belonging to the Group, or when the vehicle is released to the carrier responsible for transporting vehicles to dealers.
Revenues are recognized net of discounts, allowances and returns, as well as costs for sales incentive programs and customer bonuses, determined on the basis of historical costs, country by country, and charged against profit for the period in which the corresponding sales are recognized. The Group's sales incentive programs include incentives offered to dealers and retail customers, and granting of retail financing at a significant discount to market interest rates. These costs are recognized at the time of sale of the vehicle.

New vehicle sales with a buy-back commitment, or through the Guarantee Depreciation Program ("GDP") under which the Group guarantees the residual value or otherwise assumes responsibility for the minimum resale value of the vehicle, are not recognized at the time of delivery but are accounted for similar to an operating lease when it is probable that the vehicle will be bought back. Vehicles sold with a buy-back commitment are accounted for as inventories if the agreements usually have a short-term buy-back commitment; they are accounted for as property, plant and equipment if agreements usually have a long-term buy-back commitment.
The difference between the carrying value (corresponding to the manufacturing cost) and the estimated resale value (net of refurbishing costs) at the end of the buy-back period is depreciated on a straight-line basis over the same agreement period. The initial sale price received is recognized in liabilities as a down payment.

The difference between the initial sale price and the buy-back price is recognized as rental revenue on a straight-line basis over the term of the operating lease.
Assets sold under a buy-back commitment that are initially recognized in property, plant and equipment are reclassified to inventories at the end of the agreement term if they are held for sale. The proceeds from the sale of such assets are recognized as revenues.

Revenues from services and from construction contracts are recognized by reference to the stage of completion.

Revenues also include lease rentals recognized over the contractual term of the lease on a straight-line basis as well as interest income from financial services companies.

Revenues from services (contracts for extended warranties, maintenance, sponsorships) are recognized over the period during which the service is provided. In particular, revenues for real estate services are recognized when persuasive evidence of an arrangement exists, services have been rendered, the amount is fixed or determinable and collectability is reasonably assured unless there are contingencies that impact revenue recognition. The existence of any significant future contingencies results in the delay of revenue recognition for the contingent amounts until such contingencies are satisfied. Certain reimbursements (primarily employment costs and other charges) in connection with facilities and property management operations are recognized as revenues when the underlying reimbursable costs are incurred.

Revenues from matches, radio and television rights, media revenues and season ticket sales are recognized on an accrual basis, that is, when the relative match is played.

Reinsurance Premiums

Non-life and health net premiums written and earned are based upon reports received from ceding companies, supplemented by PartnerRe’s own estimates of premiums for which ceding company reports have not been received. The determination of premium estimates requires a review of PartnerRe’s experience with cedants, familiarity with each market, an understanding of the characteristics of each line of business and Management’s assessment of the impact of various other factors on the volume of business written and ceded to PartnerRe.

Premium estimates are updated as new information is received from cedants and differences between such estimates and actual amounts are recorded in the period in which the estimates are changed or the actual amounts are determined. Net premiums written and earned are presented net of ceded premiums, which represent the cost of retrocessional protection purchased by PartnerRe.

Premiums are earned on a basis that is consistent with the risks covered under the terms of the reinsurance contracts, which is generally one to two years. For U.S. and European wind and certain other risks, premiums are earned commensurate with the seasonality of the underlying exposure. Reinstatement premiums are recognized as written and earned at the time a loss event occurs, where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms. The accrual of reinstatement premiums is based on Management's estimate of losses and loss expenses associated with the loss event. Unearned premiums represent the portion of premiums written which is applicable to the unexpired risks under contracts in force.

Premiums related to life business are earned over the premium-paying period on the underlying policies.

Cost of revenues

The costs are recognized on the accruals basis.

Cost of sales comprises:

- the cost of manufacturing products and the acquisition cost of purchased merchandise which has been sold. It includes all directly attributable material and production costs and all overheads directly related to production and/or the performance of services. These include the depreciation of property, plant and equipment and the amortization of intangible assets relating to production and write-downs of inventories, freight and insurance costs relating to deliveries to dealers and agency fees in the case of direct sales and provisions made to cover the estimated cost of product warranties;
    - expenses which are directly attributable to the financial services businesses, including the interest expenses related to their financing as a whole and provisions for risks and write-downs of assets;
    - expenses that are directly attributable to the generation of revenue for real estate services including employment costs for employees who perform the underlying services that ultimately generate revenues and reimbursed costs relating to managed properties, in addition to costs for players' wages and technical staff, amortization and impairment losses on players' registration rights, operating and maintenance costs of sports facilities as well as all the costs incurred for sports events;
- reinsurance acquisition costs for non-life and health contracts comprised of incremental brokerage fees, commissions and excise taxes which vary directly with, and are related to, the acquisition of reinsurance contracts, are capitalized and charged to expense as the related premium is earned. All other acquisition related costs, including all indirect costs, are expensed as incurred. Acquisition costs related to life contracts are deferred and amortized over the premium-paying periods in proportion to anticipated premium income, allowing for lapses, terminations and anticipated investment income. Actual and anticipated losses and loss expenses, other costs and investment income related to underlying premiums are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Non-life business. Actual and anticipated loss experience, together with the present value of future gross premiums, the present value of future benefits, settlement and maintenance costs are considered in determining the recoverability of deferred acquisition costs related to PartnerRe's Life business.

Government grants

Government grants are recognized in the financial statements when there is reasonable assurance of the Company's compliance with the conditions for receiving such grants and that the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs which they are intended to offset.

The benefit of a government loan at a below-market rate of interest is treated for accounting purposes as a government grant. The benefit of the below-market rate of interest is measured as the difference between the initial carrying amount of the loan (fair value plus transaction costs) and the proceeds received, and it is accounted for in accordance with the policies used for the recognition of government grants.

Taxes

Income taxes include all taxes based upon the taxable profits of the Group. Income taxes are provided by each consolidated company on the basis of a reasonable estimate of the definition of taxable income for tax purposes, in accordance with existing laws in the individual countries in which the Group operates and takes into account tax credit entitlement.

Current and deferred taxes are recognized as income or expense and included in the income statement for the period, except tax arising from a business combination or a transaction or event which is recognized, in the same or a different period, either in other comprehensive income or directly in equity.
Deferred taxes are accounted for under the full liability method.

Deferred tax liabilities are recognized for all taxable temporary differences between the carrying amounts of assets or liabilities and their tax base, except to the extent that the deferred tax liabilities arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit, or for differences related to investments in subsidiaries where reversal will not take place in the foreseeable future.
Deferred tax assets and liabilities are measured at the substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to the period when the asset is realized or liability is settled.

Deferred tax assets relating to the carry-forward of unused tax losses and tax credits, as well as those arising from temporary differences, are recognized to the extent that it is probable that future profits will be available against which they can be utilized.
The Group recognizes deferred tax assets associated with the deductible temporary differences on investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Provisions for income taxes that could arise on the distribution of a subsidiary’s undistributed profits are only made where there is a current intention to distribute such profits.
The Group recognizes deferred tax liabilities associated with the existence of a subsidiary’s undistributed profits, except when it is able to control the timing of the reversal of the temporary difference and it is probable that this temporary difference will not reverse in the foreseeable future.

The Group reassesses unrecognized deferred tax assets at the end of each year and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current income taxes and deferred taxes are offset when they relate to the same taxation authority and there is a legally enforceable right of offset.

Other taxes not based on income, such as property taxes and capital taxes, are included in other income (expenses).

Dividends

Dividends payable by the Group are reported as a movement in equity in the year in which they are approved by the shareholders’ meeting.

Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to owners of the parent entity by the weighted average number of shares outstanding during the year. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all shares having a potential dilutive effect.

Segment reporting

The EXOR Group, through its subsidiaries, is present in a diversified range of sectors, particularly Automotive (FCA), Agricultural Equipment, Construction Equipment and Commercial Vehicles (CNH Industrial), Ferrari brand, an icon of luxury, style and speed, reinsurance services (PartnerRe) and professional football (Juventus Football Club). EXOR and the subsidiaries of the Holdings System primarily carry out activities regarding equity investments and financial market investments.

For this reason the EXOR Group has chosen to disclose its information by segment, according to IFRS 8 – *Operating Segments,* which coincides with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System.

These companies, in turn, in preparing their financial statements in accordance with IAS/IFRS, present, if applicable, operating segment disclosure which best reflects their respective characteristics.
Details on segment reporting are reported in note 34.

Use of estimates

The consolidated financial statements and the relative notes are prepared in accordance with IFRS which require the use of estimates, judgments and assumptions that affect the carrying amount of assets and liabilities, the disclosures relating to contingent assets and liabilities and the amounts of income and expense reported for the period. The estimates and associated assumptions are based on elements that are known when the financial statements are prepared, on historical experience of the Group and on any other factors that are considered to be relevant.
The estimates and underlying assumptions are reviewed periodically and if the items subject to estimates do not perform as assumed then the actual results could differ from the estimates, which would require adjustment accordingly.
The effects of any changes in estimate are recognized in the income statement in the period in which the adjustment is made, or also in future periods if the revision affects both current and future periods.

The following are the critical measurement processes and key assumptions and estimates which may have significant effects on the amounts recognized in the consolidated financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future:

- measurement of identifiable assets and liabilities acquired in a business combination;
- recoverable amount of non-current assets: specifically, non-current assets include property, plant and equipment, goodwill and other intangible assets with indefinite useful lives, other intangible assets, equity investments and other financial assets. The Group periodically reviews the carrying amount of non-current assets held and used and that of assets held for sale when events and circumstances warrant such a review. For goodwill and intangible assets with indefinite useful lives such analysis is carried out at least annually and when events and circumstances warrant such a review. The analysis of the recoverable amount of non-current assets is usually performed using estimates of future expected cash flows from the use or disposal of the asset and a suitable discount rate in order to calculate present value. When the carrying amount of a non-current asset is impaired, the Group records an impairment loss for the amount by which the carrying amount of the asset exceeds its estimated recoverable amount from use or disposal determined by reference to the cash flows included in its most recent business forecasts. The estimates and assumptions described reflect the Group's current available knowledge as to the expected future development of the businesses and are based on an assessment of the future development of the market;
- the recoverability of deferred tax assets which takes into consideration future taxable income arising on the most recent budgets and plans, prepared by using the same criteria described for testing the impairment of assets and goodwill. Moreover, the Group estimates the impact of the reversal of taxable temporary differences on earnings and it also considers the period over which these assets could be recovered. These estimates and assumptions are subject to a high degree of uncertainty, in particular with regard to the future performance in the Eurozone. Therefore changes in current estimates due to unanticipated events could have a significant impact on the Group's consolidated financial statements;
- pension plans and other post-retirement benefits are measured on an actuarial basis which takes into consideration parameters of a financial nature such as the discount rate and the return on plan assets, the rates of salary increases and the rates of healthcare cost increases and the likelihood of potential future events estimated by using demographic assumptions such as mortality rates, dismissal and retirement rates. The discount rates used refer to high-quality corporate bonds in the respective market of reference. The return on plan assets is given by interest, dividends and other revenue derived from the plan assets, together with realized and unrealized gains or losses on the plan assets, less any costs of administering the plan and less any tax payable by the plan itself (other than those included in the actuarial assumptions used to measure the defined benefit obligation). Rates of salary increases reflect the Group's long-term actual expectation in the reference market and inflation trends. Trends in healthcare costs are developed on the basis of historical experience, the near-term outlook for costs and likely long-term trends;
- allowance accounts adjusting assets (receivables and inventories);
- dealer and customers incentives offered for the purchase of vehicles;

- estimated costs for product warranties;
- measurement of share-based compensation;
- residual values of assets leased out under operating lease arrangements or sold with a buy-back commitment;
- contingent liabilities particularly referring to disputes and legal proceedings;
- measurement of investments and certain financial assets whose fair value is determined on the basis of appraisals by independent experts;
- technical reinsurance reserves which are estimates involving actuarial and statistical projections at a given time to reflect PartnerRe management's expectations of the costs of the ultimate settlement and administration of claims. Estimates of ultimate liabilities are contingent on many future events and the eventual outcome of these events may be different from the assumptions underlying the reserve estimates. In the event that the business environment and social trends diverge from historical trends, PartnerRe may have to adjust its loss reserves to amounts falling significantly outside its current estimate. The estimates are regularly reviewed and the ultimate liability may be in excess of, or less than, the amounts provided, for which any adjustments will be reflected in the period in which the need for an adjustment is determined. For reserves relating to the life reinsurance business, PartnerRe makes a number of critical accounting estimates regarding mortality, longevity, morbidity, lapses, surrenders and future investment income and expenses;
- net reinsurance premiums written and earned and acquisition costs involve significant estimation as in most cases cedants seek protection for business that they have not yet written at the time they enter into reinsurance agreements and have to estimate the volume of premiums they will cede to PartnerRe. Reporting delays are inherent in the reinsurance industry and vary in length by reinsurance market (country of cedant) and type of treaty. As reporting delays can vary from a few weeks to a year or sometimes longer, PartnerRe produces accounting estimates to report premiums and acquisition costs until it receives the cedants' actual results. Estimates for premiums and acquisition costs are updated continuously as new information is received from cedants. The recovery of deferred policy acquisition costs is dependent upon the future profitability of the related business. Deferred policy acquisition costs recoverability testing is performed periodically together with the reserve adequacy test, based on the latest best estimate assumptions by line of business;
- Italian exit tax, estimated in 2016 and paid in 2017.

1 Net revenues

Net revenues amount to €143,430 million in 2017 (€140,068 million in 2016). The composition is as follows:

€ million	2017		2016		Change
		%		%	
Sales of goods	131,417	91.6%	129,483	92.4%	1,934
Contract revenues	930	0.6%	753	0.5%	177
Other services	3,014	2.1%	3,063	2.2%	(49)
Net premium earned of insurance and reinsurance companies	4,449	3.1%	3,606	2.6%	843
Interest income of financial services activities	875	0.6%	885	0.6%	(10)
Investment income and net realized and unrealized investments gains of insurance and reinsurance companies	567	0.4%	221	0.2%	346
Lease installments from assets under operating leases and buy-backs	1,017	0.7%	999	0.7%	18
Television and radio rights and media revenues	213	0.1%	206	0.1%	7
Sponsorships and advertising	82	0.1%	52	0.0%	30
Season tickets and ticket office sales	61	0.0%	51	0.0%	10
Other	805	0.6%	749	0.5%	56
Total net revenues	**143,430**	**100.0%**	**140,068**	**100.0%**	3,362

In 2017 net revenues include €110,934 million referring to the FCA Group (€111.018 million in 2016), €24,739 million to the CNH Industrial Group (€22,882 million in 2016), €3,417 million to the Ferrari Group (€3,105 million in 2016), €5,016 million to the PartnerRe Group (€3,827 million in 2016) and €540 million to Juventus Football Club (€498 million in 2016).
The contribution by segment is presented in note 34.

The analysis by geographical area is presented in note 35.

2 Cost of revenues

In 2017 the cost of revenues amounts to €119,562 million (€117,771 million in 2016) and includes the following:

€ million	2017	2016	Change
Cost of sales	114,781	114,312	469
Interest cost and other financial expenses from financial services companies	513	564	(51)
Losses and loss expenses and life policy benefits	3,401	2,395	1,006
Acquisition costs	867	500	367
Total cost of sales	**119,562**	**117,771**	1,791

3 Selling, general and administrative expenses

Selling, general and administrative expenses amount to €10,394 million in 2017 (€10,851 in 2016).
Selling expenses mainly consist of marketing, advertising, and sales personnel expenses.
General and administrative expenses mainly consist of administration expenses which are not attributable to the sales, manufacturing or research and development functions.

4 Research and development costs

The composition of research and development costs is as follows:

€ million	2017	2016	Change
Research and development costs expensed during the year	2,771	2,643	128
Amortization of capitalized development costs	1,965	2,045	(80)
Impairment and write-off of costs previously capitalized	126	121	5
Total research and development costs	**4,862**	**4,809**	48

In 2017 the impairment and write-offs of capitalized development expenditure mainly referred to the FCA Group's global product portfolio changes in EMEA and changes in the LATAM product portfolio.

In 2016 the impairment and write-offs of capitalized development expenditure mainly referred to the FCA Group's capacity realignment to SUV production in China, which resulted in an impairment charge of €90 million for the locally produced Fiat Viaggio and Ottimo vehicles.

5 Other income (expenses)

In 2017 Other income (expense) represent a net profit of €910 million (net profit of €95 million in 2016) and mainly related to the gain on the reversal of a liability for Brazilian indirect taxes.

6 Result from investments

The composition is as follows:

€ million	2017	2016	Change
Share of the profit (loss) of equity method investees	**567**	360	207
Other income (expenses) from investments			
Dividends from investments	12	28	(16)
Impairment reversals (losses)	(68)	(8)	(60)
Other income and (accruals) to provisions on investments	(2)	(6)	4
Total other income (expenses) from investments	**(58)**	14	(72)
Total result from investments	**509**	**374**	135

7 Restructuring costs

Restructuring costs amount to €176 million in 2017 (€167 million in 2016) and mainly include restructuring costs recorded by the CNH Industrial Group of €80 million (€39 million in 2016) and by the FCA Group of €95 million (€88 million in 2016).

In 2017 and 2016 restructuring cost of CNH Industrial, referred to the actions to reduce selling, general and administrative expenses, business support costs, costs related to the completion of manufacturing product specialization programs and footprint rationalization actions included in the Efficiency Program of the Group.

In 2016 PartnerRe Group recognized €40 million of restructuring costs related to the severance expenses associated with the restructuring of PartnerRe's business units, certain changes to PartnerRe's investment operations and executive changes part of the formation of a new organizational structure in which PartnerRe's business units were restructured into three worldwide business units comprised of P&C, Specialty and Life and Health.

8 Financial income (expenses)

The analysis of financial income (expenses) presented below includes amounts reported in specific lines of the consolidated income statement under financial income (expenses), as well as interest income from financial services activities recognized under net revenues of €875 million in 2017 (€885 million in 2016), and interest and other financial expenses from financial services companies recognized in costs of sales €513 million in 2017 (€564 million in 2016).

Details are as follows:

€ million	2017	2016	Change
Interest income from banks	135	155	(20)
Interest income from securities	11	15	(4)
Other interest income and financial income	109	154	(45)
Total Interest and other financial income	255	324	(69)
Interest income from customers and other financial income of financial services companies	875	885	(10)
Gains on disposal of securities	121	13	108
Total financial income	**1,251**	1,222	29
Less: Interest income from customers and other financial income of financial services companies	(875)	(885)	10
Financial income, excluding financial services companies	**376**	337	39
Interest expenses on bonds	1,233	1,398	(165)
Interest expenses from banks	458	693	(235)
Commission expenses	2	7	(5)
Other interest expenses and other financial expenses	472	540	(68)
Total Interest and other financial expenses	2,165	2,638	(473)
Writedowns of financial assets	120	211	(91)
Losses on disposal of securities	6	6	0
Net interest expenses on employee benefits provisions	353	399	(46)
Total interest and other financial expenses	**2,644**	3,254	(610)
Net (income) expenses from derivative financial instruments and exchange rate differences	413	366	47
Total financial expenses	**3,057**	3,620	(563)
Less: interest expenses and other financial expenses of financial services companies	(513)	(564)	51
Financial expenses, excluding financial services companies	**2,544**	3,056	(512)
Net financial income (expenses), excluding financial services companies	**(2,168)**	**(2,719)**	551

Other interest expenses and other financial expenses for the year ended December 31, 2017 included a loss of €3 million in relation to the prepayment by FCA US in February 2017 of the outstanding principal and accrued interest for its tranche B term loan, a loss of €35 million ($39 million) related to the repurchase by CNH Industrial of €347 million of CNH Industrial Finance Europe S.A.'s outstanding €1.2 billion 6.25% Notes due 2018 and €401 million ($453 million) of its outstanding €1.0 billion 2.750% Notes due 2019. In 2017 net financial expenses also include a charge of €15 million ($17 million) related to the early redemption of all the outstanding $636 million aggregate principal amount of Case New Holland Industrial Inc. 7.875% Senior Notes due 2017. Other interest cost and financial expenses for the year ended December 31, 2017 included a gain on extinguishment of debt of €9 million related to the prepayment by FCA of all scheduled payments due on the Canada Health Care Trust ("HCT") Tranche B Note.

Other interest expenses and other financial expenses for the year ended December 31, 2016 included a loss on extinguishment of debt totaling €10 million related to the U.S.$2.0 billion (€1.8 billion) voluntary prepayment of principal at par, of FCA US's tranche B term loan maturing on May 24, 2017 and FCA US's tranche B term loan maturing on December 31, 2018. This item also included a loss on extinguishment of debt for €8 million related to the prepayment by FCA of all scheduled payments due on the Canada Health Care Trust ("HCT") Tranche C Note and the charge of €54 million ($60 million) related to the repurchase of portions of the Case New Holland Industrial Inc. 7.875% Notes due 2017, as well as the non-recurring charge of €31 million ($34 million) due to the re-measurement and impairment of certain assets in the Venezuelan subsidiary.

9 Tax expense

Tax expense recognized in the consolidated income statement consist of the following:

€ million	2017	2016	Change
Italian Exit tax	(22)	170	(192)
Current tax expense	1,480	1,328	152
Deferred tax expense (benefit)	1,666	446	1,220
Tax expense (benefit) relating to prior periods	(7)	10	(17)
Total tax expense	**3,117**	**1,954**	1,163

The positive amount of €22 million is related to the settlement in June 2017 of the liability for Italian exit tax.

The reconciliation between the income tax expenses recognized in the consolidated financial statements and the theoretical income tax expense, calculated on the basis of the theoretical tax rate in effect in The Netherlands, is as follows:

€ million	2017	2016
Theoretical tax expense	1,941	1,066
Tax effect on:		
Recognition and utilization of previously unrecognized deferred tax assets	(405)	(3)
Permanent differences	(793)	(507)
Deferred tax assets not recognized and writedowns	1,467	635
Differences between foreign tax rates and the theoretical tax rate and tax holidays	850	1,340
Taxes relating to prior years	(7)	10
Italian Exit tax	(22)	170
Other differences	32	(852)
Total tax expense, excluding IRAP	**3,063**	1,859
Effective tax rate	39.7%	43.6%
IRAP (current and deferred)	54	95
Total tax expense	**3,117**	**1,954**

The applicable tax rate used to determine the theoretical income taxes was 25 percent in 2017 and 2016, which is the tax rate applicable in The Netherlands.

The change in the effective tax rate to 39.7 percent in 2017 from 43.6 percent in 2016 was mainly due to (i) the inability to book a tax benefit on certain restructuring costs, on certain charges related to the repurchase/early redemption of notes, and on the charge for the Venezuelan operations deconsolidation (ii) reduced generation and utilization of tax credits in NAFTA and (iii) a decrease in Brazilian deferred tax assets; partially offset by (iv) tax benefits recorded on changes to prior years' tax positions and (v) improved performance in EMEA and LATAM.

The Tax Cuts and Jobs Act (the "Tax Act") was enacted into law in the U.S. on December 22, 2017. The Tax Act includes various changes to U.S. tax law, including a permanent reduction in the U.S. federal corporate income tax rate. The Tax Act also imposes a one-time tax, at a special reduced tax rate, on the deemed repatriation of the post-1986 unremitted earnings from their non-U.S. subsidiaries to the Company's U.S. subsidiaries.

FCA and CNH Industrial have been affected by this change in law; in particular FCA Group estimated net tax expense of €88 million in 2017 for the effects of the changes in the tax rate, which includes an expense of €117 million, primarily related to the deemed repatriation resulting from the Tax Act. The expense may be adjusted, potentially materially, as a result of regulations or regulatory guidance that may be issued, changes in interpretations affecting assumptions underlying the estimate, refinement of calculations, and actions that may be taken, including actions in response to the Tax Act.

CNH Industrial booked a $73 million net tax benefit related to the US mandatory repatriation tax and the write-down of deferred tax liabilities in the relevant jurisdictions.

Following new tax legislation enacted in the United Kingdom, CNH Industrial also recorded a €45 million ($51 million) tax charge to establish a valuation allowance against deferred tax assets in its U.K. operations.

The 2016 effective tax rate was impacted by the estimate of the Italian Exit tax of €170 million incurred as consequence of the merger of EXOR S.p.A. into EXOR N.V. The merged company EXOR S.p.A was taxable for IRES and IRAP purposes up until the legally effective date of the Merger. For Italian tax purposes the Merger qualifies as an intra-community cross-border merger as defined by the Italian tax regulations which have implemented E.U. Council Directive 1990/434 dated July 23, 1990 on the common system of taxation to be applied to mergers, de-mergers, transfers of assets and share exchanges involving companies of differing Member States (consolidated in E.U. Council Directive 2009/133 dated October 19, 2009, the "Merger Directive").

The Italian tax regulations provide for the fiscal neutrality of the intra-community merger with respect to assets and liabilities which remain connected with a permanent organization in Italy, providing, conversely, that elements which do not remain connected with a permanent organization in Italy are deemed to be realized at fair value. Considering that EXOR N.V. has not maintained a permanent organization in Italy after the Merger, all the components of EXOR S.p.A. (including investments in companies, financial liabilities and its tax-suspended reserves) have been treated as having been realized at fair value, resulting in the crystallization of taxable surpluses ("EXIT gains") in the financial position at the December 10, 2016 merger date.

During December 2016 CNH Industrial completed a corporate reorganization of its Latin American operations, resulting in a $74 million charge to tax expense, comprised of $56 million related to changes in valuation allowances booked against deferred tax assets in Brazil and Argentina and $18 million related to certain other basis adjustments.

At December 31, 2017 the deferred tax asset balance consists of deferred tax assets less deferred tax liabilities of the individual consolidated companies, where these may be offset.

The amounts recognized are as follows:

€ million	12/31/2017	12/31/2016	Change
Deferred tax assets	2,928	4,792	(1,864)
Deferred tax liabilities	(596)	(527)	(69)
Total	**2,332**	**4,265**	(1,933)

The decrease in Net deferred tax assets at December 31, 2017 from December 31, 2016 was mainly due to FCA Group and in particular (i) a €1,268 million decrease related to the utilization of U.S. tax credit carryforwards, revaluation of U.S. deferred tax assets and liabilities due to the Tax Act and reductions to other NAFTA deferred tax assets, and (ii) a €734 million decrease to Brazil deferred tax assets; partially offset by (iii) a €178 million increase to EMEA deferred tax assets.

The decrease in deferred tax assets in Brazil was primarily composed of €281 million related to the reversal of the Brazilian indirect tax liability and €453 million that was written off as the Group revised its outlook on Brazil to reflect the slower pace of recovery and outlook for the subsequent years, largely resulting from increased political uncertainty, and concluded that a portion of the deferred tax assets in Brazil was no longer recoverable.

The Tax Act reduces the U.S. federal corporate income tax rate from 35% to 21% effective January 1, 2018. FCA estimated the related changes in deferred tax assets and deferred tax liabilities, which resulted in a €137 million decrease in Net deferred tax liability (€29 million to the Consolidated Income Statement and €108 million to Equity), and a €71 million decrease in Net deferred tax assets recorded to Other Comprehensive Income. The net tax benefit may be revised in future quarters as the related temporary differences are further evaluated.

The components of deferred tax assets and liabilities in 2017 are as follows:

€ million	**12/31/2016**	Recognized in income statement	Recognized in Other comprehensive income	Translation differences and other changes	**12/31/2017**
Deferred tax assets arising from:					
- Provisions	7,207	(1,745)		(724)	4,738
- Provision for employee benefits	3,395	(460)	(262)	(488)	2,185
- Intangible assets	251	(48)		(18)	185
- Inventories	481	21		(18)	484
- Allowances for doubtful accounts	308	(6)		(21)	281
- Impairment of financial assets	232	(18)		18	232
- Other	891	74	155	(282)	838
Total deferred tax assets	12,765	(2,182)	(107)	(1,533)	8,943
Deferred tax liabilities arising from:					
- Accelerated depreciation	(3,378)	622		508	(2,248)
- Capitalization of development costs	(3,216)	485		248	(2,483)
-Other intangible assets and intangible assets with indefinite useful lives	(1,624)	287		412	(925)
- Provision for employee benefits	(45)	(29)	(1)	(2)	(77)
- Other	(818)	99	(10)	139	(590)
Total deferred tax liabilities	(9,081)	1,464	(11)	1,305	(6,323)
Deferred tax assets arising on tax loss carry-forwards	5,366	374		(209)	5,531
Unrecognized deferred tax assets	(4,785)	(1,322)	10	278	(5,819)
Total Net deferred tax assets	**4,265**	(1,666)	(108)	(159)	**2,332**

The components of deferred tax assets and liabilities in 2016 are as follows:

€ million	**12/31/2015**	Recognized in income statement	Recognized in Other comprehensive income	Changes due to acquisition of PartnerRe Group	Translation differences and other changes	**12/31/2016**
Deferred tax assets arising from:						
- Provisions	6,899	(39)		175	172	7,207
- Provision for employee benefits	3,399	(26)	(262)	14	271	3,395
- Intangible assets	273	(17)		11	(17)	251
- Inventories	483	(10)			8	481
- Allowances for doubtful accounts	260	26			21	308
- Impairment of financial assets	232	(18)			18	232
- Other	1,018	(254)	47	197	(117)	891
Total deferred tax assets	12,564	(337)	(215)	396	357	12,765
Deferred tax liabilities arising from:						
- Accelerated depreciation	(3,312)	(75)			10	(3,378)
- Capitalization of development costs	(2,881)	(273)			(63)	(3,216)
-Other intangible assets and intangible assets with indefinite useful lives	(1,432)	82		(168)	(105)	(1,624)
- Provision for employee benefits	(50)	1	3	(1)	2	(45)
- Other	(733)	138	24	(232)	(15)	(818)
Total deferred tax liabilities	(8,408)	(127)	27	(401)	(172)	(9,081)
Deferred tax assets arising on tax loss carry-forwards	4,651	586		26	103	5,366
Unrecognized deferred tax assets	(4,026)	(561)	(1)	(99)	(100)	(4,785)
Total Net deferred tax assets	**4,781**	(439)	(189)	(78)	190	**4,265**

The decision to recognize deferred tax assets is made for each company by critically assessing whether conditions exist for the future recoverability of such assets by taking into account recent forecasts from budgets and plans.

At December 31, 2017 the Group has deferred tax assets on deductible temporary differences of €8,943 million (€12,765 million at December 31, 2016) of which €1,436 million is not recognized (€894 million at December 31, 2016). At December 31, 2017 the Group also has deferred tax assets on tax loss carryforwards of €5,501 million (€5,366 million at December 31, 2016) of which €4,353 million is unrecognized (€3,891 million at December 31, 2016). At December 31, 2017 net deferred tax assets include the amount of €1,148 million in respect of benefits on unused tax loss carryforwards (€1,475 million at December 31, 2016).

As of December 31, 2017 the FCA Group had total Net deferred tax assets of €3,256 million (€2,902 million at December 31, 2016) in Italy primarily attributable to Italian tax loss carry-forwards that can be carried forward indefinitely. FCA has determined that it is probable that sufficient Italian taxable income will be generated in future periods that will allow us to realize €898 million of Italian Net deferred tax assets (€750 million at December 31, 2016). As a result, €2,358 million of Net deferred tax assets in Italy were not recognized as of December 31, 2017 (€2,152 million at December 31, 2016).

As of December 31, 2017 the FCA Group had total Net deferred tax assets of €1,287 million in Brazil (€1,276 million at December 31, 2016) primarily attributable to Brazilian tax loss carry-forwards which can be carried forward indefinitely. The FCA Group continues to recognize Brazilian Net deferred tax assets of €148 million (€976 million at December 31, 2016) as the Group considers it probable that we will have sufficient taxable income in the future that will allow us to realize these net deferred tax assets. As a result, €1,139 million of Net deferred tax assets in Brazil, which include Brazil tax losses, were not recognized as of December 31, 2017 (€300 million at December 31, 2016).

As of December 31, 2016 the FCA Group had total deferred tax assets of €1,276 million in Brazil (€571 million at December 31, 2015) primarily attributable to Brazilian tax loss carry-forwards which can be carried forward indefinitely. As a result of the continued macroeconomic weakness and uncertainty in Brazil in 2016, a portion of the deferred tax assets in Brazil totaling approximately €300 million, which include Brazil tax losses, was not recognized as the Group concluded that there was no longer sufficient evidence to indicate that full utilization was probable. These unrecognized deferred tax assets will be monitored and assessed at each reporting date. The FCA Group continues to recognize Brasilian deferred tax assets of €976 million (€571 million at December 31, 2015) as the Group considers it probable that we will have sufficient taxable income in the future that will allow us to realize these deferred tax assets.

Deferred taxes have not been provided on the undistributed earnings of subsidiaries since the Group is able to control the timing of the distribution of these reserves and where it is probable that they will not be distributed in the foreseeable future.

Total deductible and taxable temporary differences and accumulated tax losses at December 31, 2017, together with the amounts for which deferred tax assets have not been recognized, analyzed by year of expiration, are as follows:

		Year of expiration					
€ million	**Total at 12/31/2017**	2018	2019	2020	2021	Beyond 2021	Unlimited / Indeterminable
Temporary differences and tax losses							
Deductible temporary differences	48,157	8,171	5,131	4,599	5,637	22,896	1,723
Taxable temporary differences	(36,578)	(3,942)	(4,065)	(3,949)	(3,943)	(17,000)	(3,679)
Tax losses	26,046	356	388	237	389	7,918	16,788
Temporary differences and tax losses for which deferred tax assets have not been recognized	(26,926)	(1,687)	(921)	(568)	(1,663)	(6,445)	(15,672)
Temporary differences and tax losses	**10,699**	**2,898**	**533**	**319**	**420**	**7,369**	**(840)**

10 Other information by nature

In 2017 personnel costs for the Group amounted to €17,479 million (€17,007 million in 2016) which includes costs that were capitalized mainly in connection with product development activities.

The Group has an average number of employees of 307,637 in 2017 (302,562 employees in 2016).

11 Earnings per share

		2017	2016
Average number of ordinary shares outstanding		**234,669,772**	**234,367,763**
Profit attributable to owners of the parent	€ million	**1,392**	**589**
- basic earnings per share	€	5.932	2.512
- diluted earnings per share	€	5.867	2.472
Profit from continuing operations attributable to owners of the parent	€ million	**1,392**	**590**
- basic earnings per share	€	5.932	2.515
- diluted earnings per share	€	5.867	2.495
Profit from discontinued operations attributable to owners of the parent	€ million	**n.a.**	**(1)**
- basic earnings per share	€	n.a.	(0.003)
- diluted earnings per share	€	n.a.	(0.023)

In order to calculate the diluted earnings per share, the profit attributable to owners of the parent was adjusted to take into account the dilutive effects arising from the theoretical exercise of the stock option plans granted by the subsidiaries of the Group using their own equity instruments.

12 Intangible assets

The composition is as follows:

€ million	12/31/2017	12/31/2016	Change
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	17,241	19,463	(2,222)
Other intangible assets	15,282	15,408	(126)
Total intangible assets	**32,523**	**34,871**	(2,348)

Goodwill, brands, trademarks and other intangible assets with an indefinite useful life

Changes during 2017 are the following:

€ million	12/31/2016	Change in the scope of consolidation	Disposals	Translation differences and other changes	12/31/2017
Goodwill					
Original cost	16,676	(4)	(23)	(1,855)	14,794
Accumulated impairment losses	(1,085)	1	22	100	(962)
Net carrying amount	15,591	(3)	(1)	(1,755)	13,832
Brands, trademarks and other intangible assets with an indefinite useful life					
Original cost	3,995	0	207	(677)	3,525
Accumulated impairment losses	(123)	0		7	(116)
Net carrying amount	3,872	0	207	(670)	3,409
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	**19,463**	**(3)**	**206**	**(2,425)**	**17,241**

In 2017 translation differences total €2,225 million and refer mainly to changes in the U.S. dollar/Euro rate.

Changes during 2016 were the following:

€ million	12/31/2015	Change in the scope of consolidation	Acquisition of PartnerRe	Translation differences and other changes	12/31/2016
Goodwill					
Original cost	15,634	(6)	586	462	16,676
Accumulated impairment losses	(1,063)	0		(22)	(1,085)
Net carrying amount	14,571	(6)	586	440	**15,591**
Brands, trademarks and other intangible assets with an indefinite useful life					
Original cost	3,595	0	207	193	3,995
Accumulated impairment losses	(56)	0		(67)	(123)
Net carrying amount	3,539	0	207	126	**3,872**
Goodwill, brands, trademarks and other intangible assets with an indefinite useful life	**18,110**	**(6)**	**793**	**566**	**19,463**

In 2016 translation differences totaled €602 million and referred mainly to changes in the U.S. dollar/Euro rate.

Goodwill

Goodwill and other assets are allocated to individual cash-generating units by the subsidiaries and associates on the basis of their procedures, methods and assumptions in accordance with IAS 36. This allocation, presented in the following table, is considered representative also for the consolidated financial statements.

€ million	12/31/2017	12/31/2016	Change
NAFTA	8,453	9,618	(1,165)
APAC	1,099	1,250	(151)
LATAM	529	602	(73)
EMEA	253	285	(32)
Components	62	62	0
FCA Group	**10,396**	**11,817**	(1,421)
Agricultural Equipment	1,418	1,603	(185)
Construction Equipment	485	550	(65)
Commercial Vehicles	53	52	1
Powertrain	2	2	0
Financial Services	109	121	(12)
CNH Industrial Group	**2,067**	**2,329**	(262)
Ferrari Group	**786**	**786**	0
PartnerRe Group	**550**	**626**	(76)
FCA N.V.	14	14	0
CNH Industrial N.V.	19	19	0
Holdings System	**33**	**33**	0
Total goodwill	**13,832**	**15,591**	(1,759)

FCA Group

Goodwill mainly includes the goodwill on the acquisition of FCA US of €10,311 million (€11,731 million at December 31, 2016). At December 31, 2016 €54 million of goodwill was classified within Assets held for sale as a result of Itedi meeting the held for sale criteria.

Goodwill is allocated to reporting segments or to CGUs within the reporting segments as appropriate.

In accordance with IAS 36 - *Impairment of Assets*, goodwill and intangible assets with indefinite useful lives are not amortized and are tested for impairment annually or more frequently if facts or circumstances indicate that the asset may be impaired.

Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or to CGUs within the operating segments.

The impairment test is performed by comparing the carrying amount (which mainly comprises property, plant and equipment, goodwill, brands and capitalized development expenditures) and the recoverable amount of each CGU or group of CGUs to which goodwill has been allocated. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. The balance of goodwill and intangible assets with indefinite useful lives recognized by the Group primarily relates to the acquisition of FCA US. Goodwill has been allocated to the NAFTA, EMEA, APAC and LATAM operating segments.

The assumptions used in the impairment test represent management's best estimate for the period under consideration. The estimate of the recoverable amount, for purposes of performing the annual impairment test for each of the operating segments, was determined using fair value less cost to sell for the year ended December 31, 2017 and was based on the following assumptions:

- The expected future cash flows covering the period from 2018 through 2022. These expected cash flows reflect the current expectations regarding economic conditions and market trends as well as the Group's initiatives for the period 2018 to 2022. These cash flows relate to the respective CGUs in their condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flow are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends and segment, brand and model share for the respective operating segment over the period considered. With regards to the LATAM operating segment, expected future cash flows also include the extension of tax benefits and other government grants to the extent such events are considered probable.
- The expected future cash flows include a normalized terminal period to estimate the future result beyond the time period explicitly considered which incorporates a long-term growth rate assumption of 2 percent.
- Post-tax cash flows have been discounted using a post-tax discount rate which reflects the current market assessment of the time value of money for the period being considered and the risks specific to the operating segment and cash flows under consideration. The Weighted Average Cost of Capital ("WACC") ranged from approximately 12.3 percent to approximately 18.6 percent. The WACC was calculated using the Capital Asset Pricing Model technique.

The value estimated as described above was determined to be in excess of the book value of the net capital employed for each operating segment to which goodwill has been allocated. As such, no impairment charges were recognized for goodwill and Intangible assets with indefinite useful lives for the year ended December 31, 2017.

CNH Industrial Group

The vast majority of goodwill, representing approximately 97% of the total, as of December 31, 2017 related to Agricultural Equipment (69%) to Construction Equipment (23%) and to Financial Services (5%), where the cash-generating units considered for the testing of the recoverability of the goodwill are the segments.

CNH Industrial determines the recoverable amount of these cash-generating units using multiple valuation methodologies, relying largely on an income approach but also incorporating value indicators from a market approach.

Under the income approach, CNH Industrial calculates the recoverable amount of a cash-generating unit based on the present value of estimated future cash flows. The income approach is dependent on several critical management assumptions, including estimates of future sales, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate). Discount rate assumptions include an assessment of the risk inherent in the future cash flows of the respective cash-generating units.

Discount rates ranged from 11.0 percent to 9.6 percent for Construction and Agricultural Equipment (from 13.3 percent to 14.1 percent in 2016). Discount rate for Financial services was 18.4 percent in 2017 (21.6 percent in 2016).

Expected cash flows used under the income approach are developed in conjunction with the CNH Industrial budgeting and forecasting processes. CNH Industrial uses nine years of expected cash flows for the Agricultural Equipment and Construction Equipment cash-generating units and four years of expected cash flows for the Financial Services cash-generating unit as management believes that these periods generally reflect the underlying market cycles for its businesses.

Under the market approach, CNH Industrial estimates the recoverable amount of the Agricultural Equipment and Construction Equipment cash-generating units using revenue and EBITDA multiples and estimates the recoverable amount of the Financial Services cash-generating unit using book value, tangible book value and interest margin multiples. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics as the respective cash-generating units. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear that no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same, or a similar, line of business or be subject to similar financial and business risks, including the opportunity for growth.

A terminal value is included at the end of the projection period used in the discounted cash flow analyses in order to reflect the remaining value that each cash-generating unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. The terminal value growth rate for the Agricultural Equipment cash-generating unit was 1.0% in 2017 and 2016, and for Construction Equipment was 3.0% in 2017 and 2016. The terminal value growth rate for Financial Services was 1.5% in 2017 and 2016.
As of December 31, 2017 the estimated recoverable amount of each cash-generating unit with goodwill exceeded the carrying value by more than 30%.

The results obtained for Commercial Vehicles confirmed the absence of an impairment loss.
The sum of the recoverable amounts of CNH Industrial's cash generating units was in excess of CNH Industrial's market capitalization. CNH Industrial believes that the difference between the recoverable amount and market capitalization is reasonable (in the context of assessing whether any asset impairment exists) when market-based control premiums are taken into consideration.

Finally, the estimates and budget data to which the above mentioned parameters have been applied are those determined by management based on past performance and expectations of developments in the markets in which the Group operates. Estimating the recoverable amount of cash generating units requires discretion and the use of estimates by management. The Group cannot guarantee that there will be no goodwill impairment in future periods. Circumstances and events, which could potentially cause further impairment losses, are constantly monitored by the Group.

Ferrari Group
At December 31, 2017 and 2016 goodwill amounted to €786 million. In accordance with IAS 36, goodwill is not amortized and is tested for impairment annually, or more frequently if facts or circumstances indicate that the asset may be impaired. Impairment testing is performed by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount of the CGU is the higher of its fair value less costs to sell and its value in use.
The assumptions used in this process represent management's best estimate for the period under consideration. The estimate of the value in use of the CGU for purposes of performing the annual impairment test was based on the following assumptions:

- The expected future cash flows covering the period from 2017 through 2020 have been derived from the Ferrari business plan. In particular the estimate considers expected EBITDA adjusted to reflect the expected capital expenditure. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flows that might arise from restructuring plans or other structural changes. Volumes and sales mix used for estimating the future cash flows are based on assumptions that are considered reasonable and sustainable and represent the best estimate of expected conditions regarding market trends for the CGU over the period considered.
- The expected future cash flows include a normalized terminal period used to estimate the future results beyond the time period explicitly considered, which were calculated by using the specific medium/long-term growth rate for the sector equal to 2.0 percent (2.0 percent in 2016).
- The expected future cash flows have been estimated in Euro, and discounted using a post-tax discount rate appropriate for that currency, determined by using a base WACC of 7.0 percent (7.0 percent in 2016). The WACC used reflects the current market assessment of the time value of money for the period being considered and the risks specific to the CGU under consideration.

The recoverable amount of the CGU was significantly higher than its carrying amount. Furthermore, the exclusivity of the business, its historical profitability and its future earnings prospects indicate that the carrying amount of the goodwill will continue to be recoverable, even in the event of difficult economic and market conditions.

PartnerRe Group

For goodwill and indefinite life intangible assets impairment testing PartnerRe is treated as a single cash generating unit. PartnerRe tests goodwill and indefinite life intangible assets for impairment on at least an annual basis at December 31. The recoverable amount of the cash generating unit is based on its fair value. The fair value is based on a weighted average of industry accepted valuation methods, including: price-to-earnings multiples of comparable companies, price-to-tangible book value multiples of comparable companies and a discounted cash flow projection.

In the discounted cash flow projection the premium growth was assumed to be 3% for the year ended December 31, 2017 (2016: 1%). The average discount rate applied was 10% in 2017 (2016: 10%). Cash flows are projected for an initial 5 year period plus a terminal valuation. The fair value calculation is categorised as a Level 3 valuation, as per the fair value hierarchy, as it utilises both observable and unobservable inputs. A reasonably possible change in one of the assumptions would not result in the fair value being less than the carrying value.

Brands, trademarks and other intangible assets with indefinite useful lives

The composition by reporting segment is as follows:

€ million	12/31/2017	12/31/2016	Change
FCA Group	2,994	3,405	(411)
CNH Group	194	221	(27)
PartnerRe Group	189	215	(26)
Juventus F.C.	32	31	1
Intangible assets with indefinite useful lives	**3,409**	**3,872**	(463)

Brands of the FCA Group are composed of the Chrysler, Jeep, Dodge, Ram and Mopar brands which resulted from the acquisition of FCA US. These rights are protected legally through registration with government agencies and through the continuous use in commerce. As these rights have no legal, contractual, competitive or economic term that limits their useful lives, they are classified as intangible assets with indefinite useful lives, and are therefore not amortized but are instead tested annually for impairment.

For the purpose of impairment testing, the carrying value of Brands, which is allocated to the NAFTA segment, is tested jointly with the goodwill allocated to the NAFTA segment.

With regard to the CNH Industrial Group, Trademarks and Other intangible assets with indefinite useful lives are mainly attributable to Agricultural Equipment and Construction Equipment and consist of acquired trademarks and similar rights which have no legal, contractual, competitive or economic factors that limit their useful lives. For the purposes of impairment testing, these assets were attributed to the respective cash-generating units. No impairment loss was recognized.

The indefinite-lived intangible assets of PartnerRe Group have no legal, contractual, competitive or economic terms that limit their useful lives, and are therefore not amortized. For indefinite life intangible assets impairment testing PartnerRe is treated as a single cash generating unit using the same assumptions as the impairment test on goodwill.

Other intangible assets

Changes in 2017 are the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	**Total**
Balance at December 31, 2016						
Original cost	13,277	12,341	4,544	2,891	470	33,523
Accumulated amortization and impairment	(6,775)	(6,908)	(2,679)	(1,553)	(200)	(18,115)
Net carrying amount	**6,502**	**5,433**	**1,865**	**1,338**	**270**	**15,408**
Changes during the year (original cost)						
Additions	2,264	865	373	149	197	3,848
Disposals	(289)	(111)	(48)	(17)	(47)	(512)
Change in the scope of consolidation			2	65	0	67
Translation differences and other changes	(996)	(344)	(331)	(291)	(54)	(2,016)
Total	**979**	**410**	**(4)**	**(94)**	**96**	**1,387**
Changes during the year (accumulated amortization and impairment)						
Amortization	(1,022)	(943)	(419)	(288)	(42)	(2,714)
Impairment losses	(52)	(74)	0	(1)	(1)	(128)
Disposals	290	99	42	12	15	458
Change in the scope of consolidation				2	0	2
Translation differences and other changes	315	233	174	147	0	869
Total	**(469)**	**(685)**	**(203)**	**(128)**	**(28)**	**(1,513)**
Balance at December 31, 2017						
Original cost	14,256	12,751	4,540	2,797	566	34,910
Accumulated amortization and impairment	(7,244)	(7,593)	(2,882)	(1,681)	(228)	(19,628)
Net carrying amount	**7,012**	**5,158**	**1,658**	**1,116**	**338**	**15,282**

In 2017 new development costs were capitalized for €3,036 million, of which €2,586 million (€2,558 million in 2016) by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs.

The negative translation differences of €1,100 million primarily related to foreign currency translation of the U.S. Dollar to the Euro.

At December 31, 2017 and 2016 the FCA Group had contractual commitments for the purchase of intangible assets amounting to €601 million and €417 million, respectively.

Changes in 2016 were the following:

€ million	Development costs externally acquired	Development costs internally generated	Patents, concessions and licenses externally acquired	Other intangible assets externally acquired	Players' registration rights	Total
Balance at December 31, 2015						
Original cost	11,577	10,483	4,055	1,559	385	28,059
Accumulated amortization and impairment	(5,734)	(5,584)	(2,401)	(972)	(184)	(14,875)
Net carrying amount	**5,843**	**4,899**	**1,654**	**587**	**201**	**13,184**
Changes during the year (original cost)						
Additions	1,771	1,265	516	134	180	3,866
Disposals	(1)	(49)	(80)	(7)	(95)	(232)
Acquisition of PartnerRe			7	1,125		1,132
Change in the scope of consolidation	0	(5)	(5)	3	0	(7)
Translation differences and other changes	(70)	647	51	77	0	705
Total	**1,700**	**1,858**	**489**	**1,332**	**85**	**5,464**
Changes during the year (accumulated amortization and impairment)						
Amortization	(1,159)	(887)	(258)	(566)	(72)	(2,942)
Impairment losses	(29)	(92)	0	(1)	(1)	(123)
Disposals	(1)	37	21	6	57	120
Change in the scope of consolidation	0	4	3	(1)	0	6
Translation differences and other changes	148	(386)	(44)	(19)	0	(301)
Total	**(1,041)**	**(1,324)**	**(278)**	**(581)**	**(16)**	**(3,240)**
Balance at December 31, 2016						
Original cost	13,277	12,341	4,544	2,891	470	33,523
Accumulated amortization and impairment	(6,775)	(6,908)	(2,679)	(1,553)	(200)	(18,115)
Net carrying amount	**6,502**	**5,433**	**1,865**	**1,338**	**270**	**15,408**

In 2016 new development costs were capitalized for €3,036 million, of which €2,558 million (€2,659 million in 2015) by FCA Group consisting primarily of material costs and personnel related expenses relating to engineering, design and development focused on content enhancement of existing vehicles, new models and powertrain programs.

Impairment losses include €90 million of write-offs related to the locally produced Fiat Viaggio and Ottimo vehicles.

The positive translation differences of €377 million primarily related to foreign currency translation of the U.S. Dollar to the Euro.

13 Property, plant and equipment

Changes in property, plant and equipment in 2017 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2016							
Original cost	1,229	12,085	59,757	2,689	4,114	3,866	83,740
Accumulated depreciation and impairment	(44)	(4,824)	(38,613)	(564)	(2,454)	(17)	(46,516)
Net carrying amount	**1,185**	**7,261**	**21,144**	**2,125**	**1,660**	**3,849**	**37,224**
Changes during the year (original cost)							
Additions	21	293	4,079	934	230	1,594	7,151
Disposals	(12)	(78)	(1,443)	(179)	(109)	(5)	(1,826)
Change in the scope of consolidation	(3)	(100)	(630)	0	(56)	(6)	(795)
Translation differences	(81)	(771)	(3,412)	(2)	(333)	(330)	(4,929)
Other changes		213	1,922	(435)	10	(2,165)	(455)
Total	**(75)**	**(443)**	**516**	**318**	**(258)**	**(912)**	**(854)**
Changes during the year (accumulated depreciation and impairment)							
Depreciation		(420)	(3,966)	(282)	(329)	0	(4,997)
Impairment losses	(1)	(29)	(90)	(59)	(6)	(6)	(191)
Disposals	2	37	1,348	99	98	(1)	1,583
Change in the scope of consolidation	1	83	305	0	27	0	416
Translation differences	1	225	1,846	1	173	1	2,247
Other changes	1	(42)	72	130	(4)	6	163
Total	**4**	**(146)**	**(485)**	**(111)**	**(41)**	**0**	**(779)**
Balance at December 31, 2017							
Original cost	1,154	11,642	60,273	3,007	3,856	2,954	82,886
Accumulated depreciation and impairment	(40)	(4,970)	(39,098)	(675)	(2,495)	(17)	(47,295)
Net carrying amount	**1,114**	**6,672**	**21,175**	**2,332**	**1,361**	**2,937**	**35,591**
of which leased under finance leases	*5*	*414*	*689*		*6*		*1,114*

The net carrying amount of assets leased under finance lease agreements includes assets that are legally owned by suppliers but are recognized in the Consolidated Financial Statements in accordance with IFRIC 4 - Determining Whether an Arrangement Contains a Lease, with the corresponding recognition of a financial lease payable.

Additions total €7,151 million in 2017 and mainly refer to the FCA Group for €5,659 million and the CNH Industrial Group for €1,215 million.

For the year ended December 31, 2017 the Group recognized a total of €191 million of impairment losses and asset write-offs, of which €21 million related to certain of FCA Venezuela's assets due to the continued deterioration of the economic conditions in Venezuela prior to the deconsolidation, €59 million related to the commercial vehicles and €23 million related to the assets sold with a buy-back commitments. The remaining impairment loss relates to change in the global product portfolio in EMEA and product portfolio changes in LATAM.

In 2017 negative translation differences of €2,682 million primarily reflected the weakening of the US Dollar, Mexican Peso and the Brazilian Real against the Euro.

Changes in property, plant and equipment in 2016 are the following:

€ million	Land	Industrial buildings	Plant, machinery and equipment	Assets sold with a buy-back commitment	Other tangible assets	Advances and tangible assets in progress	Total
Balance at December 31, 2015							
Original cost	1,187	11,148	52,864	2,389	3,619	4,310	75,517
Accumulated depreciation and impairment	(47)	(4,252)	(34,453)	(484)	(2,134)	(14)	(41,384)
Net carrying amount	**1,140**	**6,896**	**18,411**	**1,905**	**1,485**	**4,296**	**34,133**
Changes during the year (original cost)							
Additions	6	335	3,630	787	485	1,801	7,044
Disposals	(11)	(23)	(741)		(78)	(18)	(871)
Change in the scope of consolidation	(6)	(22)	17		3	7	(1)
Translation differences	59	490	1,887	(35)	137	226	2,764
Other changes	(6)	157	2,100	(452)	(52)	(2,460)	(713)
Total	**42**	**937**	**6,893**	**300**	**495**	**(444)**	**8,223**
Changes during the year (accumulated depreciation and impairment)							
Depreciation	0	(425)	(4,097)	(252)	(359)	0	(5,133)
Impairment losses	(1)	(61)	(25)	(24)	(1)	(4)	(116)
Disposals	5	13	710	0	69	1	798
Change in the scope of consolidation	0	2	6	0	2	0	10
Translation differences	(1)	(117)	(959)	10	(75)	(1)	(1,143)
Other changes	0	16	205	186	44	1	452
Total	**3**	**(572)**	**(4,160)**	**(80)**	**(320)**	**(3)**	**(5,132)**
Balance at December 31, 2016							
Original cost	1,229	12,085	59,757	2,689	4,114	3,866	83,740
Accumulated depreciation and impairment	(44)	(4,824)	(38,613)	(564)	(2,454)	(17)	(46,516)
Net carrying amount	**1,185**	**7,261**	**21,144**	**2,125**	**1,660**	**3,849**	**37,224**
of which leased under finance leases	*5*	*326*	*653*		*2*		*986*

The net carrying amount of assets leased under finance lease agreements includes assets that are legally owned by suppliers but are recognized in the Consolidated Financial Statements in accordance with IFRIC 4-Determining Whether an Arrangement Contains a Lease, with the corresponding recognition of a financial lease payable.

Additions total €7,044 million in 2016 and mainly refer to the FCA Group for €5,709 million and the CNH Industrial Group for €1,223 million.

For the year ended December 31, 2016 the Group recognized a total of €116 million of impairment losses and asset write-offs, of which €43 million related to certain of FCA Venezuela's assets due to the continued deterioration of the economic conditions in Venezuela. This impairment charge was recognized within Selling, administrative and other expenses.

In 2016 positive translation differences of €1,621 million primarily reflected the strengthening of the Brazilian Real and the U.S. Dollar against the Euro.

At December 31, 2017 property, plant and equipment of the FCA Group, excluding FCA US, pledged as security for debt and other commitments, mainly refer to assets that are legally owned by suppliers but are recognized in the consolidated financial statements in accordance with IFRIC 4 with the simultaneous recognition of a finance lease payable. The composition is as follows:

€ million	12/31/2017	12/31/2016	Change
Land and industrial buildings pledged as security for debt	1,031	1,239	(208)
Plant and machinery pledged as security for debt and other commitments	1,324	698	626
Other assets pledged as security for debt and other commitments	17	3	14
Property plant and equipment pledged as security for debt	**2,372**	**1,940**	432

At December 31, 2017 land and industrial buildings of the CNH Industrial Group pledged as security for debt amounted to €86 million (€97 million at December 31, 2016); plant, machinery and equipment pledged as security for debt and other commitments amounted to €1 million (€51 million at December 31, 2016); these relate to suppliers' assets recognized in the Consolidated Financial Statements in accordance with IFRIC 4-Determining whether an arrangement contains a lease, with the simultaneous recognition of a financial lease payable.

Moreover, at December 31, 2017 real estate mortgaged for a loan from the Istituto per il Credito Sportivo to Juventus FC for the construction of the new stadium and for the renovation of premises in the east section, amounts to a maximum amount of €140 million.

At December 31, 2017 the Group has contractual commitments for the acquisition of property, plant and equipment amounting €624 million (€1,063 million at December 31, 2016).

Recoverability of non-current assets of the FCA Group

Non-current assets with definite useful lives include property, plant and equipment, intangible assets and assets held for sale. Intangible assets with definite useful lives mainly consist of capitalized development expenditures primarily related to the NAFTA and EMEA segments. The Group periodically reviews the carrying amount of non-current assets with definite useful lives when events or circumstances indicate that an asset may be impaired. The recoverability of non-current assets with definite useful lives is based on the estimated future cash flows, using the Group's current business plan, of the cash generating units to which the assets relate. The global automotive industry is experiencing significant change as a result of evolving regulatory requirements for fuel efficiency, greenhouse gas emissions and other tailpipe emissions and emerging technology changes, such as autonomous driving. Our business plan could change in response to these evolving requirements and emerging technologies, which may result in changes to our estimated future cash flows and could affect the recoverability of our non-current assets with definite useful lives. Any change in recoverability would be accounted for at the time such change to the business plan occurs.

For the years ended December, 31, 2017 and 2016 the impairment tests performed compared the carrying amount of the assets included in the respective CGUs to their value in use and was determined using a discounted cash flow methodology. The value in use of the CGUs, which was based primarily on unobservable inputs, was determined using pre-tax estimated future cash flows attributable to the CGUs that were discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the CGUs.

During the year ended December 31, 2017 impairment losses totaling €229 million were recognized. The most significant components of this impairment loss were in EMEA, related to changes in the global product portfolio, and in LATAM, related to product portfolio changes. It was determined that the carrying amount of the CGUs exceeded their value in use and accordingly an impairment charge of €142 million was recognized in EMEA and €56 million in LATAM. In addition, during the second quarter of 2017, due to the continued deterioration of the economic conditions in Venezuela, an impairment test, which compared the carrying amount of certain of FCA Venezuela's assets to their fair value using a market approach, resulted in impairment losses of €21 million.

During the year ended December 31, 2016 impairment losses totaling €195 million were recognized. The most significant component of this impairment loss related to the impairment of capitalized development expenditures for the locally produced Fiat Viaggio and Ottimo vehicles as a result of the Group's capacity realignment to SUV production in China. The impairment test compared the carrying amount of the assets included in the respective cash generating units (comprising property, plant and equipment and capitalized development expenditures) to the assets' value in use, which was determined not to be materially different from their fair value, and was determined using a discounted cash flow methodology. The value in use of the cash generating units ("CGUs"), which was based primarily on unobservable inputs, was determined using pre-tax estimated future cash flows attributable to the CGUs that were discounted using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the CGUs. As a result of completing the impairment test, it was determined that the carrying amount of the CGUs exceeded the capitalized development expenditures' value in use which resulted in an impairment charge of €90 million. In addition, due to the continued deterioration of the economic conditions in Venezuela, an impairment test which compared the carrying amount of certain of FCA Venezuela's assets to their fair value using a market approach, resulted in an impairment charge of €43 million.

14 Leased assets

Changes in leased assets in 2017 and 2016 are the following:

€ million	12/31/2016	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2017
Gross carrying amount	2,138	609		(221)	(658)	1,868
Depreciation and impairment	(328)	0	(271)	34	236	(329)
Net carrying amount of assets leased under operating leases	**1,810**	**609**	**(271)**	**(187)**	**(422)**	**1,539**

€ million	12/31/2015	Additions	Depreciation	Translation differences	Disposals and other changes	12/31/2016
Gross carrying amount	1,955	686	0	75	(578)	2,138
Depreciation and impairment	(269)	0	(242)	(11)	194	(328)
Net carrying amount of assets leased under operating leases	**1,686**	**686**	**(242)**	**64**	**(384)**	**1,810**

15 Investments accounted for using the equity method

Details are as follows:

€ million	12/31/2017	12/31/2016	Change
Investments in joint ventures	2,211	2,027	184
Investments in associates	1,132	943	189
Investments in unconsolidated subsidiaries	48	51	(3)
Equity method investments	**3,391**	**3,021**	370

Investments in joint ventures

The composition of investments in joint ventures is as follows:

€ million		12/31/2017		12/31/2016	Change
Investments in joint ventures					
FCA Bank	50.00%	1,178	50.00%	1,044	134
Tofas - Turk Otomobil Fabrikasi A.S.	37.90%	298	37.90%	302	(4)
GAC FIAT Chrysler Automobiles Co.	50.00%	287	50.00%	237	50
Naveco (Nanjing Iveco Motor Co.) Ltd.	50.00%	163	50.00%	170	(7)
Turk Traktor Ve Ziraat Makineleri A.S.	37.50%	62	37.50%	69	(7)
Other		224		205	19
Total Investments in joint ventures		**2,211**		**2,027**	184

FCA Bank is a joint venture with Crédit Agricole Consumer Finance S.A. (“CACF”) which operates in Europe, primarily in Italy, France, Germany, UK and Spain. In July 2013, the Group reached an agreement with Crédit Agricole to extend the term of the joint venture through to December 31, 2021. FCA Bank provides retail and dealer financing and long-term rental services in the automotive sector, directly or through its subsidiaries as a partner of the Group's mass-market vehicle brands and for Maserati vehicles.

The financial statements of FCA Bank as at and for the year ended December 31, 2017 have not been authorized for issuance as of the date of issuance of the FCA Consolidated Financial Statements. As such, the most recent publicly available financial information is included in the tables below.
The most recently available information was used to estimate FCA's share of FCA Bank net income and net equity. Any difference between this data and actual results will be adjusted in the 2018 FCA Consolidated Financial Statements when available.

The following tables include summarized financial information relating to FCA Bank:

€ million	6/30/2017	12.31.2016
Financial assets	21,867	20,201
Of which: Cash and cash equivalents	-	-
Other assets	3,378	3,083
Financial liabilities	21,557	19,887
Other liabilities	1,265	1,159
Equity (100%)	2,423	22,238
Net assets attributable to owners of the parent	2,382	2,199
Group's share of net assets	1,191	1,100
Elimination of unrealized profits and other adjustments	(13)	(56)
Carrying amount of interest in FCA Bank (1)	**1,178**	**1,044**

(1) Amounts as at December 31, 2017 and 2016 respectively.

€ million	H1 2017	FY 2016	FY 2015
Interest and similar income	437	764	729
Interest and similar expenses	(147)	(263)	-285
Income tax expense	(70)	(105)	-110
Profit from continuing operations	190	312	249
Net profit	190	312	249
Net profit attributable to owners of the parent (A)	188	309	248
Other comprehensive income (loss) attributable to owners of the parent (B)	(7)	(64)	29
Total Comprehensive income attributable to owners of the parent (A + B)	181	245	277
Group's share of net profit (1)	**190**	**154**	**124**

(1) Amounts for the years ended December 31, 2017, 2016 and 2015 respectively.

Tofas-Turk Otomobil Fabrikasi A.S. ("Tofas"), is a joint venture with Koç Holding which is registered with the Turkish Capital Market Board and listed on the İstanbul Stock Exchange. At December 31, 2017 the fair value of the Group's interest in Tofas was €1,375 million (€1,258 million at December 31, 2016).

GAC Fiat Chrysler Automobiles Co. ("GAC FCA JV") is a joint venture with Guangzhou Automobile Group Co., Ltd., which locally produces Jeep vehicles for the Chinese market.

Naveco (Nanjing Iveco Motor Co.) Ltd is a 50/50 joint venture between Iveco S.p.A. and Nanjing Automotive Corporation, a subsidiary of the SAIC Group which produces light and other commercial vehicles in China.

Turk Traktor Ve Ziraat Makineleri A.S. is a listed company (37.5% by CNH Industrial and 37.5% by Koc Holding) for the production of tractors under the Case IH Agriculture and New Holland Agriculture brands, and import and distribution of agricultural equipment in Turkey. At December 31, 2017 the fair value of CNH Industrial's interest in Turk Traktor is $401 million, or €334 million ($427 million or €405 million at December 31, 2016).

Investments in associates

The composition is as follows:

€ million		12/31/2017		12/31/2016	Change
Investments in associates					
Almacantar Group	35.80%	449	35.70%	394	55
The Economist Group	43.40%	294	43.40%	280	14
CNH Capital Europe S.a.s.	49.90%	144	49.90%	123	21
Other		245		146	11
Total Investments in associates		**1,132**		**943**	189

16 Other investments and other financial assets

Details are as follows:

€ million	12/31/2017	12/31/2016	Change
Investments at fair value with changes directly in other comprehensive income	113	501	(388)
Investments at cost	44	82	(38)
Non-current financial receivables	306	359	(53)
Other securities	324	438	(114)
Other financial assets	411	646	(235)
Total other investments and other financial assets	**1,198**	**2,026**	(828)

Investments accounted for at fair value with changes in other comprehensive income

The decrease is mainly attributable to the redemption of the entire investment in The Black Ant Value Fund for a total of €353.5 million.

Non-current financial receivables

Non-current financial receivables mainly consist of amounts held on deposit or otherwise pledged to secure obligations under various commercial agreements, as well as letters of credit and other agreements.

Other securities

Details are as follows:

€ million	12/31/2017	12/31/2016	Change
Bonds held to maturity	51	78	(27)
Bonds available for sale	4	38	(34)
Bonds and mutual funds held for trading	177	212	(35)
Other non current securities	92	110	(18)
Total other securities	**324**	**438**	(114)

Bonds are issued by leading counterparties, listed on active and open markets, and also include the current portion of bonds due within 12 months held-to-maturity. The decrease reflects the Group's strategy as regard the management of the securities portfolio and the investment of cash resources.

Other financial assets

Other financial assets represent the fair value of derivative financial instruments analyzed in the note 30.

17 Inventories

The composition of inventories is as follows:

€ million	12/31/2017	12/31/2016	Change
Raw materials, supplies and finished goods	18,372	17,704	668
Assets sold with a buy-back commitment and GDP vehicles	1,891	1,650	241
Gross amount due from customers for contract work	175	56	119
Total inventories	**20,438**	**19,410**	1,028

Inventories refer to the FCA Group for €14,670 million (€13,654 million at December 31, 2016), the CNH Industrial Group for €5,381 million (€5,438 million at December 31, 2016), the Ferrari Group for €394 million (€324 million in 2016) net of intercompany eliminations of €7 million (€1 million at December 31, 2016).

At December 31, 2017 net inventories of the CNH Industrial Group include assets which are no longer subject to operating lease arrangements or buy-back commitments for €323 million (€312 million at December 31, 2016).

In 2017 the amount of inventory writedowns recognized as an expense is €659 million (€637 million in 2016), while amounts recognized as income from the reversal of write-downs on items sold during the year are not significant.

Construction contracts, net of advances, are as follows:

€ million	12/31/2017	12/31/2016	Change
Gross amount due from customers for contract work, as an asset	175	56	119
Less: Amount due to customers for contract work, as a liability	(180)	(227)	47
Construction contracts, net of advances on contract work	**(5)**	**(171)**	166

18 Trade receivables

The analysis of trade receivables by due date is as follows:

€ million	12/31/2017	12/31/2016	Change
Due within one year	3,010	3,196	(186)
Due between one and five years	5	2	3
Due beyond five years	0	0	0
Total trade receivables	**3,015**	**3,198**	(183)

Trade receivables at December 31, 2017 are shown net of allowances for doubtful accounts of €383 million (€394 million at December 31, 2016).

Changes in these allowances, which are calculated on the basis of historical losses on receivables, are as follows in 2017 and 2016:

€ million	12/31/2016	Provision	Use and other changes	12/31/2017
Allowances for doubtful accounts	**394**	98	(109)	**383**

€ million	12/31/2015	Provision	Use and other changes	12/31/2016
Allowances for doubtful accounts	**464**	83	(153)	**394**

19 Investments of reinsurance companies

Details are as follows:

€ million	12/31/2017	12/31/2016	Change
Fixed maturities, at fair value	10,552	12,743	(2,191)
Equities, at fair value	532	37	495
Short-term investments, at fair value	4	21	(17)
Funds held directly managed (a)	354	485	(131)
Funds held by reinsured companies	668	650	18
Other invested assets (b)	760	581	179
Accrued investment income, at fair value	101	107	(6)
Total investments of reinsurance companies	**12,971**	**14,624**	(1,653)

(a) Includes €316 million of assets measured at fair value through profit or loss and €62 million at amortized cost.
(b) Include €476 million designated as fair value through profit or loss and €214 million designated as available for sale.

At December 31, 2017 approximately €228 million (€149 million at December 31, 2016) of cash and cash equivalents and approximately €2,853 million (€2,126 million at December 31, 2016), respectively, of securities were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties or government authorities to comply with reinsurance contract provisions and insurance laws.
Net realized and unrealized gains of €243 million and losses of €31 million on investments designated as fair value through profit or loss, were recognized in the Consolidated Income Statement during 2017 and 2016 respectively. Unrealized gains of €25 million and €9 million on investments designated as available-for-sale were recognized directly in other comprehensive income during 2017 and 2016 respectively.

20 Receivables from financing activities

Receivables from financing activities amount to €20,409 million at December 31, 2017 (€21,047 million at December 31, 2016) and include the following:

€ million	12/31/2017	12/31/2016	Change
Dealer financing	10,690	10,262	428
Retail financing	8,739	9,863	(1,124)
Finance leases	498	623	(125)
Other	482	299	183
Total receivables from financing activities	**20,409**	**21,047**	(638)

Receivables from financing activities are shown net of allowances for doubtful accounts determined on the basis of specific insolvency risks. At December 31, 2017 the allowance accounts total €539 million (€617 million at December 31, 2016).

Changes in the allowance accounts in 2017 and 2016 are the following:

€ million	12/31/2016	Provision	Use and other changes	12/31/2017
Allowances for receivables from financing activities	**617**	143	(221)	**539**

€ million	12/31/2015	Provision	Use and other changes	12/31/2016
Allowances for receivables from financing activities	**566**	174	(123)	**617**

Receivables from financing activities may be analyzed by due date as follows:

€ million	12/31/2017	12/31/2016	Change
Due within one year	14,032	13,194	838
Due between one and five years	6,135	7,625	(1,490)
Due beyond five years	241	228	13
Total receivables from financing activities	**20,408**	**21,047**	(639)

Receivables for dealer financing are typically generated by sales of vehicles, and are generally managed under dealer network financing programs as a component of the portfolio of the financial services companies. These receivables are interest bearing, with the exception of an initial limited, non-interest bearing period. The contractual terms governing the relationships with the dealer networks vary from segment to segment and country to country, although payment terms range from two to six months.

Receivables for retail financing by the CNH Industrial Group amount to €8,108 million (€9,075 million at December 31, 2016), by the Ferrari Group to €491 million (€502 million at December 31, 2016) and by the FCA Group to €420 million (€286 million at December 31, 2016).

Finance lease receivables, gross of an allowance of €150 million at December 31, 2017 (€156 million at December 31, 2016), may be analyzed as follows:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
Receivables for future minimum lease payments	257	396	36	689
Less: unrealized interest income	(10)	(33)	0	(43)
Present value of future minimum lease payments at December 31, 2017	**247**	**363**	**36**	**646**
Receivables for future minimum lease payments	319	469	2	790
Less: unrealized interest income	(6)	(7)	(13)	(26)
Present value of future minimum lease payments at December 31, 2016	**313**	**462**	**(11)**	**764**

No contingent rents were recognized as finance lease income during 2017 or 2016 and unguaranteed residual values at December 31, 2017 and 2016 are not significant.

21 Other assets

Details are as follows:

	12/31/2017	12/31/2016	Change
Defined benefit plan assets	532	363	169
Other non-current assets	578	454	124
Current tax receivables	638	860	(222)
Other current assets:			
Accrued income and prepaid expenses	827	899	(72)
Other current assets	4,142	3,942	200
Total other current assets	4,969	4,841	128
Total other assets	6,717	6,518	199

At 31 December 2016 current tax receivable included €47 million related to the substitute tax paid in past years by EXOR S.p.A. that had been recognized in the context of Italian exit tax. During 2017 the receivable has been partially used for the payment of the Italian exit tax and for the residual portion repayment has been requested.

The analysis by due date of the current tax receivables is the following:

€ million	12/31/2017	12/31/2016	Change
Due within one year	533	736	(203)
Due between one and five years	84	95	(11)
Due beyond five years	21	29	(8)
Total current tax receivables	638	**860**	(222)

The analysis by due date of the other current assets is the following:

€ million	12/31/2017	12/31/2016	Change
Due within one year	3,291	3,470	(179)
Due between one and five years	778	328	450
Due beyond five years	72	144	(72)
Total other current assets	4,141	**3,942**	**199**

22 Transfers of financial assets

The FCA Group transfers certain of its financial, trade and tax receivables, mainly through factoring transactions.

At December 31, 2017 the carrying amount of transferred financial assets not derecognized and the related liabilities are as follows:

€ million	Trade receivables	Receivables from financing activities	**Total**
At December 31, 2017			
Carrying amount of the assets transferred and not derecognized	22	335	**357**
Carrying amount of the related liabilities	(22)	(335)	**(357)**
At December 31, 2016			
Carrying amount of the assets transferred and not derecognized	34	376	**410**
Carrying amount of the related liabilities	(34)	(376)	**(410)**

At December 31, 2017 the FCA Group had receivables due after that date which had been transferred without recourse and which were derecognized in accordance with IAS 39 – Financial Instruments: Recognition and Measurement, amounting to €7,866 million (€6,573 million at December 31, 2016). The transfers related to trade receivables and other receivables for €6,752 million (€5,467 million at December 31, 2016) and receivables from financing activities for €1,114 million (€1,106 million at December 31, 2016). These amounts included receivables of €4,933 million (€4,077 million at December 31, 2016), mainly due from the sales network, transferred to jointly controlled financial services companies (FCA Bank).

The CNH Industrial Group transfers a number of its financial and trade receivables under securitization programs or factoring transactions. At December 31, 2017 the carrying amount of such transferred financial assets and the related liability and the respective fair values are as follows:

€ million	Trade receivables	Receivables from financing activities	Other financial assets	**Total**
At December 31, 2017				
Carrying amount of assets	3	11,692	657	12,351
Carrying amount of the related liabilities	(3)	(9,370)	(657)	(10,029)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	3	11,642	657	12,301
Fair value of the liabilities	(3)	(9,196)	(657)	(9,856)
Net position	(0)	2,446	0	**2,445**
At December 31, 2016				
Carrying amount of assets	8	12,888	837	13,732
Carrying amount of the related liabilities	(8)	(10,322)	(850)	(11,180)
Liabilities for which the counterparty has the right to obtain relief on the transferred assets:				
Fair value of the assets	8	12,874	837	13,718
Fair value of the liabilities	(8)	(10,322)	(834)	(11,163)
Net position	0	2,552	3	**2,555**

Other financial assets also include cash with a pre-determined use restricted to the repayment of securitization debt.

The CNH Industrial Group discounted receivables without recourse having due dates after December 31, 2017 amounting to €472 million (€537 million at December 31, 2016), of which €469 million (€523 million at December 31, 2016) relates to trade receivables and other receivables and €3 million (€14 million at December 31, 2016) refers to receivables from financing activities.

23 Cash and cash equivalents

The composition is the following:

€ million	12/31/2017	12/31/2016	Change
Cash in hand and at banks and post offices	11,376	12,805	(1,429)
Restricted cash	740	845	(105)
Money market securities	7,912	11,511	(3,599)
Total cash and cash equivalents	**20,028**	**25,161**	(5,133)

Cash and cash equivalents include cash at banks, units in money-market funds and other money-market securities that are readily convertible into cash. Cash and cash equivalents are subject to an insignificant risk of changes in value, and consist of balances spread across various primary national and international banking institutions, liquid funds and other money-market instruments.

In addition, cash and cash equivalents held in certain foreign countries (primarily, China and Argentina) are subject to local exchange control regulations providing for restrictions on the amount of cash other than dividends that can leave the country.

At December 31, 2017 the CNH Industrial Group has approximately €642 million (€794 million at December 31, 2016) of restricted cash which may be used exclusively for the repayment of the debt relating to securitizations.

24. Equity

Share capital

At December 31, 2017 the total issued capital of EXOR N.V. was equal to Euro 2,410,000, divided into no. 241,000,000 shares with a nominal value of Euro 0.01.

EXOR N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period.

No special voting shares had been issued at the Merger date and none are outstanding at December 31, 2017.

Treasury stock

At December 31, 2017 EXOR holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Ordinary shares				
Balance in connection with the Merger	6,631,896		66.3	2.75
Payment to supplier	(158,859)		(1.6)	0.07
Balance at December 31, 2016	**6,473,037**	**0.01**	**64.7**	**2.69**
Ordinary shares				
Exercize stock option plans	(483,180)		(4.8)	-0.20
Delivery stock grant to Board members	(12,162)		(0.1)	-0.01
Balance at December 31, 2017	**5,977,695**	**0.01**	**59.8**	**2.48**

Other comprehensive income

The composition of other comprehensive income in the statement of comprehensive income is as follows:

€ million	12/31/2017	12/31/2016
Other comprehensive income that will not be reclassified to the income statement:		
Gains (losses) on remeasurement of defined benefit plans	(16)	467
Share of gains (losses) on remeasurement of defined benefit plans relating to investments accounted for using the equity method	2	(5)
Total Other comprehensive income that will not be reclassified to the income statement, before tax effect (B1)	**(14)**	**462**
Other comprehensive income that may be reclassified to the income statement:		
Effective portion of gains (losses) on cash flow hedges arising during the year	168	(89)
Effective portion of gains (losses) on cash flow hedges reclassified to the income statement	89	(195)
Gains (losses) on cash flow hedges	**257**	**(284)**
Gains (losses) on remeasurement of available-for-sale financial assets arising during the year	33	(107)
Gains (losses) on fair value of available-for-sale financial assets reclassified to the income statement	8	(94)
Gains (losses) on fair value of available-for-sale financial assets	**41**	**(201)**
Exchange differences on translating foreign operations arising during the year	(3,722)	1,285
Exchange differences on translating foreign operations reclassified to the income statement	(45)	
Exchange differences on translating foreign operations	**(3,767)**	**1,285**
Share of other comprehensive income of investments accounted for using the equity method arising during the year	(4)	(333)
Share of other comprehensive income of investments accounted for using the equity method reclassified to the income statement	(33)	(5)
Share of other comprehensive income of investments accounted for using the equity method	**(37)**	**(338)**
Total other comprehensive income that may be reclassified to the income statement, before tax effect (B2)	**(3,506)**	**462**
Total other comprehensive income, before tax effect (B1) + (B2) = (B)	**(3,520)**	**924**
Tax effect	**(111)**	**(183)**
Total other comprehensive income, net of tax	**(3,631)**	**741**

With reference to the defined benefit plans of the Group, the gains and losses arising from the remeasurement mainly include actuarial gains and losses arising during the period, the return on plan assets (net of interest income recognized in the income statement) and any changes in the effect of the asset ceiling. These gains and losses are offset against the related net liabilities or assets for defined benefit plans (see note 26).

The tax effect relating to other comprehensive income is as follows:

	12/31/2017			12/31/2016		
€ million	Pre-tax balance	Tax benefit (expense)	Net -of-tax balance	Pre-tax balance	Tax benefit (expense)	Net-of-tax balance
Gains (losses) on remeasurement of defined benefit plans	(14)	(81)	(95)	462	(255)	207
Effective portion of gains (losses) on cash flow hedges	257	(30)	227	(284)	74	(210)
Gains (losses) on remeasurement of available-for-sale financial assets	41		41	(201)	(2)	(203)
Exchange gains (losses) on translating foreign operations	(3,767)		(3,767)	1,285		1,285
Share of other comprehensive income of investments accounted for using the equity method	(37)		(37)	(338)		(338)
Total Other comprehensive income	**(3,520)**	**(111)**	**(3,631)**	**924**	**(183)**	**741**

Non-controlling interests

Details are as follows:

€ million	%		Capital and reserves	Profit (loss)	Total
At Decemebr 31, 2017					
FCA Group	**70.82%**		12,330	2,491	**14,821**
CNH Industrial Group	**73.09%**		3,925	315	**4,240**
Ferrari Group	**76.48%**		244	411	**655**
PartnerRe Group	**-**	(a)	584	32	**616**
Juventus Football Club S.p.A.	**36.23%**		44	5	**49**
Total			**17,127**	**3,254**	**20,381**
At December 31, 2016					
FCA Group	**70.59%**		12,367	1,287	**13,654**
CNH Industrial Group	**72.71%**		4,489	86	**4,575**
Ferrari Group	**76.48%**		(53)	306	**253**
PartnerRe Group	**-**	(a)	681	30	**711**
Juventus Football Club S.p.A.	**36.23%**		28	17	**45**
Total			**17,512**	**1,726**	**19,238**

(a) Related to preferred shares.

At December 31, 2017 the non-controlling interests of PartnerRe related to the following outstanding preferred shares:

	Number	Date of issuance	Aggregated liquidation value at $25 per share	
			$ million	€ million
Series F 5.875% non cumulative	2,679,426	February 2013	67	56
Series G 6.5% cumulative	6,415,264	May 2016	160	133
Series H 7.25% cumulative	11,753,798	May 2016	294	245
Series I 5.875% cumulative	7,320,574	May 2016	183	152
Total Outstanding redeemable preferred shares	**28,169,062**		**704**	**586**

The carrying value of the preferred shares, recognized in non-controlling interests, at December 31, 2017 was €616 million ($739 million).

On November 1, 2016 PartnerRe redeemed the Series D and E preferred shares at $25 per share for an aggregate liquidation value of $150 million (€136 million). In addition unpaid preferred dividends accrued to the redemption date totaling $2 million (€2 million) were paid.

In connection with the redemption, PartnerRe recognized a gain directly in equity of $14 million (€13 million) which represented the difference between the carrying value of the preferred shares and the consideration paid.

25 Share-based compensation

EXOR

Stock Option Plan EXOR 2008-2019

The Stock Option Plan EXOR 2008-2019 has 4,154,717 options granted and exercisable corresponding to 1,101,000 EXOR ordinary shares at a price of €19.97 per share. No cost has been recorded in the stock option reserve and in the income statement of the year, since the vesting period ended on May 2016. The cost recognized in 2016 amounted to €0.7 million.

Long Term Incentive Plan

The EXOR S.p.A. shareholders' meeting held on May 29, 2012 approved an incentive plan intended as an instrument for long-term incentive and composed in two parts:

- the first part of the plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to originally 31 beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System. At December 31, 2017 the beneficiaries are 14 for a total of 119,790 options granted (of which 8,000 options for employees of the Holdings System). The cost recognized in 2017 in the stock option reserve amounts to €414 thousand, including €387 thousand classified as personnel costs and €27 thousand relating to employees of companies in the Holdings System recognized as an increase in the carrying amount of the investment in EXOR S.A.;
- the second part of the plan, denominated "Company Performance Stock Options", provides for a total of 3 million options to be granted to the Chairman and Chief Executive Officer of the company and to other beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares at a price of €16.59 per share and €16.62 respectively. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System. The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting.

The composition of the "Company Performance Stock Option" Plan is as follows:

	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer EXOR	450,000	1,625	271
Employees of companies in the Holdings System	517,200	1,990	336
Total	**967,200**	**3,615**	**607**

Stock Grant Plan for independent directors

The plan 2015 was directed to independent directors as an alternative to the cash remuneration established by the shareholders' meeting. The plan provided for the free grant of a maximum of 70,000 EXOR shares to all directors that joined the plan subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements.

At December 31, 2016 the options granted were 21,024. The cost of the plan, recognized in the stock option reserve and in the income statements, amounted to €238 thousand and was classified as compensation to the directors. The plan expired on May 30, 2017 date of the 2017 shareholder's meeting that appointed a new board remunerated in cash. The cost since the expiration date amounted to €123 thousand.

Stock Option Plan EXOR 2016

The Stock Option Plan EXOR 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. The number of stock options granted at 31 December 2017 is 2,934,197 exercisable at a price of €32.38 per share.

The composition of the plan is as follows:

	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR N.V.	2,013,950	17,959	3,586
Key employees	430,362	3,551	789
Key employees of companies in the Holdings System	434,935	3,878	774
Employees of supplier companies	54,950	490	98
Total	**2,934,197**	**25,878**	**5,247**

FCA Group

At December 31, 2017 and at December 31, 2016 the FCA Group has in place various share-based compensation plans relating to managers of the Group companies and the Chief Executive Officer of FCA.

Performance Share Units

In March 2017 FCA awarded a total of 2,264,000 Performance Share Units (“PSU”) to certain key employees under the framework equity incentive plan. The PSU awards, which represent the right to receive FCA common shares, have financial performance goals that include a net income target as well as total shareholder return (“TSR”) target, with each weighted at 50 percent and settled independently of the other. Half of the award will vest based on achievement of the targets for net income (“PSU NI awards”) covering a three-year period from 2016 to 2018 and will have a payout scale ranging from 0 percent to 100 percent. The remaining half of the PSU awards (“PSU TSR awards”) are based on market conditions and have a payout scale ranging from 0 percent to 150 percent. The PSU TSR awards performance period covers a two-year period starting in December 2016 through 2018. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 2.26 million units. The PSU awards will vest in the first quarter of 2019 if the respective performance goals for the years 2016 to 2018 are achieved. The PSU awards granted in June 2017 follow the same vesting conditions.

During the year ended December 31, 2015 FCA awarded a total of 14,713,100 Performance Share Units (“PSU awards”) to certain key employees under the equity incentive plan. The PSU awards, which represent the right to receive FCA common shares, have financial performance goals covering a five-year period from 2014 to 2018. The performance goals include a net income target as well as total shareholder return (“TSR”) target, with each weighted at 50 percent and settled independently of the other. Half of the award will vest based on achievement of the targets for net income (“PSU NI awards”) and will have a payout scale ranging from 0 percent to 100 percent. The remaining 50 percent of the PSU awards (“PSU TSR awards”) are based on market conditions and have a payout scale ranging from 0 percent to 150 percent. Accordingly, the total number of shares that will eventually be issued may vary from the original award of 14.7 million shares. One third of total PSU awards will vest in the first quarter of 2017, a cumulative two-thirds in the first quarter of 2018 and a cumulative 100 percent in the first quarter of 2019 if the respective performance goals for the years 2014 to 2016, 2014 to 2017 and 2014 to 2018 are achieved.

The vesting of the 2017 PSU NI awards and the 2015 PSU NI awards will be determined by comparing the FCA's net profit excluding unusual items to the net income targets derived from the FCA's business plan for the corresponding period. The performance period for the 2017 PSU NI awards commenced on January 1, 2016 and on January 1, 2014 for the 2015 PSU NI awards. As the performance period commenced substantially prior to the commencement of the service period, which coincides with the grant date, the Company determined that the net income target did not meet the definition of a performance condition under IFRS 2 - Share-based Payment, and therefore is required to be accounted for as a non-vesting condition. As such, the fair values of the PSU NI awards were calculated using a Monte Carlo simulation model.

Changes during 2017 and 2016 for the PSU NI awards under the framework equity incentive plan were as follows:

	PSU NI	Weighted average fair value at the grant date (€)	PSU NI	Weighted average fair value at the grant date (€)
Outstanding shares unvested at January 1	11,379,445	5.65	7,356,550	8.78
Anti-dilution adjustment	65,751	5.62	4,001,962	5.68
Granted	1,136,250	7.91	168,593	3.61
Vested	(3,758,870)	5.65		
Canceled			(147,660)	5.83
Forfeited	(18,750)	7.91		
Outstanding shares unvested at December 31	**8,803,826**	**5.89**	**11,379,445**	**5.65**

The key assumptions utilized to calculate the grant date fair values for the PSU NI awards issued are summarized below:

	2017 PSU NI Awards Range	2015 PSU NI Awards Range
Grant date stock price	€9.74 - €10.39	€13.44 - €15.21
Expected volatility	40%	40%
Risk-free rate	-0.8%	0.7%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of the U.S. Treasury bonds with similar terms to the vesting date of each PSU NI award.

Changes during 2017 and 2016 for the PSU TSR awards under the framework equity incentive plan were as follows:

	2017		**2016**	
	PSU TSR	Weighted average fair value at the grant date (€)	PSU TSR	Weighted average fair value at the grant date (€)
Outstanding shares unvested at January 1	11,379,446	10.64	7,356,550	16.52
Anti-dilution adjustment	65,750	10.58	4,001,962	10.70
Granted	1,136,250	10.84	168,593	6.71
Vested	(3,758,869)	10.63		
Canceled			(147,659)	10.84
Forfeited	(18,750)	10.84		
Outstanding shares unvested at December 31	**8,803,827**	**10.58**	**11,379,446**	**10.64**

The weighted average fair value of the PSU TSR awards granted during the year ended December 31, 2017 was calculated using a Monte Carlo simulation model.

The key assumptions utilized to calculate the grant date fair values for the PSU TSR awards issued are summarized below:

	2017 PSU TSR Awards Range	2015 PSU TSR Awards Range
Grant date stock price	€9.74 - €10.39	€13.44 - € 15.21
Expected volatility	44%	37%-39%
Dividend yield	0%	0%
Risk-free rate	0.8%	0.7%-0.8%

The expected volatility was based on the observed historical volatility for common shares of FCA. The risk-free rate was based on the yields of government and treasury bonds with similar terms to the vesting date of each PSU TSR award. In addition, since the volatility of each member of the defined peer group are not wholly independent of one another, a correlation coefficient was developed based on historical share price changes for FCA and the defined peer group over a three-year period leading up to the grant date of the awards.

Restricted Share Units

In March 2017 FCA awarded 2,264,000 Restricted Share Units ("RSUs") to certain key employees which represent the right to receive FCA common shares. These shares will vest in two equal tranches in the first quarter of 2018 and 2019. The fair values of the awards were measured using the FCA stock price on the grant date. The RSU awards granted in June and September 2017 follow the same vesting conditions.

During the year ended December 31, 2015, FCA awarded 5,196,550 RSUs to certain key employees which represent the right to receive FCA common shares. One third of the awards vested in February of 2017 with the remaining two tranches to vest equally in February of 2018 and 2019.

Changes during 2017 and 2016 for the RSU awards under the framework equity incentive plan were as follows:

	2017		2016	
	RSUs	Weighted average fair value at the grant date (€)	RSUs	Weighted average fair value at the grant date (€)
Outstanding shares unvested at January 1	7,969,623	8.69	5,196,550	13.49
Anti-dilution adjustment	46,189	8.64	2,826,922	8.74
Granted	2,293,940	10.43	94,222	5.73
Vested	(2,671,939)	8.64		
Canceled			(148,071)	9.25
Forfeited	(37,500)	10.39		
Outstanding shares unvested at December 31	**7,600,313**	**9.17**	**7,969,623**	**8.69**

Anti-dilution adjustments - PSU awards and RSU awards

The documents governing FCA's long-term incentive plans contain anti-dilution provisions which provide for an adjustment to the number of awards granted under the plans in order to preserve, or alternatively, prevent the enlargement of the benefits intended to be made available to the recipients of the awards should an event occur that impacts our capital structure. In January 2017, as a result of the distribution of the Company's 16.7 percent ownership interest in RCS Media Group S.p.A. to holders of its common shares on May 1, 2016, the Compensation Committee of FCA approved a conversion factor of 1.005865 that was applied to outstanding PSU awards and RSU awards issued prior to December 31, 2016 to make equity award holders whole for the resulting diminution in the value of an FCA common share. There was no change to the total cost of these awards to be amortized over the remaining vesting period as a result of these adjustments.

Similarly, in January 2016, as a result of the spin-off of Ferrari N.V., a conversion factor of 1.5440 was approved by FCA's Compensation Committee and applied to outstanding PSU awards and RSU awards as an equitable adjustment to make equity award holders whole for the resulting diminution in the value of an FCA share. For the PSU NI awards, FCA's Compensation Committee also approved an adjustment to the net income targets for the years 2016-2018 to account for the net income of Ferrari in order to preserve the economic benefit intended to be provided to each participant. There was no change to the total cost of these awards to be amortized over the remaining vesting period as a result of these adjustments.

The following table reflects the changes resulting from the anti-dilution adjustment:

	Anti-dilution adjstment	
	2017	2016
PSU Awards:		
Number of awards - as adjusted	**22,890,392**	**22,717,024**
Key assupmtion - as adjusted:		
Grant Date stock price - for PSU NI and PSU TSR	€8.66 - €9.79	€8.71 - €9.85
RSU Awards:		
Number of awards - as adjusted	**8,015,812**	**8,023,472**

Total expense for the PSU awards and RSU awards of approximately €85 million, €96 million and €54 million was recorded for the years ended December 31, 2017, 2016 and 2015, respectively. At December 31, 2017 the Group had unrecognized compensation expense related to the non-vested PSU awards and RSU awards of approximately €47 million based on current forfeiture assumptions, which will be recognized over a weighted-average period of 1.0 years.

CNH Industrial

CNH Industrial's equity awards are governed by several plans: i) CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP"); ii) CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP"); iii) CNH Global N.V. Equity Incentive Plan ("CNH EIP"); and, iv) CNH Global N.V. Directors' Compensation Plan ("CNH DCP").

For the year ended December 31, 2017 CNH Industrial recognized total share-based compensation expense of $19 million. For the year ended December 31, 2016 CNH Industrial recognized total share-based compensation expense of $3 million which included a $37 million reversal of previously recognized expense for performance share units linked to non-market conditions for which the Company does not believe it is probable that the performance conditions will be achieved. For the year ended December 31, 2017 and 2016 CNH Industrial recognized a total tax benefit relating to share-based compensation expense of $1 million and zero, respectively. As of December 31, 2017 CNH Industrial had unrecognized share-based compensation expense related to nonvested awards of approximately $104 million based on current assumptions related to achievement of specified performance objectives, when applicable. Unrecognized share-based compensation costs will be recognized over a weighted-average period of 1.79 years.

CNH Industrial N.V. Equity Incentive Plan ("CNH Industrial EIP")

In the Annual General Meeting held on April 16, 2014 shareholders approved the adoption of the CNH Industrial Equity Incentive Plan ("EIP"), an umbrella program defining the terms and conditions for any subsequent long-term incentive program. The plan grants equity awards to any current or prospective executive director, officer or employee of, or service provider to, CNH Industrial, subject to the terms and conditions established by the Compensation Committee. The EIP authorizes 25 million common shares over a five-year period, of which a maximum of 7 million would be authorized for awards to executive directors. These shares may be newly issued shares or treasury shares. The EIP will terminate at, and no more awards will be permitted to be granted thereunder ten years after its adoption by the board of directors of CNH Industrial N.V. The termination of the EIP will not affect previously granted awards.

Performance Share Units

In 2014 CNH Industrial issued a one-time grant of Performance Share Units (PSU's) to its Chief Executive Officer and selected key employees, with financial performance goals covering the five-year period from January 1, 2014 to December 31, 2018. This PSU grant totaled approximately 12 million units.

In 2016 and 2017 prorated share amounts covering performance through this same period were issued to new employees entering the plan. PSU's granted in these years were 0.5 million and zero respectively. The performance goals include a performance condition as well as a market condition, with each weighted at 50% and paying out independently of the other. Half of the award will vest if the performance condition is met; whereas the other half, which is based on the market condition, has a payout scale ranging from 0% to 150%. Accordingly, the total number of shares that will eventually be granted may vary from the original estimate of 12 million shares. One third of the total grant was expected to vest in February 2017, but such grants did not vest as both the performance and market conditions for the performance period 2014 through 2016 were not met.

In December 2017 CNH Industrial cancelled all PSU's issued in 2014, 2015 and 2016 and issued a grant of Performance Share Units ("PSU's") to its Chief Executive Officer and selected key employees, with financial performance goals covering the three-year period from January 1, 2017 to December 31, 2019. This PSU grant totaled approximately 7 million units. The performance goal is a market condition with a payout schedule ranging from 0 to 130%. In addition there is a performance condition that if not met, reduces the payout by 30%. Accordingly, the total number of shares that will eventually be granted may vary from the original estimate of 7 million shares. The awards cliff vest on February 28, 2020 to the extent that the market condition is met upon completion of the performance period on December 31, 2019.

The awards were granted on December 12 and December 22, 2017 with a weighted average fair value of $9.14 per share. The fair values of the awards are based on the market condition and are calculated using the Monte Carlo Simulation model.

The key assumptions utilized to calculate the grant-date fair values for awards issued on these two grant dates are listed below:

	Key assumptions for awards issued on	
	December 12, 2017	December 22, 2017
Grant date stock price (in $)	10.04	10.73
Expected Volatility (%)	31.2	31.1
Dividend yield (%)	0.91	0.87
Risk-free rate (%)	1.95	1.68

The expected volatility is based on the daily stock price movements experienced by the common shares of CNH Industrial N.V. over a three-year period ending on the grant date. The expected dividend yield was based on CNH Industrial's historical dividend payout as management expected the dividend payout for future years to be consistent. The risk-free interest rate was based on the yields of three-year U.S. Treasury bonds.

Movements in Performance-based Share Units are as follows:

	2017		2016	
	Number of shares	Weighted average fair value at grant date ($)	Number of shares	Weighted average fair value at grant date ($)
Outstanding shares unvested at the beginning of the year	**11,725,260**	**8.51**	**11,591,260**	**8.64**
Granted	6,632,100	9.14	471,200	5.13
Forfeited	(11,725,260)	9.23	(337,200)	8.23
Vested	0		0	
Outstanding shares unvested at the end of the year	**6,632,100**	**9.14**	**11,725,260**	**8.51**

Restricted Share Units

In 2016 and 2017 CNH Industrial issued to selected employees approximately 2 million, and 4 million Restricted Share Units ("RSUs") with a weighted average fair value of $7.30 and $13.23 per share, respectively. These shares will vest in three equal tranches over a three-year period. The fair value of the award is measured using the stock price on the grant date adjusted for the present value of future dividends that employees will not receive during the vesting period.

Additionally, CNH Industrial issued 3 million restricted share units to the Chairman of CNH Industrial N.V. in June 2014. The weighted average fair value of these shares is $10.41 per share, measured using the stock price on the grant date adjusted for the present value of future dividends that the Chairman will not receive during the vesting period.

These shares are service based and will vest in five tranches at the end of each year. The first, second, third and fourth tranches of 750 thousand, 750 thousand, 600 thousand and 450 thousand shares vested on December 31, 2014, 2015, 2016 and 2017, respectively, and were exercised on February 23, 2015, February 8, 2016, February 8, 2017 and February 20, 2018, respectively.

Movements in Restricted Share Units are as follows:

	2017		2016	
	Restricted shares	Weighted average grant-date fair value ($)	Restricted shares	Weighted average grant-date fair value ($)
Outstanding shares unvested at the beginning of the year	**4,232,708**	**8.14**	**3,745,520**	**9.07**
Granted	3,939,100	13.23	2,046,280	7.30
Forfeited	(172,706)	7.77	(110,420)	8.16
Vested	(1,906,868)	8.67	(1,448,672)	9.35
Outstanding shares unvested at the end of the year	**6,092,234**	**11.38**	**4,232,708**	**8.14**

CNH Industrial N.V. Directors' Compensation Plan ("CNH Industrial DCP")

On September 9, 2013, the CNH Industrial DCP was approved by the shareholders and adopted by the Board of Directors of CNH Industrial N.V. On April 14, 2017 shareholders approved a proposed amendment to the CNH Industrial DCP pursuant to which non-executive directors would only be paid cash compensation for their service as a director. The CNH Industrial DCP provides for the payment of the following to eligible members of the CNH Industrial N.V. Board in the form of cash, provided that such members do not receive salary or other employment compensation from CNH Industrial N.V. or FCA, and their subsidiaries and affiliates:

- $125,000 annual retainer fee for each Non-Executive Director.
- An additional $25,000 for each member of the Audit Committee and $35,000 for the Audit Committee Chairman.
- An additional $20,000 for each member of every other Board committee and $25,000 for the committee chairman (collectively, the "fees").

Prior to the amendment of the CNH Industrial DCP, each quarter of the CNH Industrial DCP year, the eligible directors elected the form of payment of their fees. If the elected form was common shares, the eligible director would receive as many common shares as equal to the amount of fees the director elected to be paid in common shares, divided by the fair market value of a CNH Industrial N.V. common share on the date that the quarterly payment was made. Common shares issued to the eligible director vested immediately upon grant. If an eligible director elected to receive all or a portion of fees in the form of a stock option, the number of common shares underlying the stock option was determined by dividing (i) by (ii) where (i) equals the dollar amount of the quarterly payment that the eligible director elected to receive in the form of stock options multiplied by four and (ii) the fair market value of the common shares on the date that the quarterly payment was made. The CNH Industrial DCP defined fair market value, as applied to each ordinary share, to be equal to the average of the highest and lowest sale price of a CNH Industrial N.V. common share during normal trading hours on the last trading day of each plan quarter in which sales of common shares on the New York Stock Exchange are recorded. Stock options granted as a result of such an election vested immediately, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be a director.

There were 0.2 million common shares authorized for issuance under the CNH Industrial DCP. As of December 31, 2017, 0.05 million stock options were issued under the CNH Industrial DCP (prior to the amendment described above) at a weighted average exercise price of $9.42 per share. The weighted average fair value for the stock options that were issued in 2015 was $1.65. No stock options were issued under this plan in 2017 or 2016. As of December 31, 2017, 0.02 million restricted share units were issued under the CNH Industrial DCP. The weighted average grant-date fair value of the RSUs that were issued in 2015, 2016 and 2017 were $8.16, $6.78, and $9.28, respectively.

CNH Global Directors' Compensation Plan ("CNH DCP")

CNH Global Directors' Compensation Plan stipulates the right for directors of former CNH Global to be compensated in the form of cash, and/or common shares of CNH Global N.V., and/or options to purchase common shares of CNH Global N.V. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH DCP in connection with the merger. Stock options issued under the CNH DCP were converted using the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share and exercisable for common shares of CNH Industrial N.V. upon September 29, 2013. As of December 31, 2017 approximately 0.01 million stock options from the CNH DCP were still outstanding. The CNH DCP was terminated effective as of the merger and no new equity awards will be issued under the CNH DCP.

CNH Global Equity Incentive Plan (the "CNH EIP")

The CNH Global Equity Incentive Plan provides for grants of stock options, restricted share units and performance share units to former officers and employees of CNH Global. On September 29, 2013, CNH Industrial N.V. assumed the sponsorship of the CNH EIP in connection with the merger. CNH Industrial can not issue any new equity awards under the CNH EIP; however, CNH Industrial is required to issue shares under the CNH EIP to settle the exercise or vesting of the existing equity awards.

On September 29, 2013, outstanding stock options, unvested restricted share units and performance share units under the CNH EIP became exercisable or convertible for common shares of CNH Industrial N.V.

The number of shares of outstanding equity awards was increased and exercise price of stock options reduced to take into account the CNH Global exchange ratio of 3.828 CNH Industrial N.V. shares for each CNH Global N.V. common share. The conversion did not change the aggregate fair value of the outstanding equity awards and, therefore, resulted in no additional share-based compensation expense in 2013.

Stock Option Plan

In September 2012, approximately 2.7 million performance-based stock options (at target award levels) were issued under the CNH EIP (the "2012 Grant"). Upon the achievement of CNH Global's 2012 target performance objective, approximately 4 million of options were granted. These options vested in three equal tranches in February 2012, 2013 and 2014. Options granted under the CNH EIP have a contractual life of five years from the initial vesting date.
No stock options were issued in 2016 or 2017 under the CNH EIP.

Outstanding stock options under the CNH EIP are as follows:

	At December 31, 2017			At December 31, 2016		
Exercise Price (in $)	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price ($)**	**Number of options outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price ($)**
5.01 – 10.00	214,574	0.15	8.78	3,378,704	1.15	8.78
10.01 – 15.00	0			3,832,177	0.16	10.15
Total	**214,574**			**7,210,881**		

The Black-Scholes pricing model was used to calculate the fair value of stock options for options granted in 2012 under the CNH EIP. The assumptions used under the Black-Scholes pricing model were as follows:

	2012 Equity incentive plan
Risk-free interest rate	0.40%
Expected dividend yeald	0.00%
Expected volatility of CNH Global N.V. shares	51.70%
Option life (years)	3.39

The risk-free interest rate was based on the U.S. Treasury rate for a bond of approximately the expected life of the options. The expected volatility was based on the historical activity of common shares of CNH Global N.V. over a period at least equal to the expected life of the options. The expected life for the CNH EIP grant was based on the average of the vesting period of each tranche and the original contract term of 65 to 70 months.

The expected dividend yield was determined to be zero as management did not expect CNH Global N.V. to pay ordinary dividends. Based on this model, the fair value of stock options awarded under the CNH EIP was $3.60.

Changes during the year in stock option plans are as follows:

	2017		2016	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at the beginning of the year	**7,210,881**	**9.51**	**8,642,903**	**9.21**
Exercised	(3,164,130)	8.78	0	-
Expired	(3,832,177)	10.15	(1,432,022)	7.96
Outstanding at the end of the year	**214,574**	**8.78**	**7,210,881**	**9.51**
Exercisable at the end of the year	**214,574**	**8.78**	**7,210,881**	**9.51**

Ferrari

Non-Executive Directors' compensation

Following the approval of the equity incentive plan by the Board of Directors on March 1, 2017, on April 14, 2017 the Shareholders approved an award to the Chief Executive Officer under the Company's equity incentive plan, which is applicable to all Group Executive Council ("GEC") members and key leaders of the Company. Under the Company's equity incentive plan, an aggregate of approximately 687 thousand performance share units ("PSUs") and an aggregate of approximately 119 thousand restricted share units ("RSUs") have been awarded. The grants of the PSUs and the RSUs, each representing the right to receive one common share of the Company, cover a five-year performance period from 2016 to 2020, consistent with the Company's strategic horizon.

The cumulative cost recognized amount to €28 million, which was accounted for as an increase to other reserves in equity for the PSU awards and RSU awards; unrecognized compensation expense amounted to approximately €26 million, which will be recognized over the remaining vesting period until 2020.

Performance Share Units

The Company awarded members of the GEC and key leaders a total target of approximately 237 thousand PSUs and 450 thousand PSUs to its Chief Executive Officer. The PSUs vest in three equal tranches in March 2019, 2020 and 2021, subject to the achievement of a market performance condition related to Total Shareholder Return ("TSR"). The interim partial vesting periods are independent of one another and any under-achievement in one period can be offset by over-achievement in subsequent periods. The target amount of PSUs vests as follows based on the Company's TSR ranking compared to an industry specific peer group of eight, including the Company, ("Peer Group"):

Ferrari TSR Ranking	**% of Target Awards that Vest**	
	CEO	**GEC and Key Leaders**
1	150%	150%
2	120%	120%
3	100%	100%
4	75%	—
5	50%	—

The defined Peer Group is as follows:

Hermes	Burberry	Brunello Cucinelli	Ferragamo
LVMH	Moncler	Richemont	

The total number of shares that will eventually be issued upon vesting of the PSUs may vary from the original award of 687 thousand, depending on the level of TSR performance achieved compared to the Peer Group. None of the PSU awards were forfeited and none of the outstanding PSUs had vested at December 31, 2017.

The performance period for the PSUs commenced on January 1, 2016. The fair value of the awards used for accounting purposes was measured at the grant date using a Monte Carlo Simulation model. The range of the fair value of the PSUs that were awarded is €59.36-€72.06 per share. The key assumptions utilized to calculate the grant-date fair values for these awards are summarized below:

Key assumptions	
Grant date share price	€66.85
Expected volatility	17.4%
Dividend yield	1.2%
Risk-free rate	0%

The expected volatility was based on the observed volatility of the Peer Group. The risk-free rate was based on the iBoxx sovereign Eurozone yield.

Retention Restricted Share Units

The Company awarded members of the GEC and key leaders a total of approximately 119 thousand RSUs. The Chief Executive Officer has not received any RSUs. The RSU awards granted to GEC members and key leaders are conditional on a recipient's continued service to the Company, as described below. The RSUs, each of which represents the right to receive one common share of the Company, will vest in three equal tranches in March 2019, 2020 and 2021, subject to continued employment with the Company at the time of vesting. None of the RSU awards were forfeited and none of the RSU awards had vested at December 31, 2017.

The performance period for the RSUs commenced on January 1, 2016. The fair value of the awards was measured using the share price at the grant date adjusted for the present value of future distributions which employees will not receive during the vesting period. The range of the fair value of the RSUs awarded is €63.00-€64.64 per share.

PartnerRe

Long Term Incentive Plan

During 2017 PartnerRe designated a new class of common shares (Class B shares) that can be granted to or purchased by certain executives of the Company at the discretion of the Company. The LTI Committee of the Board approved the related Certificate of Designation which stipulated that the granted shares are restricted from sale for three years from date of grant and grants can be made by the Company twice a year as of March 1 or September 1. In addition, the Class B shares can be redeemed, subject to certain restrictions, at the option of the employee with respect to Class B purchased shares, and after the three-year restriction period for granted shares. However, per the notice of grant provided to the employee, once the restriction period has expired, the employee can only sell or transfer the restricted shares back to the Company provided the employee, continues to hold an agreed minimum of four times (4X) their gross LTI target value, unless otherwise agreed in writing.

As a result, the Class B shares are accounted for as liabilities, with the restricted shares granted recognized at fair value over the three years restriction period.

During 2017 certain PartnerRe's executive officers were awarded an aggregate $6.3 million in Class B shares. The compensation expense and related liability related to granted awards for the year endend December 31, 2017 is less than $2 million.

26 Provisions for employee benefits

The Group's provisions and net assets for employee benefits are as follows:

€ million	12/31/2017	12/31/2016	Change
Present value of defined benefit obligations:			
Pension plans	28,497	31,260	(2,763)
Healthcare and life insurance plans	3,212	3,514	(302)
Other post-employment benefits	1,320	1,331	(11)
Total present value of defined benefit obligations	**33,029**	36,105	(3,076)
Fair value of plan assets on pension plan	(23,420)	(25,723)	2,303
Fair value of plan assets of healthcare and life insurance plans	(153)	(105)	(48)
Asset ceiling	29	12	17
Total net defined benefits plan assets	**9,485**	10,289	(804)
of which:			
Net defined benefit liability	10,008	10,642	(634)
(Defined benefit plan assets)	(523)	(353)	(170)
Other provisions for employees	1,645	1,867	(222)
Total provisions for employee benefits	**11,653**	**12,509**	(856)

The Group provides post-employment benefits for certain of its active employees and retirees, either directly or by contributing to independently administered funds. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country in which the Group operates and may change periodically.
The Group provides post-employment benefits under defined contribution and defined benefit plans.

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions made by an entity, and sometimes by its employees, into an entity, or fund, that is legally separate from the employer from which the employee benefits are paid. The plans are classified by the Group on the basis of the type of benefit provided as follows: pension benefits, healthcare plans, life insurance plans, and other post-employment benefits.
Moreover, Group companies provide post-employment benefits, such as pension or health care benefits, to their employees under defined contribution plans. In this case, the Group pays contributions to publicly or privately administered insurance plans on a legally mandatory, contractual, or voluntary basis. By paying these contributions the Group fulfills all of its obligations. The Group recognizes the cost for defined contribution plans over the period in which the employee renders service and classifies this by function in cost of sales, selling, general and administrative costs and research and development costs. In 2017 this cost amounts to €1,978 million (€2,016 million in 2016).

Pension benefits
Group companies in the United States and Canada sponsor both non-contributory and contributory defined benefit pension plans. The non-contributory pension plans cover certain hourly and salaried employees. Benefits are based on a fixed rate for each year of service.
Additionally, contributory benefits are provided to certain salaried employees based on the employee's cumulative contributions, years of service during which the employee contributions were made and the employee's average salary during certain periods of time preceding retirement.

Liabilities arising from these plans are usually funded by contributions made by Group subsidiaries and, at times by their employees, into legally separate trusts which independently manage the assets servicing the plan from which the employee benefits are paid.
The Group's funding policy for defined benefit pension plans is to contribute the minimum amounts required by applicable laws and regulations. Occasionally, additional discretionary contributions in excess of these legally required are made to achieve certain desired funding levels.

To the extent that a fund is overfunded, the Group is not required to make further contribution to the plan in respect of minimum performance requirements so long as the fund is in surplus.

In the U.S. these excess amounts are tracked, and the resulting credit balance can be used to satisfy minimum funding requirements in future years. As of December 31, 2017 the combined credit balances for the U.S. and Canadian qualified pension plans was approximately €2.0 billion, the usage of the credit balances to satisfy minimum funding requirements is subject to the plans maintaining certain funding levels.

The FCA Group contributions to funded pension plans for 2018 are expected to be €92 million, of which €56 million relates to the pension plans of FCA US, with €2 million being discretionary contributions and €54 million to be made to satisfy minimum funding requirements. The expected benefit payments for pension plans are as follow:

€ million	2017	2018	2019	2020	2021	2022-2026
Expected benefit payments	1,743	1,708	1,698	1,683	1,672	8,274

Changes in pension plans are the following:

	12/31/2017				12/31/2016			
€ million	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	Asset ceiling	(Net asset) Net liability obligation
Amounts at January 1	**31,260**	**(25,723)**	**12**	**5,549**	**30,564**	**(24,695)**	**11**	**5,880**
Acquisition of PartnerRe					150	(93)	-	57
Included in the income statement	1,362	(870)		492	1,394	(879)		515
Included in Other comprehensive income								
Actuarial (gains) losses from:								
- demographic assumptions	(80)	0	0	(80)	(67)	0	0	(67)
- financial assumptions	1,670	0	0	1,670	615	0	0	615
- other	(27)	0	16	(11)	7	(6)	0	1
Return on assets	0	(1,710)	0	(1,710)	0	(975)	0	(975)
Change in the effect of limiting net assets	0	0	3	3	0	0	0	0
Exchange differences	(3,212)	2,632	(2)	(582)	768	(718)	1	51
Other								
Contribution by employer	0	(176)	0	(176)	0	(491)	0	(491)
Contribution by plan participants	5	(8)	0	(3)	8	(9)	0	(1)
Benefits paid	(1,916)	1,874	0	(42)	(2,185)	2,145	0	(40)
Other changes	(565)	561	0	(4)	6	(2)	0	4
Amounts at December 31	**28,497**	**(23,420)**	**29**	**5,106**	**31,260**	**(25,723)**	**12**	**5,549**

Amounts recognized in the Consolidated Income Statement were as follows:

€ million	2017	2016	Change
Current service cost	200	204	(4)
Interest expense	1,157	1,236	(79)
Interest income	(964)	(1,008)	44
Other administration costs	99	99	-
Past service costs/(credits) and gains/(losses) arising from settlements/curtailments	-	(16)	16
Total recognized in the Consolidated Income Statement	**492**	**515**	(23)

During the year ended December 31, 2017 the Group entered into an annuity buyout relating to two of its U.S. defined benefit plans. A total of €563 million was paid to a third-party insurance company in settlement of FCA's obligations, resulting in a settlement loss of €1 million that was recognized within Cost of revenues and Selling, general and other in the Consolidated Income Statement for the year ended December 31, 2017.

During the year ended December 31, 2016 the Group amended its U.S. defined benefit plan for salaried employees to allow certain terminated vested participants to accept a lump-sum amount. A total of €214 million was paid to those participants who accepted the offer in December 2016.
The plan amendment resulted in a settlement gain of €29 million that was recognized within Selling, general and other in the Consolidated Income Statement for the year ended December 31, 2016.

The fair value of plan assets by class is as follows:

	12/31/2017		12/31/2016	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**644**	**613**	862	816
US equity securities	1,674	1,426	1,923	1,633
Non-US equity securities	1,097	1,098	1,170	1,170
Commingled fund	2,684	1,138	3,149	216
Equity instruments	**5,455**	**3,662**	6,242	3,019
Government securities	2,935	1,094	3,223	1,146
Corporate bonds (including convertible and high-yield bonds)	6,327	0	6,853	58
Other fixed income securities	1,077	114	914	10
Fixed income securities	**10,339**	**1,208**	10,990	1,214
Private equity funds	1,963	0	1,980	0
Commingled funds	165	162	147	118
Mutual funds	908	0	649	3
Real estate funds	1,374	13	1,460	0
Hedge funds	1,893	49	2,466	0
Investment funds	**6,303**	**224**	6,702	121
Insurance contracts and other	**679**	**50**	927	157
Total fair value of plan assets	**23,420**	**5,757**	**25,723**	**5,327**

Non-U.S. equity securities are invested broadly in developed international and emerging markets. Debt instruments are fixed income securities which comprise primarily long-term U.S. Treasury and global government bonds, as well as U.S., developed international and emerging market companies' debt securities diversified by sector, geography and through a wide range of market capitalization. Commingled funds include common collective trust funds, mutual funds and other investment entities. Private equity funds include those in limited partnerships that invest primarily in operating companies that are not publicly traded on a stock exchange. Real estate investments includes those in limited partnerships that invest in various commercial and residential real estate projects both domestically and internationally. Hedge fund investments include those seeking to maximize absolute return using a broad range of strategies to enhance returns and provide additional diversification.

The investment strategies and objectives for pension assets reflect a balance of liability-hedging and return-seeking investment considerations. The investment objectives are to minimize the volatility of the value of the pension assets relative to the pension liabilities and to ensure assets are sufficient to pay plan obligations. The objective of minimizing the volatility of assets relative to liabilities is addressed primarily through asset diversification, partial asset-liability matching and hedging. Assets are broadly diversified across many asset classes to achieve risk-adjusted returns that, in total, lower asset volatility relative to the liabilities. Additionally, in order to minimize pension asset volatility relative to the pension liabilities, a portion of the pension plan assets are allocated to fixed income securities. The Group policy for these plans ensures actual allocations are in line with target allocations as appropriate.

Assets are actively managed, primarily, by external investment managers. Investment managers are not permitted to invest outside of the asset class or strategy for which they have been appointed. The Group uses investment guidelines to ensure investment managers invest solely within the mandated investment strategy. Certain investment managers use derivative financial instruments to mitigate the risk of changes in interest rates and foreign currencies impacting the fair values of certain investments. Derivative financial instruments may also be used in place of physical securities when it is more cost effective and/or efficient to do so.

Plan assets do not include shares of FCA, CNH Industrial, or properties occupied by Group companies.

Sources of potential risk in the pension plan assets measurements relate to market risk, interest rate risk and operating risk. Market risk is mitigated by diversification strategies and as a result, there are no significant concentrations of risk in terms of sector, industry, geography, market capitalization, or counterparty. Interest rate risk is mitigated by partial asset-liability matching.
The fixed income target asset allocation partially matches the bond-like and long–dated nature of the pension liabilities. Interest rate increases generally will result in a decline in the fair value of the investments in fixed income securities and the present value of the obligations. Conversely, interest rate decreases generally will increase the fair value of the investments in fixed income securities and the present value of the obligations.

The weighted average assumptions used to determine the defined benefit obligations of the pension plans are as follows:

FCA Group

	12/31/2017			**12/31/2016**		
(in %)	**USA**	**Canada**	**UK**	USA	Canada	UK
Discount rate	**3.8**	**3.5**	**2.7**	4.4	3.9	2.7
Future salary increase rate	n.a.	**3.5**	**3.2**	n.a.	3.5	3.1
Average duration (years)	**11**	**13**	**20**	11	13	21

Discount rates are used in measuring the obligation and the interest expense (income) of net period cost. The Group selects these rates on the basis of the rate of return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension and other post-employment plan.
The effect of an increase or decrease of 0.1% in the assumed discount rate, holding all other assumptions constant, would be a decrease of €306 million and an increase of €299 million, respectively, in the defined benefit obligations.

CNH Industrial Group

(in %)	**12/31/2017**	**12/31/2016**
Discount rate	**2.57**	2.82
Future salary increase rate	**2.68**	2.95
Average duration (years)	**12**	13

Weighted-average discount rates are used in measurements of pension, healthcare and other post-retirement benefit obligations and net interest on the net defined benefit liability/asset. The weighted-average discount rates are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date. The benefit cash flow-matching approach involves analyzing the Group's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-yield corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria.
The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €263 million and increase of €327 million, respectively, in the defined benefit obligations.

Ferrari Group

The discount rates are used in measuring the pension plan obligation and the interest expenses (income) of net period cost. The Group selects these rates on the basis of the rate on return on high-quality (AA rated) fixed income investments for which the timing and amounts of payments match the timing and amounts of the projected pension defined benefit plan which for 2017 was equal to approximately 0.7% (1.3% in 2016). The average duration of the obligation is approximately 13 years.

The effect of an increase or decrease of one percentage point in the assumed discount rate, holding all other assumptions constant, would be a decrease of €1.8 million and increase of €2 million, respectively, in the defined benefit obligations.

PartnerRe Group

For employee retirement benefits, PartnerRe maintains certain defined contribution plans and other active and frozen defined benefit plans. The majority of defined benefit obligations at December 31, 2016 related to the active defined benefit plan for PartnerRe Zurich office employees (the Zurich Plan).

The investment strategy of the Zurich Plan's Pension Committee is to achieve a consistent long-term return, which will provide sufficient funding for future pension obligations while limiting risk. The expected long-term rate of return on plan assets is based on the expected asset allocation and assumptions concerning long-term interest rates, inflation rates and risk premiums for equities above the risk-free rates of return. These assumptions take into consideration historical long-term rates of return for the relevant asset categories. The investment strategy is reviewed regularly.

The fair value of the Zurich Plan's assets at December 31, 2016 were insured funds and cash of €103 million. The insured funds comprise the accumulated pension plan contributions and investment returns thereon, which are held in an insurance arrangement that provides at least a guaranteed minimum investment return. The insured funds are held by a collective foundation of AXA Life Ltd. and are guaranteed under the insurance arrangement

The assumptions used to determine the Zurich Plan's pension obligation and net periodic benefit cost for the year ended December 31, 2016 were as follows:

	12/31/2016	
(in %)	Pension obligation	Net periodic benefit cost
Discount rate	0.8	1
Expected return on plan assets	n.a.	1.00
Rate of compensation increase	2.00	2.25

Healthcare and life insurance plans

Liabilities arising from these plans comprise obligations such as healthcare and life insurance granted to employees and retirees in the U.S. and Canada by FCA US companies and those of the Agricultural Equipment and Construction Equipment sectors of CNH Industrial.

CNH Industrial Healthcare plan obligations comprise obligations for healthcare and insurance plans granted to CNH Industrial employees working in the United States and Canada. These plans generally cover employees retiring on or after reaching the age of 55 who have completed at least 10 years of employment. CNH Industrial U.S. salaried and non-represented hourly employees and Canadian employees hired after January 1, 2001 and January 1, 2002, respectively, are not eligible for postretirement healthcare and life insurance benefits under the CNH Industrial plans. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH Industrial has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. These plans are not required to be funded. However, beginning in 2007, CNH Industrial began making contributions on a voluntary basis to a separate and independently managed fund established to finance the North American healthcare plans.

The expected benefits for healthcare and life insurance plans are the following:

€ million	2017	2018	2019	2020	2021	2022-2026
Expected benefit payments	180	178	177	177	179	915

Changes in healthcare and life insurance plans are as follows:

€ million	12/31/2017			12/31/2016		
	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation	Defined benefit obligation	Fair value of plan assets	(Net asset) Net liability obligation
Present value of obligations at January 1	**3,514**	**(105)**	**3,409**	**3,522**	**(97)**	**3,425**
Included in income statement	157	(3)	154	171	(3)	168
Included in Other comprehensive income						
Actuarial (gains) losses from:						
- demographic assumptions	(59)	0	(59)	(56)	0	(56)
- financial assumptions	197	0	197	(18)	0	(18)
- other	(4)	0	(4)	(27)	0	(27)
Return on assets	0	(14)	(14)	0	(4)	(4)
Exchange differences	(403)	17	(386)	116	(3)	113
Other changes			0			0
Contribution by employer	0	(50)	(50)	0	0	0
Contribution by plan participants	7	0	7	8	0	8
Benefits paid	(197)	2	(195)	(202)	2	(200)
Other changes	0	0	0	0	0	0
Present value of obligation at December 31	**3,212**	**(153)**	**3,059**	**3,514**	**(105)**	**3,409**

Amounts recognized in the Consolidated Income Statement were as follows:

€ million	2017	2016	Change
Current service cost	27	32	(5)
Interest expense	130	143	(13)
Interest income	(3)	(3)	-
Past service costs/(credits) and gains/(losses) arising from settlements/curtailments	-	(4)	4
Total recognized in the Consolidated Income Statement	**154**	**168**	(14)

Healthcare and life insurance plans are accounted for on an actuarial basis, which requires the selection of various assumptions. In particular, it requires the use of estimates of the present value of the projected future payments to all participants, taking into consideration the likelihood of potential future events such as healthcare cost increases and demographic experience.

The fair value of plan assets by class is as follows:

	12/31/2017		12/31/2016	
€ million	Amount	of which have a quoted market price in an active market	Amount	of which have a quoted market price in an active market
Cash and cash equivalents	**49**	**12**		
US equity securities	53	16	51	13
Non-US equity securities				
Equity instruments	**53**	**16**	51	13
Government securities	17	16	15	
Corporate bonds (including convertible and high-yield bonds)	32		33	
Other fixed income	2		2	
Debt instruments	**51**	**16**	50	0
Insurance contracts and other			4	
Total fair value of plan assets	**153**	**44**	**105**	**13**

The weighted average assumptions used to determine the defined benefit obligations are as follows:

FCA Group

	12/31/2017		12/31/2016	
(in %)	USA	Canada	USA	Canada
Discount rate	**3.9**	**3.6**	4.5	4
Future salary increase rate	**1.5**	**1.0**	1.5	1.0
Weighted average ultimate health care cost trend rate	**4.5**	**4.5**	4.5	4.4
Average duration (years)	**13**	**16**	12	16

The annual rate of increase in the per capita cost of covered U.S. health care benefits assumed for next year and used in the 2017plan valuation was 6.8 percent (7.0 percent in 2016). The annual rate was assumed to decrease gradually to 4.5 percent after 2029 and remain at that level thereafter. The annual rate of increase in the per capita cost of covered Canadian health care benefits assumed for next year and used in the 2017 plan valuation was 4.8 percent (4.7 percent in 2016). The annual rate was assumed to decrease gradually to 4.5 percent in 2029 and remain at that level thereafter.

CNH Industrial Group

(in %)	12/31/2017	12/31/2016
Average discount rate	**3.53**	3.97
Future salary increase rate	**2.50**	2.50
Weighted average initial health care cost trend rate	**6.46**	6.72
Weighted average ultimate health care cost trend rate	**5.00**	5.00
Average duration (years)	**12**	11

Assumed discount rates are used in measurements of pension, healthcare and other post-employment benefit obligations and net interest on the net defined benefit liability/asset. CNH Industrial selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date. The assumed discount rate is used to discount future benefit obligations back to today's dollars. The discount rates for the U.S., European, U.K. and Canadian obligations are based on a benefit cash flow-matching approach and represent the rates at which the benefit obligations could effectively be settled as of the measurement date, December 31. The benefit cash flow-matching approach involves analyzing CNH Industrial's projected cash flows against a high quality bond yield curve, mainly calculated using a wide population of AA-grade corporate bonds subject to minimum amounts outstanding and meeting other defined selection criteria. The discount rates for CNH Industrial's remaining obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments.

The assumed healthcare trend rate represents the rate at which healthcare costs are assumed to increase. Rates are determined based on CNH Industrial's specific experience, consultation with actuaries and outside consultants, and various trend factors including general and healthcare sector-specific inflation projections from the United States Department of Health and Human Services Healthcare Financing Administration. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of healthcare cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost-shifting, utilization changes, an aging population, and a changing mix of medical services.

In October 2014, the Society of Actuaries ("SOA") in the United States issued updated mortality tables ("RP-2014") and mortality improvement scale ("MP-2014"). Accordingly, CNH Industrial reviewed the historical mortality experience and demographic characteristics of its U.S. pension and Healthcare plan participants and decided to adopt the variants of Blue Collar tables of RP-2014 as the base mortality tables. The Retirement Plans Experience Committee ("RPEC") publishes annual updates to the RP-2014 model and corresponding mortality improvement scales. The latest update resulted in the 2017 version of the mortality improvement scale ("MP-2017"). In 2017 CNH Industrial adopted the MP-2017 mortality improvement scale, which better reflects the actual recent experience over the previous mortality improvement scales.

Management believes the new mortality assumptions most appropriately represent its plans' experience and characteristics. The adoption of the new mortality assumptions resulted in a total decrease of $17 million to the Group's benefit obligations at December 31, 2017, of which $8 million was related to Pension plans and $9 million to Healthcare plans.

Beginning in 2016 CNH Industrial changed the method used to estimate the service cost and net interest components of the net benefit cost in order to provide a more precise measure of net interest and service costs by improving the correlation between the projected benefit cash flows and the discrete spot yield curve rates. The new method uses the spot yield curve approach to estimate the service cost and net interest components by applying the specific spot rates along the yield curve used to determine the benefit obligations to relevant projected cash outflows. Historically, the service and net interest costs were determined using a single weighted-average discount rate based on hypothetical AA yield curves used to measure the benefit obligation at the beginning of the period. The change has been accounted for as a change in estimate prospectively, and resulted in a $14 million reduction in net benefit cost in 2016, mainly due to lower current service cost and net interest expense. This change does not affect the measurement of the total benefit obligations. Assumed discount rates and healthcare cost trend rates had a significant effect on the amount recognized in the 2016 financial statements.

The effect of an increase or decrease of one percentage point in the assumed healthcare cost trend rates would be an increase of €110 million and decrease of €90 million, respectively, in the defined healthcare benefit obligations at December 31, 2017.

Other post-employment benefits

Other post-employment benefits include employee benefits granted to Group employees in Europe and comprise, among others, Italian employee leaving entitlements – TFR (obligation amounting to €946 million at December 31, 2017 and €981 million at December 31, 2016), consisting of the residual obligation for the benefit due to employees of Italian companies until December 31, 2007, having more than 50 employees, and accrued over the employee's working life for the others, and settled when an employee leaves the Group. The schemes included in this item are unfunded.

Changes in the obligations for other post-employment benefits are the following:

€ million	12/31/2017	12/31/2016
Present value of obligation at January 1	**1,331**	1,308
Included in income statement		
Current service cost	18	15
Interest (income) expenses	14	20
Past service costs (income) and (gains) losses arising from settlements	(1)	1
Included in Other comprehensive income		
Actuarial (gains) losses from:		
- demographic assumptions	21	2
- financial assumptions	(5)	41
- other	7	37
Exchange differences	(5)	1
Other changes		
Benefits paid	(74)	(81)
Change in the scope of consolidation	0	1
Other changes	14	(14)
Present value of obligation at December 31	**1,320**	**1,331**

The main assumptions used in developing the required estimates for other post-employment benefits include the discount rate, the retirement or employee leaving rate and the mortality rates.
The discount rates used for the measurement of the Italian leaving entitlement obligation are based on yields of high-quality (AA rated) fixed income securities for which the timing and amounts of payments match the timing and amounts of the projected benefit payments.

For this plan, the single weighted average discount rate that reflects the estimated timing and amount of the scheme future benefit payments for 2017 is equal to 1,6 % (1.6% in 2016). The average duration of the Italian leaving entitlement is approximately 7 years. Retirement or employee leaving rates are developed to reflect actual and projected Group experience and law requirements for retirement in Italy.

As for the FCA Group the effect of an increase or decrease of one percentage point in the discount rate, holding all other assumptions constant, would be a decrease of €54 million and increase of €47 million, respectively, in the benefit obligations at December 31, 2017.

Other provisions for employees

At December 31, 2017 other provisions for employees include other long-term benefits obligations of €1,480 million (€1,650 million at December 31, 2016) representing the expected obligation for benefits such as jubilee and long-term disability granted to certain employees by the Group.

27 Other provisions

Changes in other provisions are as follows:

€ million	**Beginning balance**	Charge	Utilization	Release to income	Change in scope of consolidation	Translation differences	Other changes	**Closing balance**
At December 31, 2017								
Warranty and recall campaigns	8,556	3,737	(3,870)	121	1	(781)	(14)	7,750
Restructuring provisions	104	141	(86)	(3)	0	(4)	(29)	123
Investment provisions	14	0	0	0	0	(1)	2	15
Other risks	10,591	17,956	(17,295)	(227)	37	(875)	57	10,244
Total other provisions	**19,265**	21,834	(21,251)	(109)	38	(1,661)	16	**18,132**
At December 31, 2016								
Warranty and recall campaigns	7,385	3,945	(4,003)	945	(1)	252	33	8,556
Restructuring provisions	151	88	(100)	(12)	0	2	(25)	104
Investment provisions	18	0	0	0	0	1	(5)	14
Other risks	9,677	17,489	(16,146)	(293)	0	279	(415)	10,591
Total other provisions	**17,231**	**21,522**	**(20,249)**	**640**	**(1)**	**534**	**(412)**	**19,265**

The warranty and recall campaign represents the best estimate of commitments given by the Group for contractual, legal, or constructive obligations arising from product warranties given for a specified period of time beginning at the date of sale to the end customer. This estimate is principally based on assumptions regarding the lifetime warranty costs of each vehicle and each model year of that vehicle line, as well as historical claims experience for vehicles. Warranty and recall campaign also include management's best estimate of the costs that are expected to be incurred in connection with product defects that could result in a general recall of vehicles, which are estimated by making an assessment of the historical occurrence of defects on a case-by-case basis and are accrued when a reliable estimate of the amount of the obligation can be made.

At December 31, 2017 the warranty and recall campaigns provision included €137 million of charges recognized within Cost of revenues in the Consolidated Income Statement for the year ended December 31, 2017 for the estimated costs associated with an extension of the recall campaigns related to an industry-wide recall of airbag inflators resulting from parts manufactured by Takata, of which €29 million related to the previously announced recall in NAFTA and €73 million related to the preventative safety campaigns in LATAM. Refer to note 33 for additional information.

At December 31, 2016 the warranty and recall campaigns provision included €451 million of charges recognized within Cost of revenues for the year ended December 31, 2016 for the additional estimated costs associated with the recall campaigns related to an industry wide recall of airbag inflators resulting from parts manufactured by Takata.
In addition, the warranty and recall campaigns provision included €132 million of estimated net costs recognized within cost of revenues for the year ended December 31, 2016 associated with a recall for which costs are being contested with a supplier.

Although FCA believes the supplier has responsibility for the recall, only a partial recovery of the estimated costs has been recognized pursuant to a cost sharing agreement. The cash outflow for the non-current portion of the warranty and recall campaigns provision is primarily expected within a period through 2021.

The provision for other risks represents the amounts provided by the individual companies of the Group in connection mainly with contractual, commercial and tax risks and disputes.
The composition is as follows:

€ million	12/31/2017	12/31/2016	Change
Sales incentives	6,490	6,870	(380)
Legal proceedings and other disputes	1,046	1,171	(125)
Commercial risks	1,304	1,046	258
Environmental risks	105	90	15
Indemnities	52	52	0
Other provisions for risks and charges	1,248	1,362	(114)
Total other risks	**10,245**	**10,591**	(346)

In particular, the provision refers to:

- sales incentives: this provision offers sales incentives on a contractual basis to the Group's dealer networks, primarily given if the dealers achieve a specific cumulative level of sales transactions during the calendar year;
- legal proceedings and other disputes: this provision represents management's best estimate of the liability to be recognized with regard to:
  - legal proceedings arising in the ordinary course of business with dealers, customers, suppliers or regulators (such as contractual or patent disputes);
  - legal proceedings involving claims with active and former employees;
  - legal proceedings involving different tax authorities;
- Italian exit tax.

The provision for Italian exit tax amounted to €217 million at December 31, 2016 and represented the best estimate, made on the basis of the information available. The amount was estimated by EXOR S.p.A. based on the income taxes of the last period for EXOR S.p.A. as an Italian tax resident company (1 January 2016 – 10 December 2016) and on the other net gain resulting from the net assets deemed to be realized at the fair market value under Italian tax law.
In June 2017 EXOR paid €146 million, net of tax receivables for €52 million. In the context of the preparation of the tax return EXOR updated the estimate and recognized in the income statement a profit of €22 million.

28 Technical reserves reinsurance companies

At December 31, 2017 the composition of technical reinsurance reserves related to the PartnerRe Group was as follows:

€ million	12/31/2017	12/31/2016	Change
Unpaid losses and Loss expenses	8,097	8,525	(428)
Life and health technical reinsurance reserves	2,076	1,882	194
Unearned premium reserves	1,517	1,540	(23)
Total Technical reinsurance reserves	**11,690**	**11,947**	(257)

Unpaid Losses and Loss Expenses

Unpaid losses and loss expenses are categorized into three types of reserves:Case reserve, ACRs and IBNR reserves. Case reserves represent unpaid losses reported by the Company's cedants and recorded by the Company. ACRs are established for particular circumstances where, on the basis of individual loss report, the Company estimates that the particular loss or collection of losses covered by a treaty may be greater than those advised by the cedant. IBNR reserves represent a provision for claims that have been incurred but not yet reported to the Company, as well as future loss development on losses already reported, in excess of the case reserves and ACRs.

The reconciliation of the beginning and ending gross and net liability for unpaid losses and loss expenses for the period ended at December 31, 2017 was as follows:

€ million	
Gross liability at 1/1/2017	8,525
Reinsurance recoverable at 1/1/2017	(253)
Net reserves at 1/1/2017	**8,272**
Net incurred losses	2,280
Change in Paris Re Reserve Agreement	(3)
Net paid losses	(2,369)
Translation differences and other changes	(657)
Net liability at 12/31/2017	7,523
Reinsurance recoverable at 12/31/2017	574
Gross liability at 12/31/2017	**8,097**

Life and health technical reinsurance reserves

The reconciliation of the beginning and ending gross and net liability for life and health technical reinsurance reserves for the period ended at December 31, 2017 was as follows:

€ million	
Gross liability at 1/1/2017	1,882
Reinsurance recoverable at 1/1/2017	(30)
Net reserves at 1/1/2017	**1,852**
Liabilities acquired related to the acqusition of Aurigen	60
Net incurred losses	1,121
Net paid losses	(901)
Translation differences	(90)
Net liability at 12/31/2017	2,042
Reinsurance recoverable at 12/31/2017	34
Gross liability at 12/31/2017	**2,076**

Reserves for unearned premiums

The reconciliation of the beginning and ending reserves for unearned premiums for the period ended at December 31, 2017 was as follows:

€ million	
Reserves at 1/1/2017	**1,540**
Net premiums written	4,533
Net premiums earned	(4,449)
Translation differences	(107)
Unearned premium reserve at 12/31/2017	**1,517**

29 Financial debt

The composition of financial debt is as follows:

€ million	12/31/2017	**12/31/2016**	Change
Notes	22,103	25,487	(3,384)
Borrowings from banks	11,239	14,509	(3,270)
Asset-backed financing	10,943	12,075	(1,132)
Payables represented by securities	826	1,619	(793)
Other financial debt	1,330	2,127	(797)
Total financial debt	**46,441**	**55,817**	(9,376)

Notes

Notes at December 31, 2017 amount to €22,103 million (€25,487 million at December 31, 2016).
The composition is as follows:

€ million	12/31/2017	12/31/2016	Change
Notes issued by EXOR	2,521	2,999	(478)
Notes issued by FCA Group	9,626	12,351	(2,725)
Notes issued by CNH Industrial Group	7,526	8,327	(801)
Notes issued by Ferrari Group	1,194	498	696
Notes issued by PartnerRe Group	1,236	1,313	(77)
Total Notes	**22,103**	**25,487**	(3,385)

The individual company issuers intend to repay the issued notes in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued notes, also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, the financial situation of the individual companies and other factors which could affect such decisions.

EXOR

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2017	12/31/2016
EXOR N.V.	€	440	5.375%	June 12, 2017	0	453
EXOR N.V.	€	150	4.75%	October 16, 2019	151	150
EXOR N.V.	€	200	3.375%	November 12, 2020	200	200
EXOR N.V.	€	750	2.125%	December 2, 2022	746	745
EXOR N.V.	€	650	2.50%	October 8, 2024	652	652
EXOR N.V.	€	100	5.25%	January 31, 2025	103	103
EXOR N.V.	€	450	2.875%	December 22, 2025	452	452
EXOR N.V.	$	170	4.398% 6 months	May 20, 2026	142	162
EXOR N.V.	Yen	10,000	2.80% 6 months	May 9, 2031	75	82
Total Notes					**2,521**	**2,999**

On June 12, 2017 EXOR repaid an amount of €440 million related to the residual amount outstanding of EXOR non-convertible bonds 2007-2017, using the available liquid resources.

FCA Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2017	12/31/2016
Global Medium Term Note Programme:						
Fiat Chrysler Finance Europe S.A.	€	850	7.000%	March 23, 2017	0	850
Fiat Chrysler Finance North America Inc.	€	1,000	5.625%	June 12, 2017	0	1,000
Fiat Chrysler Finance Europe S.A.	CHF	450	4.000%	November 22,2017	0	419
Fiat Chrysler Finance Europe S.A.	€	1,250	6.625%	March 15, 2018	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	600	7.375%	July 9, 2018	600	600
Fiat Chrysler Finance Europe S.A.	CHF	250	3.125%	September 30, 2019	213	233
Fiat Chrysler Finance Europe S.A.	€	1,250	6.750%	October 14, 2019	1,250	1,250
Fiat Chrysler Finance Europe S.A.	€	1,000	4.750%	March 22, 2021	1,000	1,000
Fiat Chrysler Finance Europe S.A.	€	1,350	4.750%	July 15, 2022	1,350	1,350
Fiat Chrysler Finance Europe S.A.	€	1,250	3.750%	March 29, 2024	1,250	1,250
Other					7	7
Total Global Medium Term Notes					**6,920**	**9,209**
Other Notes:						
FCA Notes	$	1,500	4.500%	April 15, 2020	1,251	1,423
FCA Notes	$	1,500	5.250%	April 15, 2023	1,251	1,423
Total Other Notes					**2,502**	**2,846**
Hedging effect and amortized cost valuation					**204**	**296**
Total Notes					**9,626**	**12,351**

Notes issued through MTN Programme

Certain notes issued by the Group are governed by the terms and conditions of the Medium Term Note ("MTN") Programme (previously known as the Global Medium Term Note Programme, or "GMTN" Programme). A maximum of €20 billion may be used under this programme, of which notes of €6.9 billion were outstanding at December 31, 2017 (€9.2 billion at December 31, 2016). The MTN Programme is guaranteed by FCA NV. The FCA Group may from time to time buy back notes in the market that have been issued. Such buybacks, if made, depend upon market conditions, the Group's financial situation and other factors which could affect such decisions.

Changes in notes issued under the MTN Programme during the year ended December 31, 2017 were due to the:

- repayment at maturity of a note in March 2017 with a principal amount of €850 million;
- repayment at maturity of a note in June 2017 with a principal amount of €1,000 million; and
- repayment at maturity of a note in November 2017 with a principal amount of CHF 450 million (€385 million).

Changes in notes issued under the MTN Programme during the year ended December 31, 2016 were due to the:

- issuance of a 3.75 percent note at par in March 2016 with a principal amount of €1,250 million, due in March 2024;
- repayment at maturity of a note in April 2016 with a principal amount of €1,000 million;
- repayment at maturity of a note in October 2016 with a principal amount of €1,000 million; and
- repayment at maturity of a note in November 2016 with a principal amount of CHF 400 million (€373 million).

The notes issued under the MTN Programme impose covenants on the issuer and, in certain cases, on FCA NV as guarantor, which include: (i) negative pledge clauses which require that, in case any security interest upon assets of the issuer and/or FCA NV is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding notes; (ii) *pari passu* clauses, under which the notes rank and will rank *pari passu* with all other present and future unsubordinated and unsecured obligations of the issuer and/or FCA NV; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the notes under certain events of default on other financial instruments issued by FCA's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the notes. As of December 31, 2017 FCA was in compliance with the covenants under the MTN Programme.

Other Notes

In 2015, FCA NV issued U.S.$1.5 billion (€1.4 billion) principal amount of 4.5 percent unsecured senior debt securities due April 15, 2020 (the "2020 Notes") and U.S.$1.5 billion (€1.4 billion) principal amount of 5.25% unsecured senior debt securities due April 15, 2023 (the "2023 Notes") at an issue price of 100% of their principal amount. The 2020 Notes and the 2023 Notes, collectively referred to as the "Notes", rank pari passu in right of payment with respect to all of FCA NV's existing and future senior unsecured indebtedness and senior in right of payment to any of FCA NV's future subordinated indebtedness and existing indebtedness, which is by its terms subordinated in right of payment to the Notes. Interest on the 2020 Notes and the 2023 Notes is payable semi-annually in April and October.

The Notes impose covenants on FCA NV including: (i) negative pledge clauses which require that, in case any security interest upon assets of FCA NV is granted in connection with other notes or debt securities having the same ranking, such security should be equally and ratably extended to the outstanding Notes; (ii) pari passu clauses, under which the Notes rank and will rank pari passu with all other present and future unsubordinated and unsecured obligations of FCA NV; (iii) periodic disclosure obligations; (iv) cross-default clauses which require immediate repayment of the Notes under certain events of default on other financial instruments issued by FCA's main entities; and (v) other clauses that are generally applicable to securities of a similar type. A breach of these covenants may require the early repayment of the Notes. As of December 31, 2017 FCA was in compliance with the covenants of the Notes.

Fiat Chrysler Finance US Inc.

On March 6, 2017 Fiat Chrysler Finance US Inc. ("FCF US") was incorporated under the laws of Delaware and became an indirect, 100 percent owned subsidiary of the Company. If FCF US issues debt securities, they will be fully and unconditionally guaranteed by the Company. No other subsidiary of the Company will guarantee such indebtedness.

CNH Industrial Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2017	12/31/2016
Global Medium Term Notes:						
CNH Industrial Finance Europe S.A.	€	853	6.250%	March 9, 2018	853	1,200
CNH Industrial Finance Europe S.A.	€	547	2.750%	March 18, 2019	547	1,000
CNH Industrial Finance Europe S.A.	€	700	2.875%	September 27, 2021	700	700
CNH Industrial Finance Europe S.A.	€	75	1.625%	March 29, 2022	75	
CNH Industrial Finance Europe S.A.	€	500	1.375%	May 23, 2022	500	
CNH Industrial Finance Europe S.A.	€	500	2.875%	May 17, 2023	500	500
CNH Industrial Finance Europe S.A.	€	650	2.875%	May 17, 2023	650	
CNH Industrial Finance Europe S.A.	€	100	1.750%	September 12, 2025	100	
CNH Industrial Finance Europe S.A.	€	50	3.875%	April 21, 2028	50	50
Total Global Medium Term Notes					**3,975**	**3,450**
Other Notes						
CNH Capital LLC	$	500	3.250%	February 1, 2017		474
Case New Holland Industrial Inc.	$	1,500	7.875%	December 1, 2017		603
CNH Capital LLC	$	600	3.875%	July 16, 2018		569
CNH Capital LLC	$	600	3.625%	April 15, 2018	500	569
CNH Capital LLC	$	500	3.375%	July 15, 2019	417	474
CNH Capital LLC	$	600	4.375%	November 6, 2020	500	569
CNH Capital LLC	$	500	4.875%	April 1, 2021	417	474
CNH Capital LLC	$	400	3.875%	October 15, 2021	334	379
CNH Capital LLC	$	500	4.375%	Aprile 5, 2022	417	
CNH Capital LLC	$	600	4.500%	August 15, 2023	500	569
CNH Capital LLC	$	500	3.850%	November 15, 2027	417	
Total other Notes					**3,502**	**4,683**
Hedging effect and amortized cost valuation					**49**	**94**
Total Notes					**7,526**	**8,227**

In March 2017 CNH Industrial Finance Europe S.A. issued as a private placement €75 million of notes at an annual fixed rate of 1.625% due in 2022 (the "1.625% CIFE Notes") at an issue price of 99.407 percent of their principal amount. The 1.625% CIFE Notes were issued under the €10 billion Global Medium Term Note Programme (subsequently converted into the "Euro Medium Term Note Programme") unconditionally and irrevocably guaranteed by CNH Industrial N.V.

In April 2017 CNH Industrial Capital LLC issued at par $500 million of notes at an annual fixed rate of 4.375% due in 2022.

In May 2017 CNH Industrial Finance Europe S.A. issued €500 million of notes at an annual fixed rate of 1.375% due in 2022 (the "1.375% CIFE Notes") at an issue price of 99.335 percent of their principal amount. The 1.375% CIFE Notes were issued under the €10 billion Euro Medium Term Note Programme unconditionally and irrevocably guaranteed by CNH Industrial N.V.

In June 2017 Case New Holland Industrial Inc. redeemed all of the outstanding $636 million aggregate principal amount of its 7.875% Senior Notes due 2017.

On June 15, 2017 Standard and Poor's ("S&P") upgraded the long-term corporate rating of CNH Industrial N.V. and CNH Industrial Capital LLC to investment grade at "BBB-". Following the upgrade by S&P, the notes issued under the Euro Medium Term Notes Programme (and the notes issued under its predecessor, the Global Medium Term Notes Programme) benefited from Eurosystem eligibility, the financial covenant contained in the €1.75 billion Revolving Credit Facility, which required Industrial Activities to maintain EBITDA/Net interest ratio, was no longer applicable, and the financial covenants contained in two revolving credit facilities of CNH Industrial Capital LLC, which required maintenance of an EBITDA coverage ratio, were no longer applicable.

In September 2017 CNH Industrial Finance Europe S.A. issued €650 million of notes at an annual fixed rate of 1.750% due in 2025 (the “1.750% CIFE Notes”) at an issue price of 99.248 percent of their principal amount. The 1.750% CIFE Notes were issued under the €10 billion Euro Medium Term Note Programme unconditionally and irrevocably guaranteed by CNH Industrial N.V.
In September 2017 CNH Industrial Finance Europe S.A. repurchased a total of €800 million in principal amount of its 6.250% Notes due 2018 and its 2.750% Notes due 2019.

On October 24, 2017 Fitch Ratings assigned to CNH Industrial N.V. and CNH Industrial Capital LLC new investment grade long-term issuer default ratings of “BBB-”. This rating action and the S&P upgrade on June 15, 2017 made CNH Industrial’s securities eligible for the main investment grade indices in the U.S. market, which CNH Industrial believes has improved its access to funding at better rates.

In November 2017 CNH Industrial N.V. issued $500 million of notes at an annual fixed rate of 3.850% due 2027 with an issue price of 99.384%.

In December 2017 CNH Industrial Capital LLC redeemed all of the outstanding $600 million in principal amount of 3.875% Notes due 2018.

In December 2017 CNH Industrial Capital LLC established a new commercial paper program to issue short-term, unsecured, unsubordinated commercial paper notes on a private placement basis. As of December 31, 2017 the aggregate principal amount of the notes outstanding was $115 million.

The bonds issued by the CNH Industrial Group may contain commitments of the issuer and in certain cases commitments of CNH Industrial N.V. in its capacity as guarantor, which are typical of international practice for bond issues of this type such as, in particular, negative pledge (in relation to quoted indebtedness), a status (or pari passu) covenant and cross default clauses. A breach of these commitments can lead to the early repayment of the issued notes. The bonds guaranteed by CNH Industrial N.V. under the Global Medium Term Note Programme, as well as the notes issued by CNH Industrial N.V. in August 2016, contain clauses which could lead to early repayment if there is a change of control of CNH Industrial N.V. leading to a rating downgrading of CNH Industrial N.V.

The Group intends to repay the issued bonds in cash at the due date by utilizing available liquid resources. In addition, the companies in the Group may from time to time buy back their issued bonds. Such buy backs, if made, depend upon market conditions, the financial situation of the Group and other factors which could affect such decisions.

Ferrari Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)
					12/31/2017
Ferrari Notes	€	500	1.500%	15-Jul-05	491
Ferrari Notes	€	700	0.250%	1-Jan-21	695
Hedging effect and amortized cost valuation					8
Total Notes					**1,194**

On November 16, 2017 Ferrari Group issued 0.25 percent coupon notes due January 2021, having a principal of €700 million. The bond was issued at a discount for an issue price of 99.557 percent, resulting in net proceeds of €694 million after the debt discount and issuance costs. The net proceeds were primarily used to repay the Term Loan. The bond is unrated and was admitted to trading on the regulated market of the Irish Stock Exchange. The amount outstanding at December 31, 2017 of €695 million includes accrued interest.

On March 16, 2016 Ferrari Group concluded the placement of 7-year 1.5% fixed-rate notes with a principal amount of €500 million at an issue price of €98.977, unrated. The net proceeds of €491 million together with the Group’s cash were used to repay the €500 million Bridge Loan under the Facility secured on November 30, 2015. The notes are listed on the Irish Stock Exchange.

The notes impose covenants on Ferrari including: (i) negative pledge clauses which require that, in case any security interest upon assets of Ferrari is granted in connection with other notes or debt securities with the consent of Ferrari are, or are intended to be, listed, such security should be equally and ratably extended to the outstanding notes, subject to certain permitted exceptions; (ii) pari passu clauses, under which the notes rank and will rank pari passu with all other present and future unsubordinated and unsecured obligations of Ferrari; (iii) events of default for failure to pay principal or interest or comply with other obligations under the notes with specified cure periods or in the event of a payment default or acceleration of indebtedness or in the case of certain bankruptcy events; and (iv) other clauses that are customarily applicable to debt securities of issuers with a similar credit standing. A breach of these covenants may require the early repayment of the notes. As of December 31, 2017 and 2016 Ferrari was in compliance with the covenants of the notes.

PartnerRe Group

	Currency	Face value outstanding (in millions)	Coupon	Maturity	Outstanding amount (in €million)	
					12/31/2017	12/31/2016
PartnerRe Finance B LLC - 2010 Senior Notes	$	500	5.500%	June 1, 2020	439	511
PartnerRe Finance B LLC - 2016 Senior Notes	€	750	1.250%	September 15, 2026	738	734
PartnerRe Finance II Inc. - Capital Efficient Notes	$	63		December 1, 2066	59	67
Total Notes					1,236	1,313

At December 31, 2017 notes comprise the following senior notes issued by PartnerRe:

- 5.5% 2010 Senior Notes, $500 million aggregate principal, which may be redeemed at the option of the issuer in whole or in part at any time. The 2010 Senior Notes are ranked as senior unsecured obligations of PartnerRe Finance B LLC. PartnerRe has fully and unconditionally guaranteed all obligations of PartnerRe Finance B LLC related to the 2010 Senior Notes. PartnerRe’s obligations under this guarantee are senior and unsecured and rank equally with all other senior unsecured indebtedness;
- 1.250% Senior Notes issued in September 2016 by PartnerRe Ireland Finance DAC with an aggregate principal amount of €750 million (2016 Senior Notes). The 2016 Senior Notes may be redeemed at the option of the issuer, in whole or in part, at any time five years after the issuance date. Prior to September 2021, any redemption of the 2016 Senior Notes is subject to regulatory approval. Interest on the 2016 Senior Notes is payable annually commencing on September 15, 2017. The 2016 Senior Notes are ranked as senior unsecured obligations of PartnerRe Ireland Finance DAC. PartnerRe Ltd has fully and unconditionally guaranteed all obligations of PartnerRe Ireland Finance DAC under the 2016 Senior Notes. PartnerRe's obligations under this guarantee are senior and unsecured and rank equally with all other senior unsecured indebtedness. The proceeds from the 2016 Senior Notes were used to redeem Series D 6.5% and Series E 7.25% preferred shares to redeem the 2008 Senior Notes referred to above, and for general corporate purposes;
- 6.440% Junior Subordinated CENts issued in November 2006 by PartnerRe Finance II Inc. with a principal amount of $250 million and on March 13, 2009, under the terms of a tender offer, purchased and retired $187 million of this principal amount. As a result, the remaining aggregate principal amount of the CENts, which is not reflected as a liability in the Consolidated Statement of Financial Position, is $63 million. The CENts have been redeemable at the option of the issuer, in whole or in part, since December 1, 2016 and are ranked as junior subordinated unsecured obligations of PartnerRe Finance II Inc. PartnerRe has fully and unconditionally guaranteed on a subordinated basis all obligations of PartnerRe Finance II Inc. under the CENts. PartnerRe’s obligations under this guarantee are unsecured and rank junior in priority of payments to PartnerRe’s Senior Notes. Interest on both the CENts and the promissory note was payable semi-annually through to December 1, 2016 at an annual fixed rate of 6.440% and payable quarterly thereafter until maturity at an annual rate of 3-month LIBOR plus a margin equal to 2.325%, reset quarterly. PartnerRe Finance II Inc. may elect to defer one or more interest payments for up to ten years from December 1, 2016.

In May 2008, PartnerRe Finance A LLC issued 6.875% Senior Notes with an aggregate principal of $250 million (2008 Senior Notes) due on June 1, 2018, which were redeemed early on November 1, 2016. PartnerRe paid a redemption price of $272 million and, as a result, PartnerRe recorded a loss of $2 million on redemption of these notes which represented the difference between the carrying value of the notes and the consideration paid.

Borrowings from banks

Borrowings from banks at December 31, 2017 amount to €11,239 million (€14,509 million at December 31, 2016). The composition is as follows:

€ million	12/31/2017	12/31/2016	Change
EXOR	464	80	384
FCA Group	6,948	9,506	(2,558)
CNH Industrial Group	3,575	4,049	(474)
Ferrari Group	38	837	(799)
PartnerRe Group	0	37	(37)
Juventus Football Club	214	0	214
Total Bank Debt	**11,239**	**14,509**	(3,270)

EXOR

At December 31, 2017 EXOR has irrevocable credit lines in Euro of €350 million, due after December31, 2018, as well as revocable credit lines of €572 million. EXOR also had credit lines in foreign currency for a total of $390 million (€325 million) of which $90 million due after December 31, 2018.

At December 31, 2016 EXOR had unused irrevocable credit lines for €390 million (of which €350 million due after December 31, 2017), in addition to unused revocable credit lines of €558 million. EXOR also had credit lines in foreign currency for a total of $640 million (€607 million) due after December 31, 2017 draw down, for $600 million (€569 million), of which $550 million (€522 million was granted for the acquisition of PartnerRe.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.

In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €250 million.

FCA Group

On February 24, 2017 FCA US prepaid the U.S.$1,826 million (€1,721 million) outstanding principal and accrued interest for its tranche B term loan maturing May 24, 2017 (the “Tranche B Term Loan due 2017”). The prepayment was made with cash on hand and did not result in a material loss on extinguishment.

At December 31, 2017 €836 million (€948 million at December 31, 2016), which included accrued interest, was outstanding under FCA US's Tranche B Term Loan maturing December 31, 2018 (the “Tranche B Term Loan due 2018”). On April 12, 2017 FCA US amended the credit agreement that governs the Tranche B Term Loan due 2018. The amendment reduced the applicable interest rate spreads by 0.50 percent per annum and reduced the LIBOR floor by 0.75 percent per annum, to 0.00 percent. In addition, the base rate floor was eliminated. As a result, the Tranche B Term Loan due 2018 bears interest, at FCA US's option, either at a base rate plus 1.0 percent per annum or at LIBOR plus 2.0 percent per annum. FCA US may prepay, refinance or re-price the Tranche B Term Loan due 2018 without premium or penalty. For the years ended December 31, 2017 and 2016 interest was accrued based on LIBOR.

On March 15, 2016 FCA US entered into amendments to the credit agreements that govern the Tranche B Term Loans to, among other items, eliminate covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group, to enable a unified financing platform and to provide free flow of capital within the Group. In conjunction with these amendments, FCA US made a U.S.$2.0 billion (€1.8 billion) voluntary prepayment of principal at par with cash on hand, of which U.S.$1,288 million (€1,159 million) was applied to the Tranche B Term Loan due 2017 and U.S.$712 million (€641 million) was applied to the Tranche B Term Loan due 2018. Accrued interest related to the portion of principal prepaid of the Tranche B Term Loans and related transaction fees were also paid.

The prepayments of principal were accounted for as debt extinguishments and, as a result, a non-cash charge of €10 million was recorded within net financial expenses for the year ended December 31, 2016 which consisted of the write-off of the remaining unamortized debt issuance costs.

The amendments to the remaining principal balance were analyzed on a lender-by-lender basis and accounted for as debt modifications in accordance with IAS 39 - Financial Instruments: Recognition and Measurement. As such, the debt issuance costs for each of the amendments were capitalized and are amortized over the respective remaining terms of the Tranche B Term Loans. For each of the Tranche B Term Loans, FCA US prepaid the scheduled quarterly principal payments, with the remaining balance applied to the principal balance due at maturity. Accordingly, FCA US is now scheduled to pay the remaining outstanding principal balances at the respective maturity dates. Periodic interest payments, however, continue to be required.

The Tranche B Term Loan due 2018 is secured by a senior priority security interest in substantially all of FCA US's assets and the assets of its U.S. subsidiary guarantors, subject to certain exceptions. The collateral includes 100 percent of the equity interests in FCA US's U.S. subsidiaries and 65 percent of the equity interests in certain of its non-U.S. subsidiaries held directly by FCA US and its U.S. subsidiary guarantors.

The credit agreement that governs the Tranche B Term Loan due 2018 includes a number of affirmative covenants, many of which are customary, including, but not limited to, the reporting of financial results and other developments, compliance with laws, payment of taxes, maintenance of insurance and similar requirements. The credit agreement also includes negative covenants, including but not limited to: (i) limitations on incurrence, repayment and prepayment of indebtedness, (ii) limitations on incurrence of liens, (iii) limitations on swap agreements and sale and leaseback transactions, (iv) limitations on fundamental changes, including certain asset sales and (v) restrictions on certain subsidiary distributions. In addition, the credit agreement requires FCA US to maintain a minimum ratio of "borrowing base" to "covered debt" (as defined), as well as a minimum liquidity of U.S.$3.0 billion (€2.5 billion). Furthermore, the credit agreement also contains a number of events of default related to: (i) failure to make payments when due; (ii) failure to comply with covenants, (iii) breaches of representations and warranties, (iv) certain changes of control, (v) cross–default with certain other debt and hedging agreements and (vi) the failure to pay or post bond for certain material judgments. As of December 31, 2017 FCA US was in compliance with the covenants of the credit agreement that governs the Tranche B Term Loan due 2018.

FCA has financing agreements with the European Investment Bank ("EIB") for a total of €1.1 billion outstanding at December 31, 2017 (€1.3 billion outstanding at December 31, 2016), which included the residual debt due under the following facilities:

- the facility for €250 million (maturing in December 2019) entered into in December 2016 to support the Group's investment plan (2017-2019) in research and development centers in Italy, which includes a number of key objectives such as greater fuel efficiency, a reduction in CO_2 emissions by petrol and alternative fuel engines and the study of new hybrid architectures, as well as certain capital expenditures for facilities located in southern Italy;
- the facility for €600 million (maturing in July 2018), entered into in June 2015 (50 percent guaranteed by SACE) to support the Group's investment plan (2015-2017) for production and research and development sites in both northern and southern Italy, to develop efficient vehicle technologies for vehicle safety and new vehicle architectures;
- the facility for €400 million (maturing in November 2018), entered into in November 2013 (50 percent guaranteed by SACE) to support certain investments and research and development programs in Italy; and
- the facility for €500 million (maturing in June 2021), entered into in May 2011 (guaranteed by SACE and the Serbian Authorities) for an investment program relating to the modernization and expansion of production capacity of an automotive plant in Serbia.

The FCA Brazilian subsidiaries have access to various local bank facilities in order to fund investments and operations. Total debt outstanding under these facilities amounted to a principal amount of €3.2 billion at December 31, 2017 (€4.0 billion at December 31, 2016). The loans primarily include subsidized loans granted by public financing institutions such as Banco Nacional do Desenvolvimento ("BNDES"), with the aim to support industrial projects in certain areas. This provided the Group the opportunity to fund large investments in Brazil with loans of sizeable amounts at attractive rates. At December 31, 2017 outstanding subsidized loans amounted to €2.1 billion (€2.6 billion at December 31, 2016), of which €1.3 billion (€1.6 billion at December 31, 2016) related to the construction of the plant in Pernambuco (Brazil), which has been supported by subsidized credit lines totaling Brazilian Real ("BRL") 6.5 billion (€1.6 billion).

Approximately €0.1 billion (€0.3 billion at December 31, 2016) of committed credit lines contracted to fund scheduled investments in the area were undrawn at December 31, 2017.

FCA Mexico, S.A. de C.V. ("FCA Mexico"), our principal operating subsidiary in Mexico, has a non-revolving loan agreement ("Mexico Bank Loan") maturing on March 20, 2022 and bears interest at one-month LIBOR plus 3.35 percent per annum. At December 31, 2017 the Mexico Bank Loan had an outstanding balance of €0.4 billion (€0.5 billion at December 31, 2016). As of December 31, 2017 FCA Mexico may prepay all or any portion of the loan without premium or penalty. The Mexico Bank Loan requires FCA Mexico to maintain certain fixed and other assets as collateral, and comply with certain covenants, including, but not limited to, financial maintenance covenants, limitations on liens, incurrence of debt and asset sales. As of December 31, 2017 FCA Mexico was in compliance with the covenants under the Mexico Bank Loan.

In March 2017 the Group amended its syndicated revolving credit facility originally signed in June 2015 (as amended, the "RCF"). The amendment increased the RCF from €5.0 billion to €6.25 billion and extended the RCF's final maturity to March 2022. The RCF, which is available for general corporate purposes and for working capital needs of the Group, is structured in two tranches: €3.125 billion, with a 37-month tenor and two extension options of 1-year and of 11-months exercisable on the first and second anniversary of the amendment signing date, respectively, and €3.125 billion, with a 60-month tenor. The amendment was accounted for as a debt modification and, as a result, the remaining unamortized debt issuance costs related to the original €5.0 billion RCF and the new costs associated with the amendment will be amortized over the life of the amended RCF. At December 31, 201, the €6.25 billion RCF was undrawn.
The covenants of the RCF include financial covenants as well as negative pledge, *pari passu*, cross-default and change of control clauses. The failure to comply with these covenants and, in certain cases if not suitably remedied, can lead to the requirement of early repayment of any outstanding amounts. As of December 31, 2017 FCA was in compliance with the covenants of the RCF.

At December 31, 2017 undrawn committed credit lines totaling €7.6 billion included the €6.25 billion RCF and approximately €1.3 billion of other revolving credit facilities. At December 31, 2016 undrawn committed credit lines totaling €6.2 billion included the original €5.0 billion RCF and approximately €1.2 billion of other revolving credit facilities.

CNH Industrial Group

In 2016 CNH Industrial Group signed a renewal of a five-year committed revolving credit facility for €1.75 billion. The renewal extends the maturity of the previous €1.75 billion committed revolving credit facility from 2019 until 2021. The €1.75 billion ($2.1 billion at the year-end 2017 exchange rate) facility is guaranteed by the parent company with cross-guarantees from each of the borrowers (i.e., CNH Industrial Finance S.p.A., CNH Industrial Finance Europe S.A. and CNH Industrial Finance North America Inc.), envisages typical provisions for contracts of this type and size, such as: financial covenants (Net debt/EBITDA and EBITDA/Net interest ratios relating to Industrial Activities), other covenants mainly relating to Industrial Activities including negative pledge, a status (or pari passu) covenant, restrictions on the incurrence of indebtedness by certain subsidiaries, customary events of default (some of which are subject to minimum thresholds and customary mitigants) including cross-default, failure to pay amounts due or to comply with certain provisions under the loan agreement, the occurrence of certain bankruptcy-related events and mandatory prepayment obligations upon a change in control of CNH Industrial or the borrowers. The failure to comply with these provisions, in certain cases if not suitably remedied, can lead to the requirement to make early repayment of the outstanding advances. At December 31, 2017 there were no breaches of such commitments.

At December 31, 2017 Financial Services' committed asset-backed facilities expiring after twelve months amounted to $3.5 billion ($3.2 billion at December 31, 2016), of which at December 31, 2016 $2.3 billion ($2.5 billion at December 31, 2015) were utilized.

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. Lenders of uncommitted facilities have the right to terminate the agreement with prior notice to CNH Industrial. At December 31, 2017 available committed unsecured facilities expiring after twelve months amounted to $3.2 billion ($2.9 billion at December 31, 2016).

Ferrari Group

At December 31, 2017 borrowings from banks of the Ferrari Group include several loans secured by FFF Inc. to support financial services operations, in particular €29 million (€24 million at December 31, 2016) relating to a U.S. Dollar denominated credit facility for up to $50 million (drawn down for $35 million at December 31, 2017) and bearing interest at LIBOR plus a range of between 65 and 75 basis points and other short-term and medium-term credit facilities for minor amounts for a total of €9 million (€13 million at December 31, 2016).

At December 31, 2016 borrowing from banks included €800 million related to the Term Loan which was fully repaid in 2017, primarily with proceeds from the 2021 Notes issued in November 2017.

PartnerRe

In the normal course of its operations, PartnerRe enters into agreements with financial institutions to obtain unsecured and secured letter of credit facilities. At December 31, 2017 and 2016 the total amount of such credit facilities available to PartnerRe was approximately $689 million and $664 million, respectively, with each of the significant facilities described below. Under the terms of certain reinsurance agreements, irrevocable letters of credit were issued on an unsecured and secured basis in the amount of $114 million and $474 million, respectively at December 31, 2017 in respect of reported loss and unearned premium reserves.

PartnerRe maintains a $300 million combined credit facility, with the first $100 million being unsecured and any utilization above the initial $100 million being secured. This credit facility matures each year on November 14 and, unless canceled by either counterparty, automatically extends for a further year.

In addition, PartnerRe maintains committed secured letter of credit facilities. These facilities are used for the issuance of letters of credit, which must be fully secured with cash and/or government bonds and/or investment grade bonds. The agreements include default covenants, which could require PartnerRe to fully secure the outstanding letters of credit to the extent that the facility is not already fully secured, and disallow the issuance of any new letters of credit. Included in PartnerRe's secured credit facilities at December 31, 2017 is a $225 million secured credit facility, which matures on December 31, 2018, and a $80 million secured credit facility, which matures on December 31, 2018. At December 31, 2017 no conditions of default existed under these facilities.

Juventus

At December 31, 2017 Juventus Football Club has revocable credit lines of €312 million (€347 million at December 31, 2016, of which €179 million (€218 million in 2016) is drawn down.

Asset-backed financing

Asset-backed financing totaled €10,943 million (€12,075 million at December 31, 2016) and included assets of FCA Group that represent the amount of financing received through factoring transactions which do not meet IAS 39 derecognition requirements and are recognized as assets of the same amount of €357 million (€410 million at December 31, 2016), assets of CNH Industrial Group, mainly current receivables and cash with a pre-determined use to settle asset-backed financing of €10,029 million ($12,028 million) at December 31, 2017 (€11,179 million, $11,784 million at December 31, 2016) and assets of Ferrari Group for €556 million (€486 million at December 31, 2016).

In 2016 and 2017 FFS Inc, a Ferrari's subsidiary, has pursued a strategy of self-financing, further reducing dependency on intercompany funding and increasing the portion of self-liquidating debt with various securitization transactions.

On January 19, 2016 FFS Inc entered into a revolving securitization program for funding of up to $250 million by pledging retail financial receivables in the United States as collateral. In 2016 proceeds from the first sale of financial receivables were $242 million and were primarily used to repay intercompany loans. The funding limit of the program has been progressively increased over time, including to $275 million on December 16, 2016, to $325 million on July 14, 2017 and to $350 million on December 15, 2017. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 65 basis points. As of December 31, 2017 total proceeds from the sales of financial receivables under the program were $325 million. The securitization agreement requires the maintenance of an interest rate cap.

On October 20, 2016 FFS Inc entered into a revolving securitization program for funding of up to $200 million by pledging leasing financial receivables in the United States as collateral. In 2016 proceeds from the first sale of financial receivables were $175 million and were primarily used to repay U.S. Dollar denominated bank borrowings.

On April 21, 2017 the funding limit of the program was increased to $225 million and this amount remained unchanged in the renewal of the program in September 2017. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 65 basis points. As of December 31, 2017 total proceeds from the sales of financial receivables under the program were $222 million. The securitization agreement requires the maintenance of an interest rate cap.

On December 28, 2016 FFS Inc entered into a revolving securitization program for funding of up to $120 million by pledging credit lines to Ferrari customers secured by personal vehicle collections and personal guarantees in the United States as collateral. In 2016 proceeds from the first sale of financial receivables were $64 million and were primarily used to repay U.S. Dollar denominated bank borrowings. On December 20, 2017 the funding limit of the program was increased to $135 million. The notes bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 120 basis points. As of December 31, 2017 total proceeds from the sales of financial receivables under the program were $120 million. The securitization agreement does not require an interest rate cap.

Cash collected from the settlement of receivables or lines of credit pledged as collateral is subject to certain restrictions regarding its use and is principally applied to repay principal and interest of the funding. Such cash amounted to €28 million at December 31, 2017 (€19 million at December 31, 2016).

Payables represented by securities

At December 31, 2017 payables represented by securities amount to €826 million (€1,619 million at December 31, 2016).

Other financial debt

At December 31, 2017 other financial debt amount to €1,330 million (€2,127 million at December 31, 2016) and includes finance lease payables for €283 million (€691 million at December 31, 2016) as detailed:

€ million	**12/31/2017**	**12/31/2016**	Change
Due within one year	76	122	(46)
Due between one and five years	136	360	(224)
Due beyond five years	71	209	(138)
Present value of minimum lease payments	**283**	**691**	(408)

During the year ended December 31, 2017 FCA US's Canadian subsidiary made payments on the Canada Health Care Trust ("HCT") Tranche B Note totaling €272 million, which included a scheduled payment of principal and accrued interest and the prepayment of the remaining scheduled payments due on the Canada HCT Tranche B Note. The prepayment, of €226 million, was accounted for as a debt extinguishment, and as a result, a gain on extinguishment of €9 million was recorded within Net financial expenses in the Consolidated Income Statement for the year ended December 31, 2017. This Canada HCT Note represented FCA US's principal Canadian subsidiary's remaining financial liability to the Canadian Health Care Trust arising from the settlement of its obligations for postretirement health care benefits for National Automobile, Aerospace, Transportation and General Workers Union of Canada "CAW" (now part of Unifor), which represented employees, retirees and dependents.

At December 31, 2016 other debt included the unsecured Canada HCT Tranche B Note totaling €278 million, including accrued interest. During the year ended December 31, 2016 FCA US's Canadian subsidiary made payments on the Canada HCT Notes totaling €148 million, which included accrued interest and the prepayment of all scheduled payments due on the Canada HCT Tranche C Note. The prepayment on the Canada HCT Tranche C Note made on July 15, 2016 resulted in a loss on extinguishment of debt of €8 million that was recorded within Net financial expenses in the Consolidated Income Statement for the year ended December 31, 2016.

Debt secured by assets

At December 31, 2017 debt secured by assets of the FCA Group excluding FCA US amount to €743 million (€914 million at December 31, 2016), of which €140 million (€433 million at December 31, 2016) is due to creditors for assets acquired under finance leases and the remaining amount mainly relates to subsidized financing in Latin America.

The total carrying amount of assets acting as security for loans for the Group (excluding FCA US) amounts to €2,372 million at December 31, 2017 (€1,940 million at December 31, 2016).

At December 31, 2017 debt secured by assets of FCA US amounts to €1,441 million and includes €836 million relating to the Trance B Term Loans, €141 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €464 million.
At December 31, 2016 debt secured by assets of FCA US amounted to €3,466 million and included €2,678 million relating to the Tranche B Term Loans, €207 million due to creditors for assets acquired under finance leases and other debt and financial commitments for €561 million.

Debt secured with mortgages and other liens on assets of the CNH Industrial Group amounts to €35 million at December 31, 2017 (€91 million at December 31, 2016); this amount includes €3 million (€51 million at December 31, 2016) due to creditors for assets acquired under finance leases. The total carrying amount of assets acting as security for loans amounts to €87 million at December 31, 2017 (€148 million at December 31, 2016).
In addition, at December 31, 2017 the Group's assets include current receivables to settle asset-backed financing for €10,386 million (€11,590 million at December 31, 2016) (note 22).

Financial debt by due date

An analysis of financial debt by due at December 31, 2017 and 2016 is as follows:

	12/31/2017				12/31/2016			
	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Notes	3,477	11,205	7,421	22,103	4,212	13,153	8,122	**25,487**
Borrowings from banks	6,057	4,553	629	11,239	5,984	7,611	914	**14,509**
Asset-backed financing	7,290	3,603	50	10,943	7,291	4,252	46	**11,589**
Payables represented by securities	544	282		826	1,093	401	125	**1,619**
Other financial debt	959	317	54	1,330	950	1,469	194	**2,613**
Total financial debt	**18,327**	**19,960**	**8,154**	**46,441**	**19,530**	**26,886**	**9,401**	**55,817**

30 Other financial assets and other financial liabilities

The following table summarizes the fair value of the Group's derivate financial assets and liabilities:

	12/31/2017		12/31/2016	
€ million	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Fair value hedges				
Interest rate risk - Interest rate swaps	4	(7)	42	(16)
Currency risks	10	(1)	10	(40)
Interest rate and currency risk - Combined interest rate and currency swap				(114)
Total Fair value hedges	**14**	**(8)**	**52**	**(170)**
Cash flow hedges				
Currency risks - Forward contracts, Currency swaps and Currency options	107	(101)	172	(451)
Interest rate risk - Interest rate swaps	8	(8)	2	(2)
Rischio di interesse - Interest rate cap				
Interest rate and currency risk - Combined interest rate and currency swaps	9	(34)	87	(27)
Commodity price risk - Commodity swaps	30		21	(2)
Other	5			
Total Cash flow hedges	**159**	**(143)**	**282**	**(482)**
Derivatives for trading	177	(104)	244	(348)
Collateral deposits	61		68	
Total other financial assets and other financial liabilities	**411**	**(255)**	**646**	**(1,000)**

The outstanding notional amounts of derivative financial instruments by due date is summarized in the following table:

€ million	Due within one year	Due between one and five years	Due beyond five years	Total
12/31/2017				
Currency risk management	14,606	154	0	14,760
Interest rate risk management	1,581	1,753	101	3,435
Interest rate and currency risk management	0	291	71	362
Commodity price risk management	455	6	0	461
Other derivative financial instruments				0
Total notional amount	**16,642**	**2,204**	**172**	**19,018**
12/31/2016				
Currency risk management	19,797	311	0	20,108
Interest rate risk management	855	795	0	1,650
Interest rate and currency risk management	928	305	165	1,398
Commodity price risk management	450	44	0	494
Other derivative financial instruments				0
Total notional amount	**22,030**	**1,455**	**165**	**23,650**

Fair value hedges

The gains and losses arising from the valuation of outstanding interest rate derivatives (for managing interest rate risk) and currency derivatives (for managing currency risk) are recognized in accordance with fair value hedge accounting.

The following table summarizes the gains and losses arising from respective hedged items:

€ million	2017	2016	Change
Currency risk:			
Net gains (losses) on qualifying hedges	104	(13)	117
Fair value changes in hedged items	(104)	13	(117)
Interest rate risk:			
Net gains (losses) on qualifying hedges	(20)	(56)	36
Fair value changes in hedged items	21	56	(35)
Net gains (losses) on fair value hedges recognized in the income statement	**1**	**0**	1

Cash flow hedges

The effects recognized in the Consolidated Income Statement mainly relate to currency risk management and, to a lesser extent, to hedges regarding commodity price risk management and cash flows that are exposed to interest rate risk and sales exposed to the fluctuations in the Euro/$ exchange rate.

The Group's policy for managing currency risk normally requires hedging of projected future flows from trading activities which will occur within the following twelve months and from orders acquired (or contracts in progress) regardless of their due dates. The hedging effect arising from this is recorded in Other comprehensive income within Cash flow hedge reserve and will be recognized in the Consolidated Income Statement, primarily during the following year.

Derivatives relating to interest rate and currency risk management are treated as cash flow hedges and are entered into for the purpose of hedging notes issued in foreign currencies. The amount recorded in Other comprehensive income and within Cash flow hedge reserve is recognized in the Consolidated Income Statement according to the timing of the flows of the underlying notes.

With respect to cash flow hedges, the Group reclassified income of €61 million in 2017 (loss of €189 million in 2016), net of the tax effect, from other comprehensive income to the consolidated income statement.

These amounts are reported on the following lines of the income statement:

€ million	2017	2016	Change
Currency risk			
Increase (Decrease) in net revenues	41	217	(176)
Decrease (Increase) in cost of sales	(145)	(47)	(98)
Financial income (expenses)	(13)	29	(42)
Result from investments	27	25	2
Interest rate risk			
Decrease (Increase) in cost of sales	(3)	(3)	
Result from investments			0
Financial income (expenses)	(3)	(5)	2
Commodity price risk			
Decrease (Increase) in cost of sales	31	(40)	71
Taxes - income (expenses)			
Ineffectiveness - overhedges	4	13	(9)
Net gains (losses) on cash flow hedges recognized in the income statement	**(61)**	**189**	(250)

Net investment hedges

In order to manage the FCA Group's foreign currency risk related to its investments in foreign operations, the Group enters into net investment hedges, in particular foreign currency swaps and forward contracts. For the year ended December 31, 2017 gains of €15 million (€75 million at December 31, 2016) related to the net investment hedges were recognized in Other comprehensive income and were reflected within Currency translation differences. There was no ineffectiveness for the year ended December 31, 2017.

Derivatives for trading

At December 31, 2017 and 2016 derivatives for trading primarily consisted of derivative contracts entered for hedging purposes which do not qualify for hedge accounting and one embedded derivative in a bond issue in which the yield is determined as a function of trends in the inflation rate and related hedging derivative, which converts the exposure to floating rate (the total value of the embedded derivative is offset by the value of the hedging derivative).

31 Trade payables

Trade payables amount to €27,612 million at December 31, 2017 (€28,214 million at December 31, 2016).
An analysis of trade payables by due date is as follows:

€ million	12/31/2017	12/31/2016	Change
Due within one year	27,592	28,187	(595)
Due between one and five years	20	26	(6)
Due beyond five years	0	1	(1)
Trade payables	**27,612**	**28,214**	(602)

32 Other liabilities

The composition is as follows:

€ million	12/31/2017	12/31/2016	Change
Payable for buy-back agreements	4,820	4,385	435
Indirect tax payables	1,396	2,111	(715)
Accrued expenses and deferred income	4,650	4,574	76
Payables to personnel	1,306	1,306	0
Social security payables	491	517	(26)
Amounts due to customers for contract work	180	227	(47)
Other	2,835	3,335	(500)
Total other liabilities	**15,678**	**16,455**	(777)

Payables for buy-back agreements refers to buy-back agreements entered into by the Group and includes the price received for the product recognized as an advance at the date of the sale, and subsequently, the repurchase price and the remaining lease installments yet to be recognized.

Indirect tax payables include federal taxes on commercial transactions accrued by the Group's Brazilian subsidiaries for which, at December 31, 2016 the Group (as well as a number of important industrial groups that operate in Brazil) was awaiting a decision by the Brazilian Supreme Court regarding its claim alleging double taxation.

On March 15, 2017 the Brazilian Supreme Court ruled that state value added tax should be excluded from the base for calculating a federal tax on revenue. At June 30, 2017 the Group determined that the likelihood of economic outflow related to such indirect taxes was no longer probable and the total liability of €895 million that FCA had accrued but not paid for such taxes for the period from 2007 to 2014 was reversed in the income statement. The Brazilian Supreme Court issued summary written minutes of its ruling on September 29, 2017 and Trial Minutes on October 2, 2017. On October 19, 2017 the Brazilian government filed its appeal against the PIS/COFINS over ICMS decision. Due to the uncertainty of scope of the application of the Supreme Court ruling taking into account the government's appeal and request for modulation, and due to Brazil's current heightened political and economic uncertainty, management believes a risk of economic outflow is still greater than remote.

Deferred income includes the revenues not yet recognized in relation to separately-priced extended warranties and service contracts offered by FCA US. These revenues will be recognized in the income statement over the contract period in proportion to the costs expected to be incurred based on historical information. Deferred income also includes the remaining portion of government grants that will be recognized as income in the income statement over the periods necessary to match them with the related costs which they are intended to offset.

On January 20, 2017 the last installment of U.S.$175 million (€166 million) was paid on the obligation arising from the 2014 memorandum of understanding between FCA US and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, which was included within Other current liabilities at December 31, 2016.

An analysis of other liabilities (excluding accrued expenses and deferred income) by due date is as follows:

	12/31/2017				12/31/2016			
€ million	Due within one year	Due between one and five years	Due beyond five years	Total	Due within one year	Due between one and five years	Due beyond five years	Total
Other liabilities (excluding accrued expenses and deferred income)	8,897	2,032	99	**11,028**	9,028	2,750	103	**11,881**

33 Guarantees granted, commitments and contingent liabilities

Guarantees granted by the FCA Group

At December 31, 2017 the FCA Group has pledged guarantees on the debt or commitments of third parties totaling €5 million (€8 million at December 31, 2016), as well as guarantees of €4 million (€2 million at December 31, 2016) on related party debt.

SCUSA Private-Label Financing Agreement

In February 2013, FCA US entered into a private-label financing agreement (the “SCUSA Agreement”) with Santander Consumer USA Inc. (“SCUSA”), an affiliate of Banco Santander, which launched on May 1, 2013. Under the SCUSA Agreement, SCUSA provides a wide range of wholesale and retail financing services to FCA US's dealers and consumers in accordance with its usual and customary lending standards, under the Chrysler Capital brand name.

The SCUSA Agreement has a ten-year term, subject to early termination in certain circumstances, including the failure by a party to comply with certain of its ongoing obligations under the SCUSA Agreement.
In accordance with the terms of the agreement, SCUSA provided an upfront, nonrefundable payment of €109 million ($150 million) in May 2013, which was recognized as deferred revenue and is amortized over ten years. At December 31, 2017 €67 million ($80 million) remained in deferred revenue.

From time to time, FCA US works with certain lenders to subsidize interest rates or cash payments at the inception of a financing arrangement to incentivize customers to purchase its vehicles, a practice known as “subvention.” FCA US has provided SCUSA with limited exclusivity rights to participate in specified minimum percentages of certain of its retail financing rate subvention programs. SCUSA has committed to certain revenue sharing arrangements, as well as to consider future revenue sharing opportunities. SCUSA bears the risk of loss on loans contemplated by the SCUSA Agreement. The parties share in any residual gains and losses in respect of consumer leases, subject to specific provisions in the SCUSA Agreement, including limitations on FCA US participation in gains and losses.

Other repurchase obligations

In accordance with the terms of other wholesale financing arrangements in Mexico, FCA Mexico is required to repurchase dealer inventory financed under these arrangements, upon certain triggering events and with certain exceptions, including in the event of an actual or constructive termination of a dealer’s franchise agreement. These obligations exclude certain vehicles including, but not limited to, vehicles that have been damaged or altered, that are missing equipment or that have excessive mileage or an original invoice date that is more than one year prior to the repurchase date. In December 2015, FCA Mexico entered into a ten-year private label financing agreement with FC Financial, S.A De C.V., Sofom, E.R., Grupo Financiaro Inbursa (“FC Financial”), a wholly owned subsidiary of Banco Inbursa, under which FC Financial provides a wide range of financial wholesale and retail financial services to FCA Mexico's dealers and retail customers under the FCA Financial Mexico brand name. The wholesale repurchase obligation under the new agreement will be limited to wholesale purchases in case of actual or constructive termination of a dealer's franchise agreement.

At December 31, 2017 the maximum potential amount of future payments required to be made in accordance with these wholesale financing arrangements was approximately €285 million (U.S.$319 million) and was based on the aggregate repurchase value of eligible vehicles financed through such arrangements in the respective dealer’s stock. If vehicles are required to be repurchased through such arrangements, the total exposure would be reduced to the extent the vehicles can be resold to another dealer.

The fair value of the guarantee was less than €0.1 million at December 31, 2017, which considers both the likelihood that the triggering events will occur and the estimated payment that would be made net of the estimated value of inventory that would be reacquired upon the occurrence of such events. These estimates are based on historical experience.

Arrangements with key suppliers

From time to time, in the ordinary course of its business, FCA enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Future minimum purchase obligations under these arrangements at December 31, 2017 are as follows:

€ million	2018	2019	2020	2021	2022	2023 and beyond
Future minimum purchase obligations	817	583	515	325	198	53

Guarantees granted by the CNH Industrial Group

At December 31, 2017 the CNH Industrial Group provided guarantees on the debt or commitments of third parties and performances guarantees mainly in the interest of a joint venture related to commercial commitments of defense vehicles totaling €307 million (€276 million at December 31, 2016).

Guarantees granted by the PartnerRe Group

At December 31, 2017 approximately €3,082 million ($3,696 million) of cash and cash equivalents and securities of the PartnerRe Group were deposited, pledged or held in escrow accounts in favor of ceding companies and other counterparties of government authorities to comply with regulations on reinsurance contracts and insurance laws.

Commitments of the FCA Group arising from contractual agreements

Sevel

As part of the Sevel cooperation agreement with Peugeot-Citroen SA ("PSA"), the Group was party to a call agreement with PSA whereby, from July 1, 2017 to September 30, 2017, the Group would have the right to acquire the residual interest in the joint operation Sevel with effect from December 31, 2017. During the period specified in the agreement the Group did not exercise its right to acquire the residual interest in the joint operation Sevel and such right expired.

Italian labor agreement

In April 2015, a new four-year compensation agreement was signed by FCA companies in Italy within the automobiles business. The new compensation agreement was subsequently included in the new labor agreement and was extended to all FCA companies in Italy on July 7, 2015.

The compensation arrangement was effective retrospectively from January 1, 2015 through to December 31, 2018 and incentivizes all employees toward achievement of the productivity, quality and profitability targets established in the 2015-2018 period of the 2014-2018 business plan developed in May 2014 by adding two variable additional elements to base pay:

- an annual bonus calculated on the basis of production efficiencies achieved and the plant's World Class Manufacturing audit status, and
- a component linked to achievement of the financial targets established in the 2015-2018 period of the 2014-2018 business plan ("Business Plan Bonus") for the EMEA region, including the activities of the premium brands Alfa Romeo and Maserati. A portion of the Business Plan Bonus is a guaranteed amount based on employees' base salaries and is paid over four years in quarterly installments, while the remaining portion is to be paid in March 2019 to active employees as of December 31, 2018, with at least two years of service during the period 2015 through 2018.

A total of €124 million and €117 million was recorded as an expense for the compensation agreement for the years ended December 31, 2017 and 2016, respectively.

UAW labor agreement

In October 2015, FCA US and the UAW agreed to a new four-year national collective bargaining agreement, which will expire in September 2019. The provisions of the new agreement continue certain opportunities for success-based compensation upon meeting certain quality and financial performance metrics. The agreement closes the pay gap between "Traditional" and "In-progression" employees over an eight-year period and will continue to provide UAW-represented employees with a simplified adjusted profit sharing plan. The adjusted profit sharing plan will be effective for the 2016 plan year and is directly aligned with NAFTA profitability. The agreement includes lump-sum payments in lieu of further wage increases of primarily U.S.$4,000 for "Traditional" employees and U.S.$3,000 for "In-progression" employees totaling approximately U.S.$141 million (€127 million) that was paid to UAW members on November 6, 2015. These payments are being amortized ratably over the four-year labor agreement period.

Canada labor agreement

FCA entered into a new four-year labor agreement with Unifor in Canada that was ratified on October 16, 2016. The terms of this agreement provide a two percent wage increase in the first and fourth years of the agreement for employees hired prior to September 24, 2012 and will continue to close the pay gap for employees hired on or after September 24, 2012 by revising a ten-year progressive pay scale plan. The agreement includes a lump sum payment in lieu of further wage increases of 6,000 Canadian dollars ("CAD$") per employee totaling approximately CAD$55 million (approximately €38 million) that was paid to Unifor members on November 4, 2016. These payments will be amortized ratably over the four-year labor agreement period. The new agreement expires in September 2020.

Commitments of the Ferrari Group arising from contractual agreements

Arrangements with Key Suppliers

From time to time, in the ordinary course of business, the Group enters into various arrangements with key third party suppliers in order to establish strategic and technological advantages. A limited number of these arrangements contain unconditional purchase obligations to purchase a fixed or minimum quantity of goods and/or services with fixed and determinable price provisions.

Arrangements with Sponsors

Certain of the Group's sponsorship contracts include terms whereby the Group is obligated to purchase a minimum quantity of goods and/or services from its sponsors.

Future minimum purchase obligations under these arrangements at December 31, 2017 were as follows:

€ million	12/31/2017	12/31/2016	Change
Due within one year	137	93	44
Due between one and three years	102	98	4
Due between three and five years	6	29	(23)
Due beyond five years	4	7	(3)
Minimun purchase obligations	**249**	**227**	22

Commitments of the PartnerRe Group

The PartnerRe Group has entered into service agreements and lease contracts that provide for business and information technology support and computer equipment. Future payments under these contracts amount to $13 million (€11 million) through 2019.

The PartnerRe Group has entered into strategic investments with unfunded capital commitments. In the next five years, the Company expects to fund capital commitments totaling $215 million, with $85 million, $68 million, $38 million and $24 million to be paid during 2017, 2018, 2019 and 2020, respectively, with no further commitments for 2021 as of December 31, 2016.

The PartnerRe Group has committed to a 10 year structured letter of credit facility issued by a high credit quality international bank, which has a final maturity of December 29, 2020. At December 31, 2016 PartnerRe's participation in the facility was $62 million. At December 31, 2017 the letter of credit facility has not been drawn down and can only be drawn down in the event of certain specific scenarios, which the Company considers remote. Unless canceled by the bank, the credit facility automatically extends for one year, each year until maturity.

Commitments of Juventus Football Club S.p.A.

The commitments of Juventus included guarantees received from leading credit institutions of €97 million (€169 million at December 31, 2016) issued to guarantee the payables arising from the acquisition of players' registration rights (€89 million), the infrastructure works under the Agreed Executive Plan of the Continassa Area (€5 million) and other commitments (€3 million).

Operating lease contracts

The Group has entered into operating lease contracts for the right to use industrial buildings and equipment with an average term of 10-20 years and 3-5 years, respectively. At December 31, 2017 the total future minimum lease payments under non-cancellable operating lease contracts are as follows:

€ million	12/31/2017	12/31/2016	Change
Due within one year	452	364	88
Due between one and five years	942	842	100
Due beyond five years	443	432	11
Future minimum lease payments under operating lease contracts	**1,837**	**1,638**	199

During 2017 the Group recorded costs for lease payments of €427 million (€400 million in 2016).

Pending litigation and contingent liabilities

As a global group with a diverse business portfolio, the Group is exposed to numerous legal risks, particularly in the areas of product liability, competition and antitrust law, environmental risks and tax matters, dealer and supplier relationships and intellectual property rights. The outcome of any proceedings cannot be predicted with certainty. These risks arise from pending legal proceedings or requests received by the Group seeking recovery for damage to property, personal injuries and in some cases include a claim for exemplary or punitive damage. It is therefore possible that legal judgments could give rise to expenses that are not covered, or not fully covered, by insurers' compensation payments and could affect the Group's financial position and results.
The Company's reinsurance subsidiaries, and the insurance and reinsurance industry in general, are subject to litigation and arbitration in the normal course of their business operations. In addition to claims litigation, the Company and its subsidiaries may be subject to lawsuits and regulatory actions in the normal course of business that do not arise from or directly relate to claims on reinsurance treaties. This category of business litigation typically involves, among other things, allegations of underwriting errors or omissions, employment claims or regulatory activity. While the outcome of business litigation cannot be predicted with certainty, the Company will dispute all allegations against the Company and/or its subsidiaries that management believes are without merit.

FCA Group

Contingent Liabilities

Takata airbag inflators

On November 3, 2015, the U.S. National Highway Traffic Safety Administration ("NHTSA") issued the Takata Consent Order regarding Takata airbag inflators manufactured using non-desiccated Phase Stabilized Ammonium Nitrate ("PSAN") that were installed in original equipment manufacturers' vehicles. On May 4, 2016 NHTSA published an amendment to the original Takata Consent Order which expanded the scope of the original consent order to include 7.6 million additional units of non-desiccated PSAN airbag inflators, of which approximately 2 million inflator units were deferred and not yet subject to recall. In compliance with the amendment to the Takata Consent Order, on May 16, 2016 Takata submitted a Defect and Noncompliance Information Report ("DIR") to NHTSA declaring the non-desiccated PSAN airbag inflators defective. As a result, FCA US announced a recall of vehicles, assembled in NAFTA, related to the May 16, 2016 DIR, which represented approximately 5.6 million inflator units. Considering the estimated cost of the recall and the estimated participation rate of the recalls taking into account the age of the vehicles involved, FCA recognized €414 million within Cost of revenues for the year ended December 31, 2016. The charges reflected its assumptions on participation rate based on the Group's historical experience and industry data.

On January 2, 2018, Takata submitted a DIR to NHTSA declaring certain non-desiccated PSAN inflators contained in certain vehicles to be defective.

As a result of Takata's DIR, on January 9, 2018, FCA US submitted a DIR to NHTSA indicating that approximately 0.4 million units of the approximately 2 million inflator units that were deferred are now subject to recall. In accordance with IAS 10, *Subsequent Events*, and using the same assumptions based on its historical experience and industry data for the estimated participation rates taking into account the age of the vehicles involved, FCA recognized an additional provision of approximately €29 million within Cost of revenues for the year ended December 31, 2017.

The remaining 1.6 million inflator units remain deferred and not yet subject to recall. As such, no costs have been accrued. It is not anticipated that the cost associated with any potential recall would be material to FCA.

In December 2017 FCA started to inform the authorities in LATAM that preventative safety campaigns will be launched for certain non-desiccated PSAN inflators manufactured by Takata. Considering the estimated cost of the preventative safety campaign and the estimated participation rates, which take into account the age of the vehicles involved, a provision of €73 million has been recognized at December 31, 2017.

If FCA’s actual experience differs from its historical experience or industry data, this could result in an adjustment to the Takata warranty provision in the future. FCA continues to assess the condition and performance of airbag inflators supplied by Takata. While there have not been any known issues relating to the unrecalled units, as additional information, data and analysis become available and FCA continues discussions with the regulators, the number of inflator units that may become subject to recalls could be expanded. Any liability for the estimated cost for future recalls would be recognized in the period in which a recall becomes probable.

Emissions Matters

FCA has received inquiries from several regulatory authorities as they examine the on-road tailpipe emissions of several automakers’ vehicles. FCA, when it is jurisdictionally appropriate, is cooperating with a number of governmental agencies and authorities.

In particular, in Europe, FCA has been working with the Italian Ministry of Transport (“MIT”) and the Dutch Vehicle Regulator (“RDW”), the authorities that certified FCA diesel vehicles for sale in the European Union, and the UK Driver and Vehicle Standards Agency (“DVSA”). FCA also initially responded to inquiries from the German authority, the Kraftfahrt-Bundesamt (“KBA”), regarding emissions test results for its vehicles reported by KBA, and discussed the KBA reported test results, emission control calibrations and the features of the vehicles in question. After these initial discussions, the MIT, which has sole authority for regulatory compliance of the vehicles it has certified, asserted its exclusive jurisdiction over the matters raised by the KBA, tested the vehicles, determined that the vehicles complied with applicable European regulations and informed the KBA of its determination. Thereafter, mediations have been held under European Commission (“EC”) rules, between the MIT and the German Ministry of Transport and Digital Infrastructure (“BMVI”), which oversees the KBA, in an effort to resolve their differences. The mediation was concluded with no action being taken with respect to FCA. In May 2017 the EC announced its intention to open an infringement procedure against Italy regarding Italy's alleged failure to respond to EC's concerns regarding certain FCA emission control calibrations. The MIT has responded to the EC's allegations by confirming that the vehicles' approval process was correctly performed, which was borne out in material Italy provided during the mediation process.

In addition, at the request of the French Consumer Protection Agency, the French public prosecutor has been investigating diesel vehicles of a number of automakers including FCA, regarding whether the sale of those vehicles violated French consumer protection laws.

The results of these inquiries cannot be predicted at this time; however, the intervention by a number of governmental agencies and authorities has required significant management time, which may divert attention from other key aspects of FCA business plan, or may lead to further enforcement actions as well as penalties or obligations to modify or recall vehicles, any of which may have a material adverse effect on the business, results of operations and reputation.

On January 12, 2017 the U.S. Environmental Protection Agency (“EPA”) and the California Air Resources Board issued Notices of Violation related to certain software-based features in the emissions control systems in approximately 100,000 2014-2016 model year light-duty Ram 1500 and Jeep Grand Cherokee diesel vehicles.

On May 23, 2017 the Environmental and Natural Resources Division of the U.S. Department of Justice (“DOJ-ENRD”) filed a civil lawsuit against FCA in connection with the concerns raised by the EPA. The complaint alleges that software-based features were not disclosed to the EPA as required during the vehicle emissions certification process, resulting in violations of the Clean Air Act. The complaint also alleges that certain of the software features bypass, defeat or render inoperative the vehicles’ emission control systems, causing the vehicles to emit higher levels of oxides of nitrogen (NOx) during certain normal real world driving conditions than during federal emissions tests. A number of private lawsuits relating to the vehicles have been filed in U.S. state and federal courts principally on behalf of consumers asserting fraud, violation of consumer protection laws, and other civil claims, including a putative class action that is proceeding in U.S. federal court in the Northern District of California. A number of other governmental agencies and authorities, including the U.S. Department of Justice, the U.S. Securities and Exchange Commission and various states Attorneys General have commenced related investigations.

FCA has been working with the EPA and the CARB to clarify issues related to the Company’s emissions control systems technology and announced in May that it had developed updated emissions software calibrations for the model year 2017 light-duty Ram 1500 and Jeep Grand Cherokee diesel vehicles that it believes address the agencies’ concerns.

Following this, FCA continued to work with the agencies on vehicle testing and refinements to these calibrations. The 2017 model year updates include modified emissions software calibrations, with no required hardware changes, and FCA believes that the modifications do not negatively impact the fuel efficiency or performance of the vehicles. In July 2017 FCA received vehicle emissions certifications from CARB and the EPA permitting the production and sale of 2017 model year light-duty Ram 1500 and Jeep Grand Cherokee diesel vehicles in all 50 states. FCA continue to work with the EPA and CARB to seek their permission to use these modified emissions software calibrations to update the emissions control systems in 2014-2016 model year light-duty Ram 1500 and Jeep Grand Cherokee diesel vehicles.

FCA is unable to predict the outcome of these investigations and litigation at this stage and due to the range of possible outcomes, is unable to reliably estimate a range of probable losses. It is possible that the resolution of these matters may adversely affect its reputation with consumers, which may negatively impact demand for its vehicles and could have a material adverse effect on the business, financial condition and results of operations.

National Training Center

In connection with an on-going government investigation into matters at the UAW-Chrysler National Training Center, the U.S. Department of Justice has brought charges against a number of individuals including former FCA US employees and individuals associated with the UAW for, among other things, tax fraud and conspiring to provide money or other things of value to a UAW officer and UAW employees while acting in the interests of FCA US, in violation of the Labor Management Relations (Taft-Hartley) Act. FCA continues to cooperate with this investigation. Several putative class action lawsuits have been filed against FCA US in U.S. federal court alleging harm to UAW workers as a result of these acts. At this early stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Sales Reporting

On July 18, 2016 FCA confirmed that the U.S. Securities and Exchange Commission had commenced an investigation into FCA reporting of vehicle unit sales to end customers in the U.S. and that inquiries into similar issues have been received from the U.S. Department of Justice. These vehicle unit sales reports relate to unit sales volumes primarily by dealers to consumers while FCA generally recognize revenues based on shipments to dealers and other customers and not on vehicle unit sales to consumers. FCA continues to cooperate with these investigations; however their outcome is uncertain and cannot be predicted at this time. At this stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

FCA is also aware of 2 putative securities class action lawsuits pending against it in the U.S. District Court for the Eastern District of Michigan making allegations with regard to its reporting of vehicle unit sales to end consumers in the U.S. At this early stage, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Safety Recalls

On September 11, 2015, a putative securities class action complaint was filed in the U.S. District Court for the Southern District of New York against FCA alleging material misstatements regarding compliance with regulatory requirements and that it failed to timely disclose certain expenses relating to its vehicle recall campaigns. On October 5, 2016 the district court dismissed the claims relating to the disclosure of vehicle recall campaign expenses but ruled that claims regarding the alleged misstatements regarding regulatory requirements would be allowed to proceed. On February 17, 2017 the plaintiffs amended their complaint to allege material misstatements regarding emissions compliance. On November 13, 2017 the Court denied FCA motion to dismiss the emissions-related claims. At this stage of the proceedings, FCA is unable to reliably evaluate the likelihood that a loss will be incurred or estimate a range of possible loss.

Rear Impact Litigation

On July 9, 2012, a lawsuit was filed against FCA US in the Superior Court of Decatur County, Georgia, U.S. (the "Court"), with respect to a March 2012 fatality in a rear-impact collision involving a 1999 Jeep Grand Cherokee. Plaintiffs alleged that the manufacturer had acted in a reckless and wanton fashion when it designed and sold the vehicle due to the placement of the fuel tank behind the rear axle and had breached a duty to warn of the alleged danger. On April 2, 2015, a jury found in favor of the plaintiffs and the trial court entered a judgment against FCA US in the amount of U.S.$148.5 million (€141 million). On July 24, 2015, the Court issued a remittitur reducing the judgment against FCA US to U.S.$40 million (€38 million).

FCA US believes the jury verdict was not supported by the evidence or the law and appealed the Court's verdict. FCA US maintains that the 1999 Jeep Grand Cherokee is not defective, and its fuel system does not pose an unreasonable risk to motor vehicle safety. The vehicle met or exceeded all applicable Federal Motor Vehicle Safety Standards, including the standard governing fuel system integrity. Furthermore, FCA US submitted extensive data to NHTSA validating that the vehicle performs as well as, or better than, peer vehicles in impact studies, and nothing revealed in the trial altered this data. During the trial, however, FCA US was not allowed to introduce all the data previously provided to NHTSA, which demonstrated that the vehicle's fuel system is not defective.

On November 15, 2016 the Georgia Court of Appeals affirmed the Court's verdict and judgment of U.S.$40 million (€38 million). On December 23, 2016 FCA US filed a petition with the Georgia Supreme Court. Oral arguments were held on October 24, 2017. While a decision by the Georgia Supreme Court could affirm the judgment, FCA US is seeking an order from the Georgia Supreme Court to instead overturn the verdict, order a new trial, or further modify the amount of the judgment. FCA does not believe a loss, if any, will exceed the amount of the current judgment and believes it is more likely that a loss, if any, will be less than the current judgment and will be covered by existing provisions.

CNH Industrial Group

Although the ultimate outcome of legal matters pending against CNH Industrial and its subsidiaries cannot be predicted, CNH Industrial believes the reasonable possible range of losses for these unresolved legal matters in addition to the amounts accrued would not have a material effect on its consolidated financial statements.

Since January 2011, Iveco S.p.A., a wholly owned subsidiary of CNH Industrial, and its competitors have been subject to an investigation by the European Commission into certain business practices in the European Union in relation to medium and heavy trucks.

In the first quarter of 2016 the CNH Industrial Group recorded an exceptional non-tax deductible charge of €450 million ($502 million) in relation to the investigation and related matters. Since these developments on the investigation occurred on March 24, 2016, after the date of the publication of the CNH Industrial 2015 financial statements and before the approval of the EXOR 2015 financial statements, the charge was included in the EXOR 2015 consolidated financial statements. On July 19, 2016 the Commission announced a settlement with Iveco under which the Commission imposed a fine of €495 million. As a result, in the second quarter of 2016 CNH Industrial recorded an additional non-tax deductible charge of €45 million. The fine was paid on October 2016.

Following this settlement, the CNH Industrial Group have been named as defendants in current private litigation commenced in various European jurisdictions and Israel that remains at an early stage and the CNH Industrial Group expects to face further claims, the extent and outcome of which cannot be predicted at this time.

CNH Industrial N.V. is successor to Fiat Industrial S.p.A. – a company formed as a result of the demerger of Fiat S.p.A. (now "FCA") (the "Demerger").
As such, CNH Industrial N.V. continues to be liable jointly with FCA for the liabilities of FCA that arose prior to the effective date of the Demerger (January 1, 2011) and were still outstanding at that date (the "Liabilities"). This statutory provision is limited to the value of the net assets transferred to Fiat Industrial in the Demerger and survives until the Liabilities are satisfied in full. Furthermore, CNH Industrial N.V. may be responsible jointly with FCA in relation to tax liabilities, even if such tax liabilities exceed the value of the net assets transferred to Fiat Industrial in the Demerger. At December 31, 2017 the outstanding liabilities amounted to approximately €0.2 billion. CNH Industrial believes the risk of FCA's insolvency is extremely remote, and therefore, no specific provision has been accrued in respect of the above mentioned potential joint liability.

Ferrari Group

On May 4, 2016 the United States National Highway Traffic Safety Administration ("NHTSA") published an amendment (the "Amendment") to the November 3, 2015 Takata Consent Order regarding Takata airbags manufactured using non-desiccated Phase Stabilized Ammonium Nitrate ("PSAN"), expanding the scope of a prior recall under the Takata Consent Order. The recall is industry wide and replacement parts are limited as Takata is the single supplier.
In compliance with the Amendment to the Takata Consent Order, on May 16, 2016 Takata submitted a defect information report ("DIR") to NHTSA declaring the non-desiccated PSAN airbag inflators, including those sold by Takata to the Group, defective.
Although the Group was not aware of any confirmed incidents or warranty claims relating to such airbag inflators mounted in its cars or that the airbag inflators were not performing as designed, as a result of the Amendment issued by NHTSA and the DIR issued by Takata, the Group initiated a global recall relating to certain cars produced between 2008 and 2011. Following a Third Amendment to the Coordinated Remedy Order ("ACRO") published by NHTSA in December 2016 and an additional Takata DIR filed on January 3, 2017, the Group filed an additional DIR on January 10, 2017 to also include certain cars produced in 2012.
As a result of internal assessments, Ferrari decided to extend the recall campaign to include all cars produced in all model years based on priority groups and the timeline set by NHTSA.
As a result of these developments and due to the uncertainty of recoverability of the costs from Takata, an aggregate provision of €37 million was recognized within cost of sales in the year ended December 31, 2016. At December 31, 2017 the provision amounted to €35 million. Such provision reflects the current best estimate for future costs related to the entire recall campaign to be carried out by the Group.

Litigation

The provision for legal proceedings and disputes represents management's best estimate of the expenditures expected to be required to settle or otherwise resolve legal proceedings and disputes. This class of claims relate to allegations by contractual counterparties that the Group has violated the terms of the arrangements, including by terminating the applicable relationships. Judgments in these proceedings may be issued in 2018, although any such judgment may remain subject to judicial review. While the outcome of such proceedings is uncertain, any losses in excess of the provisions recorded are not expected to be material to the Group's financial condition or results of operations.

PartnerRe Group

At December 31, 2017 PartnerRe was not a party to any litigation or arbitration that it believes could have a material effect on the financial condition, results of operations or liquidity of PartnerRe.

34 Segment reporting

Reportable segments reflect the operating segments of the Group that are regularly reviewed by the Chief Executive Officer, who is the "chief operating decision maker", as defined under IFRS 8 – Operating Segments, for making strategic decisions and allocating resources and assessing performance, and that exceed the quantitative threshold provided in IFRS 8 – Operating Segments, or whose information is considered useful for the users of the financial statements.

The EXOR Group reportable segments coincide with the consolidated data of each subsidiary holding company, every one of which represents an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus Football Club and the Holdings System.

The information by reporting segment in 2017 and 2016 is as follows:

€ million	FCA	CNH Industrial	FERRARI	PartnerRe (a)	Juventus F.C.	Holdings System	Minor other, eliminations and adjustments	Consolidated
2017								
Segment revenues	110,934	24,739	3,417	5,016	540		(1,216)	143,430
Revenues from transactions with other operating segments	(547)	(329)	(321)	0	(19)		1,216	0
Revenues from external customers	**110,387**	**24,410**	**3,096**	**5,016**	**521**	**0**	**0**	**143,430**
Profit (loss) before taxes	**6,161**	**675**	**746**	**214**	**25**	**1,370**	**(1,428)**	**7,763**
Profit (loss) for the period	**3,510**	**422**	**537**	**199**	**14**	**1,392**	**(1,428)**	**4,646**
Equity attributable to owners of the parent	**20,819**	**5,696**	**779**	**5,639**	**137**	**10,804**	**(33,070)**	**10,804**
Total equity	**20,987**	**5,708**	**784**	**6,255**	**137**	**10,804**	**(13,489)**	**31,186**
2016								
Segment revenues	111,018	22,882	3,105	3,827	498		(1,262)	140,068
Revenues from transactions with other operating segments	(573)	(423)	(246)	0	(20)		1,262	0
Revenues from external customers	**110,445**	**22,459**	**2,859**	**3,827**	**478**	**0**	**0**	**140,068**
Profit (loss) before taxes	**3,106**	**(25)**	**567**	**201**	**58**	**766**	**(404)**	**4,268**
Profit (loss) for the period	**1,814**	**(335)**	**400**	**198**	**46**	**590**	**(400)**	**2,313**
Of which: Profit (loss) from discontinued operations	0	0	0	0	0	0	0	**0**
Equity attributable to owners of the parent	**19,168**	**6,283**	**325**	**6,357**	**125**	**10,983**	**(32,260)**	**10,981**
Total equity	**19,353**	**6,294**	**330**	**6,740**	**125**	**10,983**	**(13,604)**	**30,220**

(a) Consolidated from March 18, 2016.

35 Information by geographical area

The following tables present an analysis of the revenues of the Group in the various geographical markets, irrespective of the origin of the goods and services, and an analysis of the carrying amount of the non-current assets on the basis of their geographical location divided according to the significance of the individual segments.

An analysis of revenues by geographical area is as follows:

€ million	2017	**2016**	Change
Netherland	723	607	116
North America	75,662	77,900	(2,238)
Italy	11,659	11,143	516
Brazil	7,949	6,224	1,725
China	5,171	5,173	(2)
Germany	5,953	5,960	(7)
France	6,044	5,783	261
Turkey	1,852	2,084	(232)
United Kingdom	3,400	3,507	(107)
Spain	2,537	2,366	171
Argentina	2,695	2,005	690
Japan	1,318	1,220	98
Poland	1,077	1,008	69
Australia	1,573	1,434	139
Other countries	15,817	13,654	2,163
	143,430	**140,068**	3,362

The following tables present an analysis of non-current assets of the Group in the various geographical markets, on the basis of their geographical location divided according to the significance of the individual segments.

€ million	2017	2016	Change
Netherland	102	197	(95)
North America	37,011	39,189	(2,178)
Italy	17,391	17,298	93
Brazil	5,556	6,830	(1,274)
Bermude	1,081	1,534	(453)
China	1,067	1,058	9
Germany	868	900	(32)
France	1,258	1,211	47
United Kingdom	731	582	149
Spain	893	836	57
Serbia	639	660	(21)
Poland	1,337	1,288	49
Other countries	5,911	5,225	686
	73,845	76,808	(2,963)

36 Fair value measurement by hierarchy

IFRS 13 - Fair Value Measurement establishes a hierarchy that categorizes into three levels the inputs to the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1 inputs) and the lowest priority to unobservable inputs (level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement. Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at December 31, 2017.

€ million	Level 1	Level 2	Level 3	Total
Available for sale financial assets at fair value				
Investments at fair value with changes directly in other comprehensive income	3	38	27	68
Non-current securities	58		31	89
Current securities		3		3
Investments of reinsurance companies	36	10,678	1,314	12,028
Financial assets held for trading at fair value				
Current investments	46			46
Current securities	177			177
Other financial assets	61	320	30	411
Total assets at December 31, 2017	**381**	**11,039**	**1,402**	**12,822**
Other financial liabilities		(254)	(1)	**(255)**
Total liabilities at December 31, 2017		**(254)**	**(1)**	**(255)**
Available for sale financial assets at fair value				
Investments at fair value with changes directly in other comprehensive income	19	19	98	136
Non-current securities	48	12	403	463
Current securities	36	2		38
Investments of reinsurance companies	1	12,880	836	13,717
Financial assets held for trading at fair value				
Current investments	49			49
Current securities	212			212
Other financial assets	68	557	21	646
Total assets at December 31, 2016	**433**	**13,470**	**1,358**	**15,261**
Other financial liabilities		(999)	(2)	**(1,001)**
Total liabilities at December 31, 2016		**(999)**	**(2)**	**(1,001)**

Investments of reinsurance companies at fair value principally are classified as Level 2 and include: U.S. government issued bonds; U.S. state, territory and municipal entities bonds; non-U.S. sovereign government, supranational and government related bonds.

Investments classified as Level 3 include inactively traded fixed maturities, unlisted equities, fund investments, derivative instruments and other invested assets. Fair value is determined using valuation models widely accepted; the valuation technique generally used is discounted cash flow, considering counterparty credit risk.

The fair value of other financial assets and liabilities, which mainly include derivative financial instruments, is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in financial environment. In particular:

- the fair value of forward contracts and currency swaps is determined by taking the prevailing exchange rates and interest rates at the balance sheet date;
- the fair value of interest rate swaps and forward rate agreements is determined by taking the prevailing interest rates at the balance sheet date and using the discounted expected cash flow method;
- the fair value of combined interest rate and currency swaps is determined using the exchange rates and interest rates prevailing at the balance sheet date and the discounted expected cash flow method;
- the fair value of swaps and options hedging commodity price risk is determined by using suitable valuation techniques and taking market parameters at the balance sheet date (in particular, underlying prices, interest rates and volatility rates).

The following table provides the changes in items measured at fair value categorized in Level 3 in of 2017:

		Gains (losses) recognized			
€ million	**12/31/2016**	In the income statement	In other comprehensive income	Increase (decrease)	12/31/2017
Available for sale financial assets at fair value					
Investments at fair value with changes directly in other comprehensive income	97	(14)	18	(75)	26
Non-current securities	404	(120)	(4)	(248)	32
Investments of reinsurance companies	836	121		357	1,314
Financial assets held for trading at fair value					
Current securities					
Other financial assets	21	27	18	(36)	30
Total assets	**1,358**	14	32	(2)	**1,402**
Other financial liabilities	(2)			1	(1)
Total liabilities	**(2)**			1	**(1)**

In 2017 there were no transfers between Levels in the fair value hierarchy.

The gains (losses) included in the income statement are recognized in financial income (expenses) and cost of sales. The gains (losses) recognized in other comprehensive income (loss) are included in the fair value reserve and in the cash flow hedge reserve.

Assets and liabilities not measured at fair value on a recurring basis

The carrying value for current receivables and payables is a reasonable approximation of the fair value as the present value of the future cash flow does not differ significantly from the carring value.

The following table provides the carrying amount and the fair value for financial assets and liabilities not measured at fair value on a recurring basis:

	12/31/2017		12/31/2016	
€ million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Held-to-maturity investments	51	59	80	83
Dealer financing receivables	10,690	10,688	10,262	10,260
Retail financing receivables	8,739	8,881	9,863	9,756
Finance lease receivables	498	497	623	629
Other	482	482	299	299
Total assets	**20,460**	**20,607**	**21,127**	**21,027**
Financial liabilities				
Asset-backed financing	(10,943)	(10,768)	(12,074)	(11,887)
Notes	(22,103)	(23,441)	(25,487)	(27,216)
Borrowing from banks, payables represented by securities and other financial debt	(13,395)	(13,328)	(18,256)	(18,117)
Total liabilities	**(46,441)**	**(47,537)**	**(55,817)**	**(57,220)**

Held-to-maturity investments are represented by notes issued by leading counterparties, listed on active markets and therefore their fair value is categorized in Level 1.

The fair value of receivables from financing activities, which are classified within Level 3 of the fair value hierarchy, is based on the discounted value of their related cash flows at market discount rates that reflect conditions applied in various reference markets on receivables with similar characteristics, adjusted to take into account the credit risk of the counterparties.

Notes that are traded in active markets for which close or last trade pricing is available are classified within Level 1 of the fair value hierarchy. Notes for which such prices are not available, are valued at the last available price or based on quotes received from third parties and are classified in Level 2 of the fair value hierarchy. The fair value of the Senior notes of PartnerRe was calculated based on discounted cash flow models using observable market yields and contractual cash flows.

At December 31, 2017 the fair value of notes of €23,441 million is categorized principally in Level 1 (€19,428 million) and in Level 2 (€4,014 million).

The fair value of the borrowing from banks, payables represented by securities and other financial debt (€13,183 million), classified principally in Level 2, has been estimated using discounted cash flow models. The main inputs used are year-end market interest rates, adjusted for market expectations of the Group's non-performance risk implied in quotes prices of traded securities issued by the Group and existing credit derivatives on Group liabilities. The fair value of the debt that requires significant adjustments using unobservable inputs is classified within Level 3 of the fair value hierarchy.

37 Related party transactions

The entities of each consolidated Group put in place transactions with subsidiaries, joint ventures, associates and other related parties, on commercial terms that are normal in the respective markets, considering the characteristics of the goods or services involved.

Pursuant to IAS 24 the related parties of the EXOR Group are Giovanni Agnelli, the FCA Group, the CNH Industrial Group, the Ferrari Group, the PartnerRe Group and their respective unconsolidated subsidiaries, associates or joint ventures, Juventus, The Economist Group and their subsidiaries. In addition, members of the board of directors of EXOR and its parent Giovanni Agnelli and their families are also considered related parties.

Transactions carried out by the Group with unconsolidated subsidiaries, joint ventures, associates and other related parties are primarily those of a commercial nature, which have had an effect on revenues, cost of sales, and trade receivables and payables.

The most significant financial transactions with related parties generate, for the FCA Group, receivables from financing activities of the Group's financial services companies from joint ventures and asset-backed financing relating to amounts primarily due to FCA Bank for the sale of receivables which do not qualify for derecognition under IAS 39.

In accordance with IAS 24, transactions with related parties also include compensation payable to directors, statutory auditors and executives with strategic responsibilities.

The effects of transactions with related parties recognized in the consolidated income statement of the Group in 2017 and 2016 are as follows:

	2017				2016			
€ million	Net revenues	Cost of sales	Selling, general and other (income) expenses	Financial income (expenses)	Net revenues	Cost of sales	Selling, general and other (income) expenses	Financial income (expenses)
Total joint ventures	5,088	3,195	(79)	(40)	5,132	3,203	(85)	(41)
Total associates	228	60	(3)	3	216	52	(1)	(1)
Total other related parties	1	22	57	0	1	59	52	0
Total unconsolidated subsidiaries	62	8	14	(1)	58	7	11	(1)
Total related parties	5,379	3,285	(11)	(38)	5,407	3,321	(23)	(43)

Non-financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2017				At December 31, 2016			
€million	Trade receivables	Trade payables	Other assets	Other liabilities	Trade receivables	Trade payables	Other assets	Other liabilities
Total joint ventures	275	541	14	309	356	515	10	183
Total associates	26	52	12	13	57	41	2	21
Total other related parties	0	0	0	1	0	6	0	4
Total unconsolidated subsidiaries	74	12	0	0	88	19	2	2
Total related parties	375	605	26	323	501	581	14	210

Financial assets and liabilities originating from related party transactions are as follows:

	At December 31, 2017		At December 31, 2016	
€ million	Receivables from financing activities	Financial debt	Receivables from financing activities	Financial debt
Total joint ventures	391	352	144	195
Total associates	40	3	21	2
Total other related parties	0	0	0	0
Total unconsolidated subsidiaries	10	28	10	25
Total related parties	441	383	175	222

Commitments and guarantees pledged in favor of related parties of the FCA Group

At December 31, 2017 FCA Group had a take or pay commitment with Tofas with future minimum expected obligations as follows:

€ million	2018	2019	2020	2021	2022	2023 and beyond
Future minimum purchase obligations	340	276	269	250	159	-

Commitments and guarantees pledged in favor of related parties of the CNH Industrial Group

At December 31, 2017 the CNH Industrial Group has pledged guarantees on commitments of the joint venture Iveco - Oto Melara Società Consortile for an amount of €213 million (€177 million at December 31, 2016).

Compensation to directors, statutory auditors and key executives of EXOR

In 2017 compensation to the directors and statutory auditors of EXOR, for carrying out their respective functions in the Parent and in other consolidated companies, is as follows:

€ thousand	EXOR	Subsidiaries	Total
Directors	6,018	50,748	56,766
Total compensation 2017	**6,018**	**50,748**	**56,766**
Total compensation 2016	**5,965**	**45,761**	**51,726**

This amount includes the notional compensation cost arising from long term share-based compensation and stock grants awarded to the directors.

There are no key executives in EXOR.

38 Explanatory notes to the consolidated statement of cash flows

The consolidated statement of cash flows sets out changes in cash and cash equivalents during the year. As required by IAS 7 – Statement of cash flows, cash flows are separated into operating, investing and financing activities. The effects of changes in exchange rates on cash and cash equivalents are shown separately under the line item translation exchange differences.

In 2017 the Group generated positive cash flows from the operating activities for €13,390 million while cash flows used in investing activities were €10,771 million and mainly related to the investments in property, plant and equipment and intangible assets (€10,092 million).

For the year ended December 31, 2017 net cash used in financing activities was €5,955 million, primarily related to the issuance of new notes for €2,834 million, repayment of notes for €5,296 million and net reduction in other long-term debt for €3,049 million.

In 2016 the Group generated positive cash flows from the operating activities for €12,619 million while cash flows used in investing activities were €12,740 million and mainly related to the investments in property, plant and equipment and intangible assets (€10,082 million) and for to the acquisition of PartnerRe (€3,950 million, net of the cash and cash equivalents of PartnerRe acquired).

For the year ended December 31, 2016 the net increase of €1,203 million in provisions was mainly due to the increase in the warranty provision of €451 million for recall campaigns related to an industry wide recall for airbag inflators resulting from parts manufactured by Takata, an increase in accrued sales incentives primarily related to NAFTA and EMEA, as well as estimated net costs of €132 million associated with a recall for which costs are being contested with a supplier.

For the year ended December 31, 2016 other non-cash items of €177 million included €225 million of impairments, which were partially offset by other amounts that were not individually material.

For the year ended December 31, 2016 net cash used in financing activities was €5,564 million, primarily related to the issuance of new notes for €4,749 million, repayment of notes for €4,121 million and net reduction in other long-term debt for €4,870 million.

The following is a reconciliation of liabilities arising from financing activities for the year ended December 31, 2017:

	Note	€ million
At 12/31/2016		
Total financial debt	29	**55,817**
Derivatives and collateral net	30	**354**
Total Liabilities from financing activities		**56,171**
Cash flows		(5,986)
Foreign exchange effects		(3,168)
Fair value changes		(154)
Changes in scope of consolidation		(140)
Other changes		(182)
Total change		(9,630)
At 12/31/2017		
Total Debt	29	**46,441**
Derivatives and collateral net	30	**156**
Total Liabilities from financing activities		**46,285**

During the year December 31, 2017 the Group paid interest of €2,184 million and received interest of €933 million. During the year ended December 31, 2016 the Group paid interest of €1,676 million and received interest of €370 million. Amounts indicated are also inclusive of interest rate differentials paid or received on interest rate derivatives.

During the year ended December 31, 2017 the Group made income tax payments, net of refunds, totaling €1,164 million. During the year ended December 31, 2016 the Group made income tax payments, net of refunds, totaling €533 million.

39 Qualitative and quantitative information on financial risks

The Group is exposed to the following financial risks connected with its operations:

- credit risk, arising both from its normal commercial relations with final customers and dealers, and its financing activities;
- liquidity risk, with particular reference to the availability of funds and access to the credit market and to financial instruments in general;
- financial market risk (principally relating to exchange rates, interest rates and commodity prices), since the Group operates at an international level in different currencies and uses financial instruments which generate interest. The Group is also exposed to the risk of changes in the price of certain commodities, and of certain listed shares.

These risks could significantly affect the Group's financial position and results, and for this reason the Group systematically identifies, and monitors these risks, in order to detect potential negative effects in advance and take the necessary action to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with established risk management policies.

Financial instruments held by the funds that manage pension plan assets are not included in this analysis (see note 26.)

The following section provides qualitative and quantitative disclosures on the effect that these risks may have upon the Group. The quantitative data reported belowe does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place.

Credit risk

Credit risk is the risk of economic loss arising from the failure to collect a receivable. Credit risk encompasses the direct risk of default and the risk of a deterioration of the creditworthiness of the counterparty.

A receivable is considered impaired when there is objective evidence that the Group will be unable to collect all amounts due specified in the contractual terms. Objective evidence may be provided by the following factors:

- significant financial difficulties of the counterparty;
- probability that the counterparty will be involved in an insolvency procedure;
- default on installment payments by the counterparty;
- restructuring or renegotiation of open items with the counterparty;
- changes in the payment status of one or more debtors included in a specific risk category;
- other contractual breaches.

The calculation of the amount of the impairment loss is based on the risk of default by the counterparty, which is determined by taking into account all the information available as to the customer's solvency, the fair value of any guarantees received for the receivable and the Group's historical experience.

The maximum credit risk to which the Group is potentially exposed at December 31, 2017 is represented by the carrying amounts of financial assets in the financial statements and the nominal value of the guarantees provided on liabilities and commitments to third parties as discussed in note 33.

Dealers and final customers for which the Group provides financing are subject to specific assessments of their creditworthiness under a detailed scoring system; in addition to carrying out this screening process, the Group also obtains financial and non-financial guarantees for risks arising from credit granted.

These guarantees are further strengthened where possible by reserve of title clauses on financed vehicle sales to the sales network made by Group financial service companies and on vehicles assigned under finance and operating lease agreements.

PartnerRe Group
At December 31, 2017 and 2016 fixed maturity securities and short term investments totaled $12.7 billion (€10.6 billion) and $13.4 billion (€12.7 billion, respectively. Approximately 51% (2016: 58%) of PartnerRe's fixed maturity and short term investment portfolio was rated AA (or equivalent rating) or better, approximately 72% (2016: 73%) were rated A or better and 2% (2016: 3%) were rated below investment grade or not rated. PartnerRe believes this high quality concentration reduces its exposure to credit risk on fixed maturity investments to an acceptable level. PartnerRe was not exposed to any significant credit concentration risk on its investments, excluding securities issued by the U.S. government which are rated AA+. PartnerRe controls this exposure by keeping cash balances in several banks and monitors significant concentrations of credit risk in any one bank. At December 31, 2017 and 2016 cash and cash equivalents totaled $1,772 million (€1,477 million) $1,773 million (€1,682 million), respectively.

At December 31, 2017 and 2016 funds held – directly managed totaled $425 million (€354 million) and $511 million (€485 million), respectively, while funds held by reinsurance companies totaled $801 million (€668 million) and $685 million (€650 million), respectively. PartnerRe is exposed to the credit risk of its cedants in the event of their insolvency or their failure to honor the value of the funds held balances for any other reason, although this risk is mitigated in some jurisdictions by a mandatory right of offset of amounts payable to a cedants against amounts due.

Reinsurance balances receivable from PartnerRe’s cedants at December 31, 2017 and 2016 were $2,725 million (€2,272 million) and $2,492 million (€2,364 million), respectively, including balances both currently due and accrued. PartnerRe believes that credit risk related to these balances is mitigated by several factors, including but not limited to, credit checks performed as part of the underwriting process and monitoring of aged receivable balances as well as a right of set off against losses payable in the majority of cases. Provisions are made for amounts considered potentially uncollectible and the allowance for uncollectible premiums receivable at December 31, 2017 amounted to $5million (€4million), unchanged compared to 2016.

At December 31, 2017 and 2016 the balance of reinsurance recoverable on technical reinsurance reserves was $829 million (€691 million) and $332 million (€315 million), respectively which is net of the allowance provided for uncollectible reinsurance recoverables of $0 million and $12 million (€11 million). At December 31, 2017 37percent of PartnerRe’s reinsurance recoverable on technical reinsurance reserves was either due from reinsurers with an A- or better rating from Standard & Poor’s.

FCA Group
Receivables from financing activities amounting to €3,140 million at December 31, 2017 (€2,578 million at December 31, 2016) contained balances totaling €5 million (€4 million at December 31, 2016), which have been written down on an individual basis. Of the remainder, balances totaling €46 million are past due by up to one month (€34 million at December 31, 2016), while balances totaling €21 million are past due by more than one month (€19 million at December 31, 2016). In the event of installment payments, even if only one installment is overdue, the entire receivable balance is classified as overdue.

Trade receivables and other receivables amounting to €5,413 million at December 31, 2017 (€5,276 million at December 31, 2016) contain balances totaling €15 million (€9 million at December 31, 2016) which have been written down on an individual basis. Of the remainder, balances totaling €271 million are past due by up to one month (€228 million at December 31, 2016), while balances totaling €233 million are past due by more than one month (€228 million at December 31, 2016).

FCA current securities and cash and cash equivalents consist of balances spread across various primary national and international banking institutions and money market instruments that are measured at fair value, there was no exposure to sovereign debt securities at December 31, 2017 which might lead to significant risk of repayment.

CNH Industrial Group

Receivables for financing activities amounting to $19,842 million at December 31, 2017 (€16,545 million) contain balances totaling $376 million (€314 million) that have been written down on an individual basis. Of the remainder, balances totaling $263 million (€219 million) are past due by up to one month, while balances totaling $212 million (€177 million) are past due by more than one month.

Receivables for financing activities amounted to $18,662 million at December 31, 2016 (€17,704 million) and contain balances totaling $328 million (€311 million) that had been written down on an individual basis. Of the remainder, balances totaled $182 million (€173 million) were past due by up to one month, while balances totaled $250 million (€237 million) were past due by more than one month.
In the event of installment payments of loans, even if only one installment is overdue, the whole amount of the receivable is classified as overdue.

At December 31, 2017 trade receivables and other current receivables totaling $1,828 million (€1,524 million) and contain balances totaling $100 million (€83 million) that have been written down on an individual basis. Of the remainder, balances totaling $16 million (€13 million) are past due by up to one month, while balances totaling $66 million (€55 million) are past due by more than one month.

At December 31, 2016 trade receivables and other current receivables totaled $1,704 million (€1,616 million) and contain balances totaled $137 million (€130 million) that had been written down on an individual basis. Of the remainder, balances totaled $40 million (€38 million) were past due by up to one month, while balances totaling $65 million (€62 million) were past due by more than one month.

Ferrari Group

Receivables from financing activities amounting to €732,947 thousand at December 31, 2017 (€790,377 thousand at December 31, 2016) are shown net of the allowance for doubtful accounts amounting to €6,948 thousand (€11,556 thousand at December 31, 2016). After considering the allowance for doubtful accounts, €11,943 thousand of receivables were overdue (€41,594 thousand at December 31, 2016). Therefore, overdue receivables represent a minor portion of receivables from financing activities.

Receivables from financing activities relate entirely to the financial services portfolio and such receivables are generally secured on the titles of cars or by other guarantees.

Trade receivables amounting to €239,410 thousand at December 31, 2017 (€243,977 thousand at December 31, 2016) are shown net of the allowance for doubtful accounts amounting to €21,993 thousand (€19,174 thousand at December 31, 2016). After considering the allowance for doubtful accounts, €32,336 thousand of receivables were overdue (€18,567 thousand at December 31, 2016).

Juventus Football Club

Juventus Football Club has adopted suitable procedures to minimize its exposure to credit risk. Specifically, receivables due from Italian football clubs are secured through the clearing house system organized by Lega Nazionale Professionisti Serie A. Receivables due from foreign football clubs are generally secured by bank guarantees or other guarantees issued by the counterparty clubs. Fees receivable under contracts for television rights are indirectly secured by Lega Nazionale Professionisti Serie A through a minimum guarantee agreement with the advisor Infront Italy.
At December 31, 2017 the amount of receivables past due and not written down on an individual basis is €16 million, of which €8 million past due by up to one month and €8 million past due by more than one month.
At December 31, 2016 the amount of receivables past due and not written down on an individual basis was €11 million. The amount past due by up to one month was €7 million and the amount past due by more than one month was €4 million.

Holdings System

The maximum nominal exposure to credit risk to which EXOR N.V. and other companies of the Holdings System is exposed at 31 December 2017 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality. At 31 December 2017 there are no financial assets past due and not written down.

Liquidity risk

Liquidity risk is the risk if the Group is unable to obtain the funds needed to carry out its operations and meet its obligations. Any actual or perceived limitations on the Group's liquidity may affect the ability of counterparties to do business with the Group or may require additional amounts of cash and cash equivalents to be allocated as collateral for outstanding obligations.

The continuation of challenging economic conditions in the markets in which the Group operates and the uncertainties that characterize the financial markets, necessitate special attention to the management of liquidity risk. In that sense, measures taken to generate funds through operations and to maintain a conservative level of available liquidity are important factors for ensuring operational flexibility and addressing strategic challenges over the next few years.

The main factors that determine the Group's liquidity situation are the funds generated by or used in operating and investing activities, the debt lending period and its renewal features or the liquidity of the funds employed and market terms and conditions.

The Group has adopted a series of policies and procedures whose purpose is to optimize the management of funds and to reduce liquidity risk as follows:

- centralizing the management of receipts and payments where it may be economical in the context of the local civil, currency and fiscal regulations of the countries in which the Group is present;
- maintaining a conservative level of available liquidity;
- diversifying the means by which funds are obtained and maintaining a continuous and active presence in the capital markets;
- obtaining adequate credit lines; and
- monitoring future liquidity on the basis of business planning.

The Group manages liquidity risk by monitoring cash flows and keeping an adequate level of funds at its disposal. The operating cash management and liquidity investment of the Group are centrally coordinated in the Group's treasury companies, with the objective of ensuring effective and efficient management of the Group's funds. These companies obtain funds in the financial markets various funding sources.

Details of the repayment structure of the Group's financial assets, liabilities and derivative financial instruments are provided in note 30.

PartnerRe Group

PartnerRe is exposed to liquidity risk mainly through claims arising from its reinsurance contracts and payments for its debt obligations and preference shares. PartnerRe believes that its significant cash flows from operations and high quality liquid investment portfolio will provide sufficient liquidity for the foreseeable future.

PartnerRe aims to maintain sufficient liquidity at all times so that it can support its cedants by settling claims quickly. PartnerRe generates cash flows primarily from its underwriting and investment operations. PartnerRe believes that a profitable, well-run reinsurance organization will generate sufficient cash from premium receipts to pay claims, acquisition costs and operating expenses in most years. To the extent that underwriting cash flows are not sufficient to cover operating cash outflows in any year, PartnerRe may utilize cash flows generated from investments and ultimately liquidate assets from its investment portfolio. PartnerRe ensures that its liquidity requirements are supported by maintaining a high-quality, well-balanced and liquid investment portfolio, and by managing the duration of its investments with that of its net reinsurance liabilities. In the normal course of its business, the Company is a party to a variety of contractual obligations as summarized below. These contractual obligations are considered by the Company when assessing its liquidity requirements and the Company is confident in its ability to meet all of its obligations.

Contractual obligations at December 31, 2017 and December 31, 2016 were as follows:

$ million	Total	< 1 year	1-3 year	3-5 year	>5 year
Contractual obligations:					
Technical reinsurance reserves	13,035	3,761	3,309	1,596	4,369
Financial debt	1,626	39	563	22	1,002
Preferred shares	875	43	86	496	250
Other contractual obligations	444	145	186	71	42
Total contractual obligations 2017	15,980	3,988	4,144	2,185	5,663
Converted in € million	13,324	3,325	3,455	1,822	4,722

FCA Group

In 2016, in conjunction with the amendments to the credit agreements that govern the Tranche B Term Loans of FCA US entered into in March 2016, the covenants restricting the provision of guarantees and payment of dividends by FCA US for the benefit of the rest of the Group were eliminated and FCA US's cash management activities are no longer managed separately from the rest of the Group.

FCA has not provided any guarantee, commitment or similar obligation in relation to any of FCA US's financial indebtedness, nor has it assumed any kind of obligation or commitment to fund FCA US. Certain notes issued by FCA and its subsidiaries (other than FCA US and its subsidiaries) include covenants which may be affected by circumstances related to FCA US as well as certain other relevant subsidiaries, including cross-default clauses which may accelerate repayments in the event that FCA US fails to pay certain of its debt obligations.

Management believes that the group's total available liquidity, in addition to the funds that will be generated from operating and financing activities, will enable the Group to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt at the natural due dates and ensure an appropriate level of operating and strategic flexibility.

CNH Industrial Group

Management believes that the funds currently available, together with the funds that will be generated from operating and financing activities, will enable the CNH Industrial Group to satisfy its requirements resulting from its investing activities and its working capital needs and to fulfill its obligations to repay its debts at their natural due date.

Ferrari Group

Ferrari Group has established series of policies which are managed or supervised centrally by the treasury department with the purpose of optimizing the management of funds and reducing liquidity risk.
During 2015 the Ferrari Group entered into a new revolving credit facility of €500 million which was entirely undrawn at December 31, 2016 and 2017. The Group believes that the funds currently available to it, in addition to those that will be generated from operating activities, will enable Ferrari to satisfy the requirements of its investing activities and working capital needs, fulfill its obligations to repay its debt and ensure an appropriate level of operating and strategic flexibility. The Group, therefore believes there is no significant risk of a lack of liquidity

Holdings System

Outgoing cash-flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.
Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used. In this sense, EXOR N.V. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Financial market risks

Currency risk, interest rate risk, commodity price risk, shares and investment funds price risk

Due to the nature of its different businesses, the Group companies are exposed to a variety of financial market risks including foreign currency exchange rate risks, commodity price risk and interest rate risk.

Finally, the Group is exposed to the risk of a change in the price of certain equity shares and investment funds.

The Group's exposure to foreign currency exchange rate risk arises both in connection with the geographical distribution of the Group's industrial activities compared to the markets in which it sells its products, and in relation to the use of external borrowing denominated in foreign currencies.

The Group's exposure to interest rate risk arises from the need to fund industrial and financial operating activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's Net profit, thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's exposure to commodity price risk arises from the risk of changes in the price of certain raw materials and energy used in production. Changes in the price of raw materials could have a significant effect on the Group's results by indirectly affecting costs and product margins.

These risks could significantly affect the Group's financial position and results and for this reason, these risks are systematically identified and monitored, in order to detect potential negative effects in advance and take the necessary actions to mitigate them, primarily through its operating and financing activities and if required, through the use of derivative financial instruments in accordance with its established risk management policies.

The Group's policy permits derivatives to be used only for managing the exposure to fluctuations in foreign currency exchange rates and interest rates as well as commodities prices connected with future cash flows and assets and liabilities, and not for speculative purposes.

The Group utilizes derivative financial instruments designated as fair value hedges mainly to hedge:

- the foreign currency exchange rate risk on financial instruments denominated in foreign currency; and
- the interest rate risk on fixed rate loans and borrowings.

The instruments used for these hedges are mainly foreign currency forward contracts, interest rate swaps and combined interest rate and foreign currency financial instruments.

The Group uses derivative financial instruments as cash flow hedges for the purpose of pre-determining:

- the exchange rate at which forecasted transactions denominated in foreign currencies will be accounted for;
- the interest paid on borrowings, both to match the fixed interest received on loans (customer financing activity), and to achieve a targeted mix of floating versus fixed rate funding structured loans; and
- the price of certain commodities.

The foreign currency exchange rate exposure on forecasted commercial flows is hedged by foreign currency swaps and forward contracts. Interest rate exposures are usually hedged by interest rate swaps and, in limited cases, by forward rate agreements.

Exposure to changes in the price of commodities is generally hedged by using commodity swaps and commodity options. In addition, in order to manage the Group's foreign currency risk related to its investments in foreign operation, the Group enters into net investment hedges, in particular foreign currency swaps and forward contracts. Counterparties to these agreements are major financial institutions.

The effects of the changes in the assets and liabilities of consolidated companies whose functional currency is different from the Euro are recognized directly in the cumulative translation adjustment reserve, in other comprehensive income.

The following section provides qualitative and quantitative disclosures on the effect that these risks may have. The quantitative data reported below does not have any predictive value. In particular the sensitivity analysis on financial market risks does not reflect the complexity of the market or the reaction which may result from any changes that are assumed to take place. Financial instruments held by the funds that manage pension plan assets are not included in this analysis.

PartnerRe Group

Currency risk

Through its multinational reinsurance operations, PartnerRe conducts business in a variety of non-U.S. currencies, with the principal exposures being the Euro, British pound, Canadian dollar, Swiss franc and Australian dollar. As PartnerRe's reporting currency is the U.S. dollar, foreign exchange rate fluctuations may materially impact its financial results PartnerRe is generally able to match its liability funds against its net reinsurance liabilities both by currency and duration to protect against foreign exchange and interest rate risks. However, a natural offset does not exist for all currencies. For the non-U.S. dollar currencies for which PartnerRe deems the net asset or liability exposures to be material, it employs a hedging strategy utilizing foreign exchange forward contracts and other derivative financial instruments, as appropriate, to reduce exposure and more appropriately match the liability funds by currency. For PartnerRe's capital funds, including its net investment in foreign subsidiaries and branches and equity securities, it does not typically employ hedging strategies. However, from time to time it does enter into net investment hedges to offset foreign exchange volatility.

PartnerRe's gross and net exposure at December 31, 2017 to non-U.S. Dollar currencies as well as the associated foreign currency derivatives it has entered into to manage this exposure, was:

$ million	Euro	CAD	CHF	GBP	YPY	OTHER	TOTAL
2017							
Total assets	2,319	1,415	20	1,509	32	976	6,271
Total liabilities	(4,150)	(507)	(336)	(1,531)	(89)	(1,507)	(8,120)
Total gross foreign currency exposure	(1,831)	908	(316)	(22)	(57)	(531)	(1,849)
Total derivative amount	1,839	(912)	-	67	-	78	1,072
Net foreign currency exposure	8	(4)	(316)	45	(57)	(453)	(777)

Interest rate risk

PartnerRe's fixed maturity portfolio (including fixed maturity securities within the funds held - directly managed account) are exposed to interest rate risk. Fluctuations in interest rates have a direct impact on the market valuation of these securities. PartnerRe manages interest rate risk on liability funds by constructing bond portfolios in which the economic impact of a general interest rate shift is comparable to the impact on the related reinsurance liabilities. PartnerRe believes that this process of matching the duration mitigates the overall interest rate risk on an economic basis. PartnerRe manages the exposure to interest rate volatility on capital funds by choosing a duration profile that it believes will optimize the risk-reward relationship.

PartnerRe's liabilities are carried at their nominal value, and are generally not adjusted for changes in interest rates whilst fixed income investments measured at fair value reflect such changes as an increase in interest rates will result in a decrease in the fair value, while a decrease in interest rates will result in an increase in the fair value.

Sensitivity interest rate risk

At December 31, 2017 PartnerRe estimates that the hypothetical case of an immediate 100 basis points parallel shift in global bond curves would result in a change in the fair value of investments exposed to interest rate risk of $718 million (€599 million) and $737 million (€614 million) at December 31, 2016.

Credit Spread Risk

PartnerRe's fixed maturity portfolio is exposed to credit spread risk. Fluctuations in market credit spreads have a direct impact on the market valuation of these securities. PartnerRe manages credit spread risk by the selection of securities within its fixed maturity portfolio. Changes in credit spreads directly affect the market value of certain fixed maturity securities, but do not necessarily result in a change in the future expected cash flows associated with holding individual securities. Other factors, including liquidity, supply and demand, and changing risk preferences of investors, may affect market credit spreads without any change in the underlying credit quality of the security.

Sensitivity credit spread risk

At December 31, 2017 and 2016 PartnerRe estimates that the hypothetical case of an immediate 100 basis points parallel shift in global credit spreads would result in a change in the fair value of investments exposed to credit spread risk of $520 million (€433 million) and $529 million (€502 million), respectively.

Equity price risk

PartnerRe invests a portion of its capital funds in equity securities with a fair market value at December 31, 2017 and 2016 of $639 million (€533 million) and $39 million (€37 million), respectively. These equity investments are exposed to equity price risk, defined as the potential for loss in market value due to a decline in equity prices. PartnerRe believes that the effects of diversification and the relatively small size of its investments in equities relative to total invested assets mitigate its exposure to equity price risk and estimates that a 10% movement in the S&P 500 Index would result in a movement in the fair value of its equity securities of $38 million (€32 million) at December 31, 2017.

FCA Group

Currency exchange rate risk

The FCA Group is exposed to risk resulting from changes in foreign currency exchange rates, which can affect its earnings and equity. In particular:

- where a FCA Group company incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating results of that company.
- the principal exchange rates to which the FCA Group is exposed are:
  - EUR/USD relating to sales and purchases in U.S. dollars made by Italian companies (primarily for Maserati and Alfa Romeo vehicles) and to sales and purchases in Euro made by FCA US;
  - USD/CAD primarily relating to FCA US's Canada's sales of U.S. produced vehicles, net of FCA US sales of Canadian produced vehicles;
  - CNY, in relation to sales in China originating from FCA US and from Italian companies (primarily for Maserati and Alfa Romeo vehicles);
  - GBP, AUD, MXN, CHF, ARS in relation to sales in the UK, Australian, Mexican, Swiss and Argentinean markets;
  - PLN and TRY, relating to manufacturing costs incurred in Poland and Turkey;
  - JPY mainly in relation to purchase of parts from Japanese suppliers and sales of vehicles in Japan;
  - USD/BRL, EUR/BRL relating to Brazilian manufacturing operations and the related import and export flows.

The FCA Group's policy is to use derivative financial instruments to hedge a percentage of certain exposures subject to foreign currency exchange rate risk for the upcoming 12 months (including such risk before or beyond that date where it is deemed appropriate in relation to the characteristics of the business) and to hedge the exposure resulting from firm commitments unless not deemed appropriate.

FCA Group companies may have trade receivables or payables denominated in a currency different from their respective functional currency. In addition, in a limited number of cases, it may be convenient from an economic point of view, or it may be required under local market conditions, for the companies to obtain financing or use funds in a currency different from their respective functional currency.

Changes in exchange rates may result in exchange gains or losses arising from these situations. The FCA Group's policy is to hedge, whenever deemed appropriate, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the respective Group companies' functional currency.

Certain of the FCA Group's companies are located in countries which are outside of the Eurozone, in particular the U.S., Brazil, Canada, Poland, Serbia, Turkey, Mexico, Argentina, the Czech Republic, India, China, Australia and South Africa. As the Group's reporting currency is the Euro, the income statements of those entities that have a reporting currency other than the Euro, are translated into Euro using the average exchange rate for the period.

In addition, the monetary assets and liabilities of these consolidated companies are translated into Euro at the period-end foreign exchange rate. The effects of these changes in foreign exchange rates are recognized directly in the cumulative translation adjustments reserve included in other comprehensive income. Changes in exchange rates may lead to effects on the translated balances of revenues, costs and monetary assets and liabilities reported in Euro, even when corresponding items are unchanged in the respective local currency.

The FCA Group monitors its principal exposure to conversion exchange risk, and in certain circumstances, enters into derivatives for the purpose of hedging the specific risk.

There have been no substantial changes in 2017 in the nature or structure of exposure to foreign currency exchange rate risk or in the FCA Group's hedging policies.

Sensitivity analysis - currency exchange rate risk

At December 31, 2017 the potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, interest rate and currency swaps) resulting from a 10% change in the exchange rates would have been approximately €1,010 million (€1,453 million at December 31, 2016).

This analysis assumes that a hypothetical, unfavorable 10 percent change in exchange rates as at year-end is applied in the measurement of the fair value of derivative financial instruments.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not included in this analysis. It is reasonable to assume that changes in market exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies and treasuries of the FCA Group make use of external borrowings and invest in monetary and financial market instruments.

In addition, the FCA Group companies sell receivables resulting from their trading activities on a continuing basis. Changes in market interest rates can affect the cost of the various forms of financing, including the sale of receivables, or the return on investments, and the employment of funds, thus negatively impacting the net financial expenses incurred by the FCA Group.

In addition, the financial services companies provide loans (mainly to customers and dealers), financing themselves using various forms of direct debt or asset-backed financing (e.g. factoring of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating result of those companies and the FCA Group as a whole.

In order to manage these risks, the FCA Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements, when available in the market, with the object of mitigating, under economically acceptable conditions, the potential variability of interest rates on net profit or loss.

In assessing the potential impact of changes in interest rates, the FCA Group segregates fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the FCA Group consist principally of part of the portfolio of the financial services companies (principally customer financing and financial leases) and part of debt (including subsidized loans and bonds).

Sensitivity analysis – interest rate risk

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments) held at December 31, 2017, resulting from a hypothetical 10% change in market interest rates, would have been approximately €71 million (approximately €56 million at December 31, 2016).

Floating rate financial instruments consist principally of cash and cash equivalents, loans provided by the financial services companies to the sales network and part of debt. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments.

A hypothetical 10% change in short-term interest rates at December 31, 2017, applied to floating rate financial assets and liabilities, transactions for the sale of receivables and derivative financial instruments, would have resulted in increased net financial expenses before taxes, on an annual basis, of approximately €27 million (approximately €30 million at December 31, 2016).

This analysis is based on the assumption that there is an unfavorable change of 10% proportionate to interest rates levels across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

In addition, the sensitivity analysis applied to floating rate financial instruments assumes that cash and cash equivalents and other short-term financial assets and liabilities which expire during the projected 12 month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Commodity price risk

The FCA Group has entered into derivative contracts for certain commodities to hedge its exposure to commodity price risk associated with buying raw materials and energy used in its normal operations.

Sensitivity analysis – commodity price risk

In connection with the commodity price derivative contracts outstanding at December 31, 2017, a hypothetical 10% change in the price of the commodities at that date would have caused a fair value loss of €51 million (€35 million at December 31, 2016).

Future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in commodity prices will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

CNH Industrial Group

Currency risk

The CNH Industrial Group is exposed to risk resulting from changes in exchange rates, which can affect its earnings and equity. In particular:

- where a CNH Industrial Group subsidiary incurs costs in a currency different from that of its revenues, any change in exchange rates can affect the operating profit (loss) of that company. In 2017 the total net trade flows exposed to currency risk amounted to the equivalent of 17% of the CNH Industrial Group's revenue (15% in 2016). The principal exchange rates to which the CNH Industrial Group is exposed are the following:
    - USD/EUR, in relation to the production/purchases of Agricultural Equipment and Construction Equipment in the euro area and to sales in dollars made by Commercial Vehicles;
    - USD/BRL and EUR/BRL, in relation to production in Brazil and the respective import/export flows;
    - USD/AUD, mainly in relation to sales made by Agricultural Equipment and Construction Equipment in Australia;
    - EUR/GBP, predominately in relation to sales on the U.K. market.

Trade flows exposed to changes in these exchange rates in 2017 made up approximately 63% of the exposure to currency risk from trade transactions.

It is the CNH Industrial Group's policy to use derivative financial instruments to hedge a certain percentage, on average between 55% and 85%, of the forecasted trading transaction exchange risk exposure for the coming 12 months with additional flexibility to reach 0% or 100% (including risk beyond that date where it is believed to be appropriate) and to hedge completely the exposure resulting from firm commitments.

Certain CNH Industrial Group subsidiaries may hold trade receivables or payables denominated in a currency different from the functional currency of the company itself. In addition, in a limited number of cases, subsidiaries may obtain financing or use funds in a currency different from their functional currency. Changes in exchange rates may result in exchange gains or losses arising from these situations. It is the CNH Industrial Group's policy to hedge fully, whenever possible, the exposure resulting from receivables, payables and securities denominated in foreign currencies different from the subsidiary's functional currency.

Certain of the CNH Industrial Group's subsidiaries have a functional currency other than the U.S. dollar, which is the Group presentation currency. The income statements of those subsidiaries are converted into U.S. dollars using the average exchange rate for the period, and while revenues and margins are unchanged in local currency, changes in exchange rates may lead to effects on the converted balances of revenues, costs and the results reported in U.S. dollars.

The assets and liabilities of consolidated companies whose functional currency is other than the U.S. dollar may acquire converted values in U.S. dollars which differ as a function of the fluctuation in exchange rates. The effects of these changes are recognized directly in the cumulative translation adjustment reserve, included in other comprehensive income.

The CNH Industrial Group monitors its principal exposure to translation exchange risk, although there was no specific hedging in place at December 31, 2017.

There were no substantial changes in 2017 in the nature or structure of exposure to currency risk or in the CNH Industrial Group's hedging policies.

Sensitivity analysis – currency risk

The potential loss in fair value of derivative financial instruments held for currency risk management (currency swaps/forwards, currency options, interest rate and currency swaps) held by the CNH Industrial Group at December 31, 2017 resulting from a hypothetical change of 10% in the exchange rates against the U.S. dollar amounts to approximately $466 million corresponding to €389 million ($444 million corresponding to €421 million at December 31, 2016). The valuation model for currency options assumes that market volatility at year-end remains unchanged.

Receivables, payables and future trade flows whose hedging transactions have been analyzed were not considered in this analysis. It is reasonable to assume that changes in exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The manufacturing companies of the CNH Industrial Group make use of external funds obtained in the form of financing and invest in monetary and financial market instruments. In addition, the CNH Industrial Group companies sell receivables. Changes in market interest rates can affect the cost of financing, including the sale of receivables or the return on investment of funds, causing an impact on the level of net financial expenses incurred by the CNH Industrial Group.

In addition, financial services companies provides loans (mainly to customers and dealers), financing themselves primarily using various forms of external borrowings or asset-backed financing (e.g. securitization of receivables). Where the characteristics of the variability of the interest rate applied to loans granted differ from those of the variability of the cost of the financing obtained, changes in the current level of interest rates can affect the operating profit or loss of those companies and the CNH Industrial Group.

In order to mitigate these risks, the CNH Industrial Group uses interest rate derivative financial instruments, mainly interest rate swaps and forward rate agreements.

Sensitivity analysis – interest rate

In assessing the potential impact of changes in interest rates, the CNH Industrial Group separates out fixed rate financial instruments (for which the impact is assessed in terms of fair value) from floating rate financial instruments (for which the impact is assessed in terms of cash flows).

The fixed rate financial instruments used by the CNH Industrial Group consist of retail receivables, debt, ABS securities and other instruments.

The potential loss in fair value of fixed rate financial instruments (including the effect of interest rate derivative financial instruments), resulting from a hypothetical, unfavorable and instantaneous change of 10% in market interest rates, would have been approximately $36 million (€30 million) at December 31, 2017 and approximately $34 million (€32 million) at December 31, 2016.

Floating rate financial instruments consist principally of cash and cash equivalents, wholesale receivables, debt and ABS securities. The effect of the sale of receivables is also considered in the sensitivity analysis as well as the effect of hedging derivative instruments. A hypothetical change of 10% in short-term interest rates at December 31, 2017, applied to floating rate financial assets and liabilities, operations for the sale of receivables and derivative financial instruments, would have caused increased net expenses before taxes, on an annual basis, of approximately $7 million (approximately $1 million at December 31, 2016).

This analysis is based on the assumption that there is a hypothetical change of 10% in interest rates across homogeneous categories. A homogeneous category is defined on the basis of the currency in which the financial assets and liabilities are denominated.

Other risk on derivative financial instruments

The CNH Industrial Group has entered derivative contracts linked to commodity prices to hedge specific exposures on supply contracts.

Sensitivity analysis – commodity price risk

In the event of a hypothetical change of 10% in the underlying raw materials prices, the potential loss in fair value of outstanding derivative financial instruments at December 31, 2017 linked to commodity prices would have been not significant (not significant at December 31, 2016).

Ferrari Group

Currency exchange rate risk

The Group's exposure to foreign currency exchange rate risk arises from the geographical distribution of the Group's shipments, as the Group generally sells its models in the currencies of the various markets in which the Group operates, while the Group's industrial activities are all based in Italy, and primarily denominated in Euro.

The main foreign currency exchange rate to which the Group is exposed is the Euro/U.S. Dollar for sales in U.S. Dollar in the United States and other markets where the U.S. Dollar is the reference currency. In 2017 the value of commercial activity exposed to fluctuations in the Euro/U.S. Dollar exchange rate accounted for approximately 62 percent (60 percent in 2016) of the total currency risk from commercial activity. In 2017 the commercial activity exposed to the Euro/Pound Sterling exchange rate exceeded 10 percent while in 2016 such exposure was below 10 percent. Other significant exposures included the exchange rate between the Euro and the following currencies: Japanese Yen, Chinese Renminbi, Swiss Franc, Canadian Dollar and Australian Dollar. None of these exposures, taken individually, exceeded 10 percent of the Group's total foreign currency exchange rate exposure for commercial activity in 2017. It is the Group's policy to use derivative financial instruments to hedge between 50 and 90 percent of certain exposures subject to foreign currency exchange risk for up to twelve months.

Several subsidiaries are located in countries that are outside the Eurozone, in particular the United States, the United Kingdom, Switzerland, China, Hong Kong, Japan, Australia and Singapore. As the Group's reporting currency is the Euro, the income statements of those companies are converted into Euro using the average exchange rate for the period and, even if revenues and margins are unchanged in local currency, changes in exchange rates can impact the amount of revenues, costs and profit as restated in Euro.

Sensitivity analysis – currency exchange rate risk

The potential decrease in fair value of derivative financial instruments held by the Group at December 31, 2017 to hedge against foreign currency exchange rate risk, which would arise in the case of a hypothetical, immediate and adverse change of 10 percent in the exchange rates of the major foreign currencies with the Euro, would be approximately €45,439 thousand (€128,753 thousand at December 31, 2016). Receivables, payables and future trade flows for which hedges have been put in place were not included in the analysis. It is reasonable to assume that changes in foreign currency exchange rates will produce the opposite effect, of an equal or greater amount, on the underlying transactions that have been hedged.

Interest rate risk

The Group's exposure to interest rate risk, though less significant, arises from the need to fund financial services activities and the necessity to deploy surplus funds. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit (loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The Group's most significant floating rate financial assets at December 31, 2017 were cash and cash equivalents and certain receivables from financing activities (related to client and dealer financing) while 32 percent of our total debt bears a floating rates of interest. At December 31, 2017 a 10 basis point decrease in interest rates on floating rate financial assets and debt, with all other variables held constant, would have resulted in a decrease in profit before taxes of €225 thousand on an annual basis (an increase of €367 thousand at December 31, 2016).

The analysis is based on the assumption that floating rate financial assets and debt which expires during the projected 12-month period will be renewed or reinvested in similar instruments, bearing the hypothetical short-term interest rates.

Holdings System

Currency risk

At December 31, 2017 a part of the Holdings System's available-for-sale assets, assets held for trading and cash are denominated in currencies other than the Euro. All the securities have been adjusted to the year-end exchange rate.

The currency risk related to the liabilities to which EXOR is exposed regards the note issued in 2011 for Japanese yen 10 billion (€74 million) which carries a fixed rate in yen of 2.80% and a term of 20 years and the note in US dollars issued in 2016 for $170 million (€142 million) which carries a fixed rate of 4.398%.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the face amount of the bonds in Euro for the entire term of the notes.

Sensitivity analysis – currency risk

A hypothetical favorable 10% change in the exchange rates of the main foreign currencies against the Euro would produce a negative effect on profit of more than €3 million and a positive effect on equity of more than €45 million, while an unfavorable change of 10% would have a positive effect on profit of €4 million and a negative effect on equity of €55 million.

The effect of the change in exchange rates on equity is mainly attributable to a higher part of cash denominated in U.S. dollars by EXOR and several companies in the Holdings System, in order to hedge the currency risk, a non-monetary investment in foreign currency and on the financing drawn down on the remaining credit line arising from the acquisition of PartnerRe.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.1% and 6.012% for the current year.

At December 31, 2017 a sensitivity analysis was performed on cash and cash equivalents, on the bank debt and on the residual financial payables granted by Citybank and the amount is not significant.

Price risk

The Holdings System is exposed to price risk originating from available-for-sale equity investments and other financial assets, as well as financial assets held for trading.

Sensitivity analysis – price risk

Considering the exposure to price risk at the balance sheet date, if prices of securities, classified as available-for-sale equity investments and other financial assets, as well as financial assets held for trading would have been 5% higher/lower, the fair value reserve recorded in equity would have been €2 million higher/lower and the amount of fair value recognized in the income statement on securities held for trading would have been approximately €1 million higher/lower.

40 Audit Fees

The following table reports fees paid to the independent auditor Ernst & Young, or entities in their network for audit and other services to the Group:

€ thousand		2017 fees	2016 fees
Audit	Parent – Exor N.V.	170	157
	Subsidiaries	34,201	35,245
Other Services	Parent – Exor N.V.	10	148
	Subsidiaries	2,478	4,349
Total		**36,859**	**39,899**

Audit fees of Ernst & Young Accountants LLP amounted €650 thousand (2016: €637 thousand). No other services were performed by Ernst & Young Accountants LLP.

41 Subsequent events

Reference should be made to the 2017 Report on operations.

March 26, 2018

The Board of Directors:

John Elkann
Sergio Marchionne
Alessandro Nasi
Andrea Agnelli
Niccolò Camerana
Ginevra Elkann
Lupo Rattazzi
Marc Bolland
Melissa Bethell
Laurence Debroux
Anne Marianne Fentener Van Vlissingen
António Mota de Sousa Horta-Osório
Robert Speyer
Michelangelo Volpi
Ruth Wertheimer

Company Financial Statements
at 31 December 2017

EXOR N.V. - INCOME STATEMENT

€ thousand	Note	Years ended 31 December 2017	2016
Investment income			
Dividends from investments	1	**544,971**	30,000
Net investment income		**544,971**	30,000
Impairment and gain (losses) on investments			
Impairment on investments	2	**(288,947)**	0
Realized losses on investments	2	**(48,762)**	0
Impairment and gain (losses) on investments		**337,709**	0
Financial income (expenses)			
Financial expenses from third parties	3	**(91,511)**	(6,192)
Financial expenses from related parties		**(322)**	(4)
Financial income from third parties	4	**1,691**	205
Financial income from related parties	22	**1,669**	744
Gains (losses) on exchange		**647**	(1,037)
Net financial expenses		**(87,826)**	(6,284)
Net general expenses			
Personnel costs	5	**(4,350)**	(925)
Purchases of goods and services from third parties		**(10,571)**	(169)
Purchases of goods and services from related parties	22	**(12,683)**	(445)
		(27,604)	(1,539)
Revenues from third parties		**0**	156
Revenues from related parties		**433**	20
		433	176
Net general expenses		**(27,171)**	(1,363)
Non-recurring other (expenses) income and general expenses	6	**(1,572)**	(662)
Profit before income taxes		**90,693**	21,691
Income taxes	7	**21,258**	0
Profit for the year		**111,951**	**21,691**

EXOR N.V. - STATEMENT OF COMPREHENSIVE INCOME

		Years ended 31 December	
€ thousand	Note	2017	**2016**
Profit for the year		111,951	21,691
Other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods			
Gains (losses) on remeasurement of defined benefit plans		**0**	0
Related tax effect		**0**	0
Total other comprehensive income (loss) that will not be reclassified to the income statement in subsequent periods, net of tax		0	0
Other comprehensive income (loss) that may be reclassified to the income statement in subsequent periods			
Gains (losses) on cash flow hedging instruments		**768**	1,243
Gains (losses) on available-for-sale financial assets	9	**9,063**	787
Related tax effect		**0**	0
Total other comprehensive income (loss) that may be reclassified to the income statement, net of tax		9,831	2,030
Total other comprehensive income (loss), net of tax		9,831	2,030
Total comprehensive income		121,782	**23,721**

EXOR N.V. - STATEMENT OF FINANCIAL POSITION

		At 31 December	
€ thousand	Note	2017	2016
Non-current assets			
Investments accounted for at cost	8	**9,683,404**	9,554,901
Investments available-for-sale	9	**24,757**	416,921
Held-to-maturity financial instruments	10	**57,535**	0
Intangible assets		**438**	100
Property, plant and equipment		**62**	1
Other receivables		**299**	562
Total Non-current assets		**9,766,495**	9,972,485
Current assets			
Held-to-maturity financial instruments	10	**0**	26,014
Financial assets held for trading		**0**	4,348
Cash and cash equivalents	11	**9,167**	31,304
Other financial assets		**78**	991
Tax receivables	12	**3,804**	53,833
Financial receivables from related parties	22	**67,402**	0
Financial receivables from third parties		**300**	331
Trade receivables from related parties	22	**48**	503
Other receivables		**448**	510
Total Current assets		**81,247**	117,834
Total Assets		9,847,742	**10,090,319**
Equity			
Share capital	13	**2,410**	2,410
Capital reserves	13	**1,244,857**	1,244,857
Retained earnings and other reserves	13	**5,460,826**	5,448,692
Treasury stock	13	**(60)**	(65)
Profit for the year		**111,951**	21,691
Total Equity		**6,819,984**	6,717,585
Non-current liabilities			
Non-convertible bonds	15	**2,507,158**	2,531,932
Provision for tax liability	16	**0**	216,949
Other payables		**316**	396
Total Non-current liabilities		**2,507,474**	2,749,277
Current liabilities			
Non-convertible bonds	15	**14,129**	467,119
Bank debt	17	**464,143**	79,291
Financial payables to related parties	22	**0**	30,038
Other financial liabilities	18	**33,666**	28,460
Trade payables and other payables to related parties	22	**3,801**	5,046
Trade payables to third parties	19	**2,181**	8,470
Tax payables		**1,405**	3,490
Other payables		**959**	1,543
Total Current liabilities		**520,284**	623,457
Total Equity and Liabilities		9,847,742	**10,090,319**

EXOR N.V. – STATEMENT OF CASH FLOWS

		Years ended 31 December	
€ thousand	Note	2017	2016
Cash and cash equivalents, at beginning of year		**31,304**	**996**
Cash flows from (used in) operating activities			
Profit for the year		**111,951**	21,691
Adjustments for:			
Income tax released		**(21,258)**	0
Impairment and realized losses on investments	2	**337,709**	0
Other non-cash movements		**(400,177)**	0
Notional cost of EXOR stock option plan	14	**5,452**	332
Total adjustments		**(78,274)**	332
Change in working capital:			
Other financial assets, current and non-current		**913**	(129)
Tax receivables, excluding items adjusting profit for the year	12	**0**	(66)
Tax paid	16	**(145,661)**	
Trade receivables from related parties		**455**	0
Other receivables, current and non-current		**325**	(72)
Other financial receivables		**31**	(126)
Other payables, current and non-current		**(664)**	1,119
Other financial liabilities, current and non-current		**5,206**	(2,004)
Trade payables and other payables to related parties, excluding items adjusting profit		**(1,245)**	175
Trade payables to third parties		**(6,287)**	185
Tax payables		**(2,085)**	36
Provisions for risks and charges		**0**	10
Others		**(89)**	10
Change in working capital		**(149,101)**	(872)
Cash flows from (used in) operating activities		**(115,424)**	21,151
Cash flows from (used in) investing activities			
Merger with EXOR S.p.A.		**0**	682
Property, plant and equipment and intangibles assets		**(399)**	0
Investments in subsidiaries, associated and other companies	8	**(40,808)**	
Redemption of The Black Ant Value Fund and other minor	9	**355,780**	50
Change in financial receivables from related parties	22	**(67,402)**	65,256
Held-to-maturity financial instruments, current and non-current	10	**26,069**	9
Financial assets held for trading		**4,348**	11
Cash flows from (used in) investing activities		**277,588**	66,008
Cash flows from (used in) financing activities			
Issuance of bonds	15	**0**	0
Repayment of bonds	15	**(440,000)**	0
Proceeds of bank debt	17	**464,046**	0
Repayment of bank debt	17	**(78,934)**	(46,500)
Net change in short term debt and other financial assets and liabilities		**(27,548)**	(11,567)
Change in financial payables to related parties	22	**(30,038)**	(27)
Changes in fair value of cash flow hedge derivatives		**768**	1,243
Dividend paid		**(82,097)**	0
Exercise of stock option		**9,502**	0
Cash flows from (used in) financing activities		**(184,301)**	(56,851)
Total change in cash and cash equivalents		**(22,137)**	30,308
Cash and cash equivalents, at end of year		**9,167**	**31,304**

(a) Dividend received for the year ended December 31, 2017 for €135,744 thousand are included within profit before taxes.
(b) In 2017 EXOR paid interest for €99,901 thousand and received interest income for €1,311 thousand.

EXOR N.V. – STATEMENT OF CHANGES IN EQUITY

€ thousand	Share capital	Capital reserves	Treasury stock	Earnings reserves	(Loss) Profit for the year	Fair value reserve	Cash flow hedge reserve	Total Equity
Equity at 31 December 2015	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Incorporation of the company on 30 September 2015	1,008							1,008
(Loss) Profit for the year					(28)			(28)
Net changes during the year	**1,008**	**0**	**0**	**0**	**(28)**	**0**	**0**	**980**
Equity at 31 December 2015	**1,008**	**0**	**0**	**0**	**(28)**	**0**	**0**	**980**
Allocation of prior year result				(28)	28			0
Merger with EXOR S.p.A. (1)	1,402	1,244,857	(66)	5,515,195		(48,730)	(26,576)	6,686,082
Net increase corresponding to notional cost of EXOR stock option plan				379				379
Payment with treasury stock			1	6,464				6,465
Expenses related to the Merger directly recognized in equity				(41)				(41)
Total comprehensive income					21,691	786	1,243	23,720
Net changes during the year	**1,402**	**1,244,857**	**(65)**	**5,521,969**	**21,719**	**(47,944)**	**(25,333)**	**6,716,605**
Equity at 31 December 2016	**2,410**	**1,244,857**	**(65)**	**5,521,969**	**21,691**	**(47,944)**	**(25,333)**	**6,717,585**

1. Reflects the effects of the Merger. See general information on the company's business paragraph in the notes to the company financial statements.

€ thousand	**Share capital**	**Capital reserves**	**Treasury stock**	**Earnings reserves**	**Profit for the year**	**Fair value reserve**	**Cash flow hedge reserve**	**Total Equity**
Equity at 31 December 2016	**2,410**	**1,244,857**	**(65)**	**5,521,969**	**21,691**	**(47,944)**	**(25,333)**	**6,717,585**
Allocation of prior year result				21,691	(21,691)			0
Net increase corresponding to notional cost of EXOR stock option plan				6,391				6,391
Exercise of stock options			5	9,278				9,283
Dividend paid				(82,097)				(82,097)
Fair value adjustments on investments AFS reclassified to income statement						47,029		47,029
Total comprehensive income					111,951	9,063	768	121,782
Other movements				11				11
Net changes during the year	**0**	**0**	**5**	**(44,726)**	**90,260**	**56,092**	**768**	**102,399**
Equity at 31 December 2017	**2,410**	**1,244,857**	**(60)**	**5,477,243**	**111,951**	**8,148**	**(24,565)**	**6,819,984**

EXOR N.V. – NOTES TO THE COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION ON THE COMPANY'S BUSINESS

EXOR N.V. (EXOR), the "company" and together with its subsidiaries the "EXOR Group" or the "Group", was incorporated as a public limited company (*naamloze vennootschap*) under the laws of the Netherlands on 30 September 2015, registered in the Dutch Commercial Register under number 64236277, and in 2016 was designated to act as a holding company for EXOR Group.

The cross-border merger of EXOR S.p.A. with and into EXOR N.V. (the "Merger") was signed on 10 December 2016 in Amsterdam and became effective on 11 December 2016. Upon effectiveness of the Merger, the company became the holding company of the EXOR Group. Pursuant to the Merger, EXOR S.p.A. shareholders received one EXOR ordinary share for every one EXOR S.p.A. ordinary share.

From the Merger effectiveness, EXOR N.V. has acquired all assets and assumed all liabilities and other legal relationships of EXOR S.p.A. under universal title of succession: as such, all business activities, shareholdings and other assets as well as liabilities of EXOR S.p.A. have been consolidated into the company.
In accordance with IFRS (IAS 27.13), the Merger was recognized in EXOR's consolidated financial statements from 1 January 2016, while in the company financial statements it was recognized from 11 December 2016. As the Merger is a transaction in which all of the combining entities are controlled ultimately by the same party both before and after the transaction, and based on the fact that the control is not transitory, the Merger was deemed to be a transaction of entities under common control and therefore outside the scope of IFRS 3 – Business combination.

For the period from 1 January 2016 to the date of the Merger the company only incurred certain expenses, principally relating to legal and professional services and did not have any other activities.
As a result of the Merger the income statement for the year ended 31 December 2017 is not comparable with the income statement for the year ended 31 December 2016.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Date of authorization of issue

The separate financial statements at 31 December 2017 (company financial statements) were approved by the board of directors on 26 March 2018 which also authorized their publication in accordance with Dutch law. At the next shareholders meeting the board of directors will propose that the shareholders also approve the financial statements. It should be noted that the shareholders will have the possibility to request amendment if needed.

Basis of preparation

The company financial statements of EXOR have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU-IFRS") and Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements of EXOR are expressed in Euro, prepared on the going concern assumption under the historical cost convention, except where the use of fair value is required for the measurement of available-for-sale financial instruments and those held for trading.

The company financial statements were prepared using the same accounting policies as set out in the notes to the consolidated financial statements at 31 December 2017 (consolidated financial statements) except for the measurement of the investments in subsidiaries that are accounted for at cost.

The accounting policies were consistently applied to all periods presented.

Format of the company financial statements

EXOR presents the income statement using a classification based on the nature of the revenues and expenses, with the presentation of the following items that are characteristic of the company's activities taking preference: investment income (expenses) and financial income (expenses), including the effects of recurring and non-recurring transactions. In the statement of financial position the current/non-current distinction has been adopted for the presentation of assets and liabilities.

In view of the significance of the amounts involved, “non-recurring other income (expenses) and general expenses” are presented separately from “net general expenses” that are recurring and include any non-financial exceptional or non-recurring income and costs such as termination incentives, consulting fees for extraordinary investment acquisition and disposal transactions and special bonuses to directors and employees. Moreover, indirect taxes and duties are also presented separately.

The statement of comprehensive income presents the total profit or loss recognized in the income statement and increases or decreases in reserves.

The statement of cash flows is presented using the indirect method, which reconciles cash and cash equivalents at the beginning and the end of the year.

The year-end closing date is 31 December of each year and covers a period of 12 months.
The Euro is the company’s functional currency since it mainly influences cash inflows and outflows and is the functional currency of EXOR’s subsidiaries except for EXOR Nederland. The Euro is also the presentation currency.
In the notes, unless otherwise indicated, the figures are expressed in thousands of Euro.

Standards, amendments and interpretations adopted from 1 January 2017

The following amendments, which were effective from 1 January 2017, were adopted by the Group.

- Amendments to IAS 12 — Income Taxes that clarify how to account for deferred tax assets related to unrealized losses on debt instruments measured at fair value. The adoption of the amendments had no effect on the preparation of the company financial statements.
- Amendments to IAS 7 — Statement of Cash Flows, which requires companies to provide information about changes in their financing liabilities. The required disclosures have been included in the Note 15 and 17.
- Amendments to IFRS 12 - Disclosure of Interests in Other Entities, included within the Annual Improvements to IFRS Standards 2014–2016 Cycle. The adoption of the amendments had no effect on the preparation of the company financial statements.

Standards, amendments and interpretations not yet effective and not early adopted

The following new standards, amendments and interpretations have been issued by the International Accounting Standards Board (“IASB”) and adopted by the European Union, but are not yet effective for the year ended 31 December 2017, or have been issued by the IASB and not yet adopted by the European Union.

- With regards to IFRS 15 — Revenue from contracts with customers (“IFRS 15”), which was issued by the IASB in May 2014 and amended in September 2015 and which has an effective date from 1 January 2018, EXOR, given the nature of the company only activities, does not expect significant impact from the adoption of the requirements provided by IFRS 15. The standard requires a company to recognize revenue upon transfer of control of goods or services to a customer at an amount that reflects the consideration it expects to receive using a five-step process. The new standard also requires additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts.

- In July 2014, the IASB issued IFRS 9 — Financial Instruments. The improvements introduced by the new standard include a logical approach for classification and measurement of financial instruments driven by cash flow characteristics and the business model in which an asset is held, a single “expected loss” impairment model for financial assets and a substantially reformed approach for hedge accounting. The standard is effective, retrospectively with limited exceptions, for annual periods beginning on or after 1 January 2018 with earlier adoption permitted. EXOR has completed its analysis of the impact of the requirements provided by the new standard and concluded that the current accounting treatment of financial assets, financial liabilities and derivative instruments in accordance with IFRS 9 and therefore there will be no material impact on EXOR’s financial statements upon initial adoption of the standard.

- In January 2016, the IASB issued IFRS 16 — Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous leases standard, IAS 17 — Leases. IFRS 16, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by IAS 17 and instead, introduces a single lessee accounting model whereby a lessee is required to recognize assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognize depreciation of lease assets separately from interest on lease liabilities in the income statement. As IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently. IFRS 16 is effective from 1 January 2019, with early adoption allowed only if IFRS 15 is also applied. EXOR is currently evaluating the method of implementation and does not expect any impact from the adoption of this standard.

- In December 2016, the IASB issued Annual Improvements to IFRS Standards 2014–2016 Cycle which consists of amendments to three Standards: IFRS 12 — Disclosure of Interests in Other Entities, IFRS 1 — First-time Adoption of International Financial Reporting Standards (effective date of 1 January 2018) and IAS 28 — Investments in Associates and Joint Ventures (effective date of 1 January 2018). The amendments clarify, correct or remove redundant wording in the related IFRS Standard and are not expected to have a material impact upon adoption.

The following have been issued by the IASB and not yet adopted by the European Union:

- Amendments to IFRS 2 — Share-Based Payment.
- IFRIC Interpretation 22 — Foreign Currency Transactions and Advance Consideration.
- IFRIC Interpretation 23 — Uncertainty over Income Tax Treatment.
- Amendments to IFRS 9 — Financial Instruments.
- Amendments to IAS 28 — Long Term Interest in Associates and Joint venture.
- Annual Improvements to IFRS Standards 2015–2017 Cycle.

The company will adopt these new standards, amendments and interpretations based on the date of application and will evaluate their potential impacts in relation to the same date of application.

Investments accounted for at cost

Investments accounted for at cost include investments in subsidiaries and associates stated at cost.

Subsidiaries are entities over which the company has control. Control is achieved when the company has valid rights which give it the ability to use its power over the investee to affect the amount of the investor's returns.

Associates are enterprises over which the company has significant influence, as defined in IAS 28 – Investments in Associates and Joint Ventures, but not control or joint control over the financial and operating policies.

Investments in other companies include financial assets that are non-current and not destined for trading.

Under the cost method, investments are tested for impairment whenever there is an indication of impairment due to one or more events which occurred after initial recognition which have an impact on the future cash flows of the subsidiaries and associates and on the dividends which they could distribute.

If any such evidence exists, the carrying amount is reduced to its recoverable amount, usually determined on the basis of the higher of the value in use and fair value less costs to sell. Such impairment is recognized in the income statement.

For investments listed on open markets, evidence of impairment is a significant and prolonged decline in the market prices to below the cost of a subsidiary or associate, together with its continuing negative operating performance.

When the company's share of losses of a company exceeds the carrying amount of the investment, the carrying amount is reduced to nil and the share of further losses is recognized in a liability provision only to the extent that the entity has incurred legal or constructive obligations on behalf of the company.

At the end of each reporting period, the company assesses whether there is any objective evidence that an impairment loss of an investment recognized in prior years may no longer exist or may has decreased. When, subsequently, the impairment loss no longer exists or has decreased, a reversal is recognized in the income statement up to the cost of the investment.

A significant or prolonged rise in the market price of the subsidiary or associate, together with its continuing positive operating performance is considered as objective evidence.

Available-for-sale financial assets

These are measured at fair value which coincides, for listed investments, with the market price on the last day of the period. When market prices are not available, the fair value of available-for-sale financial assets is measured using appropriate valuation techniques (e.g. discounted cash flow analysis based on market information available at the balance sheet date).

Gains and losses on available-for-sale financial assets are recognized directly in other comprehensive income, net of the relative deferred taxes, until the financial asset is disposed of or is determined to be impaired. When the asset is disposed of, the cumulative gains or losses, including those previously recognized in other comprehensive income, are reclassified to the income statement for the period; when the asset is impaired, accumulated losses are recognized in the income statement.

Assessments are made regularly as to whether there is any objective evidence that a financial asset or group of assets may be impaired. If any such evidence exists, an impairment loss is recognized in the income statement for the period.

Financial assets held for trading

Financial assets held for trading include equity shares, credit instruments and other forms of investment of liquidity, as well as derivative instruments for trading.

Financial assets purchased originally for resale in the short-term are measured at year end at fair value using, for listed securities, the market price translated at the year-end exchange rate; the fair value adjustment is recorded with a corresponding entry in the income statement.

Held to maturity financial instruments

Held-to-maturity securities are assets with fixed or determinable payments and fixed maturities that the company has the positive intention and ability to hold to maturity.

Financial assets cannot be classified as held-to-maturity if, during the course of the current year or during the two preceding years, other than an insignificant amount of held-to-maturity investments has been sold or reclassified before their maturity, except sales or reclassifications that:

a) are so close to maturity or to the call option date of the financial asset that changes in the market rate of interest would not have a significant effect on the fair value of the financial asset;
b) occur after the company has received substantially all the financial assets' original principal through ordinary scheduled payments or prepayments;
c) are attributable to an isolated event that is beyond the company's control, is non-recurring and could not have been reasonably anticipated by the company.

Securities held with the intent to keep them in portfolio until maturity are recorded and measured at amortized cost, using the effective interest rate method, the rate that exactly discounts future cash flows for estimated collections (including transaction costs paid) over the expected life of the financial instrument or, if appropriate, over a shorter period.

Other financial assets

Other financial assets, except for derivative instruments, are initially recognized at fair value, which generally coincides with the acquisition cost including incidental charges. Other financial assets are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment on amounts considered uncollectible.

The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Intangible assets with indefinite useful life

Intangible assets with indefinite useful lives consist principally of brands which have no legal, contractual, competitive, economic, or other factors that limit their useful lives. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired.

Trade receivables and payables

Receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method and measured at net realizable value, that is, less provision for impairment for amounts considered uncollectible. The original carrying amount of the receivables is reinstated in subsequent years if the reasons for impairment no longer exist.

Payables are initially recognized at fair value and subsequently measured at amortized cost.

Receivables and payables in foreign currency, originally recorded at the transaction date exchange rate, are adjusted to the year-end rate and the resulting gain or loss is recognized in the income statement.

Treasury stock

The cost of any treasury stock purchased and/or held, also through subsidiaries, as a result of specific shareholder resolutions, is recognized as a deduction from equity and, therefore, the reserve offsetting treasury stock in portfolio is not shown separately. The proceeds from any subsequent sale are recognized as changes in equity.

Share-based compensation

Share-based compensation plans that may be settled by the delivery of shares are measured at fair value at the grant date. This fair value is recognized in the income statement in personnel costs on a straight-line basis over the period from the grant date to the vesting date with a corresponding entry directly in equity, based upon an estimate of the number of options that is expected to vest. Changes in fair value after the grant date have no effect on the initial measurement.

The compensation component arising from stock option plans linked to shares of EXOR N.V., whose beneficiaries are employees of other companies, is recorded as a capital contribution in favor of the subsidiaries in which the beneficiaries of the stock option plans are employees; consequently, the compensation component is recognized as an increase in the relative value of the investments, with a corresponding entry recorded directly in equity, while if beneficiaries are employees of a supplier the charges are recognized as cost of services.

Share-based compensation plans that may be settled in cash or by the delivery of other financial assets are recognized as a liability and measured at fair value at the end of each reporting period and when settled. Any subsequent changes in fair value are recognized in the income statement.

Provisions

The company records provisions when it has an obligation, legal or constructive, to a third party, when it is probable that an outflow of company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

The provisions are reviewed at every reporting date and adjusted to reflect the best current estimate. Changes in estimates are reflected in the income statement in the period in which the change occurs.

Debt

Interest-bearing debt is initially recognized at cost which corresponds to the fair value of the amount received including directly attributable costs. Debt is subsequently measured at amortized cost. The difference between amortized cost and the amount to be repaid is recognized in the income statement on the basis of the effective interest rate over the period of the loan.

Debt is classified in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce currency, interest rate and market price risks. All derivative financial instruments are measured in accordance with IAS 39 at fair value.

Derivative financial instruments qualify for hedge accounting only when at the inception of the hedge there is formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, its effectiveness can be reliably measured and it is highly effective throughout the financial reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following accounting treatment applies:

- Fair value hedge (hedge of the exposure to changes in fair value), in which the effects of the hedge are recognized in the income statement.

- Cash flow hedge (hedge of the exposure to variability in future cash flows), in which the effective portion of a gain or loss in fair value is recognized directly in other comprehensive income and the ineffective portion is recognized immediately in the income statement. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss realized to the point of termination remains in other comprehensive income and is recognized in the income statement at the same time as the underlying transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealized gain or loss held in other comprehensive income is recognized in the income statement immediately.

If hedge accounting does not apply, the gains or losses from measuring the derivative financial instrument at fair value are immediately recognized in the income statement.

Financial income and expenses, other revenues and costs

Dividends are recognized in the income statement when the paying company approves distribution, that is, when the right to receive the dividends is established. Dividends in kind are measured at the fair value of the underlying securities at the payment date.
Financial income and expenses are recorded on a prorated basis according to the rate of the effective return.
Revenues from the performance of services are recognized over the period in which the services will be provided.
Costs are recorded on the accrual basis.

Income taxes

Current and deferred income taxes are calculated according to the tax laws in force.
Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to other comprehensive income, in which case the related income tax effect is recognized directly in other comprehensive income. As a consequence of the Merger, the economic effects of the Italian exit tax were recognized in the income statement of Exor S.p.A. and therefore only in the net equity of EXOR N.V.

Foreign currency transactions

The financial statements are prepared in Euro, which is the company's functional and presentation currency.
Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign currency exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

Segment reporting

As disclosed in the consolidated financial statements (Note 35), the Group has determined that its information by segment according to IFRS 8 – Operating Segments, coincides with the consolidated data of each subsidiary holding company, every one of which represents, an investment in a major business segment: FCA, CNH Industrial, Ferrari, PartnerRe, Juventus and the Holding System. Such reportable segments are based on the information reviewed by its Chief Operating Decision Maker in making decisions regarding allocation of resources and to assess performance.

Use of estimates

The preparation of financial statements and related disclosures that conform to IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and associated assumptions are based on elements known when the financial statements are prepared, on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates.

Estimates and assumptions are reviewed periodically and the effects of any changes are recognized immediately in the income statement in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical measurement processes and key assumptions used by the company in applying IFRS which may have significant effects on the amounts recognized in the financial statements or for which there is a risk that a significant difference may arise in respect to the carrying amounts of assets and liabilities in the future relate to the measurement of investments. The Italian exit tax, estimated in 2016, has been paid in 2017.

NOTES RELATING TO THE MOST SIGNIFICANT ITEMS IN THE INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

1. Dividends from investments

€ thousand	2017	2016	Change
EXOR S.A.	470,000	30,000	440,000
CNH Industrial N.V.	40,362	0	40,362
Ferrari N.V.	28,216	0	28,216
Emittenti Titoli	6,393	0	6,393
Dividends from investments	**544,971**	**30,000**	514,971

In 2017 EXOR S.A. distributed a dividend of €470 million through the following:

- Distribution in kind of the residual stake in EXOR Nederland N.V. for €352 million, based on the fair value of EXOR Nederland at the time of distribution;
- Distribution in kind of a bond held-to-maturity for €58 million;
- Cash for the residual amount.

2. Impairment and realized losses on investments

In 2017 impairment amounts to €288,947 thousand and refers to the impairment of the investment in EXOR S.A., which has substantially concluded its mission as company with a long-term view.
On this basis, and following the dividend distribution, the net equity of EXOR S.A. approximates its fair value in accordance with IAS 36 and has been considered by the EXOR management as the recoverable amount of the investment.
Realized losses on investments amount to €48,762 thousand and principally refer to the fair value adjustments on Welltec (€47,308 thousand) previously accounted for directly in equity and reclassified to the income statement in 2017, since the investment has been accounted for as an associated after the purchases which were made during the year.

3. Financial expenses from third parties

€ thousand	2017	2016	Change
Interest on bonds	88,860	5,988	82,872
Bank fees and commission	1,917	127	1,790
Interest on bank debts	513	56	457
Other expenses	221	21	200
Financial expenses from third parties	**91,511**	**6,192**	85,319

4. Financial income from third parties

€ thousand	2017	2016	Change
Interest income and other income on held to maturity securities	251	116	135
Interest on fix-rate securities	99	13	86
Other financial income	1,341	76	1,265
Financial income from third parties	**1,691**	**205**	1,486

Other financial income mainly relate to credit risk adjustments (€603 thousand) and premium on issuance bond 2015-2025 (€685 thousand).

5. Personnel costs

These total €4,350 thousand (€925 thousand in 2016) of which €1,498 thousand related to stock option plan (€81 thousand in 2016). At the end of 2017 the number of employees was 9 (5 at the end of 2016).

6. Non-recurring other income (expenses) and general expenses

In 2017 the net non-recurring expense of €1,572 thousand refers to consulting fees for analysis of potential investments. In 2016 the net non-recurring expense of €662 thousand referred mainly to the Merger.

7. Income taxes

The positive amount of €21,258 thousand is related to the settlement in June 2017 of the liability for Italian exit tax, as described in Note 16.

The reconciliation between the income tax expense recognized in the income statement and the theoretical tax expense, calculated on the basis of the theoretical tax rate in effect in Netherlands, is as follows:

€ thousand		2017
Pre-tax profit		90,692
Tax 25%		(22,673)
Tax effect on:		
Participation exemption on dividend received		136,243
Impairment loss on investment Exor SA		(72,237)
Loss on investment Welltec A/S		(11,827)
Fair value Black Ant Value Fund		70
Non-deductible cost for stock option plan		(375)
Cash flow hedge reserve		(192)
		51,682
Unrecognized deferred tax assets on differences emerged in 2017		(29,009)
Taxes relating to prior years		21,258
Total tax (expense) income		**21,258**
	Effective tax rate	**-23.4%**
Total tax (expense) income		**21,258**

Based on the 2015 tax return filed, the draft 2016 tax return currently being prepared and the 2017 tax provisions, EXOR losses available for future offset at 31 December 2017 amount to EUR 121,625 thousand. Under current tax law, losses can be carried forward for a maximum period of nine financial years. Taking aforementioned into account, these losses can in principle be offset against taxable profits up to and including the following dates (assuming the fiscal year continues to be from 1 January through 31 December):

Expiration date	€ thousand
31 December 2024	28
31 December 2025	5,559
31 December 2026	116,038
Tax effect on:	121,625

8. Investments accounted for at cost

€ thousand	31.12.2017 % of class of shares	31.12.2017 Amount	31.12.2016 % of class of shares	31.12.2016 Amount	Change
Fiat Chrysler Automobiles N.V. - common shares	29.18	1,349,725	29.41	1,355,230	(5,505)
Fiat Chrysler Automobiles N.V. - special voting shares	91.90	0	91.90	0	0
Fiat Chrysler Automobiles N.V.		**1,349,725**		1,355,230	5,505)
CNH Industrial N.V. - common shares	26.89	1,694,530	26.92	1,694,530	0
CNH Industrial N.V. - special voting shares	92.55	0	77.33	0	0
CNH Industrial N.V.		**1,694,530**		1,694,530	0
Ferrari N.V. - common shares	22.91	677,443	22.91	677,443	0
Ferrari N.V. - special voting shares	66.52	0	66.52	0	0
Ferrari N.V.		**677,443**		677,443	0
EXOR Nederland N.V.	100.00	5,312,389	93.98	4,980,278	332,111
EXOR S.A.	100.00	457,474	100.00	746,298	(288,824)
Juventus Football Club S.p.A.	63.77	95,688	63.77	95,688	0
EXOR Investments Limited	100.00	7,341	100.00	5,162	2,179
Welltec	21.23	88,542			88,542
Other	n/a	272	n/a	272	0
Investment accounted for at cost		**9,683,404**		**9,554,901**	128,503

The changes during the year are as follows:

€ thousand	Balance at 31.12.2016	Changes in 2017 Increases	Changes in 2017 Decreases	Changes in 2017 Reclass.	Balance at 31.12.2017
Fiat Chrysler Automobiles N.V. - common shares	1,355,230			(5,505)	1,349,725
Fiat Chrysler Automobiles N.V. - special voting shares	0				0
Fiat Chrysler Automobiles N.V.	1,355,230	0	0	(5,505)	**1,349,725**
CNH Industrial N.V. - common shares	1,694,530				1,694,530
CNH Industrial N.V. - special voting shares	0				0
CNH Industrial N.V.	1,694,530	0	0	0	**1,694,530**
Ferrari N.V. - common shares	677,443				677,443
Ferrari N.V. - special voting shares	0				0
Ferrari N.V.	677,443	0	0	0	**677,443**
EXOR Nederland N.V.	4,980,278	351,637	(19,526)		5,312,389
EXOR S.A.	746,298	123	(288,947)		457,474
Juventus Football Club S.p.A.	95,688				95,688
EXOR Investments Limited	5,162	2,179			7,341
Welltec	0			88,542	88,542
Other	272				272
Investment accounted for at cost	**9,554,901**	353,939	(308,473)	83,037	**9,683,404**

The reclassification in Fiat Chrysler Automobiles common shares is related to the demerger of GEDI, as described in Note 9.

The increase in EXOR Nederland is due to the stake received as dividend in kind from EXOR S.A., net of the decrease due to the fair value hedging effect.

The decrease in EXOR S.A. is related to the impairment occurred in 2017, net of the increase related to the long-term incentive plans for employees of such company.
The increase in EXOR Investments Limited is due to a capital contribution (€1,486 thousand) and to the long-term incentive plans related to the employees of such company.

The reclassification of Welltec is related to the change in accounting treatment in accordance with IAS 28, as described in Note 9.

A comparison between the carrying amounts and trading prices of listed investments is as follows:

		Carrying amount		**Market price at 29 December 2017**	
	Number	Per share (€)	Total (€/000)	Per share (€)	Total (€/000)
Fiat Chrysler Automobiles N.V. - common shares	449,410,092	3.016	1,355,230	15.02	6,748,477
CNH Industrial N.V. - common shares	366,927,900	4.618	1,694,530	11.18	4,100,419
Ferrari N.V. - common shares	44,435,280	15.246	677,443	88.03	3,911,491
Juventus Football Club S.p.A.	642,611,298	0.149	95,688	0.76	491,533
Total			**3,822,891**		**15,251,920**

9. Investments available-for-sale

	31.12.2017		**31.12.2016**		Change
€ thousand	**% of class of shares**	**Amount**	% of class of shares	Amount	
GEDI	5.99	21,386	n/a	0	21,386
The Black Ant Value Fund	n/a	0	n/a	355,192	(355,192)
Welltec	n/a	0	13,72	56,000	(56,000)
Other	n/a	3,371	n/a	5,729	(2,358)
Available-for-sale financial assets		**24,757**		**416,921**	(392,164)

The changes during the year are as follows:

	Balance at	Changes in 2017			**Balance at**
€ thousand	31.12.2016	Increases	Decreases	Reclass.	**31.12.2017**
GEDI		15,881		5,505	21,385
The Black Ant Value Fund	355,192		(355,192)		0
Welltec	56,000	32,542		(88,542)	0
Other	5,729	60	(2,418)		3,371
Available-for-sale financial assets	**416,921**	48,483	(357,610)	(83,037)	**24,757**

In 2017 following the conclusion of FCA's demerger of GEDI, EXOR received 4.28% of GEDI's share capital. EXOR also purchased on the market 1.71% of GEDI share capital for a total amount of €6.8 million.

In 2017 EXOR received €353.5 million on reimbursement of the entire investment in The Black Ant Value Fund.

In 2017 EXOR acquired 7.51% of Welltec for a total consideration of €32.5 million. After this operation EXOR held 21.23% and consequently the investment is accounted for in investments at cost, in accordance with IAS 28. The fair value reserve (€47,308 thousand) previously accounted for directly in equity has been reclassified to the 2017 income statement following the adoption of IAS 28.

10. Held-to-maturity financial instruments – current and non-current

These amount to €57,535 thousand and are represented by bonds issued by leading counterparties, maturing after 12 months. The bonds are measured at amortized cost.

At 31 December 2016 they amounted to €26,014 thousand and were represented by bonds matured in 2017.

11. Cash and cash equivalents - current

These amount to €9,167 thousand (€31,304 thousand at 31 December 2016) and represent current account bank balances in Euro, repayable on demand and cash deposited at leading credit institutions. The associated credit risks should be considered limited since the counterparties are leading financial institutions.

12. Tax receivables - current

€ thousand	31.12.2017	31.12.2016	Change
Tax receivable of previous years, requested to be repaid	3,804	0	3,804
Tax receivable arising from substitute tax	0	46,949	(46,949)
Italian IRES tax advance	0	3,706	(3,706)
Italian IRES CFC tax advance	0	2,612	(2,612)
Other	0	566	(566)
Total	**3,804**	**53,833**	(50,029)

At 31 December 2016 the tax receivable of €46,949 thousand was related to the substitute tax paid in past years that had been recognized in the context of Italian exit tax. During the 2017 the receivables has been partially used for the payment of the Italian exit tax and for the residual portion has been requested to be repaid.

13. Equity

Share capital

At 31 December 2017 the total issued capital of EXOR N.V. was equal to Euro 2,410,000, divided into no. 241,000,000 shares each with a nominal value of Euro 0.01.

EXOR N.V. adopted a loyalty voting structure designed to incentivize long-term share ownership, on the basis of which for each EXOR N.V. ordinary share held without interruption for a period of five years, shareholders will be entitled to five voting rights at the end of that period, and for each EXOR N.V. ordinary share held without interruption for a period of ten years, shareholders will be entitled to ten voting rights at the end of that period. No special voting shares had been issued at the Merger date and none are outstanding at 31 December 2017.

Reserves

At 31 December 2017 the company does not have any legal, statutory or non-distributable reserves, except for the fair value reserve.

€ thousand	31.12.2017	31.12.2016	Change
Capital Reserves	**1,244,857**	**1,244,857**	0
Earnings reserves and other reserves			
Retained earnings	5,452,065	5,502,421	(50,356)
Stock option reserve	25,178	19,548	5,630
	5,477,243	5,521,969	(44,726)
Fair value reserve	8,148	(47,944)	56,092
Cash-flow hedge reserve	(24,565)	(25,333)	768
Earnings reserves and other reserves	**5,460,826**	**5,448,692**	12,134
Total reserves	**6,705,683**	**6,693,549**	12,134

Reconciliation of equity and net profit

The reconciliation of equity as per the consolidated financial statements to equity as per the company financial statements is provided below.

€ million	31.12.2017	31.12.2016
Equity attributable to owners of the parent in the consolidated financial statements	**10.805**	**10,982**
Difference between the carrying amounts of investments and the corresponding equity at year-end, net of consolidation adjustments	(4.264)	(2,673)
Change in other comprehensive income reserve in the consolidated financial statements	1.626	(240)
Share of the (profit) loss of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(1.283)	(1,358)
Other adjustments	(64)	7
Equity in the company financial statements	**6,820**	**6,718**

The reconciliation of net profit as per the consolidated financial statements to net profit/loss as per the company financial statements is provided below.

€ million	2017	2016
Net profit attributable to owners of the parent in the consolidated financial statements	**1,392**	**589**
Share of the profit (loss) of consolidated companies and companies accounted for by the equity method, net of consolidation adjustments	(1,283)	(1,358)
Profit of EXOR S.p.A. for the period 1/1-10/12/2016		(422)
Dividends received from consolidated companies and companies accounted for by the equity method	684	904
Adjustments of gains/losses on disposals and impairments and reversals of investments	(682)	302
Other adjustments	1	7
Net profit in the company financial statements	**112**	**22**

Treasury stock

At 31 December 2017 EXOR holds the following treasury stock:

	Amount			% of class
	No. of shares	Per share (€)	Total (€ thousand)	
Ordinary shares				
Balance in connection with the Merger	6,631,896		66.3	2.75
Payment to supplier	(158,859)		(1.6)	0.07
Balance at 31 December 2016	**6,473,037**	**0.01**	**64.7**	**2.69**
Ordinary shares				
Exercise of stock options	(483,180)		(4.8)	-0.20
Delivery of stock grant to Board members	(12,162)		(0.1)	-0.01
Balance at 31 December 2017	**5,977,695**	**0.01**	**59.8**	**2.48**

14. Long-term incentive plans

Stock Option Plan 2008-2019

The Stock Option Plan EXOR 2008-2019 has 4,154,717 options granted and exercisable corresponding to 1,101,000 EXOR ordinary shares at a price of €19.97 per share. The cumulative cost of the plan amount to €7,306 thousand and no cost has been recorded in 2017, since the vesting period ended on May 2016.

Long-term incentive plans

The EXOR S.p.A. shareholders' meeting held on 29 May 2012 approved an incentive plan intended as an instrument for long-term incentive and composed in two parts:

- the first part of the plan, denominated "Long Term Stock Grant", provides for a total of 400,000 rights to be granted to originally 31 beneficiaries; this allows them to receive a corresponding number of EXOR ordinary shares at the vesting date set for 2018, subject to continuation of a professional relationship with the company and with the companies in the Holdings System.

  At 31 December 2017 the cumulative cost of the plan amount to €1,200 thousand, the beneficiaries are 14 for a total of 119,790 options granted (of which 8,000 options for employees of the Holdings System).

The cost recognized in 2017 in the stock option reserve amounts to €414 thousand, including €387 thousand classified as personnel costs and €27 thousand relating to employees of companies in the Holdings System recognized as an increase in the carrying amount of the investment in EXOR S.A.;

- the second part of the plan, denominated "Company Performance Stock Options", provides for a total of 3 million options to be granted to the Chairman and Chief Executive Officer of the company and to other beneficiaries; this allows them to purchase a corresponding number of EXOR ordinary shares at a price of €16.59 per share and €16.62 respectively. The vesting period of the options is from 2014 to 2018 in annual lots of the same number that are exercisable from the time they vest until 2021, subject to reaching performance targets and continuing a professional relationship with the company and with the companies in the Holdings System. The performance targets will be considered to have been reached when the annual variation in EXOR's NAV is higher than the change in the MSCI World Index in Euro, in the year preceding that of vesting.

The composition of the "Company Performance Stock Option" is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR N.V.	450,000	1,625	271
Key employees	493,200	1,905	322
Key employees of companies in the Holdings System	24,000	85	14
Total	**967,200**	**3,615**	**607**

The cost referring to the year recorded in the stock option reserve amounts to €607 thousand, including €271 thousand classified as compensation to the Chairman and Chief Executive Officer and €322 thousand as personnel costs. The cost relating to the key employees of companies in the Holdings System (€14 thousand) was recognized as an increase in the carrying amount of the investment in EXOR S.A.

Stock Grant Plan for independent directors

The plan was directed to independent directors as an alternative to the cash remuneration established by the shareholders' meeting. The plan provided for the free grant of a maximum of 70,000 EXOR shares to all directors that joined the plan subject to continuing the appointment as director at the vesting date set in 2018, concurrently with the date of the shareholders' meeting that will approve the 2017 financial statements.
At 31 December 2016 the options granted were 21,024. The cost of the plan, recognized in the stock option reserve and in the income statement, amounted to €238 thousand and was classified as compensation to the directors. The plan expired on 30 May 2017, date of the 2017 shareholder's meeting that appointed a new board remunerated in cash. The cost since the expiration date amounted to €123 thousand.

Stock Option Plan EXOR 2016

The Stock Option Plan EXOR 2016 has a maximum of 3,500,000 options corresponding to the same number of shares. The number of stock option granted at 31 December 2017 is 2,934,197 exercisable at a price of €32.38 per share.

The composition of the plan is as follows:

€ thousand	Number of options granted	Total cost of Plan	Cost referring to the year
Chairman and Chief Executive Officer of EXOR N.V.	2,013,950	17,959	3,586
Key employees	430,362	3,551	789
Key employees of companies in the Holdings System	434,935	3,878	774
Employees of supplier companies	54,950	490	98
Total	**2,934,197**	**25,878**	**5,247**

The cost referring to the year recorded in the stock option reserve amounts to €5,247 thousand (€297 thousand in 2016) including €3,586 thousand (€206 thousand in 2016) classified as compensation to the Chairman and Chief Executive Officer, €789 thousand (€41 thousand in 2016) as personnel costs and €98 thousand (€5 thousand in 2016) as service costs.

The cost relating to the key employees of companies in the Holdings System (€774 thousand in 2017 and €45 thousand in 2016) was recognized as an increase in the carrying amount of the investment in EXOR S.A. and EXOR Investments Limited for €81 thousand and €693 thousand respectively.

All the share based incentive plans will be serviced exclusively by treasury stock without any new share issues and therefore will not have any dilutive effect on issued capital.

15. Non-convertible bonds

Issue date	Maturity date	Issue price	Coupon	Rate	Nominal value	Balance at (€/000)	
						31/12/2017	**31/12/2016**
12-Jun-07	12-Jun-17	99.554	Annually	Fixed 5.375%	€440,000	**0**	452,956
16-Oct-12	16-Oct-19	98.136	Annually	Fixed 4.750%	€150,000	**150,663**	150,225
12-Nov-13	12-Nov-20	99.053	Annually	Fixed 3.375%	€200,000	**200,014**	199,724
3-Dec-15	2-Dec-22	99.499	Annually	Fixed 2.125%	€750,000	**746,498**	745,547
8-Oct-14	8-Oct-24	100.090	Annually	Fixed 2.500%	€650,000	**652,528**	652,380
7-Dec-12	31-Jan-25	97.844	Annually	Fixed 5.250%	€100,000	**103,291**	103,121
22-Dec-15	22-Dec-25	100.779	Annually	Fixed 2.875%	€450,000	**451,883**	452,183
20-May-16	20-May-26	99.650	Annually	Fixed 4.398%	$170,000	**141,827**	161,379
9-May-11	9-May-31	100.000	Semiannually	Fixed 2.800% (a)	¥10,000,000	**74,583**	81,536
Total						**2,521,287**	**2,999,051**

a) To protect against currency fluctuations, a hedging transaction was put in place using a cross currency swap. The cost in Euro is fixed at 6.012% per year.

On 12 June 2017 EXOR repaid an amount of €440 million related to the residual amount outstanding of EXOR non-convertible bonds 2007-2017 using a combination of available liquid resources and bank debt.

The bonds contain covenants that are common in international practice for bond issues of this type. In particular, they contain negative pledge clauses (which require that the bonds benefit from any existing or future pledges of assets of the issuer granted in connection with other bonds or debt securities having the same ranking) and provide for periodic disclosure.
The 2011-2031 bonds also establish other covenants such as respecting a ratio between financial debt and net asset value (0.5) calculated in accordance with bond issuance prospectus and the and maintaining a rating by one of the major agencies. Non-compliance with these covenants allows the bondholders to ask for the immediate redemption of the bonds.
Standard events of default are envisaged in the case of serious non-fulfillment such as failure to pay interest. These covenants were complied with at 31 December 2017.
Finally, a change of control of EXOR would give the bondholders the right to ask for early redemption of the bonds.

The bonds were rated BBB+ by Standard & Poor's, in line with EXOR N.V.'s long-term debt rating.

EXOR intends to repay the bonds in cash at maturity using available liquid resources. However EXOR may from time to time buy back bonds on the market also for purposes of their cancellation. Such buybacks, if made, depend upon market conditions, EXOR's financial situation and other factors which could affect such decisions.

Reconciliation of changes in bonds may be analyzed as follows:

€ thousand	
Total at 1 January 2017	**2,999,051**
Cash flows	(467,316)
Foreign exchange effects	(26,494)
Fair value changes	0
Other changes	16,046
Total at 31 December 2017	**2,521,287**

16. Provision for tax liability

The provision amounted to €216,949 thousand at 31 December 2016 and represented the best estimate, made on the basis of the information available, of the charge for the Italian exit tax. The amount was estimated by EXOR S.p.A. based on the income taxes of the last period for EXOR S.p.A. as an Italian tax resident company (1 January 2016 – 10 December 2016) and on the other net gain resulting from the net assets deemed to be realized at the fair market value under Italian tax law.

In June 2017 EXOR paid €145,661 thousand, net of tax receivables for €51,813 thousand. In the context of the preparation of the tax return EXOR updated the estimate and recognized in the income statement a profit of €21,258 thousand.

17. Bank debt

At the end of 2017 bank debt amounts to €464,143 thousand (€79,291 thousand at 31 December 2016) and consist of secure short-term credit lines drawn.

At 31 December 2017 the company has credit lines in Euro for €922 million, of which €572 million is revocable and €350 million is irrevocable. The expiration dates of such irrevocable credit lines are from 2 to 5 years. At 31 December 2016, the company had credit lines in Euro for €948 million, of which €558 million is revocable and €390 million is irrevocable. The expiration dates of such irrevocable credit lines are €40 million within 1 year and €350 million from 2 to 5 years.

The company also has credit lines in foreign currency for a total of $90 million (€75 million) due after 31 December 2018, not drawn down.

The loan contracts relating to irrevocable credit lines provide for covenants to be observed that are typical of the practices in the sector for this type of debt. In particular, some of the main covenants on certain contracts refer to periodical disclosure obligations, prohibition of new real guarantees on the assets of the company without the consent of the creditor and non-subordination of the credit line.

Finally, clauses provide for early repayment in the event of serious default such as failure to pay interest or events that are especially detrimental such as insolvency proceedings.

In the event of a change of control of EXOR, some lender banks would have the right to ask for the early repayment of the irrevocable credit lines for a total of €250 million, which however were unutilized at 31 December 2017.

EXOR N.V. provided a guarantee to the subsidiary EXOR Nederland N.V. for an irrevocable credit line in foreign currency for a residual amount of $300 million for the purchase of PartnerRe. This line provides for covenants such as respecting a maximum debt limit in relation to the amount of the portfolio and maintaining a rating by one of the major agencies. Non-compliance with these covenants would imply the immediate revocation of the line in question by the lending banks.

Reconciliation of changes in bank debts may be analyzed as follows:

€ thousand	
Total at 1 January 2017	**79,291**
Cash flows	384,880
Foreign exchange effects	(28)
Fair value changes	0
Other changes	0
Total at 31 December 2017	**464,143**

18. Other financial liabilities

These amount to €33,666 thousand (€28,460 thousand at 31 December 2016), of which €33,192 thousand (€27,595 thousand at 31 December 2016) refer to the fair value of the cross currency swap related to the bond in Yen and €85 thousand (€381thousand at 31 December 2016) to fees and commission on undrawn credit lines.

19. Trade payables to third parties

These amount to €2,181 thousand (€8,470 thousand at 31 December 2016) and refer to trade payables to suppliers due within one year.

20. Fair value measurement

IFRS 13 establishes a hierarchy that categorizes into three levels the inputs of the valuation techniques used to measure fair value by giving the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.
Levels used in the hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the assets and liabilities.

Assets and liabilities that are measured at fair value on a recurring basis

The following table shows the fair value hierarchy for financial assets and liabilities that are measured at fair value on a recurring basis at 31 December 2017:

€ thousand	Note	Level 1	Level 2	Level 3	**Total**
Assets at fair value					
Non-current assets					0
Available-for-sale financial assets	9	21,386		3,371	24,757
Current assets					0
Financial assets held for trading					0
Other financial assets					0
Total assets		**21,386**	**0**	**3,371**	**24,757**
Liabilities at fair value					
Current liabilities					0
Other financial liabilities	18		33,192		33,192
Total liabilities		**0**	**33,192**	**0**	**33,192**

In 2017 there were no transfers between Levels in the fair value hierarchy.

When market quotations are not available for measuring the fair value of financial assets available-for-sale and held for trading, the market rates have been used, adjusted where necessary to take into account the credit quality of the counterparty, as well as the fund quotations (NAV) provided by the managers of the same funds, and valuation models widely accepted; the valuation technique generally accepted is discounted cash-flow, considering counterparty credit risk.

The fair value of other financial liabilities that are composed of derivative financial instruments is measured by taking into consideration market parameters at the balance sheet date and using valuation techniques widely accepted in the financial business environment. In particular, the fair value of cross currency swaps is determined using the discounted cash flow method, by taking the prevailing exchange rates and interest rates at the balance sheet date, adjusted, where necessary, to take into account EXOR's credit quality.

Assets and liabilities not measured at fair value on a recurring basis

The nominal value of cash and cash equivalents usually approximates fair value due to the short duration of these instruments which include mainly bank current accounts and time deposits.
For financial instruments represented by short-term receivables and payables, for which the present value of future cash flows does not differ significantly from the carrying amount, it is assumed that the carrying amount is a reasonable approximation of the fair value. In particular, the carrying amount of trade receivables and payables and other current assets and liabilities approximates their fair value.

The following table represents the carrying amount and fair value for the most relevant categories of financial assets and liabilities not measured at fair value on a recurring basis:

		31/12/2017		31/12/2016	
€ thousand	Note	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Held-to-maturity investments	10	57,535	56,498	26,014	26,156
Other financial assets		78	78	991	991
Total assets		**57,613**	**56,576**	**27,005**	**27,147**
Financial liabilities					
Non-convertible bonds	15	2,521,287	2.753,881	2,999,051	3,187,970
Other financial liabilities	18	474	474	865	865
Total liabilities		**2,521,761**	**2,754,355**	**2,999,916**	**3,171,795**

Held-to-maturity investments are represented by bonds issued by leading counterparties (maturing in 2022), are quoted on active markets and therefore their fair value is categorized in Level 1.

Non-convertible bonds are listed in active markets and their fair value is measured with reference to year-end quoted prices and therefore they are classified within Level 1 of the fair value hierarchy, with the exception of the unlisted Japanese yen bond issue (nominal equivalent amount at 31 December 2017 equal to €74,069 thousand) maturing in 2031 classified in Level 2 of the fair value hierarchy, whose fair value was measured by using a discounted cash flow model.

21. Information on financial risks

Credit risk

The maximum nominal exposure to credit risk to which EXOR N.V. is exposed at 31 December 2017 is represented by the carrying amounts of financial assets in the financial statements. Nevertheless, the company seeks to mitigate such risk by investing a part of its liquidity in securities issued by leading bank and corporate counterparties selected according to their credit quality. At 31 December 2017 there are no financial assets past due and not written down, as was at 31 December 2016.

Liquidity risk

Outgoing cash-flows from current operations are funded mostly by incoming flows from ordinary activities and cash availability.

Liquidity risk could thus arise only in the event of investment decisions in excess of cash availability which are not preceded by sufficient liquidation of assets or by the availability of suitable sources of funding that can be readily used. In this sense, EXOR N.V. operates so as to have irrevocable credit lines available with expiration dates and amounts consistent with its investment plans.

Market risk

EXOR N.V. is principally exposed to currency, interest rate and price risks.

Currency risk

At 31 December 2017 a portion of receivables from related parties (€25.7 million) and cash and cash equivalents (€0.3 million) are denominated in currencies other than Euro (principally GBP). All receivables and securities are adjusted to year-end exchange rates. At 31 December 2016 a portion of available-for-sale financial assets (€56 million), financial asset held for trading (€0.1 million) and cash and cash equivalents (€0.1 million) were denominated in currencies other than Euro (principally US dollars) and aligned to year-end exchange rate.

The currency risk related to the liabilities to which EXOR is exposed regards the note issued in 2011 for Japanese yen 10 billion (€74 million at 31 December 2017, €83 million at 31 December 2016) which carries a fixed rate in yen of 2.80% and a term of 20 years and the note in US dollars issued in 2016 by EXOR S.p.A. for $170 million (€142 million at 31 December 2017, €161 million at 31 December 2016) which carries a fixed rate of 4.398% and a term of 10 years.

In order to protect itself from the effects of fluctuations in the €/Yen exchange rate, EXOR put in place a cross currency swap with a leading credit institution as a result of which EXOR will pay a fixed rate of 6.012% on the Euro equivalent face amount of Yen note for its entire term.

Sensitivity analysis for currency risk

Considering currency risk exposure at the reporting date, if exchange rate had been 5% favorable or unfavorable, the assets in in foreign currencies (principally in GBP) would be €7,489 thousand higher or €6,127 thousand lower and the note in US dollars would be €12,886 thousand lower or €15,750 thousand higher.

Interest rate risk

The analysis of debt by interest rate shows that the rates are between 0.1% and 6.012% for the current year. At 31 December 2017 there is no bank debt exposed to interest rate risk (€47 million at 31 December 2016).

Price risk

EXOR is exposed to price risk originating from investments in the capital of other companies that are held for trading or for strategic purposes; such investments are classified in the following categories:

- investments accounted for at cost
- available-for-sale financial assets

Sensitivity analysis for price risk

Considering price risk exposure at the reporting date, if the prices of securities, classified as available-for-sale financial assets had been 5% higher or lower, the available-for-sale securities reserve would be €1,069 thousand higher or lower.

22. Related party transactions

With regard to the year 2017, the transactions between EXOR N.V. and the related parties identified in accordance with IAS 24 have been carried out in compliance with applicable laws, on the basis of the principle of reciprocal economic gain.

Related party transactions include the following payables and receivables:

a) Financial receivables related to a loan granted to Almacantar (associate investment of PartnerRe, owned indirectly through EXOR Nederland) for GBP 22.8 million (€25.7 million) including interest at 12.3% (€1.6 million).
b) Financial receivables related to a loan granted to EXOR Nederland for $50 million (€41.7 million) including interest at 2.2% (€35 thousand).
c) Trade receivables (€48 thousand) related to corporate services and compensation for members of corporate boards.
d) Trade and other payables (€3.8 million) related to accounting, IT and logistic services and the compensation to the Board of Directors.

The economic effects of related party transactions are as follow:

a) Dividends received from EXOR S.A. for €470 million, CNH Industrial N.V. for €40.4 million, Ferrari N.V. for €28.2 million.
b) Services received from subsidiaries amount to €5,511 thousand related to accounting, IT and logistic services and €873 thousand for consulting related to investments.
c) Board members and Chairman and Chief Executive Officer compensation for €759 thousand and €5,543 thousand respectively.
d) Interest income on the loan granted to Almacantar for €1.6 million and on the loan granted to EXOR Nederland for €35 thousand.

23. Earnings per share

Earnings per share information is provided in Note 11 to the consolidated financial statements.

24. Audit fees

Audit fee information is provided in Note 41 to the consolidated financial statements.

25. Remuneration

Information on the remuneration of the members of the board of directors is included in the Corporate Governance and Remuneration of Directors sections of the Annual Report.

26. Commitments and contingencies

As disclosed in Note 17 above, EXOR N.V. provided a guarantee to the subsidiary EXOR Nederland N.V. for an irrevocable credit line in foreign currency for a residual amount of $300 million (completely draw down at 31 December 2017) for the purchase of PartnerRe.

27. Subsequent events

The company has evaluated subsequent events through 26 March 2018, which is the date on which the financial statements at 31 December 2017 were authorized for issue.

On 18 January 2018 EXOR finalized the issue of bond for a nominal amount of €500 million, maturing January 2028, with a fixed annual coupon of 1.750% and an effective yield to maturity of 1.914%.
The purpose of the issue is to raise new funds for EXOR's general corporate purposes, including the repayment of certain loan facilities of the company. The bond is listed on the Luxembourg Stock Exchange and assigned a credit rating of BBB+ by Standard and Poor's rating agency.

On 15 February 2018 EXOR finalized the issue of bond for a nominal amount of €200 million, maturing on 15 February 2038, with a fixed annual coupon of 3.125%, with the purpose to refinance the short-term debt. The bond, with a credit rating of BBB+ by Standard and Poor's rating agency, is listed on the Luxembourg Stock Exchange MTF Market.

Based on the proposals made by the boards of the subsidiary CNH Industrial and Ferrari, EXOR expects to receive in 2018 dividends, respectively, for € 51.4 million and € 31.5 million.

On 26 March 2018, the Board of Directors approved a distribution to the holders of common shares of €0.35 per common share, corresponding to a total distribution to shareholders of approximately €82,275 thousand. The distribution will be made from the annual profit for (€111,951 thousand). The distribution remains subject to the adoption of the company's 2017 annual accounts at the annual general meeting of shareholders to be held on 29 May 2018.

26 March 2018

The Board of Directors

John Elkann

Sergio Marchionne

Alessandro Nasi

Andrea Agnelli

Niccolò Camerana

Ginevra Elkann

Lupo Rattazzi

Marc Bolland

Melissa Bethell

Laurence Debroux

Anne Marianne Fentener van Vlissingen

António Mota de Sousa Horta-Osório

Robert Speyer

Michelangelo Volpi

Ruth Wertheimer

EXOR N.V. – OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

The report of the Company's independent auditor, Ernst & Young Accountants LLP, the Netherlands, is set forth at the end of this Annual Report.

DIVIDEND

Dividends will be determined in accordance with articles 28 and 29 of the Articles of Association of EXOR N.V. The relevant provisions of the Articles of Association read as follows:

1. The Board may decide that the profits realized during a financial year are fully or partially appropriated to increase and/or form reserves.
2. Out of the profits remaining after application of Article 28.1, with respect to the financial year concerned, primarily and insofar as possible, a dividend is paid in the amount of one per cent (1%) of the amount actually paid on the Special Voting Shares in accordance with Article 13.5. These dividend payments will be made only in respect of Special Voting Shares for which such actual payments have been made. Actual payments made during the financial year to which the dividend relates, will not be counted. No further distribution will be made on the Special Voting Shares. If, in a financial year, no profit is made or the profits are insufficient to allow the distribution provided for in the preceding sentences, the deficit will be not paid at the expense of the profits earned in following financial years.
3. The profits remaining after application of Articles 28.1 and 28.2 will be put at the disposal of the General Meeting for the benefit of the holders of Ordinary Shares. The Board will make a proposal for that purpose. A proposal to pay a dividend to holders of Ordinary Shares will be dealt with as a separate agenda item at the General Meeting of Shareholders.
4. Distributions from the Company's distributable reserves are made pursuant to a resolution of the Board and will not require a resolution from the General Meeting.
5. Provided it appears from an unaudited interim statement of assets signed by the Board that the requirement mentioned in Article 28.10 concerning the position of the Company's assets has been fulfilled, the Board may make one or more interim distributions to the holders of Shares.
6. The Board may decide that a distribution on Ordinary Shares will not take place as a cash payment but as a payment in Ordinary Shares, or decide that holders of Ordinary Shares will have the option to receive a distribution as a cash payment and/or as a payment in Ordinary Shares, out of the profit and/or at the expense of reserves, provided that the Board is designated by the General Meeting pursuant to Article 6.2. The Board shall determine the conditions applicable to the aforementioned choices.
7. The Company's policy on reserves and dividends shall be determined and can be amended by the Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.
8. No payments will be made on treasury shares and treasury shares shall not be counted when calculating allocation and entitlements to distributions.
9. All distributions may be made in United States Dollars.
10. Distributions may be made only insofar as the Company's equity exceeds the amount of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.
11. Dividends and other distributions will be made payable pursuant to a resolution of the Board within four weeks after adoption, unless the Board sets another date for payment. Different payment release dates may be set for the Ordinary Shares and the Special Voting Shares.
12. A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed after the day of payment

SUBSEQUENT EVENTS

Please refer to Note 27 of the company financial statements included in this Annual report.

List of EXOR Group Companies at December 31, 2017

The list of the companies included in the scope of consolidation, the investments accounted for by the equity method and other significant investments, classified by operating pursuant to IFRS 8 – Operating Segment, is provided below.

The column on the far right also shows the percentage of voting rights exercisable at an ordinary general meeting, where such percentage differs from the percentage of shares held.

Investments of the Holdings System and operating companies consolidated on a line-by-line basis

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Parent company							
EXOR N.V.	Netherlands	2,410,000.00	EUR				
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holding							
Ancom USA Inc.	U.S.A.	0.10	USD	100.00	EXOR S.A.	100.000	
CNH Industrial N.V.	Netherlands	17,608,744.72	EUR	26.91	EXOR N.V.	41.676	
					CNH Industrial N.V.	0.476	*
EXOR Capital Limited	Ireland	4,000,000.00	EUR	100.00	EXOR S.A.	100.000	
EXOR INVESTMENTS LTD.	Great Britain	5,700,000.00	GBP	100.00	EXOR N.V.	100.000	
EXOR NEDERLAND N.V.	Netherlands	747,000.00	EUR	100.00	EXOR N.V.	100.000	
EXOR S.A.	Luxembourg	166,611,300.00	EUR	100.00	EXOR N.V.	100.000	
EXOR INVESTMENTS (UK) LLP	U.S.A.	3,605,292.00	USD	99.67	EXOR INVESTMENTS LTD	99.670	
Ferrari N.V.	Netherlands	2,504,211.17	EUR	23.52	EXOR N.V.	32.751	
					Ferrari N.V.	1.986	*
Fiat Chrysler Automobiles N.V.	Netherlands	19,490,314.57	EUR	29.18	EXOR N.V.	42.340	
					Fiat Chrysler Automobiles N.V.	1.689	*
PartnerRe Ltd.	Bermuda	1.00	USD	100.00	EXOR NEDERLAND N.V.	100.000	(a)
Leasure and Other							
Juventus Football Club S.p.A.	Italy	8,182,133.28	EUR	63.77	EXOR N.V.	63.766	
Real Estate							
EXOR S.N. (USA), LLC.	U.S.A.	10.00	USD	100.00	EXOR S.A.	100.000	

(*) Voting suspended

(a) Of common shares

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Mass-Market Vehicles							
NAFTA							
AUTO TRANSPORT SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
Autodie LLC	U.S.A.	10,000,000	USD	100.00	FCA US LLC	100.000	
Chrysler Mexico Investment Holdings Cooperatie U.A.	Netherlands	0	EUR	100.00	FCA INVESTMENT HOLDINGS LLC	99.990	
					FCA MINORITY LLC	0.010	
CPK Interior Products Inc.	Canada	1,000	CAD	100.00	FCA Canada Inc.	100.000	
Extended Vehicle Protection LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA AUBURN HILLS OWNER LLC	U.S.A.	100	USD	100.00	FCA REALTY LLC	100.000	
FCA Canada Cash Services Inc.	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA Canada Inc.	Canada	0	CAD	100.00	FCA ONTARIO HOLDINGS Limited	100.000	
FCA Caribbean LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DEALER CAPITAL LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERNATIONAL OPERATIONS LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERNATIONAL SERVICES LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INVESTMENT HOLDINGS LLC	U.S.A.	173,350,999	USD	100.00	FCA US LLC	100.000	
FCA Mexico, S.A. de C.V.	Mexico	238,621,186	MXN	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	99.997	
					FCA MINORITY LLC	0.003	
FCA MID LLC	U.S.A.	2,700,000	USD	100.00	FCA US LLC	100.000	
FCA MINORITY LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA ONTARIO HOLDINGS Limited	Canada	1,000	CAD	100.00	FCA US LLC	100.000	
FCA REAL ESTATE SERVICES LLC	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA REALTY LLC	U.S.A.	168,769,528	USD	100.00	FCA US LLC	100.000	
FCA Service Contracts LLC	U.S.A.	100,000,000	USD	100.00	FCA US LLC	100.000	
FCA TRANSPORT LLC	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA US Insurance Company	U.S.A.	60,000	USD	100.00	FCA North America Holdings LLC	100.000	
FCA US LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
LATAM							
Banco Fidis S.A.	Brazil	509,021,104	BRL	100.00	Fidis S.p.A.	75.000	
					FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	25.000	
CG Venezuela UK Holdings Limited	United Kingdom	100	GBP	100.00	FCA North America Holdings LLC	100.000	
CMA Componentes e Modulos Automotivos Industria e Comercio Automotivos Ltda	Brazil	1,000	BRL	100.00	CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	99.900	
					FCA Fiat Chrysler Participacoes Brasil Limitada	0.100	
CMP Componentes e Modulos Plasticos Industria e Comercio Ltda.	Brazil	121,358,092	BRL	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	56.049	
					FCA Powertrain Brasil Industria e Comércio de Motores Ltda	43.951	
FCA AUTOMOBILES ARGENTINA S.A.	Argentina	476,464,366	ARS	100.00	FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	100.000	
FCA Chile Importadora Limitada	Chile	41,800,000	CLP	100.00	FCA US LLC	99.990	
					FCA MINORITY LLC	0.010	
FCA Compania Financiera S.A.	Argentina	526,027,891	ARS	100.00	Fidis S.p.A.	100.000	
FCA FIAT CHRYSLER AUTOMOVEIS BRASIL LTDA.	Brazil	14,628,993,087	BRL	100.00	FCA Fiat Chrysler Participacoes Brasil Limitada	75.118	
					FCA Italy S.p.A.	24.882	
FCA IMPORTADORA S.R.L.	Argentina	29,335,170	ARS	100.00	FCA AUTOMOBILES ARGENTINA S.A.	98.000	
					FCA Argentina S.A.	2.000	
FCA Powertrain Brasil Industria e Comércio de Motores Ltda	Brazil	197,792,500	BRL	100.00	FCA Fiat Chrysler Participacoes Brasil Limitada	100.000	
FCA Rental Locadora de Automoveis Ltda	Brazil	60,769,200	BRL	100.00	FCA Fiat Chrysler Participacoes Brasil Limitada	100.000	
FCA S.A. de Ahorro para Fines Determinados	Argentina	109,535,149	ARS	100.00	FCA AUTOMOBILES ARGENTINA S.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Mass-Market Vehicles							
APAC							
ALFA ROMEO (SHANGHAI) AUTOMOBILES SALES CO. Ltd.	People's Rep.of China	19,000,000	CNY	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Chrysler Group (China) Sales Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA (Hong Kong) Automotive Limited	People's Rep.of China	10,000,000	EUR	100.00	FCA US LLC	100.000	
FCA (SHANGHAI) AUTO PARTS TRADING CO., LTD.	People's Rep.of China	19,000,000	CNY	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Asia Pacific Investment Co., Ltd.	People's Rep.of China	4,500,000	CNY	100.00	FCA (Hong Kong) Automotive Limited	100.000	
FCA Australia Pty. Ltd.	Australia	143,629,774	AUD	100.00	CNI C.V.	100.000	
FCA Automotive Finance Co. Ltd.	People's Rep.of China	750,000,000	CNY	100.00	Fidis S.p.A.	100.000	
FCA Engineering India Private Limited	India	99,990	INR	100.00	Chrysler Netherlands Distribution B.V.	99.990	
					FCA DUTCH OPERATING LLC	0.010	
FCA INDIA AUTOMOBILES Private Limited	India	4,819,900,000	INR	100.00	FCA Italy S.p.A.	100.000	
FCA JAPAN Ltd.	Japan	104,789,875	JPY	100.00	CG EU NSC LIMITED	60.000	
					Fiat Group Automobiles Japan K.K.	40.000	
FCA Korea Limited	South Korea	32,639,200,000	KRW	100.00	FCA US LLC	100.000	
FCA Powertrain Technologies Shanghai R&D Co. Ltd.	People's Rep.of China	10,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Fiat Group Automobiles Japan K.K.	Japan	100,000,000	JPY	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Mopar (Shanghai) Auto Parts Trading Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	FCA Asia Pacific Investment Co. Ltd.	100.000	
EMEA							
Abarth & C. S.p.A.	Italy	1,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Alfa Romeo U.S.A. S.p.A.	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
C.R.F. Società Consortile per Azioni	Italy	45,000,000	EUR	100.00	FCA Italy S.p.A.	92.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
					Magneti Marelli S.p.A.	2.000	
					Maserati S.p.A.	2.000	
					Comau S.p.A.	1.000	
					Teksid S.p.A.	1.000	
CF GOMMA DEUTSCHLAND GmbH	Germany	26,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
CG EU NSC LIMITED	United Kingdom	1	GBP	100.00	CNI C.V.	100.000	
CG Italia Operations S.p.A.	Italy	53,022	EUR	100.00	Chrysler Italia S.r.l.	94.300	
					FCA US LLC	5.700	
Chrysler Austria Gesellschaft mbH in liquidation	Austria	4,300,000	EUR	100.00	Chrysler Deutschland GmbH	100.000	
Chrysler Belgium Luxembourg NV/SA	Belgium	28,262,700	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Deutschland GmbH	Germany	20,426,200	EUR	100.00	FCA US LLC	100.000	
Chrysler International GmbH	Germany	25,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Italia S.r.l.	Italy	100,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Jeep International S.A.	Belgium	1,860,000	EUR	100.00	CG EU NSC LIMITED	99.998	
					FCA MINORITY LLC	0.002	
Chrysler Netherlands Distribution B.V.	Netherlands	90,000	EUR	100.00	Chrysler Netherlands Holding Cooperatie U.A.	100.000	
Chrysler South Africa (Pty) Limited	South Africa	200	ZAR	100.00	FCA Italy S.p.A.	100.000	
Chrysler Switzerland GmbH in liquidation	Switzerland	2,000,000	CHF	100.00	CG EU NSC LIMITED	100.000	
Chrysler UK Limited	United Kingdom	46,582,132	GBP	100.00	CG EU NSC LIMITED	100.000	
CNI C.V.	Netherlands	0	USD	100.00	FCA US LLC	100.000	
Easy Drive S.r.l.	Italy	10,400	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA Center Italia S.p.A.	1.000	
FCA AUSTRIA GmbH	Austria	37,000	EUR	100.00	FCA Italy S.p.A.	98.000	
					FCA ITALY HOLDINGS S.p.A.	2.000	
FCA AUSTRO CAR GmbH	Austria	35,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA Belgium S.A.	Belgium	18,651,691	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FCA Center Italia S.p.A.	Italy	2,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA CENTRAL AND EASTERN EUROPE KFT.	Hungary	150,000,000	HUF	100.00	FCA Italy S.p.A.	100.000	
FCA Customer Services Centre S.r.l.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Denmark A/S	Denmark	55,000,000	DKK	100.00	FCA Italy S.p.A.	100.000	
FCA FINLAND Oy	Finland	50,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Fleet & Tenders S.R.L.	Italy	7,370,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA France	France	96,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA GERMANY AG	Germany	82,650,000	EUR	100.00	FCA Italy S.p.A.	99.000	
					FCA SWITZERLAND S.A.	1.000	
FCA GREECE S.A.	Greece	62,783,499	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Group Marketing S.p.A.	Italy	100,000,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA ITALY HOLDINGS S.p.A.	Italy	1,089,071,587	EUR	100.00	FCA Italy S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Mass-Market Vehicles							
EMEA							
FCA Italy S.p.A.	Italy	800,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Melfi S.r.l.	Italy	276,640,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Middle East FZ-LLC	United Arab Emirates	300,000	AED	100.00	FCA INTERNATIONAL OPERATIONS LLC	100.000	
FCA Motor Village Austria GmbH	Austria	37,000	EUR	100.00	FCA AUSTRIA GmbH	100.000	
FCA MOTOR VILLAGE BELGIUM S.A.	Belgium	8,571,393	EUR	100.00	FCA Belgium S.A.	99.988	
					FCA Italy S.p.A.	0.012	
FCA MOTOR VILLAGE FRANCE S.A.S.	France	2,977,680	EUR	100.00	FCA France	99.997	
FCA MOTOR VILLAGE GERMANY GmbH	Germany	8,700,000	EUR	100.00	FCA GERMANY AG	100.000	
FCA MOTOR VILLAGE PORTUGAL S.A.	Portugal	50,000	EUR	100.00	FCA PORTUGAL, S.A.	100.000	
FCA MOTOR VILLAGE SPAIN, S.L.	Spain	1,454,420	EUR	100.00	Fiat Chrysler Automobiles Spain S.A.	100.000	
FCA MOTOR VILLAGE SWITZERLAND S.A.	Switzerland	13,000,000	CHF	100.00	FCA SWITZERLAND S.A.	100.000	
FCA Netherlands B.V.	Netherlands	5,672,250	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA NORWAY AS	Norway	103,200	NOK	100.00	FCA Italy S.p.A.	100.000	
FCA POLAND Spólka Akcyjna	Poland	660,334,600	PLN	100.00	FCA Italy S.p.A.	100.000	
FCA PORTUGAL, S.A.	Portugal	1,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA POWERTRAIN POLAND Sp. z o.o.	Poland	269,037,000	PLN	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
FCA Real Estate Germany GmbH	Germany	25,000	EUR	100.00	FCA MOTOR VILLAGE GERMANY GmbH	100.000	
FCA REAL ESTATE SERVICES FRANCE SAS	France	37,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
FCA Real Estate Services S.p.A.	Italy	150,679,554	EUR	100.00	FCA Italy S.p.A.	100.000	
FCA Russia AO	Russia	574,665,000	RUB	100.00	FCA US LLC	99.999	
					FCA MINORITY LLC	0.001	
FCA SERBIA DOO KRAGUJEVAC	Serbia	30,707,843,314	RSD	66.67	FCA Italy S.p.A.	66.670	
FCA SWEDEN AB	Sweden	10,000,000	SEK	100.00	FCA Italy S.p.A.	100.000	
FCA SWITZERLAND S.A.	Switzerland	21,400,000	CHF	100.00	FCA Italy S.p.A.	100.000	
FCA VERSICHERUNGSSERVICE GmbH	Germany	26,000	EUR	100.00	FCA GERMANY AG	51.000	
					Fiat Chrysler Rimaco SA	49.000	
Fiat Chrysler Automobiles (FCA) Egypt Limited	Egypt	240,000	EGP	100.00	FCA US LLC	99.000	
					FCA MINORITY LLC	1.000	
Fiat Chrysler Automobiles Ireland DAC	Ireland	5,078,952	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES MIDDLE EAST FZE	United Arab Emirates	1,000,000	AED	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Automobiles Morocco S.A.	Morocco	101,000,000	MAD	100.00	FCA Italy S.p.A.	100.000	
Fiat Chrysler Automobiles Spain S.A.	Spain	8,079,280	EUR	100.00	FCA Italy S.p.A.	99.998	
					FCA SWITZERLAND S.A.	0.002	
FIAT CHRYSLER AUTOMOBILES UK Ltd	United Kingdom	44,600,000	GBP	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER MOTOR VILLAGE Ltd.	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
Fiat Group Automobiles South Africa (Proprietary) Ltd	South Africa	640	ZAR	100.00	FCA Italy S.p.A.	100.000	
Fidis S.p.A.	Italy	250,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Automotive Logistics S.r.l.	Italy	1,250,000	EUR	100.00	FCA Italy S.p.A.	100.000	
i-FAST Container Logistics S.p.A.	Italy	2,500,000	EUR	100.00	FCA Italy S.p.A.	100.000	
Mecaner S.A.	Spain	3,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 38 S.p.A.	Italy	1,000,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
Società di Commercializzazione e Distribuzione Ricambi S.p.A. in liquidation	Italy	100,000	EUR	100.00	FCA Italy S.p.A.	100.000	
VM Motori S.p.A.	Italy	21,008,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Luxury Vehicles							
Maserati							
Maserati S.p.A.	Italy	40,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Maserati (China) Cars Trading Co., Ltd.	People's Rep.of China	10,000,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati (Suisse) S.A.	Switzerland	1,000,000	CHF	100.00	Maserati S.p.A.	100.000	
Maserati Canada Inc.	Canada	0	CAD	100.00	Maserati S.p.A.	100.000	
Maserati Deutschland GmbH	Germany	500,000	EUR	100.00	Maserati S.p.A.	100.000	
Maserati GB Limited	United Kingdom	20,000	GBP	100.00	Maserati S.p.A.	100.000	
Maserati Japan KK	Japan	18,000,000	JPY	100.00	Maserati S.p.A.	100.000	
Maserati North America Inc.	U.S.A.	1,000	USD	100.00	Maserati S.p.A.	100.000	
Maserati West Europe societé par actions simplifiée	France	37,000	EUR	100.00	Maserati S.p.A.	100.000	
Tridente Real Estate S.r.l.	Italy	11,570,000	EUR	100.00	Maserati S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
Magneti Marelli S.p.A.	Italy	254,325,965	EUR	99.99	Fiat Chrysler Automobiles N.V.	99.991	100.000
Administracion Magneti Marelli Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	88.11	Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	99.000	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	1.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Magneti Marelli							
AUTOMOTIVE LIGHTING (THAILAND) CO. LTD	Thailand	10,000,000	THB	99.96	Automotive Lighting Reutlingen GmbH	99.970	
Automotive Lighting Brotterode GmbH	Germany	7,270,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Italia S.p.A.	Italy	12,000,000	EUR	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting LLC	U.S.A.	25,001,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Automotive Lighting o.o.o.	Russia	1,086,875,663	RUB	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting Rear Lamps France S.a.s.	France	5,134,480	EUR	99.99	Automotive Lighting Italia S.p.A.	100.000	
Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	Mexico	50,000	MXN	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Automotive Lighting Reutlingen GmbH	Germany	1,330,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Automotive Lighting S.R.O.	Czech Republic	927,637,000	CZK	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Automotive Lighting UK Limited	United Kingdom	40,387,348	GBP	99.99	Magneti Marelli S.p.A.	100.000	
Changchun Magneti Marelli Automotive Lighting System Co. Ltd.	People's Rep.of China	190,000,000	CNY	60.00	Automotive Lighting Reutlingen GmbH	60.000	
CHANGCHUN MAGNETI MARELLI POWERTRAIN COMPONENTS Co.Ltd.	People's Rep.of China	5,600,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Fiat CIEI S.p.A. in liquidation	Italy	220,211	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Hefei Magneti Marelli Exhaust Systems Co.Ltd.	People's Rep.of China	3,900,000	EUR	51.00	Magneti Marelli S.p.A.	51.000	
Industrias Magneti Marelli Mexico S.A. de C.V.	Mexico	50,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli (China) Co. Ltd.	People's Rep.of China	17,500,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli After Market Parts and Services S.p.A.	Italy	7,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Aftermarket GmbH	Germany	100,000	EUR	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Aftermarket Sp. z o.o.	Poland	2,000,000	PLN	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Argentina S.A.	Argentina	465,205	ARS	99.99	Magneti Marelli S.p.A.	95.000	
					Magneti Marelli France S.a.s.	5.000	
Magneti Marelli Automotive Cluj S.r.l.	Romania	9,010,000	RON	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (Changsha) Co. Ltd	People's Rep.of China	5,400,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (Guangzhou) Co.,Ltd.	People's Rep.of China	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Components (WUHU) Co. Ltd.	People's Rep.of China	32,000,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive d.o.o. Kragujevac	Serbia	154,200,876	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Electronics (Guangzhou) Co. Limited	People's Rep.of China	16,100,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Automotive Lighting (Foshan) Co. Ltd	People's Rep.of China	10,800,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Cofap Fabricadora de Pecas Ltda	Brazil	585,411,633	BRL	99.99	Magneti Marelli After Market Parts and Services S.p.A.	100.000	
Magneti Marelli Componentes Plasticos Ltda	Brazil	6,402,500	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Magneti Marelli Conjuntos de Escape S.A.	Argentina	9,999,971	ARS	99.99	Magneti Marelli S.p.A.	96.260	
					Magneti Marelli Argentina S.A.	3.740	
Magneti Marelli d.o.o. Kragujevac	Serbia	1,363,504,543	RSD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli do Brasil Industria e Comercio Ltda	Brazil	100,000	BRL	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Espana S.A.	Spain	781,101	EUR	99.99	Magneti Marelli Iberica S.A.	100.000	
Magneti Marelli France S.a.s.	France	19,066,824	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli GmbH	Germany	200,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Holding U.S.A. LLC	U.S.A.	10	USD	100.00	FCA North America Holdings LLC	100.000	
Magneti Marelli Iberica S.A.	Spain	389,767	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli India Private Ltd	India	150,000,000	INR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli International Trading (Shanghai) Co. LTD	People's Rep.of China	200,000	USD	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Japan K.K.	Japan	360,000,000	JPY	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	Turkey	50,005	TRY	99.94	Automotive Lighting Reutlingen GmbH	99.842	
					PLASTIFORM PLASTIK SANAY ve TICARET A.S.	0.052	
					Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	0.052	
Magneti Marelli Motopropulsion France SAS	France	37,002	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli North America Inc.	U.S.A.	7,491,705	USD	99.99	Magneti Marelli Cofap Fabricadora de Pecas Ltda	100.000	
Magneti Marelli of Tennessee LLC	U.S.A.	1,300,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Magneti Marelli Poland Sp. z o.o.	Poland	83,500,000	PLN	99.99	Automotive Lighting Reutlingen GmbH	100.000	
Magneti Marelli Powertrain (Hefei) Co. Ltd.	People's Rep.of China	70,000,000	CNY	99.99	Magneti Marelli S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Magneti Marelli							
Magneti Marelli Powertrain India Private Limited	India	450,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.033	
Magneti Marelli Powertrain Slovakia s.r.o.	Slovack Republic	12,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Powertrain U.S.A. LLC	U.S.A.	25,000,000	USD	100.00	Magneti Marelli Holding U.S.A. LLC	100.000	
Magneti Marelli Promatcor Sistemi Sospensioni Mexicana S.R.L. de C.V.	Mexico	3,000	MXN	87.99	Sistemi Sospensioni S.p.A.	88.000	
Magneti Marelli Repuestos S.A.	Argentina	75,262,000	ARS	99.99	Magneti Marelli After Market Parts and Services S.p.A.	81.943	
					Magneti Marelli Cofap Fabricadora de Pecas Ltda	18.057	
Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	Brazil	1,090,694,874	BRL	99.99	Magneti Marelli S.p.A.	72.808	
					Automotive Lighting Reutlingen GmbH	27.192	
Magneti Marelli Sistemas Electronicos Mexico S.A.	Mexico	50,000	MXN	99.99	Magneti Marelli S.p.A.	99.998	
					Servicios Administrativos Corp. IPASA S.A.	0.002	
Magneti Marelli Slovakia s.r.o.	Slovack Republic	103,006,639	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli South Africa (Proprietary) Limited	South Africa	7,550,000	ZAR	99.99	Magneti Marelli S.p.A.	100.000	
Magneti Marelli Suspansiyon Sistemleri Ticaret Limited Sirketi	Turkey	520,000	TRY	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Suspension Systems Bielsko Sp. z.o.o.	Poland	70,050,000	PLN	99.99	Sistemi Sospensioni S.p.A.	100.000	
Magneti Marelli Toluca Mexico S. de R.L. de CV.	Mexico	3,000	MXN	99.99	Magneti Marelli S.p.A.	99.967	
					Magneti Marelli Powertrain Mexico S. de r.l. de c.v.	0.033	
Magneti Marelli Um Electronic Systems Private Limited	India	500,000,000	INR	51.00	Magneti Marelli S.p.A.	51.000	
Malaysian Automotive Lighting SDN. BHD	Malaysia	6,000,000	MYR	79.99	Automotive Lighting Reutlingen GmbH	80.000	
MM I&T Sas	France	607,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
MMH Industria e Comercio De Componentes Automotivos Ltda	Brazil	130,926,000	BRL	99.99	Magneti Marelli Sistemas Automotivos Industria e Comercio Ltda	100.000	
Plastic Components and Modules Automotive S.p.A.	Italy	10,000,000	EUR	99.99	Plastic Components and Modules Holding S.p.A.	100.000	
Plastic Components and Modules Holding S.p.A.	Italy	10,000,000	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Plastic Components and Modules Poland S.A.	Poland	21,000,000	PLN	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Plastic Components Fuel Systems Poland Sp. z o.o.	Poland	29,281,500	PLN	99.99	Plastic Components and Modules Poland S.A.	100.000	
PLASTIFORM PLASTIK SANAY ve TICARET A.S.	Turkey	715,000	TRY	99.94	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	100.000	
PSMM Pernambuco Componentes Automotivos Ltda	Brazil	75,200,160	BRL	50.00	Plastic Components and Modules Automotive S.p.A.	50.000	
Servicios Administrativos Corp. IPASA S.A.	Mexico	1,000	MXN	99.99	Magneti Marelli Sistemas Electronicos Mexico S.A.	99.990	
					Industrias Magneti Marelli Mexico S.A. de C.V.	0.010	
Sistemi Comandi Meccanici Otomotiv Sanayi Ve Ticaret A.S.	Turkey	90,000	TRY	99.89	Magneti Marelli Mako Elektrik Sanayi Ve Ticaret Anonim Sirketi	99.956	
Sistemi Sospensioni S.p.A.	Italy	37,622,179	EUR	99.99	Magneti Marelli S.p.A.	100.000	
Soffiaggio Polimeri S.r.l.	Italy	45,900	EUR	84.99	Plastic Components and Modules Automotive S.p.A.	85.000	
Tecnologia de Iluminacion Automotriz S.A. de C.V.	Mexico	50,000	MXN	100.00	Automotive Lighting LLC	99.998	
					Automotive Lighting Rear Lamps Mexico S. de r.l. de C.V.	0.002	
Ufima S.A.S. - Société en liquidation	France	44,940	EUR	99.99	Magneti Marelli S.p.A.	65.020	
					FCA Partecipazioni S.p.A.	34.980	
Teksid							
Teksid S.p.A.	Italy	71,403,261	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Compania Industrial Frontera S.A. de C.V.	Mexico	11,376,600	MXN	100.00	Teksid Hierro de Mexico S.A. de C.V.	99.999	
					Teksid Inc.	0.001	
Funfrap-Fundicao Portuguesa S.A.	Portugal	13,697,550	EUR	83.61	Teksid S.p.A.	83.607	
Teksid Aluminum S.r.l.	Italy	5,000,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Teksid do Brasil Ltda	Brazil	714,696,013	BRL	100.00	Teksid S.p.A.	100.000	
Teksid Hierro de Mexico S.A. de C.V.	Mexico	297,167,800	MXN	100.00	Teksid S.p.A.	100.000	
Teksid Inc.	U.S.A.	100,000	USD	100.00	Teksid S.p.A.	100.000	
Teksid Iron Poland Sp. z o.o.	Poland	48,122,256	PLN	100.00	Teksid S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Components and Production Systems							
Comau							
Comau S.p.A.	Italy	48,013,959	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
COMAU (KUNSHAN) Automation Co. Ltd.	People's Rep.of China	8,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) Engineering Co. Ltd.	People's Rep.of China	5,000,000	USD	100.00	Comau S.p.A.	100.000	
Comau (Shanghai) International Trading Co. Ltd.	People's Rep.of China	200,000	USD	100.00	Comau S.p.A.	100.000	
Comau Argentina S.A.	Argentina	500,000	ARS	100.00	Comau S.p.A.	97.000	
					FCA Argentina S.A.	3.000	
Comau Automatizacion S.de R.L. C.V.	Mexico	62,204,118	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau Canada Inc.	Canada	100	CAD	100.00	Comau LLC	100.000	
Comau Deutschland GmbH	Germany	1,330,000	EUR	100.00	Comau S.p.A.	100.000	
Comau do Brasil Industria e Comercio Ltda.	Brazil	102,742,653	BRL	100.00	Comau S.p.A.	100.000	
Comau France S.A.S.	France	6,000,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Iaisa S.de R.L. de C.V.	Mexico	17,181,062	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau India Private Limited	India	239,935,020	INR	100.00	Comau S.p.A.	99.990	
					Comau Deutschland GmbH	0.010	
Comau LLC	U.S.A.	100	USD	100.00	FCA North America Holdings LLC	100.000	
Comau Mexico S.de R.L. de C.V.	Mexico	99,349,172	MXN	100.00	Comau S.p.A.	100.000	
Comau Poland Sp. z o.o.	Poland	3,800,000	PLN	100.00	Comau S.p.A.	100.000	
Comau Romania S.R.L.	Romania	23,673,270	RON	100.00	Comau S.p.A.	100.000	
Comau Russia OOO	Russia	4,770,225	RUB	100.00	Comau S.p.A.	99.000	
					Comau Deutschland GmbH	1.000	
Comau Service Systems S.L.	Spain	250,000	EUR	100.00	Comau S.p.A.	100.000	
Comau Trebol S.de R.L. de C.V.	Mexico	16,168,211	MXN	100.00	Comau Mexico S.de R.L. de C.V.	100.000	
Comau U.K. Limited	United Kingdom	2,502,500	GBP	100.00	Comau S.p.A.	100.000	
Other Activities:Holding companies and Other companies							
Deposito Avogadro S.p.A.	Italy	5,100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Argentina S.A.	Argentina	5,292,117	ARS	100.00	FCA Services S.p.A.	90.961	
					FCA Fiat Chrysler Participacoes Brasil Limitada	9.029	
					Fiat Chrysler Rimaco Argentina S.A.	0.009	
					FCA AUTOMOBILES ARGENTINA S.A.	0.001	
FCA Fiat Chrysler Participacoes Brasil Limitada	Brazil	11,174,292,755	BRL	100.00	Fiat Chrysler Automobiles N.V.	55.037	
					FCA Italy S.p.A.	44.578	
					FCA Real Estate Services S.p.A.	0.385	
FCA Group Purchasing France S.a.r.l.	France	7,700	EUR	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing Poland Sp. z o.o.	Poland	300,000	PLN	100.00	FCA Group Purchasing S.r.l.	100.000	
FCA Group Purchasing S.r.l.	Italy	600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Information Technology, Excellence and Methods S.p.A.	Italy	500,000	EUR	100.00	FCA Services S.p.A.	99.000	
					FCA Italy S.p.A.	1.000	
FCA North America Holdings LLC	U.S.A.	0	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
FCA Partecipazioni S.p.A.	Italy	50,000,000	EUR	100.00	FCA Italy S.p.A.	100.000	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Other Activities:Holding companies and Other companies							
FCA Security Società consortile per azioni	Italy	152,520	EUR	90.13	FCA Partecipazioni S.p.A.	64.152	
					FCA Italy S.p.A.	13.171	
					Fiat Chrysler Automobiles N.V.	4.430	
					Magneti Marelli S.p.A.	1.496	
					FCA ITALY HOLDINGS S.p.A.	1.081	
					FCA Melfi S.r.l.	0.656	
					Comau S.p.A.	0.621	
					C.R.F. Società Consortile per Azioni	0.605	
					Teksid S.p.A.	0.570	
					FCA Services S.p.A.	0.514	
					Sistemi Sospensioni S.p.A.	0.433	
					FCA Servizi per l'Industria S.c.p.A.	0.426	
					Teksid Aluminum S.r.l.	0.425	
					Fiat Chrysler Finance S.p.A.	0.367	
					Fidis S.p.A.	0.256	
					Automotive Lighting Italia S.p.A.	0.201	
					FCA Group Marketing S.p.A.	0.129	
					FCA Group Purchasing S.r.l.	0.081	
					FCA Real Estate Services S.p.A.	0.081	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.081	
					Sisport S.p.A. - Società sportiva dilettantistica	0.078	
					Plastic Components and Modules Automotive S.p.A.	0.051	
					FCA Center Italia S.p.A.	0.035	
					Abarth & C. S.p.A.	0.031	
					Fiat Chrysler Risk Management S.p.A.	0.031	
					Maserati S.p.A.	0.031	
					Magneti Marelli After Market Parts and Services S.p.A.	0.029	
					Deposito Avogadro S.p.A.	0.017	
					Easy Drive S.r.l.	0.017	
					FCA Customer Services Centre S.r.l.	0.017	
					FCA Fleet & Tenders S.R.L.	0.017	
					FCA Information Technology, Excellence and Methods S.p.A.	0.017	
					i-FAST Automotive Logistics S.r.l.	0.016	
					i-FAST Container Logistics S.p.A.	0.016	

Investments of FCA Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Other Activities:Holding companies and Other companies							
FCA Services Belgium N.V.	Belgium	62,000	EUR	100.00	FCA Services S.p.A.	99.960	
					Servizi e Attività Doganali per l'Industria S.p.A.	0.040	
FCA Services d.o.o. Kragujevac	Serbia	15,047,880	RSD	100.00	FCA Services S.p.A.	100.000	
FCA Services Germany GmbH	Germany	200,000	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Hispano-Lusa S.A.	Spain	2,797,054	EUR	100.00	FCA Services S.p.A.	100.000	
FCA Services Polska Sp. z o.o.	Poland	3,600,000	PLN	100.00	FCA Services S.p.A.	100.000	
FCA Services S.p.A.	Italy	3,600,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
FCA Services Support Malaysia SDN. BHD.	Malaysia	2,000,000	MYR	100.00	FCA Services S.p.A.	100.000	
FCA Services Support Mexico S.A. de C.V.	Mexico	100	MXN	100.00	FCA Services S.p.A.	99.000	
					Servizi e Attività Doganali per l'Industria S.p.A.	1.000	
FCA Services U.S.A., Inc.	U.S.A.	500,000	USD	100.00	FCA Services S.p.A.	100.000	
FCA Servizi per l'Industria S.c.p.A.	Italy	1,652,669	EUR	87.70	FCA Italy S.p.A.	51.000	
					FCA Partecipazioni S.p.A.	11.500	
					Fiat Chrysler Automobiles N.V.	5.000	
					FCA Security Società consortile per azior	3.000	
					Teksid S.p.A.	2.000	
					Abarth & C. S.p.A.	1.500	
					C.R.F. Società Consortile per Azioni	1.500	
					Comau S.p.A.	1.500	
					FCA Group Marketing S.p.A.	1.500	
					FCA Information Technology, Excellence	1.500	
					FCA Services S.p.A.	1.500	
					Fiat Chrysler Finance S.p.A.	1.500	
					Fidis S.p.A.	1.500	
					Magneti Marelli S.p.A.	1.500	
					Maserati S.p.A.	1.500	
					Deposito Avogadro S.p.A.	0.500	
Fiat Chrysler Automobiles Services UK Limited	United Kingdom	18,750,000	GBP	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Financas Brasil Ltda.	Brazil	2,469,701	BRL	100.00	Fiat Chrysler Finance S.p.A.	99.994	
					FCA Fiat Chrysler Participacoes Brasil Limitada	0.006	
Fiat Chrysler Finance Canada Ltd.	Canada	10,099,885	CAD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Finance et Services S.A.S.	France	3,700,000	EUR	100.00	FCA Services S.p.A.	100.000	
Fiat Chrysler Finance Europe S.A.	Luxembourg	86,494,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Finance North America Inc.	U.S.A.	190,090,010	USD	100.00	FCA North America Holdings LLC	100.000	
Fiat Chrysler Finance S.p.A.	Italy	224,440,000	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Chrysler Finance US Inc.	U.S.A.	100	USD	100.00	FCA North America Holdings LLC	100.000	
Fiat Chrysler Polska Sp. z o.o.	Poland	25,500,000	PLN	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco SA	Switzerland	350,000	CHF	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Risk Management S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler UK LLP	United Kingdom	5,000,250,001	USD	100.00	Fiat Chrysler Automobiles N.V.	99.995	
					Maserati North America Inc.	0.005	
Fiat U.S.A. Inc.	U.S.A.	16,830,000	USD	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Neptunia Assicurazioni Marittime S.A.	Switzerland	10,000,000	CHF	100.00	Fiat Chrysler Rimaco SA	100.000	
New Business 30 S.r.l.	Italy	100,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
Sadi Polska-Agencja Celna Sp. z o.o.	Poland	500,000	PLN	100.00	Servizi e Attività Doganali per l'Industria S.p.A.	100.000	
Servizi e Attività Doganali per l'Industria S.p.A.	Italy	520,000	EUR	100.00	FCA Services S.p.A.	100.000	
Sisport S.p.A. - Società sportiva dilettantistica	Italy	889,049	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	

Joint arrangements of FCA Group (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINT ARRANGEMENT							
Mass-Market Vehicles							
APAC							
Fiat India Automobiles Private Limited	India	24,451,596,600	INR	50.00	FCA Italy S.p.A.	50.000	
EMEA							
Società Europea Veicoli Leggeri-Sevel S.p.A.	Italy	68,640,000	EUR	50.00	FCA Italy S.p.A.	50.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 26.91%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
2 H Energy S.A.S.	France	2,000,000	EUR	100.00	CNH Industrial Finance France S.A.	100.000	
Afin Bohemia s.r.o.	Czech Republic	1,000,000	CZK	100.00	CNH Industrial Capital Limited	100.000	
Afin Bulgaria EAD	Bulgaria	310,110	BGN	100.00	CNH Industrial Capital Limited	100.000	
Afin Slovakia S.R.O.	Slovack Republic	39,833	EUR	99.96	CNH Industrial Capital Limited	98.120	
					Iveco Slovakia, s.r.o.	1.880	
Afin Trade Bulgaria Eood	Bulgaria	5,000	BGN	100.00	Afin Bulgaria EAD	100.000	
Amce-Automotive Manufacturing Co.Ethiopia	Ethiopia	100,000,000	ETB	70.00	CNH Industrial N.V.	70.000	
Astra Veicoli Industriali S.p.A.	Italy	10,400,000	EUR	100.00	Iveco S.p.A.	100.000	
Banco CNH Industrial Capital S.A.	Brazil	940,451,054	BRL	100.00	CNH Industrial N.V.	99.329	
					CNH Industrial Brasil Ltda.	0.671	
BLI Group, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Blue Leaf I.P. , Inc.	U.S.A.	1,000	USD	100.00	BLI Group, Inc.	100.000	
Blue Leaf Insurance Company	U.S.A.	250,000	USD	100.00	CNH Industrial America LLC	100.000	
Case Canada Receivables, Inc.	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
Case Construction Machinery (Shanghai) Co., Ltd	People's Rep.of China	14,000,000	USD	100.00	CNH Industrial N.V.	100.000	
Case Credit Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial Capital America LLC	100.000	
Case Dealer Holding Company LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Case Equipment Holdings Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case Europe S.a.r.l.	France	7,622	EUR	100.00	CNH Industrial America LLC	100.000	
Case Harvesting Systems GmbH	Germany	281,211	EUR	100.00	CNH Industrial America LLC	100.000	
CASE ILE DE FRANCE	France	600,000	EUR	100.00	CNH Industrial France	100.000	
Case India Limited	U.S.A.	5	USD	100.00	CNH Industrial America LLC	100.000	
Case New Holland Construction Equipment (India) Private Limited	India	240,100,000	INR	100.00	CNH Industrial (India) Private Limited	50.000	
					CNH Industrial America LLC	50.000	
Case New Holland Industrial Inc.	U.S.A.	55	USD	100.00	CNH Industrial U.S. Holdings Inc.	100.000	
CASE New Holland Machinery Trading (Shanghai) Co. Ltd.	People's Rep.of China	2,250,000	USD	100.00	CNH Industrial N.V.	100.000	
Case United Kingdom Limited	United Kingdom	3,763,618	GBP	100.00	CNH Industrial America LLC	100.000	
CNH (China) Management Co., Ltd.	People's Rep.of China	82,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH (Shanghai) Equipment R&D Co., Ltd.	People's Rep.of China	7,000,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Capital Finance LLC	U.S.A.	5,000	USD	100.00	Case Credit Holdings Limited	100.000	
CNH Capital Operating Lease Equipment Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Capital Receivables LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNH Componentes, S.A. de C.V.	Mexico	135,634,842	MXN	100.00	CNH Industrial America LLC	100.000	
CNH Industrial (India) Private Limited	India	12,416,900,200	INR	100.00	CNH Industrial Asian Holding Limited N.V.	100.000	
CNH Industrial (Thailand) Ltd.	Thailand	354,500,000	THB	100.00	CNH Industrial N.V.	100.000	
CNH Industrial America LLC	U.S.A.	0	USD	100.00	Case New Holland Industrial Inc.	100.000	
CNH Industrial Asian Holding Limited N.V.	Belgium	25,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Australia Pty Limited	Australia	293,408,692	AUD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Baumaschinen GmbH	Germany	61,355,030	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Belgium N.V.	Belgium	106,081,158	EUR	100.00	CNH Industrial Europe Holding S.A.	88.828	
					New Holland Holding Limited	11.172	
CNH Industrial BM GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
CNH Industrial Brasil Ltda.	Brazil	4,120,447,866	BRL	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Canada, Ltd.	Canada	28,000,100	CAD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital (India) Private Limited	India	65,000,000	INR	100.00	CNH Industrial (India) Private Limited	100.000	
CNH Industrial Capital (Shanghai) Commercial Factoring Co. Ltd.	People's Rep.of China	20,000,000	USD	100.00	CNH Industrial Capital Australia Pty Limited	100.000	
CNH Industrial Capital America LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital LLC	100.000	
CNH INDUSTRIAL CAPITAL ARGENTINA S.A.	Argentina	454,782,818	ARS	100.00	CNH Industrial N.V.	66.120	
					Iveco Argentina S.A.	33.880	
CNH Industrial Capital Australia Pty Limited	Australia	70,675,693	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
CNH Industrial Capital Canada Ltd.	Canada	5,435,350	CAD	100.00	Case Credit Holdings Limited	100.000	
CNH Industrial Capital Corretora de Seguros Ltda.	Brazil	100,000	BRL	100.00	Banco CNH Industrial Capital S.A.	99.990	
					CNH Industrial Brasil Ltda.	0.010	
CNH Industrial Capital Limited	United Kingdom	53,001,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Capital LLC	U.S.A.	0	USD	100.00	CNH Industrial America LLC	100.000	
CNH Industrial Capital Russia LLC	Russia	640,740,000	RUR	100.00	CNH Industrial Capital Limited	100.000	
CNH Industrial Capital Solutions S.p.A.	Italy	213,000,000	EUR	100.00	CNH Industrial N.V.	50.100	
					CNH Industrial Capital Limited	49.900	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 26.91%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
CNH Industrial Danmark A/S	Denmark	12,000,000	DKK	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Deutschland GmbH	Germany	18,457,650	EUR	100.00	CNH Industrial Baumaschinen GmbH	90.000	
					CNH Industrial Europe Holding S.A.	10.000	
CNH Industrial Europe Holding S.A.	Luxembourg	100,000,002	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Finance Europe S.A.	Luxembourg	50,000,000	EUR	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance France S.A.	France	1,000,000	EUR	100.00	CNH Industrial N.V.	99.998	
CNH Industrial Finance North America, Inc.	U.S.A.	25,000,000	USD	100.00	CNH Industrial N.V.	60.000	
					CNH Industrial Finance S.p.A.	40.000	
CNH Industrial Finance S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services A/S	Denmark	500,000	DKK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Financial Services S.A.	France	105,860,635	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial France	France	52,965,450	EUR	100.00	CNH Industrial Europe Holding S.A.	100.000	
CNH Industrial Italia s.p.a.	Italy	56,225,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Korea LLC	South Korea	3,500,000,000	KRW	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Kutno Polska sp. z o.o.	Poland	5,000	PLN	100.00	CNH Industrial Polska Sp. z o.o.	100.000	
CNH Industrial Machinery (Harbin) Co. Ltd.	People's Rep.of China	35,000,000	USD	100.00	CNH Industrial Asian Holding Limited N.V.	99.923	
					CNH Industrial Europe Holding S.A.	0.077	
CNH Industrial Maquinaria Spain S.A.	Spain	21,000,000	EUR	100.00	Iveco Espana S.L.	100.000	
CNH Industrial OLDCO Capital Limited	United Kingdom	2,480	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Osterreich GmbH	Austria	2,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
CNH Industrial Polska Sp. z o.o.	Poland	162,591,660	PLN	100.00	CNH Industrial Belgium N.V.	100.000	
CNH Industrial Portugal-Comercio de Tractores e Maquinas Agricolas Ltda	Portugal	498,798	EUR	100.00	CNH Industrial Europe Holding S.A.	99.980	
					CNH Industrial Italia s.p.a.	0.020	
CNH Industrial Russia LLC	Russia	608,754,200	RUR	100.00	Iveco Nederland B.V.	100.000	
CNH Industrial Sales and services GmbH	Germany	25,000	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
CNH Industrial Services (Thailand) Limited	Thailand	10,000,000	THB	100.00	CNH Industrial Services S.r.l.	99.997	
CNH Industrial Services S.r.l.	Italy	10,400	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
CNH Industrial Sweden AB	Sweden	10,050,000	SEK	100.00	CNH Industrial N.V.	100.000	
CNH Industrial U.S. Holdings Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial N.V.	100.000	
CNH Industrial UK Limited	United Kingdom	200	USD	100.00	CNH Industrial N.V.	100.000	
CNH Reman LLC	U.S.A.	4,000,000	USD	50.00	CNH Industrial America LLC	50.000	
CNH U.K. Limited	United Kingdom	25,275	GBP	100.00	New Holland Holding Limited	100.000	
CNH Wholesale Receivables LLC	U.S.A.	1,000	USD	100.00	CNH Industrial Capital America LLC	100.000	
CNHI COMERCIO DE PEÇAS LTDA	Brazil	41,626,298	BRL	100.00	CNH Industrial Brasil Ltda.	100.000	
CNHI International SA	Switzerland	100,000	CHF	100.00	CNH Industrial N.V.	100.000	
Effe Grundbesitz GmbH	Germany	10,225,838	EUR	83.77	Iveco Investitions GmbH	90.000	
F. Pegaso S.A.	Spain	60,036	EUR	100.00	Iveco Espana S.L.	99.929	
					Transolver Service S.A.	0.071	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 26.91%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Farmpower Pty Limited	Australia	360	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
Fiat Powertrain Technologies Management (Shanghai) Co. Ltd.	People's Rep.of China	2,000,000	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiat Powertrain Technologies of North America, Inc.	U.S.A.	1	USD	100.00	FPT Industrial S.p.A.	100.000	
Fiatallis North America LLC	U.S.A.	32	USD	100.00	CNH Industrial America LLC	100.000	
Flagship Dealer Holding Company, LLC	U.S.A.	1	USD	100.00	CNH Industrial America LLC	100.000	
Flexi-Coil (U.K.) Limited	United Kingdom	3,291,776	GBP	100.00	CNH Industrial Canada, Ltd.	100.000	
FPT - Powertrain Technologies France S.A.	France	73,444,960	EUR	100.00	Iveco France	97.140	
					CNH Industrial Finance France S.A.	2.860	
FPT Industrial S.p.A.	Italy	100,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
FPT Motorenforschung AG	Switzerland	4,600,000	CHF	100.00	FPT Industrial S.p.A.	100.000	
Heuliez Bus S.A.S.	France	9,000,000	EUR	100.00	Société Charolaise de Participations S.A.	100.000	
HFI Holdings, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
IAV-Industrie-Anlagen-Verpachtung GmbH	Germany	25,565	EUR	88.42	Iveco Investitions GmbH	95.000	
Irisbus Italia S.p.A.	Italy	4,500,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco (China) Commercial Vehicle Sales Co. Ltd	People's Rep.of China	50,000,000	CNY	100.00	Iveco S.p.A.	100.000	
Iveco (Schweiz) AG	Switzerland	9,000,000	CHF	100.00	Iveco Nederland B.V.	100.000	
Iveco Arac Sanayi VE Ticaret A.S.	Turkey	94,698,000	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Argentina S.A.	Argentina	1,090,320,955	ARS	100.00	Iveco Espana S.L.	57.290	
					CNH Industrial Brasil Ltda.	30.328	
					FPT Industrial S.p.A.	11.442	
					Astra Veicoli Industriali S.p.A.	0.583	
					CNHI COMERCIO DE PEÇAS LTDA	0.357	
Iveco Austria GmbH	Austria	6,178,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Bayern GmbH	Germany	742,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Capital Broker de Asigurare - Reasigurare S.r.l.	Romenia	150,000	RON	100.00	Iveco Capital Services S.A.	100.000	
Iveco Capital Limited	United Kingdom	798	GBP	100.00	CNH Industrial Capital Limited	100.000	
Iveco Capital Russia LLC	Russia	50,000,000	RUR	100.00	CNH Industrial Capital Limited	100.000	
Iveco Capital SA in liquidazione	Switzerland	14,000,000	CHF	100.00	CNH Industrial Capital Limited	100.000	
Iveco Capital Services S.A.	Romenia	22,519,326	RON	100.00	CNH Industrial Capital Limited	100.000	
Iveco Czech Republic A.S.	Czech Republic	1,065,559,000	CZK	97.98	Iveco France	97.978	
Iveco Danmark A/S	Denmark	501,000	DKK	100.00	CNH Industrial N.V.	100.000	
Iveco Defence Vehicles SpA	Italy	25,000,000	EUR	100.00	Iveco S.p.A.	100.000	
Iveco Espana S.L.	Spain	100,000,001	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Est Sas	France	2,005,600	EUR	100.00	Iveco France	100.000	
Iveco Finland OY	Finland	100,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco France	France	92,856,130	EUR	100.00	Iveco Espana S.L.	50.326	
					CNH Industrial N.V.	49.674	
Iveco Holdings Limited	United Kingdom	47,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
Iveco Investitions GmbH	Germany	2,556,459	EUR	93.08	Iveco Magirus AG	99.020	
Iveco L.V.I. S.a.s.	France	2,000,000	EUR	100.00	Iveco France	100.000	
Iveco Limited	United Kingdom	117,000,000	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Magirus AG	Germany	50,000,000	EUR	94.00	CNH Industrial N.V.	88.340	
					Iveco S.p.A.	5.660	
Iveco Magirus Fire Fighting GmbH	Germany	30,776,857	EUR	84.63	Iveco Magirus AG	90.032	
Iveco Nederland B.V.	Netherlands	21,920,549	EUR	100.00	CNH Industrial N.V.	100.000	

Investments of CNH Industrial Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 26.91%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Iveco Nord Nutzfahrzeuge GmbH	Germany	1,611,500	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Nord S.A.	France	2,045,701	EUR	100.00	Iveco France	99.996	
Iveco Nord-Ost Nutzfahrzeuge GmbH	Germany	2,120,000	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Norge A.S.	Norway	18,600,000	NOK	100.00	CNH Industrial N.V.	100.000	
Iveco Otomotiv Ticaret A.S.	Turkey	19,551,089	TRY	100.00	CNH Industrial N.V.	100.000	
Iveco Participations s.a.s.	France	468,656	EUR	100.00	Iveco France	100.000	
Iveco Pension Trustee Ltd	United Kingdom	2	GBP	100.00	Iveco Holdings Limited Iveco Limited	50.000 50.000	
Iveco Poland Sp. z o.o.	Poland	46,974,500	PLN	100.00	CNH Industrial N.V.	100.000	
Iveco Portugal-Comercio de Veiculos Industriais S.A.	Portugal	15,962,000	EUR	100.00	CNH Industrial N.V. Astra Veicoli Industriali S.p.A. Iveco Espana S.L.	99.998 0.001 0.001	
Iveco Provence s.a.s.	France	2,371,200	EUR	100.00	Iveco Participations s.a.s.	100.000	
Iveco Retail Limited	United Kingdom	2,744,100	GBP	100.00	Iveco Holdings Limited	100.000	
Iveco Romania S.r.l.	Romenia	17,500	RON	100.00	Iveco Austria GmbH	100.000	
Iveco S.p.A.	Italy	200,000,000	EUR	100.00	CNH Industrial N.V.	100.000	
Iveco Slovakia, s.r.o.	Slovack Republic	6,639	EUR	97.98	Iveco Czech Republic A.S.	100.000	
Iveco South Africa (Pty) Ltd.	South Africa	15,100,750	ZAR	100.00	CNH Industrial N.V.	100.000	
Iveco South Africa Works (Pty) Ltd	South Africa	129,010,239	ZAR	60.00	Iveco South Africa (Pty) Ltd.	60.000	
Iveco Sud-West Nutzfahrzeuge GmbH	Germany	1,533,900	EUR	94.00	Iveco Magirus AG	100.000	
Iveco Sweden A.B.	Sweden	600,000	SEK	100.00	CNH Industrial N.V.	100.000	
Iveco Truck Services S.R.L.	Romenia	2,200,200	RON	100.00	Iveco Romania S.r.l. Iveco Magyarorszag Kereskedelmi KFT	95.000 5.000	
Iveco Trucks Australia Limited	Australia	47,492,260	AUD	100.00	CNH Industrial Australia Pty Limited	100.000	
Iveco Ukraine LLC	Ukraine	49,258,692	UAH	100.00	CNH Industrial N.V.	100.000	
Iveco West Nutzfahrzeuge GmbH	Germany	3,017,000	EUR	94.00	Iveco Magirus AG	100.000	
KOMERSIA AUTO s.r.o.	Czech Republic	10,000,000	CZK	100.00	CNH Industrial N.V.	100.000	
KOMERSIA WEST s.r.o.	Czech Republic	20,000,000	CZK	100.00	KOMERSIA AUTO s.r.o.	100.000	
MAGIRUS CAMIVA S.a.s. (societè par actions simplifièe)	France	1,870,169	EUR	84.63	Iveco Magirus Fire Fighting GmbH	100.000	
Magirus GmbH	Germany	6,493,407	EUR	84.43	Iveco Magirus Fire Fighting GmbH	99.764	
Magirus Lohr GmbH	Austria	1,271,775	EUR	84.43	Magirus GmbH	100.000	
MBA AG	Switzerland	4,000,000	CHF	100.00	CNH Industrial N.V.	100.000	
Mediterranea de Camiones S.L.	Spain	48,080	EUR	100.00	Iveco Espana S.L. CNH Industrial N.V.	99.875 0.125	
New Holland Construction Machinery S.p.A.	Italy	12,396,363	EUR	100.00	CNH Industrial Italia s.p.a.	100.000	
New Holland Credit Company, LLC	U.S.A.	0	USD	100.00	CNH Industrial Capital LLC	100.000	
New Holland Holding Limited	United Kingdom	33,601	GBP	100.00	CNH Industrial Europe Holding S.A.	100.000	
New Holland Ltd	United Kingdom	1,000,000	GBP	100.00	CNH Industrial N.V.	100.000	
New Holland Tractor Ltd.	United Kingdom	184,100	GBP	100.00	New Holland Holding Limited	100.000	
O & K - Hilfe GmbH	Germany	25,565	EUR	100.00	CNH Industrial Baumaschinen GmbH	100.000	
Officine Brennero S.p.A.	Italy	2,833,830	EUR	100.00	Iveco S.p.A.	100.000	
OOO Iveco Russia	Russia	868,545,000	RUR	100.00	CNH Industrial N.V. Iveco Austria GmbH	99.960 0.040	
Receivables Credit II Corporation	Canada	1	CAD	100.00	CNH Industrial Capital America LLC	100.000	
S.A. Iveco Belgium N.V.	Belgium	6,000,000	EUR	100.00	CNH Industrial N.V. Iveco Nederland B.V.	99.983 0.017	
SAIC Fiat Powertrain Hongyan Co. Ltd.	People's Rep.of China	580,000,000	CNY	60.00	SAIC IVECO Commercial Vehicle Investment Company Limited FPT Industrial S.p.A.	60.000 30.000	
Seddon Atkinson Vehicles Ltd	United Kingdom	41,700,000	GBP	100.00	Iveco Holdings Limited	100.000	
Shanghai New Holland Agricultural Machinery Corporation Limited	People's Rep.of China	67,000,000	USD	60.00	CNH Industrial Asian Holding Limited N.V.	60.000	
Société Charolaise de Participations S.A.	France	2,370,000	EUR	100.00	Iveco Espana S.L.	100.000	
Société de Diffusion de Vehicules Industriels-SDVI S.A.S.	France	7,022,400	EUR	100.00	Iveco France	100.000	
Steyr Center Nord GmbH	Austria	35,000	EUR	100.00	CNH Industrial Osterreich GmbH	100.000	
Transolver Service S.A.	Spain	610,000	EUR	100.00	CNH Industrial Capital Limited Iveco Espana S.L.	99.984 0.016	
Transolver Services S.A.S.	France	38,000	EUR	100.00	CNH Industrial Capital Limited	100.000	
UAB Iveco Capital Baltic	Lithuania	40,110	EUR	100.00	CNH Industrial Capital Limited	100.000	
Uzcaseagroleasing LLC	Uzbekistan	5,000,000	USD	51.00	Case Credit Holdings Limited	51.000	
UzCaseMash LLC	Uzbekistan	15,000,000	USD	60.00	Case Equipment Holdings Limited	60.000	
UzCaseService LLC	Uzbekistan	4,117,500	USD	51.00	Case Equipment Holdings Limited	51.000	
UzCaseTractor LLC	Uzbekistan	15,000,000	USD	51.00	Case Equipment Holdings Limited	51.000	
Zona Franca Alari Sepauto S.A.	Spain	520,560	EUR	51.87	Iveco Espana S.L.	51.867	

Investments of Ferrari Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 23.52%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Business Auto:Marchi di Lusso e Sportivi							
410 Park Display Inc.	U.S.A.	100	USD	100	Ferrari North America Inc.	100,000	
Ferrari Australasia Pty Limited	Australia	2.000.100	AUD	100	Ferrari S.p.A.	100,000	
Ferrari Central / East Europe GmbH	Germany	1.000.000	EUR	100	Ferrari S.p.A.	100,000	
Ferrari Far East PTE LTD	Singapore	1.000.000	SGD	100	Ferrari S.p.A.	100,000	
Ferrari Financial Services S.p.A.	Italy	5.100.000	EUR	100	Ferrari S.p.A.	100,000	
Ferrari Financial Services, Inc.	U.S.A.	1.000	USD	100	Ferrari Financial Services S.p.A.	100,000	
Ferrari Japan KK	Japan	160.050.000	JPY	100	Ferrari S.p.A.	100,000	
Ferrari Management Consulting (Shanghai) CO., LTD	China	2.100.000	USD	100	Ferrari S.p.A.	100,000	
Ferrari North America Inc.	U.S.A.	200.000	USD	100	Ferrari S.p.A.	100,000	
Ferrari S.p.A.	Italy	20.260.000	EUR	100	Ferrari N.V.	100,000	
Ferrari South West Europe S.A.R.L.	France	172.000	EUR	100	Ferrari S.p.A.	100,000	
GSA-Gestions Sportives Automobiles S.A.	Switzerland	1.000.000	CHF	100	Ferrari S.p.A.	100,000	
Mugello Circuit S.p.A.	Italy	10.000.000	EUR	100	Ferrari S.p.A.	100,000	
Ferrari Auto Securitization Transaction LLC	U.S.A.	100	USD	100	Ferrari Financial Services, Inc.	100,000	
Ferrari Auto Securitization Transaction - Lease, LLC	U.S.A.	100	USD	100	Ferrari Financial Services, Inc.	100,000	
Ferrari Auto Securitization Transaction - Select, LLC	U.S.A.	100	USD	100	Ferrari Financial Services, Inc.	100,000	
Ferrari (HK) Limited	Hong Kong	10000	HKD	100	Ferrari S.p.A.	100,000	
Ferrari Cars International Trading (Shanghai) Co. Ltd.	China	2.212.500	USD	80	Ferrari S.p.A.	80,000	

Investments of PartnerRe Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Reinsurances							
Partner Reinsurance Company Ltd.	Bermuda	3,000,000.00	USD	100.00	PartnerRe Ltd.	100.000	
Lorenz Re Ltd.	Bermuda	499,999,901.00	USD	100.00	Partner Reinsurance Company Ltd.	0.000	100.000
					Third Parties	100.000	0.000
Raccoon River Re Ltd	Bermuda	1.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
Partner Reinsurance Life Company of Bermuda Ltd.	Bermuda	250,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Corporate Member Limited	United Kingdom	1.00	GBP	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Corporate Member 2 Limited	United Kingdom	100.00	GBP	100.00	Partner Reinsurance Company Ltd.	100.000	
Mercalli Re Ltd.	Bermuda	10,001.00	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000	
					Mercalli ILS Master Fund Ltd.	100.000	0.000
Partner Reinsurance Asia Pte. Ltd.	Singapore	386,000,000.00	SGD	100.00	PartnerRe Ltd.	100.000	
PartnerRe Connecticut Inc.	U.S.A.	1,000.00	USD	100.00	PartnerRe Holdings Europe Limited	100.000	
Partner Reinsurance Europe SE	Ireland	1,000,000,000.00	EUR	100.00	PartnerRe Holdings SA	100.000	
PartnerRe Miami Inc.	U.S.A.	1,000.00	USD	100.00	Partner Reinsurance Europe SE	100.000	
PartnerRe America Insurance Company	U.S.A.	55,000.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
Partner Reinsurance Company of the U.S.	U.S.A.	9,600.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Insurance Company of New York.	U.S.A.	300,000.00	USD	100.00	Partner Reinsurance Company of the U.S.	100.000	
Presidio Reinsurance Group, Inc.	U.S.A.	800,000.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
Presidio Excess Insurance Services Inc.	U.S.A.	10,000.00	USD	100.00	Presidio Reinsurance Group, Inc.	100.000	
Presidio Reinsurance Corporation	U.S.A.	10,000.00	USD	100.00	Presidio Reinsurance Group, Inc.	100.000	
PartnerRe Life Reinsurance Company of Canada	Canada	84,630,000.00	CAD	100.00	Aurigen Europe Holdings B.V.	100.000	
PartnerRe Life Reinsurance Company of America	U.S.A.	2,500,000.00	USD	100.00	Aurigen USA Holdings Inc.	100.000	
Aurigen Europe Holding B.V.	Netherlands	18,000.00	EUR	100.00	Aurigen Capital Limited	100.000	
Aurigen USA Holdings Inc.	U.S.A.	10.00	USD	100.00	Aurigen Capital Limited	100.000	
Insurance							
PartnerRe Ireland Insurance dac	Ireland	3,000,000.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	

Investments of PartnerRe Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Holdings and Others							
PartnerRe Services Ltd.	Bermuda	12,000.00	USD	100.00	PartnerRe Ltd.	100.000	
PartnerRe Servicios Compañia Limitada	Chile	70,000,000.00	CLP	100.00	PartnerRe Services Ltd.	1.000	
					Partner Reinsurance Company Ltd.	99.000	
PartnerRe America Services Company S.A. de C.V.	Mexico	10,000.00	MXN	100	PartnerRe Services Ltd.	1.000	
					Partner Reinsurance Company Ltd.	99.000	
PartnerRe Holdings Europe Limited	Ireland	100,000.00	EUR	100.00	PartnerRe Ltd.	100.000	
PartnerRe Holdings B.V.	Netherlands	2,000.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	
PartnerRe Holdings SA	France	40,889,248.00	EUR	100.00	PartnerRe Holdings Europe Limited	100.000	
Partner Reinsurance Europ SE- Escritório de Representação no Brasil Ltda.	Brazil	1,153,600.00	BRL	100.00	PartnerRe Holdings Europe Limited	1.000	
					Partner Reinsurance Europe SE	99.000	
PartnerRe U.S. Corporation	U.S.A.	1,000.00	USD	100.00	PartnerRe Holdings Europe Limited	100.000	
PartnerRe Management Ltd.	United Kingdom	1,000.00	USD	100.00	Presidio Reinsurance Group, Inc.	100.000	
Aurigen Capital Limited	Bermuda	326,741.00	USD	100.00	PartnerRe Ltd.	100.000	
Aurigen Reinsurance Limited	Canada	281,000.00	CAD	100.00	Aurigen Capital Limited	100.000	
Others Financial							
PPF Holdings I Ltd.	Bermuda	12,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PPF Holdings II Ltd.	Bermuda	12,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PPF Holdings III Ltd.	Bermuda	12,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Capital Investments Corp.	U.S.A.	200.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
LFR Collections LLC	U.S.A.	N/A	USD	100.00	PartnerRe Capital Investments Corp.	100.000	
Almandine I LLC	U.S.A.	N/A	USD	95.00	PartnerRe Capital Investments Corp.	100.000	
Mercalli Investment Holding Company Ltd.	Bermuda	10,000.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
Mercalli ILS Master Fund Ltd.	Bermuda	1.00	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000	
					Mercalli ILS Bermuda Feeder Fund Ltd.	100.000	0.000
Mercalli ILS Bermuda Feeder Fund Ltd.	Bermuda	10,001.00	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000	
					Partner Reinsurance Company Ltd.	100.000	0.000
PartnerRe Holdings Switzerland GmbH	Switzerland	441,140,000.00	CHF	100.00	PartnerRe Holdings Europe Limited	200.000	100
PartnerRe Financing Ltd	Bermuda	300.00	USD	100.00	PartnerRe Holdings Switzerland GmbH	100.000	
PPF Finance LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
Peninsula Coinvestment II, LLC	U.S.A.	N/A	USD	100.00	PPF Finance LLC	100.000	
PartnerRe Finance A LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance B LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance C LLC	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Asset Management Corporation	U.S.A.	200.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Principal Finance Inc.	U.S.A.	200.00	USD	100.00	PartnerRe Asset Management Corporation	100.000	
Mercalli Investment Management Inc.	U.S.A.	200.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance I Inc.	U.S.A.	100.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Finance II Inc	U.S.A.	100.00	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Capital Trust II	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Capital Trust III	U.S.A.	N/A	USD	100.00	PartnerRe U.S. Corporation	100.000	
PartnerRe Underwriting Management Ltd	Bermuda	1.00	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
PartnerRe Ireland Finance Dac	Ireland	1.00	EUR	100.00	PartnerRe Holding Europe Ltd.	100.000	
Mercalli ILS Feeder Fund LLC	U.S.A.	N/A	USD	100.00	Mercalli Investment Holding Company Ltd.	100.000	

Investments of PartnerRe Group consolidated on a line-by-line basis (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
BRANCH - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Reinsurances							
Partner Reinsurance Company of the U.S. Canada Branch	Canada	N/A	CAD	100.00	Partner Reinsurance Company of the U.S.	100.000	
Partner Reinsurance Europe SE, Succursale Fracaise	France	N/A	EUR	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE, Dublin, Zurich Branch	Switzerland	N/A	USD	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE (Dubai Branch)	United Arab Emirates	N/A	AED	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE United Kingdom Branch	United Kingdom	N/A	GBP	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Europe SE (Hong Kong Branch)	Hong Kong	N/A	USD	100.00	Partner Reinsurance Europe SE	100.000	
Partner Reinsurance Asia Pte Ltd. Labuan Branch	Malaysia	N/A	USD	100.00	Partner Reinsurance Asia Pte. Ltd.	100.000	
Partner Reinsurance Company Ltd. (Canada Life Branch)	Canada	N/A	USD	100.00	Partner Reinsurance Company Ltd.	100.000	
Insurance							
PartnerRe Ireland Insurance dac, United Kingdom Branch	United Kingdom	N/A	GBP	100.00	PartnerRe Ireland Insurance Limited	100.000	
Holdings and Others							
PartnerRe Holdings Europe Limited, Dublin, Zurich Branch	Switzerland	N/A	USD	100.00	PartnerRe Holdings Europe Limited	100.000	
JOINTLY-CONTROLLED ENTITIES - CONSOLIDATED ON A LINE-BY-LINE BASIS							
Reinsurances							
Mamda Re	Morocco	3,000,000.00	MAD	30.00	PartnerRe Holdings Europe Limited	30.000	

Investments of the Holdings System accounted for by the equity method

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Publishing and Communications							
The Economist Newspaper Ltd.	Great Britain	1,260,005.00	GBP	43.40	EXOR S.A.	34.722	20.000
Other							
Welltec International APS	Denmark	4,894,994.00	DKK	21.24	EXOR N.V.	21.23	21.23

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
Mass-Market Vehicles							
NAFTA							
United States Council for Automotive Research LLC	U.S.A.	100	USD	33.33	FCA US LLC	33.330	
APAC							
GAC FIAT Chrysler Automobiles Co. Ltd.	People's Rep.of China	6,000,000,000	CNY	50.00	Fiat Chrysler Automobiles N.V.	21.667	
					FCA Asia Pacific Investment Co. Ltd.	18.333	
					FCA Italy S.p.A.	10.000	
GAC FIAT CHRYSLER AUTOMOBILES SALES CO. Ltd.	People's Rep.of China	200,000,000	CNY	50.00	GAC FIAT Chrysler Automobiles Co. Ltd.	100.000	
EMEA							
FCA BANK S.p.A.	Italy	700,000,000	EUR	50.00	FCA Italy S.p.A.	50.000	
FCA AUTOMOTIVE SERVICES UK LTD.	United Kingdom	50,250,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA Bank Deutschland G.m.b.H.	Germany	39,600,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Bank G.m.b.H.	Austria	5,000,000	EUR	50.00	FCA BANK S.p.A.	50.000	
					Fidis S.p.A.	25.000	
FCA CAPITAL BELGIUM S.A.	Belgium	3,718,500	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL DANMARK A/S	Denmark	14,154,000	DKK	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL ESPANA E.F.C. S.A.	Spain	26,671,557	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL FRANCE S.A.	France	11,360,000	EUR	50.00	FCA BANK S.p.A.	99.999	
FCA CAPITAL HELLAS S.A.	Greece	1,200,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Capital Nederland B.V.	Netherlands	3,085,800	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL NORGE AS	Norway	100,800	NOK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FCA CAPITAL PORTUGAL INSTITUIÇÃO FINANCIERA DE CRÉDITO SA	Portugal	10,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL RE Designated Activity Company	Ireland	1,000,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Capital Suisse S.A.	Switzerland	24,100,000	CHF	50.00	FCA BANK S.p.A.	100.000	
FCA CAPITAL SVERIGE AB	Sweden	50,000	SEK	50.00	FCA CAPITAL DANMARK A/S	100.000	
FCA DEALER SERVICES ESPANA S.A.	Spain	25,145,299	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES PORTUGAL S.A.	Portugal	500,300	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA DEALER SERVICES UK LTD.	United Kingdom	20,500,000	GBP	50.00	FCA BANK S.p.A.	100.000	
FCA INSURANCE HELLAS S.A.	Greece	60,000	EUR	49.99	FCA CAPITAL HELLAS S.A.	99.975	
FCA LEASING FRANCE SNC	France	8,954,581	EUR	50.00	FCA CAPITAL FRANCE S.A.	99.998	
FCA Leasing GmbH	Austria	40,000	EUR	50.00	FCA BANK S.p.A.	100.000	
FCA Leasing Polska Sp. z o.o.	Poland	24,384,000	PLN	50.00	FCA BANK S.p.A.	100.000	
FCA-Group Bank Polska S.A.	Poland	125,000,000	PLN	50.00	FCA BANK S.p.A.	100.000	
Ferrari Financial Services GMBH	Germany	1,777,600	EUR	25.00	FCA BANK S.p.A.	50.000	
LEASYS FRANCE S.A.S.	France	3,000,000	EUR	50.00	Leasys S.p.A.	100.000	
Leasys S.p.A.	Italy	77,979,400	EUR	50.00	FCA BANK S.p.A.	100.000	
LEASYS UK LTD.	United Kingdom	19,000,000	GBP	50.00	Leasys S.p.A.	100.000	
FER MAS Oto Ticaret A.S.	Turkey	5,500,000	TRY	37.64	Tofas-Turk Otomobil Fabrikasi A.S.	99.418	
Koc Fiat Kredi Tuketici Finansmani A.S.	Turkey	30,000,000	TRY	37.86	Tofas-Turk Otomobil Fabrikasi A.S.	100.000	
Tofas-Turk Otomobil Fabrikasi A.S.	Turkey	500,000,000	TRY	37.86	FCA Italy S.p.A.	37.856	
Components and Production Systems							
Magneti Marelli							
Hubei Huazhoung Magneti Marelli Automotive Lighting Co. Ltd	People's Rep.of China	138,846,000	CNY	50.00	Automotive Lighting Reutlingen GmbH	50.000	
Magneti Marelli Motherson Auto System Private Limited	India	1,500,000,000	INR	50.00	Magneti Marelli S.p.A.	37.333	0.000
					Magneti Marelli Motherson India Holding B.V.	25.333	100.000
Magneti Marelli Motherson India Holding B.V.	Netherlands	2,114,074	EUR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Motherson Shock Absorbers (India) Private Limited	India	2,269,000,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli SKH Exhaust Systems Private Limited	India	274,190,000	INR	50.00	Magneti Marelli S.p.A.	50.000	
Magneti Marelli Talbros Chassis Systems Pvt. Ltd.	India	235,600,000	INR	50.00	Sistemi Sospensioni S.p.A.	50.000	
SAIC MAGNETI MARELLI Powertrain Co. Ltd	People's Rep.of China	23,000,000	EUR	50.00	Magneti Marelli S.p.A.	50.000	
SKH Magneti Marelli Exhaust Systems Private Limited	India	95,450,000	INR	46.62	Magneti Marelli S.p.A.	46.621	50.000
Zhejiang Wanxiang Magneti Marelli Shock Absorbers Co. Ltd.	People's Rep.of China	100,000,000	CNY	50.00	Magneti Marelli S.p.A.	50.000	
Teksid							
Hua Dong Teksid Automotive Foundry Co. Ltd.	People's Rep.of China	385,363,500	CNY	50.00	Teksid S.p.A.	50.000	

Investments of FCA Group accounted for by the equity method (percentage of EXOR Group consolidation: 29.18%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES ACCOUNTED FOR USING THE EQUITY METHOD							
Mass-Market Vehicles							
EMEA							
AC Austro Car Handelsgesellschaft m.b.h. & Co. OHG	Austria	0	EUR	100.00	FCA AUSTRO CAR GmbH	100.000	
ALFA ROMEO LLC	U.S.A.	0	USD	100.00	FCA North America Holdings LLC	100.000	
Chrysler France S.A.S.	France	460,000	EUR	100.00	CG EU NSC LIMITED	100.000	
Chrysler Jeep Ticaret A.S.	Turkey	5,357,000	TRY	100.00	CG EU NSC LIMITED	99.960	
					FCA US LLC	0.040	
Chrysler Polska Sp.z o.o.	Poland	30,356,000	PLN	100.00	CG EU NSC LIMITED	100.000	
Fiat Automobiles S.p.A. in liquidation	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES CR s.r.o.	Czech Republic	1,000,000	CZK	100.00	FCA Italy S.p.A.	100.000	
FIAT CHRYSLER AUTOMOBILES SR s.r.o.	Slovack Republic	33,194	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Professional S.p.A. in liquidation	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
GESTIN POLSKA Sp. z o.o.	Poland	500,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Italcar SA	Morocco	4,000,000	MAD	99.90	Fiat Chrysler Automobiles Morocco S.A.	99.900	
Lancia Automobiles S.p.A. in liquidation	Italy	120,000	EUR	100.00	FCA Italy S.p.A.	100.000	
NEW BUSINESS 37 S.p.A.	Italy	50,000	EUR	100.00	FCA Real Estate Services S.p.A.	100.000	
Sirio Polska Sp. z o.o.	Poland	1,350,000	PLN	100.00	FCA POLAND Spólka Akcyjna	100.000	
Components and Production Systems							
Magneti Marelli							
Cofap Fabricadora de Pecas Ltda	Brazil	75,720,716	BRL	68.34	Magneti Marelli do Brasil Industria e Comercio Ltda	68.350	
Comau							
COMAU (THAILAND) CO. LTD	Thailand	10,000,000	THB	100.00	Comau S.p.A.	99.997	
COMAU Czech s.r.o.	Czech Republic	5,400,000	CZK	100.00	Comau S.p.A.	100.000	
Comau Do Brasil Facilities Ltda.	Brazil	10,000,000	BRL	100.00	Comau do Brasil Industria e Comercio Ltda.	100.000	
Comau Robot ve Sistemleri A.S	Turkey	1,210,000	TRY	100.00	Comau S.p.A.	100.000	
IUVO SRL	Italy	61,224	EUR	26.01	SYNEXO S.R.L.	51.000	
SYNEXO S.R.L.	Italy	10,000	EUR	51.00	Comau S.p.A.	51.000	
Other Activities:Holding companies and Other companies							
Fiat (Beijing) Business Co., Ltd.	People's Rep.of China	3,000,000	USD	100.00	FCA Partecipazioni S.p.A.	100.000	
Fiat Chrysler Rimaco Argentina S.A.	Argentina	150,000	ARS	99.96	Fiat Chrysler Rimaco SA	99.960	
Fiat Chrysler Rimaco Brasil Corretagens de Seguros Ltda.	Brazil	365,525	BRL	100.00	Fiat Chrysler Rimaco SA	99.998	
Associated companies accounted for using the equity method							
Mass-Market Vehicles							
APAC							
Hangzhou IVECO Automobile Transmission Technology Co., Ltd.	People's Rep.of China	795,000,000	CNY	50.00	FCA Partecipazioni S.p.A.	50.000	
EMEA							
Arab American Vehicles Company S.A.E.	Egypt	6,000,000	USD	49.00	FCA US LLC	49.000	
Components and Production Systems							
Magneti Marelli							
FMM Pernambuco Componentes Automotivos Ltda	Brazil	209,180,100	BRL	49.00	Plastic Components and Modules Automotive S.p.A.	49.000	
HMC MM Auto Ltd	India	434,500,000	INR	40.00	Magneti Marelli S.p.A.	40.000	
Other Activities:Holding companies and Other companies							
Iveco-Motor Sich, Inc.	Ukraine	26,568,000	UAH	38.62	FCA Partecipazioni S.p.A.	38.618	
Otoyol Sanayi A.S. in liquidation	Turkey	52,674,386	TRY	27.00	FCA Partecipazioni S.p.A.	27.000	

Investments of CNH Industrial Group accounted for by the equity method (percentage of EXOR Group consolidation: 26.91%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
Case Mexico S.A. de C.V.	Mexico	810,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
Case Special Excavators N.V.	Belgium	1,100,000	EUR	50.00	CNH Industrial N.V.	50.000	
CNH Comercial, SA de C.V.	Mexico	160,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH de Mexico SA de CV	Mexico	165,276,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Industrial S.A. de C.V.	Mexico	400,050,000	MXN	50.00	CNH de Mexico SA de CV	100.000	
CNH Servicios Comerciales, S.A. de C.V., SOFOM, E.N.R.	Mexico	50,000,000	MXN	50.00	CNH Industrial N.V.	50.000	
CNH Servicios Corporativos S.A. de C.V.	Mexico	375,000	MXN	50.00	CNH de Mexico SA de CV	99.999	
IVECO – OTO MELARA Società Consortile a responsabilità limitata	Italy	40,000	EUR	50.00	Iveco Defence Vehicles SpA	50.000	
Iveco Acentro S.p.A.	Italy	764,530	EUR	50.00	Iveco S.p.A.	50.000	
Iveco Orecchia S.p.A.	Italy	8,000,000	EUR	50.00	Iveco S.p.A.	50.000	
Naveco (Nanjing IVECO Motor Co.) Ltd.	People's Rep.of China	2,527,000,000	CNY	50.00	Iveco S.p.A.	50.000	
New Holland HFT Japan Inc.	Japan	240,000,000	JPY	50.00	CNH Industrial N.V.	50.000	
SAIC IVECO Commercial Vehicle Investment Company Limited	People's Rep.of China	224,500,000	USD	50.00	Iveco S.p.A.	50.000	
Turk Traktor ve Ziraat Makineleri A.S.	Turkey	53,369,000	TRY	37.50	CNH Industrial Osterreich GmbH	37.500	
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Al-Ghazi Tractors Ltd	Pakistan	289,821,005	PKR	43.17	CNH Industrial N.V.	43.169	
CNH Industrial Capital Europe S.a.S.	France	88,482,297	EUR	49.90	CNH Industrial N.V.	49.900	
Farm FZCO	United Arab Emirates	6,600,000	AED	28.79	CNH Industrial Italia s.p.a.	28.788	
IVECO-AMT Ltd.	Russia	65,255,056	RUR	33.33	CNH Industrial N.V.	33.330	
Transolver Finance Establecimiento Financiero de Credito S.A.	Spain	29,315,458	EUR	49.00	CNH Industrial N.V.	49.000	

Investments of PartnerRe Group accounted for by the equity method (percentage of EXOR Group consolidation: 100%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD							
Reinsurances							
Orange Grove Re Ltd.	Bermuda	12,000.00	USD	100.00	Orange Grove Re Holdings Limited	41.500	
Entitle Direct Group, Inc.	U.S.A.	85,000,000.00	USD	95.70	Partner Reinsurance Company Ltd.	36.000	
ASSOCIATED COMPANIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Real Estate							
ALMACANTAR GROUP S.A.	Luxembourg	587,660,998.00	GBP	35.82	Partner Reinsurance Company Ltd.	35.820	

Investments of Juventus Football Club accounted for by the equity method (percentage of EXOR Group consolidation: 63.77%)

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
JOINTLY-CONTROLLED ENTITIES - ACCOUNTED FOR USING THE EQUITY METHOD							
Others Companies							
J Medical S.r.l.	Italy	59,000.00	EUR	50.00	Juventus Football Club S.p.A.	50.000	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries valued at cost							
Mass-Market Vehicles							
NAFTA							
FCA Co-Issuer Inc.	U.S.A.	100	USD	100.00	FCA US LLC	100.000	
FCA DUTCH OPERATING LLC	U.S.A.	0	USD	100.00	CNI C.V.	100.000	
FCA Foundation	U.S.A.	0	USD	100.00	FCA US LLC	100.000	
FCA INTERMEDIATE MEXICO LLC	U.S.A.	1	USD	100.00	Chrysler Mexico Investment Holdings Cooperatie U.A.	100.000	
Fundacion Chrysler, I.A.P.	Mexico	0	MXN	100.00	FCA Mexico, S.A. de C.V.	100.000	
FUNDACION FCA, A.C.	Mexico	2	MXN	100.00	FCA Mexico, S.A. de C.V.	50.000	
					FCA MINORITY LLC	50.000	
EMEA							
Associazione Tecnica dell`Automobile Consulting & Solutions s.r.l. in liquidation	Italy	49,000	EUR	100.00	FCA ITALY HOLDINGS S.p.A.	100.000	
Chrysler Netherlands Holding Cooperatie U.A.	Netherlands	0	EUR	100.00	CNI C.V.	99.000	
					FCA DUTCH OPERATING LLC	1.000	
Chrysler UK Pension Trustees Limited	United Kingdom	1	GBP	100.00	Chrysler UK Limited	100.000	
CODEFIS Società consortile per azioni	Italy	120,000	EUR	51.00	FCA Italy S.p.A.	51.000	
Consorzio ATA - FORMAZIONE	Italy	18,319	EUR	100.00	C.R.F. Società Consortile per Azioni	90.998	
					FCA Real Estate Services S.p.A.	9.002	
CONSORZIO FCA CNHI ENERGY	Italy	7,000	EUR	57.14	Comau S.p.A.	14.286	
					FCA Italy S.p.A.	14.286	
					Plastic Components and Modules Automotive S.p.A.	14.286	
					Teksid S.p.A.	14.286	
Consorzio Servizi Balocco	Italy	10,100	EUR	86.11	FCA Italy S.p.A.	80.663	
					Maserati S.p.A.	2.901	
					Abarth & C. S.p.A.	1.554	
					FCA Real Estate Services S.p.A.	0.990	
FAS FREE ZONE Ltd. Kragujevac	Serbia	2,281,603	RSD	66.67	FCA SERBIA DOO KRAGUJEVAC	100.000	
FCA Russia S.r.l.	Italy	253,565	EUR	100.00	FCA Italy S.p.A.	100.000	
Fiat Motor Sales Ltd	United Kingdom	1,500,000	GBP	100.00	FIAT CHRYSLER AUTOMOBILES UK Ltd	100.000	
OOO "CABEKO"	Russia	181,869,062	RUB	100.00	FCA Russia S.r.l.	99.591	
					FCA Italy S.p.A.	0.409	
VM North America Inc.	U.S.A.	1,000	USD	100.00	FCA Italy S.p.A.	100.000	
Components and Production Systems							
Magneti Marelli							
SBH EXTRUSAO DO BRASIL LTDA.	Brazil	15,478,371	BRL	99.99	Plastic Components and Modules Automotive S.p.A.	100.000	
Comau							
Consorzio Fermag in liquidation	Italy	144,608	EUR	68.00	Comau S.p.A.	68.000	
Other Activities:Holding companies and Other companies							
FCA Newco LLC	U.S.A.	1	USD	100.00	Maserati North America Inc.	100.000	
Fiat Chrysler Finance Netherlands B.V.	Netherlands	1	EUR	100.00	Fiat Chrysler Automobiles N.V.	100.000	
Fiat Common Investment Fund Limited	United Kingdom	2	GBP	100.00	Fiat Chrysler Automobiles Services UK Limited	100.000	
Fiat Oriente S.A.E. in liquidation	Egypt	50,000	EGP	100.00	FCA Partecipazioni S.p.A.	100.000	
Isvor Fiat India Private Ltd. in liquidation	India	1,750,000	INR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 29 S.c.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	80.000	
					Fiat Chrysler Automobiles N.V.	20.000	
New Business 31 S.p.A.	Italy	120,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 35 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	
New Business 36 s.r.l.	Italy	50,000	EUR	100.00	FCA Partecipazioni S.p.A.	100.000	

Investments of FCA Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Associated companies valued at cost							
Mass-Market Vehicles							
LATAM							
FCA Venezuela LLC	U.S.A.	132,474,694	USD	100.00	CG Venezuela UK Holdings Limited	100.000	
EMEA							
Consorzio per la Reindustrializzazione Area di Arese S.r.l. in liquidation	Italy	20,000	EUR	30.00	FCA Italy S.p.A.	30.000	
Innovazione Automotive e Metalmeccanica Scrl	Italy	115,000	EUR	23.75	FCA Italy S.p.A.	15.077	
					C.R.F. Società Consortile per Azioni	8.465	
					Sistemi Sospensioni S.p.A.	0.211	
Tecnologie per il Calcolo Numerico-Centro Superiore di Formazione S.c. a r.l.	Italy	100,000	EUR	25.00	C.R.F. Società Consortile per Azioni	25.000	
Turin Auto Private Ltd. in liquidation	India	43,300,200	INR	50.00	FCA ITALY HOLDINGS S.p.A.	50.000	
Components and Production Systems							
Magneti Marelli							
Bari Servizi Industriali S.c.r.l.	Italy	24,000	EUR	25.00	Magneti Marelli S.p.A.	25.000	
DTR VMS Italy S.r.l.	Italy	1,000,000	EUR	40.00	Magneti Marelli S.p.A.	40.000	
Mars Seal Private Limited	India	400,000	INR	24.00	Magneti Marelli France S.a.s.	24.000	
Matay Otomotiv Yan Sanay Ve Ticaret A.S.	Turkey	3,800,000	TRY	28.00	Magneti Marelli S.p.A.	28.000	
PSMM Campania S.r.l.	Italy	18,000,000	EUR	30.00	Plastic Components and Modules Automotive S.p.A.	30.000	
Other Activities:Holding companies and Other companies							
ANFIA Automotive S.c.r.l.	Italy	20,000	EUR	20.00	C.R.F. Società Consortile per Azioni	5.000	
					FCA Information Technology, Excellence and Methods S.p.A.	5.000	
					FCA Italy S.p.A.	5.000	
					Magneti Marelli S.p.A.	5.000	
Auto Componentistica Mezzogiorno - A.C.M. Melfi Società Consortile a responsabilità limitata	Italy	40,000	EUR	35.25	FCA Melfi S.r.l.	23.500	
					Sistemi Sospensioni S.p.A.	11.750	
FMA-Consultoria e Negocios Ltda	Brazil	1	BRL	50.00	FCA Fiat Chrysler Participacoes Brasil Limitada	50.000	
Parco Industriale di Chivasso Società Consortile a responsabilità limitata	Italy	10,000	EUR	25.80	FCA Partecipazioni S.p.A.	25.800	
Talent Garden Fondazione Agnelli S.r.l.	Italy	40,000	EUR	30.00	FCA Partecipazioni S.p.A.	30.000	

Investments of CNH Industrial Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
SUBSIDIARIES - VALUED AT COST							
Altra S.p.A.	Italy	516,400	EUR	100.00	Iveco S.p.A.	100.000	
Case Construction Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case IH Agricultural Equipment, Inc.	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Case International Limited	United Kingdom	1	GBP	100.00	New Holland Holding Limited	100.000	
CNH INDUSTRIAL VENEZUELA, C.A.	Venezuela	2,000,000	VEF	100.00	CNH Industrial N.V.	62.689	
					Iveco S.p.A.	37.311	
Employers Health Initiatives L.L.C.	U.S.A.	790,000	USD	100.00	CNH Industrial America LLC	100.000	
International Harvester Company	U.S.A.	1,000	USD	100.00	CNH Industrial America LLC	100.000	
Iveco Magyarorszag Kereskedelmi KFT	Hungary	24,000,000	HUF	100.00	Iveco Austria GmbH	100.000	
Iveco Venezuela C.A.	Venezuela	1,572,311,629	VEF	100.00	CNH Industrial N.V.	57.423	
					Iveco S.p.A.	42.577	
J.I. Case Company Limited	United Kingdom	2	GBP	100.00	Case United Kingdom Limited	100.000	
MVPC LLC	Russia	10,000	RUR	50.00	OOO Iveco Russia	50.000	
New Industrial Business 2 s.r.l.	Italy	31,539	EUR	100.00	CNH Industrial N.V.	100.000	
RosCaseMash	Russia	0	RUR	38.25	Case Equipment Holdings Limited	38.250	51.000
SERFIT S.R.L.	Italy	50,000	EUR	100.00	CNH Industrial N.V.	100.000	
ASSOCIATED COMPANIES VALUED AT COST							
CONSORZIO FCA CNHI ENERGY	Italy	7,000	EUR	42.86	CNH Industrial Italia s.p.a.	14.286	
					FPT Industrial S.p.A.	14.286	
					Iveco S.p.A.	14.286	
Consorzio Nido Industria Vallesina	Italy	53,903	EUR	38.73	CNH Industrial Italia s.p.a.	38.728	
Sotra S.A.	Ivory Coast	3,000,000,000	XAF	39.80	Iveco France	39.800	
Trucks & Bus Company	Libya	96,000,000	LYD	25.00	Iveco Espana S.L.	25.000	
OTHER COMPANIES VALUED AT COST							
CODEFIS Società consortile per azioni	Italy	120,000	EUR	19.00	CNH Industrial Capital Limited	19.000	
Nuova Didactica S.c. a r.l.	Italy	112,200	EUR	12.27	CNH Industrial Italia s.p.a.	12.273	
Polagris S.A.	Lithuania	1,133,400	LTL	11.05	CNH Industrial Polska Sp. z o.o.	11.054	

Investments of Ferrari Group valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
Subsidiaries valued at cost							
New Business 33 S.p.A.	Italy	120.000	EUR		Ferrari N.V.	100,000	
Scuderia Ferrari Club S.c. a r.l.	Italy	105.000	EUR		Ferrari S.p.A.	93,181	
Other companies							
Ferrari Financial Services GmbH	Germany	1.777.600	EUR		Ferrari Financial Services S.p.A.	49,99	
Nuova Didactica S.c. a r.l.	Italy	112.200	EUR		Ferrari S.p.A.	16,36	
CRIT - Centro di Ricerca e Innovazione Tecnologica S.r.l.	Italy	413,800	EUR		Ferrari S.p.A.	7.44	
CONSORZIO SERVIZI BALOCCO	Italy	10.100	EUR		Ferrari S.p.A.	5.5	
Destination Florence Convention and Visitors Bureau S.c.r.l.	Italy	151,580	EUR		Mugello Circuit S.p.A.	1.72	
FCA Servizi per l`Industria S.c.p.a. (Sepin)	Italy	1.652.669	EUR		Ferrari S.p.A.	1.5	
SIRIO SCPA	Italy	120.000	EUR		Ferrari S.p.A.	0.73	
Caaf dell'Industria	Italy				Ferrari S.p.A.	0.69	
S.A.I.MO S.p.A.	Italy	517,125	EUR		Ferrari S.p.A.	0.23	
ORIONE SCPA	Italy	120.000	EUR		Ferrari S.p.A.	0.22	
Liberty Media Corporation (Series C Liberty Formula One)	U.S.A.	N/A			Ferrari S.p.A.	0.01	
Fondazione FERRARI	Italy	60,000	EUR		Ferrari S.p.A.	100,000	
Fondazione Casa di Enzo Ferrari Museo	Italy	129,114	EUR		Ferrari S.p.A.	25.00	
Fondazione Istituto Tecnico Superiore Meccanica, Meccatronica, Motoristica, Packaging	Italy	41,124	EUR		Ferrari S.p.A.	4.11	

Investments of Juventus Football Club valued at cost

Name	Country	Capital Stock	Currency	% of Group Consolidation	Interest held by	% of Interest held	% of voting rights
ASSOCIATED COMPANIES - VALUED AT COST							
Others Companies							
Tobeez F&B Italia S.r.l.	Italy	30,000.00	EUR	N/A	Juventus Football Club S.p.A.	40.000	
B&W Nest S.r.l.	Italy	27,000.00	EUR	N/A	Juventus Football Club S.p.A.	40.000	

Independent auditor's report

To: the shareholders and the audit committee of EXOR N.V.

Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of EXOR N.V. (the Company), incorporated in Amsterdam, the Netherlands. The financial statements include the consolidated financial statements and the Company financial statements (collectively referred to as the financial statements).

In our opinion the financial statements give a true and fair view of the financial position of EXOR N.V. as at December 31, 2017 and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and Company statement of financial position as at December 31, 2017
- The following statements for 2017: the consolidated and Company income statement, the consolidated and Company statements of comprehensive income, cash flows and changes in equity
- The notes comprising a summary of the significant accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of EXOR N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€450 million (2016: €450 million)
Benchmark applied	Approximately 0.5% of Revenues
Explanation	Based on perspectives and expectations of the users of the financial statements in the context of our understanding of the entity and the environment in which it operates we determined the materiality for the financial statements as a whole at €450 million. Although the Company is showing a positive trend in profitability, the results are still marginal compared to revenues and an earnings based measure as a result is not yet appropriate.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material to the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of €22.5 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

EXOR N.V. is the parent of a group of entities. The financial information of this group is included in the consolidated financial statements of EXOR N.V. The Company is organized along six reportable segments, being Fiat Chrysler Automobiles (FCA), CNH Industrial (CNHi), Ferrari, PartnerRe, Juventus Football Club and the Holdings System (EXOR), along with certain other corporate functions which are not included within the reportable segments.

Our group audit mainly focused on significant group entities. Group entities are considered significant components either because of their individual financial significance or because they are likely to include significant risks of material misstatement due to their specific nature or circumstances. All such significant group entities were included in the scope of our group audit.

In establishing the overall approach to the audit, we determined the type of work that is needed to be done by us, as group auditors, or by component auditors from Ernst & Young Global member firms and operating under our instructions.

Accordingly, we identified five reportable segments of EXOR N.V.'s group entities, which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Other procedures are performed on one reportable segment.

- The group consolidation, financial statements and disclosures as well as the group audits of Fiat Chrysler Automobiles (FCA), CNH Industrial (CNHi), Ferrari, Juventus Football Club and EXOR are audited directly by the group engagement team in addition to the other procedures the group team is responsible for
- The group engagement team met with the PartnerRe component audit team. We reviewed the audit files of the component auditor and determined the sufficiency and appropriateness of the work performed, with a specific focus on the key audit matters relevant to the Company

- All component audit teams included in the group scope received detailed instructions from the group engagement team including key risk areas and significant accounts and the group engagement team reviewed their deliverables

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The structure of our key audit matter reporting is in line with the major business segments as defined with EXOR N.V. In prior year, allowance on receivable from financing activities (mainly CNH Industrial) was reported as a key audit matter, but due to the reduced risk in 2017, this is no longer regarded a key audit matter. In addition, the acquisition of PartnerRe was a key audit matter in prior year but is no longer a key audit matter in 2017 as it was a 2016 event.

<table>
<tr><th>Risk</th><th>Our audit approach</th><th>Key observations communicated to the Audit Committee</th></tr>
<tr><td colspan="3">Revenue recognition and sales commitments</td></tr>
<tr><td>Net revenues for the year 2017 amounted to €143,430 million, detailed as follows:
<table>
<tr><th>Net Revenues (€/million)</th><th>December 31, 2017</th><th>December 31, 2016</th></tr>
<tr><td>FCA*</td><td>110,934</td><td>111,018</td></tr>
<tr><td>CNH Industrial</td><td>24,739</td><td>22,882</td></tr>
<tr><td>Ferrari</td><td>3,417</td><td>3,105</td></tr>
<tr><td>PartnerRe</td><td>5,016</td><td>3,827</td></tr>
<tr><td>Minors, elimin/adj.</td><td>(676)</td><td>(764)</td></tr>
<tr><td>TOTAL</td><td>143,430</td><td>140,068</td></tr>
</table>
With regard to the CNH Industrial component, sales transactions are often concluded based upon ex-works or other common shipping terms that can vary by</td>
<td>We designed our audit procedures to be responsive to this risk.
- We assessed the overall sales process, including internal risk management procedures and the system controls for the recording of sales contracts and related sales incentives.
- We obtained an understanding of the processes related to revenue recognition and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.
- We performed a combination of internal control and substantive audit procedures to address the revenue recognition through tests of details of samples of sales transactions and analytical procedures.</td>
<td>Based on the audit procedures performed, we did not identify any material misstatements in the revenue reported and conclude that the disclosures in the financial statements are adequate.</td></tr>
</table>

region in which title and risks of ownership transfer to the buyer prior to actual delivery of the product. Revenue recognition for these transactions is susceptible to an increase in risk related to differences in shipping cut-off at the financial reporting date. In addition, the Group records the estimated impact of sales allowances in the form of dealer and customer incentives as a reduction of revenue. The determination of sales allowances requires management to make estimates based upon historical data, estimated future market demand, dealer inventory levels, announced incentive programs, competitive pricing and interest rates among other factors.

With reference to Ferrari, revenue for sales of vehicles, net of discounts, cash sales incentives and rebates recognized to dealers or customers, are recognized when persuasive evidence of an arrangement exists, collectability is reasonably assured, and the risks and rewards of ownership have transferred to the customer (for vehicle sales, generally when the vehicle is released to the carrier responsible for transporting vehicles to dealers). The Company grants to customers the opportunity to benefit of maintenance programs performed by authorized dealers. The scheduled maintenance service is included in the price paid by the customer for the car. The maintenance programs include free annual maintenance services, performed once a year, for a period of seven years. Other revenue streams relate to sponsorships, commercial, brand and engine sales. Revenue recognition is inherently an area of audit risk which we substantially focus on. In connection with PartnerRe, the analysis of the reinsurance revenue recognition was significant to our audit because the process of premium estimation is judgmental and based on assumptions that are affected by expected future market or economic conditions.

- We also ensured that assumptions included in the sales incentive reserve analysis and in the premium estimates are properly supported
- For PartnerRe, EY actuaries assisted in assessing the reasonableness of the earnings patterns utilized by the Company

Finally, we reviewed the adequacy of the disclosures made by the Company in this area.

<table>
<tr><td>The company disclosed its accounting policy for revenue recognition in the Note Basis of preparation and Significant accounting policies to the consolidated financial statements.

*Please note that for FCA revenue is not defined as key audit matter.</td><td></td><td></td></tr>
</table>

<table>
<tr><th>Risk</th><th>Our audit approach</th><th>Key observations communicated to the Audit Committee</th></tr>
<tr><td colspan="3">Valuation of goodwill and other non-current assets with indefinite useful lives</td></tr>
<tr><td>At December 31, 2017 the recorded amount of Goodwill and intangible assets with indefinite useful lives was €17,241 million, detailed as follows:
<table>
<tr><th>Goodwill and intangible assets with indefinite useful lives (€/million)</th><th>December 31, 2017</th><th>December 31, 2016</th></tr>
<tr><td>FCA</td><td>13,390</td><td>15,222</td></tr>
<tr><td>CNH Industrial</td><td>2,261</td><td>2,550</td></tr>
<tr><td>Ferrari</td><td>786</td><td>786</td></tr>
<tr><td>PartnerRe</td><td>739</td><td>841</td></tr>
<tr><td>Other minors</td><td>65</td><td>64</td></tr>
<tr><td>TOTAL</td><td>17,241</td><td>19,463</td></tr>
</table>
The majority of these assets relate to goodwill (€13.832 million) and brands, trademarks and other intangible assets with indefinite useful lives (€3.409 million). Goodwill and intangible assets with indefinite useful lives are allocated to operating segments or to Cash Generating Units (CGU) within the operating segments,</td>
<td>We designed our audit procedures to be responsive to this risk.

We obtained an understanding of the impairment assessment processes and evaluated the design and tested the effectiveness of controls in this area relevant to our audit
Our focus included evaluating the work of the management specialists used for the valuation, evaluating and testing key assumptions used in the valuation including projected future income and earnings, performing sensitivity analyses, and testing the allocation of the assets, liabilities, revenues and expenses
The forecasted cash-flows are an important input for the assessment of the recoverability

We have reconciled these forecasts for the cash generating units with the approved strategic plans.
We also assessed the forecasting quality by comparing forecasts as included in tests prepared in prior years to the actuals
</td>
<td>Based on the work performed, we concur with the Group's conclusion that no impairment of goodwill is required in the current year and that the disclosures in the financial statements are adequate. With regards to FCA, given the importance of the assumptions in LATAM in relation to the continuation of certain tax benefits, we agree with the continued disclosure of this assumption in the financial statements.</td></tr>
</table>

Risk	Our audit approach	Key observations communicated to the Audit Committee
which represent the lowest level within the Group at which goodwill is monitored for internal management purposes in accordance with IAS 36. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually or more frequently, if there is an indication that an asset may be impaired. Estimating the recoverable amount of the assets requires critical management judgment including estimates of future sales, gross margins, operating costs, terminal value growth rates, capital expenditures and the discount rate and the assumptions inherent in those estimates. The annual impairment test is significant to our audit because the assessment process is complex and requires significant judgment. The Company disclosed the nature and value of the assumptions used in the impairment analyses in note 12.	▸ Assisted by our valuation experts, we performed independent calculations to validate the sensitivity analysis Finally, we reviewed the adequacy of the disclosures made by the Company in this area.	

Risk	Our audit approach	Key observations communicated to the Audit Committee
Income taxes - recoverability of deferred tax assets (with particular reference to the Brazilian and Italian Deferred Tax Assets for FCA)		
Net deferred tax assets and liabilities as at December 31, 2017 amounted to €2.333 million, detailed as follows:	We designed our audit procedures to be responsive to this risk. ▸ We obtained an understanding of the income taxes process, and evaluated the design and tested the effectiveness of controls in this area relevant to our audit. ▸ We have evaluated the Company's assumptions and estimates in relation to the likelihood of generating	Based on the procedures performed, we concluded that the deferred tax assets and liabilities at year-end are materially correct and adequately disclosed in the financial statements.

<table>
<thead>
<tr><th>Risk</th><th>Our audit approach</th><th>Key observations communicated to the Audit Committee</th></tr>
</thead>
<tbody>
<tr>
<td>
<table>
<tr><th>Net deferred tax assets and liabilities (€/million)</th><th>December 31, 2017</th><th>December 31, 2016</th></tr>
<tr><td>Deferred tax assets on temporary differences</td><td>8,943</td><td>12,765</td></tr>
<tr><td>Deferred tax liabilities on temporary differences</td><td>(6,323)</td><td>(9,081)</td></tr>
<tr><td>Deferred tax assets on tax losses carried forward</td><td>5,501</td><td>5,366</td></tr>
<tr><td>Unrecognized deferred tax assets</td><td>(5,788)</td><td>(4,785)</td></tr>
<tr><td>TOTAL</td><td>2,333</td><td>4,265</td></tr>
<tr><td><i>Detailed as follows</i></td><td></td><td></td></tr>
<tr><td>Deferred tax assets</td><td>2,928</td><td>4,792</td></tr>
<tr><td>Deferred tax liabilities</td><td>(595)</td><td>(527)</td></tr>
</table>
At December 31, 2017, the Group had deferred tax assets on deductible temporary differences of €8,943 million and on tax losses carried forwards of €5,501 million, of which €5,788 million were not recognized.
The majority of these assets relate to FCA and CNHI.
At FCA, the recognized and unrecognized amounts related to Brazil are €148 million and €1,139 million respectively. The recognized and unrecognized amounts related to Italy are €898 million and €2.358 million respectively.
</td>
<td>
sufficient future taxable income based on most recent budgets and plans, prepared by management by using the same criteria described for testing the impairment of assets and goodwill, principally by performing sensitivity analyses and evaluating and testing the key assumptions used to determine the amounts recognized.
- We have involved EY tax specialists to support us in these procedures.

Finally, we reviewed the adequacy of the disclosures made by the Company in this area.
</td>
<td></td>
</tr>
</tbody>
</table>

Risk	Our audit approach	Key observations communicated to the Audit Committee
The analysis of the recognition and recoverability of the deferred tax assets was significant to our audit because the amounts are material, the assessment process is complex and judgmental and is based on assumptions that are affected by expected future market or economic conditions, especially as it relates to future performance in Latin America and the Eurozone. The disclosures in relation to income taxes are included in note 9.		

<table>
<tr><th>Risk</th><th>Our audit approach</th><th>Key observations communicated to the Audit Committee</th></tr>
<tr><td colspan="3">Provision for product warranties and recall campaigns (with particular reference to NAFTA region for FCA)</td></tr>
<tr>
<td>Other provisions of the year 2017 amounted to €18,132 million, detailed as follows:
<table>
<tr><th>Other provisions (€/million)</th><th>December 31, 2017</th><th>December 31, 2016</th></tr>
<tr><td>Warranty and recall campaigns provision</td><td>7,750</td><td>8,556</td></tr>
<tr><td>Other risks</td><td>10,492</td><td>10,709</td></tr>
<tr><td>TOTAL</td><td>18,132</td><td>19,265</td></tr>
</table>
At December 31, 2017 the provision for product warranties amounted to €7,750 million, of which €6,725 million related to FCA Group and €123 million to Ferrari Group. The most significant amounts related to the FCA NAFTA segment.
The Group issues various types of product warranties under which the performance of</td>
<td>We designed our audit procedures to be responsive to this risk.

We obtained an understanding of the warranty process, evaluated the design of, and performed tests of controls in this area
Our focus included evaluating the appropriateness of the Group's methodology, evaluating and testing the basis for the assumptions developed and used in the determination of the warranty provisions, performing sensitivity analyses to evaluate the judgments made by management, and testing the validity of the data used in the calculations
For FCA NAFTA segment, EY actuaries determined their own range for the provision for the NAFTA product warranty and recall campaign amounts
</td>
<td>Based on the results of our procedures, including our assessment that the Group's provision was within the range of possible outcomes independently determined by EY actuaries, we are satisfied that the NAFTA product warranty and recall campaigns provision is appropriate as at December 31, 2017.</td>
</tr>
</table>

Risk	Our audit approach	Key observations communicated to the Audit Committee
products delivered is generally guaranteed for a certain period or term; the reserve for product warranties includes the expected costs of warranty obligations imposed by law or contract, as well as the expected costs for policy coverage, recall actions and buyback commitments. In addition, the Group periodically initiates voluntary service and recall actions to address various customer satisfaction, safety and emissions issues related to vehicles sold; the estimated future costs of the service and recall actions are based primarily on historical claims experience for the Group's vehicles. The estimated future costs of these actions are principally based on assumptions regarding the lifetime warranty costs of each vehicle line and each model year of that vehicle line, as well as historical claims experience for the vehicles. Estimates of the future costs of these actions are inevitably imprecise due to numerous uncertainties, especially related to the NAFTA region's warranty and campaign provision, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature of the corrective action that may result in adjustments to the established reserves. Costs associated with these actions are recorded in Cost of Sales in the Consolidated Income Statements. Due to the size and the uncertainty and potential volatility of these estimated future costs and other factors, such as new laws and regulations, changes in assumptions used could materially affect the result of the Group's operations. The company's disclosures related to the allowance on receivables from financing activities are in Note 20 to the consolidated financial statements.	Finally, we reviewed the adequacy of the disclosures made by the Company in this area.	

Risk	Our audit approach	Key observations communicated to the Audit Committee
Valuation of technical re-insurance reserves		
At December 31, 2017 the recorded amount of the technical reinsurance reserves was €11,690 million, entirely related to the PartnerRe Group. Non-life and health technical reinsurance reserves include amounts determined from loss reports on individual treaties (case reserves), additional case reserves when PartnerRe's loss estimate is higher than reported by the cedants (ACRs) and amounts for losses incurred but not yet reported to PartnerRe (IBNR). Such reserves are estimated by management based upon reports received from ceding companies, supplemented by PartnerRe's own actuarial estimates of reserves for which ceding Company reports have not been received, and based on PartnerRe's own historical experience. To the extent that PartnerRe's own historical experience is inadequate for estimating reserves, such estimates may be determined based upon industry experience and management's judgment. The estimates are continuously reviewed and the ultimate liability may be in excess of, or less than, the amounts provided. Any adjustments are reflected in the periods in which they are determined, which may affect PartnerRe's operating results in future periods. Technical reinsurance reserves for life policies have been established based upon information reported by ceding companies, supplemented by PartnerRe's actuarial estimates of mortality, critical illness, persistency and future investment income, with appropriate provision to reflect uncertainty. PartnerRe purchases retrocessional contracts to reduce its exposure to risk of losses on reinsurance assumed.	We designed our audit procedures to be responsive to this risk. ▸ We tested the design and the operating effectiveness of internal controls over the technical reserves. ▸ We performed substantive testing on claims, case reserve estimates and the inputs used to determine IBNR. ▸ We have substantively tested the Company's ceded recoverable amounts through verifying managements calculation of ultimate losses relating to significant retrocession contracts. We also reviewed key contracts with assistance from our actuarial team to verify the losses related to the catastrophes were covered and therefore recoverable. ▸ EY actuaries have assisted and independently re-projected the reserves. ▸ We reviewed the Company's third party actuarial review completed during the year on non-life reserves and considered how those results compared to our independent evaluation. Finally, we reviewed the adequacy of the disclosures made by the Company in this area.	Based on the results of our procedures, including our assessment that the Group's reserves were within the range of possible outcomes independently determined by EY actuaries, we are satisfied that the technical reinsurance reserves are appropriate at December 31, 2017.

Risk	Our audit approach	Key observations communicated to the Audit Committee
Reinsurance recoverable on paid and unpaid losses involves actuarial estimates consistent with those used to establish the associated technical reinsurance reserves. Estimates of ultimate liabilities are contingent on many future events and the eventual outcome of these events may be different from the assumptions underlying the reserve estimates. The company's disclosures related to the valuation of technical reinsurance reserves are in Note 29 to the consolidated financial statements.		

Risk	Our audit approach	Key observations communicated to the Audit Committee
Valuation of investments of reinsurance companies		
At December 31, 2017 the investments of reinsurance companies amounted to €12.971 million, entirely related to the PartnerRe Group. Reinsurance investments include fixed income securities, short-term investments, equities, accrued interest, non-foreign exchange derivatives, other invested assets and funds held by reinsurance companies. The Group elects the fair value option for all of its fixed maturities, short-term investments, equities and certain other invested assets (excluding those that are accounted for using the cost or equity methods of accounting). Other invested assets consist primarily of investments in non-publicly traded companies, private placement equity and fixed maturity investments, derivative financial instruments and other specialty asset classes.	We designed our audit procedures to be responsive to this risk. ▸ We utilized our EY valuation specialists to audit the models and assumptions used to value a sample of securities that are internally modeled either by the Company or a third party specialist. We tested the data used in these models to determine it was reasonable and supportable. ▸ We obtained an understanding of management's valuation methodology for their various classes of fixed maturity and public equity securities. For a sample of securities that exhibited characteristics of having higher estimation uncertainty, we utilized our EY valuation specialists to assist in testing the valuation.	Based on the results of our procedures, including review by our valuation experts, we are satisfied that the valuations based on internal models of investments of reinsurance companies are appropriate at December 31, 2017.

Risk	Our audit approach	Key observations communicated to the Audit Committee
The remaining other invested assets are recorded based on valuation techniques depending on the nature of the individual assets. The valuation techniques used by the Company are generally commensurate with standard valuation techniques for each asset class. The valuation based on internal models of reinsurance companies was significant to our audit because the process is complex and judgmental and based on assumptions that are affected by expected market or economic conditions. Due to the application of valuation techniques for the valuation of investments and the more complex assumptions applied, this imposes a higher risk to the Company.	For all other securities, we independently obtained corroborative pricing from alternative pricing sources to management ▸ Additionally, we performed back testing which consists of comparing actual sales of securities to the recent fair values recorded by management ▸ We utilized our EY valuation specialists to test the valuation of a sample of derivatives including foreign exchange forwards and options, mortality swaps and interest rate swaps	
The company disclosed its accounting policies related to the investments of reinsurance companies in the notes to the consolidated financial statements: Basis of preparation and significant accounting policies.	Finally, we reviewed the adequacy of the disclosures made by the Company in this area.	

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report on operations
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the report on operations in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were initially engaged by the shareholder of EXOR N.V. on March 2, 2016 to perform the audit of its 2016 financial statements and have continued as its statutory auditor since then.

No prohibited non-audit service

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities for the financial statements

Responsibilities of management and the audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, March 26, 2018

Ernst & Young Accountants LLP

/s/ P. W.J. Laan